

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Stephen Morris at 10:40 a.m. on February 20, 2002 in Room 123-S of the Capitol.

All members were present except: All Present

Committee staff present:

Alan Conroy, Chief Fiscal Analyst, Kansas Legislative Research Department
Deb Hollon, Kansas Legislative Research Department
Martha Dorsey, Kansas Legislative Research Department
Becky Krahl, Kansas Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Assistant Revisor of Statutes
Judy Bromich, Assistant to the Chairman
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Senator Greta Goodwin
Bill Medley, Retired Superintendent of Schools
Laura Howard, Assistant Secretary, Health Care Policy, Department of Social and Rehabilitation Services
Ron Hammock, Executive Director, Creative Community Living
Sharon Bird, President, Creative Community Living
Candace Shively, Deputy Secretary, Integrated Service Delivery, Department of Social and Rehabilitation Services
Pam Scott, Executive Director, Kansas Funeral Directors and Embalmers Association

Others attending: See attached list

Subcommittee report on:

Kansas Guardianship Program (Attachment 1)

Subcommittee Chairman Huelskamp reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

Subcommittee Chairman Huelskamp reported that the Subcommittee concurs with the Governor's recommendations for FY 2003 with notation as listed in the subcommittee budget report.

Senator Huelskamp moved, with a second by Senator Feleciano, to adopt the subcommittee budget report on the Kansas Guardianship Program for the FY 2002 and FY 2003 budget. Motion carried on a voice vote.

Chairman Morris opened the public hearing on:

SB 557 --Community developmental disability services federal financial participation

Staff briefed the Committee on the bill.

Senator Greta Goodwin testified in favor of **SB 557** (Attachment 2). Senator Goodwin explained that at the very last minute in 2001 a last minute amendment to **HB 2067** was ill conceived and created severe penalties for those providers who have stepped up to care for medically fragile citizens of Kansas, many of whom are former Winfield State Hospital residents. The Senator mentioned that through **SB 557** she is correcting the disparity in funding which now exists due to the passage of the amendment of last session. Senator Goodwin urged passage of **SB 557** to correct a grave funding injustice which the state made to the developmental disabled community.

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Bill Medley, retired Superintendent of Schools and treasurer/member of the Board of Directors of Creative Community Living of South Central Kansas, who testified in favor of **SB 557** (Attachment 3). Mr. Medley mentioned that he was asked to join a few parents and guardians of residents of the Winfield State Hospital to help form a not-for-profit corporation to provide housing and care for individuals with severe developmental disabilities. He explained that when **HB 2067** was passed in the last few hours of the 2001 session, it did not recognize the funding of the special tier rates. Mr. Medley urged consideration of **SB 557** as a vehicle to correct an inequity.

Laura Howard, Assistant Secretary, Health Care Policy, Department of Social and Rehabilitation Services, spoke regarding **SB 557** (Attachment 4). Ms. Howard explained that **SB 557** amends KSA 201 Supp 39-1811 to modify the allowable usage of revenue derived from the maximization of federal financial participation (FFP) in the Medicaid program for community developmental disability services. She expressed concern regarding the policy choices inherent in deleting section (d) (2) are akin to those contemplated by the stakeholder design team last fall. Ms. Howard noted that non-waiver eligible persons could lose funding; the gain in maximization would be off-set by administrative disruption and cost; and there would be a loss of service flexibility and responsiveness to local need. She mentioned that enacting the proposed change in section (d) (1), along with retaining the language in section (d) (2) will offer the state of Kansas the maximum flexibility to meet the service needs of Kansans with developmental disabilities, while continuing to maximize the dollars in the system as much as possible.

Ron Hammock, Executive Director, Creative Community Living, spoke in favor of **SB 557** (Attachment 5). Mr. Hammock expressed concern regarding Creative Community Living, and other similar agencies who work with individuals with severe disabilities, and a pattern of adverse decisions and proposed changes related to the continuation of adequate funding for those with severe disabilities. Specifically, he noted the continuation of an inadequate allocation at the beginning of each fiscal year, the micro management of special tier rates, proposed changes to reimbursement for targeted case management, and the unfair distribution of potential rate increases gained from maximization efforts accomplished by matching programs which draw down additional Federal dollars. Mr. Hammock mentioned that the eleventh hour passage of **HB 2067** during last year's session with inferences that suggest special tiers do not need to be adjusted upward when additional funding is available in the future. Mr. Hammock noted that **SB 557** deletes those features of **HB 2067** which allow for direct or indirect attacks on funding for people with severe disabilities.

Sharon Bird, President, Creative Community Living, spoke in favor of **SB 557** (Attachment 6). Ms. Bird noted in her testimony that when **HB 2067** was passed last year, it was a measure that would leave their children out of the money flow simply because they are the most severely handicapped and costly people served in a community setting. She mentioned that **SB 557** would put all the people served in a community setting on the same level.

Committee questions and discussion followed. There was discussion regarding the use of formulas and use of actual records of costs. SRS will look into the comments and will get documentation back to the committee. There being no further conferees to come before the Committee, the Chairman closed the public hearing on **SB 557**.

The Chairman opened the public hearing on:

SB 513--After death of recipients of medicaid requiring certain moneys to be recouped and repaid to secretary of social and rehabilitation services

Staff briefed the Committee on the bill.

Candace Shively, Deputy Director, Integrated Service Delivery, testified in favor of **SB 513** (Attachment 7). Ms. Shively explained that **SB 513** would permit recoveries of excess funds remaining in funeral agreements and is a part of a package of bills developed by the Department to improve the effectiveness of and amount of recoveries for the Estate Recovery program in Kansas. She offered an amendment to the originally proposed bill which was developed in collaboration with the Kansas Funeral Directors Association who also support the changes (Attachment 8).

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Pam Scott, Executive Director, Kansas Funeral Directors and Embalmers Association (KFDA), testified in favor of **SB 513** (Attachment 9). Ms. Scott mentioned that **SB 513** allows for the recovery, by the Kansas Department of Social and Rehabilitation Services (SRS), of any excess balance remaining in prepaid funeral agreements after the payment of funeral and burial expenses. She noted that while KFDA supports the intent of **SB 513**, they did not believe the current language of the bill was the best way to accomplish the goal of returning excess funds to SRS. Ms. Scott explained that KFDA met with representatives of SRS and came up with substitute language and offered that language as an amendment (Attachment 10).

Committee questions and discussion followed. Chairman Morris asked if both the languages were the same in the proposed amendments and the responses were that the languages are the same.

Senator Schodorf moved, with a second by Senator Huelskamp, to amend SB 513 with the proposed amendments by SRS and the KFDA. Motion carried on a voice vote.

The meeting was adjourned at 12:00 noon. The next meeting is scheduled for February 21, 2002.