

Approved

Thomas F. Walker
Date 3-8-90

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION

The meeting was called to order by Representative Thomas F. Walker at
Chairperson

9:00 a.m./p.m. on Thursday, March 1, 1990 in room 522-S of the Capitol.

All members were present except:

Committee staff present:

Avis Swartzman - Revisor
Carolyn Rampey - Legislative Research
Julian Efirid - Legislative Research
Jackie Breymeyer - Committee Secretary

Conferees appearing before the committee:

William Morrissey, Assistant Director, Department of Human Resources
Richard Thomas, Rehabilitation Administrator, Department of Human Resources
Elizabeth Taylor - Wang Labs
Ron Hein - Unisys Corporation
Art Griggs - Department of Administration
Representative Nancy Brown
Representative David Miller

Chairman Walker called the meeting to order. The first order of business was HB 3029 - assistant rehabilitation administrators

William Morrissey, Stated the change the Department is seeking is on page 1, lines 23 and 24, five assistant rehabilitation administrators. Mr. Morrissey stated the third administrator had been hired in February, 1988 and the fourth in December, 1988. He turned the podium over to Richard Thomas.

Mr. Thomas distributed a file that contained several pieces of information. (Attachment 1) The following information was enclosed: Rehabilitation Statistics, plans and assessments, rehabilitation case management report, rehabilitation services procedures, vendor performance FY 89, vendor performance FY 90 and fiscal impact statement.

There has been a substantial increase of between 74 and 78% in the number of plans and assessments that the Rehabilitation Section is required to review and file a report of recommendations.

The Division is also experiencing an increase of 163% in the number of mediations regarding the rehabilitation assessments and/or plans completed by rehabilitation vendors. This process is mandatory and established by statute if any parties request a mediation by the Rehabilitation Administrator's office. In addition to the heavy caseload, the Division is in the process of adopting a set of standards for the rehabilitation professionals along with a review process to handle any complaints.

Mr. Thomas thanked the committee for allowing the Division to testify.

Mr. Thomas replied to a question concerning the fiscal note by saying the fees generate the amount of money needed.

The Chairman closed the hearing on HB 3029.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION,
room 522-S, Statehouse, at 9:00 a.m./p.m. on Thursday, March 1, 1990

HB 2559 - joint committee on governmental technology

Representative Nancy Brown, who chaired the 1989 Revenue Subcommittee, distributed two attachments - a Transmittal Memorandum dated February 27, 1990 regarding Statewide Communication and Data Processing Expenditures FY 1989 State General Fund Costs, and the 1989 Subcommittee Report. (Attachments 2 and 3)

Representative Brown gave a short history and some background on the bill.

As a result of the concerns related to the ongoing and unresolved issues relating to data processing and the collection of taxes, the subcommittee's focus centered on DISC. DISC was subjected to a 1984 sunset review, but the Department of Administration and all its other division were not. DISC was removed from sunset review when it was reorganized in 1984. It was the recommendation to put it back in. One of the subcommittee's recommendations was to introduce a bill to establish a five member joint committee on governmental ^{been} technology. Since that time a better number for the joint committee has ^{been} deemed to be six. This would give the committee makeup three representatives and three senators.

Representative Brown and Representative D. Miller have worked to see if the legislation contained in HB 2559 and HB 2877 could be joined to make a stronger piece of legislation.

It was decided to let all the conferees speak and then Representative Brown would address the committee again.

Elizabeth Taylor, Wang Labs, appeared on HB 2559. (Attachment 4) Wang Labs has computer systems installed in the Governor's office, SRS disability determination, Department of Administration, Lieutenant Governor's office, Appellate Court System and the Department of Education. Wang Labs has contended that procurement procedures and the acquisition and use of equipment must be restructured or at least reviewed at great length in order for the state, and thus the people of Kansas, to receive the greatest technology for the taxpayers money.

During the 1989 interim, Wang Labs presented testimony to the Joint Ways and Means/Appropriations Committee concerning the seemingly closed procurement procedure for computerization. The language in HB 2559 seems to provide unbiased means for reviewing state needs.

Ms. Taylor closed by saying her organization supports the provisions of the bill and feels its time is long overdue.

Ron Hein, Unisys Corporation, gave testimony. (Attachment 5) He stated the policymakers should become involved in some type of oversight function. Mr. Hein compared basic car knowledge to basic computer terminology. Basic knowledge allows a policymaker to ask questions and make effective and sound financial decisions. This will eliminate the overwhelming feeling that many people have when confronted with computers.

Art Griggs, Department of Administration, appeared in support of the bill. A committee like this would be helpful to the Department because it would provide the vehicle for oversight. Mr. Griggs supported the merging of HB 2559 and HB 2877.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION

room 522-S, Statehouse, at 9:00 a.m./p.m. on Thursday, March 1, 1990

Representative Brown continued. She wanted to make it clear that if the subcommittee had no objections to the merging of the bill, it was alright with her. The subcommittee worked hard and spent many hours to come up with legislation contained in HB 2559. It is a committee bill now. If this bill passes, it will come out as Representative Miller's bill. It may not have the same chance on the floor as a bill by the entire group. If the bill passes out of committee and then fails on the floor of the House, please leave HB 2559 intact so it is still a viable vehicle.

Representative Miller distributed a balloon. (Attachment 6) He stated that he did not care how the committee handled the bills. They could go out as one, as a committee bill, or each stand on its on merits.

Page 1 of the balloon establishes the joint committee on governmental technology; subsection (d) page 2, will read 'September 15' instead of September 1. This puts the date in sinc with budget submission. Page 2, new sections 2 and 3 tells of the joint committee makeup which consists of three senators and three representatives. Also in New Section 1, subsection (e) (1) The estimated costs of the acquisition and all related costs associated therewith do not in the aggregate exceed \$5,000 or (2) the secretary of administration determines the acquisition is necessary due to an emergency situation. On page 4 of the balloon language is inserted which reads, "The secretary of administration may waive application of the provisions of this subsection to universities under the jurisdiction and control of the state board of regents upon request by the state board for such waiver".

Further discussion ensued on the legislation. Several committee members said the balloon as drafted would give the legislation more clout. It is a much stronger piece of legislation that sends a definite signal to the computer area.

Representative D. Miller moved to change the balloon on page 2 to state that a vacancy would be filled by the appointing authority; a substitute bill combining the balloon changes be substituted for HB 2877 and the title name on the bill be By the Committee on Governmental Organization, and the substitute bill be passed out favorably as amended. Representative Brown gave a second to the motion.

Discussion centered on the merits of the bill as it now is.

The motion carried.

HB 2833 - home health care

Representative Brown moved to take HB 2833 off the table.

Representative Gjerstad gave a second to the motion.

The motion carried.

A balloon was distributed. (Attachment 7)

On line 15, obsolete language was deleted.

Carolyn Rampey, Legislative Research, discussed (b) where language is stricken and, "and community based services program" inserted.

(2) contains the directive to approve a salary plan for personal care attendants under the secretary of social and rehabilitation services.

(3) defines the term "personal care attendant" which means a person appointed to perform attendant care services directed by or on behalf of an individual in need of in-home care. Home and community based services program" has the meaning ascribed thereto under K.S.A. 1989 Supp. 39-7,100, and amendments thereto, and the terms "attendant care services" and "individual in need of in-home care" have the meanings respectively ascribed thereto under K.S.A. 1989 Supp. 65-6201, and amendments thereto.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION,
room 522-S, Statehouse, at 9:00 a.m./p.m. on Thursday, March 1, 1990

Michael Lechnor, Committee on Disability Concerns, went over the balloon with the committee and said he thought it covered what was intended.

On a question about the fiscal note, the Revisor stated there was no affect on state revenue.

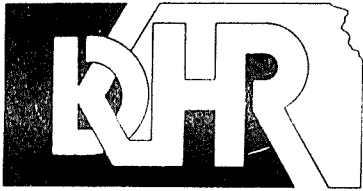
Representative D. Miller moved the adoption of the amendments.
Representative Bowden gave a second to the motion.
The motion carried.

Nancy Echols, S.R.S., asked that if anything happens to the bill, could a proviso be attached to the omnibus bill.

The reply was that someone would have to be there to make the case to the committee for the proviso.

Representative D. Miller moved that HB 2833 as amended be passed favorably.
Representative Brown gave a second to the motion. The motion carried.

The meeting was adjourned.



DIVISION OF WORKERS COMPENSATION
 600 Merchants Bank Tower, 800 SW Jackson
 Topeka, Kansas 66612-1227
 (General Information: 913-296-3441)

Mike Hayden, Governor

Ray D. Siehndel, Secretary

February 23, 1990

296-4000 Director's Office
 296-2050 Rehabilitation
 296-2996 Claims Advisory
 296-3606 Self Insurance
 296-7012 Law Judges

The Honorable Thomas Walker
 Chairman, House Governmental Organization Com.
 Room 115-S
 State Capitol
 Topeka, KS 66612

RE: HB 3029

Dear Chairman Walker:

I am not able to appear in person for your committee's hearings on HB 3029 since I have to testify in support of HB 3069, in the House Labor and Industry Committee at 9:00 a.m. on Monday, February 26, 1990.

