

MINUTES OF THE HOUSE COMMITTEE ON PUBLIC HEALTH AND WELFARE

The meeting was called to order by Marvin L. Littlejohn at _____
Chairperson

1:30 A.M./p.m. on March 4, 1985 in room 423-S of the Capitol.

All members were present except:

Committee staff present:

- Emalene Correll, Research
- Norman Furse, Revisor
- Sue Hill, Secy. to Committee

Conferees appearing before the committee:

- Representative Susan Roenbaugh, 114th District
- Elizabeth Carlson, Executive Secy., Ks. Board of Healing Arts
- Don Strole, Attorney, Ks. Board of Healing Arts
- Dr. Erwin Janssen, Director of Children's Unit, Menninger Foundation
- Mary Ann Gabel, Executive Secretary of Behavioral Sciences Regulatory Board

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

Chairman called meeting to order and invited Ms. Correll to begin briefings on bills.

Briefing on HB 2467: This will revise County and District Hospital laws, and she spoke to specific line changes, and necessary language changes. Ms. Correll gave hand-out to committee members, (see Attachment No. 2.), for details of the exemptions for organizations. She directed attention to some specifics in this document, that the language would read the same for District Hospitals as that for County Hospitals; interim committee didn't recommend this bill.

Briefing on HB 2502: Ms. Correll explained this bill, saying it would allow a Doctor to continue to practice at Larned State Hospital who has not taken the flex examination because of vision problems and the inability to read necessary materials to study for this examination. This legislation speaks to this particular physician.

Briefing on HB 2338: Norman Furse, revisor explained bill to committee section by section. It speaks in lines 68 through 69 that the applicant must present proof of graduation from an accredited healing arts school or college. Criteria that had been established and investigation of those schools where students have attended outside this country to confirm they have met standards of education required will also be addressed in this bill. He spoke to specific language changes, and then answered questions, i.e., yes, a fellowship license is less than a full license.

Briefing on HB 2504: Ms. Correll explained this legislation would authorize the raising of fees for social workers examinations. She cited specific language changes, and specific increases in fees.

Hearings began on HB 2502:

Representative Susan Roenbaugh spoke to this bill in that it is directed to a physician at Larned State Hospital which is in her District. She spoke in favor of HB 2502, saying it would direct the State Board of Healing Arts to grant a license to practice medicine at Larned State Hospital to a Dr. Primitiva Coronado, who obtained mer medical degree from the University of Santo Tomas in Manila, Phillippines. Her license expires this month, and because of her weakened eyesight, she has not been able to take the complete flex examination again for the Kansas requirements. She spoke of votes of confidence from the acting Superintendent at Larned, and a Dr. Artiles at Larned. Rep. Roenbaugh asked committee for their favorable consideration of HB 2502. She then answered questions from members.

W.H.C.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON PUBLIC HEALTH AND WELFARE,
room 423-S, Statehouse, at 1:30 a/m/p.m. on March 4, 19 85

Hearings on HB 2502 continued:

Elizabeth Carlson, Executive Secretary, Ks. Board of Healing Arts spoke to HB 2502. This is not an isolated incident, she said. There is a ruling in California that if someone has been in practice of medicine for 15 years, they do not have to take the basic science examination. However, there are no other states that would accept this rule. She spoke of Dr. Coronado's flex test scores, and explained this is an examination taken on 3 days; day 1, is basic science, day 2 is clinical science, day 3 is clinical competency, and Kansas does not accept combination scores. The examination scores are averaged in Kansas. She stated Dr. Coronado had not applied for licensure and then answered questions from committee.

Don Strole, Legal Counsel for Ks. Board of Healing Arts spoke to HB 2502. There are concerns in this bill, he said, from a legal standpoint, i.e., special legislation can be viewed as constitutional prohibition. This would permit what generally is a 2 year fellowship license being turned into a permanent license he said. Questions from committee were then answered, i.e., yes, there are others who will want these same kinds of provisions; yes, we appreciate the need for physicians in rural areas and hate to lose competent people, but there is need for continuity in licensing.

