

MINUTES OF THE MEETING OF THE HOUSE STATE ADMINISTRATION COMMITTEE
March 9, 1983

CHAIRMAN JOE BRAND called the meeting to order at 8 a.m., in Room 129, Capitol building, Helena, Montana.

Roll call was taken and all members were present with the exception of Representative Bardanouve who was absent.

SENATE BILL 438

SENATOR PETE STORY, sponsor of Senate Bill 438 offered an explanation of the bill and why it was submitted. This is a committee bill. There were two reasons why this bill was needed. Senator Story referred to a problem that arose last summer regarding 87-1-204, MCA, which states, "while a person may choose to vote as he may, no employee of the department may use his authority or influence for the purpose of interfering with an election or effecting the results thereof, or for the purpose of coercing or influencing political actions by any person or body."

Evidently this has been on the books since 1921. This had never troubled the Fish and Game Department before. This only applies to the Fish and Game employees and does not apply to other state agencies. It is an unfair burden.

A bill was presented to the Senate to remove this section of the law. The two reasons for the bill were that first Fish and Game employees didn't even think they could legally testify before a committee because of that section of the law and second, they thought it was unfair to place this burden on Fish and Game employees and no other state employees. We tried to amend this bill so that rather than repealing this section, we placed the burden on all state employees and at the same time made it clear when they were invited to testify at hearings they would be able to do so. This was really beyond the scope of the title of the bill. We pretty much tabled the Fish and Game bill that they sponsored and came out with a committee bill in the form of Senate Bill 438.

PROPONENTS

SENATOR REED MARBUT, mentioned the Senate State Administration Committee drafted Senate Bill 438 to cover all employees and they were starting with the federal "Hatch Act" which prohibits the participation of federal public employees and lobbying in policy areas. They researched the background of the "Hatch Act" and some of the other states regarding what had been done to determine where it might begin. He read portions of one of the federal court cases which resulted from a challenge to this act. This act has been upheld numerous times, finally by the United States Supreme Court. He said that the need to protect the public employee in the selection process was a definite concern. He also mentioned that there had been several phone calls and messages sent to this committee in just the last couple days.

There was a need to include alot of concepts to cover the potential abuses and to cover the rights of the citizens. Some explanation of the ideas that came from the State of Virginia were given and these were incorporated into this bill. There was a very interesting procedure whereby legislative bodies would have some predictability as to the individuals who would be representing the various issues that the departments might be interested in. This gives you a contact person. If you feel that you need to contact someone from a particular department, you will know where to go. There is considerable language from the current Montana Hatch Act. Some of this language was moved and particularly the jail term.

JULIE HACKER, Missoula County Freeholders, spoke in favor of this legislation. She mentioned that she has been a lobbyist for the past three sessions. She believes that this bill will make her county employees more responsible to her. She then read a letter from Larry Dodge, Helmville, who supports the bill. Her testimony is attached as EXHIBIT A and the letter is attached as EXHIBIT B to Senate Bill 438.

DON JUDGE, Montana State AFL-CIO, spoke as a COPONENT of this bill. He questioned the provisions of section 1 of the bill on lines 18 through 21 concerning public employees. What does this mean to school teachers who appear before school boards in the capacity of being teachers and attempting to influence the criculum of the school district, etc. outside of the collective bargaining process? What does this mean to county employees' activities regarding county commission and city employees' activities regarding city councils? He indicated a concern about a person saying what his job was because in that capacity he could be considered as lobbying. Please take a look at this and see if it can be cleared up. If this is so, then we object to that section of the bill.

VERA CAHOON, representing the Missoula County Freeholders, which is a group of citizens who bear the expense of their own lobbying in Helena, expressed her organizations support for this bill. We think that this puts us on a more equal basis with government.

OPPONENTS

GENE HUNTINGTON, Governor's Office, spoke as an opponent to this bill. He raised a question about the bill, but he stated that they have no problem with the intent of the bill as presented to restrict the use of public employees and public funds in partisan political activities. Our concerns are similar to those raised by Mr. Judge that in the drafting of the bill there was some very broad language used that may be construed to be the way in which the legislative and executive branches deal with each other. But more important the way that state government deals with local government. He explained the concerns that the attorney for the

Governor's office has and used an example dealing with the Director of the Department of Highways. For instance, when the Highway Department Director spends his time trying to influence Congress through our congressional delegation to get highway legislation that is most favorable to Montana and developing formulas and such, this kind of activity would be prohibitive by this language. Also, if the state highway engineer needed to appear before the City of Helena to tell them what he thinks about a traffic light that they are proposing on Lindale, that also would be prohibited. It is mainly the overly broad language that we are having problems with, not the main reason for the bill.

We did not testify against this bill in the Senate but since we have had more time to review the language we have had some concern among the legal staff on the language causing some problems in the future.

One other problem on the bill is in the title, where the word "PUBLIC OFFICER" is used, this does not appear anywhere within the bill. I am not sure where this comes from, but again, the interpretation of our legal people is that could mean elected officials. Is the Governor, Attorney General and Secretary of State a public employee, and how does this apply to them?

THERE WERE NO ADDITIONAL OPPONENTS WHO TESTIFIED ON SENATE BILL 438. SENATOR MARBUT CLOSED ON THE BILL.

Senator Marbut gave a closing statement and responded to some questions from the committee. He also responded to some of the statements that had been made during the early discussion. He mentioned that "officer" should be changed to "official." There are a couple of phrases that are considered to be the meat of the bill. They are, "official capacity" and "political actions." This is exactly what we are attempting to do. We are intending to have the state engineer go to the City of Helena and say, "you have a mechanical problem with a stop light". That is not the intent of this bill but we are trying to make it so the state engineer won't go before the city and tell them how to run the city, just because he happens to be the state engineer. But if he is John Doe, and lives one block from that stop light, then that is fine.

He stated that there is one area that Mr. Huntington brought up which he feels is appropriate, and that is, if we ask one of our state officials such as someone from the highways or from higher education to appear before the national Congress for political purposes that benefit Montana or a state employee to appear on behalf of the coal tax issue, that is a political decision and yes, if your drafter can find a way to permit that, naturally I would be in favor of that. The rest of it we would like to stand with as the bill is presently worded.

COMMITTEE QUESTIONS

REPRESENTATIVE JERRY DRISCOLL asked how far up does "employee" go? In other words, are we employees. Is the Governor an employee? Senator Marbut replied that would probably be a legal question but not according to our drafter.

REPRESENTATIVE JOE HAMMOND asked Senator Marbut, due to necessity teachers have gotten very involved in the election of school boards, and I would like to know what the effect of this bill would be on that process. Senator Marbut replied, the first part of the bill says, "while retaining the right to vote as he may please, the right to express his opinions on all political questions, and the right to participate in and support the candidacy of any person for a public office, an employee of the state of Montana or any political subdivision of the state may not use his official authority or influence for the purpose of interfering with an election or affecting the results thereof..." We feel that activity is protected in this bill.

REPRESENTATIVE KATHLEEN MCBRIDE asked about the key to the bill being "political action of the body". If you get up before a committee, is that considered influencing the political action of this committee because you would be getting up in front of a committee to be a proponent or an opponent to an issue? I am not sure what this means. Senator Marbut replied that he would think that if the purpose of your appearing before the committee were to influence the political action and not for informational purposes, yes.

Representative McBride stated, then you have to create another category for committee testimony, an informational category, since these people can be neither proponents or opponents. Senator Marbut replied that in the past there have been many elected officials testifying for a bill and then have several public employees get up in opposition of the bill. We are trying to get directly to the needs of the people and away from the bureaucracy.

REPRESENTATIVE CHESTER SOLBERG stated that if this bill were in effect right now, and a person were not a registered lobbyist, he could not come down here and testify before this committee. Senator Marbut explained that even if he were a registered lobbyist he would still have to come before this committee stating that he was a representative of the office where he worked and state what he felt the bill would do. He would not have to be a proponent or an opponent but as an informational point.

REPRESENTATIVE JERRY DRISCOLL mentioned the fact that the employee's have almost always mentioned that they have taken leave time to be allowed to come to a hearing and testify if they are below a bureau chief. They should be allowed to

be here as citizens and they may be testifying against a bill that effects their department. Senator Marbut stated that they hope to have more of them coming in to testify with this legislation. He hopes that this bill will protect their rights as citizens to do just that.

