

MINUTES OF THE SENATE WAYS & MEANS COMMITTEE.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on March 16, 2000 in Room 123-S of the Capitol.

All members were present except: Senator Downey, who was excused

Committee staff present: Alan Conroy, Chief Fiscal Analyst, KLRD
Rae Anne Davis, KS Legislative Research Department
Debra Hollon, KS Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Asst. Revisor of Statutes
Judy Bromich, Administrative Assistant to the Chairman
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Secretary Connie Hubbell, Department on Aging
Doug Farmer, Commissioner of Finance, Department on Aging
Duane Goossen, Director, Division of the Budget
Bill Henry, Kansas Area Agencies on Aging
Debra Zehr, Kansas Association of Home and Services for the Aging
John Kiefhaber, Kansas Health Care Association
Gina McDonald, Statewide Independent Living Council of Kansas
Tom Bell, Kansas Hospital Association
Senator Tim Huelskamp
Joe Fritton, Acting Director, Division of Facilities Management
Secretary Steve Williams, Wildlife & Parks
Secretary Carlson, Department of Transportation

Others attending: See attached list

SB 653: Intergovernmental transfers with nursing facilities

Kathie Sparks, Kansas Legislative Research Department, distributed and reviewed a summary sheet of the Intergovernmental Transfer Program (Attachment 1). She told members that funds would be established under the new program and outlined the first year's and all subsequent years' distribution of the monies. Ms. Sparks stated that rural hospitals would be required to pay back loans from the Long-Term Care Loan Fund. Copies of a balloon for **SB 653** were distributed to members (Attachment 2).

Secretary Connie Hubbell, Department on Aging, provided background information on the Kansas Intergovernmental Transfer Program (Attachment 3). She introduced Doug Farmer, Commissioner of Finance for the Department, who reviewed the three processes which the Department must complete to receive intergovernmental transfer funding (Attachment 1-3 through 4). In answer to the Chairman, Mr. Farmer said that the state of Nebraska pays a \$10,000 fee to each of two nursing home facilities to get the funding, but the total amount of the funding does not appear to be tied to the number of nursing homes. He said that the Department has identified and contacted 42 locally owned and operated nursing facilities to determine their interest in taking part in the transfer.

Senator Petty voiced her concern that the funds might be used for construction costs though the state has enough beds. Secretary Hubbell stated that the philosophy of the IT program is to delay the need for Medicaid in Kansas by allowing nursing facilities to provide assisted living levels at lesser cost to the state. She added that the Department has worked with Commerce and Housing to provide congregate living in rural areas of the state. Secretary Hubbell told the Committee that the IT program does not add to the base budget or start new entitlements because of the uncertainty of future funding. In answer to a question, Secretary Hubbell stated that how the funds are spent will be a matter of regulations, but one possibility could be maintaining the elderly who are not on Medicaid in their homes.

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Duane Goossen, Director, Division of the Budget, distributed and reviewed the Governor's proposal for the use of the IT monies (Attachment 4). Mr. Goossen stated that **SB 653** does not include language that appropriates the money, but the Governor will provide a budget amendment during Omnibus. It was noted that it may be possible to receive 5 quarters of proceeds in FY 2001 which equals approximately \$120 million. Concern was expressed about the Legislature's ability to appropriate the funds since HCFA has up to 90 days from the end of March to respond to Kansas' plan. The Chairman stated that the Legislature could appropriate the monies but make the release of the monies subject to certification by the Secretary on Aging that the funds had been received.

Bill Henry appeared before the Committee on behalf of the Kansas Association of Area Agencies on Aging in support of **SB 653**. He said that 11 area agencies on aging view the funding as tentative and, therefore, believe that the key segment of the bill is the trust fund (Attachment 5).

Debra Zehr, Vice President of Kansas Association of Home and Services for the Aging, testified in support of **SB 653** (Attachment 6). She requested that the Committee consider an alternate allotment of the funds as described in her testimony.

