

MINUTES OF THE SENATE COMMITTEE ON PUBLIC HEALTH AND WELFARE

The meeting was called to order by Senator Jan Meyers at  
Chairperson

10 a.m./~~p.m.~~ on March 16, 1983 in room 526-S of the Capitol.

All members were present except:

Senator Bogina

Committee staff present:

Bill Wolff, Legislative Research Department

Conferees appearing before the committee:

Senator Charlie Angell  
Rebecca Kupper, Kansas Hospital Association  
Barbara Lohmeyer, Hospital District No. 1, Girard, Kansas  
Robert Mullen, Rice County District No. 1., Lyons, Kansas  
Wayne Stratton, Attorney for Kansas Hospital Association  
Dan Morgan, Associated General Contractors of Kansas, Inc.  
Larry W. Magill, Jr., Independent Insurance Agents of Kansas  
Senator Don Montgomery  
Wayne Stallard, Attorney for Community Hospital District No. 1, Pottawatomie and Jackson Counties

Others present: see attached list

Senator Meyers called the meeting to order and asked Bill Wolff, Legislative Research Department, to explain the relationship between HB 2178 and HB 2002.

HB 2003 - Political subdivisions, establishment and operation of hospitals.  
Re Proposal No. 9

Senator Angell testified in support of HB 2003 and stated that this bill is partly the result of legislation he introduced last year to take care of a Minneola problem, and concerns a territorial portion which lies in another county. Minneola would pay double taxes if Clark and Ford County both have hospitals. Senator Angell expressed concern about Section 23 and said that a hospital could lose a major portion of its taxing base if people by petition can withdraw, and suggested that the petition could only apply where the people would pay double taxes in two hospital districts. If they do phase-out, the hospital should have a chance to make some adjustment.

Rebecca Kupper, KHA, stated that KHA does support HB 2003, and introduced Barbara Lohmeyer, administrator of Hospital District No. 1, Girard, Kansas; Robert Mullen, administrator of Rice County District No. 1 Hospital, Lyons, Kansas; and Wayne Stratton, Attorney for the Kansas Hospital Association.

Barbara Lohmeyer testified in support of HB 2003 and distributed testimony stating that there may be problems with the bill, but they would like to see it passed this year, and in the interim they planned to meet with the district hospitals and legal staff to review the bill. (Attachment #1).

Robert Mullen testified in support of HB 2003 and distributed testimony which stated that the majority of the district hospitals are in support of the bill in its present form. The bill will be reviewed in the interim, and they will present any further concerns to the Legislature next year. (Attachment #2).

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON PUBLIC HEALTH AND WELFARE,  
room 526-S, Statehouse, at 10 a.m.~~pm~~ on March 16, 1983.

Dan Morgan, Associated General Contractors of Kansas, Inc., submitted testimony requesting that HB 2003 be amended to allow for 5% bid bond option, which has been available to contractors bidding hospital work in the past, but was omitted in this bill. Also attached was a balloon showing the proposed amendment. (Attachment #3).

Larry W. Magill, Jr., Independent Insurance Agents of Kansas, submitted testimony stating his concern over omission of the 5% bid bond option. (Attachment #4).

Senator Don Montgomery testified in support of HB 2003 and stated that he served as Vice-Chairman of the Interim Study Committee. He declared that they don't want to pass legislation not in the best form and would look at the proposed amendments, but felt that a good piece of legislation could be passed this year. The purpose of the Interim Committee was to make these bills uniform, and they didn't have the language at that time to address these problems.

Wayne Stallard, Attorney for Community Hospital District No. 1, Pottawatomie and Jackson Counties, submitted testimony stating their objections to HB 2002 and 2003, and also distributed copies of a balloon showing proposed amendments to HB 2002 on pages 2 and 3, and a proposed amendment to HB 2003 on page 3. (Attachment #5).

There was discussion concerning the language in the amendment proposed in HB 2003.

Wayne Stratton stated that this legislation represents something that has been the subject of hours and days of major review by many hospital administrators and attorneys. The association is committed to scheduling meetings during the summer to try and come up with a unified position. Of the 74 hospitals there are very few that seem to have objections. He said he was concerned that the problems of a minority may control the wishes of the majority. There are both county and district hospitals in the state concerned about this legislation.

Senator Francisco inquired what would happen if the bill was just held and they all got together to work out their differences and came back next January. Mr. Stratton replied that that would be another alternative, but the KHA and the Board of Directors are supporting the bill.

In answer to Senator Ehrlich's question as to whether there was actually a problem, Mr. Stratton said he couldn't answer that. He said that he was personally unaware that this bill would create a problem. It would continue what has been existing for a long time. The present bill contains the right to opt out - a way to disassociate themselves. KHA doesn't want to create problems for any hospital district.

A letter from Carlyle Kiehne, Administrator, Satanta District Hospital, stating his support for HB 2003, was distributed to committee members. (Attachment #6).

A copy of the Response of Clay County Hospital at a hearing before the Special Committee on Hospital Laws, August 25 and 26, 1982, concerning Proposal No. 9, was distributed to committee members. (Attachment #7).

Senator Hayden moved that the minutes of March 15, 1983, be approved. Senator Vidricksen seconded the motion and it carried.

The meeting was adjourned.

