Approved: Feb 8, 2001
Date

MINUTES OF THE HOUSE COMMITTEE ON HEALTH AND HUMAN SERVICES.

The meeting was called to order by Chairperson Garry Boston at 1:30 p.m. on January 31 in Room 210 Memorial Hall

All members were present except: Representative Brenda Landwehr, Excused
Representative Peggy Palmer, Excused

Committee staff present: Dr. Bill Wolff, Kansas Legislative Research Department
Norman Furse, Revisor of Statute's Office
June Evans, Secretary

Conferees appearing before the committee: Richard Morrissey, KDHE Office of Local and Rural Health
Marlin Rein, University of Kansas

Others attending: See Attached Sheet

The Chairperson recognized Representative Storm for bill introduction.

Representative Storm said she would like to have a bill for emergency contraception, it outlines the procedures for rape victims and includes the woman must be given information about emergency contraception, and if she wishes, must be provided that medication.

The Chairperson stated the bill was introduced without objection.

The Chairperson opened the hearing on **HB 2057 - Repealing the Medical Scholarship Program.**

Dr. Bill Wolff, Legislative Research Department, stated the bill came out of the Health Care Reform Legislative Oversight Committee transferring from the chancellor of the university of Kansas to the secretary of health and environment a list of the areas of this state which the secretary determines to be critically medically underserved.

Marlin Rein, University of Kansas stated **HB 2057** would ostensibly repeal the Medical Scholarship Program which as administered by the University of Kansas Medical Center. With few exceptions all the medical scholarship recipients have either satisfied their service obligation or are in the late stages of satisfying their financial obligations to the State. For that reason, it is appropriate to repeal those statutes related to the Medical Scholarship Program (Attachment 1).

Richard Morrissey, KDHE Office of Local and Rural Health, testified that repealing existing sections establishing the medical scholarship program would also eliminate the need for many additional administrative requirements under which it is operated.

KDHE suggests recommendations related to the designation of medically underserved areas for primary care. Without the medical scholarship service commitment program to administer, there are additional regulatory requirements that should be eliminated (Attachment 2).

The Chairperson closed the hearing on **HB 2057**.

The Chairperson opened the hearing on **HB 2058**.

Dr. Wolff gave a briefing stating on page 4, line 8 struck the sunset date and continues indefinitely rather than sunsetting.

The Chairperson closed the hearing.

Written testimony only: Chris Collins, Kansas Medical Society (Attachment 3).

The meeting adjourned at 2:05 p.m. and the next meeting will be February 1.

HEALTH AND HUMAN SERVICES

DATE Jan 31, 2001

NAME	REPRESENTING
Chip Wheelen	Osteopathic Assoc.
Joyce Smith	Kansas Dept. on Aging
Rick Gilliam	Health Midwest
Kevin Ellers	The Salvation Army
MIKE LARKIN	KS EMPLOYER COALITION ON HEALTH
Sue Mullen	Kathy Damron & Assoc.
Mick Kearney	Kearney Law Office
Scott Brunner	DOB
KEITH R LANDIS	CHRISTIAN SCIENCE COMMITTEE ON PUBLICATION FOR KANSAS
PHIL HURLEY	PAT HURLEY & CO.
TOM SIPE	KHA
Barbara Gibson	KDHE
Dick Morrissey	KDHE
Marlin Rees	KU
Carla Mahany	PPKM

Testimony: House Bill 2057
House Health and Human Services Committee
January 31, 2001

Mr. Chairman, Members of this Committee:

My name is Marlin Rein and I am here on behalf of the University of Kansas in regards to House Bill 2057.

House Bill 2057 would ostensibly repeal the Medical Scholarship Program which was administered by the University of Kansas Medical Center. The original scholarship legislation was enacted in 1978. In its original form, the Scholarship Program was open-ended and available to any student who wished to participate. Two types of scholarships were available. A Type One scholarship provided tuition and a $500 per month stipend and required a year-for-year service obligation in an area in Kansas designated as medically underserved for the physician's medical specialty. A Type Two scholarship provided only the payment of tuition, but the student could satisfy the obligation any place within the State of Kansas.

