

MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS SUBCOMMITTEE FOR INSTITUTIONS
January 7, 1981 Supplemental Funding for Warm Springs State Hospital

CHAIRMAN JACK MOORE called the Hearing for supplemental funding for Warm Springs State Hospital to order at 8:00. Committee members present were:

Representative Conroy
Representative Ernst
Senator Etchart
Senator Thomas
Senator Johnson

Also present were Carroll South, Director of the Department of Institutions; Peter Blouke, Director of Mental Health & Residential Services; Dr. James Hamill, Director of Warm Springs State Hospital; Keith Wilson, Business Administrator of Warm Springs State Hospital; Don Glenny, State Insurance Fund representative. (See Visitors Register).

THE CHAIRMAN stated he would like to discuss the Supplies and Materials amount first. (See attached Exhibit 3).

MR. SOUTH stated the original amount requested on Exhibit 3 page 1 had been reduced by approximately \$32,000. The corrected figure is \$1,558,388.

THE CHAIRMAN asked what the status of the inventory was at the present time, and exactly what supplies were deficit.

MR. WILSON stated he has an adequate inventory in maintenance. The biggest areas of shortage is food, drug, and gasoline. The projected expenditures for food is \$396,300, drugs \$58,485 and gasoline approximately \$25,000.

SEN. JOHNSON asked what term contracts were involved in No. 10 on Exhibit 3-page 2 for pharmaceutical items.

MR. WILSON stated this has just been done in the last 6 to 8 months. Drugs are ordered on a quarterly basis, and there is not enough history to tell what has been saved at the present time. He did mention that he usually gets a better dealing with the Drug Company directly rather than through the state, since he gets approximately a 2% discount if paid within 30 days.

SEN. JOHNSON asked in regard to the same exhibit, if the doctors were really trying to use generic drugs rather than the name brand ones.

DR. HAMILL stated generic brands were used whenever possible by the doctors.

THE CHAIRMAN stated he would like to hear remarks regarding the money used to purchase the bus.

MR. WILSON stated the funds were used to cover supplies and materials and to assist with the increasing utility costs.

DR. HAMMILL stated the Hospital was in possession of two buses. One around 13 years old and the other 8 years old. The buses were used not only to get patients to the main dining room, but also take out on field trips. He explained the maintenance problems.

MR. BOOKER stated the Budget Office did concur to purchase the bus this year. They felt the State couldn't have the patients going to Missoula and Butte with a lot of mechanical problems.

SEN. THOMAS asked what was the average population at the Hospital.

MR. WILSON stated the average population this year has been 310.4.

THE CHAIRMAN stated that funding for Personal Services could now be discussed. He asked about the transfer of patients from Warm Springs to Galen.

MR. WILSON stated due to various problems many patients did not get transferred until February, 1980.

THE CHAIRMAN asked if the people retained at Warm Springs were fully reimbursed by Galen.

MR. WILSON stated the contract ran until the end of December, and it was not renewed. Galen did pay for 50 patients until a certain length of time.

MR. BLOUKE stated an actual Personal Service rate was determined with the costs that Warm Springs did incur and these have been reimbursed. He mentioned he would provide the Committee actual documentation of this, if they would like.

MR. GLENNY, a representative from the State Insurance Fund, stated they have classified the people at the hospital into three main areas. The first group is the clerical, the second is the administration, and the third group is the direct care and maintenance. He stated at the Institution a flat rate of \$3.30 is charged as a basic rate, and the wrong classification code had been used in the past on Hospital personnel.

THE CHAIRMAN asked if the personnel had been correctly classified in 1976.

MR. GLENNY stated in 1976 some of the people were classified correctly and some were not. The auditor at that time commented some of the people had been classified 8743 group, but should have been put in the direct care classification of 8834.

REP. CONROY asked when did the rate increase take place, and why wasn't appraisal made before Budget Session of 1979.

MR. GLENNY stated the increase took place July 1, 1980. He explained due to the

highly computerized method of keeping track of accounts, it took a particular incident to realize the effect that classification 8743 was doing to the loss ratio.

SEN. THOMAS asked what was the nature of the claims involving the Workmen's Compensation.

MR. GLENNY stated they get a few back injury claims, but did not have the available information to answer the question.

THE CHAIRMAN asked how much of the Personal Services deficit of \$1,037,272 was for Workmen's Compensation.

