

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON HUMAN SERVICES

Call to Order: By Dorothy Bradley, on January 23, 1989, at 8 a.m.

ROLL CALL

Members Present: All members were present.

Members Excused: None

Members Absent: None

Staff Present: Peter Blouke, LFA

Announcements/Discussion: Chairman Bradley said there would be some variation in the schedule.

HEARING ON MEDICAL ASSISTANT

Tape No. 152

Presentation and Opening Statement: Dr. Peter Blouke referred to the committee books and a sheet called "forecast tables, consumer price index." Exhibit 1. He discussed the questions raised on the inflationary increases for medical care and pointed out the medical component of the CPI is the current price index from Warton's Econometric. He said in the medical care component shows the inflationary increase as projected by Warton is 6 1/2% for '89, 6.6% for '90 and 6.7% for '91. He said there were sheets in the packet. See Exhibit 2 options for the medicaid primary care budget and there were an infinite number of ways they could be put together. He explained option 1, and said there are two principle groups served by the Medicaid program, the AFDC and the SSI, each having different demographics, different utilization rates for the services. He said projections are made for each, then combined for the over all Primary Care Program. He said under option 1 he had projected \$86,663,962. This would be the most current projection for the cost of the Primary Care Program during FY 89. Dr. Blouke projected a 3 1/2% case load growth for both 1990 and 1991. He thought perhaps after hearing some of the Welfare Reform, Training Programs, etc., this might be projected downward somewhat.

Dr. Blouke went through the options, saying Option 1 was the base for the other options. He mentioned there was no fee increase for doctors. Chairman Bradley pointed out the OB rate being frozen at \$650 and the cost of delivering a baby is about \$1,000.

Testifying Proponents and Who They Represent: Dr. Peter Blouke from LFA, Lee Tickle from SRS, Mona Jamison from Montana Speech, Language and Hearing Association, Rosemary Harrison from Montana Speech, Language and Hearing Association (MSHA), Pat Engles-an audiologist from Butte, Patricia Bartz-a speech pathologist in Helena, Beverly Reynolds-speech pathologist on the faculty of UM's Department of Communications, Michael K. Wynne-an assistant professor in the UM Department of Communications, Sciences and Disorders, Janet Alarid-a mother, Steve Pillatzke-citizen, Connie Mulcachy-mother, Kay Dinwiddie-mother, Roger Hall-citizen, and Robert Ryan-citizen.

Proponent Testimony: () Lee Tickle, SRS, said they had 1 1/2% each year for physician increases and last year under the instruction of the committee, the department allocated the increase as deemed appropriate. Some of the physicians received raises of 8 or 9%, some got 0%.

Dr. Blouke discussed page B-112, and referring to parts of handout. See Exhibit 3, the Federal Requirements for Services. He read part of the statute from both Federal and State requirements, and from the LFA book beginning on B-112.

Discussion was held between Mr. Tickle and the Committee members on working with the providers to determine what is considered a necessity. He said it would need more administration funds, and pointed out the numerous drugs that could be handled generically with computer, doctors and pharmacists.

Dr. Blouke referred to Exhibit 4, a sheet which includes not only the medical needy but some other optional categories the state includes. He read them off as those eligible for cash assistance except for institutional status, AFDC children under 18 and expecting to graduate before age 19 and those AFDC eligible if the state applied categorical coverage to all AFDC groups. He said the budgetary impacts, as of Feb. 1988, showed by eliminating the medically needy it would impact approximately 2,345 recipients and the total savings would be approximately \$8 million per year of which about 29% would be general fund. Mr. Tickle explained that these are people who are extremely poor and it would be a real hardship on them. He said he felt if the committee were to pursue this route the LFA, the Budget Office and the Department would have to be sure they specify those who can be cut under catastrophic care. In answer to Rep. Cody's question she was told some of these would become destitute

and meet the requirements for cash recipients.

