

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 11, 2005 at 8:10 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.

Committee Business Summary:

Hearing & Date Posted:

Executive Action: Public Health and Human Services

{Comments: Due to technical difficulties, no audio is available for the following portion of the proceedings.}

CHAIR KAUFMANN called the meeting to order at 8:10 A.M.

EXECUTIVE ACTION ON PRESENT LAW ADJUSTMENTS
PUBLIC HEALTH AND SAFETY DIVISION

Ms. Steinbeck overviewed general Legislative Fiscal Division (LFD) issues and changes affecting Public Health and Safety Division (PHSD) Decision Packages (DPs).

EXHIBIT(jhh34a01)

PHSD DP 96 - Increase Funding for Local Board Inspection Funds

{Tape: 1; Side: A; Approx. Time Counter: 5.8}

Motion/Vote: CHAIR KAUFMANN moved that PHSD DP 96 BE ADOPTED. Motion carried 7-0 by voice vote. REP. WALTER MCNUTT, HD 37, SIDNEY voted by proxy.

PHSD DP 109 - Additional Authority for Laboratory Supplies

Prompted by questions from REP. PENNY MORGAN, HD 57, BILLINGS, Ms. Jane Smilie, Administrator, PHSD, explained that the PHSD clinical laboratory in Helena conducts specialized public health laboratory work, in addition to contracted laboratory work with other public and private entities, all of which are charged at the same price rate.

{Tape: 1; Side: A; Approx. Time Counter: 9.4}

Motion/Vote: CHAIR KAUFMANN moved that PHSD DP 102 BE ADOPTED. Motion carried 7-0 by voice vote. REP. MCNUTT voted by proxy.

PHSD DP 124 - Fully Implement Emergency Preparedness
PHSD DP 128 - Fully Implement Hospital Emergency Preparedness

Motion/Vote: SEN. WEINBERG moved that PHSD DPs 124 AND 128 BE ADOPTED. Motion carried 7-0 by voice vote. REP. MCNUTT voted by proxy.

PHSD DP 129 - Expanded West Nile Virus Activities

Motion/Vote: REP. MORGAN moved PHSD DP 129 BE ADOPTED. Motion carried 7-0 by voice vote. REP. MCNUTT voted by proxy.

PHSD DP 130 - Increase Funding for Breast and Cervical Cancer

{Tape: 1; Side: A; Approx. Time Counter: 13}

Motion/Vote: REP. JAYNE moved that PHSD DP 130 BE ADOPTED.
Motion carried 7-0 by voice vote. REP. MCNUTT voted by proxy.

PHSD DP 131 - Increase Funding for Obesity Prevention Grant

Motion: CHAIR KAUFMANN moved that PHSD DP 131 BE ADOPTED.

{Tape: 1; Side: A; Approx. Time Counter: 14}

At the request of SEN. GREG LIND, SD 50, MISSOULA, Mr. Todd Harwell, Chief, Chronic Disease Prevention and Health Promotion Bureau, described ways in which PHSD would assess Montana's anti-obesity issues.

Substitute Motion/Vote: SEN. LIND made a substitute motion that PHSD DP 131, WITH REPORTING REQUIREMENT BE ADOPTED. Substitute motion carried 7-0 by voice vote. REP. MCNUTT voted by proxy.

PHSD DP 133 - Increase Funds for Biomonitoring

{Tape: 1; Side: A; Approx. Time Counter: 16.9}

Motion: CHAIR KAUFMANN moved that PHSD DP 133 BE ADOPTED.

Responding to questions from REP. JOEY JAYNE, HD 15, ARLEE, Ms. Smilie suggested that REP. JAYNE contact her or submit a formal request to PHSD regarding investigation of a possible cancer cluster between Arlee and Missoula.

Vote: Motion carried 7-0 by voice vote. REP. MCNUTT voted by proxy.

PHSD DP 134 - Increase Funding for Ryan White AIDS Grant

{Tape: 1; Side: A; Approx. Time Counter: 20.1}

Motion/Vote: SEN. LIND moved that PHSD DP 134 BE ADOPTED. Motion carried 7-0 by voice vote. REP. MCNUTT voted by proxy.

PHSD DP 136 - Increase Funding for Tuberculosis Grant

Motion/Vote: CHAIR KAUFMANN moved that PHSD DP 136 BE ADOPTED. Motion carried 7-0 by voice vote. REP. MCNUTT voted by proxy.

