

Approved: 3-12-97
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on March 5, 1997 in Room 123-S of the Capitol.

All members were present except: Senator Salmans (Excused)

Committee staff present: Alan Conroy, Legislative Research Department
Kathy Porter, Legislative Research Department
Mark Burenheide, Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Revisor of Statutes
Judy Bromich, Administrative Assistant
Janet Henning, Committee Secretary

Conferees appearing before the committee: Senator Greta Goodwin
Don Myer, Executive Director, Kansas Committee on Veteran Affairs
Rodger Steffen, Chairman, Committee on Opportunities for Growth
Ralph Snyder, American Legion

Others attending: See attached list

SB 318: Veterans' home established at Winfield state hospital and training center

Senator Greta Goodwin appeared before Committee members in support of **SB 318** which would allow the Kansas Commission on Veterans Affairs to operate the second Kansas Veterans' Home on the grounds of the Winfield State Hospital and Training Center on or after January 1, 1998 (Attachment 1). Senator Goodwin informed the Committee the number of Kansas veterans 65 years and over is expected to increase from 98,006 in 1998 to 113,002 in 2010. Senator Goodwin testified the Division of Budget analysis indicates that it will cost less state monies to provide institutional care for the veterans in the Winfield Soldiers Home than under the Medicaid Program administered by SRS. It has been determined the Veterans Administration per diem reimbursement and operating expenditures in the Winfield Soldiers Home will be less expensive than assistance provided to nursing home patients by Medicaid.

In response to questions from Committee members, Senator Goodwin stated current legislation, passed in 1889, only allows for one home in Kansas and is located at Fort Dodge, Kansas.

Don Myer, Executive Director, Kansas Commission on Veteran Affairs, appeared before Committee members in support of **SB 318** (Attachment 2). Presently, the Kansas Soldiers Home located at Fort Dodge, Kansas offers three levels of care to qualifying veterans and their dependents: unassisted living, assisted living, and nursing care. Present trends indicate the number of veterans aged 65 and older is increasing and will continue to do so for the next 15 years. If this trend continues, it is anticipated the Soldiers' Home will maximize capacity sometime within the next two to three years. Even though the total veteran population of Kansas is declining and is projected to continue to do so for the next 15 years, the aging of the veteran population (age 65 and older) continues to increase and will grow appreciably for the next 15 years and maintain at that plateau for the following five years.

Mr. Myer informed Committee members that Fort Dodge has a total capacity of 264 beds, and the Winfield facility is expected to accommodate 254 nursing beds and 157 domiciliary beds.

In response to questions from Committee members, Mr. Myer advised the Veterans Administration's per diem reimbursement is over \$39 a day for nursing care and if the veteran is a war-time veteran, in a nursing home, there is an additional compensation of over \$16 for aid and

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on March 5, 1997.

attendance. Senator Kerr requested additional information be obtained regarding the per diem reimbursements.

Senator Lawrence requested Mr. Myer obtain information regarding states which have been challenged on the issue of state residency of veterans. Mr. Myer advised it is a state law which requires the veteran to be a resident of Kansas, however, other states have been successfully challenged on this issue.

Senator Petty inquired if sons, daughters, and wives of veterans were eligible to reside at Fort Dodge. Mr. Myer responded that they are eligible and do reside in the cottages. The Winfield facility will not have cottages, only nursing beds. It is a possibility cottages would be constructed at a later time. Senator Petty requested further information regarding Section 8 of SB 318.

Rodger Steffen, Community Opportunities for Growth, testified before Committee members in support of SB 318 (Attachment 3). Mr. Steffen emphasized to Committee members that many states have multiple veterans homes. These states have all realized the advantages of caring for veterans in veterans homes with federal dollars versus private nursing facilities with Medicaid dollars. Mr. Steffen informed Committee members that when a veteran goes into a private facility, the veteran loses their pension, approximately \$37 per day. When a veteran stays in a veterans home, the state continues to collect the pension and use a portion towards the veteran's care. The veteran also gets to keep a larger portion of personal assets.

Senator Goodwin told Committee members that Lynn Wells, Department of Aging, and Gloria Timmer, Division of Budget, had prepared information which answered many of the questions being asked by Committee members and this information would be forwarded to the Committee.

