

## MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 1:30 p.m. on April 3, 2008, in Room 514-S of the Capitol.

All members were present except:

Representative Powell - excused  
 Representative Watkins - excused  
 Representative Masterson - excused  
 Representative Sawyer - excused  
 Representative Holmes - excused  
 Representative Burroughs - excused  
 Representative Ballard - excused

Committee staff present:

Amy Deckard, Legislative Research Department  
 Michael Steiner, Legislative Research Department  
 Jim Wilson, Revisor of Statutes  
 Nikki Feuerborn, Chief of Staff  
 Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Don Jordan, Secretary, Department of Corrections  
 Shannon Jones, Statewide Independent Living Council of Kansas (SILCK)

Others attending:

See attached list.

- Attachment 1 Testimony on **SB 656** by Don Jordan
- Attachment 2 Written testimony on **SB 656** by Kathy Greenlee
- Attachment 3 Testimony on **SB 656** by Shannon Jones
- Attachment 4 Written Testimony on **SB 656** by Ernest Kutzley, AARP
- Attachment 5 Written Testimony on **SB 656** by Jennifer Schwartz, Kansas Assoc of Centers for Independent Living

### Hearing on **SB 656**

#### Hearing on SB 656 - Home and community based services, long-term care.

Amy Deckard, Legislative Research Department, explained that **SB 656** would create a comprehensive and coordinated system for long-term care services, including home and community based services. The bill directs that all persons receiving long-term care services shall be offered the most appropriate services which are determined to be the most economical, in the aggregate, in terms of State General Fund (SGF) expenditures. Funding would follow those individuals who transition from nursing facilities to home and community based services into the community. The bill directs the Department on Aging (KDOA), Department on Social and Rehabilitation Services (SRS) and the Kansas Health Policy Authority (KHPA) to design and implement the system. The fiscal note indicates that there would be no fiscal impact.

Don Jordan, Secretary, Department of Social and Rehabilitation Services, appeared before the Committee in support of **SB 656** (Attachment 1) and on behalf of Kathy Greenlee, Secretary, Department on Aging (Attachment 2). Secretary Jordan stated that the legislation provides for a comprehensive, statewide system for long-term care services. The Secretary noted that the legislation is consistent with current procedures and insures that appropriate choices are available for persons who are in need of long-term care.

Shannon Jones, Statewide Independent Living Council of Kansas (SILCK), presented testimony in support of **SB 656** (Attachment 3). Ms. Jones stated that **SB 656** provides the framework for money to follow the person as a state policy and provides for a coordinated delivery system involving SRS, KDOA and KHPA.

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 1:30 p.m. on April 3, 2008, in Room 514-S of the Capitol.

Written testimony in support of **SB 656** was received from:

- Ernest Kutzley, AARP (Attachment 4).
- Jennifer Schwartz, Kansas Association of Centers for Independent Living (Attachment 5).

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

The hearing on **SB 656** was closed.

**Discussion and Action on SB 656**

There were no objections from the Committee to proceed with action on **SB 656**.

**Discussion and Action on SB 656 - Home and community based services, long-term care.**

Representative Feuerborn made a motion to recommend **SB 656** favorable for passage. The motion was seconded by Representative Tapanelli.

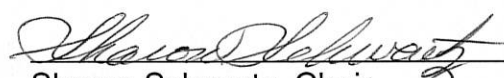
Representative Wolf made a substitute motion to amend **SB 656** by adding language to request a study by Department on Aging and Department of Social and Rehabilitation Services on allocating the funds by age groups to determine possible efficiencies by such a process and provide a report to the 2009 Legislature. The motion was seconded by Representative Bethell. Motion withdrawn with approval of the second.

During discussion on the motion, Secretary Jordan stated that the study could be done by the Department of Social and Rehabilitation Services and Department on Aging without an amendment to **SB 656**. Secretary Jordan indicated that the report on the study could be available in approximately 2 months. The Committee felt this action would be appropriate and not cause delay in advancing the legislation through the process.

Representative Feuerborn renewed the motion to recommend **SB 656** favorable for passage. The motion was seconded by Representative Tapanelli. Motion carried.

**Adjournment**

The meeting was adjourned at 2:00 p.m. The next meeting of the Committee will be "on call of the Chair".

