VISITOR'S REGISTER

HOUSE HUMAN SERVICES SUB COMMITTEE

BILL _____ DATE January 27, 1983

SPONSOR _____

NAME	RESIDENCE	REPRESENTING	SUP-PORT	OP-POSE
Barbara Nagengast	Sidney MT	MT. Home Economics Assn		
Carol Tamaccio	Sidney MT	MT Home Economics Assn		
Jerry Boyle	" "	Sidney Chamber of Com		
Warren Brax	HELENA MT.	H. DEPT.		
Dale Taliaferro	Helena MT	DHES		
Jacqueline McKnight	" "	DHES		
John Bartlett	Helena Mt	DHES		
George M Inman	Helena mt	DHES		
Ron Ellis		OBPP		
[illegible]	Helena	DHES		
RJ Hoffman	Helena	DHES		

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

FORM CS-33
1.83

MINUTES OF THE MEETING OF THE JOINT APPROPRIATION SUBCOMMITTEE ON HUMAN SERVICES
January 27, 1983

Begin Tape 25 Side One

The meeting was called to order at 7:30 a.m. by Chairman John Shontz. All subcommittee members were present except for Rep. Menahan.

Also present were: Dr. John Drynan, Ray Hoffman, George Fenner, John Bartlett, Jacqueline McKnight and Dale Taliaferro from the Department of Health; Ron Weiss from the Budget Office, Barbara Nagengast and Carol Tamanki and Larry Tantlin from Sidney, Montana and Norman Rostocki from the Legislative Analyst's office.

HEALTH PLANNING/FACILITIES

Norman Rostocki, Fiscal Analyst gave an overview first. He explained exhibit 1 and 2 which explained where the committee is with the EMS, Health Planning/Certificate of Need and the Licensing and Certification Programs for 1984 and 1985 which were prepared by the LFA. The committee has heard EMS already but it is a part of this program and therefore included. In the Certificate of Need Program and Health Planning Programs there are some issues that arose because when the budgets originally went through there were no federal funds available and they requested total general funds but this has changed based on things that are happening right now at the federal level. The EMS budgets shown has funding from the Preventative Block Grant that is in excess of the amount that is left to spend. On licensing and certification this program has no substantial changes. On personal services the department and the LFA has allocated positions differently and they will get goether to resolve the difficulties.

HEALTH PLANNING

Mr. George Fenner, Administrator of the Hospital and Medical Facilities in the Health Services Division of the Department of Health presented two people from his department to give testimony for the bureau of health planning and development and licensing and certification.

Mr. Dale Taliaferro, Senior Planner for the Bureau of Health Planning told the committee that the bureau performs health planning activities for the state of Montana. See exhibit 3 These activities fall into four major areas. 1)information where they collect and distribute data on medical facilities, health manpower and health care financing; 2)on health planning they produce the state health plan and special plans as requested from statewide health coordinating council on development of legislation and 3)evaluation of needs for particular health services and other health issues and 4) in resource development activities they carry out those activities needed to help maintain

a balance between health care service capacity and distribution versus the cost of health care. The main tool for this activity is the Certificate of Need Program.

Some of the projects of the bureau during 1982 included updating portions of the State Health Plan, producing a health date book and reviewing 65 certificate of need applications. They are continually redesigning plans and programs away from the orginally federally designed model to one that meets Montana's needs more adequately. There is a bill revising the certificate of need process this legislative session.

Sen. Aklestad asked Norman Rostocki to explain the vast difference of FTE levels on the certificate of need. Norman told him when he made the budget for this program there was nothing available from federal funds and that the department had approximately 3/4 federal and 1/4 general funds in the past. The health planning law was dead when the budget was being worked on and it has since been revived at the federal level. Norman kept general fund at current level and zeroed out federal funds. He put 4 FTE in at an average grade and average step at that time. The $232,000 is the federal funds they now find may be available but in FY84 the department is unsure whether these funds will be there and they are requesting all general fund in FY85.

The way the program worked in the past was there used to be a minimum level of effort equal the average of the prior three years of general fund and now it has to be a 25% match at least equal to the prior three years.

There was some discussion of the law which requires this and talk of a repeal of this law. Dr. Drynan explained this law is only repealed on a continuing resolution until September 30, 1983 and they do not know what will happen in the new law but at this point tney feel that the sanctions will continue. If they don't have the program and sanctions are re-enacted there is a possibility of losing the MCH Health Block Grant Money/Preventative Health Block Grant Money and all money that comes from HHS. The certificate of need bill will be heard for the first time on February 9.

Sen. Aklestad asked what would happen if the level of 4 FTE were in effect and Norman explained he kept the general fund at current level and the program would have to be reduced substantially.

Rep. Winslow asked Norman if the committee were to put the $138,593 if they would still receive federal funds or if there is still a match requirement. Norman explained if the committee were to accept the federal funds that are available they would be looking at the executive 1984 option which would require a minimum of $125,000 general fund. According to the department, if they put in $125,892 they will receive $232,878 and the program will be at

the level of 10.3 FTE. This money is assured until June 30, 1984 Dr. Drynan told the committee. He said this was the program that originally President Reagan's budget had killed and then it was later revived in sort of a last ditch effort on the Certificate of Need in that if they can't control health care costs this year they will probably go to something else.

Rep. Winslow told the committee that the certificate of need sometimes increases costs but he also supports the fact that if they lifted the cap and no one was checking it might be worse than it is now. He feels it is a review process and if the hospitals don't go along with it they don't get medi-aid or medicare reimbursement.

Sen. Regan asked Dr. Drynan if SRS ever got the bill that would provide that they could license a nursing home but just because it was licensed didn't necessarily follow that they were certified in order to accept medicaid patients. Dr. Drynan explained it was included in the new certificate of need law. It says that they can approve licensing of new nursing home facilities but not necessarily certify them for medicaid. The Montana Nursing Home Association is supporting this as it also acts as a pro-tection for those homes that are already in existence.

Sen. Story asked how many decisions were made in the past year and Mr. Taliaferro explained this information was contained in the packet the department handed out today. See exhibit 4

Sen. Aklestad asked why the personal services was still so high even with 4 less FTE. Ray Hoffman said they were assuming that there was probably a percentage of vacancies that was applied in the program and this generated the figures. There were also pay plan increases. Neither the department or the LFS has the information here to check if the positions were filled all year and this could explain some of the discrepancy.

Norman asked the department if the Certificate of Need process was not in place if the hospital industry would lose medicare reimbursement. They answered probably not but since we do have a certificate of need we have to abide by it.

Rep. Winslow explained there is a great deal of concern about health care costs and if there was not someone looking over it there would be much more concern. At least there is some assurance to the public that there is someone watching over it now.

LICENSING AND CERTIFICATION BUREAU

Mr. George Fenner introduced Jacqueline Mcknight to present the health care licensing and certification bureau program to the committee. She explained the bureau is responsible for monitoring the operation, maintenance and design of various

health care facilities and services in hospitals, and long term care facilities. They have legal authority to issue licenses, grant Medicaid certification and recommends Medicare certification to facilities and services that meet the regulations without which the State of Montana cannot receive federal funds from these two sources. They also have the legal responsibility to revise licensing regulations, investigate citizen complaints and can revoke the license or certification of facilities which fall below minimum standards and jeopardize the health or safety of patients or clients. The surveyor and supervisory staff provide continuing consultation services to all providers and gives information to the public. Prior to 1981 they conducted annual surveys to all health care facilities and costs were shared between state and federal funds but during 1981 there were two rescissions of funds which resulted in a loss of 48% of medicare funding. Licensure laws mandated annual surveys and to avoid continuing violation of state law the bureau prepared an amendment which allowed surveys within a 3 year period and mandated a written report of essential activity for the year a site survey was not done. This was passed in the 1982 special session. She explained that about April 1, 1983 they will know whether or not the federal people will require annual reports or not. See exhibit 5

Begin Tape 25 Side Two

Rep. Winslow asked who the hospitals have to go through to build new construction and was told by George Fenner that there were first federal regulations and these are enforced through the state bureau. Rep. Shontz asked what the current license fees were and what would be the result if they were to increase license fees on facilities to help finance this program and use less general fund. At $8.40 a bed it would raise $84,000 which would offset about 70% of the general fund in 1984. He explained that the hospital would pick up some of the cost by private paying patients, and through Medicaid the state would pick up some of the costs and the federal government would pick up the majority of the licensing costs through medicare. Rep. Winslow said this was reimburseable about .70 cents on the dollar but there is no assurance that in the future the federal might say no.

Rep. Winslow asked the department's position on the annual licensing. Ms. McKnight replied it was still under discussion as they had just learned of it.

On unannounced inspections Dr. Drynan felt they would serve no purpose because it takes time to prepare for an inspection and if it were unannounced they might not be able to deal with the people they would have to see in order to carry out the inspection and it would be a waste of time.

Questions were asked about the life span of a cat scanner and the committee was told this is a new piece of equipment which has become an ordinary piece of equipment for all medical care and there are new pieces of equipment being developed now in Europe and elsewhere that will be much improved over the cat scanner so it is unsure at this point how long it will last.

Ray Hoffman explained that this particular program is one that is constantly in turmoil and they are largely dictated to by the federal government and it is a very difficult budget to plan.

Dr. Drynan in closing said they have been able to work with the federal HSA agency and there will no longer be two state health plans, it will be a single plan.

