

MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS SUBCOMMITTEE  
FOR INSTITUTIONS  
January 20, 1981

Executive Session for  
Center of the Aged

JACK K. MOORE, Chariman called the Executive Session for the Center of the Aged to order at 8:04 a.m. Committee members present were:

Rep. Conroy  
Rep. Ernst  
Sen. Etchart  
Sen. Thomas  
Sen. Johnson (Absent)

Testimony was given by Carroll South, Director of the Department of Institutions. Peter Blouke, Director of Mental Health and Residential Services; Doug Booker, Office of Budget and Planning; Keith Wolcott, Analyst; Ray Hoffman, Legislative Fiscal Analyst.

THE CHAIRMAN stated there will be no funding for upgrades in the Department unless they are legal upgrades.

MR. SOUTH stated that legally the upgrades need to be paid. The Board of Personnel approves the upgrade positions. The Department has not paid any of those upgrades, and the current cost of the upgrades is \$585,000. The question arises, if upgrades should be paid retroactively. The Committee went off the record for 10 minutes. THE CHAIRMAN asked why the difference in figures in Repairs and Maintenance. MR. SOUTH stated the difference in the figures between the Executive Budget and the Legislative Fiscal Analyst is the Repair and Maintenance area. (see EXHIBIT 21, page 1) This total amount of \$18,064 FY 82 and \$21,771 FY 83 relate totally to the contract with Honeywell in regard to the fire alarm system. There is a chance that Architecture and Engineering Division may initiate a lawsuit against Honeywell in regard to the problems with the alarm system. Since the outcome is uncertain, money must be funded for maintenance of this contract. If the money is not needed, and a one year warrantee is placed on the system by Honeywell, then this allotted money would revert aback to the General Fund.

SEN. ETCHART, acting Chairman, asked what the history is on the negotiations of this system. He felt there has always been problems with it.

MR. SOUTH stated that in the past it was emitting false alarms, thus needing the fire department's response. This in turn caused the Center to be billed for these calls, so the system was turned off.

MR. BOOKER stated that he has recently spoken to A & E, and they

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reported that at one time Honeywell had gone in and fixed the system. Since it still doesn't work, A & E threatened to have them fix it. He expressed concern over losing certification if it is not working properly.

MR. SOUTH expressed concern over the liability problem. He stated he would hesitate to have the Director's Budget have the money to maintain all the systems, since it will be the last to be heard, and might be reduced considerably.

REP. CONROY asked if Honeywell was bonded and licensed in the state of Montana.

MR. BOOKER stated one of the reasons for the contract being so high, is the cost for Honeywell to repair and maintain the system. He stated there seems to be an unknown science to make the system functional and reliable on a maintenance contract.

MR. HOFFMAN explained due to the increase of technology in the fire alarm systems, the older systems are not as sophisticated as today's models. The older systems did not take into account cigarette smoking in the room and these problems related to false alarms.

SEN. ETCHART asked Mr. SOUTH to explain the need for the pharmacist.

MR. SOUTH stated the budget as it stands in the Contracted Service area does not include the salary for the pharmacist, but does include the \$1,000 for relief while on vacation. If the pharmacist is not accepted, the Contracted Service will need to be re-adjusted. He felt in regard to the contract for the M.D.'s, there was enough money in the budget.

MR. HOFFMAN explained to the Committee, there was only one licensed pharmacist to handle Medicare in Lewistown. He was not certain what type of burden was placed on that Pharmacy in dealing with the Center of the Aged, and because of the lack of evidence on the prescriptions being issued, the pharmacy items being maintained at the facility.

REP. CONROY stated the concerns of MR. HOFFMAN's were also his. He stated the reason for only one licensed pharmacist, due to the large amount of paper work, and money is lost on every Medicare and Medicaid service. The pharmacist he has spoken to, would prefer to handle all paperwork through the local welfare department. He noted Dikewood Corporation has the contract for handling the Medicare and Medicaid forms.

