Approved: May 24, 2002 (by letter)

## MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Stephen Morris at 1:05 p.m. on April 1, 2002 in Room 123-S of the Capitol.

All members were present except: All present

Committee staff present:

Deb Hollon, Kansas Legislative Research Department Martha Dorsey, Kansas Legislative Research Department Audrey Nogle, Kansas Legislative Research Department Norman Furse, Revisor of Statutes Michael Corrigan, Assistant Revisor of Statutes Judy Bromich, Assistant to the Chairman Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Gerald Schneider, Chief Financial Officer, Kansas Department of Human Resources Connie Hubbell, Secretary, Kansas Department on Aging Maria Russo, President, Kansas Area Agencies on Aging Association

Others attending: See attached list

Chairman Morris opened the public hearing on:

### HB 2612--State finances, biennial budget estimates

Staff briefed the Committee on the bill.

Gerald Schneider, Chief Financial Officer, Kansas Department of Human Resources, appeared as a conferee regarding <u>HB 2612</u> (<u>Attachment 1</u>). Mr. Schneider mentioned that the flow of federal funding would require the Department of Human Resources to submit an extensive revised budget during the odd years to reflect the latest figures. He also noted that they believed that the amount of legislative staff and hearing work would increase; nevertheless, they are open to new approaches and they stand ready to move forward as a biennial budget agency if it is the desire of the Legislature.

Committee questions and discussion followed. There being no further conferees to come before the Committee, the Chairman closed the public hearing on <u>HB 2612</u>.

Chairman Morris opened the public hearing on:

### HB 2613--Joint estimates of revenue to state general fund

Staff briefed the Committee on the bill.

There were no conferees to come before the Committee and the Chairman closed the public hearing on <u>HB 2613</u>. Committee discussion followed regarding <u>HB 2613</u>.

Senator Kerr moved, with a second by Senator Schodorf, to amend the original language from **HB 2612** into **HB 2613** and move **HB 2613** favorable as amended. Committee discussion followed.

Senator Barone moved a substitute motion, with a second by Senator Huelskamp, to bring all of the provisions of **HB 2612** as amended by House Committee of the Whole into **HB 2613**. Committee discussion followed. A vote was taken on the substitute motion by Senator Barone and the motion failed. A vote was taken on the original motion by Senator Kerr to move **HB 2613** favorable as amended and that motion carried.

### CONTINUATION SHEET

Chairman Morris opened the public hearing on:

## HB 2764-Kansas senior care act, amendments relating to allocations for area agencies on aging

Staff briefed the Committee on the bill.

Connie Hubbell, Secretary, Department on Aging, testified in support of <a href="HB 2764">HB 2764</a> (Attachment 2). Secretary Hubbell explained that the 2001 Kansas Legislature directed the Kansas Department on Aging to combine all State General Fund in-home service programs under the Department into one funding stream. The Department on Aging responded by reviewing the issues to combine the programs into one program. This resulted in the recommendation to combine the Income Eligible, Senior Care Act, Custom Care, SGF Case Management and Environmental Modification programs into one program entitled the Senior Care Act (SCA).

Maria Russo, President, Kansas Area Agencies on Aging Association, testified in support of <u>HB 2764</u> (<u>Attachment 3</u>). Ms. Russo mentioned that they are in complete support of the statute changes presented in <u>HB 2764</u>, as amended.

Written testimony was submitted by the Kansas State Nurses Association in support of <u>HB 2764</u> (Attachment 4).

Chairman Morris thanked the conferees for appearing before the Committee. Committee questions and discussion followed. There being no further conferees to come before the Committee, the Chairman closed the public hearing on <u>HB 2764</u>.

Senator Kerr moved, with a second by Senator Downey, to recommend **HB 2764** favorable for passage. Motion carried on a roll call vote.

The meeting was adjourned at 2:25 p.m. The next meeting is scheduled for April 2, 2002.

