

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Stephen Morris at 10:30 a.m on February 13, 2003, in Room 123-S of the Capitol.

All members were present except: All present

Committee staff present:

Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department
Leah Robinson, Kansas Legislative Research Department
Martha Dorsey, Kansas Legislative Research Department
Melissa Calderwood, Kansas Legislative Research Department
Nicoletta Buonasera, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Robert Waller, Kansas Legislative Research Department
Becky Krahl, Kansas Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Assistant Revisor of Statutes
Judy Bromich, Administrative Analyst
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Jack Rickerson, Director, Division of Personnel Services

Others attending: See attached list

Bill Introduction

Senator Barone moved, with a second by Senator Jordan, to introduce a bill concerning housing; relating to the Kansas Development Finance Authority; authorizing the issuance of mortgage revenue bonds. Motion carried on a voice vote.

Copies of the Kansas Legislative Research Department Budget Analysis Report for FY 2003 and FY 2004 were distributed to the committee.

Subcommittee reports on:

Department of Administration (including Public Broadcasting) (Attachment 1)

Subcommittee Chairman Adkins reported that the Subcommittee concurs with the recommendation of the Governor with an adjustment for FY 2003.

Subcommittee Chairman Adkins reported that the Subcommittee concurs with the recommendation of the Governor with adjustment and observations for FY 2004.

Subcommittee Chairman Adkins suggested and the Committee came to an agreement to revise wording in the subcommittee budget report for the Department of Administration to revise on page 4, Item 2, part c, of FY 2004 that public television and radio are the only source and revise the sentence to indicate that there are other media outlets but that public television and radio are a valued source of information.

Senator Adkins moved, with a second by Senator Downey, to adopt the subcommittee budget report on the Department of Administration (including Public Broadcasting) for the FY 2003 and FY 2004 budget as amended. Motion carried on a voice vote.

CONTINUATION SHEET

Governmental Ethics Commission (Attachment 2)

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with comments for FY 2003.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with exceptions comments for FY 2004.

Chairman Morris mentioned that there is a FY 2005 subcommittee report because the Governmental Ethics Commission is a biennial agency.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with notations for FY 2005.

Senator Salmans moved, with a second by Senator Barone, to adopt the subcommittee budget report on the Governmental Ethics Commission for the FY 2003, FY 2004 and FY 2005 budget. Motion carried on a voice vote.

Kansas Human Rights Commission (Attachment 3)

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor for FY 2003.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with notation for FY 2004.

Senator Salmans moved, with a second by Senator Barone, to adopt the subcommittee budget report on the Kansas Human Rights Commission for the FY 2003 and FY 2004 budget. Motion carried on a voice vote.

Kansas Corporation Commission (Attachment 4)

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor for FY 2003.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor for FY 2004.

Senator Salmans moved, with a second by Senator Barone, to adopt the subcommittee budget report on the Kansas Corporation Commission for the FY 2003 and FY 2004 budget. Motion carried on a voice vote.

Citizens' Utility Ratepayer Board (Attachment 5)

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor for FY 2003.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with notation for FY 2004.

Senator Salmans moved, with a second by Senator Schodorf, to adopt the subcommittee budget report on the Citizens' Utility Ratepayer Board for the FY 2003 and FY 2004 budget. Motion carried on a voice vote.

Chairman Morris welcomed Jack Rickerson, Director, Division of Personnel Services, who presented an overview of pending layoffs and furloughs (Attachment 6). Mr. Rickerson explained that layoffs have been processed for 10 agencies affecting 71 employees and they have received notice of proposed layoff actions for two more agencies that may affect up to 125 more employees. He mentioned that the Division has

CONTINUATION SHEET

received and reviewed furlough plans for three agencies: Department on Aging, Department of Corrections and Department of Administration. Mr. Rickerson presented information regarding changes in the Division of Personnel Services (Attachment 7). Committee questions and discussion followed. Senator Kerr suggested a committee meeting in the future to discuss priorities to accomplish what needs to be done due to budget constraints and services that are really needed by the State.

Chairman Morris called the committee's attention to discussion of:

SB 43--Wildlife and Parks: Service fees

Copies of a letter were distributed from the Kansas Department Wildlife and Parks regarding the conflicting fiscal note for **SB 43** by the Kansas Department of Wildlife and Parks and the Division of the Budget (Attachment 8).

Senator Jackson moved, with a second by Senator Bunten, to recommend **SB 43** favorable for passage. Motion carried on a roll call vote.

Copies of the Policy Options Discussion Guide by the Kansas Department of Social and Rehabilitation Services were distributed from Janet Schalansky, Secretary, Kansas Department of Social and Rehabilitation in response to a request by the committee (Attachment 9).

The meeting adjourned at 11:40 a.m. The next meeting is scheduled for February 14, 2003.

**SENATE WAYS AND MEANS COMMITTEE
GUEST LIST**

DATE February 13, 2003

NAME	REPRESENTING
Louis Chabwa	Budget
Kith Bradshaw	Budget
Mark Auding	SBS
George Vega	SRS
Andy Sanchez	KAPE
MARTY VINES	KAPE
Ralph A Claassen	Butler Co F.B.
Mil. H.	KCC
Jason Sully	KCC
David Spriggs	Curb
Pat Higgins	DoA
Chuck Leviner	Stevens Co. (F.B.)
Jerry Hull	Stevens Co. F.B.
Matt Hickam	Long-Term Care Ombudsman
Warren Willis	Stevens Co Farm Bureau
Joel T. McClure	Stevens Co Farm Bureau
Brandon Myrles	KHRC
William V. Minner	KHRC
Mike Hollar	KHRC
Natalie Vick	intern
John Bear	DOA
Carl Williams	Gov Ethics

SENATE WAYS AND MEANS COMMITTEE
GUEST LIST

DATE February 13, 2003

NAME	REPRESENTING
Mikell H. Ples	Ks. Governmental Consulting

2003 SENATE SUBCOMMITTEE REPORT

**DEPARTMENT OF ADMINISTRATION
(Including Public Broadcasting)**

David Adkins

Senator David Adkins, Chair

Christine Downey

Senator Christine Downey

Larry D. Salmans

Senator Larry Salmans

Senate Subcommittee Report

Agency: Department of Administration **Bill No.** 62

Bill Sec. 12

Analyst: Robinson

Analysis Pg. No.

Budget Page No. 13

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 21,276,707	\$ 21,031,979	\$ 0
Aid to Local Units	624,673	624,673	0
Other Assistance	2,985,005	2,985,005	0
Subtotal – Operating	\$ 24,886,385	\$ 24,641,657	\$ 0
Capital Improvements	4,803,338	4,266,157	0
TOTAL	\$ 29,689,723	\$ 28,907,814	\$ 0
State General Fund:			
State Operations	\$ 19,939,010	\$ 19,694,282	\$ 0
Aid to Local Units	376,673	376,673	0
Other Assistance	2,031,296	2,031,296	0
Subtotal – Operating	\$ 22,346,979	\$ 22,102,251	\$ 0
Capital Improvements	4,198,167	3,360,786	0
TOTAL	\$ 26,545,146	\$ 25,463,037	\$ 0
FTE Positions			
Reportable Budget	258.0	256.0	0.0
Nonreportable Budget	624.2	626.2	0.0
Subtotal - FTE	882.2	882.2	0.0
Non FTE Perm. Unclass. Pos.	23.1	23.1	0.0
TOTAL	905.3	905.3	0.0

Agency Estimate/Governor's Recommendation

The **agency's** current year estimate of **reportable** expenditures is \$24.9 million, a net increase of \$124,938 from the approved budget. The agency estimates FY 2003 State General Fund expenditures of \$22.3 million, or \$244,728 above the currently approved amount. The agency's budget was submitted prior to the November allotment which reduced the State General Fund budget by that amount. The major reduction in expenditures from all other funds relates to payments to the federal government under the cash management program that are expected to be less than the amount previously estimated.

The Governor recommends a current year **reportable** operating budget of \$24.6 million, including \$22.1 million from the State General Fund. The Governor's recommended State General Fund amount is the same as the amount currently authorized. The Governor concurs with the agency's revised estimate of expenditures from all other funding sources.

Nonreportable Budget. The **agency** estimates the current year **nonreportable** operating budget to be \$101.1 million, a reduction of \$0.8 million from the approved amount. **The Governor** recommends **nonreportable** operating expenditures of \$101.2 million, a reduction of \$0.7 million from the approved amount.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustment:

1. Appropriate the new "Digital Orthophoto Project -- Federal Fund" with a no-limit expenditure limitation in both FY 2003 and FY 2004 to allow the agency to receive additional federal funds.

Senate Subcommittee Report

Agency: Department of Administration **Bill No. --** **Bill Sec. --**
Analyst: Robinson **Analysis Pg. No.** **Budget Page No. 13**

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 21,633,239	\$ 14,561,457	\$ 0
Aid to Local Units	685,644	622,949	0
Other Assistance	3,291,653	2,904,014	0
Subtotal – Operating	\$ 25,610,536	\$ 18,088,420	\$ 0
Capital Improvements	17,642,030	3,981,752	0
TOTAL	\$ 43,252,566	\$ 22,070,172	\$ 0
State General Fund:			
State Operations	\$ 20,391,986	\$ 13,283,355	\$ 0
Aid to Local Units	437,644	374,949	0
Other Assistance	2,352,043	1,964,404	0
Subtotal – Operating	\$ 23,181,673	\$ 15,622,708	\$ 0
Capital Improvements	17,350,278	3,690,000	0
TOTAL	\$ 40,531,951	\$ 19,312,708	\$ 0
FTE Positions			
Reportable Budget	257.0	245.0	0.0
Nonreportable Budget	635.2	642.2	0.0
Subtotal - FTE	892.2	887.2	0.0
Non FTE Perm. Unclass. Pos.	23.1	23.1	0.0
TOTAL	915.3	910.3	0.0

Agency Request/Governor's Recommendation

The **agency** requests an FY 2004 **reportable** operating budget of \$25.6 million, an increase of \$724,151 (2.9 percent) from the revised current year request. The request includes an enhancement request of \$352,436 from the State General Fund. **Absent that request**, the agency's request would be an increase of \$371,715 (1.5 percent) from the current year estimate. The agency submitted a **reduced resources package** of adjustments totaling \$1.4 million from the State General Fund.

The **Governor** recommends an FY 2004 **reportable** operating budget of \$18.1 million, a reduction of \$6.6 million from the current year revised recommendation. The Governor's recommendation includes reductions of \$1.4 million in reduced resources packages. The recommendation includes a net reduction of 11.0 FTE. The recommendation includes the shift of 12.0 FTE positions from the reportable budget to the nonreportable budget.

FY 2004 - 5.9 Percent Reduction. For FY 2004, the Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies and for selected other agencies, including

the nonreportable portion of the Department of Administration budget. The reduction is intended to match the 5.9 percent allotment reductions that most other agencies absorbed in FY 2003 (2.0 percent in August 2002 and 3.9 percent in November 2002). According to Volume 1 of the *Governor's Budget Report*, the 5.9 percent reduction is intended to be an adjustment to overall operating expenditures. No attempt was made to identify reductions to specific expenditure categories. The amount reduced from this agency's budget for the 5.9 percent reduction totals \$5.0 million. *In the case of the Department of Administration, this amount has been deleted from the State General Fund recommendation for the reportable portion of the agency.*

Nonreportable Budget. The agency requests an FY 2004 **nonreportable** budget of \$106.6 million, an increase of \$5.5 million (5.4 percent) from the revised current year estimate. The agency's request includes **enhancement requests** totaling \$4.8 million and 10.0 FTE positions. **Absent the requested enhancements**, the agency's request would total \$101.9 million, an increase of \$735,158 (0.7 percent) from the revised current year estimate.

The Governor recommends FY 2004 **nonreportable** operating expenditures totaling \$102.8 million, an increase of \$1.5 million (1.5 percent) from the revised current year recommendation. The Governor recommends **enhancements** totaling \$161,197 and 5.0 FTE positions. In addition, the Governor recommends the shift of 12.0 FTE positions from the reportable to the nonreportable budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustment and observations:

1. Shift funding of \$29,447 (State General Fund) to the budget of the Long-Term Care Ombudsman from other programs within the agency. Because of the method utilized to impose the 5.9 percent reduction on the agency's nonreportable budget, the reportable budget of the Long-Term Care Ombudsman, contained within the General Administration division, was reduced by 35.7 percent. The Office of the Long-Term Care Ombudsman is essentially an independent agency, and is attached to the Department only for administrative purposes. The Subcommittee believes that it would be more appropriate, for purposes of the 5.9 percent reduction, to treat this program as a stand-alone agency and recalculate the reduction imposed on its reportable budget. When this calculation is performed, funding totaling \$29,447 from the State General Fund should be restored to the program. This shift in funding would require additional reductions of that amount to be spread among the other divisions of the department. The following table reflects, by division, the amounts reduced in the Governor's recommendation, and the Subcommittee's recommended adjustments to those amounts.

Division	Current Adjustment	Recommended Adjustment	Change
Administration (excl. Long-Term Care Ombudsman)	\$ (508,365)	\$ (511,395)	\$ (3,030)
Long-Term Care Ombudsman	(48,257)	(18,810)	29,447
Public Broadcasting	0	0	0
DISC	(1,570,211)	(1,579,569)	(9,358)
Accounts and Reports	(418,455)	(420,949)	(2,494)
Budget Analysis	0	0	0
Personnel Services	(913,854)	(919,301)	(5,447)
Purchasing	(294,197)	(295,950)	(1,753)
Printing Plant	0	0	0
Facilities Management	(1,235,851)	(1,243,216)	(7,365)
TOTAL	\$ (4,989,190)	\$ (4,989,190)	\$ 0

The following two tables reflect the approved reportable budgets, by Division, for the agency under the Governor's recommendation and as recommended by the Subcommittee.

