

MINUTES OF THE MEETING
STATE ADMINISTRATION COMMITTEE
MONTANA STATE SENATE

March 17, 1983

The forty-ninth meeting of the Senate State Administration Committee was called to order by Senator Pete Story on March 17, 1983 at 10:00 a.m. in room 331 of the State Capitol Building in Helena, Montana.

ROLL CALL: Roll was taken and all members were present but Senators Lee and Tveit.

The meeting was called to hear House Bills 847, 786 and 424.

CONSIDERATION OF HOUSE BILL 847:

"AN ACT INCREASING SALARIES FOR ELECTED STATE OFFICIALS, SUPREME COURT JUSTICES, DISTRICT JUDGES, THE COMMISSIONER OF POLITICAL PRACTICES, AND THE CHAIRMAN AND MEMBERS OF THE STATE TAX APPEAL BOARD; AMENDING SECTIONS..."

REPRESENTATIVE DRISCOLL, District 69, introduced this bill stating that this is a salary increase for elected officials from the state administration committee in the House and they have taken the salary commission on the regular basis and amended it down 2% and plugged in \$100 a month for the chairman of the public service commission. The chairman of the tax appeals board receives the difference.

PROPOSERS:

STEVE BROWN, lobbyist for the Judges' Association stated that they support the bill. One issue is that the legislature recognizes the judges in Montana are paid less than their counterparts. He presented a handout, EXHIBIT 1, showing this distinction. It is the contention that Montana judges have better retirement systems. EXHIBIT 2 shows the comparison of Judicial retirement systems. The bottom line is to keep in a good caliber of judges. He urged the adoption of H.B.847.

PAUL KELLER, practicing attorney in Helena for 48 years and appearing for the state bar association, stated that they should pay the judges in accordance with the effort they put forth. He stated that when you are in law you are advocating one side; when you are a judge you must see two sides and many people cannot do that. We should compensate these men for the long hours and service they are putting in.

OPPOSERS: None

QUESTIONS OF THE COMMITTEE:

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SENATOR STORY stated it appears the boast to the tax appeal boards chairman is a little greater than the 3%

REPRESENTATIVE DRISCOLL said the \$23,000 was the last biennium. \$25,493 is the salary they are receiving now.

SENATOR TOWE questioned their procedure in increasing salaries. REPRESENTATIVE DRISCOLL said that they took their present salary and increased it by 2%.

SENATOR TOWE asked for verification that each figure is a 2% increase over the preceding year.

REPRESENTATIVE DRISCOLL said "yes".

The hearing closed on H.B. 847.

CONSIDERATION OF HOUSE BILL 786:

"AN ACT REQUIRING A STATE AGENCY TO MAINTAIN A CENTRAL LIST OF ALL CONTRACTS TO BE LET BY THE AGENCY; INCREASING THE PREFERENCE PROVISIONS FOR MONTANA BIDDERS; AMENDING SECTIONS.."

REPRESENTATIVE D. BROWN, district 83, introduced this bill to the committee and said that it is to promote more money in Montana and promoting Montana business. He said that what he really wanted to do is that if Montana money was going to be expended that Montana contractors knew this and could go after it. He stated that if you are bidding in one area then with this bill there is only one place to go with that bid.

PROPONENT:

CHAD SMITH, representing the Land Improvement Contractors Assoc. said that this is a depressed industry. He said they are most interested in section 1 of this bill. This 2% interest would have a lot of benefit because it is in the area where they are doing the bidding. It speaks to local contractors and they feel since they are the ones paying the contractors, they feel they are the ones paying the taxes, they should have that advantage.

OPPONENTS: None.

QUESTIONS OF THE COMMITTEE:

SENATOR TOWE asked if they have any concern that 5% is pushing it too much?

REPRESENTATIVE BROWN said "not really" that there are some states that are as high as 10% on their preferences.

SENATOR TOWE asked is there any danger if we go too high that we will discourage outside bidders?

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REPRESENTATIVE BROWN said if they are not competitive they will not bid anyway. Senator Brown closed by saying that this will not fit in with the procurement side.

ACTION ON HOUSE BILL 786:

SENATOR TOWE MOVED HOUSE BILL 786 BE CONCURRED IN.
MOTION PASSED.

CONSIDERATION OF HOUSE BILL 424:

"AN ACT ALLOWING THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO OPERATE A PROGRAM OF HOME AND COMMUNITY-BASED MEDICAID SERVICES AS AN ALTERNATIVE TO LONG-TERM INSTITUTIONAL SERVICES; AUTHORIZING LONG-TERM CARE PLACEMENT EVALUATIONS OF PERSONS SEEKING OR RECEIVING LONG-TERM CARE SERVICES; REQUIRING THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO DISSEMINATE INFORMATION ABOUT HOME AND COMMUNITY-BASED MEDICAID SERVICES; AND PROVIDING AN EFFECTIVE DATE."

