

Approved: April 23, 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 March 26, 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:

Senator Janis Lee
Harold Riehm, CAE Executive Director, KS Association of Osteopathic Medicine

Others attending: See attached list

HB 2025--ELIGIBILITY FOR MEDICAL RESIDENCY BRIDGING PROGRAM

The Chairman reminded members that there was a motion on the floor offered by Senator Karr and seconded by Senator Salisbury to adopt the amendment proposed in Attachment 1.

Senator Lee appeared before the Committee to review the proposed amendment to **HB 2025 (Attachment 1)**. She told members that an important aspect of the amendment was that the doctor who is doing residency in Missouri has signed a contract to work in a Kansas hospital upon completion of the residency program.

Members expressed concern that the proposed amendment would open the door to other special cases and discussed ways of limiting those who could qualify. With Senator Salisbury's approval, Senator Karr amended his motion to adopt Attachment 1 by including a provision that would give authority to the administrator to allow participation in the program in special cases, but limit the number to 2 per year. The motion carried on a voice vote.

It was moved by Senator Brady and seconded by Senator Karr that **HB 2025** as amended be recommended favorable for passage. Senator Kerr expressed his opposition to the bill, noting that it is premature to make eroding changes to the original intent of the bridging program. The motion carried on a roll call vote.

SB 212 - PROVIDING FOR THE PURCHASE OF HIGHWAY PATROL MOTOR VEHICLES

(The hearing for **SB 212** was held on March 25, 1993.) Members discussed whether it would be advisable to expand the sale of the patrol cars to political subdivisions of other states. It was moved by Senator Salisbury and seconded by Senator Lawrence that **SB 212** be amended by adding the words "or another state" to line 28, page 14 after the words "of this state". Concern was expressed that standards were not imposed on the sale of patrol cars to the public through the Division of Surplus Property. It was noted that the testimony during the hearing posed a policy question of whether the KHP fleet should be supported by an industry or by an appropriation from the SGF. The motion carried on a voice vote.

Senator Brady moved, Senator Rock seconded, that **SB 212** as amended be recommended favorable for passage. The motion carried on a roll call vote.

HB 2026 -- SCHOLARSHIPS FOR OSTEOPATHIC STUDENTS

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on March 26, 1993.

Harold Riehm testified in support of **HB 2026** on behalf of the Kansas Association of Osteopathic Medicine (Attachment 2). He told members that the bill had been amended to include a requirement that any recipient of an osteopathic scholarship enter primary care residency. While 85-90% of the osteopathic students enter a residency program, it was not the intent of his association or the Board of Regents that they be required to do so, as certification can also be achieved through continuing education and service. The effect of the proposed amendment (Attachment 2) would be to make the residency program optional.

It was moved by Senator Lawrence and seconded by Senator Morris that **HB 2026** be amended by adoption of the balloon (Attachment 2). The motion carried on a voice vote.

Gary Robbins, Kansas Optometric Association, appeared before the Committee to request that **SB 407** be amended into **HB 2026**. He explained that **SB 407** establishes a repayment fund for the optometry medical program.

It was moved by Senator Moran and seconded by Senator Lawrence that **SB 407** be amended by the balloon (Attachment 3) and that **SB 407** as amended be amended into **HB 2026** with the necessary technical adjustments. The motion carried on a voice vote.

It was moved by Senator Salisbury and seconded by Senator Kerr that **HB 2026** be amended by including the sections of **HB 2024** relating to the Nursing Scholarship Program and establishing the Nursing Student Scholarship Discontinued Attendance Fund and the Nursing Scholarship Repayment Fund. The motion carried on a voice vote.

Senator Salisbury moved, and Senator Kerr seconded that **HB 2026** as amended be recommended favorable for passage. The motion carried on a roll call vote.

INTRODUCTION OF BILLS

It was moved by Senator Petty and seconded by Senator Brady that bill draft 3 RS 1280 be introduced as requested by Senator Vidricksen. The motion carried on a voice vote.

HB 2047 - APPROPRIATIONS FOR FY94, DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES AND STATE MENTAL HEALTH AND MENTAL RETARDATION SERVICES

Senator Morris presented an overview of the systemwide issues as addressed by the subcommittee (Attachment 4). The members of the subcommittee noted that they attempted to address their concerns regarding the average daily census, the movement from the hospitals, the hospital personnel, and the potential funding problems at the hospitals. In answer to a question, it was stated that Title XIX funding consists of reimbursement for services provided for indigents, and because the number of clients served in the hospital setting is supposed to decline, the funds available from Title XIX will also decline.

KANSAS NEUROLOGICAL INSTITUTE (Attachment 5) PARSONS STATE HOSPITAL AND TRAINING CENTER (Attachment 6) WINFIELD STATE HOSPITAL AND TRAINING CENTER (Attachment 7)

Senator Morris presented the subcommittee reports on the above institutions. In answer to a question, it was stated that the Governor recommended \$887,922 in both FY93 and FY94 for the trainee program at Winfield. Because of concern about the cost and retention rate of trainees, it was requested that staff provide additional information regarding the trainee program at Winfield.

Senator Morris moved, Senator Moran seconded that the systemwide issues and the FY93 and FY94 subcommittee reports on KNI, Parsons, and Winfield be adopted. The motion carried on a voice vote.

SRS--COMMUNITY MENTAL RETARDATION SERVICES (Attachment 8)

Senator Morris read the recommendations of the subcommittee from Attachment 8. Senator Moran queried whether the Legislature had imposed a "freeze" on admissions to state institutions (item 2-c). Chairman Bogina answered that the effect of the Legislature's recommendations to reduce census and staff at the institutions has resulted in a "freeze" on admissions. Senator Brady noted his opinion that the interim study should include a study of the methodology used to move clients from institutions.

The Chairman told members that he would include in his request to the Legislative Coordinating Council that no other assignment be made to the interim committee dedicated to the study of reforming the MR/DD services delivery system, including community-based services. Senator Rock expressed his opinion that the concept of

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on March 26, 1993.

closure has been SRS driven and voiced concern about the objectivity of an interim study. He believes that the problem would be better addressed by providing services for those who are unserved and for those who are underserved in institutions. He stated that it is a myth that this program can be funded by closing an institution. Senator Vancrum responded that a legislative study would be the beginning of an independent inquiry of the type that's needed.

In response to item 3, Senator Salisbury stated that the waiting lists are growing both from the number of clients moving from the institutions and from persons within the community. She expressed concern that legislative efforts to reduce census and staffing at the institutions coupled with status quo funding might exacerbate the problems of serving those on waiting lists.

Senator Vancrum expressed concern that the hospitals were underbudgeted by at least 30 persons. Senator Brady moved, Senator Petty seconded, that item 3 and item 4 (a) be deleted from the subcommittee report (Attachment 8-11). In answer to Senator Kerr, the Chairman requested that staff prepare a table outlining provisions made by the Legislature in the last few years that were designed to move persons from the waiting list to the community. Senator Karr explained that subcommittee's intent was to maintain stability on the waiting list by adding 125 community placement slots. The motion failed on a show of hands.

Senator Vancrum moved, Senator Kerr seconded, that item 6 of the FY94 subcommittee report be amended by deleting the \$1 million transfer of funding from the SRS Contingency Fund to a Community Provider Guarantee Fund and, instead, by transferring \$500,000 from the SRS Contingency Fund to a community provider revolving fund. The motion carried on a voice vote.

Senator Kerr moved and Senator Vancrum seconded that the subcommittee report be amended by reducing the income eligibility cap from \$65,000 to \$45,000 for the family subsidy program (item 8). The Chairman asked that staff provide additional information regarding income eligibility for floor discussion. The motion and second were withdrawn.

It was moved by Senator Morris and seconded by Senator Karr that the FY 93 and FY94 subcommittee reports as amended be adopted. The motion carried on a voice vote.

The Chairman announced that the final section of **HB 2047** would be heard on March 31 and adjourned the meeting.

****A memorandum (Attachment 9)** was provided by the Kansas Legislative Research department at a later date in response to committee discussion.

The next meeting is scheduled for March 29, 1993.

GUEST LIST

COMMITTEE: SENATE WAYS AND MEANS

DATE: March 26, 1993

[illegible]

HOUSE BILL No. 2025

By Joint Committee on Health Care Decisions for the 1990's

1-11

9 AN ACT concerning the Kansas medical residency bridging program;
10 amending K.S.A. 1992 Supp. 76-387 and repealing the existing
11 section.

12
13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 1992 Supp. 76-387 is hereby amended to read
15 as follows: 76-387. (a) There is hereby established the Kansas medical
16 residency bridging program at the university of Kansas school of
17 medicine which shall be developed and implemented in order to
18 provide encouragement, opportunities and incentives for persons in
19 primary care residency training programs in general pediatrics, gen-
20 eral internal medicine, family medicine or family practice, which are
21 operated by or affiliated with the university of Kansas school of
22 medicine or other such primary care residency training program
23 which is operated in Kansas and approved by the state board of
24 healing arts, to locate their medical practice in rural Kansas com-
25 munities upon completion of such residency training. The Kansas
26 medical residency bridging program shall be administered by the
27 institute for rural health care of the university of Kansas school of
28 medicine.

29 (b) Subject to the provisions of appropriation acts, the university
30 of Kansas school of medicine may enter into residency bridging loan
31 agreements, in accordance with the provisions of this section, with
32 any person who has completed the first year of a primary care
33 residency training program in general pediatrics, general internal
34 medicine, family medicine or family practice, which is operated by
35 or affiliated with the university of Kansas school of medicine or other
36 such primary care residency training program which is operated in
37 Kansas and approved by the state board of healing arts; and who
38 has entered into a practice commitment agreement.

