Approved: April 3, 2008
Date

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on March 25, 2008, 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
Cody Gorges, Legislative Research Department
Amy Deckard, Legislative Research Department
Audrey Dunkel, Legislative Research Department
Nobuko Folmsbee, Revisor of Statutes
Nikki Feuerborn, Chief of Staff
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:
Representative Jeff Colyer
Representative Kenny Wilk
Trent Sebits, Americans for Prosperity
Dr. Glendon G. Cox, Vice Dean and Senior Associate Dean, Educational and Academic Affairs, University of Kansas School of Medicine
Lana Oleen, Governmental Relations Director, WCGME
Dr. Don Brada, Program Officer, WCGME
Chad Austin, Kansas Hospital Association
Dan Morin, Kansas Medical Society
Ron Hein, Health Care of America

Others attending:
See attached list.

- Attachment 1 — Fiscal note on **HB 2958**
- Attachment 2 — Testimony on **HB 2958** by Representative Colyer
- Attachment 3 — Testimony on **HB 2958** by Trent Sebits
- Attachment 4 — Written Testimony on **HB 2958** by Marlee Carpenter
- Attachment 5 — Fiscal note on **HB 2983**
- Attachment 6 — Testimony on **HB 2983** by Dr. Glendon G. Cox
- Attachment 7 — Testimony on **HB 2983** by Lana Oleen
- Attachment 8 — Testimony on **HB 2983** by Chad Austin
- Attachment 9 — Testimony on **HB 2983** by Dan Morin
- Attachment 10 — Testimony on **HB 2983** by Ron Hein
- Attachment 11 — Written testimony on **HB 2983** by Carolyn Gaughn, Executive Director, Kansas Academy of Family Physicians
- Attachment 12 — Written testimony on **HB 2983** by Reginald L. Robinson, President and CEO, Kansas Board of Regents
- Attachment 13 — Budget Committee Report on **SB 365/HB 2761**

Hearing on HB 2958

Hearing on HB 2958 - State budget, state general fund ending balance requirements, adjustments to approved budget, economic impact statements for proposed legislation.

The fiscal note on **HB 2958** was distributed to the Committee (Attachment 1).

Alan Conroy, Legislative Research Department, explained that **HB 2958** has three parts:
(1) Economic impact statement to be prepared by the director of Legislative Research Department. The economic impact statement would have a broader analysis than a

traditional fiscal note. It would look at economic indicators, such as projections, growth, replacement factors, both short and long-term factors.

(2) Change in the allotment process. **HB 2958** would shift the responsible of keeping funds solvent from the Secretary of the Department of Administration to the Governor and the State Finance Council.

(3) Change in the ending balance law. **HB 2958** would change the current $100 million ending balance to 3.5 percent of expenditures. Using the 3.5 percent law, currently the ending balance would be approximately $225 million. The ending balance law would not apply if there was a one-time federal legislation such as the current economic stimulus or use of State General Fund (SGF) from a federal declared disaster.

The bill would create sufficient changes in the duties of the Legislative Research Department.

Representative Colyer presented testimony in support of **HB 2958** (Attachment 2). Representative Colyer stated that the legislation is directed at issues that he felt needed to be addressed, mainly, reliable updated fiscal notes, provides an impartial mechanism to analyze the economic impact of major bills and provides for an update on ending balance law - management tools that are vital to the legislative process.

Representative Kenny Wilk presented testimony in support of **HB 2958.** Representative Wilk felt that having updated information on the economic impact of legislation is important information for legislators. Representative Wilk noted that the assistance of Kansas, Inc. should be included in the legislation.

Trent Sebits, Americans For Prosperity, presented testimony in support of **HB 2958** (Attachment 3). Mr. Sebits felt that **HB 2958** would provide for a SGF ending balance that would prevent tax increases when the budget outlook worsens or the economy takes a downturn.

Written testimony in support of **HB 2958** was received from Marlee Carpenter, Vice President of Government Affairs, The Kansas Chamber (Attachment 4).

There were no other proponents or opponents to appear before the Committee.

The hearing on HB 2958 was closed.

Hearing on HB 2983

Hearing on HB 2983 - Physician work force and accreditation task force established, reports to legislature.

The fiscal note on **HB 2983** was distributed to the Committee (Attachment 5).

Audrey Dunkel, Legislative Research Department, explained that **HB 2983** would establish the 12-member physician workforce and accreditation task force. The bill defines how the members are to be appointed. The group is charged with studying and adopting recommendations regarding the physician workforce and accreditation issues at Wichita Center for Graduate Medical Education (WCGME). The bill does not address compensation for task force members or does not specify a required number of meetings to be held.

Dr. Glendon G. Cox, Vice Dean and Senior Associate Dean, Educational and Academic Affairs, University of Kansas School of Medicine, appeared in support of **HB 2983** (Attachment 6). Dr. Cox noted that with a record number of physicians reaching retirement age and the aging of "baby boomers", the need for physicians, not only in Kansas but across the nation, will become critical.

Dr. Cox noted that several different groups are reviewing and addressing the issue of physician

workforce shortage in Kansas and the critical situation in many rural areas of the state. A copy of the executive summary of the report from the Kansas Physician Workforce is attached to Dr. Cox's testimony.

Responding to questions from the Committee, Dr. Cox noted that some of the problems with the WCGME accreditation issue can be attributed to oversight by the University with many of the concerns at the program level. New requirements for accreditation has also contributed to the problem. Dr. Cox felt that WCGME is important in providing a supply of physicians for rural areas of the state. Dr. Cox indicated that if the Wichita school loses it's accreditation, it will be difficult to get the program back.

Representative Colyer presented testimony in support of **HB 2983.** Representative Colyer noted that the shortage goes beyond physicians and includes specialists and nurses.

Lana Oleen, Governmental Relations Director, WCGME, presented testimony neutral on **HB 2983** (Attachment 7). Ms. Oleen noted the importance of WCGME and the critical need for the State's support to maintain the accreditation of the school.

Dr. Don Brada, Program Officer, WCGME, provided a few words of support for **HB 2983** and noted the critical need for state support at WCGME.

Chad Austin, Vice President, Kansas Hospital Association, provided testimony neutral on **HB 2983** (Attachment 8).

Dan Morin, Director of Government Affairs, Kansas Medical Society, provided neutral on **HB 2983** (Attachment 9).

Ron Hein, Legislative Counsel, HCA, Inc. provided testimony neutral on **HB 2983** (Attachment 10).

Written testimony in support of **HB 2983** was received from:

Carolyn Gaughn, Executive Director, Kansas Academy of Family Physicians (Attachment 11).

Reginald L. Robinson, President and CEO, Kansas Board of Regents (Attachment 12).

There were no other proponents or opponents on **HB 2983.**

Budget Committee Report on SB 365/HB 2761

Representative Bethell, Chair of the Social Services Budget Committee, presented the Budget Committee report on **HB 2761**, recommending that the contents of **SB 365** be removed and replaced with the contents of **HB 2761** as amended by the Budget Committee (Attachment 13). The motion was seconded by Representative Ballard.

Representative Bethell made a substitute motion to amend **House Substitute for SB 365** by replacing language in New Section 1 (d) reading "Except as provided for the original chairperson and vice-chairperson, the members of the joint committee shall elect annually a chairperson and vice-chairperson for the joint committee from among its members alternately from both chambers and the ranking minority member shall be from the same chamber as the chairperson" and replace with "The chairperson and vice-chairperson shall alternate annually between the appointee of the speaker of the House and the appointee of the president of the Senate". The motion was seconded by Representative Ballard. Motion carried.

Representative Bethell made a motion to adopt the Budget Committee report on **HB 2761** and **SB 365** and recommend **House Substitute for SB 365** favorably for passage as amended. The motion was seconded by Representative Ballard. Motion carried.

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 25, 2008, in Room 514-S of the Capitol.

Adjournment

The meeting was adjourned at 10:40 a.m. The next meeting of the Committee will be held at 9:00 a.m. on March 26, 2008.

Sharon Schwartz, Chair

House Appropriations Committee
March 25, 2008
9:00 A.M.

NAME	REPRESENTING
Kathy Cameron	KU
Chad Austin	KHA
Glendon Cox	KU SOM
MARK BOZAN yak	CAPITOL STRATEGIES
Robin Clamits	Child Welfare Coalition
Dan Morin	KMS
Cookie Wellshear	KAPP

KANSAS
DIVISION OF THE BUDGET

Kathleen Sebelius, Governor
Duane A. Goossen, Director

http://budget.ks.gov

March 18, 2008

The Honorable Sharon Schwartz, Chairperson
House Committee on Appropriations
Statehouse, Room 517-S
Topeka, Kansas 66612

Dear Representative Schwartz:

SUBJECT: Fiscal Note for HB 2958 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2958 is respectfully submitted to your committee.

HB 2958 would place new responsibilities with the Legislative Research Department. The bill would require the Director of Legislative Research to prepare an economic impact statement for any bill or other matter under legislative consideration upon the request of certain legislative leaders, including the chairperson of the committees responsible for appropriations or taxation.

HB 2958 requires the statement to include:

1. The economic impact of the bill on the Kansas economy, all state or local governmental agencies or units and all affected persons, and the general public;

2. A brief description, whether the bill is mandated by federal law as a requirement for participating in or implementing a federally subsidized or assisted program;

3. Whether the bill meets or exceeds the federal legal requirements;

4. A description of the bill's cost estimate, the persons who will bear the costs and those will be affected by the bill, including the agency that will administer or be most directly affected by the bill; and

5. Economic analyses of the bill's effects on significant economic indicators, including projected growth and inflation factors in the short-term and long-term, in conjunction with the characteristics of current economic factors that are significant in the Kansas economy, and the impact of selected economic indicators that are specified in the request.

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e-mail: duane.goossen@budget.ks.gov

The Director of Legislative Research would be directed to exercise informed, independent professional judgment and would have the assistance of qualified professional staff to prepare the economic impact statements. Dynamic scoring techniques may be used to assist in the preparation of the economic impact statements and the Director may consult with other state agencies, cities, school districts or other local governmental agencies when preparing the economic statement.

The Director may request assistance from the Secretary of Revenue, Director of the Budget, and any other state officer or employee. State agencies are directed to cooperate with the Director's request. The Director would also review and prepare an update for each fiscal note prepared by the Division of the Budget for a bill which has changes recommended or adopted. Such updated fiscal note would be requested by legislative leadership and made available upon request. Agencies, including the Division of the Budget and Department of Revenue, are directed to cooperate.

