

Approved 2-25-86
Date

MINUTES OF THE SENATE COMMITTEE ON PUBLIC HEALTH AND WELFARE

The meeting was called to order by SENATOR ROY M. EHRLICH at
Chairperson

10:00 a.m./~~p.m.~~ on February 18, 1986 in room 526-S of the Capitol.

All members were present except:

Committee staff present:

Norman Furse, Revisor's Office
Emalene Correll, Legislative Research
Bill Wolff, Legislative Research
Clarene Wilms, Committee Secretary

Conferees appearing before the committee:

Senator Leroy Hayden
Tom Little, Operations Manager, Med-E-Vac, MidAmerica, Inc.
Lyle Eckert, Director, Bureau of Emergency Medical Services
Al Dimmitt, Program Director, Emergency Medical Training, University of Kansas
Medical Center
Marilyn Crowley, Kansas Region 3, Emergency Medical Services Council
Darris McConkey, Region I, Emergency Medical Council
Bud Cornish, General Counsel for Kansas Life Association
Wayne Morris, Security Benefit Life
Jerry Bananka, Farm Bureau Insurance
Written testimony - Gregory Quinlan, D.O. concerning SB-651
Others attending: See attached list.

The minutes of February 10, 11, 12 and 13, 1986, were presented for correction or approval. Senator Hayden moved that the minutes be approved and Senator Anderson seconded the motion. Motion carried.

Senator Hayden, author of SB-569 testified and presented written testimony. Attachment I Senator Hayden stated that SB-569 incorporated the time honored use tax principle. It would provide that $\frac{1}{4}$ of 1¢ of every dollar paid in life insurance premiums will come back to Kansas. There could be retaliatory taxes but the benefit still outweighs the liabilities.

Tom Little testified and presented written testimony on SB-569. Attachment II Mr. Little stated that some Emergency Medical Service programs are lying dormant due to lack of funds. A statewide communications system is needed. Presently there is no co-ordination and at times interference of other systems or incompatibility of systems prevents communication at crucial times. Paramedic testing can not be held as often as needed to keep positions filled. Emergency Medical Technician-Defibrillation and Emergency Medical Technician-Intermediate are two new levels of certification badly needed by our rural populace. Without funds to help with training these programs are in jeopardy.

Lyle Eckert testified and presented written testimony on SB-569. Attachment III The state EMS Council strongly supports SB-569. It has been demonstrated that additional funding is needed. Adequate numbers of trained personnel are needed to meet the needs of the system. Improved statewide communications are needed. Several suggested changes are shown in the balloon bill in Attachment III.

Al Dimmitt testified and presented written testimony on SB-569. Attachment IV Senate Bill 569 would create a dedicated funding source for Emergency Medical services. It would provide a mechanism to support local and regional programs which are performing vital functions in the communities in Kansas.

Marilyn Crowley testified and presented written testimony. Attachment V It was stated that Kansas EMS needs a permanent funding source if EMS development is to progress. This training was originally developed under

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 SENATE COMMITTEE ON PUBLIC HEALTH AND WELFARE,
room 526-S, Statehouse, at 10:00 a.m./~~pm~~ on February 18, 19 86

federal funding which has been greatly reduced since 1980 causing newly developed regions to remain in a holding pattern. Lives can be saved with proper organization and training.

Bud Cornish testified that it was felt by his organization that Emergency Medical Training is a matter of statewide importance and should be funded that way, a public matter rather than a life insurance matter. He stated that the retaliatory tax is peculiar to the insurance industry, a you tax us, we tax you situation. If this bill is enacted, most companies will pay more retaliatory tax to other states than they will to the state of Kansas.

Wayne Morris testified and presented written testimony opposing SB-569. Mr. Morris stated that the retaliatory tax impact would seriously hamper efforts to encourage the growth of the insurance industry in Kansas. It was also stated that even though the life expectancies have increased and insurance companies have benefited, the consumers have already benefited by decreases in premiums. It would also lower the amount of money that would flow into the general fund. *Atch. VI*

Jerry Bananaka testified that his company is opposed to the funding of SB-569 as it is felt that it is unfair to pick out a particular industry such as the life insurance industry to fund this program. All people benefit, consequently all should pay equally.

Meeting adjourned at 11:05 a.m.

