

MINUTES OF THE SENATE PUBLIC HEALTH AND WELFARE COMMITTEE

The meeting was called to order by Chairperson Susan Wagle at 1:30 p.m. on February 3, 2004 in Room 231-N of the Capitol.

All members were present except:

Senator Chris Steineger- excused
Senator David Haley- excused
Senator Karin Brownlee- excused
Senator Phil Journey- excused

Committee staff present:

Ma. Emalene Correll, Legislative Research
Mr. Norm Furse, Revisor of Statutes
Mrs. Diana Lee, Revisor of Statutes
Ms. Margaret Cianciarulo, Committee Secretary

Conferees appearing before the committee:

Ms. Janet Schalansky, Secretary of Social and Rehabilitation Services (SRS)

Others attending:

Please See Attached List.

Overview of the Kansas Department of Social and Rehabilitation Services (SRS)

Upon calling the meeting to order, Chairperson Wagle introduced, Ms. Janet Schlansky, Secretary of SRS, who presented an overview of her department. A copy of her presentation is (Attachment 1) attached hereto and incorporated into the Minutes as referenced. Highlights included:

- 1) Introductions of new staff (replacing three who had moved to other jobs);
- 2) How dollars are spent:
 - A) Expenditures by category (ex. The largest being direct medical assistance at \$1,218.9);
 - B) By revenue source (60% coming from federal funding);
 - C) A summary of expenditures by fiscal years 2002 & 2003 (ex. Adoption subsidy & foster care - more children are being adopted so foster care is down, but with food assistance, they are still not serving over 43% of the people needing this.);
 - D) A summary of persons assisted (ex. In year comparison, out of the 12 services, only four had lower numbers than the previous year);
- 3) Expenditures of consensus caseloads, which are cash assisted, and other caseloads, which are not:
 - A) All are increasing by about 9% and the cost driver is utilization (ex. More prescriptions & their costs and longer hospital stays);
 - B) No federal welfare program for families are available if you are disabled or if there are no children;
- 4) Federal poverty levels; (She offered the programs SRS provide and their guidelines);;
- 5) Their service redesign project :
 - A) 30 offices have already closed in Kansas, 20 to close this year, leaving between 40-45 offices as to the 105 county offices they had, and still have over 700 positions vacant;
 - B) Management is downsizing from 11 to 7 by the end of June this year, and next year will be down to 6;
 - C) They have developed over 400 access points, toll free numbers for phones and faxes; on-line applications (One of the 400 access points is the Library for those who do not have access to computers), and
 - D) The federal government is changing rules so not requiring face-to-face meetings.

CONTINUATION SHEET

MINUTES OF THE SENATE PUBLIC HEALTH AND WELFARE COMMITTEE at 1:30 p.m. on February 3, 2004 in Room 231-N of the Capitol.

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- 6) A quick reference of the Governor's budget recommendations (ex. Restored the Protection Reporting Center and new funds to establish the Assistive Technology revolving Load Program, which are matching funds to provide loans to assist persons with disabilities in accessing assistive technology.)
- 7) Highlights of SRS changes in the Governor's budget recommendations including additional funding for the Sexual Predator Treatment Program and the replacement of the Intergovernmental Transfer funds;
- 8) Pieces of legislation introduced including the child welfare tuition program (to be introduced 2-4-04) and access to the adult abuse registry for purposes of employment; and lastly,
- 9) Ongoing issues including: assessing the future of state hospitals, increased scrutiny from the Centers for Medicare and Medicaid, and working with other state agencies to reduce redundancies.

The Chair thanked Ms. Schlansky for her overview and asked the Committee for questions. Senator Barnett asked what the total funds were for the year 2004, what is the state paying in Medicaid nursing home costs this year, regarding the program that was institutionalized two years ago with the prescription changing formulary, how much are we cost avoiding, and lastly he commented how we are all interested in school consolidation and saving money and mentioning how Ms. Schlansky called it redesigning, he asked their secret on how they got this done. Senator Wagle followed by asking for a clarification of the 72 full time employment positions in the Sexual Predator Treatment Center and 109 residents and how many people were they serving in this program altogether. She also asked for more information on this program.

Introduction of Bills

The Chair then announced that she would like to introduce legislation for Ms Phyllis Gilmore, Executive Director, Behavioral Sciences Regulatory Board, concerning the board and relating to disciplinary authority amending six statutes, repealing existing sections and repealing three statutes. Senator Barnett made the motion to introduce this legislation. It was seconded by Senator Jordan and the motion passed.

Approval of Minutes

The minutes of January 27, 28, and 29, 2004 were distributed to each Committee member. The Chair asked that they notify Ms. Cianciarulo with their comments and if none are received by the end of the day Friday, February 6, 2004 they would stand approved.

Adjournment

As there was no further business, the meeting was adjourned. The time was 2:35 p.m.

The next meeting is scheduled for Wednesday, February 4, 2004.

SENATE PUBLIC HEALTH AND WELFARE COMMITTEE

GUEST LIST

DATE: Tuesday, February 2, 2004

NAME	REPRESENTING
Janet Schalansky	SRS
Laura Howard	SRS
Tanya Dorf	SRS
Rae Anne Davis	SRS
Michael Bywater	KS. Assn for Blind + Vis. Impaired
Sheli Sweeney	Assoc. of CMHCs
Josie Torres	SILCK
Distin Hardison	Little Gov't Relations
Angela Harness	Intern-Sen. Brungardt
Melissa Boyer	JJA
Kerrie Bacon	KCDC
Kimbra Caywood	Reaney & Assoc.
Fred Lucky	Kansas Hosp Assn
Ron Seebert	Har Law Firm
Bruce Linkos	Children's Alliance
Milafutt	Ks. Govt. Consulting

Home
att.



