

MINUTES OF THE HOUSE HEALTH AND HUMAN SERVICES COMMITTEE

The meeting was called to order by Chairman Brenda Landwehr at 1:30 p.m. on February 11, 2009, in Room 784 of the Docking State Office Building.

All members were present except for Representatives Gordon and Schwab.

Committee staff present:

Norm Furse, Office of the Revisor of Statutes
Melissa Calderwood, Kansas Legislative Research Department
Reed Holwegner, Kansas Legislative Research Department
Janet Grace, Committee Assistant

Conferees appearing before the Committee:

Rachelle Colombo, Kansas Chamber of Commerce ([Attachment 1](#))
Ashley Sherard, Lenexa Chamber of Commerce ([Attachment 2](#))
Scott Day, Day Insurance Solutions ([Attachment 3](#))
Natalie Bright, Bright and Carpenter Consulting ([Attachment 4](#))
David Powell, David J. Powell & Associates ([Attachment 5](#))
Daniel Murray, State Director, National Federation of Independent Business - Kansas ([Attachment 6](#))
Marlee Carpenter, Kansas Association of Health Plans ([Attachment 7](#))
Anne Spiess, American Cancer Society ([Attachment 8](#))

Others attending:

See attached list.

Chairman Landwehr called the meeting to order. She requested Norm Furse to provide the committee and attendees with a brief overview of **HB 2289**. Norm answered committee questions pertaining to details that would or would not be included in the bill.

HB 2289 - Insurance; mandate lite health benefit plans, specially designed policies.

Rachelle Colombo, Kansas Chamber of Commerce provided written only testimony as a proponent of **HB 2289** ([Attachment 1](#)).

Ashley Sherard, Lenexa Chamber of Commerce, provided written only testimony as a proponent of **HB 2289** ([Attachment 2](#)).

Marlee Carpenter, Kansas Association of Health Plans, provided written only testimony as a proponent of **HB 2289** ([Attachment 6](#)).

Scott Day, Day Insurance Solutions, provided testimony in favor of **HB 2289** ([Attachment 3](#)). Government is probably the single largest cause of high health insurance premiums in the United States today. The underpayment of federal/state programs like Medicaid/Medicare to providers is "cost shifted" to private insurance carriers. The expansion of federal/state programs like Medicaid, SCHIP/Healthwave, and Premium Assistance "crowds out" the private insurance market. State Governments are fond of adding required mandates to private insurance, thus raising the cost of health insurance. **HB 2289** offers us the opportunity to reverse this trend. Mandates drive up the cost of health insurance. The purpose of this bill is to allow insurance carriers to offer affordable health insurance "Mandate Lite" plans in the individual and group markets that are not under the burden of all of the state mandates. Passage of **HB 2289** does no harm to the current market of state mandated health insurance plans, it allows insurance carriers to get creative in bringing affordable major medical health insurance plans to a competitive market, allows alternative health modalities to be offered as specially designed plans, does not cost the taxpayer a dime, and puts Kansas at the forefront of government initiatives that actually lower the cost of health insurance premiums. Mr. Day addressed questions from the committee. He provided the following information; 20-25% excessive costs from mandates, **HB 2289** addresses the issue of high cost insurance, 14 other states have mandate lite laws in place, and this bill provides opportunities for the uninsured.

CONTINUATION SHEET

Minutes of the House Health And Human Services Committee at 1:30 p.m. on February 11, 2009, in Room 784 of the Docking State Office Building.

and this bill provides opportunities for the uninsured.

Natalie Bright, representing the Wichita Independent Business Association(WIBA), provided testimony on **HB 2289** (Attachment 4). Nearly 90 percent of Kansans have health care coverage, which indicates Kansas does not have a health care access problem; instead, we have a cost problem. Although WIBA has maintained one of the most viable insurance programs for Kansas small businesses for over twenty years, they are also struggling to find affordable plans for their members. **HB 2289** provides an avenue for a less expensive insurance product for the small business owner struggling with health care. A limited mandate plan would be less expensive and make health insurance appealing for more businesses that currently are unable to provide coverage to their employees.

David Powell, David J. Powell & Associates, provided proponent testimony for **HB 2289** (Attachment 5). Mr. Powell provided the list of 14 states that currently have plans in place. He also discussed insurance policies such as this to lower the cost of health insurance, encourage carriers from out of state to come into Kansas, and provide individuals and companies more choices for health insurance.

Daniel Murray provided testimony in favor of **HB 2289** (Attachment 6). Cost is the number one issue for health insurance. He agreed with previous testimony and stood for question.

Marlee Carpenter, Kansas Association of Health Plans, provided proponent testimony (Attachment 7)

Anne Spiess, American Cancer Society, provided testimony as an opponent to **HB 2289** (Attachment 8).

No other testimony was provided. The hearing was closed on **HB 2289**.

