

MINUTES OF THE HOUSE INSURANCE COMMITTEE

The meeting was called to order by Chairperson Patricia Barbieri-Lightner at 3:30 p.m. on February 19, 2004 in Room 527-S of the Capitol.

All members were present:

Committee staff present:

Bill Wolff Legislative Research Department  
Ken Wilke, Revisor of Statutes  
Renaë Hansen, Secretary

Conferees appearing before the committee:

John Campbell, Kansas Insurance Department  
Bill Sneed, State Farm  
Larrie Ann Lower, Kansas Association of Health  
Cheryl Dillard, Coventry  
Brad Smoot, Blue Cross Blue Sheild of Kansas  
Kathy Ostrowski, Kansans for Life  
Beatrice Swoopes, Kansas Catholic Conference  
Julie Burkhart, Pro Can Do  
Jennifer McAdam, Planned Parenthood  
Anna Holcombe, Kansas NOW  
Scott Bruner, State Medicare

Others attending:

Twenty Six including but not limited to the attached list.

Hearing on:

**HB 2689: Health insurance; required disclosures to policyholders for group health insurance.**

Opponents:

John W. Campbell, General Counsel for the Kansas Insurance Department, (Attachment #1), presented testimony that states that the Kansas Insurance Department believes **HB 2689** is unconstitutional. They believe the premise of this that patient information belongs to the patient, period. There are those who can access it, and the HIPAA law is very complicated and specific on those individuals who can access the information. They believe that if the law were enacted it would be unenforceable as it has been preempted by HIPAA. Commissioner Sandy Praeger asked him to express to the committee she realizes there is a problem. The same individuals who appeared as proponents have been to their office and they have looked at this in detail and have looked for solutions. They are going to take this to the NAIC (National Association of Insurance Commissioners) to see if a consensus of some sort can be reached and then have this proposal taken to the people in Washington, DC. HIPAA puts up an extraordinary amount of protection and they believe this bill would not work with the federal legislation.

Questions were posed by: Representatives Bob Grant, Patricia Barbieri-Lightner, and Mario Goico.

William Sneed, Legislative Council for The State Farm Insurance Companies, (Attachment #2), specifically addressed on page 2 of the bill, section 3. They are uncertain as to why the section that requires property and casualty insurers to provide the policy holder with loss information has been included in the bill. They are asking that section 3 be stricken from the bill. Currently they are monitoring the bill and at this time have not taken a position on the bill.

Laurie Ann Lower, Executive Director of the Kansas Association of Health Plans (KAHP), (Attachment #3), noted the disclosure requirements of the bill are included in section 2(b). The section says for a claim over \$10,000 health plans would be required to release to policyholders(employers); the identity of the patient, the diagnosis of the patient, the current health status of the patient and the identity of the

## CONTINUATION SHEET

MINUTES OF THE HOUSE INSURANCE COMMITTEE at 3:30 p.m. on February 19, 2004 in Room 527-S of the Capitol.

health care provider providing the medical care or treatment. Under close scrutiny of the bill it may be interpreted as acceptable under HIPAA, but the requirements go further than would seem acceptable. They suggested that language be added that would indemnify health plans from paying any penalties if HIPAA regulations were found to be violated.

Questions were posed by: Representative Patricia Barbieri-Lightner and Revisor Ken Wilke.

Cheryl Dillard, Director, Government Relations, Coventry Health Care, (Attachment #4), responded to items heard previously from proponents of the bill. No information that was requested in this bill is not already provided to companies employing over 200 people by Coventry Health Care. Less than 200 they are concerned that the information would be able to be identified to specific individuals. It is presented as aggregated data about inpatient care, outpatient care, top 25 prescriptions, top 25 class of drugs, the top 10 diagnosis, the top 10 provider locations, the number of visits to a chiropractor, the number of people in a group that are using the chiropractor, the number of people that are receiving mental health services, number of newborns, etc.... This is all aggregated data with no patient identification given. They very much hope the legislature does not support the release of names, as they believe this is not a good policy.

Questions were posed by: Representative Nile Dillmore.

Brad Smoot, Legislative Counsel, Blue Cross and Blue Shield of Kansas and Kansas City, (Attachment #5 and #6), noted **HB 2689** provides too much specific detail for broad dissemination. It is important to not release detail of names. Several examples of reports they do provide are attached. Included in his testimony is an example of a data company that collects and compiles for companies, data about their specific insurance usage. Some of the specific data this company collects, Blue Cross believes is proprietary information that should remain within the confines of the individual insurance company. It is data that includes what they have negotiated to pay the doctors, hospitals, and other health entities. In affect, the precise information that makes them competitive in the market place. BCBS believes this information to be crucial to maintaining their ability to compete in the insurance industry, and should not be released.

Questions were posed by: Representatives Nancy Kirk and David Huff.

The hearing was closed on **HB 2689**.

Hearing on:

**HB 2761: Children covered by a plan for insurance coverage for children.**

Dr. Bill Wolff gave a brief explanation on why this bill was introduced. This bill attempts to fill a gap for prenatal care for a mother who might otherwise be ineligible for it under the current Healthwave/Medicare plans. In 2002 the Federal Government Health organization authorized states to provide healthcare to children from conception to 19 years of age instead of from birth. This would enable a family to claim one more dependent and thereby lower the amount of annual income it takes for a family to be in the poverty range and therefore enable them to attain care under the S-CHIP plan.

