

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Stephen Morris at 10:30 a.m. on March 12, 2002 in Room 123-S of the Capitol.

All members were present except: Senator Christine Downey - Excused
Senator Tim Huelskamp - Excused

Committee staff present:

Alan Conroy, Chief Fiscal Analyst, Kansas Legislative Research Department
Deb Hollon, Kansas Legislative Research Department
Martha Dorsey, Kansas Legislative Research Department
Audrey Nogle, Kansas Legislative Research Department
Robert Waller, Kansas Legislative Research Department
Michael Corrigan, Assistant Revisor of Statutes
Judy Bromich, Assistant to the Chairman
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Senator Anthony Hensley
Representative Jim Garner
Ken Groetwiel, Director, Consumer Assistance Division, Kansas Insurance Department
Barbara Withee, Chair, AARP State Legislative Committee
Jim Snyder, Silver-Haired Legislature (written testimony)
Dennis Priest, Administrator, Program Administrator, Integrated Service Delivery Division,
Department of Social and Rehabilitation Services

Others attending: See attached list

Bill Introduction

Senator Adkins moved, with a second by Senator Feleciano, to introduce a bill concerning social welfare: relating to medicaid reimbursement (1rs2315). Motion carried on a voice vote.

Chairman Morris opened the public hearing on:

SB 589--Prescription drug costs, senior pharmacy assistance program benefits, public assistance eligibility threshold and senior health insurance counseling for Kansans, prescribing certain funding

Staff briefed the Committee on the bill.

Representative Jim Garner testified in support of **SB 589** (Attachment 1). In testimony, Representative Garner mentioned that the most unprompted, unsolicited concern expressed to him by the citizens he represents is the high cost of prescription drugs. He explained that under **SB 589** approximately 35,000 more Kansans would be covered annually under the program using existing, dedicated resources. Representative Garner further noted that the proposal does not spend money the state does not have, rather it uses the pharmacy trust fund for its intended purpose.

Senator Anthony Hensley testified in support of **SB 589**. Senator Hensley distributed the following information to the Committee:

- Kansas Senior Pharmacy Assistance Program by the Kansas Department on Aging (Attachment 2)

CONTINUATION SHEET

- Kansas Intergovernmental Transfer Program, Department on Aging Estimate, Budget Division Estimate, and Aging Revenue Estimate-Governor's Spending Plan, FY 2002 and FY 2003 ([Attachment 3](#))
- Copy of a letter dated January 17, 2002, Senator Hensley wrote to Congressman Jim Ryun regarding the proposed enhancement of the Kansas Senior Pharmacy Assistance Program ([Attachment 4](#))
- Copy of a letter dated January 17, 2002, Senator Hensley wrote to Congressman Todd Tiahrt, regarding the proposed enhancement of the Kansas Senior Pharmacy Assistance Program ([Attachment 5](#))

Senator Hensley mentioned that he would like to see Congress step up and establish a program at the federal level, and absent that, he thought it time to help the people in Kansas.

Ken Grotewiel, Director, Consumer Assistance Division, Kansas Insurance Department, provided information to the Committee regarding the Senior Health Insurance Counseling for Kansas program (SHICK) and the help their SHICK volunteers provide seniors to help them pay for the cost of their prescription drugs ([Attachment 6](#)).

Barbara Withee, Chair, American Association of Retired Persons (AARP) State Legislative Committee, testified in support of **SB 589** ([Attachment 7](#)). Ms. Withee mentioned that AARP supports efforts to make prescription drugs more affordable and available to Kansans and urges maintaining the balance of the intergovernmental transfer funds in the Seniors Trust Fund. She noted that in doing so, the Legislature can broaden the base of those served by the Seniors Pharmacy Assistance Program as passed by the 2000 Legislature. Ms. Withee also distributed copies of the AARP Public Policy Institute, FYI: The Cost of Prescription Drugs: Who Needs Help? ([Attachment 8](#)).

Jim Snyder, President, Kansas Council of the Silver Haired Legislators, submitted written testimony in support of **SB 589** ([Attachment 9](#)).

Dennis Priest, Program Administrator, Integrated Service Delivery Division, Department of Social and Rehabilitation Services, testified in opposition to **SB 589** ([Attachment 10](#)). Mr. Priest mentioned that they are testifying regarding the prescription bill deduction portion of the bill and would oppose the passage of this change. He explained that the bill would make changes to current financial eligibility rules for the primary assistance programs operated by the Department.

Committee questions and discussion followed. Chairman Morris thanked the conferees for their appearance before the Committee. There being no further conferees to come before the Committee, the Chairman closed the public hearing on **SB 589**.

Subcommittee report on:

Kansas Department of Transportation ([Attachment 11](#))

Subcommittee Chairman Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

Subcommittee Chairman Adkins reported that the Subcommittee concurs with the Governor's recommendation for FY 2003 with comments as listed in the subcommittee budget report.

Senator Feleciano presented the Minority Report to the Committee regarding the Department of Transportation Subcommittee budget report. Senator Feleciano moved, with a second by Senator Barone, to amend the subcommittee budget report to include the Minority Report ([Attachment 12](#)). Motion carried on a voice vote.

Staff distributed copies of a spreadsheet regarding the Comprehensive Transportation Program dated March 11, 2002, Kansas Legislative Research Department ([Attachment 13](#)).

CONTINUATION SHEET

Senator Adkins moved, with a second by Senator Salmans, to adopt the subcommittee budget report on the Department of Transportation for the FY 2002 and FY 2003 budget as amended. Motion carried on a voice vote. Senator Feleciano requested to be recorded as voting "No" on the motion.

The meeting adjourned at 11:55 a.m. The next meeting is scheduled for March 13, 2002.

State of Kansas

House of Representatives

JIM D. GARNER
House Democratic Leader



Topeka Address
State Capitol
Room 327-S
Topeka, Kansas 66612-1504
(785) 296-7630

Office of the Democratic Leader

March 12, 2002

Senate Ways and Means Committee
Testimony in Support of Senate Bill 589
Representative Jim Garner

Chairman Morris and Members of the Committee:

Thank you for the opportunity to express my support of Senate Bill 589. Without a doubt the most unprompted, unsolicited concern expressed to me by the citizens I represent is the high cost of prescription drugs. Seniors are struggling—and have been for too long.

The concerns of my constituents are not unlike many those of in your districts. Indeed, in a recent survey of Kansas seniors conducted by the Kansas Department on Aging through the state's 11 Area Agencies on Aging, an overwhelming 77% of the respondents identified the cost of medicine as the number one concern facing them today. In every region of the state, prescription drug costs weighed heaviest on the minds of Kansas seniors.

Backed by the American Association of Retired Persons, Senator Hensley and I have introduced a plan to preserve the state's pharmacy assistance program and extend it to serve substantially more Kansas seniors using existing resources.

The proposal utilizes \$65 million currently in the senior trust fund— existing resources — to expand the Senior Pharmacy Assistance Program on a broader scale. All future payments from the Intergovernmental Transfer Program to the senior trust fund would be dedicated for prescription drug assistance. Furthermore, the proposal would also implement a Medicaid spend-down program to provide additional pharmacy assistance to Kansas families, regardless of age, facing catastrophic drug costs. Some funding is also set aside for the Senior Health Insurance Counseling for Kansas program.

The three-year program would appropriate \$21.575 million per year for prescription drug assistance.

- A. \$18.2 million per year dedicated to prescription drug assistance under current Senior Pharmacy Assistance Program.
- B. \$3.2 million per year to fund provisions of 2000 House Bill 2379, Medicaid Spend-down Program.
- C. \$175,000 for Senior Health Insurance Counseling for Kansas (SHICK).

Senate Ways and Means
3-12-02
Attachment 1

In 2000, the Kansas Legislature implemented an extremely limited pharmacy assistance program. The program has assisted a mere 1,096 seniors in the current fiscal year. The Department on Aging has estimated that over 62,000 Kansas seniors could qualify for assistance. Thousands of eligible seniors are currently left out.

Under Senate Bill 589, approximately 35,000 more Kansans would be covered annually under the program using existing, dedicated resources. The proposal does not spend money the state doesn't have, rather it uses the pharmacy trust fund for its intended purpose. Furthermore, projected transfers into the trust fund will allow the program to continue beyond the third year, ensuring Kansas has a meaningful prescription drug program if President Bush and Congress cannot reach a compromise on a federal plan.

The Legislature must resist the temptation to divert and use the Senior Pharmacy Trust Fund to simply supplant the state general fund. The trust fund may make an appealing target to cover holes in the state's budget, but abolishing the program and walking away from this opportunity to help more seniors would cost the state substantially more in high cost acute care hospitals or long-term care. By providing real drug assistance, we will be able to maintain people in their own homes and not rely on costly long-term care. In the long run, a more progressive pharmacy assistance program will be the smartest use of these funds.

The state's current program, while well intentioned, is but an anemic, small step when our seniors are deserving of greater strides. We have seniors making unacceptable choices between prescription drugs and other necessities, like food and heating their homes. This need not, and should not, be the case. We must be relentless to ensure no Kansas senior is denied access to the prescription drugs they need to enjoy the quality of life they have earned through years of hard work. In a session where easy decisions are few and far between, this choice is rather simple.

Senate Bill 589 is one good and decent thing we can do in this otherwise difficult and trying session. Thank you.



KANSAS SENIOR PHARMACY ASSISTANCE PROGRAM

In 2000, the Kansas Legislature established the Senior Pharmacy Assistance Program. The intent of the program is to provide financial assistance to seniors in meeting their prescription drug needs. The Kansas Department on Aging (KDOA) received an appropriation of \$1.2 million for state fiscal year 2002. The program is open to individuals currently receiving benefits through the Qualified Medicare Beneficiary Program (QMB), the Low Income Medicare Beneficiary Program (LMB), or the Partial LMB program up to 150% of the federal poverty level. The Kansas Department of Social and Rehabilitation Services (SRS) administers these programs.

ELIGIBILITY

Kansas seniors must meet the following criteria to be eligible to participate in the program: Kansas resident; 67 years of age on or before December 31, 2001; not covered under a private prescription insurance plan which pays for any part of their prescriptions costs, not including prescription discount plans; not eligible for or enrolled in any other local, state, or federal prescription program such as Medicaid or VA prescription assistance; and not have voluntarily cancelled a local, state, federal, or private prescription drug program within six months of application to this program.

REIMBURSEMENT

Reimbursement will not exceed 70% of out-of-pocket prescription drug costs. The maximum reimbursement per individual is limited to \$1,200 annually.

Allowed costs are limited to the following:

- Legend drugs and those diabetic supplies not covered by Medicare.
- Prescription drugs that treat chronic illness.

