

Approved: 3-30-09

Date

MINUTES OF THE HOUSE GENERAL GOVERNMENT BUDGET COMMITTEE

The meeting was called to order by Chairman Jason Watkins at 1:35p.m. on March 12, 2009, in Room 531-N of the Capitol.

All members were present except:

Representative Tom Burroughs- excused

Committee staff present:

Jim Wilson, Office of the Revisor of Statutes

Cody Gorges, Kansas Legislative Research Department

Ellen Martinez, Committee Assistant

Conferees appearing before the Committee:

Jane Carter, Executive Director, Kansas Organization of State Employees

Others attending:

See attached list.

The hearing on **HB 2341 - Requiring state agencies to use moneys appropriated for employees salaries on state employee salaries** was opened by the chairman.

Jim Wilson, Office of the Revisor of Statutes, provided the committee with an overview of the bill.

Jane Carter, Kansas Organization of State Employees (Attachments 1 & 2) testified as a proponent of the bill. Often agencies have held open funded positions in order to use the allocated money for other uses. This bill would hold agencies accountable to the Legislature and ensure that FTE funded salaries are only used for the appropriated FTEs.

Representative Kelley pointed out that Osawatomie State Hospital has over 70 open positions and that some have been open for years. The bill would tighten up government spending.

Representative Watkins asked about shrinkage in agency budgets. The KOSE position is that core staffing levels should be maintained.

Representative DeGraaf stated that it appeared there is a conflict of interest in filling positions.

Representative Whitham did not agree with the basic premise of the bill.

There were no opponents to the bill.

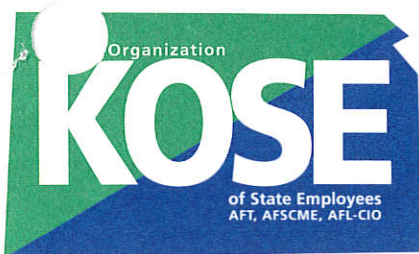
The next meeting is scheduled for March 16, 2009.

The meeting was adjourned at 01:57 p.m.

HOUSE GENERAL GOVERNMENT BUDGET COMMITTEE GUEST LIST

DATE: March 12, 2009

NAME	REPRESENTING
Jane Carter	KS Org. of State Employees



A NEW DAY... A BETTER WAY... FOR STATE EMPLOYEES

TO: Chairman Watkins and Members of the General Government Budget Committee

FROM: Jane Carter, Executive Director

DATE: March 12, 2009

RE: Proponent Testimony, HB 2341

On behalf of the 11,000 executive branch employees represented by the Kansas Organization of State Employees I am here today to support holding Agencies accountable, and protecting employees during dire staff shortages. As the only certified, State recognized employee organization for state employees in the executive branch, we appreciate this opportunity to address the issue of Agencies arbitrarily holding positions open in order to use the money for other operating expenses. This practice directly affects state employees and should be addressed in a meaningful manner.

Across the State, state employees play a critical role in maintaining the safety for Kansas. State employees often have to do more with less, which results in higher caseloads, less patient care, and more dangerous environments. Understaffing critical agencies greatly impacts the quality of services state employees provide.

Due to the staffing shortages and high staff turnover rates at many of the State's facilities, the institutions and agencies cannot adequately identify risks, nor ensure client or employee safety. Often, the frequency and severity of critical incidents are often directly related to insufficient staffing. State Agencies must ensure adequate staffing is available for all shifts if they are to provide citizens adequate services, quality care, and protection from harm or risk

Each Legislative session, State agencies, hospitals, and correctional facilities are approved for additional Full Time Employees (FTEs) in order to abide by industry regulations or standards on staffing ratios. However, far too often, the agencies and facilities artificially hold funded positions open in order to use allocated money for other uses.

Agencies should be held accountable to the Legislature. If FTE positions are approved and funded through legislative action, the funding for those salaries should be used only for those appropriated FTEs.

