

MINUTES OF THE House COMMITTEE ON Insurance

The meeting was called to order by Rep. Rex B. Hoy at  
Chairperson

3:30 ~~am~~ p.m. on March 15, 1984 in room 521 S of the Capitol.

All members were present except:

Rep. DeBaun, Rep. Fuller, and Rep. Peterson who were excused.

Committee staff present:

Wayne Morris, Legislative Research  
Gordon Self, Revisor's Office  
Mary Sorensen, Committee Secretary

Conferees appearing before the committee:

Sen. Jan Meyers	Rep. Joan Wagnon
Alice Kitchen	Sylvia Houghland
Claire Ewart	Charlotte King
Jack Roberts	David Hanson
Ralph Skoog	

Others Present:

See Attachment 1

SB 704, by Sen. Meyers--concerning continuance and conversion of group sickness and accident insurance, was first in support of the bill. Sen. Meyers, sponsor of the bill, spoke first in support of the bill. She briefly explained the intent of the bill, and what had happened to it in the Senate committee and on the floor. She said the bill was supported by many groups, and some of the women were here today representing those groups. Sen. Meyers responded to questions from the committee members.

Alice Kitchen from Johnson County, representing the Kansas Women's Equity Action League, passed out Attachment 2 and Attachment 3, which give statistics about some of the groups of people who would be affected by this bill, and she referred to these in her testimony in support of SB 704.

Sylvia Houghland, Secretary of Aging, for the Kansas Department of Aging, then spoke in support of SB 704. She said this bill is very similar to the two House bills on which the committee held hearings in February, and she thinks it is necessary to pass out favorably one of the bills in order to provide time for an older person to make a decision on affordable health insurance after divorce or the death of a spouse.

Claire Ewart from Prairie Village, representing the Older Women's League, passed out a letter from Joan K. Upshaw, Director of Social Services for the Shawnee Mission Medical Center, asking support for SB 704 (Attachment 4). Clair Ewart then spoke in support of the bill, and read excerpts from several letters from women around the State of Kansas setting out the need for the provisions of this bill.

Charlotte King, Overland Park, spoke as a private citizen in support of the bill. She said this bill would not help her, as she was divorced by her husband a year or so ago, and the six months period was past, but she was still trying to find affordable health insurance and at her age it is hard to find and expensive, most wanted a two year waiting period. She asked support of the bill as it would help other women who found themselves in a similar situation in the future.

Rep. Wagnon said the women in the House supported the bill and would appreciate having SB 704 passed out favorably by the committee.

Jack Roberts, representing Blue Cross and Blue Shield, spoke to SB 704. He said they supported the concept of the bill as opposed to some prior bills on this subject. He explained the current system used by Blue Cross/Blue Shield as it pertains to automatic conversion. He suggested some changes in the bill, which he believes will make it more workable and asked for an effective date of January 1, 1985, rather than July 1, 1984.

CONTINUATION SHEET

Minutes of the House Committee on Insurance, March 15, 19 84

David Hanson, representing the Kansas Life Association, spoke in opposition to SB 704, and suggested several problems their association saw in the bill. He said it will be an expensive proposition to require all these notices and he doesn't think the insurance companies can assume the responsibility at this time.

Chairman Hoy said he would appoint a subcommittee of Rep. Sprague, Rep. Long, and Rep. Weaver to study the bill further and possibly come up with some proposed amendments by next Tuesday.

SB 765, by Judiciary Committee--concerning liability insurance, providing for a direct cause of action against an insurer under certain circumstances, was next to be heard. Wayne Morris of Legislative Research briefly explained the provisions of the bill. Ralph Skoog, President of the Kansas Trial Lawyers Association, was introduced by Kathleen Sebelius, and he then spoke in support of SB 765. He explained current bankruptcy laws and how this bill would affect them and how it would affect insurance companies. There were questions of Mr. Skoog. Chairman Hoy announced that the hearing would be continued on Monday, March 19.

Rep. Sutter moved to approve the minutes of March 13. Rep. Long seconded. The motion carried.

The meeting adjourned at 4:45 PM.





