

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

February 18, 1985

The meeting of the Human Services Subcommittee was called to order by Chairman Cal Winslow on February 18, 1985 at 7:04 a.m. in Room 108 of the State Capitol.

ROLL CALL: All members were present, with the exception of Senator Manning, who arrived at 7:10 a.m.

Jack Ellery (49:A:016), administrator of the Economic Assistance Division of SRS, discussed nursing homes under Medicaid and gave everyone a set of handouts with the summary of major differences in long-term care, graphs showing the projected nursing home days for the 1987 biennium for each county, and the nursing home expenditure projections (EXHIBIT 1).

Discussion followed concerning the 398 beds coming on line and if the department's analysis has factored that in.

Jack Ellery stressed that the days are a problem, and that what is contained in the executive request is their best estimate, the rate has gone up, and the patient contributions enters into the cost. He also pointed out that President Reagan is requesting to limit Medicaid expenditures in FY86 to approximately \$22.2 billion, which is about \$1.3 billion less than the current projections for FY86 and is also proposing to limit federal spending in future years to only inflationary increases; 1984 would be the base. This does not take into account the states with growing caseloads and increased utilization.

Representative Bradley asked if the Department of Health and SRS both approve any new Certificate of Needs requests and was told they the Department of Health has approved all of them, and SRS has opposed generally all of them.

Dave Lewis said SRS does not have the expertise to effectively determine whether there is a need; the Department of Health has an entire process that has been developed to determine whether there is a need.

Jack Ellery (49:A:347) discussed Medicaid in relation to health care costs, what is included in Medicaid and the history of it, and who is eligible for the program. He gave everyone a set of handouts of mandatory & optional services of Medicaid, medically needy protected income standards, mandatory services of Medicaid, a graph of Medicaid projected caseloads, a set of graphs for

various information concerning Medicaid, and a summary of major differences in Medicaid (EXHIBIT 2).

He also highlighted each of these handouts included in the exhibit.

Discussion followed concerning if the department is reimbursing surgi-centers; they are.

Jack Ellery then discussed reimbursement, which is made from the state to the provider after approval.

Discussion followed concerning certain pharmacies not refilling prescriptions that are not enrolled in the program.

Jack Ellery then discussed a computer printout with the department's projections for the AFDC and the SSI case-load (EXHIBIT 3). He discussed the methodology that was used to arrive at these numbers.

Jack Ellery gave everyone a handout that lists various information on the revised estimate of DEFRA impact (EXHIBIT 4).

Rose Skoog (49:B:497), executive director of the Montana Health Care Association who represents approximately two-thirds of the nursing homes throughout Montana, discussed the differences between the budgets on patient days, patient contribution, staff requirements, and the level of funding.

#### HOUSE BILL NO. 615

Hearing commenced on House Bill No. 615 (50:A:102). Representative William Menahan, District #67, sponsor of the bill, stated that the purpose of this bill is to appropriate money for home health care. He announced that he would like to make an amendment in the bill to change home health care to in-home health care (EXHIBIT 5).

#### PROPONENTS

Sister Ruth Steffes read from her prepared testimony (EXHIBIT 6). She introduced five people from Miles City to stand and give their names in support of HB 615:

Elsie Fox  
Helen Scott  
Maurice Gunn  
Lenore Anderson  
Kenneth Clark

Wade Wilkison, a senior citizens PFP team member, spoke in support of HB 615 and gave everyone two handouts with information on in-home services in Montana (EXHIBITS 7,8). He pointed out that this bill is the only one that senior citizens have asked for in this legislative session that is just for themselves.

Molly Munro spoke from her prepared testimony (EXHIBIT 9).

Charles Banderob, president of the Montana Senior Citizens Association, said there has been a long, burning desire of senior citizens to remain in their own homes much longer. He urged more adequate funding for home health care and supports HB 615.

Joe Upshaw, representing the State Legislative Committee of the Association of Retired People and the Legacy Legislature, supports HB 615.

Jane Anderson (50:A:259), the director for the Area Agency on Aging, supported HB 615.

Dorothy Garvin, a member of the Legacy Legislature, supports HB 615.

Roberta Nutting pointed out that the funding from this bill should not be put into Medicaid because it is not medical and said she thought it should go into area agencies and not to the large towns.

Charlie Briggs from the Governor's Office, spoke on the need for this funding to be directed to the area agencies instead of going to Medicaid.

Jack Light discussed four bills that went to the House and the one that was decided on was for the least amount of money.

In closing, Representative Menahan gave everyone a copy of the bill with the mentioned amendments (EXHIBIT 10). He said this bill is a cost-saving measure if people can be kept out of the nursing homes and into their own homes.

Chairman Winslow introduced some people that wanted to address the issue of including social workers as Medicaid providers.

Sharon Hanton (50:A:516) spoke from her prepared testimony (EXHIBIT 11). She gave everyone a fact sheet on the cost effectiveness of licensed social work services and a sheet with information on the estimated financial impact on the Medicaid budget (EXHIBIT 12).

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Andree Deligdisch, a social worker in Great Falls, supported the proposal to have social workers as Medicaid providers because more people, and especially children, would receive help earlier.

HOUSE BILL NO. 38

Hearing commenced on House Bill No. 38 (50:B:008). Representative Dave Brown, District #72, sponsor of the bill (EXHIBIT 13), gave everyone a newspaper article on child abuse and a list of sponsors for HB 38 (EXHIBIT 14).

Senator Dave Fuller, the director of Big Brothers & Sisters, pointed out that the program is very beneficial.

Tom Johnson, an attorney and a board member for the Family Teaching Center, supports HB 38. He also gave everyone a fact sheet on the center, along with a map showing what the Family Teaching Center has done with training throughout the state (EXHIBIT 15). He reviewed this fact sheet and map.

Joy McGrath, representing the Mental Health Association of Montana, said in order to provide for better mental health, there needs to be ongoing training for the professionals delivering those services. She said HB 38 is an economical way to provide services.

Judi Burkhartsmeier, a school psychologist with School District #1 and president of the Montana Association of School Psychologists, urged the committee's support of HB 38. She said that the Family Teaching Center is very effective and unique.

Ken Lindell, the father of a delinquent youth, said that with the help of the Family Teaching Center, an alternate program that was less expensive was found for his son. He said the Family Teaching Center has been a great benefit to him and his son.

Maxine Homer, representing Montanans for Children, Youth, and Families, Inc., strongly supports HB 38.

Dr. Bailey Molineux, director of the Family Teaching Center, said they have gone to local sources for support. He also stated that the Family Teaching Center has tried to merge with another social program in the area, but have not been successful in doing so. He said the only local support they have been able to get is from United Way. He pointed out that in this bill, they are asking for funds for state-wide training, and not for their local counseling.

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Representative Brown said the committee has to look at the value that this program offers; not just in Helena and its local treatment centers.

Senator Christiaens asked what efforts have been made in the area of federal and private grants over the last two years.

In summary, Representative Dave Brown gave everyone four letters from people supporting HB 38 (EXHIBIT 16). He said that child abuse is getting more recognition that it is a real problem.

There being no further discussion on HB 38, the hearing was closed.

Chairman Winslow (50:B:316) then invited anyone who wants to address the social workers under Medicaid issue.

Judy Carlson, representing the National Association of Social Workers of Montana, said that those dollars would stretch further if social workers are included to be Medicaid providers.

The meeting was adjourned at 9:43 a.m.

  
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CAL WINSLOW, Chairman

DAILY ROLL CALL

## Human Services Subcommittee

49th LEGISLATIVE SESSION -- 1985

Date 2-18-85

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SUMMARY OF MAJOR DIFFERENCES IN LONG TERM CARE

1. THE DEPARTMENT'S REVISED ESTIMATE OF TOTAL DAYS EXCEEDS THE LFA CURRENT LEVEL BY 35,044 DAYS AS INDICATED BELOW:

	<u>EXECUTIVE</u>	<u>LFA</u>	<u>DIFFERENCE</u>
FY86	1,267,838	1,266,311	1,527
FY87	1,299,828	1,266,311	33,517
	<u>2,567,666</u>	<u>2,532,622</u>	<u>35,044</u>

REASONS FOR DIFFERENCES:

- A. DEPARTMENT ESTIMATES INCLUDE ALREADY APPROVED CERTIFICATE OF NEED APPLICATION FOR 398 ADDITIONAL BEDS TO BE CONSTRUCTED AND IN OPERATION IN THE NEXT BIENNIUM. THE LFA ESTIMATE HAS ANTICIPATED 149 NEW BEDS FOR THE NEXT BIENNIUM FOR A DIFFERENCE OF 249 BEDS.
- B. THE DEPARTMENT HAS PREPARED ITS ESTIMATE USING ACTUAL FISCAL 1984 MEDICAID DAYS FOR EACH FACILITY ALONG WITH THAT FACILITIES ACTUAL MEDICAID UTILIZATION RATE. THE ADDITIONAL APPROVED BEDS HAVE BEEN PHASED INTO THE 87 BIENNIUM BASED UPON EACH FACILITIES ANTICIPATED CONSTRUCTION SCHEDULE AND UTILIZATION RATE. AS AN EXAMPLE:

RIG FORK CONVALESCENT CENTER HAS BEEN APPROVED FOR 26 ADDITIONAL BEDS WHICH ARE SCHEDULED TO BE OPERATIONAL IN DECEMBER OF 1985. THE BED DAYS HAVE BEEN PHASED INTO THE PROJECTION AS FOLLOWS:

<u>FY84</u>	<u>FY84</u>	<u>FY84</u>	<u>FY84</u>	<u>FY86</u>	<u>FY86</u>	<u>FY86</u>
<u>MEDICAID</u>	<u>MAXIMUM</u>	<u>MEDICAID</u>	<u>MEDICAID</u>	<u>MEDICAID</u>	<u>MAXIMUM</u>	<u>MEDICAID</u>
<u>BEDS</u>	<u>DAYS</u>	<u>DAYS</u>	<u>UTILIZATION</u>	<u>BEDS</u>	<u>DAYS</u>	<u>DAYS</u>
83	30,295	18,834	62.17%	83	30,295	18,834
				26	4,745(1)	2,950
					<u>35,040</u>	<u>21,784(2)</u>

- (1)  $(26 \times 365 \times .50\% = 1/2 \text{ YEAR OF OPERATION})$   
 (2)  $(\text{TOTAL DAYS} \times 62.17\% = \text{MEDICAID DAYS})$

THE ABOVE CALCULATION WAS PERFORMED FOR EACH FACILITY WHICH WILL PHASE-IN ADDITIONAL BEDS AT VARYING TIMES DURING THE BIENNIUM.

2. THE DEPARTMENT HAS REVISED ITS ESTIMATE OF THE FY86 AND FY87 OPERATING AND PROPERTY RATES IN ACCORDANCE WITH THE NURSING HOME LAWSUIT SETTLEMENT AS INDICATED BELOW:

	<u>EXECUTIVE</u>	<u>LFA</u>	<u>DIFFERENCE</u>
FY86	\$45.33	\$44.86	\$ .47
FY87	\$47.03	\$46.55	\$ .48

REASONS FOR DIFFERENCES

- A. THE NURSING HOME SETTLEMENT REQUIRES THAT THE DEPARTMENT PROVIDE AN INDUSTRY WIDE WEIGHTED AVERAGE OPERATING RATE INCREASE OF 4.0% IN EACH YEAR OF THE 87 BIENNIUM OVER THE INDUSTRY WIDE WEIGHTED AVERAGE PAID DURING THE PERIOD OF JULY 1, 1984 TO FEBRUARY 28, 1985, (FY85). IT ALSO PROVIDES FOR THE INDEXING OF THE PROPERTY RATE AT 2.5%
- B. THE EXECUTIVE ESTIMATE PREPARED IN AUGUST 1984 WAS BASED UPON GROSS EXPENDITURES AND NUMBER OF DAYS AVAILABLE AT THAT TIME. ACTUAL FY84 DAYS FOR EACH NURSING HOME HAS BEEN USED IN THE NURSING HOME FORMULAS TO ARRIVE AT THE BEST POSSIBLE ESTIMATE OF THE FY85 RATE IN ACCORDANCE WITH THE SETTLEMENT. THIS RATE WILL AGAIN BE REVISED IN EARLY APRIL 1985 USING THE ACTUAL NUMBER OF DAYS FOR EACH FACILITY FOR THE PERIOD JULY 1, 1984 TO FEBRUARY 28, 1985.



### 3. SUMMARY OF DIFFERENCES

#### TOTAL EXPENDITURES

	<u>EXECUTIVE</u>	<u>LFA</u>	<u>DIFFERENCE</u>
FY86	\$43,283,989	\$42,636,691	\$ 647,298
FY87	\$45,859,932	\$44,067,623	\$1,790,309
BIENNIUM	\$89,141,921	\$86,704,314	\$2,437,607

#### BREAKDOWN OF DIFFERENCES

	<u>DAYS</u>	<u>RATE</u>	<u>TOTAL</u>
FY86	\$ 52,132	\$ 595,166	\$ 647,298
FY87	1,182,480	607,829	1,790,309
BIENNIUM	\$ 1,234,612	\$1,202,995	\$2,437,607

#### GENERAL FUND

	<u>EXECUTIVE</u>	<u>LFA</u>	<u>DIFFERENCE</u>
FY86	\$14,764,169	\$14,543,375	\$220,794
FY87	\$15,417,437	\$14,815,535	\$601,902
BIENNIUM	\$30,181,606	\$29,358,910	\$822,696

OTHER CONCERNS

1. RECENT NEWSPAPER ARTICLES HAVE INDICATED THAT PRESIDENT REAGAN MAY BE CONSIDERING A FREEZE ON SSI BENEFITS IN FY87. THIS COULD POTENTIALLY HAVE A NEGATIVE IMPACT ON GENERAL FUND EXPENDITURES BECAUSE PATIENT CONTRIBUTION WOULD BE HELD AT \$11.19 PER DAY VS THE \$11.75 WHICH IS ANTICIPATED FOR FY87.

THE IMPACT OF THIS POSSIBILITY COULD BE:

	<u>FY86</u>	<u>FY87</u>	<u>NET</u>		<u>FY87 DAYS</u>		<u>DOLLARS</u>
PATIENT CONTRIBUTION	\$11.19	\$11.75	.56	X	1,299,829	=	\$727,903
						X	33.62%
					ADDITIONAL GENERAL FUND		\$244,720

2. PRESIDENT REAGAN'S FY86 BUDGET PROPOSAL CALLS FOR A CHANGE IN THE WAY THE FEDERAL GOVERNMENT WILL MATCH STATE MEDICAID EXPENDITURES. THE PROPOSAL IN ONE WHICH VIRTUALLY ESTABLISHES A BLOCK GRANT TO STATES FOR MEDICAID.

THE PROPOSAL DOES THE FOLLOWING:

- . LIMITS FEDERAL MEDICAID EXPENDITURES IN FY86 TO \$22.2 BILLION OR \$1.3 BILLION LESS THAN CURRENT PROJECTIONS FOR FY86.
- . ESTABLISHES A \$300 MILLION "HARDSHIP" FUND FOR STATES WHO CANNOT LIVE WITHIN EXPENDITURE LIMITS.
- . LIMITS FEDERAL SPENDING IN FUTURE YEARS TO INFLATION INCREASES MEASURED BY THE MEDICAL CARE COMPONENT OF THE CONSUMER PRICE INDEX, AND
- . WILL LIMIT EACH STATES SPENDING LIMIT IN FY86 TO THE SAME PROPORTIONAL SHARE AS IT EXPENDED IN FY84.

THE BOTTOM LINE OF THIS PROPOSAL IS THAT THE FEDERAL GOVERNMENT WILL NO LONGER PARTICIPATE IN THE OPEN ENDED FUNDING OF MEDICAID. FEDERAL PARTICIPATION WILL BE LIMITED SOLELY TO INFLATIONARY COST INCREASES AND THE STATES WILL BE SOLELY RESPONSIBLE FOR FUNDING CASELOAD AND RECIPIENT UTILIZATION INCREASES. GIVEN THE CURRENT EXPENDITURE PROJECTIONS FOR THE 87 BIENNIUM THIS SPELLS ADDITIONAL GENERAL FUND PROBLEMS FOR MONTANA.

3. THE NURSING HOME DAY PROJECTION COULD EASILY BE UNDERSTATED BECAUSE OF THE FACT THAT ADDITIONAL BEDS COULD BE APPROVED THROUGH THE CERTIFICATE OF NEED (CON) PROCESS BEFORE THE END OF THIS BIENNIUM AND DURING THE 87 BIENNIUM. IN THE LIKELY EVENT THAT ADDITIONAL BEDS ARE APPROVED AND BUILD THE 87 BIENNIUM APPROPRIATION WILL BE UNDER FUNDED.

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PROJECTED NURSING HOME DAYS FOR THE 1987 BIENNIIUM

NURSING HOME	NUMBER OF BEDS	FY84 MAXIMUM DAYS	FY84 MEDICAID DAYS	% MEDICAID DAYS	NEW BEDS APPROVED	DATE ON LINE	FY86 TOTAL BEDS	FY86 MAXIMUM DAYS	FY86 MEDICAID DAYS	% MEDICAID DAYS	FY87 MAXIMUM DAYS	FY87 MEDICAID DAYS	% MEDICAID DAYS
1 Comm. of Anaconda	68	24,820	15,247	61.43%			68	24,820	15,247	61.43%	24,820	15,247	61.43%
2 Fallon Mem NH	32	11,680	7,435	63.66%			32	11,680	7,435	63.66%	11,680	7,435	63.66%
3 Bigfork Conv Center	83	30,295	18,834	62.17%	26 (DEC 1985)		109	35,040	21,784	62.17%	39,785	24,730	62.17%
4A Big Sandy Medical Center	0	0	0	57.60%	20 (JAN 1986)		20	3,650	2,102	57.60%	7,300	4,205	57.60%
4 Sande Conv Center	29	10,585	9,240	87.29%			29	10,585	9,240	87.29%	10,585	9,240	87.29%
5A Pondera Medical Center	0	0	0	57.60%	16 (JUN 1985)		16	5,840	3,364	57.60%	5,840	3,364	57.60%
5 Pioneer NH	48	17,520	6,663	38.03%			48	17,520	6,663	38.03%	17,520	6,663	38.03%
6 Glendee NH	36	13,140	4,555	34.67%			36	13,140	4,555	34.67%	13,140	4,555	34.67%
7 St. John's	176	64,240	33,477	52.11%			176	64,240	33,477	52.11%	64,240	33,477	52.11%
8 Valley NH	100	36,500	15,620	42.79%			100	36,500	15,620	42.79%	36,500	15,620	42.79%
9 Western Manor	158	57,670	31,738	55.03%			158	57,670	31,738	55.03%	57,670	31,738	55.03%
9A Billings-New Facility	0	0	0	57.60%	100 (JAN 1986)		100	18,250	10,512	57.60%	36,500	21,024	57.60%
10 Yellowstone Co. NH	59	21,535	21,496	99.82%			59	21,535	21,496	99.82%	21,535	21,496	99.82%
11 Bozeman Convalescent	103	37,595	26,751	71.16%			103	37,595	26,751	71.16%	37,595	26,751	71.16%
12 Gallatin Co. Rest Home	56	20,440	16,018	78.37%			56	20,440	16,018	78.37%	20,440	16,018	78.37%
13 Powder River NH	41	14,965	5,912	39.51%			41	14,965	5,912	39.51%	14,965	5,912	39.51%
14 Blackfeet NH	49	17,885	9,183	51.34%			49	17,885	9,183	51.34%	17,885	9,183	51.34%
15 Butte Park Royal	200	73,000	43,572	59.69%			200	73,000	43,572	59.69%	73,000	43,572	59.69%
16 Crest Nursing Home	103	37,595	21,269	56.57%			103	37,595	21,269	56.57%	37,595	21,269	56.57%
17 Butte Conv. (Silver Bow)	100	36,500	29,160	79.89%			100	36,500	29,160	79.89%	36,500	29,160	79.89%
18 Liberty Co. NH	40	14,600	7,707	52.79%			40	14,600	7,707	52.79%	14,600	7,707	52.79%
19 Sweet Memorial	40	14,600	7,781	53.29%			40	14,600	7,781	53.29%	14,600	7,781	53.29%
20 Teton Medical Center	24	8,760	5,700	65.07%			24	8,760	5,700	65.07%	8,760	5,700	65.07%
21 Teton NH	41	14,965	5,110	34.15%			41	14,965	5,110	34.15%	14,965	5,110	34.15%
22 McCone County NH	40	14,600	8,184	56.05%			40	14,600	8,184	56.05%	14,600	8,184	56.05%
23 Hillbrook NH	67	24,455	21,034	86.01%			67	24,455	21,034	86.01%	24,455	21,034	86.01%
24 Stillwater Convalescent C	81	29,565	22,243	75.23%			81	29,565	22,243	75.23%	29,565	22,243	75.23%
25 Pondera Pioneer	63	22,995	11,908	51.79%			63	22,995	11,908	51.79%	22,995	11,908	51.79%
26 Roosevelt Memorial	40	14,600	6,389	43.76%			40	14,600	6,389	43.76%	14,600	6,389	43.76%
27 Glacier Co. Medical Ctr	39	14,235	7,762	54.53%			39	14,235	7,762	54.53%	14,235	7,762	54.53%
28 Colonial Manor	60	21,900	14,589	66.62%			60	21,900	14,589	66.62%	21,900	14,589	66.62%
29 Galen	0	0	0	0.00%			0	0	0	0.00%	0	0	0.00%
30 Parkview Acres	98	35,770	20,212	56.51%			98	35,770	20,212	56.51%	35,770	20,212	56.51%
31 Dahl Memorial	21	7,665	2,797	36.49%			21	7,665	2,797	36.49%	7,665	2,797	36.49%
32 Madison Co. NH	40	14,600	7,716	52.85%			40	14,600	7,716	52.85%	14,600	7,716	52.85%
33 Mountain View	40	14,600	9,653	66.12%			40	14,600	9,653	66.12%	14,600	9,653	66.12%
34 Rosebud Comm. NH	51	18,615	9,037	48.55%			51	18,615	9,037	48.55%	18,615	9,037	48.55%
35 Chouteau Co. NH	22	8,030	2,909	36.23%			22	8,030	2,909	36.23%	8,030	2,909	36.23%
36 Valley View	92	33,580	20,664	61.54%	25 (JUL 1986)		117	33,580	20,664	61.54%	42,705	26,279	61.54%
37 Glendive Comm. NH	75	27,375	14,710	53.74%			75	27,375	14,710	53.74%	27,375	14,710	53.74%
38 Cascade County Conv.	232	84,680	61,082	72.13%			232	84,680	61,082	72.13%	84,680	61,082	72.13%
39 Deaconess Nursing Ctr.	113	41,245	6,586	15.97%			113	41,245	6,586	15.97%	41,245	6,586	15.97%
40 Park Place	175	63,875	40,885	64.01%	50 (JUNE 1985)		225	82,125	52,566	64.01%	82,125	52,566	64.01%
41 Valley View	98	35,770	20,849	58.29%			98	35,770	20,849	58.29%	35,770	20,849	58.29%
42A Frances Manor	0	0	0	57.60%	6 (MAR 1985)		6	2,190	1,261	57.60%	2,190	1,261	57.60%
43 Big Horn Co. NH	34	12,410	5,259	42.38%			34	12,410	5,259	42.38%	12,410	5,259	42.38%
44 Heritage Acres	36	13,140	7,128	54.25%			36	13,140	7,128	54.25%	13,140	7,128	54.25%
45 Harlem Rest Home	55	20,075	13,757	68.53%			55	20,075	13,757	68.53%	20,075	13,757	68.53%
46 Wheatland Memorial	33	12,045	4,817	39.99%			33	12,045	4,817	39.99%	12,045	4,817	39.99%
47A Northern Montana Hospital	0	0	0	57.60%	20 (JUN 1985)		20	7,300	4,205	57.60%	7,300	4,205	57.60%

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PROJECTED NURSING HOME DAYS FOR THE 1987 BIENNIUM

	NURSING HOME	NUMBER OF BEDS	FY84 MAXIMUM DAYS	FY84 MEDICAID DAYS	%	NEW BEDS APPROVED	DATE ON LINE	FY86 TOTAL BEDS	FY86 MAXIMUM DAYS	FY86 MEDICAID DAYS	%	FY87 MAXIMUM DAYS	FY87 MEDICAID DAYS	%
47	Luth. Home of Havre	102	37,230	17,924	48.14%	8	(APR 1986)	110	37,230	17,924	48.14%	40,150	19,330	48.14%
48	Cooney Convalescent	60	21,900	15,857	72.41%			60	21,900	15,857	72.41%	21,900	15,857	72.41%
49	Helena Nrgs Home	63	22,995	10,492	45.63%			63	22,995	10,492	45.63%	22,995	10,492	45.63%
50	Western Care	108	39,420	23,003	58.35%			108	39,420	23,003	58.35%	39,420	23,003	58.35%
51	Hot Springs Conv.	72	26,280	14,717	56.00%			72	26,280	14,717	56.00%	26,280	14,717	56.00%
52	Garfield Co. NH	12	4,380	1,782	40.68%			12	4,380	1,782	40.68%	4,380	1,782	40.68%
53A	Kalispell Regional	0	0	0	0.00%	69	(JUN 1985)	69	25,185	14,507	57.60%	25,185	14,507	57.60%
53	Flathead County NH	66	24,090	17,717	73.55%			66	24,090	17,717	73.55%	24,090	17,717	73.55%
54	Immanuel Lutheran	144	52,560	18,943	36.04%			144	52,560	18,943	36.04%	52,560	18,943	36.04%
55	Laurel NH	29	10,585	4,493	42.45%			29	10,585	4,493	42.45%	10,585	4,493	42.45%
56	Central MT NH	70	25,550	14,879	58.23%			70	25,550	14,879	58.23%	25,550	14,879	58.23%
57	Center for the Aged	0	0	0	0.00%			0	0	0	0.00%	0	0	0.00%
58	Valle Vista	95	34,675	20,770	59.90%			95	34,675	20,770	59.90%	34,675	20,770	59.90%
59	Libby Care Center	63	22,995	15,531	67.54%			63	22,995	15,531	67.54%	22,995	15,531	67.54%
60	Livingston Conv.	125	45,625	32,830	71.96%			125	45,625	32,830	71.96%	45,625	32,830	71.96%
61	Phillips Co. Good Samarit	60	21,900	13,278	60.63%			60	21,900	13,278	60.63%	21,900	13,278	60.63%
62	Custer Co. Rest Home	121	44,165	21,003	47.56%			121	44,165	21,003	47.56%	44,165	21,003	47.56%
63	Friendship Villa	67	24,455	12,642	51.69%		7 (SEPT 1985)	74	26,371	13,633	51.69%	27,010	13,963	51.69%
64	Community NH	140	51,100	31,705	62.05%			140	51,100	31,705	62.05%	51,100	31,705	62.05%
65	Hillside Manor	103	37,595	20,810	55.35%			103	37,595	20,810	55.35%	37,595	20,810	55.35%
66	Royal Manor	31	11,315	6,981	61.70%			31	11,315	6,981	61.70%	11,315	6,981	61.70%
67	Wayside NH	44	16,060	8,821	54.93%			44	16,060	8,821	54.93%	16,060	8,821	54.93%
68	Granite County	13	4,745	3,431	72.31%			13	4,745	3,431	72.31%	4,745	3,431	72.31%
69	Clark Fork Valley	26	9,490	6,598	69.53%			26	9,490	6,598	69.53%	9,490	6,598	69.53%
70	Sheridan Memorial	65	23,725	12,084	50.93%			65	23,725	12,084	50.93%	23,725	12,084	50.93%
71	St. Joseph's Conv.	112	40,880	26,120	63.89%			112	40,880	26,120	63.89%	40,880	26,120	63.89%
72	Community NH	22	8,030	3,272	40.75%			22	8,030	3,272	40.75%	8,030	3,272	40.75%
73	Carbon Co. Health Care	80	29,200	17,632	60.38%			80	29,200	17,632	60.38%	29,200	17,632	60.38%
74	Carbon Co. Memorial	24	8,760	3,167	36.17%			24	8,760	3,167	36.17%	8,760	3,167	36.17%
75	St. Luke's Conv.	43	15,695	9,873	62.91%			43	15,695	9,873	62.91%	15,695	9,873	62.91%
76	Westside Rest Home	23	8,395	5,177	61.67%			23	8,395	5,177	61.67%	8,395	5,177	61.67%
77	Roundup Memorial	16	5,840	4,307	73.75%		21 (JULY 1986)	37	5,840	4,307	73.75%	13,505	9,960	73.75%
78	Daniels Memorial	55	20,075	4,990	24.86%			55	20,075	4,990	24.86%	20,075	4,990	24.86%
79	Toole County NH	43	15,695	8,516	54.26%			43	15,695	8,516	54.26%	15,695	8,516	54.26%
80	Madison County NH	39	14,235	9,321	65.48%			39	14,235	9,321	65.48%	14,235	9,321	65.48%
81	Richland Home	85	31,025	16,311	52.57%			85	31,025	16,311	52.57%	31,025	16,311	52.57%
82	North Valley	57	20,805	13,118	63.05%		16 (JULY 1986)	73	20,805	13,118	63.05%	26,645	16,800	63.05%
83	Mineral County NH	20	7,300	6,405	87.74%			20	7,300	6,405	87.74%	7,300	6,405	87.74%
84	Prarie Comm. NH	14	5,110	2,849	55.75%			14	5,110	2,849	55.75%	5,110	2,849	55.75%
85	Broadwater Co. Rest Home	18	6,570	4,091	62.27%		14 (JAN 1986)	32	9,125	5,682	62.27%	11,680	7,273	62.27%
86	Warm Springs State Hosp.	0	0	0	0.00%			0	0	0	0.00%	0	0	0.00%
87	Colonial Manor	60	21,900	14,551	66.44%			60	21,900	14,551	66.44%	21,900	14,551	66.44%
88	North Valley NH	56	20,440	11,395	55.75%			56	20,440	11,395	55.75%	20,440	11,395	55.75%
89	Mountain View Mes. NH	31	11,315	8,036	71.02%			31	11,315	8,036	71.02%	11,315	8,036	71.02%
90	Wibaux Co. NH	40	14,600	7,324	50.16%			40	14,600	7,324	50.16%	14,600	7,324	50.16%
91	Faith Lutheran Home	60	21,900	9,683	44.21%			60	21,900	9,683	44.21%	21,900	9,683	44.21%

5,768 2,105,320 1,214,674

398

6,166 2,195,201 1,267,838

57.75% 2,250,590 1,299,828

75%

NHRATE3.Wrk, Nursing Home Rates, 1/23/85  
 Operating Rate of 6/30/85  
 Property Rate of 6/30/82  
 Incentive Estimate of 6/30/82  
 Age of Facility on 6/30/82  
 Type of Construction  
 Patient Assessment Score  
 Geographic Area Wage Adjustment  
 Number of Licensed Beds  
 Annual Medicaid Patient Days (Est.)  
 Fiscal Year--End Month

Year of Licensure  
 Statewide Avg Patient Assessment Score  
 Statewide Avg Nursing Care Hourly Wage  
 (Original avg. patient-day parameter)  
 Band Patient-Day Cost Parameter #1  
 Band Patient-Day Cost Parameter #2  
 Band Fixed Cost Parameter  
 Nursing Home Occupancy Standard  
 Old Operating Inflation Rate  
 Old Property Inflation Rate  
 Nursing Home Mortgage Cost per Bed-Day

ASSUMPTIONS FOR THIS SCENARIO #:  
 Band Spread  
 New Operating Inflation Rate  
 Property Inflation Rate  
 Cut Grandfathering of Op'g Rate?(Y=1,N=0)  
 Cut Grandfathering of Property Rate?  
 Minimum Number of Beds?(Y=#,N=0)  
 Fiscal Year