HB 2958 would also change the allotment process for the State General Fund so that the Governor, on advice of the Director of the Budget, and with State Finance Council's approval, may impose an allotment system to limit expenditures within estimated resources. Current law has the Secretary of Administration imposing the allotment system, with Finance Council approval.

Current law permits imposition of across the board reductions when the Director of the Budget certifies the ending balance in the State General Fund is projected to be less than $100.0 million. HB 2958 would change the $100.0 million threshold to 3.5 percent of the total amount of expenditures and demand transfers, except in years when there is a loss of tax revenues caused by temporary, one-time federal tax changes. The effect of the federal tax changes would be estimated by the Director of the Budget and the Director of Legislative Research who would prepare a joint estimate of lost State General Fund revenue for the current year. The amount of this revenue loss would be excluded when calculating the 3.5 percent threshold.

Similarly, in any fiscal year when expenditures are made from the State General Fund for disasters or emergencies that receive a federal disaster declaration designation would be excluded from the determination of whether the ending balance is 3.5 percent or less of expenditures.

Estimated State Fiscal Effect				
	FY 2008 SGF	FY 2008 All Funds	FY 2009 SGF	FY 2009 All Funds
Revenue	--	--	--	--
Expenditure	--	--	$798,859	$798,859
FTE Pos.	--	--	--	10.00

The Legislative Research Department estimates that the passage of HB 2958 would result in additional costs totaling $798,859, all from the State General Fund, for FY 2009. Of this amount, $636,859 would be for salaries and fringe benefits for 10.00 new FTE positions, including 1.00 Economist, 2.00 Senior Research Analysts, 2.00 mid-level Research Analysts, 3.00 entry-level Research Analysts, 1.00 Information Management Support position, and 1.00 clerical support position. The remaining $162,000 would be for an economic model, data sets, continuing education, travel and subsistence, office supplies, and incidental expenses in support of the additional positions.

The fiscal effect assumes that most bills assigned to the appropriation and taxation committees as well as those relating to education, economic development, health care, insurance, labor and employment, liquor, social welfare, and transportation would require an economic impact statement, both as introduced and as amended. Further assumptions include the expectation that analysis would involve more than just economics, such as familiarity with federal law; expertise would be needed in a number of subject areas; sophisticated economic modeling would be required; a comprehensive knowledge of the Kansas economy would need to be established; significant data gathering from other agencies would have to be undertaken; and KLRD would publish the impact statements the same way that supplemental bill notes and conference committee report briefs are. Finally, KLRD indicates that some activities currently performed by the Department would have to be reduced or terminated in order to re-direct resources to the preparation of economic impact statements. Any fiscal effect resulting from enactment of HB 2958 is not accounted for in *The FY 2009 Governor's Budget Report.*

Sincerely,

Duane A. Goossen

Duane A. Goossen
Director of the Budget

cc: Alan Conroy, KLRD

Corrected Version
Testimony in Support of HB2958
Rep. Jeff Colyer
Overland Park, Kansas

March 25th, 2008

It is an honor and a privilege to visit with you, Chairwoman Schwartz and the members of the Appropriations Committee regarding a bill that would bring stronger fiscal management of the Kansas Budget. Last year House leaders agreed we need to get better economic and budget information into the legislative process. This reflects the discussion of many members of the House. Most importantly it begins to bring additional management tools necessary to a complex budget of more than $12 billion.

It has become obvious to many chairmen and legislators that we have four issues that need to be addressed:

1) We can not reliably update fiscal notes once legislation is significantly changed from the original;

2) When legislators are in the revisors office writing legislation they have very limited fiscal information until once the bill is in committee;

3) We do not have an impartial mechanism to analyze the economic impact of major bills; and

4) Our ending balances law has not been updated in decades and as configured forces may force draconian cuts across the board rather than a flexible way to deal with required allotments. Under current law temporary federal tax rebates and one time natural disasters could force across the board cuts.

Without these vital tools and information, we do not have the complete management tools necessary to run a modern $12 billion budget. We have an excellent professional research staff who if strengthened would improve our management of the taxpayers dollars. We put in excellent efforts to understand the impact of our laws, but everyday we have seen an instance where information has been inadequate.

We must act this year or else we will continue to have inadequate information and we may see a budget crisis in that may trigger many unpleasant consequences.

HB 2958 does four things:

1) Instructs Legislative Research to provide a reliable economic impact statement on major bills
2) Instructs Legislative Research to work with the Division of the Budget to update fiscal notes when appropriate on major bills
3) Updates the $100million ending balances requirement (which used to be equal to 5%) to 3.5%. Temporary items such as disasters would not necessarily force across the board cuts.
4) If cuts are required by law, then the Governor with the approval of the State Finance Council may order flexible reductions rather than across the board cuts.

There is a minor drafting amendment that I would ask the Committee to consider which would allow Legislative research to use widely accepted econometric models and software. This language can be provided at an appropriate time.

Thank you.

AFP AMERICANS FOR PROSPERITY
KANSAS

HB 2958
Testimony in support

I am Trent Sebits, Policy Director at Americans for Prosperity – Kansas and I rise in support of HB 2958.

- In FY 2007, SGF ending balance was $935 million which was 16.7% of expenditures.
- In just one year, the ending balance was taken down to about $500 million in FY 2008, which represented the largest one year deficit spending in our states history.
- According to the Governor's FY 2009 Budget Overview, the ending balance will be drawn down another $218 million to $317 million if her 4.6% SGF spending increase is passed.
- What if revenues begin to come up short in these difficult economic times? It would be easy for the ending balance to be drawn down to zero very quickly if action, such as the measures in this bill, are not taken.
- We believe that the measures found in this bill will help curb the calls for tax increases when the budget outlook inevitably worsens, as they did in FY 2002.
- We also believe that the measures in this bill could be a first step in ultimately leading to a much needed Budget Stabilization Fund.

Budget Stabilization Fund

- The principle of a budget stabilization fund is that a state government saves money in prosperous years for use during a recession or down-turn years in tax revenue.
- Budget stabilization funds or rainy day funds as they are often are called, are common in most states. Only Arkansas, Colorado, Illinois, Kansas and Montana operate without such fund.
- Building reserves during times of tax revenue increases are crucial to weathering the next drop in state revenue. Building reserves takes time but states that have disciplined themselves into doing so will greatly help avoid tax increases or program cuts in the future.
    - FY 2005 Budget Stabilization Fund* (Surrounding States / Plain States)
        - Nebraska $177 million**
        - Missouri $463 million**
        - Oklahoma $416 million**
        - Iowa $226 million**
        - South Dakota $136 million**
        - Kansas / Colorado $0**

      *Source: National Association of State Budget Officers, Fiscal Survey 2005.
      ** Does not include states ending balance requirement.
    - FY 2005, Total Budget Stabilization Fund Balance for all states
        - $12 Billion Dollars

- Reserve funds helped states during the most recent fiscal down-turn (starting in 2001).

  The primary reason reserve funds played an important role in balancing state budgets is that states did a better job of saving during the most recent fiscal crisis than they did in the previc early 1990's. In fact, state balances stood at 10.4 % of 2000 and only 4.8% in the early 1990's.

HOUSE APPROPRIATIONS
DATE 3-25-2008
ATTACHMENT 3

Legislative Testimony

HB 2958

March 25, 2008

Testimony before the Kansas House Appropriations Committee
By Marlee Carpenter, Vice President of Government Affairs

Chairman Schwartz and members of the committee;

The Kansas Chamber of Commerce supports HB 2958 and the positive impact it will have on the legislative process. HB 2958 would require economic impact statements for legislation and updated fiscal notes. The Chamber is encouraged by HB 2958 because it will allow legislators to fully understand the costs associated with legislation as well as its positive impact on the state budget and businesses in Kansas.

The positive impact of a legislative change is very important. While the legislative measure may cause a reduction in taxes, the economic activity created by the tax reduction may exceed the taxes lost. The current fiscal note only shows one side of the impact a piece of legislation may create. We believe that this is critical as we work to improve Kansas, attract jobs and incent investment in the state.

There are several other states that require an economic impact statement for legislation. Florida statutes require the governor to include for the appropriate committees an economic impact statement, staff analyses and support materials when he submits his recommended budget and revenue proposals to the legislature.

In Louisiana, House Rule No. 7. 17 allows a member who sponsors a bill with a fiscal impact of $5 million or more that creates or repeals a specific program to encourage or discourage economic activity in a specific business or industry to request an economic impact statement from the Legislative Fiscal Office.

Texas law requires a state agency to prepare an economic impact statement for any pending bill or resolution affecting the agency, upon the request of the lieutenant governor or House speaker In addition to a description of the proposal, the statement must include the manner and extent to which it will directly or indirectly affect the agency over next two years.

Missouri law requires the fiscal note on bills to include whether or not proposed legislation will have an economic impact on small businesses only. Several states, including Hawaii, Montana, and Virginia, require an economic impact analysis for proposed agency regulations.

Again, the Chamber is supportive of HB 2958. Thank you for your time and I would be glad to answer any questions.

THE KANSAS CHAMBER

Kansas Chamber, with headquarters in Topeka, is the leading statewide pro-business advocacy group moving Kansas towards becoming the best state in America to live and work. The Chamber represents small, medium and large employers all across Kansas.

835 SW Topeka Blvd. **Topeka, KS** 66612 785.357.6321

HOUSE APPROPRIATIONS
DATE 3-25-2008
ATTACHMENT 4

KANSAS
DIVISION OF THE BUDGET

Kathleen Sebelius, Governor
Duane A. Goossen, Director

http://budget.ks.gov

March 25, 2008

The Honorable Sharon Schwartz, Chairperson
House Committee on Appropriations
Statehouse, Room 517-S
Topeka, Kansas 66612

Dear Representative Schwartz:

SUBJECT: Fiscal Note for HB 2983 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2983 is respectfully submitted to your committee.

HB 2983 would establish the 12-member Physician Workforce and Accreditation Task Force. The bill defines how the members are to be appointed. The group would study and adopt recommendations regarding the physician work force and accreditation issues at the Wichita Center for Graduate Medical Education (WCGME), including:

1. How best to maintain accreditation of the program while maintaining the existing partnerships with Via Christi Regional Medical Center and Wesley Medical Center;
2. Recommendations for the necessary and appropriate level of funding for the WCGME program;
3. Alternative means of obtaining funding; and
4. A business plan.

