

MINUTES OF THE MEETING  
FINANCE AND CLAIMS COMMITTEE  
MONTANA STATE SENATE

February 4, 1981

The fifth meeting of the Senate Finance and Claims Committee met on the above date in room 108 of the State Capitol building. The meeting was called to order by Senator Hims1, Chairman at 11:11 a.m., roll call was taken and is attached.

CONSIDERATION OF SENATE BILL 124: Senator Thomas, sponsor of the bill explained that this bill is offered by the budget and program office to allow the budget office and its state agencies more time to examine and analyze last years budget for preparing the next years budget.

Mr. Huntington, budget office, proponent for the bill said they are asking 2 weeks on the time period when agencies can submit their original budget request. A major ingredient is the amount they expended in the first fiscal year of the biennium. The state accounting system does not have our final entry in until about the end of July. This only leaves about 2 weeks for a final accounting and preparation of the budget. They will have more time to clean up the information and make accurate projections.

Senator Thomas said he did not need a closing statement.

With no further proponents nor opponents, the hearing was closed.

CONSIDERATION OF SENATE BILL 118: Senator Blaylock, chief sponsor of the bill said this bill would remove the 50% limitation for funding the mental health centers. The reduction of federal help for these areas along with the 50% limitation is throwing a real burdon on the state. He said he had several proponents of the bill who wished to speak and would save his time for them.

Margaret English, staff member, region 3, Mental Health Center, said she had good news and bad news--the bad news was that Mental Health Centers really need money. She said the good news was that the committee did not really have to decide how much, but that the question was whether the legislature would allow flexibility for the healt center. This is a responsibility the legislature has accepted. The state has borne a significant burden since the days of Warm Springs. In the de-institutionalization in 1975 the decision was made that people could be turned back into the communities. People housed there were put into home areas. This was a result of the Mental Health Centers. We have saved the state a great deal of money. Since 1977 when this started, we have saved the state about \$3 million, or 20% of the budget. This is an area of inflation and probably would be 50% when you take in that factor. We are in a position of losing a lot of federal funding that made it possible. Our federal funding has dropped from 19% to 9% in this biennium. That 10% has to come from somewhere. Our projections show only \$6.5 million in matching funds from other sources. This includes counties, cities, fees and services and the federal grants. The question then is what are we going to do that is valuable to the state. 57% of the people served have an income below \$8,000 a year.

There is a large middle group, they were the taxpayers crying for relief and we are providing some sort of service based on their ability to pay. We have a sliding fee scale. Another factor is that 8% of the people we serve are after-care--they are people who have been in Warm Springs and are now in the centers and utilizing much more than the proportional amount of the 8%. They take up 20% of the clinical service and a lot of our budget. In many areas of Montana there is no service given, especially in Eastern Montana. In addition the cost is about 45 to 55 dollars for a psychologist and about the same for a psychiatrist. Our costs are well below this amount. We offer community placement, help people find jobs, (some of the women do not even know how to do dishes, sweep, etc. since they have always been in an institution and these things were done for them), we have places where they can get 24 hour service if necessary and there is a great deal of community input into our services.

We are accountable to the state for the way we spend our money. We have made several successful attempts to rely less on federal and state money (14 to 22% of our budget) and we intend to try to do even better. It is difficult because so many are low income people.

Can we survive with the limit of 50%? I think later on you will be confronted with many dollars to put in. Both the Budget office and the LFA exceed the money we think we can get from other sources. If we were to limit ourselves to \$6.5 million, we would probably be getting less in this biennium than last and will be in jeopardy. I know you have to be objective, but thank you.

Eva Van Arsdale, Montana Health Association said the mental health association is an organization of volunteers. It was started in 1909 by a former mental health patient. In Montana there are about 1500 paying members and active people working on behalf of the Mental Health. Treatment and projects are well aimed. We use education by educating communities and nurses and by coming here to advocate for those who are mentally ill. We are working on the stigma. We become friends on a one to one basis with our patients. We make them feel welcome, take them around and help them to find a job, help them with a budget, and take them to social things. We sit with them during surgery, help in cases of death, bring them to our homes for holidays, talk to them on the phone between times. I would ask you to examine and do all you can to help maintain these services.