In subsequent years, the scholarship law was continually changed, typically to more narrowly limit the service options that a medical student had. In the last years of the scholarship program's existence, the student was obliged to select a medical specialty in primary care and could satisfy the service obligation by practicing anywhere in the State of Kansas other than the counties of Sedgwick, Shawnee, Wyandotte, Johnson and Douglas.

In 1992 the Legislature enacted the Medical Loan Program which was basically a re-titling of the former scholarship program with enriched financial incentives. The limitations on specialty selection and service location were similar; select a primary care specialty and practice in a non-urban area of the State. The Medical Loan Program has basically remained unchanged since its enactment in 1992.

With few exceptions all the medical scholarship recipients have either satisfied their service obligation or are in the late stages of satisfying their financial obligations to the State. For that reason, it is appropriate to repeal those statutes related to the Medical Scholarship Program. One element of the original scholarship law was the requirement that the University annually produce a report designating areas of Kansas which are medically underserved by medical specialty. With the changes that occurred in the mid-eighties limiting specialty selection to primary care and altering the service location requirements, the need for this report in the administration of the Scholarship Program was effectively eliminated. House Bill 2057 would continue the report but transfer responsibility for its preparation to the Department of Health and Environment. We support this change.

I thank you for the opportunity to appear today. I would be pleased to stand for questions.

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Atch#1

KANSAS
DEPARTMENT OF HEALTH & ENVIRONMENT
BILL GRAVES, GOVERNOR
Clyde D. Graeber, Secretary

Testimony on HB 2057
to
House Committee on Health and Human Services
Presented by Richard Morrissey
KDHE Office of Local and Rural Health

January 31, 2001

Chairperson Boston, and Members of the Committee, I am pleased to appear before you today to discuss House Bill 2057 which, in repealing existing sections establishing the medical scholarship program, will also eliminate the need for many additional administrative requirements under which it operated.

Since the late 1970s, Kansas has been concerned about serious physician shortages and chronic recruitment difficulties in rural Kansas. A methodology was developed to identify areas with an inadequate supply of physicians and a program was implemented to provide medical scholarship for KU medical students in exchange for their agreement to work off their obligation in a State designated Medically Underserved Area (MUA).

During the mid-1980s, the Kansas University Medical Center (KUMC) was given the statutory mandate (KSA 76-375) to prepare, on or before December 31 in each year, a list of areas in the state determined to be underserved and critically underserved based upon supply of physicians. The original purpose was to determine the most medically needy areas and to award scholarships to medical students who were willing to practice in those areas.

Subsequent statutory changes eliminated the need for the two categories of medical underservice (Underserved and Critically Underserved) and medical students with scholarship obligations are now permitted to serve anywhere in Kansas except for a short list of urban counties. With the proposed elimination of the scholarship program, assessment and publication of a report identifying the medically underserved and critically medically underserved areas is no longer needed.

In 1989, federal changes to the Rural Health Clinics Act allowed areas declared medically underserved by the State Governor to be eligible for the development of rural health clinics. A Rural Health Clinic (RHC) is a statutorily defined entity, federally created in the mid-70s to address rural health care provider shortages through better reimbursement mechanisms. To be a RHC, an outpatient clinic must: 1) be located in a rural area; 2) be located in an area designated as underserved; 3) employ a midlevel provider not less than 50% of the time; and 4) meet some minimum standards for services provided and physical

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facility. Clinics meeting these criteria, as determined by a state survey, are issued a Medicare number resulting in their eligibility to receive cost-based reimbursement for Medicare visits.

After the 1989 changes, using the MUA report and other types of designation, the Office of Local and Rural Health enabled 98 counties or parts of counties to be declared eligible for rural health clinic development. Between 1990 and 1999. The number of rural health clinics grew from 1 to 171 accompanied by a growing community awareness of the benefits available to HPSA (Health Professional Shortage Area) and MUA/P designation (Medically Underserved Areas/Populations). Those counties and cities designated several years ago are soon due for renewal evaluation and application processing. At the same time, more difficult sub-population applicants are requiring more complex statistical evaluation and greater analytic skills; and additional health professional shortages are demanding additional time and attention, e.g. oral health and mental/behavioral health providers.