MR. SOUTH noted the Center for the Aged was cited by the Department of Health due to lack of hours by a pharmacist. He noted that if

there were a change in medication as indicated by the residents doctor, then more hours would be needed by the pharmacist. MR. BLOUKE stated his department did request the pharmacists be contacted in Lewistown relative to the hourly needs for the Center of the Aged. The information returned to the department was that a total of 128 hours would be required per month. The following is the breakdown of hours: 100 hours would include the filling of over 500 prescriptions per month, 5 hours would be devoted to maintain the current inventory, 10 hours would be spent in reviewing the multi-drugs used by over 175 residents, 10 hours would be spent in returning outdated drugs, and 3 hours spent in mandatory committee meetings. He noted the current contract is for 56 hours per month. He is only there for two days a week, where ICF regulations require a pharmacist to be on the premises five days per week. The cost of a full-time pharmacist would be \$21,037. This would include all of the benefits. The \$1,000 for relief is not included in that figure. This would make the total \$22,037. He stated the department is not proposing, at this time, a unit dose system, mainly because the department does not have enough information to give the Committee.

SEN THOMAS asked what the mark up was on drugs at a pharmacy.

MR. BLOUKE stated he felt the mark up was approximately 100%.

REP. CONROY asked if Mr. HOFFMAN would have the state contract figures for services from the Dikewood Corporation.

MR. HOFFMAN stated that was a state contract through SRS. Dikewood is a fiscal intermediary for them. He noted he had no idea what SRS was paying them, but would be happy to get that information.

REP. CONROY asked that a small recess be taken so that information could be obtained.

There was a 15 minute recess.

THE CHAIRMAN asked MR. SOUTH where he came up with the \$10 a hour figure.

MR. SOUTH stated that a pharmacist was classified as a Grade 14, Step 2.

THE CHAIRMAN noted a difference in the pharmacy area expansion amount within the Long Range Building Program of \$10,000 in the proposal, but mentioned yesterday in conversation was \$25,000. He asked which is the correct figure.

MR. SOUTH stated there is some uncertainty if those proposed figures are going to be revised by Governor Schwinden. He noted that the above figure is not necessary unless the unit dose system is introduced. At this time they are only requesting the pharmacist to

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meet the state regulations.

REP. CONROY stated for the record, he had asked for the amount of the contract with the Dikewood Corp., and MR. HOFFMAN related that contract is \$744,000 for FY 81. REP. CONROY stated that he would be happy to testify at the Human Resource Subcommittee in regard to their budget with SRS. He would like to ask if the paperwork could be performed at the local welfare office rather than with Dikewood.

REP. BARDANOUVE stated he understands the system is quite sophisticated and it coordinates all 56 counties into one centralized agency.

THE CHAIRMAN asked if everyone was in agreement with the vacancy savings of 2%.

MR. HOFFMAN stated in regard to EXHIBIT 21, page 5, he did agree on the four additional workers, because of the citation from the Board of Health. He did not agree with the three additional laundry workers, because many of the residents retire early, and the night staff could help with the laundry during their duty.

MR. SOUTH stated he was being consistent throughout the institutions in having the direct care staff do direct care duties.

THE CHAIRMAN asked the budget be voted on.

SEN. THOMAS moved the Goods Produced for Resale amounts of \$9,458 for FY 82 and \$9,729 for FY 83 be approved.

THE MOTION PASSED.

REP. CONROY moved the Other Expenses amounts of \$1,818 for FY 82 and \$9,729 for FY 83 be approved.

THE MOTION PASSED.

REP. ERNST moved the Utilities amounts of \$85,125 for FY 82 and \$95,340 for FY 83 be approved.

THE MOTION PASSED.

SEN. ETCHART moved the Rent amounts of \$1,595 for FY 82 and \$1,724 for FY 83 be approved.

THE MOTION PASSED.

SEN. THOMAS moved the Travel amounts of \$2,657 for FY 82 and \$3,055 for FY 83 be approved.

SEN. THOMAS moved the Communication amounts of \$10,677 for FY 82 and \$11,659 for FY 83 be approved.

THE MOTION PASSED.

SEN. ETCHART moved the Supplies and Materials amounts of \$244,480 for FY 82 and \$265,668 for FY 83 be approved.