  
Sharon Schwartz, Chair

# House Appropriations Committee

April 3, 2008

First Recess of House

NAME	REPRESENTING
Vicki Lynn Hessel	Budget
Barb Covert	KDOH
Ron Sechen	Hemlock Firm
Bob Harder	STLCK
Robin Amutz	Child Welfare Co S

Kansas Department of  
Social and Rehabilitation Services  
Don Jordan, Secretary



House Appropriations Committee  
April 3, 2008

SB 656 – Home & Community Based Services – Long Term Care

Don Jordan, Secretary

For Additional Information Contact:  
Dustin Hardison, Director of Public Policy  
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HOUSE APPROPRIATIONS

DATE 4-03-2007  
ATTACHMENT 1

## SB 656 – Home & Community Based Services, Long Term Care

House Appropriations Committee  
April 3, 2008

Chairwoman Schwartz and members of the Committee, I am Don Jordan, Secretary of Social and Rehabilitation Services. Thank you for the opportunity to appear before you today to testify in favor of SB 656 as amended. I have worked with Secretary Greenlee on this bill and she is also in agreement with the bill as amended.

Senate Bill 656 provides for a comprehensive, statewide system for long-term care services. In addition, the bill states that this system will be built on the values of self-direction, individual choice, home and community settings and privacy. The system would also be transparent, accountable, ensure safety and timely access to high quality services. It further directs that money follows the person into the community when individuals receiving long-term care services move from nursing facilities to home and community-based services.

SB 656 stipulates that such a system be designed and implemented by Kansas Health Policy Authority (KHPA), Department on Aging (KDOA), and the Department of Social and Rehabilitation Services (SRS) in collaboration with stakeholders and advocates related to long-term care services

SRS supports SB 656 with amendments, and its customer centered values of self-direction, prompt access to high quality services, safety and accountability, as well as the collaboration that will occur between KDOA, KHPA and other stakeholders to create and maintain a system of long term care that will serve one of our most vulnerable populations.

This concludes my testimony and I would be glad to answer any questions the Committee may have.

**Testimony on  
SB 656/Long-Term Care Services**

**House Appropriations**

**Submitted by  
Secretary Kathy Greenlee  
April 3, 2008**

Chairman Schwartz and members of the committee:

The Kansas Department on Aging supports SB 656. At the Kansas Department on Aging (KDOA), we believe seniors should have the option of choosing the type of long term care services they receive. Our role is to provide the best support and services we can, regardless of setting.

Our goal at KDOA is to help ensure quality nursing home care. We encourage and focus on new models of care that are more resident centered; that support a better quality of life. For seniors who choose to live in a nursing home, we must provide quality care, nothing less. Nursing homes are and will continue to be an option for receiving long term care.

Seniors' first choice, however, is to stay home. They want community services to help them remain in their own home. We can provide those services and we can provide them at less cost than nursing home care.

SB 656 requires collaboration between three critical Medicaid agencies: Kansas Health Policy Authority (KHPA), Social and Rehabilitation Services (SRS) and Kansas Department on Aging (KDOA). I assure you this legislation would codify relationships that already exist. In fact, a few months ago, SRS Secretary Jordan and I made a presentation on long-term care reform to the KHPA Board.

Secretary Jordan and I are committed to supporting and expanding the choices we offer Kansas consumers. Our agencies work closely with the Centers for Independent Living and the Area Agencies on Aging.

Thank you for considering ways in which we can improve services to Kansas seniors and other individuals. I urge you to support SB 656.

**Testimony to  
House Appropriations Committee  
Support of  
SB 656**

Madame Chair and members of the committee, I am Shannon Jones, executive director of the SILCK. The SILCK supports SB 656 as amended.

SB 656 is straight forward in that it will provide the statutory framework for money follows the person as state policy.

Kansas has had a 'Money Follows the Person' *Proviso* since 2003 which allows for Medicaid eligible nursing facility (NF) residents to use their NF funding to purchase support services in a community based setting. This proviso has been capped at 80 persons per year. Basic program design is simple and implementation is cost neutral to the state. Individuals who seek relocation from a nursing facility to the community are allowed to transition to a waiver community based program. The director of budget transfers the nursing facility rate paid to the home and community based services waiver for the physically disabled or the frail elderly.

SB 656 as amended, replaces the proviso language capped at 80 persons and simply codifies Money Follows the Person as state policy.

Enactment of SB 656 provides for Medicaid funds to follow a person currently residing in a nursing facility into the community for payment of long term care supports and services should he or she choose to move out of nursing facility and live in the community.

