Approved: Feb 8, 1993
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson August Bogina at 11:00 a.m. on January 22, 1993 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Leah Robinson, Legislative Research Department
Scott Rothe, Legislative Research Department
Norm Furse, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:
Secretary Donna Whiteman, Department of Social and Rehabilitation Services

Others attending: See attached list

APPROVAL OF MINUTES - It was moved by Senator Salisbury and seconded by Senator Rock that the minutes of January 19, 1993 be approved. The motion carried on a voice vote.

Mr. Robert Epps, Commissioner of Incoming Support Medical Services for the Department of Social and Rehabilitation Services, provided a review of the last four years of the Medicaid program (Ättachment 1). He noted that during this period of time, the Medicaid program has more than doubled.

Secretary of SRS, Donna Whiteman, appeared before the Committee to present an overview of the Department's budget (Attachment 2), noting that matching federal dollars in the Medicaid program continues to be a primary driving force in the Department's budget. She reviewed the four factors which attribute to the increase in the Department's budget from FY89 to FY93 (Attachment 2-1). With increased interest in welfare reform, the Secretary stated that she wanted the Committee to know that AFDC benefits paid by the state have declined from 75% of poverty level for a family of 3 in 1975 to the current rate of 41% of poverty level, although caseloads and the cost of services continue to increase.

Secretary Whiteman stated that the Department prefers to focus on preventive care services rather than on actual treatment in both the pregnant women and children programs and in alcohol and drug abuse services. She added that currently 55% of the admissions to the substance abuse programs are referred from the criminal justice system.

The Secretary reviewed the Workforce Development Division, (Attachment 2-9) and explained that the agency operates three different vocational training programs: Vocational Rehabilitation for the disabled, MOST (a training program for food stamp recipients), and AFDC JOBS, referred to as KanWork in Kansas. She noted that the success of the KanWork program has been impacted by the estimated 25%-40% of the clients who have learning disabilities. Although there has been some concern about the Department of Human Resources and SRS working together to implement the KanWork programs, Secretary Whiteman stated that the two agencies are working cooperatively. One area of disagreement, however, is Secretary Whiteman's goal to contract services for clients from local providers so as to not necessitate adding state FTEs.

The Chairman requested that Secretary Whiteman review the status of ongoing litigation. She explained that one suit is a class action suit filed by a number of individuals who claim they did not receive adequate care, treatment and resources while in the Foster Care System. This ACLU lawsuit is scheduled for trial April 5, 1993, but is still in the discovery stage. Secretary Whiteman indicated that she is not interested in settlement at this point because she is adamant about not binding the Legislature in a settlement agreement. She also is unwilling to appoint a master to manage child welfare programs, as state employees are currently on the

payroll to function in that capacity. In answer to a question, Secretary Whiteman stated that the family preservation pilot program in Salina has been successful in diverting clients from SRS custody, and she is optimistic that appropriations provided for social service positions will have the similar success. She said that a meeting is scheduled in the House of advocacy groups and the Joint Committee on Children and Families. Experts who have participated in litigation in other states will be present to review settlements made in other states. Members of the Committee expressed concern that this meeting function only informational purposes.

Secretary Whiteman stated that another lawsuit was recently filed due to the death of a Topeka State Hospital (TSH) employee. The cause of action is closure of the Awl Building at TSH and the prosecutors are attempting to tie the closure of the building to the death of the employee. She explained that she is in possession of the contents of an internal review made immediately following the death, the contents of which are confidential. In answer to Senator Moran, the Secretary stated that the Department has a staff of five attorneys who have expertise in certain areas, but the decision as to representation is made on a case by case basis. She noted that the Department is using in house lead counsel in the ACLU case as well as contract attorneys; representation is being finalized in the TSH case with the assistance of the Attorney General's office. She told the Committee that the **total** amount spent for outside counsel last year was $500,000 and that most of the cost in the ACLU lawsuit was for expert witnesses. Secretary Whiteman warned the Committee that some lawsuits are filed in difficult financial times to try to force the Legislature to fund services in the future.

The Secretary reviewed two GA MediKan suits: Bullock versus Whiteman and Erickson versus Whiteman. The Bullock lawsuit is on appeal to the Supreme Court and until the court makes its decision, the state has the right to differentiate between those eligible and not eligible for Medicaid. The temporary restraining order issued in the Erickson versus Whiteman case requires the Department to change the rules and regulations to list the 43 disabilities that now will only be covered in the group that would fall under the disability clause. The Secretary added that the earliest date that the Department can meet the regulation is March, and so an additional $3 - $4 million in expenses is anticipated. Secretary Whiteman explained that the Judge ruled that adequate notice had not been give because disabilities were listed pursuant to a Secretary's letter rather than listed in the regulation.

The Chairman thanked Secretary Whiteman for appearing before the Committee and adjourned the meeting at 12:00 noon.

The next meeting is scheduled for January 25, 1993.

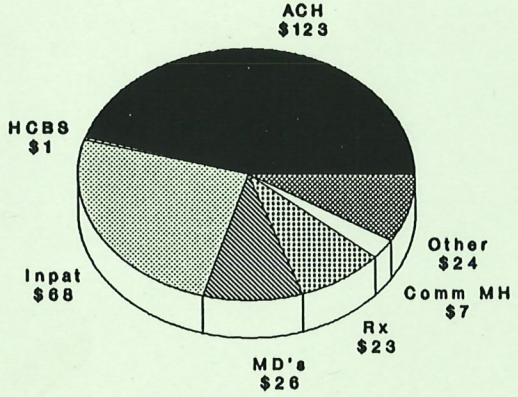
GUEST LIST

COMMITTEE: SENATE WAYS AND MEANS DATE: Jan 22, 1993

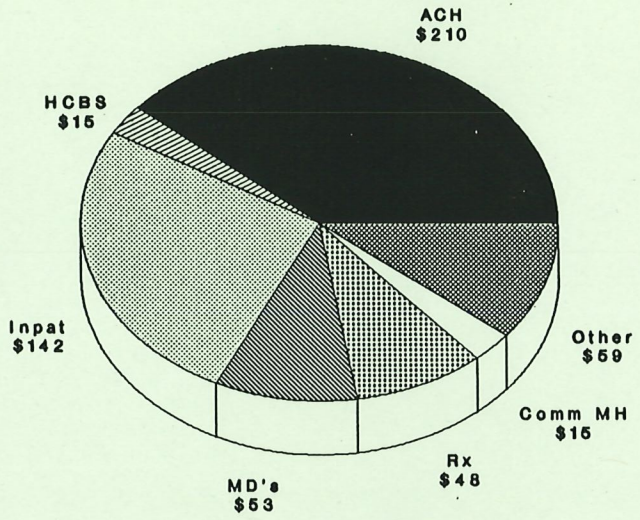
NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Gina McDonald	Topeka	KACIL
Josie Torres	Topeka	Families Together
Lynne Ruhlman	KC	KU student - MSW
Theda McDonald	Emporia	MSW Student-KU
[illegible]	Topeka	SRS
Phil Anderson	Topeka	SRS
Marti Kennedy	"	Budget
Dr Staci Allen	KCK	WDDS
Mark Elmore	Lenexa Ks	Jo Co. M.R. Center
Michelle Lienter	Topeka	Ks Gov. Consulting
Linda Lanier Carter	Topeka	KDHE
Jon Heldenstein	Lawrence	Cottonwood
Doug Bowman	Topeka	Corporation for Change
& Therese Bangert	Topeka	—
Yo Bestgen	Topeka	KARF
Marlee Kaan	Topeka	Sheltered Living Inc.
Chip Wheelen	Topeka	Ks Medical Soc.
Dick Hummel	TOPEKA	SSI
TOM BELL	TOPEKA	Kansas Hospital Assn.
PAOLO POLIT	TOPEKA	KARF
Alice Lackey	Seneca	KARF
Linda Lock	Hiawatha	KARF
Jason Barber	White City	—
Tammy Campagna	White City	—
Cady Cook	Salina	KARF
Jim Blume	Hays	KARF
Robert L. Clark	Pittsburg	KARF
George A. Dugger	Topeka	Ks Dept. on Aging
Marilyn Bradt	Lawrence	KCOA
Sandra Strand	Lawrence	KINH
Renee Gardner	Topeka	Governor's Office
Ellen Hoyt	"	SRS
Paul Johnson	"	PACK

SWAM
Jan 22, 1993
Attachment 1

Kansas Medicaid Doubles in 4 Years
Comparision by Type of Service



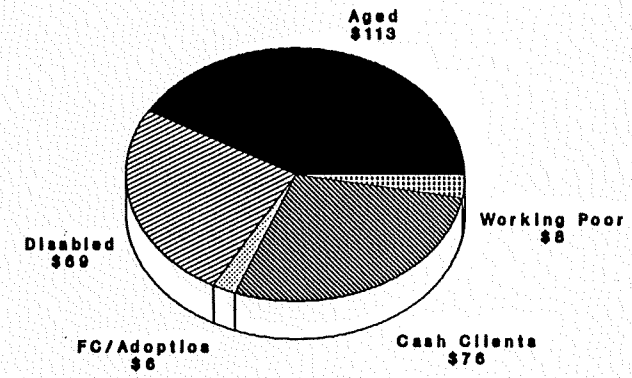
FY 1988 ($272)



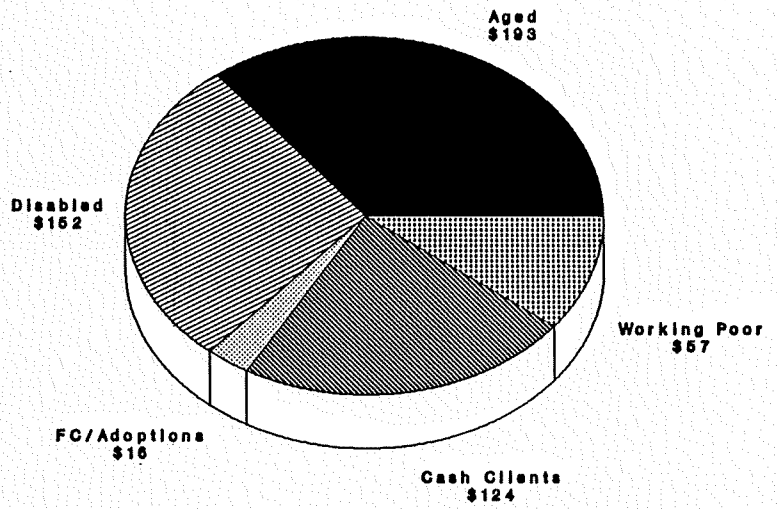
FY 1992 ($542)

JAS 7/12/92 (All $'s In Millions)

Kansas Medicaid Doubles in 4 Years
Comparision by Populations Served



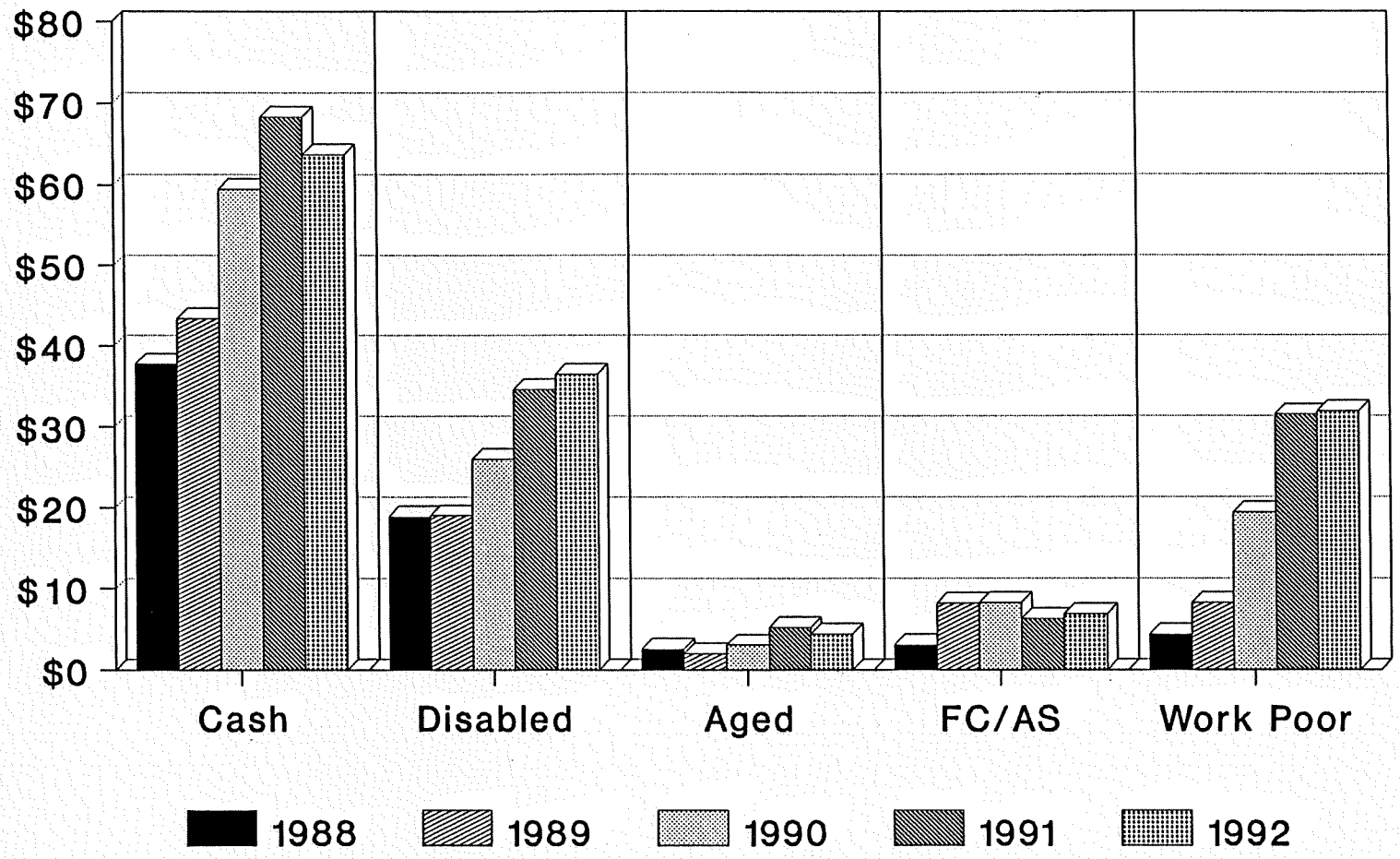
FY 1988 ($272)