THE MOTION PASSED.

REP. CONROY asked if the Contracted Service amount did not include the cost of the pharmacist.

MR. SOUTH stated the amount of \$41,941 does not include the pharmacist.

REP. CONROY moved the Contracted Services amount of \$41,941 for FY 82 and \$51,544 for FY 83 be approved.

THE MOTION PASSED.

SEN. THOMAS moved the Personal Services amounts of \$1,428,747 for FY 82 and FY 83 respectively be approved.

THE MOTION PASSED.

REP. CONROY moved the Equipment amounts of \$16,133 for FY 82 and \$5,186 for FY 83 be approved.

THE MOTION PASSED.

THE CHAIRMAN asked the Modified Programs for Personal Services be discussed. See EXHIBIT 21, page 5.

SEN. THOMAS moved that two Custodial Workers be approved.

THE CHAIRMAN stated he felt the Center would need four, due to the minimum guidelines brought out in MR. FENNER's letter. The MOTION FAILED with two in favor and three opposed. Those opposed were REP. MOORE, SEN. ETCHART, and REP. ERNST.

REP. ERNST moved that four Custodial Workers be approved. The MOTION PASSED with three in favor and two opposed. Those opposed were SEN THOMAS and REP. CONROY.

REP. ERNST moved to delete the two Laundry Workers as requested in the modified program.

THE MOTION PASSED

REP. CONROY moved the pharmacist be deleted in the modified program.

SEN. THOMAS asked what would be saved by the Center having its own pharmacist.

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MR. BLOUKE stated that would be difficult to assess due to the lack of adequate information. The cost associated with the contract of 128 hours per month, are \$15,360 in FY 82 and \$16,604 in FY 83. This amount would have to be placed back into Contracted Services.

MR. SOUTH stated it would appear that hiring a pharmacist in terms of pure labor costs would cost more, however, in dealing with an internal control system as the unit dose system, some of the pilfering problems would be reduced.

REP. CONROY stated he has reservations due to not knowing how many prescriptions are being dispensed, and the types and nature of those prescriptions. He felt the residents should be able to work with their own personal doctors and deal with the town pharmacist for any necessary prescriptions.

MR. SOUTH asked if that meant the state should buy at retail all drug items.

REP. CONROY stated eventhough the cost appears to be higher, we do not know at this time what the corresponding cost would be.

THE CHAIRMAN asked for the vote on REP. CONROY's motion. The MOTION FAILED with one in favor and four opposed. Those opposed were SEN. ETCHART, REP. ERNST, REP. MOORE, and SEN. THOMAS.

SEN. ETCHART moved to accept the pharmacist. The MOTION PASSED with four in favor and one opposed. REP. CONROY was opposed.

THE CHAIRMAN asked that EXHIBIT 20, page 20 be discussed. The first item to be discussed would be the relief amount of \$1,000 for FY 82 and FY 83 for the Pharmacist.

SEN. ETCHART moved the vacation relief amount of \$1,000 for FY 82 and \$1,000 for FY 83 be approved.

THE MOTION PASSED.

SEN. ETCHART moved that the Burial of an indigent amounts of \$1,301 for FY 82 and \$1,406 for FY 83 be approved.

THE MOTION PASSED.

MR. HOFFMAN noted on Exhibit 20 page 21 on the modified, the food amount would have to be adjusted to include five FTE;s rather than seven. He also noted on the Building Materials area, the Center for the Aged did construct two offices last year.

MR. BLOUKE noted they did build two offices in the basement last year. He stated these figures were backed out in FY 80 as a one

time expenditure.

MR. SOUTH stated that this figure is economical to the state, because this includes only materials, the labor is done by in-house staff. He felt it was very important to have good sound proof rooms to prevent any errors in the business office.

MR. WOLCOTT stated the food amount should be changed from \$995 to \$710 in FY 82, and from \$1,084 to \$774 in FY 83.

SEN. ETCHART moved the amounts for Food and Supplies and Materials for the additional five FTE's for \$710 for FY 82 and \$774 for FY 83 be approved.

THE MOTION PASSED.

