

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 February 10, 2005 at 8:05 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)

Members Excused: Rep. Walter McNutt (R)
Rep. Penny Morgan (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, HD 81, HELENA, called the meeting to order at 8:05 a.m, introducing PHSD Public Testimony.

Dr. Richard Sargent, Vice Chair of Montana Tobacco Use Prevention Program (MTUPP) Advisory Board, provided and discussed written testimony and a chart showing National Tobacco Control Program Goals and Program Components, Based on Resources Available. He requested an increase in Full-Time Equivalent positions (FTEs) for the program, noted the Quit Line's high usage rates, and discussed current proposals for MTUPP expansion.

EXHIBIT(jhh33a01)

Responding to **SEN. DAN WEINBERG, SD 2, WHITEFISH, Dr. Sargent** stated that the research noted as projecting increased cigarette internet sales was conducted by Forrester Research, while the firm was under contract with Phillip Morris. He stated that this matter has not been discussed with the Attorney General, and noted reasons why the Attorney General would have little or no jurisdiction in this matter.

Prompted by **SEN. GREG LIND, SD 50, MISSOULA, Dr. Sargent** stated that an estimated \$32 to \$36 million dollars is spent each year on tobacco advertising in the State of Montana. He also explained to the committee that "Replacement Smoker" campaigns target adolescents and children, who are projected to "replace" smokers who quit or die. **Dr. Sargent** said that the average age at which adolescents start smoking is 14 years.

Mr. Jim Ahrens, Chairman, Alliance for a Healthy Montana, urged the committee to support the Governor's MTUPP program and to fund MTUPP to the Centers for Disease Control (CDC) recommended minimum of \$9.3 million per year.

Ms. Florence Anderson, Teton County Tobacco Prevention Specialist, spoke to the committee as a private citizen. She urged members to fund MTUPP at the minimum CDC-recommended level, and also related to the committee that she has had three family members die from smoking-related diseases. Learning from these experiences, she quit smoking fifteen years ago and has since been an activist in anti-tobacco campaigns and as a volunteer smoking cessation class instructor.

EXHIBIT(jhh33a02)

Ms. Kristin Nai, American Cancer Society, asked the committee to fund MTUPP at 32% of the Master Settlement Agreement, as recommended by Governor Schweitzer. She also submitted written

testimony and reminded the committee that smoking causes a wide variety of cancers: including mouth, larynx, pharynx and bladder.

EXHIBIT(jhh33a03)

Ms. Tylynn Gordon, Deputy State Auditor, discussed ways in which uninsured smokers who require critical care shift their cost of care onto insured Montanans. She urged complete and adequate funding for MTUPP.

Ms. Lori New Breast, Director, Blackfeet Tobacco Use Prevention Program, discussed the Blackfeet Tribe's high tobacco use rates and consequential medical problems. She noted program components that encourage traditional use of sacred tobacco and discourage recreational and addictive tobacco use.

{Tape: 1; Side: B}

She also discussed ways in which the program helps tribal health providers receive and provide cessation education, and aids businesses in promoting smoke-free and spit-free establishments. The program also provides funds for Ms. New Breast to network with national and regional anti-tobacco organizations and resources.

EXHIBIT(jhh33a04)

Responding to **SEN. JOHN COBB, SD 9, AUGUSTA, Ms. New Breast** stated that the program lacks funding to conduct a full and accurate survey on the success of the Blackfeet program. She also noted Blackfeet participation in a quota share program and a revenue tax share agreement program, ensuring that members of participating tribes cannot buy tax-free tobacco.

Mr. Cliff Christian, American Heart Association and American Stroke Association, urged the committee to fully fund MTUPP at CDC minimum levels. He explained to the committee that Montana's 1400 annual tobacco deaths are greater in number than the aggregate number of deaths caused by methamphetamine, car accidents, and AIDS; and advocated for prevention-focused reallocation of funds such as the \$216 million siphoned each year toward medical care for Medicaid-eligible Montana smokers.

EXHIBIT(jhh33a05)

Ms. Victoria Augare, Great Falls Indian Family Health Clinic, discussed the clinic's anti-tobacco and tobacco cessation programs, and noted the popularity of MTUPP youth groups.

Responding to questions from the committee, **Ms. Augare** stated that due to legal regulations, the committee cannot provide teenagers with cessation materials and education, but can point them toward legal resources. She also explained how the clinic receives its MTUPP funds, and stated that with increased monies she would like to offer more public outreach events. Finally, **Ms. Augare** promised to provide **REP. JAYNE** with her organization's full anti-tobacco and tobacco cessation program budget.

Ms. Joan Miles, Director, Lewis and County Health Department, urged continued legislative oversight on the MTUPP advisory committee. She also requested that the committee fully and consistently fund MTUPP and allocate general fund monies for the continuation of the Montana Initiative for the Abatement of Mortality in Infants (MIAMI).

