

Approved: March 7, 1994
Date

MINUTES OF THE HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson William Bryant at 3:30 p.m. on February 23, 1994, 1994 in Room 527-S of the Capitol.

All members were present except:

Committee staff present: William Wolff, Legislative Research Department
Bruce Kinzie, Revisor of Statutes
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee: Representative Helgerson
Betty Dicus, American Cancer
Beverly Jonas, Midwest Cancer Foundation
Norma Richards, Wichita
Barbara Stritchfield, R.T.
Shelby Smith
Julia Franciso, KDHE
William Sneed, HIAA

Others attending: See attached list

HEARING ON HB 2823: Insurance reimbursement for certain persons performing mammography and prostate-specific antigen testing

SB 640 which was passed by the Senate was distributed to Committee members as the bills are similar in nature and will possibly be merged (Attachment 1). Representative Helgerson distributed copies of a proposed amendment to HB 2823 which would make it similar to SB 640 and adds "testing pursuant to American cancer society guidelines" (Attachment 2). Bill Wolff of Legislative Research stated that the insurance statute requires insureds to pay mammography procedure if it is directed by the health care provider for the insuree. This bill would instruct the insurer to pay for the mammogram no matter where it is provided (mobile units, etc.). Most insurance companies do not pay for mammograms if they are done on a voluntary basis rather than directed. Prostate testing is not now required to be paid by insurer and a study and analysis would have to be done before this could become part of statute.

Representative Helgerson stated that HB 2823 was intended to clarify the law and allow reimbursement for mammography testing performed pursuant to American Cancer Society guidelines at a mobile facility but it was crafted incorrectly (Attachment 3).

Betty Dicus, Chairman of the Board of Directors for the American Cancer Society, Kansas Division, Inc., stated that 182,000 women in the United States were diagnosed with breast cancer each year with 46,000 of those dying (Attachment 4). The Society's guidelines for screening on breast cancer and prostate cancer were attached.

Beverly Jonas, Executive Director of the Midwest Cancer Foundation, reported receiving sponsorship by Koch Industries, Inc., for an equipped mobile van, accredited technicians and radiologists, and other state of the art equipment (Attachment 5). This support has allowed them to charge only \$55 for a mammogram and \$45 for PSA testing. The average cost in a hospital is \$60 to \$200. A shortfall in operational budget is due to the frustration of obtaining support from several major insurance companies. They have found it difficult to obtain approval for their services as some major insurance companies do not approve mass screening and consider mobile mammography as mass screening even though they serve only 25 to 30 clients a day. She reviewed the administrative and followup procedures used with clients.

Norma Richards, Wichita, related her experience of visiting the mobile van when it was made available at her workplace, Emprise Bank. The cancer was detected early enough to allow for surgery with no chemotherapy thanks to the early detection.

Barbara Stritchfield, R.T., Chief Technician of the mobile unit van, stated that women under 30 to 35 are not tested unless they are referred by a physician. There is still only 10% participation in screening when mobile

units are brought into a community or workplace. Mammography can be an uncomfortable procedure but it is not painful. Of the 1000 men who will be diagnosed this year, 300 will die of the disease. She stated that the mobile van unit has no intent to go into PSA testing, does not circumvent doctor referral, and has the approval of HCFA.

Julia Francisco, KDHE, said they take no position on the bill but did clarify the following points (Attachment 6):

1. Inspections of 135 mammography screening suppliers for HCFA regarding certification for Medicare reimbursement, but KDHE does not certify mammography providers but can make recommendations to HCFA.
2. Certification after October 1, 1994 will probably become the responsibility of the Food and Drug Administration.
3. Substitute language for the bill: "reimbursement and insurance provider status shall not be denied any mammography provider determined by the Department of Health and Environment to be in compliance with applicable federal regulations."

Bill Sneed, HIAA, said his client would request a fiscal impact report regarding the payment of all mammograms even when they are not at the direction of a person licensed to practice medicine or surgery by the board of healing arts (Attachment 7). They are opposed to mandated benefits because of the increased costs caused by the administrative costs being increased with the added claims. Self-referrals would drive up the costs and policy owners would pay more in the long run. HIAA favors the preservation of a system that allows the prospective purchaser of health insurance free choice of which risks he wishes to cover. General coverage pays for approximately 85% of the costs.

During discussion by the Committee, it was determined that "American Cancer guidelines" is not necessary in the bill as that is the standard approved by HCFA. Insurers are required to pay for any mammogram if it is directed by a physician no matter what the age of the client.

HEARING AND ACTION ON HB 2654: Mortgages on real property, satisfaction thereof AND HB 2799: Mortgage registration fees, exceptions

This bill was passed out of committee and re-referred to FI & I. Representative Heineman had amended HB 2799 into Section 2 which added language which would determine that if a borrower had paid the mortgage tax once, it would not be due and payable upon refinancing with the same lending institution or any other lending institution except for the amount over and above the amount originally mortgaged.

Representative Allen reported that the Subcommittee assigned to study this bill recommended that the bill be split and add an amendment that the lending institution would have to pay the \$5.00 fee. Revisor Kinzie presented Attachment 8 which was a marked copy of HB 2654 and stated that the statutes are in conflict.

Representative King moved to accept the Subcommittee's report and separate the bills. Motion was seconded by Representative Teagarden. Motion carried.

Representative King moved to pass HB 2654 out favorably in the original form which required the borrower to pay the \$5 fee. Motion was seconded by Representative Minor. Motion carried.

The Subcommittee recommended changing the effective date for HB 2799 to change from publication in the Kansas Register to publication in the Kansas Statutes as it would have a dramatic effect on county budgets. There has been no study done to determine how much of the mortgage tax collected in large counties is due to refinancing. The Register of Deeds of Johnson County predicts that with passage of this bill, counties will lose approximately 60% of the income generated by the Register of Deeds Offices.

Representative Bruns, Correll, and Crabb voiced opposition to the bill. Representative Cornfield suggested piloting the program in Finney County. Some counties, including Washington County, do not charge an additional fee for refinancing. Representative Wagle said this was a good consumer bill and suggested counties scale back and cut costs.

Representative Minor moved to report the bill adversely. Representative Cox seconded the motion. Representative King issued a substitute motion to table the bill. Motion was seconded by Representative Crabb. Motion carried.

ACTION ON HB 2833: Automobile liability insurance, exclusions or limitations of coverage

Representative Cornfield moved to accept the amendment as presented which defines "motor vehicle" to

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE,
Room 527-S Statehouse, at 3:30 p.m. on February 23, 1994.

include ever self-propelled vehicle of a kind required to be registered in this state including trailers but excluding motorized bicycles (Attachment 9). Representative Crabb seconded the motion. The motion carried. Representative Cornfield moved that the bill be reported favorably as amended. Motion was seconded by Representative Crabb. Motion carried.

