



TESTIMONY

Before the Kansas House Committee on Insurance

In opposition to HB2459

02-10-2020

Room 212N Capitol Building

Good afternoon Chairman Vickrey, Vice Chair Cox, and Ranking Member Neighbor, and distinguished members of the Committee on Insurance.

My name is Beverly Gossage, and I am the owner and president of HSA Benefits Consulting, as well as the Legislative Chair of the Kansas Association of Health Underwriters, a chapter of the National Association of Health Underwriters (NAHU), a professional association representing more than 100,000 licensed health insurance agents, brokers, general agents, consultants and employee benefits specialists. The members of NAHU work on a daily basis to help individuals and employer groups purchase, administer and utilize health insurance coverage. As such, we are pleased to have the opportunity to provide comments on HB2459 regarding adding a mental health mandate to private, individual policies, fully insured small group plans, and state employees' health insurance program.

As health insurance agents, we work with hundreds of thousands of clients. On rare occasions a client experiences a tragic health event. We are often their first call. We sympathize with the family as we do all we can to assist them in navigating their health plan and accessing their benefits. However, these very sad situations can lead to an introduction of well-meaning legislation, which mandates an insurance carrier cover a particular service. Unfortunately, this approach hurts that very family and others in the form of higher premiums when rates are already too high and implementation may or may not have avoided the tragedy.

Our experience is that the proponents of a mandate are often told that the benefits will outweigh the "miniscule" premium increase, but this is seldom the case, particularly when each year there is a new proponent with a new effort to force carriers to pay for yet another benefit. Since the implementation of the ACA, high premiums have forced small businesses to select ERISA plans that are exempt from the state mandates.

Likewise, it forced our individual clients to select the more affordable short term (lesser benefit) plans, the sharing ministry plans or association plans in an attempt to reduce their premiums to an affordable level. None of these plans would be subject to this mandate so they would be even more attractive as rates on private plans increase. Though Kansans with lower incomes are largely shielded from expensive premiums through the federal Marketplace, adding to the federal deficit and the state budget.

You may know that if this new mandate is intended to be required of federal Marketplace plans, the PPACA law requires that "starting in 2014, if state laws mandate benefit features not-included in the final HHS 'essential

benefits' list, the state will pay any additional costs for those benefits for exchange enrollees." National Conference of State Legislators.

Our opposition to this bill is not specific to this particular benefit mandate, but insurance mandates in general. Carriers must compete for business and will add benefits that the public desires to be covered, while balancing that benefit with a premium that the purchaser is willing to pay, yet remaining solvent. Therefore, KAHU urges this committee and to vote against this bill to prevent premiums from going even higher and causing more families to go uninsured.

We urge the state legislators to support pending federal HSA reform legislation (Personalized Healthcare Act) that would allow any plan to be HSA qualified. It permits the employer, the individual and/or their family members or others to fund the account to be used to pay for any medically qualified benefit, regardless if the benefit is covered by insurance. This would give each family more flexibility in selecting medical care for their loved ones without increasing health insurance premiums.

Beverly Gossage