

MINUTES OF THE HOUSE HEALTH AND HUMAN SERVICES COMMITTEE

The meeting was called to order by Vice Chairperson Peggy Mast at 1:30 P.M. on February 25, 2008 in Room 526-S of the Capitol.

All members were present except:

Rep. Kiegerl, excused  
Rep. Holland, excused  
Rep. Ward, excused  
Rep. Hill, excused  
Rep. Morrison, excused  
Rep. Garcia, excused  
Rep. Landwehr, excused

Committee staff present:

Norman Furse, Revisor of Statutes Office  
Dianne Rosell, Revisor of Statutes Office  
Melissa Calderwood, Kansas Legislative Research Department  
Cindy Lash, Kansas Legislative Research Department  
Chris Haug, Committee Assistant

Conferees appearing before the committee:

Mary Blubaugh, MSN, RN, Executive Administrator, Kansas State Board of Nursing (KSBN)  
Terry Roberts, Executive Director, Kansas State Nurses Association

Others Attending:

See Attached List.

The hearing on **HB2235, Board of Nursing Fees** was opened.

Proponents:

Mary Blubaugh, MSN, RN, Executive Administrator, Kansas State Board on Nursing (KSBN) gave testimony supporting this bill. (Attachment 1) Ms. Blubaugh represented the Board Members of the State Board of Nursing to provide information on the proposed statute changes to raise the cap on fees.

In FY03 the balance of the KSBN fee fund was \$573,464 and by the end of FY09 it is projected to be \$257,886. Ms. Blubaugh stated one of her jobs was to insure nothing gets swept from her budget, as it was in 2005. That amount was \$168,522 and KSBN has requested the amount be returned to the fee fund, but have been unsuccessful in retrieving it. A chart prepared by the Division of Budget, documenting fee fund cash flow, and the estimate for FY03 to FY09 is part of Attachment 1. She explained they are currently capped at almost all fees.

Representative Otto wondered if the statute could be amended to not allow sweeping. He said he would hate to vote a tax that is a back-handed tax. Ms. Blubaugh did not know. She said the Attorney General's office wrote an opinion that it was unconstitutional. Representative Flaharty asked the revisors if any amendments were needed, since the bill was introduced last year. Mr. Furse stated that no amendments were necessary.

Representative Patton asked for a copy of the Attorney General's opinion. Ms. Blubaugh said she would find it for him.

Opponents:

Terry Roberts, R.N., Executive Director of the Kansas State Nurses Association gave her testimony against **HB2235**. (Attachment 2) They are opposing this bill mainly because of the sweeps. Her testimony stated the Kansas State Nurses Association had reviewed the statutory fee caps proposed to be raised in the Kansas Nurse Practice Act with this bill. The past five years history of the Board of Nursing Budget expenditures and year end balances did not support the fee cap increases as proposed.

The rationale for the opposition included: The year-end fee Board of Nursing fee fund balances and carryover have been around \$500,000 or more annually. There was over \$150,000 swept into the State General Fund

## CONTINUATION SHEET

MINUTES OF THE House Health and Human Services Committee at 1:30 P.M. on February 25, 2008 in Room 526-S of the Capitol.

over a three year period. They anticipate increases in the number of registered nurses who will make application for licensure and renewal. The license renewals are the largest source of revenue for this agency, so this income will continue to rise with the increase.

The hearing on HB2235 was closed.

The hearing on HB2702 - Excepted Acts and reciprocity concerning the practice of dentists was opened.

Proponents:

Betty Wright, Executive Director of the Kansas Dental Board provided testimony in support of this bill. (Attachment 3) Ms. Wright said last year the Dental Board proposed two changes to the dental practices act for this session. The first was **KSA 65-1423** which allowed dental hygienists who are licensed out of state to provide clinical education, "hands-on teaching", at dental organization meetings. Dentists are already allowed to do this. The other revision, **KSA 65-1434** applies to dentists coming over from other states and The Board is asking they have two years of continuing education, which is 30 hours. Currently, they are required to have only one year.

There were no opponents to this bill.

The hearings on HB2702 were closed.

Vice Chair Mast asked if there was any interest in working previously heard bills. It was suggested to work HB2672.

**HB2672 - Long-term care units, inspection by department on aging.** Dianne Rosell prepared amendments to this bill. Representative Neighbor stated she was the one who asked for the revision to the original balloon and there was one change made this morning to define Kansas Health Policy but she felt everything in the balloon was requested and it met with everyone's satisfaction. Representative Neighbor moved to adopt the balloon. Representative Otto seconded. The motion carried. Vice Chair Mast said we were back on the bill. Representative Neighbor moved we pass **HB2672** favorably out of committee. Representative Storm seconded the motion. The motion carried.

Vice Chair Mast asked if anyone had any objections to working the bills that were heard today. There were no objections.

**HB2235- Board of Nursing Fees.** Representative Otto stated there was only one opposition, in the hearing. He would like an amendment that says something to the affect that any officials voting for or actively involved with the sweeping of professional fees or funds shall be subject to recovery action by said professional board. Representative Flaharty stated she thought that would put the whole appropriations and ways and means committee in jeopardy. Rep. Otto stated, "for me to support this, it will have to have something with "teeth" in it along these lines".

Vice Chair Mast asked for further discussion on HB2235. Representative Neighbor said that she agreed with Representative Otto, we need to stop sweeping funds and taking away from the people who need the funds. Representative Neighbor then made a motion that we move **HB2235** out favorably for passage. Ranking Minority Member Flaharty seconded the motion. Representative Patton stated he thought he would vote, "no". He said, "The nurses are against this and they are the ones that are most interested in these fees. I think from reading the testimony that it doesn't sound like it is really needed this year. So, if it is not really needed this year, I'm going to be opposing it." Representative Otto said, "I will be voting for this."