On Feb 25, 2008, Ray Dalton testified that the state hospitals are artificially holding positions open in order to use the money to cover other operating expenses.¹ However, understaffing highly

¹ Please see attached testimony, page 10.

compromises patient care and employee safety. The state hospitals do have minimum regulatory treatment requirements. Ohio, for example, requires no less than a 1:8 ratio in mental health hospitals. Yet, when the hospitals operate at levels averaging 23% above capacity, and 20% below staffing ratios, this is a direct assault on the safety of all people at the hospitals.

Even worse, William Daugherty, Superintendent of the School for the Blind, testified before the Appropriations Committee in February that the School for the Blind has held, on average, 22 positions open for the last nine years.

The Legislature has approved FTEs in each agency to keep up with the turnover across the state. However, agencies are not filling these positions, but rather, are spending the state's money on other, unapproved expenses. Employees, therefore, are facing more work, higher case loads, and less protection due to understaffing. Because FTEs are held open, thus lowering staffing ratios, employees leave service due to the harsh conditions. In reality, it is a vicious cycle.

- Larned State Hospital has averaged a turnover rate around 23% for the last two years.² Osawatomie has nearly a 30% turnover rate - 28% in FY07 and 26% in FY08. MHDD Tech Trainees had a 115% turnover rate in FY2008. Assaults on staff have significantly increased over the past two years due to understaffing.
- Corrections is even worse - for an entry CO, the turnover rate for the last two years has been over 50%.³ National average ratio is 5.2:1 (inmate to CO or security personnel). Collapsing posts led to an inmate saving the life of a storekeeper in 2007. Safety personnel were unable to quickly respond because the post near the warehouse was collapsed a few months prior to the incident.
- Statewide, turnover statewide for FY 07 was 13.5% and 12.6% in FY08.⁴
- On average, Caseloads for Social workers has increased more than 20% in the last year, forcing employees to spend less time on each case, such as child abuse or neglect.

Agencies should not be allowed to inflate open positions in order to cover other expenses. Transparency is crucial for any governmental agency to operate, and the Legislature should require that to hold those agencies to a specific, approved budget. Funds approved by the State should be used only for the purpose in which those dollars were requested. Therefore, it is recommended that the Legislature mandate that Agencies are only allowed to spend money for allocated FTE salaries on FTE approved positions.

We urge the Committee to support employees, and hold the Agencies accountable for all expenses. This is a matter of safety, and an issue of transparency.

² State of Kansas Workforce Report, FY 2007, 2008

³ State of Kansas Workforce Report, FY 2007, 2008

⁴ State of Kansas Workforce Report, FY 2008.

Kansas Department of
Social and Rehabilitation Services
Don Jordan, Secretary



House Social Services Budget Committee

SRS State Hospitals

Ray Dalton, Deputy Secretary

February 25, 2008

For Additional Information Contact:
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General Government Budget Com.
Attachment 2
Date 3-12-09

SRS State Hospitals

House Social Services Budget Committee
February 25, 2008

Chairman Bethell and members of the Committee, I am Ray Dalton, Deputy Secretary of Social and Rehabilitation Services for the Division of Disability and Behavioral Health Services. Thank you for the opportunity to appear before you today to present the agency overview of the state hospitals. Before I begin, I would like to introduce the superintendents of the state hospitals: Dr. Jerry Rea from Parsons State Hospital and Training Center; Barney Hubert from Kansas Neurological Institute; Dr. Mark Schutter from Larned State Hospital; and Greg Valentine from Osawatomie State Hospital and Rainbow Mental Health Facility.

SRS' five state hospitals provide critical services to Kansans with severe mental illnesses or developmental disabilities as part of the social services safety net which includes a wide range of community and inpatient services. Changes in one part of these service systems affect other parts. Therefore, as I review the state hospitals with you today, I would ask that you remain mindful of the general budgets of the community mental health, substance abuse, and developmental disabilities systems as you develop appropriation recommendations for the state hospitals.

Today I will first provide a brief overview of each hospital. I will then review key program and budget issues with which the hospitals are dealing and how the Governor's Budget Recommendations address these issues. Then, should you have additional questions, the superintendents and I will be happy to answer them.

