

APPROPRIATIONS - FINANCE & CLAIMS

SUB-COMMITTEE: HUMAN SERVICES

FEBRUARY 9, 1979 - CAPITOL ANNEX

The meeting was called to order at 8:10 a.m. by Chairman Steve Waldron with the following members present:

Chairman Steve Waldron
Senator Gary Aklestad
Representative Bill Hand
Representative Robert Marks
Senator Pat Regan
Senator Pete Story

Others present were: See attached list.

DISABILITY DETERMINATION BUREAU

This bureau is responsible for making determinations of disability for social security cases where claimants are eligible for Supplemental Security Income. They are recommending additional staff to do more intensive reviews by the bureau. The differences in budgets are due to a 10% vacancy savings taken by the LFA.

Ron Weiss, OBPP, felt the difference was mainly in the personal services budget. They have included a budget modification for 2.08 FTEs in FY 80 and 2.13 FTEs in FY 81. These are strictly federal funds. The federal government contracts the services with this bureau.

Mr. William A. Vollmer, Chief of this agency, explained an extensive handout on this division. He explained that this bureau was a unit of the Division of Vocational Rehabilitation. He explained that impairment must prevent the patient from engaging in substantial gainful activity for which he might qualify on the basis of his age, education, vocational skills, and work experiences. He also explained their appeal process and their proposed work plan.

The bureau reviews between 5,500 and 6,500 claims per year. There are six Social Security Offices throughout the state where disability claims can be filed. These offices do an eligibility review to determine how much social security they have put into the system. After the eligibility has been determined, the DD Bureau receives the file and they initiate all medical findings. If there is not enough evidence, the individual is sent to a two member consultant team. A medical-legal determination is then made. A quality sample is taken to assure against fraud or errors. Forty percent of the work

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is SSI disability claims. About 65% of the claims are denied. The medical exams are paid by the DD Bureau but are reimbursed by the federal government. When a case is appealed completely different examiners are used to make a determination. The final step would be federal district court.

All the employees are located in Helena. They felt it was better to have them centrally located so they would not have to duplicate resources. The bureau is asking for additional FTEs to use for quality control of the program. They would use these FTEs to hire examiners. They want to get national uniformity with an additional front-end medical review. They now review 20% of last years work load. After the initial exams they are sometimes asked to have additional medical exams for appeals or reviews.

ELIGIBILITY DETERMINATION BUREAU

This program is responsible for the county staff that determines the eligibility for food stamps, AFDC, medical assistance and general assistance. The LFA made no changes from the previous year. The difference in budgets is mainly in salaries and travel. Because of the investigative process that these people must do on claims, the LFA felt the travel was necessary.

Ron Weiss explained that the Executive Budget included a request for five FTEs. These FTEs would be eligibility technicians and would run a pilot program to determine if an increase in staff would decrease errors. They feel that in many cases the technicians have too large of a work load and that this causes increased errors. They have not determined where these individuals would go yet. It would not be a type of task force that goes in and studies the problems; but a type of work load relief team.

Ron Weiss told the subcommittee that the courts have allowed a one-grade increase for the eligibility technicians. This was done after the budgets were made, therefore an adjustment will have to be made. There is no general fund money involved in this program. It is strictly county and federal money. There is only \$18,930 of general fund money in the bureau.

Keith Colbo explained to the members that the counties are doing a continuous study on the error rates.

Jack Carlson, Administrator of the Economic Assistance Division, handed out an overview of the Economic Assistance Division. The Eligibility Determination Bureau is under this division. The state supervises this program and the county administers it. They have ten quality control reviewers. They review about 1% of the total case load which is about 600 cases every six months. They

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have been seeing a decrease in errors. When they started, the program had about 14% error rate; now it is down to 7-1/2%. He felt this would increase again because of the recent change in the food stamp program. There is now no charge for the food stamps. He gave the subcommittee a graph with the federal matches for all the programs under his division.

Keith Colbo pointed out one of the problems this program has is with the number of FTEs authorized. Some counties would be willing to hire extra technicians, but can't, due to the limit on FTEs. Mr. Carlson explained that the program has an out-reach coordinator that contacts various groups.

Mr. Carlson also explained that they do prosecute frauds if they have sufficient evidence. Most persons plead guilty and settle out of court. Reimbursement is required. Senator Regan asked if it wouldn't help to have a statement on the back of the check for recipients to sign. The department did not feel this would be cost effective.

ASSISTANCE PAYMENTS

This program is responsible for grants that go to assistance programs such as AFDC, Foster Care and Non-resident General Assistance. The LFA recommendation for AFDC is based on the poverty index and would result in payment raises of about 10% per year. The LFA explained also that due to the 2-1/2% increase in the state poverty level for AFDC payments, more people would be eligible for the AFDC program. The Executive Budget Office did expect an increase in people, but did not include the poverty level rise.