The committee proceed to work **HB 2010 - Board of healing arts; storage, maintenance and transfer of medical record; medical record maintenance trust fund**. Melissa Calderwood provided the Revisor's Edits on this bill (Attachment 9). The bill generally be amended as follows: Strike sections 2 and 3 from the bill and the references to those sections from the title and repealer of the bill and renumber sections accordingly. (Attachment 9). Representative Flaherty moved to accept with amendments. Representative Mast seconded the motion. Representative Furtado suggested a floor but no ceiling for the funds. Representative Schwab moved to pass 2010 as amended. Representative Slattery seconded the motion. The motion was passed and carried. Representatives Seigfried, Ward, Neighbor, and Gordon were not available at the time of the vote.

The committee proceeded to work **HB 2221 - Disclosure of certain child care information**. Representative Flaherty requested to insert "prohibition of" on page 2 line 2 after the word 'that'. Representative Flaherty provided a motion to accept as amended. Representative Crum seconded the motion. The amendment was passed and carried. Representatives Seigfried, Ward, Neighbor, and Gordon were not available for the vote. Norm approved striking the language on page 2, lines 5-15. Representative Flaherty provided the motion to pass the bill favorably. Representative Schwab seconded the motion. The motion passed favorably as amended. The motion was passed and carried. Representatives Seigfried, Ward, Neighbor, and Gordon were not available at the time of the vote.

The next meeting is scheduled for February 12, 2009.

The meeting was adjourned at 03:00 p.m.

HOUSE HEALTH & HUMAN SERVICES COMMITTEE

DATE: 2-11-09

NAME	REPRESENTING
DAVID J. Powell	SELF
David Dan Murray	NFIB
Leigh Keck	Hein Law firm
SCOTT DAY	Day Ins. Solutions
Bill Sneed	AHIP
Pat Voegelsberg	Kearney and Assoc.
Jay Robbin	Ks. Optometric
Todd Fleischer	KOA
Michelle Colombo	KS Chamber
Bruce Witt	PHS
Berend Koops	Hein Law Firm

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Legislative Testimony

HB 2289



February 11, 2009

House Health and Human Services Committee

Rachelle Colombo, Senior Director of Legislative Affairs

Chairman Landwehr, members of the Committee

Thank you for allowing me to provide testimony on behalf of the business community in support of the proposals offered in HB 2289.

The Kansas Chamber supports meaningful health care reform aimed at lowering the overall cost of health care so it is more affordable for employers. Because of the increased cost they often induce, the Chamber generally opposes health care mandates and supports efforts to reduce the number of cost-increasing mandates insurers are required to provide in policies.

The Chamber's Annual Competitiveness Index is a nationwide comparison of nearly eighty economic indicators compiled to gauge Kansas' comparative business climate. This year's ACI found that Kansas improved from ranking 20th to 18th in health care cost competitiveness because our number of mandates remained constant while other states increased their mandates. Kansas' ability to compete in the nationwide market would improve if we would further reduce the number of benefits that insurers are required to cover in their policies as proposed in HB 2289.

The Pacific Research Institute for Public Policy, a privately funded, non-profit, free market think tank found that each health insurance mandate increases the premium of a health policy by about 0.5 percent. Furthermore, the study showed that if the cost of insurance premiums rises by 1 percent, the number of uninsured people increases by 0.5 percent. This study demonstrates the importance of reducing the number of mandates and containing the growth of health care costs.

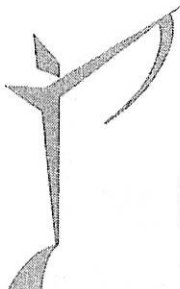
Managing health care costs remains one of the top three issues affecting profitability as identified by Kansas CEOs surveyed in the Chamber's annual CEO poll. Kansas business owners tell us that they want to provide health insurance and remain competitive, but the cost is too high. **Creating mandate-lite policies provides an affordable option for employers.**

According to the Council for Affordable Health Insurance mandates may currently have as much as a 12 percent impact on premium cost in Kansas. This impact cannot be absorbed by the business community.

Any increase in premium price makes health care less affordable and results in a growing number of uninsured. We support allowing insurers to develop and offer health plans free from cost-increasing mandates. Mandate-lite plans are more customer-specific, giving consumers the opportunity to choose what sorts of coverage he or she wants. These plans have the potential to be more affordable and more appealing to employers struggling to provide benefits for their employees.

Thank you for the opportunity to offer these comments today.

The Kansas Chamber, with headquarters in Topeka, is the leading statewide pro-business advocacy group moving Kansas towards becoming the best state in America to do business. The Chamber represents small, medium and large employers all across Kansas.