ACTION ON HB 3041: Repealing 40-1126 through 40-1129, professional liability insurance, reports

Representative Cornfield moved to pass the bill to the Consent Calendar. Motion was seconded by Representative Gilbert. Motion carried.

ACTION ON HB 2636: Workers compensation, appointment or assignment of risk

An amendment prepared by the Insurance Department was distributed to Committee members (Attachment 10). This amendment would require that Kansas policy holders would be serviced by companies with offices located in Kansas. Four of the servicing companies already have offices in Kansas, nine do not. Service has been poor when insurance companies operate the workers compensation program out of remote areas.

Representative King moved to accept the amendment. Representative Wagle seconded the motion. Representative Allen issued a substitute motion which would allow out-of-state insurance companies to handle workers compensation business if an 800 number and contact person was made available to the clients (Attachment 11). Motion was seconded by Representative Helgersen. Dick Brock of the Insurance Department said such numbers and contact persons are available but the service is "terrible." Motion failed. The first motion was Representative King was voted upon and it passed.

Representative King moved that the bill be passed as amended. Motion was seconded by Representative Crabb. Motion carried.

The meeting adjourned at 5:10 p.m. The next meeting is scheduled for February 24, 1994.

GUEST LIST

COMMITTEE: _____

DATE: 2-23

[illegible]

As Amended by Senate Committee

Session of 1994

SENATE BILL No. 640

By Senators Ranson, Downey, Emert, Lawrence, Reynolds,
Salisbury, Steffes, Tillotson and Vidricksen

2-1

10 AN ACT relating to insurance; concerning mammogram coverage;
11 amending K.S.A. 40-2230 and repealing the existing section.
12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 40-2230 is hereby amended to read as follows:
15 40-2230. Notwithstanding any provision of any policy, provision, con-
16 tract, plan or agreement to which this act applies, whenever re-
17 imbursement or indemnity for laboratory or x-ray services are cov-
18 ered, ~~(1)~~ Reimbursement or indemnification shall not be denied
19 for mammograms or pap smears when performed at the direction of
20 a person licensed to practice medicine and surgery by the board of
21 healing arts within the lawful scope of such person's license; ~~and~~
22 ~~(2) reimbursement and insurance provider status shall not be~~
23 ~~denied any, including services performed at a mobile facility cer-~~
24 ~~tified by the federal health care financing administration and de-~~
25 ~~partment of health and environment certified provider per-~~
26 ~~forming mammography and prostate-specific antigen testing~~
27 ~~by American cancer society guidelines.~~ A policy, provision, con-
28 tract, plan or agreement may apply to mammograms or pap smears
29 the same deductibles, coinsurance and other limitations as apply to
30 other covered services.

31 Sec. 2. K.S.A. 40-2230 is hereby repealed.

32 Sec. 3. This act shall take effect and be in force from and after
33 its publication in the statute book.

ATTACHMENT 1

2-23-94

Shane F. D.

Attachment 1

2-22-94

HOUSE BILL No. 2823

By Representative Helgerson

2-2

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16 ered ~~[(1) Reimbursement]~~ or indemnification shall not be denied for

[, reimbursement

17 mammograms or pap smears when performed at the direction of a

18 person licensed to practice medicine and surgery by the board of

19 healing arts within the lawful scope of such person's license ~~and (2)~~

[, including services performed at a mobile
facility certified by the

20 ~~reimbursement and insurance provider status shall not be denied~~

21 ~~any~~ federal health care financing administration and department of

[and

22 health and environment ~~certified provider performing mammography~~

23 ~~and prostate specific antigen~~ testing ~~by~~ American cancer society

[pursuant to

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26 surance and other limitations as apply to other covered services.

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29 its publication in the statute book.

2-23-94
Attachment 2
House File 1

HENRY M. HELGERSON, JR.
REPRESENTATIVE, EIGHTY-SIXTH DISTRICT
4009 HAMMOND DRIVE
WICHITA, KANSAS 67218-1221



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
MEMBER: APPROPRIATIONS
ECONOMIC DEVELOPMENT
ELECTIONS
JOINT COMMITTEE ON ECONOMIC
DEVELOPMENT
KANSAS, INC.

HB 2823

FEBRUARY 23, 1994

TESTIMONY BEFORE THE HOUSE FINANCIAL
INSTITUTIONS AND INSURANCE COMMITTEE
BY
REPRESENTATIVE HENRY HELGERSON, JR.

Mr. Chairman and members of the Committee:

HB 2823 was intended to clarify the law and allow reimbursement for mammography testing performed pursuant to American Cancer Society guidelines at a mobile facility. However, HB 2823 was crafted incorrectly.

The attached amendment clarifies this intent and eliminates any reference to prostrate specific antigen testing. Representatives from Blue Cross and supporters of the bill have agreed to this language.

SB 640 is very similar and has passed out of Senate Financial Institutions and Insurance Committee.

Beverly Jonas the Executive Director of the Midwest Cancer Foundation is her to provide additional information.

I would be happy to answer any questions now or at the end of the hearing

Thank you.

Henry M. Helgersen, Jr.
Attachment 3
Feb. 23, 1994



KANSAS DIVISION, INC.

THERE'S NOTHING MIGHTIER THAN THE SWORD

TESTIMONY OF BETTY DICUS, TOPEKA
CHAIRMAN OF THE BOARD
AMERICAN CANCER SOCIETY, KANSAS DIVISION, INC.

HOUSE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE
FEBRUARY 23, 1994
HOUSE BILL 2823

Mister Chairman and Members of the Committee:

My name is Betty Dicus and I currently serve as Chairman of the Board of Directors for the American Cancer Society, Kansas Division, Inc. We thank you for the opportunity to appear before you in support of House Bill 2823.

Last year, an estimated 182,000 women nationwide were diagnosed with breast cancer. Over 46,000 died, making breast cancer the second major cause of cancer death in women. During that same year, an estimated 165,000 men were diagnosed with prostate cancer in the United States. There were 35,000 deaths from the disease, ranking it as the second leading cause of cancer death in men. This legislation would encourage screening for both breast and prostate cancers.

*House F&I
Attachment 4*

2-23-94

The American Cancer Society advocates accessibility to cancer screening tests for all individuals. By diagnosing these malignancies at an earlier stage, they can be treated more successfully, with a better chance of patient survival. To assist you in considering this legislation, I have attached to my testimony a copy of the American Cancer Society's guidelines relating to screening for breast and prostate cancer. Additional data regarding incidence, treatment, and mortality for these diseases is available, should you require further information.

This is an excellent opportunity for the Legislature to encourage Kansans to take responsibility for their health by accessing recommended screening examinations. On behalf of the American Cancer Society, I request your favorable consideration of House Bill 2823.

EARLY DETECTION OF CANCER SCREENING GUIDELINES

BREAST CANCER

The American Cancer Society recommends that women have a screening mammogram by age 40; women 40 to 49 should have a mammogram every 1-2 years; asymptomatic women age 50 and over should have a mammogram every year. In addition, a clinical physical examination of the breast is recommended every three years for women 20 to 40, and every year for those over 40. The Society also recommends monthly breast self-examination as a routine good health habit for women 20 years or older. Most breast lumps are not cancer, but only a physician can make a diagnosis.

Besides its effectiveness in screening asymptomatic women, mammography is recognized as a valuable diagnostic technique for women who have findings suggestive of breast cancer. Once a breast lump is found, mammography can help determine if there are other lesions too small to be felt, in the same or opposite breast. Since a small percentage of breast cancers may not be seen on a mammogram, all suspicious lumps should be biopsied for a definitive diagnosis, even when current or recent mammography findings are described as normal.

PROSTATE CANCER

Every man 40 and over should have a digital rectal examination as part of his regular annual physical checkup. In addition, the American Cancer Society recommends that men 50 and over have annual prostate-specific antigen blood testing. If either result is suspicious, further evaluation in the form of transrectal ultrasound should be performed.



Hearing Before the House Committee on Financial
Institutions and Insurance on House Bill No. 2823
February 23, 1994

John Jonas, Chairman Protem, Midwest Cancer Foundation
Beverly Jonas, Executive Director, Midwest Cancer Foundation

The mission of the Midwest Cancer Foundation (a not-for-profit foundation), is to make Mammography and PSA testing available at the worksite at a reduced cost.

To accomplish this, we have invested \$250,000 in a state-of-the-art equipped mobile van that meets the high accreditation standards of HCFA.

Our X-Ray technicians and radiologists also are fully accredited to HCFA standards.

A major challenge has been raising the funds to cover the cost of the van, equipment and personnel.

We are happy that we are sponsored by Koch Industries, Inc., to assist with the cost of the van and equipment. As a result, our fees are often under normal fees, i.e., \$55 for a mammogram and \$45 for PSA. The fees include reading of the x-ray and lab charge for PSA's.

We are still experiencing a shortfall in operational budget, primarily because we have been frustrated by obtaining support from several major insurance companies.

*House File
Attachment 5
2-23-94*

The Midwest Cancer Foundation is approved as a provider for a majority of insurance companies, nevertheless, we find it difficult to gain approval for our services, i.e., one major carrier states that they do not approve mass screening and consider mobile mammography as mass screening even though our experience shows that we can only serve 25 to 30 clients a day and our average participation for a company is approximately 10%. If we were booked solid for one year we could not accommodate more than 5,000 screenings.

In spite of the challenges from insurance companies, we have signed up 65 major corporations for participation including such large companies as Beech, Learjet, Koch Industries, Rent-A-Center, NCR, City of Wichita, Friends University, and over 38 school districts, to name a few.

To date, we have screened 850 women for mammography with results of 89 recommended for diagnostic screening of which 11 required biopsies and 5 required mastectomies. One breast cancer is diagnosed out of each 170 screenings with the cost of \$9,350. On the PSA, 636 have been tested, resulting in 2 biopsies and the discovery of one malignancy.

The question of "fragmented care" has come up several times. I would like to take a moment to address that issue.

Midwest Cancer Foundation only performs screenings. A physician must be listed on the patient information sheet before the x-ray is taken. Anyone presenting symptoms, breast implants or previous breast cancer are referred to their physician.

At the time of the examination they are encouraged to perform monthly self-breast examinations and are urged to have a clinical breast examination. They are informed that at least 5% of breast cancers will not be identified on mammography.

Once an abnormal has been diagnosed, the follow up care is left to the physician of record.

The technicians do call to verify that the patient with an abnormal report has received their report and that the patient has been in contact with their physician.

The technicians also follow up with the physician to see what procedures have been taken and note the diagnosis to complete the MCF file.

A card is mailed to each patient by their anniversary date to remind them of their last screening performed by MCF.

We are not experts in the legislative initiatives, however, we do know and understand cancer and how early detection can save lives.

-4-

We also know that only 33% of women follow the suggested guidelines in obtaining mammograms by the standards of the American Cancer Society and the American College of Radiology.....common sense tells us that if we make screening accessible at the workplace, requiring approximately 15 to 20 minutes of time, that more women will participate and more lives will be saved because of the early diagnosis.

We would think that insurance companies would applaud and support our efforts, particularly when considering that the cost of treating one mastectomy breast carcinoma is \$300,000 at minimum which is equal to the cost of screening 5,500 women with mammogram. This says nothing about the heartache and total destruction of the family that often occurs with cancer.

Some insurance officials have implied that it is cheaper for them to pay the cost of breast cancer treatment for a few women than to pay the screening of many. These comments seem neanderthal when considering the emphasis that major companies are placing on wellness programs today.

We urge you to assist us in obtaining the unqualified support of insurance companies for this project. We have provided each of you with a packet of information that gives greater detail of our efforts and we will be pleased to answer any questions you may have at this time. We thank you for the opportunity of appearing before you today.

5-4



Van Schedule
March 1993 through December 1993

Company	# of visits	E d u c a t i o n sessions
Albertsons/Public screenings	2	
Argonia Sch. Dist.	1	
Beech Aircraft Corp.	1	Mgmt. Dinner
Belle Plaine/ Public screenings	1	
Cheney Sch. Dist.	1	
Coleman Company Inc.	1	
Conway Springs Sch. Dist.	1	
El Dorado Sch. Dist.	1	x
Excel Corporation	1	x
Friends Health Fair	1	
Koch Industries Inc.	3	
Larksfield Place	2	
Learjet	2	
Love Box Company	2	
MetLife	1	x
Multimedia Cablevision	1	
NCR	1	
Prairie State Bank/Public	1	
Rec. Veh. Products	1	x
Rent-A-Center	2	
Richardson's Pharmacy/Public	1	
Sedgwick County Fair/Public	1	
Sedgwick Plaza	1	
St. Mark Health Fair	1	
Udall Sch. Dist./Public	1	
Towne East/Public	1	
Wichita Mall/Public	1	
City of Wichita	1	
Emprise Bank (South)	1	
Emprise Bank (Downtown)	1	
Emprise Bank (West Douglas)	1	
Belle Plaine	2	
Pres. Church/Kingman	1	x
Sterling/Pres. Manor	1	
Health Fair		
Derby Schools	1	
TOTAL		

March through December, 1993, a total of 743 females have been screened for breast cancer. Eighty-three were found to be abnormal. Eleven of these were biopsied with five mastectomies performed.