SENATE  
PUBLIC HEALTH AND WELFARE COMMITTEE

DATE 3-16-83

(PLEASE PRINT)  
NAME AND ADDRESS

ORGANIZATION

|  |                                    |
|--|------------------------------------|
| Rebecca Kupper                                   | Kan. Hospital Assoc.               |
| Bob Muller                                       | Hospital Dist #1, Lyons            |
| Daphna L. L...<br><del>Wagon, Yellow</del>       | Hospital Dist #1, <del>Lyons</del> |
| Rayne W. Starnick, Community Hosp #1, Oregan, Ks | Wagon, KHA                         |
| Joseph Engelen, District Hosp. #1                | Oregan, Ks.                        |
| Hal Falkenstein, District Hosp. #1               | Oregan, Ks.                        |
| Dean Myers                                       | Lawrenceville, Ks.                 |
| Betty Seunage                                    |                                    |
| Louise Kufall District Hosp #1                   | Wheaton, Ks.                       |
| LARRY McGILL                                     | INDEP. INS. AGENTS OF Ks.          |
| DAN MORGAN                                       | AGC of Ks.                         |
| Jan Johnson                                      | Budget Division                    |
| Charlie C...<br>Betty Jones                      | Clay County Hospital               |
| Sandy McCauley, Clay Center, Ks                  | " " "                              |
| Yvonne Strub " "                                 | " " "                              |
| Jan Robinson " " "                               | " " "                              |
| Senator Don Montgomery                           |                                    |
| Christine Naumann                                | Winchester Ks.                     |
| Mrs. Delbert Copping                             | " "                                |
| Mrs. Joe Kiersan                                 | Winchester Ks.                     |
| Fred & Gladys Bernard                            | Nortonville, Kans.                 |

SENATE  
PUBLIC HEALTH AND WELFARE COMMITTEE

DATE 3-16-83

(PLEASE PRINT)  
NAME AND ADDRESS

ORGANIZATION

Mrs. Eldon Farris

Winchester, Kansas

Helen Miller

Winchester, Kans.

MARGERY MARTIN WINCHESTER, KS.

SR. CITIZEN

*CITIZEN WINCHESTER*

Agnes E Kramer Winchester, Ka

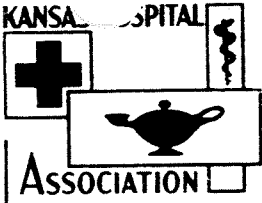
" " "

Elizabeth Estes

League of Women Voters Johnson Ct

Vicki Brown Lenexa, Ks.

League of Women Voters of JoCo.



TESTIMONY OF THE KANSAS HOSPITAL ASSOCIATION  
 BEFORE THE SENATE PUBLIC HEALTH AND WELFARE COMMITTEE  
 March 16, 1983

**Donald A. Wilson**  
 President

House Bill 2003

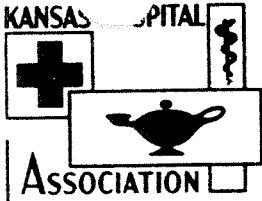
Thank you, Madame Chairperson and members of the Committee. I am Barbara Lohmeyer, administrator of Hospital District No. 1, Girard, Kansas. As a member of the Board of the Kansas Hospital Association and the Subcommittee on District Hospital Laws, I would like to express our thanks to the legislative committees and staff who have worked on this bill. As you know, KHA has been actively involved in the process of reviewing and commenting upon House Bill 2003 since its original draft.

Our Subcommittee on District Hospital Laws has met on a number of occasions to discuss the bill, and we have also had a meeting of the district hospitals in this regard. At our last meeting on March 4, our subcommittee decided to support this bill in its present form. Our action was endorsed by the Executive Board of the Kansas Hospital Association last week.

We recognize that this bill will not become effective until July 1, 1984. We believe that there may still be some problems with the bill, but we would like to see it passed this year. In the interim, we plan to meet with the district hospitals and legal staff to thoroughly review the bill. All of our district hospitals have been offered the opportunity to meet during the interim. We will be back to the Legislature next year to express any further concerns we have after a careful review. We want to ensure a good bill for our district hospitals that at the same time will not create problems for the 50 county hospitals who are also members of the Association.

With this in mind, we urge you to pass House Bill 2003. Thank you for the opportunity to appear before you today.

*Atch. 1*



**Donald A. Wilson**  
 President

TESTIMONY OF THE KANSAS HOSPITAL ASSOCIATION  
 BEFORE THE SENATE PUBLIC HEALTH AND WELFARE COMMITTEE  
 March 16, 1983

House Bill 2003

Thank you, Madame Chairperson and members of the Committee. I am Robert Mullen, administrator of the Rice County District No. 1 Hospital, Lyons, Kansas. I am a member of the Kansas Hospital Subcommittee on District Hospital Laws. I want to reiterate the fact that the majority of our district hospitals are in support of the KHA position to support House Bill 2003 in its present form. We will be reviewing the implications of this bill further during the interim and will present any further concerns to the Legislature next year.

Again, thank you for the opportunity to express our position to your committee.

3-16-83 AS



**Associated General Contractors of Kansas, Inc.**  
200 WEST 33rd • TOPEKA, KANSAS 66611 • TELEPHONE 913-266-4015

March 8, 1983

Senator Jan Meyers  
State Capital Building  
Room 128-S  
Topeka, Kansas 66612

\_\_\_\_ OFFICERS \_\_\_\_\_

- Charles E. Koehn, Sr.  
President
- Earl W. Johnson  
Vice President
- Ferol P. Gehring, II  
Treasurer
- Thomas E. Slattery  
Executive Vice President

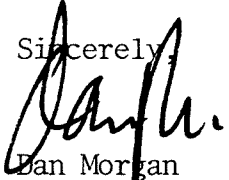
Dear Senator Meyers:

I would like to draw your attention to an oversight in House Bill No. 2003. In Sec. 15 (page 12, lines 425-429) dealing with competitive bidding for hospital construction projects it says "Each bidder shall accompany the bid with a certified check for 5% thereof ...". Missing is the customary option of allowing a 5% bid bond in lieu of a certified check for 5% of a contractor's base bid.

To require a certified check without an option for a bid bond will dissuade many contractors from bidding such work. Certified checks may be held for up to 30 days after a project is let for bid. On a \$1 million project \$50,000 of a contractor's resources could be tied up for a full 30 days without receiving interest. On a \$5 million job \$250,000 could be tied up without receiving interest for 30 days. As you can see the larger the project, the bigger the problem and the fewer the number of contractors who would be willing or able to bid such work. Generally, low bids tend to be higher where the field of bidders on a project is small. Requiring certified checks as the sole guaranty that a contractor will undertake to perform a contract will limit the field of bidders on hospital projects and increase their cost.

