

**MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.**

The meeting was called to order by Senator August "Gus" Bogina, Chairperson, at 11:07 a.m. on January 21, 1992 in Room 123-S of the Capitol.

All members were present except:

Senators Doyen and Feleciano

Conferees appearing before the committee:

Donna Whiteman, Secretary, Department of Social and Rehabilitation Services

**INTRODUCTION OF BILLS**

1 RS 2088 - Appropriations for FY93, secretary of state  
Senator Brady moved, Senator Rock seconded, the introduction of bill draft  
1 RS 2088. The motion carried on a voice vote.

The Chairman noted that subcommittee assignments (Attachment 1) had been distributed to committee members.

SB 496 - Appropriations for FY92, supplemental appropriations for the Department of Social and Rehabilitation Services (SRS)

Chairman Bogina introduced the Secretary of SRS, Donna Whiteman, who provided a review of disproportionate share policies of the federal Medicaid program (Attachment 2). She stated that the agency anticipates receiving \$104 million this budget year in comparison to \$30 million received last year. The receipt of this money is contingent upon approval of the amendments to the proviso language and expenditure limitations within the FY92 appropriation bills which are contained in SB 496 and mandated by the Health Care Finance Administration (HCFA). These two amendments are the elimination of transfer limits to the mental health institutions from Title XIX and language changes that allow state mental health superintendents to transfer funds to the SRS Social Welfare Fund (fee fund). The Secretary noted that importance of submitting these changes by March in order to receive the current quarterly payment of \$26 million which is being held by HCFA. In answer to a question, Sec. Whiteman stated that the primary use of SRS fee fund is to pay medical bills and a change in the flow of the monies will not alter the use of the fee fund. She noted that actual use of the fee fund is documented on Attachment 2-5. She said that her greatest concern regarding the SRS budget is the increase in expenditures for the medical assistance program and adult care home assistance program.

In answer to a question, John Schneider, SRS budget director, noted that both fraud recoveries and the new drug rebate system are involved in the recovery of expenditures.

Chairman Bogina noted that although SB 496 causes some consternation because of the elimination of legislative oversight, it is important to pass the bill out of Committee because of time limitations. Sec. Whiteman stated that HCFA is in the process of conducting a program survey and if any changes are recommended, the agency will be made aware of them by February 4, 1992, and those changes could be made once the bill reaches the House.

Senator Gaines expressed concern about building an undependable source of revenue into an agency's base budget. The secretary noted that the senator's concern was justified, explaining that the federal government in November, 1991, placed a limit on the amount of disproportionate share dollars that states can claim. Kansas currently exceeds the 12% of total Medicaid budget limit, but hopes to continue to access, for the next year or so, the dollars that are currently accessed.

Senator Kerr moved, Senator Parrish seconded, that SB 496 be recommended

favorable for passage. The motion carried on a roll call vote.

The Chairman thanked Sec. Whiteman for her explanation of the bill and asked that she participate in a general discussion of SRS. The Secretary noted that one of her goals is to improve contracting by including performance based criteria in the contracts in order to evaluate outcomes. She said that she will try to improve efficiency in newly reorganized commissions.

Secretary Whiteman told the Committee that the new superintendent of Topeka State Hospital (who will begin work within the next few weeks) has been made aware of concerns regarding treatment at the hospital as well and the Secretary's expectations for the hospital.

In answer to Senator Winter's concern regarding funding for juvenile detention facilities, Sec. Whiteman enumerated her concerns: some counties' plans to reduce the number of beds, financial support from surrounding counties that would use the facilities, the state's obligation in terms of ongoing funding, and the cooperation of counties in providing operational costs. She stated that bonding all the facilities in one lump sum would save approximately \$1.5 million over 20 years, but part of the agreement is that SRS would have to guarantee all the funds. Until she receives data from KDFA, she is reluctant to commit contractually, but could do so within 30-45 days of receipt of that data. While on the subject of juvenile detention facilities, Senator Salisbury mentioned that there is some concern as to requirements imposed by ACA standards for both the programs and the facilities as well as other requirements that might be imposed by Health and Environment.

Sec. Whiteman assured Senator Kerr that she would provide information regarding the SRS rate of reimbursement for child care and the large amount of expenditures within the KanWork program for child care.

In response to Senator Rock's request, the Secretary provided assurance that the Legislature would be the first to know of any decision regarding the closing of any mental retardation institution. She noted that planned downsizing takes time and must address two concerns: quality assurance in the institution and community readiness for client placement.

In response to Senator Winter's questions regarding the ACLU childrens' litigation, Sec. Whiteman stated that she sees a dangerous trend toward the Judicial Department intruding in legislative matters, particularly when the Legislature has to live within the constraints of a tight budget. She stated that case readings to date indicate that the agency has done a good job, and that any settlement offer made to the agency would be conveyed to the Legislature. In answer to a question, she agreed that legislative approval and funding of proposed childrens' programs would help in the litigation.

Senator Parrish suggested that SRS draft a settlement proposal in an attempt to use litigation costs to put programs in place.

The Chairman adjourned the meeting at 12:20 p.m.



