

APPROPRIATIONS - FINANCE & CLAIMS

SUBCOMMITTEE: HUMAN SERVICES

AGENCY I

MARCH 6, 1979 - CAPITOL ANNEX

Evening

The meeting was called to order at 7:45 p.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: Keith Colbo, Director of SRS; Ben Johns, Deputy Director of Administration; Gary Blewett, SRS; Donna Francis, Parkside Manor; Glen Drake, Montana Nursing Home Association; Ron Weiss, OBPP; and Curt Nichols, LFA.

MEDICAL ASSISTANCE

Curt Nichols gave the subcommittee a handout with the finalized figures for Medicaid payments. The LFA agreed except in the areas of physician, other practitioners and prescribed drug payments where he felt policy decisions had to be made. In physicians services and other practitioners, the LFA recommended 7-1/4% and 6-3/4% increases from the 1979 base. The Executive recommended a 10% catch-up plus an 8% per year increase. In prescribed drugs, the LFA recommends the same 7-1/4% and 6-3/4% increase while the Executive recommends a 20% catch-up plus the 8% increase.

Mr. Nichols also gave the subcommittee a handout with interstate comparisons for their information.

The Executive recommendation for non-operating costs are \$61,212,565 for FY 80 and \$65,548,598 for FY 81. The LFA recommendation would be \$60,220,998 for FY 80 and \$64,460,245 for FY 81. The state portion of this is about 35.72%.

Mr. Colbo also explained that the budget they are considering is for a full service program. It does include adult dental care and eyeglass screening which was previously deleted from the budget. Mr. Colbo went on to say that the new budget is based on the assumption of the new nursing home regulations.

They hope to implement the new rules by the middle of March. It is still not in final form. SRS is reviewing all materials they have received at this point. He assured the subcommittee that if for some reason the funds are not sufficient, the department will cut back within the program; they will not be back for a supplemental in 1981. There are also two bills which could affect the department. One affects the programs they can cut and the other states that persons who don't qualify cannot go to the counties to qualify. There can be no pass back.

The Medicare Buy-In was explained as the program paying for Medicare Insurance for those who can't afford it. This makes Medicare the first provider and is a cost savings mechanism for SRS.

Gary Blewett explained what was involved in other services. Among other things, it includes medical supplies, transportation for medical appointments; mental health services, family planning services and other providers such as oxygen.

MEDICAL ASSISTANCE SUPPLEMENTAL

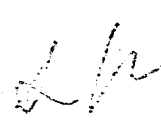
The supplement is 6.3 million dollars compared with the original estimate of 8.1 million dollars. Keith Colbo, Director of SRS, requested that the subcommittee consider rounding off the 6.3 to 6.5 million dollars to provide a cushion.

Gary Blewett mentioned a problem to the subcommittee for their consideration. Some of the supplemental is for retroactive payments to nursing homes. It is possible that not all of it will be paid before FY 80. They would like to be able to transfer the money forward. It was decided to list it as a known liability which would solve the problem.

If the 6.5 million dollars is too high, the unused portion will revert to the general fund. If the 6.3 was not enough the department would have legal problems.

Senator Regan moved to accept the supplemental at 6.5 million dollars for the Medicaid Program. Vote: All were in favor except Senator Aklestad. The motion passed.

Chairman Waldron mentioned the testimony regarding eyeglasses and eyeglass exams. They had testified they were still at the 1972 level while the rest of the services were at the 1974 level. It was discussed and the subcommittee decided to leave it as it is.



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The department also explained that their medical figures were higher because of a general increase in the professional services besides inflation costs. The LFA also expressed concerns with physicians adjusting their billing practices to receive more money from Medicaid patients.

Representative Hand moved to take the 20% increase with regards to the prescription drugs.

Representative Hand then made a substitute motion to accept the Executive budget for Medical Assistance. Vote:

Senator Pete Story	Yes
Senator Pat Regan	Yes
Representative Robert Marks	No
Representative Bill Hand	Yes
Senator Gary Aklestad	No
Chairman Steve Waldron	Yes

The motion passed to accept the Executive budget for Medical Assistance.

The meeting adjourned at 9:00 p.m.

Respectfully submitted:



Steve Waldron, Chairman
Approved

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