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Date Feb. 27 87
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MINUTES OF THE HOUSE COMMITTEE ON PUBLIC HEALTH AND WELFARE

The meeting was called to order by Vice-Chairman, Frank Buehler at
Chairperson

1:30 h/h/p.m. on February 25, 1987 in room 423-S of the Capitol.

All members were present except:

Chairman Littlejohn, Representative Gatlin, both excused.

Committee staff present:

Emalene Correll, Research
Norman Furse, Revisor
Sue Hill, Committee Secretary

Conferees appearing before the committee:

Representative Jessie Branson
Dick Morrissey, Department of Health and Environment
Dick Hummel, Kansas Health CARE Association
Dr. Ron Harper, Kansas Department on Aging
John Grace, Kansas Association of Homes for the Aging
Marilyn Bradt, Kansans for Improvement of Nursing Homes, Inc.
Robert Barnum, Youth Services, Department of SRS
David Plinski, Assistant Attorney General, State of Kansas
Judy Culley, Political Action of Ks. Assoc. of Licensed Private Child Care Agencies
Elizabeth Taylor, Ks. Association for Education for Young Children

Vice-Chairman called meeting to order when quorum was present.

Emalene Correll from Research Department gave a comprehensive briefing on SB 64, and answered questions from members. She commented that no one opposed this legislation as they appeared as proponents in the Senate Committee.

Vice-Chairman called attention to HB 2391

Hearings began on HB 2391:-

Representative Branson gave testimony, (see Attachment No.1) for details. She stated she and revisor Mr. Furse had worked a long while on language since the 15% language needed to be very precise. She stated she had a great deal of correspondence and phone calls from people in her district complaining of rates continuing to increase in adult care homes in Kansas. This legislation proposed will amend present and add to statutes. The details of language in bill are shown in Attachment No.1. This will limit the number of homes/beds that any one chain can own in the state. It is feared that when one corporation owns an excess number of homes/beds for adult care that they eventually have an effect on the economics of nursing homes, thus increasing rates for residents of these homes. Private Pay residents will be forced earlier to become Medicaid patients because their savings will be depleted. 15% was selected arbitrarily, since some states use 15% and others use 11%.

Dick Morrissey, Dept. of H&E, gave hand-out, (see Attachment No.2), for details. The growth of several large nursing home chains in the last few years has been a concern in states all across the country. This concern has focused on the impact that a single chain could have over private pay rates, regulatory issues, Medicaid reimbursement levels if there is no limit on the share of the adult care home market that a single chain is allowed to control. HB 2391 sets a reasonable limit on the percentage of this market. The 15% limit set is greater than any single chain controls presently in the state. He urged for favorable passage of HB 2391.

Dick Hummel, Ks. Health Care Association, gave hand-out (see Attachment No.3), for details. We are puzzled as to why nursing home industry has been singled out for placing controls on free enterprise. One factor having contributed to rate increases in adult care homes is due to changes in ownership or management firms. If you feel this legislation is warranted, then approve HB 2391, but you may wish to ask yourselves who might be next

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 February 25, 1987

Hearings continue on HB 2391:-

because of this precedent, lumber yards, funeral homes, feed lots, etc. He answered questions, i.e., I don't know if this could be considered as restraint of trade or not, I certainly feel it is certainly some artificial imposition of some kind; yes several of the homes listed in Mr. Morrissey's testimony are members of our organization.

Dr. Ron Harper, Department on Aging, gave hand-out, (see Attachment No.4), for details. Our Department supports HB 2391 as a way to help contain long term care costs and improve the quality of long term care. Now is an appropriate time to make changes and limit the market share of operators of adult care homes to 15% of total licensed beds. The days in which mom/pop and non-profit operators in this industry is drastically declining and major investor-owned chain operators are increasing dramatically. He stated this legislation does not set a precedent since earlier in 1981, limiting of owning and leasing of agriculture land to in-state persons, with certain exemptions, so HB 2391 does not set precedent. He stated statistics that indicate out-of-state profits for out of state owners in adult care homes. Kansas' Medicaid Adult Care Home reimbursement system is cost based. Studies show chain owners have higher administrative costs than non-chain owners. He urged for favorable consideration of this bill.

John Grace, Kansas Association of Homes for Aging, gave hand-out, (see Attachment No.5) for details. Their Association is in support of HB 2391. Experts in the field of long term care predict that in a 10 year period only a few corporations will control either through ownership or management the majority of nursing homes in our nation. The small privately owned homes and private nonprofit homes will be at a decided disadvantage if this occurs. We believe that a 15% cap is a reasonable level of limitation, and should not infringe upon any currently operated corporation in Kansas. He answered questions, i.e., a limitation is necessary to control one corporation from owning/operating 95% of the homes thus controlling reimbursement rates for their own organization. We feel some balance is necessary; yes, competition does have some effect on costs.

Marilyn Bradt, Kansans for Improvement of Nursing Homes, gave hand-out, (see Attachment No.6), for details. She called attention to a Legislative Division Post Audit Report of July, 1986, that indicates the largest chain of adult care homes, Beverly Enterprises, led the list in percentage of rate increases and in rate per day charged to private pay residents. Extensive renovations cited as part of need to increase rates was largely cosmetic, such as painting, new furniture, contributing very little to the comfort of patients. The fact that large national nursing home chains are immensely profitable investments should tell us not all rate increases have gone to increase quality of patient care. Larger doesn't necessarily mean better.

Hearings began on HB 2392:-

Dick Morrissey, Department of Health and Environment gave hand-out, (see Attachment No.7), for details. This proposed legislation would allow their department more flexibility in determining what persons who have committed acts of child abuse or sexual abuse should be prohibited from residing, working, or volunteering in a child care facility. As KSA 65-516 is currently written, it allows neither corrective action plan nor record expungement to be considered. We agree he said, that legislation is needed which allows greater latitude in determining prohibited persons. He recommended HB 2392 be considered favorably.