39 (c) Subject to the provisions of appropriation acts, each person
40 entering into a residency bridging loan agreement under this section
41 shall receive a payment of \$5,000 each year of primary care residency
42 training, or any part of a year of such training, after the date that
43 the residency bridging loan agreement is entered into by the resident

and for persons who are graduates of the university of Kansas school of medicine and are engaged in primary care residency training programs in general pediatrics, general internal medicine, family medicine or family practice, which are operated outside the state of Kansas

(A)

and (B) with any person who is a graduate of the university of Kansas school of medicine, who has completed the first year of a primary care residency training program in general pediatrics, general internal medicine, family medicine or family practice which is operated outside the state of Kansas and who has entered into a practice commitment agreement

SWAM
March 26, 1993
Attachment 1

1 and the university of Kansas school of medicine and, upon completion
2 of the primary care residency training program, a payment of \$6,000.

3 (d) Each residency bridging loan agreement shall require that
4 the person receiving the loan:

5 (1) Complete the primary care residency training program;

6 (2) engage in the full-time practice of medicine and surgery in
7 any county in Kansas other than Douglas, Johnson, Sedgwick, Shaw-
8 nee or Wyandotte for three years under a practice commitment
9 agreement;

10 (3) commence such full-time practice of medicine and surgery
11 within 90 days after completing the primary care residency training
12 program; and

13 (4) upon failure to satisfy the obligation to engage in the full-
14 time practice of medicine and surgery in accordance with the pro-
15 visions of the residency bridging loan agreement and this section,
16 the person receiving the loan under this section shall repay to the
17 university of Kansas school of medicine, within 90 days of such
18 failure, the amount equal to the amount of money received by such
19 person from the university of Kansas school of medicine, less credits
20 earned, under such agreement plus interest at the annual rate of
21 15% from the date such money was received.

22 (e) An obligation to engage in the practice of medicine and sur-
23 gery in accordance with the provisions of a residency bridging loan
24 agreement and this section shall be postponed during (1) any period
25 of temporary medical disability during which the person obligated
26 is unable to practice medicine and surgery because of such medical
27 disability, or (2) any other period of postponement agreed to or
28 determined in accordance with criteria agreed to in the practice
29 commitment agreement.

30 (f) An obligation to engage in the practice of medicine and surgery
31 in accordance with the provisions of a residency bridging loan agree-
32 ment and this section shall be satisfied: (1) If the obligation to engage
33 in the practice of medicine and surgery in accordance with such
34 agreement has been completed, (2) if the person obligated dies, or
35 (3) if, because of permanent physical disability, the person obligated
36 is unable to practice medicine and surgery.

37 (g) The university of Kansas school of medicine may adopt ad-
38 ditional provisions, requirements or conditions for participation in
39 the Kansas medical residency bridging program as are practicable
40 and appropriate to accomplish the purposes of the program or as
41 may be required for the implementation or administration of the
42 program and, in any case, as are not inconsistent with the provisions
43 of this section or the provisions of appropriation acts.

1 (h) As used in this section, "practice commitment agreement"
2 means an agreement to commence the full-time practice of medicine
3 and surgery in a city located in any county in Kansas other than
4 Douglas, Johnson, Sedgwick, Shawnee or Wyandotte county, which
5 (1) was entered into by a person in a primary care residency training
6 program in general pediatrics, general internal medicine, family med-
7 icine or family practice, that is operated by or affiliated with the
8 university of Kansas school of medicine *or other such primary care*
9 *residency training program which is operated in Kansas and ap-*
10 *proved by the state board of healing arts,* with the city where such
11 practice is to commence or another contracting entity other than the
12 university of Kansas school of medicine that is representative of the
13 interests of such city, and (2) provides benefits to such person that
14 have an aggregate monetary value equal to or greater than the ag-
15 gregate amount of payments to such person from the university of
16 Kansas school of medicine under a residency bridging loan agreement
17 under this section.

18 Sec. 2. K.S.A. 1992 Supp. 76-387 is hereby repealed.

19 Sec. 3. This act shall take effect and be in force from and after
20 its publication in the statute book.

(A)

or (B) by a person who is a graduate of the university of Kansas school of medicine and is engaged in a primary care residency training program in general pediatrics, general internal medicine, family medicine or family practice, which is operated outside the state of Kansas

Kansas Association of Osteopathic Medicine

Harold E. Riehm, Executive Director

1260 S.W. Topeka Blvd.
Topeka, Kansas 66612
(913) 234-5563
(913) 234-5564 Fax

HB 2026

March 25, 1993

To: Chairman Bogina and Members, Senate Ways & Means Committee

From: Harold Riehm, Executive Director, Kansas Association of Osteopathic Medicine

Subject: Testimony in Support of HB 2026, and Suggested Amendments

Thank you for this opportunity to testify in support of HB 2026 and to suggest an amendment to the Bill. HB 2026 was introduced as a recommendation of The Committee on Health Care Decisions for the Nineties, at the recommendation of KAOM during the Interim.

HB 2026 would raise the maximum amount of the annual stipend for the osteopathic scholarship program from the present level of \$10,000 to the level of \$15,000. PLEASE NOTE THIS IS A MAXIMUM, AND NOT A REQUIRED LEVEL OF EACH ANNUAL SCHOLARSHIP AWARD.

The annual award amount has remained the same since inception of the program as it now operates, in the 1982 Session. At that time, the amount of \$10,000 was sufficient to cover annual tuition at every osteopathic medical school in the United States. Today, tuition at most osteopathic schools is around \$16,000 to \$18,000.

In KAOM testimony before Health Care Decisions for the Nineties, we indicated that it was not our intent to recommend that scholarships be immediately raised to the new maximum amount, and that we were sensitive to making any request that would increase the amount of State General Revenue Fund monies. We indicated a desire to keep funding around the \$500,000 level (total) and to gradually increase the amount each award as additional payback funds became available. ON THURSDAY, THE HOUSE APPROPRIATIONS COMMITTEE APPROVED 42 SCHOLARSHIPS AT \$11,500 EACH, FOR TOTAL FUNDING OF \$483,000. STATE GENERAL FUNDS WERE REDUCED SIGNIFICANTLY, BY TAPPING THE PAYBACK FUND FOR ADDITIONAL MONIES. KAOM would prefer that next year there be at least 43 scholarships.

We think it important that the annual award be increased. Please note that last year major enhancements were made in the annual amount of Medical School scholarships, with each award potentially considerably greater than each osteopathic scholarship award.

A second change made in HB 2026 is to change requirements of service. The change is to permit a scholarship recipient to fulfill his or her obligation to Kansas by practicing primary care anywhere in Kansas except the "Big Five" counties. This brings the osteopathic program into conformity with the MD scholarship service requirements.

On the House floor, amendments were added to HB 2026 to address the problem of osteopathic students being able to pursue residency training in a non-primary care field, and still enjoy the benefits of their scholarships (i.e., not having to pay back until completion of their residency training). We agree with such a change. HOWEVER, THE LANGUAGE OF THE AMENDMENT ADDED IN THE HOUSE REQUIRES THAT SCHOLARSHIP RECIPIENTS ENTER AND COMPLETE AN APPROVED RESIDENCY IN PRIMARY CARE. The Osteopathic profession continues to provide an alternative route to certification, that does not include residency training. We have reservations about making residency training a mandatory feature of eligibility to fulfill the obligation of having received an osteopathic scholarship.

Attached are our suggested amendments so that the Bill addresses the problem intended, but deletes the requirement for residency training.

SWAM
March 26, 1993
Attachment 2

AMENDMENTS - PAGE 2 - HB 2026

PAGE 2
HB 2026

1 Sec. 2. K.S.A. 74-3266 is hereby amended to read as follows:
2 74-3266. (a) An agreement entered into by the state board of regents
3 and a Kansas resident who is an undergraduate student enrolled in
4 or admitted to an accredited school of osteopathic medicine in a
5 course of instruction leading to the degree of doctor of osteopathy
6 for the awarding of a scholarship under K.S.A. 74-3265 and amend-
7 ments thereto shall require that the person receiving the scholarship:

8 (1) Complete [(A) With regard to agreements entered into prior
9 to July 1, 1993, complete] the required course of instruction and
10 receive the degree of doctor of osteopathy;

11 [(B) with regard to agreements entered into after June 30, 1993,
12 complete the required course of instruction and receive the degree
13 of doctor of osteopathy and apply for, enter and complete an ap-
14 proved postgraduate residency training program;]

15 (2) apply for and obtain a license to practice medicine and surgery
16 in Kansas;

17 (3) engage in the full-time practice of medicine and surgery for
18 a period of 12 months in Kansas;

19 (4) [(A) with regard to agreements entered into prior to July 1,
20 1993,] commence such full-time practice of medicine and surgery
21 within nine months after licensure or within nine months after com-
22 pletion of a residency program and licensure, whichever is later, and
23 continue such full-time practice in Kansas for a consecutive period
24 of months equal to the total number of months required under the
25 agreement;

26 [(B) with regard to agreements entered into after June 30, 1993,
27 commence such full-time practice of medicine and surgery within
28 nine months after completion of an approved postgraduate residency
29 training program and licensure, whichever is later, and continue
30 such full-time practice in Kansas for a consecutive period of months
31 equal to the total number of months required under the
32 agreements;]

33 (5) agree that the service commitment for each agreement en-
34 tered into under this section is in addition to the service commitment
35 contained in any other agreement which has been or may be entered
36 into under this section for the purpose of obtaining scholarship aid;

37 (6) maintain records and make reports to the state board of re-
38

(1) Complete the required course of instruction
and receive the degree of doctor of osteopathy;

(2) apply for and obtain a license to practice
medicine and surgery in Kansas;

(3) engage in the full-time practice of medicine
and surgery for a period of 12 months in Kansas;

(4) (A) With regard to agreements entered into
prior to July 1, 1993, commence such full-time prac-
tice of medicine and surgery within nine months after
licensure or within nine months after completion of
a residency program and licensure, whichever is later,
and continue such full-time practice in Kansas for
a consecutive period of months equal to the total
number of months required under the agreement;

(B) With regard to agreements entered into
after July 1, 1993, commence such full-time practice
of medicine and surgery within nine months after
licensure or within nine months after completion of
an approved residency program as defined in this
Section and licensure, whichever is later, and continue
such full-time practice in Kansas for a consecutive
period of months equal to the total number of months
required under the agreement;

HB 2026—Am. by HCW

1 gents to document the satisfaction of the obligation under such agree-
2 ment to engage in the full-time practice of medicine and surgery in
3 Kansas and to continue such full-time practice for a consecutive
4 period of months equal to the total number of months required
5 under the agreement; and

AMENDMENTS - PAGE 4 & 5 - HB 2026

PAGE 4
HB 2026

15 [Sec. 3. K.S.A. 74-3267 is hereby amended to read as follows:
16 74-3267. (a) (1) Except as otherwise provided in K.S.A. 74-3268 and
17 amendments thereto, upon the failure of any person to satisfy the
18 obligation to engage in the full-time practice of medicine and sur-
19 gery within the state of Kansas for the required period of time
20 under any agreement entered into pursuant to K.S.A. 74-3265 and
21 74-3266 and amendments thereto, such person shall repay to the
22 state board of regents an amount equal to the total of (1) the amount
23 of money received by such person pursuant to such agreement plus
24 (2) annual interest at a rate of 15% from the date such money was
25 received.

