

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON INSTITUTIONS

Call to Order: By Rep. William Menahan, on January 25,
1989, at 8:00 a.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Taryn Purdy, Associate Fiscal Analyst

Announcements/Discussion: Executive Action - Montana State
Hospital

Personal Services: Mary LaFond from the Budget Office referred to the custodians' upgrades that went through in December. The budget office is in support of incorporating the upgrades into their budget. The amount is \$23,000 in their salaries and a little over \$6,000 in benefits, or a \$30,000 total.

Sen. Bengtson stated that practically makes up the difference in the executive and the LFA current level. Taryn Purdy stated the two issues should be treated separately, the custodians and the on-call compensation time for psychiatrists.

Taryn Purdy discussed the work sheet, including changes made to appropriations and subcommittee policy decisions. Vacancy savings added was over \$700,000 in LFA current level and over \$350,000 in the executive. The difference between the LFA current level and the executive is in the on-call payment compensation for psychiatrists that is included in current level but not included in the executive. The remainder of the difference is due to step adjustments and position incumbent shifts that the department made that were essentially allowed to go through the current level but that executive did not allow.

Curt Chisholm, Director, Dept. of Institutions, commented that there was some misunderstanding from the former budget office as it relates to the need and validity of that on-call compensation. It is part of a negotiated agreement they have with three groups of employees. It is to the benefit of the hospital that not only do they pay the psychiatrists a base salary but they also have traditionally paid them for their on-call by giving them a negotiated rate of accrued compensatory time. However, because of the way that time escalates and stays on the books which creates an unfunded liability when those individuals leave at some point in time or stays on the books to the extent that they can't take it whether they leave or not it becomes a matter of extreme disgruntlement to them. In response, they negotiated a way to reduce some of that by paying them \$30.00 an hour for half of the compensation of the on call account they accrued. Mr. Chisholm feels this is valid and the same with the radiologists and medical crew for their call ups. He hopes this would stay in the recommended funding with whichever one the committee chooses to take, even though it is not reflected at the present time in the budget.

Sen. Bengtson asked Mary LaFond why she didn't include the on call compensation for psychiatric staff. Ms. LaFond answered that it was a policy decision in the budget office not to include on-call compensation in any budget, so it was not only institutions. Because of the two psychiatrist positions being opened the justification was that it generated the vacancy savings and that could be used to pay the on-call obligation. Sen. Bengtson asked Ms. Purdy if she has not taken into account this upgrading in her figures. Ms. Purdy stated they were not included. However, generally the position of her office is that for upgrades that are beyond the control of the department they would ordinarily be funded. This upgrade came up after the budgets were completed.

Sen. Bengtson moved that the committee add \$30,000 to the LFA budget for the upgrade of personal services. She then changed her motion to read that they accept the current LFA current level plus the \$30,000 for the upgrade of personal services. Sen. Aklestad questioned about making sure where the \$30,000 is going and then would like to get the department in a mode of either having truly contracted services or hired help. He thinks this combination between the two is a problem. He stated he can understand why the department is in that situation because they can't hire these people but he thinks they have the best of two worlds.

He questioned the benefit of these positions and wonders when the contract for psychiatrist services runs out. Mr. Chisholm responded the institution can get out of that contract anytime. They are willing to do that once they hire enough psychiatric staff. Sen. Aklestad asked if they had a semi-contract with other psychiatrists in the area who come in. Mr. Chisholm referred to the negotiated compensation package wherein they agreed to pay for half of the on-call compensation at \$30.00 an hour in order to keep the accrual of comp time by the psychiatrists down.

Sen. Bengtson remarked that she is not satisfied with the arrangement at the hospital but until things change, this is the best way to go.

Sen. Menahan called for the question and Sen. Bengtson's motion was carried.

Operating Expenses: Ms. Purdy then summarized the major adjustments to and differences between operating expenses in LFA current level and the executive budget. The executive includes \$89,691 in fiscal 1990 and \$91,924 in fiscal 1991 for an anticipated increase in population at the Forensics center. The department has indicated that they do not now anticipate that this increase will take place because of the limits of the number of court ordered evaluations that they can perform. The remainder of the difference between the LFA current level and the executive budget, which totals .5 percent of total operating expenses, is due to two factors: 1) differences in reductions made to the operating base. The executive has reduced medical services by \$26,589 and repair and maintenance by \$5,554 more than has LFA current level. Current level reduces supplies by \$35,276; and 2) LFA current level eliminates \$12,995 in recruiting costs maintained by the executive. Again this is because the positions for which the recruiting cost would be incurred are fully funded in both the executive and the LFA budget.

Mr. Chisholm stated the executive levels recommended in the operational budget does include an anticipated increase in the average daily population of the Forensics Unit. The Institution, however, is not experiencing the population increases in the Forensics Unit. However, the institution is still concerned about the adequacy of the over-all budget due to reductions made in operating

expenses.

