

MINUTES OF THE MEETING  
HUMAN SERVICES SUBCOMMITTEE  
MONTANA STATE  
HOUSE OF REPRESENTATIVES

February 7, 1985

The meeting of the Human Services Subcommittee was called to order by Chairman Cal Winslow on February 7, 1985 at 8:10 a.m. in Room 108 of the State Capitol.

ROLL CALL: All members were present, with the exception of Senator Story, who arrived at 8:15 a.m., and Representative Bradley, who arrived at 8:45 a.m.

Audit and Program Compliance Division

Pat Godbout (36:B:014), administrator of the division, gave everyone a set of charts, graphs, and general information concerning the division (EXHIBIT 1). She pointed out they are asking for four new positions, which would be a \$300,000 savings to the state.

Chairman Winslow asked if these requested positions are federally funded; Pat went over more in detail these new position modifications in EXHIBIT 1.

Chairman Winslow voiced his concern about the large number of fathers that are not keeping their children on their health insurance policy; there is a bill in the current legislation that requires parents to have health insurance for their children.

Discussion followed concerning the proper reimbursement from state assumed counties, and who decides when an audit needs to be done.

Disability Determination Bureau

Bill Vollmer (36:B:224), chief of the bureau, gave everyone a handout listing some information on the disability determination bureau (EXHIBIT 2). He said his bureau is facing a sizeable workload. He pointed out that the disability examiner and medical consultant on staff make up the adjudication team, and as the workload increases, the medical review time increases. He also gave everyone a handout listing information on internal medical review hours (EXHIBIT 3). He asked the committee to consider restoring the funding level at the executive budget.

Administration and Support Services

Dave Lewis (36:B:490) discussed the problem of the backlog of fair hearing requests.

Ron Brown, administrator of the Centralized Services Division, discussed Administration and Support: It has two major functions: Director's Office and the Centralized Services Division. He gave everyone a handout with pertinent information (EXHIBIT 4) and discussed the responsibilities of both of these offices.

Discussion followed as to why their insurance is going to increase by \$50,000 a year.

E X E C U T I V E   A C T I O N

Foster Care

Peter Blouke discussed the two issues of foster care: The amount of treatment that would be required for the number of children who are in in-state and out-of-state placements, and the issue of credits. He gave everyone a handout with the current level and adjusted level for days of care and costs in both in-state and out-of-state foster care placements (EXHIBIT 5). The LFA has averaged the cost of in-state against the cost for out-of-state and received an overall average cost to provide care for these children. He said the major difference with the executive request is the reduction of slots for the Montana Youth Treatment Center.

Discussion followed whether the out-of-state care is more expensive. Norma Harris stated that the department would attempt to bring the out-of-state children back in-state.

Peter Blouke then gave everyone a handout with adjusted figures for in-state and out-of-state days of care and costs (EXHIBIT 6). He explained how he computed these figures.

There was discussion as to why the cost is higher and the days lower in the LFA analysis, and the reduction of five or ten foster care placement slots.

Representative Rehberg made a motion to accept the adjusted foster care funding of \$1,813,339 in FY86 and \$1,904,153 in FY87 (EXHIBIT 6).

Representative Bradley (37:A:359) requested that the committee support the idea, but that Peter Blouke and the department get together and look at these figures and see if they can get some agreement.

The motion PASSED.

Peter Blouke discussed the credits received by the department on behalf of clients; the department pays up front what the costs are and is reimbursed to offset the costs of the program by receiving these credits.

Discussion followed concerning if the money coming in from the insurers is for Medicaid, a decrease in the amount of payments in FY85, and the time lag when the department finally receives all the credits.

Representative Rehberg made a motion to accept the executive request for credits funding of \$320,000 in FY86 and \$320,000 in FY87 with the understanding that if additional credits are received, that they will be reverted to the general fund.

The motion PASSED.

Social Services Modified Requests (EXHIBIT 8)

Representative Rehberg (37:A:637) made a motion to accept the 2.00 FTE in FY86 and 2.00 FTE in FY87 for the Advocacy Assistance grant.

The motion PASSED.

Representative Rehberg made a motion to accept the Commission on Aging funding level of \$49,220 in FY86 and \$49,239 in FY87.

The motion PASSED.

Chairman Winslow discussed changing the phasing in of 96 social workers; 32 each biennium for three bienniums. This is the change from the phasing in of 54 social workers each biennium for four years. Chairman Winslow said this type of phasing in will save approximately \$1 million.

Representative Rehberg made a motion to accept the concept of the phasing in over six years of 32 positions.

The motion PASSED.

Chairman Winslow discussed the adjustment that he has proposed for Support Services for Foster Children and Youth. His adjustment for the clothing allowance goes to \$100 - not \$130 that was requested. His adjustment is \$243,090 in FY86 and \$254,000 in FY87. This is a savings of \$151,699 in FY86 and \$148,892 in FY87.

Representative Rehberg made a motion to accept the Support Services for Foster Children and Youth funding of \$243,090 in FY86 and \$254,000 in FY87.

The motion PASSED.


Chairman Winslow discussed the concerns he has with the Priorities for People tiers; more specifically, Subsidized Adoption and Alcohol and Drug Treatment for Indigent Youth. He said they are almost looking at GA as a trade-off for PFP Tier 2, but said the subsidized adoption is one area that the committee can justify the money spent. He said the committee must scrutinize each of these carefully and merit them individually; not just merit them in the tiers.

Senator Christiaens said the committee should wait taking executive action until they know more about it.

