

## M I N U T E S

## SPECIAL COMMITTEE ON WAYS AND MEANS - A

October 10-11, 1977

October 10  
Morning Session

Chairman Wint Winter called the Special Committee on Ways and Means - A to order at 9:30 a.m. on October 10, 1977, in Room 514-S of the Statehouse. Committee members attending, in addition to Chairman Winter, were: Representative R.E. Arbuthnot, Representative Mike Glover, Senator Joseph Harder, Representative Mike Hayden, Representative Ruth Luzzati, Senator Billy McCray, Representative Irving Niles, and Senator Joe Warren. Staff members present were Chris Badger, Emalene Correll, Robert Epps, Norman Furse, and Marlin Rein.

Senator Winter directed the Committee's attention to the minutes of the July, August, and September meetings. Following a brief discussion of the July minutes concerning the programs of the University of Kansas School of Medicine, Representative Wingert moved the adoption of these minutes. Senator McCray seconded the motion and the minutes were then adopted. Chairman Winter then requested that the Committee turn its attention to the minutes of August 18, 1977. The section dealing with the osteopathic aid matter was noted. Representative Hayden moved the adoption of these minutes. Representative Wingert seconded the motion and the minutes were then approved. Attention was then turned to the minutes of September 8-9, 1977, and Representative Hayden moved the adoption of these minutes with Representative Wingert seconding this motion. These minutes were also adopted.

Proposal No. 69 - Retention of Medical  
School Graduates in Kansas

Following consideration of the minutes, Chairman Winter directed the Committee's attention to Proposal No. 69 and introduced the conferees appearing on this subject: Mr. Rick Von Ende, University of Kansas; Ms. Mary Wiersma, Kansas Farm Bureau; Mrs. Terry Whelan, Kansas Association of Osteopathic Medicine; and Mr. Jerry Slaughter, Kansas Medical Society.

Mr. Rein pointed out that the draft report on Proposal No. 69 was not included in the mailing of materials prior to the meeting. Chairman Winter suggested the Committee briefly review the preliminary draft on Proposal No. 69. Representative Hayden then requested that the draft report be expanded to include an explanation of the pre-admissions process at the University of Kansas School of Medicine.

Chairman Winter requested clarification of the 20 slots reserved for the Mediserve Program. Mr. Von Ende commented that the 20 slots held for the Mediserve Program are subject to the usual admissions standards of the medical school. Chairman Winter expressed concern regarding the apparent practice of the University making commitments to a private organization regarding medical school admissions. Mr. Von Ende indicated that the Mediserve candidates must meet all of the usual entrance requirements and that the Mediserve Program recommendation only indicates that the county medical society and local Farm Bureau organization have recommended a candidate for admission. The Mediserve recommendation is then considered along with other factors.

Chairman Winter then requested that the draft report on Proposal No. 69 be amended to reflect the fact that the 20 medical school slots are not reserved exclusively for the Mediserve program. Representative Luzzati asked whether the Mediserve recommendation could push a marginal medical school applicant into the acceptable category for admissions purposes. Mr. Von Ende responded affirmatively. Mr. Slaughter commented that a student's grade point average is not the sole admissions factor to the School of Medicine and Mr. Von Ende noted that numerical admissions standards can be mitigated by many other factors.

At this point, Chairman Winter requested information regarding the current tuition structure of the University of Kansas School of Medicine. Mr. Von Ende replied that the current tuition was based on a rate of \$375 per learning module for Kansas residents and \$750 per module for nonresident students. For Kansas residents this tuition structure results in an annual tuition charge of \$1,500 per year for three-year medical students and \$1,125 per year for four-year medical students. Annual tuition charges for non-resident students would be double the resident rate or \$3,000 per year for three-year medical students and \$2,250 per year for four-year medical students. Current trends in medical education would indicate a decline in three-year programs and an increase in four-year programs.

