

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Steve Morris at 10:40 a.m. on February 7, 2001, in Room 123-S of the Capitol.

All members were present except: Senator David Adkins - excused

Committee staff present:

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

Conferees appearing before the committee: None

Others attending: See attached guest list

Bill Introductions

Senator Downey moved, with a second by Senator Salmans, to introduce a bill (1rs0461) concerning schools fair funding. Motion carried by a voice vote.

Senator Salmans moved, with a second by Senator Huelskamp, to introduce a bill (1rs0425) concerning naturopathic physicians; licensing. Motion carried by a voice vote.

Senator Schodorf moved, with a second by Senator Salmans, to introduce a bill (1rs0613) regarding counties opting into the state employee health plan. Motion carried by a voice vote.

Senator Barone moved, with a second by Senator Salmans, to introduce a bill (1rs 0892) relating to agriculture; ethyl alcohol. Motion carried by a voice vote.

Subcommittee Budget Reports

Department of Social and Rehabilitation Services (Attachment 1)

Chairman Morris reviewed the Department of Social and Rehabilitation Services subcommittee report and concurs with the Governor's recommendation for FY 2001 with exceptions and comments as listed in the subcommittee report. Committee questions and discussion followed.

Chairman Morris reviewed the Department of Social and Rehabilitation Services subcommittee report and concurs with the Governor's recommendation for FY 2002 with exceptions and comments as listed in the subcommittee report. Committee questions and discussion followed.

Regarding Integrated Service Delivery, Item 4, Senator Kerr noted that a lot of things are being delayed for omnibus consideration, and in a year like this one is developing to be, consideration at omnibus very possibly will mean no consideration down the road. He mentioned that the social security advocacy project may be one where the net savings are such, that there may actually be a net loss by not putting the money in now. Chairman Morris mentioned that the subcommittee had talked about that and the Committee may want to do it. Senator Kerr noted that it is probably financially a wise thing to do as well as being good for the people at home.

CONTINUATION SHEET

Senator Kerr moved, with a second by Senator Downey, to add \$200,000 from the State General Fund for the Social Security Advocacy Project as outlined under Integrated Service Delivery, Item 4. Motion carried by a voice vote.

In regard to Health Care Policy, Item 9, Senator Barone requested information about the Medicaid reimbursement rate and asked if staff could provide a simple table showing key services, reimbursement rate by Medicaid and the state and Blue Cross plan. Chairman Morris and staff, explained that we cannot exceed Medicare reimbursement. Staff explained that we may not have access to reimbursement rates for the state and Blue Cross plans but would check.

Committee discussion followed regarding Health Care Policy, Item 3. Senator Schodorf commented regarding traumatic brain injury that the waiting period is two years. She noted that there was nothing in Item 3 that would shorten the waiting list.

Senator Schodorf moved, with a second by Senator Downey, to amend the subcommittee report to reflect concern regarding the amount of wait time for services regarding the Head Injury Waiver under Health Care Policy, Item 4. Motion carried by a voice vote.

Senator Kerr moved, with a second by Senator Schodorf, to amend the subcommittee report for a technical clean up bill for the Permanent Guardianship Program to be introduced by Senate Ways and Means Committee. Motion carried by a voice vote.

Senator Huelskamp moved, with a second by Senator Jackson, to amend the subcommittee report to remove Item 2 under Integrated Service Delivery and recommend that the proviso for the central payment center be addressed during the Omnibus Session. Motion carried by a voice vote.

Senator Salmans moved, with a second by Senator Schodorf, to accept the Department of Social and Rehabilitation Services subcommittee budget report as amended. Motion carried by a voice vote.

The meeting was adjourned at 11:50 a.m. The next meeting is scheduled for February 8, 2001.

