Approved: March 7, 2003
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Stephen Morris at 10:35 a.m. on February 19, 2003, in Room 123-S of the Capitol.

All members were present except: Senator Christine Downey - excused

Committee staff present:
J. G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department
Martha Dorsey, Kansas Legislative Research Department
Melissa Calderwood, Kansas Legislative Research Department
Audrey Nogle, 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: None

Others attending: See attached list

Bill Introductions

Senator Barone moved, with a second by Senator Jackson, to introduce a bill concerning agriculture; enacting the agricultural opportunities and value-added partnership act (3rs0832). Motion carried on a voice vote.

Senator Kerr moved, with a second by Senator Barone, to introduce a bill concerning the uniform controlled substances act (3rs0813). 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 report on:

Department of Social and Rehabilitation Services (Attachment 1)

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

Subcommittee Chairman Morris reported that the Subcommittee notes that while only a few items in the SRS budget are included in this budget, it does not diminish the importance of the myriad of other essential services provided by the agency. Unfortunately, the current budget constraints allowed the subcommittee to address just a few of those services for FY 2004. Chairman Morris mentioned that several tables are included in the subcommittee report for use by the committee. Committee discussion followed.

Senator Feleciano moved, with a second by Senator Kerr, to amend the subcommittee budget report for the SRS to introduce a bill regarding the re-design of the Community Developmental Disability Organization (CDDO) and remove Item Number 2 in FY 2004 regarding the suggested re-design of the Community Developmental Disability Organization (CDDO) system listed under Items Referred to Omnibus in the subcommittee report in order to address the item sooner. Motion carried on a voice vote.

Senator Feleciano moved, with a second by Senator Jordan, to move the subcommittee budget report for the Department of Social and Rehabilitation Services for FY 2003 and FY 2004 as amended. Motion carried on a voice vote.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

Copies of a letter from Janet Schalansky, Secretary, Kansas Department of Social and Rehabilitation Services, in response to committee questions (Attachment 2).

The meeting adjourned at 11:30 a.m. The next meeting is scheduled for February 20, 2003.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

SENATE WAYS AND MEANS COMMITTEE
GUEST LIST

DATE February 19, 2003

NAME	REPRESENTING
Bill Sneed	KFDA
Susan Mahoney	SBC
Bruce Linhos	Children's Alliance
Laura Howard	SRS
Candy Shively	SRS
Scott Brunner	SRS
Marianne Deagle	SRS
Mike Huttles	Ks. Governmental Consulting
Larrie Ann Lower	Children's Mercy Hospital
TK Shively	Ks Legal Services
Carolyn Middendorf	Ks St Ns Assn
Nicole Romine	GBBA
Linda Lubensky	Ks Home Care Assoc
Carol Ward	KCCTF
Kerrie J. Bacon	KCDC
Shelley May	KCDD
Josie Torrez	KACIL
Jennifer Schwartz	ATK
Nancy Pierce	KNCA
Keith Haxton	SEAK
Melissa Ness	Family Preservation Collaborative
[illegible]	KAPE

SENATE WAYS AND MEANS COMMITTEE
GUEST LIST
DATE February 19, 2003

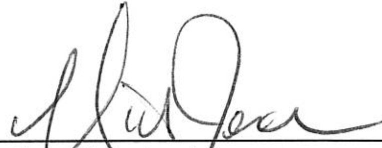
NAME	REPRESENTING
Doug Bowman	Coordinating Council on Early Childhood
Matt Fletcher	INTERHAB
Mary Ellen Conlee	Via Christi Health System
Sister Therese Bangert	Ks. Cath. Conference
Andy Shaw	KAC
Stuart Little	Assoc. of Cmhcs
Mike Hammond	Assoc. of CMHCs
Jen Krahn	KGP
Julie Hein	Hein Law Firm
Bob Williams	Ks. Pharmacists Assoc
Julie Thomas	DOB

FY 2003 and FY 2004

SENATE SUBCOMMITTEE REPORT

Department of Social and Rehabilitation Services

Senator Stephen Morris, Chair



Senator Nick Jordan

Senator David Adkins

Senator Jean Schodorf

Senator Paul Feleciano, Jr.

Senate Ways and Means
2-19-03
Attachment 1

Senate Subcommittee Report

Agency: Department of Social and Rehabilitation Services **Bill No.** HB 2026 **Bill Sec.** 23

Analyst: Nogle **Analysis Pg. No.** 751 **Budget Page No.** 377

Expenditure Summary	Agency Est. FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
All Funds:			
State Operations	$ 304,413,087	$ 289,256,537	$ 0
Aid to Local Units	101,858,207	93,885,589	0
Other Assistance	1,630,740,581	1,599,978,328	0
TOTAL	$ 2,037,011,875	$ 1,983,120,454	$ 0
State General Funds:			
State Operations	$ 102,505,528	$ 91,044,683	$ 0
Aid to Local Units	52,270,135	46,446,016	0
Other Assistance	314,651,316	488,862,459	0
TOTAL	$ 469,426,979	$ 626,353,158	$ 0
FTE Positions	3,981.5	3,981.5	3,981.5
Non FTE Uncl. Perm. Pos.	72.0	72.0	72.0
TOTAL	4,053.5	4,053.5	4,053.5

Agency Estimate

The agency requests operating expenditures of $2.0 billion all funds, $669.4 million State General Fund, an increase of $52.9 million all funds and $42.6 million State General Fund. The estimate includes supplemental requests totaling $49.0 million all funds and $21.0 million State General Fund.

Governor's Recommendation

The Governor recommends FY 2003 operating expenditures of $2.0 billion all funds and $626.4 million State General Fund, a decrease of $1.0 million all funds and an increase of $4.6 million State General Fund. The increase includes supplemental requests totaling $57.5 million all funds and $18.9 million State General Fund, as well as reductions totaling $24.4 million all funds and $12.1 million State General Fund.

Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

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Senate Subcommittee Report

Agency: Department of Social and Rehabilitation Services **Bill No.** HB 2026 **Bill Sec.** 23

Analyst: Nogle **Analysis Pg. No.** 751 **Budget Page No.** 377

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments*
All Funds:			
State Operations	$ 298,947,913	$ 291,015,363	$ 0
Aid to Local Units	104,847,208	96,253,682	0
Other Assistance	1,812,599,831	1,755,635,717	0
TOTAL	$ 2,216,394,952	$ 2,142,904,762	$ 0
State General Funds:			
State Operations	$ 97,786,000	$ 92,968,300	$ 0
Aid to Local Units	57,605,838	50,625,165	0
Other Assistance	643,811,700	595,473,406	0
TOTAL	$ 799,203,538	$ 739,066,871	$ 0
FTE Positions	3,981.5	3,981.5	3,981.5
Non FTE Uncl. Perm. Pos.	72.0	72.0	72.0
TOTAL	4,053.5	4,053.5	4,053.5

* The Subcommittee has earmarked $1.0 million SGF for grants to Community Mental Health Centers, a shift of the funds from a new urban acute care program for the mentally ill. However, the Subcommittee recommends review of this item at Omnibus.

Agency Request

The agency operations request for FY 2004 is $2.2 billion all funds, $799.2 million State General Fund. The request includes enhancements totaling $111.6 million all funds and $45.0 million State General Fund.

Governor's Recommendation

The Governor recommends operations expenditures of $2.1 billion all funds, $739.1 million State General Fund. The recommendation includes enhancements totaling $116.0 million all funds and $42.3 million State General Fund, along with reductions totaling $78.9 million all funds and $58.2 million State General Fund.

Subcommittee Recommendation

1. **The Subcommittee notes** that while only a few items in the SRS budget are included in this budget, it does not diminish the importance of the myriad of other essential services provided by the agency. Unfortunately, the current budget constraints allowed the Subcommittee to address just a few of those services.

2. **The Subcommittee recommends** the addition of family preservation caseloads to the caseload estimating process on trial basis, to compare the agency estimates to those of the caseload estimating group. The numbers would not be included as an official part of the estimate during this Legislative Session. If the estimates from the process prove to be useful, the committee would recommend evaluating the inclusion of family preservation in the caseload process during the 2004 session.

3. **The Subcommittee recommends** the continuation of outreach and marketing efforts for HealthWave at the same level as previous years to continue to identify and enroll children in need of health insurance in either HealthWave or Medicaid. As of January 1, 2003, 29,758 children were enrolled in HealthWave, and 75,296 children were found to be eligible for Medicaid. Since the implementation of the HealthWave program, an estimated 105,054 children who were uninsured received physical, mental, and dental health coverage.

   The Subcommittee notes that the allotment reduction of $91,628 State General Fund for HealthWave resulted in triple premiums beginning on February 1, 2003. Although the Governor restored the reduction in the FY 2004 budget, the Subcommittee is concerned that the temporary increase in premiums will force children out of HealthWave and recommends that the outreach and marketing efforts target those children for re enrollment in HealthWave when the premiums are reduced on July 1, 2003. In the interim, the Subcommittee recommends that the agency continue its efforts to locate local assistance to pay premiums for those families and children at risk.

   The Subcommittee also notes that while the state currently pays 28.0 percent of the cost of HealthWave with state dollars, while federal funds cover the remaining 72.0 percent, federal matching funds are capped. The agency anticipates that state spending will exceed the federal match available in the next few years.

4. **The Subcommittee notes** that since October 2001, when Kansans began to reach the lifetime eligibility limit for welfare service, only 13 families have been denied services, while an additional 242 families have been exempted under the 20.0 percent hardship exemption. The small number of families denied service reflects the agency's effort to assist needy Kansans in achieving financial independence.

5. **The Subcommittee recognizes** the substantial contribution of Kansas Legal Services (KLS) in providing legal and case management services for needy Kansans as they pursue Medicaid eligibility. While the agency is pursuing

alternative services through other providers in an attempt to better service the needs of the General Assistance/MediKan population, the Subcommittee hopes that the successful partnership between KLS and the Department of Social and Rehabilitation Services will continue.

6. **The Subcommittee recommends** the shift of $1.0 million SGF from the new urban acute care mental health services program for persons who are severely mentally ill and in need of crisis intervention services to grants to Community Mental Health Centers (CMHCs). The Subcommittee recognizes the need for acute care services given the current economic crisis, especially in urban areas like Wichita and Kansas City. However, the current budget situation is not favorable for new programs with existing programs struggling for funds.

7. **The Subcommittee notes** that as of March 15, 2003 the agency will lay off 120 employees. Notification was sent to those being laid-off on February 11, 2003. The agency has until March 15 to implement alternatives and is working with the Governor to develop other options, which include retirement incentives for those employees close to retirement.

8. **The Subcommittee notes** that the agency has made child protection its highest priority, at the cost of other programs when addressing budget reductions. Front-line staff has been told to concentrate on child protection efforts. This redirection will adversely affect child support enforcement efforts as resources are shifted to support child protection. It has already affected the food stamp eligibility program, in which the agency is fined by the federal government for errors in eligibility assessment. The agency anticipates a fine of $1.4 million for errors in FY 2003.

9. **The Subcommittee notes** that the Funeral Assistance program, which was shifted to the Department of Health and Environment (KDHE) for FY 2003, is not funded in the Governor's recommendation for FY 2004. The Subcommittee urges the Senate Subcommittee on the Department of Health and Environment to recommend that KDHE find funding for the program in FY 2004, approximately $500,000 SGF.

10. **The Subcommittee notes** with concern the growth in the waiting list of unserved persons for both the HCBS/DD and HCBS/PD waiver as shown in the following table:

	Waiting Lists as of December 31, 2002	Growth in the First Half of FY 2003	Estimated Waiting List by the end of FY 2004
Developmental Disability Waiver	661	60	931
Physical Disability Waiver	744	157	1925

Items Deferred to Omnibus

1. **The Subcommittee is concerned** that SRS has decided to initiate a fee of $10 for providing a child abuse and neglect report to a not-for-profit organization seeking that information as part of a screening process for adult volunteers. This fee is estimated to raise over $400,000. All of that cost will have to be absorbed by youth serving organizations. This cost shifting may result in some organizations deciding not to pay for the screen and thereby compromise the security of children served by the organization. The Subcommittee questions the wisdom of creating a fee which may actually have the affect of increasing risk to children. The Subcommittee directs SRS to consider the consequences of such a fee and to report back to the full committee at Omnibus as to other options available.

2. **The Subcommittee recommends** Omnibus review of the suggested redesign of the Community Developmental Disability Organization (CDDO) system. The redesign would:

   a. reduce the number of CDDO's from 28 to 13 or fewer;
   b. make CDDO's independent of direct service provision and eliminate conflicts of interest inherent in controlling funding, access to services, dispute resolution, and quality assurance;
   c. reduce administrative costs;
   d. allow CDDO's to provide a match for an additional $10.6 million in federal funds (Currently, federal requirements allow the match at the rate of the provider with the least match money. Consolidation would then increase the lowest match available); and
   e. Continue to allow counties to direct where funds are spent.

   The Subcommittee is encouraged by the outcomes indicated in the proposal and strongly encourages the agency to convene all stakeholders in a process designed to provide the committee with a specific proposal to act on during the Omnibus session. The agency should take on this process with all deliberate speed and with sufficient effort to provide the full committee with a meaningful opportunity to meaningfully move forward on this proposal at Omnibus.

3. **The Subcommittee recommends** Omnibus review of the University of Kansas Graduate Medical Education Program funding. The Graduate Medical Program is funded through funds from Medicare and Medicaid, patient care revenue and state primary care support. Medicare funding is reduced for the program by $1.9 million federal funds as part of the Balance Budget Act of 1997. The Department of Social and Rehabilitation Services further reduced funding for the program in January of 2003 by $1.5 million SGF, which in turn reduced Medicaid funding by $2.2 million federal funds. Options to address the cut include closing residency programs, reducing residency spots, cutting faculty positions, limiting Medicaid and uninsured patients. The Subcommittee requests that the agency seek alternatives and report back to the Subcommittee at Omnibus.

4. **The Subcommittee recommends** Omnibus review of provider taxes and requests a report from the agency at that time. The state of Missouri has implemented provider taxes, but run up against problems with the federal government based on the way the tax was structured. The Missouri tax holds nursing homes and hospitals harmless on the provider tax - they are reimbursed the amount of tax they are paid. Federal law does not allow the states to temporarily collect taxes. However, if the state modifies its tax to eliminate the guarantee that hospitals and nursing homes get back the taxed amount, that may bring them into compliance. More information will be available from the Center for Medicare and Medicaid Services at a later date.

5. **The Subcommittee recommends** that SRS's decision to exclude Children's Mercy Hospital from the pool of hospitals eligible to receive disproportionate share reimbursements be revisited during omnibus. The exclusion appears to the Subcommittee to be arbitrary and counter to the interests of the many Kansas children who receive essential and specialized medical services from Children's Mercy.

   Children's Mercy Hospital maintains a facility in Kansas and is a vital partner with the University of Kansas Medical school and its School of Nursing in training medical professionals and in life sciences research. Kansans are fortunate to have access to the services of such an outstanding medical resource. We commend Children's Mercy for not taking any action to limit access by Kansans to the hospital in response to the SRS decision to discontinue disproportionate share payments beginning in the fall of 2002.

   The Subcommittee recommends that the agency review its disproportionate share policy for all hospitals, including those out of state hospitals that serve Kansans, and report back at Omnibus.

6. **The Subcommittee recommends** Omnibus review of the issue of locating a source of administrative funding the Kansas Children's Cabinet and requests that the agency and the Cabinet work together to find funding sources, while maximizing federal match dollars available to the cabinet.

7. **The Subcommittee** has grave concerns that fiscal circumstances may compromise the ability of the agency to address critical child protection needs. Any diminishment in the capacity of the agency to effectively prevent, intervene, investigate, and remediate child protection complaints and caseloads is unacceptable to the Subcommittee. In response to these concerns the agency has assured the Subcommittee that SRS has reallocated resources to make certain child protection services are not compromised. As a result of this reallocation the agency's ability to keep children safe will not be adversely impacted according to the agency. The Subcommittee fully intends to hold SRS accountable to that commitment. The Subcommittee has strong concerns that any cuts to family preservation services will shift caseloads to other more expensive interventions that may not serve the best interests of children in crisis. The Subcommittee directs the agency to strategically monitor the child protection assets and resources of the agency and community based resources and provide the committee with further testimony at Omnibus to fully document the status of child protection needs and services.

8. **The Subcommittee recommends** Omnibus review of the Policy Options Discussion Guide presented by the Secretary of SRS, which sets forth additional budget reduction and their impacts.

Conclusion

The Subcommittee heard testimony from a great number of conferees, all describing the serious impact of budget cuts and allotments to the people they serve. The Subcommittee heard of concerns about the waiting lists for the physically and developmentally disabled that continue to grow, as well as the increased need for families in crisis and children at risk. Moreover, when assistance is not available, situations exacerbate and conditions worsen. While revenues are not currently available, we recognize the tremendous pressure put on the delivery of essential services to the poor, the needy, the disabled and children.

We recommend all these essential services be a priority should funds become available.

fact, one in ten Kansans relies on the services SRS provides, such as health care, mental health coverage, food assistance, energy assistance and child welfare services. Important to realize is that for every state dollar we avoid spending, there is a corresponding federal match amount that is lost which would otherwise support Kansas. Balancing these competing demands will continue to challenge us as we address the state's current budget situation.