Beverly Gibson, Montana Association of Counties said she was in support of the bill. We feel that this will enable the state if funds are available, and if the legislature is available to allocate more than the 50% that is allocated for the mental health centers. When the federal funds drop the state funds drop. We can not have it a burden on the county government to take this up. It is a state responsibility, the counties are involved and do everything they can.

Bill Warfield, Chairman of the Southwest Montana Mental Health Center and representing region 4, a former legislator, said he would like to emphasize that the board is made up of one from

each county and they are not quite autonomous, even though some think so. We are very accountable to the state. They have detailed scrutiny of our budgets and the reserves are line itemed. Salaries are deducted if they are more than the state level. As to adherence to the state pay plan, we are going through a position by position comparison with state positions and ours. It is our intent to have all our positions fall in line. Apparently we are paying a few dollars more than the state. We will address this and bring it into line. We do march to the state tune. We provide a vital link with the counties we represent. I feel the income tax is the fairest way to pay for this. The counties can not pay materially more. We will look at this source, but it is not a red-hot source compared to other sources. Schools are drastically levied on counties, it should be state. The state support of the public schools is at least 60% or 70%. There is no flat 50% limitation there. It is a state function.

Sources: There is a brand new federal assistance act, but no appropriations. We are looking on this, but it is down the road a year to a year and a half. The area of patient fees. We are working on this and in making some improvements. Medicare and Medicaid reimbursements. We are working on getting a preferential status on Mental Health Centers. Medicaid is largely a matter within the state. It is very important. We are engaging in working with the Health Department to devise a rule as to what is a mental health center and make it easier to get medicaid. Insurance. We are trying to get insurance companies to be required to offer mental health insurance. Contracts. We do all we can to develop contracts with government and private agencies. We are working on these things, but there are limitations as to how much we can get from them. We wish the legislature would reduce the 50% limitation. It is not useful, and potentially harmful. The legislature can fund it at whatever level it determines, based on every session thereafter. In S.R. 15 the legislature recognized the need for continued support for these programs, the mental health program and DD programs.

Jeanne Porter spoke in favor of the bill, testimony attached.

Harold Gerke, council of Montana Health Center Boards said the committee had heard enough about the need and he would urge them to adopt the legislation and abolish the 50% rule. He said there might have been a need when this was set up. We did not have the sophistication that we have now, nor the information that is available now. You need the flexibility to make the appropriation here the same as in any other part of the government.

Carroll South, Director of the Department of Institutions said he had some ideas he would like to put into effect since his short time as head of the Department of Institutions. When the requests came in from the center we felt that it was excessive. We went through it and made adjustments. We reduced travel, used vacancy savings, etc. We plugged in all the revenue sources

against the proposed expenditure levels. We found we have a shortage of \$½ million in '82 and \$1.7 million in '83. We can by law only project to the 50% set by the legislature. If we set more we would not be legal. I have asked the centers to build up their reserves. I am concerned about '83 and the \$1.7 million. The Federal funds dropped off dramatically. The money that follows the state, we get \$1 for \$1 reduction from the state funds. That is a mechanical problem due to the limitation of the 50%. The Department is pursuing another way. The mental health centers in relation to the Department is a different sort of relationship. We go basically on a current level budget and appropriate general fund against that. My proposal will be to contract directly to the center what we consider vital health services that the state should be providing. We would provide 100% of some. Those that take people out of Warm Springs and pre-care, An attempt to keep people out of Warm Springs and out in the community. I would recommend we fund these 100% with state money. After those programs we are talking about programs with a lesser degree a state problem, and possibly a center problem. We would prioritize assistance. Some services would perhaps receive more money and some perhaps no money. Where the counties collect fees the state would not pay it all. Our big problem is under the 50% limitation. If we demand more participation, some counties have said they will drop out. We could find ourselves in a position where we could not fund those services that are vital to the state. The overall operation of the mental health centers have decreased and we must decrease dollar for dollar on that decrease. We might not be able to go into the contract services we think are necessary. It will show us what services are so vital we pay 100%.

There were no further proponents for the bill, and there were no opponents to the bill. Questions from the committee follow:

Senator Keating: Am I correct when I say I saw a proposal that you combine Warm Springs and Boulder? Would this mean a single appropriation for this department? South: It could. They can make separate appropriations for Warm Springs and Boulder, or put it in for the combined center.

Senator Keating: In this bill, is it specifically to Warm Springs? South: It is an existing section of the law. Keating: You are changing the 50% factor. Is more money going to be needed? South: The theory is that the money follows the patient.