Mr. William Morrissey, Assistant Director and Mr. Richard Thomas, Rehabilitation Administrator will testify on my behalf. Thank you for allowing my staff to appear before your committee today, and testify in support of HB 3029.

In support of House Bill 3029 I have asked my staff to share the following information with you.

1. Rehabilitation Statistics (7 Month Report)
 - A. Plans and Assessments
 - B. Closure Reports
2. Rehabilitation Case Management Report
3. Rehabilitation Services Procedures
4. Vendor Performance FY 89
5. Vendor Performance FY 90
6. Fiscal Impact Statement

As the reports reflect, there has been a substantial (74% - 78%) increase in the number of plans and assessments that the Rehabilitation Section are required to review and file a report of recommendations.

We are also experiencing an increase (163%) in the number of mediations regarding the rehabilitation assessments and/or plans completed by rehabilitation vendors. The mediation process is

Attachment 1
D.O.
3/1/90

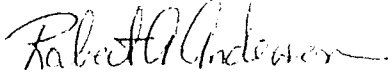
established by statute and mandatory if any of the parties request a mediation by the Rehabilitation Administrator's office.

In addition to the increased caseload, the Division is in the process of adopting a set of standards for the rehabilitation professionals along with a review process to handle any complaints. This process will also increase the workload of the Rehabilitation Administrator's office.

Although the Division of Workers Compensation is not the "sponsors" of HR 3029, I certainly believe an additional Assistant Rehabilitation Administrator is needed to provide administrative, attention, and timely services to injured workers, employers and their insurance carriers.

Once again, thank you for allowing us to testify in support of HR 3029.

Sincerely,



Robert A. Anderson
Workers Compensation Director

RAA/amr

cc: Honorable Arthur Douville
Chairman, House Labor and Industry Committee
Ray D. Stehndel, Secretary, Dept. of Human Resources

Enclosures

DIVISION OF WORKERS COMPENSATION

REHABILITATION STATISTICS

PLANS AND ASSESSMENTS

REHABILITATION CATEGORY	FY 89 7/1/88 - 6/30/89	FY 90 (7 months) 7/1/89 - 1/31/90	FY 90 PROJECTION	PROJECTED % INCREASE
PLANS RECEIVED	583	591	1013	74%
PLANS APPROVED	364	491	844	131%
PLAN AMENDMENTS RECEIVED	104	223	382	267%
AMENDMENTS APPROVED	64	181	310	384%
ASSESSMENTS RECEIVED	892	927	1589	78%
MEDIATIONS	75	115	197	163%
ORDERS/VOC EVALUATIONS	*	200	342	*

* ALL OF FY 89 NOT RECORDED

CLOSURE REPORTS

MEDICAL MANAGEMENT RETURN TO WORK	238	194	333	40%
VOCATIONAL REHABILITATION RETURN TO WORK (PRIVATE)	59	100	171	190%
VOCATIONAL REHABILITATION RETURN TO WORK (PUBLIC)	63	61	105	67%
TOTAL RETURN TO WORK	360	355	609	69%
CASE SETTLED AFTER PLAN APPROVED	**	84	144	**
TOTAL SETTLEMENT CASES REFERRED TO A VENDOR	642	442	758	18%

** DATA NOT KEPT IN FY 89.

REHABILITATION CASE MANAGEMENT
FOR THE PERIOD FROM 07/01/87 TO 02/18/90

	TOTAL		OLD LAW		NEW LAW	
	ACTIVE	INACTIVE	ACTIVE	INACTIVE	ACTIVE	INACTIVE
ADMINISTRATOR 1						
MEDICAL MANAGEMENT	1	48	0	5	1	43
INSURANCE CARRIER STATUS	2	59	0	20	2	34
REHABILITATION CASES	104	238	62	142	42	96
TOTAL CASES	107	345	62	167	45	176
ADMINISTRATOR 2						
MEDICAL MANAGEMENT	219	309	0	19	219	290
INSURANCE CARRIER STATUS	7	122	1	13	6	109
REHABILITATION CASES	297	586	45	287	252	299
TOTAL CASES	523	1,017	46	319	477	698
ADMINISTRATOR 3						
MEDICAL MANAGEMENT	259	392	1	21	258	371
INSURANCE CARRIER STATUS	6	264	0	37	6	227
REHABILITATION CASES	321	706	37	301	284	405
TOTAL CASES	586	1,362	38	359	548	1,003
ADMINISTRATOR 4						
MEDICAL MANAGEMENT	227	327	5	18	222	309
INSURANCE CARRIER STATUS	13	157	1	8	12	149
REHABILITATION CASES	404	638	59	254	345	384
TOTAL CASES	644	1,122	65	280	579	842
ADMINISTRATOR 5						
MEDICAL MANAGEMENT	215	137	0	5	215	132
INSURANCE CARRIER STATUS	2	10	0	2	2	8
REHABILITATION CASES	345	247	19	25	326	222
TOTAL CASES	562	394	19	32	543	362
ADMINISTRATOR 999						
MEDICAL MANAGEMENT	0	0	0	0	0	0
INSURANCE CARRIER STATUS	0	1,529	0	26	0	1,503
REHABILITATION CASES	0	2	0	1	0	1
TOTAL CASES	0	1,531	0	27	0	1,504
TOTALS						
MEDICAL MANAGEMENT	921	1,213	6	58	915	1,145
INSURANCE CARRIER STATUS	30	2,141	2	106	28	2,035
REHABILITATION CASES	1,471	2,417	222	1,010	1,249	1,407
TOTAL CASES	2,422	5,771	230	1,184	2,192	4,587

1-9

**PROCEDURES REGARDING VOCATIONAL REHABILITATION SERVICES
UNDER THE KANSAS WORKERS COMPENSATION ACT**

DEFINITIONS

"**EVALUATION**" as used in K.S.A. 44-510g(e)(1) or "**ASSESSMENT**" as used by rehabilitation professionals, when used in reference to vocational rehabilitation can be used interchangeably and mean the process of appointing a vocational rehabilitation vendor to evaluate, among other things, information on an injured worker's medical restrictions, the worker's education, experience and training, the worker's aptitudes and abilities and the job the worker was doing at the time of the injury, to determine whether the worker is in need of any type of vocational rehabilitation service to return to the worker the ability to perform comparable wage work in the open labor market.

"**APPARENT TO THE DIRECTOR**" as used in K.S.A. 44-510g(e)(1) refers, generally, to those claims in which the worker has not been off work for 90 days and can only qualify for a referral for vocational rehabilitation by reference to a description of the job the worker was performing at the time of the injury, the worker's education, experience, training, aptitudes or abilities and reference to medical information. A claim will be considered "apparent" if the worker has not been off work 90 days but the description of the worker's job and medical information show, at least prima facie, that an evaluation needs to be made.

"**REPORT**" as used in K.S.A. 44-510g(e)(1) and (2) means a written response by a vendor, with supporting medical and vocational documentation, following a referral for evaluation, which details the results of the evaluation, explaining whether the worker needs rehabilitation services and if so what services are needed. If the assessment finds that rehabilitation services are needed, the report includes the proposed rehabilitation plan detailing the services needed, responsibilities of the parties in execution of the plan and the reasons for choosing or eliminating each of the six priority alternatives set out in K.S.A. 44-510g(e)(1).

"**DOCKETED**" or "**IN LITIGATION**" or "**IN THE HEARING PROCESS**" refers to the status of a claim in which one party filed an application for hearing with the Director. Such claims are assigned to the "**DOCKET**" of an administrative law judge to conduct the several types of hearings and until the final award such claims are considered "**IN LITIGATION**" or "**IN THE HEARING PROCESS.**"

"**MEDIATION**" or "**CONFER**" are terms used to describe a process established by K.S.A. 44-510g(e)(2) wherein the statute requires that ". . . If all parties do not agree with the report, the rehabilitation administrator shall confer with . . ." the vendor and the parties. The mediation conference is an informal

proceeding wherein the parties state their objections to an evaluation or plan report and exchange ideas aimed at resolving those differences. No record is made of the comments; however, any agreement by the parties, if appropriate, is made a part of the administrator's recommendations. The prime purpose and objective of the mediation is to effect appropriate rehabilitation without the necessity of litigation. Mediation conferences are held in person or by telephone conference call.

THE PROCEDURE

To determine whether an injured employee is, in general, entitled to vocational rehabilitation services, there is a threshold test found in K.S.A. 44-510g(d). The test has two alternative criteria for entitlement. Either, an injured employee must be ". . . unable to perform work for the same employer with or without accommodation . . ." or be unable to perform work ". . . for which such employee has previous training, education, qualifications or experience . . .". The 1989 legislature amended 44-510g(d) to add the requirement that, for injuries occurring after July 1, 1989, the ability to perform work must be at comparable wages. For injuries occurring before July 1, 1989, the Director ruled in DeBerry v. Foxmeyer, Docket No. 125,475 (August 1989), that these quoted phrases must be read to include the qualifying phrase "and to earn comparable wages." Stated differently, to be entitled to vocational rehabilitation services, an injured employee must show that he (1) does not have the ability to perform work for the same employer with or without accommodation at comparable wages, and (2) does not have previous training, education, qualifications or experience to enable the employee to earn comparable wages at other employment.

