

MINUTES

SPECIAL COMMITTEE ON INSURANCE

December 8, 2008
Room 783-Docking State Office Building

Members Present

Representative Clark Shultz, Chairperson
Senator Ruth Teichman, Vice-Chairperson
Senator David Haley
Representative Anthony Brown
Representative Cindy Neighbor
Representative Virgil Peck
Representative Vince Wetta

Staff Present

Melissa Calderwood, Kansas Legislative Research Department
Dylan Dear, Kansas Legislative Research Department
Kelly Navinsky-Wenzl, Kansas Legislative Research Department
Bruce Kinzie, Office of the Revisor of Statutes
Ken Wilke, Office of the Revisor of Statutes
Sean Ostrow, Office of the Revisor of Statutes

Conferees

Larry Magill, Kansas Association of Insurance Agents
Tom Bryon, Kansas Association of Health Underwriters
Steve Robino, Coventry Health Care
Marlee Carpenter, Kansas Association of Health Plans
Dr. James H. Hamilton, Jr., Kansas State Chair, Commission on Cancer
Kenneth Daniel, Midway Wholesale, KsSmallBiz.com; Kansas Health Policy Authority
Board Member
Paula Clayton, Kansas Department of Health and Environment (written testimony)
Barbara Torkelson, Kansas Insurance Department (written testimony)
Scott Styles, Senior VP, Federal Affairs, America's Health Insurance Plans (via
speaker phone)
Roundtable Participants

Others Present

See attached list.

Morning Session

Chairperson Clark Shultz called the meeting to order at 10:10 a.m. and welcomed everyone to the meeting. The Chairperson then made announcements regarding the day's agenda.

Continuation of Topic 1

Review health insurance legislation proposed during the 2008 Legislature, with particular attention to SB 540 and SB 564. SB 540 would create the Kansas Small Business Health Policy Committee, amend coverage requirements for dependent children and create a reinsurance pool for very small groups. SB 564 would create the Small Employer Health Care Act and would make amendments to specify coverage requirements in the Kansas Uninsured Health Insurance Act and the State Employee Health Benefits Program. The bill also would establish a "qualified health insurance premium" as part of federal taxable income (subtraction modification).

The Committee meeting began with an update on the status of small employer health insurance in Kansas and the status of employer-based health insurance. (Business groups and the Kansas Insurance Department previously have provided testimony on this topic.)

Larry Magill, Kansas Association of Insurance Agents (KAIA) ([Attachment 1](#)), presented information on health reform from the independent agents' perspective. Mr. Magill spoke of the recent legislative efforts on health care reform and challenged the Committee to consider "will this [health reform idea] do anything to lower the cost of health care?" He noted that health insurance reflects the cost and utilization of health care and indicated that replacing health insurance companies competing for business with an inefficient government bureaucracy will increase cost, reduce choice and create waiting lists for services. Mr. Magill responded to past legislative proposals (namely 2008 SB 540), including the concepts of:

- Very small group – will not work without an effectively controlled mandate. The Kansas Health Insurance Association is able to provide a market of last resort for an individual that cannot find coverage in the voluntary market and the subsidy (assessment on health insurers) makes coverage affordable as possible.
- Young adult policies – the group market needs to keep young adults in the risk pool to average out the costs for all Kansans.
- Increase (dependent) age to 26 – some carriers already go to age 23 for students voluntarily and more are considering raising the age limit without a mandate to do so – let the marketplace handle it.
- Clearinghouse is unnecessary – the agent is the ultimate "clearinghouse," finding all the available markets, gathering information from the insured about their coverage needs, their employees, their past experiences, and presenting it to the carriers and providing their proposals back to the client. Mr. Magill noted the Kansas Insurance Department and its website provides consumer information.
- Support small group reinsurance study – reinsurance should allow smaller insurers to enter the small group arena and compete with the biggest players and reinsurance is seen as a way to level the premiums for all small groups.