Ralph Snyder, Assistant Adjutant, American Legion, appeared before Committee members in support of SB 318 (Attachment 4). Mr. Snyder informed Committee members that by converting the Winfield State Hospital to a KCVA facility, this would provide domiciliary style housing for veterans in eastern Kansas similar to the facility at Fort Dodge, Kansas. Mr. Snyder also testified this would soften the economic impact to Winfield and would provide employment opportunities for Winfield and the surrounding communities.

The Chairman advised the bill would be held. The meeting was adjourned at 12:08 p.m.

The next meeting is scheduled for March 6, 1997.

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: 3.5-97

NAME	REPRESENTING
LINDA McGill	PMA
Pete McGill	McGill Associates
Rudger Steffen	Community Opportunities for Growth/Winfield
PETE GIROUX	COMMUNITY OPPORTUNITIES FOR GROWTH WINFIELD
DON MYER	KANSAS COMMISSION ON VETERANS AFFAIRS
Ralph Snyder	KANSAS AMERICAN LEG.
Teresa Bradbury	Leadership Winfield
Diana McCoy	Leadership Winfield
Larry Dobbs	" "
Mickey Christer	Wing Chamber of Commerce
Robert Proctor	Winfield Leadership
Leon Loucks	Winfield, KS
Brian Kennedy	Leadership Winfield
Joseph Krae	KOTK
Benny Sout	Winfield - Leadership
Angela Land	Leadership - Winfield
Jessie Carnejo	AFSCME - Council 67
Beck Harbour	Leadership Winfield
Nancy Jarvis	" "

GRETA H. GOODWIN
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 COWLEY AND SUMNER COUNTIES

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TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS
 RANKING MINORITY MEMBER: JUDICIARY
 MEMBER: ASSESSMENT AND TAXATION
 ENERGY AND NATURAL RESOURCES
 TRANSPORTATION AND TOURISM
 JOINT COMMITTEE ON HEALTH CARE
 REFORM LEGISLATIVE OVERSIGHT
 JOINT COMMITTEE ON STATE BUILDING
 CONSTRUCTION
 HEALTH CARE STABILIZATION FUND
 OVERSIGHT
 KANSAS SENTENCING COMMISSION

TO: Senator Dave Kerr
 Chairman of the Senate Ways and Means Committee

RE: Senate Bill 318

DATED: March 5, 1997

Thank you Mr. Chairman and Committee Members for the opportunity to speak in support of Senate Bill No. 318.

As an explanation of why this bill is needed by the Kansas Commission on Veterans Affairs to establish a Kansas Veterans' Home on the grounds of the Winfield State Hospital and Training Center, I offer the following. The Kansas State Soldiers' Home was created upon land donated to the state of Kansas by Fort Hays and Fort Dodge military reservations for the purpose of providing proper and suitable homes for the indigent ex-Union soldiers, sailors and marines of Kansas, pursuant to legislation passed in 1889. This was known as the Kansas Soldiers' Home and Mother Bickerdyke Annex. The Kansas Commission On Veterans Affairs in its present form was subsequently created in 1986 (K.S.A. 73-1208a). Full control of the Kansas Soldiers' Home, the property, effects, supervision and management thereof under the Kansas Commission of Veterans Affairs (K.S.A. 76-1904). Legislation only allowed for the operation of that one home. Senate Bill 318 would allow the Kansas Commission on Veterans Affairs to operate the second Kansas Veterans' Home on the grounds of the Winfield State Hospital and Training Center grounds on or after January 1, 1998, upon the passage of further legislation providing for enabling funding and any other necessary legislation for this project to reach fruition.

NEED FOR ADDITIONAL VETERANS HOME

The need for care of the veteran population is expected to increase dramatically as nationally the 8.3 million veterans in 1993 will peak to 9.3 million by the year 2000. A second peak of close to 9 million veterans aged 65 years and over is expected to occur in the mid 2010s

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Attachment # 1

as a result of the aging of Vietnam era veterans. The number of Kansas veterans 65 years and over is expected to increase from 98,006 in 1998 to 113,002 in 2010. A recent SRS survey shows that there are approximately 26,000 patients in 400 Kansas nursing homes. Over 13,000 of those patients are on Medicaid. The agency estimates that 25 percent (3,250) of those on Medicaid are eligible for care at a state veterans home. The Division of Budget has indicated those estimates are very high but it does appear that, given quality facilities and care, there is a strong interest in the veterans facility. As of August, 1995 there were 79 state homes in 41 different states. Many states have multiple veterans homes - Colorado - 3; Illinois - 4; Missouri - 5; Oklahoma - 6. I feel certain that Kansas has the same need for veterans care as other states in our area.