Kansas Department of Social and Rehabilitation Services

Agency Overview

For

Senate Public Health and Welfare Committee

Janet Schalansky, Secretary

February 3, 2004

Senate Public Health and Welfare Committee
Attachment 1
Date: February 3, 2004

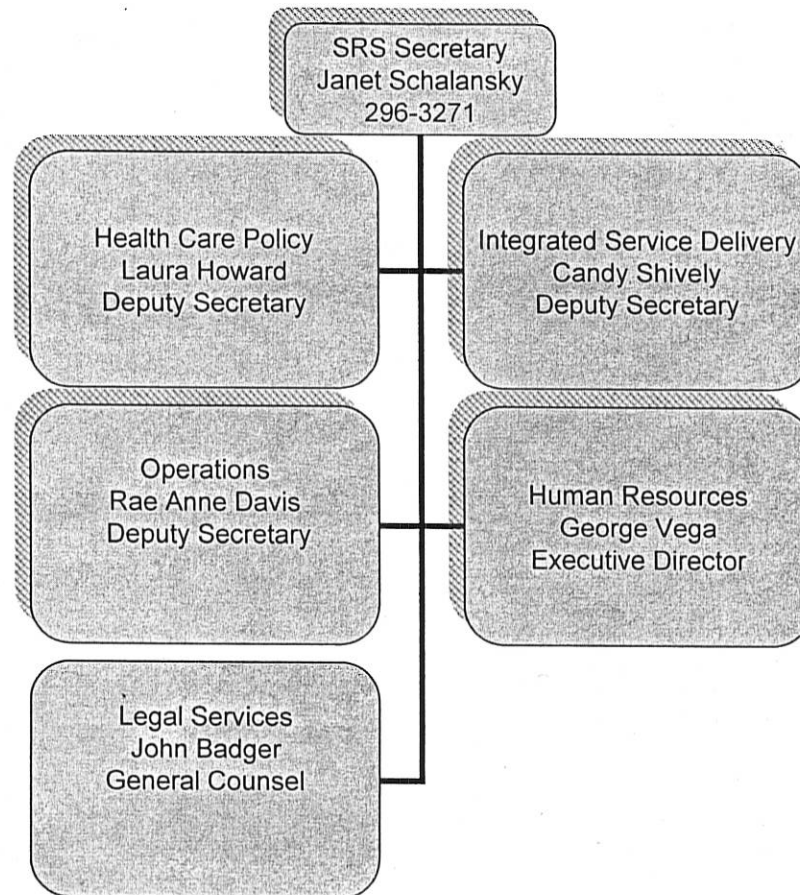
2004

SRS Guiding Principles

All of us, every day, working on behalf of and with Kansans are guided by these principles:

- Act with integrity and respect in our work with customers, partners, and each other
- Champion customer success
- Demonstrate leadership without regard to position or title; embrace responsibility, take risks, make decisions and act to overcome challenges
- Strive for continuous improvement
- Demonstrate passion for our mission
- Recognize the value of partnerships both within the agency and with community partners to stretch capacity and achieve extraordinary results

Kansas Department of Social and Rehabilitation Services



SRS Expenditures by Category

FY 2005 Budget –Governor’s Budget Recommendation (in Millions)

Direct Service Delivery **\$248.5 (10.1%)**

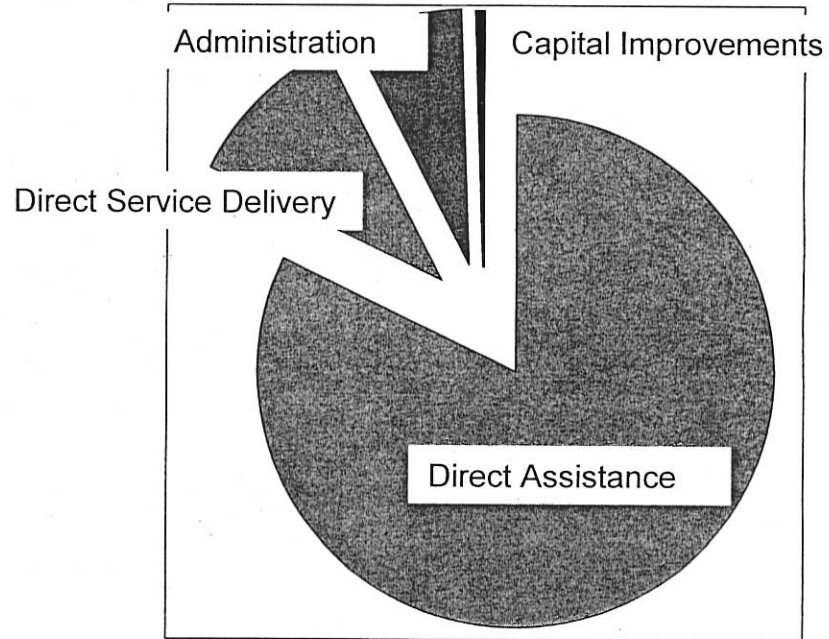
Administration **\$170.8 (7.0%)**

Total SRS Filled FTE (Dec. 2003) 5,580.20

Capital Improvements **\$14.5 (.6%)**

Direct Assistance **\$2,016.3 (82.3%)**

Cash Assistance	\$70.9
Child Care & Employment	\$80.2
Medical Assistance	\$1,218.9
Substance Abuse	\$21.1
Mental Health	\$67.3
Developmental & Physical	
Disability	\$329.3
Child Welfare Services	\$167.5
Rehabilitation Services	\$22.2
Other	\$38.9

