

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON HUMAN SERVICES

Call to Order: By Chairman Bradley, on January 13, 1989, at 8:00 a.m.

ROLL CALL

Members Present: All members were present.

Members Excused: None

Members Absent: None

Staff Present: Lois Steinbeck, OBPP
Peter Blouke, LFA

Announcements/Discussion: Department of SRS summary; organizational chart; Priorities for People; Field Trips of Facilities whose programs receive monies from SRS budget; and public testimony to be received at 10:00 a.m.

The Chairman announced the tour of facilities of programs funded by SRS programs will be conducted as planned to coincide with the subcommittee's schedule of budgetary meetings on these programs.

SRS summary presented by Legislative Fiscal Analyst Peter Blouke for subcommittee's perusal.

Chairman Bradley requested subcommittee members to read their copies of Priorities for People, if possible, before Monday's meeting. There are some proposals in this booklet on ways money can be saved. There is an overwhelming need out there and difficult selections of who gets what and the overwhelming dollar cost that are associated with every single one of them; then you realize the work the subcommittee faces in dealing with SRS budget.

The Chairman asked the subcommittee not to get sidetracked in total operating costs but keep their eye on non-operating and the benefits because that's where the money is. Total operating cost is only 9% of the budget; over 90% is the benefits and non-operating.

HEARING ON DEPARTMENT OF SOCIAL AND REHABILITATIVE SERVICES

Chairman Bradley asked Dr. Blouke to go through Assistance Payments.

124

Presentation by Mr. Ben Johns: Ben Johns, Acting Director of SRS, presented an overview of the entire department and then concentrated on Assistance Payments.

See the attached organizational chart and summarized budget for divisions of department.

Funding ratios in the SRS budget are very complicated and during the 51st session, an added complication will be adapting SRS budget in accordance with the new Federal mandates. Mr. Johns stated that there are some state special funds, approximately \$14 million dollars, in total SRS budget as well as state and federal monies.

298

Presentation by Dr. Peter Blouke: See attachments.

Dr. Blouke discussed differences and similarities in executive and LFA current level budgets for Personal Services, Operating Expenses, Equipment, Grants, e.g., Non-Resident General Assistance (GA), Legal Services, GA Burials, Training, Job Search, and Day Care in the assistance payments program. Questions on general or federal funding on the above issues were answered by Dr. Blouke.

Presentation by Lee J. Tickell, Administrator of the Economic Assistance Division:

Mr. Tickell addressed the operating costs in the Economic Assistance Division. (See attachment)

Questions From Subcommittee Members:

In response to question from Rep. Cody, Mr. Johns informed subcommittee members that approximately 29% of total department budget of \$615,869,084 is general fund monies.

100

Rep. Cody: I noticed a research specialist position vacant on one of your chart. What type of research is this? Who puts up funding to pay for this position?

120

Mr. Tickell: Principally research to produce statistics required by the Federal government for claiming federal

reimbursement. This position is funded 50% federal and 50% state.

126

Rep. Cobb: My comment is that over years SRS seems to upgrade supervisors. You seem to have more supervisors than necessary. Is that because the pay schedule isn't that great and you've promoted them just to keep them?

150

Mr. Tickell: We try to keep job descriptions current and up-to-date. Any time positions change, any time functions may be added; job descriptions are subject to change. They are reviewed by inhouse personnel office but final decision is with the State Personnel Division. To the extent that the duties that are added or reassigned justify an upgrade, the State Personnel does that. Your accuracy about number of upgrades is correct. There have been for a variety of reasons. There are more and more complexities in the programs, new programs and more technical demands are placed on those people.

258

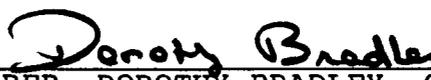
Rep. Grinde: The new federal legislation for Homeless Act, Hunger Prevention Act, Medicare Catastrophic Health Care Act, Omnibus Budget Reconciliation Act and the Family Support Act that you mention as new programs in the 51st Session, could you tell us how they are funded?

260

Mr. Tickell: Homeless and Hunger Prevention Acts are 100% federal; the other programs are open-ended with 70% federal and 30% state funding.

ADJOURNMENT

Adjournment At: 9:24 a.m.


REP. DOROTHY BRADLEY, Chairman

DB/dib

1123.min

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
 ASSISTANCE PAYMENTS PROGRAM

<u>PERSONAL SERVICES</u>	<u>1990</u>	<u>1991</u>
Executive FTE	52.75	52.75
LFA Current Level FTE	<u>52.75</u>	<u>52.75</u>
Difference	0	0
Executive	\$1,544,858	\$1,546,783
LFA Current Level	<u>\$1,540,484</u>	<u>\$1,542,302</u>
Difference	\$4,374	\$4,481

- - - - - Personal Services Issues - - - - -

Differences in personal service costs are due to the LFA applying a 2.5 percent vacancy savings factor while the Executive applied a 2 percent vacancy savings factor.

Appropriation Committee Policy

- A. Elimination of Vacant Positions
None Identified
- B. Elimination of Vacancy Savings

Vacancy savings		
Executive	\$31,528	\$31,567
LFA	\$40,338	\$40,506
Adjusted Personal Services		
Executive	\$1,576,386	\$1,578,350
LFA	<u>\$1,580,822</u>	<u>\$1,582,808</u>
Difference	(\$4,436)	(\$4,458)

1. Committee Issues/Committee Action

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
ASSISTANCE PAYMENTS PROGRAM

<u>OPERATING EXPENSES</u>	<u>1990</u>	<u>1991</u>
Executive	\$2,007,886	\$1,989,587
LFA Current Level	<u>\$2,017,410</u>	<u>\$2,000,435</u>
Difference	(\$9,524)	(\$10,848)

----- -Operating Expenses Issues -----

The major difference in operating costs is the LFA includes \$11,980 more for in-state travel than is included in the executive budget. The higher LFA travel costs are partially off set by minor adjustments in other expenditure categories.

1. Committee Issues

2. Committee Action

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
ASSISTANCE PAYMENTS PROGRAM

<u>EQUIPMENT</u>	<u>1990</u>	<u>1991</u>
Executive	\$94,891	\$93,325
LFA Current Level	<u>\$94,891</u>	<u>\$93,325</u>
Difference	\$0	\$0

-----Equipment Issues-----

Equipment included is for purchase of semitrailor trucks to deliver food commodities. Purchase of the truck would be with 100 percent federal funds.

2. Committee Issues

Committee Action

LFA Budget - Page B-76
Executive Budget - Page 348

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

ASSISTANCE PAYMENTS PROGRAM

GRANTS

FOOD STAMPS	<u>1990</u>	<u>1991</u>
Executive	\$31,250	\$32,500
LFA Current Level	<u>\$25,300</u>	<u>\$26,500</u>
Difference	\$5,950	\$6,000

-----Grants Issues-----

This 100 percent federally funded grant is for the administrative costs of issuing food stamps on Indian reservations. The LFA inflated the fiscal 1988 actual expenditures by 4 percent per year. The executive projected the increase in costs according to projected increases in postal rates.

1. Committee Issues

2. Committee Action

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
ASSISTANCE PAYMENTS PROGRAM

GRANTS

NON-RESIDENT GA	<u>1990</u>	<u>1991</u>
Executive	\$50,000	\$50,000
LFA Current Level	<u>\$33,000</u>	<u>\$33,000</u>
Difference	\$17,000	\$17,000

-----Grants Issues-----

LFA funding for the Non-resident GA program for each year of the 1991 biennium is equal to the fiscal 1988 actual expenditures for the program. The Executive budget requests includes funding for medical emergency situations. Funding for this program is 100 percent general funds.

1. Committee Issues

2. Committee Action

LFA Budget - Page B-77,78
Executive Budget - Page 351

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
ASSISTANCE PAYMENTS PROGRAM

GRANTS

LEGAL SERVICES	<u>1990</u>	<u>1991</u>
Executive	\$100,000	\$100,000
LFA Current Level	<u>\$100,000</u>	<u>\$100,000</u>
Difference	\$0	\$0

-----Grants Issues-----

Both the LFA and Executive have continued the fiscal 1988 actual expenditure level. These funds are 100 percent general fund.

1. Committee Issues

2. Committee Action

LFA Budget - Page B-78,79
Executive Budget - Page 351

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
ASSISTANCE PAYMENTS PROGRAM

GRANTS

<u>GA BURIALS</u>	<u>1990</u>	<u>1991</u>
Executive	\$129,801	\$129,801
LFA Current Level	<u>\$123,620</u>	<u>\$123,620</u>
Difference	\$6,181	\$6,181

-----Grants Issues-----

The LFA continued the fiscal 1988 actual expenditure level for each year of the 1991 biennium. The executive budget inflated the fiscal 1988 expenditure level by approximately 4 percent for fiscal 1989 and carried this level forward for each year of the biennium. These funds are 100 percent general fund.