In the same time frame, a total of 582 men have had the PSA (Prostate Specific Antigen) blood test. Of the 582 performed, ten were abnormal with two biopsied and one found to be malignant.

We had 133 mammograms performed at KPL (Wichita/Hutchinson). Statistics are at AIH in Kansas City.

Updated 2/4/94

5-5

Midwest Cancer Foundation

Mobile Screening Van
3243 East Murdock - Suite 400
Wichita, Ks. 67208
(316) 681-1131

P. N. Kim, M.D.
Medical Director

Name	Sex	Date of Birth	Date	Doctor	X-Ray Number
	F	6-11-43	2-8-94		

The above named patient has had a screening mammogram via MCF mobile unit. You were listed as attending physician and therefore the report is forwarded to you. This portion of screening process was for mammography only, and no physical exam was done in conjunction with mammogram.

Review of mammogram on this patient shows:

☐ No evidence of malignancy. Follow-up per ACS guidelines.

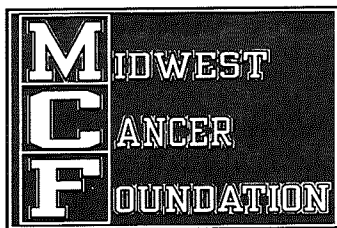
☒ Abnormal findings with further evaluation suggested. (see report which follows)

☒ Comment: There is a 2 1/2 cm. diameter nodular density in the upper outer quadrant of the left breast. This was not seen on the 1-14-92 exam from St. John's Hospital in Leavenworth. No other dominant masses or suspicious microcalcifications are identified. IMP: New nodular density in the upper outer quadrant of the left breast. The configuration suggests this may be a cyst so that ultrasound would be helpful for further evaluation. If it is done mammographic views would also be helpful. No other abnormalities identified.

CWM:trc
Submitted and transcribed 2-16-94

Charles W. McGuire, M.D.
Charles W. McGuire MD

NOTE: Keep in mind at least 5% of breast cancers will NOT be identified on mammography. If a mass is palpable, but not noted on mammography, further evaluation by other methods, i.e. sonography, aspiration, biopsy, etc. should be considered.



LOGOS

MIDWEST CANCER FOUNDATION NEWSLETTER

Volume 3: Number 3

Winter, 1994

Screening Mammography Valuable Detection Tool

(Editor's note: The following article by Bernadine Healy ran first in the Dec. 28, 1993 issue of the Wall Street Journal, and points to the value of screening mammography in the prevention and early detection of breast cancer.)

As if by imperial edict, the Clinton Health Security Act has ruled out screening mammography for women in their 40's. In their so-called comprehensive benefits package, women in this age group would no longer be covered for this important test. Even women over 50 would be covered only every two years -- rather than annually, as highly recommended.

The administration's mammography dictate is an example of drastic and arbitrary government intrusion into the health care choices patients and doctors make every day. President Clinton's "comprehensive" benefits package is actually a faulty one-size-fits-all medical prescription. When combined with global budgeting, the new health care plan becomes a methodology of health care rationing.

Under this plan, a woman is forced to buy services she might not want, and is being deprived of services she does want -- such as mammography -- unless she is able to come up with the extra after-tax dollars on top of the already expensive mandatory Clinton health "premium." Why

not give a woman a flexible benefits package or medical savings account to preserve her health care choices?

Less Common, More Aggressive

There is little certainty in life or science. Without certainty, but based on clinical studies conducted over years, screening mammography for women over 40 became part of the catechism of women's health for the early detection of breast cancer. The agreed-upon standard set by the American Cancer Society, the National Cancer Institute and most other involved medical groups was mammography every one to two years after age 40 and annually after age 50; for high-risk women, a baseline mammogram in their mid-30's.

Over the years we have seen solid scientific support for the life-saving potential of mammography in women over 50, the age range in which most breast cancer develops. About 20 percent of breast cancer victims, however, are afflicted before they reach that age. Under-50 cancers, although less common, are often more aggressive.

For years, the National Cancer Institute, the cancer branch of the National Institutes of Health, helped write and staunchly recommend the medical dogma on mammography for women in their 40's. Until earlier this month, it

spent millions of dollars propagating these recommendations to the public in brochures, publications, hotlines and media events. Despite a lack of firm scientific evidence that mammograms were life-saving for women in their 40's, the NCI deemed it to be sound medical judgment to support and promulgate these recommendations -- which carry potential benefit and do no harm. Other screening tests, such as cholesterol measurements in women over 40, have also been recommended and

(continued on page 2)



X-ray technologist Ida Darnell poses with Norma Richards. Only 10 days before, Norma had a mastectomy. Ida took her screening x-ray on MCF's Mobile Screening Van. (See related story on page 3)

National Cancer Institute Stance on Mammography Questions

(continued from page one)

endorsed by NIH without absolute proof that they are life-saving. There are countless other examples.

When the National Cancer Institute did its recent 180-degree turn on these recommendations, it said that because the scientific evidence does not unequivocally conclude that screening mammograms conducted every one to two years save the lives of women in their 40's, the NCI would make no recommendations. In other words, it would just state the facts, and let women decide for themselves.

There is no reason to believe that the National Cancer Institute was influenced by the White House. The NCI did pass the ball back to women on scientific grounds -- however questionable. But the Clinton administration was there to intercept. The administration is using the NCI's new position to justify a cost-based decision to limit women's health care choices -- to limit their access to mammography at a time when breast cancer is reaching epidemic proportions in our country.

The NCI based its new recommendations on a retrospective analysis of eight clinical trials. Only one of the eight, however, had specifically targeted women in their 40's. Most of the women studied in these eight trials were over 50. The retrospective analysts focused on a smaller group of women under 50, meaning the study design was not ample enough to answer questions about breast cancer in younger women, and inadequate to achieve statistical certainty regardless of the findings.

The radiology community has noted that the mammography used in virtually all of the eight studies would not be acceptable by today's standards and was particularly inadequate in screening younger women. Furthermore, only five of the eight

trials followed women who developed breast cancer in their 40's for more than 10 years. With this longer follow-up, four of these five studies showed a decreased mortality among women who had cancers detected through mammography -- an aggregate decrease of 17 percent -- but that improvement is not statistically significant.

