MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON HUMAN SERVICES

Call to Order: By Chairman Bradley, on February 8, 1989, at 7 a.m.

ROLL CALL

Members Present: All members were present.

Members Excused: None

Members Absent: None

Staff Present: Peter Blouke, LFA
Evan McKinney, LFA

Announcements/Discussion: Chairman Bradley said this meeting was a follow up of the meeting a few weeks ago, that no committee had taken any action yet, and this meeting was for information. The Subcommittee on Institutions was present and Mr. Chisholm, Director of the Department of Institutions was here to go through the questions and to give his response.

RESPONSE TO APPROPRIATION SUBCOMMITTEE QUESTIONS

Curt Chisholm, answered questions that had been presented to him by the Human Services Joint Appropriations Subcommittee and the Institution and Cultural Education Joint Appropriations Subcommittee. Dennis Taylor, Administrator of the Developmental Disabilities Division was also available to assist in answering questions.

EXHIBIT 1, which included a list of the questions and the answers prepared by Mr. Chisholm and Mr. Taylor were presented to the committee. EXHIBIT 2 was also given to the committee at this time.

Mr. Chisholm walked the committee through the questions and the answers. He said some of the concerns he had was some of the studies that have been made have never had a closure, and he felt it was necessary to reach some conclusions since some of these studies went back to 1982. He said district judges will continue to place DD people who are hard to place in a facility, and he said we cannot downgrade our responsibility to the DD Commitment act. He said he would

like to be in a position to better plan for what the impact would be of possibly closing Boulder and using community based homes. He said he would like to have more time to study the question and be able to come back with a proposed package recommendation. He said the rules are not out yet, too much is guess work, even in recommending a down grading of Boulder under the Medicare Waiver. (422)

Chairman Bradley asked Maggie Bullock, Acting Director for SRS if she had any comments and she said she would defer to Dennis Taylor.

Dennis Taylor said they had provided as much detailed information as they could, and would answer any questions the committee asked.

Mr. Chisholm said he had to give credit to Mr. Taylor for the work in the document (exhibit 1)

Questions from the Committees:

Senator Bengtson said she was disappointed that he couldn't answer the question as to what the federal rules for medicaid waiver on down sizing and moving into a community based program. She said she could not understand why they were not spelled out, and why Mr. Chisholm did not have access to them. Mr. Chisholm said he did not know if the Feds have rules on that. He said apparently because of recent federal action there was an extension on the time in which a state could apply to the Feds for a 3 year down size plan for anyone that was in trouble. He said he had been told by SRS, who is the Medicaid intermediary, that they are researching that issue now. It is an issue we need to be on top of.

Senator Bengtson asked who knows the rules, and how long will it take? Mr. Chisholm answered that he was not sure. HICKFA knows the rules, and SRS is inquiring of the Federal government now.

Senator Bengtson asked what Mr. Chisholm is doing to find out what the rules are for down sizing? If we have a 3 year plan, could we have medicaid certification at Boulder? (510) Mr. Taylor said SRS is not doing anything specific at this time because there is no proposal to down size the Institution. We have attempted to find out what recent federal changes have provided to allow for the option of continuing federal participation in an institution that is implementing a down size plan. (533) Mr. Chisholm said in relation to working out some strategy that he needs to be responsible for to deal with the certification dilemma we have at Boulder, down sizing had been mentioned as a possibility. I don't know what the federal rules are on that, SRS is the intermediary, they are the ones responsible to be on top of it, and they are not sure what they are

requiring of him at this time. He said, I need to know the answers.

Senator Bengtson asked Mr. Taylor, would the plan being put before the committee, which we haven't acted on, is that enough for you to go on? One of the reasons we can't act is because we don't know if you can certify Boulder with a plan of some sort. Mr. Taylor answered (560) if there was a plan to down size the institution, he said they believed they could amend their current waiver, that because people would be leaving the ICFMR, that the Health Care Facilities authority would look favorably on an amendment on the current waiver to serve as many people as would be leaving the institutions to appropriate placements in the community. He said they would have to apply to HICFA, get an amendment to the existing waiver, and develop appropriate services and then be entitled to the 70% federal funding with the approximately 30% general fund. He said we do not have a specific answer to the certification problem at the Montana Developmental Center, and he said he did not believe the Health Care Facility Authorities have a clear answer either, until they are given a specific proposal.

(605) Senator Harding asked if they have any idea of how much money it will cost to bring Boulder up to the certification requirement? (617) Mr. Chisholm answered there is no surprise or additional money being requested as it relates to that certification dilemma. He said he felt the budget requested for the DD Center before the subcommittee is sufficient to achieve certification relative to the level of FTE and the dollar amounts for operation of the facility.

Senator Keating (652) asked why Boulder is decertified, is it staffing or bricks and mortar, or lack of personnel to duties or what. (663) Mr. Chisholm answered they had recommended a $1 million remodel improvement to cottages 16 A, B and C because there was a certification issue there that needed to be corrected. He said they were about $200,000 short on that, but the buildings are licensable for certification requirements. Cottages 50 and 55 do not meet institutional code requirements, but are not in trouble with HCFA because they pass under an equivalency standard with the federal fire and safety codes. He said the problem of certification relates to their inability to demonstrate we are providing an active treatment, and he thinks that relates to a lack of specific direction to the staff, and it is not their fault. (Side B) He listed many of the fed requirements that need to be changed. He said he thought they could achieve certification, possibly not within the 120 day window.

(019) Senator Keating asked if lack of administration was part of the problem, and Mr. Chisholm answered yes.

(029) Representative Menahan asked how many people have been

returned from the community to Boulder and was told 42. He asked what the standards are in regard to some of the deaths in the DD homes. What kind of staffing do they have to have to prevent drowning in tubs, etc. (046) Governor Stephens proposal has a recommendation for three additional intensive group homes. They provide an enriched staffing pattern with supervision for people with behavioral problems. He listed the staffing, reviews, etc. that was required.

Rep. Menahan asked, (073), you have 202 administrators in group homes that cost $303,800,000. Is there some way we could save some taxpayers dollars by cutting down on the Administrative side? He mentioned the lobbyists present here. Mr. Taylor (113) answered that the figures on page 1 of your hand out were based on a hurried survey sample of community based providers, and the figure of approximately $2.8 million is for administrative services is a sample based on 9 providers. Chris Volinkaty said she was on a leave of absence and Kathy Kelper, Billings said the money that pays Ms. Volinkaty's salary is all voluntary contributions.

Representative Grinde asked Ms. Volinkaty if she had any comments that had been discussed to this point. She answered this was a good plan, it was not self serving, they were looking at the clients. She said if they decertify Boulder they will lose 7 million dollars of federal funds, and that is enough money to serve everyone that sits on our waiting list. Rep. Grinde said he was not sure how the community based proposals work. He asked how they would move into an area and the expenses that would be necessary to set up. Ms. Volinkaty said they are proposing 2 specialized service and support organizations. That would be 7 group homes and a day program, she said, in two major Montana cities. They would be actual group homes built to ICMFR standards and would be funded just like the group homes. The clients would qualify on leaving the MDD for the waiver and an SSI check. That payment is enough to make the house payments. We would be tapping two sources, the Medicaid waiver and the SSI that those clients now do not get. This would take care of about 100 people. The other 48 would be served in intensive group homes.

Representative Grinde asked the Department, if we did go on these plans, would your certification come on line? Mr. Taylor answered the Department currently has 317 slots in the medicare waiver program. It is about a $5 million program, depending on the number of individuals the Legislature would choose to have leave the institutions for Community Based Programs, we would have to submit a request for an amendment to our existing waiver. He said from what he had learned those leaving would be eligible for the waiver.

Representative Grinde asked Ms. Volinkaty if in her opinion the dual system was necessary, and she answered there are people

out there who do not want Boulder at all, but they feel it is important that they have a facility that can meet accreditation standards where people can be court committed.

There was some discussion on community based services, the possibility of Boulder having a sort of half way house. Rep. Marks said the staff for an institutional setting could work with the group home in Boulder. Inspections in group homes versus the Institution, and Mr. Chisholm said they were not under the same regulations.

Questions were asked and answered in regard to the 98 possible persons in the DD Center that could be served in an intensive care group home. EXHIBIT 3 was handed out, not as a proposal, but to attempt to give the best answer possible to the committee questions.

(Tape 2, side A)

Mr. Chisholm said they haven't had difficulty in filling social work positions and some of the other professional positions but the fact that we do not have more than one clinical psychologist out there is contributing to their dilemma, but they plan to fix that. We had to get exceptions above and beyond the state salary matrix to give more salary for this.

Mr. Chisholm had expressed concern on the start up costs of the intensive care group homes. Rep. Menahan asked how many in the counties were not receiving services and Mr. Taylor answered 439 that were eligible for services (183)

Chris Volinkaty suggested putting group homes in towns with a University system and they would have specialists such as clinical psychiatrists, etc. available, with the students you would have a great labor pool to draw from. There was discussion on the impact of employees living in Boulder if the institution were closed.

Chairman Bradley had another meeting and Senator Keating took the Chair.

In answer to a question Mr. Taylor said they have over 1,066 on the waiting list, 705 are adults, 361 are children who need services. Approximately 192 of these children are receiving no DD services. Some receive educational services, the remaining 169 receive family training or respite. services.

There was discussion on moving people out of the nursing home areas and perhaps into group homes. Mr. Taylor said the Department of Institutions (398) and the SRS have submitted an alternative disposition plan that specifies exactly how the state of Montana will survey the existing population in Montana nursing homes for individuals that may have mental retardation, or other disabilities and to identify if they need active treatment and provide them with a choice. We

would take the plans and submit it to the '91 legislature.

EXHIBIT 4 was given to the committee, answers to questions 10 and 11.

(432) Senator Bengtson said she felt something positive could be done in recommendations, if they get the information they need. First, if Boulder can be recertified if we accept and recommend a plan. We need an answer from you, and we need to find out the federal regulations. Would you recommend to these committees that we accept the plan and ask you to go ahead and find out what the rules are and then go ahead with the plan. She asked if he were e expecting them as a committee to say, this is the plan, go ahead and find out whether we can remain certified while we go on with the plan. Mr. Chisholm (473) said there are some things he would hesitate to tell them publicly, relative to what they are negotiating. He said he could not pretend the whole certification problem will disappear April 30 because there is $7 million at stake, and with the reappropriation from the general fund, there is $14 million at stake. He said he would encourage their committee not to make a decision on this day. He said he could not commit himself until he knew what the feds required, and he said he would not be responsible if he told the committee to do one or the other. He said the SRS attorney's are making enquiries now and perhaps in a couple weeks they will have a clearer picture of what could happen.

Ms. Volinkaty said they currently have a bill being drafted in Legislative Council that should spell out what would be required. She said she called Paul Greensford who is the federal medicaid man out of Denver, because I was hearing a lot of things about, if we put the right people in the DHES to do the survey we will meet certification. (568) She said she called to ask him, and he said. "If that survey was very substantiated and accurate on Health and Safety standards alone Boulder would not meet the certification standards. If we put people in the Department of Health to certify Boulder and that is their mission to certify Boulder without them meeting the federal standards, the Feds will come in and do what they call a "look behind". If the standards are not met, we lose the medicaid money. He said the procedure would be that they have 120 days after the termination for the appeal. That will go to a hearing by a Federal Administrative Law Judge and he will decide if those standards were substantiated. He said usually what happens before the 120 days the Institution will call and say we are ready for a re-evaluation, the team would come in to see if they had met active treatment standards. He said it was a monumental task at MDC and they had very major difficulties. Given their resource base, their skill base and the knowledge base of active treatment, it was a monumental task. He said at 120 days when that judge makes his appeal, that is when the money goes, when he decides they have not

met the standards."

Ms. Bullock said the appeal is in process, it is on-going right now. That appeal has to come to SRS, and SRS chose to go to the Attorney General to hear the appeal, and it will be heard by the AG rather than an Administrative Law Judge. She said SRS is looking into requirements to do possibly a 3 year down size, if that is what the Legislature would like them to do, but they do need some direction.

(Side B, Tape 2)

EXECUTIVE ACTION ON HEALTH DEPARTMENT

Evan McKinney was the staff person for this section. EXHIBIT 6 was reference for this section.

Division Administrator:

Issue 1. $3,530 more for travel than the LFA. (H-1) McKinney said there was $3,530 more in the Executive than in the LFA.

Mr. Hoffman said this is for the Division Administrator to travel. Rep. Cody asked what specifically it was for and Mr. Opitz said the Division Administrator occasionally had to go to a meeting with HCFA etc. (046)

Motion: Motion by Representative Cody to accept the Executive on issue 1.

Recommendation and Vote: Voted, 2 yes, 2 no, tie vote failed.

Motion: Motion by Representative Cody to accept the LFA budget on Issue 2.

Recommendation and Vote: Voted, passed, 3 voting yes, 1 voting no.

Motion: Motion by Representative Cobb to accept the LFA budget for the Division Administrator.

Recommendation and Vote: Voted, failed.

Motion: Motion by Representative Grinde to accept the executive budget and adjust issue # 2.

Recommendation and Vote: Voted, passed, 3 voting yes, Representative Cobb voting no.4.

Emergency Medical Services: Mr. McKinney said there are some differences in operating expense due to the indirect allocations.

Senator Keating said the minutes will reflect that all of the

action taken on these budgets do not deal with the indirect costs.

Representative Cody asked if Issue 1, travel expenses was related to training EMT's. She was told it is a variety of things, part of it is to pay examiners expenses (135).

Motion: Motion by Representative Cobb to accept the Executive budget.

Recommendation and Vote: Voted, passed, unanimous vote.

Bureau of Administration: No differences.

Motion: Motion by Representative Grinde to accept the Executive budget.

Recommendation and Vote: Voted, passed, Representative Cobb voting no.

Family/MCH Bureau:

Children/MCH Bureau: Modified:

Mr.Hoffman said (163), this is a categorical grant to provide services and it is 100% federal funds that require no state funds now or in the future.

Motion: (199). Motion by Representative Grinde to accept the modified.

Recommendation and Vote: Voted, passed, unanimous vote, Rep. Bradley had left a vote for the modified.

MCH staff development: Modified:

Mr. Hoffman said this is essentially the same type of thing. It is for Maternal & Child Care. He said there is a void within the nation for identifying this. There was a budget amendment last year for FTE, one position is filled, one is vacant.

Motion: Representative Cody moved to accept the modified.

Recommendation and Vote: Voted, passed, Representative Bradley voting yes, 2 members voting no.

Child Nutrition:

Mr. Huth said this is an update since there are more federal funds coming into the program. It is 100% federal funds. Mr. McKinney said they had not reduced it, this reflected a later development.