Chairman Winslow gave Dave Lewis five scenarios that he put together concerning GA so the department could work on some figures for the committee to look at:

- 1) Drop able-bodied people under 35 and those over 35 would get two months of assistance, with the delay of 30 days for anyone's payments
- 2) Dropping none of the groups, but give a benefit limit of two months
- 3) Drop able-bodied people under 35 and delay everyone's payments for 30 days
- 4) Delay everyone's payments for 30 days and restrict all able-bodied for two months
- 5) Drop able-bodied people under 35 and those over 35 would get two months of assistance.

The meeting was adjourned at 9:55 a.m.

  
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CAL WINSLOW, Chairman

DAILY ROLL CALL

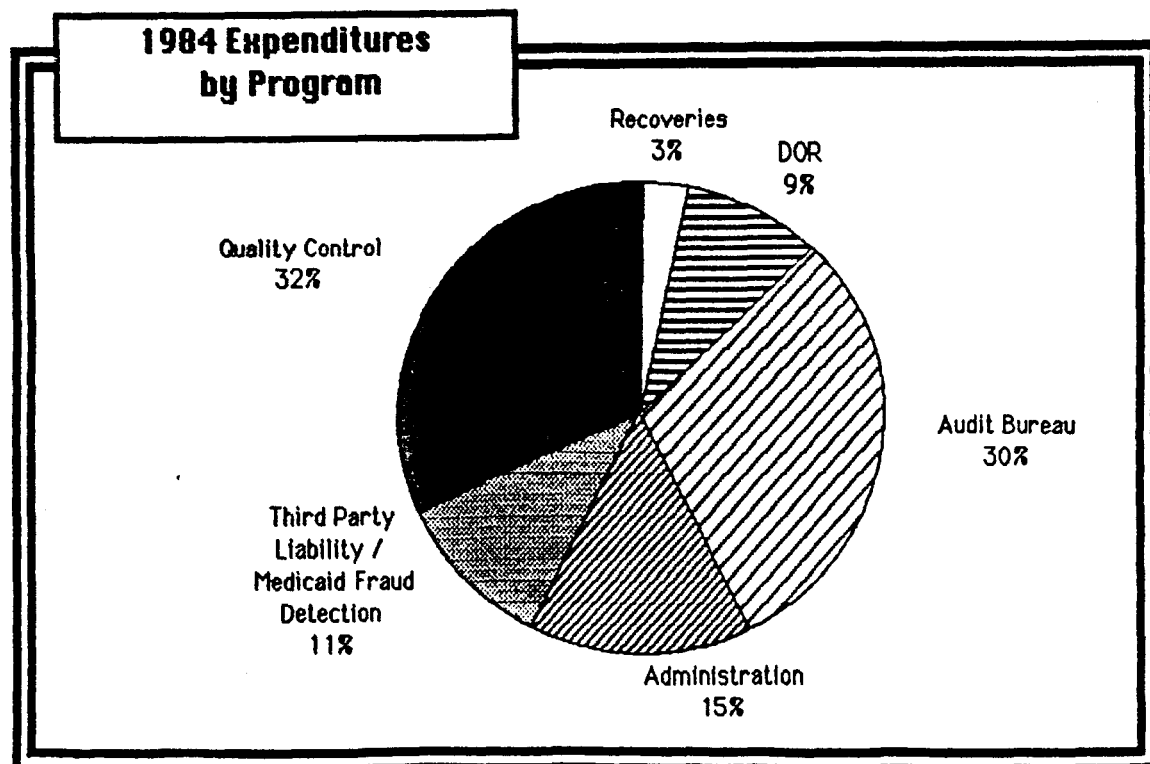
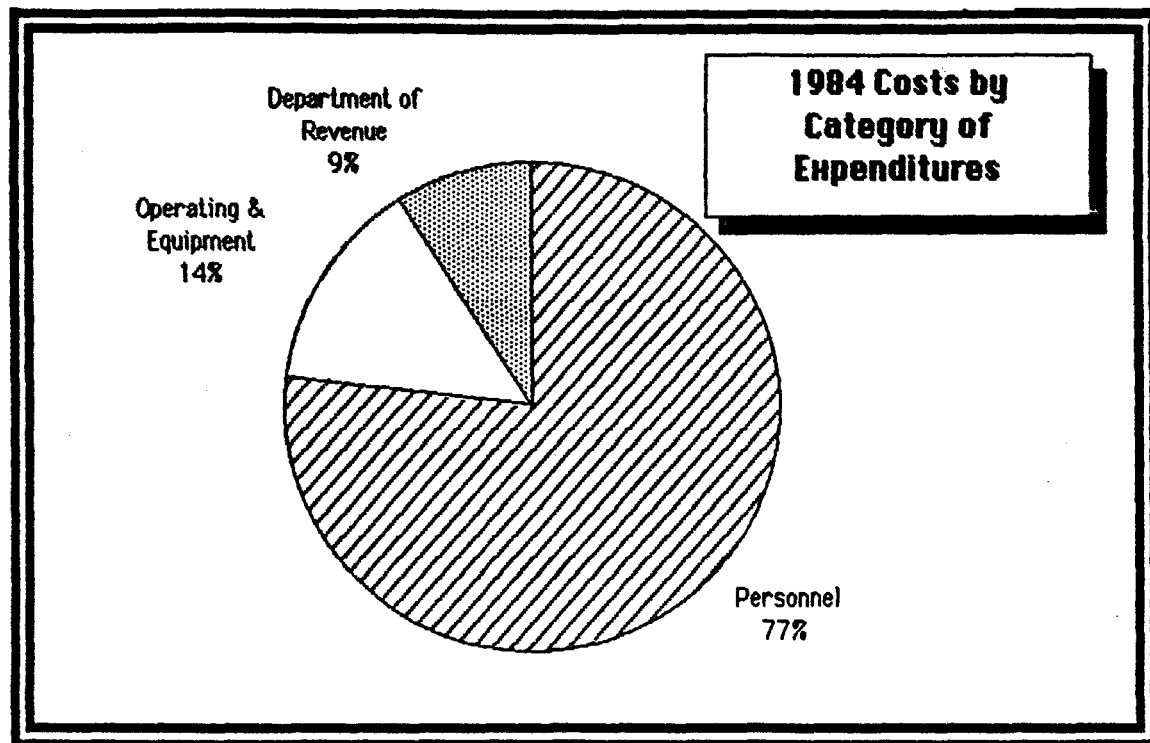
Human Services Subcommittee

