

Approved April 29, 1992

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Senator August "Gus" Bogina, Chairperson, at 11:13 a.m. on April 9, 1992 in Room 123-S of the Capitol.

All members were present except:

No one was absent

Conferees appearing before the committee:

None

Secretary of Social and Rehabilitation Services, Donna Whiteman, distributed and reviewed Attachment 1 which included a proposed draft of a provider assessment bill. She stated that provider assessments would furnish a way to maximize federal dollars and, in turn, would be used to increase any rate the providers are required to furnish under the federal government regulations. It was moved by Senator Gaines and seconded by Senator Hayden that the proposed legislation be introduced. The motion carried on a voice vote.

HB 3168 - Pooled money investment board loans; converted to bond financing.

Senator Gaines stated that he was opposed to the state's involvement in the bonding business and asked if the purpose of HB 3168 was to generate a series of fees to keep the KDFA in existence. Secretary Seltsam said that was not the case and that the purpose of the proposed legislation was to save \$3.4 million on the Landon and Correctional buildings through refinancing of the loans.

Senator Moran, having voted on the prevailing side in opposition to HB 3168, moved that the Committee reconsider its action. The motion, which was seconded by Senator Feleciano, carried.

Senator Winter moved that HB 3168 (amended on 4-8-92) be further amended by language that the bonds must be tax exempt bonds (rather than just having bond counsel opinion that they are tax exempt). The motion was seconded by Senator Salisbury and carried on a show of hands.

Senator Feleciano moved, Senator Moran seconded, that HB 3168 as amended be recommended favorable for passage. Senator Gaines stated that he would vote in favor of the bill with the understanding that he does not favor generating fees for the KDFA whose activities, he believes, should be handled by private enterprise. The motion carried on a roll call vote.

HB 3084 - Increase in National Guard pay.

Norman Furse, Revisor of statutes, distributed and reviewed Attachment 2, a proposed amendment to HB 3084 which would provide automatic adjustment of National Guard pay based on COLA increases or step movement or both. He called attention to the provision that the amount of the increase would be rounded off to the nearest dollar and suggested that the Committee might wish to not adopt that language because, with an amount so small, this recommendation might result in no adjustment at all.

Senator Brady moved, Senator Feleciano seconded, that HB 3084 be amended by inclusion of Attachment 2. The motion carried.

It was moved by Senator Feleciano and seconded by Senator Parrish that HB 3084 as amended be recommended favorable for passage. The motion carried on a roll call vote.

HB 3103 - State employees health care commission, composition, classified and retired employee representation.

Charles Dodson appeared before the Committee in support of HB 3103 and

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.

reviewed Attachment 3. Mr. Dodson explained that HB 3108 as recommended by the Committee on Governmental Organization specified a three member Health Care Commission but replaced the public member with a classified state employee. The Chairman explained that a quorum of two created a problem for the Commission in regards to the open meetings law during negotiations for health care plans.

It was moved by Senator Gaines and seconded by Senator Moran that SB 749 as amended by the House Committee be amended into the original version of HB 3103. It was explained that this motion would provide for a five member commission, a quorum of three members, and nonapplication of the open-meetings law to meetings of the Kansas State Employees Health Care Commission when the commission meets solely for the purpose of considering health care matters relating to individually identifiable plan participants. Senator Doyen noted that he objected to increasing the membership to five because four would be appointed by the Governor. The motion carried.

Senator Feleciano moved that HB 3103 as amended be recommended favorable for passage. The motion was seconded by Senator Parrish.

Senator Winter offered a substitute motion to further amend HB 3103 by extending the definition of the group of qualified participants in the state health care benefits program to include licensed boarding homes for children operated for a not-for-profit foundation providing residential group foster care for children and receiving reimbursement for all or part of such care from SRS as long as they pay all the premium costs. Senator Kerr seconded the substitute motion. In answer to concerns, Senator Winter stated that there would be few licensed health group homes that would be eligible and that the insurance would be offered to the employees only. The motion carried on a voice vote.

It was moved by Senator Winter and seconded by Senator Feleciano that HB 3103 as amended be recommended favorable for passage. The motion carried on a roll call vote.

SB 712 - Concerning court fees in criminal actions; providing for disposition of such fees to the law enforcement training center fund.

