

## MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 A.M. on March 6, 2006 in Room 514-S of the Capitol.

All members were present except:

Representative Shari Weber- excused

Committee staff present:

J. G. Scott, Legislative Research Department  
 Becky Krahl, Legislative Research Department  
 Matt Spurgin, Legislative Research Department  
 Michele Alishahi, Legislative Research Department  
 Audrey Dunkel, Legislative Research Department  
 Carolyn Rampey, Legislative Research Department  
 Mike Corrigan, Office of Revisor of Statutes  
 Nikki Feuerborn, Administrative Assistant  
 Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Rex Beasley, Attorney General's Office  
 Terri Roberts, Kansas State Nurses Association  
 Jerry Slaughter, Kansas Medical Society

Others attending:

See attached list.

- Attachment 1 Budget Committee report on Judicial Council
- Attachment 2 Budget Committee report on Board of Indigents' Defense Services
- Attachment 3 Budget Committee report on Judicial Branch
- Attachment 4 Budget Committee report on **HB 2594**
- Attachment 5 Testimony on **SB 327** by Rex Beasley, Deputy Attorney General, Office of the Attorney General
- Attachment 6 Testimony on **SB 327** by Terri Robert, Kansas State Nurses Assoc.
- Attachment 7 Testimony on **SB 327** by Jerry Slaughter, Kansas Medical Society

Representative McCreary, Chair of the Revenue, Judicial, Transportation and Retirement Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Judicial Council for FY 2006 and FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2006 and FY 2007 (Attachment 1). The motion was seconded by Representative Gatewood. Motion carried.

Representative Sharp, member of the Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Indigents' Defense Services (BIDS) for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 2). The motion was seconded by Representative Light. Motion carried.

Representative Sharp, member of the Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Indigents' Defense Services (BIDS) for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 2). The motion was seconded by Representative Light. Motion carried.

With the apparent success of the offices in Independence and Chanute, the Committee felt it might be important to look at the possibility of locating additional BIDS' offices in other sections of the state in the future to avoid backlog of cases and travel time.

Representative McCreary, Chair of the Revenue, Judicial, Transportation and Retirement Budget Committee, presented the Budget Committee report on the Governor's budget recommendation

## CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 6, 2006 in Room 514-S of the Capitol.

for the Judicial Branch for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 3). The motion was seconded by Representative Gatewood. Motion carried.

Representative McCreary, Chair of the Revenue, Judicial, Transportation and Retirement Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Judicial Branch for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 3). The motion was seconded by Representative Gatewood. Motion carried.

The Committee noted that the language in Item No. 5 should read "amount recommended by the Court to replace the Emergency Surcharge" rather than "Governor". It was noted that the Governor has no input on this budget. The Budget Committee stated that the Court has imposed fees or surcharges without approval of the Legislature. The Budget Committee stated that it was their opinion that there was no guarantee that the surcharge would disappear if replaced with State General Fund dollars. The Committee voiced concern with the role of the Legislature and the role of the Court in the budget process, noting that the Court has imposed fees or surcharges without approval of the Legislature, written legislation outside of the Legislature and disregarded their own previous rulings.

### **Action on HB 2594 - Former Kansas legislators experience history project grant awards authorized, appropriations for such project.**

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on **HB 2594** offering **Substitute for HB 2594** and moved for the adoption of the Budget Committee recommendation on **Substitute for HB 2594** (Attachment 4). The motion was seconded by Representative Lane. Motion failed on a 10-11 vote.

The Committee felt the legislation is important; however, voiced concern with the funding with State General Fund (SGF) in the legislation and noting that perhaps an alternate source of funding could be secured.

### **Hearing on SB 327 - Creating the office of inspector general within the Kansas health policy authority.**

Audrey Dunkel, Kansas Legislative Research Department, explained that **SB 327** would create the office of inspector general (OIG). The OIG would be responsible for the oversight, auditing, investigation and performance review of the state Medicaid program, the MediKan program, and the State Children's Health Insurance Program (SCHIP).

The Committee voiced concern with the enactment of this legislation, there would be two entities providing oversight on Medicaid fraud - the inspector general as well as the Surveillance and Utilization Review Subsystem (SURS). Because this legislation provides for an expansion of state government, the Committee felt it would be important to have oversight to review the cost of the inspector general program and the benefit to the State.

Chairman Neufeld recognized Rex Beasley, Deputy Attorney General, Office of the Attorney General, who presented testimony in support of **SB 327** (Attachment 5). Mr. Beasley indicated that even though the Office of Attorney General has a Medicaid Fraud and Abuse Division, they are limited in investigative powers because the Attorney General's office is funded by 75 percent federal funds.

Mr. Beasley suggested that language in the legislation tied to programs within the jurisdiction of the "Kansas Health Policy Authority" be changed to "single state Medicaid agency" in case this jurisdiction is changed from the Kansas Health Policy Authority to another agency in the future and to avoid any gap in the process.

The Chair recognized Terri Roberts, Kansas State Nurses Association (KSNA), who presented

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 6, 2006 in Room 514-S of the Capitol.

testimony in support of **SB 327** (Attachment 6). Ms. Roberts offered an amendment to replace the language in Section 2, Item (h), Line 28, Page 9 of **SB 327**.

Chairman Neufeld recognized Jerry Slaughter, Kansas Medical Society, who presented testimony in support of **SB 327** (Attachment 7). Mr. Slaughter offered two amendments to the legislation pertaining to the unrestricted access of health care provider files and records. In addition, Mr. Slaughter noted that there are no definitions in the legislation or oversight of the position.

The hearing on **SB 327** was closed.

Chairman appointed the following Committee members to a Subcommittee to address issues and possible amendments to **SB 327**:

Representative Yoder, Chairman; Representative Bethell, Representative Landwehr, Representative Huy, Representative Williams, Representative Henry and Representative Ballard

**H Sub for SB 288** was referred to Agriculture and Natural Resources Budget Committee.

The meeting was adjourned at 11:00 a.m. The next meeting of the Committee will be held at 9:00 a.m. on March 7, 2006.

\_\_\_\_\_  
Melvin Neufeld, Chairman