

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairman Ruth Teichman at 9:30 A.M. on January 24, 2006 in Room 234-N of the Capitol.

All members were present.

Committee staff present:

Melissa Calderwood, Kansas Legislative Research Department
Terri Weber, Kansas Legislative Research Department
Ken Wilke, Office of Revisor of Statutes
Bev Beam, Committee Secretary

Conferees appearing before the committee:

John P. Smith, Candidate for Administrator, Kansas Dept. Of Insurance
Kathy Greenlee, Acting Secretary, Dept. On Aging
Sandy Praeger, Kansas Insurance Commissioner
John L. Kiefhaber, Executive Director, Kansas Pharmacists Assn.

Others attending:

See attached list.

The Chair welcomed everyone and welcomed a friend from her home area, Dr. Robert Haneke.

The Chair asked for introduction of bills. There were none.

The meeting started with a confirmation hearing for John P. Smith. The Chair asked Mr. Smith to come forward and introduce himself, which he did. He told the Committee that they have all the information regarding his past included in their in the packet. (Attachment 1)

The Chair asked the committee if they had any questions for Mr. Smith. They had none. Senator Barone moved to confirm John P. Smith as Administrator, Department of Credit Unions. Senator Wysong seconded the motion. Motion passed. Mr. Smith has the approval of the Senate Committee. The Chair said the committee would be presenting his confirmation to the floor of the Senate.

Overview for Medicare Part D

The Chair asked Kathy Greenlee, Acting Secretary, Kansas Department on Aging, for her testimony. Ms. Greenlee said her testimony would focus on three areas of the program's implementation: an overview of the implementation, the impact on Kansans and the status of enrollment of beneficiaries in Kansas, KDOA 's outreach and training efforts and plans to utilize the additional resources recently allocated by Gov. Sebelius. (Attachment 2)

The Chair called on Kansas Insurance Commissioner, Sandy Praeger. Commissioner Praeger said the new Medicare Prescription Drug Program is the first major Medicare expansion since its inception and there are serious problems with it. She said the Medicare Prescription Drug Program will provide significant assistance to the over-65 population and ensure that no one has to choose between food and medicine. She said, however, that she is concerned that the timetable for implementing the program is overly ambitious and over the past few months those concerns have only intensified. She said it is her hope that by working together, ways to improve upon this program can be found which would add new and important benefits to the Medicare program. (Attachment 3)

The Chair called on John L. Kiefhaber, Executive Director of the Kansas Pharmacists Association. Mr. Kiefhaber said he was there to speak on behalf of the pharmacists in the State of Kansas. Mr. Kiefhaber said he had with him to talk about this very complex program, Steve Smith, a pharmacist from Hiawatha, Kansas. Steve is a past president of the Kansas Pharmacists Association and one of the most knowledgeable and involved pharmacists in the state of Kansas, Mr. Kiefhaber said.. Steve routinely surveys and reports to the association on the experiences of many pharmacists around the state. He said also with him was Dr. Robert Haneke to answer questions regarding long term care.

CONTINUATION SHEET

MINUTES OF THE Senate Financial Institutions and Insurance Committee at 9:30 A.M. on January 24, 2006 in Room 234-N of the Capitol.

Mr. Kiefhaber said while the Federal Center for Medicare & Medicaid Services began disseminating information on the implementation of Medicare Part D soon after the final regulations were released early in 2005, and while KphA and others traveled the state all summer and fall of last year to explain the provisions of the program to pharmacists and beneficiary groups, no one was clearly ready for the deluge of patients and the complicated questions that would hit on January 2. He said two basic problems emerged right away. He said they knew dual eligibles who had to move from Medicaid to Medicare all on one day could be left behind in the enrollment process or could be enrolled in the wrong PDP plan, and some were. The second major problem came when the pharmacist called the PDP to find the patient's record of enrollment and whether their prescription could be covered. They got a busy signal for hours. This meant that patients would have to wait for hours or go home without their prescriptions. He said in many cases the pharmacists were actually funding prescriptions out of their own pockets not knowing if they would ever be repaid.. (Attachment 4)

Mr. Kiefhaber asked Steve Smith to report on what this experience was like at the pharmacy.

Mr. Smith said he was representing his pharmacy and the other pharmacies in Kansas. Mr. Smith told of the many, many, problems he and other pharmacists have had with the Medicare Prescription Drug Program. Mr. Smith said in about six months America will be facing a crisis with low income citizens. He said the real nightmare with the program is with dual eligibles. Dual eligibles are those individuals who require both Medicare and Medicaid. He said folks, "It is not working, it is just not working." We are sitting here with people who have nothing. He said thankfully the state of Kansas is progressive and has put out a safety net. He said pharmacies are in a financial crunch because they are giving prescriptions out to their patients and have not been paid a single dime from the PDP's. We were told the first financial run was the 21st of January and that we might see our first check in February. He said pharmacies in Kansas are either having to talk to their drug wholesaler for credit or go to their bank for a line of credit. You need to know that this program currently is not working.

The Chair asked Maren Turner, State Director of AARP Kansas if she could come back on Wednesday for her testimony. She agreed.

Meeting adjourned at 10:35 p.m. The next meeting of this Committee is scheduled for January 25, 2006.

FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE GUEST LIST

DATE: January 24, 2006

NAME	REPRESENTING
John P. Linnell	Novatimee KDCU
D. Shreeley	New Century CU
Stephanie Stuart	New Century CU
Maura Marsh	Kansas Credit Union Assoc
Steve Smith	KPhA
John Kitzhaber	Ks Pharmacists Assoc.
Robert Henke	KPhA
Ron Gaches	GBBA
PETER SZYBAN	Ks. INDEPENDENT PHARMACY SVC. CORP.
Lisa Hoppes	Leg. Post Audit
Don Spell	Farmers Credit Union
Craig Koberline	KHA
Jose Torres	SILCK
Kathy Seidler	Ks Dept on Aging
Chad Austin	KHA
Cheryl Sillard	County Health Care
Barbara Belcher	Merck
Nancy Pierce	KHCFA
Cindy Waxen	KHCFA

Senate Confirmation Information Summary
Prepared and Submitted by the Office of Governor Kathleen Sebelius

Appointee: John P. Smith

Position: Administrator, Kansas Department of Credit Unions

Appointment Date: January 06, 2006

Expiration Date: November 1, 2009

Term Length: 4 years

Statutory Authority: K.S.A. 17-2233

Party Affiliation: Democrat

⇒ Statutory geographic representation
Requirements (*insert any that apply*)

Congressional District:

County:

Size requirement (*if any*):

Other, specify:

⇒ Statutory party affiliation requirement:

N/A

⇒ Statutory industry or occupation requirements:

At least three years' actual, practical experience in the operation and management of a credit union.