Chairman Winter asked for information regarding the medical schools with which the University of Kansas Medical Center attempts to relate faculty salaries. Mr. Von Ende indicated that the University of Kansas Medical Center attempts to relate faculty salaries to the member institutions of the Association of American Universities. A partial list of member institutions includes Michigan University, the University of Illinois, Wisconsin University, Colorado University, Missouri University, Ohio State University, Iowa University, Harvard University, the University of California - Berkeley, the University of Texas, North Carolina University (Chapel Hill), and Yale University.

#### Afternoon Session

Chairman Winter requested that the Committee turn its attention to the development of a bill that would result in the retention of medical school graduates in Kansas. The Committee then spent the remainder of the first day developing a tentative outline for legislation relative to the retention of medical school graduates in Kansas. The tentative legislative outline (a copy of which is attached) consisted of five major parts: (1) an increase in tuition rates at the University of Kansas School of Medicine, (2) the establishment of an optional two-part scholarship program which [a] obligates recipients to practice medicine in Kansas in exchange for payment of tuition expenses or [b] which obligates recipients to practice in a medically underserved area of the state in exchange for payment of tuition and living expenses of \$500 per month, (3) a requirement that the Secretary of Health and Environment designate medically underserved areas and update the list of such areas on an annual basis, (4) a breach of agreement provision requiring scholarship recipients who do not fulfill their agreements to repay all scholarship assistance plus ten percent interest and (5) a provision specifying certain conditions which would postpone or satisfy the obligations to practice medicine in Kansas.

Several guidelines were used in developing the tentative legislative outline. Representative Hayden indicated that medical tuition rates should bear some relationship to the actual cost of medical education and that medical tuition rates as a percent of total education cost should be related to the tuition rates of disciplines other than medicine.

Chairman Winter expressed the desire that any scholarship program developed by the Committee should bear a similarity to the federal government's public health service scholarship program for medical students. Chairman Winter also pointed out that the Committee should operate on the premise that the state is providing a very high quality of education at the University of Kansas School of Medicine and that the citizens of Kansas ought to be obtaining services in some relation to their contributions for this medical education.

In response to Mr. Rein's question regarding the administration of the scholarship program, Representative Glover suggested that the program should be administered by the Medical Center because the resources -- staff and information -- for administering such a scholarship program are already in place at the Medical Center.

Representative Hayden indicated the need for a provision that would provide for the revocation of licenses in those instances where scholarship recipients broke their agreement. Norman Furse of the Revisors' Office suggested that the Healing Arts Act would need to be amended to provide for the revocation of licenses in such situations. Chairman Winter stated that it would be better to isolate such a provision outside of the primary bill.

Representative Luzzati expressed a general concern in that other programs being conducted by the Medical Center could provide the desired results of increasing the number of physicians in Kansas. Such programs would include the locum tenens program, a special residency program for foreign medical graduates, and a "Fifth Pathway" program for foreign medical school graduates.

With regard to the designation of medically underserved areas in the state, Representative Glover asked what factors would be considered in defining such areas. Mr. Joe Harkins of the State Department of Health and Environment commented that the designation of such areas was an extremely complicated problem. Consideration would be given to such factors as the age of the population, infant mortality rates, the percentage of the population over 65 years of age and the number of primary care physicians, general practitioners and pediatricians in a given region. These factors can be used to produce an index so that medically underserved regions can be determined. Mr. Harkins also noted that the Department of Health and Environment would not be able to designate specific communities as medically underserved and that such designations would have to be made on a regional basis.

Representative Luzzati asked if there was an estimate of the fiscal note concerning these proposals as they would impact the University of Kansas Medical Center and the Department of Health and Environment. According to Mr. Rein, the fiscal impact on the University of Kansas Medical Center would be approximately \$1 million per year. No estimate could be made of the proposal's fiscal impact on the Department of Health and Environment; however, it was mentioned that additional costs would be minimal as the Department already has staff capable of providing the information required to designate a medically underserved area.

At 4:15 p.m. Chairman Winter recessed the Committee until 9:00 a.m. Tuesday, October 11, 1977.

