

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Vice Chairman Jay Emler at 10:40 A.M. on March 20, 2008, in Room 123-S of the Capitol.

All members were present except:

Senator Donald Betts, Jr. - excused
Senator Steve Morris - excused
Senator David Wysong - excused

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes
Alan Conroy, Director, Kansas Legislative Research Department
Kristen Clarke Kellems, Assistant Revisor of Statutes
Amy Deckard, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Heather O'Hara, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Jarod Waltner, Kansas Legislative Research Department
Melinda Gaul, Chief of Staff, Senate Ways & Means
Mary Shaw, Committee Assistant

Conferees appearing before the committee:

Beth Oakes, Vice President, Community Planning, United Way of the Plains
Heather Pierce, Kansas 2-1-1 Coordinator

Others attending:

See attached list.

Bill Introductions

Vice Chairman Emler recognized Senator James Barnett who presented information regarding requesting two bills. One bill was regarding Safety Net Clinics (Attachment 1) and the other requested by Senator John Vratil regarding crime victims restitution and fee collection.

Senator Schodorf moved, with a second by Senator Goodwin, to introduce a conceptual bill concerning funding recommended for primary care safety net clinics; appropriation recommended to KDHE and KHPA. Motion carried on a voice vote.

Senator Goodwin moved, with a second by Senator Taddiken, to introduce a conceptual bill concerning Criminal proceedings; contempt; collection of restitution. Motion carried on a voice vote.

Vice Chairman Emler welcomed Beth Oakes, Vice President Community Planning, United Way of the Plains, who provided a brief summary of 2-1-1. Ms. Oakes noted that it is an easy to connect to services in the community. She introduced Heather Pierce, the 2-1-1 Coordinator in Kansas, who explained what they have done and how they served the recent disasters in the state.

Heather Pierce, Kansas 2-1-1 Coordinator, explained that they are in the process of educating people about what Kansas 2-1-1 is a quick way to reach help (Attachment 2) and (Attachment 3). They are nationwide and went live in Kansas in 2006. Use of the 2-1-1 number during the recent disasters freed up the 9-1-1 services for emergencies and they were able to help in other ways for people to get the services that were needed. Ms. Pierce shared some personal stories in how 2-1-1 was able to help various people.

Copies of the Kansas Legislative Research Department Budget Analysis Report for FY 2008 and FY 2009 were available to the committee.

Subcommittee reports on:

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:40 A.M. on March 20, 2008, in Room 123-S of the Capitol.

Kansas Department of Social and Rehabilitation Services (Attachment 4)

Subcommittee Chairman Dwayne Umbarger reported that the subcommittee on the Kansas Department of Social and Rehabilitation Services concurs with the Governor's recommendation in FY 2008 with adjustment and notation and concurs with the Governor's FY 2009 recommendation with adjustments

Senator V. Schmidt moved, with a second by Senator Kelly, to amend the subcommittee report on the Kansas Department of Social and Rehabilitation Services in FY 2009, Item No. 12, to clarify the numbers in the first line and correct the numbers on the PIL should be \$154,000 State General Fund. Motion carried on a voice vote.

Senator Taddiken moved, with a second by Senator Goodwin, to amend the subcommittee report on the Kansas Department of Social and Rehabilitation Services in FY 2009 to review the rate increases for all waiting lists at Omnibus. Motion carried on a voice vote.

Senator Emler moved, with a second by Senator Goodwin, to adopt the subcommittee budget report on the Kansas Department of Social and Rehabilitation Services in FY 2008 and FY 2009 as amended. Motion carried on a voice vote.

Kansas Health Policy Authority (Attachment 5)

Subcommittee Chairman Dwayne Umbarger reported that the subcommittee on the Kansas Health Policy Authority concurs with the Governor's recommendation in FY 2008 and concurs with the Governor's FY 2009 recommendation with adjustments and notations.

Senator V. Schmidt moved, with a second by Senator Kelly, to amend the subcommittee report on the Kansas Health Policy Authority (KHPA) in FY 2009, Item No. 7, to allow KHPA to work with drug companies to pursue drug rebates. Motion carried on a voice vote.

Senator Steineger moved, with a second by Senator Emler, to adopt the subcommittee budget report on the Kansas Health Policy Authority in FY 2008 and FY 2009 as amended. Motion carried on a voice vote.

Chairman Umbarger turned the committee's attention to discussion of:

SCR 1620--Requesting Capitol Area Plaza Authority to develop plan for improving area surrounding Capitol

Senator V. Schmidt moved, with a second by Senator Kelly, to table SCR 1620. Motion carried on a voice vote.

Senator Kelly explained that the City of Topeka has work to do on this item and needs a plan.

The meeting adjourned at 11:50 a.m. The next meeting was scheduled for March 21, 2008.

**SENATE WAYS AND MEANS
GUEST LIST**

Date March 20, 2008

NAME	REPRESENTING
Heather Pierce	United Way 2-1-1 of Kansas
Ben Oaks	United Way of the Plains
Mary Ellen Gulee	Corbee Consulting Group
Patrick Woods	SRS
Ray Dalton	SRS
Dan Jordan	SRS
Amie Suenwood	KYEA
De Marie Hg	SKIC
Jennifer Newman	KACIL
Candy Chirby	SRS
Lana Howard	SRS
Lisa Woods	SRS
Melissa Ness	St. Francis Committee Services
Julie Thomas	POP
Jeff Bottal	KSA
Carol Freeman	DOA
Scott Bruner	KHPA
Barb Langner	KHPA
Richard Bally	Stevia Schools
TK Shively	Ks Legal Services
Cindy D'Amico	KAC
Kyle Penler	KVC
Barbara Jacobs	ATAT



Kansas Association
for the
Medically Underserved
The State Primary Care Association

1129 S Kansas Ave., Suite B Topeka, KS 66612 785-233-8483 Fax 785-233-8403 www.kspca.org

March 10, 2008

To: Senator Derek Schmidt, Majority Leader
From: Cathy Harding, Executive Director, KAMU
Subject: Health Care Safety Net Appropriation

We have been asked to explain how an appropriation of \$1,500,000 would be used by the primary care safety net clinics of Kansas. We view the most pressing need of the safety net as funding for direct care. In the three years between 2004 and 2007 the number of unduplicated users of the safety net clinics increased by 53 percent. The majority of the patients seen by the clinic (56 percent) have no health insurance. We request that \$1,400,000 be dedicated to direct care through the primary care clinics grant program administered by the Kansas Department of Health and Environment through aid to local units. We estimate that 5,185 additional patients could be treated for this level of appropriation. This would result in an estimated 14,000 patient visits.

Grants to primary care safety net clinics (KDHE) \$1,400,000

We also believe it is necessary to develop the infrastructure of the safety net clinic system to enable it to treat more underserved patients in the future. Infrastructure development has two key components: 1) assuring that the current safety net providers operate as efficiently and effectively as possible, and 2) developing physical and human capacity to expand the safety net system to parts of the state that are currently not served or are underserved. KAMU, which is the primary care association for Kansas, will provide or arrange for services that support infrastructure development in four key areas: community and facility planning, organizational development, financial and management system improvement, and clinical and administrative quality improvement. We request that \$100,000 be appropriated directly to KAMU to provide these services.

Safety net clinic infrastructure development (KAMU) \$100,000

Expenditures of these amounts will make a contribution to the stability and promotion of the primary care safety net clinic in Kansas. On behalf of the members of the Kansas Association for the Medically Underserved, we thank you for your support.

Primary Care Safety Net Clinics - A Good Investment

Senate Ways and Means
3-20-08
Attachment 1

Three-digit 2-1-1 phone number makes it easier to find help or volunteer



What is United Way 2-1-1 of Kansas?

- 2-1-1 is an easy-to-remember telephone number that connects people with important community services and volunteer opportunities.
- In 2000 the FCC assigned the 2-1-1 phone number to be used only for community information and referral nationwide.
- United Way 2-1-1 of Kansas serves most of Kansas through United Way of the Plains in Wichita. Kansas City area 2-1-1 service is provided by United Way of Greater Kansas City.

What types of services does United Way 2-1-1 help callers find?

- **Resources for basic human needs:** food banks, clothing closets, shelters, rent assistance, utility assistance.
- **Support for older individuals and persons with disabilities:** adult day care, congregate meals, Meals on Wheels, respite care, home health care, transportation, homemaker services.
- **Support for children, youth and families:** child care, after-school programs, Head Start, family resource centers, summer camps and recreation programs, mentoring, tutoring, protective services.
- **Physical and mental health resources:** health insurance programs, Medicaid and Medicare, maternal health, Children's Health Insurance Program, medical information lines, crisis intervention services, support groups, counseling, drug and alcohol intervention and rehabilitation.
- **Employment supports:** job training, transportation assistance, education programs.

What are the hours of operation?

- Statewide service is provided 24 hours a day, 7 days a week.

How does it benefit Kansans?

Benefits to Users:

- 2-1-1 is an easy way to find help or give help.
- One call gives people access to 1000s of resources in Kansas communities.
- All 2-1-1 calls are confidential and free (cell phone calls that reach 2-1-1 may have usual cell charges).

Benefits as a Crisis Tool:

- During and after a tornado, flood, terrorist attack or other tragedy, 2-1-1 is a ready-to-use number. There is no need to wait for an information system to be set up when a crisis occurs.
- One call can connect people to needed human services during a crisis. One call also quickly connects volunteers to local needs in a local tragedy.
- Since 2-1-1 is a permanent number, people can find help whether their needs arise a week or several months after a tragedy.

Community Benefits:

- 2-1-1 strengthens the community by uniting people in the area who want to help with those who need help.
- 2-1-1 maintains the integrity of the 9-1-1 system—saving that vital community service for life and death emergencies.

How is the service funded?