State Developmental Disability Hospitals

I will start with the state developmental disability hospitals – Parsons State Hospital and Training Center (PSH&TC) and Kansas Neurological Institute (KNI). These facilities serve people with severe, life-long disabilities that had their onset during the persons' developmental years, most frequently at or before birth. One of the more frequently occurring developmental disabilities (DD) is mental retardation. Persons with DD generally require life time services and supports.

Both facilities are surveyed at least annually by the Kansas Department on Aging and are licensed and certified to participate in federal Medicaid funding as intermediate care facilities for persons with mental retardation and other related conditions. Both facilities utilize person centered, preferred lifestyle planning to enhance the quality of their resident's lives. They also seek full inclusion of their residents in the lives of their community.

SUMMARY OF STATE DEVELOPMENTAL DISABILITY HOSPITAL CENSUS

Facility	Budgeted Beds	Average Census
PSH&TC	188	198
KNI	168	161
Total	356	359

Parsons State Hospital and Training Center

Parsons State Hospital and Training Center (PSH&TC) is budgeted to serve 188 persons in eleven (11) residential units. Most residential units house 15-19 persons, except for the dual diagnosis unit which has an average census of ten (10).

In July of 2007, PSH&TC reopened Willow Cottage to help reduce resident over-crowding and the consequential behavior and program issues associated with higher census numbers. The additional residential unit has given PSH&TC additional options to better serve residents with specific compatibility issues, behavior problems or program needs. The unit currently provides a home to 16 residents.

Just over half of the residents are categorized in the severe to profound range of mental retardation. In addition to their mental retardation, 86 percent of PSH&TC residents present significant behavioral challenges or symptoms of emotional disturbance. Last fiscal year, 15 persons were placed from PSH&TC to community service settings and 16 persons were admitted.

PSH&TC also provides a research-based treatment program for persons with DD who have a history of sexual offenses. During FY 2007, PSH&TC worked with 46 persons in assessment and treatment programs designed to reduce the probability of new offenses.

PSH&TC's Dual Diagnosis Treatment and Training Services (DDT&TS) provides treatment and consultation for persons with DD and severe mental illness. The DDT&TS provides on-site delivery of psychological services, as well as direct training to parents and staff of community service providers. Of those served, less than one percent required admission to PSH&TC for treatment. In FY 2007, the

DDT&TS Outreach Service Program provided services to 102 individuals in 47 Kansas communities and to Osawatomie State Hospital. The DDT&TS currently has an active caseload of 71 in Kansas communities in addition to 10 residents at PSH&TC.

The Parsons Research Center and the Kansas University Center on Developmental Disabilities (KUCDD) are also located on the PSH&TC campus. These programs have a 51-year history at PSH&TC employing 54 faculty and staff with \$4.61 million in contracts and grant awards.

Kansas Neurological Institute

Kansas Neurological Institute (KNI) serves 161 persons, 98 percent of whom are categorized in the severe to profound range of mental retardation. Most KNI residents require intensive physical and medical supports. Most are unable to walk or speak, about two-thirds have seizure disorders, and about one-third are unable to eat by mouth and receive their nutrition through feeding tubes. Individuals at KNI live in 24 homes in five residential lodges.

KNI seeks to support each person living at KNI to have a meaningful life through:

- Ensuring well-being;
- Providing opportunities for choice;
- Encouraging community participation;
- Promoting personal relationships; and
- Recognizing individuality.

KNI also operates one of three seating clinics in Kansas providing individually designed seating for persons using wheelchairs and providing assistive technology support to people with DD living in the community. The seating clinic served 126 individuals from the community last fiscal year and expects to serve 135 individuals this fiscal year. Assistive technology assistance was provided to 196 people in FY 2007, and services will be provided to approximately 215 more people in FY 2008.

KNI also provides dental services to persons with DD living in the community who are unable to access needed care. Since this service was initiated, 112 people have utilized these services, and it is anticipated that 65 people will participate in these services during FY 2008.

Starting in FY 2006, KNI began providing behavioral consultation and support to people with DD receiving community-based services. Thus far this fiscal year, 12 people have used these services and it is anticipated that approximately 20 people will utilize these services before the end of FY 2008.