SENATE
PUBLIC HEALTH AND WELFARE COMMITTEE
DATE 2-18-86

(PLEASE PRINT)
NAME AND ADDRESS

Steve Lobell
L.M. (CRN) & H
Susan Thomas
Harold C. Pitts
Tom Bell
Wayne Harris
C. J. Hankins
Gary B. Banta
Richard Harmon
Marsha Hutchinson
Katherine Clark
A. Dimmitt
Thomas L. Little
Lyle Eckhart
Marilyn Crowley
Dorris McConkey
E.P. Moomau

ORGANIZATION

American Home Life
Ks Life Assn
American Investors Life
TARTA
KHA
Security Benefit Life
Viking Life Ins. Co.
Farm Bureau Insurance
KS Life Assn
KS Medical Society
Intern
KU Medical Center
MEDEVAC MIDAMERICA, INC.
KHP-EMS
Region III EMS Council
Region T EMS Council
KHP-HQ

STATE OF KANSAS

SENATOR LEROY A. HAYDEN

SENATOR, 39TH DISTRICT
GREELEY, HAMILTON, KEARNY,
FINNEY, STANTON, GRANT,
MORTON, STEVENS AND PART
OF HASKELL COUNTIES
BOX 458
SATANTA, KANSAS 67870



TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS

MEMBER: ASSESSMENT AND TAXATION
ENERGY AND NATURAL RESOURCES
PUBLIC HEALTH AND WELFARE
TRANSPORTATION AND UTILITIES
JOINT COMMITTEE ON SPECIAL
CLAIMS AGAINST THE STATE

MEMORANDUM TO: The Senate Committee on Public Health and Welfare
FROM: Senator Leroy Hayden
REGARDING: SB569 Emergency Medical Services
DATE: February 18, 1986

Mr. Chairman and members of the Committee:

I want to thank you for the opportunity to appear before you today to discuss SB569.

SB569 incorporates the time honored use-tax principle. I'll amplify on that statement a little later in my written testimony.

First of all, I'd appreciate very much being permitted to give you a briefing as to my background in the field of providing Emergency Medical Services. I was one of those vastly under-trained people who would, at the ring of their phone, jump into an old, ill-equipped and often unstartable vehicle--hereinafter referred to as an ambulance--and drive long distances to attempt attending to an accident, homicide, suicide, miscarriage, you name it.

I can truly say--"We've come a long way, baby". This advancement has come through great difficulty and expense, both in dollars and personal suffering.

I believe firmly and fully in the aforementioned use-tax principle. It is time, finally, for the greatest beneficiary of

Attachment I
2/18/86 S. PH&W

Attachment I

this system to start to pay for the use of the money that our current level of care provides to the issuers of life insurance policies in the State of Kansas.

Thank you for this time Mr. Chairman, and I will be happy to answer any questions.

SENATE BILL 569
PERSPECTIVE BY THOMAS L. LITTLE

Good Morning, I appreciate the opportunity to be here this morning and to be able to relate to you my perspective on Senate Bill 569.

My name is Tom Little. I am the Director for Medevac MidAmerica, Inc, which provides the paramedic ambulance services for Shawnee County. Medevac is the largest private provider of pre-hospital care in the State.

Senate Bill 569, if enacted, will provide a large enough funding base to be able to, not only pick up the existing costs associated with the operations of the Bureau of Emergency Medical Services (B.E.M.S.), but also enough to fund the support functions of the Bureau. These functions, as a user of the Bureau of E.M.S., are very important to Medevac as well as all the other ambulance services through out the State. Presently, the amount of support that the Bureau of E.M.S. can offer to these programs varies each year, depending on dollars available from the general fund, as allocated to the Bureau of E.M.S..

Some of these programs which have been lying dormant and only partially developed due to lack of a consistant funding base and a dependable implementation schedule are as follows. I'm only going to suggest a couple of them.

THE STATE WIDE COMMUNICATIONS SYSTEM:

Due to the nature of our work, paramedics MUST frequently confer with a physician or nurse on practically every response we make. The State Communications System was designed in the seventies. It is up and functioning well in Western Kansas. In Eastern Kansas, the dollars ran a little short, and there is no coordination and no control of communications. Consequently, there are about five (5) separate and independant communications systems, which either cause such severe interference with each other, that communications is impossible at times, or when transporting a patient outside that independant system, the ambulances cannot communicate with hospitals in other towns, due to incompatibility. Senate Bill 569 will supply the necessary funds to upgrade the State Communications System and allow for an implementation schedule for this system to be State wide, with no interference and inability to communicate.

PARAMEDIC TESTING:

This is another area of significance to an ambulance service operating in Kansas, Presently, the Bureau of E.M.S. offers testing to paramedics for State Certification, only twice a year. This is not adequate, but due to the unavailability of funds, more tests cannot be offered. The paramedic training programs in Kansas do not produce enough paramedics to fill all the vacancies in the State. We have the need to

be able to recruit paramedics from outside of Kansas. To work, they must be Kansas Certified. If the Bureau only offers the Paramedic Certification exam in January and August, and I find a qualified applicant in March, he must wait four (4) months for an exam before he can test and then have employment. This is not to mention what this does to my overtime costs while waiting for the exam so I can hire him. If this person is an exceptional candidate looking for a position, he will go elsewhere to work, where he can go to work with out a long wait.

