

MINUTES OF THE HOUSE HEALTH AND HUMAN SERVICES COMMITTEE.

The meeting was called to order by Chairperson Jim Morrison at 1:35 p.m. on March 19, 2003, in Room 243-N of the Capitol.

All members were present except Representatives Landwehr, Bethell, and DeCastro, all of whom were excused.

Committee staff present:

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

Conferees appearing before the committee:

Sally Finney, Executive Director, Kansas Public Health Association  
Lesa Roberts, Bureau of Consumer Health, Kansas Department of Health and Environment  
Barry Brooks, Program Director, Bureau of Consumer Health, KDHE  
Terry Lambert, Chief Executive Officer, Newman Memorial Hospital, Emporia  
Tom Bell, Executive Vice President, Kansas Hospital Association

Others attending: See Attached Guest List

The Chairman announced that in reconsidering the committee schedule, sub-committees would not meet Friday and probably not on Monday.

The minutes for the 3-17 meeting were approved.

Representative Phelps chaired the hearing on **SB 204**. He welcomed Sally Finney, Executive Director, Kansas Public Health Association, who spoke in support of the bill, saying that KPHA had supported the original act and continues to see the need for educational initiatives to protect children from lead-based paints. (Attachment 1) Answering questions, she said that lead-based paints are no longer used for residential use, but are used in some commercial paints. She stated that federal standards apply to homes built after 1978, so prevention activities focus on older homes, noting that by testing children, inspectors often discover sources of lead contamination in homes.

Lesa Roberts, Bureau of Consumer Health, Kansas Department of Health and Environment (KDHE), testified in support of the bill, noting that 72% of Kansas homes were built before 1978. (Attachment 2) She said by focusing on children who test positive for lead in their system, inspectors usually discover two sources for lead poisoning in homes: old deteriorated paint, or remodeling which disturbs old paint. She observed that 40% of children with elevated lead levels had been exposed to remodeling in the previous 6 months. Such elevated levels impair neurological functions and limit a child's ability to learn. Ms. Roberts said that KDHE receives no State General Fund dollars; except for a few fee-based services, all funding comes from the federal government. Answering questions, she said a remodeler can call a certified inspector, who can identify the presence of lead in a home.

## CONTINUATION SHEET

MINUTES OF THE HOUSE HEALTH AND HUMAN SERVICES COMMITTEE at on March 19, 2003, in Room 243-N of the Capitol.

Barry Brooks, Program Director, Bureau of Consumer Health, KDHE, explained that the Bureau can provide a list of certified inspectors, or a person may obtain the information from the agency's website. He said the Bureau works with health departments because most county health departments encounter many of the risk factors for lead poisoning. Representative Reitz noted that lead poisoning can occur not only from ingestion, but from inhalation. Mr. Brooks said a person cannot ingest lead from eating meat; however, contaminated soil can affect vegetables grown in the soil.

The Chair closed the hearing on **SB 106**.

The hearing on **SB 151** was chaired by Representative Neighbor, who welcomed Terry Lambert, Chief Executive Officer, Newman Memorial Hospital in Emporia. Mr. Lambert testified in support of the bill, saying that private hospitals presently are allowed to become involved in joint ventures, but county and district hospitals are not. (Attachment 3 includes written testimony) He stated that the bill will provide a level playing field, enabling public hospitals to have a choice to join in a joint venture if they wish to do so. He noted that the term "majority control" in the bill had been inadvertently added, a term that could hamper investments and relationships. He recommended deleting the term.

Tom Bell, Executive Vice President, Kansas Hospital Association, spoke in support of the bill, saying that there are about 60 county and district hospitals in the state, most of whom are small rural hospitals which would benefit by passing this bill. (Attachment 4) Answering questions, Mr. Bell said district hospitals are usually small municipal hospitals. Asked how small hospitals can survive on Medicare payments, he said a new federal initiative, Critical Access, increases reimbursement for small hospitals.

The Chair noted written testimony provided for members, and then closed the hearing on **SB 151**.