Salary: \$72,000

Predecessor: Jerel L. Wright

Board Composition Prior to Confirmation of New Appointee:

N/A

*Senate FI & I Com.
Attachment 1
January 24, 2006*

PERSONAL RESUME

John P. Smith
611 Crest Drive
Jefferson City, Missouri 65109
Home: (573) 632-8685
E-mail: j.smith@mchsi.com

Employment history

- 1999 - 2005 ♦ Director, Missouri Division of Credit Unions
- 1993 - 1998 ♦ Administrator, Kansas Department of Credit Unions

Other work experience

- 1966 - 1993 ♦ Manager, Microbiology Laboratory, Wesley Medical Center, Wichita, Kansas
- ♦ Adjunct Clinical Professor, Wichita State University College of Health Professions
- ♦ Consultant and Panel Member, U. S. Food and Drug Administration

Military service

- 1955 - 1993 ♦ United States Navy and Naval Reserve
- ♦ Retired holding rank of Commander

Professional organizations

- 1994 - 2002 ♦ National Association of State Credit Union Supervisors
Secretary/Treasurer 1995 - 1997
Chair-elect 1997 - 1998 and 2004 - 2005
Chair, Professional Standards Committee 2004 - 2005
- 1970 - 1993 ♦ Director, Wesley Employees Credit Union, Wichita, Kansas
- 1971 - 1978 ♦ American Society of Clinical Laboratory Science
Board of Directors, 1971 - 1978
President, 1974 - 1975
- 1986 - 1990 ♦ Southwest Association of Clinical Microbiologists
Charter member and President

Education

AB, Biology and Chemistry, Emporia State University, Emporia, KS
MS, Kansas State University, Manhattan, Kansas
Continuing education courses in Credit Union Examination,
Finance, Lending, Compliance and Economics

Personal hobbies/activities

Bicycling, KATY Trail volunteer, Farming

PERSONAL RESUME

John P. Smith
611 Crest Drive
Jefferson City, Missouri 65109
Home: (573) 632-8685
E-mail: j.smith@mchsi.com

Employment and volunteer history

Director, Missouri Division of Credit Unions

1999 – 2005

Major responsibilities:

- ◆ Management of the credit union agency responsible for the safety and soundness of Missouri's 158 credit unions with assets exceeding 8 billion dollars
- ◆ Management of credit union examination program for compliance with state and federal laws, rules and regulations dealing with consumer compliance
- ◆ Receipt and resolution of credit union member complaints.
- ◆ Communication and coordination of examination program with credit union share insurer, the National Credit Union Administration, the National Association of State Credit Union Supervisors and other state and federal regulatory agencies
- ◆ Maintaining accreditation of the agency with the National Association of State Credit Union Supervisors
- ◆ Communications with the Kansas City and St. Louis Federal Reserve Banks
- ◆ Developing legislative initiatives and maintaining relationships with the Missouri General Assembly

Administrator, Kansas Department of Credit Unions

1993 – 1998

- ◆ Management of the credit union agency responsible for the safety and soundness of Kansas chartered credit unions
- ◆ Management of credit union examination program for compliance with state and federal laws, rules and regulations dealing with consumer compliance
- ◆ Receipt and resolution of credit union member complaints.
- ◆ Communication and coordination of examination program with credit union share insurer, the National Credit Union Administration, the National Association of State Credit Union Supervisors and other state and federal regulatory agencies
- ◆ Maintaining accreditation of the agency with the National Association of State Credit Union Supervisors
- ◆ Communications with the Kansas City Federal Reserve Bank
- ◆ Developing and introducing legislative initiatives while maintaining productive relationship with the Kansas Legislature

Board of Directors, Wesley Employees Credit Union

1970 – 1993

- ◆ Responsible for strategic planning, budgeting, compliance with state and share insurers regulatory requirements, hiring and evaluation of the credit union manager
- ◆ Chair of Board of Directors for multiple years
- ◆ Member of Supervisory Committee for multiple years

John P. Smith
611 Crest Drive
Jefferson City, Missouri 65109
Home: (573) 632-8685
E-mail: j.smith@mchsi.com

Employment and volunteer history

Manager, Microbiology Laboratory, Wesley Medical Center 1966 – 1993

- ◆ Responsible for supervision, staffing, budget preparation, test performance, compliance with state and federal regulations, relations with medical, nursing and administrative staff for laboratory in a 850 bed tertiary care medical center

Adjunct Clinical Professor, Wichita State University 1966 – 1993

- ◆ Responsible for lectures in management and clinical supervisory of students enrolled in the clinical laboratory science major

Consultant and Panel Member, U.S. Food and Drug Administration 1977 – 1991

- ◆ Providing expert guidance on medical devices used in the medical microbiology laboratory

Military service

United States Navy and Naval Reserve 1955 – 1993

- ◆ Held command of four medical reserve units
- ◆ Receipt of several military awards
- ◆ Retired holding rank of Commander

Professional organizations

- ◆ National Association of State Credit Union Supervisors 1994 - 2005
Chair-elect 1977 – 1988 and 2004 – 2005
Chair Professional Standards Committee
Chair Government Relations Committee
Chair Membership Committee
- ◆ American Society of Clinical Laboratory Science 1971 - 1978
Board of Directors and President
- ◆ Southwest Association of Clinical Microbiologists 1986 – 1990
Charter member and President

John P. Smith
611 Crest Drive
Jefferson City, Missouri 65109
Home: (573) 632-8685
E-mail: j.smith@mchsi.com

Volunteer service

- ◆ Elected member city council, City of Ozawkie, Kansas
- ◆ Board member and lobbyist. Kansas Tobacco Free Kids Initiative
- ◆ Member, Kansas State Wide Health Planning Coordinating Council
- ◆ Elected member, Wichita, Kansas Citizens Participation Organization
- ◆ Chair, Wichita-Sedgwick County Board of Health
- ◆ Katy Trail volunteer, blood donor, and volunteer speaker on financial responsibility
- ◆ Blood donor since age of 18

Education and certifications

AB, biology and chemistry, Emporia State University
MS, Kansas State University
Continuing education in credit union examination, finance, lending, compliance and economics
Certification in microbiology and clinical laboratory science by the American Society of Clinical Pathology

Personal hobbies/activities

Bicycling, gardening, farming and volunteering

John P. Smith

611 Crest Drive
Jefferson City, Missouri 65109
Home: (573) 632-8685
E-mail: j.smith@mchsi.com

References

Pat Yokley
President/CEO
Midwest United Credit Union
1800 South Outer Road
Blue Springs, Missouri 64015
(816) 228-1800
pyokley@midwestunitedcu.com

Joe Driskill
Executive Director
Missouri Technology Corporation
119 East Atchison Street
P. O. Box 2137
Jefferson City, MO 65101
(573) 659-4636
JoeDriskill@missouritechnology.com

Mary Martha Fortney
President/CEO
National Association of State Credit Union Supervisors
1655 North Fort Myer Drive Suite 300
Arlington, VA 22209
(703) 528-8351
MaryMartha@nascus.org

Leon Kusnetzky
Attorney at law
P.O. Box 8579
Kansas City, Missouri 64114
(816) 822-7177

(for Appointments Office use only)

KBI Check: NA In Process Complete

KANSAS GOVERNOR SEBELIUS APPOINTMENT QUESTIONNAIRE

Position for which you are applying:

Administrator, Kansas Department of Credit Unions

Full Name (please include title and middle name):

John P. Smith

Home Address:

611 Crest Drive, Jefferson City, Missouri 65109, Cole County, Missouri
(City, State, Zip) (County)

Business Address:

None
(City, State, Zip) (County)

Business Name: **N/A**

Position Title: **N/A**

Home Phone: **(573) 632-8685** Business Phone: **N/A** Cell Phone: **(573) 619-3764**

Facsimile No: **N/A** E-Mail Address: **j.smith@mchsi.com**

Driver's License No: Social Security No:

Date of Birth: **11-10-1937** Place of Birth: **Kansas City, MO** Kansas resident? **No**

Registered Voter? **Yes** Party Affiliation: **Democrat**

Congressional District: **N/A** Kansas Senate District: **N/A** Kansas Representative District: **N/A**

Do you have the legal right to live and work in the United States? **Yes**

Education:

A.B. degree from Emporia State University

M.S. degree from Kansas State University

Additional graduate work completed at Wichita State University

Employment Experience:

1999 – 2005 Director, Missouri Division of Credit Unions, Jefferson City, Missouri

1993 – 1998, Administrator, Kansas Department of Credit Unions, Topeka, Kansas

1966 – 1993 Wesley Medical Center, Wichita, Kansas

1964 – 1966 Wichita Clinic Wichita, Kansas

1962 – 1964 St. Johns Hospital, Salina, Kansas

Do you hold any professional licenses? Yes If so, please provide numbers:

Certified Specialist in Microbiology, S.M. (ASCP) 1980
#731, American Society of Clinical Pathologists

Certified Microbiologist, M. (ASCP) 1967
#245, American Society of Clinical Pathologists

Certified Medical Technologist, M.T. (ASCP) 1962
#43528, American Society of Clinical Pathologists

Certified Clinical Laboratory Scientist, CLS (NCA) 1981
#780035, National Certification Agency for Clinical Laboratory Personnel
Recertified 1993

Certified Specialist in Microbiology, CLSPM (NCA) 1981
#780035, National Certification Agency for Clinical Laboratory Personnel
Recertified 1993

What special skills could you bring to this position?