Senate Bill 569 will afford the Bureau enough budgetary money to hold at least quarterly paramedic testing to assist the service directors in filling vacancies.

EMT-D AND EMT-I CERTIFICATION LEVELS:

EMT-D for Defibrillate and EMT-I for Intermediate are two levels of certification which are fairly new, but much needed in our rural populace. EMT-D and EMT-I provide communities who are unable to afford a full paramedic system, an alternative from just Basic Life Support. The EMT-D, in fact, will have a significant impact on preventing premature deaths due to cardiac irregularities.

These two levels of certification are in jeopardy of development due to the lack of funds needed to help them grow into the Communities that need them.

REGIONAL COUNCILS:

The last function of the Bureau I wish to address, is the four (4) E.M.S. Regional Councils. The rationale behind the Regions, is for the large and small to come together, to share resources and manpower in a cooperative effort towards training, continuing education, public information and public education and the standardization of medical care. It won't matter if your community has a population of 500 or 150,000, you will have access to the same programs and equipment through the Region.

Regional funding each year is unstable until the general fund is approved. Out of this the Regions develop their budgets and can then proceed with planning their year. Presently, the Regions receive only enough money to maintain their administrative functions. Last year the Governor did approve additional money to purchase some much needed training equipment to be administered through the Regions. Senate Bill 569 would ensure an adequate funding base for the E.M.S. Regions to become active, develop long range planning and to provide resources to communities who might not otherwise have access to them.

In closing, I encourage each of you to approve Senate Bill 569 to allow a solid funding base for E.M.S. in Kansas. As one of your colleagues found out on the opening day of this

session, it's comforting to know that Kansas has the best.

Let's keep it going forward.

I'm open for any questions.

SUMMARY OF TESTIMONY
BEFORE THE SENATE PUBLIC HEALTH & WELFARE COMMITTEE

SENATE BILL 569

PRESENTED BY THE STATE EMS COUNCIL

February 18, 1986

The State Emergency Medical Services Council strongly supports Senate Bill 569. This council consists of 18 members appointed by the governor. They have statutory responsibility to plan for EMS development. This bill gives the council authority to approve all expenditures from the EMS development fund created by this legislation. It is their responsibility to develop an EMS system in Kansas.

An emergency medical service system requires the development and coordination of all of the components necessary to assure the best possible care for a critically ill or injured person from the time of the incident until the patient receives the optimum care necessary for his or her condition. This system, when functioning properly is life insurance for the citizens of Kansas. The components of the system have long been identified. Each needs to be addressed to assure optimal care to the critically ill or injured patient. The council has established priority components and budget requests submitted by regional councils in past years have clearly demonstrated the need for additional funding.

One important component of the system is manpower/training. This component should assure an adequate number of appropriately trained personnel to meet the needs within the system. The development plan calls for training for first responders, ambulance attendants, emergency room nurses, emergency room physicians and dispatchers. Each of these play a vital role in the EMS System.

Another important component is communications. Presently EMS communications in Kansas needs substantial development. The goal is for all ambulances to have a uniform capability. Serious frequency interference presently exists in northeast Kansas. The problem is getting worse and needs immediate funding and coordination. It is only through an adequately funded system that these concerns can be addressed.

(over)

Attachment III
2/18/86 S. PH&W

Attachment III III

It has been suggested that the pre-hospital EMS service role will be expanded in the future due to the changing health care system. It is impossible to plan this expanded role without adequate resources. The development fund created under this legislation will make longer range planning and development possible.

Currently, on the national level, the standards for emergency medical services are being developed by the American Society of Testing and Materials (ASTM). Meeting these standards will require a significant effort in Kansas. As many of you know the ASTM standards are typically accepted at all levels of government.

The most important element of SB 569 is that logical and systematic planning and development can occur in Kansas. It will ease the frustrations of planners and the dedicated providers of EMS to see their efforts rewarded with a permanent funding base.

An effective comprehensive EMS system is good life insurance for the citizens of Kansas. The State Emergency Medical Services Council respectfully requests your support of this bill.

Minor housekeeping changes are suggested to improve the legislation.

Under Section 3. - Line 0081

(5) All of the rule and regulation authority for EMS is presently the responsibility of the State EMS Council. We suggest this paragraph be moved to another section authorizing the council to adopt rules and regulations with the approval of the Superintendent.

Under Section 4. - Line 0086

Change the word systems to services.

Under Section 5. - Line 0092

Change the word systems to services.

Line 0098

Change the word shall to may. It is envisioned that some applications may be submitted on a statewide basis and state council action only would be appropriate.

Line 0101

Change the word systems to services.

Section 6. - Line 0111

The review time of 45 days is inadequate to allow for regional and state council review. We suggest a change to 120 days.