There will be hearings on the Legal and the Lab at tomorrow's meeting.

Chairman Shontz asked the committee if they had any thoughts on the subdivisions supplemental. Sen. Regan felt there was no choice that you either have the subdivision or you don't and if you have it you have to have the seed money in to get it going. Dr. Drynan explained they would hope to pay back the debt if the fee bill were to go through and create enough excess to do so. As it stands at the present time they must stop all reviews as of February 1 because of lack of funds. The EPA is not going to let them use their funds past the 15th. Sen. Story told the committee he had a bill in that would solve this problem by letting the local governments decide if it were to pass.

The meeting was adjourned at 9 a.m.
Tape 25 Side Two to 345

John Shontz, Chairman

Carol Duval, Secretary

Revised

exec pg 2662
LFA pgs 759,771

Initials Date
Prepared By
Approved By

1/26

84 only

MEDICAL FACILITIES BUDGET BY SUBPROGRAM

	EMS			PLANNING / Cert. of Need			LICENSING / certification			TOTAL	
	1982 actual	LFA 84	EXEC 84	82 actual	LFA 84	exec 84	82 actual	LFA 84	EXEC 84	84 LFA	84 EXEC
FTE	8.3	10.3	10.3	14.75	10.3	10.3	19.2	15.5	15.5	36.1	36.1
pers SV	177044	232299	231678	297696	276408	276685	313109	420252	420256	928909	909062
Cont. SVS	488141	214279	198405	106992	52473	45291	9327	42799	42775	309550	286671
supplies	24486	7954	10203	3470	1552	1402	917	4607	740	14113	12371
commun	14375	39127	33737	11913	11877	11938	7965	7295	7111	58299	52186
travel	19728	30370	19755	10847	11498	7425	26014	32676	36572	74544	63752
rent	8766	14742	12750	15183	13068	14064	12206	14933	15085	42793	41899
utilities	198	221	209	2	—	—	—	—	—	221	209
repair	2530	3279	2457	432	244	374	265	299	258	3822	3089
other	2122	2384	1949	1512	1603	1591	4577	38	42	4025	3582
total operating	560345	312406	288865	198595	92315	82085	61301	102646	102817	507367	463767
equip	30663	2500	5000				803	966	966	3466	5966
grants	238531	—	—	14000						—	—
total program	1006375	547155	515543	458535	368723	350770	375212	523864	524039	1439742	1379395
general fund	243157	300805	285831	146914	127347	125092	103380	111935	130962	540087	542685
prev. block	176115	246350	229712							246350	229712
medicare - title 18							271832	284249	269376	284249	269376
medicaid - title 19				max available				127680	123701	127680	123701
Cert of Need					241376	232878				241376	232878
federal ems categorical	745619			Requires 25% match AND							0
				MIN LEVEL of effort = 125092							

REVISED

exec pg 266
LFA pg 759, 771

Initials | Date
Prepared By
Approved By

1985 only

MEDICAL FACILITIES BUDGET BY SUB PROGRAM

COLUMN WRITE		1	EMS 2	3	PLANNING/CERT OF NEED 4	5	6	LICENSING/CERTIFICATION 7	8	TOTAL 9	10
		1982 ACT	LFA 85	EXEC 85	1982 act	85 LFA	85 EXEC	1982 actual	85 LFA	85 EXEC	85 LFA	85 EXEC
1	FTE	8.3	10.3	10.3	14.75	10.3	10.3	19.2	15.5	15.5	36.1	36.1
2												
3												
4												
5	pers. SVS	177044	231358	230831	297696	275341	276245	313109	418617	419919	925316 ✓	926995
6												
7	cont. SVS	488141	259648	212703	106992	55621	49662	9327	45366	54773	360635	317138
8	supplies	24496	8490	10431	3470	1045	1920	917	4883	787	15018	13138
9	comm.	14375	45448	39240	11913	13362	13625	7965	8382	8333	67192	61198
10	travel	19724	30938	20565	10847	12188	8905	20014	33722	37937	76848	67407
11	rent	8766	15679	13908	15183	13852	15116	12236	15828	15490	45359	44514
12	utilities	198	234	222	2	—	—	—	—	—	234	222
13	repair	2530	3515	2474	432	259	526	265	273	273	4047	3273
14	other	2122	2524	2065	1512	1499	1486	4577	40	45	4263	3796
15												
16	total operating	560346	366476	301498	148595	98626	91438	41301	108494	118038	573586 ✓	510974
17												
18	equip	30663	240	5000				803	1043	1043	3443 ✓	6043
19												
20	grants	238,321			14000							
21												
22	total program	1006375	400234	537329	458535	373947	367683	375212	528154	539000	1502355 ✓	1440012
23												
24												
25	general Fund	243157	332497	307617	146916	132541	367683	103380	112848	147100	577936	822480
26	pred. block	17615	267737	229712							267737	229712
27	medicare - title 18					ned @ 84 level		} 271832	286579	268532	286579	268532
28	medicaid - title 19								128727	123288	128727	123288
	CERT of need					241374					241374	0
	fed cms categorical	745603			Requires 25% match AND min level of effort = 125882						0	0

exhibit 2 - 1983

Exhibit 3
January 27, 1983

BUREAU OF HEALTH PLANNING AND RESOURCE DEVELOPMENT

Mr. Chairman, Senators and Representatives of the Committee, my name is Dale Taliaferro. I am representing the Bureau of Health Planning. The Bureau performs health planning activities for the State of Montana. These activities fall into three major areas: information, planning, and resource development.

Information Activities. The Bureau collects, assembles, and distributes data on medical facilities, health manpower, and health care financing. This information is used by State agencies, local and State government, health care providers, and citizen groups in their consideration of health care issues. In most cases, this information is not available through alternative sources.

Health Planning Activities. The Bureau produces the State Health Plan and special plans as needed. Special plans or studies are conducted at the request of the Statewide Health Coordinating Council or the Director of the Department of Health and Environmental Sciences. These studies include development of legislation, analyses of policy alternatives, evaluation of needs for particular health services, projections of future health care expenditures, and other health issues. These activities are required by Federal regulation but are designed specifically for Montana's needs as

interpreted by the Governor, Legislature, Department of Health and Environmental Sciences, and the Statewide Health Coordinating Council.

Resource Development Activities. The Bureau carries out activities designed to help maintain a balance between health care service capacity and distribution on one side and the cost of health care on the other. The primary tool for this activity is the Certificate of Need program. Montana has good distribution and an adequate supply of high quality health care services. Health care costs, however, are rising at an estimated annual rate of fifteen percent, and the Certificate of Need program is the only tool currently legislated to restrain that growth. In conjunction with planning, the Certificate of Need program provides government, health care providers, and the public with the means to develop and implement a consensus on health resource needs.

Projects of 1982. The Bureau updated portions of the State Health Plan, produced a 1982 health data book, and reviewed sixty-five Certificate of Need applications with an estimated total capital expenditure of about 94 million dollars.

There were also many special studies and reports, including a Governor's Conference on "Meeting Montana's Health Care Needs" sponsored by the Statewide Health Coordinating Council. A detailed study of Montanans' use of cardiac surgery and related services is being conducted at the request of the Department Director. The Bureau provided staff and funding

for a Legislative Advisory Committee on Senate Joint Resolution 34. This study of health facilities licensure has been completed and the Legislative Council has drafted four bills based on the results of the study.

The Bureau is continuing to redesign its plans and programs away from the original federally-designed model to one that specifically meets Montana's needs. A bill revising the Certificate of Need process is being submitted in this Legislative Session.

January 27, 1983
exhibit 4

SENATE JOINT RESOLUTION 34:

A REPORT TO THE FORTY-EIGHTH LEGISLATURE

The accomplishments of the attached paper include the assurance of an efficient and consistent licensing system, and of uniform and consistent fire-life safety and health-sanitation standards. The improvement in these areas will produce an easily accessed licensing system, thus giving greater clarity of services and better understanding of the licensing mechanism.