- **Sponsors:** Kansas Health Foundation, Capitol Federal, Cessna Aircraft Company, Preferred Health Systems
- **Inkind support:** Royal Caribbean International
- General contributions to United Way

In a local crisis:
After a tornado, flood or other crisis: people can find help more easily with 2-1-1.

Year-round needs:
With one number people can find needed services or places to volunteer.



2

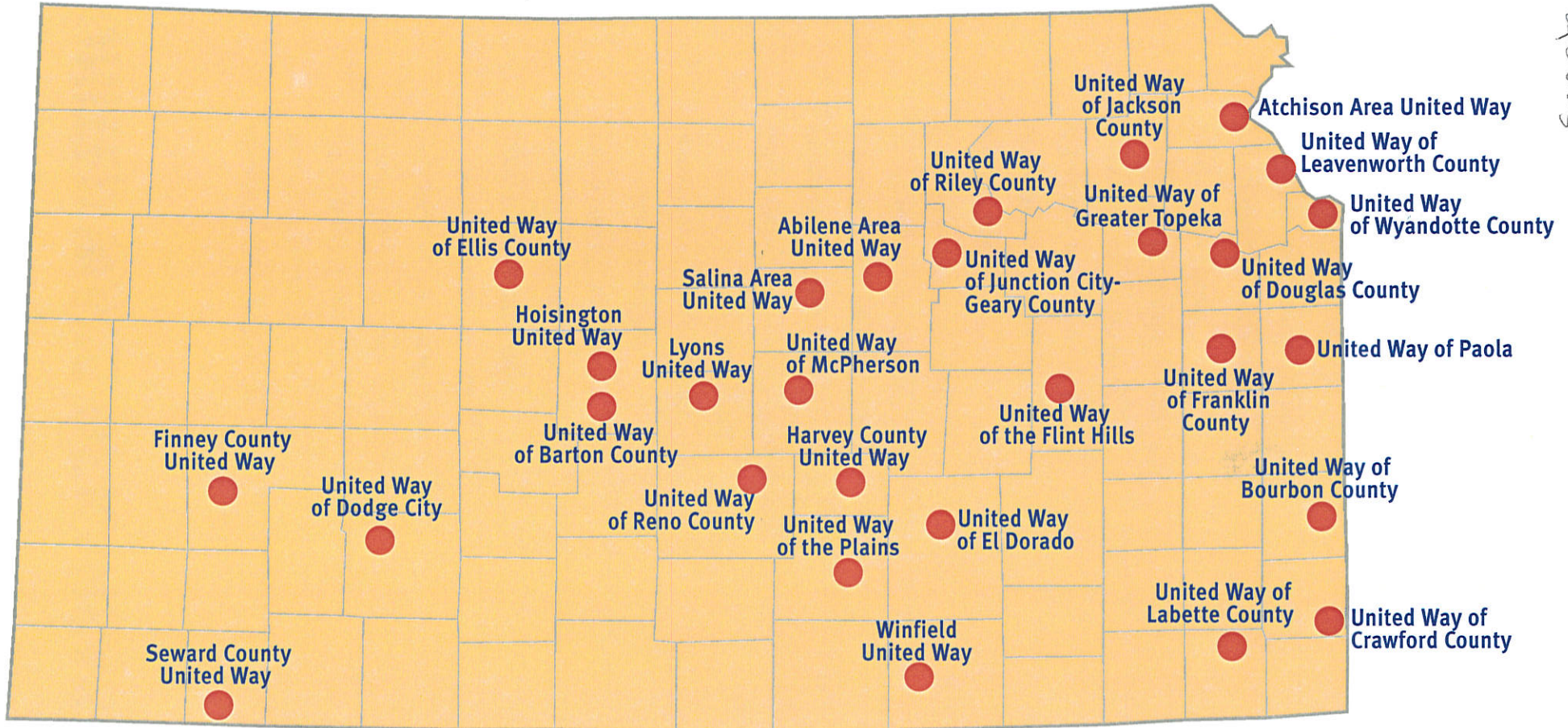
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Senate Ways & Means
3-20-08
Attachment 2

UNITED WAYS OF KANSAS



Senate ways and means
3-20-08
Attachment 3




UNITED WAYS OF KANSAS

Abilene	Abilene Area United Way, Inc.	(785) 263-1790
Atchison	Atchison Area United Way	(913) 367-6510
Dodge City	United Way of Dodge City	(620) 227-8793
El Dorado	United Way of El Dorado, Kansas, Inc.	(316) 321-6200
Emporia	United Way of the Flint Hills, Inc.	(620) 342-7564
Fort Scott	United Way of Bourbon County	(620) 223-0980
Garden City	Finney County United Way	(620) 275-1425
Great Bend	United Way of Barton County	(620) 792-2403
Hays	United Way of Ellis County	(785) 628-8281
Hoisington	Hoisington United Way	(620) 653-4637
Holton	United Way of Jackson County	(785) 364-3131
Hutchinson	United Way of Reno County, Inc.	(620) 669-9329
Junction City	United Way of Junction City-Geary County	(785) 238-2117
Kansas City	United Way of Wyandotte County, Inc.	(913) 371-3674
Lawrence	United Way of Douglas County	(785) 843-6626
Leavenworth	United Way of Leavenworth County	(913) 682-2592
Liberal	Seward County United Way	(620) 624-5400
Lyons	Lyons United Way	(620) 257-2314
Manhattan	United Way of Riley County	(785) 776-3779
McPherson	United Way of McPherson, Inc.	(620) 241-5152
Newton	Harvey County United Way	(316) 283-7101
Ottawa	United Way of Franklin County Assn	(785) 229-6440
Paola	United Way of Paola	(913) 755-3134
Parsons	United Way of Labette County	(620) 421-1000
Pittsburg	United Way of Crawford County	(620) 231-8140
Salina	Salina Area United Way	(785) 827-1312
Topeka	United Way of Greater Topeka	(785) 273-4804
Wichita	United Way of the Plains	(316) 267-1321
Winfield	Winfield United Way, Inc.	(620) 221-5080 OR (620) 221-5041


FY 2008 and FY 2009

SENATE WAYS AND MEANS SUBCOMMITTEE

Social and Rehabilitation Services



Senator Dwayne Umbarger, Chair



Senator Greta Goodwin



Senator Vicki Schmidt



Senator Jean Schodorf



Senator Ruth Teichman

House Budget Committee Report

Agency: Department of Social and Rehabilitation Services **Bill No.** HB 2947 **Bill Sec.** 28

Analyst: Deckard

Analysis Pg. No. Vol.1-406

Budget Page No. 365

Expenditure Summary	Agency Estimate FY 08	Governor's Recommendation FY 08	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 673,302,947	\$ 658,093,239	\$ 0
Other Funds	847,729,281	868,577,359	(5,000,000)
Subtotal - Operating	<u>\$ 1,521,032,228</u>	<u>\$ 1,526,670,598</u>	<u>\$ (5,000,000)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Other Funds	7,669,185	7,309,185	0
Subtotal - Capital Improvements	<u>\$ 7,669,185</u>	<u>\$ 7,309,185</u>	<u>\$ 0</u>
 TOTAL	 <u>\$ 1,528,701,413</u>	 <u>\$ 1,533,979,783</u>	 <u>\$ (5,000,000)</u>
 FTE Positions	 3,668.6	 3,668.6	 0.0
Non FTE Uncl. Perm. Pos.	72.6	72.6	0.0
TOTAL	<u>3,741.2</u>	<u>3,741.2</u>	<u>0.0</u>

Agency Estimate

The **agency** estimates a revised FY 2008 budget totaling \$1.5 billion, an increase of \$22.2 million, or 1.5 percent, above the amount approved by the 2007 Legislature. Requested State General Fund expenditures total \$673.3 million, an increase of \$19.6 million, or 3.0 percent, above the approved amount. The request includes 3,668.6 FTE positions and 72.6 Non-FTE positions, a decrease of 2.0 FTE positions and an increase of 7.0 Non-FTE positions from the revised current year estimate. Major adjustments to the FY 2007 approved budget include supplemental requests of: \$9.2 million, including \$7.5 million from the State General Fund, to implement child welfare non-medicaid residential placements changes; \$10.5 million from the State General Fund for replacement of federal funds; and \$2.0 million, including \$1.6 million from the State General Fund, for the Home and Community Based Services for persons with developmental disabilities (HCBS/DD) waiver change.

The revised FY 2008 budget includes a State General Fund reappropriation of \$1.2 million from FY 2007. The FY 2008 budget also includes \$10.1 million in additional federal funds. The agency is requesting to move 2.0 FTE positions to Osawatomie State Hospital in FY 2008 and to transfer \$1.1 million from the State General Fund to Rainbow Mental Health Facility. The additional funds at Rainbow Mental Health Facility will help increase the number of inpatient mental health beds available in Kansas.

