

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Marc Rhoades at 9:17 a.m. on March 10, 2011, in Room 346-S of the Capitol.

All members were present

Committee staff present:

Jim Wilson, Office of the Revisor of Statutes
J.G. Scott, Office of the Revisor of Statutes
Alan Conroy, Kansas Legislative Research Department
Jarod Waltner, Kansas Legislative Research Department
Shirley Morrow, Kansas Legislative Research Department
Cindy O'Neal, Administrative Assistant, Appropriations Committee
Kathy Holscher, Committee Assistant, Appropriations Committee

Others attending:

See attached list.

- Attachment 1 FY 2012 Budget Committee Reports – Department on Aging, Rainbow Mental Health Facility, Osawatomie State Hospital, Larned State Hospital
- Attachment 2 FY 2012 Minority Report – Kansas Department on Aging

Chairman Rhoades welcomed committee members and reviewed the meeting agenda.

Representative Crum, Chair, Social Services Budget Committee presented the FY 2012 Department on Aging Budget Committee Report, (Attachment 1). The Budget Committee concurred with the Governor's recommendation with the following adjustments: reduction of \$1.8 million including \$800,000 from the State General Fund, agency utilizes realized savings through reorganization of agency operations to restore resource items for the Senior Care Act and Nutrition Program, noted that Home and Community Based Services for the Frail Elderly waiver may need to implement a waiting list for available resources or may be served in higher cost nursing facilities, recommended a review of Fire Marshal regulations and codes in nursing facilities and the need for life and safety regulations, and commended the secretary for support of senior population.

Representative Ballard presented the FY 2012 Kansas Department on Aging Minority Report, (Attachment 2). The report contained concerns with the Budget Committee recommendations in regards to the following: sweeping funds resulting in additional agency operations reductions, the Senior Care Act and Nutrition Program reductions, and the elimination of 20 FTE positions which are currently filled.

Representative Ballard made a motion to approve the FY 2012 Minority Report for the Kansas Department on Aging. The motion was seconded by Representative Henry.

Discussion followed by committee members regarding the Minority Report. It was noted that if approved, it would replace the Budget Committee Report, which reverts to the Governor's Budget recommendations. A committee member stated that the Budget Committee Report would represent a \$49.4 million increase for Medicaid caseloads for nursing facilities and Frail Elderly waivers.

J.G. Scott, Office of Revisor of Statutes, responded to questions from committee members. He stated that the Governor's original ending balance was \$7.5 million for FY 2012, the committee added an additional \$2.9 million to the Governor's expenditures, which lowered the ending balance by approximately \$3 million. This recommendation would result in approximately \$4.6 million ending balance. He reported that the taxes from the consensus estimating process were increasing 4.3% and the Governor's recommendations represents an increase of 4.4%.

Discussion continued by committee members regarding the impact of budget reductions and economic trends. To date \$2.88 million for expenditures has been added back in to the FY 2012 budget. It was noted that \$18.4 million has been placed in the FY 2012 budget for the Nutrition Program and seniors are eligible for food stamps if they meet the income guidelines.

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:17 a.m. on March 10, 2011, in Room 346-S of the Capitol.

Shawn Sullivan, Secretary, Department on Aging, responded to questions from committee members. He discussed the differences in the Governor's budget as compared to the Budget Committee Report. The total for the Senior Care Act, Meals on Wheels and the additional \$900,000 for the Frail Elderly waiver would be \$2.5 million, \$1.6 million has been identified as a savings due to reorganization and the agency will work with CMS regarding fraud abuse, Secretary Sullivan added.

J.G. Scott, Office of the Revisor of Statutes, responded to additional questions from committee members. He stated that the stimulus dollars would be replaced in FY 2012, and would not continue in FY 2013. This represents a one-time shift in what would be the federal match rate, he added.

Discussion continued by committee members. It was noted that the Budget Committee recommendation would capture the savings of \$1.2 million for the Frail Elderly waiver, which will increase the number of people served over the prior year. However, the \$800,000 that was captured was not recommended to be replaced in the budget and the elimination of 20 FTE positions has not been confirmed to date. The Minority Report would represent the Governor's recommendation, it was noted. Concern was expressed on the impact of reducing nutrition programs.

The motion to approve the Minority Report was renewed. The motion failed.

Representative Crum made a motion to approve the Social Services FY 2012 Budget Committee Report. The motion was seconded by Representative Mast.

Representative Kelley made a substitute motion to review the Minority Report at Omnibus with an update from the secretary on this status of the agency. The motion was seconded by Representative Crum. Motion carried.

Representative Mast stated that the State Fire Marshal is working on safety issues within the nursing homes, hospitals and schools.

Representative Crum renewed the motion. Motion carried.

Representative Crum, Chair, Social Services Budget Committee, presented the Rainbow Mental Health Facility FY 2012 Budget Committee Report, (Attachment 1). The Budget Committee concurred with the Governor's recommendation with the following adjustments: noted correction action for alternative plans submitted by the agency were rejected by Centers for Medicare and Medicaid Services (CMS), recommend that the agency pursue public/private partnerships, noted that the mental health system has experienced an increase in services and concern for the strain on the agency by reducing bed space.

Representative Crum made a motion to adopt the FY 2012 Rainbow Mental Health Budget Committee Report. The motion was seconded by Representative Donohoe.

Discussion followed by committee members. It was noted that the 112.2 FTE positions were vacant and unfunded positions and adequate staffing for four units was in place.

Representative Donohoe made a substitute motion to report at Omnibus on the status of the 14 beds that were to be closed. The motion was seconded by Representative DeGraaf. Motion carried.

The motion to adopt the Budget Committee Report as amended was renewed. Motion carried.

Representative Crum, Chair, Social Services Budget Committee, presented the Osawatomie State Hospital FY 2012 Budget Committee Report, (Attachment 1). The Budget Committee concurred with the Governor's recommendation with the following adjustment: noted that the mental health system has seen an increase for services and that they will be strained even more by reduction in beds at Rainbow Mental Health Facility.

Representative Crum made a motion to adopt the FY 2012 Osawatomie Budget Committee Report. The motion was seconded by Representative DeGraaf.

Discussion followed by committee members regarding bed space and staffing issues.

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:17 a.m. on March 10, 2011, in Room 346-S of the Capitol.

