MINUTES

MONTANA HOUSE OF REPRESENTATIVES
59th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND HUMAN SERVICES

Call to Order: By **CHAIRMAN CHRISTINE KAUFMANN**, on January 14, 2005 at 8:00 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:
Rep. Christine Kaufmann, Chairman (D)
Sen. Dan Weinberg, Vice Chairman (D)
Sen. John Cobb (R)
Rep. Joey Jayne (D)
Sen. Greg Lind (D)
Rep. Penny Morgan (R)

Members Excused: Rep. Walter McNutt (R)

Members Absent: None.

Staff Present: Pat Gervais, Legislative Branch
Laura Good, Committee Secretary
Lois Steinbeck, Legislative Branch

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

CHAIR REP. CHRISTINE KAUFMANN (D), HD 81, HELENA, called the meeting to order at 8 A.M. She invited Mr. Charlie Briggs to address the committee and introduce the morning's Public Testimony.

Mr. Briggs, introduced himself as a representative of the Montana Association of Independent Disabilities Services (MAIDS) and a lobbyist on behalf of Disability Services Division (DSD) programs and consumers. He noted that the weather had affected at this hearing, which usually draws several hundred people.

Mr. Briggs directed that the hearing would begin with testimony regarding Vocational Rehabilitation issues.

Mr. Jim Daily, Chair of Montana Vocational Rehabilitation Council, took the stand as the first witness. He highlighted the value of the Vocational Rehabilitation Program in the form of the taxes and consumer monies being put back into the community by Vocational Rehabilitation consumers who go back to work. He cited the same statistics noted in yesterday's hearing regarding the number of Vocational Rehabilitation consumers and the amount of revenue they generate through employment.

{Tape: 1; Side: A; Approx. Time Counter: 10.4}

Mr. Tom Cordingley, General Director of Grandstreet Theater in Helena, MT, recounted his excellent experiences as a business person who employs a Vocational Rehabilitation Program consumer.

Mr. Briggs then introduced testimony regarding the Vocational Rehabilitation Program's extended employment program. He noted that it receives only state funding, with no federal match or support, and cited waiting list statistics provided during yesterday's hearing. He also stated that due to weather difficulties, several witnesses were not able to attend.

Mr. Ian Elliot, former manager of the Babcock Theater in Billings, MT, described the changes and challenges he experienced when a motor vehicle accident left him unable to perform at "executive level function." He conveyed to the committee that Vocational Rehabilitation's education and skill training programs had restored his life to him. He has received his MA in Rehabilitation Counseling from the University of Montana (UMT)-Billings, now works as a rehabilitation counselor, and serves the brain injury community in a number of volunteer leadership capacities.

Mr. Greg Olsen, Director of Programs for Helena Industries, described the extended employment services he provides for 32 Vocational Rehabilitation consumers.

Ms. Theresa Gardner, Vocational Rehabilitation and Montana Independent Living Services consumer, told the committee that extended employment services had greatly increased her quality of life.

{Tape: 1; Side: B}

Ms. Melanie Martin-Dent of Missoula thanked DSD and the legislature for their part in authorizing the Vocational Rehabilitation employment services that have provided job opportunities for her 19-year-old daughter with Asperger's Syndrome.

Mr. Briggs returned to the stand to read a letter from Jeanne Crabtree of Billings, a Job Connection consumer who informed the committee of the emotional and professional support she receives through the extended employment program. **Mr. Briggs** noted that he would also submit to the record two more letters from Jeanne's supervisor and Jeanne's Job Connection specialist.

{Tape: 1; Side: B; Approx. Time Counter: 7.1}

Ms. June Hermanson, Montanans with Disabilities for Equal Access, recounted her experiences as a blind woman growing up in rural Montana. She discussed her the importance of her relationship with her vocational rehabilitation counselor and challenges posed to disabled people by the onset of secondary disabilities, lack of public transportation, and lack of access to employment.