Summary of Persons Assisted

The chart below shows the number of consumers/beneficiaries for state Fiscal Years 2001 and 2002 (fiscal year average per month). This is not a complete list of all SRS services.

	SFY 2001	SFY 2002
Child, Adult, and Family Safety and Well-Being Services		
Adoption Contracts	1,443	1,546
Adoption Subsidy	4,053	4,303
Foster Care Contracts	3,662	3,264
Financial and Employment Services		
Child Care	15,312	16,151
Child Support	150,644	150,204
Food Assistance	117,241	131,723
General Assistance	2,616	3,152
Low Income Energy Assistance [annual persons served]	80,201	72,239
Rehabilitation Direct Services	7,033	7,859
Temporary Assistance for Families (TAF)	31,788	34,453
TAF Employment Services	8,707	11,342
Health and Medical Services		
State Mental Retardation Hospitals	381	376
Developmental Disability Services	8,678	8,876
Mental Health Services	21,943	24,726
Physical Disability Services	4,657	4,875
State Mental Health Hospitals	465	431
Substance Abuse Treatment and Recovery	13,517	14,111
Health Care Services:		
People Primarily in Managed Care Programs		
--Families	46,140	52,400
--Children	68,500	71,900
--Pregnant Women	5,300	5,700
People Primarily in the Fee-for-Service Program		
--Persons who are Elderly and Disabled	61,920	63,060
--Children in Foster Care, Adoption, or JJA	9,700	10,000
--Persons Provided Partial Health Care Coverage	6,401	6,660
MediKan Fee-for-Service	2,440	2,970
Children's Health Insurance Program	19,280	24,264

Summary of Expenditures

Annual expenditures in millions for state Fiscal Years 2001 and 2002 (all funds). This is not a complete list of all SRS services.

	SFY 2001	SFY 2002
Child, Adult, and Family Safety and Well-Being Services		
Adoption/Alternative Permanencies	*$40.3	$28.2
Adoption Subsidy	16.6	17.1
Foster Care	94.6	91.9
Financial and Employment Services		
Child Care	46.6	50.8
Child Support Collections**	141.9	143.0
Food Assistance	89.2	106.8
General Assistance	4.9	6.0
Low Income Energy Assistance	17.3	8.8
Rehabilitation Direct Services	11.7	14.6
Temporary Assistance for Families (TAF)	44.7	49.0
TAF Employment Services	7.6	8.0
Health and Medical Services		
State Mental Retardation Hospitals	45.5	46.7
Developmental Disability Services	220.6	246.3
Mental Health Services	74.9	77.3
Physical Disability Services	62.8	65.8
State Mental Health Hospitals	59.7	60.3
Substance Abuse Treatment and Recovery	14.6	15.8
Health Care Services		
People Primarily in Managed Care Programs		
--Families	78.7	106.6
--Children	103.2	118.9
--Pregnant Women	33.9	37.6
People Primarily in the Fee-for-Service Program		
--Persons who are Elderly and Disabled	403.1	471.7
--Children in Foster Care, Adoption, or JJA	22.9	31.3
--Persons Provided Partial Health Care Coverage	13.4	13.2
MediKan Fee-for-Service	12.5	17.5
Children's Health Insurance Program	28.8	43.2

* SFY 2001 total includes one-time payments to contractors to stabilize the system.

**This line-item is not an expenditure, but total SRS child support collected on behalf of families.

Schedule 1
Department of Social and Rehabilitation Services
Adjustments included in the Governor's Budget Recommendation
(in millions)

Issue #	Description	FY 2003 SGF	FY 2003 All Funds	FY 2004 SGF	FY 2004 All Funds	Page #
Reductions included in SRS Submitted Budget						
1	Governor's August Allotment Reductions • Reduce Family Preservation Services • Reduce Child Support Enforcement Contracts • Head Injury Waiver • Local Office closures, State Hospital staff, and other administrative reductions • Medicaid cost avoidance	(6,020,860)	(14,092,734)	(6,020,860)	(14,092,734)	31
2	State hospital workforce reductions • Reduce workforce in targeted positions not providing critical patient care	(600,000)	(600,000)	(1,200,000)	(2,142,086)	32
3	Redesign of the delivery of field services • close 22 offices before July 2003 (reduction part of August allotment) • close more offices in FY 2004	0	0	(197,005)	(416,500)	33
Adjustments to the Submitted Budget						
Governor's November 2003 Allotment Reductions continued in FY 2004						
4	Increase SRS Central Office Shrinkage from 7.25% to 17% • 1 out of every 6 positions will be kept vacant. • This represents a reduction in workforce.	(843,590)	(2,313,955)	(914,069)	(2,439,375)	35
5	Reduce Information Technology and Human Resource Training contracts	(1,900,000)	(5,307,263)	(623,285)	(1,707,916)	35
6	Reduce Early Learning grants • Grants to improve the quality of care will be reduced by $1.4 million affecting the funding for the following: accreditation, infant/toddler slots, provider start-up funding, training, education, provider recruitment, and resource and referral services	(557,200)	(1,400,000)	(557,200)	(1,400,000)	36
7	Reduce Child Welfare grants • Additional funding for the training and recruitment of foster parents will be eliminated.	(157,382)	(406,493)	(314,764)	(812,986)	36

Issue #	Description	FY 2003 SGF	FY 2003 All Funds	FY 2004 SGF	FY 2004 All Funds	Page #
8	Eliminate grandfathering for those whose PD Waiver LOC score is between 16 and 25 • The level of care eligibility score for the PD waiver was raised from 16 to 25 in 1999. Persons already being served were allowed to remain in service. • 350 persons will be removed from PD waiver funded services	(334,656)	(840,000)	(1,481,551)	(3,765,060)	37
9	Reduce Pharmacy Reimbursement rate to Average Wholesale Price - 13% • Reimbursement for branded pharmaceuticals will be reduced from the average wholesale price (AWP) minus 11 percent to AWP minus 13 percent.	(212,267)	(533,333)	(1,231,200)	(3,100,000)	37
10	Reduce inpatient acute care hospital reimbursement rate • Reduce rate by 10% in FY 2003 • Reduce hospital rates by paying the lessor of the diagnostic related groupings (DRG) or the charged amount, reduce payments to out of state hospitals, paying less for costs above the DRG, and making no payments for medical education services.	(614,840)	(1,544,724)	(4,997,450)	(12,700,000)	38
11	Reduce Medical Transportation reimbursement rate • Reduce the base rate paid for Medicaid covered transportation from $20 per trip to $10 per trip.	(497,500)	(1,250,000)	(1,180,500)	(3,000,000)	38
12	Limit the Number of Brand Name Prescriptions covered by Medicaid to five per month • The number of branded drugs covered by Medicaid for each person in the program will be limited. Persons on Medicaid and their physicians, with certain exceptions, will need to switch to generics, prioritize their medications, or seek other funding for branded medications above the limit. Generic drugs will not be limited.	(1,400,000)	(3,500,000)	(5,312,250)	(13,500,000)	39
13	Reduce Physical Disability Waiver funding approved for the PD waiver waiting list • The additional appropriation for serving more people on the PD waiver waiting list will not be used. • 156 fewer persons will be served on the PD waiver	(1,000,000)	(2,500,000)	(983,750)	(2,500,000)	39

Issue #	Description	FY 2003 SGF	FY 2003 All Funds	FY 2004 SGF	FY 2004 All Funds	Page #
14	Reduce family preservation services • Approximately 451 families will not receive services as a result of the reduction in this program.	(932,672)	(1,750,000)	(1,750,000)	(1,750,000)	40
15	Move Start Date for two year limit on General Assistance and MediKan • Start date for two year limit will move to 1/1/02 • Persons who have been receiving services will lose them on 1/1/04	0	0	(2,693,146)	(2,693,146)	40
16	Reduce SRS travel & supply expenditures	(181,419)	(493,975)	(156,400)	(421,336)	41
17	Miscellaneous Administrative Reductions • Reduce various contracts and other misc admin costs.	(233,131)	(498,259)	(235,570)	(497,676)	42
18	Miscellaneous Funding Shifts • Shifts SGF expenditures to federal and fee funds	(1,352,023)	0	(1,121,404)	0	42
19	Reduce Medical Policy grants • Reduce various administrative grants including incentive payments for diversion of people from private acute care psychiatric hospital admission.	(145,541)	(207,164)	(770,541)	(832,164)	43
20	Reduce Prevention Grants	(16,830)	(75,000)	(16,830)	(75,000)	43
21	Reduce Mental Health Grants • Reduce grants to Consortium AIMS, WSU Children, WSU Other, ComCare, KU Medical Residency Program, KU Adult, KU Children, NAMI, KEYS, Alternate Care, and Vocational Rehabilitation..	(165,380)	(192,000)	(204,630)	(231,250)	44
22	Reduce Developmental Disability Grants • Reduce grants for Make a Difference, DD targeted case management growth, Families Together, and CDDO Administration	(404,445)	(721,730)	(404,445)	(721,730)	44
23	Reduce Rehabilitation Grants • Reduce grants to United Cerebral Palsy, KCDHH administrative grants, Kan-Sail administrative grants, and administrative training grants.	(104,959)	(185,295)	(133,723)	(302,105)	45
24	Reduce MediKan rate to Community Mental Health Centers	(466,667)	(466,667)	(1,400,000)	(1,400,000)	46
25	Reduce Foster Care contract rate by 5%	(1,797,282)	(1,950,637)	(3,273,750)	(4,761,818)	46

Issue #	Description	FY 2003 SGF	FY 2003 All Funds	FY 2004 SGF	FY 2004 All Funds	Page #
26	Reduce Family Preservation contract rate by 2.5%	(16,219)	(106,454)	(252,091)	(255,489)	46
27	Reduce Adoption contract rate by 2.5%	(247,853)	(360,458)	(618,120)	(900,000)	46
28	Limit prescription drug supply to 31 days	(199,000)	(500,000)	(196,750)	(500,000)	47
29	Require prior authorization to access Cox II anti-inflammatory drugs • Cox II anti-inflammatory medication will only be authorized for person with ulcers or persons on medication that causes gastro-intestinal distress.	(199,000)	(625,000)	(590,250)	(1,500,000)	47
30	Reduce Family Support for Developmental Disability Waiver • Families with minor or adult children living at home receive attendant care services funded by the DD waiver. • The number of hours of services these families receive will be reduced by an average of 10% • 2,200 families may receive fewer services	(398,900)	(1,000,000)	(1,574,000)	(4,000,000)	48
31	Eliminate the Protection Reporting Center (eliminate 9 FTE) • The responsibility of receiving and screening all child and adult abuse/neglect concerns will be distributed among the 11 SRS management areas, depending on where the child/family or adult resides. • Concerns made after normal business hours can be made to local law enforcement agencies or a 1-800 abuse hotline.	(50,157)	(78,346)	(200,381)	(312,998)	48
Governor's November 2003 Allotment Reductions partially restored in FY 2004						
32	Reduce Community Mental Health Center State Aid • Reduce formula grants to Community Mental Health Centers (CMHC) that support their general provision of services and infrastructure. Some CMHCs use these funds as certified match for federal Medicaid	(2,500,000)	(2,500,000)	(1,500,000)	(1,500,000)	49
33	Reduce Community Developmental Disability Organization State Aid • Reduce formula grants to Community Developmental Disability Organization (CDDO) that support their general provision of services and infrastructure. Some CDDOs use these funds as certified match for federal Medicaid.	(1,996,500)	(1,996,500)	(1,500,000)	(1,500,000)	49

Issue #	Description	FY 2003 SGF	FY 2003 All Funds	FY 2004 SGF	FY 2004 All Funds	Page #
34	Raise HealthWave Premiums • Triple HealthWave Premiums from $10 to $30 and $15 to $45 based family income in FY 03; • Double rates from $10 to $20 and $15 to $30 in FY 04 • 5,800 families will be subject to higher premiums • 1,475 children could drop coverage based on national studies of experiences in other states.	(91,628)	(328,650)	(359,150)	(1,288,200)	50
Governor's November 2003 Allotment Reductions restored in FY 2004						
35	Reduce Head Start grants • Reduce the Kansas Early Head Start program by $300,000. Approximately 70 children and 82 families will be affected by the reduction in Early Head Start funding.	(119,400)	(300,000)	0	0	51
36	Reduce Child Welfare grants • The reduction of the disability advocacy contract will reduce the number of children receiving assistance in obtaining federal disability.	(127,548)	(180,000)	0	0	51
37	Eliminate Economic and Employment Services Grants • Reduce the TAF and GA disability advocacy contract • Eliminate professional development contract	(118,496)	(320,000)	0	0	51
38	Reduce Child Care eligibility 185% FPL to 150% FPL • The maximum income to receive child care subsidies for a family of three will decrease from $2,316 to $1,878 per month, a 19 percent reduction. • Approximately 1,288 families and 2,092 children will lose their eligibility for subsidies. • Restored to 185% FPL in FY 2004	(831,798)	(2,089,944)	0	0	52
39	Reduce Protected Income Level for Waivers to $645 • The PIL allows persons served with waiver funding to keep higher amounts of income for housing, utilities, food and transportation. This lowers the amount these persons are allowed to keep for these expenses by requiring them to pay more for medical care. The average additional amount paid by these persons will be $516 per year. • 1,205 persons on the DD waiver • 1,160 persons on the PD waiver • 42 persons on the Head Injury (HI) waiver • Restored to $716 in FY 2004	(186,635)	(468,931)	0	0	53

Issue #	Description	FY 2003 SGF	FY 2003 All Funds	FY 2004 SGF	FY 2004 All Funds	Page #
40	Reduce CFP Family Services/Community Services • Approximately 6 families will not receive services as a result of the reduction in Family Services.	(32,116)	(63,470)	0	0	53
41	Eliminate the emergency shelter case management funding • Approximately 3,636 children may not receive case management services as a result of the elimination of this funding which could result in fewer benefits for early intervention. • Fully restored in FY 2004	(600,523)	(600,523)	0	0	54
42	State Hospital hiring freeze and/or workforce reductions • 1 out of every 9 positions will be kept vacant. • This represents a reduction in workforce.	(762,282)	(762,282)	0	0	54
43	Reduce State Hospital OOE expenditures • Reduce maintenance and upkeep of hospital buildings and grounds and supplies available for administration and resident use.	(750,000)	(750,000)	0	0	54
44	Increase SRS Field Office Shrinkage rate from the approved 7.25% to 12% for FY 03; to 10.7% as submitted in the FY 04 budget • 1 out of every 8 positions will be kept vacant.	(2,346,121)	(5,350,024)	0	0	55
45	Reduce Substance Abuse Prevention & Treatment grants • Reduce grants not directly related to direct consumer services.	(53,653)	(503,300)	0	0	55
46	Raise Physical Disability Waiver Level of Care Score to 30 but grandfather those in service • 118 of the 674 persons on the waiting list would not qualify for PD waiver services • The GBR lower the LOC back to 26 in FY 2004	(47,820)	(120,150)	0	0	56
47	Reduce PD Waiver rate 2.5%	(139,986)	(366,598)	0	0	56
48	Reduce HI Waiver rate 2.5%	(17,125)	(37,266)	0	0	56
49	Reduce DD Waiver rate 5%	(976,776)	(2,448,673)	0	0	56

Issue #	Description	FY 2003 SGF	FY 2003 All Funds	FY 2004 SGF	FY 2004 All Funds	Page #
50	Eliminate Medicaid coverage for adult vision • 10,500 persons will experience a delay in receiving eye examinations or glasses.	(208,333)	(458,333)	0	0	57
51	Eliminate Medicaid coverage for adult audiology • 4,500 person will experience a delay in receiving hearing tests or hearing aids	(83,333)	(166,667)	0	0	57
52	Eliminate Medicaid coverage for incontinence supplies • 513 persons will not have diapers purchased through Medicaid for incontinence	(166,667)	(416,667)	0	0	57
Other Reductions						
53	Pend Medical Claims • Medicaid payments for claims from hospitals, physicians, pharmacy, and home health will be held for about the last 12 days of FY 2003 and paid immediately in FY 2004.	(6,200,000)	(15,500,000)	6,200,000	15,500,000	59
54	Funding shifts • Shift antipsychotropic medication funding from SGF to pharmacy manufacturer rebates (fee fund) • Medicaid Federal Match percentage increase • Increase IGT funding in waivers	(4,000,000)	0	(15,570,000)	0	59
55	Tighten eligibility for TANF Transitional -Medical program by requiring reapplication after 6 months	0	0	(865,700)	(2,200,000)	60
56	Reduce Intermediate Care Facility for Mental Retardation rates by 10%	0	0	(784,973)	(1,994,848)	60
Additions						
57	Consensus Caseload Adjustments: FY 03 SGF / AF; FY 04 SGF / AF (in millions) Medical $21.7 $55.8 $46.9 $120.0 NFMH 0.7 $1.0 ($0.8) ($0.6) Adoption 0.4 0.6 0.3 1.4 Foster Care (1.8) (2.0) 0.5 2.0 TANF 0.0 1.1 0.0 5.2 GA (0.1) (0.1) 0.9 0.9	20,860,554	56,280,910	47,717,110	128,900,925	61
58	Replace Intergovernmental Transfer funds with SGF	0	0	74,800,000	0	61