Ten years experience as head of regulatory agency responsibility for safety and soundness of credit unions in two states; twenty years volunteer credit union board of director's experience. Officer and board experience, National Association of State Credit Union Supervisors. Completion of several lending, compliance, supervision, and investment courses provided by federal financial regulatory and insurance agencies.

Previous government appointments: (Please provide dates)

City of Ozawkie, Kansas 1996 - 1999
Elected City Council Member

City of Wichita, Kansas 1991 - 1993
Board of Health, Wichita-Sedgwick County 1993
Chairman 1981 - 1985
Convention and Tourism Committee 1983 - 1984
President
Citizens Participation Organization 1988 - 1993
Elected Member

Northeast Heights Neighborhood Association 1991 - 1993
Secretary

Health Systems Agency of Southeastern Kansas, Inc. 1976 - 1982
President 1980 - 1982
Secretary - Treasurer 1978 - 1980

Kansas Regional Medical Program Scientific Review Board 1967 1968

EXPERIENCE AND AFFILIATIONS (Note: All yes answers require a detailed response. Attach a separate sheet if necessary.)

1. **Military Service:** List rank, date, and type of discharge from active service:

Enlisted in U.S. Navy following graduation from high school	1955
Active Duty as Hospital Corpsmen	1955 - 1958
Naval Reserve Service as an enlisted Hospital Corpsman (HM1)	1958 - 1967
Commissioned Officer, U.S. Navy	1967
Member of various military medical, air, and shipboard units	1967 - 1982
Commanding Officer, NREPMU-5	1982 - 1985
Commanding Officer, NR NH Charleston 318	1985 - 1986
Officer-in-Charge, NRFH-500 CBTZ 22 DET L	1986 - 1987
Commanding Officer, NRVTU 1816G	1991 - 1992
Transferred to Retired Reserve	1 January 1993

2. **Government Experience:** List on a separate sheet any experience or association with local, state or federal government (exclusive of elective public office but including advisory, consulting, honorary, or other part-time service or positions), with dates of service:

City of Wichita, Kansas	
Board of Health, Wichita-Sedgwick County	1991 - 1993
Chairman	1993
Convention and Tourism Committee	1981 - 1985
President	1983 - 1984
Citizens Participation Organization	
Elected Member	1988 - 1993

Northeast Heights Neighborhood Association	
Secretary	1991 - 1993

3. **Elective Public Office:** List on a separate sheet all elective public offices sought and/or held with dates of service:

City of Ozawkie, Kansas	
Elected City Council Member	1996 - 1999

4. **Honors and Awards.** List on a separate sheet all scholarships, fellowships, honorary degrees, honorary society memberships, and any other special recognitions for outstanding service or achievements:

Southwestern Association of Clinical Microbiology Professional Achievement Award 1989

American Society for Clinical Laboratory Science	
Omicron Sigma Award for Outstanding Performance	1976 - 1991
PACE SETTER Award	1976
Joseph J. Kleiner Memorial Award in the amount of \$1,000 for 1981	
The published paper 'Incidence of <i>Campylobacter enteritis</i> in the Midwestern United States' published in the American Journal of Medical Technology 46:81-84, 1980.	

Kansas Society for Clinical Laboratory Science 1983 & 1986
Medical Technologist of the Year

Hospital Corporation of American 1986
Nominee for the Dr. Frist Humanitarian Award

Military Awards 1991

National Defense Medal 1989

Armed Forces Reserve Medal 1984

Third Award 1979

Second Award 1986

First Award 1986

Expert Pistol Medal, U.S. Navy 1986

Expert Rifle Medal, U.S. Navy 1958

Good Conduct Medal

5. **Organization Affiliations.** List on a separate sheet all local, state, and national civic, cultural, educational, charitable, or work-related organizations you have been associated with in the past ten years. Include any position held in the organization and the dates of service.

American Society for Clinical Laboratory Science 1962 - present

Judicial Committee 1991 - 1994

Personnel Standards Task Force 1989 - 1990

Elections Committee 1985 - 1986

Government Liaison Committee 1975 - 1989

Scientific Assembly Coordinator 1976 - 1986

Chairman, Federal Agency Subcommittee 1975 - 1980

Past President 1975 1977

President 1974 - 1975

Chairman, Gelb Task Force V 1973 - 1974

Chairman, Task Force to Evaluate Dues Structure 1972 - 1973

Task Force to Evaluate the Annual Meeting 1970 - 1973

Board of Directors 1970 - 1977

Director, Region VI 1970 - 1973

Research Committee 1968 - 1969

American Society of Clinical Pathologists 1962 - present

Board of Registry, Microbiology Examination Committee 1980 - 1994

Alpha Mu Tau Fraternity National Honorary Laboratory Fraternity 1977 - present

President 1986 - 1987

Chairman, Bylaws Committee 1987 - 1988

Kansas Public Health Association 1970 - 1993

Chairman, Resolutions Committee 1981

Chairman, Laboratory Section 1972

Kansas Society for Clinical Laboratory Science 1961 - 1999

Chairman, Annual Meeting 1989 & 1992

Board of Directors 1979 - 1983

President	1968
Naval Reserve Association	1975 – present
Reserve Officers Association	1982 – present
Southwestern Association of Clinical Microbiology	1983 - present
Charter member	1983
President	1988

6. **Organization Restrictions:** To your knowledge, is any organization listed above restricted on the basis of race, color, religion, sex, national origin, disability, marital status, or veteran status? If yes, please describe: No Yes _____
7. **Issues.** Have you ever been publicly identified, in person or by organizational membership, with a particularly controversial national or local issue? If so, please describe. No Yes _____
8. **Submission of views.** Have you ever submitted oral or written views to any governmental authority, whether executive or legislative, or to the news media on any particular controversial issue other than in an official governmental capacity? If yes, please describe. No Yes _____
9. **Associations.** Have you ever had any association with any person, group, or business venture that could be used, even unfairly, to impugn or attack your character and qualifications for the position to which you seek to be appointed? If yes, please describe. No Yes _____
10. **Opposition.** Do you know of any person or group who might take overt or covert steps to attack, even unfairly, your appointment? If yes, please identify and explain the basis for the potential attack on a separate sheet. No Yes _____
11. **Miscellaneous.** List on a separate sheet any factors, other than the information provided above, which particularly qualify you or are relevant to the position to which you are seeking appointment? Include any special skills.
 - ◆ **Greater than ten years experience as head of regulatory agencies responsibility for safety and soundness of credit unions in two states.**
 - ◆ **Twenty years volunteer credit union board of director's experience.**
 - ◆ **National Association of State Credit Union Supervisors officer, board and broad committee experience.**
 - ◆ **Completion of several lending, compliance, supervision, and investment courses presented by federal financial regulatory and insurance agencies.**

CONFLICTS OF INTEREST: (Yes answers require a detailed response. If necessary, use a separate sheet.)