Average Operating Rate  
 Average Property Rate  
 Average Total Rate

11:13 AM

00  
 50  
 10  
 A0  
 K  
 J  
 B  
 NN2  
 D  
 X

L0

2.985 :J0

\$7.12 :W0

27.43

30.17 :Calculated

24.69 :Calculated

54,627

0.9

0.09

0.06

6.09

11

10%

7.70%

2.50%

0

0

0

86

+D36

7.60%

7.70%

7.80%

7.90%

3.96%

4.00%

4.05%

4.10%

FY 85

\$39.16

\$4.53

\$43.69

FY 86

\$40.73

\$4.60

\$45.33

% INCREASE

4.00%

1.55%

3.75%

11 SCENARIO #  
10 # NURSING HOME

K	A0	L0	Locn	J	MN2	X	00	10	50	D	B	Z	N	Q	Z1	M	U1	L1	T	A
1	10	NA	1	2.57	68	5	\$38.35	\$1.00	\$4.54	15,247	1.0986	25	15	2	0.0400	\$4.24	\$42.40	\$34.67	\$44.64	\$42.40
2	17	NA	27	3.23	32	6	35.87	1.00	1.32	7,435	0.9938	25	8	2	0.0400	2.26	46.18	39.18	45.17	45.17
3	9	NA	19	3.02	83	12	25.31	1.50	6.84	18,834	1.0000	25	16	2	0.0400	4.52	41.29	34.25	30.56	34.25
4	19	NA	15	1.74	29	6	24.28	1.50	2.09	9,240	1.0000	25	6	1	0.0400	1.76	36.47	29.44	30.58	30.58
5	15	NA	25	2.61	48	6	23.17	1.50	0.98	6,663	1.0000	30	15	2	0.0333	3.58	40.05	33.02	29.18	33.02
6	15	NA	3	3.49	36	12	29.71	1.50	3.38	4,555	1.0000	25	10	2	0.0400	2.82	47.65	40.61	35.87	40.61
7	9	NA	3	3.53	176	12	29.77	1.50	3.91	33,477	1.0000	25	16	2	0.0400	4.52	44.70	36.67	35.94	36.67
8	18	NA	3	3.09	158	12	26.96	1.50	1.70	15,620	1.0000	30	12	2	0.0333	2.86	43.71	37.28	36.70	37.28
9	17	NA	3	3.23	59	6	39.13	0.50	1.09	31,738	1.0000	30	12	2	0.0333	2.86	40.69	33.66	32.55	33.66
10	11	NA	5	2.57	103	5	29.78	1.50	3.73	21,496	1.0000	30	13	2	0.0333	3.10	43.72	36.69	49.28	43.72
11	15	NA	5	3.32	56	6	27.83	1.50	0.25	26,751	1.0000	30	19	2	0.0333	4.53	37.64	30.60	34.67	34.67
12	5	NA	27	2.58	41	6	47.34	0.00	4.19	16,018	1.0000	25	10	2	0.0400	2.82	44.54	37.50	35.05	37.50
13	8	NA	12	2.72	49	12	33.22	1.50	1.34	5,712	0.9758	30	25	2	0.0333	5.96	40.27	33.28	59.64	40.27
14	14	NA	7	3.42	200	3	36.42	1.00	3.75	9,183	1.0000	25	17	2	0.0400	4.80	40.76	33.72	40.11	40.11
15	14	NA	7	3.20	103	12	35.54	1.50	0.95	43,572	1.0711	25	18	2	0.0400	5.08	45.93	38.29	43.03	43.03
16	8	NA	7	2.91	100	5	38.97	0.50	5.19	21,269	1.0711	30	16	2	0.0333	3.81	45.12	37.58	42.91	42.91
17	20	NA	34	4.22	40	6	41.45	0.50	2.15	29,160	1.0711	30	22	2	0.0333	5.24	42.97	35.43	45.36	42.97
18	13	NA	15	2.45	24	6	39.96	0.50	3.05	7,707	1.0000	30	10	2	0.0333	2.38	52.32	45.28	52.20	52.20
19	5	NA	13	2.19	41	6	34.84	1.00	1.13	7,781	1.0000	25	12	2	0.0400	3.39	39.71	32.68	31.08	32.68
20	5	NA	13	3.64	41	6	40.34	0.50	6.45	5,700	1.0000	30	25	2	0.0333	5.96	41.05	34.02	50.33	41.05
21	7	NA	17	2.78	67	10	34.36	1.50	2.17	5,110	1.0000	25	11	2	0.0400	3.11	48.07	41.03	43.88	43.88
22	19	NA	34	2.67	63	6	30.63	1.50	4.88	8,184	1.0000	30	25	2	0.0333	5.96	39.29	32.25	50.80	39.29
23	4	NA	39	2.82	40	4	29.75	1.50	8.21	21,034	1.0000	30	9	1	0.0333	2.21	44.12	33.10	42.08	40.13
24	22	NA	12	3.04	39	4	50.26	0.50	2.66	22,243	1.0000	25	18	2	0.0400	5.08	44.12	37.09	34.30	37.09
25	8	NA	7	3.01	60	12	29.54	1.50	3.47	11,908	1.0000	30	11	2	0.0333	2.62	39.53	32.50	38.57	38.57
26	32	NA	1	3.57	185	6	47.36	0.00	1.28	6,389	1.0000	25	21	2	0.0400	5.93	42.35	35.31	34.89	35.31
27	11	NA	40	2.70	98	5	29.59	1.50	6.43	7,762	1.0000	30	8	0	0.0333	2.03	44.04	37.00	59.94	44.04
28	14	NA	27	2.38	21	6	42.24	0.50	2.21	14,589	1.0711	25	17	2	0.0400	4.80	45.10	37.56	35.67	37.56
29	4	NA	5	2.86	40	12	44.57	0.50	6.68	0	1.0986	30	8	0	0.0333	2.03	48.26	40.54	59.64	48.26
30	5	NA	46	2.67	40	12	38.32	1.00	4.62	20,212	1.0000	25	14	2	0.0400	3.95	38.66	31.62	34.44	34.44
31	21	NA	27	2.50	51	6	34.38	1.00	3.13	2,797	0.9938	30	16	2	0.0333	3.81	43.28	36.29	53.20	43.28
32	21	NA	13	3.45	22	6	44.46	0.50	2.55	7,716	1.0000	25	21	2	0.0400	5.93	42.63	35.60	53.81	42.63
33	11	NA	16	2.61	92	12	29.67	1.50	3.32	9,653	0.9959	25	20	2	0.0400	5.65	41.11	34.10	46.27	41.11
34	4	NA	11	3.17	75	10	41.42	0.50	4.11	9,037	0.9938	30	9	1	0.0333	2.21	38.79	31.80	43.30	38.79
35	22	NA	13	3.63	232	6	40.02	0.50	0.88	2,909	1.0000	30	9	1	0.0333	2.21	38.79	31.80	43.30	38.79
36	22	NA	13	2.48	113	6	38.67	0.50	0.24	20,664	1.0000	30	19	2	0.0333	4.53	38.14	31.11	35.82	35.82
37	22	NA	13	3.18	175	3	33.05	1.50	3.96	14,710	1.0000	30	26	2	0.0333	6.20	42.60	35.57	50.73	42.60
38	11	NA	18	2.59	99	6	27.31	0.24	5.41	61,082	1.0000	30	8	0	0.0333	2.03	44.15	37.11	50.40	44.15
39	17	NA	3	3.09	34	6	33.09	1.50	0.86	6,586	1.0000	30	8	0	0.0333	2.03	36.83	29.80	49.70	36.83
40	11	NA	3	3.09	34	6	33.09	1.50	0.86	40,885	1.0000	30	19	2	0.0333	4.53	41.21	34.18	39.05	39.05
41	11	NA	3	3.09	34	6	33.09	1.50	0.86	20,849	1.0000	25	14	2	0.0400	3.95	45.11	38.08	41.67	41.67
42	11	NA	3	3.09	34	6	33.09	1.50	0.86	5,259	1.0000	25	14	2	0.0400	3.95	45.11	38.08	41.67	41.67
43	11	NA	3	3.09	34	6	33.09	1.50	0.86	0	1.0000	25	14	2	0.0400	3.95	45.11	38.08	41.67	41.67
44	11	NA	3	3.09	34	6	33.09	1.50	0.86	0	1.0000	25	14	2	0.0400	3.95	45.11	38.08	41.67	41.67
45	11	NA	3	3.09	34	6	33.09	1.50	0.86	0	1.0000	25	14	2	0.0400	3.95	45.11	38.08	41.67	41.67
46	11	NA	3	3.09	34	6	33.09	1.50	0.86	0	1.0000	25	14	2	0.0400	3.95	45.11	38.08	41.67	41.67
47	11	NA	3	3.09	34	6	33.09	1.50	0.86	0	1.0000	25	14	2	0.0400	3.95	45.11	38.08	41.67	41.67
48	11	NA	3	3.09	34	6	33.09	1.50	0.86	0	1.0000	25	14	2	0.0400	3.95	45.11	38.08	41.67	41.67
49	11	NA	3	3.09	34	6	33.09	1.50	0.86	0	1.0000	25	14	2	0.0400	3.95	45.11	38.08	41.67	41.67
50	11	NA	3	3.09	34	6	33.09	1.50	0.86	0	1.0000	25	14	2	0.0400	3.95	45.11	38.08	41.67	41.67
51	11	NA	3	3.09	34	6	33.09	1.50	0.86	0	1.0000	25	14	2	0.0400	3.95	45.11	38.08	41.67	41.67
52	11	NA	3	3.09	34	6	33.09	1.50	0.86	0	1.0000	25	14	2	0.0400	3.95	45.11	38.08	41.67	41.67
53	11	NA	3	3.09	34	6	33.09	1.50	0.86	0	1.0000	25	14	2	0.0400	3.95	45.11	38.08	41.67	41.67



11 SCENARIO #  
ID # NURSING HOME

K	A0	L0	Locn	J	NH2	X	00	10	50	D	B	Z	N	Q	Z1	M	UI	L1	T	A
1	16	NA	19	3.35	144	12	24.94	1.50	1.05	18,943	1.0000	25	9	2	0.0400	2.54	42.66	35.63	30.11	35.63
54	18	NA	3	3.66	29	12	25.60	1.50	0.71	4,493	1.0000	25	7	2	0.0400	1.98	50.14	43.11	30.91	43.11
55	4	NA	23	3.69	70	6	38.41	0.50	6.79	14,879	1.0000	30	26	2	0.0333	6.20	46.49	39.45	48.37	46.49
56	15	NA	23	1.74	199	6	25.70	1.50	1.05	0	1.0000	25	10	2	0.0400	2.82	30.83	23.79	32.37	30.83
57	17	NA	23	3.36	95	6	29.52	1.50	4.51	20,770	1.0000	25	8	2	0.0400	2.26	43.42	36.38	36.41	36.41
58	11	NA	46	3.43	63	12	28.76	1.50	5.61	15,531	0.9959	25	14	2	0.0400	3.95	44.76	37.75	34.72	37.75
59	8	NA	25	2.79	125	5	29.58	1.50	4.63	32,830	1.0000	25	17	2	0.0400	4.80	38.88	31.84	34.43	34.43
60	3	NA	16	3.25	60	12	25.33	1.50	4.63	13,278	1.0000	25	22	2	0.0400	6.21	43.81	36.78	30.58	36.78
61	17	NA	27	2.63	121	6	27.14	1.50	1.23	21,003	0.9938	30	13	2	0.0333	3.10	37.55	30.56	34.18	34.18
62	9	NA	27	3.23	67	12	27.07	1.50	3.54	12,642	0.9938	25	16	2	0.0400	4.52	43.07	36.08	32.68	36.08
63	6	NA	29	3.10	140	12	33.21	1.50	9.23	31,705	1.0000	25	19	2	0.0400	5.37	40.92	33.88	40.10	40.10
64	20	NA	29	3.34	103	12	35.68	1.50	6.80	20,810	1.0000	25	5	2	0.0400	1.52	43.12	36.08	43.08	43.08
65	17	NA	29	3.02	31	9	32.29	1.50	1.89	6,981	1.0000	25	8	2	0.0400	2.26	45.16	38.13	39.83	39.83
66	19	NA	29	3.39	44	8	28.23	1.50	2.76	8,821	1.0000	25	6	1	0.0400	1.76	45.97	38.93	35.06	38.93
67	3	NA	1	3.29	13	6	47.23	0.00	14.46	3,431	1.0986	25	22	2	0.0400	6.21	61.13	53.40	59.48	59.48
68	7	NA	47	4.03	26	9	40.80	0.50	6.54	6,598	0.9731	25	18	2	0.0400	5.08	52.10	45.26	50.42	50.42
69	10	NA	39	2.25	65	6	35.87	1.00	5.01	12,084	1.0000	30	20	2	0.0333	4.77	36.45	29.41	45.17	36.45
70	9	NA	30	2.91	112	6	23.07	1.50	3.78	26,120	1.0000	25	16	2	0.0400	4.52	39.91	32.87	29.05	32.87
71	20	NA	39	2.88	22	6	42.33	0.50	1.74	3,272	1.0000	30	10	2	0.0333	2.38	46.69	39.66	53.31	46.69
72	6	NA	3	2.28	80	3	30.93	1.50	4.74	17,632	1.0000	25	19	2	0.0400	5.37	36.11	29.07	35.54	36.11
73	13	NA	3	2.28	24	6	28.13	1.50	1.75	2,774	1.0000	30	17	2	0.0333	4.05	41.70	34.66	35.43	35.43
74	5	NA	30	3.82	43	12	39.12	0.50	2.89	9,873	1.0000	25	20	2	0.0400	5.65	49.13	42.10	47.23	47.23
75	8	NA	30	1.98	23	12	25.08	1.50	3.48	5,177	1.0000	25	17	2	0.0400	4.80	39.91	32.87	30.28	32.87
76	16	NA	3	2.83	16	6	42.92	0.50	2.50	4,307	1.0000	30	14	2	0.0333	3.34	49.60	42.57	54.05	49.60
77	11	NA	39	2.85	55	6	33.67	1.50	0.92	4,990	1.0000	25	14	2	0.0400	3.95	41.25	34.22	42.40	41.25
78	1	NA	34	2.82	43	6	47.23	0.00	2.77	8,516	1.0000	30	29	2	0.0333	6.91	42.01	34.98	59.48	42.01
79	18	NA	40	2.81	39	12	34.79	1.50	0.47	9,321	1.0000	30	12	2	0.0333	2.86	42.40	35.36	42.01	42.01
80	18	NA	36	2.42	85	8	33.91	1.50	1.72	16,311	1.0159	30	12	2	0.0333	2.86	37.55	30.40	42.12	37.55
81	11	NA	18	2.71	57	12	30.36	1.50	6.59	13,118	1.0000	25	14	2	0.0400	3.95	40.14	33.10	36.66	36.66
82	7	NA	29	3.06	20	6	40.94	0.50	5.27	6,405	1.0000	30	23	2	0.0333	5.48	48.85	41.81	51.56	48.85
83	12	NA	27	3.01	14	6	34.07	1.50	4.64	2,849	0.9938	25	13	2	0.0400	3.67	52.27	45.28	42.91	45.28
84	16	NA	17	1.44	18	6	33.36	1.50	0.00	4,091	1.0000	25	9	2	0.0400	2.54	38.38	31.34	42.01	38.38
85	6	NA	1	2.21	60	6	47.36	0.00	0.19	0	1.0986	30	24	2	0.0333	5.72	40.00	32.27	59.64	40.00
86	8	NA	19	2.63	60	12	28.41	1.50	3.38	14,551	1.0000	25	17	2	0.0400	4.80	39.40	32.36	34.30	34.30
87	7	NA	19	4.21	56	6	38.65	0.50	4.30	11,395	1.0000	30	23	2	0.0333	5.48	50.88	43.84	48.60	48.60
88	5	NA	17	2.36	31	6	33.07	1.50	5.09	8,036	1.0000	30	25	2	0.0333	5.96	40.46	33.43	41.65	40.46
89	7	NA	11	2.89	40	6	36.24	1.00	2.36	7,324	1.0000	30	23	2	0.0333	5.48	42.85	35.81	45.64	42.85
90	20	NA	39	2.64	60	12	32.95	1.50	0.89	9,683	1.0000	30	10	2	0.0333	2.38	39.47	32.43	39.78	39.47

1,207,546

11	SCENARIO #	85	85
ID #	NURSING HOME	RO(85)	RP(85)
1	Casa. of Anaconda	\$42.40	\$646,473
2	Fallon Nrs. NH	45.17	335,839
3	Bigfork Conv Center	34.25	645,065
4	Sande Conv Center	30.58	262,559
5	Pioneer NH	33.02	220,012
6	Glendee NH	40.61	184,979
7	St. John's	36.67	1,227,602
8	Valley NH	37.28	582,314
9	Western Manor	33.66	1,068,301
10	Yellowstone Co. NH	43.72	939,805
11	Boreman Convalescent	34.67	927,457
12	Callatin Co. Rest Home	37.50	600,675
13	Powder River NH	47.36	279,992
14	Blackfeet NH	40.11	368,330
15	Butte Park Royal	43.03	1,874,903
16	Crest Nursing Home	42.91	912,653
17	Butte Conv. (Silver Bow)	42.97	1,253,005
18	Liberty Co. NH	52.20	402,305
19	Sweet Memorial	32.68	254,283
20	Teton Medical Center	41.05	233,985
21	Teton NH	43.88	224,227
22	McCone County NH	40.84	834,235
23	Hillbrook NH	40.13	844,094
24	Stillwater Convalescent	37.09	824,973
25	Pondera Pioneer	38.57	459,292
26	Roosevelt Memorial	35.31	225,596
27	Glacier Co. Medical Ctr	50.76	393,999
28	Colonial Manor	37.56	547,963
29	Galen	48.26	0
30	Parlview Acres	34.44	696,101
31	Dahl Memorial	43.28	121,054
32	Madison Co. NH	45.07	347,760
33	Mountain View	41.11	396,835
34	Rosebud Conv. NH	38.79	350,545
35	Chouteau Co. NH	50.75	147,632
36	Valley View	35.82	740,184
37	Glendive Conv. NH	42.60	626,646
38	Cascade County Conv.	44.15	2,696,770
39	Deaconess Nursing Ctr.	39.17	257,974
40	Parl Place	39.05	1,596,559
41	Valley View	34.32	716,997
42	Big Horn Co. NH	41.67	219,143
43	Heritage Acres	37.04	0
44	Harlem Rest Home	25.51	350,941
45	Wheatland Memorial	37.95	182,805
46	Luth. Home of Havre	36.46	653,509
47	Convey Convalescent	47.51	753,366
48	Helena Nrsng Home	35.27	370,033
49	Western Care	33.19	763,470
50	Hot Springs Conv.	38.41	565,280
51	Garfield Co. NH	47.36	84,396
52	Flathead County NH	40.74	721,791

11	SCENARIO #	85	85	85	85	85	85
ID #	NURSING HOME	RO(85)	RP(85)	RP(85)	R(85)	\$P(85)	\$ (85)
54	Immanuel Lutheran	35.63	674,939	2.54	48,157	38.17	723,096
55	Laurel NH	43.11	193,693	1.98	8,884	45.09	202,577
56	Central Mt NH	46.49	691,725	6.79	101,028	53.28	792,753
57	Center for the Aged	30.83	0	2.82	0	33.65	0
58	Valle Vista	36.41	756,236	4.51	93,673	40.92	849,908
59	Libby Care Center	37.75	586,295	5.61	87,129	43.36	673,424
60	Livingston Conv.	34.43	1,130,337	4.80	157,648	39.23	1,287,985
61	Phillips Co. Good Samarit	36.78	488,365	6.21	82,513	42.99	570,878
62	Custer Co. Rest Home	34.18	717,883	3.10	65,092	37.28	782,974
63	Friendship Villa	36.08	456,123	4.52	57,135	40.60	513,259
64	Community NH	40.10	1,271,371	9.23	292,637	47.33	1,564,008
65	Hillside Manor	43.08	896,475	6.80	141,508	49.88	1,038,003
66	Royal Manor	39.83	278,053	2.26	15,775	42.09	293,828
67	Wayside NH	38.93	343,402	2.76	24,346	41.69	367,747
68	Granite County	59.48	204,076	14.46	49,612	73.94	253,688
69	Clark Fork Valley	50.42	332,671	6.54	43,151	56.96	375,822
70	Sheridan Memorial	36.87	445,537	5.01	60,541	41.88	506,078
71	St. Joseph's Conv.	32.87	858,564	4.52	118,049	37.39	976,613
72	Community NH	46.69	152,770	2.38	7,800	49.07	160,570
73	Carbon Co. Health Care	36.11	636,692	5.37	94,629	41.48	731,320
74	Carbon Co. Memorial	35.43	98,283	4.05	11,242	39.48	109,525
75	St. Luke's Comm.	47.23	466,302	5.65	55,776	52.88	522,078
76	Westside Rest Home	32.87	170,168	4.80	24,860	37.67	195,028
77	Roundup Memorial	49.60	213,627	3.34	14,375	52.94	228,002
78	Daniels Memorial	41.25	205,838	3.95	19,733	45.20	225,571
79	Toole County NH	47.23	402,211	6.91	58,876	54.14	461,086
80	Madison County NH	42.01	391,575	2.86	26,665	44.87	418,240
81	Richland Home	37.55	612,478	2.86	46,662	40.41	659,140
82	North Valley	36.66	480,906	6.59	86,448	43.25	567,354
83	Mineral County NH	48.85	312,884	5.48	35,119	54.33	348,004
84	Prairie Comm. NH	45.28	129,003	4.64	13,219	49.92	142,222
85	Broadwater Co. Rest Home	38.33	157,013	2.54	10,400	40.92	167,413
86	Wara Springs State Hosp.	47.36	0	5.72	0	53.08	0
87	Colonial Manor	34.30	499,099	4.80	69,873	39.10	568,972
88	North Valley NH	40.68	554,709	5.48	62,480	54.16	617,189
89	Mountain View Mem. NH	40.46	325,137	5.96	47,894	46.42	373,031
90	Wibaux Co. NH	42.85	313,833	5.48	40,158	48.33	353,992
91	Faith Lutheran Home	39.47	382,188	2.38	23,084	41.85	405,272
			\$47,285,223	\$5,474,737		\$52,759,960	
			\$39.16	\$4.53		\$43.69	

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NURSING HOME EXPENDITURE PROJECTIONS

DEPARTMENT ESTIMATE

LFA ESTIMATE

DIFFERENCE

	FY86	FY87	BIENNIUM	FY86	FY87	BIENNIUM	FY86	FY87	BIENNIUM
Gross Rate:	\$45.33	\$47.03		\$44.86	\$46.55		\$0.47	\$0.48	\$0.95
Patient Contrib	(\$11.19)	(\$11.75)		(\$11.19)	(\$11.75)		\$0.00	\$0.00	\$0.00
Net Rate:	-----\$34.14-----	-----\$35.28-----		-----\$33.67-----	-----\$34.80-----		-----\$0.47-----	-----\$0.48-----	-----\$0.95-----
Projected Days:	1,267,838	1,299,828	2,567,666	1,266,311	1,266,311	2,532,622	1,527	33,517	35,044
Projected Expenditures:	\$43,283,989	\$45,857,932	\$89,141,921	\$42,636,691	\$44,067,623	\$86,704,314	\$647,298	\$1,790,309	\$2,437,607
Executive Request:	\$44,264,943	\$45,901,941	\$90,166,884	\$44,264,943	\$45,901,941	\$90,166,884			
Difference:	(\$980,954)	(\$44,009)	(\$1,024,963)	(\$1,628,252)	(\$1,834,318)	(\$3,462,570)	\$647,298	\$1,790,309	\$2,437,607
General Fund:	(\$334,603)	(\$14,796)	(\$349,399)	(\$555,397)	(\$616,698)	(\$1,172,094)	\$220,793	\$601,902	\$822,695

(1) USES THE MOST CURRENT ESTIMATE OF FY85 AVERAGE AS SPECIFIED IN SETTLEMENT

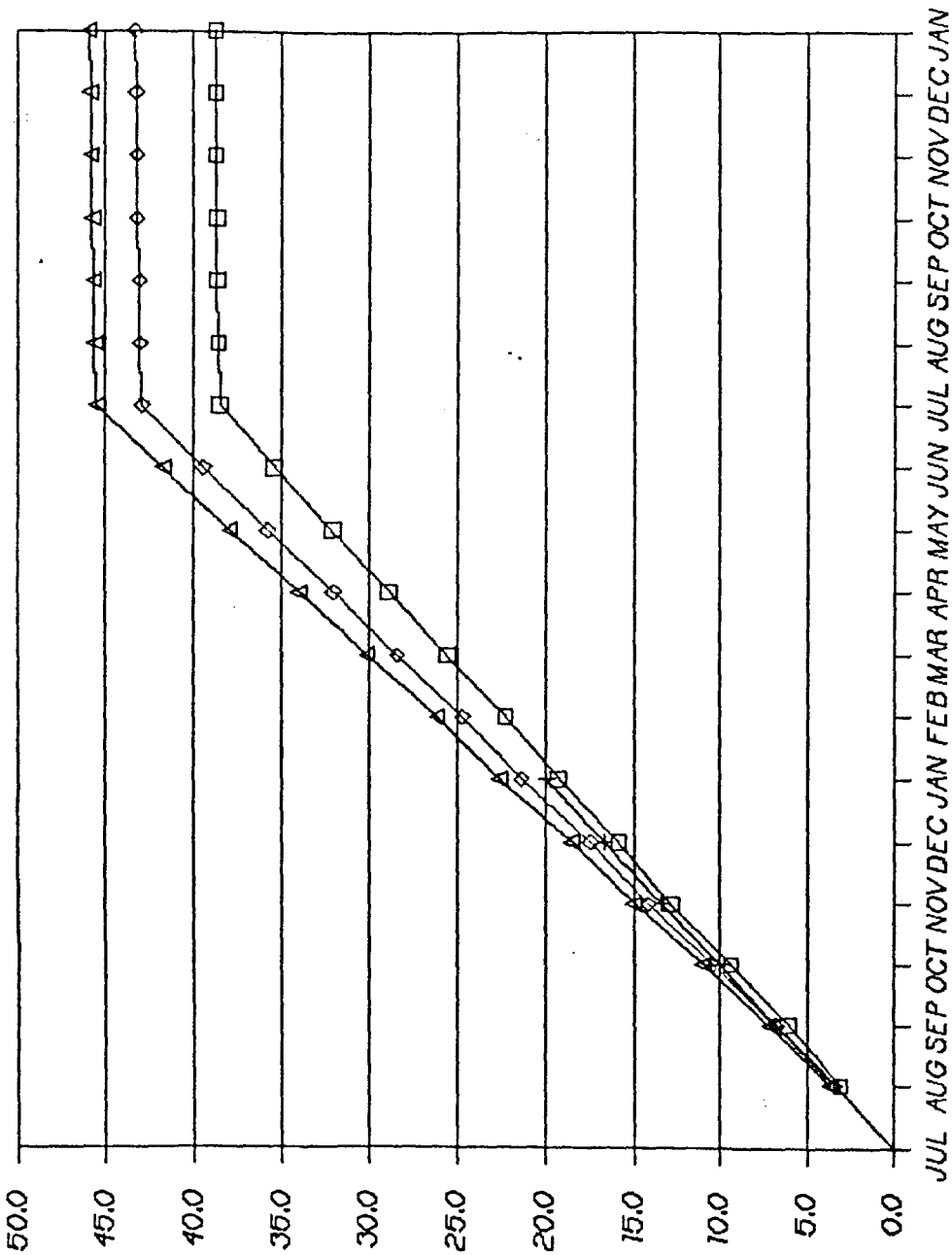
FY85 FY86 FY87

(a) Current weighted average operating rate using actual FY84 days and 6-9% formula = \$39.16 X 1.04 = \$40.73 \$42.36  
(b) Current property rate indexed at 2.5% = \$4.53 X 1.0155 = \$4.60 4.67

(2) ASSUMES 4%, 4.5% and 5.0% INCREASE IN PATIENT CONTRIBUTION AS ESTIMATED BY THE LFA \$43.69 \$45.33 \$47.03

# NURSING HOME EXPENDITURES

ACTUAL AND PROJECTED



+ FY85 ACTUAL      ◇ FY86 PROJECTED      Δ FY87 PROJ

NH-GRAPH  
 02/13/85  
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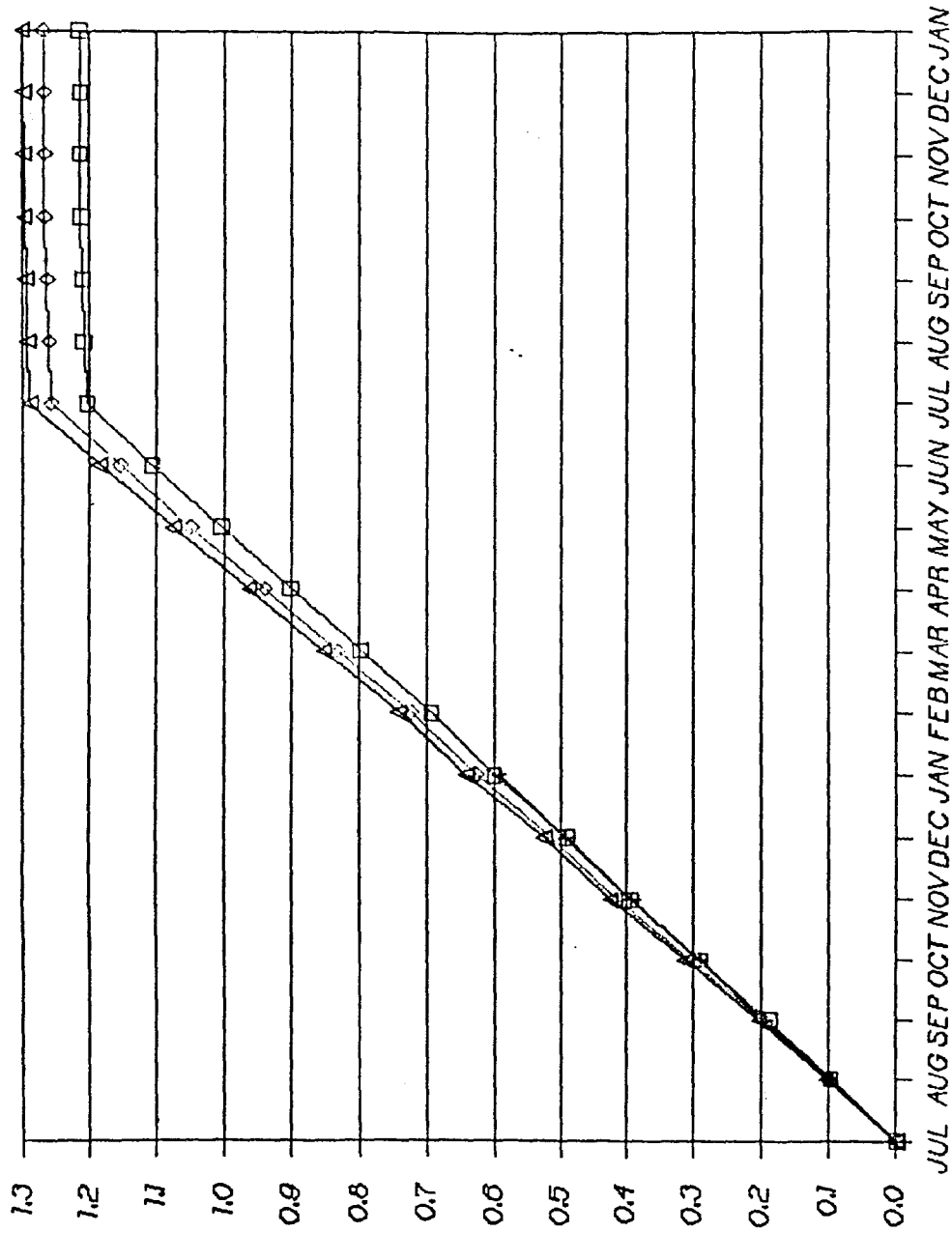
ACTUAL AND PROJECTED NURSING HOME UTILIZATION

MONTH	FISCAL YEAR 1984 ACTUAL					FISCAL YEAR 1985 ACTUAL					FISCAL 1986					FISCAL 1987				
	SSI CASES	REPORTED DAYS	ADJUSTED DAYS	OF TOTAL	%	ACTUAL EXPENDITURES	SSI CASES	REPORTED DAYS	ADJUSTED DAYS	ACTUAL EXPENDITURES	PROJECTED DAYS	PROJECTED DAYS	PROJECTED DAYS	PROJECTED EXPENDITURES	PROJECTED EXPENDITURES	PROJECTED DAYS	PROJECTED EXPENDITURES	PROJECTED EXPENDITURES	PROJECTED EXPENDITURES	PROJECTED EXPENDITURES
JUL	10,276	0	0	0.00%	0	0	10,659	0	0	0	0	0	0	0	0	0	0	0	0	0
AUG	10,241	100,273	98,288	8.09%	\$3,104,519	10,648	100,135	98,152	\$3,394,986	102,587	102,587	102,587	102,587	\$3,502,315	\$3,502,315	105,175	\$3,710,505	\$3,710,505	\$3,710,505	\$3,710,505
SEP	10,186	194,745	190,839	15.71%	\$6,126,861	10,690	201,442	197,439	\$5,835,012	199,239	199,239	199,239	199,239	\$6,802,013	\$6,802,013	204,266	\$7,206,504	\$7,206,504	\$7,206,504	\$7,206,504
OCT	10,126	297,731	291,836	24.03%	\$9,403,089	10,772	298,991	293,071	\$9,999,702	304,601	304,601	304,601	304,601	\$10,399,087	\$10,399,087	312,287	\$11,017,433	\$11,017,433	\$11,017,433	\$11,017,433
NOV	10,109	404,918	396,901	32.67%	\$12,833,247	10,698	402,439	394,470	\$13,384,188	414,262	414,262	414,262	414,262	\$14,142,892	\$14,142,892	424,714	\$14,983,919	\$14,983,919	\$14,983,919	\$14,983,919
DEC	10,040	498,894	489,016	40.26%	\$15,811,047	10,761	502,167	492,224	\$16,618,413	510,406	510,406	510,406	510,406	\$17,425,267	\$17,425,267	523,285	\$18,461,485	\$18,461,485	\$18,461,485	\$18,461,485
JAN	10,090	611,043	598,944	49.31%	\$19,252,837	10,761	603,916	591,958	\$19,913,656	625,143	625,143	625,143	625,143	\$21,342,384	\$21,342,384	640,917	\$22,611,539	\$22,611,539	\$22,611,539	\$22,611,539
FEB	10,170	706,065	692,085	56.98%	\$22,249,214	10,761	603,916	591,958	\$19,913,656	722,358	722,358	722,358	722,358	\$24,661,293	\$24,661,293	740,584	\$26,127,811	\$26,127,811	\$26,127,811	\$26,127,811
MAR	10,378	813,022	796,924	65.61%	\$25,573,303	10,761	603,916	591,958	\$19,913,656	831,783	831,783	831,783	831,783	\$28,397,065	\$28,397,065	852,770	\$30,085,736	\$30,085,736	\$30,085,736	\$30,085,736
APR	10,550	918,663	900,473	74.13%	\$28,845,372	10,761	603,916	591,958	\$19,913,656	939,862	939,862	939,862	939,862	\$32,086,872	\$32,086,872	963,576	\$33,994,962	\$33,994,962	\$33,994,962	\$33,994,962
MAY	10,598	1,024,561	1,004,275	82.68%	\$32,114,515	10,761	603,916	591,958	\$19,913,656	1,048,203	1,048,203	1,048,203	1,048,203	\$35,785,656	\$35,785,656	1,074,651	\$37,913,699	\$37,913,699	\$37,913,699	\$37,913,699
JUN	10,561	1,128,347	1,106,006	91.05%	\$35,383,880	10,761	603,916	591,958	\$19,913,656	1,154,384	1,154,384	1,154,384	1,154,384	\$39,410,672	\$39,410,672	1,183,511	\$41,754,282	\$41,754,282	\$41,754,282	\$41,754,282
JUL		1,228,067	1,203,751	99.10%	\$38,490,495	10,761	603,916	591,958	\$19,913,656	1,236,405	1,236,405	1,236,405	1,236,405	\$42,893,671	\$42,893,671	1,268,107	\$45,444,403	\$45,444,403	\$45,444,403	\$45,444,403
AUG		1,231,664	1,207,277	99.39%	\$38,588,669	10,761	603,916	591,958	\$19,913,656	1,260,085	1,260,085	1,260,085	1,260,085	\$43,019,306	\$43,019,306	1,291,880	\$45,577,509	\$45,577,509	\$45,577,509	\$45,577,509
SEP		1,233,757	1,209,329	99.56%	\$38,644,828	10,761	603,916	591,958	\$19,913,656	1,262,226	1,262,226	1,262,226	1,262,226	\$43,092,410	\$43,092,410	1,294,075	\$45,654,960	\$45,654,960	\$45,654,960	\$45,654,960
OCT		1,236,165	1,211,689	99.75%	\$38,663,126	10,761	603,916	591,958	\$19,913,656	1,264,690	1,264,690	1,264,690	1,264,690	\$43,176,516	\$43,176,516	1,296,601	\$45,744,068	\$45,744,068	\$45,744,068	\$45,744,068
NOV		1,237,294	1,212,796	99.84%	\$38,692,442	10,761	603,916	591,958	\$19,913,656	1,265,845	1,265,845	1,265,845	1,265,845	\$43,215,950	\$43,215,950	1,297,785	\$45,785,846	\$45,785,846	\$45,785,846	\$45,785,846
DEC		1,237,926	1,213,415	99.89%	\$38,700,942	10,761	603,916	591,958	\$19,913,656	1,266,492	1,266,492	1,266,492	1,266,492	\$43,238,024	\$43,238,024	1,298,448	\$45,809,233	\$45,809,233	\$45,809,233	\$45,809,233
JAN		1,239,242	1,214,705	100.00%	\$38,704,178	10,761	603,916	591,958	\$19,913,656	1,267,838	1,267,838	1,267,838	1,267,838	\$43,283,989	\$43,283,989	1,299,828	\$45,857,932	\$45,857,932	\$45,857,932	\$45,857,932

- (1) USING THE MOST CURRENT OF FY85 NH RATE AS SPECIFIED IN SETTLEMENT  
 (2) ASSUMES LFA INFLATIONARY INCREASES OF 4%, 4.5% AND 5% FOR PATIENT CONTRIBUTION

# NURSING HOME DAYS

ACTUAL AND PROJECTED



+ FY85 ACTUAL      ◇ FY85 PROJECTED      Δ FY87 PROJ

(Millions)

Exhibit 2  
2-18-85

Mandatory and Optional Services  
of the  
Montana Medicaid Program

Department of Social and Rehabilitation Services  
Economic Assistance Division  
February 18, 1985



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## OVERVIEW

### Eligibility

Under State law, all eligibility groups are optional. 53-6-131, MCA begins, "Medical assistance may be granted to a person who..." This permissive language means that, under the provisions of State law, all groups currently covered are vulnerable to reduction in caseload or services. Because the medically needy have income, by definition, in excess of the amount required for basic maintenance needs, the medically needy population is especially vulnerable to elimination.

