

Approved March 21, 1988  
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by SENATOR AUGUST "GUS" BOGINA at  
Chairperson

11:00 a.m./~~p.m.~~ on March 3, 1988 in room 123-S of the Capitol.

All members were present except:  
Senators Gannon and Talkington who were excused

Committee staff present:

Research Department: Scotte Rothe, Russ Mills, Laura Howard, Robin Hunn,  
Paul West, Ed Ahrens

Revisor's Office: Norman Furse

Committee Staff: Judy Bromich, Pam Parker

Conferees appearing before the committee:

SB 572 - Appropriations for FY 1989, public health and welfare agencies  
and homestead property tax refunds. (Continued)

Senator Bogina continued with his review of SB 572. There was extensive discussion regarding item number one under DH&E, FY 1989, the recommended uses of the Economic Development Initiatives Fund (EDIF). Concern was expressed by Senator Winter about the irresponsibility and lack of coordination in recommendations for the use of the EDIF. Another opinion expressed was that saltwater and environmental remediation activities are not job developing projects. Senator Werts stated that several years ago a Memorandum of Understanding between KDH&E and KCC was written to define and delineate the responsibilities of the two agencies for environmental clean up. It was noted that the Conservation Fee Funds have dwindled dramatically over the last several years and are not being used for saltwater and environmental remediation activities.

There was considerable discussion regarding the expenditures of the lottery proceeds, oral understandings as well as the written statute. There was discussion concerning what constitutes economic development and it was Senator Johnston's opinion that before the lottery was passed the committee would not have considered many of the currently requested projects as candidates for funding from the economic development proceeds.

It was the decision of the Committee to dedicate two meeting dates to further discussion of the Warner and non-Warner Oil Overcharge Funds and the EDIF as these questions will affect budgets under review by this Committee. Staff review and Committee discussion on these two issues were scheduled on March 7 and 8.

The Chairman completed the Subcommittee Report on SB 752.

Senator Gaines moved, Senator Werts seconded, for the approval of the minutes  
from the February 22, 25, and 29, 1988 meetings. The motion carried on  
a voice vote.

Senator Gaines moved, Senator Doyen seconded, the introduction of the  
following bills:

7 RS 2468 - An act concerning municipalities; relating to group-funding  
insurance pools.

Nursing Student Assistance Bill -- (Attachment 1)

Malpractice Insurance Coverage for KUMC Clinical Faculty - (Attachment 1)

7 RS 5001 - Law enforcement memorial advisory committee

The motion carried on a voice vote.

The Chairman announced that portions of SB 542 would be reviewed at the next meeting. The meeting was adjourned.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

GUEST LIST

COMMITTEE: SENATE WAYS AND MEANS

DATE: 3/3/88

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Mary Ann Bradford	Topeka	League of Women Voters
Margaret Ahrens	Topeka	Ks Chap Sierra
Steven A Robinson	Topeka	Ambudeman for Correction
Tom Becken	Topeka	A.G. Dept.
Philip B. Tully	TOPEKA	A.G. DEPTs
Joy Cole Maser	Topeka	The Adj. Gen Dept.
Alice Grant	Topeka	KCOA
Dr Ronald Harper	TOPEKA	KDOA
Arthur Schuman	"	KDHE
L.K. Hulitt	Topeka	KDHE
J.A. Power	Topeka	KDHE
Laura Gler	"	"
Janet Marguin	"	"
Danell Morkei	Pratt	K.O. W.F.P.
Dick Koerth	<del>DOB</del> Topeka	DOB
George A. Druggen	"	Ks Dept. on Aging
Tony Shistar	Lawrence	Sierra Club
John Strickler	Topeka	Measures of
Mark Inter mill	Topeka	KCOA
Jan Johnson	"	Budget
Ya Bestgen	Topeka	KARF
Ronnie Lunn	Topeka	KCC
Jane Donnell	"	KCC
Dan Ramlow	Topeka	Ks. Contractors Assn.
R. Mills		NR's
<del>David P. Moss</del>	<del>Topeka</del>	<del>KDHE</del>
D.B. Dallahm	Topeka	Dir of Budget
DAVID NUSZ	TOPEKA	KDHE

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## Nursing Student Assistance Bill

The increasingly competitive environment for nursing personnel has not only resulted in a dramatic escalation in salaries and fringe benefits paid to nursing staff, but has also given rise to the use of other techniques by hospitals to assist in their recruitment of nurses. One such technique is the provision of financial assistance to students while enrolled in schools of nursing. In turn, such students are committed upon graduation for a period of obligated service to the hospital that provides such financial support.

We propose to seek legislation which would permit the University of Kansas Medical Center, and any other state institution employing nursing personnel, to enter into contractual agreements with students in schools of nursing. Such agreements would enable the institutions to offer financial incentives to student in return for obligated service upon graduation. As envisioned, the bill would be general leaving to individual institutions the specifics of the contractual arrangements with students. Each institution would also be responsible for insuring that contractual obligations were met, and if not, that funds were recovered from students who opted out of their service obligations.

## Malpractice Insurance Coverage for KUMC Clinical Faculty

The dramatic increase in malpractice insurance rates is having a very negative impact on the clinical staff of the University of Kansas Medical Center. Historically, the private practice foundations have paid the malpractice insurance for faculty of the School of Medicine. For the current fiscal year, those premiums together with the surcharge, approximate \$2.3 million. The dramatic rise in malpractice premiums not only influences the manner in which medicine is practiced, but can also have an extremely negative impact on the academic program. For example, some faculty who are among the best and most active teachers may not generate sufficient income from patient charges to pay their insurance costs. The foundations already finance the majority of salaries and fringe benefits for clinical faculty. The dramatic increase in malpractice insurance forces foundations to emphasize patient care, perhaps to the detriment of education.

Legislation is proposed that would have the state self-insure clinical faculty in the same manner as housestaff. The one significant difference in the proposal, would be that the surcharge would continue to be paid by the private practice foundation rather than from state funds. In other words, as proposed, the state would insure the base level coverage in the same manner it does for residents; the surcharge however, would continue to be paid by the private practice foundations into the health care stabilization fund. In all likelihood, the legislation could be structured in such a way that the same approach could be used with physicians employed by other institutions within state government. As we understand, the state makes some provision currently for reimbursement of malpractice insurance costs for physicians employed at the SRS institutions and correctional facilities. This mechanism could perhaps be a less expensive approach.

ATTACHMENT 1  
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