

MINUTES OF THE HOUSE COMMITTEE ON INSURANCE.

The meeting was called to order by Chairperson Rep. Robert Tomlinson at 3:30 p.m. on March 6, 2001 in Room 527-S of the Capitol.

All members were present except:

Committee staff present: Bill Wolff, Legislative Research
Ken Wilke, Legislative Revisor
Mary Best, Committee Secretary

Conferees appearing before the committee: Ms. Linda DeCoursey, Kansas Insurance Department
Ms. Josie Torrez, Developmental Disabilities Council
Ms. Laura Howard, Health Care Policy (SRS)
Mr. Gary Brunk, Kansas Action for Children

Others attending: See Attached Guest List

Upon the call to order the Chairman called for the approval of the Minutes from January 23, 25, 30, February 1, 6, 8, 13, 14, 15, 20, and March 1, with changes made on attendance for Representatives Huy and Vickery from excused to present or late. A motion was made by Representative Grant to accept the Minutes with the changes and was seconded by Representative Dreher. The motion was voted on and passed.

The Chairman then asked Dr. Wolff to give a brief overview of **SB 29** - HealthWave waiting period. Dr. Wolff explained that this bill would remove the six month waiting period for eligibility to get insurance coverage for children. The coverage would begin immediately upon being declared eligible. The bill strikes lines 28-32, on page 2 of the bill. With this information related to the committee, the Chairman recognized Ms. Josie Torrez, Developmental Disabilities Council. Ms. Torrez gave Proponent Testimony to the committee and a copy of the testimony is (Attachment #1) attached hereto and incorporated into the Minutes by reference. Ms. Torrez confirmed Dr. Wolff's explanation of the bill. She explained that in the present form the child must be "uninsured" for six months during which time a child would not be covered should they become ill or need any form of medical care. The options for parents, or caretakers are to either to pay cash from already straining budgets or try to treat the illness with over the counter drugs and hope for the best. Parents who find the need to change health insurance carriers, for what ever reason, cannot get coverage for children with "pre-existing" medical conditions. These children cannot get coverage under this bill until they "qualify and wait the six months." Ms. Torrez strongly urged the committee to pass this bill. She stood for questions. There were none.

Ms. Laura Howard, Assistant Secretary of Health Care Policy, SRS, was the Proponent of the bill. A copy of her testimony is (Attachment #2) attached hereto and incorporated into the Minutes by reference. She too agreed with the explanation given by Dr. Wolff. She then spoke of the Governor's recommendation, Health Care Financing Administration New Rules and Regulations, Transition Coverage, and "Crowd-Out". She explained to the committee that "crowd-out" is the substitution of HealthWave coverage for private group health plan coverage. She continued on "When the State Children's Health Insurance Program was initially enacted, there was concern that employers who ;make contributions to coverage for dependents of lower-wage employees cold potentially save money if they reduced or eliminated their contributions for such coverage and encouraged their employees to enroll their children in HealthWave." They also felt families making significant contributions toward their dependent group plan would have an incentive to drop that coverage and enroll their children in HealthWave, if the benefits were better or equal to what they have and decrease their out-of-pocket expenses. The new regulation of January 11, 2001, allows for states to eliminate the six month waiting period and monitors for crowd-out impact in their programs. Ms. Howard stood for questions. Questions were asked by Representatives Huy and Vickery.

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Mr. Gary Brunk, Executive Director, Kansas Action for Children, Inc. was the last conferee to give Proponent Testimony to the committee. A copy of the testimony is (Attachment #3) attached hereto and incorporated into the Minutes by reference. Mr. Brunk agreed with all of the previous testimony and had nothing new to add. Questions were asked by Representatives Kirk, Huy and Boston. The public hearings on the bill were closed.

Commissioner Kathleen Sebelius, Kansas Insurance Department, submitted Proponent Testimony in writing only. A copy of the testimony is (Attachment #4) attached hereto and incorporated into the Minutes by reference.

SB 101 - Health Insurance; HIPPA technical changes, was brought before the committee. Ms. Linda DeCoursey was the only conferee to offer testimony. A copy of the Proponent Testimony is (Attachment #5) attached hereto and incorporated into the Minutes by reference. Ms. DeCoursey explained the bill was technical in nature and designed to bring Kansas accident and sickness insurance for groups into compliance with HIPPA Act of 1996. HCFA has implemented various regulations, rulings to further clarify the federal laws and when this is done, Kansas laws become non-compliant with HIPPA. The department feels the changes are necessary to "...change our law to state that the succeeding carrier cannot eliminate its legal obligation to enroll an individual who is disabled at the time that the original health is terminated. In other words, the succeeding carrier must enroll all employees at the same time, even if one is in the hospital." Comments were made to Ms. DeCoursey by Chairman Tomlinson. Public hearings were over.

The Chairman called for the pleasure of the committee regarding **SB 101**. Representative Sharp made the motion, as the bill was of non-controversial nature, to place the bill on consent calendar. Representative Toelkes seconded the motion. The vote was taken and passed.

The next bill to be worked was **HB 2209** - Title insurance; requiring certain disclosures and prohibiting certain actions. Representative Edmonds made the motion to exempt bankers, Representative Huff seconded the motion. A show of hands vote was ten for and six opposed. There was discussion on the motion before the vote. There was an Amendment offered inserting 50,000 population instead of 10,000. Representative Edmonds made the motion to consider the amendment with Representative Mayans seconding the motion. Discussion was held with Representatives Huff and Hummerickhouse. Hand count nine for and seven opposed. Motion passes. The committee returned to the bill twice amended. Representative Hummerickhouse made the motion to table the bill. The vote was taken and was a tie vote, eight for and eight against. The Chairman cast the breaking vote to defeat the motion. The motion to move the bill out favorably was made by Representative Edmonds and was seconded by Representative Mayans. Representative Kirk requested a sub-motion which left county population at 200,000, and Representative seconded. A vote was taken and the motion was defeated. Representative Edmonds renewed his motion to move the bill out. Discussion was held with Representative Grant on Graham, Leach, Bliley. He made a sub-motion to table the bill, which was amended as it was out of order. There was a discussion with Representatives Kirk, Mayans and Representative requested the bill be explained again. Again a vote was taken and the meeting was adjourned before the results were announced. The time was 4:25 p.m.

The next meeting will be held March 8, 2001.