**SENATE WAYS AND MEANS COMMITTEE
GUEST LIST**

DATE February 7, 2001

NAME	REPRESENTING
Ron J. Bruning	Social work intern
JK Scott	SRS
Janet Schalauskay	SRS
Deborah Collins	Johnson Cty. Dev. Supports
Kim M. Miller	Inten Hal
EOD McQuinn	SASI
Ron Pasmore	KETCH
Alice Jacoby	NCTC
Mark Elward	Jo. Co. Developmental Supports
Craig Kabelein	KCDD
Amy Turner	Sen Feleciano
Bob Harder	UMC - KS
Mike Wuttles	Ks. Gov't Consulting
Paul Johnson	PACK
Michael L. White	Kearney Law Office
Scott Bruner	DOB

2001 SRS SUBCOMMITTEE

Department of Social and Rehabilitation Services



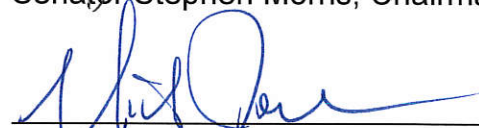
Senator David Adkins



Senator Jean Schodorf



Senator Stephen Morris, Chairman



Senator Nick Jordan



Senator Paul Feleciano, Jr.

Senate Ways and means
2-7-01
Attachment 1

Senate Subcommittee Report

Agency: Department of Social and
Rehabilitation Services

Bill No.

Bill Sec.

Analyst: Sparks

Analysis Pg. No. 175

Budget Page No. 401

<u>Expenditure Summary</u>	<u>Agency Req. FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>Subcommittee Adjustments</u>
State Operations	\$ 277,103,036	\$ 275,071,076	\$ 500,000
Local Aid	84,222,419	84,222,419	0
Other Assistance	1,283,354,748	1,327,136,999	0
Subtotal - Operating	<u>\$ 1,644,680,203</u>	<u>\$ 1,686,430,494</u>	<u>\$ 500,000</u>
Capital Improvements	4,153,897	4,153,897	0
TOTAL	<u><u>\$ 1,648,834,100</u></u>	<u><u>\$ 1,690,584,391</u></u>	<u><u>\$ 500,000</u></u>
State General Fund	\$ 559,785,209	\$ 580,294,647	\$ 0
All Other Funds	1,084,894,994	1,106,135,847	500,000
Subtotal - Operating	<u>\$ 1,644,680,203</u>	<u>\$ 1,686,430,494</u>	<u>\$ 500,000</u>
State Institutions Building Fund	4,153,897	4,153,897	0
TOTAL	<u><u>\$ 1,648,834,100</u></u>	<u><u>\$ 1,690,584,391</u></u>	<u><u>\$ 500,000</u></u>
FTE Positions	3,931.4	3,878.5	0.0
Other Unclassified Positions	174.2	168.2	0.0
TOTAL	<u><u>4,105.6</u></u>	<u><u>4,046.7</u></u>	<u><u>0.0</u></u>

Agency Req./Governor's Recommendation

For FY 2001, the agency requests expenditures of \$1.645 billion, including \$560.0 million from the State General Fund, for agency operations. The request is an increase of 95.7 million (6.2 percent) all funds and a State General Fund decrease of \$10.6 million (-1.9 percent) below actual FY 2000 expenditures. The majority of the increase occurs in the Health Care Policy Division for Regular Medical Assistance Program \$39.0 million; Medicaid Management Information System contract \$9.4 million; HealthWave services \$7.4 million; HCBS waiver programs \$18.9 million. The request includes 3,931.4 FTE and 174.2 Other Unclassified positions. The agency requests \$4.2 million in capital improvements for rehabilitation and repair projects and maintenance of the Chanute Area Office building.

