

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 8, 2001 in Room 519-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: Senator Sandy Praeger
Commissioner Kathleen Sebelius, Kansas Insurance Department
Ms. Chris Collins, Kansas Medical Society
Ms. Carla Mahany, Planned Parenthood
Mr. Terry Leatherman, Kansas Chamber of Commerce and Industry
Mr. Bob Corkin, Kansas Public Policy Institute

Others attending: See Attached Guest List

Chairman Tomlinson readdressed **HB 2209** - title insurance. The committee was back on the bill. Representative Huff made the motion to reduce the population from 50,000 to 40,000 and the motion was seconded by Representative Sharp. A sub-motion was made by Representative Edmonds and seconded by Representative Mayans to amend the bill marked for passage. There was a hand count of six yes to eight no, with absence of voting persons. A recount was asked for and the vote at that time was six yes and nine no, with still an absence of all votes. Motion fails. The committee was back on the original motion. Representative Vickery requested clarification of the motion. Clarification was made. Representative Grant made the motion to table the bill. Representative Grant then yielded the floor to Representative Mayans made a suggestion to raise the levels to 250,000 and offered this as a suggested motion. Representative Grant denied the suggestion and made the motion to table the bill to the first day of the January 2002 session. The vote was taken by the show of hands. The vote resulted in a tie of eight to eight, upon which a recount was requested. The Chairman honored the request and another show of hands resulted in a vote of nine yes and six no. The motion to table carried.

Chairman Tomlinson the opened public discussion on **HB 2247** - Kansas business health care partnership act, removal of sunset. The first conferee to come before the committee to present Proponent Testimony was Senator Sandy Praeger. A copy of Senator Praeger's testimony is (Attachment #1) attached hereto and incorporated into the Minutes by reference. Senator Praeger explained the bill would allow risk sharing among the larger groups of employers in the Partnership and provides small businesses the opportunity to pool their employees with other small business to offer health insurance and the choice of health plans to their employees. Senator Praeger explained the Children's Health Insurance Plan (CHIP) and subsidizing families when purchasing health insurance through their employer. This subsidy allows low-wage workers to afford coverage. She went on to explain that future money to support the bill and subsidies could come from the tobacco settlement, but this would need the recommended by the Children's Cabinet and approved by the Governor and the Legislature. The Senator explained how the bill was friendly for all involved. She encouraged the committee to support the bill, and stood for questions. Questions were asked by Representative Kirk, Boston and Chairman Tomlinson made comments toward mandates and self insuring companies, and that coverages with mandates are more expensive and cause people to drop their coverage.

The next conferee to come before the committee was Kansas Insurance Commissioner, Kathleen Sebelius. Commissioner Sebelius offered Proponent Testimony and a copy of her testimony is (Attachment #2) attached hereto and incorporated into the Minutes by reference.

Commissioner Sebelius confirmed the comments made by Senator Praeger and added, Kansas had made great strides in making insurance coverage more accessible to people living here. The Health Commission opened the state purchasing pool to school districts and is still seeking ways to expand the pool, as well as creating an enhanced tax credit for small employers as an incentive to small employers to offer coverage to their employees. While the children's program has offered the initiative to cover as many children in Kansas as possible, the adults are still not covered, and a serious dent has yet to be made. At least 80% of the parents are lacking coverage. They either do not have access to an affordable program or just simply cannot afford the coverage, even if it is offered. The passage of this bill helps to close those numbers. The Commissioner informed the committee that the Kansas Insurance Department received a \$1.3 million grant from the U.S. Department of Health and Human Services. KID is hoping to develop a plan for covering all uninsured Kansans. The Commissioner urged the passage of the bill. Representative Boston directed a question to the Commissioner.

Ms. Marley Carpenter spoke on the behalf of Mr. Terry Leatherman, Kansas Chamber of Commerce and Industry. Both Mr. Leatherman and Ms. Chris Collins, Kansas Medical Association, gave Proponent Testimony to the committee. Their testimonies are (Attachment #'s3,4) attached hereto and incorporated into the Minutes by reference. Both Ms. Collins and Mr. Leatherman support the bill but had no new information to add to the previous testimonies.