12. **Relationship to governmental employees.** Are you or your spouse or other close family members related to any state governmental official or employee? If yes, please provide details. No Yes _____
13. **Compensation.** During the past five years have you or your spouse or other close family members received any compensation or been involved in any financial transaction with the State of Kansas? If yes, please explain. No Yes _____
14. **Business relationships.** Describe on a separate sheet any business relationship, dealing, or financial transaction which you have had during the last five years, whether for yourself, on behalf of a client, or acting as an agent, which you believe may constitute an appearance of impropriety or result in a potential conflict of interest in the position to which you want to be appointed. If none, please so state. **None known.**
15. **Transactions with officials.** During the past five years, have you or your spouse or other close family members received any compensation or been involved in any financial transaction with any state government official? If, yes, please explain on a separate sheet. No Yes _____
16. **Spouse or other family members.** If the nature of employment for your spouse or other close family member is related in any way to the position to which you want to be appointed, please indicate the employer, the position, and the length of time it has been held. If it is not, please so state.
No known conflict exists for the position sought with my spouse or other close family member.
17. **Lobbying activities.** Describe briefly on a separate sheet any lobbying activity during the past ten years in which you have engaged for the purpose of influencing the passage, defeat, or modification of any legislative or administrative action. Describe briefly any lobbying activity during the last ten years in which your spouse has engaged for the purpose of influencing the passage, defeat, or modification of any legislative or administrative action that is related in any way to the position to which you are seeking appointment. (Lobbying activity includes any activity performed as an individual or agent of another individual, or of any organization that involves direct communication with an official in the executive branch of state government, or any official of the legislative branch.) If none, please so state.
During January and February, 1999 I lobbied the Kansas Legislature on behalf of the Tobacco Free Coalition
18. **Regulated activities.** Describe on a separate sheet any interest that you, your spouse, or other close family member may have (whether as an officer, owner, director, trustee, or partner) in any corporation, firm, partnership, or other business enterprise and any non-profit organization or other institution that is regulated by or receives direct financial benefits from any department or agency of the State of Kansas. If none, please so state. **None known.**
19. **Other.** Please describe on a separate sheet any other matter in which you are involved that is or may be incompatible or in conflict with the discharge of the duties of the position to which you

seek to be appointed or which may impair or tend to impair your independence of judgment or
action in the performance of the duties of that position. If none, please so state. **None known.**

ETHICAL MATTERS: (Yes answers require a detailed response. If necessary, use a separate sheet.)

20. **Citations.** Have you ever been cited for a breach of ethics for unprofessional conduct by, or been named in a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If yes, please provide details.
No Yes _____
21. **Convictions.** Have you ever been convicted of or entered a plea of guilty or nolo contendere or forfeited collateral for any criminal violation other than a minor traffic offense? (Minor traffic offenses do not include the Kansas offenses of driving under the influence, operating while impaired, reckless driving, or the equivalent offenses in other states.) If yes, please explain.
No Yes _____
22. **U.S. Military convictions.** Have you ever been convicted by any military court? If yes, please provide details. No Yes _____
23. **Imprisonment.** Have you ever been imprisoned, been on probation, or been on parole? If yes, please provide details. No Yes _____
24. **Agency proceedings: Civil Litigation.** Are you presently, or have you ever been, a party in interest in any administrative agency proceeding or civil litigation that is related in any way to the position to which you are seeking appointment? If yes, please provide details. No
Yes _____
25. **Agency proceedings and civil litigation of affiliates and family.** Has any business in which you, your spouse, close family member or business associate are or were an officer, director or partner been a party to any administrative agency proceeding or civil litigation relevant to the position to which you are seeking appointment? If yes, please provide details. (With respect to this question, you need only consider proceedings and litigation that occurred while you, your spouse, close family member, or business associate were an officer of that business.) No
Yes _____
26. **Other litigation.** Other than the litigation described above, have you or any business in which you are or were an officer, director, or partner been a plaintiff or a defendant in a civil lawsuit? If yes, please describe. Is anyone currently threatening to sue you or any business in which you are an officer, director, or partner? If yes, please describe. No Yes _____
27. **Drivers license.** Has your drivers license ever been suspended or revoked? If yes, please describe. No Yes _____
28. **Parking tickets.** Do you have outstanding parking tickets from any jurisdiction in Kansas that have remained unpaid for more than 60 days? If yes, please explain. No Yes _____
29. **Security clearance denial.** Have you ever been denied a military or other governmental clearance? If yes, please explain. No Yes _____

30. **Firings.** During the past ten years, have you been fired from a job for any reason? Did you quit after being told that you would be fired, or did you leave by mutual agreement because of specific problems? If yes, please provide details. No Yes _____
31. **Alimony and child support.** Are you now, or have you ever been delinquent in the payment of alimony or child support? If yes, please provide details. No Yes _____
32. **Consumption of alcohol.** Are you currently abusing alcohol? No Yes _____
33. **Controlled substances.** Are you currently engaged in the illegal use of a controlled substance or abusing the use of a prescribed controlled substance? If yes, please describe. No Yes _____
34. **Physical examination.** If you receive a conditional offer of appointment or employment, would you be willing to take a physical examination, which may include a drug test? No _____
Yes
35. **Other.** Please provide any additional information, favorable or unfavorable, which you feel should be considered in connection with your appointment.

FINANCIAL MATTERS: (Yes answers require a detailed response. If necessary, use a separate sheet.)

36. **Delinquencies.** Are you delinquent on any federal, state, or local debt? (Include delinquencies for income, property, or other taxes; governmental loans; overpayment of benefits; required payments into or under governmental programs; and other debts or required payments to the government; plus any defaults on or under loans which are or were guaranteed, insured, or subsidized by any unit of government.) If yes, please provide details on a separate sheet of paper. No Yes _____

REFERENCES/SIGNIFICANT SUPPORTERS (elected officials, community leaders, friends, etc.)

Name: **Joe Driskill** Relationship to you: **Former supervisor**

Telephone: (573) 659-4636

Name: **Pat Yokley** Relationship to you: **President of credit union the agency I directed regulated and Chairman of the Missouri Credit Union Commission**

Telephone: (816) 228-1800

Name: **Mary Martha Fortney** Relationship to you: **President/CEO national association that I served on a board member**

Telephone: (703) 528-8351

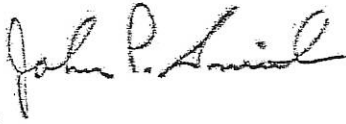
Name: **D. Eric McClure** Relationship to you: **Regulator of banks in Missouri where I regulated credit unions**

Telephone: (573) 751-3242

AUTHORIZATION AND CERTIFICATION:

The facts set forth in my application are true and complete. False statements, answers, or omissions on this application shall be sufficient cause for nonconsideration or for dismissal after appointment or employment. I also recognize that my selection is based on receipt of satisfactory information from former employers and references, and upon my ability to perform the essential elements, with or without reasonable accommodations, for the position for which I am applying. I herein authorize investigation, without liability, of the information supplied by me in this application for employment or appointment including academic, occupational, health, law enforcement, and government records. I also authorize listed employers and references, without liability, to make full response to any inquiries in connection with this application for appointment or employment. I understand and agree that the terms, conditions, compensation, benefits, hours, schedule, and duration of my appointment or employment may be determined, changed, or modified from time to time at the will of the appointing authority or designee without limitation or condition. I FURTHER CERTIFY THAT I HAVE READ THE FOREGOING PARAGRAPH AND KNOWINGLY MAKE THIS AUTHORIZATION BY SETTING FORTH MY SIGNATURE.

I understand that if I am required to be registered, licensed, or certified by federal or state law or regulation for the position I seek, I will notify the appointing authority immediately if any investigation, limitation, or cancellation of my registration, licensure, or certification occurs. If any investigation, probation, limitation, or cancellation occurs, I understand that my failure to notify my appointing authority as described above will result in the termination of my appointment or employment.



Signature

Date May 11, 2005

Please attach a copy of your resume if you have not previously provided one to the Appointments office.