State Mental Health Hospitals

The state mental health hospitals – Osawatomie State Hospital (OSH), Rainbow Mental Health Facility (RMHF) and Larned State Hospital (LSH) – serve persons experiencing serious symptoms of severe mental illness. Only persons who have been determined to be a danger to themselves or others are referred to state mental health hospitals. These people generally exhibit symptoms that community providers cannot treat safely and effectively. Once severe symptoms are stabilized, they can successfully return home with supports provided by their community mental health centers (CMHCs).

The state mental health hospitals also serve prisoners needing inpatient mental health treatment and persons committed as violent sexual predators. In addition, hospitals complete mental health evaluations on persons referred by the courts.

The state mental health hospitals are accredited by the Joint Commission (JC) and are certified to participate in federal Medicaid and Medicare funding.

The state mental health hospitals are experiencing higher admissions than in past years. The following chart shows the number of psychiatric admissions to state mental health hospitals in recent years, excluding the State Security Program, Detoxification unit, and SPTP.

PSYCHIATRIC ADMISSIONS						
Hospital	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Larned	663	836	929	990	1,064	1,097
Osawatomie	1,023	1,189	1,404	1,767	1,853	1,832
Rainbow	513	588	715	671	664	671
Total	2,199	2,515	3,048	3,428	3,581	3,600

I will discuss the impact of these increased admissions as I review each facility.

Osawatomie State Hospital and Rainbow Mental Health Facility

OSH serves adults from 46 eastern Kansas counties, including Sedgwick, Shawnee, Wyandotte, and Johnson counties. OSH shares its catchment area with Rainbow Mental Health Facility. About 50 to 70 percent of the people served by OSH also need substance abuse treatment. As a result of the number of increased admissions, OSH has exceeded its budgeted bed capacity on a fairly frequent basis as can be seen by the following charts:

SUMMARY OF OSAWATOMIE AND RAINBOW CENSUS

Facility and Population	Bed Capacity	Average Census YTD
Osawatomie State Hospital – Adults	176	168
Rainbow Mental Health Center Adults	50	44
TOTAL	226	212

Osawatomie State Hospital		
Number of (and Percent) Days Over Census		
Fiscal Year	Number Days Over Census	Percent of Time Over Census
FY 2005	73	20%
FY 2006	81	22%
FY 2007	100	28%
FY 2008 (Year-to-Date)	32	16%

The increased census has caused a strain on OSH's ability to provide needed services. Regulatory surveys have identified deficiencies in active treatment. Regulators require that each MH patient be actively involved in his/her individually developed treatment plan and not have extensive idle time in between treatment sessions. Ensuring active treatment requires a significant number of direct care staff. OSH has been able to maintain Medicaid and Medicare certification through dedicated efforts

from treatment staff. However, at current staff levels, they are struggling to maintain the improvements that have been achieved. The Kansas Legislature has generously approved additional clinical staff to provide active treatment and this has made a difference. However, the hospital continues to struggle with nursing staff-to-patient ratios to assure good quality care to an increasingly violent and medically needy population.

Rainbow Mental Health Facility

Rainbow Mental Health Facility (RMHF) provides inpatient psychiatric care to adults from five counties served by three Community Mental Health Centers .

Effective July 1, 2007, SRS entered into an agreement with KVC Behavioral Healthcare to provide inpatient treatment for youth who would have otherwise been referred to RMHF. KVC has agreed to serve all youth who would have otherwise been served by RMHF and meet their needs in the same manner that RMHF did. This initiative added 20 additional adult beds to the state hospital capacity resulting in some census relief for both OSH and RMHF

Rainbow also experienced CMS survey deficiencies and, like OSH, staff did an outstanding job of addressing the deficiencies. However, RMHF is also struggling to maintain the progress they achieved to meet CMS standards as well as meet the increasing nursing care demands of a more violent and medically needy patient population.