Under Federal regulations, if a state chooses to operate a Medicaid program, the state must cover specified categorically needy groups. Some categorically needy groups are optional. Medicaid eligibility requirements for the categorically needy is generally identical to the requirements for the related cash assistance program, AFDC or SSI, which is designed to meet basic maintenance needs. Coverage of all medically needy groups is optional.

### Services

Under State law and Federal regulations, coverage of the following Medicaid services are MANDATORY for the categorically needy and, currently, for the medically needy:

- . inpatient hospital services
- . outpatient hospital services
- . other laboratory and x-ray services
- . skilled nursing home services
- . physician's services, whether furnished in the office, the patient's home, a hospital, a skilled nursing home, or elsewhere
- . home health care services
- . early and periodic screening, diagnosis and treatment (EPSDT)
- . family planning services

Under home health care services, only nursing services, home health aide services, and medical supplies and durable medical equipment suitable for use in the home are mandatory; physical therapy, and speech therapy and audiology services are optional.

Under State law and Federal regulations, coverage of the following Medicaid services are OPTIONAL for both the categorically needy and medically needy:

- . podiatry services
- . outpatient physical therapy services
- . speech therapy and services
- . outpatient occupational therapy services
- . personal care services in a recipient's home, home dialysis (excluding dialysis equipment and supplies), private duty nursing and waiver services
- . intermediate nursing home services
- . clinic services
- . dental services
- . outpatient drugs
- . prosthetic devices, excluding eyeglasses, but including hearing aids
- . durable medical equipment, and medical supplies, except as available under home health care services
- . optometric services, except as available under physician's services, and eyeglasses
- . psychological services
- . transportation and per diem, except to the extent required to ensure that clients can obtain necessary medical services

Currently, clinic services include mental health center services and ambulatory surgical center services. All the services listed above, to the extent indicated, would be vulnerable to cuts because they are classified as optional not only under State law, but also under Federal regulations.

# MANDATORY SERVICES

The following are the State Fiscal Year 1984 expenditures based upon date of payment:

Type of Service	Total	Services	Recipients	Number of Services per Recipient	Unit Costs
Inpatient Hospital	\$15,670,415	123,033	6,989	18	\$ 127.37
Outpatient Hospital	1,849,424	81,628	16,365	5	22.66
Physician Services	6,880,961	427,913	50,459	8	16.08
Other Lab & X-Ray Services	63,320	10,051	2,226	5	6.30
Family Planning	424,978	17,647	2,871	6	24.08
EPSDT	50,429	536	87	6	94.08
*SNF/ICF/ICFMR	46,491,856	1,418,436	4,998	284	32.78
Home Health Services	<u>258,113</u>	16,782	509	33	15.38
Total	<u>\$71,689,496</u>				

Note: Approximately 85% of the cost for Mandatory Services are for the Categorically Needy and 15% for the Medically Needy.

\*ICF Services (Nursing Homes) are optional services.

## INPATIENT HOSPITAL SERVICES

### Definition

Inpatient hospital services means services that are ordinarily furnished in a hospital for the care and treatment of an inpatient under the direction of a physician or dentist, and are furnished in a facility that is maintained primarily for the care and treatment of patients with disorders other than tuberculosis, or mental diseases and is licensed as a hospital by the officially designated authority for state standard setting.

### Utilization and Costs for SFY 1984

Yearly costs . . . . .	\$15,670,415
Number of services . . . . .	123,033
Number of recipients . . . . .	6,989
Unit Cost . . . . .	\$ 127.37

### Possible Effects of Restricted Funding

Under State law and Federal regulations, coverage of inpatient hospital services is mandatory for the categorically needy and, currently, for the medically needy. Should it become necessary to eliminate the Medically Needy program, those individuals with incomes in excess of AFDC and SSI standards would not have access to these basic medical services, except as such access is guaranteed under the State and County Medical programs.

## OUTPATIENT HOSPITAL SERVICES

### Definition

Outpatient hospital services means preventive, diagnostic, therapeutic, rehabilitative, or palliative services provided to an outpatient, by or under the direction of a physician or dentist, by an institution that is licensed as a hospital by the officially designated authority for State standard setting.

### Utilization and Costs for SFY 1984

Yearly costs . . . . .	\$1,849,424
Number of services . . . . .	81,628
Number of recipients . . . . .	16,365
Unit Cost . . . . .	\$ 22.66

### Possible Effects of Restricted Funding

Under State law and Federal regulations, coverage of outpatient hospital services is mandatory for the categorically needy and, currently, for the medically needy. Should it become necessary to eliminate the Medically Needy program, those individuals with incomes in excess of AFDC and SSI standards would not have access to these basic medical services, except as such access is guaranteed under the State and County Medical programs.

## PHYSICIAN'S SERVICES

### Definition

Physician's services are those for the prevention, evaluation and diagnosis, and treatment of disease, injury, and/or disability. These services must be provided by a licensed physician in accordance with Federal and State statutes, rules and regulations, and licensure requirements. The services must be within the scope of the physician's professional practice as defined by law.

### Estimated Utilization and Costs for SFY 1984

Yearly costs . . . . .	\$6,880,961
Number of services . . . . .	427,913
Number of recipients . . . . .	50,459
Unit Cost . . . . .	\$ 16.08

### Possible Effects of Restricted Funding

Under State law and Federal regulations, coverage of physician's services is mandatory for the categorically needy and, currently for the medically needy. Should it become necessary to eliminate the Medically Needy program, those individuals with incomes in excess of AFDC and SSI standards would not have access to these basic medical services, except as such access is guaranteed under the State and County medical programs.

## OTHER LABORATORY AND X-RAY SERVICES

### Definition

Other Laboratory and X-ray Services means professional and technical laboratory and radiological services--

- a) ordered and provided by or under the direction of a physician or other licensed practitioner of the healing arts within the scope of his practice as defined by State law or ordered and billed by a physician, but provided by an independent laboratory;
- b) provided in an office or similar facility other than a hospital outpatient department or clinic; and
- c) provided by a laboratory that meets the requirements for participation in Medicare.

### Utilization and Costs for SFY 1984

Yearly costs . . . . .	\$63,320
Number of services . . . . .	10,051
Number of recipients . . . . .	2,226
Unit Cost . . . . .	\$ 6.30

### Possible Effects of Restricted Funding

Under State law and Federal regulations, coverage of other laboratory and X-ray services is mandatory for the categorically needy and currently, for the medically needy. Should it become necessary to eliminate the Medically Needy program, those individuals with incomes in excess of AFDC and SSI standards would not have access to these basic medical services, except as such access is guaranteed under the State and County Medical programs.



## FAMILY PLANNING SERVICES

### Definition

Family planning services are services concerned with the planning of conception and bearing of children which include both fertility and infertility programs. These services are available to individuals of child-bearing age and may include physician services, hospital services, drugs, supplied, and family planning clinic services.

Abortions are not considered family planning services. Sterilization procedures are considered family planning services and must satisfy the requirements prescribed for physician services by the rules of the Department.

### Utilization and Costs for SFY 1984

Yearly costs . . . . .	\$424,978
Number of services . . . . .	17,647
Number of recipients . . . . .	2,871
Unit Cost . . . . .	\$ 24.08

### Possible Effects of Restricted Funding

Under State law and Federal regulations, coverage of family planning services is mandatory for the categorically needy and, currently, for the medically needy. Should it become necessary to eliminate the Medically Needy program, those individuals with incomes in excess of AFDC and SSI standards would not have access to these basic medical services, except as such access is guaranteed under the State and County Medical programs.

## EPSDT

### Definition

Early periodic screening, diagnosis and treatment (EPSDT) means--

- a) screening and diagnostic services to determine physical or mental defects in recipients under age 21; and
- b) health care, treatment, and other measures to or ameliorate any defects and chronic conditions discovered.

Screening and diagnostic services must include:

- a) health and developmental history;
- b) unclothed physical examination;
- c) developmental assessment;
- d) immunizations which are appropriate for age and health history;
- e) assessment of nutritional status;
- f) vision testing;
- g) hearing testing;
- h) laboratory procedures appropriate for age and population group;
- i) dental examinations.

Treatment services under EPSDT must include all mandatory Medicaid services and such optional Medicaid services as are available under the state's plan.

In addition, EPSDT must provide for:

- a) treatment of defects in vision and hearing, including eyeglasses and hearing aids; and
- b) dental care needed for relief of pain and infections, restoration of teeth and maintenance of dental health.

### Utilization and Costs for SFY 1984

Yearly costs . . . . .	\$50,429
Number of services . . . . .	536
Number of recipients . . . . .	87
Unit Cost . . . . .	\$ 94.08

### Possible Effects of Restricted Funding

Under State law and Federal regulations, coverage of EPSDT services is mandatory for the AFDC family and, currently, for the medically needy family. Should it become necessary to eliminate the Medically Needy program, those families with incomes in excess of AFDC standards would not have access to this basic medical service, except as such access is guaranteed under the State and County Medical program.

Should it become necessary to eliminate all or most optional Medicaid services, EPSDT would be the only avenue by which AFDC families can obtain treatment for hearing, vision, and dental defects for their children. Under EPSDT requirements, even though these hearing, vision, and dental services are optional for the Medicaid program, the state must make these services available to EPSDT eligible children.

## SKILLED AND INTERMEDIATE CARE FACILITY SERVICES

### Definition

Nursing home care for eligible patients requiring skilled or intermediate care may be provided under the Medicaid program. Such patients must be referred by and be under the care of a physician. Potential recipients must also undergo a screening procedure prior to admission. Services provided are limited to routine skilled or intermediate nursing care. Services beyond routine care (i.e., dental, physical therapy, etc.) are not provided for under the routine rate.

### Utilization and Costs for SFY 1984

The following costs include public nursing home costs.

Yearly costs . . . . .	\$46,491,856
Number of services . . . . .	1,418,436
Number of recipients . . . . .	4,998
Unit Cost . . . . .	\$ 32.78

### Possible Effects of Restricted Funding

Under State law and Federal regulations, coverage of Skilled Nursing Home services is mandatory for the categorically needy and, currently, for the medically needy. Should it become necessary to eliminate the Medically Needy program, those individuals with incomes in excess of AFDC or SSI standards would not have access to these basic medical services, except as such access is guaranteed under the State and County Medical program, or unless the state elects to impose a higher income standard for individuals requiring skilled nursing home services.

Under State law and Federal regulations, coverage of Intermediate Care Facility services is optional for the categorically needy and, currently, for the medically needy. Should it become necessary to eliminate the Medically Needy program, those individuals with incomes in excess of AFDC or SSI standards would not have access to these basic medical services, except as such access is guaranteed under the State and County Medical programs, or unless the state elects to impose a higher income standards for individuals requiring intermediate nursing home services. The latter cause would be taken in lieu of the Medically Needy program and would enable individuals with limited excess income to qualify for intermediate nursing home services. Should it become necessary to eliminate all or most optional Medicaid services, intermediate nursing home services may be subject to elimination for both the categorically needy and the medically needy.

## HOME HEALTH CARE SERVICES

### Definition

Home health care services consists of the following services provided by a licensed home health agency on a part-time or intermittent basis to a recipient in his place of residence, which may not include a hospital or a skilled or intermediate nursing facility:

- a) nursing services;
- b) home health aide services;
- c) physical therapy services;
- d) occupational therapy services;
- e) speech therapy services; and
- f) medical supplies, and durable medical equipment suitable for use in the home.

### Utilization and Costs for SFY 1984

Yearly costs . . . . .	\$258,113
Number of services . . . . .	16,782
Number of recipients . . . . .	509
Unit Cost . . . . .	\$ 15.38

### Possible Effects of Restricted Funding

Under State law and Federal regulations, coverage of home health care services is mandatory for the categorically needy and, currently, for the medically needy. Should it become necessary to eliminate the Medically Needy program, those individuals with incomes in excess of AFDC and SSI standards would not have access to these basic medical services, except as such access is guaranteed under the State and County Medical programs.

Additionally, under Federal regulations on home health care services, only nursing services, home health aide services, and medical supplies, equipment, and appliances suitable for use in the home are mandatory. Should it become necessary to eliminate all or most optional Medicaid services, physical therapy services, occupational therapy services, and speech therapy services as provided through a home health agency may also be subject to elimination. These latter services, whether provided through a home health agency or otherwise, are optional.

### OPTIONAL SERVICES SUMMARY

The following are the State Fiscal Year 1984 expenditures based upon date of payment.

Drugs	\$4,738,801
Dental Services	2,227,067
Durable Medical Equip and Medical Supplies	1,043,414
Optometric Services	785,679
Transportation	318,324
Psychological Services	278,577
Outpatient Occupational Therapy	169,294
Outpatient Physical Therapy	110,480
Podiatry Services	42,765
Speech Therapy and Audiology Services	122,828
Prosthetic Devices	556,874
All Other	<u>6,344,870</u>
TOTAL	<u>\$16,738,973</u>

## DRUGS

### Definition

Drugs, or pharmacy services, are those services provided by a registered pharmacist currently licensed by the State Board of Pharmacists for the dispensing of medication as prescribed by an authorized practitioner. Such medications are those items that are advertised to the medical profession and not to the general public.

### Utilization and Costs for SFY 1984

Yearly cost . . . . .	\$4,738,801
Number of services . . . . .	468,214
Number of recipients . . . . .	29,159
Number of services/recipient . . . . .	16
Unit cost . . . . .	\$ 10.12

### Possible Effects of Restricted Funding

Under State law and Federal regulations, coverage of outpatient drugs is optional for the categorically needy and, currently, for the medically needy. Should it become necessary to eliminate the Medically Needy program, those individuals with incomes in excess of AFDC and SSI standards would not have access to this medical service, except as such access is guaranteed under the State and County Medical programs. Should it become necessary to eliminate all or most optional Medicaid services, outpatient drugs may be subject to elimination for both the categorically needy and medically needy, with the effect, as studies have shown, of increasing utilization and costs of hospital services.

## DENTAL SERVICES

### Definition

Dental services are those for the treatment of teeth and associated structures of the oral cavity and treatment of disease, injury or impairment which may affect the oral and general health of the individual. The services must be provided by licensed dentists or licensed dental hygienists under the direct supervision of a licensed dentist. The services must be within the scope of their professional practice as defined by law.

Routine and necessary emergency dental care is available through the Medicaid program. The Medicaid program may, upon recommendation of the designated professional review organization, provide certain types of crowns, bridges, prophylactic procedures, fluoride treatment, and dentures.

### Utilization and Costs for SFY 1984

Yearly cost . . . . .	\$2,227,067
Number of services . . . . .	139,294
Number of recipients . . . . .	14,613
Number of services/recipients . . . . .	9
Unit cost . . . . .	\$ 15.99

### Possible Effects of Restricted Funding

Under State law and Federal regulations, coverage of dental services is optional for the categorically needy and, currently, for the medically needy. Should it become necessary to eliminate the Medically Needy program, those individuals with incomes in excess of AFDC and SSI standards would not have access to these medical services, except as such access is guaranteed under the State and County Medical programs. Should it become necessary to eliminate all or most optional Medical services, dental services may be subject to elimination for both the categorically needy and the medically needy.

## DURABLE MEDICAL EQUIPMENT AND MEDICAL SUPPLIES

### Definition

1. "Durable medical equipment" means medical equipment for use in a patient's home, including, but not limited to, wheelchairs, walkers, canes, crutches, hospital beds and sickroom equipment.
2. "Medical supplies" means disposable or non-reusable medical supplies, including, but not limited to, splints, bandages, oxygen and oxygen equipment.

### Utilization and Costs for SFY 1984

Yearly cost . . . . .	\$1,043,414
Number of services . . . . .	76,174
Number of recipients . . . . .	2,886
Number of services/recipients . . . . .	26
Unit cost . . . . .	\$ 13.70

### Possible Effects of Restricted Funding

Under State law and Federal regulations, coverage of durable medical equipment and medical supplies is optional for the categorically needy and, currently, the medically needy. Should it become necessary to eliminate the Medically Needy program, those individuals with incomes in excess of AFDC and SSI standards would not have access to these medical items, except as such access is guaranteed under the State and County Medical programs. Should it become necessary to eliminate all or most optional medical services, durable medical equipment and medical supplies may be subject to elimination for both the categorically needy and the medically needy.



## OPTOMETRIC SERVICES

### Definition

Optometric services are those services provided by an optometrist who is licensed and which are within the scope of his/her practice as defined by law. Optometric services include visual training and eyeglasses. Visual training is the therapeutic approach to altering the relationship between the pointing system and focussing.

### Utilization and Costs for SFY 1984

Yearly costs . . . . .	\$785,679
Number of Services . . . . .	68,498
Number of recipients . . . . .	9,323
Number of services/recipients . . . . .	11
Unit cost . . . . .	\$ 11.47

### Possible Effects of Restricted Funding

Under State law and Federal regulations, coverage of optometric services is optional for the categorically needy and, currently, for the medically needy. Should it become necessary to eliminate the Medically Needy program, those individuals with incomes in excess of AFDC and SSI standards would not have access to these services, except as such access is guaranteed under the State and County Medical programs. Should it become necessary to eliminate all or most optional Medicaid services, optometric services may be subject to elimination for both the categorically needy and the medically needy.

## TRANSPORTATION

### Definition

Transportation service means travel and per diem, furnished by ambulance, common carrier or private vehicle, to secure medically necessary examination and treatment for a Medicaid recipient.

### Utilization and Costs for SFY 1984

In the following, services may mean miles, meals, accommodations, etc.

Yearly costs . . . . .	\$318,324
Number of services . . . . .	228,409
Number of recipients . . . . .	2,627
Number of services/recipients . . . . .	86
Unit cost . . . . .	\$ 1.39

### Possible Effects of Restricted Funding

Under State law and Federal regulations, coverage of transportation is optional for the categorically needy and, currently, for the medically needy. Should it become necessary to eliminate the Medically Needy program, those individuals with incomes in excess of AFDC and SSI standards would not have access to these medical services, except as such access is guaranteed under the State and County Medical programs. Should it become necessary to eliminate all or most optional services, transportation may be available to the categorically needy and the medically needy only to the extent that the state is required to provide access to necessary Medicaid services.

## PSYCHOLOGICAL SERVICES

### Definition

Psychological services are those services provided by a licensed clinical psychologist, which are within the scope of the practice of his/her profession.

### Utilization and Costs for SFY 1984

Yearly cost . . . . .	\$278,577
Number of services . . . . .	32,014
Number of recipients . . . . .	906
Number of services/recipients . . . . .	35
Unit cost . . . . .	\$ 8.70

### Possible Effects of Restricted Funding

Under State law and Federal regulations, coverage of psychological services is optional for the categorically needy and, currently, for the medically needy. Should it become necessary to eliminate the Medically Needy program, those individuals with incomes in excess of AFDC and SSI standards would not have access to these medical services, except as such access is guaranteed under the State and County Medical programs. Should it become necessary to eliminate all or most optional Medicaid services, psychological services may be subject to elimination for both the categorically needy and the medically needy.

## OUTPATIENT OCCUPATIONAL THERAPY

### Definition

Outpatient occupational therapy means medically directed treatment of physically and/or medically disabled individuals by means of constructive activities designed and adapted by a qualified occupational therapist to promote the restoration of useful function.

### Utilization and Costs for SFY 1984

Yearly costs . . . . .	\$169,294
Number of services . . . . .	18,274
Number of recipients . . . . .	547
Number of services/recipients . . . . .	33
Unit cost . . . . .	\$ 9.26

### Possible Effects of Restricted Funding

Under State law and Federal regulations, coverage of outpatient occupational therapy is optional for the categorically needy and, currently, for the medically needy. Should it become necessary to eliminate the Medically Needy program, those individuals with incomes in excess of AFDC and SSI standards would not have access to this medical service, except as such access is guaranteed under the State and County Medical programs. Should it become necessary to eliminate all or most optional Medicaid services, outpatient occupational therapy may be subject to elimination for both the categorically needy and the medically needy.

## OUTPATIENT PHYSICAL THERAPY

### Definition

Outpatient physical therapy means the evaluation, treatment, and instruction of clients to assess, prevent, or correct physical disability. Physical disability includes bodily malfunctions, pain, injury, and any bodily or mental disability. Treatment employs physical measures, activities and devices, exercises, rehabilitative procedures, massage, mobilization, and physical agents, including mechanical devices, heat, cold, light, water, electricity, and sound. Physical therapy also includes the administration, interpretation, evaluation of tests and measurements of bodily functions. The establishment and modification of treatment programs, consultation, education, advisory services, and instruction and supervision of support personnel are included as part of physical therapy functions.

### Utilization and Costs for SFY 1984

Yearly costs . . . . .	\$110,480
Number of services . . . . .	11,735
Number of recipients . . . . .	453
Number of services/recipients . . . . .	25
Unit cost . . . . .	\$ 9.41

### Possible Effects of Restricted Funding

Under State law and Federal regulations, coverage of outpatient physical therapy is optional for the categorically needy and, currently, for the medically needy. Should it become necessary to eliminate the Medically Needy program, those individuals with incomes in excess of AFDC and SSI standards would not have access to this medical service, except as such access is guaranteed under the State and County Medical programs. Should it become necessary to eliminate all or most optional Medicaid services, outpatient physical therapy may be subject to elimination for both the categorically needy and the medically needy.

## PODIATRY SERVICES

### Definition

Podiatry services means professional services provided by a licensed podiatrist in accordance with Federal and State statutes, rules and regulations and licensure requirements. The services must be within the scope of the professional practice as defined by law.

### Utilization and Costs for SFY 1984

Yearly cost . . . . .	\$42,765
Number of services . . . . .	2,369
Number of recipients . . . . .	424
Number of services/recipients . . . . .	6
Unit cost . . . . .	\$ 18.05

### Possible Effects of Restricted Funding

Under State law and Federal regulations, coverage of podiatry services is optional for the categorically needy and, currently, the medically needy. Should it become necessary to eliminate the Medically Needy program, those individuals with incomes in excess of AFDC and SSI standards would not have access to these medical services, except as such access is guaranteed under the State and County Medical programs. Should it become necessary to eliminate all or most optional medical services, podiatry services may be subject to elimination for both the categorically needy and the medically needy, with the effect that there may be an increase in the number of physician services and the number and cost of hospital services. Most of the minor surgeries are performed by podiatrists in their offices and do not result in expensive hospital charges.

## SPEECH THERAPY AND AUDIOLOGY SERVICES

### Definition

Speech therapy services are those diagnostic, screening, preventive or corrective services provided by a licensed speech therapist, upon physician referral, to individuals with speech and language disorders.

Audiology services means hearing aid evaluation and basic audio assessment provided by a licensed audiologist, upon physician referral, to individuals with hearing disorders.

### Utilization and Costs for SFY 1984

Yearly costs . . . . .	\$122,828
Number of services . . . . .	18,283
Number of recipients . . . . .	325
Number of services/recipients . . . . .	56
Unit cost . . . . .	\$ 6.72

### Possible Effects of Restricted Funding

Under State law and Federal regulations, coverage of outpatient speech therapy services and audiology services is optional for the categorically needy and, currently, for the medically needy. Should it become necessary to eliminate the Medically Needy program, those individuals with incomes in excess of AFDC and SSI standards would not have access to these services, except as such access is guaranteed under the State and County Medical program. Should it become necessary to eliminate all or most optional Medicaid services, outpatient speech therapy and audiology services may be subject to elimination for both the categorically needy and the medically needy.

PROSTHETIC DEVICES  
(excluding eyeglasses, but including hearing aids)

Definition

"Prosthetic devices" means replacement, corrective, or supportive devices or appliances which artificially replace a missing portion of the body to:

- a) prevent or correct physical deformity or malfunction; or
- b) support a weak or deformed portion of the body.

Hearing aid means any wearable instrument or device designed for, offered for the purpose of, or represented as aiding persons with or compensating for impaired hearing.

Hearing aid dispenser means any person, partnership, corporation, or association engaged in the sale, lease, or rental of hearing aids to a Medicaid recipient.

Utilization and Costs for SFY 1984

Yearly cost . . . . .	\$ 556,874
Number of services . . . . .	45
Number of recipients . . . . .	22
Number of services/recipients . . . . .	2
Unit cost . . . . .	\$12,374.98

Possible Effects or Restricted Funding

Under State law and Federal regulations, coverage of prosthetic devices is optional for the categorically needy and currently, the medically needy. Should it become necessary to eliminate the Medically Needy program, those individuals with incomes in excess of AFDC and SSI standards would not have access to these medical items, except as such access is guaranteed under the State and County Medical Programs. Should it become necessary to eliminate all or most optional medical services, prosthetic devices may be subject to elimination for both the categorically needy and the medically needy with the effect that there may be an increase in physician services, hospital services and other medical services because prosthetic devices are not provided.



## ALL OTHER SERVICES

### Definition

Home dialysis for end stage renal disease includes training at a certified home dialysis training center for a recipient and a "back up" person, if necessary, in dialysis a patient at home.

Personal care service in a recipient's home means medically oriented tasks which include basic personal hygiene and grooming (bathing, dressing, shaving), assistance with toileting, assistance with self-administered medications, assistance with food, nutrition, diet, (including the preparations of meals if incidental to medical need), and accompanying the patient to obtain medical diagnosis or treatment.

Private duty nursing services are nursing services provided by a registered nurse or a licensed practical nurse to a hospitalized patient when the patient requires individual and continuous skilled nursing care beyond that routinely provided by the hospital nursing staff.

Clinic services means preventive, diagnostic, therapeutic, rehabilitative, or palliative items or services provided on an outpatient basis by a facility that is not part of a hospital, but is organized and operated to provide medical care to recipients. Clinic services may be provided in mental health centers, diagnostic centers, and/or surgical centers.

### Utilization and Costs for SFY 1984\*

Yearly costs . . . . .	\$6,344,870
Number of services . . . . .	773,156
number of recipients . . . . .	5,545
Number of services/recipients. . . . .	139
Unit cost . . . . .	\$ 8.21

Under State law and Federal regulations, coverage of home dialysis, personal care services and private duty nursing services is optional for the categorically needy and, currently, for the medically needy. Should it become necessary to eliminate the Medically Needy program, those individuals with incomes in excess of AFDC and SSI standards would not have access to these medical services, except as such access is guaranteed under the State and County Medical programs. Should it become necessary to eliminate all or most optional Medicaid services, home dialysis, personal care services, and private duty nursing services may be subject to elimination for both the categorically needy and the medically needy.

\* Also included in this group of services for fiscal accounting purposes are payments for unique medical services and items such as medical equipment constructed to meet the special needs of one individual.

JDE/083

Medically Needy  
Protected Income Standards

Family Size

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
\$314	\$375	\$400	\$425

The Medically Needy "protected income" standards are determined largely by federal regulations. As examples, the standard for a family of one is set at the SSI benefit level and the standard for a family of two is set at 133 1/3 of the AFDC standard for two. Above the family size of two, states have flexibility to establish their own protection levels. Montana allows \$25.00 for each additional family member.

Medically needy recipients are required to "spend down" their income to protected levels in order to meet their medical expenses. The medical assistance program then pays for that portion of medical bills not met by the individual or by liable third parties such as Medicare or insurance companies.

3 Months

Gross Monthly Income (Social Security)	\$500	\$1,500
Protected Income Standard	<u>\$375</u>	<u>\$1,125</u>
Spend Down	\$125	\$ 375

Since medically needy eligibility is for a span of three months, the medical spenddown for this couple would be \$375.

If this elderly couple has medical bills that exceed \$375 starting in the month in which they apply, they would be eligible for Medicaid.

Medical Bills	\$1,000
Spend down	<u>\$ 375</u>
	\$ 625 Covered by Medicaid

The medical bills remaining after the spenddown of \$375 are covered by Medicaid. These bills and all subsequent bills during the 3 month eligibility period will be paid at Medicaid rates.

## MANDATORY SERVICES

## INPATIENT HOSPITAL

- . MUST BE MEDICALLY NECESSARY AND PRIOR AUTHORIZATION AS DETERMINED BY THE MONTANA FOUNDATION FOR MEDICAL CARE.
- . DRUG AND ALCOHOL DETOXIFICATION LIMITED TO 4 DAYS UNLESS A CONCOMITANT CONDITION REQUIRES HOSPITAL CARE.
- . STERILIZATIONS AND ABORTIONS LIMITED BY FEDERAL REGULATIONS.
- . EXPERIMENTAL SERVICES (E.G., LIVER TRANSPLANTS) ARE NOT COVERED.
- . RECIPIENT CO-PAY \$3.00 PER DAY UP TO \$66.00 PER ADMISSION.
- . EQUIPMENT AND SUPPLIES COSTING MORE THAN \$75.00 REQUIRE PRIOR AUTHORIZATION.
- . RECIPIENT CO-PAY OF \$1.00 PER SERVICE.
- . EXPERIMENTAL SERVICES ARE NOT COVERED.