Robert Barnum, Youth Services, of SRS, gave hand-out, (see Attachment No. 8), for details. The purpose of the amendment is to allow persons an opportunity to improve their child care skills through corrective action before residing, working, or regularly volunteering in child care facilities, or to have the record expunged when expungement requirements have been met. This proposed amendment will improve current statute by allowing judgment to be exercised in identifying those persons who committed an act of confirmed abuse/neglect that is sufficient to warrant a belief that children should not be entrusted to their care. There is no fiscal impact to the state on this bill. Some times care givers/workers might overreact, i.e., a shove, a loud voice and it possibly would never happen again. He answered questions, i.e., yes, these persons would be counseled/ yes fair hearings would be held to determine if they could again work with children.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON PUBLIC HEALTH AND WELFARE,
room 423-S, Statehouse, at 1:30 ///a.m./p.m. on February 25, 1987

Hearings continue on HB 2392:-

Mr. David D. Plinsky, Assistant Attorney General gave hand-out, (see Attachment No.9) for details. The Attorney General Stephan is not in favor of subsection (A) of the amendment. Some believe allowing individuals a second chance pursuant to completion of corrective action plan is a necessary safety valve. The AG feels however, tightening up the validation process would be a better method of achieving desired results. This is being done in HB 2011 and HB 2488. Enactment of subsection (A) creates the risk that individuals properly validated as having physically, emotionally, or sexually abused a child will be given the opportunity to abuse still another child. They suggest that subsection (B) be narrowed to allow expungement of a validation only when new evidence surfaces indicating the alleged perpetrator's innocence. The AG prefers this be accomplished in the legislation and not by rule or regulation. If complaint of abuse is adequately investigated, and the abuse and abuser has been validated by a preponderance of the available evidence, the AG is satisfied that person should not be permitted to care for children placed in the custody of the state. He answered questions in regard to the investigative process of alleged abuse.

Judy Culley, Ks. Assoc. of Licensed Private Child Care Agencies, gave hand-out, (see Attachment No.10), for details. Their Association supports HB 2392. Their membership is strongly opposed to allowing child abusers to work with children in and out of home care. We are concerned about unclear cases that will be validated. We have seen a "one time shove", an incident of words said in anger as validated abuse. These cases fall into a gray area. These would not be validated if they had occurred in a child's own home. These cases illustrate the difficulty in defining abuse on a case by case basis and the need to statutorily authorize SRS to develop corrective action plans.

Elizabeth Taylor, Kansas Assoc. for Education of Young Children spoke to HB 2392, saying their members are concerned about what is a corrective action plan. There are cases where this action plan is not completed. She hoped committee members would consider that the only rules and regulations authorized by the Secy. of SRS currently are for expungement procedures.

Ms. Correll posed questions to Mr. Barnum in regard to where law enforcement fits into the examination of perpetrators. He answered, where a third party is involved, it is a law enforcement officer. The law enforcement department may do the initial investigation, then it comes back to the SRS, and their Department would be responsible for the investigative hearing.

Hearings closed on HB 2391 and HB 2392.

Vice-Chair asked wishes of members in regard to minutes. Rep. Amos moved the minutes of February 16, 17, 18, 19, 23, be approved as written, seconded by Rep. Sader, motion carried.

Announcements, i.e., meeting tomorrow will hold hearings on HB 2262, the remainder of those previously scheduled to testify on that bill. We will take action on several bills as time permits. Vice-Chair urged all to be prompt.

Meeting adjourned at 3:00 p.m.

GUEST REGISTER

HOUSE

PUBLIC HEALTH AND WELFARE COMMITTEE

Date 2/25/87

NAME	ORGANIZATION	ADDRESS
Julene Miller	AGE	Topeka
Dave Plinsky	AGE	"
Judy Cullen	The Shelter, Inc.	Lawrence
John Pebers...	KALPCH	Topeka
Alan Grove	KANPA	Topeka
Sharon Shivers	Kansas NARAC	Topeka
Mark Intermill	Kansas Coalition on Aging	Topeka
Lila Farlay	ARC / Kansas	Topeka
Marilyn Glenn	KPNHAA	-
Janet Schalansky	SRS - Adult Service	Topeka
Bob Farney	SRS Youth Svc.	"
Jan Zudek	Ks Comm for Prev. of Child Abuse	Topeka
Ronald Horger	Ks. Dept on Aging	"
George A. Duggan	"	"
KEITH R LANDIS	CHRISTIAN SCIENCE COMMITTEE ON PUBLICATION FOR KANSAS	"
Marilyn Bradt	KINH	Lawrence
Elizabeth C. Jardo	KAETC	Topeka
Dail Hammett	KS N.O.W.	Lawrence
John Pruitt	C+YAC	Topeka
Al James	MHARS	Topeka
Richard Morrissey	KDAE	Topeka
Deek Hummel	KACA	Topeka
Bruce Linker	Villages Inc	Topeka

JESSIE M. BRANSON
REPRESENTATIVE, FORTY-FOURTH DISTRICT
800 BROADVIEW DRIVE
LAWRENCE, KANSAS 66044-2423
(913) 843-7171



TOPEKA

HOUSE OF
REPRESENTATIVES

February 25, 1987

COMMITTEE ASSIGNMENTS
RANKING MINORITY MEMBER: PUBLIC HEALTH AND
WELFARE.
MEMBER: EDUCATION
TAXATION

TO: Representative Frank Buehler, Vice Chairman
and
House Committee on Public Health and Welfare
FROM: Representative Jessie M. Branson
RE: Support of HB 2391

Jessie

Thank you, Mr. Chairman and Committee members, for this opportunity to appear in support of HB 2391.

HB 2391 amends a statute which was passed in the 1983 Session, limiting the number of layers of ownership to three which can be licensed to operate an adult care home in Kansas.

HB 2391 adds to that statute the two provisions (in essence) found in lines 0037 through 0046 as follows:

- 1) No applicant shall receive a license to own and/or operate an adult care home if that applicant is already licensed to own and/or operate in excess of 15% of the total licensed resident capacity of all licensed adult care homes in this state
- 2) No applicant shall receive a license to own and/or operate a facility if that applicant currently owns and/or operates less than 15% of the total licensed resident capacity of all licensed adult care homes in this state, and if approval of such application would allow that person to own and/or operate in excess of 15% of the total licensed resident capacity of all licensed adult care homes in the state.

*PH & W
2-25-87
attm # 1*

A year or so ago, I began receiving a number of complaints from families of private-pay patients residing in nursing homes owned by one particular chain. These complaints came from various communities across the state. The increases in their rates were so marked that in some instances there had been over a 60% increase within the 2½ to 3 year period the chain had been in operation in Kansas. I have copies of notices of rate increases which were coming to these families twice annually with no apparent justification, such as increased staffing, needed change in level of care, etc.

At the end of the '86 Session I requested from the Legislative Post Audit Committee a study on private-pay rates for adult care homes in Kansas. That request was approved and the Performance Audit Report, July 1986, was submitted last July to the 1986 Special Committee on Public Health and Welfare.

I will quote briefly to you from the Performance Audit Report.
Bottom of page 9.....

Box in upper left corner, page 8.....

When the Report was submitted to the Special Committee last July, one member of the Committee who is also a member of the Legislative Post Audit Committee, expressed extreme concern over findings from research he had done which revealed the very large profits of the chain under criticism.