Mr. Magill noted a number of ideas worth exploring: possibility of a mandate of Section 125 plans or Premium-Only Plans (POPs) to gain tax benefits for everyone who buys insurance;

encouragement to use Health Savings Accounts (HSAs) with qualified high deductible plans to move toward Consumer Directed Health Care (consider a mandate to quote an HSA with small groups); transparency of health care pricing; allow state employees to benefit from the full savings for the state's High Deductible Plan and do away with the mandates that employees must contribute a set amount to their HSAs; a single, electronic depository for individual medical records; consideration of a market-wide reinsurance mechanism for small group; use the Kansas Small Business Health Policy Committee's authority to offer a "mandate lite" lower cost health insurance policy; and reverse the transfer of the administrative responsibilities of the new 18-month Continuation of Benefits provision from the employer back to the insurer (2008 H. Sub. for SB 81).

Mr. Magill then responded to Committee questions about mandate-lite policies and HSAs. A Committee member commented that the electronic medical records proposal could not happen tomorrow and will be very expensive.

Ron Gaches then introduced Tom Bryon, Kansas Association of Health Underwriters ([Attachment 2](#)), who addressed health insurance reform issues. Mr. Bryon noted the organization's 12-point plan proposed during the 2008 Session, indicating that the Legislature should help more people find affordable health insurance inside the free market system that currently exists, by enhancing the current programs, rather than creating new ones. He also commented that he is supportive of amending the Continuation of Benefits provision noted by Mr. Magill. Mr. Bryon suggested consideration be given to taking [insurance] premium tax dollars and putting the dollars into the State High Risk Pool to make it more affordable for more people to participate. Mr. Bryon indicated that the use of state or federal tax dollars to fund health insurance of those who cannot afford it should be limited; it cannot be cradle to grave coverage at the taxpayers' expense. All health care consumers, he continued, must be accountable for the actions that are causing a major part of health care expenses – eating, sleeping, drinking, and exercise habits, for example. Mr. Bryon suggested the Committee consider the innovative solutions to the small business health insurance issues developed by Oklahoma (the Oklahoma Employer/Employee Partnership for Insurance Coverage – a partnership between small employers, employees and the State to share in the cost of health insurance). Under the program, the State pays 60 percent of the insurance costs, the employer pays 25 percent and the employee pays the remaining 15 percent. The eligibility criteria, he reported, includes residency, age (19-64), income guidelines (20K-74K based on single, dual income, self-employed or unemployed), ineligibility for Medicare/Medicaid, contributing 15 percent of insurance premium costs and participating in a state-approved insurance plan offered by their employer. Mr. Bryon also noted the importance of transparency and having informed and educated shoppers of health care (having doctors and hospitals publish their results and fees).

A Committee member asked about price transparency and what prevents hospitals from posting the costs of care. The conferee responded that hospitals are competing each day and information may be viewed as proprietary. A Committee member asked what the cost of subsidizing the High Risk Pool would be, in terms of premium dollars. The conferee did not have a dollar amount available.

Steve Robino, Coventry Health Care ([Attachment 3](#)), addressed some of the issues facing small business owners. Mr. Robino commented that the issue of "affordability" is the greatest health care issue facing consumers, whether a small business owner, large business owner, individual policyholder, or government institution. Mr. Robino noted the previous Committee discussion on tax credits and premium subsidies, indicating that these proposals may offer some assistance with premium costs, which Coventry would support. The value of these proposals, however, would fade over time as consumers still are ultimately required to cover the increasing costs of their health care as their premiums come due each month and as services are utilized. For mandate-lite or mandate-free policies, Coventry is supportive of this concept as it would allow small business owners and individual consumers additional choices in the benefits they purchase. Mr. Robino also offered support for the Legislature's review of all current insurance mandates for their continued need and

appropriateness. Mr. Robino stated that Coventry does not support the promotion of “mini-med” plans, as these plans typically offer very limited benefits and may not provide the appropriate coverage and financial protections consumers require when they are faced with an unexpected illness or catastrophic need. The issue that needs to be addressed is the higher costs of medical care. Mr. Robino stated that consideration needs to be given to utilization and unit cost and it is known that insurance mandates increase utilization and, in some cases, unit costs. An example cited, in terms of utilization and unit cost, is some medical providers have contracts that limit their ability to freely negotiate with multiple insurance carriers – this eliminates the ability of the provider to look at competitive options, often causing reimbursement rates (unit cost) of the other carriers to be higher than they otherwise could be. Mr. Robino concluded his remarks, asking the Legislature when evaluating health insurance proposals, “How does this proposal affect “utilization” and “unit cost,” and ultimately, the overall cost of health care and health insurance premiums?”