MR. SOUTH replied \$458,468 was for Workmen's Compensation.

DR. HAMMILL explained the problems of recruiting a Psychiatrist at Warm Springs. Among the problems were salaries, and the institutional setting.

THE CHAIRMAN stated that one day in the next week a policy would be set so this problem can be solved. He then asked what the overtime projection for the remainder of the year would be.

MR. SOUTH stated the amount for FY 80 was \$167,789 and for FY 81 the projected overtime amount would be \$176,548. The year to date figures with approximately 6 months projected are FY 80 \$75,392 and FY 81 \$81,484.

SEN. JOHNSON asked exactly what services are contracted.

MR. WILSON stated the Contracted Services are not a part of Personal Services. They do contract for a Pathologist, a Radiologist, Montana Legal Services and some outside medical costs. Insurance is also contracted.

SEN. JOHNSON asked what the occupancy rate was.

DR. HAMMILL stated the occupancy varies from ward to ward. Some are at 60% and some go as high as 98%.

SEN. JOHNSON asked what percentage is administration and what percentage is direct care.

DR. HAMMILL stated the nursing staff is approximately 47% and the administrative staff and support staff make up the remainder.

SEN. THOMAS asked what measures are being taken on safety to reduce accidents.

DR. HAMMILL stated he didn't feel the accident rate was a result of the maintenance staff. More cases involved assaults on workers.

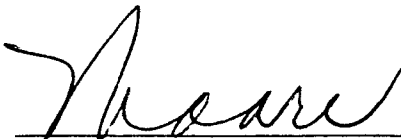
SEN. THOMAS asked what the constant population rate was at the hospital.

DR. HAMMILL stated out of 560 patients admitted approximately 25% were there over 100 days. He mentioned that many of the patients they have are hard core people which no nursing home or other area will take. They also get a certain percentage of prisoners which no one wants back in the community.

SEN. JOHNSON asked what the staffing ratio is at the present time.

DR. HAMMILL stated it varies from as low as 51 on the geriatric ward to 92 on the children's ward. He did comment the nursing staff helps in group therapy and other areas.

There being no further comments the hearing was adjourned at 10:00 a.m.



JACK MOORE, Chairman

VISITORS' REGISTER

HOUSE JOINT APPROPRIATIONS SUB COMMITTEE FOR INSTITUTIONSBILL WARMSPRINGS SUPPLEMENTALDate 1,7,80SPONSOR AND BOARD OF PARDONS

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPOS
Jim Hansen	Helena	Institutions		
Peter Blouke	Helena	Institutions		
Carroll Y. South	Helena	Institutions		
Jon Glenroy	Helena	St. In's Fund		
Gene Hursterton	Helena	OBPP		
D. Soaker	Helena	OPPP		
Don O'Fallon	Helena	Legislative Intern		
Hank Burgess	Helena	Board of Pardons		
Bobbie Dixon	Helena	Institutions		

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

WARM SPRINGS STATE HOSPITAL

1/7/80

Warm Springs State Hospital is requesting ^{1,558,388.00} ~~\$1,663,173.00~~ in supplemental funding for the FY 81 biennium. The principle factors necessitating this supplemental request are unbudgeted personal services cost and unbudgeted utility increases.

The ^{1,558,388.00} \$1,663,173.00 supplemental request is based upon deficits in the following categories:

Personal services	\$ 1,037,272.00
Supplies and Materials	105,751.00
Utilities	385,441
Equipment	30,394.00
Less net surplus in other budget categories	(470.00)

Net Supplemental Request (\$ 1,558,388.00)

Personal Services (\$ 1,037,270.00)

The personal services deficit that is projected for WSSH is attributable to several factors that are beyond the ability of the hospital to control without jeopardizing the care and safety of patients.

