

HUMAN SERVICES

COMMITTEE

DATE 2/21/83

DATE 27 21/83

[illegible]

FORM CS-33

MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS SUBCOMMITTEE
ON HUMAN SERVICES
February 21, 1983

The meeting was called to order by Vice-Chairman Sen. Pete Story. All subcommittee members were present except for Rep. John Shontz.

Also present were: John LaFaver, Ben Johns, Bill Vollmer, and Bob Donaldson from the Department of SRS; Ron Weiss from the Office of Budget and Planning and many others whose names were not registered. Peggy Williams and Larry Finch, from the Legislative Fiscal Analyst's office were also present.

Begin Tape 44 Side 2

DISABILITY DETERMINATIONS BUREAU, VISUAL AND VOCATIONAL
REHABILITATION HEARINGS

Mr. LaFaver introduced Mr. William Vollmer, Bureau Chief of the Disability Determination Bureau to the committee. He referred the committee to a handout. (see exhibit 1) His first concern is one of holding the positions at current level. There is a discrepancy in the amount of FTE positions that the LFA budget either inadvertently omitted or there was a misunderstanding. During FY82 they had an increase of workload right at the end of the fiscal year and they had to staff up and get trained so they could handle the periodic workload. The workload includes the social security disability reviews that the 1981 Disability Amendment put in place at the federal level. The budget amendment in 1982 prepared them for a continuing workload in 1983. They currently have 41 positions in place and there is a need to continue this current level in order to handle the projected workloads that the social security administration is giving them.

They are a state agency but are 100% federally funded. The Social Security Disability Program funds their agency to handle the workload which starts in the social security district office. When a person is disabled they go to a district office to apply and part of the process is that it then goes to the state agency in the states where the individual resides for the disability determination. They have a staff of 41 people in place which includes 10 parttime medical consultants covering most of the medical disciplines and specialties. These cases are then reviewed from a medical and vocational standpoint. If they are allowed they then have a computer mechanism where they put the person into benefit status, and if they are denied they trigger a denial notice from their office. There is also an appeals process, the first level of which is the reconsideration process, also done from their office. An independent, fresh, review team looks at the disability folder and a new decision is reached. From this point on, it is out of their hands as far as appeals are concerned. The periodic review workload constitutes a workload where individuals are already on the roles, and the attempt

is to purify those roles so that people who are no longer disabled no longer continue to get their disability benefits. It is critical to try and keep the trust fund as pure as possible. He pointed out the need for continuing at their current level FTE in order to meet this workload.

Mr. Bob Donaldson, Administrator of Vocational Rehabilitation and Visual Services, made the remaining presentation. He explained there are basically one of the first grant-in-aid programs. It began primarily to serve returning veterans from World War I and then broadened and expanded to include civilians. Montana passed enabling legislation in 1921 to cost participate in this program. It helps people who are physically or mentally disabled to the point of being unable to find employment. They provide a variety of services which provide training, guidance and counseling and whatever is needed to help this person get back into gainful employment. (see exhibit 2) The general program served about 6,700 people, and FFY1982 816 clients were placed in gainful employment. The visual program served about 680 people, placing 103 in gainful employment. In the past year the visual service program, with the support of the Montana Association for the Blind, geared up for a team concept. In each administrative region they have a rehabilitation teacher and a counselor, and in 3 cities they have an orientation mobility specialist. These people contact the newly blind and work with them on a very fast reaction basis to help them get back into society and as normal a life as possible.

In general, most studies have shown that this program is cost effective, saving taxpayers money from other tax sources, and that the amount they spend on people putting them to work is recouped fairly rapidly.

Mr. Donaldson also stated that the end-stage renal program, or the kidney program, which their division handled and no longer has, was a very difficult program to administer, very frustrating to their staff, and they do not particularly want it back.

Mr. LaFaver ended the staff presentation by pointing out that the general fund appropriation that was made to this entire area (visual services, vocational rehabilitation) last legislature was \$2.9 million. What the LFA is presenting as current level for FY84 and FY85 is \$1.8 million. This is an area they hope the committee takes a strong look at so that they are able to at least maintain current level.

Sen. Regan then told Mr. LaFaver that what was appropriated may not really be what is current level, and explained that he knew that because there are always reversions. To assume the \$2.9 million that was appropriated is current level may not necessarily be true.

Peggy Williams then presented the LFA's presentation to the committee. She explained there were two handouts for each program, one being a typewritten spread sheet comparing executive with LFA budgets, and a handwritten sheet explaining the differences in each budget.

She began with Vocational Rehabilitation. In administration one of the biggest differences is in FTE. The executive deleted 6.5 FTE, on the basis of a recommendation of the Governor's Council on Management to close two voc-rehab offices. The LFA deleted 2.35 vacant FTE's and did not delete the FTE's for closing the offices. The LFA also reduced 3 positions whose salaries should have been allocated 85% to vocational rehabilitation and 15% to visual services. They made this allocation and the executive budget did not.

In communications, the executive lowered the base \$2,200 for a rate decrease and the LFA lowered the base \$934 for FTE reductions.

In rent, the executive lowered rent for closure of offices in Lewistown and Crow Agency. On repairs the LFA reduced the base \$1,126 because over the biennium \$9,000 was included to purchase new equipment and they felt the repairs might go down because of this. In equipment, the executive did not include funds for equipment and the LFA did. In benefits, for Section 110 rehabilitation, the executive inflated the FY83 appropriations for all three funding sources; Section 110, SSDI and SSI funds at 7.5% per year and then reduced the total appropriations for SSI, SSDI and CETA. The balance was used for Section 110 benefits. The LFA just inflated the FY82 expenditure at 6% per year. There is a difference of \$25,000 in Section 110 benefits with the LFA over the executive.