Dr. Ervin Janssen, Child Psychologist at Menninger Foundation spoke to HB 2502, but more specifically in regard to Dr. Coronado and her credentials. He said she is a very competent Doctor, and he was greatly impressed with her skills. She is a vital part of the children's department at Larned. He was in support of her staying on in her present capacity.

Hearings closed on HB 2502.

Hearings began on HB 2504:

Ms. Mary Ann Gabel, Executive Secretary of Ks. Behavioral Sciences Regulatory Board presented printed testimony to committee, (see Attachment No. 4.), for details. She spoke in support of HB 2504, saying the purpose of the increased fee is to provide needed revenue for increased costs in purchasing exams; computerization of their Board's records; and Investigative resources. She spoke to specific reasons for rate increases, and that their Board would be unable to support continuing rising costs, so asked for these increased limits of fee charges. She urged for favorable consideration of HB 2504.

Hearings closed on HB 2504.

Hearings began on HB 2338.

Don Strole, Ks. Bd. of Healing Arts attorney stated they had asked Rep. Duncan to introduce this legislation to make permits renewable. Mr. Strole suggested amendments, i.e., lines 45 and 46, to delete language "American medical association's", and "council", and insert the word "commission", so the bill would read, --- "given by educational commission for foreign medical graduates." Further, in lines 161, 162, after the word "after", to insert, "upon recommendation of the permit holder's supervisor". The main concerns this bill speaks to is the criteria for approval of medical schools is made clear in statutes, he said. Many schools started outside our country and numbers of American students who cannot get into schools in our country are going there for their medical education. Some schools are teaching how to pass examinations and not teaching medical technology and skills, he said, and this problem must be dealt with by tightening up our rules and regulations. It is not an isolated problem for Kansas, there are many other states trying to address these concerns as well.

Briefings on HB 2492, by Ms. Correll. She explained it would change the sequence of events leading up to issuance of civil penalties for deficiencies in Adult Care Homes, and help to speed up this process.

Briefing on HB 2555 by Ms. Correll. She explained this legislation would change the name from State Board of Embalming to State Board of Mortuary arts. She cited necessary language and technical changes. Section 15 speaks to policy changes that would raise statutory maximum fees. Section 18 establishes the St. Board of Mortuary Arts. She continued section by section changes needed.

Meeting adjourned at 3:02 p.m.

GUEST REGISTER

date 3-4-85

HOUSE

PUBLIC HEALTH AND WELFARE

NAME	ORGANIZATION	ADDRESS
Cecene Keating	KAHA	500 Ks. Ave., Topeka
Carl Myers	NASW	Topeka Ks
KEITH R LANDIS	CHRISTIAN SCIENCE COMMITTEE ON PUBLICATION FOR KANSAS	TOPEKA
Shirley Emb	KAMA	TOPEKA
Dick Hummel	KACA	TOPEKA
Kathy Marney	NEPA	Topeka
Bill Dean	MDPI	O.P.
Mack Smith	KS St. Bd of Embalming	Topeka
Elizabeth Carlson	Bd of Healing Arts	Topeka
Myrtle Stabel	BSLB	Topeka
Marilyn Bract	KINH	Lawrence

Attn #1
3-4-5

[Sec. 501(b)]

(b) TAX ON UNRELATED BUSINESS INCOME AND CERTAIN OTHER ACTIVITIES.—An organization exempt from taxation under subsection (a) shall be subject to tax to the extent provided in parts II, III, and VI of this subchapter, but (notwithstanding parts II, III and VI of this subchapter) shall be considered an organization exempt from income taxes for the purpose of any law which refers to organizations exempt from income taxes.

Source: New.