Total general fund budget FY 81 8,726,195.00

Total anticipated expend. 9,585,373

Less Workman's Comp increase ~ 458,468

Net FY 81 anticipated expend 9,126,905 9,126,905.00

Actual personnel service deficit (net of unbudgeted Workman's Comp increase) (400,710)

FY 80 unrealized vacancy savings (178,094)

Workman's Comp increase (458,468)
(1,037,272)

Supplies and Materials (105,751.00)

Utilities (385,441.00)

See attached schedule

Equipment

The deficit in this category is the result of purchasing a 60 passenger bus for patient transportation. The bus had been approved for purchase during FY 80, but due to the need to reduce expenditures during that fiscal year, the purchase was postponed to FY 81. The old bus had 84,912 miles on it and had been down for

Exhibit 3

repairs most of the summer. This bus was designed for school usage, mostly transporting children on short trips. The engine was rebuilt in 1977, and again in July of 1980. Other major repairs that had been done on the bus since 1977 included a new fuel pump, new vacuum system, replaced clutch, heater repairs, booster tank, replaced hoses, light switches, turn signals, muffler and tail pipes, ignition system, second fuel pump, transmission bearing, throwout bearing, carrier bearings, water pump, oil pump, head gaskets, intake manifold, king pins, wheel seals and bearings, replaced muffler and tail pipes again and transmission repair. Repairs that would have been needed would be shock replacements, rod ends of steering sector. Tire replacement would also have been necessary by this spring. It was recognized that the expenses associated with the purchase of a new bus would increase the supplemental at WSSH during the current fiscal year. Because of the unsafe condition of the Warm Springs bus and the necessity that it be used for patient transportation, the Office of Budget and Program Planning was informed and authorized the purchase of the bus.

Actions Taken To Reduce Supplemental

1. Open purchase orders for drugs have been implemented which eliminates annual orders. Our hospital formulary has been updated in order to maximize the purchase of less expensive generic drugs. A list of surplus drugs is being distributed to physicians in order to encourage substitution when medically appropriate.
2. Staffing analysis for the nursing staff is performed bi-monthly. Although we are authorized to staff nursing personnel at median level, we are adhering, at this time, to the mid-point between median and minimal staffing. A perpetual position control register is maintained in the personnel department.
3. The Director of Restorative Services (department head) which has recently been vacated will be frozen.
4. All store orders are monitored in the fiscal department based upon degree of urgency. Also, prior to a store order being approved, it is cross-checked with SIMS to assure no duplicate items are on hand by the department head.
5. Food service costs are below average for large state institutions. Government surplus commodities are utilized whenever they are available.
6. Used about 7½% less gasoline than the allocation provided for in FY 80. This represents over a 20% reduction in usage from FY 79.
7. Fully met all criteria from the U.S. Department of Energy for energy conservation measures.
8. Cut boiler pressure from 100 lbs. to 60 lbs. whenever possible. in FY 80.
9. Utilized Boulder and Galen hospital laboratories whenever possible. We estimate we have saved about \$5,300 by this measure alone.
10. Established term contracts for pharmaceutical items thus eliminating quarterly orders for stock to be used 4 to 6 months later. This has greatly reduced the inventory level and having drugs become outdated on the shelves.

11. Began utilizing a drug formulary system thereby eliminating the need to buy many different drugs in smaller quantities at higher prices.
12. Removed over 50 telephones from around the grounds.
13. Utilized U.S.D.A. food items to the greatest extent possible.
14. Removed the System 7 timekeeping system thereby saving over \$6,000 in rental charges and \$4,000 in maintenance charges.

WARM SPRINGS STATE HOSPITAL
General Fund

	FY 80 Actual	Budgeted	Projected Expenditures	Surplus (Deficit)
Personnel Services	\$8,635,711	8,548,101	9,585,373	(1,037,272)
Contracted Services	208,344	220,103	234,670	(14,567)
Supplies & Materials	641,555	601,031	706,782	(105,751)
Communications	60,419	68,824	70,844	(2,020)
Travel	15,867	12,808	18,207	(5,399)
Rent	24,017	31,795	25,185	6,610
Utilities	548,556	318,704	704,145	385,441
Repairs	80,326	104,011	92,651	11,360
Other	12,855	16,702	12,216	4,486
Equipment	17,808	6,701	37,095	(30,394)
TOTALS	10,245,458	9,928,780	11,487,168	(1,558,388)

Included in the above reflected deficit is the FY 80 supplemental

Personnel Service	178,094
Utilities	<u>120,274</u>
	298,368

298,368

FY 81 Supplemental Request

(1,260,020)

*65,801 less in
personnel services*

*Put the
back*

	BUDGETED	7/1	6/30	AVERAGE	DIFFERENCE
FY'79	675.6	596.	570.6	585	- 79.6
FY'80	517.58	517.6	502.4	514.8	- 2.78
FY'81	508.20	505.4	501.6	505.5	- 2.7

