

## MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Melvin Neufeld at 1:00 p.m. on May 1, 2003, in Room 514-S of the Capitol.

All members were present except:

Representative Jo Ann Pottorff, excused  
Representative Steve Huebert, excused

Committee staff present:

Amy Deckard, Legislative Research Department  
Becky Krahl, Legislative Research Department  
Audrey Nogle, Legislative Research Department  
Debra Hollon, Legislative Research Department  
Jim Wilson, Revisor of Statutes  
Mike Corrigan, Revisor of Statutes  
Nikki Feuerborn, Administrative Analyst  
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Phyllis Kelly, Kansas Adult Care Executive Assoc.  
Dennis Priest, Program Administrator Economic &  
Employment Support, SRS  
Brian Vaquez, State Recovery Agent, SRS  
John Peterson, Land Title Association  
Molly W. Wood, Kansas Bar Association  
John Grace, Kansas Homes and Services for the Aging  
Tom Bell, Kansas Hospital Association

Others attending:

See Attached

- Attachment 1 Fiscal Note on **HB 2467**
- Attachment 2 Fiscal Note on **SB 161**
- Attachment 3 Testimony on **HB 2467** by Phyllis Kelly, Kansas Adult Care Association
- Attachment 4 Testimony on **SB 272** by Dennis Priest, Program Administrator, Social and Rehabilitation Services
- Attachment 5 Testimony on **SB 272** by John Peterson, Land Title Association
- Attachment 6 Testimony on **SB 272** by Senator Stan Clark
- Attachment 7 Testimony on **SB 272** Molly M. Wood, Attorney on behalf of Kansas Bar Association
- Attachment 8 Fiscal Note on **HB 2470**
- Attachment 9 Testimony on **HB 2470** by Jim Klausman, Midwest Health Services
- Attachment 10 Testimony on **HB 2470** by John Grace, Kansas Homes and Services for the Aging
- Attachment 11 Testimony on **HB 2470** by Tom Bell, Kansas Hospital Association
- Attachment 12 Testimony on **HB 2470** by Margaret Farley, Kansas Advocates for Better Care
- Attachment 13 Testimony on **HB 2470** by Linda Lubensky, Executive Director of Kansas Care Home Association
- Attachment 14 Testimony on **HB 2470** by Jennifer Haller, Public Policy Coordinator, Heart of America Alzheimer's Association
- Attachment 15 Testimony on **HB 2470** by Howard Bartrug, resident at Brewster Place

**Hearing on HB 2467 - Adult home care licensing and other functions transferred from Department of Health and Environment to Department on Aging**

Audrey Nogle, Legislative Research Department, explained that the bill is a set of technical adjustments to allow the transfer of the nursing facility regulation program from the Department of Health and Environment to the Department on Aging. The fiscal note for **HB 2467** is zero (Attachment 1).

Representative Landwehr, Chair of the Social Services Budget Committee, stated that the Budget Committee has

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS at 1:00 p.m. on May 1, 2003, in Room 514-S of the Capitol.

an amendment to the bill which would make the director's position an unclassified position.

At the Chair's request, Debra Hollon, Legislative Research Department, explained that **SB 261** transfers the responsibilities and duties of the Information Network of Kansas to Kansas, Inc. The Information Network of Kansas (INK) would then be abolished and those employees would become employees of Kansas, Inc. The Fiscal Note for **SB 261** was distributed (Attachment 2).

The Chair recognized Phyllis Kelly, Kansas Adult Care Executive Association, who presented testimony in support of **HB 2467** (Attachment 3). Ms. Kelly indicated that her agency had no objection to the amendment proposed by the Budget Committee. John Grace, Kansas Homes and Services for the Aging, did not have testimony; however, indicated his association supports the bill and the proposed amendment.

The hearing on **HB 2467** was closed.

Representative Landwehr made a motion to add the language of **HB 2467** into **SB 261**. The motion was seconded by Representative Bethell. The motion carried.

In response to the concern voiced by the Committee with regard to having free access to information, the Information Network of Kansas has provided a list of services that legislators can receive without charge. The Committee will continue to work with the agency to ensure legislators have this access as agencies move more information to the internet.

Representative Landwehr moved to add an amendment to **SB 261** which states that the secretary of aging shall appoint an officer to administer the adult care home licensure act and such officer shall be in the unclassified service under the Kansas civil service act. The motion was seconded by Representative Bethell. The motion carried.

The Committee requested that each member be provided a copy of **SB 261** containing the amendment.

Representative Landwehr moved to pass **SB 261** as amended favorably. The motion was seconded by Representative Bethell. The motion carried.

