

MINUTES OF THE HOUSE COMMITTEE ON INSURANCE.

The meeting was called to order by Chairperson Patricia Barbieri-Lightner at 3:30 on February 4, 2003 in Room 527-S of the Capitol.

All members were present except: Excused: Nile Dillmore, Cindy Neighbor. Absent: Nancy Kirk.

Committee staff present: Bill Wolff, Legislative Research  
Ken Wilke, Revisor of Statutes  
Renaë Hansen, Secretary

Conferees appearing before the committee: **Steve Kearney**  
**Bob Williams**, executive director of Kansas Pharmacists Association  
**Larry Magill**, Kansas Association of Insurance agents  
**William Kostar**, Chairman of Board of Directors of Kansas Health Partners Benefit Association  
**David Hornick**, Insurance consultant, Hornick and Associates

Others attending: 19 others, see attached list for those who signed the register.

Meeting was called to order by Chair Barbieri-Lightner.

Steve Kearney, representing a coalition of writers and businesses, (Attachment #1) asked the committee to introduce a bill that would make a couple of changes in the conversion law for domestic to mutual insurance and stock insurers, in KSA 40-4002, that would keep the situation that has occurred with anthem and Blue Cross from occurring again. Changing the rules a little that would allow the commissioner a little more input than the policy holders, and change the sequencing in the events which they would have their input, and setting valuation of companies as a floor instead of as a ceiling as the current statute stands.

Questions were posed by Representative Stephanie Sharp.

Representative Joe Humerickhouse moved that the committee introduce the bill, seconded by Representative Stanley Dreher, passed unanimously.

Bob Williams, executive director of Kansas Pharmacists Association, (Attachment #2) first bill request regards standardized prescription benefit card information. A number of states have introduced this bill throughout the nation. This is a reintroduction of SB 182.

Questions were posed by Ken Wilke.

Representative Bonnie Sharp moved that the committee introduce the bill, seconded by Representative Scott

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Schwab, passed unanimously.

Bob Williams, executive director of Kansas Pharmacists Association, (Attachment #3) second bill request for oversight of Pharmacy Benefit Management companies (PBM), that would require the PBM's to be registered with the insurance department, and comply with laws regarding financial liability, misleading advertising, as well as file an annual financial statements.

Question were posed by Ken Wilke.

Representative Bonnie Sharp moved that the committee introduce the bill, seconded by Representative Stephanie Sharp, passed unanimously.

Larry Magill, Kansas Association of Insurance Agents, (Attachment #4), introduction of an informal workers compensation deductible bill. This deals with the insurance aspect of workers compensation, giving the employer greater flexibility in how they manage their workers compensation costs, and losses.

Representative Stanley Dreher moved that the committee introduce the bill, seconded by Representative Bob Grant, passed unanimously.

Bill Kostar, mayor of Westwood, Kansas, Chairman of Board of Directors of Kansas Health Partners Benefit Association, (Attachments #5 & 6), reported on the mandated report from legislation on trying to determine how to better serve the uninsured population of citizens of the state of Kansas. Legislation required that medical insurance be provided by private insurers, the demographic group were low income or lower income employees of small business, focusing on employed individuals, and it contemplated using waivers through medicaid funds to provide a subsidy of the insurance premium for the lower income individuals. His report focused on creative innovative approaches to trying to meet the medical insurance needs for employees of small businesses to help give them competitive benefits to those offered by the larger companies.

David Hornick, Insurance consultant, Hornick and Associates, offered insurance expertise to the partnership of the Kansas Health Partners Benefit Association. In general, the small businesses of 2-50 employees cost of insurance increases yearly at a rate of 20% and higher in recent years. Some companies are having to walk away from the health plan for their employees. They were looking at ways to provide innovative products that provide minimal benefit level at a fairly reduced premium rate so small business can provide benefit plans.

Questions were asked by Representative Ray Cox, Representative Bonnie Sharp, and Dr. Bill Wolff.

Information for review was passed out for Thursdays meeting of Long term care costs, and medical services report to be presented by Laurel Murdie, legislative post audit.

Meeting adjourned.

Next meeting scheduled for February 6, 2003.

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