

Approved: 2-3-11

Date

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 12, 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:

Sandy Praeger, Insurance Commissioner
Dr. Andrew Allison, Kansas Health Policy Authority

The Chair welcomed everyone to the meeting.

Sandy Praeger, Kansas Insurance Commissioner, gave an overview of Federal Health Insurance Reform and implementation in Kansas along with regulatory perspectives. (Attachment 1)

Dr. Andrew Allison, Kansas Health Policy Authority, reported on state responsibilities with regard to implementation of the Affordable Care Act, and KHPA priorities and potential impact on Kansas. (Attachment 2)

The Insurance Commissioner introduced the following bills.

1. Surplus Lines Agreement – the bill would provide for participation in a multi-state agreement in order to recover premium tax on this product line. After July 24, 2011, individual states cannot collect this tax due to the Dodd-Frank Act of 2010.

2. Risk-Based Capital – the bill would revise the date of the NAIC instructions to December 31, 2010. This year's RBC reserves varied by more than the 2.5% trigger compared to last year's standard.

3. High Risk Pool – the bill would provide for the ability of the Board to increase the life time limit with the approval of the Commissioner. The bill will allow the Kansas Health Insurance Association to accept children under 19 who are otherwise eligible for the pool to be eligible if no such coverage is available in the county in which they live.

4. Internal and External Review – the bill would revise the utilization review statute to modify the definition of “emergency medical condition,” to increase the time allowed for a consumer to challenge an adverse decision from 90 to 120 days, and decrease the turnaround time for a decision from 7 days to 72 hours.

Senator Masterson moved to introduce all bills as proposed. Senator Merrick seconded. Motion passed.

The next meeting is scheduled for January 13, 2011.

The meeting was adjourned at 10:30 am.