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STATEMENT OF BRAD SMOOT
LEGISLATIVE COUNSEL
BLUE CROSS AND BLUE SHIELD OF KANSAS, INC.
HOUSE INSURANCE COMMITTEE
REGARDING HOUSE BILL 2074
FEBRUARY 11, 2019

Mr. Chairman and Members:

Blue Cross Blue Shield of Kansas (BCBSKS) is a locally operated mutual insurance company with more than 1,600 Kansas-based employees. We have offices in 11 different Kansas communities with corporate headquarters located in Topeka, serving approximately 930,000 of your fellow Kansans in 103 of the Kansas counties. The company's service area includes all Kansas counties except Johnson and Wyandotte. We are pleased to offer neutral testimony on HB 2074.

HB 2074 would require that health insurers licensed in Kansas issue policies regardless of any pre-existing conditions. For all of us who are licensed in Kansas, this is already a requirement of federal law. See 45 CFR.111, 45 CFR 144.103 and 45 CFR part 148. This rule applies to all non-grandfathered policies for individual and group coverage issued after 2010. This is all part of the Affordable Care Act or ACA. HB 2074 is a "belt and suspenders" requirement that imposes a similar burden on licensed carriers based on state law.

In the recent State of the Union address, President Trump endorsed the national sentiment to "protect patients with pre-existing conditions." It got resounding and bi-partisan applause. That shouldn't be a surprise to anyone since 70% of Americans support laws that guarantee coverage for people with pre-existing conditions. While there's a federal rule defining pre-existing conditions, it's probably more illustrative to turn to another source and your own experience. Pre-ex conditions include: Heart attack, cancer, stroke, diabetes, liver and kidney disease, bleeding disorders and concussions, to name a few obvious conditions. It also includes things you might not think of such as varicose veins, high cholesterol, hypertension, headaches, allergies, sleep apnea, mental health disorders, ADD and ADHD and more.

Federal law and HB 2074 prohibit licensed insurers from denying coverage or setting premiums rates for applicants based on these and many other pre-existing conditions. Unfortunately, neither this bill nor federal law prohibit an unlicensed organization selling health care benefit coverage to its members from discriminating against Kansans with just these types of ailments. That discrimination could either be outright denial of coverage or totally unregulated premium increases in excess of those applicants without such health conditions. Currently, Kansas does not allow such unlicensed "non-insurance" coverage but 2019 SB 32 and the amendment proposed by the Kansas Farm Bureau to a bill you

previously heard (HB 2054) would allow that type of unlicensed coverage and remove exactly those protections that President Trump and others are pledging to keep.

By the way, the list of pre-existing conditions referenced above are taken from the Tennessee Farm Bureau health coverage application and are among more than 78 itemized conditions that the organization may take into consideration in accepting, rejecting or up-charging their members who apply for coverage. I have given a copy of the 13-page TFB application to your staff for your review.

If you are part of that 70% of Americans who share the commitment to “protect people with pre-existing conditions,” we respectfully suggest you amend this bill to reflect your concern for your healthy and unhealthy constituents alike. Extend those protections to your Kansas neighbors who apply for a KFB policy; not just those who are already guaranteed coverage by a Kansas licensed insurer. Thank you for your interest in our views.