KANSAS GOVERNMENTAL ETHICS COMMISSION

STATEMENT OF SUBSTANTIAL INTERESTS FORM

INSTRUCTIONS. This statement (pages 1 through 4) must be completed by individuals who are required to do so by law. Any individual who intentionally fails to file as required by law, or intentionally files a false statement, is subject to prosecution for a class B misdemeanor.

Please read the "Guide" and "Definition" section provided with this form for additional assistance in completing sections "C" through "G". If you have questions or wish assistance, please contact the Commission office at 109 West 9th, Topeka, KS or call 785-296-4219.

A. IDENTIFICATION:

PLEASE TYPE OR PRINT

Smith John P

Last Name

First Name

MI

Constance Smith

Spouse's Name

611 Chest Drive Jefferson City, Mo 65109

Number & Street Name, Apartment Number, Rural Route, or P.O. Box Number

City, State, Zip Code

573 632 8685

Home Phone Number (include area code)

Business Phone Number (include area code)

B. THIS FORM IS REQUIRED TO BE FILED BECAUSE YOU ARE:

(check one or more of the following)

1. State Elected Official (Governor, Lt. Governor, Attorney General, Commissioner of Insurance, State Treasurer, Secretary of State, State Senator, State Representative, Member of State Board of Education or District Attorney);
2. Appointed Member of a State Board, Council, Commission or Authority;
3. Appointed State Position is Subject to Senate Confirmation;
4. Employee of a State Agency or University;
5. General Counsel for a State Agency;
6. Candidate for State Office.

Administrator, Kansas Department of credit unions

List Name of Agency, Board, University or Elected Position (You may use abbreviations but not acronyms)

Division if applicable (May use acronyms)

Position

The last four digits of your social security number will aid in identifying you from others with the same name on the computer list. This information is optional.

C. **OWNERSHIP INTERESTS:** List any corporation, partnership, proprietorship, trust, joint venture and every other business interest, including land used for income, and specific stocks, mutual funds or retirement accounts in which either you or your spouse has owned within the preceding 12 months a legal or equitable interest exceeding \$5,000 or 5%, whichever is less. If you or your spouse own more than 5% of a business, you must disclose the percentage held. Please insert additional page if necessary to complete this section.

If you have nothing to report in Section "C", check here _____

BUSINESS NAME AND ADDRESS	TYPE OF BUSINESS	DESCRIPTION OF INTERESTS HELD	PERCENT OF OWNERSHIP INTERESTS	HELD BY WHOM
1. Dickinson county Kansas	Farm land	100%	100%	John Connie
2. Marshall county, Kansas	Farm land	100%	100%	
3. Solomon State Bank Solomon, KS	IRA	100%	100%	
4. Fidelity Investments Cincinnati, OH	IRA	100%	100%	
5. HCA Lifetimes Savings Nashville, TN	401K	100%	100%	
6. MFS Boston, MA	IRA	100%	100%	John
7. ING Hartford, CONN	403B	100%	100%	John
8. Nationwide Jefferson city, Mo	457 401	100%	100%	John Connie
9. Schwab Vanguard	Stock/Mutual Fund	100%	100%	Connie
10.				

D. **GIFTS OR HONORARIA:** List any person or business from whom you or your spouse either individually or collectively, have received gifts or honoraria having an aggregate value of \$500 or more in the preceding 12 months.

If you have nothing to report in Section "D", check here X

NAME OF PERSON OR BUSINESS FROM WHOM GIFT RECEIVED	ADDRESS	RECEIVED BY:
1.		
2.		
3.		

E. RECEIPT OF COMPENSATION: List all places of employment in the last calendar year, and any other businesses from which you or your spouse received \$2,000 or more in compensation (salary, thing of value, or economic benefit conferred on in return for services rendered, or to be rendered), which was reportable as taxable income on your federal income tax returns.

1. YOUR PLACE(S) OF EMPLOYMENT OR OTHER BUSINESS IN THE PRECEDING CALENDAR YEAR. IF SAME AS SECTION "B", CHECK HERE ____.
If you have nothing to report in Section "E"1, check here ____.

	NAME OF BUSINESS	ADDRESS	TYPE OF BUSINESS
1.	State of Missouri	301 W. High, Jefferson city, MO	State government
2.			

2. SPOUSE'S PLACE(S) OF EMPLOYMENT OR OTHER BUSINESS IN THE PRECEDING CALENDAR YEAR.
If you have nothing to report in Section "E"2, check here ____.

	NAME OF BUSINESS	ADDRESS	TYPE OF BUSINESS
1.	State of Missouri	PO Box 570 Jefferson city, MO	State government
2.			

F. OFFICER OR DIRECTOR OF AN ORGANIZATION OR BUSINESS: List any organization or business in which you or your spouse hold a position of officer, director, associate, partner or proprietor at the time of filing, irrespective of the amount of compensation received for holding such position. Please insert additional page if necessary to complete this section.
If you have nothing to report in Section "F", check here X.

	BUSINESS NAME AND ADDRESS	POSITION HELD	HELD BY WHOM
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			

G. RECEIPT OF FEES AND COMMISSIONS: List each client or customer who pays fees or commissions to a business or combination of businesses from which fees or commissions you or your spouse received an aggregate of \$2,000 or more in the preceding calendar year. The phrase "client or customer" relates only to businesses or combination of businesses. In the case of a partnership, it is the partner's proportionate share of the business, and hence of the fee, which is significant, without regard to expenses of the partnership. An individual who receives a salary as opposed to portions of fees or commissions is generally not required to report under this provision. Please insert additional page if necessary to complete this section.

If you have nothing to report in Section "G", check here .

	NAME OF CLIENT / CUSTOMER	ADDRESS	RECEIVED BY
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			

H. DECLARATION:

I, John P. Smith, declare that this statement of substantial interests (including any accompanying pages and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete statement of all of my substantial interests and other matters required by law. I understand that the intentional failure to file this statement as required by law or intentionally filing a false statement is a class B misdemeanor.

November 22, 2005
Date

John P. Smith
Signature of Person Making Statement

NUMBER OF ADDITIONAL PAGES _____

Return your completed statement to the Secretary of State, Memorial Hall, First Floor, 120 SW 10th Ave., Topeka, Kansas 66612-1594.

KANSAS

DEPARTMENT ON AGING
KATHY GREENLEE, ACTING SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

Jan. 24, 2006

TO: Senate Financial Institutions & Insurance

FROM: Kathy Greenlee, Acting Secretary
Kansas Department on Aging

RE: Overview of Kansas Implementation of Medicare Part D

Sen. Teichman and members of the Senate Financial Institutions & Insurance Committee, thank you for the opportunity to appear before you today.

I would like to focus today on three areas of the program's implementation: an overview of the implementation, the impact on Kansans and the status of enrollment of beneficiaries in Kansas, KDOA's outreach and training efforts and our plans to utilize the additional resources recently allocated by Gov. Sebelius.

Background

Plan Design: KDOA recently provided members of the legislature with a Medicare Prescription Drug program Resource Guide. I brought addition copies of the information should you need them. Attached to my testimony is an At-A-Glance overview of the benefit.

State of Kansas Implementation: An interagency team lead by Scott Brunner, Kansas Medicaid director, has been meeting for the past 18 months on the numerous implementation details for the State of Kansas. The Kansas Insurance Department and KDOA are members of the implementation team.

Outreach and Training: During the past year, 157 people have been certified as Senior Health Insurance Counseling of Kansas (SHICK) counselors by completing the 24-hour Initial Training Course. Another 234 people completed training to maintain their SHICK certification. SHICK representatives also trained a variety of government agencies and community-based organizations to provide individual assistance to seniors. Nearly 400 educational programs have been presented across the state and more than 1 million Kansans have received targeted mailings with information about Medicare Prescription Drug Coverage.

