

THE MINUTES OF THE MEETING OF THE LOCAL GOVERNMENT
COMMITTEE - SPECIAL SESSION

November 24, 1981

The meeting was called to order by CHAIRMAN BERTELSEN on Tuesday, November 24, 1981 at 9:30 a.m. in room 437 of the Capitol Building, Helena, Montana.

ROLL CALL was taken. All members were present but REPRESENTATIVE DESSAULT and REPRESENTATIVE AZZARA.

SENATE BILL NO. 4 was presented by SENATOR REGAN. She asked the committee to look at the bill and to notice that it has been restored to its original 50/50 share between county and state to allow for the general relief and for the allowable County Medical Assistance, exclusive of a medical facility, like a nursing home. In order to qualify in either category, a work fair program must be in place. There is a termination date on the bill with a sunset of June 30, 1983.

The bill has been amended to remove from it the provision that the county had to pick up 5% of the non-federal share of the medicaid.

The Fiscal Note is not accurate as it shows medicaid deducted from that. Stating that the Fiscal Note is unsure, it is something in the vicinity of \$244 million dollars, and it shows going to a 50/50 share at the very bottom. If the general assistance costs escalate rapidly at a local level, it will be the obligation of the state to pick up half the costs.

This bill carries no appropriation. SENATOR REGAN pointed out language on page 1, line 20.

PROPOSERS were called for.

MIKE STEPHENS of Montana Association of Counties spoke as a proponent and said the 50/50 part in the bill is probably all they are responsible for. They were trying to address the fact, as far as the categorical grants that are coming down that would be eliminate or closely eliminated, that that shift would involve only, as far as the block grants are concerned, the county medical under general funds. They thought they would only look at those two items. They would take the known county medical and general assistance for a known year and increase them 10% and use that figure as a 50/50 share. Those areas will impacted in each county again. They think it is unfair to look at just the poor fund in analyzing a county how many mills an individual pays.

NO OTHER PROPOSERS, OPPONENTS were called.

JOHN LaFAVER, Director of Social and Rehabilitation Services, stated that he is not totally opposed to S.B.4 as it is better than not having anything at all. It is clearly inferior

that has been presented in providing assistance to the county. It is inferior from a mechanical standpoint of what can reasonably be passed through the legislature in the time span they have, and inferior from an operational and administrative standpoint. It cannot be effective unless House Bill 2 is opened up. There is an appropriation made in that bill in addition to what is there now of about \$2.22.3 million.

It would put the Department of SRS in the position of auditing, reviewing and checking the appropriateness of welfare expenditures in all 56 counties.

Questions were asked by the Committee.

REPRESENTATIVE PISTORIA asked if this bill would interfere with the 13.5 mill levy. REPRESENTATIVE REGAN said the 13.5 mill limit will remain in place. The state will start picking up half of all cost from 0 mills to 13.5 mills and everything above that becomes state obligation. That is why she cautioning the committee about the cost of the bill.

REPRESENTATIVE PISTORIA asked Mr. Lewis, director of Budget and Program Planning in the Governor's Office, if he were involved in either Bill. MR. LEWIS stated that as far as the administration is concerned, they think H.B. 13 is the superior bill.

JUDY RIPPINGALE of the Legislative Fiscal Analyst Office stated their staff and the SRS worked together in presenting a maximum figure as far as the fiscal impact.

BEN JOHNS, Department of Social and Rehabilitation Services, said that the cost of this would be about \$4,588,000, but they would have been paying out two million two in grant-in-aids anyway, so the total additional is about \$2,388,000.

SENATOR REGAN stated that she was impressed with the House Bill as being the superior bill.

After considerable discussion SENATOR REGAN closed.

The Chairman opened to EXECUTIVE SESSION.

REPRESENTATIVE BERGENE MOVED the S.B. 4 DO NOT PASS.

Discussion was opened. Chairman BERTELSEN presented charts showing what would happen in the counties if the work fair program works. ATTACHED.

THE MINUTES OF THE MEETING OF THE LOCAL GOVERNMENT Page 3
COMMITTEE - SPECIAL SESSION
November 24, 1981

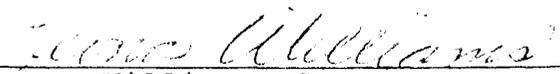
QUESTION WAS CALLED FOR.

MOTION PASSED with all members voting AYE but REPRESENTATIVE
VINGER, REPRESENTATIVE SALES and REPRESENTATIVE HOLLIDAY.

MOTION was made to adjourn the meeting at 10:30 a.m.



CHAIRMAN VERNER BERTELSEN



Leona Williams, Secretary

STATEMENT OF INTENT

SENATE BILL NO. 4 (1st SS)

1 A statement of intent is necessary for this bill
2 because sections 1 and 2 grant rulemaking authority to the
3 department of social and rehabilitation services.

4 The department is to make rules defining reasonable and
5 necessary expenses of a county poor fund for state
6 participation. The rules are expected to be guidelines that
7 adequately forewarn counties as to the expenses that they
8 can reasonably expect to be recognized by the state, yet not
9 restrict a county's ability to locally operate its
10 assistance program except insofar as a legitimate state
11 interest is involved because of state financial
12 participation.

13 The department may also adopt guidelines for state
14 approval of work programs. It is preferred that the
15 department will establish minimum and perhaps maximum
16 standards allowing a county latitude in formulating a
17 meaningful work program based upon its caseload and
18 geographical location. The county plan adopted with these
19 guidelines would then be subject to department approval.

20 Because of the uniqueness of this act, the department
21 may adopt rules governing the administration of the state
22 participation. Such matters as county reporting, methods of

1 application, manner of reimbursement, and other matters
2 which if properly addressed by rule will prevent repetitious
3 ad hoc decisions relating to different counties and, within
4 the bounds of law, to provide simple and economical
5 administration of state participation to encourage county
6 work programs.

SENATE BILL NO. 4 (1st SS)

INTRODUCED BY REGAN, S. BROWN, GRAHAM,

ECK, J. JACOBSON, HEALY, RYAN, CONOVER,

TOWE, BLAYLOCK, MAZUREK, BERG, HAFEEY, STIMATZ

BY REQUEST OF THE DEPARTMENT OF

SOCIAL AND REHABILITATION SERVICES

1 A BILL FOR AN ACT ENTITLED: "AN ACT TO REAPPORTION THE
 2 FINANCIAL RESPONSIBILITY FOR GENERAL ASSISTANCE AND
 3 MEDICAL ASSISTANCE, AND MEDICARE BETWEEN THE COUNTIES AND
 4 A COUNTY HAS A WORK PROGRAM THE STATE; AMENDING SECTIONS
 5 53-3-306 AND 53-3-307, MCA; AND PROVIDING AN EFFECTIVE DATE
 6 AND TERMINATION DATE."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

8 Section 1. Section 53-3-306, MCA, is amended to read:
 9 "53-3-306. County liability for general relief. (1)
 10 General relief assistance shall be paid from the poor fund
 11 of the county where the eligible person resides.

12 (2) Within legislative appropriations, the department
 13 shall reimburse to the county 50% 20% 50% of the allowable
 14 general relief paid by the county, EXCEPT FOR A SUBSIDY TO A
 15 MEDICAL FACILITY, IF:

16 (A) SUCH COUNTY EXPENDITURES WERE REASONABLE AND
 17 NECESSARY, ACCORDING TO CRITERIA SET BY THE DEPARTMENT IN

1 HIS RULES ADOPTED FOR SUCH PURPOSES FOR THE COUNTY TO MEET
 2 HIS OBLIGATIONS UNDER LAW TO PROVIDE ASSISTANCE TO THE
 3 NEEDY; AND

4 (B) THE COUNTY PARTICIPATES IN OR OPERATES A WORK
 5 PROGRAM, AS AUTHORIZED BY 53-3-304, THAT HAS BEEN APPROVED
 6 BY THE DEPARTMENT.