Ray Dalton, Deputy Secretary, responded to questions from committee members regarding Medicaid rates for contractual services at two mental health hospitals, length of stay and clinical review process for referrals. He noted that the hospital is in the process for hiring registered nurses, and the projected cost to open the 30 bed wing is approximately \$3.1 million. The average daily census for last year was 175 at Osawatomie State Hospital, he added.

The motion was renewed. Motion carried.

Representative Crum, Chair, Social Services Budget Committee, presented the Larned State Hospital FY 2012 Budget Committee Report (Attachment 1). The Budget Committee concurred with the Governor's recommendation with the following notations: concerned for increased referrals to the Sexual Predator Treatment Program, and noted that the mental health system is seen an increase in demand over last year and will be strained even more by the reduction in beds.

Representative Crum made a motion to adopt the FY 2012 Larned State Hospital Budget Committee Report. The motion was seconded by Representative Mast.

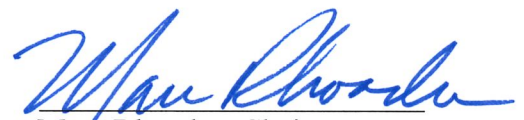
Discussion followed by committee members regarding bed space and rehabilitation efforts.

Ray Dalton responded to questions from committee members regarding the Sexual Treatment program. He stated that treatment is in accordance with standards set by the Supreme Court. The cost per patient in a state institution is \$500 per day and \$700 per day for contracted services, it was noted.

The motion to adopt the Budget Committee Report was renewed. Motion was carried.

The Chairman reviewed the agenda for the next scheduled meeting.

Meeting adjourned at 10:59 a.m.


Marc Rhoades, Chairman

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 3-10-11

NAME	REPRESENTING
Rod Mealy	Kennedy & Assoc.
Barb Conant	KABC
Mary Ellen Burke	United Way
Juni Ray	KCSL
Tim Wood	End the War
Wigh Keck	Capitol Strategies
Page Rautner	Hein Law Firm
Elise Higgins	KS Health Consumer Coalition
Mary Weston	
Judy Reese	KCSL
Robin Clements	DOCA INC
RJ Wilson	KDSE
Amy Ayler	KATHC
Bob Vanciman	Green KC Church
Dodie Wellshear	USA/Kansas
Harleigh Benge	Guest

FY 2012

SOCIAL SERVICES BUDGET COMMITTEE

**Department on Aging
Rainbow Mental Health Facility
Osawatomie State Hospital
Larned State Hospital
Kansas Neurological Institute
Parsons State Hospital
Social and Rehabilitation Services**



Representative David Crum, Chair



Representative Elaine Bowers, Vice-Chair

Representative Jerry Henry,
Ranking Minority Member

Representative Barbara Ballard

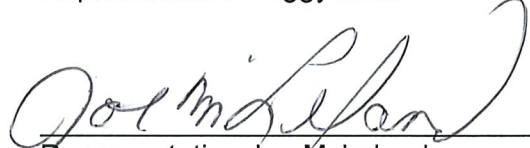


Representative Jana Goodman

Representative Mike Kiegerl



Representative Peggy Mast



Representative Joe McLeland



Representative Bill Wolf

Appropriations Committee

Date March 10, 2011

Attachment 1

Senate Subcommittee Report

Agency: Department on Aging

Bill No. --

Bill Sec. --

Analyst: Montgomery

Analysis Pg. No. --

Budget Page No. 483

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 213,814,222	\$ 211,120,608	\$ 0
Other Funds	365,645,049	349,897,245	0
Subtotal	\$ 579,459,271	\$ 561,017,853	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 579,459,271	\$ 561,017,853	\$ 0
FTE positions	214.0	164.0	0.0
Non FTE Uncl. Perm. Pos.	17.3	17.3	0.0
TOTAL	231.3	181.3	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$579.5 million, an increase of \$2.7 million, or 0.5 percent, above the revised current year estimate. The request includes State General Fund expenditures of \$213.8 million, an increase of \$53.5 million, or 33.4 percent, above the revised current year estimate. The request includes 214.0 FTE positions and 17.3 non-FTE positions, the same as the revised current year estimate. The request includes nine enhancement requests totaling \$83.6 million, including \$13.9 million from the State General Fund. Absent the enhancements, the request would be a decrease of \$81.0 million, or 14.0 percent, from all funding sources below the FY 2011 revised estimate and an increase of \$39.6 million, or 24.7 percent, above the FY 2011 revised estimate.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures of \$561.0 million, including \$211.11 million from the State General Fund. The FY 2012 recommendation is a decrease of \$18.4 million, or 3.2 percent, below the agency's FY 2012 request and a State General Fund decrease of \$2.7 million, or 1.3 percent, below the agency's FY 2012 request. The decrease is almost entirely attributable to the Governor not recommending the agency's FY 2012 enhancement requests as submitted. The recommendation is a decrease of \$11.5 million, or 2.0 percent, but includes a State General Fund increase of \$49.4 million, or 30.6 percent, above the FY 2011 recommendation. The increase is almost entirely attributable to an adjusted

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Attachment 1-2

Federal Medical Assistance Percentage (FMAP) for caseload programs. In addition, the Governor recommends the agency's FY 2012 reduced resources of \$1,979,129, including \$1,736,253 from the State General Fund. The recommendation includes the agency's FY 2012 enhancement request to fund and operate the Nursing Facility provider assessment but at the revised level estimated at the October, 2010 Human Consensus Revenue Estimating meeting of \$47,862,653 from all funding sources generated by the Nursing Facility provider assessment. The recommendation includes an additional \$4.7 million, including \$2.0 million from the State General Fund, for the Home and Community Based Services for the Frail Elderly with savings realized in part by reducing the agency's salaries and wages by \$3.0 million, including \$1.2 million from the State General Fund, and 20.0 currently filled FTE positions. In addition, the recommendation eliminates 30.0 vacant FTE positions. This reduced the agency's FTE positions from 214.0 FTE positions to 164.0 FTE positions.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation with the following adjustments:

1. The Subcommittee directs the agency to utilize any savings realized through the proposed reorganization and downsizing of agency operations to restoring the reduced resource items of a Senior Care Act reduction \$1,333,949, all from the State General Fund, and a Nutrition Program reduction of \$300,000, all from the State General Fund. In addition, after these items are restored, the Subcommittee directs any savings realized through reorganization or downsizing of agency operations to the Home and Community Based Services for the Frail Elderly (HCBS/FE) waiver.