1. Committee Issues

2. Committee Action

LFA Budget - Page B-79
Executive Budget - Page 351

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
ASSISTANCE PAYMENTS PROGRAM

GRANTS

<u>TRAINING</u>	<u>1990</u>	<u>1991</u>
Executive	\$157,500	\$157,500
LFA Current Level	<u>\$150,000</u>	<u>\$150,000</u>
Difference	\$7,500	\$7,500

-----Grants Issues-----

The LFA continued the fiscal 1988 actual level of expenditures for each year of the 1991 biennium. The executive budget inflated the fiscal 1988 expenditure level by approximately 4 percent. Funding for this program is 100 percent federal funds.

1. Committee Issues

2. Committee Action

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
ASSISTANCE PAYMENTS PROGRAM

GRANTS

JOB SEARCH	<u>1990</u>	<u>1991</u>
Executive	\$491,752	\$491,752
LFA Current Level	<u>\$491,752</u>	<u>\$491,752</u>
Difference	\$0	\$0

-----Grants Issues-----

Both the LFA and the executive include the anticipated level of available federal funds. This program is funded with 100 percent federal fund.

1. Committee Issues

2. Committee Action

LFA Budget - Page B-79
Executive Budget - Page 351

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
ASSISTANCE PAYMENTS PROGRAM

GRANTS

DAY CARE	<u>1990</u>	<u>1991</u>
Executive	\$783,126	\$814,451
LFA Current Level	<u>\$783,126</u>	<u>\$814,451</u>
Difference	\$0	\$0

----- -Grants Issues-----

Both the LFA and the executive used a 6 percent increase in day care costs over the fiscal 1989 appropriated level for fiscal 1990 and a 4 percent inflation growth from fiscal 1990 to 1991. Funding for day care is approximately 29 percent general fund and 71 percent federal funds.

1. Committee Issues

2. Committee Action

LFA Budget - Page B-79, 80
Executive Budget - Page 351

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
ASSISTANCE PAYMENTS PROGRAM

GRANTS

COMMUNITY SERVICE BLOCK GRANT	<u>1990</u>	<u>1991</u>
Executive	\$1,060,664	\$1,060,664
LFA Current Level	<u>\$1,060,664</u>	<u>\$1,060,664</u>
Difference	\$0	\$0

-----Grants Issues-----

Both the LFA and Executive have include the most recent information available on federal authorization of grant funds for the 1991 biennium. These funds are 100 percent federal funds.

1. Committee Issues

2. Committee Action

LFA Budget - Page B-80
Executive Budget - Page 351

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
ASSISTANCE PAYMENTS PROGRAM

GRANTS

WEATHERIZATION	<u>1990</u>	<u>1991</u>
Executive	\$1,525,294	\$1,525,294
LFA Current Level	<u>\$1,525,294</u>	<u>\$1,525,294</u>
Difference	\$0	\$0

-----Grants Issues-----

Both the LFA and Executive have include the most recent information available on federal authorization of grant funds for the 1991 biennium. These funds are 100 percent federal funds.

1. Committee Issues

2. Committee Action

LFA Budget - Page B-80, 81
Executive Budget - Page 351

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
ASSISTANCE PAYMENTS PROGRAM

GRANTS

GENERAL ASSISTANCE	<u>1990</u>	<u>1991</u>
Executive	\$5,292,468	\$5,504,167
LFA Current Level	<u>\$4,841,184</u>	<u>\$4,955,904</u>
Difference	\$451,284	\$548,263

-----Grants Issues-----

The LFA and executive estimates for General Assistance are based on different assumptions about caseload growth and payment levels. Differences are also due to the time at which caseload estimates were made. The following is a comparison of the LFA and executive caseload estimates and payment levels.

	-----FY 90-----		-----FY 91-----	
	<u>Caseload</u>	<u>Payment</u>	<u>Caseload</u>	<u>Payment</u>
Executive	2,061	\$214	2,143	\$214
LFA	<u>1,912</u>	<u>\$211</u>	<u>1,912</u>	<u>\$216</u>
Difference	104	\$ 3	231	\$ 2

Both the LFA and Executive will adjust caseload estimates using the most current information available. Major issues the Committee will need to consider include:

1. Assumptions for estimating caseload growth.
2. Establishment of monthly payment levels.

1. Committee Issues

2. Committee Action

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
ASSISTANCE PAYMENTS PROGRAM

GRANTS

LOW INCOME ENERGY ASSISTANCE PROGRAM (LIEAP)	<u>1990</u>	<u>1991</u>
Executive	\$8,373,513	\$8,373,513
LFA Current Level	<u>\$7,650,544</u>	<u>\$7,650,544</u>
Difference	\$722,969	\$722,969

-----Grants Issues-----

The attached schedule shows the major difference in the LFA and Executive is in calculation of refunds.

Major issues for Committee consideration include:

1. Should the Department continue to use the full 10 percent of the grant award for state and local administration.
2. Should the Department continue to transfer 10 percent of the grant award to the Developmental Disabilities program.
3. Grant regulations allow transfer of up to 15 percent of the LIEAP grant to the Weatherization program. During fiscal 1988, approximately 8.4 percent of the grant award was transferred. The Committee may set the amount transferred during the 1991 biennium.
4. The Committee may adjust the recipient eligibility up to 150 percent of the federal poverty index.

1. Committee Issues

2. Committee Action

**LOW INCOME ENERGY ASSISTANCE FUNDS AND EXPENDITURES FOR
FISCAL 1988 THROUGH THE 1991 BIENNIUM
CURRENT LEVEL BUDGET**

FUNDS AVAILABLE	Fiscal 1988	Fiscal 1989	Fiscal 1990	Fiscal 1991
Grants	\$9,787,541	\$8,811,217	\$8,624,436	\$8,624,436
Carryover	\$1,542,908	\$3,016,162	\$2,572,791	\$2,296,140
Total Funds Available	\$11,330,449	\$11,827,379	\$11,197,227	\$10,920,576
EXPENDITURES				
Transfer Developmental Dis.	\$971,412	\$881,122	\$862,444	\$862,444
State Admin	\$419,115	\$396,505	\$388,100	\$388,100
Local Admin	\$407,424	\$396,505	\$388,100	\$388,100
Fuel Assistance Grants	\$6,298,329	\$7,000,000	\$7,000,000	\$7,000,000
Weatherization	\$824,551	\$1,187,000	\$862,444	\$862,444
Refunds	(\$606,544)	(\$606,544)	(\$600,000)	(\$600,000)
Total Expenditures	\$8,314,287	\$9,254,588	\$8,901,087	\$8,901,087
Ending Fund Balance	\$3,016,162	\$2,572,791	\$2,296,140	\$2,019,489

**LOW INCOME ENERGY ASSISTANCE FUNDS AND EXPENDITURES FOR
FISCAL 1988 THROUGH THE 1991 BIENNIUM
EXECUTIVE BUDGET**

FUNDS AVAILABLE	Fiscal 1988	Fiscal 1989	Fiscal 1990	Fiscal 1991
Grants	\$9,787,541	\$8,811,217	\$8,624,436	\$8,624,436
Carryover	\$1,542,908	\$3,016,162	\$2,386,247	\$1,929,596
Total Funds Available	\$11,330,449	\$11,827,379	\$11,010,683	\$10,554,032
EXPENDITURES				
Transfer Developmental Dis.	\$971,412	\$881,122	\$862,444	\$862,444
State Admin	\$419,115	\$396,505	\$388,100	\$388,100
Local Admin	\$407,424	\$396,505	\$388,100	\$388,100
Fuel Assistance Grants	\$6,298,329	\$7,000,000	\$7,000,000	\$7,000,000
Weatherization	\$824,551	\$1,187,000	\$862,444	\$862,444
Refunds	(\$606,544)	(\$420,000)	(\$420,000)	(\$420,000)
Total Expenditures	\$8,314,287	\$9,441,132	\$9,081,087	\$9,081,087
Ending Fund Balance	\$3,016,162	\$2,386,247	\$1,929,596	\$1,472,945

ASSUMPTIONS:

1. Ten percent of the grant award is transferred to the Developmental Disabilities Program.
2. Ten percent of the grant award is transferred to the Weatherization Program.
3. Ten percent of the grant award is used for state and local administration.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
ASSISTANCE PAYMENTS PROGRAM

GRANTS

AID TO FAMILIES WITH DEPENDENT CHILDREN	<u>90</u>	<u>1991</u>
Executive	\$39,605,634	\$41,190,978
LFA Current Level	<u>\$40,930,644</u>	<u>\$43,492,885</u>
Difference	(\$1,325,010)	(\$2,301,907)

-----Grants Issues-----

Major differences between the LFA and Executive result from assumptions used for establishment of payment levels and the time at which caseloads were estimated. The following compares the LFA and Executive payment levels and caseloads.

