

MINUTES OF THE HOUSE HEALTH AND HUMAN SERVICES COMMITTEE.

The meeting was called to order by Chairperson Jim Morrison at 1:30 p.m. on January 21, 2003 in Room 243-N of the Capitol.

All members were present.

Committee staff present:

Bill Wolff, Legislative Research Department
Renaë Jefferies, Revisor of Statutes' Office
Gary Deeter, Committee Secretary

Conferees appearing before the committee:

Janet Schalansky, Secretary, Social and Rehabilitative Services

Others attending:

See Attached sheet.

The Chair introduced Janet Schalansky, Secretary, Social and Rehabilitative Services (SRS), and complimented her for responding to the Committee's questions in a thorough manner. (Attachment 1)

Ms. Schalansky provided documentation for members' questions. She said SRS works with five foster-care contractors in five regions, as detailed in documents A and B. She said because a contractor's employee information is proprietary and because each contract is performance-based, she could not give details on administrators, office managers, or case workers. She stated that the cost per contractor is provided by Document C.

Ms. Schalansky answered various questions on child welfare and adoption, noting that adoption aftercare extends to 18 months and that no child is considered unadoptable, even though some children's needs are complex and require multiple services. She said 98% of adoptions are successful. Giving background for the 1989 lawsuit, which was settled in 1993 (Document K), she said the settlement ultimately created a public/private partnership in 1995. Noting the advantages of contracted children's-issue services, she said contractors are available 24/7 rather than weekdays 8-5 and that they have a "No reject, no eject" policy that motivates them to initiate resources for children, allowing more placements in foster homes and fewer in group homes. She observed that although the system is never good enough, SRS continues to improve in delivery of services. Answering questions, Ms. Schalansky said a child is available for adoption when a judge severs parental rights and that a child "ages out" of SRS supervision when he/she reaches age 18, although some are carried until they reach age 21. She noted that the FY 2004 budget recommends medical coverage for children through college.

Answering further questions, Ms. Schalansky said SRS can track every child except some runaways. Regarding children removed from the home, she said police are authorized to intervene and remove a child from his/her home if the child is deemed in danger; SRS is authorized to investigate after removal of a child, but only a judge can mandate permanent removal of a child from the home. Representative

CONTINUATION SHEET

MINUTES OF THE HOUSE HEALTH AND HUMAN SERVICES COMMITTEE at on January 21, 2003 in Room 243-N of the Capitol.

Bethell requested information on the number and cause of death for those in foster care.

Regarding SRS employees, Ms. Schalansky referred members to Documents D and E, saying one way to balance a shrinking budget is to hold positions open for a given length of time. She said the central office leaves 1 in 6 positions open; hospitals, 1 in 9; about 1/3 of the November budget reductions involved administrative cuts. Further reductions include closing field offices (23 in 2003, Document H), reducing services or raising eligibility limits (Document F and G), as well as "realignment" of staff to areas of greater needs. A member noted that such realignment impacts rural areas more severely because of fewer alternative jobs.

Thanking Ms. Schalansky for her testimony, the Chair then gave a rationale for his vision of more extensive use of information technology. He said those not computer literate would be provided all the information they desire; however, he wished to introduce efficiencies that are possible electronically. He noted that proposed testimony shared between legislators was considered privileged. (K.S.A. 45-217 sub F#2) He proposed a procedure for shepherding bills through the committee by utilizing the discussion resources of individual members and sub-committees. The committee was adjourned at 2:51 P.M. The next meeting is scheduled for Wednesday, January 22, 2003.

HOUSE HEALTH AND HUMAN SERVICES COMMITTEE
GUEST LIST

DATE: JANUARY 21 2003

NAME	REPRESENTING
Jeff Bottenberg	University of KS Hosp. & Health
John Peterson	Ks Governmental Consulting
Michael White	Hearney & Assoc.
Therese Strahm	CWA of Ks
Paul Hausmann	Sen. Bob Lyon
Doug Bowman	CCECD S
Bill Gross	Shawnee Mission Med Center
Julie Hein	Hein Law Firm
Rebecca Rice	Ks Chiropractic Assn
Carole Calore	Rebecca Rice Law Office
Teresa Schwab	KCSL
Tom Bell	KHA
Tom Stankiewicz	KHA
Christina Collins	KMS
Margaret Deane	SRS
Marilyn Deane	SRS
Rich Gettrill	Health Midwest
Bob Williams	Ks Pharmacists Assoc
Mary Ellen Conlee	Via Christi Health System

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:

Office of Budget
Lois Weeks, Acting Director

Office of Planning and Policy Coordination
Marianne Deagle, Director

phone: 785.296.3271 *fax:* 785.296.4685

House Health & Human Services Committee
January 21, 2003

Answers to Questions Asked by Committee Members

Integrated Service Delivery
Janet Schalansky
785 296-6281

Attachment 1
HHS 1-21-03

Kansas Department of Social and Rehabilitation Services
Janet Schalansky, Secretary

House Health & Human Services Committee
January 21, 2003

Answers to Questions Asked by Committee Members

1. **How many foster care contractors does SRS work with?**
 - SRS works with five foster care contractors. Please see **Attachment A and B** for information on the contractors. You can also find this information on page 62 of your Finger Tip Facts.

2. **How many administrators, area directors, office managers and case workers does each contractor employ?**
 - Because these are performance-based contracts, we do not require the contractors to provide this information to us. Please see **Attachment C** for a discussion of the qualifications staff hired by the contractors must have.

3. **Since privatization began, what has been the cost of operation of each contractor per year?**

Since privatization began, how much in funding per year has SRS provided to the contractors?

 - Please see **Attachment C** for a discussion of contract funding.

4. **What percent of total funding to the contractors comes from SRS and how much from other sources. What are those sources?**
 - This information is not readily available to us. However, please see **Attachment C** which provides an example of one contractor's sources of funding.

5. **How many children have been in foster care custody at the end of each calendar year since the beginning of privatization? How many are forecast for 2003?**
 - Please see **Attachment C** for a breakdown of the number of children served in foster care, adoption and family preservation since the beginning of privatization. Please also see the document "A Decade in Kansas Child Welfare" for additional information at **Attachment K**.

6. **How many employees did SRS employ at the beginning of FY 2003? How many will SRS employ at the end of FY 2003? How many SRS employees have been laid off in FY 2003?**
 - Please see **Attachment D** for a breakdown of the number of SRS FTE at the beginning of FY 2003 and currently. There is no way to predict how many SRS employees there will be at the end of FY 2003.

- Please see **Attachment E** for the FTE graph.
 - Please see **Attachment G**, page 1 for information regarding the number of positions which will need to remain open in FY 2003 throughout the SRS system.
7. **How many SRS offices did SRS have at the beginning of FY 2003?**
 - SRS had an office in each of the 105 counties at the beginning of FY 2003. On October 8, 2002, SRS announced that 23 offices would close in FY 03. Please see **Attachment H** for a list of the 23 offices which will be closed.
 8. **How many programs have been cut or reduced during FY 2003?**
 - Please see **Attachment F and G** for a list of FY 2003 program cuts.
 9. **Please provide the cost of child care for a child including direct care, transportation, meals and other expenses.**
 - Please see **Attachment L**
 10. **Please provide a copy of the child welfare circle chart.**
 - Please see **Attachment M**
 11. **Please see Attachments I and J for additional information on the Governor's 2003/2004 budget.**

Child Welfare Contractors

(Updated: January 14, 2003)

Attachment A

Family Preservation Contractors	Adoption Contractor	Foster Care Contractors
<p>REGIONS 1, 2, 3: Chanute Emporia Olathe Kansas City Lawrence Topeka Manhattan</p> <p>Bruce H. Beale, Exec. Dir. DCCCA, Inc. 3312 Clinton Parkway Lawrence, KS 66047 Phone: (785) 841-4138 FAX: (785) 841-3642</p>	<p>Joe Whitaker, Interim Executive Director Kansas Children's Service League P. O. Box 517 Wichita, KS 67201 Phone: (316) 942-4261, Ext. 274 FAX: (316) 943-9995</p>	<p>Region 1: Chanute Emporia Olathe</p> <p>Peggy Martin, President/CEO The FARM P. O. Box 2224 Emporia, KS 66801 Phone: (620) 343-6111 FAX: (620) 343-1398</p> <p>REGION 2: Kansas City Lawrence</p> <p>B. Wayne Sims, President/CEO Kaw Valley Center, Inc. 759 Vermont Kansas City, KS 66101 Phone: (913) 621-4641, Ext. 353 FAX: (913) 621-5730</p> <p>REGION 3: Topeka Manhattan</p> <p>Joe Whitaker, Interim President/CEO Kansas Children's Service League P. O. Box 517 Wichita, KS 67201 Phone: (316) 942-4261, Ext. 274 FAX: (316) 943-9995</p>
<p>REGION 4: Garden City Hays Hutchinson</p> <p>Rev. Edward Fellhauer, CEO. Saint Francis Academy, Inc. 509 East Elm Street Salina, KS 67401 Phone: (785) 825-5229 FAX: (785) 825-5367</p>		<p>REGION 4: Garden City Hays Hutchinson</p> <p>Rev. Edward Fellhauer, CEO Saint Francis Academy, Inc. 509 E. Elm Street, P.O. Box 1520 Salina, KS 67401 Phone: (785) 825-5229 FAX: (785) 825-5367</p>
<p>REGION 5: Wichita</p> <p>Bruce H. Beale, Executive Dir. DCCCA, Inc. 3312 Clinton Parkway Lawrence, KS 66047 Phone: (785) 841-4138 FAX: (785) 841-3642</p>		<p>REGIONS 5: Wichita</p> <p>John Francis, President/CEO United Methodist Youthville, Inc. P. O. Box 210 Newton, KS 67114 Phone: (316) 283-1950 FAX: (316) 283-9540</p>

4-1

Health and Human Services Committee
January 16, 2003

Child Welfare Public Private Partnership

WORKER/CASE RATIO:

Each contract sets a limit on the number of cases one worker may be assigned. Family Preservation (FP) staff are limited to ten (10) cases. Foster care (FC) and adoption (AD) staff may have up to twenty five (25) cases each.

STAFF QUALIFICATIONS:

Family preservation and foster care contracts require the Case Manager/Specialist must be a licensed professional with one of the following qualifications: Licensed Bachelor's Degree Social Worker (LBSW); Licensed Master's Degree Social Worker (LMSW); Licensed Master's Psychologist (LMP); Licensed Marriage and Family Therapist (LMFT); or Licensed Professional Counselor (LPC). The adoption contract requires a Licensed Bachelor's or Master's Degree Social Worker.

