

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 16, 2005 at 9:10 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:

House Joint Resolution, Medicaid
Projection Change DP's, OTD
reporting language, CFSD DP 9999,
CFSD Vacancy Savings Reduction,
CFSD language, CFSD compliance
language, proposed restriction
language for several divisions and
programs' Funding Items, DSD
reporting requirements, SLTC DP 93

VICE CHAIR SEN. DAN WEINBERG, SD 2, WHITEFISH, called the meeting to order.

Ms. Steinbeck provided and discussed proposed language for a House Joint Resolution regarding possible reductions in federal Medicaid spending.

[EXHIBIT\(jhh38a01\)](#)

Motion: **SEN. WEINBERG** moved that **HOUSE JOINT RESOLUTION LANGUAGE BE ADOPTED**.

SEN. JOHN COBB, SD 9, AUGUSTA, agreed to support the House Joint Resolution language, but voiced his support for cuts sanctioned against states that misuse Medicaid funds.

Vote: Motion carried unanimously by voice vote. **REP. KAUFMANN, SEN. LIND**, and **REP. MCNUTT** voted by proxy.

{Tape: 1; Side: A; Approx. Time Counter: 2}

Ms. Steinbeck requested that the committee defer Executive Action on Medicaid caseload and caseload updates until she's had a chance to further review the issue.

Dr. Robert Wynia, Director, Department of Public Health and Human Services (DPHHS) and **Mr. John Chappuis, Deputy Director, DPHHS**, distributed a chart noting DPHHS Medicaid Caseload Change Summary and a packet entitled "Medicaid Caseload Summary of Changes, February 16, 2005 - Current Projections Less Executive Budget."

[EXHIBIT\(jhh38a02\)](#)

[EXHIBIT\(jhh38a03\)](#)

Ms. Steinbeck directed the committee to Page B-8 in the Budget Analysis.

Mr. Chappuis discussed Exhibit 2 and Exhibit 3. He pointed the committee to Page 4 of Exhibit 3, noting affects of erroneous Disease Management line-item roll-up.

Responding to **SEN. COBB**, **Mr. Chappuis** stated that \$3.9 million is the revised Executive request for caseload change. In total, there is no difference in the Executive request and the DPHHS request, although there is a change in general fund allocation.

{Tape: 1; Side: A; Approx. Time Counter: 8.2}

Responding to **SEN. COBB, Ms. Steinbeck** confirmed that automatically generated comparisons of the legislative and the Executive budgets will likely cast the legislature a less favorable light, since the comparisons will rely on the Executive budget prior to revision.

Prompted by **SEN. COBB's** follow-up question regarding Legislative Fiscal Division (LFD) comments on the revised Executive request, **Ms. Steinbeck** noted the Medicare buy-in, discussed Children's Mental Health cost increases, and requested that the committee segregate Senior and Long-Term Care (SLTC) nursing home costs for review with SLTC representatives.

Motion: **SEN. COBB** moved that **MEDICAID PROJECTION CHANGE DECISION PACKAGES, INCLUDING HEALTH RESOURCE DIVISION (HRD) DP's 13, 14, 17, 20; SLTC DP's 16 and 21; ADDICTIVE AND MENTAL DISORDER DIVISION (AMDD) DP's 19 and 99, BE ADOPTED.**

Ms. Steinbeck suggested that the committee consider segregating SLTC DP's 16 and 21, as they draw their monies from the general fund.

Mr. Chappuis further detailed comments and attitude on the part of Mr. David Ewer, Executive Budget Director, regarding this matter.

SEN. COBB withdrew his motion without objection.

{Tape: 1; Side: A; Approx. Time Counter: 17.1}

Motion: **SEN. COBB** moved that **MEDICAID PROJECTION CHANGE DECISION PACKAGES, INCLUDING HEALTH RESOURCE DIVISION (HRD) DP's 13, 14, 17, 20; ADDICTIVE AND MENTAL DISORDER DIVISION (AMDD) DP's 19 and 99, BE ADOPTED.**

REP. JOEY JAYNE, HD 15, ARLEE, requested further discussion prior to vote.

Ms. Steinbeck provided and discussed a handout on Wrap-Up Action, Selected Divisions, February 16, 2005.

EXHIBIT(jhh38a04)

Ms. Steinbeck stated that the committee is not voting on the numbers noted on Exhibit 4, as they do not reflect revised caseload estimates.

{Tape: 1; Side: A; Approx. Time Counter: 21}

Mr. Chappuis referred the committee to Exhibit 2.

Ms. Steinbeck further discussed Exhibit 2 and Exhibit 4.