The issue of the problems which arise when one large corporation dominates the ownership of nursing homes in any one state was discussed again in one of the last meetings of the 1986 Special Committee, when several articles appeared in the November 7, 1986 American Medical News (attached). The article gives an account of the history of the dominance of the Beverly Enterprises ownership in California, the numerous citations of violations, fines imposed, licensures revoked, etc.

In the February 9, 1987 issue of the Wichita Eagle-Beacon, a listing was published from the New York Stock Exchange on Beverly Enterprises regarding holdings, performance, executive compensation, etc. (attached).

One final point, Mr. Chairman. It has been brought to my attention that when one ownership takes over licensure and operation of a larger and larger percentage of the resident capacity in the state, this ownership accordingly gains more and more control of the percentile level for Medicaid reimbursement. This, of course, impacts the cost. (51% of residents in Beverly Enterprises in Kansas are private-pay, 49% are Medicaid).

It is also reasonable to assume that when private-pay costs escalate rapidly, as has been the case with the fast growing ownership of Beverly Enterprises, private-pay residents will be forced to convert sooner to Medicaid. Again, an increased cost to the state.

Other states have passed such legislation as HB 2391. Obviously, Kansas is not isolated with this problem of large corporate takeover, or potential takeover.

I urge your support of HB 2391.

January 1987

KANSAS ADULT CARE HOME LICENSEES BY SIZE

	<u>Facility</u>	<u>Licensed Beds</u>
Beverly Enterprises-Kansas, Inc.	46	2972
Medicalodges, Inc.	25	2305
The Ev. Lutheran Good Samaritan Society	20	1581
The Hillhaven Corporation	11	1233
Regency Health Care Centers, Inc.	13	1207
Presbyterian Manors of Mid-America, Inc.	12	726
Community Lifecare Enterprises, Inc.	<u>10</u>	<u>658</u>
Subtotal 7 Facilities	<u>137</u>	<u>10,682</u>
Total Licensed January 87	<u>379</u>	<u>27,482</u>

ATTACHMENT C
PAW
1086

Investigation prompted by deaths

Beverly faced earlier probe of

California operations

Beverly Enterprises, which has agreed to pay heavy penalties in order to resolve a string of problems with the California Dept. of Health Services, has been in trouble with the state of California before.

Twelve years ago, Beverly was the object of a headline-making investigation prompted by the deaths of nine patients in four nursing homes. The nursing home chain's operations were probed first by the *Sacramento Bee* and then by California's health department and at least five other agencies.

But those inquiries fizzled out — an outcome far different from that of the latest clash between the state and the Beverly chain. Observers say that California's 1985 nursing home reform act, which created special inspection teams, may have made the difference between investigations that went nowhere 12 years ago and the record settlement just negotiated by state health officials.

IN 1973, Pasadena-based Beverly Enterprises operated 63 California nursing homes and was experiencing a fiscal crisis. Until that time, the worst criticisms of Beverly had come from regulators who gave the company mixed reviews for the care it provided to the large population of elderly poor in its care. Some thought the chain did an average job compared to the independently owned homes in the state. Other regulators who talked to John Berthelson, an investigative reporter for the *Sacramento Bee*, said they saw the company's operations as "spotty."

But Berthelson's investigative series painted a more negative portrait of the Beverly chain. The taxpayers who footed the bills for California nursing home patients in the 1970s were shocked by allegations that patients in Beverly-owned homes were suffering because of short staffing, rapid turnover of nurse's aides, and malfunctioning equipment, and that aggressive, mentally ill patients were mixed with the frail elderly. Among the accusations made in 1973 were that there had been three suspicious patient deaths in a Beverly-owned home in Azusa, two at a home the company owned in Modesto, three at a facility in Carmichael, and one at a Beverly-owned facility in Los Gatos.

One charge brought against the chain was that a man who was unable to swallow had strangled after a nurse at a Beverly home poured water down his throat, and a suction machine malfunctioned. That death occurred at Beverly Manor of Los Gatos, the same home state officials last year fined some \$246,000 for violations involving the deaths of three elderly patients whose bedsores were allegedly treated inadequately.

The deaths at the Azusa facility, Edgewood Convalescent Center, were allegedly caused by food poisoning, a charge later disputed by the Food and Drug Administration, which found that staff at the facility had prepared the food properly. This home was still owned by Beverly in August, 1985, when it was fined \$10,000 for failing to ensure that a patient who had allegedly been sexually abused was seen by a physician until four days after the incident.

IN 1973, a northern California sheriff came forward with an allegation that a patient had been beaten to death at Beverly's Carmichael home. This accusation prompted Berthelson's investigative series and a round of official investigations, including a criminal investigation of deaths at the Carmichael facility. But in 1974, Chief Deputy District Attorney Geoffrey Burroughs held a press conference to announce that there was insufficient evidence on which to base criminal charges against the home. At the press conference, Burroughs angrily urged other state agencies to continue the investigation he had begun.

Burroughs did not delve into why the evidence at his disposal was inadequate to support criminal charges. However, officials from the California Attorney General's Office recently explained that, prior to 1985, the state often had great difficulty proving its cases against nursing homes. The reason: Poorly trained inspectors often failed to gather sufficiently detailed information.

This problem was addressed in June, 1974, in a state health department document titled "Proposed Methodology for the Identification and Prevention of Unusual Occurrences in Skilled Nursing Facilities." Prompted by the allegations concerning the Beverly-owned homes, this 1974 report was critical of the state's

mechanisms for regulation of nursing homes and included a series of recommendations. Among them was a proposal to add registered nurses to the inspection teams that were expected to document instances of abuse and neglect. Another was that nursing homes be required to report unusual occurrences to the state department of health within 24 hours. Yet another recommendation was that the performance of corporately owned nursing home chains should be measured against that of independently operated facilities.

But that 1974 report was never published. It became public only recently, when a copy was obtained by AMN.

One of two investigators who produced the report recently told AMN that the report was "squashed." The former investigator said, "It was disgusting. I wasn't privy to any discussions of the report at higher levels [in the state health department] but it was clear they didn't want to do anything. Nobody wanted to come out front because the findings made the department of health look bad." This investigator also claimed that the nursing home industry influenced the decision to suppress the report.

NONE OF THE recommendations in the 1974 draft report were acted upon at the time, and the report disappeared from view. Current administrators in California's Dept. of Health Services were unaware that the report had ever been produced.

A decade passed before the California Health Facilities Commission did — as had been recommended in the 1974 report — compare the Beverly chain with independently owned facilities in California.

