

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 26, 2008 in Room 136-N of the Capitol.

All members were present.

Committee staff present:

Melissa Calderwood, Kansas Legislative Research Department
Ken Wilke, Office of Revisor of Statutes
Bev Beam, Committee Secretary
Jill Shelley, Kansas Legislative Research Department

Conferees appearing before the committee:

Senator Barbara Allen
Dr. Roy Jensen, Director, KU Cancer Center
Jerry Slaughter, Kansas Medical Society
Lisa Benlon, American Cancer Society
Tom Bell, President, KHA
Dr. Marcie Nielson, HPA
Sandy Praeger, Insurance Com. (Written only)
Larrie Ann Lower, Kansas Assn. Of Health Plans
Bill Sneed, Counsel, America's Health Insurance Plan

Others attending:

See attached list.

The Chair opened the meeting.

Hearing on:

SB 629 - concerning insurance; relating to coverage for patient care services in a cancer clinical trial

Senator Barbara Allen testified in support of SB 629. Senator Allen stated that SB 629 will simply assure Kansans their health plan will pay for the costs of routine patient care services when they are accepted into a bona fide cancer clinical trial, if those same routine patient care services are covered off clinical trial. She stated that routine patient care services are the usual costs of medical care, such as doctor visits, hospital stays, clinical laboratory tests, x-rays and other routine services one would receive whether or not he/she was participating in a clinical trial. She said some health plans don't cover these costs once a patient joins a clinical trial, even though studies have shown these costs are not appreciably higher than costs for patients who are not enrolled in clinical trials. (Attachment 1)

Dr. Roy A. Jensen, Director, University of Kansas Cancer Center, testified in support of SB 629. Dr. Jensen stated that SB 629 does not implement a wide-sweeping change in policy coverage, nor does it implement an undue burden onto insurance companies. Rather, it merely changes a technicality that ensures care that is already being covered, not be discontinued as a result of enrollment in a clinical trial. He said most insurance policies in the state of Kansas cover routine care for patients on clinical trials. He said this would impact at most 5% of patients. Dr. Jensen noted that twenty-three states currently require routine care coverage for patients who participate in a clinical trial. Of those twenty-three states, 53% of NCI's Cancer Centers are located in those states. Dr. Jensen said SB 629 not only furthers the field of cancer research, but it moves us closer to the ultimate goal of eliminating cancer for good by ensuring everyone has access to the latest advancements. (Attachment 2)

Jerry Slaughter, Executive Director, Kansas Medical Society, also testified in support of SB 629. Mr. Slaughter said SB 629 makes it clear that insurers must pay for routine patient care services when a patient is accepted into a bona fide cancer clinical research trial, if those same services are otherwise covered off-trial. Mr. Slaughter said because not all insurers do provide continuity of coverage, this legislation makes it clear that it is the policy of this state to do so. (Attachment 3)

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Lisa Benlon, Legislative/Government Relations Director for the American Cancer Society, testified in support of SB 629. Ms. Benlon stated that there have been great successes in finding medical breakthroughs for cancer using clinical trials. She noted that the breakthroughs are sometimes slow in coming due to insurance companies failing to be a partner in the health care of those they insure. She said the American Cancer Society believes whether or not a clinical trial is taking place, the insurance company should be covering the same procedures. (Attachment 4)

Tom Bell, President, Kansas Hospital Association, testified in support of SB 629. Mr. Bell stated that this legislation clarifies that insurers are required to pay for routine patient care services in a clinical cancer research trial, if those same services would otherwise be covered. Mr. Bell noted that a growing number of states have passed legislation or instituted special agreements requiring health plans to pay the cost of routine medical care received as a participant in a clinical trial. Lack of such coverage is a significant barrier to many patients who might otherwise enroll in a trial, he said. He continued that lack of coverage also makes it harder for researchers to successfully conduct trials that could improve prevention and treatment options. (Attachment 5)

Dr. Marcie Nielson, Kansas Health Policy Authority, testified as neutral on SB 629. She stated that clinical trials offer patients access to new and potentially life saving drugs and cures. She said participation in clinical trials is low – only two to three percent of eligible adult patients enroll in clinical trials with health insurance coverage of routine care being a barrier. She noted that Kansas Health Policy Authority covers the cost of routine care for patients enrolled in a clinical trial in both the State Employee Health Plan and in Medicaid. She noted that for cancer patients, clinical trials are often the last resort after exhausting all other approved means of treatment. (Attachment 6)

Sandy Praeger, Commissioner of Insurance, submitted neutral written testimony regarding SB 629. (Attachment 7)

Larrie Ann Lower, representing Kansas Association of Health Plans, submitted neutral written testimony in opposition to SB 629. (Attachment 8)

William W. Sneed, Legislative Counsel for America's Health Insurance Plans, testified in opposition to SB 629, stating that notwithstanding the good intentions behind the introduction of SB 629, we believe its enactment is unnecessary and, in certain instances, may hamper the utilization of clinical trials. We would contend that this mandate is unnecessary for the following reasons: (1) Health plans already provide appropriate access to clinical trials, making mandating legislation unnecessary; (2) Because clinical trials evaluate the safety and efficacy of new therapies, it is critical that trials be designed in ways that maximize patient safety; (3) A legislative mandate to cover clinical trials is likely to increase the cost of health coverage, given that there are numerous procedures, tests and laboratory work that are performed more frequently in the context of the trial than under standard therapy; (4) A legislative mandate imposes a "one size fits all" approach to covering clinical trials when, in fact, all trials are not created equally. (Attachment 9)

The Chair closed the hearing on SB 629.

Final Action

SB 560 - An act establishing the property/casualty flex-rating regulatory improvement act; pertaining to personal lines insurance written on risks in this state by any insurer authorized to do business in this state.

The Chair briefly explained the bill and asked Ken Wilke for his input. Mr. Wilke said the amendments to SB 560 were proffered by the Insurance Department. He said the Insurance Department was requesting changing the 12% down to 7% so the band on the limitation is much smaller. They also wanted to include on line 17 a 25% cap on individual insureds, he said. On Page 2, line 16, they wish to change the term "means" to "includes." Apparently they feel there are other provisions of the insurance code that need to be picked up insofar as unfairly discriminatory rates are concerned. There are provisions where rates are considered unfairly discriminatory and not on the basis of race, color, creed, or national origin. Exactly what

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all the Insurance Department wishes to pick up here, I am not sure. Mr. Wilke said it is his recollection that the bill as presented initially was the recommendation of the Task Force.

Bill Sneed said he supports the bill as written. He noted that's what the task force came up with. He said we believe it to be a compromise, so we urge your support.

The Chair said that because the task force agreed on the language in this bill, she recommended the bill be amended only on page 2, changing the word in line 16 (b) from "means" to "includes."

Senator Schmidt moved to amend SB 560 on page 2 only. Senator Steineger seconded. Motion passed.

Senators Brownlee, Barone and Wilson abstained.

Senator Wysong moved to pass SB 560 out favorably as amended. Senator Brungardt seconded. Motion passed.

Senator Steineger moved the FI & I Committee Minutes of February 6, 12, 13, and 14 be approved as written. Senator Wilson seconded. Motion passed.