## OUTPATIENT HOSPITAL

- . LIMITED TO EMERGENCY ROOM SERVICES AND SERVICES COVERED BY MEDICAID IN A NON-HOSPITAL SETTING AND ORDERED BY OR UNDER THE DIRECTION OF A PHYSICIAN. EMERGENCY CARE AND LAB OR X-RAY ON AN OUTPATIENT BASIS ARE MANDATORY. OCCUPATIONAL THERAPY, PHYSICAL THERAPY AND SOME OTHER SERVICES PROVIDED BY HOSPITALS ON AN OUTPATIENT BASIS ARE OPTIONAL.
- . EXPERIMENTAL SERVICES ARE NOT COVERED.
- . RECIPIENT CO-PAY OF \$1.00 PER SERVICE.

## LABORATORY AND X-RAY SERVICES

- . ORDERED AND PROVIDED BY OR UNDER THE DIRECTION OF A PHYSICIAN OR OTHER LICENSED PRACTITIONER OF THE HEALING ARTS WITHIN THE SCOPE OF HIS PRACTICE, OR ORDERED AND BILLED BY A PHYSICIAN BUT PROVIDED BY AN INDEPENDENT LABORATORY.
- . EXPERIMENTAL SERVICES ARE NOT COVERED.
- . RECIPIENT CO-PAY OF \$1.00 PER SERVICE.

### SKILLED NURSING FACILITIES

- . ORDERED BY A PHYSICIAN.
- . CERTIFIED BY SRS FOR LEVEL OF CARE PRIOR TO ADMISSION/AND PAYMENT, AND RECERTIFIED EVERY SIX MONTHS THRU UTILIZATION REVIEW.

### FAMILY PLANNING SERVICES AND SUPPLIES

- . STERILIZATION AND ABORTION MUST MEET FEDERAL REGULATIONS, WHICH WILL ALLOW PAYMENT OF ABOPTIONS ONLY IF THE LIFE OF THE MOTHER IS IN DANGER.

### EARLY AND PERIODIC SCREENING, DIAGNOSIS AND TREATMENT

- . EXPERIMENTAL SERVICES ARE NOT COVERED.
- . LIMITED TO INDIVIDUALS UNDER 18 YEARS OF AGE. (EPSDT IS REQUIRED TO BE MADE AVAILABLE TO ALL ELIGIBLE CHILDREN UNDER 21 YEARS OF AGE. BUT, AT THE STATES OPTION, CHILDREN OVER 18 ARE NOT ELIGIBLE FOR AFDC AS A DEPENDENT CHILD.)

### PHYSICIAN SERVICES

- . STERILIZATIONS/ABORTIONS LIMITED BY FEDERAL REGULATIONS.
- . EXPERIMENTAL SERVICES ARE NOT COVERED.
- . COSMETIC SERVICES ARE NOT COVERED UNLESS SEVERE IMPAIRMENT TO PATIENT'S PSYCHO-SOCIAL WELL-BEING IS DEMONSTRATED AND TREATMENT IS PRIOR AUTHORIZED.
- . RECIPIENT CO-PAY OF \$1.00 PER SERVICE.

### HOME HEALTH SERVICES

- . ORDERED BY A PHYSICIAN.
- . MUST BE MEDICALLY NECESSARY.
- . LIMITED TO 200 VISITS PER YEAR.
- . CAPPED AT \$400 PER MONTH UNLESS PRIOR AUTHORIZED.

## OPTIONAL SERVICES



## DENTAL SERVICES

- . EXTENSIVE DENTAL SERVICES MUST BE PRIOR AUTHORIZED. (EXTENSIVE REFERS TO CROWNS, BRIDGES, DENTURES EITHER PARTIAL OR FULL, ROOT CANALS AND ALL ORTHODONTURE.)
- . EXPERIMENTAL SERVICES ARE NOT COVERED.
- . RECIPIENT CO-PAY OF \$1.00 PER SERVICE.

## PRESCRIPTION DRUGS

- . PRESCRIBED BY PHYSICIAN
- . LESS-THAN-EFFECTIVE AND EXPERIMENTAL DRUGS ARE NOT COVERED.
- . RECIPIENT CO-PAY OF \$.50 PER PRESCRIPTION.

### INTERMEDIATE CARE FACILITIES

- . ORDERED BY A PHYSICIAN.
- . CERTIFIED BY DEPARTMENT FOR LEVEL OF CARE PRIOR TO ADMISSION/AND PAYMENT, AND RECERTIFIED THRU UTILIZATION REVIEW EVERY SIX MONTHS.

### DURABLE MEDICAL EQUIPMENT AND SUPPLIES

- . PURCHASE OF ITEMS WHICH OCCUR ONLY RARELY MUST BE PRIOR AUTHORIZED.
- . RENTAL CHARGES MAY NOT EXCEED PURCHASE PRICE.
- . ORDERED BY A PHYSICIAN.
- . EXPERIMENTAL DEVICES ARE NOT COVERED.
- . RECIPIENT CO-PAY OF \$1.00 PER SERVICE.

## PODIATRISTS

- . EXPERIMENTAL SERVICES ARE NOT COVERED.
- . RECIPIENT CO-PAY OF \$1.00 PER SERVICE.

## OPTOMETRISTS

- . EYE EXAMINATION LIMITED TO 1 ANNUALLY.
- . 1 PAIR OF EYEGASSES ANNUALLY FOR INDIVIDUALS UNDER 21. REIMBURSEMENT LEVELS FOR FRAMES LIMIT THE CHOICES OF FRAMES AVAILABLE TO MEDICAID ELIGIBLES.
- . 1 PAIR OF EYEGASSES EVERY 2 YEARS FOR INDIVIDUALS 21 AND OVER, UNLESS THERE IS A SIGNIFICANT CHANGE IN PRESCRIPTION OR THE INDIVIDUAL HAS HAD CATARACT SURGERY.
- . EXPERIMENTAL SERVICES ARE NOT COVERED.
- . RECIPIENT CO-PAY OF \$1.00 PER SERVICE.

OUTPATIENT PHYSICAL THERAPY, SPEECH THERAPY, AND OCCUPATIONAL THERAPY

- . ORDERED BY PHYSICIAN.
- . LIMITED TO 200 VISITS/HOURS PER YEAR
- . EXPERIMENTAL SERVICES ARE NOT COVERED.
- . RECIPIENT CO-PAY OF \$1.00 PER SERVICE.

PSYCHOLOGIST'S SERVICES

- . LIMITED TO 22 CLINICAL HOURS PER YEAR.
- . COLLATERAL THERAPY WITH A PARENT IS ALLOWED FOR A CHILD IN ACTIVE TREATMENT. THE TIME WITH THE PARENT COUNTS AGAINST THE CHILD'S 22 HOURS.
- . EXPERIMENTAL SERVICES INCLUDING BIO-FEEDBACK ARE NOT COVERED.
- . RECIPIENT CO-PAY OF \$1.00 PER SERVICE.

PERSONAL CARE ATTENDANT SERVICES

- . ORDERED BY PHYSICIAN.
- . MUST BE MEDICALLY NECESSARY.
- . SUPERVISED BY AN RN.
- . NO SKILLED NURSING SERVICES.
- . MAY NOT BE PROVIDED IN A LONG TERM CARE FACILITY, INCLUDING A PERSONAL CARE FACILITY.
- . COST OF CARE MAY NOT EXCEED 80% OF NURSING HOME CARE UNLESS PRIOR AUTHORIZED.
- . RECIPIENT CO-PAY OF \$1.00 PER SERVICE.

### PRIVATE DUTY NURSING SERVICES

- . ORDERED BY A PHYSICIAN.
- . PRIOR AUTHORIZED.
- . RECIPIENT CO-PAY OF \$1.00 PER SERVICE.

### CLINIC SERVICES

- . UNDER PHYSICIAN DIRECTION IN A LICENSED FACILITY FOR OUTPATIENTS.
- . NURSING HOME PATIENTS MAY BE COVERED FOR MENTAL HEALTH CLINIC SERVICES PER APPROVED AGREEMENT BETWEEN CENTER AND NURSING HOME. REIMBURSEMENT IS MADE TO THE MENTAL HEALTH CLINIC BY THE DEPARTMENT.
- . RECIPIENT CO-PAY OF \$1.00 PER SERVICE.

## HEARING AIDS

- . ORDERED BY PHYSICIAN.
- . HEARING EVALUATION BY AUDIOLOGIST REQUIRED PRIOR TO PURCHASE.
- . NO REPLACEMENTS EXCEPT FOR SIGNIFICANT CHANGES IN HEARING LOSS.
- . EXPERIMENTAL SERVICES ARE NOT COVERED.

## AUDIOLOGY SERVICES

- . ORDERED BY PHYSICIAN.
- . EXPERIMENTAL SERVICES ARE NOT COVERED.

## MEDICAL TRANSPORTATION

- . AMBULANCES MUST BE LICENSED UNDER STATE LAW.
- . AMBULANCES ARE COVERED FOR EMERGENCY CARE AND FOR NON-EMERGENCY CARE WHEN THE PATIENT IS STRETCHER-BOUND AND THE TRANSPORT IS ORDERED BY A PHYSICIAN.
- . ALL NON-EMERGENCY, NON-AMBULANCE TRANSPORTATION AND PER DIEM MUST BE PRIOR AUTHORIZED AND NECESSARY TO OBTAIN MEDICALLY NECESSARY, COVERED SERVICES.



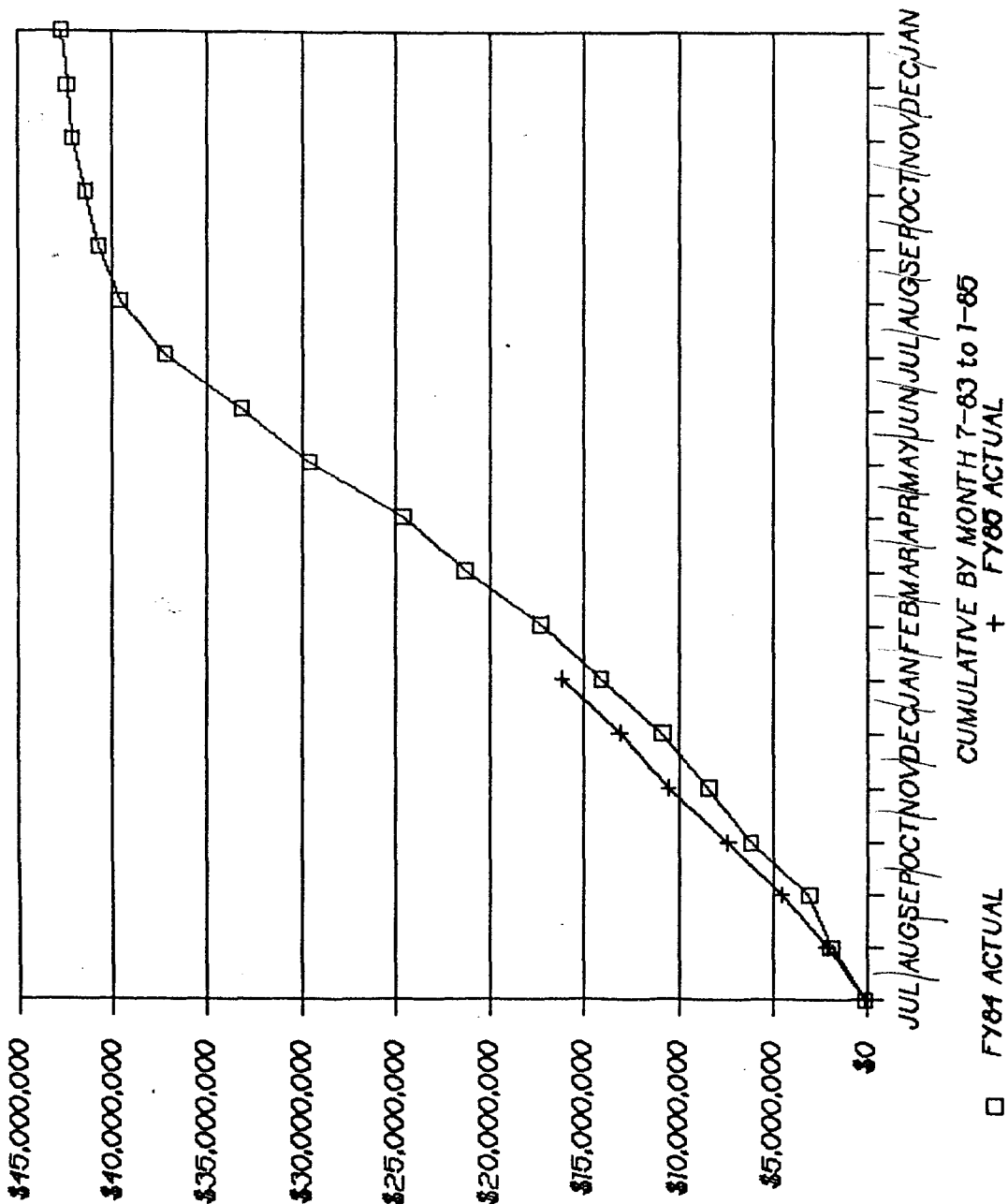
Table 3  
Medicaid Number of Services, Cost per Service and Total Cost by Category

AFDC: Caseload Number of Eligibles	FY83		FY84		FY85 (Projected)		FY83 - FY84	
Type of Service	Number of Services	Cost Per Service	Number of Services	Cost Per Service	Number of Services	Cost Per Service	Number of Services	Cost Per Service
Inpatient Hospital	66,762	140.01	70,152	155.35	71,847	167.78	5,085	10.96%
Outpatient Hospital	47,981	26.06	53,603	26.33	54,898	28.44	11,722	1.04%
Physicians	187,604	23.20	192,725	25.65	197,381	25.65	2,738	10.56%
Other Practitioners	69,026	13.88	73,257	13.71	75,027	13.71	6,133	(1.22%)
Drugs	86,293	8.25	94,708	9.10	96,996	9.83	9,755	10.30%
Dental	79,878	21.68	83,702	21.05	85,724	21.05	4,799	(2.91%)
Other	124,069	10.22	158,310	9.93	162,135	10.72	27,606	(2.84%)
* ICF/SNF	260	31.63	561	33.66	1,122	33.66	215.77%	6.42%
* ICF/Dept. of Inst.	3	48.94	38	55.07	76	55.07	1,266.67%	12.53%
TOTAL AFDC								
		19,631,710		22,473,993		24,245,232		14.48%
SSI Related:								
Number of Eligibles	10,266		10,279		10,692			
Type of Service								
Inpatient Hospital	47,578	196.40	37,896	216.31	39,420	233.61	(20.35%)	10.14%
Outpatient Hospital	32,202	31.88	17,497	37.04	18,200	40.00	(45.66%)	9.33%
Physicians	110,097	18.37	102,389	19.30	106,505	19.30	(7.00%)	5.06%
Other Practitioners	36,658	12.41	42,144	12.66	43,838	12.66	14.97%	2.01%
Drugs	342,042	9.78	347,391	11.06	361,358	11.94	15.66%	13.09%
Dental	19,900	31.35	19,176	30.68	19,947	30.68	(3.64%)	(2.14%)
Other	698,293	5.67	877,757	6.30	913,047	6.80	25.70%	11.11%
* ICF/SNF	1,230,231	29.42	1,239,438	31.24	1,259,959	32.55	.75%	6.19%
* ICF/Dept. of Inst.	152,909	48.94	153,248	50.36	152,676	71.73	.22%	2.90%
TOTAL SSI								
		84,535,556		67,752,969		10,950,803		3.12%
GRAND TOTAL		84,167,266		90,226,962		99,892,530		4.99%
								7.20%

\* NOTE: These amounts do not include adjustments to payments due to the retroactive cost based reimbursement rule.

