

## MINUTES

### SPECIAL COMMITTEE ON APPROPRIATIONS/WAYS AND MEANS

December 16, 2003  
Room 241-N—Statehouse

#### Members Present

Senator Stephen Morris, Chairperson  
Representative Melvin Neufeld, Vice Chairperson  
Senator Bill Bunten  
Representative Jerry Henry  
Representative Andrew Howell  
Representative Steve Huebert  
Representative Jo Ann Pottorff  
Representative Sharon Schwartz  
Representative Joe Shriver

#### Members Absent

Senator Dave Jackson  
Senator Jean Schodorf  
Representative Thomas Klein

#### Staff

J. G. Scott, Kansas Legislative Research Department  
Leah Robinson, Kansas Legislative Research Department  
Audrey Dunkel, Kansas Legislative Research Department  
Amy VanHouse, Kansas Legislative Research Department  
Michael Corrigan, Revisor of Statutes Office  
Mary Shaw, Committee Secretary

#### Conferees

George Teagarden, Livestock Commissioner, Kansas Animal Health Department  
Katrín Osterhaus, Legislative Post Audit  
Margaret Zillinger, Director, Community Supports and Services, Kansas Department of Social and Rehabilitation Services

## Morning Session

Senator Stephen Morris, Chairman, opened the meeting at 10:05 a.m.

### Funding of the Animal Health Department

Chairman Morris welcomed George Teagarden, Livestock Commissioner, Kansas Animal Health Department, who reported on a meeting that was held to discuss possible fees for support of the Disease Control Function of the Department, as requested by the Committee in the September meeting (Attachment 1). Commissioner Teagarden explained that it was suggested that a new "emergency planning" function be added to the Department's budget. He also noted it was suggested that this function should be funded from the State General Fund, since the purpose of emergency planning is to protect the overall economy of the state.

Commissioner Teagarden mentioned that the Department probably has sufficient funding to make it through FY 2005, but would be in serious financial difficulty by FY 2006.

*By consensus, the Committee recommended the following items:*

- *Request the Kansas Animal Health Department get the interested parties together to develop a strategy for funding sources for the Department and present this strategy either during the 2004 Legislative Session or the 2004 Interim; and*
- *Request the Budget committees and subcommittees of the House Committee on Appropriations and the Senate Committee on Ways and Means address the funding situation for the Kansas Animal Health Department and look for ways to be more innovative in funding the agency.*

Staff reviewed a draft of the final Committee report for the funding of the Animal Health Department (Attachment 2).

*This report was approved by consensus of the Committee, with the following additions:*

- *The Department should develop a policy manual for inspections of facilities; and*
- *The Committee report should reflect that this issue is not completely resolved and another interim study might be required in 2004.*

*Representative Neufeld moved, with a second by Representative Pottorff, to approve the minutes of the November 19, 2003 meeting as presented. Motion carried.*

### Review of the Community Developmental Disability Organizations Audit

Chairman Morris recognized Katrin Osterhaus, Legislative Division of Post Audit, who reported on the findings, conclusions, and recommendations from the completed Post Audit report,

*CDDOs: Reviewing the Issues Related to the Funding of Community Services.* Copies of the audit are on file with the Kansas Legislative Research Department.

Margaret Zillinger, Director of Community Supports and Services, Division of Health Care Policy, Kansas Department of Social and Rehabilitation Services, presented the SRS Response to the CDDO Audit, which is detailed in her written testimony ([Attachment 3](#)).

### **Medicaid Reimbursement Rates—Home and Community-Based Services Waiver for the Frail Elderly and People with Physical Disabilities**

Staff reviewed a draft of the final Committee report for the Medicaid reimbursement rates—Home and Community-Based Services Waiver for the Frail Elderly and People with Physical Disabilities ([Attachment 4](#)).

*This report was approved by consensus of the Committee.*

### **Medical Transportation Delivery System**

Staff reviewed a draft of the final Committee report for the medical transportation delivery system ([Attachment 5](#)).

*This report was approved by consensus of the Committee. Chairman Morris expressed the hope that SRS would come back with comprehensive recommendations to the two legislative budget committees during the 2004 Legislative Session, regarding the Medical Transportation Delivery System.*

### **Consolidation or Closure of a Mental Health or Developmental Disability Institution**

Staff reviewed a draft of the final Committee report for the consolidation or closure of a mental health or developmental disability institution ([Attachment 6](#)).

Committee discussion followed regarding the mental health institutions:

- Continued discussion needs to take place on the entire mental health system;
- There needs to be flexibility to consider specialty services in mental health needs like what the University of Kansas Medical Center is looking into, and for negotiations to address Rainbow Mental Health Facility if the Medical Center undertakes a specialty services program for mental health; and
- The Legislature should continue to look at other alternatives in addition to closing institutions.

*The Committee recommended by consensus that Larned and Osawatomie State Hospitals remain open and that the 2004 Legislature review bed capacity and staffing levels at these*

*institutions to ensure that the needs of the mental health community are being met. In regard to Rainbow Mental Health Facility, the Committee recommended that the discussion remain open to allow for possible opportunities to privatize or otherwise utilize the facility in the future.*

Committee discussion followed regarding the developmental disability institutions:

- The word “closure” may not be an appropriate term, since the Kansas Neurological Institute (KNI) has changed the nature of its operation, and perhaps should not be closed, but relicensed as a different type of facility.
- There should be ongoing evaluation of both KNI and Parsons State Hospital and Training Center.
- The Legislature should clearly attempt to identify the services provided at both facilities.
- Any further discussion should evaluate the changes that have already taken place at KNI, including whether it should be relicensed as a community center, keeping in mind the changes that would take place in terms of state employees.
- Any discussion should be sensitive to the needs of the communities impacted, since fear becomes a volatile issue when addressing closure/consolidation.
- Mental health advocates, parents, and those in the mental health field should be given an opportunity for input on this issue.
- Consider the formation of a task force or other group to study the issue and to consider what is best for clients. The future of the nursing facilities for mental health NFMHs and nursing facilities for the developmentally disabled should also be addressed and should be part of the study.

The meeting recessed at 11:50 a.m.

### **Afternoon Session**

The meeting reconvened at 1:35 p.m.

### **Consolidation or Closure of a Mental Health or Developmental Disability Institution (continued)**

Chairman Morris called the Committee’s attention to further discussion of the developmental disability institutions.

Representative Shriver suggested keeping the state institutions open and asking SRS to develop a plan to privatize KNI by February 15, 2004. Senator Bunten mentioned that he had talked

with Leon Owens, Superintendent, KNI, and that Mr. Owens had expressed concern regarding whether waiver funding would be available if KNI was privatized.

Senator Bunten proposed looking at both KNI and Parsons State Hospital and Training Center.

*The Committee recommended by consensus that KNI and Parsons State Hospital and Training Center remain open at the present time. The Committee recommended that SRS convene a group or task force consisting of representatives of the developmental disability community, community providers, parents, hospitals, and all interested parties to evaluate KNI and the Parsons State Hospital and Training Center, study the issues and alternative uses of KNI, and report findings to leadership of the House Committee on Appropriations and the Senate Committee on Ways and Means by March 15, 2004.*

Chairman Morris mentioned that copies of the minutes and a draft of the final Committee report would be mailed to Committee members. The Chairman thanked the Committee and staff for all their help.

The meeting adjourned at 2:15 p.m.

Prepared by Mary Shaw  
Edited by Leah Robinson

Approved by Committee on:

December 30, 2003

(date)