

MEETING MINUTES  
HUMAN SERVICES SUBCOMMITTEE  
JANUARY 27, 1987

The meeting of the human services subcommittee was called to order at 8:06 a.m. on January 27, 1987 in room 108 of the state capitol building by Chairman Cal Winslow.

ROLL CALL: All members were present.

PRIORITIES FOR PEOPLE - SRS

(20b:021) Dave Lewis, director of the Department of Social and Rehabilitative Services (SRS), presented an overview of the Priorities for People (PFP) process. He stated the process provides the opportunity for a broad spectrum of providers and recipients to become involved with others providing varying scopes of services to diverse populations. He stated these individuals, involved from outside state government, then discuss priorities, programs, and the inevitable balancing process that needs to be done in putting the department budget together. He added that the end result is a recommendation from the PFP group as to what the balance should be between the budget and the human needs.

(20b:072) Jim Smith, PFP coordinator, elaborated on the specifics of the PFP process and the components that have evolved from that process. he submitted the complete set of the initiatives and resolutions formally adopted by PFP (exhibit 1). The document is subdivided into three (3) components with a breakdown of funding requirements for each initiative and subtotals. They are: initiatives to maintain current level (subtotal of \$31,582,643), initiatives to address unmet needs (subtotal \$14,568,309, and initiatives to improve program operations (subtotal \$583,210). The total impact to the general fund is \$46,734,162 if all of the recommendations are approved. He also provided a summary of recommendations (exhibit 2) that included an executive summary, recommendations on the SRS budget, PFP recommendations on revenue increases, resolutions, and the listing of team members and steering committees.

Mr Smith noted that all recommendations received the full support of all the people involved in the PFP process. He further stated that medicaid comprises 50% of the SRS budget, while the entitlement programs comprise a large percentage of the remaining 50%. In the beginning of the process, those involved with PFP thought a lot of administration could be eliminated, a lot of waste, fraud, and abuse at the top of SRS. He submitted that is not the case.

He noted that personnel and administrative support account for only 10% of the SRS budget and that the administration was operating on a shoestring budget.

(20b:227) Mr Smith stated the PFP work was broken into three (3) categories: initiatives that called for funding, resolutions that do not have a direct fiscal impact but which may have some positive effect or contribution to make on the policy side of issues, and specific revenue recommendations. Most of the initiatives are needed to maintain the current level of services, or about \$30 million. Among the initiatives is a general inflationary increase of 4% cost of living for providers. He said many of the providers are stretched thin, and physicians and health care providers have not had an increase for six (6) years. He added that providers of developmentally disabled services and youth treatment providers have not had any increase for three (3) years. He also noted that AFDC and GA payments have been frozen and are eroding due to caseload growth.

(20b:342) In response to a question from Sen Himsl, Mr Smith stated the \$47 million requested is all general fund, generating close to \$53 million in federal match funds for a total of \$100 million needed to meet the PFP recommendations.

Replying to a question from Chairman Winslow, Mr Smith stated the issue of the divorce rate impacting SRS programs was not considered. Mr Smith also noted that most of the revenue measures recommended by PFP have been or will be introduced this legislative session.

(20b:389) Bill Leary, representing the Medical Services Team stated that when the team originally started in March, a 6% increase in medicaid reimbursement for services was sought. Currently, he said, providers are being reimbursed \$.51 on the dollar, with medicaid paying approximately two-thirds of every reimbursement dollar. He said the nursing home industry is caught in a real dilemma, with nursing homes the most explosive in the health care industry. He said more and more individuals are entering nursing homes requiring a continual need for an increase in beds with patients admitted requiring a higher level of concentrated care. Mr Leary stated the providers are put to the task of providing intermediate and skilled nursing care at a higher staff level. He noted some providers are looking at withdrawing from the program. After deliberation among the providers, it was resolved that a 6% increase was out of sight, and was modified and consideration of a 4% increase per year of the biennium along with full support of the provider groups for revenue enhancement measures, especially a tobacco tax.

(20b:511) Mr Leary continued by stating every congress makes an effort to reduce medicaid federal payoff to the states or a change in the formula in such a way that states would receive 55% instead of the current 65% reimbursement rate. He stated his organization had informed the Montana congressional delegation that Montana cannot afford to support the loss of federal funding for these federal programs. He noted that 37 other states are faced with the same problems. He said there appears to be a continual fight on the national level to nationalize medicaid or reduce federal participation for the program. He stated his big fear is for the recipients if some kind of an increase or the status quo is not granted to the physicians. He stated as more and more physicians opt to not participate this leaves the hospitals in a further bind, as those who would receive care in a doctor's office would sooner or later show up in the hospital emergency room at a higher cost to the state, and, in most instances, because of their physical condition, these individuals would then be admitted to the hospital. He said nursing homes are caught in the same bind. He noted the national position of his organization is to fight to maintain the federal percentage to the states, and that a legitimate approach to nationalized medicaid has not been formulated.