Motion: Motion by Representative Cobb to accept Issue 1.

Recommendation and vote: Voted, passed, unanimous vote.

Mr. McKinney said this was the same, it is a federal grant and the LFA reflected an earlier amount.

Motion: Motion by Representative Cody to accept the executive recommendation.

Recommendation and Vote: Voted, passed, unanimous vote.

Family Planning: Mr. McKinney said there are no difference.

Representative Cody (262) said she had heard some of the junk vehicles money had gone into the Solid Waste and the general fund money went into the Family Planning. Mr. Opitz said there was a transfer of general fund out of Solid Waste and it was Junk Vehicles that went in there. The general fund savings would pay for the modifications. Mr. Huth said he could not say the general fund came out of Solid Waste to fund the Family Planning Bureau. At the time we prepared it looked like if the Junk Vehicle increase fee was passed, there was some money there to run some other programs. He said he felt when they got into the Solid Waste Program the Executive position will be to pull the Junk Vehicle funding from those two areas and fund them with general fund. (264)

Motion: Motion by Senator Hofman to accept the modified.

Recommendation and Vote: Voted, passed, unanimous.

Senator Keating asked what the $50,000 was for and was told it is to expand services.

Montana Family Planning: Modified:

Representative Cobb asked if this is about 2 or 3 visits. Suzanne Nybo answered that the average is about 2 visits per year. She said it was based on the cost for services for a low income person, and all those served would be low income.

Senator Keating asked, of the million per year you receive, how much is expended for the contraception program. Mr. Hoffman answered about $10,000. Ms. Nybo answered this went through the local offices since the State Administration office does not purchase contraceptives, they are purchased by each local program.

Motion: Motion by Senator Van Valkenburg to accept the modified.

Recommendation and Vote: Voted, failed, 5 members voting no.

Handicapped Children:

Motion: by Representative Grinde to accept the Executive budget recommendations.

MCH Block Grant to Counties: Mr. McKinney said, said they allocate to the programs and the balance to the county, so he would suggest they vote on this when taking action on the over all program.

Acting Chairman Keating said the committee would postpone action on this program.

Perinatal Program:

Motion: Motion by Representative Cody to accept the Executive budget.

Recommendation and Vote: Voted, passed, unanimous of those present.

Low Birth weight Prevention PG: Modified:

Mr. Huth said this is not general fund, the Executive funds this out of the MCH block grant. Mr. McKinney said the Executive had informed him they wanted to fund it out of MCH, and it is their mod. Mr. Huth said this would show up in the block grant. Mr. Opitz said this is to provide for 4 of the low birth rate programs through the state.

Motion: Moved no executive action taken on this bill until they get together on the MIAMI program.

It was explained that the reason this had not been discussed with Dr. Espelin, was because he is in intensive care in the hospital.

Mr. Huth said this particular modified is an ongoing program to keep a project on. He said, if it is a leg of the MIAMI program he did not know. Separately, as an ongoing project, the executive feels it should continue.

Senator Keating said they would go ahead and continue action on this. If the Department wants to look at the MIAMI program at a later date, the subcommittee could take it up then. Representative Cody withdrew her motion.

Motion: Motion by Senator Van Valkenburg to approve the modified. Voted, passed, Representative Bradley voting yes.

Representative Van Valkenburg asked if this was coming out of the MCH program, and Mr. Huth said yes, it was a last minute change in the Schwinden budget, and this administration went along with it. Representative Van Valkenburg asked if this would be reducing the block grant to the counties, and Mr. Huth answered no.

Risk prevention/Quality Assurance:

Senator Keating asked if this was general fund, and was told yes. Mr. Hoffman said on page 163 of the Executive Budget, it says this is continued and expand current level to hospital evaluations. He said this program is contracted to out of state level 3 medical centers. Mr. Opitz said the level 3 hospitals are those like Salt Lake and Denver for contracting services for their expert doctors to come up and train the doctors in our level 2 hospitals in Missoula, Billings, etc.

Motion: Motion by Representative Cody to accept the modified.

Recommendation and Vote: Voted, Representative Bradley voting yes, making the motion a tie, motion failed.

AIDS: Modified: Tape 3, (Side A)

Mr. McKinney said this is in a modified because it had been started through budget amendment. It is the entire AIDS program.

Mr. Huth said the reason they put the AIDS program in a modified was because there is no way we can put a funding figure in it now. We propose to put it in to the level of funding we expect, but through conversations with the center in Atlanta, this is the best figure we can come up with. This is the spending authority.

Senator Keating asked if the 8 FTE were on board, and Mr. Taliaferro answered that 6 of the 8 are on board. He said they have asked for exceptions and have been granted authority and we will go ahead and hire them. Senator Van Valkenburg said he had been asked by a lobbyist to try to get some additional money for the local level for the people who are dealing with the AIDS problem. He asked if any of this money is spent at the local level. Mr. Taliaferro answered yes. Mr. Opitz said as the requests come in from communities for expanded services, they will incorporate it in their grant, once the grant is received that particular one has to be spent as stated in the grant. He said they have contracted services in 8 or 9 counties now.

Motion: Motion by Senator Van Valkenburg to approve the modified.

Recommendation and Vote: Voted, passed,

Dental:

Motion: Motion by Representative Cody to accept the Executive budget.

Recommendation and Vote: Voted, passed, One member voting no.

Behavioral Risk:

Motion: Motion by Senator Van Valkenburg to accept the Executive recommendation.

Recommendation and Vote: Voted, passed, unanimous.

Health Education Risk Reduction:

Motion: Motion by Senator Van Valkenburg to approve the Executive level budget.

Recommendation and Vote: Voted, passed.

Chronic Disease:

Mr. Hoffman explained the Chronic Disease Program as a federal priority to identify health risk problems within the state. He said the program was budgeted last year, and if the state wishes to have it, it will probably go. He said he would recommend putting it into current level. It is a 100% federally funded program.

Motion: Motion by Senator Van Valkenburg to approve the modified.

Recommendation and Vote: Voted, passed, Representative Bradley voting aye, Representatives Cody and Cobb voting no.

Communicable Diseases:

Motion: Motion by Senator Van Valkenburg to approve the Executive level.

Recommendation and Vote: Voted, passed.

STD & Immunization:

Mr. McKinney said this is really two programs, the Sexually Transmitted Diseases and Immunization. He said they were two programs and then the FTE were put in one program and some of the operating in another because of federal funding. He said these were put together for ease of comparison but the operating expenses and Equipment are shown separately.

Senator Keating asked why was the LFA lower in travel, and Mr. McKinney said the LFA is set at 'ii actual, the executive is a little higher. Mr. Huth said because they had some vacancies before, they are filled now.

Motion: Representative Cody moved the Executive budget.

Recommendation and Vote: Voted, passed, two members voting no.

Rape Crisis:

Motion: Motion by Representative Cody to accept the executive budget

Recommendation and Vote: Voted, passed.

Renal:

Mr. McKinney said this program is all general fund money.

Motion: Motion by Senator Van Valkenburg to move approval of Executive level. He said the Chairman of this committee had indicated she would like the amount doubled, and he would pass on the information.

Discussion: In answer to a question from Rep. Cobb Mr. Opitz said they served about 180 people a year. He said there is no administration costs in this, and he said the Health Care Providers are absorbing the unmet costs.

Recommendation and Vote: Voted, passed.

Motion: Motion by Senator Van Valkenburg moved the additional $125,000 a year.

Recommendation and Vote: Voted, failed.

Rabies:

Motion: Motion by Representative Cody to accept the Executive recommendation.

Recommendation and Vote: Voted, passed.

Licensing & Certification Bureau:

Mr. Huth said the first three issues could be taken together. He said he felt the Licensing and Certification bureau were probably doing as well as possible. They have to go out there to do the work so the travel is necessary. Mr. McKinney said they had set the budget based on the appropriation. We set it at the same level it was 2 years ago, aware there could be an increase.

Motion: Representative Cody moved the executive budget.

Recommendation and Vote: Voted, passed, 2 members voting no.

Supplemental /L & C Bureau: Modified:

Mr. McKinney said they had looked extensively at this modified, the work load, etc. He said they had received the modifieds late in the year, they were consistent with what was approved in the supplemental. Mr. Huth said historically

this had been funded 1/3 to each, medicaid, medicare and general fund.

Motion: Motion by Representative Cody to accept the modified.

Recommendation and Vote: Voted, passed, one member voted no.

OBRA Labs: Modified.

Mr. Opitz said the Fte would go out, and any physician who had 5,000 or more laboratory analysis done, they would have to go out and certify them. This is a new program.

Motion by Representative Cobb to accept the modified..

Recommendation and Vote:_ Voted, passed.

OBRA General:

Mr. Opitz said when OBRA came out it looked like they would have to double the size of the Licensing Bureau. There are no federal regulations written on it yet. This is our best guess to get by and incorporate as many changes as we can that are coming down in '90 and '91 under OBRA for licensing and certification. He said he hoped they could get by on 6, if we doubled the staff it would be 25.

Motion: Motion by Senator Van Valkenburg to approve the modified.

Recommendation and Vote: Voted, passed, one member voted no.

Health Planning & Resource Development Bureau:

Acting Chairman Keating said the minutes should reflect Representative Bradley in favor of all the modifieds. He said this program was all general funds. Senator Van Valkenburg said the key here is whether we have the certificate of need law, at present the CON law is supposed to sunset at the end of this biennium. If that changes, this would have to be adjusted.

(Tape 3, B)

Senator Keating said there are two bills out there on the CON, and in both bills deal with the sun set. There will be some funds required for CON's for nursing homes, etc. He asked if these funds were expended only if there is a CON request? Mr. Opitz answered, they have 4.75 core of people, and whenever they have spare time they try to update the state health plan.

Senator Keating asked if there was a fee for the CON and Mr. Opitz said yes. He also said it was deposited in the general fund, so there is an offset, which was about 1/2 of

the budget.

Motion: Motion by Senator Van Valkenburg to approve the Executive level, and request language be put in the Appropriation bill to the effect that if the certificate of need law is not reinstated, or substantially amended, that the budget director is authorized to reduce this appropriation to a level that would adequately meet the needs of the amended law, but no greater than this appropriation.

Recommendation and Vote: Voted, passed, one member voted no.

Mr. Hoffman told the committee they can now take up the Counties MCH block grant. He said the committee has now distributed the block grants as recommended by the Executive. This is H- 11. He said the only funds left are the $651,427.

Motion: Motion by Senator Van Valkenburg, to approve the Executive level.

Recommendation and Vote: Voted, passed, one voting no.

Mr. Hoffman said there would be one other item, the language the committee would like to see in regard to the MACH and Preventive Health Care block grant if those funds are received.

Mr. Huth asked if this could be addressed later, depending on what we see in the MIAMI project.

ADJOURNMENT

Adjournment At: 11:40 a.m.

Dorothy Bradley

REP. DOROTHY BRADLEY, Chairman

DB/sk

3323.min

DAILY ROLL CALL

HUMAN SERVICES SUBCOMMITTEE

DATE 2/8/89

NAME	PRESENT	ABSENT	EXCUSED
Rep..Bradley (Chair.)	✓		
Sen. Keating (Vice Chair.)	✓		
Sen. Hofman	✓		
Sen. Van Valkenberg	✓		
Rep. Cody	✓		
Rep. Cobb	✓		
Rep. Grinde	✓		

Form CS-30A
Rev. 1985

EXHIBIT 1
DATE 2/8/89
HB Human Serv. Subcom

February 7, 1989

TO: Representative Dorothy Bradley
Chairperson
Human Services Joint Appropriations Subcommittee

Representative William Menaham
Chairperson
Institution and Cultural Education Joint
Appropriations Subcommittee

FROM: Curt Chisholm
Director
Department of Institutions

Dennis M. Taylor
Administrator
Developmental Disabilities Division

SUBJECT: Response To Appropriation Subcommittee Questions

The following information has been prepared by the Departments of Social and Rehabilitation Services (SRS) and Department of Institutions (D of I) to address the questions raised by the members of the joint subcommittees (Human Service & Institution and Cultural Education) and in response to:

1. the January 30, 1989 letter from Peter Blouke, Senior Fiscal Analyst; and

2. the January 31, 1989 letter from Taryn Purdy, Associate Fiscal Analyst.

Representatives from SRS and D of I will be at the combined meeting of the joint subcommittees (Human Service & Institutions and Cultural Education) at 7:00 am on February 9, 1989 to present additional testimony and to answer questions from members of the subcommittees and their staff.

STATE OF MONTANA
Office of the Legislative Fiscal Analyst
STATE CAPITOL
HELENA, MONTANA 59620
406/444-2986

JUDY RIPPINGALE
LEGISLATIVE FISCAL ANALYST

WORK COPY

January 31, 1989

Mr. Curt Chisholm, Director
Department of Institutions
1539 Eleventh Avenue
Helena, MT 59620

Dear Mr. Chisholm:

The following is a list of questions submitted by members of the Institutions and Cultural Education Subcommittee for the hearing on Thursday, February 2.

1. How many administrative positions, including directors, are there in the community based programs? What are their salaries?

2. What costs are incurred by SRS to supervise community based services? What are the Department of Family Services licensing costs? What additional costs of administration and supervision will be incurred by both agencies with the additional facilities?

3. How many DD group homes, including intensive group homes, are there? Where are they located? How many clients do they serve?

4. What training does the staff receive? Who provides this training?

5. What is the staff turnover in the community based programs? How is turnover calculated? What is the turnover at MDC?

6. How do the inspection and licensing requirements for ICFMRs differ from the requirements of community based programs, including those which qualify for the medicaid waiver?

7. What active treatment is required in community programs and how is it delivered?

8. How are communities, where DD community facilities are to be located, prepared for this addition?

9. How do the persons involved, including the DD client and direct care and administrative staff, benefit from placement in the community?

10. What are the plans for serving the current waiting list? How is the waiting list compiled? Upon what criteria is it based?

11. What accountability do community group homes have to the state of Montana concerning time and money expended? Who specifically is responsible for evaluating programs and total expenditures?

12. Do federal regulations allow for a transition period for an ICFMR out of compliance with medicaid standards to maintain certification while a plan for changing the nature of or downsizing the facility is being implemented?

13. What are the terms of participation by the state in the Montana Health Facility Authority bond program? What would construction of the additional group homes cost?

If you have any questions, please contact me.

Sincerely,

Taryn Purdy
Associate Fiscal Analyst

TP3:pe:BJ1-31

TP - Question 1: How many administrative positions, including directors are there in the community based programs? What are their salaries?