John Kiefhaber, Executive Director of Kansas Health Care Association, appeared in support of **SB 653**. He asked that the Committee support funding for the nursing home wage pass-through. In response to Senator Petty's remarks, he stated that there will be a shortage of nursing home beds in the future based on population projections and commented that it will be important to upgrade buildings and staff. Mr. Kiefhaber agreed with the Chairman that funding the wage pass-through would add to the base.

Gina McDonald testified in support of **SB 653** on behalf of the Statewide Independent Living Council (Attachment 7). She suggested an amendment that would allow the possibility of using IT funding to provide services to individuals under age 65.

Written testimony in support of **SB 653** on behalf of the Kansas Hospital Association was distributed to members by Tom Bell (Attachment 8). His testimony asked that the Committee consider using \$5 million owed to health care providers as a result of the Horizon Medicaid HMO liquidation.

The Chairman closed the hearing on **SB 653** and noted that action would be taken at a later date.

SB 633: **Child in need of care; defining child in need of protection and youth in need of community intervention; creating the family services and community intervention fund**

The Chairman reminded members that this bill would be referred to the Judiciary Committee for legal review and for consideration of an amendment that the Juvenile Justice Authority had requested. He noted that SRS and the Judicial Branch had been working together on the bill and had come to an agreement with one exception. A copy of a balloon version of the bill was distributed (Attachment 9).

Assistant Secretary Joyce Allegrucci, Assistant Secretary of Children & Family Policy, SRS, told the Committee that there is one issue that remains unresolved and that language appears three times in the bill. It appears the first time on line 43, page 18 and goes through line 2 on page 19. She stated that some members of the Judicial Branch would like to add the following language, "The Secretary will not be relieved of responsibility for following the court's orders because a written order has not been received if a representative of the Secretary is present when the court makes the order."

A representative from the Kansas Counties District Attorneys Association stated that some county attorneys still have concerns similar to those expressed by Karen Langston and Don Hymer in their appearance before Ways & Means on February 29, 2000. It was uncertain whether the county attorneys had concerns about the original or the balloon version of the bill.

There was discussion about concerns for the care of the child from the time the order is given to the time it is memorialized. Judge Graber stated that now that the courts are mandated to give orders, it is a matter of greater conflict for putting children at risk. He said he believes the risk is present in all three places in

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the bill. The Chairman stated that he would advise the Chairman of the Judiciary Committee of the difficulties in the bill.

Senator Ranson moved, Senator Morris seconded, that **SB 633** be amended by deleting the original language and inserting the language contained in the balloon and that **Sub for SB 633** be recommended favorably for passage. The motion carried on a roll call vote.

SB 602: Acquisition of real property by state; requiring certain studies, reports and hearings

Senator Tim Huelskamp appeared before the committee in support of **SB 602** and reviewed his written testimony (Attachment 10). Senator Huelskamp told members that **SB 602** would require state agencies to conduct a study of the impact of property purchase on neighboring properties, share the study with neighbors, and have an open hearing for public comment on the purchase.

Joe Fritton, Acting Director of the Division of Facilities Management, appeared before the Committee to request that the acquisition of buildings be excluded from the bill (Attachment 11).

Secretary Steve Williams, Department of Wildlife and Parks, appeared in opposition to **SB 602** and reviewed his written testimony (Attachment 12).

Secretary Dean Carlson, Department of Transportation, spoke to the Committee in opposition to **SB 602** (Attachment 13). He testified that **SB 602** would require excessive duplication of current procedures and would involve a great deal of time, money and personnel issues without benefit for Kansans.

The Chairman closed the hearing on **SB 602**.

Senator Jordan offered a motion which was seconded by Senator Salmans to approve the minutes of the March 9th meeting. The motion carried on a voice vote.

The meeting was adjourned at 12:30 p.m. by the Chairman. The next meeting will be March 17, 2000.