SENATE BILL No. 569

By Senators Hayden, Allen, Anderson, Burke, Daniels, Ehrlich, Feleciano, Francisco, Harder, Johnston, Karr, Martin, Montgomery, Parrish, Reilly, Strick, Vidricksen, Walker, Warren, Winter and Yost

2-5

0020 AN ACT concerning emergency medical services; providing
0021 grants-in-aid for the establishment and development of emer-
0022 gency medical services and systems; creating the emergency
0023 medical services development fund; granting certain powers
0024 to and imposing certain duties upon the superintendent of the
0025 Kansas highway patrol and the emergency medical services
0026 council.

0027 *Be it enacted by the Legislature of the State of Kansas:*

0028 Section 1. As used in this act, unless the context clearly
0029 requires otherwise:

0030 (a) "Council" means the emergency medical services council
0031 established by K.S.A. 65-4316 and amendments thereto.

0032 (b) "Superintendent" means the superintendent of the Kan-
0033 sas highway patrol.

0034 Sec. 2. (a) For the purpose of encouraging life-saving tech-
0035 nology and support systems through the establishment and de-
0036 velopment of emergency medical services and systems within
0037 this state, each life insurance company doing business in this
0038 state shall pay to the commissioner of insurance, on or before
0039 March 15 each year, commencing with the year 1987, in addition
0040 to the taxes, fees and charges now required by law to be paid by
0041 such company, a levy to be fixed by the council of not more than
0042 .25% of a sum equal to the gross cash receipts as premiums of
0043 such company on all life insurance business transacted by such
0044 company in the state of Kansas during the last six months of
0045 calendar year 1986 and thereafter during the whole calendar year
0046 immediately preceding the calendar year in which the levy is
0047 paid.

0048 (b) The commissioner of insurance shall remit all moneys
0049 received by the commissioner under this section to the state
0050 treasurer at least monthly. Upon receipt of such remittance, the
0051 state treasurer shall deposit the entire amount thereof in the state
0052 treasury and shall credit such amount to the emergency medical
0053 services development fund which is hereby created. All ex-
0054 penditures from the emergency medical services development
0055 fund shall be made for grants-in-aid in accordance with the
0056 provisions of this act and for the operation of the bureau of
0057 emergency medical services established under K.S.A. 74-2127
0058 and amendments thereto and the emergency medical services
0059 council established under K.S.A. 65-4316 and amendments
0060 thereto. All expenditures from such fund shall be made in ac-
0061 cordance with appropriation acts upon warrants of the director of
0062 accounts and reports issued pursuant to vouchers approved by
0063 the superintendent or by a person or persons designated by the
0064 superintendent.

0065 Sec. 3. (a) The superintendent shall administer the provi-
0066 sions of this act and shall be responsible for the allocation and
0067 distribution of grants-in-aid to eligible applicants under this act.

0068 (b) In administering the provisions of this act, the superin-
0069 tendent shall:

0070 (1) Review and evaluate local emergency medical programs
0071 and services and applications for grants-in-aid;

0072 (2) establish standards and criteria for assigning statewide
0073 priorities, on the basis of community needs assessments, among
0074 applicants for the allocation and distribution of grants-in-aid;

0075 (3) establish statewide priorities for the allocation and dis-
0076 tribution of grants-in-aid;

0077 (4) make studies and gather and disseminate information
0078 relating to materials, resources, procedures, programs and per-
0079 sonnel which are relevant to the development and delivery of
0080 emergency medical services;

0081 ~~(5) adopt rules and regulations as may be necessary to ad-~~
0082 ~~minister the provisions of this act.~~

0083 Sec. 4. Grants-in-aid may be made under this act to ambu-
0084 lance services, emergency medical services, programs offering

STATE COUNCIL
RESPONSIBILITY

0085 education or training in emergency medical services and to
 0086 emergency medical ~~systems~~ regional councils in accordance
 0087 with the system of statewide priorities for the development of
 0088 emergency medical services within this state established by the
 0089 council under this act.

SERVICES

0090 Sec. 5. Any ambulance service, emergency medical service,
 0091 program offering education or training in emergency medical
 0092 services or emergency medical ~~systems~~ regional council may
 0093 apply for grants-in-aid under this act. All applications for such
 0094 grants-in-aid shall be made to the council in a form and manner
 0095 prescribed by the superintendent, shall contain such information
 0096 as the superintendent may require and shall be submitted an-
 0097 nually at a time determined and specified by the superintendent.

SERVICES

0098 The council shall require that applications made by ambulance
 0099 services, emergency medical services or programs offering edu-
 0100 cation or training in emergency medical services be submitted
 0101 for review and recommendation to the emergency medical ~~sys-~~
 0102 ~~tems~~ regional council serving the region within which the am-
 0103 bulance service, emergency medical service or program offering
 0104 education and training in emergency medical services is located
 0105 prior to the submission of such application to the council.

