

MINUTES OF THE HOUSE BUSINESS, COMMERCE AND LABOR COMMITTEE.

The meeting was called to order by Chairperson Al Lane at 9:05 a.m. on March 1, 2001 in Room 521-S of the Capitol.

All members were present except: Rep. Melany Barnes - excused
 Rep. Broderick Henderson - excused
 Rep. Rick Rehorn - excused
 Rep. Dale Swenson - excused

Committee staff present: Bob Nugent, Revisor of Statutes
 Renaë Jeffries, Revisor of Statutes
 Jerry Donaldson, Legislative Research Department
 Bev Adams, Committee Secretary

Conferees appearing before the committee: Phil Harness, Director of Workers Compensation, KDHR

Others attending: See attached list

Rep. Grant made a motion to approve the minutes of February 19 and 20 as written. Rep. Humerickhouse seconded the motion. The motion carried.

Briefing by Phil Harness, Director of Workers Compensation Division, Kansas Department of Human Resources (KDHR)

Mr. Harness appeared before the committee to give an update on compliance with the recommendations made by the Post Audit Report of the Implementation of the 1993 Changes to the Worker's Compensation Laws, dated February 1999. The three main areas that needed improvement were: 1) the collection and reporting of meaningful data about workers compensation cases, 2) upgrading their computer system, and 3) operations of the Fraud and Abuse section. They have improved their information system to collect basic data so that they can provide accurate and meaningful information to the Legislature and others for policy decisions. Work continues on upgrading their computer system. The Fraud and Abuse section has stepped up prosecution of workers compensation fraud violators. Also, enforcement of the judgment i.e. collection of fines, penalties and restitution has significantly increased.

Mr. Harness provided the committee with three reports: 1) the *Post Audit Report of February 1999, Reviewing the Implementation of the 1993 Changes to the Workers's Compensation Laws: a K-goal Audit of the Department of Human Resources*, 2) the *Kansas Division of Workers Compensation Fraud and Abuse Unit Annual Report of 2000*, and 3) the *Workers Compensation 26th Annual Report for Fiscal Year 2000*. The reports are available in the Division of Workers Compensation office at 800 SW Jackson in Topeka, Kansas. He pointed out to the committee certain sections of the reports and explained how the data was collected.

Mr. Harness finished his presentation by answering questions from the committee. (Attachment 1)

After announcements, Chairman Lane adjourned the meeting at 9:52 a.m. The next scheduled meeting will be held on Tuesday, March 6, 2001, at 9:00 a.m.

CONTINUATION SHEET