December 1982

Prepared by the

Legislative Advisory Committee on SJR 34

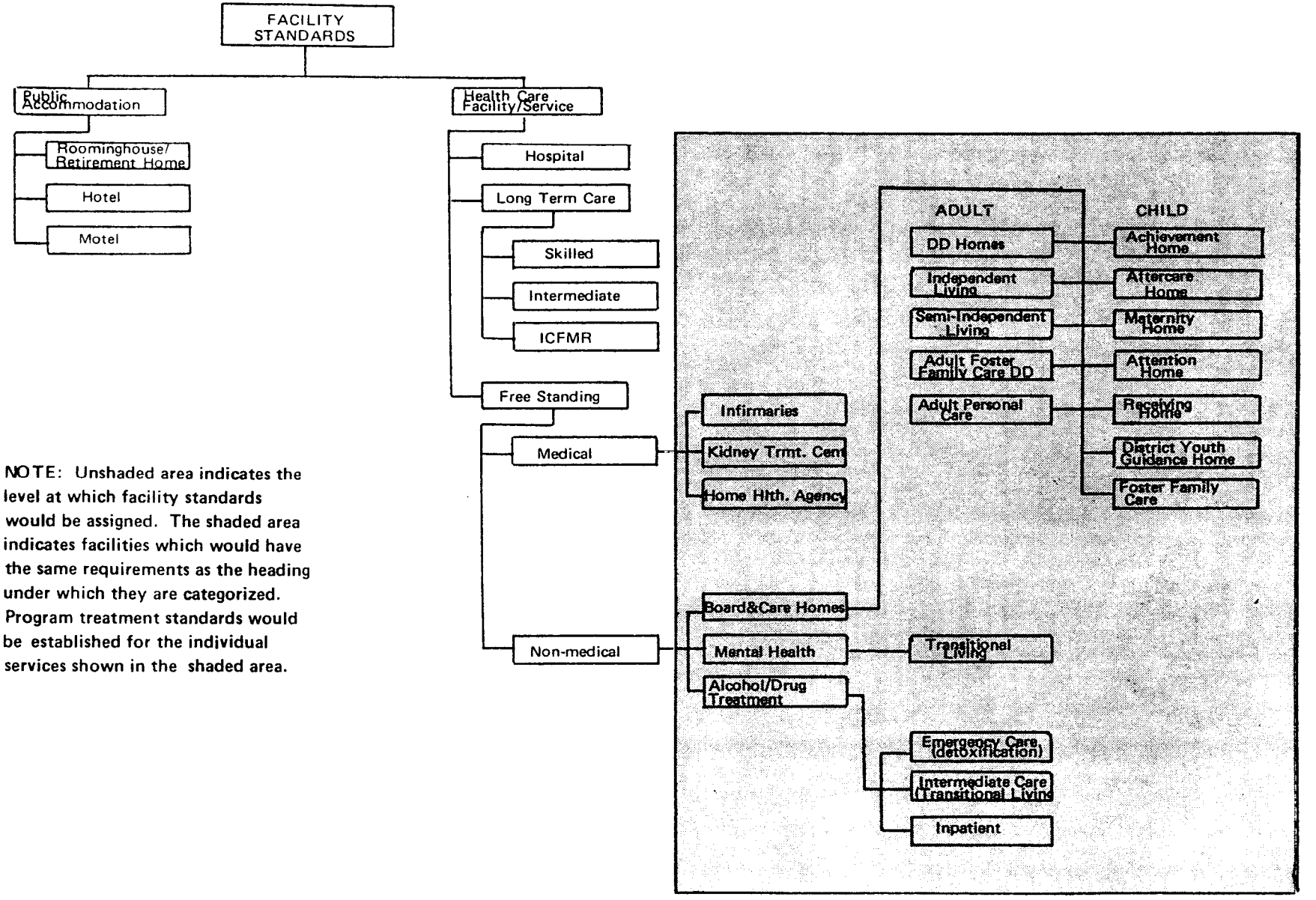
and the

Bureau of Health Planning and Resource Development
Division of Hospital and Medical Facilities
Department of Health and Environmental Sciences

I. Structure

A. Facility standards

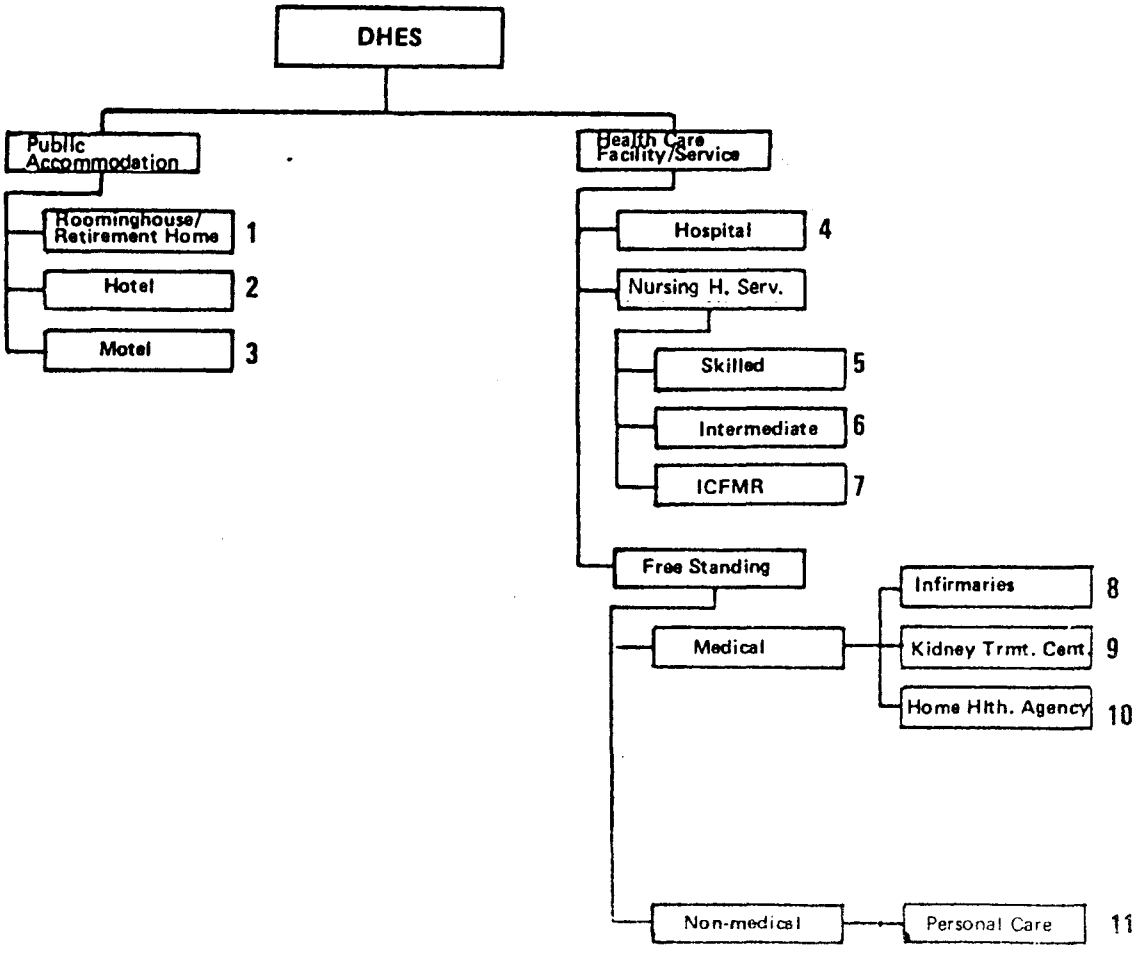
Fire, sanitation and building standards will be assigned as indicated in the following chart. Facilities with similar requirements for fire, sanitation and building standards are grouped together.

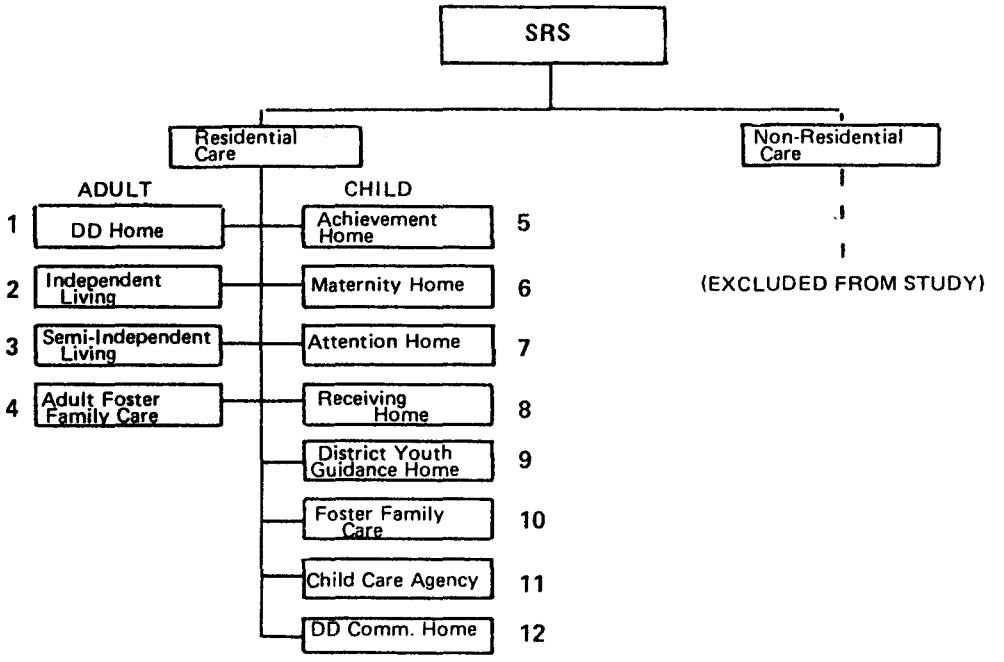


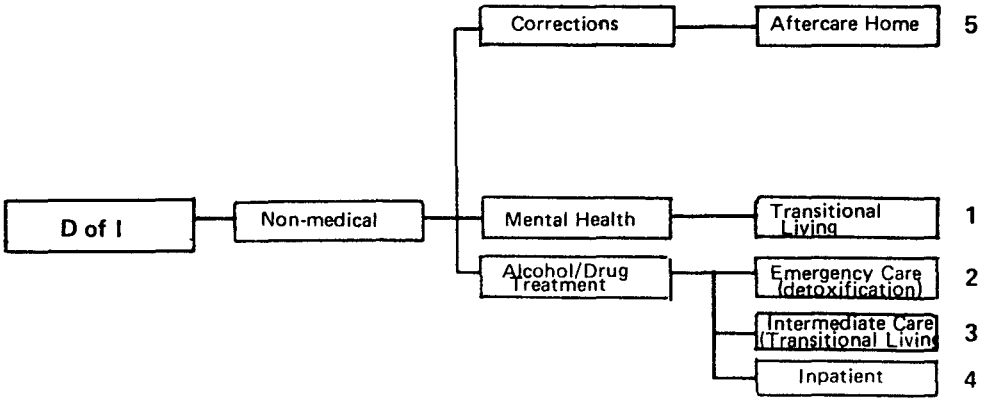
NOTE: Unshaded area indicates the level at which facility standards would be assigned. The shaded area indicates facilities which would have the same requirements as the heading under which they are categorized. Program treatment standards would be established for the individual services shown in the shaded area.