# SENATE WAYS AND MEANS COMMITTEE

DATE Opril 1, 2002

NAME	REPRESENTING
Julie Shomas	208
maria Russo	BS assoc agencies on aging
Stuart Little	Vs Assoc. Agenigan Aging
1308 HAYET	HCSF
Shannon mes	SILCIC
Jay awald	Consistion For Independence
Resecca Reed	KS Don of agriculture.
Hunley Schneuler	KOHR
- Junas Debon	Kora
OShdi Showes	ROUA
Connie Hubbell	KNUT
Jan's DeBoen	Kpon

## **Testimony to Senate Way and Means Committee**

## Monday, April 1, 2002

By Gerald Schneider Chief Financial Officer, Kansas Department of Human Resources

Esteemed committee members:

Thank you for the opportunity to appear today and talk about our agency inclusion into a biennial budget cycle. The Legislative Budget Committee report states that the state will move in a slow and caution matter in the direction of a biennial budget. We can only assume that due to our relative small amount of State General Fund that KDHR was identified as a candidate to include a larger state agency into this process. From discussions with agencies already on the biennial cycle, the even year two-year budget does take more work and effort. At KDHR we believe due to the complexity and variety of our programming and funding that the odd year budget will probably entail as much work and time to complete. We have federal programs on the state fiscal year and we have several federal programs on the federal fiscal year (Oct. to Sept.). The flow of federal funding would require KDHR to submit an extensive revised budget during the odd years to reflect the latest figures. We believe the amount of Legislative staff and hearing work will increase. Nevertheless, we are open to new approaches and stand ready to move forward as a biennial budget agency if that is the desire of the Legislature.

Senate Ways and Means 4-1-02 Attachment 1



## State of Kansas Department on Aging

## Connie L. Hubbell, Secretary

Janis DeBoer
Deputy Secretary

New England Building 503 S. Kansas Avenue Topeka, Kansas 66603 phone: (785) 368-6684 fax (785) 296-0256 Doug Farmer
Assistant Secretary

New England Building 503 S. Kansas Avenue Topeka, Kansas 66603 phone: (785) 296-6295 fax (785) 296-0767

Senate Ways and Means Committee April 1, 2002

House Bill 2764-Senior Care Act Statute Changes

For information contact:
Sheli Sweeney, Legislative Liaison
(785) 296-5222 or michelle@aging.state.ks.us

## REPORT TO THE SENATE WAYS AND MEANS COMMITTEE BY CONNIE HUBBELL, SECRETARY KANSAS DEPARTMENT ON AGING April 1, 2002

Good afternoon, Mr. Chairman and members of the committee. Thank you for this opportunity to present testimony on the Senior Care Act statute as amended in House Bill 2764. I am Connie Hubbell, Secretary of Aging.

The 2001 Kansas Legislature directed the Kansas Department on Aging to combine all State General Funded in-home service programs under the Department into one funding stream.

The Department on Aging responded by reviewing the issues to combine the programs into one program. The resulted in the recommendation to combine the Income Eligible, Senior Care Act, Custom Care, SGF Case Management, and Environmental Modification programs into one program entitled the Senior Care Act (SCA).

Positive outcomes obtainable by combining the State General Fund programs include:

- Case Management services will be more accessible.
- The provider pool will be larger.
- Customers will maintain the same providers regardless of their income.
- The provider billing process will be streamlined.
- The KDOA administrative processes will be streamlined.
- The Secretary will appropriate matching dollars to Area Agencies on Aging who currently receive funds from local units of government or who will receive new funds from local units of government.

To accomplish the consolidation of programs, it is necessary to amend the current Senior Care Act statute, K.S.A. 75-5928 through K.S.A. 75-5933. House Bill 2764 addresses the changes.

Attachment A outlines a comparison of the current Senior Care Act and Income Eligible programs to the proposed Senior Care Act Program.

The Senior Care Act program will continue to provide homemaker services, chore services, attendant care services, and case management services in the customer's home. The program serves individuals who are 60 years of age or older. Customers will have a required copayment for services. The co-payment will be based on a sliding fee scale determined by self-reported income and liquid assets. See **Attachment B** for the DRAFT Senior Care Act sliding fee scale.

Senate Ways and Means Committee
Office of the Secretary \* April 1, 2002

The Senior Care Act, as amended in HB 2764, will provide a seamless system, with one set of eligibility criteria. Funds will be appropriated as one budget item.