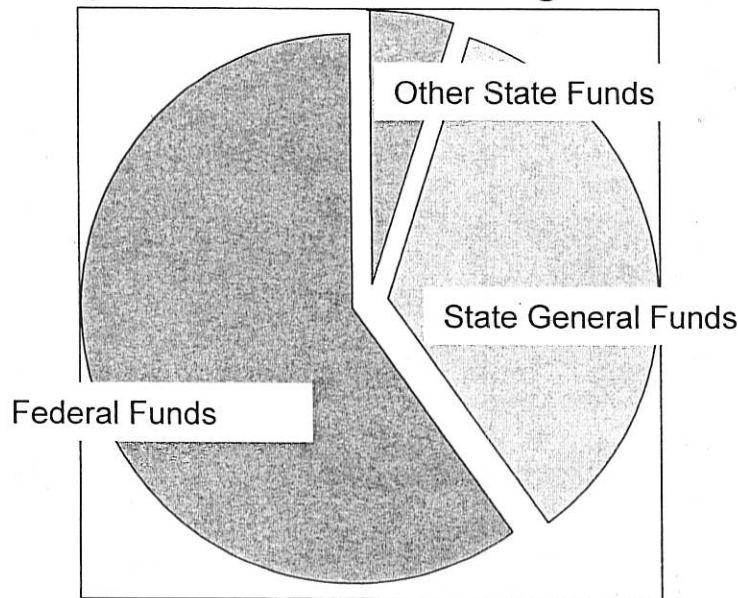


Total \$2,450.1 (All Funds)

Totals may not add due to rounding

SRS Expenditures by Revenue Source

FY 2005 Budget – Governor’s Budget Recommendation (In millions)



Total \$2,450.1 (All Funds)
(Totals may not add due to rounding)

State General Funds	\$856.5 (35.0%)
Federal Funds	\$1,470.3 (60.0%)
Other State Funds	\$123.3 (5.0%)
Fee Funds	\$75.4
Children’s Initiative Fund (tobacco)	\$33.1
State Institution Building Fund	\$14.2
Other	\$.6

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Summary of Expenditures

Annual Expenditures in Millions for State Fiscal Years 2002 & 2003 (AF)

Child, Adult, and Family Safety and Well-Being Services

SFY 2002

SFY 2003

Adoption/Alternative Permanencies

\$28.2

\$32.3

Adoption Subsidy

\$17.1

\$17.6

Foster Care

\$91.9

\$88.4

Financial and Employment Services

Child Care

\$50.8

\$54.5

Child Support Collections (This line-item is not an expenditure, but total SRS child support collected on behalf of families)

\$143.1

\$146.8

Disability Determination Services

\$3.5

\$3.9

Food Assistance

\$106.8

\$133.9

General Assistance

\$6.0

\$6.9

Low Income Energy Assistance

\$8.8

\$12.6

Vocational Rehabilitation and Services for the Blind

\$18.0

\$17.3

Temporary Assistance for Families (TAF)

\$49.0

\$53.7

TAF Employment Services

(In Millions)

\$8.0

\$9.6

Not a complete listing of SRS services

Summary of Expenditures

<u>Health and Medical Services</u>	<u>SFY 2002</u>	<u>SFY 2003</u>	
State Mental Retardation Hospitals	\$46.6	\$44.0	
Developmental Disability Services	\$232.4	\$235.7	
Mental Health Services	\$75.8	\$80.1	
Physical Disability Services	\$65.8	\$66.5	
State Mental Health Hospitals	\$56.5	\$55.9	
Sexual predator Treatment Program	\$1.6	\$2.4	
Addiction and Prevention Services	\$18.3	\$18.3	
Health Care Services:			
People Primarily in Managed Care Programs			
Families	\$106.6	\$128.4	
Children	\$118.9	\$136.4	
Pregnant Women	\$37.6	\$42.8	
People Primarily in the Fee-for-Service Program			
Persons who are Elderly and Disabled	\$471.7	\$490.2	
Children in Foster Care, Adoption, or JJA	\$34.0	\$40.4	
Persons Provided Partial Health Care Coverage	\$13.2	\$14.4	
MediKan Fee-for-Service	\$17.5	\$20.6	(In Millions)
Children's Health Insurance Program	\$43.2	\$47.6	

Not a complete listing of SRS services

Summary of Persons Assisted

Number of consumers/beneficiaries for state fiscal years 2002 & 2003

<u>Child, Adult, and Family Safety and Well-Being Services</u>	<u>SFY 2002</u>	<u>SFY 2003</u>
Adoption/Alternative Permanencies	1,546	1,608
Adoption Subsidy	4,303	4,673
Foster Care	3,264	3,046
<u>Financial and Employment Services</u>		
Child Care	16,151	16,723
Child Support	308,239	299,809
Disability Determination Services	2,750	2,730
Food Assistance	131,723	155,800
General Assistance	3,152	3,660
Low Income Energy Assistance (Households)	31,834	38,346
Vocational Rehabilitation and Services for the Blind	7,859	7,406
Temporary Assistance for Families (TAF)	34,453	37,757
TAF Employment Services	11,342	14,182