49th LEGISLATIVE SESSION -- 1985

Date 2-7-85

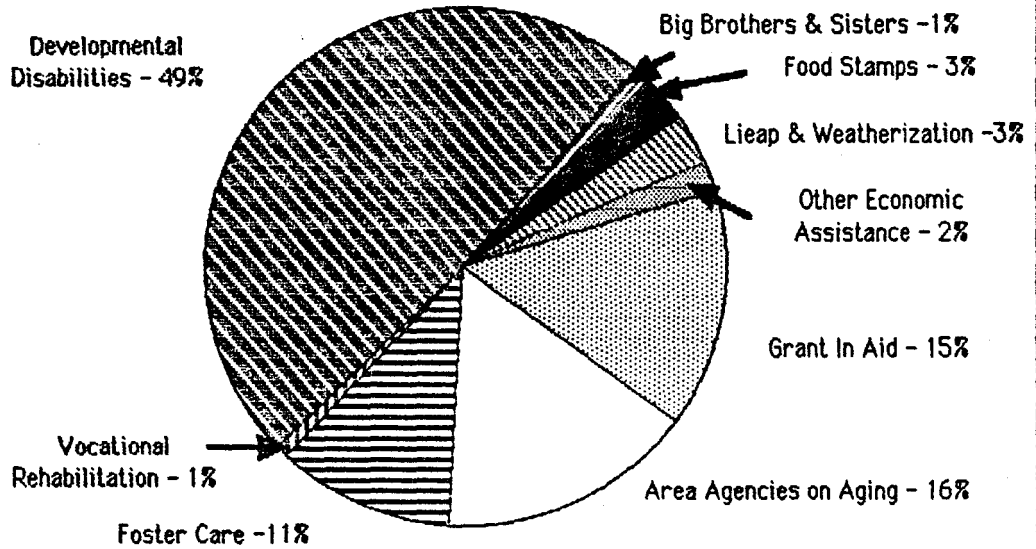
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# AUDIT & PROGRAM COMPLIANCE