A motion was made, seconded, and passed to open discussion on **SB 106**.

A motion was made and seconded to recommend **SB 106** favorable for passage.

By motion and second, an amendment was offered to change the spelling from *complement* to *compliment* (Page 1, line 31). The motion passed.

After further discussion regarding the cost to the agency to carry on the work of Healthy Kansans 2000, a motion was made and seconded to table the bill. The motion passed 9-8.

A motion was made, seconded and passed to recommend **SB 204** favorable for passage and to place it on the Consent Calendar.

In considering **SB 151**, a motion was made and seconded to amend the bill by striking the words "majority control" on page 1, line 39, and page 4, line 23; two other changes were necessary to make the wording and meaning consistent with striking "majority control." (page 2, lines 22-23; page 5, lines 6-7). The

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MINUTES OF THE HOUSE HEALTH AND HUMAN SERVICES COMMITTEE at on March 19, 2003, in Room 243-N of the Capitol.

motion passed. (See Attachment 5)

A motion was made, seconded and passed to recommend **SB 151** as amended favorable for passage.

The meeting was adjourned at 2:43 p.m. The next meeting is scheduled for Thursday, March 20, 2003.



To: House Committee on Health and Human Services  
From: Sally Finney, CAE, Executive Director  
Re: Senate Bill 204  
Date: March 19, 2003

The Kansas Public Health Association supports Senate Bill 204. KPHA is a non-profit membership organization dedicated to promoting sound public health programs and policies in Kansas. Lead poisoning has serious consequences, especially for children, and providing education to prevent it is certainly good public health policy.

Lead poisoning is preventable. Extending the sunset on the current childhood residential lead poisoning prevention act will allow Kansans to continue to receive the kind of education and training they need to prevent lead poisoning.

KPHA was intimately involved in the passage of the original act. Our involvement was prefaced on the faith that the Kansas Department of Health and Environment's lead program would be able to deliver the promises it made in 1999, securing federal funding to support the program and delivering quality services to professionals and members of the general public who have an interest in preventing exposure to lead. We believe KDHE has delivered what it promised and must be allowed to continue its work in preventing residential cases of childhood lead poisoning. Therefore, I ask on behalf of the members of the Kansas Public Association that you support SB 204.

Thank you.

Attachment 1  
HHS 3-19-03



**K A N S A S**

RODERICK L. BREMBY, SECRETARY

DEPARTMENT OF HEALTH AND ENVIRONMENT

KATHLEEN SEBELIUS, GOVERNOR

**Testimony presented to  
House Committee on Health and Human Services**

by

**Lesa Roberts, Director  
Bureau of Consumer Health  
Kansas Department of Health and Environment  
March 19, 2003**

Chairman Morrison and members of the committee, thank you for the opportunity to speak to you today concerning Substitute Senate Bill 204. This bill was introduced at the request of the Department in order to repeal the sunset provision of K.S.A. 65-1,214.

Today, 26 years after lead-based paint was banned in 1978, approximately 6,400 of the 227,000 Kansas children 1-5 years of age are still at risk for lead poisoning. According to the 2000 Census data, approximately 72 percent of the homes in Kansas were built before 1979 and could contain lead-based paint. There are two typical causes in childhood lead poisoning: deteriorating paint in housing that is in poor condition from little or no maintenance, and, remodeling activities conducted in pre-1978 homes in which no measures were taken to prevent exposure to lead-based paint hazards. According to Kansas Environmental Blood Lead Level Investigation Questionnaires completed in 2001, about 40 percent of the children in Kansas with elevated blood lead levels of 20 micrograms per deciliter had been exposed to lead during remodeling activities in their home within six months prior to the follow up investigation. Lead poisoning is a preventable tragedy that dramatically impacts a child's ability

House Committee on Health and Human Services  
Substitute Senate Bill 204

DIVISION OF HEALTH  
Bureau of Consumer Health  
CURTIS STATE OFFICE BUILDING, 1000 SW JACKSON ST., STE. 200, TOPEKA, KS 66612-1274  
Voice 785-296-0189 Fax 785-296-6522 <http://www.kdhe.state.ks.us/bch>

*Attachment 2  
HHS 3-19-03*

to learn. At low and moderate levels, lead poisoning can cause learning disabilities, hyperactivity and behavioral disorders. High levels can result in mental retardation and death. Lead is also harmful to adults at moderate and high levels. A worker in a battery plant, radiator repair shop, or remodeling or construction project workers can bring lead hazards into the home on equipment and clothing after work.