Costs not reimbursable under this program include, but are not limited to:

- Over the counter drugs.
- Lifestyle drugs.
- Prescriptions for acute illnesses.

PROGRAM DESIGN

Based on the eligibility requirements outlined in K.S.A. 75-5961(b), KDOA believed the demand would exceed the available funding. The Department's goal was to provide assistance to those individuals who lacked other resources to purchase their medications. Therefore, the income criterion was adjusted from 150% of the federal poverty level to 135%, as authorized in K.S.A. 75-5962(b)(2). To minimize administrative costs, the decision to target individuals already verified as meeting the income guidelines and having limited resources was made. In collaboration with SRS, KDOA sent applications to 2,692 participants of the Medicare Beneficiary Program, also known as the Medicare Savings Program, during September. Individuals had to be 67 years of age or older as of October 31, 2001 and not be eligible for other public pharmacy programs nor covered by a private prescription insurance plan. The reimbursement period was January 1 through September 30, 2001.

PROGRAM RESULTS

The department received applications from the AAA beginning in October. Due to the low rate of return, the application deadline was extended to November 31. Of the 1,246 applications mailed back, 1,096 individuals received payment for a total expenditure of \$409,490. The average recipient was a 73 year old female and was reimbursed \$374 for pharmacy expenses.

PROGRAM FINDINGS

Information derived from the applications show that the lower the individuals' income, the smaller the amount spent on prescription drugs. The establishment of six income tiers to assist in prioritizing applications revealed that as income rose, so did the average expenditure for prescriptions. Based on this snapshot in time, the department made two suppositions. First, the poorest tier, with monthly incomes up to \$537 for a single individual and \$726 for a couple, did not have the means to purchase the necessary prescriptions. It does not seem realistic to assume that the low average is because they are healthier than the higher tiers. Secondly, as income increases, so does the average prescription expenditure. KDOA is confident that the population targeted was the correct one.

PROGRAM EXPANSION

Beneficiaries of the Medicare Savings Program will receive an application in late March. New participants to the Medicare Savings Program as well as expanding the income eligibility to 150% of the federal poverty levels will be included in this round.

APPLICATION PROCESS

A letter and application will be sent to all eligible individuals. Applicants must complete the enclosed form and obtain a pharmacy printout of all prescriptions purchased for their personal use from January 1, 2001 through March 31, 2002.

The Area Agency on Agency (AAA) serving the area in which the applicant lives will accept applications from April 1 to April 30, 2002. The applicants can either mail or hand-deliver the completed application and prescription drug printout to his or her local AAA. Timely receipt will be determined by postmark or date stamp.

PAYMENTS

The deadline for submitting an application is April 30, 2002. The AAA will forward all applications received to the Department on Aging for processing. After all applications have been received by KDOA, they will be prioritized based on need. KDOA plans to send reimbursement checks by June 30, 2002.

PROGRAM FUTURE

Continued funding of the Kansas Senior Pharmacy Assistance Program is uncertain at this time. The governor's budget includes a \$1.2 million appropriation for fiscal year 2003. The department will form a team to assess ways to improve the program in case of approved funding.

KDOA does not discriminate on the basis of race, color, national origin, sex, age, or handicap. If you feel that you have been discriminated against, you have the right to file a complaint with KDOA, at 1-800-432-3535 or TDD: 785-291-3167 or 1-800-766-3777.

Kansas Intergovernmental Transfer Program
Department on Aging Estimate
FY 2002

Transfers	SRS IGT	Aging IGT	Sr. Services Trust	SRS Med Match	Age Med. Match	LTC L & G	SRS HCBS	Aging HCBS	Total
Balance as of 7/1/01	0	0	65,712,927	1,456,796	923,590	9,952,155	476,077	0	78,521,545
Aug. (actual) 34,721,011	20,967,671	3,337,036	0	4,592,134	4,088,119	1,736,051	0	0	34,721,011
Nov. (actual) 15,710,608	9,487,479	1,509,947	0	2,077,855	1,849,797	785,530	0	0	15,710,608
Feb. (actual) 54,178,799	13,544,850	2,153,017	22,227,292	7,167,855	6,376,845	2,708,940	0	0	54,178,799
May (est.) 45,000,000	0	0	31,500,000	5,953,500	5,296,500	2,250,000	0	0	45,000,000
Sub-total 149,610,418	44,000,000	7,000,000	119,440,219	21,248,140	18,534,851	17,432,676	476,077 *	0	228,131,962
Transfers	0	0	0	0	0	0	0	0	0
TOTAL 149,610,418	44,000,000	7,000,000	119,440,219	21,248,140	18,534,851	17,432,676	476,077	0	228,131,962
Budgeted Expenditures	44,000,000	7,000,000	0	12,300,000	10,950,000	13,400,000	0	250,000	87,900,000
Balance Available for FY 2003	0	0	119,440,219	8,948,140	7,584,851	4,032,676	476,077	(250,000)	140,231,962

Senate Ways and Means
3-12-02
Attachment 3

FY 2003

Transfers	SRS IGT	Aging IGT	Sr. Services Trust	SRS Med Match	Age Med. Match	LTC L & G	SRS HCBS	Aging HCBS	Total
Balance as of 7/1/02	0	0	119,440,219	8,948,140	7,584,851	4,032,676	476,077	(250,000)	140,231,962
Aug. (est.) 41,861,003	0	0	29,302,702	5,441,930	5,023,320	2,093,050			41,861,003
Nov. (est.) 41,861,003	0	0	29,302,702	5,441,930	5,023,320	2,093,050			41,861,003
Sub-total 83,722,006	0	0	178,045,623	19,832,000	17,631,492	8,218,776	476,077	(250,000)	223,953,968
SSTI Transfer	0	0	0	0	0	0	0	0	0
TOTAL 83,722,006	0	0	178,045,623	19,832,000	17,631,492	8,218,776	476,077	(250,000)	223,953,968
Budgeted Expenditures	0	0	0	12,300,000	10,950,000	4,400,000	0	250,000	27,900,000
Balance Available for FY 2004	0	0	178,045,623	7,532,000	6,681,492	3,818,776	476,077	(500,000)	Total 196,053,968

Kansas Intergovernmental Transfer Program
Budget Division Estimate

3-2

FY 2002

Transfers	SRS IGT	Aging IGT	Sr. Services Trust	SRS Med Match	Age Med. Match	LTC L & G	SRS HCBS	Aging HCBS	Total
Balance as of 7/1/01	0	0	65,712,927	1,456,796	923,590	9,952,155	476,077	0	78,521,545
Aug. (actual) 34,721,011	20,967,671	3,337,036	0	4,592,134	4,088,119	1,736,051	0	0	34,721,011
Nov. (actual) 15,710,608	9,487,479	1,509,947	0	2,077,855	1,849,797	785,530	0	0	15,710,608
Feb. (actual) 54,178,799	32,723,995	5,201,165	0 **	7,167,855	6,376,845	2,708,940	0	0	54,178,799
May (est.) 25,000,000	15,100,000	2,400,000	0 **	3,307,500	2,942,500	1,250,000	0	0	25,000,000
Sub-total 129,610,418	78,279,145	12,448,147	65,712,927	18,602,140	16,180,851	16,432,676	476,077 *	0	208,131,962
Transfers	0	0	0	0	0	0	(476,077)	476,077	0
TOTAL 129,610,418	78,279,145	12,448,147	65,712,927	18,602,140	16,180,851	16,432,676	0	476,077	208,131,962
Budgeted Expenditures	44,000,000	7,000,000	0	12,300,000	10,950,000	13,400,000	0	250,000	87,900,000
Balance Available for FY 2003	34,279,145	5,448,147	65,712,927	6,302,140	5,230,851	3,032,676	0	226,077	120,231,962

* Must put transfer of \$476,077 from SRS HCBS Programs Fund to Aging HCBS Programs Fund in the bill.

** Must provide for Sr. Services Trust diversion language.

FY 2003

Transfers	SRS IGT	Aging IGT	Sr. Services Trust	SRS Med Match	Age Med. Match	LTC L & G	SRS HCBS	Aging HCBS	Total
Balance as of 7/1/02	34,279,145	5,448,147	65,712,927	6,302,140	5,230,851	3,032,676	0	226,077	120,231,962
Aug. (est.) 25,000,000	15,100,000	2,400,000	0 **	3,250,000	3,000,000	1,250,000			25,000,000
Nov. (est.) 25,000,000	15,100,000	2,400,000	0 **	3,250,000	3,000,000	1,250,000			25,000,000
Sub-total 50,000,000	64,479,145	10,248,147	65,712,927	12,802,140	11,230,851	5,532,676	0	226,077	170,231,962
SSTI Transfer	15,673,944	0	(15,697,867) *	0	23,923	0	0	0	0
TOTAL	80,153,089	10,248,147	50,015,060	12,802,140	11,254,774	5,532,676	0	226,077	170,231,962
Budgeted Expenditures	62,529,094	7,446,983	0	12,300,000	10,973,923	4,073,736	0	226,077	97,549,813
Balance Available for FY 2004	17,623,995	2,801,164	50,015,060	502,140	280,851	1,458,940	0	0	Total 72,682,149

** Must provide for Sr. Services Trust diversion and transfer out language. Transfer out = \$15,697,867.

***In both FY 2002 and FY 2003 \$1.2 million is budgeted from the Senior Services Fund, balance as of 11/20/01 = \$3,050,486.

