

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairman Ruth Teichman at 9:30 am. on January 13, 2011, in Room 152-S of the Capitol.

All members were present.

Committee staff present:

Ken Wilke, Office of the Revisor of Statutes
Melissa Calderwood, Kansas Legislative Research Department
Beverly Beam, Committee Assistant

Conferees appearing before the Committee:

Bill Sneed, America's Health Insurance Plans
Matt All, General Counsel, Blue Cross/Blue Shield of Kansas
Chad Moore, Children's Mercy Health Partners
Marlee Carpenter, Kansas Association of Health Plans
Sandy Braden, National Association of Insurance and Financial Advisors-Kansas
Scott Day, National Association of Health Underwriters, Kansas

The Chair welcomed all in attendance to the meeting.

Bill Sneed, America's Health Insurance Plans (AHIP). Mr. Sneed gave a general overview of the Patient Protection and Affordable Care Act.

Matt All, General Counsel, Blue Cross/Blue Shield of Kansas, said BCBS of Kansas supports many of the reforms in the Patient Protection and Affordable Care Act. He said BCBS believes guaranteeing all Americans the ability to obtain insurance regardless of their health is a big step forward, so long as it is accompanied by other reforms that insure all Americans actually purchase insurance. He said, however, there are concerns with other provisions. He said BCBS believes the taxes within PPACA are too high, the personal coverage requirements are too weak, and cost controls uncertain. He continued that BCBS believes it is imperative that Kansas run its own exchange and retain control over its insurance marketplace. In conclusion, he said because of the unusual burden PPACA has placed on health insurers and business owners, it is critical for state legislators to refrain from adding additional requirements and mandates for now. He said it would be better to wait until many of these issues are settled before making any other changes in health insurance. ([Attachment 1](#))

Chad Moore, Children's Mercy Health Partners (CMFHP), Mr. Moore stated that CMFHP has been working with the Kansas Health Policy Authority and the Kansas Department of Insurance to provide its perspective on the challenges presented by components of the federal health insurance reform bills. He said overall, CMFHP believes there must be strong coordination between government agencies charged with program policy development and oversight for Medicaid and the new state-based health insurance exchange. He noted this will be critical as there will be significant overlap between populations such as kids covered through CHIP with parents eligible for coverage through the exchange. ([Attachment 2](#))

Marlee Carpenter, Kansas Association of Health Plans, provided input on the enactment of new health insurance mandates in Kansas. She said the mandates should be deferred until the federal definition of "essential benefits" has been finalized. Also, she said legislators should look at the enactment of a state-based exchange by the January 1, 2013 deadline so Kansas does not default into the federal exchange. ([Attachment 3](#))

Sandy Braden, National Association of Insurance and Financial Advisors-Kansas, reported that NAIFA has been working with the National Association of Insurance Commissioners on various aspects of the Patient Protection Affordable Care Act. She said NAIFA has asked the state associations to participate in discussions regarding the implementation of state exchanges and suggested ten guidelines on state exchanges. ([Attachment 4](#))

Scott Day, National Association of Health Underwriters, presented an outline of Health Insurance Reforms that will impact private health insurance coverage under the Patient Protection and Affordable Care Act and the Health Care and Education Affordability Reconciliation Act of 2010. ([Attachment 5](#))

The next meeting is scheduled for January 18, 2011. The meeting was adjourned at 10:30 am.

CONTINUATION SHEET