Marlee Carpenter, Kansas Association of Health Plans (KAHP) ([Attachment 4](#)), noted the insurance community wants to continue to partner with the business community to work to reduce health care costs and insure more Kansans. Ms. Carpenter stated that the KAHP is dedicated to providing low-cost health insurance to Kansans and is committed to working with the Legislature, the Kansas Health Policy Authority and the Kansas business community on ways to reduce the number of the uninsured. Ms. Carpenter also responded to the concept of mini-med policies, including pros and cons with such policies, stating that such a policy may give individuals a false sense of security and a belief that they have traditional health insurance. Mini-med policies, however, are inexpensive, she continued, and may bring additional individuals into the insurance market who are not already covered. This approach would likely move individuals from being uninsured to underinsured. In terms of young adult policies, she continued, young adults already have the ability to purchase a comprehensive health policy for about \$100 a month in the non-group market. Ms. Carpenter noted that testimony previously provided by her organization on 2008 SB 540 was attached to her testimony. Ms. Carpenter concluded her remarks noting the resources available on the Insurance Department’s website to assist small businesses in obtaining health insurance coverage including information on small business tax credits, health insurance carriers, contact information, information on HSAs, HSA forms and general small group health insurance information.

Committee Roundtable Discussion (Topic 1)

The Chairperson next called on Melissa Calderwood, Kansas Legislative Research Department, for introductory remarks for the Committee Roundtable Discussion. Ms. Calderwood indicated the following organizations (representatives) and state agencies (representatives) would be participating in the discussion on the topic:

America’s Health Insurance Plans (Bill Sneed); Blue Cross Blue Shield of Kansas and Blue Cross Blue Shield of Kansas City (Sunee Mickle and Brad Smoot); Farmers Union and Kansas Health Consumer Coalition (Don Teske – did not participate; written testimony submitted by the Kansas Health Consumer Coalition [Attachment 5](#)); Kansas Association of Health Plans (Marlee Carpenter); Kansas Association of Health Underwriters (Tom Byron); Kansas Association of Independent Agents (Larry Magill); Kansas Health Policy Authority (Ken Daniel, board member; Mr. Daniel also spoke to the Committee as a representative of the Topeka Independent Business Association and as a small business owner); Kansas Insurance Department (Craig Van Aalst, Barbara Torkelson; Linda Sheppard); Wichita Independent Business Association (Tim Witsman). Additional written comments prepared for the roundtable review period were distributed: actuarial report from Steve Schramm, Kansas Health Policy Authority ([Attachment 6](#)) and comments on the 2008 health reform legislation provided by Ken Daniel on behalf of the Topeka Independent Business Association ([Attachment 7](#)). It was noted the Insurance Department representatives were available to serve as informational resources.

Ms. Calderwood opened the discussion by indicating that the Roundtable is intended to facilitate discussion on Topic 1 and the recommendations the Committee chooses to make in its report. The state agencies and organizations who are participating, she continued, have expressed an interest in the topic and have been involved in discussions on the legislation highlighted in the assigned topic. Ms. Calderwood noted the issues previously discussed at both the October Committee meeting and the meeting today, including: the take up rate of HSAs; the availability, affordability and take up of low-cost plans; and current policy choices in Kansas. Other areas for consideration by the Committee included: the feasibility/"workability" of elements in the proposed legislation; the necessity of state oversight versus the need for change in legislation at the federal level (*i.e.*, ERISA changes); the insurance environment in Kansas – should the market be left alone, with competition creating the availability and access to health insurance plans in the marketplace or should the Legislature take action to add or shape the current regulatory environment to encourage the availability of health insurance plans in the market; how can the State of Kansas encourage increased health insurance coverage given the current fiscal situation; are limited benefit policies, increased individual accounts (section 125 plans), and increased efforts with wellness part of the solution to current small business health insurance issues.