The task force would report its findings and recommendations to the Senate Committee on Way and Means and the House Committee on Appropriations before the 2009 Legislative Session. The Task Force would be staffed, on its request, by the Revisor of Statutes, Legislative Research, and Legislative Administrative Services. If passed, HB 2983 would take effect after its publication in the *Kansas Register*.

HB 2983 is silent as to the compensation for Task Force members, so for the purposes of this fiscal note, the assumption is made that only the four legislative members would receive compensation or reimbursement. Included in those cost estimates per meeting is $466 for mileage, $692 per diem, $872 subsistence, $218 travel, and $83 in benefits. Secretarial costs would be $740. The total estimated cost would be $3,071 per meeting a

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e-mail: duane.goossen@budget.ks.gov

Fund. The bill does not specify a required number of meetings to be held. Any fiscal effect resulting from enactment of this bill is not included in *The FY 2009 Governor's Budget Report.*

Sincerely,

Duane A. Goossen
Director of the Budget

cc: Theresa Gordzica, KU
Sharon Schwartz, Legislative Services

Testimony Before the House Committee on Appropriations
Tuesday, March 25, 2008
514 South, Kansas Statehouse

Regarding 2008 House Bill 2983

By Glendon G. Cox, MD, MBA, MHSA
Vice Dean and Senior Associate Dean
Educational and Academic Affairs
University of Kansas School of Medicine

Madam Chair and Members of the Committee:

My name is Glen Cox. I am a radiologist at the University of Kansas Medical Center and I serve as the Vice Dean and Senior Associate Dean for Educational and Academic Affairs at the University of Kansas School of Medicine. I am pleased to be here today at the invitation of the committee to offer my thoughts on House Bill 2983.

First, let me say that I appreciate the time and attention this committee and its leaders have devoted to the issue of physician workforce development. As you know, with a record number of physicians set to retire in the next several decades and with the aging of the baby boomer generation, the need for more physicians in Kansas and in our nation will grow significantly in the coming years. Doctors, however, are not the only health care providers for which a shortage is predicted. You have already taken steps to address the shortage of nurses and this year you are considering steps to enhance the workforce of pharmacists and dentists. Last year you passed legislation to enhance the Kansas Medical Student Loan Program and as a result, more students are now committed to practice in underserved areas of Kansas upon completion of their medical training. As you know, no one solution will be adequate to address the physician and health care professional workforce need. Many strategies will need to be pursued and it is certainly not too early to begin addressing this pressing challenge. But I appreciate the foresight you have demonstrated in considering these issues as a top priority. We know too well that when a Kansas community loses its doctor, life is never the same for those who call that community home—and that is why we work so hard at KU to make sure we are educating doctors for rural Kansas. It's also why we are proud to be ranked as the number one medical school in the U.S. for the training of family physicians.

Over the past two years, I oversaw the development of the Kansas Physician Workforce Report which confirmed that we do, in fact, have a shortage of physicians in Kansas and a critical situation in many of the rural areas of our state. I have distributed with this testimony a copy of the executive summary of our report. I would be pleased to discuss any aspect of that report that interests you at the conclusion of my testimony. A full copy of that report is available online at the KU Medical Center's website at http://www.kumc.edu/som/documents/KansasPhysicianWorkforceReport.pdf.

This year you have been asked to consider appropriating more state funds to support graduate medical education programs offered by the consortium known as the Wichita Center for Graduate Medical Education or WCGME. The University of Kansas School of Medicine-Wichita along with Via Christi Regional Medical Center and Wesley Medical Center work together to provide graduate medical education programs in Wichita and at the Smoky Hill Clinic in Salina. Many of these students choose to remain in Kansas to practice medicine and the graduates of this program are an important element of our school's mission to educate doctors for Kansas—especially primary care physicians such as family medicine doctors.

The community based model that has allowed this consortium to be successful in the past is now under considerable stress. With cutbacks in federal reimbursements, the adverse impact the proliferation of specialty hospitals in Wichita has had on Via Christi and Wesley, and the emergence of expensive, new accreditation requirements, a significant funding gap has emerged that now threatens graduate medical education opportunities in Wichita and Salina.

Our school's Executive Dean, Dr. Barbara Atkinson, M.D., previously briefed this committee on this need earlier this session.

Clearly, all of us at the University of Kansas School of Medicine recognize the viability of the Wichita and Salina-based residencies must be preserved and that is why we have been supportive of WCGME's request.

At the Kansas Board of Regents meeting earlier this month the Board agreed to appoint a task force of board members to study this issue and develop recommendations for future action.

The Governor has included $1 million dollars in her proposed budget to begin to address the WCGME funding gap. While the amount recommended falls far short of addressing the need, we appreciate your consideration of that recommendation and would urge you to maintain that position through conference committee and omnibus action on next year's budget.

As you consider this legislation you should know the Executive Dean of the KU School of Medicine, Dr. Atkinson, and the Dean of the KU School of Medicine-Wichita, Dr. Ed Dismuke, have convened a Kansas Primary Care Collaborative to study a wide array of primary care issues. This group emerged out of the work of several study groups and task forces that came together last year during the Summit on Enhancing Primary Care in Kansas, held in Wichita in October.

The Summit brought together more than 40 participants including leadership from KU Medical Center in Kansas City and the School of Medicine in Wichita, the Wichita Center for Graduate Medical Education, KU Hospital, Via Christi and Wesley Medical Centers, primary care departments and programs in Wichita and Kansas City, physicians

and professional organizations, including the Kansas Academy of Family Physicians, Kansas Association of Osteopathic Medicine, Kansas Medical Society and the Medical Society of Sedgwick County, as well as government agencies including the Kansas Department of Health and Environment and the Kansas Health Policy Authority.

This collaborative is now under the leadership of Dr. Robert Moser, a primary care physician from Tribune, Kansas. I have distributed with this testimony a copy of the charge given to the coordinating committee which I hope will convey to you the scope of their work. A set of specific recommendations for your consideration during the 2009 session should emerge from this group.

I would hope that any action to appoint the task force outlined in House Bill 2983 would not detract from or be viewed as a substitute for the important work of this collaborative and that you would give active consideration to any recommendations that emerge from the work of the collaborative.

The bill before you today would create another group to wrestle with this issue. While I would note that the board of directors of WCGME and the Kansas Board of Regents have not had the opportunity to consider the merits of this bill and therefore I cannot offer a position on the bill, if you were to enact the bill, I do see some value in including legislators among the participants. I believe legislators who participate would better understand the complexities of these issues and be even better prepared to guide policy discussions within the Legislature. I also believe the perspective of legislators participating on the task force would provide valuable insights for the other members of the task force.

I also want to sound a note of caution. The workforce challenges facing our state are much bigger than just addressing the WCGME issue. This bill is very limited in its scope and as such may create only a limited forum for addressing workforce issues. As policy makers I would urge you to take a broad view of the challenges we face and recognize that a holistic approach will be needed to craft solutions to this problem. I would not want any legislator to leave this hearing today with the belief that by passing this bill you have somehow done all that is necessary to address the health care workforce needs of our state.

I would also want to remind the committee that the scope of workforce shortages goes beyond the need for more primary care physicians but includes the need to educate more specialists as well. We have worked hard over the past year and a half to forge agreements with hospitals in the Kansas City area to create up to 200 additional resident slots over the next decade for which no additional state funding will be required. Still, the need for specialized care will grow and the need for specialists will need to grow with it.

I recognize this is a very tight budget year. As legislators you have the difficult task of establishing priorities and then allocating limited funds to address those priorities.

Regardless of how you choose to proceed, I would encourage you to keep the issue of WCGME's viability as a very high priority. Kansans need the doctors trained by this program and this is not the time to allow any aspect of the program to become jeopardized. Our partners at Wesley and Via Christi have invested heavily in the success of these programs and they and the patients they serve have benefited. But, it is simply unrealistic to expect them to continue to fund the shortfalls created by federal policy, market conditions and new accreditation standards. New investments will have to be made or programs and the doctors they train will be lost.

I am willing to work with you and any other group to avoid that result. I appreciate your interest in this issue and would be happy to respond to any questions.

Respectfully submitted,

Glen Cox, MD, MBA, MHSA

6-4

KANSAS PRIMARY CARE COLLABORATIVE

CHARGE TO THE COORDINATING COMMITTEE

December 2007

Using as a foundation the efforts of the Kansas Physician Workforce Advisory Group, Kansas Primary Care Education Enhancement Task Force, Department of Family and Community Medicine at KU School of Medicine-Wichita, the Wichita Center for Graduate Medical Education, and the Wichita-based Medical Education & Research Improvement Task Force -- and building upon the work completed at the October 25 & 26 *Summit on Enhancing Primary Care for Kansas*:

1. Develop a clear and compelling vision statement that captures the key elements of the above referenced initiatives and can serve as a unifying focal point for future efforts to enhance primary care for Kansas.

2. Define the goals and objectives that should guide a statewide primary care enhancement initiative, being as specific as possible about the desired outcomes of the effort.

3. Develop a consolidated "environmental overview" that a) draws upon the best available data on both workforce trends and projected population demographics, and b) makes clear the nature of the physician workforce challenge that will confront the State of Kansas in the coming decades if no action is taken to influence current trends.

4. Develop a communication/education plan that packages the environmental overview in a fashion that can be readily understood by legislators, the statewide business community, and the lay public.

5. Integrate the reports of the previously convened task forces/work groups and prepare a set of consensus recommendations that can form the basis for the creation of focused implementation plans.

6. Using the consensus recommendations as the starting point, establish a prioritized list of initiatives that would best meet the goals and objectives identified in response to the second element of your charge.

7. Make recommendations to the Deans of the KU School of Medicine campuses in Kansas City and Wichita on the membership and charges to the "action teams" that would oversee implementation of the highest-priority initiatives identified by the Coordinating Committee.

8. Serve as a continuing liaison to the Deans of the KU School of Medicine campuses in Kansas City and Wichita, as well as to other key stakeholder groups, to assure that the interests of primary care are kept at the forefront of strategic planning and policy-making efforts.

Executive Summary

Introduction

In early 2005, the University of Kansas School of Medicine (KUSOM) was approached by representatives of the Kansas Academy of Family Physicians (KAFP) to discuss Kansas' future primary care physician workforce. The School had been considering studies by the American Association of Medical Colleges (AAMC) and the Council on Graduate Medical Education (COGME) calling for increases in medical school class size and graduate medical education (residencies and fellowships). Representatives of the Kansas Department of Health and Environment (KDHE) had also been in contact with the School concerning the availability of physicians and access to health care across the state. In response to these common concerns, KUSOM, KAFP, and KDHE jointly convened a group of researchers and policymakers to:

> "Improve understanding of current and future health professions workforce needs in the state of Kansas and to identify the determinants of professional practice patterns in an effort to enhance strategic planning and advance population health."

