

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:30 A.M. on February 18, 2005 in Room 123-S of the Capitol.

All members were present except:

Senator Donald Betts- excused
Senator Vicki Schmidt- excused

Committee staff present:

Norman Furse, Revisor of Statutes
J. G. Scott, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Susan Kannarr, Kansas Legislative Research Department
Matt Spurgin, Kansas Legislative Research Department
Melissa Calderwood, Kansas Legislative Research Department
Judy Bromich, Administrative Analyst
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Senator Dennis Pyle
Scott Brunner, Director of Medical Policy, Kansas Department of Social and Rehabilitation Svcs.

Others attending:

See attached list.

Chairman Umbarger opened the public hearing on:

SB 226--Providing for health expenditure accounts and a state match

Staff briefed the committee on the bill.

The Chairman welcomed Senator Dennis Pyle, who testified in support of **SB 226** (Attachment 1). Senator Pyle explained that **SB 226** is conceptually designed to encourage personal responsibility and perhaps help address some of the burden placed upon state government to meet rising health care costs. He noted that in its current form, participation is voluntary. Senator Pyle also noted that **SB 226** does have a cost; however, he indicated that the potential for savings far outweigh the cost. Committee questions and discussion followed.

Information was distributed by Staff regarding Earned Income Tax Credit, 2005 Legislator Briefing Book (Attachment 2).

Chairman Umbarger welcomed Scott Brunner, Director of Medical Policy, Kansas Department of Social and Rehabilitation Services, who spoke as a neutral party in regard to **SB 226** (Attachment 3). Mr. Brunner explained that the bill provides an opportunity for persons who received a federal earned income credit payment within the last 12 months and who have been eligible for Medicaid for all or part of that 12 month period to establish a health expenditure account. He indicated that to give these persons an incentive to establish these accounts, the bill directs the state to match 10 percent of whatever is deposited into such an account. Mr. Brunner explained the effect the bill would have in determining a person's Medicaid eligibility. He also noted that the Department does not believe that the state contributions to health expenditure accounts can be structured to qualify for federal match. Committee questions and discussion followed.

There being no further conferees to come before the committee, the public hearing was closed on **SB 226**.

Copies of the Kansas Legislative Research Department Budget Analysis Report for FY 2005 and FY 2006 were available to the committee.

Subcommittee budget report on:

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:30 A.M. on February 18, 2005 in Room 123-S of the Capitol.

Kansas Department of Commerce
Kansas Technology Enterprise Corporation (KTEC)
Kansas, Inc. (Attachment 4)

Subcommittee Chairman David Wysong provided opening remarks regarding the Kansas Department of Commerce and reported that the subcommittee on the Kansas Department of Commerce concurs with the Governor's recommendation in FY 2005 with observation and concurs with the Governor's FY 2006 recommendations with adjustments and observations.

Senator Teichman moved, with a second by Senator Kelly, that the opening remarks made by Senator Wysong be made a part of the subcommittee report on the Kansas Department of Commerce. Motion carried on a voice vote.

Subcommittee Chairman David Wysong provided opening remarks regarding Kansas Technology Enterprise Corporation (KTEC) and reported that the subcommittee on the Kansas Technology Enterprise Corporation (KTEC) concurs with the Governor's recommendation in FY 2005 with comment and concurs with the Governor's FY 2006 recommendations with adjustments.

Senator Morris moved, with a second by Senator Teichman, to amend the subcommittee report on the Kansas Technology Enterprise Corporation in FY 2005 to add \$125,000 Economic Development Initiative Funds. Motion carried.

Subcommittee Chairman David Wysong provided opening remarks regarding Kansas, Inc., and reported that the subcommittee on the Kansas Department of Commerce concurs with the Governor's recommendation in FY 2005 and concurs with the Governor's FY 2006 recommendations with adjustments and observation.

Chairman Umbarger held the adoption of the subcommittee reports on the Kansas Department of Commerce, Kansas Technology Enterprise Corporation (KTEC), and Kansas, Inc., until the next meeting in order to include the opening remarks made by Subcommittee Chairman David Wysong regarding KTEC and Kansas, Inc.

The meeting adjourned at 11:30 a.m. The next meeting is scheduled for February 21, 2005.