Although the need no longer exists for a designation methodology and report supporting the scholarship program, maintaining a flexible mechanism for physician shortage area identification continues with new uses emerging for the designation status "medically underserved area."

The primary purpose of the bill is to eliminate sections which provide for the medical scholarship program which has been phased out by the University of Kansas. Section I proposes transferring responsibility for publishing an annual list of medically underserved areas from the chancellor of the University of Kansas to the Secretary of Health and Environment.

KDHE supports HB 2057 with the following recommendations related to the designation of medically underserved areas for primary care. Without the medical scholarship service commitment program to administer, there are additional regulatory requirements that should also be eliminated:

Recommendations:

1. Section 1, (a) lines 21-23, delete references to determination and publication of lists for two levels of medical underservice: Medically Underserved and Critically Medically Underserved.

    - These distinctions were related to former scholarship service commitments and appear to have no future role in administering the loan program.

    - The relative differences in community need and provider shortage can be expressed using a variety of informative presentation models that are more descriptive than listing counties on one of two lists.

2. On line 6 page 2, the final 2 lines Sec. 1 (a), remove reference to two levels of medical underservice: Medically Underserved and Critically Medically Underserved and delete the words "by specialty." The requirement to evaluate areas and publish lists for secondary and tertiary medical specialty shortage designation is not consistent with the KDHE emphasis upon improving primary health care access and the focus on primary care provider supply and distribution.

3. In Section 1 (b), it appears that designation of "service commitment area I and service commitment area II" are no longer needed and that this paragraph transferring certain duties to the KDHE Secretary should be eliminated.

4. The two categories for "service commitment area" appear to have been originally linked to Type I and Type II scholarships and the commitments students incurred with each were linked to service in underserved areas. These original restrictive requirements were lifted after 1985 (Section I (b) (2) and certain faculty positions became service options as well.

5. It is unclear whether future student loan repayment obligations are linked to any additional service commitment area definition beyond the requirement to practice in the state of Kansas but outside the five specified urban counties, Douglas, Johnson, Sedgwick, Shawnee and Wyandotte (with inclusion of certain state, federal and faculty positions regardless of location). If this is correct, the tracking of practice location for a physicians repaying student loans is an administrative procedure being transferred from KU to the Board of Regents and is no longer linked to the designation of medically underserved areas.

6. Concern for clarity: Sections 6 and 7 provide for osteopathic medicine loans and specify the student loan eligibility criteria, service obligations, penalties and reporting requirements. Although somewhat unclear, reference to in Sec. 6 (b) to "service commitment area I" appear to relate to obligations incurred between June 1988 and June 1993.

Thank you for the opportunity to appear before the Committee and I will gladly answer any questions.

KMS
KANSAS MEDICAL SOCIETY

TO: House Committee on Health and Human Services

FROM: Chris Collins Chris Collins
Director of Government Affairs

DATE: January 31, 2001

RE: HB 2058: Health Care Reform Legislative Oversight Committee

Chairman Boston and Ladies and Gentlemen of the Committee:

Thank you for the opportunity to present written testimony today in support of HB 2058, which removes the sunset provision on the Health Care Reform Legislative Oversight Committee.

The health care industry is in a period of unprecedented change. The committee has undertaken a myriad of complex and important issues directly impacting the quality and delivery of health care to all Kansans. It has provided a number of practical solutions to current health care challenges and the Kansas Medical Society applauds the committee's efforts. However, as we come upon the committee's sunset date, it is apparent that issues affecting health care continue to proliferate. KMS supports the continued existence of the committee.

For these reasons, KMS supports HB 2058 and respectfully urges this committee to pass HB 2058. Thank you for an opportunity to comment today.

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