CONTRACT FUNDING:

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
FP	5,009,226	8,820,323	9,706,962	11,646,147	11,793,765	10,554,275	10,113,118
FC	24,684,823	68,351,173	111,939,355	84,365,918	94,039,453	91,940,259	89,954,320
AD	7,068,807	9,899,778	25,708,098	21,876,347	40,304,937	28,156,398	33,921,790

CONTRACTOR OPERATIONS:

Each contractor is different but all have a variety of services available to serve communities in Kansas and, sometimes, other states. DCCCA, for example, is a diversified corporation with programs in Family Preservation, Corrections, Drug and Alcohol and Traffic Safety. Family Preservation Contracts contribute 41% of DCCCA's income.

NUMBERS OF CHILDREN SERVED:

	Transition	1997	1998	1999	2000	2001	2002	2003
FP *	0	1,832	2,452	2,849	3,436	3,812	2,731	2,603
FC	3,466	3,407	4,247	4,512	3,996	3,675	3,436	3,103
AD	730	909	1,013	1,271	1,440	1,510	1,569	1,618

*1996 was the first year of providing Family Preservation Services through the Public/Private Partnership. SRS did not have transition cases in Family Preservation. Subsequent years indicate the number of families referred.

**SRS Position Management
FTE
Beginning of FY 2003 and January 4, 2003**

FTE - Beginning of FY 2003 (June 21, 2002)

Agency	Total	Filled	Vacant
629	4,038.01	3,616.51	421.50
410 - LSH	725.20	614.70	110.50
494 - OSH	477.35	413.26	64.09
555 - RMHF	127.80	113.95	13.85
507 - PSH	507.99	464.89	43.10
363 - KNI	655.50	577.70	77.80
TOTAL SRS	6,531.85	5,801.01	730.84

FTE - As of January 4, 2003 Does not include layoff of PRC staff which will be effective February 1, 2003*

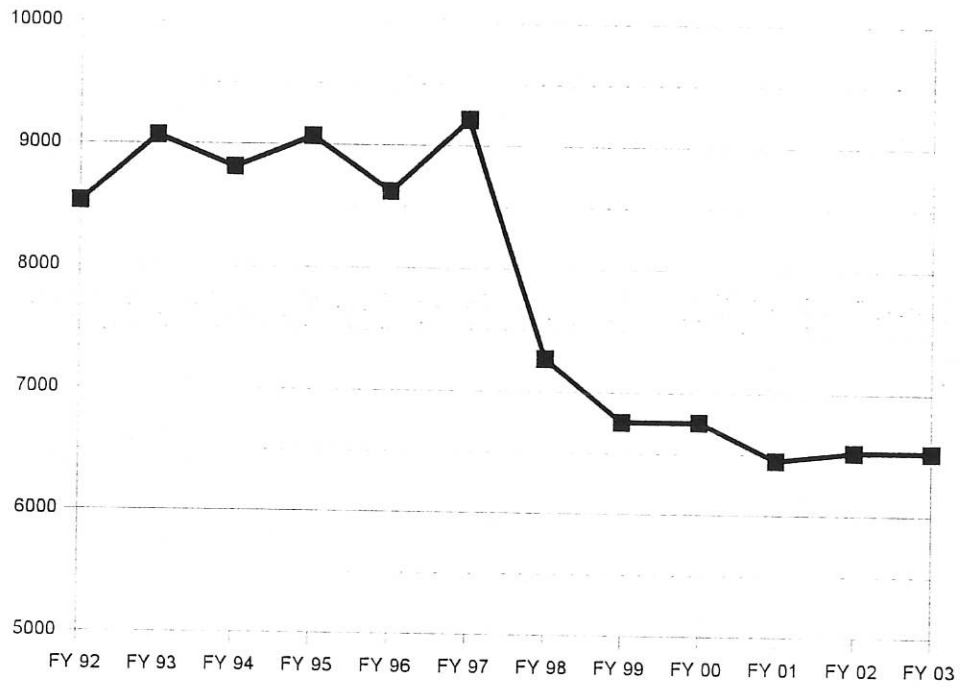
Agency	Total	Filled	Vacant
629	4,048.01	3,580.94	467.07
410 - LSH	725.70	611.80	113.90
494 - OSH	477.15	388.26	88.89
555 - RMHF	126.80	110.80	16.00
507 - PSH	507.99	452.49	55.50
363 - KNI	644.00	564.20	79.80
TOTAL SRS	6,529.65	5,708.49	821.16

It is important to note that layoffs at SRS will be determined and implemented throughout the year. If we can meet our budgetary requirements, we will try to avoid layoffs. Some of the steps SRS has taken to reduce the number of layoffs which may occur include:

- Imposition of a soft hiring freeze over the last year;
- Imposition of a hard hiring freeze in November 2002;
- As the chart on the following page shows, since 1992, budgeted FTE have been reduced at SRS from 9,000 to approximately 6,000. Although this reduction was due in part to privatization, transfers to other agencies and hospital closures, we have reduced about 330 positions in the field, central office and institutions over the past two years.
- The SRS Central Office shrinkage rate in FY 2002 was 7.25% and in FY 2003 it is 17%. This will result in one out of every six positions remaining vacant. The SRS Field Office shrinkage rate in FY 2002 was 7.25% and in FY 2003 it is 12%. This will result in one out of every eight positions remaining vacant. The hospitals have not increased their shrinkage but are imposing additional workforce reductions and keeping one out of nine positions vacant.
- Approximately one-third of the November allotment reductions imposed by SRS involved administrative cuts.

SRS FTE

FY 1992 - FY 2003 Approved



The SRS 2003 Approved Budget Detailed Schedule of Policy Changes

Description	FY 2003 (in millions)	
	SGF	AF
<i>Reduction in Service Areas</i>		
<p style="text-align: center;">Pharmacy and Care Management changes</p> <p>Reduce pharmacy reimbursement</p> <ul style="list-style-type: none"> • <i>Who it will affect</i> - Pharmacists • <i>How will it affect them</i> - Reduction in reimbursements to the pharmacists will result in a lower profit margin estimated at 5% • <i>When will it happen</i> - July 1, 2002 <p>Increase co-pay for pharmaceuticals</p> <p>Raises the current co-pay per prescription from \$2 to \$3.</p> <ul style="list-style-type: none"> • <i>Number of people affected</i> - Approximately 56,000 Kansas medicaid recipients will be charged a higher pharmaceutical co-pay • <i>Who it will affect</i> - It will affect the amount paid by the consumer through co-pay. • <i>How will it affect them</i> - Consumers co-pay will raise from \$2 to \$3 per prescription. • <i>When will it happen</i> - July 1, 2002 <p>Drug Formulary Changes</p> <p style="padding-left: 20px;">Begin a preferred formulary Prior authorization within a preferred formulary</p> <p>A group of knowledgeable clinicians will develop a formulary of the best priced equally effective drugs. Drugs not on the preferred formulary, excluding mental health drugs, will require prior authorization.</p> <ul style="list-style-type: none"> • <i>Number of people affected</i> - Approximately 141,500 medicaid recipients. • <i>Who it will affect</i> - Physicians, pharmacists, consumers. • <i>How will it affect them</i> - Implementation will create a preferred formulary of drugs reimbursed by Medicaid to encourage the use of lesser priced drugs when they are capable of producing the desired effect. • <i>When will it happen</i> - October 1, 2002 <p>Care Management</p> <p style="padding-left: 20px;">Drug Utilization Review in Nursing Facilities Nurse Case Management for disease management</p> <p>SRS will contract with a managed care entity to provide disease and utilization management for persons with chronic conditions. Persons served in long term care programs and accessing multiple prescriptions will be profiled for better management.</p> <ul style="list-style-type: none"> • <i>Number of people affected</i> - Approximately 74,000 Kansans. • <i>Who it will affect</i> - Those persons receiving multiple prescriptions and persons with chronic conditions. • <i>How will it affect them</i> - Will provide better medical management of chronic long term conditions. • <i>When will it happen</i> - Drug Utilization Review - January 2003; Nurse Case Management for disease management - October 2002 	(\$14.1)	(\$35.6)

Description	FY 2003 (in millions)	
	SGF	AF
<p>(Pharmacy and Care Management Continued)</p> <p>Nursing facility shift to person-centered plan of care, resulting in pharmacy savings</p> <p>Premised on the belief if consumers have plans developed which reflect their wants and desires, the use of medications will decrease and effect financial savings.</p> <ul style="list-style-type: none"> • <i>Number of people affected</i> - Approximately 17,500 Kansans. • <i>Who it will affect</i> - Persons living in nursing facilities. • <i>How will it affect them</i> - Person-centered planning will be implemented in which they will actively participate in the planning of their daily lives while residing in the nursing facility. • <i>When will it happen</i> - July 1, 2002 		
<p>Limit spending by targeting Family Preservation and Family Services to the most at-risk families</p> <p>The Family Preservation reduction will lower the number of families referred for Family Preservation services by better targeting families referred to as those most likely to benefit from the service. Also, Area Office allocations for Family Services funding were reduced to remain with in resources available. If intervention is not received the problems could escalate to the point where the children are no longer safe and must be placed in foster care. The 2002 Legislature added \$2.75 million in children initiative funds (CIF) to restore some of the original reduction.</p> <ul style="list-style-type: none"> • <i>Number of people affected</i> - 971 Kansas families will not be referred for services in FY 2003 when current allocations are compared to previous caseload estimates for family preservation and 724 families will not receive Family Services. • <i>Who it will affect</i> - Kansas families who are having difficulty caring for the children in their homes and at risk of having children placed in Foster Care. • <i>How will it affect them</i> - These families will have to obtain services elsewhere in the community. • <i>When will it happen</i> - July 2002 	(8.5)	(6.7)
<p>Require family financial participation for families accessing Family Preservation, Home and Community Based Services (HCBS) waivers, or other community based services for their minor children</p> <p>This change will require parents to use their own resources to contribute to the cost of in-home family support services for HCBS waivers and Family Preservation services.</p> <ul style="list-style-type: none"> • <i>Number of people affected</i> - The estimated number of families for FY 2003 is 732 for Family Preservation and 1,800 for the waivers. • <i>Who it will affect</i> - Kansas families who are at risk of having a child placed in foster care and have incomes above 200% of poverty, and parents' of minor children receiving in-home community based services under the Developmental Disability (DD), Technology Assisted (TA) and Serious Emotional Disturbance (SED) waivers. • <i>How will it affect them</i> - Kansas families will be required to participate financially based on their income. Family Preservation and waivers will be based on those that have incomes above 200% of the poverty level. • <i>When will it happen</i> - July 1, 2002 	(1.7)	0.0

