

MINUTES OF THE HOUSE COMMITTEE ON INSURANCE.

The meeting was called to order by Chairperson Patricia Barbieri-Lightner at 3:30 on February 13, 2003 in Room 526-S of the Capitol.

All members were present except: Excused: Ray Cox

Committee staff present: Bill Wolff, Legislative Research
Ken Wilke, Revisor of Statutes
Renaë Hansen, Secretary

Conferees appearing before the committee: **Representative RJ Wilson**, District #3, Kansas House of Representatives
Janet Mayhew, Licensed Cosmetologist, Pittsburg Kansas
Jackie Graebel, Teacher, Survivors Committee Spokesperson-
American Cancer Society
Karen Carlin, Executive Director,
The Leukemia & Lymphoma Society
George Dahlman, Vice President of Public Policy,
The Leukemia & Lymphoma Society, Washington DC
Dr. Marcus A. Neubauer, MD, Oncologist,
Overland Park Kansas
Bret G. Wilson, Constituant of the 24th district of the House of
Representatives
Bill Sneed, Health Insurance Association of America
Terry Leatherman, Vice President of Legislative Affairs for
the Kansas Chamber of Commerce and Industry
Representative Paul Davis, 46th District, Kansas House of
Representatives

Others attending:44 total some of whom signed the attached register.

Chair Representative Barbieri-Lightner called the meeting to order.

Before the hearings on **HB 2184**, **HB 2069**, and **HB 2185** were heard, Chair Barbeiri-Lightner presented the committee with Kansas statutes 40-2248, 40-2249, and 40-2249a. (attachment #1). These statutes clearly require that the impact of proposed mandate health coverage include at the minimum a series of research results on how the proposed legislative mandate would affect the social and financial aspects of enacting said proposed legislation. Furthermore, it was stated that these impact studies needed to be Kansas specific research, as Kansas Legislators needed to be able to assess how these mandated bills would affect the citizens and budget of Kansas. Barbieri-Lightner stated that unless the studies were here today the bills would not be heard today, exceptions would be made for individuals who traveled from out of state, or long distance in state if no impact statements were presented. Those from Kansas City and Wichita would not be heard today unless

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the bill they are speaking on has those proposed impact statements available. In addition, because of the large number of conferees present, it was asked if all conferees please limit their testimony to three to five minutes.

The hearing on **HB 2184** was opened by Barbieri-Lightner:

HB 2184: Requiring coverage for wigs or scalp prostheses for any person receiving cancer treatment or related therapy.

Representative RJ Wilson (attachment #2) explained why he came to introduce **HB 2184** on request of Janet Mayhew, a constituent from Pittsburg, who approached him on this matter after her fathers battle with cancer. It was noted that no impact statements were available.

Janet Mayhew, (attachment #3), licensed cosmetologist, Pittsburg Kansas, spoke on the way that prosthesis wigs for cancer patients helped the patients deal with the cancer treatment better and often times had a more positive outcome of their treatment with the availability of the more natural looking wigs.

Questions were posed by: Representative Scott Schwab.

Jackie Graebel, (attachment #4), Kansas School teacher, Survivors Committee Spokesperson, American Cancer Society, gave personal testimony of her cancer treatment experience and the impact the loss of hair during cancer treatment had on her and her life.

Opponents were noted to be in town conferees. Since no impact statements were provided, the hearings for **HB 2184** were closed by Barbieri-Lightner.

The hearing on **HB 2069** was opened by Chair Barbieri-Lightner.

HB 2069: Insurance coverage for expense of participating in clinical trials.

The Kansas impact study was requested by Barbieri- Lightner from the sponsor of the bill. Karen Carlin responded by informing the committee that the impact statement was included in the packet that was handed out to the committee. (Attachment #5)

George Dahlman, Vice President of Public Policy, The Leukemia & Lymphoma Society, Washington DC, (attachment #6) spoke to the committee in support of **HB 2069** which would provide insurance coverage for the routine patient care costs that deal with patients involved in clinical trials. Many patients still receive the standard treatments for their healthcare; however many patients need to look for other treatments that will better serve their disease or illness. Data suggest the costs of these services would be very minimal. A personal example of the success of clinical trials and its benefits to the conferee were shared.

Questions were asked by: Representatives Stephanie Sharp, Mario Goico, and Scott Schwab.

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The Chair posed a question to the revisor Ken Wilke, and was answered by Researcher Bill Wolff.