Senator Johnson: Why was the 50% put in to begin with? Mr. Blouke: I am not sure. South: I am not sure. Gerke: It started back in the days of Mental Hygiene Centers and in about 1975 when they deinstitutionalization program was first started. Legislators were wary and there was legislation that provided funds in the Warm Springs budget to follow the people as they came to the counties. They then felt there should be a limit on the amount the Mental Health Centers should have or could take out of the budget at Warm Springs. We did not have the expertise you have now and we did not have the fiscal analysts, etc.

Senator Himsl: This was a new program, a pioneer program, and there was no way of knowing what sort of response we would get in the counties. We decided that at whatever level it is going to float at, we are only going to provide 50% of it. It was a protection for the state. Any time the local help drops, the state money drops.

Senator Thomas: How do you purpose to establish some controls without the funding limitations. We have the Board of County Commissioners as the governing board. We are approaching a situation like the Vo Tech where we have no control and they don't have the feeling for the state dollar if no local participation. It is one of the mechanisms we use to limit the state funding where we have no control. South: We really can't tell you what programs the general fund dollars will be used for. The program I am suggesting would pay the Mental Health Center so many dollars for a specific care. We would look at salaries, etc., and would back them out before we would appropriate money for contractor service. We would not use them if they did not have their salaries in line with the state pay plan, for instance. I don't think we have control now. They can allocate those dollars and it all goes into one big pot. I would like to eliminate that and pay for all the services of the vital ones.

Senator Himsl: Are these centers non-profit corporations? Ans. yes. Himsl: As far as the state is concerned, you are buying services from them? South: We are buying services, but do not have specific services.

Senator Himsl: The rest of the funding these non-profit corporations get will come from federal, county and private fees? Is there any money from other sources? This would be the amount they would be operating under then? Ans. Yes

Senator Himsl: So, if the counties back off you could still continue to purchase on whatever level you needed? South: I don't want to be bound by the county and federal for services that are vital. There are some that can be eliminated, I am sure.

Senator Himsl: You will not be restricted by their budget but by ours to buy the services you need. South: Yes.

Senator Dover: How are the salaries determined for the people in the center? South: The current pay says state pay plan. In two levels the pay plan included health insurance that is provided for the employee. They used that base and then added health insurance on top of it. The most sensitive one is the salary in the Billings area which is substantially above the Department head of Warm Springs. We are going to take a look at it. We are only contracting with them on the same assumptions of the pay plan.

Senator Dover: Do you think this will give us more control on the salaries? South: yes.

Senator Haffey: When you described your new approach to priorities what priorities would be purchased? You described the two highest as getting them out and keeping them from going in as the high priorities for general fund money. Do you have any notions as to any ratio between the people that could be kept out of Warm Springs by using the mental health centers? South: The last figures I had showed the greatest amount came from Silver Bow County. I think we will always have to have a state institution for those that are a danger to themselves and to society. I also think we should get them out if they can function in their own areas. I am not willing to buy the centers saying they meet about 12 services necessary to keep people out. I think we have to prioritize these 12. I think there is consultation etc. that are high priority items, but perhaps the school district should help here.

Senator Haffey: The latest figures show about 13½% is from Yellowstone County, 10% from Silver Bow. I am trying to get at the population of the state that would need to be in a place like Warm Springs. South: Is there anyone in Warm Springs that could function in the County. It costs a lot of money to institutionalize a person for life. They are not only a cost to the state, but they are not contributing to the state treasury.

Senator Haffey: Can it be driven to zero? South: The county cannot provide some of the services that are given at Warm Springs. Also on the D D group, if the county refuses them or cannot provide the services.

Senator Johnson: Is the need for this bill at this particular time because the federal money is not available? Blouke: Yes. As the funds go down, the state is restricted to that percentage. This makes it a double whammy, you might say.

Senator Hims1 declared the hearing closed.

DISPOSITION OF SENATE BILL 88: MOTION by Senator Boylan that Senate Bill 88 DO PASS. Voted, Passed. Unanimous with Senators Smith and Aklestad absent.

DISPOSITION OF SENATE BILL 124: MOTION by Senator Regan that Senate Bill 124 DO PASS. Voted, Passed, vote unanimous with Senators Smith and Aklestad absent.