7 (2) A person who leaves Montana with the intent to
 8 reside in another state and later returns to reside in
 9 Montana is considered a new resident for the purposes of
 10 this chapter and 53-2-610(3).

11 (3) When a person who receives general relief
 12 assistance moves to reside in another county, he becomes the
 13 financial responsibility of the new county from the date he
 14 begins to reside in that new county."

15 Section 2. Section 53-3-307, MCA, is amended to read:
 16 "53-3-307. County portion of county medical assistance
 17 not to be paid from state funds --exception. (1) County
 18 medical assistance under 53-3-303 shall not be entitled to
 19 be paid from state funds within legislative appropriations
 20 the department shall pay the county 50% 20% 50% of the
 21 allowable county medical assistance costs under 53-3-103,
 22 EXCEPT FOR A SUBSIDY TO A MEDICAL FACILITY, IF:

23 (A) SUCH COUNTY EXPENDITURES WERE REASONABLE AND
 24 NECESSARY, ACCORDING TO CRITERIA SET BY THE DEPARTMENT IN
 25 HIS RULES ADOPTED FOR SUCH PURPOSES FOR THE COUNTY TO MEET

1 HIS OBLIGATIONS UNDER 53-2-1021 AND
2 ~~181 THE COUNTY PARTICIPATES IN OR OPERATES A WORK~~
3 ~~PROGRAM AS AUTHORIZED BY 53-2-304 THAT HAS BEEN APPROVED~~
4 ~~BY THE DEPARTMENT.~~
5 (2) Medical expenses arising from accidental injury to
6 interstate transients shall be paid from county funds and
7 reimbursed by the state upon submission of a proper claim.
8 ~~NEW SECTION Section 3 County shares of~~
9 ~~participations the county where a recipient of medical~~
10 ~~assistance resides shall reimburse the department of social~~
11 ~~and rehabilitation services in the amount of 5% of the~~
12 ~~recipient's approved medical assistance grant exclusive of~~
13 ~~the federal share~~
14 ~~Section 4 Codification instructions Section 5 is~~
15 ~~intended to be codified as an integral part of Title 53~~
16 ~~chapter 67 part 17 and the provisions of Title 53 Chapter~~
17 ~~67 part 17 apply to section 3~~
18 Section 3. Effective date. This act is effective on
19 January 1, 1982 JULY 1, 1982.
20 SECTION 4. TERMINATION DATE. THE PROVISIONS OF THIS
21 ACT SHALL TERMINATE ON JUNE 30, 1982.

-End-

STATE OF MONTANA

REQUEST NO. 1-SP-81

FISCAL NOTE

Form BD-15

In compliance with a written request received November 16, 1981, there is hereby submitted a Fiscal Note pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

Special session senate bill No. 4 would reapportion the financial responsibility for general assistance, county medical assistance and medicaid between the counties and the state. County general relief and county medical assistance currently paid entirely by county funds would be paid one-half from county funds and one-half from state funds. Counties would be required to pay 5% of the non-federal share of medicaid. Counties currently do not participate in the costs of medicaid.

It is estimated funding would be reallocated as follows:

	<u>FY 82 (Jan.-July)</u>		<u>FY 83</u>	
	<u>State Funds</u>	<u>County Funds</u>	<u>State Funds</u>	<u>County Funds</u>
<u>Current:</u>				
County assistance & Medical	\$ 0	\$4,083,130	\$ 0	\$9,023,718
Medicaid	<u>15,523,964</u>	<u>0</u>	<u>32,956,082</u>	<u>0</u>
Total current	\$15,523,964	\$4,083,130	\$32,956,082	\$9,023,718
<u>Proposed:</u>				
County Assistance & Medical	\$ 2,041,565	\$2,041,565	\$ 4,511,859	\$4,511,859
Medicaid	<u>14,747,766</u>	<u>776,198</u>	<u>31,308,278</u>	<u>1,647,804</u>
Total proposed	\$16,789,331	\$2,817,763	\$35,820,137	\$6,159,663
Increase (Decrease)	<u>\$ 1,265,367</u>	<u>(\$1,265,367)</u>	<u>\$ 2,864,055</u>	<u>(\$2,864,055)</u>

David M. Leary

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 11/17/81

21.7

HB 13

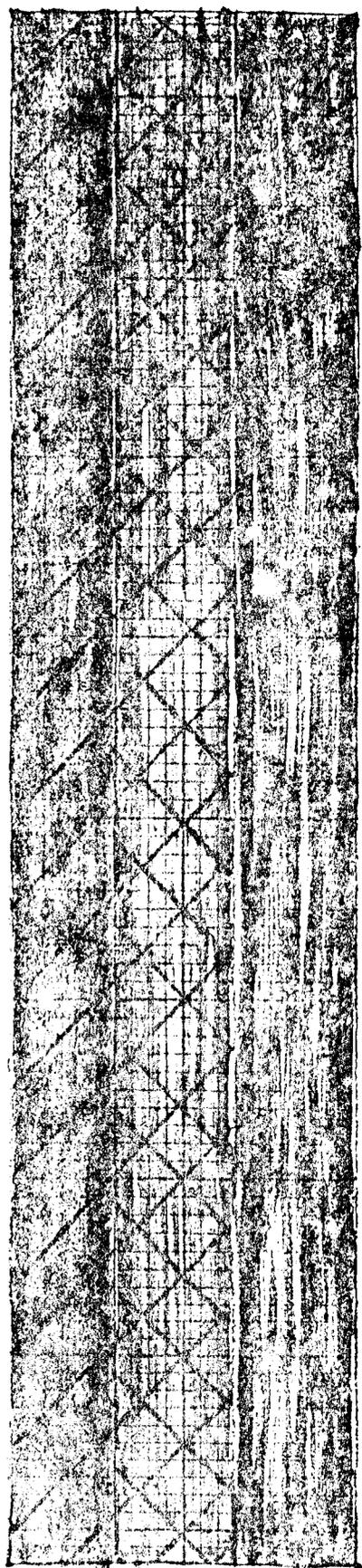
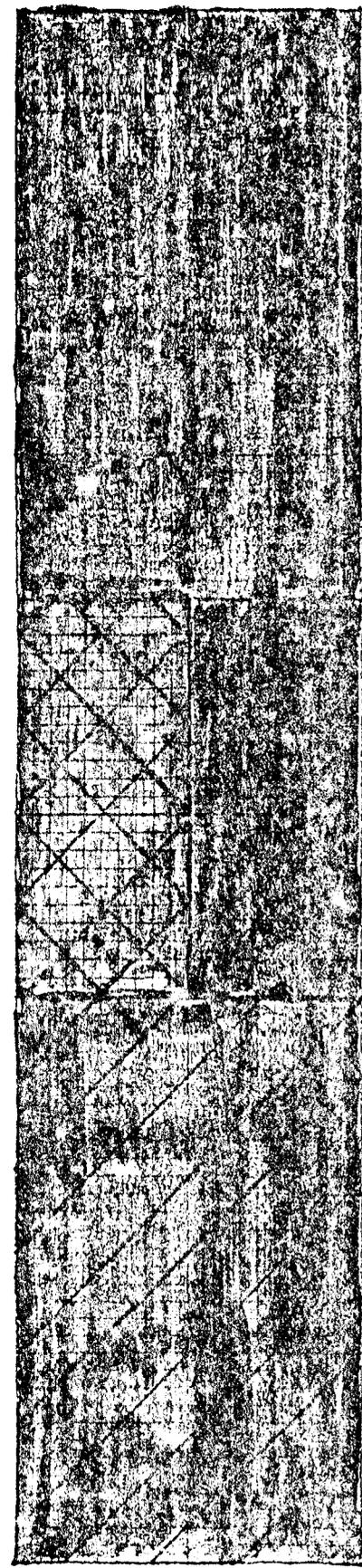
SB 4

DEER LODGE
Co.

