VISITOR'S REGISTER

HOUSE HUMAN SERVICES SUB COMMITTEE

BILL _____ DATE 2/16/83

SPONSOR _____

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPOSE
Steve Browning	Helena, MT	Mt. Assoc. of Homes for the Aged		
Roger Tippy	Helena	Mt Dental Assoc	X	
Celinda Lake	Helena	Women's Hobbyist Funds	X Medicaid Renal Fund X	
Judy Jacobson	Sen Dist 42			
Susan Bertand MD	Missoula	Self	X	
Rae M. Skoog	Helena	MT. Health Care Assn.		
Brian Zins	Helena	Mt. Medical Asso.		
Frank Davis	Gt Falls	MT ST. PHARM ASSN	✓	
Jessy Kurtz	Missoula	St. Patrick Hospital	X	
Richard A. Horsch	Missoula	Mt. Kidney Patient's Assn		
Virginia Dorick	Missoula	Kidney Pt. wife		
Maureen O'Malley	Missoula	St. Patrick Hospital	✓	
Laurie Graham	Hamilton	SRS-Rehabilitation Div	✓	
Eudora Fadd	Anaconda	SRS-Developmental Disabilities	✓	

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

FORM CS-33

MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS SUBCOMMITTEE ON HUMAN SERVICES
February 16, 1983

The meeting was called to order by Vice-Chairman Sen. Pete Story at 8:00 a.m. All subcommittee members were present except for Chairman John Shontz who arrived later in the meeting.

Also present were: Mr. John LaFaver, Ben Johns, Jack Lowney, and Lee Tickell from SRS; Ron Weiss from OBPP, Peggy Williams and Larry Finch from LFA and many others not registered.

Begin Tape 41 Side 2

MEDICAID HEARINGS

Mr. Gary Walsh from Department of SRS explained the information requested by the committee concerning medicaid. The first exhibit (1) population figures for the 1975 through 1985, showed that there has been a 50% increase of people from ages 65 or older in the past ten years. Sen. Aklestad asked what categories were in the $1500 resources for the individual to be eligible for nursing home patients. Mr. Walsh told him they can include cash, certificates of deposits, savings, cash value on life insurance and market value on stock, but not property. (see exhibit 2)

Mr. Walsh then stated the remaining issues on the medicaid program are two in contracted services. One is an issue on rate rule development. In the executive budget, $85,000 was included for rate rule development; the purpose of these funds was to further the department's efforts at cost containment. The analysts initially removed these funds. There was discussion to add it back in, but it is the department's understanding it has not been added into the base. The department strongly recommends doing so.

The department currently has two contracts with the Montana Medical Association for utilization reviews of both nursing homes and hospitals. The department feels the LFA has underestimated the cost of the contracts. They must assure that federal utilization control requirements are met and, under the Omnibus Reconciliation Act, the state has the option either to assume the responsibility for meeting this requirement directly or to contract with PRSO, Profession Standards Review Organization. The current contracts with the association are to determine appropriateness and the medical necessity of the services provided, and to assure that the quality of care meets professionally recognized standards.

If the contracts with the foundations were not funded, the first impacts would be that they would not be able to meet the federal requirement for utilization control. This could place our federal

participation at risk and the department would not be able to assure that the services provided are appropriate or necessary or are of the required quality. They are also concerned that failure to fund properly could jeapordize the integrity of the nursing home reimbursement rule. The current contract is $300,000 and it is their recommendation that this amount be budgeted for this.

Mr. Walsh then explained to the committee the department's plans for the medicaid management system. They currently have a contract with Dikewood for operating and maintaining MMIS, Dikewood is responsible for processing the day-to-day claims. The computer system is located in New Mexico but data is processed out of Great Falls. The department is currently considering bringing the MMIS system in-house and utilize the state's computer system. They feel this would allow more control over the system. It is the department's intent to accomplish this conversion within budgeted funds and resources; they do not intend to ask for more funding to do this. They believe it would take approximately 1 1/2 years to achieve this.

Mr. Walsh also commented on the in-stage renal program. The purpose of this program is to provide for the care and treatment of persons suffering from chronic renal disease who require life-saving care and treatment. The renal program only deals with in-stage renal diseases and not other kinds of services. It pays for physicians' services, home dialysis, dialysis at a center, an attendant or backup person, certain medications and supplies, and for some surgery and psychological services. The client must be a resident of the state and, when making application, must have a diagnosis of in-stage renal disease. The department uses the "medical expenses current" principle to determine eligibility. There are three categories of recipients; (a) those who are medicaid eligible in addition to being eligible for the renal program (with the kind of services provided only those not covered by medicaid), (b) individuals whose net income is over medicaid, but below 300% poverty level index (all services of the renal program are provided in this category) and (c) for individuals whose net income exceeds 300% of the poverty index, (services under this category are limited to transportation, lodging, and pharmacological services). There are currently 49 applications for in-stage renal disease. Of these 21 have been approved, 9 denied and 19 cases are pending. Expenditures to date have been $8,008. The rate of expenditure is increasing and is estimated to increase substantially by the end of the year.

The Economic Assistance Division is administering the renal program, and, according to Mr. Walsh, use strict criteria to allocate the scarce resources they have. Mr. Walsh told the committee that if they were not comfortable with the present operating philosphy

which is viewing the renal program as a resource-based program and using specific and rigid income criteria, the department would recommend it be transferred to the Department of Health.

Sen. Story reiterated his understanding that the program had been given $125,000 with guidelines of carrying out the program in accord with similar programs in the division, he also recalled that the program was established to care for certain people who "fell out" of the other system and were thus ineligible. Sen. Regan stated that the eligibility requirement was specifically forbidden, but SRS has two sets of rules in place for the renal program. They had one in place, then established another dealing with eligibility without repealing the first. Currently, Sen. Jacobson has a bill concerning this in the Senate. Sen. Regan personally feels SRS would like to get rid of it because they want to administer it as a welfare program. This is not the intention of the committee.

Public testimony was then heard on Medicaid and Renal Programs.