**SENATE WAYS AND MEANS**

**Individual Assignments on House and Senate Bills**

**1992 Session**

		<u>Analyst</u>	<u>Final Committee Action</u>
Bogina	<b>Senate Appropriation Bills</b>		
	SRS (Chair)	Howard	
	Winfield Correctional Facility (Chair)	Mills	
	Ellsworth Correctional Facility (Chair)	Mills	
	Department of Commerce (Chair)	West	
	Department of Education (Chair)	Rampey	
	Capital Improvements	Staff	
	<b>House Appropriation Bills</b>		
	Legislative Agencies (Chair)	Ahrens	
	Fee Boards	Colton, Coordinator	
	KU Medical Center (Chair)	Conroy	
	Regents Systemwide (Chair)	Conroy	
	State Fire Marshal (Chair)	Robinson	
	Kansas Highway Patrol (Chair)	Colton	
	Kansas Department of Transportation	Rothe	
KPERS (Chair)	Conroy		
Capital Improvements	Staff		
Brady	<b>Senate Appropriation Bills</b>		
	Larned State Hospital	Porter	
	Osawatomie State Hospital	Porter	
	Rainbow Mental Health Facility	Porter	
	Topeka State Hospital	Porter	
	SRS Mental Health Funding	Howard	
	Winfield Correctional Facility	Mills	
	Ellsworth Correctional Facility	Mills	
	Judicial Branch	Rothe	
	School for the Visually Handicapped	Piekalkiewicz	
	School for the Deaf	Piekalkiewicz	
	State Conservation Commission	West	
	Kansas Water Office	West	
	<b>House Appropriation Bills</b>		
	Department of Health and Environment	Rothe	
Lieutenant Governor	Ahrens		
Attorney General	Rampey		
Pittsburg State University	Duffy		
Fort Hays State University	Duffy		
Kansas Department of Transportation	Rothe		
Department of Administration	Duffy		
Doyen	<b>Senate Appropriation Bills</b>		
	SRS	Howard	
	Department of Corrections (Chair)	Mills	

SWAM  
 January 21, 1992  
 Attachment 1

Analyst

Topeka Correctional Facility (Chair) Mills  
 Racing Commission (Chair) Efird  
 Board of Tax Appeals (Chair) Efird  
 Historical Society (Chair) Piekalkiewicz  
 Animal Health Department (Chair) Duncan  
 Grain Inspection Department (Chair) Robinson  
 Wheat Commission (Chair) Robinson  
 State Fair (Chair) Robinson

**House Appropriation Bills**

Department on Aging (Chair) Piekalkiewicz  
 Pittsburg State University (Chair) Duffy  
 Fort Hays State University (Chair) Duffy  
 Regents Systemwide Conroy  
 Kansas Corporation Commission (Chair) Rampey  
 Citizens Utility Ratepayer Board (Chair) Rampey

**Senate Appropriation Bills**

Feleciano

Parsons State Hospital Colton  
 Winfield State Hospital Colton  
 Kansas Neurological Institute Colton  
 SRS Mental Retardation/Developmental  
   Disabilities Funding Howard  
 Department of Corrections Mills  
 Topeka Correctional Facility Mills  
 Judicial Council Rothe  
 Department of Commerce West  
 Public Broadcasting Commission Colton  
 Kansas Arts Commission Piekalkiewicz

**House Appropriation Bills**

Department of Human Resources Porter  
 Fee Boards Colton, Coordinator  
 KU Medical Center Conroy  
 Kansas Bureau of Investigation Colton  
 Youth Center at Topeka Duncan  
 Youth Center at Beloit Duncan  
 Youth Center at Atchison Duncan

**Senate Appropriation Bills**

Gaines

SRS Howard  
 Department of Corrections Mills  
 Topeka Correctional Facility Mills  
 Kansas Lottery Efird  
 Department of Education Rampey, Coordinator  
 Board of Agriculture Robinson  
 Capital Improvements Staff

**House Appropriation Bills**

Kansas Commission on Veterans Affairs/  
   Kansas Soldiers' Home Porter  
 Homestead Property Tax Refunds Efird  
 Legislative Agencies Ahrens

		Analyst	Final Committee Action
	Governor	Ahrens	
	Emporia State University	Duffy	
	Board of Regents	Duffy	
	Regents Systemwide	Conroy	
	KPERS	Conroy	
	Capital Improvements	Staff	
	<b>Senate Appropriation Bills</b>		
Harder	Larned State Hospital	Porter	
	Osawatomie State Hospital	Porter	
	Rainbow Mental Health Facility	Porter	
	Topeka State Hospital	Porter	
	SRS Mental Health Funding	Howard	
	Winfield Correctional Facility	Mills	
	Ellsworth Correctional Facility	Mills	
	Department of Revenue (Chair)	Efird	
	Department of Education	Rampey, Coordinator	
	School for the Visually Handicapped (Chair)	Piekalkiewicz	
	School for the Deaf (Chair)	Piekalkiewicz	
	Capital Improvements (Chair)	Staff	
	<b>House Appropriation Bills</b>		
	University of Kansas (Chair)	Conroy	
	Kansas Bureau of Investigation (Chair)	Colton	
	Youth Center at Topeka	Duncan	
	Youth Center at Atchison	Duncan	
	Youth Center at Beloit	Duncan	
	Commission on Governmental Standards and Conduct (Chair)	Mah	
	Commission on Human Rights (Chair)	Piekalkiewicz	
	Capital Improvements (Chair)	Staff	
	<b>Senate Appropriation Bills</b>		
Hayden	Parsons State Hospital	Colton	
	Winfield State Hospital	Colton	
	Kansas Neurological Institute	Colton	
	SRS Mental Retardation/Developmental Disabilities Funding	Howard	
	Hutchinson Correctional Facility	Mills	
	Larned Correctional Mental Health Facility	Mills	
	El Dorado Correctional Facility	Mills	
	Board of Indigents Defense Services	Rothe	
	State Library	Piekalkiewicz	
	Council on Vocational Education	Rampey	
	<b>House Appropriation Bills</b>		
	Department on Aging	Piekalkiewicz	
	Fee Boards	Colton, Coordinator	
	Kansas State University	Conroy	
	Kansas State University -- Salina	Conroy	
	Kansas State Veterinary Medical Center	Conroy	

