

Approved February 19, 1990  
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by SENATOR AUGUST "GUS" BOGINA at  
Chairperson

8:07 ~~AM~~ <sup>A.M.</sup> on FEBRUARY 9, 1990 in room 123-S of the Capitol.

All members were present except:

Committee staff present:

Research Department: Diane Duffy, Leah Robinson  
Revisor: Norm Furse, Gordon Self  
Committee Staff: Judy Bromich, Administrative Assistant  
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Robert Wunsch, University of Kansas Medical Center  
Elizabeth Taylor, Association of Local Health Departments  
Gene Schmidt, President, Hutchinson Hospital  
James Jepson, Administrator, Hutchinson Clinic  
Darrel McCool, Administrator, Medical Center, P.A., Hutchinson  
Jerry Slaughter, Kansas Medical Society  
Judith Seltzer, Director, Reno County Health Department  
Tom Bell, Hospital Association  
Bill Sherriff, Sherriff & Associates, Overland Park  
Charles Wohl, President, St. Joseph's Hospital, Concordia  
Ted Ayres, Board of Regents  
John Patterson, Comptroller, University of Kansas  
Esther Wolf, Secretary, Department on Aging  
Annice White, Johnson County Area Agency on Aging  
Pam Doyle, Northeast Kansas Area Agency on Aging  
George Goebel, AARP  
Julie Govert Walter, North Central Flint Hills Area Agency on Aging  
Michael Lechner, Department of Human Resources

SB 542 - AN ACT concerning scholarships available to certain students admitted to or enrolled in the university of Kansas school of medicine; amending K.S.A. 76-374 and 76-375 and repealing the existing sections.

Robert Wunsch reviewed Attachment 1. Senator Johnston expressed his belief that the Medical Student Loan program has been a failure.

Elizabeth Taylor, who was ill, had copies of Attachment 2 distributed for the Committee's consideration.

Gene Schmidt reviewed Attachment 3. He indicated that most of the doctors that he fails to recruit locate outside the state of Kansas. He said that SB 542 is, in part, a solution to this problem in that it eliminates the payback and, thus, makes the higher malpractice rates of Kansas more affordable.

James Jepson reviewed Attachment 4. In answer to a request, he stated that he would provide names and locations of physicians who have left the Hutchinson Clinic.

Darrel McCool reviewed Attachment 5.

Charles Wohl appeared in support of SB 542. He noted that current payback restrictions have made recruitment difficult; currently small communities do not have access to physicians with payback requirements. Mr. Wohl stated that changes enacted by the 1986 Legislature will have a favorable impact on

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

SENATE WAYS AND MEANS  
 MINUTES OF THE \_\_\_\_\_ COMMITTEE ON \_\_\_\_\_  
 123-S 8:07 XX FEBRUARY 9 90  
 room \_\_\_\_\_, Statehouse, at \_\_\_\_\_ a.m./p.m. on \_\_\_\_\_, 19\_\_\_\_

small communities, but there is a 3-4 year window before that comes on line. Smaller communities will become less served and will have less access to physicians during this time without the passage of SB 542.

Judith Seltzer reviewed Attachment 7. Senator Parrish asked if the physician devoting 3/4 time to a local health department or non-profit organization {Section 2 (1)} would be employed by the Health Department. Marlin Rein, University of Kansas Medical Center, noted that the 3/4 time was written into the bill to assure that the physician is in compliance with the requirements. He noted that the operator of the clinic would certify that the doctor was giving adequate time to the clinic. Senator Parrish asked if SB 542 would expand the program to serve those with medical cards. Ms. Seltzer noted that legislative changes in the last few years have resulted in more doctors accepting patients with medical cards, and SB 542 should continue that trend.

Bill Sherriff testified before the Committee in support of SB 542. He expressed his belief that passage of SB 542 would assist in retaining medical scholars, encourage those who have left Kansas to return, and improve the level of care by providing additional services that would attract physicians.

Jerry Slaughter appeared before the Committee in support of SB 542. He noted that this bill is a step toward liberalizing the program to retain physicians.

Tom Bell appeared in support of SB 542. He noted that communities such as Hays, Hutchinson, Garden City, Salina and Concordia will become more important in the future health care system. Any legislation that will encourage development of those communities and their outreach programs is important.

Senator Johnston explained his frustration with the Medical Scholarship Program, noting that the promise of providing medical service in underserved areas has never been realized.

The meeting was recessed at 9:00 A.M.

Chairman Bogina reconvened the meeting at 9:32 A.M.

SB 548 - AN ACT authorizing state agency payroll deduction plans; prescribing conditions and procedures therefor.

Ted Ayres reviewed Attachment 8. In answer to a question, he stated that the bill which mandates payroll deductions will not impact SB 548 or the Board of Regents.

John Patterson reviewed Attachment 9. He told the Committee the proposal would not impact the computer load at Kansas University.

SB 567 - AN ACT concerning the Kansas senior care act; relating to funds granted to area agencies on aging; amending K.S.A. 75-5929 and repealing the existing section.

Secretary Wolf appeared before the Committee in opposition to SB 567, and reviewed Attachment 10. In answering questions regarding her opposition to the bill, Sec. Wolf noted that she would like the match to continue on a dollar for dollar basis in order to maintain the 1989 level of services. She explained that with a decrease in state funds, the level of services would decline if the dollar for dollar match was not required. Sec. Wolf acknowledged that SB 567 might result in a reduction of services for agencies unable to afford the dollar for dollar match. Senator Parrish questioned whether the options provided in SB 567 might better afford flexibility in altering the match requirements. In answer to a question, Sec. Wolf stated that 1 of 3 sites would have difficulty meeting the match.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS,  
room 123-S, Statehouse, at 8:07 XX a.m./p.m. on FEBRUARY 9, 1990

Annice White reviewed Attachment 11.

