

## MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 6:50 P.M. on March 23, 2006 in Room 514-S of the Capitol.

All members were present.

### Committee staff present:

Alan Conroy, Legislative Research Department  
J. G. Scott, Legislative Research Department  
Becky Krahl, Legislative Research Department  
Audrey Dunkel, Legislative Research Department  
Susan Kannaar, Legislative Research Department  
Jim Wilson, Revisor of Statutes  
Mike Corrigan, Revisor of Statutes  
Nikki Feuerborn, Administrative Assistant

Conferees appearing before the committee:

Others attending:

- Attachment 1 Draft copy of **H Sub for SB 84**
- Attachment 2 Correspondence on **H Sub for SB 84** from Barbara Atkinson, Executive Vice Chancellor, University of Kansas
- Attachment 3 Subcommittee report on Level V and Level VI Issues

### **Discussion and Action on H Sub for SB 84 - Umbilical cord banks, guidelines and facilitation, functions of department of health and environment and Kansas bioscience authority.**

A draft copy of House Substitute for SB 84 was distributed to the Committee (Attachment 1).

Representative Feuerborn moved to change language in Section 1 (b) and (f) from "shall" to "may". The motion was seconded by Representative Lane. Motion carried.

A copy of correspondence was distributed to the Committee, from Barbara Atkinson, Executive Vice Chancellor, University of Kansas, which indicates that while the University is supportive of research, they do not support this legislation at this time (Attachment 2).

The Committee voiced some concerns about giving the authority on research to the Kansas Bioscience Authority, whose administrative agent is Kansas Technology Enterprise Corporation (KTEC). It was noted that they have not taken a position on the legislation at this time.

Representative Landwehr moved to move language in Section 1 (g), beginning after the last comma "that complies with the high standards of the Kansas bioscience authority" to the end of Section 1 (f) after the word "research". The motion was seconded by Representative Pilcher-Cook. Motion carried.

Responding to a question from the Committee concerning language in the legislation referring to high standards, Chairman Neufeld stated that these standards refer to the standards set for KTEC and the Kansas Bioscience Authority in the bio-science law.

Representative Pilcher-Cook moved to recommend **House Substitute for SB 84** favorable for passage as amended and allow for technical corrections. The motion was seconded by Representative Weber. Motion carried.

### **Discussion on Level V & Level VI Services:**

Susan Kannarr, Legislative Research Department, presented a report from the Subcommittee on Level V and Level VI Services (Attachment 3). The report includes information that has been requested from the various agencies affected by this issue. It is the intent of the Subcommittee to

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meet against at Omnibus after they receive the requested information and continue discussion on the issues of mission, goals, purpose of services, State Plan issues and length of stay issues.

The Subcommittee indicated that it may be necessary to revisit the funding issue at Omnibus.

**Discussion on SB 327 - Creating the office of inspector general within the Kansas health policy authority.**

The Subcommittee on **SB 327** did not have a report at this time.

The meeting was adjourned at 7:30 p.m. The next meeting will be held on "call of the chair".

  
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Melvin Neufeld, Chairman

## By Committee on Appropriations

AN ACT concerning umbilical cord banks; relating to certain guidelines and procedures regarding the operations thereof; prescribing certain duties and functions for the department of health and environment and Kansas bioscience authority.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) The secretary of health and environment shall adopt rules and regulations regarding the operation of umbilical cord banks in Kansas, including compliance with standards set by the federal government, and standard collecting method guidelines to ensure effective and efficient interfacing between health care providers and private industry umbilical cord banks with informed consent from the parents as stipulated by federal guidelines for research.

(b) Each umbilical cord bank in Kansas shall accept and maintain umbilical cord, umbilical cord blood, amniotic fluid and placenta donations for research or treatment of disease, other than any such donations reserved for use by the donor or the donor's family, at no charge or other cost to any donor.

(c) Subject to the provisions of appropriation acts, the department of health and environment shall develop and make available education and training in the basic procedures and other requirements for collecting and maintaining umbilical cord, umbilical cord blood, amniotic fluid and placenta donations to all health care providers, other medical personnel and clinical staff who are involved in obstetrical care in Kansas.

(d) Each umbilical cord bank in Kansas may enter into agreements with institutions conducting research for the purposes of providing umbilical cords, umbilical cord blood, amniotic fluid or placentas from the umbilical cord bank for purposes of research.

(e) Each entity operating an umbilical cord bank in Kansas that is maintaining umbilical cords, umbilical cord blood, amniotic fluid and placentas for purposes of research, shall monitor the supply of and demand for umbilical cords, umbilical cord blood, amniotic fluid and placentas in Kansas for purposes

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of research. If the entity operating such umbilical cord bank determines that the demand for umbilical cords, umbilical cord blood, amniotic fluid or placentas to be provided by such umbilical cord bank is greater than the supply available in such umbilical cord bank therefor, the entity operating such umbilical cord bank may notify Kansas health care providers of the need for additional umbilical cords, umbilical cord blood, amniotic fluid or placentas.

(f) The Kansas bioscience authority shall coordinate the use of umbilical cords, umbilical cord blood, amniotic fluid or placentas in umbilical cord banks in Kansas for the purposes of research.

(g) The department of health and environment and the Kansas bioscience authority shall collaborate and jointly encourage or otherwise facilitate the recruitment of entities to establish umbilical cord banks in Kansas and partnerships between umbilical cord banks in Kansas and researchers or organizations in Kansas, or in other regions of the United States of America or other countries, (that <sup>complies</sup> ~~comply~~ with the high standards of the Kansas bioscience authority.)

