

Approved: February 23, 1993
Date

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson Richard Bond at 9:10 a.m. on February 22, 1993 in Room 529-S of the Capitol.

Members present: Senators Corbin, Hensley, Lawrence, Lee, Petty, Praeger, and Steffes.

Committee staff present: William Wolff, Legislative Research Department
Fred Carman, Revisor of Statutes
June Kossover, Committee Secretary

Conferees appearing before the committee: William Sneed, Health Insurance Assn. of America

Others attending: See attached list

Senator Lawrence made a motion, seconded by Senator Corbin, to approve the minutes of the meeting of February 19, 1993 as submitted. The motion carried.

The continued hearing on **SB 187** was opened. William Sneed, HIAA, appeared before the committee in opposition to this measure. (Attachment #1.) Mr. Sneed explained to the committee what his organization foresees as potential problems with the bill, which adds mandates to health care providers. In response to Senator Steffes' question, Mr. Sneed advised that HIAA is opposed to all mandates and that mandates have the potential to raise health insurance costs, although ARNP's have been utilized in a cost effective manner in rural areas. Mr. Sneed proposed that the bill be amended with a sunset clause of 3 to 5 years so that the effect on health care could be reviewed.

In response to Senator Hensley's question, Mr. Sneed stated that the bill could also be amended to include only the underserved areas in Wyandotte, Shawnee and Sedgwick Counties. Senator Lee questioned whether Blue Cross is the only health insurance company not directly reimbursing ARNP's and Mr. Sneed stated that the majority of HIAA members do pay on a direct basis. Since there were no further questions and no other conferees, the hearing on **SB 187** was closed.

Senator Petty made a motion to move the **SB 187** favorably. Senator Lee seconded the motion.

Senator Praeger and Senator Steffes each voiced concern about the possibility of this legislation encouraging ARNP's to relocate from rural to urban areas.

Senator Lawrence offered a substitute motion to amend the bill with a five year sunset clause on the mandates being added by **SB 187** and to move the bill favorably as amended. The motion was seconded by Senator Corbin. Following discussion regarding the anticipated results of the sunset clause, the motion carried. The bill will be carried by Senator Lee.

The committee adjourned at 9:40 a.m.

The next meeting is scheduled for Tuesday, February 23, 1993.

GUEST LIST

SENATE

COMMITTEE: FINANCIAL INSTITUTIONS AND INSURANCE

DATE: 2/22/93

[illegible]

MEMORANDUM

TO: The Honorable Dick Bond, Chairman
Senate Financial Institutions and Insurance Committee

FROM: William W. Sneed
Legislative Counsel
Health Insurance Association of America

DATE: February 19, 1993

RE: Senate Bill 187

Mr. Chairman, Members of the Committee: My name is Bill Sneed and I am Legislative Counsel for the Health Insurance Association of America ("HIAA"). The HIAA is a health insurance trade association consisting of over 300 insurance companies that write over 80% of the health insurance in the United States today. Please accept this memorandum as our testimony in regard to S.B. 187.

The HIAA favors the preservation of a system that allows the prospective purchaser of health insurance free choice of which risks he wishes to cover from among the various coverages offered by competing insurance carriers. The HIAA also believes that the choice of how the policyholder spends what funds are available for health insurance should be free of governmental decree. The HIAA supports the concept of preventive health care benefits. However, the HIAA believes that the decision to offer such benefits should be left to individual companies in response to competitive market forces. It continues opposition to proliferation of such benefits through government mandates.

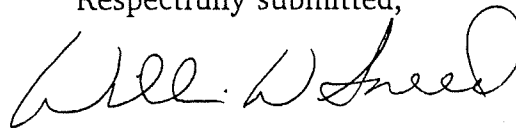
As has been indicated in earlier testimony, this law was presented as a methodology in helping the rural segments of our state. Although we oppose mandated

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Attachment #1*

coverages, we have continued to work with the advanced registered nurse practitioners in allowing their services to be covered. However, we believe that instituting mandates sets into motion a dangerous precedent. What would stop the next proposal from being an argument that if an advanced registered nurse practitioner does a procedure similar to what a doctor does, that the payment for that service should be on the same level as the physician? We contend that by placing mandated coverages in state laws, the state leaves itself open for such arguments, and as such, continues to add to the cost of health care. Additionally, without the freedom of reviewing these types of services as they compare to the marketplace, we believe mandates place a serious hamper on our ability to discontinue services if, in our opinion, they become unnecessarily costly to our customers.

Thus, on behalf of my client, I respectfully request that this Committee act unfavorably on S.B. 187. If you have any additional questions or comments please feel free to contact me.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Will. W. Sneed".

William W. Sneed