

49th LEGISLATIVE SESSION -- 1985

[illegible]

VISITORS' REGISTER
JOINT INSTITUTIONS SUBCOMMITTEE

BILL NO. _____

DATE January 14, 1985

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Jim Hubein	Helena		
GAIL BIESE	HELENA		
Virginia Kenyon	Helena		
Dave Deane	Helena		
Toy Bruck	LEAGUE WOMEN VOTERS-MONT		
A.H. Harris	O BPP		
Jerry Howard	Insulations		
Ronald F. Butcher	Daf J		
DAVE CLARK	Daf J - Enter for Aged		
	" " "		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

MINUTES OF THE MEETING
INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE
49TH LEGISLATIVE SESSION
January 14, 1985

Tape 6, Side B

The meeting of the Institutions and Cultural Education Subcommittee was called to order by Chairman Steve Waldron on January 14, 1985, at 10:45 a.m. in Room 129 of the Capitol after a tour of Mountain View School.

ROLL CALL: All members were present. Also present were Keith Wolcott of the Legislative Fiscal Analyst's Office (LFA), George Harris of the Governor's Office of Budget and Program Planning (OBPP), Carroll South, director of the Department of Institutions, Gerald Butcher, superintendent of the Center for the Aged, and David Clark, business manager of the Center for the Aged.

CENTER FOR THE AGED

Mr. South gave an overview of the Center for the Aged. There was a program audit performed by the Legislative Auditor's Office and there was some question as to the mission of this institution. The difference between this facility and private nursing homes is that the Center only takes those people who have some kind of mental problem that would not allow them to fit into a private nursing home.

Mr. South said he would like to propose that the Center for the Aged be removed from the Mental Health Act. The reason he gave was the level of psychiatric care and treatment required under the Mental Health Act. Secondly, he said the involuntary commitment procedure of the Mental Health Act is not appropriate at the Center for the Aged. He felt the Center's goal was to have voluntary admissions only. He said, if someone was in need of intensive psychiatric care, they should be placed in the Montana State Hospital and they should not be placed in the Center until their needs are more compatible with what the department feels the Center will provide.

(076) Mr. Wolcott outlined the major issues that need to be dealt with concerning this agency (Exhibit 1). The 1983 Legislative Session budgeted the Center at an average daily population (ADP) of 190. That average for the last fiscal year was actually 178 and he felt this committee should budget for an ADP of 180. There were 52.69 direct care staff for the 190 ADP. Mr. Wolcott proposed to cut 2.69 FTE for the 180 ADP rate.

He also noted that the performance audit recommended additional services of a psychiatrist be added to the current level budget. This budget would also increase laundry expenses and equipment.

(170) Mr. Harris outlined the Executive budget request (Exhibit 2). OBPP based their personal services on the 190 ADA rate and Mr. Harris noted that this was done before it was discovered that the rate would only be at 180 ADP. The OBPP request allowed for a .5 FTE recreational therapist as a modified and the equipment request by the OBPP was less than the LFA's.

Mr. Harris brought up a problem with the expenditure of donated funds. HB 548 does not allow expenditure of these funds and the OBPP and the Department of Institutions would like to see language which would allow this money to be spent put in the Appropriations Act. This is donated money that does not have any strings attached when it is donated.

(228) Mr. South responded to the LFA's deletion of 2.69 FTE based on a ratio method of staffing. He said he would like to see this committee use a posting method for staffing the institutions. The reason being that this is a seven-day program and, in actuality, it takes 4.8 FTE for one person to work 24 hours a day, 365 days per year taking into consideration vacation, holidays, and sick leave. He noted that total direct care staff at the Center for the Aged would be 51.04 FTE using the posting method. There was some discussion regarding this method of staffing.

There was a good deal of discussion regarding the laundry problem. Basically, the problem is two-fold:

1. The Department of Health standards state that a patient cannot be more than 120 feet from the dirty laundry facilities. Even if the laundry is sent out, the patient's room cannot be further than 120 feet from the room where the dirty laundry is kept before being sent out.
2. It is required that the dirty laundry facility have at least 10 air changes per hour. The equipment which would make this possible would cost approximately \$700,000 according to the state Architecture and Engineering Division.

