

Approved: April 20, 2006

Date

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:40 A.M. on February 21, 2006, in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Jill Wolters, Revisor of Statutes Office
Michael Corrigan, Revisor of Statutes Office
Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Susan Kannarr, Kansas Legislative Research Department
Judy Bromich, Chief of Staff
Mary Shaw, Committee Secretary

Conferees appearing before the committee: None

Others attending:

See attached list.

Copies of the Kansas Legislative Research Department Budget Analysis Report for FY 2006 and FY 2007 were made available to the Committee.

Subcommittee budget reports on:

Kansas Department on Aging (Attachment 1)

Subcommittee Chairwoman Jean Schodorf reported that the budget subcommittee on the Kansas Department on Aging concurs with the Governor's recommendations in FY 2006 and FY 2007 with observations.

Senator Schodorf moved, with a second by Senator Emler, to amend the subcommittee report in FY 2007 to review the Program of All Inclusive Care for the Elderly (PACE) at Omnibus including Wichita, Wyandotte County and a new site in Topeka. Motion carried on a voice vote.

Senator Schodorf moved, with a second by Senator Teichman, to adopt the subcommittee budget report on the Kansas Department on Aging in FY 2006 and as amended in FY 2007. Motion carried on a voice vote.

Chairman Umbarger opened the public hearing on:

SB 513--Legislative compensation commission

Staff briefed the Committee on the bill.

There were no conferees that appeared before the Committee and the Chairman closed the public hearing on **SB 513**. Committee discussion followed. The Committee discussed considerations regarding serving in the Legislature and fuel costs, ethics, absenteeism and constituent services. Senator Barone moved, with a second by Senator Emler, to recommend SB 513 favorable for passage, including sending a letter to the Legislative Compensation Commission from the Senate Ways and Means Committee regarding items to include for consideration by the Commission. Motion carried on a roll call vote.

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

SB 490--Creating the Kansas long-term care bill of rights
SB 502--Coordinated system for long-term care services

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:40 A.M. on February 21, 2006, in Room 123-S of the Capitol.

The Revisor explained a proposed balloon amendment presented for the Committee's consideration (Attachment 2). Chairman Umbarger asked the Committee members to look over the proposed balloon amendment and no action was taken on the bill.

The meeting adjourned at 11:40 a.m. The next meeting was scheduled for February 22, 2006.

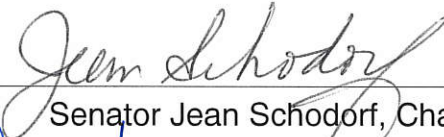
**SENATE WAYS AND MEANS
GUEST LIST**

Date February 21, 2006

NAME	REPRESENTING
Amy Salisbury	DOB
Lisa Becker	SRS
Bub Cozart	KDOA
Kathy Greenlee	KDOA
Andrew Couch	Federico Consulting
Carolyn Middendorf	Ks St No Assn
Shannon Jones	SILCK
Alanna Hyl	SKIL
Jose Torres	SILCK
Estelle Montgomery	Hein Law Firm
Shirley Tucker	Midland Care Connection
Heidi Pickereu	Midland Care Connection
Ernest Pogge	AARP
Debra Zehr	KATHA
BILL Brady	KATHA
Craig Kabele	K4A
LINDA LUKOWSKY	Ks Home Care Assoc.
Est. Harlow	Staff

FY 2006 and FY 2007
SENATE SUBCOMMITTEE REPORTS

Department on Aging



Senator Jean Schodorf, Chair



Senator Donald Betts



Senator Vicki Schmidt

Senate Subcommittee Report

Agency: Department on Aging

Bill No. --

Bill Sec. --

Analyst: Deckard

Analysis Pg. No. Vol. II-1438 **Budget Page No.** 37

Expenditure Summary	Agency Estimate FY 06	Governor's Recommendation FY 06	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 15,997,938	\$ 15,923,194	\$ 0
Aid to Local Units	6,572,136	6,572,136	0
Other Assistance	421,700,237	416,559,009	0
TOTAL	\$ 444,270,311	\$ 439,054,339	\$ 0
State General Fund:			
State Operations	\$ 6,258,491	\$ 6,258,491	\$ 0
Aid to Local Units	1,508,101	1,508,101	0
Other Assistance	162,597,599	160,569,910	0
TOTAL	\$ 170,364,191	\$ 168,336,502	\$ 0
FTE Positions	208.0	208.0	0.0
Non FTE Uncl. Perm. Pos.	6.5	6.5	0.0
TOTAL	214.5	214.5	0.0

Agency Estimate

The **Department** estimates FY 2006 operating expenditures of \$444,270,311, including \$170,364,191 from the State General Fund, a decrease of \$1,988,038 all funds or 0.4 percent below the approved amount. The Department includes in its estimate the lapse of \$170,142 in State General Funds. Additionally, the Department reduced the amount budgeted for HCBS/FE waiver by \$3.88 million to account for the fact that the revised estimated need for this program was not as large as originally budgeted. The Department indicated that the revised level is still anticipated to prevent the existence of a waiting list for HCBS/FE waiver services.