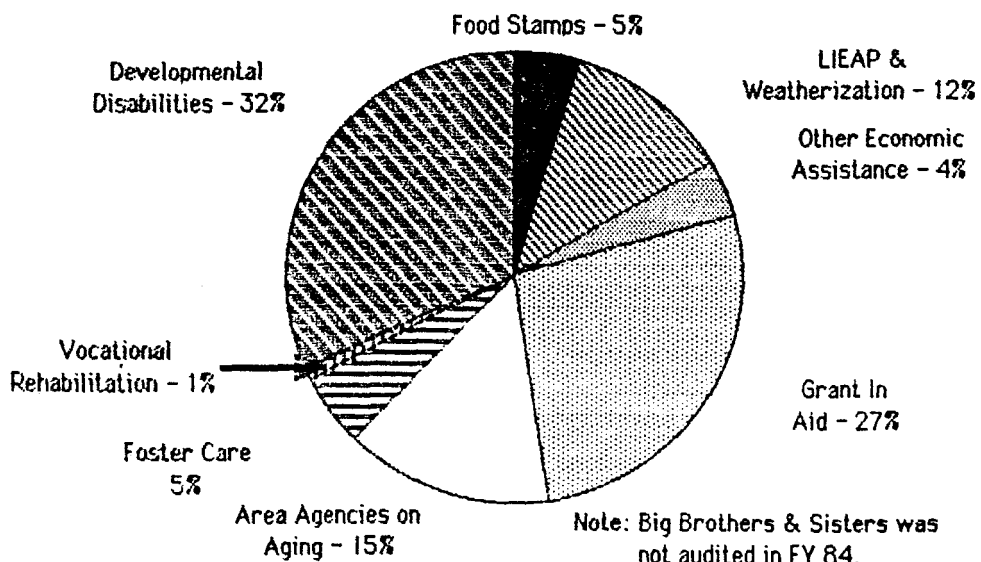


# FISCAL YEAR 1984

## Percentage of Total Contract Expenditures

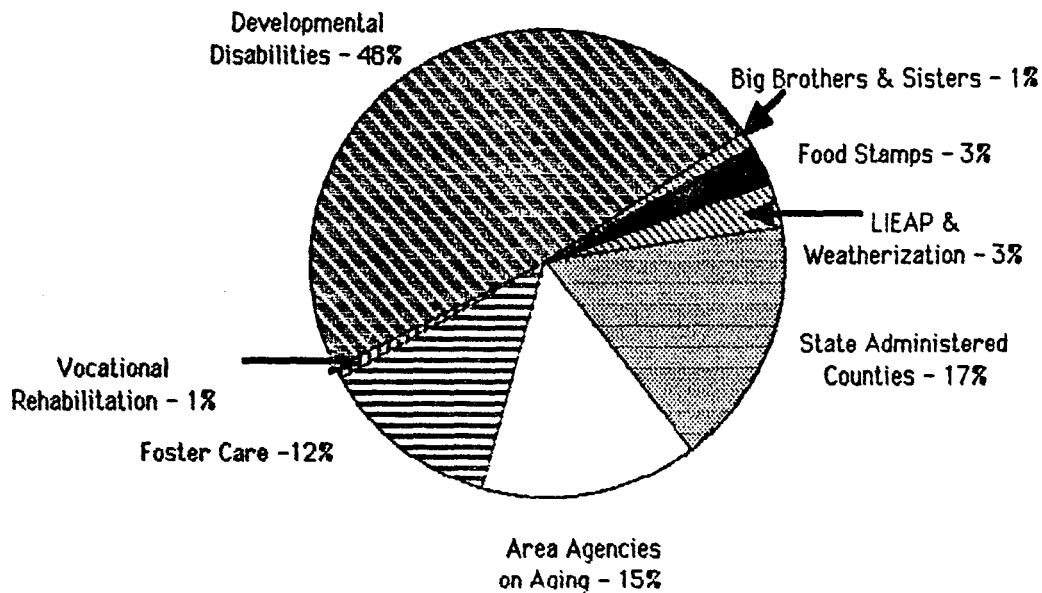


## Percentage of Total Audit Time

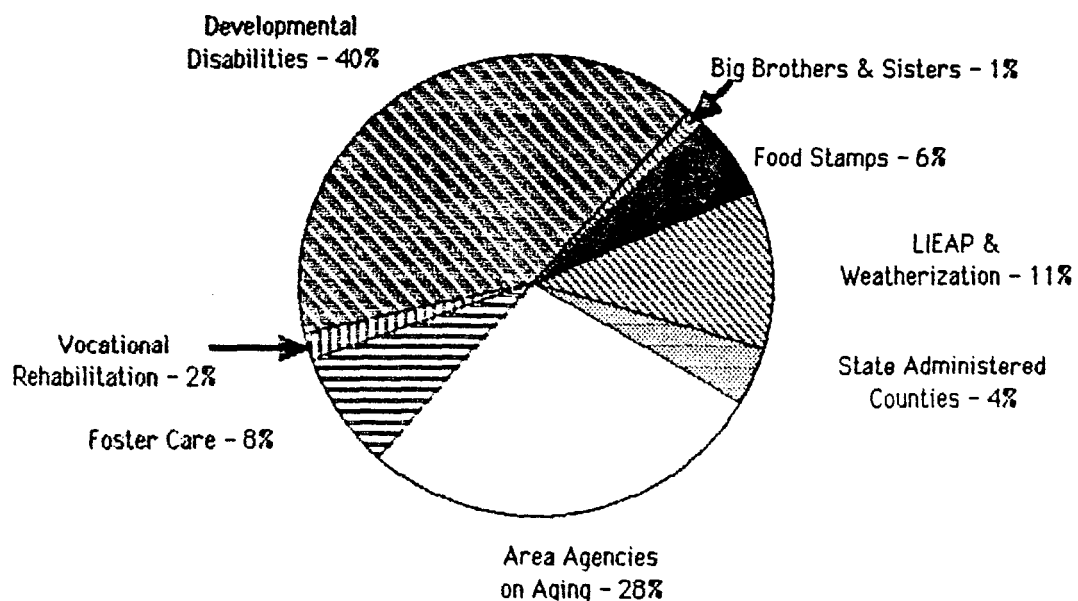


Projected  
**FISCAL YEAR 1985**

**Percentage of Total Contract Expenditures**



**Percentage of Total Audit Time**





COST CONTAINMENT MODIFICATIONS

NET SAVINGS FOR THE BIENNIUM

- Increased Recovery of Public Assistance Overpayments:	\$ 27,729
- Identification of Ineligible Recipients of General Assistance and State Medical in Assumed Counties:	\$114,406
- Increased Recovery of Medicaid Payments Due from Third Parties:	\$157,729
	<hr/>
TOTAL SAVINGS	\$299,864
General Fund Savings:	\$163,287

## MODIFICATION 1

### Add 1 FTE to Assist in the Recovery of Overpayments of Public Assistance

Amount collected in FY'84	\$174,247
Cost of collections (2 FTE)	\$ 44,280
Cost/Benefit Ratio	Spend \$1.00 to collect \$4.03
Active Overpayment Cases July 1, 1983	2,796
Active Overpayment Cases September, 1984	3,698
Percentage increase in Caseload	32%
Average Caseload per Worker	
July 1983:	1,398
September 1984:	1,849
Requested Level:	1,400
Outstanding Amount to be collected as of September, 1984	\$755,340
Outstanding Amount to be collected as of July, 1983	<u>629,438</u>
Increase in Outstanding collections	\$125,902

### SAVINGS OVER BIENNIUM

	<u>Total</u>	<u>General Fund</u>
Additional AFDC Recoveries	\$70,000	\$23,632
Cost over the Biennium	<u>\$42,271</u>	<u>\$21,136</u>
Net Savings over Biennium	<u>\$27,729</u>	<u>\$ 2,496</u>

## MODIFICATION II

### Add 1 FTE to Implement Quality Assurance Program in the State General Assistance Program

#### Assumptions

1. The eligibility error rate in general assistance is less than but comparable to the current error rate in AFDC of 6.5 percent and is projected to be 3 percent.
2. Based on Assumption 1, the amount of overpayments in the general assistance program next biennium will be as least \$170,000 (\$5.7 million x .03).
3. One Quality Assurance worker can reduce the project eligibility error rate to at least 1.5 percent.

