Approved 1-31-83
Date

MINUTES OF THE HOUSE COMMITTEE ON PUBLIC HEALTH AND WELFARE.

The meeting was called to order by Marvin Littlejohn at
Chairperson

1:30 a.m./p.m. on January 26, 1983 in room 423-S of the Capitol.

All members were present except:

Committee staff present: Emalene Correll, Legislative Research Department
Bruce Hurd, Revisor's Office
Sue Hill, Secy. to committee

Conferees appearing before the committee:

Rebecca Kupper, Kansas Hospital Association
Mr. Wayne M. Stollard, Attny for Community Hospital Dist. #1, Pottawatomie and Jackson Counties, in Kansas.
Mr. Joe Engelken, Hospital Administrator of Onaga Hospital, Onaga, Ks.
Mr. Carlyle Kiehne, Hospital Administrator of Satanta Dist. Hospital in Satanta, Ks.

Visitor's register, (See Attachment No. 1.)

Chairman called meeting to order. There will be hearings today on HB 2003.

Staff member, Emalene Correll noted that on HB 2003, Sec. 1, paragraph (f), the definition of qualified elector. This was to clear up a question from a prior committee meeting.

Rebecca Kupper of KHA spoke on HB 2003. Ms. Kupper distributed her prepared statement. (See Attachment No. 2.) Ms. Kupper brought out concerns of KHA on this bill as follows: Sec. 1. (b), language on definition of "hospital" is too specific. Sec. 8. (b), relating to board selection, Sec. 9. (c), they believe that present law of quarterly board meetings should be retained. Sec. 16. (a), reference to method of levying taxes, and also to have clause in this section, "but in no event later than August 1.", should be struck. Sec. 20. should be entirely deleted, and that on sale of hospital property, any dollar amount should be struck. Sec. 22, township boundries for attachment to a hospital district is arbitrary. They feel voters should not be subjected to double taxation.

Ms. Kupper also had a brief comment on HB 2004, saying KHA fully supports this bill.

Mr. Wayne Stollard, representing a District Hospital in Northwest Kansas, distributed to staff and committee members, a printed statement, (See Attachment No. 3.), stating his views on HB 2003. He is in agreement with Ms. Kupper's remarks. Mr. Stollard's major concern is with the overlapping of territories that exist in the present law. The language in Sec. 3. Section 22, relating to the attachment to hospital districts. He asked committee to refer to page 16, line 590 of HB 2003 on this section. Sec. 23., page 17, line 612 also.

Mr. Stollard feels care should be taken so there will not be double and or triple taxation. Concerns that the bill as presently written can have one district on top of another and still another on top of that. Does not want wars over boundries like there were in school district situations.

MINUTES OF THE HOUSE COMMITTEE ON PUBLIC HEALTH AND WELFARE,

room 423-S, Statehouse, at 1:30 a.m./p.m. on January 26, 1983

Mr. Joe Engelken, representing a District hospital from Onaga, Kansas spoke to committee in regard to his concerns. He was in agreement with the statements made by Mr. Stollard.

Mr. Carlyle Kiehne, of Satanta District hospital expressed his concerns regarding procedures pertaining to Revenue bonds, vs. General Obligation bonds, Feels there should be clearer language about decision on where the voting for this is done. His view is it is not good to have this vote taken at an annual meeting of the board. Concerned with getting what is really wanted and needed and not having law that is wrong for certain areas, and then having it too difficult to change once the law is passed.

Mr. Kiehne stated he is happy the committee is concerned and taking a good look at some of these issues concerning District hospitals.

Senator Hayden was present at committee meeting this date and made the statement that he was in agreement with the position of the KHA.

Senator Montgomery also present, commented that as Vice Chairman of the Interim committee, that after all the study this past summer, the Interim elected to make the changes, and use the language as is in the form before you today in HB 2003.

Committee adjourned at 2:48 p.m.

Date: 1-26-83

GUEST REGISTER

HOUSE

PUBLIC HEALTH AND WELFARE

Please Print

NAME	ORGANIZATION	ADDRESS
Wayne M Stallard	Community Hospital Dist #1	Onaga, KS
Joseph Engelken	Community Hospital Dist. 1	Onaga KS. 66521
Carlyle Kiehne	SATANTA Dist Hosp	SATANTA, KS
Leroy Hayden	Senator	" "
Rebecca Rupper	Kansas Hospital Assoc.	Topeka

(attachment no. 1.)