Ms. Calderwood then asked the participants to make introductions and to consider the following scenario and then prioritize those items:

A recent Kaiser Family Foundation guide on covering the uninsured addresses four approaches to covering the uninsured. Nearly every idea described in the report has been addressed before this Committee. If possible, prioritize the four approaches for this Committee and the members of the 2009 Legislature – what is the best option for Kansas:

- Strengthening current coverage arrangements (including building on employment-based coverage; building on public coverage; and building on individual insurance);
- Improving the affordability of coverage (subsidies, offering less expensive products, reinsurance);
- Improving the availability of coverage (create/provide access to large group purchasing pools, increase availability of association health plans, expand high-risk pools, create a new public program, individual mandate); or
- Changing the tax treatment of health insurance and the way it is financed (incremental approaches versus major restructuring of health care financing – replace tax preferences for employer coverage with a tax credit/deduction, single payer system).

The conferees and the Committee then responded to the questions and offered additional comments about the assigned topic. Larry Magill talked about the consideration of a tax credit as a federal solution, rather than a state solution, and was supportive of consumer involvement and allowing market forces to work. Marlee Carpenter also spoke to the concept of allowing the market to work, noting that innovative, low-cost plans are a positive step. Ken Daniel noted while there are a lot of solutions, there is no money and approaching small business health insurance will require a shifting of attitudes. Suneer Mickle indicated she was supportive of strengthening employer-based coverage, noting employer choices, including HDHPs and first dollar coverage/benefits. Bill Sneed addressed his comments to the Committee's report and indicated his recommendation would be to "do nothing" and instead encouraged the Legislature to wait for federal action and direction with the new administration. Brad Smoot noted the costs of health care are seen in workers compensation

and auto insurance, as well. He spoke of the importance of employer-based coverage for Kansans, noting that while auto insurance is compulsory, there is a higher rate of uninsurance for auto coverage than health coverage. Mr. Smoot also addressed the issue of affordability, noting the pressures on providers and the costs for payors (variety of challenges – higher fuel costs, underpayments by Medicare and Medicaid). Mr. Smoot stated support for reinsurance as one of the solutions if the funds are available to pay for it. Tom Bryon was supportive of addressing the accountability of individuals with all consumers part of the decision making. Tim Witsman noted the option of improving the availability of coverage would run up costs.

The roundtable participants and the Committee then discussed mini-med policies and policies with limited or no health insurance mandates attached and whether more choice and lower priced policies could be available, particularly for small business. A Committee member questioned what would be an affordable rate per month for policies on the market. The group then discussed why Kansans are uninsured and it was noted by a participant that it was often people in-between insurance and how uninsurance is measured and reported. The roundtable also discussed current low-cost products available and the low take-up of the product and the issue of market size. The Committee and roundtable then discussed the small business tax credit and its effectiveness and current marketing.

A Committee member highlighted the national health care agenda and concerns about maintaining employer-based coverage and a desire to increase access. The Committee member encouraged the roundtable participants to help frame the issues in Kansas and help strengthen the national debate. Business representatives noted that there were activities in the states that should be reviewed, including Oklahoma, Tennessee and Indiana, with a participant supportive of the limited benefits approach in Tennessee. Increased co-pays and deductibles and the cost for health care also were discussed.

At the conclusion of the discussion, the meeting was recessed at 12:00 noon.

Afternoon Session

Chairperson Shultz reconvened the meeting at 1:40 p.m, and directed the attention of the Committee to the second topic assigned by the Legislative Coordinating Council:

Study requiring that colon cancer screening be included in health insurance policies. Review the benefits of colon cancer screening and the American Cancer Society's guidelines for such screening. (Topic requested by Representative Kay Wolf.)

Chairperson Shultz then recognized Kelly Navinsky-Wenzl, Legislative Intern, Kansas Legislative Research Department ([Attachment 8](#)), to present an overview of the assigned topic.