Further, the committee recommends review of the Senior Care Act, Nutrition Program and HCBS/FE at Omnibus.

2. The Subcommittee notes the Program for All-Inclusive Care for the Elderly (PACE) coordinates all-inclusive medical and social services that meet the particular needs of eligible seniors who have remained in the community, but who would otherwise need to be in long term care in a nursing facility, for one rate in the form of a monthly "premium". The monthly payment is a fixed amount, regardless of changes in the participant's health status or service needs. PACE providers assume full financial risk for participants' care without limits on the amount, duration, or scope of services.

Therefore, the Subcommittee considers this program to be an effective budgeting instrument and method for reducing state and federal Medicaid expenditures without reducing services or number of individuals served. Contrasted to nursing facility providers, PACE providers have not experienced a rate increase since 2005 and need to maintain a certain caseload to remain in operation. Thus, the Subcommittee recommends review at Omnibus of the FY 2012 agency enhancement request of \$1,402,579, including \$581,930 from the State General Fund, to fund an PACE caseload and rate increase of 3.0 percent. In addition, the Subcommittee recommends review at Omnibus of the FY 2012 agency enhancement request of \$915,000, including \$379,634 from the State General Fund, to add a PACE program to serve Johnson and Wyandotte counties in FY 2012.

3. The Subcommittee notes the Home and Community-Based Services for the Frail Elderly (HCBS/FE) program provides Medicaid eligible customers with the opportunity to receive cost-effective community-based services as an alternative to higher cost nursing facility

Appropriations Committee

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Attachment 1-3

care. In addition, the 2010 Legislature approved the a new telehealth service for the HCBS/FE program and \$1,095,000, including \$382,900 from the State General Fund to fund 500 telehealth units across the state. A telehealth pilot study and the Kansas University Medical Center concluded that telehealth technology has a significant effect on the health and well-being of residents with chronic diseases and the cost of care when used at home. The former agency administration decided to use the funding approved for a new telehealth service to fund current HCBS/FE services and not implement the telehealth service as the 2010 Legislature intended.

Therefore, the Subcommittee recommends review at Omnibus of the FY 2012 agency's enhancement request of \$7,598,000, including \$3,152,410 from the State General Fund, to fund the four HCBS/FE services that were suspended in in FY 2010 and implement the telehealth service. The suspended services are estimated to serve 600 seniors a month at a cost of \$903 per month. The services include sleep cycle support, oral health, comprehensive support and assisted technology.

4. The Subcommittee notes the Area Agencies on Aging (AAA) plan, develop, coordinate, and arrange for services in their respective geographic area for elder rights programs, including the nursing home ombudsman program, legal services, outreach, public benefit and insurance counseling, elder abuse prevention efforts, and coordinate systems of supportive in-home and community-based services to improve the efficiency of the programs while delivering better coordinated and effective services. The Subcommittee recommends review at Omnibus of the FY 2012 enhancement request of \$750,000, all from the State General Fund, to restore AAA core services to the FY 2009 level. This amount supports core services that are not reimbursed through federal funds.
5. The Subcommittee expresses concern that mental health and Home and Community-Based Services for the Frail Elderly (HCBS/FE) issues are not represented fully on the 2011 Lieutenant Governor's Medicaid Reform Task Force. The Subcommittee considers these issues to be vital for reducing state Medicaid expenditures.
6. The Subcommittee expresses concern about the long-term base appropriations for the Home and Community-Based Services for the Frail Elderly (HCBS/FE) program when Money Follows the Person (MFP) grants are used to to transfer seniors from nursing facilities to the HCBS/FE program.

The goal of the Money Follows the Person program is to rebalance the long term care budget by shifting spending from institutional budgets to community based services budgets as individuals make the decision to move back into the community. Services are funded at an enhanced 80.0 Federal match to provide the state a way to utilize the savings created by the enhanced Federal match to build capacity in local communities. However, this program is only for the first 365 days the individual receives services in their home community. Therefore, after the first year, the HCBS/FE program must provide services to a larger population with reduced funding though at the normal Medicaid match rate. Thus waiting lists and suspension of services are a budgeting mechanism utilized to stay within the available resources and seniors who would qualify for HCBS/FE waivers might have to be served in comparatively higher cost nursing facilities.

7. The Subcommittee commends Secretary Shawn Sullivan's efforts to investigate and implement innovative initiatives that consolidate services and create cost-saving collaborations between previously isolated systems.

Appropriations Committee

Date March 10, 2011

Attachment 1-4

Senate Committee Recommendation

The **Committee** concurs with the Subcommittee recommendation with the following adjustments:

1. The Committee recommends reviewing all items recommended for review at Omnibus by the Subcommittee before final actions are taken on the FY 2012 appropriations bill.

House Budget Committee Report

Agency: Department on Aging

Bill No. --

Bill Sec. --

Analyst: Montgomery

Analysis Pg. No. 2233

Budget Page No. 483

<u>Expenditure Summary</u>	<u>Agency Request FY 2012</u>	<u>Governor Recommendation FY 2012</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 213,814,222	\$ 211,120,608	\$ (800,000)
Other Funds	365,645,049	349,897,245	(1,079,699)
Subtotal	\$ 579,459,271	\$ 561,017,853	\$ (1,879,699)
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 579,459,271	\$ 561,017,853	\$ (1,879,699)
FTE positions	214.0	164.0	0.0
Non FTE Uncl. Perm. Pos.	17.3	17.3	0.0
TOTAL	231.3	181.3	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$579.5 million, an increase of \$2.7 million, or 0.5 percent, above the revised current year estimate. The request includes State General Fund expenditures of \$213.8 million, an increase of \$53.5 million, or 33.4 percent, above the revised current year estimate. The request includes 214.0 FTE positions and 17.3 non-FTE positions, the same as the revised current year estimate. The request includes nine enhancement requests totaling \$83.6 million, including \$13.9 million from the State General Fund. Absent the enhancements, the request would be a decrease of \$81.0 million, or 14.0 percent, from all funding sources below the FY 2011 revised estimate and an increase of \$39.6 million, or 24.7 percent, above the FY 2011 revised estimate.