Pam Doyle testified in support of SB 567 and reviewed Attachment 12. In answering a question, Ms. Doyle stated that a grant was provided through Stormont Vail to meet the match. She noted that Stormont Vail would not be able to contribute additional money to meet the dollar for dollar match.

George Goebel reviewed Attachment 13 in support of SB 567. He stated that the state legislative committee has been working on state tax policies, and that information will be available in the next two weeks.

Julie Govert Walter appeared to testify in support of SB 567, and reviewed Attachment 14.

Michael Lechner appeared before the Committee in support of SB 567. He noted that most legislation is written with a percentage match rather than a dollar for dollar match. To him, this indicated a cash match. Mr. Lechner explained that a dollar for dollar match does not allow for any in-kind services through volunteerism to be used as part of the match, which is important for rural, less affluent communities. He felt it would be more fair to have an unspecified match with someone such as the Secretary of Aging designated to set the match.

Senator Winter asked if the intent of the bill was to allow the Secretary to set the match. Ms. White stated that the proponents of the bill would be in favor of retaining the 33 1/3% match or would favor allowing the Secretary to set the match.

The meeting was adjourned at 10:12 A.M.



Testimony before the Senate Ways and Means Committee on SB 542

February 9, 1990

Robert Wunsch  
University of Kansas  
Medical Center

Thank you Mr. Chairman. I am appearing as a conferee on behalf of the University of Kansas Medical Center. The Medical Center is in full support of the passage of Senate Bill 542.

By way of review, the Legislature enacted the Medical Scholarship Program in 1978 in response to legislative concern about the supply and distribution, if you will, of doctors in Kansas. Retention of our own graduate doctors in Kansas was one legislative goal. The other was to increase the number of doctors practicing in underserved areas of our state.

There are two types of scholarships:

- A) TYPE I -- tuition (\$5915 per year) and a stipend of \$500 per month while the student is enrolled.
- B) TYPE II -- tuition (\$5915 per year).

For each year a scholarship recipient practices medicine in a qualifying area in Kansas, he/she avoids the repayment of a year's benefits.

The last major change in this law was in 1986. The compliance criteria were changed to provide that a recipient, who for the first time after January 1, 1986 received benefits, would have as his/her service obligation the establishment of a practice in an incorporated city in Kansas with a population of 12,000 or less. In addition, the specialty requirement became the completion of a residency in primary care. Primary care is defined as family practice, general internal medicine and general pediatrics.

*SWAM*  
*February 9, 1990*  
*Attachment 1*

This bill makes no change in the 1986 amendments. Senate Bill 542 deals only with those who first received benefits prior to January 1, 1986. Basically, SB 542 will affect those who began medical school in 1983. It takes seven years or more after beginning medical school before one is faced with locating in an area that satisfies the service obligation in order to avoid the scholarship repayment. (Four years medical school - three years residency). Repayment constitutes not only paying back the benefits received, but also interest at the rate of 15% per annum from the date of the receipt of each benefit payment. One can easily see that the interest constitutes a considerable portion of the repayment. The period of time to accomplish the repayment for these recipients is five years.

Under our current law, medical students who first received benefits in 1983, 1984 and 1985, will be faced with establishing their practices in a critically underserved area to avoid repayment of a TYPE I scholarship and in an underserved area to avoid a repayment of a TYPE II scholarship. Prior testimony has already illustrated how difficult, if not impossible, it is to recruit a new doctor in many of our Kansas communities because the community is not one that satisfies the service obligation requirements of current law. Additionally you should know that we at KUMC, in the administration of this program, get many calls and letters from doctors and other community leaders, wanting relief from current law. These communities range in size from Hutchinson and Hays to cities of the third class. The reality of life is such that you probably cannot legislate medical relief for the smallest of these communities. You can however, help the larger of these communities. They in turn, can then possibly afford satellite help for their medical trade area which is getting bigger all the time. In this way we can provide medical services for our less populated areas.

The main thrust of Senate Bill 542 is to allow a doctor to establish a qualifying practice anywhere in Kansas except within the counties of Douglas, Johnson, Leavenworth, Sedgwick, Shawnee or Wyandotte. A qualifying practice may be established, even in one of these populated counties, if the county is designated critically underserved or underserved for the practitioner's specialty or whenever there are fewer than three persons engaged in the full-time practice of medicine and surgery in a designated specialty in one of the six counties. It is considered that the minimum number of physicians in a consulting specialty cannot be fewer than three without, in effect, constituting the area being underserved.

Further, the bill would enable physicians to satisfy their service obligations by practicing in a medical center operated in the State of Kansas by the Veterans Administration of the United States.

While the foregoing changes could be perceived to liberalize the ability of scholarship recipients to fulfill their service obligations, there is one change proposed which limits options currently available. Currently, individuals may satisfy their obligations by filling a full-time faculty position at the University of Kansas School of Medicine in primary care -- internal medicine, pediatrics, or family practice. This bill proposes to allow satisfaction of the service obligations only in full-time faculty positions in family medicine.

Further, a repayment obligation can be satisfied under this bill by a doctor devoting at least three-quarter time to a local health department or non-profit organization in this state serving underprivileged or indigent clients.

