

MINUTES OF THE HOUSE HEALTH AND HUMAN SERVICES COMMITTEE

The meeting was called to order by Chairman Brenda Landwehr at 1:30 P.M. on March 8, 2007 in Room 526-S of the Capitol.

All members were present except:

Jeff Colyer- excused
Peggy Mast- excused

Committee staff present:

Jason Thompson, Revisor's Office
Rena Jefferies, Revisor's Office
Melissa Calderwood, Legislative Research
Mary Galligan, Legislative Research
Tatiana Lin, Legislative Research
Patti Magathan, Committee Assistant

Conferees appearing before the committee:

Representative Anthony Brown
Representative Mike Burgess
Beatrice Swoops KS Catholic Conference
Jean Gawdun KS For Life
Candy Shively, Social and Rehabilitative Services
April Holman, KS Action for Children
Paul D. Johnson, KS Catholic Conference
Jeff Cooper, KS Trial Lawyers Assoc
KS Coalition for Workplace Safety
John Ostrowski, AFLCIO
William Sneed, State Farm Insurance
David Hanson, KS Insurance Association

Others Attending:

See Attached List.

Chair Landwehr opened the floor for hearings on **HB2266 - Umbilical cord donation information act.**

Proponent, Representative **Anthony Brown** provided an overview of the bill which facilitates the donation of umbilical cords for research. Benefits of having a donation plan in Kansas include helping medical advances through the recovery of stem cells for research, provides information for those wishing to donate and establishes procedures for disseminating this information. (Attachment 1)

Proponent, Representative **Mike Burgess**, called this a step in the right direction. He related that he and his wife had recently elected to provide a private donation on the birth of their daughter. He said that private donation can be expensive, but they looked on it as insurance for their newborn baby should problems arise. Another benefit is that it could possibly be used by other family members. There are only four receptors to match rather than 6 for normal transfusions. He explained that this bill should help soon-to-be parents better understand the uses of cord blood as well as their options to either have it donated to a public bank or collected and stored in a private bank for future use. (Attachment 2)

Proponent **Beatrice Swoops**, KS Catholic Conference, said that Congress funded a nationwide umbilical cord blood stem cell bank in 2003 because of the many clinical benefits being discovered from these cells. Umbilical cord blood can be used to treat more than 45 disorders such as genetic disorders or leukemia and certain cancers. Considered adult stem cell therapy, cord blood is richly endowed with a kind of stem cell that gives rise to oxygen carrying red blood cell. (Attachment 3)

Jean Gawdun, Kansans For Life (K.F.L.), said that K.F.L. supports **HB 2266**. This bill initiates a public health information program about umbilical cord blood. Cord blood is similar to bone marrow and has a better chance for match since only 3 or 4 of the 6 markers need to be matched. More than 70 diseases can be treated with cord blood. Advantages of using cord blood include that it is no risk to either mother or baby, and poses fewer risks of certain complications to the recipient. (Attachment 4)

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Written testimony provided by Concerned Women of America, proponent. (Attachment 5)

Dick Morrissey, Deputy Director Health for Kansas Department of Health and Environment, provided neutral testimony, saying that there are 14 public banks in the United States and the closest is St Louis. There are 24 private banks. Physicians are advised to provide the following information to prospective parents: 1. Private cord blood banking should be discouraged for later personal use. It's main benefit is realized when there is knowledge of a full sibling in the family with a medical condition that could potentially benefit from cord blood transplantation. 2. Cord blood banking should be encouraged when it is stored in a bank for public use. If genetic or infectious diseases are identified in testing, the family will be notified. 3. Private storage of cord blood as biological insurance should be discouraged. Cord blood banks should comply with national accreditation standards, and, at a minimum, M.D.s involved in procurement of cord blood should be aware of collection, processing, and storage procedures. (Attachment 6)

Chair Landwehr closed hearings on HB2266 - Umbilical cord donation information act and opened the floor to hear HB2503 - Child support enforcement; insurance and workers comp payments; perfection of liens; unlawful acts.

Candy Shively, Kansas Department of Social and Rehabilitative Services (S.R.S.), testified as a proponent of **HB2503**, stating that this bill is important to S.R.S. It has two purposes. To increase the success rate by efficiently and effectively enforcing support orders when they go unpaid, and to streamline existing administrative enforcement procedures.