REPRESENTATIVE JOHN SHONTZ, district 53, introduced this bill and said, we are trying to get people to live in a good environment and House Bill 424 would allow Montana to use medicaid funds for in-home services. It means that people will not have to be in nursing homes but can be cared for at home for less money. He read the statement of intent attached to the bill. "The intent of this bill is to allow the use of federal medicaid funds in supporting services to senior citizens, the handicapped, and the developmental disabled in the least restrictive and appropriate environments within appropriation limits established by the legislature. The department shall insure that alternative services be provided at no additional cost to the state.

PROPOSERS:

JOHN LAFAVER, Director of Social and Rehabilitation, testified saying that this is the most important piece of legislation he has been involved with. Most of you that know something about the medicaid program over the years know that there has been an inadvertent but obvious incentive to institutionalize under the medicaid program. The only cost that medicaid would pay was in a institution, a hospital or nursing home but if the state would want to move people from an institution where people could thrive outside an institution, it would not be possible to take the medicaid dollars and care for them in that way. In 1981 there was a constructive change and that was the opportunity to apply for a medicare waiver. This would allow people to submit a plan to be cared for outside and use those funds to defray the costs. Montana was the second state in the

country to take advantage of this and in 1981 a nursing home in Helena was closed and they opened group homes and used the money to operate those group homes. Last May or June the Department started working with the people to develop a more comprehensive waiver and submitted it at the end of 1982 and it was approved in February of 1983. The last hurdle they need is the approval of this bill.

TOM RYAN, Montana Senior Citizens, spoke as a proponent and presented written testimony, EXHIBIT 3.

HELEN HAEGELE, representing the Montana Senior Citizens spoke in support of House Bill 424, EXHIBIT 4.

WALTER TAYLOR, Missoula, of the Interim Committee of the Legacy Legislature, asked to go on record in support of H.B.424 and it would take pressure off bill No. 187.

SENATOR JUDY JACOBSON, testified for JOHN JACOBSON, M.D., Rocky Mountain Clinic, Butte and Montana Medical Care Advisory Council, Vice-Chairman, and presented written testimony, EXHIBIT 5.

LINDA SLETTEN, MSU, Legislative Intern Montana Medical Association, spoke as a proponent of H.B.424. SEE EXHIBIT 6.

STACY FLAHERTY, Women's Lobbyist Trend, asked the committee to support H.B.424.

JUDY OLSON, Representing the Nurses Association, submitted EXHIBIT 7, written testimony in favor of H.B.424 but stated that their concern was the fiscal note. She presented amendments, EXHIBIT 8, that will clarify that the money will go to in-home-care people.

GEORGE M. FENNER, Administrator of Health Services and Medical Facilities Division of the Department of Health and Environmental Services asked to be put on record as supporting H.B.424. EXHIBIT 9.

BOB WALTERMIER, LICA, said that they are in favor of them using the money if it keeps people in their homes.

WADE WILKISON, LICA, said that this bill impacts 350 senior citizens and the general fund revenue to fulfill that responsibility is \$844,143. The highest senior priority for in-home services is in fact keeping seniors in their home. He said the bill before the committee is funding at \$2 million for keeping people in-home services but the funding is directed basically for administrative costs according to the fiscal note.

He questioned, "is it better to put the \$844,000 there if in fact the director of SRS says that other appropriational changes or recommendations of the appropriations committee has reduced the amount of money going into that may make the waiver less affective. He said that he shares his agony with them on this bill.

SENATOR STORY stated that he was not sure if he were a proponent or an opponent.

MR. WILKISON stated the bill is meant to keep people in their home but was not sure of the intent...

G. B. ERICKSON, recent president of Legacy Legislature and member of AARC Legislative Committee of the State of Montana, stated that the priority of these organizations is to keep people out of nursing homes as long as we can. He spoke of members of his family that have been in nursing homes. He said that his sister, who is disabled, is in a nursing home and it is costing her \$20,000 a year at this time. The first concern is what can be done for these people first and money is secondary.

OPPONENTS:

NEUTRAL TESTIMONY:

ROSE SKOOG, representing the Montana Health Care Association, said that they do support the concept of providing services that will keep people in their homes by allowing medicaid funds to be diverted to medicaid service.

She said that they do have some concerns about the bill that they would like to share. The first is if the intention of the department is to keep the people in their home. She said that they have had the opportunity in the last few days to give testimony on another bill which involves personal care homes, licensing them and setting standards for them as a local in-between the homes and the nursing homes. The SRS came in on that bill and talked about the relationship between the waiver and the personal care bill and how they wanted to leave the options opened to put people in the personal care homes under the waiver.

Ms. Skoog stated that they do support the amendment. In the bill's present form, they do have a problem. There are 360 elderly residents effected by the waiver which is a large documet.

She stated that she was also compelled to address the issue of cost. Though maybe we should not talk about cost, this is

being offered as a cost saving measure but stated that she doubts it. They have been told that the cost of the community based service has to be 80% of the nursing home care or less. Nursing home care includes board, food, heat, 24 hour nursing and a variety of services. If the cost of a nursing home is \$1000 a month and a person has resources of \$300 it is applied onto the \$1000 and the \$600 is the amount that medicaid picks up. The waiver we are talking about does not include the facility or the three meals a day in the 80% and the individual will probably keep his \$300 to maintain his home. When you do that the cost is equal or greater than.