The Chairman reminded members that staff had been requested to tabulate the number and amounts of recommended docket fee increases. Attachment 4 was distributed and reviewed by Norman Furse, Revisor of Statutes. He noted that these numbers were accurate as of April 1, 1992. It was noted that HB 2832 had passed the Senate Judiciary Committee.

The Chairman asked for the wishes of the Committee on SB 712. Senator Kerr noted his opinion that HB 712 would not be necessary if SB 508 (which increases municipal court local docket fees to fund the Law Enforcement Training Center) is enacted. Senator Hayden expressed his desire to hold SB 712 as a possible vehicle to increase funding for emergency medical services.

No action was taken on the bill.

SB 572 - Relating to certificates of title; increasing the fee.

The second section of Attachment 4 was reviewed by Mr. Furse. No action was taken on the bill.

HB 3038 - KU school of medicine, scholarships, practice requirements, sexual abuse evaluation services.

Senator Gaines moved, Senator Salisbury seconded, that HB 3038 be recommended favorable for passage.

Senator Brady stated that he did not support the bill but believed that, as a minimum, the physician should be allowed to apply only the percentage of actual time worked to the repayment of the medical scholarship.

A substitute motion to amend HB 3038 by allowing the amount of the medical scholarship to be repaid by a percentage equal to the 55% of fulltime employment was offered by Senator Brady and seconded by Senator Kerr. The

motion carried on a voice vote.

It was moved by Senator Gaines and seconded by Senator Winter that HB 3038 as amended be recommended favorable for passage. The motion carried on a roll call vote.

The Chairman adjourned the meeting at 12:00 noon.

KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
Secretary Donna L. Whiteman

UPDATE ON PROVIDER ASSESSMENT
SUMMARY

The attached draft bill may be cited as the **Kansas Medical Provider Assessment Act**. The purpose of these assessments is to provide revenue to the Department of Social and Rehabilitation Services to use in funding the programs in which the health care providers in the classes listed are reimbursed for services under Title XIX of the Social Security Act.

The providers to be assessed are hospitals, adult care homes, intermediate care facilities for the mentally retarded, physicians and pharmacies.

We are asking for the cooperation of the Secretary of Health and Environment to certify a list to the Director of Taxation on or before May 1, 1992, and on May 1st of each succeeding year consisting of all hospitals, adult care homes, and intermediate care facilities for the mentally retarded and their respective number of licensed beds as of April 1, 1992.

We are asking the State Board of Healing Arts to certify a list to the Director of Taxation consisting of all active licensed physicians as of April 1, 1992.

We are asking the State Board of Pharmacy to certify a list to the Director of Taxation consisting of all registered pharmacies in the state as of April 1, 1992.

The Director of Taxation shall remit all proceeds of the assessments to the State Social Welfare Fund. Anyone who willfully fails to pay the assessments, who willfully violates any regulation of the Secretary of Revenue for the enforcement and administration of this act, or who aids and abets another in attempting to evade the payment of an assessment imposed by this act, who willfully makes a false statement on any form prescribed by the Secretary of Revenue, or who violates any other provision of this act, shall, upon conviction thereof, be fined not less than \$100, nor more than \$1,000, or be imprisoned in the county jail not less than one month, nor more than six months, or be both so fined and imprisoned, at the discretion of the court.

All liabilities by providers under this act shall be extinguished immediately upon a determination by the Secretary of Social and Rehabilitation Services, published in the Kansas Register, that the revenues generated by these assessments are ineligible for Federal financial participation under Title XIX of the Social Security Act.

We anticipate that these assessments will raise approximately \$66 million.

April 7, 1992

SWAM
April 9, 1992
Attachment 1

Kansas Medical Provider Assessment Act

_____ Bill No. _____

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

Section 1. This act shall be known and may be cited as the Kansas medical provider assessment act. The purpose of these assessments is to provide revenue to the department of social and rehabilitation services to use in funding the programs in which the health care providers in the classes listed are reimbursed for services under Title XIX of the Social Security Act. This act shall be construed to make the assessments in compliance with P.L. 102-234, the Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991.

Section 2. As used in this act: (a) "Director" means the director of taxation;

(b) "Provider" means a hospital, adult care home, intermediate care facility for the mentally retarded, physician, or pharmacist.

