

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson Sandy Praeger at 9:30 a.m. on February 14, 2001 in Room 234-N of the Capitol.

All members were present except:

Committee staff present: Dr. Bill Wolff, Kansas Legislative Research Department
 Ken Wilke, Office of the Revisor of Statutes
 JoAnn Buntun, Committee Secretary

Conferees appearing before the committee:

 Kansas State Senator Jim Barone
 Kansas State Senator Jim Barnett
 Kathleen Sebelius, Kansas Insurance Commissioner
 Steve Feinstein, Chairman, Kansas Mental Health Coalition
 Paul Klotz, Association of Community Mental Health Centers
 Jan Clay, CEO-Mental Health Consortium
 Rochelle Chronister, former Secretary of SRS

Others attending: See attached list.

Reconsider action on SB 142 - Authorization of special orders of bank commissioner

The Chair called the Committee's attention to **SB 142** which passed out of Committee on February 13, 2001, and asked the Committee to reconsider action on the bill since there were questions raised about the amendments. Having voted on the prevailing side, Senator Feleciano made a motion that the Committee reconsider action on **SB 142 as amended** by the Committee, seconded by Senator Corbin. The motion carried.

Hearing on SB 274 - Insurance, providing coverage for certain mental health conditions

Kansas State Senator Jim Barone, testified before the Committee in support of **SB 274** which would mandate coverage for diagnosis and treatment of certain mental health conditions as defined in the *Diagnostic and Statistical Manual of Mental Disorders of the American Psychiatric Association*. This bill would apply to the State Employees Health Care Benefits Program, municipal funded pools, and HMOs. Senator Barone pointed out that mental illness ranks second in the burden of disease established in market economies such as the U.S., and is second only to cardiovascular conditions. (Attachment 1)

Kansas State Senator Jim Barnett, M.D., expressed his support for the bill and noted that in his practice in Emporia, many of his office visits revolve as much around mental and emotional issues as physical ones. He pointed out that to be unable to obtain psychiatric referral for a mental health diagnosis results in inadequate treatment that costs everyone in the long run...as well as being unfair. (Attachment 2)

Kathleen Sebelius, Kansas Insurance Commissioner, expressed her support for the bill, and noted that while Kansas has been deliberating on the issue of adding a form of mental health parity to the statutes for years, 32 states currently have some form of mental health parity legislation. The Commissioner noted that new information from the Surgeon General's report suggests that implementing parity laws is not as expensive as once suggested. Case studies of five states that had a parity law for at least a year revealed a small effect on premiums plus or minus a few percent as outlined in her written testimony. (Attachment 3)

The Chair provided the Committee with information relating to the effect on insurer claim costs of a mental health parity mandate compiled by the Kansas Department of Health and Environment on data from 1999 claims as recorded on the state data base. (Attachment 4)

CONTINUATION SHEET

Steve Feinstein, Chairman, Kansas Mental Health Coalition, Paul Klotz, Association of Community Mental Health Centers, and Jan Clay, CEO-Mental Health Consortium, testified before the Committee in support of the bill providing information, statistics, and charts relative to mental health parity issues. (Attachments 5, 6 and 7)

Rochelle Chronister, former Secretary of SRS and chairman of the Kansas Advisory Group on Juvenile Justice provided strong support for **SB 274**. She noted that when she was Secretary of SRS, she was appalled to discover how little help the state was able to provide children who had serious mental illnesses. Many parts of the state only had professionals available at state hospitals and later on at Community Mental Health Centers. Parents would sometimes have to travel long distances to access any kind of treatment for their child. Ms. Chronister noted that the annual report on the Coalition for Juvenile Justice provides anecdotal evidence that 50% of youth who are involved with the juvenile system have some type of mental illness. She pointed out that one of the ways society could pay for parity would be by the potential reduction in juvenile crime through the treatment of some of these mental illnesses. She felt that if we can identify and begin treatment of children who have mental illnesses when they are young, we can in many cases reduce the long term effects on families and society that those untreated illnesses cause. (Attachment 8)

An interim report to Congress by the National Advisory Mental Health Council on the state-wide experiences following passage of mental health parity in Texas, Maryland, Rhode Island and Minnesota was distributed to the Committee by the Chair. (Attachment 9)

Adjournment

The meeting was adjourned at 10:30 a.m. The next meeting of the Committee is scheduled for February 15, 2001.