In response to a comment from Sen Himsel, Mr Leary noted that medical costs do top the list of inflationary increases, over 7% of the whole service area, which is due to the nature of the industry. He also affirmed that there is a move to force physicians to accept medicaid assignment or face a penalty.

In response to a question from Chairman Winslow, Mr Leary stated the association would reserve comment on the proposed DRG's at the state level. He noted there had been delays in the development of the program, and suggested the reimbursement cost formula be used until such a time as there could be a concentrated effort on an effective rate system. He stated he had not seen any specifics to date.

(21b:028) Dawn DeWolf, speaking for the Disabilities Team, stated their work centered on the developmentally disabled, vocationally disabled, and those within the the definition of special populations. She noted they had focused primarily on critical unmet need; those that would place a person at risk and possibly financially impact other programs. A need to develop more cost effective service measures was also explored. She stated the recommendations proposed by the team were: the need for open slots, supported work day services, independent living, respite care for parents, and developmentally disabled adults and children not receiving services of any kind, including those individuals graduating

from special education with no services for them after graduation.

In response to an observation from Sen Hims1, Ms DeWolf stated individuals who graduate from special education require specific placements in adult services, i.e. day programs, vocational programs, group homes, independent living skills and transitional living training.

(21b:263) In response to a question from Chairman Winslow, Ms DeWolf stated in prioritizing funding between expansion of unmet needs versus current level services, obviously maintenance of effort, or current level, was the top priority, but in terms of going a little further, the possibility of funding current programs and some of the unmet needs. She noted the disabilities group would be willing to work with the committee on prioritizing unmet needs for services and funding. She added that the list of seven (7) recommendations presented by the disabilities team were all critical needs.

Discussion continued on sheltered employment, the waiting lists for DD services, group homes, day activities, special education graduates and the services available for that population.

Owen Warren, Senior Citizens team, then read his prepared text (exhibit 3) dealing with the problems of the elderly in the state. He noted the increase in the aging population in Montana complicated by low, fixed incomes, the increased need for health care, home care required due to early hospital discharges, a decrease in the availability of informal support groups for care, the reduction in homemaker staff at the county level, increases in the basic living expenses, and the lack of available services in the rural communities. The team supports additional funding to the aging network's local programs to help meet the needs of the elderly, such as home attendants, homemaker services, respite care, personal care attendants, medical alert, environmental modifications, and medically related transportation services.

(21a:000) Larry Dominick, Economically Needy team, covered the recommendations related to the Economic Assistance Division (EA) of SRS and individuals that were economically disadvantaged (exhibit 2). He stated the team did not propose a specific initiative, but rather agreed on a resolution of essential services which stated for all people food, shelter, clothing, and health care were the most important, and that whatever else was done, there should be an effort to assure access to these basic human services. He stated the ultimate solution to the problems was

employment. He expressed the teams concern over the length of time (four (4) to six (6) weeks) for determination of medicaid eligibility, as well as the considerable length of time required before individuals are able to receive food stamps, general assistance, or AFDC. Mr Dominick stated funding was needed for a specific delivery system for the distribution of surplus commodities in the state, expressed the need for improving program operations, more funding for transient assistance, legal services, and fuel assistance, including weatherization.

(21a:218) John Wilkinson, Children and Youth team, stated in 1982 4,400 children were referred and investigated by SRS for suspected abuse and neglect, and that figure increased to 7,098 in fiscal year 1986. He stated of the referrals for 85/86, 57% of the referrals were substantiated. He then covered the initiatives, issues, and resolutions proposed by this PFP team to address the needs of children and youth in Montana (exhibit 2).

Discussion continued on the coordination of the services offered for children by varying state agencies, family adoption, subsidized adoption, foster care, group homes, and how the proposed family services department would improve the the delivery and administration of the services provided by these programs.

(21a:526) Bob Frazier, Bozeman, then summarized the recommendations of the PFP activities. He stated PFP identified \$14 million of unmet needs, all being priority one items, and were therefore not tiered on a priority basis. Mr Frazier stated those involved in the PFP process were willing to recommend further prioritization if the committee so desires.

