

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Steve Morris at 10:35 a.m. on January 17, 2001 in Room 123-S of the Capitol.

All members were present except: All present

Committee staff present:

Alan Conroy, Chief Fiscal Analyst, Kansas Legislative Research Department  
Deb Hollon, Kansas Legislative Research Department  
Amory Lovin, Kansas Legislative Research Department  
Kathie Sparks, Kansas Legislative Research Department  
Michael Corrigan, Assistant Revisor, Revisor of Statutes  
Julie Weber, Administrative Assistant to the Chairman  
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Connie Hubbell, Secretary, Kansas Department on Aging

Others attending: See attached guest list

Chairman Morris welcomed Connie Hubbell, Secretary, Department on Aging, who gave an overview of the Department (Attachment 1). Secretary Hubbell introduced Doug Farmer, Commissioner of Budget and Finance, who oversees all of their budget programs and Shelley Sweeney, Legislative Liaison, who were present with her. Secretary Hubbell mentioned that she has traveled to all areas of the state to better understand the services and activities available in Kansas communities for seniors. The Secretary noted that the Department provides a wide array of services to seniors across the state on a continuum of care. Secretary Hubbell mentioned that Janis DeBoer is her Commissioner of Program and Policy. Secretary Hubbell's testimony focused on the following information:

- Nursing Facilities
- Home and Community Based Services for the Frail Elderly
- Targeted Case Management
- Senior Care Act
- Income Eligible
- Nutrition
- Kansas Intergovernmental Transfer Program

Committee questions and discussion followed. Senator Salmans asked Secretary Hubbell if there was any information regarding the average length of stay in a nursing home and if she could research data regarding that information covering the past 5 or 10 years. Secretary Hubbell mentioned that she would try to research data in their records regarding length of stay in nursing homes and thought it might be possible to track the data on one of the waivers.

Senator Feleciano asked Secretary Hubbell if there is any reporting mechanism regarding the Wage Pass Through Program and whether it is working to reduce the turnover rate. Secretary Hubbell mentioned that she will provide information concerning the number of nursing facilities that took advantage of the pass through.

In a question to Secretary Hubbell, Senator Barone inquired if there were any programs targeted for utility assistance for seniors in the Department on Aging. Secretary Hubbell responded that there were none specifically in their budget. Secretary Hubbell did call attention to the federal LIEAP program administered by SRS. The Department on Aging staff has been working directly with the Kansas Corporation Commission to put out press releases on their website to try to help seniors identify ways of meeting their utility bills. Secretary Hubbell will follow up with information.

Chairman Morris thanked Secretary Hubbell for her good presentation before the Committee.

CONTINUATION SHEET

Additional information was distributed by Staff:

- Senate Subcommittee Assignments, First Half – 2001, Revised January 17, 2001 (Attachment 2) and the corresponding calendar for February and March 2001 (Attachment 3).

The meeting was adjourned at 11:30 a.m. The next meeting is scheduled for January 18, 2001.

SENATE WAYS AND MEANS COMMITTEE  
GUEST LIST

DATE January 17, 2001

NAME	REPRESENTATIVE
Cynthia + Lawrence	KDOA
Doug Fagnone	KDOA
Brent Nelson	SRB
Sharon Johnson	AARP
Julie Thomas	DOP
Vernie Tharask	Senate Minority Office
Joe + Jane	Federico
Cissy Lash	Post Audit
Linda Gray	ALFA-KAN
Ron + Brandy	S W Wilson
Nancy Pierce	Kansas Health Care

SENATE WAYS AND MEANS COMMITTEE  
DAILY MEETING AGENDA  
WEDNESDAY, JANUARY 17, 2001

BILL INTRODUCTIONS

BRIEFING ON:

Overview of the Kansas Department on Aging, including caseloads and funding issues by

Connie Hubbell, Secretary, Kansas Department on Aging



# State of Kansas Department on Aging

**Connie L. Hubbell, Secretary**

*for additional information, contact:*

**OFFICE OF THE SECRETARY**

Mike Hammond, Special Assistant  
New England Building  
503 S. Kansas Avenue  
Topeka, Kansas 66603  
*phone: (785) 296-5222*  
*fax (785) 296-0256*