26 ~~[(2) Any person who fails to apply for and enter an approved~~
27 ~~postgraduate residency training program shall be required to repay~~
28 ~~all moneys received pursuant to an agreement entered into for any~~
29 ~~scholarship awarded under K.S.A. 74-3265 and amendments thereto,~~
30 ~~plus accumulated interest at an annual rate of 15% and shall com-~~
31 ~~mence such repayment in accordance with subsection (b) within 90~~
32 ~~days of graduation from the school of osteopathic medicine or upon~~
33 ~~termination or completion of a residency training program which~~
34 ~~does not comply with the provisions of this act, whichever is later.~~

35 [(3) Any person who enters but fails to complete an approved
36 postgraduate residency training program, or who enters and com-
37 pletes an approved postgraduate residency training program but fails
38 to satisfy the obligation to engage in the full-time practice of medicine
39 and surgery within a service commitment area of this state for the
40 required period of time shall be required to repay all money received
41 pursuant to an agreement entered into for any scholarship awarded
42 under K.S.A. 74-3865 and amendments thereto, plus accumulated
43 interest at an annual rate of 15% and shall commence such repayment

(2) Any person who applies for and enters a postgraduate residency training program that is not an approved program as provided in this section

Note: Minus the crossed out language, (3) may be redundant.

HB 2026—Am. by HCW

5

PAGE 5
HB 2026

1 in accordance with subsection (b) within 90 days of failure to com-
2 plete an approved postgraduate residency training program or 90
3 days of failure to commence qualifying practice, whichever occurs
4 first.

2
W

Kansas Optometric Association

1266 SW Topeka Blvd., Topeka, KS 66612
913-232-0225

TESTIMONY

OPTOMETRIC EDUCATION SCHOLARSHIPS

SENATE WAYS AND MEANS COMMITTEE

MARCH 26, 1993

I'm Gary Robbins, Executive Director of the Kansas Optometric Association. I appreciate the opportunity to briefly discuss amending Senate Bill 407 into House Bill 2026. Senate Bill 407 deals with scholarships for optometry students and establishes a repayment fund. Currently, the optometry education scholarship program is the only medical program which does not have a repayment fund. Currently, repayments from students in this program are returned to the state general fund. If a repayment fund existed, it would be possible to handle potential cuts from the fund and reduce state general fund dollars.

Since there are no Kansas schools of optometry, the optometric education scholarship program is designed to guarantee admission of Kansas residents to schools of optometry and the ability to pay in-state tuition. Optometry is a four-year doctoral program specializing in the treatment of eye disease and conditions affecting vision. Optometry students are required to complete a four-year comprehensive pre-medical undergraduate program prior to entering optometry school. The current program allows forty Kansas students to attend optometry school annually. Each year, ten new students are admitted to the program with five students attending the University of Missouri - St. Louis, three students attending the University of Houston, and two students attending Northeastern State University in Oklahoma.

Senate Bill 407 as drafted provides for a repayment fund and a discontinued attendance repayment fund. After conferring with the Board of Regents, they recommend that the discontinued attendance repayment fund is unnecessary for this



Affiliated with
American Optometric Association

SWAM
March 26, 1993
Attachment 3

program. I have attached some amendments from the Board of Regents to eliminate the second repayment fund. Our requests would be to amend Senate Bill 407 into House Bill 2026 with the amendments offered by the Board of Regents. Recently, the Board of Regents has received several significant repayments which could generate adequate funding to start the repayment fund this year. The repayment fund in Senate Bill 407 is modeled after the osteopathic repayment fund.

Thank you for considering our request.

Post-it® brand fax transmittal memo 7671		# of pages 6
To Gary Robbins	From Ted Ayr.	
Co. KS Optometric	Co. Board of Regents	
Dept. Assoc.	Phone # 913-296-3689	
Fax # 232-6151	Fax # 913-296-0983	

Session of 1983

SENATE BILL No. 407

By Committee on Ways and Means

3-3

8 AN ACT concerning the state treasury; creating the optometrist
9 failure to practice repayment fund and the optometry student
10 discontinued attendance repayment fund.

Optometry Education

11 Be it enacted by the Legislature of the State of Kansas:

12 Section 1. (a) There is hereby created in the state treasury the
13 ~~optometrist failure to practice repayment fund~~. The state board of
14 regents shall remit all moneys received under K.S.A. 74-3272, and
15 amendments thereto, which moneys are paid for failure to satisfy an
16 obligation to engage in the full-time practice of optometry in Kansas,
17 to the state treasurer at least monthly. Upon receipt of each such
18 remittance the state treasurer shall deposit the entire amount thereof
19 in the state treasury, and such amount shall be credited to the
20 ~~optometrist failure to practice repayment fund~~. All expenditures from
21 the ~~optometrist failure to practice repayment fund~~ shall be for pay-
22 ment of amounts for guaranteed admission and continued enrollment
23 of designated persons at accredited schools or colleges of optometry
24 in a course of instruction leading to a degree in optometry in ac-
25 cordance with a contract under K.S.A. 76-721a, and amendments
26 thereto. Such expenditures shall be made in accordance with ap-
27 propriation acts upon warrants of the director of accounts and reports
28 issued pursuant to vouchers approved by the executive officer of the
29 state board of regents or a person designated by the executive officer.

30 (b) There is hereby created in the state treasury the ~~optometry~~
31 ~~student discontinued attendance repayment fund~~. The state board
32 of regents shall remit all moneys received under K.S.A. 74-3272, and
33 amendments thereto, which moneys are paid for failure to satisfy an
34 obligation to complete the required course of instruction in optom-
35 etry at an accredited school or college of optometry, to the state
36 treasurer at least monthly. Upon receipt of each such remittance
37 the state treasurer shall deposit the entire amount thereof in the
38 state treasury, and such amount shall be credited to the optometry
39 student discontinued attendance repayment fund. All expenditures
40 from the optometry student discontinued attendance repayment fund
41 shall be for payment of amounts for guaranteed admission and con-
42 tinued enrollment of designated persons at accredited schools of
43

→ Marvin do you have any problems with this language? 3-15

Ted/Christy:

I see no reason for the second fund. Regardless of failure to practice or discontinued attendance, repayment is required. There is no need for a separate fund for each reason.

I would put away this after Osteopathic Repayment (74-3267a). See suggested changes.

MMB
3-17

~~colleges of optometry in a course of instruction leading to a degree in optometry in accordance with a contract under K.S.A 76-721a, and amendments thereto. Such expenditures shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the executive officer of the state board of regents or a person designated by the executive officer.~~

(b) (e) On the effective date of this act, the director of accounts and reports shall transfer from the state general fund to the ~~optometrist failure to practice~~ repayment fund an amount equal to the amount received by the board of regents under K.S.A 74-3272, and amendments thereto, and remitted to the state treasurer since January 1, 1993, for credit to the state general fund.

Sec. 2. This act shall take effect and be in force from and after its publication in the Kansas register.

Optometry Education

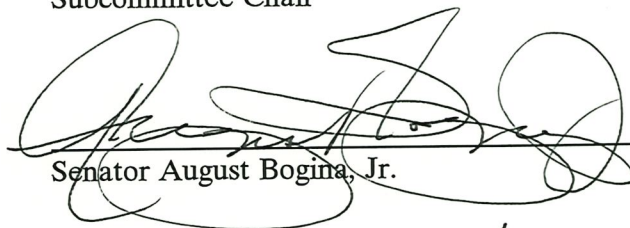
H.B. 2047

SENATE SUBCOMMITTEE ON:

Kansas Neurological Institute
Parsons State Hospital and Training Center
Winfield State Hospital and Training Center
SRS -- Community Mental Retardation Services



Senator Stephen Morris
Subcommittee Chair



Senator August Bogina, Jr.



Senator Gerald Karr

SWAM
March 26, 1993
Attachment 4

**1993 HOUSE BILL NO. 2047 SENATE WAYS AND MEANS
SUBCOMMITTEE ON MENTAL RETARDATION INSTITUTIONS**

Systemwide Report

The Senate Subcommittee concurs with the recommendations of the House, with the following comments and observations:

1. In order to help facilitate the movement of clients into the community, each of the MR institutions is encouraged to create innovative approaches in developing community placement settings. These new approaches may take the form of more intensive collaboration with community mental retardation centers. They could also take the form of community placements developed by the hospitals and their employees using the resources of the hospital, with the consent, cooperation and regular input of clients and their families and guardians. It is the Subcommittee's wish that these pilot projects look for ways to break the current bottleneck in the movement of institutional clients into community settings. The pilot projects could involve as many as ten clients per institution, and would be done, for the most part, within existing hospital resources. However, the Subcommittee feels that in carrying out these pilot projects, the hospitals should have access to the start-up funds that have been recommended in the SRS-Community Mental Retardation budget for the placement of clients into community settings. Once such community placement settings are developed, they could be "spun off" to existing community providers. The hospital superintendents should report back to the Legislature on the results of this pilot project at the beginning of the 1994 Legislative Session.
2. The Subcommittee wishes to express its grave concern over the pace of client movement from the hospitals into community settings, and the consequences that this may have at the institutions in the remainder of this fiscal year and in the next several fiscal years.