October 11  
Morning Session

Chairman Wint Winter called the meeting to order at 9:00 a.m. Staff passed out a draft Committee Report on Proposal No. 65 - Review of Community Mental Health and Retardation Facilities.

Proposal No. 65 - Review of Community Mental  
Health and Retardation Facilities

Chairman Winter opened the floor for discussion. Representative Glover said the Committee should talk about Title XX funds. Senator McCray asked what Subsection 3, paragraph (b) on page three of the draft report meant. Staff said it meant that \$2 million of federal money would be freed if \$700,000 of State General Funds were made available. Senator McCray then asked where the extra money would come from and if that money could be used to benefit those agencies with all of their services cut off. Staff replied that part of the money could come from Title IV-A funds at a lower matching rate and the remainder come from State General Funds. The resulting savings in Title XX funds could be used to benefit those agencies with curtailed services.

Senator Warren inquired about the effect of shifting to Title XIX funds. Staff indicated that the possible use of home health aids was one option for utilizing Title XIX funds. Representative Luzzati said that home health care would not require community facilities to become intermediate care facilities.

Chairman Winter opened discussion on Committee Reports and said that it was not appropriate for the Committee to make recommendations before the executive branch has made recommendations for the entire state budget.

Representative Glover said the Committee might make a definitive statement to the executive branch to clarify the Committee's position and that he was in favor of a resolution stating that the Department of Social and Rehabilitation Services continue to serve those people previously served by Title XX funds who would be adversely

affected under the new Title XX plan. Representative Glover indicated that his intent was to try to "grandfather" into the system only individuals and not providers. Representative Hayden asked Representative Glover whether he was trying to get the Committee to reverse a previous SRS decision on eligibility standards. Representative Glover indicated that he was asking the Committee to reconsider those standards. Representative Wingert asked how the Committee would make that selection.

Chairman Winter indicated that he would like to get some definitive language but felt that such language should be decided at a later meeting. Senator McCray indicated that it was impossible to know how many people needed service. He recommended that under Section (b) on page 3 of the draft report on Proposal No. 65 that the Committee seriously consider releasing the \$2 million provided it does not adversely affect day care programs. The Committee needs to decide on some definitive language about shifting the money. Staff indicated that the SRS budget for FY 1979 proposes to make a shift in funds for the last quarter of FY 1978 and the beginning of FY 1979. Staff indicated that the FY 1979 request shifts back to Title IV-A funds and that the amount of dollars in the donor category would go back to \$6.7 million for community-based programs. Representative Luzzati asked if changes had been made in the amount of Title XX dollars available. Staff indicated that the amount of Title XX dollars available appeared to be fairly constant. Representative Luzzati said that merit raises for SRS staff currently employed are seriously affecting the amount of available Title XX funds for community programs.

Chairman Winter said that if the Committee were to make a statement, it should be made at the next meeting. Representative Glover indicated that he would be willing to wait until the next meeting to make such a statement. Representative Niles informed the Committee that the University of Kansas was offering a course on Title XX funding.

Chairman Winter then directed the Committee to proceed to Proposal No. 66 - Overview of State SRS Institutions and Programs.

Proposal No. 66 - Overview of State  
SRS Institutions and Programs

Representative Luzzati referred to page 2 in the first paragraph of the preliminary Committee Report and asked if there was duplication with community programs at hospitals other than Topeka State Hospital. Mr. Epps indicated that some duplication appeared to exist at Kansas Neurological Institute and Parsons State Hospital outpatient departments. However, the type of service offered at these institutions is more medically oriented than similar community-based programs.

Representative Arbuthnot asked who is responsible for the hiring and firing of personnel in the community-based programs. Mr. Epps indicated that employees are accountable to boards of directors who are appointed by county commissioners. Representative Arbuthnot stated that it is very difficult to come up with the Committee recommendation when the Legislature has such limited control over community-based programs. Mr. Rein asked if there was a comprehensive plan for coordinating SRS programs with the community-based programs for mental health and retardation. Dr. Haines, Director of the Division of Mental Health and Retardation Services, indicated that "Project Interweave" was an attempt to coordinate state and community services.