Representative Flaharty asked about the cap on fees and whether they anticipated charging fees close to the cap at this time. Ms. Blubaugh said, "No, we are currently at \$60.00 and don't anticipate making any changes to this until 2010." Representative Neighbor asked when the last time fees were raised and how long it took to get to the current cap. Ms. Blubaugh said the renewals were last raised in April of 2001, and last year they raised reinstatements. It has been about 7 years since renewals were raised. Representative Storm said looking at the testimony it says we are lower than other states in their caps. It's only nine of the licenses and

## CONTINUATION SHEET

MINUTES OF THE House Health and Human Services Committee at 1:30 P.M. on February 25, 2008 in Room 526-S of the Capitol.

there's been only one large increase for mental health. So she felt she would need more explanation and justification before she could vote, "yes".

Representative Neighbor asked about the fees for the Mental Health Technician programs. She wondered if there were programs we had currently in place or whether we would have to develop them if we had licensure in this area. She then asked, "What makes those jump so much, for example \$220 to \$1,000 and renewal of \$110 to \$400. Can you clarify that?" Ms. Blubaugh said this is a profession that will not be recognized much longer. We have less than 200 in the state. This brings them up to the same level as nurses.

Representative Colyer asked what was an appropriate amount of ending balance for them to have and carry over. He wondered if we were looking at an ending balance of \$800,000 and an annual budget of about 1 and a half million dollars. Ms. Blubaugh said the \$800,000 ending balance is not a true balance if you look at the Fee Fund Cash Flow Estimate prepared by the Department of the Budget you will see the actual ending balance. The \$800,000 had some items that they had encumbered because of an education fund, so it is not a true figure. She said their actual monthly budget is around \$150,000.

Vice Chair Mast said it had been moved and seconded that we pass **HB 2235** favorably out of committee. After the vote, division was requested. There were 6 ayes and 7 nays. The motion failed.

**HB2702 - Excepted Acts and reciprocity concerning the practice of dentists.** Representative Storm moved that we pass **HB2702** out favorably and try placing it on the consent calendar, if there is time. If not we will place it on general orders. Representative Neighbor seconded. The motion passed.

There was no more business to come before the committee. There will be no meeting on February 26. The

Vice Chair Mast told the committee there was information from Kansas Health Policy Authority, included in the handouts, answering questions from the February 18, 2008 meeting. (Attachment 4)

The meeting was adjourned at 1:57 p.m.

# HOUSE HEALTH AND HUMAN SERVICES COMMITTEE GUEST LIST

DATE: February 25, 2008

NAME	REPRESENTING
Terri Roberts	Ks. State Nurses Assn.
Ron Gaches	GBOA
Scott Brown	McLannore
Jeni Krahn	KGP
Marty Kennedy	KDOA
Barb Conant	KDOA
Nancy Peric	KACA
Carolyn Smith	VCHS
Josh Keel	KOHK
Thilla DeCastro	Am Adoptions
Garry Robbins	Ks Opt. Assn
Marie Blubaugh	KSBW
Beth Wright	Ks Dental Board
John Peterson	Crystal Strategies
Mary Ellen Bulce	Via Christi Health System
Ed Bethel	House
Cory Shady	KHPA
Lindsey Douglas	Hein Law Firm

Health and Human Service Committee  
February 25, 2008

HB 2235

Mary Blubaugh MSN, RN  
Executive Administrator

Good afternoon Madam Chair and members of the Committee. My name is Mary Blubaugh and I am the Executive Administrator of the Kansas State Board of Nursing. I am here on behalf of the Board Members of the State Board of Nursing to provide information on the proposed statute changes to raise the cap on fees. I appreciate the opportunity to provide the following comments.

In FY03 the balance of KSBN fee fund was \$573,464 and it is projected that at the end of FY 09 the balance will be \$257,886. For FY08 and 09 it is projected that the expenditures will exceed the revenue by approximately \$150,000 each year. This trend will probably continue into FY10 and 11. Attached is a chart prepared by the Division of Budget which documents the fee fund cash flow actual and estimate for FY03 to FY09 for the Board of Nursing. If the rate of expenditures exceeding the revenues remains at \$150,000 a year, it is anticipated that fees will need to be raised at the end of FY10. We are currently at cap on almost all of the fees. The board of nursing has explored revenue possibilities other than fees, and we developed a service to notify employers of the status of nurses who they employ. The revenue from this has been approximately \$9,000 and we hope that amount will increase.

The Board of Nursing had over \$250,000 swept from the fee fund and transferred to the state general fund. The largest amount, \$168,522, was in FY 05. Although KSBN has requested the amount be returned to the fee fund, we have been unsuccessful in retrieving the money.

Below is a chart with the current caps, the range of fees in other states, and the number of states with fees higher than Kansas caps. This information is taken from the 2007 National Council of State Boards of Nursing Member Board Profiles.

*House Health Human Services Committee*  
*2-25-08*  
*Attachment 1*

Application	Kansas Cap on Fees	Range of fees in other States	Number of States with fees higher than Kansas Cap on Fees
RN Initial Licensure	\$75	\$20--\$220	37
RN Biennial Renewal	\$60	\$20-\$215	37
RN Reinstatement	\$70	\$0-\$265	34
LPN Initial Licensure	\$50	\$10-\$220	34
LPN Biennial Renewal	\$60	\$10-\$215	35
LPN Reinstatement	\$70	\$0-\$265	33
Initial ARNP Certification	\$50	\$25-\$278	41
ARNP Biennial Renewal	\$60	\$0-\$210	25
Verification to another state	\$30	\$0-\$75	20

We ask for favorable action on this legislation. Thank you for your time and consideration and I will stand for questions.

