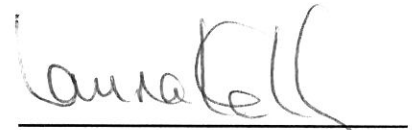


Minority Report
Department of Health and Environment – Health
and Health Care Finance

The Governor's FY 2016 recommendation for the agency includes reductions of \$57.0 million, including \$25.0 million from the State General Fund. These reductions are based on anticipated savings from implementation of KanCare policy savings related to caseload cost reductions, Medicaid pharmacy administrative reforms, and Managed Care Organization (MCO) financial incentives for contracted providers. I am concerned the savings anticipated from the proposed policy changes will not be fully realized and the agency may not have adequate funding for entitlement services for FY 2016.

I am also concerned with the reduction of \$377,959 to the Safety Net Clinics made as part of the Governor's December 9th allotment and carried forward to FY 2016 and FY 2017. State dollars must be invested in programs that provide cost effective services. The Safety Net Clinics provide the state a return on investment of nearly 15:1 for their funding which contributes to the state economy and generates millions of dollars to support local communities.

Additionally, it is impossible to adequately evaluate this Department's budget without understanding of the impact of Executive Reorganization Order No. 43 on the Department's budget and personnel, in which various responsibilities are transferred to and from the Kansas Department for Health and Environment. The lack of detail on the implementation of the proposed ERO is frustrating and not an acceptable method to make budget decisions that impact the lives of the state's most vulnerable citizens.



Senator Laura Kelly