

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson August Bogina at 11:00 a.m. on February 14, 1995 in Room 123-S of the Capitol.

All members were present except: Senator Brady, who was excused

Committee staff present: Alan Conroy, Legislative Research Department
Julian Efird, Legislative Research Department
Laura Howard, Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Robert Wunsch, Legislative Liaison, University of Kansas Medical Center
Jessie Branson, former member of the House of Representatives
Richard Morrissey, Director, Bureau of Local and Rural Health Systems,
Department of Health and Environment
Dr. Ernest Crow, Clinical Professor of Medicine, Kansas School of Medicine-
Wichita

Others attending: See attached list

SB 169: Medical student scholarships and loans, satisfaction of service obligation

Mr. Robert Wunsch appeared before the Committee and reviewed his written testimony in support of **SB 169 (Attachment 1)**. He told members that the language changes recommended in the bill were suggested in order to more strictly interpret the statute in accordance with legislative intent for "on-site" performance.

Ms. Jessie Branson, former member of the House of Representatives, testified in support of **SB 169** and reviewed her written testimony (**Attachment 2**). She noted that it was not legislative intent to include telephone consultation as part of the repayment agreement.

Mr. Richard Morrissey, Department of Health and Environment, testified as a proponent for **SB 169** and reviewed his written testimony (**Attachment 3**). There were no questions.

Senator Lawrence distributed copies of a proposed amendment to **SB 169 (Attachment 4)**. She introduced Dr. Ernest Crow, retired Acting Chairman of the Department of Internal Medicine at the University of Kansas School of Medicine-Wichita, who informed the Committee of the difficulties in recruiting junior faculty into the Department of Internal Medicine and highlighted some of the reasons for those difficulties (**Attachment 5**). Dr. Crow told members that the term "general" internal medicine or "general" pediatrics (which is proposed in the balloon) is restrictive language intended to exclude sub specialties. In answer to a question, he stated that the balloon would add two positions for loan forgiveness strictly for fulltime faculty positions.

In answer to questions, representatives from the University of Kansas Medical School stated that the intent of the original scholarship program was to send doctors into underserved areas rather than to recruit faculty. They, however, recognized the problems associated with recruitment.

It was moved by Senator Lawrence and seconded by Senator Salisbury that SB 169 be amended by inclusion of the balloon (Attachment 4). The motion carried on a voice vote.

Senator Rock moved, Senator Lawrence seconded, that SB 169 be further amended by inserting the number

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on February 14, 1995.

"16" for the number "75" following "K.S.A." on line 18 of page 3 and on line 38 of page 5 of the bill. The motion carried on a voice vote.

It was moved by Senator Salisbury and seconded by Senator Lawrence that **SB 169** as amended be recommended favorable for passage. The motion carried on a roll call vote.

SB 159: School bus safety fund quarterly transfers from state highway fund eliminated

The Chairman explained that **SB 159** was recommended by the Education subcommittee. He noted that the bill strikes the \$40,000 transfer from the state highway fund to the school bus safety fund and makes it subject to appropriation. Senator Rock moved, Senator Morris seconded, that **SB 159** be recommended favorable for passage. The motion carried on a roll call vote.

SB 143: Appropriations for FY 95 and FY 96, for a capital improvement project for Wichita state university

The Chairman noted that the hearing for **SB 143** was held on February 7 and that the bill allowed for the selling of bonds and provided authorization for razing of the steel superstructure of Cessna Stadium. Senator Rock moved that **SB 143** be recommended favorable for passage. The motion died for lack of a second.

The Chairman adjourned the meeting at 11:55 A.M. The next meeting is scheduled for January 15, 1995.

TESTIMONY BEFORE THE SENATE WAYS AND MEANS COMMITTEE
SENATE BILL 169
ROBERT S. WUNSCH
FEBRUARY 14, 1995

Thank you, Mr. Chairman. My name is Robert Wunsch and I am here today on behalf of the University of Kansas Medical Center to testify in support of Senate Bill 169.