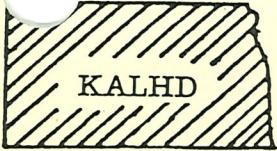
In view of the initial goals of the Legislature in establishing the Medical Scholarship Program, I thought that perhaps you might like to have information available concerning the percentage of scholarship doctors practicing in Kansas compared to the total number of scholarship recipients. Such information is as follows:

<u>Year of Graduation</u>	<u>In Compliance</u>	<u>Out of Compliance</u>	<u>Total in Kansas</u>
1986	67.9%	7.1%	75.0%
1985	66.7%	4.0%	70.7%
1984	52.7%	6.4%	59.1%
1983	53.5%	10.6%	64.1%
1982	56.5%	7.2%	63.7%
1981	48.5%	13.6%	62.1%
1980	44.3%	5.2%	49.5%
1979	45.9%	8.2%	54.1%

We believe the passage of SB 542 will further the legislative goals initially incorporated within the Medical Scholarship Program.

Thank you.





KANSAS ASSOCIATION OF LOCAL HEALTH DEPARTMENTS

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"... Public Health in Action"

February 9, 1990

TO: Senate Ways & Means Committee Members  
Honorable Senator Gus Bogina, Chair

FR: Elizabeth E. Taylor, Executive Director

RE: Support for SB 542

The Kansas Association of Local Health Departments represents 83 local health departments serving 90% of the Kansas population. Thank you for the opportunity to present our support for SB 542, particularly section 2 (b) (2) (1).

Allowing the opportunity for medical graduates to serve the public community through the local health departments will provide a greater level of public health prevention and environmental protection in rural Kansas. Over the past several years, local health departments have become called upon for a growing number of health services to the medically uninsured and the indigent. Because a growing number of Kansans do not share the benefit of insurance nor have the money to pay for regular health care, the type of services requested from the health departments is changing. Although very few rural health departments have the availability to provide "primary care", such services are being requested now more than ever.

Another benefit we see to the provisions of SB 542 can be reflected in the knowledge and professional awareness of public health which will certainly be enhanced when medical graduates participate in the local community.

Health departments provide a wide array of public health preventive and environmental services. These are listed in specific in the "Guidelines to Local Health Department Services" developed by the Association of Local Health Departments and revised in 1989 by the Association and the Kansas Department of Health & Environment. Although most of these are preventive in nature, public health and environmental services appear to be changing.

For these reasons, we strongly encourage the passage of SB 542 and appreciate all of the dedication to public health services given by this Legislature. For additional information on local health departments, feel free to contact me or Beverly Gaines, KALHD President, or contact your local health department.

TESTIMONY OF GENE SCHMIDT BEFORE WAYS AND MEANS COMMITTEE

FEBRUARY 9, 1990

My name is Gene Schmidt. I am President of Hutchinson Hospital, Hutchinson. I have spent my four years at Hutchinson Hospital in a largely futile attempt to recruit the quantity of needed physician specialists to our city. I am here today in the belief that Senate Bill 542 will materially aid in our recruitment effort.

The Hutchinson health care community is pleased that the Kansas Legislature has recognized the need for a medical scholarship program designed to give Kansas communities a competitive advantage when Kansas scholarship recipients are being recruited for positions outside our state. Rural community viability is often closely linked to recruitment and retention of physicians. However, many factors threatening physicians' security are causing those entering practice to reject rural Kansas opportunities.

Because of current application of the Scholarship Program, our community has been stymied time and again. Let me be quick to point out that our frustration is neither at the Legislature nor at the Center for Student Affairs and Educational Development. Rather we are frustrated that physicians with skills greatly needed in communities like Hays, Salina, and Hutchinson cannot fulfill their scholarship obligations since their chosen specialty may not currently be categorized as "critically under served". The economics are such that it is prohibitive to repay the educational assistance in rural Kansas. The demographics are such that physicians, particularly specialty trained, do not go to the smaller, more rural communities where their obligation might currently be fulfilled. The upshot is that time and

SWAM  
February 9, 1990  
Attachment 3

again, the physician either remains in a metropolitan area of Kansas or leaves the State entirely.

A bi-partisan group of Reno County Legislators, the Director of the Reno County Health Department, and representatives of the Hutchinson medical community met with Governor Hayden, Kansas University Vice Chancellor Clawson and Gary Hullet on September 12, 1989. We asked for their assistance in our attempt to attract physicians to communities like ours. We feel that Senate Bill 542 addresses many of the issues we raised in that meeting.

The bill will improve access to health care from the rural, small towns of Kansas by attracting specialists like Obstetricians and Orthopedic Surgeons to the medium sized cities of our State. Without relief like that proposed, those specialists will continue to either stay in the metropolitan cities of Kansas or they will leave the State. Allowing the additional flexibility to fulfill their obligation in cities like Liberal, Garden City, Hays, Salina, and Hutchinson will bring needed specialty care closer to the rural areas of Kansas.

It will also assist in allowing migration to small towns within counties that might be considered adequately served overall. A case in point is the crusade of Representative Jess Harder to secure a physician for Buhler. The rural community of 1,100 is losing its sole physician to retirement.

Physicians with scholarship obligations have passed up the opportunity to practice in Buhler since they simply cannot afford the payback. Without Senate Bill 542, the aging residents of Buhler, the infirm, the patients of the large nursing home, and the surrounding farm families could permanently lose access to primary care.

Senate Bill 542 also allows for paybacks for service anywhere in the State to County Health Departments and other non-profit organizations serving the underprivileged and indigent.

Our Reno County legislative delegation has given bi-partisan support to the measures that have ultimately emerged as Senate Bill 542. Our Hutchinson medical community solidly supports the measure.

To be sure, this may not yet be the panacea, but I feel it will constitute a positive step forward.

I close with my support of Senate Bill 542, ask for your endorsement of the measure and thank you for allowing me to testify. I am available to answer questions.

Thank you very much.