Ms. Ellen Leahy, Missoula City/County Health Officer, offered wholehearted support for the Governor's proposed MTUPP funding.

Prompted by committee questions, **Ms. Smilie** stated that the Public Health and Safety Division (PHSD) would be amenable to working with an interim committee in order to revamp Public Health systems.

Ms. Miles went on to express the pressing need to re-write Public Health issue statutes, and noted that PHSD is collaborating with Georgetown and Johns Hopkins University policy specialists in order to prepare for this task.

{Tape: 2; Side: A}

Responding to a question from **SEN. LIND**, **Ms. Miles** characterized Montana's disaster and emergency preparedness system as extremely decentralized. She expressed her gratitude for recent CDC funds specifically targeted at building up the system, and explained how current laws and funding issues deter efforts at regionalization. **Ms. Miles** also noted the need for due process civil protection rights in Public Health statutes.

At the request of **REP. JAYNE**, **Ms. Miles** stated that per past biennium funding, each tribal nation receives \$80,000 per year for Public Health programs, resulting in an overall yearly tribal allocation of \$640,000 from PHSD's \$3.5 million annual budget.

Dr. Sargent told the committee why he and his organization do not advocate appropriating a set amount of money to each tribe.

In response to **REP. JAYNE**, **Ms. New Breast** stated that Blackfeet MTUPP programs have received \$80,000 in this past fiscal year

(FY), and anticipate receiving \$80,000 in the upcoming fiscal year. She noted reasons why she deems these funds inadequate and expressed that an additional \$40,000 would allow her to hire another staff person and spearhead significant and needed expansions.

Ms. Augare provided the committee with her organization's budget for anti-tobacco and tobacco cessation programs. Currently, her clinic receives \$36,936 annually; an increase to \$80,000 would allow her to conduct media outreach, cover costs of transportation to and from local, regional, and national conferences, convene cessation programs for mothers, sponsor annual community gathering of sweetgrass and sage for sacred tobacco use, and reproduce more copies of a report on Sacred Uses of Tobacco.

Ms. Lisa Whitford, Coordinator, Tobacco Prevention, Chippewa Creek Tribe of the Rocky Boy, requested that committee support a more comprehensive statewide native American anti-tobacco program. She discussed ways she would utilize increased funding, and described the success of Round Dances and Fun Runs promoting sacred use of tobacco.

Ms. Smilie discussed possibilities for integration of tribal anti-tobacco programs.

Mr. Todd Harwell, Chief, Chronic Disease Prevention and Health Promotion Bureau, discussed specific funding increases for Native American programs.

{Tape: 2; Side: B}

SEN. WEINBERG suggested utilizing former smokers as volunteer smoking cessation counselors.

Ms. Smilie considered this an approach worth exploring.

At the request of **REP. JAYNE**, **Ms. Smilie** stated that of the \$8 million per year appropriated for tobacco use prevention over the next biennium, \$2.5 million comes from I-149 funds, \$4.3 million draws from the Governor's Budget, and the remainder rests in CDC grants.

Prompted by **SEN. WEINBERG**, **Dr. Sargent** discussed two different CDC grant cycles and how these separate grants work in concert with the \$80,000 per year, per biennium allocated to tribal nations.

CHAIR KAUFMANN closed PHSD public testimony and introduced Director's Office public testimony.

Ms. Kathy McGowan, a long-time lobbyist speaking as a private citizen, offered a historical perspective on outcomes of the recent working group devoted to addressing Montana's Public Health needs. She stated that she has never before lobbied for an FTE, but now does so in advocating a second Department of Public Health and Human Services (DPHHS) Deputy Director. She expressed that creating this new position would be in the best interest of the public, as it would ease top officials' administrative responsibilities and make them more available to the public.

Ms. McGowan also noted her concerns about possible ramifications of legislative cut-downs on DPHHS funding flexibility and reemphasized the existence of "invisible" waiting lists across DPHHS, especially in capped programs.

Ms. Leahy cautioned the committee to weigh DPHHS administrative needs against statewide service needs.

REP. MARY CAFERRO, HD 80, HELENA, sat on the Health Insurance Flexibility and Accountability (HIFA) Waiver Advisory Board and voted against the waiver. She provided the committee with points of consideration regarding the waiver, stating that the HIFA waiver's enrollment and expenditure caps divert Medicaid from its foundation as an entitlement program. She also noted that while the HIFA waiver would bring more mental health services to the Medicaid program, it would not promote full or adequate health care coverage for mentally ill individuals. Additionally, under the HIFA waiver states are urged to help individuals purchase private health insurance, a difficult measure for Montana to comply with, given its limited budget. She also warned the committee that the Center for Medicare and Medicaid Services (CMS) may change its HIFA waiver rules in the near future, resulting in negative consequences for states who have implemented it.