REP. CONROY moved the Building Materials amount of \$2,500 for FY 82 be approved.

THE MOTION PASSED.

SEN. ETCHART moved the Housekeeping Supplies amounts of \$4,364 for FY 82 and \$4,714 for FY 83 be approved.

THE MOTION PASSED.

THE CHAIRMAN asked what the justification was for the four new housekeeping carts.

MR. SOUTH stated the four new housekeepers just approved in the modification.

REP. CONROY asked if all the housekeepers would be doing the same type of work at the same time.

MR. SOUTH stated there were six wings, and their duties would be similar to that done in motels. All supplies are in the carts so they can do each room at a time.

SEN. ETCHART moved the Housekeeping Carts amount of \$896 be approved.

THE MOTION PASSED.

THE CHAIRMAN asked the Committee to discuss the Repair and Maintenance amount on EXHIBIT 21, page 1.

MR. SOUTH stated the Committee could go along with the amount, and trust him, that if the money was not used, it would be reverted to the General Fund, or it could be stated in specific language within the bill, that particular appropriation was for the maintenance

contract on the fire alarm system only.

THE CHAIRMAN asked if the difference of \$18,964 for FY 82 and \$21,771 for FY 83 was all for the fire alarm system.

MR. SOUTH noted that difference was built off an estimate given to the Center of the Aged in 1979. Inflation factors have been added.

REP. CONROY moved the Repair and Maintenance amounts of \$33,062 for FY 82 and \$37,183 for FY 83 be approved.

THE CHAIRMAN asked to amend that motion to read that specific language would be stated in the bill so that this amount is for contract money only. The motion along with the amendment PASSED.

There being no further comments or discussion, the meeting was adjourned at 9:50 a.m.

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JACK K. MOORE, Chairman

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VISITORS' REGISTER

HOUSE JOINT APPROPRIATIONS SUB COMMITTEE FOR INSTITUTIONS

BILL CENTER FOR THE AGED Executive Session

Date 1/20/81

S.ONSOR \_\_\_\_\_

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPOS
[Handwritten Name]	[Handwritten Residence]	[Handwritten Representing]		
[Handwritten Name]	[Handwritten Residence]	[Handwritten Representing]		
F. Blouke	HELENA	DEPT. INSTITUTION		
Gene Huntington	HELENA	OBPD		
[Handwritten Name]	[Handwritten Residence]	[Handwritten Representing]		

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

DEPARTMENT OF INSTITUTIONS

CENTER FOR THE AGED

DESCRIPTION	EXPENDITURES				1982 Budget			1983 Budget		
	1980 Actual	1981* Estimated	Exec. Budget	Fiscal Analyst	Exec-LFA Variance	Exec. Budget	Fiscal Analyst	Exec-LFA Variance		
FIC	90,53	94.66	99.93	99.93	-0-	99.93	99.93	-0-		
Salaries	\$1,008,110		\$1,176,167	\$1,176,167	-0-	\$1,176,167	\$1,176,167	-0-		
Benefits	206,654		252,580	252,580	-0-	252,580	252,580	-0-		
Total Personal Services	1,214,764	\$1,362,779	1,428,747	1,428,747	-0-	1,428,747	1,428,747	-0-		
Contracted Services	51,560	47,584	41,941	41,941	-0-	51,544	51,544	-0-		
Supplies & Materials	189,194	181,401	244,480	244,480	-0-	265,668	265,668	-0-		
Communications	7,764	8,580	10,677	10,677	-0-	11,659	11,659	-0-		
Travel	669	1,040	2,657	2,657	-0-	3,055	3,055	-0-		
Rent	832	1,805	1,595	1,595	-0-	1,724	1,724	-0-		
Utilities	64,411	82,119	85,125	85,125	-0-	95,340	95,340	-0-		
Repair & Maintenance	20,487	7,500	33,062	14,098	(18,964)	37,183	15,412	(21,771)		
Other Expenses	1,505	526	1,818	1,818	-0-	1,972	1,972	-0-		
Goods Produced for Resale	7,532	8,433	9,458	9,458	-0-	9,729	9,729	-0-		
Total Operating Expenses	343,954	338,988	430,813	411,849	(18,964)	477,874	456,103	(21,771)		
Equipment	9,136	4,200	16,133	16,133	-0-	5,186	5,186	-0-		
Total Program Costs	\$1,567,854	\$1,705,967	\$1,875,693	\$1,856,729	(18,964)	\$1,911,807	\$1,890,036	(21,771)		