*or contact:*

**Janis DeBoer**

Commissioner of Program and Policy  
New England Building  
503 S. Kansas Avenue  
Topeka, Kansas 66603  
*phone: (785) 368-6684*  
*fax (785) 296-0256*

Senate Ways and Means Committee  
January 17, 2001

**Kansas Department on Aging Overview**

Office of the Secretary  
Connie L. Hubbell, Secretary  
(785) 296-5222

Senate ways and means  
1-17-01  
Attachment 1

**REPORT TO THE SENATE WAYS AND MEANS COMMITTEE**  
**BY**  
**SECRETARY CONNIE HUBBELL**  
**KANSAS DEPARTMENT ON AGING**  
**January 17, 2001**

Good Morning Mr. Chairman and members of the Committee. Thank you for the opportunity to provide you with an overview of the Department on Aging's programs and services.

Just over a year ago I became Secretary of Aging. During that period of time, I have traveled to all areas of the state to better understand the services and activities available in our Kansas communities for seniors. I have visited all 11 Area Agencies on Aging (AAAs) as well as innumerable senior centers, nutrition sites, nursing homes, and alternative living arrangements. I have also attended numerous forums across the state to hear the concerns of our senior populations, and even visited the homes of some of the Department's customers to hear their concerns in-person. All of these experiences have helped me to develop a greater awareness of our customers needs, as well as our future challenges. These experiences will be valuable to me as we plan for the future of the aging network in Kansas.

The Department provides a wide array of services to seniors across the state, on a continuum of care. As seen on Attachment A, the Department's services range from information and referral to meals and in-home services, all the way to nursing facility placement. The remainder of my testimony will focus on the details of some of the Departments major programs, and will include information on: financial and functional eligibility guidelines; caseload expectations; and the costs associated with providing these services.

### **Nursing Facilities**

The Department provides funding for nursing facility residents who qualify for Medicaid. Nursing care provides 24-hour supervision by licensed nursing personnel through the 352 licensed nursing facilities in Kansas. Prior to entering a nursing facility each prospective resident must complete a Client Assessment, Referral, and Evaluation (CARE) assessment. The CARE assessment is required for both private-pay and state supported individuals seeking admission to a Kansas nursing facility. The CARE assessment meets the federal Pre-Admission Screening and Annual Resident Review (PASARR) requirement, and is therefore 75% federally funded, with the remaining 25% coming from the State General Fund (SGF).

A determination of financial eligibility for nursing facilities is based upon federal Medicaid eligibility formulas. The determination of functional eligibility is based upon the applicant's Level of Care score, which is determined by: the number of Activities of Daily Living (ADL) limitations; Instrumental Activities of Daily Living (IADL) limitations; and other risk factors. Each component of need is assigned a certain number of points. At the present time a senior must have a Level of Care score of 26 in order to be placed into a nursing facility under the financial responsibility of the state. During FY 2000, the average Medicaid nursing facility resident had a Level of Care score between 58 and 83.

The average number of Medicaid nursing facility residents in FY 2000 was 11,394, and is expected to be 11,200 in both FY 2001 and FY 2002. The average monthly cost per customer (all funds) for FY 2000 was \$2,003, and is expected to rise to \$2,200 in FY 2001 and \$2,375 in FY 2002. While the nursing facility caseload decreases by 1.7 percent between FY 2000 and FY 2001, the Department does not anticipate any further decreases in FY 2002. The nursing facility budget recommended by the Governor assumes that caseloads will remain flat between FY 2001 and FY 2002, and that nursing facility rates will increase by 8.0 percent.

The Department continues to work with the nursing facility industry to improve the public perception of nursing facilities, staff training, customer needs, and quality of care issues. The second year Quality Enhancement Wage Pass-Through program as passed by the 2000 Legislature will be in effect in February. The Wage Pass-Through Program will provide funding for increased wages in certain employment categories within the industry with the hope of decreasing turnover.