Mona Jamison passed out letters which she had received during the weekend detailing the needs of the recipients for the services as explained by the providers. See Exhibit 6. She said the Association was here to testify on two points. 1) support medicaid optional benefits for Speech Pathology and Audiology and 2) an increase in the reimbursement for Speech Pathologists. She said they will be providing information for the committee.

Rosemary Harrison spoke in support of Speech Pathology and Audiology benefits. She said the MASHA Medicare, Medicaid committee along with SRS worked to form cost containment guidelines. She said as a result the available billable hours per client per year dropped from 200 to 70, with an additional 30 available only after peer review and prior approval by the Department.

Pat Engles said she had worked with the Easter Seal program and had seen first hand the effects in Wyoming where there was no optional medicaid services offered.

Patricia Bartz spoke in support of the optional benefits and stressed the need for care in the rural areas.

Beverly Reynolds urged continuation of Speech Pathology.

Michael K. Wynne spoke in support of the optional benefits. Since 1987 they have revised the definition for services to provide hearing aids under the Medicaid provision. Since that time has we saved the state \$60,000 without reducing the number of patients they had seen in the state of Montana.

Janet Alarid spoke in support of the optional benefits and said her son is receiving speech therapy and family training on a weekly basis.

Steve Pillatzke said four years ago he was in a car accident and was brain injured. He said he spent three months in the hospital in Great Falls, then had therapy. They got him to where he could maintain himself in Helena Industries.

Connie Mulcachy urged the committee to maintain the optional services. She introduced her son, 3 1/2 years old. He has been in speech therapy about 6 months. In testing through Head Start he has shown an age 5 ability and she does not want his speech problem to interfere with his learning ability.

Kay Dinwiddie has a daughter who was born with spinal bifida and one of the things that if affected was her talking. She said without speech therapy she would not be able to communicate.

Roger Hall said he had been in a car accident when he was five years old and lost his speech. He said he has worked with a speech therapist and he had gotten it back. He said they have a daughter three years old who is taking speech therapy and is beginning to talk. He urged support of the services.

Robert Ryan said he had crashed a motorcycle and received a serious head injury. He said he had been in a coma and when he came out of it, he could not walk or talk. He received services both in the hospital and later at home. He urged support of the services.

Questions From Subcommittee Members: Senator Keating asked if the same rate was used for inflation and Dr. Blouke said there were varying rates.

Chairman Keating pointed out the change that would be made in the LFA book to correspond with these options. Dr. Blouke said, for the committee's information he had calculated the cost for each 1% increase in fee base provider and it is \$1,221,000, of which \$346,000 is the general fund cost.

Senator Keating asked for the general difference in option 5 and Dr. Blouke said he had included the same consumer price increase for all the services.

Senator Keating asked about the different services. Chairman Bradley said this was sort of up to the committee. She said inflation is a big issue, and yet the Appropriations committee had made the decision to ignore it, at least for the present. Sen. Keating said there are two ways to look at it, to budget according to the needs, or to budget according to the money available.

Lee Tickle said one of the principles of the Medicaid Program that the Federal Government requires of the state is that fees have to reflect sufficient payment to ensure that people statewide have access to the program. He said there are some areas in Montana where there is trouble gaining access to services.

Mr. Tickle answered some questions in regard to the law suits on general assistance and eye glasses, dentures and hearing aids, and said this was mostly based on the equal protection clause.

Sen. Keating asked if there were a way to charge recipients on ability to pay.

Chairman Bradley suggested the committee look at the California language applied to Montana and tomorrow hold a hearing on the implications of language and that Dr. Blouke explain

what kind of savings we could pull out, the cost to contract the necessary work, and inflation implications.

Sen. Keating asked about the bidding process for contracted services. He was told the medicaid federal regulations say you have to ensure freedom of choice, so we can do this only in a limited way.

Rep. Cobb asked Ms. Bartz what is the total of the medicaid patients to non-medicaid patients that you treat over all. Ms. Bartz answered 50%. Rep. Cobb asked what is the charge to non-medicaid patients and said she could not answer for others but they charged \$44 an hour.