Dr. Marcus A. Neubauer, MD, Oncologist, Overland Park Kansas, (attachment #7) spoke to the committee in support of **HB 2069**. Clinical trials allow for the treatment of patients diseases and illnesses to be updated and made more affective and patient friendly. Clinical trials are experimental but experimental doesn't mean irrational or unjustified. Experimental means trying to improve upon the currently available treatment. Medicare's position on clinical trial is reasonable. They pick up routine costs, while the sponsoring agent of the trial pick up the unique costs.

Bret G. Wilson, Constituent of the 24th district of the House of Representatives, father of Leukemia patient, (attachment #8), shared his families experience with his daughter Erins diagnosis. Bret also shared specifically the insurance issues involved.

Comments were presented by: Representative Bonnie Sharp, ranking minority leader.

Opponents were then heard.

Bill Sneed, Health Insurance Association of America, (attachments #9 & 10), representing the commercial insurers that write health insurance, as an industry take a position in opposition to all mandates for health insurance. Mandates typically affect only 30-35% of health insurance out there; because of federal law, self insured plans are exempt from state law. Additionally, unless a specific government entity takes specific action to accept the mandate, state mandates will not apply to the government type programs. No one mandate really costs that much, but collectively they add up.

Questions were posed by Representatives David Huff, and Nancy Kirk. Nancy Kirk asked specifically for impact statements from the insurance companies and how these mandates affected the citizens of Kansas from the Insurance companies point of view.

Larrie Ann Lower, Kansas Association of Health Plans, (attachment #11), appeared in opposition of **HB 2069** and the other two bills presented today. Collectively, mandates do have an impact on insurance costs. Questions were raised if the intent of the proponents were to eventually shift the burden of the costs of these experimental treatments to the insurance companies.

Chair Barbieri-Lightner questioned the date that the impact studies were performed.

Questions were posed by Representatives Nile Dillmore, Scott Schwab and Bonnie Sharp. Dillmore and Schwab asked questions that would compare laws currently on the books in other states, specifically Maryland, and how these laws compare to the proposed Kansas Law and fiscally the impact that this law has had on their state. Bonnie Sharp questioned the impact of the positive affects of enacting a bill that has so many gains. Can the cost increase really outweigh the benefits?

Chair Barbieri-Lightner submitted the fiscal note From the Kansas Division of the Budget (attachment #12). It states that our own Kansas employee coverage could be affected at a cost of \$1.50 - \$8.90 per member, costing the state an increase in HMO coverage an additional \$323,550 to \$1,919,730 for the current 17,975

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employees under the plan.

Terry Leatherman, Vice President of Legislative Affairs for the Kansas Chamber of Commerce and Industry, (attachment #13) presented opposition to **HB 2069** and all mandate bills that pose an additional occurrence of the government imposing rules on the private insurance companies.

Questions were posed by Representatives Cindy Neighbor and Mario Goico. Mario Goico questioned the statement that these clinical trials did not deal with life threatening situations, noting that the clinical trials would not even be conducted if they were not life threatening.

Chair Barbieri-Lightner closed the hearings on **HB 2069**.

The hearing on **HB 2185** was opened by Chair Barbieri-Lightner.

HB 2185: Insurance; providing coverage for contraceptives.

Representative Paul Davis, 46th District, Kansas House of Representatives, a proponent for **HB 2185** and Chair Barbieri-Lightner had a discussion as to whether or not the impact studies required by law were included in Representative Davis' testimony. Chair Barbieri-Lightner allowed Representative Davis to go ahead with his testimony while she evaluated the validity of his statement that the impact studies were included as per the statutes.

Representative Paul Davis (attachment #14) presented testimony that gave reasons why insurance mandate was necessary for contraceptives. It was noted that mandates need to be looked at on an individual basis and not group them all together. This mandate is believed to be cost neutral and may in fact result in cost savings. In 1998 federal law mandated coverage for contraceptives and they have been able to look back now and see that it did not increase the costs. The states costs would be negligible for the mandate of other FDA approved contraceptives. Rep. Davis recommended if the committee decided to act favorably on the bill that an amendment would be added to the language that would exempt this from the test track position, because we've already tested it in the state employee process. We already know what it's doing from the state position so there is no need to prolong the process.

Representative Barbieri-Lightner strongly disagreed that Representative Davis presented the committee with an impact report that is related to Kansas. It was noted that the proponents for the bill were not from out of state or further than Pittsburg, Kansas. The hearing was closed on **HB 2185**.

Meeting adjourned.

Next meeting February 18, 2003.