The current Senior Care Act program requires match and customers are required to pay a share of the case management services. Consequently, fewer customers access case management under the program. Since case management will be exempt from the sliding fee scale in the proposed Senior Care Act, this should increase access to case management services, without increasing costs to the State.

Currently, there are a limited number of providers who deliver Senior Care Act services. Once the programs are combined, providers may be more willing to deliver services. Providers may realize an economy of scale with the new program. Also, billing and reporting processes will be streamlined, thereby allowing providers to realize even more efficiencies.

The Kansas Department on Aging funds SCA services through the AAAs. The combined SCA program expended \$8,051,936 SGF for services in FY 2001. The KDOA FY 2002 budget includes \$8,062,974 for the Senior Care Act program. The Department's budget includes \$8.5 million for the SCA program in FY 2003 to serve an estimated 7,302 seniors at an average cost per customer per year of \$1,158.

Combining all of KDOA's State General Funded programs into the Senior Care Act Program will be an advantage to customers, making it easier to access services. It will also be an advantage to service providers, in decreasing administrative processes. In addition, funds generated by co-payments from customers may increase, since income and liquid assets will be considered.

Mr. Chairman and members of the committee, thank you for the opportunity to brief you on the important work KDOA is doing for Kansas seniors. I will now stand for questions.

Income Eligible Program Today	Senior Care Act Program Today	Senior Care Act 2003										
Eligibility Requirements												
Age - 60 Years of Age or Older	Age - 60 Years of Age or Older	Age - 60 Years of Age or Older										
Resident - of the State of Kansas	Resident - of the State of Kansas	Resident - of the State of Kansas										
Financial - Income Below 150% of Poverty	Financial - None	Financial - None										
Functional - The customer has impairment in a minimum of two (2) Activities of Daily Living (ADLs) with a minimum combined weight of six (6); and impairment in a minimum of three (3) Instrumental Activities of Daily Living (IADLs) with a minimum combined weight of nine (9); and a total minimum level of care weight of 26; OR The customer has a total minimum weight of 26, with at least 12 of the 26 being IADL points and the remaining 14 being any combination of IADL, ADL, and/or Risk Factor points.	Functional - Impairment in at least one ADL or IADL	Functional - The customer has impairment in a minimum of two (2) Activities of Daily Living (ADLs) with a minimum combined weight of six (6); and impairment in a minimum of three (3) Instrumental Activities of Daily Living (IADLs) with a minimum combined weight of nine (9); and a total minimum level of care weight of 26; OR The customer has a total minimum weight of 26, with at least 12 of the 26 being IADL points and the remaining 14 being any combination of IADL, ADL, and/or Risk Factor points.										
		<u>Current customers</u> having scores of less than this will be grandfathered.										
Service Provision												
Case Management - Provided from either State General Fund Case Management or Income Eligible Funds.	Case Management - Provided from either State General Fund Case Management or Senior Care Act Funds, which require a customer co-pay.	Case Management - will be provided from the Senior Care Act program. Case Management will not require a customer co-pay and does not need to meet the functional score to receive services.										
Maximum expenditure per customer - \$1,445 per month, excluding Assessment and Case Management.	Maximum expenditure per customer - \$1,445 per month, excluding Case Management.	Maximum expenditure per customer - \$1,445 per month, excluding Assessment, Case Management and one time services.										

Income Eligible Program Today												
Match												
Program income, generated from a sliding fee scale, provides additional funds for this program.	\$1 of matching funds or in-kind resources for every \$ 2 of state funds is required. Program income can be used to meet the matching funds. Service providers can also provide matching funds.	Local units of government shall maintain the funding level provided directly to area agencies on aging for match. The secretary shall establish the ratio for match in rules and regulations.  A portion of the appropriation determined by the secretary may be allocated (incentive allocation) to area agencies on aging that receive matching funds in excess of the amounts required above. The secretary shall establish the ratio for match in rules and regulations.										
	,	Program income will be generated from a sliding fee scale, and will be a source of additional funds for this program.										
	Sliding Fee Scale											
Income information is used to determine the amount the customer pays on the sliding fee scale.	Income information is used to determine the amount the customer pays on the sliding fee scale.	Income and Liquid asset information will determine the amount the customer will pay on the sliding fee scale.										
January 23, 2002		Page 2										

KANSAS
DEPARTMENT ON AGING

MEMO

OFFICE

To:

Janis DeBoer

From:

Cindy Lane, In-Home Program Manager

Subject:

Proposed Sliding Fee Scale

Date:

March 29, 2002

Find attached the draft sliding fee scales. The scale will be adjusted as soon as we receive the poverty guidelines that are to be used for the upcoming year.