Board of Nursing  
Free Fund Cash Flow Estimate

FY 2003

(Actuals)	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Beginning Balance	704,599	705,545	608,577	550,959	529,978	649,838	653,468	568,274	525,203	513,740	489,506	444,898	
Revenues	95,403	73,866	64,459	87,356	197,059	81,013	72,969	70,394	71,843	123,360	96,127	378,777	\$1,412,626
Expenditures	94,457	170,834	122,077	108,337	77,199	77,383	158,163	113,465	83,306	147,594	140,735	250,211	\$1,543,761
Ending Balance	705,545	608,577	550,959	529,978	649,838	653,468	568,274	525,203	513,740	489,506	444,898	573,464	
Monthly Revenue Percent	6.75%	5.23%	4.56%	6.18%	13.95%	5.73%	5.17%	4.98%	5.09%	8.73%	6.80%	26.81%	
Cumulative Revenue Percent	6.75%	11.98%	16.55%	22.73%	36.68%	42.41%	47.58%	52.56%	57.65%	66.38%	73.19%	100.00%	

FY 2004

(Actuals)	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Beginning Balance	573,464	445,968	376,518	353,708	328,578	312,857	269,303	201,370	191,407	465,752	479,284	482,268	
Revenues	756	79,455	75,624	77,616	53,104	62,054	71,645	63,517	376,906	97,325	107,604	259,854	\$1,325,460
Expenditures	128,252	148,905	98,434	102,746	68,825	105,608	139,578	73,480	102,561	83,793	104,620	175,106	\$1,331,908
Ending Balance	445,968	376,518	353,708	328,578	312,857	269,303	201,370	191,407	465,752	479,284	482,268	567,016	
Monthly Revenue Percent	0.06%	5.99%	5.71%	5.86%	4.01%	4.68%	5.41%	4.79%	28.44%	7.34%	8.12%	19.60%	
Cumulative Revenue Percent	0.06%	6.05%	11.76%	17.61%	21.62%	26.30%	31.71%	36.50%	64.93%	72.28%	80.40%	100.00%	

FY 2005

(Actuals)	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Beginning Balance	567,016	477,803	383,056	320,545	380,041	358,765	280,540	231,466	205,027	404,292	454,789	532,899	
Revenues	62,658	77,044	67,110	179,285	86,000	69,334	66,420	59,708	306,061	162,180	166,063	30,264	\$1,332,127
Expenditures	151,871	171,791	129,621	119,789	107,276	147,559	115,494	86,147	106,796	111,683	87,953	250,523	\$1,586,503
Ending Balance	477,803	383,056	320,545	380,041	358,765	280,540	231,466	205,027	404,292	454,789	532,899	312,640	
Monthly Revenue Percent	4.70%	5.78%	5.04%	13.46%	6.46%	5.20%	4.99%	4.48%	22.98%	12.17%	12.47%	2.27%	
Cumulative Revenue Percent	4.70%	10.49%	15.52%	28.98%	35.44%	40.64%	45.63%	50.11%	73.09%	85.26%	97.73%	100.00%	

FY 2006

(Actuals)	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Beginning Balance	312,640	198,418	136,192	78,324	(32,762)	(81,716)	(174,254)	177,796	178,430	145,173	165,995	348,992	
Revenues	25,484	81,755	46,042	43,160	42,090	55,462	470,210	89,531	85,103	112,831	309,132	234,740	\$1,595,540
Expenditures	139,706	143,981	103,910	154,246	91,044	148,000	118,160	88,897	118,360	92,009	126,135	208,984	\$1,533,432
Ending Balance	198,418	136,192	78,324	(32,762)	(81,716)	(174,254)	177,796	178,430	145,173	165,995	348,992	374,748	
Monthly Revenue Percent	1.60%	5.12%	2.89%	2.71%	2.64%	3.48%	29.47%	5.61%	5.33%	7.07%	19.37%	14.71%	
Cumulative Revenue Percent	1.60%	6.72%	9.61%	12.31%	14.95%	18.43%	47.90%	53.51%	58.84%	65.91%	85.29%	100.00%	

FY 2007

(Actuals)	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Beginning Balance	374,748	282,165	213,403	274,718	193,738	128,007	55,376	(12,620)	(101,452)	279,938	318,424	335,016	
Revenues	55,334	59,656	193,513	44,651	56,904	55,543	46,873	48,336	481,040	160,397	114,626	420,288	\$1,737,161
Expenditures	147,917	128,418	132,198	125,631	122,635	128,174	114,869	137,168	99,650	121,911	98,034	190,763	\$1,547,368
Ending Balance	282,165	213,403	274,718	193,738	128,007	55,376	(12,620)	(101,452)	279,938	318,424	335,016	564,541	
Monthly Revenue Percent	3.19%	3.43%	11.14%	2.57%	3.28%	3.20%	2.70%	2.78%	27.69%	9.23%	6.60%	24.19%	
Cumulative Revenue Percent	3.19%	6.62%	17.76%	20.33%	23.61%	26.80%	29.50%	32.28%	59.97%	69.21%	75.81%	100.00%	

FY 2008

(Based on +/- Year Trend)	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Beginning Balance	564,541	434,335	360,364	292,916	164,833	107,634	588	377,343	374,053	332,665	190,828	383,770	
Revenues	27,655	88,720	49,965	46,837	45,676	60,187	510,270	97,159	92,353	78,664	335,469	254,736	\$1,687,691
Expenditures	157,861	162,691	117,413	174,920	102,875	167,233	133,515	100,449	133,741	220,501	142,527	228,789	\$1,842,515
Ending Balance	434,335	360,364	292,916	164,833	107,634	588	377,343	374,053	332,665	190,828	383,770	409,717	
Monthly Revenue Percent	1.64%	5.26%	2.96%	2.78%	2.71%	3.57%	30.23%	5.76%	5.47%	4.66%	19.88%	15.09%	
Cumulative Revenue Percent	1.64%	6.90%	9.86%	12.63%	15.34%	18.90%	49.14%	54.90%	60.37%	65.03%	84.91%	100.00%	

FY 2009

(Based on +/- Year Trend)	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Beginning Balance	409,717	278,369	203,749	135,709	7,137	(64,209)	(172,193)	207,871	147,190	105,439	37,067	218,058	
Revenues	27,898	89,499	50,403	47,248	46,077	60,716	514,751	98,012	93,164	79,353	338,413	256,980	\$1,702,514
Expenditures	159,246	164,119	118,443	175,820	117,423	168,700	134,687	158,693	134,915	147,725	157,422	217,152	\$1,854,345
Ending Balance	278,369	203,749	135,709	7,137	(64,209)	(172,193)	207,871	147,190	105,439	37,067	218,058	257,886	
Monthly Revenue Percent	1.64%	5.26%	2.96%	2.78%	2.71%	3.57%	30.23%	5.76%	5.47%	4.66%	19.88%	15.09%	
Cumulative Revenue Percent	1.64%	6.90%	9.86%	12.63%	15.34%	18.90%	49.14%	54.90%	60.37%	65.03%	84.91%	100.00%	