The Governor recommends operating expenditures of \$1.686 billion, an increase of \$41.8 million (2.5 percent) above the agency request for FY 2001. The State General Fund recommendation of \$580.3 million is an increase of \$20.5 million (3.7 percent) above the request. The Governor recommendation funded the consensus caseload estimates which increased the foster care contract by \$13.6 million (\$10.8 million SGF); adoption contract by \$3.1 million (\$2.3 million SGF); and regular medical assistance by \$5.5 million (8.4 million SGF). Included in the recommendation are 3,878.5 FTE and 168.2 Other Unclassified positions, a decrease of 53.0 FTE below the approved. An overall

shrinkage rate of 6.71 percent is recommended which is a decrease of 1.35 percent below the agency request. The Governor concurs with the agency request for rehabilitation and repair projects and recommends \$4.2 million for capital improvements.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation for FY 2001 with the following exceptions and comments:


1. Adds \$500,000 from the federal Medicaid funds to beginning planning for a Medicaid Buy In Program for individuals with disabilities. The agency applied for and received a four year grant for program planning from the U. S. Department of Health and Human Services. The Medicaid Buy In Program would allow individuals with disabilities currently receiving Social Security Income or Social Security Disability Income to work but retain their Medicaid insurance. The individuals would be required to pay a premium based upon income for the coverage.
2. Add a proviso to Medical Assistance which states that the Department is to use any savings up to \$870,000 of state funds in the Medicaid program for the new Medicaid Buy In for Individuals with Disabilities Program. The Subcommittee heard from several conferees that this new program would remove work disincentives that inhibit individuals with disabilities from engaging in work as lack of health care coverage is a major barrier to employment. Unemployment rates for individuals with disabilities is reported to be 75 percent and fewer than 1 percent of the SSDI or SSI population ever find employment. The program as outlined by the U. S. Department of Health and Human Services would require that the individual pay a premium based on income for the coverage and the federal government would provide 60 percent of the funding to cover this population as it does in all other Medicaid programs.

2002 SRS SUBCOMMITTEE

Department of Social and Rehabilitation Services



Senator David Adkins



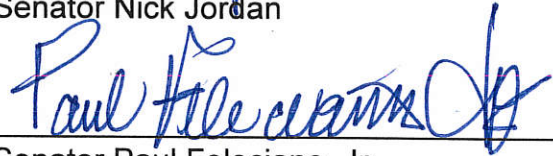
Senator Jean Schodorf



Senator Stephen Morris, Chairman



Senator Nick Jordan



Senator Paul Feleciano, Jr.

SENATE SUBCOMMITTEE REPORT

Agency: Department of Social and Rehabilitation Services
Analyst: Sparks

Bill No.

Bill Sec.

Analysis Pg. No. 175

Budget Page No. 401

Expenditure Summary	Agency Est. FY 02	Gov. Rec. FY 02	Subcommittee* Adjustments
State Operations	\$ 288,871,517	\$ 274,975,005	\$ (3,984,829)
Local Aid	77,730,408	95,730,408	0
Other Assistance	1,388,014,356	1,384,406,898	0
Subtotal - Operating	\$ 1,754,616,281	\$ 1,755,112,311	\$ (3,984,829)
Capital Improvements	31,364,441	7,862,950	0
TOTAL	\$ 1,785,980,722	\$ 1,762,975,261	\$ (3,984,829)
State General Fund	\$ 613,896,548	\$ 618,877,242	\$ (1,754,621)
All Other Funds	1,140,719,733	1,136,235,069	(2,230,208)
Subtotal - Operating	\$ 1,754,616,281	\$ 1,755,112,311	\$ (3,984,829)
State Institutions Building Fund	31,364,441	7,862,950	0
TOTAL	\$ 1,785,980,722	\$ 1,762,975,261	\$ (3,984,829)
FTE Positions	3,933.4	3,878.5	0.0
Other Unclassified Positions	186.2	168.2	0.0
TOTAL	4,119.6	4,046.7	0.0

* Excluding the deletion of the Governor's recommended employee pay plan, the Subcommittee's recommendation is an increase of \$500,000 all funds from the federal Medicaid program.