Representative Driscoll asked about the public employees back home in our districts that after hours, go out and campaign for an initiative or something. Are they violating this law? Senator Marbut explained that they would be, if for instance, it was the highway patrolman doing this in his car. Yes, definitely. However, if he were a patrolman in his own car and everybody knows it then that is the way it is. As long as this is done on their own time, and they are not using their official title or capacity to do this, then they are not in violation.

REPRESENTATIVE KATHLEEN McBRIDE asked if a private citizen takes time off from work and comes to Helena to testify, he is coming up here exercising his right as a citizen. Can we then question him about his employment or position in an official capacity? Senator Marbut replied that you sure could. I think that this would fall directly under 3(a) on page 2, line 9. You would be inviting his presence before the committee.

REPRESENTATIVE BILL HAND said, don't you think that things we are writing into law should be decided by a committee as a judgment on whether he is telling the truth or not? Senator Marbut replied that he did not think so; it is not fair. The people that live throughout the state hear their representatives. Sometimes it is very difficult for us to carry a day when the dominance is from the other side for the purpose of solely protecting turf. For whatever reason it may be, many of the citizens do not have the ability to come here and testify and therefore the testimony that is given is very one sided and dominated by state officials. That is appropriate when this is for informational purposes but not when it is to influence us politically.

CHAIRMAN JOE BRAND asked Senator Marbut about language on page 2, line 23 through page 3 on lines 3 and 4. What about the records of the school districts? Who is going to keep those records? Senator Marbut replied that section is meant to cover only the lobbyist here at the legislature. It appears that section should be amended to include state employees and agencies.

REPRESENTATIVE KATHLEEN McBRIDE asked if other language in the bill would have to be changed as well. Should that then be restricted to the state as well. Senator Marbut replied, "No, if we qualify it in section 2, we would be covered on that point." The purpose of that section is to create a contact person for you people. So you can have a list of whom to contact if you

need someone there to clarify an issue.

CHAIRMAN JOE BRAND asked what this was going to do for the average citizen across the state that would be different from what we do right now. He agreed that this is a problem but unless someone was really interested they probably would not attend anyway. Senator Marbut replied, perhaps, but he felt that they could get testimony from people who would ask why they should bother to go since the department heads would be there and their input probably wouldn't matter anyway.

Chairman Brand said that they would do that anyway. Senator Marbut replied that may be so, but at least they may feel they will have a better chance.

Chairman Brand asked why the language had been stricken on page 3, line 9. Senator Marbut replied, "I am not sure why." Don Judge explained by saying section 1 and 2 apply basicly to employers and section 3 has been for the most part substituted into section 1. This just clears up the way that it is structured.

THERE BEING NO ADDITIONAL QUESTIONS FROM MEMBERS OF THE COMMITTEE THE HEARING WAS CLOSED ON SENATE BILL 438.

SENATE BILL 455

SENATOR BILL NORMAN, sponsor, opened the hearing with an introduction into this bill. It related to discrimination as was stated in the federal legislation and this has not yet been resolved. We are talking about state employees who are over 65 and wish to continue working. This applies only to such people in Montana. This gets entangled with Medicare because if you are 65 and you keep working, you already have some health benefits, so then are we to deny you Medicare? If you are over 65, you are eligible. We don't want to discriminate against you and yet, there is a state employees benefit for medical care. The effect of this would be to shift the cost onto the state. This bill, we hope, will shift it back. We are talking specifically about part B, a supplementary which the state could also offer to the employees. This would be to leave the option here.

The state now pays \$80 on state helath plans. Maybe we could take some of that \$80 and buy up plan B for the state employee, which would be much less and then let them go on Medicare. We would have to be careful on that respect. We can never give them a level of medical insurance coverage that is less than they have now. This bill should not cost the state anything in dead, it should save money. There were no opponents to this bill in the Senate.

PROPONENTS

ROD SUNDSTED, Chief, Employee Benefits Bureau, spoke on the present insurance policy that is offered to all state employees and explained how this bill would work with that. He mentioned two reasons that they support this legislation: it is going to be required under federal law and it is cheaper for our plan to have Medicare collect their premiums and pay their bills then it is for us to do it. EXHIBIT C is attached.

OPPONENTS

THERE WERE NO OPPONENTS TO SENATE BILL 455. SO SENATOR NORMAN CLOSED.

COMMITTEE QUESTIONS

REPRESENTATIVE JERRY DRISCOLL asked Mr. Sundsted if only employees that were over 65 had to participate in Plan B, do you still have to pay Blue Shield the \$80? Mr. Sundsted replied, "No, that the way it is now they could use that \$80 for various types of insurance; it was not only for Plan B."

REPRESENTATIVE BILL HAND asked Mr. Sundsted about medicare "A" paying for hospital, then what does medicare "B" pay for? Mr. Sundsted replied, doctors.

REPRESENTATIVE JERRY DRISCOLL asked if they can do this now, what this bill is saying is, that if they choose Plan B, then they must get out of the big plan, is that correct? Mr. Sundsted replied, presently they have to anyway. All this says is that they will have a choice and if they choose Medicare, we will pay for that premium.

Representative Driscoll stated, under the present law, if a person opts for Plan B that Medicare offers, what happens to the \$80 premium that the state pays? Do they make that contribution? Mr. Sundsted replied, "Yes, the state makes an \$80 contribution to the group insurance fund. If they choose Medicare, they still pay forty some dollars for the supplemental plan and also buy medical care for their dependents with what is left of the \$80. This could be for dental, visual coverage, etc."

REPRESENTATIVE BILL HAND asked when the employee passes age 65 does that state contribution change? Does the Medicare thing change after age 65? Mr. Sundsted answered, no it does not change on the Medicare except that now he would have to pay it out of his own pocket for the fee that Medicare charges him. This is a small group of people and it would be just putting us in compliance with the law, because as the law is now, we have to do this or we will be in violation of the "Age Discrimination Act."

CHAIRMAN JOE BRAND asked if the federal law is changed to 70 years of age for retirement, would that make a drastic change in the number of people that would be eligible under this bill? Mr. Sundsted replied this would cover everyone over 65.

REPRESENTATIVE BILL HAND asked, suppose this 65-year-old man decides to retire, then what would happen? Does this \$80 the state is contributing continue? Mr. Sundsted replied that this would stop. Then none of these laws would apply because he is no longer an employee. We would allow him to stay on the plan and that would be a Medicare carb-out plan.

REPRESENTATIVE KATHLEEN MCBRIDE said this bill will transfer what the employee may be paying at \$12.50 per month now to the state, is that correct? Mr. Sundsted explained that the state now pays \$80 per month for every employee. It just depends on how they want this amount distributed. Now, under the current law they cannot use that \$80 to pay for Medicare.

REPRESENTATIVE JERRY DRISCOLL said, whether you are age 65 or 21 under the present plan, you still have insurance. But after age 65 you get Medicare, so the person that is now age 65 has the insurance, and they go to the hospital and/or to the doctors office. The employee should have the option of who is the first payer out of the insurance coverage. So the employee should still have one hundred percent coverage under the present plan as well. Mr. Sundsted said, we are lowering the cost to the state. We would give them a choice. No one will lose any benefits under this law. The Age Discrimination Act is going to require this or we are going to get sued.

Representative Driscoll stated that he doesn't understand this. How are we going to get sued? This should still be a one hundred percent coverage situation. Mr. Sundsted replied the only reason that he would say that the state is going to get sued if this is not passed is because the interim guidelines that are put down by the EEOC require that this be done. If we don't, then we are in violation of the Age Discrimination Act.

REPRESENTATIVE HELEN O'CONNELL mentioned that using herself as an example, she turned 65 in July, and she has had the state plan for about 3-4 years. She had to take out Medicare, which she did through her bank. Likewise, the state is paying \$40 per month. Where does this put her? Mr. Sundsted said under the new law, you would have a choice to either choose the state plan or Medicare. If you choose Medicare, then the state would pay that \$12.20. If you choose the state plan, you have to pay the \$12.20 and the state would pay all your claims.

REPRESENTATIVE JERRY DRISCOLL asked if they would still have the option to spend the remaining moneys on life insurance or dental after the \$12.20 was paid to Medicare. Mr. Sundsted replied, yes, we would have to allow them to spend it on the type of insurance that they would want, over and above the Medicare.

CHAIRMAN JOE BRAND asked will you explain to the members when that comes about. Mr. Sundsted said, yes, that is another part of the law. It says that we must notify them of their options. We must treat the employees that are over 65 the same as everyone else; therefore we must allow them to stay on the state plan if they want. But if they choose Medicare, then we have to pay for it.