Ms. Purdy explained why repair and maintenance was reduced in LFA current level. The intent of the legislature in fiscal 1988 was that the hospital had been funded for \$193,000 for repair and maintenance. Within that budget there is leeway allowed, such as emergencies in medical services. It is viewed as a necessary expense if they overspend their budget under those circumstances. Should it then be considered a part of current level? The same reasoning pertains to repair and maintenance. Stable expenditures were noted in 1984, 1985, 1986 and 1987. In 1988 there was an expenditure of \$105,000 that was seen as a major over expenditure. The hospital staff originally indicated that no out of the ordinary expenses were incurred, but lately indicated that the over-expenditure to Medicaid retro-fitting, which means that it was in the 219 unit at Warm Springs or in the hospital at Galen.

Sen. Bengtson stated they feel that sort of retro-fitting was going to be an ongoing demand by the Health Dept. Ms. Edwards explained that this has become a continuing problem every time a survey is done.

Sen. Harding wondered about the surveys and if they are done by different people, resulting in a problem in not knowing what to expect. Ms. Edwards explained that the fire and safety codes have changed over the years and the surveys that are done are more specific to meet certain regulations.

Rep. Grady has a problem about the patching. There has never been enough in that area to do a decent job so that there should be some replacement done. As the cost of repair jobs is escalating money might be saved in the long run if there is sufficient funding.

Sen. Aklestad asked Tom McCarthy, a staff employee, about the water lines as an example. He asked how old these lines are. Mr. McCarthy responded these are part of the original construction. Sen. Aklestad asked about the long range building for replacing these lines. Mr. McCarthy has asked for money from long range building and has never received any. Sen. Aklestad stated that rather than adding to this budget for patching it should be replaced.

Rep. Grady is thinking of more than a water line but

of all areas of maintenance. He thinks those costs are going to continue to rise and the repair and maintenance should be kept up. Rep. Grady asked that if the executive budget is accepted does that have additional money in it for repair and maintenance. Ms. Purdy explained both budgets reduce repairs and maintenance from the actual fiscal 1988 level. Current level reduces it to the appropriated fiscal 1988 level. The executive reduces it by an additional \$5500.

Sen. Aklestad asked Ms. Purdy if her figure does take into consideration the added money on a five year average and can be increased. Ms. Purdy stated this is correct.

Rep. Grady asked what Mr. Chisholm might suggest that would be a fair figure. Mr. Chisholm stated that if the committee reduced the executive level by \$89,000, or the amount included for population increase, that maybe that would be the way to go.

Sen. Bengtson moved the executive budget minus the \$89,000 added for the expected population increase. Rep. Menahan called for the question. Motion carried.

Ms. Purdy explained that equipment is to be purchased at the discretion of agency managers in the executive budget. LFA current level includes funding at the average of fiscal 1986, 1987, and 1988 appropriated levels, and would allow the purchase of the first, second, fourth and fifth items on the equipment priority list, which are ward furniture, keyboard embossers, a laundry truck and a station wagon.

Sen. Bengtson moved to accept the LFA current level on equipment. Rep. Menahan asked for the question. Motion carried.

Funding: Sen. Bengtson moved the funding recommended by the LFA office. Motion carried.

Ms. Purdy stated the modified budget OBRA requirements would add 2.35 aggregate psychiatric aide positions in fiscal 1990 to provide coverage while aides are receiving required training. In addition, 2.0 FTE nurses

and travel are included to provide this training at Montana State Hospital, as well as at the Center for the Aged and the Montana Veterans' Home. An additional 1.0 FTE nurse is added in fiscal 1991 to review and assess OBRA standards implementation. Sen. Bengtson asked about when the committee was going to talk about OBRA and how they were going to handle that training. Ms. Purdy stated that apparently they are coming to an agreement in SRS so the committee could discuss this in the near future. Ms. LaFond stated that SRS met with the budget office yesterday. She explained that when training for aides has been settled in the SRS budget they will know what to do.

Rep. Menahan asked when taking these things into consideration in the budget office, such as training etc., if we don't follow along what the ACLU might do. Ms. LaFond stated the budget was established before she came in on it. Rep. Menahan asked Jane Edwards about the lawyer on the campus. Mr. Chisholm stated that his job is to see that the hospital meets all requirements.

Sen. Bengtson asked if the committee was going to meet with the Human Services Subcommittee when this is explained. Rep. Menahan said they should bring in the patients' attorney and see if this is agreeable. Ms. LaFond stated the SRS Budget is looking at the same thing. Rep. Menahan stated he would like to know who they are negotiating with.

Mr. Chisholm explained how this has an impact on Medicaid and how it all ties together. Sen. Bengtson asked if the nurses' aides pay a fee for this training. Mr. Chisholm replied that they did not because it is a condition of their employment. A lot of the positions are intended to be budgeted only for the first year of the biennium. It is up to the employer to provide training to the nurses' aides. Rep. Menahan stated they should wait for the SRS to see what they will do with the second year.

ADJOURNMENT

Adjournment At: 9:05 a.m.

HOUSE COMMITTEE ON INSTITUTIONS

January 25, 1989

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REP. WILLIAM MENAHAN, Chairman

WM/ms

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exhibit 1
Jan. 25
minutes

DEPARTMENT OF INSTITUTIONS
MONTANA STATE HOSPITAL

<u>PERSONAL SERVICES</u>	<u>1990</u>	<u>1991</u>
Executive FTE	714.0	714.0
LFA Current Level FTE	<u>714.0</u>	<u>714.0</u>
Difference	-0-	-0-
Executive ✓	\$18,272,648	\$18,402,388
LFA Current Level	<u>18,314,575</u>	<u>18,444,441</u>
Difference	\$(41,927)	\$(42,053)

- - - - - Personal Services Issues - - - - -

1. Appropriations Committee Policy

	<u>1990</u>	<u>1991</u>
Positions Deleted:		
Accountant I	\$25,964	\$25,982
Positions Flagged due to Recruiting Problems:		
Psychiatrist	\$95,372	\$96,010
Psychiatrist	\$95,372	\$96,010
Recreation Therapist	\$28,319	\$28,457
Psychiatric Nurse (.5 FTE)	\$13,713	\$13,776
Psychiatric Social Worker	\$28,319	\$28,457
Psychiatric Social Worker	\$34,315	\$34,676
Psychologist	\$36,225	\$36,403
Occupational Therapist (.75 FTE)	\$26,747	\$26,974
Personnel Officer	\$28,367	\$28,545
Vacancy Savings Added:		
Executive	\$353,913	\$355,966
LFA Current Level	\$713,778	\$717,624

Subcommittee Policy - HPI Drug Contract

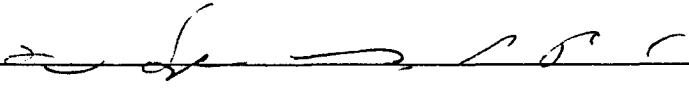
Pharmacy Positions Deleted from Current Level	5.0	5.0
Personal Services Reduced from Current Level	\$124,279	\$124,883

2. The difference between current level and the executive is due to two factors:

- 1) current level includes \$36,201 in fiscal 1990 and fiscal 1991 for on-call compensation for psychiatric staff and x-ray technicians, and call-out pay for x-ray technicians and craft personnel not included by the executive, and
- 2) current level includes step adjustments and position incumbent shifts not allowed by the executive.

3. Committee Issues

Committee Action

LFA 

<u>OPERATING EXPENSES</u>	<u>1990</u>	<u>1991</u>
Executive	\$3,551,484	\$3,657,383
LFA Current Level	<u>3,443,426</u>	<u>3,545,805</u>
Difference	\$ 108,058	\$ 111,578

- - - - - Operating Expenses Issues - - - - -

1. <u>Subcommittee Policy - HPI Drug Contract</u>	<u>1990</u>	<u>1991</u>
HPI Management Fee Added to Current Level	\$262,466	\$275,590
Drugs Added (Subtracted) to (from) Current Level	\$(15,687)	\$(16,580)
Drugs Added to Executive due to Change from 10 Percent Discount to 5 Percent	\$14,347	\$15,164

2. The executive includes an increase of 29.0 to 104.0 in the average daily population of the Forensics Unit.

	<u>FY90</u>	<u>FY91</u>
Contracted Services	\$24,144	\$24,144
Supplies and Materials	65,067	67,300
Travel	<u>480</u>	<u>480</u>
Total	\$89,691	\$91,924

The remainder of the difference between the LFA current level and the executive budget, which totals .5 percent of total operating expenses, is due to two factors: 1) differences in reductions made to the operating base. The executive has reduced medical services by \$26,589 and repair and maintenance by \$5,554 more than has LFA current level. Current level reduces supplies by \$35,276; and 2) LFA current level eliminates \$12,995 in recruiting costs maintained by the executive.

3. Committee Issues

Committee Action

<u>EQUIPMENT</u>	<u>1990</u>	<u>1991</u>
Executive	\$ 30,000	\$ 30,000
LFA Current Level	<u>57,016</u>	<u>57,016</u>
Difference	\$(27,016)	\$(27,016)

-----Equipment Issues-----

1. The executive budget includes equipment to be purchased at the discretion of agency managers. LFA current level includes funding at the average of fiscal 1986, 1987, and 1988 appropriated levels, and would allow the purchase of the first, second, fourth, and fifth items on the equipment priority list, which are ward furniture, keyboard embossers, a laundry truck, and a station wagon.

2. Committee Issues

Committee Action

<u>FUNDING</u>		1990		1991	
	<u>Exec</u>		<u>LFA</u>	<u>Exec</u>	<u>LFA</u>
Alcohol Revenue	\$1,595,609	\$1,595,609		\$1,595,609	\$1,595,601
Canteen	145,304	145,304		145,817	145,817
Donations	7,221	7,221		7,235	7,235
Chapter I	2,174	2,174		2,254	2,254
Int. & Income	311	311		311	311

-----Funding Issues-----

1. Alcohol tax revenues are collected on the sale of liquor, beer and wine, and are used to fund the alcohol service center and related overhead costs. Canteen funds are used to purchase items in the canteen. Revenue from the sale of items to residents are deposited into the canteen account. Chapter I funds are from the federal Department of Education.

General fund provides the remainder of the hospital's funding, and totals over 91 percent of the total.

2. Committee Issues

Committee Action