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Summary of Persons Assisted

<u>Health and Medical Services</u>	<u>SFY 2002</u>	<u>SFY 2003</u>
State Mental Retardation Hospitals	375	367
Developmental Disability Services	8,876	9,162
Mental Health Services	24,726*	25,700*
Physical Disability Services	4,875	5,016
State Mental Health Hospitals	431	409
Sexual Predator Treatment Program	65	82
Addiction and Prevention Services	14,111	14,999
Health Care Services:		
People Primarily in Managed Care Programs		
Families	52,400	62,041
Children	71,900	76,508
Pregnant Women	5,700	6,247
People Primarily in the Fee-for-Service Program		
Persons who are Elderly and Disabled	63,060	64,072
Children in Foster Care, Adoption, or JJA	10,000	10,322
Persons Provided Partial Health Care Coverage	6,660	7,652
MediKan Fee-for-Service	2,970	3,458
Children's Health Insurance Program	24,264	28,945

*Figure represents persons served per year

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Consensus Caseloads

SRS Expenditures for Major Caseload Categories Governor's Budget Recommendation (Consensus Caseloads in Millions)

Population	FY 2003 Actual	FY 2004 GBR	FY 2005 GBR	FY 2003-2004 Change		FY 2004-2005 Change	
				Amount	%	Amount	%
Temporary Assist/Families	\$53.7	\$59.0	\$63.5	\$5.3	10%	\$4.5	8%
General Assistance	6.9	7.5	8.2	0.6	9%	0.7	9%
Foster Care Contract	88.4	89.5	92.2	1.1	1%	2.6	3%
Adoption Contract	32.3	33.6	34.9	1.3	4%	1.3	4%
Regular Medical Assistance	915.7	1,039.0	1,161.9	133.4	15%	122.9	12%
NF - Mental Health	13.5	13.1	13.1	(0.4)	-3%	0.0	0%

Other Caseloads

SRS Expenditures for Major Caseload Categories Governor's Budget Recommendation (Other Caseloads In Millions)

Population	FY 2003 Actual	FY 2004 GBR	FY 2005 GBR	FY 2003-2004 Change		FY 2004-2005 Change	
				Amount	%	Amount	%
Child Care Assistance	54.5	59.4	59.4	4.9	9%	0.0	0%
Adoption Support	17.6	18.0	18.7	0.4	2%	0.7	4%
Family Preservation	9.4	10.0	10.0	0.6	6%	0.0	0%
Rehabilitation Services	13.5	15.5	15.5	(2.7)	-16%	0.0	0%
ICF-MR	19.5	17.0	17.0	(2.5)	-13%	0.0	0%
MR-DD Waiver *	199.4	206.1	213.8	10.2	5%	4.2	2%
PD Waiver *	61.1	63.8	71.4	3.6	6%	6.7	10%
HealthWave	47.9	51.6	57.0	3.7	8%	5.4	10%
Head Injured Waiver	4.6	6.0	6.0	1.4	30%	0.0	0%
Total (Consensus Caseloads and Other Caseloads)	\$1,531.7	\$1,692.6	\$1,841.6	160.9	11%	149.0	9%

* At the end of FY 2003, SRS pended the Medicaid claims for the PD and DD waivers in order to ensure there would be sufficient funds available to pay them. Once submitted, two weeks worth of claims were held and did not go into payment status until the first week in FY 2004. Individual providers that experienced a hardship because of the pended claims were able to request special checks.

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Consensus Caseloads

Average Monthly People for Major Caseload Categories
Governor's Budget Recommendation

Population	FY 2003 Actual	FY 2004 GBR	FY 2005 GBR	FY 2003-2004 Change		FY 2004-2005 Change	
				Amount	%	Amount	%
Temporary Assist/Families	37,757	41,034	43,812	3,277	8.7%	2,778	6.8%
General Assistance	3,660	3,975	4,329	315	8.6%	354	8.9%
Foster Care Contract	3,046	3,078	3,136	32	1.1%	58	1.9%
Adoption Contract	1,608	1,608	1,610	0	0.0%	2	0.1%
Regular Medical Assistance	230,299	243,115	257,121	12,816	5.6%	14,006	5.8%
NF - Mental Health	620	604	604	(16)	-2.6%	0	0.0%

Other Caseloads

Average Monthly People for Major Caseload Categories
Governor's Budget Recommendation

Population	FY 2003 Actual	FY 2004 GBR	FY 2005 GBR	FY 2003-2004 Change		FY 2004-2005 Change	
				Amount	%	Amount	%
Child Care Assistance	16,723	18,214	18,214	1,491	8.9%	0	0.0%
Adoption Support	4,673	5,036	5,438	359	7.7%	402	8.0%
Family Preservation (Families)	2,570	2,574	2,511	4	0.2%	(63)	-2.4%
Rehabilitation Services	7,406	7,847	7,867	441	6.0%	20	0.3%
ICF-MR	321	295	295	(26)	-8.1%	0	0.0%
MR-DD Waiver	5,627	6,079	6,349	208	3.6%	323	5.4%
PD Waiver	3,616	4,047	4,572	250	6.5%	606	14.7%
Head Injured Waiver	115	123	123	8	7.0%	0	0.0%
HealthWave	28,945	31,782	35,221	2,855	9.9%	3,200	10.1%
Total (Consensus Caseloads and Other Caseloads)	401,247	424,323	444,745	23,076	5.8%	20,422	4.8%