FEASIBILITY OF PROJECT

The Division of Budget analysis indicates that it will cost less state monies to provide institutional care for the veterans in the Winfield Soldiers Home than under the Medicaid Program administered by SRS. This is because of Veterans Administration per diem reimbursement and operating expenditures in the Winfield Soldiers Home will be less expensive than assistance provided to nursing home patients by Medicaid. This is not to say we will see savings, but the establishment of a veterans home in Winfield is expected to increase the number of clients served and will serve a new clientele which the state is not presently serving.

SUPPORT OF PROJECT

The proposal for the establishment of a veterans home on the grounds of the Winfield State Hospital and Training Center has garnered a large amount of support since this issue was first brought to my attention during the 1996 legislative session when an inquiry was made as to what the state would be doing with our facility upon the closure of our present state mental and retardation hospital. At that time, I learned that the Kansas Commission on Veterans Affairs and other Kansas veteran organizations have been interested in establishing a Kansas Veterans Home in eastern Kansas for several years but the right circumstances had never been present.

From that time forward, the momentum for a second veterans home in Kansas has grown at a monumental pace. The most important component frequently mentioned in support of the creation of a second veterans home to be located in Winfield is the advantage of having the appropriate and valuable facilities available, as well as having a highly trained and dedicated staff

of health care workers already in place to provide the skilled care needed. Most of the current employee positions at Winfield are of similar classifications required by a veterans home. Also a plus is that the location of our facility is a major attraction to serve the eastern area of Kansas where veterans services are not presently available. The forty thousand members of the Kansas Veterans of Foreign Wars is on record in support of the home. You will hear later from Mr. Snyder, of the American Legion Department of Kansas, expressing their support of this proposal.

CONCLUSION

I believe a vast opportunity has presented itself to benefit and serve the aging veteran population of Kansas. I, along with thousands of Kansas Veterans and the community of Cowley County, believe this project is a win-win situation for Kansas Veterans and the State of Kansas. It is an excellent opportunity for the State of Kansas to show its appreciation and support of Kansas Veterans, and for the Kansas Veterans to have available a much needed home for those requiring care.

Again, I thank you for the opportunity to address the Committee. I urge your favorable consideration of this legislation. I would be happy to respond to any questions you might have at the appropriate time.

Testimony by Don Myer, Executive Director

Kansas Commission on Veterans Affairs

on Senate Bill 318

before the

Senate Ways and Means Committee

March 5th, 1997

Mr. Chairman and members of the committee, my name is Don Myer, and I am the Executive Director of the Kansas Commission on Veterans Affairs. I am here today to testify on Senate Bill 318. I believe that this bill will definitely serve the best interests of the veterans of our state two reasons. First, it will offer a service now available to a comparatively small portion of our clients. Presently, the Kansas Soldiers Home located at Ft. Dodge, Kansas, offers three levels of care to qualifying veterans and their dependents: unassisted living, assisted living, and nursing care. Although open to all qualified Kansas veterans, the fact is that approximately 69% of the current residents are from within a five county area covering a 75 miles radius of the home. Second, present trends indicate that the number of veterans aged 65 and older is increasing and will continue to do so for the next 15 years. This is the segment of our population most likely to use facilities of this type.

The quality of care offered by this facility is validated by the growing number of veterans who seek care there for themselves and their dependents. The average number of residents has been steadily rising for the last several years. Our recent efforts to coordinate with the Department of Aging Client Assessment, Referral and Evaluation (CARE) program to include the Soldiers' Home in their process should only increase the Home's exposure. If the present trend continues, we anticipate the Soldiers' Home will maximize capacity sometime within the next two or three years (enclosure 1).

As is shown at enclosure 2, the total veteran population of Kansas is declining, and is projected to continue to do so for the next 15 years. This follows the national trend.

