

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:30 A.M. on March 3, 2005 in Room 123-S of the Capitol.

All members were present except:

Senator Donald Betts- excused

Committee staff present:

Norman Furse, Revisor of Statutes  
Jill Wolters, Senior Assistant, Revisor of Statutes  
Alan Conroy, Director, Kansas Legislative Research Department  
J. G. Scott, Kansas Legislative Research Department  
Amy Deckard, Kansas Legislative Research Department  
Julian Efird, Kansas Legislative Research Department  
Susan Kannarr, Kansas Legislative Research Department  
Matt Spurgin, Kansas Legislative Research Department  
Judy Bromich, Administrative Analyst  
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Senator Jim Barnett  
Karla Finnell, Executive Director, Kansas Association for the Medically Underserved  
Lougene Marsh, Executive Director, Flint Hills Community Health Center, Emporia, Kansas  
Marilyn Page, Executive Director, Marian Clinic  
Dr. Howard Rodenberg, Director of Health, Kansas Department of Health and Environment  
David C. Sanford, Graceland Health Clinic, Wichita, Kansas (written)  
Krista Postai, Chief Operating Officer, Community Health Center of Southeast Kansas, Pittsburg, Kansas (written)

Others attending:

See attached list.

Copies of the Kansas Legislative Research Department Budget Analysis Report for FY 2005 and FY 2006 were available to the committee.

**Subcommittee budget report on:**

**Governmental Ethics Commission (Attachment 1)**

Subcommittee Chairwoman Carolyn McGinn reported that the subcommittee on the Governmental Ethics Commission concurs with the Governor's recommendation in FY 2005 with observations and concurs with the Governor's FY 2006 recommendations with adjustments and observations.

Senator McGinn moved, with a second by Senator Emler, to adopt the subcommittee budget report on the Governmental Ethics Commission in FY 2005 and FY 2006. Motion carried on a voice vote.

The Chairman called the Committee's attention to discussion of:

**SB 87--Wildlife and parks, outdoor recreation registration fee**

Staff gave an overview of the bill.

There was committee discussion. Chairman Umbarger suggested, and the Committee discussed, a proposed amendment to the bill that would eliminate the refund and reduce a proposed Annual Outdoor Recreation

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:30 A.M. on March 3, 2005 in Room 123-S of the Capitol.

Registration Fee to \$4.00. Senator Steineger moved, with a second by Senator Kelly, to amend SB 87 to eliminate the refund proposal, reduce the Annual Outdoor Recreation Registration Fee from \$5.00 to \$4.00, and correlate all percentages regarding tags. Motion carried on a voice vote.

Senator Teichman moved, with a second by Senator Steineger, to report SB 87 favorably as amended. Motion carried on a roll call vote. Senator Emler requested to explain his vote and be recorded that he voted "Aye" to only move the bill out of committee, and will be a "No" unless the fee is made refundable. Senator Vicki Schmidt also requested to explain her vote and be recorded in that she only voted "Aye" to move the bill out of committee so it would go to the Senate for debate. Senator McGinn asked to be recorded that she voted "Aye" on the bill only to move the bill out of committee and explained that she was looking forward to having the discussion on the bill in the Senate.

Chairman Umbarger opened the public hearing on:

**SB 84--Appropriations for FY 2006 for the department of health and environment, 340B federal drug pricing program**

Staff briefed the committee on the bill.

Senator Jim Barnett testified in support of **SB 84** (Attachment 2). Senator Barnett explained that the bill provides an affordable method for the State of Kansas of provide needed medicines to the uninsured and poor. He noted, in part, **SB 84** takes advantage of federal laws that allow the State of Kansas to obtain medicines at a significantly discounted price.

Karla Finnell, Executive Director, Kansas Association for the Medically Underserved, spoke in favor of **SB 84** (Attachment 3). Ms. Finnell mentioned that there are between 280,000 to 300,000 Kansas that are uninsured. She explained that the intent of the bill is to increase access to low-cost pharmaceuticals for the most vulnerable uninsured Kansans living in poverty or near poverty. Increased access to prescriptions will be accomplished by utilizing the 340B prescription drug program through the Public Health Service Act and by increasing access to prescriptions assistance programs.

Lougene Marsh, Executive Director, Flint Hills Community Health Center, Emporia, Kansas, testified in support of **SB 84** (Attachment 4). Ms. Marsh explained that for many of their patients, the missing link in their provision of health services is access to pharmaceutical products. She provided data that described the unmet need of their patient population for access to affordable pharmaceuticals, a gap that can be filled through the 340B program, and the importance of **SB 84** to advancing the implementation of 340B programs across the Federally Qualified Health Center (FQHC) network.

Marilyn Page, Executive Director, Marian Clinic, Topeka, Kansas, spoke in support of **SB 84** (Attachment 5), and provided a summary of operations.

Dr. Howard Rodenberg, Director of Health, Kansas Department of Health and Environment (KDHE), testified as neutral on **SB 84** (Attachment 6). Dr. Rodenburg mentioned that KDHE supports the central purpose of the bill, to improve access to prescription medication for low-income, uninsured and underserved Kansans. He noted that access to pharmaceutical drugs is a key component of basic health care. In his written testimony, Dr. Rodenburg provided an overview of prescription support proposed in **SB 84**. Dr. Rodenburg suggested an amendment to the bill (detailed in his written testimony) for clarity and recommended wording. In closing, he mentioned that the most significant concern for the Agency is the lack of an identifiable funding source.

Written testimony was submitted on **SB 84** by David C. Sanford, Health Clinic, A Health Ministry of the united Methodist Church, Kansas West Conference, Wichita, Kansas (Attachment 7) and Krista Postai, Chief Operating Officer, Community Health Center of Southeast Kansas, Pittsburg, Kansas (Attachment 8).

There being no further conferees to appear before the committee, the Chairman closed the public hearing on **SB 84**.

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:30 A.M. on March 3, 2005 in Room 123-S of the Capitol.

The meeting adjourned at 12:00 p.m. The next meeting is scheduled for March 4, 2005.

**SENATE WAYS AND MEANS  
GUEST LIST**

Date March 3, 2005

NAME	REPRESENTING
Kennie Leffler	DOB
Mike Beam	Ks. Livestock Assn.
Jeff Davis	TCC
Mark Tomb	Legge of Kansas municipalities
Marilyn Page	Marian Clinic
CAROLYN ZIMMERMAN	Marian Clinic
Joyce Cowins-Henry	Marian Clinic
Robert Atty	HEW Low Eison
Chris Tymeson	KDWP
Terry Hoover	KDWP
DAN WARD	KS WILDLIFE FEDERATION
Judy Mohr	KAC
Doug Vance	KRPA
Pat Lehman	KRPA
Tom Whitaker	KMCA
Woody Mays	KAPA
Bob Toffin	Ka Contractors assoc.
Carl Willer	Gov Ethics Com.
Shirley Meyer	
Frank Meyer	KDWP
Mike Haydon	KDWP
Dick Koerth	KDWP
Johna Thomas	DOB





**Senate Subcommittee Report**  
**on**  
**Governmental Ethics Commission**

**FY 2005**  
**FY 2006**  
**FY 2007**



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Senator Carolyn McGinn, Chairperson



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Senator Jay Emler



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Senator Chris Steineger

Senate Ways and means  
3-3-05  
Attachment 1

# House Budget Committee Report

**Agency:** Governmental Ethics Commission

**Bill No. - -**

**Bill Sec. - -**

**Analyst:** Deckard

**Analysis Pg. No.** Vol. 3, p. 1581

**Budget Page No.** 485

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
State General Fund	\$ 493,771	\$ 493,771	\$ 0
Special Revenue Funds	135,954	135,954	0
TOTAL	<u>\$ 629,725</u>	<u>\$ 629,725</u>	<u>\$ 0</u>
FTE Positions	9.0	9.0	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.5	0.0
TOTAL	<u>9.5</u>	<u>9.5</u>	<u>0.0</u>

## Agency Estimate/Governor's Recommendation

The **agency's** estimate for FY 2005 is \$629,725, an increase of \$19,602 or 3.2 percent above the approved amount. The increase is all State General Fund, for an increase in State General Fund expenditures of 4.1 percent. The increase is attributable to the reappropriation of State General Fund amounts which were not utilized in FY 2004 and carried over into FY 2005. The funds will be utilized for one-time capital outlay expenditures.