**Kansas Intergovernmental Transfer Program
Aging Revenue Estimate - Governor's Spending Plan**

FY 2002

Transfers	SRS IGT	Aging IGT	Sr. Services Trust	SRS Med Match	Age Med. Match	LTC L & G	SRS HCBS	Aging HCBS	Total
Balance as of 7/1/01	0	0	65,712,927	1,456,796	923,590	9,952,155	476,077	0	78,521,545
Aug. (actual) 34,721,011	20,967,671	3,337,036	0	4,592,134	4,088,119	1,736,051	0	0	34,721,011
Nov. (actual) 15,710,608	9,487,479	1,509,947	0	2,077,855	1,849,797	785,530	0	0	15,710,608
Feb. (actual) 54,178,799	13,544,850	2,153,017	22,227,292	7,167,855	6,376,845	2,708,940	0	0	54,178,799
May (est.) 45,000,000	0	0	31,500,000	5,953,500	5,296,500	2,250,000	0	0	45,000,000
Sub-total 149,610,418	44,000,000	7,000,000	119,440,219	21,248,140	18,534,851	17,432,676	476,077	0	228,131,962
Transfers	0	0	0	0	0	0	0	0	0
TOTAL 149,610,418	44,000,000	7,000,000	119,440,219	21,248,140	18,534,851	17,432,676	476,077	0	228,131,962
Budgeted Expenditures	44,000,000	7,000,000	0	12,300,000	10,950,000	13,400,000	0	250,000	87,900,000
Balance Available for FY 2003	0	0	119,440,219	8,948,140	7,584,851	4,032,676	476,077	(250,000)	140,231,962

FY 2003

Transfers	SRS IGT	Aging IGT	Sr. Services Trust	SRS Med Match	Age Med. Match	LTC L & G	SRS HCBS	Aging HCBS	Total
Balance as of 7/1/02	0	0	119,440,219	8,948,140	7,584,851	4,032,676	476,077	(250,000)	140,231,962
Aug. (est.) 41,861,003	25,284,046	4,018,656	0 *	5,441,930	5,023,320	2,093,050			41,861,003
Nov. (est.) 41,861,003	25,284,046	3,428,327	590,330 *	5,441,930	5,023,320	2,093,050			41,861,003
Sub-total 83,722,006	50,568,092	7,446,983	120,030,548	19,832,000	17,631,492	8,218,776	476,077	(250,000)	223,953,968
SSTI Transfer	11,961,002	0	(11,961,002) **	0	0	0	0	0	0
TOTAL	62,529,094	7,446,983	108,069,546	19,832,000	17,631,492	8,218,776	476,077	(250,000)	223,953,968
Budgeted Expenditures	62,529,094	7,446,983	0	12,300,000	10,973,923	4,073,736	0	226,077	97,549,813
Balance Available for FY 2004	(0)	0	108,069,546	7,532,000	6,657,569	4,145,040	476,077	(476,077)	Total 126,404,155

* Requires language to divert \$58,605,404 from SSTI

** Requires language to transfer \$11,961,002

State of Kansas

Senate Chamber

ANTHONY HENSLEY
STATE SENATOR, NINETEENTH DISTRICT
SHAWNEE, DOUGLAS & OSAGE COUNTIES

HOME ADDRESS
2226 S E VIRGINIA AVENUE
TOPEKA, KANSAS 66605-1357
785 332-1944 - HOME

EMAIL
HENSLEY@SENATE.STATE.KS.US
INTERNET
WWW.KANSASSENATEDEMOCRATS.ORG



Office of Democratic Leader

ROOM 347-N, STATE CAPITOL
TOPEKA, KANSAS 66612-1504
(785) 296-3245
FAX (785) 296-0103

COMMITTEE ASSIGNMENTS

VICE CHAIRMAN: CONFIRMATION OVERSIGHT
MEMBER: EDUCATION
INTERSTATE COOPERATION
KANSAS, INC
LABOR EDUCATION CENTER
ADVISORY COUNCIL
LEGIS. COORDINATING COUNCIL
LEGIS. POST AUDIT
STATE FINANCE COUNCIL
WORKERS COMPENSATION
FUND OVERSIGHT
PENSIONS, INVESTMENTS
AND BENEFITS
REAPPORTIONMENT

LEGISLATIVE HOTLINES
1-800-432-3924
TTY: 785-296-8430

January 17, 2002

The Honorable Jim Ryun
Kansas Second District Congressman
330 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Ryun:

Enclosed you will find an outline of a proposal by House Minority Leader Jim Garner and me to dramatically enhance the Kansas Senior Pharmacy Assistance Program.

As you may know, the 2000 Kansas Legislature created a Senior Trust Fund, which is financed by federal HCFA dollars. Interest earned from this fund has been earmarked for the Kansas Senior Pharmacy Assistance Program. Unfortunately, dollars intended for the fund have been diverted to other areas of the state's budget, and currently the balance is only \$51 million. The interest earned is just over \$1 million, and therefore only 1,077 eligible Kansas seniors could receive pharmacy assistance last year.

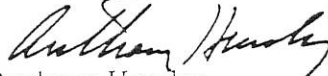
Representative Garner and I feel that, especially during these difficult economic times, a viable Senior Pharmacy Assistance Program is essential for thousands of Kansas seniors. With that in mind, we propose fully utilizing the \$51 million in the trust fund over a three-year period to rescue the program. This would provide prescription drug relief for approximately 30,000 Kansas seniors.

We expect this to be a temporary solution until a federal prescription drug program is proposed by President Bush and approved by the Congress. With that in mind, I strongly urge you to act as soon as possible to enact meaningful pharmacy assistance for seniors.

This issue was very prominent in the 2000 presidential and congressional campaigns. Your swift action in making good on the campaign promises of President Bush and many of your colleagues will be of great benefit to thousands of Kansans.

I welcome your comments regarding expansion of the Senior Pharmacy Assistance Program and look forward to your success in creating a federal substitute.

Sincerely,


Anthony Hensley
Senate Minority Leader

Senate Ways and Means
3-12-02
Attachment 4

State of Kansas

House of Representatives

JIM D. GARNER
House Democratic Leader



Topeka Address
State Capitol
Room 327-S
Topeka, Kansas 66612-1504
(785) 296-7630

Office of the Democratic Leader

January 17, 2002

The Honorable Todd Tiaht
Kansas Fourth District Congressman
428 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Tiaht:

Earlier this month Senate Minority Leader Anthony Hensley and I introduced a proposal to significantly improve the state's effort toward prescription drug assistance for Kansas seniors through expansion of the Kansas Senior Pharmacy Assistance Program. An outline of the proposal is enclosed for your information.

In a Kansas Department on Aging survey, conducted through the state's eleven Area Agencies on Aging, Kansas seniors were asked to identify the most important concern facing them today. An overwhelming seventy seven percent of the respondents identified the cost of medicine as their number one concern. Fifty-six percent of the respondents in the South Central Kansas AAA service area placed drug costs as their top concern, more than doubling the next highest identified concern. As you can see, the escalating costs of prescription drugs weighs heavy on the minds of many of our constituents.

The existing Kansas Senior Pharmacy Assistance Program is severely limited in scope. Created by the 2000 Kansas Legislature, the program is funded from interest accrued from the Senior Trust Fund, which is financed by federal HCFA dollars. Unfortunately, dollars intended for the fund have been diverted to other areas of the state's budget, and currently the balance is only \$51 million. Last year, the fund earned just over \$1 million in interest. Therefore, only 1,077 Kansas seniors could receive pharmacy assistance—far less than the 62,000 Kansas seniors who are eligible.

Senator Hensley and I feel a meaningful Senior Pharmacy Assistance Program is essential for thousands of Kansas seniors and achievable using existing resources. Our proposal would fully utilize the \$51 million in the trust fund over a three-year period to rescue the program. This would provide prescription drug relief for approximately 30,000 Kansas seniors annually.

We expect this to be a temporary solution until a federal prescription drug program is proposed by President Bush and approved by the Congress. With that in mind, I strongly urge you to act as soon as possible to enact meaningful pharmacy assistance for seniors.

As you rightfully stated in a June 2000 news release on this issue, "Seniors should not be forced to choose between putting food on the table and buying the medicine they need." Your immediate action in making this a reality will be of great benefit to thousands of Kansans.

I welcome your comments regarding expansion of the Kansas Senior Pharmacy Assistance Program and look forward to your success in implementing a federal solution to this very real problem.

Sincerely,

A handwritten signature in black ink that reads "Jim Garner".

Jim Garner
Kansas House Minority Leader

Senate Ways and Means
3-12-02
Attachment 5



Kathleen Sebelius
Commissioner of Insurance
Kansas Insurance Department

Senior Pharmacy Assistance Program (SB 589)
Senate Ways and Means Committee

March 12, 2002

Testimony by Ken Grotewiel
Director, Consumer Assistance Division

On behalf of Commissioner Kathleen Sebelius, I am pleased to appear today to provide information about the Senior Health Insurance Counseling for Kansas program (SHICK) and the help our SHICK volunteers provide seniors to help them pay for the cost of their prescription drugs. SHICK is funded by the Kansas Department on Aging through a grant from the Center for Medicare and Medicaid Services (CMS). People with Medicare use the SHICK network of nearly 500 volunteers from across the state to help them sort through questions and problems related to their health care.

As you know, prescription drugs are not part of the basic benefit package under Medicare. While some coverage is available through three supplemental insurance plans, they are substantially more expensive than those plans without prescription drug coverage. Medicare HMO's provide some prescription drug coverage, though they are available only in a limited number of counties.

The single most requested service from SHICK Counselors is for assistance in paying for the cost of prescription drugs. Our counselors help individuals apply for some of their prescriptions at little or no cost through assistance programs run by pharmaceutical manufacturers. Applications must usually be made by a person's doctor, approvals normally cover a 60-90 day period only, and people must re-apply for additional supplies. Approved prescriptions are usually for the

785-296-7829 Topeka
785-296-5806 FAX

 Consumer Assistance Hotline
1 800-432-2484 (Toll Free)
www.ksinsurance.org

420 SW 9th Street
Topeka, Kansas 66612-1678

*Senate Ways and Means
3-12-02
Attachment 6*

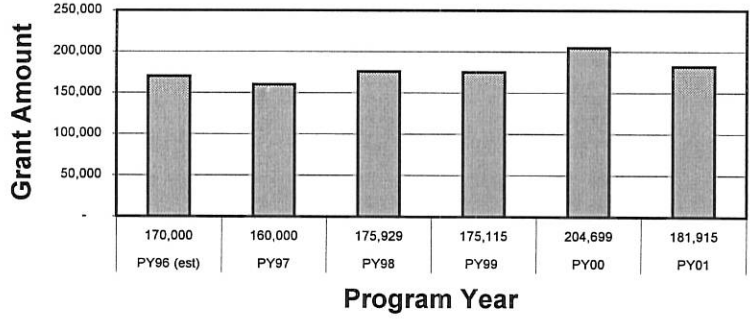
treatment of on-going or chronic conditions, and cannot be obtained quickly enough for use in the event of acute or sudden illness. The process takes an average of a 4-6 weeks between application and actual delivery of the prescription drugs. SHICK does not provide any direct financial assistance for prescription drugs.

In the past program year from October 1, 2000 through September 30, 2001, over 5800 Kansans requested help paying for their prescription drugs. SHICK volunteer counselors saved seniors over \$1.7 million in drug costs alone for this period. The SHICK program reported nearly \$1.5 million in prescription savings for the previous program year, demonstrating an on-going and rising demand. Attached are some charts on program performance as a whole since 1996, and some statistics for SHICK's most recent program year.