There was a lot of discussion on this problem and any possible solutions. Mr. South said he would like to have it in writing from the Department of Health that the dirty laundry facilities have to be within 120' of patients rooms. That way, he would have a directive for the Architecture and Engineering Division to come up with a solution and submit their proposal to the Long Range Planning Subcommittee. If this problem is not solved, the Center could lose their certification. That means no Medicaid reimbursement which is 65% of allowable costs.

(465) There was some discussion regarding patient reimbursement for services at the Center. It was noted that patients are billed on their ability to pay. Last year, \$1.3 million was collected through billing. If a patient does not have cash flow but has assets, the Department waits until the patient dies and it pursues payment through probate court on the estate. If it cannot collect through this means, the Department sends the billing to the Department of Revenue and they pursue it through their channels.

Tape 7, Side A

This agency is funded through General Fund monies up front. All reimbursement money is then put directly into the General Fund where it loses its identity. It was noted that the Department cannot place a lien on the patient's property and the Department has to stand in line with any other creditors.

(160) Mr. South noted that the agencies' equipment requests go through a series of cuts. First, the request is given by the superintendent to Mr. South who cuts what he does not feel the agency needs. The remainder is sent to the OBPP and the LFA who cut what they do not feel is necessary. Mr. South said he would like the superintendents to submit their entire equipment request to the subcommittee so only the subcommittee would cut what it did not feel was necessary. Chairman Waldron agreed with this suggestion.

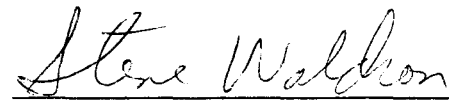
(190) Chairman Waldron raised the issue of a preventive maintenance plan for the agencies. He said the Department does not have one and, as was the case with the National Guard Armories, the Long Range Planning Subcommittee is not made aware of problems until total replacement is necessary.

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Chairman Waldron asked that the Department work up a preventive maintenance plan for the agencies so this problem does not continue. He also asked Mr. South to submit a list of personnel above Grade 16 in administrative positions categorized by sex.

Being no further business to come before the committee, the meeting was adjourned at 11:45 a.m.

Respectfully Submitted:



Steve Waldron, Chairman

SW/ljt

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	-----1987 Biennium-----		
	FTE FY '87	General Fund	Total Funds
Executive Budget	103.43	\$5,145,319	\$5,159,961
LFA Current Level	100.24	5,110,714	5,125,035
Executive Over (Under) LFA	<u>3.19</u>	<u>\$ 34,605</u>	<u>\$ 34,926</u>

The executive budget is \$34,926 over the LFA current level. The difference in total funding is due primarily to the addition of .5 FTE by the executive in contrast to the deletion of 2.69 FTE in LFA current level. The executive budget is under the LFA current level equipment. Donated funds of \$832 have been included by the executive. The following issues reflect the major differences between the executive budget and current level.

Issue 1: FTE Additions and Deletions

The executive added a .5 rehabilitation aide at a cost of \$17,177 while the LFA deleted 1.89 FTE psychiatric aide, a .5 RN and a .3 LPN to adjust the direct care ratio for an average daily population of 180 residents at a savings of \$99,558.

Issue 2: Operating Inflation

The current level analysis includes inflation at a higher level than the executive constituting the major differences in operating costs, of approximately \$48,500.

Issue 3: Equipment

The executive budget is \$19,931 under the LFA current level analysis for equipment.

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Budget Item	Actual	Appropriated	---Current Level---		% Change
	Fiscal 1984	Fiscal 1985	Fiscal 1986	Fiscal 1987	1985-87 Biennium
F.T.E	102.93	102.93	100.24	100.24	(2.6)
Personal Service	\$1,889,249	\$1,952,557	\$1,952,450	\$1,958,986	1.8
Operating Expense	519,118	579,395	539,049	526,398	(3.0)
Equipment	17,168	2,809	24,718	2,938	38.4
Inflation	-0-	-0-	45,636	74,860	--
Total Expenditures	<u>\$2,425,535</u>	<u>\$2,534,761</u>	<u>\$2,561,853</u>	<u>\$2,563,182</u>	<u>3.3</u>
<u>Fund Sources</u>					
General Fund	\$2,415,501	\$2,523,258	\$2,554,867	\$2,555,847	3.4
State Special Funds	6,510	11,503	6,986	7,335	(20.4)
Other Funds Approp.	<u>3,524</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(100.0)</u>
Total Funds	<u>\$2,425,535</u>	<u>\$2,534,761</u>	<u>\$2,561,853</u>	<u>\$2,563,182</u>	<u>3.3</u>

Issue: Cost (Savings)	-----Fiscal 1986-----		-----Fiscal 1987-----	
	General Fund	Other Funds	General Fund	Other Funds
1. Average Daily Population Base	\$65,283	-0-	\$66,247	-0-
2. Laundry	-0-	-0-	-0-	-0-
3. Increase Custodial Staff	\$15,633	-0-	\$15,639	-0-
4. Authority to Spend Donated Funds	-0-	\$400	-0-	\$400

The Center for the Aged is a 199-bed residential facility for long-term care and treatment of persons in need of continued psychiatric care who are 55 years or older and transferred from Montana State Hospital or referred from Montana mental health centers.

Fiscal 1984: Comparison of Actual Expenses to the Appropriation

The following table compares fiscal 1984 actual expenditures and funding to allocations as anticipated by the 1983 legislature. Approximately \$43,000 of the center's \$59,702 personal services savings was generated by turnover of psychiatric aides. It was anticipated that the center would spend \$11,566 in differential pay, but only \$3,086 was spent.

The center spent less on contract services, supplies, and utilities but more on repairs than anticipated.

The overexpenditure in equipment is due to a \$10,000 accrual made by the center at the request of the Department of Institution's Central Office. (See data

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processing issue under Central Office, Management Services Division).

The center purchased a big screen television and miscellaneous supplies using \$3,524 of donations.

<u>Budget Item</u>	<u>Legislature</u>	<u>Actual</u>	<u>Difference</u>
F.T.E.	102.93	102.93	0.00
Personal Services	\$1,948,951	\$1,889,249	\$59,702
Operating Expenses	562,135	518,219	43,916
Equipment	5,554	14,543	(8,989)
Total Expenditures	<u>\$2,516,640</u>	<u>\$2,422,011</u>	<u>\$94,629</u>
<u>Funding</u>			
General Fund	\$2,505,395	\$2,415,501	\$89,894
Canteen Funds	11,245	6,510	4,735
Total Funds	<u>\$2,516,640</u>	<u>\$2,422,011</u>	<u>\$94,629</u>
<u>Additions:</u>			
Unbudgeted - Donations	-0-	\$ 3,524	\$(3,524)

Current Level Adjustments

The Center for the Aged was budgeted for an average daily population of 190 for the 1985 biennium. However, the fiscal 1984 average daily population was 178. Current level is based on an average daily population of 180.

The direct care staff has been reduced 2.69 FTE to maintain a staff to resident ratio of 1 to 3.6. This ratio is based on the approved direct care staff and budgeted population from the 1983 legislature. Staff reduced are: .5 registered nurse, .3 licensed practical nurse, and 1.89 psychiatric aides.

The center's personal services was increased \$13,000 to adjust for upgrades of nine custodial workers and the accounting and fiscal manager reclassifications as approved by the Personnel Office through the appeal process.

Overall, operating expenses increased \$20,178. Professional contracts have been increased \$4,800 to provide a psychiatrist four hours per week at \$50 per hour. The laundry contract increased from 27 cents per pound in fiscal 1984 to 32 cents per pound in fiscal 1985. The laundry cost has been increased \$3,932 to cover the rate increase and adjust to the anticipated average daily population of 180. Audit fees of \$10,000 have been included in fiscal 1986 for the center's biennial audit by the Legislative Auditor.

