

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 a.m. on April 29, 2004 in Room 514-S of the Capitol.

All members were present except:

Representative Dean Newton- excused
Representative Larry Campbell- excused

Committee staff present:

Amy VanHouse, Legislative Research
Michele Alishahi, Legislative Research
Audrey Dunkel, Legislative Research
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Analyst
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Others attending:

See Attached List.

- Attachment 1 Memo from Jim Wilson, Revisor of Statutes
- Attachment 2 Draft copy of legislation relating to assessments on certain hospital providers and health maintenance organizations

Discussion and Action on HB 2947 - Motor vehicle license plates, reenacting 2004 Substitute for HB 2143; and HB 2948 -Redesignation of Department of Human Resources as Department of Labor as required by ERO 31.

Jim Wilson, Revisor of Statutes, explained a need to re-enact **Substitute for HB 2143** because the legislation contained an engrossing error, causing the legislation signed by the governor to be different from the legislation that passed the legislature. The bill relates to the issuance of distinctive license plates, decals for U.S. military license plates, helping schools license plates and firefighter license plates. **HB 2947** will re-enact **Substitute for HB 2143** to correct the error (Attachment 1).

Mr. Wilson explained that Executive Reorganization Order No. 31 (ERO 31) changed the name of the Department of Human Resources (KDHR) to the Department of Labor and transferred some functions of KDHR to the Department of Commerce. **HB 2948** amends a number of statutes to make name changes and other amendments to conform to the ERO (Attachment 1).

Representative Minor moved to recommend **HB 2947** and **HB 2948** favorable for passage. The motion was seconded by Representative Schwartz. Motion carried.

Jim Wilson, Revisor of Statutes, explained the need for another piece of legislation directed at technical corrections to reconcile amendments to statutes which were amended more than once during this session or a prior session (Attachment 1).

Representative Feuerborn moved to recommend to the Speaker of the House that the legislation for the technical corrections to reconcile amendments to statutes, be referred directly to the Committee of the Whole as opposed to being referred to the Committee. The motion was seconded by Representative Klein. Motion carried.

Discussion and action on Senate Sub for HB 2912 - by Committee on Ways and Means -- Health care provider assessments.

Chairman Neufeld stated that in order to expedite the legislative process, the Chair's intention is to remove the language of **SB 12** and insert the language of **Senate Sub for HB 2912** with additional technical adjustments, into **House Substitute for SB 12**.

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on April 29, 2004 in Room 514-S of the Capitol.

Audrey Dunkel, Legislative Research Department, explained that legislation is needed to address a number of technical adjustments to **Senate Sub for HB 2912**:

1. Change payment dates to June 30 and December 31 instead of July 19 and January 18.
2. Change the assessment payment schedule to make payments due after 150 days of increased rates instead of two quarters. These changes still allow for two quarters of increased payments, but move the due date on the assessment up by approximately two weeks. In addition, the change guarantees budget neutrality if the plan is not approved until the middle of the fiscal year.
3. Add language to allow 80.0 percent of the hospital assessment payments and 53.0 percent of the health maintenance organization assessment payments as certified by the director of the budget to be credited to the health insurance access improvement fund by the state treasurer on the first day of each fiscal year. This change allows the funds to be distributed prior to the collection of the assessment, as required by the bill, and repaid when the assessment is collected on December 31 and June 30 of each fiscal year.
4. Add language making the start date for the assessment plan on either the July 1 or January 1 following Center for Medicare and Medicaid Services (CMS) approval of the assessment plan, whichever is closer to the approval date. This change guarantees that the increased rates paid to providers will be reimbursed to the state each year without creating a shortfall of state funds.
5. Change the increased payment for health maintenance organizations from an increased "Medicaid rate" to an increased "Medicaid capitation payment" to more accurately reflect the payment structure to health maintenance organizations, which is a contractual, per person per month rate instead of a fee for service rate.

Ms. Dunkel presented a copy of the draft bill (Attachment 2). The Committee expressed a concern with the July 1 or January 1 "start date" after approval of the assessment plan.

Scott Brunner, Medicaid Director, Department of Social and Rehabilitation Services, stated that the intent was to place the start date after CMS approval and give some flexibility to the start date; however, this date could be changed to incorporate an effective date to be designated in the application submitted to CMS.

Jim Wilson, Revisor of Statutes, suggested the language in **Substitute for SB 2912** in Section 1; Item (d) be removed and new language inserted reading "The effective date for the payment methodology applicable to hospital providers approved by the centers for medicare and medicaid services shall be the date of July 1 or January 1, whichever date is designated in the state plan submitted by the department of social and rehabilitation services for approval by the centers for medicare and medicaid services".

Representative Landwehr moved to remove the language from **SB 12**, insert the new language of the draft bill relating to **Senate Sub for HB 2912** into **House Substitute for SB 12** and to incorporate the revised language in Section 1; Item (d) as proposed. The motion was seconded by Representative Feuerborn. Motion carried.

Representative Landwehr moved to recommend **House Substitute for SB 12** favorable for passage and allow for technical adjustments as necessary. The motion was seconded by Representative Ballard. Motion carried.

Representative Landwehr moved to introduce legislation creating the oversight committee on death of children in state custody. The motion was seconded by Representative McCreary. Motion carried.

The next meeting will be held on April 30, 2004. A presentation will be given by the Research and Development Enhancement Corporation on the status of the construction of research facilities. The meeting was adjourned at 9:45 a.m.