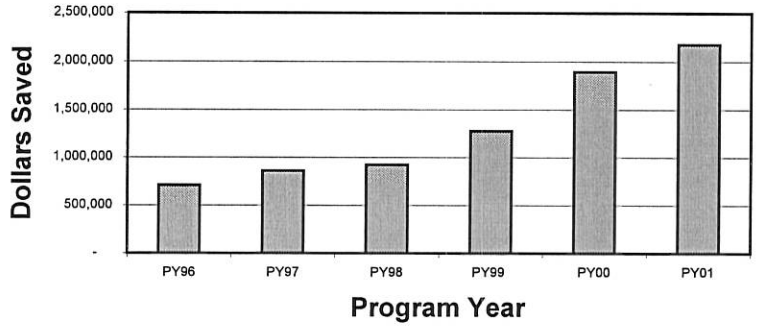
If the legislature were to provide additional funds to the SHICK program, it certainly would provide an opportunity to build on this very successful public-private partnership that provides much-needed pharmacy assistance to seniors. The infrastructure to train and coordinate these volunteers in place, and any additional funds would be used to increase the number of SHICK volunteers available to help seniors apply for assistance from the pharmaceutical companies.

Thank you for your attention today, and I would stand for any questions you might have.

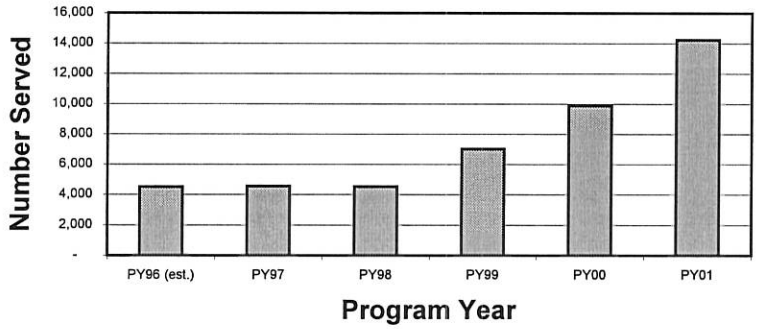
SHICK Continuation Grant History



Medicare Beneficiary Savings



People with Medicare Served



Senior Health Insurance Counseling for Kansas (SHICK)

SHICK Volunteer Savings by Area

19-Nov-01

Report Period: October 1, 2000 through September 30, 2001

Sponsoring Organization	Area ID No.	#Served	Time Spent (in hours)	Prescription Drug Savings	Monthly Insurance Savings (Annualized)	One Time Insurance Savings
WY/LV AAA	Area # 01AA	208	174.5	\$63,663.24	\$7,968.00	\$2,088.00
Saint John Hospital	Area # 01LV	164	92.75	\$6,950.00	\$15,600.00	\$274.02
Providence Medical Center	Area # 01WY	169	113.5	\$9,142.00	\$0.00	\$9,328.00
K-State Research & Extension	Area # 02	2454	799.75	\$137,075.44	\$45,021.96	\$52,085.67
Northwest Kansas AAA	Area # 03	612	288	\$215,445.97	\$4,980.00	\$240.00
Douglas County Senior Service	Area # 04DG	457	203	\$53,819.00	\$14,640.00	\$0.00
Stormont-Vail Health Care	Area # 04SN	628	393	\$79,934.05	\$16,062.00	\$5,626.00
Southeast AAA	Area # 05	563	818.75	\$271,419.00	\$600.00	\$995.60
Southwest AAA	Area # 06	210	188.5	\$35,818.04	\$60,360.00	\$700.00
East Central AAA	Area # 07	1588	1380.5	\$424,827.73	\$84,070.44	\$2,513.56
North Central/Flint Hills AAA	Area # 08	1318	774.75	\$214,185.66	\$30,395.28	\$3,359.00
Northeast Kansas AAA	Area # 09	90	45.25	\$18,509.00	\$0.00	\$2,439.81
South Central Kansas AAA	Area # 10	848	617.5	\$103,311.79	\$1,884.00	\$3,871.19
Johnson County AAA	Area # 11	914	378.25	\$63,346.27	\$20,334.00	\$4,973.94
SHICK Office	Area # 12	4012	844.25	\$14,330.49	\$65,562.00	\$9,298.00
Totals by Category:		14235	7112.25	\$1,711,777.68	\$367,477.68	\$97,792.79

Total Insurance Savings: \$465,270.47

Total Prescription Drug Savings: \$1,711,777.68

Total SHICK Savings: \$2,177,048.15



555 S. Kansas Avenue
Suite 201
Topeka, KS 66603

(785) 232-4070
(785) 232-8259 Fax

**Testimony before Senate Ways and Means Committee
March 12, 2002
Barbara Withee
Chair, AARP State Legislative Committee**

Good morning, Sen. Morris, members of the Senate Ways and Means Committee. My name is Barbara Withee, and I am Chair of the AARP State Legislative Committee, which represents the views of our 350,000 plus members in the state of Kansas. AARP is the nation's leading organization for people age 50 and older. It serves their needs and interests through information and education, advocacy and community services provided by a network of local chapters and experienced volunteers throughout the state and country. Thank you for this opportunity to express our views in *support* of Senate Bill 589.

Modern medicine increasingly relies on drug therapies. Yet the benefits of prescription drugs elude more beneficiaries every day. Drug costs continue to rise unabated. The rising cost of prescription drugs is a problem for many older Americans. Older persons typically need more medication than their younger counterparts, prescription drug costs are rising faster than other health care costs, and nearly one-third of Medicare beneficiaries lack any prescription drug coverage. The fact that those without coverage pay the highest prices for prescription drugs exacerbates the situation. Notably, in 1998, beneficiaries without coverage filled 31 percent fewer prescriptions than those with coverage, but spent 45 percent more out-of-pocket.

Rising drug costs in the last few years have resulted in higher premiums for prescription drug coverage, employer-based retiree health coverage is eroding, there are fewer managed care plans in Medicare, and the cost of private coverage is increasingly unaffordable. Each of these factors will further increase beneficiaries' out-of-pocket prescription drug spending and decrease their available income for their other needs.

Anyone who has paid retail at the pharmacy counter recently knows that because drugs are so expensive, even people who seem financially secure can face disaster if they become sick or need numerous or expensive drug treatments. It is critical that prescription drug coverage is available to more than just those with very low incomes.

The poor elderly and the working poor of Kansas need help with the high cost of prescription drugs. Those people in Kansas who can least afford to pay for their drugs are those least likely to have prescription drug coverage. Many of those beneficiaries who

obtain coverage from individually purchased supplemental plans still incur substantial out-of-pocket drug costs.

The 2000 Kansas Legislature passed a Pharmacy Assistance Plan--a very limited plan. We believe that the number of Kansans that could benefit from the program was limited due to the diversion of intergovernmental transfer dollars from the Seniors Trust Fund to other agency programs to offset budget deficits during the 2001 session. The plan's reimbursement rate of 70% of out-of-pocket prescription drug costs also restricted opportunities for usage for low-income individuals.

In a 2001 membership survey, 89% of Kansas AARP members stated that health care issues were a high priority. These issues included remaining independent in their homes and communities and assistance for low and income elderly. Is it possible to maintain health and independence when faced with daily choices between the rising costs of prescription drugs, food, shelter and utilities?

The need for pharmacy assistance is not about how much money you have but how sick you are and how many drugs that you take. We recognize that budget constraints are greater this year than ever before, however we believe that the situation facing older and disabled persons in Kansas, who cannot afford the prescription drugs they need, constitutes a health care and financial emergency that cannot continue to be ignored.

Therefore AARP supports efforts to make prescription drugs more affordable and available to Kansans. AARP urges maintaining the balance of the intergovernmental transfer funds in the Seniors Trust Fund. In doing so, the legislature can broaden the base of those served by the Seniors Pharmacy Assistance Program as passed by the 2000 Kansas Legislature.

Thank you for your support of this legislation and for this opportunity to express our *support* of Senate Bill 589. We will be happy to answer any questions that you may have.

PRESCRIPTION DRUG FACT SHEET

The people who most need prescription drugs are the least likely to have coverage. Drugs are an essential part of good medical treatment. But the group that relies on prescription drugs the most – Americans over 65 – is the least likely to have drug coverage to help with the cost. Medicare doesn't cover prescription drugs.

- Americans age 65 and older account for over 40% of all drug spending, but represent about 12% of the population.
- According to a 1998 *Wall Street Journal* poll, 80% of retirees use a prescription drug every day. The average Medicare beneficiary fills a prescription 18 times a year.
- While 70% of Medicare beneficiaries have some type of drug coverage, it's often inadequate, being cut back or becoming more and more expensive each year. Many people who have drug coverage don't have *continuous* coverage – nearly half of Medicare beneficiaries lack drug coverage at some point during the year.
- According to a national employer survey, approximately 99% of employer-sponsored health plans offered outpatient drug coverage to **current workers in 2000.**
- Only 3 of the 10 standardized Medigap plans offer drug coverage, and fewer than 10% of beneficiaries who purchased standardized plans have a plan with drug coverage.
- In 2000, 86% of Medicare+Choice plans had annual dollar caps on brand and/or generic drugs. 21% of those plans had a cap of \$500 or less. Most plans charged copays for prescription drugs with the average copay for brand name and generic drugs estimated to have increased 21% and 8% respectively between 1999 and 2000.
- While an estimated 66% of large employers offered retiree health coverage in 1988, fewer than 40% did so in 2000. Of those employers who offered retiree benefits to Medicare-eligible retirees in 2000, 21% do not offer drug coverage to Medicare-eligible retirees.
- Average out-of-pocket drug costs for all Medicare beneficiaries in 2000 were estimated to be \$480.

AARP Public Policy Institute

FYI: The Cost of Prescription Drugs: Who Needs Help?

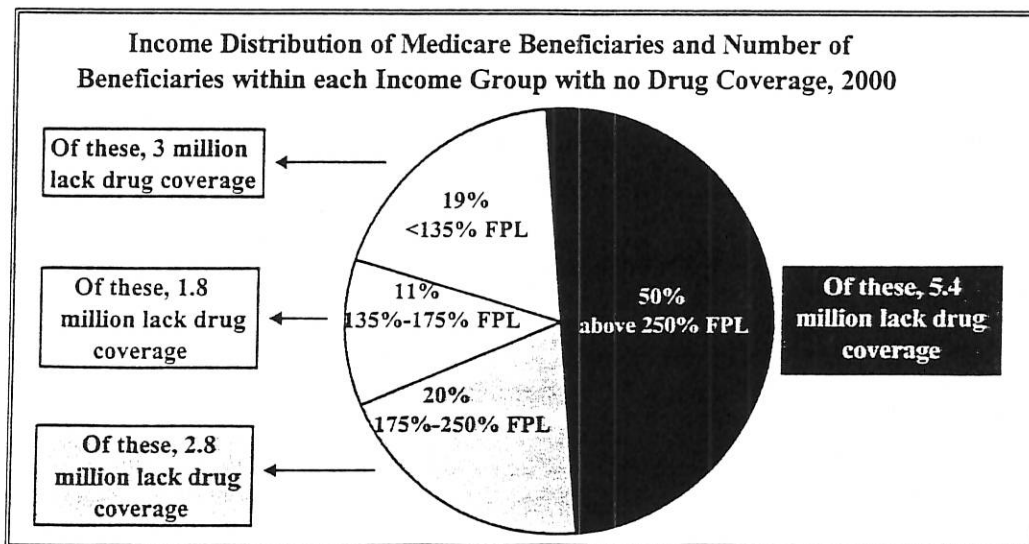
The escalating costs of prescription drugs and their impact on Medicare beneficiaries have led to increasing public debate on a new Medicare prescription drug benefit. Medicare beneficiaries are projected to spend an average of \$2,510 (or 19% of income) out-of-pocket on health care in 2000 (not including long-term care costs).¹ Prescription drug spending accounts for 19 percent of this total, and is the largest spending category, after premium payments. Beneficiaries are projected to spend an average of \$480 out-of-pocket on prescription drugs in 2000. Average out-of-pocket prescription drug spending is even higher for beneficiaries in poor health (\$685), those without drug coverage (\$715), and those who are severely limited in their activities of daily living (\$725).