Kansas State University -- Extension  
and Agricultural Research  
Regents Systemwide  
Corrections Ombudsman Board  
Parole Board  
Adjutant General  
Kansas Corporation Commission  
Citizens Utility Ratepayer Board

Conroy  
Conroy  
Mills  
Duncan  
West  
Rampey  
Rampey

**Senate Appropriation Bills**

Kerr

Parsons State Hospital (Chair)  
Winfield State Hospital (Chair)  
Kansas Neurological Institute (Chair)  
SRS Mental Retardation/Developmental  
Disabilities Funding  
Norton Correctional Facility (Chair)  
Lansing Correctional Facility (Chair)  
Board of Indigents Defense Services (Chair)  
Judicial Branch  
State Library  
Council on Vocational Education  
State Conservation Commission (Chair)  
Kansas Water Office (Chair)

Colton  
Colton  
Colton  
Howard  
Mills  
Mills  
Rothe  
Rothe  
Piekalkiewicz  
Rampey  
West  
West

**House Appropriation Bills**

Department of Health and Environment  
(Chair)  
Lieutenant Governor (Chair)  
Attorney General (Chair)  
Wichita State University (Chair)  
Youth Center at Atchison (Chair)  
Youth Center at Beloit (Chair)  
Youth Center at Topeka (Chair)

Rothe  
Ahrens  
Rampey  
Conroy  
Duncan  
Duncan  
Duncan

**Senate Appropriation Bills**

Moran

Parsons State Hospital  
Winfield State Hospital  
Kansas Neurological Institute  
SRS Mental Retardation/Developmental  
Disabilities Funding  
Hutchinson Correctional Facility (Chair)  
Larned Correctional Mental Health Facility  
(Chair)  
El Dorado Correctional Facility (Chair)  
Judicial Council (Chair)  
Department of Revenue  
State Library (Chair)  
Council on Vocational Education (Chair)

Colton  
Colton  
Colton  
Howard  
Mills  
Mills  
Mills  
Rothe  
Efird  
Piekalkiewicz  
Rampey

**House Appropriation Bills**

Kansas Commission on Veterans Affairs/  
Kansas Soldiers' Home (Chair)

Porter

Analyst

Homestead Property Tax Refunds (Chair)  
Secretary of State (Chair)  
Insurance Department (Chair)  
Fee Boards (Chair)  
KU Medical Center  
Emergency Medical Services (Chair)  
Department of Civil Air Patrol (Chair)  
Sentencing Commission (Chair)  
Kansas Department of Transportation

Efird  
Mah  
Robinson  
Colton, Coordinator  
Conroy  
Rothe  
West  
Duncan  
Rothe

**Senate Appropriation Bills**

Parrish

SRS  
Norton Correctional Facility  
Lansing Correctional Facility  
Racing Commission  
Board of Tax Appeals  
Kansas, Inc.  
KTEC  
Department of Education  
Animal Health Department  
Grain Inspection Department  
Wheat Commission  
State Fair  
Department of Wildlife and Parks

Howard  
Mills  
Mills  
Efird  
Efird  
West  
West  
Rampey, Coordinator  
Duncan  
Robinson  
Robinson  
Robinson  
Duncan

**House Appropriation Bills**

Secretary of State  
Insurance Department  
Wichita State University  
Emergency Medical Services  
Department of Civil Air Patrol  
Sentencing Commission

Mah  
Robinson  
Conroy  
Rothe  
West  
Mills

**Senate Appropriation Bills**

Rock

Larned State Hospital  
Osawatomie State Hospital  
Rainbow Mental Health Facility  
Topeka State Hospital  
SRS Mental Health Funding  
Hutchinson Correctional Facility  
El Dorado Correctional Facility  
Larned Correctional Mental Health Facility  
Department of Revenue  
Historical Society

Porter  
Porter  
Porter  
Porter  
Howard  
Mills  
Mills  
Mills  
Efird  
Piekalkiewicz

**House Appropriation Bills**

State Treasurer  
Fee Boards  
University of Kansas  
State Fire Marshal  
Kansas Highway Patrol  
Kansas Department of Transportation

Duffy  
Colton, Coordinator  
Conroy  
Robinson  
Colton  
Rothe



Commission on Governmental Standards and  
Conduct  
Commission on Human Rights

Mah  
Piekalkiewicz

**Senate Appropriation Bills**

Salisbury

Larned State Hospital (Chair)  
Osawatomie State Hospital (Chair)  
Rainbow Mental Health Facility (Chair)  
Topeka State Hospital (Chair)  
SRS Mental Health Funding (Chair)  
Norton Correctional Facility  
Lansing Correctional Facility  
Judicial Branch (Chair)  
Kansas, Inc. (Chair)  
KTEC (Chair)  
Board of Agriculture (Chair)  
Department of Wildlife and Parks

Porter  
Porter  
Porter  
Porter  
Howard  
Mills  
Mills  
Rothe  
West  
West  
Robinson  
Duncan

**House Appropriation Bills**

Fee Boards  
Kansas State University (Chair)  
Kansas State University -- Salina (Chair)  
Kansas State Veterinary Medical Center  
(Chair)  
Kansas State University -- Extension  
and Agricultural Research (Chair)  
Corrections Ombudsmen Board (Chair)  
Parole Board (Chair)  
Adjutant General (Chair)  
Kansas Department of Transportation (Chair)  
Department of Administration (Chair)

Colton, Coordinator  
Conroy  
Conroy  
Conroy  
Conroy  
Mills  
Duncan  
West  
Rothe  
Duffy

**Senate Appropriation Bills**

Winter

SRS  
Hutchinson Correctional Facility  
El Dorado Correctional Facility  
Larned Correctional Mental Health Facility  
Kansas Lottery (Chair)  
Department of Education  
Public Broadcasting Commission (Chair)  
Kansas Arts Commission (Chair)  
Department of Wildlife and Parks (Chair)