Foster Care was recommended by the LFA at a 7-1/4% increase for FY 80 and 6-3/4% increase for FY 81. This would include both foster care families and institutional providers. The Executive recommended a 10% increase per year. The LFA suggested that this part of the budget be line-itemed so that families would be assured of a rate increase. In SSI the state payments are generally to group homes and foster homes. They pay \$104.00 to the group home and \$49.00 to the foster homes. The budget includes funding for quality control and for a computerized system for the payment of checks.

There is also a budget modification in this program.

Dick Hulme, Chief Budget Officer for SRS, explained to the subcommittee that the number of children in homes has stabilized. They project about 920. They use a projected

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7% annual inflation rate and have two funding sources. The first source is AFDC. Federal funds are matched with this funding. The second source is CWS, Child Welfare Services. These children are not necessarily in the poverty level. They may be abused or neglected children. This program is funded half by the county and half by the state. There is a change of trend in funding. There are less children from AFDC and more from CWS. This will affect the budget.

Norma Vestre, Chief of the Social Services Bureau, explained that the goal of the bureau is to place the child back with the natural parent. They try to maintain a working relationship with the parents even when the child is in a home. She also explained that a large number of children require services that cannot be provided for in the foster home. Some children with behavioral problems cannot handle such close relationships.

Mr. Hulme explained to the subcommittee that there has been no increase in foster home payments in the past year and there has been a freeze on increases to group homes since April. The department would like to make adjustments with a 23.6 front-end catch-up for FY 80 for foster home care plus a 7% increase for cost of living. They would like a 17.3% catch-up rate for the institutions plus a 7% increase in July of 1980.

Mr. Hulme was questioned on the one time \$50 clothes allowance. He explained that this is just to get the person started. Clothing is one component figured in the total monthly payment.

The method that was used to grant increased payments in the past year was questioned. They were granted to those institutions that requested increases. There were no increases to foster homes. The subcommittee discussed line iteming for the foster care families to assure an increase. Keith Colbo felt this was very restrictive and could cause problems.

Jack Stevens, President of the Montana State Foster Parent's Organization, spoke on behalf of the Foster Family care. He felt that the catch-up rate was comparable to what the association felt was necessary. He stated the increase was still low considering the cost of child care. Eunice Ash a foster parent spoke on behalf of the program. She outlined a survey done which explained the cost of raising foster children. She gave a handout with a survey. Marsha Goetting, Cooperative Extension Service, explained the figures used in the survey and their validity. She felt the Foster Family survey was very accurate and valid. Mr. Stevens urged the subcommittee to consider increases. Many foster parents get

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"foster parent burn-out" due to the low payments and high cost of raising children. He explained there are 900 licensed families throughout the state, however only about 75% of those are active at any one time.

Bev Dunham & Al Pillman, Billings Children's Receiving Home, asked that the funding for these programs be increased. Their home keeps children up to six months at a time while looking for permanent placement. They do not feel they get paid back sufficiently to keep ahead. Last year they had a \$5,000 deficit. With the catch-up rate they would just break even.

Bob Wix, Deaconess Children's Home and Montana Child Care Association, spoke on behalf of the child support programs. He felt everyone's concern in this area was to give children quality care. He asked the subcommittee to consider the increases.

Karen Northey, Florence Crittenton Home, explained the non-profit organization for unwed mothers. She told the subcommittee she is given \$375 per month per individual; whereas it costs over \$775 per month to give care. They desperately need the increase. They do subtract donations from their final figures. What some parents do pay goes directly to the county. The home sees none of it.

Franklin Robbe, Executive Director of the Yellowstone Boys Ranch, spoke about his program. He explained that the function of the Boys Ranch is changing. Previously it was a group home for boys. It is now becoming a home for emotionally disturbed boys and a diagnostic type center. The diagnostic assessment was a pilot program in 1975-1976 requested by the Department of Institutions and Mr. Robbe felt it should be continued. They are now looking at building an assessment center in the near future. This building would be built by contributions as have the other buildings.

Senator Aklestad and Senator Regan questioned Mr. Robbe on the "cadillac" facilities the home has. They felt perhaps less could have been spent on the plant and put into direct services. Mr. Robbe felt that because of the higher standard of buildings they have less maintenance and less loss of energy. He felt the buildings would be more cost effective in the long run.

Senator Regan questioned their need to get into the assessment program. She felt the services could be obtained in other areas of the state. Mr. Robbe pointed out that they could be gotten, but not all in one place. Not in one centralized location.

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The meeting was adjourned at 11:45 a.m.

Respectfully submitted:

Steve Waldron
Steve Waldron, Chairman
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