B. Service (or program) Standards

The following charts indicate which facilities would have service (or program) standards set by the most appropriate agency.




SRS
Residential Care
Non-Residential Care
ADULT
CHILD
1 DD Home
2 Independent Living
3 Semi-Independent Living
4 Adult Foster Family Care
Achievement Home 5
Maternity Home 6
Attention Home 7
Receiving Home 8
District Youth Guidance Home 9
Foster Family Care 10
Child Care Agency 11
DD Comm. Home 12
(EXCLUDED FROM STUDY)


D of I
Non-medical
Corrections
Aftercare Home 5
Mental Health
Transitional Living 1
Alcohol/Drug Treatment
Emergency Care (detoxification) 2
Intermediate Care (Transitional Livin 3
Inpatient 4

II. License

A. Fire, sanitation, building and service (or program) standards each would be inspected and certified by the agency with the appropriate personnel to conduct an assessment for compliance with the standard, regardless of which agency actually issues the license.

1. The license will be issued by the agency with the responsibility for service standards and inspections, and program administration, if applicable.

Advantage: Licenses are issued by the agency with the most knowledge of the service and the appropriate personnel to be able to evaluate the service.

Disadvantage: Licensure and inspections are not centralized. The funding agency and the licensing agency will be the same in many cases.

NOTE: The term "license" as used here means a written authority based on facility and service (or program) certification. A license cannot be issued unless both the facility and the service (or program) are certified.

Licenses for health care generally involve licensing a facility and service. This requires certification of the facility for fire and sanitation standards compliance and the service for program standards compliance. These certifications require expertise in three or more fields. To provide the necessary certifications would require a substantial increase in state personnel expense, and would still cause the one-step licensing group to have frequent interaction with the departments involved in the service. Occasionally, applicants for service licensure would still need to contact various agencies. (example: fire and building)

It appears that the best way to accomplish the object of one-step licensure is: (1) to have clear definition of all license categories without overlaps or gaps in coverage, and; (2) to have a centralized information service for all licensure applicants, and; (3) to give the licensing agency the responsibility and authority to obtain all necessary certification.

To achieve this last object for one-step licensure, provision must be made for (a) funding to reimburse local health departments for the inspection and (b) authority to delegate the health inspection for license renewal in facilities with minimum requirements to qualified employees of the licensing agency. Problem situations or complaints will require an official inspector.

This report succeeds in addressing to resolution the issue of correcting the misapplication of the rooming house/retirement home license and the issue of one-step licensure.

To elaborate on this latter issue, one-step licensure in this report means (1) an understandable system for providers, consumers, and regulators, (2) one contact to apply for a license, (3) that same contact will have the responsibility and authority to obtain the required certification for licensure, and (4) that same contact will issue the license.

A one-step process is recommended for all SRS and DOI residential care services. The process may even be further simplified (see page 9, options a or b). Since the health-sanitation and fire-life safety standards for these particular services are of a nature -- minimal, but still adequate to assure the resident of a healthful and safe physical environment -- that a SRS or DOI program worker can accomplish the certifications for the licensing agency. (NOTE: The Towe amendments allow for single-family fire-life safety standards to be applied to many of these services as long as the resident number is eight (8) or less; and the suggested environmental health-sanitation guidelines assure the most basic of health concerns: the provision of potable water, sewer, garbage collection, and general housekeeping).

In essence, this system utilizes SRS to license SRS residential services and DOI to license DOI services. Health care facilities would continue to be licensed by DHES, and again, this requires the involvement of only one agency since DHES presently has the capability of providing health-sanitation and fire-life safety certifications for licensure of these services which most normally must meet institutional standards. This DHES system covers hospitals, nursing homes, infirmaries, kidney treatment centers, home health agencies, and personal care homes. The current system for rooming house/retirement homes uses local health and fire officials and will continue to operate in that manner.

All services involved in SJR 34 are covered by a one-step licensure mechanism within the programmatic realm of the service. Should a provider not know for which service he should be licensed, this can be resolved through a centralized information service recommended earlier in this section of the report. This central information service would most probably be located in the Economic and Community Development Division of the Department of Commerce.

Consideration must also be given to the concern for overlap in coverage. Montana statutes 76-2-313 and 314 MCA, commonly referred to as the Towe amendments, exempt some services from more restrictive building and fire standards until such services exceed eight (8) residents. Building and fire standards would normally only allow single-family residential standards for occupancies up to five (5) residents, but are preempted by the Towe amendments. The effect of the Towe amendments on the services involved in the study must be analyzed, as well as the possible clarification of those amendments to detail the extent to which they are to be applied. As rules are developed for individual services, consideration must be given to the impact by the Towe amendments on the service. Reference should be made in the rules as to the extent of impact.

The discrepancy in allowable resident number that exists between the multi-state established Uniform Building and Fire Codes and the Towe amendments should be resolved. This may be accomplished in several ways, some options of which are included here: (1) Amend 76-2-313 and 314 to correspond to the UBC/UFC, or (2) evaluate the effect that nationally proposed standards for board and care type services will have and postpone resolving the issue for at least two years, or (3) disregard the discrepancy with the realization that, if more restrictive standards are applied, the majority of exempted services would be forced to close or reduce their resident levels to five (5).

III. Standards

A. Fire standards

Public Accommodations	
Roominghouse/Retirement Home	R3, R1
Hotel	R1
Motel	R1
Hospitals	I1, (B2)[1]
Nursing Home Services	
Skilled	I1, (B2)[1]
Intermediate	I1, I2, (B2)[1]
ICF/MR	I1, I2, (B2)[1]
Free Standing[3]	
Medical	R1, R3 (I1, I2, I3)[2]
Non-Medical (includes Personal Care)	R1, R3

[1]B2 occupancies are possible; however, no such occupancies now exist.

[2]Infirmaries and Kidney Treatment Centers may qualify for these additional occupancies.

[3]Free-standing indicates the service (or program) does not operate under a Hospital or Nursing Home license.

CODE EXPLANATIONS:

I1 – institutional use; for uses with more than five (5) occupants; occupants may be non-ambulatory and may require nursing care.

I2 – institutional use; more than five (5) occupants; occupants are ambulatory and may require nursing care.

B2 – business use; up to five (5) occupants; occupants may be non-ambulatory and may require nursing care.

R1 – residential use; more than five (5) occupants; occupants are ambulatory and do not require nursing care.

R3 – residential use; up to five (5) occupants; occupants are ambulatory and do not require nursing care.

B. Sanitation standards

Public Accommodations	
Roominghouse/Retirement Home	Existing and adequate
Hotel	Existing and adequate
Motel	Existing and adequate
Hospitals	Existing and adequate
Nursing Home Services	
Skilled	Existing and adequate
Intermediate	Existing and adequate
ICF/MR	Existing and adequate
Free Standing	
Medical	Existing and adequate
Non-medical (includes Personal Care*)	"Residential Care" guidelines

C. Building standards

The Uniform Building Code and the Uniform Fire Code are companion codes. The rating used in one code will reference the same rating in the other code.

* The recommendation for fire, sanitation and building standards to be applied to personal care would be as follows:

Building - R3 and/or R1 plus additional restrictions deemed necessary due to the limitations of the individual residents. National standards addressing this category between institutional and residential occupancies may be developed within the next few years. The Legislative Advisory Committee recognizes the need for these intermediary level standards and proposes their adoption at as early an opportunity as feasible.

Sanitation - Standards will be written based on the definition of personal care. Fundamentally, these standards will be the "Residential Care" guidelines with additional requirements based on the personal care definition.

Fire - This will be a companion standard to that used for building.

IV. Service (or program) Standards

A. Authority for rule-making, inspections and certification for licensure will rest with the agency administering the program, as indicated on the service standards chart on pages 2 and 3.

V. Inspections

The inspections would include evaluation of the building for fire standards compliance, of the facility for sanitation standards compliance, and of the service provided for program standards compliance. Reference should be made to the charts on pages 2 and 3.

A. For DHES-listed services (or programs):

Public Accommodations	Current system
Hospitals	Current system
Nursing Home Services	Current system
Free Standing Medical	Current system
Free Standing Non-medical (Personal Care)	DHES Licensing and Certification Bureau

B. For SRS-listed services (or programs):

Residential Care	Utilize local or regional personnel for routine inspections with state back-up where local inspection is not available.*

C. For DOI-listed services (or programs):

Non-medical	Utilize local or regional personnel for routine inspections with state back-up where local inspection is not available.*

The inspection for sanitation standards compliance for residential services administered by SRS or DOI could be accomplished by a procedure involving:

a) (1) initial certification-for-licensure inspection accomplished by local health officials with a reimbursement provision to the locals for these inspections,

(2) state personnel providing this certification-for-licensure inspection when locals are unable to provide it, and

(3) inspection for license renewal accomplished by SRS worker or self-certification by providers. (State and local health officials and state fire officials, or their designee, would be available to make complaint and clarification investigations.)

or b) An additional consideration to simplify the inspection of the residential care and nonmedical services of SRS and DOI would be to empower the SRS or DOI service worker to certify the health and fire-life safety compliance for facilities with eight (8) or fewer residents. (This is suggested based on the residential standards being applied to such services under the Towe amendments.)