PHSD DP 137 - Increase Funding for Immunization Grant

Motion/Vote: REP. JAYNE moved that PHSD DP 137 BE ADOPTED.
Motion carried 7-0 by voice vote. REP. MCNUTT voted by proxy.

**PHSD DP 138 - Increase Funding for Rape Prevention and Sexual
Assault**

Motion/Vote: SEN. WEINBERG moved that PHSD DP 138 BE ADOPTED.
Motion carried 7-0 by voice vote. REP. MCNUTT voted by proxy.

**PHSD DP 139 - Increase Funding for Sexually Transmitted Disease
(STD) Prevention**

{Tape: 1; Side: A; Approx. Time Counter: 23.2}

Motion/Vote: CHAIR KAUFMANN moved that PHSD DP 139 BE ADOPTED.
Motion carried 7-0 by voice vote. REP. MCNUTT voted by proxy.

PHSD DP 140 - Increase Funding for Health Trend Monitoring

Motion/Vote: REP. MORGAN moved that PHSD DP 140 BE ADOPTED.
Motion carried 7-0 by voice vote. REP. MCNUTT voted by proxy.

PHSD DP 141 - Increase Funding for Diabetes Control Program

Motion/Vote: CHAIR KAUFMANN moved that PHSD DP 141 BE ADOPTED.
Motion carried 7-0 by voice vote. REP. MCNUTT voted by proxy.

PHSD DP 179 - Montana Cardiovascular Health Program

At the request of REP. MORGAN, Ms. Smilie described preventive programs funded by DP 169.

Prompted by SEN. LIND, Ms. Smilie noted that this DP is a request for increased federal spending authority, and that the division has been assured that the federal funding source will remain viable.

{Tape: 1; Side: A; Approx. Time Counter: 27.9}

Motion/Vote: CHAIR KAUFMANN moved that PHSD DP 169 BE ADOPTED.
Motion carried 7-0 by voice vote. REP. MCNUTT voted by proxy.

PHSD DP 170 - Montana Tobacco Use Prevention Quit Line

Responding to **REP. MORGAN, Ms. Smilie** stated that this fiscal year the Quit Line will receive \$842,000 in I-149 monies, and that the Quit Line would be able to serve 8,000 more people with the funds requested in DP 170.

At the request of **SEN. WEINBERG**, PHSD staff reported that the Quit Line telephone number is 1-866-485-QUIT.

Motion/Vote: **REP. MORGAN** moved that PHSD DP 170 BE ADOPTED.
Motion carried 7-0 by voice vote. REP. MCNUTT voted by proxy.

PHSD DP 171 - Montana Tobacco Use Prevention Base

Ms. Smilie provided a funding and services rationale for DP 171.

{Tape: 1; Side: B; Approx. Time Counter: 4.6}

REP. MORGAN asked why the Committee is being asked to vote on a DP that decreases federal funding.

Ms. Steinbeck stated that Committee must do so, otherwise the additional federal spending funding will be carried forward in the base budget.

Motion/Vote: **REP. MORGAN** moved that PHSD DP 171 BE ADOPTED.
Motion carried 7-0 by voice vote. REP. MCNUTT voted by proxy.

PHSD 176 - Increased Funding for Preventative Health Block Grant

Responding to questions from **CHAIR KAUFMANN, Ms. Smilie** told the Committee that PHSD has requested these funds in order to bring its base in line with its expenditures. She noted that the funds will be used to support a broad variety of preventative programs.

Motion/Vote: **CHAIR KAUFMANN** moved that PHSD DP 176 BE ADOPTED.
Motion carried 7-0 by voice vote. REP. MCNUTT voted by proxy.

**PHSD DP 185 - Increase Funding for Women, Infants and Children
(WIC)**

{Tape: 1; Side: B; Approx. Time Counter: 7.9}

Prompted by **CHAIR KAUFMANN, Ms. Smilie** described how local Public Health officials report increasing difficulties in administering the WIC program under current funding levels. She also noted challenges posed by current cost allocation issues and the

program's inherent structure as a tiered program. **Ms. Smilie** went on to tell the Committee that PHSD is launching a broader WIC outreach campaign in order to encourage utilization and increase flow of federal funds.

Responding to **REP. MORGAN**, **Ms. Steinbeck** stated that DPHHS is requesting the full amount of available federal WIC funding.