TESTIMONY

By: James Jepson, Administrator  
Hutchinson Clinic, Hutchinson, Kansas

Thank you for this opportunity to testify briefly in support of Senate Bill 542. This is definitely a positive move by the legislature in its effort to keep Kansas physicians with KMS loans in the state following their training. This legislation will allow KMS scholarship recipients to satisfy their payback requirements in areas where there is a genuine need for their services, as opposed to the existing criteria which severely limits their options where they can practice. It will help to remedy one of the two major problems which has caused physicians to leave the state.

I would like to give you an example of the problems in physician recruitment we have been encountering at Hutchinson Clinic and how this legislation will help us. Hutchinson Clinic is a 39-physician multispecialty group practice. Less than three years ago, there were seven full-time obstetrician/gynecologists practicing in Hutchinson. There were three in our group, three in the Medical Center group - the other large group practice in Hutchinson - and one who was practicing as an independent. As of this coming summer, Hutchinson will be down to two full-time obstetrician/gynecologists, both of whom happen to be in my group. Of the other five, one has retired, one is about to retire, and the other three either have left or are about to leave Hutchinson for various other reasons.

The OB-GYN void was largely anticipated, and both groups have been actively recruiting for this specialty. At Hutchinson Clinic we have approached all the 1990 residents in the training programs in Kansas City and Wichita. All of them have KMS loans. We visited with several of these residents who were otherwise interested in coming to Hutchinson, but chose not to because Reno and Rice Counties, KMS OB-GYN Area 10, does not meet the criteria for being critically underserved, and these physicians would have been required to pay back loans ranging anywhere from \$60,000 to \$70,000, plus interest. In other words, we lost any chances we might otherwise have had with these physicians because we could not be market competitive. Senate Bill 542 will at least allow us to be competitive again.

Some of these OB-GYN residents will be leaving the state, thus obligating themselves to repay their loans just as they would have been required to do had they come to Hutchinson. This undoubtedly raises the question: Why are they leaving Kansas? The answer simply stated is the state's continuing malpractice crisis. While I realize the malpractice problem is not the purpose of today's discussion, I mention it because it points to the ongoing need for relief and stabilization through solid tort reform legislation.

The important thing is that Senate Bill 542, if enacted, will make it possible for communities like Hutchinson to be competitive in the marketplace for these KMS loan recipients, where heretofore we have not been. In closing, I am totally supportive of the proposed legislation for the reasons already mentioned, and I urge the Kansas legislators to wholeheartedly endorse it as well. I will be happy to answer any questions you may have. Thank you.

SWAM  
February 9, 1990  
Attachment 4

# THE MEDICAL CENTER

1100 North Main St. / Hutchinson, Kansas 67501 / 316 669-6690

Darrel McCool  
Administrator  
Medical Center, P.A.  
Hutchinson, KS

The State of Kansas, and more specifically, the rural communities of Kansas, are no longer competitive in attracting and retaining Kansas trained physicians. The Medical Scholarship Program, in its present form, no longer serves the medical needs of Kansas. The medical climate has changed dramatically since the inception of the Medical Scholarship Program. The major changes are as follows:

1. The large HMO's have created a tremendous demand for primary care physicians, principally in large metropolitan cities throughout the United States. These large institutions are filling their needs by offering eight hour days, little, if any, "on call" time, and attractive salary and benefit packages for° physicians.
2. The medical malpractice climate in Kansas has created an out-migration of young physicians who can increase their earnings merely by crossing the state line. Older physicians are taking early retirement to reduce exposure to emotional and financial losses resulting from malpractice suits. Many mid-career

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#### FAMILY PRACTICE INDUSTRIAL MEDICINE

Jerome S. Spitzer, M.D.

Elwyn J. Taylor, M.D.

William D. Davis, M.D.

Paul J. Jaster, M.D.

David C. Hanson, M.D. *(S. Hutchinson)*

O. J. Friesen, M.D. *(Buhler)*

Thomas C. Simpson, M.D. *(Sterling)*

Scott E. Sellers, D.O.

Richard Hamaker, P.A. *(Sterling)*

Marcia C. Budge, A.R.N.P., F.N.P.

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#### INTERNAL MEDICINE

Bradley J. Scheel, M.D.

William R. Savage, M.D.

Bobbie Brooks, P.A.C.

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#### GASTROENTEROLOGY

Randle C. Johnson, M.D., F.A.C.P.

---

#### ORTHOPAEDIC SURGERY

SPORTS MEDICINE

John B. Jarrott, M.D.

---

#### SURGERY

Dale E. Gillan, Jr., M.D.

---

#### OBSTETRICS & GYNECOLOGY

Grady N. Coker, Jr., M.D.

Lowell J. Byers, M.D.

---

#### PEDIATRICS

Robert N. Shears, M.D.

David H. Tveito, M.D.

Phillip L. Cherven, M.D.

James Lynn Casey, M.D.

Richard F. Knapp, C.H.A., P.A.-C.

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#### DIABETES/ENDOCRINOLOGY

James Lynn Casey, M.D.

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#### ALLERGY

Richard F. Knapp, C.H.A., P.A.-C.

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#### RADIOLOGY

Stephen C. Mills, M.D.

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#### ADMINISTRATION

Darrel T. McCool, F.A.C.M.G.A.

Barbara A. Wheaton

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*SWAM*

*February 9, 1990  
Attachment 5*

physicians, who see no resolution in the near future, are moving to establish practices in more stable environments.

3. The metropolitan service areas have experienced an economic shift of power and population as a result of the down turn in the agricultural and oil industries, which has enabled them to attract physicians away from rural areas.

4. Rural Hospitals can no longer compete in the DRG-driven reimbursement system. Many small hospitals have closed, many more are facing difficult decisions resulting from losses in operating revenues. Recently trained primary care physicians will not consider a practice which does not have close proximity to a viable, well-staffed and equipped hospital. "Specialists" will not, and cannot consider less than optimal conditions to practice their specialty (due to professional liability risk), and are forced to seek positions outside the state or in larger metropolitan service areas.