Rainbow Mental Health Facility		
Number of (and Percent) Days Over Census		
Fiscal Year	Number Days Over Census	Percent of Time Over Census
FY 2007	19	5%
FY 2008 (Year-to-Date)	33	18%

Larned State Hospital

Larned State Hospital (LSH) operates the following three distinctly different treatment programs:

Psychiatric Services Program (PSP)

The PSP serves persons from 59 western Kansas counties and provides acute psychiatric inpatient services for adults, adolescents, and children. The program provides the same services as OSH and Rainbow for their respective catchment areas. LSH PSP admissions have risen steadily over time, and ongoing efforts to provide more intensive treatment have resulted in lengths of stay that are as brief as can reasonably be expected. So far this fiscal year the, adult patient census in the PSP program has averaged 7 patients (or 9%) over capacity.

State Security Program (SSP)

The SSP located in the Isaac Ray Building, serves the statewide needs of the Department of Corrections (DoC) and the Unified Judicial System for forensic evaluation and inpatient psychiatric care. This program includes: a forensic evaluation unit, two acute psychiatric treatment units, two psychiatric rehabilitation units for inmates of the Department of Corrections, a psychiatric unit for females, and a security behavior unit. The security behavior unit serves patients from all the state hospitals whose behaviors are extremely dangerous, requiring the highest level of security. The need for beds by the District Courts and DoC exceeds the current budgeted capacity of the SSP. Since January 2000, the beds available to the District Courts have decreased from 143 beds to 71 beds due to budget cuts in 2002 and an increase in bed utilization by the DoC. The waiting list for admissions from the District Courts reached an all time high of 67 in January 2008.

Sexual Predator Treatment Program (SPTP)

The SPTP serves persons with a civil commitment through the Kansas sexual predator treatment laws for indefinite treatment. The program is currently at capacity and serves 160 patients. Due to a steadily rising census in this program, the SPTP has recently moved into the newly remodeled North unit of the Jung building.

In addition to the inpatient program, LSH also manages the SPTP Transition Program located on the grounds of OSH. With 10 persons in the transition program, the program is near physical capacity, and exceeds the budgeted capacity of 6 beds.

The GBR contains a FY 2008 supplemental and FY 2009 enhancement that allows LSH to hire up to 23 additional staff and funding for operating expenditures to provide services for up to ten additional residents. Three of these staff, 1 attorney and 2 pharmacy techs, will provide services to the entire program. The remaining 20 positions will provide direct care services. We ask for your support for this recommendation.

When persons successfully complete their treatment at the SPTP inpatient program at LSH, they are referred to the SPTP Transition program. Current resources are sufficient to support six residents. The GBR contains a FY 2008 supplemental and a FY 2009 enhancement that provides resources for three additional residents. However, six additional residents are expected by Spring 2008.

SUMMARY OF LARNED CENSUS

Population/Program	Budgeted Bed Capacity	Average Census YTD
Adult Psychiatric	79	86
Adolescent Psychiatric	12	7
Children Psychiatric	8	5
State Security Program	200	179
Total Average Daily Census	299	277

SPTP	Budgeted Bed Capacity	Current Census
SPTP In-Patient Program	160	160
SPTP Transition Program	6	10

Recent Survey

Last year the Department of Health and Environment (KDHE) completed a survey of LSH triggered by complaints from some patients at the facility. KDHE found some deficiencies in the temperature of the water in some individual patient rooms, scuffed furniture, and some housekeeping issues. SRS believes these deficiencies were not as extensive as the report and the press coverage suggested. However, we took the findings seriously and have taken aggressive steps to mitigate the concerns.

Due to intensive effort and temporary movement of some unspent salary and wage money into the Vocational Training Program, LSH was able to successfully meet all KDHE requirements, and also

successfully pass a Joint Commission resurvey in 2007. However, with increases in census in the PSP and SPTP programs there are no salary and wage savings available to continue this level of maintenance.

In response to the KDHE survey findings on the old Hospital Bldg., the Crisis Stabilization Unit (CSU) has moved from that location to a temporary location in the Dillon Annex. In the future, the space in the Dillon Annex will be needed for beds for additional SPTP residents as that program expands. Construction of an additional 30 beds in the ATC building would provide capacity for the CSU and provide an additional 11 beds to meet the needs of the PSP.

