

## MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Ty Masterson at 10:30 am on Thursday, February 18, 2016, 548-S of the Capitol.

All members were present

### Committee staff present:

Jill Wolters, Office of Revisor of Statutes  
David Wiese, Office of the Revisor  
J. G. Scott, Legislative Research Department  
Bobbi Mariani, Legislative Research Department  
Shirley Morrow, Legislative Research Department  
Dezeree Hodish, Legislative Research Department  
Justin Carroll, Legislative Research Department  
David Fye, Legislative Research Department  
Debbie Luper, Chief of Staff  
Dee Heideman, Committee Assistant

### Conferees appearing before the Committee:

Melissa Glynn, Managing Director, Alvarez and Marsal  
J. W. Rust, Senior Director, Alvarez and Marsal  
Rudy Dimmling, Senior Director, Alvarez and Marsal  
Nancy Zielke, Senior Director, Alvarez and Marsal  
Lisa Fabish, Senior Director, Alvarez and Marsal  
Deanne Benos, Alvarez and Marsal

### Others in attendance:

[See Attached List](#)

### **Bill introductions**

Senator Powell introduced proposed legislation concerning chemigation permits. Senator Arpke seconded the motion and the motion was adopted on a voice vote.

### **Informational briefing:**

Melissa Glynn, Managing Director, Alvarez and Marsal, outlined A & M's recommendations by presenting an overview of the recommendations that various A & M associates would further explain in their respective areas of expertise. These A & M recommendations were listed in a spreadsheet entitled "Recommendations Summary" ([Attachment 1](#)).

A detailed report of the Recommended topics to be covered in the meeting was distributed to the committee ([Attachment 2](#)).

## CONTINUATION SHEET

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J. W. Rust, Senior Director, Alvarez, explained and answered questions concerning the recommendations in the area of Information Technology. The recommendations he outlined are;

- Consolidate service desk and end-user computer services;
- Consolidate data center;
- Consolidate network services;
- Print services consolidation
- Fleet reduction and centralization.

Rusty Dimmling, Senior Director, Alvarez and Marsal, explained the next set of recommendations which involved the Medicaid and Health Services Section. The following was included in their recommendations:

- Reduce PERM rate;
- Increase oversight of MCO program integrity units;
- Expand Federal grants;
- Reduce Community Developmental Disabilities organizations;
- Centralize all Medicaid support functions within KDHE.

Mike Fiore, Alvarez and Marsal, spoke to Kansas' Payment Error Rate Measurement (PERM) for Medicaid. He explained that the error rate for Kansas is extremely high at 17.8 percent and eligibility is at 12.3 percent. He further explained that the national average PERM rate is 3.3 percent; however, Oklahoma's rate is extremely low rate at 0.5.

Senator Kelly asked Mr. Dimmling what it would cost the State to achieve to the national average PERM rate. He said the work load must be examined and he feels the largest savings would be associated with better training. He also pointed to better oversight which would help reduce fraud and abuse and also help in fraud and abuse recoveries.

Nancy Zielke, Senior Director, Alvarez and Marsal, explained in detail the implementation of the recommended healthy birth outcome initiatives. She said their findings indicate that increasing utilization of alternative care can increase healthy birth outcomes to lower cost birthing options in Medicaid by:

- Encouraging the expansion of using certified nurse midwives in proliferation of all birthing centers (in both in and out of hospital settings);
- Conduct outreach and education to Medicaid maternity care clients;
- Educate mothers about their birthing options and dispelling misinformation about the risks, both physical and legal, of a normal delivery by a certified midwife.

Lisa Fabish, Senior Director, Alvarez and Marsal, presented and in-depth report on ways to optimize the Children's Initiatives Fund. She expanded on different ways we can increase our child support

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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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collections. She stated better tools and coordination with other agencies could also raise our child support collection rates.

Deanne Benos, Alvarez and Marsal, expounded on their recommendations for the Department of Corrections which include the following:

- Leverage Medicaid and private health insurance for parole and community corrections;
- Expand on-site medical services and tele-health agreements.

### **Possible action on bills previously heard**

There was no action taken on bills previously heard.

There are no Senate Ways and Means Committee meetings scheduled at this time.

Chairperson Masterson adjourned the meeting at 12:17 p.m.

### **Meeting at the Rail**

The meeting was called to order by Chairperson Ty Masterson at 3:10 pm on Thursday, February 18, 2016, Third Floor, Rail of the Rotunda of the Capitol.

All members were present except: Senator O'Donnell and Senator Kelly

Committee staff present:

Jill Wolters, Office of Revisor of Statutes

J.G.Scott, Legislative Research Department

Shirley Morrow, Legislative Research Department

Debbie Luper, Chief of staff

Dee Heideman, Committee Assistant

Conferees appearing before the Committee:

No conferees present

### **Bill introductions**

Senator Denning moved to introduce, an act concerning the Kansas Bioscience Authority. Senator Melcher seconded the motion. The bill was approved for introduction.

Chairperson Masterson adjourned the meeting at 3:12 p.m.