SEN. JOHN COBB requested information about factors that have contributed to increased costs of administering WIC.

Ms. Smilie pointed primarily to the necessary increase in outreach efforts.

Ms. Steinbeck discussed cost allocation issues and recent interim legislation that worked to address them.

Ms. Jo Ann Dotson, Chief, PHSD Family and Community Health Bureau, discussed WIC administration and food costs, as well as funds allocation, stating that of the \$14 million additional funds requested for the coming Fiscal Year (FY), \$4 million would address administration needs and \$10 million would address food costs.

{Tape: 1; Side: B; Approx. Time Counter: 14.6}

Responding to **SEN. LIND**, **Ms. Dotson** went on to say that 7 percent of the current budget addresses cost allocation issues. She stated that following the recent Department of Public Health and Human Services (DPHHS) analysis of PHSD cost allocation, \$40,000 will be dropped from cost allocation funds and directed elsewhere within the PHSD budget. **Ms. Dotson** reported that the cost allocation analysis was conducted at the request of the division itself.

Motion/Vote: CHAIR KAUFMANN moved that PHSD DP 185 BE ADOPTED. Motion carried 7-0 by voice vote. **REP. MCNUTT** voted by proxy.

PHSD DP 9999 - Statewide Full-Time Equivalent (FTE) Reduction

Motion/Vote: CHAIR KAUFMANN moved PHSD DP 9999 BE ADOPTED. Motion carried 4-3 by voice vote with **REPS. COBB, KAUFMANN, and LIND** voting no. **REP. MCNUTT** voted by proxy.

SEN. WEINBERG exited the meeting briefly.

{Tape: 1; Side: B; Approx. Time Counter: 17.9 - 30; Comments: No audio record exists for this portion of the proceedings}

{Tape: 2; Side: A; Comments: No audio record exists for this portion of the proceedings}

PHSD DP 101 - Prior Year Authority, Local Board Inspections, One-Time-Only

Motion/Vote: REP. MORGAN moved that PHSD DP 101 BE ADOPTED. Motion carried 7-0 by voice vote. REP. MCNUTT and SEN. WEINBERG voted by proxy.

PHSD DP 117 - Clinical Laboratory Specialist

Motion/Vote: CHAIR KAUFMANN moved that PHSD DP 117 BE ADOPTED. Motion carried 7-0 by voice vote. REP. MCNUTT and SEN. WEINBERG voted by proxy.

PHSD DP 155 - Rural Access to Emergency Services Grant

Motion/Vote: REP. MORGAN moved that PHSD DP 155 BE ADOPTED. Motion carried 7-0 by voice vote. REP. MCNUTT and SEN. WEINBERG voted by proxy.

PHSD DP 156 - Comprehensive Cancer Control Program

Motion/Vote: CHAIR KAUFMANN moved that PHSD DP 156 BE ADOPTED. Motion carried 7-0 by voice vote. REP. MCNUTT and SEN. WEINBERG voted by proxy.

PHSD DP 158 - Smoke Detector and Fall Prevention Grant

Motion/Vote: CHAIR KAUFMANN moved PHSD DP 158 BE ADOPTED. Motion carried 7-0 by voice vote. REP. MCNUTT and SEN. WEINBERG voted by proxy.

PHSD DP 159 - Statewide Emergency Preparedness Staff

Motion/Vote: CHAIR KAUFMANN moved that PHSD DP 159 BE ADOPTED. Motion carried 7-0 by voice vote. REP. MCNUTT and SEN. WEINBERG voted by proxy.

PHSD DP 160 - Early Childhood Preparedness

Responding to Committee questions, **Ms. Steinbeck** stated that the Committee could address its concerns about funds usage by slating the DP as one-time-only (OTO), or making the funds contingent on PHSD's receipt of corresponding grant monies.

Motion/Vote: REP. MORGAN moved that PHSD DP 160 BE ADOPTED.
Motion carried 7-0 by voice vote. CHAIR KAUFMANN, REP. MCNUTT and
SEN. WEINBERG voted by proxy.

PHSD DP 161 - Libby Asbestos Program Staffing

Mr. Chappuis requested that, in the event that the Committee chooses not to award full FTEs, it note whether or not it authorizes the Department to staff the positions using modified FTEs.

Ms. Steinbeck enumerated pros and cons of funding permanent FTEs, and noted ways in which the Department can transfer permanent FTEs across divisions.

