

MINUTES OF THE HOUSE COMMITTEE ON INSURANCE.

The meeting was called to order by Chairperson Rep. Robert Tomlinson at 3:30 p.m. on February 10, 2000 in Room 519-S of the Capitol.

All members were present except:

Committee staff present:

Dr. Bill Wolff, Research
Ken Wilke, Revisor
Mary Best, Secretary

Conferees appearing before the committee:

Kathleen Sebelius, Commissioner Kansas Insurance Dept.
Barbara Duke, American Association of University Women
Karla Wilmott, Quality Management Planned Parenthood
Carla Norcott-Mahany, Planned Parenthood
Bill Sneed, Health Insurance Association of America
Larry Ann Lower, Kansas Association of Health Plans
Judy Smith, Concerned Women for America of Kansas
Terry Leatherman, Kansas Chamber of Commerce & Industry
Cleta Renyer, Right to Life of Kansas
Beatrice Swoopes, Kansas Catholic Conference
Jerry Slaughter, Kansas Medical Society
Sharlee Mason, American Association of Retired Persons
Dr. Keith Wright, Academy of Family Practice
Dr. Doug Iliff

Others attending:

See attached Committee Guest List

Once the television cameras were in place, Chairman Tomlinson introduced the first bill to be heard, **HB 2777-Contraceptives Insurance Coverage**, and recognized Kathleen Sebelius, Commission of the Kansas Insurance Department, as the first conferee. Commissioner Sebelius laid the ground work for the bill which addressed covering contraceptives as a basic health care need for women. The aim is to amend K.S.A. 1999 Supp. 40-2, 103 and 40-19c09 and repeal the existing conditions. There would be a new section 1, 2, 3, 4, 5. Section 6: Statutes application; Section 7: Corporate standard language references; Section 8: Repealer; Section 9: Effective date; Statute book. It was stated that women spend more out-of-pocket expenses for health services than their male counterparts do. One of the biggest expenses is birth control.

Commissioner Sebelius explained the use of birth control “reduces unintended pregnancies.” The Commissioner explained the dollar amounts involved included a study by the Alan Guttmacher Institute which stated “that every public dollar spent to provide contraceptive services saved \$4.40 in a fund that would have been spent on medical care and social service to women who otherwise have become pregnant.” It was stated that contraceptives, over a five-year period will cost women somewhere between \$500 and \$5800, whereas some women not using contraceptives will more than likely have 4.25 children in this same time frame and cost on the average of \$14,663.

The Commission covered the “Contraceptives as a “cost effective” alternative.” There are approximately 6.3 million unintended pregnancies in the United States each year. “Nationally, 97 percent of all indemnity plan cover prescription drugs,” yet only 33 percent of these plans cover contraceptives. The cost to add this coverage to a policy would range from \$1.75 to \$13.33 for single coverage or \$4.80 to \$41.06 for family coverage. The employer cost for providing this coverage would be approximately 1 percent of about \$1.43 per employee per month. Out-of-pocket expenses are approximately \$25. per month. The increase to the employee for the addition to the employers’ policy would be about 35 cents.

The Commissioner informed the committee that nine states have passed such laws as of last year that will require coverage for all five FDA-approved contraceptive methods. This also includes counseling, exams, insertion and removal. The Commissioner informed the committee of the latest figures for Kansas from the Kansas Health Insurance Information System. These figures were taken from the 1997 and 1998 data. It was stated, "oral contraceptives represented 1 percent of the total paid charges for pharmaceuticals in the KHIS database,the average paid charge per prescription for oral contraceptives was \$13.13 and \$ 13.81, the average co-pay was \$11.73 and \$12.18 and total transaction cost for oral contraceptive was \$24.86 and \$25.99." These figures did not include other forms of contraceptives. The commissioner then stood for questions. Questions were formed by Representatives Boston, Empson and the Chairman. The questions ranged from cost of prescription to additional cost to the policyholder to whose concern and responsibility this would fall on. Final question was by Representative Showalter.

Ms. Barbara Duke, American Association University Women, gave Proponent Testimony, a copy of the testimony is (Attachment #2) attached hereto and incorporated into the Minutes by reference. Ms. Duke supported the previous testimony of the Commissioner. There were no questions from the committee.