1. DR. SUSAN BERTRAND, a physician from Missoula, testified she had a dual interest in medicaid appropriations hearings because; (1) she is interested in adequate provision of medical care for the patients she treats, and, (2) as a taxpayer. In looking over the medicaid materials, she feels it is obvious that the heavily-utilized, very expensive services of in-patient hospitalization and nursing homes placements are mandatory provisions to all categorically needy. Optional services are those which are frequently used as alternatives to institutional placement. She handed out a prepared statement to the committee members (exhibit 3) which explained further the consequences of dropping "optimal" services. She feels that in Montana there is a heavy weighting toward nursing home care as compared to the national average. The optional services of out-patient physical and occupational therapy and home health provisions of occupational therapy are services which specifically address institutional placement prematurely and unnecessarily, particularly of persons in the elderly and disabled groups. She further stated that it seems false economy to enact a budget which forces cuts in the optional areas which, in the latter months of the biennium, is going to see an increased number of people unnecessarily in institutional placement. She feels that projections for the cost of nursing homes will be low and the costs over the biennium will increase dramatically if optional services are not adequately funded.

2. CELINDA LAKE, Lobbyist for the Women's Lobbyist Fund, testified in support of the funding of medicaid programs. Ms. Lake stated that 33% of single households in this country receive medicaid. She urged the committee to support the programs and to evaluate the amount of federal money so the results are planned cuts and

not de facto cuts. (see exhibit 4)

3. ROGER TIPPY, appearing for the Montana Dental Association, testified that the dental association realized for optional services the budget is in for a tough year and that cuts have to be made. He expressed hope that all optional service providers will share and share alike when cuts are made.

4. Representing the Montana Association of Homes for Aged, or MAHA, a group of 34 non-profit nursing homes throughout the state, STEVE BROWNING, stated they have carefully reviewed the budget requests by the Governor and the LFA. They feel the 6% increase is inadequate for the needs of the medicaid patients. He filed a letter from Verlin Buechlier, Chairman of the Association for the Aged. (see exhibit 5)

5. ROSE SKOOG, representing the Montana Health Care Association then testified. She said the MHCA represents about two/thirds of the nursing homes in the state. She explained that intermediate nursing home care is an optional service which covers between 95% and 97% of all the patients in nursing homes. She feels the service they are providing is by no stretch of the imagination a mandatory service.

In response to a comment that Montana has an unnaturally high bias toward expenditures for in-patient nursing home care, she felt this may be true but we have to look at the situation we are in. The state is essentially rural and it is sometimes hard to find alternative services as readily as in a non-urban area.

The nursing homes association is concerning about the discrepancy between the SRS executive budget and the LFA budget in terms of the federal matching rate. The association feels it is important that this particular area not become a "guessing game." A second area of concern is the difference in opinion between the LFA and the executive in terms of the right percentage to plug into the nursing home reimbursement rate formula. The system was revamped as of July 1, 1982 and intended to make medicaid nursing homes rates more equitable. Because of this, about half the facilities are looking at substantial decreases in their medicaid reimbursement and others are looking at increases in rates. They had been introduced to this as a three-year plan to be phased in. Ms. Skoog therefore feels that 9% is not an overall increase in every nursing home. Many will have no increase in their rates and some more and more less than the 9%. She feels that when you change that formula at this stage of the game, you jeapardize the integrity and intent of the system. This is the first time the department and providers have agreed to work with each other over a period of time, so she urged the committee to allow the plan to stay in place over the 3 year period. If major adjustments are needed, there will be ample opportunity to make changes.

6. SEN. JUDY JACOBSON, Senate District 42, explained that she has introduced a renal program bill that would, in essence, repeal the new rules put into effect the past biennium. The way it was explained to her, people were taken off the program June 30, 1982 while new rules were being established. When they attempted to have the Department of Welfare (where the program was supposed to be) reinstate them through vocational rehabilitation, application blanks were not available and were told they would not be until at least November of this year. As of January, when the legislature began, only $1,000 had been expended. People have suffered a lot and from unnecessary problems in the past year due to the absence of the program. Sen. Jacobson explained her concern that the present rules do, in fact, refer to income, which, in the codes was not the intent of the legislature. For this reason she had introduced this bill. She understands that, two days ago, the department put in a request to have the rules repealed. She feels the program is especially necessary and hopes the committee will give it full consideration. She doesn't think there are enough people in the program to warrant the kids of welfare rules imposed on them.

7. REP. NANCY KEENAN from District 89, Deer Lodge County, also testified for the renal program. She reiterated some of the costs patients on renal care have to sustain, they often amount to $24,000 a year for in-hospital care and about $18,000 to $20,000 for at-home maintenance. The necessity for the $125,000 to remain in the budget is apparent and essential. She also supports Sen. Jacobson's bill. She feels we have lost a lot of people who were receiving services due to the administrative rules applied. Many couldn't qualify under those rules, yet they were in dire straits and needed these support services.

8. MR. RICHARD NORICK, a renal patient and representing the Montana Kidney Patients Association, testified that he was one who had been severely hurt by the rules. He had started with this program in 1977 and it had helped pick up expenses after medicare paid their full amount. He had attended all the meetings SRS held in regards to implementing the new rules and had tried unsuccessfully to get some revisions made. Mr. Norick talked about the delays they encountered in being transferred to the welfare department and the problems before they were finally accepted by the program. He had lost out on 5 months of help for his medical bills last year as a result. He would like to see some of the rules changed back to the way they were originally.

End of Tape 41 Side 2 Begin Tape 42 Side 1

9. BRIAN ZINS, Executive Director of the Montana Medical Association, testified that they understood the provider portion of the budget was to be increased by 6% for the next fiscal year, then the succeeding year. They are currently being reimbursed at a rate of 55 to 60% of bill charges. The problem they are beginning to see and that will fully materialize, is that more and more physicians are going to discontinue seeing medicare patients.

