

MINUTES OF THE House COMMITTEE ON Ways and MeansThe meeting was called to order by Bill Bunten at
Chairperson3:40 ~~xx~~/p.m. on Friday, April 27, 1984 in room 514-S of the Capitol.All members were present except: Representative Wisdom (excused)Committee staff present: Ed Ahrens, Legislative Research
Lyn Goering, Legislative Research
Gloria Timmer, Legislative Research
Alan Conroy, Legislative Research

Conferees appearing before the committee:

David Barclay, Department of Corrections
Michael Barbara, Department of Corrections
Dr. Robert Harder, Secretary of SRS
Dale Dennis, Board of Education
Others present (Attachment 1)

SB 508 -- an act concerning certain publicly funded institutions of post-secondary education; increasing amounts of credit hour state aid for community colleges and municipal universities; amending K.S.A. 1983 Supp. 71-602 and 72-6503, and repealing the existing sections.

Dale Dennis of the State Board of Education explained the bill and provided a handout (Attachment 2).

Representative Shriver moved that SB 508 be recommended favorable for passage. Seconded by Representative Heinemann. Motion carried.

SB 810 -- relating to corrections; concerning institutions and facilities under the supervision of the secretary of corrections; concerning powers and duties of the secretary of corrections; relating to inmate employment, training and release; amending ~~K.S.A. 20-208~~ and K.S.A. 1983 Supp. 75-5205, 75-5211 and 75-5268 and repealing the existing sections.

David Barclay, Department of Corrections, explained the bill. Representative Shriver moved that SB 810 be recommended favorable for passage. Seconded by Representative Heinemann. Motion carried.

SB 829 -- concerning the community corrections act; eligibility of counties for supplementary grant funds; chargebacks to counties for certain felons and juveniles committed to secretary of corrections; withdrawal of counties from grant participation; amending K.S.A. 1983 Supp. 75-52,104 and 75-52,106 and repealing the existing sections.

Michael Barbara, Secretary of Department of Corrections, explained the bill and provided a handout (Attachment 3).

Representative Farrar moved that SB 829 be recommended favorable for passage. Seconded by Representative Luzzati. Motion carried.

SUBSTITUTE for HB 2745 -- concerning state contracts for the purchase of prescription-only drugs; providing for reimbursement to the secretary of social and rehabilitation services.

Dr. Robert Harder explained the bill (Attachment 4) and provided a data sheet relating to medicaid pharmacy services (Attachment 5). Representative Duncan moved that Substitute for HB 2745 be recommended favorable for passage. Seconded by Representative Helgerson. Motion carried.

SB 887 -- authorizing the secretary of SRS to settle a civil lawsuit; making and concerning appropriations and directing certain transfers and disbursements

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,
room 514, Statehouse, at 3:40 ~~xxx~~ p.m. on Friday, April 27, 19 84

therefor; imposing certain conditions, restrictions and limitations.

Dr. Robert Harder explained the provisions of the bill; however the bill has not yet been referred to the Ways and Means committee and no action was taken on the bill.

Meeting adjourned at 4:45 p.m.

GUESTS -- 1984

4-27-84

Name

Address

Representing

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Merle Hies
 Ed Walbourn
 Al Bramble
 Ed Bulburt
 D. Fuld
 W. H. Hays
 Betty Jones
 Dick Davis
 Jerry Sloan
 An Dehlerger
 Robert H. Hies

Topeka
 Topeka
 Lawrence
 Topeka
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 Topeka
 Shawnee Mo
 Topeka
 "
 Omland PK.
 Topeka

RACC
 Washburn
 AARP / NRTA
 Budget Div
 "
 KDHE
 Eagle Forum
 D.O.C.
 OJA
 KCF + LWOK
 SRS

LEGISLATIVE RESEARCH DEPARTMENT
SUMMARY OF ESTIMATED FISCAL IMPACT

April 26, 1984

As Amended by Senate Committee on Ways and Means	FY 1984		FY 1985	
	State General Fund	All Other Funds	State General Fund	All Other Funds
Revenue	\$ —	\$ —	\$ —	\$ —
Expenditure	—	—	1,461,855	—

Short Title: An Act Concerning Publicly Funded Institutions of Postsecondary Education; Increasing Amounts of Credit Hour State Aid for Community Colleges and Municipal Universities.

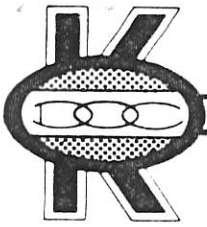
S.B. 508, as amended, increases the maximum rate of regular credit-hour state aid payable to Washburn University and the 19 community colleges from \$23.50 to \$25.00. Out-district state aid rates and law school credit-hour reimbursement rates would remain at \$22.00 and \$26.00, respectively.