REPORTABLE BUDGET-GOVERNOR'S RECOMMENDATION

Division	FY 2002	Gov. Rec. FY 2003	Gov. Rec. FY 2004	Change FY 2003-FY 2004	
				Dollar	Percent
General Administration *	\$ 2,199,117	\$ 2,532,619	\$ 2,126,035	\$ (406,584)	(16.1) %
Long-Term Care Ombudsman	139,909	134,963	86,803	(48,160)	(35.7)
Public Broadcasting	2,551,495	2,522,068	2,339,353	(182,715)	(7.2)
DISC	5,422,727	4,857,589	2,924,424	(1,933,165)	(39.8)
Accounts and Reports	2,425,070	2,099,479	1,002,879	(1,096,600)	(52.2)
Budget Analysis	1,502,221	1,966,223	1,362,457	(603,766)	(30.7)
Personnel Services	3,031,304	2,809,684	1,946,730	(862,954)	(30.7)
Purchasing	847,741	759,880	529,188	(230,692)	(30.4)
Printing Plant	0	0	0	0	0.0
Facilities Management	4,989,524	4,199,782	2,952,139	(1,247,643)	(29.7)
TOTAL	\$ 23,109,108	\$ 21,882,287	\$ 15,270,008	\$ (6,612,279)	(30.2) %

*Excluding Long-Term Care Ombudsman

REPORTABLE BUDGET-SENATE SUBCOMMITTEE RECOMMENDATION

Division	FY 2002	Sub. Rec. FY 2003	Sub. Rec. FY 2004	Change FY 2003-FY 2004	
				Dollar	Percent
General Administration*	\$ 2,199,117	\$ 2,532,619	\$ 2,123,005	\$ (409,614)	(16.2) %
Long-Term Care Ombudsman	139,909	134,963	116,250	(18,713)	(13.9)
Public Broadcasting	2,551,495	2,522,068	2,339,353	(182,715)	(7.2)
DISC	5,422,727	4,857,589	2,915,066	(1,942,523)	(40.0)
Accounts and Reports	2,425,070	2,099,479	1,000,385	(1,099,094)	(52.4)
Budget Analysis	1,502,221	1,966,223	1,362,457	(603,766)	(30.7)
Personnel Services	3,031,304	2,809,684	1,941,283	(868,401)	(30.9)
Purchasing	847,741	759,880	527,435	(232,445)	(30.6)
Printing Plant	0	0	0	0	0.0
Facilities Management	4,989,524	4,199,782	2,944,774	(1,255,008)	(29.9)
TOTAL	<u>\$ 23,109,108</u>	<u>\$ 21,882,287</u>	<u>\$ 15,270,008</u>	<u>\$ (6,612,279)</u>	<u>(30.2) %</u>

*Excluding Long-Term Care Ombudsman

2. The Subcommittee commends the Public Broadcasting Council for a number of items discussed during its testimony to the Subcommittee, including:
 - a. All Kansas public television stations will be in compliance with the May 1, 2003 deadline for conversion to digital technology. All of the stations are either on or ahead of schedule to meet this requirement.
 - b. The Council is working with the states of Missouri and Illinois to bring educational materials to schools, by-passing the internet. For a nominal equipment cost, schools will be able to download educational programming directly from the airwaves, allowing the schools to use their internet connections for other opportunities. The Council is also working with KAN-ED on the content of this material. This technology also has implications for homeland security. Encoded messages could be broadcast and downloaded by police, fire and other civil defense entities.
 - c. The Subcommittee also commends the Public Broadcasting Council for its commitment to public affairs programming. In an era when most commercial television and radio stations and newspapers have dramatically reduced their coverage of events from the Statehouse, public television and radio have become the only regular source of this information, allowing an informed public to hold public officials accountable for their actions.

3. Appropriate the new "Digital Orthophoto Project -- Federal Fund" with a no-limit expenditure limitation in both FY 2003 and FY 2004 to allow the agency to receive additional federal funds.

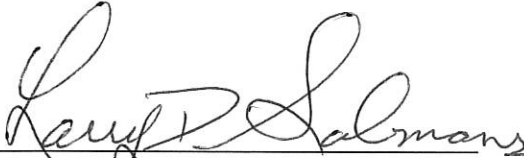
FY 2003 Senate Subcommittee Report

Governmental Ethics Commission

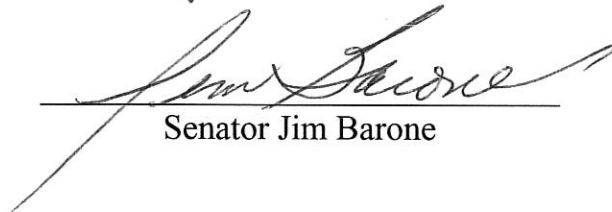
Kansas Human Rights Commission

State Corporation Commission

Citizens' Utility Ratepayer Board



Senator Larry Salmans, Chairperson



Senator Jim Barone

Senate Subcommittee Report

Agency: Governmental Ethics Commission **Bill No.** _____ **Bill Sec.** _____
Analyst: Deckard **Analysis Pg. No.** _____ **Budget Page No.** 487

Expenditure Summary	Agency Est. FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
State General Fund	\$ 456,158	\$ 438,295	\$ 0
Special Revenue Funds	117,125	117,125	0
TOTAL	\$ 573,283	\$ 555,420	\$ 0
FTE Positions	9.0	9.0	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.5	0.0
TOTAL	9.5	9.5	0.0

Agency Est./Governor's Recommendation

The agency estimates FY 2003 expenditures of \$573,283, of which \$456,158 is State General Fund. The request includes: \$455,075 for salaries and wages; \$98,770 for contractual services; \$4,425 for commodities; and \$15,013 for capital outlay.

The Governor recommends \$555,420 for FY 2003. The Governor's recommendation reflects the August 2002 allotment which reduced State General Fund expenditures for this agency by \$9,377, and the November 2002 allotment which reduced State General Fund expenditures by an additional \$17,863.

Senate Subcommittee Recommendation

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

1. The cyclical nature of this agency creates unique budgetary requirements. The Subcommittee wishes to note that this agency has an unusual revenue cycle where it has a large amount of income in one year and minimal in the following. The nature of this agency requires that it maintain a large fee fund carryover balance from year to year to maintain its viability.
2. The Subcommittee expresses concern about the agency being forced to push back the scheduled replacement of its computer hardware. Much of the hardware and software is becoming outdated and could be potentially damaging to this agency's productivity during the 2004 election cycle.

Senate Subcommittee Report

Agency: Governmental Ethics Commission **Bill No.** _____ **Bill Sec.** _____
Analyst: Deckard **Analysis Pg. No.** _____ **Budget Page No.** 487

Expenditure Summary	Agency Req. FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
State General Fund	\$ 459,124	\$ 435,699	\$ 0
Special Revenue Funds	119,389	122,961	33,369
TOTAL	\$ 578,513	\$ 558,660	\$ 33,369
FTE Positions	9.0	9.0	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.5	0.0
TOTAL	9.5	9.5	0.0

Agency Req./Governor's Recommendation

The agency requests FY 2004 operating expenditures of \$578,513, of which \$459,124 is from the State General Fund.

The Governor recommends \$558,660 for FY 2004 operating expenditures, of which \$435,699 is from the State General Fund.

Senate Subcommittee Recommendation

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

1. The cyclical nature of this agency creates unique budgetary requirements. The Subcommittee wishes to note that this agency has an unusual revenue cycle where it has a large amount of income in one year and minimal in the following. The nature of this agency requires that it maintain a large fee fund carryover balance from year to year to maintain its viability.
2. The Subcommittee expresses concern about the agency being forced to push back the scheduled replacement of its computer hardware. Much of the hardware and software is becoming outdated and could be potentially damaging to this agency's productivity during the 2004 election cycle.
3. The Subcommittee recommends restoring the \$33,369 operating reduction that the Governor applied to biennial agencies. While the Subcommittee recognizes that the Governor was attempting to be uniform while applying the 5.9 percent operating adjustment to biennial agencies, this agency is unique in that it receives

SGF funding and had already been required to absorb the two allotments to State General Fund agencies, (\$9,377 in August 2002, and \$17,863 in November 2002). The sum of the allotments was \$27,240.

The agency indicates that they will have to drastically cut salaries and wages for their investigator during FY 2004. The agency believes it is critical that investigations and inquiries occur when information comes to the Commission concerning possible violations of the campaign finance, lobbying, or conflict of interest laws. In addition the agency noted that FY 2004 would see a candidate population of approximately 1,700 state and county candidates.

Therefore, the Subcommittee recommends a fee fund expenditure limitation increase of \$33,369 which will restore the 5.9 percent expenditure reduction reflected in the Governor's recommendation. However, the Subcommittee concurs with the Governor's recommendation to transfer \$33,369 from the agency's fee fund to the State General Fund.

Senate Subcommittee Report

Agency: Governmental Ethics Commission **Bill No.**

Bill Sec.

Analyst: Deckard

Analysis Pg. No.

Budget Page No. 487

Expenditure Summary	Agency Req. FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments
State General Fund	\$ 459,124	\$ 459,124	\$ 0
Special Revenue Funds	130,892	130,892	0
TOTAL	<u>\$ 590,016</u>	<u>\$ 590,016</u>	<u>\$ 0</u>
FTE Positions	9.0	9.0	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.5	0.0
TOTAL	<u>9.5</u>	<u>9.5</u>	<u>0.0</u>

Agency Req./Governor's Recommendation

The agency requests FY 2005 operating expenditures of \$590,016, of which \$459,124 is from the State General Fund.

The Governor concurs with the agency's request.

Senate Subcommittee Recommendation

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

1. The cyclical nature of this agency creates unique budgetary requirements. The Subcommittee wishes to note that this agency has an unusual revenue cycle where it has a large amount of income in one year and minimal in the following. The nature of this agency requires that it maintain a large fee fund carryover balance from year to year to maintain its viability.
2. The Subcommittee expresses concern about the agency being forced to push back the scheduled replacement of its computer hardware. Much of the hardware and software is becoming outdated and could be potentially damaging to this agency's productivity during the 2004 election cycle.

Senate Subcommittee Report

Agency: Kansas Human Rights
Commission

Bill No.

Bill Sec.

Analyst: Krahl

Analysis Pg. No.

Budget Page No. 229

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	Senate Subcom- mittee Adjustments
State Operations:			
State General Fund	\$ 1,460,544	\$ 1,403,350	\$ 0
Special Revenue Funds	459,201	459,201	0
TOTAL	1,919,745	1,862,551	0
FTE Positions	37.0	37.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	37.0	37.0	0.0

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2003 operating expenditures of \$1,919,745, is an increase of \$57,194 (4.1 percent) from the approved budget. This is the amount of the Governor's November allotment which was after the agency submitted its budget. The agency's estimate includes: \$1,476,241 for salaries and wages, \$409,704 for contractual services, \$17,800 for commodities, \$16,000 for capital outlay.

The Governor's recommendation for FY 2003 operating expenditures of \$1,862,551 is consistent with the approved budget and the agency's estimate adjusted for the November allotment. The recommendation reflects the August 2002 allotment which reduced State General Fund expenditures for this agency by \$31,196 (2.1 percent), and the November 2002 allotment which reduced State General Fund expenditures by an additional \$57,194 (3.9 percent).

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Kansas Human Rights Commission

Bill No.

Bill Sec.

Analyst: Krahl

Analysis Pg. No.

Budget Page No. 229

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
State Operations:			
State General Fund	\$ 1,520,108	\$ 1,333,830	\$ 0
Special Revenue Funds	394,159	372,343	0
TOTAL	<u>\$ 1,914,267</u>	<u>\$ 1,706,173</u>	<u>\$ 0</u>
FTE Positions	37.0	36.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>37.0</u>	<u>36.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests for FY 2004 operating expenditures of \$1,914,267, is a decrease of \$5,478 (0.3 percent) from the agency's estimate for FY 2003. The agency's request includes enhancements of \$106,012. The request includes: \$1,466,878 for salaries and wages, \$413,589 for contractual services, \$17,800 for commodities and \$16,000 for capital outlay.

The Governor's recommendation for FY 2004 operating expenditures of \$1,706,173, is a decrease of \$156,378 (8.4 percent) from the FY 2003 recommendation and a decrease of \$208,094 (10.9 percent) from the FY 2004 agency request. The recommendation does not include the agency's enhancement requests, however, the recommendation does include a reduced resources package of \$102,082, including the elimination of 1.0 FTE position. The recommendation includes: \$1,284,784 for salaries and wages, \$403,589 for contractual services, \$17,800 for commodities and no funding for capital outlay. Under the Governor's 2004 **statutory budget recommendation**, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$280,795.

Senate Subcommittee Recommendation

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

1. The Senate Subcommittee wishes to commend the agency for their excellent work in resolving cases as the number of open cases has dropped from a high of 2,667 in FY 1995 to 597 in FY 2002. The amount of time to process each case has also declined from 21.1 months in FY 1995 to 6.4 months in FY 2002.

Also, during this time the number of FTE's in the agency have dropped from 45.0 in FY 1995 to 37.0 in FY 2002.

Senate Subcommittee Report

Agency: State Corporation Commission **Bill No.** _____ **Bill Sec.** _____
Analyst: Krahl **Analysis Pg. No.** _____ **Budget Page No.** 107

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	Senate Subcom- mittee Adjustments
Special Revenue Funds:			
State Operations	\$ 16,929,114	\$ 16,929,114	\$ 0
Aid to Local Units	601,195	601,195	0
Other Assistance	0	0	0
TOTAL	\$ 17,530,309	\$ 17,530,309	\$ 0
FTE Positions	210.0	210.0	0.0
Non FTE Uncl. Perm. Pos.	5.5	5.5	0.0
TOTAL	215.5	215.5	0.0

Agency Estimate/Governor's Recommendation

The State Corporation Commission's estimate for FY 2003 operating expenditures is \$17,530,309, which is a an increase of \$170,352 (1.0 percent) from the approved budget. The agency's estimate includes: \$10,789,756 for salaries and wages, \$5,848,108 for contractual services, \$188,150 for commodities, \$103,100 for capital outlay, and \$601,195 for aid to local units.