Howard  
Mills  
Mills  
Mills  
Efrid  
Rampey, Coordinator  
Colton  
Piekalkiewicz  
Duncan

**House Appropriation Bills**

Department of Human Resources (Chair)  
State Treasurer (Chair)  
Emporia State University (Chair)  
Board of Regents (Chair)  
Regents Systemwide  
KPERs

Porter  
Duffy  
Duffy  
Duffy  
Conroy  
Conroy

92-0045/Fiscal

**SENATE WAYS AND MEANS**

Subcommittee Assignments on Senate Appropriation Bills  
1992 Session

	<u>Subcommittee</u>	<u>Analyst</u>	<u>Final Committee Action</u>
<b>Senate Bill No. ____</b>			
Department of SRS	Bogina (Chair) Winter Doyen Gaines Parrish	Howard	
Larned State Hospital Oawatomie State Hospital Rainbow Mental Health Facility Topeka State Hospital SRS Mental Health Funding	Salisbury (Chair) Harder Brady Rock	Porter   Howard	
Parsons State Hospital Winfield State Hospital Kansas Neurological Institute	Kerr (Chair) Moran Feleciano Hayden	Colton	
SRS Mental Retardation/Develop- mental Disabilities Funding		Howard	
<b>Senate Bill No. ____</b>			
Department of Corrections Topeka Correctional Facility	Doyen (Chair) Feleciano Gaines	Mills	
Hutchinson Correctional Facility Larned Correctional Mental Health Facility El Dorado Correctional Facility	Moran (Chair) Winter Rock Hayden	Mills	
Norton Correctional Facility Lansing Correctional Facility	Kerr (Chair) Salisbury Parrish	Mills	
Winfield Correctional Facility Ellsworth Correctional Facility	Bogina (Chair) Harder Brady	Mills	

	<u>Subcommittee</u>	<u>Analyst</u>	<u>Final Committee Action</u>
<b>Senate Bill No. ____</b>			
Judicial Council	Moran (Chair) Feleciano	Rothe	
Board of Indigents' Defense Services	Kerr (Chair) Hayden	Rothe	
Judicial Branch	Salisbury (Chair) Kerr Brady	Rothe	
<b>Senate Bill No. ____</b>			
Department of Revenue	Harder (Chair) Moran Rock	Efird	
Kansas Lottery	Winter (Chair) Gaines	Efird	
Racing Commission Board of Tax Appeals	Doyen (Chair) Parrish	Efird	
Department of Commerce	Bogina (Chair) Feleciano	West	
Kansas, Inc. Kansas Technology Enterprise Corporation	Salisbury (Chair) Parrish	West	
<b>Senate Bill No. ____</b>			
Department of Education	Bogina (Chair) Winter Harder Gaines Parrish	Rampey	



	<u>Subcommittee</u>	<u>Analyst</u>	<u>Final Committee Action</u>
<b>Senator Bill No. ____</b>			
School for the Visually Handicapped School for the Deaf	Harder (Chair) Brady	Piekalkiewicz	
State Historical Society	Doyen (Chair) Rock	Piekalkiewicz	
Public Broadcasting Commission Kansas Arts Commission	Winter (Chair) Feleciano	Colton Piekalkiewicz	
State Library Council on Vocational Education	Moran (Chair) Kerr Hayden	Piekalkiewicz Rampey	
<b>Senate Bill No. ____</b>			
Board of Agriculture	Salisbury (Chair) Gaines	Robinson	
Animal Health Department Grain Inspection Department Wheat Commission Kansas State Fair	Doyen (Chair) Parrish	Duncan Robinson Robinson Robinson	
State Conservation Commission Kansas Water Office	Kerr (Chair) Brady	West	
Department of Wildlife and Parks	Winter (Chair) Salisbury Parrish	Duncan	
<b>Senate Bill No. ____</b>			
Capital Improvements	Harder (Chair) Bogina Gaines	Staff	
<b>Senate Bill No. ____</b>			
Supplemental			

**SENATE WAYS AND MEANS**

Subcommittee Assignments on House Appropriation Bills  
1992 Session

	<u>Subcommittee</u>	<u>Analyst</u>	<u>Final Committee Action</u>
<b>House Bill No.</b>			
Department of Health and Environment	Kerr (Chair) Brady	Rothe	
Department of Human Resources	Winter (Chair) Feleciano	Porter	
Department on Aging	Doyen (Chair) Hayden	Piekalkiewicz	
Kansas Commission on Veterans Affairs/Soldiers' Home	Moran (Chair) Gaines	Porter	
Homestead Property Tax Refunds		Efird	
<b>House Bill No.</b>			
Legislative Agencies Governor	Bogina (Chair) Gaines	Ahrens Ahrens	
Lieutenant Governor Attorney General	Kerr (Chair) Brady	Ahrens Rampey	
Secretary of State Insurance Department	Moran (Chair) Parrish	Mah Robinson	
State Treasurer	Winter (Chair) Rock	Duffy	
<b>House Bill No.</b>			
Board of Accountancy	Moran (Chair)	Porter	
Board of Mortuary Arts	Salisbury	Porter	
Board of Pharmacy	Bogina	Colton	
Board of Barbering	Rock	Piekalkiewicz	
Board of Cosmetology	Feleciano	Piekalkiewicz	
Board of Veterinary Examiners	Hayden	Duncan	
Kansas Dental Board		Robinson	
Board of Nursing		Colton	
Board of Examiners in Optometry		Colton	
Real Estate Commission		Duncan	
Consumer Credit Commission		Duncan	
Bank Commissioner		Duncan	