Amendments:	Sec. as amended effective:
P. L. 93-625, § 10(c)
P. L. 91-172, § 101(j)(4)	1-1-70

"(b) Tax on Unrelated Business Income.—An organization exempt from taxation under subsection (a) shall be subject to tax to the extent provided in part II of this subchapter (relating to tax on unrelated income), but, notwithstanding part II, shall be considered an organization exempt from income taxes for the purpose of any law which refers to organizations exempt from income taxes."

P. L. 93-625, § 10(c):

Amended Code Sec. 501(b) by substituting "Parts II, III, and VI" for "Parts II and III". Effective for taxable years beginning after December 31, 1974.

P. L. 91-172, § 101(j)(4):

Amended Code Sec. 501(b), effective January 1, 1970. Prior to amendment, Code Sec. 501(b) read as follows:

[Sec. 501(c)]

(c) LIST OF EXEMPT ORGANIZATIONS.—The following organizations are referred to in subsection (a):

(1) any corporation organized under Act of Congress which is an instrumentality of the United States but only if such corporation—

(A) is exempt from Federal income taxes—

(i) under such Act as amended and supplemented before the date of the enactment of the Tax Reform Act of 1984, or

(ii) under this title without regard to any provision of law which is not contained in this title and which is not contained in a revenue Act, or

(B) is described in subsection (l).

(2) Corporations organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization which itself is exempt under this section.

(3) Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation, (except as otherwise provided in subsection (h)), and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

(4) Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare, or local associations of employees, the membership of which is limited to the employees of a designated person or persons in a particular municipality, and the net earnings of which are devoted exclusively to charitable, educational, or recreational purposes.

(5) Labor, agricultural, or horticultural organizations.

(6) Business leagues, chambers of commerce, real-estate boards, boards of trade, or professional football leagues (whether or not administering a pension fund for football players), not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual.

(7) Clubs organized for pleasure, recreation, and other non-profitable purposes, substantially all of the activities of which are for such purposes and no part of the net earnings of which inures to the benefit of any private shareholder.

10-11-84 11:00 AM 6-87-1586

Attn. #2
3-4-5

Attn. #2
3-4-5

4471-8.

1954 Code—Subtitle A, Ch. 1F, Part II

Amendments:

	Sec. as amended effective:
P.L. 94-455, § 1901(a)(71)(C)	2-1-77
P.L. 94-455, § 1906(b)(13)(A)	1-1-70
P.L. 91-172, § 101(a)	

P.L. 94-455, § 1906(b)(13)(A):
Amended 1954 Code by substituting "Secretary" for "Secretary or his delegate" each place it appeared. Effective February 1, 1977.

P.L. 94-455, § 1901(a)(71)(C):
Substituted "(e)(2)" for "(e)(2)(B) and (C)". Applicable to taxable years beginning after December 31, 1976.

P.L. 91-172, § 101(a):
Added Code Sec. 508, effective January 1, 1970.

[Sec. 508(e)]

(e) GOVERNING INSTRUMENTS.—

(1) GENERAL RULE.—A private foundation shall not be exempt from taxation under section 501(a) unless its governing instrument includes provisions the effects of which are—

(A) to require its income for each taxable year to be distributed at such time and in such manner as not to subject the foundation to tax under section 4942, and

(B) to prohibit the foundation from engaging in any act of self-dealing (as defined in section 4941 (d)), from retaining any excess business holdings (as defined in section 4943(c)), from making any investments in such manner as to subject the foundation to tax under section 4944, and from making any taxable expenditures (as defined in section 4945(d)).

(2) SPECIAL RULES FOR EXISTING PRIVATE FOUNDATIONS.—In the case of any organization organized before January 1, 1970, paragraph (1) shall not apply—

(A) to any period after December 31, 1971, during the pendency of any judicial proceeding begun before January 1, 1972, by the private foundation which is necessary to reform, or to excuse such foundation from compliance with, its governing instrument or any other instrument in order to meet the requirements of paragraph (1), and

(B) to any period after the termination of any judicial proceeding described in subparagraph (A) during which its governing instrument or any other instrument does not permit it to meet the requirements of paragraph (1).