Governor's Recommendation

The **Governor** recommends FY 2006 operating expenditures of \$439,054,339, including \$168,336,502 from the State General Fund. The recommendation is a decrease of \$7,204,010 or 1.6 percent below the approved amount and a reduction of \$5,215,972 or 1.2 percent below the agency's request. The Governor recommends the reduction of \$4.5 million, including \$1.8 million from the State General Fund, to capture additional HCBS/FE waiver savings and the reduction of \$685,464, including \$270,347 from the State General Fund to reflect the amounts for nursing facilities arrived at during the consensus caseload process which were lower than the agency's estimate in its budget submission. Additionally, the recommendation includes a lapse of \$4.3 million in reappropriated State General Fund moneys.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor.

Senate Subcommittee Report

Agency: Department on Aging

Bill No. --

Bill Sec. --

Analyst: Deckard

Analysis Pg. No. Vol. II-1438 Budget Page No. 37

<u>Expenditure Summary</u>	<u>Agency Request FY 07</u>	<u>Governor's Recommendation FY 07</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 16,039,918	\$ 15,532,018	\$ 0
Aid to Local Units	7,003,336	6,572,136	0
Other Assistance	456,804,787	429,307,947	0
TOTAL	<u>\$ 479,848,041</u>	<u>\$ 451,412,101</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 6,272,618	\$ 5,830,979	\$ 0
Aid to Local Units	1,939,301	1,508,101	0
Other Assistance	177,003,535	167,324,671	0
TOTAL	<u>\$ 185,215,454</u>	<u>\$ 174,663,751</u>	<u>\$ 0</u>
FTE Positions	208.0	208.0	0.0
Non FTE Uncl. Perm. Pos.	6.5	6.5	0.0
TOTAL	<u>214.5</u>	<u>214.5</u>	<u>0.0</u>

Agency Request

The **Department** requests FY 2007 operating expenditures of \$479,848,041, including \$185,215,454 from the State General Fund. This is an increase of \$35,577,730 from all funding sources or 8.0 percent above the FY 2006 revised estimate. The request includes thirteen enhancement packages totaling \$26,702,951, including \$11,299,940 from the State General Fund. Without the enhancement packages, the Department's request is an increase of \$8,874,779 or 2.0 percent from the FY 2006 revised estimate.

Governor's Recommendation

The **Governor** recommends FY 2007 expenditures of \$451,412,101, including \$174,663,751 from the State General Fund. The recommendation is an increase of \$12,357,762 or 2.8 percent above the FY 2006 recommendation and a decrease of \$28,435,940 or 5.9 percent below the agency's request. The recommendation includes the addition of \$9,080,463, including \$4,811,645 from the State General Fund, in enhancement requests, and the addition of \$221,072, including \$87,576 from the State General Fund, for the 2.5 percent cost of living adjustment for state employees. The recommendation includes the reduction of \$8,593,940, including \$3,215,241 from the State General Fund, from the HCBS/FE waiver, the reduction of \$2,076,984, including \$822,278

from the State General Fund from the PACE program, and the reduction of \$363,600, including \$126,556 from the State General Fund, from Targeted Case Management.

Senate Subcommittee Recommendation

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

1. Review at Omnibus the addition of \$4,127,400, including \$1,627,847 from the State General Fund, to increase Home and Community Based Services for the Frail Elderly (HCBS/FE) waiver provider rates by six percent.
2. Review at Omnibus the addition of \$396,216, including \$156,268 from the State General Fund, to increase Targeted Case Management provider rates by six percent.
3. The Subcommittee notes that payments for individuals in nursing facilities are the largest single item in the agency's budget. Testimony indicated that the cost to provide this service continues to increase, but the number that is being served appears to have plateaued. Overall, the cost for this service is the main cost driver for this budget. Testimony as indicated that the severity level is increasing, as demonstrated by the change in the case mix seen in reimbursements to individual facilities. The Budget Committee notes that the addition of \$8,413,678, including \$4,246,074 from the State General Fund, for the increase in nursing facility expenditures, to reflect the amounts arrived at during the consensus caseload process.
4. The Subcommittee notes its concern that individuals in community settings may not be receiving sufficient assistance to met all of their needs. The Subcommittee received testimony that the average number of hours of service an individual on the HCBS/FE waiver received during FY 2005 was approximately two hours per day. The Subcommittee notes its concern that if needs are not being meet in the community, it may result in additional costs to the state for long term care in nursing facilities.

