

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 15, 2001 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 Buntun, Committee Secretary

Conferees appearing before the committee:

  Brad Smoot, Blue Cross Blue Shield of Kansas  
  Larrie Ann Lower, Kansas Association of Health Plans  
  William W. Sneed, Health Insurance Association of America  
  Terry Leatherman, Kansas Chamber of Commerce and Industry  
  Sarah Adams, Director, Information Systems for Keys for Networking, Inc.  
  Kathy Byrnes, Olathe

Others attending: See attached list.

**Continued Hearing on SB 274 - Insurance; providing coverage for certain mental health conditions**

Brad Smoot, Blue Cross Blue Shield of Kansas, presented testimony to the Committee in opposition to **SB 274**. He pointed out that insurance mandates and the premium increases they cause fall most heavily on individuals, their dependents and small businesses. Information was also provided to the Committee relating to mental health mandate laws as applied to different groups and a comparison of mandated mental illness insurance coverage state by state. (Attachment 1) During Committee discussion it was noted that mental health coverage can be offered to members that belong to a large group. Mr. Smoot was asked if he knew whether Blue Cross Blue Shield could offer catastrophic coverage for mental health, and why the insurance industry is opposed to grouping small businesses into one large group. He will get back with more information.

Larrie Ann Lower, Kansas Association of Health Plans, expressed her opposition to **SB 274** and pointed out to the Committee that members of KAHP are willing to sit down with the proponents of this bill to discuss the issues involved, but as the bill is written cannot support a mandate that could potentially lead to higher premiums for those Kansans they insure. (Attachment 2)

William W. Sneed, Health Insurance Association of America, expressed his opposition to the bill and noted that HIAA opposes health benefit mandates because they constrain the ability of insurance purchasers and consumers to choose for themselves what the best allocation is of available health insurance dollars and the appropriate level of coverage for their needs based on the best available information about medical technologies and treatments. (Attachment 3) During Committee discussion it was suggested the Committee may want to look at what states with managed care or co-pays are doing in regard to mental health coverage.

Terry Leatherman, Kansas Chamber of Commerce and Industry, also testified in opposition to the bill saying that KCCI is concerned that government mandates show a lack of trust in the private insurance marketplace and its ability to develop an insurance product that would meet the needs of insurance customers. Other concerns about the bill were outlined in his written testimony. (Attachment 4)

Speaking in support of the bill was Sarah Adams, Director, Information Systems for Keys for Networking, Inc., who talked about the gross inequity between insurance coverage for mental health services and physical health services, (Attachment 5); and Kathy Byrnes, Olathe, who told the Committee of her ordeal in managing her son's mental illness because of poor mental health benefits. (Attachment 6)

**Adjournment**

CONTINUATION SHEET

The meeting was adjourned at 10:30 a.m. The next meeting of the Committee is scheduled for February 19, 2001.