

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson Sandy Praeger at 9:30 a.m. on February 8, 2001 in Room 234-N of the Capitol.

All members were present except:

Committee staff present: Dr. Bill Wolff, Kansas Legislative Research Department
 Ken Wilke, Office of the Revisor of Statutes
 JoAnn Bunten, Committee Secretary

Conferees appearing before the committee:

 Bob Williams, Kansas Pharmacists Association
 Terry Bradstreet, Director of Pharmacy Operations, Dillion Pharmacy
 Linda DeCoursey, Kansas Insurance Department
 William W. Sneed, Legislative Counsel, Health Insurance Association of America

Others attending: See attached list.

Hearing on: SB 182 - Enacting the Uniform Prescription Drug Information Card Act

Bob Williams, Kansas Pharmacists Association, testified before the Committee in support of **SB 182** which would require that certain mandatory information be disclosed on a prescription drug card. Mr. Williams pointed out that managed care has forced pharmacists to increase patient volume in exchange for lower rates as well as there being a shortage of pharmacists. He felt that passage of the bill would go a long way to eliminating some of the hassle factors in processing prescription drug claims and free up the pharmacist's time to practice pharmacy. (Attachment 1)

Terry Bradstreet, Director of Pharmacy Operations, Dillion Pharmacy, also provided testimony in support of the bill. He noted that 20% of a pharmacist's time is spent on insurance issues and each time a pharmacy transmits a claim, it costs the pharmacy a fee regardless if the claim adjudicates. (Attachment 2)

Linda DeCoursey, Kansas Insurance Department, stated that the department is neutral on the bill at this time, but pointed out that reference to "self-insured plans and state-administered plans" on page 1, lines 28 and 29 of the bill are not subject to their jurisdiction since they cannot regulate them. Therefore, she noted that the wording "third-party administrators for self-insured plans and state-administered plans" on lines 28 and 29 should be deleted, and if the bill passes without the amendment, they would be in opposition to the bill. (Attachment 3)

Written testimony in support of the bill was received from Marlee Carpenter, Kansas Chamber of Commerce and Industry, (Attachment 4) and Frank Whitchurch, Pharmacy Operations Specialists, Osco Drug, (Attachment 5).

William W. Sneed, Legislative Counsel, Health Insurance Association of America, testified before the Committee in opposition to **SB 182** and pointed out some of the concerns he has with the bill which include the use of mandated cards enumerated under Kansas law which could not be changed on an ongoing basis if provisions related to drug cards were mandatory under HIPAA, creation of an "un-uniform" act as it relates to what occurs in other states in regard to a bank identification number, and mandating such action under Kansas law without a cost feasibility study. Mr. Sneed noted that HIAA is currently working with the National Association of Chain Drug Stores on alternative legislation and voluntary requirements to be used by the National Council of Prescription Drug Programs, and when such information is available, he would provide that information to the Committee. (Attachment 6)

During Committee discussion it was pointed out that Kansas law provides that a mandate needs to be studied, submitted to the legislature and acted upon at the discretion of the legislature. The fiscal note on the bill would be approximately \$60,000 from the Cafeteria Benefits Fund in the Department of Administration for production, communication materials, and postage according to the state health plan's Prescription Manager if a new card had to be issued before the renewal date.

CONTINUATION SHEET

It was also suggested that putting the name of the Drug Benefits Manager on the prescription card would be beneficial. Mr. Sneed was asked to provide language that could be incorporated in the bill if an insurance company complied with HIPAA, they would automatically be in compliance with Kansas law. Brad Smoot, representing Blue Cross/Blue Shield, contributed to the discussion by noting that he does not have a problem with the bill, and would be glad to work with those involved.

Discussion on SB 58 - Consumer protection; prohibiting obtaining or submitting check without written consent

Senator Janis Lee told the Committee that a meeting had been held by the proponents and opponents of the bill, and an agreement was reached. Steve Rarrick, AG's office, submitted language to the Committee that was agreed to by those parties involved which was modeled after "slamming" legislation. He pointed out that public utilities would be exempt from the proposed legislation. (Attachment 7) The Chair stated that the bill would be considered later.

Adjournment

The meeting was adjourned at 10:30 a.m. The next meeting of the Committee is scheduled for February 13, 2001.