Sen. Van Valkenburg asked Beverly Reynolds if there was written testimony she could provide to the committee, especially on restricting these services to the medically necessary and the impact on preschool children. She said she could get some.

HEARING ON OBRA

Tape No. 2, side B, 000

Presentation and Opening Statement: Rose Hughes, Executive Director of the Montana Health Care Association, passed out Exhibit 8. She said basically what the federal government handed down was a mandate to the nursing homes that they had to provide the services and a mandate to the states to pay for them. She referred to a document which is a study done by the MHCA in conjunction with a national accounting firm that deals with Medicaid and Medicare reimbursement issues.

Testifying Proponents and Who They Represent: Rose Hughes the Executive Director of the Montana Health Care Association, and Lee Tickle from SRS.

Proponent Testimony: Lee Tickle said the major disagreements between the department and the MHCA were in the assumptions used in the MHCA report. He said the principle difference was the assumption about the nurse's aids in the coming biennium. Ms. Hughes had said the average wage for those individuals would go up by about 31 cents an hour. SRS made the assumption there were around 2,100 nurse's aids in those facilities. It now appears there are around 2,100 FTE, but around 3,200 individuals that rotate through. SRS assumed a 50% turnover, MHCA data would indicate about 84% turn over. The increased turn over, the need to train those people, and all those FTE are not one single people but some are filled by 2 half time or 3 third time or some combination result in

different fiscal impact of OBRA.

Discussion was held on the training, turnover rate, etc., and how it might be addressed since it is not in the Governor's budget. Lee Tickle said the assumption had been that the training could be done through local training programs, but was not sure it would be practical in rural areas.

Questions From Subcommittee Members: Sen. Keating asked if the Job Training Act could be used for nurse's aid training and was told by SRS that the department had been thinking of it.

Chairman Bradley asked if this was the assumption the aids would pay for their own training and Mr. Tickle said yes. Ms. Hughes said nurses aids are minimum wage positions.

In response to a question from Chairman Bradley on how the minimum wage fits into this equation she was told by Mrs. Hughes that if the minimum wage was increased the cost would be more.

Rep. Cobb asked if all the cost were for medicaid. Ms. Hughes said their figures are for medicaid only. Sen. Keating asked about the level of care currently being provided in nursing homes. Mrs. Hughes said the level of care in this state is excellent, and they did ask the Governor and the involved state agencies to bring some pressure to bear so that some of the OBRA requirements would not be included in the final regulations.

Chairman Bradley asked if they would be in legal trouble if they postponed implementation of OBRA for one year. She said for current employees the training process had to be complete by July of this year, and anyone hired after that must be trained within four months.

Sen. Van Valkenburg asked if Governor Stephens was recommending any modification in his budget. Lois Steinbeck said the Department had requested 10 days ago clarification on certain items and were still pursuing those items, and this is one of them. Sen. Van Valkenburg asked Ms. Hughes if she had presented this budget to Gov. Stephens and asked if he would modify it and was told yes, she had. She said she had received no response but had been told they were looking at the problem. Chairman Bradley asked if it would help to set up a meeting with Mr. Shackelford, Dr. Blouke, Rose Hughes, a department person and Miss Steinbeck to see if at least with the assumptions, there might be some agreement. Ms. Hughes said it would make sense to her. Chairman Bradley suggested that they could then meet and come back to the committee with suggestions before the committee acted on these items.

ADJOURNMENT

Adjournment At: 11:30 a.m.



REP. DOROTHY BRADLEY, Chairman

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activities can be changed, although the current plan includes close coordination of mandatory participation requirements for people receiving both general assistance and food stamps.

The Job Training Partnership Act (JTPA) program provides employment and training opportunities for economically disadvantaged individuals and dislocated workers. This federal program provides approximately \$12 million per year for programs designed by Job Training Councils in coordination with other training programs. Four AFDC model programs were funded in SFY89 to break ground on new program designs in preparation for the employment and training program of the Family Support Act. Funding is not available to continue the model programs in future years.