Agency Est./Governor's Recommendation

For FY 2002, the agency requests expenditures of \$1.755 billion, including \$613.9 million from the State General Fund, for agency operations. The request is an increase of \$109.9 million (6.7 percent) all funds and a State General Fund increase of \$54.1 million (9.7percent) above the FY 2001 request. The majority of the increase occurs in the Health Care Policy Division for Regular Medical Assistance Program \$55.1 million; Medicaid Management Information System \$10.0 million; Home and Community Based Service (HCBS) waiver programs \$17.5 million. The request includes 3,931.4 FTE and 174.2 Other Unclassified positions. The agency requests \$31.4 million in capital improvements for rehabilitation and repair projects, planning for a new state security hospital, and maintenance of the Chanute Area Office building.

The Governor recommends operating expenditures of \$1.755 billion, an increase of \$0.5 million above the agency request for operating expenditures in FY 2002. The State General Fund recommendation of \$618.9 million is an increase of \$5.0 million (0.8 percent) above the request. The Governor's recommendation funded the consensus caseload estimates which provide funding for the regular medical assistance program of \$708.5 million (\$240.1 million SGF); HCBS/Developmental Disabilities program of \$186.6 million; HCBS/Physically Disabled program of \$63.1 million; HCBS/Head Injured of \$5.0

million; mental health grants are recommended at \$63.5 million. Included in the recommendation are 3,878.5 FTE and 168.2 Other Unclassified positions, a decrease of 53.0 FTE below the agency request. An overall shrinkage rate of 8.59 percent is recommended which is a decrease of 1.06 percent below the agency request. The Governor recommends \$4.2 million for rehabilitation and repair projects and provides \$3.7 million for planning for a new state security hospital.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation for FY 2001 with the following exceptions and comments:

Agencywide

1. Delete \$4,484,829 all funds, including \$1,754,621 from the State General Fund, based on the recommendation to delete funding from the Governor's recommended pay plan adjustments which include a base salary increase, longevity, and unclassified merit.
2. The Subcommittee wishes to commend the Department of Social and Rehabilitation Services for its efforts to reform the structure of the agency and to articulate performance measures by which to judge the performance of each initiative. However, the subcommittee strongly recommends that the Department enhance the usefulness of its performance measures by refining them so that they not only set forth general measures but also establish specific performance measures. These performance measures should not merely focus on the "nuts and bolts" of program performance but should also reflect the extent to which funds expended have positively impacted the lives of Kansans served by these programs. These measures should be used to determine if the Department is delivering its programs in a manner that is appropriate for all Kansans regardless of age, race, location or disability. The Department should also reflect in its performance measures a Department wide commitment to prevention and demonstrate the cost savings that can be obtained through appropriate prevention planning. Further, the Department, through its performance measures, should seek to reflect its commitment to serve people and to enhance the dignity of those served.

The Subcommittee recommends that the Connect Kansas initiative be integrated into the performance measures of the Department. The Subcommittee further recommends that the Department embrace the Connect Kansas outcomes as part of its central mission. Connect Kansas provides a useful model for integrated service delivery and the Department is urged to reinforce the importance of this prevention focused model in agency-level planning and performance evaluation.

Integrated Service Delivery

1. Add a proviso which states that notwithstanding K.S.A. 39-7, 154, the child support collection pass through is eliminated for FY 2002. The proviso was implemented during the 2000 Legislative Session when it was pointed out that under current law

the state is required to commit approximately \$1.0 million of state funds which only produce \$400,000 of benefit to the recipients.

2. Add a proviso which allows the agency to continue to operate a central payment center for child support enforcement payments as mandated by federal law. The agency representative testified to the Subcommittee that failure to comply with the requirement would result in fiscal sanctions to both the Temporary Assistance for Needy Families Block Grant (\$101.9 million) and Child Support Enforcement programs (\$36.8 million).
3. The Subcommittee recommends that the staff of Vocational Rehabilitation Program be provided training in the area of special needs and assistive technology equipment available to allow an individual to remain a productive farmer. The Subcommittee was informed that Kansas State University has applied for a U. S. Department of Agriculture (USDA) grant to fund an AgrAbility Project. The federal grant funds can only be applied for by a land grant university. Therefore, the Subcommittee would be willing to write to the USDA and/or the Kansas Congressional Delegation in support of the funding for Kansas to begin such a project. The Subcommittee also will consider state funded project during the Omnibus Session if Kansas State University has been unsuccessful at obtaining a USDA grant.
4. The Subcommittee was informed that the contract for Social Security Advocacy Project was reduced by \$200,000 in the Governor's recommendation. The contract provides for adults and children on Temporary Assistance for Families and General Assistance to be legally represented before Social Security Administration for Social Security Income (SSI) benefits or Social Security Disability Income (SSDI) benefits. When an individual transfers to the federal program, permanent and higher federally funded cash benefits are provided. This transition saves the State of Kansas in excess of five times as much as it spends on this contract and the State recovers any expenditures provided to the individual for medical benefits and cash assistance.

