

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Kenny Wilk at 9:00 a.m. on January 30, 2001, in Room 514-S of the Capitol.

All members were present except: Representative Phil Kline
 Representative Bob Bethell
 Representative Jeff Peterson
 Representative Larry Campbell

Committee staff present: Alan Conroy, Legislative Research
 Rae Anne Davis, Legislative Research
 Amy Kramer, Legislative Research
 Jim Wilson, Revisor of Statutes
 Mike Corrigan, Revisor of Statutes
 Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee: Secretary Janet Schalansky, SRS
 Laura Howard, SRS

Others attending: See Attached

Secretary Schalansky presented an overview of the department which included the introduction of her two Deputy Secretaries: Diane Duffy and Candy Shively; two Assistant Secretaries: Joyce Allegrucci and Laura Howard; Executive Director of Human Resources, George Vega; and General Counsel John Badger. Included in her testimony were graphs showing expenditures of their \$1.8 billion budget which includes 59.3% in federal funds (Attachment 1). Full Time Equivalent SRS employees have dropped in the past few years from nearly 11,000 to 6,398 partially due to the closing of several state institutions, shifting of programs from one agency to another, privatization of certain programs, and natural attrition. The on-going problem of hiring and training staff at entry-level salaries for example the hospital workers at the Larned State Hospital and their leaving for higher paying positions was discussed. The similarity in duties as well as the dangers of working with the patients at Larned and the inmates at Lansing was addressed as well as the differential in starting salaries—nearly \$3 per hour. There has been discussion on reclassifying positions in which employees work in dangerous situations. The Governor has proposed entry-level state employees to move to Step IV in an attempt to address this issue. The need for geographic pay differentials continues to cause significant problems within the agency.

Secretary Schalansky explained that a waiver can be granted by the federal government if the state can demonstrate that effective community programs can be developed instead of following the federal mandates. The Head Injury Waiver Program was a specialty waiver for 100 individuals with head injuries to live in the community rather than remain hospitalized. The amount of \$5 million is needed to serve all those still waiting for community-based services. Laura Howard explained that this would really be a rehabilitation waiver as persons would be allowed to stay on the plan for up to four years in an effort for the patients to achieve their highest level of capability. The Secretary was asked to provide the Committee with the cost of waiver-ineligible head injury patients staying in long-term care versus that of being placed in community-based programs immediately. Leaving the patients in long-term care makes the rehabilitation much more difficult due the length of time spent in inactivity after the injury.

Before the Childrens Health Insurance Plan (CHIP) which is also known as HealthWave can be extended to the families of eligible children and pregnant women, the state is required to demonstrate that they have served the bulk of eligible children in the state. In the blending of Medicaid and HealthWave for children, \$300,000 will be required to eliminate the waiting period of six months. The policy group which is studying the plan for determining the feasibility of small employers joining the state health plan is still meeting.

The problem of the low reimbursement rate for dental care (78%) was discussed. Many dentists can no longer afford to participate in the Medicaid plan. The Governor's budget contains an enhancement of \$1.7 million, but it is unknown how this would impact the percentage of Medicaid reimbursement.

CONTINUATION SHEET

Secretary Schalansky gave an update on the reported problems with the Kansas Payment Center and their disbursement of child support payments (Attachment 2). The Federal Welfare Reform Act of 1996 mandated that all states set up centralized child support centers by October 2000. The Kansas Payment Center began accepting support payments September 29, 2000, taking over this project from the district court clerks in all 105 Kansas counties. Kansas could have been fined up to \$38 million for not complying with this federal regulation as well as losing grant funds. Tier Technologies of California was granted the three-year \$17.5 million renewable contract for running the Center. Secretary Schalansky discussed the start-up problems and the responsive actions the service provider, Tier, has taken. Tier has same-day processing for those entries which are considered clean and can be processed through the system without "editing." There can be a day or so delay when entries must be personally handled because they do not have the correct court information, the wrong amount of money sent, the check has been incorrectly identified, the check is to be disbursed among several different sets of children, etc. The money is sent to the Kansas Payment Center in Topeka, deposited in a local bank and recorded, and then electronically wired to St. Louis where the checks are cut and mailed. All this happens within a very short period if the deposits are correctly identified and meet the criteria for processing. Thus far Tier has been fined \$144,000 by SRS for failing to meet designated standards but these problems have been alleviated. Tier is allowed to keep any interest made on the support money and thus far it has offset the bank charges. The child support payments handled under this system are those that the Court has declared must be paid through the court system or have been in arrears with SRS recipients. This does not impact those parties who pay child support directly to the guardian of the children.

SRS was asked by the Committee to furnish percentage fees the individual district courts charge for handling child support, what the total fees have been in the past for disbursing the child support payment, and what penalties were involved.

The meeting was adjourned at 9:45 a.m. The next meeting will be held on Wednesday, January 31, 2001.