Source: New.

Amendments:

	Sec. as amended effective:
P. L. 94-455, § 1901(a)(71)(B)	1-1-70
P. L. 91-172, § 101(a)	

paragraphs (B) and (C) as (A) and (B), applicable to taxable years beginning after December 31, 1976.

P. L. 91-172, § 101(a):

Added Code Sec. 508, effective January 1, 1970, except that Code Secs. 508(a), (b) and (c) are effective on October 9, 1969.

P. L. 91-172, § 101(l)(6) provides that Sec. 508(e) shall not apply to require inclusion in governing instruments of any provisions inconsistent with subsection 101(l) of the Tax Reform Act of 1969.

P.L. 94-455, § 1901(a)(71)(B):
Amended Code Sec. 508(e)(2) by deleting former subparagraph (A) which read "to any taxable year beginning before January 1, 1972," and by redesignating former sub-

[Sec. 509]

SEC. 509. PRIVATE FOUNDATION DEFINED.

[Sec. 509(a)]

(a) GENERAL RULE.—For purposes of this title, the term "private foundation" means a domestic or foreign organization described in section 501(c)(3) other than—

- (1) an organization described in section 170(b)(1)(A) (other than in clauses (vii) and (viii));
- (2) an organization which—

(A) normally receives more than one-third of its support in each taxable year from any combination of—

- (i) gifts, grants, contributions, or membership fees, and
- (ii) gross receipts from admissions, sales of merchandise, performance of services, or furnishing of facilities, in an activity which is not an unrelated trade or business (within the meaning of section 513), not including such receipts from any person, or from any bureau or similar agency of a governmental unit (as described in section 170(c)(1)), in any taxable year to the extent such receipts exceed the greater of \$5,000 or 1 percent of the organization's support in such taxable year,

Sec. 508(e)

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Source: New.

Amendments:

P.L. 94-81, § 3

P. L. 94-81, § 3:

Amended Code Sec.
amendment, read as follow

(b) CONTINUATI
organization is a priv
becomes a private foun
foundation for all perio
is terminated under sec
Source: New.

(c) STATUS OF OR
For purposes of this pa
under section 507 shall
on the day after the date
Source: New.

(d) DEFINITION OF
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(2) gross receipt
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(3) net income fr
regularly as a trade o
(4) gross investm

from persons other than disqualified persons (as defined in section 4946) with respect to the organization, from governmental units described in section 170(c)(1), or from organizations described in section 170(b)(1)(A) (other than in clauses (vii) and (viii)), and

(B) normally receives not more than one-third of its support in each taxable year from the sum of—

- (i) gross investment income (as defined in subsection (e)) and
 - (ii) the excess (if any) of the amount of the unrelated business taxable income (as defined in section 512) over the amount of the tax imposed by section 511;
- (3) an organization which—

(A) is organized, and at all times thereafter is operated, exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more specified organizations described in paragraph (1) or (2),

(B) is operated, supervised, or controlled by or in connection with one or more organizations, described in paragraph (1) or (2), and

(C) is not controlled directly or indirectly by one or more disqualified persons (as defined in section 4946) other than foundation managers and other than one or more organizations described in paragraph (1) or (2); and

(4) an organization which is organized and operated exclusively for testing for public safety.

For purposes of paragraph (3), an organization described in paragraph (2) shall be deemed to include an organization described in section 501(c)(4), (5), or (6) which would be described in paragraph (2) if it were an organization described in section 501(c)(3).

Source: New.

Amendments:	Sec. as amended effective:	
P.L. 94-81, § 3		“(B) normally receives not more than one-third of its support in each taxable year from gross investment income (as defined in subsection (e));”
P. L. 94-81, § 3:		The above amendment is applicable to unrelated business taxable income derived from trades and businesses which are acquired by the organization after June 30, 1975.
Amended Code Sec. 509(a)(2)(B) which, prior to amendment, read as follows:		

[Sec. 509(b)]

(b) CONTINUATION OF PRIVATE FOUNDATION STATUS.—For purposes of this title, if an organization is a private foundation (within the meaning of subsection (a)) on October 9, 1969, or becomes a private foundation on any subsequent date, such organization shall be treated as a private foundation for all periods after October 9, 1969, or after such subsequent date, unless its status as such is terminated under section 507.