It is customary to allow the option of either submitting a bid bond or a certified check for state-funded projects, including hospitals. Bid bonds provide the same guaranty as certified checks without tying up a contractor's working capital. Before a surety will bond a contractor it will have investigated the contractor sufficiently so as to be convinced that it can safely issue a bid bond on a given project. The bid bond states that the contractor will enter into a contract if one is offered, and that he will furnish whatever additional bonds are specifically required.

For these reasons AGC of Kansas hopes that H.B. 2003 can be amended to allow for the 5% bid bond option which has been available to contractors bidding hospital work in the past. If you would like for me to assist in proposing such an amendment I would be happy to do so. Thank you.

Sincerely,  
  
Dan Morgan

Assistant Executive Director

DM/v Encl:

\_\_\_\_ DIRECTORS \_\_\_\_\_

- |                |                     |              |                               |                    |
|----------------|---------------------|--------------|-------------------------------|--------------------|
| TOM DONDLINGER | J. DAVID KAAZ       | GAIL LEE     | STARKS VINCENT, Subcontractor | National Directors |
| DAVE EWING     | RICHARD M. KERSCHEN | HOWARD PAUL  | DICK CURRIE, Supplier         | ROBERT J. BOHL     |
| GREG HARMAN    | PAUL LaFORGE        | BILL WHETZEL |                               | MILT POLLITT       |

Atch. 3

0416 plans and specifications, together with an estimate of the cost  
 0417 thereof, under oath, with the secretary of the board. No contract  
 0418 shall be awarded at a price in excess of such estimated costs. After  
 0419 considering and approving the plans and specifications prepared  
 0420 and filed, the board shall advertise for three consecutive weeks,  
 0421 in a newspaper of general circulation in the taxing district of the  
 0422 hospital, for sealed proposals for the doing of such work, in  
 0423 accordance with the plans and specifications therefor, and such  
 0424 contract shall be let to the lowest responsible bidder, the board  
 0425 reserving the right to reject any or all bids. Each bidder shall  
 0426 accompany the bid with a certified check for 5% thereof payable  
 0427 to the treasurer of the board, as a guaranty that if the contract is  
 0428 awarded to such bidder, such bidder will enter into a contract  
 0429 with the board to perform the same; and if such bidder fails to  
 0430 enter into such contract when awarded, the amount deposited  
 0431 shall be and become the property of the hospital, as liquidated  
 0432 damages, and shall be paid into the operation and maintenance  
 0433 fund of the hospital. The board may require the contractor to give  
 0434 to it a bond guaranteeing the faithful performance of the contract.

0435 Sec. 16. (a) The board may determine and fix an annual tax to  
 0436 be levied for the purpose of operating, equipping, maintaining  
 0437 and improving the hospital. Subject to the provisions of subsec-  
 0438 tion (b), such tax shall not exceed two mills or the amount  
 0439 authorized to be levied in the year 1982, whichever is the greater  
 0440 amount. The board shall determine the amount necessary to be  
 0441 raised by the levy and shall determine that portion thereof to be  
 0442 assessed against and levied by each political subdivision within  
 0443 the taxing district of the hospital and shall certify, annually, such  
 0444 amount to the clerk of each such political subdivision in suffi-  
 0445 cient time for the same to be made a part of the budget of each  
 0446 such political subdivision, but in no event later than August 1.  
 0447 The governing body of each such political subdivision shall make  
 0448 the same a part of its regular budget, which shall be certified to  
 0449 the county clerk of the county in which it is located as provided  
 0450 by law. The tax so collected shall be paid by the county treasurer  
 0451 to the treasurer of the board. Such tax levy shall be in addition to  
 0452 all other tax levies authorized or limited by law and shall not be

*Senator Meyers -  
 An amendment something like  
 this should work.*

a bid bond for 5% thereof issued by a surety company authorized to do business in the state of Kansas or



# Independent Insurance Agents of Kansas

February 16, 1983

The Honorable Jan Meyers  
Chairperson, Public Health & Welfare  
State Capitol  
Topeka, Kansas 66612

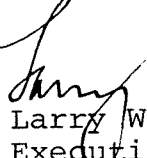
Dear Senator Meyers:

I appreciate the time you took to discuss HB 2003 with me the other day. As mentioned, we have a concern with the language on lines 425-433 which requires the Hospital Board to require certified checks equal to 5% of the contract bid on hospital construction.

Normal industry practice, including state work, is to accept either a 5% bid bond or a 5% certified check at the contractor's discretion. Contractors generally use bid bonds because they do not want to tie up working capital and there generally is no charge for them.

We would welcome the opportunity to testify before your committee when testimony on this bill is heard. In the meantime, if you have any questions, please let me know.

Sincerely,



Larry W. Magill, Jr.  
Executive Manager

akw

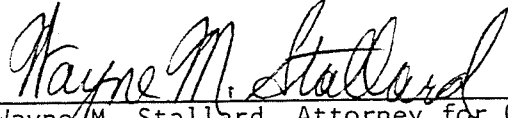
Larry W. Magill, Jr., cpcu, clu, Executive Manager  
917 Topeka Avenue, Topeka, Kansas 66612 Tel. 913/232-0561



AKW 4

Honorable Members of the Senate Public Health and Welfare Committee:

1. Double Taxation--The overlooked feature of the proposed hospital code.
  - a. Present law protects taxpayers from double taxation for hospital purposes within most operating hospital districts by statutes prohibiting their territory from being in more than one hospital district. See K.S.A. 80-2156, 80-2179, and 80-21,102. In some instances an exemption from county hospital tax is provided, K.S.A. 80-2112.
  - b. Unless amended HB 2002 would allow any county to form a county hospital over an existing hospital district and tax territory within that county for a county hospital even though the taxpayers of the district already have established, paid for and maintain a hospital of their choice.
  - c. Unless amended HB 2003 allows a new hospital district to form over another existing hospital district to cause no end of confusion and double taxation.
  - d. For our taxpayers like Earl Cordell who appeared here yesterday this is an immediate threat.
2. Two Simple Amendments--Attached hereto.
  - a. Amend HB 2002:  
First check with the electors within the bounds of an existing hospital district within the county to see if they wish to be in a county hospital. If they do not, then district laws can be followed for forming a tax base for the new hospital.
  - b. Amend HB 2003:  
Let the electors of the district hospital decide whether they wish to be included in any new hospital district.
3. Consistency.  
No overlapping of districts, or double taxation for the same purpose is allowed in other state districts--school, fire, water, watershed and others--then why authorize it for hospitals.
4. Uniformity.
  - a. Uniformity of hospital services is controlled by hospital operation laws and regulation, and not whether it be a county, district, or city hospital.
  - b. Adoption of the proposed amendment to HB 2002 will not affect uniform application of the proposed hospital code to county hospitals. It is only a question as to which procedure--either county or district--will be followed for establishing a new hospital where district hospitals are already operating and maintaining hospitals. If county procedure be used the new uniform county code will govern operation under Chapter 19. If it be a district procedure the new uniform district code will be followed as set out in Chapter 80.
5. Bill of Rights for District Hospitals.  
Without adoption of the proposed two simple amendments to the hospital code, the district hospital is shunned into a secondary position although it is performing the same function of the county hospital.

  
 \_\_\_\_\_  
 Wayne M. Stallard, Attorney for Community  
 Hospital District No. 1, Pottawatomie and  
 Jackson Counties, Kansas.

0045 ance with the provisions of this act and any existing hospital  
0046 board shall be deemed to be the board for purposes of this act  
0047 unless and until a new board is appointed or elected as provided  
0048 in this act.

0049 (b) This act shall not affect any judicial proceeding pending  
0050 or any contract, tax levy, bond issuance or other legal obligation  
0051 existing on the effective date of this act.

0052 New Sec. 3. Any county may establish a hospital in the fol-  
0053 lowing manner:

0054 The commission may, and upon being presented with a peti-  
0055 tion signed by not less than 5% of the qualified electors of the  
0056 county requesting the establishment and maintenance of a hos-  
0057 pital shall, adopt a resolution authorizing the issuance of general  
0058 obligation bonds for the purpose of constructing, purchasing,  
0059 leasing or otherwise acquiring a hospital building or buildings,  
0060 equipping the same, and acquiring the necessary site or sites  
0061 therefor, or for any or all such purposes and for the purpose of  
0062 paying a portion of the principal and interest on bonds issued  
0063 under the authority of K.S.A. 12-1774, and amendments thereof.  
0064 Prior to the issuance of such bonds, the question of issuing the  
0065 same shall be submitted to a vote of the qualified electors of the  
0066 county at a regular county primary or county general election or,  
0067 if no regular county election is to be held within six months from  
0068 the date of adoption of the resolution, at a special election called  
0069 for the purpose of submitting such question, and no bonds shall  
0070 be issued until a majority of the qualified electors voting on the  
0071 question at such election vote in favor of the issuance of such  
0072 bonds. The election shall be held at the usual places in such  
0073 county for electing county officers and the vote shall be can-  
0074 vassed in the same manner as that for county officers. Such  
0075 question shall not be submitted to the electors of the county at  
0076 any election more than once in any one year. All general obliga-  
0077 tion bonds authorized by this section shall be issued, registered  
0078 and sold in the manner provided by article 1 of chapter 10 of the  
0079 Kansas Statutes Annotated, and acts amendatory thereof and  
0080 supplemental thereto, and shall bear interest at a rate not to  
0081 exceed the maximum rate prescribed by K.S.A. 10-1009, and

, except a county having within its boundaries  
any territory of a hospital district operating  
and maintaining a hospital under chapter 80 of  
the Kansas Statutes Annotated,

0082 amendments thereof, and none of the debt limitations provided  
0083 by law shall apply to bonds issued under this section.

0084 New Sec. 4. (a) (1) The governing body of any city which is  
0085 operating and maintaining a city hospital, upon the recommen-  
0086 dation of the hospital board, or (2) the board of any hospital  
0087 district which is operating and maintaining a district hospital  
0088 may donate, transfer and convey the hospital, together with all  
0089 real and personal property used in connection with the operation  
0090 of the hospital to the county in which the hospital is located, to be  
0091 owned, managed, operated and maintained as a county hospital.  
0092 The question of donating, transferring and conveying any such  
0093 hospital property to a county for county hospital purposes, shall  
0094 first be submitted to a vote of the qualified electors of the city at a  
0095 regular city election or at an annual meeting of the qualified  
0096 electors of the hospital district, whichever is applicable, or the  
0097 governing body of the city or the board of the hospital district  
0098 may call a special election for the purpose of submitting such  
0099 question to the qualified electors. Any such election called by the  
0100 governing body of a city shall be noticed and governed in all  
0101 respects and the results declared in accordance with the provi-  
0102 sions of K.S.A. 10-120, and amendments thereof. Any such spe-  
0103 cial election called by the board of a hospital district shall be  
0104 noticed in accordance with the provisions of K.S.A. 10-120, and  
0105 amendments thereof, and the election returns shall be made to the  
0106 secretary of the board and canvassed by the board.