Description	FY 2003 (in millions)	
	SGF	AF
<p>Limit length of General Assistance (GA) and MediKan to 24 months Presently, General Assistance adults, who may receive medical assistance through the MediKan program, receive financial and medical assistance indefinitely, until they qualify for federal disability benefits. This change would limit their assistance to 24 cumulative months, except for those who meet hardship criteria. The total number of hardship clients is limited to 20 percent of the average monthly caseload. Savings through the time limitation would not occur until June 2004.</p> <ul style="list-style-type: none"> <i>Number of people affected by area</i> - No Kansan will lose benefits for two years. <i>Who it will affect</i> - The provision would affect adults with disabilities and no dependent children. These Kansans have few, if any, means of support and are ultimately denied federal disability determination. <i>How will it affect them</i> - The provision will affect those Kansans whose disabilities are not severe enough to meet the federal disability criteria, and who therefore depend on assistance from SRS. <i>When will it happen</i> - The time limit policy will be in place on July 1, 2002. The first clients to reach the 24-month limit would do so in June 2004. 	0.0	0.0
<p style="text-align: center;">Physically Disabled (PD) Waiver</p> <p>Eliminate enhanced transportation for those on PD and Frail Elderly (FE) waivers and non-emergency medical transportation This change reduces the transportation benefits provided to Kansans in the HCBS waivers for persons who are frail elderly or physically disabled to the level provided to other adult Medicaid beneficiaries.</p> <ul style="list-style-type: none"> <i>Number of people affected</i> - Approximately 1,019 Kansans will lose this service. <i>Who it will affect</i> - It will affect Kansans served through the Physically Disabled (PD) and the Frail Elderly (FE) waivers. This change will also affect the waiver service providers and non-ambulance transportation providers. <i>How will it affect them</i> - Alternate transportation will have to be arranged or alternate sources of funding will have to be used. Some non-essential trips may be eliminated. <i>When will it happen</i> - July 1, 2002 <p>Reduce attendant care wages on the PD Waiver The maximum rate for self directed personal care attendant services and non-self directed personal care attendant services has been reduced. Self directed attendant care is a service wherein the waiver recipient is the employer of the personal care attendant. The maximum rate will be \$11.94 which is a 2.8% reduction from the weighted average rate charged by the Centers for Independent Living (CILs). Non-self directed attendant care is care directed by an agency. The maximum rate will be \$12.82 which is a 3.3% reduction from the current maximum.</p> <ul style="list-style-type: none"> <i>Number of people affected</i> - 3,740 <i>Who it will affect</i> - Attendant care staff, Home Health Agencies and nursing facilities. <i>How will it affect them</i> - Reduced wages may make it harder to find attendants and Home Health Agencies may no longer provide personal care attendant services of either type because the lower reimbursement level may not meet their costs. This could result in a rise in Nursing facility admissions. <i>When will it happen</i> - January 1, 2002 	(0.5)	(1.2)
	(1.3)	(3.4)

Description	FY 2003 (in millions)	
	SGF	AF
<p>(PD Waiver - Continued)</p> <p>Terminally ill patients served through the PD waiver could no longer access hospice services</p> <p>Currently people with physical disabilities who are terminally ill and receiving services funded by the PD waiver may also receive Hospice services in their homes. This change will prohibit persons from receiving Hospice in their homes while being served through the PD waiver. Kansans will be able to choose which method best fits their need.</p> <ul style="list-style-type: none"> • <i>Number of people affected</i> - 78 Kansans • <i>Who it will affect</i> - Terminally ill patients currently being served through the PD waiver. • <i>How will it affect them</i> - Without the medical care provided through Hospice, those individuals who may have remained in their homes during their last months will be at risk of hospitalization or nursing facility placement. • <i>When will it happen</i> - July 1, 2002 	(0.2)	(0.4)

Description	FY 2003 (in millions)	
	SGF	AF
State Hospitals		
<p>Reduce payments to outside medical providers by Larned State Hospital (LSH) and Osawatomi State Hospital (OSH)</p> <p>Reduce reimbursement for outside medical services by paying the medicaid rate rather than the full charge.</p> <ul style="list-style-type: none"> • <i>Number of people affected</i> - LSH and OSH patients and providers as medical need dictates. • <i>Who it will affect</i> - Primarily the medical provider. • <i>How will it affect them</i> - Reduced reimbursement. • <i>When will it happen</i> - July 1, 2002 	(0.1)	(0.1)
<p>\$1.3 Million unfunded expenditures in the State Hospitals</p> <p>This unspecified reduction would be required of an already stressed Mental Health Hospital system with very high shrinkage. Some institutional downsizing recommended by the Governor was reinstated by the Legislature in order to partially close the funding gap. Downsizing will need to move forward to save the one million dollars.</p> <ul style="list-style-type: none"> • <i>Number of people affected</i> - Depends on the areas targeted to help resolve the problem. • <i>Who it will affect</i> - May affect all Mental Health state funded programs. • <i>How will it affect them</i> - All programs may need to be pared back in order to cover the \$1.3 million of underfunding. • <i>When will it happen</i> - FY 2003 	(1.3)	(1.3)
<p>Parsons State Hospital, Osawatomi State Hospital, and Larned State Hospital will serve fewer Kansans</p> <p>Parsons State Hospital (PSH) will actively place persons who staff believe could successfully live in community settings but whose guardians have not, to this point, sought community placement. Osawatomi State Hospital (OSH) will reduce their average daily census and close one adult ward. Larned State Hospital (LSH) will reduce the number of adolescents they serve, relocate the children's program to the main in-patient psychiatric building, and reduce the number of persons served in the state security hospital.</p> <ul style="list-style-type: none"> • <i>Number of people affected</i> - PSH will place twelve Kansans with developmental disabilities, LSH's average daily census will be reduced by 40, and OSH's average daily census will be reduced by 15. • <i>Who it will affect</i> - At PSH, Kansans with developmental disabilities, at LSH, adolescents and Kansans referred by the Department of Corrections to the State Security Hospital, at OSH, adults with severe and persistent mental illness. • <i>How it will affect them</i> - Appropriate community based or alternative institutional services will need to be provided to these Kansans. • <i>When will it happen</i>: Most of the reductions have already occurred, a small number of reductions remain. 	(1.0)	(3.4)
<p>Improve administration and management of Home Health services</p> <p>To effect more controls on access to Home Health services new codes will be developed, reasonable limitations on access to services will be implemented, skilled nurses will no longer administer common medications and prior authorization will be require for all HCBS waiver consumers newly requesting home health services.</p> <ul style="list-style-type: none"> • <i>Number of people affected statewide</i> - 6,000 Kansans • <i>Who it will affect</i> - None of the new safeguards will compromise the vital needs of consumers. • <i>How will it affect them</i> - In some cases, staff who are not skilled nurses will take over providing services; i.e., delivery of common medications. • <i>When will it happen</i> - July 1, 2002 	(4.7)	(11.9)

Description	FY 2003 (in millions)	
	SGF	AF
<p align="center">Nursing Facilities for Mental Health (NFMH)</p> <p>Limit payments for persons in Nursing Facilities for Mental Health to persons with a severe and persistent mental illness</p> <p>Under current guidelines a NFMH serves Kansans who have a severe and persistent mental illness as well as Kansans with other disabilities. This change will limit payment to NFMHs to only Kansans with severe and persistent mental illnesses. This will focus resources on effectively serving persons with mental illness.</p> <ul style="list-style-type: none"> • <i>Number of people affected</i> - 26 Kansans • <i>Who it will affect</i> - Individuals currently in a NFMH who do not have a severe and persistent mental illness and their families as well as the NFMHs themselves. • <i>How will it affect them</i> - Individuals with other disabilities may need to be served by community programs or regular nursing facilities. This may create financial difficulty for some NFMHs. • <i>When will it happen</i> - May 1, 2002 	(1.8)	(2.5)
<p>Reduce payments to Community Mental Health Centers and psychologists for services to persons living in nursing facilities for mental health.</p> <p>These services are covered in the NFMHs daily per diem rates and, most future services will not be paid directly, but accessed through the per diem rate. Exceptions will be made for trauma situations and for transition services.</p> <ul style="list-style-type: none"> • <i>Number of people affected</i> - There should be no effect on consumer services. • <i>Who it will affect</i> - Psychologists. • <i>How will it affect them</i> - The route in which these providers receive payment will be altered. • <i>When will it happen</i> - July 1, 2002 	(1.3)	(1.3)
<p>Reduce Children's Initiative Funds to FY 2002 level - affects SED Waiver (\$0.7 million), Children's Cabinet (\$1.05 million)</p> <p>The Governor had included these enhancements in his budget. This reduction will adjust the amount of money available for SmartStart Kansas and the SED Waiver to the FY 2002 level.</p> <ul style="list-style-type: none"> • <i>Number of people affected</i> - This reduction would have been enough to serve 83 Kansas children on the SED Waiver. • <i>Who it will affect</i> - Kansas children who are severely emotionally disturbed and families of young children who are at risk of not succeeding in school. • <i>How will it affect them</i> - Might extend the time between application for service and capability to enroll for services on the SED waiver. Enhanced services provided by Smartstart Kansas will not be expanded. • <i>When will it happen</i> - July 1, 2002 	0.0	(1.9)
<p>Start pilot to collect support payments from parents of children in SRS or Juvenile Justice Authority (JJA) custody</p> <p>Child Support Enforcement (CSE) staff will be added to establish and enforce child support orders for children in SRS or JJA custody.</p> <ul style="list-style-type: none"> • <i>Who it will affect</i> - Parents of children in SRS or JJA custody. • <i>How will it affect them</i> - They will be required to pay child support. • <i>When will it happen</i> - Implementation will occur in the first quarter of FY 2003. 	(0.8)	0.0
<p>Improve billing practices for physical therapy services</p> <p>Edits have been put in place to more fully define what constitutes a visit and thereby, prevent billing in excess for service provided.</p> <ul style="list-style-type: none"> • <i>Who it will affect</i> - The change should not affect consumer service. It will assist persons providing physical therapy services. • <i>How will it affect them</i> - It will assist persons providing physical therapy to reduce billing errors. • <i>When will it happen</i> - Policy is already in effect. 	(0.1)	(0.3)