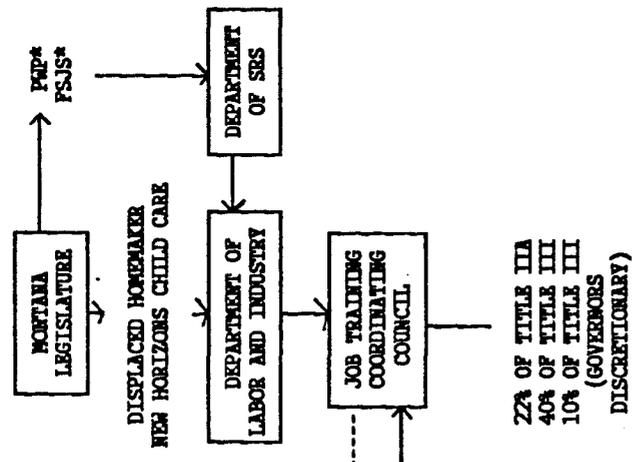
The State Displaced Homemaker and New Horizons programs provide state general funds to meet special needs of those who have been thrust into the labor market due to the death or divorce of a spouse. New Horizons program provides child care assistance and incentives payments to displaced homemaker centers for helping long-term AFDC recipients find permanent jobs. These programs are required by state law, and are under the jurisdiction of the Job Training Councils. The state displaced homemaker funds total \$216,000 and New Horizons funds total \$137,095. These general funds can be used as match for federal programs serving clients with similar needs.

Implementation

The Department of Labor and Industry proposes to implement the Family Support Act employment and training program under the direction of the Job Training Councils on October 1, 1989. The first quarter of the fiscal year, from July 1 to September 30, will be a transition period from WIN to the Family Support Act employment and training program. During that quarter, current Job Service WIN staff will be retained to provide transition services. These seven positions will be eliminated as of October 1. The AFDC model programs will be extended with approximately \$30,000 in WIN funds after all JTPA funds are exhausted.

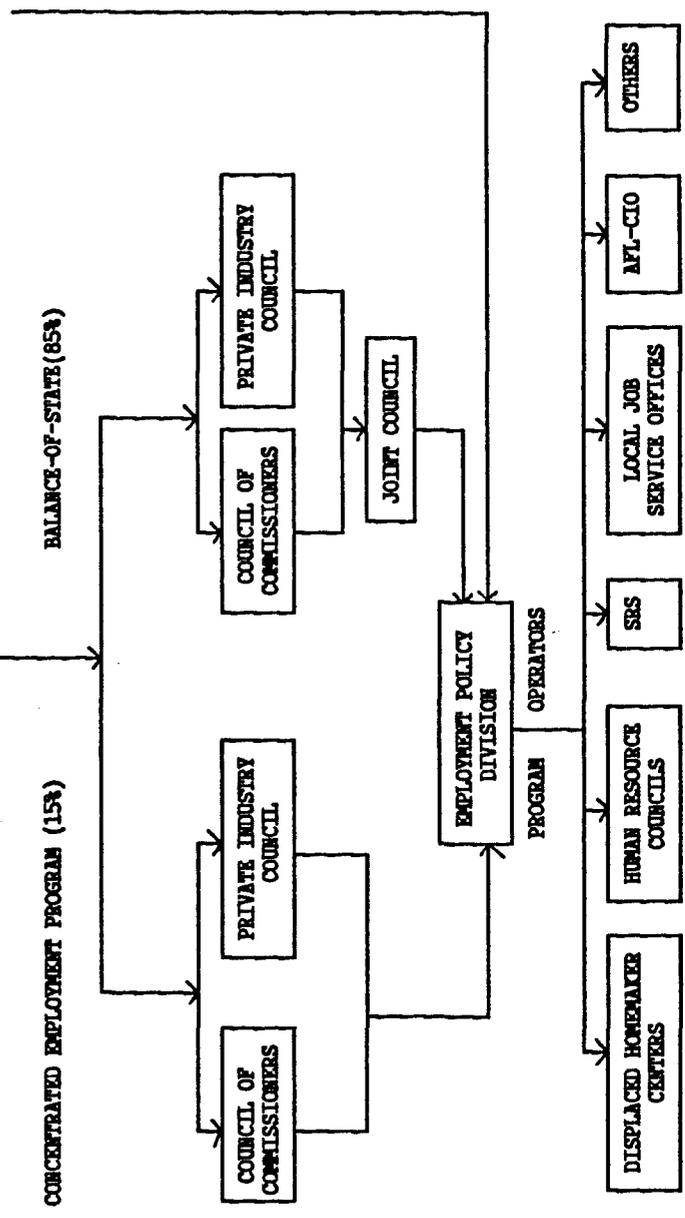
The Job Training Councils will coordinate the Family Support Act employment and training program, Project Work, Food Stamps Job Search, JTPA, New Horizons and state Displaced Homemaker programs by "packaging" them and contracting with local agencies to operate them jointly. State programs will be used as match for federal funds. JTPA will be used to provide more in-depth training, while Food Stamps Job Search will provide quick-turnaround into the job market for those who are job ready. Project Work Program will provide intensive literacy assessment, basic education, and alcohol/drug counseling for those who are in need. The Family Support Act employment and training program and New Horizons will provide classroom skills training, work experience and extra transition services, including child care, for AFDC recipients. In this way, each program can be part of a whole package of services, relying on other programs for certain services rather than duplicating them.