13.5

8.0

0.0



0 Percent 100

0 31 Percent 100

\$ 333,138

Total Poor Fund

\$ 333,138

230,105

Total Medical and
General Assistance

230,105

168,104

State Cost

115,053

1732

HB 13

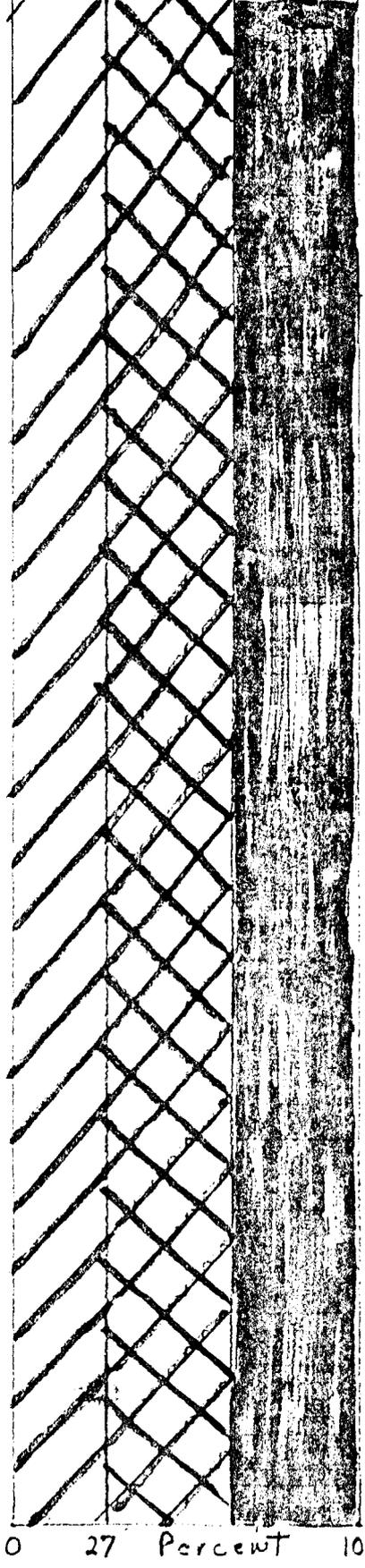
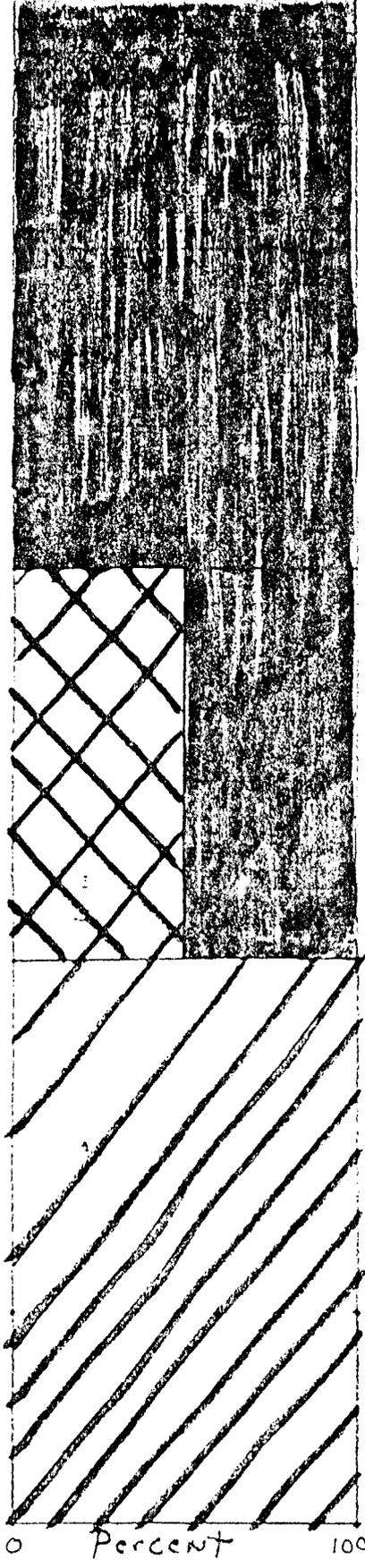
SB 4

CASCADE
Co.