MAY

SERVICES

0106 Sec. 6. No grants-in-aid shall be distributed to any applicant
 0107 until the application is approved by the superintendent and the
 0108 council. Upon the receipt of an application for a grant-in-aid
 0109 under this act, the superintendent shall forward a copy of such
 0110 application together with a copy of any supporting documents to
 0111 the council. Within ~~45~~ days after receipt of the application, the
 0112 council shall review the application and shall approve the ap-
 0113 plication, modify and approve the application or reject the ap-
 0114 plication. No application for a grant-in-aid under this act shall be
 0115 approved or modified and approved by the superintendent until
 0116 such application has been approved or modified and approved
 0117 by the council under this section.

120

0118 Sec. 7. In accordance with the provisions of this act, the
 0119 superintendent and the council may approve any application for
 0120 a grant-in-aid under this act, may modify and approve such
 0121 application or may reject such application. Expenditures for

0122 grants-in-aid under this act shall be made from the emergency

0123 medical services development fund.

0124 Sec. 8. This act shall take effect and be in force from and

0125 after its publication in the statute book.

Testimony of: Al Dimmitt, Program Director
Emergency Medical Training
School of Allied Health
University of Kansas Medical Center

Before the: Senate Public Health and Welfare Committee
February 18, 1986

This testimony is offered in support of Senate Bill 569, which creates a dedicated funding source for Emergency Medical Services. This bill, if enacted, will provide a mechanism to support local and regional programs which are performing vital functions in the communities of Kansas.

The uncertainty of the health care economy intensifies the need for a comprehensive system for Emergency Medical Services. If current hospital projections hold true, patients will be transported further to the hospital, and more patients will face interhospital transfer by ambulance.

This scenario necessitates enhancement of the EMS system. Longer and more frequent transport place demands on local personnel and equipment resources. More people may need to be trained so that time away from employment doesn't become excessive. New application of technology, like EMT-Defibrillation, may become necessary to minimize morbidity and mortality. Equipment needs would change somewhat given longer transport times.

As the Agency responsible for the training of EMS personnel, the Emergency Medical Training Program is proud of the people who are providing emergency medical care. More support is needed. This past year we were able to place three full-time field coordinators in the State to provide technical support to 135 local training programs. This project was made possible by a grant from the U.S. Department of Transportation, and has proven to be an effective mechanism for addressing local training needs. In the next three years, and potentially next year, another source of funding needs to be identified. The fund proposed in S.B. 569 could provide ongoing support for this project.

The FY '86 State budget approved by the Legislature appropriated \$60,000 for the purchase of uniform training equipment to be used in local programs. This equipment assures that many students will have the opportunity to learn skills with functional equipment. The equipment pools are being used for a variety of training and continuing education programs throughout the State. They do, however, need to be expanded, and in time will need replacement.

I have highlighted in this testimony three facets of Emergency Medical Services which Senate Bill 569 would help stabilize; there are many more. I don't believe we're asking for a luxury model system, but one that will provide the best possible care for the acutely ill and injured patients of this State.

I ask your support, and favorable consideration of Senate Bill 569.

Thank you.

Attachment IV
2/18/86 S. PH&W
S. PH&W TO

REGION III EMS

10TH & OAK - HARPER, KANSAS 67058
(316) 896-2711

Kansas Senate Public Health and Welfare Committee Hearing

Senate Bill No. 569

February 18, 1986

Senator Ehrlich and Honorable Senators:

I am Marilyn Crowley. My home is in Winfield, Cowley County, Kansas. I am a Registered Professional Nurse, a Critical Care Nurse, and a Mobile Intensive Care Technician. I am the Chairperson of the Kansas Emergency Medical Services Region III Advisory Council, Inc.

It is my pleasure to testify in support of Senate Bill 569 representing the Region III Emergency Medical Services (EMS) Council.

Kansas EMS needs a permanent funding source if EMS development is to progress. A surtax on life insurance would provide that source. The lives saved each year in Kansas by well trained and equipped prehospital health care providers can easily justify this tax on the insurers of those lives.

Why does Kansas EMS need permanent funding? We need such funding to complete and continue EMS development begun with federal funding. Since federal funding for EMS was severely reduced and restricted in 1980, the newly developing EMS Regions of Kansas (III and IV) have been in a holding pattern due to lack of funds and in accordance with the State EMS Plan, development had just begun.