The costs of providing local agency inspections to certify compliance for licensure would be far less than the cost of providing full-time state personnel to conduct the certifying inspection. Foster family care (a child service for nearly 900 homes) would not be included since these are private family homes and are not inspected now. Therefore, less than 300 services remain for licensure. The first year costs to a general fund appropriation would be approximately $12,000. (NOTE: This approximation is arrived at by using 300 inspections times a sample figure of $40 reimbursement to local officials per certification inspection.) The succeeding years' costs would only be a fraction of the initial cost since renewal of licensure--accomplished by the SRS worker or by self-certification--would be at no cost and only new applicants for licensure would require a general fund-reimbursed certification inspection by a local health or fire official.

* This system is currently being used to certify health and life safety standards to SRS prior to licensing of Community Homes for the Developmentally Disabled. The service (or program) certification would be done by the agency (SRS in the case of CHDD) which administers the service.

VI. Service Definitions

A. The definition which is being considered for change to provide a clear and meaningful definition is that of personal care. Other definitions will be reviewed by SRS and DOI to determine whether changes are necessary.

B. The personal care definition should address the following items:

(1) the provision of the following services

a) housekeeping
b) laundry
c) three (3) meals daily as a dietary service
d) 24-hour on-duty supervision as staffing requirements
e) minimal assistance with eating, walking, bathing, dressing, getting in and out of bed, grooming (1)
f) supervision of self-medication (2)
g) transportation to and from routine medical services, etc. (example: dentist)
h) recreational activities commensurate with the resident's social needs
i) communication, and

(2) resident restrictions based on

a) cannot need medical or physical restraints
b) ambulation, including self-mobility with mechanical assistance (3)
c) cannot be bedridden
d) cannot require nursing care beyond intermittent nursing care provided through Home Health or allowable under the SRS Medicaid waiver system (4)
e) cannot be totally incontinent
f) minimum age for residency is eighteen (18) years of age.

(1) Rules will be established for determining what level of assistance is appropriate for the residents of these services (or programs).
(2) In accordance with the provisions of 37-8-102 MCA.
(3) The use of the building/fire standard limitation is the only means available to allow the operation of personal care homes without institutional construction standards.
(4) Nursing care consists of those professional and practical nursing services and activities found in 37-8-102, MCA.

C. Alternatives to be resolved in personal care:

(1) Number of residents

a) Personal care facilities with resident numbers in the range of 5 to 40 inclusive must meet at least residential standards.

b) Personal care facilities with resident numbers in excess of 40 must meet institutional standards.

(2) Based on the residential and institutional numbering levels, no siting restrictions are needed.

(3) Placement

a) The provider should be held responsible to not accept or retain residents that require a higher level of care. The resident and provider should sign an agreement stating that the resident must find an appropriate placement should his condition deteriorate to the point that his present placement is no longer appropriate. This admission agreement should also include a listing of the services the facility is licensed to provide to its residents. It may be advantageous to also require the agreement to state what services are available in retirement homes, in personal care homes, and in nursing homes. With this information the resident may be better able to assess if he is attempting to obtain placement in a facility that truly meets his needs or if another setting is more appropriate.

b) Screening:

(1) an initial screening of all residents will be scheduled upon application for residency. This screening is to be paid for by the provider and will be conducted by the Montana Foundation for Medical Care or other competent agency. An evaluation of residents on routine inspections or on formal complaints and inquiries will also be instituted.

c) If one or more inappropriate residents are found in a personal care home, then

(1) the resident must be transferred to an appropriate placement, or

(2) the facility must be upgraded to the appropriate level to retain the resident.

d) If the judgement of an inspector on the appropriateness of a placement is challenged by the home operator, the resident, the resident's family, a physician or a social worker, then a review procedure similar to that used by the Montana Foundation for Medical Care should be employed.

(In order to achieve a proper balance of authority and responsibility for placement, a system involving a check and balance mechanism could be implemented.

The professional evaluation of a client's needs is based on two modes of evaluation--subjective and objective. A licensing inspection team consisting of--among other necessary officials for fire, etc.--a licensed professional nurse and a medical social worker would make a subjective evaluation of the proper placement of a client (e.g., need for nursing services). If, in their professional opinion, alternative placement is necessary, it must be so done. However, should a physician override their subjective viewpoint with a dissenting opinion based on the physician's discretionary judgement, the physician shall assume responsibility for this placement. Enforcement of this is uncertain.

In the case of objective evaluation, the licensing inspection team would make the decision whether or not the resident requires a service that is not within the realm of the license category granted to the facility. Should the inspection team restrict placement of a resident by requiring a higher level of service to be necessary for the resident (e.g., a person who was ambulatory now becomes nonambulatory and needs nursing services), the resident must be afforded proper care and placement. Should a physician offer a dissenting opinion in the case of an objective evaluation (such as an ambulatory person becoming nonambulatory in a facility licensed to provide services only to ambulatory persons based on structural limitations of the facility), two options exist. They are (1) the facility must be upgraded to meet the physical plant requirements of a higher level license to provide the needed service, or (2) placement in a proper facility licensed to provide the level of services needed by the resident).

e) Personal care should be regulated by the DHES.

VII. Enforcement

The two areas in which enforcement is essential are placement and facility standards. The recommended sanctions that should apply in each area are listed below.

A. Enforcement of placement

(1) Loss of license should adversely impact on any form of reimbursement to the provider from a governmental agency.

(2) Civil penalties should be imposed in instances when improper placement is not rectified within a given time frame.

(3) Temporary restraining orders and injunctions should be used to terminate operations engaging in improper placement.

(4) Providers cannot accept or retain inappropriate residents.

B. Enforcement of facility standards

(1) All facilities must be licensed before they may be allowed to operate. Non-compliance will result in misdemeanor fines.

(2) A provisional license may be granted.

(3) A license can be immediately revoked should life-threatening situations exist. Temporary restraining orders and injuctions should be used.

(4) Definitive time frames should be established for correcting deficiencies.

VIII. Legislation

Legal staff from the Legislative Council has prepared draft legislation which accomplishes the principles set forth in this paper. The legislation was developed in several formats to allow for the versatility of selecting portions from the various formats to produce the best overall proposal.

SENATE JOINT RESOLUTION 34

This information has been prepared as a supplement to the December, 1982 report to the Forty-Eighth Legislature.

DHES

Service	Present Source of Definition	Present Rules for Regulating Service	Changes Recommended
Roominghouse/ Retirement Home	50-51-Part 1 MCA	16.10.630-642	Eliminate present reference to nursing services in statute definition; allow such service only on an intermittent basis.
Hotel	50-51-Part 1 MCA	16.10.630-642	None
Motel	50-51-Part 1 MCA	16.10.630-642	None
Hospital	50-5-101 MCA	16.32.320-330	None
Skilled Nursing	50-5-101 MCA	16.32.360-363	None
Intermediate Nursing	50-5-101 MCA	16.32.360-363	None
ICF/MR	42 CFR IV Sub G	Federal	None related to SJR 34.
Infirmaries	50-5-101 MCA	16.32.340	None
Kidney Treatment	50-5-101 MCA	16.32.396	None
Home Health	42 CFR 405 Sub L		None
Personal Care	50-5-101 MCA	16.32.380-385	Eliminate present statutory reference; establish new statute to authorize license and definition of service; establish appropriate fire/life safety and sanitation standards based on statutory definition.

Service	Present Source of Definition	Present Rules for Regulating Service	Changes Recommended
DD Community Home	50-20-302 MCA	46.5.801-803	None
Independent Living		46.5.505	Establish statute to authorize license and definition of service.
Semi-Independent Living	46.5.1203 ARM		Same as Independent Living.
Adult Foster Family Care	53-5-302, 303 MCA	46.5.701-703	Option 1: No change. Option 2: Increase maximum number to 5.
Achievement Home		46.5.505-507	Same as Independent Living.
Maternity Home	46.5.601(4) ARM	46.5.601-619 & 117	Same as Independent Living.
Attention Home	41-5-103 MCA	46.5.505-507	None
Receiving Home	46.5.601(3) ARM	46.5.601-619	Same as Independent Living.
District Youth Guidance Home			Same as Independent Living.
Foster Family Care	41-3-501 MCA	46.5.505-507	None
Child Care Agency	46.5.601 ARM	46.5.601-618	Establish statute to authorize license and definition of service.
DD Community Home (child)	-See DD Community Home above-		None

Service	Present Source of Definition	Present Rules for Regulating Service	Changes Recommended
Transitional Living	50-5-101 MCA [a] 53-21-201 MCA [b]	16.32.346 [c]	Establish statutory authority to assign program rule-making function to administering agency; statutory definition
Emergency Care (Detoxification)	53-24-MCA	20.3.201-216	None
Intermediate Care (Transitional Living)	Same as Emergency Care above.		None
Inpatient	Same as Emergency Care above.		None
Aftercare			Establish statute to authorize license and definition of service.