Ms. Navinsky-Wenzl noted the charge to the Committee included a review of the benefits associated with colon cancer screening and the guidelines for screening, as determined by the American Cancer Society (ACS). She then reviewed the ACS Guidelines, indicating that individuals at average risk for developing colon cancer should begin to have screening tests at age 50. Individuals who are at an increased risk may need to begin tests at an earlier age or be screened more frequently (e.g., an individual with a personal history of colon cancer or adenomatous polyps). Ms. Navinsky-Wenzl noted the screening tests acknowledged by the ACS: flexible sigmoidoscopy every five years; colonoscopy every ten years; double contrast barium enema every five years; or CT colonography (virtual colonoscopy) every five years. Additionally, she noted the screening tests

which mainly find cancer include: fecal occult blood test (FOBT) every year; fecal immunochemical test (FIT) every year; or stool DNA (sDNA) interval uncertain. After highlighting the incidences nationwide, she then noted that 27 states and the District of Columbia require coverage of colon cancer screening tests. Ms. Navinsky-Wenzl qualified the coverages, noting that colon cancer screening coverage differs greatly from state to state. She then noted the proposed legislation during the 2007-2008 biennium in Kansas, including 2007 SB 218 which would have required individual and group health insurance policies to include coverage for colon cancer examination and laboratory tests specified by ACS Guidelines beginning January 1, 2008. No action was taken on the bill and an interim review of all current and proposed health insurance mandates was not approved by the LCC, Ms. Navinsky-Wenzl noted. She also indicated that a House Committee of the Whole amendment added colon cancer screening requirements (identical to those in SB 218) into 2008 Sub. for HB 2601. The bill died at the end of the biennium in the Senate Financial Institutions and Insurance Committee. Finally, Ms. Navinsky-Wenzl noted the increased coverage for colon cancer screening in the State Employee Health Benefits Plan, with the coverage having been expanded in 2007 to now include a preventative care benefit for medically appropriate colonoscopy screening (removed the previous requirement of routine diagnosis and eliminated the limit of one colonoscopy per person per lifetime).

Chairperson Shultz next recognized Representative Kay Wolf, who introduced Mike Michael, Deputy Director for the State Employee Health Benefits Plan (SEHBP), Kansas Health Policy Authority.

Representative Wolf made some introductory remarks about the topic and spoke to the Committee about the issue of early detection and early prevention and the impact on the colon cancer cure rate. Mike Michael then addressed the 2007 changes in colon cancer screening made in the State Employee Health Benefits Plan. He noted that there has been an increase in those screenings with enrollees taking advantage of the benefit. A Committee member questioned if there had been any change in the premium rates based on the increased benefit. Mr. Michael indicated there had been a rate increase for the plan year, but it was not clear if this increased utilization had been a factor. Representative Wolf reported that in 2008, there had been 5,756 colonoscopies among the enrollees, which is an increase from the previous year. Representative Wolf then introduced Lisa Benlon with the American Cancer Society. Ms. Benlon introduced Dr. James J. Hamilton, Jr., Kansas State Chairman for the Commission on Cancer and Volunteer Legislative Advisor, American Cancer Society, for a presentation entitled, "Screening for Colorectal Cancer: Rationale for Current ACS Recommendations" ([Attachment 9](#)).

Dr. Hamilton began his presentation by providing facts about colon and rectal cancers, noting that the lifetime risk is about one in 19 and that colorectal cancer is the third leading cause of cancer-related deaths in the United States with an estimated 49,906 deaths predicted in 2008. Dr. Hamilton noted this death rate is decreasing and that screening is part of the cure, as the removal of pre-cancerous polyps prevent cancer and early detection markedly improves chances of long-term survival. Screening rates, Dr. Hamilton continued, are low with less than half of Americans over age 50 reported having had a recent colorectal cancer screening test. He then reviewed the screening methods (discussed earlier in the Committee meeting), noting that both the FOBT and the colonoscopy cost less than mammography. He contrasted the costs for these screening tests with the costs of prescription drug costs for the treatment of Stage III and Stage IV colon cancer. Dr. Hamilton's testimony also noted the existing cancer benefits provided to insureds in Kansas: mammograms, prostate, and breast reconstruction after cancer surgery.