A sample of community-based programs was selected to project administrative costs because of time restraints on gathering information. A total of nine corporations were selected statewide as representative of typical contracts for the community-based system. This sample was also representative of various sizes of contracts.

Sample test results:

Using data from the above sample, total administrative positions were projected to be approximately 202 for the 45 contractors statewide. Contracts were then grouped according to their respective size within three contract ranges.

Total salaries of administrative positions were projected to be approximately $3,794,882. Of this total, forty five directors (one for each corporation) are included in administrative costs.

Salaries within each contract range are as follows:

PROJECTED ADMINISTRATIVE POSITIONS & SALARIES
Community-Based Service System

CONTRACT RANGE	$1,000,000 to $1,800,000	$500,000 to $975,000	$ 5,000 to $475,000	Total Admin
Directors	3	10	32	45
Director Salaries	$ 97,921	$336,940	$650,112	$1,084,973
Remaining Admin Pos	43	50	64	157
Admin Salaries	$ 794,557	$975,000	$940,352	$2,709,909
Total Admin Pos	46	60	96	202
Total Admin	$ 892,478	$1,311,940	$1,590,464	$3,794,882

It is important to note that in most provider corporations, some administrative staff provide direct care services as well. This is especially true with the smaller corporations where even directors spend part of their time in direct care service.

TP - Question 2a: What costs are incurred by SRS to supervise community-based services?

The Developmental Disabilities Division's total budget for FY89 is $20,088,957. Of that amount, $1,189,180 (5.9%) is for administration and operating expenses with the remaining $18,899,777 (94.1%) dedicated to 55 non-profit provider corporations who provide the direct care services to 2,400 individuals.

The $1,189,180 operating budget supports 32.25 professional and support staff. The main responsibilities of the division staff in supporting the community-based service system are:

- Participating in individual habilitation planning, referral, and placement activities for clients served.
- Investigating alleged abuse or mistreatment.
- Resolving individual client crisis situations.
- Reviewing program techniques employing aversive procedures.
- Monitoring the service delivery system through annual reviews, special program reviews, and the development and review of contractor objectives.
- Training provider staff in program techniques, aggression control, and other agreed upon training needs.
- Maintaining the medicaid waiver program by maintaining program and financial accountability.
- Reviewing and determining on-going client medicaid eligibility.
- Negotiating and maintenance of provider contracts.
- Maintaining of invoicing and payment system.
- Tracking and accountability of clients served by various and distinct funding sources.
- Monitoring contractor reporting requirements & audit results.
- Managing five federal grant sources including Early Intervention, Social Services Block Grant, Low Income Energy Assistance Program, Chapter I, and Medicaid Waiver.

- Meeting all financial and program reporting requirements.

- Monitoring and responding to all proposed state and federal legislation impacting the service system.

- Maintaining the community waiting list, and all referrals.

- Compiling and updating client information.

- Responding to the day-to-day program and financial needs of a $20 million program.

(Source: Department of Family Services)

TP - Question 2b: What are the Department of Family Services licensing costs?

Currently, the Department of Family Services (DFS) has eight individuals assigned to the licensing function of the department. Licensing approximately 90 DD group homes is a small part of their overall licensing responsibilities. It is estimated that the total time spent on DD licensing by eight individuals is equivalent to a one-half FTE and costs approximately $20,000 per year. These individuals travel once a year for an announced visit to each group home.

DFS believes the current resources for this function are inadequate. Because of the lack of resources, time spent at each facility is insufficient and unannounced visits to assure continued compliance are not possible. Follow-up visits do occur when a complaint is filed by DDD field staff, relatives, neighbors, or other concerned individuals.

TP - Question 2c: What additional costs of administration and supervision will be incurred by community-based services with the additional facilities?

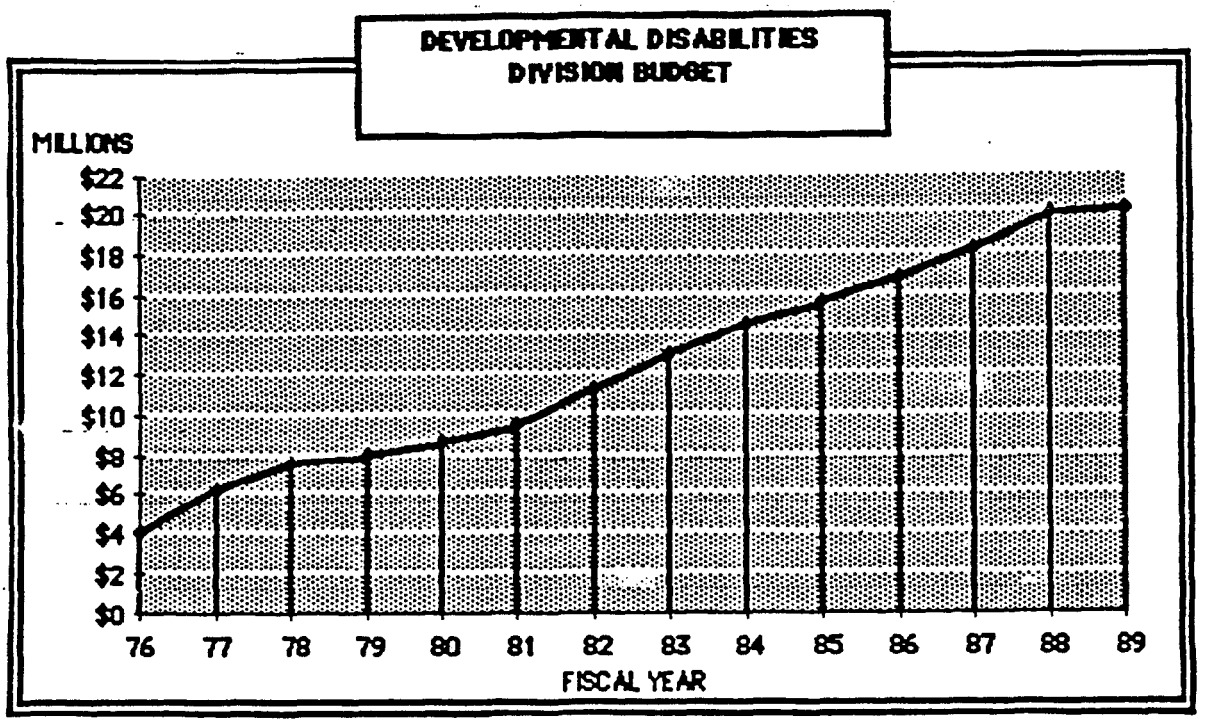
The Governor's budget recommends funding for three additional intensive group homes and day services. No additional funds were added for administration.

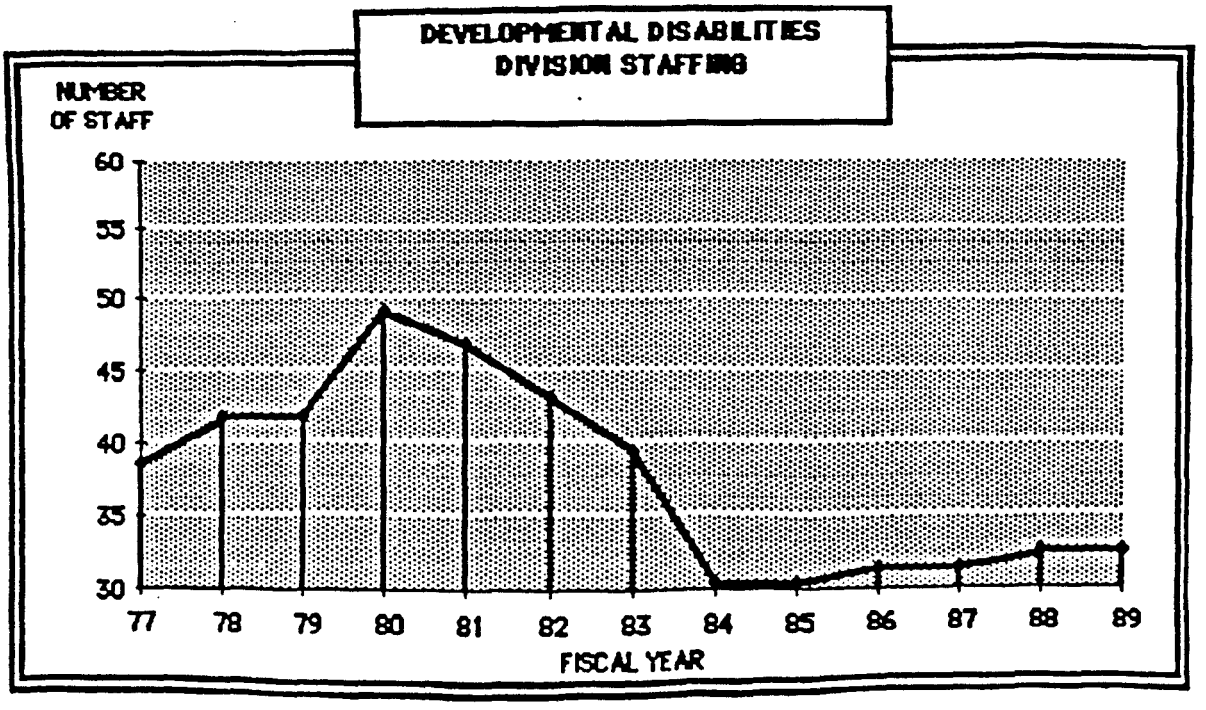
If more than three group homes are added, additional administrative dollars and staff would be needed. The Governor Schwinden's budget recommendation two years ago contained funding for one Specialized Service and Support Organization (SSSO). The SSSO provides for seven group

homes and one day service. Included in that request was funding for three FTE....two casemanagers and one training and contract monitor for the field office.

If more than seven group homes were added, additional field and central office staff would be needed. The attached graph compares the significant growth in client services to the "at times" decreasing staffing level of the Developmental Disabilities Division. As services increase, so do the complexities of maintaining a system which is attuned to client needs while still being financially accountable. The current staffing level is barely able to keep up with the demands of the present system.

TP 2 cont.


DEVELOPMENTAL DISABILITIES
DIVISION BUDGET
MILLIONS
$22
$20
$18
$16
$14
$12
$10
$8
$6
$4
$2
$0
76 77 78 79 80 81 82 83 84 85 86 87 88 89
FISCAL YEAR


DEVELOPMENTAL DISABILITIES
DIVISION STAFFING
NUMBER
OF STAFF
60
55
50
45
40
35
30
77 78 79 80 81 82 83 84 85 86 87 88 89
FISCAL YEAR

TP - Question 3: How many DD group homes, including intensive group homes, are there? Where are they located? How many clients do they serve?

AREA I

COMMUNITY	INTENSIVE	STANDARD	SENIOR	CHILDREN
Miles City		25 (3)		5 (1)
Sidney		8 (1)		5 (1)
Glasgow		8 (1)		
Malta		8 (1)		
Plentywood		8 (1)		
Billings	34 (5)	32 (4)		13 (3)
Lewistown		8 (1)		
Red Lodge		16 (2)		
Hardin		16 (2)		
Glendive				5 (1)
AREA II				
Great Falls	10 (2)	40 (5)	16 (2)	15 (3)
Havre	6 (1)	16 (2)		10 (2)
Conrad		8 (1)		
Shelby		8 (1)		
Choteau		8 (1)		
Harlem		8 (1)		
Browning		8 (1)		
Kalispell		27 (4)		4 (1)
Libby		8 (1)		
Ronan		8 (1)		
Polson		8 (1)		
Plains		8 (1)		
AREA III				
Helena	38 (5)	40 (5)	16 (2)	
Anaconda		8 (1)		
Butte		32 (4)		
Livingston		8 (1)		
Dillon		8 (1)		
Bozeman		24 (3)		
Missoula		24 (3)		
Hamilton		8 (1)		
TOTALS	84 (13)	436 (55)	32 (4)	53 (12)

Note: The number in parentheses indicates the number of homes. The other number is the number of individuals served.

TP - Question 4: What training does the staff (community) receive? Who provides this training?

In 1977 the community-based services system had approximately $500,000 to provide training to persons who worked in community programs. These services were delivered first through private contractors and later by state employees. Across the next ten years the resources devoted to staff training gradually eroded, partly due to the misguided belief that training was a one-time event that wouldn't be as necessary once the service system was up and running. Between FY 1980 and FY 1985 the DDD lost 18 full equivalent employees, the majority of whom were involved in training activities.

In recent times the DDD has continued to provide some training, but a significantly reduced amount from what was previously available. All staff who "assist and supervise" individual clients who take medications are required to successfully complete training that has been approved by the Montana Board of Nursing. Staff who work in group homes are required to receive first aid and CPR training. DDD also offers a basic habilitation skills course called the Developmental Disabilities Client Programming Technician (DD/CPT). This course is available on a "for credit" basis through several Montana colleges and universities.

Group home licensing regulations require providers to provide in-service and ongoing training to their staff. Some of these courses are extremely comprehensive, while others are of a more introductory nature.

In addition to this ongoing training, the DDD, service providers, the Developmental Disabilities Planning and Advisory Council (DD/PAC), and other organizations sponsor periodic special topic workshops and an annual conference for direct care staff with presentations by speakers from around the nation.

TP - Question 5: What is the staff turnover in the community-based programs and how is the turnover calculated?

In mid-December 1988, the Developmental Disabilities Planning and Advisory Council (DD/PAC) sent a questionnaire to all community-based providers employing direct care staff. Providers were asked to identify the of number direct care staff who had left within the preceding 12 month period. This data was collected by individual job classifications.

Of the 46 questionnaires sent out, 29 providers had responded as of 1/31/89. Of the 568 positions employed by these 29 providers, 241.5 positions were vacated during the recent twelve month period, a 42.5% turnover.

TP - Question 6: How do the inspection and licensing requirements for ICFMRs differ from the requirement of community based programs, including those which qualify for the medicaid waiver?

ICF/MR standards are found in federal regulation. The standards were originally published in 1974 and were based primarily on the 1971 standards published by the Accreditation Council for Facilities for the Mentally Retarded, now renamed the Accreditation Council on Services for People with Developmental Disabilities (ACDD). They were developed on the assumption that they would be used for large public institutions. The most recent revision of these standards was adopted in October 1988 and can be found in 42 CFR, Subchapter E, Part 483, "Conditions of participation for long term care facilities." The revised standards are grouped into four major sections: Administrative Services; Active Treatment Services; Physical Environment; and Safety and Sanitation. The Health Care Financing Administration (HCFA) has also published ICF/MR Interpretive Guidelines to assist state surveyors in their annual review. In addition to the annual review performed by the state Health Department, ICFs/MR are subject to direct federal validation surveys, "look behind" reviews, conducted by HCFA regional officials.