Current law provides an automatic lien on personal property for nonpayment of support. This bill sets out the procedure for attaching such a lien to two types of insurance proceeds. Projections are for this change to produce over one million annually for Kansas children when fully implemented. Approximately 75% goes back to families, with the remaining 25 percent being held to cover past due monies which were covered by SRS. S.R.S. plans to streamline existing administrative enforcement procedures. Ms. Shively introduced Jamie Corkhill, also of S.R.S., who was available for questions.

Proponent **April Holman**, KS Action for Children, said that Action for Children is a non-profit child advocacy organization focusing on health, early education, and family economic security. Family economic security is why they support this bill.

Paul D. Johnson, KS Catholic Conference, spoke as a proponent of **HB2503**. He said that 23 states currently have some form of child support collection procedures.

Jeff Cooper, opponent, representing the Coalition for Workplace Safety, is an attorney practicing law in Kansas who also teaches workers compensation classes at Washburn University. The Coalition fully agrees that children should be protected and supported, however they do not support **HB2503**.

Current workers compensation law provides a mechanism to collect unpaid child support from injured workers. Kansas workers compensation benefits are among the lowest in the Nation. **HB2503** would make this bleak scenario even worse by adding the requirement for every insurance company or group funded pool to determine if a child support exists within 60 days, notify the Secretary of Social and Rehabilitation Services by complying with procedures (which are not defined in statute) and then wait another 15 days before making any payment. The law would required every insurer to wait 60 days, and possibly over 75 days, before paying any benefits.

This bill has potential for unforeseen consequences, such as an injured worker who has to go 60 days without a paycheck. Most working people would have difficulty paying the ordinary expenses of daily living.

Questionable sections of the bill include Sec. 2(c), (Page 2, Line 8) where no limitation is provided in regard to the amount that can be attached. Section 2(d) also appears to be in direct conflict with K.S.A. 44-514. Page 3, Lines 35-39 allows an insurance company to make a payment to be granted immunity without verification that payment is appropriate and payable.

Major portions of **HB 2503** would radically and unnecessarily change the existing law and would impose

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further obligations on employers and insurance carriers, resulting in long delays in injured workers receiving benefits. Current law is a clear and manageable mechanism for payment of current and past due child support from workers compensation benefits.

John Ostrowski, Kansas AFLCIO said that though it is universally agreed that enforcement of child support orders is important and worthwhile state policy, the Kansas AFL-CIO must oppose **HB 2503** in its present form as it relates to workers compensation. The bill presents mechanical problems, will raise workers compensation premiums, and essentially “kills the fly with a sledgehammer.”

Key points of the bill are: a mechanism already exists to collect child support, every claim will be substantially delayed, premiums will increase for Kansas employers, the bill conflicts with existing law for timely payments, medical liens appear to be affected by this bill, and work injuries often create an arrearage.

William Sneed, Legislative Counsel for State Farm Insurance, testified in opposition to **HB 2503**. The obligations of checking for liens places an untenable requirement on insurers. One significant concern with this bill is compliance. The burden is on our claims employees to “adhere” to the outlined standard of the bill thereby making the claim process more cumbersome. Absent sophisticated automation, accurate compliance will be virtually impossible.

David Hanson, KS Insurance Association, testified from a neutral position. They are in support of the efforts to collect child support, however they share the concerns raised here by the opposition. They understand the intent is to only involve workers’ compensation and personal injury insurance payments, but the terminology in the bill may need some clarification to achieve that purpose. Other concerns, are electronic data exchanges and confidentiality of data, and the burden this bill will place on individual companies.

We would urge further study and discussion to determine the possible ramifications of such legislation and the potential problems we may face.

Chair Landwehr closed Hearings on **HB 2503** and appointed a sub-committee to address questions and conflicts raised today. Those appointed to the sub-committee were: Representatives Joe Patton (Chair), Mark Rhoades, David Crum, Jim Ward, and Annie Tietze.

Meeting was adjourned at 3:18 P.M. Next meeting will be March 12 at 1:30 P.M.