

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Ty Masterson at 10:30 am on Wednesday, February 18, 2015, 548-S of the Capitol.

All members were present

Committee staff present:

Jill Wolters, Office of Revisor of Statutes
Daniel Yoza, Office of Revisor of Statutes
David Wiese, Office of Revisor of Statutes
J G Scott, Legislative Research
Justin Carroll, Legislative Research
Bobbi Mariani, Legislative Research
Dylan Dear, Legislative Research
Ben Wilhelm, Legislative Research
Mark Skoglund, Legislative Research
Mark Savoy, Legislative Research
Mark Dapp, Legislative Research
Debbie Luper, Chief of Staff
Dee Heideman, Committee Assistant

Conferees appearing before the Committee:

No conferees present

Others in attendance:

[See Attached List](#)

On a point of personal privilege Senator Masterson introduced his shadow for the day, Julia Iwinski, from Wichita, Kansas.

Bill introductions

There were no bill introductions.

Subcommittee signature page:

All members of the Social Services Subcommittee signed the signature page for the Subcommittee Reports for the Kansas Department of Health and Environment - Division of Health and Health Care Finance except Senator Kelly, the Ranking Minority Member ([Attachment 1](#)). Senator Kelly explained the reasons for not signing the Subcommittee Report in her Minority Report ([Attachment 2](#)).

Subcommittee reports on:

Senator Denning, Chairperson of the Social Services Subcommittee, gave the Subcommittee Report for the Kansas Department of Health and Environment - Health and Health Care Finance ([Attachment 3](#)).

Senator Denning said the biggest part of KDHE is KanCare and Medicaid which encompasses

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approximately 90% of KDHE's budget. He said approximately 35% is from SGF and 65% from other funds. He also said PERM, the eligibility system is going to move from DCF to KDHE at the beginning of next year.

Senator Denning reported the new Affordable Care Act (ACA) adds a \$20 million expense in the form of a tax each year. He said this tax goes through the MCO's and then to the IRS. He said the FMAP changes are large amounts of money that keep increasing because the federal government is paying less and Kansas is paying more. Senator Denning said in FY2016 the amount of the tax is \$24 million and in FY2017 it increases to \$30 million. He said in a two year period, we are paying \$50 million plus in annual expenses to our Medicaid program that has nothing to do with patient care, but are taxes and FMAP changes.

Senator Denning made a motion to add \$10 million to the budget, \$4,337,000 from SGF and the rest being the match to the Hepatitis C medications for the Medicare and Medicaid programs for FY2016 and FY2017. He said, if the money is not needed for Hepatitis C, it cannot be used for operational purposes, and it will lapse back to SGF. Senator Powell seconded the motion and the amendment passed on a voice vote.

Senator Denning made a motion to add language stating no state money will be appropriated for FY2015, FY2016, and FY2017 for new health home projects that are designated for the chronically ill without the express consent of the legislature. Senator O'Donnell seconded the motion.

Senator Francisco asked if these were the health homes the agencies were told would be in operation last July. Senator Denning said he did not know the answer to the question.

Susan Mosier, Acting Secretary of KDHE, said in the original launch they were scheduled to kick off in July, but were delayed, and there has not been a date re-set from the communications' office.

Senator Denning's motion to amend was recalled and the motion carried on a voice vote.

Senators Francisco and Kelly asked their "No" votes be recorded in the permanent record of the Ways and Means minutes.

Senator Denning made a motion to adopt the Subcommittee Report for the Kansas Department of Health and Environment - Health and Health Care Finance as amended for FY2015, FY2016 and FY2017. The motion was seconded by Senator Powell and the Subcommittee Report was adopted as amended on a voice vote.

Senator Denning, Chairperson of the Social Services Subcommittee, gave the Subcommittee Report for the Kansas Department for Aging and Disability Services ([Attachment 4](#)).

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Senator Denning explained to the committee that the Department for Aging and Disability Services handles all the waivers. He asked Amy Deckard, from Legislative Research, to distribute a spreadsheet with descriptions of all of the waivers. The title of the handout was "January 2015 HCBS Program Update" ([Attachment 5](#)).

Senator Denning made a motion to add \$382,000 from a proviso that has expired, and restore the funding of \$48,500 to SAC, a self advocate program, for FY2016 and FY2017, and reopen the guardianship program budget and restore \$46,493 to it. He said the balance of \$280,000 remains for Osawatomie State Hospital for their CMS structural improvement mandate. The motion was seconded by Senator Kelly.

Senator Kelly noted that on the SAC program where we are restoring \$48,500 from SGF, that same amount will be matched by Medicaid for a total of \$98,000.

Chairperson Masterson renewed Senator Denning's motion to amend and the motion carried on a voice vote.

Senator Denning made a motion to adopt the Subcommittee Report for the Kansas Department for Aging and Disability Services as amended for FY2015, FY2016 and FY2017. The motion was seconded by Senator Powell and the Subcommittee Report was adopted on a voice vote.

Subcommittee signature page:

All members of the Regulatory Boards and Commissions Subcommittee signed the signature page for the Subcommittee Reports for the Citizen's Utility Ratepayer Board, Department of Credit Unions, Kansas Corporation Commission, Kansas Human Rights Commission, Office of Administrative Hearings, Office of the Securities Commissioner, Office of the State Bank Commissioner, Real Estate Appraisal Board, and the Real Estate Commission ([Attachment 6](#)).

Subcommittee reports on:

Senator O'Donnell, Chairperson, of the Regulatory Boards and Commissions, gave the Subcommittee Report for the Kansas Corporation Commission ([Attachment 7](#)).

Senator O'Donnell made a motion to adopt the Subcommittee Report for the Kansas Corporation Commission for FY2015, FY2016 and FY2017. The motion was seconded by Senator Powell and the Subcommittee Report was adopted on a voice vote.

Senator O'Donnell, Chairperson, of the Regulatory Boards and Commissions Subcommittee, gave the Subcommittee Report for the Citizens' Utility Ratepayer Board ([Attachment 8](#)).

Senator O'Donnell made a motion to adopt the Subcommittee Report for the Citizens' Utility Ratepayer Board for FY2015, FY2016 and FY2017. The motion was seconded by Senator Powell and the

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Subcommittee Report was adopted on a voice vote.

Senator O'Donnell, Chairperson, of the Regulatory Boards and Commissions Subcommittee, gave the Subcommittee Report for the Department of Credit Unions ([Attachment 9](#)).

Senator O'Donnell made a motion to adopt the Subcommittee Report for the Department of Credit Unions for FY2015, FY2016 and FY2017. The motion was seconded by Senator Powell and the Subcommittee Report was adopted on a voice vote.

Senator O'Donnell, Chairperson, of the Regulatory Boards and Commissions Subcommittee, gave the Subcommittee Report for the Kansas Human Rights Commission ([Attachment 10](#)).

Senator O'Donnell made a motion to adopt the Subcommittee Report for the Kansas Human Rights Commission for FY2015, FY2016 and FY2017. The motion was seconded by Senator Powell and the Subcommittee Report was adopted on a voice vote.

Senator O'Donnell, Chairperson, of the Regulatory Boards and Commissions Subcommittee, gave the Subcommittee Report for the Office of Administrative Hearings ([Attachment 11](#)).

Senator O'Donnell made a motion to adopt the Subcommittee Report for the Office of Administrative Hearings for FY2015, FY2016 and FY2017. The motion was seconded by Senator Powell and the Subcommittee Report was adopted on a voice vote.

Senator O'Donnell, Chairperson, of the Regulatory Boards and Commissions Subcommittee, gave the Subcommittee Report for the Office of the Securities Commissioner ([Attachment 12](#)).

Senator O'Donnell made a motion to adopt the Subcommittee Report for the Office of the Securities Commissioner for FY2015, FY2016 and FY2017. The motion was seconded by Senator Powell and the Subcommittee Report was adopted on a voice vote.

Senator O'Donnell, Chairperson, of the Regulatory Boards and Commissions Subcommittee, gave the Subcommittee Report for the Office of the State Bank Commissioner ([Attachment 13](#)).

Senator O'Donnell made a motion to adopt the Subcommittee Report for the Office of the State Bank Commissioner for FY2015, FY2016 and FY2017. The motion was seconded by Senator Powell and the Subcommittee Report was adopted on a voice vote.

Senator O'Donnell, Chairperson, of the Regulatory Boards and Commissions Subcommittee, gave the Subcommittee Report for the Real Estate Appraisal Board ([Attachment 14](#)).

Senator O'Donnell made a motion to adopt the Subcommittee Report for the Real Estate Appraisal

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

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Board for FY2015, FY2016 and FY2017. The motion was seconded by Senator Powell and the Subcommittee Report was adopted on a voice vote.

Senator O'Donnell, Chairperson, of the Regulatory Boards and Commissions Subcommittee, gave the Subcommittee Report for the Real Estate Commission ([Attachment 15](#)).

Senator O'Donnell made a motion to adopt the Subcommittee Report for the Real Estate Commission for FY2015, FY2016 and FY2017. The motion was seconded by Senator Powell and the Subcommittee Report was adopted on a voice vote.

Possible action on bills previously heard

There was no final action taken on any previously heard bills.

The next Ways and Means Committee meeting is scheduled for Thursday, February 19, 2015, at 10:30 am, in Room 548-S at the Capitol.

Chairperson Masterson adjourned the meeting at 11:24 am.