### **Home and Community Based Services for the Frail Elderly**

The Home and Community Based Services For the Frail Elderly (HCBS/FE) Waiver program provides an option for Kansas seniors to receive community-based services as an alternative to nursing facility care. Since the HCBS/FE program is a Medicaid service, it is financed on a 40 % state and 60% federal basis. A consumer may choose to use the HCBS program as an alternative to entering a nursing facility, provided that the individual meets the financial eligibility requirements of the federal Medicaid program. Financial eligibility determinations are made by the Department of Social and Rehabilitation Services (SRS) and the AAAs administer the functional eligibility component through the Targeted Case Management (TCM) program. Services provided under the HCBS program include: adult day care; sleep cycle support; personal emergency response systems; wellness monitoring; attendant care services; respite care; assistive technology; and nursing evaluation.

The Department spent \$43.7 million on the HCBS program in FY 2000, and anticipates the expenditure of \$48.8 million and \$53.0 million for FY 2001 and FY 2002 respectively. The budgeted amount for FY 2001 represents an increase of 8.7 percent over FY 2000 amounts. The average number of clients participating in the HCBS/FE

program in FY 2000 was 4,877, at an average monthly cost of \$747 per customer. For FY 2001, a monthly average of 5,400 customers is expected to be served at \$756 per month. For FY 2002, the Department anticipates that the HCBS caseload will grow to 5,800 per month, an increase of 7.4% over FY 2001. At the same time, the amount recommended by the Governor for the HCBS program in FY 2002 includes a provider rate increase of 3.0 percent, and an acuity index increase of less than one percent. These increases will address two vital concerns of the HCBS program: first, that individuals that remain in HCBS programs for extended periods of time become more acute and therefore more costly; and second, that the rates paid to providers must more accurately reflect market realities. In many areas of the state, these services are offered by only one provider. Over the past two years, it has become clear that a lack of rate increases has caused some providers to quit offering these services in lieu of more lucrative service provision options. The rate increase will help to ensure that the state does not lose some of its much needed HCBS providers, and the infrastructure flexibility that they provide on the continuum of care.

### **Targeted Case Management**

Targeted Case Management (TCM) is provided to customers who are eligible for the HCBS/FE program, and is funded through the same 40/60 funding formula as HCBS. The average number of customers served per month in FY 2000 was 4,134, with an average of 4,590 anticipated to be served in FY 2001, and 4,930 in FY 2002. The current year budget includes \$6.9 million from all funding sources for case management and \$6.9 million is recommended by the Governor in FY 2002. The average cost per customer per month in FY 2001 is expected to be \$120 and will provide for 3.0 hours of service per customer, per month.

### **Senior Care Act**

The Senior Care Act (SCA) program provides services in the customer's home, such as homemaker services, chore services, attendant care services, and case management. The program is targeted at those who are 60 and over whose annual income exceeds 150% of the poverty level, and does require a local match for each state dollar appropriated. There is also a co-payment system on a sliding fee scale for individuals who enter this program. Income is self-reported.

The Kansas Department on Aging funds the program through the AAAs. The Senior Care Act program served 3,061 customers in FY 2000 with \$1.9 million SGF expended for SCA services. These SGF dollars leveraged local and customer resources to bring total available resources to \$2.9 million, and an annual average benefit per customer of \$933. The FY 2001 budget includes \$2.2 million SGF for the Senior Care Act program, resulting in \$3.3 million in total program resources and an average annual benefit of \$1,004 per customer.



## Income Eligible

The Income Eligible (IE) program is designed to provide in-home services to individuals who are at risk of entering a nursing facility, but are not receiving other community-based services. This program targets individuals who are between 100% and 150% of the poverty level, aged 60 and older, and includes a co-payment system on a sliding fee scale for those who qualify. The IE program provides services in the customer's home, such as in-home homemaker services, chore services, and attendant care services.

In FY 2000 the IE program served 3,147 customers at an average annual cost of \$1,373 per customer, for total expenditures of \$4.2 million. The FY 2001 budget includes \$5.1 million SGF for the IE program, for total program resources of \$5.2 million. This funding will serve an estimated 3,560 customers each month and provide an average annual benefit of \$1,469 per customer per year. The FY 2002 budget assumes a flat caseload and annual benefit.