With funding from the KDHE Office of Local and Rural Health, Office of Primary Care, the initial meeting of the Workforce Advisory Board was held in the Fall of 2005. Over a twelve month period, a statewide team with representatives from public institutions, professional organizations, and private industry met to determine the best approach for addressing this complex goal. This report captures these efforts.

Overview of Physician Workforce Shortage Challenges

The growing aging U.S. population as well as the expansion of demand for physician services in recent years has led several major organizations, including the Association of American Medical Colleges (AAMC) and the Accreditation Council for Graduate Medical Education (ACGME) to call for expansions in U.S. medical education programs over the next two decades. The AAMC has issued recommendations on the primary items to be considered in regional workforce analyses, including:

- A profile of the state's physician workforce
- A profile of medical education and training in the state
- A demographic analysis of the state's population
- Forecasts of future physician supply and demand in the state

The results from these analyses help state policy makers to identify and understand the issues surrounding the state's physician supply and demand, assess the magnitude of problems and timeframe within which they need to be addressed, and prescribe effective policy measures to address them.

This report describes efforts within the State of Kansas to follow the recommendations and guidance of the AAMC and evaluate the state's physician workforce by organizing a group of stakeholders to track and assist in the analysis effort.

Primary Study Findings

- Taken as a whole, the state of Kansas is currently below the National Average for physicians per 100,000 population.
- In addition, Kansas has a mal-distribution of physicians reflected by low physician-per-100,000 ratios in five of its six major geographic regions, with under service prominent in rural regions, especially the Southeastern and Southwestern regions.
- This mal-distribution cannot be addressed without attention to Primary Care workforce development. The most underserved rural and urban areas require and are likely to be best served by Primary Care physicians (Family Medicine, General Internal Medicine, and Pediatrics).
- While the state's physician supply will increase over the next two decades, Kansas will likely remain behind most other states due to physician demand trends and increased rates of out-migration of medical school graduates, interns, and residents as a result of expansion of practice opportunities and educational programs in geographically contiguous states and nationwide.

Limitations of the Study

While the Workforce Advisory Board and the Analysis Group made every attempt to be comprehensive in the analyses described in this report, there are several significant limitations to findings and recommendations.

- The existing physician practice demographics data obtained during the annual re-licensure of Kansas' physicians and the practitioner databases maintained by various state agencies, primarily the Kansas Board of Healing Arts, are for the purposes of this work incomplete.
- The current study does not take into account the impact on the future of the Kansas physician workforce that may be seen as a result of changes in the educational programs and the physician practice patterns in contiguous states and the region as a whole.
- The current study focuses only on the "supply side" of the physician workforce equation -- while models that attempt to predict future demand for physicians are being developed, these models have not as yet been validated for the state of Kansas and they have not been considered in the preparation of this report.
- Lacking consensus on the appropriate physician-per-100,000-population ratios for primary care and specialist physicians, the study assumes that policies should aim to provide ratios for the state as a whole that are no less than the national ratios.

Primary Advisory Board Recommendations

The State of Kansas should:

- Increase the number of Graduate Medical Education (GME) opportunities, i.e. residency or fellowship positions, available in the state
- Create a Primary Care Education Enhancement Task Force to make recommendations to maintain and enhance the school's tradition of education for primary care careers
- Locate GME programs and positions in underserved and rural geographic regions to enhance recruitment to and retention in practice
- Increase the size of the Undergraduate Medical Education (medical student) program and explore methods to allow students to spend significant amounts of time in underserved and rural areas
- Improve the stipend and benefits available to GME trainees
  - Increase GME stipends (salaries) to the mean value for the region as determined by from the AAMC survey of GME programs
  - Create a system of supplemental payments or premiums for certain programs, particularly primary care to assure that these programs fill
  - Engage state policy making bodies such as the Kansas Health Policy Authority Board to review/recommend improvements in GME support in Wichita, Kansas City, and throughout the state
- Increase incentives and stipends for UME and GME trainees, J-1 participants and other physicians to maximize retention of those who desire to practice in rural and underserved regions
  - Emphasize stipend and incentive increases for Primary Care and Rural programs (e.g. Scholars in Rural Health, Kansas Medical Loan Program, Bridging Program, and Rural Track Residency programs such as Smokey Hill and Junction City)
  - Create new programs to reduce educational debt and improve incomes
  - Devote resources to preserving programs targeted at recruitment and retention of minority students, residents and faculty (such as those previously funded under Title VII)
- Adjust UME and GME selection and admission criteria to influence eventual physician retention and distribu tion patterns (e.g. more recruitment, admission, and support of geographically, ethnically, and socio-economi cally varied students/trainees)
  - Complete analysis of admissions, KMSL, GME and other program data to identify characteristics associated with eventual Kansas and rural Kansas practice
- Mandate electronic re-licensure survey completion by all physicians using the Kansas Board of Healing Arts system
  - Create similar mandates and data coordination across agencies for mid-level providers (physician assistants, nurse practitioners, mid-wives, nurses)
- Support ongoing collection, monitoring and analysis of provider workforce data, on a two-year cycle
  - Identify and empower an appropriate agency or organization to oversee this scheduled activity (e.g. Kansas Health Policy Authority)
  - Where possible, coordinate data collection with the recommended mandatory electronic re-licensure survey
  - Obtain practitioner, hospital, practice group, and healthcare organization data on planned and current recruitment/hiring activities

Rationales Supporting the Primary Recommendations

One of the principal determinants of location of practice for newly trained physicians is the location of their residency and fellowship training programs. The state's current GME ratio deficits pose a risk to workforce development. Physicians in Kansas are more likely to have attended in-state medical schools than physicians in other states (31% vs. 29% nationally) and 55% of KU School of Medicine (KUSOM) graduates say they plan to practice in Kansas at time of graduation. Unfortunately, licensed Kansas physicians are less likely than the national average to have completed GME training in-state (37% vs. 45% nationally).

Decades of studies have shown that GME graduates are most likely to practice within short geographic distances from the site of their GME training. Thus, increased size and/or geographically redistributed GME training programs should be seriously considered. Furthermore, as compared to their national peers, a higher proportion of KUSOM graduates express an intention to practice in rural or underserved communities. Therefore, expanding the GME position numbers, enhancing stipends, locating new and more attractive GME positions closer to rural and underserved communities, and/or use of monetary incentives and repayment programs for residents, might retain more KUSOM students and eventually result in improved supply ratios.

The findings of this report support continued action by Kansas governmental and legislative authorities and the hospitals in the state to build incentives for GME retention of KU SOM graduates. Unfortunately, such program development is especially needed in the primary care training programs. In Wichita, increasing stipends and benefits is the primary concern, since a number of programs are having some difficulty in recruiting the best candidates at the current levels of resident compensation.

Increasing medical school class size should be a leading consideration. Since many schools across the country are planning expansions in reaction to projected future shortfalls, the Kansas student cohort may require expansion to keep up. Because the current ratio of admissions to applicants at KUSOM is relatively low despite a relatively large class size, there seems to be an adequate supply of candidates to fill a significantly expanded class. However, should nearby regional medical schools increase class sizes, absent a corresponding increase in the size of the KUSOM class, native Kansans might elect to pursue medical education outside the state, reducing the size and quality of the pool of students available for admission to KUSOM. If increasing UME is a near-term consideration, resources will be needed to provide the infrastructure and faculty necessary to accommodate more students. Among the resources to be considered, is the ready availability of GME opportunities in the state.

While many medical school graduates view the transition to GME as an opportunity to train in new venues, a significant number of students, particularly those with strong social and cultural ties in the state where their medical school is located, desire to remain at their "home school" for their graduate training. Thus, if physician retention is a goal, an increase in UME class size should be accompanied with a parallel increase in GME program size. Furthermore, an increase in UME class size absent increased GME opportunities likely will exacerbate the state's status as a net exporter of newly graduated physicians. Finally, with further study it may be possible to identify additional characteristics of candidates for admission to the UME and GME programs that predict increased likelihood of remaining in the state and/or inclination to serve in rural or underserved areas and to select for these characteristics.

Given the current retention statistics over four- and five-year time periods, the proposed expansions of the UME and GME programs alone would have only a minimal impact on the problem of physician mal-distribution within the state. The regional deficits must be addressed by policy initiatives and programs that are beyond the domain of educational programs and institutions. Policy initiatives will need to be multi-faceted and include collaborative planning across stakeholders and institutions.

Final report recommendations deal with future workforce tracking and projections. This report was limited by the reporting bias inherent to the "voluntary" Kansas State Board of Healing Arts licensure survey. In addition to the poor survey response rates resulting from a "voluntary" physician survey, there are problems related to "physician-in-training" and "primary practice location" classification which have influenced all of the findings within this report.

Because of these limitations, the Kansas Physician Workforce Advisory Board suggests that The Kansas Health Policy Authority Board consider mandating electronic Board of Healing Arts annual licensure renewal survey completion for physicians of all specialties. To address the existing biases and response deficits related to the current survey methodology, questions should be added to obtain complete physician residency data. Similar mandates must be put in place for the Board of Nursing Arts so that all health care providers may be accounted for in future workforce analysis and planning.

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WICHITA CENTER FOR
GRADUATE
MEDICAL
EDUCATION

March 25, 2008

Chairman Schwartz and Members of the
Kansas House of Representatives Appropriations Committee:

Thank you for the opportunity to offer some comments that are relative to House Bill 2489, which was printed and referred to your committee yesterday. I am Lana Oleen, and I have the privilege of serving as the governmental relations director for the Wichita Center for Graduate Medical Education (WCGME). Doctor Don Brada, program officer for WCGME, made changes to his calendar yesterday so that he could join us in this hearing.

As you are aware, WCGME is the non-profit entity that was created by the Kansas Legislature to coordinate the 15 medical residency programs for graduate medical education (GME) in Wichita and Salina.

I communicated by telephone and e-mail yesterday with the WCGME Executive Director, Penny Vogelsang, to apprise her of the hearing today, and she wanted the committee to know that the WCGME Executive Committee has a regularly-scheduled meeting tomorrow and a regularly-scheduled WCGME Board Meeting on April 15, 2008, where they will discuss and take a formal position on this piece of legislation. Consequently, my remarks on their behalf will be general in content today.