Responding to **SEN. COBB**, **Mr. Chappuis** discussed how the Department can change the funding source for a permanent FTE.

Ms. Steinbeck advised the Committee that it could slate the requested appropriation as one-time-only, thus ensuring that the DP's funds would draw from the base budget; or the Committee could delete the FTE and direct Ms. Steinbeck to include language stating that the Department can utilize modified FTEs to meet staffing needs.

Mr. Chappuis emphasized the importance of these FTEs in addressing Libby's dire public health situation.

Motion/Vote: CHAIR KAUFMANN moved that PHSD DP 161 BE ADOPTED.
Motion carried 7-0 by voice vote. REP. MCNUTT and SEN. WEINBERG
voted by proxy.

PHSD DP 163 - Public Health Planner

Motion: CHAIR KAUFMANN moved that PHSD DP 163 BE ADOPTED.

Ms. Steinbeck told the Committee that she would review with legal staff the possibility of including language in HB 2 stating that if the Federal grant dollars end, the FTEs they fund would end as well.

SEN. LIND objected to inclusion of such language, citing its effect on Libby's FTEs.

REP. MORGAN asked why the Department is asking the Committee to add FTEs to a division in which there are current vacancies.

CHAIR KAUFMANN reminded **REP. MORGAN** that the legislature requires the Department to maintain a number of division vacancies.

Responding to **REP. MORGAN, Mr. Chappuis** elaborated on required and actual vacancy savings, and factors that can cause an inordinate number of vacancies.

Substitute Motion: **REP. MORGAN** made a substitute motion that **PHSD DPs 163, 164 - Communicable Disease Monitoring Staff, and PHSD DP 165 - Environmental Public Health Tracking Staff BE ADOPTED, CONTINGENT ON FEDERAL FUNDING.**

Ms. Steinbeck noted that if there are no federal funds to cover personal services FTEs, the Office of Budget and Program (OBPP) Planning cannot add the FTEs to the base budget.

Vote: Motion carried 7-0 by voice vote. **REP. MCNUTT** and **SEN. WEINBERG** voted by proxy.

PHSD DP 166 - Adult Lead Reporting

Motion/Vote: **CHAIR KAUFMANN** moved that **PHSD DP 166 BE ADOPTED.** Motion carried 7-0 by voice vote. **REP. MCNUTT** and **SEN. WEINBERG** voted by proxy.

PHSD DP 172 - Increase Funding for Montana Disability and Health

Responding to questions from **SEN. LIND, Ms. Smilie** stated that the division contracts this grant work to a group at the University of Montana which helps persons who are disabled avoid secondary chronic disease.

Motion/Vote: **REP. MORGAN** moved that **PHSD DP 172 BE ADOPTED.** Motion carried 7-0 by voice vote. **REP. MCNUTT** and **SEN. WEINBERG** voted by proxy.

PHSD DP 187 - Environmental Laboratory Chemist

Motion/Vote: **CHAIR KAUFMANN** moved that **PHSD DP 187 BE ADOPTED.** Motion carried 7-0 by voice vote. **REP. MCNUTT, REP. MORGAN** and **SEN. WEINBERG** voted by proxy.

**PHSD DP 3007 - MIAMI Biennial
PHSD DP 3011 - AIDS Prevention Biennial
PHSD DP 3012 - Poison Control Biennial**

Motion: **SEN. COBB** moved that **PHSD DPs 3007, 3011 AND 3012 BE ADOPTED.**

SEN. WEINBERG returned to the meeting.

In reply to questions from **SEN. WEINBERG, Ms. Steinbeck** explained that biennial appropriations allow the Department to spend specified funds in the first year, the second year, or both years.

Vote: Motion carried 7-0 by voice vote. REP. MCNUTT voted by proxy.

PHSD DP 3111 - Montana Tobacco Use Prevention Program

Ms. Steinbeck provided and discussed a handout detailing Tobacco Settlement Funds Allocated to Children's Health Insurance Program (CHIP)/Montana Comprehensive Health Association (MCHA) Executive Recommendation Compared to Tobacco Alliance Recommendations.

EXHIBIT(jhh34a02)

Responding to Committee questions, **Ms. Smilie** noted that all FTEs would be funded out of a PHSD Centers for Disease Control (CDC) grant.

Prompted by **CHAIR KAUFMANN, Ms. Steinbeck** explained nuances in program and FTE funding.