Totals may not add due to rounding

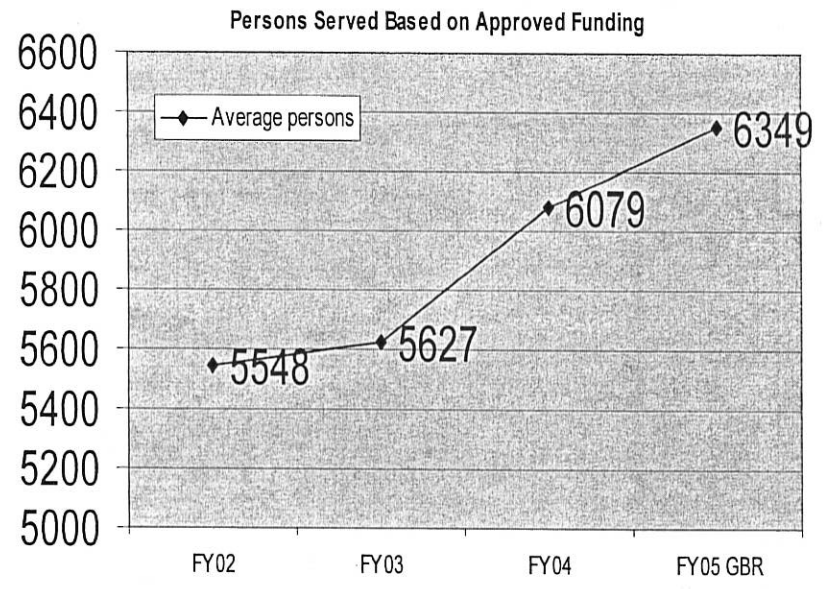
Federal Poverty Level 2003

Annual Income Guidelines for 1-5 Member Household

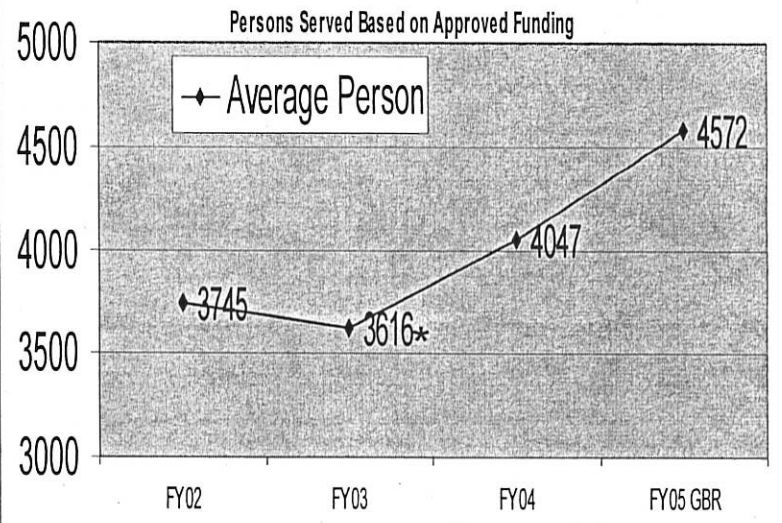
Selected SRS Services	Percent of 2003 Federal Poverty Level	HH1	HH2	HH3	HH4	HH5
TAF and GA-Cash and Medical	32%	2,874	3,878	4,883	5,888	6,893
Elderly/Disabled Persons on SSI-Medicaid	72%	6,466	8,726	10,987	13,248	15,509
Children age 6-18 Medicaid/Waivers	100%	8,980	12,120	15,260	18,400	21,540
	110%	9,878	13,332	16,786	20,240	23,694
	120%	10,776	14,544	18,312	22,080	25,848
Food Assistance/Energy Assistance	130%	11,674	15,756	19,838	23,920	28,002
Children Age 1-5 Medicaid	133%	11,943	16,120	20,296	24,472	28,648
	140%	12,572	16,968	21,364	25,760	30,156
	145%	13,021	17,574	22,127	26,680	31,233
Pregnant Women & Infants-Medicaid	150%	13,470	18,180	22,890	27,600	32,310
	160%	14,368	19,392	24,416	29,440	34,464
	170%	15,266	20,604	25,942	31,280	36,618
	180%	16,164	21,816	27,468	33,120	38,772
Child Care Subsidy	185%	16,613	22,422	28,231	34,040	39,849
	190%	17,062	23,028	28,994	34,960	40,926
	195%	17,511	23,634	29,757	35,880	42,003
Children's Health Insurance Program	200%	17,960	24,240	30,520	36,800	43,080