Medicaid waiver regulations for community-based services waive the requirement that facilities meet ICF/MR regulations. However, a waiver must include satisfactory assurances to HCFA that "necessary safeguards (including adequate standards for provider participation) have been taken to protect the health and welfare of beneficiaries provided services under the waiver and to assure financial accountability for funds spent for the services."

Montana's waiver assurances are monitored and evaluated in several ways, by the federal government (HCFA), and by the state (the Legislative Auditor, the Department of Family Services, the Health Department, the Department of Social and Rehabilitation Services (SRS) and the Developmental Disabilities Division (DDD).

1. HCFA reviews and approves the annual report (the HCFA 372) and performs a "Compliance Review" twice during the life of the waiver (approved for three years).

2. The Legislative Auditor does one audit, intended to assure fiscal accountability, and an assessment intended to evaluate the quality of care provided, access to care and cost-effectiveness. The Legislative Auditor submits his report to HCFA.

3. The Health Department and Department of Family Services perform annual licensing surveys.
4. The Regional Developmental Disabilities Advisory Councils perform an annual program evaluation.

5. The Department of SRS performs regular financial audits.

6. The Developmental Disabilities Division performs an annual review as well as routinely assessing clients' need for the level of care of an ICF/MR, monitoring eligibility, monitoring expenditures, and participating in the development and monitoring of individual plans of care.

Other services for the developmentally disabled are licensed under the same rules as waiver services. They are reviewed annually by Regional Councils and by DDD staff. They are subject to audit and other financial accountability requirements. The are required to meet state and federal law and regulations and meet DDD contract obligations.

TP - Question 7: What active treatment is required in community programs and how is it delivered?

Federal regulations define active treatment as:

> "continuous program for each client, which includes aggressive, consistent implementation of a program of specialized and generic training, treatment, health services and related services that is directed towards(1) the acquisition of the behaviors necessary for the client to function with as much self determination and independence as possible; and(2) the prevention or deceleration of regression or loss of current optimal functional status."

While Montana law does not use the term active treatment, it does recognize a similar concept: each individual's right to "habilitation". Habilitation is characterized by:

1. each individual's right to maximize his own human abilities and enhance his ability to cope with his environment;

2. each individual's right, regardless of ability or status, to develop and realize his fullest potential;

3. each individual right to live as normally as possible; and

4. each individuals right to an habilitation plan that is developed, implemented and continuously maintained.

The requirement for appropriate habilitation services is implemented by the Department of Social and Rehabilitation Services through its contract with the private, not-for-profit providers who deliver services. SRS has published a series of policies, administrative regulations and contract performance requirements that define how service providers will deliver habilitation. Included among these are:

Policies

271 Selecting Residential Alternatives Policy
281 Entrance Into Respite Service Provision by Direct Respite Provider Policy
282 Exit From Respite Service Provision by Direct Respite Provider Policy
331 Client Funds and Personal Property Accountability Policy
411 Clients Rights Policy

412 Medications Recertification Policy
431 Entrance Into Vocational, Community Homes and Transportation Services Policy
432 Entrance Into Family and Child Training and Support Services Policy
433 Entrance Into Family and Child Respite Services Policy
434 Intensive Community Home Entrance Policy
441 Policy on Family Service Plans for Family and Children Services
443 Individual Program Plan Policy
444 IHP Form Policy
449 Training Proctor Policy

Administrative Rules

Purpose Of The Developmental Disabilities Division (ARM 46.8.102 Pg. 585)
Eligibility Requirements (ARM 46.8.103 Pg. 586)
Evaluation Services (ARM 46.8.104 Pg. 587)
Individual Habilitation Plans (ARM 46.8.105 Pgs. 587-592)
Confidentiality Of Information (ARM 46.8.106 Pgs. 592-593)
Client Grievance Procedure (ARM 46.8.107 Pg. 593)
Certification Of Persons Assisting In The Administration Of Medication (ARM 46.8.109 Pgs. 593-595)
Regional Councils (ARM 46.8.401 Pgs. 599-601)
Procedures for Obtaining, Suspending and Revoking Licenses
Standards: Adoption and Applicability (ARM 46.8.901 Pgs. 613-615)
Department Assistance (ARM 46.8.902 Pgs. 615-617)
Aversive Procedures, Purpose (ARM 46.8.1201 Pg. 617)
Use of Aversive Procedures (ARM 46.8.1203 Pg. 617)
Definitions for Aversive Procedures (ARM 46.8.1204 Pgs. 618-620.1)
Systematic Program Review (ARM 46.8.1206 Pg. 620.1)
Approval Criteria for Aversive Programs (ARM 46.8.1207 Pgs. 620.1-620.2)
Classification and Conditions Governing Use or Procedures (ARM 46.8.1208 Pgs. 620.2-620.5)
Area Program Review Committees (ARM 46.8.1210 Pg. 620.5)
Developmental Disabilities Program Review Committee (ARM 46.8.1211 Pgs. 620.5-620.6)
Restriction of Any Client Rights (ARM 46.8.1213 Pgs. 620.6-620.7)

The implementation of these provisions are evaluated by the SRS, the Department of Family Services and national accreditation agencies.

TP - Question 8: How are communities, where DD community facilities are to be located, prepared for this addition?

The DDD has published a set of guidelines that outline what service providers should do when opening new group homes or other residential services in the community. Entitled "Developing and Maintaining Good Community Relations", this booklet identifies a series of steps that can be taken to eliminate some of the common problems that occur when new homes are developed. Emphasis is placed on contacting neighbors, local officials and civic groups to be sure that they understand what is going on. Providers are encourage to have public meetings and an open house so that questions may be answered and issues addressed. Attached is a copy of "Developing and Maintaining Good Community Relations".

TP - QUESTION 9: How do the persons involved, including the DD client and direct care and administrative staff, benefit from placement in the community?

Individuals with developmental disabilities who live in communities throughout Montana benefit from a normalized, everyday lifestyle. In addition to receiving training and support services which increase and maintain their independency, numerous benefits exist such as the:

1. opportunity to live with, or close to, family and friends, and have a wide circle of friends;

2. opportunity to reside in same community with familiar neighbors, stores, etc. as long as one desires;

3. availability of living in settings with families or small numbers of other persons which is normal and pleasant;

4. availability of day time activities which closely approximate day time activities of normal individuals through attendance at public schools, attending small workshops, work activities centers or supported employment situations;

5. availability of a wide array of services needed by all people such as doctors and dentists with different specialties, hospitals, libraries, barbers, beauticians, clothing and shoe stores, restaurants, churches, banks, etc.;

6. availability of recreation opportunities such as swimming, ice or roller skating, bowling, 4-H club, scouts or campfire, jaycees, movies, concerts, plays, etc.;

7. smooth transition from child to adult services, i.e. from school to a work activity center or supported employment opportunity;

8. availability of a large number and variety of employment opportunities as one becomes ready for supported or competitive employment;

9. wide choice of normal, neighborhood residences including houses or apartments which allows integration with other community members; and

10. availability of public transportation services in some communities.

The direct care and administrative staff hired by agencies providing services to individuals with developmental disabilities benefit in numerous ways such as:

1. the availability of job in their community, or the availability of a job in many other Montana communities to which they might desire to relocate;

2. the availability of a job in the community in which family members such as a spouse or parents reside or where friends might reside;

3. the availability of a job which has career options and a career ladder either in one community or many communities within Montana allowing more geographical or career mobility;

4. the opportunity to experience or see a larger variety of possible job options or career opportunities;

5. the opportunity to receive on-the-job training to improve their employment status, earnings, knowledge, skills and self-worth;

6. the availability of other training or education available within the community such as college, vocational training schools, life-long education through the school system, and other informational courses offered through county extension agents, banks, red cross, etc.;

7. the opportunity to participate in the delivery of human services and do one's part in improving the lives of others; and

8. the opportunity to work with and become acquainted with individuals with developmental disabilities-just another person the same as us but yet different-just like all people.

TP - Question 10a: What are the plans for serving the current waiting list?

In 1986 and 1988 as part of the governor's Executive Planning Process (EPP), the Developmental Disabilities Division (DDD) developed detailed plans for meeting the community-based service needs of the unserved, underserved and inappropriately served who had been referred to the DDD Area Offices and were on the DDD waiting lists.

Both in 1986 and 1988 the waiting list reduction plans achieved by DDD were drastically scaled down during the budget building process. Only small portions of the total waiting list reduction service plan were approved by the Department of Social and Rehabilitation and the Office of Budget and Program Planning (OBPP). In 1986 the estimated cost for the biennium to eliminate the community waiting lists was $10,126,083. In 1988 the total cost to develop community-based services for everyone on the waiting list was estimated to cost approximately $10,101,014 for the biennium. (See attached EPP memorandum for detailed waiting list reduction plans and costs estimates.)

In addition to the plans developed for the EPP process each of the five Regional Developmental Disabilities Advisory Councils develops a regional service plan that is updated annually. These service plans usually project service needs for a three year period in the future.

TP - Question 10b: How is the waiting list compiled? Upon what criteria is it based?

Developmental Disabilities Division (DDD) area staff are responsible for maintaining the waiting list and submitting it to the central office on a quarterly basis.

For adults new to the system, applications for services are made through the county offices of human services. A DD case manager is assigned to complete referral information. For individuals in services, referrals are made through the Individual Habilitation Planning teams (IHP). All referrals are routed to the DDD Training and Contract Manager (TCM) who is the chairman of local "screening committees" (composed of case managers from the Department of Family Services, service providers and the TCM).

Committees in larger communities meet monthly to review and update the waiting list. In smaller communities committees meet less frequently but at least quarterly. Only individuals

who have been determined developmentally disabled and who have made application for services are included on the list. Individuals whose service needs cannot be met locally or who need emergency placement are referred statewide. The TCM sends copies of "statewide" referrals to all area offices and to the client service coordinator at the DDD central office who assists in the coordination of needed services.

Application for children's home-based services is made through the child and family service provider in the region. The provider maintains its waiting list and submits it to the DDD Area office each month.

The Area office administrative assistant compiles the waiting list for the Area before submitting it to the DDD central office. The list is composed of the following sections:

1. Individuals who are waiting for services at specific programs.

2. Individuals residing in group homes who need to move to a less restrictive service.

3. Individuals residing in nursing homes that need DDD funded services.

4. Special education students needing services upon graduation.

5. Individuals needing child and family services.

6. Individuals who want to stay on the waiting list but who are not ready for immediate placement.

7. Individuals who will accept placement anywhere in the state.

DEPARTMENT OF
SOCIAL AND REHABILITATION SERVICES

TED SCHWINDEN, GOVERNOR

P.O. BOX 4210

STATE OF MONTANA

HELENA, MONTANA 59604

February 3, 1988

TO: Gail Gray
Director

FROM: Dennis M. Taylor DMT
Administrator
Developmental Disabilities Division

SUBJECT: Executive Planning Process--DDD Recommendations for the 1991 Biennium

The Developmental Disabilities Division (DDD) proposals for service expansion and the 5% general fund reductions are submitted as required by the Executive Planning Process.

SERVICE EXPANSION

Please consider the critical needs for DDD program expansion. The five proposals for additions to current level expenditures are strongly recommended for inclusion in the Executive Budget for the 1991 biennium. Most address the chronic need to reduce waiting lists and expand community-based services to the unserved, underserved and the inappropriately served. The five proposals address intensive services, supported work, infant and toddler early intervention, direct care staff salary enhancements and waiting list reduction.

List of Additions:

1. Intensive Services:

   Increasing the community-based intensive service capacity remains the number one priority for program expansion. All existing intensive group homes and intensive day services are full. Turnover is rare. Waiting lists are long and growing. People who need intensive services are being placed in Montana Developmental Center (MDC) simply because there are no vacancies in community-based intensive services. Nearly half of the residents currently being served by MDC and Eastmont

Human Services Center could benefit from community-based services if intensive services are increased.

Option 1.1: Develop two Specialized Service and Support Organizations (SSSO) and three new six person group homes with corresponding day services.

Number of people served: 122

Estimated Costs:

	Total Cost	Federal Funds	General Fund
Biennium Total	$4,255,730	$2,530,221	$1,725,509*
Projected Annualized Total	$5,413,495	$3,540,577	$1,872,918

Option 1.2: Develop one SSSO.

Number of people served: 52

Estimated Costs:

	Total Cost	Federal Funds	General Fund
Biennium Total	$1,737,075	$1,051,790	$685,285*
Projected Annualized Total	$2,405,957	$1,556,968	$848,989

Option 1.3: Fund three new adult intensive group homes and the corresponding intensive day services.

Number of people served: 18

Estimated Costs:

	Total Cost	Federal Funds	General Fund
Biennium Total	$781,580	$426,641	$354,939
Projected Annualized Total	$601,581	$426,641	$174,940

* General fund costs for the SSSO can be

reduced if general fund dollars are transferred from MDC to DDD for individuals who leave MDC for the SSSO. Approximately one half of the individuals to be served by an SSSO could come from MDC or Eastmont Human Services Center.

(See Attachments A & B.)

2. **Supported Work:**

Supported employment allows individuals with severe disabilities to work in integrated, individual job placements. New federal vocational rehabilitation time-limited funds for supported employment initial training are now available to help expand this promising alternative to segregated work activity and sheltered workshop based habilitation training. Sheltered employment programs in Montana have been successful. Demand for supported employment services exceed current capacity. Long term funding for follow along services is especially in short supply.

Option 2.1: Increase supported work-individual job placement opportunities by 100.

Number of people served: 100

Estimated Costs:

	General Fund
Biennium total	$442,125
Projected annualized total	$353,700

Option 2.2: Increase supported work-individual job placement opportunities by 50.

Number of people served: 50

Estimated Costs:

	General Fund
Biennium total	$309,487
Projected annualized total	$176,850

(See Attachments C & D.)

3. **Infant and Toddler Early Intervention:**

Part H of the Education of the Handicapped Act (PL 99-457) provides for an early intervention state grant intervention program for infants and toddlers aged birth through 3 years. In order to continue receiving federal funding, the state must make a policy commitment to ensure a full array of early intervention services to all eligible special needs infants and toddlers. Current level Part H federal funding, approximately $327,000 a year, ensures that 100 Montana families receive basic early intervention services (family training, case management and individual family service plan development). To demonstrate our policy commitment to early intervention services the State must broaden our definition of eligible children (developmental delay and "at risk") and ensure access to a greater array of early intervention services identified as needed by the individual family service plan (IFSP). Additional state funds for expanded early intervention services would be available only after Medicaid, mental health, health, third party payers and other appropriate funding sources were exhausted.