During FY 2000, with an expenditure of \$863,018, the State of Kansas realized a savings of approximately \$4.7 million or a return on investment of 540 percent as the contract pays for only successfully completed cases. Given the potential benefits of the contract, the Subcommittee recommends that during the Omnibus Session the Senate Ways and Means Committee consider full funding for the contract.

5. The Subcommittee heard testimony regarding expanding domestic violence prevention services to the Salina and Garden City SRS Area Offices. An on-site domestic violence counselor/advocate provides individually tailored services, including safety planning, counseling, assistance with orders of protection, other legal advocacy and referrals, shelter referrals, and referrals for clothing, child care and housing, to individuals disclosing domestic violence and/or sexual assault. Currently these services which are provided by contract with the Kansas Coalition Against Sexual and Domestic Violence are provided in Emporia, Great Bend, Hutchinson, Kansas City, Atchinson, Olathe, Pittsburg, Wichita, and Topeka. The Subcommittee recommends that during the Omnibus Session the Senate Ways and

Means Committee consider adding funding for the project to extend those services to all area offices.

6. The Department informed the Subcommittee of several changes to the federal Food Stamp Program in an attempt to increase participation. The reported changes are as follows:
 - Expanded categorical eligibility which allowed the State to exempt the resources of former Temporary Assistance to Families (TAF) clients while they receive transitional medical benefits. Some families are thus able to remain eligible for food stamps even if their assets (e.g., a car) would otherwise disqualify them. (Adopted in May 1, 2000)
 - The state will increase the maximum shelter allowance deduction to \$340 per month. Increasing the amount deducted from earnings for shelter costs will benefit about 900 families statewide by increasing the amount of benefits available to them. (Effective March 1, 2001)
 - Food Stamp and TAF households will no longer be required to submit a report form each month. Households will only be required to report changes every six months, with an annual face-to-face interview. This change is expected to improve access to and participation in the Program as well as greatly simplify reporting requirements. (Effective July 1, 2001)
 - The State will adopt a new vehicle exemption policy for Food Stamp families which will exempt one vehicle per household regardless of the vehicle value. This is the same policy which has been in place for TAF families. (Effective July 1, 2001)
 - The State will adopt a new option called TBA or Transitional Benefit Allowance which allows states to freeze the food stamp benefits of TAF/FS households when they get a job and lose cash assistance. The income from the new job will not be counted for 3 months starting with the month the family is ineligible for TAF. This change will allow households to ease the transition from cash assistance to work. (Effective July 1, 2001)
 - Information released by the Food Research and Action Center in January shows Kansas to have the 6th highest gain in the country regarding participation in the Food Stamp program from October 1999 to October 2000. The increase was 4.5% during this time period and can be attributed to a number of factors including:
 - Policy changes which eliminated full family sanctions and adopted categorical eligibility expansion described above.
 - Increased outreach efforts on the federal and state levels.
 - Maintaining accessible hours in local SRS offices for working families and others.

- Implementation of the HealthWave program in which access to the Food Stamp program was provided.

However, the Subcommittee also was informed that the agency still requires a multi-page form to apply for Food Stamps. The Subcommittee recommends that during the summer of 2001 the SRS Oversight Committee examine ways to simplify the application process.