To determine whether an injured employee should be referred for an evaluation of the need for vocational rehabilitation services, there is a second threshold test found in K.S.A. 44-510g(e)(1). This test also has two alternative ways of qualifying. The first is "If the employee has remained off work for 90 days . . ." the employee may be referred. The second is ". . . if it is apparent to the Director . . ." the employee may be referred. If one of these criteria are met the employee is entitled to be referred to a vocational rehabilitation vendor, qualified by the Director, for such evaluation.

The statutory phrase "If the employee has remained off work for 90 days . . ." must be read as a part of the overall scheme of the Act. The legislative intent is, clearly, to refer persons for an evaluation if there is doubt as to whether the person will be able to earn comparable wages without some vocational rehabilitation. It does not fit the legislative scheme to make a referral if the facts make it clear that the threshold requirements are not met. It does fit the legislative scheme that there be at

least prima facie evidence that the threshold requirements are met.

The vocational rehabilitation process, for cases that are non-litigated, begins with a referral to a vendor for an evaluation of the need for rehabilitation services. The referral may be voluntarily made by the employer or insurance carrier, may be in response to a request by a party or may be on the Director's own motion. [K.S.A. 44-510g(e)(1)] Generally, the Director will not make a referral on his own motion if there are unusual circumstances.

The method for effecting referral differs depending on whether or not the claim is "in litigation". If the claim is not in litigation and the injured worker believes that he is entitled to an evaluation he should first contact the insurance adjuster handling the claim to determine whether a referral will be made voluntarily. If no referral is made following that request, a request for referral would then be made to the vocational rehabilitation administrator. On receipt of a request for referral from an injured employee, the rehabilitation administrator will contact the employer, if self-insured, or the insurance carrier for the employer, to convey the employee's request and determine if the referral will be made voluntarily to a vendor of the employer's or carrier's choice. On making a referral an employer or insurance carrier files a form R87-1 (Insurance Carrier Status Report) notifying the rehabilitation administrator of the vendor's appointment.

If the referral will not be made voluntarily, the rehabilitation administrator, after obtaining and screening information furnished by the employee and/or employer or carrier, will make a determination as to whether the employee qualifies for a referral, and if so, will appoint a vendor selected on a rotational basis.

The Director, in Perez v. IBP, Docket No. 128,221 (January 27, 1989) and Stafford v. IBP, Docket No. 124,346 (January 26, 1989), ruled that if the employer or carrier do not agree that the employee is entitled to a referral, they have the right to a hearing on the issue. The rulings in Perez and Stafford have been modified by the Director's order in Demint v. Central Fiber Corp. Docket No. 132,623 (October 5, 1989) which holds that in litigated cases either party must request a preliminary hearing to question whether a referral should be made. Perez and Stafford are still the rule with respect to cases not in litigation at the time the referral is made by the rehabilitation administrator. An additional difference from Perez and Stafford is that an assessment will not be held in abeyance by a vendor pending the outcome of a hearing on the referral issue. Demint also reversed one statement made in the 1988 "Rehabilitation Issues" paper published by the Division. The paper stated that there was no entitlement to a hearing on the question of referral for vocational evaluation.

The employer, in order to exercise that right, must file an application for hearing within 10 days of the referral otherwise the appointment of a vendor is final. If the employer does request a hearing, the claim will take on a "litigated" status and will be scheduled with the administrative law judge for the area in which the claim arises. The hearing held in response to the employer's application will be held under the authority of K.S.A. 44-534a and will be treated as a preliminary hearing.

If the employee objects to the referral, the employee must file an application for hearing (Form E-1), application for preliminary hearing (Form E-3), along with a copy of the notice of intent to request preliminary hearing which is required by K.S.A. 44-534a. The notice should specify the requested relief especially if it is different from the rehabilitation administrator's referral. At the same time, claimant should indicate, in the notice letter and in the space provided in the revised preliminary application form, any other preliminary matters to be heard at the same hearing.

If the claim is already in litigation, the request for referral must be filed with the Director by filing an application for preliminary hearing (Form E-3) and a copy of the seven-day notice of intent to file for preliminary hearing.

Any hearing, before the regular hearing, whether invoked by claimant's or respondent's application, falls within the preliminary hearing powers of the administrative law judge and will therefore be considered a preliminary hearing. Any order issued as a result of that hearing will be a preliminary order, not subject to Director's review pursuant to K.S.A. 44-551 nor judicial review pursuant to K.S.A. 44-556.

Until the hearing is held and an order is issued, the referral will not be held in abeyance. Vendors will proceed with the assessment process. Compensation is payable even if entitlement thereto is ". . . solely because of involvement in the rehabilitation evaluation process. . ." [See K.S.A. 44-510g(e)(2)(B)].

After the hearing, the administrative law judge may find that a referral is or is not appropriate. If the administrative law judge finds that a referral is not needed, any vocational rehabilitation expense paid by the employer will be reimbursed by the Workers' Compensation Fund. (See K.S.A. 1989 Supp. 44-534a) The administrative law judge may also, in the same hearing, without further application, make any preliminary order with respect to, among other things, weekly compensation, medical treatment, designated treating physician, medical expenses and any vocational rehabilitation issue including designation of a different vendor, again to be selected on a rotational basis.

If no hearing is requested by either party, and assuming the claimant is not employed, temporary total compensation is to be paid automatically, without the necessity of an order, from the date of the referral until the assessment is complete and the report filed by the administrator. K.S.A. 44-510g(e)(2)(B) provides that compensation will be paid for 70 days during the evaluation and plan formulation process and extended an additional 30 days if the evaluation and/or plan is not completed, provided the failure of completion is outside the control of the employee.

Unless there is evidence that the delay in completion of the evaluation and/or plan is due to the employee, the extension of up to 30 days will be automatic without any action on the part of the Director's office unless the assessment is being conducted pursuant to order of an administrative law judge and that order specifically provides that otherwise.

The timetable for the evaluation process, as set out in K.S.A. 44-510g(e)(2), is for the vendor to conduct an assessment of the practicability of, need for, and kind of service, treatment, training or rehabilitation which is or may be necessary and appropriate to render such employee able to perform work in the open labor market and earn comparable wages. The report on the assessment is to be submitted to the rehabilitation administrator and all other parties by the vendor within 50 days of the referral. The 50 day time limit applies only if temporary total compensation is being paid ". . . solely because of involvement in the rehabilitation evaluation process. . ." [See K.S.A. 44-510g(e)(2)(B)].

Within 20 days after receipt and initial review of the report, the rehabilitation administrator will issue his report and recommendation based on his determination of whether the counselor has documented and provided adequate rationale to determine if the injured worker is in need of services to return to them the ability to work in the open labor market and to earn comparable wages. The evaluation must include a review of current physical restrictions, a review of transferable skills if necessary and must identify specific problems or obstacles the claimant will have in returning to work in the open labor market at a comparable wage.

If it is the counselor's conclusion that rehabilitation is not needed, any party may request that the parties, counselor and rehabilitation administrator confer (mediation conference) to attempt to reconcile the parties' differences. If it is the counselor's conclusion that a vocational plan is needed, the counselor must submit a proposed rehabilitation plan that addresses the specific problems or obstacles identified in the assessment, including steps to overcome those problems and obstacles, identify the priority of the plan and why other priorities have been ruled out, and document the claimant's abilities to perform the selected

vocational objectives, the availability of selected employment, the projected wage and the responsibilities of the parties involved.

After review of the report, whether or not any party has made objection to the report and/or plan, the administrator will issue his review wherein he will make requirements for further explanation or documentation or will approve or disapprove the report and/or plan. If a party has lodged an objection to the report and/or plan, the administrator will confer with the parties (mediation conference) and attempt to resolve their differences.

Following the mediation conference, whether the parties agree with the report and plan or whether they do not, the administrator will issue his recommendation with respect to both or either the evaluation or plan. Any party may request a hearing within 10 days after receipt of the administrator's recommendation on any matter therein.

CHANGE OF VENDOR

A vendor will provide "... objective and impartial assessments of the injured worker's need for rehabilitation services." [K.A.R. 51-24-4(j)]

Because the idea of private vocational rehabilitation vendors is new to the Kansas Act, some claimants, attorneys, employers, insurance adjustors and vendors are unsure of the intended relationship of the private vendor with the parties, the motives of the private vendor or the role of the private vendor in the system. Employers are incurring substantial costs in paying for the vendor's work. Claimants are dependent on the vendor's work for both basic compensation income while unable to work and for the prospect of regaining the ability to earn a wage comparable to the wage earned before injury. Because the timeliness of the vendor's work is the single most important factor in meeting strict statutory time limits and the thoroughness of the vendor's work is the key to the overall effectiveness of the system, constant scrutiny is given the quality and speed of the delivery of service.