THERE BEING NO FURTHER QUESTIONS ON SENATE BILL 455 CHAIRMAN BRAND CLOSED THE HEARING.

CHAIRMAN JOE BRAND brought to the attention of the committee, the fact that alot of people were getting correspondence on Senate Bill 378. He then stated that he had a note from Bob Johnson, Teachers' Retirement System, regarding a conversation he had with Mr. Hendrickson who is the actuary. Mr. Hendrickson had not taken into account that the teachers retiring may not be replaced if they retire. He assumed that anyone retiring would be replaced by another younger teacher in all instances. Therefore he would have to go back through the actuarial material that he had given to the Teachers' Retirement System and develop another acutarial figure. The projections that we have now are incorrect. This has an effect on the fiscal note. We maybe should put this in a subcommittee so that we can find out more information on this bill.

REPRESENTATIVE CHESTER SOLBERG remarked, the information that we had received previously stated that they did not take into account the difference of the 29 percent and 42 percent additional coverage.

REPRESENTATIVE FRANCIS KOEHNKE stated, with this new information, it would help the school districts but it would hurt the re-tiree more.

SENATE BILL 327

SENATOR THOMAS KEATING, sponsor of Senate Bill 327 said that this bill is a measure to transfer the alcoholic treatment program facilities from the Department of Institutions to the Department of Health. He explained that there are about 22 alcohol treatment programs in the communities which are private, non-profit organizations. Three of these are affiliated with hospitals and there are several aftercare/halfway house programs as well as the full alcoholic/drug abuse treatment program operations in the larger cities.

These treatment centers are financed in several ways. Part of the money comes from the county commissioners through the alcohol tax revenues. There are some federal grants that are made directly to the programs. Primarily the centers are funded through third party carriers. This is the insurance payments for the people who receive this treatment. At the present time they are under the administration of the Department of Institutions. They have a separate division with a Bureau Chief and there are 12-13 FTE's. The Galen facility is a separate one. It has a separate budget and this is not part of this bill at all.

The division for alcohol treatment program used to be in the health department a number of years ago. There was some dissatisfaction and unhappiness among the administrators but those personalities are no longer involved. The treatment personnel would like to be back in the Department of Health for administrative and licensing purposes. At the present time, some of the facilities need a license from the Department of Institutions and also from the Department of Health. There are several bureaus that they have to go through. It would be to their advantage if this were under one department. Some of the treatment programs that are under the hospital services program receive their authority under the license that is granted to the hospital by the Department of Health. So it seems rather natural that this group should be there. That is what the purpose of this bill would be.

PROPOSERS

DAVID CUNNINGHAM, Executive Director of the Rimrock Foundation, referred to the original testimony that had been given to the Senate. He mentioned that this was regarding "health care delivery". He then presented his testimony regarding the proposed move of the responsibility for this treatment. See EXHIBIT D attached for additional testimony.

STEVE SHUMATE, Director of Missoula Drug and Alcohol Center, said that he is here today representing alcohol programs of Montana which is an association of the nineteen member programs throughout the state that Senator Keating referred to in his testimony. I am testifying in support of this bill. I believe that there are two very compelling arguments in support of the passage of this bill. First, it is a philosophical argument. Alcoholism has been defined as a disease clear back to the early 1950's. The bureaucracy that supports our program is health related and not a correctional matter. We believe that this bureaucracy can be more sensitive to our service provision and the needs of the client that we serve. The second argument concerns some practical matters. Currently, there is some duplication in licensing of drug abuse and alcohol treatment centers in this state. One of them is the approval process through the alcohol and drug abuse victims in the Department of

Institutions and the other is the medical licensing aspect that is handled through the Department of Health. Some of these programs therefore must obtain two licenses from two different departments in the state which causes a fair amount of duplication and complication. The impacts for us regarding the third party payers is enhanced if our licensing is handled through a medical bureaucracy. Certainly, we would gain more credibility in the eyes of the insurance carriers. I urge your passage of this bill.

RON HJELMSTAD, Director of Hilltop Recovery Center, Havre, supported this piece of legislation. The state of Montana is already on record as recognizing alcoholism and chemical dependency as an illness. It should be inside the Department of Health, and there are some reasons for this. For the past 2 years and possibly 3, those of us in the field who have a dependency on public funds to provide services have heard from the Drug and Alcohol Division of the Department of Institutions that we are in a no-growth situation; that is, no new programs are to be approved. That is not their fault. That is due to a lack of funds. There simply is not enough money at this point to provide the level of services that the citizens of Montana require. Therefore, a program like ours cannot expand our services to include comprehensive family counseling or comprehensive adolescence services because of a lack of money. Movement into the main stream of the health care system in the state will begin to open doors to third party payers for this illness that are not open to us today.

I believe that this bill is a companion bill to Senate Bill 107. Unless we are able to find ways to supplement the money that is provided through the state of Montana from taxes on liquor that are ear-marked for the treatment of chemical dependency, we are going to stay in the dark ages. I strongly urge your unanimous passage of this bill.

KEN ANDERSON, Director of Flathead Valley Chemical Dependency Service in Kalispell, mentioned that he supported all that had been said prior to his testifying. Alcohol and drug dependency is a disease and should be with a health oriented agency rather than the penal institution.

JO KASTE, Director of the Boyd Andrew Center in Helena, stated that she agreed with all the testimony given so far and that she felt that alcoholism is a health problem and therefore should be placed under the Department of Health.

OPPONENTS

GENE HUNTINGTON, Governor's Office, spoke in opposition to this legislation. He stated the position that the Governor's office takes regarding moving portions of the departments from

one agency to another. He mentioned that the executive branch is charged with carrying out the provisions of the Executive Reorganization Act. The Executive is also charged with recommending to the Legislature each time that it meets, what changes are needed in the state organization to make it operate more effectively and more efficiently. This is not one of our recommendations. We do not feel that this type of reorganization will improve the management or efficiency of state government. The point that I would like to make is that, changing around organizational charts addresses certain kinds of problems. What we fear is changing organizational charts to deal with what are essentially, public policy issues. We think that those issues should be dealt with forthrightly. We think that some of the things that we have heard here today, such as licensing and level of funding, are not going to change by moving the block from one department to another. Those changes will come about if the legislature chooses to change their policy of licensing or mandates that certain licensing procedures be combined.

The Department of Institutions was organized around a theory, and it is because of the common functions and/or staff that is performed. We have state programs that provide residential services, both for the health care and purposes of corrections. Contrary to what some of the testimony was earlier, the Department of Institutions is the state agency that administers health care programs. They administer hospitals at Warm Springs and Galen and Lewistown. They administer health care agencies through mental health centers. The common thread that runs through that agency is that they are the agency that manages the state's involvement in residential type facilities. We think that this is important, being able to have the same type of care. There is one person that is responsible for seeing that each person is treated and getting him back into the community. Our view of what these two department's do varies from what this bill says in that we view the health department not as an administering agency in state government as much as a regulatory agency for health care. The Department of Institutions is the one that runs the hospitals and health services.

CURT CHISHOLM, Deputy Director of the Department of Institutions, spoke in opposition to this bill. He mentioned that this was very awkward for them since they deal with the people that are proponents to this bill on almost a daily basis. When this bill first appeared and was heard in the Senate State Administration Committee, our first position was a reactionary one. He then mentioned the letters that had been sent out by some of the people in the industry and indicated that this was totally false. He then explained that he had made a survey of the various programs and found out that not all of them were in support of this change. They contacted 24 organizations and 13 support the move and 11 oppose it. Those that support the move have some legitimate reasons. They do want to be

more identified with a health field movement. They do want to enhance their posture with a third party insurance carrier and we are supportive of this. But, I do not think that moving them to the Department of Health will do either of these things.

First, we have had meetings with Dr. Drynan, and he has told me personally that he does not support this move and that he has never been contacted. If he got the division over there, his initial tendency was to suggest that it become a bureau of his already reorganized department under the Medical Services Division, which operates some grant programs for health prevention.