12/30/80

POPULATION

	BUDGETED	7/1	6/30	AVERAGE	DIFFERENCE
FY'79	500*	417	337	370	80
FY'80	340	337	316	327.0	21
FY'81	320	316	308	310.4	

11/80

YTD

* FY 79 - Reversion of \$9,700 per patient average below 500

GENERAL FUND FTE
WARM SPRINGS STATE HOSPITAL

NATURAL GAS

	FY79 ACTUAL	FY80 ACTUAL	FY81 PROJECTED
USAGE	183,575	163,374	163,374
\$	\$331,941	\$472,762	* \$621,943
\$/MCF	\$1.81/MCF	\$2.89/MCF	\$3.81/MCF

* 17.98% Rate Increase effective 12/19/80

ELECTRICITY

	FY79 ACTUAL	FY80 ACTUAL	FY81 PROJECTED
USAGE	4,308,800	4,158,400	4,158,400
\$	\$63,190	\$62,384	* \$67,597
\$/KWH	1.47¢/KWH	1.50¢/KWH	1.62¢/KWH

* 18.88% Rate Increase effective 12/19/80

OTHER UTILITIES

TYPE	FY79 ACTUAL	FY80 ACTUAL	FY81 PROJECTED
Garbage	\$11,772	\$13,410	\$14,605

Totals

\$548,556

\$704,145

MINUTES OF THE MEETING OF THE JOINT APPROPRIATION SUBCOMMITTEE FOR INSTITUTIONS
January 7, 1981

CHAIRMAN JACK MOORE called the Executive Session for supplemental funding for the Board of Pardons and the Warm Springs State Hospital to order at 10:35 a.m.

Representative Conroy
Representative Ernst
Senator Etchart
Senator Thomas
Senator Johnson

THE CHAIRMAN stated he would like to take the Board of Pardons supplemental first. He asked the amount for travel be discussed.

SEN. THOMAS moved the travel amount of \$5,564 be approved for the Board of Pardons.

The motion passed.

SEN. THOMAS moved the Equipment amount of \$334 be approved for the Board of Pardons.

The motion passed.

SEN. ETCHART moved the amount of \$15,464 for Personal Services for the Board of Pardons be approved.

The motion passed.

THE CHAIRMAN stated he would like to discuss the Warm Springs State Hospital supplemental funding next. He commented he would like to delay the decisions on Personal Services for a few days. The first item to be brought up would be the Utilities portion.

REP. CONROY moved the Utilities amount of \$385,441 be approved.

The motion passed.

THE CHAIRMAN asked the Equipment amount of \$30,394 be discussed. This amount would refer to the purchase of the new bus.

REP. BARDANOUVE stated the money had been appropriated for the bus in a previous legislature and the question arose where the money had used.

SEN. JOHNSON felt there was another alternative. She felt corners could be cut to make up the cost of the bus in another area.

REP. ERNST moved the Equipment amount of \$30,394 be approved.

THE CHAIRMAN requested a roll call vote on this.

The following committee members voted accordingly:

Rep. Moore	Yes	Sen. Etchart	No
Rep. Conroy	Yes	Sen. Johnson	No
Rep. Ernst	Yes	Sen. Thomas	No

The motion failed.

REP. BARDANOUE commented on the 84,000 miles indicated on the old bus. He felt a new motor and transmission could have lengthened the life span on the bus.

REP. CONROY asked what happened to the old bus. He was informed one of the old busses was to be used for a trade in.

THE CHAIRMAN asked Supplemental Funding for Supplies and Materials be discussed.

MR. HOFFMAN wanted to bring to the attention of the Committee the original amount of \$105,750 be reduced by the net surplus of \$470 to make the amount to be funded \$105,281.

MR. SOUTH gave a breakdown of these expenditures. Food was \$393,000, Drugs \$58,000, Gasoline \$25,000, Linen \$11,000, Laundry \$14,000 and other supplies \$214.

REP. CONROY moved Supplies and Materials funding for \$105,281 be approved.

Five Committee members voted to approved this amount. Sen. Johnson opposed.

The motion passed.

THE CHAIRMAN stated the Personal services would be taken up at another time. There being no further discussion, the meeting was adjourned at 10:58.



JACK MOORE, Chairman