Increases in supplies of \$9,693 resulted from loss of certain surplus commodities and increases in the cost of Attends disposable briefs. Supply

increases have been offset by a decrease in repairs and maintenance. Current level has been reduced \$11,266 based on three-year average expenditures. Other adjustments combined for a net increase of less than 1 percent.

The center is general funded with the exception of its canteen operation which is self-supporting. Current level includes \$6,986 in fiscal 1986 and \$7,335 in fiscal 1987 to operate the canteen.

Issue 1: Average Daily Population (ADP)

The center's 1985 biennium budget was based on the assumption the center would serve an average daily population of 190 residents. Table 1 below shows the ADP of the center for fiscal years 1982 through 1984 and the first quarter of fiscal 1985

Table 1
Averaged Daily Population for Montana Center for the Aged

	<u>FY 1982</u>	<u>FY 1983</u>	<u>FY 1984</u>	<u>1st Quarter 1985</u>
Average Daily Population	186	181	178	177

As Table 1 indicates, the population is declining. The center has based its 1987 biennium budget request on an ADP of 190. The current level base uses an ADP of 180. The resulting cost difference is \$65,283 in fiscal 1986 and \$66,247 in fiscal 1987. Table 2 indicates where the cost difference occurs.

Table 2
Cost Comparison of Average Daily Population at 180 Versus 190

<u>Expenditure Category</u>	<u>Fiscal 1986</u>	<u>Fiscal 1987</u>
Personal Services	\$49,711	\$49,847
Food	9,473	9,946
Laundry, Contracted*	3,337	3,552
Drugs	<u>2,762</u>	<u>2,902</u>
Total	\$65,283 =====	\$66,247 =====

*Laundry costs assume all laundry is done by an outside contractor.

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The 1983 legislature authorized 52.69 direct care staff, (RN's, LPN's and Psych aides) to serve 190 ADP, or a staff to client ratio of 1 to 3.6. Using the same staff to client ratio, the center should only require a direct care staff of 50 for a 180 ADP. The center experienced psychiatric aide vacancies equivalent to 3.2 FTE during fiscal 1984.

Option a: Fund the Montana Center for the Aged for an average daily population of 190. This option would cost \$65,283 in fiscal 1986 and \$66,247 in fiscal 1987.

Option b: Fund the Montana Center for the Aged at the current population of 180 average daily population.

Issue 2: Laundry

Currently, the center sends all of its linen and bedding and approximately one-half of the residents' personal clothing out to a private laundry at a cost of 32 cents per pound. The remainder of the laundry, approximately 84,800 pounds, is done by two laundry workers at the center. The state Department of Health and Environmental Sciences has cited the center consistently for not providing separation of clean and soiled linen and for not having the required ten air exchanges per hour in the laundry area.

The center has requested an environmental control system in the Long Range Building Program budget. This system is to replace and upgrade the overall facility system and provide the laundry facility ten air exchanges per hour which are environmentally separate from the rest of the facility. The air controls alone will not meet health department standards. The center will also have to separate the clean and soiled linen areas or obtain a waiver from the health department. The center may be risking licensure and medicaid reimbursement in excess of \$1 million annually, should the department of health demand compliance and this agency does not comply. The health department did require compliance at the Eastmont Human Services Center in Glendive.

Option a: Require the department to explain how the center plans to meet health department laundry standards and not jeopardize its licensure.

Option b: Request the health department discuss the laundry compliance issue with the committee and explain who establishes the laundry rules with which the center does not comply and the rationale for the rules.

Issue 3: Increase Custodial Staff

The center is requesting one additional grade 7 custodial worker to provide

relief coverage for vacation, sick leave, and holiday time in the housekeeping and laundry departments. Based on the housekeeping schedule set by management to keep the facility clean, it requires approximately 24,542 hours per year to clean the facility and handle the laundry. The current staffing, after vacations, sick leave, and holidays, amounts to 22,453 hours. The difference is 2,039 hours or one full-time equivalent.