Ms. Karla Wilmot, Director of Quality Management Planned Parenthood of Kansas and Mid-Missouri, gave Proponent Testimony to the committee. A copy of the testimony is (Attachment #3) attached hereto and incorporated into the Minutes by reference. Ms. Wilmot covered much of the same information as Commissioner Sebelius, adding facts and data from her own office with Planned Parenthood. Ms. Wilmot stated that while many of the women they see either are unemployed or have no insurance coverage at all, a large number of the women they see have insurance but come to Planned Parenthood for birth control and contraceptives at a more reasonable price, also many of their policies exclude birth control coverage. Ms. Wilmot explained to the committee that in the '80's the pill ran \$10, today even with the slide-scale the pill can run \$8 to \$17, pharmacy costs can run \$19 to \$35. Many families must decide between food and the pill, due to the lack of coverage. These prices are for the pill only, other forms of control may run \$60 to \$600 out-of-pocket, depending on the going market rate.

Ms. Wilmot informed the committee that it was not unusual for women to either delay returning or stop coming in at all due to the inability to pay. Many women become pregnant, not for their irresponsibility but for the lack of funds to pay for their contraceptives. When this happens then the prices increase because women then need a pregnancy test before the next round of pills can be prescribed or receive their next shot of Depo Prevera, or whatever the case maybe.

Ms. Wilmot explained there is also another side to this issue. For many younger women the only time they will see a physician is when they are getting contraception. At that time they will receive some basic preventive health services which will include: cancer screening (Pap smears, breast exams), tests for sexually transmitted diseases, high blood pressure, diabetes, anemia, sickle cell anemia, urinary infections are but just a few. Women miss these exams when they cannot afford the exams for contraceptives.

Finally, she explained that "some forms of hormonal contraceptives help prevent ovarian and endometrial cancers. They are also often used for control of conditions like acne, endometriosis and dysmenorrhea -and sometimes covered by insurance companies for this purpose-but not for the even more important purposed of preventing unintended pregnancies and abortions . . ." Ms. Wilmot closed with stating, "For an estimated \$16. More per year per enrollee, health insurance policies could provide all of these benefits to women, their families and society. She then stood for questions. As there were none, the Chairman then recognized Ms. Carla Norcott-Mahany, Kansas Public Affairs Director and Lobbyist Planned Parenthood of Kansas and Mid-Missouri.

Ms. Norcott-Mahany gave Proponent Testimony to the committee. She also presented three (3) other written testimonies from Ms.Cathy Breidenthal, Executive Director, YWCA of Kansas City, Kansas, Ms. Susan Farrell, Executive Director, YWCA, Wichita, Kansas, Travis W. Stenbridge, M.D., Vice Chairman, Kansas Section, American college of OB/GYN, Wichita, Kansas. A copy of each of the written testimonies is (Attachments #4, 5, 6, 7) attached hereto and incorporated into the Minutes by reference. Ms. Norcott-Mahany and others also endorsed the bill with Ms. Norcott-Mahany addressing not only the cost of contraceptives to women, not men, but also the fact that Viagra is paid for men by insurance companies by the means to halt or avoid unintended pregnancies is not. There were no questions from the committee.

Representative Phelps addressed a question to Karla Wilmot, while Representative Boston addressed the subject of equity.

With no further Proponent Testimony from the conferees or guests, the Chairman called forward the first Opponent conferee. Mr. Bill Sneed, Health Insurance Association of America, gave the first Opponent Testimony to the committee. A copy of the written testimony is (Attachment #8) attached hereto and incorporated into the Minutes by reference.

Mr. Sneed informed the committee that to begin with, his clients are against insurance mandates in general. They also believe that the new Section 1 may create a conflict throughout the bill. They feel that "parity in prescription insurance and contraceptive coverage act of 2000," the argument might arise that the parity would cover all contraceptives as it relates to prescription insurance. They feel that "pure parity" would cover all contraceptives, to those used by women (Page 2, lines 1-2). Mr. Sneed stated "they were unaware of any document that proves that such prescriptions are not paid for by the prescription drug benefit." Mr. Sneed also addressed the study prepared by Dr. Gail A. Jensen and Dr. Michael S. Morrissey regarding these types of mandates. They feel that mandates drive costs up and have the opposite effect on the marketplace. Mr. Sneed said that many of these coverages were readily available to the insured or their employer but may be at an additional cost. The employer has designation of coverage.

It was decided to wait until all of the testimony was in from the opponents and then return to the committee for the question session.

Next to be recognized was Ms. Larry Ann Lower, Kansas Association of Health Plans. Ms. Lower gave Opponent Testimony to the committee. A copy of the written testimony is (Attachment #9) attached hereto and incorporated into the Minutes by reference. Ms. Lower stated her clients are also against mandates and feel this bill mandates coverage for any prescribed drug or device approved by the United States Food and Drug Administration as a contraceptive. She also pointed out, this bill exempts a "religious employer" from having to provide contraceptive coverage to their employees.

