

**HOUSE INSURANCE COMMITTEE**  
**March 15, 2018**  
**Testimony Supporting Senate Bill 348**  
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**Blue Cross and Blue Shield of Kansas City**

Chairman Vickrey and Members of the Committee, my name is Melissa Panettiere and I am here today on behalf of Blue Cross and Blue Shield of Kansas City to testify in support of SB348 .

Blue Cross and Blue Shield of Kansas City is a not-for-profit health plan serving residents in the greater Kansas City area, including Johnson and Wyandotte counties in Kansas and 30 counties in Northwest Missouri. Our mission is to use our role as the area's leading health insurer to provide affordable access to healthcare and improve the health and wellness of our members. The ability to provide affordable coverage is difficult given the new rules and taxes that are imposed under the Affordable Care Act (ACA). Specifically, the requirements under section 1557 that have dramatically increased the length of mandatory disclosures on all documents of significance and hence have increased the cost associated with paper mailings. The total number of member EOB documents mailed to our members for 2017 was over 7million. You can see how the cost of paper, handling, and postage can add up quickly, keeping in mind this figure accounts for *one* of the required documents. The electronic delivery of the exact same information not only provides for lower cost but also has the ability to enhance the member experience. That is why we would like to request an amendment to this bill to expand the provisions to apply to individual and large group plans. The current definition of 'health benefit plan' only applies to small group plans. The original legislative intent was to apply to individual, small and large group plans and we believe the proposed amendment clarifies the language to coincide with legislative intent.

In today's world just about everything can be done through electronic means. Industries slow to adapt are moving in that direction in light of technologies' increasing penetration in the marketplace. You can sign a mortgage and sell a home, typically a person's largest purchase of their life, using e- signatures. The banking and auto insurance industries have been moving customers toward electronic statements for years proving consumers are quick to adapt to this form of communication.

We see significant opportunities to enhance the health insurance customer's experience through use of digital means that can help accomplish our mission of providing affordable access to health care and improving the health and wellness of our members. Blue KC's vision is to provide simple, affordable, high quality health care. As we work toward this goal, we are focused on solutions that improve the experience of our customers and clients. A drive toward



digital is one aspect that will help simplify the experience, providing members their information faster while also helping to keep upward cost pressures under control. We can all agree that health insurance is complicated. As the technology advances, businesses (including Blue KC) are looking for opportunities to interact with our customers in new ways that reduce costs and improve access and understanding of information.

Blue KC is committed to implementing innovative programs for our members in order to keep the cost of coverage down while at the same time ensuring members have access to the care they need. We must be able to adapt to the needs of the market especially as technology continues to change the landscape. The delivery of electronic documents is one way to help achieve this goal, providing us an opportunity to take costs out of this system without adversely impacting the customer. We acknowledge that some individuals will desire paper and we will make paper available upon request, but we want to opportunity to encourage electronic adoption because we think these solutions offer the best opportunity to contribute to simple, affordable healthcare. This is one opportunity legislators can take to help health insurers embrace solutions that consumers expect while allowing us to do so without adding additional regulatory hurdles.

I would be happy to answer any questions you may have.