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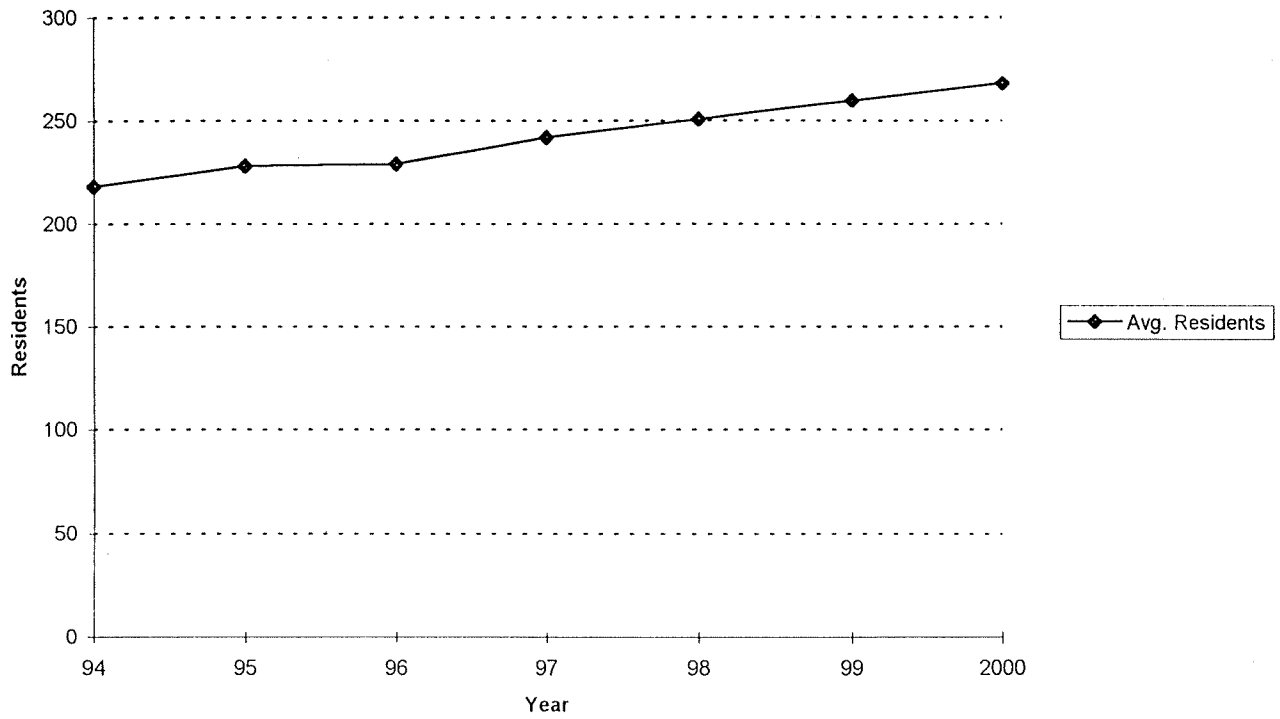
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Attachment # 2