She said that there are other cost factors and has a U.S. Government report that expanded home care but does not reduce cost. The chronically ill people in the community would start using this service. Unmet demands for nursing beds are needed in some areas of the state. She said that you will have to divert costs from nursing homes to these other services.

NEUTRAL TESTIMONY:

DOUG OLSON of the Governor's office and representing Ombudsman and legal council for Senior Citizens stated their concern with the medicaid waiver and asked the committee to weigh both proposals.

QUESTIONS OF THE COMMITTEE:

SENATOR MARBUT asked for a response to the nurses amendment.

MR. LAFAVER stated that he would oppose the amendment as there are a number of methods of caring for people that rest between peoples own homes and intermediate nursing homes like the developmentally disabled group homes and foster homes for senior citizens that are licensed. Are we going to suggest if a person cannot live in their own homes that they must live in an intermediate care nursing home.

SENATOR MARBUT questioned rulemaking authority in Section 5.

REPRESENTATIVE SHONTZ said that rule making authority will follow the statement of intent..

SENATOR MARBUT asked why the changes in the House in section 4.

SENATOR SHONTZ said the original bill required nursing home administrators to discriminate individuals who were considering entering nursing homes and it was felt that physicians were a better group to do this.

SENATOR MARBUT asked if there were people that we have not

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identified that will add to those numbers.

MR. LAFAVER said that the only people they service are those eligible for medicaid.

SENATOR HAMMOND asked for response on the 80% and that the care in the home would be greater than in a nursing home.

REPRESENTATIVE SHONTZ said that in Montana you go from a home situation into a nursing home, from no service to all of them. Some people do not need all of the service therefore we can defray those costs.

SENATOR HAMMOND asked at what point do you say it does not work?

REPRESENTATIVE SHONTZ said when the cost of providing service to an individual becomes greater under the waiver than a nursing home.

SENATOR HAMMOND asked if they consider the many that contribute to the nursing home?

REPRESENTATIVE SHONTZ said that they have to be eligible for medicaid, therefore they do not have much of anything.

MR. LAFAVER said that they will certify that it will not be more than 80%.

SENATOR TOWE asked do you need skilled and intermediate care for medicaid persons?

MR. LAFAVER said that is a term of service medicaid pays for.

SENATOR TOWE asked what medicaid would pay for under this, intermediate....skilled, is that an element of certification?

MR. LAFAVER said that is the earned service that medicaid pays for.

SENATOR TOWE asked what will medicaid pay for if it is based on skilled nursing care or intermediate care, are those requirements of medicaid?

MR. LAFAVER said if they only need someone to administer medicine or one service then the waiver would pay for this. You do not have to be on nursing care under the waiver. He said that the costs paid for under the waiver are not recognized under medicaid now as home chores but if it is for a nurse or for

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home health care then medicaid would pay for it and does now. If a person could not cook their own food then they could contact meals on wheels and there would be a small charge.

SENATOR TOWE questioned moving home health care to medicare.

MR. LAFAVER said "not quite" Alot is being pulled out in the personal care bill being sponsored.

SENATOR TOWE asked if he wanted to start a group home would he have to be licensed?

GEORGE FENNER stated that he would not. He also apologized for being late and stated that he to would like to go into the record as a proponent.

SENATOR STIMATZ asked who licenses group homes and foster care homes and what kind of rules do you contemplate?

MR. LAFAVER said the rules won't be simple. It is a very complex program. They will be sure budget limits are lived within. It will be more than a one or two page rule.

SENATOR STIMATZ asked if this document was an agreement between the Federal Government and the State of Montana?

MR. LAFAVER said that was the proposal we made to the Federal Government that they have accepted.

SENATOR HAMMOND asked to identify under the catagory of personal services, operational.

MR. LAFAVER said that on the fiscal note the only cost that he would say is administrative cost as the waiver is running, they would have to add two additional people to do the screening. The other costs are SSI, a little over \$100 a month the state pays to elderly. In addition to that there are start up costs for the home health care agencies in setting up their case management structure. After set up, their costs would be recognized by medicaid, but to set this up they have asked for \$165,000. startup. They also have a contract with the Montana Medical Foundation to do an indepth medical screen of the people in the nursing homes coming out.

SENATOR TOWE suggested that they could use home health care to service more people.

SENATOR MANNING questioned Ms. Skoog about service to people, under the amendment.

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ROSE SKOOG said there are two reasons. One is that it seems to be what senior citizens want. The other concern is, under the waiver, the person that only needs a meal prepared and can stay home, she said that she defies the department that there is a person under medicare and in the nursing home only to get that meal. Under this bill there will be a screening process and you have to determine that that person will need intermediate care before you can serve them under another setting under this waiver. If the screening says that person needs medical care that person cannot be served under this waiver. Their concern is, if you can do this with a home health nurse in their home that is fine, but if you are going to put them in a unlicensed care home that has no providing nursing care there is a problem with that.