To use the scale you determine the family size and match the person's income to their liquid assets to determine the percentage they will pay of the services they receive. For instance if one person has an income of \$1,000 a month and liquid assets of \$45,000 they would pay 40% of all the services they receive. This would equate to \$4.00 for every \$10.00 of service they receive.

We welcome your input. Please contact me at (785)296-6448 if you have any questions or comments.

Effective 7/1/2002

									LIQU	ID ASSETS	3				***************************************				
	1 Pe	erson H	lousehold	0-10,000	10,001-20,000	20,001-30,000	30,001-40,000	40,001-50,000	50,001-60,000	60,001-70,000	70,001-80,000	80,001-90,000	90,001-100,000	100,001-110,000	110,001-120,000	120,001-and Above	1 Perso	n Hous	sehold
	0 to		807	Donation	5	10	15	20	30	40	50	60	70	80	90		0	to	807
	808		907	5	10	15/	20	30	40	50	60	70	80 ,	90		1	808	to	907
	908	to	1,007	10	15	20	30	40 .	50	60	70	80	90		1		908	to	1,007
	1,008	to	1,107	15	20	30	40	50	60	70	80	90					1,008	to	1,107
111	1,108	to	1,207	20	30	40	50	60	70	80	90		1				1,108	to	1,207
Σ	1,208	to	1,307	30	40	50	60	70	80	90							1,208	to	1,307
INCOME	1,308	to	1,407	40	50	60	70	80	90		1		1		100	100	1,308	to	1,407
2	1,408	to	1,507	50	60	70	80	90		1			400	100	100		1,408	to	1,507
	1,508	to	1,607	60	70	80	90				100	100	100				1,508	to	1,607
	1,608	to	1,707	70	80	90			100	100	100						1,608	to	1,707
	1,708	to	1,807	80	90		100	100	100								1,708	to	1,807
	1,808	to	1,907	90	100	100	100							17			1.808	to	1,907
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									LIQUI	D ASSETS									
								T	LIGO	DAGGETG									
			ousehold	0-10,000	10,001-20,000	20,001-30,000	30,001-40,000	40,001-50,000	50,001-60,000	60,001-70,000	70,001-80,000	80,001-90,000	90,001-100,000	100,001-110,000	110,001-120,000	120,001-and Above	2 Perso	n Hous	ehold
1	1,193	to	1,192	Donation	5	10	15	20	30	40	50	60	70	80	90		O	to	1,192
1		to	1,292	5	10	15	20	30	40	50	60	70	80	90			1,193	to	1,292
1	1,293	to to	1,392 1,492	10 15	15	20	30	40	50	60	70	80	90				1,293	to	1,392
1	1,493	to	1,492		20	30	40	50	60	70	80	90					1,393	to	1,492
빌	1,593	to	1,692	20 30	30	40	50	60	70	80	90						1,493	to	1,592
0	1,693	to	1,792	40	40 50	50	60	70	80	90							1,593	to	1,692
NCOME	1,793	to	1,792	50	60	60 70	70	80	90					50,000	100	100	1,693	to	1,792
=	1,893	to	1,992	60	70	80	80	90					100	100	100		1,793	to ·	1,892
1 1	1,993	to	2,092	70	80	90	90			400	100	100	.55				1,893	to	1,992
1 1	2,093	to	2,192	80	90	90		100	100	100	100000						1,993	to	2,092
1 1	2,193	to	2,192	90	90	100	100	100	V430V350V40V4								2,093	to	2,192
1 1	2,193	and	Above	100	100	100										1	2,193	to	2,292
h:\slie	ding fee sca		WP046	100													2,293	and	Above
	3.00 000																		