Governor's Medicare Part D Committee: Last month, the Governor asked me to convene a group of advocacy organizations, providers and agency staff to share on-the-ground implementation information during this critical time period. From this group, we have been able to learn of important emerging issues and concerns and identify additional training and education needs.

NEW ENGLAND BUILDING, 503 S. KANSAS AVENUE, TOPEKA, KS 66603-3404

Voice 785-296-4986

Fax 785-296-0256

<http://www.agingkansas.org>

*Senate FI & I Committee
Attachment 2-1
January 24, 2006*

Kansas Medicare Population

The Medicare population in Kansas totals approximately 400,000 elderly and persons with disabilities who reside in communities and institutions across the state. Approximately 40,000 of the 400,000 are eligible for both Medicare and Medicaid. These beneficiaries (often called the "dual eligibles") also reside in communities and institutions across the state.

Medicare Part D impacts all 400,000 beneficiaries. Beneficiaries generally fall into one of five main groups, based on an individual's current coverage. The following Kansas-specific information is from Centers for Medicare and Medicaid Services (CMS) and reflect prescription coverage enrollment as of Jan. 20, 2006:

10% of dual eligibles are just Inst. + co-pay

- **Those with Medicare and Medicaid coverage (dual eligibles): 38,297**

This group of approximately 40,000 Kansans began receiving their prescription drug coverage from Medicare Jan. 1, 2006. If they had not joined a plan by Dec. 31, 2005, they were automatically enrolled in a plan, at random. This group may choose to re-enroll in a different plan each month.

- **Those with no prescription drug coverage who have now enrolled: 42,595**

This group has until May 15, 2006 to enroll in drug plan. If they do not enroll by the deadline, they will pay a premium penalty if they decide to enroll later.

- **Those with employer/union coverage: 27,607**

This group will continue to receive coverage through their employers or unions as Medicare will help the employers and unions continue to provide retiree drug coverage that meets Medicare's standards.

- **Those with Medicare Advantage Plan or other Medicare Health Plan: 13,415**

This group will continue to receive prescription drug coverage.

- **Federal government retirees: 35,626**

This group constitutes an additional group of individuals receiving prescription drug coverage.

As such, the number of Kansans with prescription drug coverage totals 158,170 or 39.8%, of the Medicare population. It should be noted, however, the percentage linked to individuals who have chosen a Medicare Part D appears closer to 14%.

Emerging Issues

Enrollment Assistance: \$500,000 Governor's Recommendation.

- Expand the capacity of the SHICK toll-free number.
- Include targeted questions for SHICK volunteers to ask of beneficiaries when they call.

- Fully utilize opportunities for on-line enrollment training and assistance from CMS:
- Coordinate CMS-sponsored four-hour trainings, specific to on-line enrollment, to Community organizations, Ombudsman staff and volunteers, SRS EES staff, and Sponsoring Organization Coordinators and volunteers. Provide stipends to community organizations and volunteers who participate in the training in concert with their commitment to assist Medicare beneficiaries with on-line enrollment.
- Promote CMS-sponsored Regional Office tele-training opportunities.
- Refer calls from the SHICK toll-free number for assistance with on-line enrollment and re-enrollment to the appropriate group of staff/volunteers.
- Provide additional funding to SHICK Sponsoring Organizations for increased staffing during the enrollment phase.
- Additional training has been provided to approximately 80 individuals to assist Medicare beneficiaries with on-line enrollment. The number toll-free SHICK phone lines are being expanded and additional temporary staff will be hired. Additional funding also will be provided to Sponsoring Organizations and the Ombudsman office.

Dual Eligibles Not Receiving Medications: When it became clear that pharmacists were having problems filling prescriptions for dual-eligible beneficiaries, Gov. Sebelius assured Kansans that the State of Kansas will cover the cost of the prescription drugs directly. Kansas, then will seek appropriate compensation from CMS or the health plans that failed to properly enroll the individual.

Delaying May 15th Deadline: Gov. Sebelius and Commissioner Sandy Praeger have called for an extension of the May 15th deadline for enrolling in the program.

Co-pays for Duals: Advocates for seniors and persons with disabilities are concerned that some dual eligibles are being charged co-payments. This is an on-going system design issue. These groups may be bringing this issue to your attention as we wait to determine the impact of these co-payments.

To help direct your constituents to help, I have attached to my testimony a list of the SHICK regional sponsoring organizations and contact information for each. Also attached is a copy of the standard prescription drug benefit chart from the Legislator's Resource Guide and a chart giving a state-by-state breakdown on the number of Medicare Part D enrollees.

Thank you for the opportunity to discuss this important issue and to bring you up-to-date with our efforts to help seniors receive the medications they need.

The Standard Medicare Prescription Drug Benefit



KANSAS
HEALTH
INSTITUTE

The Kansas Health Institute is an independent, nonprofit health policy and research organization based in Topeka, Kansas. Established in 1995 with a multi-year grant from the Kansas Health Foundation, the Kansas Health Institute conducts research and policy analysis on issues that affect the health of Kansans.

www.khi.org



The Kansas Department on Aging uses public and private resources to improve the security, dignity and independence of Kansas seniors, their families, seniors' caregivers and all Kansans living in adult care homes.

www.agingkansas.org

At-A-Glance

Prescription Drug Spending	Plan Pays	Beneficiary Pays
\$0-\$250	\$0	Up to \$250 deductible
\$250-\$2,250	75% of drug costs - up to \$1,500	25% of drug costs - up to \$500
\$2,250-\$5,100 (coverage gap/ "donut hole")	0% of drug costs - \$0	100% of drug costs - up to \$2,850
Subtotal:	Up to \$1,500	Up to \$3,600 out-of-pocket
More than \$5,100 (Catastrophic Benefit)	95%	5% or \$2 copay per generic drug or \$5 copay per brand name drug

Note: Premium costs are not included in this chart. The beneficiary will pay monthly premiums, therefore, in addition to the amounts shown on the chart. These premiums range from \$9.48 per month to \$67.88 per month for plans available in Kansas.

Adapted from: AARP, *The New Medicare Prescription Drug Coverage: What You Need to Know*, 2005

SHICK Call Center (Statewide) 1-800-860-5260

SHICK Regional Sponsoring Organizations

Kansas City area

Donna Bosilevac
Wyandotte/Leavenworth County AAA
913-573-8532
1-888-661-1444
Counties: Wyandotte, Leavenworth

Anita Riffel
Johnson County Area Agency on Aging
913-477-8131
1-888-214-4404
County: Johnson

Lawrence area

Katie Glendenning
Douglas County Senior Services
785-842-0543
County: Douglas

Topeka area

Diane McDermed
Jayhawk Area Agency on Aging
785-235-1367
1-800-798-1366
Counties: Shawnee, Jefferson

Tanya Turner
LULAC Senior Center
785-234-5809
County: Shawnee

Judy Mattox
Healthwise 55
Stormont-Vail Resource Center
785-354-6784
County: Shawnee

Wichita area

Jenell Smith
Sedgwick County Extension Service
316-722-7721
County: Sedgwick

Peggy Maggard
Butler County Extension Service
316-321-9660
County: Butler

Susan Jackson
Harvey County Extension Service
316-284-6930
County: Harvey

Northwest Kansas

Glenna Clingingsmith
Northwest Kansas Area Agency on Aging
785-628-8204
1-800-432-7422
Counties: Cheyenne, Rawlins, Decatur,
Norton, Phillips, Smith, Sherman, Thomas,
Sheridan, Graham, Rooks, Osborne, Wallace,
Logan, Gove, Trego, Ellis, Russell

Southwest Kansas

Kathy McGee
Southwest Kansas Area Agency on Aging
620-225-8230
1-800-742-9531
Counties: Greeley, Wichita, Scott, Lane,
Ness, Rush, Barton, Hamilton, Kearny,
Finney, Hodgeman, Pawnee, Edwards,
Stafford, Stanton, Grant, Haskell, Gray, Ford,
Kiowa, Pratt, Morton, Stevens, Seward,
Meade, Clark, Commanche, Barber