The Governor concurs with the agency's estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: State Corporation Commission **Bill No.** _____ **Bill Sec.** _____
Analyst: Krahl **Analysis Pg. No.** _____ **Budget Page No.** 107

<u>Expenditure Summary</u>	<u>Agency Request FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Report Adjustments</u>
Special Revenue Funds:			
State Operations	\$ 17,062,494	\$ 15,227,635	\$ 0
Aid to Local Units	591,436	591,436	0
Other Assistance	0	0	0
TOTAL	\$ 17,653,930	\$ 15,819,071	\$ 0
FTE Positions	214.0	212.0	0.0
Non FTE Uncl. Perm. Pos.	5.5	5.5	0.0
TOTAL	219.5	217.5	0.0

Agency Request/Governor's Recommendation

The State Corporation Commission requests for FY 2004 operating expenditures of \$17,653,930, which is an increase of \$123,621 (0.7 percent) from the FY 2003 estimate. The request includes an enhancement request of \$172,217 for an additional 4.0 FTE positions. The request includes: \$11,118,437 for salaries and wages, \$5,644,807 for contractual services, \$183,650 for commodities, \$115,600 for capital outlay, and \$591,436 for aid to local units.

The Governor recommends for FY 2004 operating expenditures of \$15,819,071, which is a decrease of \$1,711,238 (9.8 percent) from the FY 2003 recommendation. The recommendation includes \$86,178 for an additional 2.0 FTE positions. The recommendation includes: \$11,036,399 for salaries and wages, \$4,844,807 for contractual services (includes the deletion of \$400,000 transfer from State Water Plan Fund and deletion of \$400,000 transfer from State General Fund, both in the Conservation Program), \$183,650 for commodities, \$111,600 for capital outlay, \$591,436 for aid to local units and a reduction of \$948,821 for a 5.9 percent operating adjustment.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Citizens' Utility Ratepayer Board **Bill No.**

Bill Sec.

Analyst: Krahl

Analysis Pg. No.

Budget Page No. 85

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
Special Revenue Funds:			
State Operations	\$ 654,683	\$ 654,683	\$ 0
FTE Positions	5.0	5.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	5.0	5.0	0.0

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2003 operating expenditures of \$654,683, which is an increase of \$41,063 (6.7 percent) from the approved budget. The increase is the carry forward balance for consulting fees. The agency was allowed to "carry forward" to FY 2003 any unused balances in the Utility Regulatory Fee Fund for consulting fees from the previous years as stated in 2002 SB 17. The estimate includes: \$298,261 for salaries and wages, \$347,116 for contractual services, \$4,735 for commodities, and \$4,571 for capital outlay.

The Governor concurs with the agency's estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Citizens' Utility Ratepayer Board **Bill No.** **Bill Sec.**

Analyst: Krahl **Analysis Pg. No.** **Budget Page No. 85**

Expenditure Summary	Agency Estimate FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
Special Revenue Funds:			
State Operations	\$ 616,952	\$ 580,552	\$ 0
FTE Positions	5.0	5.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	5.0	5.0	0.0

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2004 operating expenditures of \$616,952, which is a decrease of \$37,731 (5.8 percent) from the FY 2003 estimate. The agency request includes: \$306,355 for salaries and wages, \$303,047 for contractual services, \$4,250 for commodities, and \$3,300 for capital outlay.

The Governor recommends for FY 2004 operating expenditures of \$580,552, which is a decrease of \$74,131 (11.3 percent) from the FY 2003 recommendation and \$36,400 less than the agency request. The recommendation includes: \$306,355 for salaries and wages, \$303,047 for contractual services, \$4,250 for commodities, \$3,300 for capital outlay and a reduction of \$36,400 for a 5.9 percent operating adjustment.

Senate Subcommittee Recommendation

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

1. The Senate Subcommittee commends the agency's prompt and congenial transition of leadership. The Subcommittee also notes and commends the willingness of the agency to manage reductions within the agency's budget. Finally, the Subcommittee is pleased to bring to the attention of the full Senate Ways and Means Committee the outstanding job this agency is doing in carrying out its daily operations.

**Testimony to the
Senate Committee on Ways and Means
By
Jack Rickerson, Director
Division of Personnel Services**

**February 13, 2003
Overview on Layoff and Furloughs in FY'03**

Good morning Mr. Chairman and members of the committee. My name is Jack Rickerson. I was appointed as the new Director for the Division of Personnel Services in January. I appreciate this opportunity to appear before the Committee to discuss statewide furlough and layoff actions. I will provide a brief overview and update on layoffs and furloughs that have occurred in FY'03 to date. The figures I will be discussing are shown in the attached handout.

You will see that layoffs have been processed for 10 agencies affecting 71 employees, and that we have received notice of proposed layoff actions for two more agencies that may affect up to 125 more employees. The Division either assists agencies with the development and implementation of layoff plans or reviews proposed layoff actions. Each plan, and the actions it represents, must be approved by the Secretary of Administration before it can be implemented.

Not all layoff actions proposed are acted on. At times, other options surface between the time an agency notifies us and employees of proposed layoff actions and the proposed effective date, negating the need for layoff action.

Finally, "layoff" is a technical term. It does not always mean unemployment. As you will see in the attached chart, employees sometimes transfer or demote to other positions as a result of layoff action.

Furloughs require the Secretary of Administrations' review and approval of formal furlough plans submitted by agencies. Once a plan is approved, an agency must again seek approval to act on that plan if and when the agency decides to move forward with furloughs. The Division has received and reviewed furlough plans for three agencies—the Department on Aging, the Department of Corrections, and the Department of Administration. Only the Department on Aging has taken the second step in the process and actually activated a furlough. That particular furlough was a voluntary furlough.

Senate Ways and Means
2-13-03
Attachment 6

Summary Layoff Actions Effective FY 2003 (July 1, 2002 to June 30, 2003)

Agency Name	Number of Positions Affected By Layoff	Number of Employees Affected by Proposed Layoff	Number of Employees Actually Laid Off	Number of Employees Transferred In-Lieu-of-Layoff	Number of Employees Demoted In-Lieu-of-Layoff	Other
Adjutant General	3.00	3.00	1.00	1.00	1.00	0.00
Agriculture	1.00	1.00	1.00	0.00	0.00	0.00
Board of Tax Appeals	3.00	3.00	2.00	0.00	0.00	1.00
Department of Corrections (Lansing)	8.00	8.00	2.00	0.00	6.00	0.00
Historical Society	12.00	12.00	8.00	0.00	0.00	4.00
Kansas Department of Health and Environment	3.00	3.00	0.00	1.00	1.00	1.00
Kansas State University	4.00	4.00	4.00	0.00	0.00	0.00
Department of Social and Rehabilitation Services	11.00	11.00	4.00	5.00	0.00	2.00
University of Kansas	18.00	18.00	2.00	13.00	0.00	3.00
University of Kansas Medical Center	8.00	8.00	5.00	2.00	1.00	0.00
FY03 Totals as of 2-11-03	71	71	29	22	9	11

Note:

- Figures may vary from actual occurrence as transactions entered in SHARP may not reflect relationship to layoff or other action may have been taken prior to implementation of layoff
- Other includes such actions as: termination of probationary employee, retirement, secured other employment, vacancies.
- Additional Proposed Notices of Layoff have been received from the Departments of Corrections and Social and Rehabilitation Services. Proposed effective dates range from March 2003 to June 2003. Proposed affected positions equals approximately 125. Number of employees effected will not be known until layoff action is implemented.

**Testimony to the
Senate Committee on Ways and Means**

**By
Jack Rickerson, Director
Division of Personnel Services**

**February 13, 2003
Changes in DPS**

The other subject I would like to address today is the future of the Division of Personnel Services. The Division is currently facing a number of changes. The first of these is a change in philosophy, and the hallmark of this change is the concept of flexibility.

The Division recognizes that, to some degree, all agencies have different needs. Our intent is to work with agencies to establish a statewide HR system that is flexible and provides options to agencies. Agencies know what is best for them and I see the Division's role as supporting agency efforts and helping to eliminate, or minimize the impact of, system barriers that might be getting in the way of managing HR programs to meet agency's operational needs and ensure their success.

Acting within this new philosophy, the Division invited all agencies to come to a work session on January 31st to talk about 1) how we can establish effective partnerships, 2) our expectations for each other, 3) short and long-term issues we should address, and 4) how we can continue to communicate. We have already acted on several major issues that were of concern to agencies and we are in the process of assembling teams of agency personnel and staff from the Division to discuss other specific programs and issues that were identified at the meeting.

The following is a brief overview of some of the immediate decisions we have made and actions we have taken:

- The Division is standing down on the statewide implementation of a competency-based system. We believe a competency-based system is too much for the state HR system to take on at this time, and that our efforts and energies need to be directed toward more fundamental issues.
- In ending the competency initiative, we will not be revising the employment registration system to incorporate competencies. Instead, we will stay with and update the skills-registering system we now have. However, linked to that is the new option for agencies to use an application process that works best for them.
- We will not be implementing a new performance review/evaluation system based on competencies. Effective immediately, agencies are no longer required to use the Employee and Manager Performance Review Systems, if those systems are not working for them, or if an agency prefers to use some other type of rating system.

- The Division is also taking a hard look at how we manage our training responsibilities. We will need to work with agencies to determine how to best manage required New Employee Orientation, Basic Supervisory Training and lead Worker Training, and how ad hoc training associated with agency consultation will be addressed. That process will involve a review of requirements and standards, as well as curriculum, and will be driven by practical needs.

We will be decentralizing services and functions when we can and encouraging agencies to partner with one another as well. In that process we will be developing understandings and agreements with agencies to ensure the integrity of the Civil Service system.

Along with this change in philosophy, the Division is also facing another change. In the Governor's proposed FY'04 budget, the Division's state general funding was cut by a third. The Division's off-budget funds (benefit programs) were untouched. Combined with the cuts made in FY'03, the Division is facing an SGF cut of \$1.2 million for the upcoming fiscal year. Since 88% of the Division's SGF funding is dedicated to salaries, the Division has no alternative but to reduce our staffing.

We are currently in the process of reviewing our structure and essential functions in order to narrow our new vision and philosophy as well as to guide our decisions near future actions. While the Division will be doing less with less, we will be making every effort to make sure our reduction in staff is done in a way that we are still be able to provide essential services.

Thank you for the opportunity to share this information. I welcome any questions you may have on any of the topics I have talked about.



STATE OF KANSAS
DEPARTMENT OF WILDLIFE & PARKS

Office of the Secretary
1020 S Kansas Ave., Room 200
Topeka, KS 66612-1327
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MEMORANDUM

To: Senator Stephen Morris, Chairperson
From: Chad Luce, Public Information Officer
Date: February 12, 2003
Subject: SB 43 Fiscal Note

I apologize for the confusion in this morning's Senate Ways and Means Committee hearing on SB 43, regarding the conflicting fiscal notes provided by the Division of the Budget (DOB) and the Kansas Department of Wildlife and Parks (KDWP). After speaking to personnel in DOB, I believe I can clarify this issue.

In calendar year 2001, the most recent year that all receipts are available, the department received \$307,904.00 in service fee charges. Of that total, \$209,147 was allocated to the park fee fund. All other participating vendors collected \$641,917.50 combined.

The DOB assumed that the effective date of the bill was January 1, 2004. Therefore, to reflect the fiscal FY04 impact, only six months of service charge fees were calculated in their total. This is why DOB's numbers were ½ of the total cited by KDWP.

The bill would actually take effect upon publication, July 1, 2003, meaning any increase in the service charge fee would be fully reflected in FY04, and in subsequent years.

DOB has indicated that they will send a correct fiscal note to the Committee as soon as possible.

Please contact me at 296-3905 if you have any further questions.

Senate Ways and Means
2-13-03
Attachment 8

Kansas Department of

Social and Rehabilitation Services

Janet Schalansky, Secretary

Senate Ways and Means Committee

February 12, 2003

Policy Options Discussion Guide

Janet Schalansky, Secretary

785-296-3271

For additional information contact:
Office of Planning and Policy Coordination
Marianne Deagle, Director

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Senate Ways and Means
2-13-03
Attachment 9

Kansas Department of Social and Rehabilitation Services
Janet Schalansky, Secretary

Senate Ways and Means Committee
February 12, 2003

Policy Options Discussion Guide

Senate Ways and Means Committee members have requested the department identify savings in major discretionary expenditures. This document is intended to facilitate a discussion on these options. The information represents neither the priorities nor opinions of the Governor and the department. Although an extensive list of savings is submitted, there are undoubtedly additional policy options that could be added to this document.

Use of Policy Option Savings. The use of the savings estimates must be accompanied with an awareness that several options overlap or may have interrelated impacts. Consequently, the savings are not necessarily additive and the selection of any set of options will require a refinement in the savings estimate. Also, the estimated savings are based on a year's savings to illustrate the full impact of the option. The first year of savings for a chosen option would hinge on the actual implementation date.

Organization of Policy Options. The savings options are categorized by "Services" and "Populations." Each of these categories has been further defined by groupings such as "Regular Medical Services to Adults", "Regular Medical Services to Children", "Populations Covered by Medicaid", etc. Each option contains a description of the population or the service, an estimate of savings below the Governor's budget recommendation, the changes required to implement the option, the number of persons affected by the reduction, and the potential implications. Options impacting programs included in the consensus caseload estimating process are noted by an asterisk.

Factors to Consider when Discussing Options. The following considerations should be made when reviewing the savings options:

- The population groups served by the Department are among Kansas' most needy whose resources must already have been spent before qualifying for any of these programs. The majority of the adult clients are working, or are unable to work due to disability. Many of the services provided to children help keep parents in the workforce.
- Kansas ranks 29th in the nation in the amount of TAF cash benefits and 4th in our six-state region. Colorado, Iowa, and Nebraska provide higher benefits while Missouri and Oklahoma provide lower benefits.
- Increases in the Medicaid program are reflective of increases in health care costs across the country.