	-----FY 90-----		-----FY 91-----	
	<u>Caseload</u>	<u>Payment</u>	<u>Caseload</u>	<u>Payment</u>
Executive	9,868	\$333	10,263	\$333
LFA	<u>10,247</u>	<u>\$332</u>	<u>10,575</u>	<u>\$343</u>
Difference	(379)	\$ 1	(312)	(\$ 10)

Both the LFA and Executive will adjust caseload estimates using the most current information available. Major issues the Committee will need to consider include:

1. Assumptions for estimating caseload growth.
2. Establishment of monthly payment levels.

1. Committee Issues

2. Committee Action

**TENTATIVE AGENDA FOR FACILITY TOURS
AND EVENING MEETINGS**

Wednesday Jan 18

11:00 am - 1:00 pm

Tour of Helena Industries and Rocky Mountain Development Council which includes local Family Planning program, Food Commodities Distribution Center, Senior Citizens Center, the local Project Work program and the Area Agency on Aging. Lunch will be served at the Rocky Mountain Development Council's Daily Diner Club for Senior Citizens.

Friday, Jan 20

11:00 am - 1:00 pm

Tour of Developmental Disabilities programs including Westmont Rehabilitation Center, and the Family Outreach program. Lunch will be served at the Family Outreach Program.

Wednesday Jan 25

10:00 am - 11:00 am

Public Testimony for Vocational Rehabilitation and Visual Services Programs.

Thursday Jan 26

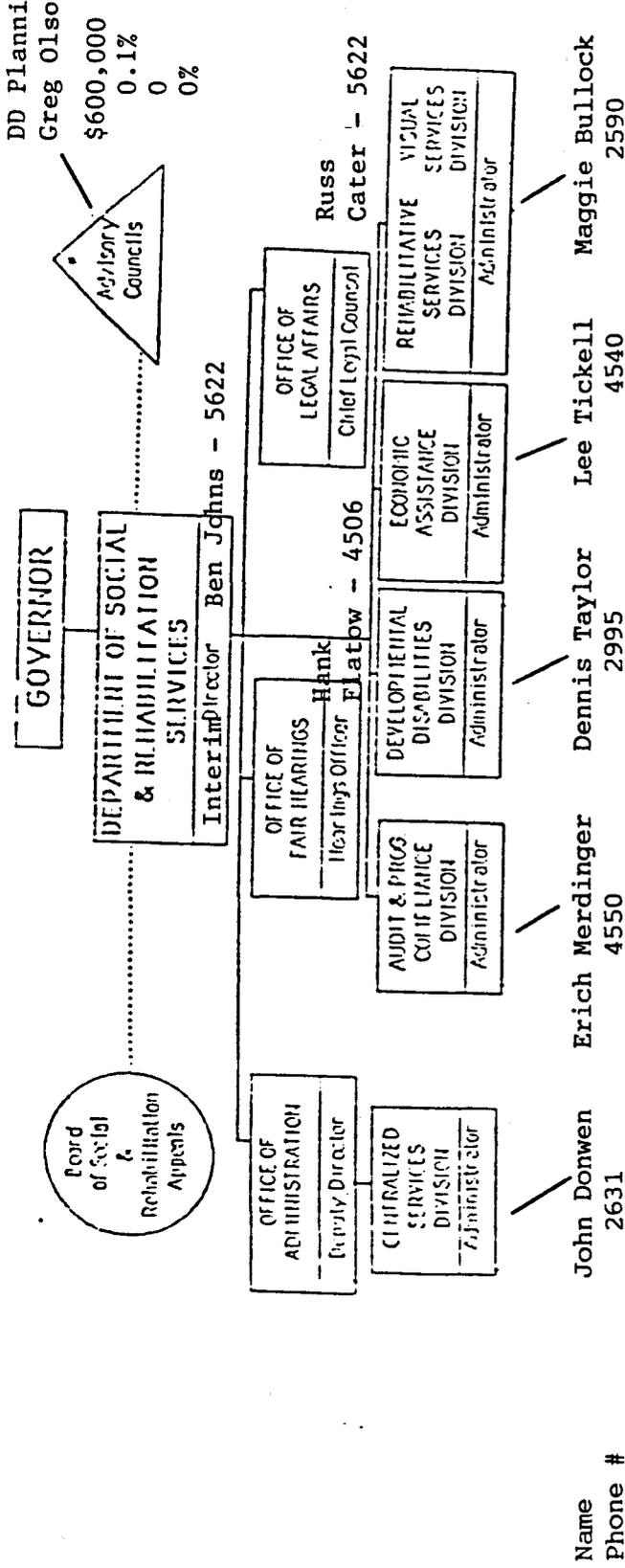
7:00 pm - 9:00 pm

Public testimony for Developmental Disabilities Services.

Tuesday Feb 7

11:00 am - 1:00 pm

Tour of a group home for emotionally disturbed youth and tour of Deaconess Home for Children. Lunch will be served at the Deaconess Home.



Total fund Biennial Request	\$5,940,841	\$2,730,426	\$42,774,909	\$540,568,718	\$23,254,190	Total Dept.	\$615,869,084
% of Total	1.0%	0.4%	6.9%	87.8%	3.8%		100.0%
Gen'l Fund Biennial Request	\$2,003,583	\$1,222,707	\$13,664,387	\$143,167,545	\$2,549,821		\$162,608,043
% of Total	1.2%	0.8%	8.4%	88.0%	1.6%		100.0%

1 1 1

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

The Department (SRS) administers the majority of the State's human Services programs including Aid to Families With Dependent Children (AFDC); General Assistance; Medicaid; services to the Developmentally Disabled; and services to the Vocationally and Visually impaired.

During the 1989 biennium, SRS expenditures will account for between 22-25 percent of all state general fund expenditures. Total current level budget for 1991 biennium is \$573,218,688. Approximately 9 percent of the agencies total budget is used for administration (\$51,589,000) and 91 percent (\$521,629,000) goes directly to benefit programs. Benefit programs are generally either direct cash payments to individuals (e.g. AFDC, General Assistance) or reimbursement to vendors who provide services to eligible recipients (e.g. medicaid, developmental disabilities, vocational rehabilitation, day care programs).

Organizationally, SRS is divided into 11 different programs:

1. **Assistance Payments** - includes AFDC; General Assistance; Low Income Energy Assistance (LIEAP); and a number of smaller benefit programs. Budget for 1991 biennium approximately \$63,000,000 per year of which \$18,000,000 is general fund.
2. **Eligibility Determination** - includes funding for county eligibility welfare staff, clerical staff and county welfare director. Primary function is determination of client eligibility for food stamps, AFDC, medicaid, general assistance. Budget for 1991 biennium approximately \$8,300,000 per year of which \$2,200,000 is general fund.
3. **Administration & Support** - includes the Director's office, legal staff, fiscal bureau, and data processing. Provides the agency's overall direction for policy, budgeting, and coordination of services. Budget for 1991 biennium approximately \$2,900,000 per year of which \$1,000,000 is general fund.
4. **County Administration** - includes the majority of operating costs for administration of the 12 counties where the state has assumed responsibility for the local welfare programs. Personal service costs and benefit costs associated with state assumption are included in the Assistance Payments, Eligibility Determination, and Medical Assistance programs. Budget for 1991 biennium approximately \$1,100,000 per year of which \$680,000 is general fund.
5. **Medical Assistance** - largest program in SRS and accounts for approximately 62 percent of total SRS expenditures. Includes medicaid program which for accounting purposes is divided into 3 sections: 1) medicaid reimbursement to nursing homes; 2) medicaid reimbursement to state institutions; and 3) medicaid reimbursement for primary care which includes hospitals, physicians, dental, and any other medically related services. Budget for 1991 biennium approximately \$180,000,000 per year of which \$57,000,000 are state funds.

6. **Audit & Compliance** - conducts audits of various programs administered by SRS, monitors the medicaid program to recover fraudulent claims. Budget for 1991 biennium approximately \$1,200,000 per year of which \$700,000 is general fund.