Ms. Hermanson provided the committee with information about Independent Living Centers (ILCs), which are mandated under the Federal Rehabilitation Act and governed by people with disabilities. ILCs provide services to any and all disabled individuals. She noted that ILCs have received no increase in general fund monies for the last decade, and expressed her thanks that ILCs have been moved back onto the Governor's Budget. She also explained that ILCs are not affected by the provider rate changes. **Ms. Hermanson** closed with a letter written by a satisfied Glasgow ILC consumer.

Next, **Mr. Steve DuCharme, Mission Mountain Enterprises**, expressed his concern that providers lose excellent, dedicated and well-trained direct care staff because of the low base wage that providers are required to offer. She stated that the loss of good employees is ultimately a loss in good care to DD consumers, and asked the committee to authorize an increase in wages for DD direct care staff.

Ms. Judy Erickson offered her support of ILCs, citing their provision of transportation, support and advocacy for disabled consumers.

Mr. Bob Edgar, who has multiple sclerosis which forced him to curtail an environmental engineering career, said that ILC has provided internet service, which is making it possible for him to explore development of a home-based environmental engineering consulting business.

{Tape: 2; Side: A}

Ms. Myrle Tompkins, President, Montana Association for the Blind, represents the blind on the Montana Vocational Rehabilitation Council. She expressed the blind community's need for a Vocational Rehabilitation staff person to teach classes and address questions on blind and low-vision computer software.

{Tape: 2; Side: A; Approx. Time Counter: 5.4}

Mr. Matthew Castner, a blind and low-vision services consumer, voiced his agreement with Ms. Tompkins.

Mr. Wally Melcher offered testimony with his son, Mr. David Arbour, at his side. **Mr. Melcher** and his wife adopted David from Montana Development Center (MDC) 24 years ago, when David was 14-years-old. At the age of two, David suffered a cerebral aneurysm, which has left him with cerebral palsy, blindness, and a number of other conditions. David now attends the Westmont Work Services center and remains at home with his parents. **Mr. Melcher** asserted that he and his family have concerns about DSD Rate System changes, and reported that during David's time in the DSD Rate System Pilot Program, his annual service rate has decreased from $13,250 to $7054.

Ms. Cris Volinkaty, Lobbyist for Children's DD Programs, introduced the next witnesses, who made a long and arduous trip from Sydney, Montana to offer their testimony.

Mr. Travis Smith introduced himself, his wife Victoria, and their daughter Lily, who suffers from a rare medical syndrome, developmental problems, a cleft palate, club feet, a bad heart and bad lungs. He thanked Montana for its system of care, which the family has found to be much more proactive and comprehensive than what they received while living and working in Wyoming. He expressed his gratitude at the services received, which make it possible for him and his wife to enjoy and care for their daughter during the short time that she is alive.

Ms. Marla Corwin brought her son Tristan, who suffers from Down's Syndrome. She expressed her thanks for Plan C, which assists the family with medical costs not covered by private insurance. She sought continued and sustainable funding for Plan C.

Ms. Noel Jacobs is the mother of Cade, a young son who was diagnosed as autistic when she was eight months pregnant with her second son.

{Tape: 2; Side: B}

Because Cade barely missed the age cut-off for immediate services through the Family Outreach Program, he was placed on the first of many waiting lists. She recounted both the excellent services received and excruciating delays experienced while attempting to secure care for Cade.

{Tape: 2; Side: B; Approx. Time Counter: 3.8}

Mr. Hank Roberg, father of a son with disabilities, offered testimony regarding he and his wife's intensive and often frustrating efforts in seeking care for Joseph, their son with disabilities. He expressed that such efforts routinely require the energy associated with a full-time job, and concluded by saying that because of Montana's adult services wait list his family relocated Joseph to Idaho, where Medicaid pays for all of Joseph's direct care services. The family will soon relocate as well, to be near Joseph and monitor his care. **Mr. Roberg** charged the committee to consider Idaho's DD funding strategies, and thanked them, Department of Public Health and Human Services (DPHHS) and DSD for their continued work.