Appropriations Committee

Date March 10, 2011

Attachment 1-5

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures of \$561.0 million, including \$211.11 million from the State General Fund. The FY 2012 recommendation is a decrease of \$18.4 million, or 3.2 percent, below the agency's FY 2012 request and a State General Fund decrease of \$2.7 million, or 1.3 percent, below the agency's FY 2012 request. The decrease is almost entirely attributable to the Governor not recommending the agency's FY 2012 enhancement requests as submitted. The recommendation is a decrease of \$11.5 million, or 2.0 percent, but includes a State General Fund increase of \$49.4 million, or 30.6 percent, above the FY 2011 recommendation. The increase is almost entirely attributable to an adjusted Federal Medical Assistance Percentage (FMAP) for caseload programs. In addition, the Governor recommends the agency's FY 2012 reduced resources of \$1,979,129, including \$1,736,253 from the State General Fund. The recommendation includes the agency's FY 2012 enhancement request to fund and operate the Nursing Facility provider assessment but at the revised level estimated at the October, 2010 Human Consensus Revenue Estimating meeting of \$47,862,653 from all funding sources generated by the Nursing Facility provider assessment. The recommendation includes an additional \$4.7 million, including \$2.0 million from the State General Fund, for the Home and Community Based Services for the Frail Elderly with savings realized in part by reducing the agency's salaries and wages by \$3.0 million, including \$1.2 million from the State General Fund, and 20.0 currently filled FTE positions. In addition, the recommendation eliminates 30.0 vacant FTE positions. This reduced the agency's FTE positions from 214.0 FTE positions to 164.0 FTE positions.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following adjustments:

1. Delete \$800,000, all from the State General Fund, for FY 2012. The agency requested an enhancement totaling \$14.1 million, including \$5.8 million from the State General Fund, to fund caseload increases for the Home and Community Based Service for the Frail Elderly (HCBS/FE) waiver for FY 2012. The Governor recommended partially funded the enhancement at \$4.7 million, including \$2.0 million from the State General Fund. The addition was partially funded with savings realized from reducing the agency's salaries and wages by \$3.0 million, including \$1.2 million from the State General Fund, and reducing 20.0 currently filled FTE positions. The Budget Committee recommends a reduction of \$1,879,699, including \$800,000 from the State General Fund.

HCBS/FE caseload increase	FY 2012 SGF	FY 2012 All Funds
Agency request	\$5.8 million	\$14.1 million
Governor recommendation	\$2.0 million	\$4.7 million
Budget Committee recommendation	\$1.2 million	\$2.8 million

2. The Budget Committee directs the agency to utilize any savings realized through the proposed reorganization and downsizing of agency operations to restore the reduced resource items recommended by the Governor for the Senior Care Act (\$1,333,949, all from the State General Fund) and the Nutrition Program (\$300,000, all from the State General Fund).

Appropriations Committee

Date March 10, 2011

Attachment 1-6

3. The Budget Committee notes that for the first time since 2003 the Home and Community Based Services for the Frail Elderly (HCBS/FE) waiver might have to implement a waiting list for FY 2012 to stay within available resources. Seniors who would qualify for HCBS/FE waivers services might have to be served in comparatively higher cost nursing facilities.
4. The Budget Committee recommends the agency review Fire Marshal regulations and codes for redundant or outdated requirements that could contribute to additional nursing facility expenditures.

Further, the Budget Committee notes the need for life and safety regulations in this area, but encourages the agency to distinguish required action for this purpose from simply subjective requirements. The Budget Committee directs the agency to report the finding to the 2011 Budget Committee to allow the Budget Committee the option to amend pending legislation pertaining to redundant or outdated Fire Marshal regulations.

5. The Budget Committee commends Secretary Shawn Sullivan's efforts to support the Kansas senior population during difficult economic times.

Appropriations Committee

Date March 10, 2011

Attachment 1-7

Senate Subcommittee Report

Agency: Rainbow Mental Health Facility

Bill No. --

Bill Sec. --

Analyst: Montgomery

Analysis Pg. No. --

Budget Page No. 216

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 4,621,758	\$ 4,621,758	\$ 0
Other Funds	4,089,923	4,089,923	0
Subtotal	\$ 8,711,681	\$ 8,711,681	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 8,711,681	 \$ 8,711,681	 \$ 0
 FTE positions	 122.2	 112.2	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	122.2	112.2	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$8,711,681 including \$4,621,758 from the State General Fund. The estimate is an all funds decrease of \$722,547, or 7.7 percent, and a State General Fund decrease of the same amount, or 13.5 percent, below the FY 2011 revised estimate. The decrease is partially attributable to the FY 2011 revised estimate supplemental request of \$545,985, all from the State General Fund, to fund overtime pay and temporary staffing to provide patient supervision and required active treatment to cover the additional costs of serving a higher number of patients. Absent the supplemental in FY 2011, the request is an all funds decrease of \$176,652, or 2.0 percent, and a State General Fund decrease of the same amount, or 3.7 percent, below the FY 2011 revised estimate.

Governor's Recommendation

The **Governor** concurs with the agency's FY 2012 request but with a reduction of 10.0 vacant FTE from the Clinical Services program.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation with the following notations:

Appropriations Committee
Date March 10, 2011
Attachment 1-8

1. The Subcommittee notes that the Department of Social and Rehabilitation Services (SRS) has indicated that it will be closing 14.0 of the 50.0 beds currently provided by the agency due to findings of a recent Centers for Medicare and Medicaid Services (CMS) survey. While previous CMS surveys found the facility operating at acceptable client to staff ratios, the recent survey concluded that the facility is operating four units instead of two. Thus, the agency is considered understaffed according to the survey. Therefore, the agency would have to reduce the number of individuals served or provide additional levels of RN staffing and expenditures of \$820,000, all from the State General Fund, to staff above levels that had previously been found acceptable by CMS surveys. Corrected action alternative plans submitted by the agency were rejected by CMS. In the current fiscal year, 11.0 additional beds have been opened at Larned State Hospital. Therefore, the closure of the Rainbow Mental Health Facility beds will have an overall reduction of 3.0 beds in the state mental health hospital system in the current fiscal year.
2. The Subcommittee notes the state mental health system has seen an increased demand over the last year that will be greater strained by the reduction of 14.0 beds at Rainbow Mental Health Facility. The agency currently operates most treatment days at or near the budgeted capacity and has experienced 36.0 percent of their days over the budgeted bed capacity of 50.0 beds. At times when not over capacity, the facility often operates at capacity. This has required the temporary delay of volunteer admissions twice in the last year and has forced the agency to use private contracts that require greater expenditures for treatment of individuals than treatment provided by the state. In addition, this critical strain on the mental health system hinders effective treatment and creates the possibility for dangerous environments for staff and clients.
3. The Subcommittee notes that sufficient resources are required to ensure that quality state hospital services are available to Kansans who need them. Therefore, the state hospitals have not submitted reduced resource budgets, but instead SRS' reduced resource budget includes the reduced resource targets for the state hospitals and SRS strives to absorb budget reduction for the hospitals. The Subcommittee encourages SRS to continue this practice.