Description	FY 2003 (in millions)	
	SGF	AF
<p>Reduce mental health reimbursement rates provided through MediKan There was an initial reduction of \$1.7 million; however, \$1.4 million was restored in conference committee leaving a deficit balance of \$0.3 million.</p> <ul style="list-style-type: none"> • <i>Who it will affect</i> - It will not affect the services provided to Kansans. • <i>How will it affect them</i> - Small rate adjustments to CMHCs may be necessary. • <i>When will it happen</i> - July 1, 2002 	(0.3)	(0.3)
<p>Reduce Child Care Grants The amount available for grants to enhance the quality and availability of child care services will be reduced by \$3.0 million.</p> <ul style="list-style-type: none"> • <i>Number of people affected</i> - These grants support work performed by the Department of Health and Environment, Kansas Association of Child Care Resources and Referral Agencies (KCCCRA), or are awarded on a competitive basis. • <i>Who it will affect</i> - Families who have children in child care. • <i>How will it affect them</i> - The availability of quality child care will not be expanded to the extent it might otherwise have been. • <i>When will it happen</i> - July 1, 2002 	0.0	(3.0)
<p>Explore new ways to serve elderly blind and visually impaired Kansans in their communities rather than through Topeka-based group and residential programming Kansas Seniors Achieving Independent Living (Kan-SAIL) has provided three Senior Week Programs a year at the Rehabilitation Center for the Blind and Visually Impaired (RCBVI) as part of the delivery system for the Independent Living Services For Older Individuals Who Are Blind and Visually Impaired. The Senior Week Programs will be permanently discontinued and in their place Kan-SAIL will provide three or more additional Outreach workshops annually in the local communities.</p> <ul style="list-style-type: none"> • <i>Number of people affected</i> - As Kan-SAIL does not have an area, but functions statewide, the number projected is based on that assumption. Previously approximately 20 seniors came to the Senior Week Program, 3 times per year, for a total of 60 individuals. By going to their communities it is estimated that Kan-SAIL can serve 90 individuals; a 50% increase. • <i>Who will it affect</i> - It will affect all elderly blind and visually impaired Kansans. • <i>How will it affect them</i> - It will benefit them, as they will not have to come to Topeka for two weeks to receive services. • <i>When will it happen</i> - This has been partially "piloted" in the summer of 2001, but full implementation is planned for the summer of 2002. 	(0.01)	(0.03)
<p>Increase collections from the Estate Recovery Program The department would be allowed to recover the expenses of deceased recipients by recouping unused balances from funeral insurance policies.</p> <ul style="list-style-type: none"> • <i>Number of people affected</i> - It is estimated that approximately 125 such recoveries will be made annually. • <i>Who it will affect</i> - The provision would affect the estates of former SRS recipients. • <i>How will it affect them</i> - The families of the deceased will be prevented from using any unspent balances from funeral plans. • <i>When will it happen</i> - The effective date is July 1, 2002. 	(0.1)	0.0
<p>Transfer the funeral assistance program The funeral assistance program was shifted to the Kansas Department of Health and Environment (KDHE).</p> <ul style="list-style-type: none"> • <i>Number of people affected by area</i> - The estimated funerals for FY 2003 are 880. • <i>Who it will affect</i> - Because the state will continue to provide this service, no clients will be affected. 	(0.50)	(0.50)

Description	FY 2003 (in millions)	
	SGF	AF
<p>Discontinue two child welfare projects through Kansas Legal Services Two projects with Kansas Legal Services were terminated: (1) Permanency in Child Time which provided legal services to children whose child in need of care case had become hung up in the legal system and (2) Mediation Pilot Project which was to test the usefulness of mediation services in diverting children for foster care.</p> <ul style="list-style-type: none"> <i>Number of people affected</i> - Permanency in child time received referral for 126 children during FY 2001 The Mediation Pilot project was scheduled to serve 100 families in Sedgwick County. <i>Who it will affect</i> - Children who could be maintained in their homes with intervention or who could return home more quickly if the legal issues on their case were resolved. <i>How will it affect them</i> - Availability of enhanced legal and mediation services will be reduced. <i>When will it happen</i> - Already done 	(0.4)	(0.5)
<p>No Funding Added to Reduce Waiting Lists There are waiting lists for the PD Waiver and for Kansans with Developmental Disabilities. No additional funds were added to provide services to those on the waiting lists.</p> <ul style="list-style-type: none"> <i>Number of people affected</i> - 1,119 Kansans on the PD Waiver list and 709 on the DD services list. <i>Who it will affect</i> - Kansans with physical and developmental disabilities. <i>How will it affect them</i> - Unless they are in crisis they will not receive services until a slot opens for them. Some may end up in an nursing home or institution. 	0.0	0.0
Administrative Reductions		
<p>Administrative reductions Due to lower revenues, the following administrative reductions were made:</p> <ul style="list-style-type: none"> Reduction in Information Technology contracts Medicaid Management Information System(MMIS) contract One-year moratorium on all office furniture/equipment purchases 10% reduction in purchasing contracts for general supplies 40% reduction in out of state travel expenditures 10 % reduction in private vehicle reimbursement for in-state travel Extend moratorium on employer contributions for Kansas Public Employees Retirement System (KPERs) Death and Disability Fund Eliminate all on-call temporary services One-year moratorium on vehicle purchases Fund half of longevity bonus payments - agencies would have to fund remainder within existing resources Limit all salary bonuses to \$1,000 Freeze of lease purchase agreements Elimination of 2 full-time equivalent (FTE) positions Reduction of Funeral Program 	(5.2)	(16.7)
<p>Increase shrinkage at the State Hospitals Hospitals are forced into hiring freezes in order to meet high shrinkage percentages.</p> <ul style="list-style-type: none"> <i>Number of people affected</i> - 2,499 hospital personnel. <i>Who it will affect</i> - All hospital personnel. <i>How will it affect them</i> - This creates a situation where staffing shortages will compromise patient care and make it difficult for the hospitals to remain certified. <i>When will it happen</i> - FY 2003 	(1.2)	(1.4)

Description	FY 2003 (in millions)																			
	SGF	AF																		
<p>Outsourcing security services, eliminating some dietary services at Kansas Neurological Institute (KNI), reducing amount paid to Unified School District (USD) 609</p> <p>This budget reduction plan was in response to the state financial outlook for FY 2003. Breakfast will no longer be offered in the dining hall but in the living units. KNI will outsource security based on a bid process. The school district will be charged a rental fee in order to offset tuition.</p> <ul style="list-style-type: none"> <i>Number of people affected</i> - 11.5 staff will need to be laid off by July 1, 2002. FTE reductions will not occur until the end of FY 2003. <i>Who it will affect</i> - It will affect FTE staff but no patients other than noted above. <i>How will it affect them</i> - Some staff will lose their jobs and patients will see a change in the way services are delivered to them. <i>When will it happen</i> - FY 2003 	(0.2)	(0.7)																		
Consensus Caseloads and Other Additions																				
<p>Consensus Caseload</p> <p>The increase reflects the additional funds necessary to fully fund the demand for services in the following programs:</p> <table border="0"> <tr> <td>• TAF</td> <td style="text-align: right;">0.0</td> <td style="text-align: right;">4.5</td> </tr> <tr> <td>• General Assistance</td> <td style="text-align: right;">1.2</td> <td style="text-align: right;">1.2</td> </tr> <tr> <td>• Nursing Facilities - Mental Health (NF/MH)</td> <td style="text-align: right;">0.5</td> <td style="text-align: right;">0.7</td> </tr> <tr> <td>• Regular Medical Assistance</td> <td style="text-align: right;">50.1</td> <td style="text-align: right;">149.0</td> </tr> <tr> <td>• Foster Care</td> <td style="text-align: right;">(1.3)</td> <td style="text-align: right;">(2.0)</td> </tr> <tr> <td>• Adoption</td> <td style="text-align: right;">1.2</td> <td style="text-align: right;">2.0</td> </tr> </table>	• TAF	0.0	4.5	• General Assistance	1.2	1.2	• Nursing Facilities - Mental Health (NF/MH)	0.5	0.7	• Regular Medical Assistance	50.1	149.0	• Foster Care	(1.3)	(2.0)	• Adoption	1.2	2.0	51.7	155.4
• TAF	0.0	4.5																		
• General Assistance	1.2	1.2																		
• Nursing Facilities - Mental Health (NF/MH)	0.5	0.7																		
• Regular Medical Assistance	50.1	149.0																		
• Foster Care	(1.3)	(2.0)																		
• Adoption	1.2	2.0																		
<p>Increase in enrollment in HealthWave and Reduction in CIF</p> <table border="0"> <tr> <td>HealthWave Caseload</td> <td style="text-align: right;">4.1</td> <td style="text-align: right;">14.3</td> </tr> <tr> <td>Reduction in CIF</td> <td style="text-align: right;"><u>0.0</u></td> <td style="text-align: right;"><u>(1.0)</u></td> </tr> <tr> <td>Net Result</td> <td style="text-align: right;">4.1</td> <td style="text-align: right;">13.3</td> </tr> </table> <p>HealthWave is a relatively new program. As a result, the number of Kansas children enrolled continues to grow as the program matures. Therefore, additional funds are needed to support the growth in the program. HealthWave is a heavily leveraged federal and state program to provide free or low cost health insurance coverage to uninsured children for low income families. The reduction in CIF will result in a \$2.6 million loss of federal funds.</p> <ul style="list-style-type: none"> <i>Number of people affected</i> - The reduction in children's initiative funds would have been enough to serve 1,950 children who are anticipated to access these services in FY2003. The caseload increase should allow services to an additional 5,000 children. <i>Who it will affect</i> - Approximately 30,000 children. <i>How will it affect them</i> - If enrollment continues to increase SRS may have to reduce eligibility from 200% of the poverty level to 185%, raise premiums, or some mixture of both. 	HealthWave Caseload	4.1	14.3	Reduction in CIF	<u>0.0</u>	<u>(1.0)</u>	Net Result	4.1	13.3	4.1	13.3									
HealthWave Caseload	4.1	14.3																		
Reduction in CIF	<u>0.0</u>	<u>(1.0)</u>																		
Net Result	4.1	13.3																		

Description	FY 2003 (in millions)	
	SGF	AF
<p>Increase Children's Initiative Fund (CIF) expenditures for immunization outreach and children's mental health services</p> <p>Increase CIF for children's programs. (0.0) (2.0) Increase CIF for immunization outreach. (0.0) (0.5)</p> <p>Adds \$2.0 million CIF for grants to children's mental health service providers to develop programs for children in under-served areas. Also adds \$0.5 million CIF for immunization outreach. Available mental health services and community outreach will increase with these funds.</p> <ul style="list-style-type: none"> • <i>Who it will affect</i> - Children being served by the CMHCs and their families. • <i>How will it affect them</i> - These children and their families will have increased access to community based services. • <i>When will it happen</i> - July 1, 2002 	0.0	2.5
<p>Restore some PD Waiver funding</p> <p>This funding would allow for no disruption of services for Kansans currently receiving services through the PD Waiver.</p> <ul style="list-style-type: none"> • <i>Number of people affected</i> - 3,885 Kansans • <i>Who it will affect</i> - Kansans currently receiving services through the PD waiver. • <i>How will it affect them</i> - No disruptions in service. • <i>When will it happen</i> - July 1, 2002 	1.0	2.5
<p>Add Staffing in the Sex Predator Treatment Program (SPTP)</p> <p>This increase in the FY 2003 budget funds the 29 FTE added in FY 2002 to address the rising demand for SPTP services but does not fund the additional 27 direct care staff requested for FY 2003. This funding also provides for contract services to establish a transitional release treatment program to assure that SRS is able to place a person in transitional release as required by Kansas Statutes Annotated (K.S.A.) 59-29a10.</p> <ul style="list-style-type: none"> • <i>Number of people affected</i> - Projected to be at 95 residents by the end of FY 2003 • <i>Who it will affect</i> - Residents of the Sexual Predator Treatment Program. • <i>How will it affect them</i> - The additional staff will assist SRS to effectively treat and supervise residents in the SPTP program. • <i>When will it happen</i> - January 1, 2002 	1.0	1.0
<p>Kansas Payment Center (KPC) contract increase</p> <p>The KPC was required by the 2001 Legislature to make a number of changes to their systems to improve customer service. The increased costs reflect the renegotiation of the contract to fund these improvements.</p> <ul style="list-style-type: none"> • <i>Number of people affected</i> - 170,000 transactions per month are processed by the KPC. • <i>Who it will affect</i> - Anyone having a child support order in Kansas • <i>How will it affect them</i> - Access to and the understandability of KPC information will be improved and payment processing facilitated. • <i>When will it happen</i> - Changes have been phased in as system development has been completed. 	1.1	2.4
<p>Managing the Prescription Drug Program for the AIDS Drug Assistance Program</p> <p>AIDS drugs will be provided to Kansans that the Department of Health and Environment determine are eligible for the Ryan White Title II program. The Department of Health and Environment will continue to manage all aspects of the Ryan White Title II program except the provision of AIDS drugs which will be handled by SRS.</p> <ul style="list-style-type: none"> • <i>Number of people affected</i> - Approximately 300 Kansans • <i>Who it will affect</i> - Kansans determined eligible for the program • <i>How will it affect them</i> - There should be no discernable effect • <i>When will it happen</i> - July 1, 2002 	0.4	2.2

Description	FY 2003 (in millions)	
	SGF	AF
<p>Move school violence prevention program from Kansas Department of Education (KDOE)</p> <p>Reduces the school violence program by \$0.5 million in KDOE and adds \$0.2 million CIF and moves the program to SRS. This program addresses violence by providing children with mental health support and services in the school setting through partnerships among schools, mental health centers, and local coordinating councils.</p> <ul style="list-style-type: none"> • <i>Number of people affected</i> - 2,000 Kansas children • <i>Who it will affect</i> - School children in grades K through 12. • <i>How will it affect them</i> - To help them learn, stay in school, and prepare for life. • <i>When will it happen</i> - July 1, 2002 	0.0	0.2
<p>FY 2003 Funding Adjustments</p> <ul style="list-style-type: none"> • Shift from SGF to fee funds in the State Hospitals • Replace SGF with federal funds in the Foster Care Contracts • Adjustment of funding due to reduction in workload in the Office of Judicial Administration • Replace Title XIX funding in the State Hospitals with Intergovernmental Transfer (IGT) funds • Shift from SGF to IGT funds in the DD Waiver <p>One-time Funding in the SRS Budget</p> <ul style="list-style-type: none"> • IGT funding that will need to be replaced by SGF in FY 2004 • Children's Initiative funds (CIF) available as a result of the tobacco settlement 	(20.6)	(0.1)
	74.8	24.8

Provisos

Community Mental Health Services

Provided: That the department of social and rehabilitation services, hereinafter known as the department, in all of fiscal year 2003, shall conduct and pay for community mental health services in the same manner as done in FY 2002. *And provided further,* That the department distribute all additional dollars appropriated by the 2002 legislature above the amount appropriated in the fiscal year 2002 for children's mental health services based on fiscal year 2002 medicaid utilization rates: *And provided further,* That the department may utilize amounts budgeted in regular medicaid for mental health services to assure all community mental health centers have adequate certified match: *And provided further,* That in addition, if the department determines that any community mental health center does not have adequate certified match based on fiscal year 2002 medicaid utilization the department may reallocate existing grant funds based on a proportional share of all existing state fund to minimum extent necessary to assure all community mental health centers have adequate certified match: *And provided further,* That the medicaid rates in effect on February 14, 2002, remain in effect for the balance of fiscal year 2002 and fiscal year 2003: *And provided further,* That the department and the association of community mental health centers of Kansas, inc., shall jointly develop a report on agreed upon methods for continuing the existing medicaid rates for fiscal year 2004 that meet all applicable federal laws and regulations and present the plan to the senate committee on ways and means and house committee on appropriations by January 31, 2003: *And provide further,* That any such plan shall also report how the financing plan in fiscal year 2003 is impacting access, service provision and accountability.

Nursing Facilities for Mental Health

And provided further, That the secretary of social and rehabilitation services shall complete a valid resident assessment on each individual residing in the NF/MH facilities with the support of medical assistance funds and identify adequate alternative community services to assure effective care and treatment before such individual is scheduled for discharge from a facility: *And provided further,* That prior to the fiscal year commencing on July 1, 2003, the department of social and rehabilitation services shall not restrict admission to nursing facilities for mental health or remove patients from nursing facilities for mental health who have been diagnosed with a severe and persistent mental illness for who alternative services are not adequate: *And provided further,* That duplicate assessment screens are discontinued after July 1, 2002, so that no more than one assessment is required annually except where significant change has occurred: *And provided further,* That selected professional services denied after February 1, 2002 shall be reimbursed retroactively, and that department of social and rehabilitation services policy shall allow for NF/MH facilities to provide continuation of community services.

Ryan White Title II AIDS Drug Assistance Program

Provided: That, notwithstanding any provisions of any other statute to the contrary, expenditures shall be made by the secretary of social and rehabilitation services from Ryan White title II federal fund for state fiscal year 2003 for the provision of pharmaceuticals in association with the Ryan White title II AIDS drug assistance program of the department of health and environment in accordance with the provision of applicable statutes not in conflict with the provisions of this section: *Provided further,* That the remaining balance of available federal AIDS drug assistance program (ADAP) earmarked funds shall be transferred from the department of health and environment to the department of social and rehabilitation services on July 1, 2002, and credited to the Ryan White title II federal fund: That available federal ADAP earmarked funds shall be transferred from the department of health and environment to the department of social and rehabilitation services and credited to the Ryan White title II federal funds after the beginning of the federal grant fiscal year on April 1, 2002: *And provided further,* That the department of social and rehabilitation services shall provide AIDS drugs assistance to clients eligible under department of health and environment Ryan White title II established eligibility standards in accordance with a drug formulary established by a joint agreement entered into by the secretary of health and environment, the secretary of social and rehabilitation services and the federal health resources and services administration mandated advisory bodies, which is hereby authorized to be entered into: *And provided further,* That the department of health and environment shall continue to administer all Ryan White title II program services other than the provision of AIDS drugs including establishing eligibility standards and coordinating eligible clients with the department of social and rehabilitation services: *And provided further,* That the secretary of health and environment and the secretary of social and rehabilitation services shall enter into an interagency agreement, which is hereby authorized to be entered into, to facilitate the provision of medications under the AIDS drug assistance program by the department of social and rehabilitation services and such agreement shall include, but not be limited to, the following provisions: (1) Provisions relating to coordination for the identification of eligible clients, (2) provisions to provide the federal health resources and services administration required reports, and (3) provisions for joint staff access to appropriate data systems as indicated to provide federally mandated effective clinical quality management, including utilization review for affected clients of the two departments.

Parent Participation

In addition to the other purposes for which expenditures may be made by the department of social and rehabilitation services from moneys appropriated from the state general fund or any special revenue fund for fiscal year 2003 for the department of social and rehabilitation services as authorized by this or other appropriation act of the 2002 regular session of the legislature, expenditures shall be made by the secretary of social and rehabilitation services for fiscal year 2003 to fix, charge and collect fees from parents for services provided to their children by an institution or program of the department of social and rehabilitation services: *Provided*, That, in accordance with the provisions of federal law, the secretary of social and rehabilitation services shall not deny services to children under the home and community based services programs or the family preservation program based on the failure of any parent to pay such fees: *Provided further*, That such fees shall be fixed by adoption of a sliding fee scale established by the secretary of social and rehabilitation services based on recommendations made by a working group including employees of the department, representatives of stakeholder organizations and family members and such fees shall take into consideration the parents' income and ability to pay, shall be reasonable and shall be fixed in order to recover all or part of the expenses incurred in providing such services: *And provided further*, That such fees shall be waived in cases of demonstrable hardship and for families at or below 200% of the federal poverty level who are receiving home and community based services or family preservation services: *And provided further*, That the secretary of social and rehabilitation services shall prepare and deliver a letter to the parents of every child who is receiving such services to express the need for payment of such fees to be made to the extent of their financial ability to do so: *And provided further*, That all moneys received by the department of social and rehabilitation services for such fees shall be deposited in the state treasury to the credit of the social welfare fund: *And provided further*, That at the beginning of the 2003 regular session of the legislature, the secretary of social and rehabilitation services shall submit a report to the committee on appropriations of the house of representatives, the committee on ways and means of the senate and to other appropriate standing and joint committees of the legislature on the status and the results of the fees collection program.

Funeral Assistance Program

Provided, That notwithstanding any provisions of K.S.A. 39-713d, and amendments thereto, to the contrary, expenditures shall be made by the secretary of health and environment from this fund for fiscal year 2003 for burial expenses otherwise in accordance with the provisions of K.S.A. 39-713d, and amendments thereto, from the amount of moneys transferred to this fund from the state general fund for such purposes: *And provided further*, That the secretary of social and rehabilitation services and the secretary of health and environment shall enter into an interagency agreement, which is hereby authorized to be entered into, to facilitate the identification of eligible public assistance recipients who qualify for the funeral assistance program administered by the secretary of health and environment for fiscal year 2003; *And provided further*, That expenditures from this fund for such burial assistance program for fiscal year 2003 shall not exceed \$470,000.

Attachment G

Department of Social and Rehabilitation Services
August 2002 Allotment Reductions
to the FY 2003 Approved
(in millions)

Description	FY 2003 Allotment SGF	FY 2003 Allotment All Funds
Reduce Family Preservation services	\$1.00	\$1.01
Reduce Child Support Enforcement contracts	1.55	4.65
Head Injury Waiver	0.60	1.51
Local Office closures, State Hospital staff reductions, and other administrative reductions	0.57	1.14
Medicaid cost avoidance	2.30	5.78
Total	\$6.02	\$14.09

Department of Social and Rehabilitation Services
November 2002 Allotment Reduction
to the Submitted Budget
(in millions)

Description	FY 2003 Allotment SGF	FY 2003 Allotment All Funds
<i>Administration</i>		
<u>Reduced Resources</u>		
Increase SRS Central Office Shrinkage from 7.25% to 17% for FY 03 <ul style="list-style-type: none"> • 1 out of every 6 positions will be kept vacant. • This represents a reduction in workforce. 	(0.84)	(2.31)
Reduce Information Technology contracts & OOE	(1.90)	(5.31)
<u>Additional Reductions to Reach Allotment</u>		
Reduce SRS travel & supply expenditures	(0.18)	(0.49)
Other shifts and Administrative reductions	(1.59)	(0.50)
State Hospital hiring freeze and/or workforce reductions <ul style="list-style-type: none"> • 1 out of every 9 positions will be kept vacant. • This represents a reduction in workforce. 	(0.76)	(0.76)

Description	FY 2003 Allotment SGF	FY 2003 Allotment All Funds
Reduce State Hospital OOE expenditures <ul style="list-style-type: none"> Reduce maintenance and upkeep of hospital buildings and grounds and supplies available for administration and resident use. 	(0.75)	(0.75)
Increase SRS Field Office Shrinkage rate from 7.25% to 12% for FY 03 <ul style="list-style-type: none"> 1 out of every 8 positions will be kept vacant. 	(2.35)	(5.35)
<i>Community Based Grants and Contracts</i>		
<u>Reduced Resources</u>		
Reduce Child Care Quality and Head Start grants <ul style="list-style-type: none"> The Kansas Early Head Start program by \$300,000. Approximately 70 children and 82 families will be affected by the reduction in Early Head Start funding. Grants to improve the quality of care will be reduced by \$1.4 million affecting the funding for the following: accreditation, infant/toddler slots, provider start-up funding, training, education, provider recruitment, and resource and referral services 	(0.68)	(1.70)
Reduce Child Welfare grants <ul style="list-style-type: none"> Elimination of the Kansas Legal Services contract could affect approximately 180 children who may not receive assistance in obtaining federal disability. Additional funding for the training and recruitment of foster parents will be eliminated. 	(0.28)	(0.59)
Reduce Community Mental Health Center State Aid <ul style="list-style-type: none"> Reduce formula grants to Community Mental Health Centers (CMHC) that support their general provision of services and infrastructure. Some CMHCs use these funds as certified match for federal Medicaid. 	(2.50)	(2.50)
Reduce Community Developmental Disability Organization State Aid <ul style="list-style-type: none"> Reduce formula grants to Community Developmental Disability Organization (CDDO) that support their general provision of services and infrastructure. Some CDDOs use these funds as certified match for federal Medicaid. 	(2.00)	(2.00)
<u>Additional Reductions to reach Allotment</u>		
Reduce Medical Policy grants <ul style="list-style-type: none"> Reduce various administrative grants including incentive payments for diversion of people from private acute care psychiatric hospital admission. 	(0.15)	(0.21)
Reduce other Miscellaneous Grants and Contracts	(0.85)	(1.54)
Reduce Substance Abuse Prevention & Treatment grants <ul style="list-style-type: none"> Reduce grants not directly related to direct consumer services. 	(0.05)	(0.50)
<i>Eligibility</i>		
<u>Reduced Resources</u>		
Eliminate grandfathering for those whose PD Waiver LOC score is between 16 and 25 <ul style="list-style-type: none"> The level of care eligibility score for the PD waiver was raised from 16 to 25 in 1999. Persons already being served were allowed to remain in service. 350 persons will be removed from PD waiver funded services 	(0.33)	(0.84)
Reduce Child Care eligibility 185% FPL to 150% FPL for FY 03 and to 160%	(0.83)	(2.09)

Description	FY 2003 Allotment SGF	FY 2003 Allotment All Funds
FPL for FY 04 <ul style="list-style-type: none"> • The maximum income to receive child care subsidies for a family of three will decrease from \$2,316 to \$1,878 per month, a 19 percent reduction. • Approximately 1,288 families and 2,092 children will lose their eligibility for subsidies. 		
Reduce Protected Income Level for Waivers to \$645 <ul style="list-style-type: none"> • The PII allows persons served with waiver funding to keep higher amounts of income for housing, utilities, food and transportation. This lowers the amount these persons are allowed to keep for these expenses by requiring them to pay more for medical care. The average additional amount paid by these persons will be \$516 per year. • 1,205 persons on the DD waiver • 1,160 persons on the PD waiver • 42 persons on the Head Injury (HI) waiver 	(0.19)	(0.47)
<u>Additional Reductions to reach Allotment</u>		
Raise Physical Disability Waiver Level of Care Score to 30 but grandfather those in service <ul style="list-style-type: none"> • 118 of the 674 persons on the waiting list would not qualify for PD waiver services 	(0.05)	(0.12)
<i>Rate Reductions</i>		
<u>Reduced Resources</u>		
Reduce Pharmacy Reimbursement rate to Average Wholesale Price - 13% <ul style="list-style-type: none"> • Reimbursement for branded pharmaceuticals will be reduced from the average wholesale price (AWP) minus 11 percent to AWP minus 13 percent. 	(0.21)	(0.53)
Reduce inpatient acute care hospital reimbursement rate <ul style="list-style-type: none"> • Reduce hospital rates by paying the lesser of the diagnostic related groupings (DRG) or the charged amount, reduce payments to out of state hospitals, paying less for costs above the DRG, and making no payments for medical education services. 	(0.09)	(0.24)
Reduce Medical Transportation reimbursement rate <ul style="list-style-type: none"> • Reduce the base rate paid for Medicaid covered transportation from \$20 per trip to \$10 per trip. 	(0.50)	(1.25)
Reduce Acute Care Hospital rate by 10% from the consensus in FY 03	(0.52)	(1.30)
<u>Additional Reductions to reach Allotment</u>		
Reduce MediKan rate to Community Mental Health Centers	(0.47)	(0.47)
Reduce Foster Care contract rate by 5% (FY03) & 4.4% (FY04)	(1.34)	(1.95)
Reduce Family Preservation contract rate by 2.5%	(0.01)	(0.11)
Reduce Adoption contract rate by 2.5%	(0.25)	(0.36)
Reduce PD Waiver rate 2.5% of the approved	(0.14)	(0.37)
Reduce HI Waiver rate 2.5% of the approved	(0.02)	(0.04)
Reduce DD Waiver rate 5% of the approved	(0.98)	(2.45)

Description	FY 2003 Allotment SGF	FY 2003 Allotment All Funds
<i>Services</i>		
<u>Reduced Resources</u>		
Limit the Number of Branded Prescriptions covered by Medicaid to five per month <ul style="list-style-type: none"> • The number of branded drugs covered by Medicaid for each person in the program will be limited. Persons on Medicaid and their physicians will need to switch to generics, prioritize their medications, or seek other funding for branded medications above the limit. Generic drugs will not be limited. 	(1.40)	(3.50)
Triple CHIP Premiums from \$10 to \$30 and \$15 to \$45 based family income in FY 03; from \$10 to \$20 and \$15 to \$30 in FY 04 <ul style="list-style-type: none"> • HealthWave premiums will be increased from \$10 to \$30 and \$15 to \$45 depending on family income. • 5,800 families will be subject to higher premiums • 2,950 children could drop coverage based on national studies of experiences in other states. 	(0.09)	(0.33)
Reduce Physical Disability Waiver funding approved for the PD waiver waiting list <ul style="list-style-type: none"> • The additional appropriation for serving more people on the PD waiver waiting list will not be used. • 156 fewer persons will be served on the PD waiver 	(1.00)	(2.50)
Reduce family preservation services <ul style="list-style-type: none"> • Approximately 451 families will not receive services as a result of the reduction in this program. 	(1.39)	(1.75)
Reduce CFP Family Services/Community Services <ul style="list-style-type: none"> • Approximately 6 families will not receive services as a result of the reduction in Family Services. 	(0.03)	(0.06)
Eliminate one-half of the emergency shelter case management funding <ul style="list-style-type: none"> • Approximately 3,636 children may not receive case management services as a result of the elimination of this funding which could result in fewer benefits for early intervention. 	(0.60)	(0.60)
Retroactive Start Date for General Assistance and MediKan	0.00	0.00
<u>Additional Reductions to reach Allotment</u>		
Limit prescription drug supply to 31 days	(0.20)	(0.50)
Require prior authorization to access Cox II anti-inflammatory drugs <ul style="list-style-type: none"> • Cox IIs are second level anti-inflammatory drugs intended for use by the elderly, persons with ulcers, or persons on medication that cause gastro-intestinal distress. Data suggest these drugs are frequently prescribed to persons without these indications. Medicaid payments for Cox IIs will be limited to persons whose medical history require these drugs. 	(0.20)	(0.63)
Reduce Family Support for Developmental Disability Waiver <ul style="list-style-type: none"> • Families with minor or adult children living at home receive attendant care services funded by the DD waiver. • The number of hours of services these families receive will be reduced • 2,200 families may receive fewer services 	(0.40)	(1.00)

Description	FY 2003 Allotment SGF	FY 2003 Allotment All Funds
Eliminate the Protection Reporting Center (eliminate 9 FTE) <ul style="list-style-type: none"> • Services will be redistributed among central office and area offices. • This represents a reduction in workforce. 	(0.05)	(0.08)
Eliminate Medicaid coverage for incontinence supplies <ul style="list-style-type: none"> • 513 persons will not have diapers purchased through Medicaid for incontinence 	(0.17)	(0.42)
Eliminate Medicaid coverage for adult vision <ul style="list-style-type: none"> • 10,500 persons will not receive eye examinations or glasses. 	(0.21)	(0.46)
Eliminate Medicaid coverage for adult audiology <ul style="list-style-type: none"> • 4,500 person will not receive hearing tests or hearing aids 	(0.08)	(0.17)
Total	(26.62)	(49.09)

Additional Program Reductions:

Consolidate Rainbow Mental Health Facility (RMHF) with
Osawatomie State Hospital (OSH)

\$0.5

\$0.5

Attachment H

SRS Offices Targeted for Closure in FY 2003

County	City	Area	County	City	Area
Chase	Cottonwood Falls	Emporia	Lane	Dighton	Garden City
Clay	Clay Center	Manhattan	Lincoln	Lincoln	Manhattan
Clark	Ashland	Garden City	Mitchell	Beloit	Manhattan
Coffey	Burlington	Emporia	Nemaha	Seneca	Manhattan
Comanche	Coldwater	Garden City	Ness	Ness City	Garden City
Ellsworth	Ellsworth	Manhattan	Ottawa	Minneapolis	Manhattan
Grant	Ulysses	Garden City	Republic	Belleville	Manhattan
Gray	Cimarron	Garden City	Stanton	Johnson City	Garden City
Greeley	Tribune	Garden City	Wabaunsee	Alma	Manhattan
Jewell	Mankato	Manhattan	Washington	Washington	Manhattan
Kearny	Lakin	Garden City	Woodson	Yates Center	Chanute

Highlights of the Governor's FY 2003/2004 Budget for SRS:

The FY 2003 Budget:

- Adds \$18.8 million SGF to fund consensus caseload estimates;
- Does not restore any FY 2003 allotment reductions;
- Does not fund supplemental requests, such as HealthWave caseloads;
- Will require SRS to pend claims to major medical providers for 12 days.

The FY2004 Budget:

- Funds SRS and Aging caseloads;
- Fully funds the HealthWave caseloads, doubles instead of triples premiums, and retains current eligibility and benefits;
- Restores child care eligibility to 185 percent of federal poverty level;
- Added funding to help move the DD and PD waiting lists. SRS still expects waiting lists to grow in the next year;
- Optional medical services – restored funding to pay for vision, audiology, and incontinence supplies;
- Protected Income Level – raised the level of income a person may receive each month and still qualify for services back to \$716;
- Restores Early Head Start grant funds;
- Provides for Medicaid insurance coverage for children aging out of foster care;
- Delays implementation of General Assistance/MediKan 24-month time limit by six months to January 2004;
- Assumes SRS office closure/service redesign plan is implemented in FY 2003;
- Funds Rainbow Mental Health Facility, which will allow it to remain open beyond July 1, 2003.

Items that were cut in the FY 2003 allotment that are restored in whole or in part in FY 2004:

- Restores protected income level back to \$716;
- Restores child care eligibility to 185% FPL;
- Restores audiology, vision and incontinence supplies for Medicaid recipients;

Attachment I

- Lowers physical disability waiver level of care score back to 26;
- Fully funds emergency shelter case management services;
- Doubles Health Wave premiums, instead of tripling them;
- Restores rate reductions in HCBS waiver programs;
- Restores Early Head Start Funding;
- Partially restores state aid funds to CMHCs and CDDOs, leaving a \$1.5 million SGF reduction in FY 2004 in each system;
- Restores child welfare family and community services funding to the FY 2002 level;
- Restores the children's SSI advocacy and GA disability advocacy contracts;

Reduced Resources or Base Budget Proposals Not Adopted or Modified by the Governor:

- Provides funding to allow Rainbow Mental Health Facility to remain open after July 1, 2003;
- Preserves current HealthWave eligibility levels and benefit package and fully funds caseload;
- Imposes 24-month GA/MediKan time limit effective in January, 2004 instead of in July 2003 as proposed in our budget and adds resources for intensive case management for persons who might lose coverage;

Additional Investments Recommended by the Governor:

- Funds Medicaid coverage for children aging out of foster care;
- Adds \$3.0 million SGF for the physical and developmental disability waiting lists;
- Funds the parent feels shortfall;
- Funds the sexual predator program census and transition program costs;

Agency Operations and State Employee Issues:

- 1.5% cost of living increase for state employees effective in July 2003;
- Continues to require increased shrinkage in all parts of SRS (central office 17%, field offices 12%).

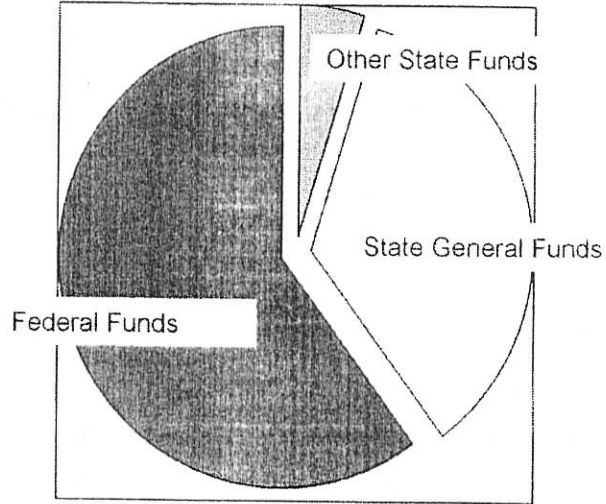
Reductions which continue or begin in FY 2004:

- Reduced provider reimbursement rates for hospitals, pharmacies, ICF-MRs, child welfare providers;
- Ten percent reduction in family support services for families on the developmental disability waiver;
- Limits the number of branded prescriptions that Medicaid recipients can access;
- Tightens eligibility for TransMed program to require reapplication at six months;
- Continued growth in HCBS waiting lists, despite addition of some new resources;
- Prior authorization of Cox II Anti-Inflammatory Drugs;
- Reductions in medical transportation;
- Continues grant and contract reductions throughout the department;
- CDDO Administration reductions;
- SRS administrative, staffing and operating reductions;
- CMHC and CDDO state aid reductions;
- CMHC/MediKan rate reductions
- Funds SRS and Aging caseloads;
- Fully funds the HealthWave caseloads, doubles instead of triples premiums, and retains current eligibility and benefits;
- Restores child care eligibility to 185 percent of federal poverty level;
- Added funding to help move the DD and PD waiting lists. SRS still expects waiting lists to grow in the next year;
- Optional medical services—restored funding to pay for vision, audiology, and incontinence supplies;
- Protected Income Level—raised the level of income a person may receive each month and still qualify for services back to \$716;
- Restores Early Head Start grant funds;
- Provides for Medicaid insurance coverage for children aging out of foster care.
- Delay in implementing General Assistance/MediKan 24-month time limit by six months to January, 2004;
- Assumes SRS office closure/service redesign plan is implemented in FY 03;
- Funds Rainbow Mental Health Facility, which will allow it to remain open until July 1, 2003.

SRS Expenditures by Revenue Source



FY 2004 Budget – Governor’s Budget Recommendation (In millions)



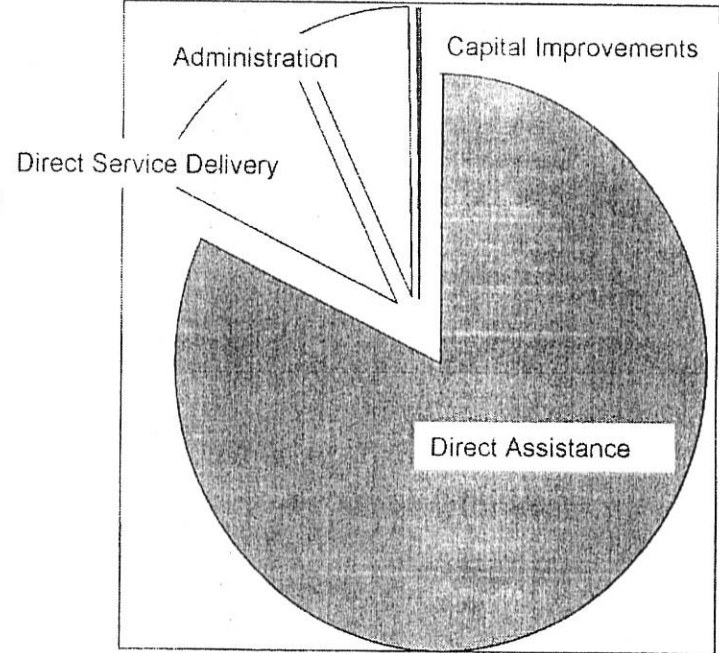
Total \$2,255.3
(Totals may not add due to rounding)

State General Funds	\$793.3 (35.2%)
Federal Funds	\$1,357.6 (60.2%)
Other State Funds	\$104.3 (4.6%)
Fee Funds	\$61.6
Children’s Initiative Fund (tobacco)	\$27.1
Intergovernmental Transfer	\$8.0
State Building Fund	\$7.6

SRS Expenditures by Category

FY 2004 Budget – Governor’s Budget Recommendation (in Millions)

Direct Service Delivery	\$238.1 (10.6%)
Administration	\$157.4 (7.0%)
Capital Improvements	\$7.9 (.35%)
Direct Assistance	\$1,851.9 (82.1%)
Cash Assistance	\$67.1
Child Care & Employment	\$73.2
Medical Assistance	\$1,098.1
Substance Abuse	\$20.4
Mental Health	\$71.2
Developmental & Physical	
Disability	\$302.0
Children & Family	\$184.0
Rehabilitation Services	\$22.1
Other	\$13.8



Total \$2,255.3

Totals may not add due to rounding

A Decade in Kansas Child Welfare

- January 1989 - Sheila A. v. Joan Finney (89-CV-33) filed in Shawnee County District Court by Renee Netherton, a local attorney.
- February 1990 - Children's Rights Project of the American Civil Liberties Union filed an amended petition and joined Ms. Netherton in a class action lawsuit.
- 1993 - Settlement agreement for Sheila A. originally received court approval. The agreement was extended twice. The 33 page settlement agreement contained 153 requirements SRS had to adhere to by certain deadlines.
- July 1996 - Family preservation services were privatized. Family preservation is available 24/7 in all 105 counties instead of just 44 counties. The privatization contracts contained measurable outcomes for safety, permanency, and well-being.
- October 1996 - Adoption services are privatized.
 - In 1996 Kansas finalized 292 adoptions. 1997 thru 2002 Kansas averaged 530 adoptions per year.
 - In 1996 1,322 children received adoption subsidy. In FY 2003 it is estimated over 4,384 children will receive adoption subsidy.
 - The dissolution rate for adoptions in Kansas is 2.4 percent compared with 12 percent nationally.
 - Adoption workers are available to families 24/7.
- February 1997 - Foster care services are privatized.
 - In 1996, on the average, 4,674 children were in foster care out of home placement on any given day. Today 3,057 children, a decline of 1,617, are in out of home placement.
 - Foster care workers are available to families 24/7.
 - Foster parents go from receiving \$10.12 a day to \$18 - \$20.
 - Today 85% of children in need of care are in family foster homes rather than group homes or institutions. Two years ago it was 67%.
 - In Kansas 8% of the children who enter foster care are re-entering the system; nationally it is 22%.
 - 70% of the children in foster care are in their home or contiguous county.
 - Child abuse / neglect substantiations went from 11%, well below the national average to 28%. Thirty percent more child protective service workers are doing investigations.
- April 1997 - A Task Force is formed by Judge James Buchele, the Shawnee County District Court Judge originally assigned the case. The goal was to bring SRS into

Attachment K

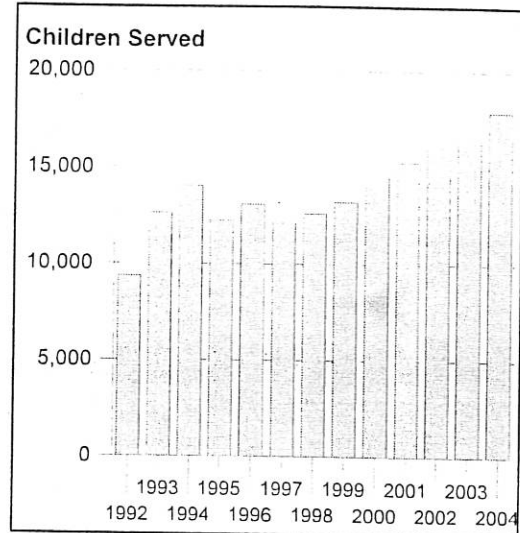
substantial compliance with the settlement agreement within a reasonable time.

- June 30, 2002 - "Kansas child welfare services is now the first statewide system to successfully exit a settlement agreement, said Susan Lambiose, an attorney with the children's advocacy group, Children's Rights Inc. (CRI). And it has done so largely because of a high degree of accountability and openness..." Child Protection Report, July 4, 2002
- August 2001 - Kansas is the first state in Region VII to undergo the Child and Family Services Review. In September 2002 the state Program Improvement Plan (PIP) is approved.
- September 2002 - Kansas is the first state to pass the Title IV-E Secondary Review by the federal government.