The following table compares the governor's recommendations average daily census at the three institutions in FY 1993 and FY 1994, compared with the current census at the institutions.

	Gov. Rec. FY 93 ADC	Gov. Rec. FY 94 ADC	Census 3/23/93
KNI	296	265	308
Parsons	256	235	265
Winfield	320	287	328
TOTAL	<u>872</u>	<u>787</u>	<u>901</u>

The Subcommittee notes that if the Governor's recommendations for FY 1993's average daily census are to be realized, more than 29 clients will have to be placed in community settings from all three hospitals by the end of the fiscal

year. If the Governor's recommendations for the FY 1994 average daily census are to be achieved, more than 114 clients will have to be placed between now and the end of FY 1994. Despite the assurances of the Department of Social and Rehabilitation Services, the Subcommittee harbors doubts as to whether the average daily census targets are achievable, given the pressures of the current community waiting list, and the fact that approximately 200 people join that waiting list each year.

The Subcommittee notes further that, in conjunction with the planned decreases in census at all three institutions, there has been a reduction in staff at all three institutions, as reflected in the following table.

	Actual FY 92 FTE	Leg. Rec. FY 93 FTE	Leg. Rec. FY 94 FTE
KNI	862.5	852.5	815.5
Parsons	563.0	563.0	534.0
Winfield	992.5	872.5	862.5
TOTAL	2,418.0	2,288.0	2,212.0

The Subcommittee notes that the Superintendents of all three hospitals have warned the Legislature that, unless the pace of client movement from the hospitals into community settings picks up significantly during the remainder of FY 1993 and through FY 1994, there could be significant problems with regard to staff-to-client ratios, which could, ultimately, lead to Title XIX certification problems, which, in turn, could prove quite costly to the State.

3. The Subcommittee wishes to draw the Senate's attention to potential problems with Title XIX financing in both the mental-retardation and the mental-health hospital budgets. The Subcommittee was informed that the Governor's Title XIX spending recommendations call for an FY 1993 ending balance in the SRS Institutional Title XIX Fund of \$10,798,909, the FY 1994 recommendations call for an ending balance of \$437,398. The "maxing-out" of Title XIX funding in FY 1994 does have the advantage of relieving pressure on the State General Fund. However, this relief is only temporary. Declining populations at all of the state MR institutions mean that Title XIX reimbursements will probably decline significantly, while the cost of running the institutions will decrease only marginally. The declining revenue from Title XIX reimbursements and the near-elimination of the ending balance in the SRS Institutional Title XIX Fund mean that after FY 1994, financing for the hospitals that heretofore has come from the Title XIX Fund will, in all probability, have to come from some other source, possibly the State General Fund. There is also the possibility that lower-than-expected Title XIX receipts in FY 1994 could produce a funding shortfall that would have to be remedied from some other source. The Subcommittee wishes to advise the Senate that this situation will, in all likelihood, require legislative attention during the 1994 Session.

SUBCOMMITTEE REPORT

Agency: Kansas Neurological Institute

Bill No. 2087

Bill Sec. 18

Analyst: Colton

Analysis Pg. No. 606

Budget Page No. 380

<u>Expenditure Summary</u>	<u>Agency Est. FY 93</u>	<u>Governor's Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 10,968,504	\$ 10,938,296	\$ --
Title XIX	12,760,952	12,790,056	--
General Fees Fund	714,699	714,699	--
Other Funds	234,938	243,135	--
Subtotal	\$ 24,679,093	\$ 24,686,186	\$ --
Other Assistance (SGF)	--	--	--
Subtotal--Operating	\$ 24,679,093	\$ 24,686,186	\$ --
Capital Improvements:			
State Institutions Bldg. Fund	171,295	171,295	--
TOTAL EXPENDITURES	<u>\$ 24,850,388</u>	<u>\$ 24,857,481</u>	<u>\$ --</u>
 Average Daily Census	 296	 296	 --
 FTE Positions	 852.5	 852.5	 --

Agency Estimate/Governor's Recommendation

The agency requests FY 1993 operating expenditures of \$24,679,093. Of the estimate, \$10,968,504 is from the State General Fund and \$13,800,589 is from special revenue funds. The estimated expenditures from the State General Fund are \$24,446 less than the amount approved by the 1992 Legislature as adjusted by the State Finance Council. The difference can be attributed to the agency's expenditure of FY 1992 moneys reappropriated to FY 1993. Estimated expenditures from special revenue funds are in the amount approved by the 1992 Legislature.

The agency estimate would fund expenditures for salaries and wages in the amount of \$20,855,379; expenditures for contractual services in the amount of \$1,648,866; expenditures for commodities in the amount of \$2,034,122; and capital outlay expenditures in the amount of \$140,726. The agency estimates a 7 percent turnover rate for FY 1993.

The Governor recommends FY 1993 funding for KNI in the amount of \$24,686,186. This is \$7,093 more than the agency requested. The difference is due to the fact that the Governor recommends an FY 1993 salary-turnover rate (6.75 percent) that is slightly lower than the rate estimated by the agency (7 percent).

House Subcommittee Recommendation

Concur.

SWAM
March 26, 1993
Attachment 5

House Committee Recommendation

.Concur.

House Committee of the Whole Recommendation

Concur.

Senate Subcommittee Recommendation

Concur.

SUBCOMMITTEE REPORT

Agency: Kansas Neurological Institute

Bill No. 2047

Bill Sec. 3

Analyst: Colton

Analysis Pg. No. 606

Budget Page No. 380

<u>Expenditure Summary</u>	<u>Agency Req. FY 94</u>	<u>Governor's Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 10,736,029	\$ 9,927,229	\$ --
Title XIX	13,895,073	13,461,794	--
General Fees Fund	960,872	927,988	--
Other Funds	234,938	238,645	--
Subtotal	\$ 25,826,912	\$ 24,555,656	\$ --
Other Assistance (SGF)	--	--	--
Subtotal--Operating	\$ 25,826,912	\$ 24,555,656	\$ --
Capital Improvements:			
State Institutions Bldg. Fund	--	--	--
TOTAL EXPENDITURES	<u>\$ 25,826,912</u>	<u>\$ 24,555,656</u>	<u>\$ --</u>
 Average Daily Census	 282	 265	 --
 FTE Positions	 815.5	 815.5	 --

Agency Request/Governor's Recommendation

The agency requests FY 1994 expenditures of \$25,826,912, of which \$10,736,029 is from the State General Fund and \$15,090,883 is from special revenue funds. Proposed State General Fund expenditures are down from estimated FY 1993 expenditures by 2.1 percent, while proposed expenditures from all funds exceed estimated FY 1993 expenditures by 4.7 percent.

The agency request would fund 815.5 FTE positions, a reduction of 37.0 FTE from the agency's FY 1993 estimate. The positions will have been eliminated during the course of FY 1993, but the agency's FTE position limitation was kept at 852.5 during FY 1993 in order to give the agency greater flexibility in making the reductions. There are two new initiatives in KNI's FY 1994 budget request. The first new initiative is the **establishment of a day-care center for on-campus care of KNI employees' children**; the cost of this initiative would be \$139,229. The other requested new initiative is the **creation of a LAN (Local Area Network) computer system**; funding in the amount of \$71,443 is requested for the LAN.

The Governor recommends FY 1994 operating expenditures in the amount of \$24,555,656 for the Kansas Neurological Institute. The recommendation is \$382,256 less than the agency requested. The recommendation would fund 815.5 FTE positions (as requested by the agency), but provides about \$100,000 less in overtime funding than was requested by the agency. The recommendation does include funding for a 2.5-percent unclassified-merit or classified step-movement increase, annualization of a 1-percent cost-of-living increase approved for half of FY 1993 by the 1992 Legislature and longevity bonuses for eligible employees. The recommendation calls for an FY 1994

turnover rate of 6.25 percent. The Governor's recommendations do not fund either of the new initiatives requested by the agency.

House Subcommittee Recommendation

Concur.

House Committee Recommendation

Concur.

House Committee of the Whole Recommendation

Concur.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House, and reiterates and incorporates the observations and comments found in its systemwide report.

SUBCOMMITTEE REPORT

Agency: Parsons State Hospital and Training Center

Bill No. 2087

Bill Sec. 19

Analyst: Colton

Analysis Pg. No. 636

Budget Page No. 462

<u>Expenditure Summary</u>	<u>Agency Est. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 6,751,423	\$ 6,754,770	\$ 8,580
Title XIX	10,536,044	10,550,070	14,002
General Fees Fund	579,840	573,691	--
Other Funds	104,548	104,548	--
Subtotal	\$ 17,971,855	\$ 17,983,079	\$ 22,582
Other Assistance (SGF)	1,000	1,000	--
Subtotal -- Operating	\$ 17,972,855	\$ 17,984,079	\$ 22,582
State Institutions Bldg. Fund	--	362,398	--
TOTAL EXPENDITURES	\$ 17,972,855	\$ 18,346,477	\$ 22,582
Average Daily Census	256	256	--
FTE Positions	563.0	562.0	1.0

Agency's FY 1993 Estimate

The agency estimates FY 1993 operating expenditures of \$17,972,855. This is \$69,704 more than was approved by the 1992 Legislature as adjusted by the State Finance Council. The difference can be attributed to the inclusion of \$69,704 in Oil Overcharge--Second Stage Refund Program Fund moneys in its estimate; the expenditures authorized by the 1992 Legislature did not contemplate the use of such funds. According to the agency, the money was received during FY 1992 and was intended for interactive television equipment that would allow the Hospital to participate in an interactive video network linking Kansas Regents institutions (Parsons State Hospital is affiliated with the University of Kansas Bureau of Child Research, which has departments at Parsons, Kansas City, and Lawrence).