Persons Served Through PD & DD Waiver Based on Approved Funding

DD Waiver



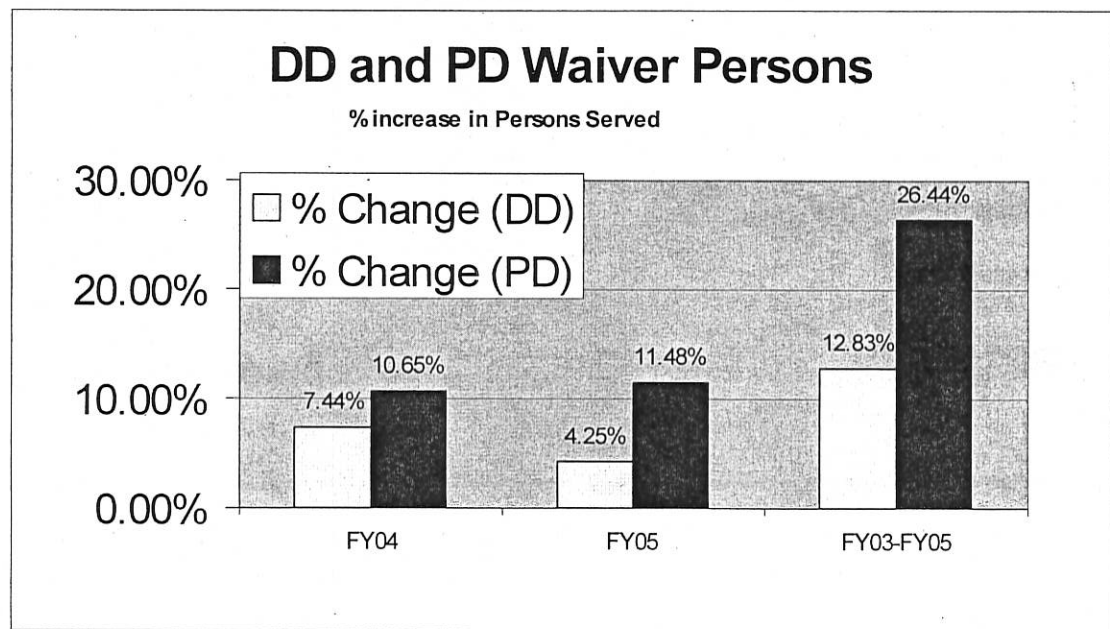
PD Waiver



* As a part of SRS' FY 2003 allotment, the level of care score on the Physical Disabilities (PD) waiver was raised from 26 to 30 for a few months. Also, services for persons who had been previously grandfathered in were discontinued. These level of care score changes account for the dip in the average number of persons served on the PD waiver during that year.

Change in Persons Served Through DD and PD Waiver SFY 2004 & SFY 2005

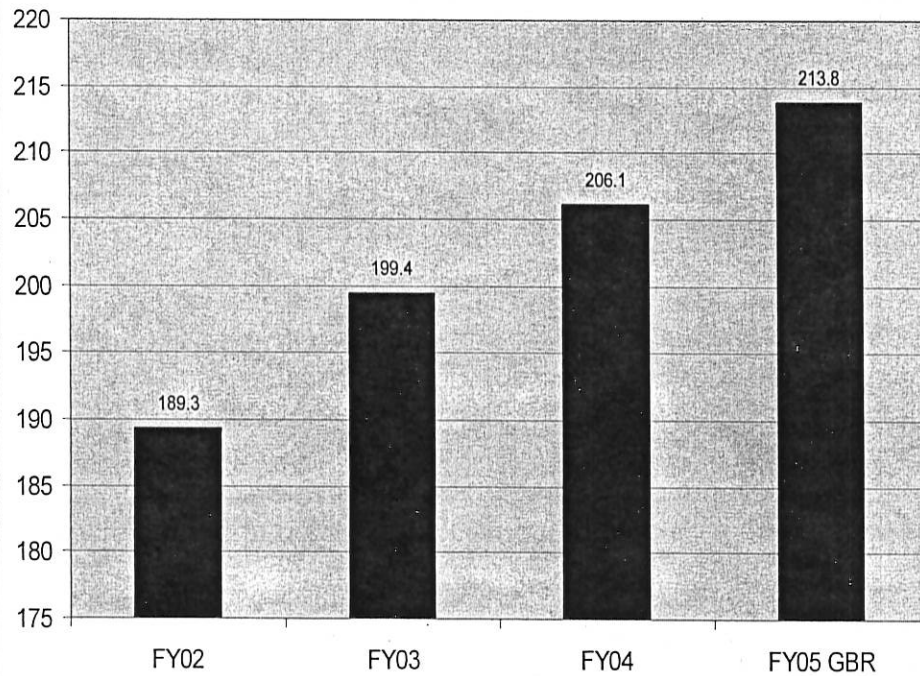
The chart summarizes the percentage increase in persons served in FY 04 and FY05 on both waivers, as well as the percentage increase in persons served during a two-year period. From FY 2003 - FY 2004, there has been an increase of 10.65% in the number of persons served on the PD waiver, and an increase of 7.44% in the number of persons served on the DD waiver. For FY 2005, there will be an increase of 11.48% in the number of persons served on the PD waiver and a 4.25% increase in the number of persons served on the DD waiver. During this two-year period, there will be an increase of 12.83% in persons served on the DD waiver and a 26.44% increase in persons served for the PD waiver.



PD & DD Waiver Spending

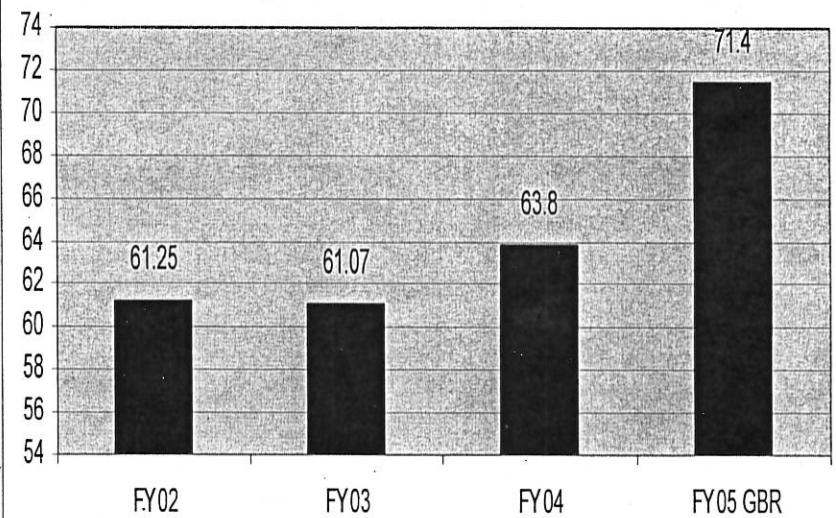
DD Waiver Spending

Spending (Millions)