Kansas Region III EMS serves thirty two (32) counties of southcentral and southeast Kansas. Within our regional boundaries are forty (40) percent of the ambulance services and ambulance vehicles that serve the citizens of Kansas and 40-45% of the Emergency Medical Technicians (EMT's) and Mobile Intensive Care Technicians (MICT) that provide the manpower for these ambulance services. A majority of these are volunteer services. The communication system has not been completed in Region III. Only a small part has been started. The cost to complete the communication system in Region III alone is \$430,140.00. This figure does not include the annual maintenance for the system. Our ambulance services, hospitals, and citizens of southcentral and southeast Kansas have a real need. The importance of the communication system has become more apparent to many with the advent of Wolf Creek. This is not the only area of need.

Approximately fifty (50) percent of the EMT Training Courses and four (4) of the eight (8) MICT Training sites conducted in Kansas are conducted in Region III. These courses provide the prehospital health care providers for the ambulance services in our region. These burgeoning numbers of EMT/MICT's require continuing and remedial education and training to maintain certification as well as to maintain a high level of skill proficiency. To provide quality educational experiences for primary and continuing education requires qualified instructors and a large amount of costly equipment. Some EMT level training equipment was purchased last year and is available through the Regional Office. This equipment is in constant use and the demand exceeds the supply. Advanced Life Support Training equipment is needed as well as more Basic Level equipment.

Region III developed a "Rural Emergency Nursing Course" in 1980-81. This sixty (60) hour nursing course was offered at eight (8) locations throughout Region III. It was well received, met a need, and provided an essential link between pre-hospital emergency care and the emergency department of the hospital. This course needs to be offered in other sited throughout the state as well as updates taken to the initial areas. The trend in Emergency Nursing is toward National Certification for Emergency Department Nurses. These courses can help prepare the nurse for the examinatin.

Advanced Trauma Life Support Courses could be offered to physicians through the Regions but these are very costly and all current courses are offered in the metropolitan areas. Trauma patients require specific stabilization procedures and care prior to being transferred to the larger trauma centers. ATLS Courses are needed in the rural areas.

Advanced Cardiac Life Support Courses, Advanced Life Support Faculty Courses, CPR Instructor Courses, and CPR Courses could be offered through the regions if monies were available. To teach Advanced Cardiac and Advanced Trauma Life Support Courses requires Advanced Life Support Training Equipment.

Region III EMS Council has developed an excellent Public Education and Information Program but there is no funds to implement this program. We had considered corporate donations to sponsor this program but that doesn't seem to likely now.

Kansas EMS statewide needs a permanent funding source. I have only briefly mentioned a few from Region III EMS.

Thank you.

Respectfully Submitted;



Marilyn Crowley, R.N., M.I.C.T
Chairperson, Region III EMS Council
1002 East 13th
Winfield, Kansas 67156



Security Benefit Life Insurance Company

A Member of The Security Benefit Group of Companies

Date: February 18, 1986

To: The Honorable Roy Ehrlich, Chairman, and Honorable Members, Senate Committee on Public Health and Welfare

From: Wayne Morris, Law Department

Re: 1986 S.B. 569

I am Wayne Morris, Assistant Counsel for Security Benefit Life Insurance Company.

Security Benefit joins with other members of the Kansas Life Association in strong opposition to the funding mechanism purposed in Section 2 of S.B. 569. This section would authorize the Emergency Medical Services Council to levy a life insurance premium tax of up to .25 percent per year for the purpose of funding emergency medical services. We oppose this tax increase for the following reasons:

1. For domestic companies (life insurance companies organized under Kansas laws and based in Kansas) this would constitute a 25 percent gross tax increase.
2. The insurance industry already bears a significant tax load in Kansas (three percent of all state General Fund receipts), and double taxes were paid in 1985 under the tax acceleration legislation passed last Session.
3. Not only would Kansas companies experience a significant tax increase in Kansas but, through the operation of retaliatory taxes, Kansas companies operating in other states would experience the same major tax increase in almost every other state of operation (only Hawaii and the District of Columbia do not have an insurance retaliatory tax). The retaliatory tax provides that state X will tax foreign companies from state Y in the same manner that state Y taxes foreign companies from state X. In Kansas, foreign companies currently pay a two percent premium tax. Thus, Kansas companies operating in other states will pay a premium tax of at least two percent. If S.B. 569 is enacted, foreign companies will pay 2.25 percent in Kansas so Kansas companies will be required to pay a tax of at least 2.25 percent in every state. This retaliatory tax impact will be a tremendous blow to the Kansas insurance industry, and will seriously hamper efforts to encourage the growth of the insurance

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Attachment VI

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industry in Kansas. At a time when the state is vitally concerned about attracting new service industries to this state, we think it is very poor public policy to penalize existing industry.

4. Persons may argue that life companies should pay higher taxes because they will save money through improvements in life expectancy. To this argument, several points must be made: 1) "Companies" don't pay taxes, our consumers do; 2) life expectancies have increased for a number of reasons - better nutrition, education, improved water and sewerage systems, etc. -- and therefore almost any governmental expenditure could be used to justify a tax increase on insurance premiums; and 3) the consumers have already benefited by decreases in life insurance premiums -- life insurance is one of the few items whose cost has continually declined during this century.