If the Legislature wishes to fully finance the increased rates, an additional \$1,461,855 in State General Fund appropriations would be required. This amount is in excess of the Governor's recommendation and the amounts previously appropriated by 1984 H.B. 2684, as shown below:

	<u>H.B. 2684*</u>	<u>Increases to Fully Finance S.B. 508</u>	<u>Total</u>
Washburn Regular Credit-Hour State Aid (Includes Law Hours)	\$ 3,445,235	\$ 190,647	\$ 3,635,882
Washburn Out-District State Aid	665,082	—	665,082
Community College Regular Credit-Hour State Aid	19,915,592	1,271,208	21,186,800
Community College Out-District State Aid	5,649,512	—	5,649,512
TOTAL	<u>\$29,675,421</u>	<u>\$1,461,855</u>	<u>\$31,137,276</u>

* Coincides with Governor's recommendation.

(2)



KANSAS DEPARTMENT OF CORRECTIONS

JOHN CARLIN — GOVERNOR

MICHAEL A. BARBARA — SECRETARY

JAYHAWK TOWERS • 700 JACKSON • TOPEKA, KANSAS • 66603
• 913-296-3317 •

TO: HOUSE WAYS AND MEANS COMMITTEE
FROM: MICHAEL A. BARBARA, SECRETARY OF CORRECTIONS
RE: S.B. 810
DATE: April 25, 1984

BILL SUMMARY

This bill provides for amendments in three areas:

(1) the Secretary of Corrections would be authorized to accept for the department any gift of property which would enhance the services provided by the department;

(2) the release gratuity would be fixed at \$100. Certain inmates would be excluded from consideration. Transportation for inmates upon release is clarified;

(3) the money reimbursed to the state for room and board by inmates working in private industry programs would be deposited to the correctional industries fund, not the state general fund as is currently the law.

DEPARTMENT POSITION

The Department of Corrections favors all three of these amendments for the following reasons:

(1) Accepting gifts--on several occasions in recent years the Department of Corrections has been offered gifts of property. No statutory authority for the acceptance of these gifts exists. There is no statute which prohibits the acceptance. Other state agencies have specific authority in this area. Such specific authority for the Secretary of Corrections is requested in order to remove any doubt as to the propriety of accepting such gifts.

(2) Release gratuity--several years ago the Department of Corrections established, due to budgetary constraints, a ceiling of \$100 on release gratuities. The current budget and the proposed budget for FY 1985 reflect this amount. However, in November 1983, the District Court of Leavenworth County found

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this ceiling to be improper because it did not consider the "need" of the inmate being released. Consequently, the Department issued a new policy. This new policy allows inmates to receive more than \$100. Thus, potential gratuity payments exceed budgeted amounts. The amendment would return the Department to the position prior to the November court decision.

(3) Deposit to correctional industries fund--this permanent transfer of funds would earmark approximately \$66,000 per year for the expansion of jobs in Kansas Correctional Industries. Currently, half of the state's inmates have no work or educational program in which to participate. Idleness of this magnitude, as noted by Legislative Post Audit's Prison Industries audit, can have serious ramifications for the stability of the prison system. While this transfer will obviously not eliminate idleness, it will enable the Department to reduce idleness using funds generated by inmates themselves.

MAB:CES:DAB/pa

DRAFT
3/27/84

Substitute for House Bill No. 2745

By _____

AN ACT concerning state contracts for the purchase of prescription-only drugs; providing for reimbursement to the secretary of social and rehabilitation services.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) All specifications for bids let by the director of purchases pursuant to K.S.A. 75-3739 and amendments thereto on contracts for the purchase of prescription-only drugs shall set forth a specification requiring the successful bidder to annually reimburse the secretary of social and rehabilitation services in an amount as specified in paragraph (b) for the prescription-only drugs listed in its bid which are dispensed by Kansas pharmacies under a plan developed by the secretary of social and rehabilitation services pursuant to subsection (s) of K.S.A. 39-709c and amendments thereto.

(b) The amount of reimbursement per prescription for each drug shall be established by the secretary of social and rehabilitation services. Such amount shall be no greater than the difference between the drug cost paid to Kansas pharmacies by the secretary of social and rehabilitation services and the bid price.

(c) All reimbursements received by the secretary of social and rehabilitation services pursuant to this act shall be deposited by the secretary in the social welfare fund.

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.