JOB TRAINING PARTNERSHIP ACT (JTPA) & STATE JOB TRAINING FUNDING FLOW CHART



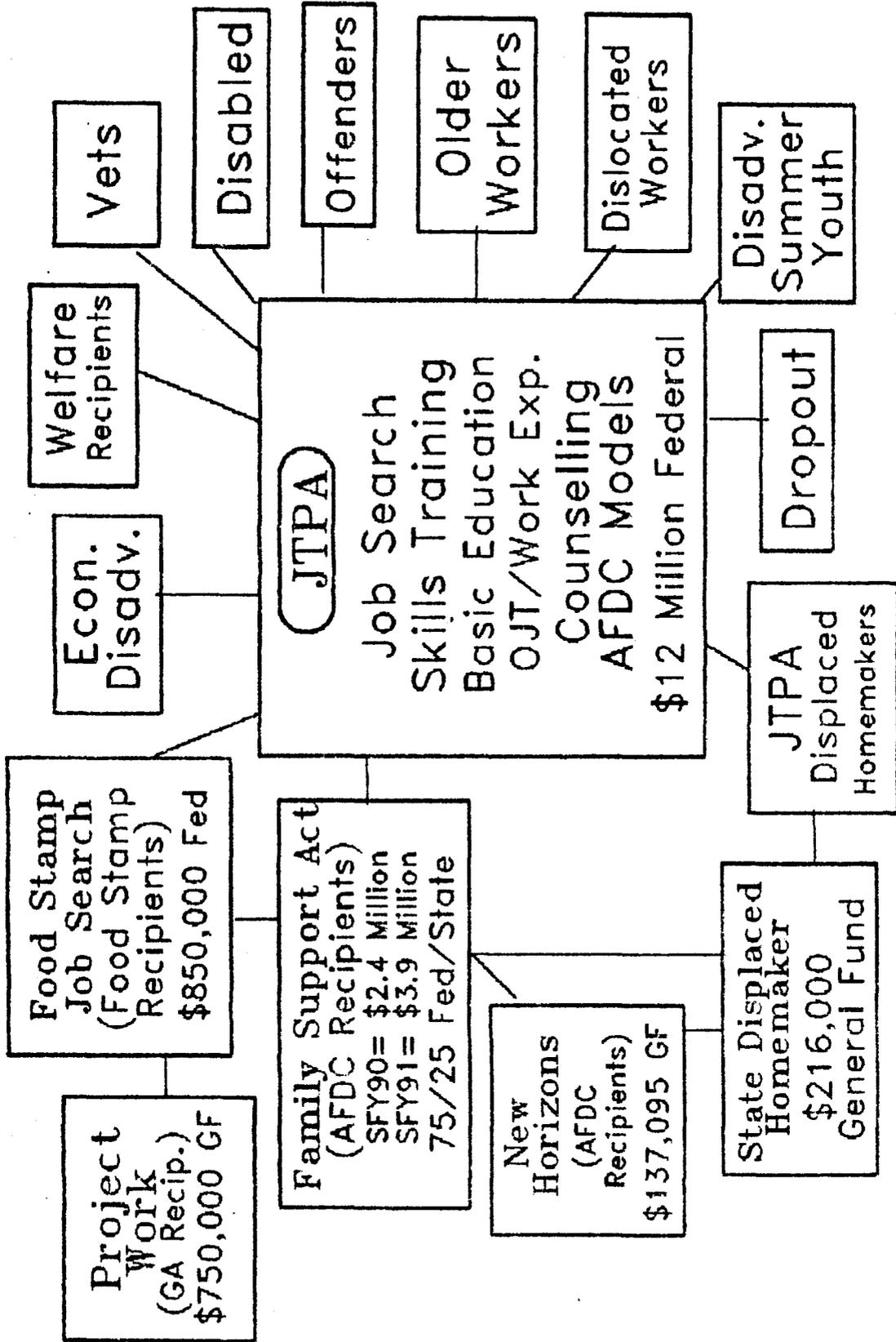
78% OF TITLE IIA TO SDA'S
 100% OF TITLE IIB TO SDA'S
 50% OF TITLE III TO SDA'S