The next decade will see even greater sensitivity to these market conditions. Managed care plans will likely flourish, and metropolitan communities will become stronger, both politically and economically. More and more rural hospitals will find it impossible to survive with the budgetary constraints imposed by Medicare and Medicaid. Technology will continue to flourish and

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larger communities will provide a more attractive and secure environment for young physicians just beginning their careers.

Last September, a group of concerned citizens from Reno County met with Governor Hayden, Executive Vice-Chancellor D. Kay Clawson, and Reno County Legislators to discuss this issue. One of our concerns was in the specialty of OB/GYN. The criterion established for Reno County in that specialty was nearly one year old and it listed six physicians in that specialty in Reno and Rice counties. At the time of the meeting, two of the six had already left Kansas. Area 10 (Reno and Rice counties) was still not critically underserved by the mathematical calculations required under the present law. One of the remaining four physicians had announced his retirement for June 1990. Area 10 was still not critically underserved. Just before the meeting with the Governor, we had been advised that one of the three remaining OB/GYN physicians was applying for a fellowship in Gynecological Oncology. However, he had not yet been accepted, so Area 10 could not be re-designated. This past Tuesday, we were informed that he was accepted into the fellowship and will leave July 1.

The two remaining OB/GYN's have declared that they will not take call every other night and will likely give up Obstetrics if no new OB doctor can be recruited. Now we are "critically under-



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served". Now we have a crisis.

All KMS recipients who finish their training in July 1990 have made commitments, most of which are out of state. County residents are now faced with traveling to Wichita for obstetrical care unless something is done soon.

This illustration is provided to demonstrate how quickly the situation can change and how difficult it is to be tied to a mathematical formula that cannot factor in the intangibles.

Senate Bill 542 greatly enhances the ability for many rural Kansas communities to attract Kansas Medical Scholarship recipients. The Kansas Legislature has always been sensitive to the needs of rural Kansas. Swift passage of this bill will provide a much needed enhancement to the program and its beneficiaries.

**TESTIMONY ON:** S.B. 542  
**PRESENTED TO:** SENATE WAYS AND MEANS COMMITTEE  
February 9, 1990

**PRESENTED BY:** Judith A. Seltzer, R.N. B.S.  
Director / Health Officer  
Reno County Health Department

**PRESENTER'S POSITION:** SUPPORTIVE

Senator Bogina and committee members: Thank you for this opportunity to speak to you today in support of this bill.

As Director of the Reno County Health Department, located in Hutchinson, Kansas, I have had the opportunity to participate in developing and directing public health services over the past nine years for our county. I come today to share my concerns regarding current restrictions in the Medical Student Loan program, and reasons why I am urging you to support S.B. 542.

I also come on behalf of the Reno County Commissioners, and our Reno County Health Department Advisory Board, an eleven member board representing: rural and urban citizens, medical providers, and the financially stable and the working poor. The Commission and Board also support this bill.

**Background Information:**

In 1982 our health department began to feel the impact of the declining economy, the rise of health care costs, and the resulting increase of citizens no longer able to access private health care services. Our service load increased from approximately 12,000 units of service in 1981 to over 50,000 units this past year. We serve over 200 clients each working day through our health department for various medical and health services.

*SWAM  
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Attachment 7*

In 1983, we found over fifty women, in a six-month period, who were not receiving any prenatal care. Our infant death rate was above the state average, as was our low birth weight percentages. We were also finding preschool age children who had not seen a physician since birth. Families who lost jobs, or now had only part time work, had lost their health insurance. Preventive care was being delayed or stopped due to the need to place food on the table and maintain their homes.

We met with our local physicians to request help in solving this crisis. Thanks to a Federal Emergency Job Bill grant, and a Maternal Child Health Grant from the state, we were able to develop a prenatal clinic for women who were not eligible for medical cards or unable to purchase other health insurance, and/or who could not pay the fees required to be seen privately. A Well Child Clinic, for infants and small children, was started under a cooperative arrangement between our pediatricians, our local hospital, and the local dentists.

Although the Job bill money soon ran out, a cooperative arrangement was made with our local hospital (Hutchinson Hospital Corporation) and our medical community. A *Maternal and Infant* and a *Maternal Child Health* grant from Kansas Department of Health and Environment was obtained to continue a prenatal and well child project. Our projects serve women, infants and children, rural and urban residents until they find a medical home.

Between 100 to 120 un-duplicated clients are served through the Prenatal project each year. Over 200 to 400 visits are made by these pregnant women each year to receive supplemental nutrition support and education (WIC), prenatal education, and medical care. Low birth weight babies have shown a decline again for the past two years.

Over 100 infants and preschool children each year have been followed through our Well Child Clinics by physicians. Minor illnesses have been detected and treated early. Preventive dental care has been obtained.

*By working together with the medical community, we have made a difference for families and children in our community!*

We were able to do the OB project because we had the support of one local OB-Gyn physician and two family practice physicians who came from a neighboring county to serve our clinics. Local Pediatricians and Dentists have covered the Well Child clinics. The hospital provided lab and x-ray and pharmacy support. Local cooperation between the SRS agency and our staff helped expedite medical cards, for those eligible, as fast as possible.

Our challenge has been to find physicians who would take the clients once they did have a medical card. As long as there was room in physician patient loads, we were usually able to place clients who had medical cards or could prevail on a physician to accept our low grant payments.

In April of 1989, our OB-Gyn Physician Coordinator resigned due to leaving our community. We appealed for help from the remaining four OB-Gyn physicians, one of which is retiring this year. We were unsuccessful in our call for help, as they were not sure how they would cover their own practices in addition to taking on more new clients.