7. **Vocational Rehabilitation** - Provides a variety of services to handicapped persons with the intent of returning them to gainful employment. Includes Rehabilitation services; Extended Employment; Independent Living; and Supported Employment Programs. Budget for 1991 biennium approximately \$6,700,000 per year of which \$1,600,000 are state funds.

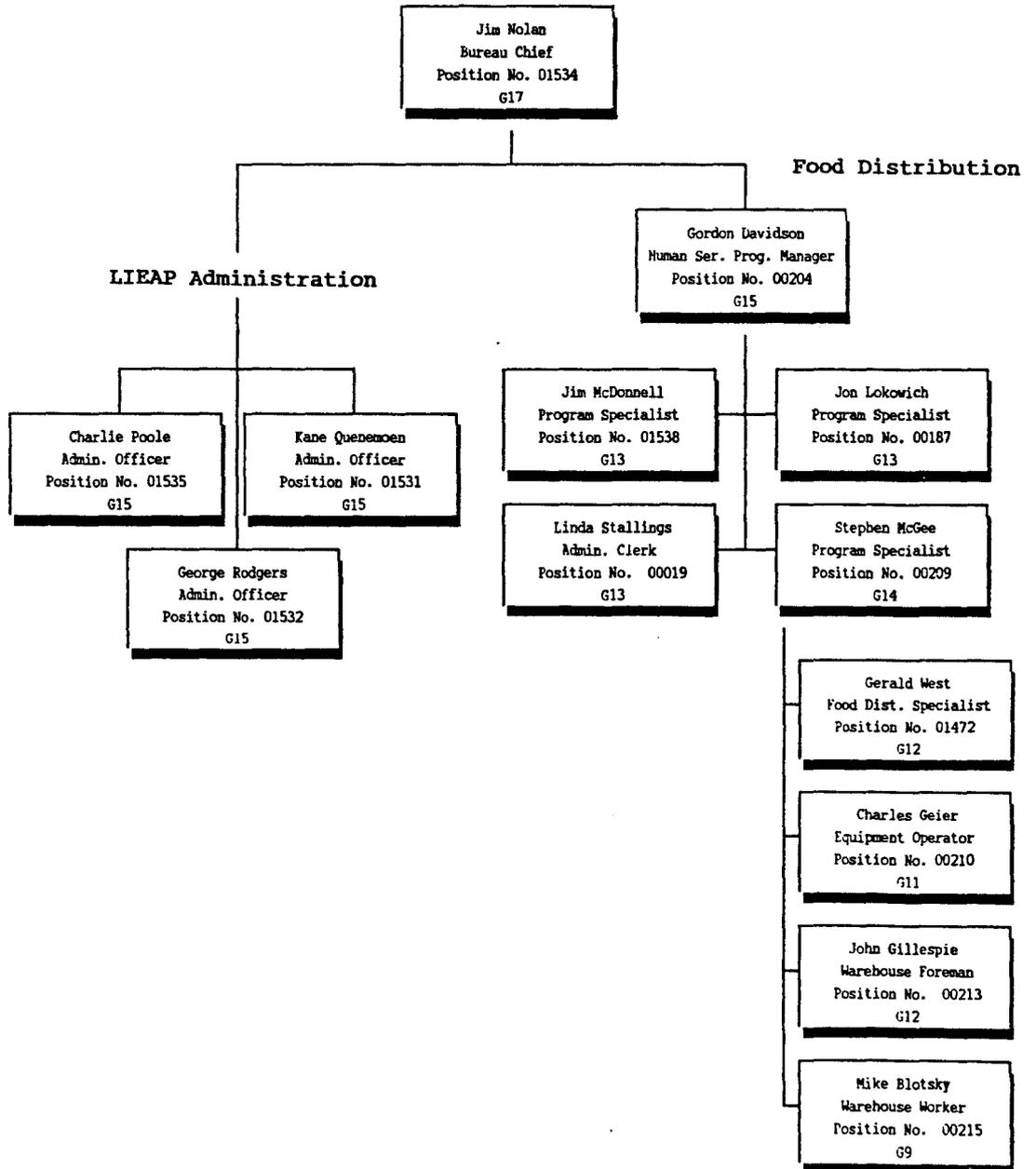
8. **Disability Determination** - Totally federally funded program that conducts disability determinations of Montana applicants for Supplemental Security Income (SSI), and Supplemental Security Disability Income (SSDI) benefits. Budget for 1991 biennium approximately \$2,500,000 per year. There is no general fund in this program.

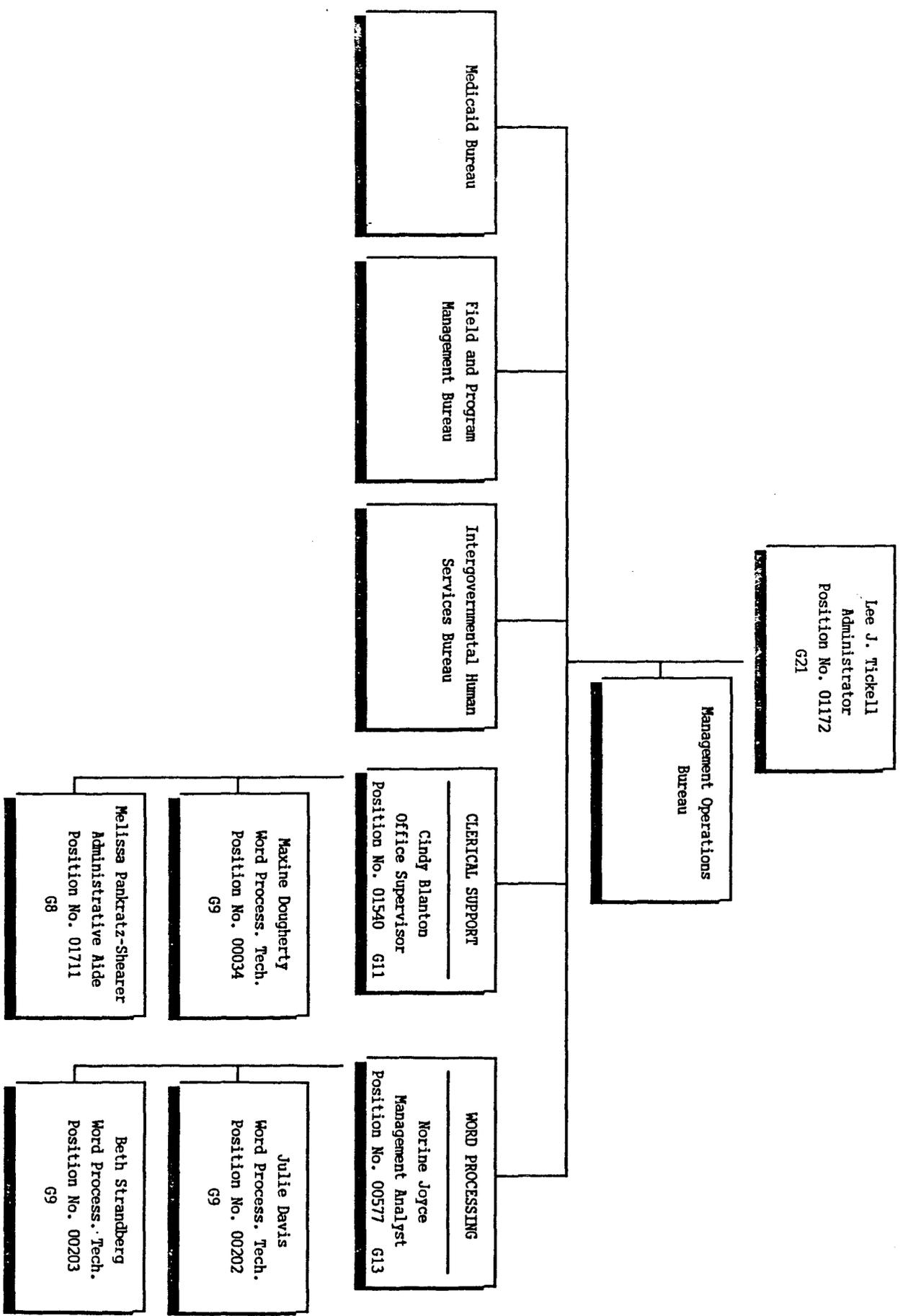
9. **Visual Services** - includes programs to assist visually impaired and blind persons. Budget for 1991 biennium approximately \$1,000,000 per year of which 260,000 is general fund.