## Nutrition

The Kansas Department on Aging funds congregate meal and home-delivered meal programs through the Older Americans Act (OAA). The congregate program provides: meals at numerous centrally located sites in communities throughout the state; nutrition education; nutrition transportation; and outreach services to qualifying seniors and their spouses. The Department also funds home-delivered meals to homebound individuals through the state funded In-Home Nutrition Program. The Governor's budget recommendation includes \$9.7 million for all nutrition programs in FY 2001 and \$10.0 million for FY 2002.

Older Americans Act (OAA) Meals. For FY 2001, the Department expects to serve 3,380,900 meals, at an average cost per meal of \$3.82. For FY 2002, the expectation grows to 3,407,952 meals at an average cost per meal of \$3.83.

State Funded In-Home Nutrition Program (IHNP). The IHNP program provides meals to a population roughly similar to that of the OAA home-delivered program. The major difference in this program is that the meals are provided through contracts made directly between KDOA and the nutrition providers. The OAA programs, by federal law, must be contracted or provided through the area agencies. For FY 2001, the Department anticipates financing 486,228 meals at an average cost per meal of \$3.96, for total expenditures of \$1,856,400. For FY 2000 the Department expects to finance 573,059 meals at an average cost per meal of \$3.96, for total expenditures of \$2,271,530.

## **Kansas Intergovernmental Transfer Program**

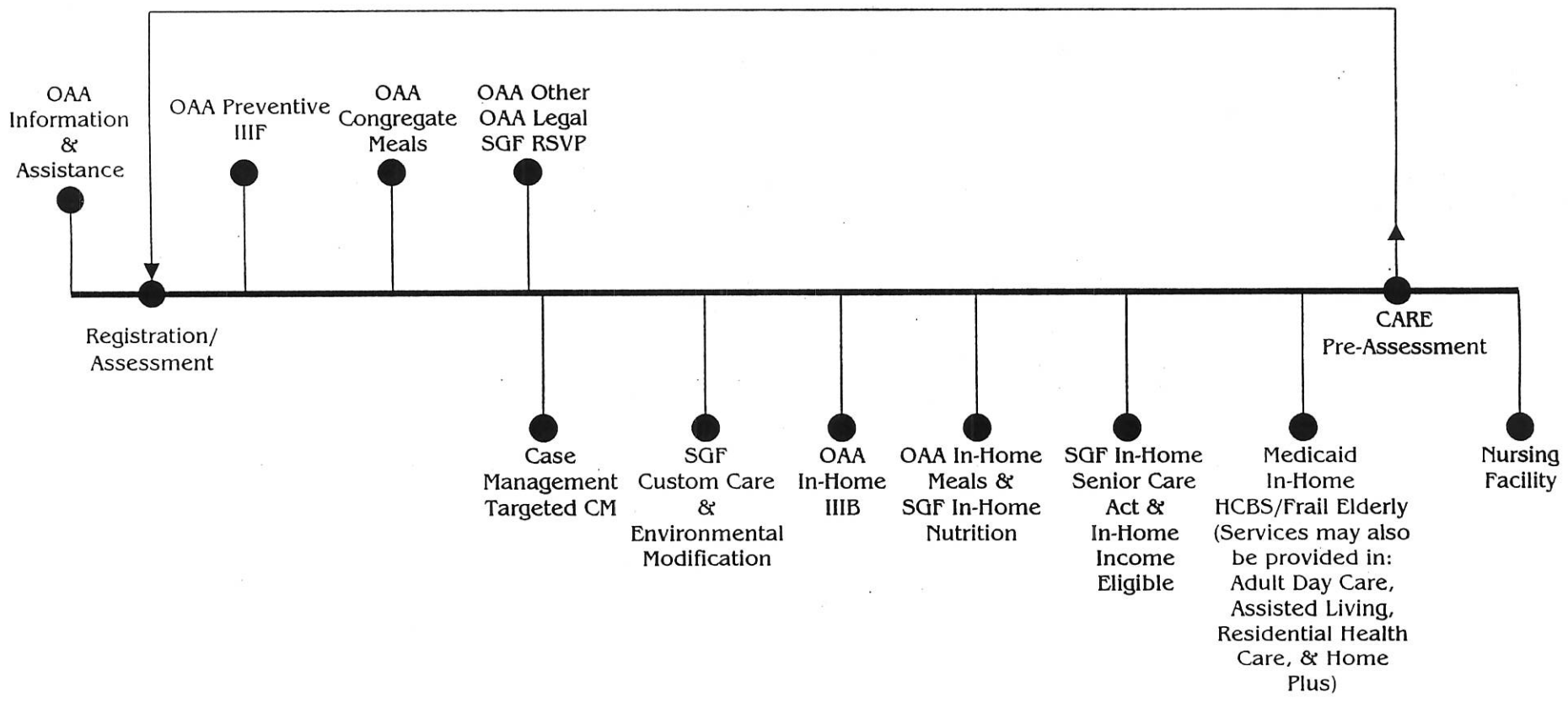
The 2000 Kansas Legislature approved the Kansas Intergovernmental Transfer Program (KSIT) program. This program allows KDOA to receive increased federal funding for activities related to the Kansas Medicaid population. The enabling legislation provides that 60.0 percent of all receipts from this program go to a Senior Services Trust Fund, 10.0 percent go to a Long Term Care Loan and Grant Fund, and 15.0 percent go toward existing Medicaid Services. The Department estimates the receipt of roughly \$100.0 million through FY 2001.