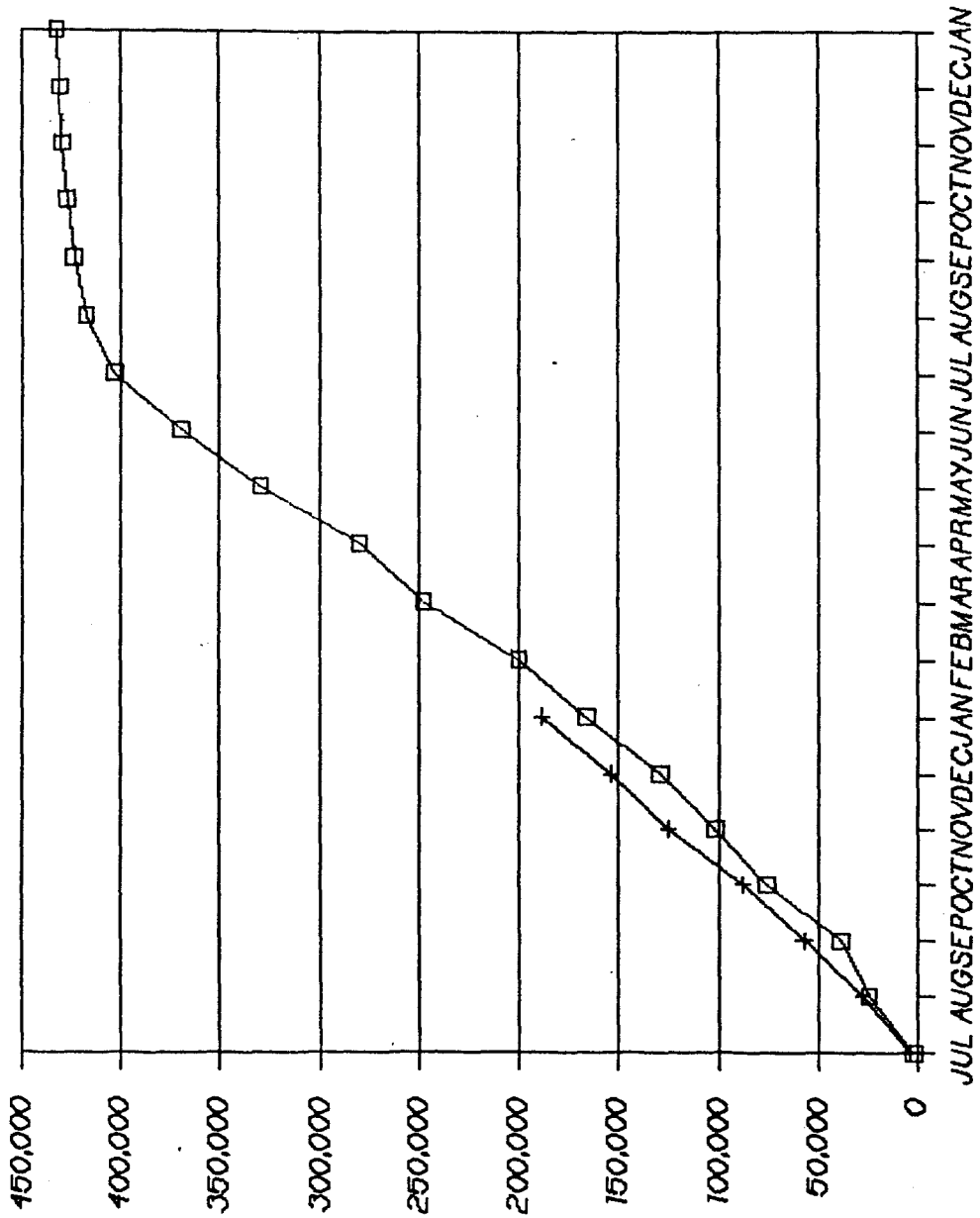
# TOTAL EXPENDITURES

ALL CATEGORIES OF SERVICE-AFDC & SSI



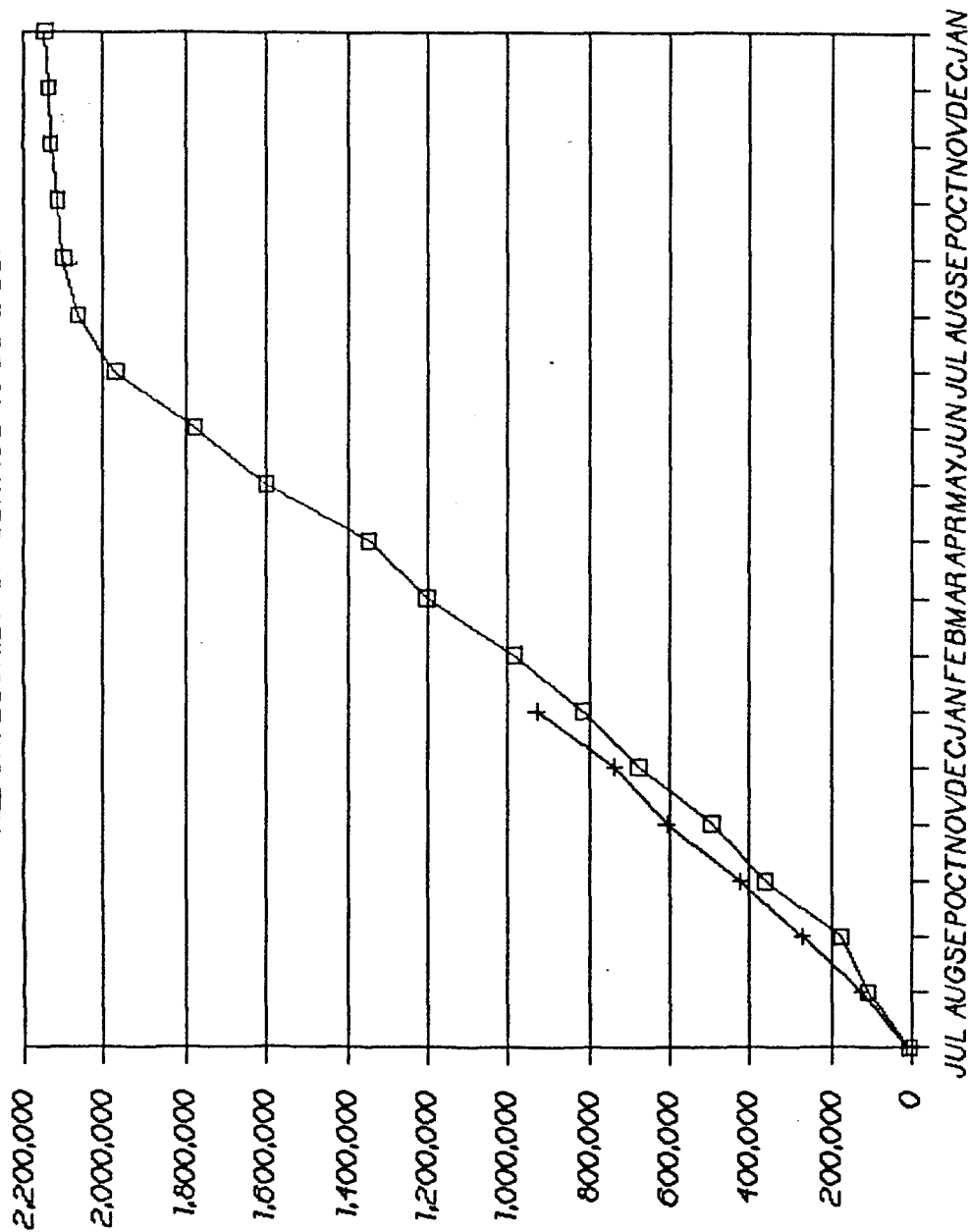
# TOTAL RECIPIENTS

ALL CATEGORIES OF SERVICE-AFDC & SSI



# TOTAL SERVICES

ALL CATEGORIES OF SERVICE-AFDC & SSI

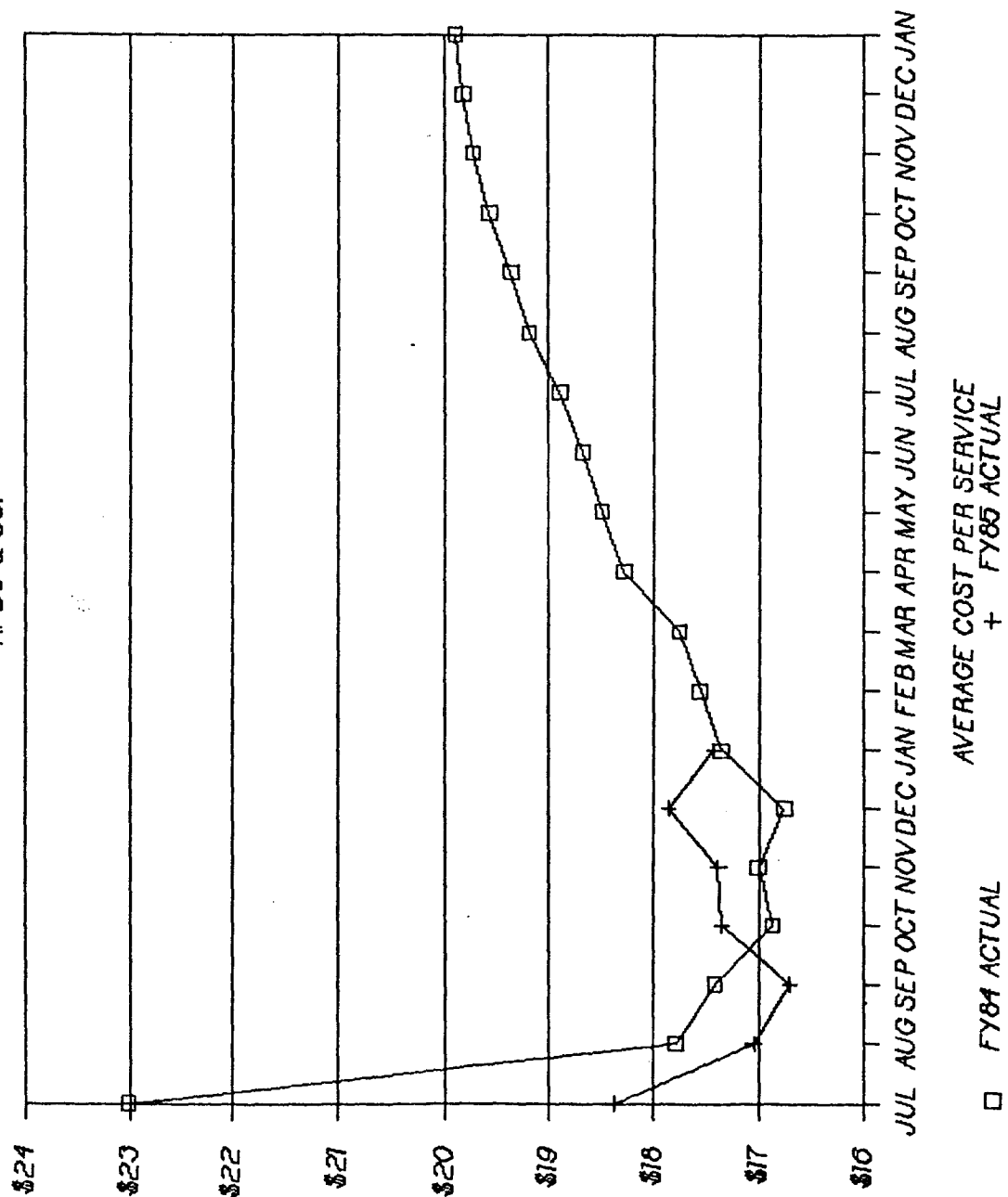


CUMULATIVE BY MONTH 7-83 to 1-85  
+ FY85 ACTUAL

□ FY84 ACTUAL

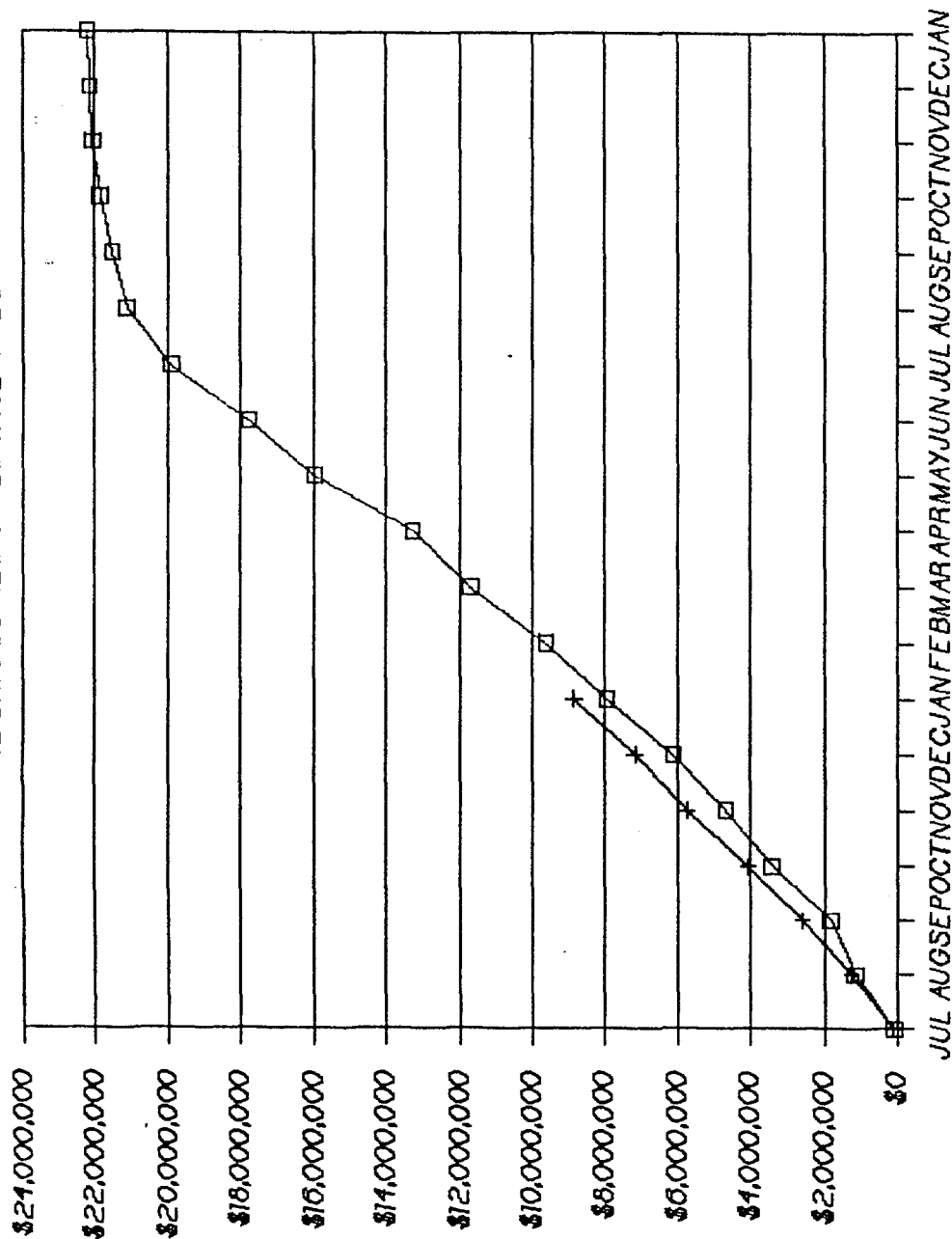
# ALL SERVICES

AFDC & SSI



# TOTAL EXPENDITURES

ALL CATEGORIES OF SERVICE-AFDC

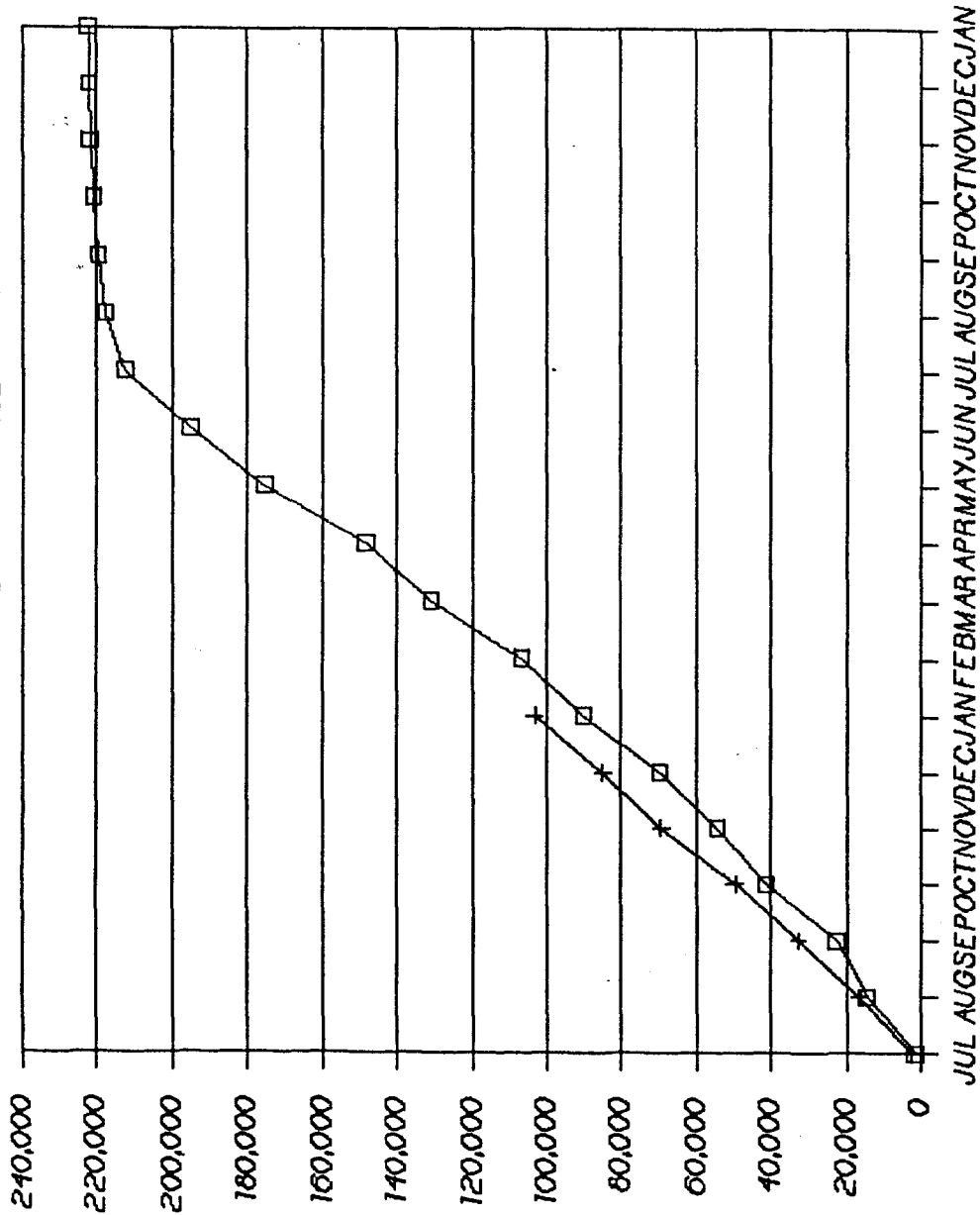


CUMULATIVE BY MONTH 7-83 to 1-85  
+ FY85 ACTUAL

□ FY84 ACTUAL

# TOTAL RECIPIENTS

ALL CATEGORIES OF SERVICE-AFDC

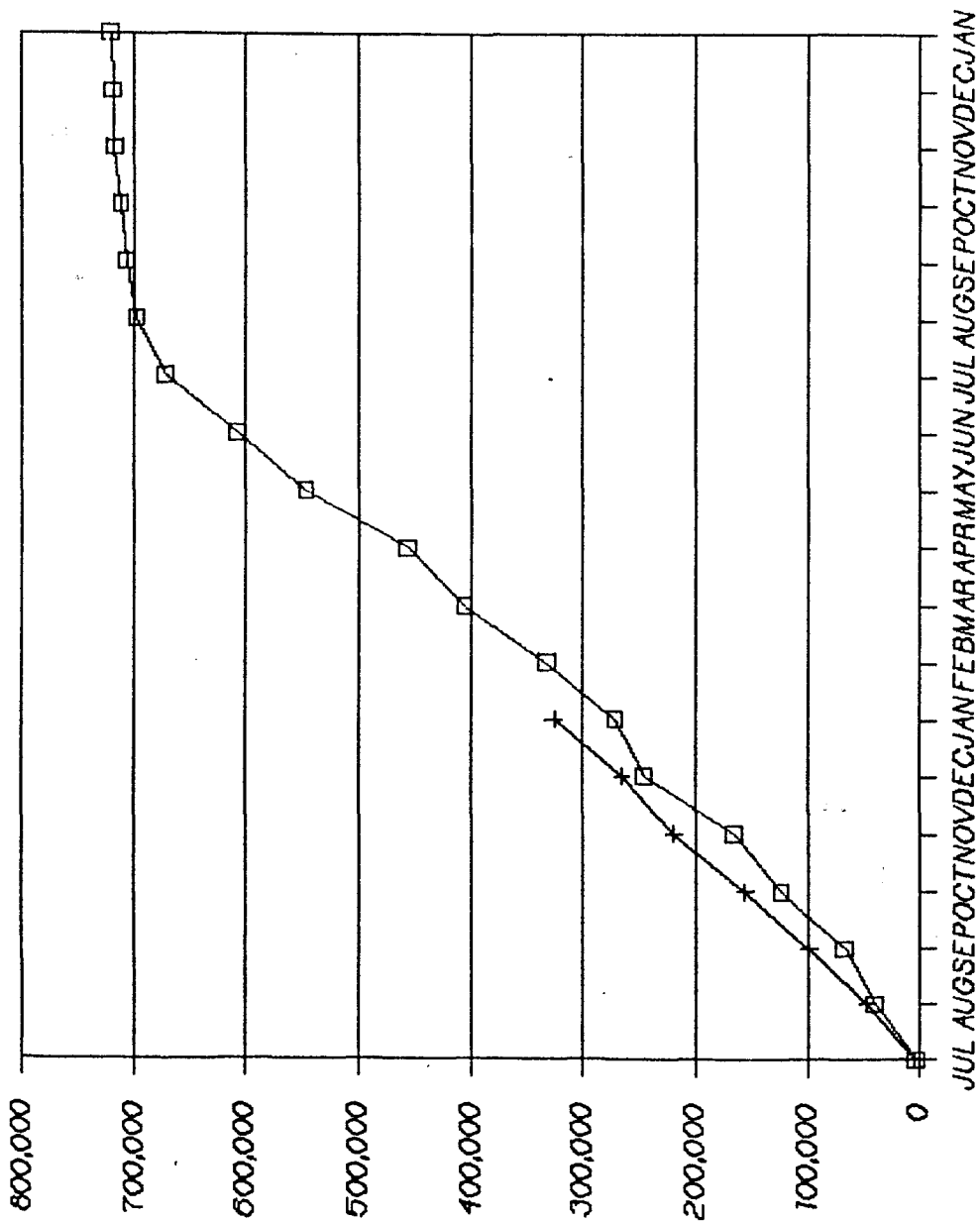


CUMULATIVE BY MONTH 7-83 to 1-85 + FY85 ACTUAL

□ FY84 ACTUAL

# TOTAL SERVICES

ALL CATEGORIES OF SERVICE-AFDC



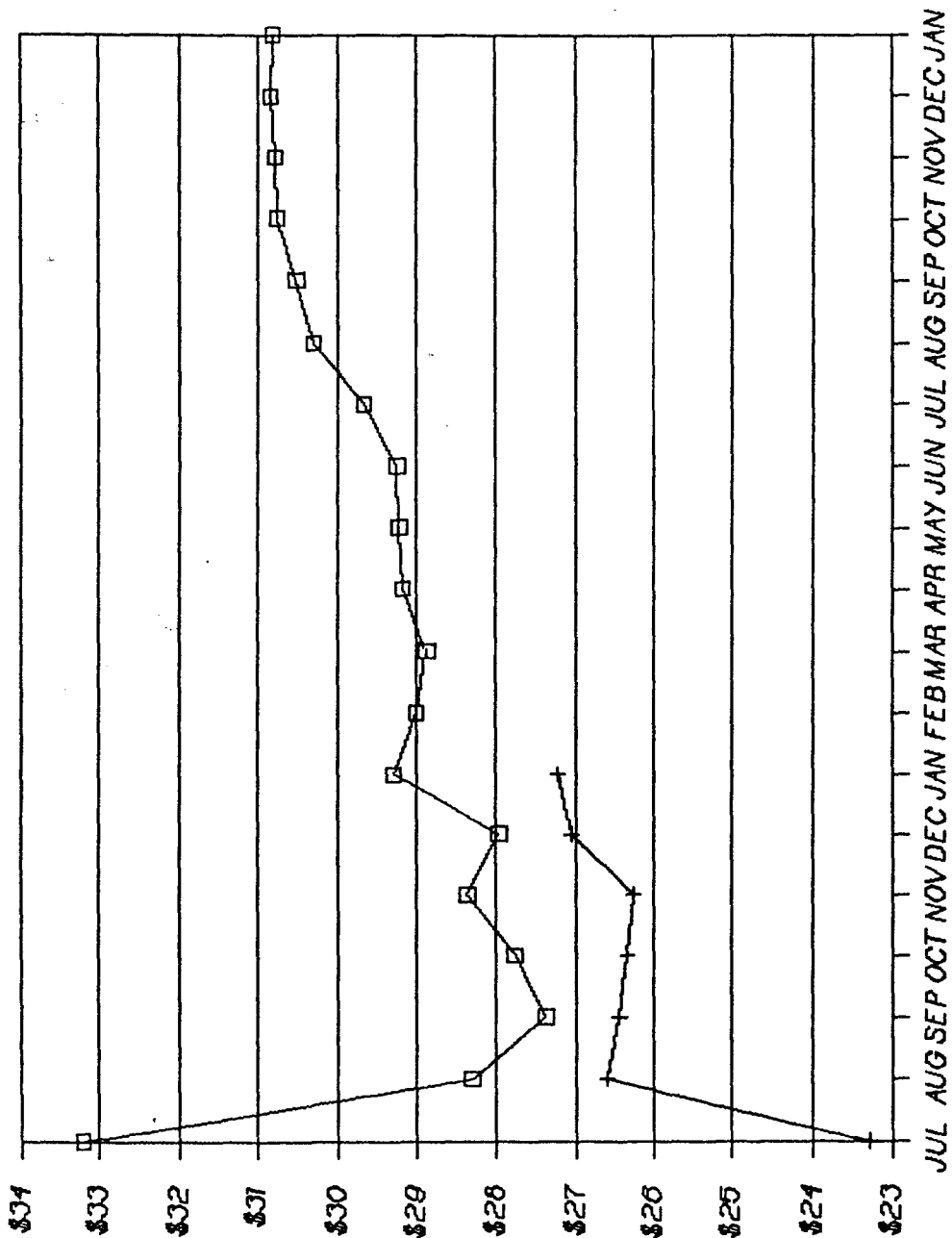
CUMULATIVE BY MONTH 7-83 to 1-85  
+ FY85 ACTUAL