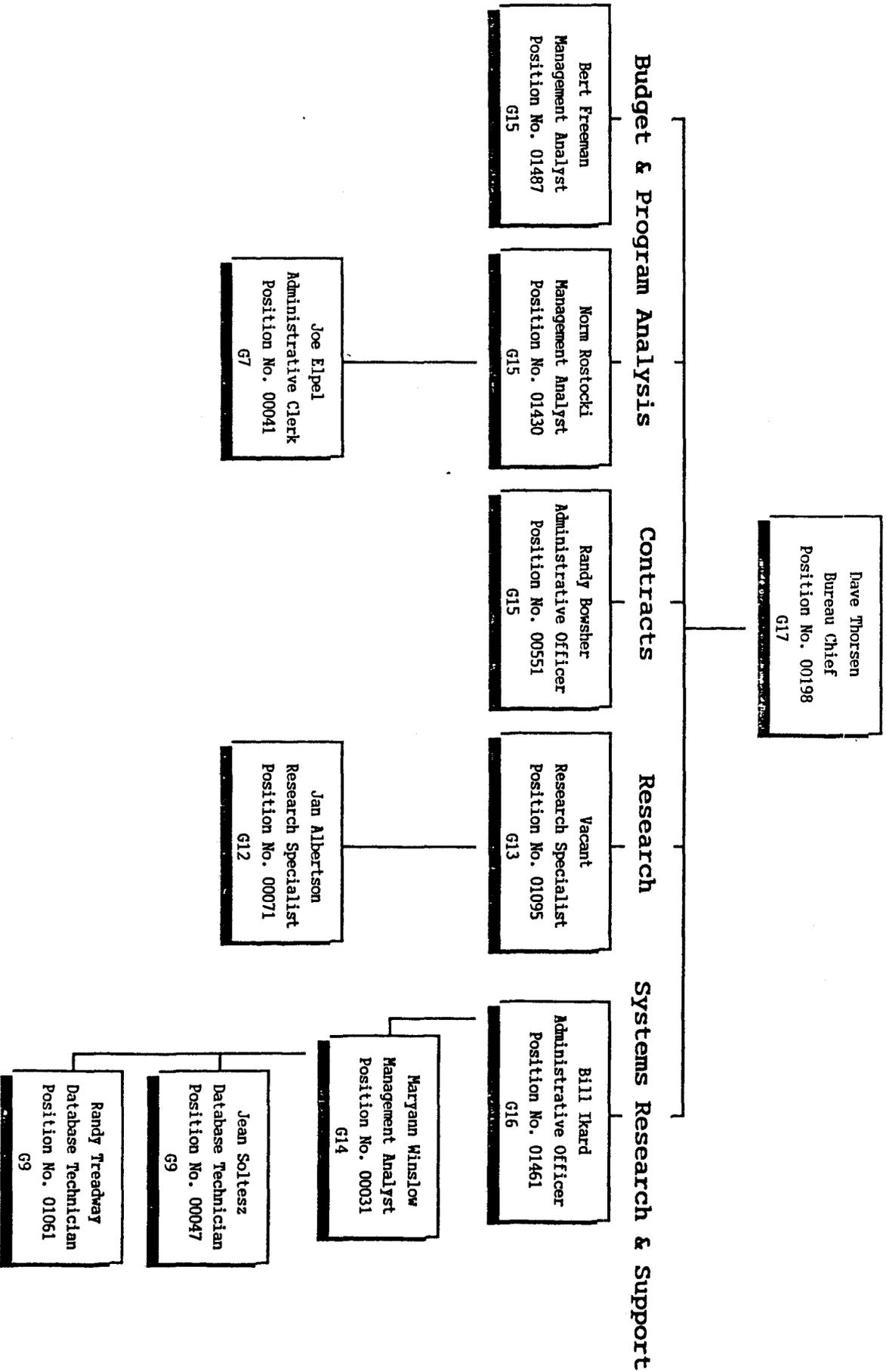
10. **Developmental Disabilities** - responsible for administering the state's network of community based programs for the developmentally disabled. Contracts with approximately 56 different local corporations to provide such services as group home care, sheltered employment, and specialized family care. Budget for 1991 biennium approximately \$20,000,000 per year of which \$6,000,000 is general fund.

11. **Developmental Disabilities Planning and Advisory Council (DDPAC)** - a federally funded program to local input and advise to state agencies regarding programs for the developmentally disabled. Budget for 1991 biennium approximately \$300,000 per year. There are no general fund in this program.

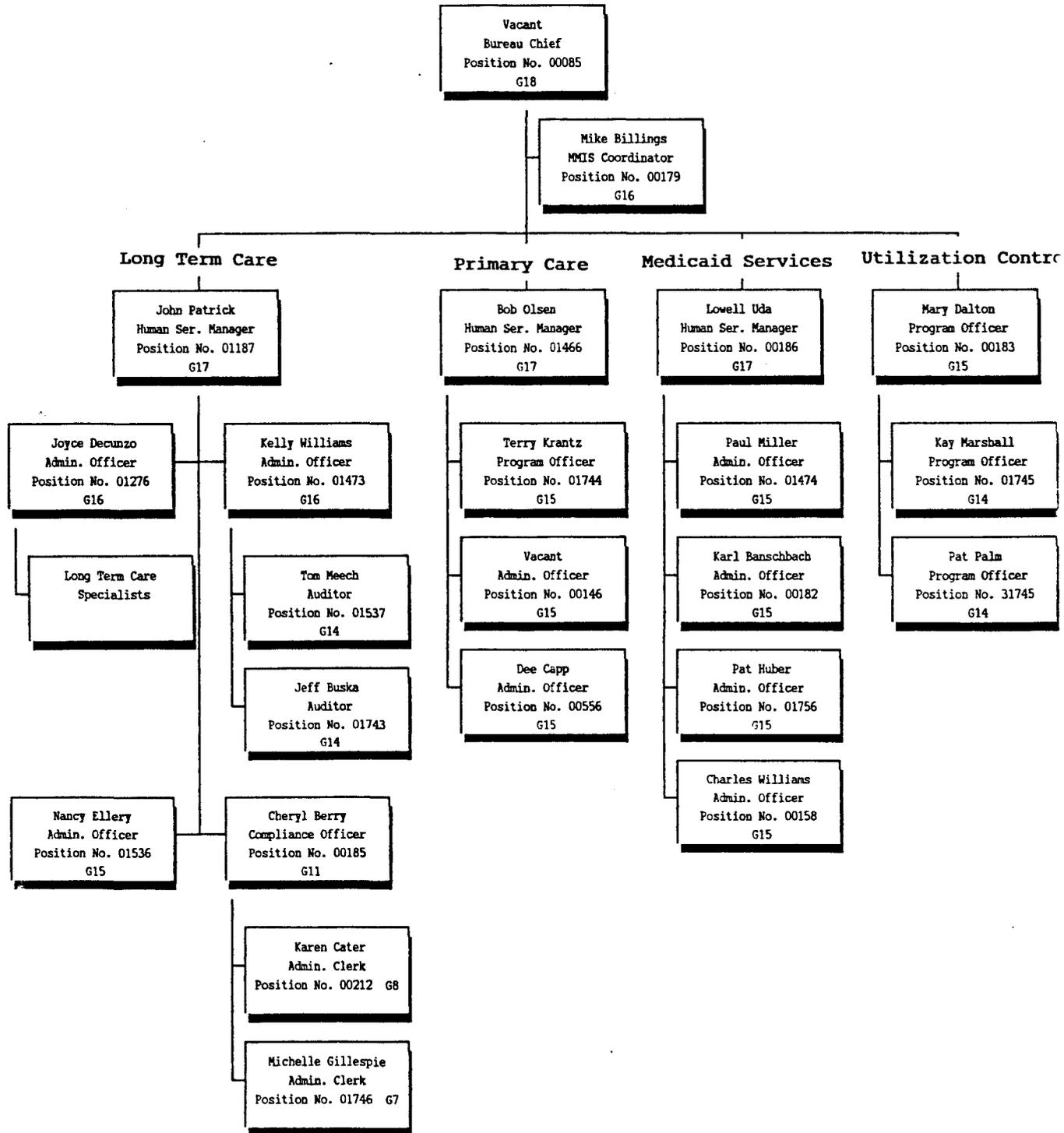
DEPARTMENT OF SRS
 INTERGOVERNMENTAL HUMAN SERVICES BUREAU
 ORGANIZATIONAL CHART