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SUSAN BUMSTED, M.N., R.N.  
PRESIDENT

THE VOICE AND VISION OF NURSING IN KANSAS

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## H.B. 2235 Nurse Practice Act Statutory Fee Cap Raises

Chairperson Brenda Landwehr and members of the Health and Human Services Committee, I am Terri Roberts R.N., the Executive Director of the Kansas State Nurses Association. The KANSAS STATE NURSES ASSOCIATION has reviewed the statutory fee caps proposed to be raised in the Kansas Nurse Practice Act with H.B. 2235, the past five years history of the Board of Nursing Budget expenditures and year end balances and does not support the **fee cap increases** as currently proposed.

The rationale for our opposition include that:

The year-end fee Board of Nursing fee fund balances and carryover have been around \$500,000 or more (\$ 873,599 June 2007) annually,

there was over \$150,000 swept into the State General Fund over a three year period (a couple years ago), and

we anticipate increases in the number of registered nurses who will be making application for licensure and then renewing. License renewals are by far the largest source of revenue for this agency, \$60 biennially for each RN (36,348 in '06)and LPN (8848 in '06) that renews and this income will continue to rise with the increase..

The agency is to be commended for their improved agency efficiencies through on-line renewals for licensees, thus reducing their paperwork processing time and enhancing agency operations related to this very important function.

Thank You.

House Health+ Human Services  
Committee  
Attachment 2  
2-25-08



Kansas State Board of Nursing FY07

2-2

Month	Salaries	Commun	Freight	Print Ad	Rents	Repair	Travel	Fees	Fees	Other	Comp	Motor	Profes	Stationer	Other	Compute	Total	Total	Fee Fund	Hosp.
	Wages		Express	Advertising	Service			Others	Profess	Contract		Vehicle	Supplie	Off Supp	Supls	equipme	Expnd	Receipts	Balance	fund
	1000	2000	2100	2200	2300	2400	2500	2600	2700	2901	3400	3501	3600	3700	3901	4180				2970
July	83,652	31,871	0	0	2,223	0	10	198	26,859	3,000	0	0	34	70	0	0	147,917	126,314	576,737	0
August	83,685	269	102	0	31,825	8,078	820	1,119	953	297	0	0	35	1,108	126	0	128,417	152,540	584,990	0
September	83,566	1,263	0	0	0	0	3,850	16,409	26,920	55	0	75	0	0	0	0	132,138	90,973	570,262	59
October	86,380	4,113	0	0	29,610	317	2,801	918	81	55	0	67	289	948	52	0	125,631	140,711	543,111	0
November	84,453	3,653	0	0	808	0	627	852	474	60	0	8	0	97	49	0	91,081	146,004	597,548	0
December	122,827	30	0	0	8	0	3,992	878	0	0	0	57	0	334	49	0	128,175	129,703	641,361	51
January	87,290	225	0	0	8	0	0	46	27,100	0	0	0	0	148	53	0	114,870	155,893	709,164	0
February	84,658	13,131	0	0	29,910	0	1,647	2,916	565	25	0	23	85	2,560	67	1,581	137,168	127,296	699,292	0
March	84,821	1,252	0	0	8	1,985	7,089	4,034	235	103	0	0	0	67	53	0	99,647	145,412	633,963	0
April	85,712	1,018	0	0	29,610	0	2,667	844	278	0	42	126	0	1,554	60	0	121,911	241,013	752,410	0
May	86,685	2,681	0	0	8	2,116	2,845	2,281	143	168	0	121	0	349	106	533	98,036	202,386	818,412	0
June	116,337	15,135	0	4,602	16	8	5,714	4,335	27,329	0	0	11	0	4,930	137	8,068	186,622	178,009	873,599	0
<b>Total</b>	<b>1,090,066</b>	<b>74,841</b>	<b>102</b>	<b>4,602</b>	<b>124,034</b>	<b>12,504</b>	<b>32,062</b>	<b>34,830</b>	<b>110,937</b>	<b>3,763</b>	<b>42</b>	<b>488</b>	<b>443</b>	<b>12,165</b>	<b>752</b>	<b>10,182</b>	<b>1,511,613</b>	<b>1,836,254</b>		<b>110</b>
Budgeted	1,109,717	46,400	0	1,000	139,394	10,627	42,100	21,300	111,114	4,000	0	500	0	16,000	0	45,000	1,547,152			500
12 of 12 mth	1,109,717	46,400	0	1,000	139,394	10,627	42,100	21,300	111,114	4,000	0	500	0	16,000	0	45,000	1,547,152			500
Mn budget	92,476	3,866	0	83	11,616	885	3,508	1,775	9,259	333	0	41	0	1,333	0	3,750	128,925			42
<b>Net</b>	<b>19,651</b>	<b>(28,241)</b>	<b>(102)</b>	<b>(3,602)</b>	<b>15,360</b>	<b>(1,877)</b>	<b>10,038</b>	<b>(13,530)</b>	<b>177</b>	<b>237</b>	<b>(42)</b>	<b>12</b>	<b>(443)</b>	<b>3,835</b>	<b>(752)</b>	<b>34,818</b>	<b>35,539</b>			<b>390</b>

FY07	Fee	Hosp	KSIP
Appropriate	1,547,152	500	53,753
Expenditure	1,511,613	110	4,140
Encumb	31,504	0	0
Balance	4,035	390	49,613



# KANSAS

KANSAS DENTAL BOARD

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KATHLEEN SEBELIUS, GOVERNOR

Testimony re: **HB 2702**  
House Health and Human Services Committee  
Presented by Betty Wright  
February 25, 2008

Chairperson Landwehr and Members of the Committee:

My name is Betty Wright, and I am the Executive Director of the Kansas Dental Board. The Board consists of nine members: six dentists, two hygienists and one public member. The mission of the Dental Board is to protect the public through licensure and regulation of the dental profession.