The 2000 Legislature also passed HB 2814 establishing the Senior Prescription Assistance Program. The program is to begin during FY 2002, and will provide financial assistance for seniors in purchasing certain prescription drugs. The Department has formed two work groups to determine the most cost-effective and equitable way to set the eligibility criteria and benefit provisions within the statute. These work groups include KDOA staff, SRS staff, relevant advocates, and relevant scholars from Kansas's universities. In his State-of-the-State address, Governor Graves recommended that the 2001 Legislature re-evaluate certain aspects of this legislation and the Department looks forward to taking an active part in that discussion.

Through the Loan and Grant Fund the Department will provide loans to Kansas institutions to make infrastructure changes that are vital to the future of successful aging in Kansas. Projects under this program include: converting nursing facility beds to assisted living facilities; developing adult day care facilities, purchasing or converting Homes Plus, improving existing institutions to provide for increased quality of care, on other projects.

Mr. Chairman and members of the Committee, thank you for the opportunity to brief you on the important work KDOA is doing for Kansas seniors. I will now stand for questions.

# Services for Seniors Funded through KDOA A Continuum of Choices



**SENATE SUBCOMMITTEE ASSIGNMENTS**  
**First Half – 2001**

	<u>Subcommittee</u>	<u>Analyst</u>	<u>Final Committee Action</u>
<u>SRS</u>			
Department of SRS	<u>Morris</u> Adkins Jordan Schodorf Feleciano	Sparks	February 7, 8
<u>SRS – Hospitals</u>			
Larned State Hospital Osawatomie State Hospital Rainbow Mental Health Facility Parsons State Hospital Kansas Neurological Institute		Kramer	February 15
<u>Department of Administration/KCC/KPERS</u>			
Department of Administration (Including Public Broadcasting)	<u>Adkins</u> Schodorf Downey	Robinson	February 13
Governmental Ethics Commission Human Rights Commission Kansas Corporation Commission Citizens Utility Ratepayer Board	<u>Salmans</u> Barone	Hollon Nogle Severn	February 13 February 13 February 13
KPERS Budget	<u>Kerr</u> Adkins Downey	Efird	February 13
<u>Public Safety</u>			
Topeka Juvenile Correctional Facility Beloit Juvenile Correctional Facility Atchison Juvenile Correctional Facility Larned Juvenile Correctional Facility Juvenile Justice Authority	<u>Adkins</u> Huelskamp Feleciano	Hollon	February 16
Ombudsman for Corrections Parole Board	<u>Huelskamp</u> Jordan	Little Waller	February 16 February 16
Fire Marshal Highway Patrol Adjutant General (including Civil Air Patrol)	<u>Morris</u> Downey	Waller	February 16