Mr. Tim Crowe spoke on behalf of his 18-month-old son Cale, who receives services through Part C of the DD Program. He thanked the committee, DPHHS and DSD for Montana's DD services, and echoed other witness' assertion that the earlier a child enters therapy, the better his development and long-term quality of life will be.

Ms. Hermanson initiated a shift back to ILC testimonies.

Mr. James Gibson, a Vocational Rehabilitation and ILC services consumer from Missoula, stated that the program has allowed him to live independently with a roommate, secure and keep a job with UMT-Missoula dining services, pay all of his monthly bills and save money.

Mr. Travis Hoffman, also a Vocational Rehabilitation and ILC services consumer from Missoula, told the committee how the Vocational Rehabilitation program made it possible for him to complete a bachelor's in social work and secure a job following paralyzation in a motor vehicle accident. He urged appropriation of adequate and sustained general fund monies for Vocational Rehabilitation programs.

Ms. Hermanson stated that more ILC witnesses would offer testimony on Monday.

Ms. Ruth Sharp thanked DPHHS, DSD and the committee for the Support and Techniques for Empowering People (STEP) program, which helped her two-and-a-half-year-old disabled son learn to speak.

{Tape: 3; Side: A}

Ms. April Staudinger of Billings, mother of an eight-year-old son with cerebral palsy, contended that without the educational, emotional and financial support of STEP, her family would be bankrupt. She supported adequate and sustainable funding for STEP.

{Tape: 3; Side: A; Approx. Time Counter: 2.8}

Ms. Susan Serumgard, a Family Outreach consumer with two autistic sons, requested funding to provide more slots in intensive services.

Ms. Jennifer West, mother of a nine-year-old son with Asperger's Syndrome, voiced her concerns regarding the DSD system rate changes. She urged wage parity and pay increases for direct care workers, arguing that such measures would ultimately result in better quality care for DSD consumers. She also asked members to develop an interim committee with membership slots for providers.

Ms. Twyla Kannegiessen, Family Support Services staff, described her experiences as the older sibling of Laura Beth, a sister with disabilities. Due to limited services and funding during the 1980s, her family was forced to institutionalize Laura Beth, who later died in nursing care. **Ms. Kannegiessen** thanked the legislature, DPHHS and DSD for its improvements since that time, ensuring that if Laura Beth had been born ten years later she would have had many more opportunities for realizing her potential. She closed by voicing her concern that proposed DSD system rate changes would result in less choice and decreased independence, and also urged members to develop an interim committee with membership slots for providers.

Ms. Susan Pusta of Helena expressed her concern that DSD system rate changes would compromise the quality of care available to her 27-year-old son with disabilities.

Ms. Nadine Sim conveyed to the committee the importance of the safety net that Family Outreach Programs provided to her family when her nine-month-old son was diagnosed with cerebral palsy. She called for further support of early identification for DD children.

Ms. Vicki LaFond-Smith enumerated for members the annual expenses she shoulders as a single mother caring for 14-year-old sons with disabilities. Projected 2005 in-home care costs were $20,230 for one son and $18,950 for the other, as opposed to $75,000 annual cost for intensive group home care or $125,000 annual costs for institutionalization. She urged committee members to consider the cost benefits of in-home care and to carefully monitor proposed DSD system rate changes. She also compared relegating 18-year-old DD individuals to an adult services waiting list to "throwing away the investments made to these individuals as children" in the children's services system and school-based system of care.

{Tape: 3; Side: A; Approx. Time Counter: 23}

Mr. Thomas McKenna, President of STEP, offered powerful anecdotes highlighting the importance of early intervention. He voiced his support for DSD system rate changes, but stipulated that there must be more provider involvement in development and implementation of changes. He also urged increased wages for direct care staff and wage parity between state- and privately-employed direct care staff.

Mr. Len Nopen has served for one year on the Quality Assurance Council for DSD. With the support of DSD programs, he is employed at Sam's Club.