- Elimination of certain programs may cause exceptional hardship to some long term clients who will have no means to develop a way to compensate for the lost benefit. Some consideration may need to be given to "grandfathering" in these clients.
- Selection of an option may shift costs to other categories or programs. Costs may also be shifted to communities.
- Some services have been based on long term strategic investments. Eliminating HCBS waiver services, for example, may cause a greater number of people to enter institutions at a greater expense.
- Decisions could adversely affect the service delivery infrastructure and make it difficult to reintroduce those services if it proves to be affordable in the future.
- All estimates are for a full year based on data as of February 2003. If a specific implementation date is chosen, savings would be recalculated based on the new date.

The appendix to this document contains attachments which elaborate on the department's services and which provide a comparison of the department's services across our six-state region. The attachments are listed in the following table:

Appendix	Title	Page
A	Poverty Guidelines by SRS Service	28
B	Comparison of Economic Benefits by State	29
C	Benefits for Non-Citizens	30
D	Medicaid Mandatory and Optional Coverage Groups (Populations)	33
E	Medicaid Mandatory and Optional Services	34
F	Comparison of Most Common Optional Medical Services for Adults	35
G	Comparison of Medical Eligibility by State	36
H	Adjustments Included in the Governor's Budget Recommendation	41

4-9

Description of Service or Population	Estimated Reduction Below FY 2004 GBR (in millions) State Funds AF		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications
OPTIONAL REGULAR MEDICAL SERVICES FOR CHILDREN - Dollar amounts and numbers of persons duplicate those in Optional Populations Section					
Incontinence Supplies* This benefits covers incontinence supplies for children over the age of five who, due to a variety of disabilities or medical conditions, do not use the bathroom. Option reflects total elimination of the service. Coverage for diapers was eliminated in the FY03 allotment and reinstated in the FY04 GBR.	(\$0.24)	(\$0.60)	Amend State Medicaid Plan	513	Parents would be required to purchase incontinence supplies for their children.
Attendant Care for Independent Living (ACIL)* This benefit covers health related services for children who are medically fragile and medicaid eligible. Skilled nursing includes such things as tube feeding, suctioning and delivery of medications by I.V. The medicaid HCBS waiver for children requiring technology assistance (TA) qualifies children to access these services. All direct services for children on the TA waiver are accessed through ACIL.	(\$5.76)	(\$14.19)	Amend State Medicaid Plan	300	Children who are medically fragile would no longer receive this service.

Description of Service or Population	Estimated Reduction Below FY 2004 GBR (in millions) State Funds AF		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications																					
OPTIONAL REGULAR MEDICAL SERVICES FOR ADULTS - Dollar amounts and numbers of persons duplicate those in Optional Populations Section																										
<p>Pharmacy for Adults* This benefit covers prescription drugs for adults. At the direction of the 2002 legislature, reductions were implemented involving reimbursement rates for pharmaceuticals, dispensing fees, co-pay and the development of a preferred formulary. This additional option reflects total elimination of the service.</p> <p>The GBR makes targeted reductions to pharmacy through a variety of policy changes.</p> <table border="0" data-bbox="130 808 898 1040"> <tr> <td>Reductions in GBR:</td> <td>SGF</td> <td>AF</td> </tr> <tr> <td>Reduce Pharmacy from</td> <td></td> <td></td> </tr> <tr> <td> AWP-11% to AWP-13%</td> <td>(\$1.2)</td> <td>(\$3.1)</td> </tr> <tr> <td>Limit the # of branded prescriptions</td> <td>(\$5.3)</td> <td>(\$13.5)</td> </tr> <tr> <td>Limit prescription supply to 31 days</td> <td>(\$.2)</td> <td>(\$.5)</td> </tr> <tr> <td>PA Access to Cox 2 Drugs</td> <td>(\$.6)</td> <td>(\$1.5)</td> </tr> <tr> <td>TOTAL</td> <td>(\$7.3)</td> <td>(\$18.6)</td> </tr> </table>	Reductions in GBR:	SGF	AF	Reduce Pharmacy from			AWP-11% to AWP-13%	(\$1.2)	(\$3.1)	Limit the # of branded prescriptions	(\$5.3)	(\$13.5)	Limit prescription supply to 31 days	(\$.2)	(\$.5)	PA Access to Cox 2 Drugs	(\$.6)	(\$1.5)	TOTAL	(\$7.3)	(\$18.6)	(\$76.97)	(\$180.71)	Amend State Medicaid Plan	75,600	Eliminating access to pharmaceuticals will likely increase use of inpatient care and physician visits.
Reductions in GBR:	SGF	AF																								
Reduce Pharmacy from																										
AWP-11% to AWP-13%	(\$1.2)	(\$3.1)																								
Limit the # of branded prescriptions	(\$5.3)	(\$13.5)																								
Limit prescription supply to 31 days	(\$.2)	(\$.5)																								
PA Access to Cox 2 Drugs	(\$.6)	(\$1.5)																								
TOTAL	(\$7.3)	(\$18.6)																								
<p>Vision Services for Adults* This benefit covers eye exams and eye glasses for adults once every four years. Option reflects total elimination of the service.</p> <p>Vision services were eliminated by the FY03 allotment and reinstated in the FY04 GBR.</p>	(\$0.37)	(\$0.91)	Amend State Medicaid Plan	10,600	Persons needing glasses would have to obtain them using other means.																					

Description of Service or Population	Estimated Reduction Below FY 2004 GBR (in millions) State Funds AF		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications
OPTIONAL REGULAR MEDICAL <u>SERVICES</u> FOR ADULTS - Dollar amounts and number of persons duplicate those in Optional Populations Section (continued)					
<p>Dental Services for Adults* This benefit covers only emergency dental care that affects the overall health of the person. The service is limited to teeth extraction. Option reflects total elimination of the service.</p>	(\$0.22)	(\$0.53)	Amend State Medicaid Plan	2,300	Untreated persons are likely to need more intensive emergency care as the infected teeth affect overall health.
<p>Audiology Services for Adults* This benefit covers audiology testing and hearing aids for adults every four years and very limited hearing aid repairs and maintenance. Option reflects total elimination of the service.</p> <p>Audiology services were eliminated by the FY03 allotment and reinstated in the FY04 GBR.</p>	(\$0.14)	(\$0.33)	Amend State Medicaid Plan	1,300	Persons needing hearing aids would have to obtain them through other means.
<p>Therapy Services for Adults* This benefit covers physical therapy, occupational therapy, and services for speech, hearing, and language disorders. Therapy provided is only rehabilitative in nature on a limited, short term basis. The FY03 appropriation reflects the estimated savings that will result from improving edits and processing of therapy claims for assessments so provider billing errors are greatly reduced.</p> <p>This additional option reflects total elimination of the service.</p>	(\$0.06)	(\$0.13)	Amend State Medicaid Plan	360	<p>Eliminating therapy could limit people returning to work and decrease self-sufficiency.</p> <p>Could increase the demand for VR services.</p>

Description of Service or Population	Estimated Reduction Below FY 2004 GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications
	State Funds	AF			
OPTIONAL REGULAR MEDICAL <u>SERVICES</u> FOR ADULTS - Dollar amounts and number of persons duplicate those in Optional Populations Section (continued)					
<p>Durable Medical Equipment for Adults* This benefit covers durable medical equipment and supplies such as oxygen equipment, wheelchairs, diapers, and ostomy supplies. Option reflects total elimination of the service. The FY03 allotment eliminated coverage for diapers, but the FY04 GBR reinstates this coverage.</p>	(\$2.56)	(\$6.13)	Amend State Medicaid Plan	10,000	Would likely result in increased nursing home and hospital treatment. Could increase the demand for VR services.
<p>Transplants for Adults* This benefit covers kidney, cornea, liver and bone marrow transplants. Medicare frequently covers most of the costs of these Medicaid allowable transplants. Medicaid is the last payer. Option reflects total elimination of the service.</p>	(\$0.33)	(\$0.82)	Repeal Regulations Amend State Medicaid Plan	27	Life span of people needing critical transplants will be shortened. Discontinuing non-critical transplants will greatly diminish quality of life.
<p>Alcohol and Drug Abuse Services for Adults* This benefit covers drug and alcohol treatment for adults such as acute detox, intermediate inpatient care, and day treatment. Option reflects total elimination of Medicaid services. It does not include grant funding for this service.</p>	(\$1.33)	(\$3.34)	Amend State Medicaid Plan	2,060	Could possibly increase the demand on state only funded services.

Description of Service or Population	Estimated Reduction Below FY 2004 GBR (in millions) State Funds AF		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications
OPTIONAL REGULAR MEDICAL <u>SERVICES</u> FOR ADULTS - Dollar amounts and number of persons duplicate those in Optional Populations Section (continued)					
<p>Hospice for Adults* This benefit covers skilled nursing services for persons who have been determined to have less than six months to live. The FY03 appropriation budget eliminated hospice for persons on PD waiver. This additional option reflects total elimination of the service.</p>	(\$2.99)	(\$7.44)	Amend State Medicaid Plan	1,350	Would likely result in increased inpatient hospitalization and nursing home placements.
<p>Federally Qualified Health Clinics for Adults* This benefit provides federal funding for Federally Qualified Health Clinics. (Note: Rural Health Clinics are a mandated service). Option reflects total elimination of the service.</p>	(\$0.29)	(\$0.58)	Amend State Medicaid Plan	4,000	Persons would likely seek services from other Medicaid providers. These clinics would no longer be eligible for Medicaid reimbursement. Decreased availability of medical services especially where access to physicians is limited.

Description of Service or Population	Estimated Reduction Below FY 2004 GBR (in millions) State Funds AF		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications
OPTIONAL REGULAR MEDICAL SERVICES FOR ADULTS - Dollar amounts and number of persons duplicate those in Optional Populations Section (continued)					
Local Health Department Services for Adults* This benefit covers services provided by county health departments. Option reflects total elimination of the service.	(\$0.05)	(\$0.15)	Repeal Regulations Amend State Medicaid Plan	2,700	County Health Department funding would be decreased. Decreased availability of medical services especially where access to physicians is limited.
Nursing (ARNP) Services for Adults* This benefit covers the services provided by an advanced registered nurse practitioner such as pain management and obstetrics. Option reflects total elimination of the service.	(\$0.04)	(\$0.10)	Repeal Regulations Amend State Medicaid Plan	1,200	Decreased availability of medical services, especially where access to physicians is limited.

Description of Service or Population	Estimated Reduction Below FY 2004 GBR (in millions) State Funds AF		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications												
OPTIONAL POPULATIONS COVERED BY MEDICAID - Dollar amounts and persons listed duplicate those under Optional Services Sections																	
<p>MediKan Program* The persons covered by this program are adults who are applying for federal disability benefits. Medikan is a more limited services package than Medicaid. SRS receives retroactive federal funding for persons ultimately found eligible for Medicaid. This additional option reflects total elimination of services to this population.</p> <p>The GBR limits this program to 24 months with the first month counting toward the limiting as January 2002, resulting in estimated savings of \$2.2 million. The GBR also lowers Medikan \$1.4 million by reducing reimbursement rates to Community Mental Health Centers.</p> <table border="0" data-bbox="96 954 714 1088"> <tr> <td>Reduction in FY2004 GBR:</td> <td>SGF</td> <td>AF</td> </tr> <tr> <td>GA MediKan</td> <td>(\$2.2)</td> <td>(\$2.2)</td> </tr> <tr> <td>CMHC MediKan</td> <td>(\$1.4)</td> <td>(\$1.4)</td> </tr> <tr> <td>TOTAL</td> <td>(\$3.6)</td> <td>(\$3.6)</td> </tr> </table>	Reduction in FY2004 GBR:	SGF	AF	GA MediKan	(\$2.2)	(\$2.2)	CMHC MediKan	(\$1.4)	(\$1.4)	TOTAL	(\$3.6)	(\$3.6)	(\$14.80)	(\$14.80)	Repeal Regulations	3,410	Significant increase in indigent care especially at hospitals that can not turn away patients in need of emergency care. Additional uncompensated care at CMHC's for mentally ill consumers.
Reduction in FY2004 GBR:	SGF	AF															
GA MediKan	(\$2.2)	(\$2.2)															
CMHC MediKan	(\$1.4)	(\$1.4)															
TOTAL	(\$3.6)	(\$3.6)															

Description of Service or Population	Estimated Reduction Below FY 2004 GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications
	State Funds	AF			
<p>Expanded Breast and Cervical Cancer Coverage* Persons covered by this program are women with cervical or breast cancer who qualify for the Kansas Breast and Cervical Cancer program. These women have income less than 250% of the federal poverty level. Federal funds are provided at an enhanced match rate of 72%. Option reflects total elimination of services to this population.</p>	(\$0.28)	(\$1.00)	Amend State Medicaid Plan	45	Women in this group would go untreated or secure treatment through other means.
<p>OPTIONAL POPULATIONS COVERED BY MEDICAID - Dollar amounts and persons listed duplicate those under Optional Services Sections (continued)</p>					
<p>Working Healthy* Persons covered by this program are disabled with incomes up to 300% of the federal poverty level, and who are working. Certain income levels are assessed premiums. This additional option reflects total elimination of services to this population.</p>	(\$1.38)	(\$3.45)	Amend State Medicaid Plan	495	Persons would purchase their own health insurance if it was available and affordable. Elimination of this program could discourage people from seeking employment and cause them to remain on waivers.