(c) "Hospital" means any "hospital," as that term is defined in K.S.A. 65-425(i), and amendments thereto, but does not include any hospital operated by the United States government, by the state of Kansas or any department or agency thereof, or by any political sub-division of the state of Kansas;

(d) "Adult care home" means any skilled nursing home or intermediate nursing care home as defined by K.S.A. 39-923 and amendments thereto, but does not include any adult care home operated by the United States government or by the state of Kansas, and does not include an "intermediate care facility for the mentally retarded, as defined by this act;

(e) "Intermediate care facility for the mentally retarded" means an "intermediate care facility for the mentally retarded" as that term is used in K.A.R. 28-39-200(s), but does not include any intermediate care facility for the

mentally retarded operated by the United States government or by the state of Kansas;

(f) "Physician" means "licensee" as that term is used in K.S.A. 65-2802(d), but shall not include a physician who has been granted an exempt license by the board of healing arts pursuant to K.S.A. 65-2809 and amendments thereto;

(g) "Pharmacy" means "pharmacy" as that term is used in K.S.A. 65-1626(s);

(h) "Prescription" means "prescription order" as that term is used in K.S.A. 65-1626(x);

(i) "Licensed bed" means a bed licensed by the Kansas department of health and environment according to rules and regulations.

Section 3. The secretary of health and environment shall on or before May 1, 1992, and on May 1st of each succeeding year, certify a list to the director of taxation consisting of all hospitals, adult care homes, and intermediate care facilities for the mentally retarded and their respective number of licensed beds as of April 1, 1992 and April 1st of each succeeding year. Such list will be updated on a quarterly basis as to any additional providers who are newly licensed on or after April 1st of each year.

Section 4. The board of healing arts shall on or before May 1, 1992, and on May 1st of each succeeding year, certify a list to the director of taxation consisting of all active licensed physicians as of April 1, 1992 and April 1st of each succeeding year. Such list will be updated on a quarterly basis as to any additional providers who are newly licensed on or after April 1st of each year.

Section 5. The state board of pharmacy shall on or before May 1, 1992, and on May 1st of each succeeding year, certify a list to the director of taxation consisting of all registered pharmacies in the state as of April 1, 1992 and

April 1st of each succeeding year. Such list will be updated on a quarterly basis as to any additional providers who are newly registered pharmacies on or after April 1st of each year.

Section 6. Each provider shall pay to the Director assessments equal to the following sums:

(a) In the case of hospitals, each bed licensed as of April 1, 1992, or on April 1st of succeeding years shall be assessed \$1875 annually. The provider may pay the annual assessment in one payment in advance on July 1, 1992, and on July 1st of each succeeding year, and if paid in advance the amount of the assessment will be reduced by five per cent (5%). In the provider's option, the annual assessment may be made in four equal quarterly payments of \$468.75 per bed. In state fiscal year 1993, the quarterly payments shall be due on October 1, 1992, December 1, 1992, February 1, 1993, and April 1, 1993. In each succeeding year, the quarterly payments shall be due on July 1st, October 1st, January 1st, and April 1st.

(b) In the case of adult care homes, each bed licensed as of April 1, 1992, or on April 1st of succeeding years shall be assessed \$893 annually. The provider may pay the annual assessment in one payment in advance on July 1, 1992, and on July 1st of each succeeding year, and if paid in advance the amount of the assessment will be reduced by five per cent (5%). In the provider's option, the annual assessment may be made in four equal quarterly payments of \$223.25 per bed. In state fiscal year 1993, the quarterly payments shall be due on October 1, 1992, December 1, 1992, February 1, 1993, and April 1, 1993. In each succeeding year, the quarterly payments shall be due on July 1st, October 1st, January 1st, and April 1st.

(c) In the case of intermediate care facilities for the mentally retarded, each bed licensed as of April 1st shall be assessed \$6,073 annually. The provider may pay the annual assessment in one payment in advance on July 1, 1992, and on July 1st of each succeeding year, and if paid in advance the amount of the assessment will be reduced by five per cent (5%). In the provider's option, the annual assessment may be made in four equal quarterly payments of \$1,518.25 per bed. In state fiscal year 1993, the quarterly payments shall be due on October 1, 1992, December 1, 1992, February 1, 1993, and April 1, 1993. In each succeeding year, the quarterly payments shall be due on July 1st, October 1st, January 1st, and April 1st.

