

America's Health
Insurance Plans

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February 6, 2018

Senator Jeff Longbine
Chair
Senate Standing Committee on Financial Institutions and Insurance
Kansas State Capitol
Topeka, KS 66612

Re: SB 348 – Electronic Delivery of Certain Health Benefit Plan Documents – Support with Amendments

Dear Senator Longbine:

I am writing on behalf of America's Health Insurance Plans to voice our support for legislation before your committee with amendments that would remove roadblocks to electronic exchange of explanation of benefits (EOB) documents between health plans and consumers. AHIP is the national association whose members provide coverage for health care and related services. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access, and well-being for consumers. Our members are committed to providing consumers with affordable products that offer a broad range of robust provider networks of quality, cost-efficient providers.

In recent years, health and dental plans have worked to improve how they convey information to consumers in order to provide convenience, security and simplicity. Americans use electronic devices in all aspects of their daily lives. It is now the norm. And now, with the advent and refinement of tools such as electronic health records and secure communications the desire to expand this into health care is something we see consumers embracing and wanting more of.

Providing consumers the opportunity to electronically receive the insurance information contained in an EOB not only satisfies consumer demand, but it reduces administrative costs and ensures the availability of accurate and real-time information. By ensuring timely benefits and coverage information in a convenient manner, health and dental plans and consumers realize gains in efficiency and cost savings. Sending EOB information in paper form through the United States Postal Service often results in impractical delays or outdated information.

We believe that health and dental insurance plans should be enabled to provide information to consumers electronically in order to fully realize the benefits and cost savings of modern

communication methods. Legislation such as SB 348 removes unnecessary barriers to electronic communication by allowing plans to engage in proactive measures to ensure the timely delivery of coverage and benefits information contained in an EOB. Kansas law already recognizes the value that these advancements provide, and bills such as the one before your committee will serve to enhance the benefits envisioned by the current requirements in Kansas.

We further support this legislation because it provides necessary safeguards to protect the interests of consumers that prefer to receive EOB materials through the mail in printed form. Changes proposed in the bill to K.S.A. 2017 Supp. 40-5802(b)(1) require the printed documents also be made available and language included in subsection 2 of that section creates a legal requirement for health plans to comply with consumer requests to receive paper documents. The primary concern of health plans is ensuring effective communication with consumers in a manner that acknowledges their technological concerns and capabilities. The safeguards contained in this legislation appropriately ensure that consumers are the ultimate decisionmaker of how they communicate with plans.

We do ask, however, that the bill be amended to expand the scope of the legislation to include dental plans. Like other health plans, dental coverage involves a large amount of communication regarding eligibility of benefits for coverage that could be easily provided electronically. Dental plans operate within particularly small margins and any steps to reduce administrative costs can result in substantial cost savings for consumers. Expanding the scope of the bill will provide administrative savings for dental plans and consumers while also simplifying the claims process for patients.

The development of new tools for communicating and engaging with consumers represents one of the most exciting areas of potential for the health care sector. We encourage you to provide health and dental plans with the tools necessary to fully utilize technological gains to communicate with consumers, while also balancing the need to safeguard the interests of consumers who prefer not to conduct health matters electronically. SB 348 appropriately balances those concerns and ultimately serves to benefit consumers by removing barriers to communication and reducing administrative costs.

We respectfully ask that the Committee approve SB 348 with amendments to include dental plans within the scope of the language better facilitating electronic communication of EOBs.

For these reasons, we support SB 348 with amendments. If you have any questions, please do not hesitate to contact me at jkeepes@ahip.org or by phone at (202) 400-0928.

Sincerely,



Joshua Keepes, J.D.
Regional Director, State Affairs
America's Health Insurance Plans