FY 1992 ($542)

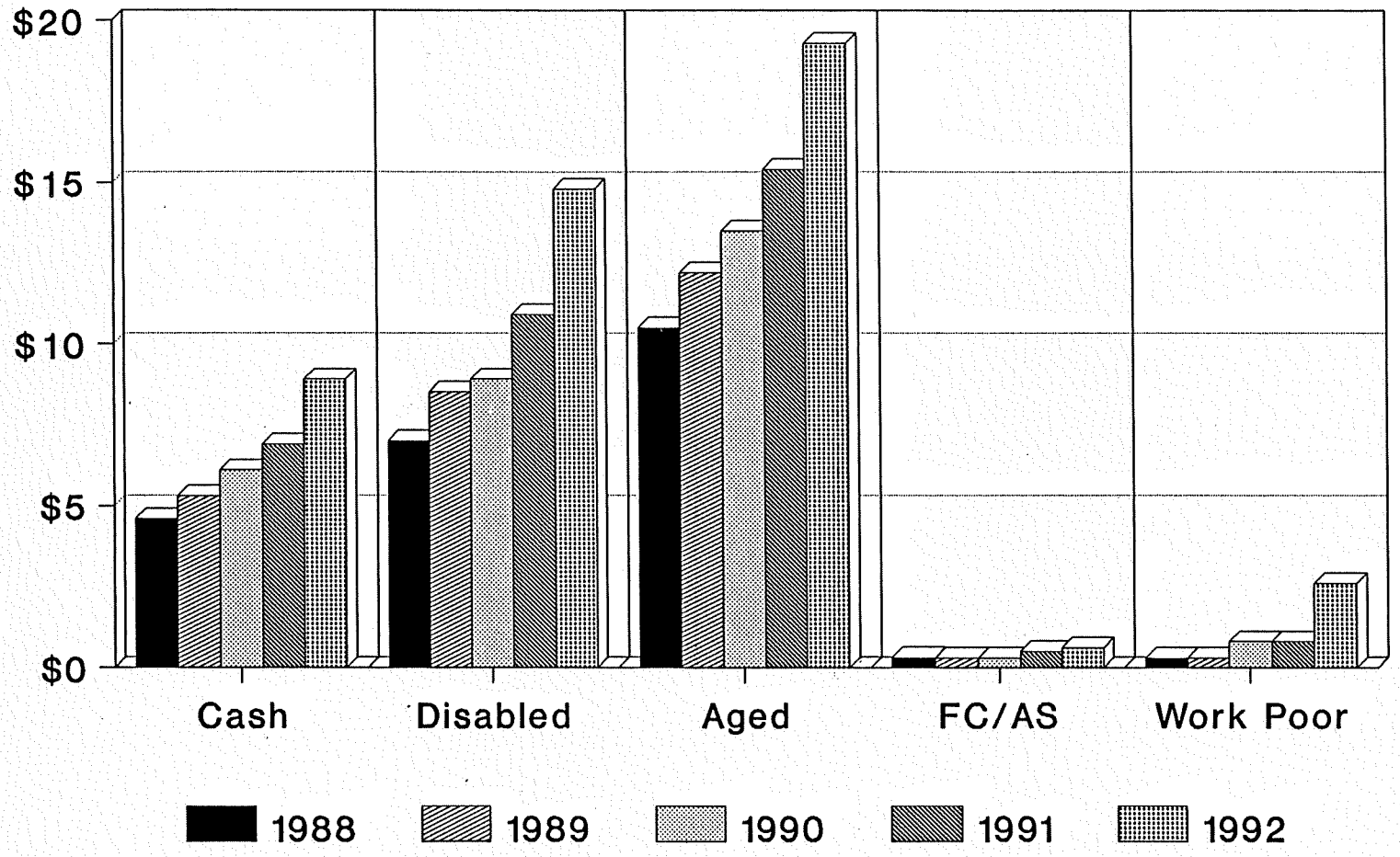
JAS 7/12/92 (All $'s in Millions)

Use of Inpatient Hospital FY88-FY92
By Population Served



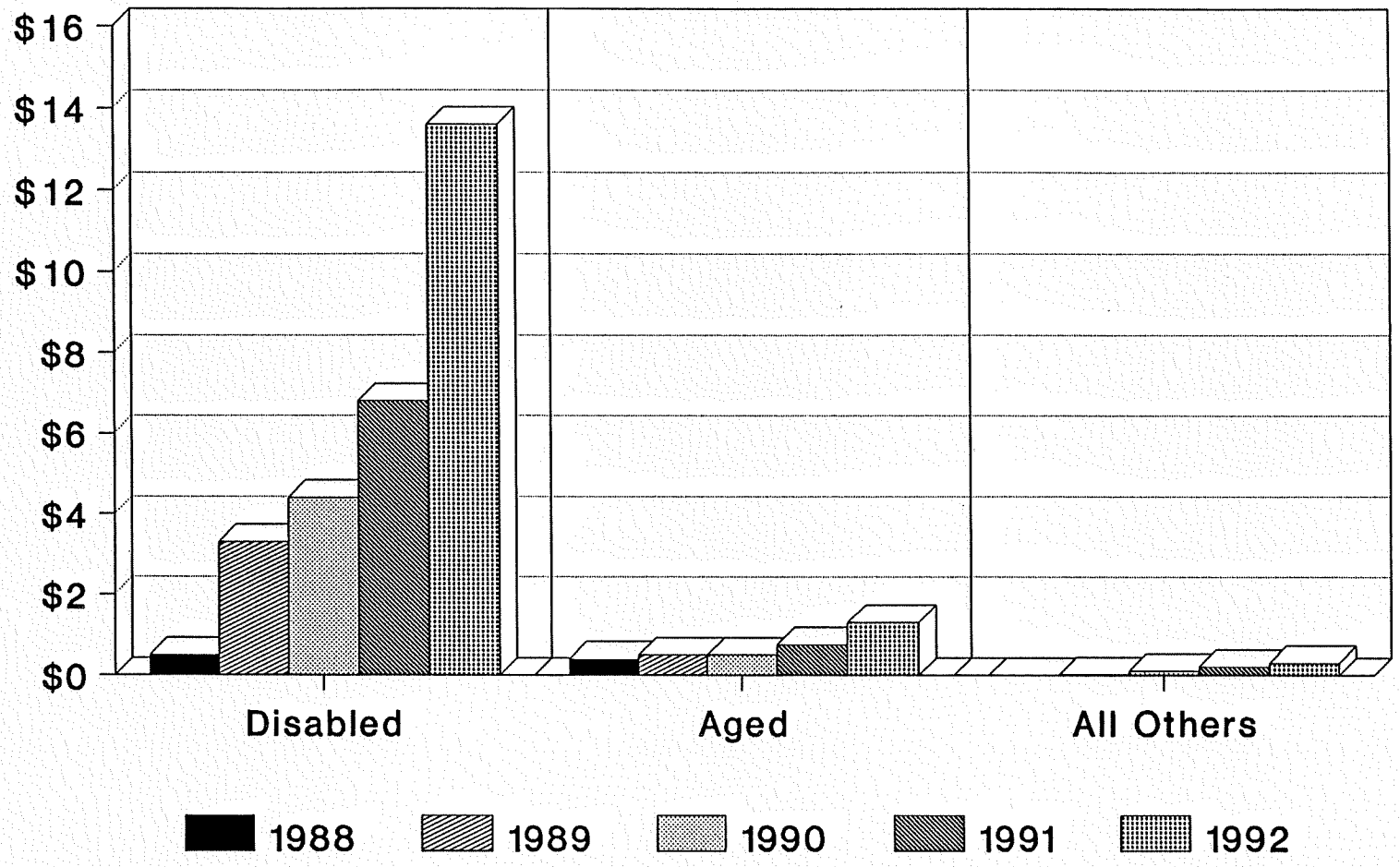
JAS 7/12/92 (All $'s Im Millions)

Use of Pharmacy FY 88-FY92
By Population Served



JAS 7/12/92 (All $'s Im Millions)

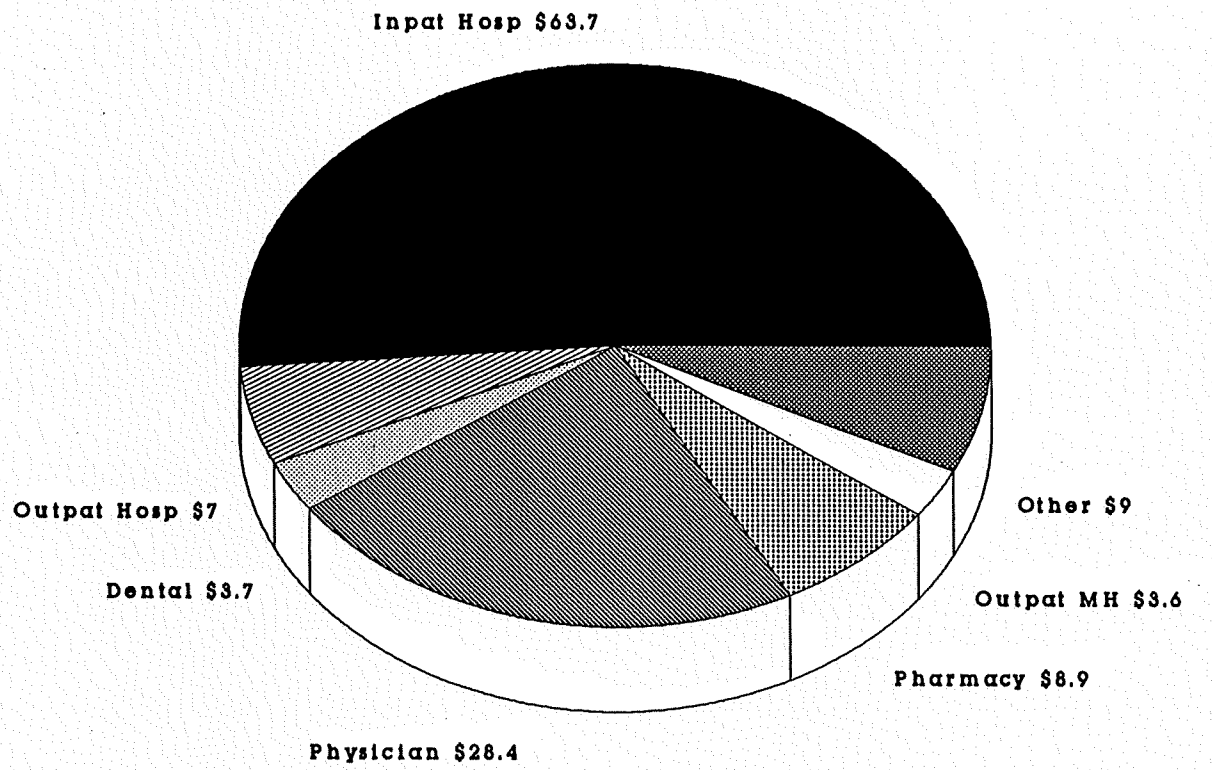
Use of Home/Comm Based Care FY88-FY92
By Population Served



JAS 7/12/92 (Excludes SRS Staff Care)