When a vendor's reports are not timely, its communications neglected, it uses non-qualified personnel, its objectiveness is justifiably brought into question or it fails to follow Division procedures, it may be appropriate to have the vendor replaced. A vendor should be replaced when appropriate, but only when appropriate. The sole fact that an assessment is not timely does not, in itself, indicate a lack of professionalism on the part of the vendor. Some failures by a vendor to make timely reports, have been due to the inability of the vendor to obtain medical information; particularly medical restrictions on the claimant's physical activities. Without the doctor's opinion as to the physical activity in which a claimant may be engaged, the person making the assessment usually has insufficient information with

which they can make a valid assessment. Conversely, completing an assessment simply by finding that a person has transferable skills and therefore does not need rehabilitation does not, in itself, show professionalism on the part of the vendor. Some vendors display an attitude that they are an agent of or owe some allegiance to the employer or insurance carrier that appointed them. Activity that embodies this attitude may be cause for replacing a vendor. The costs to both the employer and the employee in money and time for the duplication of vendor effort requires the taking of care in deciding to replace a vendor. When a vendor is to be replaced, the Division will follow certain procedures.

Only the Director, an administrative law judge or the Rehabilitation Administrator may effect the replacement of a vendor. This includes vendors voluntarily appointed by the employer or insurance carrier.

If a claim is in a non-litigated status, a replacement of a vendor will be accomplished by the rehabilitation administrator. A request for replacement of a vendor must be made to the administrator, in writing, setting forth the reasons that the change is requested. If replacement of a vendor has been requested or is being considered by the administrator on the administrator's own volition, the currently appointed vendor and the parties will be notified that replacement is being considered and the reasons giving rise to the consideration. The vendor will be given 10 days to respond to the reasons given. At the end of the 10 days, or earlier if the current vendor acquiesces, the administrator will either continue the appointment of the current vendor or notify the current vendor, the new vendor and all parties of the appointment of the new vendor. If a party objects to the change of vendors, redress will be by applying for preliminary hearing following the procedure outlined above for requesting a hearing to lodge objection to a referral. The vendor of record will continue services until an order is entered appointing a new vendor.

If a claim is in a litigated status, the consideration will be similar as in a non-litigated claim but will be accomplished by the administrative law judge. If on the judge's own motion, the judge will notify the vendor and parties of his intent to order a change of vendors and give the parties 10 days to request a hearing. If a party wishes a hearing, the preliminary hearing application procedure must be followed. If the change is requested by a party it must be requested following the preliminary application procedure and the change ordered or not ordered following the preliminary hearing.

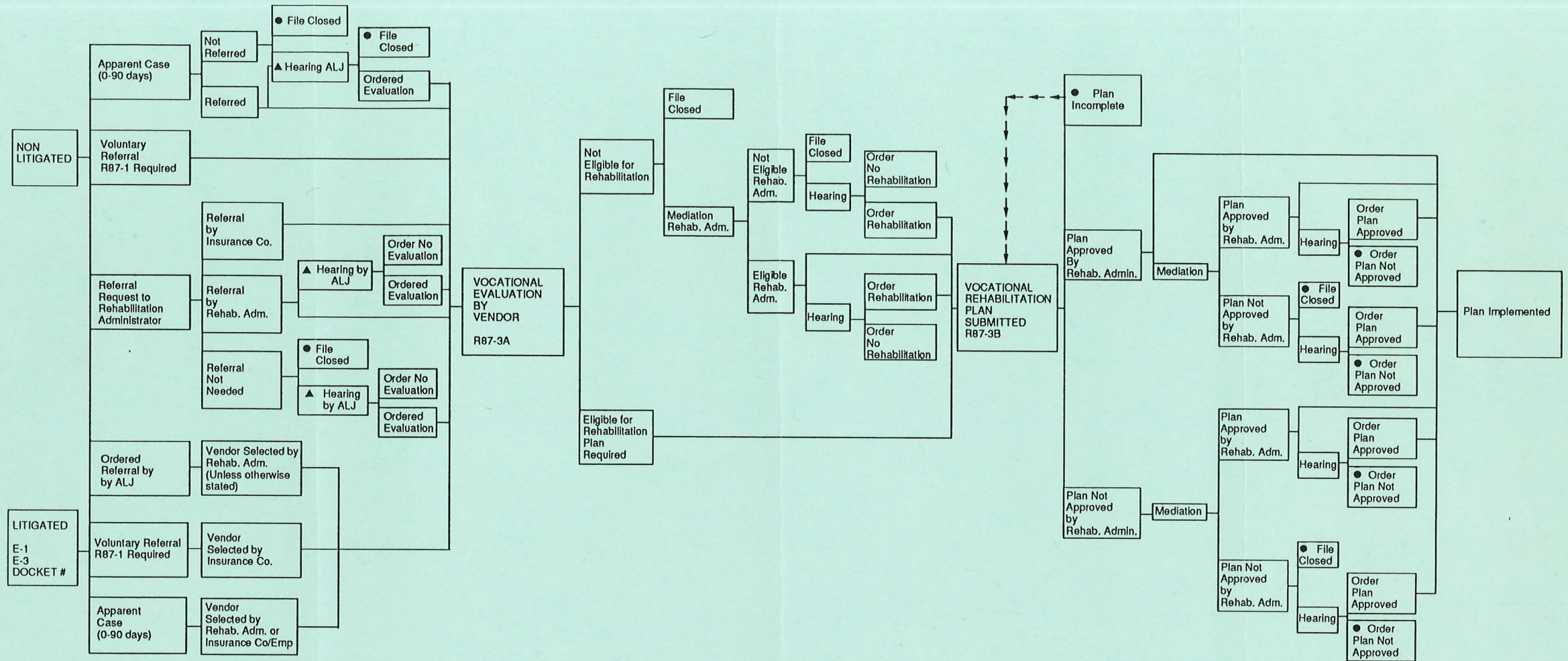
The following are examples of situations which might give rise to replacement of a vendor:

- 1). Claimant has met maximum medical improvement but the vendor has not completed the assessment within the statutory time and there is reliable information that the vendor has not exercised due diligence in attempting to obtain the information necessary to complete the assessment or the vendor has the information but has not completed the report.
- 2). Vendor fails to respond to a written request from the administrator to clarify or complete the assessment and/or the plan.
- 3). Vendor employs or contracts with a non-qualified person to provide counseling, evaluation or job placement services to a person referred under the Act.
- 4). Vendor fails or refuses to provide copies of information, medical reports or vocational reports to all parties.
- 5). Vendor shows lack of impartiality by its action of carrying on claims adjusting activity such as conveying settlement offers or advising settlement, attempting to obtain a disability rating from a physician or stopping activity on a file pending settlement negotiations at the request of a party or its attorney.
- 6). Vendor changes recommendations at a party's request without justification based on evidence and sound rehabilitation principles.
- 7). Vendor requests that they be replaced on a case.

A current list of Qualified Vocational Rehabilitation Vendors is available from the Director's office.

KANSAS WORKERS COMPENSATION REHABILITATION PROCESS

1-6



▲ Case Litigated at this point

● Case may return to a previous level

DIVISION OF WORKERS COMPENSATION

REHABILITATION STATISTICS

PLANS AND ASSESSMENTS

REHABILITATION CATEGORY	FY 89 7/1/88 - 6/30/89	FY 90 (6 months) 7/1/89 - 12/31/89	FY 90 PROJECTION	PROJECTED % INCREASE
PLANS RECEIVED	583	482	964	65%
PLANS APPROVED	364	366	732	101%
PLAN AMENDMENTS RECEIVED	104	177	354	240%
AMENDMENTS APPROVED	64	129	258	303%
ASSESSMENTS RECEIVED	892	776	1552	74%
MEDIATIONS	75	90	180	140%
ORDERS/VOC EVALUATIONS	*	173	346	*

* ALL OF FY 89 NOT RECORDED

CLOSURE REPORTS

MEDICAL MANAGEMENT RETURN TO WORK	238	157	314	32%
VOCATIONAL REHABILITATION RETURN TO WORK (PRIVATE)	59	80	160	171%
VOCATIONAL REHABILITATION RETURN TO WORK (PUBLIC)	63	10	20	-32%
TOTAL RETURN TO WORK	360	247	494	37%
CASE CLOSED SETTLEMENT	642	329	658	2%
CASE SETTLED AFTER PLAN APPROVED	**	60	120	**

