

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Stephen Morris at 11:10 a.m. on April 9, 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
Audrey Nogle, Kansas Legislative Research Department
Julian Efir, Kansas Legislative Research Department
Michael Corrigan, Assistant Revisor of Statutes
Judy Bromich, Assistant to the Chairman
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Duane Goossen, Director, Division of the Budget
Connie Hubbell, Secretary, Department on Aging
Janet Schalansky, Secretary, Department of Social and Rehabilitation Services
Julie Govert Walter, Kansas Area Agencies on Aging Association

Others attending: See attached list

Bill Introduction

Senator Jackson moved, with a second by Senator Huelskamp, to introduce a bill concerning school districts; relating to budgeting. Motion carried on a voice vote.

Chairman Morris welcomed Duane Goossen, Director, Division of the Budget, who addressed a letter that had been sent to Janet Schalansky, Secretary, Department of Social and Rehabilitation Services, from the Federal Department of Health and Human Resources regarding the intergovernmental transfer (Attachment 1). Director Goossen explained that the letter received from the federal government denied that what has been thought of as the extra money or the extra potential money from the intergovernmental transfer. The State will have to give back approximately \$28 million dollars that is currently being received and the final three quarter payments that are being expected over the life of the program will be reduced below earlier estimates. Committee questions and discussion followed.

Chairman Morris opened the public hearing on:

SB 656--Senior pharmacy plus act

Staff briefed the Committee on the bill.

Connie Hubbell, Secretary, Department on Aging, testified in support of **SB 656** (Attachment 2). Secretary Hubbell explained that the Senior Pharmacy Plus Program would be administered by the Secretary of Aging, while the financial eligibility and claims processing would be administered by the Department of Social and Rehabilitation Services. She explained that this new pharmacy program could be established as a separate, stand-alone program or melded into current SRS program infrastructures.

Janet Schalansky, Secretary, Department of Social and Rehabilitation Services, testified in support of **SB 656** (Attachment 3). Secretary Schalansky explained that all waivers must meet a budget neutrality test in order to receive approval from the Center for Medicare and Medicaid Service (CMS). That implies that they will need to demonstrate that creation of a senior pharmacy program will not cost more to implement than their current Medicaid program. She explained that in order to meet this budget neutrality test, SRS will need to achieve savings in other areas of the Medicaid budget. Also, they will need to craft a program

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that, although will be managed by the Department on Aging, relies on the SRS infrastructure for administration of the program.

Julie Govert Walter, Conferee, Kansas Area Agencies on Aging Association, testified regarding **SB 656** (Attachment 4). Ms. Walter explained that they whole-heartedly support the concept of an enhanced prescription assistance program of Kansas seniors, they are unable to endorse passage of **SB 656** because of the proposed funding mechanism. She expressed concern that Intergovernmental Transfer monies are limited and are going to be diminishing and disappearing altogether in a matter of months. Ms. Walter mentioned that if the decision is made to fund this program, the Area Agencies on Aging and the Department on Aging would fully utilize existing networks and delivery systems to deliver this important service to older Kansans in an excellent way.

Written testimony was received from Ernest Kutzley, Associate State Director/Advocacy, AARP Kansas in support of **SB 656** (Attachment 5).

Committee questions and discussion followed each conferee's testimony. Chairman Morris thanked the conferees for appearing before the Committee. There being no further conferees to come before the Committee, the Chairman closed the public hearing on **SB 656**.

Senator Kerr moved, with a second by Senator Adkins, to recommend **SB 656** favorable for passage. Motion carried on a roll call vote.

Chairman Morris opened the public hearing on:

SB 658--No death and disability benefit employer contributions on behalf of KPERS members between July 1 and December 31, 2002

Staff briefed the Committee on the bill.

There were no conferees to come before the Committee and questions and discussion followed. The Chairman closed the public hearing on **SB 658**.

Senator Barone moved, with a second by Senator Jordan, to recommend **SB 658** favorable for passage. Motion carried on a roll call vote.

Chairman Morris explained a suggestion that he had drafted regarding bonuses (Attachment 6). There was Committee discussion, but no consensus by the Committee.

Information was distributed from Bobbi Mariani, Director, Division of Personnel Services, Department of Administration, regarding a correction on the Longevity Bonuses Paid in FY 2001 Grand Total amount (Attachment 7).

The meeting adjourned at 12:25 p.m. The next meeting is scheduled for April 10, 2002.