27% OF TITLE IIA
 40% OF TITLE III
 10% OF TITLE III
 (GOVERNORS
 DISCRETIONARY)



-----ADVISORY
 *PWP - PROJECT WORK PROGRAM
 *FSJS - FOOD STAMP JOB SEARCH

JOB TRAINING DELIVERY SYSTEM



PROJECT WORK PROGRAM

- ELIGIBLE POPULATION -
GENERAL ASSISTANCE
RECIPIENTS
- MANDATORY
- NUMBER SERVED - 3775
- PERCENT SERVED - 100%
- 12 STATE ASSUMED COUNTIES
- FUNDING SFY 88
\$750,000 - GENERAL FUND
\$650,000 - FEDERAL (FOOD
STAMP JOB
SEARCH)
\$1.4 MILLION TOTAL
- COST PER PARTICIPANT -
\$287
- PLACEMENT RATE - 30%

SERVICES

- JOB SEARCH
- ALCOHOL/DRUG COUNSELLING

FAMILY SUPPORT ACT / JOBS PROGRAM

- ELIGIBLE POPULATION -
AFDC RECIPIENTS
- MANDATORY
- NUMBER SERVED
SFY 90 - 740
SFY 91 - 1203
- PERCENT SERVED - 7% OF
ELIGIBLE POPULATION
- STATEWIDE (8-10 CENTERS)
- FUNDING
SFY 90 - \$2.4 MILLION
SFY 91 - \$3.9 MILLION
FEDERAL/25% STATE MATCH
- COST PER PARTICIPANT -
\$3,070

SERVICES

- CASE MANAGEMENT
- JOB SEARCH
- CLASSROOM TRAINING
- ON-THE-JOB TRAINING
- BASIC EDUCATION
- FAMILY COUNSELLING
- CHILD CARE
- EXTENDED MEDICAL COVERAGE

FAMILY SUPPORT ACT
EMPLOYMENT AND TRAINING
PROGRAM

ENROLL AFDC
RECIPIENTS
740 IN FY90
1203 IN FY91

E & T SERVICES

PERMANENT
EMPLOYMENT
25% OFF AFDC
PER YEAR

**FAMILY SUPPORT ACT
EMPLOYMENT AND TRAINING
PROGRAM**

	FY90	FY91
FEDERAL FUNDS	\$1,950,000	\$3,087,500
STATE FUNDS	487,500	771,875
TOTAL PROGRAM	\$2,437,500	\$3,859,375

	FY90	FY91
MATCH FUNDS		
General Fund Match	\$ 57,253	\$389,666
* UI Admin Tax/P&I	240,000	275,806
* Displaced Homemaker	61,000	61,000
* New Horizons-Incent.	27,095	27,095
New Horizons- CC	110,000	110,000
Total Match Available	\$495,348	\$863,567

* (These programs will be used as match to the extent this is compatible with the program intent.)