At the request of **SEN. GREG LIND, SD 50, MISSOULA, Mr. Chappuis** described how DPHHS deals with fluctuations in medical costs and funding. He stated that the 2003 Legislative Session was the only time in his 25-year tenure that the Executive branch has proposed budget-driven cuts.

Ms. Steinbeck stated that Governor Judy Martz's administration was the first to follow the letter of the law regarding the state's responsibility to cut expenditures costs exceed appropriation authority. She noted that more routine reactions to cost over-runs include withholding provider rate increases and service expansions.

{Tape: 1; Side: B}

Responding to **REP. JAYNE, Mr. Chappuis** discussed underprojections in monthly program utilization.

Prompted by **SEN. LIND, Mr. Chappuis** discussed Medicaid health care program access issues in Missoula and state-wide.

At the request of **CHAIR REP. CHRISTINE KAUFMANN, HD 81, HELENA, Mr. Chappuis** described research modes used on studying Medicaid health care access.

Mr. Chuck Hunter, HRD Administrator, provided further information about Medicaid health care access.

Vote: Motion carried unanimously by voice vote. REP. MCNUTT voted by proxy.

{Tape: 1; Side: B; Approx. Time Counter: 11.1}

Ms. Steinbeck provided and discussed a letter from Mr. Greg Petesch, Code Commissioner, detailing his legal analysis of I-149 usage and supplantation issues.

EXHIBIT(jhh38a05)

Responding to **REP. MORGAN, Ms. Steinbeck** discussed the Executive budget in the context of the appropriations act, statute and implied amendments to statute. She stated that if the committee accepts the Executive's I-149 budget, it should also request a subcommittee bill to amend I-149 regarding the Executive's proposed usage.

{Tape: 1; Side: B; Approx. Time Counter: 14.1}

SEN. COBB requested Executive response to Mr. Petesch's analysis.

SEN. WEINBERG emphasized the committee's responsibility to understand and champion the will of the voters with respect to I-149 usage.

REP. JAYNE asked if the Executive Branch has prepared an alternate funding source for the Medicaid support component of its I-149 budget.

REP. JAYNE called for DPHHS or division response, and **Mr. Chappuis** deferred to OBPP.

{Tape: 1; Side: B; Approx. Time Counter: 21.5}

Mr. Andersen arrived and discussed varying legal opinions regarding the Executive proposal for I-149 usage.

SEN. COBB requested a reply from the Administration's attorney's regarding this matter.

CHAIR KAUFMANN announced to members that committee bill passage requires a 6-1 committee vote in favor of the bill.

Responding to questions from **SEN. COBB**, **Mr. Andersen** discussed Mr. Petesch's counsel to the OBPP regarding the Medicaid and Health Initiatives Account.

CHAIR KAUFMANN encouraged the committee to move efficiently through remaining Executive Action decisions.

{Tape: 2; Side: A}

Ms. Steinbeck discussed New Proposal (NP) 3111 - Montana Tobacco Use Prevention - I-146 funds.

REP. MORGAN requested that the committee delay vote on NP 3111.

Ms. Gervais provided and discussed requested reporting language for the Operations and Technology Division (OTD).

EXHIBIT (jhh38a06)

Motion/Vote: **SEN. COBB** moved that OTD REPORTING REQUIREMENT, SPECIFYING OTD JULY 1st YEARLY REPORT TO ASC-HHS AND THE FINANCE COMMITTEE ON THE MEDICAID PROGRAM, BE ADOPTED. Motion carried

unanimously by voice vote. CHAIR KAUFMANN and REP. MCNUTT voted by proxy.

{Tape: 2; Side: A; Approx. Time Counter: 7.6}

Ms. Gervais provided and discussed information on Child and Family Services Division (CFSD) Funding and DP issues.

EXHIBIT (jhh38a07)

REP. MORGAN suggested that the committee take no action on CFSD Rent and Overtime funding.

Ms. Gervais discussed CFSD Child and Family Services Review (CFSR) compliance issues, moving on to CFSD DP 9999 issues.

Motion: SEN. COBB moved that the subcommittee RECONSIDER ITS ACTION ON CFSD DP 9999 - STATEWIDE FTE REDUCTION, BE ADOPTED.

Responding to questions from REP. MORGAN, Mr. Chappuis stated that DPHHS has not yet cut specific FTE's.

Mr. Andersen discussed the rationale behind the statewide FTE reduction, and suggested that if the committee wants to counter its past CFSD DP 9999 action, it create a new DP with specific FTE allocation. He also noted that DP 9999 affects all state departments and divisions.

SEN. COBB asked LFD staff about what would be the easiest way to give CFSD \$250,000 in personal services. When questioned, he stated that he was interested in adding CFSD FTE's that would be able to address CFSD's federal improvement plan.

Ms. Gervais noted several options.

Substitute Motion: REP. KAUFMANN made a substitute motion that THE COMMITTEE ADD 6.35 FTE TO DPHHS, RESTRICTED TO SOCIAL WORK POSITIONS, WITH NON-SUPPLANTATION LANGUAGE.

Ms. Steinbeck and Ms. Gervais explained why the substitute motion will not achieve the committee's desired effect.

CHAIR KAUFMANN withdrew her motion without objection.

{Tape: 2; Side: A; Approx. Time Counter: 27.1}

Motion/Vote: REP. JAYNE CALLED THE QUESTION ON MOTION #5. Motion carried unanimously by voice vote.

CHAIR KAUFMANN stated that she would like to add 6.35 FTE to CFSD, and that the substitute motion was an attempt to be sensitive to OBPP.

Mr. Andersen expressed his belief that the suggestion of specific FTE allocation was in line with committee intentions.

{Tape: 2; Side: B}

In response to **SEN. WEINBERG, Ms. Gervais** discussed how to address CFSD DP 9999 in a budget neutral manner.

{Tape: 2; Side: B; Approx. Time Counter: 3.2}

Motion: **SEN. COBB** moved that CFSD DP 9999 BE ADOPTED.

REP. JAYNE asked **SEN. COBB** to explain why he wished to strike down the FTE reduction in this division, but not in others.

SEN. COBB stated that because CFSD could be fined \$2 million if it does not succeed in meeting federal performance standards, he did not wish to delete FTE's that could be instrumental in keeping the division on-track.

CHAIR KAUFMANN gave the committee her reasons for supporting **SEN. COBB's** motion.

Vote: Motion failed 1-6 by voice vote with **REP. JAYNE** voting aye.

Motion/Vote: **REP. KAUFMANN** moved that language regarding the use of funding for social workers and reporting requirements be included in HB 2. Motion carried unanimously by voice vote. **REP. MCNUTT** voted by proxy.

Ms. Gervais discussed CFSD vacancy savings options detailed in Exhibit 7.

{Tape: 2; Side: B; Approx. Time Counter: 11.4}

Motion: **SEN. COBB** moved that THE COMMITTEE REDUCE CFSD VACANCY SAVINGS FROM 4% TO 2%.

SEN. COBB expressed that this decision would put \$190,000 general fund money, plus corresponding federal funds, back into the division budget.

SEN. LIND asked DPHHS if **SEN. COBB's** motion was the most effective means to achieve his ends.

Mr. Chappuis answered carefully, citing his charge to advocate for the Governor's budget. He told the committee that a 2% vacancy savings would allow CFSD to immediately start the hiring process when the division has a vacancy.

{Tape: 2; Side: B; Approx. Time Counter: 14.7}

Vote: Motion carried unanimously by voice vote. REP. MCNUTT voted by proxy.

Ms. Gervais discussed rate increases for foster families and group homes, as detailed in Exhibit 7.

SEN. COBB suggested that the committee defer vote until it receives more complete information on this matter.

Ms. Gervais discussed language regarding CFSD restricted appropriations, reporting, possible shortfall and compliance issues, as detailed in Exhibit 7.

{Tape: 2; Side: B; Approx. Time Counter: 18.3}

Motion/Vote: REP. MORGAN moved ADOPTION OF CFSD LANGUAGE REGARDING RESTRICTED APPROPRIATIONS, REPORTING, POSSIBLE SHORTFALL AND REPORTING REQUIREMENTS. Motion carried unanimously by voice vote. REP. MCNUTT, REP. KAUFMANN, and SEN. LIND voted by proxy.

REP. JAYNE discussed CFSD compliance language noted in Exhibit 7. She suggested additional language specifying the dates of Montana's CFSD review and improvement plan.

Motion/Vote: REP. JAYNE moved that HB 2 CFSD COMPLIANCE LANGUAGE, WITH SPECIFIC REVIEW AND PERFORMANCE IMPROVEMENT PLAN DATES, BE ADOPTED. Motion carried unanimously by voice vote. REP. MCNUTT voted by proxy.

Ms. Gervais provided and discussed a handout on Disability Services Division (DSD) issues for Executive Action.

EXHIBIT (jhh38a08)

SEN. COBB suggested that the committee defer vote on these issues until it receives more complete information about them.

CHAIR KAUFMANN voiced her agreement.

{Tape: 2; Side: B; Approx. Time Counter: 27}

Ms. Gervais continued discussion of Exhibit 8.

Motion: REP. MORGAN moved that PROPOSED RESTRICTION LANGUAGE REGARDING MONTANA TELECOMMUNICATIONS ACCESS PROGRAM (MTAP), DEVELOPMENTAL DISABILITIES (DD) TRAINING, DD CRISIS, DD START-UP, DD WAITING LIST REDUCTION, AND THE MONTANA DEVELOPMENTAL CENTER (MDC) BE ADOPTED.

{Tape: 3; Side: A}

At the request of **SEN. WEINBERG**, **Ms. Gervais** clarified restriction language affecting the Developmental Disabilities (DD) Waiting List.

Vote: Motion carried unanimously by voice vote. REP. MCNUTT voted by proxy.

Ms. Gervais continued discussion of Exhibit 8.

Motion/Vote: SEN. COBB moved that LANGUAGE REGARDING DSD REPORTING REQUIREMENTS, PER FINAL PARAGRAPH, FIRST PAGE, EXHIBIT 8, BE ADOPTED. Motion carried unanimously by voice vote. REP. MCNUTT voted by proxy.

Ms. Gervais provided and discussed a handout on Human and Community Services Division (HCSD) issues for Executive Action.

[EXHIBIT\(jhh38a09\)](#)

CHAIR KAUFMANN suggested that the committee defer all HCSD votes.

Ms. Gervais discussed Low Income Energy Assistance Program (LIEAP) funding and possible modifications of statute.

{Tape: 3; Side: A; Approx. Time Counter: 6.3}

CHAIR KAUFMANN suggested that the committee defer action on LIEAP funding.

Ms. Steinbeck provided and discussed a handout on Senior and Long Term Care (SLTC) issues for Executive Action.

[EXHIBIT\(jhh38a10\)](#)

{Tape: 3; Side: A; Approx. Time Counter: 10}

At the request of **SEN. WEINBERG**, **Ms. Kelly Williams**, **Administrator**, **SLTC**, and **Mr. Andersen** discussed DPHHS special

cigarette tax usage language, as well as past, present and proposed SLTC allocation of the tax's \$250,000 revenue.

Ms. Steinbeck said that last session's committee provided this funding authority because of its concerns about Veterans Home's budgets.

Responding to follow-up questions from **SEN. WEINBERG, Ms. Williams** stated that the full \$250,000 was used in the last Fiscal Year (FY), and that SLTC will soon be making its request for full usage of the \$250,000 in the current FY.

Prompted by questions from **CHAIR KAUFMANN, Ms. Steinbeck** stated that she was not sure if these funds existed in SLTC base funding.

CHAIR KAUFMANN suggested that the committee delay action on this issue.

Ms. Steinbeck discussed SLTC DP 93, explaining to **REP. MORGAN** and committee members that DP 93 affects only the Columbia Falls Veterans Home, as Columbia Falls staff are state employees while the Eastern Montana Veterans' Home is staffed under private contract.

Motion/Vote: **SEN. WEINBERG** moved that SLTC DP 93 BE ADOPTED, WITH PROPOSED LANGUAGE REGARDING STAFFING ISSUES. Motion carried unanimously by voice vote. **REP. WEINBERG** and **REP. MCNUTT** voted by proxy.

Mr. Hunter provided and discussed a Report on Changing Montana CHIP from an Indemnity Plan to a Self-Insured Plan.

EXHIBIT (jhh38a11)

{Tape: 3; Side: A; Approx. Time Counter: 18.5}

Ms. Steinbeck provided further background and information about the report, including the diminished opportunity to connect CHIP to the state employee health plan.

Mr. Hunter returned to Exhibit 11 for more discussion.

Ms. Steinbeck suggested that the committee ask DPHHS how it calculated the administrative cap. She noted that there are two standard calculations, one based on the total grant funds available, and the other on total claims paid.

Mr. Hunter stated that HCSD has calculated its administrative cap based on total claims that would be paid.

{Tape: 3; Side: A; Approx. Time Counter: 26}

Ms. Gervais provided and discussed information entitled "TANF (Temporary Assistance for Needy Families) Federal Grant and State Maintenance of Effort that Fund the WorC Contracts and Work Activities."

Ms. Steinbeck asked that the committee please notify her if it is in need of any further information on any specific topics.

CHAIR KAUFMANN announced that a representative from the Governor's Office will be in tomorrow's meeting to discuss the memo from Mr. Greg Petesch regarding I-149 funding.

SEN. COBB discussed voting strategy and amendment organization.

Prompted by **REP. JAYNE, Ms. Steinbeck** said that other issues coming before the committee for Executive Action later this week will include crisis services and I-149 issues.

Ms. Gervais noted that the only connection between I-149 and the DSD is the DD provider rate increase that draws on \$950,000 I-149 monies and associated matching federal revenue.

ADJOURNMENT

Adjournment: 12:00 P.M.

REP. CHRISTINE KAUFMANN, Chairman

LAURA GOOD, Secretary

CK/lg

Additional Exhibits:

EXHIBIT ([jhh38aad0.PDF](#))