1-17

Issue #	Description	FY 2003 SGF	FY 2003 All Funds	FY 2004 SGF	FY 2004 All Funds	Page #
59	Urban Acute Care Services • Funds have been made available to address crisis mental health services in urban areas.	0	0	1,000,000	2,510,040	61
60	Fund parent fees shortfalls • Replace fee funds and increase federal expenditure authority for parental fees not collected for services provided by the serious emotional disturbance(SED) waiver, the developmental disability (DD) waiver, the technology assisted (TA) waiver, and family preservation contract.	0	1,746,000	1,234,480	3,520,000	62
61	Fund HCBS Waiting Lists • Increase funding for Developmental Disability and Physical Disability Waivers SGF AF DD waiver 2.0 5.1 PD waiver 1.0 2.5	0	0	3,000,000	7,623,888	63
62	Fund Medicaid Coverage for children aging out of the foster care	0	0	64,470	162,500	63
63	Fund HealthWave caseload increases	0	0	3,091,526	12,025,000	63
64	Intensive services for at risk General Assistance/MediKan recipients	0	0	334,400	500,000	64
65	Fund Sexual Predator Treatment Program census increase	0	0	1,589,719	1,589,719	65
66	Fund current Sexual Predator Transition Program census	0	0	100,000	100,000	65
67	Fund Rainbow Mental Health Facility • This will allow RMHF to remain open after 7/1/2003	0	0	3,867,158	6,819,608	65
Children's Cabinet Additions						
68	Add CIF for Smart Start in Children's Cabinet	0	0	0	1,300,000	66

Schedule 2

Department of Social and Rehabilitation Services
Changes Not Included the Governor's Budget
(in millions)

Description	FY 2003 SGF	FY 2003 All Funds	FY 2004 SGF	FY 2004 All Funds
FY 2003 Supplemental and FY 2004 Enhancement Request				
Reduce State Institutions shrinkage rate	876,514	876,514	0	0
Fund Sexual Predator Treatment Program census increase	397,430	397,430	0	0
Fund Larned State Hospital support services required for Larned Juvenile Correctional Facility bed expansion	59,651	59,651	257,594	257,594
Fund Sexual Predator transition program current census	100,000	100,000	0	0
Waiver service access management lists	0	0	2,000,000	4,876,112
Supports for Children and Families Whose Needs Cross Services Systems	0	0	1,200,000	3,000,000
Intermediate Care Facilities for Mental Retardation (ICFs/MR) rate adjustments	0	0	538,515	1,350,000
Restore Hospice services for people on Physical Disability waiver	0	0	160,513	403,298
Sexual Predator transition program projected census	0	0	100,000	100,000
Physician reimbursement fee for service rates	0	0	7,500,000	18,400,000
Dental services funding for adults	0	0	6,400,000	16,000,000
Restore Family Preservation allotment cut	0	0	1,000,000	1,000,000
Severe and Persistent Mental Illness (SPMI) jail diversion	0	0	2,000,000	2,000,000
Services for Children with Autism/Autistic-like symptoms	0	0	1,000,000	1,000,000
Family formation and fatherhood initiative	0	0	202,754	208,100
Specialized Developmental Disability services	0	0	1,000,000	1,000,000

Description	FY 2003 SGF	FY 2003 All Funds	FY 2004 SGF	FY 2004 All Funds
Reductions				
Reduce HealthWave eligibility to 185% FPL	0	0	(303,320)	(1,087,950)
Modify HealthWave benefit package	0	0	(1,671,706)	(6,069,000)
Freeze Access to PD, DD, and HI Waivers	0	0	(4,720,054)	(11,847,526)
Reduce CFP Family Services/Community Services	0	0	(527,734)	(681,823)
Eliminate the Emergency Shelter Case Management funding	0	0	(1,441,256)	(1,441,256)

KANSAS

JANET SCHALANSKY, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

DEPARTMENT OF SOCIAL AND
REHABILITATION SERVICES

February 7, 2003

The Honorable Stephen Morris, Chair
Senate Ways and Means Committee
State Capitol, Room 120-S
Topeka, KS 66612

Dear Senator Morris:

Last week, SRS presented its agency overview to your committee. Below are SRS' responses to questions committee members asked during the overview:

1. **Senator Barone requested that SRS review Dr. Muse's recommendations and identify those we are doing or have done.** Please see Attachment A.

2. **Senator Adkins asked the extent to which our budget cuts will impact child abuse investigations.**

   No immediate impact is expected since efforts have been made to preserve staffing resources necessary to protect children and vulnerable adults. SRS social worker resources which are dedicated to child and adult protective service investigations have not been reduced as a part of the agency's proposed layoff plan. Other budget reductions related to contracts and grants for early prevention and intervention services may have some impact on the number of families referred to SRS in the future due to safety concerns.

3. **Senator Adkins also asked about impact privatization has had on child welfare i.e. has privatization improved outcomes for children.**

   Please see Attachment B which contains a summary of the Joint Committee on Children's Issues from the Committee Report to the 2003 Kansas Legislature. Also please see Attachment C which is the FY 2002 Outcome Reports for Family Preservation, Foster Care and Adoption.

4. **Senator Adkins also asked for the state savings from the federal prescription drug benefit proposal.**

   Medicaid covers two major populations: poverty level eligible (PLE) and categorically needy (i.e., aged, blind, disabled). Among the aged, blind and disabled, the following eligibility rules apply:

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Senate Ways and Means
2-19-03
Attachment 2

- Individuals 65 and over who receive Medicare and meet income requirements can have Medicaid pay for what Medicare does not.

- Individuals under 65 who receive Social Security Disability Insurance (SSDI) are eligible after 24 months of participation to receive Medicare.

Last year, SRS spent $100,600,000 on prescription drugs for the Dually Eligible (Medicaid/Medicare) population, including approximately $39,350,000 from the state general fund. If this coverage was provided by Medicare, Kansas would save about $39,350,000 in state general funds.

To the best of our knowledge, the Bush Medicare prescription drug plan as outlined so far would not cover this the dually eligible population. The President's Medicare prescription proposal is framed in the context of a managed care plan and dually eligible individuals are not in managed care plans. They are very unlikely to choose a managed care plan over the one they receive because they already bear no cost sharing. Therefore, there would be no savings if the proposed Medicare prescription program covered the dually eligible population.

In addition, if the Medicare prescription drug proposal as currently outlined continues to require participation in managed care, it is unlikely to provide significant help to Kansas seniors. Kansas has an extremely low penetration rate of managed care plans, thus, there is little outlet in which seniors could participate.

5. **Senator Adkins also asked for information regarding how many persons on Medicaid receive 20 distinct prescriptions.** Please see Attachment D.

6. **Senator Adkins also asked how many recipients are in the Medicaid "lock-in" program.**

There are 250 people currently in lock-in which is typically how many people are in lock-in at any given time. From July 1, 2001 through June 30, 2002 there were 292 unique consumers in the Lock-in program.

The primary purpose of the Lock-In program is to promote quality health care and to prevent dangerous practices such as duplication of medical care, drug misuse and harmful drug interactions. The Lock-in program conserves Medicaid dollars, prevent over-utilization of services, and promote high quality health care.

The Lock-in program is often seen as disciplinary in nature because it restricts the choice of medical services providers. However, the objectives of Lock-in are similar to the gate-keeping functions of the provider case manager(s). Both programs concentrate on the provision of care management and continuity of care while reducing unnecessary or inappropriate utilization and associated costs. The Lock-in program lowers expenditures through reduction of self-referrals to multiple care providers. Expenditures for outpatient and emergency room services have declined.

Consumers placed on Lock-in can be referred to the program through a Utilization Review, DUR board review, the Legal Department or by a grievance. Many consumers correct their abusive behavior after education. The consumers who have chosen to continue their abusive behavior are placed on Lock-in for an initial period of two years by nurses at Medicaid's fiscal agent and approved by the State program manager. Once a consumer is placed in the Lock-in program, notification is sent to the consumer and the Lock-in providers, and the consumer's medical card indicates his or her Lock-in status. Toward the end of the two year period, a review is conduced and the consumer can be removed from the Lock-in program or placed on extended Lock-in. Extended Lock-in lasts as long as the consumer receives a medical card. Consumers removed from the Lock-in program are reviewed within six to twelve months post-Lock-in assignment to determine if the abusive behavior revived.

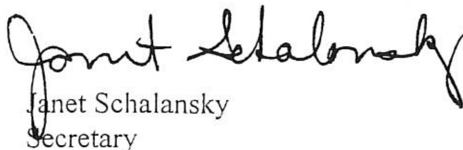
7. **Senator Bunten asked what the total budget savings would be from our layoffs.**

   Our projected savings from the layoff plan submitted to Department of Personnel Services and other position changes (repurposing, retirements, etc.) is $0.3 million SGF in FY 2003. Our projected shortfall due to the allotment increased shrinkage rates is $1.1 million SGF. To make up the difference, we are using $0.8 million SGF savings in OOE. This savings is a result of canceled periodicals, reduced travel, lowered thermostats, some field offices have canceled maintenance contracts (staff are cleaning the offices), lower copier costs, etc. For FY 2004 the savings from the layoff plan and other position changes will be $1.5 million SGF. The FY 2004 GBR restores $0.6 million of the FY 2003 reduction to increase Field Office shrinkage.

8. **Senator Morris asked for information regarding low birth-rate babies and prenatal care.** Please see Attachment E.

If we can be of further assistance, please do not hesitate to call.

Sincerely,



Janet Schalansky
Secretary

cc: Senate Ways & Means Committee Members
Audrey Nogle - Legislative Research

Muse & Associates January 2003 Presentation to the Kansas Legislature: Response from SRS

The following is provided in response to Donald Muse's testimony regarding Medicaid data in Kansas. Each of the bullets below detail the efforts the Kansas Medicaid program has undertaken to address the referenced issue. Attached is a copy of Dr. Muse's testimony; the page numbers listed below are in reference to the page numbers on his testimony.

Pages 9, 10 and 11 - Asthma, Diabetes and Heart Failure

- Asthma review and educational initiative: a detailed analysis of claims data for beneficiaries with asthma was conducted and compared to national asthma treatment guidelines. An educational initiative was completed through the Drug Utilization Review program including letters to providers and an article published by the Kansas Medical Society in their journal.

- An analysis of frequent utilizers of inpatient and emergency room care was conducted. This analysis led us to propose a chronic care management program for consumers with intensive medical needs. Because this model of care does not fit the traditional Centers for Medicare and Medicaid Services (CMS) model, SRS is in negotiations with CMS on how to finance this type of program.

Page 11 - Neonatal Case Management

- One third of the births in Kansas are covered by the Medicaid capitated health plan. SRS has a contract with the Sedgwick County Health Department to work with pregnant mothers who are at risk for premature and low birth weight babies.

Pages 12, 13, 14, 17 and 18 - Prescription Drugs

- SRS has completed a detailed review of psychotropic drug utilization in the nursing home population and has identified outlier nursing homes. We plan to complete a detailed analysis of these facilities and work with the appropriate state agencies, such as KDOA, to ensure that consumers are receiving appropriate care. We are also planning on expanding the analysis that was initially limited to psychotropic drugs to include a review of all drugs prescribed in the elderly nursing home population and compare those utilization patterns to nationally recognized criteria for drugs inappropriate for use in the elderly, also referred to as the "Beers list".

- During the summer of 2002, SRS analyzed the number of Medicaid beneficiaries who have high numbers of prescriptions. This analysis showed that on average 3.2 percent of the 82,000 beneficiaries who use prescriptions have ten or more prescriptions. These prescriptions include a combination of branded and generic drugs.

- As a part of the November 2002 Governor's Allotment, SRS implemented a restriction on the number of branded prescription drugs Medicaid beneficiaries can have. Persons on Medicaid now must work with their physicians to limit their branded prescriptions to five; they can still access as many generic prescriptions as they need. Doctors and patients have been asked to use switch to generic drugs, prioritize their medications or seek other funding for branded prescriptions above the limit. Due to their highly specialized nature, HIV-related drugs and mental health-related drugs are exempted from this branded prescription limit.

Pages 15 and 16 - Long Term Care

- Outliers identified with higher proportional home health costs were analyzed by SRS. This detailed analysis led to policy changes in the home health program in FY 2003 that will increase the cost-effectiveness of the program while not affecting access to or quality of care.

Pages 22 and 23 - Compound Coding Initiative

- Compound Coding is process which reduces payments to providers for individual services if those services should be bill together and paid at a lower rate.
- The Medicaid program has had a process in place to identify these claims when billed individually and pay the "bundled" rate since 2000 and achieves savings of approximately $200,000 - $400,000 per quarter.
- A claim can go through over 800 edits when processed, then it goes through the bundling process. The software utilized in the bundling process performs automated edits to identify splitting or unbundling of a panel or bundled type services. (e.g. if a provider bills for 5 lab tests separately that are part of one panel, the software detects this and pays only the one allowable rate for the panel)
- The current process used was developed by Blue Cross Blue Shield and is also used in their commercial plan. The bundling process is updated annually, along with the annual update of procedure codes.
- With the new MMIS system to be implemented October 2003, Medicaid will begin using the Medicare Applied Coding Initiative, which will be updated quarterly.

Page 24 - Federal Medicare Prescription Drug Benefit

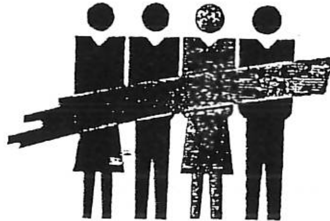
- Medicaid covers two major types of populations: poverty level eligible (PLE) and categorically needy (i.e., aged, blind, disabled). Among the aged, blind and disabled, the following eligibility rules apply:
  - Individuals 65 and over who receive Medicare and meet income requirements can have Medicaid pay for what Medicare does not.
  - Individuals under 65 who receive SSI are eligible after 24 months of participation to receive Medicare.

- Last year, SRS spent $100,600,000 on prescription drugs for the Dually Eligible (Medicaid/Medicare) population, including approximately $39,350,000 from the state general fund. If this coverage was provided by Medicare, Kansas would save about $39,350,000 in state general funds.

- To the best of our knowledge, the Bush Medicare prescription drug plan as outlined so far would not cover this the dually eligible population. The President's Medicare prescription proposal is framed in the context of a managed care plan and dually eligible individuals are not in managed care plans. They are very unlikely to choose a managed care plan over the one they receive because they already bear no cost sharing. Therefore, there would be no savings if the proposed Medicare prescription program covered the dually eligible population.

- In addition, if the Medicare prescription drug proposal as currently outlined continues to require participation in managed care, it is unlikely to provide significant help to Kansas seniors. Kansas has an extremely low penetration rate of managed care plans, thus, there is little outlet in which seniors could participate.

Medicaid Data for State XYZ and the State of Kansas



January 2003

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The 20 - minus 3 - 13 Problem

- Medicaid is 20 percent of an average state's budget
- State revenues are projected to grow minus 3 percent this coming year
- The Medicaid program is projected to grow 13 percent this coming year (up from 5 percent through most of the 1990's)

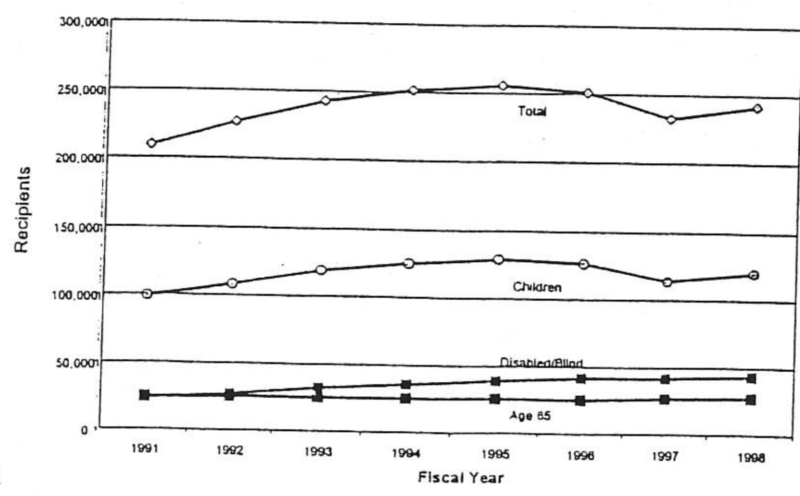
Medicaid's Problem Periods in the Past

- Early 80's - Bottom falls out of economy, unemployed swell roles
  - Solution: Throw people off roles and cut provider rates
- Early 90's - Waxman mandatory groups kick in
  - Solution: Put children and mothers in managed care
- Early 00's - Managed care cost increases, some states adding people, in general roles up, etc.
  - Solution: ??