The State of KS has been involved in the movement of persons from institutional care into the community for over 25 years. Home and Community Based Services (HCBS) is not an experimental program. It has a proven track record. In the mid-1970's, the state was paying for approximately 14,000 persons in institutional care. In the last fiscal year the number was 10,800. When consideration is given to the fewer dollars being spent as well as giving Kansas citizens, the opportunity for choice and independence; the outcome is impressive. Care in a nursing home facility is approximately \$31,000. per person annually; HCBS for the frail elderly is \$11,168. per person annually; HCBS for the physically disabled person is \$17,000. annually.

As consideration is being given to **health care reform** we suggest that HCBS is the one unique program which provides a critical service with fewer state dollars while at the same time giving the individuals needing the service. **choice and**

HOUSE APPROPRIATIONS

DATE 4-03-2008

ATTACHMENT 3

**independence.** With the aging of our Kansas population there is the need to think of human services which can be provided in a cost-effective way. HCBS needs to be seen as an integral part of the state's public policy in providing human services and it has the potential for providing a key component to **health care reform.**

The missing link in providing HCBS is that there has not been the statutory recognition of HCBS as one of the ways in which the state is going to respond to issues related to elderly persons and persons with a physical disability needing services. SB 656 provides the remedy to that omission. Informal networks, the spirit of cooperation between agencies and the front-line work of the Centers for Independent Living; hundreds of Kansans have been enabled to move out of an institutional setting and live in the community. We want to build on that good work. SRS has received a grant of \$37.5M to be spent over a period of five years to move 934 persons into community and home settings. This grant provides the state with the opportunity to formalize what we have done in the past and to transform long-term care funding into the kind of program which tailors to the individual needs of the Kansans needing long-term care services.

SB 656, if enacted into law, will provide for a coordinated delivery system involving SRS, KDOA, the KS health policy authority and the stakeholders. This system will emphasize self-direction and individual choice; it will ensure transparency and accountability; it will emphasize expedited eligibility and timely services and it will assure Money Follows the Persons as required by the federal grant.

All persons receiving services in this system shall be placed in the most appropriate service which has been determined to be the most economical available in regard to the expenditure of state general funds in the aggregate.

I urge the passage of SB 656 because it will provide the statutory framework for the delivery of long-term care services in Kansas. It will aid in keeping our state on the path of providing humane services in a cost effective way. It provides the legislature with one area of health care reform which saves state general fund money while at the same time providing choice and independence for the persons needing the service.

I am available for questions.





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April 3, 2008

The Honorable Sharon Schwartz, Chair  
House Appropriations Committee

Reference – SB 656

Good morning Madam Chair and Members of the House Appropriations Committee. My name is Ernest Kutzley and I am the Advocacy Director for AARP Kansas. AARP represents the views of our over 371,000 members in the state of Kansas. Thank you for allowing us to submit our written testimony in support of SB 656 which would require that long-term care services, including home- and community-based services, be provided through a comprehensive and coordinated system throughout the state.

AARP Kansas promotes rules and regulations that will guide the deliberations of state policymakers and lawmakers in achieving meaningful long-term care reform for seniors and people with disabilities in Kansas.

Kansas must truly “balance” the use of financial resources so that more people can have access to quality care in the home and the community, as well as in institutions; design programs so that people can access long-term care services efficiently and in a timely way; and support people needing long-term care, as well as their families and caregivers.

AARP Kansas believes, as the starting point for long-term care reform, that:

- (1) The state of Kansas should strive to provide a comprehensive, integrated long-term care system throughout the state that is responsive to the varied long-term care needs of Kansans of any age or economic status.
- (2) The public policy related to long-term care should stress individual choice, autonomy, self-determination and privacy.
- (3) The administration of public programs and services to serve all long-term care populations should be integrated to ensure better, more coordinated policy making, and more efficient service delivery, thus maximizing the appropriate use of state resources.
- (4) The long-term care system eligibility requirements and provider reimbursements should work toward creating incentives to expand the most needed services; to serve people in the most appropriate care setting of their choice; and to provide quality care.
- (5) Elderly citizens and citizens with disabilities should receive the necessary care and services in the least costly and the least confining setting of choice possible.
- (6) Public funding should work toward improving access to and information about all institutional and residential long-term care options as well as the full range of care options in the home and community.

*Over*

**HOUSE APPROPRIATIONS**

DATE 4-03-2008  
ATTACHMENT 4

(7) Any expanded and improved home- and community-based care services should be developed in a way that supports and complements the services provided by informal caregivers.

(8) The state of Kansas should strive to provide to all long-term care consumers access to services through a single point of entry as well as to current descriptive, relative performance and cost-related information about their various care options.