(22a:000) Sue Mohr, administrator of Job Training, Department of Labor, covered exhibits 4 and 5 on work program enrollments and placements, including costs by county and a comparative performance by segments of that population being served.

The meeting was adjourned at 10:38 a.m. (22a:229)



Cal Winslow, Chairman



EXHIBIT 1  
DATE 1-27-86

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*Montana Human Resources  
Development Council Directors Association*

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SERVING MONTANA  
OFFICE LOCATIONS: BOZEMAN BUTTE GREAT FALLS HELENA LEWISTOWN  
BILLINGS GLENDIVE HAVRE KALISPELL MISSOULA

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August 27, 1986

Mr. Dave Lewis, Director  
Department of SRS  
P. O. Box 4210  
Helena, MT 59604

Dear Dave:

Attached you will find a complete set of the Initiatives and Resolutions formally adopted by Priorities for People.

It is our hope that you will find these recommendations useful in the development of the SRS budget for the 1988-89 biennium. We believe these recommendations, taken collectively or individually, are reasonable, realistic, constructive and, finally, very justifiable in terms of their funding requirements.

Our expectation is that these recommendations will be transmitted, in their entirety to the Office of Budget and Program Planning (OBPP) for consideration in the development of the Executive Budget for the coming biennium. We understand there are some Executive Planning Process priorities of SRS that PFP has adopted; others that PFP has not, and still other priorities that are unique to and developed by PFP. While the Department is certainly free to note those recommendations held in common by PFP and SRS, we do expect this entire package to go to the OBPP.

The initiatives and resolutions adopted by PFP fall naturally into three general categories: 1) those that maintain current funding levels for programs, 2) those that address unmet needs, unserved or underserved groups of people, 3) and those that identify potential savings through more cost-effective program operations.

PFP supports the increased funding levels necessary for all programs that reflect increased utilization and caseload growth. Initiatives relating to Medicaid and Foster Care speak directly to this issue.

Mr. Dave Lewis  
August 27, 1986  
Page 2

The initiatives and resolutions submitted are neither ranked nor prioritized. All of the recommendations made are of equal importance; all of the programs are of equal merit; and all of the persons served are of equal value.

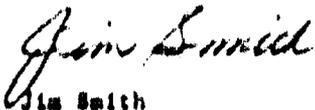
Rather than attempt a ranking of these initiatives and resolutions, FFP opted to keep their total number limited to only the most critical, pressing human service needs and issues in Montana.

FFP will meet once more, in October, to develop and finalize recommendations for revenue to support and fund these initiatives. That information will be transmitted to SRS by the middle of October.

Personally, and on behalf of everyone who has participated in Priorities for People, I'd like to thank you for the opportunity to make these recommendations, for the chance to be involved in the front end of the Department's policy and budget cycle, and for all the cooperation we received from the Department's representatives during this process.

If you have questions, or if I may provide you with any additional information, please do not hesitate to call.

Kindest Regards,



Jim Smith

JB:jrb  
enc.

EXHIBIT 2  
DATE 1.27.86  
HB \_\_\_\_\_

## PRIORITIES FOR PEOPLE II

RECOMMENDATIONS FOR JANUARY, 1987.

Meeting of the [unclear] and [unclear]

Page 1  
3

I am Owen Warren from [unclear]

EXHIBIT

DATE

1-27-84

FBI

I will be speaking in favor of additional funding for additional In-Home Services - <sup>15</sup>500,000 for the biennium

I have been involved in the production of hydro-electric energy most of my working career. ~~For the last [unclear]~~

After I retired - <sup>7</sup>seven years ago - I have become increasingly more active and concerned with Human Services - such as concerns of Senior Citizens - the disabled - unemployed & Welfare recipients.

During the summer & fall of 1986 I was privileged to be a member of the Priorities for People Senior Citizen Team. I learned that there is a need by the elderly that are: (1) Advanced age (75 or older); (2) living alone; (3) lacking transportation; (4) moderate to low-income; (5) one or more chronic diseases that cause some limitation in the performance of daily living activities.

The problem is an ever increasing aged population complicated by the following: (1) moderate to low, fixed

and need for health care; (3) increased need for home care due to early hospital discharges (DRG's); (4) decrease in the availability of informal support groups for care (children, friends, or family living farther away); (5) reduction in homemaker staff at the county level; (6) rapid increases in the basic living expenses such as property taxes, utilities, and telephone services; (7) lack of availability of services in rural communities.

The number to be served is 7,000 additional elderly per year.