SENATOR TOWE said that the group home is licensed under SRS to look under those very things mentioned. Do you not have any faith in SRS to look after this?

MR. SKOGG said that they have a statute on the books that says you may not give intermediate care without a intermediate care license and also a statute that defines what personal care is.

SENATOR STORY asked how many people are out there and what is the eligibility?

LOWELL VEDA said that there is an income and property limitations. For the group that they are looking at it is basically for the elderly and disabled and the SSI standard amount is under \$284.00 for income. In the area of resources, they are looking at the SSI amount which is \$1500 for an individual and \$2250 for a couple

SENATOR STORY stated that there are thousands of people who meet this criteria but this 366 figure must have been arrived at by you saying that this will be a pilot program in certain areas. How did you arrive at such a small figure?

OWELL VEDA said that they looked at the number of nursing home admissions over the year as a basis for a channeling study that was done. They used it as a basis to estimate how many would be there. As a channeling study it was used a couple of years back and used as a tool to determine whether someone needed skilled or intermediate care, personal care or no longterm care at all. The figure they used was 12% that didn't require intermediate and skilled care that medicare clearly has a mechanism for funding. They are currently paying for that 12% that are in nursing homes.

SENATOR STORY asked if these were state wide studies?

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MR. LAFAVER said only in the areas that they intend to operate the waiver in the first two years which are Billings, Missoula, Bozeman, Miles City, Helena and Great Falls and Sidney.

SENATOR STORY remarked that these are areas that have developed home health care agencies and you will contract with them, and the types of people providing these services will be the ones they employ or contract, skilled or unskilled and cleaning their home and doing their laundry will come under this.

MR. LAFAVER said that is correct. Clothing or blankets would not come under this. Food would but not heating of their homes.

SENATOR STORY said that many more are eligible than the 366 that you have preceived, you have stated that it will terminate in the event, or that you will not apply it if it costs more than 80% of what it would otherwise cost. The eligible people you preceive are those you screen to determine if they should be put in a foster care or intermedidiate care or someother service and if what you are intending costs more than 80% of that you won't do it; but also if the total program cost more than otherwise you will not do it, is that correct?

MR. LAFAVER said the most important limitation they have is the legislative appropriation. They cannot exceed that.

SENATOR STORY said we have already acted on your appropriation.

MR. LAFAVER said that there are serious problems with that unrelated to this debate that they will be arguing.

SENATOR STORY stated that you apparently have a difference with Linda Slettin who says there are many people eligible, that are not now eligible, was she mistaken?

MR. LAFAVER said the key to making this work is to define operational. The selection of people are either living in nursing homes and they want to come out and are capable, the other is screening the people closely as they are leaving the hospital. This is all optional.

SENATOR STORY said some old folks have nothing, not even eligible for social security.

MR. LAFAVER said if they do not ever come to a hospital or to a doctor they would not be counted.

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MR. LAFAVER said that they will live within the budget that is set for them.

REPRESENTATIVE SHONTZ closed on H.B. 424 and said that the waiver has been approved by the federal government and he asks for the approval now of the committee.

The Chairman adjourned the meeting at 12:30 p.m.

A handwritten signature in black ink, appearing to read "Pete Story", is written over a horizontal line. The signature is stylized with a large, looped "P" and a long, sweeping "y".

CHAIRMAN, Senator Pete Story

ROLL CALL



STATE ADMINISTRATION

COMMITTEE

48th LEGISLATIVE SESSION -- 1983

Date 3/17/83

SENATE
SEAT #

NAME	PRESENT	ABSENT	EXCUSED	
SENATOR PETE STORY, Chairman	X			45
SENATOR H. W. HAMMOND, Vice Ch	X			34
SENATOR REED MARBUT	X			44
SENATOR LARRY TVEIT		X		33
SENATOR R. MANNING	X			48
SENATOR LAWRENCE STIMATZ	X			7
SENATOR THOMAS TOWE	X			26
SENATOR GARY LEE		X		11

Each day attach to minutes.