Finally, **REP. CAFERRO** asked the committee to consider what Montana could accomplish with and without the HIFA waiver, remain mindful of other states' HIFA waiver experiences, and keep in mind the waiver's possible fiscal ramifications for states in an era of uncertain federal Medicaid funding.

{Tape: 3; Side: A}

Ms. June Hermanson, Montanans with Disabilities for Equal Access, urged that the committee do more to involve disabled and mentally

ill individuals in the HIFA waiver and funding flexibility decisions.

Following a brief break, **Mr. John Chappuis, Deputy Director, DPHHS**, took the stand to offer a Department presentation.

Mr. Chappuis described bases for and pitfalls of the Department's Medicaid, revenue and other forecasts. In his discussion of the Medicaid forecast, **Mr. Chappuis** directed the committee to charts regarding Medicaid eligibles, and noted the drastic fiscal implications of forecast shortfalls. Next, he referred to a packet entitled, Medicaid Caseload Summary of Changes: Current Projections Less Executive Budget, discussing populations served and costs related to Medicaid projection changes in the Health Resource Division (HRD), Senior and Long Term Care (SLTC) and the Addictive and Mental Disorders Division (AMDD).

[EXHIBIT\(jhh33a06\)](#)

[EXHIBIT\(jhh33a07\)](#)

At the request of **SEN. WEINBERG**, **Mr. Chappuis** discussed reasons why nursing home costs increased, despite significant population shifts from institutionalized care to home and community based services.

Ms. Kelly Williams, Administrator, SLTC, detailed the ways in which limited waiver slots, nursing home beds and nursing home usage and waiting lists influence this situation.

{Tape: 3; Side: B}

Responding to questions from **SEN. LIND**, **Mr. Chappuis** stated that there are an estimated 22,000 children in Montana living at 150% of poverty. Of those, almost all could be eligible for the Children's Health Insurance Plan (CHIP), provided that they pass the asset test. He agreed to provide the committee with statistics regarding Montana's total Medicaid eligible population.

Ms. Steinbeck told the committee that DPHHS has the authority and flexibility to increase financial eligibility of children to 185% of poverty, and to waive the asset test, but noted that they must weigh such actions against budgetary constraints. **Ms. Steinbeck** also stated that based on Mr. Chappuis' CHIP eligibility estimations, she estimates that there are at least 22,000 Medicaid eligible adults in Montana not yet served by the program.

Prompted by **SEN. COBB, Mr. Chappuis** stated that the Department has seen \$2 million to \$6 million variations in general fund need across various budget projections, and compared Montana's Medicaid budget increase projections with the national rate. He also provided examples of instances in which the Department makes rate increases without the committee's consent.

Ms. Steinbeck directed the committee to the table on Page B-8 of the Budget Analysis, comparing its information to those on the tables provided in Exhibit 7. She pointed out that Legislative Fiscal Division (LFD) and DPHHS budget projections are fairly similar in all areas except SLTC.

Mr. Chappuis offered Department reaction to Ms. Steinbeck's comments, and clarified earlier remarks on medical inflation.

{Tape: 4; Side: A}

SEN. LIND asked if there was anything the committee or legislature could do to improve the quality of statistics needed for projections, or the speed with which they are provided to the Department.

Mr. Chappuis offered a number of suggestions, including the development of a rate commission and also expressed that instating a 365-day or further limited billing cycle would hinder progress.

CHAIR KAUFMANN agreed to bring the committee a draft of a bill she is crafting that proposes the development of a rate commission.

Mr. Chappuis returned with several additional suggestions, including committee support for DPHHS-initiated efforts to provide home and community based care, such as the proposed Home and Community Based Services (HCBS) waiver for the mentally ill, the proposed HIFA waiver, and the Seriously Emotionally Disturbed (SED) children's waiver. He also urged the committee to support development of crisis stabilization facilities.

At the request of **CHAIR KAUFMANN, Ms. Steinbeck** agreed to provide the committee with a list of key I-149 Decision Packages (DP's) and issues that members should focus on.

Ms. Kelly Williams provided and discussed a packet of Additional Information Requested from the Senior and Long Term Care (SLTC) Division.

EXHIBIT (jhh33a08)

Prompted by **SEN. WEINBERG**, **Ms. Williams** gave further attention to necessary actions and funding related to filling staff needs and addressing retention issues at Veterans' Homes.

Mr. Chappuis discussed related staff pay plan issues.

Ms. Steinbeck said that she believed that SLTC could implement pay plan salary increases without adverse budgetary affects.

Ms. Williams disagreed, noting ongoing staffing issues and offering her contrary rationale.

At the request of **SEN. LIND**, **Ms. Williams** discussed nurse training and recruitment efforts.

ADJOURNMENT

Adjournment: 11:50 A.M.

REP. CHRISTINE KAUFMANN, Chairman

LAURA GOOD, Secretary

CK/lg

Additional Exhibits:

EXHIBIT ([jhh33aad0.PDF](#))