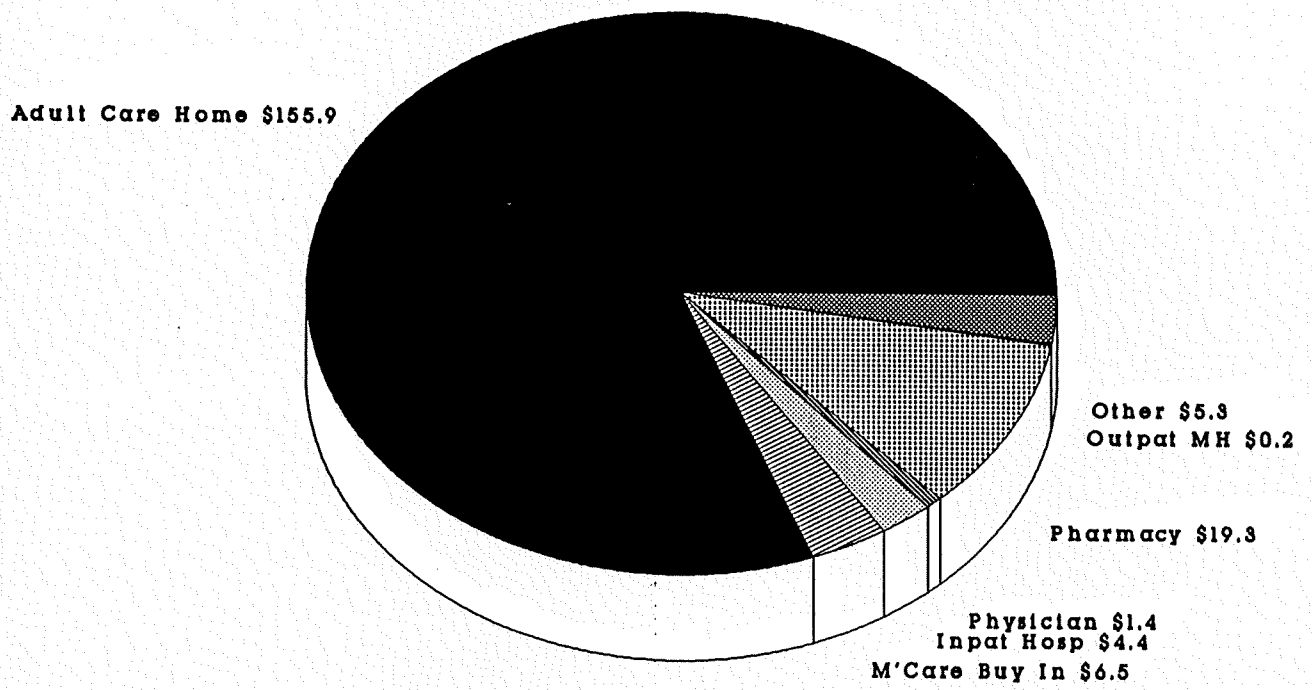
Medical Svs Used by Cash Clients in FY92

Cash = AFDC, GA, and Refugee Clients



JAS 7/12/92 (All $'s in Millions)

Medical Svs Used by the Aged in FY92
Aged = SSI Aged and M Needy Aged (No QMB



JAS 7/12/92 (All $'s in Millions)

MAJOR ELIGIBILITY CATEGORIES OF THE KANSAS MEDICAL ASSISTANCE PROGRAM

Kansas Department of Social and Rehabilitation Services
Division of Management Services Budget Office
Based on FY 92 Appropriation as of 3/12/92

AID TO FAMILIES W/DEPENDENT CHILDREN — 1

Anyone receiving AFDC is automatically given a Medical card. Families average well under 12 months on AFDC, particularly two parent ones. The maximum grant in most cases is only $396 per month. This amount is reduced nearly dollar for dollar for earnings, unemployment comp, or other income. Nearly half of all medical expenses involve childbirth/newborn care.

FY 92 Average monthly caseload:	83,000
Number of different persons served:	142,000
FY 92 Average monthly medical cost:	$100
FY 92 Total cost per GBR:	$100,000,000

Top Five Services

Inpatient Hospital	$50,000,000
Physician Services	23,000,000
Prescription Drugs	6,000,000
Outpatient Hospital	5,600,000
Dental Services	3,000,000

SUPPLEMENTAL SECURITY INCOME — 2

Anyone receiving SSI is automatically eligible to receive a Medical card as well. They must apply for the card at an SRS Office for us to be aware aware of their SSI status. A large percent are on Medicare. These individuals seek M'Caid for Nursing Home and Rx expenses.

	Aged	Disabled
FY 92 Average monthly caseload:	7,100	17,300
Number of different persons served:	8,100	21,000
FY 92 Average monthly service cost:	$354	$465
FY 92 Total cost per GBR:	$30,200,000	$96,500,000

Top Five Combined Services

Adult Care Home/HCBS	$17,000,000	$34,000,000
Inpatient Hospital	3,000,000	28,000,000
Prescription Drugs	6,000,000	11,000,000
Physician Services	500,000	7,500,000
CMHC/Psychologists	50,000	6,400,000

FOSTER CHILDREN/ADOPTEES — 3

These are children in the custody of the SRS for a variety of reasons. This also includes approximately 500 children who have been adopted and because of special needs are still being supported medically by the Medicaid program. NOTE: Over 3/4ths of all expenses involve psychiatric care.

FY 92 Average monthly caseload:	5,700
Number of different persons served:	9,600
FY 92 Average monthly service cost:	$205
FY 92 Total cost per GBR:	$14,000,000

Top Five Combined Services

Inpatient Hospital	$5,500,000
CMHC/Psychologists	2,400,000
Rehabilitation (Level 6 Homes)	2,150,000
Physicians Services	1,600,000
Prescribed Drugs	650,000

MEDICALLY NEEDY–AFDC FAMILY — 1a

If a family meets all the criteria for being on AFDC but their income is too great, they may still receive a Medical card. They will need to devote all income above $470 (family of three) toward medical expenses. If they has expenses beyond this, Medicaid will pay them–if they are a covered service. If their monthly income is below $470 their is no requirement that they pay toward a covered service. The $470 figure is known as the Protected Income Level (PIL). The income in excess of this that they must first devote to medical expenses is known as the "spend–down" amount.

FY 92 Average monthly caseload:	3,900
Number of different persons served:	17,000
FY 92 Average monthly service cost:	$128
FY 92 Total cost per GBR:	$6,000,000

Top Five Services

Inpatient Hospital	$3,000,000
Physician Services	1,000,000
Outpatient Hospital	500,000
Dental Services	400,000
Prescription Drugs	300,000

MEDICALLY NEEDY–AGED/DISABLED (SSI) — 2a

If a person meets all the criteria for being on SSI but his income is too great, he may still receive a Medical card. He will need to devote all income above $442 ($30 for ACH client) toward medical expenses. If he has expenses beyond this, Medicaid will pay them–if they are for a covered service.
The vast majority of these people were well covered by Medicare and perhaps a MediGap policy. That is until they entered an ACH.

	Aged	Disabled
FY 92 Average monthly caseload:	14,300	3,900
Number of different persons served:	21,500	8,000
FY 92 Average monthly service cost:	$995	$1,165
FY 92 Total cost per GBR:	$170,700,000	$54,500,000

Top Five Combined Services

Adult Care Home/HCBS	$145,000,000	$37,000,000
Prescription Drugs	15,000,000	4,000,000
Inpatient Hospital	3,000,000	6,000,000
Medicare Premiums	5,900,000	1,500,000
CMHC/Psychologists	100,000	2,200,000

LOW INCOME PREGNANT WOMEN AND CHILDREN — 4

Any of the following persons are eligible, regardless of the families marital situation, upon applying. This population is a product of several progressively more liberal federal OBRA's intended to address this nations poor infant mortality/low birth weight performance.

	If Family Income:	Monthly For Fm
Pregnant Women	< 150% FPL	$1,446
Infants under 1 yr old	< 150% FPL	$1,446
Children ages 1 thru 5	< 133% FPL	$1,285
Children ages 6 and up if born after 9/30/8	< 100% FPL	$964

	Women	Children
FY 92 Average monthly caseload:	3,400	13,000
Number of different persons served:	11,000	31,000
FY 92 Average monthly service cost:	$686	$115
FY 92 Total cost per GBR:	$28,000,000	$18,000,000

Top Five Services

Inpatient Hospital	$29,500,000
Physician Services	11,000,000
Outpatient Hospital	1,400,000
Prescription Drugs	1,200,000
Lab and X–Ray	500,000

AFDC EXTENDED MEDICAL — 1b

The majority of AFDC families who, by obtainting employment are no longer need AFDC assistance, are eligible for a 12 months of transitional Meidicaid coverage. This gives the family time to establish themselves financially. This was a mandated coverage group on the Family Support Act which created the JOBS program. A family does not have to participate in that program in order to receive this transitional coverage.

FY 92 Average monthly caseload:	10,000
Number of different persons served:	25,000
FY 92 Average monthly service cost:	$58
FY 92 Total cost per GBR:	$7,000,000

Top Five Services

Inpatient Hospital	$3,000,000
Physician	1,700,000
Prescription Drugs	700,000
Outpatient Hospital	600,000
Dental Services	400,000

QUALIFIED MEDICARE BENEFICIARY (QMB) — 2b

When Congress created the ill–fated Medicare Catastrophic Care Act it's financing was to come from greatly increased Medicare premiums. To protect the lower income Medicare beneficiary Congress ordered the states Medicaid program to pay these higher premiums for poverty–level persons. While the MCCA was repealed, this provision was not. We now pay the Medicare premiums, deductibles, and co–payments for anyone below 110% of the federal poverty level. This is a monthly income of $624.

FY 92 Average monthly caseload:	2,400
Number of different persons served:	5,000
FY 92 Average monthly service cost:	$52
FY 92 Total cost per GBR:	$1,500,000

Breakdown of aid:

Medicare Premiums	$1,100,000
Inpatient Copay/Deductible (Part A)	130,000
Outpatient Copay/Deductibles (Part B)	270,000

MEDICAID AND MEDIKAN FOR GEN ASST CLIENTS — 5

There are two populations on the GA Cash Assistance program. First are families who, while poor, cannot qualify for AFDC due usually to the presence of two parents in the home. All children in these families, as well as all pregnant women, are MEDICAID clients.
The larger group are individuals who are disabled for 30 days or more who do not yet have a decision regarding permanent federal disability status. These are MEDIKAN clients.

	Disabled	Family
FY 92 Average monthly caseload:	4,400	2,400
Number of different persons served:	10,000	6,600
FY 92 Average monthly service cost:	$436	$153
FY 92 Total cost per GBR:	$23,000,000	$4,400,000

Top Five Services

Inpatient Hospital	$14,000,000	$1,500,000
Physician	3,000,000	1,000,000
CMHC/Psychologists	2,000,000	200,000
Prescribed Drugs	1,500,000	300,000
Outpatient Hospital	700,000	500,000

JAS 3/12/92 123R3/RSCH9293/MED/ELGGRID3

Department of Social & Rehabilitation Services
Medicaid Pregnant Women & Children
FY 1989 – FY 1994

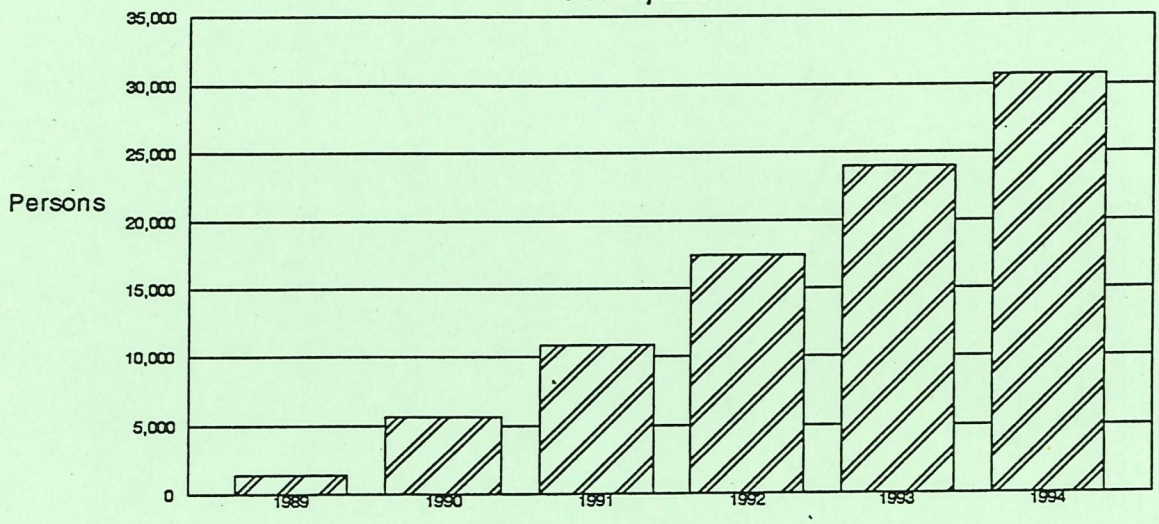
History of Participation and Expenditures