3.5

3.0

0.0



\$ 2,023,590

1,479,890

1,012,735

TOTAL Poor Fund

TOTAL Medical and
General Assistance

STATE Cost

\$ 2,023,590

1,479,890

739,945

HB 13

Missouri Co

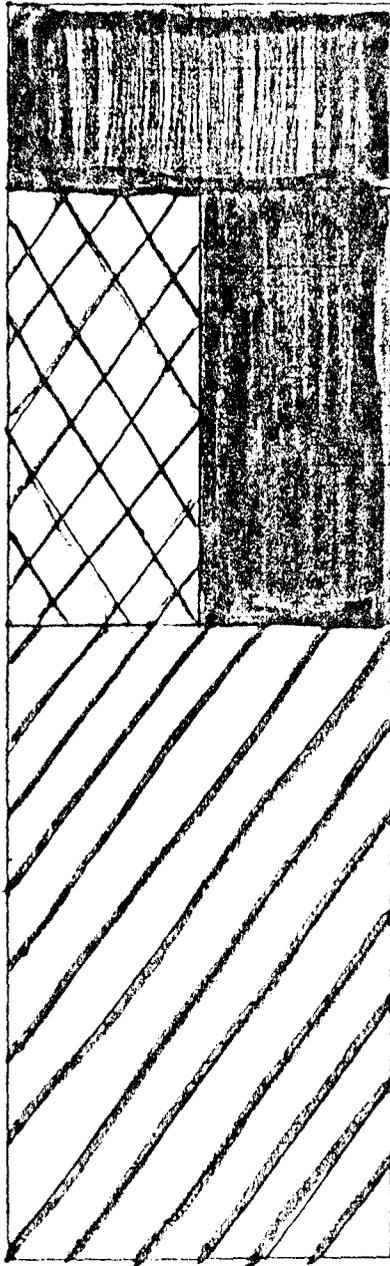
SB 4

MILLS

15.93

13.5

8.0

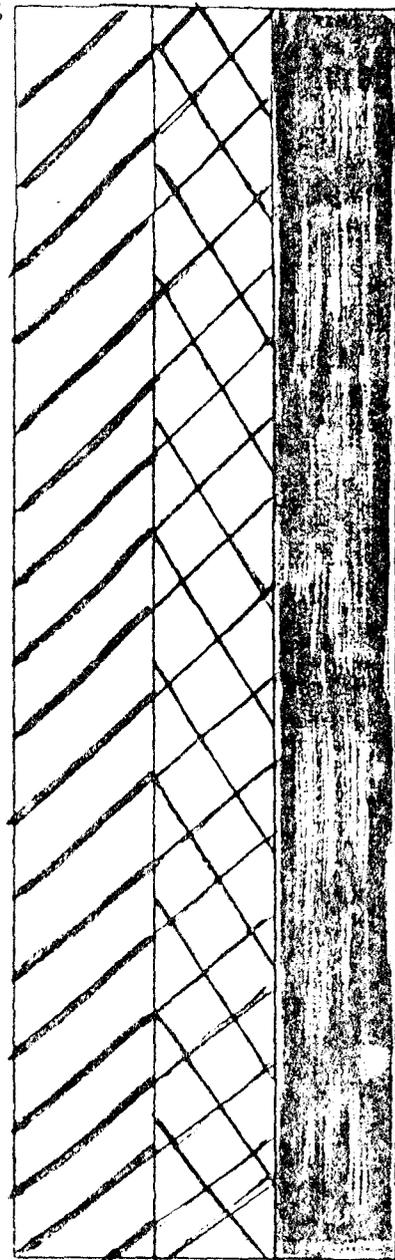


0

percent

MILLS

15.93



0

68.5

percent

\$ 2,162,498

Total Poor Fund \$ 2,162,498

\$ 1,369,800

Total Medical and General Assistance \$ 1,369,800

\$ 703,185

Slate Cost \$ 681,187

\$ 1,459,313

County Cost \$ 1,481,311

YELLOWSTONE Co.

HB 13

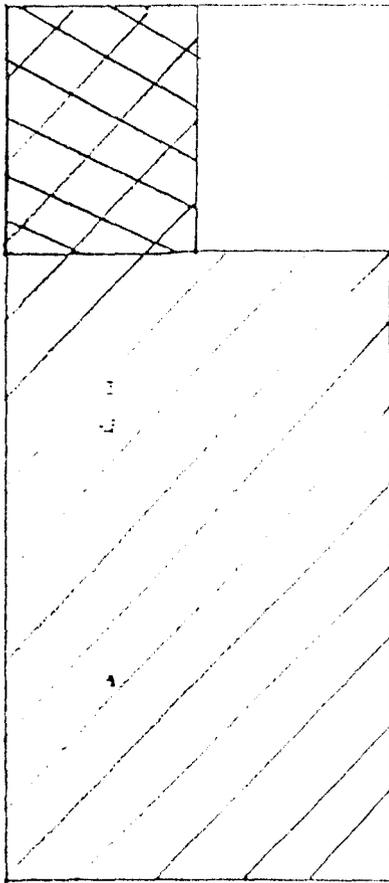
SB 4

Mills

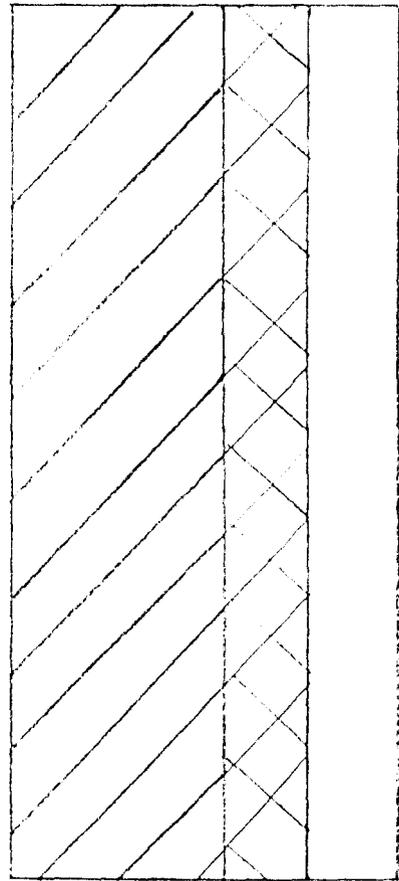
11.12

8.0

0.0



100 percent



55

100 percent

\$ 2,137,475

Total Poor Fund

\$ 2,137,475

\$ 955,612

Total Medical and
General Assistance

\$ 955,612

\$ 299,862

State Costs

\$ 480,732

\$ 1,837,613

County Costs

\$ 1,656,543

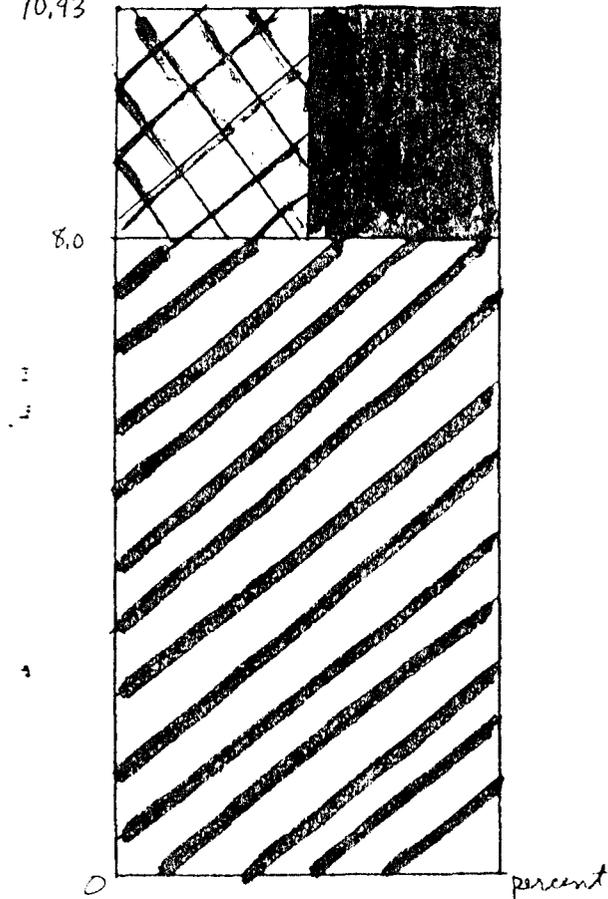
Lewis and Clark Co.