(9) The foundation of the long-term care service system should be strong reporting requirements to document quality and performance of all providers and to provide the ability to electronically track people and their care across the entire health care and long-term care systems.

(10) Strong consumer protections and adequate public oversight, advocacy and enforcement should be available for all long-term care consumers to assist such consumers in receiving appropriate, timely and quality care.

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

(12) The Department on Aging, the Department of Social and Rehabilitation Services, the Department of Administration and the Kansas Health Policy Authority should meet on a regular and as needed basis with stakeholders and persons representing individuals receiving long-term care services to review the ongoing adequacy and quality of care and services.

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

Therefore, AARP Kansas supports SB 656 and respectfully requests the support of the House Appropriations Committee on this important piece of legislation.

Thank you.



**Jennifer Schwartz**  
Executive Director

**Member Agencies:**

**Center for Independent Living for Southwest Kansas**  
Garden City, KS  
620/276-1900 Voice

**Coalition for Independence**  
Kansas City, KS  
913/321-5140 Voice/TT

**Independent Living Resource Center**  
Wichita, KS  
316/942-6300 Voice/TT

**Independence, Inc.**  
Lawrence, KS  
785/841-0333 Voice  
785/841-1046 TT

**Independent Connection/OCCK**  
Salina, KS  
785/827-9383 Voice/TT

**LINK, Inc.**  
Hays, KS  
785/625-6942 Voice/TT

**Prairie Independent Living Resource Center**  
Hutchinson, KS  
620/663-3989 Voice

**Resource Center for Independent Living, Inc.**  
Osage City, KS  
785/528-3105 Voice

**Southeast Kansas Independent Living, Inc.**  
Parsons, KS  
620/421-5502 Voice  
620/421-6551 TT

**The Whole Person, Inc.**  
Kansas City, MO  
816/561-0304 Voice  
816/627-2201 TT

**Three Rivers ILC**  
Wamego, KS  
785/456-9915 Voice

House Appropriations Committee  
Representative Schwartz, Chair  
Testimony in support of SB 656-as amended  
April 3, 2008

Thank you for the opportunity to provide testimony in support of SB 656, as amended-legislation to put Money Follows the Person into Kansas state statute. I am Jennifer Schwartz the director of the Kansas Association of Centers for Independent Living (KACIL). KACIL represents Centers for Independent Living (CILs) across Kansas. KACIL provides a framework so that member Centers excel in advocacy and services ensuring that all Kansans with disabilities have opportunities for independent living and enjoy their civil and human rights.

Centers for Independent Living provide services to people with disabilities of all ages. CILs also provide information and assistance to businesses and other entities in the community to increase opportunities for people with disabilities to live, work and participate in all aspects of community life. We advocate at a state and national level for the rights of all people with disabilities to live in the communities of their choice.

KACIL stands in strong support of SB 656. This bill is simply legislation that supports a person's opportunity to choose where to receive their long term care services and has the money that supports that individual follow them to pay for those services in the community.

**Background of Money Follows the Person**

At the beginning of FY 2004, the state of Kansas began affirming its belief that people have the right to live in the community and should not be discriminated against by having to live in a nursing home when that is not their choice. This was affirmed with the inclusion of a proviso in the FY 2004 Omnibus Budget bill – a proviso which ensures money will follow people when they transition from nursing homes to HCBS services. This change has had a significant impact in the lives of the people who have made the transition out of nursing homes, and has been included in appropriations bills since the first year.

### **Purpose of SB 656**

SB 656 provides for Medicaid funds to follow a person currently residing in a nursing facility into the community for payment of long term care supports and services should he or she choose to move out of a nursing facility and live in the community.

SB 656 is simple legislation that provides people with disabilities, both young and old, the ability to move to community-living from a nursing facility and for that money to follow the individual thus allowing choice.

### **Conclusion**

KACIL too urges this committee to favorably pass SB 656, we have had conversations on this issue for many years, and in fact during the current legislative session both Senate and House budget committees have noted the need to remove the cap on the current proviso. Today I would suggest that we ensure the Legislatures commitment to choice for Kansans. SB 656 is good public policy, which will allow people who require long-term care services to receive them in the setting of their choice. Money Follows the Person can change a person's life. We believe a significant step to rebalancing the long term care system is to offer choice to individuals who utilize the long term care system. SB 656 codifies that choice for individuals into Kansas state statute.

Thank you for your thoughtful consideration of this important legislation and I would be glad to stand for questions.