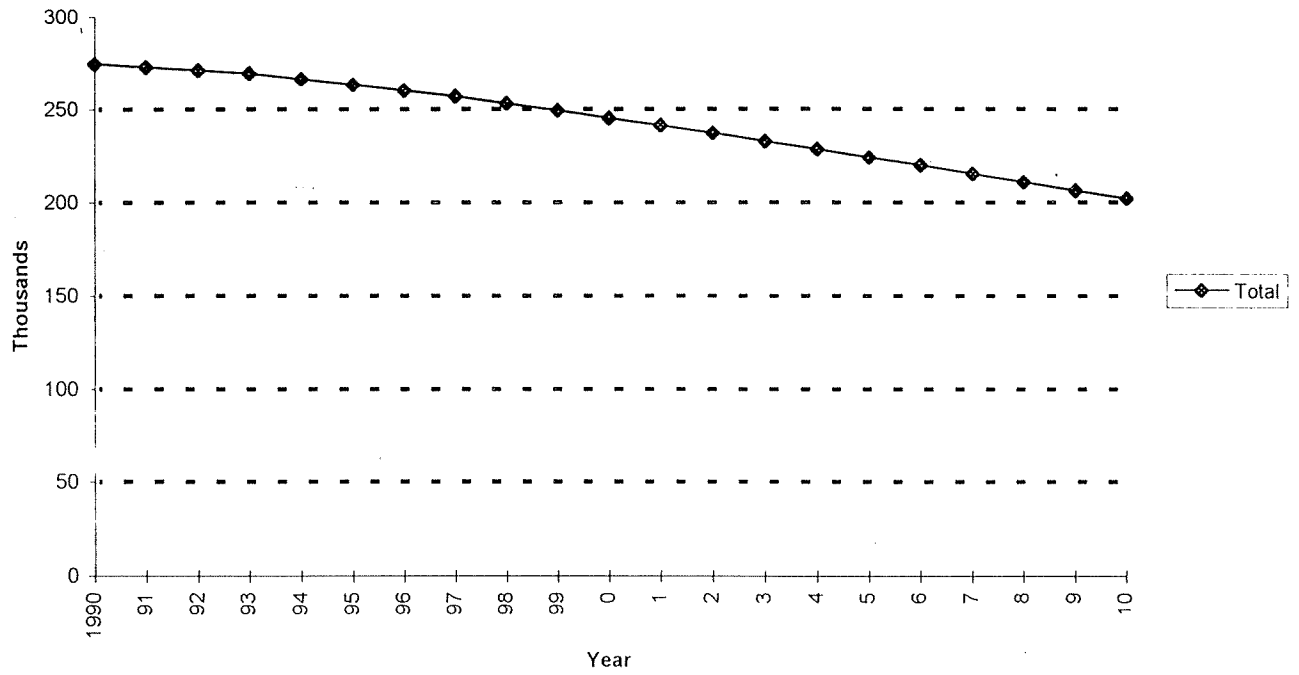
However, the aging of our veteran population is clearly shown in enclosure 3. This means that the total number of veterans in the class 65 years of age or older will grow appreciably for the next 15 years, and maintain at that plateau for the following 5 years. The class will move increasing toward the older end of it's range. It is this fact which mitigates for expansion of our facilities.

Thank you for this opportunity to testify. I would be happy to answer any questions you might have at this time.

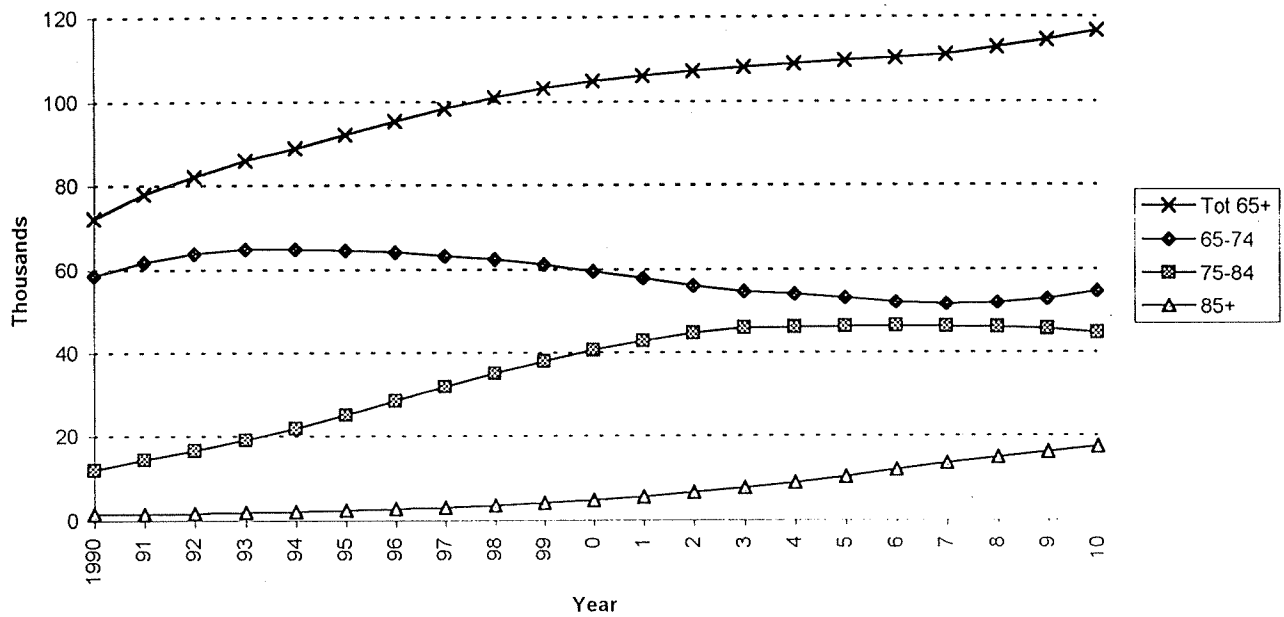
Soldiers' Home Projected Average Residents