Description of Service or Population	Estimated Reduction Below FY 2004 GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications
	State Funds	AF			
<p>Medically Needy Aged, Blind, and Disabled* Persons covered by this program are elderly, or disabled who may have income above the SSI level of \$516/month. These persons must spend down their income to become eligible for Medicaid coverage much the same as paying an insurance deductible. Calculations exclude reductions in HCBS and LTC and includes Working Healthy with the disabled population. Option reflects total elimination of services to this population.</p>	<p>(\$80.80)</p>	<p>(\$216.1)</p>	<p>Amend State Medicaid Plan</p>	<p>27,940</p>	<p>Loss of health insurance coverage which could result in an increase in indigent care. Eliminates Medicaid coverage of prescriptions for persons on Medicare.</p>
<p style="text-align: right;">Aged</p>	<p>(\$34.2)</p>	<p>(\$86.7)</p>		<p>16,370</p>	
<p style="text-align: right;">Disabled/Blind</p>	<p>(\$46.6)</p>	<p>(\$129.4)</p>		<p>11,570</p>	
<p>OPTIONAL POPULATIONS COVERED BY MEDICAID - Dollar amounts and persons listed duplicate those under Optional Services Sections (continued)</p>					
<p>Medically Needy Pregnant Women and Children* Families covered by this program must have income above the established income levels, have catastrophic medical expenses, and also spend down their income to become eligible. This program can not be eliminated until the medically needy aged/blind and disabled program is eliminated. Option reflects total elimination of services to this population.</p>	<p>(\$1.24)</p>	<p>(\$3.32)</p>	<p>Repeal Regulations Amend State Medicaid Plan</p>	<p>1,160</p>	<p>These persons would lose health insurance coverage thereby increasing indigent care.</p>
<p>STATE CHILDREN'S HEALTH INSURANCE PROGRAM</p>					

Description of Service or Population	Estimated Reduction Below FY 2004 GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications
	State Funds	AF			
<p>HealthWave (SCHIP) Premiums This program covers health care costs for uninsured children whose families' income is less than 200% of the federal poverty level (FPL). These families originally paid monthly premiums of either \$10 or \$15 per month. This option would triple the amount of premiums the average family must pay. The FY 03 allotment set premiums at \$30 and \$45 per month, triple the original premium amount effective 2/1/03. The FY 04 GBR lowered the premiums to \$20 and \$30 per month, double the original amount..</p> <p style="text-align: right;"> SGF AF Reduction in FY2004 GBR: (\$1.4) (\$1.3) </p>	(\$0.3)	(\$1.2)	Change Regulations Amend Title XXI State Plan	6,208 families 11,111 children	Some families may choose to leave the program leaving their children without medical coverage.
<p>Eligibility for HealthWave (SCHIP) from 200% to 150% of Federal Poverty Level This program covers health care costs for uninsured children whose family income is less than 200% of FPL. This option reduces that income eligibility to 150% of FPL. The eligibility change would occur at the child's next review date.</p> <p> Option SGF All Funds Children Lower 185% (\$1.30) (\$1.01) 1,160 Lower 150% (\$2.69) (\$9.75) 11,111 </p>	(\$2.7)	(\$9.8)	Change Regulations Amend Title XXI State Plan	11,111 children	The number of uninsured children could rise significantly. Could jeopardize the viability of the managed care program. Reduce the number of people served. Cost per person would likely increase as population served decreased.
FACILITY-BASED SERVICES					

Description of Service or Population	Estimated Reduction Below FY 2004 GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications
	State Funds	AF			
<p>Nursing Facilities for Mental Health* Nursing Facilities for Mental Health (NF/MH) provide residential care and treatment for persons who are primarily severely and persistently mentally ill (SPMI). This option reflects total elimination of this service to this population.</p> <p style="text-align: center;"> SGF AF Reduction in FY2004 GBR: (\$0.81) (\$1.19) </p> <p>The GBR includes a reduction in the caseload estimate based on SRS's projection that fewer people will be served in NF/MH's as a result of the decision to only serve persons who are SPMI and the implementation of pre-admission screening for new applicants to ensure they need this level of care.</p>	(\$8.9)	(\$13.1)	Repeal Regulations Amend State Medicaid Plan	604 beds	Services to people displaced by this option would be assumed by state hospitals, community based settings or nursing homes.

Description of Service or Population	Estimated Reduction Below FY 2004 GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications
	State Funds	AF			
<p>Intermediate Care Facilities for the Mentally Retarded This optional Medicaid service provides private institutional services to persons who are severely developmentally disabled (DD). This option reflects total elimination of this service to this population. Note: The cost of this optional service has declined significantly as a result of the closure of several large private facilities. The savings from these closures was shifted to the DD waiver to pay the costs of services for persons moved from these facilities.</p> <p style="text-align: right;"> Reduction in FY2004 GBR: SGF AF (0.78) (1.99) </p>	(\$6.67)	(\$16.95)	Repeal Regulations & State Medicaid Plan	300	Federal funds for private ICFsMR would be lost. Demand for DD waiver services could expand greatly. If savings were not transferred to community DD programs, those leaving ICFs/MR would be left without services.

Description of Service or Population	Estimated Reduction Below FY 2004 GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications																		
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HOME AND COMMUNITY BASED SERVICES (HCBS WAIVERS)																							
<p>Home and Community Based Services Waivers HCBS waivers fund home and community based services for persons who are eligible for ICF/MR placement. All HCBS waivers are optional services. This option reflects total elimination of this service to these populations.</p> <table border="0"> <thead> <tr> <th></th> <th>State Funds</th> <th>AF</th> </tr> </thead> <tbody> <tr> <td>Developmental Disability Waiver</td> <td>(\$72.63)</td> <td>(\$201.07)</td> </tr> <tr> <td>Physical Disability Waiver</td> <td>(\$19.62)</td> <td>(\$58.19)</td> </tr> <tr> <td>Head Injury Waiver</td> <td>(\$2.35)</td> <td>(\$5.96)</td> </tr> <tr> <td>Technology Assistance Waiver</td> <td>(\$0.06)</td> <td>(\$0.21)</td> </tr> <tr> <td>Serious Emotional Disturbance Waiver</td> <td>(\$6.08)</td> <td>(\$15.28)</td> </tr> </tbody> </table> <p>The FY03 allotment reduced the waivers by lowering the protected income level, reducing reimbursement rates, and raising the level of care score for the PD waiver to 30. The FY04 GBR reinstates these reductions.</p> <p>Reduction in FY2004 GBR: (\$3.15) (\$8.01) The GBR includes reductions of PD waiver by removing from service those people who were "grandfathered" in when the level of care score (LOC) was raised from 16 to 25. The GBR also reduces the DD waiver for in-home family supports.</p>		State Funds	AF	Developmental Disability Waiver	(\$72.63)	(\$201.07)	Physical Disability Waiver	(\$19.62)	(\$58.19)	Head Injury Waiver	(\$2.35)	(\$5.96)	Technology Assistance Waiver	(\$0.06)	(\$0.21)	Serious Emotional Disturbance Waiver	(\$6.08)	(\$15.28)	(\$100.7)	(\$280.7)	Withdraw Federal Waivers	10,982	All persons served by the HCBS waivers will lose long term supports. There may result in a substantial increase in the demand for institutional services.
	State Funds	AF																					
Developmental Disability Waiver	(\$72.63)	(\$201.07)																					
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				5,792																			
				3,900																			
				150																			
				40																			
				1,100																			

Description of Service or Population	Estimated Reduction Below FY 2004 GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications																
	State Funds	AF																			
<p>Protected Income Level (PIL) Eligibility Persons whose services are funded by the HCBS waivers have protected income levels (PIL) higher than other persons served by Medicaid. This higher protected income is used to pay for these persons rent, utilities, food, transportation, and other living expenses. Their PIL is \$716 per month compared with the minimum PIL of \$475 per month. This option reduces PIL to \$525 per month.</p> <p>The PIL was reduced to \$645 as part of the November allotment in FY 03, but was restored to \$716 in FY04.</p> <table border="1"> <thead> <tr> <th>Option</th> <th>SGF</th> <th>All Funds</th> <th>People</th> </tr> </thead> <tbody> <tr> <td>Lower to \$645</td> <td>(\$0.74)</td> <td>(\$1.88)</td> <td>2,434</td> </tr> <tr> <td>Lower to \$585</td> <td>(\$1.54)</td> <td>(\$3.87)</td> <td>3,111</td> </tr> <tr> <td>Lower to \$525</td> <td>(\$2.51)</td> <td>(\$6.31)</td> <td>3,574</td> </tr> </tbody> </table>	Option	SGF	All Funds	People	Lower to \$645	(\$0.74)	(\$1.88)	2,434	Lower to \$585	(\$1.54)	(\$3.87)	3,111	Lower to \$525	(\$2.51)	(\$6.31)	3,574	(\$2.5)	(\$6.3)	Amend Regulations & Federal Waiver	3,574 persons	People in the "spend down group" would need to pay significantly higher amounts for the cost of their care and would have fewer dollars available for non medical expenses.
Option	SGF	All Funds	People																		
Lower to \$645	(\$0.74)	(\$1.88)	2,434																		
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Description of Service or Population	Estimated Reduction Below FY 2004 GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications																		
	State Funds	AF																					
<p>Accessing the Medicaid Waiver for Persons with Physical Disabilities Eligibility to the PD waiver requires a level of care score (LOC) of at least 26 on a standardized assessment instrument that measures the persons' ability to care for themselves. This option raises the minimum LOC score needed to access services from 26 to 34. This option assumes that persons currently being served by the PD waiver would be removed from services:</p> <table border="0"> <tr> <td>Options</td> <td>SGF</td> <td>AF</td> <td>People</td> </tr> <tr> <td>30 or lower</td> <td>(\$5.88)</td> <td>(\$14.95)</td> <td>933</td> </tr> <tr> <td>34 or lower</td> <td>(\$8.26)</td> <td>(\$21.39)</td> <td>1,335</td> </tr> </table> <table border="0"> <tr> <td></td> <td>SGF</td> <td>AF</td> </tr> <tr> <td>GBR Reduction:</td> <td>(1.48)</td> <td>(3.77)</td> </tr> </table>	Options	SGF	AF	People	30 or lower	(\$5.88)	(\$14.95)	933	34 or lower	(\$8.26)	(\$21.39)	1,335		SGF	AF	GBR Reduction:	(1.48)	(3.77)	(\$8.3)	(\$21.39)	Change in the nursing home admission criteria through KDOA and a change in policy and procedures.	1,335 people	This assumes that existing persons receiving services are removed from services. If these persons receiving services were "grandfathered" in, there would be no first year savings, but the service access management (waiting) list would be reduced. Of the 779 people on the waiting list as of January 1, 2003 15% of the persons on the waiting list, or 116 people, have a score of 30 or less; an additional 19% or 147, have a score between 31 and 34. Raising the score would mean that 263 people currently waiting for services would no longer be eligible. If these services are not available, additional persons may choose to enter nursing homes or may enter nursing homes sooner
Options	SGF	AF	People																				
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DIRECT FINANCIAL ASSISTANCE																																
<p>General Assistance* General Assistance provides a small cash benefit to very low-income, physically and mentally disabled adults who are applying for federal disability benefits.</p> <p>This option would eliminate 1) cash assistance for this state-funded program, 2) disability advocacy funding which is used to represent claimants, and 3) enhanced funding for intensive services to clients who are at risk of meeting the 24-month time limit. A related consequence of the program elimination is the loss of SRS fee funds received from the Social Security Administration for the reimbursement of SRS assistance during the disability determination period. The following details the savings:</p> <table border="0"> <thead> <tr> <th></th> <th style="text-align: center;"><u>SGF</u></th> <th style="text-align: center;"><u>All Funds</u></th> </tr> </thead> <tbody> <tr> <td>GA cash assistance</td> <td style="text-align: right;">\$7,305,261</td> <td style="text-align: right;">\$7,305,261</td> </tr> <tr> <td>Disability advocacy contract</td> <td style="text-align: right;">236,992</td> <td style="text-align: right;">640,000</td> </tr> <tr> <td>Intensive services</td> <td style="text-align: right;"><u>334,400</u></td> <td style="text-align: right;"><u>500,000</u></td> </tr> <tr> <td>Total expenditures</td> <td style="text-align: right;">\$7,876,653</td> <td style="text-align: right;">\$8,445,261</td> </tr> <tr> <td>SRS Fee Fund Revenue</td> <td style="text-align: right;"><u>(1,717,676)</u></td> <td style="text-align: right;"><u>(1,717,676)</u></td> </tr> <tr> <td>Net Savings</td> <td style="text-align: right;">\$6,158,977</td> <td style="text-align: right;">\$6,727,585</td> </tr> </tbody> </table> <table border="0"> <thead> <tr> <th></th> <th style="text-align: center;"><u>SGF</u></th> <th style="text-align: center;"><u>All Funds</u></th> </tr> </thead> <tbody> <tr> <td>Reduction in FY2004 GBR:</td> <td style="text-align: right;">(\$.49)</td> <td style="text-align: right;">(\$.49)</td> </tr> </tbody> </table> <p>The reduction reflects savings from the 24-month, time-limited General Assistance program. Clients will begin to lose eligibility on January 2004.</p>		<u>SGF</u>	<u>All Funds</u>	GA cash assistance	\$7,305,261	\$7,305,261	Disability advocacy contract	236,992	640,000	Intensive services	<u>334,400</u>	<u>500,000</u>	Total expenditures	\$7,876,653	\$8,445,261	SRS Fee Fund Revenue	<u>(1,717,676)</u>	<u>(1,717,676)</u>	Net Savings	\$6,158,977	\$6,727,585		<u>SGF</u>	<u>All Funds</u>	Reduction in FY2004 GBR:	(\$.49)	(\$.49)	(\$6.2)	(\$6.7)	Amend Regulations. Cancel KLS contract	3,904 monthly persons	General Assistance recipients would need to rely on other means of financial support and seek federal disability on their own. FY 2003. The disability advocacy contract was reduced by \$200,000 in FY 2003. This reduction was restored in FY 2004.
	<u>SGF</u>	<u>All Funds</u>																														
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Description of Service or Population	Estimated Reduction Below GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications																		
	SGF	All Funds																					
<p>TAF Benefits* TAF provides financial assistance to very low-income families to meet essential needs. The average monthly benefit for families in Fiscal Year 2003 is \$307. This reduction would reduce the monthly cash benefit to families receiving cash assistance.</p> <p>Benefit reduction options follow:</p> <table border="1"> <thead> <tr> <th rowspan="2">Monthly Reduction in Family Cash Benefit</th> <th rowspan="2">% Reduction From Current Monthly Benefit</th> <th colspan="2">Savings</th> </tr> <tr> <th>SGF</th> <th>All Funds</th> </tr> </thead> <tbody> <tr> <td>\$10</td> <td>3.2%</td> <td>\$0.0</td> <td>\$1,908,760</td> </tr> <tr> <td>25</td> <td>8.0%</td> <td>0.0</td> <td>4,772,400</td> </tr> <tr> <td>50</td> <td>16.0%</td> <td>0.0</td> <td>9,554,800</td> </tr> </tbody> </table>	Monthly Reduction in Family Cash Benefit	% Reduction From Current Monthly Benefit	Savings		SGF	All Funds	\$10	3.2%	\$0.0	\$1,908,760	25	8.0%	0.0	4,772,400	50	16.0%	0.0	9,554,800	(\$0.0)	(\$9.5)	Amend regulations. Amend state plan.	15,908 monthly families 41,650 monthly persons	<p>May compromise the ability of some families in paying rent, utility bills, or generally meeting basic living needs. Demands on local helping agencies may increase.</p> <p>Note: A state maintenance of effort (MOE) is required in the TANF program. Any deficit in the MOE must be made up dollar for dollar in the subsequent year. Consequently, no state fund savings are considered.</p>
Monthly Reduction in Family Cash Benefit			% Reduction From Current Monthly Benefit	Savings																			
	SGF	All Funds																					
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Description of Service or Population	Estimated Reduction Below GBR (in millions) SGF All Funds		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications																								
CHILD CARE SERVICES																													
<p>Child Care Subsidies Subsidies for child care are provided to families below 185% of the poverty level using a sliding fee scale.</p> <p>Selected income limit reduction options follow:</p> <table border="1" data-bbox="136 665 871 860"> <thead> <tr> <th rowspan="2">Income Limit (FPL%)</th> <th>Families</th> <th>Children</th> <th colspan="2">Savings</th> </tr> <tr> <th>Losing Child Care</th> <th>Losing Child Care</th> <th>SGF</th> <th>All Funds</th> </tr> </thead> <tbody> <tr> <td>150</td> <td>1,219</td> <td>1,980</td> <td>\$2,418,616</td> <td>\$6,069,300</td> </tr> <tr> <td>130</td> <td>2,352</td> <td>3,888</td> <td>4,941,145</td> <td>12,399,360</td> </tr> <tr> <td>110</td> <td>3,524</td> <td>5,973</td> <td>7,836,134</td> <td>19,664,076</td> </tr> </tbody> </table> <p>FY 2003. The income limit for Child Care subsidies was reduced from 185 percent of the federal poverty level to 150 percent of the federal poverty level for the period February - June 2003. The income limit was restored to 185 percent of the federal poverty level in FY 2004.</p>	Income Limit (FPL%)	Families	Children	Savings		Losing Child Care	Losing Child Care	SGF	All Funds	150	1,219	1,980	\$2,418,616	\$6,069,300	130	2,352	3,888	4,941,145	12,399,360	110	3,524	5,973	7,836,134	19,664,076	(\$7.8)	(\$19.7)	Amend state plan	3,524 monthly families 5,973 monthly children	Child care is a basic support for employment, thus, this reduction may create an increase in cash assistance.
Income Limit (FPL%)		Families	Children	Savings																									
	Losing Child Care	Losing Child Care	SGF	All Funds																									
150	1,219	1,980	\$2,418,616	\$6,069,300																									
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9-22

