

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:35 A.M. on February 14, 2008, in Room 123-S of the Capitol.

All members were present except:

Senator Donald Betts, Jr. - excused  
Senator Jay Emler - excused

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes  
Alan Conroy, Director, Kansas Legislative Research Department  
Kristen Clarke Kellems, Assistant Revisor of Statutes  
Amy Deckard, Kansas Legislative Research Department  
Audrey Dunkel, Kansas Legislative Research Department  
Julian Efird, Kansas Legislative Research Department  
Cody Gorges, Kansas Legislative Research Department  
Aaron Klaassen, Kansas Legislative Research  
Heather O'Hara, Kansas Legislative Research Department  
J. G. Scott, Kansas Legislative Research Department  
Jarod Waltner, Kansas Legislative Research Department  
Melinda Gaul, Chief of Staff, Senate Ways & Means  
Mary Shaw, Committee Assistant

Conferees appearing before the committee:

Barbara Gibson, Kansas Department of Health and Environment  
Dr. Don Brada, Designated Institutional Official, WCGME  
Dr. Joe Davison, West Wichita Family Physicians  
Rob Freelove, M. D., Program Director, Smoky Hill Family Medicine Residency Program  
Rita Buurman, CEO, Sabetha Community Hospital, Inc.  
Robert Gibbs, MD, WCGME Graduate, Labette Health, Parsons  
Dr. Justin Mills, Second Year WCGME, Pediatric Resident  
Cindy Luxem, Executive Director, Kansas Health Care Association  
Joseph Lubarsky, President, Eljay  
Jim Klausman, Chair of the Board and CEO, Midwest Health Mgmt., Kansas Health Care Assn.  
Steve Hatlestad, Regional Vice President, Americare Systems, Inc. Kansas Health Care Assn.  
Jeff Moszeter, Eventide Convalescent Center, Kansas Health Care Association  
Mike Oxford, Executive Director, Topeka Independent Living Resource Center  
Alan Cobb, State Director, Americans for Prosperity Kansas  
Karl Peterjohn, Executive Director, Kansas Taxpayer Network  
Tom Williams, CEO, Asbury Park, Newton  
Pam Bachman, Administrator, Eastridge Skilled Nursing Facility, Centralia  
Tom Church, President/CEO, Catholic Care Center  
Debra Harmon Zehr, President, Kansas Association of Homes and Services for the Aging

Others attending:

See attached list.

### **Bill Introductions**

Senator Schmidt moved, with a second by Senator Wysong, to introduce a conceptual bill concerning cracking down on internet pharmacies. Motion carried on a voice vote.

Senator Kelly explained that she had a bill introduction requested by Senator Hensley regarding college textbook publishers disclosing costs to teachers for student books. Senator Kelly moved, with a second by Senator Steineger, to conceptually introduce the bill. Motion carried on a voice vote.

## CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:35 A.M. on February 14, 2008, in Room 123-S of the Capitol.

Copies of the Kansas Legislative Research Department Budget Analysis report for FY 2008 and FY 2009 were available to the Committee.

### **Subcommittee reports:**

#### **Veterans Affairs/Soldiers' & Veterans' Home (Attachment 1)**

Subcommittee Chairman Mark Taddiken reported that the subcommittee on the Veterans Affairs/Soldiers' & Veterans' Home concurs with the Governor's recommendation in FY 2008 with comment and concurs with the Governor's FY 2009 recommendation with adjustments and comments.

Copies of the FY 2009 Supplemental Requests and FY 2009 Enhancements were distributed to the Committee (Attachment 2). Senator Taddiken moved, with a second by Senator Kelly, to consider electric beds and a wheelchair lift at the Kansas Veterans' Home and VSO salaries under Veterans Services at Omnibus. Motion carried on a voice vote.

Senator Taddiken moved, with a second by Senator Teichman, to adopt the subcommittee budget report on the Veterans Affairs/Soldiers' & Veterans' Home in FY 2008 and as amended in FY 2009. Motion carried on a voice vote.

Chairman Umbarger welcomed the following individuals who gave an overview of the Wichita Center for Graduate Medical School:

Barbara Gibson, Kansas Department of Health and Environment, was present for questions and she introduced the first conferee. (No written testimony was provided). Copies of a handout were distributed titled, Doctors in Kansas, WCGME Administered Programs (Attachment 3).

