

MINUTES OF THE SENATE PUBLIC HEALTH AND WELFARE COMMITTEE

The meeting was called to order by Chairman James Barnett at 1:00 P.M. on April 3, 2008 in Room 136-N of the Capitol.

All members were present except:
Senator Peggy Palmer- excused
Senator David Haley - absent

Committee staff present:
Emalene Correll, Legislative Research Department
Terri Weber, Legislative Research Department
Nobuko Folmsbee, Revisor of Statutes Office
Renaë Jefferies, Revisor of Statutes Office
Sara Zafar, Intern, Legislative Research Department
Margaret Cianciarulo, Committee Secretary

Conferees appearing before the committee:
Cathy Harding, Executive Director, Kansas Association for the Medically Underserved
Chris Tilden, Director, Local and Rural Health, Kansas Department of Health and Environment
Dr. Marcia J. Nielsen, Executive Director, Kansas Health Policy Authority

Others attending:
See attached list.

SB 697 - Funding recommended for primary care safety net clinics; appropriation recommended to KDHE and KHPA.

Senator Jim Barnett introduced pages, Sam Cheesebrough and Eli Kahn from Blue Valley School District.

Senator Barnett indicated the bill being heard today recommends funding for primary care safety net clinics through Kansas Association for the Medically Underserved and increased funding to established clinics for provision of direct care through the Kansas Department of Health and Environment.

Chairman Barnett recognized Cathy Harding, Executive Director for the Kansas Association for the Medically Underserved to speak in support of **SB 697**.

Cathy Harding referred to her presentation on January 23, 2008 in which a detailed presentation was provided to committee members relative to Safety Net Clinics. The purpose of these clinics is to serve those low-income residents and to ensure that safety net clinics will be ready and able to meet the needs of the future. This readiness of these clinics is contingent upon expanded resources and infrastructure development (Attachment 1):

Ms. Harding indicated that Safety Net Clinic revenue is generated by:

Net Patient Revenue	38.9%
Federal CHC Grants	19.6%
Other	18.7%
State Grants	12.0%
Private Foundation Grants	10.8%

Ms. Harding indicated that as the number of patients served in the clinics increases, it is necessary to expand non-patient sources of revenue to remain solvent because 60% of revenues do not vary according to patient volume. Ms. Harding requested funding (increased above **SB 697** current provisions) as follows:

Increased funding to clinics for provision of direct care (through KDHE) \$1,645,000

Infrastructure development to include:
Workforce development (through KAMU) 75,000

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Capital financing (through KAMU)	700,000
Non-federal Clinic Technical Assistance (through KAMU)	80,000
Total Requested Funding	\$2,500,000

Ms. Harding also detailed for committee members on-going efforts to collaborate with other agencies/sources, etc., to increase funding for the infrastructure component of the request.

Questions from Senators Wagle, Schmidt and Barnett relative to the correlation of monies received to numbers of clients served; federal funds and infusion of additional grants; physician recruitment (paid medical staff) as a component of the infrastructure development; cooperating with the Kansas Health Policy Authority for assistance in technological development; and issues related to the inability to secure adequate medical records for medically underserved Kansans when a hospital admission is required.

Chairman Barnett recognized Chris Tilden, director of the Office of Local and Rural Health, Kansas Department of Health and Environment who spoke in support of **SB 697 (Attachment 2)**. Mr. Tilden praised the work provided by safety net clinic professionals noting 25% of uninsured Kansans requiring medical care are seen in safety net clinics. Mr. Tilden reported funding applications are being received at this time. Currently-funded clinics have applied with increased funding requests to offset expense for new clients, an additional five clinics (not previously seeking state funding) have applied for funding, and two new applicants in northwest Kansas have applied for funding for new clinics not currently served by a safety net site. Mr. Tilden encouraged favorable passage of **SB 697**.

Dr. Marcia Nielsen, Executive Director, Kansas Health Policy Authority, was recognized to speak regarding **SB 697**. Dr. Nielsen spoke to the increase of uninsured Kansans, lower-income residents increase utilization of safety net clinics, and the role of safety net clinics as a critical access path to the health care system in Kansas for these uninsured and low-income individuals (Attachment 3). Dr. Nielsen also reported that KHPA reforms positively impact safety net clinics by promoting personal responsibility, defining medical homes with the implementation of statewide community health records to include insurance card standardization, as well as health prevention. In addition, statewide marketing for SCHIP, Medicaid, and premium assistance programs linking services to safety net clinics.

Senator Wagle questioned the relationship and coordination of care in safety net clinics to insurance plans provisions, i.e., managed care/HMO plans. Dr. Nielsen explained the conceptual framework of a medical home model as opposed to other models, and the importance of continuity and coordination of care and its functions as related to positive outcomes within various models.

Senator Barnett called committee members' attention to written testimony submitted by:

- Amy Falk, Executive Director, Caritas Clinics, Inc. (Attachment 4)
- Sally Tesluk, Executive Director, PrairieStar Health Center, (Attachment 5)
- Marcie Strine, Interim Executive Director, United Methodist Mexican-American Ministries, Inc. (Attachment 6)

Ms. Folmsbee, Revisor of Statutes office, distributed a proposed amendment to **SB 697** that would increase funding to safety net clinics (Kansas Association for the Medically Underserved), Kansas Department of Health and Environment, and the Kansas Health Policy Authority. Discussion followed.

Senator Schmidt moved to recommend **SB 697** reflect increased funding as follows:

Increased funding to clinics for provision of direct care (through KDHE) \$1,645,000

Infrastructure development to include:

<u>Workforce development (through KAMU)</u>	<u>75,000</u>
<u>Capital financing (through KAMU)</u>	<u>700,000</u>
<u>Non-federal Clinic Technical Assistance (through KAMU)</u>	<u>80,000</u>

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Kansas Health Policy Authority:

<u>Web-based enrollment for children eligible for Medicaid</u>	<u>250,000</u>
<u>Dental care for pregnant women</u>	<u>550,000</u>
<u>Statewide community health record</u>	<u>384,000</u>
<u>Outreach</u>	<u>550,000</u>

Total Recommended Funding Allocation \$4,234,000

and to favorably pass out **SB 697** as amended. The motion was seconded by Senator Jordan. The motion passed.

The meeting was adjourned at 1:45pm.