KANSAS MEDICAID/MEDI-KAN PROGRAM
 PHARMACY SERVICES EXPENDITURE ANALYSIS*

FY	#RECIPIENTS OF PHARMACY SERVICES	TOTAL # OF PRESCRIPTIONS	AVG. # OF RXs/RECIPIENT	TOTAL EXPENDITURES	AVG. PYMT. 2 PER RX	AVG. PYMT. 2 PER RECIPIENT	AVG. DRUG COST / RX	AVG. FEE PER RX	MAX FEE %TILE
79 ^{1,3}	522,367	1,841,800	3.53	\$11,758,269	\$ 6.38	\$22.51	\$4.25	\$2.63	85th
80 ¹	498,520 (- 4.6%)	1,789,795 (- 2.8%)	3.59 (+1.7%)	\$12,567,318 (+ 6.9%)	\$ 7.02 (+10.0%)	\$25.20 (+11.9%)	\$4.65 (+ 9.4%)	\$2.87 (+ 9.1%)	85th
81 ¹	585,806 (+17.5%)	2,035,826 (+13.8%)	3.48 (-3.1%)	\$15,860,554 (+26.2%)	\$ 7.79 (+11.0%)	\$27.11 (+ 7.6%)	\$5.24 (+12.7%)	\$3.05 (+ 6.3%)	85th
82 ¹	531,949 (- 9.2%)	1,847,105 (- 9.3%)	3.47 (-0.3%)	\$16,206,484 (+ 2.2%)	\$ 8.77 (+12.6%)	\$30.47 (+12.4%)	\$6.05 (+15.5%)	\$3.23 (+ 5.9%)	85th
83 ^{1,4}	534,164 (+ 0.4%)	1,802,781 (- 2.4%)	3.37 (-2.9%)	\$18,303,068 (+12.9%)	\$10.15 (+15.7%)	\$34.26 (+12.4%)	\$7.18 (+18.7%)	\$3.40 (+ 5.3%)	85th
84 ^{4,5,6}	378,022 (- 5.6%)	1,220,642 (-10.0%)	3.23 (-4.2%)	\$13,662,192 (- 0.5%)	\$11.19 (+10.2%)	\$36.14 (+ 5.5%)	\$8.26 (+15.0%)	\$3.45 (+ 1.5%)	85th

1: RECIPIENT CO-PAY CHARGE OF 50¢ PER PRESCRIPTION APPLICABLE.

2: AVERAGE PAYMENT PER RX AND AVERAGE PAYMENT PER RECIPIENT DOES NOT REFLECT THE CO-PAY CHARGE PAID BY THE RECIPIENT.

3: FY-79 DATA TAKEN FROM MEDICAL PAYMENT RECORDS; CATEGORY OF SERVICE EXPENDITURE DATA WAS PRO-RATED FOR THIS PERIOD.

4: RECIPIENT CO-PAY INCREASED TO \$1.00 PER PRESCRIPTION EFFECTIVE 4-1-83 FOR MEDIKAN ELIGIBLE AND 5-1-83 FOR MEDICAID ELIGIBLES; NURSING HOME RESIDENTS, HCBS PROGRAM CLIENTS, ELIGIBLES UNDER AGE 18 AND SERVICES RELATED TO PREGNANCY AND FAMILY PLANNING EXEMPTED FROM CO-PAY REQUIREMENT 12-1-82. SCOPE OF PHARMACY SERVICES SIGNIFICANTLY REDUCED FOR MEDICAID AND MEDIKAN ELIGIBLES DURING FY-83.

5: YEAR TO DATE DATA, JULY 1983 THROUGH MARCH 1984.

6: PERCENTAGE CHANGE BASED ON FY-83 MONTHLY AVERAGE COMPARED WITH FY-84 MONTHLY AVERAGE YEAR TO DATE, WHEN APPROPRIATE FOR COMPARISON.

*PRIMARY DATA SOURCE: "MEDICAL ASSISTANCE EXPENDITURES BY CATEGORY OF ASSISTANCE", AND KANSAS MEDICAL ASSISTANCE STATISTICAL REPORT"; RESEARCH & STATISTICS SECTION, DIVISION OF ADMINISTRATIVE SERVICES, SRS

1 27 04
REPORTS OF STANDING COMMITTEES

Your committee on House Ways and Means

Recommends that SB 508

"AN ACT concerning certain publicly funded institutions of postsecondary education; increasing amounts of credit hour state aid for community colleges and municipal universities; amending K.S.A. 1983 Supp. 71-602 and 72-6503, and repealing the existing sections.

Be passed.

Chairman.

Your committee on House Ways and Means

Recommends that SB 829

"AN ACT concerning the community corrections act; eligibility of counties for supplementary grant funds; chargebacks to counties for certain felons and juveniles committed to secretary of corrections; withdrawal of counties from grant participation; amending K.S.A. 1983 Supp. 75-52,104 and 75-52,106 and repealing the existing sections.

Be passed.

Chairman.

Your committee on House Ways and Means

Recommends that SB 810

"AN ACT relating to corrections; concerning institutions and facilities under the supervision of the secretary of corrections; concerning powers and duties of the secretary of corrections; relating to inmate employment, training and release; amending K.S.A. 20-208 and K.S.A. 1983 Supp. 75-5205, 75-5211 and 75-5268 and repealing the existing sections.

Be passed.

Chairman.