The Kansas Dental Board has proposed two changes to the dental practices act for this session.

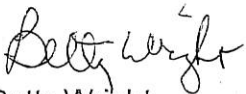
**KSA 65-1423** – This revision would allow dental hygienists who are licensed out of the state to provide clinical education “hands-on teaching” at dental organization meetings. This educational opportunity is available for dentists KSA 65-1423 (5)(a). The insertion of or licensed dental hygienist would allow this practice for hygienists.

.....

**KSA 65-1434**- This revision is designed to insure that applicants who are seeking licenses from other states by credentials will have the same requirement for continuing education as Kansas licensed dentists. It increased the requirement from 12 months of continuing education (30 hours for dentists or 15 hours for hygienists) to 24 months of continuing education for licensure (60 hours dentists and 30 hours for hygienists). The change would place the same requirements for continuing education on applicants from others states, as are required for Kansas licensees to renew their licenses. The requirement will raise the standards for licensing from other states in to Kansas.

I will be glad to address your questions.

Sincerely,



Betty Wright  
Executive Director  
Kansas State Dental Board.

House Health + Human Services  
2-25-08  
Attachment 3  
Committee

Coordinating health & health care  
for a thriving Kansas

**KHPA**<sup>TM</sup>

KANSAS HEALTH POLICY AUTHORITY

# Memorandum

**To:** House Health and Human Services Committee

**From:** Tara Hacker

**CC:** Tracy Russell, Reagan Cussimano

**Date:** 2/22/2008

**Re:** Citizenship Documentation Funding; Premium Assistance & COBRA; Uninsured & Causes of Death in Kansas

Madam Chair and Members of the Committee,

The following are the Kansas Health Policy Authority's responses to questions about funding to fulfill the federal citizenship documentation requirements, eligibility for COBRA coverage among beneficiaries of the Premium Assistance program, characteristics of the uninsured, and causes of deaths in Kansas that were posed during the House Health and Human Services Committee meeting on Monday, February 18, 2008. If there are further questions, please do not hesitate to contact Tracy Russell or Reagan Cussimano.

## Medicaid/HealthWave and Kansas Healthy Choices

### **Funding for Citizenship Documentation Requirements**

1. *Are 10% of SCHIP (HealthWave) dollars earmarked for outreach?*

No, this statement is incorrect. Marketing and outreach consists of 4.25% of HealthWave's total budget for Kansas. For all five years of the HealthWave contract (starting in 2003) the total budget is \$36,007,600 with a marketing budget of \$1,530,244. This 4.25% is being diverted to compensate for the funding shortfall described in our response to question two (see below). There are no federal laws requiring that 10% of the SCHIP budget be allocated towards outreach. However, federal law does limit the amount that can be spent on administration of the program, including outreach, to 10% of each state's total SCHIP annual expenditures.

House Health + Human Services  
2-25-08  
Attachment 4  
Comm.

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Phone: 785-296-3981  
Fax: 785-296-4813

State Employee Health  
Benefits and Plan Purchasing  
Phone: 785-368-6361  
Fax: 785-368-7180

State Self Insurance Fund:

Phone: 785-296-2364  
Fax: 785-296-6995

2. *Since the Kansas legislature gave KHPA additional funding to address the backlog last year, why did the KHPA use other marketing and outreach funds from Medicaid to help pay for the backlog clearance?*

The Clearinghouse is staffed by both State employees and contract staff. Prior to the implementation of the new federal documentation requirements implemented through the Deficit Reduction Act (DRA) on July 1, 2006, the workload of the staff at the Clearinghouse had been growing at a steady pace. The number of applications and annual reviews for Medicaid and SCHIP beneficiaries increased by an average of 1,089 per month between 2004 and 2005. As the workload increases, both the contractor and the state need additional staff to manage the workload to remain in compliance with federally mandated application processing timeframes. Without additional staff Medicaid and SCHIP beneficiaries may not be able to access services when needed, which could have a significant impact on pregnant women and newborns.

In addition to the increase in workload, the new requirements stipulating that all Medicaid applicants provide adequate documentation of citizenship and identification significantly altered the normal processes to apply for medical benefits. The new requirements caused an increase in the amount of time it takes to process applications and reviews and exacerbated the delays already present due to the normal increase in workload. These two factors combined resulted in the accumulation of a backlog.

In order to reduce the backlog of Medicaid/HealthWave applicants and to address the increase in workload KHPA requested \$1,067,632 SGF (\$2,196,797 All Funds) for FY 07 and FY 08. The total funding for both years that the Kansas legislature approved amounted to \$704,836 SGF (\$1,434,373 All Funds), which represents 66 percent of the funding that the KHPA projected was needed to address this backlog. To address the remaining need, KHPA had to redirect other resources (e.g., marketing and outreach) towards the increased workload.

Although the KHPA has resolved the backlog, the new DRA requirements have permanently increased the administrative costs for processing applications. The average number of applications and reviews received per month continued to slightly increase between 2006 and 2007. At this new, permanently higher level of activity in the Clearinghouse, we are unable to restore marketing and outreach funds that were included in the original contract. Therefore, the KHPA has requested \$1,302,716 SFG as a component of the KHPA Board's health reform recommendations. These funds will enable the KHPA to target and enroll an estimated 20,000 children up to 200% FPL who are currently eligible but not enrolled in HealthWave.

3. *How much of the money allocated to the KHPA to eliminate the backlog has been spent?*

The KHPA has spent \$1,274,412 on costs associated with eliminating the backlog as of January 31, 2008, which includes FY 07 and FY 08 costs.