HB 13

SB 4

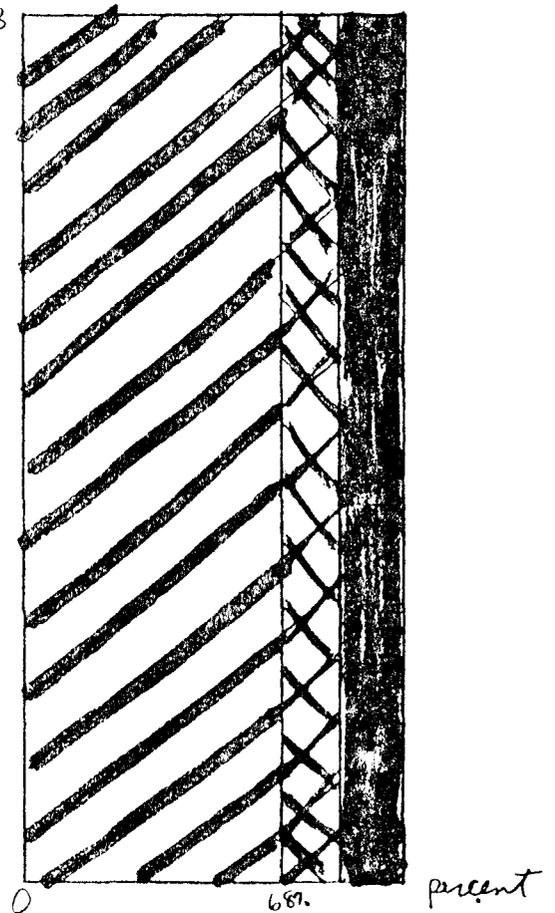
mills

10.93



mills

10.93



\$ 627393

Total Poor Fund

627393

\$ 201229

Total Medical and
General Assistance

201229

\$ 84093

State Cost

100383

\$ 543300

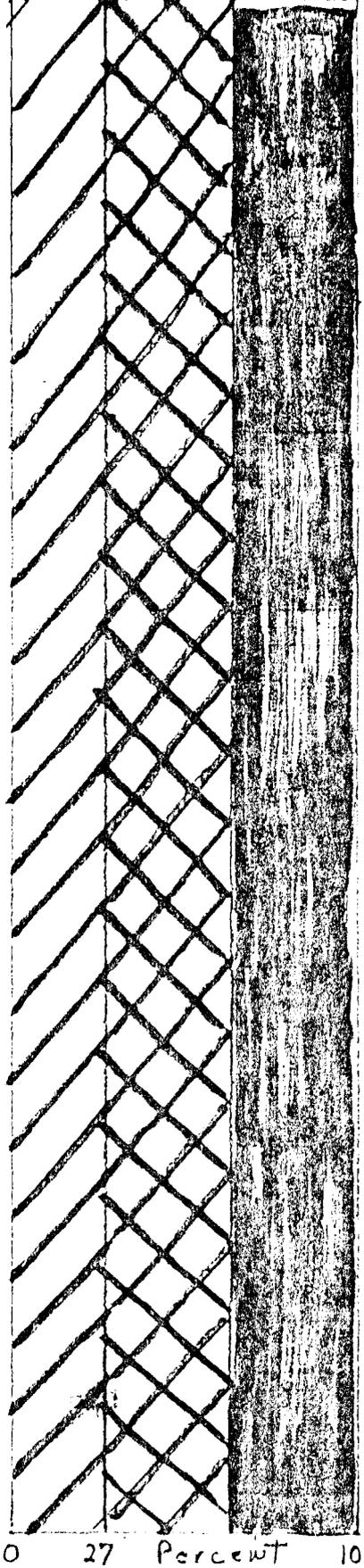
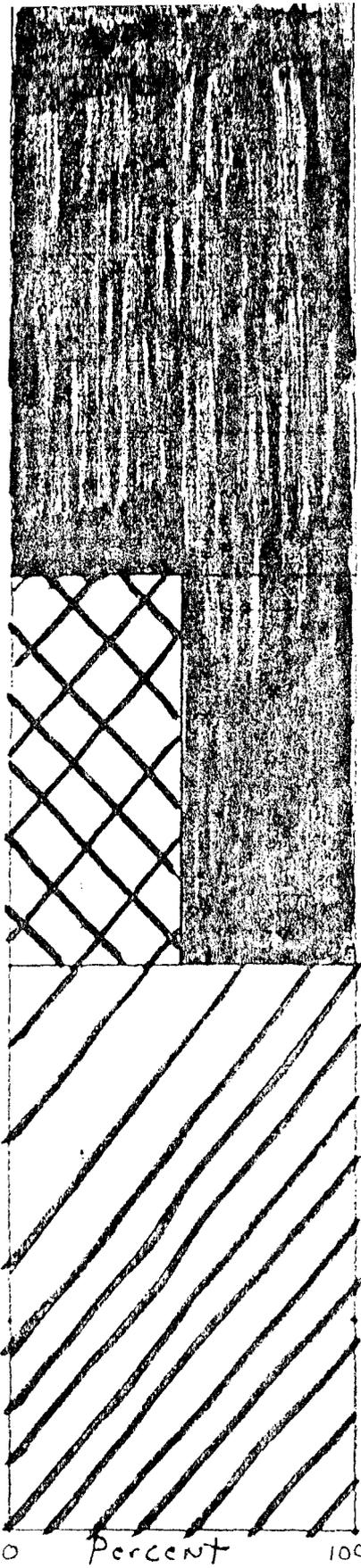
County Cost

527010

HB 13

SB 4

CASCADE
Co.



\$ 2,023,590

1,479,890

1,012,735

TOTAL POOR FUND

TOTAL MEDICAL AND
GENERAL ASSISTANCE

STATE COST

\$ 2,023,590

1,479,890

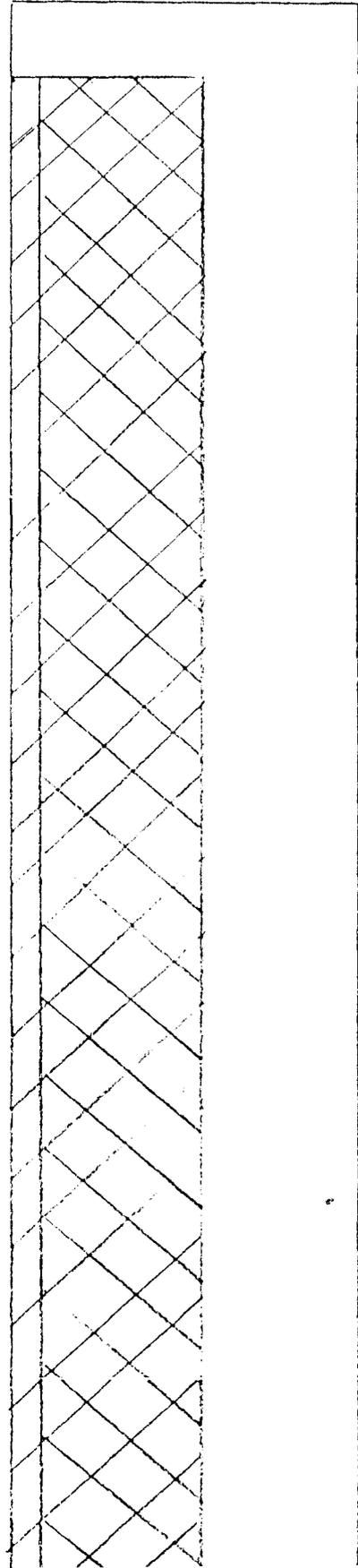
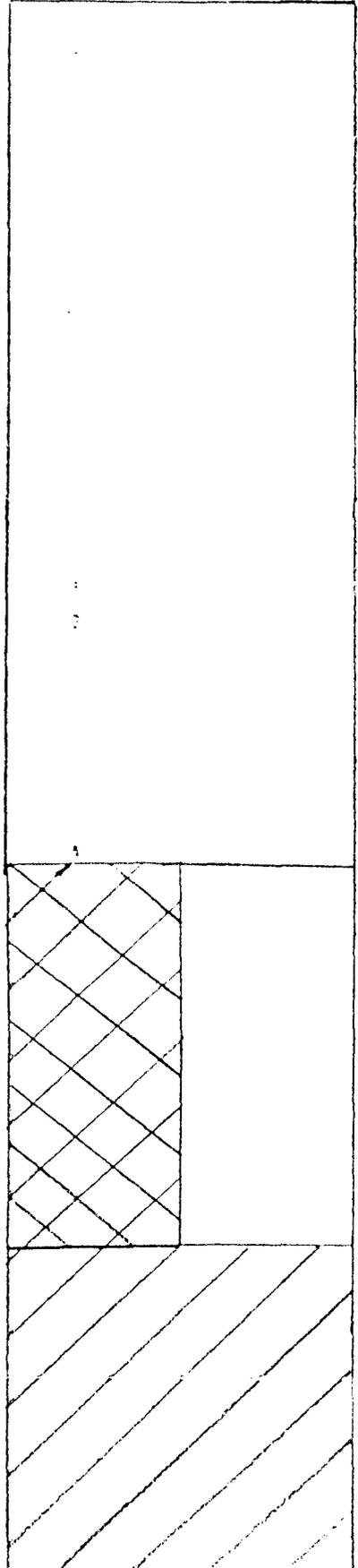
739,945

SILVER BOW Co.