(d) In the case of physicians, a special physician license fee, which is in addition to any annual fee required by the terms of K.S.A. 65-2809 and amendments thereto. Such special physician license fee will be in the amount of \$1,000.00 per year beginning April 1st and ending March 31st and shall be paid on August 1 each year. The first year in which the special physician license fee shall be due begins April, 1992.

(e) In the case of pharmacies, a special prescription fee in the amount of ten cents (\$.10) per prescription filled by such provider on or after April 1st, 1992. The secretary of revenue shall prescribe, by administrative regulations, a form to be completed by pharmacies as to the number of prescriptions filled, and such form shall be mailed to all registered pharmacies on or before October 1, 1992. Such form will require pharmacies to disclose the number of prescriptions filled by such provider in the period beginning April 1, 1992 and ending September 30, 1992. The form must be returned, with payment of the special prescription fee assessment by November 1, 1992 for that first six-month time period. In succeeding six-month time periods, the form will be mailed to

all registered pharmacies by April 1st and October 1st of each year, and pharmacies must disclose the number of prescriptions filled by such provider in the previous six month time period (April 1st through September 30th in the case of the form mailed on October 1st of each year, and October 1st through March 31st in the case of the form mailed on April 1st of each year). The forms and assessments must be returned by the providers by November 1st of each year for the forms mailed on October 1st and must be returned by May 1st for the forms mailed on April 1st.

Section 7. Each provider, other than pharmacies, who is licensed as of April 1, 1992 and succeeding years shall pay the assessment whether or not the license is maintained throughout the next twelve months. Any provider who obtains a license after April 1, 1992 or after April 1st of succeeding years, shall pay a prorated assessment according to the following formula: The number of calendar days in the year beginning April 1st and ending March 31st in which the license is in effect divided by 365 (or 366 in case of a leap year) times the annual assessment. Pharmacies who are registered after April 1, 1992 and after April 1st of succeeding years shall pay the special prescription fee assessment according to the number of prescriptions filled during the remainder of the six-month time period in which they first become registered.

Section 8. The director shall remit all proceeds of the assessments to the State Social Welfare Fund. The director of taxation is hereby authorized to initiate civil suit to collect such assessments together with interest and penalties pursuant to K.S.A. 79-3616(a) through (e), inclusive, and amendments thereto. Anyone who willfully fails to pay the assessments, who willfully violates any regulation of the secretary of revenue for the enforcement and administration of this act, or who aids and abets another in attempting to evade

the payment of an assessment imposed by this act, who willfully makes a false statement on any form prescribed by the secretary of revenue, or who violates any other provision of this act, shall, upon conviction thereof, be fined not less than \$100, nor more than \$1,000, or be imprisoned in the county jail not less than one month, nor more than six months, or be both so fined and imprisoned, in the discretion of the court.

Section 9. All liabilities by providers under this act shall be extinguished immediately upon a determination by the secretary of social and rehabilitation services, published in the Kansas register, that the revenues generated by these assessments are ineligible for federal financial participation under title XIX of the social security act.

Section 10. This act shall take effect and be in force from and after its publication in the Kansas register.

Drafted 3/13/92; 11:50 a.m.

Proposed Amendment - House Bill No. 3084

Be Amended:

On page 1, in line 14, preceding "When" by inserting "(a)"; in line 23, preceding "Members" by inserting "(b)"; in line 33, preceding "The" by inserting "(c)"; preceding line 40, by inserting the following:

"(d) (1) Whenever the rates of compensation of the pay plan for persons in the classified service under the Kansas civil service act are increased, the per day compensation under subsection (b) shall be increased by an amount, adjusted to the nearest dollar, computed by multiplying the average of the percentage increases in all monthly steps of such pay plan by the per day compensation under subsection (b) which is in effect prior to the effective date of such increase in the rates of compensation of the pay plan for persons in the classified service under the Kansas civil service act.