*Senate Ways and Means  
1-17-01  
Attachment 2*

	<u>Subcommittee</u>	<u>Analyst</u>	<u>Final Committee Action</u>
KBI	<u>Jordan</u> Jackson Barone	Waller	February 16
EMS Sentencing Commission	<u>Salmans</u> Downey	Waller	February 16
<u>Other Education</u>			
School for the Blind	<u>Jordan</u>	Lovin	February 19
School for the Deaf	Schodorf		
Historical Society	Barone	Nogle	February 19
Kansas Arts Commission			
State Library		Kramer	February 19
<u>Commerce/Revenue</u>			
Department of Revenue	<u>Morris</u> Huelskamp Salmans Feleciano	Efird	February 20
Lottery Commission	<u>Salmans</u>	Efird	February 20
Racing and Gaming Commission	Jordan Barone		
Board of Tax Appeals	<u>Morris</u> Feleciano	Kramer	February 20
Department of Commerce and Housing Kansas Inc. Kansas Technology Enterprise Corporation	<u>Kerr</u> Jackson Downey	Davis	February 20
<u>Higher Education</u>			
KU	<u>Morris</u>	West	February 21
KSU	Adkins		
KSU -- Vet. Med	Jordan		
KSU -- Extension	Schodorf		
Wichita State University	Feleciano		
Board of Regents			
KUMC			
Emporia State University Fort Hays State University Pittsburg State University		Little	February 21
Regents Systemwide		West/Little	February 21

**SENATE SUBCOMMITTEE ASSIGNMENTS**  
**Second Half -- 2001**

	<u>Subcommittee</u>	<u>Analyst</u>	<u>Final Committee Action</u>
<u>Health and Environment/Human Resources</u>			
Department of Health and Environment	<u>Adkins</u> Schodorf Downey	Davis	February 28
Department of Human Resources	<u>Jordan</u> Jackson Barone	Lovin	February 28
Veterans Affairs/Soldiers' & Veterans' Home Homestead Property Tax	<u>Salmans</u> Feleciano	Lovin Nogle	February 28 February 28
<u>Legislative and Elected Officials</u>			
Legislative Agencies	<u>Adkins</u>	Conroy	March 2
Governor	Downey	Robinson	March 2
Lt. Governor			
Attorney General		Rampey	March 2
Secretary of State		Hollon	March 2
Insurance Commissioner		Severn	March 2
State Treasurer		West	March 2
Health Care Stabilization Fund Board of Governors		Severn	March 2
<u>Fee Boards</u>			
Abstracters' Board of Examiners	<u>Salmans</u>	Severn	March 7
Board of Accountancy	Huelskamp	Holwegner	March 7
Board of Mortuary Arts	Jackson	Waller	March 7
Board of Pharmacy	Barone	Lovin	March 7
Board of Barbering		Nogle	March 7
Board of Cosmetology		Nogle	March 7
Board of Veterinary Medical Examiners		Chapman	March 7
Kansas Dental Board		Kramer	March 7
Board of Nursing		Nogle	March 7
Board of Examiners in Optometry		Kramer	March 7
Real Estate Commission		Severn	March 7
Real Estate Appraisal Board		Severn	March 7
Bank Commissioner		Severn	March 7
Department of Credit Unions		Severn	March 7
Securities Commissioner		Severn	March 7
Board of Technical Professions		Chapman	March 7
Behavioral Sciences Regulatory Board		Lovin	March 7
Board of Hearing Aid Examiners		Lovin	March 7
Board of Healing Arts		Kramer	March 7