[a] facility definition (Mental Health Center)

[b] establishes the services of a Community Mental Health Center

[c] facility regulations only, not service (or program) rules

MONTANA BUREAU OF HEALTH PLANNING AND RESOURCE DEVELOPMENT

MAJOR HEALTH PLANNING ACTIVITIES FOR 1982-83

Resource Development

Certificate of Need Reviews -

During 1982, 65 reviews were processed with an estimated total capital cost of about 94 million dollars.

Certificate of Need Law -

A bill to revise the Certificate of Need law has been drafted with the cooperation of providers and State agencies. The bill is being submitted to the 1983 Legislative Session.

Planning

Governor's Conference on "Meeting Montana's Health Care Needs" -

Sponsored by the SHCC, this activity involved health care and community leaders throughout the State. It has produced a State Policy Paper by the SHCC that can be incorporated into the State Health Plan and used by the Governor, Legislature, and State agencies (Report 1/83).

Update of State Health Plan -

Includes hospital and nursing home bed need formulas and projections, alcohol and drug abuse inpatient bed need projections, and revised cardiac catheterization and surgery standards. May include state policy plan (4/83).

Hospital Patient Origin Study -

Negotiations with the Hospital Association and individual hospitals led to abandoning a special patient origin study in favor of making it a permanent part of the hospitals' annual survey (9/82).

Implementation

Cardiac Surgery and Related Service Study -

Patient origin by procedure for all Montana hospitals. Survey of all out-of-State referrals. Estimates of cost of care (4/83).

Study of Licensure System for Health and Health-related Service Facilities -

The Bureau provided staff to the Legislative Council to study health facility licenses. The result is four bills being submitted by the Legislative Advisory Council to accomplish the following:

(1) Establish one-step licensing within Social and Rehabilitation Services, Institutions, and Health Departments.

(2) Establish by statute those residential services now only defined in regulations.

(3) Create a license and definitions for personal care services.

(4) Provide inspections, enforcement mechanisms, and penalties for violations of above licensure requirements (Report 12/82).

Report on Financing Montana's Health Care -

Report to Governor Schwinden on need for services, growth of health care expenditures, and possible concerns and actions for State government. This report led to the Governor's Conference in October (2/82).

Information

Data Book -

Expanded to include more health facilities inventory information (9/82).

Ratio Analysis for Montana Hospitals -

Study of financial indicators for Montana short-stay hospitals (8/82).

Information, continued

Health Funds Flow Study -

Summary of Montana health care expenditures by source and type for 1981 (7/82).

Population Projections -

Contracted 1985 and 1990 population projections by county, age, and sex for Montana based on 1980 census. Projections to be used by the Health Department, Health Systems Agency, and service providers (7/82).

Medical Facilities Inventory -

Includes physical plant, equipment, and service status of all hospitals and nursing homes. Information on computer, special reports available on demand (8/82).

1982 Health Manpower and Facilities Inventory -

Files have been updated on:

Physicians
Dentists
Long-term Care
Hospitals
Laboratories
Home Health Care

Summaries are included in the data book, special reports are available on request, and physician information has been printed.

Planning Library -

The planning library services are being made available to the entire Department, and other books and journal collections within the Department are being integrated into the library.

Certificate of Need Status Reports -

Record existing Certificate of Need cases on computer. Devise weekly summary report of CON activity (developmental). Ability to create reports on demand (2/83).

Title XV of the Public Health Service Act as amended by PL 96-79 requires a maintenance of effort for State Health Planning and Development Agencies.

Title XV: Health Planning and Resources Development

Section 1525 (a) The Secretary shall make grants to State health planning and development agencies designated under subsection (b) (2) or (b) (3) of section 1521 to assist them in meeting the costs of their operation. Funds under a grant which remain available for obligation at the end of the fiscal year in which the grant has been made shall remain available for obligation in the succeeding fiscal year, but no funds under any grant to a State Agency may be obligated in any period in which a designation agreement is not in effect for such State Agency. The amount of any grant made under this subsection shall be determined by the Secretary, except that no grant to a designated State Agency may exceed 75 per centum of its operation costs (as determined under regulations of the Secretary) during the period for which the grant is available for obligation.

(b) Grants under subsection (a) shall be made on such terms and conditions as the Secretary may prescribe; except that the Secretary may not make a grant to a State Agency unless he receives satisfactory assurances that the State Agency will expend in performing the functions prescribed by section 1523 during the fiscal year for which the grant is sought an amount of funds from non-Federal sources which is at least as great as the average amount of funds expended, in the three years immediately preceding the fiscal year for which such grant is sought, by the State, for which such State Agency has been designated, for the purposes for which funds under such grant may be used (excluding expenditures of a nonrecurring nature).

schedule for copying such material which shall be limited to reasonable costs. For purposes of this paragraph, "records and data" include publications, brochures, pamphlets, punch cards, magnetic tapes, minutes, staff manuals, slides, photographs, or other documentary materials, regardless of physical form or characteristics, made or received by the State Agency in connection with the performance of the agency's functions under its designation agreement and retained by the agency as evidence of the agency's function, policies, decisions, procedures, operations, programs, or other activities.

(b) Each State Agency is required to maintain and make available for public inspection and copying an index of the records and data of the agency and must publish a notice that a policy for making information available to the public has been established setting forth the policy adopted pursuant to paragraph (a) of this section. The notice must contain a statement that the full policy is available for public inspection and copying. Where subsequent to the publication of such notice the State Agency substantially revises its policy (which must remain consistent with paragraph (a) of this section) for making information available to the public the State Agency must publish a notice that such revisions have been made.

Subpart C—Grants to State Health Planning and Development Agencies

§ 123.201 Applicability.

The regulations of this subpart are applicable to grants under section 1525 of the Public Health Service Act (42 U.S.C. 300m-4) to State health planning and development agencies designated under section 1521 of the Public Health Service Act (42 U.S.C. 300m) to assist them in meeting the costs of their operation, including costs incurred in the administration of the State medical facilities plan under Title XVI of the Act.

§ 123.202 Eligibility.

Any conditionally or fully designated State Agency is eligible for a grant under this subpart.

§ 123.203 Application.

(a) An application for a grant under this subpart shall be submitted to the Secretary at such time and in such form and manner as the Secretary may prescribe, and shall be executed by an officer or employee of the State officially authorized to act for the applicant agency and to assume on behalf of the agency the obligations imposed by the Act, the regulations of this subpart, and any additional terms or conditions of the grant.[1]

(b) The application shall contain the following: (1) A full and complete budget (i) of expenditures to be incurred by the applicant agency in carrying out its approved State administrative program in accordance with section 1522 of the Act and the terms and conditions of the designation agreement entered into by the Secretary and the Governor of the State pursuant to Subpart B of this Part (including expenditures to be incurred in assisting the Statewide Health Coordinating Council in the performance of its functions), and (ii) where the State Agency is administering or supervising the administration of the State medical facilities plan approved by the Secretary pursuant to Title XVI of the Act, of expenditures to be incurred in the administration of such plan.

(2) An assurance satisfactory to the Secretary that the State Agency will expend in performing the functions prescribed by section 1523 of the Act during the fiscal year for which the grant is sought an amount of funds from non-Federal sources which is at least as great as the average amount of funds from non-Federal sources expended for such purposes (excluding expenditures of a non-recurring nature) in the three fiscal years immediately preceding the fiscal year for which the grant is sought, by the State for which such State Agency has been designated. Such assurance shall be supported by the following:

(i) An itemized statement showing the amount of funds from non-Federal sources expended by the State for carrying out functions described in section 1523 of the Act in each of the three fiscal year immediately preceding the fiscal year for which the grant is sought, excluding expenditures of a non-recurring nature; and

(ii) A description of the amount and sources of non-Federal funds which will be expended by the State Agency in carrying out the functions described in section 1523 of the Act under the designation agreement during the grant period; and

(3) A statement of the amount of grant funds requested.

§ 123.204 Grant award.

(a) The Secretary will award a grant under this subpart to each agency which

(1) Is designated as a State Agency under a designation agreement;

(2) Has provided the assurance required by § 123.203(b)(2); and

(3) Otherwise meets the applicable requirements of the Act and of this subpart.

[1] Applications and instructions may be obtained from the Regional Health Adminsitrator in the Regional Office of the Department of Health, Education, and Welfare for the region in which the State is located.

(b) The amount of any grant under this subpart will be computed as follows:

(1) The Secretary will allocate to each State the product of (i) the percentage which the State's population (as determined by the Secretary from the latest available estimate from the Department of Commerce) bears to the total of the populations of all the States (as so determined) and (ii) the amount of appropriated funds determined by the Secretary to be available for grants under this subpart, *Provided*, That (A) where the amount allocated to Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, or the Northern Mariana Islands as a result of such computation is less than one-half of one percent of the amount available for grants under this subpart, such allocation shall be increased to one-half of one percent of such amount and the allocation to other States reduced accordingly; and (B) where the amount allocated to any State not listed in clause (A) above as a result of such computation is less than one and one-fourth percent of the amount available for grants under this subpart, such allocation shall be increased to one and one-fourth percent of such amount and the allocations to other States reduced accordingly. The Secretary will make available and publish annually in the FEDERAL REGISTER a list of all the States and their populations as determined for purposes of this subpart.