During FY 1993, Parsons State Hospital and Training Center will lose 26.0 FTE positions. However, in order to give the institution greater flexibility in making the reductions, this is not reflected in the FY 1993 position limitation, but rather, in the FY 1994 figure.

Governor's FY 1993 Recommendation

The Governor recommends FY 1993 operating expenditures of \$17,984,079 at Parsons State Hospital and Training Center. This is \$80,928 more than the 1992 Legislature approved for the agency, and \$11,224 more than the agency request. The difference is due to two things: a) the Governor's recommendation to include \$69,704 in Oil Overcharge -- Second Stage Refund Program

SWAM
March 26, 1993
Attachment 6

funding, as requested by the agency; and b) the Governor's addition of funding to reduce salary turnover from the six percent requested by the agency to 5.7 percent.

The Governor recommends abolishing a 1.0 FTE clerical position in FY 1993, putting the recommended FY 1993 FTE position limitation at the institution at 562.0 FTE positions. The Governor concurs with the agency's other proposed position eliminations.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor, with the following change:

1. Restore 1.0 FTE Bookkeeper position and funding in the amount of \$22,582 (\$8,580 from the State General Fund and \$14,002 in Title XIX funding).

House Committee Recommendation

Concur.

House Committee of the Whole Recommendation

Concur.

Senate Subcommittee Recommendation

Concur.

SUBCOMMITTEE REPORT

Agency: Parsons State Hospital and
Training Center

Bill No. 2047

Bill Sec. 6

Analyst: Colton

Analysis Pg. No. 636

Budget Page No. 462

<u>Expenditure</u>	<u>Agency Req. FY 94</u>	<u>Governor's Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 6,760,706	\$ 6,232,837	\$ 8,580
Title XIX	11,174,079	10,836,578	14,002
General Fees Fund	985,673	963,265	--
Other Funds	34,844	34,844	--
Subtotal	\$ 18,955,302	\$ 18,067,524	\$ 22,582
Other Assistance (SGF)	1,000	1,000	--
Subtotal--Operating	\$ 18,956,302	\$ 18,068,524	\$ 22,582
Capital Improvements:			
State Institutions Bldg. Fund	--	--	--
TOTAL EXPENDITURES	<u><u>\$ 18,956,302</u></u>	<u><u>\$ 18,068,524</u></u>	<u><u>\$ 22,582</u></u>
 Average Daily Census	 242	 235	 --
 FTE Positions	 537.0	 534.0	 1.0

Agency Request/Governor's Recommendation

The agency requests FY 1994 operating expenditures in the amount of \$18,956,302. Of the request, \$6,761,706 is from the State General Fund, and \$12,194,596 is from special revenue funds. Proposed State General Fund expenditures are up from the agency's FY 1993 estimate by 0.1 percent, and proposed expenditures from all funds are increased from the FY 1993 estimate by 5.5 percent. There is one new initiative for which the agency requests funding in FY 1994: the creation of a LAN (Local Area Network) computer system. The agency requests funding in the amount of \$95,000 for the LAN. Such networks have been included in the budget requests of all the mental retardation institutions. The agency maintains that such a network would allow the easier transfer of clinical data, increased efficiency among administrative and support services, and would allow agency staff to spend more time in direct service to clients rather than in doing paperwork. The agency's request would fund 537.0 FTE positions, or 26.0 FTE positions less than in FY 1993. The request would also provide for a salary turnover rate of 3.62 percent.

The Governor recommends FY 1994 operating expenditures of \$18,068,524 at Parsons State Hospital and Training Center. Proposed funding from the State General Fund is down by 7.7 percent from the FY 1993 recommendation, while proposed funding from all funds is up by one-half of one percent. The Governor's recommendation calls for an average daily census of 235 clients

which is seven less than proposed by the agency in its FY 1994 request. The Governor's FY 1994 recommendation would fund 534.0 FTE positions, or 3.0 FTE positions less than requested by the agency. The Governor recommends the FY 1994 deletion of 2.0 more FTE positions than proposed by the agency; the positions recommended for abolition are clerical positions. The Governor's recommendation calls for a salary-turnover rate of 5.3 percent, where the agency requested a rate of 3.62 percent. The Governor's recommendation provides funding for classified step-movement or unclassified-merit increases, annualization of a one-percent cost-of-living adjustment approved by the 1992 Legislature for half of FY 1993 and longevity bonuses for eligible employees.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor, with the following changes and comments:

1. Restore 1.0 FTE Bookkeeper position and funding in the amount of \$22,582 (\$8,580 from the State General Fund and \$14,002 in Title XIX funding).
2. The Subcommittee notes that the agency requested \$95,000 in FY 1994 for a local-area computer network (LAN). Funding for the project was not recommended by the Governor. The agency maintains that such a network would allow easier transfer of clinical data, increased efficiency in the provision administrative and support services and would allow agency staff to spend more time in direct service to clients, rather than in doing paperwork. The Subcommittee toured Parsons State Hospital, and had an opportunity to look at much of the agency's computer equipment, some of which is on the verge of obsolescence. The Subcommittee encourages the agency to present a proposal for this project to the Joint Committee on Computers and Telecommunications, and, should that Committee recommend the project, present the project to the 1994 Legislature for reconsideration.

House Committee Recommendation

Concur.

House Committee of the Whole Recommendation

Concur.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House, and reiterates and incorporates the observations and comments found in its systemwide report.

SUBCOMMITTEE REPORT

Agency: Winfield State Hospital
and Training Center

Bill No. 2087

Bill Sec. New

Analyst: Colton

Analysis Pg. No. 663

Budget Page No. 634

<u>Expenditure</u>	<u>Agency Est. FY 93</u>	<u>Governor's Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 13,722,261	\$ 13,542,707	\$ --
Title XIX	14,675,729	14,407,696	--
General Fees Fund	944,275	944,275	--
Other Funds	55,875	55,971	--
Subtotal	\$ 29,398,140	\$ 28,950,649	\$ --
Other Assistance (All Funds)	--	--	--
Subtotal--Operating	\$ 29,398,140	\$ 28,950,649	\$ --
Capital Improvements:			
State Institutions Bldg. Fund	434,831	434,832	--
TOTAL EXPENDITURES	<u>\$ 29,832,971</u>	<u>\$ 29,385,481</u>	<u>\$ --</u>
 Average Daily Census	 318	 320	 --
 FTE Positions	 872.5	 872.5	 --

Agency Estimate/Governor's Recommendation

The agency estimates FY 1993 operating expenditures of \$29,398,140. Of the estimate, \$13,722,261 is from the State General Fund and \$15,675,879 is from special revenue funds. The estimated expenditures are equal to those approved by the 1992 Legislature, except for the inclusion of \$22,609 in Foster Grandparent (Federal) Funds, carried over from FY 1992. The agency estimate would fund expenditures for salaries and wages in the amount of \$24,140,544; expenditures for contractual services in the amount of \$3,324,963; expenditures for commodities in the amount of \$1,744,662; and capital outlay in the amount of \$174,034. The agency estimates an FY 1993 turnover rate of 7.2 percent.

The Governor recommends operating expenditures in FY 1993 of \$28,950,649 for Winfield State Hospital and Training Center. The Governor's recommendation effectuates reductions both from the agency's FY 1993 estimate and from expenditures approved by the 1992 Kansas Legislature. According to the Governor, reductions were effected in funding for overtime, temporary staffing, fees--professional services and miscellaneous other operating expenditures, although funding was added to reduce salary turnover, for staff health insurance and for other salary adjustments. The Governor concurs with the agency request for the inclusion, in FY 1993, of Foster Grandparent (Federal) funds that were carried over from FY 1992.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendations.

SWAM
March 26, 1993
Attachment 7

House Committee Recommendation

Concur.

House Committee of the Whole Recommendation

Concur.

Senate Subcommittee Recommendation

<u>Expenditure</u>	<u>House Adj. FY 93</u>	<u>House Rec. FY 93</u>	<u>Senate Sub. Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 13,542,707	\$ --
Title XIX	--	14,407,696	--
General Fees Fund	--	944,275	6,333
Other Funds	--	55,971	--
Subtotal	\$ --	\$ 28,950,649	\$ 6,333
Other Assistance (All Funds)	--	--	--
Subtotal--Operating	\$ --	\$ 28,950,649	\$ 6,333
Capital Improvements:			
State Institutions Bldg. Fund	--	434,832	--
TOTAL EXPENDITURES	\$ --	\$ 29,385,481	\$ 6,333
Average Daily Census	--	320	--
FTE Positions	--	872.5	--

1. Add \$6,333 from the Winfield State Hospital and Training Center Fee Fund. The addition is a technical adjustment, and corrects a miscalculation in fringe benefits for agency employees.

93-5265

SUBCOMMITTEE REPORT

Agency: Winfield State Hospital
and Training Center

Bill No. 2047

Bill Sec. 9

Analyst: Colton

Analysis Pg. No. 663

Budget Page No. 634

<u>Expenditure</u>	<u>Agency Req. FY 94</u>	<u>Governor's Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 13,538,396	\$ 12,538,562	\$ --
Title XIX	16,478,739	15,259,475	--
General Fees Fund	1,047,487	963,610	--
Other Funds	33,266	33,266	--
Subtotal	\$ 31,097,888	\$ 28,794,913	\$ --
Other Assistance (All Funds)	3,500	--	--
Subtotal--Operating	\$ 31,101,388	\$ 28,794,913	\$ --
Capital Improvements:			
State Institutions Bldg. Fund	29,400	--	--
TOTAL EXPENDITURES	<u>\$ 31,130,788</u>	<u>\$ 28,794,913</u>	<u>\$ --</u>
 Average Daily Census	 304	 287	 --
 FTE Positions	 948.5	 862.5	 --

Agency Request/Governor's Recommendation

The agency requests FY 1994 operating expenditures of \$31,101,388. Of the requested operating funds, \$13,541,896 is from the State General Fund and \$17,559,492 is from special revenue funds. Requested expenditures from the State General Fund are down by 1.3 percent below the FY 1993 estimate, while proposed expenditures from all funds are increased by 5.8 percent.

