

Approved:

April 26, 2012

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(Date)

## MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Carolyn McGinn at 10:30 AM on Wednesday, February 29, 2012 in 548-S of the Capitol.

All members were present except Senator Masterson, who was excused.

### Committee staff present:

Jan Lunn, Committee Assistant  
Melinda Gaul, Chief of Staff, Senator McGinn's Office  
Eli Johns, Intern, Senator McGinn's Office  
J. G. Scott, Chief Fiscal Analyst, Legislative Research Department  
Michael Steiner, Senior Analyst, Legislative Research Department  
Bobbi Mariani, Fiscal Analyst, Legislative Research Department  
Jill Wolters, Office of the Revisor of Statutes  
David Wiese, Office of the Revisor of Statutes  
Daniel Yoza, Office of the Revisor of Statutes

### Conferees appearing before the Committee:

Aaron Dunkel, Deputy Secretary, Kansas Department of Health and Environment  
Diane Daldrup, State Director Program Services and Public Affairs, March of Dimes  
Greater Kansas Chapter  
Chad Austin, Senior Vice President, Kansas Hospital Association

### Others in attendance:

See attached list.

### Bill introductions:

Senator Kelly moved introduction of 12rs2337 concerning lifting the sunset on tax credits for historic sites; Senator Francisco seconded the motion, which carried on a voice vote.

Subcommittee report on Natural Resources (KDHE-Environment; Wildlife, Parks & Tourism  
Subcommittee Report on Kansas Department of Health and Environment – Environment  
only and the Department of Wildlife, Parks and Tourism (Attachment 1)

Kansas Department of Health and Environment:

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The Subcommittee concurred with the Governor's recommendation with the following adjustment:

- Add \$1.5 million, all from the State Water Plan Fund, for FY 2013 to the Kansas Department of Health and Environment Local Environmental Protection Program (LEPP). LEPP provides funding and technical assistance to local groups on the implementation of environmental protection plans, which include wastewater treatment, public water supply protection, and non-point source pollution control.

Kansas Department of Wildlife, Parks and Tourism:

The Subcommittee concurred with the Governor's recommendation with a notation:

- The Subcommittee is concerned about the policy of eliminating State General Fund (SGF) expenditures for the Department of Wildlife, Parks and Tourism. The agency provides valuable access to the outdoors to all Kansas citizens. The Subcommittee is of the opinion that providing outdoor access is an appropriate use of SGF expenditures.

A committee member inquired what the result would be to the Department of Wildlife, Parks and Tourism if **SB 314** (which eliminates the senior exemption for hunting and fishing licenses) did not pass. Mr. Dick Koerth, Department of Wildlife, Parks and Tourism, indicated the Department would require another \$1.4 million appropriation; however, that appropriation does not impact the FY 2013 budget.

Mr. Koerth elaborated there are currently two Wildlife, Parks and Tourism bills in the legislative process: **SB 314** and **HB 2729** (which creates a yearly park pass permit for citizens who pay the \$15 fee). Mr. Koerth indicated that based on Michigan's experience, the park pass could generate an additional \$3.5 million in revenue for the Department of Wildlife, Parks and Tourism. **HB 314** is anticipated to be worked by the Senate Natural Resources Committee this week. If **HB 2729** is passed, half of the generated revenue would be available in FY 2013.

When asked concerning the Expanded Lottery Act Revenue Fund (ELARF) and for what purpose the \$1.5 million appropriation would be used, Mr. Koerth indicated those funds are designated for Wildscape (park cabins) debt reduction.

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A committee member asked if **SB 314** passes, what portion of the additional revenue would be matched with federal funds, Mr. Koerth responded about one-half of the anticipated revenue would come from federal matching funds

A committee member commented that when the bill was heard in Natural Resources, the American Association of Retired Persons (AARP) opposed the bill; however, if Kansas seniors currently over the age of 65 years were grandfathered, they could support **SB 314**.