Much of the Medicare prescription drug debate has centered on whether to provide benefits to low-income beneficiaries *only* or to all beneficiaries, and what levels of premium and cost-sharing assistance should be available to beneficiaries with low incomes. Some of the proposed income thresholds for different levels of assistance are: below 135% of the federal poverty level (FPL), up to 150%, and up to 175% (see Table 1). This "FYI" presents data on out-of-pocket spending on prescription drugs by poor and low-income beneficiaries, as well as by those with modest incomes, such as those with incomes between 175% and 250% of FPL.

	<u>Individuals</u>	<u>Couples</u>
135% of poverty =	\$11,300	\$15,200
150% of poverty =	\$12,500	\$16,900
175% of poverty =	\$14,600	\$19,700
250% of poverty =	\$20,900	\$28,100

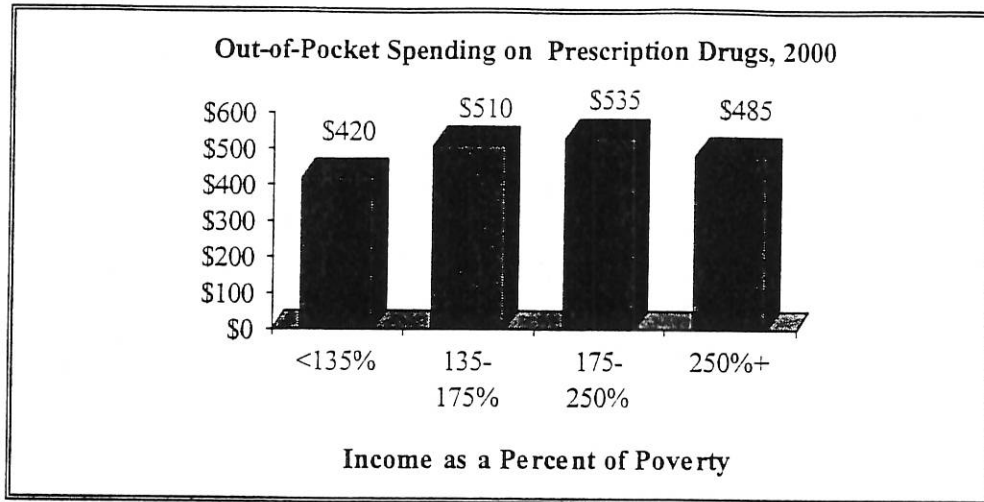
Note: Figures are rounded to the nearest \$100.
Source: Department of Health and Human Services

One-half of Medicare's 39.6 million beneficiaries have incomes less than 250% of poverty (20.1 million). One-fifth have incomes between 175% and 250% of poverty. **Of those with incomes below 250% of poverty, about 38 percent (7.6 million) lack prescription drug coverage.** Of those with higher incomes, 28 percent (5.4 million) have no drug coverage.

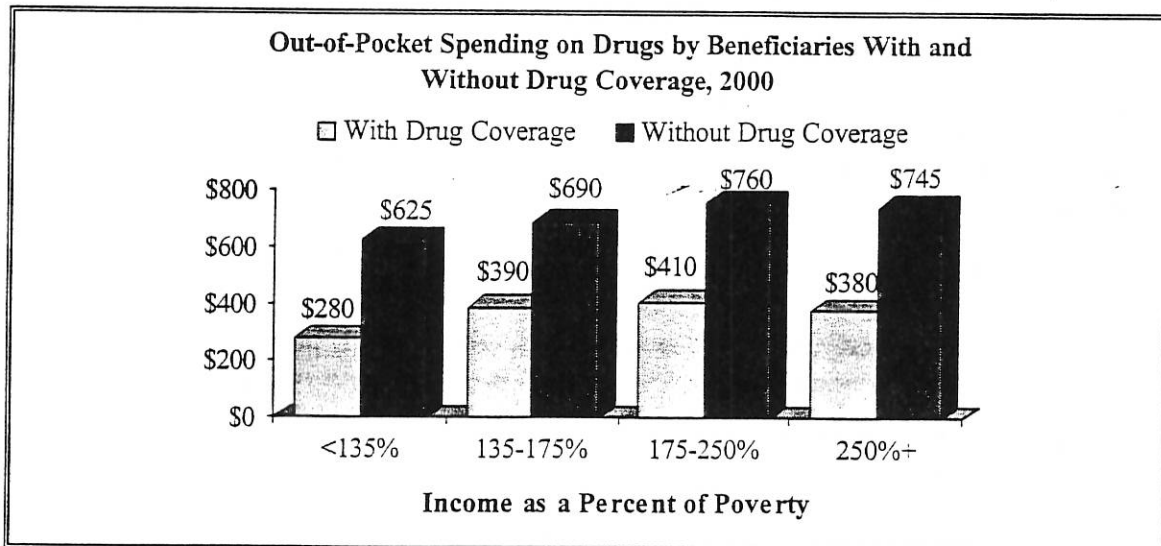


Senate Ways and Means
3-12-02
Attachment 8

Beneficiaries with incomes between 175% and 250% of poverty spend the most out-of-pocket on prescription drugs, on average, of the income groups examined. The variations in out-of-pocket prescription drug expenses may be due to differences in sources of drug coverage (e.g., Medicaid, employer-sponsored), duration of such coverage, or utilization.

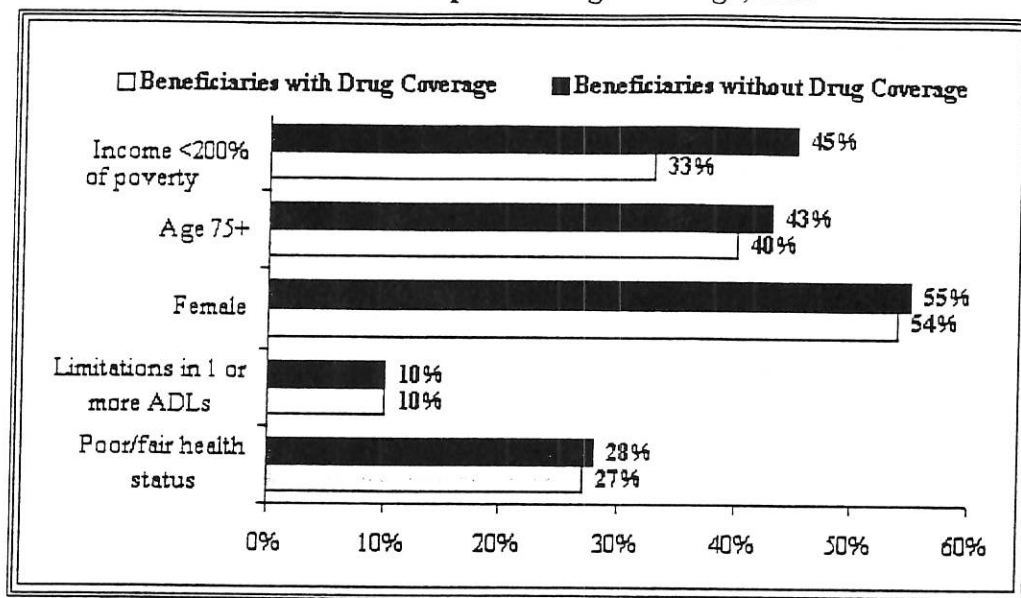


Beneficiaries lacking prescription drug coverage spend over 1 and 1/2 times as much out-of-pocket on drugs as those with some type of coverage for some portion of the year, *regardless of income*.



¹Data are from AARP Public Policy Institute analysis using the Medicare Benefits Model, version 4.1. Data are for non-institutionalized beneficiaries of all ages. Out-of-pocket spending on health care includes payments for Medicare deductibles and coinsurance, prescription drugs, dental care, and Medicare Part B and private insurance premiums. They do not include spending for home care or long-term nursing home care. Out-of-pocket spending on drugs includes only direct payments made for drugs and does not include any premium payments made for drug coverage. Average out-of-pocket spending as a percent of income is calculated at the individual record level. That is, we calculated the *average of the shares of income spent out-of-pocket for health care by each beneficiary*. It is not calculated by dividing average income into average out-of-pocket spending. Therefore, multiplying average out-of-pocket spending by 0.19 (average out-of-pocket spending as a percent of income) will not yield average income for Medicare beneficiaries.

Figure 3
Characteristics of Medicare Beneficiaries *With* and *Without* Prescription Drug Coverage, 1999



Source: AARP PPI analysis using Medicare Benefits Simulation Model

▲ Top of Page

Out-of-Pocket Spending on Prescription Drugs⁵

Although beneficiaries with drug coverage spend substantially less out-of-pocket on prescription drugs than those without drug coverage (\$320 per year vs. \$590, on average), having supplemental drug coverage does not necessarily protect beneficiaries from high out-of-pocket costs. As indicated in Figure 4, average out-of-pocket prescription drug spending⁶ varies considerably by beneficiaries' primary source of supplemental coverage (e.g., individually purchased insurance vs. Medicaid).

