

MINUTES OF THE SENATE WAYS & MEANS COMMITTEE.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on February 2, 2000 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Chief Fiscal Analyst, KLRD
Michael Corrigan, Asst. Revisor of Statutes
Rae Anne Davis, KS Legislative Research Department
Debra Hollon, KS Legislative Research Department
Judy Bromich, Administrative Assistant to the Chairman
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Senator Sandy Praeger
Senator Sherman Jones
Irene Cummings, President and Chief Executive Officer of the University of
Kansas Hospital Authority

Others attending: See attached list

Chairman Kerr told members that the business of the day would be out of order to accommodate Senator Praeger's and Senator Jones' schedules. Therefore, the two senators would address **SB 24** which abolishes the Joint Committee on Oversight of the KU Hospital Authority, and then the status report of the University of Kansas Hospital Authority would be reviewed.

SB 24: Joint Committee on Oversight of the University of Kansas Hospital Authority, expiration date, repealer

Senator Praeger appeared before the Committee as a member of the Hospital Authority Board of Directors in support of abolishing the Oversight Committee. She stated that there appears to be a good check and balance between the hospital staff and the medical school staff and that she and Senator Jones, who have attended nearly every meeting, feel good about the leadership and accountability. She praised the Legislature for having the foresight to give the Hospital the ability to be more market sensitive and the President of the Hospital Authority for her leadership initiatives.

Senator Jones also appeared as a member of the Hospital Authority Board of Directors in favor of abolishing the Oversight Committee. He reviewed his written testimony which mentioned the high accreditation rating of the KU Medical Center (Attachment 1).

Irene Cummings, President and Chief Executive Officer of the University of Kansas Hospital Authority, presented a status report of the Hospital Authority (Attachment 2). Members of the Committee were complimentary of the quality statements made by the Joint Commission on accreditation of Health Care Organizations, the improved financial status of the hospital, and the dedication of the President of the Hospital Authority. There was discussion regarding treatment of the medically indigent population, with Ms. Cummings stating that though the number of medically indigent clients has not declined, the Hospital has improved billing and collection processes and the ability to get insurance coverage for patients who were not receiving it before. In answer to a question regarding the number of medically indigent patients from Missouri who are being served at KUMC, the President stated that the Hospital has rejected an offer because it addressed the payment rate in the Burn Unit only, has engaged a consulting group, and is in the beginning phase of administrative appeal.

There was Committee discussion about the percentage increase in emergency room visits. The President of the Hospital Authority told members that the Hospital is in the process of being reviewed for a Level 1 Trauma designation and serves a high percentage of insured patients which is financially beneficial to the hospital.

CONTINUATION SHEET

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In answer to a question, Ms. Cummings stated that nearly all employees shifted their employment to the Hospital Authority and the results of a recent employee survey demonstrate that employees are satisfied overall. She said that the transition from state health insurance to the Hospital Authority's own plan was also a non-event. Ms. Cummings told members that employee salaries in many areas have increased but the increases for nurses have been significant. She stated that the number of vacancies and the turnover rate is lower than last year though there are vacancies and the Hospital Authority uses contract agencies. She added that they will initiate a paid time off plan versus the state leave plan. The Chairman asked what general type of salary increase had been given to employees. Ms. Cummings stated that the employees were used to a COLA and so the Hospital gave them that, but also has developed a plan for pay based on performance. The Chairman asked that Ms. Cummings provide a copy of the employee evaluation form.

In response to an inquiry, Ms. Cummings told Committee members that KUMC will be the exclusive health care provider for the new race track in Kansas City. She stated that there will be an 8 bed infield hospital and 2 urgent care centers with 4 beds each which the Hospital will staff. The race track management will pay for supplies.

Mr. Paul Wilson, Director of negotiations for KAPE, stated that he had negotiated the contract for the nurses and indicated that raises that were made prior to negotiations ranged from 6-16% to bring the hospital to market adjustments. He said that a 3% across the board increase will be ratified in May. A new concept which has just recently been implemented is a Grievance Review Committee which has worked well. He added that the pay for performance system is not solidified yet, but KAPE's overall experience with the Hospital Authority has been positive. He stated that he does not represent service people contracts.

It was moved by Senator Salisbury and seconded by Senator Lawrence that **SB 24** be technically amended by inserting "1999" for "1998" and that the bill as amended be recommended favorably for passage. The motion carried on a roll call vote.

Senator Lawrence offered a motion to introduce bill draft 9rs 2046 as requested by the Committee. The motion was seconded by Senator Jordan and carried on a voice vote.

The Chairman told members that a number of carryover bills that had been addressed last year were in Committee and asked that members consider taking action on them. He provided the following information:

- SB 159:** **Topeka State Hospital property; transfer of control to department of administration** (Was amended into HB 2548 last year)
- SB 209:** **Certificates of title fees, VIPS/CAMA** (Was amended into HB 2142 last year)
- SB 210:** **Certificates of title fees, highway patrol motor vehicle fund** (Was amended into HB 2142 last year)
- SB 276:** **State officers and employees, compensation increases** (Governor's pay bill – passed in SB 352)
- SB 289:** **Conveyance of state property in Topeka for blind and visually impaired** (Was amended into HB 2548 last year)

It was moved by Senator Salisbury and seconded by Senator Jordan that **SB 159, SB 209, SB 210, SB 276 and SB 289** be reported adversely. The motion carried on a roll call vote.

Senator Salisbury moved and Senator Ranson seconded that the minutes of January 31, 2000 be approved. The motion carried on a voice vote.

The Chairman distributed a letter from the Executive Secretary of the Sentencing Commission listing options for consideration should the Legislature decide to not provide additional beds for the growing prison population. (Attachment 3)

The meeting was adjourned at noon. The next meeting will be February 3, 2000.