Source: New.

[Sec. 509(c)]

(c) STATUS OF ORGANIZATION AFTER TERMINATION OF PRIVATE FOUNDATION STATUS.—For purposes of this part, an organization the status of which as a private foundation is terminated under section 507 shall (except as provided in section 507(b)(2)) be treated as an organization created on the day after the date of such termination.

Source: New.

[Sec. 509(d)]

(d) DEFINITION OF SUPPORT.—For purposes of this part and chapter 42, the term “support” includes (but is not limited to)—

- (1) gifts, grants, contributions, or membership fees,
- (2) gross receipts from admissions, sales of merchandise, performance of services, or furnishing of facilities in any activity which is not an unrelated trade or business (within the meaning of section 513),
- (3) net income from unrelated business activities, whether or not such activities are carried on regularly as a trade or business,
- (4) gross investment income (as defined in subsection (e)),

Sec. 509(d)

Attn # 3
3-4-85

TESTIMONY BEFORE HOUSE PUBLIC HEALTH AND WELFARE COMMITTEE
HOUSE BILL 2502
REPRESENTATIVE SUSAN ROENBAUGH

THANK YOU, MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE.
I AM SUSAN ROENBAUGH, REPRESENTATIVE OF THE 114TH DISTRICT
AND I'M HERE TO URGE YOU TO RECOMMEND HB 2502 FAVORABLY.

LARNED STATE HOSPITAL IS THE PSYCHIATRIC HOSPITAL THAT
SERVES 51 WESTERN KANSAS COUNTIES AND HAS ABOUT AS MUCH DIFFI-
CULTY RECRUITING PHYSICIANS AS THE REST OF WESTERN KANSAS.

HOUSE BILL 2502 DIRECTS THE STATE BOARD OF HEALING ARTS
TO GRANT A LICENSE TO PRACTICE MEDICINE AT LARNED STATE
HOSPITAL TO DR. PRIMITIVA CORONADO, WHO OBTAINED HER MEDICAL
DEGREE FROM THE UNIVERSITY OF SANTO TOMAS IN MANILA, THE
PHILIPPINES IN 1955. DR. CORONADO'S LICENSE EXPIRES THIS
MONTH AND BECAUSE OF HER WEAKENED EYESIGHT SHE HASN'T BEEN
ABLE TO TAKE THE COMPLETE FLEX EXAMINATION AGAIN FOR KANSAS.

BOTH DR. GETZ, THE ACTING SUPERINTENDENT AND DR. ARTILES
HAVE A GREAT DEAL OF PRAISE FOR DR. CORONADO AND HER ABILITY
AS A DIAGNOSTICIAN AND A THERAPIST.

I DO HAVE A SIMPLE AMENDMENT. THE WORDS STATE AND HOSPITAL
ON LINES 0025, 0026 and 0035 SHOULD BE CAPITALIZED.

I APPRECIATE YOUR TIME AND ASK FOR YOUR FAVORABLE VOTE
ON HB 2502. MR. CHAIRMAN, I WILL BE HAPPY TO ANSWER ANY
QUESTIONS THE COMMITTEE MIGHT HAVE.

(ok as written
don't need
the amendment)

Attn # 3
3-4-85

Attm. #4
3-4-5214 W. 6th. Room 201
Topeka, Kansas 66603
913/296-3240 KANS-A-N 561-3240BARBARA L. KOVAROVIC, *Chairperson*
MARY ANN GABEL, *Executive Secretary*

BEHAVIORAL SCIENCES REGULATORY BOARD

BOARD MEMBERS:

Public Members
JERRY W. COLE
BARBARA L. KOVAROVIC
KAY METTNER

Psychology

NANCY J. GARFIELD, Ph.D.
WILLIAM H. SMITH, Ph.D.