ELIGIBILITY DETERMINATIONS HEARINGS

Mr. John LaFaver introduced Mr. Lee Tickell, Administrator of the Economic Assistance Programs. He testified that the Eligibility Determination, or 03 program as they refer to it, is unique. It is simply a staffing program which provides for FTE's and appropriation authority for county departments of public welfare. Approval of county commissioners is required and they hire the staff to determine the eligibility for clients, These eligibility technicians interview clients in the welfare office, determine eligibility based upon rules and regulations, and calculate grant awards or the food stamp benefits to be received. Based on the department's federally-approved cost allocation plan, the budget includes 80% of the county director's salaries, 80% of the combined clerical staff salaries and 100% of the salary of the E.T., supervisors and eligibility clerical staff. The program is totally county and federally funded with 54% county and 46% federal funds. There are no state funds included. The program exists simply to provide an appropriation authority and FTE for the counties and for county commissioners to hire staff to process client applications. The program is mandated by law. The only other major expense is for E.T.'s travel to Helena for training sessions and a limited number of home visits.

There is concern about the LFA's recommendation that there be a reduction of 21.8 FTE's in the program and $9,700 in travel. Mr. Tickell objected to the LFA analysis that concluded they could reduce FTE based upon positions vacant as of June 30, 1983. There has been a variety of things occurring since that time. In order to comply with the recommendation, the department would not just be eliminating positions that were not currently filled, but would, in fact, be reducing force approximately 21.8 individuals currently on board. Statistics indicate a slight decline in AFDC caseload, but the projection is for a steady increase in the coming biennium. There has also been an increase in the general assistance caseload and a steady increase in the food stamp and medicaid programs. They are predicting the same kind of increase in the future, therefore the load on E.T.'s will be greater. The department has been under threat of federal sanction for error rates and one of the principal contributors to this has been the inability of staff to spend the proper

amount of time to determine eligibility standards correctly and promptly. There is also concern about the possibility of increased fraud and abuse of benefits when an E.T. has not had sufficient time to properly process a claim. The department therefore feels it would not be wise to reduce FTE at this time. As well, the federal government has increased the workload on counties to implement federally mandated changes. Most significant is a monthly reporting form which requires every single AFDC case to be looked at on a monthly basis and, if necessary, a recomputation made of the grant amount. Counties are also required to run their bills through Dikewood as well as through the Montana Foundation for Medical Care to assure medical appropriateness of expenses. There is also a county trend to move the food stamp program from the treasurer's office to the welfare office (or elsewhere) and this will increase E.T. workload. As a result of these changes, there is getting to be an incredible workload put on the E.T. (Two county directors testified later as to the workload they are experiencing.) Mr. Tickell also told the committee that, in October, of 1983, there will also be a requirement for monthly reporting of all food stamp funds.

An E.T. sex discrimination appeal has been pending before the department for approximately 5 years. A tentative agreement has just been reached and a hearing will be held in Billings soon. The division will then know the financial impact of a settlement.

Sen. Regan asked Mr. LaFaver to respond to the error rates. He replied there were error rates in AFDC, food stamps, and in medicaid. These will be presented in more detail when the audit division presents its budget.

Peggy Williams, LFA, distributed a handout on the eligibility determination program. The major differences were FTE and travel. The executive had added 1.2 FTE and the LFA deleted 20.6 FTE which were vacant all of FY82. (see exhibit 6)

In travel, the LFA did not delete money from the travel budget, they inflated the 1982 base while the executive had increased the 1982 base, then inflated it.

There is no general fund money in this program, it is 54% county reimbursement and federal funds for the remainder.

In view of the fact they had so many more people in client caseload, Rep. Menahan asked Mr. LaFaver why so many E.T. positions were open. Mr. LaFaver explained that the last legislature had added FTE based on the fact that staff in place was not adequate. SRS did not go out and hire for all these jobs right away because each of the jobs had to be justified first, based on an analysis that the workload was there.

Mr. LaFaver feels 1982 was a poor benchmark year. Rep. Winslow asked what role the SRS played in the actual hiring of welfare directors. Mr. LaFaver responded that the county commissioners actually do the hiring and they utilize a list provided by the merit system. Rep. Winslow wanted to know how the department could make these people accountable. He finds some of these people seem to care little about the people they are supposed to be helping. Mr. LaFaver noted that it was very hard at times to figure out just who has the authority. E.T.'s are state employees, are on the state pay plan, and are counted as state FTE's in the budget, but they are hired by county commissioners. The statute is vague about who has authority to dismiss them. The SRS and county commissioners generally agree when someone should be dismissed, but if there is disagreement, it isn't clear who has the authority to release them. He said a bill will be presented to the legislature that, if passed, will combine the best components of the county grant-in-aid with a clarification of roles for those counties which opt for state assumption of welfare and child protective services.

Chairman Shontz then asked Mr. LaFaver to note how many people, in his experience, have lost their jobs in the department in the last 30 years. He feels the merit system protects inadequacy. Rep. Winslow echoed this, adding that he felt there was just no one in charge. Chairman Shontz stated his belief that it is nearly impossible to remove an employee for incompetence because of the merit system.

More public testimony was then heard concerning eligibility determinations and the renal program.

10. PEGGY KURTZ, Social Worker for St. Patrick's Hospital in Missoula, testified that the bill here today was written for the express purpose of meeting the needs of people who did not qualify for medicaid. Such patients were "falling through the cracks" and there has been no way to cover them. Since medicare pays only 80%, they were finding they couldn't do training for these patients, or meet any of their other medical needs. To supplement medicare and pay medical and transportation costs, they went to legislation to get the state renal fund. During the past four years, it has worked very well and was a big help.

In Missoula alone, they had only two patients qualified for the program through the new rules. The cost of dialysis have increased greatly and the number of patients has tripled in Missoula in the past two years. The way it is set now, with a patient not qualifying unless qualified for medicaid, most are left with no help. Ms. Kurtz feels the number of days spent in a hospital has increased because of lack of help at home for the patient. Medicare does not cover care for three months and until the patient begins home health care.

The patient is thus left with 3 months of bills which could run very high before he can receive aid. When renal fund money was available, much of this was used for transportation, for home and health care, and the patient could spend more time at home rather than many short-term hospital visits. Ms. Kurtz feels that without the renal fund to pick up extra costs, patients are being forced to spend more time in nursing homes and hospitals, therefore rather than cutting down on hospital bills, they are rising. She feels the bill worked before, it worked well with vocational rehabilitation managing it for them, and it allowed them to give funding to patients they felt qualified for it. Ms. Kurtz expressed resentment at the way the program is being operated at the present time. She stated that program funds were used very prudently and very frugally in the past.