Senate Committee Recommendation

The **Committee** concurs with the Subcommittee recommendation.

Appropriations Committee

Date March 10, 2011

Attachment 1-9

House Budget Committee Report

Agency: Rainbow Mental Health Facility

Bill No. --

Bill Sec. --

Analyst: Montgomery

Analysis Pg. No. 2035

Budget Page No. 208

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 4,621,758	\$ 4,621,758	\$ 0
Other Funds	4,089,923	4,089,923	0
Subtotal	\$ 8,711,681	\$ 8,711,681	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 8,711,681	\$ 8,711,681	\$ 0
FTE positions	122.2	112.2	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	122.2	112.2	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$8,711,681 including \$4,621,758 from the State General Fund. The estimate is an all funds decrease of \$722,547, or 7.7 percent, and a State General Fund decrease of the same amount, or 13.5 percent, below the FY 2011 revised estimate. The decrease is partially attributable to the FY 2011 revised estimate supplemental request of \$545,985, all from the State General Fund, to fund overtime pay and temporary staffing to provide patient supervision and required active treatment to cover the additional costs of serving a higher number of patients. Absent the supplemental in FY 2011, the request is an all funds decrease of \$176,652, or 2.0 percent, and a State General Fund decrease of the same amount, or 3.7 percent, below the FY 2011 revised estimate.

Governor's Recommendation

The Governor concurs with the agency's FY 2012 request but with a reduction of 10.0 vacant FTE from the Clinical Services program.

Appropriations Committee

Date March 10, 2011

Attachment 1-10

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following adjustments:

1. The Budget Committee notes that the Department of Social and Rehabilitation Services (SRS) has indicated that it will be closing 14.0 of the 50.0 beds currently provided by the agency due to findings of a recent Centers for Medicare and Medicaid Services (CMS) survey and a change in federal policy by CMS. This closure is not the objective of the 2011 Legislature, Department of Social and Rehabilitation Services (SRS), agency, or individuals served by the agency. While previous CMS surveys found the facility operating at acceptable client to staff ratios, the recent survey concluded that the facility is operating four units instead of two. Thus, the agency is considered understaffed according to the survey. Therefore, the agency will have to reduce the number of individuals served or provide additional levels of RN staffing which would require expenditures of \$820,000, all from the State General Fund, to staff above levels that had previously been found acceptable by CMS surveys. Corrective action alternative plans submitted by the agency were rejected by CMS.
2. The Budget Committee recommends the agency pursue public/private partnerships with community hospitals with an integrated health model that is inclusive of community mental health centers in the Northeast region of the state due to the reduction of 14.0 beds at the agency in FY 2011 and report the progress to the 2012 House Budget Committee. The reduction of beds is due to actions taken by the Department of Social and Rehabilitation Services (SRS) because of the recent Centers for Medicare and Medicaid Services (CMS) survey that requires the agency to reduce the number of individuals served or provide additional levels of RN staffing.
3. The Budget Committee notes that the state mental health system has seen an increase in demand over the last year and that agencies will be strained even more by the reduction in beds at the agency. The agency currently operates most treatment days at its budgeted capacity and has been over its budgeted capacity of 50.0 beds 36.0 percent of the time in the last fiscal year. This has required the temporary delay of voluntary admissions and has forced the agency to privately contract referrals that require greater expenditures for treatment than treatment provided by the state. In addition, this critical strain on the mental health system hinders effective treatment, creates dangerous environments for staff and clients, transfers burdens to local jails and law enforcement, and requires Community Mental Health Centers (CMHCs) to overextend their resources.

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Senate Subcommittee Report

Agency: Osawatometie State Hospital

Bill No. --

Bill Sec. --

Analyst: Montgomery

Analysis Pg. No. --

Budget Page No. 212

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 18,684,493	\$ 14,784,970	\$ 0
Other Funds	14,219,702	14,219,702	0
Subtotal	\$ 32,904,195	\$ 29,004,672	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 32,904,195	\$ 29,004,672	\$ 0
FTE positions	491.4	396.4	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	491.4	396.4	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$32,904,195 including \$18,684,493 from the State General Fund. The estimate is an all funds increase of \$2,811,807, or 9.3 percent, and a State General Fund increase of \$2,811,807 or 17.7 percent, above the FY 2011 revised estimate. The agency request includes one enhancement for FY 2012 totaling \$3,399,523, all from the State General Fund and 50.0 FTE to open and staff a 30-bed crisis stabilization unit. Absent the enhancement, the request is an all funds decrease of \$587,716, or 2.0 percent, and a State General Fund decrease of the same amount, or 3.7 percent, below the FY 2011 revised estimate.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures of \$29,004,672, including \$14,784,970 from the State General Fund. The recommendation is decrease of \$3,899,523, or 11.9 percent, below the FY 2011 agency revised estimate. Of the decrease, \$500,000 from the State General Fund is attributable to an increased salaries and wages shrinkage amount. The remaining \$3,399,523 decrease from the State General Fund is attributable to the Governor not recommending the agency's enhancement request. The FY 2012 recommendation is \$83,275, all from the State General Fund, above the FY 2011 recommendation. The increase is attributable to estimated additional longevity payments, employer contribution for KPERS, employer contributions to the state health insurance program for employees, and workers

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Date March 10, 2011

Attachment 1-12

compensation. In addition, the recommendation includes a reduction of 45.0 vacant FTE positions. This reduced the agency's FTE positions from 441.4 FTE positions to 396.4 FTE positions.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation with the following notations:

1. The Subcommittee notes that the 2007 legislature approved a 30-bed crisis stabilization unit for the agency but due to budget constraints these additional beds were never opened by the Department of Social and Rehabilitation Services (SRS). The Subcommittee considers this unit to have the potential to relieve pressure on the state mental health hospital system that experiencing average daily census populations greater than the system is budgeted to serve. Therefore, the Subcommittee recommends review at Omnibus of the FY 2012 agency enhancement request of \$3,399,523, all from the State General Fund and 50.0 FTE positions to open and operate a new 30-bed crisis stabilization unit.
2. The Subcommittee notes that SRS has indicated that it will be closing 14.0 of the 50.0 beds currently provided by Rainbow Mental Health Facility (RMHF) due to findings of a recent Centers for Medicare and Medicaid Services (CMS) survey. While previous CMS surveys found RMHF operating at acceptable client to staff ratios, the recent survey concluded that RMHF is operating four units instead of two. Thus, RMHF is considered understaffed according to the survey. Therefore, the RMHF would have to reduce the number of individuals served or provide additional levels of RN staffing and expenditures of \$820,000, all from the State General Fund, to staff above levels that had previously been found acceptable by CMS surveys. Corrected action alternative plans submitted by RMHF were rejected by CMS. In the current fiscal year, 11.0 additional beds have been opened at Larned State Hospital. Therefore, the closure of the RMHF beds will have an overall reduction of 3.0 beds in the state mental health hospital system in the current fiscal year.
3. The Subcommittee notes the state mental health system has seen an increased demand over the last year that will be greater strained by the reduction of 14.0 beds at RMHF. The agency currently operates most treatment days at or near the budgeted capacity and has experienced 34.0 percent of their days over the budgeted bed capacity of 176.0 beds. At times when not over capacity, the facility often operates at capacity. This has required the temporary delay of volunteer admissions twice in the last year and has forced the agency to use private contracts that require greater expenditures for treatment of individuals than treatment provided by the state. In addition, this critical strain on the mental health system hinders effective treatment and creates the possibility for dangerous environments for staff and clients.
4. The Subcommittee notes that sufficient resources are required to ensure quality state hospital services are available to Kansans who need them. Therefore, the state hospitals have not submitted reduced resource budgets, but instead SRS' reduced resource budget includes the reduced resource targets for the state hospitals and SRS strives to absorb budget reduction for the hospitals. The Subcommittee encourages SRS to continue this practice.

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Senate Committee Recommendation

The **Committee** concurs with the Subcommittee recommendation with the following adjustments:

1. The Committee recommends reviewing all items recommended for review at Omnibus by the Subcommittee before final actions are taken on the FY 2012 appropriations bill.

House Budget Committee Report

Agency: Osawatomie State Hospital

Bill No. --

Bill Sec. --

Analyst: Montgomery

Analysis Pg. No. 1986

Budget Page No. 212

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 18,684,493	\$ 14,784,970	\$ 0
Other Funds	14,219,702	14,219,702	0
Subtotal	\$ 32,904,195	\$ 29,004,672	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 32,904,195	\$ 29,004,672	\$ 0
FTE positions	491.4	396.4	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	491.4	396.4	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$32,904,195 including \$18,684,493 from the State General Fund. The estimate is an all funds increase of \$2,811,807, or 9.3 percent, and a State General Fund increase of \$2,811,807 or 17.7 percent, above the FY 2011 revised estimate. The agency request includes one enhancement for FY 2012 totaling \$3,399,523, all from the State General Fund and 50.0 FTE to open and staff a 30-bed crisis stabilization unit. Absent the enhancement, the request is an all funds decrease of \$587,716, or 2.0 percent, and a State General Fund decrease of the same amount, or 3.7 percent, below the FY 2011 revised estimate.

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Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures of \$29,004,672, including \$14,784,970 from the State General Fund. The recommendation is decrease of \$3,899,523, or 11.9 percent, below the FY 2011 agency revised estimate. Of the decrease, \$500,000 from the State General Fund is attributable to an increased salaries and wages shrinkage amount. The remaining \$3,399,523 decrease from the State General Fund is attributable to the Governor not recommending the agency's enhancement request. The FY 2012 recommendation is \$83,275, all from the State General Fund, above the FY 2011 recommendation. The increase is attributable to estimated additional longevity payments, employer contribution for KPERS, employer contributions to the state health insurance program for employees, and workers compensation. In addition, the recommendation includes a reduction of 45.0 vacant FTE positions. This reduced the agency's FTE positions from 441.4 FTE positions to 396.4 FTE positions.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following notations:

1. The Budget Committee notes that the state mental health system has seen an increase in demand over the last year and that agencies will be strained even more by the reduction in beds at Rainbow Mental Health Facility. The agency currently operates most treatment days at its budgeted capacity and has been over its budgeted capacity of 176.0 beds 34.0 percent of the time in the last fiscal year. This has required the temporary delay of voluntary admissions and has forced the agency to privately contract referrals that require greater expenditures for treatment than treatment provided by the state. In addition, this critical strain on the mental health system hinders effective treatment, creates dangerous environments for staff and clients, transfers burdens to local jails and law enforcement, and requires Community Mental Health Centers (CMHCs) to overextend their resources.

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Senate Subcommittee Report

Agency: Larned State Hospital

Bill No. --

Bill Sec. --

Analyst: Montgomery

Analysis Pg. No. --

Budget Page No. 210

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 46,956,870	\$ 44,465,747	\$ 0
Other Funds	14,383,828	14,383,828	0
Subtotal	\$ 61,340,698	\$ 58,849,575	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 61,340,698	 \$ 58,849,575	 \$ 0
 FTE positions	 975.2	 838.2	 0.0
Non FTE Uncl. Perm. Pos.	23.0	23.0	0.0
TOTAL	998.2	861.2	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$61,340,698 including \$46,956,870 from the State General Fund. The estimate is an all funds increase of \$3,801,750, or 6.6 percent, and a State General Fund increase of the same amount, or 8.8 percent, above the FY 2011 revised estimate. The agency request includes two enhancements for FY 2012 totaling \$2,491,123, all from the State General Fund and 28.8 FTE to open and staff a 16-bed crisis Sexual Predator Treatment Program (SPTP) expansion and an eight bed SPTP transition house program. Absent the enhancement, the FY 2012 operating expenditures for the agency request would be \$58,849,575 including \$44,465,747 from the State General Fund. The request is an all funds increase of \$1,310,627, or 2.3 percent, and a State General Fund increase of the same amount, or 3.0 percent, above the FY 2011 revised estimate. All of the increase is located in salaries and wages due to estimated increase in longevity payments, employer contributions for KPERS and payments to the state health insurance program for employees. In addition, a \$0.30 per hour retention pay in the SPTP program for building trades classifications is included.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures of \$58,849,575, including \$44,465,747 from the State General Fund. The FY 2012 recommendation is a State General Fund increase of \$1,310,627, or 2.3 percent, above the FY 2011 recommendation. The increase

