

MINUTES OF THE HOUSE HEALTH AND HUMAN SERVICES COMMITTEE

The meeting was called to order by Chairman Brenda Landwehr at 1:38 p.m. on February 17, 2009, in Room 784 of the Docking State Office Building.

Committee members: All members were present except Representative Siegfried. excused.

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:

Linda Sheppard, Kansas Insurance Department (Attachments 5, 6)

Others attending:

See attached list.

Chairman Landwehr called the meeting to order.

Discussion and action on **HB 2287 - Health reimbursement arrangements**. Representative Crum provided an amendment for the committee to begin working the bill. The amendment encourages small businesses not offering health insurance the ability to contribute to the premium of an eligible individual health insurance plan for their employees. The bill will have a sunset clause on July 1, 2014. Representative Crum moved the motion to accept the amendment. Representative Morrison seconded the motion.

Discussion among the committee included terminology, sunset date rationale, not wanting to compromise the small employer market, deleting the portion on small group requirements and providing protection for small groups. Cindy Hermes from the Kansas Insurance Department was available to answer questions from the committee pertaining to insurance issues. Representative Crum closed on the amendment. The amendment passed.

Representative Ward provided the committee with an article from the *New York Times* (Attachment 1) describing how women pay more for their health insurance than men. This is a discrimination issue. Representative Ward made an amendment (addressing the discrimination issue) to HB2287 as a motion. Representative Flaharty seconded the motion. The committee discussed the amendment. There are several states looking at the issue of women paying more than men for health insurance.

The Kansas Insurance Department is not considering this concept in Kansas. The insurance rates are based on gender, age, morbidity, and expense tables. Statute does not allow unfair discrimination. Women's health costs are higher due to child bearing years being more costly than for mens health issues at that time. Concern that this bill may undermine the bill and insurance companies and their processes. The Insurance Department provided an actuary to answer other committee questions. He concurred that there are rate differences with age and gender particularly with women in their child bearing age. The insurance company already has checks and balances in place that coincide with this amendments wording.

Representative Ward closed his amendment. There was a division vote called 7 were in favor, 10 opposed. The motion failed.

Representative Schwab made the motion to pass the bill out favorably. There was not a second to the motion.

Representative Ward handed out articles that explain the four additional amendments he would like to propose to the committee. Some are legitimate, others are not. HealthNet and Anaheim Blue Cross were being sued for removing people from their insurance policy who filed substantial insurance claims, then show up on the Medicaid and Medicare roles. (Attachments 2, 3, 4) Amendment 3: The insurance carrier can only exercise their refusal if they fail to disclose a condition diagnosed by a physician. Representative Ward made a motion to accept the amendments. It was seconded by Representative Slattery. Three out of ten policies come under the jurisdiction of the Kansas Insurance Department. The others are divided between Medicare

CONTINUATION SHEET

Minutes of the House Health and Human Services Committee at 1:38 p.m. on February 17, 2009, in Room 784 of the Docking State Office Building.

and Medicaid. There are a lot of people in Kansas that rely on individual policies. There are very few individual policies rescinded in Kansas. Representative Crum spoke in opposition to the amendment, stating he believes there are already protections in place to not warrant the amendment.

Linda Sheppard discussed deductibles and groups. (Attachments 5,6) The committee reviewed her handouts that discussed rates and how groups/individual policy increases.

Representative Schwab made a substitute motion to move **HB 2287** out favorably. Representative Otto seconded the motion. Division was called for the vote, 9 in favor, 8 opposed. The motion carried.

The hearing on **HB 2287** was closed.

HB 2259 - Health care act providing for a medicaid waiver to offer health opportunity accounts and a pilot premium assistance plan program for small employers. This bill was worked by the committee. Representative Crum made a motion to amend **HB 2259**, which strikes Section 2 in the bill. Representative Mast provided the seconded for the amendment motion.

There was discussion on the reason Section 2 was pulled due to placing an unreasonable burden on Kansas Health Policy. The motion carried.

The discussion topics included HSA's, HOS, Medicaid, who pays the premiums, who subsidizes the account, and what happens to those that are below the poverty line.

Representative Crum made a motion to pass the bill as amended. Representative Mast seconded the motion. There was a division called on the vote, 8 were in favor, 8 opposed. Chairman Landwehr voted in favor of the motion to pass favorably as amended. The motion carried.

The next meeting is scheduled for February 25, 2009.

The meeting was adjourned at 2:45 p.m.