

MINUTES OF THE HOUSE INSURANCE AND FINANCIAL INSTITUTIONS COMMITTEE

The meeting was called to order by Chairperson Scott Schwab at 3:30 pm on Thursday, March 17, 2016, 218-N of the Capitol.

All members were present except:

Representative Willie Dove – Excused
Representative Broderick Henderson – Excused
Representative Stan Frownfelter – Excused
Representative Kevin Jones – Excused
Representative Steven Anthimides – Excused

Committee staff present:

Diane Brian, Kansas Legislative Committee Assistant
Melissa Renick, Legislative Research Department
David Wiese, Office of Revisor of Statutes
Eileen Ma, Office of Revisor of Statutes

Conferees appearing before the Committee:

Sarah Shipman, Kansas Department of Administration
Chief Judge Creitz, 31st Judicial District
Sr. Judge Richard Smith

Others in attendance:

[See Attached List](#)

Chairman Schwab called for discussion and final action on **SB 438 - Renewals of property and casualty insurance policies.**

Eileen Ma, staff, gave an overview of the bill.

Representative Hawkins moved to pass out SB438 favorably, seconded by Representative Campbell. Motion carried.

Hearing on: HB2716 — Implementing a health insurance exchange platform for public-employer retirees and eliminating retirees from participation in the state health care benefits program.

David Weise gave an overview of the bill. Chairman Schwab asked Mr. Weise, staff, to draft an amendment to exempt all retirees that still receive compensation from the state or a qualified local unit of government.

Chairman Schwab officially opened the hearing on **HB2716**. Chairman Schwab explained that this bill is a result of recommendations made by the Alvarez and Marsals efficiency review.

There were no proponents or opponents appearing before the Committee.

CONTINUATION SHEET

MINUTES of the Committee on Insurance and Financial Institutions at 3:30 pm on Thursday, March 17, 2016 in Room 218-N of the Capitol.

The following conferees provided neutral testimony and answered questions from the committee members:

Chairman Schwab welcomed Ms. Shipman, Secretary of Administration, who stated the State does not directly contribute toward the cost of a retired employee's state health care coverage. Retirees are billed directly for 100 percent of the premium for whichever plan they select. There is an implied subsidy for those direct bill members enrolled in Plans A or C. Those changes included requiring all Medicare eligible retirees to enroll in a fully-insured Medicare plan ([Attachment 1](#)).

Chairman Schwab introduced Chief Judge Daniel Creitz of the Thirty-First Judicial District. Judge Creitz requested that the senior judge program be exempted from the provisions of **HB2716**. It is unclear whether senior judges and justices are included. The main financial incentive for these senior judges is the employer-paid health care benefit while serving as a senior judge. **HB2716** would allow senior judges or justices to participate in a, yet to be formulated, retiree exchange platform for health insurance coverage. However, the particulars of this platform are not specified in the bill ([Attachment 2](#)).

Chairman Schwab welcomed Sr. Judge Richard (Dick) Smith. Sr. Judge Smith urged the Committee to exempt the Senior Judge Program from the provisions of **HB2716**. Testimony in support of the Senior Judge Program is necessitated by reason that the elimination of that benefit will certainly have a significant, if not devastating, impact on the continuation of the program. Eligibility for participation in the State's health care benefit program has proven to be an essential motivation to attract the necessary, let alone desirable, body of applicants ([Attachment 3](#)).

There being no further questions, Chairman Schwab officially closed the hearing on **HB2716**.

Chairman Schwab thanked the committee members and staff for their suggestions and hard work.

Meeting Adjourned.