In social security disability income the executive is about \$100,000 per year over the LFA. The executive used the 1983 appropriation in 1984 and then inflated it at 10% to get to 1985. The LFA inflated the 1982 expenditures at 6% per year. In supplemental security income the executive is over the LFA by \$42,000 per year. The executive used the 1983 appropriation for FY84, then inflated it at 10% to get to 1985 and the LFA inflated the 1982 expenditures at 6% per year. So one is looking at expenditures versus appropriation. (see exhibit 3 and 4)

Sen. Story asked why the social security disability income was so much higher than the LFA. Peggy Williams explained they used the 1983 appropriation and the LFA used the actual 1982 expenses. The 1983 appropriation was \$130,000 and the 1982 expenses were \$23,000. Mr. Donaldson pointed out that the state fiscal year and the federal fiscal year do not coincide, so that the 1982 expenditures that are shown on SBAS are for July, August and

September. They did not have any of that funding the rest of Federal year 1983, so the dollar amount was lower. Mr. Donaldson explained that social security changed their whole law. They were giving them money prospectively to provide the service and the last law said they would repay them for what they spend after the person had gone to work for 9 months and was off the roles. So, in general, last year was a no income year for them. This was the 1981 Disability Amendment and was effective in 1982 and actually started then in 1983. Ms. Williams said the LFA would check into this more. They also explained the same principle applied to the Supplemental Security Income. Mr. Ben Johns explained some of these were just funding sources that come into the program to fund the work that is done. There are reimbursements that come from the federal government and this money does not start flowing until they have done the work and get reimbursements on it. In the executive budget presentation they listed all of these as different sources of funding and you have to look at what the total program is going to be and then fund it from the different reimbursements that come in. They used the 1983 level to determine requests for this time but the 1983 was the lower level.

On Disability Determination the executive did add 8 FTE's this past biennium and the LFA kept it at current level. This addition is by budget amendment and is totally federally funded. The LFA is concerned that the FTE and spending authority are not transferred to other programs and that the cost of services provided to the medical assistance program by the contract remains reasonable.

There is a small amount of general fund in this program through the contract with the medical assistance program. The disability determination program does some disability determinations for medical assistance programs and sometimes, when FTE's are increased or spending authority is increased, the cost of providing the service goes up to another program. The LFA is concerned this might happen. They are also concerned that if this program gets additional FTE's they not be transferred to another program because presently the FTE's are federally funded.

In the area of communications there is a small difference and the LFA is over the executive because the LFA inadvertently applied too high an inflation factor. On rent there is a difference on equipment rent. The LFA put in \$15,000 for equipment rent at the department's request rather than inflating the equipment rental from FY82.

In repairs there is a small difference. The executive added \$3,600 in FY84 and \$4,000 in FY85 for equipment rent to this category. Ms. Williams felt this was accidental.

In equipment the executive included a postage meter which was not included by the LFA in FY84 and in FY85 the LFA included word

processing equipment, which the department subsequently withdrew.

In travel, the budgets are the same. All funding comes from the federal government. There is the extra for the contracted services to medical assistance program and there is concern about the number of services provided, cost per service and coordination of costs between programs. The number of services provided differs in the executive and the LFA proposals. The LFA did not increase the number of services provided because the number of services had decreased for the past 3 years.

There is also a problem with the medical assistance program in the coordination of costs between the medical assistance program and the disability determination program. The medical assistance program says they need \$36,000 in funds for contracted services to pay for the disability determinations while the disability determinations programs says they want \$56,000 spending authority to pay for these services. (see exhibit 5 and 6)

As regards administration in the Visual Services program, the LFA decreased FTE by .65 because offices in Glasgow and Kalispell closed. Because they reallocated some of the FTE's in the vocational rehab. program to reflect the fact that 15% of three positions were doing visual services work, there was a net decrease of .2 FTE.

In contracted services, there is little difference. The LFA adjusted the base by \$1,700 because some of the benefits were coded incorrectly to contracted services instead of benefits.

In travel the executive increased the base by \$2,000. In rent the LFA reduced the rent because the offices in Kalispell and Glasgow were closed. On equipment the LFA did not include tape recorders, talking calculators, and other equipment, and the executive did. The LFA wanted to write it up as an issue because it represented a large increase over what their normal equipment expenses are. They spent \$2,400 in FY82 and are requesting \$10,000 in FY84 and \$10,000 in FY85.

In benefits it works similar to vocational rehabilitation. Regarding Section 110 benefits, the executive inflated the 1983 appropriation and the LFA inflated the actual 1982 base at 6% a year. The Social Security Disability Income and Supplemental Security Income will have the same problems as in vocational rehabilitation and they will check these figures out.

In donations to the blind both the executive and LFA included \$9,000 per year. Extended employment benefits were eliminated in the Visual Services program. In visual medical; the executive inflated the FY83 appropriation at 7.5%, the LFA inflated expenditures at 6% a year. (see exhibit 7 and 8)

Mr. LaFaver asked for a clarification of how one goes from \$235,000 to \$196,000 in 1984 on benefits for visual services. Ms. Williams explained that on some of the services they did not inflate the actual benefits. It was determined the difference was in CETA. Larry Finch further explained that on the Detail Form "C" sheet they received from the program there was CETA money in 1982. However, the program put down no CETA funding in 1983, 1984 or 1985 in the visual services program so they did not put in CETA consequently.

Mr. Ron Weiss explained they did not in their estimate either but there are still benefits available. They are estimating there is going to be a projected workload and the LFA has other sources of revenue that are coming in to pay for the benefits and claims. It has to go up, and they know it will from the federal revenue sources. The costs are going to be there and the projected workload is there so the benefits are going to have to go forward. If you go from \$235,000 to \$195,000 you will be serving less people.

Larry Finch answered this was probably so and that there was some confusion between what the funding sources are for the program and what the benefits are. In other programs where the LFA had seen the benefits being deleted (because programs were being eliminated) they, as well as the executive, eliminated those programs. In this case the LFA also assumed it was an elimination of a benefit program and did not put in that funding source. Mr. Johns explained this was exactly the case and the same thing applies to Vocational Rehabilitation, only to a lesser degree than visual services. Sen. Regan then asked that they go back and rework the figures in this area and in Vocational Rehabilitation.

Sen. Aklestad asked why the contracted services was so high in visual services compared to what was actually appropriated. Mr. Donaldson responded for the last two years they have been developing a new computer program and their expenses have run fairly high and they have leveled off now.

Sen. Story asked why in visual services there was a four-fold increase in equipment also. Mr. Donaldson explained there was money available approximately 10 years ago for innovation and expansion and they bought some equipment at that time. So what they have now is equipment that is worn out and out of date. They are trying to update on some kind of a systematic method so that they don't spend the remainder of the time with old, worn out dated equipment. The equipment is optical aids that run from talking calculators to visual teks. There has been a great deal of advancement in the past 10 years. The equipment stays in their offices as state equipment but it utilized by clients, so they will know what is available to them as a resource. Sen. Aklestad asked

they budgeted for this last session. Mr. Weiss responded they were appropriated \$350 for equipment and they did not ask to update the visual aids and the largest amount of this \$10,118 in 1984 is for replacement of the equipment used by the visually impaired.

