

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 February 21, 2007 in Room 234-N of the Capitol.

All members were present:

Dennis Wilson, Absent

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:

Robert Waller, Chief Administrator, Kansas Board of EMS; Larrie Ann Lower, KAHP

Others attending:

See attached list.

The Chair called the meeting to order.

Hearing on:

**SB 299 - concerning insurance; providing coverage to include reimbursement for ambulance services**

Robert Waller, Chief Administrator, Kansas Board of EMS testified in support of SB 299. Mr. Waller stated that in conversation with the Chairman of KBEMS, board staff, and ambulance services, it was explained that many times EMS services were not being reimbursed for transporting patients to the “appropriate” hospital, as opposed to the “closest.” The decision to transport is never made by EMS, it is made by the hospital or doctor caring for the patient. Mr. Waller said SB 299, as introduced, would not affect the KBEMS day-to-day operations. However, it would provide licensed ambulance services a better opportunity to seek reimbursement for transporting patients from facility to facility. Mr. Waller said passage of SB 299 would provide EMS personnel the mechanism to ensure insurance reimbursement during transport regardless of necessity or proximity. EMS does not have the ability to ensure, on scene, that the patient’s insurance covers transportation services outside of the primary hospital. He said this places the service in the position of an insurance auditor for a portion of the pre-hospital system that is authorized by the primary hospital or medical doctor through existing protocols. Passage of the bill would not affect the system as it currently operates, it would merely aid in the reimbursement of costs from existing insurance policies. (Attachment 1)

Kerry McCue, President, Kansas Emergency Medical Services Association submitted written testimony only in support of SB 299. (Attachment 2)

Larrie Ann Lower, Kansas Association of Health Plans, testified in opposition to the SB 299. KAHP members serve most all Kansans enrolled in private health insurance. Ms. Lower said she did prepare testimony, however, when she found out what the real issue was, which is second transport, she didn’t know what to say other than the fact that if the doctor wants the patient transferred, she assumes that would be paid for. She said there is already a mandate on the books that requires payment for services of an ambulance in an emergency like a car accident. She said she simply didn’t know what the heart of the issue was and that she is very curious to see what the examples are. She said from what she can tell from all KAHP companies, there really isn’t an issue with the private health insurance company, but seems like there is an issue with Medicare that requires transport to the closest hospital. Blue Cross is the administrator of the Medicare program so that might be where some of these issues are arising. The bill before you does have several errors that should be called to the Committee’s attention, she said. One, it doesn’t have anything about networks, whether the ambulance is involved in a network at Blue Cross. Two, it requires the check be paid to the insured directly rather than the ambulance service. Three, the bill does not limit the required reimbursement to emergency transportation but appears to allow unlimited air ambulance transportation and does not define written destination protocol. Those are some of the concerns. The only other thing KAHP would offer is that the bill, as it is written now, could possibly have some unintended consequences. She said KAHP asks that, as with all the other mandates, this bill be subject to a cost-impact study and the proponents be required to

CONTINUATION SHEET

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test track the requirement first on the state employees' health plan to help protect constituents and policyholders from unwise and uneconomical state mandates. (Attachment 3)

Following Q & A, and explanation of the bill by Ken Wilke, the Chair closed the hearing on SB 299.

Action on:

**SB 271 - concerning insurance; relating to certain forms and rate filings; amending K.S.A. 2006 Supp. 40-216 and 40-955 and repealing the existing sections; also repealing K.S.A. 2006 Supp. 4-955a.**

Ken Wilke explained the balloon amendments.

Senator Barone moved the amendments be passed with the provision the revisor make technical corrections as appropriate. Senator Barnett seconded. Motion passed.

Senator Brownlee moved the bill be passed out favorably as amended. Senator Steineger seconded. Motion passed.

Action on:

**SB 272 - concerning the Kansas Pharmacy Benefits Managers Act; establishing duties for pharmacy benefit managers; establishing penalties for violations of the act; amending K.S.A. 2006 Supp. 40-3821, 40-3822, 40-3824 and 40-3826 repealing the existing sections.**

Senator Schmidt moved to have an interim study on SB 272. Senator Brownlee seconded. Motion carried.