#### PROJECTED SAVINGS FOR BIENNIUM

GA Cost Reduced by 1.5 Percent	\$85,217
Cost of Staff	<u>45,824</u>
Savings to General Fund	\$39,393

### MODIFICATION III

#### Add 1 FTE to Implement Quality Assurance Program in the State Medical Assistance Program

##### Assumptions

1. The eligibility error rate in medical assistance is less than but comparable to the current error rate in AFDC of 6.5 percent and is projected to be 3 percent.
2. Based on Assumption 1, the amount of overpayments in the medical assistance program next biennium will be as least \$240,000 (\$8 million x .03).
3. One Quality Assurance worker can reduce the project eligibility error rate to at least 1.5 percent.

##### PROJECTED SAVINGS FOR BIENNIUM

Medical Assistance Cost Reduced by 1.5 Percent	\$120,000
Cost of Staff	<u>44,987</u>
Savings to General Fund	\$ 75,013

#### MODIFICATION IV

##### Add 1 FTE to Increase Collection Effort from Third Party Payors for the Medicaid Program

Amount collected in FY'84 \$776,000

Cost of collections (2 FTE) \$ 48,473

Cost/Benefit Ratio Spend \$1.00 to collect \$16.00

Active Caseload February 1985 332

Please refer to attached Chart for additional TPL information.

#### SAVINGS FOR BIENNIUM

Additional Savings \$200,000

Additional Cost 42,271

TOTAL SAVINGS \$157,729

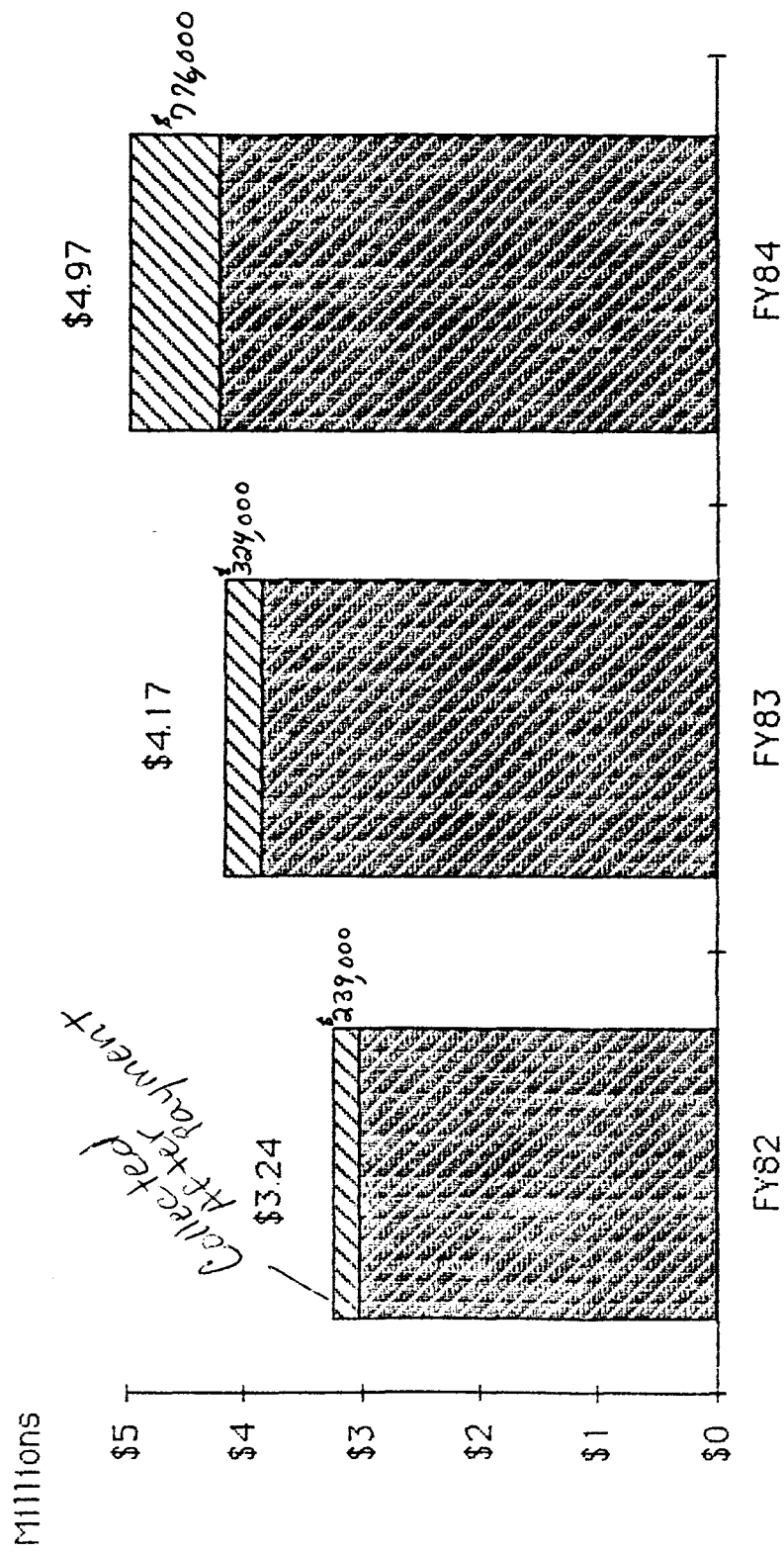
Savings to General Fund \$ 46,385

This projection is based on the fact that the Department was unable to collect \$124,311 in FY'84 because the cases were settled before the Department was able to intervene with the Court.