KANSAS

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HEALTH AND HUMAN SERVICES
DATE: 02/11/09
ATTACHMENT: 1



The Historic Lackman-Thompson Estate

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TO: Representative Brenda Landwehr, Chairperson
Members, House Health & Human Services Committee

FROM: Ashley Sherard, Vice-President
Lenexa Chamber of Commerce

DATE: February 11, 2009

RE: **HB 2289 – “Mandate-Lite” Health Care Coverage Options**

The Lenexa Chamber of Commerce would like to express its support for the concepts embodied in HB 2289, which authorizes temporary “mandate lite” individual or group health plans.

Most health care coverage in the U.S. is provided through an employer. Unfortunately, employers have absorbed years of significant cost increases for employee health benefits. These higher costs mean fewer employers can afford to provide quality health care coverage for their employees. The prevention or loss of health care coverage endangers employees and their families, promotes costly emergency health care, reduces productivity, and makes it more difficult for businesses to attract and retain employees – important reasons why most companies strive to offer and maintain the highest quality health benefits they can afford. For these reasons, affordable health care coverage is a critical issue for the business community.

We believe the concepts embodied in HB 2289 are a key step in the right direction. Allowing insurers additional flexibility in the design of insurance plans would help to ensure that businesses and employees have a range of affordable coverage options from which to choose. We believe this additional flexibility would allow insurers to better customize plans that reflect the actual needs and circumstances of employers and their employees, helping to control costs and ensuring that health care coverage remains within reach.

For these reasons, the Lenexa Chamber of Commerce urges the committee to recommend favorably reasonable and appropriate legislation that would authorize insurers more flexibility in the design of coverage plans. Thank you for your time and consideration of this important issue.

HEALTH AND HUMAN SERVICES
DATE: 02/11/09
ATTACHMENT: 2

House Health and Human Services Committee

To: Chairperson Brenda Landwehr and the Honorable Members of the House Health and Human Services Committee

Subject: HB 2289: Mandate Lite health benefits plans and Specially Designed policies.

Introduction. My name is Scott Day and I am a co-owner of Day Insurance Solutions, LLC, a health and life insurance agency located in Topeka, KS. I am here today to testify in favor of HB 2289

Government is probably the single largest cause of high health insurance premiums in the United States today. The underpayment of federal/state programs like Medicaid/Medicare to providers is "cost shifted" to private insurance carriers. The expansion of federal/state programs like Medicaid, SCHIP/Healthwave, and Premium Assistance "crowds out" the private insurance market. And state governments are fond of adding required mandates to private insurance, thus raising the cost of health insurance. HB 2289 offers us the opportunity to reverse this trend.

What is a Mandate? A health insurance "mandate" is a requirement that an insurance company or health plan cover (or offer coverage for) common— but sometimes not so common — health care providers, benefits and patient populations. They include:

- Providers such as chiropractors and podiatrists, but also social workers and massage therapists;
- Benefits such as mammograms, well-child care and even drug and alcohol abuse treatment, but also acupuncture and hair prostheses (wigs); and,
- Populations such as adopted and non-custodial children.

For almost every health care product or service, there is someone who wants insurance to cover it so that those who sell the products and services get more business and those who use the products and services don't have to pay out of pocket for them. Elected representatives find it difficult to oppose any legislation that promises enhanced care to potentially motivated voters. The sponsors of mandates know this fact of political life. As a result, government interference in and control of the health care system is steadily increasing. So too is the cost of health insurance.

What is the Impact of Mandates? While mandates make health insurance more comprehensive, they also make it more expensive because mandates require insurers to pay for care consumers previously funded out of their own pockets. The Council for Affordable Health Insurance (CAHI) estimate that mandated benefits currently increases the cost of basic health coverage from a little less than 20% to more than 50%, depending on the state and its mandates (see chart).

Some mandates have a much greater impact on the cost of health insurance than others. For example, mental health parity mandates, which require insurers to cover mental health care at the same levels as physical health care, have a much greater impact on the cost of premiums than would mandates for inexpensive procedures which few people need. Mandate legislation can differ from bill to bill and from state to state. For example, one state may require insurance to cover a limited number of chiropractor visits per year, while another state may require chiropractors to be covered equally with medical doctors. The second will have a greater impact on the cost of a health insurance policy than the first.

HB 2289, Section 1. The purpose of Section 1 of this bill is NOT to eliminate the current mandated health insurance plans. Current plans with mandates will remain in force and continue to be sold as they are today. The purpose of this bill is to allow insurance carriers to offer AFFORDABLE health insurance "Mandate Lite" plans in the individual and group markets that are not under the burden of all of the state mandates. Insurance carriers could offer "basic" plans or they could design plans to cover mandates as they see fit. Mandates can be offered as "optional" benefits and offered with additional premiums for that coverage. Carriers are required to disclose what mandates are missing, thus protecting the consumer. Mandate Lite plans would not be subject to state premium taxes, thus lowering the cost of premiums on these plans.