	Children		Pregnant Women & Infants		Total	
FY	Persons	Expenditures	Persons	Expenditures	Persons	Expenditures
1989	na	na	na	na	1,401	3,244,385
1990	na	na	na	na	5,657	18,204,302
1991	na	na	na	na	10,924	32,208,557
1992	10,099	5,454,100	7,377	35,907,909	17,477	41,362,009
1993	14,813	8,176,776	9,145	43,364,414	23,958	51,462,500
1994	20,014	11,287,896	10,669	53,529,622	30,683	71,500,000

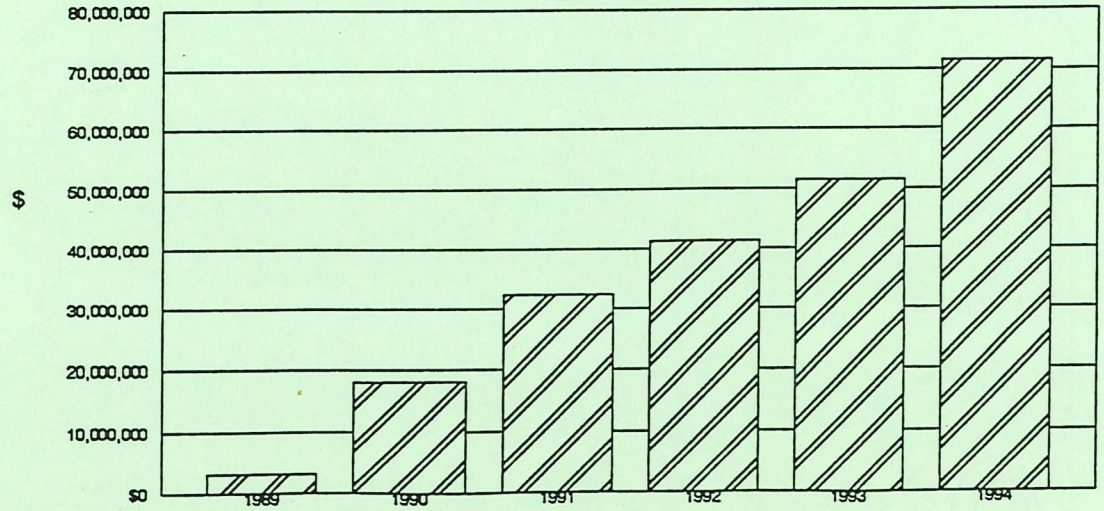
Federally Required Coverage

	Family Income
Pregnant Women & Infants	< 150% FPL
Children ages 1–5	< 133% FPL
Children 6 and over if born after September 30, 1983	<100% FPL

Participation



Expenditures



JOAN FINNEY, GOVERNOR OF THE STATE OF KANSAS

KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

DONNA WHITEMAN, SECRETARY

LEGISLATIVE TESTIMONY ON AGENCY PROGRAMS AND ISSUES
Prepared for the Senate Ways and Means Committee

January 22, 1993

I. LARGE INCREASES IN SRS' BUDGET IN THE PAST 5 YEARS

Major Changes in SRS Expenditures
FY 1989 - FY 1993
(in millions)

Program	FY 1989	FY 1990	FY 1991	FY 1992	GBR FY 1993
Department					
Income Support	30.8	33.0	36.1	34.7	38.8
Medical Services	21.8	25.7	25.7	29.6	35.6
Cash Assistance	127.9	135.3	134.7	144.6	159.0
Medical Assistance	325.0	409.7	485.7	542.8	637.3
Workforce Development	19.4	22.2	22.6	31.5	51.3
MHRS	28.1	33.1	49.4	54.3	63.1
Youth & Adult Services	70.9	83.0	79.3	92.0	94.2

1989 to FY 1993 Summary

A. Increased Medical Assistance Expenditures

The major expenditure increase during the period under review lies in the Medical Assistance program. Increases in Medical Assistance costs have been dominated by four factors which, taken together, account for 2/3 of the Medical Assistance increase from FY 1989 to FY 1993:

- Federally mandated coverage of pregnant women & children
- Growth in the number of the disabled served
- Aid to Families with Dependent Children growth (AFDC)
- Nursing Facility Rates

915 SW HARRISON STREET, TOPEKA, KANSAS 66612

KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
LEGISLATIVE TESTIMONY ON AGENCY PROGRAMS AND ISSUES
Prepared for the Senate Ways and Means Committee
January 22, 1993

1. Expansions in mandates governing pregnant women and children (PW&C) began in 1989. The purpose of the Medicaid mandates was to relieve working families from high medical deductibles and to further prevention. The cost of this population since its inception is estimated to exceed $210 million at the conclusion of FY 1994.

FY	PW&C Persons	Expenditures	% Change	% Increase from FY 1989 to FY 1993
1989	1,401	$ 3,244,385		
1990	5,657	18,204,302	461.1%	
1991	10,924	32,208,557	76.9%	
1992	17,477	41,362,011	28.4%	
1993	23,958	51,462,500	24.4%	1486.2%

2. In contrast to the stabilizing growth in the Pregnant Women and Children population, the growth in the SSI Disabled population is accelerating. The reasons for the rapid growth in this federally mandated population center on four factors:

- a more lenient acceptance policy on the part of the Social Security Administration
- outreach efforts by the Social Security Administration
- the recent Zebley court decision, which established special conditions for determining a child's disability
- increased applications during economic downturns

The number of participants is expected to increase by 52% from FY 1989 to FY 1993.

FY	SSI Disabled Persons	Expenditures	% Change	% Increase from FY 1989 to FY 1993
1989	13,623	$35,626,018		
1990	14,430	45,438,819	27.5%	
1991	15,800	53,579,860	17.9%	
1992	17,635	60,422,646	12.8%	
1993	20,667	73,656,000	21.9%	106.7%

KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
LEGISLATIVE TESTIMONY ON AGENCY PROGRAMS AND ISSUES
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3. The recent growth in AFDC medical population mirrors the growth exhibited in the Cash Assistance program, as AFDC recipients are automatically eligible for Medicaid. The AFDC caseload is determined by three general factors: the economy, demographic changes, and policy changes. Of these factors, the economy has been the most prominent factor in the increasing AFDC caseload. From FY 1989 to FY 1993, the caseload is expected to increase by 21%.

FY	Persons	Expenditures	AFDC % Change	% Increase from FY 1989 to FY 1993
1989	70,931	$ 65,902,618		
1990	76,586	83,555,046	26.8%	
1991	76,627	93,019,779	11.3%	
1992	81,623	94,643,803	1.7%	
1993	85,768	101,593,397	7.3%	54.2%

4. The fourth major area of increase lies in the nursing facility budget. A vivid contrast between participation and rates emerges when the period FY 1989 to FY 1993 is considered. Nursing facility residents increased by 16.4%; in comparison total expenditures increased 58.4%.

FY	Monthly Persons	Monthly Cost	Expenditures	Percent Increase	% Increase from FY 1989 to FY 1993
1989	11,632	$ 847	$118,200,451	11.4%	
1990	12,348	924	136,955,269	15.9%	
1991	13,093	978	153,679,258	12.2%	
1992	13,460	1,073	173,329,702	12.8%	
1993	13,544	1,143	187,259,585	7.0%	58.4%

B. Foster Care Growth

Foster care costs increased by $21.7 million from FY 1989 to FY 1993. During this period, an increasing proportion of placements have occurred in emergency and high care level settings. The actions of the 1992 Legislative Session to shift the emphasis to community and in-home treatment are reflected in the FY 1993 expenditure reduction.

FY	Foster Care Children	Expenditures	% Change	% Increase from FY 1989 to FY 1993
1989	3,192	$26,128,615		
1990	3,842	33,061,222	26.5%	
1991	4,287	39,241,654	18.7%	
1992	4,785	45,317,975	15.5%	
1993	5,170	47,840,633	5.6%	83.1%

KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
LEGISLATIVE TESTIMONY ON AGENCY PROGRAMS AND ISSUES
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C. Institutional Costs

The department continues to move toward deinstitutionalization to allow adults and children to live in their own communities. Progress in Mental Health Reform and community mental retardation services has contributed to recent reductions in the state hospital budgets. Despite this progress, the cost of institutionalization still accounts for 12.6% of the total agency budget in FY 1993. The following table presents the combined cost of the state hospitals and youth centers.

FY	Institutional Expenditures	% Change	% Increase from FY 1989 to FY 1993
1989	$155,094,371		
1990	167,124,081	7.8%	
1991	174,439,382	4.4%	
1992	173,384,654	-0.6%	
1993	171,860,590	-0.9%	10.8%

KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
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January 22, 1993

II. PROBLEM AREAS IN THE CURRENT YEAR BUDGET AND THE FY 1994 BUDGET AND AGENCY EMPHASIS AND GOALS

Rehabilitation Services

Issue 1:
Increased demand for services

There is a shortage of funds for individualized case services, coupled with an expected increase in costs for these services. The expected increase in costs is due to the increasing federal emphasis on serving persons with severe disabilities, who often require more lengthy and expensive services, and increasing demands from persons in previously unserved or underserved disability groups. These groups include persons who are deaf or hard of hearing, persons with severe and persistent mental illness, persons with traumatic brain injury and persons with autism. In SFY 1992, Rehabilitation Services provided services for 9,820 people with disabilities, only about nine percent of the estimated 108,000 adult Kansans with disabilities that impact employment.

In accordance with the federal Rehabilitation Act, if the agency determines that all eligible persons who apply cannot be served, the agency must prioritize service delivery through an Order of Selection procedure. Generally, clients would be assigned to one of several priority categories, with the highest priority reserved for those with the most severe disabilities. Purchased services, such as training and physical/mental restoration, generally would not be available for clients in the lowest priority categories. Categories could be opened or closed for services, depending on the level of available resources.

Issue 2:
Kansas Industries for the Blind becoming self-sufficient

Making its production component self-supporting is a major goal for Kansas Industries for the Blind. Effective December 1, 1992, KIB became the sole source provider of new and recycled EPS laser printer cartridges used by state government. This contract, and its consistent use by state purchasing authorities, will be a major step toward self-sufficiency for KIB.

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Income Support and Medical Services

Issue 1:
Rapid Caseload Growth

The national caseloads for the AFDC and Food Stamp programs hit a new all time high in March 1992 and have continued to increase. In Kansas the cash, medical and food stamp caseloads have also followed this national trend. This growth is due in part to the recession, including the loss of skilled and unskilled jobs forcing those with less education or training to become dependent on assistance programs (see attached on caseload growth.)

Issue 2:
Assistance Payment Levels

Because of assistance levels which have failed to keep pace with inflation, the purchasing power of Kansas' poor has steadily declined. In 1975 Kansas AFDC benefits for a family of three comprised 75% of the federal poverty level; since then AFDC benefits have declined to 41%. The poor are being faced with choices such as feeding their children or heating their homes.

Issue 3:
Shifting from Institutional to Community Services

Community based services versus institutional services are a goal of the Department and the funding must shift from the institutional services to community services.

Issue 4:
Inadequate Primary and Preventive Care for Children

Services for the elderly and disabled consume most of the expenditures, when preventive and primary care will be most effective for the younger population. There should be a shift in funding to the younger population for preventive and primary care.

Issue 5:
Lack of Resources to Implement Money-Saving Initiatives and Federal Mandates

Medical Services is unable to expand initiatives which will save the Department money in the Medicaid program, such as third party liability, contract oversight and managed care, because of the inability to secure additional staff for these initiatives.

The Child Support Enforcement Program is currently unable to meet federal performance mandates in the areas of paternity establishment, modification of support orders, and the

establishment and enforcement of medical support. A federal audit finding and proposed sanction of 1-5% of federal AFDC funding are anticipated in the coming year. Meeting these mandates will require additional staffing resources and enhanced computer support. Resources to implement corrective action have been proposed.

Issue 6:
Lack of Data to Manage Medical Assistance

The current claims processing system which is the data base for decision making is outdated and should be updated to provide timely and detailed information needed to closely manage the medical program. Initiatives such as managed care cannot be designed and implemented without such monitoring tools.

Youth and Adult Services

Issue 1:
Number of Children in SRS Custody.

The SRS Family Agenda was designed to ultimately reduce the number of children in custody. Major portions of it are in the process of being implemented. In addition, staff have been added to the Central Office on a temporary (one year) basis to assist the Area Offices and Youth Centers in implementing the Agenda and reducing the number of children in custody. Other strategies include training or guardians ad litem, county attorneys, judges, and other key players in the system.

Issue 2:
Scope of the Kansas Code for the Care of Children

Kansas had one of the broadest Codes in the country in bringing children into SRS custody. S.B. 689 proposed changes which would have limited access. There was significant response from the Judiciary which was not resolved in joint meetings since the last session. The Department is now working jointly with the Office of Judicial Administration to identify judicial districts with the most significant problems of children entering custody without reasonable efforts being made. When this is completed, decisions about revisions in the proposed statute and movement forward will be made.