The commission found that, among the homes Beverly was then operating in the state, more homes had received Class A citations (for life-threatening conditions) than among facilities outside of the control of big corporations. In 1983, 11% of Beverly homes were said to pose threats to life, compared to 7% of other non-corporate homes.

In the mid-1980s, the climate of opinion toward the nursing home industry in California had begun to change. Growing awareness of problems in the industry led to the passage of reform legislation in 1985. Among the provisions of this new legislation: Nursing homes must report

Continued on back

Fine settlement involves other Beverly homes

When the nation's largest nursing home operator, Beverly Enterprises Inc., settled, for \$600,000, nearly \$900,000 in fines against its California homes recently, the glare of public scrutiny was on three of its northern California homes. But Beverly facilities in other parts of the state also were involved in the settlement.

In Los Angeles, Beverly Manor Convalescent Hospital in Panorama City was fined \$5,000 for allegedly permitting a patient's thigh to be broken while untrained employees were changing linen on the bedfast woman's special bed in September, 1986. The home also received a \$10,000 fine for an incident involving an elderly patient who allegedly was struck in the face by an orderly in October, 1985.

The chain received a \$25,000 fine for allegedly allowing an unattended, retarded patient with a history of seizures to drown in a bathtub at Lynwood Care Center last December.

A \$5,000 fine was levied for alleged failure to treat a urinary tract infection or give sufficient insulin to a diabetic patient who fell into a coma after an eight-day stay at Beverly Manor Convalescent Hospital in Glendale in October, 1985.

At Beverly Manor in West Covina, the corporation incurred a \$10,000 fine in March, 1985, for allegedly failing to monitor and treat a woman who developed a bedsore that extended to the bone. When hospitalized, the woman was treated for blood poisoning arising from the infected skin ulcer. She died nine days after the home discharged her to the hospital.

In the \$600,000 settlement, Beverly paid 75% of each of the Los Angeles fines, some \$48,750. The total fines were \$65,000 from that region.

David Banks, president of Beverly Enterprises, declined to comment on the fines being paid in Los Angeles.

Inside Look at The Kansas 100

Insider Trading is a weekly report of stock transactions involving officers, directors and owners of 10 percent or more of publicly held companies listed among the Kansas 100 in Business Monday.

Corporate insiders traditionally make more economically sound decisions in trading their own company's stock. Insider trading, which companies are required to report to the Securities and Exchange Commission, often is a bellwether of corporate health. Most insiders buy to make a profit, but selling by insiders isn't necessarily negative. They often sell for tax reasons, estate planning or cash needs.

Archer-Daniels-Midland — Herman D. Hale, director, indirectly exercised an option for 9,572 shares at \$9.08 per share on Jan. 12. He now indirectly and directly holds 4,944,670 shares.

Amoco Corp. — Lea L. Bates, vice president, disposed of by gift 1,000 shares at an unreported price per share on Dec. 19 and now directly holds 19,989 shares.

Richard M. Morrow, chairman, disposed of by gift 4,995 shares at an unreported price per share from Dec. 1 to Dec. 15. He now directly holds 33,032 shares.

Insider Trading

Boeing Co. — Ernest V. Fenn, vice president, disposed of by gift 200 shares at \$51.50 per share on Dec. 8. He now directly holds 100 shares.

Bruce Gissing, shareholder, sold 1,300 shares at \$52 per share on Dec. 16. He now directly holds 1,550 shares.

Robert E. Bateman, vice president, disposed of by gift 105 shares at an unreported price per share on Dec. 16. He now indirectly and directly holds 9,896 shares.

Burlington Northern Inc. — Thomas H. Oleary, director, disposed of by gift 100 shares at \$62.81 per share on Dec. 2. He now directly holds 17,400 shares.

Flight Safety International Inc. — Peter P. Mullen, officer, disposed of by gift 10,935 shares at an unreported price per share on Dec. 23. He no longer directly owns shares in the company.

General Dynamics Corp. — Ralph E. Hawes, vice president, indirectly exercised an option for

17,945 shares at \$23.81 per share on Jan. 6. He now indirectly and directly holds 27,997 shares.

Robert W. Truxell, shareholder, indirectly sold 679 shares at \$74.25 per share on Jan. 13.

General Electric Co. — John F. Welch Jr., chairman, disposed of by gift 331 shares at an unreported price per share on Dec. 10. He now indirectly and directly holds 50,819 shares.

Frederick W. Garry, vice president, disposed of by gift 594 shares at an unreported price per share on Oct. 21. He now indirectly and directly holds 14 shares.

Knight-Ridder Inc. — Ben R. Morris, director, purchased 35,000 shares at \$47 per share on Dec. 23. Morris indirectly purchased 2,100 shares at \$47 per share on Dec. 30. He now indirectly and directly holds 37,200 shares.

Lear Siegler Inc. — Laurence A. Thompson, vice president, sold 1,000 shares at \$90 per share on Dec. 19. Thompson indirectly sold 100 shares at \$90 per share that same day. He no longer owns shares in the company.

PHH Group Inc. — A. Samuel Penn, vice president, exercised an option for 6,200 shares at \$18.75 per share on Dec. 19. He now indirectly and directly holds 14,610 shares.

Rubbermaid Inc. — Robert P.

Ingram, director, gift 1,600 shares at price per share on gram. indirectly shares at an unreported price per share that same day. He now directly and indirectly holds 27,300 shares.

Wolfgang R. Sch officer, disposed of shares at an unreported price per share on Dec. 19. He now directly and indirectly holds 27,300 shares.

Rent-A-Center I E. Moyers, vice president, disposed of by gift 62 unreported price per share on Dec. 18. He now directly holds 25,300 shares.

W. Frank Barton and disposed of shares between \$24 and \$26 per share on Dec. 12 to Dec. 22.

Raytheon Co. — Ward Kane, vice president, exercised an option for \$38.06 per share on Dec. 12. He now indirectly and directly holds 10,726 shares.

Total Petroleum (Canada) Ltd. — Phil chairman, exercised an option for 13,870 shares at \$18.75 per share on Dec. 12.

Beverly Enterprises

New York Stock Exchange — BEV

Beverly Enterprises is the largest owner-operator of long-term health-care facilities in the United States, operating more than 1,000 nursing homes with more than 115,000 beds. It owns 39 nursing homes with 2,955 beds in Kansas.