Other State Agencies on the Larned Campus

LSH shares the campus with the Larned Juvenile Correctional Facility (LJCF) and the Larned Correctional Mental Health Facility (LCMHF). LSH provides the LJCF, the LCMHF, and the Ft. Dodge Soldiers Home with support services that include dietary, maintenance, laundry, and water. Sharing LSH resources with DoC and JJA increases efficiencies of those agencies, but increases LSH's support costs above those of other state hospitals.

The Dept. of Corrections is remodeling the West Unit of the Larned Correctional Mental Health Facility (LCMHF) to accommodate approximately 68 additional inmates in FY 2009. This 20 percent increase in the inmate population will also result in a corresponding increase in dietary, laundry, water and sewer services provided by LSH.

Key State Hospital Issues

Forensic Evaluations

After a court order to the Larned State Security Program for an evaluation or competency treatment, the wait for admission averages 40 days or longer. During this time, individuals are waiting in county jails and are often in need of inpatient mental health treatment. Numerous judges, sheriffs, and jail administrators have expressed concerns about the length of time it takes for admission to LSSP. SRS has developed two options to help alleviate the growing waiting list for forensic evaluation and treatment. The first option is for two mobile evaluator positions that would be supervised by LSSP staff and located in the Kansas City area and Wichita/Hutchinson/ or Larned area. The role of the evaluators would include: Complete sex predator evaluations in jails; Conduct at least two Competency to Stand Trial (CST) evaluator trainings a year for CMHC's and other community providers interested in reimbursement and certification from SRS; Complete presentence evaluations (misdemeanors) in jails/community; Complete competency evaluations unable to be done by community providers; Create and oversee a certification and ongoing education and supervisory program for community based evaluators. This option would cost \$320,000. The second option is a

request for staffing to open a 30 bed unit at Larned for forensic evaluations and treatment. The cost of this option would be \$2.8 million. These options, if implemented, are expected to significantly reduce or eliminate the waiting list.

Challenges

Regulatory surveys at the three state MH hospitals have identified deficiencies in active treatment and safety and sanitation. Regulators require that each MH patient be actively involved in his/her individually developed treatment plan and not have extensive idle time between treatment sessions. Ensuring active treatment requires a sufficient number of staff, particularly direct care staff. Surveyors also found that some furniture was in ill repair and housekeeping was falling behind, especially in the SPTP. Through the efforts of the staff and additional labor from residents in the LSH Vocational Training Program, these deficiencies were successfully addressed.

Additionally, other operating expenditures (OOE) such as drugs, utilities, and food have exceeded available funding in the state MH hospitals. When OOE is under-funded, the only remaining place to find savings to cover costs is salaries. Salary savings can only be achieved by artificially holding positions vacant. Last year OSH and RMHF created staff vacancies and LSH had an unusual number of vacant positions and used the savings to cover unfunded OOE. However, not having enough staff compromises patient care, support services, treatment, and safety. In spite of these savings, funding still had to be transferred from KNI and SRS to cover OOE shortfalls at OSH, LSH and RMHF. Continuing to keep staff positions vacant to fund OOE while still meeting regulatory requirements is becoming increasingly difficult. The state MH hospital budgets have requested OOE funds at levels similar to their actual FY 2007 expenses and have balanced their base budget request to their approved budget by raising their shrinkage above their budgeted amount. The state MH hospitals are making supplemental and enhancement requests to reduce this higher shrinkage amount so they can fill previously vacant positions to help meet minimum regulatory treatment requirements.

Future Role of the State Hospital

During the last several legislative sessions concern has been raised regarding increased state mental health hospital admissions. Often these concerns have centered on whether or not Kansas has enough inpatient mental health treatment beds. In response to the growing demand for more inpatient mental health inpatient beds, I asked my staff to assist me in the formation of a Hospital and Home Initiative Work Group. The Work Group's Core Team includes leaders from mental health, substance abuse, developmental disabilities, consumers, and advocates. In recognition that inpatient mental health services are not provided in isolation, but are part of a complete mental health service system, the Work Group's purpose is defined as:

To research and design a plan to implement an effective array of hospital and community services that support mental health wellness and recovery through partnerships and data driven strategies.

