

MINUTES

MONTANA SENATE 58th LEGISLATURE - REGULAR SESSION

FREE CONFERENCE COMMITTEE ON SENATE BILL 314

Call to Order: By **CHAIRMAN COREY STAPLETON**, on April 23, 2003 at 9:10 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Sen. Corey Stapleton, Chairman (R)
Rep. Holly Raser, Chairman (D)
Sen. John Esp (R)
Sen. Bea McCarthy (D)

Members Excused: Rep. Edith Clark (R)proxy
Rep. Bill Thomas (R)proxy

Members Absent: None.

Staff Present: Susan Fox, Legislative Services
Fredella D. Haab, Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: SB 314, 4/23/2003

CHAIRMAN COREY STAPLETON, SD 10, BILLINGS, opened the meeting on FCC on SB 314. This was known as the CHIP bill by **SEN. BEA MCCARTHY, SD 29, ANACONDA**.

SEN. MCCARTHY said at the present time we have House amendments that were put on it dated April 11, 2003, page 2, line 9 through line 10 was "deposited into the general fund, as provided in 2-4-603 (1) (b), and that are unanticipated by revenue estimates adopted by the legislature for fiscal years 2004 and 2005, excluding tax audit collections, of up to." It was her intention to delete that from the bill and insert the amendment which had been prepared for by **Russell Cater, Chief Legal Counsel, Department of Public Health & Human Services**.

Motion: SEN. MCCARTHY moved AMENDMENT BY RUSSELL CATER .

SEN. JOHN ESP, SD 13, BIG TIMBER, thought all those proceeds had been appropriated or will be. There was no need for this amendment at this time.

REP. HOLLY RASER, HD 70, MISSOULA, stated she had talked with Lois Steinbeck about this as she was concerned about the same thing. She knew that the tobacco funds have been over appropriated but she said that the settlement income that was allocated by I 146 had funds available. There might be somebody else that could address that further. She did ask Ms. Steinbeck specifically if this amendment passed would there be funds for them and she said yes.

CHAIRMAN STAPLETON asked SEN. ESP if it were true there were funds, do you object?

SEN. JOHN ESP said he would rather see it go to " meals on wheels." There was legislation on that. He was not sure what the House did with it, but there was " meals on wheels" in the preservation account.

SEN. MCCARTHY said she wanted to ask Director Chuck Swysgood, Budget Department, if what they were discussing was the amendment that was prepared by his office and if that money was still available?

Mr. Swysgood said the way he understood this amendment was that it takes any unappropriated money that was in the I146 pot and directs it to the additional Chip program. In the event that all of it wasn't appropriated for those programs that are designated to them, then there would be money available for this. They passed an amendment to put some money into the Montana Comprehensive Health Assurance program in HB 2 last night.

CHAIRMAN STAPLETON asked if this was a one-time only or would this be put into statute?

SEN. BEA MCCARTHY said it was her intention that it would be a one-time only.

Ms. Susan Fox, Legislative Services, said by putting the date fiscal year biennium ending June 30, 2005, it would be just a one-time. It would be in statute but it would be cleaned up.

CHAIRMAN STAPLETON asked for further discussion on the amendment.

SEN. ESP said he guessed he made his point but he thought that we funded CHIP up to the level that they had done in the past under the allocations of I146 and he would rather see it go into the "meals on wheels" or some other things that would help the elderly.

CHAIRMAN STAPLETON asked what will happen if there were some excess pocket change in there, what will happen if we don't adopt this amendment?

Mr. Swysgood said the way he understood that any unappropriated funds reverted back to the tobacco trust fund.

CHAIRMAN STAPLETON said if it were in the tobacco trust, could it be used for "meals on wheels?"

Mr. Swysgood said only the interest off the trust fund can be used.

REP. RASER asked if everyone would like to see a copy of this. It was from **Lois Steinbeck** last week and it was on the tobacco settlement allocated from I146 and there were two pots. There was the tobacco control and that was part of what we are looking at. **SEN. JOHN COBB, SD 25, AUGUSTA**, was using some of that money. There was the part 2 which was the Montana Comprehensive Health Association which was 17 percent of the settlement income and according to **Ms. Steinbeck** the unappropriated amount was about \$700,000 for fiscal 2004 and for 2005 \$660,000. Her understanding was that can't go to other programs. It had to be allocated for the CHIP or the Montana Comprehensive Health Association.