HB 2289, Section 2. Specially designed policies are intended to be offered as an optional benefit offering for person's enrolled in a Mandate Lite plan, though you do not have to be enrolled in a Mandate Lite plan to purchase a specially designed plan. These plans can be offered on a stand alone basis to offer coverage's that may be excluded by a Mandate Lite or a fully mandated plan, such as holistic medical or acupuncture treatments.

In summary, passage of HB 2289 does no harm to the current market of state mandated health insurance plans, it allows insurance carriers to get creative in bringing affordable major medical health insurance plans to a competitive market, allows alternative health modalities to be offered as specially designed plans, does not cost the taxpayer a dime, and puts Kansas at the forefront of government initiatives that actually lower the cost of health insurance premiums.



	Total	Est. Cost	AK	AL	AR	AZ	CA	CO	CT	DC	DE	FL	GA	HI	IA	ID	IL	IN	KS	KY	LA	MA	MD
BENEFITS																							
Alcoholism	45	1% to 3%	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Alzheimer's	2	<1%																					Y
Ambulatory Surgery	12	1% to 3%		Y	Y							Y	Y	Y							Y	Y	
Ampulance Services	8	<1%							Y			Y										Y	
Anti-Psychotic Drugs	3	<1%																					
Autism	11	<1%					Y			Y		Y			Y			Y		Y			Y
Birthng Centers/Midwives	6	<1%						Y				Y											
Blood Lead Poisoning	7	<1%					Y				Y											Y	
Blood Products	2	<1%																					Y
Bone Marrow Transplants	11	<1%										Y	Y								Y	Y	Y
Bone Mass Measurement	15	<1%					Y					Y	Y				Y		Y	Y	Y	Y	Y
Breast Reconstruction	49	<1%	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Cancer Medications	3	<1%																				Y	
Cervical Cancer/HPV Screening	29	<1%	Y				Y	Y	Y	Y	Y	Y	Y					Y			Y	Y	Y
Chemotherapy	4	<1%																					
Chlamydia	3	<1%										Y											Y
Cleft Palate	14	<1%						Y				Y					Y				Y	Y	Y
Clinical Trials	23	<1%				Y	Y		Y			Y										Y	Y
Colorectal Cancer Screening	28	<1%	Y	Y	Y				Y	Y	Y	Y					Y	Y			Y	Y	Y
Congenital Bleeding Disorders	2	<1%																					
Contraceptives	31	1% to 3%	Y		Y	Y	Y		Y		Y	Y	Y	Y	Y	Y	Y			Y		Y	Y
Dental Anesthesia	31	<1%	Y		Y		Y	Y	Y			Y	Y		Y		Y	Y	Y	Y	Y	Y	Y
Diabetes Self-Management	27	<1%	Y		Y	Y	Y	Y	Y		Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y
Diabetic Supplies	47	<1%	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Drug Abuse Treatment	34	<1%	Y	Y	Y		Y		Y	Y	Y	Y		Y						Y		Y	Y
Early Intervention Services	3	<1%						Y															
Emergency Services	44	<1%			Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Habilitative Services	2	<1%							Y								Y						
Hair Prostheses	10	<1%							Y			Y										Y	Y
Hearing Aid	10	<1%							Y												Y	Y	Y
HPV vaccine	16	<1%						Y							Y		Y	Y					
Home Health Care	18	<1%				Y	Y	Y	Y												Y		Y
Hospice Care	11	<1%			Y			Y					Y								Y		Y
In Vitro Fertilization	13	3% to 5%			Y		Y		Y					Y			Y					Y	Y
Kidney Disease	2	<1%																					
Long Term Care	4	1% to 3%								Y													Y
Lyme Disease	4	<1%																					
Mammogram	50	<1%	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mastectomy	24	<1%			Y		Y		Y			Y	Y				Y			Y	Y	Y	Y
Mastectomy Stay	25	<1%			Y		Y		Y			Y	Y				Y			Y	Y	Y	Y
Maternity	21	1% to 3%			Y		Y	Y	Y			Y	Y							Y		Y	Y
Maternity Stay	50	<1%	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mental Health General	39	1% to 5%		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y			Y			Y	Y	Y	Y
Mental Health Parity	47	5% to 10%	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Minimum Hysterectomy Stay	1	<1%																					
Minimum Testicular Cancer Stays	1	<1%																					Y
Morbid Obesity Treatment	4	1% to 3%											Y										
Neurodevelopment Therapy	1	<1%																					
Newborn Hearing Screening	17	<1%	Y								Y	Y						Y				Y	Y
Newborn Sickle-Cell Testing	3	<1%																					
Off-Label Drug Use	38	<1%		Y	Y	Y	Y		Y			Y					Y	Y	Y			Y	Y
Orthotics/Prosthetics	12	<1%					Y	Y	Y			Y										Y	Y
Ostomy Related Supplies	1	<1%							Y														
Other Infertility Services	8	<1%															Y						
Ovarian Cancer Screening	3	<1%											Y				Y						
Psychotic Drugs	2	<1%																					
PKU/Formula	32	<1%	Y		Y	Y	Y	Y	Y			Y		Y						Y	Y	Y	Y
Port-wine Stain Elimination	2	<1%																					
Prescription Drugs	2	5% to 10%																					
Prostate Cancer Screening	33	<1%		Y			Y	Y	Y	Y	Y		Y				Y	Y	Y		Y	Y	Y
Rehabilitation Services	8	1% to 3%							Y								Y					Y	Y
Second Surgical Opinion	10	<1%						Y				Y						Y					Y
Smoking Cessation	2	1% to 3%																					Y
TMJ Disorders	20	<1%			Y							Y	Y				Y			Y		Y	Y
Well-Child Care	31	1% to 3%			Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

