

COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE

Testimony on House Bill 2312
March 14, 2013

By: Bruce Witt, Kansas Health Insurance Association, Vice Chair of the Board

Chairman and Members of the Committee:

I am Bruce Witt appearing today on behalf of the Kansas Health Insurance Association (KHIA). I currently serve as Vice Chair of the KHIA Board of Directors. Thank you for opportunity to present testimony in support of HB 2312.

The KHIA is the high-risk health insurance pool established by the Kansas Legislature in 1992, pursuant to the Kansas Uninsurable Health Insurance Plan Act, K.S.A. 40-2117, *et seq.* The pool was established in order to provide coverage for individuals who have pre-existing conditions and are generally uninsurable in the voluntary market. It is managed by a Board of Directors comprised of eleven members, including six health insurers, four members of the public, and one agent. The Act directs the Commissioner of Insurance to oversee the operations of the pool. However, the day-to-day operations of the pool are administered by Benefit Management Inc, a third-party administrator located in Great Bend. As of yearend 2012, the KHIA state high-risk pool had 1,416 enrollees.

HB 2312 was introduced at the request of the KHIA Board. The bill would increase the maximum lifetime benefit for enrollees from \$3 million to \$4 million. The maximum lifetime benefit was raised from \$2 million to \$3 million in 2011. The KHIA projects that as many as twelve members of the state high-risk pool will reach the current \$3 million maximum lifetime benefit limit in 2013. Two pool members have already exceeded \$2 million in lifetime benefits and both have ongoing, serious and expensive medical conditions. It is the desire of the KHIA Board to increase the maximum lifetime benefit to ensure the pool can continue to provide coverage for these enrollees for the remainder of 2013.

The KHIA has discussed this amendment with the Kansas Insurance Department, and the Department has indicated full support for the bill.

Thank you for the opportunity to appear in support of HB 2312. I am happy to stand for questions.

Bruce Witt
KHIA Board of Directors – Vice Chair
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