NOTE: The same two staff manage the cost avoidance system under which claims are returned to providers prior to payment along with pertinent insurance information. The additional FTE should result in some additional cost avoidance.

Medicaid

## Third Party Liability Collections



## DISABILITY DETERMINATION BUREAU

The Rehabilitation Services Division, through the Disability Determination Bureau (Department of SRS) has the state responsibility for the administration of the disability provisions of the Federal Social Security Program (Title 2) and the Supplemental Security Income Program (Title 16). Title 2 provides coverage for cash benefits for those disabled workers (and their dependents) who have contributed to the Social Security Trust Fund through the FICA tax on their earnings. These individuals have an "earned right" to disability insurance benefits. Title 16 (SSI) provides for a minimum income level for the needy aged, blind and disabled. A person qualifies under the SSI Program because of financial need rather than an earned right.

Under both programs the definitions of disability and blindness are essentially the same. The programs define disability as "inability to engage in any substantial gainful activity by reasons of a medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months."

Claimants file for disability benefits through local Social Security District or Branch Offices. In Montana, these are located in Kalispell, Missoula, Butte, Helena, Bozeman, Great Falls, Havre, Glasgow, Billings and Miles City. Personnel in the Social Security Offices conduct eligibility reviews and record disability related information. When the claim reaches the Disability Determination Bureau, medical and vocational development is undertaken on behalf of the claimant. In approximately 40% of the claims a consultative medical examination is purchased to more clearly assess the claimant's residual functional capacity. A disability adjudication team composed of a professional disability examiner and a licensed physician or psychologist decides jointly whether the claimant meets the definition of disability outlined above. The claimant's folder and decision is subject to further sample review in a Social Security disability component either in the Regional Office in Denver or Central Office in Baltimore.

During the past year a total of 7,012 claims were processed in both programs. The average processing time amounted to 41 calendar days. The percent of folders returned by a review component for further development or disagreement was less than 6% of the total workload. The allowance rate for initial claims averaged 38%. Regarding reconsideration actions the reversal rate amounted to 20%.

All of our operating statistics are well within the performance levels established for State Disability Determination Services established by the Social Security Administration.

## 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.



DISABILITY DETERMINATION BUREAU

Personal Services

In FY84, 2212 internal medical review hours were devoted to claims folder review. Each claim averaged 20 minutes of medical review time. Total costs amounted to \$117,776 (\$53.25 hourly rate).

For FY86 & 87, 2833 internal medical review hours will be needed for claims folder review based on 20 minutes/claim. At \$58.00 (FY85 hourly rate) the total funds needed to cover medical review time amounts to \$164,314 each year.

Accordingly, the figure of \$121,400 (including 4% vacancy savings) is reflective of the same level workload encountered in FY84 and projected for FY86 and FY87.

The difference of \$42,914 should be added to personal service costs to cover the anticipated hours required for internal medical review time.

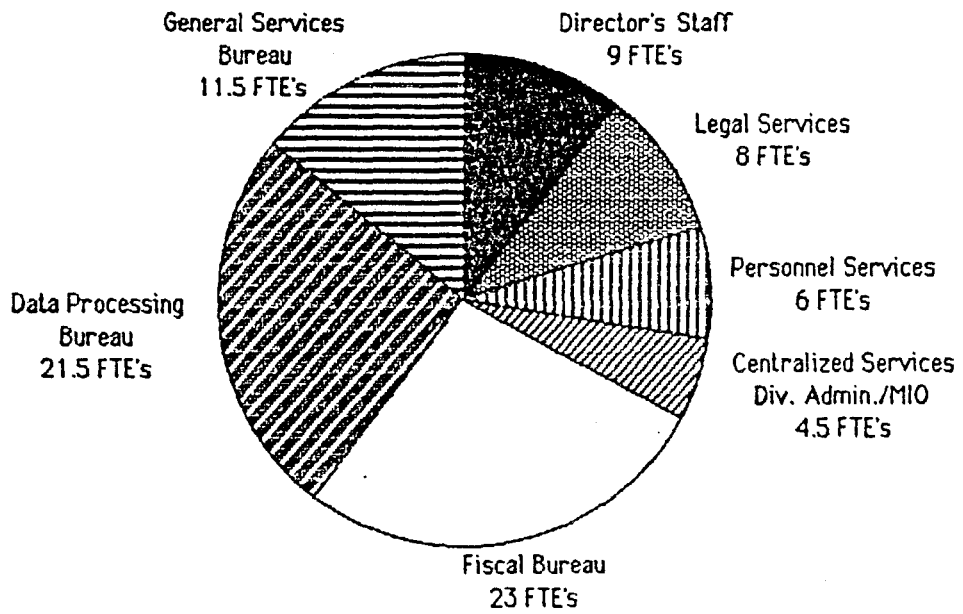
DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES  
PROGRAM OF ADMINISTRATION AND SUPPORT SERVICES

The Administration and Support Services Program is comprised of two major functions - the Director's Office and the Centralized Services Division.