0107 (b) Whenever the governing body of any city or the board of  
0108 any hospital district, having been authorized to do so by a  
0109 majority vote of the qualified electors of such city or hospital  
0110 district, whichever is applicable, voting upon the proposition as  
0111 provided by subsection (a), shall present to the commission an  
0112 offer to donate, transfer and convey to the county the hospital  
0113 property and facilities operated and maintained by such city or  
0114 hospital district, whichever is applicable, to be owned, managed,  
0115 maintained and operated as a county hospital, the commission  
0116 shall submit to the qualified electors of the county at the next  
0117 general election to be held in the county, or if no general election  
0118 is to be held within six months from the date of presentation of

In a county having within its boundaries ter-  
ritory of an existing hospital district operating  
and maintaining a hospital under chapter 80 of the  
Kansas Statutes Annotated, the provisions of this  
section for establishing and maintaining a county  
hospital may be followed if a majority of the qual-  
ified electors who reside within the bounds of the  
existing hospital district within the county seek-  
ing the county hospital first vote at an election  
to be included in the county hospital should it be  
established within a period of two years from the  
date of such election. Such election shall be  
held in conformity with article 26 of chapter 25  
of the Kansas Statutes Annotated and acts amend-  
atory of the provisions thereof and supplemental  
thereto.

HOUSE BILL NO. 2002 be further amended:

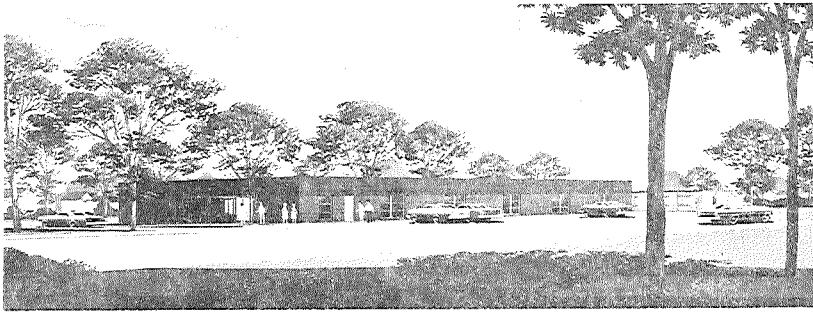
By amending the county home rule statute 19-101a  
to exclude from home rule:

(13) Counties having within their boundaries  
any territory of a hospital district operating  
under the provisions of chapter 80 of the Kansas  
Statutes Annotated may not exempt from or effect  
changes in any statute prescribing the procedure  
for the establishment of hospitals and health re-  
lated facilities.

0083 the county in which such political subdivisions, or the greater  
0084 portion of the area thereof, are located, of a petition setting forth  
0085 the boundaries of the proposed hospital district and requesting  
0086 the formation of such hospital district signed by not less than  
0087 51% of the persons who will become qualified electors of the  
0088 proposed district upon its establishment and who reside within  
0089 the limits of each political subdivision proposing to join in the  
0090 establishment of the hospital district, the sufficiency of such  
0091 petitions to be determined by an enumeration taken and verified  
0092 for this purpose by some person who will become a qualified  
0093 elector of the proposed district, it shall be the duty of the board of  
0094 county commissioners, at its next regular meeting, to examine the  
0095 petition. If the board of county commissioners finds that the  
0096 petition is regular and in due form as is provided in this section,  
0097 such board shall enter an order in its proceedings establishing the  
0098 hospital district. If any political subdivision within the area of  
0099 the proposed district owns and is operating a hospital at the time  
0100 the petitions are filed, the petitions shall be accompanied by a  
0101 copy of a resolution adopted by the governing body of the  
0102 political subdivision within such district which owns the hospi-  
0103 tal, which resolution shall state that the political subdivision  
0104 agrees to convey the hospital together with all the hospital  
0105 equipment and the tract of land upon which the hospital is  
0106 located to and for the use of the proposed hospital district. The  
0107 governing body of the political subdivision is hereby authorized  
0108 and directed to adopt such a resolution and to make such con-  
0109 veyance.

0110 Sec. 4. Upon the establishment of a hospital district, the  
0111 board of county commissioners shall cause a notice to be pub-  
0112 lished, once each week for two consecutive weeks, in a newspa-  
0113 per of general circulation in the hospital district stating that a  
0114 meeting of the qualified electors of such hospital district will be  
0115 held at the time and place fixed in the notice for the purpose of  
0116 electing five persons as the first board for such district. The last  
0117 publication of such notice shall be made not more than six days  
0118 prior to the date fixed for the holding of the meeting. The cost of  
0119 such publication shall be borne equally by the political subdivi-

(c) Territory included within the boundaries of an existing hospital district operating and maintaining a hospital shall not be included in a newly formed hospital district as provided herein, unless a majority of the qualified electors of the existing hospital district vote at an election to be included in such new hospital district. Such election shall be held in conformity with article 26 of chapter 25 of the Kansas Statutes Annotated and acts amendatory of the provisions thereof or supplemental thereto.



# Satanta District Hospital and Long-Term Care

"Total Community Health Services"

(316) 649-2761

Carlyle Kiehne, Administrator

March 11, 1983

Senator Jan Meier  
Kansas State House  
Room 128 South  
Topeka, Kansas 66612

Dear Madam Chairman:

This letter is to acknowledge the support of H.B. 2003 passed by the House of Representatives. As KHA Chairman of the sub-committee on District Hospitals laws, I've spent considerable time with both the legislative study committee as well as the District Hospitals, as recently as March 4th in a telephone conference call in which it was agreed to support the H.B. 2003.

There are a few problems that we would like to work with you as a study group in the summer and fall of 1983.

We appreciate all the concerns and efforts that have gone into making this a good, working bill.