Overtime 3,000  
 Holiday OT 22,507  
 Longevity 6,300  
31,807

FUNDING	EXPENDITURES				1982 BUDGET			1983 BUDGET		
	1980 Actual	1981 Estimated	Exec. Budget	Fiscal Analyst	Exec-IFA Variance	Exec. Budget	Fiscal Analyst	Exec-IFA Variance		
General Fund	\$1,561,833	\$1,678,587	\$1,866,235	\$1,847,271	(\$18,964)	\$1,902,078	\$1,880,307	(\$21,771)		
Other Funds**										
1. Revolving (Canteen)	10,000	3,000	9,458	9,458		9,729	9,729			
2. Insurance Refund	3,029									
3.										
4.										
5.										
TOTAL	\$1,574,862	\$1,681,587	\$1,875,693	\$1,856,729	(\$18,964)	\$1,911,807	\$1,890,036	(\$21,771)		

PERSONAL SERVICES SUMMARY

Institution CENTER FOR THE AGED

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	FY 80 Actual	FY 81	FY 82	FY 83
Total Personal Services			\$1,168,364	\$1,168,364
Salaries			3,000	3,000
Overtime			22,507	22,507
Holiday Overtime			6,300	6,300
Longevity			1,200,171	1,200,171
Benefits 21.44%			257,735	257,735
Vacancy Savings 2%			(\$29,159)	(\$29,159)
Total All Personal Services			1,428,747	1,428,747
FTE's 99.93				
Direct Care 57.03				
Indirect Care 41.90				
1.00 Resident Workers				
Population 195				

Status: C - Current Level  
M - Modified

DESCRIPTION	EXPENDITURES				1982 Budget				1983 Budget			
	1980 Actual	1981* Estimated	Exec. Budget	Fiscal Analyst	Exec-LFA Variance	Excc. Budget	Fiscal Analyst	Exec. Budget	Fiscal Analyst	Exec-LFA Variance		
FTE			7.0	4.0			4.0	7.0	4.0			
Salaries			\$68,519	\$34,477	(\$34,042)	\$68,519	\$34,477	\$68,519	\$34,477	(\$34,042)		
Benefits			15,547	8,159	( 7,388)	15,547	8,159	15,547	8,159	( 7,388)		
Total Personal Services			84,066	42,636	(41,430)	84,066	42,636	84,066	42,636	( 41,430)		
Contracted Services			2,301	-0-	( 2,301)	2,301	-0-	2,406	-0-	( 2,406)		
Supplies & Materials			7,859	-0-	( 7,859)	7,859	-0-	5,798	-0-	( 5,798)		
Communications												
Travel												
Rent												
Utilities												
Repair & Maintenance												
Other Expenses												
Goods Produced for Resale												
Total Operating Expenses			10,160	-0-	( 10,160)	8,204	-0-	8,204	-0-	(8,204)		
Equipment			896	-0-	( 896)							
Total Program Costs			\$95,122	\$42,636	(\$52,486)	92,270	\$42,636	92,270	\$42,636	(\$49,634)		

\* If estimated amount includes more than original appropriation, please explain

PERSONAL SERVICES SUMMARY

	FY 00 Actual	FY 01	FY 02	FY 03
Total Personal Services			\$17,590	\$17,590
2 Laboratory Workers Grade 0 Step 4			35,180	35,180
4 Custodial Worker II Grade 6 Step 2			17,147	17,147
1 Pharmacist Grade 14 Step 2			\$69,917	\$69,917
Total Salaries			15,864	15,864
Benefits @22.69%			(\$ 1,715)	(\$ 1,715)
Vacancy Savings 2.0%				
Total All Personal Services				
FTE's				
Direct Care				
X Indirect Care				
Population				
			\$84,066	\$84,066