11. MR. DICK NORICK, added that reflecting on the idea of having medicaid patients transferred to the in-stage renal disease program, he had looked over the Montana Administrative Codes. It says that the applicants eligible for economic assistance division medicaid or medically needy programs are not eligible for this program until the medicaid and medically needy programs are exhausted. This is a problem which is really hurting their program. Patients qualified for medicaid are being placed on the in-stage renal disease program and will be utilizing it before those people who are not qualified can have some expenses paid.

Hearings were closed on the Renal Disease Program.

12. CAROL GRAHAM, County Director from Hamilton, Montana testified regarding FTE's for Economic Assistance. Her county is the pilot county for monthly reporting and food stamps. They are now into the second month of the monthly reporting system and she is concerned about the increased workload that eligibility technicians will be carrying throughout the state. She explained the procedures they have to go through at the present time and the amount of paperwork involved, noting the increase they will be facing by the end of the year. She is also concerned about stress factors on employees if FTE's are cut.

End of Tape 42 Side 1 Begin Tape 42 Side 2

13. ENDORA FALD, from the SRS office in Deer Lodge County, stated that since she came to Anaconda five years ago, her caseload has doubled and the general assistance caseload has more than tripled. There is a gradual increase in all of their programs. She has a staff of 2 in the beginning, now has 4 and has just added an eligibility supervisor. She addressed the problems encountered in adding staff. By the time you justify the need for adding staff you are drowning in paperwork. It takes a technician upwards of 6 months to really get into the program but they are expected to handle up to 200 cases immediat-

ely. She further explained the workload the technician is expected to bear. She noted that they also have a workfare program in Anaconda which is run through their office and that it is very time-consuming. She feels when the mandate goes into effect and monthly reports are required, she is going to see added stress on her technicians.

She also added, that, as a county director, she is accountable to the welfare board and any staff increases she makes must go through them and it has to be justified.

End of public hearing on Eligibility Determinations.

Mr. Walsh turned in fact sheets for the committee compiled for the economic assistance program. They outline the optional services of medicaid, the mandatory services and give detail for each of the areas.

Chairman Shontz asked Mr. Lowney if they used the data they had given as an exhibit (see exhibit 1) for population. He felt it was outdated. He pointed out there has been a census conducted since the information they had presented was tabulated. He feels we need to deal with data that is current and accurate.

The meeting was adjourned until 8 a.m. tomorrow morning, February 17, 1983.

End of Tape 42 Side 2 at 247

John Shontz, Chairman

Carol Duval, Secretary

1970 Population
and
1975 & 1985 POPULATION PROJECTIONS BY AGE GROUP & COUNTY
EASTERN MONTANA (Region 1)

	TOTAL POPULATION			AGE 0 - 4		AGE 5 - 17		AGE 18 - 64		AGE 65 +	
COUNTY	1970	1975	1985	1975	1985	1975	1985	1975	1985	1975	1985
Carter	1,956	1,900	1,882	137	142	433	361	1,059	1,120	271	259
Custer	12,174	12,000	14,642	917	1,212	2,992	3,006	6,593	8,625	1,498	1,799
Daniels	3,083	3,100	3,143	214	259	729	600	1,699	1,808	458	476
Dawson	11,269	10,700	13,067	937	1,156	2,822	2,757	5,954	7,868	987	1,286
Fallon	4,050	4,000	4,326	342	390	1,049	915	2,206	2,549	403	472
Garfield	1,796	1,700	1,781	140	139	410	352	982	1,072	168	221
McCone	2,875	2,700	2,613	211	201	710	532	1,488	1,552	291	328
Phillips	5,386	5,400	5,757	435	471	1,417	1,243	2,830	3,302	718	741
Powder River	2,862	2,400	2,285	207	174	666	499	1,331	1,406	196	206
Prairie	1,752	1,900	1,915	123	140	408	352	1,077	1,092	292	331
Richland	9,837	9,900	12,093	797	998	2,596	2,585	5,407	7,094	1,110	1,416
Roosevelt	10,365	10,300	11,272	1,013	1,005	2,883	2,711	5,399	6,412	1,005	1,144
Rosebud	6,032	9,700	11,230	943	931	2,680	2,809	5,168	6,531	909	959
Sheridan	5,779	5,400	5,144	371	382	1,383	1,011	2,931	2,946	715	805
Treasure	1,069	1,200	1,236	94	105	318	272	653	721	135	138
Valley	11,471	13,200	16,325	1,160	1,391	3,700	3,935	7,297	9,858	1 043	1,141
Wibaux	1,465	1,500	1,538	121	135	386	319	806	892	187	192
TOTALS	93,221	97,000	110,252	8,162	9,231	25,582	24,259	52,080	64,848	10,386	11,914

SOURCE: Montana Population Projections 1975 - 2000, Division of Research & Information Systems, Montana Department of Community Affairs, August, 1977. (Medium Series)

exhibit 1
2/16/83

1970 POPULATION
and
1975 & 1985 POPULATION PROJECTIONS BY AGE GROUP & COUNTY
NORTH CENTRAL MONTANA (Region II)

	TOTAL POPULATION			AGE 0 - 4		AGE 5 - 17		AGE 18 - 64		AGE 65 +	
COUNTY	1970	1975	1985	1975	1985	1975	1985	1975	1985	1975	1985
Blaine	6,727	6,800	7,191	617	631	1,827	1,639	3,603	4,191	753	730
Cascade	81,804	83,900	88,274	7,668	8,195	21,061	19,503	47,921	52,875	7,250	7,701
Chouteau	6,473	6,300	6,491	496	551	1,540	1,314	3,503	3,845	761	781
Glacier	10,783	11,100	11,961	1,188	1,041	3,361	3,142	5,635	6,631	916	1,147
Hill	17,358	17,900	19,641	1,552	1,694	4,392	4,046	10,389	11,960	1,567	1,941
Liberty	2,359	2,500	2,697	190	228	671	562	1,421	1,636	218	271
Pondera	6,611	6,900	7,462	583	647	1,868	1,673	3,718	4,329	731	813
Teton	6,116	6,500	7,875	458	610	1,659	1,710	3,582	4,621	801	934
Toole	5,839	5,400	5,174	398	412	1,416	1,079	2,994	3,048	592	635
TOTALS	144,070	147,300	156,766	13,150	14,009	37,795	34,668	82,766	93,136	13,509	14,953