#### **Premium Assistance and COBRA Eligibility**

4. *If a person is covered under premium assistance (Kansas Healthy Choices) up to 50% FPL, will that person be eligible for COBRA coverage if he/she exceeds the 50% FPL and becomes ineligible for premium assistance?*

If the beneficiary is in an Employer Sponsored Insurance plan under the premium assistance program (Kansas Healthy Choices), he/she will have access to COBRA when insurance coverage ends. If the beneficiary is in a Kansas Healthy Choices (KHC) state-procured health plan, COBRA is not an option. Although that person is not eligible for COBRA, he/she may qualify for a parallel program offering temporary extended coverage for those leaving the Medicaid program. "TransMed" coverage is offered to low-income families who become ineligible for Medicaid or KHC due to an increase in earned

income. An income determination is completed after six months on TransMed and those with incomes in excess of 185% FPL become ineligible (note that 185% FPL is about \$39,220 for a family of 4). However, most people receive TransMed for the full 12 months available under federal rules. Following termination of TransMed coverage, children may be eligible to receive HealthWave coverage.

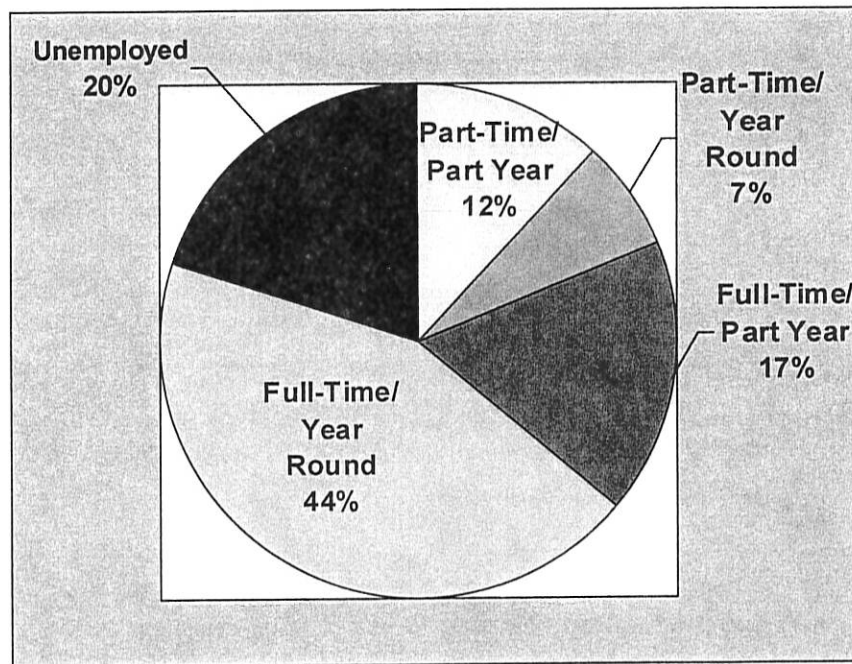
### Kansas and National Data

#### Characteristics of the Uninsured

5. *What is the employment status of the uninsured at 50% FPL up to 100% FPL? Are these uninsured individuals employed? If so, are they employed part-time, seasonal, or full-time?*

According to a 2008 Kansas Health Institute (KHI) report that analyzed data from the 2006 and 2007 Current Population Survey, only one in every five uninsured adult Kansans are unemployed at any point during the calendar year. See Graph 1. Among uninsured adults in Kansas, 44% work full-time year round, 17% work full-time part of the year, 7% work part-time year round, and 12% work part-time part of the year.

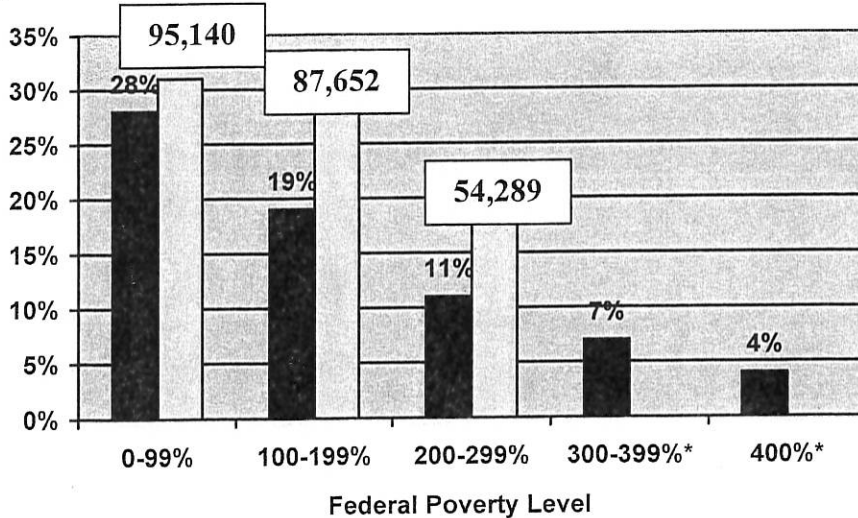
**Graph 1. Uninsured Nonelderly Kansas Adults by Employment Status (2005-2006)**



Notes: Estimates are two-year averages based on the March Current Population Survey, 2006 and 2007. (Uninsured adults = 251,000) Source: Smit RJ, Huang CC, Fizell SC, Peter R. Health Insurance and the Uninsured in Kansas. *Kansas Health Institute*, Feb. 2008.

However, from the data available, estimates on employment status for the uninsured by percent federal poverty level (FPL) cannot be made. Based on data in Graph 2 (also from the 2008 KHI Study) that looks only at the working uninsured, 28% are below 100% FPL, 19% are between 100-199% FPL, 11% are between 200-299% FPL, seven percent are between 300-399% FPL, and four percent are above 400% FPL. As demonstrated by this graph, the percentage of uninsured increases as income decreases.

