

Approved

Arthur Douville 4-8-87  
Date

MINUTES OF THE House COMMITTEE ON Labor and Industry

The meeting was called to order by Representative Arthur Douville at  
Chairperson

9:08 a.m./~~p.m.~~ on March 3, 1987 in room 526-S of the Capitol.

All members were present except:

Representative Holmes - Excused

Committee staff present:

Jerry Ann Donaldson, Research Department  
Jim Wilson, Revisor of Statutes' Office  
Juel Bennewitz, Secretary to the Committee

Conferees appearing before the committee:

Bud Langston, Rehabilitation Administrator, Department of Human Resources -  
Division of Workers' Compensation

Mr. Langston was recognized and addressed the committee. Some of the information that was shared with the committee is on file in testimony submitted by Mr. Langston from his appearance before the committee, January 28, 1987, (attachment #1).

Chairman Douville indicated that though rehabilitation had been discussed a great deal already that there was much to be considered. He asked Mr. Langston to discuss rehabilitation regarding, criteria, cost and how it would work when implemented.

Following are the criteria for determining when a person should receive rehabilitation:

- a. Can the person return to the job he held at the time of injury?
- b. If not the above, does he have any skills that he can apply with minor aid from a professional or employer?
- c. If both of the above are negative, then what can the person do to be rehabilitated?

Priorities regarding the injured person are:

1. Physical restoration - good medical treatment to regain as much pre-injury functional capacity as possible.
2. Evaluation of vocational needs.
3. Assess the person's limitations and capabilities and apply his capabilities to whatever needs to be done.

Mr. Langston noted that an employee can get a settlement or award and then go to SRS for rehabilitation. He said that HB 2186 takes a step toward correcting that inequity by giving incentive to the employer. He further stated that he felt that the fact must be addressed the employee should do all that he can to return to the job market.

An outline of the staff and the procedures followed in his department were given by Mr. Langston. He also stated that the ideal situation would be to have the private sector working compatibly with SRS.

Chairman Douville asked if the department ever approves a list of professional facilities. Mr. Langston answered that they have a list that adhere to Creditation and Association of Rehabilitation Facilities (CARF) guidelines.

The chairman asked if current law allows for prevention of non-qualified providers. Mr. Langston's answer was that there is currently an effort to set up guidelines for counseling and evaluators.

Chairman Douville asked if it were possible to prevent unqualified providers from practicing if signed by the director and invoking current law. The answer was that the private sector doing business now is qualified that the concern was in guarding against unqualified vendors coming in and opening business. Further discussion followed on this issue with concern being expressed that Kansas not be a victim of circumstances as happened in other states where unqualified vendors began operation.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Labor and Industry,  
room 526-S, Statehouse, at 9:08 a.m. ~~9:00~~ on March 3, 1987.

The chairman asked for some estimates of cost. Mr. Langston's answer was that the first year would involve higher costs for initiation of a program. The training and evaluation program, he estimated, would cost in the area of \$500,000, with an additional \$250,000 for new personnel, along with office equipment, etc.

Chairman Douville referred to S.B. 365 from a previous session and stated the funding from the bill wouldn't approach Mr. Langston's estimate. He asked Mr. Morrissey what the figures would be based on that he had calculated.

Mr. Morrissey responded that two separate funds were involved. The formula used to figure the funding was  $\frac{1}{2}$  of 1% of the operating cost of the previous year and would generate about \$600,000. That fund would be just for training and evaluation. Costs for office furnishings would come out of the agency operating fund. Mr. Morrissey pointed out that these estimates were just that, estimates, and in his opinion were high. He stated he thought  $\frac{1}{4}$  of 1% would be more than sufficient to take care of the rehabilitation and training. (The rehabilitation fund was based on a maximum of  $\frac{1}{2}$  of 1% of the benefits paid.)

Chairman Douville asked how much the benefits were and the answer was \$120 million.

Representative Patrick asked how many people or counselors Mr. Langston was anticipating hiring. Speaking within the Division of Workers' Compensation, the answer was a total staff of 11 (which would be an additional 7 staff members).

The chairman asked Mr. Langston how many cases could be handled with a staff of the proposed size. The answer was with current staff of an administrator, two clerical and one part-time person, the caseload was in excess of 1,000 cases. Mr. Langston estimated that with the increased staff the caseload could be quadrupled.

Mr. Langston asked to make a closing comment. In reviewing a cost factor analysis regarding rehabilitation on an individual state basis, it reflects a return of \$8.00 for every \$1.00 spent on rehabilitation.

The meeting was adjourned at 10:53 a.m.

The next meeting of the committee will be March 4, 1987, at 9:00 a.m.

HOUSE COMMITTEE  
ON  
LABOR AND INDUSTRY

Name	GUEST LIST City	DATE	March 3, 1987	Representing
Bob Hodges	Topeka			KCCI
Kane GACHES	WICHITA			BMAC
Bob Arbathnot	Topeka			KTHA
Norm Wilkes	Topeka			Ks Ass. Sec. Bd.
Bud Langston	Topeka			DHR/WC
Bill Morrissey	Topeka			DHR/WC
John M. Ostrowski	Topeka			AFL-CIO
Jim DeHoff	Topeka			KS AFL-CIO
Jim Schwartz	Topeka			KECH
Johnson	Topeka			Ks Ins. Dept.
Chris Lawger	Topeka			KS - Ins. Dept.
Mary Ellen Conlee	Wichita			St Francis Med. Center
Ray Petty	Topeka			KACET/DHR