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Alcohol and Drug Abuse Services

Issue 1:
Earlier intervention strategies

ADAS' emphasis is on providing alcohol and drug treatment and recovery services to women, children and families. In Fiscal Year 91, the criminal justice system was the referral source for 53.1 percent of all admissions to Kansas treatment programs. This is an increase of 5.3 percent over 1990. About half of these admissions were to ADAS-funded treatment facilities. Of that total, 55 percent were referrals from criminal justice. Referrals from this system mean there has been a late intervention in a person's addiction. The earlier the intervention into a person's addiction, the better the chances for successful recovery. ADAS has developed several strategies to encourage earlier interventions and referrals from the SRS system, health professionals and schools systems.

Issue 2:
Additional treatment resources for women and children

Six specially-designed women and children's treatment centers have been developed and two additional ones will open in 1993 in Pittsburg and Hoisington. Additional services for women and children are being requested through new Federal Alcohol and Drug Block Grant funds in Fiscal Year 94.

An alcohol and drug counselor, with linkages to a SRS-funded treatment center, has been placed in the Wyandotte, Topeka and Wichita Health Departments.

A pilot project is underway with the Wichita SRS Office, the Northeast Drug and Alcohol Referral Treatment Program and community-based treatment facilities. A counselor will be placed in the area office to assess and refer individuals and families to treatment. The goal is to replicate this project in most SRS Area Offices.

A Secretary's Conference on HIV, Primary Health Care and Substance Abuse is being planned for 1993 in cooperation with the Kansas Department of Health and Environment.

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Workforce Development Division, Employment Preparation Services

The Employment Preparations Services' problem areas that have been identified by central office, field and audit staff and independent evaluators are not uncommon to new governmental programs. Other JOBS programs across the nation are similarly challenged. Identified problems and solutions are as follows:

Issue 1:
Roles and responsibilities of all participating agencies and organizations must be clearly defined and understood by all.

SRS, in conjunction with agencies participating in KanWork, will more clearly define the roles and responsibilities of all.

Issue 2:
Lack of agreed upon mission, vision and goals, with defined outcomes.

SRS, in collaboration with DHR, is in the process of developing a clear mission and vision of KanWork, with defined outcomes, and agreed upon by the Governor, Legislature, and participating agencies.

Issue 3:
A management information system is needed.

A management information system that will accurately evaluate the programs, provide information requested by State and Federal agencies, and provide clear evidence of desired outcomes will be implemented in 1993.

Issue 4:
A valid job readiness indicator is needed.

Job readiness indicators that more accurately determine a participant's employability status are currently being developed.

Issue 5:
Strengthen the link between education, training, and employment.

The means for enhancing private-sector involvement in providing training and other opportunities is being developed. The model created in Wichita (CESSNA Corporation) to move participants from on-the-job training to assured employment provides a good basis for further initiatives of a similar nature.

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Issue 6:

Strengthen the monitoring and oversight capabilities of the KanWork Interagency Coordinating Committee.

The monitoring and oversight capabilities of the KanWork Interagency Coordinating Committee are being strengthened by increased involvement in the development of the KanWork program through the use of sub-committees.

Issue 7:

Educational deprivation is more prevalent among KanWork participants than was originally anticipated.

In order to meet the challenge of providing adult education to more participants than was originally anticipated, there needs to be enhancement of interagency coordination for the provision of relevant educational services to meet the needs of participants and their families, and increased funding for these additional services must be secured.

Mental Health and Retardation Services

CHILDREN'S MENTAL HEALTH NEEDS

Issue 1:

Lack of child/family centered and community based system of care providing an alternative to out of home placements.

Revise policy and funding practices to change reliance on institutions and establish regional or local systems of care where resources can be developed and coordinated among those responsible for children's services.

Issue 2:

Lack of collaboration in providing child and family services.

Support for and collaboration among regional interagency councils established by HB 3113, the Corporation For Change, and the Blueprint For Investing In The Future of Kansas Children and Families. Establish wraparound service capability in Kansas communities as needed.

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Issue 3:

Incentives for institutionalization of children, such as local school districts not being responsible for costs of education when a child is placed in a state institution.

Revise statutory policy to keep school districts financially responsible for children placed in state institutions.

Issue 4:

Lack of resources in rural communities.

Amend Mental Health Reform Act to include funding for services to children in the Larned State Hospital catchment area.

SERVICES TO PERSONS WITH DUAL DIAGNOSES (SERIOUS MENTAL ILLNESS AND CONCURRENT SUBSTANCE ABUSE)

Issue:

Lack of specialized services for individuals who have both mental illness and substance abuse.

Develop a mechanism to identify treatment needs of individuals with mental illness/substance abuse.

Develop specialized training for staff working with clients in state-funded programs.

Continue developing plan for community-based programs to supplant the Larned State Hospital and Osawatomie State Hospital substance abuse programs.

Identify a "target population" with SRS Commission on Alcohol and Drug Abuse Services to consistently project service and resource needs.

VOCATIONAL SERVICES

Issue 1:

We need to help people get and keep real jobs.

Establish vocational services as a central office priority. This is in progress through office reassignments.

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Issue 2:

Barriers to work activity include the potential loss of Medicaid coverage, especially for medication, the lack of transportation, the lack of funding, and the disincentives to work activity for people on SSI and SSDI disability benefits.

Collaborate with Rehabilitation Services to match federal funds for vocational services including transportation and medication. Work with other agencies to reduce disincentives to work.

QUALITY ASSURANCE

Issue:

The quality assurance process for state-funded mental health services does not involve consumer or local community agency review to any significant degree.

Include participation of consumers, families, and peer reviewers in program quality review. Increase scope of surveys to increase input from consumer/advocacy groups and others such as law enforcement, schools, public agencies.

DATA & REPORTING

Issue:

The lack of an adequate information system in client data reporting prevents an accurate count, tracking, and coordination for persons receiving services in the mental health system and another system such as mental retardation, substance abuse, or special education. An unduplicated count of clients is necessary to appropriately plan coordinated services and allocate funding.

Continue development of the federally funded Mental Health Statistical Improvement Program as the data reporting system to be consistent with special education and mental retardation systems. Integrated reporting will allow us to tie client services to costs and identify persons with multiple needs or high utilization.

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COMMUNITY BASED CRISIS CARE

Issue 1:

Substantial numbers of persons (adults and children) with mental retardation and substance abuse disorders are inappropriately hospitalized because there are few community-based crisis services in the substance abuse system and none in community mental retardation system.

Increase availability of attendant care, home based crisis services, and respite care.

Issue 2:

Children and adults are often placed in overly restrictive settings (such as hospitals) during periods of crisis.

Increase flexible funding for intensive community-based crisis services such as attendant care.

Assess whether Medicaid reimbursement for attendant care should extend to agencies or individuals other than community mental health centers.

HOUSING

Issue:

The lack of affordable, decent housing in integrated settings is a major barrier to including individuals with serious mental illness in the normal fabric of society.

Continuation of mental health reform to increase local development of supports necessary to help individuals live in natural settings.

Reassign central office staff to allow greater focus on the development of supported housing.

Increase contact with federal (HUD), state and local housing authorities to increase the development of non-congregate, integrated and supported housing.

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NURSING FACILITIES/MENTAL HEALTH (NFs/MH)

Issue:

Kansas has approximately 1,200 beds in NFs/MH supported primarily by SGF, yet most individuals with serious mental illness do not need nursing homes unless they have an overriding medical condition requiring this level of care.

Continuation of mental health reform to increase local development of supports necessary to help individuals live in natural, non-congregate settings.

Develop a plan to describe the policy decisions necessary to move individuals residing in these facilities into community settings with sufficient supports.

Reassign Central Office staff to allow greater concentration in this area.

HUMAN RESOURCE DEVELOPMENT

Issue:

The goal of meeting client needs in community settings is largely dependent upon the availability, composition, competency, utilization, and stability of the workforce.

Continue development of a strategic plan by the Human Resource Development Committee of the Governor's Planning Council for Mental Health to assure critical manpower issues are identified and addressed.

HIGH RATE OF HOSPITALIZATION

Issue 1:

Historically, Kansas has had one of the highest rates of hospitalization for children and adults with mental or emotional illness. The high cost of this restrictive level of care has limited the resources necessary to develop community-based services.

Screening admissions to state hospitals and Medicaid psychiatric admissions to general hospitals have eliminated inappropriate admissions. Screening for alcohol and drug treatment programs at Larned State Hospital and Osawatomie State Hospital currently is being developed.

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Issue 2:

Medications are cost effective compared to hospitalization, but the high cost, especially for clozapine, restricts access for some patients who could potentially benefit from its use and be subsequently discharged.

Increase access to **state of the art** medications such as clozapine.

HIGH COST OF MEDICATION

Issue:

The working poor often have insufficient resources to pay for medication while trying to meet a spenddown to become Medicaid-eligible.

Earmark funds for clozapine for clients in the community otherwise unable to afford the medication.

EROSION OF FEDERAL FUNDS

Issue:

The Alcohol, Drug Abuse and Mental Health Services block grant (the second largest single Federal funding stream for community mental health services) has been revised for Federal FY 93. Kansas will be receiving significantly less Federal funds:

The table below illustrates the erosion in Federal funds.

FFY 1991 $2,136,057
FFY 1992 $2,359,124
FFY 1993 $1,824,722

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III. OVERVIEW OF FY 1994 SRS' BUDGET

SRS Budget Overview
FY 1994 GBR

Program	FY 1992	FY 1993	FY 1994	Increase
Department				
Administration	$ 46.9	$ 55.0	$ 53.8	($1.2)
Income Support	34.7	38.8	40.9	2.0
Medical Services - Adm.	29.6	35.6	36.1	0.5
Cash Assistance	144.6	159.0	158.8	(0.2)
Medical Assistance	542.8	637.3	697.4	60.1
Workforce Development	31.5	51.3	58.9	7.6
MHRS	54.3	63.1	69.1	5.9
Alcohol & Drug Abuse Svcs	13.9	16.6	17.7	1.0
Youth & Adult Svcs	92.0	94.2	98.4	4.1
Vocational Rehabilitation	30.1	34.0	34.1	0.1
Capital Imprvmnts/Debt Svc	0.6	7.0	4.1	(2.9)
Total Department	$1,021.0	$1,192.0	$1,269.3	$77.2
State General Funds	399.9	376.4	418.6	42.2
FTE	3,378.2	3,917.0	3,903.5	(13.5)
Institutions				
MH&MR Hospitals	$156.2	$153.4	$153.3	($0.1)
Youth Centers	17.2	18.5	17.8	(0.7)
Total Institutions	$173.4	$171.9	$171.2	($0.7)
State General Funds	90.8	89.3	81.1	(8.2)
FTE	5,196.8	5,021.6	4,908.6	(113.0)
Total Expenditures	$1,194.3	$1,363.9	$1,440.4	$ 58.7
State General Funds	490.7	465.7	499.7	34.0
FTE	8,575.0	8,938.6	8,812.1	(126.5)

Department

Income Support
The increase in the FY 1993 Income Support budget reflects the FY 1993 child support expansion. The FY 1994 budget continues funding for this expansion.

Medical Services (Administration)
Funding is provided for the annualization of pre-assessment and screening administrative costs in FY 1994. The contract cost for assessment and screening increases from $871,278 in FY 1993 to $1,494,414 in FY 1994. FY 1993 funding reflects the January 1, 1993 effective date for this initiative.

Continued funding is provided for the FY 1993 expansion in Homecare. The 1993 Homecare increase was for expanded services and to divert

entry to nursing facilities by providing an alternative to private institutional care. The Homecare budget is maintained in FY 1994.

Cash Assistance

The Aid to Families with Dependent Children budget increases by $8.0 million in FY 1993 and $7.1 million in FY 1994. For FY 1993, the cost of the 4.7% caseload increase is $5.5 million; the remaining $2.5 million funds the $2.25 approved grant increase. For FY 1994, the expected 5.7% caseload increase is funded with $7.1 million.

The General Assistance budget reflects the 1992 Legislature's action to restrict services to adults having a disability sufficiently severe to meet the federal Social Security Administration guidelines. The savings resulting from the January 1, 1993 modification of the cash component is estimated to be $2.6 million in FY 1993 and $5.7 million in FY 1994.

Medical Assistance

The Medical Assistance budget increases by $95.0 million (17.5%) in FY 1993 and $60.1 million (9.4%) in FY 1994. The three principle divisions of Medical Assistance are discussed below.

Regular Medical Assistance

The Regular Medical Assistance budget contains funding for caseload increases of $48.0 million in FY 1993 and $52.4 million in FY 1994. The full effect of the MediKan program modification is felt in FY 1994. Total estimated savings from the MediKan modification is $17.1 million. In general, reimbursements to providers remain at FY 1993 levels. Also included in the FY 1994 budget are funds to continue FY 1993 changes, including federal matching funds for school health programs ($10.3 million), local health departments ($3.5 million), and youth rehabilitative services ($1.6 million).

Adult Care Homes

The FY 1994 Adult Care Home budget increases by $4.0 million (1.8%) over the FY 1993 level. Included in the FY 1994 budget is a $1.3 million reduction attributable to annualized prescreening savings.