The **Governor** recommends \$629,725 for FY 2005 operating expenditures, including \$493,771 State General Fund, this is the same as the agency's estimate.

## House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation, with the following observation:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2005 revised recommendation is a State General Fund increase of \$19,602 or 4.1 percent above the FY 2005 State General Fund amount approved by the 2004 Legislature.

## House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

## Senate Subcommittee Report

**Agency:** Governmental Ethics Commission      **Bill No. --**      **Bill Sec. --**  
**Analyst:** Deckard      **Analysis Pg. No.** Vol. 3, p. 1581      **Budget Page No.** 485

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### Agency Estimate/Governor's Recommendation

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The **Governor** recommends \$629,725 for FY 2005 operating expenditures, including \$493,771 State General Fund, this is the same as the agency's estimate.

### Senate Subcommittee Recommendation

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

1. **Change from FY 2005 Approved.** The Subcommittee notes that the Governor's FY 2005 revised recommendation is a State General Fund increase of \$19,602 or 4.1 percent above the FY 2005 State General Fund amount approved by the 2004 Legislature.

## House Budget Committee Report

**Agency:** Governmental Ethics Commission

**Bill No.** HB 2482

**Bill Sec.** 21

**Analyst:** Deckard

**Analysis Pg. No.** Vol. 3, p. 1581

**Budget Page No.** 485

Expenditure Summary	Agency Request FY 06	Governor's Recommendation FY 06	House Budget Committee Adjustments
State General Fund	\$ 475,219	\$ 496,973	\$ 0
Special Revenue Funds	134,728	142,799	0
TOTAL	<u>\$ 609,947</u>	<u>\$ 639,772</u>	<u>\$ 0</u>
FTE Positions	9.0	9.0	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.5	0.0
TOTAL	<u>9.5</u>	<u>9.5</u>	<u>0.0</u>

### Agency Request/Governor's Recommendation

The **agency** requests FY 2006 operating expenditures of \$609,947, a decrease of \$19,778 or 3.1 percent below the FY 2005 revised estimate. The request includes \$475,219 from the State General Fund, a decrease of \$18,552 or 3.8 percent below the FY 2005 revised request. Without the \$19,602 State General Fund reappropriation in FY 2005, there is an increase of \$1,050 or 0.2 percent above the FY 2005 estimate.

The **Governor** recommends FY 2006 operating expenditures of \$639,772, including \$496,973 from the State General Fund. The recommendation is an increase of \$10,047 all funds or 1.6 percent including \$3,202 State General Fund or 0.6 percent above the FY 2005 recommendation. The recommendation is an increase of \$29,825 all funds or 4.9 percent including \$21,754 State General Fund or 4.6 percent above the agency request. The increase is attributable to the addition of \$29,825 all funds for salary adjustments. The salary adjustments include: \$1,448 all funds, \$1,056 State General Fund for KPERS death and disability payments; \$16,942 all funds, \$12,357 State General Fund to fund the 27th payroll period; and \$11,435 all funds, \$8,341 State General Fund for the 2.5 percent base salary adjustment for state employees.

### Statutory Budget Submission

K.S.A. 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a State General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the *Governor's Budget Report* includes a "statutory budget" designed to provide for a 7.5 ending balance. In general, this requires a 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial or legislative branches. **For this agency, the reduction to the Governor's recommended FY 2006 State General Fund budget would total \$44,376.**



## House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following observations:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2006 State General Fund recommendation for the agency totals \$496,973, an increase of \$22,804 above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent amounts recommended for the 2.5 percent base salary adjustment (\$8,341), the 27<sup>th</sup> payroll period (\$12,357), and the Kansas Public Employees Retirement System (KPERs) death and disability increase (\$1,056), the recommendation is an increase of \$1,050, or 0.2 percent above the approved amount.
2. The Budget Committee notes that the agency continues to find ways to be responsive to the public's needs and also notes that during calendar year 2004, the agency's website, [www.accesskansas.org/ethics](http://www.accesskansas.org/ethics) received 399,810 hits.

## House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

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## Senate Subcommittee Report

**Agency:** Governmental Ethics Commission

**Bill No.** SB 270

**Bill Sec.** 21

**Analyst:** Deckard

**Analysis Pg. No.** Vol. 3, p. 1581

**Budget Page No.** 485

Expenditure Summary	Agency Request FY 06	Governor's Recommendation FY 06	Senate Subcommittee Adjustments*
State General Fund	\$ 475,219	\$ 496,973	\$ (21,754)
Special Revenue Funds	134,728	142,799	(8,071)
TOTAL	<u>\$ 609,947</u>	<u>\$ 639,772</u>	<u>\$ (29,825)</u>
FTE Positions	9.0	9.0	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.5	0.0
TOTAL	<u>9.5</u>	<u>9.5</u>	<u>0.0</u>

\*The entire adjustment reflects deletion of the Governor's recommended salary plan adjustments.

### Agency Request/Governor's Recommendation

The **agency** requests FY 2006 operating expenditures of \$609,947, a decrease of \$19,778 or 3.1 percent below the FY 2005 revised estimate. The request includes \$475,219 in State General Funds, a decrease of \$18,552 or 3.8 percent below the FY 2005 revised request. Without the \$19,602 State General Fund reappropriation in FY 2005, there is an increase of \$1,050 or 0.2 percent above the FY 2005 estimate.

The **Governor** recommends FY 2006 operating expenditures of \$639,772, including \$496,973 from the State General Fund. The recommendation is an increase of \$10,047 all funds or 1.6 percent including \$3,202 State General Fund or 0.6 percent above the FY 2005 recommendation. The recommendation is an increase of \$29,825 all funds or 4.9 percent including \$21,754 State General Fund or 4.6 percent above the agency request. The increase is attributable to the addition of \$29,825 all funds for salary adjustments. The salary adjustments include: \$1,448 all funds, \$1,056 State General Fund for KPERS death and disability payments; \$16,942 all funds, \$12,357 State General Fund to fund the 27th payroll period; and \$11,435 all funds, \$8,341 State General Fund for the 2.5 percent base salary adjustment for state employees.

### Statutory Budget Submission

K.S.A. 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a State General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the *Governor's Budget Report* includes a "statutory budget" designed to provide for a 7.5 ending balance. In general, this requires a 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial

or legislative branches. **For this agency, the reduction to the Governor's recommended FY 2006 State General Fund budget would total \$44,376.**

### **Senate Subcommittee Recommendation**

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

1. **Pay Plan Adjustment.** Delete \$11,435, including \$8,341 from the State General Fund, to remove pay plan funding recommended by the Governor (a 2.5 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. **Other Salary and Wage Adjustments.** Delete \$18,390, including \$13,413 from the State General Fund, to remove funding recommended by the Governor for the 27th payroll period (\$16,942), and for the Kansas Public Employees Retirement System (KPERs) death and disability increase (\$1,448) for later Committee consideration.
3. **Change from FY 2005 Approved.** The Subcommittee notes that the Governor's FY 2006 recommendation is a State General Fund increase of \$22,804 or 4.8 percent above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent the above pay plan and salary and wage adjustments, the recommendation is an increase of \$1,050, or 0.2 percent above the approved amount.
4. The Subcommittee notes the agency's efficiency in its overall operations under current budgets and further notes its use of technology to increase that efficiency.