SOURCE: Montana Population Projections 1975 - 2000, Division of Research & Information Systems, Montana Department of Community Affairs, August, 1977. (Medium Series)

1970 POPULATION
and
1975 & 1985 POPULATION PROJECTIONS BY AGE GROUP & COUNTY
SOUTH CENTRAL MONTANA (Region III)

	TOTAL POPULATION			AGE 0 - 4		AGE 5 - 17		AGE 18 - 64		AGE 65 +	
COUNTY	1970	1975	1985	1975	1985	1975	1985	1975	1985	1975	1985
Big Horn	10,057	10,900	12,161	1,221	1,055	3,138	3,162	5,780	7,053	761	891
Carbon	7,080	7,800	8,889	495	672	1,734	1,796	4,213	5,010	1,358	1,411
Fergus	12,611	13,000	13,617	927	1,040	3,232	2,705	6,892	7,811	1,949	2,061
Golden Valley	931	900	917	59	70	188	160	510	534	143	153
Judith Basin	2,667	2,700	2,745	193	233	646	531	1,445	1,530	416	451
Musselshell	3,734	4,200	4,796	297	373	963	1,008	2,292	2,761	648	654
Petroleum	675	700	678	48	50	178	144	425	435	49	49
Stillwater	4,632	5,200	6,090	351	472	1,231	1,290	2,874	3,533	744	795
Sweet Grass	2,980	3,000	2,897	210	221	630	540	1,628	1,657	532	479
Wheatland	2,529	2,400	1,923	165	126	557	347	1,309	1,096	369	354
Yellowstone	87,367	97,000	126,106	7,936	10,456	24,383	28,134	56,961	76,914	8,020	10,602
TOTALS	135,263	148,100	180,819	11,902	14,768	36,880	39,817	84,329	108,334	14,989	17,900

SOURCE: Montana Population Projections 1975 - 2000, Division of Research & Information Systems, Montana Department of Community Affairs, August, 1977. (Medium Series)

1970 POPULATION
and
1975 & 1985 POPULATION PROJECTIONS BY AGE GROUP & COUNTY
SOUTHWESTERN MONTANA (Region IV)

	TOTAL POPULATION			AGE 0 - 4		AGE 5 - 17		AGE 18 - 64		AGE 65 +	
COUNTY	1970	1975	1985	1975	1985	1975	1985	1975	1985	1975	1985
Beaverhead	8,187	8,300	9,095	699	868	1,849	1,798	4,862	5,485	890	944
Broadwater	2,526	2,800	3,428	206	287	732	771	1,524	2,002	338	368
Deer Lodge	15,652	15,200	15,482	1,144	1,245	3,482	2,991	8,630	9,071	1,944	2,175
Gallatin	32,505	37,300	44,058	2,851	3,527	7,128	7,342	24,304	29,510	3,017	3,679
Granite	2,737	2,700	2,801	206	236	638	564	1,528	1,600	328	401
Jefferson	5,238	6,700	8,169	539	684	1,724	1,869	3,844	4,948	593	668
Lewis & Clark	33,281	36,900	46,931	3,008	3,865	9,247	10,526	21,020	28,090	3,625	4,450
Madison	5,014	5,800	5,556	396	422	1,367	1,072	3,163	3,223	874	839
Meagher	2,122	2,300	2,216	174	173	527	429	1,327	1,326	272	288
Park	11,197	12,100	14,590	839	1,143	2,778	3,088	6,768	8,472	1,715	1,887
Powell	6,660	7,500	9,015	568	729	1,865	1,983	4,373	5,571	694	732
Silver Bow	41,981	43,000	44,457	3,422	3,581	10,618	9,335	23,847	26,555	5,113	4,986
TOTALS	167,100	180,600	205,798	14,052	16,760	41,955	41,768	105,190	125,853	19,403	21,417

SOURCE: Montana Population Projections 1975 - 2000 Division of Research & Information Systems, Montana Department of Community Affairs, August, 1977. (Medium Series)

1970 POPULATION
and
1975 & 1985 POPULATION PROJECTIONS BY AGE GROUP & COUNTY
NORTHWESTERN MONTANA (Region V)

	TOTAL POPULATION			AGE 0 - 4		AGE 5 - 17		AGE 18 - 64		AGE 65 +	
COUNTY	1970	1975	1985	1975	1985	1975	1985	1975	1985	1975	1985
Flathead	39,460	44,600	56,402	3,611	4,679	11,754	12,791	24,640	33,309	4,595	5,623
Lake	11,445	17,100	19,876	1,425	1,603	4,434	4,551	8,906	11,210	2,335	2,512
Lincoln	18,063	16,500	16,589	1,433	1,285	4,587	3,634	9,334	10,108	1,146	1,562
Mineral	2,958	3,500	4,325	295	373	972	1,036	1,967	2,610	266	306
Missoula	58,263	64,600	78,171	5,106	6,240	14,317	14,404	40,199	51,370	4,978	6,157
Ravalli	14,409	18,400	21,142	1,321	1,630	4,532	4,483	9,728	11,886	2,828	3,143
Sanders	7,093	8,100	9,588	615	750	2,061	2,141	4,350	5,539	1,074	1,158
TOTALS	154,691	172,800	206,093	13,806	16,560	42,648	43,040	99,124	126,032	17,222	20,461

SOURCE: Montana Population Projections 1975 - 2000, Division of Research & Information Systems, Montana Department of Community Affairs, August, 1977. (Medium Series)

exhibit 2
2/16/83

MEDICAID

NURSING HOME PATIENTS

Resources:

Individual	Couple
$1,500	$2,250

Income - Insufficient to meet nursing home costs. To be eligible an individual must pay all of his income less $40.00 toward the nursing home bill.

He can retain the $40.00 for personal needs.

