

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

March 21, 1983

The 11th meeting of the Senate Finance and Claims Committee met on the above date in room 108 of the State Capitol. Senator Himsl called the meeting to order at 6:27 p.m. for the purpose of hearing House Bill 896.

ROLL CALL: Roll call was taken with all members present except Senator Thomas who was excused.

CONSIDERATION OF HOUSE BILL 896: Senator Himsl explained why this was an emergency meeting of the committee. This bill is to furnish the money for the completion of the childrens home in Billings. The over-run has been necessitated by the requirements of the Government since it is going to be a psychiatric facility and so some plans had to be changed. A contractor has put in a bid and our appropriation will cover it. The Board of Examiners will meet Thursday and the contractors committment would expire before the next meeting. If we can act on this we will suspend rules and the Governor can sign it and then the Board can act on it at this meeting.

REPRESENTATIVE THOFT, Chief sponsor of the bill, said this bill is for \$350,665 to complete the childrens center in Billings, as Senator Himsl said. We have until the 10th of April to get it through the process or lose whatever we have accomplished. He explained the short-falls and other contributing factors that went into the need for this bill.

CURT CHISHOLM, Deputy Director, Department of Institutions, said this project was begun 2 years ago. I have detailed information in case anyone has questions.

DAVE GOSS, Billings, Chamber of Commerce, said the city has purchased the land. The deed was given to Governor Schwinden and if this bill is passed, we will be ready to start.

There were no further proponents, no opponents, and the Chairman asked if the committee had questions.

SENATOR DOVER: As to the certificate of need. Who went through and decided you needed all this extra? Chisholm: The certificate of need is a requirement of the Department of Health. Any time a current program wants to increase capacity (30 beds here were well under the requirement) it is both federally and state mandated. It has to go up for public review.

SENATOR DOVER: You say the requirements are here. What if we don't support the financial increase? Are these laws they have to abide by, or committee members got together and thought it up by themselves? Chisholm: The gymnasium is an approved part of the certificate of need.

SENATOR DOVER: The need was decided by who? Chisholm: It was initially because of the requirement for public meeting. That is the law.

SENATOR DOVER: Is it law just because a group of people get together or what? Chisholm: The certificate of need law in the Montana statutes. When going through the certificate of need process we were also following the rule. The rule is not a law but supported by law.

SENATOR DOVER: On the initial bid. Did they bid for the full project or bid it an an initial amount and then the certificate of need showed more and so they added onto the initial bid? Chisholm: The full amount was bid by the contractor.

SENATOR DOVER: Everybody bid the whole thing, nobody bid on it without the extra, and nothing was added on. Chisholm: They all bid on the whole thing.

SENATOR HIMSL: The original program was modified from a short time to a long time and then to be a psychiatric to meet the JCAH participation in the medicare program.

SENATOR VAN VALKENBURG: In answering Senator Dover's question, who had determined the gym was an integral part of the plan? Chisholm: I don't know if I can answer it as to who.

PHIL HAUCK, Dept of Administration, engineering and architecture Division, said perhaps he could answer the question. When it was determined to be a psychiatric hospital inorder to get medicaid payments for the hospital, you have to reach a whole lot of criteria. This so-called gym is really just an activity area. It was one of many new criteria that had to be met. The big one was toilets in the rooms. This had not been anticipated. In order to be certified through the Board of Health, you have to meet all the criteria.

SENATOR AKLESTAD: When originally bid, was it bid as a psychiatric hospital or was this added onto it? Hauck: When bid, it was bid to meet all the criteria for this type of hospital. It was during the design stage that we were forced to change all this. It was a nursing facility when we started the planning.

SENATOR VAN VALKENBURG: Back to my question. Is it fair to presume that neither of you know who approved the gym portion of this? Chisholm: I can answer the question. We have many problems defending our own actions without trying to defend the certificate of need. The cost of operation was a major factor. With a JCAH Psychiatric Facility, and building it to those standards, it was the only way to get medicaid from the federal government. In going through the certificate of need, it was determined that we had to -- Van Valkenburg: Who said it was determined? Chisholm: It was determined by

the medicaid criteria. We determined it because of this criteria.