## House Budget Committee Report

**Agency:** Governmental Ethics Commission

**Bill No.** HB 2482

**Bill Sec.** 21

**Analyst:** Deckard

**Analysis Pg. No.** Vol. 3, p. 1581

**Budget Page No.** 485

Expenditure Summary	Agency Request FY 07	Governor's Recommendation FY 07	House Budget Committee Adjustments
State General Fund	\$ 485,534	\$ 494,708	\$ 0
Special Revenue Funds	137,000	140,407	0
<b>TOTAL</b>	<b>\$ 622,534</b>	<b>\$ 635,115</b>	<b>\$ 0</b>
FTE Positions	9.0	9.0	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.5	0.0
<b>TOTAL</b>	<b>9.5</b>	<b>9.5</b>	<b>0.0</b>

### Agency Request/Governor's Recommendation

The **agency** requests an FY 2007 operating expenditure limitation of \$622,534, an increase of \$12,587 or 2.1 percent above the FY 2006 request. The request includes \$485,534 in State General Fund expenditures, an increase of \$10,315 or 2.2 percent above the FY 2006 request. The increase is attributable to increases in fringe benefit costs and increased contractual services due to the election cycle.

The **Governor** recommends FY 2007 operating expenditures of \$635,115, including \$494,708 from the State General Fund. The recommendation is a decrease of \$4,657 all funds or 0.7 percent including \$2,265 State General Fund or 0.5 percent below the FY 2006 recommendation. The recommendation is an increase of \$12,581 all funds or 2.0 percent including \$9,174 State General Fund or 1.9 percent above the agency's request. The increase is attributable to the addition of \$12,581 all funds for salary adjustments. The salary adjustments include: \$1,448 all funds, \$1,056 State General Fund for KPERs death and disability payments; and \$11,133 all funds, \$8,118 State General Fund for the 2.5 percent base salary adjustment for state employees.

### House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2007 State General Fund recommendation for the agency totals \$494,708, an increase of \$20,539 above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent amounts recommended for the continuation of the 2.5 percent base salary adjustment recommended in FY 2006 (\$8,118) and the Kansas Public Employees Retirement System (KPERs) death and disability increase (\$1,056), the recommendation is an increase of \$11,365, or 2.4 percent above the approved amount.

**House Committee Recommendation**

The House Committee concurs with the Budget Committee's recommendation.

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## Senate Subcommittee Report

**Agency:** Governmental Ethics Commission **Bill No.** SB 270

**Bill Sec.** 21

**Analyst:** Deckard

**Analysis Pg. No.** Vol. 3, p. 1581

**Budget Page No.** 485

Expenditure Summary	Agency Request FY 07	Governor's Recommendation FY 07	Senate Subcommittee Adjustments*
State General Fund	\$ 485,534	\$ 494,708	\$ (9,174)
Special Revenue Funds	137,000	140,407	(3,407)
TOTAL	\$ 622,534	\$ 635,115	\$ (12,581)
FTE Positions	9.0	9.0	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.5	0.0
TOTAL	9.5	9.5	0.0

\*The entire adjustment reflects deletion of the Governor's recommended salary plan adjustments.

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The **agency** requests an FY 2007 operating expenditure limitation of \$622,534, an increase of \$12,587 or 2.1 percent above the FY 2006 request. The request includes \$485,534 in State General Funds, an increase of \$10,315 or 2.2 percent above the FY 2006 request. The increase is attributable to increase in fringe benefit costs and increased contractual services due to the election cycle.

The **Governor** recommends FY 2007 operating expenditures of \$635,115, including \$494,708 from the State General Fund. The recommendation is a decrease of \$4,657 all funds or 0.7 percent including \$2,265 State General Fund or 0.5 percent below the FY 2006 recommendation. The recommendation is an increase of \$12,581 all funds or 2.0 percent including \$9,174 State General Fund or 1.9 percent above the agency's request. The increase is attributable to the addition of \$12,581 all funds for salary adjustments. The salary adjustments include: \$1,448 all funds, \$1,056 State General Fund for KPERs death and disability payments; and \$11,133 all funds, \$8,118 State General Fund for the 2.5 percent base salary adjustment for state employees.

### Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment.** Delete \$11,133, including \$8,118 from the State General Fund, to remove pay plan funding recommended by the Governor (the continuation of the 2.5 percent base salary adjustment for all state employees recommended in FY 2006) for consideration in a separate bill.

2. **Other Salary and Wage Adjustments.** Delete \$1,448, including \$1,056 from the State General Fund, to remove funding recommended by the Governor for the Kansas Public Employees Retirement System (KPERs) death and disability increase for later Committee consideration.
3. **Change from FY 2005 Approved.** The Subcommittee notes that the Governor's FY 2007 recommendation is a State General Fund increase of \$20,539 or 4.3 percent above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent the above pay plan and salary and wage adjustments, the recommendation is an increase of \$11,365, or 2.4 percent above the approved amount.

JIM BARNETT  
 SENATOR, 17TH DISTRICT  
 CHASE, COFFEY, GREENWOOD  
 LYON, MARION, MORRIS, AND OSAGE  
 COUNTIES



TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENT  
 CHAIR: PUBIC HEALTH AND WELFARE  
 MEMBER: FEDERAL AND STATE AFFAIRS  
 FINANCIAL INSTITUTIONS AND  
 INSURANCE  
 GOVERNOR'S HEALTH CARE  
 COST CONTAINMENT COMMISSION  
 HEALTH CARE STABILIZATION FUND

**Senate Ways and Means Committee  
 Testimony Re: SB 84**

**March 3, 2005**

Chairperson Umbarger and distinguished members of the Senate Ways and Means Committee, thank you for the opportunity to speak in support of SB 84.

We all recognize the need for prescription drug relief in our state. Many Kansans cannot afford the medications they need to remain healthy or to control their illnesses.

SB 84 provides an affordable method for the state of Kansas to provide needed medicines to the uninsured and poor. In part, SB 84 takes advantage of federal laws that allow the state of Kansas to obtain medicines at a significantly discounted price. In reality, this discount is even greater than Canadian drug discounts.

Additionally, SB 84 allows us to take advantage of Patient Assistance Prescription Drug Programs that are available and can provide medicine at no cost. Unfortunately, the process is tedious and involves a great deal of paperwork. By passing SB84, we can provide the necessary manpower across the state to impact over 88,000 Kansans. I believe that number is conservative and we will impact many more.

This approach is affordable and sensible. Thank you for the opportunity to speak in support of SB84.

Senator Jim Barnett

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*Senate Ways and Means  
 3-3-05  
 Attachment 2*



**Kansas Association for the Medically Underse**  
*The State Primary Care Association*  
112 SW 6th St, Suite 201 Topeka, KS 66603-3806

March 3, 2005  
Senate Ways and Means Committee

Dear Chairman Umbarger and Distinguished Members of the Committee:

Today, we know that between 280,000-300,000 Kansans are uninsured. Of those, 72% of the uninsured have family income 200% of federal poverty level or below. Primary care safety net clinics are an important source of care for the poor and uninsured. In, 2003, clinics provided comprehensive primary health care services to almost 40% of the poor.

