

MINUTES OF THE HOUSE INSURANCE COMMITTEE

The meeting was called to order by Chairperson Patricia Barbieri-Lightner at 3:30 p.m. on March 9, 2004 in Room 527-S of the Capitol.

All members were present except:

Representative Eber Phelps- excused

Committee staff present:

Bill Wolff Legislative Research Department

Ken Wilke, Revisor of Statutes

Renaë Hansen, Secretary

Conferees appearing before the committee:

Senator Stan Clark, Presidents Task Force on Medicaid Reform

Jarrold Forbes, Kansas Insurance Department

Bill Sneed, Health Insurance Association of America

Beverly Gossage, Olympic Financial Marketing

Others attending:

Twenty One including but not limited to the attached list.

Presentation on:

President's Task Force on Medicaid Reform

Senator Stan Clark, Presidents Task Force on Medicaid Reform, (Attachment #1), spoke on many health care issues that are currently problems tasked to the Presidents Task Force on Medicaid Reform. If the current rate of increase of medicaid expenses continues and the current 5% per year increase in revenue received continues, by the year 2020 medicaid will consume the budget of Kansas and of all state budgets across the nation. Several options that were discussed at the Task Force forum were relayed back to the committee.

Questions were posed by: Representatives Jan Scoggins-Waite, Nancy Kirk, and Mario Goico.

Hearing on:

SB 348: Insurance: Conformance with federal law regarding health savings accounts.

Jarrold Forbes, Kansas Insurance Department, (Attachment #2), highlighted **SB348**. This bill needs to be passed out for health savings plans to be offered in Kansas. These plans need to have a high deductible in order to receive their federally qualified designation.

Questions were posed by: Representatives Stephanie Sharp, Nancy Kirk, Jan Scoggins-Waite, and Mario Goico.

Bill Sneed, Health Insurance Association of America, (Attachment #3), rose in support of **SB 348** but requested that the effective date be changed to date of publication, and provide that the provisions would attach regardless of the policy affective date. So that if a policy was eligible for conversion, for example January 15, that it would allow the individuals to go back to its January 15 conversion date as its affective date as it relates to the conversion from the medical savings to the health plan. This might not affect more than a couple of hundred Kansans, but it would be of benefit to them to allow them to take full advantage of the federal law.

Questions were posed by: Representatives Nancy Kirk, Mary Kauffman, Jan Scoggins-Waite, and Scott Schwab.

Some of the questions received response from staff member Bill Wolff, research.

CONTINUATION SHEET

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Beverly Gossage, Olympic Financial Marketing, (Attachment #4), spoke on her personal experience with writing health benefit savings plans and the savings that are allowed for small businesses and personal individuals carrying their own health insurance.

Questions were posed by: Representatives David Huff, and Jan Scoggins-Waite.

Chuck Stones, Senior Vice President, The Kansas Bankers Association, (Attachment #5), presented written testimony.

Hearing Closed.