Dr. Don Brada, Designated Institutional Official, The Wichita Center for Graduate Medical Education (WCGME) (Attachment 4). Dr. Brada addressed the importance of Residence Training to Kansas in that it trains new physicians for all of Kansas, including rural areas; improves quality of care; attracts quality physicians to Kansas and creates positive economic impact for Kansas. He also noted that WCGME needs an increase in State funding to replace recently reduced Medicare GME reimbursement for off-site monthly rotations and educational leave and non-clinical educational experiences.

Dr. Joe Davison, West Wichita Family Physicians, noted that family physicians go to a community and see patients (Attachment 5). This brings economic stimulus to a community. In his closing remarks in his written testimony, Dr. Davison indicated that closing the course of action for the state would be to close the funding gap that would allow the people of Kansas to keep their homegrown physicians at home in Kansas to meet healthcare needs.

Rob Freelove, M. D., Program Director, Smoky Hill Family Medicine Residency Program, testified that this is not just a Wichita issue, but it is a state of Kansas issue (Attachment 6). He noted that the immediate challenge is meeting current accreditation standards to stay open and continue providing physicians for the State of Kansas.

Rita Buurman, CEO, Sabetha Community Hospital, Inc., indicated that Sabetha is in a location in the state that should make it easy to recruit; however, that is not the case (Attachment 7). She noted that rural is rural and it is difficult for them to find doctors to practice in their community. Therefore, they support WCGME.

Robert Gibbs, MD, WCGME Graduate, Labette Health, Parsons, called attention to the importance of the need for specialists in rural Kansas and it cannot be overlooked because it could be life threatening if specialists are not around (Attachment 8). Dr. Gibbs spoke about his personal experience of the strengths of the Wichita Residency Program.

Dr. Justin Mills, Second Year WCGME, Pediatric Resident, mentioned that without adequate funding, they cannot continue to provide the current level of care to the children of Wichita (Attachment 9). The hospitals of Wichita are a critical part of the healthcare system in Kansas and these hospitals would not function

## CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:35 A.M. on February 14, 2008, in Room 123-S of the Capitol.

without quality resident physicians.

The following individuals submitted written information:

Chad Austin, Vice President, Government Relations, Kansas Hospital Association ([Attachment 10](#))  
Steven Kelly, President and CEO, Newton Medical Center ([Attachment 11](#))  
Jennifer Scott Koontz, Third Year Resident, WCGME ([Attachment 12](#))  
Richard Moberly, II, M.D., Resident Physician, WCGME ([Attachment 13](#))  
John Waltner, Mayor, Hesston and Chairman, REAP Legislative Committee ([Attachment 14](#))  
Carolyn Gaughan, Executive Director, Kansas Academy of Family Physicians ([Attachment 15](#))  
Jerry Slaughter, Executive Director, Kansas Medical Society ([Attachment 16](#))  
Dr. Steen Mortensen and Dr. Denis L. Ross, Medical Society of Sedgwick County ([Attachment 17](#))  
Bob Moser, M.D., Greeley/Wallace/Hamilton County Family Practice Clinics ([Attachment 18](#))  
Gene Klingler, M.D., Manhattan Surgical Center ([Attachment 19](#))  
Office of the Dean, The University of Kansas School of Medicine, Wichita ([Attachment 20](#))

Copies were distributed on Primary Care Physician Full-Time Equivalent (FTE) by County, 2006 KDHE Physician Survey ([Attachment 21](#)) and Primary Care Physician FTE Summary by County - 2006 ([Attachment 22](#)).

The Chairman opened the public hearing on:

**SB 585--Assessments on nursing facilities; quality assurance assessment fund; initiatives for nursing care improvements**

Staff briefed the committee on the bill.

The Chairman welcomed the following conferees:

Cindy Luxem, Executive Director, Kansas Health Care Association, spoke in support of **SB 585** and provided information regarding Statewide Data on Kansas Nursing Home Revenues and Expenses ([Attachment 23](#)) and Kansas Health Care Association **SB 585** Quality Assurance Fund ([Attachment 24](#)). Ms. Luxem explained that 90 percent of providers are Medicaid and this bill does not ask to have private pay residents pay a tax. Providers will pay assessment to the state and no State General Funds are used.

Joseph Lubarsky, President, Eljay, LLC, testified as a proponent on the bill ([Attachment 25](#)). Mr. Lubarsky noted that these funds would be used to improve facilities for those facilities that are Medicaid. He explained that under this bill the assessment would be uniformly imposed on all providers, thereby requiring no formal review or approval process with CMS.