Community-Based Care

The major increase in the Community-Based Care budget occurs in the waiver serving the mentally retarded and developmentally disabled (HCBS MR waiver). For fiscal years 1993 and 1994, the respective increases are $11.3 and $7.7 million. In FY 1993, an additional 192 persons will be served. Of these, 108 placements would occur from the community waiting list and 84 from state MR institutions. For FY 1993, an additional 84 placements from the state MR institutions is funded.

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Employment Preparation/Workforce Development
The FY 1993 funding of $49.1 million for Employment Preparation contains a 20 percent shrinkage rate for the KanWork field staff based on the belief that all the authorized positions will not be filled and trained prior to the end of the fiscal year. This higher shrinkage rate for FY 1993 should not severely affect the current expansion efforts and program implementation. The shrinkage rate for FY 1994 returns to the 6.0% global agency rate to continue the FY 1994 expansion.

Funding is continued in FY 1993 for JOBS Services for transportation, education and training, special services, and contracted employment services. It is estimated that 8,920 individuals will be served. For the same services in FY 1994, an estimated 12,242 persons would be served.

Child Care Services are fully funded in FY 1993 at $33.6 million. Approximately 19,590 children would be served. For FY 1994, $36.1 million is budgeted for 19,590 children.

Mental Health & Retardation Services
The Mental Health and Retardation Services budget contains an increase of $4.3 million for the expansion of Mental Health Reform in the Larned catchment area.

The budget for this program also contains $1.4 million to annualize the FY 1993 cost of placing 108 mentally retarded and developmentally disabled persons in community programs.

Alcohol & Drug Abuse Services
The budget for Alcohol and Drug Abuse Services increases by $2.7 million in FY 1993 and $1 million in FY 1994. Major increases in federal block grants explain the increases. Funding for regional prevention centers is increased by $500,000 for both fiscal years 1993 and 1994. In addition, funding for local treatment centers is increased by $700,000 in FY 1993 and $660,000 in FY 1994.

Youth Services
A total of $3.4 million in FY 1993 will allow the phase-in of new field positions related to the department's Family Agenda. In FY 1994, $3.9 is budgeted for full-year funding of the new positions.

New federal grants result in an increase of $2.3 million in FY 1993. The majority of the increase is designated for staff training. The grants fall by $1.6 million in FY 1994.

Increases in foster care caseload contribute to a $2.5 million increase in FY 1993. For FY 1994, caseloads and expenditures are held level due to the implementation of the Family Services expansion.

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The Family Services expansion increases expenditures by $2.8 million in FY 1993 and $2.0 million in FY 1994. The FY 1994 increase provides for the annualization of 49 new Family Preservation positions phased in during FY 1993.

The Topeka Screening Unit is reduced in FY 1994, as capacity is decreased from 30 to 15 beds. The $457,000 reduction reflects a shift in focus to community-based assessments.

Note: during FY 1992, the Economic Opportunity programs were transferred from SRS to the Department of Commerce. The transfer explains an $8.7 million reduction from the Youth and Adult Services budget.

Rehabilitation Services

Administrative increases in FY 1993 include $600,000 for the reclassification of Rehabilitation Services staff, $300,000 for 5.0 new Vocational Rehabilitation transition counselors and 5.0 special project positions for disability determinations. These costs are annualized in FY 1994.

The continuous increase in the disabled caseload contributes to a $200,000 increase in both fiscal years for outside medical examinations.

A total of $300,000 for three new independent living centers approved in FY 1993 are continued in FY 1994. In addition, the FY 1993 decrease in client services is restored in FY 1994. Due to available federal funds, establishment grants (which provide initial funding for new rehabilitation services) increase by $1.6 million. These grants typically decrease over a four-year period. As a result of grant timing, establishment grants decline by approximately $800,000 in FY 1994.

Administration

Area office administrative expenditures associated with the major expansions in Youth Services, KanWork, and Child Support Enforcement increased by $3.1 million (11%) in FY 1993. Continued funding is provided for the expansions during FY 1994. Overall, the Area Office Administration budget declines by $890,816 chiefly due to a $1.1 million reduction in capital outlay costs.

Funding is included for the continued development of two federally required automation systems including the "KS Cares" system supporting the KanWork program, and the child support enforcement system. Because of project development timing, the costs for the new systems fluctuate. In FY 1994, the combined cost for the new systems declines by $2.5 million.

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State Hospitals & Youth Centers

Youth Centers

The $700,000 reduction in the FY 1994 youth center budgets reflects shifts toward community treatment. A net of 5.0 positions are removed from the Youth Center at Beloit, and the facility's bed capacity is reduced by 18. Similarly, the number of positions is reduced by 3.0 and bed capacity is reduced by 18 at the Youth Center at Atchison. In addition, $730,000 is contained in the Youth Services budget for juvenile offender day treatment. These contracts would be used to treat targeted youths in the community.

State Hospitals

Improvements in community placements and the continuation of Mental Health Reform contribute to a 105 reduction in the average daily census of the state hospitals. The absence of an increase in the FY 1994 hospital budgets for FY 1994 represents the continued priority of community care. The census reductions include a reduction of 85 beds from the state mental retardation hospitals and 20 beds at Topeka State Hospital.

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IV. COST EFFECTIVE PROGRAMS

1. Rehabilitation Services

a. Employment Placement

b. Transition Planning Services

2. Income Support and Medical Services

a. Medical Services for Low Income Women and Children

b. Third Party Resources for Medical Care

c. Child Support Enforcement

d. Enhanced Computerization

e. Other Cost-Effective Measures in Medical Assistance

i. Utilization review

ii. Community based services

iii. Diagnosis Related Groupings (DRGs)

iv. Prior approval or precertification

v. Surveillance for abuse

3. Youth and Adult Services

a. Family Preservation

b. Day Reporting

c. Wraparound Services

d. Flexible Funding for Independent Living

4. Alcohol and Drug Abuse Services

a. Women's and Children's Treatment Programs

5. Workforce Development, Employment Preparation Services

a. Education and Training

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6. Mental Health and Retardation Services

a. Mental Health Reform

i. SCREENING

ii. CASE MANAGEMENT

iii. IN-HOME THERAPY

b. OTHER COST-EFFECT SERVICES:

i. REGIONAL INTERAGENCY COUNCILS (HB 3113)

ii. COLLABORATION ON VOCATIONAL SERVICES

iii. CONSUMER-OPERATED PROGRAMS

7. Mental Retardation and Developmental Disability Services

a. Targeted Case Management

b. The HCBS/MR waiver

c. Family support services and services to children

d. Vocational Rehabilitation Services

e. Coordinators of Quality Assurance

CHILD CARE SUMMARY

1/8/93

FEATURE	PROGRAMS						
	Title IV-A Child Care for JOBS and Education/ Training	Title IV-A Transitional Child Care	Title IV-A At-Risk Child Care	Child Care and Development Block Grant (CCDBG)	Social Services Block Grant (SSBG) Title Title XX Child Care	MOST Child Care	State Only Child Care
Program Goals	Child Care assistance for AFDC eligible clients	Child Care assistance for eligible clients (Entitlement)	Child Care assistance for eligible clients	Child Care assistance for eligible clients (75%) 25% for Early Childhood Development & before and after school programs; and quality improvements	Child Care assistance for eligible clients	Child Care assistance for eligible Food Stamp clients	Child Care assistance for eligible clients
Eligibility Criteria	Guaranteed for employed AFDC recipients and for AFDC recipients in approved educational/ training or JOBs program activities Child under age 13, or older if child has disability	No longer AFDC eligible Received AFDC in 3 of last 6 months Child under age 13, or older if child has disability	Not receiving AFDC Income does not exceed 185% of federal poverty level Needs care to maintain or obtain employment Child under age 13, or older if child has disability	Not receiving AFDC Income does not exceed 185% of federal poverty level Priority to families with very low income and special needs children Child under age 13, or older if child has disability	Not receiving AFDC Income does not exceed 185% of federal poverty level Child under age 13, or older if child has disability	Eligible for food stamps only and participating in More Opportunities for Self-Sufficiency and Training (MOST)	Inelgible for other types of child care assistance Child under age 13, or ol if child has disability Employed or participating in an approve educational o training program
Characteristics of Participants	AFDC recipients who have children that need child care and are employed or in an approved education or training program or are participating in a component of the JOBS program.	Participants that are no longer eligible for AFDC due to employment, increased hours and/or increased income who need child care in order to continue employment.	Participants that are employed, low income, at risk of becoming eligible for AFDC and need child care for their children.	Participants that are employed or in an approved education/ training program, low income and need child care for their children. Priority given to special needs children.	Participants with children with special needs, children in protective service child care, children of employed foster parents or partic-ipants in education or training program or employment	Food Stamp recipients that need child care for their children in order to participate in MOST (More Opportunities for Self Sufficiency & Training)	General Assistance and KanWork participants that are ineligible for assistance under any other federal or state program
SFY 92 Actual Expenditure	5,637,839	2,367,082	5,129,169	3,030,809	2,422,356	479,827	23,615
SFY 93 Approved Budget	10,217,412	4,021,785	5,340,551	7,628,390	5,904,712	225,628	222,255
Eligible Providers	All legal child care providers in Kansas maybe used for care under any of the funding sources. Parental choice of licensed family day care homes, licensed group home, registered family day ca home, child care center (regulated and unregulated legally exempt), out of home relative, Head S and In-home care.						

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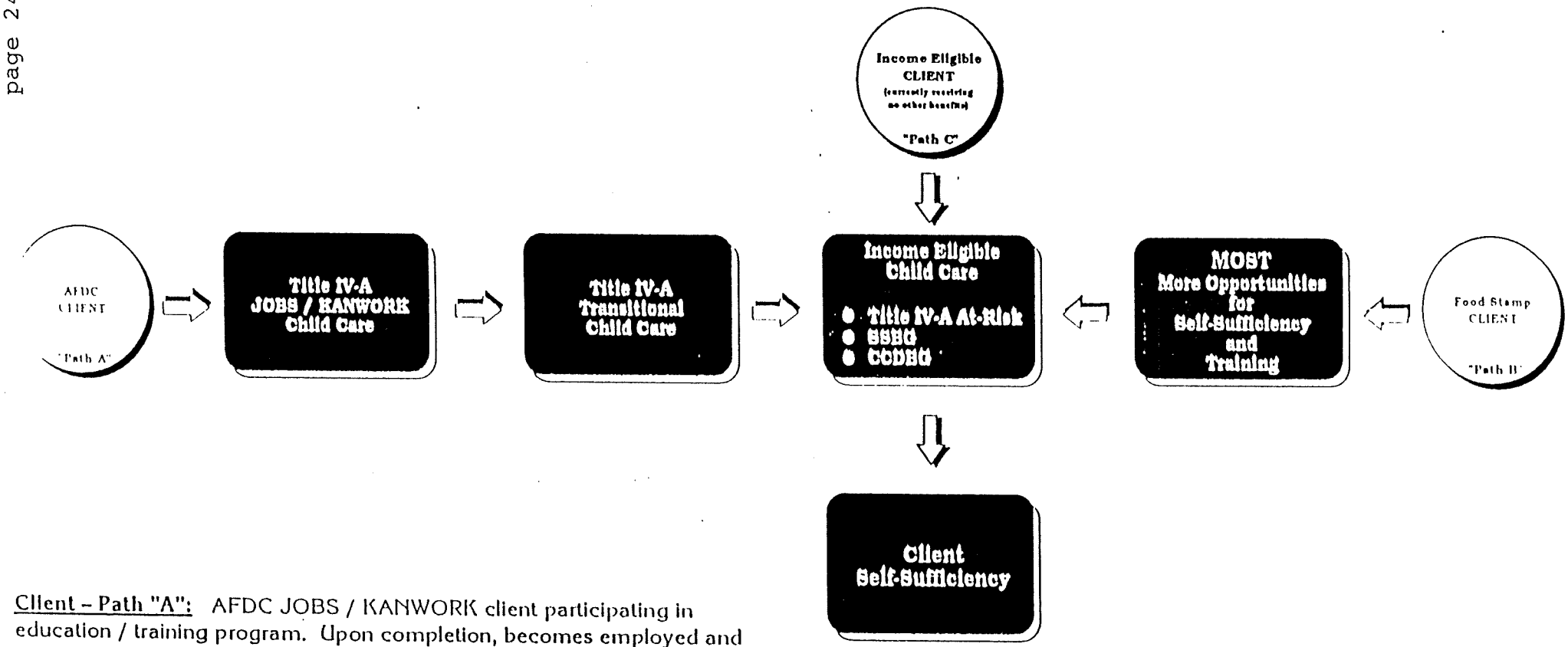
Child Care Assistance Programs
"Seamless" Service Delivery System



Client – Path "A": AFDC JOBS / KANWORK client participating in education / training program. Upon completion, becomes employed and ineligible for AFDC and eligible for Transitional Child Care services for 12 months. At the end of 12 months, client becomes an income eligible child care recipient.