□ FY84 ACTUAL



# ALL SERVICES

AFDC

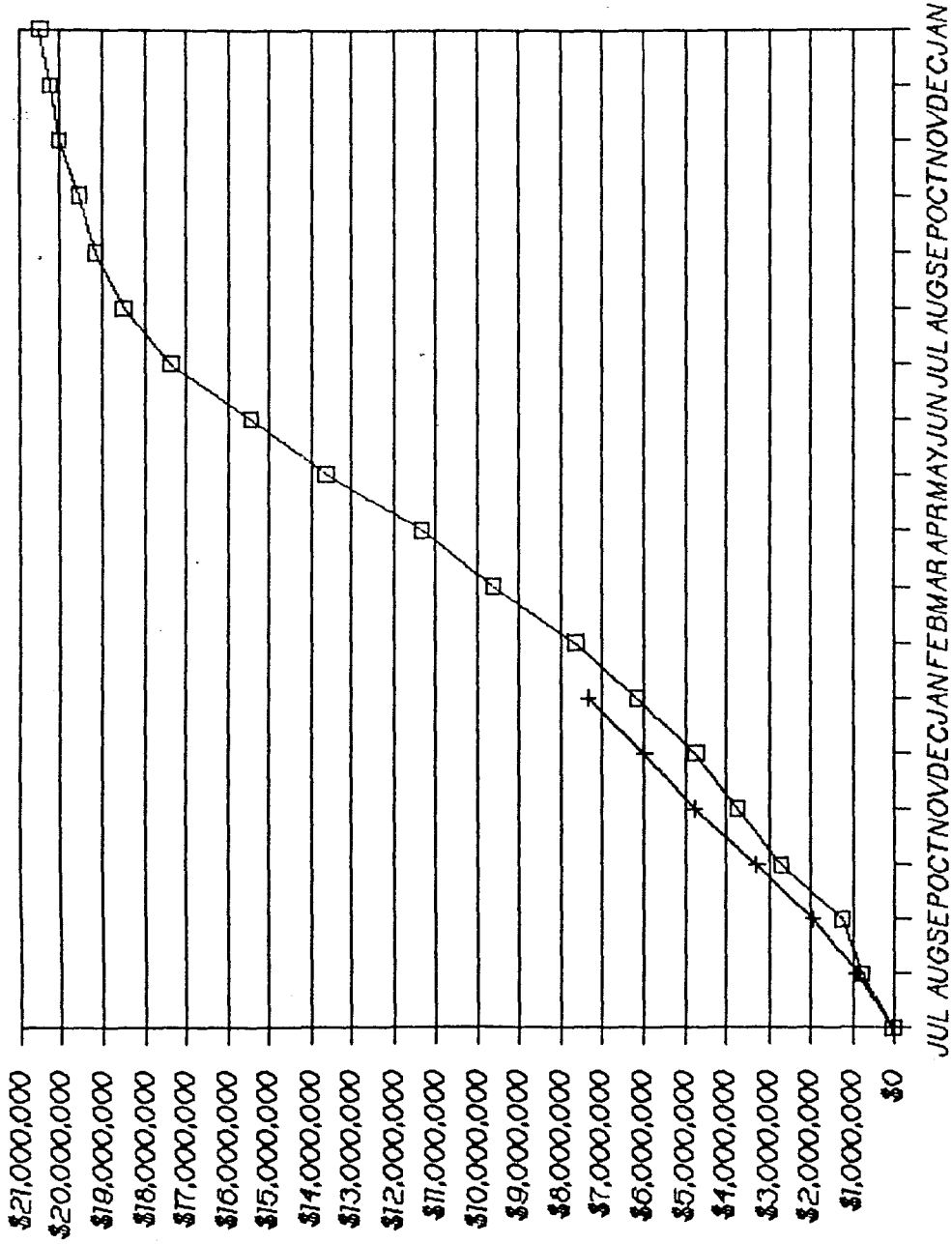


AVERAGE COST PER SERVICE  
+ FY85 ACTUAL

□ FY84 ACTUAL

# TOTAL EXPENDITURES

ALL CATEGORIES OF SERVICE-SSI

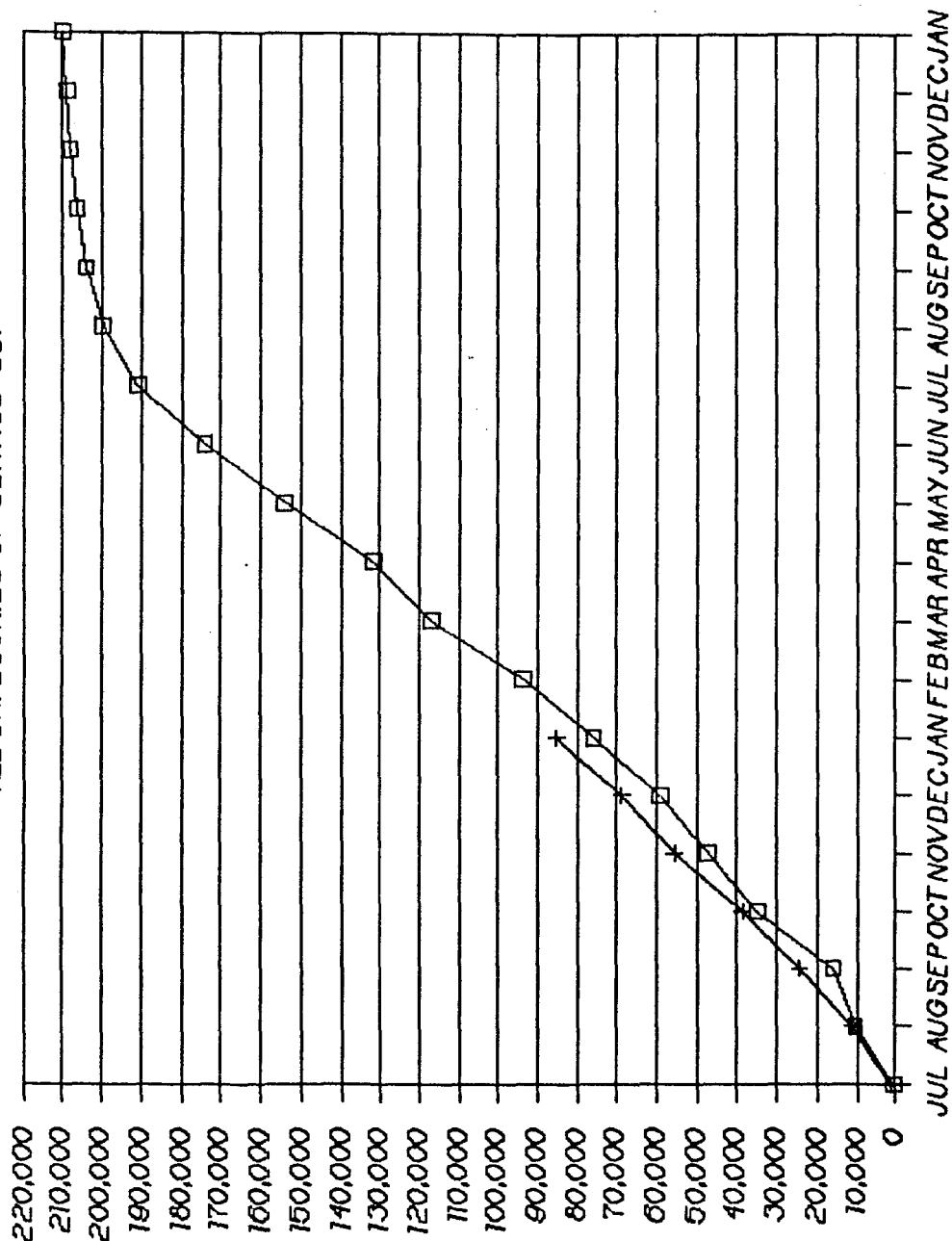


CUMULATIVE BY MONTH 7-83 to 1-85  
+ FY85 ACTUAL

□ FY84 ACTUAL

# TOTAL RECIPIENTS

ALL CATEGORIES OF SERVICE-SSI

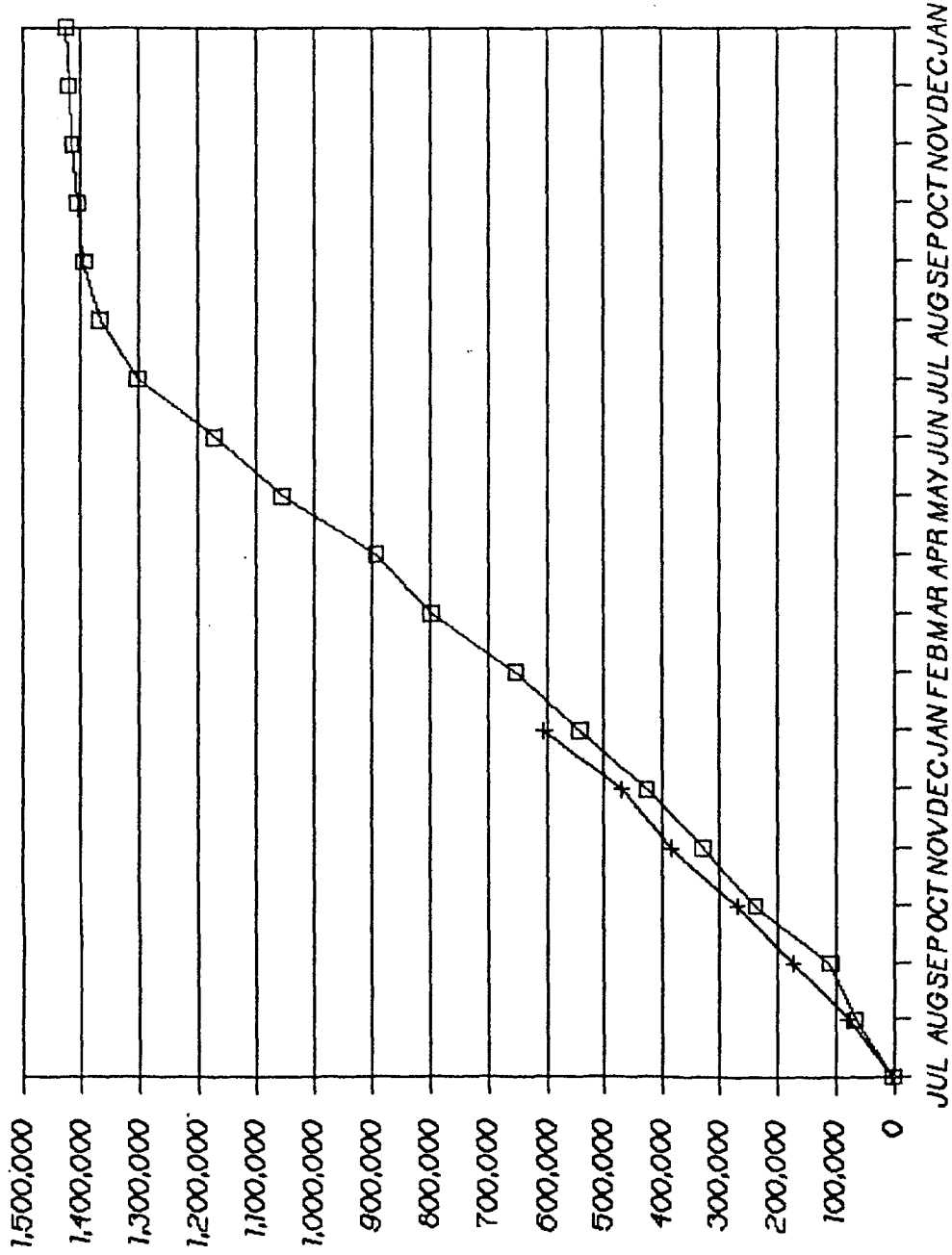


CUMULATIVE BY MONTH 7-83 to 1-85  
+ FY85 ACTUAL

□ FY84 ACTUAL

# TOTAL SERVICES

ALL CATEGORIES OF SERVICE-SSI

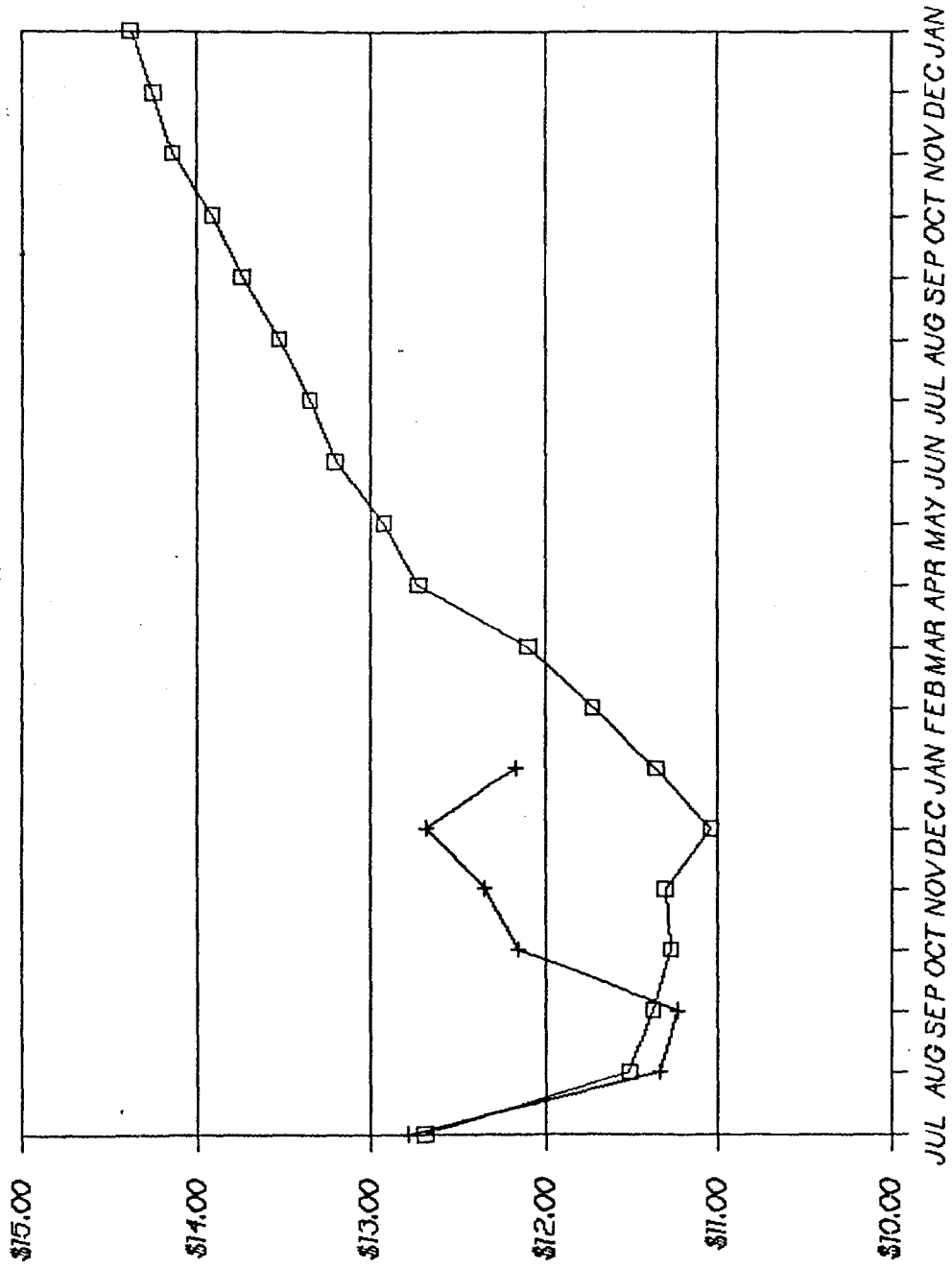


CUMULATIVE BY MONTH 7-83 to 1-85  
+ FY85 ACTUAL

□ FY84 ACTUAL

# ALL SERVICES

SSI

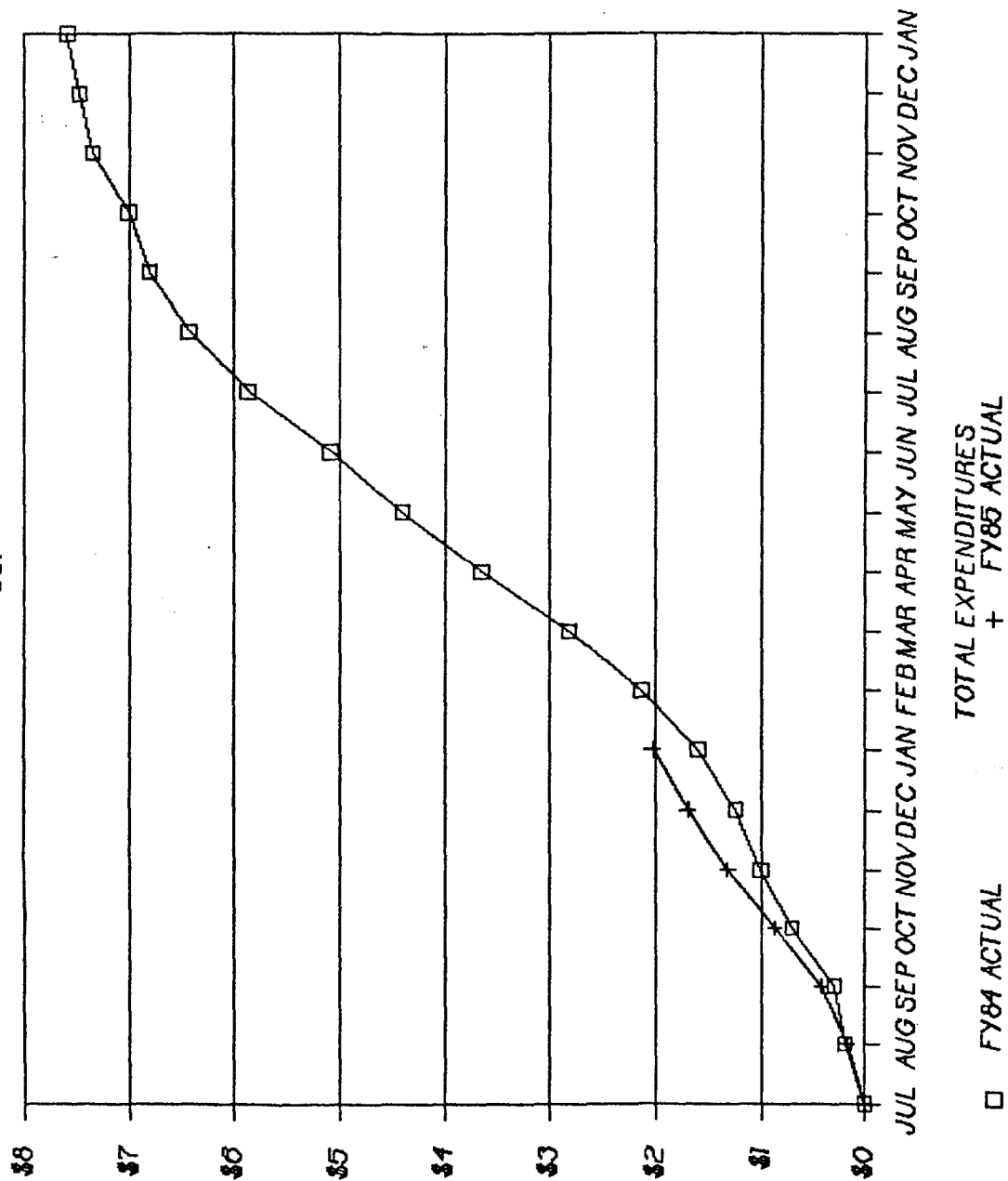


AVERAGE COST PER SERVICE  
+ FY85 ACTUAL

□ FY84 ACTUAL

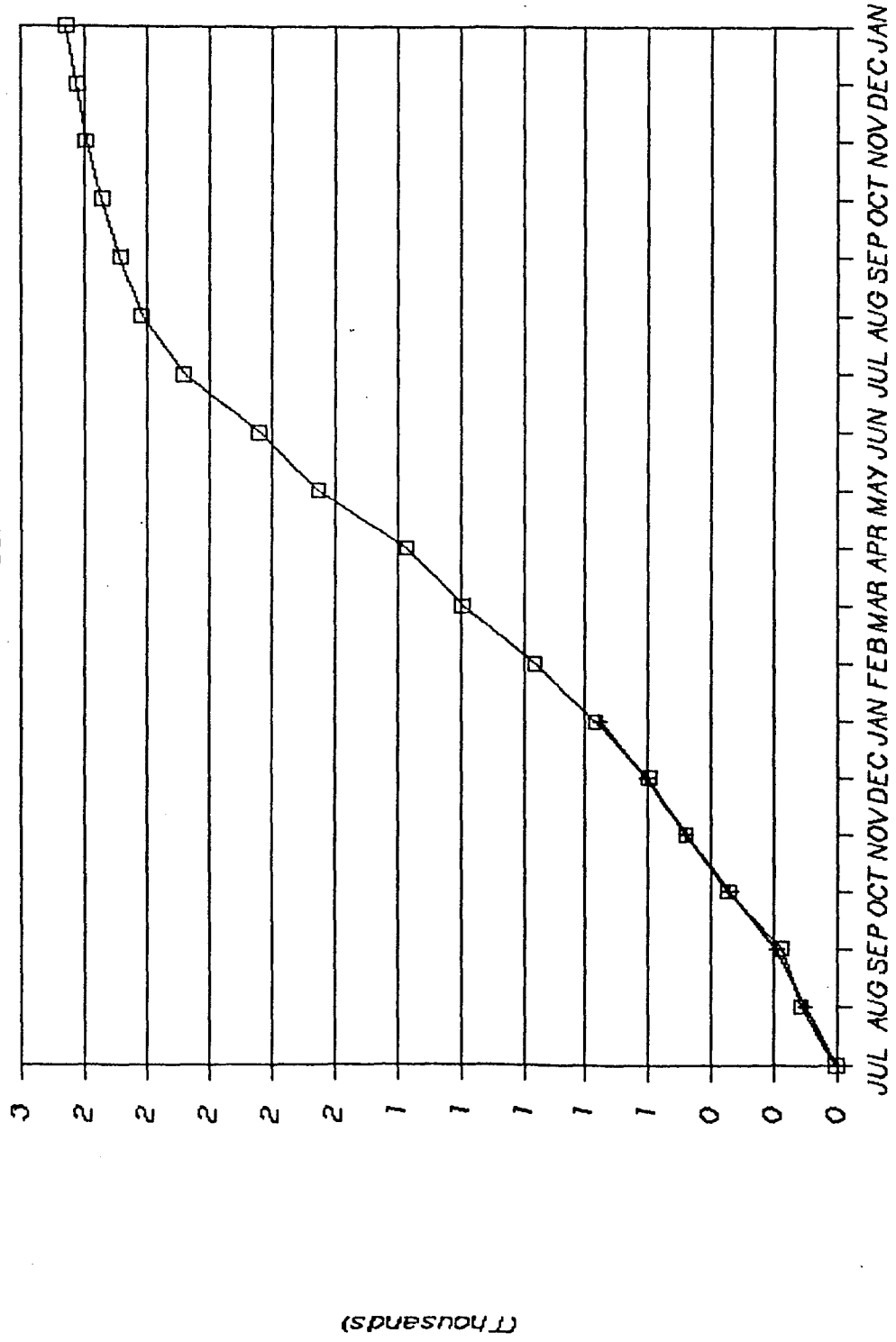
# INPATIENT

SSI



# INPATIENT

SSI

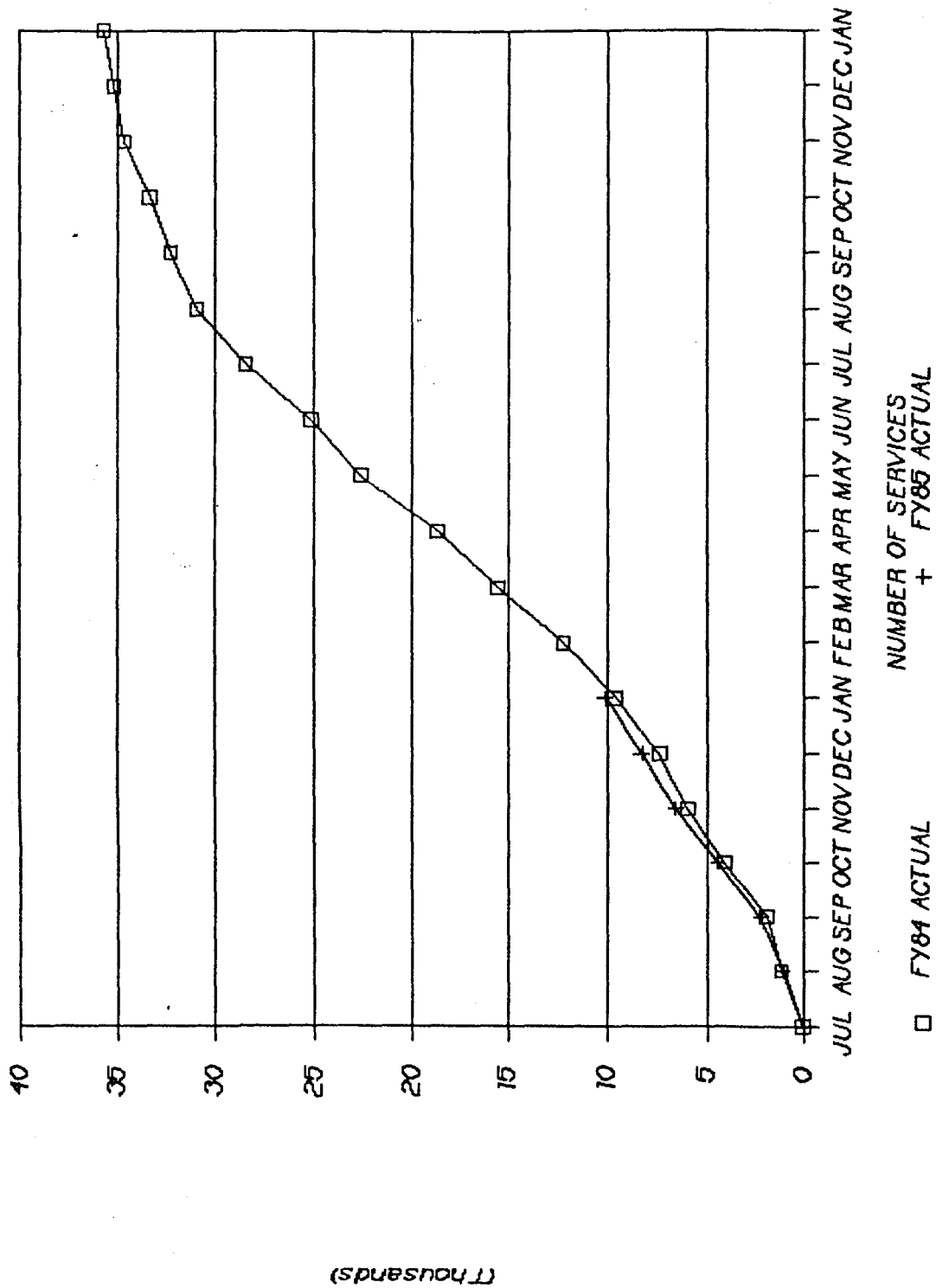


NUMBER OF RECIPIENTS  
+ FY85 ACTUAL

□ FY84 ACTUAL

# INPATIENT

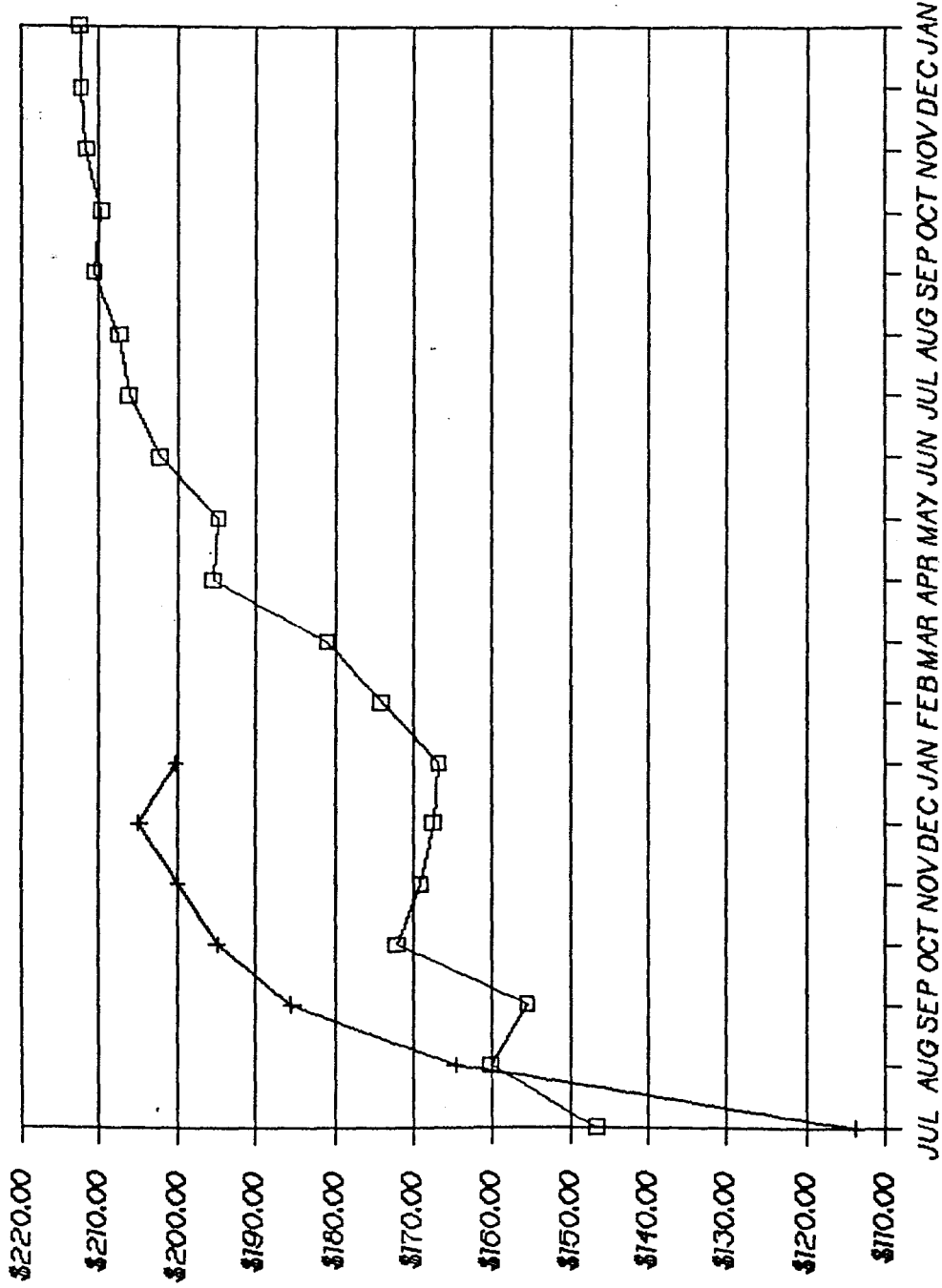
SSI





# INPATIENT HOSPITAL

SSI

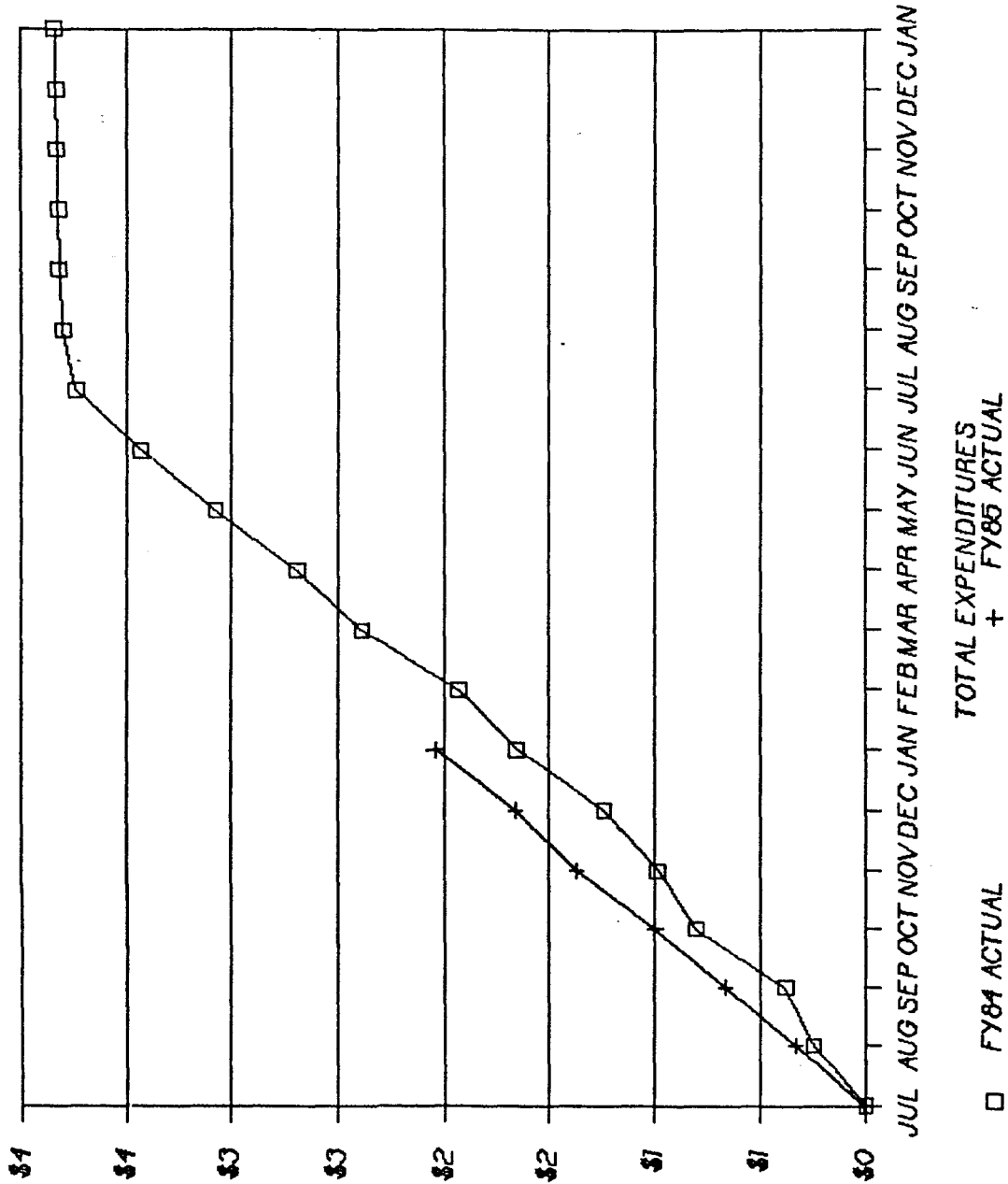


AVERAGE COST PER SERVICE  
+ FY85 ACTUAL

□ FY84 ACTUAL

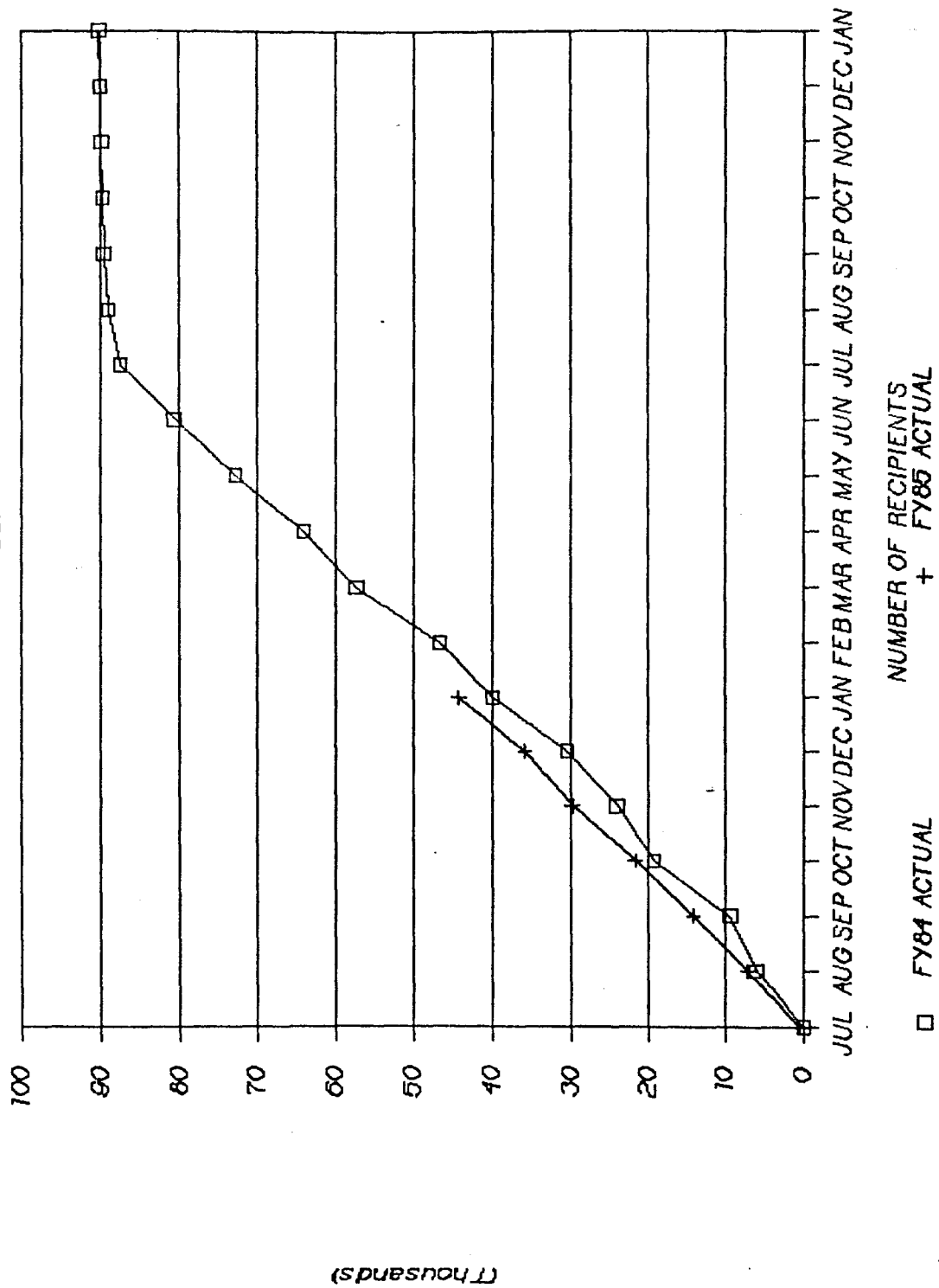
DRUGS

SSI



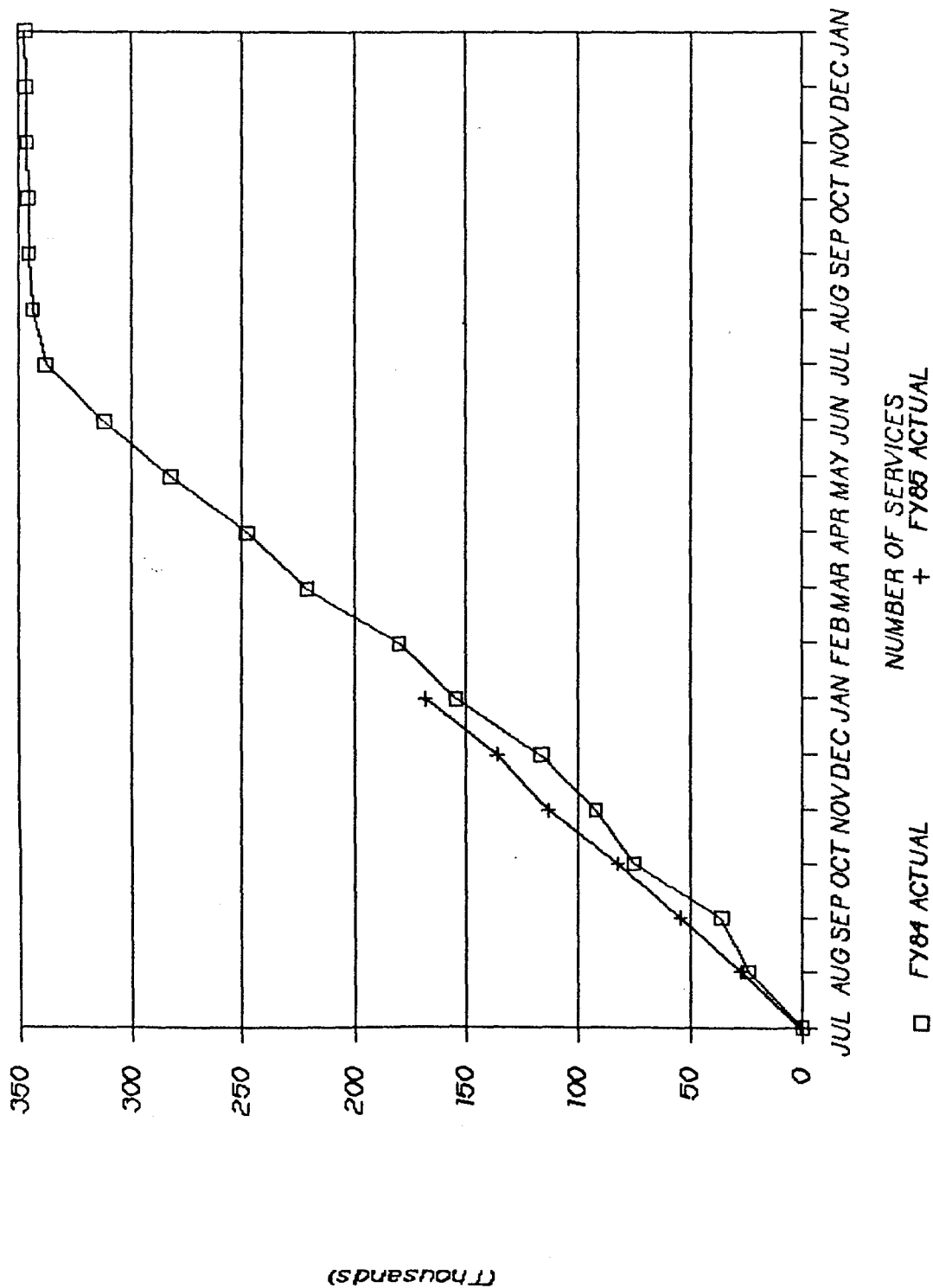
# DRUGS

SSI



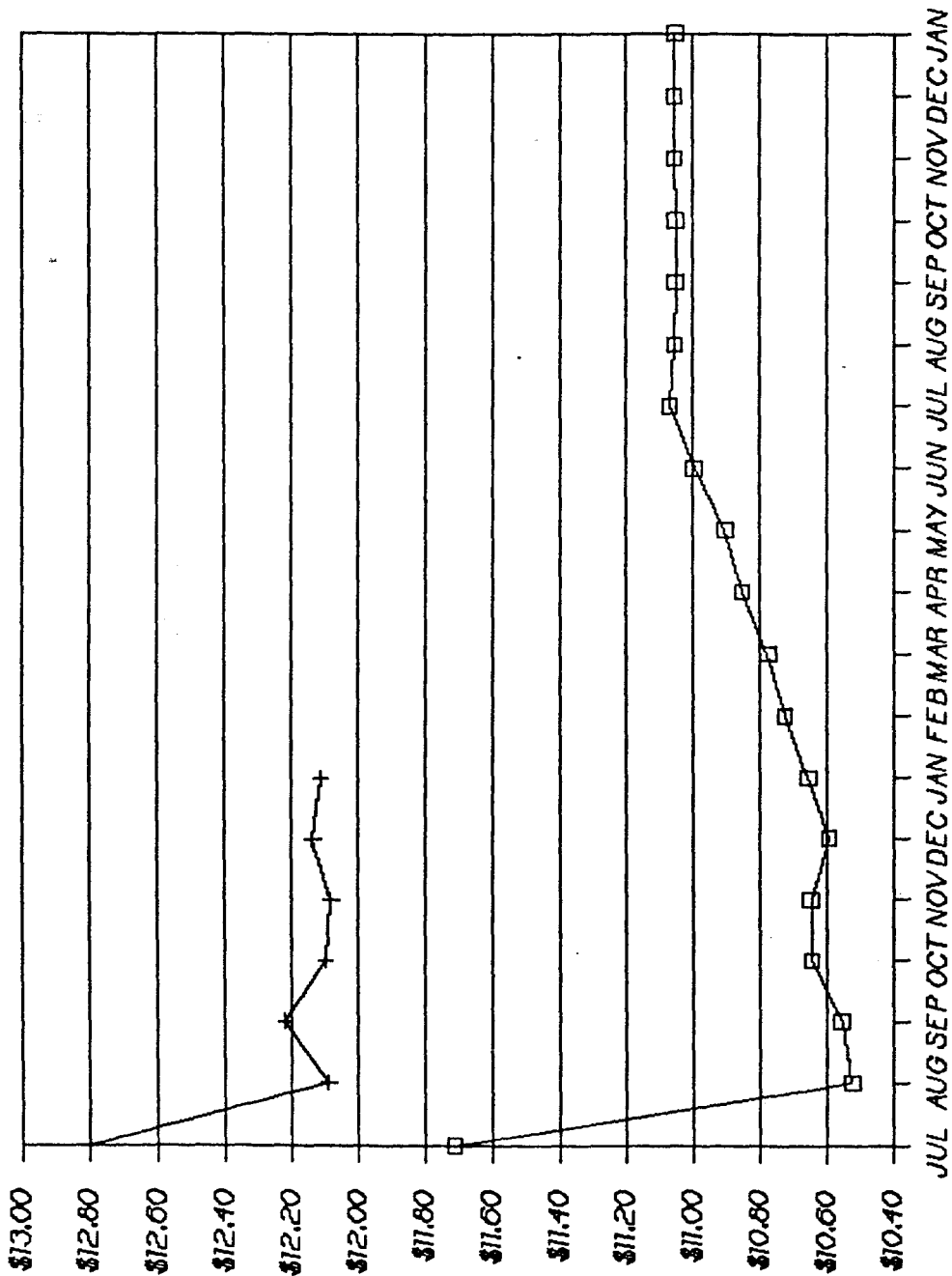
# DRUGS

SSI



# DRUGS

SSI



AVERAGE COST PER SERVICE  
+ FY85 ACTUAL

□ FY84 ACTUAL

## SUMMARY OF MAJOR DIFFERENCES IN MEDICAID

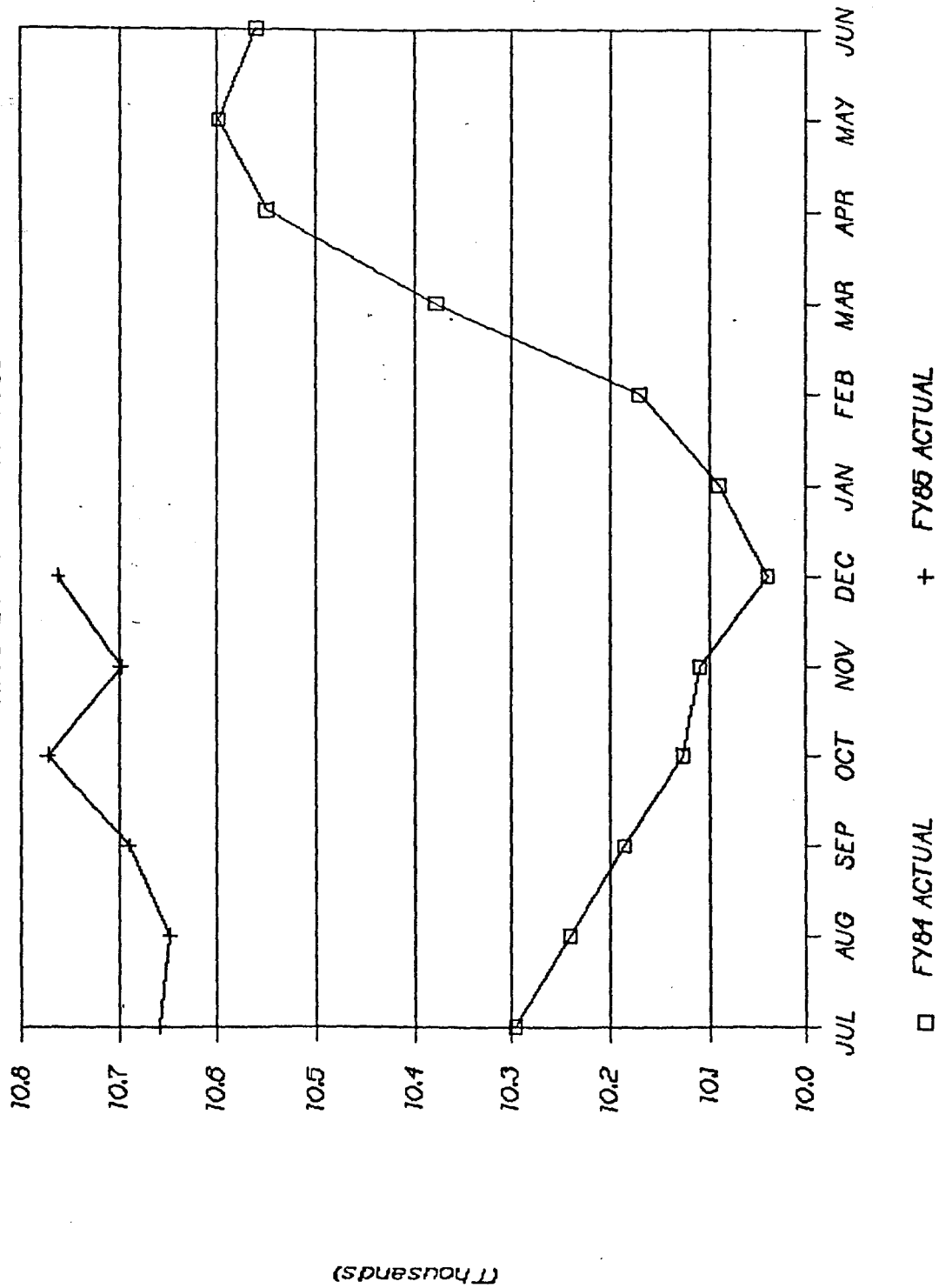
1. THE DEPARTMENTS REVISED ESTIMATE FOR MEDICAID OTHER EXCEEDS THE LFA CURRENT LEVEL BY \$1,739,500 IN FY86 AND \$1,335,900 IN FY87 FOR A TOTAL OF \$3,075,400 FOR THE BIENNIUM.

### REASONS FOR DIFFERENCES:

- A. THE EXECUTIVE ESTIMATE USES A SSI CASELOAD OF 10,700 VERSUS 10,279 BY THE LFA FOR A DIFFERENCE OF 421 CASES. (SEE SSI CASELOAD GRAPH ATTACHED)
  - B. THE EXECUTIVE INFLATED UNIT COST IN FY85 FOR COST BASED PROVIDERS (HOSPITAL AND DENTISTS) BY 8%. THE LFA INFLATED ALL PROVIDERS AT 4%.
  - C. THE EXECUTIVE INFLATED UNIT COSTS IN FY86 AND FY87 BY 4% VERSES 4.5% AND 5.0% RESPECTIVELY BY THE LFA.
2. THE LFA CURRENT LEVELS DOES NOT ADDRESS THE DEFRA IMPACT ON MEDICAID COSTS. THE DEPARTMENT HAS RECENTLY REVISED ITS ESTIMATED BASED UPON FIVE MONTHS OF ACTUAL DATA. THE REVISED ESTIMATE INDICATES AN INCREASED ANNUAL CASELOAD APPROXIMATELY 524 IN FY86 AND APPROXIMATELY 660 IN FY87. BASED UPON AN AVERAGE COST PER CASE OF \$3,553 IN FY86 AND \$3,592 IN FY87 IT IS EXPECTED THAT DEFRA EXPENDITURES WILL BE \$1,861,722 AND \$2,370,720.

LEGIS/119

# SSI CASELOAD ACTUAL FOR FY84 AND FY85



2-18-85

## (Using Revised Caseload as of 02-09-85)

**MED-CAID-6**

MED-CAID-6														02/09/85 11:52 AM													
AFDC RELATED																											
TYPE of SERVICE		FY83 AS OF 01-85	FY83 AS OF 01-85	FY83 RATIO 01-85	FY84 AS OF 01-85	FY84 PROJECTED UNITS	FY84 PROJECTED COST	FY85 PROJECTED UNITS	FY85 PROJECTED COSTS	FY86 PROJECTED UNITS	FY86 PROJECTED COSTS	FY87 PROJECTED UNITS	FY87 PROJECTED COSTS														
Number of Cases																											
Number of Eligibles																											
Inpatient Hospital																											
Number of Services		65,813	66,762	0.9858	69,177	70,175	\$10,899,581	73,142	\$12,269,571	73,832	\$12,880,731	73,763	\$13,383,559														
Price per Service		\$139.64	\$140.01	0.9974	\$154.91	\$155.32		\$167.75		\$174.46		\$181.44															
Units per Case					9.7172	9.8574		9.8574		9.8574		9.8574															
Outpatient Hospital																											
Number of Services		47,730	47,983	0.9947	53,316	53,599	\$1,412,870	55,865	\$1,590,477	56,392	\$1,669,767	56,339	\$1,734,678														
Price per Service		\$26.27	\$26.06	1.0081	\$26.57	\$26.36		\$28.47		\$29.61		\$30.79															
Units per Case					7.5290	7.5290		7.5290		7.5290		7.5289															
Physicians																											
Number of Services		186,367	187,612	0.9934	191,338	192,616	\$4,942,527	200,760	\$5,151,502	202,654	\$5,408,835	202,465	\$5,620,428														
Price per Service		\$23.11	\$23.20	0.9961	\$25.56	\$25.66		\$25.66		\$26.69		\$27.76															
Units per Case					27.0566	27.0566		27.0566		27.0566		27.0567															
Other Practitioners																											
Number of Services		68,949	69,026	0.9989	73,256	73,338	\$1,003,997	76,439	\$1,046,450	77,160	\$1,098,758	77,088	\$1,141,673														
Price per Service		\$13.88	\$13.88	1.0000	\$13.69	\$13.69		\$13.69		\$14.24		\$14.81															
Units per Case					10.3017	10.3017		10.3018		10.3017		10.3018															
Drugs																											
Number of Services		86,090	86,293	0.9976	94,560	94,783	\$862,525	98,791	\$971,116	99,723	\$1,019,169	99,630	\$1,059,067														
Price per Service		\$8.25	\$8.25	1.0000	\$9.10	\$9.10		\$9.83		\$10.22		\$10.63															
Units per Case					13.3141	13.3141		13.3142		13.3142		13.3142															
Dental																											
Number of Services		79,794	79,902	0.9986	83,664	83,777	\$1,763,506	87,319	\$1,838,065	88,143	\$1,929,450	88,061	\$2,005,149														
Price per Service		\$21.68	\$21.68	1.0000	\$21.05	\$21.05		\$21.05		\$21.89		\$22.77															
Units per Case					11.7681	11.7681		11.7681		11.7681		11.7681															
Other																											
Number of Services		121,943	124,094	0.9827	155,304	158,043	\$1,572,528	164,725	\$1,770,794	166,279	\$1,858,999	166,124	\$1,932,022														
Price per Service		\$10.26	\$10.22	1.0039	\$9.99	\$9.95		\$10.75		\$11.18		\$11.63															
Units per Case					22.2002	22.2002		22.2001		22.2001		22.2002															
TOTAL AFDC																											
					\$22,457,533					\$24,637,973		\$25,865,710															
													\$26,876,576														



MED-CAID-6		02/09/85		11:52 AM															
SSI RELATED		C	E	G	I	K	N	O	Q	5	U	W	Y						
TYPE	FY83	FY83	FY83	FY84	FY84	FY84	FY84	FY85	FY85	FY86	FY86	FY87	FY87						
of	A5 OF	A5 OF	A5 OF	A5 OF	A5 OF	A5 OF	A5 OF	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED						
SERVICE	12-83	12-84	12-84	12-84	12-84	12-84	12-84	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS						
Number of Eligibles	10,266	10,266	10,266	10,279	10,279	10,279	10,279	10,700	10,700	10,700	10,700	10,700	10,700	10,700	10,700				
Inpatient Hospital																			
Number of Services	44,530	47,616	0.9352	35,685	38,158	38,158	\$8,259,681	39,722	\$9,286,209	39,722	\$9,657,610	39,722	\$10,044,105						
Price per Service	\$192.60	\$196.23	0.9815	\$212.46	\$216.46	\$216.46		\$233.78		\$243.13		\$252.86							
Units per Eligible					3.7123	3.7123		3.7123		3.7123		3.7123							
Outpatient Hospital																			
Number of Services	31,731	32,204	0.9853	17,347	17,606	17,606	\$654,415	18,328	\$735,686	18,328	\$765,194	18,328	\$795,802						
Price per Service	\$33.25	\$33.90	0.9808	\$36.46	\$37.17	\$37.17		\$40.14		\$41.75		\$43.42							
Units per Eligible					1.7129	1.7129		1.7129		1.7129		1.7129							
Physicians																			
Number of Services	105,415	110,222	0.9564	98,745	103,248	103,248	\$1,992,686	107,479	\$2,074,345	107,479	\$2,157,104	107,479	\$2,243,087						
Price per Service	\$18.13	\$18.37	0.9869	\$19.05	\$19.30	\$19.30		\$19.30		\$20.07		\$20.87							
Units per Eligible					10.0448	10.0448		10.0448		10.0448		10.0448							
Other Practitioners																			
Number of Services	35,918	36,683	0.9791	41,499	42,383	42,383	\$534,450	44,120	\$556,353	44,120	\$578,413	44,120	\$601,356						
Price per Service	\$12.47	\$12.40	1.0056	\$12.68	\$12.61	\$12.61		\$12.61		\$13.11		\$13.63							
Units per Eligible					4.1234	4.1234		4.1234		4.1234		4.1234							
Drugs																			
Number of Services	341,388	342,044	0.9981	347,118	347,785	347,785	\$3,846,502	362,038	\$4,322,734	362,038	\$4,496,512	362,038	\$4,677,531						
Price per Service	\$9.77	\$9.78	0.9990	\$11.05	\$11.06	\$11.06		\$11.94		\$12.42		\$12.92							
Units per Eligible					33.8353	33.8353		33.8353		33.8353		33.8353							
Dental																			
Number of Services	19,852	19,900	0.9976	19,135	19,191	19,191	\$588,281	19,967	\$612,388	19,967	\$636,947	19,967	\$662,505						
Price per Service	\$31.35	\$31.35	1.0000	\$30.67	\$30.67	\$30.67		\$30.67		\$31.90		\$33.18							
Units per Eligible					1.8661	1.8661		1.8661											

Exhibit 4  
2-18-85

REVISED ESTIMATE  
OF  
DEFRA IMPACT

Department of Social and Rehabilitation Services  
Economic Assistance Division

February 18, 1985

ADDITIONAL AFDC AND MEDICAID CASES  
DUE TO DEFRA

Overview:

DEFRA was implemented October 1, 1984 as required by Federal regulations and as a result numerous changes were made to eligibility requirements. We have identified those changes having the greatest impacts and have classified them into two groups:

1. Those which will result in additional Medicaid cases and;
2. Those which will result in additional AFDC cases.

Based upon eligibility data obtained from the time period of October, 1984 to February, 1985 we have estimated that DEFRA will increase the Medicaid and AFDC caseloads by 598 and 48 cases, respectively.

