

MINUTES OF THE SENATE COMMERCE COMMITTEE.

The meeting was called to order by Chairperson Karin Brownlee at 8:30 a.m. on February 11, 2003 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: April Holman, Legislative Research
Mitch Rice, Revisor of Statutes
Norman Furse, Revisor of Statutes
Jodie Anspaugh, Secretary

Conferees appearing before the committee: Lt. Gov. John Moore
Phil Harness, Director of Workers Compensation
Terry Leatherman, KCCI
Brad Smoot, American Insurance Association
Janet Stubbs, Kansas Building Industry Association, Workers
Comp Fund

Others attending: See attached list

Chairperson Brownlee welcomed Lieutenant Governor John Moore to the committee for his confirmation hearing for the position of Secretary of Commerce and Housing. Lt. Gov. Moore gave his background information to the committee. (Attachment 1) He worked for Cessna for almost 20 years, and is now retired. He has had much experience with Kansas as the chairman for both KTEC and Kansas, Inc. Senator Steineger moved to recommend Lt. Gov. Moore as favorable to the full Senate. Senator Jordan seconded. The motion carried.

Senator Steineger moved to approve the minutes from January 28, 29, 30, and 31. Senator Bunten seconded. The motion carried.

Chairperson Brownlee had April Holman from legislative research brief the committee on **SB 133**, regarding workers compensation. Ms. Holman said that the bill would remove the requirement for open claims reporting. She referenced the fiscal note. (Attachment 2)

Phil Harness, Director of Workers Compensation, testified to the committee in favor of **SB 133**. (Attachment 3) He also has other ideas for changes in the bill that he included in his testimony. Mr. Harness said that because vocational rehabilitation providers are not payers under the system, but rather are payees, and do not have "closed claims" to report, vocational rehabilitation providers should be removed from the reporting requirement, both for claims reporting and medical fee reporting, as well as from the penalty provisions. Also, subsection (b) dealing with medical information should be placed in a

CONTINUATION SHEET

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separate subsection as that requirement is for all medical information, not just a statistically significant sample.

Terry Leatherman, Vice President of Legislative Affairs of the Kansas Chamber of Commerce and Industry testified in support of **SB 133**. (Attachment 4) Mr. Leatherman believes that this bill would simplify the information gathering process by eliminating the reporting of open claim information.

Brad Smoot testified on behalf of the American Insurance Association as a proponent of SB 133. (Attachment 5) He believes that **SB 133** reduces the burdens of insurers, self-insureds and group funded pools to report claims data. Previous law required such payers to collect and submit open as well as closed claims, even though open files are of little value to the state in analyzing claim trends.

Janet Stubbs, Administrator of the Kansas Building Industry Workers Compensation Fund, testified in opposition to **SB 133**. (Attachment 6) She is concerned about the method of reporting, not about collecting the data altogether. Requiring the use of a value added network (VAN), which is a facility used to exchange electronic files between organizations, would be too expensive. As medical costs rise, we need to keep costs as low as possible. Ms. Stubbs answered questions and clarified that she is not opposed to eliminating open claims, but would like to be able to report electronically instead of using paper forms.

Chairperson Brownlee closed the hearing on SB 133.

The meeting was adjourned at 9:30 a.m.

The next meeting is scheduled for February 12, 2003 at 8:30 a.m. in room 123-S.