The agency request would fund 948.5 FTE positions, an increase of 76.0 FTE positions from the FY 1993 estimate. (**Staff Note:** Winfield State Hospital is the only MR institution to propose new positions for FY 1994. KNI and Parsons have proposed reductions in FTE positions in accordance with the SRS/MHRS downsizing plan, which is summed up in the separate Legislative Research Department systemwide memorandum on Kansas' mental retardation institutions. The SRS plan called for a reduction in FTE positions at Winfield in FY 1994, to 862.5 FTE positions.)

Requested salary expenditures (\$25,434,770) in the agency's FY 1994 budget request exceed those in the FY 1993 estimate by 5.4 percent. Included in the request is a 2.5 percent classified step-movement or unclassified merit increase, annualization of the mid-year one percent base salary increase approved in the current year, as well as longevity bonuses for eligible employees. The agency requests a turnover rate of 7.2 percent, the same as in FY 1993. The agency requests expenditures for contractual services and commodities in the amount of \$5,286,385 in FY 1994, an increase of 4.3 percent over the FY 1993 estimate of \$5,069,625. The agency has called attention to its request for \$43,200 for braces and upper-extremity orthotic devices; the agency reports that prices for such items have risen by 500 percent, and that the purchase of such items is no longer reimbursed

by Medicaid. The agency requests capital outlay funding of \$376,823. (Staff Note: \$47,200 is requested for equipment for the agency's local-area computer network (LAN). The agency requested funding for such a network in its FY 1993 budget document, but the funding was neither recommended by the Governor nor approved by the 1992 Legislature. The agency was apparently able to finance the LAN through savings in other areas of its budget.)

The Governor recommends FY 1994 expenditures for Winfield State Hospital and Training Center in the amount of \$29,794,913, of which \$12,538,562 is from the State General Fund and \$16,256,351 is from special revenue funds. The recommendation is \$2,313,475 less than what the agency requested. Funding from the State General Fund is reduced by 7.4 percent, with respect to the FY 1993 recommendation, while recommended spending from all funds falls by one-half of one percent. The FY 1994 recommendation contemplates an FY 1994 FTE position limitation of 862.5 FTE positions and a continued reduction in average daily census. The Governor does not recommend the new initiatives requested by the agency.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendations, with the following comment:

1. The Subcommittee learned that while KNI has 6.5 trainee positions, and Parsons State Hospital 13.5, Winfield State Hospital has, at the moment, 71 trainee positions (the Governor's recommended budget calls for 63 trainees). While the Subcommittee recognizes that Winfield does have a number of medically-challenged clients, the Subcommittee does not believe that this fact alone justifies the \$4,239,257 difference in recommended expenditures between Winfield and KNI.

Institution	FY 1994 Recommended Expenditures
Winfield	\$ 28,794,913
KNI	24,555,656
Difference	<u>\$ 4,239,257</u>

The Subcommittee believes that this is especially true in light of the fact that Winfield has only 21 more clients than KNI, and a significant number of people at KNI are also medically challenged. The Subcommittee considers it exaggerated that Winfield State Hospital has over 10 times the number of trainees as KNI, and urges the agency to study how efficiencies can be effected, and staffing levels brought more into line with the other institutions. The Subcommittee expects for changes to be made in this regard, and cautions the agency that the matter will be studied again by next year's Legislature.

House Committee Recommendation

Concur.

House Committee of the Whole Recommendation

Concur.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House, and reiterates and incorporates the observations and comments found in its systemwide report.

SUBCOMMITTEE REPORT

Agency: SRS -- *Community Mental Retardation Services* Bill No. 2087

Bill Sec. 17

Analyst: Howard

Analysis Pg. No. 585

Budget Page No. 546

<u>Expenditure Summary</u>	<u>Agency Est. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 216,457,566	\$ 204,764,429	\$ --
Local Aid	56,060,011	56,060,011	100,000
Other Assistance	926,858,413	924,491,432	(974,511)
Subtotal -- Operating	<u>\$ 1,199,375,990</u>	<u>\$ 1,185,315,872</u>	<u>\$ (874,511)</u>
Capital Improvements	6,597,638	6,718,657	--
TOTAL	<u><u>\$ 1,205,973,628</u></u>	<u><u>\$ 1,192,034,529</u></u>	<u><u>\$ (874,511)</u></u>
State General Fund:			
State Operations	\$ 86,768,271	\$ 80,655,985	\$ --
Local Aid	47,938,715	43,450,485	--
Other Assistance	248,642,451	251,911,782	(405,007)
Subtotal -- Operating	<u>\$ 383,349,437</u>	<u>\$ 376,018,252</u>	<u>\$ (405,007)</u>
TOTAL	<u><u>\$ 383,349,437</u></u>	<u><u>\$ 376,018,252</u></u>	<u><u>\$ (405,007)</u></u>
FTE Positions	3,955.7	3,917.0	--

Agency Estimate/Governor's Recommendation

The Division of Mental Health and Retardation Services estimates expenditures of \$33,633,663 for community mental retardation services in the Division of Mental Health and Retardation Services in FY 1993, including \$24.1 million from the State General Fund. In addition, the agency estimates expenditures of \$25.1 million in the medical assistance budget for the HCBS-MR waiver, and expenditures of \$37.1 million for the ICF-MR program. The estimate for the HCBS-MR waiver is a reduction of \$1.5 million from the approved amount reflected slower than budgeted movement from the state hospitals.

The Governor concurs with the agency estimate of funding in the Division of Mental Health and Retardation Services. The Governor recommends \$21.1 million for the HCBS-MR waiver in FY 1993, a reduction of \$5.5 million from the approved amount. The Governor's recommendation is intended to reflect the rate of actual client placement from the state hospitals. The Governor concurs with the request for ICF-MR funding in FY 1993.

SWAM
March 26, 1993
Attachment B

House Subcommittee Recommendations

The House Subcommittee concurs with the recommendations of the Governor with the following adjustments:

1. Delete \$405,007 from the State General Fund (\$974,511 All Funds) in the Home and Community Based Services program for the mentally retarded (HCBS-MR). The recommendation reflects savings associated with slower than anticipated client movement from state hospitals to the community.
2. Add \$100,000 from the SRS Contingency Fund in FY 1993 for one-time placement costs associated with the movement of clients from state hospitals to the community. The Subcommittee heard testimony that one-time placement costs range from \$2,000 to \$5,000 per client for purchases such as furniture and appliances. The recommendation is based on average one-time costs of \$3,250. The Subcommittee recommends that expenditures on behalf of any single client be limited to a maximum of \$5,000.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the recommendations of the Committee.

<u>Expenditure Summary</u>	<u>House Adj. FY 93</u>	<u>House Rec. FY 93</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 204,764,429	\$ --
Local Aid	100,000	56,160,011	--
Other Assistance	(974,511)	923,516,921	--
Subtotal -- Operating	\$ (874,511)	\$ 1,184,441,361	\$ --
Capital Improvements	--	6,718,657	--
TOTAL	<u>\$ (874,511)</u>	<u>\$ 1,191,160,018</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ --	\$ 80,655,985	\$ --
Local Aid	--	43,450,485	--
Other Assistance	(405,007)	251,506,775	--
Subtotal -- Operating	\$ (405,007)	\$ 375,613,245	\$ --
TOTAL	--	339,263	--
	<u>\$ (407,007)</u>	<u>\$ 375,952,508</u>	<u>\$ --</u>
FTE Positions	--	3,917.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.

SUBCOMMITTEE REPORT

Agency: SRS -- *Community Mental Retardation Services* Bill No. 2047

Bill Sec. 2

Analyst: Howard

Analysis Pg. No. 585

Budget Page No. 546

Expenditure	Agency Req. FY 94	Governor's Rec. FY 94	House Sub. Adjustments
All Funds:			
State Operations	\$ 251,376,577	\$ 213,255,017	\$ 154,000
Local Aid	69,610,613	61,809,212	1,625,500
Other Assistance	1,083,190,497	990,200,803	2,475,489
Subtotal -- Operating	1,404,177,687	\$ 1,265,265,032	\$ 4,254,989
Capital Improvements	16,657,656	4,002,648	--
TOTAL	\$ 1,420,835,343	\$ 1,269,267,680	\$ 4,254,989
State General Fund:			
State Operations	\$ 104,010,489	\$ 86,898,538	\$ 61,543
Local Aid	66,002,398	49,174,617	--
Other Assistance	341,901,740	282,497,384	1,594,993
Subtotal -- Operating	511,914,627	\$ 418,570,539	\$ 1,656,536
Capital Improvements	6,957,759	73,313	--
TOTAL	\$ 518,872,386	\$ 418,643,852	\$ 1,656,536
 FTE Positions	 4,375.2	 3,903.5	 6.0

Agency Request/Governor's Recommendation

The Division of Mental Health and Retardation Services requests expenditures of \$44,181,208 for community mental retardation services in the Division of Mental Health and Retardation Services in FY 1994, including \$34.7 million from the State General Fund. The request includes \$3.1 million for medical and therapeutic services in the community, \$2.1 million to expand the family subsidy/family support program, and \$1.0 million for selected service enhancements in basic grants. In addition, the agency requests expenditures of \$35.2 million in the medical assistance budget for the HCBS-MR waiver, and expenditures of \$39.3 million for the ICF-MR program. The request for the HCBS-MR waiver includes funding for the movement of 84 clients from state hospitals to the community and funding to serve 235 community clients from the community waiting list.

