

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 3:00 P.M. on June 27, 2005 in Room 514-S of the Capitol.

All members were present except:

Representative Light- excused  
Representative Newton- excused  
Representative Sawyer- excused

Committee staff present:

Alan Conroy, Legislative Research Department  
J. G. Scott, Legislative Research Department  
Amy VanHouse, Legislative Research Department  
Reagan Cussimano, Legislative Research Department  
Audrey Dunkel, Legislative Research Department  
Becky Krahl, Legislative Research Department  
Jim Wilson, Revisor of Statutes  
Mike Corrigan, Revisor of Statutes  
Nikki Feuerborn, Administrative Assistant  
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Sandra Hazlett, Director of Child Welfare, Department of Social and Rehabilitation Services (SRS)  
Don Jordan, Acting Commissioner, Juvenile Justice Authority (JJA)

Others attending:

See attached list.

- Attachment 1 Adoption Contract Funding and Level V Treatment Costs
- Attachment 2 Level V Reimbursement Rates and Costs, Juvenile Justice Authority (JJA)

Chairman Neufeld stated that this meeting had been called for the purpose of addressing the issue of the possible closing of Level V beds in several facilities because of funding restrictions and for the Committee to receive information on what steps are being taken to continue Level V services for the children of Kansas.

Audrey Dunkel, Legislative Research Department, presented information on (1) duplicate funding in the 2006 budget of the Adoption Contract through the Department of Social and Rehabilitation Services (SRS) budget; and (2) possible closure of some Level V facilities because of costs associated with the care (Attachment 1). Ms. Dunkel also presented information provided by Juvenile Justice Authority on Juvenile Correctional facility costs for Level V beds (Attachment 2). Ms. Dunkel indicated that Level V residential facilities provide services to children who have either mental or behavioral problems which prevent them from successfully living and participating in the community. Several facilities who provide this care have indicated that they may reduce or eliminate this level of care unless the per day rate is increased.

Reagan Cussimano, Legislative Research Department, responded to a question from the Committee with regard to the lowest cost of treatment at the Larned Juvenile Correctional Facility (LJCF). Ms. Cussimano noted that LJCF receives part of their services from Larned State Hospital which is funded through the SRS budget. Don Jordan, Acting Commissioner of the Juvenile Justice Authority, stated that the services provided by Larned State Hospital to LJCF would be estimated between \$35 - \$50 per bed. Responding to a question from the Committee, Mr. Jordan indicated that JJA has an average of 320 offenders using Level V services.

Sandra Hazlett, Director of Child Welfare, Department of Social and Rehabilitation Services (SRS), commented that SRS is looking at other facilities to provide a more community and family focused placement to replace the facilities who now serve Level V offenders. Ms. Hazlett stated that SRS is working on the problem at the present time, to determine if all offenders in Level V treatment facilities really need this level of service as well as the type of facilities available in which to move these offenders if current facilities close.

## CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 3:00 P.M. on June 27, 2005 in Room 514-S of the Capitol.

The Committee expressed concern with the current system, information not being available from SRS on how they plan to care for the Level V offenders, and the possibility of putting these children at risk.

Responding to a question from the Committee regarding possible use of foster or residential homes for Level V offenders, Ms. Hazlett stated that some current homes do not meet the criteria of a therapeutic home; however, child welfare providers give enough training and support to the home to provide a less restrictive living space for the offender. Other necessary types of services for the offender are accessed through mental health centers and other community resources.

Don Jordan, Acting Commissioner, Juvenile Justice Authority (JJA), explained that JJA uses Level V beds to keep juveniles out of correctional facilities and in a less restrictive community setting. Approximately 300 juvenile offenders would be in Level V care at any given time at the rate of \$106.50 per day. Responding to a question from the Committee, Mr. Jordan indicated that Level V facilities are Medicaid approved facilities. Add-on rates of approximately \$22.50 - \$50 are added to the base when an offender needs specific treatment beyond Level V treatment. Mr. Jordan indicated that some of the facilities who serve Level V offenders also receive funds from other sources, such as donations, above the \$106.50 per day reimbursement noting also that the Atchison and Beloit facilities have been running under capacity while the Topeka and Larned facilities are at capacity. Mr. Jordan stated that JJA has not had ample time to study the \$106.50 rate status; however, has looked at a \$15 per day increase which could be justified by a cost-of-living adjustment since 2001.

The Committee discussed the possibility of re-appropriating the funds from the double funding of the FY 2006 Adoption contract to increase the daily rate of Level V care reimbursement to \$121 per day, for a total of \$1,395,000; and using the balance of this appropriation, approximately \$1.4 million, to fund other rate increases, with SRS and JJA, each receiving a portion of these funds.

Responding to a question from the Committee, Mr. Jordan could not predict if the Level V providers would reconsider their decision to discontinue Level V services if there was an increase in the reimbursement rate.

The Chair requested that SRS and JJA work together to provide information to the Committee at the next meeting on June 28<sup>th</sup> concerning (1) how to adjust the budget and how these funds will be distributed between the two agencies; (2) plans for the use of funds outside the reimbursement rate; and (3) would legislation be necessary to accomplish this movement of funds or can a transfer be made with an agreement by both agencies.

The meeting was adjourned at 3:55 p.m. The next meeting of the Committee will be held at 10:00 a.m. on June 28, 2005.

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Melvin Neufeld