DATE March 17, 1983

COMMITTEE ON _____

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
<i>H. V. Gibson</i>	Leg Leg - AARP R.T.A.	HB 424	<input checked="" type="checkbox"/>	
<i>Jessie T. Loendorf</i>	Int. Medical Assoc	H 424	<input checked="" type="checkbox"/>	
<i>Linda Sletten</i>	Legislative Intern MMA	H 424	<input checked="" type="checkbox"/>	
<i>Tom Ryan</i>	Mont. H. Citys	H 424	<input checked="" type="checkbox"/>	
<i>Sam Ryan</i>	" " "	424	<input checked="" type="checkbox"/>	
<i>Mary Ryan</i>	" " "	424	<input checked="" type="checkbox"/>	
<i>Donald Peterson</i>	mont. Ass. of Home/agcn	HB 424	<input checked="" type="checkbox"/>	
<i>Judy Jacobson</i>	John R. Jacobson	HB 424	<input checked="" type="checkbox"/>	
<i>Steve Brown</i>	Att. Judges Assoc.	H.B. 847	<input checked="" type="checkbox"/>	
<i>Lucy A. Flaherty</i>	Women's Lobbyist Fund	HB 424	<input checked="" type="checkbox"/>	
<i>Chad Smith</i>	Mont Land Improvement Contractors	HB 786	<input checked="" type="checkbox"/>	
<i>Frank J. Keller</i>	State Bar Judiciary Committee	847	<input checked="" type="checkbox"/>	
<i>John Smith</i>	Montana Road Imp Rmt	HB 786	<input checked="" type="checkbox"/>	
<i>John Kuegel</i>	Mont. H. At. Assoc.	H 424	<input checked="" type="checkbox"/>	
<i>Rose Skoog</i>	Int Health Care Assn	HB 424	Information	
<i>Douglas B. Olson</i>	Int Seniors Assoc. Asst	HB 424		
<i>Phyllis A. Thomas</i>	Montana Nurses Assn -	HB 424	Agenda Chngd. -	
<i>Heleen McKnight</i>	Mont. Senior Citizen	HB 424	<input checked="" type="checkbox"/>	
<i>Bob WALTNER</i>	LISCA	# 424	for your home living only	
<i>Beverly Auburn</i>	MACO	HB 424	<input checked="" type="checkbox"/>	
<i>Walter J. Taylor</i>	Legacy Legislature	HB 424	<input checked="" type="checkbox"/>	

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COMPARISON OF JUDICIAL SALARIES -- HOUSE BILL 847

	<u>Chief Justice Supreme Court</u>	<u>Associate Just. Supreme Court</u>	<u>District Judge</u>
Montana (Present)	\$48,204	\$47,023	\$45,841
Montana (Proposed, second year of biennium)	50,151	48,923	47,693
Arizona	57,500	57,500	53,000
Colorado	58,936	55,600	47,260
Idaho	47,300	47,300	45,300
Kansas	53,250	50,558	48,860
Nevada	N/A	61,500	56,000
New Mexico	50,500	49,500	45,000
North Dakota	55,400	53,900	50,600
South Dakota	48,000	46,900	43,750
Utah	50,500	50,000	45,000
Wyoming	63,500	63,500	61,000

AVERAGE SALARIES OF OTHER STATES

<u>Chief Justice Supreme Court</u>	<u>Associate Just. Supreme Court</u>	<u>District Judge</u>
\$53,021.91	\$52,683.67	\$49,108.67

COMPARISON OF APPELLATE CASE FILINGS - 1981

Montana	574
Idaho	455
North Dakota	382
South Dakota	343
Wyoming	205

*The salary figures for the other states do not take into account any increases in salary being considered by the 1983 legislatures of these states.

COMPARISON OF JUDICIAL RETIREMENT SYSTEMS
HOUSE BILL 705

The following comparison of salary and retirement benefits for supreme court and district court judges was compiled from "Judicial Retirement Plans", a project of the American Judicature Society (1980).

GENERAL CONCLUSIONS

1. Nine states fund judicial retirement plans entirely from state revenues and filing fees (Maine, Minnesota, Missouri, Nevada, New Hampshire, New Jersey, Rhode Island, Utah and Wyoming). The remaining states fund judicial retirement systems through a combination of member contributions and state and court filing fee revenues. The percentage contribution by judges ranges from 11% of salary in Louisiana to 1/2% of salary in Ohio. Montana's judges currently contribute 6% of their salaries to the Judges' Retirement System. House Bill 705 raises member contributions to 7%.

2. Three states in the Western region (Wyoming, Nevada and Utah) pay 100% of the retirement system costs for their judges. Only three states in the region (Arizona, New Mexico and South Dakota) require greater contributions from members than Montana.

3. Thirty-one states, including Montana, require judges to participate in the judicial retirement plan. Participation is voluntary in the other states.

4. In addition to Montana, three states (Idaho, North Dakota and Wyoming) base retirement benefits on the current salary of the judicial office. Utah and South Dakota also provide for a limited annual percentage increase in retirement benefits for judges.

5. For the four states which base retirement benefits on final salaries and do not provide for automatic annual increases in benefits, the percentage of salary figure for retirement benefits is substantially higher. A judge who serves 20 years in Arizona, Kansas, Nevada and New Mexico receives the following percentage of final salary:

Arizona	66%
Kansas	65%
Nevada	66%
New Mexico	75%

A judge who serves for 20 years in Montana can retire at 55% of salary but does receive an "automatic" increase in retirement benefits in that the 55% figure is tied to the current salary of the office.

6. A higher retirement figure based on final salary provides a much greater and more immediate retirement benefit for a judge, as illustrated by a comparison of the retirement systems in Montana and Kansas. Assume an Associate Justice of the Supreme Court retires based on 1982 salaries after 20 years of service in both states.

