

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 January 18, 2001 in Room 234-N of the Capitol.

All members were present except: Senator Corbin, excused

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:

 Matthew S. Goddard, Vice President, Heartland Community Bankers Association
 Chris Clarke, Legislative Post Audit
 Robert St. Peter, M.D., Kansas Health Institute

Others attending: See attached list.

Introduction of bills

Matthew S. Goddard, Vice President, Heartland Community Bankers Association, requested introduction of legislation that would add a lender or designated closing agent to those parties authorized under existing law to make demand upon a mortgagee or its assignee for the entering of satisfaction of a mortgage. Senator Feleciano made a motion that the Committee introduce the proposed legislation, seconded by Senator Barnett. The motion carried.

Legislative Post Audit Report on HealthWave

Chris Clarke, Legislative Post Audit, briefed the Committee on a performance audit report dated December 2000 entitled *HealthWave: Reviewing the Program's Finances and Services*. A copy of the report can be obtained from the Legislative Division of Post Audit. The audit answered the following questions:

- (1) Did the Department of SRS do all it could to generate competition, and to screen out bidders of questionable financial stability?
- (2) Did actions by the Department appear to contribute to Horizon's liquidation, and does the State have any obligation to fully reimburse Horizon's former providers?
- (3) What effect did Horizon's liquidation have on the HealthWave Program and on the state, and is the Program now financially sound?
- (4) To what extent has HealthWave been successful in providing services to Kansans enrolled in the Program?

Concern was expressed during Committee discussion that low Medicaid managed-care capitation rates were the primary cause of Horizon's financial losses, and that the state needs to be a better business partner. Bob Day, SRS, contributed to the discussion by noting that SRS is currently in the bidding process by issuing requests for proposals for providers and will monitor the financial stability of the contractors. A listing of Kansas Medicaid Capitation Rates was distributed to the Committee. (Attachment 1)

Evaluation of HealthWave

Robert St. Peter, M.D., Kansas Health Institute, provided information on a three-year evaluation of HealthWave as outlined in his written testimony. (Attachment 2) Dr. St. Peter noted during Committee discussion that KHI is conducting a survey to find out why children are dropping out of HealthWave which could be attributed to families obtaining private insurance, moving out of state, or going into Medicaid. He pointed out that 22% of families in HealthWave also have children in Medicaid. A member of the Committee suggested that Maximus may not be providing adequate outreach and education on the HealthWave program in order to secure a higher enrollment.

Adjournment

The meeting was adjourned at 10:30 a.m. The next meeting of the Committee is scheduled for January 23, 2001.