{Tape: 3; Side: B}

Ms. Colleen Nichols gave testimony accompanied by her son, Nathan. She spoke on his behalf, and also as statewide coordinator of People First Montana. She related her support for the DSD system rate changes' efforts to equalize rates across the state, but exhorted the committee to ensure that rates allow providers to remain in business and that DSD staff fully explain the Montana Resource Allocation Protocol (MONA) needs assessment tool to consumers and their families. She also urged increased wages for direct care staff and all those who work in the DSD system, as well as wage parity between state- and privately-employed direct care staff.

Ms. Kathleen Callahan, an active 18-year-old Helena High School senior with spina bifida, conveyed her support for the Family Outreach early intervention program. She also enjoined the committee to wipe out the adult work services wait list so that adolescent DD consumers may move confidently and successfully into adulthood.

{Tape: 3; Side: B; Approx. Time Counter: 7.3}

Ms. Carol Loomis, mother of an 8-year-old son with Down's Syndrome, expressed her concerns about the future of Family Outreach programs under MONA. She encouraged the committee to consider allocating additional general fund monies to DSD programs and services.

Ms. Brooke Bartholomew, a Billings group home staff member, read a letter from a family in Billings whose ten-year-old daughter suffers from unexplained chronic seizures. The family expressed its thanks for STEP's financial and educational support. **Ms. Bartholomew** offered her own reflections on problems created by MONA, and voiced her support for increased wages for direct care staff and wage parity between state- and privately-employed direct care staff, as well as an interim committee with provider membership slots.

{Tape: 3; Side: B; Approx. Time Counter: 14.5}

Ms. Annette Baird, a member of the Helena Family Outreach Services Board of Directors, presented her concerns about ways in which DSD rate system changes may adversely affect DD consumers.

Mr. Jan Cahill, CEO of Quality Life Concepts, a provider headquartered in Great Falls, described his organization as the tenth largest employer in Cascade County and the largest provider of services to DD adults and children in Montana. His 200 staff members provide care for approximately 600 consumers each year, but due to extreme increases in Worker's Compensation insurance and other necessary or federally mandated fees, **Mr. Cahill** finds it impossible to offer wage increases to his direct care staff. This leads to increased turnover and decreased quality of care for consumers. He appealed for across-the-board provider rate increases.

{Tape: 4; Side: A; Approx. Time Counter: 5.7}

Mr. Robert Tallon, Executive Director of REACH, echoed all of Mr. Cahill's concerns and recommendations.

Mr. Dale Boesfflugg, Havre Day Center, agreed with Mr. Cahill and Mr. Talon, and also stated that the proposed DSD rate system changes will require him to decrease staff vacation and sick days from 31 per year to 15 per year. He noted that this number is significantly lower than that offered to state employees, and contended that the vacation and sick day decrease will make it even more difficult for him to find and keep quality direct care staff.

{Tape: 4; Side: A; Approx. Time Counter: 13.5}

Ms. Kari Mausshardt, Finance Director for Mission Mountain, attested that outcomes-directed billing, rather than MONA-backed hours-received billing, would allow DSD to more fully meet its service goals of portability and personal choice. She invited the committee to consider broad billing units (monthly) as opposed to narrow billing units (hourly), and a quality assurance system based on outcomes.

Mr. Briggs concluded testimony, noting that hearing attendance had been better than expected. He requested that the committee also enter into the record the numerous letters, emails and faxes sent by and on behalf of witnesses who could not attend.

Mr. Briggs went on to commend the Legislative Fiscal Division staff for the Budget Analysis provided to the committee, and directed members to the discussion of Stop-Loss Consideration on Page B-129. He strongly advised that during the DSD rate system change transition period, the state hold providers harmless, develop an interim oversight committee with membership slots for providers, proceed slowly and consider an extension of the implementation schedule, if deemed best for consumers and providers.

Mr. Briggs also pointed the committee to Legislative Fiscal Division (LFD) issues on Pages B-130 through Page B-133.