Finding Solutions to the Medicaid Program Problems

Where available, Kansas Fiscal Year 2000 Data is Shown

Kansas Medicaid Recipients by Eligibility Status by Year



Kansas Payments for Capitated Versus Fee for Service Plans

(in millions of dollars)

	Payments	Kansas	National Average
Capitated (PCCMs)	$ 42	3%	23%
Fee for Service	$1,185	97%	77%
Total	$1,227	100%	100%

Kansas - Number of Patients in Capitated Versus Fee for Service Plans

	Patients	Kansas	National Average
Capitated	62,274	23%	61%
Fee for Service	203,858	77%	39%
Total	266,132	100%	100%

Kansas Medicaid Fee for Service

2000 Summary of Primary Diagnosis Data for Selected Conditions

	Patient Count	% Patient	Medicaid Paid	% Paid	Average Paid
Asthma	11,892	4.5%	$73,185,087	6.0%	$6,154.14
Diabetes	11,740	4.4%	$163,489,532	13.3%	$13,925.85
CHF/Heart Failure	7,906	3.0%	$136,723,742	11.1%	$17,293.67
Total 3 Diseases*	27,926	10.5%	$304,597,513	24.8%	$10,907.31
Total State	266,132		$1,226,642,415		$4,609.15

* Unduplicated

Distribution of Kansas Costs for Those with Asthma, Diabetes, Heart Failure

- Top 10% of recipients (2,792) cost $131 million (12% of all dollars) and averaged $49,999 per recipient
- Long term care patients were 33% of the top 10% expenditures
- Other 67% of patients had heavy use of hospital inpatient/outpatient services

Kansas - More on Distribution of Costs for Top 200 Medicaid Recipients

- Top 200 recipients cost $35.8 million and averaged $167,095 per recipient *(other states ranged from Kansas at $167,095 to $344,843)*
- Hospital complications and septicemia, diseases of the lung, and intestinal problems dominate these 200 patients
- Hospital expenditures are 51% of this group's cost

Neonate Case Management

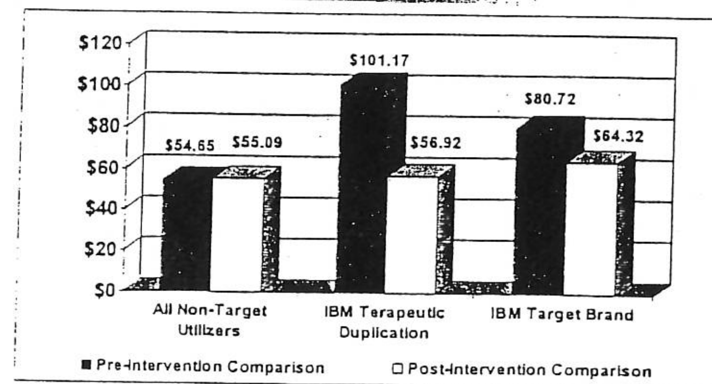
- 200 Neonates
- 98 hospitalized in first year
- 7 had two or more hospitalizations
- Hospitalizations can be prevented

Expenditures for Persons with 20 or More Prescriptions in 180 Days*

- 41,986 total persons with $784 million in total expenditures
  - $175 million in prescription drug expenditures
- 28,983 non-institutionalized persons used $455 million or 16% of total State XYZ Medicaid expenditures
  - These patients represent ***5%*** of total Fee for Service recipients (other states range from ***0.3% to 5.2%***)

* Since analysis confined to one year, these are ***underestimates***

Florida Intensified Benefit Management (IBM) Program for Persons with 20 or more Prescriptions in 180 days



"The IBM program was able to produce cost savings for each intervention, including a 44% reduction in the PUPM (per user per month) for therapeutic duplication targeted recipients." *Medicaid Prescription Drug Spending Control Program Annual Report*, State of Florida Agency for Health Care Administration, Jan. 2002, p. 23.

Chicago Tribune

MetroLake

Condell to shut its psychiatric ward

New drugs, insurance rules reduced patient stays

See also: "Use of Conventional Antipsychotics and the Cost of Treating Schizophrenia," by Ramon R. Lyu, Jeffrey S. McCombs, Bryan M. Johnstone, and Donald N. Muse. *Health Care Financing Review*, Winter 2001

Kansas - 2000 Expenditures for Long Term Care Recipients

(in millions of dollars)

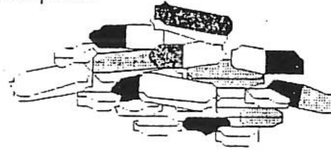
19,834 Residents (75% aged) Cost:

Type of Provider	*State*	*Percent*
Nursing Homes	$362.7	82.3%
Prescription Drugs	$ 45.5*	10.3%
Inpatient Hospital	$ 10.1	2.3%
Physicians	$ 11.8	2.7%
Hospital Outpatient	$ 0.9	0.2%
Clinic	$ 2.7	0.6%
Capitated Payments	$ 0.0	0.0%
Other	$ 7.0	1.6%
Total	$441.0	100%

* 27% of all prescription drug expenditures

30 Days

- **Persons with 9 or more unique prescriptions in 30 days**
  - –20,862 (***58%***) of LTC patients had 9 or more prescriptions
  - –These persons had $78 million in prescription drug expenditures
  - –*77* facilities had more than ***78%*** of their patients with 9 or more prescriptions (excluding facilities with < 20 patients)
- **Persons with 20 or more unique prescriptions in 30 days**
  - –4,590 (*13%*) of LTC patients had 20 or more prescriptions (other states range from ***1.3% to 11%***)
  - –These persons had $27 million in prescription drug expenditures



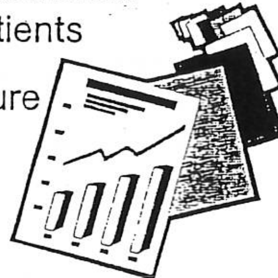
Indicators of Nursing Homes with Potential Problems

- Indicators developed in technical consultation with:
  - – American Medical Directors Association
  - – American Health Care Association
  - – Long Term Care Pharmacy Alliances

Potential Over / Under Utilization of Mental Health Medication

Overview of Analysis

- Mental health related protocols from Comprehensive NeuroScience, Inc. were applied to State XYZ's data
- Focus on medications used to treat mental health to identify mental health patients
- Based on published clinical literature



Key Finding 3
Potential Overlapping Medication

- There were 5,717 patients on 3 or more overlapping behavioral medications during 2000. This represents approximately 4.4 percent of recipients who received a prescription drug with a mental health indication.

Key Finding 3
Potential Overlapping Medication
(cont'd)

- 1,384 patients (1.1 percent of those receiving mental health medication) were concurrently on more than one SSRI during the year. Patients should not generally be on more than 1 SSRI at a time
- About 1.9 percent of patients taking atypicals received two or more of this type of drug at the same time during the year. Patients should not generally be on more than 1 atypical at the same time

Incompatible Code Violations

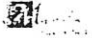
- The CCI identifies CPT codes that should not be billed together on the same day.
- For example, CPT 73630, X-ray exam of foot and CPT 73610, X-ray exam of ankle should not be billed together on the same day. However, $59,597 was paid for this type of violation during 2000.
- In an average state 0.5% of total expenditures for physician services

Total Potential Savings from These Initiatives

- In an average state, approximately 5% of total professional services billed that could be impacted by these types of third generation fraud and abuse activities.
- A portion of these expenditures could be realized as savings if these types of billing practices were prevented.
- In most states, average potential savings ranges between 5% to 10% of total expenditures for professional services.

Messages from the Data

- State XYZ should consider expanded use of its database for identification of hospitals and long term care providers with quality and/or utilization problems.
- Significant savings from targeted case management of mental health recipients
- Significant savings from Correct Coding Initiative (CCI) approach
- State XYZ should examine drug utilization in a few nursing homes.



Other Options

- 23 other options available through requests by the state

Don's
Black Box

Attachment B

Committee Reports

to the

2003 Kansas Legislature

Supplement

Kansas Legislative Research Department
January 2003

2-19

SUPPLEMENT
SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Special Committee on Children's Issues

The members of the Joint Committee on Children's Issues conclude that after six years of experience with a public-private partnership in the delivery of child welfare services, attention can be shifted to fine tuning the system. During the 2002 interim the Committee identified issues that remain within the system, most of which are discussed in this report. In most instances, the issues can be resolved through administrative action or enhanced efforts by participants in the system to improve cooperation and communication. In a few instances Legislative intervention may be necessary to resolve the issues. The Committee concludes three issues should be addressed through statutory change and has drafted a bill to effect these changes and requested the bill be introduced on behalf of the Committee.

The bill recommended by the Committee will amend existing law to provide that current foster families may not be excluded from any hearing involving a child in their care and shall be given notice of such hearings; will amend existing law to clarify the requirement that a hearing be held within 72 hours of an emergency removal of a child from the home in order that all courts interpret the provision of the law in the same way; and will create a new statute that will expire at a time set out in the law requiring two pilot projects in which parents are allowed to have objective volunteers as observers in hearings in which they are involved. The Committee envisions the observers or parent advocates to be similar to CASA volunteers available in some jurisdictions at the present time.

The Committee recommends enactment of the Committee bill by the 2003 Legislature, but does not recommend other statutory change at this time.

The Committee notes the issues raised by judges on the effect of dividing responsibility for foster care and adoption between different contractors and recommends the Department of Social and Rehabilitation Services consider this issue prior to entering into new contracts in 2003.

The Committee notes participants in the dialog between representatives of the judicial, executive, and legislative branches expressed the belief that family preservation services have been successful and reached a consensus that efforts to prevent children and families from reaching the court are a high priority. The Legislature should be aware of and monitor the success of local programs directed toward this end.

The Committee appreciates the effort the Department of Social and Rehabilitation Services has made to respond to concerns the Committee voiced in the previous interim about the procedures and standards utilized in child abuse and neglect investigations. The agency convened focus groups to discuss these issues and is taking steps to revise rules and regulations and agency manuals to reflect the recommendation of the focus groups that the agency utilize the same standard of evidence stated in the Kansas statutes

in determining whether abuse or neglect has occurred, *i.e.* , a change from the standard of preponderance of evidence to a higher standard of clear and convincing evidence. The Committee believes the agency is moving in the right direction in making this change. The Committee also notes the focus groups did not recommend other changes.

The Committee believes the task of the Legislature is to provide a balance between protecting the safety of children and their rights with the rights of parents and to ensure that actions necessary to protect children can be taken expeditiously. Input from all parties who are on the front line is very important if the Legislature is to accomplish its task. Communication needs to be kept open. Meetings such as the open dialog between representatives of the three branches of government allow each to see the others as assets in achieving commonly held goals rather than as adversaries. Such meetings should be continued.

The Committee concludes the state agency has the final responsibility for the welfare of children and youth in its custody and should be held accountable by the Legislature. However, the agency works within a structure of independent decision makers such as county and district attorneys and the courts over which it has no control. Therefore, it is important for the Legislature to insure that all entities that affect the child welfare system in Kansas are "at the table" in decision making.

The Committee has asked executive and judicial representatives to consider how Legislators can access confidential information in a way that will enable them to respond appropriately to constituents and serve as an asset to both the constituents and the agencies that serve children. The members have agreed to pursue this objective in the future.

Recognizing there continue to be problems with finding competent attorneys who can devote an adequate amount of time to fill the role of guardian *ad litem* and that some courts have difficulty in finding attorneys to serve as court appointed attorneys to represent parents in child welfare cases, the Committee concludes there is merit in giving additional consideration to a recommendation that Kansas create a system in which full-time state employees fill these roles, along with necessary support staff. It was suggested that such a system might be akin to the public defender system. It also was noted such a system would "level the playing field" in that the attorneys representing children and their parents would have the same type of experience and support the county or district attorney who makes the decision that a child-in-need-of-care petition should be filed and who pursues the case.

The members of the Joint Committee are aware Kansas is not the only state experiencing provider shortages and problems with securing and retaining health professional participation in child health programs. Kansas is not the only state with a critical shortage of dental services for children in the Medicaid and child health insurance programs, but continued efforts need to be made to encourage a larger percentage of licensed dentists to participate in prevention and treatment of children enrolled in HealthWave. The Committee also is aware Kansas is fortunate in the level of physician participation.

Attachment C

2-22

State of Kansas
Department of Social and Rehabilitation Services

Adoption Outcomes

June, 2002

Prepared by: Toni Jager

Adoption/Alternative Permanencies Unit

Background and Performance Summary

Background

On July 1, 2000, Kansas Children's Service League began providing statewide adoption services for the first year of a new four year contract period. This report provides information on client outcomes and key process indicators for the twelfth month of Year Two. **All data collection begins July 1, 2000 for all performance indicators.**

Performance Summary

On June 1, 2002 1,603 children were served by the adoption contractor. In the Twelfth month of Year two, 57 children were referred. 59 cases achieved permanency, 16 closed, 0 cases reopened, leaving a total number of open cases of 1,585 on the last day of the month. There are 11 performance indicators in the adoption contract. Indicator 2.2 data is not available at this time. Indicator 3.1, Client Satisfaction is currently not being monitored. Indicator 8.1,Transition to Adult Checklist will be monitored upon implementation of the form. Out of the eight indicators that are currently monitored, 3 of the performance standards were met or exceeded standards, 5 indicators were below performance standard.

Client Outcome	Performance Standard	YTD Performance Rate
Children placed w/in 180 days	55.0%	16.4%
Children placed within 365 days	70.0%	9.6%
Placements finalized w/in 12 months	90.0%	90.0%
Adoptive Placements intact for 18 months following finalization	90.0%	NA
Client Satisfaction	90.0%	NA
Children placed with siblings	65.0%	57.9%
Children with fewer than three moves since referral	90.0%	94.1%
Children not experiencing abuse/neglect prior to finalization.	98.0%	99.5%
No placement disruptions	90.0%	89.4%
Non-group, non-institutional non-adoptive placements	85.0%	81.8%
20 or more on Transition to Adult Life checklist	80.0%	NA

Outcome Goal: Children shall be placed for adoption in a timely manner.

Performance Indicator 1.1:

55% of children will be placed with adoptive families within 180 days of the receipt of the rêferral for adoption.

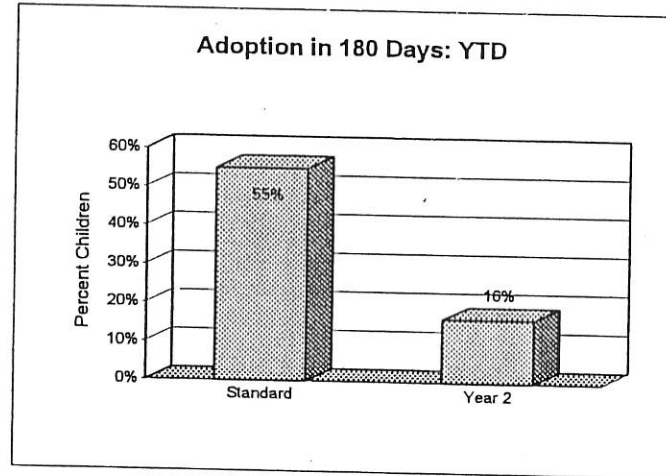
Results

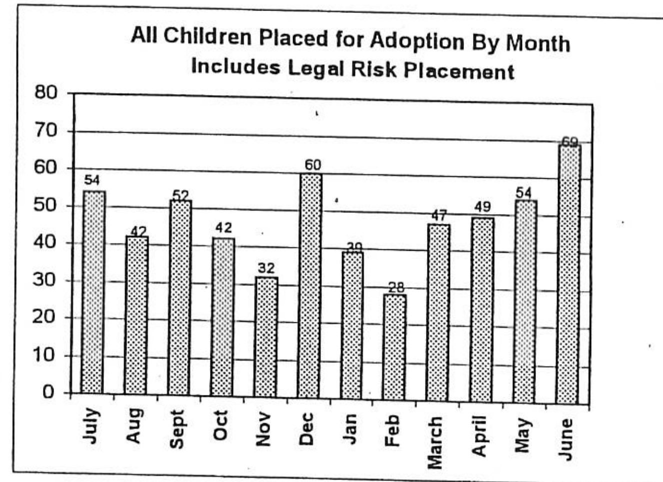
In the twelfth month of the contract (June) 67 children reached 180 days from referral for adoption. This month11 children were placed with adoptive families and receipt of referral was within 180 days of placement.

Statewide Performance

Client Outcome	Year 2
Reached the 180 day mark from referral	67
Placed in adoptive home within the 180 days	11
Performance Rate	16.4%

Tables: Adoptive Placement in 180 days





Outcome Goal: Children shall be placed for adoption in a timely manner.

Performance Indicator 1.2:

70% of children will be placed with adoptive families within 365 days of the receipt of the referral for adoption.