Sincerely,

Carlyle Kiehne  
Administrator

cc: Rebecca Kupper

Hearing Before  
SPECIAL COMMITTEE ON HOSPITAL LAWS  
(Kansas Legislature Interim Committee)

PROPOSAL NO. 9

August 25 and 26, 1982

Representative LLOYD POLSON, Chairman

Room 531

Appearance by BOARD OF TRUSTEES,  
County Hospital,  
Clay County, Kansas

Composed of: NOLAN J. PATTERSON, Chairman  
CLARENCE F. BERGMEIER, Secretary  
DONALD OETINGER  
JAMES PEDERSON  
RUTH BROWNE

JON J. ROBISON, Chief Executive Officer

CLAY COUNTY HOSPITAL, 617 Liberty Street,  
Clay Center, Kansas 67432

Phone: (913) 632-2144

WAYNE W. RYAN, of Ryan and Ryan, P.A., Counsel  
509 Court Street, Clay Center, Kansas 67432

Legal Counsel for Clay County Hospital

Phone: (913) 632-5666

IN AND BEFORE THE SPECIAL COMMITTEE  
ON HOSPITAL LAWS, AN INTERIM COMMITTEE OF  
THE KANSAS LEGISLATURE

(Preparatory to the 1983 Legislative Session)

RESPONSE OF THE COUNTY HOSPITAL OF CLAY  
COUNTY, KANSAS, PURSUANT TO AN INVITATION  
BY THE SPECIAL COMMITTEE ON HOSPITAL LAWS

Because of the present legal status of the Clay County Hospital, and the manner of its creation, it was concluded the Special Committee should be given the benefit of brief background of its birthing.

Historical records reveal Clay County had four (4) hospitals prior to the establishment of a COUNTY HOSPITAL. The first three (3) were renovated residences in the City of Clay Center (the County Seat), same serving a period from 1903 to 1926. In 1926, there was erected a modern structure hospital referred to at that time as "a fireproof building." All said structures were City Hospitals, the City of Clay Center being the tax base for support.

The new CITY HOSPITAL furnished exceedingly fine service and became the health care PROVIDER for the entire County and some surrounding territory. The territory of use continued to expand along with remarkable improvement in its service, and as expected, the cost of serving more people and providing more sophisticated service increased considerably.

In due time, a flawed relationship between the *County Seat Folks* and the *Rural Folks* began to develop, sort of a creeping, insidious atmosphere became noticeable in the community, it might be defined:

Why should the charges for hospital services be the same to "*Country Folks*" when it was the "*Town Folks*" who built the City Hospital, and whose property was subject to being taxed for its support?

As a result of the bad taste this atmosphere left in the community mouths, a few of the solid-thinking residents (both City and Country), concluded the community needed a COUNTY HOSPITAL. It was further concluded legal authority would be necessary to properly meet the needs for the establishment of a COUNTY HOSPITAL.

The cooperation of Clay County's representation in the Kansas Legislature would not only be needed, but required. The ground work was commenced in the 1945 Session -- (at that time, the Legislature met regularly every two (2) years). Progress was made, work continued through the 1951 Session. A final draft of a bill was completed, but it was too late to



be introduced and have a chance for passage, so it was carried over and introduced at the 1953 Session.

The bill which was introduced was tailored to meet the Clay County situation, but was drafted so as to have general application, thus affording a defense to claimed - "Special Legislation" -- it has withstood the test several times.

The original legislation consisted of three (3) sections in Chapter 114, Laws 1953, which were enacted and became effective upon publication, said original sections are now:

K.S.A. 19-1888

K.S.A. 19-1889

K.S.A. 19-1890

The above sections constitute the base creation for the CLAY COUNTY HOSPITAL being:

"A POLITICAL SUB-DIVISION,"

"A MUNICIPAL CORPORATION,"

"A POLITICAL ENTITY,"

and its uniqueness when compared to the other County Hospitals is, "Its Board of Trustees are Elected."

Clay County's continued efforts to develop health care facilities and create a health care provider complex (said Clay County Hospital continuing to be the prime mover), it has been necessary to obtain additional legal authority to implement and enable such continued growth by legislative action, the results being the enactment of the following:

K.S.A. 19-1890a (1965)

K.S.A. 19-1890b (1965 - 1967)

K.S.A. 19-1890c (1967 - 1970)

K.S.A. 19-1890d (1967)

K.S.A. 19-1898 (1963)

the culmination of obtaining such legal authority has resulted in the development and creation of health care providers complex, consisting of:

- A) A Modern 55-bed Hospital, well staffed and managed, with plans under way for major expansion.

ATTACHED: PLAT I Existing Lay Out Plan  
PLAT II Proposed Expansion Plan.

- B) A Medical Arts Building (1968), a facility to accommodate up to six (6) doctors. This is a rental facility, presently housing five (5) doctors, approx. cost \$93,500.00, none of which was tax money.

- C) A New 96-bed Nursing Home (MEDICALODGES, Coffeyville, Kansas) facility, financed by industrial revenue funds, approx. \$1,200,000.00.

- D) New Modern Pharmacy, situated upon a site leased from the County Hospital.

- E) The Old City Hospital building, presently housing the Clay County Historical Museum.

NOTE I: All above structures and facilities are within a 600-ft. radius of the CLAY COUNTY HOSPITAL.

NOTE II: All the COUNTY HOSPITAL facilities are wholly debt-free.

NOTE III: 1982-1983 Adopted Budget for the Clay County Hospital is: \$2,842,280.00

\*Tax Levy -- .192 mills

S U M M A T I O N

A) The COUNTY COMMISSIONERS of Clay County, Kansas join with the CLAY COUNTY HOSPITAL in asking that said proposed legislation affecting County Hospitals provide for Clay County to be excepted from the bill. (Commissioners' letter attached.)

B) The members of the ACTIVE MEDICAL STAFF of said CLAY COUNTY HOSPITAL join with said COUNTY HOSPITAL in asking Clay County be excepted from the bill. (Doctors' letter attached.)

C) On account of the premises, the Board of Trustees of the COUNTY HOSPITAL OF CLAY COUNTY, KANSAS ask and urge the Committee to make provision to the effect:

That the CLAY COUNTY HOSPITAL be excepted from all legislation wherein its present legal structure and operation be changed.