(2) On the basis of the budget contained in the application and his estimate of the amount required by the State Agency to carry out its approved State administrative program under the designation agreement, and the cost of administration of the State medical facilities plan under Title XVI of the Act, the Secretary will estimate the operation costs of the State Agency during the grant period.

(3) The amount of each grant to a State Agency shall be the lesser of: (i) the amount of the allocation computed pursuant to paragraph (b)(1) of this section for the State for which such State Agency has been designated;

(ii) 75 percent of the estimated operation costs of the State Agency as determined by the Secretary pursuant to paragraph (b)(2) of this section; or

(iii) the amount requested by the State Agency in its application, *Provided*, That any appropriated funds remaining after the application of paragraph (b)(3) of this section shall, on a proportional basis, be applied to increase the grants of those State Agencies with respect to which the amount described in paragraph (i) is less than either of the amounts described in paragraphs (ii) and (iii), *Provided further*, That no State Agency may receive a grant which ex-

CERTIFICATE OF NEED ACTIVITY

1981-1982

Date Applied	Facility & Location	Project	Amount	Date Approved or Denied	Conditions/Comments	Appealed
LOI 3-80 App. 8-80	Big Horn County N.H. Hardin	New Facility	$1,753,000	Approved 10-80	---	
LOI 12-80	Kalispell Reg. Hospital Kalispell	Minor Expansion			Non-Reviewable	
LOI 10-80	Bozeman Deaconess Bozeman	ICU	?		Non-Reviewable	
LOI 9-80	St. Patrick Hospital Missoula	Upgrade Pediatric Cardiac	?		Non-Reviewable	
LOI 9-80 App 11-80	Stillwater Comm. Hosp. Columbus	M.D. Clinic	$175,000		Withdrawn 12-80	
LOI 9-80	St. Vincent's Billings	O.B. Neo-Natal Project	?		Withdrawn	
LOI 11-80	St. Patrick Hospital Missoula	Expand ESRD	?		Non-Reviewable 3-81	
LOI 11-80	Phillips Surgery Center Great Falls	Establishment of			Withdrawn	
LOI 12-80	Northern Med. Imaging Bemidji, Minnesota	Mobile Nuclear & Ultra-Sound	?		Withdrawn	
LOI 12-80	Billings Deac. Hospital Billings	Helicopter			Settled by agreement worked out by the Dept.	
LOI 12-80	St. Vincent's Hospital Billings	Helicopter			Settled by agreement worked out by the Dept.	
LOI & App. 1-81	St. Patrick Missoula	Helicopter	$180,000	Approved 2-81	---	
LOI 12-80 App. 6-81	Billings Deac. Hospital Billings	Cardiac Cath. Unit	$1,379,729	Approved 8-81	---	
LOI 10-80 App. 12-80	St. James Comm Hospital Butte	Upgrade Gamma-Camera	$220,000	Approved 1-81	---	

Date Applied	Facility & Location	Project	Amount	Date Approved or Denied	Condition /Comments	Appealed
LOI 12-80 App. 1-81	Northern MT. Hospital Havre	Renovation	$2,950,000	Approved 1-81	---	
LOI 1-81 App. 4-81	Rocky Boy Health Board Box Elder	Home Health Agency	-0-	Approved 4-81	---	
LOI 11-80 App. 3-81	Hot Springs Conv. Inc. Hot Springs	Bed Change		Approved	---	
LOI 12-80	Phillips Co. Hospital Malta	Swing Bed			Withdrawn	
LOI 1-81 App. 2-81	Northern Rockies Surgi- Billings Center	Establishment of	$383,910	Approved 3-81	---	
LOI 1-81	Chouteau Co. Dist. Hosp. Fort Benton	Swing Bed			Withdrawn	
LOI 2-81	Roosevelt Mem. Hospital Culbertson	Northern Medical Imaging			Withdrawn	
LOI 2-81 App. 3-81	St. Vincent's Hospital Billings	Computerized Energy Mngmt. System	$301,000	Approved 3-81	---	
LOI 2-81 App. 8-81	Cooney Conv. Home Helena	New Facility	$2,000,000	Approved 10-81	Disapproved for 75 Beds Approved for 60 Beds	11-81 Upheld 1-82
LOI & App. 3-81	Missoula Comm. Hospital Missoula	Purchase Medical Building	$445,000	Approved 3-81	---	
LOI 1-81 App. 3-81	St. Patrick Hospital Missoula	Cardiac Angiography Lab.	$595,720	Approved 5-81	---	
LOI 3-81 App. 4-81	St. James Hospital Butte	Replace Lab. Equipment	$225,000	Approved 4-81	---	
LOI 3-81	Broadwater Comm. Hosp. Townsend	Doctors Clinic			Withdrawn 5-81	
LOI 4-81	Shodair Hospital Helena	Establish ICF/MR		Approved 5-81	Shodair allowed CON to lapse	

Date Applied	Facility & Location	Project	Amount	Date Approved or Denied	Condition/Comments	Appealed
LOI & App. 4-81	St. James Hospital Butte	Energy Conservation Measures	$490,000	Approved 4-81	---	
LOI 4-81 App. 7-81	Frances Mahon Deac. Hosp. Glasgow	Chemical Dependency Center	$3,800,000	Approved 9-81	---	
LOI 4-81	Philips Co. Hospital Malta	Swing Beds			Withdrawn	
LOI & App. 4-81	Rimrock Foundation Billings	Licensure			Non-Reviewable 4-81	
LOI 4-81 App. 7-81	Columbus Hospital Great Falls	Equipment Purchase	$448,500	Approved 10-81	--- Request Withdrawn	11-81
LOI 5-81 App. 6-81	Frances Mahon Deac. Hosp. Glasgow	Home Health Agency	47,810	Approved 8-81	---	
LOI 5-81	Holy Rosary Hospital Miles City	Addition	$4,789,020		Withdrawn	
LOI & App. 5-81	Cascade Co. N.H. Great Falls	Renovation	$250,000	Approved 5-81	---	
	Missoula Rehab. Center Missoula	New Addition/Remodeling	$874,916		Withdrawn	
LOI 3-81 App. 7-81	Missoula Comm. Hospital Missoula	Renovation Expansion	$1,600,000	Approved 8-81	---	
LOI 5-81 App. 8-81	St. Vincent's Hospital Billings	Expansion of Facilities	$35,000,000	Denied 11-81	Dept. Upheld original decision, Appeal taken to Board 2-82	
LOI 6-81	Stillwater County Columbus	Home Health Agency			Withdrawn	
LOI 6-81 App. 7-81	Faith Lutheran N.H. Wolf Point	Bed Change		Approved 7-81	---	
LOI 6-81	Gallatin Co. Rest Home Bozeman	Remodeling	$200,000		Withdrawn	

Date Applied	Facility & Location	Project	Amount	Date Approved or Denied	Condition/Comment	Appealed
LOI 8-81	Broadwater Comm. Hosp. Townsend	Replace Facility	$2,500,000		Withdrawn	
LOI 8-81 App. 1-82	St. Patrick Hospital Missoula	Replacement	$37,400,000	Approved 5-82	---	
LOI 8-81 App. 10-81	MT. Deaconess Med. Cntr Great Falls	Bed Expansion	$42,500	Approved 10-81	---	
LOI 5-81 App. 8-81	MT. Veterans Home Columbia Falls	Expansion - Bed Increase	$1,871,300	Approved 11-81	Appealed 12-81 by MT. Nursing Home Assoc., Upheld 2-82 by Department.	12-81
LOI 10-81 App. 11-81	Sheridan Memorial Plentywood	Addition & Renovation	$204,555	Approved 11-81	---	
LOI 9-81	Glendive Comm. Hospital Glendive	Diagnostic Ultra-Sound			Non-Reviewable	
LOI 10-81	Holy Rosary Hospital Miles City	Expansion - Renovation	$2,449,476		Withdrawn	
LOI 9-81 App. 11-81	Glendive Comm. Hospital Glendive	Ultra-Sound	$65,000	Approved 11-81	---	
LOI & App. 10-81	St. James Hospital Butte	Purchase of Silver Bow Hospital	$6,802,000	Approved 11-81	---	
LOI 3-81 App. 10-81	Dr. Morledge Billings	Surgi-Center	$5,000	Approved 11-81	---	
LOI 11-81	Rosebud Comm. Hospital Forsyth	Home Health Agency	$5,000		Withdrawn	
LOI 11-81 App. 6-82	Billings Deac. Hospital Billings	Phase III Expansion	$11,365,000		Withdrawn 7-82	
LOI 12-81 App. 8-82	Valley Sunrise Corp. Bozeman	Chemical Dependency Unit	$450,000	Decision not Reached		
LOI 11-81	Missoula Comm. Hospital Missoula	Acquire Missoula Rehab. Center & Home Health Agency			Non-Reviewable 2-82	