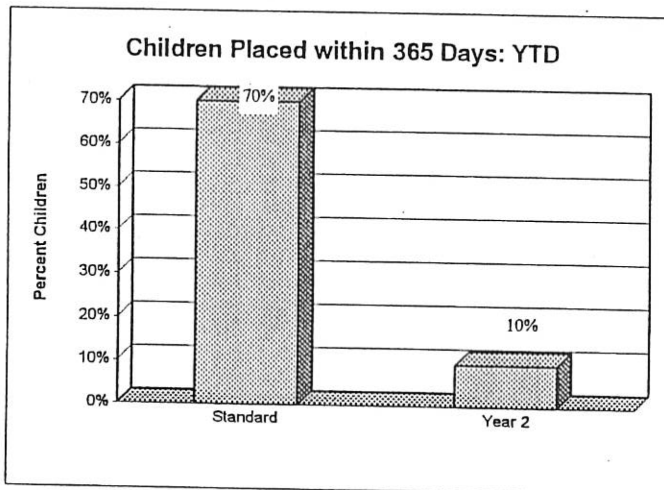
Results

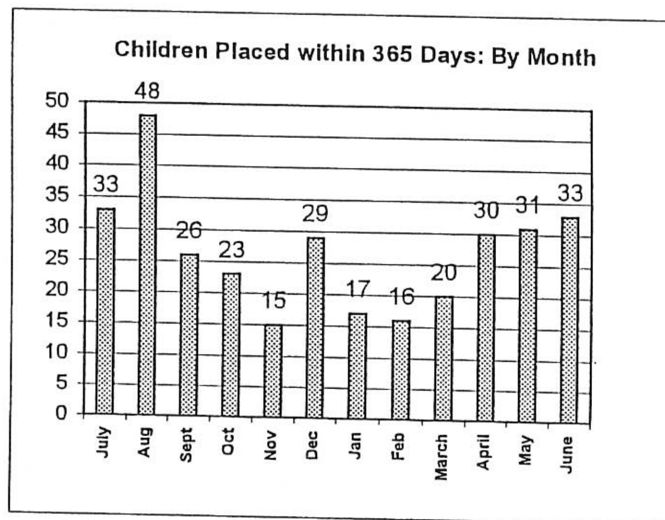
During the twelfth month of the second contract year, 33 children were placed with an adoptive family within 365 days of referral.

Statewide Performance

Client Outcome	Year 2
Referral from 181 to 365 days	277
All referrals 0-365 days	344
Placed in adoptive home within 365 days	33
Performance Rate	9.6%

Tables: Adoptive Placement in 365 days





Outcome Goal: Children shall have permanent homes through the adoption process.

Performance Indicator 2.1:

90% of adoptive placements shall be finalized within 12 months of the placement date.

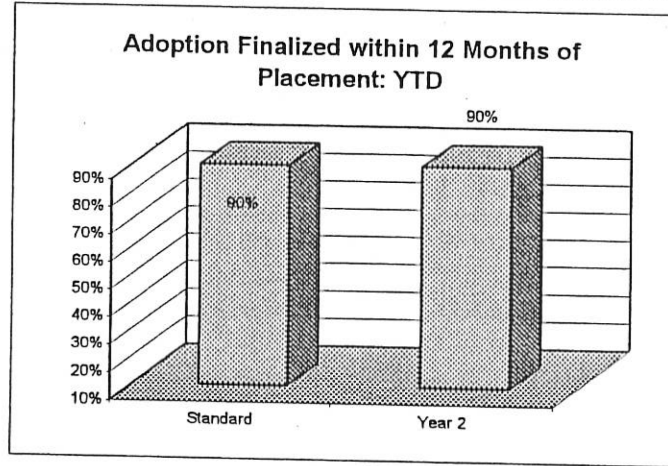
Results

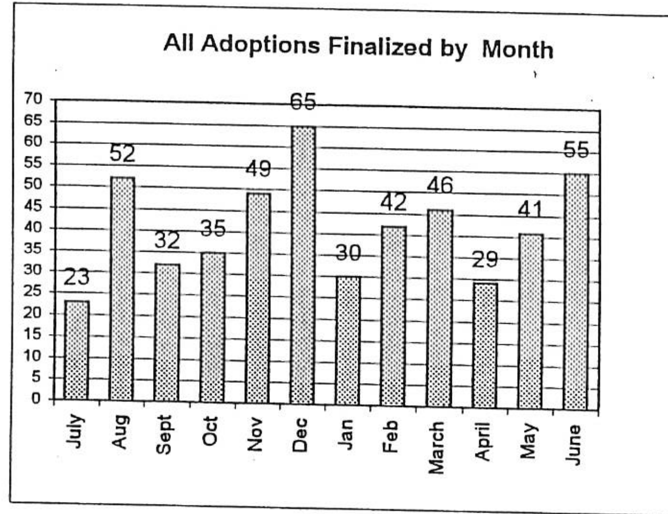
Fifty five children in adoptive placements were finalized within 12 months of placement date.

Statewide Performance

Client Outcome	Year 2 YTD
Reached the 12 month mark from placement	339
Adoptions finalized w/in 12 months following placement	305
Performance Rate	90.0%

Tables: Adoptions finalized in 12 months.





Outcome Goal: Children shall have permanent homes through the adoption process.

Performance Indicator 2.2:

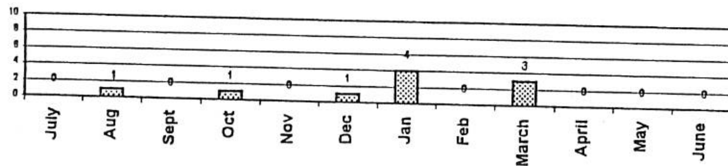
90% of adoptive children shall continue to have the same adoptive parents as their legal guardians 18 months after finalization.

Results

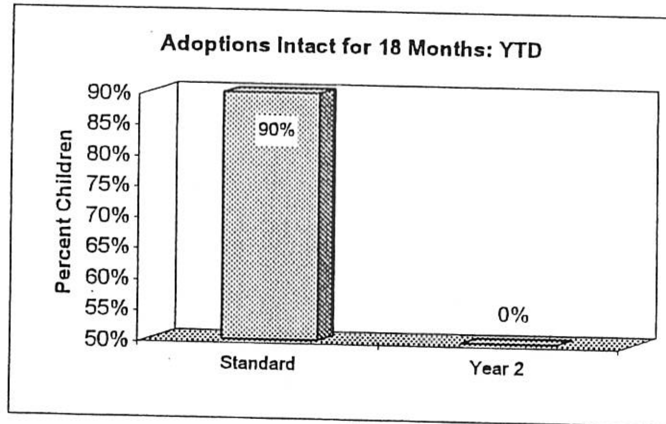
Statewide information is being gathered on this indicator.

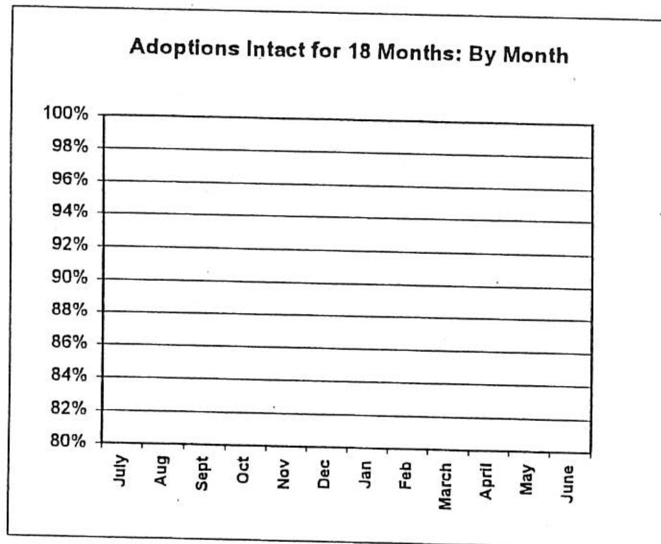
Statewide Performance

Client Outcome	Year 2 YTD
Reached the 18 month mark from finalization.	147
Children who have adoptive parents as guardians 18 months after finalization	218
Performance Rate	NA



Tables: Adoptions intact for 18 months.





Outcome Goal: Children shall have permanent homes through the adoption process.

Performance Indicator 2.3:

90% of children will not experience a disruption during an adoptive placement.

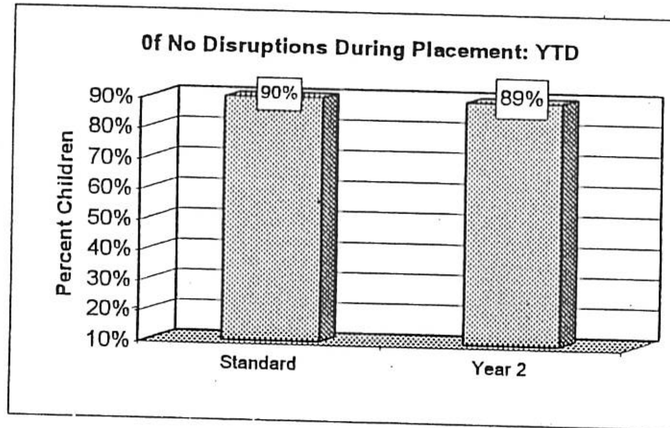
Results

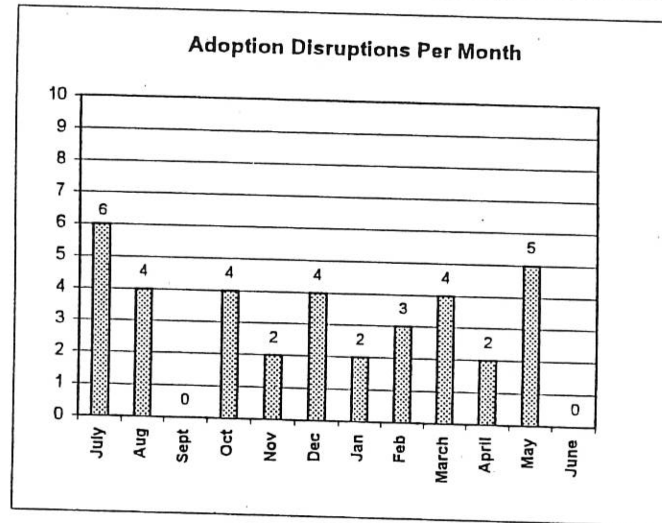
In the twelfth month (June) of the contract, 0 children in adoptive placement disrupted 12 months following placement.

Statewide Performance

Client Outcome	Year 2 YTD
Children in adoptive placement 12 months ago.	339
Children in adoptive placement for 12 months that disrupted.	36
Performance Rate	89.4%

Tables: Adoptive Disruptions





Outcome Goal: Adoptive family members shall be satisfied with adoptive services.

Performance Indicator 3.1:

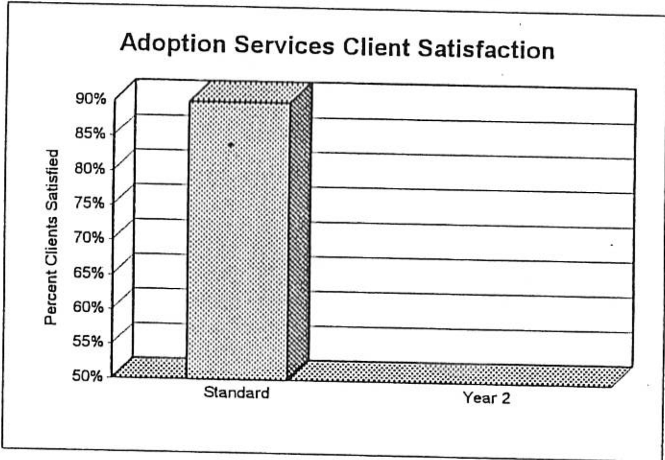
90% of families (parents and youth age 14 and over living in the home) shall report satisfaction with the adoption process at the time the adoption is finalized.

Results

Individual questions about satisfaction were rated by respondents on a 4-point scale (1 = strongly disagree, 2 = disagree, 3 = agree, 4 = strongly agree). Items were then summed to calculate an overall satisfaction rating. This measure reflects performance by contract year. This performance indicator will not be monitored until 2002.

Contract Year	# of Valid Surveys	Satisfaction Rate
Year One: 7/1/00 to present	0	NA

Tables: Client Satisfaction



Outcome Goal: Siblings should be kept together.

Performance Indicator 4.1:

65% of children will be placed with at least one sibling.

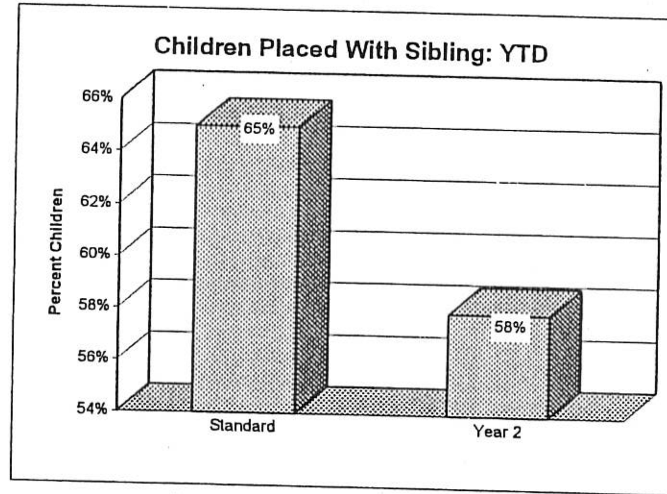
Results

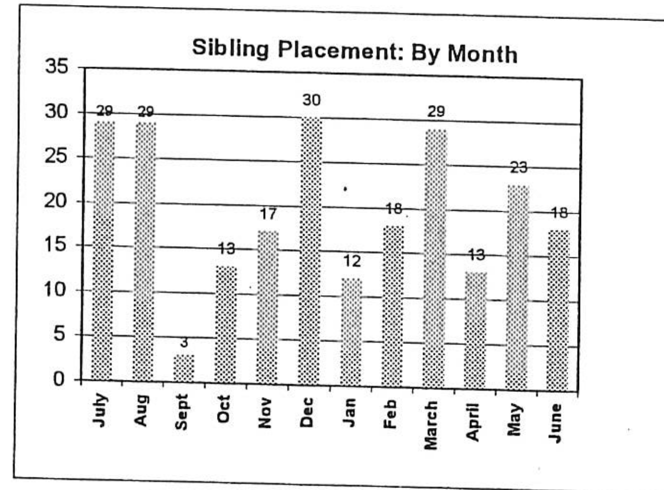
In the twelfth reporting month (June) of Year Two, 28 children awaiting adoption who also had a sibling referred for adoption were placed in adoptive homes. Of these children, 18 are in an adoptive placement with one or more siblings.

Statewide Performance

Client Outcome	Year 2 YTD
Number of children placed in an adoptive home who had a sibling also awaiting adoption	404
Number of children placed in an adoptive home with at least one sibling.	234
Performance Rate	57.9%

Tables: Children Placed with Sibling





Outcome Goal: Children should remain in the same foster care placement pending adoption.

Performance Indicator 5.1:

90% of all children placed for adoption shall experience no more than three moves from the point in time parental rights are terminated until the adoption is finalized.

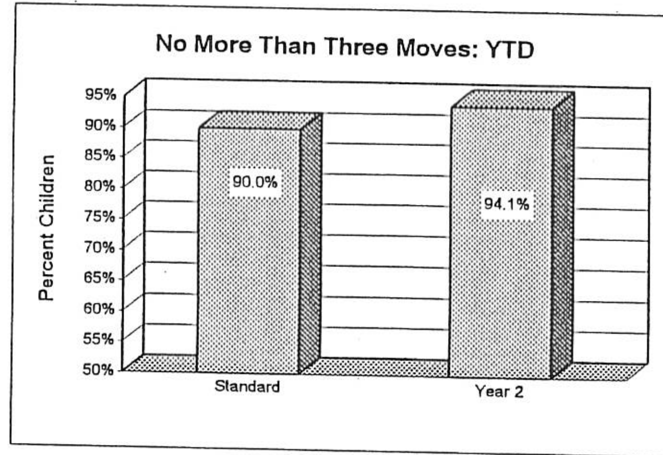
Results

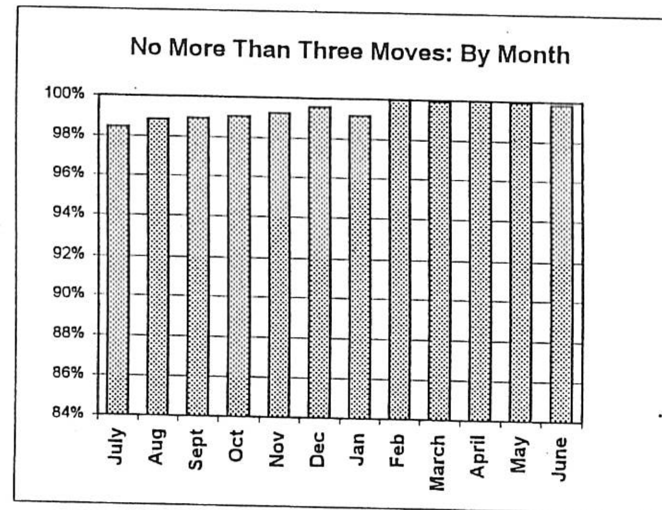
The average monthly YTD performance rate exceeds the performance standard.

Statewide Performance

Client Outcome	Year 2 Monthly Average YTD
Children in open cases pre-finalization	1565
Children with 4th move after referral	92
Performance Rate	94.1%

Tables: No More than Three Moves





Outcome Goal: Children shall have permanent homes through the adoption process.

Performance Indicator 7.1:

85% of children referred but not in an adoptive placement are placed in non-group or non-institutional placement.