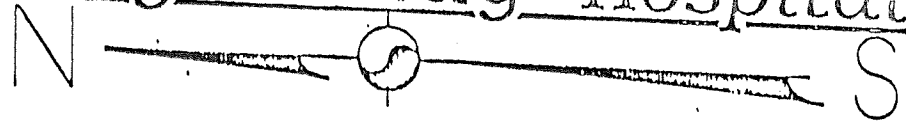
Dated this 26th day of August, 1982.

Respectfully Submitted,

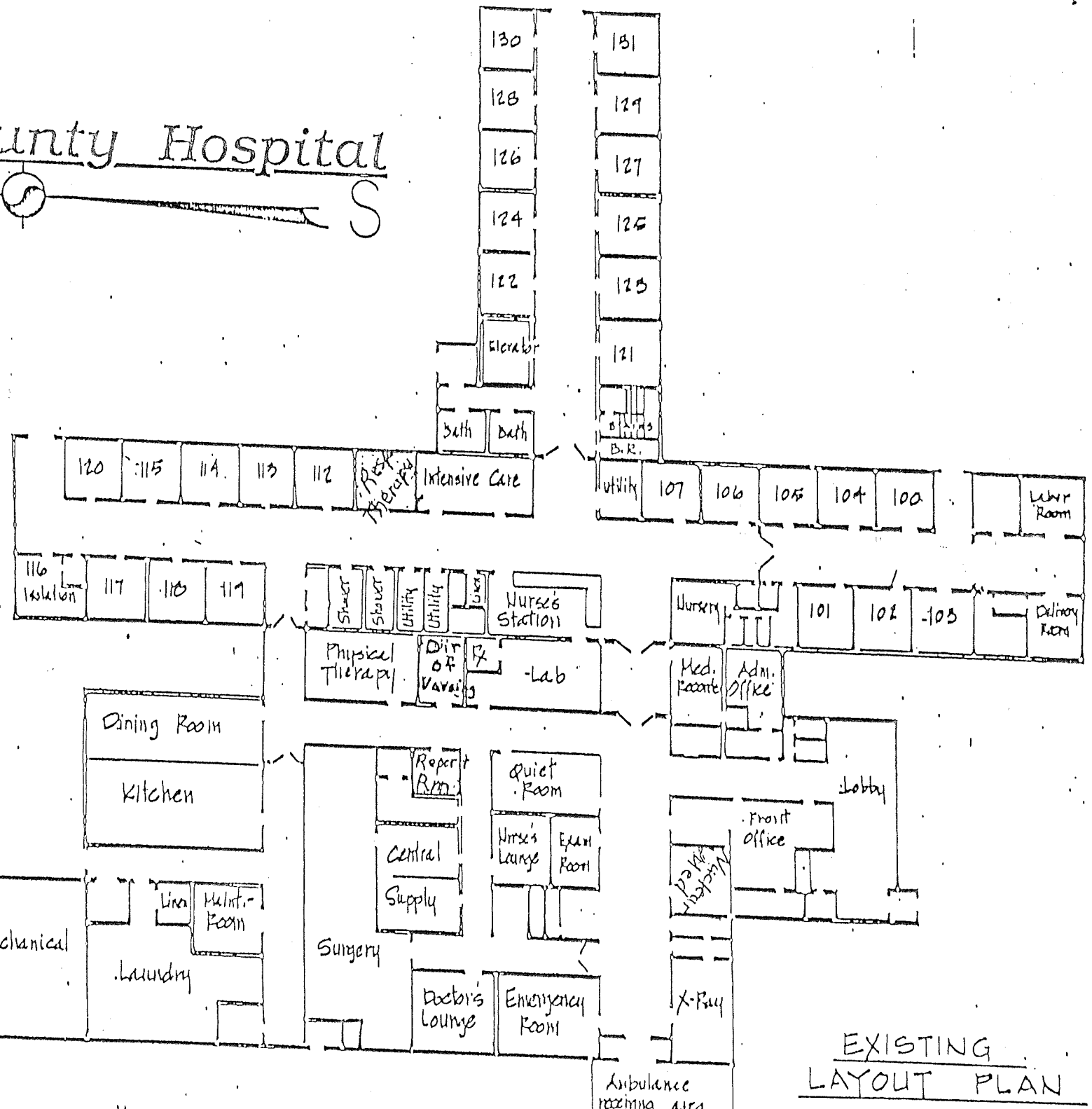
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NOLAN J. PATTERSON, Chairman  
Board of Trustees of the County  
Hospital, Clay County, Kansas