The Governor recommends expenditures of \$35.2 million for mental retardation services in the Division of Mental Health and Retardation Services in FY 1994, including \$25.8 million from the State General Fund. The recommendation includes funding to serve 75 new clients from the community waiting list with federal vocational rehabilitation funding as well as funding to annualize FY 1993 placements. For the HCBS-MR waiver, the Governor recommends \$28.8 million, a

reduction of \$6.4 million from the agency request. The recommendation includes funding of \$2.3 million for the placement of 84 clients from state hospitals to the community. No funding is recommended to serve additional community clients from the community waiting list. The Governor recommends \$37.1 million for the ICF-MR program in FY 1994, the same amount as in FY 1993.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor with the following adjustments:

1. The Subcommittee believes that adequate funding of community-based services and provisions to reduce the size of the community waiting list must accompany any decision to downsize or close a state hospital. The Subcommittee reviewed the five-year plan designed to eliminate the community waiting list and provide an array of services in the community. The recommendations below reflect the Subcommittee's commitment to improving the quality and availability of community services both for clients from state hospitals as well as for clients already residing in the community. The Subcommittee believes there must be commitment to community services prior to agreement on closure of a state hospital, and that funding from the state hospital must flow to the community.

The Subcommittee also heard testimony regarding certain "bottlenecks" in the community system which have impeded the movement of clients from state hospitals. Specifically, conferees identified the need for start-up funds for one-time purchases such as furniture and appliances. Community mental retardation centers also experience cash-flow problems through unreimbursed pre-placement expenses and delays in Medicaid reimbursement for client services after clients are placed. The Subcommittee strongly believes that the community system must be stabilized. A major shift in the way services are delivered to the MR/DD population also requires certain assurances of quality.

In light of these considerations the Subcommittee makes the following recommendations designed to address the community waiting list, funding constraints faced by community providers of MR/DD services, and issues of quality of services in the community.

2. The Subcommittee believes strongly that at the same time hospital clients are moved to the community, efforts must be made to reduce the size of the waiting list for community services. The primary waiting list, which consists of persons who would accept community services immediately if they were available, includes 955 persons. Of that total number, 656 are living in the community without any current services, 134 are in state institutions, 72 are private ICF-MR facilities, and 93 receive some limited services. By the natural process of persons finishing special education, the waiting list for adult services grows by approximately 200 persons each year. Without adequate provisions for adult day and residential services, the gains made by clients in special education programs can be lost while they wait for these services. Therefore, the Subcommittee recommends the following:

Add \$1,000,000 from the State General Fund (\$2,450,000 All Funds) to serve 235 community clients off the community waiting list for six months in FY 1994 through the Home and Community Based Services (HCBS-MR) Medicaid waiver. This funding will provide for costs of ongoing day and residential services for 235 persons.

This recommendation, coupled with the Governor's recommendation to place 84 clients from state hospitals to the community in FY 1994, and her recommendation to place 75 clients from the community waiting list in vocational rehabilitation activities, means an increase in the number of clients receiving services through community providers of 394 in FY 1994. The Subcommittee strongly believes that this commitment to reducing the community waiting list must be a continuing effort viewed as an essential piece of the decision to close a state hospital.

3. To address "bottlenecks" in the community service system as a first step towards downsizing state hospitals the Subcommittee recommends the following steps to support the community infrastructure and facilitate service delivery to both state hospital clients and community clients:
 - a. Add \$273,000 from the SRS Contingency Fund for one-time placement costs associated with the movement of 84 clients from state hospitals to the community in FY 1994. The Subcommittee heard testimony that one-time placement costs range from \$2,000 to \$5,000 per client. The Subcommittee recommendation is based on an average cost of \$3,250 per person. The Subcommittee recommends a proviso limiting maximum expenditures for any one client to \$5,000.
 - b. Add \$352,500 from the SRS Contingency Fund for one-time costs associated with the provision of services to 235 new clients from the community waiting list. Since one-time costs are less for clients in the community than for state hospital clients, the recommendation assumes average expenditures of \$1,500 per client for pre-placement planning and expenses, and one-time client expenses.
 - c. Transfer \$1.0 million from the SRS Contingency Fund to a Community Provider Guarantee Fund. This funding would allow the Kansas Development Finance Authority (KDFA) to issue approximately \$5.0 million in bonds. The Guarantee Fund would be used to provide loans to community providers either as a pool or on a stand alone basis for remodeling costs, the purchase of equipment, pre-placement expenses including staff time, and other one-time and start-up expenses. The Guarantee Fund could also be used for cash flow purposes but would not be used for ongoing operating expenses. The Subcommittee recommends that the interest be reinvested to provide a permanent revolving fund.

4. To ensure oversight and quality in the delivery of community services, the Subcommittee recommends the following:
 - a. Add \$1,000,000 from the SRS Contingency Fund for one-time funding for training services in the community. This recommendation provides one-time money for staff training for direct service staff in community mental retardation agencies. The Subcommittee realizes that training must be an ongoing initiative and was informed that subsequent to actual experience in capturing training costs and developing a database, these costs can be built into the reimbursement rates for both waiver and non-waiver clients. This recommendation assumes agencies will use a training curriculum developed and field tested by the Kansas University Affiliated Program, and assumes the equivalent of one full-time training coordinator for approximately 65 full-time direct care staff. The Subcommittee would note that the 1992 Legislature recommended \$495,000 from the State General Fund for one-half year of training services in FY 1993. The Governor's recommendation for FY 1994 included no funding for training.
 - b. Add \$61,543 from the State General Fund (\$154,000 All Funds) and 6.0 FTE to provide quality assurance staff in each area of the state. The Subcommittee believes it is essential to have staff to work with community programs to assure quality of programs and client services. The recommendation funds six staff positions for six months in FY 1994. The 1992 Legislature approved funding for six staff in FY 1993 to cover one-half of the state. This recommendation would provide quality assurance staff statewide by the end of FY 1994.
5. Add \$1,000,000 from the State General Fund for medical and therapeutic services for clients in the community. Clients moving from state hospitals to the community lose some medical services that were available to them in the state hospital but which are not currently covered under the Medicaid program. This recommendation would expand the Medicaid waiver to provide these essential services and would also provide funding for necessary medical and therapeutic interventions for those clients not served through the waiver. The Subcommittee would note that a portion of these funds will be matched with federal Medicaid funds for eligible clients. The Subcommittee believes that these services are essential in providing a continuum of care in the community, and that clients should not lose access to certain medical services merely because they have moved to a community setting. Examples of these services include specialized durable medical equipment; frequent replacement of glasses and hearing aids; physical therapy; speech therapy; and behavioral interventions. The Subcommittee notes that the agency requested \$3.1 million for medical and therapeutic services, but notes that there is no current data on what the actual cost of these services might be since they have never been available through the Medicaid program for persons in the community.

6. The Subcommittee is supportive of the concepts contained in the Developmental Disabilities Reform Act recently recommended for introduction by the House Appropriations Committee. In addition, in light of the recommendations in this report regarding support for the community system and the Subcommittee's recommendations regarding the closure of a state hospital, the Subcommittee recommends including language in H.B. 2047 directing SRS to begin the planning process towards consolidation from three to two state hospitals.
7. Delete \$405,007 from the State General Fund (\$974,511 All Funds) in the Home and Community Based Services program for the mentally retarded (HCBS-MR). The recommendation reflects adjustments to the FY 1994 base budget to reflect FY 1993 savings.
8. The Subcommittee recommends that community mental retardation centers, as a condition of receiving funding to serve additional clients, be required to incorporate parents, guardians and consumers into planning and ongoing care decisions.
9. The Subcommittee heard testimony regarding a proposed pilot project to be developed by the Department of Education, in cooperation with SRS, to address the educational services and supports for family and community life for children currently living in state institutions. The pilot project would be directed towards the development of child-centered plans tailored to the child's individual needs, including services and supports for an inclusive environment to meet their educational needs in their natural or surrogate families. Separate pilot projects would be developed to address children with: dual diagnosis of mental retardation and mental illness; medically fragile needs; behavioral disorders; and mental retardation/developmental disabilities. The pilot projects would include control groups of students currently in special education programs as well as pilot groups of children leaving state institutions. The pilot envisions funding through both special education and SRS community services funding, and would provide for reports back to the Legislature by February 1, 1994. The Subcommittee is cognizant of the many issues involved in serving children with special needs in the local school system and believes these pilot projects could provide important information towards developing community service models. The Subcommittee recommends that additional information be provided to the Senate Subcommittee or during the Omnibus Session regarding funding adjustments which might be necessary to accommodate these projects.
10. The Subcommittee firmly believes that reform of the MR/DD system must be a partnership that involves the state, service providers, consumers, families, advocates, and local and federal government. The Subcommittee believes that the counties must be full partners in this plan and that county participation in funding of these programs is an essential component in providing a full array of services. The Subcommittee would note that although counties may levy up to two mills for MR/DD services, most levy less than one mill. It is the Subcommittee's belief that ongoing state support for the expansion and development of community services must be accompanied by county-level commitment and financial support of community-based services.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the recommendations of the Committee.