**FAMILY SUPPORT ACT
EMPLOYMENT AND TRAINING
PROGRAM**

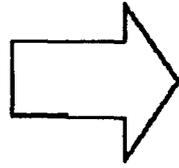
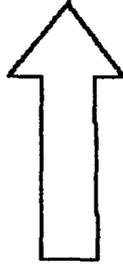
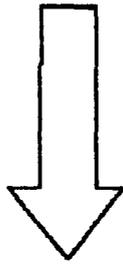
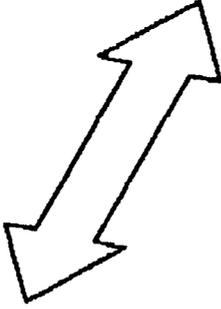
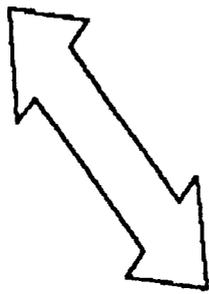
**FAMILY
SUPPORT
ACT**

**DISPLACED
HOMEMAKER**

**AFDC
RECIPIENTS**

**FOOD STAMPS
JOB SEARCH**

**JOB TRAINING
PARTNERSHIP
ACT**



DISPLACED HOMEMAKERS

- ELIGIBLE POPULATION -
INDIVIDUALS
SEPARATED/DIVORCED FROM
SPOUSE
- NOT MANDATORY
- NUMBER SERVED - 282
- COST PER PLACEMENT -
\$1,333
- STATEWIDE (10 CENTERS)
- FUNDING SFY 88
GENERAL FUNDS: \$216,000
- PLACEMENT RATE - 76%

SERVICES

- COUNSELLING
- JOB SEARCH AND REFERRAL
- SUPPORTIVE SERVICE

NEW HORIZONS

- ELIGIBLE POPULATION -
RECEIVED AFDC FOR 9
MONTHS
- NOT MANDATORY
- NUMBER SERVED - 120
(ESTIMATED)
- STATEWIDE (10 CENTERS)
- FUNDING SFY 89
GENERAL FUND: \$137,000

SERVICES

- CHILD CARE ASSISTANCE
- \$200 PER MONTH/PER CHILD
FOR 6 MONTHS

AFDC MODELS

- ELIGIBLE POPULATION -
AFDC RECIPIENTS
- NOT MANDATORY
- HELENA, BOZEMAN,
MISSOULA, BILLINGS
- FUNDING SFY 89
\$350,000 (JTPA
ADMINISTRATIVE \$)
FUNDS END 9/30/89

SERVICES

- CASE MANAGEMENT
- FAMILY COUNSELLING
- JOB SEARCH
- CLASSROOM TRAINING
- ADULT BASIC EDUCATION
- SKILLS TRAINING
- ON-THE-JOB TRAINING
- CHILD CARE
- SUPPORTIVE SERVICES

JOB TRAINING PARTNERSHIP ACT
(JTPA)

- ELIGIBLE POPULATION -
ECONOMICALLY
DISADVANTAGED
- NOT MANDATORY
- NUMBER SERVED - 7100
- PERCENT OF ELIGIBLE
POPULATION SERVED - 4%
- STATEWIDE
- FUNDING SFY 88
 \$11.3 MILLION -
 FEDERAL
 \$571,000 - STATE MATCH
- COST PER PARTICIPANT -
 \$2,530
- PLACEMENT RATE - 74%

SERVICES

- JOB SEARCH
- COUNSELLING
- CLASSROOM TRAINING
- ON-THE-JOB TRAINING
- SKILLS TRAINING
- BASIC EDUCATION
- WORK EXPERIENCE
- SUPPORTIVE SERVICE