When the Medical Scholarship Program was initially enacted by the 1978 Legislature, it was totally a legislative initiative. The legislative objective was clearly to encourage medical students to ultimately seek a practice location in an underserved area in Kansas upon completion of their medical training. To provide an incentive, financial aid is provided during the student's undergraduate medical years, with a waiver of the repayment obligation upon the provision of satisfactory service in a locale within the state that was in compliance with the statute.

Throughout the history of the program, it has been amended on numerous occasions. The numerous changes, whether they related to financial incentives, specialty preference, or service obligations were changes initiated by the Legislature. Perhaps the most significant change occurred in the 1992 session of the Legislature when the program was retitled as a Medical Loan Program and the financial incentives for students were significantly enhanced. The University of Kansas Medical Center's role was, and continues to be, to advise the Legislature on the impact the program is having and to alert legislators to problems that we might be encountering in administering the bill. The administration of the act in accordance with legislative intent has always been the principal concern of the Medical Center.

In the current Kansas Medical Scholarship law, there is a provision for a student awarded a scholarship prior to January 1, 1986, that allows for the satisfaction of the student's service obligation by engaging in the full-time practice of medicine and surgery in any service commitment area by devoting at least 100 hours per month to a local health department or non-profit organization serving medically indigent persons. This provision was amended into the statute by former Representative Jessie Branson in the 1990 session. When the Kansas Medical Loan Law was enacted in 1992, the same provision was made for such alternate service opportunity.

While we believe that the intent of the Legislature in providing for this alternative service opportunity was quite clear, it is apparent that others could perhaps, prefer to construe the statute more broadly. We have sought this legislation to clarify this provision in keeping with what we believed was legislative intent. Specifically, we believe the legislative purpose was to enable a physician to satisfy their service obligation by providing 100 hours of service in a clinic operated by a local health department or non-profit organization. We do not believe that "devoting" of 100 hours could be construed to be anything other than providing direct service in such a clinic and that the medical service could be anything other than in primary care. Unfortunately, others interpret the language more broadly and thus, the need for clarification.

The language we have proposed would specifically require that a physician provide 100 hours of primary care service in a clinic operated by a local health department or non-profit organization serving medically indigent persons. We believe this was the original legislative intent and we would ask for the passage of Senate Bill 169 in order to allow us to administer these two laws in a manner which we feel is consistent with the legislative purpose.

SWAM
February 14, 1995
Attachment 1

JESSIE M. BRANSON
800 Broadview Drive
Lawrence, Kansas 66044

February 14, 1995

To: Honorable Gus Bogina, Chairman
and Members
Senate Ways and Means Committee
State Capitol
Topeka, Kansas 66612

From: Jessie Branson

Re: Senate Bill 169

Thank you for the opportunity to speak with you this morning. I appear as a proponent of SB 169 and as a former member of the Kansas House of Representatives, serving from 1981 - 1991. I was a member of the Public Health and Welfare Committee throughout my tenure, eight years as Ranking Minority, and I served as Vice Chair of both the Commission on Access to Care for the Medically Indigent and the Joint Committee on Health Care Decisions for the 1990's.

During the 1980's several Interim Committees on Public Health and Welfare, the commission on Access to Care for the Medically Indigent, and the Joint Committee on Health Care Decisions for the 1990's spent considerable time and effort hearing testimony from and touring various facilities throughout the state that were besieged with increasing numbers of people seeking health care due to their lack of access to care elsewhere.

Facilities that we toured and/or heard testimony from included several local health departments (Wichita/Sedgwick County; Kansas City/Wyandotte county: Finney, Saline, Leavenworth, Johnson, Greenwood-Butler, and Douglas Counties).

We also made on-site visits to several clinics which had been initiated to serve 'medically indigent'. These included the Hunter Clinic and others in Wichita, the Marion Clinic in Topeka, and Sisters of Charity in Kansas City, all operated by nonprofit organizations.