Governor's Recommendation

The **Governor** recommends FY 2008 operating expenditures \$1.5 billion, including \$658.1 million from the State General Fund. The Governor's recommendation include the following changes to the agency's request:

- The addition of \$5.0 million, all from the Children's Initiatives Fund (CIF), for the new early childhood block grant to be administered by the Children's Cabinet. The block grant is to be used for grants to school districts, child care centers and homes, Early Head Start sites, Head Start sites, and community-based programs that provide research-based child development services for at-risk infants, toddlers and their families, and preschool for three and four year olds. The Governor's recommendation also includes funding of \$18.0 million for this block grant in FY 2009.
- The addition of \$9.0 million from the State General Fund for improved intake and assessment for Child Protective Services, to fund a portion of the agency's \$10.5 million supplemental request for the replacement of federal funds for out of home placements for children.
- The addition of \$2,241,040 from federal disaster funding to provide emergency and ongoing mental health services to victims of the Greensburg tornado and the Southeast Kansas flooding.
- Addition of \$1,678,955, all from federal funds, for the mental health administrative claiming payments to Community Mental Health Centers.
- The Governor's recommendation includes adjustments to reflect the November 2007 consensus caseload estimates for entitlement programs. The estimate for FY 2008 was revised upward by \$13.0 million, while the State General Fund estimate is a reduction of \$645,235.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following adjustment and notation:

1. Delete \$5.0 million, all from the Children's Initiatives Fund, for the new early childhood block grant to be reviewed at Omnibus. The Budget Committee notes that this is a new block grant which the Governor recommended funding in both FY 2008 and FY 2009. The new block grant is to be administered by the Children's Cabinet and the funds are to be used for grants to school districts, child care centers and homes, Early Head Start sites, Head Start sites, and community based programs that provide research-based child development services for at-risk infants, toddlers and their families, and preschool for three- and four-year olds.
2. The Budget Committee requests that KAR 30-5-61a(a)(1), concerning withholding of payments to Medicaid providers, be reviewed during the 2008 Interim. The Budget Committee recommends that the review include consideration of preventing the state from recoupment of funds in dispute until a fair hearing is held. Additionally, the review should include consideration of payment of attorney fees if the family involved is found not to be at fault. The review should also

include consideration of the method of recoupment, to ensure that the recoupment process will not be detrimental to the clients and their care.

The Budget Committee received testimony from a family which stopped receiving Medicaid payments for their son, who is receiving services from the Home and Community Based Services waiver for individuals with developmental disabilities, until the past payments at issue had been recouped. The payments at issue totaled more than \$16,000 and created hardship for the family.

House Committee Recommendation

The House Committee concurs with the Budget Committee recommendation.

Senate Subcommittee Report

Agency: Department of Social and Rehabilitation Services **Bill No.** SB 655 **Bill Sec.** 28

Analyst: Deckard **Analysis Pg. No.** Vol.1-406 **Budget Page No.** 365

Expenditure Summary	Agency Estimate FY 08	Governor's Recommendation FY 08	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 673,302,947	\$ 658,093,239	\$ 0
Other Funds	847,729,281	868,577,359	(5,000,000)
Subtotal - Operating	<u>\$ 1,521,032,228</u>	<u>\$ 1,526,670,598</u>	<u>\$ (5,000,000)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Other Funds	7,669,185	7,309,185	0
Subtotal - Capital Improvements	<u>\$ 7,669,185</u>	<u>\$ 7,309,185</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 1,528,701,413</u></u>	 <u><u>\$ 1,533,979,783</u></u>	 <u><u>\$ (5,000,000)</u></u>
 FTE Positions	 3,668.6	 3,668.6	 0.0
Non FTE Uncl. Perm. Pos.	72.6	72.6	0.0
TOTAL	<u><u>3,741.2</u></u>	<u><u>3,741.2</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **agency** estimates a revised FY 2008 budget totaling \$1.5 billion, an increase of \$22.2 million, or 1.5 percent, above the amount approved by the 2007 Legislature. Requested State General Fund expenditures total \$673.3 million, an increase of \$19.6 million, or 3.0 percent, above the approved amount. The request includes 3,668.6 FTE positions and 72.6 Non-FTE positions, a decrease of 2.0 FTE positions and an increase of 7.0 Non-FTE positions from the revised current

year estimate. Major adjustments to the FY 2007 approved budget include supplemental requests of: \$9.2 million, including \$7.5 million from the State General Fund, to implement child welfare non-medicaid residential placements changes; \$10.5 million from the State General Fund for replacement of federal funds; and \$2.0 million, including \$1.6 million from the State General Fund, for the Home and Community Based Services for persons with developmental disabilities (HCBS/DD) waiver change.

The revised FY 2008 budget includes a State General Fund reappropriation of \$1.2 million from FY 2007. The FY 2008 budget also includes \$10.1 million in additional federal funds. The agency is requesting to move 2.0 FTE positions to Osawatomie State Hospital in FY 2008 and to transfer \$1.1 million from the State General Fund to Rainbow Mental Health Facility. The additional funds at Rainbow Mental Health Facility will help increase the number of inpatient mental health beds available in Kansas.

Governor's Recommendation

The **Governor** recommends FY 2008 operating expenditures \$1.5 billion, including \$658.1 million from the State General Fund. The Governor's recommendation include the following changes to the agency's request:

- The addition of \$5.0 million, all from the Children's Initiatives Fund (CIF), for the new early childhood block grant to be administered by the Children's Cabinet. The block grant is to be used for grants to school districts, child care centers and homes, Early Head Start sites, Head Start sites, and community-based programs that provide research-based child development services for at-risk infants, toddlers and their families, and preschool for three and four year olds. The Governor's recommendation also includes funding of \$18.0 million for this block grant in FY 2009.
- The addition of \$9.0 million from the State General Fund for improved intake and assessment for Child Protective Services, to fund a portion of the agency's \$10.5 million supplemental request for the replacement of federal funds for out of home placements for children.
- The addition of \$2,241,040 from federal disaster funding to provide emergency and ongoing mental health services to victims of the Greensburg tornado and the Southeast Kansas flooding.
- Addition of \$1,678,955, all from federal funds, for the mental health administrative claiming payments to Community Mental Health Centers.
- The Governor's recommendation includes adjustments to reflect the November 2007 consensus caseload estimates for entitlement programs. The estimate for FY 2008 was revised upward by \$13.0 million, while the State General Fund estimate is a reduction of \$645,235.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following adjustment and notation:

1. Delete \$5.0 million, all from the Children's Initiatives Fund, for the new early childhood block grant to be reviewed at Omnibus. The Subcommittee notes that this is a new block grant which the Governor recommended funding in both FY 2008 and FY 2009. The new block grant is to be administered by the Children's Cabinet and the funds are to be used for grants to school districts, child care centers and homes, Early Head Start sites, Head Start sites, and community based programs that provide research-based child development services for at-risk infants, toddlers and their families, and preschool for three- and four-year olds.

House Budget Committee Report

Agency: Department of Social and Rehabilitation Services **Bill No.** HB 2946 **Bill Sec.** 33

Analyst: Deckard **Analysis Pg. No.** Vol.1-406 **Budget Page No.** 365

Expenditure Summary	Agency Request FY 09	Governor's Recommendation FY 09	House Budget Committee Adjustments*
Operating Expenditures:			
State General Fund	\$ 713,172,171	\$ 680,003,835	\$ (24,285,971)
Other Funds	881,179,056	887,430,237	(34,563,816)
Subtotal - Operating	<u>\$ 1,594,351,227</u>	<u>\$ 1,567,434,072</u>	<u>\$ (58,849,787)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Other Funds	20,951,880	4,730,500	0
Subtotal - Capital Improvements	<u>\$ 20,951,880</u>	<u>\$ 4,730,500</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 1,615,303,107</u></u>	<u><u>\$ 1,572,164,572</u></u>	<u><u>\$ (58,849,787)</u></u>
FTE Positions			
FTE Positions	3,678.6	3,669.6	0.0
Non FTE Uncl. Perm. Pos.	72.6	72.6	0.0
TOTAL	<u><u>3,751.2</u></u>	<u><u>3,742.2</u></u>	<u><u>0.0</u></u>

*Of the Budget Committee's recommended reductions, \$7,924,349, including \$3,340,878 from the State General Fund, is related to pay plan adjustments.

Agency Request

The **agency** requests a FY 2009 operating budget of \$1.6 billion, an increase of \$73.3 million, or 4.8 percent, above the revised current year estimate. The request includes State General Fund expenditures of \$713.3 million, an increase of \$39.9 million, or 5.9 percent, above the revised current year estimate. The request includes 3,678.6 FTE positions and 72.6 Non-FTE positions, an increase of 10.0 FTE positions above the revised current year estimate.

The request includes enhancement funding of \$96.6 million, including \$66.2 million from the State General Fund, and 9.0 FTE positions. **Absent the enhancement requests**, the request in FY 2009 would total \$1.5 billion, including \$647.0 million from the State General Fund, representing a total decrease of \$23.3 million, or 1.7 percent, and a State General Fund reduction of \$26.3 million, or 3.9 percent.

Governor's Recommendation

The **Governor** recommends \$1.6 billion, including \$680.0 million from the State General Fund, for FY 2009 operating expenditures. The recommendation is an increase of \$40.8 million, or 2.7 percent, above the Governor's FY 2008 recommendation. The Governor's FY 2009 recommendation is a decrease of \$26.9 million, or 1.7 percent, below the agency's request.

The recommendation includes the following adjustments to the agency request: the addition of \$3,658,214, including \$1,543,832 from the State General Fund, for the Governor's recommended 2.5 percent base salary adjustment; addition of \$2,285,025, including \$969,993 from the State General Fund, for the Governor's recommended below market recommendation; reduction of \$7.0 million, all from the State General Fund, for Community Mental Health Centers certified match; addition of \$9.0 million from the State General Fund for improved intake and assessment for Child Protective Services, to fund a portion of the agency's \$10.5 million supplemental request for the replacement of federal funds for out of home placements for children; and a reduction of \$1.0 million, all from the State General Fund, to eliminate the state only funded portion of the Low Income Energy Assistance program (LIEAP).

