

Approved: May 22, 2012

(Date)

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Carolyn McGinn at 9:30 a.m. on Friday, May 4, 2012, in 548-S of the Capitol.

All members were present except Senator Taddiken, 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:

Mark Dugan, Office of the Lieutenant Governor
Pat Terick, Cerebral Palsy Research Foundation, Wichita, Kansas

SB 444--Relating to employment of disabled individuals and competitive bids for state contracts

Katherine McBride, Office of the Revisor of Statutes, provided a summary of the previous bill brief, which was originally heard on March 9, 2012.

With regard to a question in the bill (page 3) relating to how potential savings would be calculated and what assumptions were made, Ms. McBride deferred to Mark Dugan, Office of the Lieutenant Governor, to respond.

Mr. Dugan indicated the savings would be calculated on each individual who previously received Medicaid Home and Community Based Services (HCBS) waivers and secured employment from a certified business; savings would be calculated on what the State spent (Medicaid expenditures) previous to employment and after employment. Discussion followed in which

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CONTINUATION SHEET

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concerns were heard regarding the need for clarity concerning estimated savings and savings calculations. Also, committee members suggested the use of the term “savings” could be misleading; the intent of the bill is to reduce the Medicaid waiting list, therefore, any actual savings would be used to cover individuals waiting for services. Mr. Dugan responded that while that would be true, there would also be a reduction for general medical expenditures under Medicaid, which could constitute realized savings.

Mr. Dugan asked Pat Terick, Cerebral Palsy Research Foundation (CPRF), to explain the model which was implemented in Wichita. Mr. Terick provided a description of CPRF’s model, the health insurance program for which the business pays 75 percent of the premium, and the goal (should the bill pass) to collaborate with private foundations to employ 200 individuals, who currently receive HCBS waiver services. Mr. Terick also explained the Working Healthy Program, which offers people with disabilities who are working or interested in working the opportunity to get or keep Medicaid coverage while on the job. Mr. Terick explained that evaluation of the State use law had been studied by Wichita State University. Ms. McBride confirmed that the bill, as currently written, excludes any program evaluation process; only reporting requirements.

With regard to a question as to whether or not **SB 444** violates the Americans with Disabilities Act (ADA) by supporting sheltered segregated employment, Mr. Dugan responded there was no violation. Mr. Dugan indicated the bill was reviewed by the Office of the Revisor of Statutes and counsel within the Kansas State Department of Commerce. There was no review conducted by representatives from the Americans with Disabilities.

In response to a question regarding anticipated savings, Mr. Dugan responded the reporting requirement was intended to provide transparency. If the committee determined that accumulated savings compared to the previous year should be included in reporting requirements, that request could be included in the bill. Mr. Dugan further explained the fiscal note on **SB 444** includes Medicaid non-waiver expenditures only (average medical expenditures). Discussion was heard related to the dates of reporting requirements, the tracking process involved in creation of an accumulated report and what data points to include, and other related issues.

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Concern was expressed as to whether full-time employment (40 hours weekly) is realistic when many companies provide benefits for employees who work less than 40 hours every week. Mr. Dugan responded that it is important for individuals to earn enough in order to eliminate dependency on HCBS waivers; he indicated an hourly wage of \$10.00 for 40 hours weekly would provide adequate remuneration for a disabled individual to consider employment and to undergo a benefit analysis prior to employment.

Chairperson McGinn announced continued deliberation on **SB 444** would be scheduled for Monday, May 7 and adjourned the meeting at 10:02 a.m.

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