Example:

Income:	$1,040
Nursing Home Cost :	$1,100
Client Pays :	$1,000
Medicaid Pays :	$ 100
Client's Personal Need:	$ 40

In addition to cash resources a recipient may have an additional $1,500 for burial. This can be in a separate savings account or prepaid burial account with the funeral home, or $1,500 face value life insurance.

Clients who have transferred assets without compensation in 24 months previous to application are ineligible for a period equal to the value of the assets divided by %500.00 or until they have incurred medical bills equal to the value of the assets.

exhibit 3
2/16/83

Serious consequences of dropping "optimal" sevices.

A. To Patients.

1. Loss or reduction of coverage for out-patient drugs.
   a). Reduce patient compliance - or ability to comply with treatment program.
   b). Increased, unnecessary, preventable mobility from common diseases of ailments.
   c). Increased hospitalization for otherwise preventable reasons.
   d). Increased skilled nursing home confinement for preventable mobility and complications.

2. Loss of coverage of psychological services.
   a). Inability to comply with recommended psychological treatment.
   b). Consequent reduction in compliance with Medical regimen and/or
   c). Somatic physiologic consequences of anxiety and depression (ie Peptic ulcers, anorexia and debility, reduced resistance to disease).
   d). Increased hospitalization for routinely preventible diseases and complications.

3. Loss of coverage for out-patient Physical therapy, Occupational Therapy, and Speech Therapy.
   a). Obliterate the opportunity to continue with an established in-patient treatment program following discharge so that:
      (1). Hospitalization must be prolonged to complete treatment otherwise unavailable to the patient or
      (2). Patient is discharged with incomplete treatment allowing regression or relapse to further hospitalization or more likely Nursing Home placement.
      (3). Persons who could have recovered independence fail to do so but are able to remain in the home enviroment but require the care of another family member (preventing them from being able to seek employemnt opportunity - perpetuating the government dependancy.)

   B. Eliminate the opportunity to prevent hospitalization of Nursing home placement by establishing an effective out-patient treatment program for-
      (1). Marginally independant person with chronic disability who suffer an intercurrent disease and temporarily degress.
      (2). Those disabled by back and limb conditions.
      (3). Post-operative patients who do require therapy for full recovery but whose therapy cannot be begun until 6 weeks post discharge.
      (4). Loss of coverage for durable medical equipment and prostheitic devices, (such as wheel chairs walkers, crutches, hospital beds, grab bars, shower/bath benches and braces), limbs
         (a), With a brief reading of those listed it becomes obvious that if the above items are necessary for the patient to function, discharge home without them will be impossible or dangerous nesessitating either.
            (1). Re-hospitalization for treatment

of a full or new medical/surgical problem.

(2). Institutional placement - long term - until the individaul can save their $ per month to aquire the necessary equipment.

(5). Loss of coverage of Home Health Physical Therapy, Occupational Therapy, and Speech Therapy Services.

(a). The results are essentially the same as (3), a and b). With the exception that this group is even more tennuous in their ability to stay out of institutions, (hospitals and skilled nursing homes) and reduction in services here will produce the most rapid increase in hospitalization and nursing home requirements because of the lack of health and body maintainence with the exception of out-patient medications of any of the "optimal" services.

(6). Loss of coverage for Personal Care Services - that is medically orientated tasks which include basic hygiene and grooming, toileting, assisted self-administration of medications and and assistance with nutrition, food preparation and feeding. The patients receiving these services if they were interupted for even a week would be admitted to hospital or nursing home care or would not survive. The very nature of the cares being provided are life sustaining.

(7). Loss of coverage for transportation to medical services would be in many instances the same as denying services.

(8). Loss of coverage for intermediate nursing home care. A cyclic process is then begun for the patient once skilled (covered) nursing care is no longer needed and no "optional" services are provided. The patient returns home to a situation of requiring service for which there is no funding. Without care the patient worsens is admitted to the hospital (covered) stabilizes is transferred to a skilled level of nursing home care improves to intermediate care level and the cycle begins again.

B. Consequences to the "system" of dropping "optional" programs.

1. Currently on whom funds are being spent.
   a. Nationwide - Elderly people who become poor in old age receive 37% of all expenditures (72% of that for Nursing Home) before they die 1/5 of all elderly find themselves in nursing homes and eventually are forced to seek medicaid support.
   b. Seriously mentally retarded, the blind, and the physically disabled receive 30% of all expenditures, the program provides services for persons with severe, permanent disabilities and higher-than-average needs for medical care.
   c. Poor children from single-parent families and their parents receive 28% of all expenditures.
2. Currently how is the funding spent.
   a. Nationally 42% of program costs are nursing home care
      28% represents inpatient hospital

30% Physicians Services, out-patient hospital care, medications, and other.

b. Montana
51% are Nursing Home care costs
23% are inpatient hospital costs
26% all other costs. (10.5% optional)

3. Reduction of "optional" services will increase the utilization necessary of manditory services.
   a. As described in part III A. of your out line.
   b. As demonstrated in previous studies done in states where out-patient drug coverage has been eliminated with concominent rise in acute and emergency hospitalizations.
   c. As demonstrated by DeLatuer et,al. (Arch P.M. and R 1977) that nursing home costs could be significantly reduced by appropriate use of "optional" services. That the increased cost fo those services in the initial 3 moths following a stroke were recovered in the first year by avoiding nursing home placement and that the patients functional gains and therefore savings to the system could be demonstrated to be maintained for 2 more years.
   d. local experience
      (1). Quadriplegia
         (a). Medical cost for nursing home care
         $1170 - 375(SSI) = $795
         (b). Medical cost possible when "options" are available.
         $315-630.month personal care attendant
         - $50.month ($150./quater) spend down

         $265-580/month medicaid cost

         (c). Equipment
         (1), Home bound quadriplegic patient requires weight relief in wheel chair 10 minutes hourly or a bed confinement. Family continues to work requiring full-time attendant but still patient has had $20,000, hospitalizations each year for the last 4 skin break downs from unrelieved body pressure.
         Purchase of specially designed electric power wheel chair 15 months ago $8000.00 has prevented further hospitalizations. Net savings thus far $ 32,000.00.