** STAT NOT KEPT IN FY 89.

VENDOR PERFORMANCE FY 89

<u>VENDOR</u>	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>V</u>	<u>VI</u>	<u>VII</u>	<u>VIII</u>
American International Health	5	3	0	0	0	1	0	5
Anderson Voc. Rehab. Services	4	2	0	0	0	0	0	0
Assoc. Rehab. Consultants	38	34	30	5	3	1	6	21
Centennial Rehab. Assoc. Inc.	34	14	15	2	1	12	2	63
Cerebral Palsy Research	7	8	1	0	1	0	0	0
Conservco	113	71	47	9	3	77	8	386
Crawford Health & Rehabilitation	56	29	19	4	1	5	1	56
Fortis Corporation	35	16	3	2	0	3	1	24
GRS Rehabilitation Services	0	0	0	0	0	0	0	1
Intracorp/IRA	126	78	56	7	3	44	9	344
Jewish Vocational Service	9	15	10	3	1	1	1	15
Kansas Comprehensive Rehab	2	2	2	0	0	0	0	3
Ks Rehab & Clinical Consultants	126	91	64	27	14	8	10	36
Kansas Rehabilitation Services	3	7	4	3	4	0	63	317
Lange & Associates	4	7	2	0	0	0	0	0
McClellan & Associates	1	3	1	1	1	0	0	0
Menninger Return to Work Ctr.	14	10	5	4	3	0	1	11
Midwest Pain Management Center	1	1	1	3	3	0	0	5
Prof Rehab Consultants Inc.	73	51	25	5	2	52	5	196
Professional Rehab Management	143	63	46	6	5	13	4	120
Progressive Evaluation & Rehab	19	11	3	2	1	8	2	37
Rehabilitation Institute	7	7	5	0	0	0	1	4
Rehabilitation Management	26	30	20	13	10	8	4	47
The Principal Financial Group	0	2	2	0	0	0	0	5
Upjohn Health Programs	14	7	1	0	0	0	0	3
Wesley Medical Center	11	12	9	2	1	1	1	10
WX Work Capacities, Inc.	1	0	0	0	0	0	0	5
TOTALS	<u>872</u>	<u>574</u>	<u>371</u>	<u>98</u>	<u>57</u>	<u>234</u>	<u>119</u>	<u>1,397</u>

I = Assessment Received; II = Vocational Plan Received; III = Plan Approved; IV = Amendment Received; V = Amendment Approved; VI = Medical Management Return to Work; VII = Rehabilitation Return to Work; VIII = Total Closures

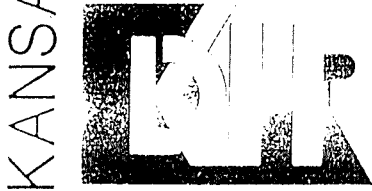
6-1

VENDOR PERFORMANCE FY 90 (6 MONTH REPORT)

<u>VENDOR</u>	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>V</u>	<u>VI</u>	<u>VII</u>	<u>VIII</u>
American International Health	7	8	8	2	2	2	0	8
Anderson Voc. Rehab. Services	9	7	6	6	4	0	0	3
Assoc. Rehab. Consultants	43	31	27	20	18	2	7	31
Centennial Rehab. Assoc. Inc.	43	20	12	3	2	9	2	67
Cerebral Palsy Research	9	2	2	1	2	0	2	4
Conservco	105	65	53	18	15	56	6	193
Crawford Health & Rehabilitation	43	19	16	11	5	4	5	39
Eischen Rehab. Services	8	3	3	0	0	0	0	2
Fortis Corporation	28	30	26	1	0	16	4	82
GRS Rehabilitation Services	11	4	4	0	0	0	0	6
Intracorp/IRA	85	74	65	24	17	23	7	135
Kansas Comprehensive Rehab	9	7	4	5	3	0	2	7
Ks Rehab & Clinical Consultants	110	71	58	24	20	6	20	108
Kansas Rehabilitation Services	0	0	2	1	4	0	10	16
Lange & Associates	2	1	1	3	2	5	0	20
McClellan & Associates	3	1	1	0	0	0	0	1
Menninger Return to Work Ctr-Topeka	26	10	7	2	1	1	2	9
Menninger Return to Work - KC	0	1	1	0	0	0	0	1
Midwest Pain Management Center	1	2	0	1	1	0	1	1
Resource Management, Inc.	54	29	22	14	6	15	4	105
Professional Rehab Management	124	64	50	6	14	10	4	111
Rehabilitation Management	19	13	14	11	10	2	5	28
Upjohn Health Programs	8	10	8	5	4	1	0	5
Wesley Medical Center	12	7	9	3	3	0	2	6
TOTALS	759	479	390	175	130	152	83	987

I = Assessment Received; II = Vocational Plan Received; III = Plan Approved; IV = Amendment Received; V = Amendment Approved; VI = Medical Management Return to Work; VII = Rehabilitation Return to Work; VIII = Total Closures

KANSAS DEPARTMENT OF HUMAN RESOURCE



OFFICE OF THE SECRETARY

401 S.W. Topeka Boulevard, Topeka, Kansas 66603-3182
913-296-7474

Mike Hayden, Governor

Ray D. Siehndel, Secretary

February 23, 1990

Mr. Michael O'Keefe, Director
Division of the Budget
Department of Administration
State Capitol Bldg., Room 152-E
Topeka, KS 66612-1575

Re: House Bill 3029

Dear Mr. O'Keefe:

This letter is in response to your request for assistance in preparing a fiscal note on House Bill 3029.

The proposed legislation, HB 3029, is an amendment to an existing statute [K.S.A. 1989 Supp. 44-510g] to add an additional assistant rehabilitation administrator to the staff of the Division of Workers Compensation. The statute now provides that there shall be four assistant rehabilitation administrators.

The increased caseload in the rehabilitation division has caused the need for an additional assistant rehabilitation administrator to enable the rehabilitation division to meet the statutory mandated time frames for review and assessment of plans as well as other duties.

The fiscal impact of employment of an additional assistant rehabilitation administrator and clerical support would be as follows:

Salaries and fringe benefits for one Range 25C	\$34,960
Salaries and fringe benefits for one Range 13	19,740
Telephone and Postage	1,200
Supplies	200
Maintenance and Repair	200
Travel and Subsistence	1,200
Furniture and Equipment	11,124
Allocated Overhead (DHR)	<u>4,750</u>
TOTAL	<u>\$73,374</u>

Mr. Michael O'Keefe

Page 2

February 23, 1990

The long-range fiscal effect of the additional assistant rehabilitation administrator would be the increase in the budget for salaries for the additional employees.

Thank you for allowing me to explain that the effect the proposed legislation, HB 3029, will have on the operation of the Division of Workers Compensation and the Department of Human Resources.

Sincerely,

Ray D. Siehndel
Secretary of Human Resources

RDS:DAS:mr

pc: Robert A. Anderson, Workers Compensation Director

TRANSMITTAL MEMORANDUM

Kansas Legislative Research Department

Room 545-N - Statehouse
Topeka, Kansas 66612-1586
(913) 296-3181

February 27, 1990

To: Subcommittee on Department of Administration
House Committee on Governmental Organization

From: Julian Efird, Principal Analyst

Re: Statewide Communication and Data Processing Expenditures -- FY 1989
State General Fund Costs

Attached is a listing compiled from data provided by the Division of Accounts and Reports for FY 1989 actual State General Fund expenditures of almost \$41.7 million by object codes associated with communications and data processing. Not included in the listing of expenditures are costs paid by nongeneral fund financing.

State General Fund expenditures were almost \$16.7 million for postage and telecommunications in FY 1989. State General Fund expenditures were almost \$25.0 million in FY 1989 for data processing related contractual services, commodities, and capital outlay. No compilation of data processing related personnel costs were gathered since an object code search would not account for only those positions' costs.

gomem.je/sls

Attachments 2
N.O.
3/1/90

FY 1989 STATEWIDE TOTALS
STATE GENERAL FUND FINANCING ONLY

Communications Expenditures

Postage	
Regular Postal Charges-201	\$2,837,066
Intergovernmental Postage-206	<u>2,573,951</u>
Total Postage	\$5,411,017
Telecommunications	
Local Service-202	\$654,141
Commercial Long Distance-203	131,066
Other Commercial Service-204	491,101
Intergovernmental Local Service-205	3,952,957
Intergovernmental Long Distance Service-207	4,616,234
Other Intergovernmental Service-208	1,267,020
Other Communications-209	<u>135,141</u>
Total Telecommunications	\$11,247,661
<hr/>	
Total Communications Expenditures	\$16,658,677

Data Processing Expenditures

Rents	
Computer Systems	\$32,901
Information Systems	80,706
Software	<u>72,110</u>
Total Rents	\$185,718
Repair	
Computer Systems	\$251,361
Information Systems	667,066
Software	<u>77,252</u>
Total Repair	\$995,678
DISC Fees	\$15,167,101
Computer Parts	\$89,131
Computer Supplies	\$985,952
Capital Outlay	
Microcomputers	\$3,802,816
Computer Systems Equipment	2,027,391
Information Processing Equipment	767,774
Software	798,461
Data Communications Equipment	96,671
Other DP Equipment & Software	<u>77,369</u>
Total Capital Outlay	\$7,570,481
<hr/>	
Total Data Processing Expenditures	\$24,994,061
TOTAL EXPENDITURES	\$41,652,738

Source: Division of Accounts and Reports

Kansas Legislative Research Dept.

March 27, 1989

HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION

SUBCOMMITTEE REPORT

Sunset Review: Department of Revenue and Office of Secretary of Revenue

The Kansas Sunset Law provides for the abolition of the Office of Secretary and the Department of Revenue on July 1, 1989, unless continued in existence by an act of the Legislature. S.B. 71 would continue both entities in existence for eight years. If the bill does not pass during the 1989 Session to continue these entities, both would enter a statutorily authorized one-year phaseout period before ceasing to exist on June 30, 1990.

1983 Sunset Review

The Department of Revenue was scheduled for its first sunset review when the Sunset Law was reestablished by the 1981 Legislature. The Department and Office of Secretary were scheduled for abolition on July 1, 1983. The first sunset review took place during the 1983 Legislature.