Legend - Mandated - Not Mandated

*

	Total	Est. Cost	AK	AL	AR	AZ	CA	CO	CT	DC	DE	FL	GA	HI	IA	ID	IL	IN	KS	KY	LA	MA	MD	
PROVIDERS																								
Acupuncturists	11	1% to 3%					Y				Y													
Chiropracist	4	<1%						Y																
Chiropractors	46	1% to 3%	Y	Y	Y	Y	Y	Y		Y	Y	Y		Y		Y	Y	Y	Y	Y	Y	Y	Y	Y
Dentists	36	3% to 5%	Y	Y	Y	Y	Y	Y	Y															
Denturists	2	<1%																						
Dieticians	3	<1%																						
First Nurse Assistant	5	<1%										Y								Y	Y			
Lay Midwives	3	<1%																						
Licensed Health Professional	13	<1%			Y			Y									Y	Y						Y
Marriage Therapists	14	<1%						Y	Y			Y		Y										Y
Massage Therapists	4	<1%																						Y
Naturopaths	4	<1%	Y																					
Nurse Anesthetists	21	<1%		Y	Y	Y		Y										Y	Y				Y	Y
Nurse Midwives	30	<1%	Y			Y	Y	Y	Y		Y	Y											Y	Y
Nurse Practitioners	29	<1%	Y			Y	Y	Y	Y		Y								Y					Y
Nurses	11	<1%					Y	Y					Y	Y										
Occupational Therapists	11	1% to 3%	Y			Y	Y	Y	Y			Y												Y
Opticians	3	1% to 3%																						
Optometrists	43	1% to 3%	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y		Y		Y	Y	Y	Y	Y	Y	Y	Y
Oral Surgeons	6	<1%						Y				Y						Y	Y	Y				
Osteopaths	22	1% to 3%	Y		Y			Y				Y						Y	Y	Y	Y			
Pain Management Specialist	3	1% to 3%						Y	Y											Y				
Pastoral Counselors	3	<1%																						
Pharmacists	5	<1%	Y																Y					
Physical Therapists	16	1% to 3%	Y						Y										Y		Y			Y
Physician Assistants	16	<1%	Y	Y							Y	Y			Y				Y	Y				Y
Podiatrists	35	<1%	Y	Y	Y	Y	Y	Y	Y		Y	Y					Y	Y	Y	Y	Y	Y	Y	Y
Professional Counselors	16	<1%		Y	Y	Y	Y	Y			Y													Y
Psychiatric Nurse	16	<1%					Y	Y	Y			Y												Y
Psychologists	44	1% to 3%	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y				Y	Y	Y	Y	Y	Y	Y	Y
Public or Other Facilities	25	<1%		Y	Y	Y	Y	Y	Y			Y				Y		Y					Y	Y
Social Workers	27	1% to 3%	Y			Y	Y	Y	Y		Y									Y				Y
Speech or Hearing Therapists	20	<1%	Y		Y	Y	Y	Y	Y							Y	Y						Y	Y
COVERED PERSONS																								
Adopted Children	43	<1%	Y		Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Continuation Dependents	44	<1%		Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Continuation Employees	45	<1%																						
Conversion to Non Group	41	1% to 3%		Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Dependent Students	30	<1%					Y	Y	Y		Y	Y	Y										Y	Y
Grandchildren	4	<1%																						Y
Handicapped Dependents	41	1% to 3%		Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Newborns	51	1% to 3%	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Non-Custodial Children	11	<1%					Y	Y																
Domestic Partners	13	<1%					Y	Y	Y	Y				Y									Y	
Additional Mandates*	20				1		1					1	2											1
Total	1961			28	16	41	29	50	49	51	19	25	48	41	23	25	15	40	37	37	33	43	43	63

Legend: - Mandated - Not Mandated

* Additional mandates identified in sidebar on opposite page



Wichita Independent Business Association

THE VOICE OF INDEPENDENT BUSINESS

**House Committee on Health and Human Services
Testimony in Support of HB 2289
By: Natalie S. Bright**

February 11, 2009

Chairman Landwehr and honorable committee members:

Thank you for the opportunity to speak with you regarding the proposal of a mandate-lite health care insurance product set out HB 2289. My name is Natalie Bright, and I am the lobbyist for the Wichita Independent Business Association (WIBA). As a representative of organizations charged with the mission to promote a strong business environment in Kansas, I am here as the voice for more than 1,000 business members from across the state of Kansas and can assure the rising cost of health care insurance is the top concern for our members.