We found that, among other problems, these agencies were surely in need of physicians. Accordingly, the Joint Committee on Health Care Decisions proposed an amendment to the statutes during the 1990 Session that would allow graduates of the KU School of Medicine to repay their state loans by providing medical care in local health departments or in clinics operated by nonprofit organizations. The amendment passed and is found in K.S.A. 76-375, Subsection (e), (2).

SWAM
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Attachment 2

The Legislative intent of the 1990 amendment was as follows:

- a) The service would be provided by those graduates who were qualified to practice primary care, specifically general pediatrics, general internal medicine, or family practice.
- b) Allowing medical school graduates, specifically those trained in primary care, to repay their loans by serving in health departments and nonprofit clinics would encourage students early on to pursue careers in primary care. (Medical indigence in our state was due, in part, to the fact that there were too many specialists and not enough primary care physicians).
- c) Preventive care, as well as general sickness care, could best be provided by primary care physicians. (Increased preventive care was one of the Committee's chief objectives).
- d) The requirement of at least 100 hours per month service, in order to satisfy the loan agreement, would be provided on-site. It was never the Committee's intent that the time requirement be satisfied by any off-site service such as by telephone consultation.

Mr. Chairman and Members, as sponsor of the 1990 Amendment, I believe that the proposed new language in SB 169 would clarify and strengthen the original legislative intent. I urge that you recommend SB 169 favorable for passage.

Thank you for your help in this matter.

State of Kansas

Bill Graves



Governor

Department of Health and Environment

James J. O'Connell, Secretary

Testimony presented to

Senate Committee of Ways and Means

by

The Kansas Department of Health and Environment

Senate Bill 169

Senate Bill 169 provides clarification of a provision in the Kansas Medical Loan Repayment Program allowing physicians to earn loan forgiveness by providing care in sites serving the medically indigent. The Kansas Medical Loan Repayment Program, formerly the Kansas Medical Scholarship program, was conceived as a way to get primary care physicians to medically underserved areas by offering them a full scholarship in exchange for service in shortage areas. Originally those sites were defined as counties with high patient to physician ratios and they tended to be rural areas. But, in 1990, sites serving the medically indigent were added as a location for discharge of this service obligation.

We agree with the Kansas Medical Scholarship Advisory Committee's conclusion that the intent of the original legislation was to get direct primary care to the medically indigent and that current statutory wording leaves too much room for rival interpretations. Consequently, we support the clarification provided in Senate Bill 169.

The Department recommends that the bill be passed as written.

Testimony presented by:

Richard J. Morrissey
Director
Bureau of Local and Rural Health Systems
Kansas Department of Health and Environment

Date: February 14, 1995

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February 14, 1995
Attachment 3

PROPOSED AMENDMENT TO SB 169

1 portions of areas determined to be critically medically underserved or
2 medically underserved by specialty.

3 (b) (1) A service commitment area shall be designated as a service
4 commitment area I or a service commitment area II. Service commitment
5 area I shall be any area determined by the chancellor of the university of
6 Kansas, or the designee of the chancellor, under subsection (a) to be, for
7 purposes of all agreements entered into under K.S.A. 76-374 and amend-
8 ments thereto, a medically underserved area or a critically medically un-
9 derserved area. Service commitment area II shall be, for purposes of all
10 agreements entered into under K.S.A. 76-374 and amendments thereto,
11 the state of Kansas.

