

Approved: 1-27-98  
Date

MINUTES OF THE SENATE COMMITTEE ON PUBLIC HEALTH AND WELFARE.

The meeting was called to order by Chair Sandy Praeger at 10:00 a.m. on January 22, 1998 in Room 526-S of the Capitol.

All members were present except:

Committee staff present: Emalene Correll, Legislative Research Department  
Robin Kempf, Legislative Research Department  
Jo Ann Bunten, Committee Secretary

Conferees appearing before the committee:

Larry Froelich, Executive Secretary, Kansas Board of Pharmacy  
Pam Scott, Executive Director, Kansas Funeral Directors and Embalmers Assn.  
Richard Morrissey, Director, Bureau of Local and Rural Health Systems, KDHE  
Thomas R. Sipe, Kansas Hospital Association

Others attending: See attached list

**Introduction of Bills**

Larry Froelich, Executive Secretary, Kansas Board of Pharmacy, requested legislation relating to changes in the Kansas Pharmacy Practice Act and the Kansas Controlled Substances Act. (See Attachment 1) Senator Becker made a motion the Committee recommend introduction of the proposed legislation, seconded by Senator Salmans. The motion carried.

Pam Scott, Executive Director, Kansas Funeral Directors and Embalmers Association, requested introduction of a bill which would allow the retail value of a casket, urn and outside burial container plus \$3,500 for funeral services to be placed in an irrevocable prepaid funeral agreement, contract or plan. (See Attachment 2) Senator Hardenburger made a motion the Committee recommend introduction of the proposed legislation, seconded by Senator Bleeker. The motion carried.

**Hearing on SB 425 - Hospitals' rural health networks and critical access hospitals**

Richard Morrissey, Kansas Department of Health and Environment, testified before the Committee in support of SB 425 which would change the title "Rural Primary Care Hospital" to "Critical Access Hospital" and eliminate the requirements that a Rural Primary Care Hospital be affiliated with an Essential Access Community Hospital. Mr. Morrissey noted that a technical error appears in the bill on page 4, line 10: the words "does not exceed 25 beds" should be inserted after the word "beds". (See Attachment 3) After Committee discussion relating to Medicaid reimbursement to small hospitals and complying with new federal standards, the Chair noted that the Committee will be hearing more on this issue from rural hospitals and how the new federal laws impact them.

Thomas R. Sipe, Kansas Hospital Association, testified before the Committee in support of the hospital name change in SB 425 and encouraged the Committee to act favorable on the bill as noted in his written testimony. (Attachment 4)

**Action on SB 425**

Senator Lee made a motion the Committee amend SB 425 and insert new language, "does not exceed 25 beds" on page 4, line 10, after the word "beds", seconded by Senator Jones. The motion carried.

Senator Lee made a motion the Committee recommend SB 425 as amended favorably for passage, seconded by Senator Jones. The motion carried.

**Adjournment**

The meeting was adjourned at 11:00 a.m.

The next meeting is scheduled for January 27, 1998.



# Kansas State Board of Pharmacy

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STATE OF KANSAS

EXECUTIVE DIRECTOR  
LARRY C. FROELICH



1998 KANSAS LEGISLATIVE SESSION  
Senate Committee on Public Health and Welfare

BOARD ATTORNEY  
DANA W. KILLINGER

BILL GRAVES  
GOVERNOR

## KANSAS BOARD OF PHARMACY

Thursday, January 22, 1998

Madam Chairman and members of the committee, my name is Larry Froelich and I serve as the executive secretary to the Kansas Board of Pharmacy. I appear before you today on behalf of the board in asking the committee's support in adoption of changes to the Kansas Pharmacy Practice Act and the Kansas Controlled Substances Act.

There are four proposed changes that I would like for you to consider. The first request is a change to the Kansas Pharmacy Practice Act affecting the licensing of pharmacists by the Board. Currently there are approximately 3,400 registered pharmacists that renew their licenses on a yearly basis. The proposed changes would make these biennial license renewals.

The second requested change affects K.S.A. 65-1656. This Statute would affect the steps that pharmacists would perform when a consumer requests that their prescriptions be transferred to another pharmacy.

The third requested change affects the Kansas Controlled Substances Act (K.S.A. 65-4111). The Federal Drug Enforcement Administration has placed stricter controls on two medications (Butorphanol and Sibutramine). The changes to this Act would require stricter control of these medications and mirror the same classification as the Federal laws.

My final request is that the committee consider Senate Bill No. 198 that was introduced last year. This affects prescription requirements and the length of time that a prescription is valid.

Thank you again for the opportunity to address this committee. I would be happy to answer questions.

Senate Public Health and Welfare  
Date: 1-22-98  
Attachment No. 1



Years of Service

AFFILIATED WITH NFDA

# KANSAS FUNERAL DIRECTORS AND EMBALMERS ASSOCIATION, INC.

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Date: January 22, 1998  
To: Senate Public Health and Welfare Committee  
From: Pam Scott, Executive Director  
Kansas Funeral Directors and Embalmers Association  
Re: Amendment to K.S.A. 16-303(c)

Madam Chair and members of the committee, on behalf of the Kansas Funeral Directors and Embalmers Association (KFDA), I would like to request the introduction of a bill which would amend K.S.A. 16-303(c). The amendment would allow the retail value of a casket, urn and outside burial container plus \$3500 for funeral services to be placed in an irrevocable prepaid funeral agreement, contract or plan.