Several recommendations which were made during the 1983 sunset review either were enacted through legislation or were implemented by the agency with financing approved by the Legislature: elimination by S.B. 309 of licensing vehicle salesmen (licensure was reestablished in S.B. 618 by the 1984 Legislature); endorsement of the Vehicle Information Processing System (VIPS) with funding provided in H.B. 2086; establishment in 1985 S.B. 340 (first introduced as 1983 H.B. 2562) of three classified attorney positions; and recommendation of three additional positions for the Internal Audit unit with funding provided in H.B. 2086.

The 1983 Legislature enacted S.B. 43 which reestablished the Department of Revenue until July 1, 1987, at which time the agency was subject of another sunset review. The four year extension, rather than an eight year maximum extension allowed by the Sunset Law, was recommended because of several legislative concerns about the collection of taxes and monies owed to the state. Many of the proposed solutions to problems identified by a performance audit report concerning the tax collection system were supposed to be solved with implementation of Kansas Business Integrated Tax System (K-BITS), a proposed computer software program to be jointly development by the Department's technical staff and various paid consultants from national accounting firms.

1987 Sunset Review

The 1987 Legislature enacted H.B. 2060 which extended the Department of Revenue for two years. The House Committee on Governmental Organization concluded that there were ongoing and unresolved issues and concerns relating to data processing and the collection of taxes. Therefore, only a two-year extension was recommended.

Attachment 3
H.O.
3/1/90

The House Committee felt that additional legislative oversight and review was necessary in light of several developments, including Post Audit recommendations relative to K-BITS which had not met its developmental or implementation schedule; a proposed departmental reorganization to establish a new Division of Collections; and implementation of several other new computer systems--the Vehicle Information Processing System (VIPS) for titling, registering and licensing of motor vehicles and the Computer Assisted Mass Appraisal (CAMA) project for statewide reappraisal.

The Secretary of Revenue using statutory authority reorganized the Department in Fall 1987 and established a Division of Collections. The Governor's FY 1989 budget recommendations included funding for the new division in the Governor's Budget Report and the 1988 Legislature concurred with funding a Division of Collections.

1989 Sunset Review

The Subcommittee has reviewed S.B. 273 which unclassifies two positions within the Department of Revenue and also establishes the Division of Collections as a statutory entity headed by the Director of Collections. Currently, the Division of Collections is headed by a classified Director of Administrative Services. A second classified position, also titled the Director of Administrative Services, headed the Division of Operations. The current Secretary has redesignated that organizational entity as the Office of Operations since it was not statutorily established and that classified Director of Administrative Services now coordinates the Office under the supervision of the Special Assistant to the Secretary. The classified Manager of Revenue Analysis heads the Planning and Research Bureau. S.B. 273 establishes two unclassified positions, the Director of Collections and the Manager of Planning and Research.

Subcommittee discussion centered on how to facilitate review of the Department's Property Valuation Division (PVD) and Alcoholic Beverage Control (ABC) Division and on how to deal with this problem when other cabinet agencies with many divisions are reviewed since time did not permit focusing on all areas of the Department. The Subcommittee focused primarily on data processing applications during its current review and did not have time to address the other concerns raised in the 1987 sunset report which had suggested future reviews of ABC and PVD. The Subcommittee addresses these concerns in its recommendations.

In 1988, two audits were requested, one dealing with Department of Revenue's computer operations and another with collection of taxes. The first audit examined two of the Department's major computer applications, the Computer Assisted Mass Appraisal System (CAMA) and the Vehicle Information Processing System (VIPS). The second audit examined the Department's delinquent tax collection process and whether recent changes within the agency, primarily the establishment of the new Division of Collections, would be sufficient to address its tax collection problems.

The Subcommittee has reviewed both Post Audit reports and believes that the Department under the current Secretary has made considerable progress in addressing its data processing and tax collections problems. The agency reported on its progress in developing the Business Tax Information Management System (BTIMS) computer software for handling sales tax, with implementation scheduled for June 1990. It was noted that work on the Kansas Business Integrated Tax System (K-BITS) computer software had been halted and that emphasis had shifted to implementing one tax instead of all business taxes. The agency also reported on the Automated Collections System (ACS) which is recommended by the Governor's Budget Report for acquisition in FY 1990. The Subcommittee notes that a procurement negotiating committee has been appointed and that the process is under way to acquire the ACS computer software and hardware by the end of next fiscal year to assist the Division of Collections.

Possible inclusion of an accounts receivable capability into ACS led the Subcommittee to review the Department of Administration's plans to implement the Kansas Financial Information System (KFIS) which also includes an accounts receivable capability. The Subcommittee was interested to determine how the Department of Revenue's plans were reviewed and considered by the Department of Administration, particularly since KSA 75-4705(d) gives DISC statutory responsibility to "...determine all data processing programs, contract services and new data processing positions needed by any division, department or agency of the state." The Subcommittee's interest was conditioned by the failure of K-BITS and information from Post Audit that at least two of the K-BITS contractors had failed to fulfill their contracts but were paid for unsatisfactory work. The DISC responsibility under KSA 75-4705(d) also includes "audits (which) shall be conducted annually covering data processing applications, systems developments and information processing facilities."

The Subcommittee is concerned that the Department of Revenue failed to submit its FY 1990 Information Technology (IT) Plan to the Division of Information Systems and Communications (DISC). The annually updated agency plan was due last fall. To date, the agency has not submitted the document. The Subcommittee toured DISC and reviewed its operations and interaction with the user agencies such as the Department of Revenue. The DISC Director indicated that the Secretary of Revenue had submitted a list of 38 high priority projects with supporting data and that the list would serve as the Department's IT Plan until the remainder of their planning document is assembled.

In this context, the Subcommittee notes that DISC was subjected to a 1984 sunset review but that the Department of Administration and all its other divisions were not and are not subject to review under the Sunset Law. DISC was removed from sunset review when it was reorganized in 1984. The Subcommittee discussed placing the Department of Administration and its divisions under the Sunset Law since all of the other cabinet agencies have been reviewed at least once pursuant to the Sunset Law and all cabinet agencies except the Department of Administration are scheduled for additional sunset reviews over the next eight years.

The Subcommittee feels that legislative oversight during the sunset review process helps both legislators and agency personnel better serve the public by the interchange of ideas and information. The Subcommittee appreciated the cordial reception it was afforded by the Secretary of Administration and the Director of DISC during its brief visit of the state's central telecommunications and computer center. However, since DISC was not the focus of the Subcommittee's sunset review during this current cycle, many questions about the DISC operation were not discussed.

The Subcommittee became aware during this sunset review of the Department of Revenue that for large cabinet agencies, much of the agency's operation cannot be examined during an annual review. The Subcommittee appreciates the work of the House Appropriations and Senate Ways and Means subcommittees which annually review the various agency budgets, including the data processing and telecommunications budgets. However, the Subcommittee believes that in-depth study of the state's computers and telecommunications technology should be undertaken in a variety of forums to assure more thorough legislative oversight of both existing and proposed new governmental information storage, transmission and processing technologies which appear to be quite expensive.

To that end, the Subcommittee offers a number of recommendations about the Department of Revenue and about the more general concerns involving sunset review and the state's use of computers, telecommunications and information technologies.

House Subcommittee Recommendations

As part of the its sunset review of the Department of Revenue, the Subcommittee examined data processing and tax collections. It did not have time to review ABC and PVD in this sunset cycle, but does not feel that any particular problems in these areas should require a short-term extension of the agency's abolition date to ensure review. Therefore, the Subcommittee makes the following recommendations:

1. Reestablish the Office of Secretary and Department of Revenue for six years, with sunset scheduled for July 1, 1995. For the Department of Revenue to provide the Legislature with followup reports in several areas:

- a. Division of Collections, 1990; 1991.
- b. Division of Property Valuation, 1991.
- c. Division of Alcoholic Beverage Control, 1990.
- d. Business Tax Information System (BTIMS), 1990; 1991.
- e. Automated Collections System (ACS), 1990; 1991.

In regard to the Subcommittee's review of data processing at the Department of Revenue, the Subcommittee surveyed DISC and feels that additional legislative oversight is needed regarding the state's use of computers, telecommunications and information technologies. Recommendations of a more general nature are offered by the Subcommittee. The rationale for these additional recommendations is found in the previous text of this report.

2. Introduce a bill to place the Department of Administration under provisions of the Kansas Sunset Act.

3. Introduce a bill to establish a new Joint Committee on Governmental Technology to monitor the state's computers, telecommunications, and information technologies.

4. Submit to the Legislative Coordinating Council a request for a Special Interim Committee to be appointed for the purpose of reviewing the Division of Information Systems and Communications during the 1989 Interim.

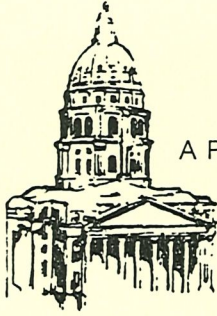
House Committee Recommendation

The Committee concurs with the Subcommittee recommendations with the following actions:

1. Introduce a bill placing the Department of Administration under the Sunset Law, with an abolition date of July 1, 1990.