The 1981 legislature authorized four additional custodial workers as a result of a health department survey which cited housekeeping deficiencies. The center has not been cited for housekeeping deficiencies in recent health department surveys.

Option a: Fund one additional custodial worker at \$15,633 in fiscal 1986 and \$15,639 in fiscal 1987.

Option b: Maintain the current level of staffing.

Issue 4: Authority to Spend Donated Funds

The center is requesting authority to spend donated funds for the benefit of the residents. The funds would be used for various resident activities such as picnics, outings, Christmas presents, and items not provided through general fund appropriations. The center is making this request as a result of a legislative auditor recommendation on donations to be spent for the benefit of residents at the center's discretion. The State Auditor's Office considers donated moneys spent at the institution's discretion to be state moneys that should be accounted for in a special revenue fund.

The center spent \$3,521 in donated funds in fiscal 1984. They are requesting authority to spend \$400 each year of the biennium.

Option a: Grant the authority through a special revenue fund to spend \$400 annually on donations.

Option b: Take no action.

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AGENCY SUMMARY	Actual	Budgeted	Recommendation	
BUDGET DETAIL SUMMARY	FY 1984	FY 1985	FY 1986	FY 1987
Full Time Equivalent Employees	102.93	102.93	103.43	103.43
Personal Services	1,889,246.41	1,952,557	2,003,864	2,011,024
Operating Expenses	518,220.35	579,395	574,667	562,681
Equipment	14,543.00	2,809	7,103	622
Total Agency Costs	\$2,422,009.76	\$2,534,761	\$2,585,634	\$2,574,327
General Fund	2,415,499.29	2,523,258	2,578,448	2,566,871
State Special Revenue Fund	6,510.47	11,503	7,186	7,456
Total Funding Costs	\$2,422,009.76	\$2,534,761	\$2,585,634	\$2,574,327
Current Level Services	2,422,009.76	2,534,761	2,576,631	2,565,321
Modified Level Services	0.00	0	9,003	9,006
Total Service Costs	\$2,422,009.76	\$2,534,761	\$2,585,634	\$2,574,327

Agency Description

The staff of the Center for the Aged offers long-term care for persons fifty-five years of age or older who have chronic mental disorders. The staff provides nursing care and recreational activities with full respect for the dignity and integrity of the residents. The admission procedures and basic guidelines for the care of the residents are found in 53-21-411 through 53-21-413 MCA.

Budget Issues

Modification Requests

New Services

This budget modification would add .50 FTE to the recreational therapy program. The recreational therapy program provides a range of adaptive activities that involve an increasing number of residents. The increased FTE will meet the residents' requirements for continued recreational programs. The primary focus of the added FTE would be to insure that residents on the wandering wings, are provided with constructive activities. Addition of this .50 FTE would allow the recreation program to add the following range of services:

- Expand the bus rides to 20 hours per week from the current 14 hours on Monday, Tuesday, and Thursday. This project would then be a daily scheduled event.
- Trips to the community for one hour would be offered Monday thru Friday. This would be a new activity for a total of five hours a week.
- Provide ten hours per week of additional recreation services to residents. These ten hours would be divided between the wings and would provide the various activities designed to improve or maintain skills.

Cost: FY 1986 - \$ 8,587 FY 1987 - \$ 8,590

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AGENCY SUMMARY	Actual	Budgeted	Recommendation	
BUDGET DETAIL SUMMARY	FY 1984	FY 1985	FY 1986	FY 1987
Full Time Equivalent Employees	102.93	102.93	103.43	103.43

FTE: FY 1986 - .50 FY 1987 - .50

Expanded Services

Donated Funds. The Office of the Legislative Auditor recommends that donated funds be placed in the State Special Revenue account rather than the Agency Fund account. It is requested that specific language be placed in the appropriation bill to comply with this recommendation. These funds are used for various activities, Christmas gifts and other items for the residents.

Estimated Donations: FY 1986 - \$ 416 FY 1987 - \$ 416