Overall direction for the Department	9.0 FTE
Legal Services	8.0 FTE
Personnel Services	6.0 FTE
Division Administration/MIO	4.5 FTE
Overall Direction for Centralized Services Division. Provides statistical reporting and research services and designs, maintains, and operates the Department's Random Moment Time Study.	
Fiscal Bureau	23.0 FTE
Receipt, disburse and account for all funds appropriated and received by the Department. Also, prepare federal reports and assure maximum federal dollars are received.	
Data Processing Bureau	21.5 FTE
System design and development, data entry and computer operations.	
General Services Bureau	11.5 FTE
Provides purchasing, mail, supply, communications, office space acquisition, records management, property management, and forms control services to the department.	
	<hr/> 83.5 FTE

W1/c

### Program 04 - Administration & Support FTE's



SRS DISTRICT OFFICE AUTOMOBILES

<u>LOCATION</u>	<u>YEAR/MAKE AUTOMOBILE</u>	<u>DATE ACQUIRED</u>	<u>TOTAL MILES</u>	<u>AVERAGE MILES/MO</u>
Billings	1976 Dodge	Mar 76	98,427	130
Billings	1981 Olds	Mar 81	87,485	1,680
Miles City	1976 Dodge	Mar 76	141,446	795
Miles City	1980 AMC	Mar 80	86,110	1,060
Great Falls	1980 Buick	Dec 81	88,600	1,900
Missoula	1980 Buick	Dec 81	61,128	1,070

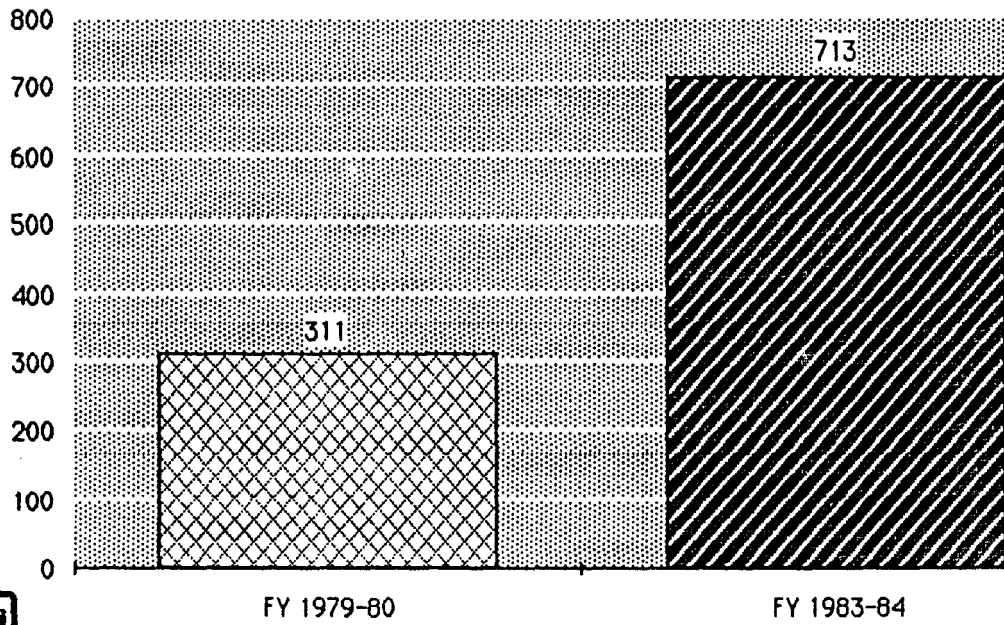
Total Miles Driven FY 84	78,680
Total FY 84 Costs, Including Depreciation	\$11,015
Average Cost Per Mile	\$ .140
Private Vehicle Use Reimbursement Rate	<u>\$ .205</u>
Difference In Cost Per Mile	\$ .065

Annual Difference (78,680 miles) x (\$.065 difference) = \$ 5,114

TU2/e

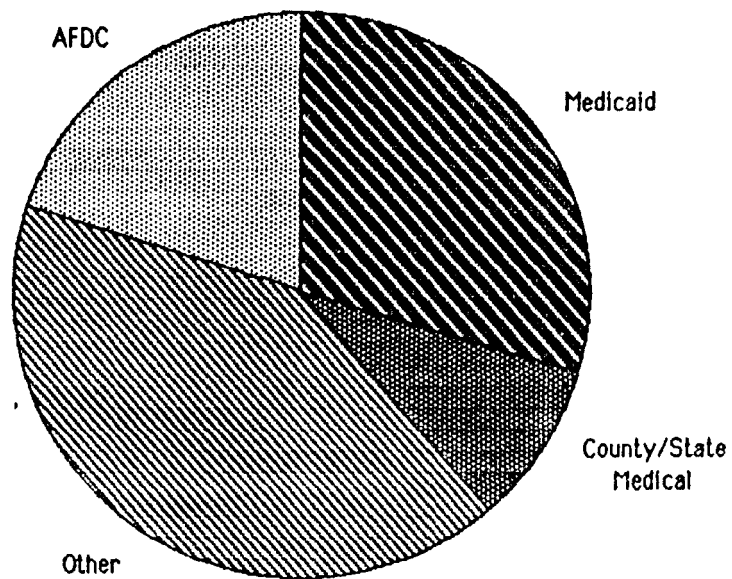
### Fair Hearing Requests

Requests



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### Fair Hearing Requests FY 1983-84