Client – Path "B": A client participating in the Food Stamp education and training program MOST (More Opportunities for Self Sufficiency & Training). Upon completion, client becomes an income eligible child care recipient.

Client – Path "C": Parent in school or working with no other type of state assistance. Family income is below 185% of poverty level and client is determined income eligible for child care assistance.

Once a client is determined eligible for child care, assistance will continue as long as the client remains eligible for any of the child care assistance programs. Child care arrangements remain consistent for the child, and client fees increase in proportion to income until they become self-sufficient.

KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
Office of the Secretary
January 22, 1993

COST CONTAINMENT STRATEGIES TO CONTROL MEDICAID COSTS:

- A prospective payment reimbursement policy based on diagnostic related groups (DRG's) that reimburses health care providers predetermined amounts regardless of the costs they might actually incur.

- A drug utilization review (DUR) system that evaluates the necessity, appropriateness and efficiency of prescriptions and dispensations.

- A medical utilization review system that assures services rendered to recipients are medically necessary.

- A preadmission screening program for psychiatric patients avoiding the costs of admission to general hospitals.

- A new preadmission screening program designed to divert individuals contemplating long-term placement in a nursing facility to less costly home and community based care programs.

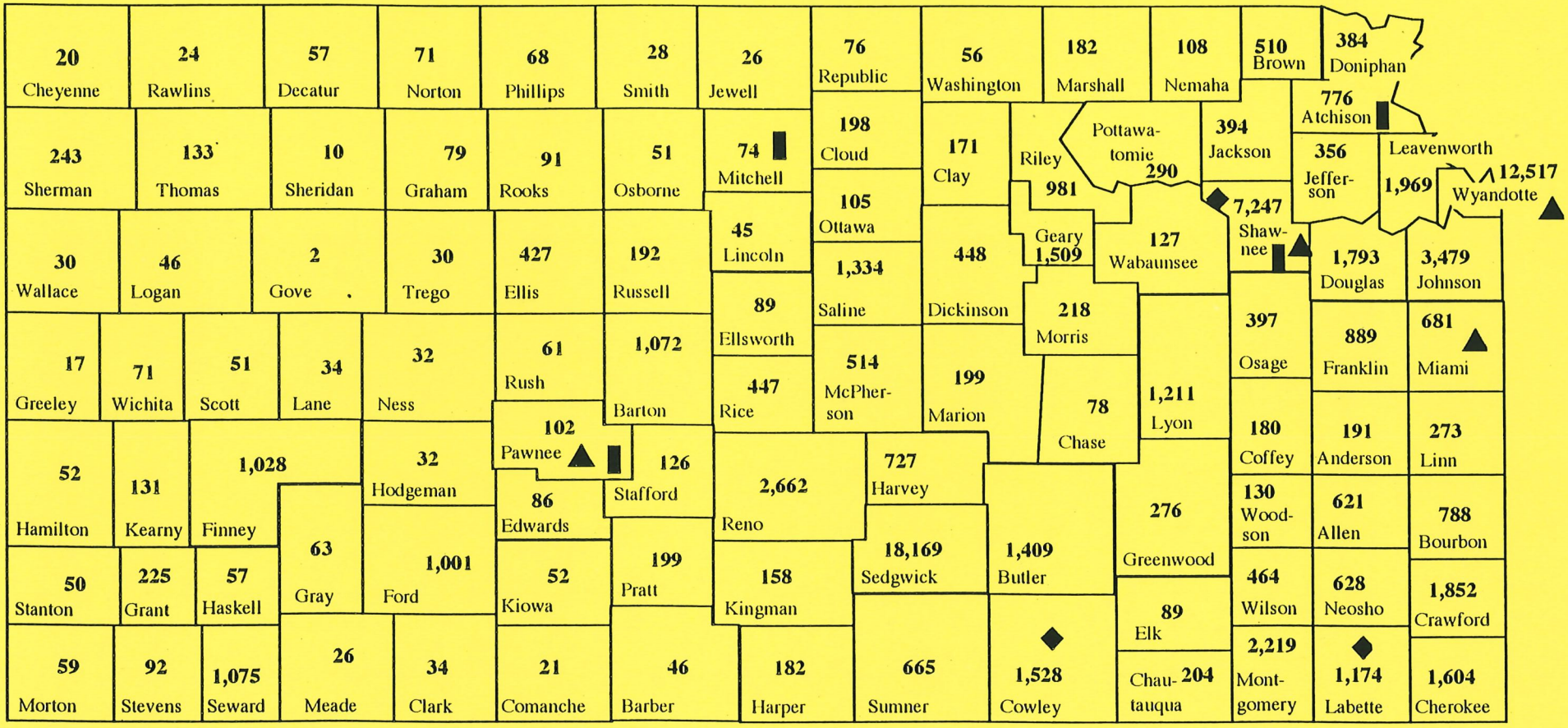
- Primary Care Network (PCN) program based on the premise that Medicaid costs are contained by paying for case management services. Under this program, recipients are assigned to a physician who is responsible for delivering all primary care services and authorizing referrals, hospitalizations, and other specific services.

- Home and community based waivers diverts persons from institutional care to community based services. There are four waivers: Nursing Facilities, Technical Assistance, Head Injury and Mental Retardation and Developmental Disabilities.

- Prior Authorization and pre-certification requiring prior approval for high cost procedures or procedures which are subject to abuse.

- Third party resource cost avoidance and post pay bill activities which ensure that Medicaid is the payor of last resort.

Aid to Families with Dependent Children (AFDC)
Average Number of Recipients/Month by County
State FY 1992



▲ State psychiatric hospitals serving mentally ill clients

◆ State hospitals for people with mental and developmental disabilities

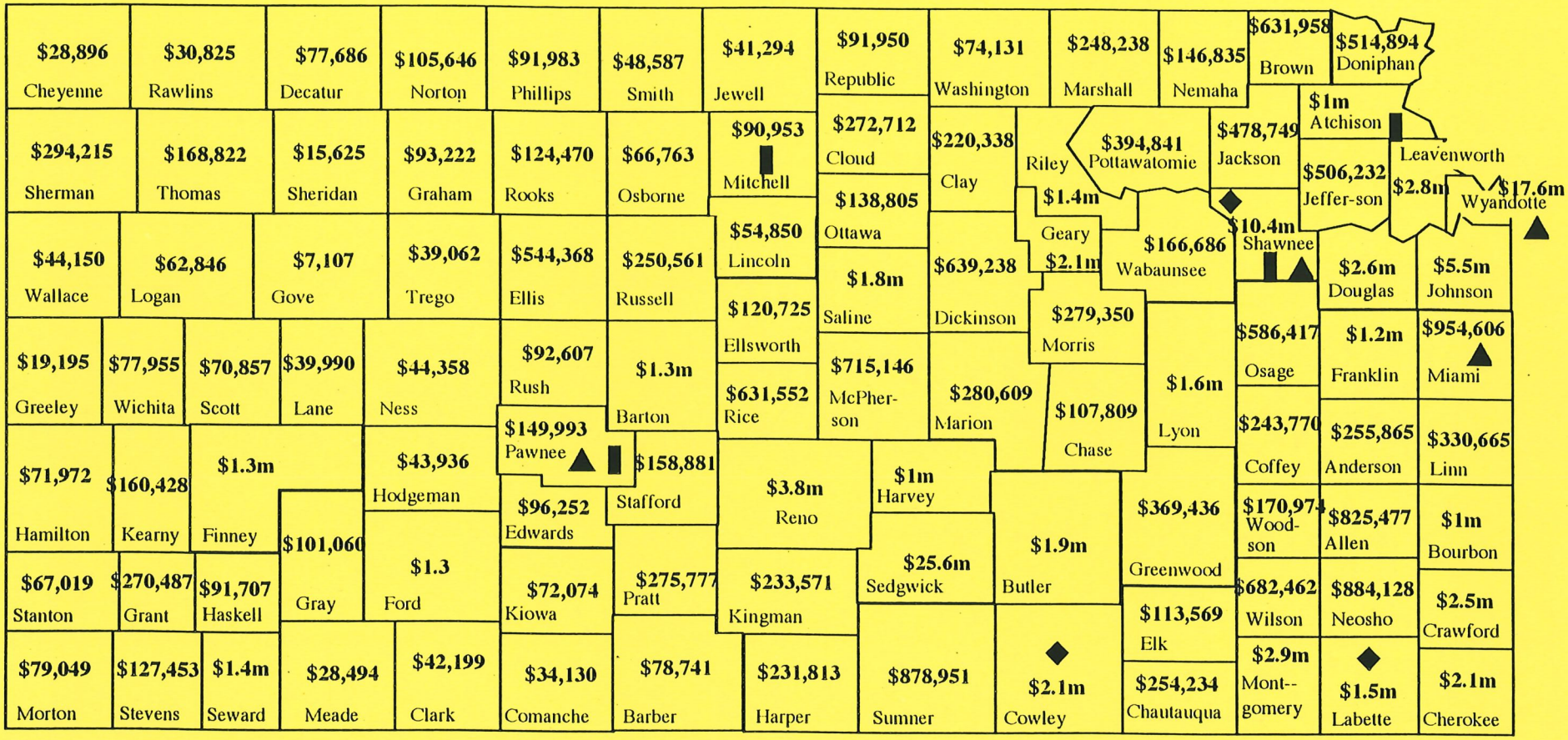
▮ Youth Centers

Statewide Average Monthly Total: 83,570

*** County totals may not add due to rounding**

Source: SRS Budgets and Reports 11/92

Aid to Families with Dependent Children (AFDC) Expenditures by County for State FY 1992