Description of Service or Population	Estimated Reduction Below GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications															
	SGF	All Funds																		
<p>Kansas Early Head Start Program The Kansas Early Head Start program provides enhanced supports to children and families to encourage appropriate development and success in school for low income children ages 0 to 4 years old. Most children who receive these services would qualify for subsidized child care.</p> <p>This option reflects total elimination of services to this population. It is assumed that the families presently served by the Early Head Start program would apply for child care subsidies.</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th colspan="2">Savings</th> </tr> <tr> <th></th> <th>SGF</th> <th>All Funds</th> </tr> </thead> <tbody> <tr> <td>Kansas Early Head Start</td> <td>\$3,144,013</td> <td>\$7,889,618</td> </tr> <tr> <td>Less funding for child care</td> <td><u>(1,121,876)</u></td> <td><u>(2,815,248)</u></td> </tr> <tr> <td>Net Savings</td> <td>\$2,022,137</td> <td>\$5,074,370</td> </tr> </tbody> </table> <p>FY 2003. The Early Head Start program was reduced by \$300,000 in FY 2003. The reduction was restored in FY 2004.</p>		Savings			SGF	All Funds	Kansas Early Head Start	\$3,144,013	\$7,889,618	Less funding for child care	<u>(1,121,876)</u>	<u>(2,815,248)</u>	Net Savings	\$2,022,137	\$5,074,370	(\$2.0)	(\$5.1)	Grants would not be issued	825 monthly families 825 monthly children	These at-risk families would not have these supportive services available.
	Savings																			
	SGF	All Funds																		
Kansas Early Head Start	\$3,144,013	\$7,889,618																		
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	SGF	All Funds																		
CHILD WELFARE SERVICES																				
<p>Foster Care Statutory Changes Children aged 16 and older would no longer be considered children in need of care except in circumstances of abuse, neglect or abandonment. This would mainly impact children who currently come into the custody of the Secretary due to their own behaviors. This option reflects the total elimination of services to non-abuse and neglect clients age 16 and older who are not in custody on their 16th birthday.</p> <p style="text-align: right;"> <table border="0"> <tr> <td></td> <td style="text-align: center;">SGF</td> <td style="text-align: center;">All Funds</td> </tr> <tr> <td>Reduction in FY2004 GBR:</td> <td style="text-align: center;">(\$3.27)</td> <td style="text-align: center;">(\$4.76)</td> </tr> </table> The GBR includes a 5 percent reduction in foster care contract rates. </p>		SGF	All Funds	Reduction in FY2004 GBR:	(\$3.27)	(\$4.76)	(\$1.6)	(\$4.3)	Statutory changes	264 youth	Responsibility for dealing with troubled youth aged 16 and older would remain with the family and/or local community.									
	SGF	All Funds																		
Reduction in FY2004 GBR:	(\$3.27)	(\$4.76)																		
<p>Adoption Subsidy Program This program provides cash and medical subsidies to families who adopted a special needs child from SRS. 90% to 95% of all children placed for adoption by SRS qualify for an adoption subsidy.</p> <p>This option provides for no growth in the program.</p> <p style="text-align: right;"> <table border="0"> <tr> <td></td> <td colspan="2" style="text-align: center;">Savings</td> </tr> <tr> <td></td> <td style="text-align: center;"><u>SGF</u></td> <td style="text-align: center;"><u>All Funds</u></td> </tr> <tr> <td>Cash Subsidy</td> <td style="text-align: center;">\$0.70</td> <td style="text-align: center;">\$1.49</td> </tr> <tr> <td>Medical Subsidy</td> <td style="text-align: center;"><u>0.16</u></td> <td style="text-align: center;"><u>0.68</u></td> </tr> <tr> <td>Total</td> <td style="text-align: center;">\$0.86</td> <td style="text-align: center;">\$2.17</td> </tr> </table> </p>		Savings			<u>SGF</u>	<u>All Funds</u>	Cash Subsidy	\$0.70	\$1.49	Medical Subsidy	<u>0.16</u>	<u>0.68</u>	Total	\$0.86	\$2.17	(\$0.9)	(\$2.2)	No new subsidy agreements would be originated	430 children	Adoption contracts may grow significantly as the number of children being adopted could be significantly reduced.
	Savings																			
	<u>SGF</u>	<u>All Funds</u>																		
Cash Subsidy	\$0.70	\$1.49																		
Medical Subsidy	<u>0.16</u>	<u>0.68</u>																		
Total	\$0.86	\$2.17																		

Description of Service or Population	Estimated Reduction Below GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications						
	SGF	All Funds									
<p>Family Preservation Services This is a contracted service which provides intensive, short-term intervention for families whose children are at imminent risk of removal from the family home and placement in foster care.</p> <p>This option reflects total elimination of these services.</p> <p style="text-align: center;"> <table border="0"> <tr> <td></td> <td style="text-align: center;">SGF</td> <td style="text-align: center;">All Funds</td> </tr> <tr> <td>Reduction in FY2004 GBR:</td> <td style="text-align: center;">(\$3.00)</td> <td style="text-align: center;">(\$3.02)</td> </tr> </table> </p> <p>A number of adjustments affected this budget:</p> <ol style="list-style-type: none"> 1. The base budget was reduced by \$1.0 million relative to the FY 2003 approved as a result of the first allotment. 2. An additional reduction of \$1.75 million resulted from the second allotment and reflected in the GBR. 3. A 2.5 percent contract rate reductions saving \$255,489. <p>FY 2003. Family Preservation reductions in FY 2003 were similar to the FY 2004 reductions as follows:</p> <ol style="list-style-type: none"> 1. The base budget was reduced by \$1.0 million relative to the FY 2003 approved as a result of the first allotment. 2. An additional reduction of \$1.75 million resulted from the second allotment and reflected in the GBR. 3. A 2.5 percent contract rate reduction effective February 2003, saving \$106,454. 		SGF	All Funds	Reduction in FY2004 GBR:	(\$3.00)	(\$3.02)	(\$0.3)	(\$10.0)	Contracts for family preservation services would be cancelled.	2,574 families	More children may be removed from their homes and placed in foster care.
	SGF	All Funds									
Reduction in FY2004 GBR:	(\$3.00)	(\$3.02)									

Description of Service or Population	Estimated Reduction Below GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications																				
	SGF	All Funds																							
<p>Community Support and Family Services These programs fund services to families whose children are at risk of being removed from the home and placed in foster care. These services support families in maintaining their children in the family homes.</p> <p>This option reflects total elimination of services.</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Families Served</th> <th colspan="2" style="text-align: center;">Savings</th> </tr> <tr> <th></th> <th></th> <th style="text-align: center;">SGF</th> <th style="text-align: center;">All Funds</th> </tr> </thead> <tbody> <tr> <td>Community Support</td> <td style="text-align: center;">8,859</td> <td style="text-align: center;">\$0.0</td> <td style="text-align: center;">\$2.6</td> </tr> <tr> <td>Family Services</td> <td style="text-align: center;">403</td> <td style="text-align: center;">1.3</td> <td style="text-align: center;">3.4</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">9,262</td> <td style="text-align: center;">\$1.3</td> <td style="text-align: center;">\$6.0</td> </tr> </tbody> </table> <p>FY 2003. In FY 2003, Community Support and Family Services were reduced by \$663,993. This reduction was restored in FY 2004.</p>		Families Served	Savings				SGF	All Funds	Community Support	8,859	\$0.0	\$2.6	Family Services	403	1.3	3.4	Total	9,262	\$1.3	\$6.0	(\$1.3)	(\$6.0)	Grants and allocations would not be issued	9,262 families	More children could be removed from their homes and placed in foster care.
	Families Served	Savings																							
		SGF	All Funds																						
Community Support	8,859	\$0.0	\$2.6																						
Family Services	403	1.3	3.4																						
Total	9,262	\$1.3	\$6.0																						

9-26

Description of Service or Population	Estimated Reduction Below GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications
	SGF	All Funds			
CHILD SUPPORT ENFORCEMENT SERVICES					
<p>Child Support Enforcement Fees - Those not Receiving SRS Aid</p> <p>Currently a fee is charged for every child support payment handled by SRS for a family not receiving TAF, Food Stamps, Medicaid, or a Child Care subsidy from SRS. SRS keeps 34% of this revenue, the remaining two-thirds goes to the federal government. At the present time this fee is 4% of the payment. It could be raised, however, families will withdraw as the fee increases. Raising this monthly fee to the following levels would produce the following revenue but would create competition with Court Trustees who charge 5% or less:</p> <p>5% - \$42,500 6% - \$65,000 Note: Above 6% it is estimated enough cases will close so as to actually decrease revenues.</p>	\$0.07	(\$0.0)	Amend regulations. Amend state plan.	3,000 families	Less money is available to the parent to meet household expenses. The state retains 1/3rd of this loss of family revenue, while the federal government receives 2/3rds of it.

Targeted Rate Reductions

An option to target provider groups for rate reductions is available. There are implications to consider before making this decision. Generally, when rates are reduced, the number of providers willing to participate in programs decreases which impacts access to services and continuity of care. Reductions to contracts may have legal implications, but minimally may require services to be prioritized and reduced which will instill a greater responsibility to more efficiently provide services. The ability of community partners and providers to maintain their fiscal integrity must also be considered. Communities may be affected by reduced revenues flowing to the community and greater burdens being shifted to local social service providers.

The FY 04 GBR includes rate reductions for the Foster Care, Family Preservation, and Adoption contracts, the Physical Disability (PD), Head Injured (HI), and Developmental Disability (DD) waivers, inpatient acute care hospital reimbursements, medical transportation reimbursements, MediKan reimbursements to Community Mental Health Centers (CMHCs), and the Pharmacy Average Wholesale Price (AWP). These rate reductions total \$5.0 million SGF, \$9.1 million all funds for FY 03 and \$13.0 million SGF, \$26.1 million all funds in FY 04.

Federal Policy Issues

Over one billion dollars, or 60.2% of SRS funding comes from federal sources. Federal funding is integral in meeting the needs of our customers. Increased flexibility in federal funding would improve the Department's ability to more effectively serve customers. The ability to affect change in many programs is impacted by federal regulations. A longer term strategy might include working toward changing federal policies.