Option 3.1: **Adopt a definition of eligible infants and toddlers and expand the available early intervention services consistent with federal requirements (Part H early intervention services).**

Number of people served: 100

Estimated Costs:

	General Fund
Biennium total	$587,660
Projected annualized total	$376,900

(See Attachment E.)

4. Direct Care Staff Salary Enhancements:

Direct care staff in community-based programs are young, poorly paid, experience a high turnover rate and often lack the skills needed to provide appropriate habilitation services to individuals they serve. Most have gone two or

three years without a salary increase. DDD and MAIDS, the provider organization, have joined together to study direct care staff compensation and benefits issues. The comprehensive study, funded by DD-PAC, will be completed by September. Options to increase the compensation of qualified direct care staff, reduce turn over and ensure quality service are important anticipated outcomes of the joint study.

Option 4.1: Increase the salary of qualified direct care staff.

Estimated Costs:

	Total Cost	Federal Funds	General Fund
Biennium Total	$1,374,392	$265,258	$1,109,134
Projected Annualized Total	$ 920,798	$177,714	$ 743,084

(See Attachment F.)

5. Waiting Lists Reduction:

Waiting lists for community-based services are long and growing. Over 790 Montanans with developmental disabilities need services that are currently not available in sufficient numbers. Competition for the few openings that occur is keen and contentious. Some people must wait for nearly three years without any services before being successfully screened into a desired service. As frustrations grow so does the prospect of an "equal protection" or "right to treatment" lawsuit. The steady progress that the state has made in expanding community-based services must continue. I offer a series of options designed to reduce waiting lists. Based upon available funding, this priority list of needed service options can be funded in total or in parts.

Option 5.1: Provide service for special education graduates.

Number of people served: 85

Estimated Costs:

	Total Cost	Federal Funds	General Fund
Biennium Total	$1,628,190	$150,149	$1,478,041
Projected Annualized Total	$ 893,563	$100,099	$ 793,463

(See Attachment G.)

Option 5.2: **Increase specialized family care.**

Number of people served: 50

Estimated Costs:

	Total Cost	Federal Funds	General Fund
Biennium Total	$924,030	$589,790	$334,240
Projected Annualized Total	$513,350	$327,661	$185,689

(See Attachment H.)

Option 5.3: Increase respite care case load by 100.

Number of people served: 100

Estimated Costs:

	General Fund
Biennium total	$72,380
Projected annualized total	$51,700

(See Attachment I.)

Option 5.4: Demonstrate the adult supported living concept to at least 30 people across the state.

Number of people served: 30

Estimated Costs:

	Total Cost	Federal Funds	General Fund
Biennium Total	$288,750	$102,391	$186,359
Projected Annualized Total	$315,000	$111,699	$203,301

(See Attachment J.)

Option 5.5: Provide services to adults on the waiting list not addressed by other options.

Number of people served: 144

Estimated Costs:

	Total Cost	Federal Funds	General Fund
Biennium Total	$2,677,729	$160,479	$2,517,248
Projected Annualized Total	$1,888,618	$138,596	$1,750,022

(See Attachment K.)

SERVICE REDUCTION

It is with great reluctance that I offer proposals for the 5% general fund reductions requested by OBPP. DDD's share of reductions equal to 5% of FY88 appropriations is $279,841 in benefits and $13,997 in operations. Program cutbacks at the level requested by OBPP would be extremely painful and are, therefore, not recommended for the 1991 biennium Executive Budget.

List of Reductions:

A. Benefits ($279,841)

1. Attempt to convert children's group homes to Specialized Family Care.

   Projected general fund savings $125,869

2. Reduce evaluation and diagnostic services.

   Projected general fund reduction $153,972

(See Attachment L.)

Disadvantages (Benefits) - The proposed reductions would be extremely difficult to implement. Some children currently in group homes would end up in a state institution because of the problems associated with recruiting a sufficient number of foster homes. Any reduction in evaluation and diagnosis services could jeopardize federal funding for early intervention and would deny many infants and toddlers a necessary service. Either of the cuts would undoubtedly result in a substantial amount of public opposition but are the best of a limited number of options available.

B. Operations ($13,997)

1. Reduce staff travel.

   Projected general fund reduction $10,997

2. Reduce supplies and materials.

   Projected general fund reduction $2,000

3. Reduce staff training.

   Projected general fund reduction $1,000

   Disadvantages (Operations) - A substantial cut in travel would decrease the ability of DDD staff to ensure quality services are delivered to persons in community-based programs. In the past ten years, the client caseload has doubled while the travel budget has decreased. Travel is one of the few costs that is not fixed, but it is a necessary expense that is critical to the operation of the program.

In addition to standard EPP addition and reduction proposals, there is one other retrenchment option (affecting DDD and the Audit Bureau) that should be considered.

Alternative Retrenchment Option:

. Expand fee-for-service reimbursement.

. Reduce program audit.

All but one line of community-based services (sheltered workshop--adult habilitation services) purchased by DDD from non-profit service providers is reimbursed on a cost of service basis. The three year fee-for-service pilot project undertaken by DDD in 1986 for sheltered workshops shows promise for use in purchasing other lines of service. If the use fee-for-service reimbursement was increased by 50%, there could be a corresponding 50% decrease in the number of detailed program audits conducted each biennium. This could allow for more frequent program audits of the remaining purchase of service contracts (audited every other year) or a decrease in the number of audit personnel assigned to conduct DDD audits by the Audit Bureau.

DMT/Gray188

Attachments

cc: Ben Johns
Mike Hanshew
Larry Noonan

1. Intensive Services
Option 1.1 and 1.2 -- Specialized Service and Support Organization (SSSO)

Estimated Costs

Assume total day services and group homes for 104 clients.

Assume services in two locations, with 52 people per location.

Assume seven newly constructed group homes per location.

Assume a mix of both de-institutionalization and prevention of institutionalization.

Assume services operate for eight months in FY 91.

FY 90 Start Date	# of Clients	Fiscal Year Cost	Annualized Cost
None	None	None	None
FY 91			
Nov./90	52	$1,737,075	$2,405,957
Nov./90	52	1,737,075	2,405,957
FY 91 Total	104	$3,474,150	$4,811,914

Funding Sources

Assume 94% of clients are Medicaid eligible.

Assume funding using the medicaid waiver for eligible individuals. (70.92% XIX/29.08% G.F.)

Assume capital financing through MHFA.

Assume one time start-up costs of $105,481.

Assume the following funding:

	Total Cost	Title XIX	Gen. Fund
FY 90	$ 00	$ 00	$ 00
FY 91	$3,474,150	$2,103,580	$1,370,570
Biennium Total	$3,474,150	$2,103,580	$1,370,570
FY 92 Total	$4,811,914	$3,113,936	$1,697,978

SPECIALIZED SERVICE AND SUPPORT ORGANIZATION FACT SHEET

The Executive Budget contains a proposal for a new service delivery model that can meet the unique needs of Montana's citizens with severe developmental disabilities. The Specialized Service and Support Organization, or S.S.S.O., is a blend of the best aspects of the State's current community and institutional service systems.

The S.S.S.O. would provide specialized group home and day program services to a total of 52 severely disabled adults. Among the key features of this new service are:

Single Administrative Organization - In order to reduce costs and improve service coordination both the day program and residential components will be administered by a single private non-profit organization.

Specially Constructed Group Homes - The S.S.S.O. will consist of a total of 7 specially constructed group homes designed specifically to be handicapped accessible, eligible for federal funding and adaptable to other uses should needs change in the future.

Staffing and Training - The group homes and day program will have more staff than the typical community program. The capability to deliver specialized pre-service and in-service training will be an integral part of the program.

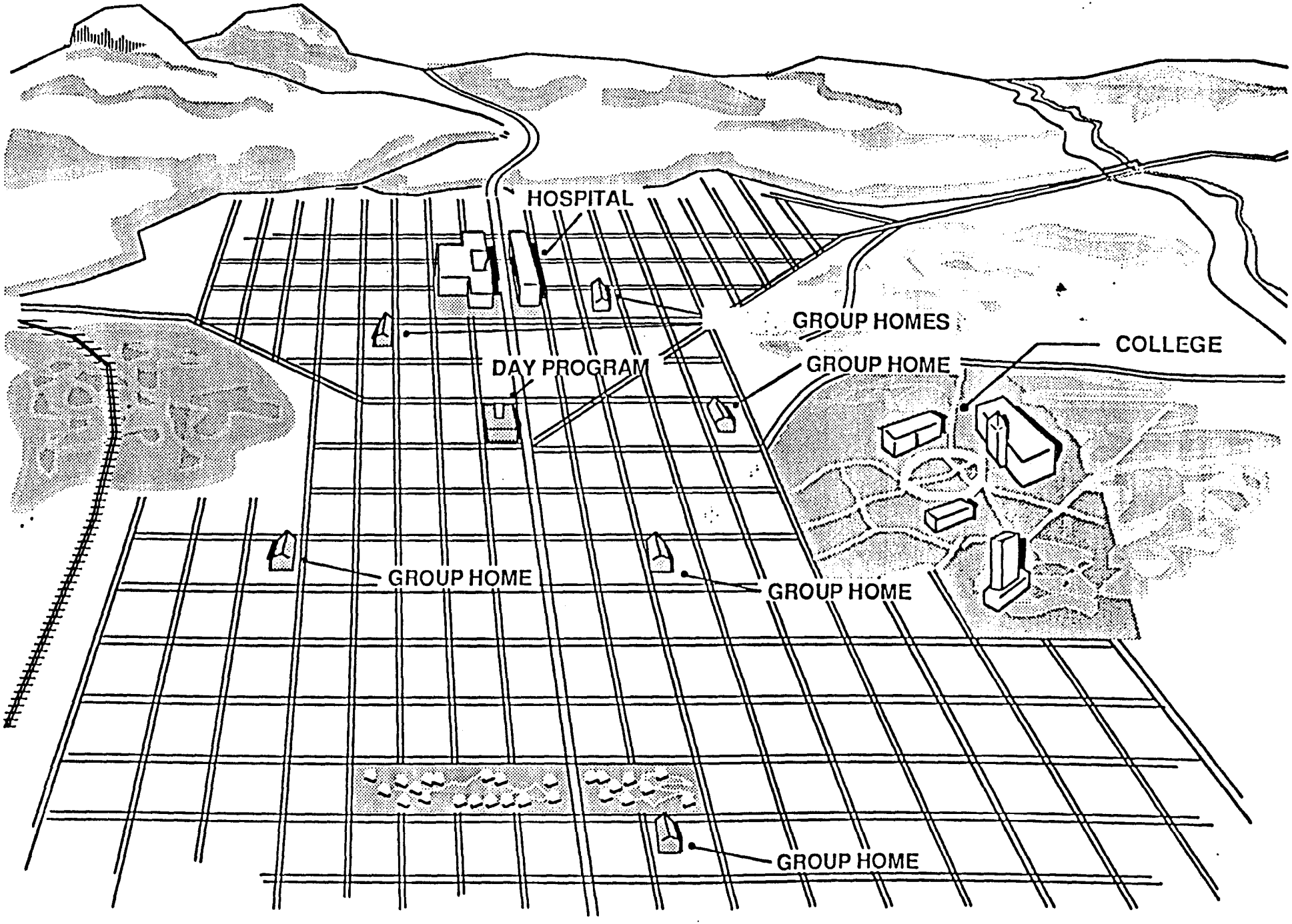
Professional Services - Specialized professional services, generally unavailable in the current community system, including physical therapy, occupational therapy, speech therapy, nutritional services and nursing services will be provided.

Community Integration - The homes will be built in neighborhoods dispersed throughout the community in which the S.S.S.O. is located, much like other group homes are today. During the day people will travel to the day program to receive the specialized training they require. Every attempt will be made to ensure as normal a routine and living environment as possible.

Community Resource - The unique capabilities of the S.S.S.O. to train staff and provide professional services such as physical therapy will be made available to other community-based service providers on a consultation and outreach basis, addressing a critical need in the community system.

Federal Funding - Due to the nature of the disabilities of the individuals served and the barrier free characteristics of the group homes, at least a portion of the cost of operation will be eligible for federal funding.

Institutional Alternative - The S.S.S.O. represents an appropriate community-based alternative for many persons currently institutionalized. The capacity to provide comprehensive services to the severly disabled will also help prevent unnecessary institutionalization in the future.



SPECIALIZED SERVICE AND SUPPORT ORGANIZATION

1. Intensive Services
Options 1.1 and 1.3 -- Three Intensive Group Homes and Corresponding Day Service

Estimated Costs

Assume one new 6 person adult intensive group home and corresponding intensive day services in each area. (a total of 3 statewide)

Assume the following annualized costs

A.	6 person intensive group home -	$141,144
B.	Intensive adult habilitation (6 slots) -	$ 54,283
C.	Transportation (slots) -	$ 5,100
	Total annualized cost per area	$200,527

Assume the following phase-in schedule:

FY 90

Start Date	# of Clients	Fiscal Year Cost	Start-Up (One Time)	Annualized Cost
Jan./90	6	$100,263	$ 60,000	$200,527
FY 90 Total	6	$100,263	$ 60,000	$200,527

FY 91

Annualized FY 90	6	$200,527	$ 00	$200,527
July/90	6	200,527	60,000	200,527
Jan./91	6	100,263	60,000	200,527
FY 91 Total	18	$501,317	$120,000	$601,581

Funding Sources

Assume the following projected match rates: (70.92 XIX/29.08 G.F.)

Assume all clients Title XIX eligible:

	Total Cost	Title XIX	Gen. Fund
FY 90	$160,263	$ 71,107	$ 89,156
FY 91	$621,317	355,534	$265,783
Biennium Total	$781,580	$426,641	$354,939
FY 92 Total	$601,581	426,641	$174,940

NOTE: Projects financed through the Montana Health Facility Authority or other similar entities may require significantly less one time start-up funds.

2. Supported Work
Option 2.1 -- Supported Work - Individual Job Placement

Estimated Costs

Assume average cost of $3,537 per person per year.
($3,400 X 1.02 X 1.02)

Assume 100% general fund.

Assume each of the seven existing vendors is increased by a caseload of ten.

Assume three new vendors are identified and funded with a caseload of ten.

Assume the following phase-in schedule:

FY 90

Start Date	# of Clients	Fiscal Year Cost	Annual Cost
Oct./89	25	$ 66,319	$ 88,425
Jan./90	25	44,212	88,425
FY 90 TOTALS	50	$110,531	$176,850

FY 91

Annualized FY 90	50	$176,850	$176,850
July/90	25	88,425	88,425
Oct./90	25	66,319	88,425
FY 91 TOTALS	100	$331,594	$353,700

Biennium Total	50	$442,125
FY 92 Total	50	$353,700

mh3/114

2. Supported Work
Option 2.2 -- Supported Work - Individual Job Placement

Estimated Costs

Assume average cost of $3,537 per person per year.
($3,400 X 1.02 X 1.02)

Assume 100% general fund.