To meet the needs of this constituency -  
\$250,000 for the year 1988 +  
\$250,000 for the year 1989 would provide additional funding to the Aging Network's local programs to help meet the needs of the elderly in providing the following services: home attendant, home chore, Personal care, respite care (with emphasis on Alzheimer's patients and families) medical alert, environmental modification of homes (ramps, grab-bars, etc), home health services

transportation services (medically related).

During the fiscal year 1986, 8,037 older persons received 53,697 units of in-home services at a cost of \$282,568.

The average in-home recipient received 6.7 units of service at an average cost of \$5.25 or a total of \$35.25 per recipient per year.

During the summer of FY 1986, the State Unit on Aging surveyed their contractors to estimate the number of clients whom are at risk of institutionalization without access to these in-home services. Six (6) of the eleven (11) Area Agencies on Aging estimated that twenty (20) to twenty five (25) percent of their in-home service clients were at risk of institutionalization without access to these in-home services. There are approximately 120,000 older Montanans. If 20% of these persons were, therefore, considered at risk, nearly 24,000 older Montanans could potentially need in-home services to reduce the

1-27-87

Nursing home care costs for my father,  
January thru December 1986, were  
\$17,435.75 Prog. Cost sheet is attached.

If 94,000 older Montanans are at risk  
of institutionalization if in-home services  
cannot be provided we could be looking  
for someone to pay <sup>\$ 418.5 mil.</sup> 418,458,000 for nursing  
home care.

The comparable costs:

In-home care per recipient \$35.25 per year.

Nursing home care per recipient \$17,435.75 per yr.

1047 Breckenridge  
Helena, Montana 59601

HEALTH CARE BILLING HOME CO.  
25 S. Ewing  
Helena, Montana 59601

*Helena Nursing*

EXHIBIT 3  
DATE 1-27-87  
HB \_\_\_\_\_

NAME OWEN WARREN

ACCOUNT NO.

ADDRESS

CREDIT LIMIT

DATE	REFERENCE	CHARGES	CREDITS	BALANCE
	<i>Jan. Nursing care</i>		1467.85	1467.85
1-29-86	Feb. Nursing Care	1325.80		1325.80
			1325.80	
2-28-86	March Nursing Care	1467.85		1467.85
			1467.85	
3-28-86	april nursing care	1420.50		1420.50
			1420.50	
4-29-86	May Nursing care	1467.85		1467.85
			1467.85	
5-29-86	June Nursing Care	1420.50		1420.50
			1420.50	
6-30-86	July Nursing Care	1467.85		1467.85
			1467.85	
7-28-86	Aug Nursing Care	1498.85		1498.85
	4 attends	<del>1.92</del>		<del>1496.93</del>
8-27-86	Sept Nursing Care	1450.50		1450.50
	56 Attends	<del>25.88</del>		<del>1477.38</del>
			1477.38	
9-26-86	Oct. Nursing Care	1498.85		1498.85
	6 bp, 84 attends	<del>41.82</del>		<del>1540.67</del>
			1540.67	
10-27-86	Nov. Nursing Care	1450.50		1450.50
	24 h.pads, 76 Attends	<del>42.58</del>		<del>1492.98</del>
			1492.98	
12-1-86	Dec. Nursing Care	1498.85		1498.85
	80 Attends, 12 blue pads	<del>41.40</del>		<del>1540.25</del>

*Pd 12-10-86*

WILSON JONES Ledger Folder No. 700-04. For use with WILSON JONES Short-Cut Billing System. Made in U.S.A.