The Work Group will help develop a strategic plan that will focus on the necessary components of a comprehensive array of mental health services including inpatient treatment. This plan will connect to and be a part of Mental Health Services' Five Year Strategic Plan and coordinate with the Governor's Mental Health Services Planning Council. The goal of the Strategic Plan is that persons with mental illness will live safe, healthy, successful, self-determined lives in their homes and communities. This will be achieved through the effective delivery of services and supports by an array of mental health services, including inpatient mental health treatment.

The Core Team has formed sub-groups who are using research, data, and real life experience to develop proposed strategic plans in the following areas:

- Access to Services
- Assessment/Liaison/Discharge Process
- Crisis Prevention and Intervention

As many as 70 key stakeholders are involved in this process. It is expected the sub-groups will finish their preliminary work this spring and the final strategic plan will be completed in the summer of 2008.

Medicaid Title XIX Funds in the State Hospitals

Nearly a third of the state hospital budgets are funded by Federal Title XIX Medicaid funds. To meet Medicaid payment requirements and provide administrative ease, all Title XIX payments for state hospitals are placed in the central Title XIX account. Funds are then transferred from that account to the five state hospitals in amounts equal to their approved appropriations. All state hospitals receive Title XIX funding, but the process for the state DD hospitals is much different from the state MH hospitals. State DD hospitals are Medicaid certified as intermediate care facilities for persons with mental retardation (ICFs/MR) and nearly all of the people living in the facilities are covered by Medicaid. The state DD hospitals submit annual cost reports that establish per diem rates which they charge to Medicaid for each day a person covered by Medicaid lives in the facility.

The GBR adjusts the amount of Title XIX funds used by each hospital to more closely match the amount of revenue each hospital is estimated to receive. This was done to more closely line up revenue with expenses. Currently, the amount expended from the Title XIX fund exceeds the amount of Medicaid revenues into the fund. The difference is covered by a dwindling carry forward balance. It is expected that this practice will result in a Title XIX shortfall at some point in the future. SRS is not

yet requesting funds to address this issue. SRS is making certain all allowable Title XIX is properly claimed and all settlements correctly accounted for. If this does not produce adequate additional revenue, SRS may need to request additional state general fund to address the Title XIX revenue shortfall. This is not expected to occur before the next budget cycle.

Vehicles

The GBR includes funds within the SRS budget to replace high mileage vehicles at all five of the state hospitals. Adequate transportation for the patients and residents is critical to providing effective services at the state hospitals. At the state mental health hospitals, more and more trips are being made to community providers and services on and off grounds. In addition, the state mental health hospitals are serving more persons with physical disabilities including elderly who are frail who require increased use of accessible vehicles. The SPTP Transition Program located at OSH requires multiple daily trips for each person as they learn to successfully reintegrate into community life. This puts stress on OSH's limited fleet. The person centered lifestyle plans and the goal to integrate persons living at the state developmental disability hospitals into their community is not possible without sufficient numbers of specialized vehicles. Failure to provide these vehicles will significantly reduce the quality of care provided to mental health patients and effectively isolate residents of the state developmental disability hospitals in their homes. We ask for your support for the GBR to replace high mileage vehicles at the state hospitals.

Building Condition

The state hospital buildings contain about 2,037,525 gross square feet of floor area. Many of the buildings are 20 to 50 years old. The buildings are deteriorating and the equipment continues to wear out. Currently, state hospitals are only allocated \$1.4 million per year for maintenance and repair and major capital improvement projects for these vast complexes of facilities. This is insufficient to keep these buildings in a reasonable condition, prevent catastrophic failure of key building systems, and complete the major repair and renovation projects required for the health and safety of the residents and patients. So, a new backlog of needed maintenance and repair is beginning to once again accumulate. Our 5 year capital improvement plan has a request for \$3.5 million for our first priority rehabilitation and repair and \$8.9 million for major rehabilitation and repair.

On any given day more than 1,000 Kansans with the most severe disabilities reside and are treated in our state hospitals. It is important that the facilities we provide them are safe and well maintained. Any consideration of these needs in the overall state capital improvement plan would be greatly appreciated.

I would be happy to answer any questions from the Committee.