Federal funding is often used to meet state priorities. Elimination or reduction of a service or population may result in a state general fund savings, but the corresponding loss of federal funds is disproportionately high and must be considered.

Targeted Federal Policies:

- SOBRA regulations re provision of emergency medical services to illegal aliens.
- Spousal Impoverishment - federal law allows the surviving spouse assets of up to \$87,000 to be protected.
- DSH -limited access for use in state psychiatric hospitals.

Some Medicaid expenditures are the result of deliberate efforts to maximize federal resources for services that would otherwise been paid for entirely with state funds. The table below identifies some of these expenditures.

Optional Medicaid Services Used to Draw Down Federal Medicaid to Fund State Priorities		
	SGF	AF
<p>Local Education Agencies This benefit provides federal funding to schools for services provided that are medically related. This service provides significant federal Medicaid funds to defray the cost of special education services.</p>	\$0.00	\$27.68
<p>Early Childhood Intervention This benefit covers health and developmental services for children with developmental delays and disabilities. Nearly all of these funds are federal Medicaid funds that supplement the early child intervention program administered by Health and Environment.</p>	\$0.35	\$1.16
<p>Community Mental Health Services for Adults This benefit covers mental health services and supports primarily for persons with severe and persistent mental illnesses. These federal funds provide increased federal funding for community mental health services.</p>	\$5.62	\$35.41
<p>Behavior Management This benefit covers behavioral health services primarily for children in the custody of the Secretary of SRS and JJA.. This optional service allows Kansas to draw down federal Medicaid funds to pay for required services to children in the custody of the state.</p>	\$6.84	\$19.14

Appendix A

**Poverty Guidelines
Annual Income Guidelines for 1-5 Member Households (HH)**

<u>Selected SRS Services</u>	<u>% of 2002 FPL*</u>	<u>HH-1</u>	<u>HH-2</u>	<u>HH-3</u>	<u>HH-4</u>	<u>HH-5</u>
TAF and GA- Cash & Medical	32%	\$2,853	\$3,844	\$4,836	\$5,828	\$6,819
Elderly/Disabled Persons on SSI-Medical	72%	6,372	8,587	10,802	13,017	15,232
Children 6-18 Medicaid and Medicaid Waivers**	100%	8,860	11,940	15,020	18,100	21,180
Food Assistance and Energy Assistance	130%	11,518	15,522	19,526	23,530	27,534
Children Age 1-5 - Medicaid	133%	11,784	15,880	19,977	24,073	28,169
Pregnant Women & Infants - Medicaid	150%	13,290	17,910	22,530	27,150	31,770
Child Care Subsidy***	185%	16,391	22,089	27,787	33,485	39,183
Children's Health Insurance Program	200%	17,720	23,880	30,040	36,200	42,360

*FPL is the Federal Poverty Level.

**For the remaining months of FY 2003, the % of 2002 FPL for Medicaid Waiver is 87.4%.

*** For the remaining months of FY 2003, the % of 2002 FPL for the Child Care Subsidy is 150%

Appendix B

Current Comparison of Economic Benefits by State

BENEFITS	KANSAS	MISSOURI	OKLAHOMA	IOWA	NEBRASKA	COLORADO
TANF-Cash (average benefit)	\$288 (32% FPL)	\$245 (23% FPL)	\$202 (23% FPL)	\$319 (35% FPL)	\$332 (29% FPL)	\$359\$ (28% FPL)
Food Stamps (maximum benefit for 3)	\$366	\$366	\$366	\$366	\$366	\$366
Medical Limits						
• TANF Family	34% FPL (\$4,836)	77% FPL (\$11,565)	25% FPL (\$3,755)	35% FPL (\$5,257)	50%FPL (\$7,510)	31% FPL (\$4,656)
• Pregnant Women	150% FPL (\$22,530)	185%FPL (\$27,787)	185% FPL (\$27,787)	200% FPL (\$30,040)	185% FPL (\$27,787)	133% FPL (\$19,976)
• Children Under 1	150% FPL (\$22,530)	185% FPL (\$27,787)	185% FPL (\$27,787)	200% FPL (\$30,040)	185% FPL (\$27,787)	133% FPL (\$19,976)
• Child 1- 5	133% FPL (\$19,976)	133% FPL (\$19,976)	185% FPL (\$27,787)	133% FPL (\$19,976)	185% FPL (\$27,787)	133% FPL (\$19,976)
• Child 6 - 18	100% FPL (\$15,020)	100% FPL (\$15,020)	185% FPL (\$27,787)	133% FPL (\$19,976)	185% FPL (\$27,787)	100% FPL (\$15,020)
• Children's Health Insurance Program	200% FPL (\$30,0400)	300% FPL (\$45,060)	185% FPL (\$27,787)	200% FPL (\$30,040)	185% FPL (\$27,787)	185% FPL (\$27,787)
Child Care Income Limit	150% FPL (\$22,536) Reduced from 185% FPL February to June 2003	118% FPL (\$17,784)	190% FPL (\$28,524)	140% FPL (\$20,484)	120% FPL (\$17,556) Reduced from 185% FPL eff. 7/02	County Adm. Min 130% FPL (\$19,536) Max 225% FPL (\$33,804)
• Monthly Fee For TANF Family	0	\$1/year	0	0	0	\$36
• Monthly Fee at 100% of Poverty	\$58	\$43	\$44	\$22	\$18	\$96

Appendix C

BENEFITS FOR NON-CITIZENS

COVERED NON-CITIZEN GROUP	BENEFITS AVAILABLE			
	CASH	MEDICAL	FOOD STAMPS	CHILD CARE
I. Legal - Entered U.S. on or Before 8-22-96				
• Refugees	Yes	Yes	Yes	Yes
• Asylees	Yes	Yes	Yes	Yes
• Deportation has been Withheld	Yes	Yes	Yes	Yes
• Cuban/Haitian Entrants	Yes	Yes	Yes	Yes
• Amerasians	Yes	Yes	Yes	Yes
• Granted Parole or Conditional Entry Status	Yes	Yes	No	Yes
• Lawful Permanent Residents	Yes	Yes	Yes, effective 4/1/03, once the person has resided legally in U.S. for 5 years.	Yes
• Certain Battered Spouses/Children	Yes	Yes	Yes	Yes
• Veterans or Active Duty Status (includes spouses and dependent children)	Yes	Yes	Yes	Yes
• Non-citizens who are: - receiving blindness/disability benefits - 65 years of age or older - under age 18	No	No	Yes	No

II. Legal - Entered U.S. after 8-22-96	CASH	MEDICAL	FOOD STAMPS	CHILD CARE
• Refugees	Yes	Yes, 8 months	Yes	Yes
• Asylees	Yes	Yes	Yes	Yes
• Cuban/Haitian Entrants	Yes	Yes	Yes	Yes
• Amerasians	Yes	Yes	Yes	Yes
• Deportation has been Withheld	Yes	Yes	Yes	Yes
• Granted Parole or Conditional Entry Status	No, until in the U.S. for 5 years	No, until in the U.S. for 5 years*	No, until in the U.S. for 5 years	No, until in the U.S. for 5 years
• Lawful Permanent Residents	No, until in the U.S. for 5 years	No, until in the U.S. for 5 years*	No, until in the U.S. for 5 years	No, until in the U.S. for 5 years
• Certain Battered Spouses/Children	No, until in the U.S. for 5 years	No, until in the U.S. for 5 years*	No, until in the U.S. for 5 years	No, until in the U.S. for 5 years
• Veterans or Active Duty Status (includes spouses and dependent children)	Yes	Yes	Yes	Yes
• Victims of Human Trafficking	No, until in the U.S. for 5 years	Yes, 8 months	Yes	Yes
• American Indians Born in Canada	No, until in the U.S. for 5 years	Yes	Yes	No
• Certain Members of Hmong and Laotian Tribes	No, until in the U.S. for 5 years	No	Yes	No

	CASH	MEDICAL	FOOD STAMPS	CHILD CARE
III. Other Legal Non-citizens (regardless of how long in U.S.)	No	*Yes, for emergency medical coverage only (SOBRA)	No	No
IV. Illegal or Undocumented Non-citizens	No	*Yes, for emergency medical coverage only (SOBRA)	No	No

* The individual must meet Medicaid eligibility criteria except for their non-citizen status. Emergency services are defined as services required because of a medical condition manifesting itself by acute symptoms of sufficient severity such that absence of immediate medical attention could result in:

- Placing the patient's health in serious jeopardy
- Serious impairment to bodily functions, or
- Serious dysfunction of any bodily organ or part.

Labor and delivery are defined as emergency services. Coverage is only for care sufficient to take care of the emergency.

Persons ineligible due to the 5 year bar may also receive coverage for emergency services.

Appendix D

Medicaid Mandatory and Optional Coverage Groups

In addition to defining the population within the group, Medicaid rules also specify a level of eligibility for coverage. This specific level of coverage is usually selected by the State from an allowable range of incomes. The minimal level of coverage must be provided or Medicaid funding may be sacrificed. If an optional group is selected the conditions of the coverage group often depend upon a minimal level of coverage as well. These required levels are also included below:

MANDATORY COVERAGE GROUPS	OPTIONAL COVERAGE GROUPS
<p>Temporary Assistance for Families (TAF) - Must cover families below 32% FPL</p> <ul style="list-style-type: none"> ▶ Low-income families with children, eligible at TAF income levels ▶ Families moving from TAF to work ▶ Families moving from TAF to child support <p>Poverty Level Eligibles - PLE - Must cover pregnant women and children of specific ages at 1989 levels</p> <ul style="list-style-type: none"> ▶ Pregnant Women up to 150% ▶ Children at the following levels <ul style="list-style-type: none"> ▶ birth to one year up to 150% ▶ one to five years up to 133% ▶ six to eighteen up to 100% FPL <p>Foster Care/Adoption Support - Must cover children in custody under IV-E:</p> <ul style="list-style-type: none"> ▶ foster care ▶ adoption ▶ juvenile justice <p>Supplemental Security Income Recipients - Must cover all SSI recipients</p> <ul style="list-style-type: none"> ▶ Persons who are disabled or blind ▶ Persons who are elderly <p>Medicare Savings Plans (QMB/LMB) - required to cover Medicare premiums and other cost sharing</p>	<p>HCBS waivers - The protected income level cannot be lower than the medically needy standard:</p> <ul style="list-style-type: none"> ▶ Expanded coverage through higher protected income level of \$716.00 per month ▶ Required disregard of parental income and resources <p>Medically Needy - Minimal protected income level is \$475/month; through a spenddown, persons contribute to the cost of care:</p> <ul style="list-style-type: none"> ▶ Pregnant women and children ▶ Elderly, disabled and blind persons <p>Women with Breast or Cervical Cancer - Must cover at level of the FREE to Know program</p> <ul style="list-style-type: none"> ▶ Uninsured persons up to age 65 ▶ Income level is currently 250% FPL <p>Working Healthy - Must cover persons with disabilities with incomes up to 300% of FPL</p> <p>MediKan Coverage - State funded group for persons who are receiving General Assistance or seeking federal disability benefits</p>

Appendix E

Medicaid Mandatory and Optional Services

The following table compares adult Medicaid beneficiaries only. It is inappropriate to include children in these comparisons because federal regulations of Early Periodic Screening, Diagnostic, and Treatment (EPSDT) preclude significant reduction or elimination of medically necessary services for children. Kansas, like other states provides EPSDT coverage for children to age 20.

Federally Mandated Services ¹	State Option Services
<ul style="list-style-type: none"> • Emergency Medical Services for Alien Individuals • Family Planning Services and Supplies • Home Health Services • Inpatient General Hospital Services • Laboratory and X-Ray Services • Medical Transportation • Outpatient General Hospital Services • Physician Services. This includes pregnancy related services, and some physician extender (i.e., nurse-midwife and nurse practitioner) services. 	<ul style="list-style-type: none"> • Alcohol and Drug Abuse Treatment • Attendant Care for Independent Living • Audiological Services • Behavior Management • Community Mental Health Center and Psychological Services • Dental Services. Limited to KAN Be Healthy consumers (children), except for medically necessary extractions. • Durable Medical Equipment, Medical Supplies, Orthotics, and Prosthetics • Early Childhood Intervention • Health Clinics • Home or community-based services • Hospice Services • Inpatient Psychiatric Services. For individuals under age 21 • Intermediate care facility (ICF/MR) services • Local Education Agencies • Local Health Department Services • Nursing Services (ARNP) • Physical therapy, occupational therapy, and services for individuals with speech, hearing and language disorders. • Prescribed Drugs • Pediatric Services • Respiratory care for ventilator-dependent individuals. • Services for Special Disorders • Targeted Case Management for Assistive Technology • Vision Services

¹Federal rules require that when services are reduced or eliminated, they must be reduced or eliminated for all adults covered by Medicaid. However, federal rules for Early Periodic Screening, Diagnostic, and Treatment do not allow for significant reduction or elimination of medically necessary services for children.

Each service is provided only when medically necessary to the beneficiary. In addition, each provided service must be defined in the Kansas State Plan.