SEN. ESP guessed they could go ahead and vote. What the House sub committee did last night was to appropriate that for the Comprehensive Health Association. He thought that matching funds for medicaid are there.

CHAIRMAN STAPLETON said they had a motion on the amendment. Roll call vote was: **SENATORS STAPLETON AND MCCARTHY YES, REPS. CLARK AND THOMAS YES BY PROXY, AND SEN. ESP NO. Motion passed 5-1.**

Ms. Fox wanted to raise his attention that even though this amendment was phrased as an appropriation, it wasn't an appropriation as appropriations had to be made in House Bill 2.

CHAIRMAN STAPLETON said he understood. Wasn't it very likely especially in these tight times, there may not be any to give to CHIP anyway.

Ms. Fox said this gave the authority.

Motion: SEN ESP moved AMENDMENT 31401.AGP.

SEN. ESP said what that amendment does was basically put the bill back into the shape it was when it left the Senate with a couple of exceptions. The exceptions being that people who are 18 years old would qualify for the private fund CHIP program and everything else was the same as when it left the Senate. In other words there was a program 150% for 17 and under. There was a program for privately funded programs for kids 18 and under 150 to 175% of poverty level and all 18 year olds and that was 150%.

CHAIRMAN STAPLETON asked for discussion on the amendment.

SEN. MCCARTHY asked **Ms. Fox** if was one of the arguments for putting the 18 year olds was that if we did not, many of those 323 individuals would fall into medicaid with his proposal.

Ms. Fox said if you qualified for CHIP by definition you can't qualify for Medicaid. Unless there other eligibility standards which would change, they still would not be available for Medicaid.

SEN. MCCARTHY said by this amendment he was taking them out of the CHIP program. Now where do they sit?

Ms. Fox said unless non state matching funds or tobacco settlement proceeds failed for this alternative program, they would be uninsured. In order to be eligible for CHIP they can't be eligible for Medicaid. Only if there are these non state matching funds available would 18 year olds be able to get coverage.

CHAIRMAN STAPLETON stated that he supported this. The Senate excluded all adults. He thought they had it in Montana Code, able bodied adults are not eligible for welfare anyway. This made it so that if people wanted to donate or they can get the funds, we can cover these young adults.

SEN. MCCARTHY said she did appreciate it as a compromise and she could understand it but she wanted a full explanation.

REP. RASER questioned **Ms. Fox** about discussing this one piece on line 4, about 150% and below 175%, and didn't that mean we would cover people within this range before if there were 18 year olds that were in that lower range that could only meet these needs as to opposed to down here? Do you remember how we discussed that?

Ms. Fox said it was her understanding that the reason the department was worried and had that language of above 150% stricken was because it would have made it exclusively that you would have to serve the 150 to 175% first and you actually would not be serving the waiting list. She thought the way **Mr. Greg Petesch, Legislative Services**, constructed this amendment, he took care of that issue. If you look at the little sub (i) in 4, the person who was 18 years of age or younger and it would be above 150% and then that second category was the person who was 18 years of age and the criteria referred back to the front page where they would meet the other criteria. She thought he chose an alternative way of doing it, but that it covers this non state matching funds can cover both the waiting list and the 18 year olds.

CHAIRMAN STAPLETON asked for any further discussion on the amendment before us.

Vote: Motion carried unanimously.

CHAIRMAN STAPLETON asked for further amendments.

SEN. ESP said what the amendment did was change the effective date from July to October to give the department a little more time to raise funds and get the program in place.

Motion: SEN. ESP moved AMENDMENT SB31410.ASB WHICH CHANGED THE EFFECTIVE DATE FROM JULY TO OCTOBER. Motion passed unanimously. REPS. CLARK AND THOMAS VOTED YES BY PROXY BY SEN. ESP.

Motion: SEN. MCCARTHY moved EVERYTHING THAT HAD BEEN AMENDED. Motion passed unanimously. REPS. CLARK AND THOMAS VOTED AYE BY PROXY BY ESP.

Motion/Vote: SEN. MCCARTHY moved THE CONFERENCE COMMITTEE REPORT. Motion carried unanimously. REPS. CLARK AND THOMAS VOTED AYE BY PROXY BY ESP.

CHAIRMAN STAPLETON adjourned the meeting. _____

ADJOURNMENT

Adjournment: 9:30 A.M.

SEN. COREY STAPLETON, Chairman

Fredella D. Haab, Secretary

HR/CS/FH

EXHIBIT (frs86sb0314aad)