<u>Subcommittee</u>	<u>Analyst</u>	<u>Committee Action</u>
Savings and Loan Department	Duncan	
Department of Credit Unions	Duncan	
Securities Commission	Robinson	
Board of Technical Professions	Rampey	
Abstracters' Board of Examiners	Porter	
Behavioral Sciences Regulatory Board	Robinson	
Board of Hearing Aid Examiners	Rampey	
Board of Healing Arts	Robinson	

**House Bill No.**

University of Kansas	Harder(Chair) Rock	Conroy
University of Kansas Medical Center	Bogina (Chair) Moran Feleciano	Conroy
Kansas State University	Salisbury (Chair)	Conroy
Kansas State University - Salina	Hayden	Conroy
Kansas State Veterinary Medical Center		Conroy
Kansas State University -- Extension and Agricultural Research		Conroy
Wichita State University	Kerr (Chair) Parrish	Conroy
Pittsburg State University	Doyen (Chair)	Duffy
Fort Hays State University	Brady	Duffy
Emporia State University	Winter (Chair)	Duffy
Board of Regents	Gaines	Duffy
Regents Systemwide	Bogina (Chair) Winter Doyen Gaines Hayden	Conroy

**House Bill No.**

Corrections Ombudsman Board	Salisbury (Chair)	Mills
Kansas Parole Board	Hayden	Duncan
Adjutant General		West
State Fire Marshal	Bogina (Chair)	Robinson
Kansas Highway Patrol	Rock	Colton
Kansas Bureau of Investigation	Harder (Chair) Feleciano	Colton

	<u>Subcommittee</u>	<u>Analyst</u>	<u>Committee Action</u>
Emergency Medical Services Department of Civil Air Patrol Sentencing Commission	Moran (Chair) Parrish	Rothe West Mills	
Youth Center at Topeka Youth Center at Beloit Youth Center at Atchison	Kerr (Chair) Harder Feleciano	Duncan Duncan Duncan	
<b>House Bill No.</b>			
Kansas Department of Transportation	Salisbury (Chair) Moran Bogina Rock Brady	Rothe	
<b>House Bill No.</b>			
Department of Administration	Salisbury (Chair) Brady	Duffy	
Commission on Governmental Standards and Conduct Commission on Human Rights	Harder (Chair) Rock	Mah Piekalkiewicz	
Kansas Corporation Commission Citizens Utility Ratepayer Board	Doyen (Chair) Hayden	Rampey Rampey	
KPERS	Bogina (Chair) Winter Gaines	Conroy	
<b>House Bill No.</b>			
Capital Improvements	Harder (Chair) Bogina Gaines	Staff	
<b>House Bill No.</b>			
Supplemental			
92-0046-H/Fiscal			

Ed Ahrens (3181)

- Governor
- 3... Commission on Interstate Cooperation
- 422 Legislative Coordinating Council
- 425 Legislative Research Department
- 428 Legislature
- 431 Legislative Educational Planning Committee
- 446 Lieutenant Governor
- 540 Division of Post Audit
- 579 Revisor of Statutes

Alan Conroy (4418)

- 367 Kansas State University
- 367 KSU Vet. Med. Center
- 367 KSU-Salina
- 367 KSU-Agri. Extension
- 682 University of Kansas
- 682 University of Kansas Medical Center
- 715 Wichita State University
- 365 Public Employees Retirement System

Diane Duffy (3923)

- 173 Department of Administration
- 176 Kansas Development Finance Authority
- 246 Fort Hays State University
- 379 Emporia State University
- 385 Pittsburg State University
- 561 Board of Regents
- 670 State Treasurer

Debra Duncan (4429)

- 055 Animal Health Department
- 094 Bank Commissioner
- 159 Department of Credit Unions
- 319 Youth Center at Topeka
- 325 Youth Center at Beloit
- 355 Youth Center at Atchison
- 454 Consumer Credit Commissioner
- 523 Parole Board
- 549 Real Estate Commission
- 597 Savings and Loan Department
- 700 Board of Veterinary Medical Examiners
- 710 Department of Wildlife and Parks

Julian Efirid (3535)

- 450 Kansas Lottery
- 553 Racing Commission
- 562 Board of Tax Appeals
- 565 Department of Revenue
- 565 Homestead Property Tax Refunds Budget Data Coordinator

Laura Howard (4419)

- 628 Department of Social and Rehabilitation Services

Pat Mah (4405)

- 247 Commission on Governmental Standards and Conduct
- 622 Secretary of State

Russell Mills (4447)

- 147 Corrections Ombudsman Board
- 177 Ellsworth Correctional Facility
- 195 El Dorado Correctional Facility
- 313 Hutchinson Correctional Facility
- 400 Lansing Correctional Facility
- 408 Larned Correctional Facility
- 521 Department of Corrections
- 581 Norton Correctional Facility
- 626 Sentencing Commission
- 660 Topeka Correctional Facility -- East
- 712 Winfield Correctional Facility

Ellen Piekalkiewicz (4181)

- 039 Department on Aging
- 058 Commission on Human Rights
- 100 Board of Barbering
- 125 Bicentennial Commission (Historical Only)
- 149 Board of Cosmetology
- 288 State Historical Society
- 359 Kansas Arts Commission
- 434 State Library
- 604 School for the Visually Handicapped
- 610 School for the Deaf

Kathy Porter (3184)

- 016 Abstracters Board
- 028 Accountancy Board
- 204 Mortuary Arts Board
- 296 Department of Human Resources
- 410 Larned State Hospital
- 494 Osawatomie State Hospital
- 555 Rainbow Mental Health Facility
- 664 Topeka State Hospital
- 694 Commission on Veterans Affairs/Soldiers Home

Carolyn Rampey (4404)

- 036 Council on Vocational Education
- 082 Attorney General
- 122 Citizens Utility Ratepayer Board
- 143 Kansas Corporation Commission
- 266 Hearing Aids Examiners
- 652 Department of Education
- 663 Board of Technical Professions

