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NEUTRAL

STATEMENT OF BRAD SMOOT
LEGISLATIVE COUNSEL
BLUE CROSS AND BLUE SHIELD OF KANSAS
HOUSE INSURANCE AND PENSIONS COMMITTEE
Regarding 2021 House Bill 2110
February 10, 2021

Mr. Chairman and Members:

Blue Cross and Blue Shield of Kansas (BCBSKS) is a locally operated mutual insurance company with more than 1,600 Kansas-based employees. We serve approximately 930,000 Kansans in 103 Kansas counties. BCBSKS maintains offices in 11 communities around the state, with corporate headquarters in Topeka. We are pleased to provide neutral comment on 2021 House Bill 2110.

We are pleased to see the authors of this bill honor some of the requirements of existing law regarding health insurance mandates. As written, HB 2110 would require the State Employees Health Plan (SEHP) to conduct a pilot project on an expanded PANS and PANDAS benefit for one year and file a report with the legislature on March 1, 2023. Only then would the legislature consider extending the benefit mandate on the private sector and local tax-supported entities that are subject to state mandate laws.

Unfortunately, the bill does not follow the requirements of K.S.A. 40-2248 and 40-2249 which requires proponents of the proposed mandate to file with this committee an "impact report" assessing the social and fiscal effect of the new mandate. The provisions of these statutes were designed to give lawmakers a better idea of the public benefits of the mandate and any costs to the Kansas taxpayers before even considering imposing the benefit on the SEHP.

BCBSKS already covers numerous treatments for PANS/PANDAS, including antibiotics, prednisone and autism ABA therapy. We also cover physical and occupational therapy, regular office visits and other services for members associated with these illnesses. Without specifically saying it, the bill appears to require the SEHP to pay for any diagnosis or treatment for PANS/PANDA. Presumably, that language is designed to force insurance payment for Subcutaneous Immune Globulin Therapy or IVIG treatments.

BCBSKS covers IVIG as a therapy for several medical conditions, but BCBSKS and many other insurers consider IVIG to be investigational or experimental as a treatment for PANS/PANDA. That conclusion is based on scientific information like that from the American Academy of Pediatrics Redbook, which, in 2018, included language regarding IVIG “discouraging IVIG for children with symptoms suggestive of (PANS/PANDA).”

Of additional interest to the committee is that the current scope of the state’s Essential Health Benefits as recognized by the federal Affordable Care Act does not include coverage for IVIG as a treatment for PANS/PANDA. That means the state treasury may be responsible for reimbursing insureds or insurers for some of the costs of this new mandate were it to be imposed beyond the SEHP.

Again, we appear as neutral on HB 2110 and commend the bill sponsors for their efforts to follow some of the current mandate statutes. We will be interested to see the Fiscal Note for the SEHP’s one year pilot project and will await the required report and further medical and scientific research on these diseases and treatments. Thank you.