5. The bill would tax "gross premiums;" this is a broader tax base than the current insurance premium tax law and would directly increase the cost of the state insurance plans. In addition, the retaliatory tax increases that would be borne by most Kansas companies would also reduce the domestic insurance companies' privilege, or income tax. Thus, the bill could reduce General Fund receipts and increase General Fund expenditures, while enacting a dedicated, special-purpose tax increase.

In conclusion, we support the goals of S.B. 569, but we must oppose the methods proposed to fund those goals.

Thank you for the opportunity to speak on the bill. I will be happy to attempt to answer any questions you may have.

WM/cbaa

- Wayne



February 10, 1986

Dear Senator,

I am writing this letter concerning the recent Optometric Therapeutic Drug Bill No. 65-1501. I am currently an Ophthalmologist, practicing in Dodge City, Kansas. I would like to take a few minutes of your time to pass on some views concerning this proposed legislation which I find to be a very important issue.

As an Ophthalmologist, I am in a somewhat unique position regarding this issue. A number of my patients are referred by Optometrists for either medical or surgical treatment. As such we are able to evaluate their diagnosis and their skills in thoroughness of exam of the patients. Many of the Optometrists do a very fine job, however, some seem to have difficulty making proper diagnoses. I feel very strongly that clinical skills and experience and good judgement are not something that can be learned in weekend seminars as proposed in the support of the Optometric Therapeutic Drug Bill. Making the proper diagnosis of a painful, red eye is one of the most difficult in our field and to also choose the proper therapeutic approach is not a simple task.

I quite honestly feel that Optometrists do not have the proper education or training to support their desire to dispense therapeutic medications. Many arguments are being proposed in support of the Optometric Therapeutic Drug Bill, but one that I have heard and I feel is one of the driving forces behind the bill, is the economic factor involved. I feel that Optometry believes this is vital to their survival in the current economic climate that we live in. Eye care is becoming much more competitive and I have been told by several Optometrists around the country that therapeutic medications allow them to compete directly with not only the Ophthalmologists in the area but also the primary care providers in the area.

I must directly question the wisdom of completely changing the scope of practice of one professional group by legislation. This would be a reasonable approach if Optometric schools were providing adequate clinical experience and training but many if not all, are not providing what would be thorough training in clinical therapeutics. Regarding the aspect of removal of foreign bodies, I have asked several Optometrists how they plan to gain the skill and experience needed to do this and their response was that it is no "big deal". I find this attitude disturbing and I wonder about its affect and impact on the quality of patient care.

I trully don't mean to strike a purely negative note in this letter. I would like to emphasize that many Optometrists are very intelligent and ethical people who strive to do their best for their patients. I feel strongly that the use of therapeutic agents at this time is unwarranted and



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very unwise. If this particular piece of legislation does pass through the legislature and is signed into law, I think it would be very wise to combine the Optometric board with the State Board of Healing Arts. Or at the minimum, there should be an Ophthalmologist on the State Optometric Board, to oversee the use of these therapeutic agents. I truly feel that the Optometric and the Ophthalmological community can work closely together, to ensure the best care for the patient, which is the most important issue at this time. I also hope that this can be handled in a way that will best benefit the people of Kansas. Thank you very kindly for taking the time to read this letter.

Warmest regards,

Gregory H. Quinlan, D.O.

GHQ/gs

POSITION OF
KANSAS LIFE ASSOCIATION
IN OPPOSITION TO S 569

The Kansas Life Association opposes S 569 which would impose a premium tax of 1/4 of 1% of gross premiums received from Kansas policyholders "on all life insurance business."

The Association is composed of 16 Kansas domestic life insurance companies. A letterhead setting out these companies is attached hereto. The Association does not object to "the establishment and development of emergency medical services and systems within the state." It does, however, object to a concept which would single out the life insurance industry as the financial support of this program. If there is serious need for this statewide service for all Kansans, then its support should be from all Kansas citizens, not just Kansas life insurance policyholders.

CURRENT TAXATION OF THE KANSAS LIFE INSURANCE INDUSTRY

The life insurance industry is already heavily taxed in Kansas. In 1984, domestic and foreign life insurance companies paid approximately \$16,500,000 in premium taxes into the Kansas General Fund. In addition, domestic life insurance companies paid approximately \$165,000 in Kansas privilege taxes, and foreign life insurance companies paid to Kansas approximately \$900,000 in retaliatory taxes.

The fiscal note on this bill is \$1.4 million annually. In addition, domestic life insurance companies pay real estate taxes, federal income taxes and retaliatory taxes to other states.