A much more recent study, announced last month at a Radiologic Society of North America meeting, showed that

Coalition, the Susan G. Komen Foundation and several other breast cancer advocacy groups disagree with the NCI's change of heart. Even the National Cancer Advisory Board, the independent body overseeing the NCI, voted 15 to 1 to keep the current guidelines at least for now. The American Cancer Society accused the NCI of making recommendations that were "confusing and alienating" and of inappropriately asking women to evaluate scientific data and make a judgment on their

We need a definitive study targeting younger women using present-day technology. It seems imperative that the National Cancer Institute sponsor such a trial.

regular, state-of-the-art mammography for women in their 40's can cut the death rate from breast cancer by 26 percent.

This simply means that we do not have the scientific base to say conclusively that mammography lengthens the lives of women in their 40's if breast cancer occurs then. However, the conclusion that there are no benefits has not been proved either. We need a definitive study targeting younger women using present-day technology. That study has not yet been done. It seems imperative that the NCI sponsor such a trial.

Mammography does detect as many as 15 cancers for every 1,000 women screened throughout their 40's. Mammograms do detect cancer earlier than would a manual breast exam and can detect suspicious lesions that turn out to be benign on biopsy. But for women in their 40's we haven't yet proved that such early detection is as life-saving as it is for most other tumors.

Women trying to determine whether they need mammography must be confused. The American Cancer Society, the American College of Obstetrics and Gynecology, the American Medical Association, the Breast Cancer

own.

To me, the data say we need even earlier breast cancer detection, detection that would come with more sensitive forms of mammography. We need greater understanding of the molecular genetics and cell biology of breast cancer in younger women, and we need dramatically improved therapies for the especially aggressive tumors that can afflict them. In short, for the 29,000 or so American women a year who develop breast cancer before they are 50 years old, we need better mammography -- not no mammography; we need better treatment -- not later treatment.

Retroactive Validation

The White House, however, can only be pleased with the NCI flip-flop as it approaches congressional action on its health care reform package. The Department of Health and Human Services, Secretary Donna Shalala in particular, has been trying to defend the White House posture on mammography for the past several months. The NCI's new statement becomes retroactive restriction in the president's health care package.

(continued on page 3)

Life After A Mastectomy...

Norma Richards Has Positive Outlook

Why is this woman smiling? Norma Richards's eyes sparkle and she jokes while she tells her story. A mammogram, taken by the MCF Mobile Screening Van when it was at the Emprise Bank, was abnormal. Within a month, she had a biopsy which was malignant and then a mastectomy two days after Christmas. The vivacious 50-year-old wife, mother of two and grandmother to one is grateful that the cancer had not spread, and she is grateful to the Midwest Cancer Foundation's Mobile Screening Van for making it easy to get her mammogram.

She is the picture of health; smiling, dressed in jeans and a colorful sweatshirt decorated with hearts and a teddy bear.

"When I heard the van would be at Emprise," the long-time bank teller said, "I thought, 'Oh great, now I don't have to leave work.' It would have been a hassle to arrange schedules to go someplace and be gone from work for hours. This only took a few minutes."

She was impressed with the personnel on the van. "The girls were super," she said of the receptionist and x-ray technician. "I felt very comfortable with them."

Although she has no family history of breast cancer, she had a

biopsy 17 years ago that showed fibrocystic disease which was not malignant. But, it has been difficult for her to keep up with regular mammograms because of her job.

Norma is trying to see this experience in as positive a light as possible. "God takes us every now and then and shakes us up," she says, displaying her deep faith. "I needed a knock on the head to help me stop smoking. Now, I've stopped smoking."

Life is not all smiles for this woman. "I had tears the first time I took a shower," she said. "Yes, there were lots of tears."

Norma is having breast reconstruction, and is expecting to look more like she did before her surgery. She and her husband of almost 28 years, Don, are Wings Soccer fans and enjoy doing things together. She also does arts and crafts, like ceramics and sewing, loves gardening and walks. She plans to continue these activities for many years to come. She is looking ahead, not behind, and she has an upbeat attitude.

"This does happen," Norma says with a smile. "People think it can't happen to them, but it can. I want to share my experience with others. I want to give something back."

Norma Richards is a vibrant, lovely woman who is grateful that her employer invited the Mobile Screening Van to her worksite. Although the results were not what she had wished for, she is looking ahead with optimism.

(Has your business hosted the Midwest Cancer Foundation's Mobile Screening Van? It offers mammographic screening for breast cancer and the Prostate Specific Antigen (PSA) blood test which screens for prostate cancer in men. Call 681-1131.)

Mammography

(continued from page 2)

This is not just a women's issue. If the Clinton administration can limit mammography, then what keeps it from limiting blood cholesterol and prostate cancer tests, the new emerging blood test for colon cancer, kidney dialysis or hip replacements? Under a federally-controlled health plan, what the government giveth the government can taketh away.

(Dr. Healy, a physician, was the director of the National Institutes of Health in the Bush administration. She is currently a Republican candidate for the U.S. Senate from Ohio.)

Christmas Remembrance

Nearly 100 patients and patient's families were gifted Dec. 7 and 8 with a Christmas Remembrance box.

Decorated boxes were filled with handmade goodies: breads, cookies, candies and party mixes, and taken to patients in the hospital, patients in their homes, and the families of patients who are known to our office to have died the previous year. This year, approximately 35 volunteers carolled at HCA Wesley Hospital.

EHU units, sororities, scout

troops, church groups and others brought handmade goodies to the MCF offices. We thank all who contributed baked goods or time to make this yearly event a success!



Midwest Cancer Foundation Logos is published quarterly for friends and benefactors of:

Midwest Cancer Foundation
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Wichita, Ks. 67208
316-681-2549

Bev Jonas.....Director
Dee Bertholf.....Coordinator
Debbi Elmore.....Editor

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We express our gratitude to those who have supported the mission of Midwest Cancer Foundation through their gifts (Oct. 1, 1993 to Dec. 31, 1993):

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 Espirit de Fleur
 The Fish Pond
 General Cinemas
 Gold Carpet Car Wash

Tree Shown At Art Museum

A Victorian Christmas tree, purchased by P. N. Kim, M.D., at Abendessen '93, was on display at the Wichita Art Museum for their Parade of Trees display. The tree was decorated by members of the Women's Wellness Network, who did a beautiful job with the tulle and lace ornaments. After the museum show ended, the tree was brought to Dr. Kim's office, where it was displayed through the holiday season.



Dear Dee,

How nice to have the Midwest Cancer Foundation join our parade of trees this year. Your Victorian tree conjured so many memories in so many viewers. It was beautiful.