Assume the following phase-in schedule:

FY 90

Start Date	# of Clients	Fiscal Year Cost	Annual Cost
July/89	25	$ 88,425	$ 88,425
Jan./90	25	44,212	88,425
FY 90 TOTALS	50	$132,637	$176,850

FY 91

Annualized FY 90	50	176,850	176,850
FY 91 TOTALS	50	$176,850	$176,850

Biennium Total	50	$309,487
FY 92 Total	50	$176,850

mh3/97

3. Infant and Toddler Early Intervention
Option 3.1 -- Part H Early Intervention Services

Estimated Costs

Assume 100 slots of family training at an average cost of $2,769 per person per year.

Assume an additional $100,000 per year in ancillary services such as Occupational Therapy, Physical Therapy, Speech, etc.

Assume 100% State General Fund expenditure.

Assume the following phase-in schedule:

FY 90 Start Date	# of Clients	Fiscal Year Cost	Annualized Cost
July/89	N/A	$100,000	$100,000
July/89	20	55,380	55,380
Oct./89	20	41,535	55,380
Jan./90	20	27,690	55,380
FY 90 TOTAL	60	$224,605	$266,140
FY 91			
Annualized 90	60	$266,140	$266,140
July/90	20	55,380	55,380
Oct. 90	20	41,535	55,380
FY 91 TOTAL	100	$363,055	$376,900

Biennium Total	$587,660
FY 92 Total	$376,900

mh3/104

4. Direct Care Staff Salary Enhancements
Option 4.1 -- 3% Yearly Cumulative Increase

Estimated Costs

Assume $18,899,777 benefits appreciation.

Assume 80% of appropriation is personnel.

Assume direct care base of $15,119,802.

Funding Sources

Assume the following funding breakdown:

General Fund	80.7%
Medicaid	17.5%
Part H	1.8%

Assume the following medicaid match rates: (70.92 XIX/29.08 general fund).

Assume the following:

	Total Cost	Federal Funds	General Funds
FY 90	$ 453,595	$ 87,544	$ 366,051
FY 91	$ 920,798	$177,714	$ 743,084
Biennium Total	$1,374,392	$265,258	$1,109,134
FY 92 Total	$ 920,798	$177,714	$ 743,084

mh3/115

5. Waiting Lists Reduction
Option 5.1 -- Special Education Graduates

Estimated Costs

Assume all 1988, 1989 and 1990 special education graduates have identified service needs met.
(Source: January, 1988 Waiting List)

Assume the following costs:

Service	Annualized Cost Per Person
Adult Group Home	$ 7,750*
Intensive Group Home	23,524*
Individual Job Placement	3,400
Adult Day Program	5,672
Transportation	850*
Independent Living	3,028

* Above Statewide Averages

Assume one time group home start-up costs of $180,000 in FY 90 and $120,000 in FY 91.

Assume the following phase-in schedule:

FY 90 Start Date	Service	# of Clients	Fiscal Year Cost	Annualized Cost
July/89	Adult Day Program	48	$272,256	$272,256
July/89	Indiv. Job Plcmt.	15	51,000	51,000
July/89	Transportation	48	40,800	40,800
Jan./90	Intensive G.H.	6	130,572**	141,144
Jan./90	Adult G.H.	16	182,000***	124,000
FY 90 TOTALS		63	$676,628	$629,200
FY 91				
FY 90 Annualized		48	$629,200	$629,200
July/90	Adult Day Program	21	119,112	119,112
July/90	Transportation	21	17,850	17,850
July/90	Indiv. Job Plcmt.	1	3,400	3,400
Jan./91	Adult G.H.	16	182,000***	124,000
FY 91 TOTALS		85	$951,562	$893,562

** includes start-up costs of $ 60,000
*** includes start-up costs of $120,000

Funding Sources

Assume the following estimated Title XIX match ratio for intensive services (70.92% XIX/29.08% G.F.)

Assume all other services and start-up costs are 100% General Fund

Assume the following funding:

	Total Cost	Title XIX	Gen. Fund
FY 90	$ 676,628	$ 50,050	$ 626,578
FY 91	$ 951,562	$100,099	$ 851,463
Biennium Total	$1,628,190	$150,149	$1,478,041
FY 92 Total	$ 893,562	$100,099	$ 793,463

mh3/106

5. Waiting Lists Reduction
Option 5.2 -- Specialized Family Care

Estimated Costs

Assume we add one caseload of 10 slots to each of the existing S.F.C. providers. (a total of 50)

Assume an average cost of $10,267 per case per year.

Assume the following phase-in schedule:

FY 90

Start Date	# of Clients	Fiscal Year Cost	Annual Cost
July/89	20	$205,340	$205,340
Oct./89	20	154,005	205,340
Jan./90	10	51,335	102,670
TOTAL		$410,680	$513,350

FY 91

Annualized FY 90	50	$513,350	$513,350

Funding Sources

Assume the following estimated Title XIX match ratio (70.92% XIX/ 29.08% G.F.)

Assume 10% of the slots are funded with 100% G.F.

Assume the following funding:

	Total Cost	Title XIX	Gen. Fund
FY 90	$410,680	$262,129	$148,551
FY 91	$513,350	$327,661	$185,689
Biennium Total	$924,030	$589,700	$334,240
FY 92 Total	$513,350	$327,661	$185,689

mh3/101

5. Waiting Lists Reduction
Option 5.3 -- Respite Care

Estimated Costs

Assume an average cost of $517 per family per year.

Assume an increase of 100 slots statewide.

Assume 100% State General Fund expenditure.

Assume the following phase-in schedule:

FY 90 Start Date	# of Clients	Fiscal Year Cost	Annualized Cost
July 89	20	$10,340	$10,340
Oct./89	20	7,755	10,340
Jan./89	20	5,170	10,340
FY 90 TOTAL	60	$23,265	$31,020
FY 91			
Annualized FY 90	60	$31,020	$31,020
July/90	20	10,340	10,340
Oct./90	20	7,755	10,340
FY 91 TOTAL	100	$49,115	$51,700

Biennium Total	$72,380
FY 92 Total	$51,700

mh3/105

5. Waiting Lists Reduction
Option 5.4 -- Adult Supported Living

Estimated Costs

Assume one caseload of 10 in each area of the state(3) for a total of 30 statewide.

Assume an average cost of $10,500 per person.

FY 90 State Date	# of Clients	Fiscal Year Cost	Annualized Cost
April/90	10	$ 26,250	$105,000
FY 90 TOTAL	10	$ 26,250	$105,000

FY 91			
Annualized FY 90	10	$105,000	$105,000
July/90	10	105,000	105,000
Jan./91	10	52,500	105,000
FY 91 TOTAL	30	$262,500	$315,000

Funding Sources

Assume 50% of the people are eligible for medicaid waiver funding.

Assume the following estimates Title XIX match rate (70.92 XIX/29.08 general fund).

Assume the following funding:

	Total Cost	Title XIX	Gen. Fund
FY 90	$ 26,250	$ 9,308	$ 16,942
FY 91	$262,500	$ 93,083	$169,417
Biennium Total	$288,750	$102,391	$186,359
FY 92 Total	$315,000	$111,699	$203,301

mh3/108

5. Waiting Lists Reduction
Option 5.5 -- Adult Services Waiting List

Assume 3 adult group homes and corresponding day services in each administrative area of the state (total 9).

Assume 1 transitional living facilities and corresponding day services in each administrative area of the state (total 3)

Assume 1 intensive group home in each administrative area of the state (total 3).

Assume transportation services for all of the above.

Estimated Costs

Assume the following costs:

Service	Annualized Cost Per Person
Adult Group Home	$ 7,750
Intensive Group Home	23,524
Intensive Day Program	9,047
Individual Job Placement	3,400
Adult Day Program	5,672
Transitional Living	4,572
Transportation	850

Assume one time group home start-up costs of $60,000 per home.

Assume transitional living start-up of $40,000 per home.

Assume the following phase-in schedule:

FY 90

Start Date	Service	# of Clients	Fiscal Year Cost	Annualized Cost
Jan./90	Adult Group Home	24	$273,000*	$186,000
Jan./90	Adult Day Program	24	68,064	136,128
Jan./90	Transportation	24	10,200	20,400
Apr./90	Intensive G.H.	12	190,572*	282,288
Apr./90	Intensive Day Prog.	12	27,141	108,564
Apr./90	Transitional Living	8	49,144*	36,576
Apr./90	Adult Day Program	8	11,344	45,376
Apr./90	Transportation	20	4,250	17,000
FY 90 Totals		44	$633,715	$832,332

*Includes one time start-up

FY 91

Start Date	Service	# of Clients	Fiscal Year Cost	Annualized Cost
FY 90 Annualized		44	$ 832,332	$ 832,332
Oct./90	Adult Group Home	24	319,500*	186,000
Oct./90	Adult Day Program	24	102,096	136,128
Oct./90	Transportation	24	15,300	20,400
Oct./90	Transitional Living	16	134,864*	73,152
Oct./90	Adult Day Program	16	68,064	90,752
Oct./90	Transportation	16	10,200	13,600
Oct./90	Intensive G.H.	6	165,858*	141,144
Oct./90	Intensive Day Prog.	6	40,711	54,282
Oct./90	Transportation	6	3,825	5,100
Jan./91	Adult Group Home	24	273,000*	186,000
Jan./91	Adult Day Program	24	68,064	136,128
Jan./91	Transportation	24	10,200	13,600
FY 91 Totals		144	$2,044,014	$41,888,618

*Includes one time start-up

Funding Sources

Assume the following Title XIX match ratio for intensive services (70.92% XIX/29.08% general fund)

Assume all other services and start-up costs are 100% general fund

Assume the following funding:

	Total Cost	Title XIX	General Fund
FY 90	$ 633,715	$ 56,532	$ 577,181
FY 91	$2,044,014	$103,947	$1,940,067
Biennium Total	$2,677,729	$160,479	$2,517,248
FY 92 Total	$1,888,618	$138,596	$1,750,022

mh3/113

1986

EXECUTIVE PLANNING PROCESS (EPP) PROPOSED ADDITION

DIVISION: DEVELOPMENTAL DISABILITIES PRIORITY #: 1

PROGRAM: _____

TYPE OF ADDITION:

Workload Increase X

New Program/Service _____

Funding Change _____

Legislation Impacting General Fund _____

EXPLANATION OF PROPOSAL:

As of December, 1985, the Developmental Disabilities Division has identified a total of 913 individuals waiting for community based services. Given recent experience, it is estimated that the number of individuals waiting for services will increase by approximately 15% between now and the beginning of FY88. This proposal would provide funding to develop community based services for those individuals on the community services waiting list in the next biennium.

INCREASE BY FUND:

	FY 88	FY 89	Biennium
General fund	$3,296,083	$6,830,000	$10,126,083
Federal Funds			
County or Other Funds	_____	_____	_____
Total Increase	$3,296,083	$6,830,000	$10,126,083

WAITING LIST MODIFICATION WORKSHEET

Assume an unduplicated waiting list of 913 individuals (June, 1985)

Assume a growth rate of 15%

Include those waiting for services from Warm Springs State Hospital

Exclude individuals from Montana Developmental Center

The total slots of service necessary to serve the projected waiting list is 1340

Assume a proportional phase-in of these services across the first six quarters of the biennium.

Assume costs based on the FY86 statewide average for each service.

Multiply average cost per service times number of slots of service scheduled to begin each quarter.

Assume group home start-up costs of $50,000 per home.

Assume Transitional Living start-up costs of $20,000 per facility.

Assume three field staff grade 14 F.T.E.'s hired July 1, 1987

Salary	$25,300
Travel etc.	$ 4,700
	$30,000 per F.T.E.

(see attached worksheets)

TP - Question 11: What accountability do community group homes have to the State of Montana concerning time and money expended? Who specifically is responsible for evaluating programs and total expenditures?

Providers of community group homes are held accountable for time and expense in several ways:

1. Providers of residential services are required to submit a detailed budget of planned receipts, expenditures, and service units for each community group home. Any changes or modifications to the approved budget must be in writing and acceptable to the Department.

2. Semi-annual financial reports presenting actual revenue and expenditure information must be submitted at midyear and at June 30 of each fiscal year.

3. Additional reporting requirements at fiscal year end include a Statement of Financial Condition, Statement of Operating Results, and Statement of Changes in Fund Balance.

4. The financial information referred to above, in addition to employee time records, is subject to examination every two years by the SRS Department audit personnel.

5. DDD personnel at the area level insure that residential services are being provided in accordance with attendance reports.

The above requirements are included as part of all contracts between SRS and provider corporations.

TP - Question 12: Do federal regulations allow for a transition period for an ICF/MR out of compliance with medicaid standards to maintain certification while a plan for changing the nature of or downsizing the facility is being implemented?

Just prior to the end of the 1988 session, Congress included an amendment to the "Technical and Miscellaneous Revenue Act of 1988" which clarified and extended a provision in law that allowed states to submit a correction or reduction plan when an ICF/MR facility has been found to have non-life threatening deficiencies.

What follows is an October 1988 explanation of the amendment prepared by the National Association of State Mental Retardation Program Directors.

> "ICF/MR Correction/Reduction Plans. Section 8433 of H.R. 4333 amends Section 1922 of the Social Security Act, which authorizes the Secretary of Health and Human Services to approve ICF/MR correction and reduction plans under certain, specified circumstances. Originally added to the Act under Section 9516 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA; P.L. 99-272; see Intelligence Report bulletin No. 86-19, dated March 28, 1986), Section 1922 permits a state to submit and the Secretary to approve plans to correct non-life threatening deficiencies in ICF/MR facilities that are identified by federal survey teams. In submitting such a plan, a state may propose to make the necessary improvements within a six month time frame while maintaining the facility's current census level; or a state may request up to 36 months in which to complete such corrections as part of a long range plan to reduce the number of facility residents. If the state elects the latter option, it must meet a number of statutory conditions, including assurances of job protections for facility employees and holding a hearing on the plan to obtain public feedback.
>
> The original legislation also contained a 'sunset' date of April 6, 1989 for the provisions of Section 1922. Even though Section 9516 of P.L. 99-272 specified that the ICF/MR correction/reduction plan authority was to be effective upon enactment, HCFA officials subsequently ruled that the option would not be available to the states until final regulations were published.
>
> Congress reversed HCFA's interpretation of the effective date in an amendment to the 1987 reconciliation act (P.L. 100-201). However, when HCFA issued final regulations implementing the provisions of Section 9516 of COBRA on

January 25, 1988, it specified that a facility is qualified to submit a correction or reduction plan only if it has staffing or physical plan deficiences (see Intelligence Report bulletin No. 88-14, dated February 3, 1988).