Total common shares outstanding as of Oct. 31, 1986	62,308,935
Per share price of common stock on Feb. 5, 1987	\$17.12
Market value on Feb. 5, 1987	\$1,067,040,000
1986 12-month high	\$22.50
1986 12-month low	\$14.12
1986 dividends per common share	20 cents
Control by officers and directors as a group	0.38 percent

Performance

	1986	1985	1984	1983	1982
Total Revenues (in millions)	\$2,019	\$1,690	\$1,420	\$1,091	\$805
Earnings per share	\$0.71	\$1.07	\$0.90	\$0.73	\$0.67
Net income (in millions)	\$44	\$264	\$215	\$156	\$124
Return on sales (in percent)	2.1	15.6	15.2	14.3	15.2
Total assets (in billions)	N.A.	\$2.02	\$1.70	\$1.39	\$0.93

N.A. — not available.

Directors*

Number of common shares beneficially owned:

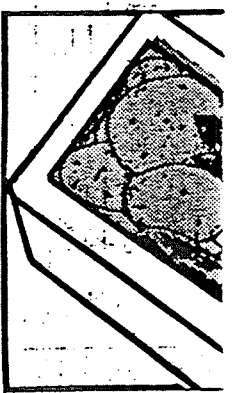
Robert Van Tuyle, 73, chairman and chief executive officer	205,357
David Banks, 49, president and chief operating officer	108,552
Carolynne K. Davis, director	none
John Hartwell, 74, director	18,704
David Merrill, 64, director	15,810
William Rinehart, 60, director	23,857

Executive Compensation*

Officer	Cash Compensation
Robert Van Tuyle, 73, chairman of the board, CEO	\$597,500
David Banks, 49, president, chief operating officer	\$423,100
William Wright, 61, executive vice president, chief financial officer	\$263,500
Charles Jordan, 43, executive vice president	\$234,000
Larry Cornish, 39, senior vice president and secretary	\$174,200

* Based on proxy statements dated Oct. 31, 1986.

THINKING NEW CAR OR TRUCK
THINK JOHN K. FISHER
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 OLDS • CADILLAC
 OR CALL
263-2771



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Holiday Inn PLAZA

Nursing home chain pays big fine, avoids sanctions

Beverly Enterprises, the largest nursing home chain in the nation, paid \$600,000 in fines Oct. 16 to ward off California Dept. of Health sanctions brought against the chain because of alleged negligence leading to the deaths of nine patients at three of its homes.

Faced with November administrative hearings to revoke the licenses of Beverly Manor in Los Gatos, Julia Convalescent

Reform law aided authorities.—page 57

Hospital in Mountain View, and Beverly Manor in Santa Cruz, the giant nursing home company agreed to stiff terms that allow the existing homes to continue operating and seven others to open.

Under the terms of the agreement, the licenses of the three Northern California nursing homes were revoked, but the three facilities are allowed to operate for the next four years on probation.

In a pyrrhic victory for Beverly, state officials agreed to grant provisional licenses to seven new Beverly facilities which had been held up pending the outcome of the administrative hearing, but stipulated that the Pasadena-based corporation would license no new nursing homes for the next 14 months.

That provision prevents the corporation from taking on new business in the state, but allows the company to begin operating three new nursing homes it had built in the state and four others it had purchased but had been unable to license after making a \$20-million investment.

The price of the settlement included a stipulation that all of Beverly's California skilled nursing facilities, which serve bed-ridden patients, will be monitored during the next 26 months to determine whether they equal or exceed the average state-wide performance record of similar, non-Beverly facilities. If Beverly fails to perform as well as other operators, the probationary licenses of Julia, Beverly Manor in Los Gatos, and Beverly Manor in Santa Cruz will be revoked, and the provisional licenses granted to its seven new homes will expire.

Kenneth Kizer, MD, state health director, said the settlement should send a clear signal to other nursing homes that poor quality care will not be tolerated by his department. He added that the fine paid by Beverly was the largest ever levied against a nursing home operator in California.

The corporation, which collects \$1 billion a year in revenues from the operations of more than 1,200 nursing homes in 46 states, agreed to pay 75 cents on the dollar for \$885,400 in fines levied against the three troubled Northern California nursing homes and five others in the Los Angeles area.

BEVERLY'S PRESIDENT, David Banks, said the corporation settled because "we decided that it made more sense to try to work hand-in-hand with the state than go through this procedure [the administrative hearing to revoke licenses]. Tempers had gotten out of line on both sides, and that does not make for us moving ahead. We felt that it was better to work with them than against."

Banks added, "We felt that it was more important to give attention to patient care than to worry about fighting our adversaries. We don't think we should be in an adversarial role with any state, and so we decided to settle."

Banks said his firm admitted no wrongdoing as part of the settlement, and other company officials have denied that the corporation neglected patients at its Northern California homes. Beverly officials also have insisted that state officials could not prove their case against Julia, Beverly Manor in Los Gatos, and Julia Convalescent.

But Paul Keller, chief of field operations for the state health department, said, "There was never any doubt on anybody's mind on the state's side that we couldn't go to an administrative hearing and prove up our revocation actions against these three Beverly facilities. We were not negotiating from a position of weakness."

Keller said that the state's decision to settle was partly motivated by a shortage of nursing homes in Northern California and in other communities where Beverly had built new but unlicensed facilities.

ONE OF THE concessions Beverly made to state health officials was the payment of \$7,500 in fines for operating three of its new facilities — Summerfield Convalescent Hospital in Santa Rosa, Healdsburg Convalescent Hospital in Healdsburg, and Ukiah Convalescent Hospital in Ukiah — without a license. The health department recently had sued the corporation for operating these newly purchased facilities without first obtaining licenses, but Beverly had contended it was merely "managing" the homes for the previous owner while the sales transaction was being completed.

Beverly has agreed to turn over future proposed management contracts to state health officials before taking over operations at any other California nursing homes. The provision is important because the corporation acts as a manager of many nursing homes, in addition to those it owns.

Beverly also promised to "provide all resources, including staffing and supplies, to assure that patient care does not fall below the [health department's] standards and to implement business practices and budgetary practices that do not impede this goal" in its California homes.

—Phyllis Capen

Capen is a free-lance writer based in Houston.

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT

TESTIMONY ON HOUSE BILL 2391

PRESENTED TO THE HOUSE COMMITTEE ON PUBLIC HEALTH AND WELFARE

FEBRUARY 25, 1987

This is the official position taken by the Kansas Department of Health and Environment on House Bill 2391.

The growth of several large nursing home chains in the last five years has been a concern in states all across the country. The concerns have focused on the impact that a single chain could have over private pay rates, regulatory issues, and Medicaid reimbursement levels if there is no limit on the share of the adult care home market that a single chain is allowed to control.

House Bill 2391 sets a reasonable limit on a percentage of the market that a single chain could control. The 15 percent limit is greater than any single chain presently controls.