Mills
25.75

HB 13

SB 4



13.5

8.0

[Faint handwritten scribbles]

SILVERBOW Co

1981

HB 13

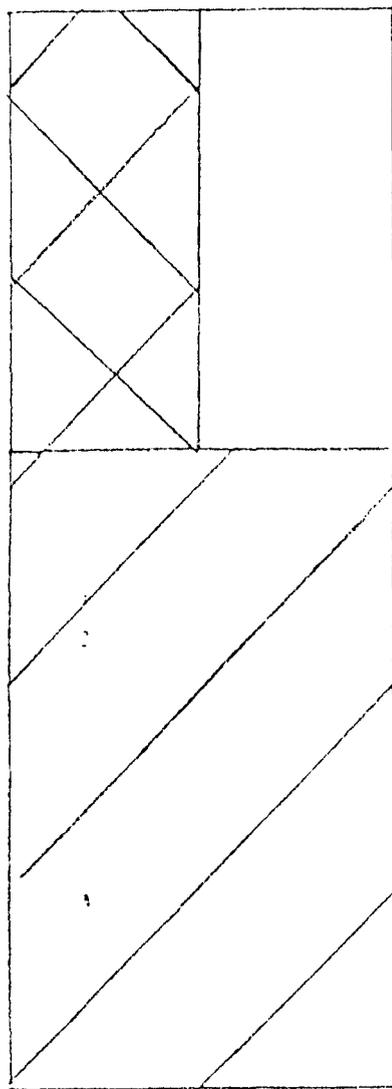
SB 4

Mills

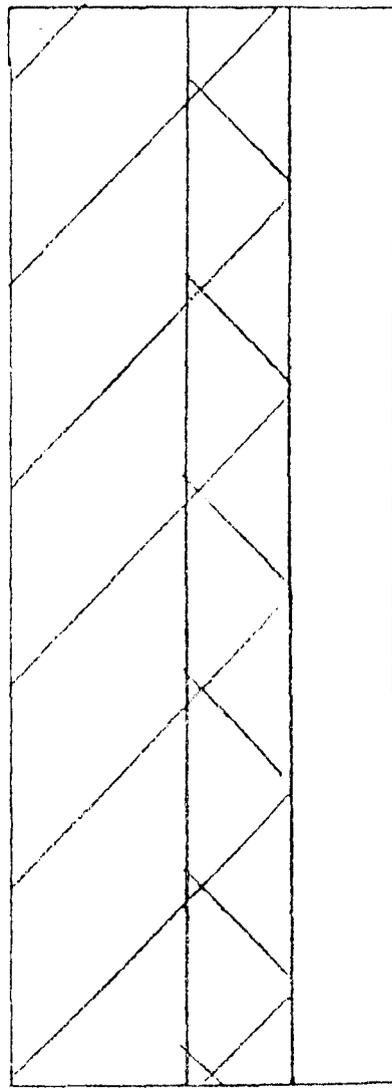
13.5

8.0

0.0



100 percent



7.35

100 percent

\$ 735,777

Total Poor Fund

\$ 735,777

\$ 399,378

Total Medical and
General Assistance

\$ 399,378

\$ 149,880

State Costs

\$ 199,689

\$ 585,897

County Costs

\$ 536,088

Yellowstone Co.

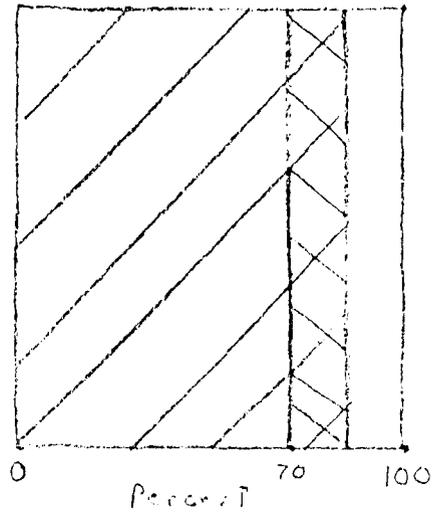
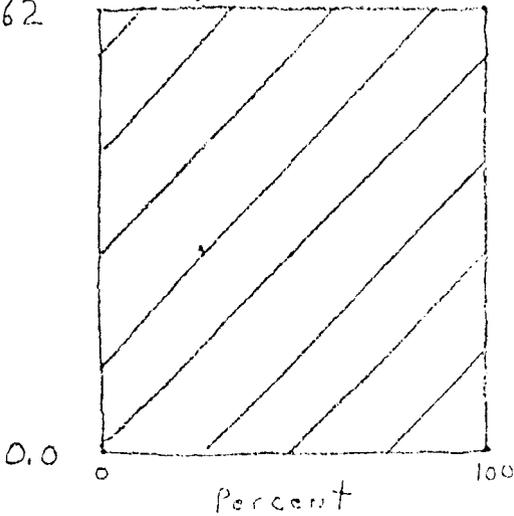
1981

HB 13

SB 4

71265

5.62



\$ 1,077,792

TOTAL Poor Fund

\$ 1,077,792

326,282

TOTAL MEDICAL AND
GENERAL ASSISTANCE

326,282

-0-

STATE COSTS

163,141

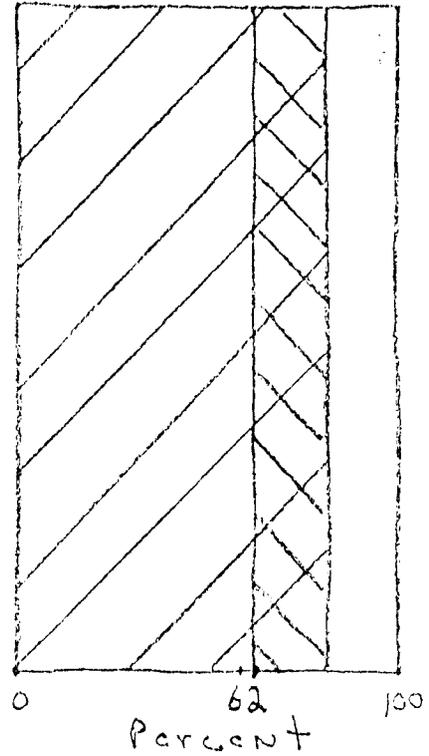
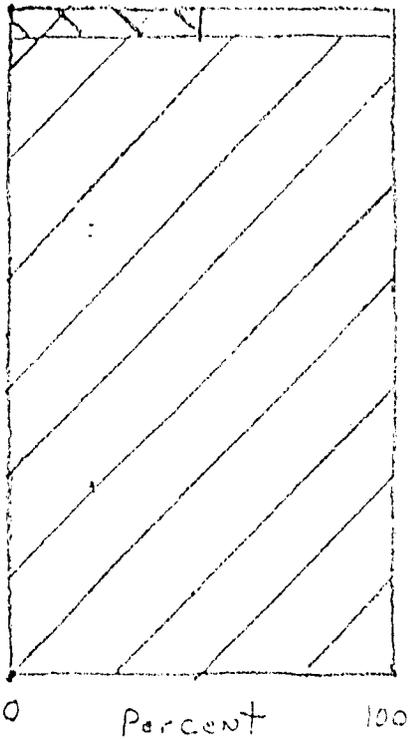
YELLOWSTONE Co.