It is a benefit to the client so they can see what is available to them. It is the first time they have asked for this in 8 or 10 years.

Mr. LaFaver pointed out that the actual general fund spending in FY82 was significantly less than was provided by the subcommittee, and the reason for this was because they received unanticipated federal money. He said they could have budget amended those moneys and expanded the scope of the program legally, but instead they took the federal money and spent that instead of general fund money and reverted the general fund money. They felt this was the straight way to operate. He added if the result of this is that they start off a half million dollars in the hole they did a foolish thing. They should have either told the federal government to go spend the money elsewhere, or they should have plowed it in and expanded the operation. In essence, the legislature is telling them to play fair but when they do they are penalized for it.

Sen. Regan responded that all the committee wants to do is get what the real figures are so they can agree on them, and there have been some difficulties in arriving at these. She hopes the LFA and SRS can work out these differences.

Sen. Aklestad asked why on the disability determination, the processing time is increasing. (see exhibit 1 page 2) Mr. Vollmer explained this projection was made on the basis of 33.13 FTE and not on the 41.13 they currently have on base. These projections were made in the event they are not successful in getting the 8 FTE's as a part of their current level on positions. He then referred the committee to the statistics listed on page 1 of the exhibit. He explained the processing would take longer and they would start to develop backlog as shown on page 2 of exhibit 1. They feel they can accomodate the workload with 41.13 FTE. Sen. Aklestad wanted to know how many caseloads they had per year and they said they would furnish this information.

Hearings were then opened to the public.

1. BILL CERVELLO, Executive Director of Flathead Industries for Handicapped in Kalispell, then spoke representing the Montana Association of Rehabilitation Facilities; or more specifically the people they serve in these facilities.

End of Tape 44 Side 2

Begin Tape 45 Side 1

He wanted to put the discussion on more humanistic terms rather than the dollar figures that were just discussed. Basically they provide a variety of services for handicapped individuals. Extended employment is a program very much like developmentally disabilities services. It is for handicapped individuals who are not competitively employable yet. They have mental, emotional, physical disabilities which render them not employable at that time. The difference between them and the DD is that their disability did not occur during developmental years, it could have been from an industrial accident, or an emotional disturbance, or mental illness which is temporary in nature. They believe there is a need to get these people back into the work force. There is a constant effort to monitor the wages and the ability of these people to enter back into the labor pool, and as they earn wages their disability benefits are reduced or taken away totally. So what you have is a program that can take people off disability benefits; but if they aren't put into the program in the first place they will stay on the roles indefinitely. It is unique in that it is 100% Montana funded and there are no federal monies in this program. He feels the committee must understand that the caseload is increasing, and there is no effort to deal with it as it rises. He said the Governor's budget at one time had examined the issue and had hoped to address it in their request, but it was not entered as a need. He then gave the committee a poll of the cities that keep track of waiting lists of possible clients. (see exhibit 9) He stated there are now over 121 clients on waiting lists and if you were to address the entire waiting list it would cost nearly \$400,000 based on current costs. His concern is that there is an option listed in the LFA budget and nothing in the Governor's budget and he hopes they will ponder this issue as well. He feels these problems are not going to go away and we will have to continue to pay taxes for disability benefits. And unless we put money into rehabilitation, they will continue to be an indefinite stress on our economy. The advantage of the extended employable is that they are not as severely handicapped and can be brought back into the workforce on a quicker basis than the DD individuals. He hopes for at least the \$100,000 to be put back into the budget for this program.

2. DAWN DEWOLF, Director of Programs at Helena Industries, spoke next. She explained that they serve referrals from the Rehabilitative Services Division, Visual Services Division, and Developmental Disabilities Division of SRS. She spoke in support of the Governor's budget on the rehabilitative services. She also urged increased funding for the vocational rehabilitation extended employment program. She added that the extended employment program was designed to provide long-term employment for individuals whose functional limitations are such that they are not competitively employable or need extended training to become employable. It has served a total of 485 people since its inception in 1974 and 50 people have extended employment slots in the state at the present

time. These people do not qualify for other services such as DD because they were not disabled during the developmental process. They do not qualify for rehabilitation division services because under federal statute it states it has to be within a reasonable length of time for any help to become available and the lists continue to grow and it is a real need. They hope the committee will continue increased funding for this program.

3. JUDY ROBINSON, from the Mental Health Center in Billings, who serves as a community placement counselor, is also concerned about extended employment. She explained how the process works in Billings, as she works very closely with vocational rehabilitation in the Billings workshop to get people placed in extended employment. She explained how many she had on her waiting list alone and how sad it was to have someone who really wants to work and to say, "it looks like you are an extended employment candidate but I can't tell you when you can get into the program." So, they have to go into day treatment, or Warm Springs or sit in group homes to wait. She explained that since vocational rehab changed their training criteria to 3 to 6 months it has really reduced the number of people she can place because these usually can not be trained in six months. She feels this particular population has been ignored somewhat in the past and the few slots they have are just not enough. She feels without this program they will have lots of people just sitting around and she feels it will reduce the cost of sending people to Warm Springs to keep them in the community working at any level and helps them increase their own self-esteem.

4. TOM GALE, a 22-year-old from Missoula, Montana, testified that he supported the Governor's budget as it appears, with the provision of an increase in funds for extended employment. He explained he was hurt in 1980 and had sustained brain damage which has left him uncoordinated and with a slow reaction time. He is very interested in the extended employment to get training for himself for future work. (See exhibit 10)

5. NANCY KEENEN, Representative from District 89, feels that the request for additional funding as she perceives it is not only good for the community but good for the state. She explained a brain trauma individual has three options: (1) Warm Springs State Hospital, (2) a nursing home, or (3) a community-based program. Because of the severity of these problems it is the general concession of professionals it will take three years at minimum for these people. In Warm Springs she estimates it will take \$100,000 for 3 years of care, and the same client in a community-based program with day care and group home setting will run about \$43,000 over a three year period, or about half what it would be in an institution. The other alternative is a nursing home which will run equal to a day program or community-based program, but they

would not get the intensive care treatment training. If they are back into employment they become viable persons back into the community. She feels it is a serious item and it needs to be addressed. She would appreciate the support.