A SINGLE INDUSTRY SHOULD NOT BE SINGLED OUT AS
THE FINANCIAL SUPPORT OF THIS PROGRAM

The establishment and development of emergency medical services is a service which benefits the public generally. The insurance industry should not be singled out to support this general public need. It is inequitable to require Kansas policyholders-consumers to pay a tax to support a general public service. Insurance policyholders should not be penalized because they have been prudent enough to purchase insurance. This is a hidden tax - hidden within the insurance premium paid by every policyholder. The expense of these services should be borne by general revenue.

A GROSS TAX IS AN INEQUITABLE TAX

The tax to be levied under S 569 is a gross tax and comes "off the top". It is to be paid before company expenses are paid. It is paid whether a company's operation is profitable or unprofitable, and whether it was or was not a loss year.

RETALIATORY TAX IMPACT

The enactment of S 569 will cause a serious adverse retaliatory tax impact in two ways. First, it will cause domestic insurance companies to pay additional taxes to other states. Second, it will reduce the retaliatory taxes currently paid to the Kansas General Fund by foreign life insurance companies doing business in Kansas. The retaliatory tax paid to the General Fund by foreign insurance companies in FY 1985 was \$2,400,000, with approximately \$900,000 from foreign life insurance companies. It is estimated that S 569 will cause Kansas to lose approximately \$450,000 of this revenue.

The enactment of this gross premium tax will automatically cause a tax retaliation by other states against Kansas domestic insurance companies doing business in those other states. The retaliation tax is peculiar to the insurance industry and not generally understood. It will be paid by domestic companies, not foreign companies. All states, except three, have enacted retaliatory laws. Essentially, these retaliatory laws provide that if Kansas taxes companies from other states doing business in Kansas more than those states tax Kansas companies doing business in those other states, then Kansas companies will be charged the higher tax by those other states as a retaliation. For example, if a Missouri company writing business in Kansas is taxed a total of \$50,000 by

Kansas, and a Kansas company writing the same amount of business in Missouri is taxed only \$40,000 by Missouri, the Kansas company doing business in Missouri will be assessed an additional \$10,000 in retaliatory tax by the State of Missouri. This type of tax is multiplied by the number of states in which the Kansas company does business. Needless to say, this tax inhibits the growth and development of Kansas insurance companies.

It is of further interest, we believe, that one Kansas company, which has policyholders in all 50 states, will be required under S 569 to pay in excess of \$65,000 per year as additional retaliatory tax to other states and would pay Kansas an additional tax of \$45,000 per year.

Almost all Kansas domestic companies are multi-state and would pay additional retaliatory taxes to other states.

The following are current examples:

Company A (doing business in 37 states) will under S 569, pay Kansas an additional sum of \$8,440 and will pay other states an additional \$19,766.

Company B (doing business in 42 states) will, under S 569, pay Kansas an additional sum of \$5,500 and pay other states an additional \$10,000.

Company C (doing business in 50 states) will, under S 569, pay Kansas an additional \$45,000 and other states an additional \$65,000.

SPIRALING INSURANCE PREMIUM RATES

The Kansas life insurance industry and its policyholders/consumers are concerned with increasing premium rates. The insurance industry is doing everything possible to keep coverages both available and affordable to the Kansas policyholder/consumer. However, this additional tax would be yet another overhead factor.

CURRENT FIXED RATE CONTRACTS

Kansas companies have issued life insurance contracts to many policyholders. Most of those are fixed premium and cannot be re-opened to allow a "pass-through" of this additional tax. Rates for newly issued policies may be raised to accommodate this additional charge.

SUMMARY

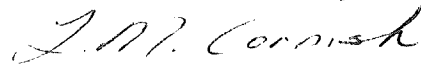
This proposed tax (without A & H premium) will raise approximately \$1,400,000 per year. It is estimated that \$450,000 will be lost from foreign retaliatory taxes paid to the General Fund. (This is based on a memo to Senate Ways & Means from the Kansas Insurance Department dated March 2, 1981). There will also be a reduction in privilege tax paid to the General Fund by the domestic companies. This is caused by the additional retaliatory taxes paid by the domestic companies to other states, which are expense items.

While not exact, we estimate that domestic companies will pay other states the sum of approximately \$150,000 in additional retaliatory taxes.

In other words, the cost to the General Fund of collecting the \$1,400,000 for the Emergency Medical Services Development Fund will be approximately \$450,000 to the State General Fund and approximately \$150,000 to be paid by Kansas companies to other states. This is certainly HIGH COST tax collection!

To base this tax on total life insurance premiums received does not appear equitable as the bill does not take into consideration premium refunds, dividends returned to policyholders or premiums received from reissuance.

Respectfully submitted,



L. M. CORNISH
General Counsel
Kansas Life Association