Ms. Lower also raised other questions. What devices are proposed to be covered? Why are the employers having choices of coverage for their employees being taken away from them and this coverage mandated to them? What of the insured who would like one type of prescription coverage but not contraceptives coverage? Ms. Lower feels this will drive cost for coverage up and increase the cost of prescriptions as well. Ms. Lower and her clients feel that if there is to be a mandate that the first thing to do is to subject it to the provisions of K.S.A. 1999 Supp. 40-2249a, which requires any new mandate to be tested on the state employees health plan first. Ms. Lower stated that mandates are driving the cost of coverage up further and further with each new mandate, and the types and choices of insurance are becoming fewer and fewer. This completed Ms. Lower's testimony.

Ms. Judy Smith, State Director, Concerned Women for America of Kansas, was the next conferee to speak against the bill. A copy of Ms. Smith's testimony is (Attachment #10) attached hereto and incorporated into the Minutes by reference. Ms. Smith stated that first off the term "contraceptive" and "contraceptive device" is not defined. Ms. Smith pointed out that many of the so called birth control devices or pills are not what they appear to be. They are not against conception, but an action to "prevent implantation by providing a hostile environment for the developing child." Ms. Smith informed the committee that, according to Moore and Persuad, "these hormones prevent implantation, not conception." Ms. Smith stated the bill "should exclude any contraceptive pill or device that would prevent implantation of a fertilized egg on the basis that this is a unique human life." Ms. Smith informed the committee there is a need for a provision for people who would be enrolled that have moral objections or these "abortifacient drugs." She felt language should also include a provision that "nothing in the act shall require an insurer regulated under it to provide coverage for any prescription or contraceptive pill or device if the insurer *or policy holder* objects on religious or moral grounds. She felt that no one should be forced to pay for a policy that contains such coverage if it goes against their moral conscience. Ms. Smith felt providing this type of coverage would do nothing but scale back legitimate coverage and raise costs for all. With this Ms. Smith concluded her testimony before the committee.

Mr. Terry Leatherman, Vice-President of Legislative Affairs for the Kansas Chamber of Commerce and

Industry. A copy of Mr. Leatherman's Opposing Testimony is (Attachment #11) attached hereto and incorporated into the Minutes by reference. Mr. Leatherman felt there would be a negative impact in regard to the increasing rates with this policy which would be passed on to the policy holder and not absorbed by the insurance industry. Mr. Leatherman informed the committee the hardest hit of these policy holders would be those in small group and individual policies. More increases in policies force more people to drop their insurance coverage. KCCI also feels mandates are an intrusion of government on the private insurance market. He feels the elements of policies should not be developed by lawmakers, but by the insurance companies to meet the needs of the people. Mr. Leatherman also felt the testing procedure passed last session should be implemented rather than imposing it directly on the public sector if this issue is to be pursued.

Ms. Cleta Renyer, Right to Life of Kansas, Inc., gave Opponent Testimony to the committee. A copy of the testimony is (Attachment #12) attached hereto and incorporated into the Minutes by reference. Ms. Renyer felt the bill would be wrong to force to cover drugs they feel are immoral or medically unnecessary, as well as pro-life insurers paying premiums with pro-choice insureds for coverage they feel is morally wrong.

Ms. Beatrice Swoopes, Acting Executive Director, Kansas Catholic Conference, gave Opponent Testimony, to the committee. A copy of her written testimony is (Attachment #13) attached hereto and incorporated into the Minutes by reference. Ms. Swoopes, representing the Roman Catholic Churches and Bishops opposed the bill because it goes against the teachings of the Church. She also informed the committee that the State of Kansas already allows insurance companies to write coverage for the percentage of the population who feel they want or need these coverages. Ms. Swoopes also added their concerns for the rising cost in premiums and these costs being passed on to the consumer. Ms. Swoopes continued on to address the issue of "contraceptive coverage" not being defined in the bill. Many of these pills destroy the embryo and they feel this raises moral concerns about early abortion. Ms. Swoopes said mandating contraceptive coverage, the government increases the pressure for physicians and pharmacists to violate their own consciences. She concluded by stating, "This mandate is seen as an attack on the religious freedom and conscience rights of Catholic and other health care plans, providers, and employers/participants who object to providing or paying for artificial contraception. With this the Opponent Testimony on the bill was concluded and the questions from the committee were opened.

Questions were from Representatives Grant, Cox, Kirk, Empson, Boston, Toelkes, Burroughs, and Showalter. These questions were directed to Mr. Sneed, Mr. Leatherman, Commissioner Sebelius, and to a statement of the Chair by Representative Toelkes.

With no further questions or testimony, the public hearing and discussions were closed.

Meeting was adjourned. Time 4:46 p.m.

Next meeting will be February 15, 2000 at 3:30 p.m.