# Clay County Hospital

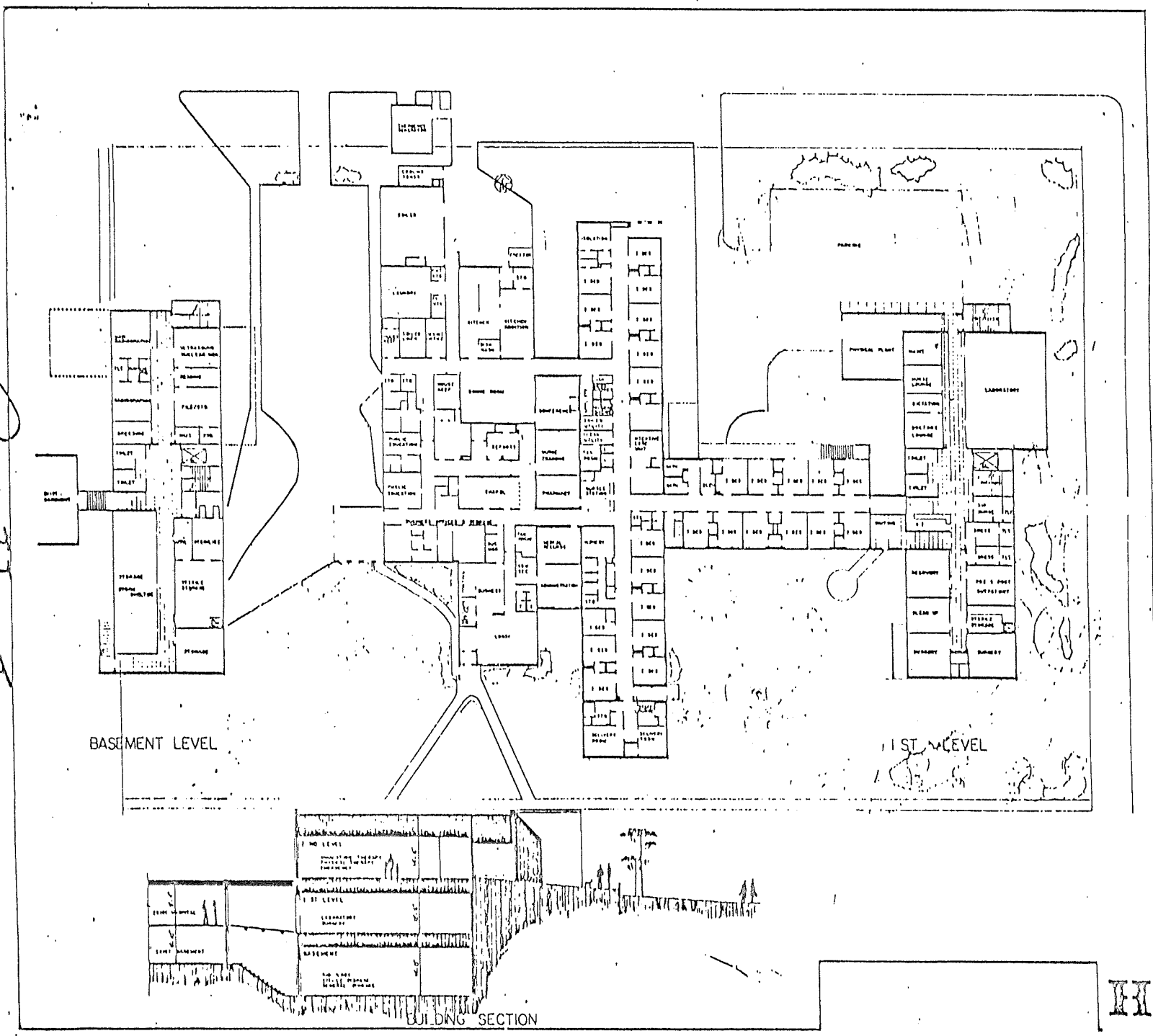


Plat No. I



EXISTING LAYOUT PLAN

Plot No. II



III

MEMBERS OF BOARD

Dist. 1. Alfred Johnson, Morganville

Dist. 2. Harold Holtz, Clay Center

Dist. 3. Vernon Wendelken, Wakefield

OFFICE OF COUNTY COMMISSIONERS  
CLAY COUNTY  
CLAY CENTER, KANSAS

August 23, 1982

SPECIAL COMMITTEE ON HOSPITAL LAWS  
Legislature of State of Kansas  
Representative LLOYD POLSON, Chairman  
Statehouse  
Topeka, Kansas 66612

In re: Proposal No. 9 - Hospital Laws

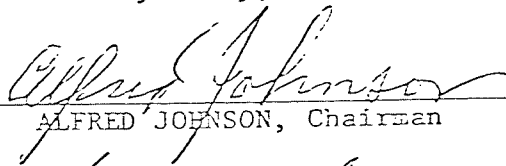
Dear Mr. Chairman:

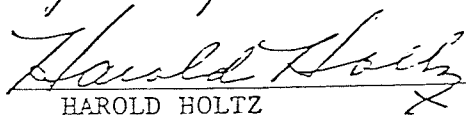
In regard to the above Proposal, this is to advise you and your Committee we have this day completed a meeting with the Board of Trustees of the County Hospital of Clay County, Kansas, wherein the "draft bill" sent us by the Legislative Research Department was thoroughly discussed and considered.

We are advised the Hospital Board plans to appear before your Committee Thursday, August 26, 1982, its primary purpose being -- "to retain its present structure as a political entity with an elected board" -- and to solicit the Committee's support that the "final draft" of said bill to be presented to the Legislature include provisions for Clay County Hospital to retain its present legal structure.

It is the undersigned Commissioners' desire, and we do join with the Clay County Hospital Trustees in seeking retention of the Hospital's present entity structure, and we respectfully request provision therefor be made a part of the Committee's recommendation to the Kansas Legislature.

Yours very truly,

  
ALFRED JOHNSON, Chairman

  
HAROLD HOLTZ

  
VERNON WENDELKEN

ATTEST:

  
SHIRLEY MACKENDER

County Clerk

County Commissioners

# The Clay County Hospital

617 liberty,

clay center, kansas 67432

phone 632-2144

August 24, 1982

Lloyd Polson, Chairman  
Special Committee on Hospital Laws  
State of Kansas Interim Committee  
Topeka, Kansas 66601

Dear Mr. Polson:

We, the undersigned physicians, represent the Active Medical Staff of the Clay County Hospital at Clay Center, Kansas.

It has been brought to our attention and thoroughly discussed at a special Medical Staff Meeting May 18, 1982, the intent of the proposed House Bill on reorganizing all County Hospitals under one statute.

As the Board of Trustees feel this would be detrimental to our organization, please consider this letter as opposed to any action that would alter the current legal structure of the Clay County Hospital at Clay Center, Kansas.

If we can be of any assistance to your or your committee, please contact us at the above phone number and address.

Sincerely,

*Richard H. Kamm*  
*John S. ...*

*Michael W. ...*

*R. C. Carleton, M. D.*

*Ray J. ...*

*Harold ...*

*James ...*