Nearly 90 percent of Kansans have health care coverage, which indicates Kansas does not have a health care access problem; instead, we have a cost problem. A recent survey of WIBA members indicate that 84 percent of our respondents believe quality health care insurance is available to Kansans, but it is the cost of health insurance that keeps them from obtaining it. Furthermore, our members indicate their top business concern is the rising cost of health care. By a margin of 3 to 1, health care costs trump their concern of rising taxes. For those of you who are familiar with concerns of the WIBA membership, you know this is a significant policy change for our business members.

While our members come from a variety business sectors, their desire to retain – or obtain – the ability to provide affordable health insurance to their employees is a uniting factor. Currently, approximately 53 percent of WIBA members provide their employees health care insurance. Of these members, 68 percent indicate the cost of that benefit is their biggest concern when it comes to running their business.

Although WIBA has maintained one of the most viable insurance programs for Kansas small businesses for over twenty years, we too, are struggling to find affordable plans for our members in recent years. We have also seen a significant decrease in member participation in our plans. During the past year, we made changes to the health insurance products we offer as well as expanded our products to include both limited-benefit plans and a Health Savings Account program offered to our members by a third party. Our limited benefit program allows us to offer an insurance product for those small businesses who cannot afford our traditional health insurance products, but who want to provide their employees with some level of coverage. In addition, this limited product allows individual's access to a physician and begins to establish a medical home for individuals who

otherwise may never develop such a relationship. The HSA product we are able to recommend offers employers an insurance alternative that gives employees both portability as well as more ownership in their health insurance. Even with these changes, we continue to see substantial increases to the cost of our insurance products and this makes it tough for small business owners to provide insurance for their employees.

HB 2289 provides an avenue for a less expensive insurance product for the small business owner struggling to provide health care. Limited mandate plans are less expensive and make health insurance more appealing to businesses. While these plans do not provide the "Cadillac" coverage most would strive to provide, these plans will, at the very least, allow small employers to enter the market and offer their employees some level of coverage.

We believe that limited mandate plan would be less expensive and make health insurance appealing for more businesses that currently are unable to provide coverage to their employees. Data available on the cost of mandates in Kansas is conflicting; however, when reviewing the information from the 1998 and 2003 interim studies on mandates, mandates tend to add between 10%-15% to the total cost of health insurance in Kansas. Whatever the true number, we know mandates do add to the cost of health insurance.

Eighteen states have enacted similar legislation to allow for limited mandate plans or "mandate-lite" plans for small businesses. These "mandate-lite" or "no frills" products were never intended to be the solution to the uninsured problem. Rather, state officials viewed them as a positive step toward making coverage more affordable for small groups and/or individuals and it will be important that those purchasing a mandate-lite policy understand its limitations.

The 2009 Legislature has a tremendous opportunity to identify and explore these and other market-driven solutions that will help keep health care costs down – and coverage rates up. WIBA is committed to working with Kansas Legislators to find market driven solutions that assist employers with providing health care to their employees. Over the next few weeks, we believe there are great opportunities to make health care coverage in our state even better, and the product outlined in HB 2289 is a viable mechanism that will allow some small employers provide coverage for their employees. We look forward to working with lawmakers in developing the best possible options and outcomes for all Kansans. Thank you for the opportunity to share our position on this vital issue.

House Bill 2289 Testimony

David J. Powell, CLU, ChFC, CFP, RHU

Mr. Powell has been an insurance agent for 31 years in Kansas, managing a brokerage agency in El Dorado, Kansas, working with agents all over the state to provide access to both group and individual health insurance for their clients.

I am here in support of this bill allowing insurance carriers the opportunity to develop and sell both individual and group health plans that can be offered free of current state mandates.

There are strong feelings both ways on mandated benefits, but from the consumer standpoint, their strongest argument I hear when working in the marketplace is “Why should I pay for coverage I do not need or use?”

This law requires the carrier and their marketer, the salesman, to be very specific in seeing that the consumer purchasing this policy is aware of the coverage that is NOT INCLUDED in the policy they are purchasing. The missing mandated benefits must be contained in a written notice that must be signed by the applicant and a copy must be left with them as well as on file with the carrier.

The goal of these types of policies is simply to make available to the buying public less expensive options in purchasing the health insurance coverage they feel meets their needs and that of their families.