COST EXAMPLE

DISABILITY	AVERAGE LENGTH OF THERAPY O.T.	AVERAGE LENGTH OF THERAPY P.T.	COST $40.00 hr O.T.	COST $40.00 hr P.T.	TOTAL COST		NURSING HOME COST $39.00 A DAY 6 MONTHS	NURSING HOME COST $39.00 A DAY 1 YEAR
FRACTURED HIP	5 DAYS	3 WEEKS	$200.00	$840.00	$1240.00		$6864.00	$13904.00
STROKE	6 WEEKS	6 WEEKS	$1680.00	$1680.00	$3360.00		$6864.00	$13904.00
PARAPLEGIC	10 WEEKS	10 WEEKS	$2800.00	$2800.00	$5600.00		$6864.00	$13904.00

* Individuals who suffer the presented and similar injuries and do not recieve rehabilative therapy, most often become perminent Nursing Home residents.

O.T.= Occupational Therapy
P.T.= Physical Therapy

WOMEN'S LOBBYIST FUND

Box 1099
Helena, MT 59624
449-7917

exhibit 4
2/16/83

TESTIMONY OF CELINDA C. LAKE, WOMEN'S LOBBYIST FUND, IN SUPPORT OF THE MEDICAID PROGRAM, BEFORE THE HUMAN SERVICES SUBCOMMITTEE ON FEBRUARY 14, 1983

The Women's Lobbyist Fund supports funding the Medicaid program.

We have discussed earlier with this committee the feminization of poverty, particularly among older women and women who are single heads of household. Families in America have a basic right to medical care for themsevles and their children which makes Medicaid all the more important. We urge this committee to support the Medicaid programs and to carefully evaluate the amount of federal money which will be available in FY84 and FY85, so that our budgetting does not result in de facto cuts.

Thank you.

exhibit 5
2/16/83

MONTANA ASSOCIATION OF HOMES FOR THE AGING

February 15, 1983

Hon. John M. Shontz, Chairman
Joint Subcommittee on Appropriations
Capitol Station
Helena, MT 59620

Dear Representative Shontz:

The Montana Association of Homes for the Aging (MONTAHA) has some concerns about the nursing home portion of the proposed Medicaid budget for fiscal years 1984 and 1985. The Association does not feel that it can support or refute the overall projections of either the Department of Social and Rehabilitation Services or the Legislative Fiscal Analyst because the detailed information on how they arrived at their budget estimates were not available to our membership.

The most glaring statistics that cause concern among our membership are the projection of the same number of care days from fiscal year 1982 through 1985 by the Legislative Fiscal Analyst and the 6% inflation factor used by the LFA. It does not seem reasonable to assume that the number of Medicaid care days would remain constant over a four-year period when elderly population is growing in numbers and when a greater percentage of nursing home residents are having to apply for Medicaid sooner because increased costs are depleting personal resources more quickly. There is a projected need for an additional need for an additional 790 nursing home beds in the State by 1990. Mr. LaFaver pointed out in his testimony of February 14 that there is presently a surplus of nursing home beds. The surplus will continue through 1985, at which time there will begin to be a need for additional beds. This would indicate that the number of care days would slowly increase during fiscal years 1983, 1984 and 1985, as the surplus of beds decreases.

MONTAHA does not believe that 5% is an adequate inflation factor. It is true, according to recent reports, inflation is allegedly about 2.1% below this figure, but nursing homes are faced with some expenses that are increasing at a rate much greater than 6%. Salary increases of 7 to 8% were a necessity by some of the homes because of wage increases in other institutions within the area. This is especially true in the urban areas where nursing homes are competing in the labor market with hospitals, etc. Montana Power has asked for a 39% increase in electrical rates, 24% of which went into effect as an interim rate in October, 1982. Montana-Dakota Utilities is projecting a 10% increase in its electricity over the 1982 rates. MDU, about eight months ago, projected a 19% increase in gas rates for 1983 over 1982. About 12% is presently in effect as an interim rate and they will be requesting an additional increase in May for Purchase Gas Cost. Several of our member homes are faced with a 20%

increase in Group Health Insurance premiums, and 15 to 20% in Workers' Compensation premiums. One home experienced a 100% increase in water cost and another is gong to see a 40% increase in 1983.

It was pointed out by Mr. LaFaver that if the Department of Social and Rehabilitation Services needed to reduce the cost of the Medicaid program, it would probably become necessary to eliminate optional Medicaid for all groups except AFDC children. Intermediate nursing care in nursing homes falls into the category of optional services. To eliminate this service would be detrimental to the nursing home industry, and the majority of the Medicaid recipients in the State's nursing homes. At least 90% of all Medicaid residents in the State are classified intermediate care.

It is recommended that the nursing home portion of the Medicaid budget be funded by the 9% recommended by the Department of Social and Rehabilitation Services. The higher cost ranges expressed earlier in this letter, coupled with the additional forseen care days, is evidence that a 6% increase is not adequate. Additionally, the new prospective flat-rate reimbursement system agreed upon between SRS and the nursing home providers was based on a 9% increase. The new system was to stay in place for at least three years, and it was noted at the time of inception that the greater savings would be realized. It is the Association's belief that the new system should be allowed to run the full three years under agreed reimbursement rates to see whether or not it is meeting its intended purpose.

Thank you for your attention to our views on this critical matter.