Sen. Aklestad wanted to know what the eligibility criteria is for each one of the programs being discussed today. The department said they would furnish him with this information.

Exhibit 11 was entered into the minutes. (a letter from Eastern Montana Industries regarding medicaid funding of speech therapy.) The meeting was adjourned at 9:15 a.m.

End of Tape 45 Side 1 to 413



John Shontz, Chairman



Carol Duval, Secretary

STATE OF MONTANA
DEPARTMENT OF SOCIAL & REHABILITATION SERVICES
INTER-OFFICE CORRESPONDENCE

exhibit 1
2/21/83

TO: W. R. Donaldson, Administrator
Rehabilitative Services Division

Date: February 18, 1983

FROM: William A. Vollmer, Bureau Chief
Disability Determination Bureau

RE: Fact Sheet for Legislative Hearing - February 21, 1983

Appropriated FY83

33.13 FTE

*Personal Services	899,351
Operating Exp.	480,966
*Equipment	385
Benefit Claims	41,030

Total \$1,421,732

* A Budget Amendment has been approved to cover funds for 41.13 FTE's currently in place and computer equipment to tie in with the Social Security CASCON System.

7,691 cases

PPWY = .187

FY-84 Executive

41.13 FTE's

Personal Services	1,087,431
Oper. Exp.	989,317
Equip.	41,039
Non Oper. Exp.	48,160

Total Exp. \$2,165,947

Projected workload FY-84 = 7,739 cases

PPWY = 188 cases

LFA

33.13 FTE's

802,915
992,433
37,539
48,160

\$1,881,047

PPWY = 233.6 cases

FY-85 Executive

41.13 FTE's

Personal Services	1,086,752
Oper Exp.	1,165,595
Equip.	0
Non Oper. Exp.	51,772

Total Exp. \$2,254,119

Projected workload FY-85 = 7,737

PPWY = 188 cases

LFA

33.13 FTE's

801,618
1,170,309
18,400
51,772

\$2,042,098

PPWY = 233.6 cases

Issues:

1. You will note the LFA Budget for FY-84 and FY-85 does not include the 8 FTE positions we secured by Budget Amendment at the end of FY-82. The additional positions were and are necessary to accommodate the additional workload consisting of a periodic review of the disability status at least once every three years of every beneficiary on the Social Security Disability rolls in Montana. You will recall this initiative was part of the 1981 Disability Amendments to the Social Security Act.

The Periodic Review workload is on-going requiring the 8 FTE positions we were granted the end of FY-82. These reviews will continue indefinitely.

2. With the 33.13 FTE positions recommended by the LFA Budget the following workload management problems are anticipated:
 - a. Initial and reconsideration disability determinations now taking an average processing time of 39 days will increase to a 65 day average
 - b. Our week's work pending currently at 5 weeks will increase to 15 weeks creating backlogs at all work stations in our operation
 - c. The Periodic Review cases required by the Amendments now taking an average time of 56 days will increase to at least 90 days processing time
 - d. Considerable overtime will be necessary for all 33 positions because the production per work year of 188 cases is based on 1,760 hours in a work year.

Accordingly, 14,080 hours of overtime and/or compensatory time will be required to handle the projected workloads for FY-84 and FY-85.

Based on our average hourly wage (including benefits) \$20.76 (FY-84) and \$22.37 (FY-85) the following additional funds for overtime will be required:

FY-84	\$31.14 (time and one-half) x 14,080	= \$438,451.00
FY-85	\$33.56 (time and one-half) x 14,080	= \$472,454.00

With the 33.13 FTE level the total projected funds for overtime and/or compensatory time are as follows:

FY-84	\$802,915 and \$438,451	= \$1,241,366
FY-85	\$801,618 and \$472,454	= \$1,274,072

The Executive Budget at the 41.13 FTE level amounts to:

FY-84	\$1,087,431
FY-85	\$1,086,752

Since the Disability Determination Services is a 100% Federally financed program and there is constant emphasis of operating in the most cost-effective manner possible, it is apparent the amounts for personal services at the 41.13 level is the most economical approach.

- e. At the present time we are using a negligible amount of overtime and compensatory time. You will recall in the past when long periods of uninterrupted overtime have been necessary, the trouble makers we encountered.

3. The Montana Disability Determination Bureau has a long standing nationally recognized record for decision quality, shorter than average case processing time and for being a cost-effective operation. This reputation may be placed in jeopardy if we are unable to maintain the 41.13 FTE level we currently have in place.

DEPARTMENT OF SOCIAL & REHABILITATION SERVICES

REHABILITATIVE SERVICES & VISUAL SERVICES DIVISIONS

These are the two principal state programs to provide needed services to vocationally handicapped people of employable age to restore them to gainful employment.

Eligibility for Vocational Rehabilitation (VR) will be determined upon the basis of these established criteria: (1) the presence of a physical or mental disability, which for the individual constitutes or results in a substantial handicap to employment; and (2) a reasonable expectation that Vocational Rehabilitation services may benefit the individual in terms of employability. These two VR Divisions originate with PL95-602; CFR 34, Parts 361, 365, and 370. They are 80% federally funded.

Vocational Rehabilitation Services means any goods and services necessary to render a handicapped individual fit to engage in a gainful occupation. These include: evaluation of rehabilitation potential; counseling, guidance, and referral; physical and mental restoration services; vocational and other training services; maintenance; transportation; services to members of a handicapped individual's family necessary to the adjustment or rehabilitation of the handicapped individual; interpreter services for the deaf; reader services, rehabilitation teaching services, and orientation and mobility services for the blind; telecommunications, sensory, and other technological aids and devices; recruitment and training services to provide new employment opportunities in rehabilitation, health, welfare, public safety, law enforcement, and other appropriate public services employment; placement in suitable employment; post-employment services necessary to assist handicapped individuals to maintain suitable employment; occupational licenses, tools, equipment such as initial stocks (including livestock) and supplies; and other goods and services which can reasonably be expected to benefit a handicapped individual in terms of his employability.

REHABILITATIVE SERVICES DIVISION

Rehabilitation Services Bureau - Field Bureau responsible for caseload management, eligibility determination and purchase of services.