Expenditure	House Adj. FY 94	House Rec. FY 94	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 154,000	\$ 213,409,017	\$ (154,000)
Local Aid	1,625,500	63,434,712	(165,000)
Other Assistance	2,475,489	992,676,292	(1,942,000)
Subtotal -- Operating	\$ 4,254,989	\$ 1,269,520,021	\$ (2,261,000)
Capital Improvements	--	4,002,648	--
TOTAL	\$ 4,254,989	\$ 1,273,522,669	\$ (2,261,000)
State General Fund:			
State Operations	\$ 61,543	\$ 86,960,081	\$ (61,543)
Local Aid	--	49,174,617	--
Other Assistance	1,594,993	284,092,377	(1,260,000)
Subtotal -- Operating	\$ 1,656,536	\$ 420,227,075	\$ (1,321,543)
Capital Improvements	--	73,313	--
TOTAL	\$ 1,656,536	\$ 420,300,388	\$ (1,321,543)
 FTE Positions	 6.0	 3,909.5	 (6.0)

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House with the following adjustments:

1. Delete the proviso that the House added to H.B. 2047 which directed the Secretary of SRS to commence planning activities for the consolidation from three to two state mental retardation institutions, with such consolidation not to take place sooner than June 30, 1997.
2. The Subcommittee recommends the establishment of a special committee during the 1993 interim dedicated to the study of reforming the MR/DD services delivery system, including community-based services. The Subcommittee believes

there are many questions which must be answered prior to a decision to close a state mental retardation institution or substantially expand the community services system. In its review of the budgets of the state mental retardation institutions and the community services budget, the Subcommittee heard testimony regarding the slow pace of client movement from institutions to the community and certain "bottlenecks" affecting community placements. The Subcommittee also received testimony expressing the need for additional funding and services in community settings to address start-up costs, medical needs, staff training and quality concerns. In particular, the Subcommittee is concerned about the impact of deinstitutionalization on local school districts. To address these questions, the Subcommittee recommends the following scope for an interim committee:

- a. A study of current client services in the MR/DD system, including those provided through state hospitals, private ICF-MR facilities, and community providers.
 - i. This study should include a review of the characteristics of clients currently served in each of these settings, including the appropriateness of current service settings, and the ability of clients to be served in less restrictive, more integrated environments.
- b. The study should identify service and system changes which must take place in the community services system to allow the successful placement of clients from state institutions and private ICF-MR facilities into community settings.
 - i. This study should include a review and analysis of the actual comparative cost of serving clients in community settings, including an evaluation of the costs of medical care, housing, educational expenses, staff training and quality assurance. The study should also include a review of the various funding sources used in community-care settings, including Social Security -- SSI, HUD housing subsidies, and vocational rehabilitation funds.
- c. The study would analyze the demand on and need for state hospital, private ICF-MR and community services, including an evaluation of the existing community waiting list and the effect of the freeze on admissions to state institutions.
 - i. This analysis should include a review of the number of clients in state hospitals and private ICF-MR facilities who could be served in community settings, and a review of the need for state hospital services for certain clients now residing in the community.

- ii. This analysis should include a review of gatekeeping options the state could use to decrease the ICF-MR populations, including, if necessary, possible statutory changes to allow the state to control admissions to private ICF-MRs.
 - iii. In evaluating the community waiting list, the Committee should review the level of services needed by clients on the waiting list, any current services provided to such clients, and how soon clients need access to these services.
 - d. Study the impact of deinstitutionalization on local school districts and the special education system, including a review of options regarding education dollars "following the student."
 - e. Review existing local and private support for MR/DD services, and make recommendations as to options to enhance the partnership between the state, counties and the private sector.
3. Delete \$468,000 from the State General Fund (\$1,150,000 All Funds) in HCBS-MR waiver funding to reduce the number of community waiting list clients served in FY 1994 from 235 as recommended by the House to 125. The Subcommittee's recommendation provides new funding in FY 1994 totaling \$532,000 from the State General Fund (\$1.3 million All Funds) for new community client placements. The Subcommittee heard testimony regarding the size of the community waiting list, including testimony that the list for services increases by approximately 200 clients each year due to students graduating from the special education system. The Subcommittee's recommendation of 125 new placements from HCBS-MR funds, along with the Governor's recommendation to serve 75 new clients from vocational rehabilitation funding should allow 200 new community clients to receive services in FY 1994 and hold the waiting list stable.
4. The Subcommittee concurs with the addition of start-up funds from the SRS Contingency Fund as recommended by the House to facilitate the movement of clients from state institutions to the community. The Subcommittee makes the following adjustments to the House recommendation:
- a. Delete \$165,000 from the SRS Contingency Fund to provide one-time placement funding for 125 clients from the community waiting list, as compared to 235 in the House recommendation.
 - b. The Subcommittee recommends that state hospitals placing clients into the community through the pilot projects recommended in the state mental retardation institution recommendations have access to these start-up funds in the same manner as community providers.

5. Delete the transfer of \$1.0 million from the SRS Contingency Fund to a Community Provider Guarantee Fund. The House recommended establishment of a fund to serve as a guarantee for KDFA bond issuances on behalf of community providers. The Subcommittee heard testimony that the fund established by the House would not address cash flow issues identified by community providers as contributing to a "bottleneck" in client placements. Bonds issued under the House recommendation could be used only for the purchase of capital equipment or for capital renovations, not for operating expenses or to alleviate cash flow problems.
6. To alleviate cash flow problems experienced by community providers as reliance on Medicaid funding for client services increases, the Subcommittee recommends the transfer of \$500,000 from the Intermediate Care Facility (ICF) Revolving Fund to a new Community Mental Retardation Center Revolving Fund to be used for short-time loans to community providers. The ICF revolving fund was established to assist new ICF-MR facilities developing at the time of the closure of Norton State Hospital. The Governor's recommendation for FY 1994 transfers the balance in the fund (\$500,000) to the State General Fund.
7. Delete \$1,000,000 from the State General Fund recommended by the House for medical and therapeutic services for clients in the community. The Subcommittee was informed that the agency does not have an accurate estimate of the needed services or of the cost of providing services in the community which are currently available to clients in state institutions. The Subcommittee requests that the agency further evaluate this issue and derive an average cost per client for these additional medical services. This information should be reported to the interim committee requested by this Subcommittee or to the 1994 Legislature.
8. Add \$208,000 from the State General Fund to provide a total of \$1,000,000 for the family subsidy program in FY 1994.
9. Delete \$61,543 from the State General Fund (\$154,000 All Funds) and 6.0 FTE positions added by the House for quality assurance field staff. The 1992 Legislature added 6.0 FTE positions for the last half of FY 1993. These positions have been in place approximately two months. The Subcommittee believes it is premature to recommend additional staffing prior to an evaluation of the effectiveness of staffing added in the current fiscal year. The Subcommittee recommends that the 1994 Legislature review the effectiveness of current new staff in providing technical assistance and assuring quality in the delivery of community services.
10. The Subcommittee is supportive of the recommendation made by the House regarding pilot education projects to be developed by the Department of Education in cooperation with SRS to address educational services and supports for family and community life for children currently residing in state institutions. As discussed earlier, the Subcommittee believes that the impact of deinstitutionalization on special education is a major issue which needs additional study. The Subcommittee recommends that any pilot projects be coordinated with the work of the interim committee.

11. The Subcommittee concurs with the House regarding the need for a commitment on the part of local communities in the provision of services to the mentally retarded and developmentally disabled. The Subcommittee concurs that reform of the MR/DD system must be a partnership that involves the state, local government, consumers, families, advocates, and service providers.

MEMORANDUM

Kansas Legislative Research Department

300 S.W. 10th Avenue
Room 545-N – Statehouse
Topeka, Kansas 66612-1504
Telephone (913) 296-3181 FAX (913) 296-3824

March 29, 1993

To: Senate Committee on Ways and Means
From: Laura Howard, Senior Fiscal Analyst
Re: Community Mental Retardation Services

This memorandum responds to questions on the family subsidy and the community waiting list which arose during discussion of the Community Mental Retardation Services portion of the SRS budget.

Family Subsidy

Questions arose regarding eligibility for the family subsidy program.

The family subsidy program provides direct cash assistance to families with one or more children with developmental disabilities to assist families in meeting expenses of caring for children in their own home or community.

Eligibility. To qualify, the child, under age 18, must:

- be developmentally disabled;
- reside with a mother, father, brother, or sister;
- family must have an adjusted gross income on federal and state tax returns of less than \$65,000 per year; and
- the family must not receive other support services such as Home and Community Based Services (HCBS), respite, or home support at no cost to the family.

Selection. The number of families applying for the subsidy far exceeded the available funding. The agency considered several methods of enrolling families, and decided to use random selection. The only caveat to this random selection is that families were chosen from community mental retardation center regions of the state based on percentage of total population.

SWAM
March 26, 1993
Attachment 9

Of the original group of families selected for the subsidy, the average income was \$26,231. The median income was \$25,378. None of the families originally applying for the subsidy had incomes greater than \$65,000. Of the original enrollees, two had incomes greater than \$60,000, and four had incomes greater than \$50,000.

Community Waiting List

The attached chart summarizes the changes in the community waiting list over the last several years. Until 1992, the agency maintained one waiting list and did not segregate those on the waiting list into a primary waiting list category, including only those who if offered would accept services immediately, and a secondary waiting list of those who would accept services in the future. Thus, primary waiting list data is only available for 1992 and 1993. The attached chart depicts those waiting for community services who are currently without any service. Thus, those currently residing in state mental retardation institutions or private Intermediate Care Facilities (ICF-MRs) are excluded.

The attached table shows that since January, 1990, the combined waiting list has grown from 947 to 1,131 persons, an increase of 184 persons. From January, 1992 to January, 1993, the waiting list decreased by 56 persons, from 1,187 to 1,131.

The primary waiting list, for which data is only available for two years, increased by 11, from 645 in January, 1992, to 656 in January, 1993.

These numbers would suggest that funding in recent years for community placements, particularly through the HCBS-MR waiver, has assisted in stabilizing the waiting list. It should also be noted that demand for day services has declined, while demand for residential services has increased.

The last chart on the attached page summarizes the Active List, that is, those currently served by community programs. The chart reflects that the number served in community programs has grown from 4,856 in January, 1991 to 5,673 in January, 1993, an increase of 817.

COMMUNITY MENTAL RETARDATION SERVICES WAITING LIST

Combined Primary and Secondary Lists

	TOTAL WITHOUT SERVICES	SERVICES NEEDED		
		DAY ONLY	RESIDENTIAL	DAY AND RESIDENTIAL
January 1990	947	233	475	198
January 1991	1,062	211	542	271
January 1992	1,187	300	496	345
January 1993	1,131	209	549	321

Primary Waiting List Only

	TOTAL WITHOUT SERVICES	SERVICES NEEDED		
		DAY ONLY	RESIDENTIAL	DAY AND RESIDENTIAL
January 1992	645	205	275	131
January 1993	656	131	345	135

Persons Currently Served

	TOTAL SERVED	SERVICES PROVIDED			
		DAY ONLY	RESIDENTIAL	DAY AND RESIDENTIAL	ICF-MR
January 1991	4,856	1,568	443	1,397	986
January 1992	5,221	1,704	352	1,694	977
January 1993	5,673	1,757	466	1,900	939