Appendix F

Comparison of Most Common Optional Medical Services for Adults

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Optional Services	Kansas	Colorado	Missouri	Nebraska	Oklahoma
Dental Services	Very limited	Very limited	Very Limited	Yes	No
Clinic services.	Yes	Yes	Yes	Yes	Yes
Pharmacy	Yes	Yes	Yes	Yes	Yes, limit to 5 prescriptions per month for HCBS recipients
Optometrist services and eyeglasses.	Eliminated in FY03 Allotment Limited FY04	Limited	Exams; No glasses	Yes	Limited
Transportation services.	Limited	Yes	Yes	Yes	Yes
Rehabilitation and physical therapy services.	Limited to 6 months of rehabilitative care only	Limited to 30 visits per diagnosis per year	Yes	Yes, but limited to restoration of lost function due to illness or injury	Yes
Audiology	Eliminated in FY03 Allotment Yes in FY04	Limited to hearing aids for congenital & traumatic injury hearing loss	Yes	Yes	na
Durable Medical Equipment (DME)	Yes	Limited	Yes	Yes	Yes
Transplants	Limited	Limited	Yes	na	na
Podiatry	Yes	na	Yes	Yes	Yes

Appendix G

Current Comparison of Medical Eligibility by State

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<p>MANDATORY GROUPS - States must cover certain populations. Some states have different minimal requirements than Kansas because coverage levels for certain groups were frozen at different points over the past several years. In most instances, the level of coverage at the time had to be maintained. Coverage may be expanded for most groups and limitations for reductions are noted.</p>								
	Category	Minimal Requirements KS Options	Kansas	Nebraska	Missouri	Iowa	Oklahoma	Colorado
1.	Family Medical under 1931 - (TAF)	AFDC rules in effect 07-16-96	TANF Limit-32% FPL	50% FPL	77% FPL	TANF Limit-35% FPL	TANF Limit-25% FPL	TANF Limit-31% FPL
2.	Transitional Medical - ineligible for 1931 due to excess earnings	Required; income test for 2 nd 6 mos effective FY2004	Up to 12 months	Up to 12 months	Up to 12 months; Addtl 12 mos for uninsured parents <100% FPL	Up to 12 months	Up to 12 months	Up to 12 months
3.	Extended Medical - ineligible for 1931 for child/spousal support	Required to cover 4 months	Yes - 4 months	Yes-4 months	Yes	Yes - 4 months	Yes	Yes
4.	Pregnant Women	KS frozen at 150%	150% FPL	185% FPL	185% FPL*	200% FPL	185%FPL	133% FPL*^
5.	Newborns under 1 yr	KS frozen at 150%	150% FPL	185% FPL	185% FPL*	200% FPL	185% FPL	133% FPL*^
6.	Children under 6	KS frozen at 133%	133% FPL	185% FPL	133% FPL*(185)	133% FPL	185% FPL	133% FPL*^
7.	Children under 19	KS frozen at 100%	100% FPL	185% FPL	100% FPL*(185)	133% FPL	185% FPL	100%

	Category	Minimal Requirements KS Options	Kansas	Nebraska	Missouri	Iowa	Oklahoma	Colorado
8.	SSI Recipients and deemed recipients	No options for Kansas - SSI is 75% FPL (1 hh)	yes; current FBR: \$552 - single \$829 - couple	yes	*** 80% FPL-single \$829 - couple	yes	*** more restrictive	yes
9.	Medicare Cost Savings(QMB/LM B)	No options for Kansas	yes	yes	yes	yes	yes	yes
10	Protected Groups (SSI related-e.g. Pickle)	No options for Kansas	yes	yes	yes	yes	yes	yes
11	IV-E Foster & Adoption Support	KS expanded, see 15 below	yes	yes	yes	yes	yes	yes

	Category	Minimal Requirements KS Options	Kansas	Nebraska	Missouri	Iowa	Oklahoma	Colorado
12	SOBRA - Coverage for non-citizens	No options for Kansas	yes	yes	yes	yes	yes	yes
OPTIONAL GROUPS								
13	Home and Community Based Services (HCBS) Waivers.	Optional. If an obligation is determined, must not be < 1 person med needy standard	Standard is \$645.00 for all waivers	Standard is \$738.00 for all waivers, except assisted living - 1 person SSI FBR (\$552/month)	For most waivers, standard is \$952.00	300% SSI (\$1656). Not elig if income > than limit, except Emphyd People w/Disabilities waiver - 250% FPL (\$1845/mo)	Standard is \$259 + \$325 allowance for spouse	300% SSI limit for all waivers (\$1656). Not elig if income > than limit
14	Katie Beckett Kids		no	yes	yes	yes	yes	yes
15	Reasonable Classifications of children < 21	Optional, but many persons would be picked up in other groups	Children in custody Children in institution Adoption sbsdy	Adoption sbsdy	FC children in PLE group Some temp absent children Adoption sbsdy	Children in institution Adoption sbsdy	All children < 21 in custody Adoption sbsdy	All children < 18 in custody Adoption sbsdy
16	Chafee/ Foster Care Independence Act		no	unknown	no	no	unknown	no

	Category	Minimal Requirements KS Options	Kansas	Nebraska	Missouri	Iowa	Oklahoma	Colorado
17	Optional SSI State Supplement	States are required to cover 1972 conversion only	conversion only	yes, expanded	yes, expanded; supp nursing care (res care, non-Mcd facilities) & blind	yes, expanded	yes, expanded	yes, expanded
18	Aged-blind-disabled Poverty Level Group	Levels between SSI and 100% FPL	no	100% FPL Asset Test- \$4000 - 1 hh \$6000 - 2 hh	no	no	100% FPL	no
19	Special Institutional Level for NF coverage	If chosen, 300% SSI is maximum	300% SSI	no	no	300% SSI	300% SSI	300% SSI
20	COBRA Eligibles		no	no	no	no	no	no
21	Institutional Hospice		no	no	yes	no	no	no
22	HMO for < min period		no	unknown	no	no	yes	yes
23	Breast and Cervical Cancer (BCC)	Financial elig limits of the CDC screening program	yes	yes	yes	yes	no	yes
24	Tuberculosis		no	no	no	no	yes	no
25	Working Disabled (BBA or TWIAA)		yes	yes	April, 2002	yes	no	no

	Category	Minimal Requirements KS Options	Kansas	Nebraska	Missouri	Iowa	Oklahoma	Colorado
26	Medically Needy preg women, aged, children, blind, caretakers, disabled	Yes. If chosen pregnant women and children < 18 must be included	pw, children, aged blind, disabled \$475- 1 hh \$475- 2 hh person	all groups \$392 - 1 hh \$392 - 2 hh	No, SPNDWN*** a, d, b; 80% FPL \$573 - 1 hh \$750 - 2 hh	all groups \$483 - 1 hh \$483 - 2 hh	no	no
OTHER OPTIONAL GROUPS/POLICIES								
27	Continuous Eligibility (children)	Periods up to 12 months	12 months	12 months	no	no	12 months	no
28	Presumptive Eligibility	PW, kids, BCC only	no	PW, kids, BCC	PW, kids, BCC	PW, BCC	PW	PW
29	SCHIP	Yes. Medicaid MOE	200% FPL	185% FPL	300% FPL*	200% FPL	185% FPL**	185% FPL

Notes:

*Missouri has utilized a Medicaid expansion program for children up to 300% FPL, but imposes nominal cost sharing on families over 185% and expanded cost sharing on families over 225%

***Missouri and Oklahoma are 209(b) states able to set more restrictive criteria. Missouri does not have a medically needy program, but does apply spenddown rules to other groups through 209(b) status

*^Colorado had differing eligibility levels at the time the freeze was implemented, thus setting the minimal threshold below that of Kansas.

Appendix H

Department of Social and Rehabilitation Services

Adjustments included in the Governor's Budget Recommendation

Description	FY 2003 SGF	FY 2003 All Funds	FY 2004 SGF	FY 2004 All Funds
OPTIONAL REGULAR MEDICAL SERVICES FOR CHILDREN				
Incontinence Supplies (see Optional Services for Adults)	--	--	--	--
OPTIONAL REGULAR MEDICAL SERVICES FOR ADULTS				
Pharmacy for Adults <ul style="list-style-type: none"> Reduce Pharmacy Reimbursement rate to Average Wholesale Price - 13% Limit the Number of Branded Prescriptions covered by Medicaid to 5/mo Limit prescription drug supply to 31 days Require prior authorization to access Cox II anti-inflammatory drugs 	(2,010,267)	(5,158,333)	(7,330,450)	(18,600,000)
Vision Services for Adults <ul style="list-style-type: none"> Eliminate coverage 	(208,333)	(458,333)	0	0
Audiology Services for Adults <ul style="list-style-type: none"> Eliminate coverage 	(83,333)	(166,667)	0	0
Durable Medical Equipment <ul style="list-style-type: none"> Eliminate coverage for incontinence supplies to adults and children 	(166,667)	(416,667)	0	0
OPTIONAL POPULATIONS COVERED BY MEDICAID				
MediKan Program <ul style="list-style-type: none"> Move start date for two year limit to 1/1/02 Reduce MediKan rate to Community Mental Health Centers 	(466,667)	(466,667)	(3,598,417)	(3,598,417)
STATE CHILDREN'S HEALTH INSURANCE PROGRAM				
HealthWave (SCHIP) Premiums <ul style="list-style-type: none"> Raise premiums 	(91,628)	(328,650)	(359,150)	(1,288,200)
FACILITY BASED SERVICES				
Nursing Facilities for Mental Health	0	0	(810,939)	(1,191,000)
Intermediate Care Facilities for the Mentally Retarded <ul style="list-style-type: none"> Reduce ICFs/MR rates by 10% 	0	0	(784,973)	(1,994,848)

Description	FY 2003 SGF	FY 2003 All Funds	FY 2004 SGF	FY 2004 All Funds
HOME AND COMMUNITY BASED SERVICES (HCBS WAIVERS)				
Home and Community Base Services Waivers <ul style="list-style-type: none"> Reduce additional funding for Head Injury waiver Reduce PD waiver funding approved for the PD waiver waiting list Reduce family support for DD waiver Reduce PD, HI, and DD waiver rates 	(3,132,787)	(7,860,075)	(3,157,750)	(8,007,538)
Protected Income Level (PIL) Eligibility <ul style="list-style-type: none"> Reduce PIL for waivers to \$645 	(186,635)	(468,931)	0	0
Accessing the Medicaid Waiver for Persons with Physical Disabilities (LOC score) <ul style="list-style-type: none"> Eliminate grandfathering for those whose PD waiver Level of Care score is between 16 and 25 Raise PD waiver LOC score to 30 but grandfather those in service 	(382,476)	(960,150)	(1,481,551)	(3,765,060)
DIRECT FINANCIAL ASSISTANCE				
General Assistance <ul style="list-style-type: none"> Move start date for two year limit to 1/1/02 Reduce the TAF and GA disability advocacy contract 	(\$74,060)	(\$200,000)	(\$494,729)	(\$494,729)
Child Care Subsidies <ul style="list-style-type: none"> Reduce eligibility from 185% of federal poverty level to 150% FPL 	(\$831,798)	(\$2,089,944)	\$0	\$0
Kansas Early Head Start Program <ul style="list-style-type: none"> Reduce grants 	(\$119,400)	(\$300,000)	\$0	\$0
CHILD WELFARE SERVICES				
Foster Care Statutory Changes <ul style="list-style-type: none"> Reduce contract rate by 5% 	(1,797,282)	(1,950,637)	(3,273,750)	(4,761,818)
Family Preservation Services <ul style="list-style-type: none"> Reduce additional funding for services Eliminate additional funding for services Reduce contract rate by 2.5% 	(1,948,891)	(2,869,933)	(3,002,091)	(3,018,968)
Community Support and Family Services <ul style="list-style-type: none"> Reduce services Eliminate the emergency shelter case management funding 	(632,639)	(663,993)	0	0

OTHER SERVICE REDUCTIONS				
Improve Medicaid Management of Payments	(2,300,000)	(5,778,894)	(2,300,000)	(5,778,894)
Reduce Inpatient acute care hospital reimbursement rates	(614,840)	(1,544,724)	(4,997,450)	(12,700,000)
Reduce Medical transportation reimbursement rates	(497,500)	(1,250,000)	(1,180,500)	(3,000,000)
Reduce Grants <ul style="list-style-type: none"> • Early Learning Grants • Prevention grants • Medical policy grant • Mental Health grants • Developmental Disability grants • Rehabilitation grants 	(1,029,710)	(2,159,459)	(1,722,724)	(2,940,519)
Reduce Community Mental Health Center State Aid	(2,500,000)	(2,500,000)	(1,500,000)	(1,500,000)
Reduce Community Developmental Disability Organization State Aid	(1,996,500)	(1,996,500)	(1,500,000)	(1,500,000)
Reduce Adoption Contract rates	(247,853)	(360,458)	(618,120)	(900,000)
Tighten eligibility for TAF transitional medical program	0	0	(865,700)	(2,200,000)

ADMINISTRATIVE REDUCTIONS AND FUNDING SHIFTS				
Workforce reductions <ul style="list-style-type: none"> • Increase SRS Central Office shrinkage rate to 17% • Eliminate Protection Report Center • Increase SRS Field Office shrinkage to 12% • Reduce State Hospital workforce 	(4,602,150)	(9,104,607)	(2,314,450)	(4,894,459)
Redesign of the delivery of field services	(97,675)	(206,500)	(294,680)	(623,000)

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<p>Grant and Contract reductions</p> <ul style="list-style-type: none"> • Savings from Child Support Enforcement contracts • Reduce Information Technology contracts • Reduce Human Resource training contract • Reduce EES professional development contract • Reduce ISD Commodities contract • Reduce the foster parent training and recruitment contract • Reduce the disability advocacy contract which assists in obtaining federal disability for children • Reduce Substance Abuse Prevention and Treatment administrative grants • Reduce CDDO administration contract • Reduce other DD contracts 	(4,402,301)	(12,204,119)	(3,057,331)	(8,207,965)
<p>Other Administrative Reductions</p> <ul style="list-style-type: none"> • Reduce State Hospital OOE • Reduce SRS Travel and Supplies • Misc. Reductions 	(1,433,100)	(2,269,261)	(660,518)	(1,446,040)
<p>Funding Shifts</p> <ul style="list-style-type: none"> • Replace SGF with IGT funding • Replace TANF SGF used for MOE with federal funds (use increase in EITC for MOE) • Replace SGF with federal Mental Health and Substance Abuse Block Grant funding • Replace OSH SGF with one-time Medicare funding • Other Misc shifts 	(11,552,023)	(15,500,000)	(10,491,404)	(15,500,000)