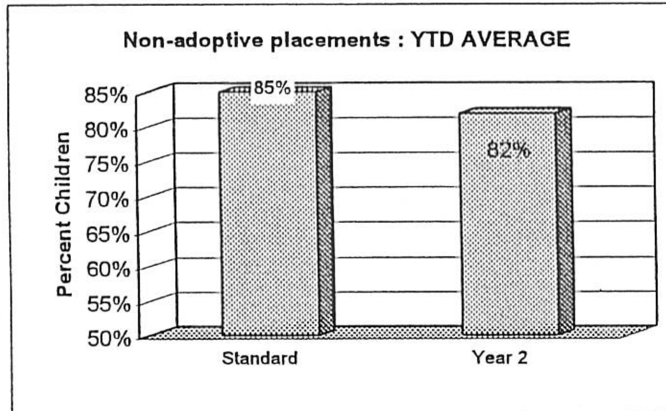
Results

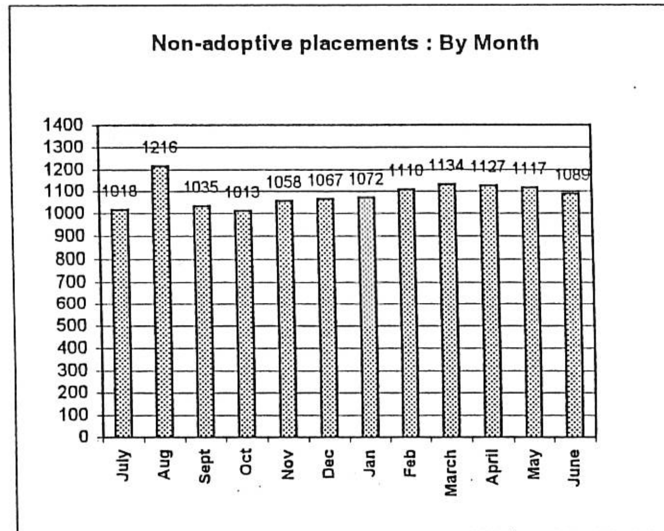
In the twelfth reporting month (June) of Year Two, 1,289 children were waiting for an adoptive placement. Of these, 1,089 children were placed in non-group, non-residential or non-institution placements. The remainder of the waiting children reside in group or residential care.

Statewide Performance

Client Outcome	Year 1 YTD AVERAGE
Children in non-adoptive placement.	1088
Children residing in group, non-residential or non-institutional, or non-adoptive placements.	198
Performance Rate	81.8%

Tables: Non-group or non-institutional placements.





Outcome Goal: Children shall have permanent homes through the adoption process.

Performance Indicator 8.1:

80% of youth aging-out of foster care will be prepared for transition to adult life as indicated by a score of 20 or more on the Preparation for Transition Life Checklist.

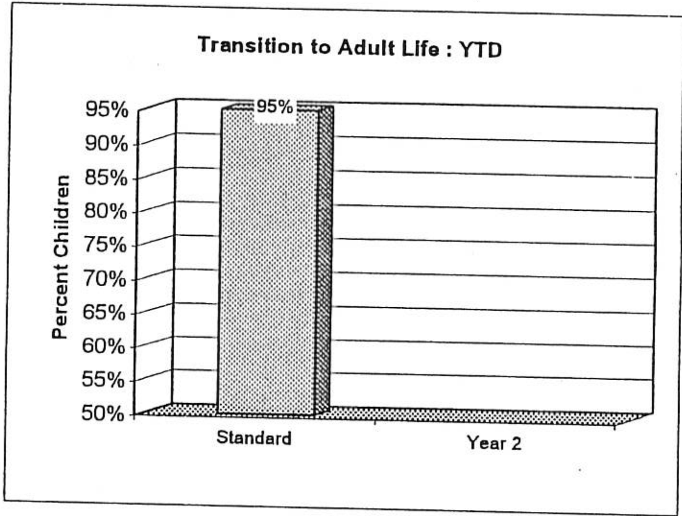
Results

This performance indicator will be monitored upon implementation of the form.

Statewide Performance

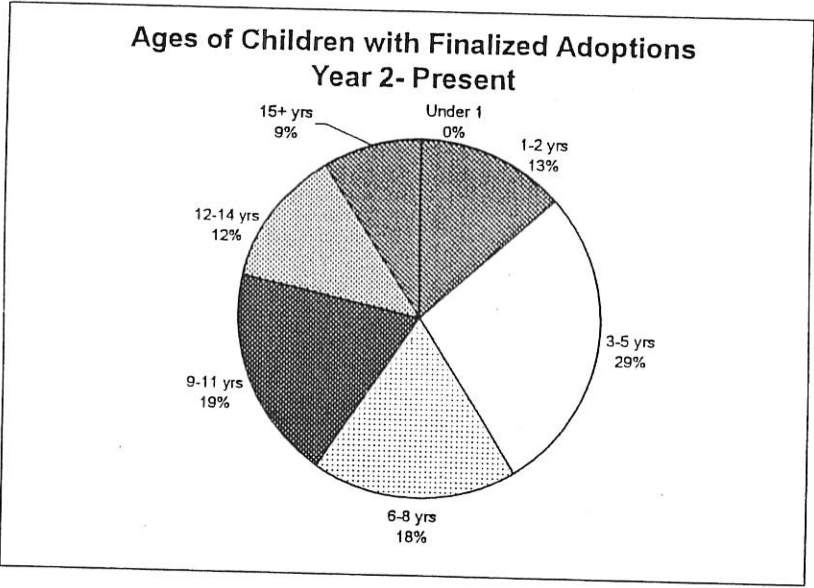
Client Outcome	Year 2 YTD
Youth emancipated or aging out of system	17
Youth emancipated or aging out of system who score 20 or more on TALC checklist	7
Performance Rate	NA

Tables: Transition to Life Checklist



Summary Data for Adoption Services

Adoption Services Status Report	Year 2 YTD
Total Number of Referrals	674
Number of adoptive placements	559
Number of adoptions finalized	499
Demographics for Finalized Adoptions	**Year 2 YTD**
Female	237
Male	262
White	288
Black	146
Asian/Pacific Islander	4
American Indian/Alaskan Native	4
Unable to determine/ Multi-racial: not in above categories	0
Hispanic Origin	57
Under 1 year old	0
1-2 years	66
3-5 years	139
6-8 years	92
9-11 years	95
12-14 years	62
15+ years	45



Outcome Goal: Children shall be safe from maltreatment.

Performance Indicator 6.1:

98% of children in the care and supervision of the vendor will not experience substantiated abuse/neglect prior to finalization.

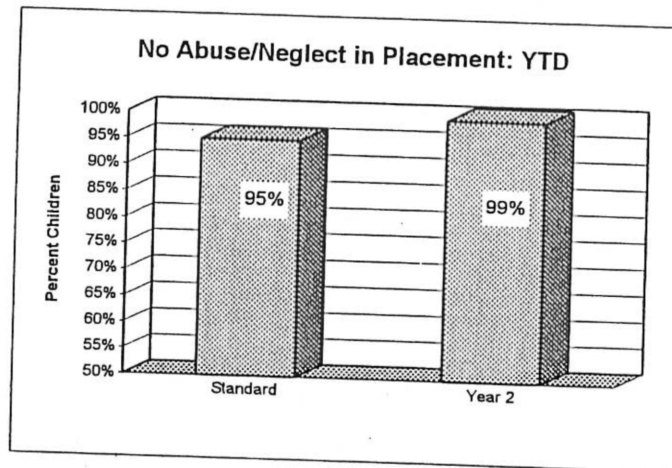
Results

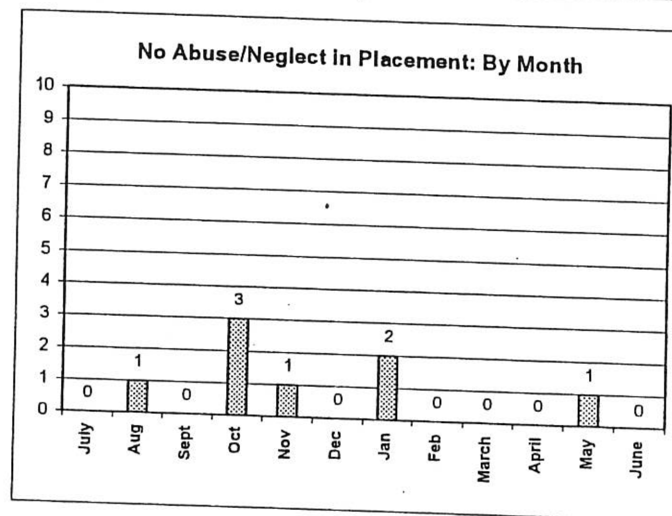
Year-To-Date performance exceeds the standard.

Statewide Performance

Contract Year	Year 2 YTD Average
Open Cases	1,565
Number of children with a substantiated report	8
Performance Rate	99.5%

Tables: No Abuse/Neglect in Placement





State of Kansas
Department of Social and Rehabilitation Services

Attachment C

2-36

Foster Care Outcomes

Division of Children and Family Policy

June 2002

Prepared by Jacqueline Thirlkel, Foster Care\ Reintegration Unit

Background

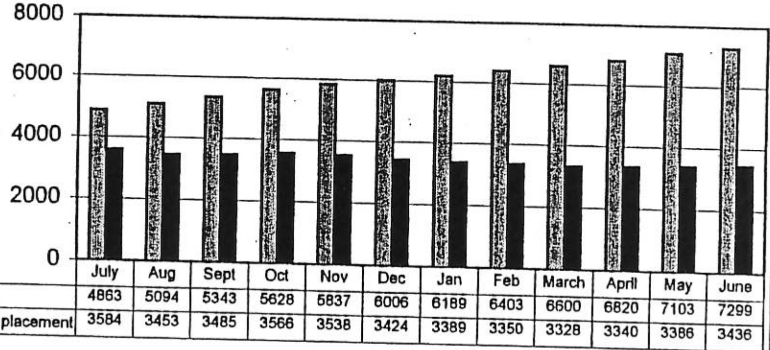
[illegible] 1, 2000, private contractors began providing foster care services for the first year of a new four year contract period. This report presents performance data since the first month of Year Two. **All data collection begins on July 1, 2001 for all performance indicators.**

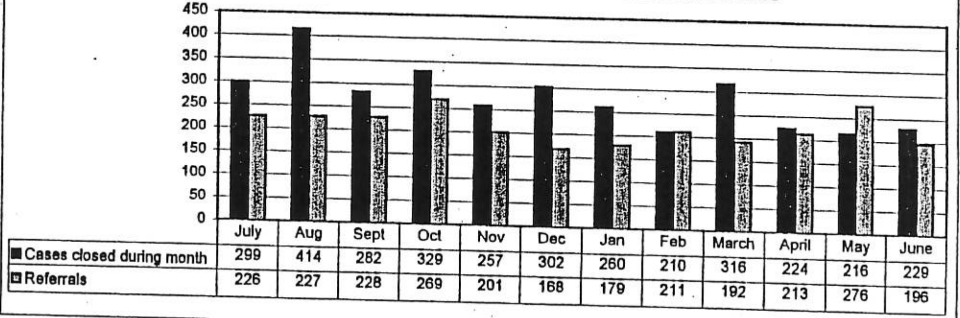
During Year Two 7,299 children have had an open case. During June, 196 children were referred for services. 3,436 children were in out-of-home placement (OOHP) and 229 cases were closed. There are 11 client outcomes in the foster care contract. The Transition To Adultlife Checklist outcomes are currently reported, but there is not enough information available to make a relevant evaluation. This is the ninth month where information on Client Satisfaction as measured by the Contractors is reported on. Five of the eleven outcomes performance standards were met or exceeded.

Performance Rates

Client Outcome	Performance Standard	YTD Statewide Performance
Safe from maltreatment while in placement	98%	99.58%
Safe from maltreatment 12 months after reintegration	80%	95.29%
Minimal Placement Moves	70%	91.77%
Placed with a Sibling	70%	66.88%
Placed within home county or contig.	70%	71.98%
Placed in Non-group/non-institution	85%	86.72%
Transition to Adultlife checklist	80%	51.54%
Permanency w/in 6 months	40%	29.92%
Permanency w/in 12 months	65%	49.14%
No re-entry in 12 months	90%	86.14%
Adult Client Satisfaction	80%	56.33%
Youth Client Satisfaction	80%	68.75%

Tables





2-38

Performance Indicator 1.2:

90% of children will not experience substantiated abuse/neglect within 12 months after reintegration.

Results

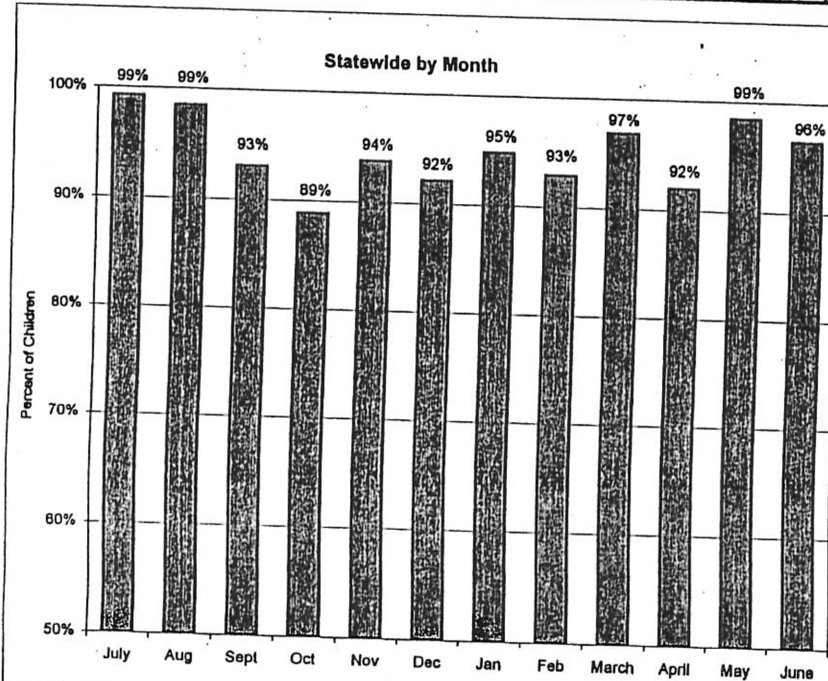
This performance indicator began being monitored July 1, 2001. This indicator counts children who have been reintegrated for 12 months. This month, 199 children had been reintegrated for twelve months. Of that number, 7 experienced substantiated abuse or neglect within that time period. This month, the statewide and all regional performance rates met or exceeded the performance standard. The Tables display a Substantiations row for the number of substantiated abuse/neglect cases that occurred and a Performance Rate row for the percentage of cases where child abuse/neglect did not occur. The Performance Graphs represent the percentage of cases where abuse/neglect did not occur.

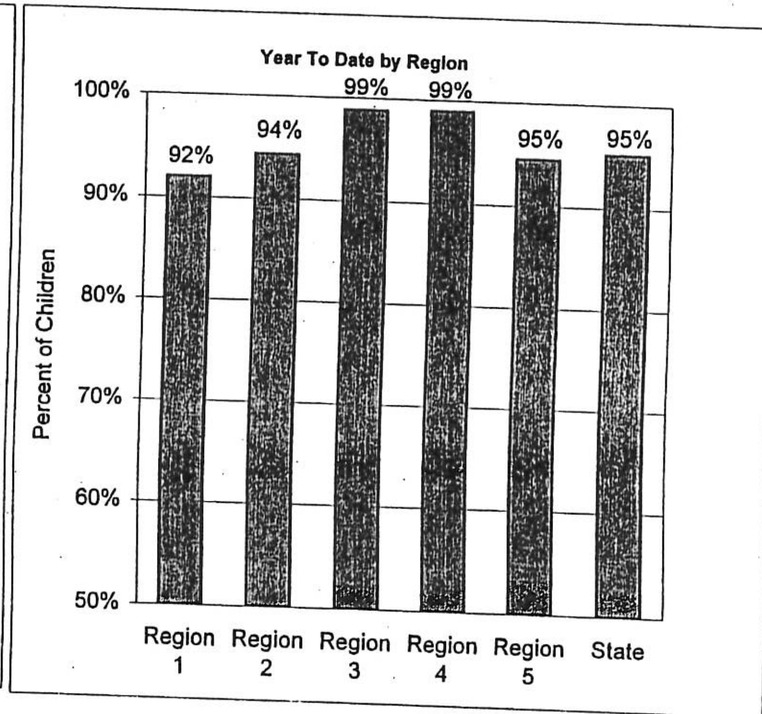
Tables: No Abuse or Neglect within 12 Months of Reintegration

Statewide and Regional Performance

YTD by Region	Region 1	Region 2	Region 3	Region 4	Region 5	State
# Reintegrated 12 months	581	342	265	392	353	1,933
Substantiations	46	19	3	4	19	91
Performance Rate	92%	94%	99%	99%	95%	95%

Statewide by Month	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
# Reintegrated 12 months	141	270	116	135	129	167	175	128	160	113	200	199
Substantiations	1	4	8	15	8	13	9	9	5	9	3	7
Performance Rate	99%	99%	93%	89%	94%	92%	95%	93%	97%	92%	99%	96%





Outcome Goal 2: The well-being of children in placement will be maximized.

[illegible]mance Indicator 2.2.

70% of all children will be placed with at least one sibling.