If the move is being recommended based on an improved licensure posture, we need to talk about that. First of all, the Department of Institutions approves alcohol programs based on five categories of service. We approve them for detox services, in-patient hospital services, in-patient free standing residential treatment services, intermediate care or half-way house services and out-patient services. The Department of Health has only licensure categories officially for alcohol programs. They can license a program as an alcohol half-way house or license it as an alcohol treatment facility. There are only two programs in this state that have these licenses. Hilltop in Havre is licensed for 15 beds as a half-way house and the Flathead Indian Reservation Alcoholism Treatment Program has two licenses, one for a half-way house and three beds for a treatment facility. Glasgow is also licensed as a hospital but limited in their license to provide only alcoholism treatment. Some of the agencies unfortunately are simply licensed as a hotel/motel because by virtue of the way their in-patient residents occupy the facility, that is the only licensure standards they can meet. The point that I am trying to make is this: insurance carriers are not going to be fooled by virtue of a transfer to health, that changes the approval authority from the Department of Institutions to that of the Department of Health. Unfortunately, unless a facility meets the licensure criteria, which cannot be compromised by the Department of Health they will not get a license. I think that the answer to this is to work with the insurance carriers to get them to recognize the approval of services by the Department of Institutions or the Department of Health or where ever the ADAD Division ultimately winds up.

As it relates to the missing money, he mentioned that it is true that there was some money reserved by the legislature in the special session. Lucky for us that it was reserved, although a lot of the alcohol programs wanted us to ask for a supplemental appropriations to get spending authority for that money and distribute it to the programs on the 85-15 basis. We resisted that move, and I know that it has been a tough biennium for the alcohol programs but projecting

earmarked revenue into the next biennium, if that money had not been reserved, it would not be available now. That is the only reason that we are going to be able to maintain these alcohol programs on the current level. It was suggested at one time that the alcohol programs be combined with the mental health services. This was considered because of the economic reasons. It became very unpopular and was decided against. We do feel that it is very important that we maintain the alcohol drug program in the same department as mental health because they do need to cooperate and work together. He then mentioned a report from the Special Task Force assembled by Carroll South during the summer of 1982, and it does not recommend a transfer to the Department of Health. It recommends not to consolidate with mental health, and it recommends to keep the Alcohol Division on a divisional status. It recommends cooperation with the Department of Health to get better licensing capabilities in one agency. This is being accomplished through Senator Norman's bill that creates the single step licensing approach, Senate Bill 447. We strongly urge that this bill not be passed; we feel that it would be very disruptive to the programs.

DR. DRYNAN, Director, Department of Health and Environmental Science, stated that they were in opposition of this move. We occasionally would make recommendations for transfers within the state from agency to agency but this is not one of those. We are in a state of reorganization, and we have had a reduction in federal funds. In addition to this, we have had more management and programmatic responsibilities placed upon the department within the programs and bureaus that we already have. As a result of this, most of our programs are in a state of flux and can't handle this program at this time.

MIKE MURREY, Administrator, Alcohol and Drug Abuse Division, Department of Institutions said that because of the fragmentation of services and criticism from the field, in 1975 the legislature with House Bill 79 brought all alcohol and drug services within one agency. The reason for this was two-fold. This was to place state responsibility for alcoholism and drug abuse services in a single agency to give direction and authority to establish a state alcohol authority and drug authority to receive federal funding. Institutions was chosen because of the past experience with Galen in the treatment of the disease.

There has been 11-program reductions since 1978, and this was necessitated because of the fall in the sales of liquor taxes. Alcohol services are still available in all 56 counties in Montana. This demonstrates to some extent the leadership that the department has been able to provide the programs.

THERE WERE NO ADDITIONAL OPPONENTS TO THE BILL SO SENATOR KEATING CLOSED.

Senator Keating gave a closing statement by saying that funding is an important factor for the alcoholic program. The third-party carriers are more receptive to the health coverage when it is attached to the Department of Health. In other states the mental health and alcohol programs were combined and the alcohol programs died. There is a clear distinction between these two. If they even are brought together this could bring a catastrophe to the alcohol programs. There were a lot of citizens of this state that were going out of state to receive treatment 10 years ago. Fortunately, we have good programs around the state that are treating these people today. It says in the Administrative Codes, Chapter 50, that the Department of Health is the sole agency to accept, receive, expend and administer any funds which are now available, donated, granted, bequeathed or appropriated for the comprehensive state health program. This is spelled out very clearly in the current law. The voters and taxpayers are the ones that are being given this service. There is no opposition from the people who serve the public, just the departments.

COMMITTEE QUESTIONS

REPRESENTATIVE JOE HAMMOND asked the proponents if one of the primary concerns here is licensure for third party reimbursement. The proponents replied that this is correct.

Representative Hammond asked Mr. Chisholm if there was currently a bill that has been through the Senate and is now in the House that would cover this problem of licensure. This is a bill that will allow the Department of Institutions to grant a license. This is an institutions bill. Mr. Chisholm replied that the bill Representative Hammond was referring to would resolve some of the problems but not all of them. All it does is allow us to approve other programs for quality control purposes both public and private. This is a department approval, not a license. This is not the same approval that would allow them to receive public funds. That is a separate issue.

Representative Hammond asked would that allow them to obtain third party reimbursement? Mr. Chisholm replied that he thought that it would help and the thing that they need to get the insurance carriers to understand is that there is validity in that approval. It makes no difference who does it.

Representative Hammond asked Dr. Drynan, if this bill were to pass how would you administer it? Dr. Drynan stated that he structurely has no place to put it within the department other than to bring it over as a division. It would be better to have a bureau under the health and medical facilities division but I don't know enough about the program to really answer that at this time.

Representative Hammond asked Mr. Cunningham, why would there be more money in the Department of Health than there would be in the Department of Institutions? Mr. Cunningham replied that the Department of Health licenses hospitals and other health care facilities, and it is clearly recognized as the normal licensing agency in other states. When you state that you are licensed by the Department of Institutions this does not seem to have much of an impression regarding third-party reimbursement.

REPRESENTATIVE KATHLEEN MCBRIDE asked Mr. Cunningham, do you currently have to get any kind of license or approval from the Department of Health? Mr. Cunningham replied only an environmental license at this point.

Representative McBride stated, I would see that the administration of this program being changed under this bill. I don't find any reference that would lead me to believe that the licensure would change. This does not appear to do what you think it will. Mr. Cunningham answered, this is in line with House Bill 107, so this does cover some of that. But the real issue is that we are questioned about being on the approved list at the Department of Health by the insurance carriers.

Representative McBride asked what kind of service does your program provide? Mr. Cunningham explained the types of services that are available through his program.

Representative McBride asked about the service that is provided at Galen. Mr. Chisholm explained that Galen provides medical detoxification service and residential treatment care. Galen would be left right where it is and it is not effected by this bill in any way.

REPRESENTATIVE PAUL PISTORIA mentioned that he is very concerned about this problem. He said that the problem was not the fault of the Department of Institutions but a lack of funding and that responsibility was with the legislature. I can't see the health department taking over this project.

CHAIRMAN JOE BRAND stated, "You said that in 1978 you had 38 programs. Is that correct? I still don't know what the correct amount of programs would be in the state presently. What is that figure?" Mr. Chisholm replied that this was only state approved programs but that there are 41 programs operating in the state and 27 of those are approved. This approval is through the Department of Institutions. This does not include Galen, which is approved. I am trying to give you an indication of the programs out in the community. There are 14 programs operating in Montana that are not approved by the Department of Institutions, that doesn't mean they aren't good programs.

Chairman Brand asked, "Why did this come about? Did the legislature suggest this be done?" Mr. Chisholm replied this was primarily done through the legislature, and it seemed to be a more appropriate way of handling the matter.

Chairman Brand asked about the fact that the legislation was put before the legislature due to input from the various agencies. Mr. Chisholm replied that this was true. The bill that he mentioned, House Bill 699, which transferred all of these functions over to the Department of Institutions was not drafted by them. This was in the middle of the 1975 session. He supplied a copy of the programs that were in effect from 1976 through this date to the Chairman. See EXHIBIT E attached.

Chairman Brand asked, "How many patients participated in the program in 1979 as compared to today?" Mr. Chisholm gave a copy of the list to the Chairman and explained that in 1979 there were approximately 10,727 admissions to alcohol treatment programs. In 1982 there were 11, 502 admissions. See EXHIBIT F attached.

Chairman Brand said, "Mr. Chisholm, if the selling of alcohol is going down in Montana, as you so testified, then how come we have more patients in the program?" Mr. Chisholm replied, "If I said that the sale of alcohol is going down, that is probably not correct. I think that the revenue generated from the sale of alcohol, wine, and beer which generates taxes that go into an earmarked revenue account, which is subsequently distributed to the counties through the department for funding these programs. It has probably been growing year after year but the problem is that with the inflationary increases that the programs are experiencing it is way above the growth of the revenue. It is a regressive way to fund those programs."