The recommendation also includes the following adjustments to the agency request: addition of \$734,000, including \$602,133 from the State General Fund, for the purchase of a total of 55 replacement vehicles to be allocated between SRS and the five state hospitals (SRS and the state hospitals had requested \$1,627,322, including \$1,334,965 from the State General Fund, for 110 replacement vehicles); addition of \$7.0 million, including \$4.2 million from the State General Fund, for a human service information management system; addition of \$8,728,033, all from federal funds, for the mental health administrative claiming payments to Community Mental Health Centers; addition of \$2,467,680, all from the State General Fund, for child care caseload increases; addition of \$15,100,930, including \$6,052,452 from the State General Fund, to decrease HCBS waivers waiting list; addition of \$18.0 million, all from the Children's Initiatives Fund, for the new early childhood block grant to be administered by the Children's Cabinet; and the addition of \$14.0 million, including \$9.1 million to the agency's request for consensus caseload adjustments.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following adjustments:

1. **Pay Plan Adjustments.** Delete \$7,924,349, including \$3,340,878 from the State General Fund (or all from the State General Fund, or all from special revenue funds), to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$3,658,214, including \$1,543,832 from the State General Fund, to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.
 - b. **Classified Employee Pay Plan.** Delete \$2,285,025, including \$969,993 from the State General Fund, to remove the amount recommended by the Governor for FY 2009 pay increases for basic vocational classes and for those employees identified as having the most disparity relative to market rate.
 - c. **Longevity Pay.** Delete \$1,981,110, including \$827,053 from the State General Fund to remove the amount recommended by the Governor for longevity bonus payments.
2. Delete \$7.0 million, including \$4.2 million from the State General Fund, to remove funding for an integrated enrollment system for review at Omnibus. The system is a joint project with the Health Policy Authority. The Budget Committee recommends removing funding in FY 2009 for both agencies totaling \$15.0 million, including \$8.2 million from the State General Fund, for

this project for review at Omnibus. The Budget Committee notes that the project would begin the replacement of an antiquated computer system that relies on mainframe technology and warrants discussion.

3. Delete \$9.0 million, all from the State General Fund, which was recommended by the Governor to replace federal funds for the child protective services program for review at Omnibus. Changes in federal regulation now only allow federal Title IV-E funding for those children that are candidates for out of home placement. This has reduced the amount of federal funding that SRS has been able to receive for administration costs. The agency had requested \$10.5 million from the State General Fund to maintain the current level of service. The Budget Committee requests that the agency report on any other sources of revenue to pay for these services.
4. Delete \$118,500, all from the State General Fund, to replace federal funds, for the Kansas Youth Empowerment Grant for review at Omnibus. The federal Rehabilitation Services Administration (RSA) interprets federal regulations regarding use of Title I Vocational Rehabilitation funds. The RSA interprets the regulations to prohibit state agencies from issuing grants funded from this source. To comply with this interpretation, the Department of Social and Rehabilitation Services requested the enhancement funds to replace the portion of this grant previously matched by federal vocational rehabilitation funds with State General Funds.

The Budget Committee received testimony that the funding for programs provided in this grants illustrate to those who are disabled that they can get things accomplished even if they are disabled. Testimony cited the following information:

- One out of five adults with disabilities has not graduated from high school, compared to less than one out of ten adults without disabilities.
 - Youth with severe emotional disabilities (57.6 percent) and youth with learning disabilities (36.0 percent) have the highest drop out rates of all disability groups.
 - Only 14.0 percent of youth with disabilities attend post secondary school versus 53.0 percent in the general population.
 - Nationally, 70.0 percent of youth with disabilities are unemployed two years after exiting from high school.
5. Delete \$15,100,930, including \$6,052,452 from the State General Fund, to decrease HCBS waivers waiting list for review at Omnibus. This includes funding of:
 - \$1.0 million, including \$400,800 from the State General Fund, for the HCBS for persons with a Head Injury waiver;
 - \$2,783,382, including \$1,151,652 from the State General Fund, for the HCBS/PD waiver; and
 - \$11,227,548, including \$4,500,000 from the State General Fund for the HCBS/DD waiver.

The Budget Committee notes that there are currently 1,317 individuals waiting for services from the HCBS/DD waiver. The Budget Committee recommends consideration of a plan over the next three years to eliminate the HCBS/DD waiver waiting list. The Budget Committee notes that it is currently the only HCBS waiver that has a waiting list. The Budget Committee recognizes that the waiting list can not be eliminated all at once, but notes the need to consider how the waiting list should be addressed. The Budget Committee notes the need to make an effort to address the needs of the HCBS waivers.

The Budget Committee also notes that if funding for the HCBS waivers are not added during Omnibus there is a potential for creation of waiting lists for other HCBS waivers during FY 2009.

6. Delete \$500,000, all from the State General Fund, to increase Centers for Independent Living (CIL) grants for review at Omnibus. Funding for CIL grants also comes from Social Security Rehabilitation Incentives funds. Revenue from this funding source varies from year to year due to the Social Security Administration (SSA) review and approval process. The revenue is no longer sufficient to provide the amount of funding used for CIL grants. The \$500,000 recommended by the Governor is to replace this dwindling source of revenue for the CILs grants.
7. Delete \$734,000, including \$602,133 from the State General Fund, for the purchase of a total of 55 replacement vehicles to be allocated between SRS and the five state hospitals for review at Omnibus. SRS and the state hospitals had requested \$1,627,322, including \$1,334,965 from the State General Fund, for 110 replacement vehicles.
8. Delete \$375,000, all from the State General Fund, for assistive technology for Kansans for review at Omnibus. The Budget Committee notes testimony received that indicated that this money is used to support five regional access sites across the state to help provide services to Kansans that have little or no ability to secure services elsewhere.
9. Delete \$97,008, all from the State General Fund, for the child protection single toll-free line for review at Omnibus. The toll free calls regarding child abuse and neglect reports from the public would be received at the protection report center, and the calls would be transferred to the local regional protection report center for action.
10. Delete \$18.0 million, all from the Children's Initiatives Fund, for the new early childhood block grant to be reviewed at Omnibus. The Budget Committee notes that this is a new block grant which the Governor recommended funding in both FY 2008 and FY 2009. The new block grant is to be administered by the Children's Cabinet and the funds are to be used for grants to school districts, child care centers and homes, Early Head Start sites, Head Start sites, and community based programs that provide research-based child development services for at-risk infants, toddlers and their families, and preschool for three- and four-year olds.
11. The Budget Committee recommends the removal of the language in the appropriations bill that places a 80 person limit on the number of persons that can be moved for money follows the person program. The Budget Committee

notes that Kansas received a five-year \$37.0 million, money follows the person demonstration federal grant to transition individuals from institutional settings to the community.

12. Review the addition of \$1.0 million, all from the Children's Initiatives Fund, at Omnibus to reinstate funding for therapeutic preschool. The Budget Committee notes that therapeutic preschool facilities provide important early intervention for children who have severe emotional disorders.
13. Review the addition of \$228,000, all from the Children's Initiatives Fund, at Omnibus to reinstate funding for the school violence prevention program. The Budget Committee notes that the programs provide children with mental health support and services in the school setting with a focus on issues related to school violence.
14. The Budget Committee requests a report from SRS prior to Omnibus regarding the merger of HCBS/TA waiver and the ACIL program. In addition, the Budget Committee recommends a review of the current rates for the ACIL program and what rates for those services will be once the programs have merged. The Budget Committee received testimony the federal Centers for Medicare and Medicaid Services (CMS) has determined that Kansas may no longer administer the Attendant Care for Independent Living (ACIL) program as it has in the past. CMS indicated that because the ACIL program is only available to a specific group of medically fragile children, it is not allowable under the state Medicaid plan.

The Department of Social and Rehabilitation Services also administers the Technology Assisted (TA) Children's waiver. This waiver targets medically fragile children who are not Medicaid eligible due to family income. The waiver allows the parental income to be disregarded, making the children eligible for services based on their medical conditions. The decision was made by SRS to merge the TA waiver and the ACIL program, effective July 1, 2008. Changes to the waiver will be required to make this happen, including increasing the age limit from 18 to 21, and adding services including skilled nursing services, attendant care, respite services, and home modifications.

The Department of Social and Rehabilitation Services indicated that if a child is receiving services through the HCBS/DD waiver and receiving ACIL services, they will be offered the choice of the HCBS/TA waiver or the HCBS/DD waiver, so they can choose the waiver that best meets their needs.

The Budget Committee notes that concern was expressed that some children currently receiving services from the ACIL program will not be eligible for the HCBS/TA waiver or the HCBS/DD waiver. In addition, concern was noted by conferees that services previously available under the ACIL program will no longer be provided. The Budget Committee recommends that these concerns be reviewed at Omnibus when more information regarding the impact on specific children may be more available.

15. Review the addition of \$7.0 million, all from the State General Fund, to restore funding for the Community Mental Health Centers (CMHCs) to the FY 2008 level. The 2007 Legislature added \$17.0 million, all from the State General Fund, in FY 2008 to maintain the public community mental health system after the elimination of the certified match process for Medicaid and the

implementation of the Prepaid Ambulatory Health Plan (PAHP) system. The Governor's recommendation for FY 2009 included funding of \$10.0 million to maintain this support. The Budget Committee recommends reviewing the addition of \$7.0 million more for FY 2009 to bring the total amount to the FY 2008 level of \$17.0 million.

In addition, the Budget Committee recommends a review at Omnibus of the addition of another \$8.8 million to bring the CMHCs to the same funding level prior to the end of certified match. Testimony indicated that the CMHCs would require the additional funding to continue to provide the same amount of services.

The Budget Committee notes that in many cases the CMHCs are the only place that many people can get services. The Budget Committee notes that the CMHCs have a state mandate to serve everyone who walks through their doors, regardless of ability to pay. Money has not necessarily followed the person into the community. The Budget Committee notes that the state needs to protect the services provided in the community.

The Budget Committee recommends that during Omnibus a determination should be made if funding provided to the CMHCs can be used for those individuals with the greatest need, or if there is a requirement who the funding is used for.