We have identified 5 major regulation changes and their effects on the Medicaid and AFDC caseloads as shown below.

<u>Regulation Change</u>	<u>Increase of Medicaid Cases</u>	<u>Increase of AFDC Cases</u>
1. 185% Need Standard	81	48
2. \$30 Disregard Extension	50	0
3. Nine Month Medical Extension	37	0
4. Pregnant Women	85	0
5. Ribicoff Children	345	0
TOTALS	<u>598</u>	<u>48</u>

Our estimation of the DEFRA impact as reflected in the "Budget Analysis for Medical Assistance Programs in the 1987 Biennium" was based solely on "best guesses" since no actual data was available at that time.

The following data includes a brief description of the regulation changes and also reflects the actual and projected caseloads for each of the five major rule changes.

1. 185% Need Standard

DEFRA mandated that States increase the current Gross Monthly Income (GMI) standard from 150% to 185% of the current Need Standard.

Eligibility data has been used to identify recipients who were affected by this change. These were the cases whose total income fell between 150 and 185% of the need standard.

The results were as follows:

	<u>Cases With Grants</u>	<u>Cases Without</u>
October, 1984	45	42
November, 1984	51	34
December, 1984	43	31
January, 1985	48	31
February, 1985	51	26
	<hr/>	<hr/>
AVERAGE	47.6	32.8
	<hr/>	<hr/>

Since this has been fairly constant, it will probably continue to stay constant or increase only slightly throughout the biennium.

The total caseload should average between 80 and 90.

## 2. \$30 Disregard Extension:

The \$30 disregard has been extended from 4 to 12 months, allowing recipients to receive it for an additional 8 months.

The actual number of people who were eligible to take advantage of this extension are tabulated below:

	<u>Cases Receiving Grants</u>	<u>Cases W/O Grants</u>
October, 1984	0	0
November, 1984	0	2
December, 1984	0	13
January, 1985	0	17
February, 1985	4	25

A least squares linear regression was calculated for the total caseload. It showed an average rate of increase of 7.3 cases per month. The r square for this regression was .95.

The attached graph shows the actual cases since October.

The number of families effected by the \$30 disregard should continue to increase at an average rate of 7.3 per month, due to clients being added to the population.

However, by June, the people who are eligible for the disregard the previous November will have used up their 8 month extension and be required to drop off. By that time, the rate of addition to the population will be cancelled out by the rate of withdrawal. The caseload should level off at about 50 cases per month.

### 3. Nine Month Extension of Medicaid Coverage:

DEFRA allows families to retain Medicaid coverage for 9 additional months after becoming ineligible for AFDC due to the loss of the one-third disregard.

The actual number of recipients in this category are tabulated below. A least squares linear regression was calculated and the expected values that were obtained from this regression are also listed in the table:

	<u>Actual Cases</u>	<u>Expected Cases</u>
October	0	- 1.2
November	0	2.9
December	9	7
January	11	11.1
February	15	15.2

The r square for this regression was .92. The average rate of increase is 4.1 cases per month.

As in the case of the \$30 disregard, the caseload should continue to increase by 4.1 a month for 9 months. By August, the recipients who were allowed the extension the previous November, will have used up their 9 months, and lose their Medicaid coverage.

Therefore, by August, the caseload will begin to level off at an average of 37 cases/month. (See graph)

### 4. Pregnant Women:

DEFRA grants Medicaid eligibility to 2 classes of pregnant women:

1. First time pregnant women and;
2. Pregnant women in two parent families where the bread winner is unemployed.

Since we already were giving Medicaid to the first group, the second group is the only one which will add to the caseload.

It is estimated that about 600 families would be eligible for the AFDC - Unemployed Parent Program, if it was reimplemented. This figure was arrived at in the following way:

In the past, when we had the Unemployed Parent Program, the number of families in this category was fairly constant at 8% of the regular caseload.

Since we are projecting an average AFDC caseload of 7,500, the AFDC-UP caseload should average 600 per month.

This 600 figure is an estimate of the numbers who will be actually receiving AFDC grants.

Based on our current AFDC caseload, we find that the AFDC Medically Needy are 5.5% of the total AFDC caseload and the Categorically Needy not receiving grants are 22.8%.

	<u>Caseload</u>	<u>Percent of Total</u>
Receiving Grants	600	71.7%
Eligible - Not Receiving	190	22.8%
Medically Needy	<u>46</u>	<u>5.5%</u>
TOTAL	<u>836</u>	<u>100%</u>

The additional women we will have on Medicaid due to DEFRA are the women in these 836 families who become pregnant.

We estimate that the birth rate is 152 births per 1,000 families.

$$(152/1000 \text{ births}) \times (836) = 127/\text{year}$$

DEFRA grants Medicaid to women from the time they are determined to be pregnant. If we assume pregnancy is verified one month after conception occurs, then pregnant women would be eligible for Medicaid for 8 months or 2/3 of a year. The average caseload would then be calculated by multiplying 2/3 times the predicated number of births, which is 127.

$$(2/3 \times 127) = 84.67$$

Therefore, we should have started with about 85 pregnant women in October. It should stay constant at that, since the number of women becoming pregnant equals the number giving birth.

As you can see from the attached graph, the actual caseload has been increasing at the rate of about 6.1 per month. It should level off at about 85/month by November, 1985.

##### 5. Ribicoff Children:

DEFRA grants Medicaid eligibility to children born on or after October 1, 1983, up to age five, into 2 parent families. These are the children born to the pregnant women described above.

Since that group of unemployed parent families has 127 children a year, we should have had 127 Ribicoff children as of October 1, 1984. The number of such children should increase at the rate of 10.6 per month. (See graph)

In fact, we had no Ribicoff children in October, however, their numbers increased at the rate of about 24/month from November, 1984 to February, 1985. This growth rate should soon slow down until it reaches the expected rate.

If the growth rate continues as expected, the average monthly caseload should be:

1985 = 154  
1986 = 281  
1987 = 408

Cost of DEFRA:

AFDC: The estimated cost of DEFRA for the 48 AFDC cases is \$191,232 for FY86 and \$198,720 for FY87 assuming average monthly payment levels of \$332 and \$345 for FY86 and FY87, respectively.

MEDICAID: The FY86 DEFRA caseload is projected to average 524 while the FY87 caseload is projected to average 660. The annual cost for an AFDC recipient on Medicaid is projected to be \$3,553 and \$3,592 for FY86 and FY87, respectively. This results in costs of \$1,861,772 for FY86 and \$2,370,720 in FY87.

RECAP OF COSTS:

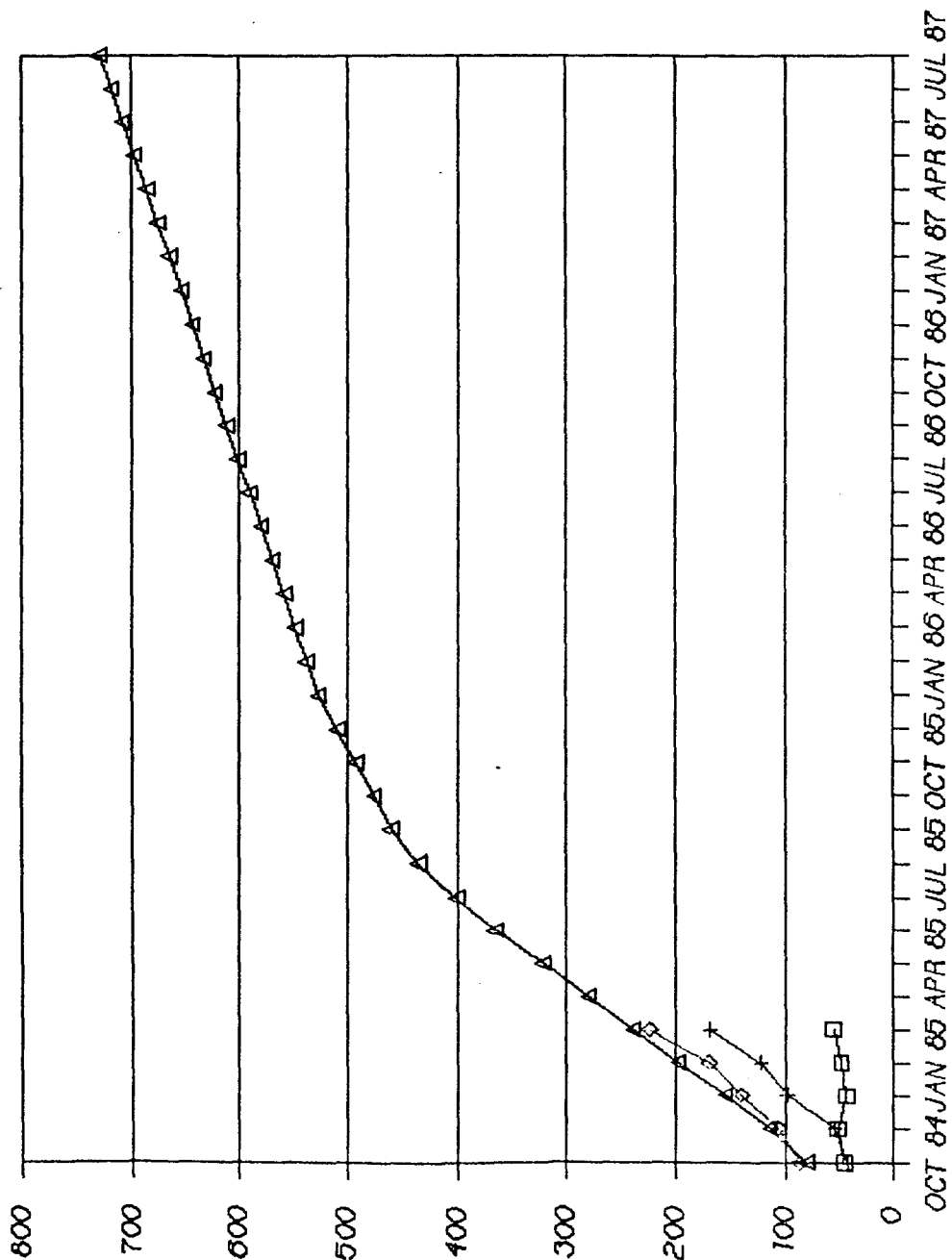
	<u>FY86</u>		<u>FY87</u>		<u>TOTAL BIENNIUM</u>	
	<u>General Fund</u>	<u>Total</u>	<u>General Fund</u>	<u>Total</u>	<u>General Fund</u>	<u>Total</u>
AFDC	\$ 65,229	\$ 191,232	\$ 66,810	\$ 198,720	\$ 132,039	\$ 389,952
MEDICAID	<u>635,050</u>	<u>1,861,772</u>	<u>797,036</u>	<u>2,370,720</u>	<u>1,432,086</u>	<u>4,232,492</u>
TOTAL	<u>\$700,279</u>	<u>\$ 2,053,004</u>	<u>\$ 863,846</u>	<u>\$ 2,569,440</u>	<u>\$ 1,564,125</u>	<u>\$ 4,622,444</u>

LD/002

Attachments

# TOTAL ADDITIONAL DEFRA CASES

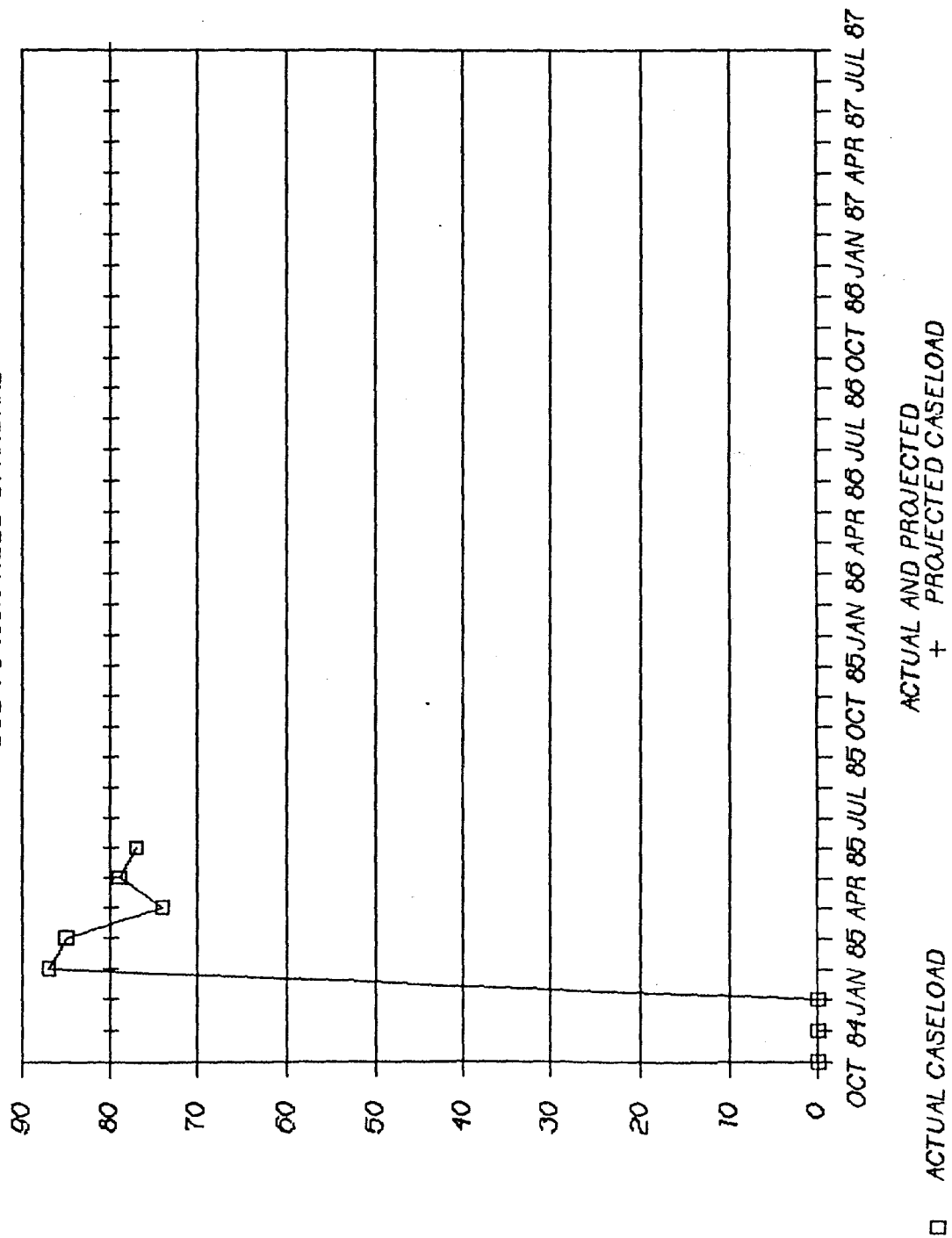
ACTUAL AND PROJECTED



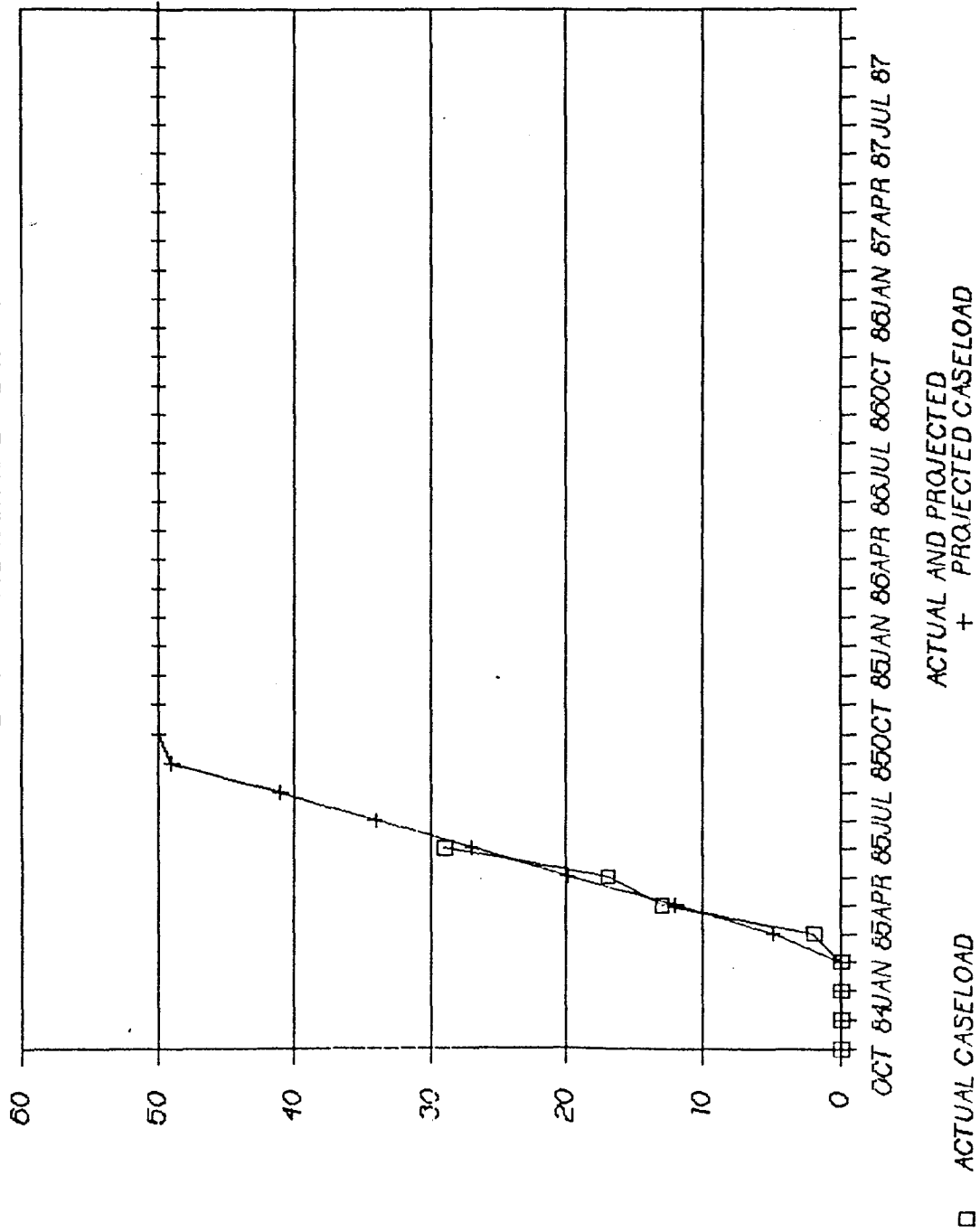
+ MEDICAID ONLY      ◇ TOTAL CASES      △ PROJECTED TOTAL



# ADDITIONAL DEFRA CASES DUE TO 185% NEED STANDARD

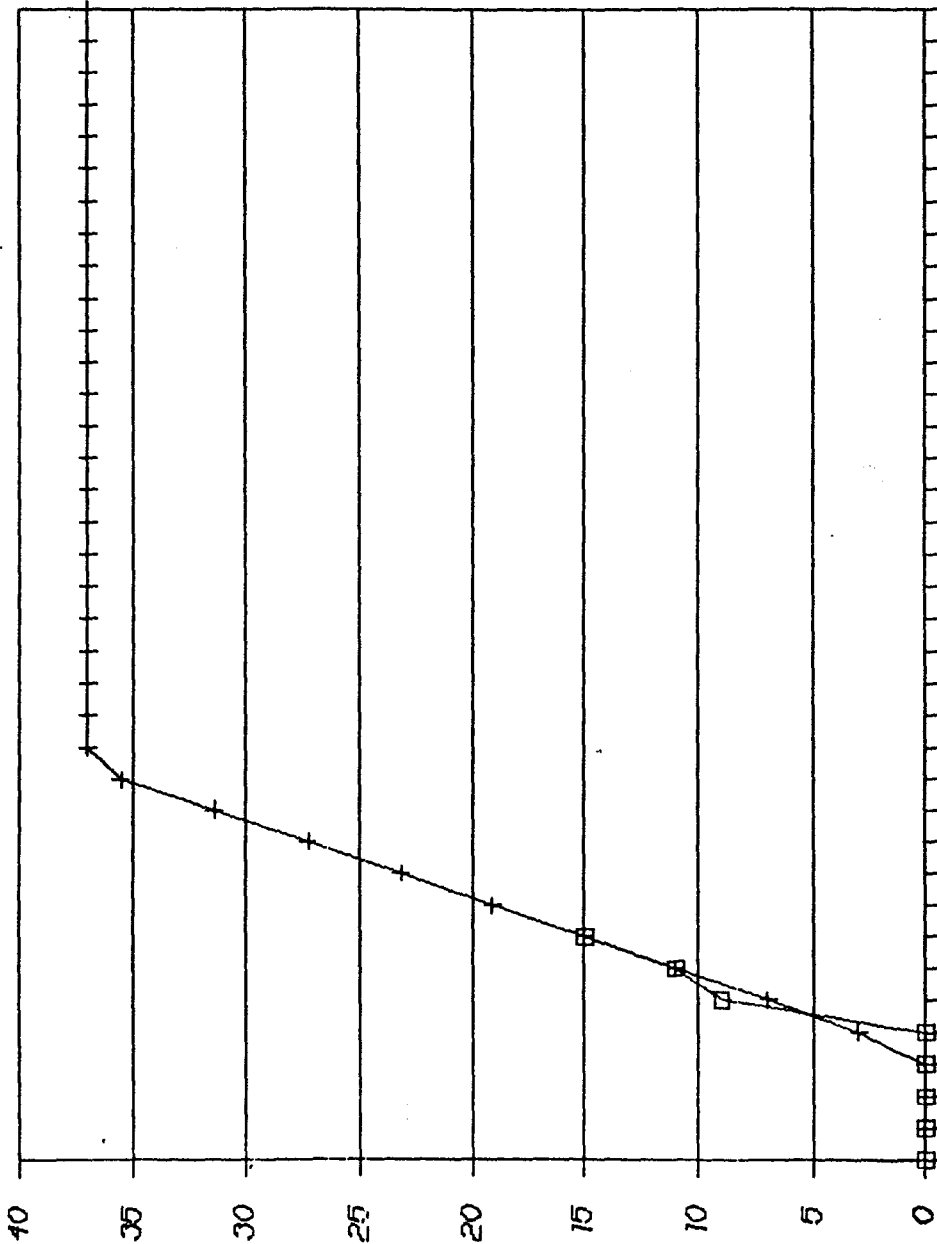


# ADDITIONAL DEFRA CASES DUE TO \$30 DISREGARD EXTENTION



# ADDITIONAL DEFRA CASES

DUE TO NINE MONTH MEDICAID EXTENSION



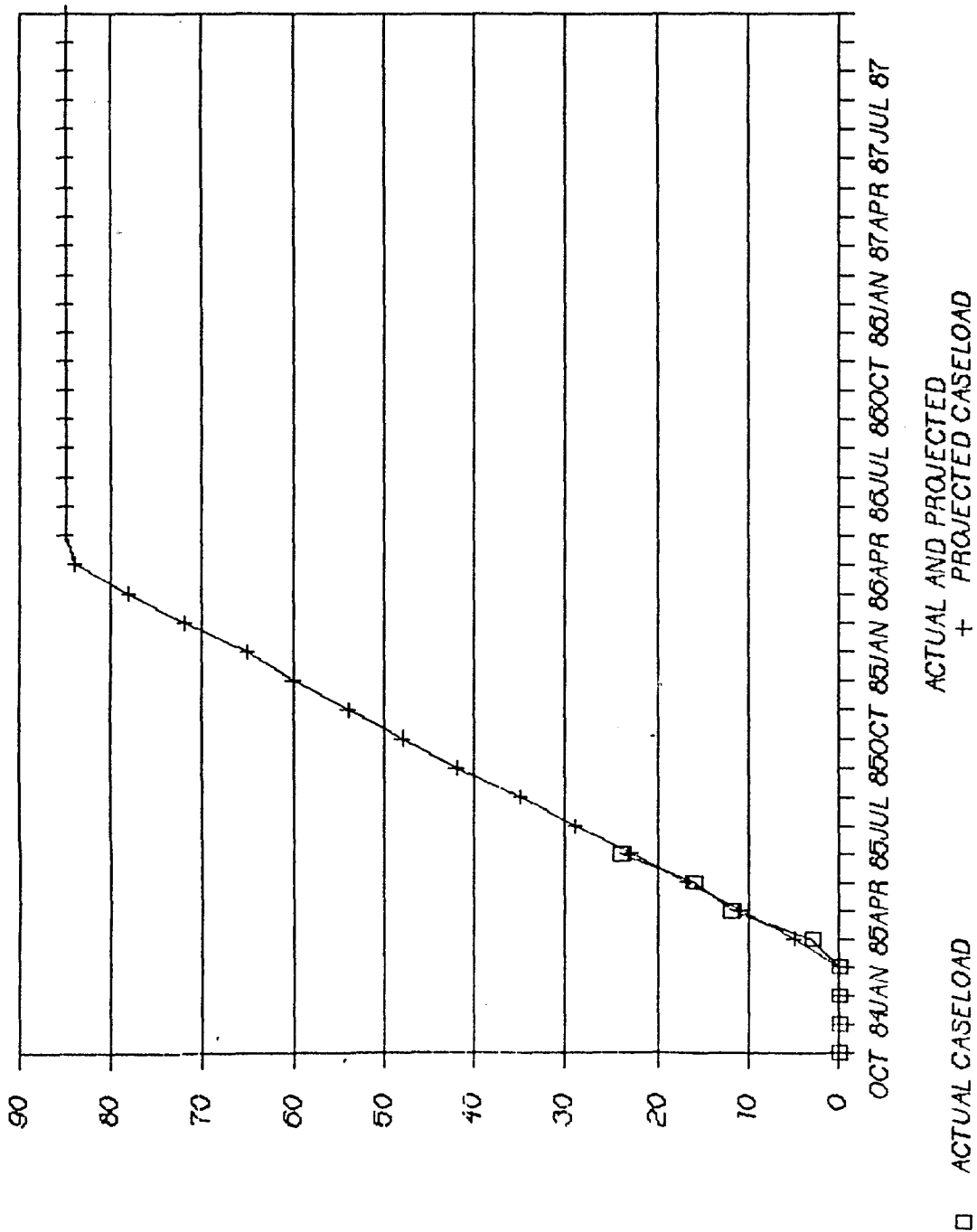
OCT 84 JAN 85 APR 85 JUL 85 OCT 85 JAN 86 APR 86 JUL 86 OCT 86 JAN 87 APR 87 JUL 87

ACTUAL AND PROJECTED  
+ PROJECTED CASELOAD

□ ACTUAL CASELOAD

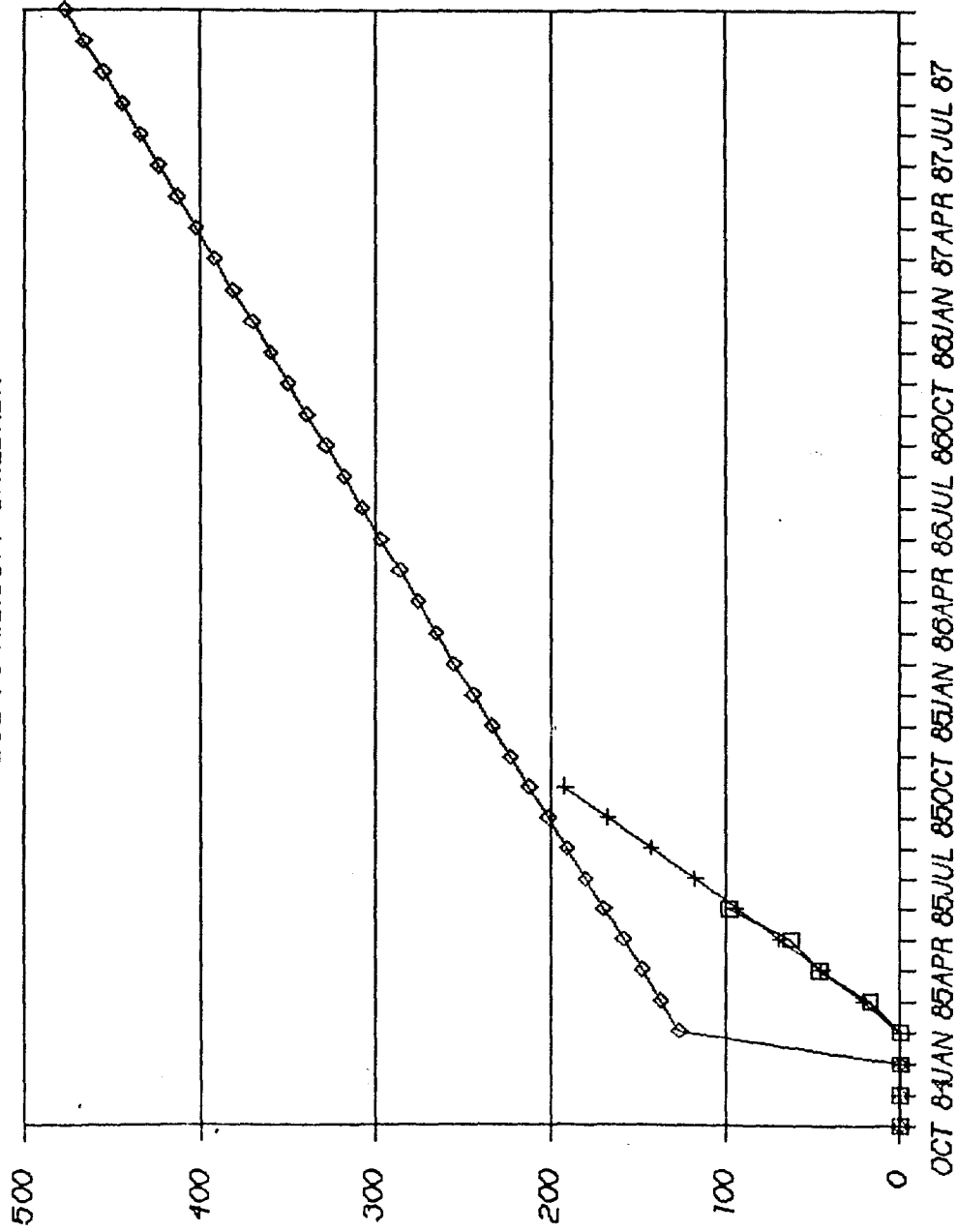
# ADDITIONAL DEFRA CASES

DUE TO PREGNANT WOMEN



# ADDITIONAL DEFRA CASES

DUE TO RIBICOFF CHILDREN



ACTUAL CASELOAD      +      ACTUAL AND PROJECTED GROWTH RATE      ◇      PROJECTED CASES

1 HOUSE BILL NO. 615 *June 7 1985*  
 2 INTRODUCED BY *Mr. Michael F. Finkbeiner, Cheryl Keiser*  
 3 *Washington, D.C. Keiser, Keiser, Keiser, Keiser*  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE \$450,000 *Lehman*  
 5 TO THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES FOR *Co. 11*  
 6 THE AREA AGENCIES ON AGING TO PROVIDE FOR HOME HEALTH CARE *Co. 11*  
 7 SERVICES FOR AGING PERSONS IN MONTANA." *Marko*  
 8

9 WHEREAS, there is a need to provide more and better  
 10 home health care for aging persons in Montana; and

11 WHEREAS, the 1981 and 1983 legislative appropriations  
 12 for home health care for aging persons were less than the  
 13 original amounts requested to meet the needs of home health  
 14 care for aging persons; and

15 WHEREAS, Medicaid reimbursements for services for aging  
 16 persons can be reduced when home health care services are  
 17 available as an alternative to care provided in hospitals  
 18 and nursing homes; and

19 WHEREAS, since recent federal regulations necessitate  
 20 shorter stays in hospitals, it is imperative that aging  
 21 persons be provided with appropriate home health care  
 22 services.  
 23

24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

25 Section 1. Appropriation. There is appropriated

1 \$450,000 from the general fund to the Department of Social  
 2 and Rehabilitation Services for the area agencies on aging,  
 3 as provided for in 53-5-101 and 53-5-103, MCA, for home  
 4 health care services for aging persons for the biennium  
 5 starting July 1, 1985.