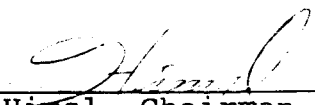
DISPOSITION OF SENATE BILL 118: MOTION by Senator Regan that Senate Bill 118 DO PASS. Senator Regan said she would like to explain her motion because she felt two points were well made. The drop in federal or county funds gives them the double whammy they cannot afford. By dropping the 50% limitation we can control it, and contract for special services.

Senator Himsl said he felt the same way. county population can be reduced and the state share is reduced and will continue to do so. The real control will be where the state buys the services at the priorities they set up and where the program works.

Senator Thomas said we are are looking very hard at this on the subcommittee, and we agree.

VOTED, PASSED, vote was unanimous with the exception of Senators Aklestad and Smith who were absent.

There was a motion to adjourn and the meeting was adjourned at 12:20 P.M.

  
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Senator Himsl, Chairman

Jeanne Porter  
1425 Winne  
Helena, Montana  
February 4, 1981

Bill SB 116

Mr. Chairman and Members of the Committee:

My Name is Jeanne Porter. I speak as a consumer of services who has not always had the opportunity to be treated in her own community in the past. Today I probably would should I need it, thanks to the community Mental Health Center. I hope I will tomorrow if the need arises. Members of my family have been serviced through the Center, and many, many patient friends.

"But I can't afford a psychiatrist" is one of those hopeless sounding phrases I hear alot. I'm glad to be able to say, "But you can afford it at the Mental Health Center--you pay according to income."

I'm a member of a self-help group for nervous and former mental patients, Recovery, Inc. Many of the people who come to practice their coping skills at Recovery are also receiving necessary treatment and medication through the Mental Health Center.

Last fall I attended a public meeting in which a young clinical psychologist from the Center spoke to families of patients about Schizophrenia. He stayed afterwards answering questions, sometimes desperate ones, until the cleanup crew turned out the lights.

At Christmastime I was invited, along with other families and friends, to the Southwest Mental Health Center's Residential Facility for a holiday open house. The residents, who are recently from the State Hospital and making the transition to community, had baked several kinds of breads and cookies and prepared a punch. They were pleased with their successes and laughing about their failures. This is all a part of Southwest's Aftercare Program.

A week ago a woman came to me asking whether Recovery could help her depression. As I listened it became obvious that the woman needed professional help. I was able to give her 3 or 4 names of therapists from the Mental Health Center in hopes that, with a choice, she might decide on one that suited her personality and situation at the time. A well-staffed center requires adequate funding.

Tonight I'm attending a meeting in which our Mental Health Center will come together with other mental health-related agencies and private organizations to plan a local educational fair for May, Mental Health Month. We want to call it LEARNING TO COPE. This is one more way they are working to provide a community support system for the mental and emotional needs of Helena.

We need our Community Mental Health Centers, but we need them properly funded and properly staffed.



# STANDING COMMITTEE REPORT

.....February 4..... 19 81.....

MR. ....President.....

We, your committee on .....Finance and Claims.....

having had under consideration .....Statement of Intent, Senate..... Bill No. 28.....

Respectfully report as follows: That.....Statement of Intent, Senate..... Bill No. 28.....  
be adopted.

## STATEMENT OF INTENT RE: SB 88

A statement of intent is required for this bill because it provides for rulemaking in Section 2. When the provisions being amended by this bill were adopted, it was intended that the formula for allocating appropriations to library federations would be used. The formula proved to be unworkable and has not been in use. Therefore, there is a need for rules to provide guidance for the allocation of funding, to establish funding formulas, and to determine what type of grant programs should be implemented. The rules authorized by this bill should address the preceding concerns and should incorporate flexibility because the needs change and the funding should accommodate the varying needs.

First adopted by the Senate Finance and Claims Committee on February 4, 1981.

NOTASS:

*J.C.*

# STANDING COMMITTEE REPORT

February 4 1981

MR. President

We, your committee on FINANCE AND CLAIMS

having had under consideration Senate Bill No. 118

Respectfully report as follows: That Senate Bill No. 118

DO PASS

P.A.

# ...ING COMMITTEE REPORT

February 4

1981

MR. President

We, your committee on FINANCE AND CLAIMS

having had under consideration Senate Bill No. 124

Respectfully report as follows: That Senate Bill No. 124

DO PASS