PD Waiver Spending

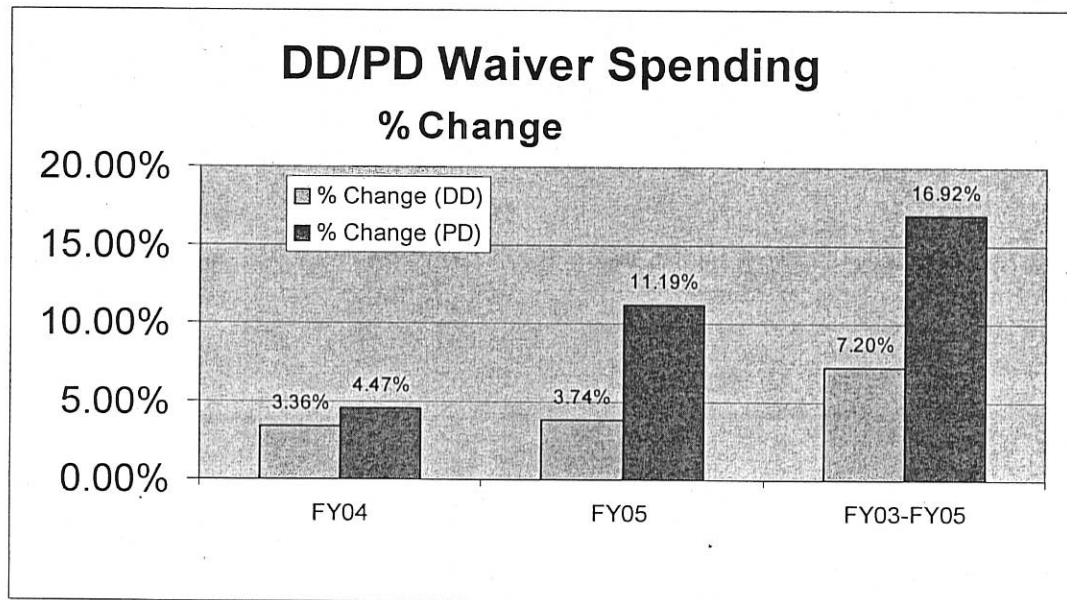
Spending (millions)



Change in Total Spending for DD and PD Waivers FY 2004 & FY 2005

The chart below shows the total spending for the DD and PD waivers in FY 2004, FY2005 and for two years from FY03 to FY05.

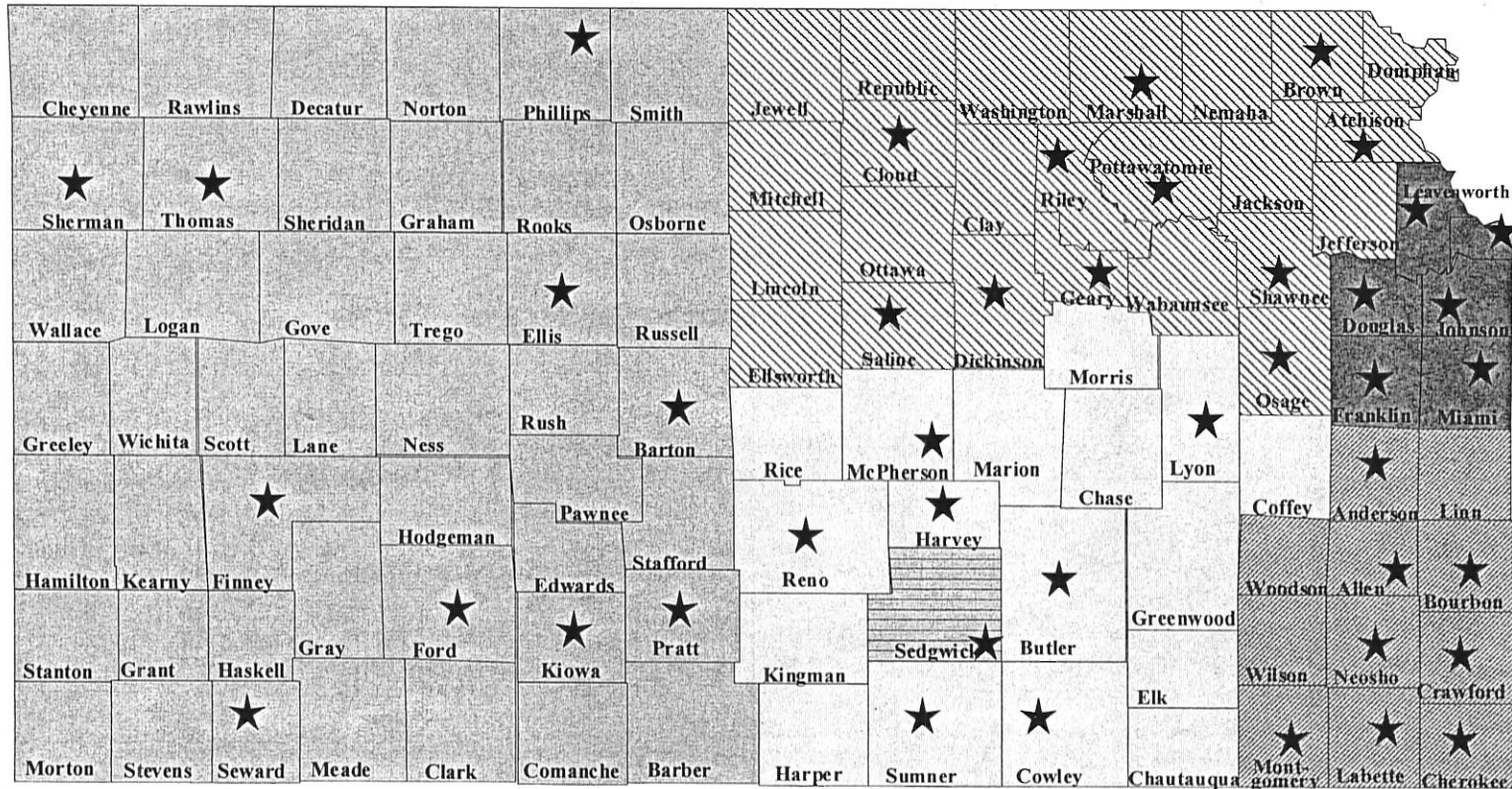
- The approved budget for FY04 for the DD waiver, excluding the cost of pended claims, increased by 3.36% above actual FY03 spending.
- The approved budget for FY04 for the PD waiver, excluding the cost of pended claims, increased by 4.47% above actual FY03 spending.
- The GBR for FY05 is 3.74% more than the approved budget for FY04 for the DD waiver, excluding pended claims.
- The GBR for FY05 is 11.19% more than the approved budget for FY04 for the PD waiver, excluding pended claims.
- For the two years of FY03 to FY05, the percentage increase in spending for the DD waiver equals 7.20%.
- For the two years of FY03 to FY05, the percentage increase in spending for the PD waiver equals 16.92%.