▲ State psychiatric hospitals serving mentally ill clients

◆ State hospitals for people with mental and developmental disabilities

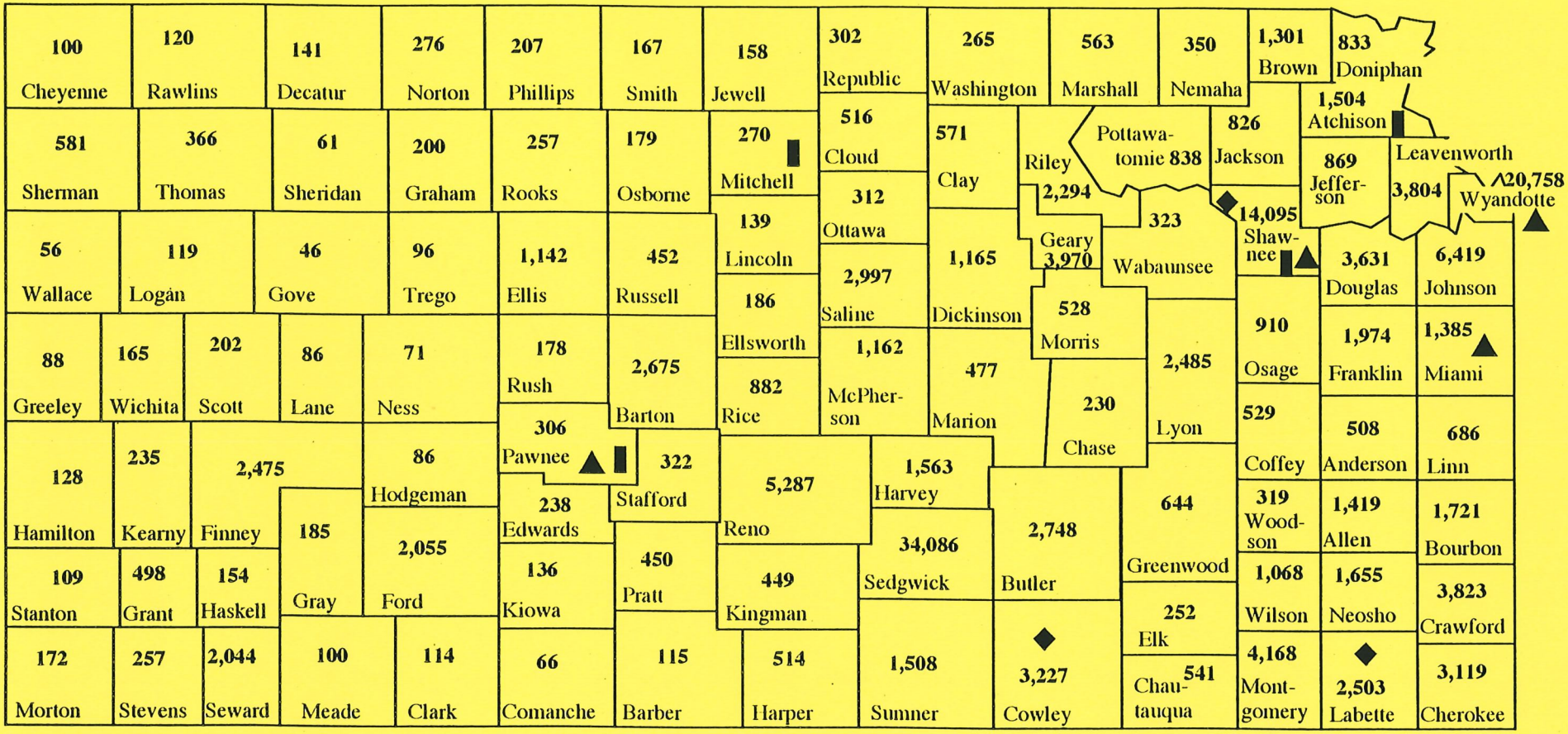
▮ Youth Centers

Statewide Total Expenditures: $117.2 million

***County totals may not add due to rounding**

Source: SRS Budgets and Reports 11/92

Food Stamps
Average Number of Recipients/Month by County for State FY 1992



▲ State psychiatric hospitals serving mentally ill clients

◆ State hospitals for people with mental and developmental disabilities

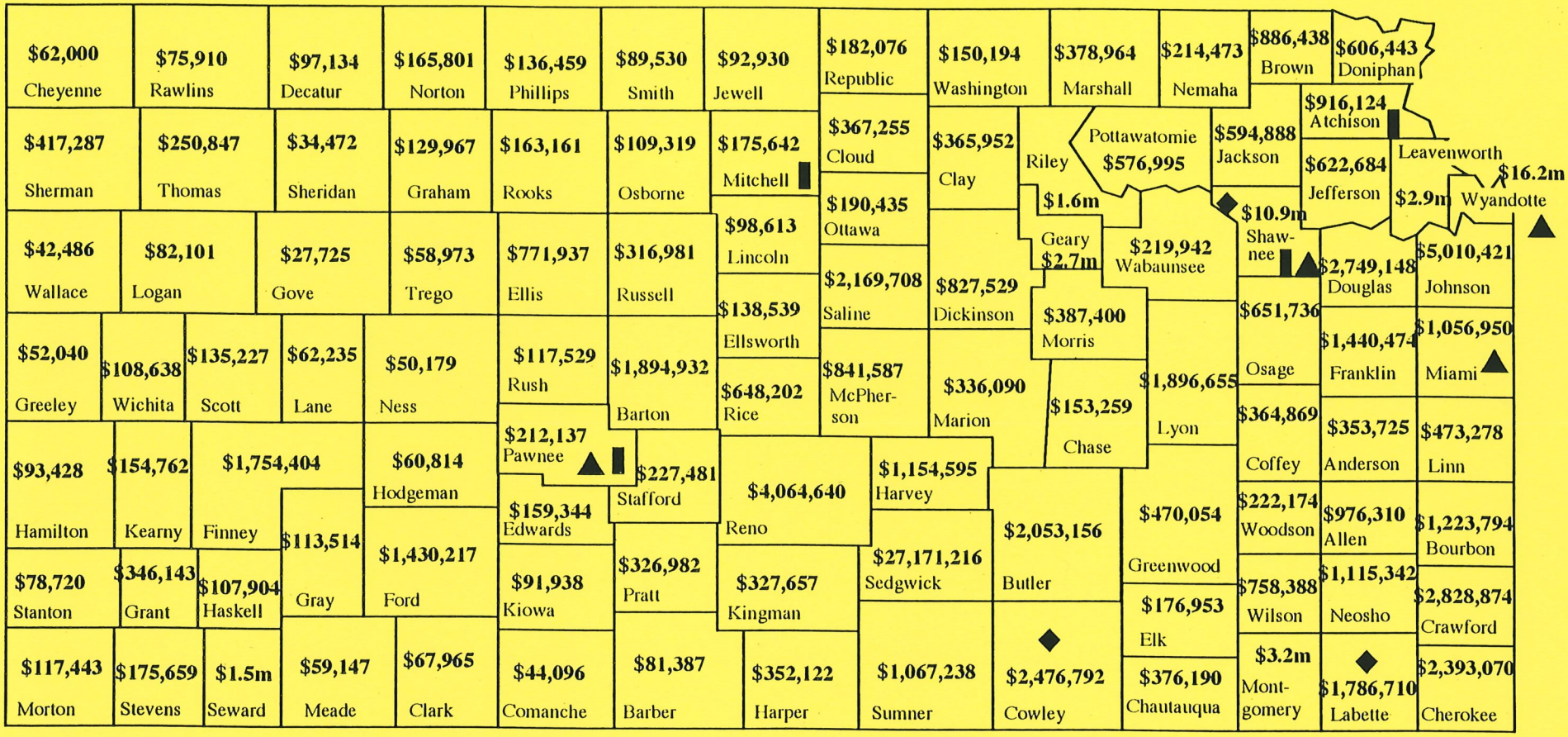
▮ Youth Centers

Statewide Average Monthly Total: 170,234

***County totals may not add due to rounding**

Source: SRS Budgets and Reports 11/92

Food Stamps
Expenditures by County
for State FY 1992



▲ State psychiatric hospitals serving mentally ill clients

◆ State hospitals for people with mental and developmental disabilities

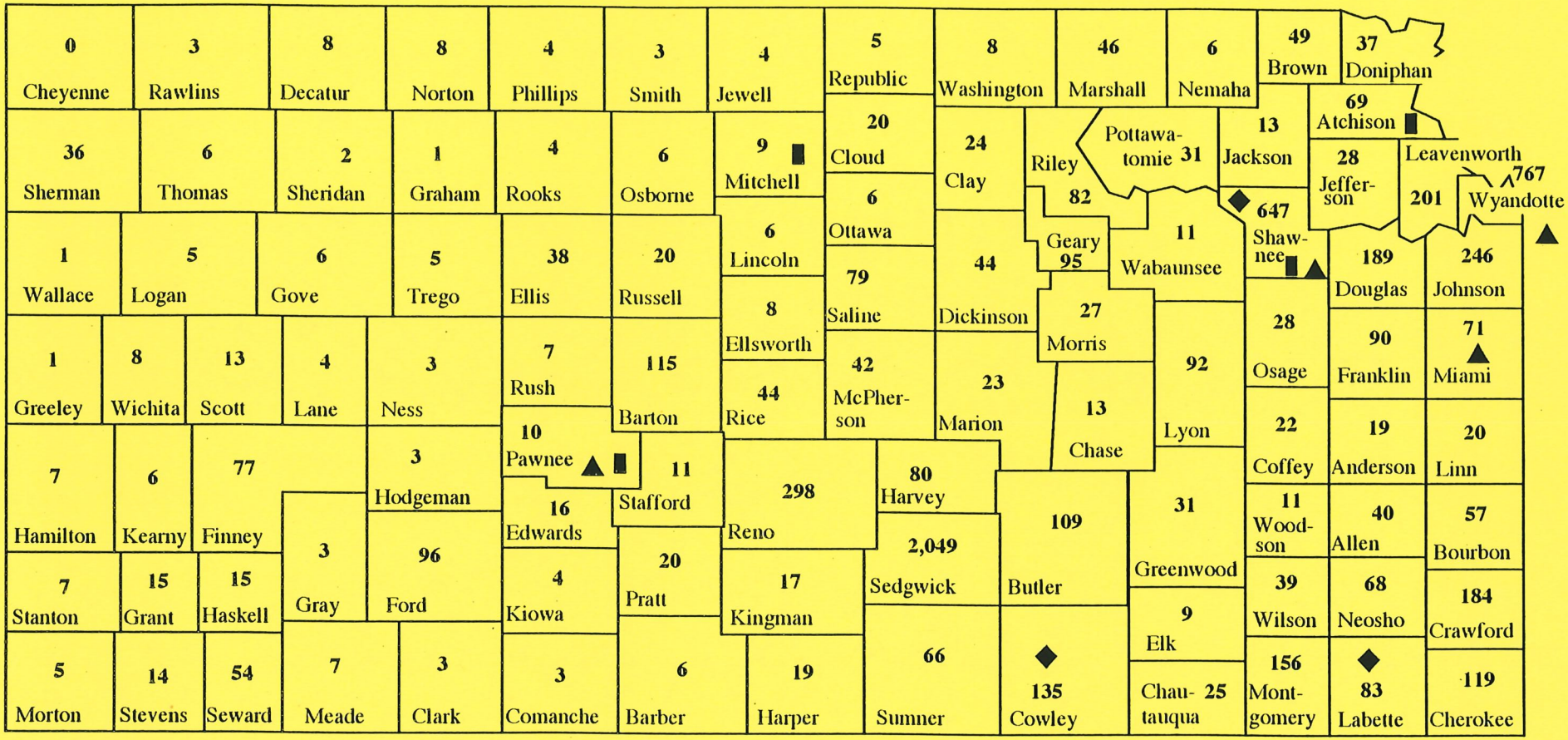
▮ Youth Centers

Statewide Total Expenditures: $127.8 million

***County totals may not add due to rounding**

Source: SRS Budgets and Reports 11/92

General Assistance
Average Number of Recipients/Month by County for State FY 1992



▲ State psychiatric hospitals serving mentally ill clients

◆ State hospitals for people with mental and developmental disabilities

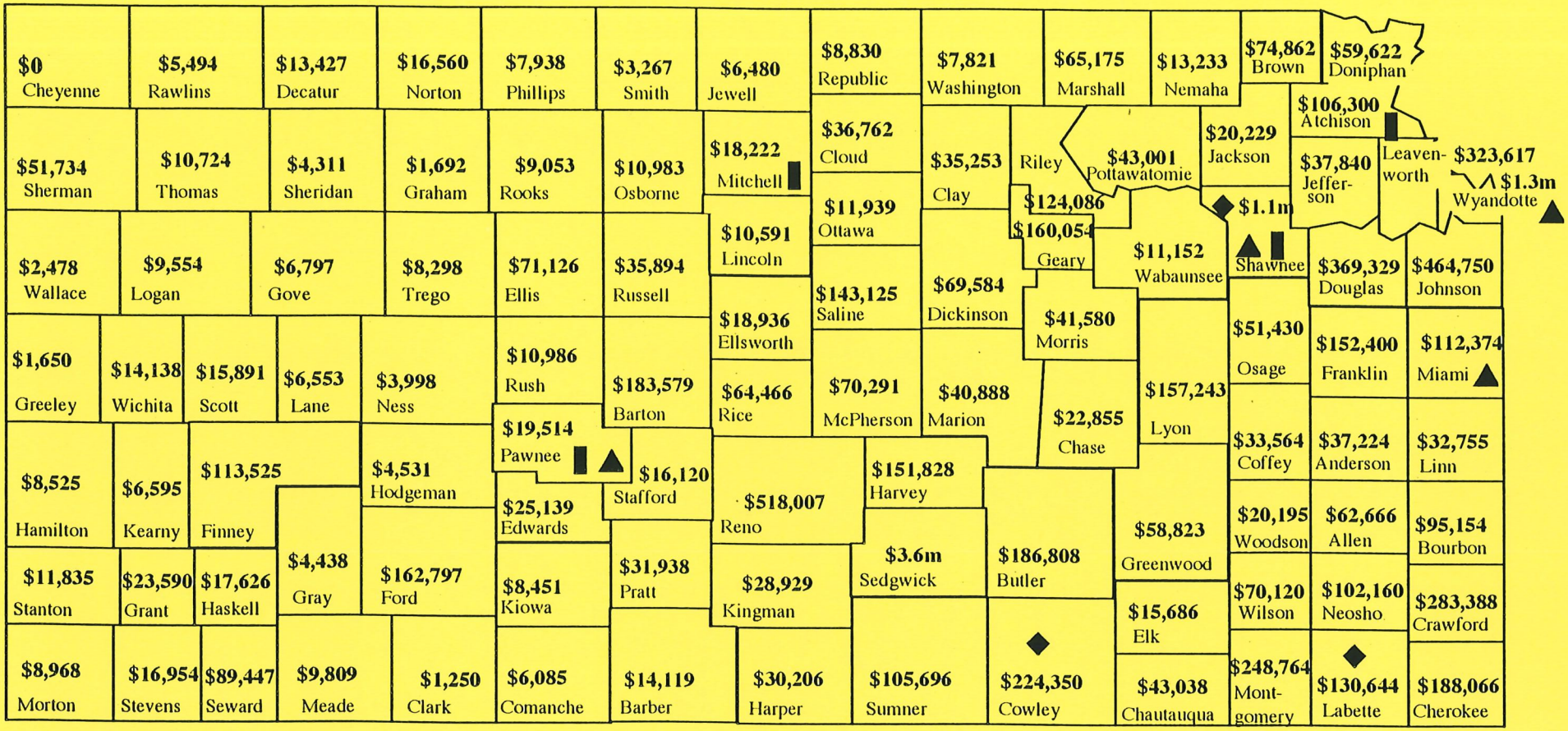
▮ Youth Centers

Statewide Average Monthly Total: 7,505

***County totals may not add due to rounding**

Source: SRS Budgets and Reports 11/92

General Assistance
Expenditures by County for State FY 1992



▲ State psychiatric hospitals serving mentally ill clients
◆ State hospitals for people with mental and developmental disabilities
▮ Youth Centers

Statewide Total Expenditures: $12.7 million*
***County totals may not add due to rounding**

Source: SRS Budgets and Reports 11/92