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



# The University of Kansas Medical Center

*Office of the Executive Vice Chancellor*

March 22, 2006

The Honorable Melvin Neufeld  
Chairman, House Committee on Appropriations  
300 SW 10<sup>th</sup> Avenue, Room 517-S  
Topeka, KS 66612

Dear Chairman Neufeld:

We received early today a copy of language we understand has now been introduced as House Substitute for Senate Bill 84 concerning the establishment and operation of an umbilical cord bank at the University of Kansas Medical Center. As you know I have previously indicated that I believe this represents a promising area of research but I would prefer to have the opportunity to obtain the feedback of my colleagues on the specific provisions of this proposed legislation. Unfortunately, not having previously reviewed this bill, we have not had adequate opportunity to consider the merits of this bill or its impact on our institution or the citizens we serve.

While the short time to consider the bill prevents us from determining our position on the bill, there are several concerns that we would want committee members to be cognizant of as they consider any bill such as this.

First, we have been engaged in discussions with Senator Sam Brownback regarding federal legislative action to support umbilical cord blood research. We would not want any state legislation to advance that might conflict with or undermine the interests of Senator Brownback in advancing his legislation. As a result of receiving this proposed legislation just this morning we have been unable to determine whether this bill would be a cause for concern by Senator Brownback or others at the federal level who support this type of research. Our interest here is simply to avoid being caught in the difficult position of trying to implement conflicting provisions of federal and state legislation.

Second, we would request that legislative intent be clearly defined so that our institutional efforts to implement this program can fully address the specific need identified by the legislature. We simply do not want legislative expectations to be misunderstood. Creating a legislative history that delineates why this bill is needed and why the legislature has an interest in this area of research would be most helpful to those of us required to implement the provisions of the

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legislation. It would also be helpful to know that the legislature understands the feasibility of this project and has fully funded the mandate the legislation creates for us.

Finally, please know we are supportive of a robust scientific research agenda in the State of Kansas. We have consistently demonstrated our commitment to innovation and our contribution to improving the health of Kansans through the discovery and dissemination of new knowledge. Research which utilizes umbilical cords, umbilical cord blood, amniotic fluid and placenta is a valuable and important area of scientific inquiry. At the University of Kansas Medical Center we have a research focus in reproductive biology in which preeminent, nationally-known researchers are working to expand our understanding of the human reproductive process and system. Yet, as you know, such research is very expensive and any new undertaking would require significant resources to allow us to adequately engage in this work. We have yet to see a fiscal note on the legislation proposed but we would not want the legislature to have any expectation that this type of bank could be implemented without significant new investments in this specific area of research.

Thank you for your consideration of these concerns. I appreciate your continued leadership on behalf of Kansans.

Very truly yours,



Barbara Atkinson, M.D.  
Executive Vice Chancellor  
Executive Dean, School of Medicine

**Report to House Appropriations Committee**  
**on**  
**Information Requested by the Subcommittee on Level V and Level VI Services**

The Subcommittee on Level V and Level VI Services has met several times to receive input from agencies, providers, parents and other parties involved in the provision of these services. At the March 22<sup>nd</sup> meeting, the Subcommittee requested the parties return at Omnibus with information on a number of topics. Parties expected to be involved in responding include the Department of Social and Rehabilitation Services (SRS), the Juvenile Justice Authority (JJA), the Division of Health Policy and Finance (DHPF), Community Mental Health Centers (CMHCs) and others. Requests were made by the Subcommittee regarding the following:

**Mission, goals and purpose of services**

- What is the mission and purpose of these programs?
- Who determines what these are and what it takes to achieve the mission?
- What is realistic to achieve within available resources?
- What do we do on both a short term and long term basis in terms of achieving program goals?
- How can we measure whether we have achieved these goals?

**State Plan Issues**

- Are we planning to amend the state Medicaid plan and what is the process for doing this?
- What are the other issues we think might come up if the federal government begins reviewing state plan changes?
- Are there things that rewriting the state plan would allow us to address that we might not otherwise consider (ie. are there some advantages to opening up the plan for discussion among the parties to address issues more creatively)?
- Are there any opportunities for waivers to provide services as opposed to amending the state plan?

**Length of stay issues**

- For children who appear to need longer-term services, who will make the determinations on the length of stay?
- How should revisions to those determinations be handled? Who is responsible for making the final decision?
- What is the process for addressing the needs of youth who need services beyond the day limits? What is the policy for making sure youth are not "kicked out" of residential services before it is appropriate?
- Request information on the payments made to providers for days over the service limit. What is the system to provide payments and does everyone understand the system? Have all outstanding payments been made to providers? Were providers notified of billing processes for stays over the day limits?

### **Facility classification issues**

- Request that SRS and DHPF engage federal CMS contacts in a discussion about the possibility that CMS will be unwilling in the future to pay for any residential services for these types of youth no matter what the bed size and classification?

### **Delivery of community based services**

- What is the plan by the CMHC system to address issues around the delivery of timely and appropriate mental health services for youth currently receiving Level V and VI services?
- What is the current policy position on opening up mental health services to providers beyond the CMHC system?
- What resources are available in the community to provide a full range of services to these youth? A variety of stakeholders including CMHCs, CDDOs, private providers, child welfare service providers and the agencies should be included in discussions.
- Are there any plans by JJA, or SRS to issue an RFP for coordination of services?

### **Communications**

- How have changes in policy and processes been communicated to providers and how will they be communicated in the future?
- How will the agencies coordinate to ensure that providers are not given mixed messages or conflicting answers?

### **Other Issues**

- Clarification from the agencies on why some parents have been required to give up custody of their children to receive services. Is this based on eligibility requirements or other issues?