**Graph 2. Percent of Uninsured Kansans by Federal Poverty Level (2005-2006)**



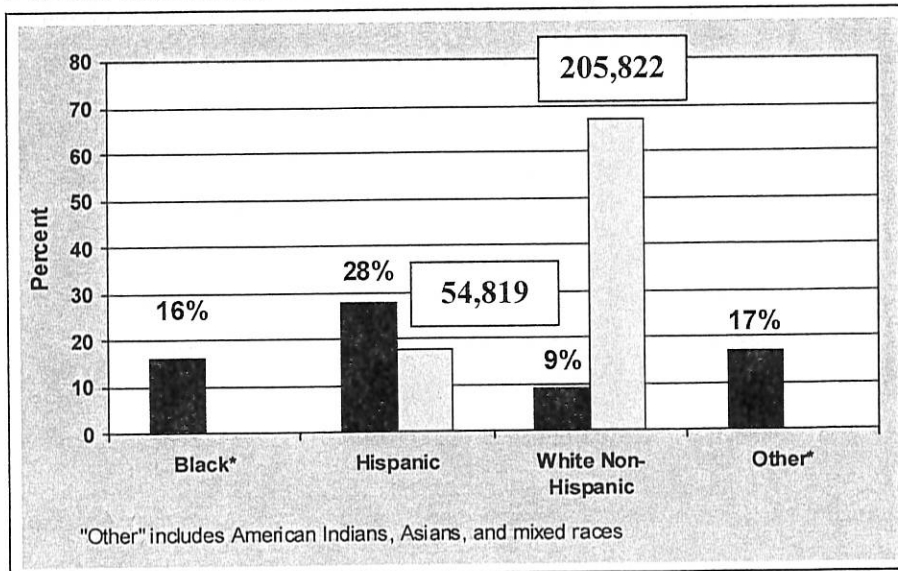
\*Sample sizes are too small to estimate the number of uninsured individuals in these categories

Note: Among all uninsured Kansans, 28% make less than 100% of the federal poverty level; this percent amounts to 95,140 Kansans who are uninsured and make less than 100% of the federal poverty level. Estimates are two-year averages based on the March Current Population Survey, 2006 and 2007. Source: Smit RJ, Huang CC, Fizell SC, Peter R. Health Insurance and the Uninsured in

6. *What is the breakdown of the uninsured in Kansas by race/ethnicity?*

Based on the 2008 KHI Study, Graph 3 demonstrates that minority populations have higher percentages of uninsured when compared to White Non-Hispanics. For example, 16% of Black and 28% of Hispanic populations in Kansas are uninsured compared to 9% of Non-Hispanic White populations. Although minorities are at higher risks of being uninsured, Non-Hispanic Whites in Kansas have higher numbers of uninsured with over 205,000 individuals.

**Graph 3. Percent of Kansans in Racial/Ethnic Categories who are Uninsured (2005-2006)**



\*Sample sizes are too small to estimate the number of uninsured individuals in these categories.

Notes: Among all Non-Hispanic White populations in Kansas, 9% are uninsured; this percent amounts to 205,822 uninsured Kansans who are White. Estimates are two-year averages based on the March Current Population Survey, 2006 and 2007. Source: Smit RJ, Huang CC, Fizell SC, Peter R. Health Insurance and the Uninsured in Kansas Kansas Health Institute, Feb. 2008.

.. What is the breakdown of the uninsured in Kansas by age and by region?

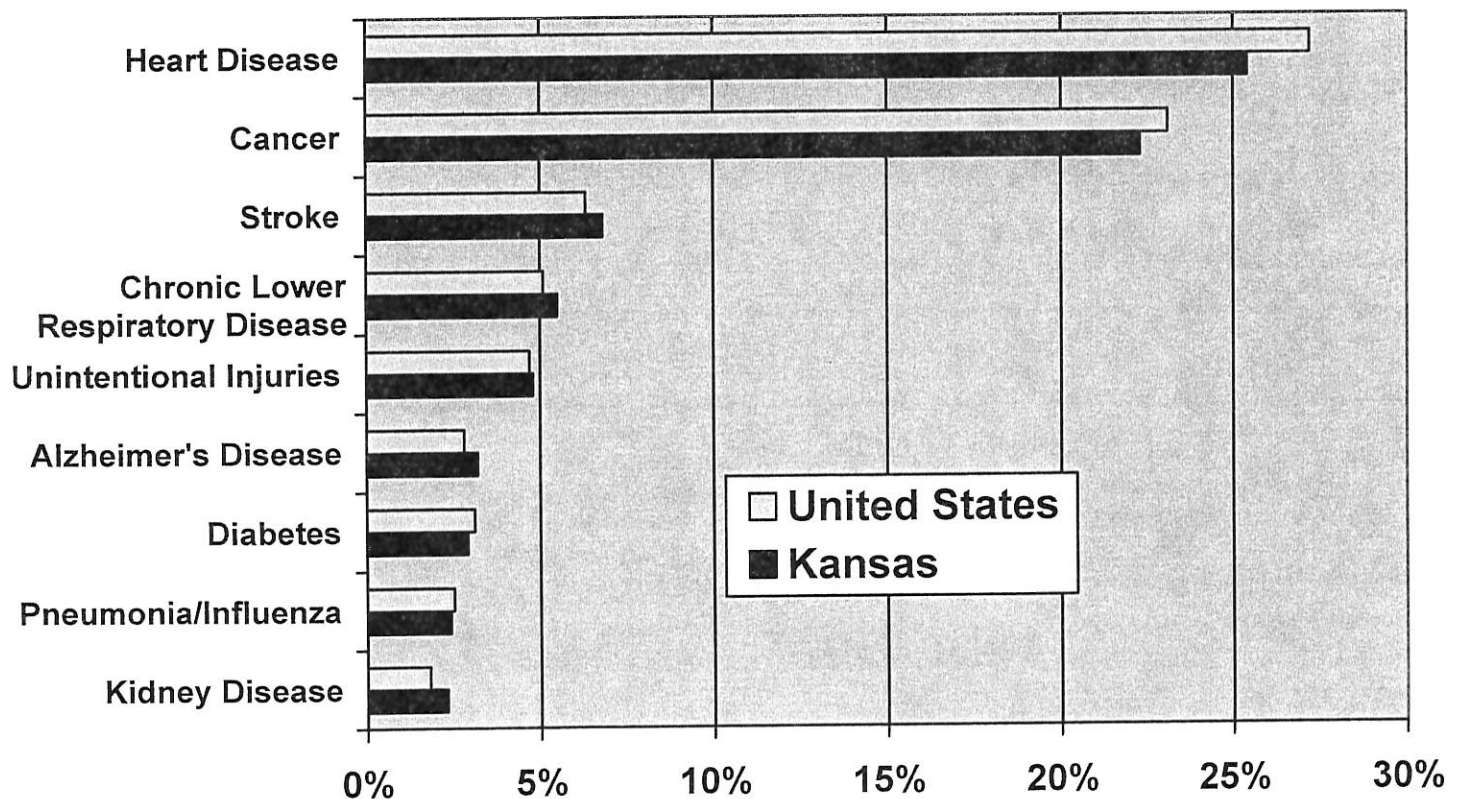
See Graph 4 on the following page (all of the graphs in the map use the same scale and therefore accurately depict the percentages of uninsured across regions). This data is from the 2001 Kansas Health Insurance Study by the Kansas Insurance Department, which is the most recent data available on the uninsured across regions of the state. This map shows the percent of uninsured by age group among the various regions of Kansas. As demonstrated in the graphs, populations with the most uninsured across the state are those aged 19-24 and 25-29. Areas with the highest percentages of uninsured include Southwest Kansas (Region 10), Sedgwick County (Region 6), Leavenworth and Wyandotte Counties (Region 1), Southeast Kansas (Region 5), and South Central Kansas (Region 7).