Special Projects Bureau - Staff Bureau responsible for grant and contract negotiating and monitoring; technical assistance; special fund monitoring; planning and evaluation; and staff development.

Disability Determination Bureau - Staff Bureau responsible for initiating Social Security Disability (SSDI) and Supplemental Security Income (SSI) claims adjudication; SSDI and SSI disability investigation; SSDI and SSI claims reconsideration; and quality appraisal. This is a 100% federally funded program originating with Titles II and XVI of the Social Security Act.

VISUAL SERVICES DIVISION

Provides Vocational Rehabilitation services to the blind and visually impaired. Other specific services provided are Rehabilitation Teaching, Orientation and Mobility, Business Enterprise, and Visual Services Medical.

PROGRAM 10 - Vocational Rehabilitation

The Vocational Rehabilitation Program served 6,708 clients in 1982; 816 clients were placed in gainful employment. The Continuing Resolution on federal funding for 1983 represents an 8.5% increase in federal funding.

PROGRAM 11 - Disability Determination

This 100% federally funded program has had its federal requirements increased on workloads and requires an increase in state authorization. There are 41 FTE's, all positions are filled at this time.

PROGRAM 13 - Visual Services

This program is in a team concept with:

- 3 Orientation & Mobility Specialists
- 5 Rehabilitation Teachers
- 5 Rehabilitation Counselors

on staff.

The needs of the blind and visually impaired (legally blind) are being met throughout Montana. In 1982, 679 clients were served with 103 placed into gainful employment.

Vocational Rehabilitation is a concept born of the most basic principles upon which this nation was founded. It embraces belief in the worth and potential of every human being; the right of every citizen to the opportunity to learn, enjoy, and contribute to his family, his community, and society in general; the inherent desire of every person for independence financially and personally; the virtue of worth and constructive activity is the joint responsibility of the individual and society in manifesting these principles of life. The philosophy of self-determination and help to help ourselves is imbedded in rehabilitation. It acknowledges the inter-dependence of all people and at the same time recognizes the essentiality of assumption of responsibility for oneself insofar as one is capable.

Rehabilitation is the viable alternative to the welfare state. Rehabilitation stands for evaluation, education, training, self-support, and human dignity. Economically the merits of rehabilitation have been proven and documented. Rehabilitation is not a dole - it is a sound investment by taxpayers and private contributors which returns full principal with interest.

For every \$1,000 our nation invests in rehabilitation of the disabled, our economy gets back \$9,000 - an awesome 9 to 1 return, reflecting the taxes paid by that rehabilitated individual to the federal, state, and local governments when he gets a job; the halt of social welfare payments when he or she is able to subsist without this aid; and the funds that flow with multiplying force from this worker as he spends his earned dollars. For every individual who is rehabilitated from a spinal cord injury - once leading to death within a year or a life merely waiting for death - \$60,000 is saved in reduced medical and nursing home care alone.

In Montana the cost per Visual Rehabilitation (i.e. returning a blind person to competitive employment) is \$539. The cost per any other Rehab is \$641. The gain of each rehabilitant as a taxpayer is immeasurable.

Major Concerns:

1. Not fully staffing the Disability Determination Bureau. The federal requirements have increased greatly and they have 41.13 employees which are needed to perform their mission.
2. The general Rehabilitation Program not having enough general funds to match available federal funds. The money from Workers' Compensation is overstated by \$266,000.

PROGRAM: VOCATIONAL REHABILITATION

ADMINISTRATION

	1982 Actual	1983 Approp.	Executive	Current Level	Difference	Executive	Current Level	Difference
	75.35	75.35	68.85	72.55	3.70	68.85	72.55	3.70
PERSONAL SERVICES	\$1,341,092	\$1,567,195	\$1,469,832	\$1,533,310	\$63,478	\$1,470,080	\$1,531,183	\$61,103
Operating Expenses								
Contracted Services	\$ 61,658	\$ 59,400	\$ 65,907	\$ 65,901	\$ (6)	\$ 69,861	\$ 69,852	\$ (9)
Supplies	5,044	9,504	5,670	5,664	(6)	6,010	6,000	(10)
Communications	59,934	49,302	69,372	70,604	1,232	81,806	82,737	931
Travel	63,427	90,400	71,689	71,678	(11)	74,558	74,542	(16)
Rent	100,119	116,446	109,794	112,490	2,696	116,544	119,237	2,693
Repairs	3,126	2,053	3,513	2,244	(1,269)	3,724	2,379	(1,345)
Other	3,051	5,940	3,428	3,424	(4)	3,634	3,628	(6)
Total	\$ 296,359	\$ 333,045	\$ 329,373	\$ 332,005	\$ 2,632	\$ 356,137	\$ 358,375	\$ 2,238
Equipment	7,155	1,850	-0-	4,248	4,248	-0-	4,479	4,479
Total Admin.	\$1,644,606	\$1,902,090	\$1,799,205	\$1,869,563	\$70,358	\$1,826,217	\$1,894,037	\$67,820
Funding								
General Fund	\$ 285,221	\$ 692,800	\$ 359,841	\$ 359,152	\$ (689)	\$ 365,243	\$ 464,306	\$99,063
Vocational Rehab.	1,359,385	1,209,290	1,439,364	1,510,411	71,047	1,460,974	1,429,731	(31,243)
Total	\$1,644,606	\$1,902,090	\$1,799,205	\$1,869,563	\$70,358	\$1,826,217	\$1,894,037	\$67,820

exhibit 3
2/21/83

PROGRAM: VOCATIONAL REHABILITATION

BENEFITS

Benefits	1982		1983		1984		1985	
	Actual	Approp.	Executive	Current Level	Difference	Executive	Current Level	Difference
Sec. 110-Rehab.	\$1,870,824	\$2,244,725	\$2,076,853	\$2,102,058	\$ 25,208	\$2,254,276	\$2,228,181	\$ (26,905)
SSDI Trust	23,328	130,700	130,700	26,211	(104,489)	143,770	27,784	(115,986)
SSI	9,392	52,950	52,950	10,553	(42,397)	58,245	11,186	(47,059)
Extended Emp.	211,619	230,000	230,000	230,000	-0-	230,000	230,000	-0-
CETA	561,225	-0-	350,000	350,000	-0-	350,000	350,000	-0-
Total	\$2,676,388	\$2,658,375	\$2,840,503	\$2,718,822	\$(121,681)	\$3,036,291	\$2,847,151	\$(189,140)
<u>Funding</u>								
General Fund	\$ 338,494	\$ 514,000	\$ 669,594	\$ 230,000	\$(439,594)	\$ 848,471	\$ 230,000	\$(618,471)
IARA	264,984	208,822	359,200	626,065	266,865	387,900	663,629	275,729
Vocational Rehab.	2,072,910	1,935,553	1,811,709	1,862,757	51,048	1,799,920	1,953,522	153,602
Total	\$2,676,388	\$2,658,375	\$2,840,503	\$2,718,822	\$(121,681)	\$3,036,291	\$2,847,151	\$(189,140)