# WEAL Women's Equity Action League

Specialists in Women's Economic Issues

KANSAS W.E.A.L.  
4718 W. 66th St.  
Prairie Village, KS 66208  
(913) 362-8503

To: Senate Commercial and Financial Institutions Committee  
House Insurance Committee  
From: Alice Kitchen, Kansas Women's Equity Action League  
Re: Hearings on S. 704

**Kansas Steering Committee**

Claire Ewert  
Prairie Village

Brydie Alsbrook  
Kansas City

Joan Olden Brake  
Wichita

Sr. Delores Brinkel, S.C.L.  
Kansas City

Mary Kay Davis  
Leavenworth

Billie Espino  
Kansas City

Esther Ewing  
Hutchinson

Joan Grein  
Topeka

Elaine Harvey, Ed.D.  
Hays

Jeanette Livingston  
Topeka

Ruth Lyons  
Independence

Ila Major  
Overland Park

Pat Moore  
Wichita

Louise Reece  
Garden City

**ACCESS TO AFFORDABLE MEDICAL COVERAGE**

1. What is needed is the current legislation?  
Access to affordable medical coverage is a privilege most people enjoy. However, there is a small but significant group of people who have lost medical coverage due to death, divorce, or retirement of a spouse.
2. Who are these people?  
Usually mid-life women between 45-65. Based on the number of males who died in 1983 and a 64% formula for number of males married, we estimate that we are talking about 1,707 women who were left alone due to death. We also would predict that a large portion of these males were employed and covered under a group plan. Those dependents left without insurance due to divorce number 1,138\* and again a large portion of those people had access to medical insurance through the worker in the household. These people were figured into the group rate prior to the change in status. These dependents are actuarially the same people they were before change in status.\* (refers to those married over 20 years)
3. What is absent is the current law?  
Continuation in the group plan at the group rate. This feature would eliminate the "adverse selection" experience commented on by some insurers.  
Requirement that coverage be identical in scope to previous plan with no new waiting period.  
Notification by insurer/employer to affected spouse.  
Inclusion of those left without coverage due to the retirement of a spouse who is now covered under Medicare.  
Inclusion of dependents in these remedies.
4. What are the consequences of not having medical coverage?  
To be without medical coverage in our society is to be without a basic necessity. It is hard to imagine anyone feeling secure without a medical plan, much less having dependents whose medical bills could be significant. Visits to doctors offices are usually over \$20 and a hospital bed begins at \$200 for a semi private room in many hospitals. Group coverage for this group is the most desirable and the conversion rate is second best. Individual plans a usually prohibitive in cost and fraught with riders.
5. What have other states done in this regard?  
Presently 25 states have conversion privileges for divorced spouses, this includes Kansas. 24 states have conversion/continuation in case of death. 18 have mandated continuation of one kind or another.

3/15/84

*Photo 2*



**ETC INSTITUTE**

MARKETING RESEARCH, DEMOGRAPHY, INFORMATION MANAGEMENT

1501 E. PARK, OLATHE, KANSAS 66061  
(913) 828-1215

February 27, 1984

TO: Kansas Women's Equity Action League

The following is a summary of the information that I was able to secure for the Kansas Women's Equity Action League Project. Since you had some more specific information about California, I secured some information about both California and Kansas so that the information for California might be used to gain estimates for Kansas.

1980 Population

California	23,668,000	(to nearest thousand)
Kansas	2,364,000	

Source: 1982 State and Metropolitan Area Data Book, U.S. Department of Commerce

Men and Women, Ages 45-64, Year 1980

California	19.2% of population
Kansas	19.4%

Source: 1982 State and Metropolitan Area Data Book, U.S. Department of Commerce

Persons Insured with company policy (excludes companies with self-insurance)

	Number	Percent of Population
California	17,878,000	75.5%
Kansas	1,507,000	63.7%

Source: Obtained by telephone February 23, 1984, from Health Insurance Association of America (202) 862-4124 (This was their "statistics" office; their main number is (202) 331-1336)

Fletcher Bell's Office 296-3071 did not have any information, as of February 23, 1984.

Women, ages 45-64, without insurance

The California data showed there were one-half million women; using the California percentage for Kansas would yield an estimate of 50,000. In view of the lower percentage insured, the number for Kansas might be higher.

Medicare hospital insurance enrollment-1979

	Number	Percentage of Population
California	2,519,000	10.6%
Kansas	319,000	13.5%

Source: 1982 State and Metropolitan Area Data Book, U.S. Department of Commerce

Comment: The difference in percentage of persons with medicare insurance is probably a function of the age distribution; the percentage of persons in California, ages 65 and over, is 10.2%, while the percentage of persons, ages 65 and over, in Kansas is 13.0%.

Kansas has one of the higher percentages of persons, ages 65 and over; the states with a higher percentage are: Rhode Island (13.4%), Iowa (13.3%), Missouri (13.2%), South Dakota (13.2%), Nebraska (13.1%), Florida (17.3%), and Arkansas (13.7%).