	<u>MONTANA</u>	<u>KANSAS</u>
1982 Salary	\$47,023.00	\$50,558.00
% of salary	.55	.65
Retirement Salary	\$25,862.65	\$32,862.70

The Kansas Associate Justice retires at a salary \$7,000.05 higher than the Montana Justice. The current salaries of Montana's Associate Justices would have to be raised to \$60,000 annually before a retired Associate Justice would receive the same retirement benefits as a Kansas Associate Judge.

7. Montana's Supreme Court and District Judges are paid substantially less than their counterparts in the 9 adjoining states. The average salaries for the 9 neighboring states surveyed are approximately \$5,000 higher than Montana's judicial salaries. North Dakota's judicial salaries are \$5000 to \$7000 higher than Montana's. Wyoming's judicial salaries are at least \$15,000 higher than Montana's.

8. The Legislature has traditionally recognized that Montana's judges are paid less than their counterparts in the adjoining states. The legislative justification for lower salaries has been that Montana's judges have a better retirement system than judges in the region. The attached comparison of retirement systems indicates that is not the case.

9. Montana's Supreme Court Justices have a substantially higher caseload than the highest courts in Idaho, North Dakota, South Dakota and Wyoming, as illustrated by the following:

<u>STATE</u>	<u>CASE FILINGS - 1981</u>
Montana	574
Idaho	455
North Dakota	382
South Dakota	343
Wyoming	205

Despite the greater workload, Montana's justices are paid substantially less than their counterparts in North Dakota and Wyoming (see paragraph 7). Montana's justices are paid \$100 to \$200 more than their colleagues on the South Dakota Supreme Court and \$250 to \$900 more than their colleagues in Idaho.

COMPARISON OF SALARY AND RETIREMENT BENEFITS FOR SUPREME
COURT AND DISTRICT COURT JUDGES WHO SERVE 20 YEARS

*Salaries: Chief Justice Assoc. Justice District Judge	**Retirement Benefit (20 Years of Service)	When Retirement Vests	Member Contributions	State Contributions	Death Benefits	Disability Benefits	Automatic Cost of Living Increase
Montana \$48,204 47,023 45,841	55% of current salary of office	5 years and age 65; 12 years and any age if involuntarily retired	6% of salary	6% from state and 20% of judges', salaries from State's share of court fees	Yes	Yes, at any age if duty related. Benefits are 50% of final salary or normal retirement bene- fit, whichever is greater	Yes
Arizona \$57,500 57,500 53,000	66% of salary at time of retirement	12 years and age 65	7% of salary	25-40% of filing fees	Yes	Yes, after five years of service, regardless of age	No
Colorado \$58,936 55,600 47,260	not available	not available	not available	not available	not available	not available	not available
Idaho \$47,300 47,300 45,300	50% of current salary of office	4 years at age 65 or any age if 20 years of service	6% of salary	20% by state and 63% of filing fees	Yes	Yes, after four years of service	Yes
Kansas \$53,250 50,558 48,860	65% of last monthly salary	No minimum years of service at age 62	6% of salary	76% of total system cost	Yes	Yes, with full benefits and no minimum years of service	No

EXHIBIT 2

* Salary figures are 1982 calendar year salaries

*Salaries:
Chief Justice
Assoc. Justice
District Judge

**Retirement
Benefit (20
Years of
Service)

When
Retirement
Vests

Member
Contributions

State
Contributions

Death
Benefits

Disability
Benefits

Automatic
Cost of Living
Increase

Nevada

N/A
\$61,500
56,000

66% of
final salary

12 years of
service and
age 60

None

100% of
total system
cost

No

No

New Mexico

\$50,500
49,500
45,000

75% of
final salary

16 years of
service and
age 60 or 5
years of service
and age 64

10% of
salary

All remaining
system costs

Yes

Yes, after
five years of
service

No

North Dakota

\$55,400
53,900
50,600

50% of
current salary
of office

Age 65, 20
years; Age 66,
18 years; Age
70, 10 years

5% of
salary

Not
available

Yes

Yes, compen-
sated for remainder
of term and then
receives retirement
benefits

Yes

South Dakota

\$48,000
46,900
43,750

60% of
final salary

Age 55 (reduced
benefits)

8% of
salary

State matches
member
contributions

Yes

Yes, if
3 years of
service and not
eligible for
early retirement

Yes (2% per
year)

* Salary figures are 1982 calendar year salaries

** The retirement system comparisons are based on a 1980 publication entitled Judicial Retirement Plans, by Timothy Pyne, published by American Judicature Society

*Salaries: Chief Justice Assoc. Justice District Judge	**Retirement Benefit (20 Years of Service)	When Retirement Vests	Member Contributions	State Contributions	Death Benefits	Disability Benefits	Automatic Cost of Living Increase
Utah	\$50,500 50,000 45,000	50% of average final salary	10 years of service and age 65 or 5 years and age 70	None for basic benefit; 2% to pay 1/2 of cost of living adjustment	State pays all other system costs	Yes	Yes (maximum of 4% based on CPI)

Wyoming	\$63,500 63,500 61,000	50% of current salary of office	6 years of service and age 65	None	100% of system costs	No	Yes
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* Salary figures are 1982 calendar year salaries

** The retirement system comparisons are based on a 1980 publication entitled Judicial Retirement Plans, by Timothy Pyne, published by American Judicature Society

Montana Senior Citizens Assn., Inc.