The Lead Poisoning Prevention Program continues to provide services and support lead poisoning prevention activities with no SGF support. The federal Environmental Protection Agency (EPA) bears administrative responsibility for implementing and enforcing the federal Title X-Residential Lead-Based Paint Hazard Reduction Act of 1992. As an approved state program, the Department receives about \$300,000 in cooperative agreement funds to oversee the program and generates approximately \$50,000 per year in fees from the licensing of individuals and firms. In addition, cities and state agencies in Kansas are currently eligible for federal Department of Housing and Urban Development (HUD) funded Lead Hazard Remediation Grants due to the existence of a state authorized Residential Lead-Based Paint Hazard Reduction Program. With assistance from the Department of Health and Environment, Kansas City and Wichita applied for HUD grants in 2002 with a total request of approximately \$5,000,000.

Without passage of this bill and revision of the sunset date for program authorization, the Kansas Childhood Lead Poisoning Prevention Act and its program activities must conclude by July 1, 2004. This would result in a loss of funding to the state and local governments currently made available by the EPA and HUD. Federal lead regulations currently enforced in Kansas via the KDHE program would then be enforced by EPA personnel.

Thank you for allowing me the time to discuss the intent of Substitute Senate Bill 204. I will be happy to answer questions that you may have at this time.





**TESTIMONY  
FOR  
SENATE BILL 151**

**HEALTH AND HUMAN SERVICES  
COMMITTEE**

**REPRESENTATIVE JIM MORRISON, CHAIR**

Mister Chair and members of the Committee, thank you for allowing me the opportunity to address you regarding S.B. 151.

My name is Terry R. Lambert and I am the Chief Executive Officer of Newman Memorial County Hospital, d/b/a Newman Regional Health in Emporia, Kansas.

I am here to encourage support for Senate Bill 151, which would allow County Hospitals to enter into joint ventures with physicians or other investors in for-profit investment opportunities.

I feel that it is important for County hospitals to have the same opportunity as other private hospitals to invest and form partnerships and relationships in order to carry out our mission to provide a continuum of quality healthcare services. By being able to enter into such arrangements, Kansas citizens in rural areas would be afforded better access to needed healthcare services. In addition, some of these investments may prove to help fund the most basic healthcare services that we are trying to provide, while keeping some of us off the tax rolls.

By being able to joint venture with some physicians, better relationships may be forged and trust may be gained between the groups, which would only enhance healthcare. Physician incomes, just like hospital revenues, are being squeezed due to decreased reimbursement from the State Medicaid program, Medicare, and many managed care organizations. As a result, physicians are looking for ways to make up the difference. This legislation would allow our County hospital the opportunity to joint venture with physicians in these circumstances, if it made good business sense.

Newman Regional Health has faced several situations over the years where it would have been nice to have had the choice to joint venture or not. For example, several years ago a group practice wanted to work with the hospital to provide radiology services in their

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office. If the hospital could have joint ventured, a strong relationship may have been formed and that business may not have been completely lost by the hospital. In another situation, a surgical hospital was built. Newman may or may not have invested if asked, but we should have the ability to make that decision. More recently, a physician practice asked us to joint venture with them to install and operate a nuclear medicine system. We were forced to decline due to statutory restrictions and as a result, the hospital is losing approximately \$1.1M in revenue.

In these examples, Newman Regional Health was informed by legal counsel that statutory requirements did not even give us the opportunity to consider making a business decision whether to participate.

In closing, I want to say that by approving S.B. 151, County hospitals will be on a more even playing field to compete in the healthcare arena and access to needed healthcare can be enhanced.

Terry R. Lambert  
1510 W. 20<sup>th</sup> Park Place  
Emporia, Kansas 66801  
620/343-6800 ext 2601 (work)



**TESTIMONY  
FOR  
SENATE BILL 151**

**HEALTH AND HUMAN SERVICES  
COMMITTEE**

**REPRESENTATIVE JIM MORRISON, CHAIR**

My name is Rick Tidwell. I am a resident of Lyon County, Kansas and am a member of the Board of Trustees at Newman Memorial County Hospital located in Emporia. I have served my capacity of Board Trustee for seven years. Our Hospital is County owned but is self-funding. No tax support is provided. Our primary service area is Lyon County and surrounding counties.

My role and responsibility as a Trustee, is to see that Newman provides quality healthcare to the citizens that we serve and to be a good steward of the Hospital's finances.

Over the years, a number of occasions have arisen in which the Hospital had a possible opportunity to invest in for-profit ventures with physicians and other health care providers. Unfortunately, at the advice of our legal counsel, we have not been able to further explore any of the opportunities due to the current language in the statutes.

The proposed changes in S.B. 151 will give a County Hospital clarity as to the intent of the Statute.

With the constant changes in our world today and in healthcare in particular, the proposed amendment simply makes sense. The proposed amendment would allow hospitals such as ours the ability to explore possible joint business ventures or other relationships to determine if they are in the best interest of the hospital and the public. As with any other business decision, each hospital would have to address each and every opportunity on it's own merits.

Thank you for your time today.

Rick Tidwell



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## EMPORIA SURGICAL HOSPITAL

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March 17, 2003

Representative Jim Morrison  
Chairman, Health and Human Services Committee  
Room 171-W  
State Capitol, Topeka, Kansas 66612

Re: S.B. 151, An Act concerning county and district hospitals.

Chairman Morrison and members of the House Health and Human Services Committee, my name is Dr. Timothy Harris. I am a physician and surgeon from Emporia and chairman of the board of managers of the Emporia Surgical Hospital. I am writing in support of S.B. 151.

We feel that the expansion of authority allowed county hospitals, to participate in additional health care services, is necessary in the health care industry as we find it today. County hospitals have become larger and more complex and this bill reflects that need to adapt and grow as a hospital.

The physician owners of Emporia Surgical Hospital were not aware of S.B. 151 until recently. While supporting the concept of the bill, we were not satisfied with the definition of "joint enterprises", where the county hospital exercises majority control of the joint enterprise. We could find no need for this majority control language, and are pleased that it has been removed from the definition of joint enterprise.

Once again, I would like to voice our support for S.B. 151 and thank you for this opportunity to present testimony.

Respectfully submitted

Timothy Harris, D.O.  
1301 W. 12<sup>th</sup> Ave.  
Suite 207  
Emporia, Kansas 66801  
620-342-6161

EMPORIA ORTHOPEDIC ASSOCIATES, L.L.C.

1301 WEST 12th AVENUE  
SUITE 105  
EMPORIA, KANSAS 66801  
1-620-343-1191

James N. Glenn, M.D.  
David J. Edwards, M.D.  
Michael L. Montgomery, M.D.

Diplomates of  
American Board  
of  
Orthopaedic Surgery

March 4, 2003

The Honorable Jim Morrison, Chairman  
Health and Human Services Committee  
House of Representatives  
State Capitol Building  
Topeka, KS 66612

Dear Representative Morrison:

I'm writing in regards to Senate Bill 151. As you know this is a bill that would allow community owned hospitals to enter into joint ventures with for-profit corporations. I am in support of legislation allowing county and district hospitals to enter into joint ventures with other for-profit entities. I agree that this will give hospitals more flexibility in their ability to meet the needs of the citizens of Kansas. This is especially true in more rural type communities where a county or district hospital may be the only hospital available to the area.

I take issue with the portion of the bill as presented however, in that it specifies that the community hospital must have majority interest in the venture. I believe that portion of the bill should be removed so that the community hospital can have realistic flexibility in providing health services in their area through joint ventures.