12 (2) The service commitment area I or II for persons first awarded
13 scholarships after December 31, 1985, shall be an incorporated city of
14 this state as specified in subsection (d)(2) of K.S.A. 76-374 and amend-
15 ments thereto, all state medical care facilities or institutions, all medical
16 centers operated in the state of Kansas by the veterans administration of
17 the United States, and all full-time faculty positions at the university of
18 Kansas school of medicine in family medicine or family practice.

or general internal medicine or general pediatrics

19 (c) In selecting a service commitment area I or II, whichever is ap-
20 plicable, prior to the commencement of the full-time practice of medicine
21 and surgery pursuant to all agreements entered into under K.S.A. 76-374
22 and amendments thereto requiring service for a period of time in a service
23 commitment area I or II, whichever is applicable, the person so selecting
24 shall select such area from among those areas appearing on the list of
25 areas prepared by the chancellor of the university of Kansas, or the des-
26 ignee of the chancellor, under this section. The service commitment area
27 selected shall have appeared on any such list not more than 36 months
28 prior to the commencement of such full-time practice of medicine and
29 surgery by the person selecting such service commitment area. Upon the
30 selection of such service commitment area, the person so selecting shall
31 inform the university of Kansas school of medicine of the area selected.

32 (d) A person serving in a service commitment area I or II, whichever
33 is applicable, pursuant to any agreement under this act may serve all or
34 part of any commitment in the service commitment area initially selected
35 by such person. If such person moves from one service commitment area
36 I or II to another service commitment area I or II, as applicable, such
37 person shall notify the university of Kansas school of medicine of such
38 person's change of service commitment area. Service in any such service
39 commitment area I or II, as applicable, selected from the appropriate lists
40 of service commitment areas, shall be deemed to be continuous for the
41 purpose of satisfying any agreement entered into under this act. Any
42 service commitment area I or II, as applicable, selected after the initially
43 selected service commitment area I or II shall have appeared on a service

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Attachment 4

1 the obligation to engage in the practice of medicine and surgery under
2 an agreement entered into pursuant to K.S.A. 76-374 and amendments
3 thereto.

4 (k) As used in this section, "state medical care facility or institution"
5 includes, but is not limited to, the Kansas state school for the visually
6 handicapped, the Kansas state school for the deaf, any institution under
7 the secretary of social and rehabilitation services, as defined by subsection
8 (b) of K.S.A. 76-12a01 and amendments thereto or by subsection (b) of
9 K.S.A. 76-12a18 and amendments thereto, the Kansas soldiers' home and
10 any correctional institution under the secretary of corrections, as defined
11 by subsection (d) of K.S.A. 75-5202 and amendments thereto, but shall
12 not include any state educational institution under the state board of
13 regents, as defined by subsection (a) of K.S.A. 76-711 and amendments
14 thereto, except as specifically provided by statute.

15 Sec. 2. K.S.A. 1994 Supp. 76-384 is hereby amended to read as fol-
16 lows: 76-384. (a) Upon the selection of a service commitment area for
17 the purposes of satisfying a service obligation under a medical student
18 loan agreement entered into under this act, the person so selecting shall
19 inform the university of Kansas school of medicine of the service com-
20 mitment area selected.

21 (b) A person serving in a service commitment area pursuant to any
22 agreement under this act may serve all or part of any commitment in the
23 service commitment area initially selected by such person. If such person
24 moves from one service commitment area to another service commitment
25 area, such person shall notify the university of Kansas school of medicine
26 of such person's change of service commitment area. Service in any such
27 service commitment area shall be deemed to be continuous for the pur-
28 pose of satisfying any agreement entered into under this act.

29 (c) A person receiving a medical student loan under this act, may
30 satisfy the obligation to engage in the full-time practice of medicine and
31 surgery in a service commitment area if the person serves as a full-time
32 faculty member of the university of Kansas school of medicine in family
33 medicine or family practice]and serves two years for each one year of
34 such obligation, or the equivalent thereof on a two-for-one basis.