Thank you and all who worked with you for supporting the fundraising efforts of the Friends of the Wichita Art Museum.

*Sincerely,
 Joyce Maeder
 for the Volunteer Council
 Wichita Art Museum*

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Women's Wellness Network

The women come from all parts of town, from every walk of life and from many differing backgrounds. They come weekly to share, fellowship and be a part of a loving community. The Women's Wellness Network, which holds its meetings at the Midwest Cancer Foundation office, is dedicated to women who have breast cancer although some of its members have other types of cancer.

This is not a group of long faces and negative attitudes. One of the goals of the WWN is to provide uplifting, joyful fellowship in a positive atmosphere. Women come to hear wonderful speakers: doctors and nurses, lawyers and dietitians. They also enjoy fun

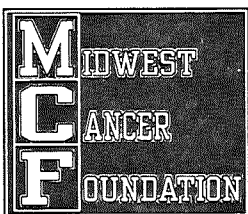
programs like making crafts, seeing a funny movie or having a clown entertain. When a member is in the hospital, others come to visit. They share the joys and sorrows together. They are an amazing group of people!

Beginning in March, the Women's Wellness Network will celebrate its first birthday. In only one year, this group has grown from three members to over 50. Fifteen or 20 come to the weekly meetings at 5 o'clock every Tuesday evening.

The group is very open and friendly. Everyone who has had cancer is welcome to attend. The women of the Women's Wellness Network invite you to come and share.



Members of the Women's Wellness Network enjoyed a time of fellowship at their Christmas party.



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Department of Health and Environment

Robert C. Harder, Secretary

Testimony presented to

House Financial and Insurance Committee

by

The Kansas Department of Health and Environment

House Bill 2823

The Kansas Department of Health and Environment takes no position on HB2823 relating to insurance concerning mammogram coverage. However, we do offer some points of clarification to the committee regarding the language of the amendment.

KDHE currently conducts on site inspections of approximately 135 mammography screening suppliers for the purpose of recommending to the Health Care Financing Administration (HCFA) whether they should be certified for Medicare reimbursement. Technically, therefore, KDHE does not certify mammography providers. KDHE does recommend to HCFA if a mammography screening supplier should be certified for Medicare reimbursement. This recommendation is required only for screening mammography providers, not for diagnostic mammography.

Although HCFA is now involved in Medicare certification of mammography screening services, there is some indication that the certification after October 1, 1994, will become the responsibility of the Food and Drug Administration (FDA). Therefore, reference to HCFA in the bill may not be accurate after that date.

KDHE offers the following language be substituted in lines 20 through 23 in order to clear up the above discrepancies:

"reimbursement and insurance provider status shall not be denied any mammography provider determined by the Department of Health and Environment to be in compliance with applicable federal regulations"

The second point of contention is with regard to reimbursing for prostate-specific antigen (PSA) testing without also specifying that digital rectal examination be part of the screening. If the intent of the bill is to include reimbursement for PSA testing, the following revision is recommended by KDHE to line 24:

"reimbursement and insurance provider status shall not be denied any provider performing prostate-specific antigen testing with digital rectal examination as per American Cancer Society guidelines."

Testimony presented by:

Julia Francisco

Director of Cancer Control Program

Office of Chronic Disease and Health Promotion

February 23, 1994

Handwritten signature
Attachment 6

2-23-94

MEMORANDUM

TO: The Honorable Bill Bryant, Chairman
House Financial Institutions and Insurance Committee

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

DATE: February 23, 1994

RE: H.B. 2823

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 H.B. 2823.

House Bill 2823 would allow an insured to be reimbursed for mammograms or pap smears and prostate-specific antigen provided by providers who are following the American Cancer Society guidelines, even when not at the direction of a person licensed to practice medicine or surgery by the board of healing arts. It is important to note that this new mandate is in addition to the current requirement to pay for mammograms and pap smears if directed by a physician.

Inasmuch as this bill would require a new mandated service, my client would contend that K.S.A. 40-2248 and K.S.A. 40-2249 require a fiscal impact report on S.B. 682. (Copy of statute attached.) As you can see, these laws require a fiscal impact report so that the Legislature may fully evaluate any social benefits verses social cost for such mandates. Thus, we believe that this law requires such a report to be prepared, and would

James F. Sneed
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respectfully request that such a fiscal impact report be provided. Further, a similar bill, S.B. 640, has recently passed out of the Senate Financial Institutions and Insurance Committee and will be debated and most likely will be passed to this Committee.

Historically, insurers have been opposed to mandated benefits because of the increased costs. Specifically, administrative costs increase with the added claims. Since every private insurer under this bill would have to act, this will increase costs for all insureds even those who do not ever gain from the additional benefits. The HIAA believes that the decision to offer benefits should be left to individual companies in response to competitive market forces. 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 government decree.

Notwithstanding the social goals promoted by the sponsors of the bill, there are no gatekeeping measures to limit, in any fashion, the utilization of this mandate. Without additional information, we contend that the current law provides the necessary protection. Further, nothing in the current law prohibits an individual from utilizing these procedures and paying for it with one's own funds.

Based upon the foregoing, I respectfully request that the Committee act unfavorably on this bill. I appreciate the opportunity to appear before the Committee, and if you have any questions please feel free to contact me.

Respectfully submitted,


William W. Sneed

40-2248. Mandated health benefits; impact report to be submitted prior to legislative consideration. Prior to the legislature's consideration of any bill that mandates health insurance coverage for specific health services, specific diseases, or for certain providers of health care services as part of individual, group or blanket health insurance policies, the person or organization which seeks sponsorship of such proposal shall submit to the legislative committees to which the proposal is assigned an impact report that assesses both the social and financial effects of the proposed mandated coverage. For purposes of this act, mandated health insurance coverage shall include mandated optional benefits. It shall be the duty of the commissioner of insurance to cooperate with, assist and provide information to any person or organization required to submit an impact report under the provisions of this act.

History: L. 1990, ch. 162, § 1; July 1.

40-2249. Same; contents. The report required under K.S.A. 1992 Supp. 40-2248 for assessing the impact of a proposed mandate of health coverage shall include at the minimum and to the extent that information is available, the following:

(a) The social impact, including:

(1) The extent to which the treatment or service is generally utilized by a significant portion of the population;

(2) the extent to which such insurance coverage is already generally available;

(3) if coverage is not generally available, the extent to which the lack of coverage results in persons being unable to obtain necessary health care treatment;

(4) if the coverage is not generally available, the extent to which the lack of coverage results in unreasonable financial hardship on those persons needing treatment;

(5) the level of public demand for the treatment or service;

(6) the level of public demand for individual or group insurance coverage of the treatment or service;

(7) the level of interest of collective bargaining organizations in negotiating privately for inclusion of this coverage in group contracts; and

(8) the impact of indirect costs which are costs other than premiums and administrative costs, on the question of the costs and benefits of coverage.