*Senator McGinn moved adoption of Subcommittee Reports for the Kansas Department of Health and Environment (Environment only) and the Kansas Department of Wildlife, Parks and Tourism; Senator Kelly seconded the motion, which carried on a voice vote.*

Hearing on:

### **SB 436—Creating the Kansas newborn screening fund**

Bobbi Mariani, Fiscal Analyst for the Legislative Research Department, briefed committee members on the bill, which would establish the Kansas Newborn Screening Fund that would be administered by the Secretary of the Kansas Department of Health and Environment (Attachment 2). The bill provides that each year a maximum of \$3 million of fees collected from health maintenance organizations and Medicare provider organizations would be deposited in the State General Fund (SGF) and transferred to the Kansas Newborn Screening Fund.

Ms. Mariani responded to questions as follows:

Currently, fees are being collected from managed care organizations (MCO) and Medicare provider organizations; the bill establishes the Newborn Screening Fund. Fees collected would go to the SGF and transferred to the Newborn Screening Fund in the Department of Health and Environment's budget. Expenditures from the fund would be based on vouchers submitted to support the expenditure. The aggregate amount transferred for any fiscal year is capped at \$3 million.

At the present time, newborn screening expenditures are paid through the Children's Initiative Fund (CIF), which are allocated through recommendation by the Children's Cabinet. Ms. Mariani clarified that the Department of Health and Environment recommended expenditures be funded through the CIF in the current

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fiscal year; for years going forward (assuming **SB 436** is passed), no expenditures would be funded through the CIF.

Additional discussion was heard among committee members that since newborn screening is required by statute, the \$3 million cap could be an arguable point. Last year, approximately \$2 million was expended for newborn screening; assuming birth rates stay steady, the \$3 million cap would allow for expansion of the screening panel to include the two diagnostic tests that Kansas does not perform.

Aaron Dunkel, Deputy Secretary of the Kansas Department of Health and Environment, provided a brief history of the newborn screening program, the number of tests and screens currently performed, goals and components included in the program. (Attachment 3) The program tests and screens for 29 metabolic and health disorders. Mr. Dunkel added the establishment of the newborn screening fund would ensure the program's sustainability, and he encouraged favorable passage.

A committee member noted that on page 2, line 12 of the bill, financial assistance is provided for product costs to treat identified diseases in newborns if the legally responsible individual (for the diagnosed individual) is ineligible for Medicaid but whose income is below 300 percent of the federal poverty level (FPL). The committee member inquired what 300 percent of FPL would be. Mr. Dunkel indicated he would provide that information at a later time.

In response to a question concerning the amount that the fees currently generate, Mr. Dunkel will follow-up at a later time. In addition to the amount of the fees paid, a committee member requested a list of the MCOs and organizations currently paying privilege fees.

Diane Daldrup, Executive Director of the March of Dimes, spoke in support of **SB 436**. She provided an overview of the newborn screening program and indicated the key point is a dedicated revenue source to sustain the screening program in the future. (Attachment 4) Ms. Daldrup noted that in Kansas, there are only two core screens not provided in the screening panel: severe combined immunodeficiency (SCID), which is better known as the "bubble boy" disease, and congenital cyanotic heart disease (CCHD). There are 29 screens provided which not only save children's lives but also create significant long-term healthcare cost savings.

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In response to a committee member's question, Ms. Daldrup indicated that should the \$3 million threshold be met, additional appropriation would be sought from the Legislature.

A committee member questioned the need for a cap, since the screening is statutorily required.

Chad Austin, Kansas Hospital Association, appeared as a proponent of **SB 436**. He noted that the bill achieves its purpose of creating a stable funding source (Attachment 5) and encouraged favorable passage.

Written testimony in favor of SB 436 was received from:

Cynthia Smith, Advocacy Counsel, Sisters of Charity of Leavenworth Health System (Attachment 6)

Dennis Cooley, MD, FAAP, President, Kansas Chapter, American Academy of Pediatrics (Attachment 7)

Chairperson McGinn adjourned the meeting at 11:09 a.m.