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Shawn Sullivan, Secretary

Sam Brownback, Governor

To: Senate Public Health and Welfare Committee

From: Lea Stueve
Legislative/Policy Director

Date: February 14, 2013

Subject: S.B. 121, Rainbow Mental Health Facility and Osawatome State Hospital Licensure Consolidation

Chairperson Pilcher-Cook and members of the Committee:

Thank you for the opportunity to be here today to discuss S.B. 121.

The goal of this legislation is to increase efficiencies in the management of Osawatome State Hospital (OSH) and Rainbow Mental Health Facility (RMHF) by combining OSH and RMHF into one license.

These changes will produce savings on the Joint Commission accreditation fees for one agency versus two and reduced fees for the Medicare cost report preparation. Financial management, such as budgeting, receivables, payables, asset management and third party reporting (Medicare/Medicaid) will be easier as only one set of records will need to be maintained. Furthermore, health information management, accreditation, performance improvement, information technology management, human resource management, and several other tasks will be more efficient with performing tasks for one versus two agencies.

This is a continuation of past efforts to consolidate programs for increased efficiencies. For example, in 1998, the financial management of both Osawatome State Hospital and Rainbow Mental Health Facility was combined under one manager. As key management/personnel have left/retired from RMHF, similar departments at both facilities have been combined to function as one department with one department head for both.

This legislation is expected to generate annual savings of \$30,000 when duplication of services is eliminated. These savings were included in the Kansas Department for Aging and Disability Services 2013-2014 budget submission.