2. Introduce a bill to establish a five member Joint Committee on Governmental Technology.

3. Have the Chairman write a letter to the LCC requesting an 1989 Interim study of DISC and for this Committee to begin its review of the Department of Administration during the 1990 legislative session.



Taylor & Associates

A POLITICAL/ASSOCIATION MANAGEMENT COMPANY
933 KANSAS AVENUE
TOPEKA, KANSAS 66612
(913) 354-9900

HOUSE GOVERNMENTAL ORGANIZATION COMMITTEE
TESTIMONY IN SUPPORT OF HB 2559

March 1, 1990

presented by Elizabeth E. Taylor, Governmental Consultant
Wang Laboratories

Thank you, Mr. Chairman and members of the committee for allowing Wang Laboratories the opportunity to voice our strong support for the provisions of HB 2559.

Wang Laboratories has computer systems installed in each of the 50 state governments and in Kansas has systems in the Governor's office, SRS disability determination, the Department of Administration, Lt. Governor's office, Appellate Court System and the Department of Education.

Wang Laboratories has contended, through the individual state agencies, through the current and past administration and to the Legislature that the procurement procedures and the acquisition and use of equipment must be restructured or at least reviewed in great length in order for the state, and thus the people of Kansas, to receive the greatest technology for the tax payers' money.

During the 1989 Legislative Interim Study on Computer Oversight before the Joint Ways and Means/Appropriations Committee, Wang and other computer vendors presented vast amounts of information concerning the seemingly closed procurement procedure for computerization. We also presented information from other states on means of evaluating bids which move beyond a simple "lowest cost" determinant.

The language in HB 2559 seems to provide the unbiased mechanism for reviewing the rapidly changing technological needs of the state. We support the provisions of the bill and feel its time is long overdue.

For additional information on Wang procurement history in Kansas, contact Elizabeth E. Taylor, 913-354-9900 or Gregg C. Yowell, Wang state of Kansas Account Manager, 913-233-9443.

Attachment 4
G.O.
3/1/90

HEIN AND EBERT, CHTD.

ATTORNEYS AT LAW

5845 S.W. 29th, Topeka, Kansas 66614

913/273-1441

Ronald R. Hein
William F. Ebert

HOUSE GOVERNMENTAL ORGANIZATION COMMITTEE
TESTIMONY RE: HB 2559

PRESENTED BY RONALD R. HEIN ON BEHALF OF
UNISYS CORPORATION
March 1, 1990

Mr. Chairman, members of the committee:

My name is Ron Hein, and I am legislative counsel for the Unisys Corporation. Unisys does business with all fifty state governments, with the federal government, and with numerous Fortune 500 companies.

Unisys generally supports HB 2559. A comment was made yesterday about how controversial the "computer issues" have been over the last few years. Unisys believes that computer issues are relatively easy to resolve once there is a base-line knowledge about computers.

This does not mean that legislators need to know how to repair a computer board or to program a computer. But the legislators need to know what computers can and can't do.

For instance, I don't know how to repair a car, and I don't know a lot of technical information about cars. But I understand miles per gallon, acceleration speed, and resale value. Likewise, with computers, it is important for the policymakers to understand basic terminology so that they can ask questions and make effective and financially sound decisions.

A joint committee such as provided for in this bill would be able to spend enough time to learn the basics. We believe that the legislators on this committee will no longer feel overwhelmed by the mystery of computers and will instead learn to manage the tool in an efficient, cost-effective way.

Unisys believes that the State of Kansas, the tax paying public, and the public who can be served by effectively managed computer applications will all be the winners.

Thank you for permitting us to testify today, and I would be happy to yield for any questions.

0074w

Attachment 5
U.O.
3/1/90

HOUSE BILL No. 2877

By Representative D. Miller

2-7

Attachment 6
3/1/90

9 AN ACT concerning acquisition of data processing equipment and governmental technology; imposing certain require-
 10 programs by state agencies; requiring submission of budget es- ments upon
 11 timates and other information to the legislative budget committee; establishing the joint committee on governmental
 12 amending K.S.A. 75-4705, 75-4706 and 75-4707 and repealing the technology
 13 existing sections. joint

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

15 New Section 1. (a) On and after the effective date of this act,
 16 prior to any acquisition of any data processing equipment or programs
 17 by a state agency, the state agency shall present each such proposed
 18 acquisition to the legislative budget committee, as a condition pre- joint committee on governmental technology
 19 cedent to such acquisition. No state agency shall enter into any con-
 20 tract or other commitment of moneys for the acquisition of any data
 21 processing equipment or programs for that state agency or any other
 22 state agency until the expiration of 30 days after such acquisition
 23 has been presented to the legislative budget committee under this
 24 section.

25
 26 (b) Any contract entered into on or after the effective date of
 27 this act by any state agency for acquisition of any data processing
 28 equipment or programs without such acquisition first being presented
 29 to the legislative budget committee in accordance with this section
 30 and any such contract which is entered into after such presentation
 31 but prior to the expiration of the thirty-day period prescribed by
 32 this section are hereby declared to be and are void.

33 (c) ~~As used in this section and section 2, "acquisition" includes~~
 34 ~~any leasing, causing to be leased, purchasing, contracting for, issuing~~
 35 ~~a letter of intent to contract for, or causing to be installed, and "state~~
 36 ~~agency" has the meaning ascribed thereto by K.S.A. 75-3701 and~~
 37 ~~amendments thereto.~~

see subsections (c), (d), (e) and (f), attached

38 New Sec. 2. (a) ~~Whenever a state agency proposes any acqui-~~
 39 ~~sition of any data processing equipment or programs, such state~~
 40 ~~agency shall prepare a data processing acquisition budget estimate~~
 41 ~~to be submitted to the division of the budget in such form as may~~
 42 ~~be required by the director of the budget and this section. Such~~
 43 ~~state agency shall prepare and include as a part of such data proc-~~

(c) Whenever a state agency proposes any acquisition of any data processing equipment or programs, such state agency shall prepare a data processing acquisition budget estimate to be submitted to the division of the budget in such form as may be required by the director of the budget and this subsection. Such state agency shall prepare and include as a part of such data processing acquisition budget estimate a written program statement describing the data processing equipment or programs. Such program statement shall: (1) Include a detailed justification for the data processing equipment or programs including an analysis of the state agency programs, activities and other needs and intended uses for the data processing equipment or programs and an analysis of the alternative means by which such needs and uses could be satisfied; (2) describe the proposed method of the data processing acquisition; and (3) describe the estimated costs of the data processing acquisition and all related costs associated therewith including expenses for salaries and wages, training and capital outlay.

(d) Not later than September 1 of each year, such state agency shall submit to the division of the budget a copy of such data processing budget estimate, and all amendments and revisions thereof, and at the same time such state agency shall submit copies of such data processing budget estimate, and all amendments and revisions thereof, directly to the joint committee on governmental technology and to the legislative research department.

(e) The foregoing provisions of this section do not apply to the acquisition of any data processing equipment or programs by a

state agency if: (1) The estimated costs of the acquisition and all related costs associated therewith do not in the aggregate exceed \$5,000; or (2) the secretary of administration determines that the acquisition is necessary due to the occurrence of an emergency situation and that a delay in making such acquisition due to the thirty-day period prescribed by subsection (a) would be detrimental to the efficient operation of state business.

(f) As used in this section, the term "acquisition" includes any leasing, causing to be leased, purchasing, contracting for, issuing a letter of intent to contract for, or causing to be installed; and the term "state agency" has the meaning ascribed thereto by K.S.A. 75-3701 and amendments thereto.

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1 ~~essing acquisition budget estimate a written program statement de-~~
 2 ~~scribing the data processing equipment or programs. Such program~~
 3 ~~statement shall: (1) Include a detailed justification for the data proc-~~
 4 ~~essing equipment or programs including an analysis of the state~~
 5 ~~agency programs, activities and other needs and intended uses for~~
 6 ~~the data processing equipment or programs and an analysis of the~~
 7 ~~alternative means by which such needs and uses could be satisfied;~~
 8 ~~(2) describe the proposed method of the data processing acquisition;~~
 9 ~~and (3) describe the estimated costs of the data processing acquisition~~
 10 ~~and all related costs associated therewith including expenses for sa-~~
 11 ~~larities and wages, training and capital outlay.~~

12 (b) Not later than July 1 of each year, such state agency shall
 13 submit to the division of the budget a copy of such data processing
 14 budget estimate, and all amendments and revisions thereof, and at
 15 the same time such state agency shall submit copies of such data
 16 processing budget estimate, and all amendments and revisions
 17 thereof, directly to the legislative budget committee and to the
 18 legislative research department.

19 (c) In addition to other duties prescribed by law or by the leg-
 20 islative coordinating council, the legislative budget committee shall
 21 make (1) a continuous study of the acquisition of data processing
 22 equipment and programs and the costs and financing thereof; and
 23 (2) an annual report to the legislature regarding data processing
 24 acquisition budget requests and such special reports to the com-
 25 mittees of the house of representatives and senate as are deemed
 26 appropriate by the legislative budget committee.

see New Secs. 2 and 3, attached.