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is attributable to estimated additional longevity payments, employer contributions for KPERS, payments to the state health insurance program for employees, and workers compensation. The FY 2012 recommendation is decrease of \$2,491,123, all from the State General Fund, or 4.1 percent, below the FY 2012 agency request. The decrease is attributable to the Governor not recommending the agency's two enhancement requests and 28.8 additional FTE to open and staff a 16-bed crisis SPTP expansion and an eight bed SPTP transition house program. In addition, the recommendation includes elimination of 138.0 vacant FTE positions. This reduced the agency's FTE positions from 976.2 FTE positions to 839.2 FTE positions.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation with the following notations:

1. The Subcommittee expresses concern that the increase in individuals referred to the Sexual Predator Treatment Program (SPTP) and the length of time it takes to complete the program combine to create a continuing budget and public policy challenge. The agency has indicated that an average of 18 individuals are referred to SPTP a year and the program is already operating over its capacity of 200 individuals. The agency indicates that this creates dangerous, high-risk environments for SPTP staff and increased challenges to the civil commitments of the residents due to compliance failures with the *Turay Standards* that establish constitutional guidelines for an institutionally based SPTP program and residents could challenge their civil commitment in court.

Therefore, the Subcommittee recommends review at Omnibus of the FY 2012 agency enhancement request of \$1,618,823, all from the State General Fund, to fund an expansion on the Larned State Hospital (LSH) campus program with the addition of a 16-bed unit located in the Meyer building, which is currently vacant, to accommodate new admissions to the SPTP program. In addition, the Subcommittee recommends review at Omnibus of the FY 2012 agency enhancement request of \$872,300, all from the State General Fund, to fund the start-up and operation of a new sexual predator transition house. The following summarizes the status of the 246 persons committed to the SPTP since 1994:

- 2 persons have completed the final conditional release stage;
- 3 persons are on conditional release;
- 13 persons were released by the courts due to timely filing issues (these issues were later corrected by legislative action);
- 14 persons have died;
- 15 new commitments have been made so far in FY 2011; and
- 214 persons are currently in the SPTP as of December, 2010:
 - 200 on the campus of Larned State Hospital;
 - 6 in Department of Corrections (due to parole violations); and

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- 8 residing at the Transition House on the campus of Osawatomie State Hospital
2. The Subcommittee notes that the Department of Social and Rehabilitation Services (SRS) has indicated that it will be closing 14.0 of the 50.0 beds currently provided by Rainbow Mental Health Facility due to findings of a recent Centers for Medicare and Medicaid Services (CMS) survey. While previous CMS surveys found the facility operating at acceptable client to staff ratios, the recent survey concluded that the facility is operating four units instead of two. Thus, the agency would be considered understaffed according to the survey. Therefore, the agency would have to reduce the number of individuals served or provide additional levels of RN staffing and expenditures of \$820,000, all from the State General Fund, above levels that had previously been found acceptable by CMS surveys. Corrected action alternative plans submitted by the agency were rejected by CMS. In the current fiscal year, 11.0 additional beds have been opened at Larned State Hospital. Therefore, the closure of the Rainbow Mental Health Facility beds will have an overall reduction of 3.0 beds in the state mental health hospital system in the current fiscal year.
 3. The Subcommittee notes that the 2009 Legislature passed House Substitute for SB 91 which prohibits SRS from placing more than eight sexually violent predators in any one county on transitional release or conditional release and that these patients must be housed only on state property. Further the Subcommittee notes that SRS has testified in the past this policy creates both programmatic and fiscal challenges for SPTP. The more populated counties such as Johnson, Wyandotte, Shawnee, and Sedgwick typically have the increased resources for affordable housing, employment, and follow-up sex offender treatment, which are critical elements to reduce the risk for reoffending and increase successful reintegration into the community. In addition, current zoning and residency restrictions make it more difficult to place offenders back into the community after treatment. According to SRS, if a court orders an individual to transitional or conditional release and that person cannot be placed because the counties that offer the needed resources have reached the eight person maximum, and no other county can be found to provide the needed services for that individual, SRS and the State of Kansas risk contempt of court charges and lawsuits.
 4. The Subcommittee notes the state mental health system has seen an increased demand over the last year that will be greater strained by the reduction of 14.0 beds at Rainbow Mental Health Facility. The agency currently operates most treatment days at or near the budgeted capacity and has experienced 83.0 percent of their days over the budgeted bed capacity of 90.0 psychiatric service beds. At times when not over capacity, the facility often operates at capacity. This has required the temporary delay of volunteer admissions twice in the last year and has forced the agency to use private contracts that require greater expenditures for treatment of individuals than treatment provided by the state. In addition, this critical strain on the mental health system hinders effective treatment and creates the possibility for dangerous environments for staff and clients.
 5. The Subcommittee notes that sufficient resources are required to ensure that quality state hospital services are available to Kansans who need them. Therefore, the state hospitals have not submitted reduced resource budgets, but instead, SRS' reduced resource budget includes the reduced resource targets for the state hospitals and SRS strives to absorb budget reduction for the hospitals. The Subcommittee encourages SRS to continue this practice.

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Senate Committee Recommendation

The **Committee** concurs with the Subcommittee recommendation with the following adjustments:

1. The Committee recommends reviewing all items recommended for review at Omnibus by the Subcommittee before final actions are taken on the FY 2012 appropriations bill.