Primary care safety net clinics –

- Provided comprehensive primary health care to 114,600 users; totaling over 275,000 visits in 2003.
- 66% of all users of the clinics were uninsured
- 92% of all patients' family income was 200% of the FPL or below
- 64% of all users have family income that was 100% of the FPL or below

This last year we have grown and strengthened the primary care safety net clinics but there is still much work to be done to ensure access to low-cost affordable health care. To share a few highlights of successes in 2004-

- \$975,000 in new ongoing federal grant funding benefiting the community of Salina, Emporia and the migrant farmworker's statewide.
- Expanded facilities opened their doors in Dodge City, Leavenworth and Wichita, Kansas.
- KAMU, in partnership with the University of Kansas, launched the KAMU Fellowship program to train health center managers;
- 13 primary care safety net clinics pilot software to manage prescription assistance programs with support from the Sunflower Foundation: Health Care for All Kansans;
- KDHE and KAMU launched a joint web-based data reporting system to improve reporting and accountability of safety net clinics;
- University of Kansas Medical Center, Rural Health and Education Services, in collaboration with KDHE, allowed clinics to utilize health professional recruitment network (3 R-Net) without charge
- If you are interested in touring any clinic, please feel free to contact KAMU.

Today, I appear before you regarding SB 84, a request for appropriations, to increase access to low cost pharmaceuticals at primary care safety net clinics. I will speak to you in general terms today, whereas you have been provided more specific written testimony from several clinics and two executive directors are here with me to give testimony today as well. Patients at health centers are generally in worse health than the overall population. Two of the most frequent diagnosis of patients is diabetes and hypertension. It is of course very important, to get patients with chronic conditions started on a treatment protocol quickly. According to a study conducted by KHI in 2003, *Statewide Survey Health Policy Concerns of Kansans*, found that 44% of all Kansans are very or somewhat concerned about the ability to afford prescriptions. Uninsured patients that are poor or nearly poor experience even greater difficulty accessing affordable medications. We recently found in a local need assessment survey in Hutchinson that 78% of the target population (uninsured and below 200% of FPL) report frequently or occasionally worrying about not being able to afford a prescription drug for themselves or a member of their household. A similar survey in Newton and the surrounding three counties found that 41.2% of respondents or a member of respondents' household where not able to get a prescription filled within the last year.

The intent of SB 84 is to increase access to low-cost pharmaceuticals for the most vulnerable uninsured Kansans living in poverty or near poverty. Increased access to prescriptions will be accomplished by utilizing the 340B prescription drug

*Kansas Health Centers - A Good Investment*

785-233-8483

Fax 785-233-8403

www.kspca.org

*Senate Ways and Means  
3-3-05  
Attachment 3*

program through the Public Health Service Act and by increasing access to prescriptions assistance programs. The anticipated cost to the State of Kansas is only \$8.50 per patient, or \$750,000.00 in state general funds- a tremendous value through a leveraging of resources.

### **The 340B Prescription Program**

Section 340B of Public Health Service Act requires pharmaceutical manufactures whose drugs are covered by the Medicaid program to enter into an agreement with the secretary of HHS which obligates manufacturers to comply with terms of section 340B. Under the 340B participation agreement, a manufacturer agrees to provide discounts on covered drugs purchased by specified PHS and government-supported facilities, called "covered entities", that serve the nation's most vulnerable patient population. The amount of these discounts is calculated using the same rebate formulas specified in OBRA '90; however, covered entities are free to negotiate even deeper discounts than the Medicaid rebate amount. The definition of covered entities includes specified PHS grantees such as community health centers or (FQHCs), FQHC-look-alikes, as well as homeless clinics. On average, 340B prices are estimated to be 51% percent lower than AWP, 39% lower than AMP and 19% percent lower than the Medicaid net price.

Covered entities are subject to two important restrictions:

- 1) Section 340B prohibits the resale or transfer of discounted outpatient drugs to anyone other than a patient of the covered entity;
- 2) The drug purchased through the 340B program shall not be subject to both a 340B discount and Medicaid rebate.

In Kansas, eleven community health centers and one FQHC Look-Alike are eligible to participate in the federal 340B program, of which two are currently participating. Our strategy with the support provided through SB 84 is to expand the federal 340B program while containing the costs of the program. This will be accomplished by utilizing prescription assistance programs or manufacturers' indigent drug programs ("PAP") whenever possible. Few clinics can provide all necessary prescriptions through PAPs program. Community health centers will then utilize the most effective, low cost prescription available through the 340B federal drug program. It is anticipated that the 340B prescription program will be utilized in the following instances:

- Acute medications such as antibiotics that are needed immediately and thus unavailable through the PAP program;
- Medication regime is not established or patient is awaiting the processing time of 30 to 45 days to receive a prescription through the PAP program;
- The prescription is not available through the PAP program;

The discounts offered by the Federal 340B program help to alleviate the burden created by enormous drug prices. However, the very poor may still struggle to pay the full purchase price in some instances. To ensure continued access to necessary prescriptions, patients will purchase the prescriptions on a sliding fee scale. The 340B program with its discounts and the small subsidy possible with the support from SB 84 will help people gain access to prescriptions, resulting in improved health outcomes. No profit will be garnered from administration of this program. With SB 84, we are requesting \$424,000 be appropriated to support the expansion of the federal 340B program. The anticipated total cost of the prescriptions is in the range of \$1.7 million dollars, a leveraging of state resources of \$1.00 to every \$4.00. Clinics will absorb the indirect cost of managing the program with local support.

### **Prescription Assistance Program:**

Pharmaceutical companies sponsor patient assistance programs. These pharmacy assistance programs provide access to a substantial amount of pharmaceuticals to indigent patients and are an invaluable resource. A volunteer organization, RxAssist, reported in 2002 that 75 manufacturers offered 130 programs covering 800 plus medications of which 53% are 200 of the most prescribed medications. The number of patients enrolling in PAP has climbed in recent years. However, the process to apply for a pharmacy assistance program can be quite cumbersome. A list of the typical requirements to apply is attached but includes detailed financial information and proof of no insurance. The forms continually change.

---

Kansas Health Centers - A Good Investment



RxAssist reports over a 17-month period that 75 forms changed. Nevertheless, the cost savings and the potential to access to prescriptions are considerable for patients when a pharmacy assistance program is organized efficiently.

To improve efficiency, KAMU, with support from the Sunflower Foundation: Healthcare for all Kansans, has purchased a computer and web-based software system provided by Data Net Solutions at 13 clinics. The website provides a central place to locate forms, stores patient information, completes forms, tracks applications, and runs reports. Forms are researched continually and updated weekly to minimize the number of rejections. The software has an up-front cost and a yearly maintenance fee. Nevertheless, it is ideal for safety net clinics that see a large number of patients who are uninsured and are eligible for PAP assistance.

With SB 84, we asking that \$326,000 be appropriated to support pharmacy personnel dedicated to administering the PAP program. Clinics will provide an equivalent amount of the operating costs in local match. Eligible patients will include patients of the clinic and other health providers working in collaboration with the clinic up to the capacity to process applications. Dedicated personnel will allow the clinic to maximize the potential of the software, as well as ensure compliance and quality in the tracking and resubmission of applications. Clinics operate on very lean budgets, primarily supported through fundraisers, foundations, local hospitals, and some state appropriations. With your additional support, we can maximize utilization of PAP and improve the health status of vulnerable Kansans.