DEPARTMENT'S POSITION:

The Department of Health and Environment recommends that the committee recommend House Bill 2391 favorably for passage.

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KANSAS ADULT CARE HOME LICENSEES BY SIZE

	<u>Facility</u>	<u>Licensed Beds</u>	<u>% of Total Beds</u>
Beverly Enterprises-Kansas, Inc.	46	2,972	10.7
Medicalodges, Inc.	25	2,362	8.5
The Ev. Lutheran Good Samaritan Society	20	1,581	5.7
The Hillhaven Corporation	11	1,233	4.5
Regency Health Care Centers, Inc.	13	1,207	4.4
Presbyterian Manors of Mid-America, Inc.	12	726	2.6
Community Lifecare Enterprises, Inc.	10	658	2.4
 Total Licensed Adult Care Homes	 452	 27,703	

15% of Total Licensed Beds - 4,155



TESTIMONY PRESENTED BEFORE THE
PUBLIC HEALTH AND WELFARE COMMITTEE

By
Dick Hummel, Executive Director
Kansas Health Care Association

February 25, 1987

HOUSE BILL NO. 2391

"AN ACT concerning adult care homes;
placing certain limitations on the
operations of such homes."

Mr. Chairman and Committee Members:

My name is Dick Hummel, Executive Director, Kansas Health Care Association (KHCA). Our organization represents over 200 licensed adult care home providers, both profit and non-profit, single as well as multifacility ownership interests.

The bill before you would disallow any one entity from owning more than 15 percent of the total nursing home beds in the state.

In January 27,409 beds were licensed by the Department of Health and Environment. H.B. 2391's limit would be 4,111 beds. As of today 2978 beds (11% of total) are under the control of one company. The next two largest organizations control about nine and six percent of licensed beds.

If this is a step you think government should be taking -- placing an artificial control on free enterprise and the business sector -- then your passage of the bill is in order. On the other hand, if you feel this is a bad precedence for future public policy, then defeat is in order.

We are somewhat puzzled as to why nursing homes have been singled-out for the distinction of that "being big is being bad" and to why or what is the significance of the 15 percent limit -- why not 10, 20 or 30 percent?

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2-25-87 "We Care"*

The promoter of the bill has cited as a reason one finding from the Post Audit study, "Private-Pay Rates for Adult Care Homes," July 1986.

One factor having contributed to increases in private-pay rates during the period of 1983-1985 was changes in ownership or management firms.

It is easy to selectively take this and use it as justification for the bill.

On the other hand, the report also notes that the Medicaid program itself has been a prime culprit in private rate increases. The study indicates that nursing homes receive \$3.17 per day below their actual daily costs for caring for a Medicaid patient.

Our point is simply to question the logic of taking one segment from a very complicated area and the inherent problems with the state's program for funding the care of the elderly, medically indigent, and using it to justify an artificial control in the business community.

If you feel this is warranted, then approval of H.B. 2391 is justified. But, you may also wish to ask yourself who might be next because of this precedent -- lumberyards, funeral homes, feed lots, manufacturing plants, ice cream parlors?

Thank you for this opportunity.

Testimony on HB 2391
to
House Committee on Public Health and Welfare
by
Kansas Department on Aging
February 25, 1987

Bill Summary

Limits the market share of operators of adult care homes to 15% of total licensed beds.

Bill Brief:

1. Prohibits adult care home operators with greater than a 15% market share of licensed beds from obtaining a license for either a new home or an increase in the bed capacity of an existing home.
2. Prohibits adult care home operators with a market share of 15% or less from obtaining a license for either a new home or an increase in the capacity of an existing home if the granting of the license would result in a market share greater than 15%.
3. Becomes effective upon publication in the Kansas Register.

Bill Testimony:

The Kansas Department on Aging supports HB 2391 as a way to both help contain Long-Term Care (LTC) costs and improve the quality of long-term care. The nature of the adult care home (ACH) business has changed significantly over time and with these changes has come a need for a changed regulatory approach. This has been recognized previously in Kansas when in 1982 the number of persons licensed to operate any one ACH was limited to no more than three and in 1985 when Certificate of Need provisions were not continued.

Now is an appropriate time to make a further change and limit the market share of operators of ACH's to 15% of total licensed beds. The days in which mom-and-pop and non-profit ACH operators dominated the industry are over. In 1950, 8% of ACH's were owned by proprietary concerns. By 1980, this percentage had risen to 70%. Increasingly proprietary ownership is in the form of chain ownership. Major investor-owned chains increased the number of their beds by 64% between 1980 and 1982. The majority of these increases are due to acquisitions, not to new construction.

Kansas is not exempt from this national trend. As reported by Legislative Post Audit (LPA), between March, 1982 and November, 1983, 58 of Kansas' approximately 300 intermediate care facilities (ICF's) changed providers, i.e., changed the legal entity that provides the service and receives the Medicaid reimburse-

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ment. At the beginning of this same time period, 8 of the 58 were out-of-state, for-profit. At the end of this period, 36 of the 58 were out-of-state, for-profit. Also at the beginning of this period, 24 of the 58 were not part of a chain. By the end of this period, only 7 were classified as non-chain providers.

This corporatization of institutional LTC has negatively affected both costs of care and quality of care in many instances. In 1984 the Texas Medicaid operations of Beverly Enterprises and ARA Living Centers (the nation's largest and 3rd largest ACH owners respectively) spent 12% and 18% less respectively on patient care than other Texas ACH's while spending 9% and 21% more for administrative costs.

Kansas' Medicaid ACH reimbursement system is cost based (i.e., the primary determinant of current rates is the level of prior expenditure made by ACH providers). As previously mentioned, Texas data indicates chain owners have higher administrative costs than non-chain owners. In Kansas, Legislative Post Audit found in reviewing the administrative costs of all 58 (ICF's) which changed providers between March, 1982 and November, 1983 that overall administrative costs increased 14.6%, with central office costs increasing 156.9%. The auditors found no immediate support for the contention that the centralized administration associated with chain ownership brought more economical or efficient operations. Regarding property costs, LPA found that change in ACH ownership was associated with an average increase of 47%.

When it studied private pay rates for the 1983-1985 period, LPA found that chain ownership was the key factor in accounting for differential increases in private pay rates. The average private pay rate increase for chain-owned for-profit ACH's was nearly 150% greater than that for non-chain non-profit ACH's during this time period.

When you examine quality of care, the potential negative impact of the corporatization of institutional LTC is also evident. In Texas in 1984, approximately 9% of Beverly Enterprises' facilities lost their certification; while industry-wide in Texas only 5% of ACH's were decertified.