16. The Budget Committee recommends a review of raising the protected income level to the appropriate level at Omnibus. The House Budget Committee notes testimony that this may be an increase of \$22 per month per person, but requests input from interested parties as to the appropriate level.
17. Review the addition of \$2.5 million, including \$1.0 million from the State General Fund, for Autism Waiver Waiting List. The funding would allow approximately 100 additional young children with autism spectrum disorders and their families to be served on the Autism Waiver for a full year in FY 2009. The Budget Committee notes that there are currently 134 children on the waiting list to receive waiver services. The Budget Committee notes that it received testimony that 1 in 150 children is diagnosed with autism and that a new case is diagnosed approximately every 20 minutes. Additionally, testimony indicated that studies have shown that approximately half of children with autism who receive early intensive services will not need support in older childhood and adulthood.
18. The Budget Committee notes that Targeted Case Management was reduced by \$2.4 million between FY 2008 and FY 2009. The Budget Committee received testimony that the federal Centers for Medicare and Medicaid Services (CMS) indicated that the previous method of operation used by Kansas to provide targeted case management services was not going to be allowed in the future, and failure to change methodologies might result in federal deferrals.

The Kansas Health Policy Authority (KHPA), in conjunction with Kansas Department of Health and Environment, Department of Social and Rehabilitation Services, and the Department on Aging met to address the concerns and develop a plan to move forward. A contractor conducted a rate study to develop a uniform rate methodology that was equitable, defensible,

and met CMS approval. A Medicaid state plan amendment was submitted to CMS and was approved on December 7, 2007.

The Budget Committee recommends a review of the targeted case management issue at Omnibus, including its impacts on the consumers.

19. The Budget Committee notes the collaboration that is occurring between business leaders, parents, law enforcement, and other interested Kansans who came together to support an investment in early childhood education. The Budget Committee notes that the Kansas Coalition for School Readiness is dedicated to increasing the number of children that have the opportunity to participate in voluntary, high quality early learning opportunities.
20. The Budget Committee notes that the Governor's recommendation included moving the Pre-K pilot program to the Department of Education. The Budget Committee recommends a review of the best location for this program. The Budget Committee recommends that this review include an assessment of the LEPC recommendation to move these programs to the Department of Education.
21. The Budget Committee notes testimony it received regarding the Health in Pregnancy Program. The Health in Pregnancy program is a voluntary program for pregnant women who have had substance abuse issues. There are programs located in Douglas, Barton, Ellis, and Sedgwick counties. The Department of Social and Rehabilitation Services indicated that it is still reviewing the success of the current pilot program, including the effect of the treatment provided by the program. The Budget Committee notes the it is interested in reviewing the research on the outcomes of this program and the possibility of expanding the program to statewide implementation.
22. The Budget Committee notes testimony received that indicate the addition of \$1.1 million from the State General Fund would allow two compliance visits to be made at each tobacco retailer location, each month, for twelve months per year under the BARS program. The BARS program is currently receiving \$100,000 from the Department of Social and Rehabilitation Services.
23. The Budget Committee notes that the 2007 Legislature added funding of \$156,000 in FY 2008 to increase the rate to provide burial services from \$550 to \$680. The Budget Committee notes that this rate for the Funeral Assistance program had not increased since FY 1998. In addition, the 2007 Legislature added \$134,000 to address increases in the number of funerals covered by the program. The Budget Committee notes the importance of providing funding for these services and comments that if the state does not pay for burial of indigent citizens the counties would have to pick up the cost.
24. The Budget Committee recommends a review at Omnibus of the addition of \$4.2 million, including \$1.7 million from the State General Fund, to expand the Home and Community Based Services waiver for persons with Traumatic Brain Injury (HCBS/TBI) to serve persons with strokes.

The Budget Committee received testimony about the HCBS waiver for persons with traumatic brain injury, including the definition of brain injury that controls eligibility for the waiver. The Budget Committee notes that this waiver is unique in that it is designed to be a short term program to rehabilitate persons with

traumatic brain injury to their best level of functioning, after which they will no longer need services or will transition to other programs such as the HCBS waiver for persons with physical disabilities.

Conferees testified that the current definition used to determine eligibility for the waiver excludes person who have a non-traumatic brain injury. The conferees requested that the definition be changed to an acquired brain injury or that a separate waiver be created to these types of injury.

The Budget Committee notes that people who receive the appropriate level of care, use the appropriate amount of funding. Ensuring that individuals use the appropriate level of funding allows the Department of Social and Rehabilitation Services to do more with less.

House Committee Recommendation

The House Committee concurs with the Budget Committee Recommendation with the following adjustment:

1. The House Committee notes that the Department provided information regarding Temporary Assistance for Needy Families (TANF) work participation requirements. The Department indicated that the reauthorized TANF program established stricter work participation rate requirements for state. States may receive a fiscal penalty each year from one percent to five percent of the TANF block grant for failure to meet the required work participation rates. For Kansas, the maximum first year penalty would be a loss of \$5.1 million in TANF funds and a requirement to increase state expenditures for the program by \$5.1 million in the next year.

The Department indicated that is it is planning the following administrative approach to address the situation:

- Increase the earned income disregard from the current rate of 40 percent to 60 percent for low-income employed families. The earned income disregard allows families to continue TANF eligibility and receive a small benefit after they begin working. The benefits would be phased out over time as the earnings grow. Because the family continues to receive a small TANF benefit they are counted in the participation rate for the state.
 - Provide a monthly stipend of \$50 to a family for five months following the month in which the family would otherwise lose TANF eligibility due to income. The stipend is designed to reward and encourage families to maintain full-time employment, and helps Kansas meet the work participation requirement because the family is still receiving a payment from the TANF program.
2. Review the addition of \$1.1 million, all from the Children's Initiatives Fund, for the BARS program at Omnibus. The Committee discussed that funding for this program, which would assist in monitoring compliance of not selling tobacco products to minors, would be an appropriate expenditure for the Children's Initiatives Fund as the funding for the Children's Initiatives Fund is generated from tobacco sales.
-

2.7 percent, above the Governor's FY 2008 recommendation. The Governor's FY 2009 recommendation is a decrease of \$26.9 million, or 1.7 percent, below the agency's request.

The recommendation includes the following adjustments to the agency request: the addition of \$3,658,214, including \$1,543,832 from the State General Fund, for the Governor's recommended 2.5 percent base salary adjustment; addition of \$2,285,025, including \$969,993 from the State General Fund, for the Governor's recommended below market recommendation; reduction of \$7.0 million, all from the State General Fund, for Community Mental Health Centers certified match; addition of \$9.0 million from the State General Fund for improved intake and assessment for Child Protective Services, to fund a portion of the agency's \$10.5 million supplemental request for the replacement of federal funds for out of home placements for children; and a reduction of \$1.0 million, all from the State General Fund, to eliminate the state only funded portion of the Low Income Energy Assistance program (LIEAP).

The recommendation also includes the following adjustments to the agency request: addition of \$734,000, including \$602,133 from the State General Fund, for the purchase of a total of 55 replacement vehicles to be allocated between SRS and the five state hospitals (SRS and the state hospitals had requested \$1,627,322, including \$1,334,965 from the State General Fund, for 110 replacement vehicles); addition of \$7.0 million, including \$4.2 million from the State General Fund, for a human service information management system; addition of \$8,728,033, all from federal funds, for the mental health administrative claiming payments to Community Mental Health Centers; addition of \$2,467,680, all from the State General Fund, for child care caseload increases; addition of \$15,100,930, including \$6,052,452 from the State General Fund, to decrease HCBS waivers waiting list; addition of \$18.0 million, all from the Children's Initiatives Fund, for the new early childhood block grant to be administered by the Children's Cabinet; and the addition of \$14.0 million, including \$9.1 million to the agency's request for consensus caseload adjustments.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. **Pay Plan Adjustments.** Delete \$7,924,349, including \$3,340,878 from the State General Fund (or all from the State General Fund, or all from special revenue funds), to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$3,658,214, including \$1,543,832 from the State General Fund, to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.
 - b. **Classified Employee Pay Plan.** Delete \$2,285,025, including \$969,993 from the State General Fund, to remove the amount recommended by the Governor for FY 2009 pay increases for basic vocational classes and for those employees identified as having the most disparity relative to market rate.
 - c. **Longevity Pay.** Delete \$1,981,110, including \$827,053 from the State General Fund to remove the amount recommended by the Governor for longevity bonus payments.
2. Delete \$7.0 million, including \$4.2 million from the State General Fund, to remove funding for an integrated enrollment system for review at Omnibus.

The system is a joint project with the Kansas Health Policy Authority. The Subcommittee recommends removing funding in FY 2009 for both agencies totaling \$15.0 million, including \$8.2 million from the State General Fund, for this project for review at Omnibus. The Subcommittee notes that the project would begin the replacement of an antiquated computer system that relies on mainframe technology and warrants discussion.

3. Delete \$15,100,930, including \$6,052,452 from the State General Fund, to decrease home and community based services (HCBS) waivers waiting list for review at Omnibus. This includes funding of:
 - \$1.0 million, including \$400,800 from the State General Fund, for the HCBS for persons with a Head Injury waiver;
 - \$2,783,382, including \$1,151,652 from the State General Fund, for the HCBS/PD waiver; and
 - \$11,227,548, including \$4,500,000 from the State General Fund for the HCBS/DD waiver.
4. Delete \$734,000, including \$602,133 from the State General Fund, for the purchase of a total of 55 replacement vehicles to be allocated between SRS and the five state hospitals for review at Omnibus. SRS and the state hospitals had requested \$1,627,322, including \$1,334,965 from the State General Fund, for 110 replacement vehicles.
5. Delete \$2,467,680, all from the State General Fund, for increases in child care caseloads recommended by the Governor for review at Omnibus. The Subcommittee notes that this program is projected to serve 21,600 children per month in FY 2008 and requests revised caseload estimates for FY 2009 for review at Omnibus.
6. Delete \$3,671,742, including \$1,664,748 from the State General Fund, for increases in adoption support caseloads for review at Omnibus. The Subcommittee notes that this program is projected to serve 929 children in FY 2008 and requests revised caseload estimates for FY 2009 for review at Omnibus.
7. Delete \$375,000, all from the State General Fund, for assistive technology for Kansans for review at Omnibus. The Subcommittee notes testimony received that indicated that this money is used to support five regional access sites across the state to help provide services to Kansans that have little or no ability to secure services elsewhere.
8. Delete \$97,008, all from the State General Fund, for the child protection single toll-free line for review at Omnibus. The toll free calls regarding child abuse and neglect reports from the public would be received at the protection report center, and the calls would be transferred to the local regional protection report center for action.
9. Delete \$18.0 million, all from the Children's Initiatives Fund, for the new early childhood block grant to be reviewed at Omnibus. The Subcommittee notes that this is a new block grant which the Governor recommended funding in both

FY 2008 and FY 2009. The new block grant is to be administered by the Children's Cabinet and the funds are to be used for grants to school districts, child care centers and homes, Early Head Start sites, Head Start sites, and community based programs that provide research-based child development services for at-risk infants, toddlers and their families, and preschool for three- and four-year olds.