With best personal regards, I am

Sincerely,

Verlin D. Buechler/RSB

Verlin D. Buechler, Chairman
Public Policy Committee
Montana Association of Homes
for the Aging

cc: All Joint Committee Members

exhibit 6
2/16/83

PROGRAM: ELIGIBILITY DETERMINATION

	1982 Actual	1983 Approp.	1984 Executive	1984 Current Level	1984 Difference	1985 Executive	1985 Current Level	1985 Difference
FTE	324.41	324.41	325.61	303.81	(21.80)	325.61	303.81	(21.80)
Personal Service	$4,848,113	$5,731,464	$5,939,581	$5,658,401	$ (281,180)	$5,937,583	$5,650,959	$ (286,624)
Operating Expenses								
Contract Services	$ 8	$ -0-	$ 8	$ -0-	$ (8)	$ 8	$ -0-	$ (8)
Supplies	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Communications	154	-0-	164	-0-	(164)	176	-0-	(176)
Travel	97,906	106,769	115,271	104,901	(10,370)	119,461	108,715	(10,746)
Rent	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Repairs	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other	2,298	-0-	2,837	2,808	(29)	3,007	2,975	(32)
Total	$ 100,366	$ 106,769	$ 118,280	$ 107,709	$ (10,571)	$ 122,652	$ 111,690	$ (10,962)
Equipment	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
Total Administration	$4,948,479	$5,838,233	$6,057,861	$5,766,110	$ (291,751)	$6,060,235	$5,762,649	$ (297,586)
Funding								
General Fund	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
Federal Funds	2,293,623	2,812,642	2,762,391	2,692,346	(133,045)	2,763,472	2,627,768	(135,704)
Co. Reimbursement	2,654,856	3,025,591	3,295,470	3,136,764	(158,706)	3,296,763	3,134,881	(161,882)
Total	$4,948,479	$5,838,233	$6,057,861	$5,766,110	$ (291,751)	$6,060,235	$5,762,649	$ 297,586

JR:cm:J3

LFA p828

2-16-83

Eligibility Determination

- FTE difference

Exec added 1.2 FTE
LFA deleted 20.6 FTE which were vacant

-Travel

Exec increased FY82 base and inflated
LFA inflated FY82 base

-Funding

Both exec + LFA funded similarly:

General Fund	-0-
County Reimb.	54%
Federal Funds	
Title IV-A AFDC	20%
Title XIX Medicaid	11%
Food Stamps	15%

Vacant Positions

Clerical	3.28 FTE
Human Serv. Aide	1.0
Home Attendant	.4
Admin. Assistant	3.92
Eligibility Aide	1.0
Eligibility Technician	11.0
Total	20.6

Note: Except for one eligibility technician, the above positions were vacant all of fiscal 1982. The one eligibility technician was vacant 87% of fiscal 1982.

Medical Assistance - Administration
Executive/LFA Comparison
Fiscal 1984 - 1985

	Actual 1982	Appropriated 1983	Fiscal 1984 Exec.	Fiscal 1984 LFA	Fiscal 1984 Difference	Fiscal 1985 Exec.	Fiscal 1985 LFA	Fiscal 1985 Difference
FTE	13.61	13.61	12.99	12.61	(0.38)	12.99	12.61	(0.38)
Personal Services	$ 282,526	$ 362,708	$ 369,718	$ 363,902	$ (5,816)	$ 369,406	$ 363,411	$ (5,995)
-Operating Expenses-								
Contract Ser.	$1,713,826	$2,280,565	$2,036,893	$1,621,157	$ (415,736)	$2,159,106	$1,718,424	$ (440,682)
Supplies	1,316	12,845	921	1,478	557	976	1,565	589
Communications	2,074	7,053	2,121	2,415	294	2,434	2,745	311
Travel	12,432	9,317	13,416	12,960	(456)	13,972	13,483	(489)
Rent	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Repairs	-0-	466	-0-	-0-	-0-	-0-	-0-	-0-
Other	1,741	1,780	1,329	1,952	623	1,409	2,066	657
Total	$1,731,389	$2,312,026	$2,054,680	$1,639,962	$ (414,718)	$2,177,897	$1,738,283	$ (439,614)
Equipment	10,593	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Adm.	$2,024,508	$2,674,734	$2,424,398	$2,003,864	$ (420,534)	$2,547,303	$2,101,694	$ (445,609)
-Funding-								
General Fund	$ 537,091	$ 807,462	$1,272,809	$1,045,817	$ (226,992)	$1,337,334	$1,062,616	$ (274,718)
Federal Funds	1,487,417	1,867,272	1,151,589	958,047	(193,542)	1,209,969	1,039,078	(170,891)
Total	$2,024,508	$2,674,734	$2,424,398	$2,003,864	$ (420,534)	$2,547,303	$2,101,694	$ (445,609)

2/16/83

SRS:cm:i

Medical Assistance - Benefits
Executive/LFA Comparison
Fiscal 1984 - 1985

	Actual	Appropriated	Fiscal 1984			Fiscal 1985		
	1982	1983	Exec.	LFA	Difference	Exec.	LFA	Difference
-Benefits-								
Buy-in	$1,010,196	$1,149,500	$ 1,218,470	$ 1,092,506	$ (125,964)	$ 1,296,452	$ 1,174,444	$ (122,008)
DHES Surveys	118,846	194,048	205,496	132,855	(72,641)	218,648	111,492	(107,156)
Indian Health	875,387	1,400,000	1,482,600	1,482,600	-0-	1,577,486	1,577,486	-0-
Renal Disease	124,800	125,000	132,375	125,000	(7,375)	140,487	125,000	(15,847)
-Medicaid-								
Nursing Homes	N/A	$39,508,785	$10,069,825	$38,130,779	$(1,939,046)	$42,090,020	$40,409,310	$(1,680,710)
Institutions	N/A	9,721,646	10,596,594	7,843,797	(2,752,797)	12,566,288	9,820,898	(2,745,380)
Medicaid Other	N/A	36,199,754	36,501,753	33,719,634	(2,782,119)	39,847,732	36,464,930	(3,382,802)
Total Medicaid	$74,360,802	$85,430,185	$87,168,172	$79,694,210	$(7,473,962)	$93,488,040	$86,695,138	$(7,808,902)
Total Benefits	$76,490,031	$88,298,733	$90,207,113	$82,527,171	$(7,679,942)	$97,737,473	$89,683,560	$(8,053,913)
-Funding-								
General Fund	$29,292,356	$32,564,795	$34,692,803	$31,266,639	$ 3,426,164	$37,697,272	$32,371,974	$ 5,325,298
Federal Funds	47,197,675	55,733,938	55,514,310	51,260,532	4,253,778	60,040,201	57,311,586	2,728,615
Total	$76,490,031	$88,298,733	$90,207,113	$82,527,171	$ 7,679,942	$97,737,473	$89,683,560	$ 8,053,913

SRS:cm:i2