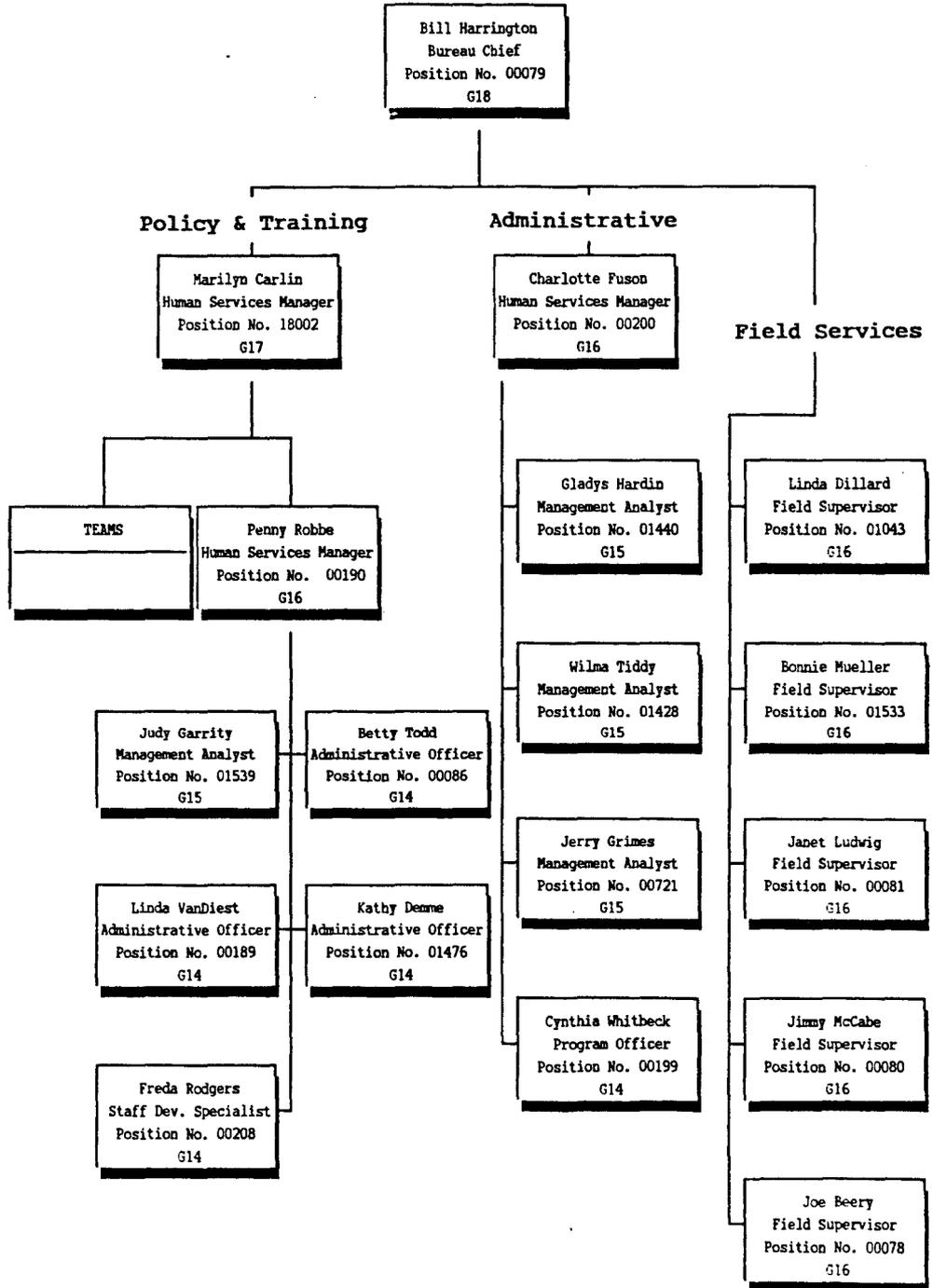




DEPARTMENT OF SRS
 MEDICAID BUREAU
 ORGANIZATIONAL CHART



DEPARTMENT OF SRS
 FIELD AND PROGRAM MANAGEMENT BUREAU
 ORGANIZATIONAL CHART



DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
Economic Assistance Division

EXHIBIT 6
DATE 1-13-89
HB _____

DIVISION CONTRACTS

(Contract costs are included in both operating costs and benefits and claims.) During each SFY, the Division enters into over 500 contracts to carry-out the programs for which it is responsible. These contracts represent a budget in excess of \$14,100,000.00. This figure does not include the Medicaid Claims processed by Consultec.

Of the 500-plus contracts, approximately half are in Program 01, Assistance Payments, representing a dollar figure of over \$8,000,000.00 and include the CSBG, LIEAP, Weatherization, Emergency Shelter, Solar Bank, Weatherization Training, Needy Family, TEFAP (Cheese), Capital Leasing, Food Stamp, IV-A Training, TEAMS, Exxon Overcharge, and Job Search Programs. Also included are the commodity contracts for the area agencies on aging and charitable institutions.

There are nearly 240 contracts in Program 07, Medical Assistance, representing a budget of over \$5,800,000.00. These contracts provide for services in Medicaid Peer Review; Indian Health; MMIS Implementation and Operations; and Utilization Control in Inpatient, Acute Care and Long-Term Care Facilities; Fair Hearings; Medicaid Audits; Preadmission Screening for Nursing Home Patients; Medicaid Waiver; and, Start-Up; physical exams for GA determinations of infirmity. Not included in the dollar amount but in the number of contracts are Long-Term Care Provider Agreements; and contracts for Family Planning, Mental Health, Home Health; Rehabilitation Services; Personal Care/RN Supervision; Medicaid Waiver and Home Dialysis.

There are less than twenty (20) contracts in Program 06, State Assumption, but they represent a budget of over \$340,000.00. Services in this program include FS Computer Record-keeping; State Medical Claim Screening and Processing; State Medical Dental Peer Review; FS operations in State Assumed Counties and Utilization Control in State Assumed Counties.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
Economic Assistance Division

SOLAR BANK

Purpose: To help low income people reduce energy costs by repairing or replacing faulty heating systems.

Program Operation: Designed to "buy down" one-half of the principal of no-interest loans offered by state's regulated utilities to facilitate furnace repair/replacements. Low income clients are responsible for the other half of the loan. We expect to serve 50 clients through 1988. Clients apply at local HRDC's.

Funding Source: 100% federal (Department of Housing and Urban Development)

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
Economic Assistance Division

FOOD STAMP PROGRAM
(Basic Eligibility)

The Food Stamp program was designed to promote the general welfare, to safeguard the health and well being of the Nation's population by raising levels of nutrition among low-income households.

Eligibility is determined by both financial and non-financial criteria established by Federal regulations. Some of those criteria are:

1. Household Size - People who purchase and prepare food together make up a food stamp household. Spouses, parents, children, and brothers and sisters who live together are usually counted in the same household.
2. Citizenship - Household members must be U.S. citizens or legal aliens.
3. Social Security Numbers - Each household member must furnish or apply for a Social Security number to participate in the program.
4. Work Rules - With certain exceptions, able-bodied people between the ages of 16 and 60 years of age are required to register for work and if appropriate, participate in the work programs.
5. Meet established income and resource limits.

Resources - Includes all the liquid and non-liquid assets the client legally possesses.

- Limitations

1. \$2,000 for households with no members over age 60.
2. \$3,000 for households in which one or more members over age 60.

Excluded Resources Include:

1. The home furnishings and personal effects.
2. Certain vehicles with a value of \$4,500 or less.
3. Property/Equipment necessary for employment.

Income - The Food Stamp program has two income tests established by Federal regulations and the federal poverty index. Those standards are set according to household size.

1. Gross Monthly Income (GMI) standard.
2. Net Monthly Income (NMI) standard.

The household income (after allowable disregards/exclusions) is tested against each of these standards. If the countable income excludes any one of these tests the household is ineligible for benefits.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
Economic Assistance Division

If the household meets both of these standards the maximum allowable benefits (Thirty Food Plan (TFP)) for the household size are reduced according to the amount of countable income.

<u>FAMILY SIZE</u>	<u>GMI</u>	<u>NMI</u>	<u>TFP</u>
1	626	481	90
2	838	645	165
3	1,050	808	236
4	1,263	971	300

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
Economic Assistance Division

NON-RESIDENT GENERAL ASSISTANCE

Non-resident General Assistance is provided by County Offices of Human Services or Departments of Public Welfare in all 56 counties. The general fund appropriation for the '89 biennium is as follows:

	<u>Non-Resident GA</u>	<u>Non-Resident Medical</u>	<u>Total</u>
FY 88	\$30,000	\$150,000	\$180,000
FY 89	\$30,000	\$150,000	\$180,000

Services Provided: Non-resident General Assistance is provided to persons traveling through the State and faced with lack of resources to return to their state of origin or destination. These funds are available to all counties only for transportation. Non-resident Medical Assistance is available to all 56 counties for treatment of accidental injury while in the State. Lodging and meals or treatment for illness can be provided by State administered counties from general assistance or State medical funds. State supervised counties supply these services from County poor funds.