Kansas Total Veteran Population Projection



Kansas Veteran Population Projection by Age Group



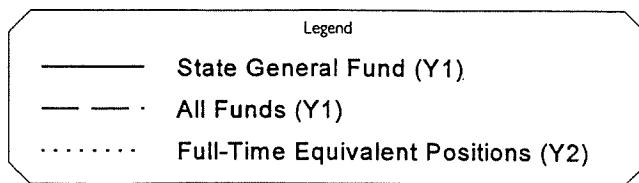
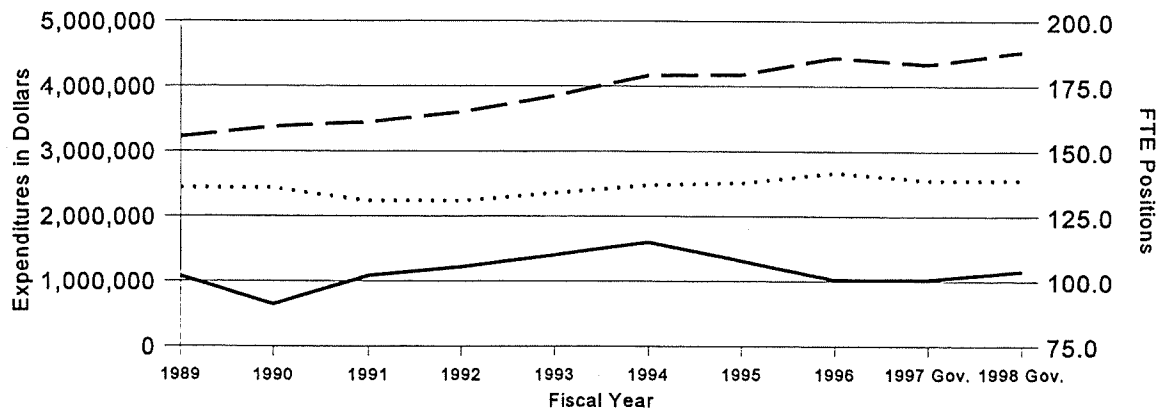
BUDGET TRENDS

OPERATING EXPENDITURES FY 1989-FY 1998

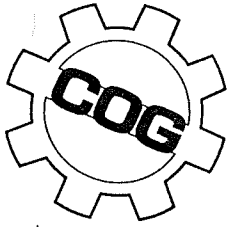
Fiscal Year	SGF	% Change	All Funds	% Change	FTE
1989	\$ 1,073,752	16.1%	\$ 3,216,555	7.2%	135.8
1990 ¹⁾	644,329	(40.0)%	3,376,194	5.0%	135.8
1991 ²⁾	1,083,097	68.1%	3,441,569	1.9%	130.8
1992	1,216,926	12.4%	3,600,362	4.6%	130.8
1993	1,399,469	15.0%	3,843,690	6.8%	134.0
1994	1,602,404	14.5%	4,165,445	8.4%	136.8
1995	1,309,832	(18.3)%	4,179,570	0.3%	137.8
1996	1,019,192	(22.2)%	4,437,258	10.8%	141.8
1997 Gov. Rec.	1,026,107	0.7%	4,333,262	(2.3)%	138.8
1998 Gov. Rec.	1,155,140	12.6%	4,523,073	4.4%	138.8
Ten-Year Change					
Dollars/Percent	\$ 81,388	7.6%	\$ 1,306,518	40.6%	3.0

- 1) The State General Fund (SGF) decrease in FY 1990 is due to the governor's recommendation to shift from SGF to Fee Fund spending in order to reduce the Fee Fund balance.
- 2) The SGF increase in FY 1991 represents a shift from Fee Fund spending to SGF spending.