Chairman Brand ask what the recedicism rate is today, and what was it in 1978? Bob Anderson, Drug and Alcohol Division, Department of Institutions replied that the recedicism rate remains about the same. Alcohol is a very repeative disease and the recedicism rate is high in all programs.

REPRESENTATIVE JERRY DRISCOLL asked how many of those people were involuntarily committed for more than detoxification? Mr. Anderson replied that he did not have the statistics on that with him.

Senator Keating said, "It is difficult to deal with statistics but you are right that unless a person wants to overcome this they won't. Galen usually takes those that are uninsured or unable to go to the other treatment centers.

CHAIRMAN JOE BRAND asked Mr. Chisholm what the percentage was

of the people that get third-party money. Mr. Chisholm stated that he was not sure on this but Mr. Anderson replied that they have some estimates. If you include all the programs, it has increase dramatically since 1977. In 1977 it only amounted to about 11-14 percent and now it is up to around 24 percent of the total funding. Each program is unique.

Chairman Brand ask Mr. Hjelmstad, do you think that this money has not been sufficient and if it were to go to the Department of Health, you would have more third party money? Mr. Hjelmstad replied that this could result in a much more acceptability by the insurance companies. We are losing alot of third-party money from not being associated with the Department of Health. Less than 25 percent of all insurance claims that we submit from patients who have medical insurance and where that insurance does state that they will cover chemical dependency treatment are approved. The reason for disapproval is that we are not a licensed health care facility. If we were housed in Northern Montana Hospital in Havre approval would be there. But the advantage of a free standing facility such as Hilltop Recovery is that we can provide a day of residential treatment care for \$75 and a hospital based program in this state is at least double that rate.

The only thing that we do not have that we would have if we were housed inside of a hospital is twenty-four hour nursing care.

THERE BEING NO ADDITIONAL QUESTIONS OF THE COMMITTEE MEMBERS
THE CHAIRMAN CLOSED ON THIS BILL.

SENATE BILL 452

SENATOR DAVID FULLER, sponsor of Senate Bill 452 opened on this bill. The bill came from the concept about "There Ought to be a Law" in the newspaper earlier this year. The basic idea is to reward the general public for coming up with ideas that could save money in state government. He mentioned that there is a fiscal note attached to this bill. The program is similar to the one that is operating in state government at the present time. There is a repealer clause in this bill.

PROPOSERS

DENNIS TAYLOR, Administrator, Personnel Division, Department of Administration, stated that this program has merit. What concerns him is being placed in a similar situation as they were when the employee incentive program was started. No resources were provided. The cost saving that occurred to the agency stayed with the agency and yet the Department of Administration was directed to promote the program at quite a cost to them, with no reimbursement process.

He strongly suggested that if the committee was going to consider this bill that they also consider some appropriation for the expense of it. This would be needed to cover at least 1.5 FTE's and the expenses to make this opportunity known to the general public. Another thought would be to modify the bill so that this would be transferred back from the agency that would receive the cost saving. The citizen would receive his reward for the cost saving and a portion of the overall costs that the Department of Administration had spent on the promotion would be transferred back to their budget from the agency that received the savings. The FTE situation should be looked at very carefully.

THERE WERE NO OPPONENTS TO SENATE BILL 452 SO SENATOR FULLER CLOSED.

Senator Fuller closed by saying that they should see that the money is there before the law was put into place. He felt that there was a reasonable assurance that the cost savings would be used and would indeed save the state money. But the operations money should be considered carefully.

COMMITTEE QUESTIONS

REPRESENTATIVE PAUL PISTORIA mentioned that they had been faced with a similar bill last session. It was explained that this previous bill covered state employees, not the general public.

REPRESENTATIVE KATHLEEN McBRIDE asked Senator Fuller if he would have any objection to amending the bill to include a statement that if the FTE at the Department of Administration were not funded, this bill would be void. Senator Fuller replied that he thought this would be fair. It should be taken care of.

REPRESENTATIVE JOE HAMMOND asked Mr. Taylor if he had any idea's about the cost of this program. Mr. Taylor replied that he could not be real sure but that they could use some of the previous promotional costs and come up with a ballpark figure.

REPRESENTATIVE JERRY DRISCOLL mentioned that this was an incentive program. He was wondering where the money that had been saved went. Mr. Taylor explained that in the employee incentive program it has been kept by the department that had the cost saving. It was used for other things. It did not revert to the general fund.

CHAIRMAN JOE BRAND stated that in essence when there is a cost savings it is money that they never used. Senator Fuller said that they did not get any additional funds though.

Chairman Brand asked about the seven agencies that had cost savings. What did they do about their budgets since they had this cost savings? Mr. Taylor said that he did not know how they handled this. If this committee wanted to somehow identify this cost savings money so that the agency wouldn't get it again, he thought that they could do this.

THERE WERE NO MORE QUESTIONS ON SENATE BILL 452 SO CHAIRMAN BRAND CLOSED THE HEARING. Representative Jan Brown will carry the bill on the House floor.

EXECUTIVE SESSION

SENATE BILL 452

REPRESENTATIVE KATHLEEN McBRIDE said, "I would like to amend this bill to include a statement of intent. This could cover the FTE question." There was some discussion about this. Ms. Menzies stated that maybe a coordination clause could be put in the bill.

REPRESENTATIVE BILL HAND MOVED to amend the bill to provide for the funding and this was seconded by Representative Joe Hammond. The question being called, the motion carried by unanimous voice vote.

REPRESENTATIVE GLENN MUELLER MOVED Senate Bill 452 AS AMENDED BE CONCURRED IN and this was seconded by Representative Joe Hammond. The question being called, the motion carried by unanimous voice vote.

Senate Bill 452 was reported out of this committee this date AS AMENDED BE CONCURRED IN.

SENATE BILL 455

REPRESENTATIVE JOHN PHILLIPS MOVED Senate Bill 455 BE CONCURRED IN and this was seconded by Representative Clyde Smith. The question being called, the motion carried unanimously.

Senate Bill 455 was reported out of this committee this date BE CONCURRED IN.

SENATE BILL 438

CHAIRMAN JOE BRAND gave some information on this bill and asked that the committee have this bill put into a subcommittee consisting of Representatives Driscoll, McBride and Phillips.

SENATE BILL 421

REPRESENTATIVE GLENN MUELLER MOVED Senate Bill 421 AS AMENDED BE CONCURRED IN and this was seconded by Representative Duane

Compton.

REPRESENTATIVE GLENN MUELLER MOVED to accept the amendments on Senate Bill 421 and this was seconded by Representative Chester Solberg. The question being called, the motion carried.

There was some discussion about this bill needing to go on the House floor no matter what the committee decided to do. Ms. Menzies explained the change in the amendments. This is a coordination amendment.

REPRESENTATIVE JERRY DRISCOLL MOVED that the bill AS AMENDED BE NOT CONCURRED IN and this was seconded by Representative John Phillips. There was a roll call vote with 9 "nay" votes and 7 "aye" votes. Those voting "nay" were Representatives Bliss, Brand, Compton, Hand, Holliday, Koehnke, Mueller, Ryan and Solberg. Those voting "aye" were Representatives Driscoll, Hammond, McBride, McCormick, O'Connell, Phillips, Pistoria and Smith. Representatives Sales and Bardanouve were not present to vote.

The MOTION died and it was reverted to a motion AS AMENDED BE CONCURRED IN. Representative John Ryan will carry this bill on the House floor.

SENATE BILL 422

REPRESENTATIVE CLYDE SMITH MOVED to accept the amendments and this was seconded by Representative Joe Hammond. The question being called, the motion carried.

REPRESENTATIVE GLENN MUELLER MOVED Senate Bill 422 AS AMENDED BE CONCURRED IN and this was seconded by Representative Clyde Smith. The question being called, the motion carried.

Senate Bill 422 was reported out of committee this date AS AMENDED BE CONCURRED IN. Representative McBride will carry the bill on the House floor.

SENATE BILL 398

Ms. Menzies explained that there were amendments to this bill and also that it would need a Statement of Intent. This would mean that there would have to be a 2/3 vote on the Statement of Intent.

REPRESENTATIVE GLENN MUELLER MOVED to accept the Statement of Intent and this was seconded by Representative John Ryan. The question being called, the motion carried unanimously.