Leah Robinson (3183)

- 046 Board of Agriculture
- 102 Behavioral Sciences Regulatory Board
- 105 Board of Healing Arts
- 167 Dental Board
- 234 Fire Marshal
- 258 Grain Inspection Department
- 331 Insurance Department
- 373 Kansas State Fair
- 391 Wheat Commission
- 625 Securities Commissioner

Scott Rothe (4420)

- 130 Commission on Future of Health Care
- 206 EMS Board
- 264 Department of Health and Environment
- 276 Department of Transportation
- 328 Board of Indigent Defense Services
- 349 Judicial Council
- 677 Judicial Branch

Paul West (4409)

- 034 Adjutant General
- 118 Civil Air Patrol
- 300 Department of Commerce
- 360 Kansas, Inc.
- 371 Kansas Technology Enterprise Corp.
- 634 State Conservation Commission
- 709 Kansas Water Office Coordinator, Joint Committee on State Building Construction

Tim Colton (7882)

- 083 Attorney General -- KBI
- 280 Highway Patrol
- 363 Kansas Neurological Institute
- 482 Board of Nursing
- 488 Optometry Board
- 507 Parsons State Hospital
- 531 Board of Pharmacy
- 548 Public Broadcasting Commission
- 713 Winfield State Hospital



Kansas Department of Social and Rehabilitation Services

Legislative Testimony on Senate Bill 496  
January 21, 1992

Prepared for the Senate Appropriations Committee

Secretary Donna Whiteman

I am before you today to urge quick action on Senate Bill 496. This bill eliminates transfer limits from the Institutional Title XIX Receipts Fund as well as authorize our State Mental Hospital Superintendents to transfer funds to the SRS Social Welfare Fund, commonly known as the SRS Fee Fund. I will explain why these technical changes have become so essential to the Department. First however, I have been asked to refresh the Committee on the issue that lies behind this emergency request, the disproportionate share policies of the federal Medicaid program.

The Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35), referred to as OBRA 81, required States take into account the situation of hospitals serving a disproportionate number of low-income patients with special needs. States were allowed to choose how disproportionate share was defined. Kansas created a restrictive definition which limited the number of hospitals which were eligible. This was done as a cost saving measure since the emphasis was on general hospitals.

The basic idea of disproportionate share was to provide payment for uncompensated care in both public and private hospitals. Uncompensated care is that care for which the hospital receives either no payment or underpayment because of low income or lack of third party payors. These are not payments for Medicaid or Medicare recipients. This makes disproportionate share relatively unique for Medicaid funds. The eligibility standards are only for providers, not for recipients. The eligibility does not have to consider expenditures. However, as a Medicaid dollar, it is considered to be a reimbursement for services rendered, and therefore the provider has earned the money upon receipt and may use the money for any purpose.

The Omnibus Budget Reconciliation Act of 1987 (Public Law 99-272), referred to as OBRA 87, required a minimum eligibility criteria be used by Medicaid. This law was passed because it was felt that States were not doing enough for the low-income under disproportionate share. As a result of this law, Kansas changed the disproportionate share methodology effective on July 1, 1988. This change resulted in more hospitals being eligible for disproportionate share payments. While State hospitals did receive some disproportionate payments, the amounts were relatively small.

As OBRA 87 was reviewed and there were discussions with other states, it was determined that while there was a minimum eligibility criteria, there was no maximum payment level. Therefore, effective July 1, 1989, the disproportionate share methodology was changed to add a multiplier to the payment amounts to all hospitals eligible under one of two eligibility criteria. This resulted in a substantial increase in the payments to both the State hospitals and selected private hospitals.

SWAM  
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Attachment 2

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The Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991 (HR 3595) has added restrictions to disproportionate share. This was passed because of concerns over potential abuse by States of both provider taxes and disproportionate share. States were categorized as either 'high' or 'low' based upon their relative size of disproportionate share funds to total Medicaid funds. The limit was 12%. Kansas is a 'high' state and will not be allowed to increase the amount of disproportionate share funds in future years. Low states would not be allowed to exceed 12%.

Kansas uses two formulas to determine eligibility. The first is the percentage of Medicaid/Medicaid days to total inpatient days. Any hospital which is above a percentage determined by the State is eligible. The percentage varies each year and the hospitals eligible vary each year. The second formula is based upon the receipt of government funds and serving charity care patients (charity care is care provided for which no payment is received). Hospitals with more than 25% of their charges from these two sources are eligible.

Kansas currently has a revised State Plan under review by HCFA (to be effective 7/1/91 if approved) which clarifies the methodology which is being used. HCFA will be reviewing disproportionate share the week of Jan. 23, 1992 in Kansas. It is expected that the flow of funds will be reviewed and HCFA will be interested in whether sufficient state match funds be available for the receipt of federal funds.

The revenue received by our state mental hospitals under disproportionate share is quite large, slightly more than \$100 million per year. Since the Medicaid program is a joint state/federal effort, Kansas is required to match each federal dollar with approximately \$.82 of its own. For the mental institutions to earn this federal money they need nearly an equal amount of state general fund appropriation. The FY 92 GBR requests only \$43.4 million. Moreover, not all of this can qualify as state match. In order to address this problem SRS intended to use the first quarter's federal reimbursement as the next quarter's state match. Our position was that once the first quarter's federal funds were earned and received its future use was entirely at the state's discretion.

The Health Care Financing Administration has reviewed our position and agree if certain conditions exist. The critical condition is the Department must have truly earned the dollars. These funds must be officially received by the medical providers delivering the services. Therefore, we must have the current limit on flow of Title XIX funds to these four institutions lifted. As a result of this first procedural change it is necessary to authorize the four Superintendents to donate any amounts not appropriated for their use to the SRS Fee Fund. Once in the SRS Fee Fund it may be utilized as matching funds on the next quarter's federal funds. We may indeed need to formally match it up with the federal dollars and transfer it down to the state institutions each quarter as reflected in Attachment "A".