{Tape: 4; Side: B}

CHAIR KAUFMANN suggested that the committee reschedule its budget discussion and take this opportunity to ask questions of witnesses.

REP. JAYNE asked Mr. Cahill how many direct care workers are employed in the state of Montana.

Mr. Cahill could not offer an accurate answer regarding direct care staff employment numbers across the state, but stated that his organization hires 162 direct care staff.

REP. JAYNE followed up with a question regarding the reason for the drastic increase in Worker's Compensation Insurance fees.

{Tape: 4; Side: B; Approx. Time Counter: 2.3}

Mr. Cahill indicated that state staff told him that the increase was due to claims for back, lift, and slip-and-fall injuries entered into the state fund system two years previously.

REP. MORGAN addressed Mr. Sturm,, asking if MONA-prescribed funds will allow Mr. Sturm and his family to care adequately for his son. She requested Mr. Sturm's advise regarding what type of legislative oversight might improve the MONA implementation process.

Mr. Sturm expressed his own questions about how Mercer, the consulting company that has been working with the DPHHS DSD system, established the components that were calculated to create the MONA published rate. He also advised the committee to seek more information on MONA accounting systems, ensure accurate cost categorizations, examine the system's ability to stay afloat within a budget neutral system, and look out for surprises and difficulties that might be encountered in federal mandates.

Replying to follow-up questions from **REP. MORGAN, Mr. Melcher** discussed his family's experiences with the MONA, the published rate system, and their attempts to secure complete and excellent care for his son David. He stated that if his son David's MONA funds could be applied completely to David's day program, the family would be able to provide this necessary care for David. However, the MONA system will not allow such an allocation of all MONA funds.

{Tape: 4; Side: B; Approx. Time Counter: 18.1}

REP. JAYNE requested a full explanation of the development of the published rates, which DPHHS agreed to provide.

SEN. LIND also asked for qualification regarding the outgoing system's rate determination and rate change processes.

Mr. Sturm held that in the outgoing system of contracted care and slots, rate adjustments were made to the providers at varying intervals. He also stated that provider contracts were negotiated yearly by regional managers.

Ms. Gervais interjected with clarifications, relating that the old system used a request for proposal process in which agencies contracted care for a certain number of individuals. Billing was not necessarily connected to the kind or number of services.

{Tape: 4; Side: B; Approx. Time Counter: 23.5}

SEN. LIND asked how a rate increase leads to increased salaries for private agencies' direct care staff.

Ms. Gervais noted that, in order to target direct care staff wages, the committee would need to restrict appropriation usage and/or consider passing statutory guidance regarding minimum direct care services wage.

SEN. WEINBERG requested that Mr. David Eaton, MAIDS and Counterpoint representative, characterize the relationship between the provider and the state.

Mr. Eaton offered that while providers believe that the state understands agencies' current needs and MONA concerns, there exists some provider mistrust of the state. Providers continue to be very wary of the MONA system changes and ask that the state hold providers harmless during the transition period.

SEN. COBB asked the providers and DPHHS to "work out [their] issues" so that the two entities can present clear funding requests.

{Tape: 5; Side: A}

CHAIR KAUFMANN discussed readjustment of Monday's schedule.

The following Exhibits were submitted following adjournment:

EXHIBIT(jhh10a01)
EXHIBIT(jhh10a02)
EXHIBIT(jhh10a03)
EXHIBIT(jhh10a04)
EXHIBIT(jhh10a05)
EXHIBIT(jhh10a06)
EXHIBIT(jhh10a07)
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EXHIBIT(jhh10a26)
EXHIBIT(jhh10a27)
EXHIBIT(jhh10a28)

ADJOURNMENT

Adjournment: 12:10 P.M.

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REP. CHRISTINE KAUFMANN, Chairman

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LAURA GOOD, Secretary

CK/LG

Additional Exhibits:

EXHIBIT(jhh10aad0.PDF)