### Causes of Death in Kansas

8. What are the percent breakouts for causes of death in Kansas compared to national data?

As demonstrated in Graph 5 (data from the Centers for Disease Control and Prevention/National Center for Health Statistics, National Vital Statistics System), causes of death in Kansas are comparable to national percentages with heart disease and stroke being the leading causes of death for both the U.S. and Kansas. Currently, there is no data available for Kansas that estimate "actual causes of death" (e.g., tobacco, poor diet, alcohol, etc.) as was done for the U.S. in slide 16 of the testimony provided on February 18<sup>th</sup> by KHPA's Executive Director, Marcia Nielsen.

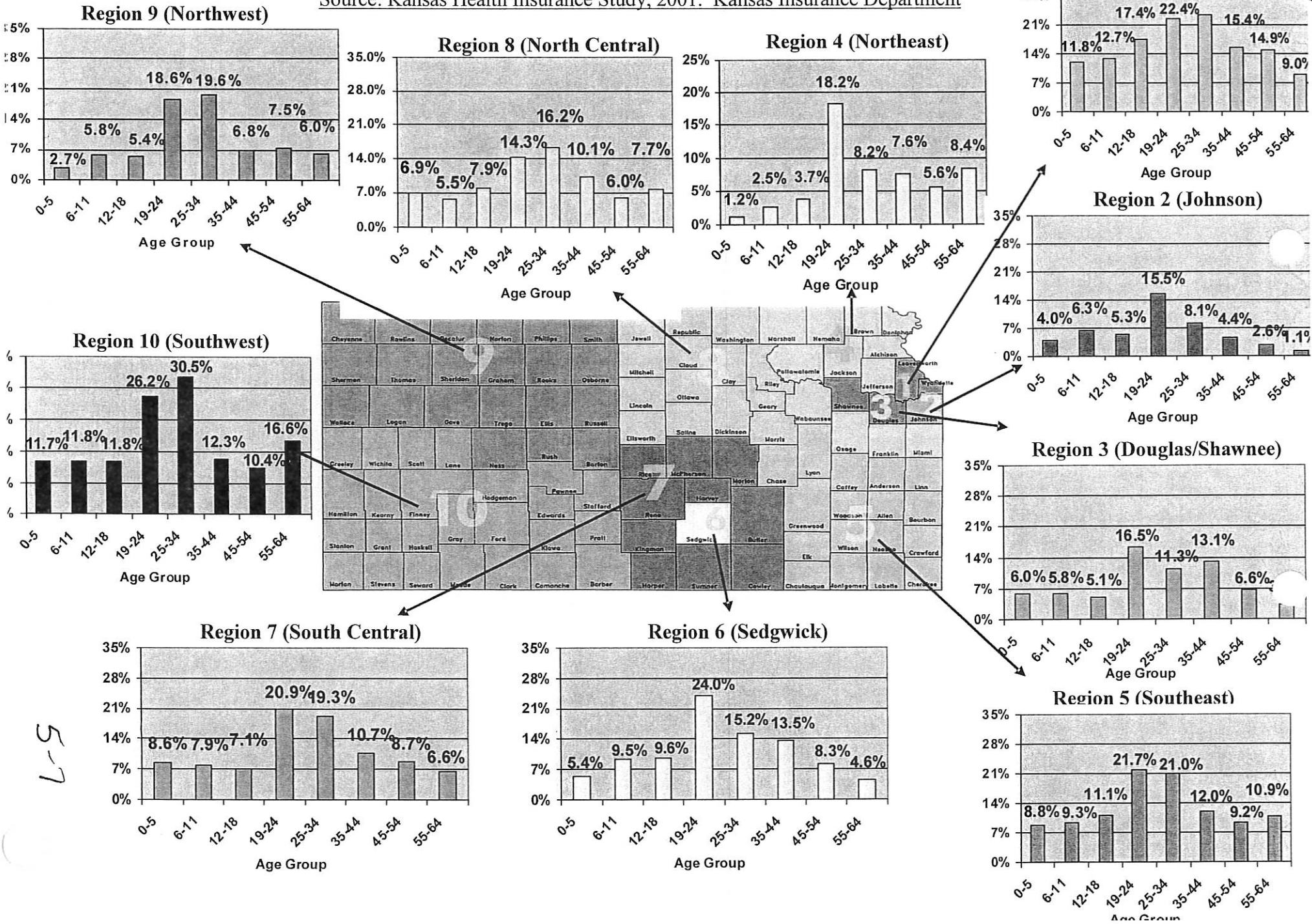
Graph 5: Leading Causes of Deaths in Kansas compared to the U.S., 2004



Source: Deaths, percent of total deaths, and death rates for the 15 leading causes of death: United States and each State, 2004. Centers for Disease Control and Prevention/National Center for Health Statistics, National Vital Statistics System.

# Graph 4: Uninsured in Kansas, By Region and By Age

Source: Kansas Health Insurance Study, 2001. Kansas Insurance Department



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4-6