Motion: SEN. COBB moved that PHSD DP 3111 BE ADOPTED.

At the request of **REP. JAYNE, Ms. Steinbeck** stated that if I-149 revenue projections are accurate, DPHHS would have prevention account appropriation authority in excess of cash.

In reply to **SEN. LIND's** question about biennial versus yearly appropriations, **Mr. Chappuis** explained that for some items, it is more fiscally responsible to allocate and request per year.

Ms. Smilie told **REP. MORGAN** that one project to be funded through DP 3111 will be a collaborative AMDD-PHSD project supporting Big Brothers-Big Sisters anti-tobacco programs. She agreed to provide **REP. MORGAN** with more information on this initiative.

SEN. LIND urged the Committee to support DP 3111.

Responding to **SEN. WEINBERG, Ms. Smilie** stated that one of PHSD's tobacco use prevention specialists is the most up-to-date on cessation modalities, and suggested that he speak with her for further information.

REP. JAYNE questioned the Committee, division and Department about specific funding considerations for tribal anti-tobacco programs.

Without objection, SEN. COBB withdrew his motion that PHSD DP 3111 BE ADOPTED.

Ms. Smilie assured the Committee that PHSD is working with the Department of Justice and the Department of Revenue to ensure that all components of the settlement are fully and accurately applied.

Ms. Kristin Page Nei, American Cancer Society, Montana Chapter discussed due diligence and the tobacco settlement, including related legislation. She provided the Committee with a handout and stated that the Tobacco Alliance has no concerns about and no comments on discrepancies between the Tobacco Alliance and the Executive tobacco settlement funds allocation recommendations.

Responding to **CHAIR KAUFMANN, Ms. Smilie** stated that PHSD does not harbor any concerns about possible reduction of revenue estimate expenditures, and cautioned the Committee against attempting to take a significant role in program design.

Ms. Steinbeck introduced discussion of accounting procedures and issues regarding the recording of operating cost expenditures and how they relate to statute allowing 30 percent carry-forward of unspent DPHHS operating costs. She suggested several actions the Committee might choose to take in order to address the current situation.

Ms. Steinbeck directed the Committee to Page B-84 in the Budget Analysis, discussing how changes to reporting requirements could shift monies within the division. She emphasized that these issues do not show intent to mislead or obscure, on the part of the Department or divisions.

Responding to **SEN. LIND, Mr. Chappuis** stated that DPHHS will begin to put together its next biennial budget in about a year, and would very much like to have this matter straightened out prior to that time.

CHAIR KAUFMANN suggested that the Committee defer its vote on DP 3111.

{Tape: 3; Side: A; Approx. Time Counter: 0 - 9}

Ms. Steinbeck provided and discussed a handout entitled "I-149 funds for Medicaid Service Expansion and Provider Rate Increases, Executive Recommendation Compared to Tobacco Alliance Recommendations," comparing as need to Exhibit 2.

EXHIBIT(jhh34a03)

{Tape: 3; Side: A; Approx. Time Counter: 10.3}

Mr. Bob Olson, MHA - An Association of Montana Health Care Providers (MHA), commented on the Tobacco Alliance's process and priorities in crafting its I-149 recommendation. He stated that the main difference between the Alliance's and the Governor's Budgets are that the Alliance did not allocated any I-149 funding toward back-filling the Prevention and Stabilization Account.

Responding to questions from **CHAIR KAUFMANN, Mr. Olson** stated that the Tobacco Alliance's Budget does not necessarily reflect the funding priorities endorsed by the public through passage of I-149.

Prompted by **REP. MORGAN, Mr. Jim Ahrens, President, MHA**, stated that 23 organizations comprise the Tobacco Alliance, including the American Association of Retired Persons (AARP), hospitals, nursing homes, and mental health providers.

{Tape: 3; Side: A; Approx. Time Counter: 17.1}

Ms. Steinbeck told Committee members that she could not report to them the total I-149 expenditures proposed by the Tobacco Alliance and the Governor.

Mr. Olson stated that the Tobacco Alliance relied on revenue forecasts when devising its expenditures, and that both the Alliance and the Governor see the trust exhausted by 2011.

Ms. Steinbeck and **Mr. Olson** agreed to meet and discuss differences between the Alliance Budget and the Governor's Budget.