The final part of this bill allows carriers to develop stand alone “specially designed policies” that can be sold for specific coverage of benefits or services that may have been excluded under a mandate lite plan. This gives the buying public the opportunity to make specific enhancements to their personal coverage to fit their family needs as opposed to someone who may not want or need that particular coverage.

This bill gives each Kansan the ability to design coverage that fits their needs and pocketbook, bringing affordable insurance to the Kansas marketplace.



**House Health & Human Services Committee
Daniel S. Murray: State Director, NFIB-Kansas
Testimony in Support of HB 2289
February 11, 2009**

NFIB-KS advocates free-market reforms that allow small-business owners to decide which benefits they can and cannot afford to offer.

Madam Chair, Members of the Committee: My name is Dan Murray and I am the State Director of the National Federation of Independent Business-Kansas. NFIB-KS is the leading small business association representing small and independent businesses. A nonprofit, nonpartisan organization founded in 1943, NFIB-KS represents the consensus views of its 4,000 members in Kansas. Thank you for the opportunity to comment on HB 2289.

Since 1986, the National Federation of Independent Business' members have said that healthcare costs are their No.1 concern. For this presidential election, a national survey conducted by NFIB confirmed that healthcare remains a top issue in voters' minds. Nearly 81 percent of small business owners say that finding affordable healthcare for themselves and their employees is a challenge. Fifty percent of small business owners say they anticipate having difficulty keeping up with the cost of healthcare over the next four years. And, of the nearly 46 million Americans without healthcare, more than 26 million are small business owners, employees and their dependents.

So, with the rising cost of providing healthcare benefits, an increasing number of employers are looking for innovative ways to stretch their healthcare dollars. This includes market-driven reforms aimed at empowering individuals and employees to become better consumers by giving them the freedom to choose how they are spending their healthcare dollars.

Small business is always in search of additional tools that provide the consumer with the choice to control and spend healthcare dollars as they see fit. We believe "mandate-lite" offerings will help reduce the number of uninsured Americans by allowing small businesses and their employees more choice in the current small-group market. While there is no one solution to address increasing healthcare costs, "mandate-lite" plans may help to ease the burden on small businesses.

We ask that you support HB 2289. Thank you for your time and consideration.

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Kansas Association of Health Plans

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February 11, 2009

HB 2289
Written Testimony
Before the House Health and Human Services Committee
Marlee Carpenter, Executive Director

Chairman Landwehr and members of the Committee;

I am Marlee Carpenter, Executive Director of the Kansas Association of Health Plans (KAHP). The KAHP is a nonprofit association dedicated to providing the public information on managed care health plans. Members of the KAHP are Kansas licensed health maintenance organizations, preferred provider organizations and other entities that are associated with managed care. KAHP members serve the majority of Kansans enrolled in private health insurance. KAHP members also serve the Kansans enrolled in HealthWave and Medicaid managed care. We appreciate the opportunity to provide comments to this committee.

The KAHP is here to express our support for HB 2289. KAHP is dedicated to providing low costs health insurance to Kansas citizens. This bill will allow health insurance companies to provide lower cost products to both businesses and individuals.

There is much debate around the cost of health insurance mandates. While actuaries, insurers, and health economists agree that virtually all mandates increase the cost of health insurance, the magnitude of their effects has been subject to debate. The Council for Affordable Health Insurance estimates that mandated benefits currently increases the cost of basic health coverage from a little less than 20% to more than 50%, depending on the state and its mandates.

KAHP encourages your support of HB 2289.

Thank you for your time and please contact me if you have any questions.

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**TO: REPRESENTATIVE BRENDA LANDWEHR
CHAIR, HOUSE HEALTH AND HUMAN SERVICES COMMITTEE**

**FROM: ANNE SPIESS
LEGISLATIVE/GOVERNMENT RELATIONS DIRECTOR-KANSAS**

DATE: FEBRUARY 11, 2009

RE: HB 2289



**AMERICAN CANCER SOCIETY STATEMENT OF PRINCIPLES
ON WHAT CONSTITUTES MEANINGFUL HEALTH INSURANCE**

As our national conversation on health care takes place, it is critical that there be a baseline understanding of what constitutes meaningful insurance. With this in mind, the American Cancer Society has produced an evidence-based definition of meaningful insurance that focuses on the "Four As": Adequacy, Availability, Affordability, and Administrative Simplicity. These principles are outlined in this document.

The quality of our nation's health care system will affect our success in the fight against cancer, which is why the Society is adding its voice to this discussion. Providing all Americans with access to high quality health care will significantly reduce the rates of cancer incidence and mortality and measurably improve the quality of life for all people with cancer.

"If we are to ultimately conquer cancer our system must ensure that all Americans have access to high quality care."