35 (d) A person may satisfy the obligation to engage in the full-time
36 practice of medicine and surgery in a service commitment area by de-
37 voting performing at least 100 hours per month to of on-site primary care
38 as defined in K.S.A. 75-374 and amendments thereto at a medical facility
39 operated by a local health department or nonprofit organization in this
40 state serving medically indigent persons. As used in this subsection, "med-
41 ically indigent" means a person: (1) Who is unable to secure health care
42 because of inability to pay for all or a part of the costs thereof due to
43 inadequate personal resources, being uninsured, being underinsured, be-

[or general internal medicine or general pediatrics

SUBJECT: DIFFICULTY RECRUITING JUNIOR FULL-TIME INTERNAL MEDICINE FACULTY
FROM: Ernest W. Crow, M.D.
Clinical Professor of Medicine

In the report which I prepared for Dr. Meek as I retired as Acting Chairman of the Department of Internal Medicine at the University of Kansas School of Medicine-Wichita, I expressed my concern about a problem confronting the Department of Internal Medicine. This same problem was noted by the Departmental Review Committee which has been reviewing departmental activity during the past two months and they also recommend the solution defined below.

This problem relates to the difficulty and almost impossible task of recruiting junior faculty into the Department of Internal Medicine. The problem has become critical in the past year because two of our most revered older faculty members in Wichita have reached an age where they must be replaced. Both are over 70, one over 75 years of age, and the two of them are among our finest role models as primary care generalists. The teaching load in Wichita and Kansas City is especially heavy for our general internal medicine faculty since they do a major portion of the teaching in the junior and senior clinical rotations. We believe that the development of strong role models in the primary care fields is essential in expanding the number of students who select those fields for residency. In addition as we expand into the rural areas, the use of such models as those currently in Beloit (Dr. Concannon) and Chanute (Dr. Maben) are essential.

Some probable explanations for the problem are as follows:

1. The Wichita Campus is not yet well known nationally so it becomes extremely hard to attract young faculty from elsewhere to this campus. As evidence of this, advertisements placed in national magazines during the past year have resulted in only two resumes, both with unsatisfactory credentials. Dr. Greenberger on the Kansas campus reports that their attempts to recruit for approximately six positions have been very disappointing. On the good side in Wichita however is that our program matched 100% of positions on the last residency match and most of those will be going into general internal medicine. This indicates the respect this department receives from our students, since most of our residents come from our own student body.
2. The starting salaries for instructors or assistant professors in internal medicine is often lower than the competition outside the university offers and some groups now are offering to pay off the student loans in order to recruit into the groups. The departments of internal medicine care for a majority of no pay and medicaid patients, so patient care income to support internal medicine faculty is quite limited. A young, vigorous general internal medicine faculty is essential to developing a primary care base from which students can learn. That base must include our rural rotations.
3. We are unable to provide loan forgiveness for full-time faculty, a perk which was provided for family medicine by the legislature in previous years.

Recently the American Board of Internal Medicine and the American Board of Family Practice issued a joint statement urging program directors to develop joint internal medicine/family practice residencies. A committee began working on that last year in Wichita, and it is my belief that it will become the standard in the future.

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Attachment 5

pg 2

By doing this one is able to avoid duplication of faculty, take advantage of the strengths of both internal medicine and family practice programs to the benefit of residents. We already are able to offer a combined internal medicine pediatrics program.

I believe that a legislative act giving loan forgiveness to internal medicine and other primary care residents who accept full-time faculty appointments will substantially assist in recruiting junior faculty. I feel confident that we will be able to recruit from our own residency programs in Wichita and Kansas City. We have a full quota of quality residents in our program, most I believe will continue in general internal medicine. There are many excellent opportunities in the state of Kansas for young general internal medicine physicians. In our class of residents who complete residency in June 1995, three are already committed to general internal medicine practice in the state of Kansas. Among the 1994 graduates, four are in general internal medicine.

The Chairman of the Department of Family and Community Medicine at the University of Kansas School of Medicine-Wichita, Dr. Andrew Barclay, is in support for this suggestion and is quite willing to send a letter in support should that be appropriate or necessary. Dr. Norton Greenberger, Chairman and Peter T. Bohn, Professor of Medicine ^{are} also in full support of this plan.

I am quite willing to answer questions regarding the need for loan forgiveness for primary care physicians.

Sincerely,



Ernest W. Crow, M.D.

EWC:nec