#### SCA SLIDING FEE SCALE

#### Effective 7/1/2002

									LIG	UID ASS	ETS									
	3 Pers	son Hou	sehold	0-10,000	10,001-20,000	20,001-30,000	30,001-40,000	40,001-50,000	50,001-60,000	60,001-70,000	70,001-80,000	80,001-90,000	90,001-100,000	100,001-110,000	110,001-120,000	120,001-and Above	3 Pers	son Hou	ısehold	
	0 to 1,577			Donation	5	10	15	20	30	40	50	60	70	80	90		0	to	1,577	
	1,578	to	1,677	5	10	15	20	30	40	50	60	70	80	90			1,578	to	1,677	
	1,678	to	1,777	10	15	20	30	40	50	60	70	80	90		1		1,678	to	1,777	
	1,778	to	1,877	15	20	30	40	50	60	70	80	90					1,778	to	1,877	
111	1,878	to	1,977	20	30	40	50	60	70	80	90		1				1,878	to	1,977	
ME	1,978	to	2,077	30	40	50	60	70	80	90							1,978	to	2,077	
INCOME	2,078	to	2,177	40	50	60	70	80	90		1				100	100	2,078	to	2,177	
ž	2,178	to	2,277	50	60	70	80	90					100	100	100		2,178	to	2,277	
	2,278	to	2,377	60	70	80	90				100	100	100				2,278	to	2,377	
	2,378	to	2,477	70	80	90			100	100	100						2,378	to	2,477	
	2,478	to	2,577	80	90		100	100									2,478	to	2,577	
	2,578	to	2,677	90	100	100	100										2,578	to	2,677	
	2,678	and	Above	100	100										8		2,678	and	Above	
		LIQUID ASSETS																		
	4 Pers	on Hous		0-10,000	10,001-20,000	20,001-30,000	30,001-40,000	40,001-50,000	50,001-60,000	60,001-70,000	70,001-80,000	80,001-90,000	90,001-100,000	100,001-110,000	110,001-120,000	120,001-and Above	4 Person Household			
	0	to	1,962	Donation	5	10	15	20	30	40	50	60	70	80	90		0	to	1,962	
	1,963	to	2,062	5	10	15	20	30	40	50	60	70	80	90			1,963	to	2,062	
	2,063	to	2,162	10	15	20	30	40	50	60	70	80	90		Č.		2,063	to	2,162	
L	2,163	to	2,262	15	20	30	40	50	60	70	80	90					2,163	to	2,262	
ш	2,263	to	2,362	20	30	40	50	60	70	80	90						2,263	to	2,362	
NCOME	2,363	to	2,462	30	40	50	60	70	80	90			N.				2,363	to	2,462	
8 [	2,463	to	2,562	40	50	60	70	80	90						460	100	2,463	to	2,562	
ž	2,563	to	2,662	50	60	70	80	90					400	100	100		2,563	to	2,662	
	2,663	to	2,762	60	70	80	90		7		400	100	100			ŀ	2,663	to	2,762	
	2,763	to	2,862	70	80	90			400	100	100	100(2007)					2,763	to	2.862	
	2,863	to	2,962	80	90		100	100	100							1	2,863	to	2,962	
	2,963	to	3,062	90		100	100									ŀ	2,963	to	3,062	
	3,063	and	Above	100	100											-	3,063	and	Above	
	scale																0,000	and	Mouve	



## Meeting the Needs of Older Kansans

1720 SW TOPEKA BOULEVARD • TOPEKA, KS 66612 • 785-235-8734 • FAX - 785-235-8747

## Testimony to Senate Ways and Means Committee

April 1, 2002 House Bill 2764, As Amended - Senior Care Act Statute Changes

> Presented by Maria Russo, President Kansas Area Agencies on Aging Association **(785) 235-1367**

Thank you for the opportunity to speak with you today regarding House Bill 2764, statute changes to the Senior Care Act.

The 2001 Kansas Legislature directed the Kansas Department on Aging to combine all State General Funded in-home service programs under the Department into one funding stream. This has resulted in combining the Income Eligible, Senior Care Act, Case Management, Custom Care and Environmental Modification programs into one program entitled the Senior Care Act (SCA).

Connie Hubbell, Secretary on Aging, will be outlining for you the benefits of the changes to the program and the corresponding statute changes that are required.

