

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 28, 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 Buntten, Committee Secretary

Conferees appearing before the committee:

Amy Campbell, Kansas Mental Health Coalition  
Sharon Huffman, Kansas Commission on Disability Concerns  
Elizabeth Adams, Executive Director, NAMI Kansas  
Barbara Bohm, NAMI Kansas, Spirit III  
Sarah Adams, Keys for Networking, Inc.  
John Gann, Kansas Association of Insurance and Financial Advisors  
Brad Smoot, Blue Cross Blue Shield  
Larrie Ann Lower, Kansas Association of Health Plans  
Linda DeCoursey, Kansas Insurance Department

Others attending: See attached list.

**Hearing on HB 2033 - Insurance; report to the legislature concerning certain mental illness**

Amy Campbell, Kansas Mental Health Coalition, testified before the Committee in support of mental health parity and suggested amendments to **SB 274** that would reflect the coverage definitions currently included in the State Employees Plan. **HB 2033**, as written, is not a mental health parity bill, but is a directive to the Kansas State Employees Health Care Commission to provide additional information to the Legislature regarding the plan experience for 2001. Ms. Campbell provided the Committee with additional information on how mental health parity is implemented in the State Employees Health Plan, an overview of state parity laws of other states, and comments from the Surgeon General's Report on Mental Health and the Washington Business Group on Health which was included in her written testimony. (Attachment 1)

Sharon Huffman, Kansas Commission on Disability Concerns, expressed her support for mental health parity and would like language from **SB 274** amended into **HB 2033** with changes that would reflect the same diagnoses that are covered in the state plan. (Attachment 2)

Also speaking in support of mental health parity was Elizabeth Adams, Executive Director, NAMI Kansas, (Attachment 3); Barbara Bohm, NAMI Kansas, Spirit III, (Attachment 4); and Sarah Adams, Keys for Networking, Inc., (Attachment 5).

John Gann, Kansas Association of Insurance and Financial Advisors, spoke in support of **HB 2033**. He noted that the information that would be obtained by this legislation would be helpful in evaluating the impact of the mental illness first dollar benefit for state employees, but it would not be appropriate to apply it to the other private health insurance plans in the state. Therefore, he does not believe in mental health parity for all Kansans, because the premium costs to individual Kansas policyholders and Kansas employer groups would be adversely affected.. (Attachment 6) During Committee discussion the Chair noted that she would provide the Committee with copies of mental health parity data from the states of Vermont, Connecticut, North Carolina and Texas.

Brad Smoot, Blue Cross Blue Shield, expressed his support for **HB 2033** that would evaluate any new health care costs without imposing them on individuals, families and employers in the private sector and the "test track"

## CONTINUATION SHEET

procedure that was enacted by the Legislature in 1999. (Attachment 7) He also reminded the Committee that Kansas statutes call for a cost-benefit study to be performed before any new health insurance mandates are adopted.

Also speaking in support of **HB 2033** and the “test track” procedure was Larrie Ann Lower, Kansas Association of Health Plans, as noted in her written testimony. (Attachment 8)

Linda DeCoursey, Kansas Insurance Department, testified as a neutral conferee on the bill. She noted that thirty-two states now have parity laws. The Surgeon General’s report, along with many other studies, suggests that implementing parity laws is not as expensive as once suggested. Case studies of five states that had a parity law for at least a year revealed a small effect on premiums. Other statistics on mental health parity was covered in her written testimony. (Attachment 9)

The Chair noted that the bill would be worked the following week and would like the Committee to consider several approaches on mental health parity.

### **Adjournment**

The meeting was adjourned at 10:30 a.m. The next meeting of the Committee is scheduled for March 1, 2001.