10. Add \$15.8 million, all from the State General Fund, to restore funding for the Community Mental Health Centers (CMHCs) to the FY 2008 level. The 2007 Legislature added \$17.0 million, all from the State General Fund, in FY 2008 to maintain the public community mental health system after the elimination of the certified match process for Medicaid and the implementation of the Prepaid Ambulatory Health Plan (PAHP) system. The Governor's recommendation for FY 2009 included funding of \$10.0 million to maintain this support. The Subcommittee recommends the addition of \$7.0 million more for FY 2009 to bring the total amount to the FY 2008 level of \$17.0 million.

In addition, the Subcommittee recommends the addition of another \$8.8 million to bring the CMHCs to the same funding level prior to the end of certified match. Testimony indicated that the CMHCs would require the additional funding to continue to provide the same amount of services. The Subcommittee notes that in many cases the CMHCs are the only place that many people can get services.

11. Add \$550,000, all from the Children's Initiatives Fund, for the BARS program, which would assist in monitoring compliance of sales of tobacco products to minors. The Subcommittee noted that this is an appropriate expenditure from the Children's Initiatives Fund as the funding for the Children's Initiatives Fund is generated from tobacco sales. In addition, the Subcommittee recommends that the addition of another \$550,000, all from the Children's Initiatives Fund, be considered at Omnibus. Total funding of \$1.1 million would allow two compliance visits to be made at each tobacco retailer location, each month, for twelve months per year under the BARS program. The BARS program is currently receiving \$100,000 from the Department of Social and Rehabilitation Services.
12. Add \$406,200, including \$162,805 from the State General Fund, to increase the protected income level (PIL) for individuals on the home and community based services waivers. In addition, review the addition of \$384,324, all from the State General Fund, at Omnibus to increase the PIL an additional \$11 in FY 2009. The Subcommittee notes that the PIL is currently \$716 per month. The Subcommittee also supports the recommendation of the Subcommittee on the Department on Aging's recommendation to request an interim study of the appropriate level of the PIL.
13. The Subcommittee recommends the removal of the language in the appropriations bill that places a 80 person limit on the number of persons that can be moved for the money follows the person program. The Subcommittee notes that Kansas received a five-year \$37.0 million, money follows the person demonstration federal grant to transition individuals from institutional settings to the community.
14. Review the addition of \$1.0 million, all from the Children's Initiatives Fund, at Omnibus to reinstate funding for therapeutic preschool. The Subcommittee

notes that therapeutic preschool facilities provide important early intervention for children who have severe emotional disorders.

15. Review the addition of \$228,000, all from the Children's Initiatives Fund, at Omnibus to reinstate funding for the school violence prevention program. The Subcommittee notes that the programs provide children with mental health support and services in the school setting with a focus on issues related to school violence.
16. Review the addition of \$2.5 million, including \$1.0 million from the State General Fund, for the Autism Waiver Waiting List at Omnibus. The funding would allow approximately 100 additional young children with autism spectrum disorders and their families to be served on the Autism Waiver for a full year in FY 2009. The Subcommittee notes that there are currently 134 children on the waiting list to receive waiver services. The Subcommittee notes that it received testimony that one in 150 children is diagnosed with autism and that a new case is diagnosed approximately every 20 minutes. Additionally, testimony indicated that studies have shown that approximately half of children with autism who receive early intensive services will not need support in older childhood and adulthood.
17. The Subcommittee recommends that reimbursement rates for the Attendant Care for Independent living (ACIL) services be reviewed at Omnibus. The Subcommittee notes that these services are generally provided by nurses, which as a profession, are in great demand. The Subcommittee notes that the services these individuals provide are designed to keep children with highly technology dependent needs out of the hospital.
18. The Subcommittee notes that the Department provided information regarding Temporary Assistance for Needy Families (TANF) work participation requirements. The Department indicated that the reauthorized TANF program established stricter work participation rate requirements for state. States may receive a fiscal penalty each year from one percent to five percent of the TANF block grant for failure to meet the required work participation rates. For Kansas, the maximum first year penalty would be a loss of \$5.1 million in TANF funds and a requirement to increase state expenditures for the program by \$5.1 million in the next year.

The Department indicated that is it is planning the following administrative approach to address the situation:

- Increase the earned income disregard from the current rate of 40 percent to 60 percent for low-income employed families. The earned income disregard allows families to continue TANF eligibility and receive a small benefit after they begin working. The benefits would be phased out over time as the earnings grow. Because the family continues to receive a small TANF benefit they are counted in the participation rate for the state.
- Provide a monthly stipend of \$50 to a family for five months following the month in which the family would otherwise lose TANF eligibility due to income. The stipend is designed to reward and encourage families to maintain full-time employment, and helps Kansas meet the work participation requirement because the family is still receiving a payment from the TANF program.

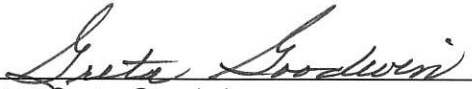
FY 2008 and FY 2009

SENATE WAYS AND MEANS SUBCOMMITTEE

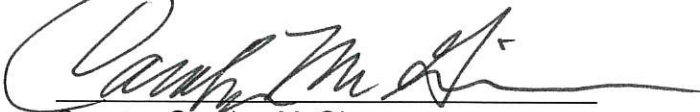
Kansas Health Policy Authority



Senator Dwayne Umbarger, Chair



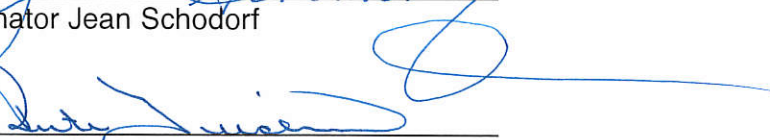
Senator Greta Goodwin



Senator Carolyn McGinn



Senator Jean Schodorf



Senator Ruth Teichman

House Budget Committee Report

Agency: Kansas Health Policy Authority **Bill No.** HB 2947

Bill Sec. 29

Analyst: Deckard

Analysis Pg. No. Vol.1-230

Budget Page No. 185

Expenditure Summary	Agency Estimate FY 08	Governor's Recommendation FY 08	House Budget Committee Adjustments
Reportable Operating Expenditures:			
State General Fund	\$ 488,730,425	\$ 465,130,425	\$ 0
Other Funds	877,681,109	876,281,109	0
Total - Reportable Operating	\$ 1,366,411,534	\$ 1,341,411,534	\$ 0
Non-Reportable Operating Expenditures:			
State General Fund	\$ 0	\$ 0	0
Other Funds	34,393,796	34,393,796	0
Total - Non-Reportable Operating	\$ 34,393,796	\$ 34,393,796	\$ 0
GRAND TOTAL	\$ 1,400,805,330	\$ 1,375,805,330	\$ 0
FTE Positions	64.7	64.7	0.0
Non FTE Uncl. Perm. Pos.	1.6	1.6	0.0
TOTAL	66.3	66.3	0.0

Agency Estimate

The **agency** estimates a revised FY 2008 reportable budget totaling \$1.4 billion, an increase of \$9.6 million, or 0.7 percent, above the amount approved by the 2007 Legislature. Requested State General Fund expenditures total \$488.7 million, an increase of \$1.8 million, or 0.4 percent, above the approved amount. The request would fund 199.2 FTE positions and 8.4 Non-FTE positions. This is a decrease of 26.6 FTE positions and a decrease of 1.6 Non-FTE positions below the approved amount. The Kansas Health Policy does not have a position limitation established in law. Major adjustments to the FY 2007 approved budget include:

The agency submitted a supplemental request of \$4.0 million, including \$2.0 million from the State General Fund, to begin development of an integrated eligibility and enrollment system for Medicaid, Healthwave Premium Assistance and the State Employees Health Benefits Plan. The system will be web-based and completed in coordination with the Department of Social and Rehabilitation Services. The agency also requested funding for this project in FY 2009.

Additionally, there is a recommended State General Fund lapse of \$3.3 million. This lapse is partially offset by a \$3.0 million reappropriation from the State General Fund. Additionally, there was a federal funds increase of \$2.1 million and \$425,188 in higher than anticipated fee funds than in the approved budget.

Governor's Recommendation

The **Governor** recommends FY 2008 reportable operating expenditures of \$1.3 billion, a decrease of \$15.4 million, or 1.1 percent, below the approved amount. The recommendation does not include the supplemental funding requested by the agency to begin an integrated eligibility and enrollment system. The recommendation does include savings of \$21.0 million, including \$6.6 million from the State General Fund, for the regular medical program identified in the fall 2007 consensus caseload process. Additionally, the recommendation shifts \$15.0 million from the State General Fund to the Medical Programs Fee Fund. The shift is a one time adjustment, as the funding was available due to a settlement received from the federal government in response to underclaiming of federal funds. The issue with the Medicaid Management Information System (MMIS) program was resolved last year and correct claims are now being submitted to the federal government.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

House Committee Recommendation

The House Committee concurs with the Budget Committee Recommendation.