Health Care Policy

1. Adds \$500,000 from the federal Medicaid funds for the second year of planning for a Medicaid Buy In Program for individuals with disabilities. The agency has received a four-year grant for program planning from the U. S. Department of Health and Human Services beginning in FY 2001. The Medicaid Buy In Program would allow individuals with disabilities currently receiving Social Security Income or Social Security Disability Income to work but retain their Medicaid insurance. The individuals would be required to pay a premium based upon income for the coverage.
2. The Subcommittee heard testimony from the agency about its proposed use of the Meyer Building at Larned State Hospital. In addition, it was pointed out that the Juvenile Justice Authority also has proposed uses for the building. Therefore, the Subcommittee recommends that the two agencies meet to discuss which one will occupy the Meyer Building and report back to Senate Ways and Means Committee prior to the Omnibus Session.
3. The agency reported that it has applied for a federal grant to develop a statewide action plan to serve consumers with traumatic brain injury. The first requirement of the grant is a statewide needs assessment and development of an advisory council on traumatic brain injury. The State of Kansas has focused all its attention to date on services for head injury specially on the Home and Community Based Services for Head Injury. If Kansas is successful in being awarded the grant, the agency will be allowed to determine what services are needed by consumers and what is available from providers based upon research and best practices for traumatic brain injury, in other words what infrastructure can be built to best serve this population. The Subcommittee requests that the agency report back prior to the Omnibus Session about the status of the grant award.
4. The Subcommittee requests that the Department determine what the State of Kansas would need to accomplish in order to receive a waiver from the U. S. Department of Health and Human Services to provide health care coverage to adults under the HealthWave program. In addition, the Department is to provide an estimate of the fiscal impact of such coverage to the Subcommittee prior to the Omnibus Session.

5. Add a proviso to Medical Assistance which states that the Department is to use any savings up to \$870,000 of state funds in the Medicaid program for the new Medicaid Buy In for Individuals with Disabilities Program. The Subcommittee heard from several conferees that this new program would remove work disincentives that inhibit individuals with disabilities from engaging in work as lack of health care coverage is a major barrier to employment. Unemployment rates for individuals with disabilities are reported to be 75 percent and fewer than 1 percent of the SSDI or SSI population ever finds employment. The program as outlined by the U. S. Department of Health and Human Services would require that the individual pay a premium based on income for the coverage and the federal government would provide 60 percent of the funding to cover this population as it does in all other Medicaid programs.
6. The Subcommittee was informed that providing direct care staff for many programs, developmental disabilities waiver services, hospital, and alcohol and drug treatment to name a few, has become a problem for many service providers. The problem as outlined by the conferees is a combination of factors including long hours, low pay, and the low unemployment rate across Kansas. Several providers are experiencing huge employment recruitment and retention problems. The Subcommittee recommends that the Legislature consider increasing direct care staff provider rates when additional state resources become available.
7. The Subcommittee was informed that the Department will convene a meeting with community mental health centers on February 16 to discuss foster care and adoption children's mental health issues and development of partnerships to provide alternative management programs for child welfare mental health issues. The Subcommittee requests that the Department report back on the meeting to the Subcommittee prior to the Omnibus Session.
8. The Subcommittee recommends that the Department examine its policies and procedures to eliminate barriers to integrated treatment for co-occurring illnesses or diagnoses especially when alcohol and substance abuse is present. In addition, the Department should examine the current system of handling dual diagnosis patients; the agency could consider having the gatekeeper evaluate the medical necessity based on psychiatric diagnosis; and payment policies should be reviewed by SRS which could remove barriers to integrated treatment of co-occurring illnesses or diagnoses.
9. The Subcommittee strongly encourages the Department to convene a work group with representatives of Medicaid service providers to develop a five-year strategic plan to increase the Medicaid rates. The Subcommittee believes that the current rates in several areas are hindering the access to and provision of quality health care in Kansas. The strategic plan should also include cost estimates for the proposed rate increases for each of the five-years of the plan.
10. The Subcommittee was informed that the State's system for providing developmental disability services has changed drastically over the past decade. However, the allocation of discretionary state aid hasn't changed to reflect