Mrs. Ethel May Miller of the Kansas Association for Retarded Citizens indicated that there is no way to implement a plan because the state aid program is furnishing only about four percent of the total operating budget with the local units of government carrying most of the financial burden.

Mr. Rein asked how the programs can be audited to see if additional services are being provided at both levels. Secretary Harder of the Department of Social and Rehabilitation Services said that desk audits were performed in the central SRS office. Mr. Rein asked what mechanism is used to maintain a continuing liaison to community programs. Secretary Harder indicated that since "Project Interweave" has been in existence in the mental health field, the three mental health superintendents meet with the executive committee of the community mental health centers' directors association to discuss development of a comprehensive mental health program. Another meeting of this group is scheduled for November 2, 1977.

Mr. Rein said it would be difficult to plan state program changes with a lack of input from the community programs. Secretary Harder said that any plan has to respect the autonomy of separate funding programs. Secretary Harder also mentioned the formation of informal groups to improve planning and coordination of state and community mental health and retardation programs. Membership would be representative of state institutions and community facilities.

Chairman Winter asked what the proposed groups would be called. Secretary Harder indicated that they will be called either the Mental Health or Mental Retardation Commission. Chairman Winter indicated that the Committee should acknowledge and recommend approval of the formation of such commissions. Representative Luzzati referred to the four goals at the bottom of page 2 of the draft Committee Report and asked if the new committee's responsibility will be to revise and implement these goals. Secretary Harder replied affirmatively.

Senator Warren asked if there is now overlap in such programs as a result of the mental health centers attempting to pick up the slack that the state does not provide. Secretary Harder indicated that there may be some overlapping of programs. Representative Glover asked if everything in the report was being recommended. Chairman Winter said that the Committee is asking staff to prepare a comment approving the formation of the proposed commissions. Chairman Winter then asked that the Committee take up discussion of Proposal No. 72 - Computerization of Health-Related Fee Agencies Licensure Data.

Proposal No. 72 - Computerization of  
Health-Related Fee Agencies Licensure Data

Chairman Winter asked if there were any comments or proposed changes in the Committee Report. Hearing no comments, the Committee recommended the draft report as presented. Mr. Rein then discussed the Committee Report on Proposal No. 67 - A Comprehensive Review of the Wichita Branch of the University of Kansas Medical Center.

Proposal No. 67 - A Comprehensive Review of the  
Wichita Branch of the University of Kansas  
Medical Center

Representative Luzzati asked with whom the Committee would negotiate. Dr. Cramer Reed of the Wichita branch indicated that negotiations would be with the Medical School in Wichita. Representative Luzzati asked Dr. Reed whether the last paragraph on page 3 of the Committee Report accurately describes how progress is developing. Dr. Reed said that if the hospital is not used for health-related purposes, the building will revert back to the heirs. Mr. Rein asked if the construction permit had been approved and if construction had begun on the new building. Dr. Reed said that the permit has been approved.

Chairman Winter asked when the building is scheduled for completion. Dr. Reed said that the building is scheduled for completion two years from this September but that neither the Branch or associated professions would be adequately housed in the new building. Senator McCray asked if the E.B. Allen Building would need to be used after the new building is constructed. Dr. Reed replied affirmatively. Representative Glover asked if the possibility existed for the city to transfer property to the state and use the E.B. Allen Building in its present function while housing the new departments in the new building. Dr. Reed said that not much interest existed in moving to the Health Science Building. Representative Glover asked Dr. Reed if space in the new Health Science Building could be used economically. Dr. Reed said that the college would be able to occupy space that was projected for the Medical School and that the Health Science Building at Wichita State University occupies between 16,000 and 19,000 square feet.

Chairman Winter then directed the Committee's attention to Proposal No. 71 - Rainbow Unit Review.