Currently K.S.A. 16-303(c) states that \$3000 can be placed in an irrevocable prearranged funeral agreement. Any additional funds set aside for a funeral service must be place in a revocable account. As a result, for an average priced funeral to be prepaid, the funeral home and consumer are required to execute two prearranged funeral agreements, an irrevocable contract for \$3000 and a revocable contract for the remainder of the balance. This creates confusion for the consumer and much paperwork.

The Department of Social and Rehabilitation Services (SRS), when determining eligibility for public assistance, currently excludes from resources \$3000 of irrevocable burial funds plus funds for burial space. Burial space is defined to include a casket, urn, outside burial container, and a burial plot. Although the statute's language might indicate otherwise, SRS has consistently interpreted the law to allow funds for burial space items to be placed in an irrevocable funeral account. Therefore, this amendment would not be inconsistent with their current procedures.

The KFDD respectfully requests introduction of the attached amendment to K.S.A. 16-303(c). I would be happy to respond to any questions you have concerning this amendment. Thank you for your consideration.

"1897-1997"

Senate Public Health and Welfare  
Date: 1-22-98  
Attachment No. 2

16-303. **Same; payments and earnings; credit life insurance; irrevocable agreements.** (a) Except as authorized by K.S.A. 16-308, and amendments thereto, all payments made under such agreement, contract or plan, and any earnings or interest thereon, shall remain with such bank, credit union or savings and loan association until the death of the person for whose service the funds were paid or, except as provided in subsection (c), until demand for payment is made by the purchaser of the merchandise or services to the bank, credit union or savings and loan association, and upon such payment to the purchaser, the contract shall terminate.

(b) At the option of a purchaser, any installment contract may provide for additional payments by the purchaser for the cost of group credit life insurance at such rate as is approved from time to time by the insurance commissioner. In the event of the death of the purchaser, the proceeds shall be treated as funds in accordance with K.S.A. 16-304, and amendments thereto.

(c) At the option of the purchaser, such agreement, contract or plan may be made irrevocable as to the retail price of a casket, urn and outside burial container and as to the first \$3,000 \$3,500 of the funds paid plus and set aside at the direction of the purchaser. Any interest and earnings accumulated under the agreement, contract or plan may also be irrevocable. This option shall not prohibit the purchaser to designate a different funeral home at any time prior to death, after written notice to the current funeral home, and upon such notification all documents and funds shall be transferred as necessary.

History: L. 1953, ch. 54, & 3; L. 1973, ch. 86, & 3; L. 1976, ch. 97, & 3; L. 1982, ch. 90, & 1; L. 1983, ch. 76, & 3; L. 1989, ch. 48, & 72; L. 1991, ch. 68, & 2; July 1.



**KANSAS**  
**DEPARTMENT OF HEALTH & ENVIRONMENT**  
BILL GRAVES, GOVERNOR  
Gary R. Mitchell, Secretary

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Testimony presented to

Senate Committee on Public Health and Welfare

January 22, 1998

by

Richard Morrissey, Director  
Bureau of Local and Rural Health Systems

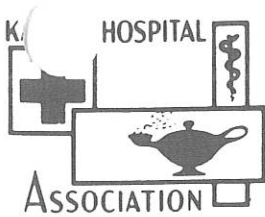
Senate Bill No. 425

Senate Bill No. 425 makes changes in the Rural Health Network statute to conform with changes made in the federal law by the Medicare Rural Hospital Flexibility Act, passed as part of the Balanced Budget Act of 1997.

Kansas has been a leader in the development of limited service rural hospitals since the passage of the first federal legislation in 1990. KDHE formed a partnership with the Kansas Hospital Association to develop the program and successfully competed to become one of the seven pilot states authorized in the law. Since that time, we have had more rural hospital participation in the program than any of the other pilot states. There are currently sixteen certified Rural Primary Care Hospitals (RPCH) operating in eight Rural Health Networks. ( Map and list attached) There is a total of 38 RPCH's certified in all seven of the pilot states. The partnership between KDHE and KHA is still in place and continues to support the development of the program and other activities aimed at maintaining and improving access to health care in rural Kansas.

The bill changes the title "Rural Primary Care Hospital" to "Critical Access Hospital" and eliminates the requirement that a Rural Primary Care Hospital be affiliated with an Essential Access Community Hospital. A new definition is provided for a Critical Access Hospital. The bill makes no other significant policy changes in the program. There appears to be a technical error in the bill on Page four, line ten: the words "does not exceed 25 beds" should be inserted after the word "beds" and before the word "and."

Recommendation: KDHE recommends that the Committee amend the bill to correct the error on Page four and report the bill favorably for passage.



**Donald A. Wilson**  
President

To: Senate Committee on Public Health and Welfare

From: Kansas Hospital Association  
Thomas R. Sipe

Re: Senate Bill 425

Date: January 22, 1998

The Kansas Hospital Association appreciates the opportunity to comment regarding the provisions of Senate Bill 425. The purpose of this bill is to recognize in the Rural Health Network Statutes the changes made in the federal law in transitioning from the Essential Access Community Hospital/Rural Primary Care Hospital (EACH/RPCH) Program to the new Medicare Rural Hospital Flexibility Program (MRHFP) as part of the Balanced Budget Act of 1997.

The MRHFP creates the Critical Access Hospital which replaces the Rural Primary Care Hospital and eliminates the requirement for a supporting Essential Access Community Hospital. The MRHFP does, however, require that the Critical Access Hospital maintain formal network supporting agreements.

This bill provides conforming language to the federal requirements and does not make any significant policy changes in the program. The program continues to offer cost-based reimbursement to qualifying rural hospitals and assures access to primary care and emergency services for their communities. For these reasons, KHA encourages favorable action by the committee on this bill.