Senate Subcommittee Report

Agency: Kansas Health Policy Authority **Bill No.** SB 655

Bill Sec. 29

Analyst: Deckard

Analysis Pg. No. Vol.1-230

Budget Page No. 185

Expenditure Summary	Agency Estimate FY 08	Governor's Recommendation FY 08	Senate Subcommittee Adjustments
Reportable Operating Expenditures:			
State General Fund	\$ 488,730,425	\$ 465,130,425	\$ 0
Other Funds	<u>877,681,109</u>	<u>876,281,109</u>	<u>0</u>
Total - Reportable Operating	<u>\$ 1,366,411,534</u>	<u>\$ 1,341,411,534</u>	<u>\$ 0</u>
Non-Reportable Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	<u>34,393,796</u>	<u>34,393,796</u>	<u>0</u>
Total - Non-Reportable Operating	<u>\$ 34,393,796</u>	<u>\$ 34,393,796</u>	<u>\$ 0</u>
 GRAND TOTAL	 <u><u>\$ 1,400,805,330</u></u>	 <u><u>\$ 1,375,805,330</u></u>	 <u><u>\$ 0</u></u>
 FTE Positions	 64.7	 64.7	 0.0
Non FTE Uncl. Perm. Pos.	<u>1.6</u>	<u>1.6</u>	<u>0.0</u>
TOTAL	<u><u>66.3</u></u>	<u><u>66.3</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **agency** estimates a revised FY 2008 reportable budget totaling \$1.4 billion, an increase of \$9.6 million, or 0.7 percent, above the amount approved by the 2007 Legislature. Requested State General Fund expenditures total \$488.7 million, an increase of \$1.8 million, or 0.4 percent, above the approved amount. The request would fund 199.2 FTE positions and 8.4 Non-FTE positions. This is a decrease of 26.6 FTE positions and a decrease of 1.6 Non-FTE positions below the approved amount. The Kansas Health Policy does not have a position limitation established in law. Major adjustments to the FY 2007 approved budget include:

The agency submitted a supplemental request of \$4.0 million, including \$2.0 million from the State General Fund, to begin development of an integrated eligibility and enrollment system for Medicaid, Healthwave Premium Assistance and the State Employees Health Benefits Plan. The system will be web-based and completed in coordination with the Department of Social and Rehabilitation Services. The agency also requested funding for this project in FY 2009.

Additionally, there is a recommended State General Fund lapse of \$3.3 million. This lapse is partially offset by a \$3.0 million reappropriation from the State General Fund. Additionally, there was a federal funds increase of \$2.1 million and \$425,188 in higher than anticipated fee funds than in the approved budget.

Governor's Recommendation

The **Governor** recommends FY 2008 reportable operating expenditures of \$1.3 billion, a decrease of \$15.4 million, or 1.1 percent, below the approved amount. The recommendation does not include the supplemental funding requested by the agency to begin an integrated eligibility and enrollment system. The recommendation does include savings of \$21.0 million, including \$6.6 million from the State General Fund, for the regular medical program identified in the fall 2007 consensus caseload process. Additionally, the recommendation shifts \$15.0 million from the State General Fund to the Medical Programs Fee Fund. The shift is a one time adjustment, as the funding was available due to a settlement received from the federal government in response to underclaiming of federal funds. The issue with the Medicaid Management Information System (MMIS) program was resolved last year and correct claims are now being submitted to the federal government.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Kansas Health Policy Authority **Bill No.** HB 2946

Bill Sec. 32

Analyst: Deckard

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Budget Page No. 185

Expenditure Summary	Agency Request FY 09	Governor's Recommendation FY 09	House Budget Committee Adjustments*
Reportable Operating Expenditures:			
State General Fund	\$ 498,211,387	\$ 513,700,254	\$ (9,330,172)
Other Funds	892,639,526	886,864,938	(11,390,667)
Total - Reportable Operating	<u>\$ 1,390,850,913</u>	<u>\$ 1,400,565,192</u>	<u>\$ (20,720,839)</u>
Non-Reportable Operating Expenditures:			
State General Fund	\$ 0	\$ 0	0
Other Funds	34,929,061	35,045,271	0
Total - Non-Reportable Operating	<u>\$ 34,929,061</u>	<u>\$ 35,045,271</u>	<u>\$ 0</u>
GRAND TOTAL	<u>\$ 1,425,779,974</u>	<u>\$ 1,435,610,463</u>	<u>\$ (20,720,839)</u>
FTE Positions	64.7	64.7	(3.0)
Non FTE Uncl. Perm. Pos.	1.6	1.6	0.0
TOTAL	<u>66.3</u>	<u>66.3</u>	<u>(3.0)</u>

*Of the Budget Committee's recommended reductions, \$408,339, including \$155,172 from the State General Fund, is related to pay plan adjustments.

Agency Request

The **agency** requests a FY 2009 reportable budget of \$1.4 billion, an increase of \$24.4 million, or 1.8 percent, above the revised current year estimate. The request includes State General Fund expenditures of \$498.2 million, an increase of \$9.5 million, or 1.9 percent, above the revised current year estimate. The request would fund 199.2 FTE positions, and 8.4 Non-FTE positions, the same as the revised FY 2008 estimate.

The request includes enhancement funding of \$25.1 million, including \$11.3 million from the State General Fund. **Absent the enhancement requests**, the FY 2009 request would be a reduction of \$660,621, or less than 0.1 percent, and a State General decrease of \$1.5 million, or 0.3 percent, below the FY 2008 revised estimate.

The enhancements requested by the agency include: \$12.1 million, including \$5.0 million from the State General Fund, for implementation of a premium assistance program for low income families; \$12.0 million including \$6.0 million from the State General Fund for an integrated eligibility and enrollment system for Medicaid, Healthwave, Premium Assistance, and the State Employees Health Benefits Plan; \$825,000, including \$206,250 from the State General Fund, for an automated Medicaid prescription drug authorization system; \$100,000, including \$50,000 from the State General Fund, to continue the enhanced care management pilot program in Sedgwick County; and \$100,000, including \$50,000 from the State General Fund, for a community health record.

Governor's Recommendation

The **Governor** recommends FY 2009 reportable operating expenditures of \$1.4 billion, including \$513.7 million from the State General Fund. The recommendation is an increase of \$9.7 million above the agency's request. Additionally, the recommendation is an increase of \$59.2 million, or 4.4 percent, above the Governor's FY 2008 recommendation.

The Governor recommends a portion of the agency's enhancement requests including: the addition of \$450,000 from the State General Fund to fund the Health Information Exchange Commission recommendations; the addition of \$1,037,500, including \$518,750 from the State General Fund, and 3.0 FTE positions for premium assistance administration; the addition of \$10.0 million, including \$4.0 million from the State General Fund, for premium assistance aid; the addition of \$8.0 million, including \$4.0 million from the State General Fund, for an integrated eligibility and enrollment system; the addition of \$100,000, including \$50,000 from the State General Fund, for the enhanced care management program; and the addition of \$825,000, including \$206,250 from the State General Fund, for the Medicaid Prescription drug prior authorization system. The Governor also recommends the addition of \$275,965, including \$108,548 from the State General Fund, for the 2.5 percent base salary adjustment for state employees and \$46,814, including \$20,069 from the State General Fund, for the under market rate adjustment.

The Governor's recommendation also includes a reduction of \$7.9 million to recognize savings from the creation of a restricted formulary for MediKan. In addition, the Governor's recommendation includes the addition of \$22.0 million, including \$20.4 million from the State General Fund, to fund consensus caseload items at the level agreed to at the fall 2007 meeting.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following adjustments and notations:

1. **Pay Plan Adjustments.** Delete \$408,339, including \$155,172 from the State General Fund, to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$275,965, including \$108,548 from the State General Fund, to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.
 - b. **Classified Employee Pay Plan.** Delete \$46,814, including \$20,069 from the State General Fund, to remove the amount recommended by the Governor for FY 2009 pay increases for basic vocational classes and for those employees identified as having the most disparity relative to market rate.
 - c. **Longevity Pay.** Delete \$85,560, including \$26,555 from the State General Fund, to remove the amount recommended by the Governor for longevity bonus payments.
2. Delete \$11,037,500, including \$4,518,750 from the State General Fund, and 3.0 FTE positions, to remove funding for premium assistance for review at Omnibus. The funding includes \$10.0 million, including \$4.0 million from the State General Fund, for premium assistance aid, and \$1,037,500, including \$518,750 from the State General Fund, and 3.0 FTE positions for administration of the program.

The Budget Committee notes that the authorization for this program was included in 2007 SB 11, regarding health reform.