A Committee member inquired about how many colon cancers had been detected among the 5,700 screenings reported for the SEHBP. Dr. Hamilton noted that generally five to ten percent of FOBT results are positive and three percent are treated. The Chairperson noted the policy implications for adding a requirement for coverage given the benefits of prevention and asked if most insurance companies already were providing this coverage. Dr. Hamilton responded yes, when a

medical condition is presented. The patient, he continued, may not go for the screening if there is concern that the insurance will not cover the test (cost). He noted that the coverage is required in Oklahoma, Nebraska, and Missouri. Dr. Hamilton also responded that it is likely that Stage III and Stage IV cancer patients are on public assistance due to the cost of care. The Chairperson also inquired about the screening options, asking if colonoscopy remains the gold standard. Dr. Hamilton replied yes, noting, however, that virtual colonoscopy may replace this standard. The Committee members then discussed the costs of the testing and the preparation required to have a colonoscopy. The Chairperson asked Representative Wolf if the amendment she offered to Sub. for HB 2601 covered a specific test. Representative Wolf responded that the bill specifies screening tests as allowed by the ACS guidelines and does not limit test type. The Chairperson noted written testimony received from Paula Clayton, Director of the Office of Health Promotion, Kansas Department of Health and Environment, on the importance of colon cancer screening ([Attachment 10](#)) and Marlee Carpenter, Kansas Association of Health Plans, which states opposition to additional health insurance mandates because of the increased cost imposed on health insurance plans. Ms. Carpenter's testimony notes that KAHP believes preventative care is necessary and all of the KAHP member plans pay for colon cancer screening procedures ([Attachment 11](#)).

Chairperson Shultz then recognized Barbara Torkelson, Accident and Health Division, Kansas Insurance Department ([Attachment 12](#)), to provide an update and summary on the Mental Health Parity provisions in HR 1424, the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008.

Ms. Torkelson provided a summary of the requirements of the Act as it related to group health plans that provide both medical and surgical benefits and mental health and/or substance use disorder benefits. It was noted that the Act also provides an exemption from these requirements if application of the requirements results in an increase for the plan year of the total costs of coverage with respect to medical and surgical benefits and mental health and substance use disorder benefits by an amount exceeding two percent for the first plan year and one percent for each subsequent plan year. The requirements of the Act, Ms. Torkelson continued, will apply to group plans in the first plan coverage year that is one year after the date of enactment (for most plans, the plan year beginning on January 1, 2010). The Act, she noted, is not applicable to small employer health plans (employers' plans with fewer than 50 eligible employees or individual policies). Ms. Torkelson then reviewed the four statutes governing mental health benefits in Kansas law. KSA 40-2,105a (a law requiring group health insurance policies providing coverage for mental health benefits to include coverage for the diagnosis and treatment of mental illness, subject to the same deductibles, coinsurance and other limitations applicable to other covered services) will require an amendment to comply with federal law. It was noted that the federal law does not address coverage for psychotherapeutic drugs (a requirement in KSA 40-2,105b). The requirements of KSA 40-2258 are consistent with those in the new Act, Ms. Torkelson continued, with the exception of a lower threshold for qualifying for the exemption for the first plan year. This statute will require an amendment to clarify that the parity requirements also apply to substance use disorder benefits.

A Committee member inquired about the lifetime benefit (stated in KSA 40-2,105) and language in the statute describing the benefit.

Chairperson Shultz noted the Committee would be receiving an overview of the national health care agenda. Bill Sneed, America's Health Insurance Plans, was recognized to introduce Scott Styles, Senior Vice President, Federal Affairs, America's Health Insurance Plans (AHIP), Washington D.C. ([Attachment 13](#)).