This spring, I called a community meeting of all the medical clinic and hospital administrators, our medical consultants, county and city commissioners and local legislators. We found each of our organizations were trying to find ways to locate OB physicians. We found, unfortunately, our community was not eligible for consideration of graduate Medical students who wished to work off their loans, due to the formula criteria saying our area was not underserved for OB physicians.

As of this very week, our local problem reached another pending crisis level: one more OB physician announced he will be leaving our community in the next few months. This will leave us two OB Physicians to serve a population base of over 65,000. The

clients we serve at the health department do not have transportation to drive to larger towns to seek this care. We will return to women going without care, unless help is received quickly.

**Summary:**

I have utilized our O.B. crisis to focus on medium sized communities vulnerability to physician shortages that needs to be addressed.

I believe S.B. 542 will help open a "*window of opportunity*" for new physicians to consider coming to communities such as ours. We do have a very progressive hospital and medical community where an OB graduate would have access to a level two OB unit. Our network and cooperation of public and private services is ready to work as a team.

Our Health Department, with support staff and equipment, could serve as a location for the graduate to provide needed services that will not only pay back to the state for his or her training, but could also help our community to resolve our access to care crisis.

Our medical community serves surrounding counties for many medical specialties, especially for those to the West. If we should lose our ability to support specialty care, not only Reno County will be hurt, but rural Kansans in the south central area will be affected also.

I ask for your help in finding creative solutions to this type of problem for our young families and our future citizens.... our children of tomorrow. I urge you to consider this bill as one way to help us solve a growing problem for middle sized communities.

Thank you again for your consideration of this matter.

The Testimony of

Ted D. Ayres  
General Counsel  
Kansas Board of Regents

before  
THE SENATE COMMITTEE ON WAYS AND MEANS  
1990 Legislative Session

in re  
Senate Bill 548

8:00 a.m.  
February 9, 1990  
Room 123-S  
Kansas Statehouse

SWAM  
February 9, 1990  
Attachment 8

Mr. Chairman and Members of the Committee:

My name is Ted D. Ayres and I am General Counsel to the Kansas Board of Regents. It is my pleasure to appear before the Senate Committee on Ways and Means this morning to testify in support of Senate Bill 548.

Although it serves to benefit all state agencies, Senate Bill 548 was introduced at the behest of the Kansas Board of Regents. This bill is the product of collaborative efforts between the Department of Administration and representatives of the Regents institutions. Senate Bill 548 replaces Senate Bill 377, which this honorable body introduced and approved during the 1989 Session.

The purpose of this legislation is to authorize the state agencies to establish a "payroll deduction plan." Pursuant to Senate Bill 548, state agencies are given the authority to specify conditions, limitations and restrictions applicable to the plan (lines 31-37). The proposed "payroll deduction plan" must be reviewed by the Director of Accounts and Reports and approved by the Secretary of Administration.

Administration of a payroll deduction plan established pursuant to the bill would be handled by the state agency in accordance with accounting and payroll procedures approved for such plan by the Director of Accounts and Reports. No payroll deduction could be made without the specific written authorization of the affected employee.

The provision of such a payroll deduction plan, we believe, would serve to benefit both employees and state agencies. On behalf of the Board of Regents, I would solicit your favorable consideration of Senate Bill 548, which would take effect and be in force from and after January 1, 1991.

I would now like to introduce Mr. John Patterson, Controller for the University of Kansas, who will provide you with some specific examples of how this bill would benefit the University of Kansas and its employees.



The Testimony Of

John D. Patterson  
Comptroller  
University of Kansas

Before  
THE SENATE COMMITTEE ON WAYS AND MEANS  
1990 Legislative Session

In Re  
Senate Bill 548

8:00 a.m.  
February 9, 1990  
Room 123-S  
Kansas Statehouse

SWAM  
February 9, 1990  
Attachment 9

Mr. Chairman and Members of the Committee:

As Ted Ayres has indicated, I am John Patterson, Controller for the Lawrence campus of the University of Kansas. I am also the current chairman of the Regents Controllers Committee. As chairman of the committee, I am here today to provide specific information on how the passage of Senate Bill 548 would benefit the University of Kansas. I will cite a specific example of how this bill will assist the University in improving the day to day operations and then I will briefly mention other ways in which the bill could favorably impact the campus.

The one specific example I am going to cite involves a voluntary employee group life insurance program that has been in existence on the Lawrence campus since 1928. This insurance program predates the State's optional group life insurance program. There are currently over 625 University employees who participate in the program and each employee pays a monthly premium to the Controller's Office. While it is true that some employees pay several months premiums at one time, most employees write a personal check each month. An employee payroll deduction process would reduce the number of individual monthly payments to be received by the Controller's Office and it would also reduce the volume of monthly traffic in Carruth O'Leary Hall. The end result would be a much more efficient process for all parties.

Senate Bill 548

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The payment process would be easier, traffic would be reduced, and employees could concentrate their efforts on tasks more directly related to the mission of the institution.

As demonstrated in the above example, a payroll deduction plan as proposed by Senate Bill 548 makes sense in those cases where an institution needs to collect monies from its own employees. Other potential employee payroll deductions that have been identified include:

- (1) Contributions to University endowment associations or foundations.
- (2) Payments for access to campus recreational facilities.
- (3) Monthly parking charges (as compared to annual charges).
- (4) Payments for student tuition and fee assessments.
- (5) Purchase of campus tickets to fine arts performances or athletic events.

The language in the proposed bill requires specific approval from the State Department of Administration for all employee payroll deductions. This language ensures central control and accountability. The Regents Controllers support the need for central control on payroll deductions; however, they also believe there are times when a payroll deduction process is the best

Senate Bill 548

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choice for satisfying unique campus concerns. The Regents controllers are committed to concentrating their initial efforts on those processes that are on-going. For this reason, the Regents Controllers believe the cost of implementing Senate Bill 548 will be nominal in the short term and will save money over the long term. The Regents Institutions are not requesting any funding to implement this piece of legislation.

In closing, I want to thank the Committee for allowing me the opportunity to testify in support of Senate Bill 548. While my comments have addressed specific needs of the Lawrence campus of the University of Kansas, I urge you to support the passage of this important piece of legislation because of the long term benefits to all the individual Regents institutions, and in the final analysis, the State of Kansas. I will be glad to address any questions the Committee may have regarding the testimony I have provided today.

TESTIMONY BEFORE THE SENATE WAYS AND MEANS COMMITTEE

On S.B. 567

by

KANSAS DEPARTMENT ON AGING

February 9, 1990

INTRODUCTION

Thank you Mr. Chairman, and members of the committee, for the opportunity to speak in opposition to Senate Bill No. 567, which amends the Senior Care Act and repeals the requirement for matching state funds on a dollar-for-dollar basis.

ANALYSIS

The effect of this bill would be to leave unspecified the exact amount of the match that an area agency on aging must provide for funds received from the state for Senior Care Act services. As the act now reads, the Secretary on Aging had the discretion of setting the match during the first year of the program, and beginning July 1, 1990, the dollar-for-dollar requirement would take effect. By leaving the match ratio unspecified after July 1, 1990, the Secretary would presumably retain the right to make this decision.

During the first year of the project, the match was set at a one-to-three ratio; one dollar of match to three dollars of state funds.

KDOA DOES NOT SUPPORT SENATE BILL NO. 567

The responsibility of the local areas is important. The dollar-for-dollar match recognizes the shared duty of the counties and other local units of government in providing these valuable services to their residents. The dollar-for-dollar match will allow for a 2% increase in funding for the Senior Care Act in FY-1991, i.e., \$113,333 for each project. This will allow the projects to continue services at the level we are providing in FY-1990.

Although we acknowledge that area agencies may face difficulties to finding the increased level of match as currently set forth under the Act, we maintain that the importance of not decreasing the level of services should guide this committee to leave the statute as originally passed.

SWAM

February 9, 1990  
Attachment 10

February 9, 1990

Senate Ways and Means Committee  
Hearing on Senate Bill 567

My name is Annice White and I appreciate the opportunity today to speak to the Committee on Senate Bill 567. I represent the Kansas Area Agency on Aging Director's Association, of which I am vice-chairman, and I also am a director of one of the demonstration projects.

I would like to talk to you about our concerns regarding the dollar-for-dollar match. We strongly support SB 567 which deletes the dollar-for-dollar match. This year the match is 33 1/3 percent, which equates to \$27,777. It is interesting to note that, of the 11 Area Agencies in the state, only seven of us were able to meet the match requirement this year. If the dollar-for-dollar match requirement is allowed to remain, the requirement more than doubles to \$56,666. In looking at the demonstration projects throughout Kansas, this match would present a hardship to all of us.

Funding for Area Agencies on Aging is provided by Older Americans Act, county mill levy and general funds, client contributions and some state funds. These sources either remain constant at best or are subject to decreases. As costs to provide services continue to increase, it becomes more difficult to maintain the budgeted levels of services and almost impossible to find additional sources of monies to match new programs.

The priority for this first year was to demonstrate that senior adults with incomes above SRS guidelines would benefit from the services made available through state funding and pay on a sliding scale fee basis. This has been demonstrated. It is now imperative, that with the success that has been gained in this direction, we not lose momentum in effectively continuing a consumer cost/share system.

Thank you for giving me the opportunity to speak to you today. I appreciate your time and consideration.

SWAM  
February 9, 1990  
Attachment 11

TESTIMONY

Senate Bill No. 567

By: Pam Doyle, RN, MS

Community Programs for Accessible Health Care

and

Northeast Kansas Area Agency on Aging

Mr. Chairman and Members of the Senate Ways & Means Committee:

Thank you for hearing my testimony on Senate Bill No. 567 concerning the Kansas Senior Care Act which authorizes the Kansas Department on Aging to establish a program of in-home support services for seniors.

My name is Pam Doyle, RN, MS, a Case Manager employed by Community Programs for Accessible Health Care (CPAHC), a rural health care initiative of Stormont-Vail Health Services Corporation. I have worked very closely with the Department on Aging and specifically the Northeast Kansas Area Agency (counties of Jackson, Nemaha, Brown & Doniphan) in developing a quality program of in-home services for seniors, allowing them greater opportunity to stay in their own home as long as possible. I provide the day to day administration, assessment, screening and monitoring of seniors at the Northeast Kansas site. Our area is the rural pilot site for the Kansas Senior Care Act and we have been serving clients since August, 1989 (5 months data). I am representing the Northeast Kansas Area Agency on Aging, county commissioners in those counties, and the elderly citizens of that area.

The need for the homemaking and personal care services is already being demonstrated through the pilot programs. The reason for my testimony today is to support the elimination of the words "on a dollar for dollar basis", line 17 of Senate Bill No. 567 and to delegate the Department on Aging the authority to establish the match amount. I strongly encourage this for several reasons:

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February 9, 1990  
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- 1) Increasing the match will provide an insurmountable roadblock to the existing pilot sites. As you know, the match for the first year of the act was \$1 of local funds to \$3 of state funds. Three pilot sites were established during the first year out of 11 area agencies in the state. Some of the area agencies were unable to apply to be one of the pilot sites because they were unable to "come up with" the match of \$27,000 in their counties.

A \$1 for \$1 match is more devastating even for the already established pilot programs. Those area agencies that were able to provide the necessary match really "scraped the barrel" and used very innovative ways to do so.

- 2) Counties, especially rural ones, have been very hard hit with the cost of reappraisal. Commissioners say they do not know where they stand with the budget. Some counties are giving no raises (even cost of living) this year and are certainly not able to raise the mill levies for new programs.
- 3) More time of providing services is needed to establish a more accurate projection of client income. Since the program has only been in place for five months, we do not have good information about the percent that our clients are able to pay for services. In the Northeast Kansas Area Agency site, only 26% of the cost of the services is being paid by the clients presently.
- 4) Strong support exists for continuation and, in the future, expansion throughout the state of the Kansas Senior Care Act. As you know, the Silver-Haired Legislature listed as their first priority - the Kansas Senior Care Act. Counties, such as Brown County, have done the same.

In summary, in some Kansas sites, the Kansas Senior Care Act cannot be offered if the local match is increased. We suggest that the match amount be determined by the Department on Aging. This program of in-home services is vital to the well-being of seniors thus allowing them to stay in their homes longer and postponing nursing home admissions in many cases. Again, thank you for this opportunity to testify.



Testimony on Budget for Department on Aging  
AARP State Legislative Committee  
February 9, 1990 R-123S

Senator Bogina and Members of the Senate Committee on Ways and Means.

I am George Goebel, A member of the Capitol City Task Force of the State Legislative committee of the American Association of Retired Persons.

This testimony relates to that portion of the Kansas Department of Aging budget that deals with Appropriations for the Senior Care Act.

Last year, the State Legislative Committee of AARP joined many other agencies in Kansas to work for enactment of the Senior Care Act. We considered it to be a progressive effort to provide more and better community based care in the three areas of our state selected as demonstration sites.

Our concern relating to the Senior Care Act, for FY 1991, is the manner of funding. Instead of a funding ratio of a state contribution of \$3, for each local dollar, as provided for FY 1990, the proposed ratio for FY 1991 is an even match. This would result in reducing the state contribution by \$80,000 and in turn increasing the local contribution by \$80,000 for a total budget increase of 2 percent.

As our committee sees it, the Federal Government, in recent years, has pushed an increasing number of programs, and the funding thereof, down to the state level. Our Committee, on a number of occasions, has indicated to our members that we need to understand that Governors and Senate Legislatures have a very difficult task as they endeavor to provide services and funding for programs pushed down to the state level by the Federal Government.

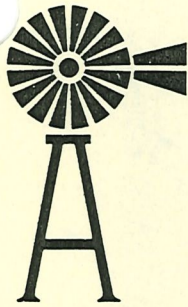
Now, we see our State Government considering legislation that would push \$80,000 of the funding for the Senior Care Act down to the local level, while at the same time considering an "Absolute Tax Freeze" on the greatest revenue source of local government - and we agree that local Ad Valorem taxes bear too great a burden on local government.

The intent of this testimony is to urge Sub Committee #7 to recommend to the full Committee on Appropriation that the funding ratio of 3 to 1 be retained for FY 1990. It does not seem to us to be good policy to push \$80,000 of funding for the Senior Care Act to the local level while at the same time considering legislation that would restrict the possibility of local government from raising the revenue needed to continue the same level of funding for the 3 Senior Care demonstration sites.

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Last week SB567 was introduced in the Public Health and Welfare Committee of the Kansas Senate that would eliminate the dollar match and leave the decision to the Department of Aging. We urge consideration of the approach to the funding of the Senior Care Act.

Thank you for the opportunity to testify concerning our recommendation for funding that portion of the KDOA budget for the Senior Care Act.



North Central-Flint Hills  
AREA AGENCY ON AGING

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**Testimony to the Senate Ways and Means Committee  
February 9, 1990**

Julie Govert Walter, Executive Director  
North Central-Flint Hills Area Agency on Aging  
437 Houston  
Manhattan, KS 66502  
913-776-9294

Good Morning. My name is Julie Govert Walter. I am Executive Director of the North Central-Flint Hills Area Agency on Aging, a private, non-profit organization which works with county boards of commissioners and other groups to ensure that vital services are available to older Kansans and their families. More than 55,000 Kansans age 60 or over reside in our 18-county area.

I thank you, Chairman Bogina and the other members of this committee for this opportunity to comment in favor of S.B. 567.

During the past four years, members of our Agency's Board, Advisory Council, staff and Silver-Haired Legislators have collectively spent hundreds of hours gathering information and informing legislators about older Kansans' need for affordable, non-medical, personal care services.

We heralded the passage of the 1989 Senior Care Act as the first step toward an innovative system of in-home services which would address the needs of older Kansans at risk of being pre-maturely institutionalized.

We know that, for a variety of reasons, the area agencies administering the Senior Care pilot projects face a formidable challenge in creating the required matching funds in this, the first year of the project. In this the year when reappraisal, classification and the prospect of tax lids and Proposition 13 has most local funding sources holding more tightly to their dollars.

We respectfully urge that the dollar-for-dollar match requirement be waived for the second year of Senior Care. This would allow more time for the pilot projects to make the important gains and gather critical information which would be invaluable to future efforts.

Our Agency believes that the development of a coordinated system of non-medical, in-home services is important to the future of our state and critical to the economic well-being of Kansas communities of all sizes. The Senior Care Act has captured the imagination and harnessed the vitality of those concerned about the delivery of health services to older Kansans. We urge you to give this important program the time and funding commitment which it so justly deserves.

Again, thank you for allowing me to present these comments to you today. I very much appreciate your time and attention.

SWAM  
February 9, 1990  
Attachment 14