REPRESENTATIVE CHESTER SOLBERG MOVED to accept the amendments and this was seconded by Representative Clyde Smith. The

question being called, the motion carried.

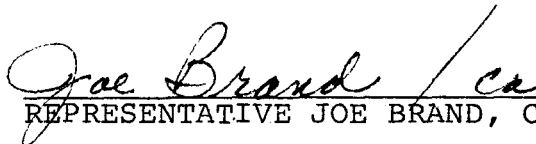
REPRESENTATIVE GLENN MUELLER MOVED that Senate Bill 398 AS AMENDED BE CONCURRED IN and this was seconded by Representative Duane Compton. The question being called, the motion carried.

Senate Bill 389 was reported out of this committee this date AS AMENDED BE CONCURRED IN. Ms. Menzies will talk to Representatives Fabrega or Quilici to see if they will carry the bill. If they do not, then Representative Mueller will carry it.

REPRESENTATIVE GLENN MUELLER MOVED for adjournment and Representative John Phillips seconded. The motion carried by unanimous voice vote.

The meeting adjourned at 11:30 a.m.

Respectfully submitted,


REPRESENTATIVE JOE BRAND, CHAIRMAN

Cleo Anderson, Secretary to Committee

STANDING COMMITTEE REPORT

MARCH 9

19 83

MR. **SPEAKER**

We, your committee on **STATE ADMINISTRATION**

having had under consideration **SENATE** Bill No. **452**

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reading copy ()

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"AN ACT AUTHORIZING THE DEPARTMENT OF ADMINISTRATION TO ADMINISTER A STATEWIDE CITIZENS' SUGGESTIONS PROGRAM TO AWARD CITIZENS FOR COST-SAVING PROPOSALS; AND PROVIDING A TERMINATION DATE."

Respectfully report as follows: That **SENATE** Bill No. **452**

1. Title, line 7.

Following: ";"

Insert: **"PROVIDING AN APPROPRIATION TO ADMINISTER THE PROGRAM;"**

2. Page 4.

Following: line 14

Insert: **"Section 8. Appropriation. There is appropriated to the department of administration from the general fund \$86,200 for the biennium ending June 30, 1985, for the purpose of implementing the citizens' suggestion program authorized in this act."**

Renumber: subsequent section

~~XXXXXX~~ **AND AS AMENDED BE CONCURRED IN**

STANDING COMMITTEE REPORT

MARCH 9

19 83

MR. SPEAKER

We, your committee on STATE ADMINISTRATION

having had under consideration SENATE Bill No. 455

third
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~~XXXXXX~~)
color

"AN ACT TO AUTHORIZE THE STATE TO PAY FOR STATE EMPLOYEES' PARTICIPATION IN PART B OF MEDICARE, IN CERTAIN CASES, FROM THE STATE CONTRIBUTION FOR GROUP BENEFITS; INCORPORATING THE RELEVANT PROVISIONS OF THE FEDERAL TAX EQUIEY AND FISCAL RESPONSIBILITY ACT OF 1982; AMENDING SECTION 2-18-703, MCA."

Respectfully report as follows: That SENATE Bill No. 455

DO PASS BE CONCURRED IN

STANDING COMMITTEE REPORT

MARCH 9

19 83

MR. SPEAKER

We, your committee on STATE ADMINISTRATION

having had under consideration SENATE Bill No. 421

third
~~first~~ reading copy (blue
~~white~~)
color

"AN ACT TO SUBMIT TO THE QUALIFIED ELECTORS OF MONTANA AN AMENDMENT TO ARTICLE V, SECTIONS 2 AND 14, OF THE MONTANA CONSTITUTION TO PROVIDE THAT EACH COUNTY SHALL ELECT ONE SENATOR TO THE MONTANA LEGISLATURE."

Respectfully report as follows: That SENATE Bill No. 421

1. Page 3.

Following: line 9

Insert: "NEW SECTION. Section 4. Coordination instruction. If House Bill No. 629 is passed and approved, the year "1983" in section 3 of this act is changed to "1984"."

~~XXXXX~~ AND AS AMENDED BE CONCURRED IN

STANDING COMMITTEE REPORT

MARCH 9

19 63

MR. SPEAKER

We, your committee on STATE ADMINISTRATION

having had under consideration SENATE Bill No. 422

third
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reading copy (XXXX)
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"AN ACT TO AUTHORIZE AND PROVIDE FOR THE ISSUANCE, EXECUTION,
AUTHENTICATION, AND TRANSFER OF PUBLIC OBLIGATIONS IN REGISTERED
FORM ; AND PROVIDING AN EFFECTIVE DATE."

Respectfully report as follows: That SENATE Bill No. 422

1. Page 3, line 20.

Strike: "or"

2. Page 3, line 21.

Following: "corporation"

Insert: ", or trust company"

~~XXXXXX~~
~~XXXXXX~~ AND AS AMENDED BE CONCURRED IN

STANDING COMMITTEE REPORT

1 of 1

MARCH 9 19 83

MR. **SPEAKER**

We, your committee on **STATE ADMINISTRATION**

having had under consideration **SENATE** Bill No. **398**

~~third~~ reading copy (~~blue~~)
~~color~~

"AN ACT TRANSFERRING THE FUNCTION OF LICENSING PUBLIC CONTRACTORS FROM THE DEPARTMENT OF REVENUE TO THE DEPARTMENT OF COMMERCE; CHANGING THE LICENSE FEE FOR EACH CLASS OF LICENSE; CHANGING THE CONTRACT VALUE LIMIT FOR A CLASS B LICENSE REQUIRING A PUBLIC CONTRACTOR TO BE LICENSED IN A FIELD OF CONTRACTING; ~~INCLUDING FAILURE TO PERFORM QUALITY WORK AS GROUNDS FOR LICENSE~~ SUSPENSION, AMENDING SECTIONS 15-50-101 THROUGH 15-50-105, 15-50-204 THROUGH 15-50-206, 15-50-211 THROUGH 15-50-213, AND 15-50-302, MCA."

Respectfully report as follows: That **SENATE** Bill No. **398**

Be amended as follows:

1. Title, line 8.

Following: ~~"LICENSES"~~

Insert: ";

2. Page 4, line 10.

Following: "licenses"

Insert: "--fees"

3. Page 5.

Following: line 16

Insert: "(3) If a holder of a license for any class within a field of contracting applies for another license for the same class but within a different field of contracting, he shall pay a fee equal to 25% of the fee for the appropriate class of license as provided in subsection (2) to be licensed in the additional field. If an applicant for a license for any class within a field of contracting at the same time applies for a license for the same class but within a different field

SENATE BILL 398
AMENDMENTS
STATE ADMINISTRATION COMMITTEE

MARCH 9

1983

of contracting, he shall pay the fee for the appropriate class of license as provided in subsection (2) to be licensed in one of the fields of contracting plus 25% of the fee for the same class to be licensed in the other field."

AND AS AMENDED BE CONCURRED IN
STATEMENT OF INTENT ATTACHED

MARCH 9

83

19.....

MR. SPEAKER:

WE, YOUR COMMITTEE ON STATE ADMINISTRATION, HAVING HAD
UNDER CONSIDERATION SENATE BILL 398, THIRD READING COPY (BLUE),
ATTACH THE FOLLOWING STATEMENT OF INTENT:

**"STATEMENT OF INTENT
SENATE BILL 398**

SB 398 transfers contractor licensing and rulemaking authority from the Department of Revenue to the Department of Commerce. It delegates new rulemaking authority in the form of defining fields of contracting.

It is the intention of the legislature that the Department of Commerce broadly defines fields of contracting so as to minimize the need for additional licenses within the same class while at the same time ensuring similarity of expertise within fields of contracting.

It is the intention of the legislature that the Department of Commerce gather information as required by this chapter and use that information for the following purposes:

- (1) to ensure that an applicant for license is minimally qualified in his field of contracting; and
- (2) to ensure that the Department of Commerce has information necessary to assist the Department of Administration in prequalifying bidders on state projects on the basis of financial ratings as well as previous performance reviews."