North Central Kansas

Shirley Wickman
North Central/Flint Hills AAA
785-776-9294
1-800-432-2703
Counties: Jewell, Republic, Mitchell, Cloud,
Clay, Riley, Pottawatomie, Lincoln, Ottawa,
Dickinson, Geary, Wabaunsee, Ellsworth,
Saline, Morris, Marion, Chase, Lyon

South Central Kansas

Kristin Sparks
South Central Kansas Area Agency on Aging
Arkansas City, KS 67005
620-442-0268
1-800-362-0264
Counties: Rice, McPherson, Reno, Kingman,
Harper, Sumner, Cowley, Chautauqua, Elk,
Greenwood

State Enrollment in Medicare Prescription Drug Plans Nov. 15, 2005 – Jan. 13, 2006

State	Stand-Alone Prescription Drug Plan	Medicare Advantage with Prescription Drugs*	Medicare-Medicaid (Automatically Enrolled)	Medicare Retiree Drug Subsidy	Estimated Federal Retirees (Tricare, FEHB)	Total With Drug Coverage
Alabama	74,807	76,867	82,098	107,684	72,991	414,447
Alaska	2,737	95	11,255	9,914	17,671	41,672
Arizona	48,595	244,249	49,528	103,576	32,770	478,718
Arkansas	62,788	3,684	60,294	49,668	69,784	246,218
California	155,394	1,222,191	875,243	424,223	310,997	2,988,048
Colorado	30,584	129,563	37,546	72,114	68,510	338,317
Connecticut	46,841	30,722	66,388	105,986	19,587	269,524
Delaware	25,889	424	9,432	30,110	10,916	76,771
District Of Columbia	3,017	4,687	15,115	3,035	23,597	49,451
Florida	226,391	601,193	328,919	427,022	237,921	1,821,446
Georgia	140,541	34,629	135,814	108,828	123,468	543,280
Hawaii	3,082	47,087	22,740	32,824	47,748	153,481
Idaho	17,417	12,867	17,909	18,524	17,077	83,794
Illinois	251,339	66,726	248,315	318,813	66,695	951,888
Indiana	108,309	7,179	94,379	181,559	33,649	425,075
Iowa	42,139	13,406	54,545	39,799	17,913	167,802
Kansas	42,595	13,415	38,927	27,607	35,626	158,170
Kentucky	80,019	26,933	78,240	122,087	43,700	350,979
Louisiana	34,972	68,151	134,174	91,909	43,921	373,127
Maine	29,582	748	44,945	32,114	18,012	125,401
Maryland	80,092	27,923	56,536	119,900	130,157	414,608
Massachusetts	71,082	109,619	183,359	179,047	40,626	583,733
Michigan	160,824	24,844	190,062	446,984	38,489	861,203
Minnesota	46,428	84,814	58,047	73,040	24,571	286,900
Mississippi	45,209	3,933	129,089	28,440	39,923	246,594
Missouri	74,228	114,201	137,409	115,301	58,212	499,351
Montana	10,856	1,434	14,750	12,494	13,496	53,030
Nebraska	24,703	10,630	31,360	21,620	19,630	107,943
Nevada	15,285	84,921	17,126	38,602	31,110	187,044
New Hampshire	18,862	1,434	18,827	31,657	13,333	84,113
New Jersey	182,104	55,811	135,048	259,907	52,390	685,260
New Mexico	15,092	44,542	31,385	39,975	32,979	163,973
New York	110,566	300,585	494,346	498,597	90,736	1,494,830
North Carolina	137,210	90,342	215,945	204,717	130,624	778,838
North Dakota	8,720	751	10,413	4,595	9,748	34,227
Ohio	118,454	197,716	172,056	505,489	73,761	1,067,476
Oklahoma	68,110	40,146	73,297	46,110	61,165	288,828
Oregon	56,312	109,593	32,042	43,044	31,894	272,885
Pennsylvania	133,062	478,537	146,752	287,170	95,593	1,141,114
Rhode Island	7,869	51,367	25,939	12,154	10,940	108,269
South Carolina	64,759	18,074	113,045	106,393	70,649	372,920
South Dakota	12,696	1,066	11,551	5,972	10,303	41,588
Tennessee	84,144	94,309	212,299	108,277	60,085	559,114
Texas	234,159	223,653	295,043	410,590	248,025	1,411,470
Utah	25,339	11,814	19,987	26,883	32,140	116,163
Vermont	14,478	96	15,722	13,428	5,069	48,793
Virginia	120,518	20,824	102,290	107,022	221,530	572,184
Washington	61,233	72,341	94,042	96,132	108,435	432,183
West Virginia	41,208	4,776	40,801	82,919	14,852	184,556
Wisconsin	60,919	44,448	108,676	132,954	26,470	373,467
Wyoming	8,073	335	5,443	6,792	7,767	28,410
Puerto Rico	9,873	163,219	793	10,059	0	183,944
Virgin Islands	865	42	12	3,030	0	3,949
Other	1,461	1,920	711	0	0	4,092
Total	3,551,831	5,094,876	5,600,009	6,386,690	3,117,255	23,750,661

* Medicare Advantage includes 600,000 Medicare-Medicaid beneficiaries.

###



Kansas Insurance Department

Sandy Praeger

COMMISSIONER OF INSURANCE

FOR IMMEDIATE RELEASE

January 19, 2006

For more information, contact:

Charlene Bailey

Public Information Officer

785-296-7807 (office)

Commissioner Sandy Praeger Issues Statement Calling On President For Help With Medicare Drug Plan

TOPEKA, KS. We have serious problems with Medicare Part D. As you know, the Medicare Prescription Drug Program was signed into law by President Bush in 2003; it was the first major expansion of the Medicare program since its inception in the mid-60's. The Plan holds much promise and I salute the President for his leadership on this issue.

However, experience has now shown us that we need to modify Part D. My office and other government offices have been receiving hundreds of phone calls. Virtually all of the problems I am hearing about relate to the January 1, 2006 sign up bottleneck. Here is a list of the most common issues:

- Beneficiary has submitted an application, but has still not received a card or other confirmation of coverage.
- Phone lines have been clogged, with people reporting being on hold for hours. Those who have left voicemails are not getting call-backs. We've heard of this happening with calls to the Part D carriers, as well as calls to 1-800-MEDICARE.
- Beneficiaries who have an ID card, but the pharmacy is unable to confirm the coverage via computer.
- Dual eligibles are being charged deductibles or co-pays. *
- Dual eligibles are not in the pharmacist's computer. *
- People are being limited on the number of doses in a refill (14 days vs. 30).

Today, on behalf of our Kansas consumers, I am urging the President, to promote legislation in the Congress that would delay the implementation of that part of Medicare Part D that would penalize Medicare beneficiaries for not signing up for the program by May 15, 2006.

Under the current federal regulations, anyone who is eligible now that does not sign up by the May 15 deadline will pay 1% more for each month they delay. Given the issues we now face, that would be unfair and would create yet another logjam that could overwhelm the system.

--more --

*Senate F I ? I Committee
Attachment 3-1
January 24, 2006*

Page Two – Commissioner Praeger Requests Delay

To ensure that I have the ability to act on behalf of Kansas beneficiaries, today in the Kansas Senate I requested the introduction of legislation that would require plans to register with the Kansas Insurance Department, giving us the ability to advocate for our senior consumers on problems related to Medicare Part D.

It is my hope that by working together we can find ways to improve upon this program, which does add new very important benefits to our Medicare program. To all Kansas seniors, I say please call my office at 1-800-432-2484 and I will help you in anyway I can.

* Dual eligibles are individuals over 65 who are eligible for Medicare and because of their income they are also eligible for Medicaid.