The recognition (by this bill's introduction) that WCGME is vital to helping meet the demands of our physician workforce in Kansas is laudable; yet, it does not quell the action needed this session.

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We can no longer assume that the two community-based hospitals in Wichita will continue to bear the burden for our GME. Their patients...and their patience...have been stretched with their resources which now have been affected by new accreditation standards, federal reimbursement changes and medical rotation costs.

The current contract for the consortium of WCGME is in effect until July 1, 2008...and business decisions that affect these hospitals can certainly affect the continuance of our state's resident physician programs. We, as a state, are at a critical juncture.

I am hopeful that this committee recognizes that a task force which would seek to address the long-term planning and a multi-year revenue approach of GME in our state is a wise stategy, yet it does not replace the funding needed this year.

The two community-based hospitals in Wichita work with our resident physicians in order to provide health care for many parts of Kansas. The WCGME programs currently provide part-time medical care for 48 Kansas communities and the citizens who live near them.

WCGME-administered programs have graduates who are medical doctors delivering health care in 103 Kansas communites. The need to keep physicians in Kansas for Kansans is essential and the short-term and long-term strategies should both be done.

Respectfully submitted,

Lana Oleen

Lana Oleen

WICHITA CENTER FOR
GRADUATE
MEDICAL
EDUCATION

BETWEEN 2004-2008 THESE KANSAS COMMUNITIES HAVE HAD PART-TIME HEALTH CARE PROVIDED BY RESIDENT PHYSICIANS WHO ARE TRAINING AT THE WICHITA CENTER FOR GRADUATE MEDICAL EDUCATION (WCGME)

Anthony
Arkansas City
Ashland
Atwood
Belleville
Clay Center
Coffeyville
Colby
Concordia
Council Grove
Derby
El Dorado
Ellsworth
Eureka
Harper
Hays
Hillsboro
Holton
Hoxie
Lakin
Lincoln
Lindsborg
Lyons
Manhattan
Marion
McPherson
Meade
Medicine Lodge
Minneapolis
Moundridge
Nemaha Valley
Ness City
Norton
Oakley
Onaga
Osborne
Parsons
Phillipsburg
Plainville
Pratt
Rawlins County
Rice County
Salina
Seneca
Smith Center
St. Francis
WaKeeney
Wellington

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CURRENT MEDICAL DOCTORS WHO HAVE GRADUATED FROM WCGME ADMINISTERED PROGRAMS: THEY LIVE, WORK AND PROVIDE HEALTHCARE THROUGHOUT KANASAS

City	County
Abilene	Dickinson
Alma	Wabaunsee
Altamont	Labette
Andale	Sedgwick
Andover	Butler
Arkansas City	Cowley
Atchison	Atchison
Augusta	Butler
Baileyville	Nemaha
Baldwin City	Douglas
Baxter Springs	Cherokee
Belleville	Republic
Beloit	Mitchell
Bennington	Ottawa
Burdick	Morris
Burlington	Coffey
Chanute	Neosho
Clay Center	Clay
Coffeyville	Montgomery
Colby	Thomas
Concordia	Cloud
Council Grove	Morris
Derby	Sedgwick
Dodge City	Ford
El Dorado	Butler
Emporia	Lyon
Eureka	Greenwood
Fort Scott	Bourbon
Garden City	Finney
Girard	Crawford
Goodland	Sherman
Great Bend	Barton
Hays	Ellis
Herington	Dickinson
Hesston	Harvey
Hiawatha	Brown
Holcomb	Finney

City	County
Holton	Jackson
Hugoton	Stevens
Hutchinson	Reno
Independence	Montgomery
Ingalls	Gray
Junction City	Geary
Kansas City	Wyandotte
Kingman	Kingman
Kiowa	Barber
Lakin	Kearny
Larned	Pawnee
Lawrence	Douglas
Leawood	Johnson
Lenexa	Johnson
Liberal	Seward
Lindsborg	McPherson
Manhattan	Riley
Marion	Marion
McPherson	McPherson
Meade	Meade
Minneapolis	Ottawa
Minneola	Clark
Mission	Johnson
Moundridge	McPherson
Mulvane	Sumner
Neodesha	Wilson
Ness City	Ness
Newton	Harvey
North Newton	Harvey
Oakley	Logan
Olathe	Johnson
Onaga	Pottawatomie
Osawatomie	Miami
Overland Park	Johnson
Parsons	Labette
Peabody	Marion
Phillipsburg	Phillips

City	County
Pittsburg	Crawford
Prairie Village	Johnson
Pratt	Pratt
Quinter	Gove
Rose Hill	Butler
Russell	Russell
Sabetha	Nemaha
Salina	Saline
Scott City	Scott
Sedan	Chautauqua
Seneca	Nemaha
Shawnee	Shawnee
Shawnee Mission	Johnson
Silver Lake	Shawnee
Smith Center	Smith
Soldier	Jackson
St. Francis	Cheyenne
Sterling	Rice
Stilwell	Johnson
Topeka	Shawnee
Tribune	Greeley
Udall	Cowley
Ulysses	Grant
Valley Center	Sedgwick
WaKeeney	Trego
Wamego	Pottawatomie
Wellington	Sumner
Wichita	Sedgwick
Winfield	Cowley

KANSAS HOSPITAL ASSOCIATION

Thomas L. Bell
President

TO: House Appropriations Committee

FROM: Chad Austin
Vice President, Government Relations

DATE: March 25, 2008

SUBJECT: House Bill 2983

The Kansas Hospital Association appreciates the opportunity to provide comments on House Bill 2983. This legislation would establish the physician workforce and accreditation task force.

Kansas is facing a shortage of the individuals most important to a strong healthcare system — physicians, nurses and other allied practitioners. As reported in 2007 by the U.S. Department of Health and Human Services, more than 80 Kansas counties are designated with some type of health professional shortage area. Kansas averages 203 physicians per 100,000 population compared to a national average of 245. Accordingly, hospitals from all parts of the state continually report difficulty in recruiting and retaining physicians and other health care professionals. HB 2983 would provide assistance in crafting a long-term strategy for addressing the physician workforce and accreditation issues in the State of Kansas.

Unfortunately, Kansas is experiencing a current crisis that is not immediately addressed by HB 2983. Due to changes to national accreditation standards and decreased Medicare graduate medical education funding, several challenges now present itself to the Wichita Center for Graduate Medical Education (WCGME) program. The WCGME program is a not-for-profit 501(c)3 corporation consisting of the University of Kansas School of Medicine – Wichita, Via Christi Regional Medical Center, and Wesley Medical Center. WCGME coordinates residency training for physicians in both Wichita and Salina. These programs have played a pivotal role in the preparation and training of numerous primary care physicians across the entire State of Kansas. A request has been made to the 2008 Legislature to appropriate funds to ensure that the WCGME program has the resources to continue training primary care physicians.

The future responsibility of maintaining an adequate supply of physicians in Kansas should be a responsibility of the entire state. The Wichita Center for Graduate Medical Education deserves the necessary financial support to continue its efforts to train as many physicians as possible for Kansas. Nearly 1,300 residents have graduated from the program in Wichita and Salina since its inception in 1989 and over 50% of the graduates within the past five years have remained in Kansas. It is difficult to imagine the statewide primary care crisis that would develop if the Wichita Center for Graduate Medical Education program was diminished, or worst yet closed.

The Kansas health care system depends on the availability of properly educated and trained physicians. If created, the task force mentioned in HB 2983 must be part of an overall workforce strategy that complements other workforce initiatives that are on-going or being developed. KHA recommends that the House Appropriations Committee consider HB 2983 as a long-term strategy but strongly urge the legislature to provide additional funding now to WCGME to address the immediate graduate medical education crisis.

Thank you for your consideration of our comments.

KANSAS MEDICAL SOCIETY
KMS

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To: House Appropriations Committee

From: Dan Morin
Director of Government Affairs

Date: March 25, 2008

Subject: HB 2983; Concerning the Physician Workforce and Accreditation Task Force

The Kansas Medical Society appreciates the opportunity to submit the following comments on HB 2983, which establishes the Physician Workforce and Accreditation Task Force to study and adopt recommendations regarding physician work force and accreditation issues at the Wichita Center for Graduate Medical Education (WCGME).

While we appreciate and support the goals of HB 2983, we are concerned that it will take the place of necessary funding now needed to continue the quality training programs in Wichita, which prepare many physicians to practice medicine in smaller Kansas towns. Funding is urgently needed to continue educating physicians for Kansas. In fact, WCGME faces a shortfall of $9.6 million this year, approximately 20 percent of its budget. The shortfall could increase to $12.5 million next year. WCGME needs the money for new faculty positions, especially faculty who can provide much needed clinical research for residents and medical students, now required to maintain accreditation. Funding will also be used to increase the number of residency training slots to ensure an adequate supply of physicians needed to care for the health care needs of Kansans. WCGME's record of placing physician graduates in Kansas is exemplary, particularly in the primary care specialties. Over the past five years, for example, nearly two-thirds of its primary care graduates have entered medical practice in the state of Kansas, with many practicing in medically underserved rural areas.

The pressing need for funding is brought on in part by new national accreditation standards requiring WCGME to enhance the level of scholarly and clinical research conducted by faculty members, many of whom are physicians in private medical practices. Additionally, in the past, WCGME has relied heavily on the substantial financial support of its hospital partners, Via Christi Regional Medical Center and Wesley Medical Center, to cover funding shortfalls. However, continuously declining federal financial support for physician training will inevitably hinder such assistance in the future. One million dollars was included in the Governor's budget for WCGME. While we understand there are before you many difficult budget decisions, the Kansas Medical Society respectfully requests the committee to maintain the $1 million inclusion, and wishes to thank committee members for your time and consideration of an increased amount.

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HEIN LAW FIRM, CHARTERED

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Ronald R. Hein
Attorney-at-Law
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House Appropriations Committee
Testimony re: HB 2983
Presented by Ronald R. Hein
on behalf of
HCA, Inc.
March 25, 2008

Madam Chairman, Members of the Committee:

My name is Ron Hein, and I am legislative counsel for HCA, Inc. which is the nation's leading provider of healthcare services, composed of locally managed facilities that include approximately 182 hospitals and 94 outpatient surgery centers. HCA, Inc. is concerned about all issues relating to the health care industry.