Social Work

PATRICIA L. EWALT, Ph.D.
MARY ROGGE, LBSW

TESTIMONY BEFORE THE

HOUSE PUBLIC HEALTH AND WELFARE COMMITTEE

H.B. 2504

MONDAY, March 4, 1985

I am Mary Ann Gabel, Executive Secretary of the Behavioral Sciences Regulatory Board, appearing before you today on behalf of the board and in support of H.B. 2504. The board wishes to thank the committee for introduction of this bill in response to the board's request for an increase in the statutory limitations on application, renewal, and examination fees for social work licensure.

The purpose of the fee increases is to provide needed revenue for the following reasons:

- (1) Increased costs in purchasing examinations;
- (2) Computerization of the board's records; and
- (3) Investigative Resources.

EXAMINATIONS

The board currently purchases examinations from Professional Examination Service (P.E.S.), at a 1984-85 increased contract cost of \$40 each. Pursuant to the current statutory limitations, applicants are charged \$50 per examination with 20% (\$10) of each fee remitted to the state general fund. Given this present price structure, no money is available for retention by the board to cover the handling costs. Therefore, the board fee fund is required to subsidize the handling costs for each examination which include postage, processing, etc.

Atch. 4, 3/4/85

The board would like to change to another examination which has been developed by the American Association of State Social Work Boards (AASSWB). Having studied both available examinations; namely, P.E.S. and AASSWB and having conducted a survey of each state social work licensing agency which examines its social work applicants, the board believes this new examination to be superior to that which is presently used in Kansas. The board also anticipates increased reciprocity advantages through the use of this new examination inasmuch as approximately 90% of the states regulating social work practice and requiring an examination are currently using the AASSWB examination.

It is my understanding that the cost of purchasing this examination is \$50. Given the present statutory limitations, the board is unable to purchase the AASSWB examination due to the fact that the board fee fund would be required to subsidize the cost of each examination in the amount of \$10 plus handling costs. Based on FY'84 figures, the subsidy would amount to \$3,960 plus handling costs. The board fee fund is unable to support this subsidy.

COMPUTERIZATION OF THE BOARD'S RECORDS

They need computerized records

All records of the board are currently handheld records. The board licenses approximately 3,000 social workers and certifies approximately 450 psychologists. During FY'84 the board staff processed 396 social work examination applications, 391 new social work applications, and 1,496 social work renewal applications. In addition to this data, social work license renewal requirements include the submission of continuing education documentation attesting to the completion of 60 clock hours. This data represents but a sampling of the work required in establishing and maintaining records of the board. Computerization is needed to provide for an accurate, efficient, and

cost effective means of managing the board's information system.

INVESTIGATIVE RESOURCES

The board has experienced receipt of an increased number of complaints: FY'81--11; FY'82--15; FY'83--9; FY'84--23; and FY'85--33 to date. Given the complexity and nature of some of the complaints involving regulated persons, a potential conflict of interest exists when the Attorney General's office conducts the investigation which may then be followed by subsequent prosecution of these regulated persons. Given the potential of conflict of interest, the board is finding it necessary to contract with an independent, private investigator. Formal hearings require the services of a court reporter and occasionally an independent prosecutor. Each of these services represents an added expense to the board's operating budget--one which cannot be solely funded by the board's existing fee fund.

PROPOSED RULE AND REGULATION AMENDMENTS

Following passage of H.B. 2504, the board intends to promulgate rules and regulations to reflect the following fee increases:

Application fees	=	\$60	(\$10 increase)
Renewal fees	=	\$60	(\$10 increase)
Examination fees	=	\$65	(\$15 increase)

I respectfully urge your recommendation of passage of H.B. 2504 and thank you for your consideration.