We thank you for the opportunity to appear before you in support of SB 84 and stand for any questions.

Sincerely,



Karla Finnell  
Executive Director

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Kansas Health Centers - A Good Investment

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## **SB 84 Access to low cost prescriptions, for the uninsured - Appropriations Synopsis**

**Intent:** Increase access to low-cost pharmaceuticals for the most vulnerable uninsured Kansans living in poverty or near poverty.

**Method 1:** Expand access to prescriptions through the 340B federal drug price.

**Eligible Sites:** Community health centers and FQHC Look-Alikes in Kansas.

**Target Population:** All patients of eligible sites, community health centers and FQHC Look-alikes. Patients without prescription coverage that are 200% of FPL or below will be eligible for sliding fee discount to be determined by board of directors of community health center.

**Strategies:**

Utilize prescription assistance programs or manufacturers' indigent drug programs ("PAP") whenever possible. Otherwise, utilize the most effective, low cost prescription available through the 340B federal drug program. It is anticipated that 340B prescription program will be utilized in the following instances:

- Acute medications such as antibiotics that are needed immediately and thus unavailable through the PAP program;
- Medication regime is not established or patient is awaiting the processing time of 30 to 45 days to receive a prescription through the PAP program;
- The prescription is not available through the PAP program;
- The patient is not eligible for the PAP program.

----

**Method 2:** Expand access to prescriptions available through the prescription assistance programs or manufactures' indigent drug programs for indigent clinics not participating in the 340B prescription program.

**Target population:** Medically uninsured that are 200% of FPL served by primary care safety net clinics and the medical community working in collaboration with clinics.

**Strategies:** Reduce the known barriers to utilizing the PAP program to expedite the processing of applications, as well as ensure timely and accurate tracking of submissions by utilizing both dedicated pharmacy personnel and web-based prescription assistance management software.

Community health centers and FQHC-Look Alikes in Kansas eligible to participate in the federal 340B prescription drug program:

Community Health Center	Location
Flint Hills Community Health Center	Emporia, Lyon County
GraceMed Health Clinic (FQHC Look-Alike)	Wichita, Sedgwick County
Hunter Health Clinic	Wichita, Sedgwick County
Kansas Statewide Farm Worker Program	Statewide
Konza Prairie Community Health Center	Junction City, Geary County
Northwest Health Services	Wathena, Doniphan County
Salina Family Health Care Center	Salina, Saline County
Shawnee County Health Agency	Topeka, Shawnee County
Community Health Center of Southeast KS	Pittsburg, Crawford County
Swope Health Care Services	Kansas City, Wyndotte County
United Methodists Mexican American Ministries	Garden City and surrounding counties
We Care Clinic, Inc.	Great Bend, Barton County

**Flint Hills Community Health Center  
Emporia, Kansas**

**Mission: To Promote the Health and Well-being of the Entire Community**

**Testimony Presented  
To  
Senate Ways and Means Committee  
March 3, 2005  
10:30 am**

**by  
Lougene Marsh, Executive Director**

Senate Ways and Means  
3-3-05  
Attachment 4

Flint Hills Community Health Center (FHCHC) is a Federally Qualified Health Center (FQHC) serving the medical, behavioral and oral health needs of the residents of Lyon, Chase, Greenwood, and Osage Counties. Services include a comprehensive array of family health services across the life stages and including preventative, acute and chronic care needs. Basic lab services are available on site with other lab and radiology services available through an arrangement with Newman Regional Health. The dental clinic provides both preventative and restorative services.

In 2004 services were provided to 7,018 individuals in 23,117 visits. For many of our patients, the missing link in our provision of health services is access to pharmaceutical products. The following data describes the unmet need of our patient population for access to affordable pharmaceuticals, a gap that can be filled through the 340B program, and the importance of SB 84 to advancing the implementation of 340B programs across the FQHC network:

- FHCHC clients receive approximately 1,800 prescriptions per month
- Pharmacy Assistance Programs (PAP) fill approximately 150-200 prescriptions/month (e.g. In January, 2005, 168 prescriptions were issued to patients with a market value of \$47,433)
- Each month about 50 patients benefit from drug samples
- Let's do the math:
  - $168 + 50 = 218$  prescriptions provided per month through samples and PAP
  - $1,800 - 218 = 1582$  prescriptions that need to be purchased
  - $52\%$  uninsured = 823 prescriptions needed by uninsured patients
- 340B drug pricing is 51% lower than Average Wholesale Pricing (AWP) paid by cash customers (the uninsured); the table below provides a comparison between AWP and 340B prices with the savings available on some common types of drugs utilized by our patients:

		AWP	340B Price	Savings
Asthma Patient	Inhaler	30.91	12.61	18.30
Asthma Patient	Oral Med	103.90	65.56	38.34
Hypertensive Pt	Oral Med	66.18	43.84	22.34
Depressed Pt	Oral Med	107.80	61.85	45.95
Diabetic Pt	Oral Med	96.94	13.45	83.49
Infection	Antibiotic	60.12	31.13	28.99
Totals		465.85	228.44	237.41

FHCHC is developing a 340B initiative and has requested and received proposals from local pharmacies interested in contracting with us to provide the dispensing services. We conservatively estimate the cost of an initial inventory to be \$20,000. The potential funding under SB 84 available to support 340B programs will be a tremendous benefit to FHCHC and to the other FQHCs across this state. This funding would be used both to get the program started and to subsidize the cost to our clients at the lowest income level. In addition, the importance of potential funding to support and expand the utilization of Pharmacy Assistance Programs is equally important. The market value of prescriptions provided to FHCHC patients in 2005 is estimated to be nearly \$570,000. Support for the administrative cost of accessing these programs will allow us to increase patient utilization. I encourage your support of SB 84

Thank you for the opportunity to provide this testimony



# MARIAN CLINIC

March 3, 2005

TO: The Senate Ways and Means Committee

Dear Chairman Umbarger and Members of the Committee:

My name is Marilyn Page and I am the Executive Director of Marian Clinic, a safety net clinic here in Topeka.

## Summary of operations-

I had asked one of our patients to come to talk with your subcommittee last week but she works 2 jobs, 60 hours a week, neither business offering her health insurance. Our patient is 47 years old and has been a patient at Marian Clinic for 17 months. She has diabetes, which was diagnosed in 1998. Because of the diabetes she has pain in her feet. Up to 17 months ago, she had always had health insurance through her husband's job to pay for her medicines. Her husband has lost his state job of 17 years due to downsizing. The family income is \$21,500 annually.

Besides coming to Marian Clinic to see our volunteer physicians for foot care and medical management of her diabetes, this woman is able to apply for free medicines through our efforts with the pharmaceutical companies. The patient states that this service is "wonderful to have right now." We have been able to help her get, for free, five medicines that are valued at \$760.75 for each three-month's supply. We help her keep her diabetes controlled so she is able to live fully and to work. By the way, she has faithfully paid the Clinic's charges for the 19 visits of these last 17 months, totaling \$189 at an average cost of \$10 per visit.

Joya Cowins-Henry is with me today. Joya is our current Americorps worker. With her work, our Clinic alone during this past year (January 2004 - December 2005) was able to provide 1,496 medicines for a value of \$306,102.80 for our patients at no cost to them.