Mr. Bob Corkins, Kansas Public Policy Institute, gave Neutral Testimony to the committee. A copy of the testimony is (Attachment #5) attached hereto and incorporated into the Minutes by reference. He informed the committee that for the last three years his Institute has researched the subject of defined-contribution pension programs and last year they found a promising field with the health insurance field. He continued on saying, "...idea that has hugely benefitted over 55 million Americans holding a 401 (k) pension account may provide the best path to greater availability and affordability of health insurance. Under the approach, employers would pay a set dollar amount to each employee that the employee then uses to purchase his or her own health insurance. The employee would select a policy that costs less than the amount of the employer's contribution and invest the difference in something like an MSA, or the employee would add her own money to the employer's in order to purchase a more extravagant health plan." Mr. Corkins continued on to let the committee know that this concept is crucial to the Kansas Business Health Partnership. He also explained that KPPI had health insurance expert Richard Teske look at this plan. He attached highlights from Mr. Teske's study. Mr. Corkins stood for questions. Representatives Hummerickhouse, Boston, and Huff posed questions to the conferee.

As there was no further testimony to the bill, the public hearing was closed and the Chairman open hearings on **SB 19** - Health Insurance; Classifying OB/GYN as a primary care provider.

The first conferee before the committee was Commissioner Kathleen Sebelius, Kansas Insurance Department. Commissioner Sebelius presented Proponent Testimony to the committee and a copy of the testimony is (Attachment #6) attached hereto and incorporated into the Minutes by reference. The issue before the committee is one that would allow women to have their OB/GYN's as their primary care providers. Commissioner Sebelius stated that this was particularly important to women who wanted to go for their annual pelvic examinations. At the moment approximately 56% of the 5,164 women surveyed stated they had seen their gynecologist for their last pelvic examination, while only 18% had seen their primary care physician for theirs. Also included in the study, 60 percent stated they preferred their gynecologist for this type of care, while only 13 percent preferred their PCP.

The Commissioner continued on to inform the committee that this movement to allow women access to their OB/GYN began in 1994. At that time Maryland became the first state to classify OB/GYN's as primary providers. Now 42 other states have followed the movement and also allow the same access to the women residing in their states. She also stated some of the laws require plans to permit qualified OB/GYN's as primary care physicians; others allow unlimited access or access for routine gynecological and pregnancy service only, without referral. She included a list of these states and the law they passed.

There were no questions.

There was written testimony supporting the bill submitted by Ms. Carla Mahany, Planned Parenthood, Ms. Chris Collins, Kansas Medical Society, Ms. Barbara Holzmark, National Council of Jewish Women, Greater Kansas City Section, Ms. Larry Ann Lower, Kansas Association of Health Plans, Ms. Barbara Duke, Kansas Choice Alliance and American Association of University Women-Kansas, and Ms. Sylvie Rueff, Lawrence< Kansas Chapter of NOW. Copies of their Proponent Testimonies are (Attachment #'s 7,8,9,10,11,12) attached hereto and incorporated into the Minutes by reference.

Public hearings on the bill were brought to a close.

The next item of business was to work **HB 2473** - Life Insurance Companies; replication transactions. The balloon and its' purpose was explained to the committee. The balloon inserts the word "Commissioner" and the meaning inserted as (3) under Section 1. Number changing for the rest of the definitions in this section then changes. Under (B) page 2, the word "financial instrument" is used in place of "derivative" carrying through to page 3. Numbering changes continued through the bill, to (20). Page 4 brought the final insertion adding (4) the replication transaction is entered into in accordance with the requirements concerning replication transactions contained.....Page 5 of the bill (j) The commissioner shall have the authority to adopt rules and regulations necessary to implement this action. The balloon went to the committee. Representative Grant made the motion to adopt the balloon and Representative Dreher seconded the motion. Vote was taken and the balloon was adopted. Representative Hummerickhouse made the motion to pass the bill out favorably as amended. Representative Huff seconded the motion. The motion carried. A copy of the balloon is (Attachment #13) attached hereto and incorporated into the Minutes by reference.

The meeting was adjourned at 5:00 p.m. The next meeting will be held March 12, 2000.