HCA is neutral on HB 2983, in light of our inability to ascertain at this time the true intent and purpose of this legislation. If the purpose of the legislation is truly to study graduate medical education in Kansas, then its scope should be expanded to include all GME programs, not just the Wichita Center for Graduate Medical Education (WCGME). If the purpose of the legislation is to study funding for WCGME which is crucial to be obtained this year, then the study may be a story of "too little, too late."

Some business decisions will need to be made by the hospitals in Wichita this year, due to the changes being required of WCGME because of the accreditation issues with which this committee is familiar. Wichita hospitals can recruit physicians without WCGME. The rural areas currently benefitting from WCGME will struggle or do without physicians without WCGME. WCGME funding is not a Wichita issue; it is a state-wide issue, with primary importance to rural communities in the entire state. Funding for WCGME is crucial this year, or the WCGME program will have to be cut so as to ensure that expenses match available revenues.

We would hope that the study called for by HB 2983 will be an adjunct to funding WCGME this year, and that the study will be used to look at additional long term needs, and funding for all GME programs in the state. Such a study could be extremely beneficial for policy makers, in judging what programs can best benefit the state of Kansas as a whole.

Thank you very much for permitting me to testify, and I will be happy to yield to questions.

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KANSAS ACADEMY OF FAMILY PHYSICIANS
CARING FOR KANSANS

March 24, 2008

To: House Appropriations Committee
From: Carolyn Gaughan, CAE, Executive Director
Re: HB 2983

Carolyn Gaughan

Chair woman Schwartz and Members of the House Appropriations Committee:

Thank you for this opportunity to present testimony on behalf of the Kansas Academy of Family Physicians (KAFP), regarding HB 2983. My name is Carolyn Gaughan, and I am the Executive Director of the Kansas Academy of Family Physicians. The roots of family medicine go back to the historical generalist tradition. The specialty is three dimensional, combining knowledge and skill with a unique process. The patient-physician relationship in the context of the family is central to this process and distinguishes family medicine from other specialties. KAFP has more than 1,500 members across the state. The family physicians of the state provide the backbone of primary care in Kansas.

Our members are spread across the state in much the same fashion as the population of Kansas itself. We are the only type of physicians for which this is the case and that's the reason I am submitting this testimony today.

We are very concerned about the work force needs of our state for health care. We have many studies that verify the importance of primary care. I've listed them as references at the end of this material. But in summary they state that the health care provided by a primary care-dominated medical community is of better quality care at a lower cost than the health care provided in sub-specialty dominated medical care.

So at the same time we are getting hard data about the importance of primary care we are also having fewer medical students who select family medicine for their specialty. KU has done well in the past, and has been # 1 in the nation in the AAFP's list of schools whose students select family medicine. But the match last week showed the lowest match rate into family medicine since 1992, the first year for which we've been keeping records. 22 of this year's medical school graduates matched into a family medicine residency program – that is 14% of the class.

If you include general internal medicine and pediatrics in primary care, the numbers are still on dangerous territory for our state's wellbeing. But even including students selecting Internal

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Medicine, Pediatrics and IM-Peds, the total number of students selecting any of these primary care specialties has slipped to dangerously low levels this year. It is 44%. However, many students who select General Internal Medicine and Pediatrics choose to subspecialize after their residency training, and do not practice primary care.

There are many reasons for the decline in student interest in primary care. As you can imagine our Academy is extremely interested in pursuing the reasons. Some of them are based upon the reimbursement level of primary care services vs. specialty procedures, and have their roots in federal decisions. Some of the reasons may deal with the debt level of graduates. Other reasons may have to do with the culture and funding for the various departments of the school of medicine. Whatever the roots, we feel it is extremely important to address the issue head on, and we commend you for your consideration. It is clear that the primary care needs of our state are real and are growing.

We do urge you to include the Smoky Hill Family Medicine Residency Program in the study. It is not clear to me that the way in which it is currently written includes consideration of Smoky Hill. Their program is unequaled in training family physicians for rural Kansas, with an extremely high rate of their graduates staying in rural Kansas.

We are glad you are considering this issue and would be happy to assist in any way we can.

Reference Summaries

Primary care is uniquely positioned as a portal between people and the most costly services of the healthcare system.[1]

Primary care is essential for the effective and efficient functioning of America's health care delivery system. The value of primary care to reduce overall healthcare spending while improving quality and patient outcomes has been consistently proven.[2-7]

The Commonwealth Fund 2006 Health Care Quality Survey [8] finds that when adults have health insurance coverage and a medical home—defined as a health care setting that provides patients with timely, well-organized care, and enhanced access to providers—racial and ethnic disparities in access and quality are reduced or even eliminated. When adults have a medical home, their access to needed care, receipt of routine preventive screenings, and management of chronic conditions improve substantially. The survey found that rates of cholesterol, breast cancer, and prostate screening are higher among adults who receive patient reminders, and that when minority patients have medical homes, they are just as likely as whites to receive these reminders.

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March 25, 2008

Representative Sharon Schwartz, Chair
House Appropriations Committee
Statehouse, Room 517-S
Topeka, KS 66612

Representative Bill Feuerborn, Ranking Member
House Appropriations Committee
Statehouse, Room 322-S
Topeka, KS 66612

Dear Representatives Schwartz and Feuerborn:

On behalf of the Board of Regents, I write to you regarding HB 2983, legislation that would establish a Physician Work Force and Accreditation Task Force.

You may recall that earlier this month you received a letter from me which outlined the Board's recent discussions with the Wichita Center of Graduate Medical Education and the University of Kansas Medical Center (KUMC) and the Board's concerns about the delivery of graduate medical education in Wichita and of statewide physician workforce development issues in general. As the letter indicated, on March 13, the Board unanimously adopted a motion that tasks Board Chair Christine Downey-Schmidt and Board President and CEO Reggie Robinson to convene a working group that will examine some particularly important physician workforce issues, with a particular focus on issues that have emerged in Wichita. Although its composition has not yet been determined, the working group is expected to include representatives from key stakeholder organizations, including, for example, the Board of Regents, KUMC, Via Christie Wichita Health Network, Wesley Medical Center, and others that the Board's Chair and President and CEO will identify. In addition, we would be happy to include Legislators on the working group, and would look forward to consulting with Legislative Leaders regarding those appointments. The working group is expected to make recommendations by January 2009, at the latest, and I anticipate that these recommendations, if they require statutory changes or additional State funding, would then be forwarded to the Legislature for consideration.

At first glance, HB 2983 appears to duplicate efforts that the Board will be undertaking. While we do not believe that HB 2983 is necessary, we will examine ways that this legislation, if enacted, might be complemented by our efforts.

On behalf of the Board, thank you for your interest in this important issue and for your continued support of higher education in Kansas. I have attached a copy of the previously mentioned letter for your reference.

Sincerely,

Reginald L. Robinson
President and CEO

HOUSE APPROPRIATIONS

DATE 3-25-2008
ATTACHMENT 12

KANSAS BOARD OF REGENTS

1000 SW JACKSON • SUITE 520 • TOPEKA, KS 66612-1368

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March 13, 2008

Representative Sharon Schwartz, Chair
House Appropriations Committee
Statehouse, Room 517-S
Topeka, KS 66612

Senator Dwayne Umbarger, Chair
Senate Ways & Means Committee
Statehouse, Room 120-S
Topeka, KS 66612

Dear Representative Schwartz and Senator Umbarger:

On behalf of the Board of Regents, I am contacting you regarding an important issue that your Committee is currently considering. Earlier today the Board engaged in a positive, useful, and informative discussion regarding the Wichita Center of Graduate Medical Education (WCGME) and the delivery of graduate medical education in Wichita. During its discussions, the Board had the opportunity to hear from the University of Kansas Medical Center (KUMC) Executive Vice Chancellor Barbara Atkinson and WCGME leaders -- Ed Dismuke (Dean, KU School of Medicine-Wichita), Hugh Tappan (CEO, Wesley Medical Center), and Laurie Labarca (Interim CEO, Via Christi Wichita Health Network). Penny Vogelsang and Lana Oleen (WCGME's Chief Operating Officer and Governmental Affairs Director, respectively) also participated in the discussion.

The productive discussion of matters related to the partnership between WCGME and the KU School of Medicine-Wichita served to sharpen the Board's already-clear recognition regarding the critically important role that WCGME plays in producing high-quality physicians, particularly family physicians, for the state of Kansas. The discussion also made evident, however, that there are a range of complex issues surrounding our collective effort to ensure that all aspects of the important WCGME/KU School of Medicine-Wichita work is clearly understood and adequately supported. It is also clear to the Board that the WCGME-related issues are part of a broader set of physician workforce development issues. The Board has determined that these complex issues merit further study and examination.

Thus, at the conclusion of its consideration of these issues today, the Board unanimously adopted a motion that tasks Board Chair Christine Downey-Schmidt and Board President and CEO Reggie Robinson to convene a working group that will examine some particularly important physician workforce issues, with a particular focus on issues that have emerged in Wichita. Although its composition has not yet been determined, the working group is expected to include representatives from key stakeholder organizations, including, for example, the Board of Regents, KUMC, Via Christie Wichita Health Network, Wesley Medical Center, and others that the Board's Chair and President and CEO will identify. The working group is expected to make recommendations by January 2009, at the latest, and I anticipate that these recommendations, if

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they require statutory changes or additional State funding, would then be forwarded to the Legislature for consideration.

On behalf of the Board, thank you for your interest in this important issue and for your continued support of higher education in Kansas.

Sincerely,

Reginald L. Robinson
President and CEO

cc: Representative Bill Feuerborn, Ranking Member
House Appropriations Committee

Senator Laura Kelly, Ranking Member
Senate Ways & Means Committee

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SOCIAL SERVICES BUDGET COMMITTEE

House Sub. for SB 365

Representative Bob Bethell, Chair

Representative Pat George

Representative Peggy Mast, Vice-Chair

Representative Tom Hawk

Representative Jerry Henry,
Ranking Minority Member

Representative Dick Kelsey

Representative Barbara Ballard

Representative Marc Rhoades

Representative David Crum

HOUSE APPROPRIATIONS

DATE 3-25-2008
ATTACHMENT 13

The Social Services Budget Committee recommends that the contents of SB 365 be deleted and replaced with the contents of HB 2761, as amended by the Social Services Budget Committee.