Rationale: Persons unable to reach their homes or destinations due to unforeseen circumstances should be helped, as a humanitarian gesture, to reach their destination. Secondly, assistance prevents such transient persons from being forced to stay in the State without resources, becoming eligible for more expensive State assistance.

Statistics other than total cost have not been tallied for this program.

Contact Persons:

Lee Tickell
Penny Robbe
Dave Thorsen

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
Economic Assistance Division

MONTANA LEGAL SERVICES ASSOCIATION

Funding: \$100,000 FY88
\$100,000 for FY 89
Biennium Total \$200,000 General Fund

Service Provided: This contract provides legal assistance for general assistance recipients who claim disability in applying for and/or appealing decisions on Social Security disability eligibility. Service is provided by Montana Legal Services Association (MLSA) in the 12 State administered counties: Cascade, Deer Lodge, Flathead, Lake, Lewis and Clark, Lincoln, Mineral, Missoula, Park, Powell, Ravalli and Silver Bow. Clients must be referred to MLSA by County Human Services Offices.

Rationale: If persons receiving general assistance are eligible for Social Security disability payments both the client and the State benefit from the determination and payment by Social Security. Social Security disability payments are larger than payments allowed by general relief, do not require monthly eligibility redetermination and are paid with federal funds, transferring cost from the State General fund.

To date, (from July 1, 1985 through December, 1988) the contract has

Referred:	1117
Outcome:	
Favorable	379
Unfavorable	62
Client withdrew	111
Still in process	565
Completed	552
% Completed favorably	69%

Cost to State: FY 1986	\$29,350.40
FY 1987	50,328.73
FY 1988	84,163.30
FY 1989 (thru December, 1988)	40,490.13
Total to date	\$204,332.56

Savings: based on \$212.00 monthly payment for 24 month average.
 $\$212 \times 379 \times 24 = \$1,928,352$

If percentage successful remains constant, 69% or 390 of the still in process cases will be transferred to S.S.I., saving the State an additional estimated amount of \$1,984,320 ($\$212 \times 612 \text{ cases} \times 24 \text{ months}$).

This is a minimum savings, reflecting only amounts repaid to counties. In actuality, the contract saves the State the amount of general assistance (\$212 for one person) for the total amount of time the person receives SSI. The Social Security Administration was unable to provide data on how long SSI recipients receive assistance.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
Economic Assistance Division

IV-A TRAINING

IV-A refers to Title IV-A of the Social Security Act which covers the requirements of the AFDC program. When we speak of IV-A training we are speaking of training provided to those of our staff who are involved in administration of the AFDC program.

The role of the IV-A Training contract is to plan and conduct group or individual learning sessions for state and local staff for the purpose of better preparing them to undertake their jobs and to serve clients in a more effective and efficient manner.

The funds for this training are provided through a contract with Continuing Education at the University of Montana. The University provides the necessary 50% match to obtain the Federal funds. There is no general fund money involved in the contract. The University sends their share to SRS quarterly and is in turn reimbursed when they bill for services provided. The total dollar amount in this contract is \$150,000. The University share is \$75,000.

The IV-A Training Contract provides training in the following areas:

Initial in Service Training: This training session is a week long and is for newly hired eligibility technicians. The grant funds lodging and per diem for those participating as well as providing necessary instruction.

Continuing Agency Training: Workshops aimed at improving professional and technical competence based on needs of the employee and/or the agency.

In FY 89 we will have 20 to 22 two day programs plus the four Initial in Service training sessions. These programs average 16 hours each for a total of 320 hours serving a possible 400 staff.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
Economic Assistance Division

FOOD STAMP JOB SEARCH

SRS contracts with the Job Service Division, Department of Labor and Industry to administer this program. The contract for FY89 is for \$230,627.

Services Provided: This contract provides assistance to and supervision of food stamp recipients in a federally required, structured search for employment. Service is provided in accordance with manual guidelines by Job Search offices in Cascade, Flathead, Lewis and Clark, Missoula, Silver Bow and Yellowstone Counties. Food stamp recipients who are not exempt are referred to Job Service by the County Office of Human Services. Recipients may be disqualified from participation in the Food Stamp Program for 2 months if they do not comply.

Rationale: More Food Stamp recipients can find employment if personal guidance and assistance is available. Employment reduces or eliminates the need for food stamp assistance and helps the recipient or family to a better standard of living with less reliance on assistance programs.

Statistics: Monthly referral goals are as follows:

Billings	130
Great Falls	98
Missoula	130
Kalispell	33
Butte	32
Helena	32

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
Economic Assistance Division

TITLE IV-A DAY CARE

Title IV-A Day Care funds are provided through a matching of approximately 70% federal and 30% general funds. SRS acts as the pass through agency to the Department of Family Services which administers these funds.

Title IV-A Day Care is provided to children of AFDC recipients who enter employment-related training (including attending high school) in all Montana counties.

Title IV-A Day Care is not provided to AFDC recipients who have employment. Instead, those recipients are given a disregard from their earned income to offset the cost of child care. That day care disregard cost is reflected in the total AFDC benefit cost.

In FY 89, Title IV-A Day Care was budgeted at \$524,965 federal funds and \$215,361 general fund.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
Economic Assistance Division

COMMUNITY SERVICES BLOCK GRANT (CSBG)

Purpose: To address the causes of poverty at the local level.

Beneficiaries: Persons below the poverty level.

Program Operation: By state and federal law, program is contracted to local Human Resource Development Council. Each HRDC has a Board of Directors which formulates an annual work plan to address locally recognized problems of poverty.

HRDC's provide a variety of services and activities having a measurable and potentially major impact on the causes of poverty.

Local HRDC's are:

Action for Eastern Montana, Glendive
District IV HRDC, Havre
Opportunities, Inc., Great Falls
District VI HRDC, Lewistown
District VII HRDC, Billings
Rocky Mountain Development Council, Helena
District IX HRDC, Bozeman
Northwest Montana HRDC, Kalispell
District XI HRDC, Missoula
District XII HRDC, Butte

Funds are distributed through a formula based on each area's proportion of the state's low income and total population. All agencies receive a base grant.

Examples of services are establishment of Food Banks, distribution of surplus commodities, provision of day care for low-income working mothers, provision of emergency assistance such as transportation and housing.

Funding Source: 100% federal (Department of Health and Human Services)

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
Economic Assistance Division

WEATHERIZATION ASSISTANCE FOR LOW-INCOME PEOPLE

Purpose: To conserve energy and enable Low-Income people to reduce energy costs.

Beneficiaries: Households below 125% poverty (currently \$14,563 for a family of four). In FY89 an estimated 2,300 homes will be weatherized.

Program Operation: Contracted with state's HRDCs. Eligible households receive an energy audit which determines what work will be done. Potential measures include:

1. Caulking
2. Insulation
3. Heating system inspection and modification
4. Trailer Skirting
5. Storm windows/doors
6. Incidental repair.

Homes are done as they advance to the top of a priority list which establishes preference for the elderly, handicapped and high energy consuming homes.

No more than \$1,600 average per home may be expended.

Funding Source: 100% federal (Departments of Energy and Health and Human Services; oil overcharge funds).

MONTANA LEGAL SERVICES ASSOCIATION

801 N. LAST CHANCE GULCH
HELENA, MONTANA 59601
(406) 442-9830
1-800-332-6124

1-13-89
Exhibit 6

NEIL HAIGHT
DIRECTOR

RUSSELL LAVIGNE, JR.
MANAGING ATTORNEY

January 12, 1989

Joint Subcommittee on Appropriations-Human Services

Chairman Bradley-Members of the committee:

Under a contract with the Montana Department of Social & Rehabilitation Services (SRS), Montana Legal Services Association (MLSA) represents General Assistance recipients in claims for SSI disability benefits. This results in a less austere maintenance level for a number of disabled persons, relieves Montana of General Assistance payments and reduces state medical costs.

Without representation many disabled persons are denied SSI benefits. This is demonstrated by the fact MLSA must pursue over 60 % of its cases to the hearing level at which level the success rate is currently 80%. Disabled persons receive \$ 368 per month SSI compared to \$ 212 a month General Assistance. This is a very significant sum at that income level. The stability afforded by SSI is also very significant because these disabled persons typically have no other source of maintenance.