3. Delete \$8.0 million, including \$4.0 million from the State General Fund, to remove funding for an integrated enrollment system for review at Omnibus. The system is a joint project with the Department of Social and Rehabilitation Services. The Budget Committee recommends removing funding for both agencies totaling \$15.0 million, including \$8.2 million from the State General Fund, for this project for review at Omnibus. The Budget Committee notes that the project would begin the replacement of an antiquated computer system that relies on mainframe technology and warrants discussion.
4. Delete \$825,000, including \$206,250 from the State General Fund, to remove funding for an automated prior authorization system for review at Omnibus. The Budget Committee notes that the automation of this process could result in the reduction in other expenditures at the agency and wants to review the reduction estimates in conjunction with the entire project at Omnibus.
5. Delete \$450,000, all from the State General Fund, to remove funding to implement the recommendations of the Health Information Technology Commission. The Budget Committee recommends that the recommendations of the Health Information Technology Commission are discussed prior to Omnibus.
6. Review the shift of \$5.0 million from the Children's Initiatives Fund to the State General Fund, including \$2.0 million for Healthwave and \$3.0 million for Medical Assistance prior to Omnibus. The Governor's recommendation shifts funding of these programs to the State General from the Children's Initiatives Fund. The Budget Committee recommends a review of the source of funding for these programs at Omnibus.
7. Review the reduction of \$7,291,000, all from the State General Fund, for a Medikan Preferred Drug Formulary prior to Omnibus. The reduction was recommended by the Governor after being submitted by the agency as a reduced resources option. The agency indicated that upon further review, their submission may have been overly optimistic, and that it was unclear if the implementation of a Medikan Preferred Drug Formulary would result in that level of savings. In addition, the Budget Committee notes testimony that expressed concern if mental health drugs are not excluded from the preferred drug formulary.
8. Review the shift of \$15.0 million from fee funds to the State General Fund at Omnibus. The Budget Committee notes that Governor added \$15.0 million from the State General Fund in FY 2009 to replace fee fund expenditures in FY 2008. The Budget Committee wants to review the State General Fund expenditures.
9. The Budget Committee notes it is responsible for reviewing funding for programs relied on by some of the most vulnerable residents of Kansas and acutely feels the obligation to ensure that the programs that provide services to these individuals are adequately funded in the budget.

House Committee Recommendation

The House Committee concurs with the Budget Committee Recommendation with the following adjustment:

1. The House Committee notes that the agency has not submitted any performance measures and request that the agency report back regarding creation of the performance measures. The House Committee notes its expectation that meaningful performance measures will be available in the future.
 2. The House Committee notes that the Kansas Drug Card was presented as an opportunity to provide savings to Kansas consumers, and requests that the agency investigate the possibility of marketing the card to the uninsured or underinsured.
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Senate Subcommittee Report

Agency: Kansas Health Policy Authority **Bill No.** SB 658

Bill Sec. 32

Analyst: Deckard

Analysis Pg. No. Vol. I- 230

Budget Page No. 185

Expenditure Summary	Agency Request FY 09	Governor's Recommendation FY 09	Senate Subcommittee Adjustments*
Reportable Operating Expenditures:			
State General Fund	\$ 498,211,387	\$ 513,700,254	\$ (7,730,172)
Other Funds	892,639,526	886,864,938	(6,390,667)
Total - Reportable Operating	<u>\$ 1,390,850,913</u>	<u>\$ 1,400,565,192</u>	<u>\$ (14,120,839)</u>
Non-Reportable Operating Expenditures:			
State General Fund	\$ 0	\$ 0	0
Other Funds	34,929,061	35,045,271	0
Total - Non-Reportable Operating	<u>\$ 34,929,061</u>	<u>\$ 35,045,271</u>	<u>\$ 0</u>
 GRAND TOTAL	 <u>\$ 1,425,779,974</u>	 <u>\$ 1,435,610,463</u>	 <u>\$ (14,120,839)</u>
 FTE Positions	 64.7	 64.7	 (3.0)
Non FTE Uncl. Perm. Pos.	1.6	1.6	0.0
TOTAL	<u>66.3</u>	<u>66.3</u>	<u>(3.0)</u>

*Of the Subcommittee's recommended reductions, \$408,339, including \$155,172 from the State General Fund, is related to pay plan adjustments.

Agency Request

The **agency** requests a FY 2009 reportable budget of \$1.4 billion, an increase of \$24.4 million, or 1.8 percent, above the revised current year estimate. The request includes State General Fund expenditures of \$498.2 million, an increase of \$9.5 million, or 1.9 percent, above the revised current year estimate. The request would fund 199.2 FTE positions, and 8.4 Non-FTE positions, the same as the revised FY 2008 estimate.

The request includes enhancement funding of \$25.1 million, including \$11.3 million from the State General Fund. **Absent the enhancement requests**, the FY 2009 request would be a reduction of \$660,621, or less than 0.1 percent, and a State General decrease of \$1.5 million, or 0.3 percent, below the FY 2008 revised estimate.

The enhancements requested by the agency include: \$12.1 million, including \$5.0 million from the State General Fund, for implementation of a premium assistance program for low income families; \$12.0 million including \$6.0 million from the State General Fund for an integrated eligibility and enrollment system for Medicaid, Healthwave, Premium Assistance, and the State Employees Health Benefits Plan; \$825,000, including \$206,250 from the State General Fund, for an automated Medicaid prescription drug authorization system; \$100,000, including \$50,000 from the State General Fund, to continue the enhanced care management pilot program in Sedgwick County; and \$100,000, including \$50,000 from the State General Fund, for a community health record.

Governor's Recommendation

The **Governor** recommends FY 2009 reportable operating expenditures of \$1.4 billion, including \$513.7 million from the State General Fund. The recommendation is an increase of \$9.7 million above the agency's request. Additionally, the recommendation is an increase of \$59.2 million, or 4.4 percent, above the Governor's FY 2008 recommendation.

The Governor recommends a portion of the agency's enhancement requests including: the addition of \$450,000 from the State General Fund to fund the Health Information Exchange Commission recommendations; the addition of \$1,037,500, including \$518,750 from the State General Fund, and 3.0 FTE positions for premium assistance administration; the addition of \$10.0 million, including \$4.0 million from the State General Fund, for premium assistance aid; the addition of \$8.0 million, including \$4.0 million from the State General Fund, for an integrated eligibility and enrollment system; the addition of \$100,000, including \$50,000 from the State General Fund, for the enhanced care management program; and the addition of \$825,000, including \$206,250 from the State General Fund, for the Medicaid Prescription drug prior authorization system. The Governor also recommends the addition of \$275,965, including \$108,548 from the State General Fund, for the 2.5 percent base salary adjustment for state employees and \$46,814, including \$20,069 from the State General Fund, for the under market rate adjustment.

The Governor's recommendation also includes a reduction of \$7.9 million to recognize savings from the creation of a restricted formulary for MediKan. In addition, the Governor's recommendation includes the addition of \$22.0 million, including \$20.4 million from the State General Fund, to fund consensus caseload items at the level agreed to at the fall 2007 meeting.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following adjustments and notations:

1. **Pay Plan Adjustments.** Delete \$408,339, including \$155,172 from the State General Fund, to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$275,965, including \$108,548 from the State General Fund, to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.
 - b. **Classified Employee Pay Plan.** Delete \$46,814, including \$20,069 from the State General Fund, to remove the amount recommended by the Governor for FY 2009 pay increases for basic vocational classes and for those employees identified as having the most disparity relative to market rate.
 - c. **Longevity Pay.** Delete \$85,560, including \$26,555 from the State General Fund, to remove the amount recommended by the Governor for longevity bonus payments.
2. Delete \$11,037,500, including \$4,518,750 from the State General Fund, and 3.0 FTE positions, to remove funding for premium assistance for review at Omnibus. The funding includes \$10.0 million, including \$4.0 million from the State General Fund, for premium assistance aid, and \$1,037,500, including

\$518,750 from the State General Fund, and 3.0 FTE positions for administration of the program. The Subcommittee notes that the authorization for this program was included in 2007 SB 11.

3. Delete \$8.0 million, including \$4.0 million from the State General Fund, to remove funding for an integrated enrollment system for review at Omnibus. The system is a joint project with the Department of Social and Rehabilitation Services. The Subcommittee recommends removing funding for both agencies totaling \$15.0 million, including \$8.2 million from the State General Fund, for this project for review at Omnibus. The Subcommittee notes that the project would begin the replacement of an antiquated computer system that relies on mainframe technology and warrants discussion.
4. Delete \$825,000, including \$206,250 from the State General Fund, to remove funding for an automated prior authorization system for review at Omnibus. The Subcommittee notes that the automation of this process could result in the reduction in other expenditures at the agency and requests the agency to provide information regarding potential savings from the automation of this process and when the automation would allow the project to pay for itself.
5. Delete \$450,000, all from the State General Fund, to remove funding to implement the recommendations of the Health Information Technology Commission. The Subcommittee requests that the agency provide more information on how this money would be expended prior to Omnibus, in particular more information on the proposed Health Information Resource Center.
6. Add \$5.0 million, all from the Children's Initiatives Fund, and delete \$5.0 million, all from the State General Fund to restore funding to the historic sources, including \$2.0 million for Healthwave and \$3.0 million for Medical Assistance.
7. Add \$6.6 million, all from the State General Fund, to reduce the Governor's recommended reduction of \$7,291,000, all from the State General Fund, in savings from implementation of a Medikan Preferred Drug Formulary.

The reduction was recommended by the Governor after being submitted by the agency as a reduced resources option. The agency indicated that upon further review, their submission may have been overly optimistic, and that it was unclear if the implementation of a Medikan Preferred Drug Formulary would result in that level of savings.

In addition, the Subcommittee notes expressed concern if mental health drugs are included in the preferred drug formulary. The Subcommittee requests that the agency and the Community Mental Health Centers (CMHCs) work toward a compromise regarding exclusion of certain mental health drugs in the preferred drug formulary. The Subcommittee recommends that the exclusion of mental health drugs from the preferred drug formulary be reviewed at Omnibus.

The Subcommittee recommends that the remainder of the reduction recommended by the Governor, \$1.3 million, be reviewed at Omnibus. In addition, the Subcommittee requests the agency provide more information regarding how the preferred drug formulary operates.

9. The Subcommittee expresses interest in testimony provided regarding the Kansas Drug Card. The Subcommittee requests the agency review the contents and merits of the card. The Subcommittee requests that the agency assess the viability of distribution to Kansas health consumers. The Subcommittee requests the agency provide a report of their findings prior to Omnibus.
10. The Subcommittee notes that the agency did not include any performance measures in its budget submission. The Subcommittee requests that the agency report on the creation of relevant performance measures prior to Omnibus.