Vocational Rehabilitation

Administration

A. FTE

Exec deleted 6.5 FTE (recommendation of Gov. Council on Management)

LFA deleted 2.35 FTE and reduced (by .15 FTE each) 3 positions whose salaries should have been allocated 15% to Visual Services

B. Communications

Exec lowered base \$2,200 for rate decrease

LFA lowered base \$934 for FTE reductions

C. Rent

Exec lowered rent for closure of offices in Lewistown and Crow Agency

D. Repairs

LFA reduced base \$1,126 because \$9000 over the biennium was included to purchase new equipment

E. Equipment

Exec did not include funds for equipment

LFA included funds for typewriters and dictation transcribers

Disability Determination

I. Benefits

A. Travel (for clients needing disab. determinations)

Both exec and LFA included the same amounts

II. Funding

All funding for administration and benefits comes from the federal government (Vocational Rehabilitation Act)

III. Contracted Services to Medical Assistance Program

A. Number of Services Provided

B. Cost per service

C. Coordination of costs between programs.

Vocational Rehabilitation

II. Benefits

A. Section 110

Exec inflated FY83 appropriations for Section 110, SSDI, and SSI funds at 7.5% /yr, then reduced total by appropriations for SSI, SSDI and CETA. Balance was section 110
LFA inflated FY82 expenditure at 6% /yr

B. Social Security Disability Income (SSDI)

Exec used FY83 approp. in FY84 and inflated at 10% to FY85
LFA inflated FY82 expenditure at 6% /yr

C. Supplemental Security Income (SSI)

Exec used FY83 approp in FY84 and inflated at 10% to FY85
LFA inflated FY82 expenditure at 6% /yr

D. Extended Employment

Both exec and LFA included \$230,000 /yr

E. Comprehensive Employment and Training Act

Both exec and LFA included \$350,000 /yr.

Disability Determination

I. Administration

A. FTE

Exec added 8.0 FTE

LFA kept FTE at current level

B. Communications

LFA inadvertently applied too high an inflation factor

C. Rent

LFA put in \$15,000 per year for equipment rental as the department requested rather than inflating equipment rental from FY82

D. Repairs

Exec added \$3,600 and \$4,000 for equipment rent to this category

E. Equipment

Exec included a postage meter not included by LFA (FY84)

LFA included word processing equipment not included by exec (FY85). The department is no longer requesting the word processor.

ADMINISTRATION

exhibit 6
2/21/83

PROGRAM: DISABILITY DETERMINATION

BENEFITS

<u>Benefits</u>	1982		1983		-----1984-----		-----1985-----			
	<u>Actual</u>		<u>Approp.</u>		<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>
Disability Deter.										
Travel	\$ 41,200		\$ 41,030		\$ 48,160	\$ 48,160	\$ -0-	\$ 51,772	\$ 51,772	\$ -0-
Total	\$ 41,200		\$ 41,030		\$ 48,160	\$ 48,160	\$ -0-	\$ 51,772	\$ 51,772	\$ -0-
	=====		=====		=====	=====	=====	=====	=====	=====
<u>Funding</u>										
Voc. Rehabilitation	\$ 41,200		\$ 41,030		\$ 48,160	\$ 48,160	\$ -0-	\$ 51,772	\$ 51,772	\$ -0-
Total	\$ 41,200		\$ 41,030		\$ 48,160	\$ 48,160	\$ -0-	\$ 51,772	\$ 51,772	\$ -0-
	=====		=====		=====	=====	=====	=====	=====	=====

Visual Services

I. Administration

A. FTE

LFA decreased FTE by .65 for offices closing in Glasgow + Kalispell; increased FTE by .45 to reflect 15% allocation of 3 positions to Vis. Serv.

B. Contracted Services

LFA adjusted base by \$1,782 because benefits were coded incorrectly

C. Travel

Exec increased base by \$2,000

D. Rent

LFA reduced rent because the offices in Kalispell + Glasgow closed

E. Equipment

LFA did not include tape recorders, talking calculators, overhead projector/magnifiers, Brailers, rehab. teaching kits, orientation + mobility equipment

Visual Services

I. Benefits

A. Section 110

Exec inflated '83 appropriation 8.3% in F484
and 4.4% in F485

LFA inflated actual F482 base at 6%/year

B. Social Security Disability Income

Exec used F483 appropriation for F484, inflated
10% for F485

LFA inflated actual F482 base at 6%/yr

C. Supplemental Security Income

Exec used F483 appropriation for F484,
inflated 10% for F485

LFA held expenditures at zero (nothing spent
in F482).