Proponents:

Kathy Ostrowski, Legislative Director of Kansans for Life, (Attachment #7), presented testimony in support of **HB 2761**, allowing funding through SCHIP for children in the womb. They support this legislation for two reason: 1. Healthy birth outcomes enhanced through pre-natal care benefit both individuals and society 2. Pregnant women who are ineligible for government assistance and feel financially driven to abortion, dramatically increases the risk of premature(including low and very low birth weight) babies in subsequent pregnancies.

Questions were posed by: Representatives Ray Cox, Patricia Barbieri-Lightner, and Nancy Kirk.

## CONTINUATION SHEET

MINUTES OF THE HOUSE INSURANCE COMMITTEE at 3:30 p.m. on February 19, 2004 in Room 527-S of the Capitol.

The fiscal note for **HB 2761** was presented.

Scott Bruner, Social and Rehabilitation Services, (Attachment #8), presented some written testimony addressing this issue. His testimony shows currently what is covered and what acceptance of this bill would allow women to receive in the way of health care. He also helped answer a questions that were asked.

Questions were posed by: Representatives David Huff, Nile Dillmore, Mario Goico, and Nancy Kirk.

Beatrice Swoopes, Kansas Catholic Conference, (Attachment #9 & #10), spoke in favor of **HB 2761**. This bill helps women who might otherwise fall above the income dollar amount for healthwave care to receive help for prenatal care through SCHIP (State Children's Health Insurance Program), by increasing the number of people in a family through acceptance of a child upon conception as a member of the family and thereby lowering the income eligibility dollar amount. This would allow the pregnant woman to receive prenatal care that she might otherwise not be eligible to acquire.

Questions were posed by: Representatives Nancy Kirk and Scott Schwab.

Specific questions were directed to Scott Brunner about eligibility of State employees for this program by Representative Patricia Barbieri-Lightner. Dr. Wolff also contributed to this series of questions.

Opponents:

Julie Burkhart, Executive Director of Pro Kan Do, (Attachment #11), **HB 2761** could do more harm than good by pitting a woman's needs against the needs of the fetus. Social service programs are severely underfunded to begin with and this would take away funding needed for other areas. If the goal of this bill is to maintain the highest health standards for a woman's pregnancy, then why not propose expanding Medicaid. Additionally, the long term goal of this bill is to establish a fetus as a person under Kansas law, and making abortion illegal by directly challenging the *Roe v. Wade* language.

Questions and comments were posed by: Representatives Mario Goico, Mike Burgess, Mary Kauffman, Stephanie Sharp, Patricia Barbieri-Lightner, and Nancy Kirk.

Jennifer McAdam, Planned Parenthood of Kansas and Mid-Missouri, (Attachment #12), supports coverage for pregnant women. **HB 2761** is not true prenatal care as it does not address the health of the woman. The only change to current statute is to cover an "unborn child" from conception onward. In this bill the woman would loose her healthcare when the child was born and thereby compromises women's overall health. This bill does not address the woman's health but only that of the unborn child.

Recommended alternatives to enacting this legislation included an expansion of Medicaid coverage to 185% of the federal poverty line through a state plan amendment, or to 200% through a waiver from the Center for Medicare and Medicaid Services within the U.S. Department of Health and Human Services. Attached to her testimony is a statement from the March of Dimes.

Anna Holcombe, Kansas National Organization for Women, (Attachment #13), opposes **HB2761** because although this legislation would give prenatal care to woman who do not qualify for Medicaid, solving the problem of women's lack of prenatal care should not include ideological definitions of when life begins. This bill does not address the underlying issue of poor health care options for women who fall just above the poverty levels established and cannot receive health care dollars to improve their overall long term health. While it does provide them some care during pregnancy and 3 months post partum, it does not really address the long term health insurance needs of a woman. An alternative proposal that would truly address the problem of low income women's lack of access to prenatal care would be strongly supported by Kansas NOW.

Questions were asked by: Representatives Patricia Barbieri-Lightner, Mario Goico, Mike Burgess, and Mary Kauffman.

Hearing closed on **HB 2761**.

CONTINUATION SHEET

MINUTES OF THE HOUSE INSURANCE COMMITTEE at 3:30 p.m. on February 19, 2004 in Room 527-S of the Capitol.

Discussion open on:

**HB 2563: Motor vehicles; increase amount for reporting accidents to \$1,000.**

Representative Mario Goico moved to amend HB 2563 to insert the words electronic instead of consolidated magnetic tape and make it in force January 1, 2005., seconded by Representative Mike Burgess, motion passed unanimously

This takes into consideration the recommendation of the Department of Transportation to use electronic transmission and to change the affective date to January 1, 2005.

Representative Nile Dillmore moved to amend HB 2563 from the \$1,000 reporting amount to \$1,500, seconded by Representative Jan Scoggins-Waite.

Comments were made by Representatives Bob Grant, Nile Dillmore, Mario Goico, Mary Kauffman, and Eber Phelps.

The question was called.

The motion passed unanimously.

It was discussed that perhaps to be amended on the floor of the house would be the dollar amount applying towards each vehicle and not the total dollar amount per accident.

Representative Cindy Neighbor moved the passage of HB 2563 as amended to the floor of the house, seconded by Representative Mario Goico, motion passed unanimously.

Representative Mario Goico would carry the bill to the floor of the House.

Meeting Adjourned.