Section 8433 of the tax bill amends Section 1922 of the Act to:

- explicitly permit the states to submit correction and reduction plans that involve active treatment deficiences. However, active treatment services would have to be made available to residents who remain in the facility during the period covered by a plan of reduction.

- delays the sunset date of Section 1922 until January 1, 1990.

The provisions of the amended Section 1922 will be applicable to any pending proceeding involving an ICF/MR facility that has been found to have non-life threatening deficiences during a federal look behind review, provided the Secretary has not yet made a final determination in the case. This part of the amendment is particularly important since: (a) it makes clear that the revised language applies to both pending and new cases; and (b) a state can take advantage of the Section 1922 correction/reduction plan option as long as its appeal of an HHS/HCFA termination action is pending and the HHS Appeals Council has not issued its decision in the case. Several federal Administrative Law Judges (ALJs) have ruled in recent months that a facility loses federal financial participation from the effective date of the original decertification order, even though the state may decide to carry its administrative appeal beyond the ALJ level to the HHS Appeals Council."

TP - Question 13: What are the terms of participation by the state in the Montana Health Facility Authority bond program? What would construction of the additional group homes cost?

The Montana Health Facility Authority (MHFA) provided this information regarding the terms of participation in the bond program.

"Pursuant to 90-7-102, MCA, an eligible health institution means any public or private nonprofit hospital, corporation, or other organization authorized to provide or operate a health facility in this state. In a circumstance where the state retains ownership of real property which is constructed or acquired for the purposes of providing health services mandated by statute it is an eligible applicant for Authority financing programs. If the state subordinates that service by contract to independent providers, then each provider must meet the private nonprofit criteria to qualify for capital financing from the Authority.

Public and private nonprofit health facilities must meet essentially the same conditions for Authority financing:

1. The applicant must be an eligible health institution and the project an eligible health facility.

2. The loan cannot exceed the cost of the project.

3. The project will be operated by the participant for the purpose of fulfilling its obligation to provide health care services.

4. The applicant has demonstrated to the Authority that it has the expertise to operate the institution.

5. The applicant can demonstrate it has sufficient revenues to provide for the payment of principal and interest on its loan.

6. The applicant has received approval from the state and local health planning agencies, if applicable, for their project.

7. The applicant will provide or is able to provide satisfactory security for the loan in one or more of the following ways:

    a. first security mortgage
    b. pledge of revenues
    c. pledge of the faith and credit of a governmental entity

d. letter of credit from an approved financial institution.

8. The financing requested by the applicant will have the effect of containing the costs of health care provided by the applicant.

Financial terms vary with each financing and are contingent upon the method of financing and the creditworthiness of the applicant." (Source: Jerry Hoover, Administrator)

As to the cost of the construction of community group homes, recent experience in building similar homes in several locations around the state has resulted in construction costs that range from $145,000 to $220,000. The $145,000 figure includes a good deal of donated labor and materials. Construction costs used to estimate MHFA financing costs have been based on $260,000 per home plus architect fees, comparable to the costs experienced in other states for similar construction.

STATE OF MONTANA
Office of the Legislative Fiscal Analyst
STATE CAPITOL
HELENA, MONTANA 59620
406/444-2986

JUDY RIPPINGALE
LEGISLATIVE FISCAL ANALYST

January 30, 1989

RECEIVED
JAN 30 1989
SRS
DD DIVISION

Mr. Ben Johns, Acting Director
Department of Social and Rehabilitation Services
Room 301, SRS Building
111 Sanders
Helena, MT 59620

Dear Mr. Johns:

The following questions have been submitted by members of the Human Services Subcommittee for your response during the meeting scheduled for Thursday evening, February 2, 1989. I have provided copies of all questions to both departments assuming the executive will coordinate the response.

1. What are the major issues that Mr. Chisholm referred to that have never been decided?

2. Is there an actual savings by moving persons out of Boulder if one includes all costs associated with the operation of both the institution and community programs.

3. How many current MDC residents could be moved into either existing community based service or moved into community services if additional services were available (assuming the same types of community service currently in existence, not a new model).

4. What is the condition of the physical plant at MDC? What are the major plant deficiencies and the cost to bring the plant up to full compliance with health safety codes and efficient operation?

5. What would be the maximum number of clients that could be appropriately served at MDC. This assumes adequate (non-crowded) spaces for all aspects of the MDC program.

6. Of the 188 current residents at MDC, many have requested placement in community programs but have not been placed in the community. Why have these clients not been placed?

7. How can the state move MDC clients to the community when there are already developmentally disabled persons in the community who are receiving no services?

8. What is the history from fiscal 1980 through fiscal 1988 of the cost per client at MDC and the comparable cost per client in community programs?

9. What is the current cost for comparable services at MDC and the community - General Fund and Other Funds.

10. What is the history of medicaid audits at MDC? Have there been other times when the federal government has threatened to withdraw medicaid funding? What were the deficiencies then and what are the deficiencies now.

11. The recent threat to withdraw medicaid funds is the culmination of a number of site visits to the MDC where the same deficiencies were found on a number of occasions. What are the deficiencies and why were they not corrected the first time?

12. What is the history of the cost per client at MDC (total funds) for FY 80, FY 82, FY 84, FY 86, FY 88 and the executive request for FY 90?

Sincerely,

Peter Blouke
Senior Fiscal Analyst

PB3:rs:rb1-30

PB - Question 1: What are the major issues that Mr. Chisholm referred to that have never been decided?

Mr. Chisholm will present testimony to the subcommittees regarding this question on February 9, 1989.

PB - Question 2: Is there an actual savings by moving persons out of Boulder if one includes all costs associated with the operation of both the institution and community programs?

The answer will be distributed to Subcommittees on February 9, 1989.

PB - Question 3: How many current MDC residents could be moved into either existing community-based service or moved into community services if additional services were available (assuming the same types of community service currently in existence, not a new model)?

Increasing community group homes and intensive group homes without adding new models would have the following anticipated impact on the current population of MDC:

	Group Homes/ Intensive GHs	Remain at MDC	Total
Adults	96	83	179
Children/Adolescents	2	5	7
Total	98	88	186

PB - Question 4: What is the condition of the physical plant at MDC? What are the major plant deficiencies and the cost to bring the plant up to full compliance with health safety codes and efficient operation?

The facilities at MDC are, in many ways, outmoded and inefficient. Most of the living units are larger than would be desirable for most effective programming. Utility costs are high and many buildings are being used for purposes other than what they were designed for.

On the other hand, the entire campus meets life safety standards. An approved long range building project will bring Unit 16 ABC into full licensing/certification compliance. The Department of Natural Resources and Conservation has funds available to do energy retrofits of the buildings which are tied to the central heating plant.

PB - Question 5: What would be the maximum number of clients that could be appropriately served at MDC? This assumes adequate (non-crowded) spaces for all aspects of the MDC program?

		Licensed Capacity	Current Occupancy
Cottage	10	30	22
	11	30	21
	12	24	22
	13	24	21
	14	20	16
	15	20	16
	16AB*	22*	22
	16C*	32*	32
	50	9	7
	55	7	7
	104B	10	5**
		228	186

* Licensed capacity will change with remodeling:

16AB - 28
16C - 26

** Not added in. Residents are in 104B temporarily.

PB - Question 6: Of the 188 current residents at MDC, many have requested placement in community programs but have not been placed in the community. Why have these clients not been placed?

With the possible exception of any resident who has been at MDC for only a short period, referrals have been completed and sent to DDD for all MDC residents. While in many cases the referrals are quite old, they are always updated and a current ITP is sent to DDD if a resident is being considered for placement.

From July 1, 1987 until the present, social workers from MDC have referred 40 residents to be screened for appropriate service openings throughout the state. These 40 represent individuals considered by Individual Habilitation Planning (IHP) teams at MDC to be ready for placement into currently existing types of community settings.

Screening committees attempt to choose, frequently from a list of as many as 60 or more referrals, the individual who most needs the service and whose service requirements can be adequately met by the program where the opening exists.

The DDD's Training and Contract Managers (TCM's) are responsible for seeing that each individual is fairly represented and the results of each screening documented.

Of the 40 who were screened for all appropriate openings, 12 were placed into community-based services. The most common reason given for not selecting an MDC resident was "another person was considered to be more in need" of the available service. Often persons from the community have been waiting for long periods of time without services or are in a crisis situation (e.g. elderly parents no longer able to care for them) while MDC residents are perceived as having their basic care and treatment needs met by the institution.

PB - Question 7a: How can the state move MDC clients to the community when there are already developmentally disabled persons in the community who are receiving no services?

This issue is broken down into two separate questions:

1. Why would a Montana Developmental Center (MDC) resident be selected for a current community opening when there are people in the community waiting for services?

2. Why would services be expanded to serve MDC residents instead of limiting expansion opportunities to the community people waiting for services?

People who serve individuals with developmental disabilities share the belief that individuals should be served in the least restrictive, most normal situations possible; families want their family members to be close to home; and services are more appropriate and less costly in the community. Montana law (53-20-101) states "The purpose of this part is to:

1. secure for each person who may be developmentally disabled such treatment and habilitation as will be suited to the needs of the person and to assure that such treatment and habilitation are skillfully and humanely administered with full respect for the person's dignity and personal integrity;

2. accomplisyh this goal whenever possible in a community-based setting;

3. accomplish this goal in an institutionalized setting only when a person is so severely disabled as to require institutionalized care..."

PB - Question 7b: Why select an MDC resident for a current opening?

The Developmental Disabilities Division has an agreement with the Montana Developmental Center to screen certain residents, considered by MDC as appropriate for community placement, for the few openings that occur in the community.

The screening committee in the location where the opening exists is made up of the provider, the local DFS social worker, and a training and contract manager (TCM) from DDD.

The committee selects from a pool of referrals, which includes the MDC clients, the local referrals (if there are any), and referrals from the "statewide waiting list" (i.e. individuals who have indicated that they will accept placement anywhere in the state). The most important questions that the committee must consider are:

1. Which individual is most in need of the service?

2. Can the provider adequately serve that individual given the resources of the corporation and the community?

Frequently, the local referrals will have strong advocates promoting their selection and arguing that MDC residents are already receiving services. According to the agreement with MDC, however, the TCM assures that MDC residents are seriously considered and that their needs are fairly represented.

If an MDC resident is selected it may be because there is not a local person more in need of the services, because there is not an individual on the "statewide waiting list" willing to move to that community, or because the program cannot meet the service requirements of the other individuals under consideration and it is agreed by the committee that the MDC resident would fit in well.

"Current level" placement opportunities are limited, occurring only if a person leaves services to return to his or her natural home, if an individual needs to move to a nursing home, or if an individual moves on to a more independent situation. In some communities, such as Billings and Missoula, the waiting lists are very long. In smaller, more remote communities, there may be no local waiting list. Also, certain services are more in demand than others. For instance, many of the individuals "in crisis" need intensive services which are the least likely to have openings.

PB - Question 7c: Why expand services for MDC residents?

Whenever service expansion is contemplated, long range needs of the service system and those of current clients as well as the immediate needs of the clients for whom the services are being developed are taken into consideration. Thoughtful expansion of community services results in more flexibility to meet a variety of needs, thereby creating opportunities for positive client movement within the system.

If state general fund dollars are made available for the express purpose of developing services for individuals currently residing at the Montana Developmental Center, the

Division could use those funds to match with Title XIX (Medicaid Waiver) money thereby stretching the dollars and the benefits to serve more people.

PB - Question 8: What is the history from fiscal 1980 through fiscal 1988 of the cost per client at MDC and the comparable cost per client in community programs?

The majority of individuals living at MDC would most likely receive Intensive Services, Specialized Family Care, or Senior Services if served by the community-based system. There are some individuals at MDC whose needs could not be met within the current community-based system.

Intensive Services are for those individuals who have very low self-help skills or inappropriate, problem behaviors. Group homes have a higher staff to client ratio and day programs are more oriented toward self-help skills versus vocationally oriented programs. It is assumed that an MDC resident, entering intensive community-based services would live in an intensive group home, attend an intensive adult habilitation program and receive necessary transportation services.

Intensive services are the most expensive community-based services. It is reasonable to assume that many MDC residents could initially be served in less expensive services or eventually move out of intensive services into less expensive services as their skills improved.

Specialized Family Care Services would provide the necessary support services to maintain a youth in a natural adoptive or foster care home. Usually families receiving specialized family care will also receive Family Training assistance which is a separate service category. Services would include aids, respite, family trainers, and any other necessary support. These youth would attend the local school system which would also provide transportation to and from school.

Senior Services provide a supervised living situation and day program for the elderly. Socialization, leisure skills, and maintenance of self-help skills are emphasized. It is assumed that an MDC resident entering the community-based system for senior services would live in a senior group home, attend a senior habilitation day program, and receive necessary transportation services.

The following table offers a ten year history of the <u>average</u> annual cost to serve an individual in Intensive Services, Specialized Family Care, and Senior Services. The average cost for Intensive and Senior services includes group home, day service, and transportation costs. Specialized Family Care includes the cost of home-based services only. These numbers are then compared to MDC total average cost per client for similar years.

PB 8 Continued

WITHOUT REIMBURSEMENT OFFSET:

	FY80	FY81	FY82	FY83	FY84	FY85	FY86	FY87	FY88
Total Cost/Resident/Day	89.82	99.10	128.90	134.91	141.09	143.64	146.00	152.51	165.95
Total Cost/Resident/Year	32,875	36,173	47,050	49,243	51,639	52,428	53,292	55,665	60,739

WITH REIMBURSEMENT OFFSET:

	FY80	FY81	FY82	FY83	FY84	FY85	FY86	FY87	FY88
Total Cost/Resident/Day	55.56	60.22	90.94	78.47	63.98	74.88	67.34	65.24	73.66
Total Cost/Resident/Year	20,279	21,982	33,192	28,642	23,351	27,331	24,578	23,812	26,884

(SOURCE: Department of Institutions)

PB - Question 9: What is the current cost for comparable services at MDC and the community - General Fund and Other Funds?