The Subcommittee was informed that there is currently no waiting list for HCBS/FE waiver service, nor is it anticipated that there will be a waiting list during FY 2007. The Subcommittee notes the addition of \$431,200 from the State General Fund to eliminate the waiting list for the Senior Care Act in FY 2007, and is encouraged that it appears there will not be a waiting list in FY 2007 for the services that this agency provides.

The Subcommittee also notes that at the present time sufficient funding is available for nutrition funding for those in community settings, however, federal funding may be an issue for this program in the future.

5. The Subcommittee commends the Acting Secretary for her hard work during this transition period.

SENATE BILL No. 490

By Committee on Ways and Means

2-1

Senate Ways and Means
2-21-06
Attachment 2

9 AN ACT ~~concerning funding for long-term care home and community~~
10 ~~based services.~~

11
12 *Be it enacted by the Legislature of the State of Kansas:*
13 Section 1. ~~(a)~~ This ~~act~~ shall be known as and may be cited as the
14 Kansas long-term care bill of rights.

15 ~~(b) The Kansas legislature finds and declares that, in keeping with~~
16 ~~the traditional concept of the inherent dignity of the individual in our~~
17 ~~democratic society, that older citizens and those with disabilities are en-~~
18 ~~titled to enjoy health, honor and dignity; that funding for long-term care~~
19 ~~home and community based services is a priority; and that future policy~~
20 ~~development shall be guided by the following principles:~~

21 (1) The state of Kansas shall strive to provide a comprehensive, in-
22 tegrated long-term care system throughout the state that is responsive to
23 the varied long-term care needs of Kansans of any age or economic status;

24 (2) ~~A~~ public policy related to long-term care shall stress individual
25 choice, autonomy, self-determination and privacy;

26 (3) ~~A~~ administration of public programs and services to serve all long-
27 term care populations shall be integrated to ensure better, more coordi-
28 nated policy making, and more efficient service delivery, thus maximizing
29 the appropriate use of state resources;

30 (4) ~~A~~ long-term care system eligibility requirements and provider re-
31 imbursements shall ~~create~~ incentives to expand the most needed services;
32 to serve people in the most appropriate care setting of their choice; and
33 to provide quality care;

34 (5) elderly ~~Kansans and people with disabilities shall~~ receive the nec-
35 essary care and services in the least costly and the least confining setting
36 of choice possible;

37 (6) public funding shall ~~improve~~ access to and information about ~~care~~
38 ~~options other than nursing homes as well as care~~ in the home and
39 community;

40 (7) ~~the~~ expanded and improved home and community based care
41 services shall be developed in a way that supports and complements the
42 services provided by informal caregivers;

43 (8) ~~all Kansans who are elderly or with disabilities, or both, shall have~~

creating the Kansas long-term care bill of rights.
WHEREAS, The Kansas legislature finds and declares that, in
keeping with the traditional concept of the inherent dignity of the individual
in our democratic society, that older and disabled citizens should enjoy their
later years in health, honor and dignity; and
WHEREAS, Funding for long-term care home and community
based services is a priority; and
WHEREAS, Future policy development should be guided by the
principles embodied in the Kansas long-term care bill of rights: *Now,*
therefore,

section

[Delete the numbers and insert lettering; delete the semicolons and insert
periods.]

The

work toward creating

and disabled citizens of Kansas should

work toward improving

all institutional and residential long term care options as well as the full
range of care options

The state of Kansas shall strive to provide to all long-term care consumers

A.

1 access to services through a single point of entry/~~to current descriptive,~~
 2 ~~comparative~~ and cost-related information about their various care options;
 3 (9) ~~A strong reporting requirements to document quality and perform-~~
 4 ~~ance of all providers shall be a foundation of the long-term care service~~
 5 ~~system, and~~
 6 (10) strong consumer protections and adequate public oversight, ad-
 7 vocacy and enforcement shall be available for all long-term care
 8 consumers.
 9 Sec. 2. This act shall take effect and be in force from and after its
 10 publication in the statute book.

as well as

relative performance

The foundation of the long-term care service system shall be

and the ability to electronically track people and their care across the entire health care and long-term care systems.

to assist such consumers in receiving appropriate, timely and quality care.

(11) The state of Kansas shall strive to expedite eligibility determination and service delivery to all persons eligible for services.

(12) The department on aging, the department of social and rehabilitation services, the department of administration and the Kansas health policy authority shall meet on a regular and as needed basis with stakeholders and persons representing individuals receiving long-term care services to review the ongoing adequacy and quality of care and services.

(13) Such state agencies shall submit an annual report on the quality, adequacy and costs of all long-term care, as well as specific recommendations and benchmarks for needed reforms, to the governor and the legislature annually, during the first week of the regular session.