The Substitute bill would establish the Home and Community Based Services Oversight Committee, which would be a joint legislative committee comprised of nine members, five from the House of Representative and four from the Senate. Each of the following individuals would appoint a member: Speaker of the House of Representative, Minority Leader of the House of Representative, President of the Senate, Minority Leader of the Senate, Chairperson of the House Appropriations Committee, Ranking Minority Member of the House Appropriations Committee, Chairperson of the Senate Ways and Means Committee, Ranking Minority Member of the Senate Ways and Means Committee, and the Majority Leader of the House of Representative.

The Oversight Committee would meet at least four times per year, with the chairmanship alternating between members of the House of Representatives and the Senate. The chairman for the first year of the Committee would be the member appointed by the Speaker of the House, and alternate each year after. The Committee would review the number of individuals transferred from institutional settings to home and community based settings and the associated funding. The Committee also would review community capacity and ensure adequate progress is occurring for the transfers to occur. The Committee would also review the salaries, benefits, and training of direct care staff. In addition, the Committee would study and determine the possible closure of state long term care facilities based on the success of transfers from institutional settings to home and community based services.

The bill would establish home and community based services savings funds at both the Department of Social and Rehabilitation Services and the Department on Aging, into which all savings resulting from transferring individuals from institutional settings to receiving home and community based services are deposited. These funds would be subject to appropriation. The savings would be the difference between the average cost of institutional care and the cost of providing services to that individual in the community.

The bill would allow the Department on Aging and the Department of Social and Rehabilitation Services to borrow moneys from the Pooled Money Investment Board, at the rate of interest equal to the net earnings rate of the pooled money investment portfolio at the time of the loan. The aggregate of the loans could not exceed the assessed valuation of the state institutions considered for closure by the Oversight Committee. The loan would be payable annually over five years.

The bill would appropriate moneys from the State General Fund for the Department on Aging and the Department of Social and Rehabilitation Services (SRS) in FY 2009, FY 2010, FY 2011 and FY 2012. Funding appropriated in the bill over four years includes:

Department on Aging Home and Community Based Services for the Frail Elderly(HCBS/FE) Waiver:

Addition of $16.0 million, including $4.8 million from the State General Fund, to provide services to individuals on the HCBS/FE waiver waiting list.

Addition of $5.0 million, including $1.5 million from the State General Fund, to increase the HCBS/FE provider rates.

Department of Social and Rehabilitation Services (SRS):

Home and Community Based Services for individuals with developmental disabilities (HCBS/DD) Waiver:

Addition of $97.5 million, including $39.0 million from the State General Fund, to provide services to individuals on the HCBS/DD waiver waiting list.

Addition of $92.5 million, including $37.0 million from the State General Fund, to increase the HCBS/DD provider rates.

Home and Community Based Services for individuals with a physical disability (HCBS/PD) Waiver:

Addition of $43.8 million, including $13.5 million from the State General Fund, to provide services to individuals on the HCBS/PD waiver waiting list.

Addition of $20.0 million, including $8.0 million from the State General Fund, to increase the HCBS/DD provider rates.

Home and Community Based Services for individuals with traumatic brain injury (HCBS/TBI) Waiver:

Addition of $8.0 million, including $2.4 million from the State General Fund, to provide services to individuals on the HCBS/TBI waiver waiting list.

Addition of $2.0 million, including $600,000 from the State General Fund, to increase the HCBS/TBI provider rates.

The total funding included in the bill over four years equals $284.8 million, including $106.8 million from the State General Fund for increases in home and community based services funding.

The Social Services Budget Committee recommends House Sub. for SB 365 be recommended favorably for passage.

Session of 2008

HOUSE BILL No. 2761

Not Finally Proofed

By Committee on Appropriations

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House Substitute for
Senate Bill No. 365
Committee on Appropriations

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AN ACT making and concerning appropriations for the fiscal years ending June 30, 2009, June 30, 2010, June 30, 2011, and June 30, 2012, for the department on aging and the department of social and rehabilitation services; authorizing certain transfers, capital improvement projects and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts, disbursements and acts incidental to the foregoing.

establishing the home and community based services oversight committee;

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

Insert sections 1 through 6 (See attached)

And by relettering the remaining sections accordingly

Section 1. (a) For the fiscal years ending June 30, 2009, June 30, 2010, June 30, 2011, and June 30, 2012, appropriations are hereby made, restrictions and limitations are hereby imposed, and transfers, capital improvement projects, fees, receipts, disbursements and acts incidental to the foregoing are hereby directed or authorized as provided in this act.

(b) This act shall not be subject to the provisions of subsection (a) of K.S.A. 75-6702 and amendments thereto.

(c) The appropriations made by this act shall not be subject to the provisions of K.S.A. 46- 155 and amendments thereto.

Sec. 2.

DEPARTMENT ON AGING

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

LTC — medicaid assistance — HCBS/FE — waiting list priority

2010

For the fiscal year ending June 30, ~~2009~~..... $1,600,000

2011

For the fiscal year ending June 30, ~~2010~~..... $1,600,000

Provided, That any unencumbered balance in the LTC — medicaid assistance — HCBS/FE — waiting list priority account in excess of $100 as of June 30, 2009, is hereby reappropriated for fiscal year 2010.

2012

For the fiscal year ending June 30, ~~2011~~..... $1,600,000

Provided, That any unencumbered balance in the LTC — medicaid assistance — HCBS/FE — waiting list priority account in excess of $100 as of June 30, 2010, is hereby reappropriated for fiscal year 2011.

LTC — medicaid assistance — HCBS/FE — community capacity expansion

2010

For the fiscal year ending June 30, ~~2009~~..... $500,000

Revisor of Statutes Office: Nobuko/bg
H:1Drafts/Balloons/z2761g1.pdf

For the fiscal year ending June 30, ~~2010~~ 2011 ..... $500,000

Provided, That any unencumbered balance in the LTC — medicaid assistance — HCBS/FE — community capacity expansion account in excess of $100 as of June 30, 2009, is hereby reappropriated for fiscal year 2010.

For the fiscal year ending June 30, ~~2011~~ 2012 ..... $500,000

Provided, That any unencumbered balance in the LTC — medicaid assistance — HCBS/FE — community capacity expansion account in excess of $100 as of June 30, 2010, is hereby reappropriated for fiscal year 2011. Any unencumbered balance in excess of $100 as of June 30, 2011, in each of the following accounts is hereby reappropriated for fiscal year 2012: LTC — medicaid assistance — HCBS/FE — waiting list priority; LTC — medicaid assistance — HCBS/FE — community capacity expansion.

(b) During the fiscal years ending June 30, 2009, June 30, 2010, June 30, 2011, and June 30, 2012, all expenditures by the department on aging from the LTC — medicaid assistance — HCBS/FE — waiting list priority account of the state general fund shall be for the purposes of providing services for persons on the waiting lists for the home and community — based services waiver for the frail elderly.

(c) During the fiscal years ending June 30, 2009, June 30, 2010, June 30, 2011, and June 30, 2012, all expenditures by the department on aging from the LTC — medicaid assistance — HCBS/FE — community capacity expansion account of the state general fund shall be for increased rates of payment to service providers under the home and community — based services waiver for the frail elderly.

Sec. 3.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Community based services — waiting list priority — DD

For the fiscal year ending June 30, ~~2009~~ 2010 ..... $10,000,000

For the fiscal year ending June 30, ~~2010~~ 2011 ..... $10,000,000

Provided, That any unencumbered balance in the community based services — waiting list priority — DD account in excess of $100 as of June 30, 2009, is hereby reappropriated for fiscal year 2010.

For the fiscal year ending June 30, ~~2011~~ 2012 ..... $15,000,000

Provided, That any unencumbered balance in the community based services — waiting list priority — DD account in excess of $100 as of June 30, 2010, is hereby reappropriated for fiscal year 2011.

Community based services — community capacity expansion — DD

For the fiscal year ending June 30, ~~2009~~ 2010 ..... $15,000,000

For the fiscal year ending June 30, ~~2010~~ 2011 ..... $10,000,000

Provided, That any unencumbered balance in the community based services — community capacity expansion — DD account in excess of $100

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as of June 30, 2009, is hereby reappropriated for fiscal year 2010.
For the fiscal year ending June 30, ~~2011~~2012..... $10,000,000
Provided, That any unencumbered balance in the community based services — community capacity expansion — DD account in excess of $100 as of June 30, 2010, is hereby reappropriated for fiscal year 2011.
Community based services — waiting list priority — PD
For the fiscal year ending June 30, ~~2009~~2010..... $4,500,000
For the fiscal year ending June 30, ~~2010~~2011..... $4,500,000
Provided, That any unencumbered balance in the community based services — waiting list priority — PD account in excess of $100 as of June 30, 2009, is hereby reappropriated for fiscal year 2010.
For the fiscal year ending June 30, ~~2011~~2012..... $4,500,000
Provided, That any unencumbered balance in the community based services — waiting list priority — PD account in excess of $100 as of June 30, 2010, is hereby reappropriated for fiscal year 2011.
Community based services — community capacity expansion — PD
For the fiscal year ending June 30, ~~2009~~2010..... $2,000,000
For the fiscal year ending June 30, ~~2010~~2011..... $2,000,000
Provided, That any unencumbered balance in the community based services — community capacity expansion — PD account in excess of $100 as of June 30, 2009, is hereby reappropriated for fiscal year 2010.
For the fiscal year ending June 30, ~~2011~~2012..... $2,000,000
Provided, That any unencumbered balance in the community based services — community capacity expansion — PD account in excess of $100 as of June 30, 2010, is hereby reappropriated for fiscal year 2011.
Community based services — waiting list priority — TBI
For the fiscal year ending June 30, ~~2009~~2010..... $800,000
For the fiscal year ending June 30, ~~2010~~2011..... $800,000
Provided, That any unencumbered balance in the community based services — waiting list priority — TBI account in excess of $100 as of June 30, 2009, is hereby reappropriated for fiscal year 2010.
For the fiscal year ending June 30, ~~2011~~2012..... $800,000
Provided, That any unencumbered balance in the community based services — community capacity expansion — PD account in excess of $100 as of June 30, 2010, is hereby reappropriated for fiscal year 2011.
Community based services — community capacity expansion — TBI
For the fiscal year ending June 30, ~~2009~~2010..... $200,000
For the fiscal year ending June 30, ~~2010~~2011..... $200,000
Provided, That any unencumbered balance in the community based services — community capacity expansion — TBI account in excess of $100 as of June 30, 2009, is hereby reappropriated for fiscal year 2010.
For the fiscal year ending June 30, ~~2011~~2012..... $200,000
Provided, That any unencumbered balance in the community based serv-

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ices — community capacity expansion — TBI account in excess of $100 as of June 30, 2010, is hereby reappropriated for fiscal year 2011. Any unencumbered balance in excess of $100 as of June 30, 2011, in each of the following accounts is hereby reappropriated for fiscal year 2012: Community based services — waiting list priority — DD; community based services — community capacity expansion — DD; community based services — waiting list priority — PD; community based services — community capacity expansion — PD; community based services — waiting list priority — TBI; community based services — community capacity expansion — TBI.