**Kansas Department of Social and Rehabilitation Services
Integrated Service Delivery Division
Economic and Employment Support**

Child Care Assistance History

Fiscal Year	Average Monthly Children	Pct Chg	Monthly Cost Per Child	Total Expenditures
1992	9,354		\$170	\$19,090,697
1993	12,632	35%	\$179	\$27,057,104
1994	14,043	11%	\$185	\$31,104,536
1995	12,250	-13%	\$172	\$25,212,310
1996	13,107	7%	\$173	\$27,278,340
1997	12,144	-7%	\$192	\$27,989,474
1998	12,617	4%	\$217	\$32,851,350
1999	13,232	5%	\$237	\$37,610,070
2000	14,524	10%	\$254	\$44,225,595
2001	15,312	5%	\$254	\$46,635,800
2002	16,151	5%	\$262	\$50,815,601
2003 est	16,340	1%	\$282	\$55,359,259
2004 est	17,917	10%	\$284	\$61,141,777



Children Served. The number of children receiving child care subsidies increased 75 percent between fiscal years 1992 and 2003. The present income limit for families receiving child care assistance is 185 percent of the federal poverty level. For a family of three, this equates to \$2,316 per month. Federal funding constraints during fiscal years 1995 to 1997 required a series of policy reductions, resulting in a decrease in the number of children served. Subsequently, increased federal funding under welfare reform allowed the program to expand. Following welfare reform, the dramatic reduction in families receiving welfare and the stricter work requirements for adults receiving welfare combined to increase the need and demand for child care. As a result, the number of children receiving child care increased consistently. Recently, the caseload has increased by 5.5 percent each year.

The allotment reduction, effective from February to June 2003, will decrease the child care income limit from 185 percent of the federal poverty level to 150 percent of the federal poverty level. For a family of three, the maximum monthly income limit will decrease from \$2,316 to \$1,878. As a consequence of the allotment measure, 2,092 children are projected to lose assistance. Families losing eligibility may not be able to afford to pay the full cost of child care, particularly if the family has more than one child or a child requiring more expensive care like infants, toddlers, or a child with disabilities. SRS is concerned that some of these parents may be forced to quit employment due to the loss of this subsidy. As shown by the number of children served in the table for FY 2004, the Governor's Budget Recommendation restores the income limit to 185 percent of the federal poverty level in FY 2004.

The average monthly children served in FY 2003 displays an increase, despite the allotment affecting 2,092 children. Without the allotment, the estimated average monthly children served was 17,037. The estimated 2,092 children losing benefits during the final months of FY 2003 converts to an average monthly caseload reduction of 697 (i.e. 2,092 children * 5 month allotment duration / 12 months). The

17,037 monthly children less the allotment impact of 697 results in 16,340 monthly children.

Monthly Cost. The monthly cost per child is primarily dependent upon on the number of hours of care provided, the hourly rates paid by the department, and the family share charged to families above 70 percent of the federal poverty level.

Hours of Care. The monthly hours of care increased from an average of 113 prior to welfare reform to 133 after welfare reform. This increase is due to the increase in the number of hours required of adults in work activities, and the increase in low-income, employed families who require child care to keep employed.

Hourly Rates. The department sets hourly rates according to three primary variables. The first variable is location, defined as urban, near urban, and the balance of counties. Providers in urban areas receive higher hourly payments, while those in non-urban areas receive lower reimbursements. Secondly, the rate varies by provider type: child care centers, licensed providers, and registered providers. Centers receive the highest reimbursement, and registered providers receive the lowest. Finally, rates vary by the age of the child. Infants and toddlers receive higher rates than school age children. In adjusting rates, the department generally resets the reimbursement level to the 60th or 70th percentile of prevailing rates, based on biennial market rate surveys. Effective February 1, 2002, the department has reimbursed providers at the 65th percentile for child care centers and licensed homes, and at the 60th percentile for registered homes. The U.S. Department of Health and Human Services encourages states to pay providers at the 75th percentile or above. Since FY 1992, rate adjustments were implemented in 1993, 1995, 1997, 1999, 2002. Because the three recent rate adjustments were made in mid-fiscal year, the full impact of the rate increase on the monthly cost per child is manifested in the year following the rate increase.

Family Share. Families above 70 percent of the federal poverty level are assessed a monthly co-payment based on family size and income. For incomes above 70% of the poverty level, the co-payment progresses from \$22 per month (approximately 2 percent of a family of three's income) to a maximum of \$233 per month (10.2 percent of a family of three's income). The Family Share Schedule is attached.

The most recent market rate survey asked child care facilities to indicate the factors which affect the setting of their rates. The next table summarizes the providers' responses:

Factor	Centers	Licensed	Registered
Overall operating costs	56.0%	34.5%	19.0%
Staff salaries/training costs	55.6%	10.9%	3.1%
Level of staff education/training	32.6%	9.5%	2.8%
Prevailing rates in the community	25.8%	29.3%	19.0%
Profit level desired	11.6%	15.1%	11.1%
SRS payment schedule	10.7%	17.3%	7.8%
Number of children with special needs	4.3%	8.7%	3.7%

Cost of Transportation, Food and Other Activities. The market rate survey does not address the cost of transportation, food or other activities. Thus, we do not base our rates on the cost of these items and, therefore, do not ask the contractors to provide this information to us.

Attachment L

Kansas Department of Social and Rehabilitation Services
 Monthly Family Income and Share Schedule for Child Care Services

Effective May 1, 2002

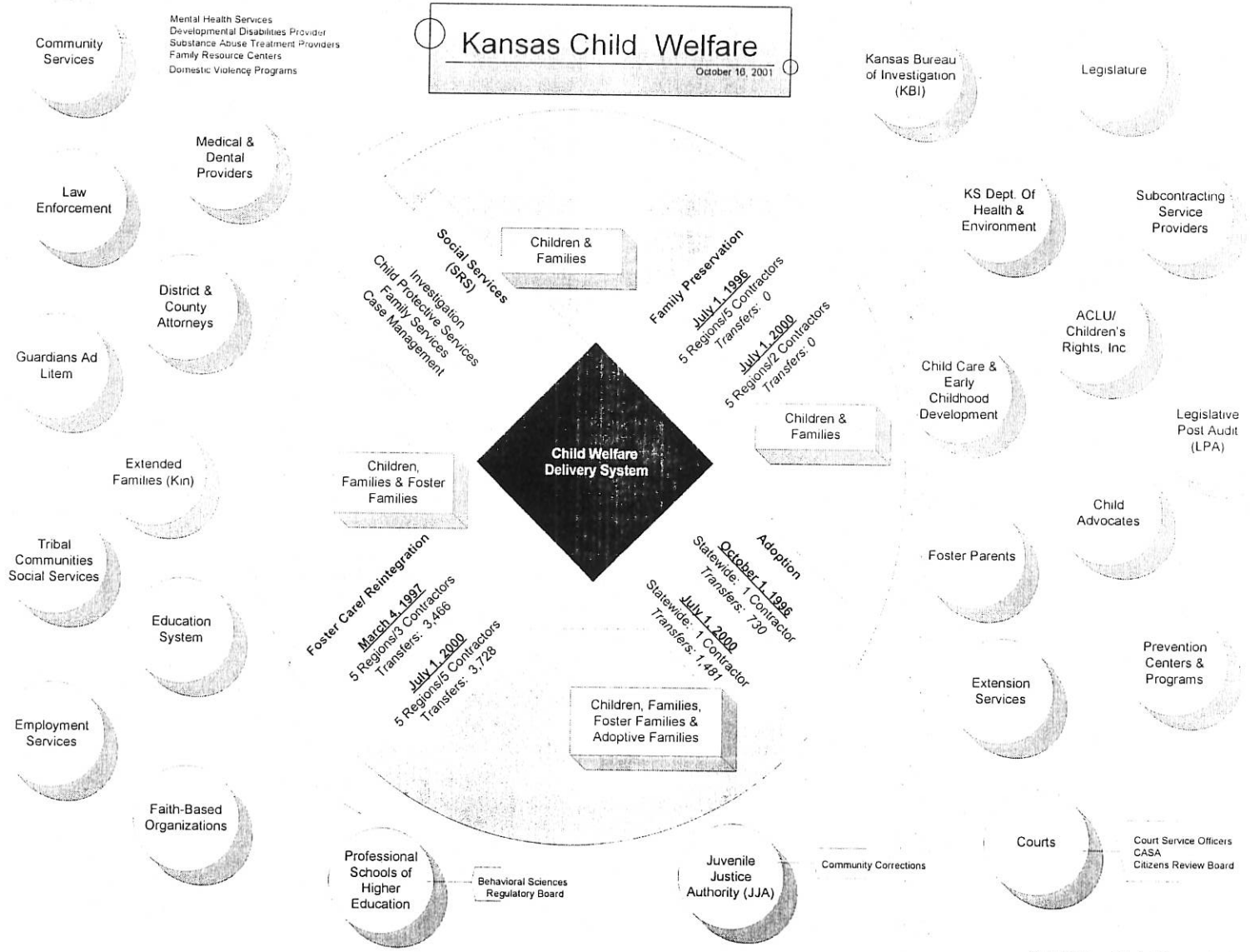
Each family determined eligible for Child Care based on income shall be assessed a monthly share based on family size and monthly gross income. The monthly fee shown on the chart below for each income level and family size is the "family share" the parent or guardian pays the child care provider monthly toward the cost of care for all children receiving care.

Notes:

1. There is only one family share schedule for all families paying a "family share". Income should be rounded to the nearest dollar.
2. The family's income must be equal to or under the "Income Limit" amount.

Family Members	Level I 70% of Poverty		Level II 100% of Poverty		Level III 110% of Poverty		Level IV 120% of Poverty		Level V 130% of Poverty		Level VI 140% of Poverty		Level VII 150% of Poverty		Level VIII 160% of Poverty		Level IX 170% of Poverty		Level X 180% of Poverty		Level XI 185% of Poverty	
	Income Limit	Mo Fee	Income Limit	Mo Fee	Income Limit	Mo Fee	Income Limit	Mo Fee	Income Limit	Mo Fee	Income Limit	Mo Fee	Income Limit	Mo Fee	Income Limit	Mo Fee	Income Limit	Mo Fee	Income Limit	Mo Fee	Income Limit	Mo Fee
2	\$697	\$0	\$995	\$18	\$1,095	\$46	\$1,194	\$63	\$1,294	\$84	\$1,393	\$110	\$1,493	\$141	\$1,592	\$165	\$1,692	\$175	\$1,791	\$186	\$1,841	\$197
3	876	0	1,252	22	1,377	58	1,502	79	1,628	106	1,753	138	1,878	177	2,003	207	2,128	220	2,254	233	2,316	243
4	1,056	0	1,508	27	1,659	70	1,810	95	1,960	127	2,111	166	2,262	213	2,413	249	2,564	265	2,714	281	2,790	293
5	1,236	0	1,765	31	1,942	82	2,118	112	2,295	149	2,471	194	2,648	250	2,824	291	3,001	310	3,177	329	3,265	343

Attachment M



Child Welfare Circle Chart.vsd - cjc