1981 $\frac{1}{2}$

HB 13

SB 4

8.36



\$ 1,607,634

TOTAL POOR FUND

\$ 1,607,634

610,900

TOTAL MEDICAL AND
GENERAL ASSISTANCE

610,900

34,614

STATE COSTS

305,450

1,573,020

COUNTY COSTS

1,302,184

Silver Bow Co.

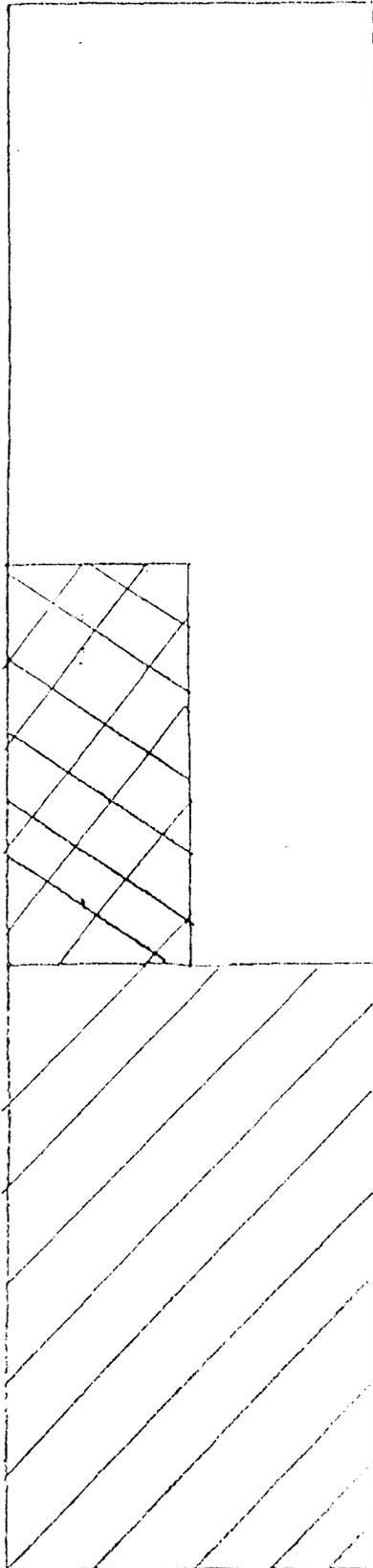
1981 $\frac{1}{2}$

Mills

HB 13

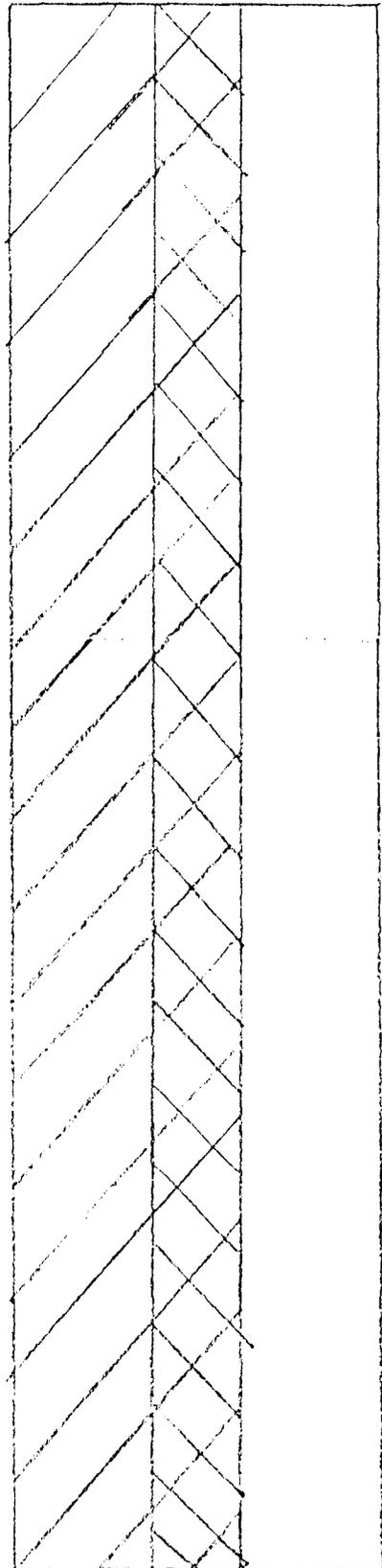
SB 4

20.79



13.5

8.0

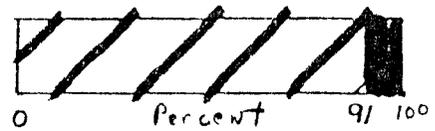
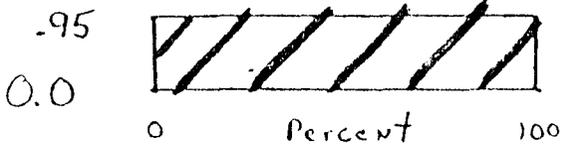


SHERIDAN Co.

HB 13

SB 4

Mills



^{\$} 70,688	TOTAL Poor Fund	^{\$} 70,688
6,317	TOTAL Medical and General Assistance	6,317
-0-	STATE Cost	3,158
70,688	COUNTY Cost	67,530

ROSEBUD Co.

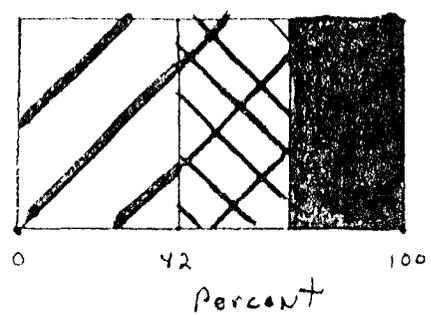
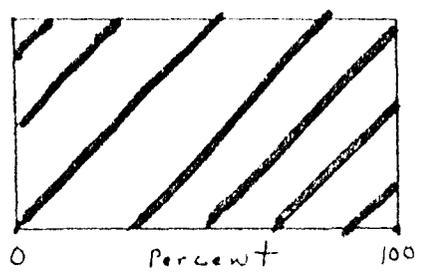
1-3

4

mills

2.69

0.0



\$ 319,144	Total Poor Fund	\$ 319,144
184,986	Total Medical and General Assistance	184,986
- 0 -	State Cost	92,493
319,144	County Cost	226,651

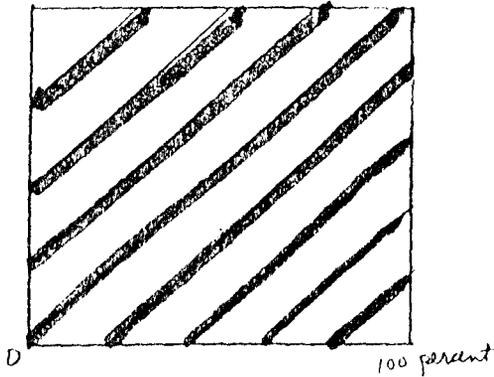
Meagher Co.