###

About the Kansas Insurance Commissioner

Sandy Praeger, Kansas Insurance Commissioner, oversees the activities of the Kansas Insurance Department (KID) which is headquartered in Topeka, Kansas. The overriding objective of Commissioner Praeger and KID is to protect consumers, and help maintain the financial stability of the insurance industry. KID regulates and monitors the activities of 23,000 resident agents, 48,000 non-resident agents and 1684 insurance companies licensed to do business in the state of Kansas. The Department offers financial, actuarial, legal, computer, research, market conduct and economic expertise. Visit www.ksinsurance.org for more information.



Kansas Insurance Department

Sandy Praeger COMMISSIONER OF INSURANCE

January 19, 2006

The Honorable George W. Bush
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

RE: *The Medicare Part D Enrollment Deadline*

Dear Mr. President:

I commend your leadership in creating the first major expansion of the Medicare program since its inception. The Medicare Prescription Drug Program will provide significant assistance to our over-65 population and ensure that no one has to choose between food and medicine. However, I am concerned that the timetable for implementing the program is overly ambitious, and over the past few months those concerns have only intensified.

On September 22, 2005, several Congressional House members introduced The Medicare Informed Choice Act of 2005 (HR 3861), which provides for extended and additional protection to Medicare beneficiaries who enroll for the Medicare prescription drug benefit program during 2006. The resolution calls for a delay in the enrollment deadline to the end of the year 2006.

The National Association of Insurance Commissioners has also expressed concern to the Centers for Medicare and Medicaid Services (CMS) on several occasions over the past several months regarding the implementation deadlines for the program, specifically the deadline for enrollment. On October 7, 2005, well in advance of the start date for enrollment, the Association sent a letter to CMS requesting a delay in the enrollment deadline to December 31, 2006.

3-3

The Honorable George W. Bush
January 19, 2006
Page Two

Since January 1, our Consumer Assistance Division has received numerous complaints and calls from Medicare beneficiaries who are experiencing a variety of problems related to their enrollment in the program. These individuals are reporting that they (1) have submitted applications but have not received their identification cards or confirmation of their coverage, (2) are being placed on hold for hours or not receiving return calls when attempting to contact their plan sponsors and CMS at 1-800-MEDICARE, (3) are unable to obtain their prescriptions because the pharmacies are unable to electronically confirm that they have Part D coverage, and (4) are being limited on the number of doses in a refill, i.e., 14 days rather than 30.

It is understandable that there will be start-up problems with a program of this magnitude. Therefore, on behalf of our Kansas citizens, I am asking that you encourage Congress to delay implementation of the part D prescription drug program until the end of 2006. It is clear that the implementation of this new program is creating demands and delays that are preventing Medicare beneficiaries from obtaining assistance with their questions and concerns and making it difficult for them to obtain the medications they need. In addition, because of the May 15 deadline, we are concerned that individuals are being rushed to wade through the complex and extensive information about the program and are feeling pressured to select a plan, from the many alternatives available to them, which may or may not be the best choice for their needs. Finally, there are those individuals who are so confused and overwhelmed by the choices presented to them they are in danger of being financially penalized if they fail to sign up by the May 15 deadline.

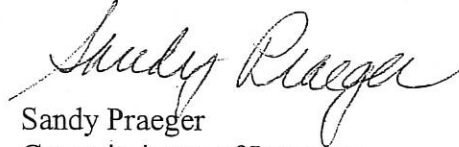
I also hope that as this program evolves, CMS will take the lead in creating some uniformity in the numerous plans in order to eliminate some of the confusion. One group of individuals in particular, the "dual eligibles," is currently experiencing some very real problems with access to their medications. These are individuals, over age 65, who are eligible for both Medicare and Medicaid because of their income levels. These individuals, who had previously received pharmacy benefits from the state-run Medicaid program, have automatically and randomly been enrolled in one of the private prescription plans through the Medicare program. In some cases, the plan to which these individuals were assigned does not include the drugs they require and they must now go through the difficult and confusing process of changing plans.

Our Consumer Assistance representatives are also receiving reports that these individuals are being asked to pay unnecessary or inappropriate deductibles and co-payments or are being told that their pharmacists cannot confirm their enrollment and eligibility. Some of these individuals are in our state's skilled nursing facilities and these problems are adding an additional administrative burden on the caregivers in these facilities.

The Honorable George W. Bush
January 19, 2006
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Mr. President, it is my hope that by working together we can find ways to improve upon this program, which does add new and very important benefits to our Medicare program. The National Association of Insurance Commissioners will continue to dialogue with representatives of CMS and your administration regarding these concerns, but we ask that you take immediate action on behalf of our Kansas seniors, and all seniors throughout the country, who are currently trying to decide what they should do. Giving them and their families more time to feel comfortable with their decision isn't too much to ask.

Sincerely,



Sandy Praeger
Commissioner of Insurance

cc: Senator Pat Roberts
Senator Sam Brownback
Congressman Jerry Moran
Congressman Jim Ryun
Congressman Dennis Moore
Congressman Todd Tiahrt
Governor Kathleen Sebelius
Senate President Steve Morris
Speaker Doug Mays
Fred Schuster, Regional Administrator, HHS



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TESTIMONY

Before the SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE

Concerning the Implementation of Medicare Part D in Kansas

By John L. Kiefhaber, Executive Director

January 24, 2006

Chairperson Teichman and members of the Committee:

The 1,300 members of the Kansas Pharmacists Association (KPhA) would like to thank you for the opportunity to report on the work they have done and the problems they have encountered in the implementation of the federal government's new Medicare Prescription Drug Program, commonly known as Medicare Part D. Joining me today to deliver expert testimony on how this new and complex program has been introduced is Steve Smith, RPh of Hiawatha, Kansas. Steve is a Past President of the Kansas Pharmacists Association and one of the most knowledgeable and involved pharmacists in the State. Steve routinely surveys and reports to the Association on the experiences of many pharmacists around the state. Also with me today to help answer any questions you may have is Bob Haneke, PharmD, national director of pharmacy services for Omnicare, member of the PDL Committee for Kansas and also a Past President of KPhA.

While the federal Centers for Medicare & Medicaid Services began disseminating information on the implementation of Medicare Part D soon after the final regulations were released early in 2005, and while KPhA and others traveled the state all summer and fall of last year to explain the provisions of the program to pharmacists and beneficiary groups, no one was clearly ready for the deluge of patients and the complicated questions that would hit us all on January 2, a Monday. In fact, many pharmacies in Kansas were open on Sunday, January 1, and found out ahead of time what was coming. Two basic problems emerged right away, one we knew was coming and one we did not expect. We knew that dual eligibles who had to move from Medicaid to Medicare all on one day could be left behind in the enrollment process or could be enrolled in the wrong PDP plan. And some of them were. But the second major problem came when the pharmacist, the health care professional most relied upon by Medicare patients throughout the state, called the PDP to find the patient's record of enrollment and whether their prescription could be covered, they got a busy signal. Not just a busy signal – A BUSY SIGNAL FOR HOURS! This meant that patients would have to wait for hours, or go home without their prescriptions. I will ask Steve to explain this process in a moment.

KPhA would like to thank the Governor's office, which checked with us several times a week for an update on the problems, for stepping forward to fund those cases where Medicare patients could not get enrollments or payments through the system. In many case our pharmacists, concerned for their patients first, were actually funding prescriptions out of their own pockets not knowing if they would ever be repaid. We would also like to lend our support to the Insurance Commissioner after her announcement that the PDPs operating in Kansas should now be registered or licensed. These national companies are the plan providers serving our most vulnerable Kansas citizens, and we need to know who they are.

I would like to ask Steve Smith to report to you on what this experience was like at the pharmacy.

*Senate FI & I Committee
Attachment 4
January 24, 2006*