27 4] Sec. 9. K.S.A. 75-4705 is hereby amended to read as follows:
 28 75-4705. (a) Central processing of data by computer, for all divisions,
 29 departments and agencies of the state shall be performed by the
 30 division of information systems and communications, under the su-
 31 pervision of the secretary of administration. No other division, de-
 32 partment or agency of the state shall perform central processing
 33 computer functions or control or possess any central processing unit
 34 of a computer, except as otherwise provided in this section.

35 (b) With the approval of the secretary of administration *and sub-*
 36 *ject to the provisions of section 1*, any division, department or agency
 37 of the state may possess and operate central processing units of a
 38 computer if the same are adjunct to the central processing computer
 39 unit or units of the division of information systems and
 40 communications.

(c) Data to be centrally processed by the division of information
 systems and communications shall be prepared for such processing
 43 by the division, department or agency of the state requesting the

New Sec. 2. (a) There is hereby established the joint committee on governmental technology which shall be within the legislative branch of state government and which shall be composed of three senators and three members of the house of representatives. Two of the senate members shall be appointed by the president of the senate and one of the senate members shall be appointed by the minority leader of the senate. Two of the representative members shall be appointed by the speaker of the house of representatives and one of the representative members shall be appointed by the minority leader of the house of representatives.

(b) All members of the joint committee on governmental technology shall serve for terms ending on the first day of the regular legislative session in odd-numbered years. The joint committee shall organize annually and elect a chairperson and vice-chairperson. The vice-chairperson shall exercise all of the powers of the chairperson in the absence of the chairperson. If a vacancy occurs in the office of chairperson or vice-chairperson, the joint committee shall fill such vacancy by election from its membership of a successor.

(c) A quorum of the joint committee on governmental technology shall be four. All actions of the joint committee shall be taken by a majority of all of the members of the joint committee.

(d) The joint committee on governmental technology may meet at any time and at any place within the state on the call of the chairperson.

(e) The provisions of the acts contained in article 12 of

chapter 46 of the Kansas Statutes Annotated, and amendments thereto, applicable to special committees shall apply to the joint committee on governmental technology to the extent that the same do not conflict with the specific provisions of this act applicable to the joint committee.

(f) In accordance with K.S.A. 46-1204, and amendments thereto, the legislative coordinating council may provide for such professional services as may be requested by the joint committee on governmental technology.

(g) The joint committee on governmental technology may introduce such legislation as it deems necessary in performing its functions.

New Sec. 3. In addition to other powers and duties authorized or prescribed by law or by the legislative coordinating council, the joint committee on governmental technology shall:

(a) Study the use by state agencies and institutions of computers, telecommunications and information technologies;

(b) Review new governmental information storage, transmission and processing technologies proposed by state agencies and institutions, including budget estimates for implementation of the same, and make recommendations thereon to the ways and means committee of the senate and the committee on appropriations of the house of representatives;

(c) Make a continuous study of the acquisition of data processing equipment and programs and the costs and financing thereof;

(d) Study the progress and results of all newly implemented

governmental information storage, transmission and processing technologies of state agencies and institutions; and

(e) Make an annual report to the legislative coordinating council as provided in K.S.A. 46-1207, and amendments thereto, and such special reports to committees of the house of representatives and senate as are deemed appropriate by the joint committee.

2 same to be processed in accordance with rules and regulations
 3 adopted by the secretary of administration as provided in K.S.A. 75-
 4 4703 and amendments thereto. Programs for processing the data of
 5 any division, department or agency of the state shall be prepared
 6 by such division, department or agency of the state in accordance
 7 with standards prescribed by rules and regulations adopted by the
 8 secretary of administration as provided in K.S.A. 75-4703 and amend-
 9 ments thereto. Notwithstanding the other provisions of this subsec-
 10 tion, the division of information systems and communications shall
 11 prepare data or programs, or provide technical consultation, when
 12 a division, department or agency of the state requests such service
 13 of the division of information systems and communications and the
 14 director of information systems and communications, subject to the
 15 approval of the secretary of administration, agrees thereto.

16 (d) In accordance with the comprehensive plan approved by the
 17 information systems policy board pursuant to K.S.A. 75-4708 and
 18 amendments thereto, the director of information systems and com-
 19 munications, subject to approval by the secretary of administration,
 20 shall determine all data processing programs, contract services and
 21 new data processing positions needed by any division, department
 22 or agency of the state. Subject to approval by the secretary of admin-
 23 istration, the director of information systems and communications
 24 shall establish data processing standards to be used by the divisions,
 25 departments and agencies in the state and shall audit the activities
 26 of these units to assure compliance with the standards as well as
 27 with generally accepted principles of data processing practice. Such
 28 audits shall be conducted annually covering data processing appli-
 29 cations, systems development and information processing facilities.
 30 The director of information systems and communications, under the
 31 supervision of the secretary of administration, shall review the data
 32 processing budget requests submitted by all divisions, departments
 33 and agencies annually and submit recommendations to the division
 34 of the budget as to the technical and management merit of the
 35 requests.

36 (e) ~~This section shall not apply to the universities under
 37 the jurisdiction and control of the state board of regents.~~

(c) This section shall not apply to the
 universities under the jurisdiction and control
 of the state board of regents.

38 5 Sec. 4. K.S.A. 75-4706 is hereby amended to read as follows:
 39 75-4706. (a) No state agency, as defined in K.S.A. 75-3701 and
 40 amendments thereto, shall lease, cause to be leased, purchase, con-
 41 tract for, issue a letter of intent to contract for or cause to be
 42 installed, any data processing equipment, including auxiliary equip-
 43 ment or any data processing programs or systems, without the prior
 44 approval of the secretary of administration or specific legislative au-

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thorization. The director of accounts and reports shall not issue any warrant in payment for any lease or purchase contract for any data processing equipment, programs and systems acquired without such prior approval or authorization. *Each such approval or authorization is subject to the provisions of section 1.*

(b) All specifications for bids for acquisition of the data processing equipment, including auxiliary equipment and data processing programs and systems, shall be prepared by the director of information systems and communications, under the supervision of the secretary of administration. ~~This subsection shall not apply to universities under the jurisdiction and control of the state board of regents or to the Kansas lottery.~~

6] ~~Sec. 5.~~ K.S.A. 75-4707 is hereby amended to read as follows: 75-4707. Notwithstanding the provisions of K.S.A. 75-3738 and 75-3739 and amendments thereto, state agencies using data processing equipment under lease are hereby authorized to enter into contracts with leasing service companies for purchase by the agency of such equipment with nonstate funds furnished by such leasing service companies and transfer of title to such equipment by the agency to such leasing service company for lease back to the agency. Any such contract shall first be approved by the secretary of administration *and is subject to the provisions of section 1.*

7] ~~Sec. 6.~~ K.S.A. 75-4705, 75-4706 and 75-4707 are hereby repealed.

8] ~~Sec. 7.~~ This act shall take effect and be in force from and after its publication in the Kansas register.

The secretary of administration may waive application of the provisions of this subsection to universities under the jurisdiction and control of the state board of regents upon request by the state board for such waiver.

69

HOUSE BILL No. 2833

By Committee on Public Health and Welfare

2-6

Attachment 7
3/1/90

9 AN ACT relating to home health care; personal care attendants;
10 unclassified service of the Kansas civil service act; amending
11 K.S.A. 75-5309a and repealing the existing section.
12

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

14 Section 1. K.S.A. 75-5309a is hereby amended to read as follows:

15 75-5309a. (a) ~~On and after June 18, 1985, all~~ employees of the
16 department of social and rehabilitation services in the coordinator of
17 medical services job class, or any successor job class that may be
18 approved under K.S.A. 75-2938 and amendments thereto and has
19 substantially the same duties and responsibilities, shall be in the
20 unclassified service under the Kansas civil service act.

All

21 (b) ~~All persons appointed to personal care attendant positions~~
22 ~~under the home service programs to provide health maintenance~~
23 ~~tasks and self direction shall be in the unclassified service of the~~
24 ~~Kansas civil service act and all such positions, full time and part~~
25 ~~time equated to full time equivalent positions, shall be in addition~~
26 ~~to any position limitation imposed on the department of social and~~
27 ~~rehabilitation services.~~

(1)

and community based services program

28 (c) ~~Subject to available appropriations, the governor is author-~~
29 ~~ized and directed to approve a salary plan for personal care at-~~
30 ~~tendant under the secretary of social and rehabilitation services.~~
31 ~~Such salary plan for personal care attendant shall be effective and~~
32 ~~shall be subject to modification and approval by the governor and~~
33 ~~to any enactments of the legislature applicable thereto.~~

(2)

34 Sec. 2. K.S.A. 75-5309a is hereby repealed.

35 Sec. 3. This act shall take effect and be in force from and after
36 its publication in the statute book.

(3) As used in this subsection, the term "personal care attendant" means a person appointed to perform attendant care services directed by or on behalf of an individual in need of in-home care, the term "home and community based services program" has the meaning ascribed thereto under K.S.A. 1989 Supp. 39-7,100, and amendments thereto, and the terms "attendant care services" and "individual in need of in-home care" have the meanings respectively ascribed thereto under K.S.A. 1989 Supp. 65-6201, and amendments thereto.