(b) The financial impact, including:

(1) The extent to which insurance coverage of the kind proposed would increase or decrease the cost of the treatment or service;

(2) the extent to which the proposed coverage might increase the use of the treatment or service;

(3) the extent to which the mandated treatment or service might serve as an alternative for more expensive treatment or service;

(4) the extent to which insurance coverage of the health care service or provider can be reasonably expected to increase or decrease the insurance premium and administrative expenses of policyholders; and

(5) the impact of this coverage on the total cost of health care.

History: L. 1990, ch. 162, § 2; July 1.

HOUSE BILL No. 2654

By Committee on Financial Institutions and Insurance

1-18

AN ACT relating to mortgages on real property; concerning entry of satisfaction of mortgage ~~[and relating to mortgage registration fees]~~; amending K.S.A. 58-2318 and K.S.A. 1993 Supp. 58-2309a ~~[and 79-3102]~~ and repealing the existing sections; also repealing K.S.A. 58-312.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 1993 Supp. 58-2309a is hereby amended to read as follows: 58-2309a. (a) When the indebtedness secured by a recorded mortgage is paid and there is no agreement for the making of future advances to be secured by the mortgage, the mortgagee or the mortgagee's assignee shall enter satisfaction or cause satisfaction of such mortgage to be entered of record forthwith, paying the required fee without charge to the mortgagor or the mortgagor's assigns.

(b) When a mortgage is recorded covering real estate in which the mortgagor has no interest, the mortgagee or the mortgagee's assignee shall enter satisfaction or cause satisfaction of such mortgage to be entered of record, paying the required fee without charge to the mortgagor or the mortgagor's assigns.

(c) A mortgagor, a mortgagor's heirs or assigns or anyone acting for such mortgagor, heirs or assigns, or the owner of real estate upon which a mortgage has been recorded by someone having no interest in the real estate, may make demand upon a mortgagee or assignee of a mortgagee for the entering of satisfaction of the mortgage, as provided for in subsections (a) and (b).

(d) Any mortgagee or assignee of a mortgagee who refuses or neglects to enter satisfaction of such mortgage within 20 days after demand has been made as provided in subsection (c) shall be liable in damages to the person for whom the demand was made in the sum of \$500, together with a reasonable attorney's fee for preparing and prosecuting the action. The plaintiff in such action may recover any additional damages that the evidence in the case warrants. Civil actions may be brought under this act before any court of competent

Sharon F. Ford
Attachment 8
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jurisdiction, and attachments may be had as in other cases.

(e) The mortgagee or assignee of a mortgage entering satisfaction or causing to be entered satisfaction of a mortgage under the provisions of subsection (a) shall furnish to the office of the register of deeds the full name and last known post office address of the mortgagor or the mortgagor's assignee. The register of deeds shall forward such information to the county clerk who shall make any necessary changes in address records for mailing tax statements.

Sec. 2. K.S.A. 58-2318 is hereby amended to read as follows: 58-2318. All assignments and releases of mortgages by a corporation shall be valid when executed by the president, vice-president, secretary, cashier ~~or~~, treasurer ~~or any other officer~~ of such corporation *so authorized by corporate resolution*. Any assignment or release of a mortgage by a corporation which was executed on or after March 8, 1974, and prior to the effective date of this act, by one of the corporate officers designated herein, with or without attestation by the corporate seal, is hereby declared to be a legal and valid act of such corporation.

~~Sec. 3. K.S.A. 1993 Supp. 79-3102 is hereby amended to read as follows: 79-3102. (a) Before any mortgage of real property, or renewal or extension of such a mortgage, is received and filed for record, there shall be paid to the register of deeds of the county in which such property or any part thereof is situated a registration fee of \$.26 for each \$100 and major fraction thereof of the principal debt or obligation which is secured by such mortgage and upon which no prior registration fee has been paid, except as provided in the following provision. In the event the mortgage states that an amount less than the entire principal debt or obligation will be secured thereby, the registration fee shall be paid on such lesser amount.~~

~~[(b) As used herein, "principal debt or obligation" shall not include any finance charges or interest.~~

~~[(c) In any case where interest has been precomputed, the register of deeds may require the person filing the mortgage to state the amount of the debt or obligation owed before computation of interest.~~

~~[(d) No registration fee whatsoever shall be paid, collected or required for or on: (1) Any mortgage or other instrument given solely for the purpose of correcting or perfecting a previously recorded mortgage or other instrument; (2) any mortgage or other instrument given for the purpose of providing additional security for the same indebtedness, where the registration fee herein provided for has been paid on the original mortgage or instrument;~~

(3) any mortgage or other instrument upon that portion of the consideration stated in the mortgage tendered for filing which is verified by affidavit to be principal indebtedness covered or included in a previously recorded mortgage or other instrument with the same lender or their assigns upon which the registration fee herein provided for has been paid; (4) any lien, indenture, mortgage, bond or other instrument or encumbrance nor for the note or other promise to pay thereby secured, all as may be assigned, continued, transferred, reissued or otherwise changed by reason of, incident to or having to do with the migration to this state of any corporation, by merger or consolidation with a domestic corporation as survivor, or by other means, where the original secured transaction, for which the registration fee has once been paid, is thereby continued or otherwise acknowledged or validated; (5) any mortgage or other instrument given in the form of an affidavit of equitable interest solely for the purpose of providing notification by the purchaser of real property of the purchaser's interest therein; (6) any mortgage in which a certified development corporation certified by the United States small business administration participates pursuant to its community economic development program; or (7) any mortgage for which the registration fee is otherwise not required by law.

[(c) The register of deeds shall receive no additional fees or salary by reason of the receipt of fees as herein provided. After the payment of the registration fees as aforesaid the mortgage and the note thereby secured shall not otherwise be taxable.]

Sec. 3 [4] K.S.A. 58-312 and 58-2318 and K.S.A. 1993 Supp. 3.

58-2309a [and 79-3102] are hereby repealed.

Sec. 4 [5] This act shall take effect and be in force from and 4.
after its publication in the statute book [Kansas register].

"Section 1. K.S.A. 16-207 is hereby amended to read as follows: 16-207. (a) Subject to the following provision, the parties to any bond, bill, promissory note or other instrument of writing for the payment or forbearance of money may stipulate therein for interest receivable upon the amount of such bond, bill, note or other instrument of writing, at a rate not to exceed 15% per annum unless otherwise specifically authorized by law.