Mr. Styles began his presentation noting that AHIP recently has conducted a listening tour, seeking input from policymakers. He also noted that recent Harris polling indicates that the economy and health care are designated as the two most important issues for the government to address. A Kaiser poll indicates that the government's top priority for reforming health care should be: affordability (50 percent), covering the uninsured (25 percent), and improving the quality of care (11 percent). Mr. Styles noted that a large struggle at the federal level in 2009 will be how to achieve universal coverage. Mr. Styles next discussed AHIP's "Campaign for an American Solution" and the efforts to combine education and media outreach with grassroots recruitment for a campaign built on: the need for reform; the value of the private sector; people who value their current health care coverage; and fact-based contracts with government-based systems. Mr. Styles then reviewed the 2008 Presidential campaigns and the themes and key strategic issues for both the Democrats and Republicans on health care and health reform. One theme highlighted was the idea of "buy ins" with significant debate about how to expand SCHIP (State Children's Health Insurance Programs). Mr. Styles reviewed the 2009 timeline at the federal level and the timing for a health care agenda. Some of the early items to be reviewed in the new Congress, he continued, will be economic stimulus, including Medicaid and FMAP (Federal Medical Assistance Percentage). Mr. Styles then highlighted some of the coverage ideas that have been proposed or considered by those who will be leading committees on the Hill. Mr. Styles' comments included a perspective on the first 100 days of the new Administration, with focus to include SCHIP reauthorization, health reform principles or budget reconciliation, or both, with issues driving this policy debate to include: the role of government; financing and the budget; and the transition. Mr. Styles also noted Quality Improvement, Administrative Reform and Public Health goals. A summary of the AHIP "Campaign for an American Solution," a statement from the Board of Directors, "Now is the Time for Health Care Reform," and a report from PriceWaterhouseCoopers, "The Factors Fueling Rising Health Care Costs" were distributed for review by the Committee.

A Committee member asked about the progress on SCHIP reauthorization and any prospect of it being bundled (to other legislation). Mr. Styles responded that, with the expiration date approaching, there could be attempts to associate the reauthorization with an economic stimulus package. Funding is still a critical issue between the houses. There being no other questions, Mr. Styles was thanked for participating in the Committee meeting and offering comments on the federal agenda for health reform.

The Chairperson then asked for a motion regarding the minutes of the October 27, 2008, Committee meeting. *Representative Wetta made a motion to approve the minutes as written. Representative Neighbor seconded the motion. Motion carried.*

The Chairperson then invited Committee discussion on the recommendations and conclusions for the Committee report, noting that the Committee had previously addressed Topic 3 at its October meeting.

Topic 1

Representative Neighbor made a motion: The Committee believes that it is prudent at this time to take no action on the legislative proposals (stated in Topic 1) during the 2009 Legislative Session, and instead await action at the federal level, in order to make good, sound judgment in our future consideration of these issues and its impact on Kansas. The Committee notes its discussions in both October and December on this topic, including a roundtable discussion held with interested health insurers, underwriters and agents, business association representatives, and state agencies' representatives. Representative Peck seconded the motion.

The Committee then discussed the motion. One item reviewed was the role of HSAs and education about the product and its availability. A Committee member noted that the purchaser of the health insurance coverage, including the HDHP/HSA, needs to be better informed about the products, so that instruction on usage could then be provided to employees. A representative of the

Insurance Department noted a study that will be published in early January about HSAs and spoke of information currently available on the Department website. Following this discussion, the motion carried.

Topic 2

Representative Neighbor made a motion to recommend the Legislature pass legislation to recommend colon cancer screenings as a mandated coverage. Representative Wetta seconded the motion.

The Committee then discussed the motion. A member expressed concern about making a blanket recommendation and whether costs studies and the impact on public and private interests had been considered. A Committee member noted it was likely that the bill would be introduced during the 2009 Session and could be reviewed by the insurance committees at that time.

Representative Brown then made a substitute motion to recommend that the House and Senate Insurance Committees hold a hearing regarding colon cancer screening mandates, including any proposed legislation, during the 2009 Session. Senator Teichman seconded the motion. Motion carried.

The meeting was adjourned at 4:15 p.m.

Prepared by Sue Fowler and Melissa Calderwood
Edited by Melissa Calderwood

Approved by Committee on:

February 2, 2009
(Date)