Proposal No. 71 - Rainbow Unit Review

Mr. Epps indicated that the Rainbow Unit submitted a separate budget document for FY 1979. He also noted that if the purpose of the Unit is changed, the state would

be required to repay the federal government the amount of the construction grant for the building. Representative Luzzati asked if a solution to the repayment of construction funds would be solved by having the state contract with nonprofit local entities. Mr. Epps replied that the Rainbow Unit is currently involved in contracts with the Johnson and Wyandotte County Community Mental Health Centers.

Chairman Winter stated that the present organizational structure at the Rainbow Unit is cumbersome and that it is appropriate that a separate budget be submitted. In response to a question from Representative Glover, Chairman Winter said that if the Rainbow Unit is not used for mental health-related functions, the state will be required to pay back the amount of a federal construction grant to the federal government. Representative Hayden said that it would be possible to purchase the building for use as a community correctional facility by paying back the federal construction grant. Senator Warren asked if the proposal is to close the Rainbow Unit. Chairman Winter said that it has been suggested that there are too many mental health facilities. Senator Harder asked for the current occupancy rate. Chairman Winter said that the current inpatient occupancy rate is around 90 percent but that the Rainbow Unit's partial hospitalization program is being underutilized.

Representative Glover asked what changes would be required in the administration of the unit. Secretary Harder said that fiscal and personnel services are currently provided by Osawatomie State Hospital. Secretary Harder then indicated that it would cost between \$25,000 and \$30,000 to cut free the fiscal and personnel functions plus an additional amount of perhaps \$250,000 to establish the Rainbow Unit as an independent facility. Representative Luzzati stated that because inpatients are almost exclusively from Wyandotte County, the unit is really a Wyandotte facility.

Chairman Winter directed discussion back to Proposal No. 67.

Proposal No. 67 - A Comprehensive Review of the Wichita  
Branch of the University of Kansas Medical Center

Representative Luzzati stated that the payment for rent at the E.B. Allen building was very low. Mr. Rein indicated that E.B. Allen was renovated with \$35,000, plus moneys for Fairmont Towers, for a total of about \$115,000 and that the rental costs associated with E.B. Allen are nominal.

Senator McCray asked what the availability of new space is if the building is not big enough. Chairman Winter indicated that they would be moving from 28,000 square feet to 26,000 square feet but that they had previously occupied only 16,000 and suggested that the Committee request the Board of Regents to make use of the facilities in the new building.

Representative Luzzati stated that some of the doctors involved do not want to go to the new building and they could not be forced to move. Chairman Winter said that the issue should be considered by the Regents in the FY 1979 Legislative Session and the Regents should determine the use of the facility.

Senator Warren said that the Regents had already looked at this issue. Representative Niles asked about the current use of Fairmont Towers and the Grace Wilkie Building. Chairman Winter said that Fairmont Towers is used for student housing and that Grace Wilkie is used for offices.

Chairman Winter recessed the morning session.

Afternoon Session

Chairman Winter reconvened the Committee at 2:05 p.m. and directed the Committee to go over the outline of the medical education bill.

Proposal No. 69 - Retention of Medical  
School Graduates in Kansas

Mr. Norman Furse of the Revisor of Statutes Office distributed a memo on the proposed bill (a copy of which is attached).

Chairman Winter referred to Part B of Section I and stated that it was the Board of Regents' responsibility to settle the question involved. Mr. Rein indicated that Part B of Section I should be stricken and Part E would become effective in July, 1980.

The Committee then discussed briefly whether a \$500 per month scholarship is for the nine months in school or 12 months. Chairman Winter asked if the federal scholarship program is for nine months. Staff replied affirmatively. The Committee then voted to propose that the \$500 per month be for the number of months in school. Chairman Winter asked for clarification of the last line of Section II. Representative Glover said that this meant that the student could go from Region A to Region B or vice versa.

Mr. Furse indicated there should be no problem with such an arrangement as the contracts were set up as a series of individual documents on a yearly basis.

Senator Warren asked how the determination would be made on which areas are underserved. Chairman Winter indicated that the Secretary of Health and Environment would determine the underserved area.

