

## MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairman Ruth Teichman at 9:30 A.M. on January 31, 2006 in Room 234-N of the Capitol.

All members were present.

## Committee staff present:

Melissa Calderwood, Kansas Legislative Research Department  
Terri Weber, Kansas Legislative Research Department  
Ken Wilke, Office of Revisor of Statutes  
Bev Beam, Committee Secretary

## Conferees appearing before the committee:

Tim Blevins, Chief Information Technology Officer, Kansas Dept. Of Revenue  
Sandy Praeger, Commissioner of Insurance  
John L. Kiefhaber, Executive Director, Kansas Pharmacists Association

## Others attending:

See attached list.

The Chair welcomed everyone to the meeting and introduced Tim Blevins, Chief Information Technology Officer, State Department of Revenue, who presented information to the committee on **(SB 321)**.

Mr. Blevins said the current VIPS system was originally installed in the late 1980's. The system has had continual improvements made since that time with substantial improvements made in the last five years, he said. One of the improvements in 2002 included the ability of KDOR to establish an ongoing communication channel with Kansas Insurance Companies that provide vehicle insurance in order for KDOR to provide on-line vehicle registration renewals through the KDOR vehicles on-line registration system, Mr. Blevins said.

Mr. Blevins added that the process of involving the key stakeholders in the redesign and implementation of the new systems required to manage vehicles and driver licenses in the State of Kansas will significantly add to the benefits realized by the work that is pending to replace current systems in a modern environment. The time frame of one year for the stakeholder groups to form and come to agreement on design as it relates to data interfaces and data exchange related to VIPs will enhance the overall outcome of the work that is already required by the KDOR Motor Vehicles Division and all the customers of KDOR VIPS and KDLIS systems. Any process to move towards a stand-alone solution to stand between or beside KDOR VIPS or KDLIS systems and the numerous stakeholders should be avoided. KDOR and the VIPs and KDLIS stakeholders have already spent years and countless resources establishing current communications channels and systems integration. A stand-alone design will simply take us further away from a tightly designed multi-channel system that is required to be able to implement and manage solutions that meet all VIPS stakeholder needs without requiring considerable additional resources and complexities in the future, Mr. Blevins said.

(Attachment 1)

Hearing on **(SB 405)**

## Overview

Melissa Calderwood gave an overview of the Bill, stating the bill would authorize the Insurance Commissioner, at her discretion, to waive certain requirements with restrictions.

The Chair introduced Sandy Praeger, Commissioner of Insurance.

Commissioner Praeger said **(SB 405)** would amend the foreign company statute to allow for the registration of Prescription Drug Plans. These companies are selling Medicare Part D plans to Kansas seniors. The intent of this legislation is to require any company authorized to do business in Kansas to register with the Insurance Department so that staff is better able to serve the people of Kansas.

## CONTINUATION SHEET

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She said without this legislation the Insurance Department would have only the current information available on the Centers for Medicare and Medicaid Services Website, and it would be incumbent upon the Insurance Department to check the CMS website for updates.

The Commissioner further stated that the Insurance Department would better be able to answer questions for consumers.

In addition, the Commissioner said statute requires foreign companies to be in business for three years and be the subject of a financial exam that has been finalized and reported. Federal guidelines allow companies that have been in business even less than a year to qualify as PDPs under certain circumstances.

In conclusion, she said the stated the legislation is intended to help the consumers of Kansas by offering their office as a place to voice their concerns rather than having to call CMS. The issue is, when they are doing business in Kansas, we want to have contact information so we have an easy way to get in touch with them, she said. (Attachment 2)

The Chair introduced John Kiefhaber, Executive Director, Kansas Pharmacists Association who testified in support of (**SB 405**). Mr. Kiefhaber said the Pharmacists Association had previously reported to the committee on the work that professional pharmacists have done and the problems they have encountered in the implementation of the federal government's new Medicare Prescription Drug Program, known as Medicare Part D.

Mr. Kiefhaber said the Pharmacists Association would like to lend their support to the Insurance Commissioner in her action to make sure that Prescription Drug Plans (PDPs) operating in Kansas are registered or licensed. Mr. Kiefhaber said these national companies are the plan providers serving our most vulnerable Kansas citizens, and Kansas pharmacists think they need to know who they are. In some cases, he said, we have had great difficulty in contacting PDPs for contract details, pricing information, prior authorizations and even for basic drug formulary information. He said patients' health could be at risk in some cases when delays or complete lack of information gets in the way with delivering medicines to Kansas seniors and other beneficiaries. Mr. Kiefhaber said the Pharmacists Association expects that the basic provisions in the bill will afford some information and some security to the state and to health care providers. (Attachment 3)

### **Minutes approved**

The Chair asked for a motion to approve Minutes of January 24, 25 and 26. Senator Schmidt moved to approve. Senator Barnett seconded. Motion passed.

The meeting adjourned at 10:30 a.m.