D. Donations to the blind

Both exec and LFA included \$9,000/year

E. Extended employment

eliminated in 1985 biennium

F. Visual Medical

Exec inflated F483 appropriation at 7.5%/yr

LFA inflated F482 expenditures at 6%/yr

PROGRAM: VISUAL SERVICES

ADMINISTRATION

	1982 Actual	1983 Approp.	Executive	Current Level	Difference	Executive	Current Level	Difference
FTE	21.65	21.65	21.65	21.45	(0.20)	21.65	21.45	(0.20)
Personal Services	\$374,321	\$425,101	\$472,763	\$478,139	\$ 5,376	\$472,580	\$477,431	\$ 4,851
Operating Expenses								
Contracted Services	\$ 15,160	\$ 5,872	\$ 14,786	\$ 12,777	\$ (2,009)	\$ 15,673	\$ 13,541	\$ (2,132)
Supplies	1,254	2,895	1,410	1,399	(11)	1,494	1,479	(15)
Communications	13,933	7,649	17,561	17,548	(13)	20,895	20,881	(14)
Travel	29,202	34,745	33,425	31,170	(2,255)	34,637	32,244	(2,393)
Rent	26,522	46,255	29,800	26,532	(3,268)	31,588	28,123	(3,465)
Repairs	857	2,169	963	953	(10)	1,021	1,010	(11)
Other	2,022	899	2,271	2,269	(2)	2,408	2,404	(4)
Total Equipment	\$ 88,950	\$100,484	\$100,216	\$ 92,648	\$ (7,568)	\$107,716	\$ 99,682	\$ (8,034)
	2,464	350	10,113	675	(9,438)	10,403	966	(9,437)
Total Admin.	\$465,697	\$525,935	\$583,092	\$571,462	\$ (11,630)	\$590,699	\$578,079	\$ (12,620)
Funding								
General Fund	\$ 89,934	\$154,599	\$116,618	\$155,127	\$ 38,509	\$118,140	\$164,989	\$ 46,849
Third-Party Rev. Voc. Rehab.	1,605	371,336	466,474	416,335	(50,139)	472,559	413,090	(59,469)
Total	\$465,697	\$525,935	\$583,092	\$571,462	\$ (11,630)	\$590,699	\$578,079	\$ (12,620)

exhibit 8
2/21/83

PROGRAM: VISUAL SERVICES

BENEFITS

Benefits	1982 Actual	1983 Approp.	-----1984-----			-----1985-----		
			Executive	Current Level	Difference	Executive	Current Level	Difference
Sec. 110 - Rehab.	\$105,187	\$180,529	\$195,537	\$118,188	\$(77,349)	\$204,177	\$125,279	\$ (78,898)
5DI Trust	5,569	11,018	11,018	6,257	(4,761)	12,120	6,633	(5,487)
SSI	-0-	8,563	8,563	-0-	(8,563)	9,419	-0-	(9,419)
Extended Emp.	3,970	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Visual Medical	53,279	63,820	68,600	62,144	(6,456)	73,750	67,116	(6,634)
CETA	58,567							
Donations to Blind	8,214	5,788	9,000	9,000	-0-	9,000	9,000	-0-
Total	\$234,786	\$269,718	\$292,718	\$195,589	\$(97,129)	\$308,466	\$208,028	\$(100,438)
	=====	=====	=====	=====	=====	=====	=====	=====
<u>Funding</u>								
General Fund	\$ 78,287	\$ 99,926	\$107,707	\$ 85,782	\$(21,925)	\$114,585	\$ 92,172	\$(22,413)
Voc. Rehab.	148,285	164,004	176,011	100,807	(75,204)	184,881	106,856	(78,025)
Third-Party Rev.	8,214	5,788	9,000	9,000	-0-	9,000	9,000	-0-
Total	\$234,786	\$269,718	\$292,718	\$195,589	\$(97,129)	\$308,466	\$208,028	\$(100,438)
	=====	=====	=====	=====	=====	=====	=====	=====

EXTENDED EMPLOYMENT DATA

<u>Population area</u>	<u># Served year-to-date</u>	<u># on Waiting List</u>	<u>Current \$ Budget</u>	<u>\$ Need for Wtg. List</u>
Billings	10	30	\$43,710	\$131,130
Butte	4	0	20,705	00
Miles City	7	0	34,508	00
Great Falls	7	30	23,005	98,592
Kalispell	3	6	11,503	23,006
Helena	17	6	91,968	32,459
Missoula	<u>2</u>	<u>49</u>	<u>4,601</u>	<u>112,724</u>
	50	121	\$230,000	\$397,911

All figures are current, as of February 18, 1983. Data submitted by provider facilities. Actual dollars required to serve Waiting List (last column) does not take into consideration any increase for inflation(i.e.....6 per cent per year). Based upon a need ofnearly \$400,000 to provide services to those on waiting lists, the option of providing \$100,000 in additional funding is a minimal amount to appropriate for the biennium.

ADDRESS: Mr. Chairperson and Committee Members

My name is Tom Gale, I am 22 years old, I live in Missoula

I am supporting the S.R.S. Rehabilitation services budget as it appears in the Governor's budget with the provision of an increase in funds for extended employment.

PERSONAL TESTIMONY

I was hit by a car in December of 1980. As a result, I sustained a brain injury. This has some physical implications for me. It has left me uncoordinated and my reaction time is no longer as fast as it once was. I now walk with the assistance of a cane.

I have gone through a number of evaluations and am in the process of deciding what I want to do with the rest of my life. I have been told through evaluations that I cannot be competitively employed. They tell me there is a possibility of a training program called Extended Employment where I can build up and learn new work skills so I can gradually get back into the work force on a full time basis.

I've come a long way with the help of rehabilitation services that I received. I am now physically able to start working in some capacity. Right now I'm in the process of trying to decide the type of work I want to do to make a comfortable living. But first I need to gradually work into full time employment and need the training which Extended Employment can give.

I understand there is a waiting list which has been developed for neurological impaired people like me to show the need for more Extended Employment opportunities, if only there were some more positions available in the Missoula area.

Please consider this when making your decision, it is an important part of my future.

Thank you for listening.

Are there any questions?

Eastern Montana Industries

Center for the Handicapped — A non Profit Corporation

Main Off. 809 South Haynes Avenue • Box 636 • Miles City, Montana 59301
Phone 232-3740

February 10, 1983

John Shontz
Capitol Station
Helena, MT 59601

Dear Representative Shontz,

The enclosed pages are meant to be testimony re-
garding Medicaid funding of Speech Therapy. We
would like to be able to attend the public hear-
ing but do not have the resources to do so.

Thank you for your attention.

Sincerely,



Ron Langworthy
Executive Director

RL:lar
cc: Dale Haefer
Marylou Coutts-Petersen

Executive Director
Ron Langworthy

Services:

Vocational Evaluation

Work Activity

Work Adjustment

Speech Therapy

Semi-Independent Living

Group Homes

Community Education

Service to Humanity

EASTERN MONTANA INDUSTRIES
PROVIDING MEDICAID FUNDED SPEECH THERAPY

At Eastern Montana Industries, there are 56 developmentally disabled clients; 50% of the clients have speech, language, and/or hearing problems. Currently, 19 clients are on the speech/language therapy caseload and 9 others are candidates for therapy when openings occur. Of the 19 speech/language therapy clients, 17 are funded by Medicaid; they have no other funding source for therapy.