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In addition to the transfer limit, changes several changes have been made to existing wording. These may be found on lines 1-31, 2-13, 2-33, 3-10, and 3-31. The first change involves the proviso on the Institutional Title XIX Receipts Funds use. It simply changes a "shall" to a "may". The other 4 changes change a "shall" to a "may" with respect to the Director of Accounts and Reports duty to transfer funds from fund to fund. We tried to convince HCFA these changes were unnecessary, but were not successful. HCFA contents for these federal dollars to be truly discretionary earnings of the state, there must be no undue strings attached to the Secretary's use of them. We explained that a "shall" directed by the Legislature to the Director of Accounts and Reports had no bearing on the SRS' ultimate use of these funds. They insisted on this language.

I recognize the disproportionate share issue is a significant one. There may will be debate over its flow, its value, and the ultimate use of these dollars. While these policy issues are being debated and decided by the legislature, the Department needs these technical legislative changes in order to keep the federal funds flowing. Our most recent federal award letter deferred payment of further disproportionate share dollars pending the outcome of this bill. These changes need to be within this quarter or we will risk possible loss of this federal deal of money. I request your favorable consideration of Senate Bill 496. Thank you.

**COMPARISON OF CURRENT FLOW OF DISPROPORTIONATE FUNDS WITH THAT REQUIRED BY HCFA**  
**Kansas Department of Social and Rehabilitation Services**  
*Division of Management Services*

**Current Flow of Disproportionate Revenue**

**Required Flow of Disproportionate Revenue**

INCOMING FEDERAL FUNDS FOR INST CARE	
<u>REG TITLE XIX FED FUNDS</u>	
\$10	MH Insts
33	MR Inst
3	Audit Settlements
<u>\$46</u>	
<u>DISP SHARE FED FUNDS</u>	
\$28	Quarter 1
26	Quarter 2
26	Quarter 3
<u>26</u>	Quarter 4
<u>\$104</u>	

INCOMING FEDERAL FUNDS FOR INST CARE	
<u>REG TITLE XIX FED FUNDS</u>	
\$10	MH Insts
33	MR Inst
3	Audit Settlements
<u>\$46</u>	
<u>DISP SHARE FED FUNDS</u>	
\$28	Quarter 1
26	Quarter 2
26	Quarter 3
<u>26</u>	Quarter 4
<u>\$104</u>	

<i>SRS Fee Fund</i>	
Normal Annual Receipts:	
D Share	\$88
All Else	17
<u>Total</u>	<u>\$105</u>

(CURRENT TRANSFER LIMIT = \$12)

<i>Inst Recpts Fund</i>	
Normal Annual Receipts:	
D Share	\$104
Reg Inst XIX	46
<u>Total</u>	<u>\$150</u>

(CURRENT TRANSFER LIMIT = \$62)

<i>Institutions</i>	
Normal Annual Funding:	
D Share	\$16
Reg Inst XIX	46
<u>Combined</u>	<u>\$62</u>

<i>SRS Fee Fund</i>	
Normal Annual Receipts:	
Inst Earnings	\$88
All Else	17
<u>Total</u>	<u>\$105</u>

(NO LIMIT ON TRANSFERS)

<i>Inst Recpts Fund</i>	
Normal Annual Receipts:	
D Share	\$104
Reg Inst XIX	46
<u>Total</u>	<u>\$150</u>

(NO LIMIT ON TRANSFERS)

<i>Institutions</i>	
Normal Annual Funding:	
D Share	\$16
Reg Inst XIX	46
<u>Combined</u>	<u>\$62</u>
IN-D Share	\$88
OUT-Earnings	(\$88)

# SOURCES AND USES OF SRS FEE FUND AS PER THE GOVERNORS BUDGET

## Kansas Department of Social and Rehabilitation Services

*Division of Management Services*

Inst D Share Receipts/Use - FY92 GBR	
IN - Q1 & Q2 of FY 92	52.0
OUT - Transfer to Fee Fund	(32.8)
OUT - Institution Use (Approx)	(16.0)

SRS Fee Fund Receipts - FY92 GBR	
Balance Forward from FY91	\$21.4
Disproportionate Share	32.8
AFDC Child Support	8.4
SSI Interim Asst - Gross	2.7
Recovery of FY Expenditures	4.5
Misc Receipts	0.3
	\$70.1
Less Balance Forward to FY 93	2.0
<b>Tot Funds Utilized in FY92</b>	<b>\$68.2</b>

SRS Fee Fund Use - FY92 GBR	
Regular Med Assistance	\$45.4
Adult Care Home Assist	9.4
SubTotal, Med Asst	\$54.8
Cash Assistance	\$7.0
SSI Interim Asst Payout	1.6
State Operations	4.8
SubTotal, All Else	\$13.4
<b>GRAND TOTAL</b>	<b>\$68.2</b>

Inst D Share Receipts/Use - FY93 GBR	
IN - Q3 & Q4 of 92/All 93	156.0
OUT - Transfer to Fee Fund	(137.4)
OUT - Institution Use (Approx)	(13.0)

SRS Fee Fund Receipts - FY93 GBR	
Balance Forward from FY92	\$2.0
Disproportionate Share	137.4
AFDC Child Support	10.1
SSI Interim Asst - Gross	3.1
Recovery of FY Expenditures	5.9
Misc Receipts	0.5
	\$159.0
Less Balance Forward to FY 94	17.6
<b>Tot Funds Utilized in FY93</b>	<b>\$141.4</b>

SRS Fee Fund Use - FY93 GBR	
Regular Med Assistance	\$93.7
Adult Care Home Assist	41.9
SubTotal, Med Asst	\$135.6
Cash Assistance	\$0.0
SSI Interim Asst Payout	1.9
State Operations	3.9
SubTotal, All Else	\$5.8
<b>GRAND TOTAL</b>	<b>\$141.4</b>

# Disproportionate Share Payments - FY 1992

GENERAL HOSPITALS: The disproportionate share payments for general hospitals will consist of State General Fund (SGF) dollars from the budget of the SRS Division of Medical Services (DMS) and federal matching dollars (FFP).

Provider Number	Facility	Calculated Dispr. Share	DMS SGF	Federal Match FFP (2)
300093	Baxter Springs Hospital(1)	\$7,945	\$3,389.00	\$4,556.00
300194	Coffeyville Regional Medical Center	\$121,083	\$49,934.63	\$71,148.37
300216	Comanche County Hospital	\$10,595	\$4,369.38	\$6,225.62
300690	Geary Community Hospst.	\$39,916	\$16,461.36	\$23,454.64
300701	Bethany Medical Center	\$374,146	\$154,297.81	\$219,848.19
300745	University of Kansas Medical Center	\$835,093	\$344,392.35	\$490,700.65
300925	Cushing Memorial Hospital	\$24,889	\$10,264.22	\$14,624.78
301004	Manhattan Memorial	\$401,731	\$165,673.86	\$236,057.14
301498	Hamilton County Hospital	\$30,591	\$12,615.73	\$17,975.27
301522	Stormont-Vail Regional Medical Center	\$353,035	\$145,591.63	\$207,443.37
301623	Riverside Hospital	\$197,502	\$81,449.82	\$116,052.18
305190	The Children's Mercy Hospital	\$224,896	\$52,747.11	\$132,148.89
313378	Truman Medical Center	<u>\$531,569</u>	<u>\$219,219.06</u>	<u>\$312,349.94</u>
Subtotal		\$3,152,991	\$1,300,405.97	\$1,852,585.03

STATE INSTITUTIONS: The disproportionate share payments for state institutions will consist of State General Fund (SGF) dollars as provided by SRS Mental Health & Retardation Services (MH & RS) and federal matching dollars (FFP).

Provider Number	Facility	Calculated Dispr. Share	MH&RS SGF	Federal Match FFP (2)
340018	Larned State Hospital	\$95,606,075	\$39,427,945.33	\$56,178,129.67
340020	Osawatomie State Hospital	\$23,214,135	\$9,573,509.27	\$13,640,625.73
340031	Topeka State Hospital	\$44,391,009	\$18,306,852.11	\$26,084,156.89
340042	Rainbow Mental Health Facility	<u>\$16,505,757</u>	<u>\$6,806,974.19</u>	<u>\$9,698,782.81</u>
Subtotal		\$179,716,976	\$74,115,280.90	\$105,601,695.10
Grand total		<u>\$182,869,967</u>	<u>\$75,415,686.87</u>	<u>\$107,454,280.13</u>

SUMMARY:	SGF from DMS budget:	\$1,300,405.97
	SGF provided by MH&RS:	\$74,115,280.90
	Federal Match (FFP) (2):	<u>\$107,454,280.13</u>
	<b>Total Disproportionate Share Payments:</b>	<b><u>\$182,869,967.00</u></b>

NOTES: (1) Baxter Springs Hospital closed 8/31/91. Amount reflects payment for July and August 1991 only. Calculation: \$47,668/12 = \$3,972; 2 x \$3972 = \$7,945 (figures rounded)

(2) FFP match rates are based on 1 qtr. federal fiscal year '91 & 3 qtrs federal fiscal year '92

SOURCE: DMS fiscal unit, 1/16/92, DISPSHAR.WK3

STATE OF KANSAS

SOCIAL AND REHABILITATION SERVICES

Kansas Medicaid  
Disproportionate Share Payments  
for 1992

Listed below are those hospitals which received disproportionate share payments for 1992.

Facility	Amount
Baxter Springs Hospital	\$ 7,945
Coffeyville Memorial Hospital Medical Center	\$ 121,083
Commanche County Hospital	\$ 10,595
Geary County Hospital	\$ 39,916
Bethany Medical Center	\$ 374,146
The University of Kansas Medical Center	\$ 835,093
Cushing Memorial Hospital	\$ 24,889
Manhattan Memorial Hospital	\$ 401,731
Hamilton County Hospital	\$ 30,591
Stormont-Vail Regional Medical Center	\$ 353,035
Riverside Hospital	\$ 197,502
The Children's Mercy Hospital	\$ 224,896
Truman Medical Center	\$ 531,569
Larned State Hospital	\$95,606,075
Osawatomie State Hospital	\$23,214,135
Topeka State Hospital	\$44,391,009
Rainbow Mental Health Facility	\$16,505,757

Donna L. Whiteman  
Secretary of Social and  
Rehabilitation Services

Formula for Low-Income Utilization Rate for Disproportionate Share Hospitals  
Kansas Department of Social and Rehabilitation Services  
Division of Management Services

THE SUM OF:

1) The Fraction..... 
$$\frac{\text{Government Payments Excluding Medicare}}{\text{Amount of Hospital Charges}}$$
  
*less*  
the Amount of Contractual Allowances and Discounts

AND

2) The Fraction..... 
$$\frac{\text{The Total Amount of a Hospital's Charges for Inpatient Services which are Attributable to Charity Care}}{\text{Total Amount of Hospital Charges for Inpatient Services}}$$
  
*less*  
the Portion of Cash Subsidies for Patient Services Received Directly from the State and Local Governments Reasonably Attributable to Inpatient Services.