I am a practicing orthopedic surgeon and have practiced in Emporia, Kansas for the last 15 years. Availability of local health care options is therefore quite important to me. Your consideration of my concerns in regards to this issue will be most appreciated.

Sincerely yours,



Michael L. Montgomery, M.D.

MLM/lkh

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Diplomates of  
American Board  
of  
Orthopaedic Surgery

March 4, 2003

The Honorable Jim Morrison, Chairman  
Health and Human Services Committee  
House of Representatives  
State Capitol Building  
Topeka, KS 66612

Dear Representative Morrison:

I would like to comment with respect to the Senate Bill 151, which has flown through the Senate with Dr. Barnett's sponsorship. I think this is an excellent bill with respect to its general intent and certainly would make it possible for county owned health care institutions to work with surrounding counties and the like for business ventures. I am not sure from the wording, whether or not this does allow anything to be done outside the county of the principle institution. To that extent I certainly approve of this philosophically.

I do have very strong disapproval and I believe, in fact, it is counter productive to have a clause that says the county or district institution must have "majority control." That specification in and of itself will greatly limit what anyone will consider doing with that hospital and therefore will, for the most part negate any possibility. I have a feeling that this intent is so that the governmental institution would be able to dominate and control any such entity and therefore the failure of any such enterprise is written into the law. I would hope that phrase could be struck and then let private enterprise work, as it should so that the best interests of all parties can be served.

Thank you for your consideration. I shall be happy to discuss it, if anyone so wishes.

Sincerely yours,

  
James N. Glenn, M.D.

JNG/bdn

CC: James Barnett, M.D.

**From:** "douglas amend" <dja66846@hotmail.com>  
**To:** <morrison@house.state.ks.us>  
**Date:** Tue, Mar 4, 2003 2:20 PM  
**Subject:** Senate Bill 151

Dear Chairman Morrison,

I support the principle that hospitals can joint venture with physicians and others to provide health services, but OBJECT to the provision in the above referenced bill that hospitals must always exercise "majority control" in said entites. This seems unnecessarily restrictive and may well be out of step with the realities in a given community, such as ours. Wouldn't it be better to let those entering into the agreement of joint venture decide what percentages of control are exercised without mandating by law that the hospital always controls?

Sincerely, Douglas J Amend, M.D., Emporia, Kansas

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To: House Health and Human Services Committee  
From: Kansas Hospital Association  
Thomas L. Bell, Executive Vice President  
Re: **SB 151**  
Date: March 18, 2003

The Kansas Hospital Association appreciates the opportunity to comment in support of SB 151. This bill would clarify Kansas law to state that county and district hospitals are allowed to participate in joint enterprises.

In Kansas there are a large number of county and district hospitals. These facilities tend to be smaller and in the more rural areas of the state. These hospitals also tend to be largely dependent on reimbursement from the Medicare program. Because they operate under increasingly difficult circumstances, it is important to provide such hospitals with the tools necessary to compete in the current environment. SB 151 is an attempt to do just that.

Two other points are important here. First, SB 151 can be considered to be a clarification because many assume that county and district hospitals already have the ability to participate in joint enterprises. Legal rules regarding municipal law may make it necessary to state this specifically in the statutes. Second, it has been over fifteen years since our governmental hospital laws have been reviewed in any detail. The health care system has changed substantially in that period of time, so a more complete review might be in order.

Thank you for your consideration of our comments.

*Attachment 4  
HHS 3-19-03*



3  
4 **SENATE BILL No. 151**

5  
6 By Committee on Public Health and Welfare

7  
8 2-5  
9

10 AN ACT concerning county **and district** hospitals; amending K.S.A. 19-  
11 4601 ~~and repealing the existing section, 19-4608, 80-2501 and 80-~~  
12 **2518 and repealing the existing sections.**

13  
14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. K.S.A. 19-4601 is hereby amended to read as follows: 19-  
16 4601. As used in this act:

17 (a) "Board" means a hospital board which is selected in accordance  
18 with the provisions of this act and which is vested with the management  
19 and control of a county hospital;