ROLL CALL

HOUSE ADMINISTRATION

COMMITTEE

48th LEGISLATIVE SESSION, 1983

Date 3/9 , 1983

SENATE BILL 421 Roll Call Vote

Name	BARDANOUE																		
	BLISS	N																	
	BRAND	N																	
	COMPTON	N																	
	DRISCOLL	A																	
	HAMMOND	A																	
	HAND	N																	
	HOLLIDAY	N																	
	KOEHNKE	N																	
	McBRIDE	A																	
	McCORMICK	A																	
	MUELLER	N																	
	O'CONNELL	A																	
	PHILLIPS	A																	
	PISTORIA	A																	
	RYAN	N																	
	SALES																		
	SMITH	A																	
	SOLBERG	N																	

CHAIRMAN IS CIRCLED

VISITOR'S REGISTER

HOUSE STATE ADMINISTRATION

COMMITTEE

BILL SENATE BILL 438

DATE MARCH 9, 1983

SPONSOR	SENATOR	STORY
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[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

WITNESS STATEMENT

Name Julie Hooper
Address 10111th Avenue
Representing Wala Co. Shareholders
Bill No. SB 438

Committee On St. Admin
Date 3-9-83
Support x
Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. We make more responsible lobbying on the part of public employees as they won't use their god or position to influence government decisions.
2. Public employees will lobby at their own expense.
3. Public employees will do political activity on their own time.
4. an example This bill would restrict the activities of our planning dept who send themselves to the legislature at our ^(taxpayer) expense to testify against the people on matters which would enlarge their departments.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

TO: SEN. PETE STORY, CHAIRMAN
STATE ADMINISTRATION COMMITTEE

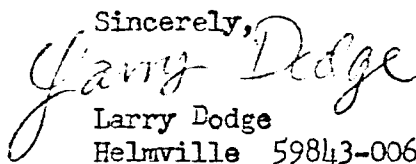
RE: SB 438 TO RESTRICT POLITICAL
ACTIVITIES BY PUBLIC SERVANTS

My name is Larry Dodge. I speak for myself, as a concerned Montana citizen.

I am impressed with and supportive of SB 438. It is rare when such responsibility is reflected in legislation, and I hope that the concern which doubtless inspired the writing of this bill pervades the bodies of representatives which must vote on it.

I do have a couple of comments--both constructive. First, I would prefer "his or her" and "he or she" to the strict adherence to masculine gender in the version furnished me by the Data Distribution Center. Not only are most employees of the state women, but passage of the bill may be easier if the women in the House and Senate are not slighted by the language used in it.

Second, the logic of this bill should be extended to advertising by agencies of the state. I for one resent having my tax dollars spent advertising more government. True, I'm advocating a completely separate bill, not an amendment to this one, but one reason I support SB 438 is its potential for limiting governmental expansion at taxpayer expense--to me, there isn't much difference between letting bureaucrats campaign for candidates or issues which will enhance their positions and letting them advertise for the same reasons.

Sincerely,

Larry Dodge
Helmsville 59843-0060

WITNESS STATEMENT

Name Don Judge
Address Helena
Representing MT STATE AFL-CIO
Bill No. SB 438

Committee On STATE ADMINISTRATION

Date 3/9/83

Support

Oppose

Amend

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. I Have concerns about the prohibitive language on local Government employees on Page 1, lines 18-23 and page 2, lines 3 through 6. How does this affect the abilities of the following interactions to take place on issues of importance to the "employees"?
2.
 - (1) teachers appearing before School Boards?
 - (2) county employees appearing before county commissioners?
 - (3) city employees (example; firefighters) appearing before city councils?
- 3.
4. How will this bill affect State employees whose job it is to appear before such public bodies as:
 - (1) Public Service Commission
 - (2) EOC
 - (3) Board of Health
 - (4) ETC.

This legislation is poorly drafted and should be placed in a subcommittee for consideration.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WITNESS STATEMENT

Name Karen M. Cahoon Committee On State Admin
Address Star Pt. Bonnet Date 3/9/83
Representing Miles Co. Drubolton Support Yes
Bill No. 438 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. This bill places the citizen lobbyist on a more equal basis with gov't.
2. ~~We do not~~ As citizens, we pay our own expenses & we also pay the
3. expense of gov't to lobby.
4. This bill is a good start, I would prefer it be even tighter regarding bureaucracy.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

VISITORS' REGISTER

HOUSE STATE ADMINISTRATION COMMITTEE

BILL SENATE BILL 455

Date MARCH 9, 1983

SPONSOR SENATOR NORMAN

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

DEPARTMENT OF ADMINISTRATION
PERSONNEL DIVISION



TED SCHWINDEN, GOVERNOR

ROOM 130, MITCHELL BUILDING

STATE OF MONTANA

(406) 449-3871

HELENA, MONTANA 5962

Under the present State Group Health Insurance Plan, an employee over 65 can choose between remaining on the State Plan and paying full premium, or enrolling in Medicare and paying a reduced rate for the State Plan. In the second instance, the rate for the State Plan is reduced because Medicare pays first and the State Plan only pays what Medicare does not pay. Employees must, however, pay for "Part B" of Medicare themselves. Employees' spouses who are over 65 must presently enroll in Medicare.

A provision of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) amended the Age Discrimination in Employment Act and the Social Security Act to require that employer-sponsored medical coverage be made available to employees and their spouses aged 65-69 on the same basis as younger employees, thereby making the employer's plan primary over Medicare. The major reason for this provision of TEFRA was to shift costs from Medicare to employer health plans.

Although this provision was effective January 1, 1983, there is still a great deal of confusion over what employers must do to implement this provision. In December, 1982, the Equal Employment Opportunity Commission (EEOC) issued interim rules covering these provisions. These rules were rejected by the Office of Management and Budget, and have never been officially published. Regulations are also expected in the future from the Health Care Financing Administration which administers Medicare.

Because of the confusion surrounding this provision, it is impossible to predict exactly what the final rules and regulations will contain. At the present time, however, it appears that one regulation will require that employees 65-69 choose between the employer plan and Medicare. If they choose Medicare, it will also require that the employer pay for their participation in "Part B" of Medicare (presently \$12.20 per month).

SB 455 simply allows the State to pay for an employee's participation in "Part B" of Medicare from its contribution towards group benefits if Medicare is the primary payor and the State Health Plan the secondary payor. This should allow the State to comply with the provisions of TEFRA as presently anticipated.

VISITORS' REGISTER

HOUSE STATE ADMINISTRATION COMMITTEE

BILL SENATE BILL 327

Date MARCH 9, 1983

SPONSOR SENATOR KEATING

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Rimrock Foundation®

P.O. Box 30374

Billings, Montana 59107

(406) 248-3175

March 8, 1983



TESTIMONY FOR: HOUSE COMMITTEE ON STATE ADMINISTRATION
SB327 - Transfer of ADAD to Health Department

By

David W. Cunningham, M.H.A.
Executive Director

Since 1974 when outpatient alcohol and drug treatment programs were first licensed in Montana, the service system has expanded to include a range and level of services for Montana's #1 health problem. Increasingly, the system has adopted a medical model.

The purpose of SB327 is to place the present state authority -- the Alcohol and Drug Abuse Division of the Department of Institutions, within the Department of Health where the authority for all other medical licensing exists.

Presently, insurance carriers and other third party payors use the non-medical license issued in Institutions as a reason to refuse payments to programs.

Further, the treatment of this illness is a medical/health matter requiring the attention of public health administrators, trained in public health problems as opposed to an administration primarily concerned with prison and corrective institutions.

Alcohol and drug treatment programs are private non-profit health care services and need to be part of this state's health care administration. This bill's intent is a recommendation of the Governor's Council on Management and is endorsed by the Alcohol Program Association of Montana.

Many mis-leading stories have circulated about the impact of this move on Galen. Galen has always been managed by Montana State Hospital and it will remain that way. It is not part of the network of private community-based treatment programs.

We think it is unfortunate that the Department of Institution's administration is blocking an attempt by alcohol/drug treatment programs to secure long-term non-governmental financing as part of the health system, when Mr. South's own Long-Range Planning Task Force documented this need in November, 1982 for medical licensing and third party reimbursement, both of which can only be secured long-term within the health department structure.

STATE OF MONTANA
DEPARTMENT OF INSTITUTIONS
HELENA

To MIKE MURRAY, Administrator
Alcohol & Drug Abuse Division

Date: 1/18/83

From ROBERT W. ANDERSON, Chief
Reporting & Evaluation Bureau *[Signature]*

Subject HISTORY ON NUMBERS OF APPROVED PROGRAMS AND CONTRACTS

Just for your information, as may be needed during this legislative year, below is a history of the number of approved programs and contracts issued each fiscal year.