Jim Klausman, Chair of the Board and CEO, Midwest Health Mgmt., Kansas Health Care Association, testified in support of the bill ([Attachment 26](#)). Mr. Klausman mentioned that this is not a tax on private pay residents of nursing facilities. The Quality Assurance Fee is paid by providers in order to allow the State of Kansas to have more federal dollars returned to Kansas to help care for frail and elderly citizens.

Steve Hatlestad, Regional Vice President, Americare Systems, Inc. Kansas Health Care Association, spoke in support of the bill ([Attachment 27](#)). Mr. Hatlestad explained that this is not a tax and that it would allow for future care in facilities and to bring more funds into the state.

Jeff Moszeter, Eventide Convalescent Center, Kansas Health Care Association, testified as a proponent on the bill ([Attachment 28](#)). Mr. Mozeter mentioned that the bill would help improve the lives of residents in facilities. He runs a small nursing home and they are 55 percent Medicaid.

Mike Oxford, Executive Director, Topeka Independent Living Resource Center, spoke in support of the bill ([Attachment 29](#)). Mr. Oxford offered an amendment (attached to his written testimony). In the proposed amendment they suggest clarifying the commitment of resources.

Alan Cobb, State Director, Americans for Prosperity Kansas, testified as an opponent on the bill ([Attachment](#)

## CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:35 A.M. on February 14, 2008, in Room 123-S of the Capitol.

30). Mr. Cobb explained that his concern is that this affects the state budget in regard to Medicaid. He encouraged a more thorough evaluation of current Medicaid programs to see what is work and what is not working before embarking on yet another program.

Karl Peterjohn, Executive Director, Kansas Taxpayer Network, spoke in opposition to the bill (Attachment 31). Mr. Peterjohn explained that seniors may be affected by this bill and it may drive them out of state. He noted that while this legislation is described as an assessment fee, it actually appears to be more like a tax on nursing home patients with their own private resources and Medicaid and certain other seniors would be exempt from this new tax.

Tom Williams, CEO, Asbury Park, Newton, spoke as an opponent on the bill (Attachment 32). Mr. Williams provided information from when Oklahoma initiated a “bed tax” in 2000. He noted that he personally saw how this tax worked when he was an adult care home administrator in Oklahoma. Mr. Williams explained how their private pay residents were very upset that they had to pay this extra cost and it also accelerated the speed of spend-down among private pay nursing residents resulting in a larger population being requiring and receiving Medicaid assistance sooner.

Pam Bachman, Administrator, Eastridge Skilled Nursing Facility, Centralia, testified as an opponent on the bill (Attachment 33). Ms. Bachman explained that the bill would speed up the process of depletion of many nursing home residents’ private funds and a portion would have to be passed on directly to residents who are paying for their own care.

Tom Church, President/CEO, Catholic Care Center, spoke in opposition to the bill (Attachment 34). Mr. Church also expressed concern that this bill would greatly accelerate the depletion of private pay resident’s assets. There is no guarantee of quality in the area of care.

Debra Harmon Zehr, President, Kansas Association of Homes and Services for the Aging, testified in opposition to the bill (Attachment 35). Ms. Zehr addressed the bill being bad public policy, would cause inflationary pressure on nursing home private pay rates, would increase the State’s Medicaid obligation, and the bill is not strictly about quality.

The following conferees submitted written testimony on **SB 585**:

- Steve Albrecht, Regional Director of Government Relations, Golden Living (Attachment 36)
- Tom Akins, Vice President for Development and Planning, Brewster Place, Topeka (Attachment 37)
- Jennifer Gillespie, Adm.CEO, Leisure Homestead Association (Attachment 38)
- Jim Morford, Administrator, Good Samaritan Society, Ellsworth Village (Attachment 39)
- David Randazzo, Executive Director, Claridge Court (Attachment 40)
- Ryan Grace, Administrator, St. Joseph Village, Manhattan (Attachment 41)
- Wade Gushee, Executive Director, Presbyterian Manor, Parsons (Attachment 42)
- Jerry Ney, CEO, Aldersgate Village (Attachment 43)
- Stephen Lorenzen, Ph.D., Independent Consultant, Lorenzen & Associates (Attachment 44)

The Chairman closed the public hearing on **SB 585**.

The meeting adjourned at 12:10 p.m. The next meeting was scheduled for February 15, 2008.