Source: 1982 State and Metropolitan Area Data Book, U.S. Department of Commerce

Percentage of Population with medicare or hospital insurance

California	86%
Kansas	77%

Marital Status, 1980 (persons ages 15 and over)

	Males		Females	
	Number	%	Number	%
Single	241,362	27.2%	186,113	19.6%
Married	569,429	64.2	565,595	59.5
Separated	8,260	0.9	10,685	1.1
Widowed	21,294	2.4	121,686	12.8
Divorced	47,119	5.3	66,881	7.0
Total	887,464		950,960	

Married refers to persons currently married, whether married only once or whether they have been widowed or divorced and remarried. Persons classified as single have never been married or whose marriage was annulled.

Using your data for 1983 about deaths, you could say "During 1983 in Kansas,

286 males between the ages of 35-44 died, 740 males who were between 45-54 died, and 1,641 males between the ages of 55-64 died. Using the estimate of 64% of the male population as married, we could project that we are talking about 1,707 women who were spouses."

National marital status, ages 65 and over

	Men	Women
Married		
Spouse present	75.5%	38.0%
Spouse absent	2.0	1.7
Widowed	13.6	51.0
Divorced	3.7	3.4

14.7% of the men and 40.9% of the women live alone.

Average lifetime for people in Kansas (1969-1971)

Males 68.83 years  
Females 76.54

Source: 1982 State and Metropolitan Area Data Book, U.S. Department of Commerce

Average Age at Death, Kansas 1981 (this includes all deaths)

Males 67.2 years  
Females 74.3

Source: 1981 Kansas Department of Health and Environment Annual Summary of Vital Statistics

Marriages ending in Divorce during 1981 (Kansas)

Duration of Marriage	Number of Divorces
20-24 years	548
25-29	315
30-34	175
35-39	64
40+	36
Total 25 +	1138

Some of these women probably are those who end up without insurance.

Hope this helps! Give me a call if you have questions.

Sincerely yours,

Elaine L. Tatham

Attachment 4

**SHAWNEE MISSION  
MEDICAL CENTER**

February 27, 1984

Neil H. Arasmith, Chairman  
Commercial and Finance Committee  
Kansas State Legislature  
Topeka, Kansas

Dear Chairman Arasmith,

As a Social Work Department director and a direct service provider, I would like to take this opportunity to support Senate Bill 704 which addresses the problem of persons who, through death, divorce and retirement lose their access to health care coverage.

I briefly wish to cite two situations that typify many others that come to my attention annually.

A couple, composed of a sixty-two year old husband and a fifty-eight year old wife, were referred to me while the wife was hospitalized. The initial purpose was to help the couple with decisions around going home. The paramount concern that emerged, however, was the husband and wife's fear of not having enough money to pay for her doctor's bills and for the medications the physicians prescribed to treat her chronic illness around heart and respiratory problems. The husband had been terminated from his life long employment due to his disabilities to perform the needed work. He was now under Medicare disability coverage for himself. His wife, however, was not covered under that entitlement, nor was covered under her own account because of her age and the fact she had never worked to have insurance coverage of her own.

At this point, the couple was overwhelmed with the multiple bills from many specialists and services validly treating her. She owed each sizable sums of money. Her immediate fear was their stopping treatment until she could pay on those bills. Additionally, her medicine prescriptions were multiple and costly, increasingly stretching the couple's ability to cover them with their very meager income.

Another situation that serves to typify a class of situations is a young twenty-eight year old mother with an eight year old child. She lost her and the child's access to health insurance due to a divorce. She was not covered or continued on her former spouses

*Heb. F*

plan. She was not notified by either employer or spouse that this was an option. Later the husband lost that job and has not been under covered employment since, leaving their child also uncovered for medical needs.

Presently, this mother is working two jobs, one full time in a filling station where there are no insurance benefits; one part time as a waitress where similarly there are not benefits. She accumulates about seven to eight hundred dollars per month to meet all the needs of rent, utilities, food, clothing, child care and transportation. This leaves nothing for the \$150.00 to \$200.00 private health insurance premium per month that would be necessary to help assure access to health care services.

Thank you for you and your committee members consideration of these practice experience situations. We hope they help with your understanding of what we consider a prevalent problem with a group of Kansas citizens.

Sincerely,

A handwritten signature in cursive script that reads "Joan K. Upshaw".

Joan K. Upshaw  
Director, Social Services

JKU/jh