OPERATING EXPENDITURES FY 1989-FY 1998



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COMMUNITY OPPORTUNITIES FOR GROWTH

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Testimony to the Senate Ways and Means Committee

March 5, 1997

**Presented by :
Rodger E. Steffen
Winfield, Kansas**

Mr. Chairman, Members of the Committee, I am Rodger Steffen, Chair of the Community Opportunities for Growth Task Force in Winfield. It is a pleasure to be here before you today to discuss an exciting opportunity for the State of Kansas. As you know, the Winfield State Hospital and Training Center buildings will be vacated by year end. Finding the best possible use for the facility has been our top priority since the closure announcement was made in November of 1995.

Senator Goodwin and others have worked very hard to put together a proposal that could be supported by all the parties involved. I believe that this proposal is truly a great fit for the community, the State, and the employees. When considering this proposal I think it is important to take note of the fact that many States have multiple veterans homes. For example: Colorado has three, Illinois has four, Missouri has five and Oklahoma has six. These States have all realized the advantages of caring for veterans in veterans homes with federal dollars versus private nursing facilities with Medicaid dollars.

It is also important to fully understand the budget issues involved with this process. It is true that an agency will have to be funded and will have a budget separate from that of SRS. Although on the surface it may appear to be a costly proposal, one must look at the big picture before jumping to conclusions.

Let us assume that a veteran develops a health problem that requires him to be admitted to a long term care facility. He does not have any money of his own to pay for his care. Currently, because of the waiting list at Fort Dodge, he would have to seek care at a private nursing home and receive Medicaid payments from the State to pay for his care. If this proposal is adopted, he would have the option of selecting the Winfield Veterans Home. The State would then receive more federal dollars towards his care than if he were on Medicaid.

Many are saying that the SRS budget will not be cut in order to fund the Winfield Veterans Home. Although this may be an accurate prediction it logically falls a little short of the target. SRS's budget would be reduced if the total number of clients served by all

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agencies of the State stayed constant. The problem is anyone who understands even the most basic demographic information can see a huge increase coming in the number of people needing nursing care. Therefore, what is being said is that SRS's budget will continue to grow because the demand for services will be growing over the next several decades. It seems to me that it is in the Kansas taxpayer's best interest to identify and pursue any proposal that will provide care to the elderly at a reduced cost to the State.

Therefore; the question is not whether you should support the Winfield Veterans Home or not, it is really whether or not you are going to provide services for indigent veterans or not. If you choose to provide services, as I certainly hope that you will, then it only makes good common sense to support this bill.

Good government depends on public servants who can envision and select options that will provide the adequate services for the lowest possible cost. Such vision is rare in government these days because of the constant demand for cutting today at the expense of tomorrow. As a Kansas taxpayer and one who greatly appreciates the contribution made by each and every veteran I strongly urge you to support Senate Bill 318. It makes good sense for Kansas.

I would be happy to entertain any questions at this time or any time in the future. Thank you for your consideration.

AMERICAN LEGION TESTIMONY
PRESENTED TO SENATE WAYS AND MEANS COMMITTEE
ON SENATE BILL 318

Thank you for giving me the opportunity to testify today in support of Senate Bill 318. My name is Ralph Snyder, Assistant Adjutant for the State American Legion.

The American Legion over the years has supported services provided by the Fort Dodge Soldiers Home in Western Kansas. In addition to giving support we have testified before the Senate and House appropriations committees in support of the KCVA Budget on an annual basis.

I am certain you are aware, the City of Winfield has been dealt two severe blows with the closing of the State Hospital and the closing of the Crayola Manufacturing Co. By converting the Winfield State Hospital to a KCVA facility which would provide domiciliary style housing for veterans in eastern Kansas similar to what is available at Fort Dodge Soldiers Home. This would go a long way to soften the economic impact to Winfield given the two recent closings. Thus the KCVA facility would be able to provide employment opportunities for Winfield and the surrounding communities.

Executive Director of the KCVA, Don Myer stated the increased ageing pattern of WWII, Korean and Vietnam Veterans. Thus reliance on some type of state aid by these citizens who honorably served their country in the military will increase in the years to come, especially so in the next ten years.

In closing according to the Topeka Capital-Journal, Governor Graves would support conversion of Winfield to a KCVA facility, with this in mind The American Legion strongly supports and urges your "yes" vote on Senate Bill 318.

Senate Ways and Means Committee

Date 3-5-97

Attachment # 4