- Beneficiaries who have drug coverage and whose primary source of supplemental coverage is from individually purchased policies (e.g., Medigap) incur among the highest annual out-of-pocket drug costs, \$570 on average. This spending level likely reflects the high cost-sharing (50%) and spending caps associated with Medigap drug benefits.
- Medicaid protects some of the lowest income beneficiaries from prescription drug costs, but leaves those who receive only partial Medicaid assistance with high out-of-pocket expenses. For example, some beneficiaries who are classified as being in the QMB program and who have some prescription drug coverage are projected to spend an average of \$205 on prescription drugs in 1999. Those enrolled in the SLMB program and part-year Medicaid enrollees who have some prescription drug coverage are projected to spend an average of \$380.
- Beneficiaries who have prescription drug coverage and are enrolled in employer-provided plans are projected to spend, on average, about \$320 per year on prescription drugs; those enrolled in Medicare+Choice plans are

projected to spend an average of \$290. These amounts likely represent cost-sharing or spending in excess of coverage limits.⁷

Figure 4
Projected Average Out-of-Pocket Spending on Prescription Drugs,
by Primary Source of Supplemental Insurance Coverage, 1999

Primary source of Supplemental insurance coverage	Average out-of-pocket prescription drug spending			
	<i>With coverage</i>		<i>Without coverage</i>	
	Millions of Beneficiaries	Average spending	Millions of Beneficiaries	Average spending
All noninstitutionalized beneficiaries	25.6	\$320	13.5	\$590
Employer-provided	11.7	\$320	1.9	\$580
Individually purchased	3.2	\$570	6.4	\$690
Medicare+Choice	5.2	\$290	0.8	\$315
Medicaid--full-year dual eligibles ^a	2.0	\$ 75	**	**
Medicaid--full-year QMBs	1.5 ^b	\$205	0.7	\$455
Medicaid--full-year SLMBs and part-year Medicaid enrollees	1.1 ^c	\$380	0.7	\$455
Fee-for-service Medicare only ^d	**	**	2.6	\$520
Other	0.8	\$330	0.4	\$480

Note: Excludes beneficiaries who reside in institutions for the entire year. Beneficiaries are grouped by primary source of supplemental coverage, not necessarily by source of prescription drug coverage.

^a Beneficiaries who receive full Medicaid benefits for the full year in addition to Medicare coverage. All state Medicaid programs provide prescription drug coverage to such dually eligible Medicaid enrollees. Some programs have cost-sharing requirements.

^b Because of inconsistencies in the way that states report QMB enrollment to the Health Care Financing Administration (HCFA), some beneficiaries classified here as QMBs with prescription drug coverage may be receiving full Medicaid benefits (including prescription drug coverage). Other QMBs who have drug coverage obtain it from other supplemental sources (e.g., individually-purchased policies), but Medicaid is considered to be their primary source of supplemental coverage.

^c Part-year dual eligibles in this category receive prescription drug benefits during the period in which they are enrolled in Medicaid. Other beneficiaries in this category (full-year SLMBs, part-year SLMBs, and part-year QMBs) may be receiving prescription drug coverage from other supplemental sources, but Medicaid is considered to be their primary source of supplemental coverage.

^d Fee-for-service Medicare-only beneficiaries have no supplemental insurance policy, but some receive drug coverage from programs such as state pharmacy assistance programs.

**Number of observations too small for reliable projections.

Remarks
Jim Snyder

3/12/02 -- SB 589

Mr. Chairman, members of the Committee. I am Jim Snyder and, among other things, I hold the office of President of the Kansas Council of the Silver Haired Legislators. Today, though, I just represent some Kansas Senior Citizens.

I had a beautiful presentation prepared just this past Friday, but when I opened the paper Saturday morning and found out that Kansas was now short \$680 million for the next two years, that just went out the window. However, I still would like to address a portion of Senate Bill 589 which could effect at least 1000 more Kansas Senior Citizens. And that would be on page 13, line 27.

As I understand it, the present fund amounts to more than \$50 million , but only generated \$1.2 million income for use by Seniors (1000 people x \$1200 maximum). First of all, my experience with investment results this past year is a lot better than this, even with the recession we had, even if this was for only $\frac{3}{4}$ of a year.

But, even then, if you would reduce the total maximum per person to \$600, it would allow twice as many Kansans to benefit. Yes, they each wouldn't get as much, but there would be more who were able to offset some of their pharmacy costs--and it would be people who could really use this help..

As for the rest of the bill, that is up to you. I really don't want the Legislature to get rid of the Senior Services Trust Fund because those of you who have been in this body for a number of years don't have a real good track record....or at least you received some really bad advice in past years and now, with this shortfall, you are going to have to put Citizens of our State in a bind--especially those of us who are have a fairly fixed income.

Senate Ways and Means
3-12-02
Attachment 9

So, if you totally spent the corpus of this fund, I have no doubt after the 3 years that would taken under this proposed legislation, you'd never provide that amount of monies again.

Don't worry, though....no matter how much or how little you provide local entities such as Schools, they'll just blame the State, and since the legislature refused to renew the cap on these local units, they'll just up our property taxes some more. In fact, mine has increased more than 40% in the past 4 years. But at least I still get the same lousy services from the city and county....and the children in Topeka aren't one bit more educated, but now they have air conditioning, great buildings, and (it seems) no more teachers, but many more staff for their empire.

Thank you.

SENIOR PHARMACY ASSISTANCE PROGRAMS

PROGRAM	ELIGIBILITY	BENEFITS	CONTACT
<p>Kansas Senior Pharmacy Assistance Program</p>	<p>*67 years old on December 31, 2001 *Income up to 150% poverty *Not qualified for any other local, state or federal program *No private Rx insurance *No coverage cancellation w/in 6 months *Participant in SRS Medicare Savings Program</p>	<p>*70% reimbursement *Must be legend drug, diabetic supply not covered by Medicare, drug for treatment of chronic illness. *No lifestyle or over the counter meds.</p>	<p>Gale Smith Kansas Department on Aging (785) 368-7327 gales@aging.state.ks.us</p>
<p>Senior Health Insurance Counseling for Kansans (SHICK)</p>	<p>Any low-income Medicare recipient can obtain Rx drugs directly through a pharmaceutical company. SHICK counselors help seniors complete required forms to obtain drugs.</p>		<p>1-800-860-5260 to find the SHICK counselor closest to you http://www.ksinsurance.org/shick/</p>
<p>Veterans Administration</p>	<p>*Must be veteran *Must be enrolled with the Veterans Administration *Must see a VA physician twice a year</p>	<p>\$7 co-payment for each prescription</p>	<p>Topeka 800-574-8387 X 4408 Leavenworth 800-952-8387 X2361 Wichita 888-878-6881 X 3132 Kansas City 800-525-1483 X7582</p>

Pfizer Share Card	*65 years or older *Medicare enrollee *Income below \$18K for single, \$24K couple *No other Rx coverage	\$15 Co-payment	1-800-717-6005 www.pfizer.com
Glaxo Smith Kline Orange Card	*Senior or disabled eligible for Medicare *Income of \$26K single, \$35K couple *No other Rx coverage	30% savings on GSK outpatient Rx drugs	1-888-825-5249 www.gsk.com
Novartis Care Card	*65 years or older *Medicare recipients *Income of \$26K single, \$35K couple *No other Rx coverage	25% savings on Novartis outpatient Rx drugs	1-866-974-2273 www.novartis.com
Lilly AnswerSM Program	*65 years or older *Medicare recipient *Income of \$18K single, \$24K couple *No other Rx coverage	\$12 co-payment for each Lilly retail drug (except controlled substances or products not sold by retail pharmacies)	1-877-RX-LILLY www.lilly.com

Kansas Department of Social and Rehabilitation Services
Janet Schalansky, Secretary



Docking State Office Building
915 SW Harrison, 6th Floor North
Topeka, Kansas 66612-1570

for additional information, contact:

Operations
Diane Duffy, Deputy Secretary

Office of Budget
J.G. Scott, Director

Office of Planning and Policy Coordination
Trudy Racine, Director

phone: 785.296.3271 *fax:* 785.296.4685

Senate Ways and Means Committee
10:30 a.m. Room 123-S

Testimony Regarding Senate
Bill 589

Integrated Service Delivery
Candace Shively, Deputy Secretary
(785) 296-3271

Senate Ways and Means
3-12-02
Attachment 10

**Kansas Department of Social and Rehabilitation Services
Janet Schalansky, Secretary**

**Senate Ways and Means Committee, Room 123-S
March 12, 2002 10:30 a.m.**

Testimony Regarding Senate Bill 589

Mr. Chairman and members of the Committee, thank you for the opportunity to appear on SB 589. I am Dennis Priest, Program Administrator within the Integrated Service Delivery Division of SRS. We are testifying today regarding the prescription bill deduction portion of the bill and would oppose passage of this change.

The bill makes changes to current financial eligibility rules for the primary assistance programs operated by the Department. It would allow for the deduction of monthly prescription costs from the individual's income in determining eligibility for such programs as:

- Temporary Assistance for Families
- General Assistance and Medikan
- Medicaid programs for families, children, and pregnant women
- Child Care Subsidy Program
- Health Wave

Persons receiving medical assistance based on categorical eligibility such as SSI, Foster Care, and Adoption Support are not impacted by the bill as their eligibility is automatic and based on meeting the criteria of those programs. In addition, persons falling under the Department's medically needy programs, or what are called the spenddown programs, would also not be impacted as drug expenses are currently allowed for determining eligibility. This includes elderly and disabled individuals in either independent or long term care settings.

It is unclear how the provisions of the bill would be implemented. It only purports to apply the deduction to applicants. As such, although the deduction could result in eligibility for the month of application once an individual begins receiving cash or medical assistance, the cost of their prescriptions would now be covered resulting in potential loss of eligibility. For example, a person with \$1300 income and \$1000 in prescription costs applies for cash and medical assistance in March. Deducting the prescription costs would leave \$300 in countable income and the individual could be eligible for TAF and Medicaid. However, after that month the Medicaid coverage obtained would now cover the cost of the drugs resulting in excess income again in April and loss of eligibility.

If the bill intends for program benefits to be provided continuously based on meeting income guidelines in the month of application, the fiscal impact would be substantial. Based on continuous eligibility, the Department has estimated the total cost to exceed \$5.5 million in FY 2003 and from \$11 to \$12 million in outlying years. Because of the uncertain implications of this bill and its potential fiscal impact, the Department cannot support this legislation.

