

Approved: January 25, 2007

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

The meeting was called to order by Chairman Ruth Teichman at 9:30 A.M. on January 17, 2007 in Room 234-N of the Capitol.

All members were present except:

David Wysong- excused

Committee staff present:

Melissa Calderwood, Kansas Legislative Research Department

Terri Weber, Kansas Legislative Research Department

Ken Wilke, Office of Revisor of Statutes

Bev Beam, Committee Secretary

Conferees appearing before the committee:

Doug Wareham, KBA

Kansas Insurance Dept.

Karla Finnell, KAMU

Dr. Marcia Nielsen, Executive Director KHPA

Dr. Andrew Allison, KHPA

Cindy D'Ercole, Kansas Action for Children

Corrie Edwards, Kansas Health Consumer Coalition

Others attending:

See attached list.

The Chair welcomed everyone to the meeting.

The first bill introduction was by Doug Wareham, Kansas Bankers' Assn. Mr. Wareham said KBA requests the introduction of legislation designed to prohibit banks from establishing or maintaining a branch in this state on the premises or property of an affiliate if the affiliate engages in commercial activities. KBA believes the longstanding prohibition on the mixing of banking and commerce should be maintained in Kansas, he said. (Attachment 1)

Senator Steineger moved introduction of the bill. Motion seconded by Senator Wilson. Motion carried.

Bob Tomlinson of the Kansas Insurance Department, introduced John Meetz of the Kansas Insurance Department, who is replacing Jared Forbes. Mr. Bob Tomlinson, Assistant Commissioner of Insurance, introduced the following bills: HIPAA, (KSA 40-2258(h) to update expiration date for Mental Health Parity Law; Renew a Resolution for Auto Insurance Verification Task Force which renews the Task Force to find solution to state uninsured motorist problem; Foreign Companies, examination reports of five years versus three years (KSA 40-209) which would require examination reports five years old as opposed to three; Sharing of market analysis, market conduct statements (KSA 40-222) which would enable the Department to share information with agencies from other countries; Continuing Education Hours (KSA 40-4903) would increase CE hours for major lines (1-6) to 24 with three being ethics; Bring Dentists and Long-term care under prompt pay law (KSA 40-2441) to include Dental and Long-term care under the requirement to pay promptly; Automobile Insurance Fraud Act to prohibit solicitation to participate in injury and disability fraud cases; Penalties for certain fraud to warrant prison time (KSA 40-2,118) to create harsher penalties (prison instead of probation) for violations involving theft of more than \$25,000; and Anti-fraud become a criminal justice entity with access to KCJIS to classify Anti-fraud division as "criminal justice entity" which allows access to KCJIS criminal database. (Attachment 2)

Senator Brungardt moved collective introduction of bills by the Insurance Department. Senator Steineger seconded. Motion carried.

There being no further bill introductions, the Chair then called on Karla Finnell, Executive Director for the Kansas Association for the Medically Underserved to testify in support of the 0-5 Initiative. Ms. Finnell said KAMU is an association of primary care safety net clinics who share the mission of increasing access to primary health care services. The funding structure and delivery model differ among clinics, but all share the principle of providing services to all persons regardless of ability to pay, by way

of utilizing a sliding fee scale or donations to collect revenues from patients. She said the proposed Healthy Kansas First Five Initiative involves expanding coverage by building upon the existing HealthWave system. In the interest of increasing access to health care through making health insurance more readily available for young children, the Kansas Association for Medically Underserved supports the Healthy Kansas First Five Initiative. ([Attachment 3](#))

The Chair called on Dr. Marcia Nielsen, Executive Director of Kansas Health Policy Authority, for her overview of KHPA. Dr. Nielsen said KHPA is an agency that coordinates health and health care for Kansas. She outlined the following initiatives since KHPA became an independent agency last year.

- . Focus on budget and finance
- . Increase communication
- . Develop and maintain relationships with stakeholders
- . Renew emphasis on health and wellness
- . Strengthen Medicaid and Health Wave programs

Dr. Nielsen said the goals for KHPA are clear. The powers, duties and functions of KHPA are intended to improve the health of the people of Kansas by increasing the quality, efficiency and effectiveness of health services and public health programs.

Dr. Nielsen said KHPA looks forward to working closely with the legislature to achieve their goals and to improve the health of all Kansans. ([Attachment 4](#))

Dr. Nielsen introduced Dr. Andy Allison, Deputy Director and Acting Medicaid Director of KHPA who testified in support of the Healthy Kansas First Five Initiative. Dr. Allison said Healthy Kansas First Five is a program that will increase access to health care for our youngest Kansans, ensuring they have a healthy start in life. He explained the proposal to increase accessibility for children under the age of five and how it would work by expanding the income eligible limits for Health Wave. Dr. Allison gave an overview on health care coverage in Kansas for low-income and needy persons and explained how Healthy Kansas First Five works. ([Attachment 5](#))

Next to testify regarding Healthy Kansas First Five Initiative was Cindy D'Ercole, representing Kansas Action for Children. She said Children ages birth through five need access to health care in order to develop to their fullest potential and be prepared to enter school ready to learn. In Kansas, SCHIP (State Children's Health Insurance Program) and Medicaid are integrated and function as a seamless program referred to as HealthWave. HealthWave's monthly premiums are based on a sliding scale relative to the family income. HealthWave has succeeded in providing health coverage for thousands of Kansas children, but there are still 48,000 uninsured children in Kansas. The Healthy Kansas First Five initiative will build on the success of Healthwave. ([Attachment 6](#))

Senator Brownlee asked Dr. Allison if the issue on families enrolling their children in HealthWave was that they can't afford the \$20 or \$30 premium, or is it that they are not aware of it? So, the money that we might spend to increase to a 300% federal poverty level, would we be better off marketing more extensively to those populations who have children who might qualify?

Dr. Allison said the effort that the Medicaid Program has put towards marketing over the years has changed quite a bit. Marketing is both the function of advertisement and ease of enrollment and ease of enrollment has changed dramatically over the years. First to become more simple and, more recently, with the citizenship verification requirements, it has become significantly more complicated. We also believe that outreach and marketing are important to reach those, especially those already eligible who are not enrolled. I think one relevant historical example would be the introduction of the SCHIP Program. In this state in 1999 they expanded eligibility for public health insurance and now I think we have around 34 or 35 thousand children enrolled in that program. But the more dramatic impact the new program had was really a bi-product to make Medicaid better known and more attractive and inviting to those who need the coverage. We saw an even greater increase in Medicaid enrollment among children than we did the increase with the new program. I would expect potentially a similar effect in this instance when we say to Kansas citizens that we are committed to making sure that individuals and children have access to affordable coverage and inviting those between 200 and 300 percent to buy into program, I would expect to see an impact on participation.

Senator Steineger commented that hard lessons have been learned about giving away without expecting anything in return. Senator Steineger said medicare expansion through whatever method appears to be offering more and more benefits to people without asking much in return in terms of self responsibility or changing behavior. Childhood obesity is a growing trend in our country, especially in

our state and my community and since this program is focused at children, what are we asking of parents whose kids will be in this program – are there disincentives, or incentives or do they get discounts if their kids are properly fed and exercised at home, or are there disincentives for parents who don't practice these good habits at home? What are we doing, if anything, in this proposed expansion to get people to modify their behavior and be better citizens and practice self responsibility?

Dr. Allison said the Health Policy Authority Board is looking forward to and is engaged in healthy discussion about ways that this state should invest in prevention and the types of incentives some state medicaid programs have engaged in to reward this or that behavior. I think what the Board is suggesting that the first move is, we have a number of children without access to care and whose families don't know how to get them to the doctor and to pay for that first service and how to invest in prevention oriented care for these children. This is the first step that the Board is recommending. We understand the implications for private markets and we will be addressing those implications with specific measures and policies within our First Five proposal but I think what you see in this proposal is a reflection of the Board's priority and ordering of those issues.

Dr. Neilson added that they also have a policy proposal that would allow kids who receive services thorough medicaid to have medical visits reimbursed to their provider specifically to the issue of obesity.

The final conferee was Corrie Edwards, Executive Director and a registered lobbyist for the Kansas Health Consumer Coalition. This Coalition works to advocate for affordable, accessible and quality health care in Kansas. She said this initiative offers Kansas the opportunity to strengthen and build on the success of health coverage programs for children. She said a lack of health insurance results in inadequate health care. This initiative offers a chance to expand children's health coverage and improve the health care they receive. (Attachment 7)

The meeting adjourned at 10:30 a.m.