In California, 11% of Beverly's ACH's were cited for Class A life-threatening deficiencies in 1983, while only 7% of other homes had such citations. During this same time period in California, 50% of ARA ACH's had deficiencies; and overall their chain averaged four times the number of health citations as other homes. In several states, including Kansas, families of allegedly neglected patients, including some who died, are suing large chain owners.

Other potential negative side effects of the corporatization of LTC include increased ACH employee and patient trauma in homes being acquired, increased flow of health care dollars out of the

community or state, decreased responsiveness to the local community, and an increased potential for discrimination against Medicaid recipients.

The impact of large chains on quality of care has been acknowledged within the industry. The president of the American Health Care Association, the national trade association of (mostly) for-profit ACH's, has posed the question of how corporations preoccupied with profit can "reconcile responsibility to investors with responsibility to patients."

Enacting a market share limit on ACH providers would mitigate the negative impact of the corporatization of institutional LTC on the cost and quality of such care. Currently at least two states (Nebraska and Mississippi) have enacted such a limit. A 15% limit still allows ample opportunity for growth, as the State's largest ACH provider now has a 10.8% share.

Recommended Action:

KDOA recommends that HB 2391 be reported favorably for consideration by the full House.



The Organization of
Nonprofit Homes and
Services for the Elderly

Kansas Association of Homes for the Aging
One Townsite Plaza
Fifth and Kansas Avenue
Topeka, Kansas 66603

913-233-7443

TESTIMONY BEFORE THE HOUSE
PUBLIC HEALTH AND WELFARE COMMITTEE
VICE CHAIRMAN, FRANK BUEHLER

February 25, 1987

RE: House Bill No. 2391

Presented by John Grace, Executive Director of the Kansas Association of Homes for the Aging; a nonprofit organization, representing the church, governmental, and community sponsored homes, housing and services for the elderly of Kansas.

Thank you Mr. Chairman and Good Afternoon members of the committee.

We are in support of House Bill No. 2391

Some experts in the field of long term care predict that within a ten year period a few corporations will control either through ownership or management the majority of nursing homes in our nation.

We believe that a situation such as this could put at a disadvantage the small privately owned homes and the private nonprofit homes.

While we recognize that the free market system should operate without excessive controls we do think there is an issue here of a reasonable balance.

We believe that a 15% cap is a reasonable level of limitation and should not infringe upon any currently operated corporation in our state.

Thank you, Mr. Chairman and members of the committee.

*PH & W
attm #5
2-25-87*



Kansans for Improvement of Nursing Homes, Inc.

913 Tennessee, suite 2 Lawrence, Kansas 66044 (913) 842 3088

TESTIMONY PRESENTED TO
THE HOUSE PUBLIC HEALTH AND WELFARE COMMITTEE
CONCERNING HB 2391

February 25, 1987

Mr. Chairman and Members of the Committee:

It has long been the view of Kansans for Improvement of Nursing Homes that nursing homes whose ownership and operation are closely linked to the community whose elderly citizens they serve are likely to provide better service at a lower cost. The farther from the personal caring of the community the ownership stretches the less appears to be their concern for care and the more their concern for profit.

That is not a scientific finding; it is based on the kinds of complaints that come through our office and from our own observations. In complaints dealing specifically with cost increases, all had to do with chain homes; all complainants indicated that they did not believe the quality of care had improved and in some cases was actually less satisfactory than before the operation had been assumed by the chain in question.

The Legislative Division of Post Audit in July, 1986, completed a report on Private Pay Rates for Adult Care Homes which showed clearly that for-profit chain-owned homes showed the greatest increase in private pay rates of all four categories of homes considered: chain-owned for-profit, chain-owned non-profit, non-chain non-profit, and non-chain for-profit homes. The largest chain, Beverly Enterprises, led the list in percentage of rate increase and in the rate per day charged private pay residents.

The extensive renovations cited by one large chain as their rationale for rate increases were perceived by complainants as largely cosmetic, contributing little to the greater comfort of patients.

Another rationale given for increasing the rates was the necessity for instituting the requirement for 24-hour licensed nursing care. Of the 114 nursing homes owned by the 5 largest chains in Kansas, only 13 have applied for and received payment for increased staffing due to the 24-hour nursing requirement. It would not appear, therefore, that the requirement is a cause for increasing rates in many instances.

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The advantages cited by the chains of cost-saving benefits made possible by large-scale purchasing procedures and of quality control practices effected by regional supervisors have not, in our opinion, been realized. Rather, the autonomy of local management to adjust their operations to local needs and desires has been pre-empted. The only result we can point to with any certainty is that large sums of money are being charged off to central office costs, the value of which is nebulous and which appear to provide more profit to the owner/operator than service to the nursing home recipients. The fact that large national nursing home chains are immensely profitable investments should tell us that not all of the rate increases we have seen in the past few years in those homes are going to patient care.

Larger does not appear to be better. KINH does not believe the continued proliferation of large nursing home chains works to the benefit of the frail elderly in Kansas nursing homes. At least two other states agree. Nebraska and Mississippi have enacted a similar form of control of chain homes.

Kansans for Improvement of Nursing Homes urges you to support HB 2391.

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT

TESTIMONY ON HOUSE BILL 2392

PRESENTED TO THE HOUSE COMMITTEE ON PUBLIC HEALTH AND WELFARE

FEBRUARY 25, 1987

This is the official position taken by the Kansas Department of Health and Environment on House Bill 2392.

This proposed amendment to KSA 65-516 would allow the Department of Social and Rehabilitation Services more flexibility in determining what persons who have committed acts of child abuse or sexual abuse should be prohibited from residing, working, or volunteering in a child care facility. KSA 65-516, as currently written, allows neither corrective action plan nor record expungment to be considered.

The Kansas Department of Health and Environment agrees that legislation is needed which allows greater latitude in determining prohibited persons.

DEPARTMENT'S POSITION:

The department respectfully recommends that the committee report the bill favorably for passage.

P.H.W.
attm # 7
2-25-87

Commission Gordon

STATE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Statement Regarding H.B. 2392

1. Title

An Act concerning homes for children and the prohibition of the maintenance thereof by certain persons; amending KSA 65-516 (a) (3) and repealing the existing section.

2. Purpose

This bill amends KSA 65-516 (a) (3) which provides that (a) "no person shall knowingly maintain a boarding home for children or maintain a family day care home if, in such boarding home or family day care home, there resides, works or regularly volunteers a person who: (3) has committed an act of physical, mental or emotional abuse as validated by the Department of Social and Rehabilitation Services pursuant to KSA 1986 Supp. 38-1523". The amendment being proposed expands the statute by adding, "and (A) the person has failed to successfully complete a corrective action plan, or (B) the record has not been expunged pursuant to rules and regulations established by the Department of Social and Rehabilitation Services.