*12 mo Nursing care (only)*

*\$ 17,435.75*

*attached 4*  
*1.27.87*

STATE OF MONTANA  
 EMPLOYMENT POLICY DIVISION  
 DEPARTMENT OF LABOR AND INDUSTRY  
 JOB TRAINING REPORT  
 PWP170

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COMPARATIVE PERFORMANCE BY SIGNIFICANT  
 CUMULATIVE QUARTERLY

SIGNIFICANT SEGMENT	** ** **	ENROLLED ACTUAL COUNT	ACTUAL PERCENT	** ** **	PLACED IN JOBS ACTUAL COUNT	ACTUAL PERCENT	** ** **	AVG. WAGE	** ** **
PROJECT WORK PROGRAM		1946	100.0 %		261	100.0 %		4.72	
MALE		1495	76.8 %		192	73.5 %		4.88	
FEMALE		451	23.1 %		69	26.4 %		4.26	
21 AND UNDER		307	15.7 %		39	14.9 %		4.32	
22 - 54		1532	78.7 %		217	83.1 %		4.79	
55 AND OVER		107	5.4 %		5	1.9 %		4.54	
HANDICAPPED		111	5.7 %		7	2.6 %		5.00	
OFFENDER		188	9.6 %		35	13.4 %		4.68	
VETERAN		526	27.0 %		71	27.2 %		5.22	
UI EXHAUSTEE		537	27.5 %		70	26.8 %		5.07	
LAI D OFF		196	10.0 %		34	13.0 %		4.97	
PLANT CLOSURE		57	2.9 %		12	4.5 %		6.26	
LONG TERM UNEMPLOYM		745	38.2 %		77	29.5 %		5.09	
STATE 1 - 90 DAYS		249	12.7 %		41	15.7 %		4.58	
STATE 91 DAYS - 1 Y		265	13.6 %		32	12.2 %		5.25	
STATE 2 - 5 YEARS		296	15.2 %		38	14.5 %		4.24	
STATE 6 - 10 YEARS		173	8.8 %		26	9.9 %		4.24	
STATE 11 YEARS - OV		963	49.4 %		124	47.5 %		4.87	
COUNTY RESIDENT		288	14.7 %		43	16.4 %		4.66	
DROPOUT		543	27.9 %		64	24.5 %		4.83	
GRAD OR EQUIV		899	46.1 %		127	48.6 %		4.88	
POST ATTENDEE		342	17.5 %		53	20.3 %		4.09	
WHITE		1598	82.1 %		231	88.5 %		4.73	
BLACK		24	1.2 %		3	1.1 %		3.43	
HISPANIC		49	2.5 %		5	1.9 %		6.33	
AI & AN		266	13.6 %		19	7.2 %		4.36	
ASIAN & PI		9	0.4 %		3	1.1 %		4.57	

STATE OF MONTANA  
 EMPLOYMENT POLICY DIVISION  
 DEPARTMENT OF LABOR AND INDUSTRY  
 ANALYSIS OF PROJECT WORK PROGRAM ENROLLMENTS AND JOB PLACEMENTS AND COSTS BY COUNTY  
 CUMULATIVE JULY 1, 1986 - DECEMBER 31, 1986

12 Counties	PWP Enrollments	Cost Per Enrollments Total	% of Total	PWP Termin.	PWP Job Placements	Placement Rate	Cost Per Placement	Avg. Hourly Wage	Full Time Jobs (30 Hrs. Wk.)	Average Duration of Jobs 151+ Days	Jobs with Medical Coverage
TOTAL	\$1,947	\$234	100%	799	261	32.6%	\$1,743	\$4.72	206	178	40
ascade	515	\$187	26.4%	154	51	33.1%	\$1,889	\$3.97	38	32	3
deer Lodge	132	\$235	6.8%	81	29	35.8%	\$1,070	\$5.24	26	15	2
owell	46	\$253	2.4%	23	4	17.3%	\$2,909	\$5.06	4	3	3
lathead	127	\$311	6.5%	62	22	35.4%	\$1,797	\$4.50	16	19	4
ake	21	\$284	1.1%	17	7	41.1%	\$ 851	\$3.67	4	4	1
ewis & Clark	156	\$522	8.1%	101	21	20.7%	\$3,880	\$4.16	18	20	4
incoln	112	\$312	5.7%	78	24	30.7%	\$1,457	\$5.19	20	10	2
issoula & Mineral	434	\$141	22.3%	109	44	40.3%	\$1,396	\$4.13	30	31	7
ark	85	\$201	4.4%	52	20	38.4%	\$ 856	\$4.31	15	16	3
avalli	24	\$324	1.2%	13	3	23.0%	\$2,590	\$3.90	3	2	1
ilver Bow	295	\$229	15.2%	109	36	33.0%	\$1,879	\$6.64	32	26	10

*attached 5  
1-27-87*

VISITORS' REGISTER

HUMAN SERVICES SUBCOMMITTEE

BILL NO. \_\_\_\_\_

DATE

January 27, 1987

SPONSOR \_\_\_\_\_

DEPT

BKS

NAME (please print)	Representing	SUPPORT	OPPOSE
Jane Lewis	SRS	X	
Charlie Brygh	Governor's Office	X	
Owen Warren	Seniors	X	
Steve Waldron	MRCCA	X	
Rochelle Tully	Project Works - Seniors/Chrch		
Jim Smith	HRDC/MAR	✓	
Sue Fifield	MUIC		
Bob Frayer	PPP	✓	
Sandy Chaney	Women's Lobbyist Fund	X	
Chris Volinkaty	DT	✓	
JUDITH CARLSON	NASW	✓	
Jerry Daniels			

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.