	<u>Subcommittee</u>	<u>Analyst</u>	<u>Final Committee Action</u>
<u>Aging</u> Department on Aging	<u>Morris</u> Jackson Feleciano	Sparks	March 8
<u>Agriculture</u> Department of Agriculture Animal Health Dept Kansas State Fair	<u>Morris</u> Huelskamp Downey	Chapman	March 13
Conservation Commission Water Office Wildlife and Parks	<u>Kerr</u> Jackson Downey	Chapman Nogle	March 13 March 13
<u>Judicial</u> Judicial Council Board of Indigents' Defense Services Judicial Branch	<u>Adkins</u> Schodorf Barone	Rampey	March 15
<u>Kansas Guardianship Program</u>	<u>Huelskamp</u> Feleciano	Kramer	March 15
<u>Corrections</u> Department of Corrections Topeka Correctional Facility Norton Correctional Facility El Dorado Correctional Facility Winfield Correctional Facility	<u>Kerr</u> Jackson Feleciano	Little	March 16
Hutchinson Correctional Facility Larned Correctional Mental Health Facility Lansing Correctional Facility Ellsworth Correctional Facility	<u>Jordan</u> Huelskamp Barone	Little	March 16
<u>Capital Improvements</u>	<u>Morris</u> Jordan Barone	Staff	March 19
<u>Transportation</u>	<u>Adkins</u> Salmans Feleciano	Chapman	March 19

	<u>Subcommittee</u>	<u>Analyst</u>	<u>Final Committee Action</u>
<u>Department of Education</u>	<u>Kerr</u> Jordan Salmans Schodorf Barone	Rampey	March 20
<u>KPERS Issues</u>	<u>Kerr</u> Adkins Downey	Efird	March 21



# February 2001

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5	6	7 <b>S-SRS</b> (Sparks)  <b>H-Ag</b> (Chapman)	8  <b>S-SRS</b> (Sparks)  <b>H-KDHE, Guardianship</b> (Davis, Kramer)	9  <b>H-Legis., Gov. , Lt. Gov.</b> (Conroy, Robinson)	10
11	12	13 <b>S-Dept. of Adm/ KCC/KPERS</b> (Hollon, Nogle, Severn, Efird, Robinson)  <b>H-Education</b> (Rampey)	14	15  <b>S-Hospitals</b> (Kramer)  <b>H-KCC, CURB</b> (Severn)	16 <b>S-Other Public Safety</b> (Waller, Little, Hollon)	17
18	19 <b>S-Other Ed</b> (Nogle, Lovin, Kramer)  <b>H-Other Elected</b> (Rampey, Hollon, Severn, West)	20 <b>S-Commerce/Rev.</b> (Efird, Davis, Kramer)  <b>H-Aging</b> (Sparks)	21  <b>S-Regents</b> (West, Little)  <b>H-Transportation</b> (Chapman)	22	23	24
25	26	27  <b>H-KPERS Issues</b> (Efird)	28 <b>S-KDHE/KDHR</b> (Davis, Lovin)  <b>H-Corrections</b> (Little)			

Senate ways and means  
1-17-01  
Attachment 3

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<h1>March 2001</h1>						
				1	2 <b>S-Legis&amp;Elected</b> (Conroy, Rampey, Hollon, Severn, West, Robinson)	3
4	5	6 <b>H-Hospitals</b> (Kramer)	7 <b>S-Fees</b> (Severn, Waller, Chapman, Nogle, Kramer, Lovin)  <b>H-Regents</b> (West, Little)	8 <b>S-Aging</b> (Sparks)  <b>H-Jud., Wildlife &amp; Parks</b> (Rampey, Nogle)	9	10
11	12 <b>H-Commerce/Revenue</b> (Davis, Efird, Kramer, Severn, Nogle)	13 <b>H-Dept. of Adm.</b> (Robinson, Hollon, Efird, Lovin)	14 <b>S-Agriculture</b> (Chapman, Nogle)	15 <b>S-Jud., Guardianship</b> (Rampey, Kramer)	16 <b>S-Corrections</b> (Little)  <b>H-Fees</b> (Severn, Waller, Chapman, Nogle, Kramer, Lovin)	17
18	19 <b>S-Capital Improv. Transportation</b> (Chapman)  <b>H-Other Ed</b> (Nogle, Lovin, Kramer)	20 <b>S-Education</b> (Rampey)  <b>H-SRS</b> (Sparks)	21 <b>S-KPERS Issues</b> (Efird)  <b>H-Capital Improv.</b>	22	23	24
25	26	27	28	29	30	31