-John Seffrin, PhD
CEO, American Cancer Society

Improving the nation's health care system requires a new partnership for the nation that will facilitate the

HEALTH AND HUMAN SERVICES
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coverage and delivery of quality evidence-based cancer care and work to eliminate disparities and inequities in the current system. This will require a commitment from the private, public, and not-for-profit sectors and individuals. Stakeholders in the health care system, from doctors, hospitals, and insurers, to employers, and not-for-profit organizations, all have critical roles to play. All Americans have an obligation, as well, to take responsibility for their own health to the extent possible, by pursuing healthy lifestyles, and educating themselves about their health needs, including ways to prevent and detect cancer.

The following is the statement of the American Cancer Society on what constitutes meaningful insurance.



Statement of Principles: The 4As

It is a fundamental principle of the American Cancer Society that everyone should have meaningful public or private health insurance. Meaningful health insurance can best be understood in terms of the Four As: Adequacy, Availability, Affordability and Administrative Simplicity.

Adequate health insurance means:

- ✓ Timely access and coverage of the complete continuum of quality, evidence-based healthcare services (i.e., rational, science-based, patient-centered), including prevention and early detection, diagnosis, and treatment
- ✓ Supportive services should be available as appropriate, including access to clinical trials, chronic disease management, and palliative care
- ✓ Coverage with sufficient annual and lifetime benefits to cover catastrophic expenditures

Available health insurance means:

- ✓ Coverage will be available regardless of health status, or claims history
- ✓ Policies are renewable
- ✓ Coverage is continuous

Affordable health insurance means:

- ✓ Costs, including premiums, deductibles, co-pays, and total out-of-pocket expenditure limits, are not excessive and are based on the family's or individual's ability to pay
- ✓ Premium pricing is not based on health status or claims experience

Administratively Simple health insurance means:

- ✓ Clear, up-front explanations of covered benefits, financial liability, billing procedures, and processes for filing claims, grievances, and appeals are easily understood and timely, and required forms are readily comprehensible by consumers, providers and regulators
- ✓ Consumers can reasonably compare and contrast the different health insurance plans available and can navigate health insurance transactions and transitions

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PROPOSED AMENDMENT TO HB 2010

(As requested by the Kansas Medical Society with Revisor's Edits)

New Section 1. be amended as follows:

New Section 1. (a) For the purpose of paying for storage, maintenance and transfer of medical records by the board of healing arts, there is hereby established the medical ~~[record]~~ records maintenance trust fund. ~~[The fund shall be held in trust in the state treasury and accounted for separately from other state funds.]~~ All payments and disbursements from the medical record maintenance trust fund shall be made upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the executive director of the board or by any person designated by the board.

(b) ~~The board [of healing arts shall assess fees of not more than \$10 from each licensee and deposit in the state treasury credited to the medical record maintenance trust fund. At any time that the balance remaining in the medical record maintenance trust fund is less than \$100,000, the board of healing arts, without delay, shall assess each licensee an additional fee of not more than \$10.]~~ may certify to the director of accounts and reports that a specific amount, but not more than \$10, of each fee for the issuance or renewal of a license be deposited in the state treasury and credited to the medical records maintenance trust fund. At any time the balance in the medical records trust fund falls below \$100,000, the board shall certify again to the director of accounts and reports that a specific amount, but not to exceed \$10, of each fee for the issuance or renewal of a license be deposited in the state treasury and credited to the medical records maintenance trust fund. The board ~~[of healing arts]~~ may order a licensee to reimburse the amount of expenses incurred by the board ~~[of healing arts]~~ in a case when such licensee failed to ~~[comply with the protocol of medical record]~~ designate a custodian or provide for the storage, maintenance, transfer and access to such licensee's medical records upon becoming inactive. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the medical record maintenance trust fund.

~~(c) [All payments and disbursements from the medical record maintenance trust fund shall be made upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the executive director of the board or by any person designated by the board. Amounts credited to the fund under this section shall not be subject to any limitation imposed by any appropriation act of the legislature. All payments and disbursements from the fund shall be subject to post audit in accordance with article 11 of chapter 46 of the Kansas Statutes Annotated and any amendments thereto.~~

~~(d)~~ On or before the 10th day of each month, the director of accounts and reports shall transfer from the state general fund to the medical ~~[record]~~ records maintenance trust fund interest earnings based on: (1) The average daily balance of moneys in the medical ~~[record]~~ records maintenance trust fund for the preceding month; and (2) the net earnings rate of the pooled money investment portfolio for the preceding month.

~~[(e)]~~ ~~(d)~~ All payments and disbursements from the medical ~~[record]~~ records maintenance trust fund shall be made upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the executive director of the board or by any person designated by the board. The board of healing arts shall adopt rules and regulations establishing the procedures and standards necessary to implement the provisions of this section.

~~[(f)]~~ ~~(e)~~ This section shall be part of and supplemental to the Kansas healing arts act.

The bill generally be amended as follows:

Strike sections 2 and 3 from the bill and the references to those sections from the title and repealer of the bill and renumber sections accordingly.

Amend the title accordingly.