(2) If increases in monthly rates of compensation from step movements of the pay plan for persons in the classified service under the Kansas civil service act are authorized for the fiscal year ending June 30, 1993, or any fiscal year thereafter, the per day compensation under subsection (b) shall be increased by an amount, adjusted to the nearest dollar, computed by multiplying the average percentage increase in the monthly rate of compensation from step movements on the pay plan for persons in

SWAM

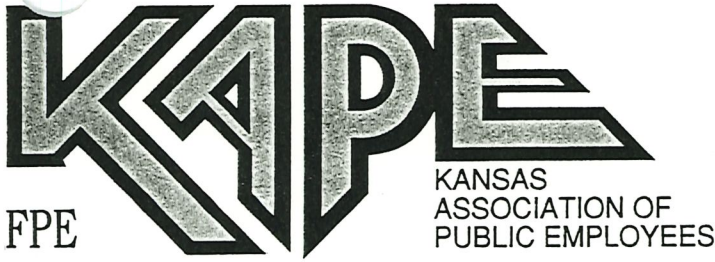
April 9, 1992

Attachment 2

the classified service under the Kansas civil service act determined under paragraph (3) by the per day compensation under subsection (b) which is in effect prior to the effective date of such increase. The increase in the per day compensation under subsection (b) pursuant to this subsection shall take effect on the first day of the first payroll period which is chargeable to the fiscal year in which such step movements on the pay plan are authorized to take effect.

(3) For purposes of paragraph (2), the average percentage increase in the monthly rate of compensation from step movements on the pay plan for persons in the classified service under the Kansas civil service act shall be equal to the percentage certified by the secretary of administration which equals the estimated average of the percentage increases in all monthly rates of compensation from step movements on the pay plan for persons in the classified service under the Kansas civil service act which are authorized to take effect during the fiscal year in which such step movements on the pay plan are authorized to take effect.

(4) If the increase under paragraph (1) takes effect on the first day of the first payroll period of the fiscal year, the percentage rate increases determined under paragraphs (1) and (2) shall be added together and the aggregate percentage increase of compensation under this section shall be used to increase the per day compensation instead of applying the increases under subsections (a) and (b) separately."



1300 South Topeka Avenue Topeka, Kansas 66612 913-235-0262 Fax 913-235-8788

April 9, 1992

Presentation to
Senate Committee on Ways and Means
by
Charles Dodson
Kansas Association of Public Employees

We urge you to support HB3103.

Every year state employees pay millions of dollars from their salaries for family health insurance. Yet, they do not have a vote as to form, costs, or coverage of that insurance.

The State Employee Health Care Commission does not have a rank and file state employee as a member. The members are the Secretary of Administration, the Commissioner of Insurance and a member appointed by the Governor. For many years that appointee was another cabinet officer.

HB 3103, as amended, would require the public member to be an active classified state employee. This person would not be able to control the commission, they would only be able to insure that a voice and a vote was available that truly represented "state employees" on the own Health Care Commission, on what is after all, the State Employee Health Care Commission.

There is argument that there is a health care advisory group that is made up of representatives from every agency. This is an unofficial group. They have no vote as to the form or substance of insurance programs for state employees. At one time, I attended some of these meetings. The attendance was poor and they were simply told what was going to happen.

We again would urge your support of HB3103.



I. Amendments to 28-172a (Criminal Proceedings Docket Fees)

A. Senate Bill No. 712 increases docket fees by \$3 in criminal actions and provides for the disposition of such fee increase to the law enforcement training center fund.

B. House Bill No. 2832 increases the docket fee by \$2 as part of a bill creating the judicial branch education fund for the education of judicial officers and employees. This bill is alive, having been referred to the Committee on Ways and Means, and is currently in the Senate Committee on Judiciary.

C. House Bill No. 2769 increases the docket fee by \$1.50 and places the increased fees in a judicial technology fund to implement technological improvements in the Kansas court system. This bill has passed both houses of the legislature with no amendments in the Senate to the bill.

II. Amendments to 8-135 (Auto Certificate of Title Fee).

A. Senate Bill No. 572 would increase the fee for a new certificate of title from \$3.50 to \$9. This increase in fee would be deposited in the Kansas highway patrol vehicle fee fund.

B. House Bill No. 2765 is the only bill other than Senate Bill No. 572 which amends K.S.A. 8-135. House Bill No. 2765 has passed both houses of the legislature and has been sent to the governor, but it does not change from the current law the new certificate of title fee.

SWAM
April 9, 1992
Attachment 4