SRS records show 350 cases moved from General Assistance disability benefits to SSI disability benefits since the start of this program in 1986. A sampling of those cases indicates a whopping two million dollar saving in General Assistance monthly expenditures (not including the saving in medical cost). This has been accomplished at a cost of \$ 350,000 over three and one-half years.

Attached are summaries of program operations from 1986 to date. These show somewhat lower figures than those from SRS. Savings to the state are given as minimum figures and do not include projected savings beyond one year. Also MLSA records are kept by hand and lag considerably behind the computerized records of SRS.

Respectfully submitted,


Neil Haight

Attachments
NH/gb

FIRST HALF OF FISCAL YEAR 1989-GA/SSI CASES

Contract: \$100,000

Total of Closed Cases	115
WON	52
LOST	10
MOVED	24
WITHDREW	18
NO MERIT	<u>6</u>
TOTAL	115

94% of Completed Cases Won

Projected Total For Full Year

WON	104	\$ 160,000 minimum net savings to the State
-----	-----	---

GA/SSI For Fiscal Year 1989-Through 12-29-88

Won	52	Extrapolate 104 for total year
Lost	10	
Moved	24	\$3240
Withdrew	18	\$1740
No Merit	11	\$ 840
<u>TOTAL</u>	115	\$5820

Interview & Application

Won	13	
Moved	8	\$480
Withdrew	11	\$660
No Merit	6	\$120
<u>TOTAL</u>	38	\$1260

Reconsideration

Won	7	
Moved	12	\$1380
Withdrew	5	\$ 660
No Merit	4	\$ 360
<u>TOTAL</u>	28	\$2400

Hearing

Won	31	
Lost	8	
Moved	4	\$1380
Withdrew	1	\$ 420
No Merit	1	\$ 360
<u>TOTAL</u>	45	\$2160

Appeals Council

Won	1
Lost	<u>1</u>
<u>TOTAL</u>	2

Federal Court

Lost	<u>1</u>
<u>TOTAL</u>	1

77% of complete cases WON
82% of hearings WON
Extrapolate 104 for fiscal 89=
a \$160,000 net savings to the State

FISCAL YEAR 1988-GA/SSI CASES

Contract \$100,000

Total of Closed Cases	122	
WON	85	\$ 112,500 minimum net savings to the State
LOST	13	
MOVED	15	
WITHDREW	4	
NO MERIT	<u>5</u>	
TOTAL	122	

Hearing Level and Above:

Won 81%
Lost 19%

87% of Completed Cases Won

FISCAL YEAR 1987-GA/SSI CASES

		Contract \$100,000
Total of Closed Cases	87	
WON	66	\$ 65,000 minimum net savings to the State
LOST	6	
MOVED	9	
WITHDREW	3	
NO MERIT	<u>3</u>	
TOTAL	87	

91% of Completed Cases Won

FISCAL YEAR 1986-GA/SSI CASES

Contract: \$ 100,000

Total of Closed Cases	136	
WON	105	\$ 162,500 minimum net savings to the State
LOST	7	
MOVED	15	
WITHDREW	6	
NO MERIT	<u>3</u>	
TOTAL	136	

94% of Completed Cases Won

EXHIBIT 1
DATE 1-13-89
HB _____

WITNESS STATEMENT

NAME Pat George BILL NO. _____
ADDRESS 1160 Lost Mine Loop Ms1a 59803 DATE 1/13/89
WHOM DO YOU REPRESENT? Mt Alliance for Better Child Care
SUPPORT _____ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

I sincerely and strongly encourage you to lift
the freeze on state-paid day care.
Thank you.

WITNESS STATEMENT

NAME Misty Nelson BILL NO. _____
ADDRESS ST. Thomas Child + Family Center
416 23rd St. N. Great Falls MT 59401 DATE 1-13-89
WHOM DO YOU REPRESENT? MT. Alliance for Better Child Care
SUPPORT _____ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Consider removing the freeze on state-paid
child care, please.

WITNESS STATEMENT

NAME Billie Warford BILL NO. _____
ADDRESS 10 W. Cleveland Bozeman DATE 1-13-89
WHOM DO YOU REPRESENT? MT Alliance for Better Child Care
SUPPORT _____ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Please consider removing the freeze
on state paid day care.

WITNESS STATEMENT

NAME Charlene C Madden BILL NO. _____
ADDRESS 204 Simons Drive Msl. Mt DATE 1-13-89
WHOM DO YOU REPRESENT: Montana Alliance for Better Child Care
SUPPORT _____ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

I urge you to remove the freeze on the rate the state pays for child care and to increase the reimbursement rate by \$1.50 beginning July 1, 1989 and another .50 July 1, 1990.

the eligibility and deliver the benefits for the low income energy assistance program. Under contract with the human resource development councils, benefits for weatherization are contracted out, and in many cases, contracted out to private construction firms to do the weatherizations. We also have contracts for emergency shelter, that is local delivery of temporary shelter for homeless people. In many cases we deliver weatherization training through contract. We contract with a local firm to store commodities in a warehouse, even tho state employees do deliver those commodities and through state owned trucks actually provide for their transportation. Much of the development of the teams, that is sthe economic assistance management system long life eligibility system will be done through a private contractor. And so listed, there are several of the major programs, where the delivery of those services are done by contracts. And that certainly represents the biggest line item operating expense within the program for one assistance payment. Again, I could go into a lot of detail with, but I don't want to go into detail where your not interested so maybe I could just answer any questions you have about the contracts we have.

Rep. Cody - Just as a matter of curiosity, --? in the middle there, these contracts provide for services in Medicaid per-EO-per review for Indian Health. What are we doing in Indian Health?

Madam Chair, Rep. Cody - Any Part of the Medicaid program that is Indian Health Service is again, 100% Federally funded. Essentially what we're doing is, through 100% federal funds,

paying for the Medicaid-eligible Indians who are served by the Indian Health Services. It really amounts to simply a pass through ~~of federal-funds-~~ 100% federal funds to pay for services provided by the Indian Health Services for Medicaid eligible ~~Indians--~~ people served.

Rep Cody - You mean the money passesthrough the Dept. of SRS for the Medicaid people who are on public health or Indian Public Health?

Speaker - Madam Chair- yes that is correct.

Rep. Cohen ? - On these contracts that you give out, do you have in your contracts, I mean what if they aren't following their contracts correctly or for example, like food stamps to the counties, I remember oneauditor's review was saying the county was doing a poor job I believe of controls and such, Gail Grace (?) said well what can you do. But what cazn you do if they're not doing a good job of controls and such, protecting those food stamps from just disappearing and such? Are you doing somet-ing now about it or hell you could choose say we could write them a letter but the concern is on these big contracts. is we don't have ~~any~~ ^{good} controls. I think it gets sloppy out there by some of these contractors and it doesn't give a good impression and it's not good for the state.

Speaker - Madam Chair, Rep. ? - I think there's two levels of enforcement that we undertake. The first level is that we want to try to work with that contractor to make sure that the terms and-~~eeditions~~ conditions of the contract are met. Within the

contracts there are certainly a variety of internal control requirements, there are a variety of how many hours the issuance point has to be open, timeliness of providing some reports, and a whole variety of things. And where we find non-compliance in fact, one of the staff people on the organizational chart deals with a great deal of that time is spent on issuance contracts. So we try to work with that contractor to bring compliance because quite honestly, we're under the federal gun to make sure that it is complied with. The second level is if they simply can't do it, or if they simply can't comply, then we can go out and competitively bid for a new issuance source. In fact we have done that, in fact many times we have done that within the state we have contracted for armored security service to actually provide for the distribution of food stamps and the issuance of those to the clients. We have those two levels of control and we do engage in both.

- Madam Chairman, two more questions.

Have you ever had contracts you've had to revoke or say we aren't going to use you as a contractor any more because they weren't doing their job properly. Do you give them a lot of warnings? I'm trying to figure out if there is a problem out there or not?

Speaker - I think typically in working with the contractors they are interested in coming into compliance. I can't think of one we have cancelled. I can think of a couple of isolated cases where it got serious enough that we said look either correct it or we'll have to go out from here. There have been a couple

instances of that.

Rep ? - And they cleaned up their act (?) and stuff?

Speaker - Yes

Chairman Bradley - Where's the committee? Let's take a ten minute break and start again at twenty to.

Chairman Bradley - Any other questions?

Speaker - Unless there are any other questions on ^{contract} operating expenses I was going to start getting into