SENATE SUBCOMMITTEE REPORT

Agency: Kansas Department of Transportation Bill No. SB 457

Bill Sec. 46

Analyst: Waller

Analysis Pg. No. Vol. II - 1233 Budget Page No. 433

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2002</u>	<u>Gov. Rec. FY 2002</u>	<u>Senate Subcommittee Adjustments</u>
Agency Operations	\$ 221,716,555	\$ 221,716,555	\$ 0
Debt Service	131,114,079	131,114,079	0
Aid to Local Units	181,973,423	181,973,423	0
Other Assistance	400,000	400,000	0
Other Operations	442,875,995	442,875,995	0
Subtotal - Reportable	<u>\$ 978,080,052</u>	<u>\$ 978,080,052</u>	<u>\$ 0</u>
Nonreportable Expenses	399,718,429	399,718,429	0
Total - Operations	<u><u>\$ 1,377,798,481</u></u>	<u><u>\$ 1,377,798,481</u></u>	<u><u>\$ 0</u></u>
<u>Financing Summary</u>			
State General Fund	\$ 94,558,506	\$ 94,558,506	\$ 0
State Highway Fund	714,053,424	714,053,424	0
All Other Funds	169,468,122	169,468,122	0
Subtotal - Reportable	<u>\$ 978,080,052</u>	<u>\$ 978,080,052</u>	<u>\$ 0</u>
Nonreportable Funds	399,718,429	399,718,429	0
Total - All Funds	<u><u>\$ 1,377,798,481</u></u>	<u><u>\$ 1,377,798,481</u></u>	<u><u>\$ 0</u></u>
FTE Positions	3,247.5	3,247.5	0.0
Non FTE Uncl. Perm. Pos.	3.0	3.0	0.0
TOTAL	<u><u>3,250.5</u></u>	<u><u>3,250.5</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency's revised FY 2002 reportable budget reflects an increase of \$27,058,614. State General Fund expenditures decrease by \$26,500,000 or 21.9 percent below the approved amount. During Omnibus of the 2001 Legislative Session, 2001 House Sub. for SB 304 was introduced which reduced the sales tax demand transfer by \$20,000,000 to offset additional bonding authority, \$6.5 million to reflect a revision to the transfer estimates, and \$16,400,000 due to the acceleration of motor fuel tax receipts to the State Highway Fund. Additionally, 2001 House Sub. for SB 304 authorized the issuance of \$277.0 million in bonds to replace the loss of revenue to the Comprehensive Transportation Program (\$20 million annually from the State General Fund demand transfer through FY 2009). However, legislation to accelerate the one-cent motor fuels tax from a

*Senate Ways and Means
3-12-02
Attachment 11*

beginning collection date of July 1, 2003, to July 1, 2001 did not pass. Therefore, the Governor vetoed that portion of the bill, and returned the sales tax demand transfer to the approved level as contained within 2001 SB 57, and made no change in the acceleration of the motor fuels tax. However, the agency was still granted authority to issue the \$277.0 million in bonds and statutorily authorized to expend the \$20 million. Therefore, the reduction in the agency's FY 2002 estimate from the approved amount reflects the 2001 Legislature's intent. Currently, hearings are being held on 2002 SB 385 which would reflect the intent of the Legislature to reduce \$26,500,000 in FY 2002.

For agency operations, the following changes in the revised budget are noted:

- The agency shifts funding between salaries and wages and other operating expenditures, but there is no change from the approved level
- The agency adds \$4,842,185 in KSIP funding for Agency Operations. The agency's net adjustments would increase the Agency Operations expenditures from \$216,874,370 to \$221,716,555

Staff Note: Due to the agency's statutorily authorized expenditure of KSIP monies, the agency's expenditure limitation will not increase, although KDOT will expended KSIP funding for operating expenses.

- For debt service, the agency estimates a decrease of \$1,074,284 in payments from \$132,188,363 to \$131,114,079
- Local Aid increases from the approved amount of \$175,570,741 to \$181,973,423 (3.6 percent)
- Construction expenditures increase by \$27,278,380 from the FY 2002 approved amount to the revised estimated amount of \$459,612,087

The Governor concurs.

Senate Subcommittee Recommendation

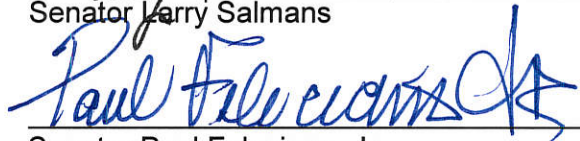
The Senate Subcommittee concurs with the Governor's recommendation.



Senator David Adkins, Chair



Senator Larry Salmans



Senator Paul Feleciano, Jr.

SENATE SUBCOMMITTEE REPORT

Agency: Kansas Department of Transportation **Bill No.** SB 640

Bill Sec. 65

Analyst: Waller

Analysis Pg. No. Vol. II - 1233 **Budget Page No.** 433

Expenditure Summary	Agency Request FY 2003	Gov. Rec. FY 2003	Committee Adjustments
Agency Operations	\$ 226,282,163	\$ 227,072,321	\$ 0
Debt Service	147,437,323	147,437,323	0
Aid to Local Units	183,345,599	183,345,599	0
Other Assistance	400,000	400,000	0
Other Operations	715,285,767	714,025,575	0
Subtotal - Reportable	\$ 1,272,750,852	\$ 1,272,280,818	\$ 0
Nonreportable Expenses	217,942,520	217,942,520	0
Total - Operations	\$ 1,490,693,372	\$ 1,490,223,338	\$ 0
<u>Financing Summary</u>			
State General Fund	\$ 148,999,858	\$ 0	\$ 0
State Highway Fund	953,442,233	1,101,972,057	0
All Other Funds	170,308,761	170,308,761	0
Subtotal - Reportable	\$ 1,272,750,852	\$ 1,272,280,818	\$ 0
Nonreportable Funds	217,942,520	217,942,520	0
Total - All Funds	\$ 1,490,693,372	\$ 1,490,223,338	\$ 0
FTE Positions	3,247.5	3,247.5	0.0
Non FTE Uncl. Perm. Pos.	3.0	3.0	0.0
TOTAL	3,250.5	3,250.5	0.0

Agency Request/Governor's Recommendation

The agency's FY 2003 reportable budget request totals \$1,272,750,852 and reflects an increase of \$294,670,800 (30.1 percent) above the current year. Included within the agency's request are increases of \$18,545,994 (14.4 percent) in debt service expenditures, \$2,187,176 (1.2 percent) in aid to local units. Those figures are offset by a decrease of \$815,000 (23.3 percent) in gift, grants, and donations expenses. Additionally, the agency estimates \$203,887,250 in non-reportable bonds, \$13,520,270 in funding to other state agencies, and \$535,000 in other non-expense items.

For agency operations, the following FY 2003 items are noted when compared with the current fiscal year:

- The agency requests a 1.3 percent increase in salary expenditures from \$132,859,987 to \$134,633,706
- No change in FY 2002 staffing levels is requested
- The agency requests an increase in other operating expenditures from \$88,856,568 to \$91,648,457 (3.1 percent)
- For debt service, an increase in payments from \$128,746,329 to \$147,292,323 is estimated by the agency
- For other operations, the following items in the budget are noted as changing from the current fiscal year:
 - An increase in state construction projects from \$263,033,092 to \$558,139,976 (112.2 percent)
 - An increase in Regular Maintenance from \$110,541,002 to \$114,591,717 (3.7 percent)
 - An increase in Special City/County Highway aid payments from \$156,838,222 to \$159,123,761 (1.5 percent)
 - An increase in substantial maintenance from \$85,456,000 to \$91,341,000 (6.9 percent)
 - A decrease in Management expenses from \$51,922,000 to \$51,039,740 (1.7 percent)
 - An increase in debt service expenditures from \$131,114,079 to \$147,437,323 (12.4 percent)
 - A decrease in local construction from \$140,054,960 to \$116,676,640 (16.7 percent)
 - A decrease for building projects from \$11,429,035 to \$7,616,377 (33.4 percent)
 - A decrease in categorical aid to local units from \$21,775,201 to \$20,861,838 (4.2 percent)

Governor's Recommendations

The Governor recommends \$1,272,280,818 in FY 2003, which is \$470,034 below the agency's request. From the current fiscal year, the recommendation reflects an increase of \$294,200,766 (30.1 percent) in reportable expenditures. Included within the Governor's FY 2003 recommendation is an increases of \$2,187,176 (1.2 percent) in aid to local units, an increase of

\$18,545,994 (14.4 percent) in debt service expenditures, and a decrease of \$815,642 (23.3 percent) in aid to local units expenses. The Governor concurs with the agency's non-reportable estimate for FY 2003.

For agency operations, **the Governor** recommends the following adjustments to the agency's request:

- The suspension of the demand transfer in FY 2003 (\$148,999,858), and expends carry over balances from the State Highway Fund to maintain the integrity of CTP funding
- An increase in salary expenditures of \$2,290,158
- A decrease in regular maintenance expenses of \$1,500,000
- A decrease in building project expenditures from \$7,616,377 to \$6,356,185 (19.8 percent)
- An agency operations expenditure limitation of \$227,072,321, an increase of \$790,158.

Summary of Operating Budget FY 2003

Expenditure Summary	Agency Request FY 2003	Gov. Rec. FY 2003	Gov. Adjustment to Agency Request
By Program:			
Maintenance	\$ 205,932,717	\$ 205,575,738	\$ (356,979)
Construction	829,870,316	829,336,384	(533,932)
Local Support	185,908,079	185,949,272	41,193
Management	51,039,740	51,419,424	379,684
TOTAL - Reportable	<u>\$ 1,272,750,852</u>	<u>\$ 1,272,280,818</u>	<u>\$ (470,034)</u>
Maintenance			
Maintenance	\$ 75,674,600	\$ 75,674,600	\$ 0
Construction	140,041,728	140,041,728	0
Local Support	858,000	858,000	0
Management	1,368,192	1,368,192	0
TOTAL - Nonreportable	<u>\$ 217,942,520</u>	<u>\$ 217,942,520</u>	<u>\$ 0</u>
GRAND TOTAL	\$ 1,490,693,372	\$ 1,490,223,338	\$ (470,034)
By Major Object of Expenditure:			
Salaries and Wages	\$ 134,633,706	\$ 136,923,864	\$ 2,290,158
Contractual Services	98,458,018	98,458,018	0
Commodities	30,715,139	30,715,139	0
Capital Outlay	677,906,067	675,145,875	(2,760,192)
Subtotal - Agency Oper.	\$ 941,712,930	\$ 941,242,896	\$ (470,034)
Aid to Local Units	181,060,599	181,060,599	0
Other Assistance	2,685,000	2,685,000	0
Debt Service	147,292,323	147,292,323	0
TOTAL - Reportable	<u>\$ 1,272,750,852</u>	<u>\$ 1,272,280,818</u>	<u>\$ (470,034)</u>
Nonreportable	\$ 217,942,520	\$ 217,942,520	\$ 0
GRAND TOTAL	\$ 1,490,693,372	\$ 1,490,223,338	\$ (470,034)
Financing:			
State General Fund	\$ 148,999,858	\$ 0	\$ (148,999,858)
State Highway Fund	953,442,233	1,101,972,057	148,529,824
Other Funds	170,308,761	170,308,761	0
TOTAL - Reportable	<u>\$ 1,272,750,852</u>	<u>\$ 1,272,280,818</u>	<u>\$ (470,034)</u>
Bond Proceeds	\$ 0	\$ 0	\$ 0
State Highway Fund	217,542,520	217,542,520	0
Interagency Motor Vehicle Fund	400,000	400,000	0
TOTAL - Nonreportable	<u>\$ 217,942,520</u>	<u>\$ 217,942,520</u>	<u>\$ 0</u>
GRAND TOTAL	\$ 1,490,693,372	\$ 1,490,223,338	\$ (470,034)