Mr. Rick Von Ende, from the University of Kansas, said that in Section IV of the memorandum the interest rate should be 10 percent instead of 12 percent. Representative Glover said that he would like to see Vista and the Peace Corps included as alternate service arrangements in the contract. Chairman Winter asked that Vista and the Peace Corps be included in the bill.

Mr. Rein said that the underserved areas in Section III should include state institutions. Mr. Rein asked if the program is designed to apply to students in the fall of 1978. Mr. Von Ende indicated that it was. Mr. Rein stated there would be value in advancing the September 1 date a month or two. Representative Glover said there should be some penalty provision providing for repayment of scholarship funds if a student failed in medical school. After discussion, the Committee voted not to require repayment of a loan if a student dropped out of school. Representative Niles asked what responsibility was incurred if a physician serves only one-half of the required time. Representative Glover indicated that because separate contracts are involved, one year of service would negate one year of service obligation. Mr. Rein indicated that there is a problem with using a floating tuition figure in the third year and that by 1980 tuition may be less than the 17 percent figure. Therefore, there may be some value in establishing tuition as a specific percentage. Mr. Rein suggested that on page 2 either 20 or 22 percent could be used in place of the floating tuition. Mr. Rein stated that in other state schools there are non-state dollars included in general use expenditures.

Mr. Von Ende stated that in Section I, Part C, advanced students would pay less under the current program. Representative Niles moved to make all tuition 17 percent under Section I, C. The motion passed.

Proposal No. 71 - Rainbow Unit Review

Ms. Mary McNeive passed out a written statement to the Committee on the Rainbow Unit. Representative Glover asked why the state should pay for the facility when only two counties use it. Ms. McNeive stated that the Rainbow Unit is an integral part of the total state mental health system. Representative Glover asked when the study commission expects to have specific proposals. Ms. McNeive said that proposals should be expected shortly.

Senator Warren asked if both counties have their own mental health centers. Ms. McNeive said they have their own centers.

Chairman Winter indicated the next meeting would be November 10, 1977. Mr. Rein indicated that final versions of the Committee Reports would be available at the next meeting.

Prepared by Robert Epps and Chris Badger

Approved by the Committee on:

11-16-77  
(Date)

ATTACHMENT I

OTHERS IN ATTENDANCE

Name	Representing
Jeremy Slaughter Emerson Yoder, M.D. Mary J. Wiersma Terry Whelan	Kansas Medical Society, Topeka Kansas Medical Society, Denton Kansas Farm Bureau, Manhattan Kansas Association of Osteopathic Medicine
William A. Newman	Northeast Kansas Health Systems Agency No. 2, Topeka
Richard Von Ende Jeff Wampler Joe Harkins	University of Kansas Kansas Farm Bureau, Manhattan Department of Health and Environment
Ruth C. Dickinson Marion Vernon	Planning and Research Mental Health Association of Kansas
Dick Bardoulas Robert Theno Joan Strickler	Legislative Post Audit Legislative Post Audit Kansas Advocacy for Protective Services for the Developmentally Disabled
Ethel May Miller	Kansas Association for Retarded Citizens
Bob Hayes R.A. Haines, M.D.	Kansas Insurance Department Director, Division of Mental Health and Retardation
Dr. Robert Harder	Executive Secretary, Department of Social and Rehabilitation Services
Pat McKinley	Mental Health Association of Kansas, Topeka
Mary McNeive	Mental Health Association of Johnson County
Cramer Reed, M.D.	Wichita Branch, the University of Kansas Medical Center
Dwight Metzler	Secretary. Department of Health and Environment



MEMORANDUM

Re: Outline of Legislation Relating to Retention of Medical School Graduates under Consideration by Special Committee on Ways and Means - A.

Prepared by Norman J. Furse

For Special Committee on Ways and Means - A

Section 1. Tuition.

Commencing on and after July 1, 1978, tuition for undergraduate medical school students at the university of Kansas school of medicine is to be computed as follows:

(a) The annual rate of tuition at the university of Kansas school of medicine for undergraduate students who are not residents of Kansas will be twice the annual rate of tuition for undergraduate medical students who are residents of Kansas.

(b) On and after July 1, 1978, for all undergraduate medical students enrolled in the university of Kansas school of medicine, the annual rate of tuition shall be fixed at an amount equal to twelve percent (12%) of the computed educational cost for the preceding fiscal year for undergraduate medical students at the university of Kansas school of medicine.

(c) On and after July 1, 1979, for undergraduate medical students enrolled in the university of Kansas school of medicine, the annual rate of tuition shall be fixed as follows: (1) For first-year undergraduate medical students the annual rate of tuition shall be fixed at an amount equal to twenty-two percent (22%) of the computed educational cost for the preceding fiscal year for undergraduate medical students at the university of Kansas school of medicine; and (2) For undergraduate medical students other than first-year medical students the annual rate of tuition shall be fixed at an amount equal to seventeen percent (17%) of the computed educational cost for the preceding fiscal year for undergraduate medical students at the university of Kansas school of medicine.

(d) On and after July 1, 1980, for all undergraduate medical students enrolled in the university of Kansas school of medicine, the annual rate of tuition shall be fixed at an amount equal to twenty-two percent (22%) of the computed educational cost for the preceding fiscal year for undergraduate medical students at the university of Kansas school of medicine.

<sup>d</sup>  
 (e) On and after July 1, 1981<sup>0</sup>, for all undergraduate medical students enrolled in the university of Kansas school of medicine, the annual rate of tuition shall be fixed at an amount equal to student tuition income expressed as a percentage of total general use expenditure for general educational programs for the preceding fiscal year at the six (6) state universities under the Board of Regents multiplied by the computed educational cost for the preceding fiscal year for undergraduate medical students at the university of Kansas school of medicine.

The computed educational cost for undergraduate medical students at the university of Kansas school of medicine shall be that amount, expressed as a percentage, that tuition income from undergraduate medical students bears to the total general use expenditures for educational programs for undergraduate medical students for the preceding fiscal year at the university of Kansas school of medicine.

Sec. 2. Scholarships and Agreements.

(a) The university of Kansas school of medicine may award scholarships in accordance with this act to any undergraduate student of medicine admitted to or enrolled in the university of Kansas school of medicine. Such scholarships shall provide to the person receiving the scholarship the following assistance: (1) Type I scholarships shall provide for the payment of all tuition, expenses, and for living expenses in an amount of five hundred dollars (\$500) per month; and (2) Type II scholarships shall provide for the payment of all tuition expenses. Such scholarships shall be entered into on an annual basis and shall be in effect for one year unless otherwise terminated before such period of time in accordance with the provisions of the scholarship. A student is not limited from year-to-year in the type of scholarship.

(b) Any person receiving a scholarship under this act shall enter into a written agreement with the university of Kansas school of medicine which shall provide: (1) That such person shall commence the full-time practice of medicine within nine (9) months after licensure, or within nine (9) months after completion of a residency program and licensure, whichever is later, in a service commitment area which satisfies all agreements entered into under this act for the period of time required under this act; (2) that for each year such person received a type I scholarship under this act that person will engage for a period of twelve (12) months in the full-time practice of medicine in an area of the state within an area of the state designated in the service commitment area I and for each year such person received a type II scholarship under this act that person will engage for a period of twelve (12) months in the full-time practice of medicine within service commitment area II; and (3) that such person obligated under this act to engage in the full-time practice of medicine within an area of the state designated in service commitment area I shall select such

area from the most current list prepared by the Secretary of Health and Environment pursuant to section 3 at the time such person is due to begin such practice or from a list not more than twenty-four (24) months old at such time.

(c) Upon failure to satisfy the agreement to engage in the full-time practice of medicine and surgery within a service commitment area of the state under any such agreement, the person receiving a scholarship under this act shall repay amounts to the university of Kansas school of medicine as provided in this act.

### Sec. 3. Service Commitment Areas.

(a) On or before September 1, 1978, and on or before each September 1 thereafter, the secretary of Health and Environment shall list areas of the state which are medically underserved. In preparing such list the secretary shall consult with the university of Kansas school of medicine, the Kansas medical society, the state board of healing arts, health systems agencies and the state-wide health coordinating council.

(b) Service commitment area I shall be any area determined by the secretary of health and environment under subsection (a) to be a medically underserved area. Service commitment area II shall be the entire state. <sup>and</sup>

### Sec. 4. Breach of Agreement - Penalty.

Except as otherwise provided in section 5, upon the failure of any person to satisfy the obligation to engage in the full-time practice of medicine within a service commitment area of this state under any agreement entered into pursuant to this act, such person shall repay to the university of Kansas school of medicine an amount equal to the amount of money received by such person from such scholarship assistance plus annual interest at a rate of ~~twelve~~ <sup>ten</sup> percent (10%) from the date such money was received. Interest shall be tolled during any period during which the obligation to engage in the practice of medicine in accordance with an agreement under this act is postponed under section 5.

### Sec. 5. Obligation Postponed or Satisfied.

(a) An obligation to engage in the practice of medicine in accordance with an agreement under this act shall be postponed: (1) during any required period of active military service; (2) during any service commitment to the federal public health services; (3) for any religious missionary work conducted by an organization exempt from tax under subsection (c) of section 501 of the internal revenue code of 1954, as amended, but in no case shall such postponement exist more than five (5) years [; (4) during the time the person obligated is engaged solely in medical education; or (5) during the time the person obligated is engaged solely in medical research].

(b) An obligation to engage in the practice of medicine in accordance with an agreement under this act shall be satisfied:

- (1) if the obligation to engage in the practice of medicine in accordance with an agreement under this act has been completed;
- (2) if the person obligated dies;
- (3) if, because of permanent physical disability, the person obligated cannot practice medicine;
- (4) if the person obligated fails to satisfy the requirements for a degree of doctor of medicine; or
- (5) if the person obligated fails to satisfy all requirements for a permanent license to practice medicine and surgery in Kansas or has been denied such license after applying for such license and making his or her best efforts to obtain such license.



ATTACHMENT III

**THE  
MENTAL HEALTH  
ASSOCIATION OF JOHNSON COUNTY**

Formerly Affiliated with The Kansas and National Mental Health Associations  
7208 West 80th Street • Room 208 • Overland Park, Kansas 66204

913 • 381-2707

EXECUTIVE DIRECTOR  
Linda V. Urda

October 11, 1977

PRESIDENT  
Ellen Laner

TO: Legislative Interim Committee

VICE PRESIDENT  
Keith Morantz  
Patricia Rivette  
Dave Westbrook

FROM: Mental Health Association of Johnson County

SECRETARY  
Shirley Morantz

RE: Administration and Funding of the Rainbow Unit

TREASURER  
Walter Hiersteiner

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Maurice Swanson  
Nel Walstrom  
David Wolff  
Bill Wright  
Stevie Wright

My name is Mary McNeive; I am here representing the Mental Health Association of Johnson County. A Committee of our Association has been studying the Rainbow Unit's present administration and funding. During this study, we interviewed the providers of mental health services in Johnson and Wyandotte Counties who are directly concerned with the Rainbow Unit, that is, the directors of the Rainbow Unit and of the Community Mental Health Centers in Wyandotte and Johnson Counties, a doctor from the Kansas University Medical Center who is a member of the Coordinating Committee for the Rainbow Unit, and the Superintendent of the Osawatome State Hospital.

We have found much community support for the Rainbow Unit. Our Association also strongly supports the Rainbow Unit as a very important part of the mental health system in Wyandotte and Johnson Counties. Due to the complexity of the issues involved, we support continuing the present system of administration and funding for the Rainbow Unit while our Association and other interested persons continue to study, in greater depth, the mental health system and how the Rainbow Unit, as an integral part of this system, can best serve the people of Wyandotte and Johnson Counties.

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