20 (b) "commission" means the board of county commissioners of any  
21 county;

22 (c) "hospital" means a medical care facility as defined in K.S.A. 65-  
23 425 and amendments thereto and includes within its meaning any clinic,  
24 school of nursing, long-term care facility, limited care residential facility  
25 ~~and~~, child-care facility *and joint enterprises for the provision of health*  
26 *care services* operated in connection with the operation of the medical  
27 care facility;

28 (d) "hospital moneys" means, but is not limited to, moneys acquired  
29 through the issuance of bonds, the levy of taxes, the receipt of grants,  
30 donations, gifts, bequests, interest earned on investments authorized by  
31 this act and state or federal aid and from fees and charges for use of and  
32 services provided by the hospital;

33 (e) ~~As used in this section, a~~ "limited care residential facility" means  
34 a facility, other than an adult care home, in which there are separate  
35 apartment-style living areas, bedrooms, bathrooms and individual utilities  
36 and in which some health related services are available;

37 (f) **"joint enterprises" means a business undertaking by a hos-**  
38 **pital and one or more public or private entities for the provision of**  
39 **health care services** ~~in which the hospital exercises majority control~~  
40 ~~of the joint enterprise.~~ ←

41 **Sec. 2. K.S.A. 19-4608 is hereby amended to read as follows:**  
42 **19-4608. (a) All hospital moneys, except moneys acquired through**  
43 **the issuance of revenue bonds, shall be paid to the treasurer of the**

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1 board, shall be allocated to and accounted for in separate funds or  
2 accounts of the hospital, and shall be paid out only upon claims and  
3 warrants or warrant checks as provided in K.S.A. 10-801 to 10-806,  
4 inclusive, and K.S.A. 12-105a and 12-105b, and amendments to  
5 these statutes. The board may designate a person or persons to sign  
6 such claims and warrants or warrant checks.

7 (b) The board may accept any grants, donations, bequests or  
8 gifts to be used for hospital purposes and may accept federal and  
9 state aid. Such moneys shall be used in accordance with the terms  
10 of the grant, donation, bequest, gift or aid and if no terms are im-  
11 posed in connection therewith such moneys may be used to provide  
12 additional funds for any improvement for which bonds have been  
13 issued or taxes levied.

14 (c) Hospital moneys shall be deemed public moneys and hos-  
15 pital moneys not immediately required for the purposes for which  
16 acquired may be invested in accordance with the provisions of  
17 K.S.A. 12-1675 and amendments thereto. Hospital moneys acquired  
18 through the receipt of grants, donations, bequests or gifts and de-  
19 posited pursuant to the provisions of K.S.A. 12-1675 and amend-  
20 ments thereto need not be secured as required under K.S.A. 9-1402  
21 and amendments thereto. In addition, hospital moneys may be invested  
22 in joint enterprises for the provision of health care services as ~~and to the~~  
23 ~~extent~~ permitted by subsection (c) of K.S.A. 19-4601 and amendments  
24 thereto.

25 (d) Hospital moneys which are deposited to the credit of funds  
26 and accounts which are not restricted to expenditure for specified  
27 purposes may be transferred to the general fund of the hospital and  
28 used for operation of the hospital or to a special fund for additional  
29 equipment and capital improvements for the hospital.

30 (e) The board shall keep and maintain complete financial re-  
31 cords in a form consistent with generally accepted accounting prin-  
32 ciples, and such records shall be available for public inspection at  
33 any reasonable time.