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation, with the following comments:

1. The Senate Subcommittee notes its concern relating to the deletion of the demand transfer (\$148,999,858) in FY 2003. Within the Governor's FY 2003 recommendation, the demand transfer was eliminated along with specific projects selected by the agency (at the request of the Governor) to offset the reduction in funding. Those being:

System Enhancements
US-169 Northeast of Coffeyville in Montgomery County
87 th Street/I-35/US-69 Interchange (Lenexa/Overland Park) in Johnson County
US-54/Kellogg & Rock Road (Wichita) in Sedgwick County
Major Modification Projects
US-36 in Jewell County from K-128 east of 4.7 miles east of K-14
US-77 in Marion County from US-50 north to US-56/K-150
US-160 in Seward and Meade Counties from US-83 east to US-54
US-183 in Ellis County from 55 th St. (Hays) north to the county line
I-35 in Coffey County from the county line east of US-75
US-36 in Doniphan County from Wathena to the Missouri River Bridge

The Subcommittee notes that, although the projects have been selected, the list is not permanent. The aforementioned projects deleted from the Comprehensive Transportation Program (CTP) due to the recommended elimination of the demand transfer could include the above or a combination of these and other projects noted within the "red map" read into law by the passage of 1999 HB 2071. The Subcommittee notes the economic impact that CTP has on the state as a whole, and is concerned about continued adjustments (whether that is financing or projects detailed in the "red map") being made to the 10 year plan. The Subcommittee believes that the Legislature should make every effort to maintain the integrity of CTP. However, the Committee is unsure of the future of the plan due to the economic outlook of the state and adjustments in projects outlined in the "red map."

2. The Subcommittee draws attention to SB 452 (the Governor's Comprehensive Transportation enhancement package) which increases motor fuels taxes by 1 cent and increases registration fees by 3 percent. The Subcommittee notes that the enhancement package was offered by the Governor to keep the integrity of the CTP intact, and to eliminate the need of projects being eliminated due to a

lack of funding. The Subcommittee does not endorse the passage of SB 452, but states that the stability and continuation of CTP is contingent on securing and maintaining the funding stream outlined and projected by the passage of 1999 HB 2071.

3. The Subcommittee notes its concern relating to the demand transfer, and the continuation of the demand transfer throughout the life of the plan. In FY 2004, the demand transfer percentage is set to increase from 11.0 percent to 11.25, thus transferring approximately \$154 million dollars from the State General Fund to the State Highway Fund. The Subcommittee is concerned that with the elimination of the demand transfer in FY 2003, and the economic outlook of the state, that it will be difficult to "reinstate" the continuation of the demand transfer with other issues like education and social services demanding that same funding.
4. The Subcommittee directs the Kansas Department of Transportation to present policies and procedures during Omnibus relating to the installation of National Oceanic and Atmospheric Administration (NOAA) sirens on the communication towers owned by the agency.
5. The Subcommittee directs attention to fiber optic cable resources (owned by the state) that are not being utilized. The Subcommittee flags this item for Omnibus consideration pending further information to be presented relating to the use of those resources for the transmission of information by the Public Broadcasting Council and other entities.



Senator David Adkins, Chair



Senator Larry Salmans

Senator Paul Feleciano, Jr.

State of Kansas

Senate Chamber



Office of Democratic Senator

Minority Report

PAUL FELECiano, JR.

STATE SENATOR, 28TH DISTRICT
SEDGWICK COUNTY
815 BARBARA
WICHITA, KANSAS 67217-3115
316-522-7875

STATE CAPITOL BUILDING, ROOM 452-E
TOPEKA, KANSAS 66612-1504
785-296-7355
Email: feleciano@senate.state.ks.us

COMMITTEE ASSIGNMENTS

RANKING MINORITY MEMBER:
FINANCIAL INSTITUTIONS AND INSURANCE
WAYS AND MEANS

MEMBER:
INTERSTATE COOPERATION

MEMBER JOINT COMMITTEE:
ARTS AND CULTURAL RESOURCES
SRS TRANSITION OVERSIGHT
INFORMATION TECHNOLOGY

MEMBER:
KANSAS FILM SERVICES COMMISSION

I am compelled to present a minority dissent to the report of the Senate Ways and Means Subcommittee on Transportation. I cannot support the deep cuts included in the Governor's "Green Book" budget.

In 1999, this legislature made a promise to the people of Kansas when it passed the Comprehensive Transportation Program. I may be old fashioned, but I believe that a promise made is a promise kept.

All of the studies I've seen indicate tremendous economic benefit from investments in transportation improvements and a strong positive return on those investments. It's been cited nationally that the 1989 Comprehensive Highway Program was one reason our state weathered the economic downturn of the early 90's more successfully than other states. Why would we deeply cut the CTP at a time when we are worried about a lingering economic downturn?

Investment in transportation infrastructure makes good economic sense now because it provides good jobs with good wages and it makes good economic sense down the road because it provides the foundation for economic growth and development.

Senate Ways and Means
3-12-02
Attachment 12

COMPREHENSIVE TRANSPORTATION PROGRAM

	Original Estimate HB 2071	November Estimate (Nov. 2001)	Dollar Change from Original	Percent Change from Original	Gov. Budget FY 03 (with NO project cuts) ¹	Dollar Change from Original	Percent Change from Original	Gov. Budget FY 03 (with project cuts) ²	Dollar Change from Original	Percent Change from Original	Gov. Budget FY 03 (with revenue increases) ³	Dollar Change from Original	Percent Change from Original
	FY 2000-2009	FY 2000-2009	FY 2000-2009	FY 2000-2009	FY 2000-2009	FY 2000-2009	FY 2000-2009	FY 2000-2009	FY 2000-2009	FY 2000-2009	FY 2000-2009	FY 2000-2009	FY 2000-2009
BEGINNING BALANCE	475,189	559,875	84,686	17.8%	559,875	84,686	17.8%	559,875	84,686	17.8%	559,875	84,686	17.8%
RESOURCES													
Motor Fuel Taxes	3,930,400	3,919,286	(11,114)	-0.3%	3,919,286	(11,114)	-0.3%	3,919,286	(11,114)	-0.3%	4,047,625	117,225	3.0%
SGF (Sales Tax) Transfer	1,830,010	1,435,482	(394,528)	-21.6%	1,290,081	(539,929)	-29.5%	1,290,081	(539,929)	-29.5%	1,290,277	(539,733)	-29.5%
Sales & Compensating Tax	1,071,513	1,018,093	(53,420)	-5.0%	1,018,093	(53,420)	-5.0%	1,018,093	(53,420)	-5.0%	1,017,915	(53,598)	-5.0%
Registration Fees	1,315,000	1,370,728	55,728	4.2%	1,370,728	55,728	4.2%	1,370,728	55,728	4.2%	1,399,918	84,918	6.5%
Other Revenues	526,270	532,269	5,999	1.1%	491,909	(34,361)	-6.5%	497,656	(28,614)	-5.4%	508,514	(17,756)	-3.4%
Total State Revenues	8,673,193	8,275,858	(397,335)	-4.6%	8,090,097	(583,096)	-6.7%	8,095,844	(577,349)	-6.7%	8,264,249	(408,944)	-4.7%
Reimbursement	3,012,953	3,528,848	515,895	17.1%	3,528,848	515,895	17.1%	3,528,848	515,895	17.1%	3,528,848	515,895	17.1%
Bond Sales (net)	980,075	1,277,298	297,223	30.3%	1,277,298	297,223	30.3%	1,277,298	297,223	30.3%	1,277,298	297,223	30.3%
TOTAL RESOURCES	13,141,410	13,641,879	500,469	3.8%	13,456,118	314,708	2.4%	13,461,865	320,455	2.4%	13,630,270	488,860	3.7%
EXPENDITURES													
Maintenance	3,287,880	3,057,136	(230,744)	-7.5%	3,058,768	1,632	0.1%	3,058,768	1,632	0.1%	3,058,768	1,632	0.1%
Construction	4,382,584	5,078,250	695,666	13.7%	5,078,818	568	0.0%	4,932,050	(146,200)	-2.9%	5,078,818	568	0.0%
Modes	180,000	179,706	(294)	-0.2%	179,706	(294)	-0.2%	179,706	(294)	-0.2%	179,706	(294)	-0.2%
Local Support	2,682,421	2,699,443	17,022	0.6%	2,705,478	23,057	0.9%	2,705,478	23,057	0.9%	2,705,691	23,270	0.9%
Management	729,604	667,766	(61,838)	-8.5%	668,080	(61,524)	-8.4%	668,080	(61,524)	-8.4%	668,080	(61,524)	-8.4%
Transfers Out	489,312	517,928	28,616	5.8%	517,928	28,616	5.8%	517,928	28,616	5.8%	517,928	28,616	5.8%
Debt Service	1,198,035	1,295,923	97,888	8.2%	1,295,923	97,888	8.2%	1,295,923	97,888	8.2%	1,295,923	97,888	8.2%
TOTAL EXPENDITURES	12,949,836	13,496,152	546,316	4.2%	13,504,701	554,865	4.3%	13,357,933	408,097	3.2%	13,504,914	555,078	4.3%
ENDING BALANCE	191,574	145,727	(45,847)	-23.9%	(48,583)	(240,157)	-125.4%	103,932	(87,642)	-45.7%	125,356	(66,218)	-34.6%
Minimum Ending Balance Requirement	220,000	441,555	221,555	100.7%	440,870	220,870	100.4%	433,322	213,322	97.0%	440,877	220,877	100.4%
AVAILABLE ENDING BALANCE	(28,426)	(295,828)	(267,402)	940.7%	(489,453)	(461,027)	1621.8%	(329,390)	(300,964)	1058.8%	(315,521)	(287,095)	1010.0%

1. Based on Governor's FY 2003 projections. Included is the Governor's recommendation to suspend the demand transfer with no project cuts
2. Based on Governor's FY 2003 projections. Included is the Governor's recommendation to suspend the demand transfer with recommended project cuts
3. Based on Governor's FY 2003 projections. Included is the Governor's recommendation to suspend the demand transfer with no project cuts, and increases in motor fuel taxes and vehicle registration fees

Senate Ways and Means
3-12-02
Attachment 13