WITH AFFILIATED CHAPTERS THROUGHOUT THE STATE

P.O. BOX 423 - HELENA, MONTANA 59624



EXHIBIT 3
STATE ADMIN.
3/17/83

(406) 443-5341

17 March 1983

TESTIMONY OF TOM RYAN OF THE MONTANA SENIOR CITIZENS ASSOCIATION IN FAVOR OF HOUSE BILL 424

Reasons why HB 424 represents sound management

1. Montana has a disproportionately high elderly population. One out of six Montanans is over the age of 60, compared to 11% of the U.S. population. Thus, Montana can be expected to fund an extremely high Medicaid budget to pay for long-term care.
2. There are 5,900 total long-term beds in the state. While many of these beds are vacant, over 3,950 occupants are utilizing Medicaid. Thus, between 70 and 80 percent of the long-term residents utilize Medicaid.
3. The state must pay 37% of this Medicaid fee; this state share has been on the increase for several years.
4. Job creation is generated by this concept. Dollar-for-dollar, health care creates the highest employment benefit.

Factors unique to Montana

1. The rural nature of Montana creates the situation in which some older people must relocate out of their communities to enter a nursing home. This removes family and friends as a support system; thus, a resident is less likely to return to their own homes.
2. Montana has not had the benefit of demonstration projects to determine ways to serve people in these homes. However, we do have the benefit of now learning from other states.
3. The lack of services may be causing longer periods of institutionalization and more permanent types of care.

Montana Senior Citizens Assn., Inc.

WITH AFFILIATED CHAPTERS THROUGHOUT THE STATE

P.O. BOX 423 - HELENA, MONTANA 59624



EXHIBIT 4
State Admin.
3/17/83

(406) 443-5341

17 March 1983

TESTIMONY OF HELEN HAEGELE, MEMBER OF THE BOARD OF THE MONTANA SENIOR CITIZENS ASSOCIATION, ON HOUSE BILL 424

Mr. Chairman and Members of the Committee,

My name is Helen Haegele. I am a Member of the Board of The Montana Senior Citizens Association.

MSCA is here today to lend our support to House Bill 424. We believe the intent of House Bill 424 is constructive in nature and would lead to more satisfactory care for the program recipients.

We believe House Bill 424 represents an appropriate and creative management decision by the Department of Social and Rehabilitative Services. Extensive time and public input has gone into the development of this bill, and this effort has proven to be beneficial.

The development and operation of more extensive community-based services will provide an opportunity for quality services now available in many larger urban areas. We will have a chance to mold the types of services which are needed throughout the state. However, the most appealing benefit is the ability to maintain individuals in their own homes or facilities of their choice.

MSCA recommends:

(1) That the evaluation should be available at an earlier time period. As suggested in House Bill 424, the evaluation comes too late. Once a family has decided to place an individual in a nursing home, they have exhausted their resources which were previously directed towards independence. Further, they have made a conscious decision to place a person in a nursing home and may not be open to receiving additional services.

(2) The Committee should be aware that House Bill 424 is directed towards a limited number of recipients who are Medicaid-eligible and would otherwise be institutionalized. House Bill 424 does not preclude the need for increased support services throughout the state, particularly for individuals whose needs are less chronic in nature.

TO: Senate State Administrative Committee

FROM: John Jacobson, M.D., Rocky Mountain Clinic, Butte
Montana Medical Care Advisory Council, Vice-Chair

RE: Home and Community-Based Services Waiver

EXHIBIT 5
STATE ADMIN.
3/17/83

The Home and Community-Based Services waiver has been considered on several occasions by the Montana Medical Care Advisory Council as a way of getting at some of the problems of long term care. The Council, and I as a member, support the waiver and the set of services that will be provided to elderly and handicapped citizens. There have been some occasions when individuals have been admitted to nursing homes and other institutions because no other alternatives for long term care were available to physicians. The services under the waiver will now provide physicians with assurances that quality long term care can be provided in home and community settings. This is a valuable resource for physicians and all other health care providers.

I am confident that quality of care can be provided under the waiver services. I am assured that medical case management will be provided in an appropriate manner for these individuals. I am confident that the Department of SRS is not creating a new set of services that will mushroom out of control. Extensive safeguards and limitations are structured into the proposal that will preclude this possibility. And, I am strongly supportive of this model that will organize and coalesce existing services in a community - both medical and social - in a manner to allow our elderly citizens the option of remaining in their own homes without the possibility of too early or inappropriate institutionalization.

Respectively submitted,

John Jacobson, M.D.

(This sheet to be used by those testifying on a bill.)

EXHIBIT 6
STATE ADMIN.

