

Approved: 4/1/09
Date

MINUTES OF THE SENATE PUBLIC HEALTH AND WELFARE COMMITTEE

The meeting was called to order by Chairman Jim Barnett at 1:30 p.m. on March 3, 2009, in Room 136-N of the Capitol.

All members were present.

Committee staff present:

Nobuko Folmsbee, Office of the Revisor of Statutes
Doug Taylor, Office of the Revisor of Statutes
Kelly Navinsky-Wenzl, Kansas Legislative Research Department
Terri Weber, Kansas Legislative Research Department
Jan Lunn, Committee Assistant

Conferees appearing before the committee:

Corrie Edwards, Kansas Health Consumer Coalition
Harry Cass, Private Citizen, Overland Park, KS
Roger Griffin, Private Citizen, Lyons, KS
Mary McBain, Volunteer Keeler Women's Center, Kansas City, KS
John Hooge, Attorney, John R. Hooge & Associates, Lawrence, KS

Others attending:

See attached list.

Informational Hearing on Medical Debt

Chairman Barnett opened the meeting by introducing pages Jace Bowen and Austin Best. Senator Barnett commented that the topic for the informational hearing is debt incurred due to health care costs and expenses, its ramifications, its contribution to under- and uninsured populations, etc. Senator Barnett recognized Corrie Edwards, Kansas Health Consumer Coalition.

Ms. Edwards spoke about the link to medical debt when once-healthy Kansans experience a change in health status and their savings and other assets disappear. More than 70% of medical debtors had health insurance when his/her health condition changed (Attachment 1). She cited the rising cost of care and out-of-pocket expenses comparing 1980 expenses to 2003; in addition, insurance premiums for 1980 and 2003 were also described. Ms. Edwards spoke about the increasing use of loans and credit cards by consumers to pay for medical debt. Ms. Edwards described two approaches to address medical debt problems: first, to prevent debt from occurring; and second, to reduce the impact of debt by making it easier for consumers to pay their obligations. She indicated that charity care (and the communication of charity care policies to consumers) accompanied by the identification of those who are eligible for such charity care is necessary for those who have no ability to pay. Another important avenue to medical debt reduction is to allow uninsured patients to pay the same rates that insured patients receive. She indicated that several other states restrict or cap interest rates for medical debt. Ms. Edwards concluded that the Kansas Health Consumer Coalition is working to collect additional information about Kansas debt laws and provider practices to identify effective solutions for Kansas.

Harry Cass, a private citizen from Overland Park with a successful chiropractic practice, described his experience when his health changed in 1982 (Attachment 2). His health condition required medications costing over \$20,000 monthly, bone marrow transplant, and chemotherapy. He lost his employment and COBRA benefits expired. He entered a High-Risk Insurance Pool with premiums of \$600 monthly and out-of-pocket co-payments/deductibles of \$10,000. The cost of his medical debt prevented him from caring for his family. He implored committee members to search for ways to ease the burden of medical debt for hard-working Kansans.

Roger Griffin, a third generation farmer from Lyons Kansas, shared his personal story when he contracted West Nile Virus in 2001 (Attachment 3). He indicated that his medical condition resulted in the abandonment of his farming occupation. He indicated that while he was financially responsible and had planned for the future, a medical condition (through no fault of his own) has resulted in more debt than he and his family can manage.

CONTINUATION SHEET

Minutes of the Senate Public Health And Welfare Committee at 1:30 p.m. on March 3, 2009, in Room 136-N of the Capitol.

Mary McBain, a CPA and volunteer at the Keeler Women's Center in Kansas City, provided testimony (Attachment 4) related to her experience as a cancer survivor and her role as a volunteer in assisting women navigate and negotiate medical debt. Through her volunteer work she concludes that more transparency about medical costs and providing vital information about charity care, payment plans, and other options prior to receiving care is crucial to resolving escalating debt.

John Hooge, an attorney from Lawrence, was present to share the stories of several of his clients who filed for bankruptcy resulting from medical issues (Attachment 5). He indicated that 41% of all bankruptcy cases are a direct result of medical debt. He reported reasons for medical debt result from many employers offering no insurance, self-employed Kansans have no insurance, insurance is too expensive for many low-paid workers, pre-existing conditions may not be covered, and some medical conditions are catastrophic and even with good insurance, a person cannot pay remaining amounts.

Chairman Barnett announced the informational hearing on Medical Debt would conclude on Wednesday, March 11, 2009.

The next meeting is scheduled for March 4, 2009.

The meeting was adjourned at 2:30pm