Date Applied	Facility & Location	Project	Amount	Date Approved or Denied	Condition/Comments	Appealed
LOI 12-81 App. 1-82	MT. Deac. Med. Center Great Falls	Expand Home Health Agency	-0-	Approved 2-82	---	
LOI 1-82	St. Peter's Comm. Hosp. Helena	O.B. Expansion	$269,440	Approved 2-82	---	
LOI 1-82	Powder River N.H. Broadus	Expansion			Non-Reviewable	
LOI 1-82	Sheridan Memorial Hosp. Plentywood	Cost Overrun			Non-Reviewable	
LOI 2-82	Valley View Home Glasgow	Addition - Adult Day Care			Withdrawn 3-82	
LOI 1-82 App. 2-82	St. Patrick Hospital Missoula	Equipment	$345,698	Approved 2-82	---	
LOI 2-82	Gallatin Co. Rest Home Bozeman	Remodeling & Addition	$180,000		Withdrawn	
LOI 2-82 App. 8-82	Missoula General Hosp. Missoula	Facility Replacement	$12,100,000	Denied 10-82	---	
LOI 2-82 App. 3-82	MT. Childrens Treat. U. Billings (DOI)		$2,625,000	Approved 6-82	---	
LOI 2-82	Big Horn Co. Hospital Hardin	Renovation			Withdrawn	
LOI 2-82 App. 3-82	Dawson County Glendive	Expand Home Health Agency	$13,5[illegible]	Approved 4-82	---	
LOI 3-82	McAuley Nursing Home Great Falls	Replacement Facility	4,237,150		[illegible]ON expired after a 6-month extension.	
LOI & App. 3-82	Community Missoula	Home Health Agency		Approved 3-82	---	
LOI 3-82	MT. Deac. Med. Center Great Falls	Replace Nursing Home			[illegible]	

W/D Withdrawn

Date Applied	Facility & Location	Project	Amount	Date Approved or Denied	Condition	Appealed
LOI 2/82 App. 3/82	Gallatin Co. R.H. Bozeman	Expand and remodel	$180,000	Approved 3/82		
LOI 2/82 App. 3/82	Holy Rosary Miles City	Expand and remodel	2,357,000	Approved 3/82		
LOI 2/82 App. 3/82	Montana Deaconess Great Falls	F&R room/DVIS	775,140	Approved 3/82		
LOI 4/82 App. 6/82	St. Peter's Com. Hosp. Helena	C.T. Scanner	845,200	Approved 9/82		
LOI 4/82	Frances Mahon Glasgow	Ambulance service	71,000		Nonreviewable 6/82	
LOI 4/82 App. 8/82	Shodair Helena	CDU	100,000	Approved 9/82		
LOI 4/82 & Applica.	Cascade Co. Convalescent Great Falls	Energy conservation measures	350,000	Approved 5/82		
LOI 4/82 App. 5/82	Liberty Co. N.H. Chester	Licensure	-0-	Approved 6/82		
	Saint Vincent Billings	Appeal CON decision to the Board -	April Board split	up application so	D.B. could be comparative hearing with Billings Deaconess	
LOI 4/82 App. 5/82	Montana Deaconess Great Falls	Expand and renovate	755,502	Approved 8/82		
LOI 2/82 App. 4/82	Powder River N.H. Broadus	Expand and remodel	228,300	Approved 4/82		
LOI 4/82	Four Seasons Corp.	Purchase nursing home			Nonreviewable	
LOI 4/82 App. 5/82	Warm Springs State Hosp., Warm Springs	Licensure change	-0-	Approved 6/82		
LOI 5/82 App. 6/82	Big Horn Co. Hosp. Hardin	Remodel and expand	974,590	Approved 7/82		

W/D Withdrawn

Date Applied	Facility & Location	Project	Amount	Date Approved or Denied	Condition	Appealed
LOI 5/81 App. 4/82	Saint Vincent Billings	Expansion - O.B. (as per Board decision	$30,000,000	Approved 6/82	W/D of appeal by Deac. 7/82 Appeal CON by ACLU 8/82 ACLU appeal denied by Dept. 8/82	7/82 by Blgs. Deac.
LOI 6/82 & Applica.	Immanuel Lutheran Kalispell	Add and remodel	246,000	Approved 7/82		
LOI 6/82 & Applica.	Flathead Co. Health Dept., Kalispell	HHA - Expansion of	-0-	Approved 7/82		
LOI 6/82	Barrett Memorial Dillon	Ultra sound			Nonreviewable	
LOI 6/82 App. 7/82	Madison Valley Hosp. Ennis	Doctor's Clinic	185,000	Approved 7/82		
LOI 5/82 App. 7/82	Missoula General Missoula	X-ray replacement	287,045	Denied 10/82		
LOI 6/82 & App.	Stillwater Com. Columbus	Expansion	163,117	Approved 7/82		
LOI 6/82	Ron Semingson	Purchase nursing home			Nonreviewable	
LOI 6/82	Kent Ferguson	Purchase nursing home			Nonreviewable	
LOI 6/82 App. 8/82	Pondera Co. Council on Aging, Conrad	HHA	19,500	Approved 8/82		
LOI 7/82 & App.	Columbus Hosp. Great Falls	Energy conservation measures	450,000	Approved 8/82		
LOI 7/82 App. 8/82	Highland View OPSC Butte	Surgi-center	300,000	Decision not reached		
	Saint Vincent Billings	Expansion - Dept. decision taken to District Court by ACLU - first hearing 11/82		?		
LOI 7/82 App. 8/82	Missoula City-Co. Home Health, Missoula	Expansion	-0-	Approved 9/82		

W/D Withdrawn

Date Applied	Facility & Location	Project	Amount	Date Approved or Denied	Condition / Commen	Appealed
LOI 8/82	St. Patrick Missoula	CDU	$58,110			
LOI 8/82 App.10/82	Granite Co. N.H. Philipsburg	Swing beds	-0-			
LOI 8/82	Prairie Com. Hosp. Terry	Swing beds	-0-			
LOI 8/82	Missoula Com. Hosp. Missoula	Mammaliograph			Nonreviewable 8/82	
LOI 9/82	Jeannette Elpel Bozeman	Hospice			Nonreviewable	
LOI 9/82	Rosebud Com. Hosp. Forsyth	Addition				
LOI 9/82 App. 10/82	Montana Deaconess Great Falls	Expansion HHA Judith Basin	-0-	Approved 10/82		
LOI 9/82 App. 10/82	Liberty Co. Hosp. Chester	X-ray	186,650	Approved 10/82		
LOI 9/82	Park Place Great Falls	Licensure change	200			
LOI 10/82	St. Patrick Missoula	ESRD			Nonreviewable	
LOI 9/82 App. 10/82	Teton Medical Center Choteau	Swing beds	-0-			
LOI 10/82 & App.	Chouteau Co. Hosp. Fort Benton	Swing beds	-0-			

Exhibit 5
January 27, 1983

1-27-83

LICENSING AND CERTIFICATION BUREAU

The Bureau is responsible for monitoring the operation, maintenance, and design of various health care facilities and services--hospitals, long-term care facilities, i.e., skilled nursing, intermediate and personal care facilities, home health agencies, medical laboratories, out-patient physical or speech therapists and facilities, renal dialysis units, ambulatory surgical centers, and mental health and retardation treatment facilities.

The Bureau has legal authority to issue licenses, grant Medicaid certification, and recommend Medicare certification for facilities and services that meet the regulations, without which Montana cannot receive federal funds from Medicare and Medicaid. It has the legal responsibility to promulgate and revise licensing regulations, to investigate and act upon citizen complaints, and to revoke the license or certification of any facility or service which falls below minimum standards and jeopardizes the health or safety of the patients or clients.

The surveyor and supervisory staff provides continuing consultation services to all providers and information to the public and government and private agencies.

Prior to 1981, the Bureau conducted annual surveys of all health care facilities and services. Costs were shared between state general fund monies and federal Medicare/Medicaid funds, approximately 20 percent state and 80 percent federal.

During 1981, two rescissions of funds occurred which resulted in the loss of 48 percent of Medicare funding. Although all long-term care providers were surveyed, many other providers such as hospitals, home health agencies, etc., were not surveyed.

Licensure laws mandated annual surveys. To avoid continuing violation of state law, the Bureau prepared an amendment which allowed surveys within a

three-year period and mandated a written report of essential activity for the year a site survey was not done. This amendment was passed by the Legislature during the 1982 special session.

The Bureau also prepared a Revised Plan for Determining Survey Schedules based on the past year performance measured by deficiencies cited. This plan was accepted by the U.S. Department of Health and Human Services.

Fiscal Year 1983 funding for Medicare survey activity was increased from $172,540 to $236,540. Medicaid funding remained as it had been. The continuing resolution for funding signed by President Reagan on December 17, 1982, contains $32.3 million for certification and survey activities nationally. This is an increase of $12 million over the previous fiscal year and Montana approved FY '83 funding has been increased to $289,559. This increase of funding is for the purpose of supporting a minimum of annual inspections of all nursing homes and at least half of all other non-long term care facilities.

Three new types of providers have been added--Swing Beds, Ambulatory Surgical Center and Comprehensive Outpatient Rehabilitation Facility. Hospice providers are to be added effective November, 1983. Section 135 of the Tax Equity Act of 1982 disallows the Secretary of Health and Human Services to change annual survey requirements for skilled nursing and intermediate care facilities until the first day of the seventh calendar month beginning after the date of the enactment of the Act unless ordered to do so by a court of competent jurisdiction. The Act was signed by the President October 2, 1982. In addition, many providers on the one-year survey schedule remained on the one-year schedule. This increased the 1983 survey workload by 47 percent.

Considering all these facts, the Bureau may find it necessary to fill the vacant surveyor position during 1983.