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FOSTER CARE  
Current Level

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	- - - Fiscal 1986 - - -		- - - Fiscal 1987 - - -	
	<u>Executive</u>	<u>LFA</u>	<u>Executive</u>	<u>LFA</u>
<u>In-State</u>				
Days	31,346	29,086	34,262	29,086
Costs	\$1,519,027	\$1,313,815	\$1,729,203	\$1,379,549
 <u>Out-of-State</u>				
Days	10,490	6,429	7,514	6,429
Costs	\$ 508,345	\$ 290,398	\$ 382,260	\$ 304,927
 Total Costs	<u>\$2,027,372</u>	<u>\$1,604,213</u>	<u>\$2,111,463</u>	<u>\$1,684,476</u>

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Exhibit 6  
2-7-85

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FOSTER CARE  
Adjusted

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	<u>Fiscal 1986</u>	<u>Fiscal 1987</u>
<u>In-State</u>		
Days	28,675	32,072
Costs	\$1,327,652	\$1,559,340
 <u>Out-of-State</u>		
Days	10,490	7,092
Costs	\$ 485,687	\$ 344,813
 Total Costs	<u>\$1,813,339</u>	<u>\$1,904,153</u>

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	<u>Days of Care</u>		
	<u>Care &amp; Prof</u>	<u>In-State</u>	<u>Attention Home</u>
Executive	8,442	33,170	10,915
LFA Current Level	<u>6,256</u>	<u>32,075</u>	<u>8,415</u>
Difference	<u><u>2,186</u></u>	<u><u>1,095</u></u>	<u><u>2,500</u></u>

- b) For out-of-state care, the LFA reduced the fiscal 1984 base number of days by 3,650. This reduction was made under the assumption that at least ten of the children that would otherwise be placed out-of-state during the fiscal 1987 biennium could be placed in-state at the new youth center in Billings. Funding for these children is already included in the medicaid portion of SRS budget. The executive used an estimate of the fiscal 1985 out-of-state placements and did not include any placements at the Billing's center.
- c) Because families, insurers, and social security pay a portion of foster care, the department receives these credits on behalf of the clients. The LFA used the actual fiscal 1984 amount of credits and include inflation on these amounts for fiscal 1986 and fiscal 1987. The executive estimated the fiscal 1985 credit amount and essentially carried this amount forward.

	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>
Executive	\$318,774	\$355,620	\$319,137	<u>\$320,000</u>	<u>\$320,000</u>
LFA Current Level	<u>318,774</u>	<u>355,620</u>	<u>376,957</u>	<u>393,920</u>	<u>413,616</u>
Difference	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 57,820</u></u>	<u><u>\$ 73,920</u></u>	<u><u>\$ 93,616</u></u>

## 2. Committee Issues

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## Committee Action--Foster Care

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## SOCIAL SERVICES MODIFIED REQUESTS

### Advocacy Assistance

Federal funds are requested to continue the Advocacy Assistance grant. The long term care ombudsman and the legal developer funded by the grant work to assure and safeguard the rights of senior citizens. The grant was added via budget amendment in fiscal 1984. This is a workload increase.

	<u>1986</u>	<u>1987</u>
FTE	2.00	2.00
Personal Services	\$49,220	\$49,239

### FUNDING

Commission on Aging	\$49,220	\$49,239
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#### 1. Committee Issues


#### Committee Action--Funding


## Priorities for People Requests

### Child Protective Services Caseload Reduction

Funds totaling \$465,271 in fiscal 1986 and \$1,154,934 in fiscal 1987 are requested for the first phase of an attempt to reduce social worker caseloads from 44.7 to 25 cases per worker. The positions would be phased in over the biennium. This is an expansion of service.

	<u>FY 86</u>	<u>FY 87</u>
FTE	27.00	54.00
P/S	\$371,555	\$ 946,633
Supplies & Materials	5,100	10,200
Communications	15,000	30,000
Travel	49,566	124,551
Rent	19,500	39,000
Equipment	4,550	4,550
Total	<u>\$465,271</u>	<u>\$1,154,934</u>

FUNDING

General Fund	\$407,112	\$1,010,567
County Reimbursement	<u>58,159</u>	<u>144,367</u>
Total	<u>\$465,271</u>	<u>\$1,154,934</u>

1. Committee Issues

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Committee Action--Funding

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Support Services for Foster Children and Youth

Funds are requested to increase payments made to foster parents for the costs of providing for a foster child. This is an expanded service.

	<u>FY 86</u>	<u>FY 87</u>
Payments to Group Homes	<u>\$394,789</u>	<u>\$402,892</u>

FUNDING

General Fund	\$134,663	\$135,452
Public Welfare - Grants	215,514	221,913
County Reimbursement	<u>44,612</u>	<u>45,527</u>
Total	<u>\$394,789</u>	<u>\$402,892</u>

1. Committee Issues

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Committee Action--Funding

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## VISITORS' REGISTER

Human Services Sub-COMMITTEE

BILL NO. \_\_\_\_\_

DATE 2-7-85

SPONSOR \_\_\_\_\_

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
W. R. DONALDSON	DSRS	X	
WILLIAM A. VOELMER	DSRS	X	
PEGGY WILLIAMS	DSRS	X	
Dave Lewis	DSRS		
Norma Harris	DSRS		
Pat Godbout	DSRS		
Ron Braun	DSRS		
John Bebee	DSRS		

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.