H1B 13

SB4

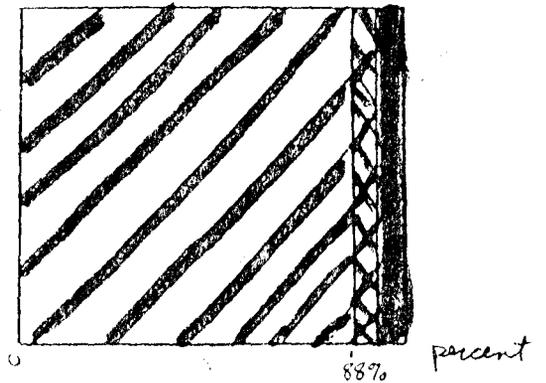
MILLS

4.1



MILLS

4.1



\$ 21849

Total Poor Fund

\$ 21849

\$ 2707

Total Medical and
General Assistance

\$ 2707

0

State Cost

\$ 1311

\$ 21,849

County Cost

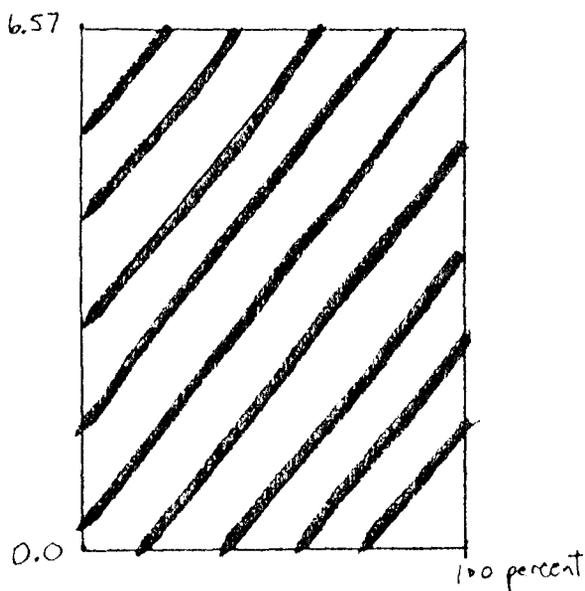
\$ 20,538

GALLATIN CO.

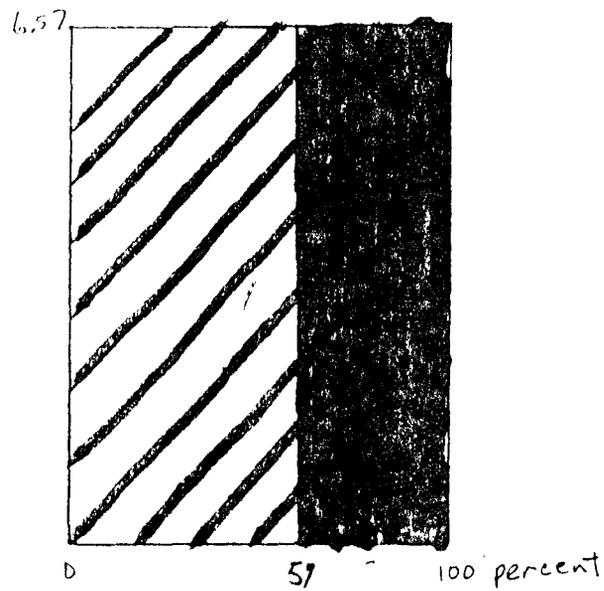
HB13

SB4

MILLS



MILLS



\$ 394,200

Total Poor Fund

\$ 394,200

\$ 169,646

Total Medical and
General Assistance

\$ 169,646

0

State Cost

\$ 84,823

\$ 394,200

County Cost

\$ 315,360

Attachment SSI SB 4 - I

Senator Dover
Amendments to Senate Bill 4
Amend as follows:

Title, lines 7 and 8.
Following: "ASSISTANCE" on line 7.
Strike: ",COUNTY" on line 7 and line 8 in its entirety.
Insert: "IF A COUNTY HAS A WORK PROGRAM"

Title, line 9.
Strike: "THE STATE"

Page 1, line 18.
Following: "county"
Strike: "50%"
Insert: "20%"

Page 1, line 19.
Following: "county"
Insert: ",except for a subsidy to a medical facility, if:
(a) such county expenditures were reasonable and necessary, according to criteria set by the department in its rules adopted for such purposes for the county to meet its obligations under law to provide assistance to the needy; and
(b) the county participates in or operated a work program, as authorized by 53-3-304, that has been approved by the department"

Page 2, line 8.
Following: "county"
Strike: "50%"
Insert: "20%"

Page 2, line 9.
Following: "53-3-103"
Insert: ",except for a subsidy to a medical facility, if:
(a) such county expenditures were reasonable and necessary, according to criteria set by the department in its rules adopted for such purposes for the county to meet its obligations under 53-3-103; and
(b) the county participates in or operated a work program, as authorized by 53-3-304, that has been approved by the department"

Page 2, lines 13 through 18.
Strike: Section 3 in its entirety.

Page 2, line 24.
Strike: line 24 in its entirety.
Insert: "July 1, 1982."

Page 2.
Following: line 24.
Insert: "Section 6. Termination date. The provisions of this act shall terminate on June 30, 1983."

BEAVERHEAD Co.

HB 13

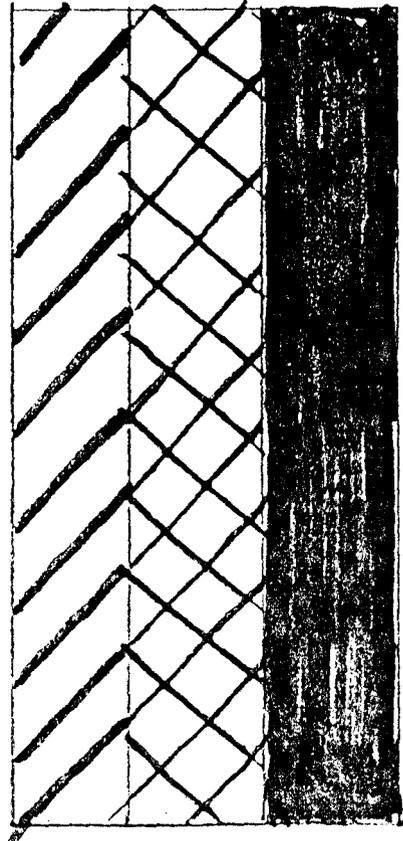
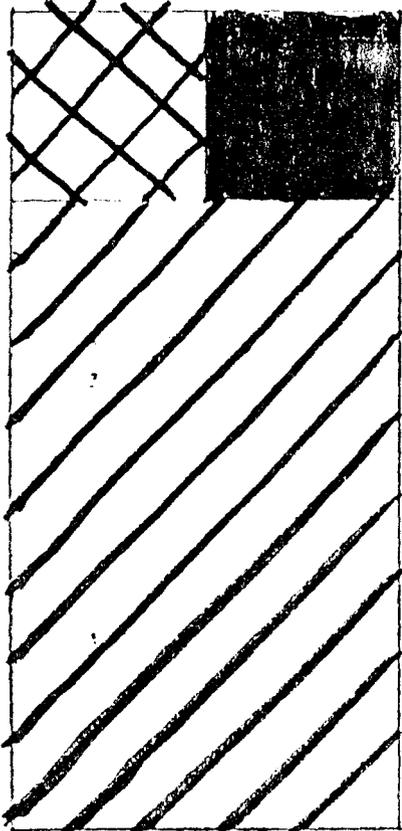
SB 4

MILLS

10.39

8.0

0.0



\$ 161,045

TOTAL Poor Fund

\$ 161,045

112,746

TOTAL Medical and
General Assistance

112,796

18,522

STATE Cost

56,366

142,523

County Cost

104,679