[www.marianclinic.org](http://www.marianclinic.org)

1001 SW Garfield Avenue, Topeka, KS 66604 785-233-9780

BOARD OF DIRECTORS

Sister Rita Anderson, Vernon Brown, Al Carson, David C. Goering, MD, Jane S. Henry

Sister Paulette Krick, Roberta Krull, Mary Lou McPhail, Richard Meidinger, MD

Marilyn Page, PhD, Kathleen Urbom, Maureen Washatka, Mark Wheeler

Senate Ways and Means  
3-3-05  
Attachment 5



# KANSAS

RODERICK L. BREMBY, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

DEPARTMENT OF HEALTH AND ENVIRONMENT

## Testimony on Senate Bill 84

### Senate Committee on Ways and Means

Presented by  
**Howard Rodenberg, MD, MPH**  
Director of Health

**Kansas Department of Health and Environment**

**March 3, 2005**

Chairperson Umbarger and members of the Committee, I am pleased to appear before you today to provide comments on Senate Bill 84.

Kansas Department of Health & Environment (KDHE) supports the central purpose of the bill, to improve access to prescription medication for low-income, uninsured, and underserved Kansans. Access to pharmaceutical drugs is a key component of basic health care.

SB 84 would appropriate \$750,000 in state general funds to KDHE to improve access to prescription drugs for Kansans served by certain federally qualified health centers (FQHCs), state-funded, and other community-based primary care clinics.

**BACKGROUND:** Since 1991, the Legislature has appropriated, and KDHE administered, state funds to provide support to locally organized primary care clinics whose programs are targeted to underserved populations. In the current year, KDHE will administer local grants totaling \$1,520,840 (See list and map of grantees). Grantees are community based organizations and local public health departments providing primary care in twenty-nine locations operating in twenty counties and serving an estimated 60,000 Kansans providing over 160,000 medical or dental encounters. These grants must be matched dollar-for-dollar by the local community and non-cash (in-kind) contributions may satisfy the match. The annually renewable grant program has few restrictions in the design or staffing of the program and a minimum of state direction or control. This program has been a successful incubator for half of the state's federally qualified health centers.

To avoid duplicating administrative activities for the local clinic, as well as at the state level, it is reasonable to manage the new funds through the existing Aid to Local Agencies program for Community-Based Primary Care Clinics. Expansion of this program to include new, designated funding will involve small modifications

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CURTIS STATE OFFICE BUILDING, 1000 SW JACKSON ST., STE. 300, TOPEKA, KS 66612-1368

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*Senate Ways & Means  
3-3-05  
Attachment 6*

in the administration of the program. It will, however, potentially double the number of grantees and require a new level of financial reporting and statistical documentation.

Six of the state funded clinics are also Community Health Centers (CHC). US Public Health Service Act, Section 330 Community Health Centers also known as Federally Qualified Health Centers (FQHC) are the backbone of the nation's primary care safety-net and the focus of recently expanded federal initiatives for improving access to care for low-income and uninsured persons. Kansas has 10 federally funded CHCs operating in Kansas. These health centers must meet certain requirements including public or non-profit status and a majority of the nine-to fifteen member governing board must be patients of the clinic. CHCs must participate in Medicare and Medicaid, offer discounts to low-income persons, accept any patient regardless of ability to pay, plan for the integration of mental health and dental services into the clinical program, assist with obtaining prescription drugs, and provide other enabling services. In support of this program, the CHCs receive federal professional liability coverage at no cost, assistance with recruitment of health care providers and eligibility to participate in the federal 340B drug pricing program, a program referenced in SB84.

### **Overview of Prescription Support Proposed in SB84**

SB84 proposes three forms of prescription support for community based primary care clinics. The first category would be for purchase of drug inventory under section 340B. This support would be limited to CHC/FQHCs and to a single Kansas clinic that is modeled after CHCs and known as a FQHC Look-Alike. Section 340B limits the cost of drugs to federal purchasers and to certain grantees of federal agencies including the CHCs established by the Health Resources and Services Administration, Bureau of Primary Health Care. The 340B Drug Pricing Program is authorized through Public Law 102-585, the Veterans Health Care Act of 1992, which is codified as Section 340B of the Public Health Service Act.

As we understand it, there are two CHCs with 340B programs currently in place and seven other Kansas CHCs already positioned to take advantage of start-up assistance to establish a drug inventory. If the Legislature appropriates new funds for this purpose, KDHE is able to administer the funds without any changes in the current Primary Care Clinic grant program since the purchase of pharmaceuticals is already an authorized budget item.

The second method of support is to provide a subsidy for each prescription to a qualifying individual. Although not mentioned in the bill, we assume the subsidy was limited to patients of CHCs participating in the 340B program who are required to provide sliding fee discounts. If the Legislature recommends a subsidy for prescriptions, KDHE would be able to develop guidelines and policies for projecting a new grant application targeting pharmaceutical support.

The third category of support is to provide funding for operating costs of prescription medication assistance (PMA) programs, also known as manufacturers' indigent drug programs. As we understand it, the operational costs are intended to assist with the expense of hiring persons to administer the various pharmaceutical industry drug assistance programs. Staff would coordinate the application procedures and eligibility requirements for physicians and patients in order to obtain supplies of free, or low-cost pharmaceuticals through manufacturers' indigent drug programs. In these programs, filled prescriptions are mailed directly to the physician and under physician supervision the RN may disburse the medication to patients of the clinic.

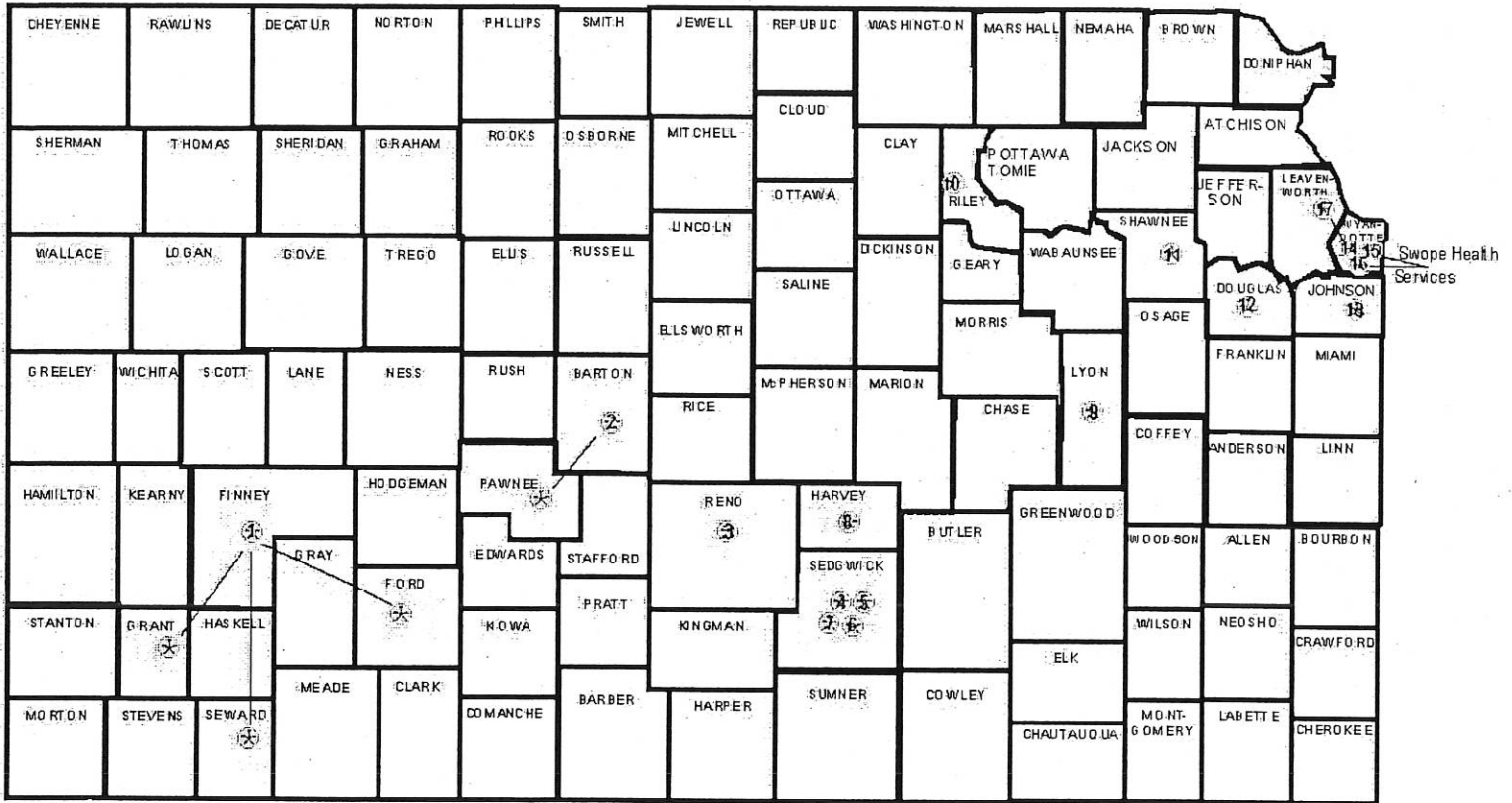
For clarity, we recommend that wording in lines 38-39 be changed by striking “at community based primary care clinics including safety net primary care clinics,” and substituting:

*....at non-profit or publicly-funded primary care clinics, including federally qualified community health centers, that provide comprehensive primary health care services, offer sliding fee discounts based upon household income, and serve any person regardless of ability to pay. Policies determining patient eligibility due to income or insurance status may be determined by each community but must be clearly documented and posted.*

The most significant concern for the agency is the lack of an identifiable funding source.

Thank you for your interest in this important issue and I will be happy to answer any questions.

**2005 Primary Care Clinic Grant Recipients**  
**State-Funded Community-based Primary Care Clinic Program**



- |   |  |             |    |  |                         |
|---|--|-------------|----|--|-------------------------|
| 1 | United Methodist Mexican-American Ministries: Garden City, Dodge City, Liberal & Ulysses | Garden City | 10 | Riley County-Manhattan Health Department     | Manhattan               |
| 2 | We Care Project, Inc. Great Bend, Larned   | Great Bend  | 11 | Marion Clinic (2 locations in Topeka)        | Topeka                  |
| 3 | Community Health Center  | Hutchinson  | 12 | Health Care Access                           | Lawrence                |
| 4 | Children's Primary Care Clinic Wichita   | Wichita     | 13 | Health Partnership Clinics of Johnson County | Overland Park<br>Olathe |
| 5 | Center for Health and Wellness   | Wichita     | 14 | Swope Health Quindaro                        | Kansas City             |
| 6 | Hunter Health Clinic   | Wichita     | 15 | Swope Health Wyandotte                       | Kansas City             |
| 7 | GraceMed United Methodist  | Wichita     | 16 | Duchesne Clinic - Caritas Clinics            | Kansas City             |
| 8 | Health Ministries Clinic   | Newton      | 17 | Saint Vincent Clinic - Caritas Clinics       | Leavenworth             |
| 9 | Flint Hills Community Health Center  | Emporia     |    |  |                         |



## Kansas Department of Health and Environment

### State-Funded Primary Care Clinic Program

**PROGRAM PURPOSE:** State General Funds are provided to support primary care projects administered by local units of government or other eligible agencies to make primary and preventive health care services available, accessible, and affordable to low-income, uninsured and medically underserved Kansas residents including persons eligible for medical assistance programs or the Department of Social and Rehabilitative Services (SRS).

**OVERVIEW:** Local health departments and non-profit voluntary, private-sector organizations are eligible to apply for state grants to help organize primary care projects and operate clinic programs that make services available, accessible, and affordable.

**PROGRAM APPROACH:** The program works by supplementing local community initiatives to establish and operate clinics or health centers for low-income, uninsured and underserved Kansans including participants in state medical programs, HealthWave and Medicaid.

- ▶ State funds directly purchase primary care services through community-directed primary care clinics.
- ▶ A 1:1 match is required from local resources, however, projects now generate, on average, a state-to-local match of greater than 1:7 with in-kind donations and contributions from communities.
- ▶ Three current grantees are local public health departments; twelve are voluntary, non-profit organizations in the private sector.
- ▶ Five of the clinics who were established or expanded with support from this program are now Federally Qualified Health Centers (FQHCs) of which four receive annual federal grants from the Department of Health and Human Services, Bureau of Primary Health Care.

**FUNDING:** In SFY2005, fifteen applicants were awarded state grants totaling \$1,520,840. Programs vary widely in terms of mission, service area, range of services, client eligibility, and local project goals and objectives. Grantees currently provide primary care in twenty-five locations operating in nineteen counties. During 2002, there were over 160,000 visits to state funded clinics serving an estimated 60,000 individuals. Clinics frequently have project partners who contribute non-cash donations of space, hospital laboratory and radiology services, medications or they have the valuable services of health professionals and others who donate their time.

**The KDHE role is to:**

- help local leaders to assess community health risks and locate gaps in service with technical consultation from the Office of Local and Rural Health or the state primary care association - the Kansas Association for the Medically Indigent
- administer the state's activities related to the designation of health professional shortage areas to become eligible for certain financial benefits and for assistance in recruitment of health care providers to underserved areas, such as the state loan repayment program and the programs of the National Health Service Corps, and J-1 visa waiver review program for international medical graduates
- provide information, training, and limited financial assistance to communities implementing health care access programs for comprehensive primary health care
- administer the state's Charitable Health Provider Program to provide professional liability coverage for physicians, dentists and other professionals who donate services

**The Office of Local and Rural Health** oversees the \$1.5 million grants program for Community-Based Primary Care Clinics offering income-based fee reductions (sliding-scale fees) for comprehensive primary and preventive health services. The program is now serving an estimated 20% to 25% of the individuals in need of a "medical home."

Even if we could adequately finance adequate systems of care for all Kansans, our current health care system is just beginning to face the need for culturally and linguistically competent workforce, programs and policies. KDHE goals are all based upon a vision of "100% access, zero disparities." To accomplish this, all program goals include the same underlying purpose: to improve the health status of underserved and vulnerable populations including those who experience financial, geographic, cultural, linguistic or physical barriers to care.