NAME: Linda Sletten DATE: 3-12-83

ADDRESS: Helena, MT

PHONE: 442-5089

REPRESENTING WHOM? Montana Medical Association

APPEARING ON WHICH PROPOSAL: HB 424

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENT: See Attached

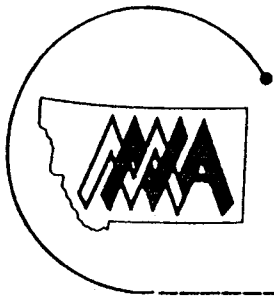
PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

Mister chairman, members of the committee, for the record my name is Linda Sletten. I am employed by a local medical clinic and a part time student at Carroll College, currently enrolled in the legislative internship program as an intern to the Montana Medical Association.

pg 2

Certainly cost benefits are already being realized by the use of existing home health services. Visits to physicians offices and hospital emergency rooms are decreased. Length of hospitalization for many conditions can be reduced if trained personnal are available to assist in home care. Once developed, community-based home care services can be utilized by a wide variety of persons, not only the medicaid-eligible elderly or handicapped.

If at all feasible, life at home, in a community is preferable to institutionalization. Institutional care is one care system. A second system is home care, including all services necessary for allowing one to remain at home. Parallel systems of care need to be recognized and developed and each used as necessary, in close interaction. The Montana Medical Association supports House Bill 424.



Montana Nurses' Association

EXHIBIT 7
State Admin.
3/17/83

2001 ELEVENTH AVENUE

(406) 442-6710

P.O. BOX 5718 • HELENA, MONTANA 59604

TESTIMONY ON HOUSE BILL 424

The Montana Nurses' Association supports the intent of the medicaid waiver if it is to help keep the elderly and handicapped in their own home. In listening to testimony from seniors on this bill it is clear that that is also what they want from the medicaid waiver. We are concerned that this bill may not be clear and completely follow that intent and desire. If it is the intent of the Legislature to allow the use of medicaid-waiver monies to place the recipients in settings other than their own personal homes, then we ask that you clarify the bill to make sure that these persons who have to by law be classified as intermediate or skilled nursing patients are placed in a facility that is licensed to provide the services that they need.

We also ask that you look very carefully at the fiscal note attached to this bill. It contains a considerable sum of money for administrative start-up costs; and we think that it is especially important in these tight fiscal times to use every dollar possible for direct patient care. It is our opinion that this bill will not be a cost-savings measure since it can use 80% medicaid monies and another 20% medicaid monies; and although these monies may come from different pots they still add up to 100% of the taxpayers monies. However, as long as the monies are used for patient care and are used to keep the patients in their own homes, then we endorse the medicaid-waiver.

EXHIBIT 8

Amend Section 1 (1), page 2, lines 1 through 7, as follows: State Admin.
3/17/83

"(1) "Community-based services" means those long-term medical, habilitative, rehabilitative, and other services that are available to medicaid-eligible persons ~~in-a-community-setting-~~
~~er-in-a-person's-home~~ living at home as a substitute for medicaid services provided in long-term care facilities and that are allowed under the state medicaid plan in order to avoid institutionalization."

Amend Section 1 (3), page 2, lines 11 through 15, as follows:

"(3) "Long term care facilities" means facilities ~~that-are-~~
~~certified-by-the-department-of-health-and-environmental-~~
~~sciences-to-provide-skilled-or-intermediate--~~
~~nursing-care-services,-including-intermediate-nursing--~~
~~care-services-for-the-developmentally-disabled- defined~~
in 50-5-101, subsection (20).

3-11-83

AB 424 Medicaid Waiver

The Department of Health
and Environmental Sciences supports
and urges the Committee Do Pass

AB 424

George M. Jenne
Administrator Health Services
& Medical Facilities Div
Dept. of Health & Env. Sci.

(This sheet to be used by those testifying on a bill.)

NAME: EDWARD J. ALBERS DATE: 4-16-83

ADDRESS: Box 515 FORT BENTON, MONT. 59442

PHONE: 406-622-5083

REPRESENTING WHOM? MONT. LAND IMPROVEMENT CONTRACTORS

APPEARING ON WHICH PROPOSAL: HIB 786

DO YOU: SUPPORT? ~~YES~~ AMEND? _____ OPPOSE? _____

COMMENT: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Hugh Brindley DATE: 3-16-83

ADDRESS: Box 138

PHONE: 429-5541

REPRESENTING WHOM? Montana Land Improvement Contractors

APPEARING ON WHICH PROPOSAL: House Bill 786

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENT: A number of our contractors have
lost contracts, particularly in Wyoming
where the 5% residence preference is
in effect. Our organization of which
I am President support this legislation.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Frank Jones DATE: 3/16/83

ADDRESS: Hinsdale MT 59241

PHONE: 364 2249

REPRESENTING WHOM? LICA

APPEARING ON WHICH PROPOSAL: House Bill 786

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENT: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

STANDING COMMITTEE REPORT

MARCH 17 19 83

PRESIDENT
MR.

We, your committee on STATE ADMINISTRATION

having had under consideration HOUSE BILL X No. 786

D. Brown (Towe)

Respectfully report as follows: That HOUSE BILL X No. 786

BE CONCURRED IN

~~XXXXXX~~