SENATOR BOYLAN: How many federal funds? Chisholm: The cost of building the extra beds--the cost for the additional 30 beds will cost 1/2 of what it is in Warm Springs. We are projecting in FY 86, \$2.4 million to operate it. With the medicaid reimbursement the cost to the state will be about 1/2 what it costs per bed at Warm Springs.

SENATOR AKLESTAD: Are there any other facilities in the immediate area that you could have used? Chisholm: What immediate area? Aklestad: 6 or 7 blocks. Chisholm: That is part of what we had to go through. Schools, etc, if they would have facilities for the kids. We were told that all the gymnasiums were used for such activities as needed in their own facilities, and there would be little if any time for these kids to be scheduled. We decided then to include it and it was incorporated in the design and was incorporated in the certificate of need.

SENATOR SMITH: Will this amount complete the facility or can we be expected to come back for further funding later on? Chisholm: I would hope so. I would hope we would be able to complete it with this money.

HAUCK: This is based on actual bids. We have bids in hand so unless something completely unexpected, it should complete the job.

REPRESENTATIVE THOFT closed by saying at the present time we have a 30 bed unit, and I think we can operate the 60 bed unit for about the same money. We have 27 out of the state and I think we can bring about 1/2 of them back.

Senator Hims1 declared the hearing closed.

DISPOSITION OF HOUSE BILL 896: Motion by Senator Etchart that House Bill 896 be concurred in. Roll call vote, 14 for, 3 against and 1 absent, the motion carried. Senator Regan will carry the bill.

The meeting was adjourned at 7:10 p.m.



Senator Hims1, Chairman

ROLL CALL

FINANCE AND CLAIMS COMMITTEE

48th LEGISLATIVE SESSION - - 1983

Date

3/21/83

NAME	PRESENT	ABSENT	EXCUSED
<u>Senator Etchart, VC</u>	✓		
<u>Senator Dover</u>	✓		
<u>Senator Keating</u>	✓		
<u>Senator Smith</u>	✓		
<u>Senator Thomas</u>			✓
<u>Senator Van Valkenburg</u>	✓		
<u>Senator Stimatz</u>	✓		
<u>Senator Story</u>	✓		
<u>Senator Ochsner</u>	✓		
<u>Senator Haffey</u>	✓		
<u>Senator Jacobson</u>	✓		
<u>Senator Regan</u>	✓		
<u>Senator Lane</u>	✓		
<u>Senator Aklestad</u>	✓		
<u>Senator Hammond</u>	✓		
<u>Senator Tveit</u>	✓		
<u>Senator Boylan</u>	✓		
<u>Senator Himsl, Chairman</u>	✓		

STANDING COMMITTEE REPORT

March 21

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MR. President

We, your committee on Finance and Claims

having had under consideration House Bill No. 896

Thoft (Regan)

Respectfully report as follows: That House Bill No. 896

BE CONCURRED IN

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SENATE COMMITTEE

FINANCE AND CLAIMS

Date _____

Bill No. _____

Time 6:47

Name	YES	NO	ABSENT	EXCUSED
Senator Etchart, VC	✓			
Senator Dover	✓			
Senator Keating	✓			
Senator Smith		✓		
Senator Thomas			✓	
Senator Van Valkenburg	✓			
Senator Stimatz	✓			
Senator Story	✓			
Senator Ochsner	✓			
Senator Haffey	✓			
Senator Jacobson	✓			
Senator Regan	✓			
Senator Lane	✓			
Senator Aklestad		✓		
Senator Hammond	✓			
Senator Tveit	✓			
Senator Boylan		✓		
Senator Himsl, Chairman	✓			

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Sylvia Kinsey
Secretary

Senator Himsl
Chairman

Motion: