MEETING MINUTES
HUMAN SERVICES SUBCOMMITTEE
FEBRUARY 21, 1987

The meeting of the human services subcommittee was called to order at 8:10 a.m. on February 21, 1987 in room 108 of the state capitol building by Chairman Cal Winslow.

ROLL CALL: All members were present.

(49a:118) Bob Olson, DSRS, presented a summary of hospital services provided under Medicaid the department had considered for cost savings and/or limitations (exhibit 1).

(49a:263) Peter Blouke, LFA, covered Medicaid Primary Care projections for FY87, FY88, and FY89 (exhibits 2 and 3) for AFDC and SSI related services, noting the adjustments made from the department's original projections.

(49a:306) Dave Lewis, DSRS, stated he was concerned with the estimates being too low, but he had no objections to the adjustments that had been made by Mr Blouke.

EXECUTIVE ACTION

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Medicaid Primary Care

(49a:312) Rep Bradley made a motion to accept the projections as a base for AFDC and SSI related Medicaid Primary Care.

A voice vote was taken and the motion PASSED unanimously.

Mr Blouke then presented two (2) of the recommendations made by the Montana State Pharmaceutical Association (exhibit 4) for the committee's consideration.

The first recommendation was an increase in the co-payment from $.50 to $1.00, and Mr Blouke presented exhibit 5 describing the adjustment and fiscal impact for 1988 and 1989. Projected savings from the implementation of this increase are $167,235 for 1988 and $177,539 for 1989, with $51,000 per year of those savings being general fund dollars.

Co-Payment

Rep Connelly made a motion to increase the co-pay on out patient pharmaceuticals from $.50 to $1.00

A voice vote was taken and the motion PASSED unanimously.

The second recommendation Mr Blouke presented for committee consideration was a limitation on the prescription quantity similar to private sector third party insurance programs. This limitation would be a 34 day supply or 100 dosage units, whichever is greater.

(49a:412) Lee Tickell, Economic Assistance, SRS, asked for intent that would limit to no less than a certain dosage or supply to avoid prescription splitting.

(49a:451) Bob Likewise, executive director of the Montana State Pharmaceutical Association, stated prescriptions are filled as written, and the recommendation does not conflict with existing regulations, but places a cap or a maximum limit on the amount that could be dispensed or written by a physician.

Drug Dispensing Limitations

(49a:487) Rep Connelly made a motion to accept a limitation of a 34 day supply or 100 dosage units, whichever is greater, on Medicaid prescription quantities.

A voice vote was taken and the motion PASSED unanimously.

(49a:526) Peter Blouke then described a list of Medicaid cuts prepared by the department per the committee's request (exhibit 6) and his calculations of the projected biennium impact of the reduction or elimination of these services (exhibit 7). Elimination of all of the optional services would translate into a $2.3 million savings in general fund dollars for 1988 and $2.4 million in 1989.

Medicaid

Dentures

(49b:111) Sen Harding made a motion to eliminate dentures as an optional Medicaid service.

A voice vote was taken and the motion PASSED, with Sen Manning voting no.

Hearing Aids

Rep Switzer made a motion to eliminate hearing aids as an optional Medicaid service.

A voice vote was taken and the motion PASSED, with Sen Manning voting no.

Eyeglasses

(49b:205) Rep Switzer made a motion to eliminate the cost of eyeglasses as an optional Medicaid service through either an optometrist or an ophthalmologist.

A roll call vote was taken and the motion PASSED, with Rep Winslow, Sen Harding, Sen Himsl, and Rep Switzer voting yes, Sen Manning, Rep Bradley, and Rep Connelly voting no.

Dental

(49b:370) Sen Harding made a motion to delete dental services as an optional Medicaid service.

A roll call vote was taken and the motion FAILED, with Rep Winslow, Sen Harding, and Rep Switzer voting yes, Sen Manning, Sen Himsl, Rep Bradley and Rep Connelly voting no.

Mr Blouke then covered proposed reductions in the Medically Needy Program formulated by SRS (exhibit 8). Lowell Uda, SRS, elaborated on the information. No action was taken.

Personal Care Attendants

Sen Manning made a motion to continue with Personal Care Attendant services as an optional service under Medicaid.

A voice vote was taken and the motion PASSED unanimously, with Rep Bradley absent.

FAMILY AND YOUTH SERVICES DEPARTMENT

(49b:628) Gene Huntington presented a department overview and funding adjustments for its implementation (exhibit 9).

(50a:016) In response to a question from Mr Blouke, Mr Huntington said he was willing to adjust down the equipment budget, but leave flexibility in the remaining funding for unanticipated equipment expenditures.

Exhibit 10 is the revised equipment budget for the department.

Rep Switzer made a motion to adjust the equipment budget from $39,000 to $15,025 for 1988 and $8,025 for 1989.

A voice vote was taken and the motion PASSED unanimously, with Rep Bradley and Sen Manning absent.

The meeting was adjourned at 8:40 a.m. (50a:137)

Cal Winslow

Cal Winslow, Chairman

cw/gmc/2.21

DAILY ROLL CALL

HUMAN SERVICES SUB COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date Feb 21 1987

NAME	PRESENT	ABSENT	EXCUSED
Rep. Cal Winslow, Chairman	X		
Sen. Richard Manning, Vice Chair	X		
Sen. Ethel Harding	X		
Sen. Matt Himsl	X		
Rep. Dorothy Bradley	X		
Rep. Mary Ellen Connelly	X		
Rep. Dean Switzer	X		

ROLL CALL VOTE

HUMAN SERVICES SUBCOMMITTEE

DATE February 21, 87 AGENCY SRS NUMBER 1

Medicaid Optional Service - eyeglasses

NAME	AYE	NAY
Rep. Cal Winslow, Chairman	XXX	
Sen. Richard Manning, Vice Chairman		XXX
Sen. Ethel Harding	XXX	
Sen. Matt Himsl	XXX	
Rep. Dorothy Bradley		XXX
Rep. Mary Ellen Connelly		XXX
Rep. Dean Switzer	XXX	
	4	3

TALLY

Jayne Carpenter
Secretary

Cal Winslow
Chairman

Motion: Rep Switzer made a motion to eliminate the cost of eyeglasses as an optional Medicaid service through either an optometrist or an ophthalmologist.

Form CS-31A
Rev. 1985

ROLL CALL VOTE

HUMAN SERVICES SUBCOMMITTEE

DATE February 21, 87 AGENCY SRS NUMBER 2

Medicaid Optional Service - Dental

NAME	AYE	NAY
Rep. Cal Winslow, Chairman	XXX	
Sen. Richard Manning, Vice Chairman		XXX
Sen. Ethel Harding	XXX	
Sen. Matt Himsl		XXX
Rep. Dorothy Bradley		XXX
Rep. Mary Ellen Connelly		XXX
Rep. Dean Switzer	XXX	

TALLY 3 4

Secretary Chairman

Motion: Sen Harding made a motion to delete dental services as an optional Medicaid service.

Form CS-31A
Rev. 1985

EXHIBIT 1
DATE 2.21.87
HB

HOSPITAL SERVICES SUMMARY

OPTIONS	TOTAL FUNDS
Limit Emergency Room visits to 5	$150,000
Establish a total cost or day limit.	
Without review by board of ethics	$1,647,500
With review by board of ethics	-0-
Limit on room/board charges. No savings were identified, current cost limits are more restrictive.	-0-
Mandatory pre-admission screening	$380,000

EMERGENCY ROOM SERVICES

The medicaid program reimburses approximately 20,000 Emergency room services per year. Cost for these services is estimated to be approximately $50 PER SERVICE.

Total Estimated cost $1,000,000 Total Savings $150,000

It has been proposed that these types of services be limited to 5 visits per year. This limit could result in reducing visits by approximately 3,000 per year ($150,000).

This policy will require increased utilization review staff, as only non emergent services would be denied after passing the 5 visit limit. This staff will be responsible for review of the medical record as well as handling any provider appeals. As the limit is reduced the review activity increases.

Information available indicates that less than 3 percent of recipients use the emergency room more than 4 times a year.

ESTABLISHING A TOTAL COST OR DAY LIMIT

It has been proposed to limit Inpatient Hospital services to a day or cost limit on an annual basis using 30 and 21 days and $50,000 and $100,000 as possibilities. The Day limits are presented below and cost limits would reflect saving in much the same manner.

It is estimated that approximately 430 recipients would be affected by a 21 day limit and 143 recipients would be affected by a 30 day limit.

Length of Stay	Recip. Affected	Days Denied			Estimated Savings
90 or more	6	910 Total days	@	$500	$455,000
60 to 89	18	540 Total days	@	500	270,000
30 to 59	119	1785 Total days	@	500	892,000
Total for 30 day limit					1,647,500
21 to 30	287	5 days denied	@	500	717,500
Total for 21 day limit					2,365,000

The savings demonstrated above are derived from recipients in neonatal intensive care units, rehabilitation and psychiatric units and terminally ill patients.

If a requirement that a case be periodically reviewed by a hospital ethics committee is implemented we do not estimate any savings.

LIMIT ON MEDICARE DEDUCTIBLE AND COINSURANCE

The proposal to limit Medicare Part A Deductible and Coinsurance was reviewed. There does not appear to be a method to reduce reimbursement in this area. Federal requirements in this area are being examined but restrictions to this proposal have not been confirmed.

LIMIT ON ROOM AND BOARD CHARGES.

This proposal has been found to be an ineffective limit to controlling hospital cost because of the following:

A majority of hospitals now charge for room and board services based on severity of the patient. This limit could easily be gamed and would require a major administrative effort to be effective.

The Medicaid program currently uses cost limitations to effectively limit cost growth in this area. These limits are federally mandated for cost based reimbursement systems. The limits were imposed in the Tax Equity and Fiscal Responsibility Act of 1982.(TEFRA)

Hospitals have adopted strategies to contain the growth in room and board charges; the medicaid staff has no current information on which to base these limits.

MANDATORY PRE-ADMISSION SCREENING

Retrospective review is currently performed on 50 cases per month by the Department. It is estimated that 75% of these cases are a result of failure to obtain the pre-admission screen. This proposal would provide for denial of any of those cases where pre-admission screening was not obtained, regardless of whether the service was appropriately delivered. It is estimated that if the hospitals fail to modify their current practices, the Department would reap a one time savings of $380,000.

MED_OTH6

Medicaid Primary Care
Projection For FY87, FY88 and FY89

variation 1 | 0.9777

AFDC RELATED TYPE of SERVICE	FY86 as of 1/86	FY86 as of 1/87	FY86 Ratios	FY87 as of 1/87	97.77% Comp. FY87 Projected Thru 1/88	FY87 Projected Thru 6/88	Caseload 1.102	FY88 PROJECTED COSTS	Caseload 1.076	FY89 PROJECTED COST
Inpatient Hospital	$3,781,053	$13,715,805		$4,399,644	$15,950,471	$16,314,279		$18,639,491		$20,794,857
Number of Servies	198,613	670,544	29.62%	222,750	752,026	769,179		847,635		912,055
Cost per Service	$19.04	$20.45	93.11%	$19.75	$21.21	$21.21	1.037	$21.99	1.037	$22.80
Outpatient Hospital	$954,208	$2,469,201		$1,037,973	$2,686,298	$2,747,569		$2,816,617		$3,030,680
Number of Servies	50,016	128,193	39.02%	58,493	149,905	153,324		168,963		181,804
Cost per Service	$19.08	$19.26	99.07%	$17.75	$17.92	$17.92	0.930	$16.67	1.000	$16.67
Physicians	$2,440,499	$6,798,031		$2,728,783	$7,602,830	$7,776,240		$8,647,498		$9,388,723
Number of Servies	99,352	260,394	38.15%	110,117	288,642	295,226		325,339		350,064
Cost per Service	$24.56	$26.11	94.06%	$24.78	$26.34	$26.34	1.009	$26.58	1.009	$26.82
Other Practitioners	$552,246	$1,377,518		$664,676	$1,658,540	$1,696,369		$1,794,495		$1,930,877
Number of Servies	43,606	112,731	38.68%	54,691	141,393	144,618		159,369		171,481
Cost per Service	$12.66	$12.22	103.60%	$12.15	$11.73	$11.73	0.960	$11.26	1.000	$11.26
Drugs	$607,158	$1,495,678		$777,027	$1,913,651	$1,957,299		$2,350,887		$2,757,741
Number of Servies	56,296	137,026	41.08%	66,061	160,811	164,479		181,256		195,031
Cost per Service	$10.79	$10.92	98.81%	$11.76	$11.90	$11.90	1.090	$12.97	1.090	$14.14
Dental	$1,032,425	$2,588,648		$1,142,773	$2,865,614	$2,930,975		$3,324,218		$3,681,382
Number of Servies	48,204	117,770	40.93%	51,875	126,741	129,632		142,854		153,711
Cost per Service	$21.42	$21.98	97.45%	$22.03	$22.61	$22.61	1.029	$23.27	1.029	$23.95
Other	$345,947	$1,196,248		$502,647	$1,736,909	$1,776,526		$2,203,325		$2,669,013
Number of Servies	80,406	241,105	33.35%	103,810	311,274	318,374		350,848		377,512
Cost per Service	$4.30	$4.96	86.69%	$4.84	$5.58	$5.58	1.125	$6.28	1.125	$7.07
TOTAL AFDC	$9,713,536	$29,641,129		$11,253,523	$34,414,313	$35,199,257		$39,776,531		$44,253,273

EXHIBIT 2
DATE 2-27-89
HB

variation 1 0.9777

SSI RELATED TYPE of SERVICE	FY86 as of 1/86	FY86 as of 1/87	FY86 Ratios	FY87 as of 1/87	97.77% Comp. FY87 Projected Thru 1/88	FY87 Projected Thru 6/88	Caseload	1.05 FY88 PROJECTED COSTS	Caseload	1.05 FY89 PROJECTED COST
Inpatient Hospital	$2,483,597	$10,728,330		$3,470,700	$14,994,412	$15,336,414	1.100	$17,717,312		$20,468,750
Number of Servies	247,921	983,663	25.20%	293,597	1,165,067	1,191,641		1,251,223		1,313,784
Cost per Service	$10.02	$10.91	91.84%	$11.82	$12.87	$12.87	1.180	$14.16	1.100	$15.58
Outpatient Hospital	$414,076	$1,375,638		$518,587	$1,721,755	$1,761,026	0.800	$1,480,047	1.000	$1,554,049
Number of Servies	34,761	182,096	19.09%	69,784	365,553	373,891		392,585		412,215
Cost per Service	$11.91	$7.55	157.75%	$7.43	$4.71	$4.71	0.624	$3.77	0.800	$3.77
Physicians	$702,471	$2,449,854		$829,485	$2,890,570	$2,956,500		$3,228,360		$3,525,442
Number of Servies	40,096	141,406	28.36%	45,492	160,409	164,068		172,271		180,885
Cost per Service	$17.52	$17.32	101.15%	$18.23	$18.02	$18.02	1.040	$18.74	1.040	$19.49
Other Practitioners	$254,889	$711,311		$325,709	$908,606	$929,330		$1,018,018		$1,114,894
Number of Servies	20,291	59,414	34.15%	24,863	72,805	74,466		78,189		82,098
Cost per Service	$12.56	$11.97	104.93%	$13.10	$12.48	$12.48	1.043	$13.02	1.043	$13.58
Drugs	$2,230,720	$5,153,362		$2,729,947	$6,302,820	$6,446,579		$7,562,848		$8,874,664
Number of Servies	170,335	385,653	44.17%	186,592	422,441	432,076		453,680		476,364
Cost per Service	$13.10	$13.36	98.05%	$14.63	$14.92	$14.92	1.117	$16.67	1.117	$18.63
Dental	$298,594	$717,565		$352,843	$847,899	$867,238		$1,002,490		$1,158,981
Number of Servies	10,431	24,026	43.42%	11,190	25,772	26,360		27,678		29,062
Cost per Service	$28.63	$29.87	95.85%	$31.53	$32.90	$32.90	1.101	$36.22	1.101	$39.88
Other	$1,734,242	$5,013,111		$2,527,438	$7,316,438	$7,483,316	1.100	$8,650,123		$10,005,366
Number of Servies	508,181	1,322,095	38.44%	616,763	1,604,482	1,641,078		1,723,132		1,809,289
Cost per Service	$3.41	$3.79	89.97%	$4.10	$4.56	$4.56	1.203	$5.02	1.101	$5.53
TOTAL SSI	$8,118,589	$26,149,171		$10,754,709	$34,982,500	$35,780,403		$40,659,198		$46,702,146
TOTAL AFDC & SSI	$17,832,125	$55,790,300		$22,008,232	$69,396,813	$70,979,660		$80,435,729		$90,955,419
Adjustments:										
Less: Refunds						($1,500,000)		($1,600,000)		($1,700,000)
Add: Rivendell - Billings (40 beds @ $275/day)						$3,285,000		$4,015,000		$4,015,000
Rivendell - Butte (40 beds @ $275/day)								$2,007,500		$4,015,000
Adjusted Totals						$72,764,660		$84,858,229		$97,285,419
Funding:										
General Fund								$26,382,423		$28,290,600
Federal Funds								$58,475,806		$68,994,819
Total								$84,858,229		$97,285,419

EXHIBIT 3
DATE 2-24-87
HB

EXHIBIT 4
DATE 2-21-87

Montana State Pharmaceutical Association

Incorporated
P.O. BOX 4718
HELENA, MONTANA 59604
TELEPHONE 406-449-3843

February 19, 1987

The Honorable Cal Winslow
House of Representatives
Capitol Station
Helena, MT 59620-0144

Dear Representative Winslow:

The pharmacists of Montana realize this committee has the difficult task of determining the areas of the medicaid budget that are in need of revision to curb the spiraling costs involved in this segment of the budget.

To date the pharmacists have accepted the freeze in the dispensing fee and the freeze in the dispensing cost up to 10% off the Average Wholesale Price of the drug. These in themselves are making it extremely difficult for small pharmacies to continue providing the services as they desire to do. The pharmacists feel that even though this is classified as an optional service, it should be classified as a mandated optional service since early detection of symptoms and treatment with medications is one of the means of keeping the costs down.

I testified in the Joint Appropriations Committee as to the effects of the above freeze and the difficulties it imposes on the small pharmacies of Montana. As this committee is probably aware, pharmacy has not received an increase in the maximum level of the dispensing fee since October 1, 1980. At the present time, the pharmacists are losing approximately $.60 on each prescription filled for medicaid in Montana. This figure was derived from analysis of the information supplied by the stores updating their fees in November 1986. Any increase in the maximum level of the dispensing fee that could be requested by this committee to help offset this loss would help to maintain providers in the system since, as you know, the pharmacists wish to provide this service.

To offset the above requested increase in the dispensing fee and to help curtail the spiraling costs for the drug component of the medicaid budget, the pharmacists of Montana are offering the following suggestions for your consideration. Some of the following suggestions made by pharmacists have been done in other states:

EXHIBIT 4
DATE 2-21-87
HB

1. Increasing the co-pay from $.50 to $1.00. With the budget at approximatly $7,000,000 and the average prescription price of $12.00 this would result in the average number of prescriptions of approximately 600,000. If 50% of those were exempt from the co-pay, as in the case of nursing home recipients, the savings from the remaining 50% would be approximately $150,000.00.

2. The private sector of the population, in their third party insurance programs, have a limitation on the prescription quantity. This limitation is a 34 day supply or 100 dosage units, whichever is greater. This would help to eliminate large quantities of medication that may or may not be used, or when the recipient is going off medicaid.

3. A total dollar/recipient/month limitation could be imposed.

4. A maximum number of prescriptions/month/recipient could be an alternative.

There are also a number of other means that could be used in controlling this segment of the budget, but the above have been done in a number of states either singlely or in combination and could also be done in Montana. At the present time the drug portion of the budget is an open checkbook. The above limitations would make for a more judicious use of the program.

Thank you for considering the problems of pharmacy. If we can be of any help in supplying data, we will be happy to do so.

Respectfully yours,

Robert H. Likewise
Executive Director

/al

EXHIBIT 5
DATE 2-21-87
HB

Medical Assistance

The following adjustment could be made to the projected medicaid expenditures for prescription pharmaceuticals if the current co-payment of $.50 were increased to $1.00.

	Fiscal 1988	Fiscal 1989
Projected Cost	$9,913,735	$11,632,405
Average prescription	$14.82	$16.38
Total Prescriptions	668,943	710,159
Projected "Savings"	$167,235	$177,539
General Funds	$51,993	$51,646
Federal Funds	$115,242	$125,893
Total Funds	$167,235	$177,539

MEDICAID CUTS
(Estimated Potential Savings)

	Gross Expenditures (Total Funds)	Net Savings (Total Funds)	* Cost Savings	* Cost Shift Factor
Dental Services (Minus EPSDT)	$2,059,168	$1,853,251	90%	10%
Other Practitioner				
Podiatrist	$ 100,802	0	0%	100%
Psychologists	$ 554,599	$ 138,650	25%	75%
Clinical Social Workers	(No Data)			
Optometric Services (Incl. eyeglasses)	$ 601,861	$ 60,186	10%	90%
Cost of Eyeglasses	$ 418,557	$ 418,557	100%	0%
Eyeglasses, Opthamologist	$ 102,052	$ 102,052	100%	0%
Physical Therapy	$ 265,535	$ 66,384	25%	75%
Occupational Therapy	$ 52,214	$ 26,107	50%	50%
Speech Therapy & Audiology	$ 157,008	$ 39,257	25%	75%
Hearing Aids	[1]$ 181,551	$ 163,396	90%	10%
Dentures	[1]$ 469,474	0	0%	0%
Personal Care Attendants	$2,100,000	0	0%	100%
Clinic Services (Mental health; surgical centers)	$1,802,718	$1,622,446	90%	10%
Drugs	$6,151,779	$ 615,178	10%	90%
TOTAL FUNDS		$5,105,464		
GENERAL FUNDS (31%)		$1,582,694		

* Cost shift factor only includes shifting to a mandatory Medicaid service. Cost shift factor does not include costs shifted to State/County Medical, Foster Care, Department of Institutions, Developmentally Disabled Programs, Mental Health Services.

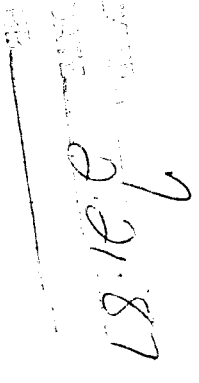
[1] Duplicated in Dental Services

68.91% FY88
70.92% FY89

EXHIBIT 3
DATE 2/18/87

Biennium Impact of Reduction/Elimination of Services

	Fiscal 1986	Fiscal 1988	Fiscal 1989	Biennium
Dental	$1,853,251	$2,371,192	$2,652,693	$5,023,884
Other Prac				
Podiatrists	$0			
Psychologists	$138,650	$182,523	$197,660	$380,183
Social Workers	NA			
Optometric	$60,186	$79,231	$85,802	$165,032
Eyeglasses	$418,557	$551,000	$596,698	$1,147,698
Eyeglasses, Opthomologist	$102,052	$134,344	$145,486	$279,830
Physical Therapy	$66,384	$87,390	$94,638	$182,027
Ocupational Therapy	$26,107	$34,368	$37,218	$71,586
Speech & Audiology	$39,257	$51,679	$55,965	$107,644
Hearing Aids	$163,396	$215,099	$232,939	$448,038
Personal Care Attend	$0			
Clinic Services	$1,622,446	$2,772,661	$3,237,843	$6,010,504
Drugs	$615,178	896,778	1,052,279	
Total	$5,105,464	$6,479,487	$7,336,941	$13,816,428
Genral Funds		$2,014,472	$2,133,583	$4,148,055
Federal Funds		$4,465,014	$5,203,359	$9,668,373
		$6,479,487	$7,336,941	$13,816,428



2-27-87

REDUCING THE MEDICALLY NEEDY PROGRAM

Description: This proposal would limit the Medically Needy Program to pregnant women and children under 21 only and adopt the special income level option for those in institutions. The special income level would be 300 percent of the SSI income standard, or $1,008.

Assumption: The Medically Needy Program would continue to cover:

- 627 AFDC-related children
- 9 AFDC-related pregnant women
- 2,223 SSI-related adults who are aged, blind or disabled and in nursing homes.

The Medically Needy Program would no longer cover:

- 808 AFDC-related adults
- 475 SSI-related adults who are aged and in the community
- 6 SSI-related individuals who are blind and in the community
- 586 SSI-related individuals who are disabled and in the community.
- 114 SSI-related individuals who are aged, blind or disabled and in nursing homes and who exceed the special income level of 300 percent of the SSI standard, or $1,008 per month.

The annual expenditure for an AFDC-related adult, including an AFDC-related pregnant woman, is $1,261.

The annual expenditure for an SSI-related adult who is aged and in the community is $4,217.

The annual expenditure for an SSI-related individual who is blind and in the community is $6,031.

The annual expenditure for an SSI-related individual who is disabled and in the community is $5,301.

If the average cost of nursing home care is $1,500 per month and if each SSI-related individual who is excluded from coverage under the special income level has an average

income of $1,153, then the annual expenditure for such an individual had been, under the superceded coverage, $4,164.

Fiscal Impact: By eliminating 1,989 AFDC- and SSI-related individuals from the program, this proposal would realize the following savings:

	#Recipients	Total $
AFDC-related Adults	808	$1,018,888
SSI-related in Community		
Aged	475	2,003,515
Blind	6	35,184
Disabled	586	3,106,371
SSI-related in Nursing Home Income in Excess of $1,008	114	474,696
TOTAL	1,989	$6,547,575
General Fund		2,201,295
Federal Funds		4,346,280
TOTAL		$6,547,575

EXHIBIT 9
DATE 2-21-87

Base Year Adjustments for Unallocated Funds

1) Adjustment to personal services for changes in position grade levels. This is necessary as the current personal services budget are based on the current structure in SRS and DofI and not on what is required for the Family Services Department structure.

Salaries	$48,159
Benefits (18%)	8,669
	$56,828/year

2) Travel costs for local advisory councils and state advisory council.

Local Councils - 5 councils with 7 members meeting 1 day a month at a cost of $50/day/member $21,000

State Council - 7 members having 2-day quarterly meetings at $100/day/member 5,600

$26,600

3) Possible office rent for field staff

For 10 worker office - 2,700 square feet at $7.00/foot = $18,900/year.
Average square foot per employee in District Offices is 270.

4) Contracted Supervision

Current cost of 20% of county director position for supervision is approximately $6,900/year/position.

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2-20-87
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DEPARTMENT OF FAMILY SERVICES

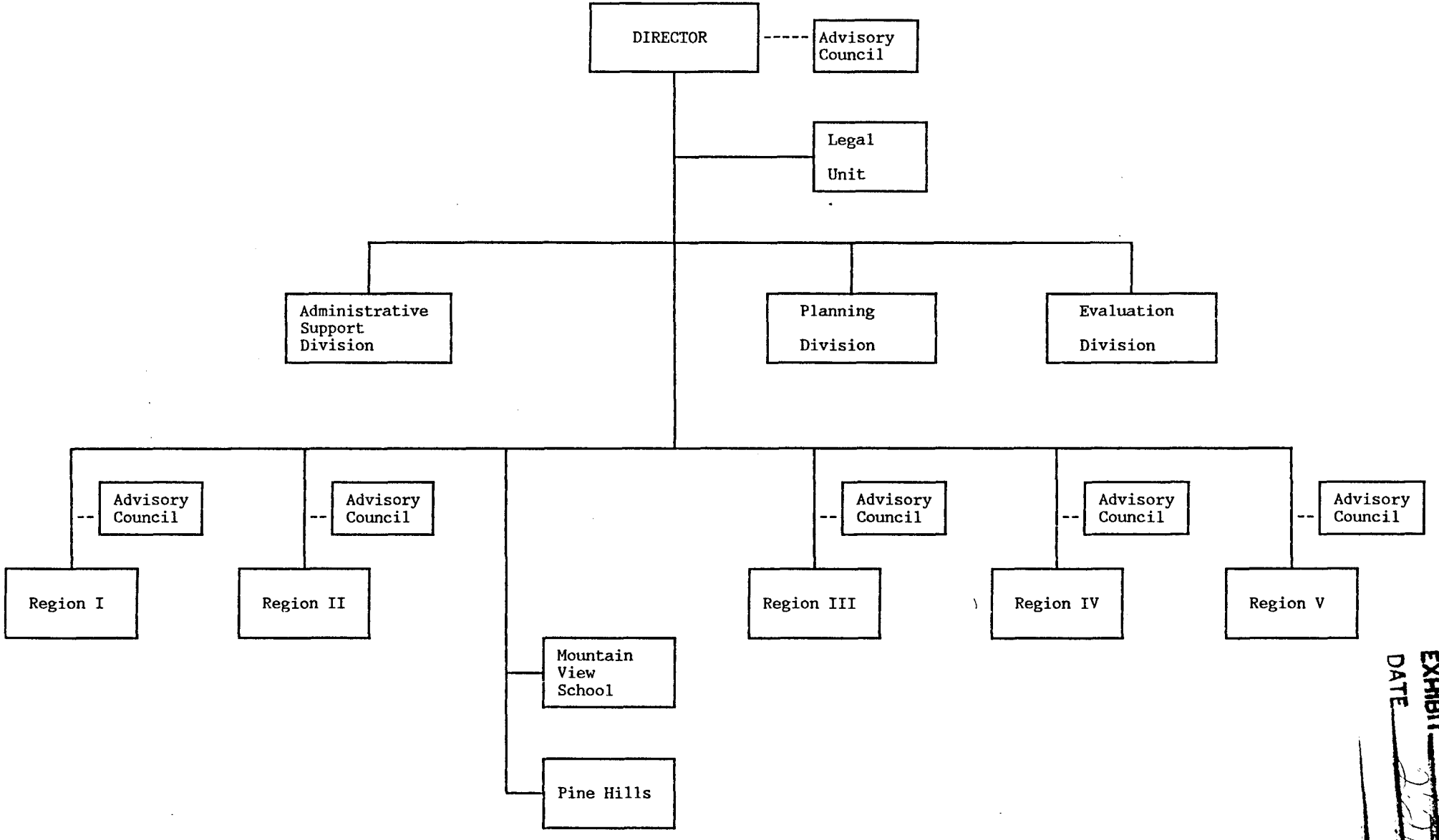

EXHIBIT
DATE

EXHIBIT 12
DATE 2-21-87

Family Services Department
Revised Equipment
Management and Support Program

	FY 1988	FY 1989
Equipment:		
5 Regional Offices at $1,400	$ 7,000	
Typewriter, Calculators, etc.	1,000	1,000
Files: 5 at $225	1,125	1,125
Bookcases: 2 at 200	400	400
Miscellaneous	500	500
Data Processing	5,000	2,500
Word Processing		2,500
	$15,025	$8,025

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2-20-87
#DL/56

VISITORS' REGISTER

HUMAN SERVICES SUBCOMMITTEE

BILL NO. _____ DATE February 21, 1987

SPONSOR _____ DEPT _____

NAME (please print)	Representing	SUPPORT	OPPOSE
Connie L. Grenz	OT		
Leslie Mullette	OT		
Barbara Archer	Women's Lobbyist Fund		
Cleveland C Smith	Podiatry	✓	
Jay McGrath	Mental Health Assoc		

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.