Tables: Sibling Placement

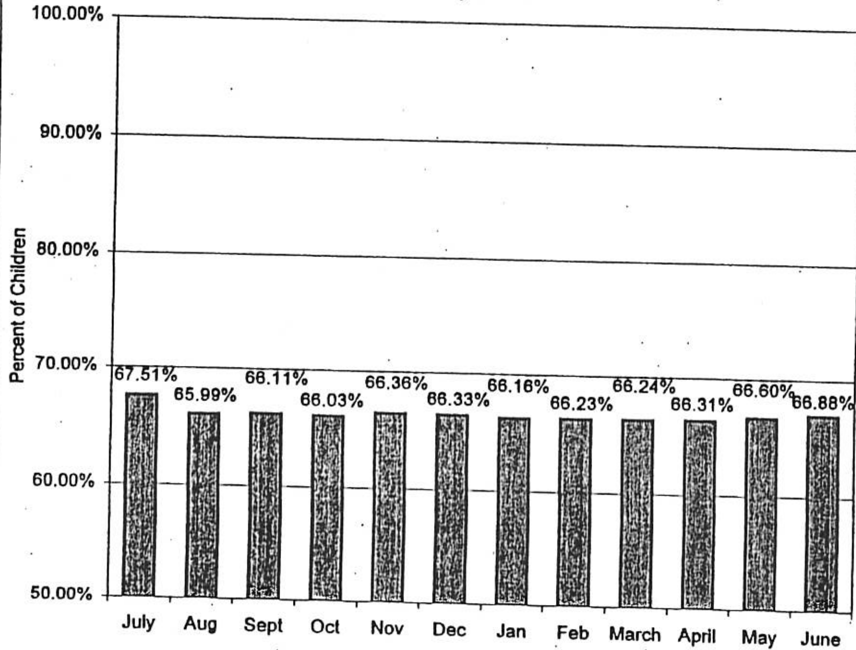
Results

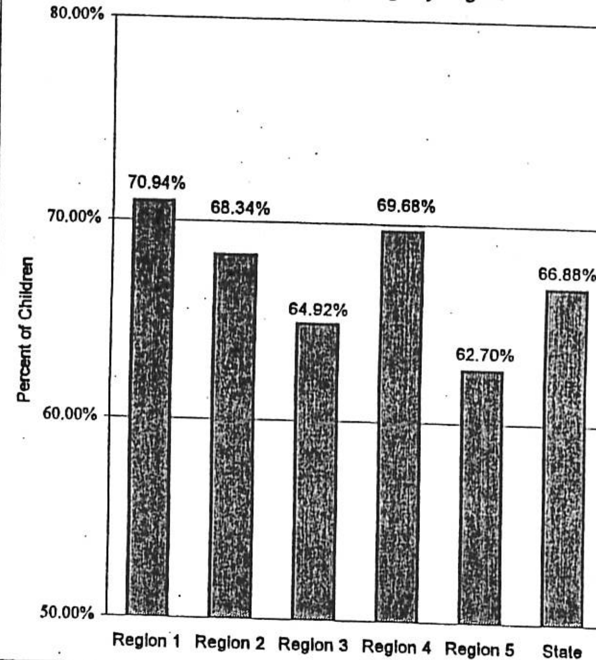
In an average month for Year Two, there were 1,782 children in foster care with a sibling(s) also residing in foster care. Of those children, an average of 1,192 were placed with at least one sibling. One regional performance rate met or exceeded the performance standard. One regional performance rate was within one percentage point of meeting the standard. During June the statewide performance rate did not meet the standard.

Statewide and Regional Performance

Ave. YTD by Region	Region 1	Region 2	Region 3	Region 4	Region 5	State
Siblings in OOHP	420	223	260	310	569	1,782
Placed with Sibling	298	152	169	216	357	1,192
Performance Rate	70.94%	68.34%	64.92%	69.68%	62.70%	66.88%

State Ave. by MO	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
Siblings in OOHP	1,853	1,819	1,829	1,849	1,836	1,825	1,816	1,803	1,793	1,787	1,782	1,782
Placed with Sibling	1,251	1,200	1,209	1,221	1,218	1,211	1,201	1,194	1,188	1,185	1,187	1,192
Performance Rate	67.51%	65.99%	66.11%	66.03%	66.36%	66.33%	66.16%	66.23%	66.24%	66.31%	66.60%	66.88%





2-40

Performance Indicator 2.4:

[illegible]5% of children in placement will be in non-group and non-institutional placements.

Tables: Children in Nongroup and nongroup institution placements

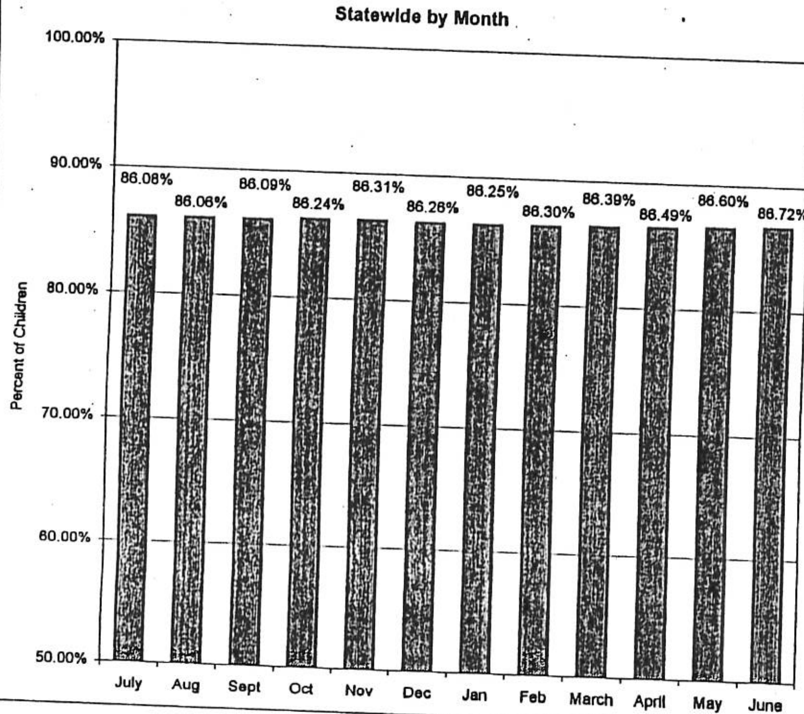
Results

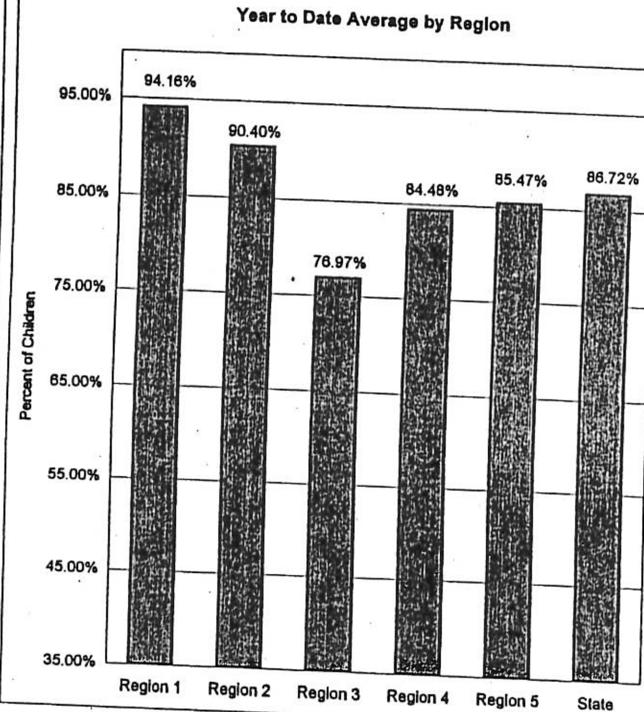
During the twelfth month of Year Two, the average number of children in an out-of-home placement was 3,440. Of these children, an average of 2,983 were placed in non-group and non-institutional placements. This month the statewide performance rate met or exceeded the performance standard. Three of the regional performance rates met or exceeded the performance standard. A fourth region came within one whole percentage point of meeting the performance standard.

Statewide and Regional Performance

Ave YTD by Region	Region 1	Region 2	Region 3	Region 4	Region 5	State
Children in Placement	863	436	545	700	897	3,440
Children in non-group and non-institutional	813	394	419	591	767	2,983
Performance Rate	94.16%	90.40%	76.97%	84.48%	85.47%	86.72%

State Ave. by MO	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
# in Placement	3,584	3,519	3,507	3,522	3,525	3,508	3,491	3,474	3,457	3,446	3,440	3,440
# Placed in Non-group/Instution	3,085	3,028	3,019	3,038	3,043	3,026	3,011	2,998	2,987	2,980	2,979	2,983
Performance Rate	86.08%	86.06%	86.09%	86.24%	86.31%	86.26%	86.25%	86.30%	86.39%	86.49%	86.60%	86.72%





2-41

Perf nce Indicator 3.1:

40% ren placed in out-of-home care are returned to the family, achieve permanency, or are referred for adoption within six months of referral to the contractor.

Tables: Achieved permanency within 6 months

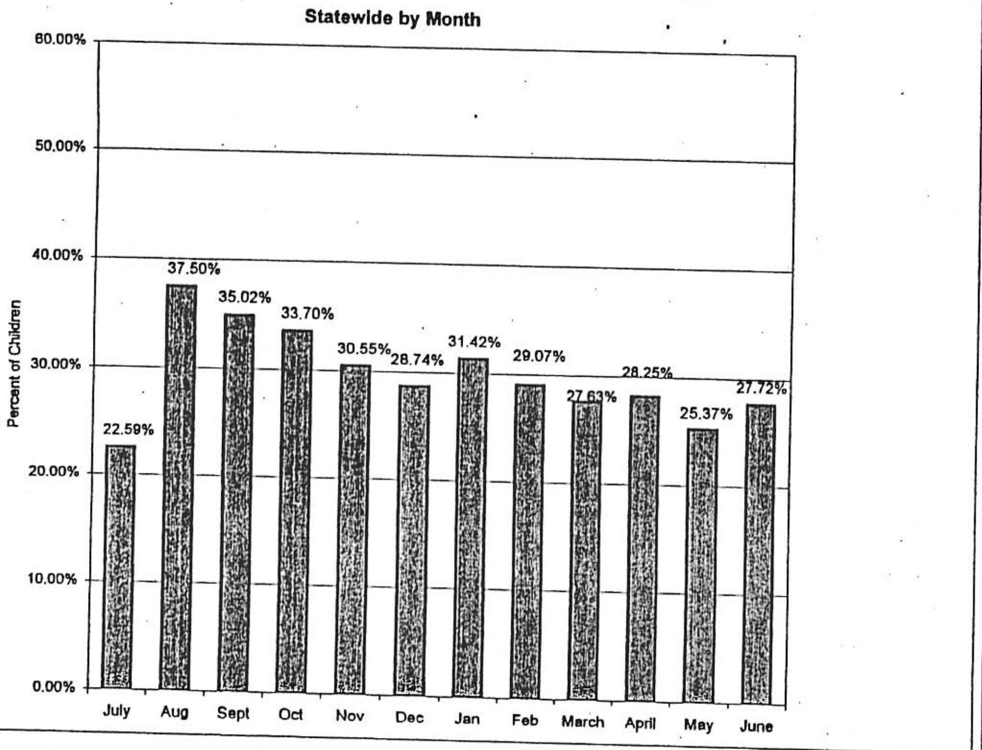
Results

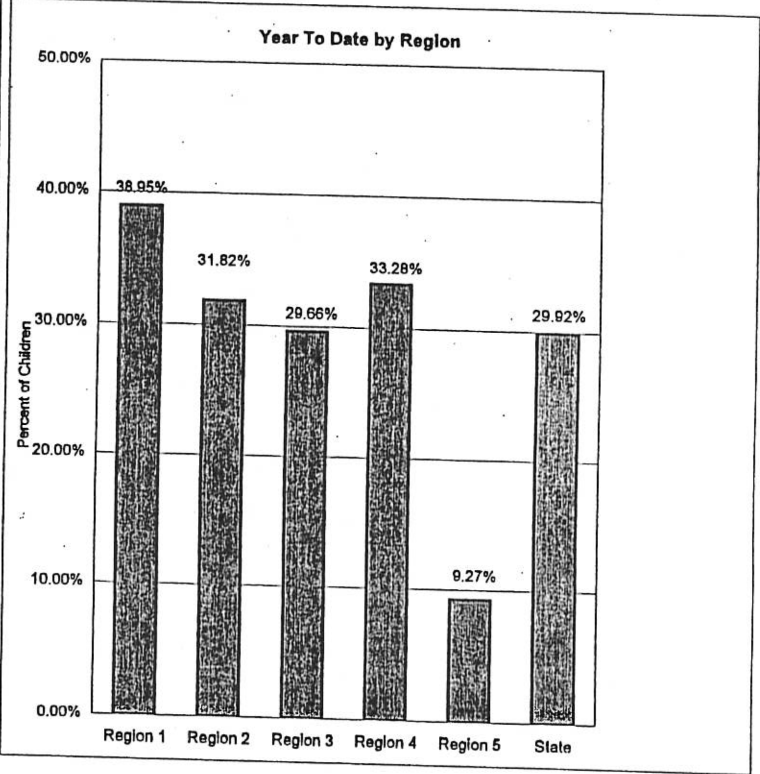
Data collection for this indicator began 7/1/00. In June 2002, 184 children were referred to the contractors 6 months ago. Those achieving permanency within 6 months of referral total 51. No regional performance rate met or exceeded the performance standard. The statewide performance rate did not meet or exceed the standard.

Statewide and Regional Performance

YTD by Region	Region 1	Region 2	Region 3	Region 4	Region 5	State
# Reaching 6 mo.	878	374	408	646	518	2,824
# Achieving Permanency	342	119	121	215	48	845
Performance Rate	38.95%	31.82%	29.66%	33.28%	9.27%	29.92%

Statewide by Month	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
# Reaching 6 mo.	270	240	257	273	275	174	226	227	228	269	201	184
# Achieving Permanency	61	90	90	92	84	50	71	66	63	76	51	51
Performance Rate	22.59%	37.50%	35.02%	33.70%	30.55%	28.74%	31.42%	29.07%	27.63%	28.25%	25.37%	27.72%





2-42

Performance Indicator 3.3:

[illegible] children who are reintegrated do not re-enter out-of-home placement within one year of reintegration.

Tables: No Re-entry within 12 Months of Reintegration

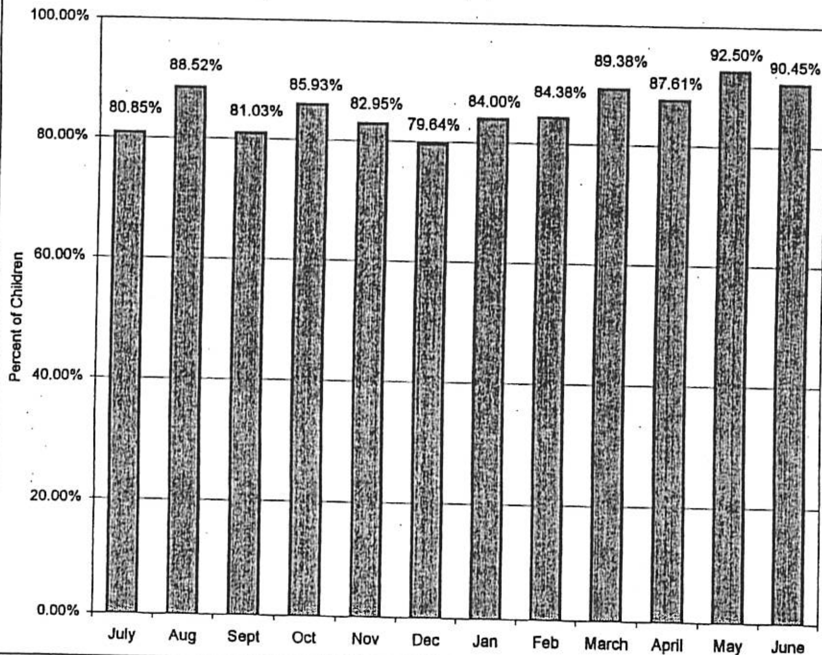
Results

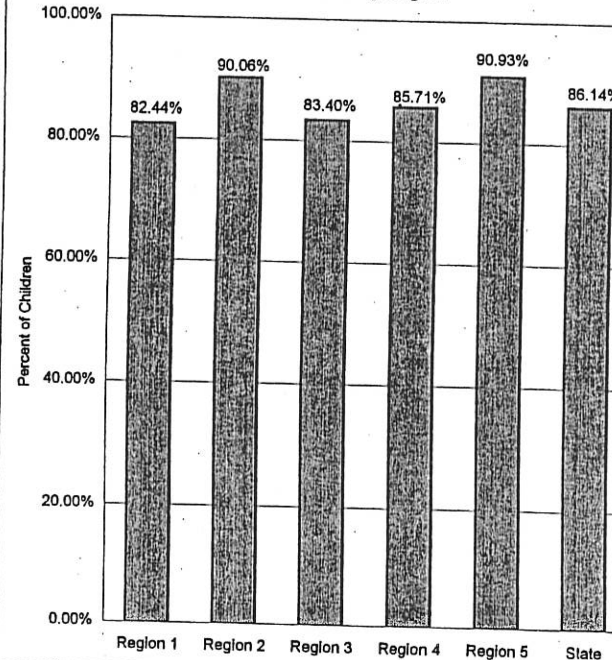
Data collection for this indicator began 7/1/00. Therefore, this indicator was first measured in July, 2001 after the first 12 months of the contract period have passed. This month, 199 children were returned home 12 months ago. Of this number, 180 have not re-entered out-of-home placement. YTD two regional performance rates met or exceeded the performance standard. YTD the statewide performance rate did not met or exceeded the performance standard. In the month of June the statewide performance rate did met or exceed the performance standard.

Statewide and Regional Performance

YTD by Region	Region 1	Region 2	Region 3	Region 4	Region 5	State
12 mos. At Home	581	342	265	392	353	1,933
12 mos. At Home w/ No Re-entry	479	308	221	336	321	1665
Performance Rate	82.44%	90.06%	83.40%	85.71%	90.93%	86.14%

Statewide by Month	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
12 mos. At Home	141	270	116	135	129	167	175	128	160	113	200	199
12 mos. At Home w/ No Re-entry	114	239	94	116	107	133	147	108	143	99	185	180
Performance Rate	80.85%	88.52%	81.03%	85.93%	82.95%	79.64%	84.00%	84.38%	89.38%	87.61%	92.50%	90.45%





Attachment C

2-43

State of Kansas
Department of Social and Rehabilitation Services

Family Preservation Outcomes

Division of Children and Family Policy

June 2002

Prepared by: Bev Rogers

Child Protective Services and Family Support Unit

Summary

Summary

This report presents information on five family preservation client outcomes achieved by public/private partnership of the Family Preservation Program. The statewide performance rates exceeded the performance standards for four of the contract outcomes.

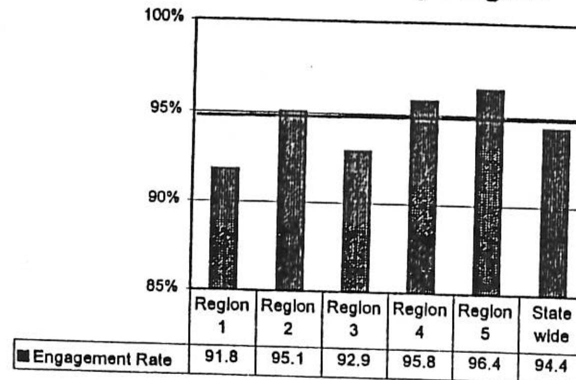
Performance Summary

Client Outcome	Performance Standard	Program to Date Statewide Performance
Engagement In program	95%	94.4%
Ab/N Engagement to 90 Days	90%	97.4%
Ab/N Engagement to 1 Year	80%	94.0%
Placements Engagement to 90 days	90%	93.4%
Placements Engagement to 1 Year	80%	90.8%

Outcome Goal #1: Families referred will engage in program services

Performance Indicator 1.1

95% of all families referred shall be engaged in program services.



Results

Since the program began in July 2000, 6,543 of the 6,175 families referred have engaged in family preservation services. The statewide performance rate of 94.4% did not meet the performance standard. Regional performance rates are listed below.

From July 2000 to June 2001, 3594 of the 3812 families referred were engaged in family preservation services.
From July 2001 to June 2002, 2581 of the 2731 families referred have engaged in family preservation services.

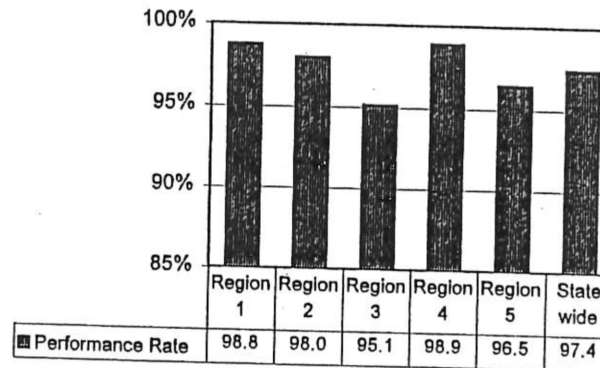
Regional and Statewide Performance

Program to Date	Reg. 1	Reg. 2	Reg. 3	Reg. 4	Reg. 5	State
# of Referrals	1442	1195	1242	1178	1486	6,543
# Engaged	1324	1136	1154	1128	1433	6,175
Performance Rate	91.8%	95.1%	92.9%	95.8%	96.4%	94.4%

Outcome Goal #2: Children will be safe from abuse and/or neglect.

Performance Indicator 2.1

90% of families will not have a substantiated abuse or neglect between engagement and 90 days after referral.



Results

Since the program began, 5,564 families have been served for 90 days. Of these families, there were 142 families who had substantiations of abuse or neglect during the first 90 days of services. The statewide performance of 97.4% exceeded the performance standard. Regional performance rates are listed below.

From July 2000 -June 2001, 3594 families served from 90 days. Of these families, there were 73 families who had substantiations of abuse or neglect during the first 90 days of services.

From July 2001 -June 2002, 1970 families served from 90 days. Of these families, there were 69 families who had substantiations of abuse or neglect during the first 90 days of services.

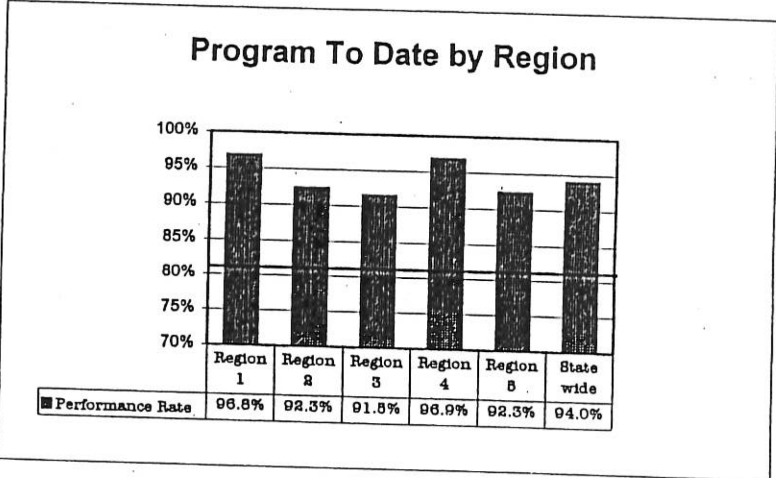
Regional and Statewide Performance

Program to Date	Reg. 1	Reg. 2	Reg. 3	Reg. 4	Reg. 5	State
# of Engaged	1208	1010	1029	1017	1300	5564
Ab/N Engaged to 90 Days	15	20	50	11	46	142
Performance Rate	98.8%	98.0%	95.1%	98.9%	96.5%	97.4%

Outcome Goal #2: Children will be safe from abuse and/or neglect.

Performance Indicator 2.2:

80% of families will not have substantiated abuse or neglect between engagement and one year after referral.



Results

Since the program began, 3,594 families have been served for one year. Of these families, there were 217 families who had substantiations of abuse or neglect during the first year of services. The statewide performance of 94.0% exceeded the performance standard. Regional performance rates are listed below.

NOTE: The following incidents were reported in the prior contract year and are applicable to this current outcome: November = 3; April = 2; May = 4; June = 2.

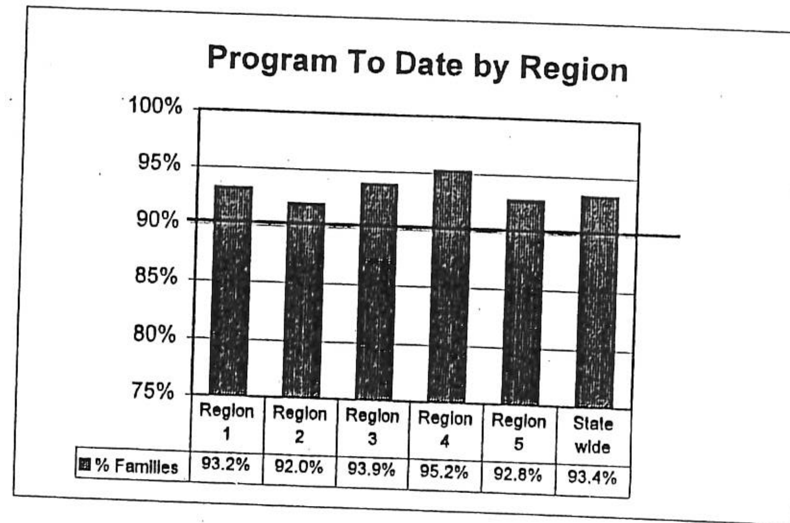
Regional and Statewide Performance

Program to Date	Reg. 1	Reg. 2	Reg. 3	Reg. 4	Reg. 5	State
# of Engaged	778	690	635	647	844	3594
# Incidents From Engagement to 1 Year	25	53	54	20	65	217
Performance Rate	96.8%	92.3%	91.5%	96.9%	92.3%	94.0%

Outcome Goal #3: Children will not require out of home placement

Performance Indicator 3.1

90% of families will not have a child placed outside the home between engagement and 90 days after referral.



Results

Since the program began, 5,564 families have been served for 90 days. Of these families, there were 368 families who had out of home placements during the first 90 days of service. The statewide performance of 93.4% exceed the performance standard. Regional performance rates are listed below.

From July 2000 -June 2001, 3594 families served from 90 days. Of these families, there were 202 families who had substantiations of abuse or neglect during the first 90 days of services.

From July 2001 -June 2002, 1970 families served from 90 days. Of these families, there were 166 families who had substantiations of abuse or neglect during the first 90 days of services.

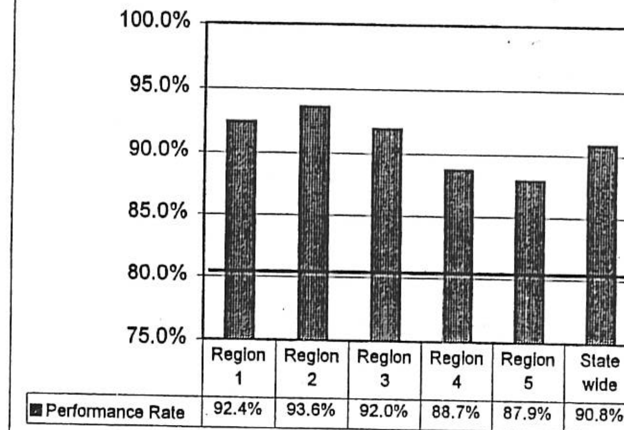
Regional and Statewide Performance

Program to Date	Reg. 1	Reg. 2	Reg. 3	Reg. 4	Reg. 5	State
# Engaged	1208	1010	1029	1017	1300	5564
Placements Engagement to 90 Days	82	81	63	49	93	368
% Families	93.2%	92.0%	93.9%	95.2%	92.8%	93.4%

Outcome Goal #3: Children will not require out of home placement

Performance Indicator 3.2

80% of families will not have a child placed outside the home between engagement and one year after referral.



Results

Since the program began, 3,594 families have been served for one year. Of these families, there were 329 families who had an out of home placements during the first year of services. The statewide perofrmance of 90.8% did meet the performance standard. Regional performance rates are listed below.

NOTE: The following incidents were reported in the prior contract year and are applicable to this current outcome: November = 3; February = 1; April = 4; May = 1; June = 2.

Regional and Statewide Performance

Program to Date	Reg. 1	Reg. 2	Reg. 3	Reg. 4	Reg. 5	State
# Engaged	778	690	635	647	844	3594
Placements Engagement to 1 Year	59	44	51	73	102	329
Performance Rate	92.4%	93.6%	92.0%	88.7%	87.9%	90.8%

Medicaid Beneficiaries with Ten or More Prescriptions

In June and July of 2002, SRS began developing various possible budget cutting and cost saving options in anticipation of potential mid-year budget cuts. One of the cost savings measures SRS began considering was limiting the number of branded prescriptions Medicaid beneficiaries could have. Therefore, analysis was done, using the MMIS, to ascertain how many beneficiaries had large numbers of prescriptions each month. The following chart shows the percentage of people who had 10 or more prescriptions in the months of June and July. Similar analysis of the numbers of prescriptions beneficiaries can be done at any time through the MMIS.

# of Prescriptions	June 2002	July 2002
10	0.9%	1.2%
11	0.6	0.7
12	0.4	0.5
13	0.2	0.4
14	0.2	0.2
15	0.1	0.2
16	0.1	0.1
17	0.1	0.1
18	0.0 *(Less than .05%)*	0.1
19	0.0 *(Less than .05%)*	0.0 *(Less than .05%)*
20+	0.1	0.2

Note:
- Approximately 82,000 people per month have prescription drug coverage through Medicaid.
- Total prescriptions that are greater than or equal to 10 was 2.7% in June and 3.7% in July, therefore the average is approximately 3.2%.
- Many of the same people who exceed ten prescriptions in one month exceed ten in the next month.

Medicaid Coverage of Low Birth Weight Babies
The Kansas Medicaid program provides health care coverage for over 200,000 Kansans. More than 62 percent of the Medicaid beneficiaries are children and pregnant women. Medicaid pays for nearly one-third of the births in Kansas. The HealthWave program is a Medicaid/SCHIP capitated managed care program which provides health coverage for children and families. Because it is a managed care program, it can provide more aggressive preventive health care services such as assertive approaches to prenatal care. The vast majority of the births covered by Medicaid are cost-effective, and the babies and mothers are healthy. However, a certain amount of births every year fall outside that norm, and a certain number of babies are born with low birth weights which result in complicated health problems for the baby.

Medicaid provides health benefits for pregnant women whose income is at or below 150% of FPL. Because eligibility is based on a two person family , the mother and the neonate, the effective income eligibility is 185% of the federal poverty level.

Prevalence and Costs of Low Birth Weight Babies
In FY 2001, Medicaid covered the costs of the births of approximately 12,082 babies in Kansas. Of these births, 571 were low birth weight babies, under 2000 grams. Similarly in FY 2002, approximately 12,450 births were covered, 637 of which were low birth weight babies. The average Medicaid payment for low birth weight babies in FY 2001 was $23,563, while the average Medicaid payment for typical births was $930. In FY 2002, the average Medicaid payment for low birth weight babies was $30,562, and it was $1,131 for typical births.

Prenatal Care for Pregnant Mothers
The majority of pregnant women who are covered by Medicaid do not enroll in the program until they are in the last trimester. In order to address these issues the Kansas Medicaid program maintains "Healthy Family" contracts with public health agencies in Johnson, Reno, Riley, Saline, Sedgwick, and Shawnee Counties with the goal of providing support to women sooner. Payments for these contracts total about $1,769,588 all funds, of which half is local community tax dollars and half is federal dollars. These contracts provide for early intervention services for pregnant mothers and newborns, including enrolling them in Medicaid or SCHIP. for low birth weight babies to help provide the care they need to be as healthy as possible.

Additionally, the managed care program within Medicaid has a "Guardian Angel" program which works to identify problem pregnancies and provide early intervention services to help the mothers deliver healthy babies. Programs like the Healthy Family contracts and the Guardian Angel program help provide crucial prenatal care. Additionally partnerships with local health departments could be forged to provide added early intervention services, and local funds could be used to match for federal Medicaid dollars to provide these services.

Providing Additional Medicaid Coverage for Prenatal Care
A year ago, SRS did a fiscal analysis of a federal proposal to allow states to cover pregnant women with incomes between 150% and 200% of the federal poverty level through the State's Children's Health Insurance Program (S-CHIP). The states could always expand their programs to cover these persons by obtaining a federal waiver of S-CHIP rules. This proposal eliminated the requirement to obtain a waiver to cover pregnant women allowing the states to do so with only a plan amendment.

It was difficult to estimate the cost of expanding medical coverage for these women. The actual costs depends on the amount paid for the coverage and the number of women participating. The following provides estimated ranges for expanding coverage to these women:

Cost of Coverage
The Kansas S-CHIP program covers pregnant women up to age 19 whose income is between 150% and 200% of the federal poverty level. Coverage is provided through a pre-paid capitated managed care program. The capitated payment amount for these women range from $750 to $1,050 per month up to nine months. For estimating purposes the average was assumed to be $900 per month.

Number of Women Covered
Approximately 4,000 children living in families whose income is between 150% and 200% of the federal poverty level are born each year in Kansas. Somewhere between 70% and 80% of these children's mothers will elect to participate in this new coverage. This range of participation is based on participation in the Medicaid and S-CHIP programs and data from the August 2001 Kansas Health Insurance Study commissioned by the Kansas Insurance Department. Based on these estimates somewhere between 2,800 and 3,200 mothers could be covered if S-CHIP benefits are expanded to this new group of persons. Once born, the child would be eligible to be covered by S-CHIP.

Estimated Total Cost
Using the ranges of the variables listed above, the estimated cost of expanding coverage to this new group of women would be between $22,680,000 all funds ($6,350,400 SGF) and $25,920,000 all funds ($7,257,600 SGF).

The state general funds amounts contained in this estimate would only be correct if Congress raised Kansas' federal S-CHIP allocation. The cost of covering children currently eligible for S-CHIP is projected to use up all of Kansas' federal allocation for S-CHIP by FY 2004. Expansion of coverage to pregnant women would cause Kansas to deplete its allocation of federal S-CHIP funding faster than is currently projected.