(b) During the fiscal years ending June 30, 2009, June 30, 2010, June 30, 2011, and June 30, 2012, all expenditures by the department of social and rehabilitation services from the community based services — waiting list priority — DD account of the state general fund shall be for the purposes of providing services for persons on the waiting lists for the home and community — based services waiver for persons with developmental disabilities.

(c) During the fiscal years ending June 30, 2009, June 30, 2010, June 30, 2011, and June 30, 2012, all expenditures by the department of social and rehabilitation services from the community based services — community capacity expansion — DD account of the state general fund shall be for increased rates of payment to service providers under the home and community — based services waiver for persons with developmental disabilities.

(d) During the fiscal years ending June 30, 2009, June 30, 2010, June 30, 2011, and June 30, 2012, all expenditures by the department of social and rehabilitation services from the community based services — waiting list priority — PD account of the state general fund shall be for the purposes of providing services for persons on the waiting lists for the home and community — based services waiver for persons with physical disabilities.

(e) During the fiscal years ending June 30, 2009, June 30, 2010, June 30, 2011, and June 30, 2012, all expenditures by the department of social and rehabilitation services from the community based services — community capacity expansion — PD account of the state general fund shall be for increased rates of payment to service providers under the home and community — based services waiver for persons with physical disabilities.

(f) During the fiscal years ending June 30, 2009, June 30, 2010, June 30, 2011, and June 30, 2012, all expenditures by the department of social and rehabilitation services from the community based services — waiting list priority — TBI account shall be for the purposes of providing services for persons on the waiting lists for the home and community— based

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services waiver for persons with traumatic brain injuries.

(g) During the fiscal years ending June 30, 2009, June 30, 2010, June 30, 2011, and June 30, 2012, all expenditures by the department of social and rehabilitation services from the community based services — community capacity expansion — TBI account shall be for increased rates of payment to service providers under the home and community — based services waiver for persons with traumatic brain injuries.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.

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New Section 1. (a) There is hereby established the joint committee on home and community based services oversight. The joint committee shall review the number of individuals who are transferred from state or private institutions and long-term care facilities to the home and community based services and the associated cost savings and other outcomes of the money-follows-the-person program. The joint committee shall have oversight of saving resulting from the transfer of individuals from state or private institutions to home and community based services. As used in sections 1 through 4, "saving" means the difference between the average cost of providing services for individuals in an institutional setting and the cost of providing services in a home and community based setting. The joint committee shall study and determine the possible closure of the state institutions or long-term care facilities based on the success of the transfer of individuals to home and community based services. The joint committee shall consider the issues of whether sufficient funding is provided for enhancement of wages and benefits of direct individual care workers and their staff training and whether adequate progress is being made to transfer individuals from the institutions and to move them from the waiver waiting lists to receive home and community based services.

(b) The joint committee shall consist of nine members as follows: (1) One member of the house of representatives appointed by the speaker of the house of representatives; (2) one member of the house of representatives appointed by the minority leader of the house of representatives; (3) one member of the senate appointed by the president of the senate; (4) one member of the senate appointed by the minority leader of the senate; (5) one member of the house of representatives appointed by the chairperson of the house committee on appropriations; (6) one member of the senate appointed by the chairperson of the senate committee on ways and means; (7) one member of the house of representatives appointed by the ranking minority member of the house committee on appropriations; (8) one member of the senate appointed by the ranking minority member of the senate committee on ways and means; and (9) one member of the house of representatives appointed by the majority leader of the house of representatives.

(c) Members shall be appointed for terms coinciding with the legislative terms for which such members are elected or appointed. All members appointed to fill vacancies in the membership of the joint committee and all members appointed to succeed members appointed to membership on the joint committee shall be appointed in the manner provided for the original appointment of the member succeeded. The first meeting of the joint committee shall be held before August 1, 2008.

(d) The members originally appointed as members of the joint committee shall meet upon the call of the member appointed by the speaker of the house of representatives, who shall be the first chairperson, within 30 days of the effective date of this act. The vice-chairperson of the joint committee shall be appointed by the president of the senate. Except as provided for the original chairperson and vice-chairperson, the members of the joint committee shall elect annually a chairperson and vice-chairperson for the joint committee from among its members alternately from both chambers and the ranking minority member shall be from the same chamber as the chairperson. The joint committee shall meet at least four times each year at the call of the chairperson of the joint committee. Five members of the joint committee shall constitute a quorum.

(e) At the beginning of each regular session of the legislature, the committee shall submit to the president of the senate and the speaker of the house of representatives a written report on numbers of individuals transferred from the state or private institutions to the home and community based services, savings resulting from the transfer, the current balance in the home and community based services savings fund of the department of social and rehabilitation services and the department on aging and whether the state institution shall be closed.

(f) Members of the committee shall be paid compensation, travel expenses and subsistence expenses or allowance as provided in K.S.A. 75-3212, and amendments thereto, for attendance at any meeting of the joint committee or any subcommittee meeting authorized by the committee.

Sec. 2. (a) There is hereby established the home and community based services savings fund in the department of social and rehabilitation services which shall be administered by the secretary of social and rehabilitation services. All savings resulting from transferring individuals from the state or private institutions to home and community based services shall be deposited in this fund. All expenditures from the home and community based services savings fund shall be in accordance with the provisions of appropriation acts upon vouchers approved by the secretary of social and rehabilitation services or the secretary's designee.

(b) The secretary shall certify to the joint committee on home and community based services oversight at the beginning of each calendar quarter the amounts saved by transferring individuals from the state or private institutions to home and community based services that have been transferred during the preceding calendar quarter to the home and community based services savings fund from each state or private institution during the preceding quarter.

Sec. 3 (a) There is hereby established the home and community based services savings fund in the department on aging which shall be administered by the secretary of aging. All savings resulting from transferring individuals from the institutions to home and community based services shall be deposited in this fund. All expenditures from the home and community based services savings fund shall be in accordance with the provisions of appropriation acts upon vouchers approved by the secretary of aging or the secretary's designee.

(b) The secretary shall certify to the joint committee on home and community based services oversight at the beginning of each calendar quarter the amounts saved by transferring individuals from institutions to home and community based services that have been transferred during the preceding calendar quarter to the home and community based services savings fund from each institution during the preceding quarter.

Sec. 4. (a) The pooled money investment board is hereby authorized and directed to

loan to the secretary of social and rehabilitation services and the secretary of aging a sufficient amount or amounts of moneys to maintain the cash flow of the home and community based services savings fund in order to meet the financial needs of providing home and community based services for the individuals transferred from state or private institutions. The pooled money investment board is authorized and directed to use any moneys in the operating accounts, investment accounts or other investments of the state of Kansas to provide the funds for such loan. Each such loan shall bear interest at a rate equal to the net earnings rate for the pooled money investment portfolio at the time of the making of such loan. Such loan shall not be deemed to be an indebtedness or debt of the state of Kansas within the meaning of section 6 of article 11 of the constitution of the state of Kansas.

(b) Upon certification to the pooled money investment board by the secretary of social and rehabilitation services or the secretary of aging of the amount of each loan authorized pursuant to this section, the pooled money investment board shall transfer each such amount certified by the secretary of social and rehabilitation services and the secretary of aging from the state bank account or accounts to the home and community based services savings fund of the department of social and rehabilitation services or the department on aging, as the case may be. The principal and interest of each loan authorized pursuant to this section shall be repaid in payments payable at least annually for a period of not more than five years. The total amount of loans shall not exceed the amount of the lowest appraised value of the property of the state-owned institutions which are recommended for closure by the joint committee on home and community based services oversight.

Sec. 5.

DEPARTMENT ON AGING

(a) There is appropriated for the above agency from the state general fund for the fiscal year specified, the following:

LTC - medicaid assistance - HCBS/FE - waiting list priority

For the fiscal year ending June 30, 2009..... $1,600,000

Provided, That any unencumbered balance in the LTC - medicaid assistance - HCBS/FE - waiting list priority account in excess of $100 as of June 30, 2009, is hereby reappropriated for fiscal year 2010.

LTC-medicaid assistance - HCBS/FE - community capacity expansion

For the fiscal year ending June 30, 2009..... $500,000

Provided, That any unencumbered balance in the LTC - medicaid assistance - HCBS/FE - community capacity expansion account in excess of $100 as of June 30, 2009, is hereby reappropriated for fiscal year 2010.

Sec. 6.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

(a) There is appropriated for the above agency from the state general fund for the fiscal year or years specified, the following:

Community based services - waiting list priority - DD

For the fiscal year ending June 30, 2009..... $4,000,000

Provided, That any unencumbered balance in the community based services - waiting list priority - DD account in excess of $100 as of June 30, 2009, is hereby reappropriated for fiscal year 2010.

Community based services - community capacity expansion - DD

For the fiscal year ending June 30, 2009..... $2,000,000

Provided, That any unencumbered balance in the community based services - community capacity expansion - DD account in excess of $100 as of June 30, 2009, is hereby reappropriated for fiscal year 2010.

Community based services - waiting list priority - PD

For the fiscal year ending June 30, 2009..... $4,000,000

Provided, That any unencumbered balance in the community based services - waiting list priority - PD account in excess of $100 as of June 30, 2009, is hereby reappropriated for fiscal year 2010.

Community based services - community capacity expansion - PD

For the fiscal year ending June 30, 2009..... $2,000,000

Provided, That any unencumbered balance in the community based services - community capacity expansion - PD account in excess of $100 as of June 30, 2009, is hereby reappropriated for fiscal year 2010.

Community based services - waiting list priority - TBI

For the fiscal year ending June 30, 2009..... $800,000

Provided, That any unencumbered balance in the community based services - waiting list priority - TBI account in excess of $100 as of June 30, 2009, is hereby reappropriated for fiscal year 2010.

Community based services - community capacity expansion - TBI

For the fiscal year ending June 30, 2009..... $200,000

Provided, That any unencumbered balance in the community based services - community capacity expansion - TBI account in excess of $100 as of June 30, 2009, is hereby reappropriated for fiscal year 2010.