TESTIMONY OF THE KANSAS HOSPITAL ASSOCIATION
DISTRICT HOSPITAL LEGISLATION

The Kansas Hospital Association appreciates the opportunity to express our concern on the district hospital legislation before the Committee. We also followed this legislation closely during the interim and testified on the earlier drafts of this bill.

House Bill 2003

This bill relates to the establishment and operation of district hospitals. Our concerns with the bill are set out below.

-- In Section 1(b), we again have the same problem with the restrictive definition of "hospital," as in the county bill drafts. I would refer you to the language in my testimony on House Bill 2002.

-- In Section 8(b), relating to board selection, it appears that if the board is currently elected at the annual meeting or appointed by the political subdivision, the voters could vote to change the method of board selection to the third option of board election at-large. While we have no problem with this, we believe that no matter which option the district chooses, they should be allowed to change to any other option for the selection of board members. In other words, if board members are presently being elected at-large, the voters should later be able to change the method of board selection to election at the annual meeting or appointment by the political subdivision.

-- In Section 9(c), it requires the board to hold meetings at least once a month. District hospital law (see K.S.A. 80-2123(g)), requires district hospital boards to meet at least once quarterly. We believe that the present law of quarterly board meetings should be retained. Certainly, any hospital that needed to have board meetings

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more frequently would have the authority to do so, but we do not believe that monthly meetings should be set as a minimum. Therefore, we would like to see the present district law retained -- meetings at least once a quarter.

-- We have a couple of concerns relating to Section 16(a). This section requires the hospital board to determine the amount necessary to be levied, and to determine that portion thereof to be assessed against and levied by each political subdivision within the taxing district of the hospital, and certify annually such amount to the clerk of such political subdivision. We believe that this method of levying taxes is unworkable. Presently, district hospitals certify the amount of levy to the county clerk, and the county clerk levies such tax on the taxable tangible property within the hospital district and county. This would appear to be a much more workable method than to have a number of political subdivisions trying to collect small amounts of levies. I would refer you to K.S.A. 80-21,113 for a present, very workable procedure that we would support.

We also object to the August 1 budget deadline in Section 16(a). A number of the district hospitals have concerns with this. Presently, district hospitals have a budget meeting and are reuqired to have their budget submitted to the county by August 15. The district then certifies the levy to the county clerk by August 15, and this has appeared to work fine. There is sometimes a problem in getting the necessary information from the county to be incorporated into the district budget before July 15, so we believe that the August 1 requirement would be cumbersome. Since this section already requires the budget to be submitted in sufficient time to be made a part of the budget of each political subdivision, we believe that the clause, "but in no event later than August 1," should be struck. Obviously, these hospitals have a vested interest in submitting their budget to the political subdivision by the appropriate time, as they would not receive their levy that year if their request was not timely.

-- We believe that Section 20 should be entirely deleted, as it is archaic. Currently, there are a couple of the district hospital acts that have similar language in them, but not all of the district acts have this requirement. We believe that hospital boards, using sound business judgment, are best able to determine the method for the sale of hospital property. In any event, we believe that the $5,000 limitation is too low in these times of inflated prices. We believe that any dollar amount should be struck and the board be allowed to dispose of property, either in the open market or upon sealed bids, whichever in their judgment is required based on time limits and the benefit to the hospital, and therefore, to the public.

-- Section 22 relates to attachment of territory to a district. We believe that portions of a political subdivision, as well as entire political subdivisions, should be allowed to join in the formation of a hospital district. We believe that the people of a geographic area should have the choice of whether or not they want to become part of a hospital district. There may be a concentration of population in one portion of the township and not in another, or trade areas may cut through township or city lines. Hospital trade patterns do not necessarily follow political boundaries. Therefore, using township boundaries for attachment to a hospital district is arbitrary. Since the bill requires a petition signed by fifty-one percent of the people in the area in order to become attached to a hospital district, we believe that the people should be given this choice. Present district hospital law does allow townships <u>or portions of townships or cities</u> to join to form a hospital district. We see no valid reason why this practice should not continue.