The eleven Area Agencies on Aging within Kansas are the local administrators of the SCA program. As such, we have been very appreciative of the Department's efforts to involve us in the discussions and decisions surrounding these changes. We are in complete support of the statute changes presented in HB 2764, as amended.

The Senior Care Act program provides homemaker, chore, attendant care, and case management services in the customer's home. The program serves individuals who are 60 years of age or older, although the majority of customers are over the age of 75. Customers have a required copayment for services, which is based on a sliding fee scale. Self-reported income and liquid assets determine the fee.

SGF funding for SCA through the Department on Aging is as follows:

FY '01 \$8,051,936 FY '02 \$8,062,974 FY '03 requested \$8,500,000

#### AREA AGENCIES ON AGING:

It is estimated that the SCA program will serve approximately 7,302 seniors for FY '03. The cost is projected at an annual average of \$1,158 per senior.

The SCA program targets those most frail seniors who are at risk of institutionalization but who are able to reside in the community because some services are available. The 1997 Senior Care Act evaluation reported 51% of the recipients said the services definitely kept them from entering a nursing home and an additional 46% responded that without the services they could possibly remain at home, but with difficulty

This is a very cost-effective program for Kansas. The KDOA 2000 Annual Report states, "A review of the cost effectiveness... indicated that for every dollar of SGF expended... there was a \$2.41 decrease in the state's financial obligation had the consumer been residing in a Medicaid certified adult care facility."

It is very distressing to hear of the cuts slated for this program. For every \$1,000,000 that is cut from this program, 848 seniors will lose services - the services that are literally keeping them out of nursing homes. However, when only 36 of those individuals (4% of those removed) do enter a nursing home, the cost will be that \$1,000,000 of expected savings.

This very unfortunate budget situation has the State gambling at terrible odds. A cut to this program means you are willing to risk that for every **24 seniors removed from SCA services** (at a total cost of \$28,272) **only one of them will enter a nursing home** (at a cost of \$27,720) — and that will only get you to a **break-even point**.

More than 95% of the clients on this program have said these services are a significant factor in keeping them out of a nursing home. Yet, when only 4% of those seniors whose services are cut do enter a nursing home, there will be absolutely no cost savings.

I wish you the best of luck in your difficult decisions regarding the budget. I am sure that you are aware of the potential life-altering impact your decisions will have on many of our most frail and vulnerable seniors.

Thank you for the opportunity to present this information to you. I would be pleased to answer any questions that you have.



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THE VOICE AND VISION OF NURSING IN KANSAS

Terri Johnson M

A.R.N.P.

PRESIDENT

TERRI ROBERTS J.D., R.N. EXECUTIVE DIRECTOR

April 1, 2002

## HB 2764 Senior Care Act

Written Testimony to the Senate Ways and Means Committee

The KANSAS STATE NURSES ASSOCIATION supports the State's efforts to economize yet provide the services needed for the elderly in our State. We commend the Department on Aging for submitting these revisions to consolidate Care Plans for Older Adults in Kansas which are funded by the SGF.

Reviewing the outlined changes in the consolidation plan indicates an effort to create a seamless system that will allow beneficiaries to continue with the same providers regardless of their income. The pool of providers is larger because all providers will be available for any of the programs, thereby ensuring needed services available to those living in less densely populated areas of the State. Further, improved coordination of care accessible through less restrictions to case management will assist providers to more totally meet the needs of clients.

The administrative services would be streamlined through the use of similar processes, thereby reducing the cost of reporting and billing.

In order to reduce the cost to the State for services to the clients in programs served by the Department of Aging, reorganization of the Plan is necessary. The KANSAS STATE NURSES ASSOCIATION believes that these suggested changes will help to accomplish a reduction in the cost for care for clients yet provide effective and quality care by more providers.

Thank you for the opportunity to offer our support for HB 2764, and we heartily recommend you pass this bill out favorably.

The mission of the Kansas State Nurses Association is to promote professional nursing, to provide a unified voice for nursing in Kansas and to advocate for the health and well-being of all people.

CONSTITUENT OF THE AMERICAN NURSES ASSOCIATION

Senate Ways and Means 4-1-02 Attachment 4