House Budget Committee Report

Agency: Larned State Hospital

Bill No. --

Bill Sec. --

Analyst: Montgomery

Analysis Pg. No. 1959

Budget Page No. 210

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 46,956,870	\$ 44,465,747	\$ 0
Other Funds	14,383,828	14,383,828	0
Subtotal	\$ 61,340,698	\$ 58,849,575	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 61,340,698	\$ 58,849,575	\$ 0
FTE positions	975.2	838.2	0.0
Non FTE Uncl. Perm. Pos.	23.0	23.0	0.0
TOTAL	998.2	861.2	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$61,340,698 including \$46,956,870 from the State General Fund. The estimate is an all funds increase of \$3,801,750, or 6.6 percent, and a State General Fund increase of the same amount, or 8.8 percent, above the FY 2011 revised estimate. The agency request includes two enhancements for FY 2012 totaling \$2,491,123, all from the State General Fund and 28.8 FTE to open and staff a 16-bed crisis Sexual Predator Treatment Program (SPTP) expansion and an eight bed SPTP transition house program. Absent the enhancement, the FY 2012 operating expenditures for the agency request would be \$58,849,575 including \$44,465,747 from the State General Fund. The

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request is an all funds increase of \$1,310,627, or 2.3 percent, and a State General Fund increase of the same amount, or 3.0 percent, above the FY 2011 revised estimate. All of the increase is located in salaries and wages due to estimated increase in longevity payments, employer contributions for KPERS and payments to the state health insurance program for employees. In addition, a \$0.30 per hour retention pay in the SPTP program for building trades classifications is included.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures of \$58,849,575, including \$44,465,747 from the State General Fund. The FY 2012 recommendation is a State General Fund increase of \$1,310,627, or 2.3 percent, above the FY 2011 recommendation. The increase is attributable to estimated additional longevity payments, employer contributions for KPERS, payments to the state health insurance program for employees, and workers compensation. The FY 2012 recommendation is decrease of \$2,491,123, all from the State General Fund, or 4.1 percent, below the FY 2012 agency request. The decrease is attributable to the Governor not recommending the agency's two enhancement requests and 28.8 additional FTE to open and staff a 16-bed crisis SPTP expansion and an eight bed SPTP transition house program. In addition, the recommendation includes elimination of 138.0 vacant FTE positions. This reduced the agency's FTE positions from 976.2 FTE positions to 839.2 FTE positions.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following notations:

1. The Budget Committee expresses concern that the increase in individuals referred to the Sexual Predator Treatment Program (SPTP) and the length of time it takes to complete the program combine to create a continuing budget and public policy challenge. The agency has indicated that an average of 18 individuals are referred to SPTP a year and the program is already operating over its capacity of 200 individuals. Therefore, the agency is temporarily converting program space into bed space while the agency develops plans to address the growth of the program.
2. The Budget Committee notes that the state mental health system has seen an increase in demand over the last year and that agencies will be strained even more by the reduction in beds at Rainbow Mental Health Facility. The agency currently operates most treatment days at its budgeted capacity and has been over its budgeted capacity of 90.0 beds 83.0 percent of the time in the last fiscal year. This has required the temporary delay of voluntary admissions and has forced the agency to privately contract referrals that require greater expenditures for treatment than treatment provided by the state. In addition, this critical strain on the mental health system hinders effective treatment, creates dangerous environments for staff and clients, transfers burdens to local jails and law enforcement, and requires Community Mental Health Centers (CMHCs) to overextend their resources.

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Minority Report

FY 2012 Kansas Department on Aging

We do not agree with the House Budget Committee's recommendation for the Kansas Department on Aging due to the following concerns:

The Governor recommends \$4,699,248, including \$2,000,000 from the State General Fund, to fund an increase in HCBS/FE caseloads with savings realized in part by reducing the agency's salaries and wages by \$3.0 million, including \$1.2 million from the State General Fund, and 20.0 currently filled FTE positions. Further, the Governor recommends utilization of a waiting list for the program should the recommendation not fully fund the HCBS/FE caseloads.

Instead of accepting the Governor's enhancement recommendation the Budget Committee voted to allow the agency to utilize \$1.2 million from the State General Fund achieved by reducing the agency's FTE and salaries and wages, and then sweeps the remaining \$800,000 to the State General Fund.

We feel that it is unwise to sweep funds realized through further reductions when the Governor and the Budget Committee already accepted the agency's reduced resources that will result in additional agency operations reductions, a reduction for Senior Care Act (SCA) that will eliminate services for 1,140 seniors, and a Nutrition program reduction of 53,286 meals or 240 fewer seniors receiving services.

The following reductions are already part of the Governor's the FY 2012 budget:

- **Reduce Senior Care Act funding** – Reduce \$1,333,949, all from the State General Fund, for Senior Care Act (SCA) direct services, case management, assessments and administration. SCA serves low income seniors who otherwise would spend down their personal funds and would become eligible for Medicaid programs. The reduction would be a 21.2 percent decrease in the State General Fund for this program and would eliminate services for approximately 1,140 seniors and increase the SCA waiting list.
- **Reduce Nutrition Program funding** – Reduce \$300,000, all from the State General Fund, from the Nutrition Program. This would mean a reduction of 53,286 meals or 240 fewer seniors receiving services. In addition, the agency states that smaller meal sites might need to close.
- **Reduce Agency Operations** – Reduce \$345,180, including \$102,304 from the State General Fund, from the agency operations. The agency indicates this reduction will be achieved by negotiating with contractors to reduce fees, delaying replacements of office hardware and reducing salary expenditures through layoffs, furloughs and leaving positions vacant.

Further, we have concerns pertaining to the Governor's recommended elimination of 20.0 currently filled FTE positions in the Department of Aging's operations program. The agency has not indicated which employees will have salary reductions, be furloughed or terminated. The agency operations program includes all administrative functions of the agency and is divided into four organizational units: Office of the Secretary, Administrative Services Commission, Licensure, Certification and Evaluation Commission, and Program and Policy Commission. The Office of the Secretary and the Administrative Services Commission supports

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and provides general administrative functions of the department. The Program and Policy Commission is responsible for the provision of services to Kansas seniors through a privatized network of providers. The primary function of the Licensure, Certification, and Evaluation Commission (LCE) is to protect public health through the inspection and licensing of adult care homes.

We are concerned that since a large number of the agency's FTE positions are for licensure and certification that a majority of the FTE reductions will be surveyors of Kansas nursing facilities. In testimony received by the Budget Committee, it was indicated that 188, or 53.0 percent, of the 351 nursing facilities in Kansas were cited with serious levels of deficiencies in the last year. Elimination of nursing facility surveyors and other agency employees that support inspectors to protect public health at this time would be unwise.


Representative Jerry Henry


Representative Barbara Ballard

Appropriations Committee

Date March 10, 2011

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