who's actually providing services, or how many clients are being served. The Legislature began to provide state aid in 1974 and originally provided that funding to match certain locally generated revenues. In 1986, the Legislature repealed the match requirement and specified that each community mental retardation center would receive at least the same amount of state aid it had received for the previous fiscal year unless sufficient funds weren't appropriated. The Subcommittee requests that the SRS and the community developmentally disabilities organizations (CDDOs) begin meeting in order to address the inequities in the distribution of state aid.

11. The Subcommittee requests that the Department of Social and Rehabilitation Services convene a work group consisting of representatives from the Kansas Department on Aging, Area Agencies on Aging, Independent Living Centers, and SRS to address the issue of physically disabled services for individuals 65 years of age or older. The work group should make recommendations that address improving services under the HCBS/FE which currently serves physically disabled individuals 65 years of age or older; or consider amending the HCBS/PD waiver to allow individuals to remain under this waiver without regard to an upper age limit. The work group's report is to be provided to both the 2001 Summer SRS Oversight Committee and the 2002 Legislative Session.
12. The Subcommittee recommends that the Department convene a task force consisting of representatives from the agency, drug companies, pharmacists, and hospitals to propose any needed changes in rules and regulations, or statutes that would ensure the most effective use of the Medicaid Pharmacy Program. In addition, the task force should also examine the use of step therapy, disease management techniques, maintenance drugs supplied for 60 or 90 days instead of the 34-day supply, and purchase prescriptions from foreign countries. The recommendations of the Task Force are to be presented to the 2002 Legislature. Finally, the Subcommittee strongly encourages the Department to investigate contracting with a Pharmacy Benefits Manager to review and analyze the Kansas Medicaid Pharmacy Program.

Children and Family Policy

1. The Subcommittee recommends that the consensus caseload estimating process include foster care and adoption services. The Subcommittee heard testimony that the current year practice of consensus numbers for these programs has proved beneficial to both the Governor, agency, contractors and Legislature.
2. The Department of Social and Rehabilitation reported to the Subcommittee that the agency is undertaking meetings with representatives of the Children's Alliance and children's emergency shelters to discuss the per day rate of reimbursement. The Subcommittee directs the agency to report back the findings of the meetings prior to the Omnibus Session.
3. The Subcommittee recommends that during the Omnibus Session the Senate Ways and Means Committee review the request for additional funding for

training of child welfare staff and foster care recruitment within the SRS budget for consideration. The consensus caseload estimating group will have made adjustments prior to this time and funding may be available at that time to fund these programs.

4. The Subcommittee heard testimony that mediated settlements in child welfare cases would reduce the time a foster care child would remain in out-of-home placement by approximately one month per child. Foster care costs average according to Kansas Legal Services (KLS) \$1,500 per month and KLS maintains that with a pilot project of 100 completed mediations with an estimated settlement rate of 60 percent the State would recover the state cost of the project as \$1,500 times 60 settlements would be \$90,000. In addition, KLS estimates that approximately \$3,000 in court costs would be saved each time a case reaches settlement which would result in savings of \$80,000 (\$3,000 times 60 settlements) above the cost of the project. The Subcommittee recommends that the Department of Social and Rehabilitation Services enter into an agreement with Kansas Legal Services to provide for a pilot project in Wichita for 100 cases during FY 2002. In addition, the Department shall provide \$90,000 from the Community Funding for child welfare for the program and Kansas Legal Services shall provide \$30,000 of private foundation funding for the pilot project.
5. The Subcommittee was informed that there is a need for a technical clean up bill for the Permanent Guardianship Program. The Subcommittee recommends that the Senate Ways and Means Committee introduce the bill.
6. The Subcommittee requests that the Department undertake a study of possible alternatives to MAPP training for foster parents. The alternative proposals should also include consideration of the cost of program to the parents and the agency when making recommendations.