

Approved:
Date: February 26, 2002

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson Sandy Praeger at 9:30 a.m. on February 21, 2002 in Room 234 N of the Capitol.

All members were present except:

Committee staff present: Dr. Bill Wolff, Kansas Legislative Research Department
Ken Wilke, Office of the Revisor of Statutes
JoAnn Bunten, Committee Secretary

Conferees appearing before the committee:

Connie Hubbell, Secretary on Aging
Larry Magill, Kansas Association of Insurance Agents
Terry Humphrey, Kansas Trial Lawyer's Association
James J. Long, Attorney, Wichita
Donald S. Andersen, Attorney, Wichita
Robert F. Neises, Wichita
Patricia Dengler, Legal Counsel, Wichita Center for Graduate Medical Education
John Gibson, Legal Counsel, Wesley Medical Center

Others attending: See attached list.

Hearing on SB 586 - Long-term care insurance, restrictions on elimination period

Connie Hubbell, Secretary on Aging, expressed her support for **SB 586** and noted that the bill would allow consumers purchasing long-term care insurance to decide how long their own personal elimination period would be before their policy goes into effect. She pointed out that if a consumer can afford to pay for their own long-term care for 365 days, it may make their insurance premium more affordable. Ms. Hubbell also provided information in her written testimony regarding long-term care guidelines and myths in order to assist people plan for their elder years. (Attachment 1)

Larry Magill, Kansas Association of Insurance Agents, express his support for the bill and noted that one concern is that the bill would encourage the sale of "illusory" coverage. With such a long waiting period, some insureds will either recover and leave the nursing facility before the year is up or will die before ever receiving the insurance benefit. He noted that the lower premium should reflect the lower risk making this somewhat of a moot point. (Attachment 2)

The Revisor called the Committee's attention to a technical error on page 2, line 25 of the bill in which "100" days should be changed to "365" days when the bill is worked.

There were no opponents to the bill.

Hearing on SB 420 - Health care provider insurance availability act; certain health care providers

Proponents to SB 420

Terry Humphrey, Kansas Trial Lawyer's Association, testified in support of **SB 420** which would change the effective date on which nonprofit corporations that administer graduate medical education programs for the University of Kansas School of Medicine become eligible for coverage under the Health Care Provider Insurance Availability Act. She noted that the bill repeals the effective date of July 1, 1997, and amends it to July 1, 2001. Ms. Humphrey gave the Committee a background history of events leading to the passage of 2001 **SB 366** and reasons for introduction of **SB 420** as shown in her written testimony. (Attachment 3)

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

Page 1

James J. Long, Attorney, Wichita, representing the plaintiffs involved in separate actions against several resident employees of the Wichita Center for Graduate Medical Education (WCGME) and Wesley Medical Center, Wichita, testified before the Committee in support of the bill. Mr. Long provided the Committee with information on conditions relating to the lawsuits as shown in his written testimony. ([Attachment 4](#))

Donald S. Andersen, Attorney, Wichita, also representing the plaintiffs, noted they were not aware of the legislation passed last year that would affect their case until after it had been signed into law, and expressed his support for **SB 420** as outlined in his written testimony. ([Attachment 5](#))

Robert F. Neises, Wichita, father of the child referenced to in the lawsuit, expressed his support for the bill and provided the Committee with background information of the events that led to the lawsuit as shown in his written testimony. ([Attachment 6](#))

Written testimony was also received from J. Greg Kite in support of the bill. ([Attachment 7](#))

Opponents to SB 420

Patricia Dengler, Legal Counsel, Wichita Center for Graduate Medical Education, appeared before the Committee in opposition to **SB 420**. Ms. Dengler provided information to the Committee in her written testimony on the circumstances that led to the passage of 2001 **SB 366**. Ms. Dengler noted there is no reason the status of WCGME, KMEF (Kansas Medical Education Foundation) and SHEF (Salina Health Education Foundation) should be different from other employers of health care providers just because they employ residents. She felt that since they are performing an educational function, as opposed to a profit function, the availability of coverage from the Fund is an economic resource that should be available for these entities. ([Attachment 8](#))

John Gibson, Legal Counsel, Wesley Medical Center, testified in opposition to **SB 420**. Mr. Gibson briefed the Committee on the pending lawsuits in Wichita, and concluded by saying in his written testimony that the benefits to injured patients and potential injured patients, and the benefits to the health care system are much better served, and the original intent of the legislature fulfilled, by leaving the 2001 amendment intact and not passing **SB 420**. ([Attachment 9](#))

Written testimony in opposition to the bill was also received from Brad Marples, M.D., Executive Director for the Kansas Medical Education Foundation. ([Attachment 10](#))

Adjournment

The meeting was adjourned at 10:30 a.m. The next meeting is scheduled for February 26, 2002.

CONTINUATION SHEET