

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairman Ruth Teichman at 9:30 a.m. on February 3, 2009, in Room 136-N of the Capitol.

All members were present.

Committee staff present:

Bruce Kinzie, Office of the Revisor of Statutes
Melissa Calderwood, Kansas Legislative Research Department
Terri Weber, Kansas Legislative Research Department
Beverly Beam, Committee Assistant

Conferees appearing before the committee:

Melissa Calderwood, Principal Analyst, Research Department
Linda Sheppard, Director of Accident & Health, Kansas Insurance Department (Attachment 1)
Rick Cagan, National Alliance on Mental Illness (Attachment 2)
Shelley Sweeney, Association of Community Mental Health Centers (Attachment 3)
Shirley Faulkner, Kansas Association of Addiction Professionals (Attachment 4)
Kathleen Wilson, Kansas Mental Health Coalition (Attachment 5)
Amy Campbell, Kansas Mental Health Coalition (Attachment 6)
Aimee Nienstedt, (Attachment 7)
Brenda Patzel, PhD, ARNP, Kansas State Nurses Association (written only) (Attachment 8)

Others attending:

See attached list.

The Chair called the meeting to order and welcomed everyone to the meeting.

Hearing on

SB 49 - Insurance coverage, mental health, alcoholism drug abuse or other substance use disorder benefits.

Melissa Calderwood, Principal Analyst, Research Department, gave an overview of the bill. Ms. Calderwood stated that this bill would require health insurance policies to provide the same benefits for the treatment of alcoholism, drug abuse or other substance use disorder as it does for any mental illness. She said those benefits would include the same co-payment, co-insurance, deductible requirements, out-of-pocket expenses and other limitations as provided by other covered services. She said such coverage would include annual coverage for not less than 45 days of inpatient care for mental illness and for 45 visits for out-patient care for mental illness. This would not apply to group policies if there is an increase in the cost of the plan of at least 2.0 percent of the first plan year and 1.0 percent each subsequent plan year, she said. Further, she said passage of SB 49 would require the Kansas Insurance Department to review and approve all policies that are required to contain this coverage to assure compliance with federal requirements within the Wellstone and Domenici Mental Health Parity Act (HR 1424). She noted that the agency states that the bill could be implemented within existing budget and staffing resources. She said the Kansas Health Policy Authority indicates the federal requirements of HR 1424 will be applied to the State Employee Health Plan beginning in January 2010, which will have a greater fiscal effect than the requirements of SB 49. She said KHPA states the agency would implement SB 49 within existing staff and resources.

Linda Sheppard, Director of Accident & Health, Kansas Insurance Department, testified in support of SB 49. Ms. Sheppard stated that the proposed changes to K.S.A. 40-2,105a include the addition of the words "copayments" and "out-of-pocket" expenses in Section 1 of the bill, which are terms included in the federal legislation, and the phrase "not less than," referring to both the number of days to be provided for in-patient care and the number of visits for out-patient care for mental illness. She said since the "not less than" language was required to clarify that large group policies, which are also subject to the provisions of the federal parity law, will actually be providing benefits beyond the 45 days or 45 visits. (Attachment 1)

CONTINUATION SHEET

Minutes of the Senate Financial Institutions And Insurance Committee at 9:30 a.m. on February 3, 2009, in Room 136-N of the Capitol.

Rick Cagan, Executive Director, National Alliance on Mental Illness - Kansas (NAMI) testified in support of **SB 49**. Mr. Cagan stated that as advocates for the mentally ill and their families, NAMI Kansas asserts that parity is good public policy because early diagnosis and treatment work. He said treatment and therapy promote recovery, including maintaining employment, which allows consumers to maintain private insurance coverage, community integration and support services, marital and family relationships, and stable housing. He said besides being fair, experience tells them that full mental health parity is affordable, reduces overall health costs, and increases productivity in the workplace. ([Attachment 2](#))

Michelle Sweeney, Policy Analyst, Association of Community Mental Health Centers of Kansas, Inc. (CMHCs) testified in support of **SB 49**. She stated that **SB 49** would ensure that group health insurance coverages includes mental health coverage at the current levels. She said addition, they are pleased to see that the bill includes coverage of substance abuse treatment. She noted that research from the Journal of the American Medical Association shows that roughly 50 percent of individuals with severe mental disorders are affected by substance abuse as well. She said the Association supports the inclusion of treatment for substance use inpatient and outpatient treatment. ([Attachment 3](#))

Shirley Faulkner, Kansas Association of Addiction Professionals, testified in support of **SB 49**. Ms. Faulkner stated SB 49 does add substance use disorders to the current statutes and to some extent places substance use disorders in the same categories of other mental health disorders. She said KAAP would suggest two changes to the bill. First, to add terms “or alcoholism, drug abuse or other substance use disorder” and second, amend the bill to include language “to require coverage for substance use disorders treated in outpatient, residential, or social detoxification settings. ([Attachment 4](#))

Amy Campbell, Lobbyist, Kansas Mental Health Coalition, testified in support of **SB 49**. She stated that it is critical that the Kansas Legislature pass a parity bill which applies to health plans that provide medical, surgical and mental health benefits. She said it is also critical that they ensure that within these plans that treatment limitations for mental health are no more restrictive than any limitations applied to substantially all medical and surgical treatments, including limits on frequency of treatment, number of visits, days of coverage, or other similar limits on the scope or duration of treatment. Continuing, Ms. Campbell said it is critical that the Kansas Legislature ensure that within these plans that the financial requirements that apply to mental health benefits are no more restrictive than those applied to all medical and surgical benefits, including deductibles, copayments, coinsurance, out-of-pocket expenses and annual and lifetime limits and prevent plans from establishing separate cost-sharing requirements that are applicable only to mental health benefits. ([Attachment 5](#))

Aimee Nienstedt, testified in support of **SB 49** on her own behalf. After telling her story, she said every day, people in serious need of treatment are denied coverage. She said because of this, she was urging the Committee to take a serious look at how mental health policies and eligibility requirements are written in order to receive benefits. ([Attachment 6](#))

Rachelle Colombo, Senior Director of Legislative Affairs, The Kansas Chamber, submitted written testimony only. ([Attachment 7](#))

Brenda Patzel, PhD, ARNP, submitted written testimony only. ([Attachment 8](#))

The Chair closed the hearing on **SB 49**.

The next meeting is scheduled for February 7, 2009.

The meeting was adjourned at 10:30 a.m.