{Tape: 3; Side: A; Approx. Time Counter: 21}

REP. JAYNE asked why the Tobacco Alliance Budget does not show a pay increase request for Senior and Long Term Care (SLTC) direct care workers.

Mr. Olson stated that the Alliance's requested pay increase for SLTC direct care workers is embedded in the budget, not detailed in a specific division allocation.

Responding to **REP. JAYNE'S** point that the Alliance Budget includes a specified line item for a Disability Services Division (DSD) provider rate increase, **Mr. Olson** elaborated on his earlier point, noting that a division can choose to appropriate the requested funds as a rate increase, a change to contracts, or other specific allocations.

{Tape: 3; Side: B}

SEN. COBB and **Mr. Chappuis** discussed the proposed nursing home provider tax increase.

SEN. LIND asked how DPHHS plans to account for I-149 expenditures in a transparent manner.

{Tape: 3; Side: B; Approx. Time Counter: 3.8}

Mr. Chappuis described the Department's mechanisms and processes.

SEN. LIND emphasized the importance of careful I-149 funds usage and transparency, especially in light of heightened public scrutiny.

Prompted by **SEN. WEINBERG**, **Mr. Chappuis** discussed I-149 revenue taxation practices, expenditure allocation schedule, DPHHS expenditure usage, and the role of reserve funds.

Ms. Steinbeck discussed again the Committee measures being taken to make sure that I-149 expenditures are in line with actual revenue. She told the Committee that while it can establish order of priority for I-149 expenditure funding, it cannot legislate appropriation reduction.

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

Mr. Ahrens offered further comment about the Alliance's budget, noting concerns about supplantation issues and statutory transgressions in expending I-149 funds.

Responding to **SEN. LIND**, **Mr. Chappuis** stated that it would be possible to regard the Alliance Budget as a starting point, from which the Committee could move toward the Governor's Budget.

Ms. Steinbeck set Alliance and Executive Tobacco Budget line-items side-by-side, discussing them and noting the challenge of coming up with the \$10 million additional dollars utilized in the Governor's Budget.

In reply to **SEN. LIND, Ms. Steinbeck** enumerated ways in which statute would have to be amended in order to avoid supplantation issues in I-149 Medicaid funding.

{Tape: 3; Side: B; Approx. Time Counter: 24.1}

REP. JAYNE reminded the Committee that in addition to the Governor's tobacco budget, the Alliance's tobacco budget, and the Committee's ideas about the tobacco budget, the Committee might also have to address another set of concerns and priorities presented by the greater legislative body.

Ms. Steinbeck directed the Committee to Exhibit 3, comparing the Governor's and the Alliance's CHIP expenditures and discussing I-149 CHIP non-supplantation language.

Mr. Andersen discussed the rationale behind creation of the Governor's Budget. He reported that Mr. Petesch believes there are more sustainability risks in CHIP than in Medicaid, and urged the Committee to keep this in mind.

{Tape: 4; Side: A}

Responding to questions from **REP. JAYNE, Mr. Andersen** noted differences in rationale and outcome of the Tobacco Alliance and the Governor's proposed CHIP and Medicaid expansions plans.

Ms. Rosseland told the Committee that CHIP expansion includes new Medicaid children discovered through CHIP outreach, as well as mental health wraparound services.

Ms. Steinbeck discussed the CHIP asset test.

Mr. Chappuis and **Mr. Andersen** discussed the ramifications of HB 552.

{Tape: 4; Side: A; Approx. Time Counter: 5.4}

Mr. Chappuis stated that waiving the asset test would only slightly alter the system and minimally decrease administrative costs, and provide no long-term fiscal benefit to the program. He noted that **REP. MARY CAFERRO, HD 80, HELENA**, is carrying the bill that addresses this issue.

Ms. Steinbeck pointed out that although waiving the asset test might lead to some decrease in FTE need, the Medicare Modernization Act (MMA) may require an increase in FTEs.

Mr. Chappuis agreed with Ms. Steinbeck. He also noted that CHIP could see administrative savings through widespread replacement of the seventeen page application with the more concise four-page application.

Ms. Steinbeck discussed next week's schedule.

EXHIBIT (jhh34a04)

ADJOURNMENT

Adjournment: 12:00 P.M.

REP. CHRISTINE KAUFMANN, Chairman

LAURA GOOD, Secretary

CK/lg

Additional Exhibits:

EXHIBIT ([jhh34aad0.PDF](#))