<u>Fiscal Year</u>	<u># Of Approved Programs*</u>	<u># Of Contracts Issued</u>
76	21	13
77	21	20
78	29	26
79	38	29
80	36	22
81	32	20
82	30	17
83	28	18

*Does not include correctional or drug programs.

RWA:cI

Five Categories of Approved Services by Department of Institutions

1. Detox
2. In-patient Hospital
3. In-patient Free Standing
4. Intermediate Care [Halfway House or Transitional Living Facility].
5. Out-patient

Four Categories of Facility/Program Licensure Issued by Department of Health and Environmental Sciences

1. Alcoholism - Halfway House
2. Alcohol Treatment Facility
3. Hospital [Limited to Alcoholic Treatment and Rehabilitation]
4. Hotel/Motel



Rimrock Foundation®

P.O. Box 30374

Billings, Montana 59107

(406) 248-3175

MEMO

TO: Alcohol Program Directors

FROM: Mona L. Sumner, Associate Director

DATE: December 28, 1982

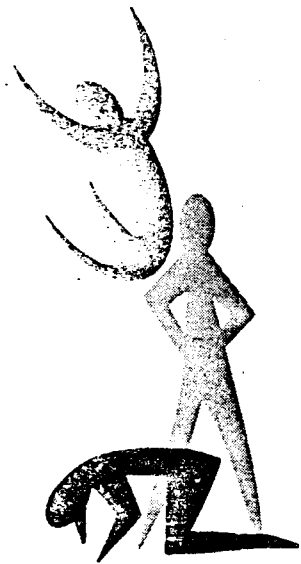
RE: Short-Fall/Carroll South

We received Mr. South's letter of December 20th, in which I felt the need to comment to you-all regarding my astonishment over the reported balance of \$53,671 in remaining federal funds. Some of you will recall that the total federal funds available last May, prior to the special Legislative Session, amounted to \$750,000.

I think it is a shame we could not secure permission at the time for those monies to go to the counties on the 85-15 formula. This seems to me to be one more example of how money disappears when left in the state coffers - or, left to the bureaucracy's discretion.

I certainly hope we all share a common legislative goal this session and that it does not include anymore discretionary funds for the State to dissipate.

I trust your holidays were warm with family and friends!



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MEMO

TO: Alcohol Program Directors

FROM: Mona L. Sumner, Associate Director

DATE: December 28, 1982

RE: A Bill to Transfer ADAD to the Department
of Health

You will all recall the long nasty battle this fall over Carroll South's plan to merge ADAD with mental health. I realize APM has tabled sponsoring a bill to move ADAD to mental health per the minutes of the November 22, 1982 meeting. Nevertheless, I believe the necessity for such a transfer is as real today as it was when both the Governor's Task Force on Re-Organization and South's Long-Range Planning Task Force recommended it earlier this fall.

Since our tenure in institutions, there has been an on-going attempt by the Department Directors to merge alcohol and drug services with mental health - akin to mixing apples and oranges and ultimately diluting the priority of alcohol and drug services. This same issue has arisen in surrounding states and once merged, the evidence of dilution is overwhelming -- free-standing alcohol and drug programs disappear while mental health centers remain.

Further, the Special Task Force for the Study of Long-Range Planning of Alcohol and Drug Abuse Treatment in Montana has recommended the transfer to health to correct serious problems in duplicate licensure of programs. Currently the Department of Health has facility licensing responsibilities for alcohol treatment centers, while the Division of Alcohol & Drug Abuse (ADAD) is legally mandated to license alcohol and drug programs. The opportunities abound, as you can see, for licensing nightmares for centers such as ours with two different department's setting standards and issuing varied licenses, which has jeopardized our status with third-party payers. Dr. Drynan,

Alcohol Program Directors
December 28, 1982
Page 2

Director of Health, has assured us that with both licensing groups under the same department, the necessary centralization and communication around licensing can occur.

I have secured sponsorship of a transfer bill from Senator Tom Keating, and would hope APM would lend its full support as well as individual help from programs in communicating the need for passage of this bill to local legislators.

I am sorry I had to miss the APM meeting in November, due to my father's death, however, I did share my strong feelings about the need for this bill with Jo Kaste and Ron Hjelmstad prior to the APM meeting.

Dr. Drynan has indicated he would accept ADAD as a division in a transfer and I believe that unless permanently administratively separated from mental health, we will face the merger issue again and again.

Please let me know your feelings and if you can and will help in this manner. It is being done in the long-range interests of the field as a whole.

FINAL REPORT

**SPECIAL TASK FORCE FOR STUDY OF
LONG RANGE PLANNING AND
FUTURE DELIVERY OF
ALCOHOL AND DRUG ABUSE TREATMENT IN MONTANA**

July 16, 1982

**Department of Institutions
1539 11th Avenue
Helena, MT 59620**

VISITOR'S REGISTER

HOUSE STATE ADMINISTRATION COMMITTEE

BILL SENATE BILL 452

DATE MARCH 9, 1983

SPONSOR SENATOR FULLER

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

POSSIBLE AMENDMENTS TO BILLS HEARD TUESDAY:

SB 421, SB 422, and SB 429

(Note: No amendments proposed for SB 435)

SB 421 (Daniels): 1 Senator per county

1. Page 3.

Following: line 9

Insert: "NEW SECTION. Section 4. Coordination instruction. If House Bill No. 629 is passed and approved, the date "November 1983" in section 3 of this act is changed to "November 1984.""

SB 422 (Halligan): Registration of Obligations

1. Page 3, line 20.

Strike: "or"

2. Page 3, line 21.

Following: "corporation"

Insert: ", or trust company"

SB 429 (Manning): Reducing City Contributions to Firefighters' and Police Pensions

1. Page 6, line 4.

Following: "~~employer~~,"

Insert: ", the employer,"

SB 311 - YES - ADD LEGISLATIVE COUNCIL
& AUDITOR TO LIST

SB 319 - YES - AMEND SEC. 2, PG. 2 SO IT
IS NOT RETROACTIVE

SB 309 - NO

SB 320 - YES

SB 308 - YES - AMEND 300⁰⁰ TO 5000⁰⁰
ON LINE 12 & 18, PG. 2

SB 455 - YES

SB 327 - YES

SB 452 - YES

SB 438 - YES

Walter J. Jones
3/9/83

POSSIBLE AMENDMENTS TO SB 438

1. Page 1, lines 24 and 25.

Strike: "any" on line 24 through "aid" on line 25

Insert: "support"

Strike: "promote" on line 25

Insert: "opposition to"

2. Page 2, line 1.

Following: "committee"

Strike: "or"

Insert: ", "

3. Page 2, line 2.

Following: "office"

Insert: ", or the passage of a ballot issue"

4. Page 4, lines 5 through 7.

Strike: "give" on line 5 through "aid" on line 6

Insert: "support"

Strike: "promote" on line 6

Insert: "oppose"

Strike: "or" through "promote" on line 7

Insert: ", "

5. Page 4, line 8.

Following: "office"

Insert: ", or the passage of a ballot issue"

POSSIBLE AMENDMENTS TO SB 398:

1. Title, line 8.

Following: "LICENSE"

Insert: ";

2. Page 4, line 10.

Following: "licenses"

Insert: "--fees"

3. Page 5.

Following: line 16

Insert: "(3) If a license holder for any class within a field of contracting applies for another license for the same class but within a different field of contracting, he shall pay a fee equal to 25% of the fee for the appropriate class of license as provided in subsection (2) to be licensed in the additional field. If an applicant for a license for any class within a field of contracting at the same time applies for a license for the same class but within a different field of contracting, he shall pay the fee for the appropriate class of license as provided in subsection (2) to be licensed in one of the fields of contracting plus 25% of the fee for the same class to be licensed in the other field."

STATEMENT OF INTENT
SENATE BILL NO. 398

SB 398 transfers contractor licensing and rulemaking authority from the Department of Revenue to the Department of Commerce. It delegates new rulemaking authority in the form of defining fields of contracting.

It is in the intention of the legislature that the Department of Commerce broadly define fields of contracting so as to minimize the need for additional licenses within the same class while at the same time ensuring similiarity of expertise within fields of contracting.

It is the intention of the legislature that the Department of Commerce gather information as required by this chapter and use that information for the following purposes:

1. to ensure applicants for license are minimally qualified in their field of contracting; and
2. to ensure that the Department of Commerce has information necessary to assist the Department of Administration in prequalifying bidders on state projects on the basis of financial ratings as well as previous performance reviews.