34 (f) Notwithstanding subsections (a) to (e), inclusive, the board  
35 may transfer any moneys or property a hospital receives by dona-  
36 tion, contribution, gift, devise or bequest to a Kansas not-for-profit  
37 corporation which meets each of the following requirements:

38 (1) The corporation is exempt from federal income taxation un-  
39 der the provisions of section 501(a) by reason of section 501(c)(3)  
40 of the internal revenue code of 1954, as amended;

41 (2) the corporation has been determined not to be a private  
42 foundation within the meaning of section 509(a)(1) of the internal  
43 revenue code of 1954, as amended; and

1 (3) *the corporation has been organized for the purpose of the*  
2 *charitable support of health care, hospital and related services, in-*  
3 *cluding the support of ambulance, emergency medical care, first*  
4 *responder systems, medical and hospital staff recruitment, health*  
5 *education and training of the public and other related purposes.*

6 (g) *The board may transfer gifts under subsection (f) in such*  
7 *amounts and subject to such terms, conditions, restrictions and lim-*  
8 *itations as the board determines but only if the terms of the gift do*  
9 *not otherwise restrict the transfer. Before making any such transfer,*  
10 *the board shall determine that the amount of money or the property*  
11 *to be transferred is not required by the hospital to maintain its*  
12 *operations and meet its obligations. In addition, the board shall*  
13 *determine that the transfer is in the best interests of the hospital*  
14 *and the residents within the county the hospital has been organized*  
15 *to serve.*

16 **Sec. 3. K.S.A. 80-2501 is hereby amended to read as follows:**  
17 **80-2501. As used in this act:**

18 (a) *“Board” means a hospital board which is selected in ac-*  
19 *cordance with the provisions of this act and which is vested with*  
20 *the management and control of an existing hospital or a hospital*  
21 *established under the provisions of this act;*

22 (b) *“hospital” means a medical care facility as defined in K.S.A.*  
23 *65-425 and amendments thereto and includes within its meaning*  
24 *any clinic, long-term care facility, limited care residential retire-*  
25 *ment facility, child-care facility and emergency medical or ambu-*  
26 *lance service operated in connection with the operation of the med-*  
27 *ical care facility and joint enterprises for the provision of health care*  
28 *services operated in connection with the operation of the medical care*  
29 *facility;*

30 (c) *“hospital moneys” means, but is not limited to, moneys ac-*  
31 *quired through the issuance of bonds, the levy of taxes, the receipt*  
32 *of grants, donations, gifts, bequests, interest earned on investments*  
33 *authorized by this act and state or federal aid and from fees and*  
34 *charges for use of and services provided by the hospital;*

35 (d) *“existing hospital” means a hospital established under the*  
36 *provisions of article 21 of chapter 80 of Kansas Statutes Annotated*  
37 *and acts amendatory of the provisions thereof or supplemental*  
38 *thereto prior to the effective date of this act and being maintained*  
39 *and operated on the effective date of this act;*

40 (e) *“political subdivision” means a township, a city or a hospital*  
41 *district established under the provisions of article 21 of chapter 80*  
42 *of Kansas Statutes Annotated and acts amendatory of the provisions*  
43 *thereof or supplemental thereto prior to the effective date of this*

1 act or established under this act;

2 (f) "qualified elector" means any person who has been a bona  
3 fide resident within the territory included in the taxing district of a  
4 hospital for 30 days prior to the date of any annual meeting or  
5 election provided for in this act and who possesses the qualifications  
6 of an elector provided for in the laws governing general elections;

7 (g) As used in this section, a "limited care residential retirement  
8 facility" means a facility, other than an adult care home, in which  
9 there are separate apartment-style living areas, bedrooms, bath-  
10 rooms and individual utilities; which facility is available only to  
11 individuals 55 years of age or older; and which facility has at least  
12 the following characteristics: (1) A common recreational and dining  
13 area; (2) planned recreation and social gatherings; (3) laundry fa-  
14 cilities or services and housecleaning services; (4) special dietary  
15 programs providing at least one meal per day; (5) organized well-  
16 ness programs; (6) a 24-hour emergency call system in each unit  
17 staffed by the hospital district; (7) a nursing staff from the hospital  
18 district on 24-hour call for residents; and (8) availability of addi-  
19 tional health related services, laundry services, housekeeping,  
20 means for individuals with special or additional needs;

21 (h) "joint enterprise" means a business undertaking by a hospital and  
22 one or more public or private entities for the provision of health care  
23 services ~~in which the hospital exercises majority control of the joint~~  
24 ~~enterprise.~~ ←