**PROGRAM CONTACT PERSON:**

Barbara Gibson, Director, Primary Care Service  
Office of Local & Rural Health  
1000 SW Jackson, Suite 340  
Topeka, KS 66612-1365

phone: (785) 296-1200

fax: (785) 296-1231

email: bgibson@kdhe.state.ks.us



**Community-Based Primary Care Clinics  
Supported by State Grants in SFY 2005**

**Caritas Clinics**

Duchesne Clinic  
636 Tauomee  
Kansas City KS 66101 (913) 788-3031  
St Vincents Clinic  
818 N Seventh  
Leavenworth KS 66048 (913) 651-8860

**Center For Health & Wellness**

2707 E 21st  
Wichita, KS 67214 (316) 691-0249

**Community Health Center, Hutchinson**

200 W 2nd  
Hutchinson KS 67502 (620) 663-8484

**Swope Health**

Swope Health Wyandotte  
1029 32nd Street  
Kansas City KS 66102 (816) 922-7600  
Swope Health Quindaro  
2726 Brown Avenue  
Kansas City KS (913) 321-2200

**Health Care Access, Inc.**

1920 Moodie rd  
Lawrence KS 66046 (785) 841-5760

**Health Ministries of Harvey County, Inc**

209 S Pine  
Newton KS 67114 (316) 284-6103

**Health Partnership Clinics of Johnson County**

8600 W 95th  
Overland Park KS 66212 (913) 648-2266  
807 S Clairborne  
Olathe KS 66106 (913)648-2266

**Hunter Health Clinic**

2318 E Central  
Wichita KS 67214 (316) 262-3611

**Flint Hills Community Health Center: Lyon County  
Health Department**

420 W 15th  
Emporia KS 66502 (620) 342-4864

**Marian Clinic**

1001 Garfield  
Topeka KS 66604 (785) 233-8081  
Dental Clinic  
3164 S E 6th Street  
Topeka KS 66607 (785) 233-2800

**Riley County/ Manhattan Health Department  
Primary Care Clinic**

2030 Tecumseh  
Manhattan, KS 66502 (785) 776-4779

**GraceMed -United Methodist Medical Clinic**

1611 N Mosley  
Wichita KS 67214 (316) 263-7455

**United Methodist Western Kansas  
Mexican-American CHC**

UMWKMAM: Dodge City  
798 Ave H  
Dodge City KS 67401 (620) 225-0625

UMWKMAM: Garden City  
224 N Taylor  
Garden City KS 67846 (620) 275-1766

UMWKMAM: Liberal  
PO Box 916  
Liberal KS 67901 (620) 624-6865

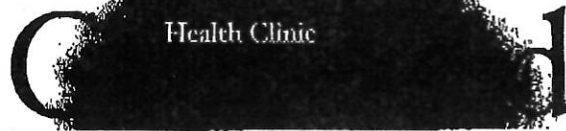
UMWKMAM: Ulysses  
321 W Grant  
Ulysses KS 67880 (620) 356-4079

**We Care Project, Inc**

1908 12th Street  
Great Bend KS 67530 (620) 792-5700

**Wichita / Sedgwick County Children's  
Primary Care Clinic**

1900 East 9th  
Wichita KS 67214 (316) 268-8424



A Health Ministry of the United Methodist Church  
Kansas West Conference

Corporate Office: 1611 N. Mosley, Wichita, Wichita, KS

Phone - 263-7455 Fax - 269-4634

March 3, 2005

Ways & Means Committee

Dear Chairperson Umbarger and Members of the Committee:

It is estimated that over 50,000 people living in the greater Sedgwick County area are uninsured and hundreds of additional residents are underinsured. At GraceMed Health Clinic, Inc., a federally qualified health center (FQHC Look-Alike), 95% of our patients have family income at or below 200% of the federal poverty level. In 2004, GraceMed provided primary care services to over 10,000 patients with 39% of those patients having no insurance coverage.

As with other safety net clinics in the State of Kansas, the patients at our three clinics are generally in worse health than the overall population. Our two most frequent diagnoses of patients are diabetes and hypertension. In addition, GraceMed participates in the Early Detection Works project (cancer screening program for low-income women). Unfortunately, 28% of the women screened have had positive results for either cervical or breast cancer. Without GraceMed and other safety net clinics, most of the people we diagnose and treat would allow their disease state to reach unbearable limits bearing visiting an emergency room.

An ancillary issue to the importance of supporting safety net clinics is to support programs that provide prescription drugs at no cost or a discounted cost to low-income patients. At GraceMed, we have had an Indigent Drug Program for over ten years. Currently, over 600 monthly prescriptions for 225 patients are ordered and delivered to the clinic. We estimate that over 2,000 patients would qualify for this program if we had the financial resources to underwrite the cost.

For a number of patients that do not qualify for the Indigent Drug Program, access to affordable prescription drugs continues to be a problem. GraceMed has recently applied to the Office of Pharmacy Affairs to become a Section 340B program participant. However, to implement this program successfully and deliver the benefits to our qualified patients, GraceMed needs financial and qualified human resources to administer the program.

I understand that Karla Finnell, the Executive Director of our state association, has provided detailed information on safety net clinics, the Indigent Drug Program and the 340B discount prescription program. I'm also sure she has clearly stated our case for your support.

Speaking for our Board of Directors and as Executive Director of the GraceMed Health Clinic, Inc., I wholeheartedly endorse Senate Bill 84 and encourage your positive vote on this measure.

Best regards,

A handwritten signature in dark ink that reads "DAVE". The signature is written in a cursive style with a horizontal line underneath the name.

David C. Sanford

Senate Ways and Means  
3-3-05  
Attachment 7

Senate Bill 84  
Written Testimony Presented by  
Krista Postai, Chief Operating Officer  
Community Health Center of Southeast Kansas  
Pittsburg, KS 66762  
620.235.1867

Community Health Center of Southeast Kansas is a federally qualified community health center with clinics providing primary medical care, including pediatrics, and dental care to more than 1,000 adults and children every month. We are the only such clinic in southeast Kansas and our number of patients is growing daily. In fact, we are nearing capacity and are considering the addition of more providers and the expansion of our facilities to handle the ever-growing need.

Six days a week we provide access to quality healthcare for those who otherwise might go without and, consequently, are often referred to as a "safety net" provider. Many of our patients are covered by Medicaid or Healthwave which allows us – especially where children are concerned – to provide our patients the basic services they need, including prescriptions.

Unfortunately, the majority of our patients are the uninsured, the underinsured, the ones who have fallen between the cracks for which there are no special programs, no easy fixes. Not surprisingly, they have often gone for years without preventive health care services and – when they do seek care – have chronic conditions including high blood pressure, diabetes or, even worse, cancer. Because of our federal designation, our care is provided to them based on ability to pay and federal and state grant funds can be directed toward this care for medical services.

I can't emphasize enough how fulfilling it is to be able to tell a woman expecting her first child that she doesn't have to quit her job to qualify for Medicaid so she can obtain the care she needs. But at the same time, we know her diabetic husband may have to go without his medicine because it's \$300 a month and that's the utility bill or the school loan payment or those countless expenses so many families face. We know that, ultimately, the family – and society -- will pay a price because he's not getting all he needs and I can't tell you how frustrating that realization is to our physicians and nurse practitioners.

Fortunately, because of our federal designation, we are eligible to participate in what you've heard called the 340B program. It allows us to purchase drugs as much as 30 to 40% below wholesale prices and then pass this savings along to our patients. It allows us to contract with local pharmacies to provide this service for us – we pay for the drugs and for a very small filling fee they store and dispense the medicines. There's only one small catch – pharmaceuticals are expensive, even at a discounted rate, and a busy clinic may routinely dispense 50 to 60 or even 100 different drugs. To get started – and we are ready to begin with all the necessary paperwork completed, the approvals in hand and the pharmacy under contract – funds are needed to purchase inventory. We've been told by

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3-3-05  
Attachment 8

one expert that at least \$50,000 is needed just to include the very basics. And that's money we don't have and our funding currently won't cover. It must be found elsewhere and that's what we're asking of you today.

With passage of this bill, within 30 days Community Health Center of Southeast Kansas can be dispensing needed medicines to more than 500 patients a month so our elderly patients won't have to choose between buying food or filling a prescription, our diabetics won't turn up in the emergency department because they couldn't afford their medicine and children's ears won't be damaged because Mom didn't have money for the antibiotic that was needed and she was too proud to say something.

This bill is a very common sense way of combining the buying power of the federal government with state and local funds and invests in a benefit that will pay off again and again and help real people with very real needs.

Thank you for your consideration of Senate Bill 84.