The 19 clients receiving speech/language services have a variety of problems; most of them have multiple speech/language problems. A breakdown of specific problems includes; 1 hearing impaired, 2 nonverbal (cannot use speech), 1 voice disorder, 1 rate disorder, 15 speech sound disorders, 1 speech programming disorder (must use sign language with speech), 2 cerebral palsy with effects on speech, 9 receptive language disorder (understanding language), and 7 expressive language disorders (using language effectively). Clients on the speech therapy waiting list have problems including 3 hearing impaired, 4 nonverbal, 1 echolalic (repeats everything she hears), 1 voice disorder, and 2 speech sound disorders.

Our clients benefit from speech/language training in many ways. The primary focus of any training for the developmentally disabled is to increase independence. Enabling clients to express their wants and needs makes them much less dependent upon others; the clients no longer have to wait silently for trainers to anticipate their needs. Imagine frustration of being thirsty and not having the ability to request a glass of water! Increased speech and language skills helps to build the dignity and self-esteem that come with the ability to express preferences, likes, and dislikes as opposed to having your decisions made for you.

Effective speech/language skills allow for more positive interactions in both the workshop and group home life. Clients with communicative skills have an alternative to maladaptive behaviors (saying "no" rather than tantruming, crying, throwing objects). When two-way communication is no longer a struggle, others are more likely to interact with clients who may have previously been avoided. The frustration for both speaker and listener is greatly reduced when the client is able to express himself and to understand what is being said to him.

In general any type of training program runs more smoothly when a client has adequate speech/language skills. Language training helps the client to understand necessary concepts and vocabulary. The client with a reliable 'yes/no' response is able to tell whether he understands directions.

Another primary aim of programming with developmentally disabled clients is increased ability to be integrated into community life. A client's attempts at interacting in the community are more likely to be reinforced if his speech and language are understandable. This is especially important for clients in a semi-independent living program; they need to be able to communicate in order to carry out the business of their daily lives. (The clients themselves are acutely aware of this necessity, and thus are motivated to improve their speech and language).

Unfortunately, the issue of how language and cognition relate has in the past constituted a "vicious cycle". The logic was that since the mentally retarded can't learn, there is no sense in working on speech/language (among other skills). However, it was a client's lack of adequate speech/language skills which played a major part in identifying the client as "mentally retarded". Neglecting to train the client in speech/language served to keep the client at his original level of functioning with no opportunity for improvement. The fact is that most developmentally disabled clients are able to improve their speech/language skills with training-even those considered "severely" and "profoundly" retarded. Thus, it is unreasonable to predetermine that a client will not benefit from speech/language training. Think of all the wasted potential for those clients who never received speech/language training!

The termination of speech/language services for EMI's Medicaid funded clients would certainly be a major step backward. There would be no long-term skill maintenance for the lower-functioning clients; the environment will not provide sufficient natural reinforcement at this level of functioning! Some clients at all functioning levels will revert to their previous speech/language patterns if programming is terminated before objectives have been achieved. This would have an especially devastating effect on semi-independent living clients who are aware of the need for better speech and language. Clients currently on the waiting list would probably never be served, because Medicaid is their only funding source. Some of these clients are nonverbal and have little means of communication; to think that they would remain at this level is quite frustrating.

In conclusion, I would like to present a few individual cases: 1) Bill, age 29, has cerebral palsy and is confined to a wheelchair. His physical disability has caused him to have a very weak voice, inability to produce long words, and difficulty producing many sounds. Speech therapy at an institution where Bill had previously lived concentrated on use of a communication notebook rather than speech. Bill felt limited by using the book; he wanted to talk. He became frustrated when others could not understand him, and at times expressed his frustration by screaming, spitting, or withdrawing from all types of interactions. The impression of Bill's doctor was that Bill could speak only in monosyllables because he was so severely retarded. Six months of intensive speech therapy at EMI is producing some very positive changes for Bill. He is working on proper breathing for a louder voice and the ability to say longer words, as well as putting the ending sounds on words and improving specific sounds. Speech is becoming a workable system for Bill; he no longer uses his notebook and is able to communicate adequately even with strangers. Bill experiences less episodes of frustration in his communication attempts, and he's quite proud of his accomplishments. When asked how he would feel if speech therapy were to stop, Bill replied "Down the drain!"

2) Craig, age 35, has difficulty with the voluntary use of speech. Most of his spontaneous speech attempts have typically been jargon, impossible to decipher. This has resulted in a great deal of frustration for both Craig and the listener. In speech therapy, Craig is learning to use manual signs whenever he talks. This has given him a reliable method of communicating functional phrases such as "help please", "I want change please", and "my name is Craig". Craig is also learning to use a reliable "yes/no" response so that when others don't understand him, they can at least use "yes/no" questions to obtain information from Craig. Other people are no longer avoiding interactions with Craig, now that communication is less of a struggle. Without continued speech therapy, I'm sure that Craig will again resort to jargon. At this point, Craig still

needs heavy encouragement to use signs with his speech.

3) Arthur is unable to use speech due to a physical disability; his disability also precludes use of sign language. Arthur's only means of communicating at this point is grunting and yelling. Trainers frequently have no idea what Arthur is "saying", and this results in frustration on both sides. Increased frustration for Arthur often leads to more yelling and maladaptive behaviors such as head-banging. Arthur is new on the speech therapy caseload; he is a candidate for communication by pointing to pictures. We are optimistic that improved communication for Arthur will decrease his overall frustration. Without therapy, Arthur's behaviors and frustrations will remain the same.

4) Donna, age 29, has a severe hearing loss which has affected her ability to follow directions and to respond appropriately to conversation. The symptoms of hearing loss had gone unrecognized by staff, and were perceived as noncompliance. In a speech/language screening last summer, Donna was suspected of having a hearing loss. She was referred to an audiologist, and now has a hearing aid which appears to be quite beneficial. Also, staff are now more aware of the symptoms of hearing loss, and how to take care of hearing aids. Without the speech/language screening, Donna's hearing loss probably would have gone undetected for a long time. Such a time lapse could have caused Donna's hearing loss to worsen considerably.

The case histories of our speech/language and hearing impaired clients are certainly varied, and my list of cases could go on and on. The common denominator for all cases is the improvement brought about by consistent, and continued speech/language and hearing services. Termination of these services would be detrimental for the entire caseload.