Projected Service Delivery Redesign

Consolidation of Management Areas

6 Regions



- ❖ Stars indicate anticipated service centers at the end of FY 2005
- ❖ SRS presently has more than 400 access points and anticipates that amount to increase

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Governor's Budget Recommendation

Highlights of SRS Changes

- Additional Funding for SRS' Fall 2003 Consensus Caseload estimates for Regular Medical, Temporary Assistance for Families (TAF), Nursing Facilities for Mental Health (NF/MH), General Assistance (GA), Foster Care, and Adoption in FY 2004 and FY 2005. There was an increase in SGF for Foster Care due to federal policy and funding changes. SGF for NF/MHs also increased due to changes in ages of the people at NF/MHs. Other changes were due to numbers of persons served and changes in cost.
- Restoration of the Protection Reporting Center (PRC) for FY 2004 and FY 2005. As part of SRS' FY 2003 allotment reductions, the PRC was contracted out to a private vendor. SRS reestablished the PRC as a state-operated 24 hours-a-day, seven-days-a-week hotline which will take Child in Need of Care and adult abuse and neglect reports statewide. Area Offices will continue to take calls during business hours.
- Additional funding for the Adoption Support caseload increase in FY 2004 and FY 2005.
- New SGF funds to establish the Assistive Technology Revolving Loan program. These are state matching funds to provide loans to assist persons with disabilities in accessing assistive technology. The University of Kansas will administer this grant, and the federal grant dollars are included in their budget.
- Additional funding for the Home and Community Based Services (HCBS) waiting lists for persons with physical disabilities and persons with developmental disabilities in FY 2004 and FY 2005. The FY 2004 GBR also increases SRS' fee funds spending limitation so fee funds could be used to pay the HCBS claims that were pended at the end of FY 2003.

Governor's Budget Recommendations

Highlights of SRS Changes

- Adds an enhancement of \$15.2 million AF (\$6.0 million SGF) in FY 2005 to provide additional people with in-home services for those with physical and developmental disabilities. The FY 2004 GBR increases our fee fund spending limitation so fee fund could be used to pay the HCBS claims that were pended at the end of FY 2003.
- Reduction in the SRS budget to account for the savings associated with reducing the number of SRS Management Areas
- Elimination of services for children ages 12 and under at Larned State Hospital, and providing mental health services for children in their homes and communities. SRS will be working with stakeholders to design alternative services for young children in their homes and communities.
- Additional funding for the census increase in the Sexual Predator Treatment Program in FY 2004. The program is increasing at a rate of three persons per month. Seventy-two FTE positions were added to provide the intensive services required by this population.
- Replacement of the Intergovernmental Transfer (IGT) funds with SGF. Due to changes in federal regulations, SRS will not receive \$8.0 million IGT funds for the HCBS waivers. SGF was needed to replace these state matching funds.

Highlights for 2004 Legislative Session

SRS Legislative Proposals

- **Access to Birth Records From KDHE – HB 2571**
- **Title XXI: Removal of the Requirement that Managed Care Be Capitated – SB 367**
- **Child Welfare Tuition Program**
- **Access to the Adult Abuse Registry**

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On-Going Issues

- ❑ **Rising Social Service Caseloads**
- ❑ **Managing Health Care Costs**
- ❑ **Preserving the Safety Net for Vulnerable Kansans**
- ❑ **Assessing the Future of State Hospitals and the Capacity of Community Service Provider Networks**
- ❑ **Balancing Demand for Services with Available Funding**
- ❑ **SRS Service Delivery Redesign**
- ❑ **Managing Programs with Fewer Dollars and Staff**
- ❑ **Coordinating Services and Operations Across State Government**
- ❑ **Increased Scrutiny From the Centers for Medicare and Medicaid Services of Social Service Programs and Financing**
- ❑ **Federal Reauthorization Temporary Assistance to Needy Families and Child Care Legislation**
- ❑ **Assessing the Fiscal and Programmatic Impact of the Federal Medicare Reform Legislation**