(b) The maximum rate of interest per annum for notes secured by all real estate mortgages and contracts for deed to real estate executed on or after the effective date of this act shall be at an amount equal to 1 1/2 percentage points above the yield of thirty-year fixed rate conventional home mortgages committed for delivery within 61 to 90 days accepted under the federal home loan mortgage corporation's daily offerings for sale on the last day on which commitments for such mortgages were received in the preceding month unless otherwise specifically authorized by law. Such interest rate shall be computed for each calendar month and be effective on the first day thereof. The secretary of state shall publish notice of such maximum interest rate not later than the second issue of the Kansas register published each month. The initial rate of interest upon any conventional loan evidenced by a note secured by a real estate mortgage shall not exceed the rate quoted in the application executed by the borrower on the day on which application for such conventional loan is made.

(c) No penalty shall be assessed against any party for prepayment of any home loan evidenced by a note secured by a real estate mortgage where such prepayment is made more than six months after execution of such note.

(d) The lender may collect from the borrower: (1) Except as provided in K.S.A. 58-2309a, and amendments thereto, the actual fees paid a public official or agency of the state, or federal government, for filing, recording or releasing any instrument relating to a loan subject to the provisions of this section; and

(2) reasonable expenses incurred by the lender in connection

with the making, closing, disbursing, extending, readjusting or renewing of loans subject to the provisions of this section.

(e) Any person so contracting for a greater rate of interest than that authorized by this section shall forfeit all interest so contracted for in excess of the amount authorized under this section; and in addition thereto shall forfeit a sum of money, to be deducted from the amount due for principal and lawful interest, equal to the amount of interest contracted for in excess of the amount authorized by this section and such amounts may be set up as a defense or counterclaim in any action to enforce the collection of such obligation and the borrower shall also recover a reasonable attorney fee.

(f) The interest rates prescribed in subsections (a) and (b) of this section shall not apply to a business or agricultural loan. For the purpose of this section unless a loan is made primarily for personal, family or household purposes, the loan shall be considered a business or agricultural loan. For the purpose of this subsection, a business or agricultural loan shall include credit sales and notes secured by contracts for deed to real estate.

(g) Loans made by a qualified plan, as defined in section 401 of the internal revenue code, to an individual participant in such plan or to a member of the family of such individual participant, are not subject to the interest rates prescribed in subsections (a) and (b) of this section.

(h) The interest rates prescribed in subsections (a) and (b) of this section shall not apply to a note secured by a real estate mortgage or a contract for deed to real estate where the note or contract for deed permits adjustment of the interest rate, the term of the loan or the amortization schedule.";

1 reports from all employers and medical providers. Within 60 days
2 of receipt of this written notice, the underinsured motorist coverage
3 insurer may substitute its payment to the insured for the tentative
4 settlement amount. The underinsured motorist coverage insurer is
5 then subrogated to the insured's right of recovery to the extent of
6 such payment and any settlement under the underinsured motorist
7 coverage. If the underinsured motorist coverage insurer fails to pay
8 the insured the amount of the tentative tort settlement within 60
9 days, the underinsured motorist coverage insurer has no right of
10 subrogation for any amount paid under the underinsured motorist
11 coverage.

12 ~~Sec. 2. K.S.A. 40-284 is hereby repealed.~~

13 Sec. 3. This act shall take effect and be in force from and after
14 its publication in the statute book.

(g) As used in this section "motor vehicle"
means every self-propelled vehicle of a kind
required to be registered in this state,
including any trailer, semitrailer or pole
trailer designed for use with such vehicle, but
such term does not include a motorized bicycle.

Shirley F. D. D.
Attachment 9
2-23-94

HOUSE BILL No. 2636

By Committee on Financial Institutions and Insurance

1-14

8 AN ACT relating to insurance; concerning workers compensation;
9 apportionment or assignment of risk; servicing carriers; perform-
10 ance standards.

11 *Be it enacted by the Legislature of the State of Kansas:*

12 Section 1. (a) Any plan submitted pursuant to K.S.A. ~~40-2111~~,
13 and amendments thereto, may permit or require necessary workers
14 compensation insurance to be provided and administered through a
15 contractual servicing carrier arrangement.

40-2109

16 (b) When a servicing carrier arrangement is used to facilitate the
17 apportionment of risks, servicing carriers shall ~~in addition to any~~
18 contractual obligations and in the absence of reasonable extenuating
19 circumstances as determined by the commissioner of insurance, be
20 subject to the following requirements:

, on and after January 1, 1995,
process all applications, issue all policies and
endorsements, and administer all claims for benefits
from an office located in this state that is adequately
staffed and equipped to service the workers compensa-
tion policies issued on behalf of the plan.

21 (1) New policies shall be issued within 30 calendar days after
22 receipt of the premium and a properly completed application;

(c) In

23 (2) renewal policies shall be issued within 30 calendar days after
24 the receipt of deposit premium.

servicing carriers shall

25 Servicing carriers shall have procedures in place to compare prior
26 and current final audit reports and determine if an additional pre-
27 mium endorsement is necessary. If it is determined that an additional
28 premium endorsement is necessary, the carrier shall issue the en-
29 dorsement within 60 days of making the determination;

30 (3) servicing carriers shall: (A) Verify the annual exposure base
31 through interim audit or comparable means when there is reason to
32 doubt the accuracy of the relevant information otherwise presented;

33 (B) consider the effects of inflation and employment level changes
34 in the insured's operation, and utilize the latest available audit in-
35 formation to develop the deposit premium, but shall not ~~arbitrarily~~
36 or unilaterally adjust the exposure base ~~in the absence of credible~~
37 and verifiable justification;

Delete

38 (4) endorsements shall be issued within 30 calendar days after
39 receipt of request;

without the prior written consent of the insured

40 (5) requests for cancellations shall be processed within five work-
41 ing days after receipt of request;

42 (6) requests for reinstatements shall be accepted or denied and
43

8-24-94
Attachment 10
Sharon G. H. J.

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AMENDMENT:

Delete Section 1

Replace with the following:

"Any insurance company operating under the Kansas Assigned Risk Plan shall maintain a Kansas office to service such policies and claims or shall designate a contact person at its out-of-state office to respond to inquiries and complaints from insurance agents and the Kansas Insurance Department. Such out-of-state offices shall maintain a toll free 800 number for use by insurance agents and the Kansas Insurance Department."

House F.D.D

Attachment 11

Feb. 23, 1994