-End-

*Montana Legislative Council*

INTRODUCED BILL  
 HB 615

-2-

Exhibit 5  
 2-18-85  
 HB 615

Exhibit 6

2-18-85

HB 615

Sister Ruth Steffes

~~92nd General Assembly~~  
~~Testimony of Sister Ruth Steffes~~  
~~Testimony of Sister Ruth Steffes~~  
MR. CHAIRMAN AND MEMBERS OF THE  
COMMITTEE:

I AM SISTER RUTH STEFFES  
FROM HOLY ROSARY HOSPITAL IN  
MILES CITY - I LIVE AND WORK  
AT THE HOSPITAL.

I RISE IN SUPPORT OF HOUSE  
BILL 615 - TO INCREASE IN-HOME  
SERVICES FUNDING FOR THE ELDERLY.

I HAVE A SPECIAL INTEREST  
AND A SPECIAL REASON FOR  
TESTIFYING FOR THIS BILL. I SEE  
OUR SENIOR CITIZENS COME TO  
THE HOSPITAL WITH BROKEN HIPS  
AND OTHER AILMENTS, AND I  
KNOW HOW ANXIOUS THEY ARE TO  
GET WELL AND GO HOME. THEY  
DESPARATELY NEED THE IN-HOME  
SERVICES THAT HELP THEM KEEP  
THEIR HOMES AND KEEP OUT OF  
THE NURSING HOMES.

AS A WOMAN OF RELIGION  
I HAVE A DEEP RESPECT  
FOR THE WORTH OF EACH  
INDIVIDUAL, AND I URGE

YOU TO SHARE TO MAINTAIN  
THIS RESPECT.

I URGE YOU TO VOTE  
"YES" ON HB 615.

I HAVE WITH ME A  
DELEGATION OF 5 FROM  
MILES CITY, AND I WOULD  
LIKE THEM TO STAND  
AND INTRODUCE THEMSELVES.  
THANK YOU.



## IN-HOME SERVICES

In-Home Services are services which are provided in the clients home and/or other necessary services that allow a client the ability to remain in his or her home.

The following is a list of the types of services which are classified as In-Home Services;

- (1) Homemaker Services
- (2) Home Chore
- (3) Home-Health Aide
- (4) Skilled Nursing (in-home)
- (5) Respite Care
- (6) Medical Transportation
- (7) Personal Care Attendent
- (8) Home-Delivered Meals
- (9) Transportation
- (10) Health Equipment Loan Closet
- (11) Telephone Assurance
- (12) Health Screening, Assessment and Case Management
- (13) Dietary Instructions
- (14) Shopping Assistance
- (15) Speech Therapy
- (16) Physical Therapy
- (17) Respiratory Therapy

Exhibit 8  
2-18-85  
HB 615

CHART B: SFY 83-84-85 STATEWIDE SUMMARY OF AGING IHS SERVICES AND BUDGETS BY TYPE OF SERVICE

<u>TYPE OF SERVICE</u>	<u>EXPENDITURES FOR THIS SERVICE FY 83</u>	<u>EXPENDITURES FOR THIS SERVICE FY 84</u>	<u>BUDGET FOR THIS SERVICE FY 85</u>
<u>Case Management &amp; Coordination</u>	\$ -----	\$ -----	\$ 1,149
<u>Dietary Instruction</u>	500	244	-----
<u>Health Equipment Loan Closet</u>	-----	1,860	1,206
<u>Health Screening, Assessment and Case Management</u>	-----	1,349	-----
<u>Home Chores</u>	15,870	27,141	20,078
<u>Home-Delivered Meals</u>	-----	11,991	7,380
<u>Home Health Aide</u>	5,575	30,000	30,969
<u>Home Health Aide/ Health Screening and Assessment</u>	3,011	-----	-----
<u>Home Health Aide/ Respite Care</u>	9,130	21,547	3,302
<u>Homemaker</u>	49,719	94,098	91,135
<u>Homemaker/ Home Chores</u>	-----	36,091	41,967
<u>Homemaker/ Home Health Aide</u>	23,500	1,697	-----
<u>Homemaker/Personal Care Services</u>	-----	-----	25,190
<u>Meal Delivery</u>	350	600	-----
<u>Medical Transportation</u>	650	12,916	12,254
<u>Personal Care Services</u>	3,570	4,867	3,957
<u>Physical Therapy</u>	-----	191	285
<u>Respiratory Therapy</u>	-----	-----	270
<u>Shopping Assistance</u>	325	282	164

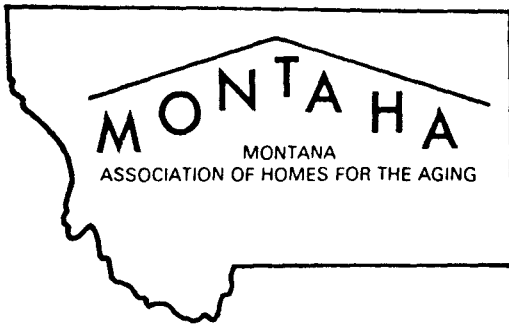
[Continued On Next Page]

[FY 83-84-85 CHART B: Continued]

<u>TYPE OF SERVICE</u>	<u>EXPENDITURES FOR THIS SERVICE FY 83</u>	<u>EXPENDITURES FOR THIS SERVICE FY 84</u>	<u>BUDGET FOR THIS SERVICE FY 85</u>
<u>Skilled Nursing (In-Home)</u>	\$ 15,750	\$ 17,306	\$ 24,481
<u>Speech Therapy</u>	-----	353	165
<u>Telephone Reassurance</u>	-----	-----	1,426
<u>Training</u>	550	-----	584
<u>Transportation</u>	-----	8,548	9,038
<hr/>			
<u>TOTAL EXPENDITURES:</u>	FY 83: \$128,500	FY 84: \$271,081	FY 85 <u>BUDGET</u> : \$275,000
<u>TOTAL APPROPRIATIONS:</u>	FY 83: \$128,500	FY 84: \$275,000	FY 85: \$275,000

BCPB4/e

Exhibit 9  
2-18-85  
HB 615



715 NORTH FEE  
P.O. BOX 5774  
HELENA, MT 59604

(406) 443-1185

TESTIMONY BEFORE THE HOUSE HUMAN SERVICES APPROPRIATION SUBCOMMITTEE  
February 18, 1985

Molly Munro, Executive Secretary

The Montana Association of Homes for the Aging agrees with the concept of Home Health Care for the elderly. This would allow many of our retirement facility residents to be able to remain in their own apartments and homes for a longer time before having to go to a nursing home facility.

Our concern is over giving another group, such as Area Agencies on Aging, monies for Home Health Care. We feel the money would be more effectively put to use by placing it in the Medicaid Waiver Program and used specifically for Home Health Care.

1 HOUSE BILL NO. 615  
 2 INTRODUCED BY *Mr. Michael J. Gorman*  
 3 *for* *Sen. Bill* *Keenan*  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE \$450,000 *Schye*  
 5 TO THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES FOR *Co. 2*  
 6 THE AREA AGENCIES ON AGING TO PROVIDE FOR HOME HEALTH CARE *Co. 2*  
 7 SERVICES FOR AGING PERSONS IN MONTANA." *Blanko*  
 8 *Blanko*

9 WHEREAS, there is a need to provide more and better  
 10 *IN* home health care for aging persons in Montana; and

11 WHEREAS, the 1981 and 1983 legislative appropriations  
 12 for *IN* home health care for aging persons were less than the  
 13 original amounts requested to meet the needs of *IN* home health  
 14 care for aging persons; and

15 WHEREAS, Medicaid reimbursements for services for aging  
 16 persons can be reduced when *IN* home health care services are  
 17 available as an alternative to care provided in hospitals  
 18 and nursing homes; and

19 WHEREAS, since recent federal regulations necessitate  
 20 shorter stays in hospitals, it is imperative that aging  
 21 persons be provided with appropriate home health care  
 22 services.

23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

24 Section 1. Appropriation. There is appropriated

*M* Montana Legislative Council

1 \$450,000 from the general fund to the Department of Social  
 2 and Rehabilitation Services for the area agencies on aging,  
 3 as provided for in 53-5-101 and 53-5-103, MCA, for home  
 4 health care services for aging persons for the biennium  
 5 starting July 1, 1985.

-End-

-2-

INTRODUCED BILL  
 HB 615

Exhibit 10  
 2-18-85  
 HB 615

I am Sharon Hanton, Executive Director of the Montana Chapter of the National Association of Social Workers. Licensed social workers in Montana have asked SRS officials to include them as medicaid providers. Presently licensed social workers provide psychotherapy but are restricted from serving medicaid eligible clients. This would allow clients to choose licensed social workers for psychotherapy. Until now SRS officials have turned licensed social workers down for two reasons.

1) They consider the inclusion of licensed social workers in medicaid as a new service. SRS officials feel that they need legislative approval for new services. Representative Bradley, at the request of social workers, has introduced HB 595. This bill asks for legislative approval for inclusion of licensed social workers as medicaid providers. At this time HB 595 has passed its second reading in the House. It appears that social workers will gain legislative approval. Even though we are getting this approval, we would like to challenge the idea that inclusion of licensed social workers is a new service. We believe that it is not. This inclusion would mean a different group of professionals would qualify to provide services which are already being offered.

A second reason SRS officials have not included licensed social workers as medicaid providers is related to money. They contend that inclusion of licensed social workers would mean an increase in the medicaid budget. We have studies which show that when individuals take care of their mental health needs, their usage of major medical services decreases. We have a handout which sights recent studies which prove this. There might be more money paid out in the mental health area; but a look at the total medicaid budget at the end of the year would not necessarily show an increase. The savings or cost containment would be in the area of major medical usage.

What we are asking you to do is to give SRS officials a directive to include licensed social workers as medicaid providers. This can be done in the medicaid other category line item. We hope you will give this serious consideration.

*Respectfully Submitted*  
*Sharon Hanton*

## FACT SHEET

### COST EFFECTIVENESS OF LICENCED SOCIAL WORK SERVICES

#### A. Effect on Utilization of Medical Services

1. The meta-analysis of 475 controlled psychotherapy studies included a review of 11 studies to determine the use of psychotherapy on the utilization of general medical services. Results of those studies indicate that the average reduction of utilization of other medical services following psychotherapy was 14%.<sup>1</sup>

2. 25 studies were reviewed to determine whether treatment for alcoholism, drug abuse, or mental illness would reduce subsequent general medical care use. Twelve studies found reductions of 5% to 8.5% in medical care utilization by study groups subsequent to a mental health intervention. The 12 studies also showed reduction of 26% - 69% in utilization of medical care by study groups after treatment for alcohol abuse. Thirteen of the 45 studies used some form of comparison groups and 6 of the 13 were health studies. By comparing the six study groups with their control groups, they found the relative reductions of medical utilization were: 68%, 8%, 26%, 36%, 21%, and 66.5%.<sup>2</sup>

3. Studies at Kaiser-Permanente in San Francisco revealed that high medical users significantly reduced their utilization of medical services following psychotherapy, and that the costs of psychotherapy were offset by the savings in general medical costs.<sup>3</sup>

4. Comparable outcomes are reported in terms of improved attendance, productivity and reduced medical claims when employers offer employee assistance programs that utilize social workers as therapists.<sup>4</sup>

#### B. Effects on the Cost of Psychotherapy

1. "The Defense Department's CHAMPUS Program for dependents of military personnel estimates that it saved over \$253,000 between December 1980 and March 1982 through its experimental reimbursement of clinical social workers.

The estimate is based on a comparison of the fees charged by social workers and psychiatrists in 32 states where 8 CHAMPUS insurance carriers have been reimbursing clinical social workers independent of physician supervision or referral. A report on the fee comparison appeared in the October 1982 NEWS.

CHAMPUS'S savings estimate is contained in an interim report on claims activity from October 1981 through March 1982."<sup>5</sup>

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1. Mumford, Emily; Herbert J. Schlesinger, and Gene V. Glass. "Effects of Psychological Intervention on Recovery from Surgery and Heart Attacks." American Journal of Public Health, Volume 72, No. 2, February, 1982. P. 141 ff.
2. Jones, op. cit. See also "The Implications of Cost Effective Analysis of Medical Technology: The Efficacy and Cost of Psychotherapy." Washington, D.C.: Congress of the United States, Office of Technology Assessment, 1980.
3. Cummings, Nicholas A. and W.T. Follette. "Brief Psychotherapy and Medical Utilization: An eight Year Follow-up." In H. Dorken, ed., The Professional Psychologist Today: New Developments in Law, Health Insurance and Health Practice. San Francisco: Jossey-Bass, 1975.
4. Schmidt, Sylvia A. Licensed Clinical Social Workers as Providers of Mental and Nervous Disorders Services. National Association of Social Workers, California Chapter, 1976.
5. "CHAMPUS Study Finds Social Work Services Effective in Cutting Costs." NASW NEWS, January, 1983, p. 2 (final report available from OCHAMPUS or NASW)
6. Cited in Schmidt, op. cit. Similar data are reported in the "Annual Survey of Fees" of Psychotherapy Finances.
7. Correspondence of Walter Chan, Senior Actuarial Analyst, to John B. Milnes, MSW, June 3, 1980.



ESTIMATED FINANCIAL IMPACT ON MEDICAID BUDGET  
UTILIZING LICENSED SOCIAL WORKERS

**Population Served:** 1,002 FY83 (source--Paul Miller SRS Medicaid Program)

**Number of private practice Licensed Social Workers:** 18  
(source--Jim Pomeroy, Chairman of Board of Social Workers, Department of Commerce, Helena, Montana)

**Average Cost of Services:** \$40 per hour (average fees charged by LSW's for Individual, Couple, and Family Counseling. Source--Montana Chapter of NASW)

**Length of Services:** 12-16 sessions/Brief Psychotherapy  
(Source--The Frontier of Brief Psychotherapy, by David H. Malan, 1976 Plenum, New York, NY.)

**Estimated Maximum Financial Impact if LSW's provide all of the services to all 1,002 users:**

$\$40(\text{average hourly cost of services}) \times 16(\text{brief psychotherapy model majority of LSW's utilize}) = \$640(\text{cost per individual}) \times 1,002(\text{number of users FY83}) = \$641,280.$

**NASW Estimated Maximum Financial Impact:**

$\$40(\text{average hourly cost of services of LSW's}) \times 5(\text{mean visits per person utilizing}) = \$200(\text{average cost per individual}) \times 1,002(\text{number of users FY83}) = \$200,400(\text{maximum impact if LSW's were the only providers to provide services to all of the 1,002 users})$

**Estimated Impact:**

Year one	- \$75,000
Year two	- \$125,000
Year three	- \$150,000

- Typical user of services has five visits. (Source--Mental Health Services: Utilization by Low Income Enrollees in a Prepaid Group Practice Plan and in an Independent Practice Plan. - Medical Care, February 1979, Vol XVII, No. 2.)
- Use of LSW's will decrease medical utilization, thereby decreasing cost to overall system. Studies at Kaiser-Permanente in San Francisco revealed that high medical users significantly reduced their utilization of medical services following psychotherapy, and that the costs of psychotherapy were offset by the savings in general medical costs. (Source--Cummings, Nichoilas A. and W.T. Follette. "Brief Psychotherapy and Medical Utilization: An Eight Year Follow-up." In H. Dorken, ed., The Professional Psychologist Today: New Developments in Law, Health Insurance and Health Practice. San Francisco: Jossey-Bass, 1975.)
- LSW's will compete for the 1,002 FY83 users.
- LSW's do more Group Therapy thereby reducing cost per unit of service.
- LSW's maximize natural support systems, thereby reducing the need for supportive psychotherapy, and reducing costs.
- LSW's do brief psychotherapy, thereby reducing the number of visits.

*Carol Jenkins MSW*  
*Director*

1 HOUSE BILL NO. 38  
2 INTRODUCED BY D. BROWN, FULLER  
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE \$60,000  
5 TO THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO  
6 CONTRACT FOR TRAINING PROFESSIONALS IN AREAS OF FAMILY  
7 DIAGNOSIS AND FAMILY TREATMENT OF PHYSICAL AND SEXUAL ABUSE  
8 OF CHILDREN AND ADOLESCENTS."  
9

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Appropriation -- family teaching center.  
12 There is appropriated to the Department of Social and  
13 Rehabilitation Services from the general fund \$30,000 for  
14 each fiscal year of the biennium ending June 30, 1987, to  
15 contract with the family teaching center. The family  
16 teaching center is a private nonprofit family counseling  
17 agency which shall act as a training institute for the  
18 state. The family teaching center shall provide training to  
19 all interested state professionals involved in mental  
20 health, public health nursing, drug and alcohol counseling,  
21 juvenile justice, education, and child protective services.  
22 Training programs must be provided in the areas of family  
23 diagnostics and family counseling of abusive families,  
24 treatment of juvenile victims of sex offenses, and child  
25 custody counseling.

-End-



Exhibit 13  
2-18-85  
HB 38  
INTRODUCED BILL  
HB 38

Sunday, Feb. 17, 1985 Helena Independent Record

# Child abuse cases soar

## Molestation reports up 35 percent

CHICAGO (AP) — Reports of child sexual abuse soared nationwide in 1984, according to a new study, but a leader of efforts to stop child abuse said the numbers probably represent only "the tip of the iceberg."

"Sexual abuse reports increased an average of 35 percent across the country during the past 12 months," said Anne H. Cohn, executive director of the Chicago-based National Committee for the Prevention of Child Abuse. "This translates into more than 123,000 reports of sexual molestation of children."

"And we are probably still only seeing the tip of the iceberg," she said in a statement accompanying the study being issued by the committee Sunday.

Child-abuse reports in general, including sexual and non-sexual abuse, rose significantly — 19 percent — bringing the total number of reports in 1984 to a projected 1,273,000, the committee said.

"The findings reflect the unprecedented public exposure through the media to the problem of sexual abuse in 1984, and, in response, the public's willingness finally to do something about the

problem," said Linden Wheeler, the committee's president.

The estimates were drawn from data gathered by agencies in about 30 states that compile child-abuse statistics.

The greatest increase in reported sexual-abuse cases was in Mississippi, with 126 percent. Other states with increases of more than 50 percent were Nebraska, 121 percent; Missouri, 100 percent; Oregon, 83 percent; and Wisconsin, 82 percent.

"It seems clear that the more we work to uncover the problem of child abuse, the more we are able to find," the committee said, urging parents, professionals and others not to be "disheartened by the continual rise in rates" but to be "encouraged further to take action."

Many abuse-prevention workers have said they believe the number of children being sexually abused may not have increased, but only that more cases are coming to light.

The report was issued simultaneously with the publication of a special Spider-Man comic supplement in eight major U.S. newspapers. In the comic, Spider-Man acknowledges he was sexually

abused as a child and urges other victims to report such abuse.

Three weeks ago, the comic appeared in the Houston Chronicle. Since then, child-welfare officials in Texas have said reports of sexual child abuse in the Houston area have skyrocketed.

"There's been a tremendous response," said Gene Daniel, who heads the state Children's Protective Services agency in Houston.

Daniel said 135 reports of sexual child abuse were recorded in surrounding Harris County in January. He said the number was at least one-third higher than the average.

"One of my supervisors told me just the other day that half the calls he was getting were related to the comic book," Daniel said.

A typical case, he said, occurred when a child and his parents were reading the comic and the child mentioned that a relative had done to him what had been done to Spider-Man.

The sheriff's office in neighboring Montgomery County, Texas, said the comic prompted reports that led to the arrests of four men and a woman on sexual child-abuse charges.

HOUSE OF REPRESENTATIVES

(Date)

The following additional sponsors are requested for HB-38

(Drawing on the treatment of physical and sexual abuse of children)

1. Dave Kuller
2. J. Brown
3. Ted Selge
4. Ed Dooly
5. Paula Marko
6. Toni R. Bergene
7. Francis Krehoke
8. J. D. Lynch
9. Kuper
10. M. Hart
11. Miles
12. Jack Haffey
13. Marguerite
13. Mark
14. Christianse
15. Keenan
16. Vincent
17. KUEBER
18. Menahan
19. Miller
20. Peck
21. Jackson
22. Richard E. Manning
23. Jerry Driscoll
24. Bob Farber
25. Jeyson
26. Berlin
27. O'Connell
28. J. Hammond
29. H. Harlin
30. Jerry Wisbeck
31. H. Litch
32. Mary Ed. Connelly
33. Bob Buckini
34. Dan Haynes

Dave Brown #72

Chief Sponsor

Exhibit 15  
2-18-85  
HB 38  
Johnson



# Family Teaching Center

510 Logan, Helena, Montana. 443-4530

## 1985 LEGISLATIVE REQUEST

### A. Accomplishments:

1. Our caseload has increased from 120 families in FY '81 to 229 families in FY '84, almost double in three years. Half of our current caseload involves youths who have been physically or sexually abused.
2. In collaboration with Carroll College, we did an outcome study of 146 families six to twelve months after termination and found an improvement rate of 80%.
3. During the past two years, we have trained 338 persons in 30 workshops in 16 Montana locations.
4. Charles C. Thomas, Publishers, Springfield, Illinois, will publish our book, Family Therapy: A Practical Manual, which describes in detail our family diagnostic and counseling processes, in early 1985.
5. We've started two inpatient groups for victims of sex abuse at Mountainview. Also, in collaboration with the Southwest Montana Mental Health Services, we've started one outpatient group for victims of sex abuse and one for non-offending spouses.

### B. Financial:

Revenues	FY'84	FY'85	FY'86	FY'87
State	102,250	51,125		
United Way	15,000	20,000	20,000	20,000
County	8,000	8,000	8,000	8,000
Fees	4,800	10,000	10,000	12,000
	130,050	89,125	38,000	40,000

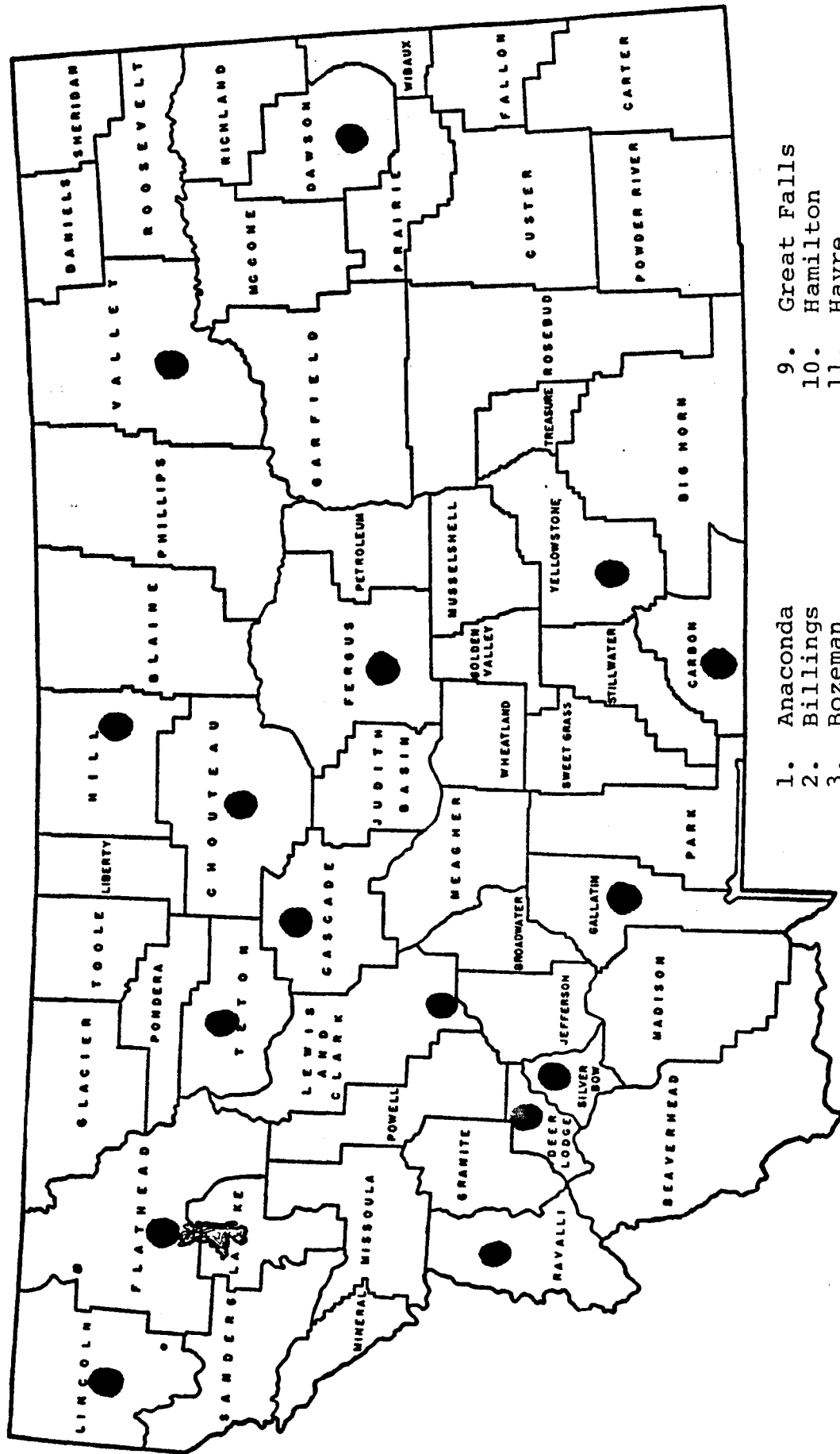
To raise more funds, we plan to do the following:

1. Apply for both federal and private foundation grants.
2. To save on administrative costs, join with another agency. We are currently talking with two other agencies about this possibility.

C. Legislative Request: \$30,000 each fiscal year, 30% of what we used to receive, to:

1. Expand our training in family diagnostics and family counseling to include all interested helping professionals--school psychologists and counselors, public health nurses, drug and alcohol counselors, juvenile justice personnel and mental health professionals--and not just SRS child protective workers.
2. Train helping professionals in the treatment of juvenile victims of sexual abuse.
3. Train helping professionals in custody counseling and thereby help them to intervene in destructive custody disputes.
4. Continue local counseling to abusive or potentially abusive families to augment our statewide training.

Family Teaching Center Training Sites, 1982-1984



- |                |                |
|----------------|----------------|
| 1. Anaconda    | 9. Great Falls |
| 2. Billings    | 10. Hamilton   |
| 3. Bozeman     | 11. Havre      |
| 4. Butte       | 12. Helena     |
| 5. Choteau     | 13. Kalispell  |
| 6. Fort Benton | 14. Lewistown  |
| 7. Glasgow     | 15. Libby      |
| 8. Glendive    | 16. Red Lodge  |



INTER-MOUNTAIN DEACONESS HOME FOR CHILDREN  
P.O. BOX 4455, HELENA, MT 59604  
PHONE 406/442-7920

Thomas A. Drooger  
Administrator

Robert O. Wix  
Director of Resource Development

Exhibit 16  
2-18-85  
H/B 38  
1909 - 1984  
Drooger  
75

years of serving children

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February 15, 1985

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*Billings*  
Philip H. Young  
*Billings*

Representative Cal Winslow, Chairman  
Human Services Appropriations Sub-Committee

Dear Chairman Winslow:

This letter is written in support of House Bill 38, which would provide funding to allow the Family Teaching Center to continue state wide training in the areas of the prevention of physical and sexual abuse of children.

The Montana Residential Child Care Association believes that the Family Teaching Center's training is effective and helps to prevent abuse of children throughout the state of Montana.

Sincerely,

*Thomas A. Drooger*

Thomas A. Drooger, ACSW  
Vice-President  
Montana Residential Child Care Assoc

TAD/mmh



Montana State University  
Bozeman, Montana 59717-0001

**Department of Home Economics**

Telephone (406) 994-3241

11/19/84

To: The Montana St. Legislature

From: Dr. Jeff Larson *je*  
Coordinator of Family Therapy  
Montana St. University

Subject: Funding for the Family Teaching Center, Helena, MT.

I wish to pledge full support for state funding for the Family Teaching Center in Helena, Mt. Several of our master's degree students who are majoring in marriage and family therapy have completed internships at the FTC under the supervision of Bailey Molyneaux and his staff. All of my students speak very highly of the experiences they have had learning to do family therapy at FTC.

We value the FTC very much. Not only are they providing a very worthwhile and needed service across the state, but they also provide our graduate program with its best internship site. Our students do not mind driving to Helena to participate in the FTC's programs. They are recognized as excellent programs.

I add my endorsement to the list of others who support the FTC's request for state financial assistance.

*Jeffrey H. Larson*  
Jeffrey H. Larson, Ph.D.

Coordinator of Family Therapy

Approved Supervisor and Clinical Member, American Assn. for Marriage & Family Therapy

JHL/kdl



February 13, 1984

Bailey Molineux, Ph.D.  
510 Logan  
Helena, MT 59601

Dear Bailey:

I am writing on behalf of the Montana Psychological Association to express our support of House Bill 38 providing for funding of the Family Teaching Center.

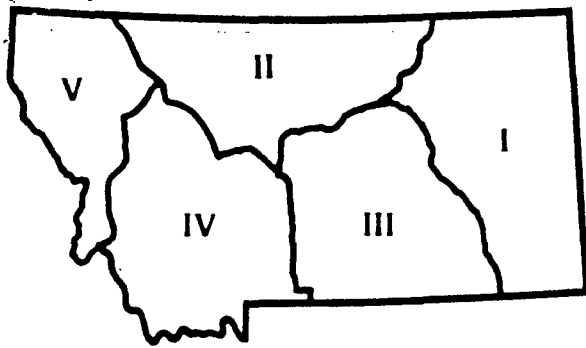
Since the incidence of physical and sexual abuse is increasing, the teaching and treatment services of the Family Teaching Center are needed.

Sincerely,

*William L. Suda, Ph.D./ms*

William L. Suda, Ph.D.  
President, Montana Psychological Association

WLS:ms



# Montana Council of Regional Mental Health Boards, Inc.

February 15, 1985

TO WHOM IT MAY CONCERN:

The Montana Council of Regional Mental Health Boards, Inc., strongly endorses continued State funding of the Family Teaching Center, located in Helena.

The statewide training services they provide to social service workers -- especially local county welfare workers -- on dealing with families in which child abuse (physical or sexual) is occurring is of immense value to the State of Montana. The increased attention being focused on child abuse emphasizes the need for this particular program and the training they provide. It helps personnel in social service agencies to deal with these families appropriately.

The statewide training they provide, we believe, is a responsibility of the State of Montana. The level of funding they are requesting is negligible compared to the value of their training services.

The Family Teaching Center has made significant efforts over the past year to develop local funding (Lewis & Clark County, United Way, etc.) to treat Lewis & Clark County residents, and they have reduced their general programming.

The Montana Council of Regional Mental Health Boards, Inc., encourages the State of Montana to continue funding the Family Teaching Center.

Sincerely,

*John Nesbo*  
JOHN NESBO  
Chairman

CZ

## REGION I — EASTERN

1819 Main Street  
Miles City MT 59301  
(232-0234)

## REGION II — NORTH CENTRAL

2307 Eleventh Avenue South  
Great Falls, MT 59403  
(727-2991)

## REGION III — SOUTH CENTRAL

1245 North 29th Street  
Billings MT 59101  
(252-5658)

## REGION IV — SOUTHWEST

801 North Last Chance Gulch  
Helena MT 59601  
(442-0310)

## REGION V — WESTERN

Fort Missoula T-12  
Missoula MT 59801  
(543-5177)

## VISITORS' REGISTER

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Sister M. Ruth	MILES CITY	✓ 615	
Lynne Anderson	Miles City	615	
Elvie Yax	Miles City	615	
Wileen McKnight	Helen	615	
Ann Anderson	Andover	✓ 615	
Maurice Dunn	Miles City	✓ 615	
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Judy Carson	NASW - HELEN	✓	
Jack Light	Ballantine	615	
Charles Bandenob	Ballantine	615	
Harold Ketheling	Ballantine	615	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Human Services Sub COMMITTEE

DATE 2-18-85

SPONSOR Mfualan

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

CS-33

Human Serv Subcommittee COMMITTEE

DATE \_\_\_\_\_

HB 595—

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

USMAN Sciences Sub COMMITTEE

DATE 2-18-85

SPONSOR D. Brown

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.