-- Finally, we believe that there should be a prohibition in the bill against a county hospital being formed in a county where a district hospital already exists. Without such a prohibition, taxpayers may be subject to double taxation. We also believe there should be a prohibition against district hospitals being formed in any part of an area where a district hospital already exists. Again, we believe that

voters should not be subject in any way to double taxation. We might suggest the following language be inserted in Section 3 of the bill:

"No territory of a newly established county or district hospital may be included within the territorial boundaries of an established hospital district." Also, language stating that "no county hospital may be established in a county where a district hospital exists" should be inserted in Section 3 of House Bill 2002 to clarify this.

House Bill 2004

This bill authorizes clinics, long-term care facilities, home for the aged, and emergency medical or ambulance services to be operated by existing hospital districts not operating a hospital. We fully support this legislation. There are some hospital districts in rural areas that cannot financially support a hospital and are served by a hospital in another county. However, they may need and be able to support an ambulance or clinic. Under this bill, they can use the tax and bond authority given to hospital districts to provide these needed services. Because of the need for a short response time, an ambulance from the next county may not be able to adequately serve the area, so it is vital that these communities have a local ambulance service. Also, it is often important that there be a local doctor servicing the community through a medical clinic, although there is not a hospital there. Therefore, it is important that a local hospital district have the funding mechanism to support either an ambulance or clinic, whether or not the hospital exists.

We again thank the Committee for the opportunity to express our concerns relating to the above pieces of legislation.

1-19-83

RECOMMENDATION CONCERNING House Bill 2003 BEFORE THE PUBLIC HEALTH AND WELFARE COMMITTEE: BY THE COMMUNITY HOSPITAL # 1 BOARD OF DIRECTORS, MR. HAL FALKENSTEIN, CHAIRMAN OF THE BOARD, ONAGA, KANSAS; JOSEPH ENGLEKEN, ADMINISTRATOR, AND MR. WAYNE STALLARD, ATTORNEY.

RECOMMENDATIONS:

Section 3 should contain:

> "No territory shall be included within the boundaries of a hospital district created hereunder which territory is in any other hospital district. No territory included within the boundaries of a hospital created hereunder shall thereafter be included within the boundaries of any other hospital district or county hospital as provided in Chapter 19 of K.S.A."

Section 22 relating to attachment to hospital districts should read as follows:

> "Any territory adjoining and desiring to be attached to and become a part of any hospital district created under the authority of this act may do so in the manner hereinafter provided. Upon the presentation to the Board of County Commissioners of the county in which the greater portion of the territory of such hospital district is located, of a petition setting forth the boundaries of the area which desires to be attached to said hospital district and signed by not less than 51% of the qualified electors of said area who reside outside the limits of incorporated cities and signed by not less than 51% of the qualified electors who reside within the corporate limits of cities in said area, the sufficiency of such petition to be determined by and enumeration taken and verified for this purpose by some qualified elector of said area, it shall be the duty of the said Board of County Commissioners, at its next regular meeting to examine said petition. If said Board finds that the petition is regular and in due form as is herein provided, the Board shall enter an order in its proceedings attaching the area described in said petition to the existing hospital district; provided, that said petition shall be accompanied by a copy of a resolution adopted by the board of directors of said hospital district, which resolution shall state that said board desired such area to be attached to the hospital district. For tax purposes attachment hereof shall be effective as provided in K.S.A. 79-1807."

REASONS:

I. Persons should be allowed to choose which hospital unit they desire to be placed and township boundaries are not used for that purpose.

   1. School districts, fire districts, and other districts of the state do not follow township boundaries.

II. Stop!!

   1. Overlapping Tax Districts--

      Double or triple taxation for hospital purposes on some property owners.

   2. New wars of boundaries for hospitals--pitting metropolitan and urban areas against less populated areas.

      a. Result in closing smaller hospitals leaving only metropolitan hospitals to serve community needs

      b. Result--hospital fights like school fights over territory.

III. Protect:

   1. Existing District Hospitals which are supplying community needs.

      a. Small community hospitals comprise at least 50% of all hospitals in Kansas and nationally.

      b. Keep local community control of your hospitals.

Wayne M. Stallard

Wayne M. Stallard, Attorney
Community Hospital District #1
Onaga, Kansas 66521

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