25 **Sec. 4. K.S.A. 80-2518 is hereby amended to read as follows:**  
26 **80-2518. (a) All hospital moneys, except moneys acquired through**  
27 **the issuance of revenue bonds, shall be paid to the treasurer of the**  
28 **board, shall be allocated to and accounted for in separate funds or**  
29 **accounts of the hospital, and shall be paid out only upon claims and**  
30 **warrants or warrant checks as provided in K.S.A. 10-801 to 10-806,**  
31 **inclusive, and K.S.A. 12-105a and 12-105b, and amendments to**  
32 **these statutes. The board may designate a person or persons to sign**  
33 **such claims and warrants or warrant checks.**

34 (b) The board may accept any grants, donations, bequests or  
35 gifts to be used for hospital purposes and may accept federal and  
36 state aid. Such moneys shall be used in accordance with the terms  
37 of the grant, donation, bequest, gift or aid and if no terms are im-  
38 posed in connection therewith such moneys may be used to provide  
39 additional funds for any improvement for which bonds have been  
40 issued or taxes levied.

41 (c) Hospital moneys shall be deemed public moneys and hos-  
42 pital moneys not immediately required for the purposes for which  
43 acquired may be invested in accordance with the provisions of

1 K.S.A. 12-1675 and amendments thereto. Hospital moneys acquired  
 2 through the receipt of grants, donations, bequests or gifts and de-  
 3 posited pursuant to the provisions of K.S.A. 12-1675 and amend-  
 4 ments thereto need not be secured as required under K.S.A. 9-1402  
 5 and amendments thereto. In addition, hospital moneys may be invested  
 6 in joint enterprises for the provision of health care services as ~~end to the~~ ←  
 7 extent permitted by subsection (b) of K.S.A. 80-2501 and amendments  
 8 thereto.

9 (d) Hospital moneys which are deposited to the credit of funds  
 10 and accounts which are not restricted to expenditure for specified  
 11 purposes may be transferred to the general fund of the hospital and  
 12 used for operation of the hospital or to a special fund for additional  
 13 equipment and capital improvements for the hospital.

14 (e) The board shall keep and maintain complete financial re-  
 15 cords in a form consistent with generally accepted accounting prin-  
 16 ciples, and such records shall be available for public inspection at  
 17 any reasonable time.

18 (f) Notwithstanding subsections (a) to (e), inclusive, the board  
 19 may transfer any moneys or property a hospital receives by dona-  
 20 tion, contribution, gift, devise or bequest to a Kansas not-for-profit  
 21 corporation which meets each of the following requirements:

22 (1) The corporation is exempt from federal income taxation un-  
 23 der the provisions of section 501(a) by reason of section 501(c)(3)  
 24 of the internal revenue code of 1954, as amended;

25 (2) the corporation has been determined not to be a private  
 26 foundation within the meaning of section 509(a)(1) of the internal  
 27 revenue code of 1954, as amended; and

28 (3) the corporation has been organized for the purpose of the  
 29 charitable support of health care, hospital and related services, in-  
 30 cluding the support of ambulance, emergency medical care, first  
 31 responder systems, medical and hospital staff recruitment, health  
 32 education and training of the public and other related purposes.

33 (g) The board may transfer gifts under subsection (f) in such  
 34 amounts and subject to such terms, conditions, restrictions and lim-  
 35 itations as the board determines but only if the terms of the gift do  
 36 not otherwise restrict such transfer. Before making any such trans-  
 37 fer, the board shall determine that the amount of money or the prop-  
 38 erty to be transferred is not required by the hospital to maintain its  
 39 operations and meet its obligations. In addition, the board shall  
 40 determine that the transfer is in the best interests of the hospital  
 41 and the residents within the district the hospital has been organized  
 42 to serve.

43 Sec. 2. 5. K.S.A. 19-4601 is, 19-4608, 80-2501 and 80-2518 are

1 hereby repealed.

2 Sec. 3. 6. This act shall take effect and be in force from and after its  
3 publication in the statute book.

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