The purpose of the amendment is to allow persons an opportunity to improve their child care skills through corrective action before residing, working or regularly volunteering in child care facilities, or to have the record expunged when expungement requirements have been met.

3. Background

With the passage of KSA 65-516 (a) (3) in 1984, the Department of Social and Rehabilitation Services is required to share with the Department of Health and Environment information about all persons who work, reside or regularly volunteer in licensed or registered child care facilities who have been identified as alleged perpetrators in confirmed cases of child abuse/neglect. The intent being to protect children in child care facilities from known abusers.

The names of identified alleged perpetrators in confirmed cases of child abuse/neglect have been listed in the Child Abuse/Neglect Central Registry since its inception in 1973. The first Kansas Child Protection Act was passed in 1972 and the registry was established to maintain information on all confirmed cases of child abuse/neglect. This information was used to determine the incidence of abuse/neglect, demographic factors in abusing/neglecting families and to identify children who were previously abused or neglected in families who move from place to place. No one has access to the information except other child protection services in this and other states whose confidentiality restraints are as strict as ours.

The focus of all child protection investigations since 1972 and prior to 1984, was to determine whether or not abuse or neglect had occurred with the reported child and how best to protect that child from future abuse/neglect. The identification of the alleged perpetrator of that abuse

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or neglect was secondary and used only for assessing the level of risk to the child in making case decisions.

K.S.A. 65-516 (a) (3) required the use of the information regarding alleged perpetrators in confirmed cases for the purpose of limiting the privilege of individuals to provide a child care service. Problems related to the due process rights of those individuals became apparent and were addressed through policy changes. In addition, the statute did not allow for consideration of factors that would have a bearing on whether or not the individual in question would pose a current threat to a child. Such factors include: the length of time since the confirmed incident; the nature and seriousness of the incident; mitigating circumstances that were present or how circumstances have changed, and what corrective action occurred.

This proposed bill would allow for consideration of the above factors before a person could be denied the privilege of providing child care in Kansas.

4. Effect of the Change

The proposed amendment will improve the current statute by allowing judgment to be exercised in identifying those persons who committed an act of confirmed abuse/neglect that is sufficient to warrant a belief that children should not be entrusted to their care. There is no fiscal impact associated to the state with this amendment.

5. Recommendation

SRS recommends passage.

Robert C. Harder
Office of the Secretary
Social and Rehabilitation
Services
296-3271
February 24, 1987



STATE OF KANSAS

OFFICE OF THE ATTORNEY GENERAL

2ND FLOOR, KANSAS JUDICIAL CENTER, TOPEKA 66612-1597

ROBERT T. STEPHAN
ATTORNEY GENERAL

MAIN PHONE: (913) 296-2215
CONSUMER PROTECTION: 296-3751

Testimony of Assistant Attorney General
David D. Plinsky
to House Committee on Public Health
February 25, 1987

Mr. Chairman and Members of the Committee:

Thank you for this opportunity to comment on 1987 House Bill No. 2392.

Attorney General Stephan is not in favor of subsection (A) of the amendment. It is believed by some that allowing an individual a second chance pursuant to completion of a corrective action plan is a necessary safety valve. However, tightening up the validation process, as proposed by 1987 House Bills No. 2011 and 2488, would appear to be the better method of achieving the desired result. It is less likely that individuals involved in borderline cases will be validated in the first place under the proposed procedure of House Bills 2011 and 2488, and thus there would be no need for the "safety valve" created by subsection (A) of this bill. Additionally, enactment of subsection (A) creates the risk that individuals properly validated as having

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2-25-87*

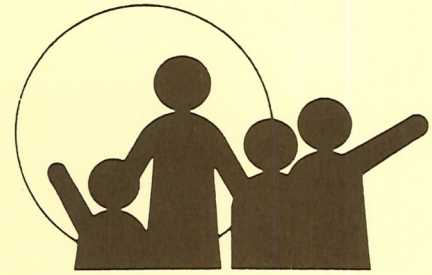
physically, emotionally, or sexually abused a child will be given the opportunity to abuse another child.

Attorney General Stephan has suggested that subsection (B) of the proposed amendment be narrowed to allow expungement of a validation only when new evidence surfaces indicating the alleged perpetrator's innocence. The Attorney General prefers this be accomplished in the legislation and not by rule or regulation.

If a complaint of abuse is adequately investigated, and the alleged perpetrator has an adequate opportunity to rebut evidence against him/her, once the abuse and abuser have been validated by a preponderance of the available evidence, the Attorney General is satisfied that that person should not be permitted to care for children placed in the custody of the State of Kansas. Again, tightening up the validation procedure should negate the need to carve out exceptions to the rule.

Thank you for considering these issues.

KALPCCA



KANSAS ASSOCIATION OF LICENSED PRIVATE CHILD CARE AGENCIES

EXECUTIVE COMMITTEE

PRESIDENT DATE: February 25, 1987

Peg Martin
The Farm
Box 90
Reading, Kansas 66868
913-528-3498

TO: House Public Health and Welfare Committee

FROM: KALPCCA

ADMINISTRATIVE COORDINATOR

Richard L. Gray
Box 1695
Topeka, Kansas 66601
913-234-3225

PRESIDENT ELECT

RE: HB2392

Sherry Reed
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Box 2304
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TREASURER

Wayne Sims
Wyandotte House
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SECRETARY

Sarah Robinson
Wichita Children's Home
810 N. Holyoke
Wichita, Kansas 67208
316-684-6581

KALPCCA supports HB2392. Our member agencies are strongly opposed to allowing child abusers to work with children in out of home care. We are aware that the SRS validation process is designed to prohibit children from abuse in this fashion. It is our understanding that our employees' rights to due process in validation are being considered in regulations currently being formulated.

POLITICAL ACTION

Judy Culley
The Shelter
Box 647
Lawrence, Kansas 66044
913-843-2085

We are concerned, however, that there will continue to be unclear cases that will be validated. Our member agencies have seen a one-time shove, and an incident of words said in anger as validated abuse. These cases fall into a "grey area," the "grey area" being cases that would not be validated if they had occurred in a child's own home. These "grey areas" will continue to exist. These cases graphically illustrate the difficulty in defining abuse on a case by case basis and the need to statutorily authorize SRS to develop corrective action plans.

Bruce Linhos

The Villages
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913-267-5900

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attm #10