**Hearing on SB 272 - Recovery of previously paid medical assistance.**

Audrey Nogle, Legislative Research Department, explained that **SB 272** makes some changes to medical assistance eligibility requirements for applicants or recipients of Medicaid services. It also authorizes provisions for recovery of state moneys paid to Medicaid recipients. The fiscal note on **SB 272** anticipates revenues of \$700,000 all funds and a reduction in expenditures in FY 2004 of \$180,166 in the SGF and \$450,400 in all funds.

The Chair recognized Dennis Priest, Program Administrator, Department of Social and Rehabilitation Services (SRS), who presented testimony in support of **SB 272** (Attachment 4). Mr. Priest stated that the provisions in **SB 272** are not mandated by the federal government. Responding to a question about the double advantage, Mr. Priest noted that some clients enter into a "life care contract" with a relative, while that client is in the nursing facility, for a service that is being provided by the nursing facility and paid for by Medicaid, giving the client a dual benefit. **SB 272** (page 5, line 33) would make some stipulations to this type of contract. In response to a question from the Committee concerning the recovery of property from a client receiving Medicaid funds and who had part ownership in a company or corporation, Brian Vaquez, State Recovery Section of SRS, stated, per the provisions of **SB 272**, the state would work to recover payment from that asset or estate for payments to that client from Medicaid.

The Chair of the Social Services Budget Committee noted that they have heard testimony on the transfer of assets and payment of Medicaid funds to a nursing facility for a number of years. Mr. Priest indicated the number of persons applying and receiving Medicaid for elderly care has increased and the agency expects this number to continue to increase as the elderly population grows. The Budget Committee agreed with his assessment of proposed growth.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS at 1:00 p.m. on May 1, 2003, in Room 514-S of the Capitol.

John Peterson, Land Title Association, presented a copy of several amendments concerning the lien provisions and the filing of liens which his company proposed to the Committee (Attachment 5). Mr. Peterson stated that he had visited with SRS concerning the amendments and they are supportive, except for the last amendment (E).

Written testimony from Senator Stan Clark was distributed to the Committee regarding **SB 272** (Attachment 6).

The Committee stated that they would like to hear testimony from SRS on these amendments before any action is taken on **SB 272**.

Molly W. Wood, Attorney on behalf of the Kansas Bar Association, provided testimony against passing **SB 272** at this time and stated there were a number of issues which needed to be addressed before the legislation is passed (Attachment 7).

The hearing on **SB 272** was closed.

**Hearing on HB 2470: Adult care homes, quality assurance assessment imposed on certain nursing care and long-term care providers.**

Audrey Nogle, Legislative Research Department, explained that **HB 2470** has two major components; (1) a quality assurance assessment on facilities for nursing and long-term care and (2) authorization of a group-funded insurance plan. The first component allows the Secretary of Aging to assess an appropriate sum of money based on the number of non-medicare patients, to be used to improve the quality of nursing care. The second component allows adult care facilities to participate in a group-funded insurance plan and pay claims from that pool. The fiscal note on **HB 2470** was distributed (Attachment 8).

The Chair recognized Jim Klausman, President, Midwest Health Services, who presented testimony in support of the passage of **HB 2470** (Attachment 9).

Representative Nancy Kirk spoke in support of **HB 2470**. Representative Kirk, who also serves as a nursing home administrator, stated that because the Medicaid reimbursement rate is low, this legislation would assist nursing homes that primarily house Medicaid recipients and also bring more federal dollars into the system. She urged the Committee to pass the legislation.

John Grace, Kansas Homes and Services for the Aging, presented testimony in opposition of **HB 2470** (Attachment 10). Mr. Grace stated that because the legislation was brought forth late in the session, his association felt the issue should have further study to analyze the effects on the elderly population and the State financially.

Tom Bell, Kansas Hospital Association, presented testimony in opposition to the proposed legislation (Attachment 11). Mr. Bell stated that his association is not necessarily in opposition to the idea but that the legislation has a number of unanswered questions and needs time for more review. In response to a question from the Committee, Mr. Bell indicated that the federal law prohibits the Legislature from making all of the providers "whole". He also noted that the legislation should have a provision for a waiver to exempt those facilities where it could cause a hardship.

Written testimony was distributed from Margaret Farley, Kansas Advocates for Better Care (Attachment 12), Linda Lubensky, Executive Director of Kansas Care Home Association (Attachment 13), Marcine Grimes, Regional Director, Heart of America Alzheimer's Association (Attachment 14) and Howard Bartrug, resident at Brewster Place Retirement Place (Attachment 15).

The hearing on **HB 2470** was closed.

The meeting was adjourned. The next meeting will be held on May 2, 2003.

CONTINUATION SHEET

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Melvin Neufeld, Chair