There are DDD funded services for both adults and children that serve people with needs similar to many of the individuals who reside at MDC. These services include:

1. Specialized Family Care(children)

2. Adult Intensive Services(residential/day program)

SPECIALIZED FAMILY CARE (SFC) COSTS--Assumptions used in preparing these cost estimates include:

1. costs are based on the statewide contract average for SFC, Family Training, Respite services(FY 90);

2. funding assumes Medicaid Waiver eligibility;

3. assumes average community costs for acute care under the regular Medicaid program; and

4. federal Supplementary Security Income(SSI) is $368 per month and available only to low income families.

SERVICE	COST	STATE	FEDERAL
DDD Contract			
SFC	$11,470	$3,335	$8,135
Family Training	$2,914	$2,914	------
Respite Care	$497	$497	------
Medicaid			
Acute Care	$2,276	$662	$1,614
Other			
Federal SSI	$4,416	-----	$4,416
Total:	$21,573	$7,408	$14,165

ADULT INTENSIVE SERVICES COSTS--Assumptions used in preparing these cost estimates include:

1. costs are based on statewide averages for intensive group home and day services(FY 90);

2. assume $368 per person per month in federal SSI

payments;

3. assume $94 per person per month in State Supplement payments;

4. assume Medicaid Waiver eligibility;

5. assume the current average acute care costs to Medicaid for a person on the Medicaid Waiver. These expenditures would cover physician services, occupational therapy, speech therapy, physical therapy and other medically related expenses;

6. assume Department of Family Services case management costs of $588 per individual.

SERVICE	COST	STATE	FEDERAL
DDD Contract			
Intensive G.H.	$18,883	$5,491	$13,392
Day Program	$7,717	$2,244	$5,473
Transportation	$784	$228	$556
Medicaid			
Acute Care	$2,276	$662	$1,614
DFS			
Case Management	$587	$294	$293
Other			
Federal SSI	$4,416	-----	$4,416
State Sup	$1,128	$1,128	------
Total:	$35,791	$10,047	$25,744

(SOURCE: MDC)

Wihtout reimbursement offset:

	FY 88	FY 89	FY 90	FY 91
TOTAL COST/RESIDENT/DAY	165.95	161.35	172.50	173.34
TOTAL COST/RESIDENT/YEAR	60,739	58,894	62,962	63,269

With reimbursement offset:

	FY 88	FY 89	FY 90	FY 91
TOTAL NET COST/RESIDENT DAY	73.66	63.59	59.24	58.67
TOTAL NET COST/RESIDENT/YEAR	26,884	23,210	21,623	21,415

PB - Question 10: What is the history of medicaid audits at MDC? Have there been other times when the federal government has threatened to withdraw medicaid funding? What were the deficiencies then and what are the deficiencies now?

Mr. Chisholm will present testimony to the subcommittees regarding this question on February 9, 1989.

PB - Question 11: **The recent threat to withdraw medicaid funds is the culmination of a number of site visits to the MDC where the same deficiencies were found on a number of occasions. What are the deficiencies and why were they not corrected the first time?**

Mr. Chisholm will present testimony to the subcommittees regarding this question on February 9, 1989.

PB - Question 12: What is the history of the cost per client at MDC (total funds) for FY 80, FY 82, FY 84, FY 86, FY 88 and the executive request for FY 90?

Without reimbursement offset:

	FY 80	FY 82	FY 84	FY 86	FY 88
TOTAL COST/RESIDENT/DAY	89.82	128.90	141.09	146.00	165.95
TOTAL COST/RESIDENT/YEAR	32,875	47,050	51,639	53,292	60,739

With reimbursement offset:

	FY 80	FY 82	FY 54	FY 86	FY 88
TOTAL NET COST/RESIDENT DAY	55.56	90.94	63.98	67.34	73.66
TOTAL NET COST/RESIDENT/YEAR	20,279	33,192	23,351	24,578	26,884

MAY 1989
HHuman Services Sub Com.

PROPOSALS

	MDC	EISC	Community
1. Joint DofI/SRS Study (1982)	40 beds for "Behaviorally Disruptive" and 40 beds for "Medically Fragile" resident	55 beds for "Care and Treatment" residents	16 additional slots in existing service system 156 additional slots in newly developed "Intensive Service Centers"
2. HB 909 Advisory Council Report (1984)	45 beds for DD persons with "Severe Behavior Management Problems" 8-15 beds for transitional or emergency services. Consider a facility to serve "naive offenders" at MDC.	55 beds for general Eastern Montana DD population.	Expanded community services to meet needs of unserved and underserved community residents as well as institution residents needing placement
Governor's Plan in Response to 909 Report (1984)	45-50 beds for DD persons with "Severe Behavior Management Problems" 10-15 beds for emergency and transitional services. Study services for "Naive Offenders".	55 beds for "Total Care" residents	Expand existing service models by 285 service slots. Develop new service models to serve deinstitutionalized persons.
3. Developmental Planning Task Force Report (1986)	Serve DD people with "Severe Behavior Problems" Serve "Naive Offenders" Serve DD people with "Severe Medical and/or Care Needs" Be a "professional resource" for community based DD programs.	Serve elderly DD people	Develop: 1) SSSO Programs 2) Supported Living Programs 3) Adult Congregate Living 4) Group Homes
Legislative Proposals			
1. Executive Budget Proposal (1985 Session) (Implementation of 909 recommendations)	Begin phase down during 86-87 biennium to 60 bed facility for 1) residents with "severe and persistent behavior problems" and 2) transitional and emergency services	Increase staffing to begin serving "total care" population	Develop one 52-bed specialized program for institution residents during biennium.
2. Senate Joint Resolution #8 (1987 Session) (endorsement of recommendations of Developmental Task Force)	Specialized programs for people with 1) "Severe Behavior Problems" 2) "Severe medical or care needs" 3) "Naive Offenders".	Specialized program for elderly DD people.	Improve community services in areas of case management, respite care, staff training, independent reviews of treatment.
3. Executive Budget Proposal (1987 Session)	No specific proposal	No specific Proposal	Develop one 52-bed SSSO
4. Executive budget proposal (1989 Session)	No specific proposal	No Specific Proposal	Develop 3 "intensive group homes" (A proposal for one 52-bed SSSO was not included in executive budget)

EXHIBIT 3
DATE 2/8/89
HB Hum Serv. Sub Com

PB - Question 2 Handout: Is there an actual savings by moving persons out of Boulder if one includes all costs associated with the operation of both the institution and community programs?

The following cost estimates have been prepared jointly by the Departments of Institutions (DofI) and Social and Rehabilitation Services (SRS). These figures are intended to provide the best possible answer to the question given the information available and do not, in any way, constitute a proposal. Because the question didn't specify the types of services to be provided, either in the institution or the community and in order to have a model on which to base the cost estimates, the following general assumptions have been made:

1. Costs for the 98 residents of MDC that the Department of Institutions estimates could be served in the existing community-based system in the answer to question #3 are based on a six person intensive group home model funded under the Medicaid Waiver.

2. Costs for the 88 residents who would remain at MDC are based on FY 1990 projected annual costs per resident.

TABLE 1 - DIRECT SERVICES

SERVICE	SERVED	COST	FEDERAL	STATE
Intensive Homes*	98	$4,257,332[1]	$2,772,600	$1,484,732
MDC	88	5,540,656[2]	3,637,832	1,902,824
Total	186	$9,797,988	$6,410,432	$3,387,556

[1]Includes group home, day program, transportation, SSI and State Supplement. Does not include ancillary services, such as acute medical care, occupational therapy, physical therapy, speech therapy. Average ancillary charges to Medicaid are $2,276 per year per client.

[2]This is cost of 88 residents based upon FY 1990 average resident total cost. An updated projected cost analysis based upon a 1984 study of a proposed 60 bed facility at MDC yields a total cost of $4,887,574 for a 90 bed facility (see attached). This cost, however, was predicated on a renovated scaled down MDC facility. Additional medical care charges to Medicaid are estimated to be $1,571 per resident per year.

TABLE 2 - ADMINISTRATION

FUNCTION	FTE	COST	FEDERAL	STATE
DDD Admin. Staff	2	$ 71,316	$20,682	$ 50,634
DDD Area Staff	3	101,229	8,097	93,132
DFS Case Managers	3	76,062	38,031	38,031
Total	10	$248,607	$66,810	$181,797

TABLE 3 - ONE TIME COSTS

ITEM	COST	FEDERAL	STATE
Group Home Start-up[1] (16 x $60,000)	$960,000	--------	$960,000
MDC Renovation[2]	?		
Payouts for affected MDC staff[3]	?		
Phase-in costs[4]	?		

[1]It is possible these start-up costs could be amortized across a number of years should Montana Health Facility Authority funding be available.

[2]It may be desirable to renovate the MDC facility to more efficiently serve a smaller caseload. The exact costs of this potential renovation have not been estimated.

[3]Accumulated leave for MDC staff laid off by a reduction in MDC capacity would have to be paid off. This amount has not been estimated.

[4]For a period of time prior to full implementation of the reduction of MDC to an 88 bed population, the total cost of community services plus MDC will exceed the amount shown in Table 1.

TABLE 4 - SUMMARY

ITEM	COST	FEDERAL	STATE
Community Services	$4,257,332	$2,772,600	$1,484,732
MDC Services	5,540,656	3,637,832	1,902,824
Administration	248,607	66,810	181,797
Start-up	?	?	?
Total	$10,046,595	$6,477,242	$3,569,353

2/7/89

MONTANA DEVELOPMENTAL CENTER
90 Bed ICF/MR
Proposed Budget

	1984	1985	1986	1987	1988	Estimated Cost for 90 bed
Personal Services	2,213,235	N/A	N/A	N/A	2,501,742	3,752,614
Contracted Services	206,752	215,022	223,623	232,568	241,871	362,806
Supplies	197,059	204,941	213,139	221,665	230,531	345,797
Communications	20,000	20,800	21,632	22,497	23,397	35,096
Travel	6,000	6,240	6,490	6,749	7,019	10,529
Rent	6,100	6,344	6,598	6,862	7,136	10,704
Utilities	175,000	182,000	189,280	196,851	204,725	307,088
Repairs	29,868	31,063	32,305	33,597	34,941	52,412
Other	6,000	6,240	6,490	6,749	7,019	10,529
Equipment						
Total Cost	2,860,014	672,650	699,556	727,538	3,258,382	4,887,574

NOTES:

1. The 1984 column is taken from the proposal dated 3/13/84, for HB909.
2. Personal Services for 1988 is based on the pay matrix 1986-1987, which has been in effect from 1986 through 1989. The original listing of positions and the corresponding salaries have been updated according to the pay matrix mentioned. The total figure was then divided by 60 (beds), then multiplied by 90 (beds) to arrive at the figure for personal services 1988 above.
3. The operating costs are computed by adding 4% inflation for each year beginning with 1985. This resulting figure for 1988 was then divided by 60 (beds), then multiplied by 90 (beds).
4. The Average Daily Population (ADP) for FY88 was 194.76; the average cost per day was $165.95 (per patient).

EXHIBIT 4
DATE 2/8/89
HB Human Svcs. Sub-Com.

MONTANA DEVELOPMENTAL CENTER
HCFA and LSC Surveys

Questions #10 and #11

12/17/85	DHES Annual Survey	
		Food and Nutrition Services
	442.465	Required services
		Safety and Sanitation
	442.506	Evacuation drills
	442.508	Fire protection exceptions for smaller ICFs-MR
01/13/86	DHHS Federal Survey	
	442.252	State safety and sanitation standards
	440.150(c)	(Standard for active treatment not met)
		Administrative Policies and Procedures
	442.404	Residents bill of rights
		(d) Exercising rights
		(f) Freedom from abuse and restraints
	442.405	Delegation of rights and responsibilities
	442.411	Qualified mental retardation professional
	442.413	Staff resident communications
	442.415	Health and safety laws
		Admission and Release
	442.420	Number of residents
	442.421	Review of preadmission evaluation
	442.422	Annual review of residents' status
		Personnel Policies
	442.430	Staff treatment of residents
	442.432	Staff training programs
		Resident Living
	442.433	Responsibilities of living unit staff
	442.435	Resident activities
	442.438	Physical restraint of residents
	442.440	Chemical restraint of residents
	442.443	Health, hygiene, grooming and toilet training
		Professional and Special Programs and Services
	442.454	Needed services
		Dental Services
	442.456	Planning and Evaluation
	442.457	Diagnostic services
	442.459	Education and Training
		Training and Habilitation Services
	442.463	Required services
	442.464	Staff
		Food and Nutrition Services
	442.465	Required services

01/19/87 DHHS Survey (Program and LSC)

440.150(c)	(Standard for active treatment not met)
	<u>Administration Policies and Procedures</u>
442.411	Qualified Mental Retardation Professional
442.413	Staff resident communications
	<u>Personnel Policies</u>
442.435	Resident activities
	<u>Training and Habilitation Services</u>
442.463	Required services
	<u>Physical and Occupational Therapy</u>
442.488	Staff and facilities
	<u>Recreation Services</u>
442.491	Required services
442.493	Staff

09/01/87 DHES Follow-up Survey

	<u>Administration Policies and Procedures</u>
442.411	Qualified Mental Retardation Professional
442.413	Staff resident communications
	<u>Training and Habilitation Services</u>
442.463	Required services

11/13/87 DHES Follow-up Survey

No "not met" standards cited

01/27/88 DHES L/S Survey

No "not met" standards cited

01/11/88 DHES Survey

No "not met" standards cited

06/13/88 DHES Follow-up Survey

No "not met" standards cited

09/30/88 DHES

440.150(c)	Standard for active treatment not met
	<u>Administrative Policies and Procedures</u>
442.404	Resident Bill of Rights
442.407	Policy and procedures manual

01/13/86 **DHHS Federal Survey** (continued)

	Nursing Services
442.478	Required services
442.480	Staff
	Pharmacy Services
442.483	Required services
	Physical and Occupational Therapy Services
442.486	Required Services
442.488	Staff and facilities
	Psychological Services
442.489	Required services
442.490	Psychologist
	Recreation Services
442.491	Required services
442.492	Records
442.493	Staff
	Social Services
442.494	Required services
442.495	Social workers
	Speech Pathology and Audiology Services
442.496	Required services
442.498	Staff and facilities

01/08/86 **DHHS Fire Safety Survey Report**

	Safety Standards
442.322 (or)	Fire protection: Exception smaller ICF (Bldg #55)
11.6311	LSC - (interior finish flame spread rating)

05/19/86 **DHHS Life Safety Code Survey**

No "not met" standards cited

05/21/86 **DHES Follow-up Survey**

	Food and Nutrition Services
442.465	Required services
	Physical and Occupational Therapy Services
442.486	Required services
	Speech Pathology and Audiology Services
442.496	Required services
	Safety and Sanitation
442.508	Fire protection exception for smaller ICFs-MR

09/30/88 DHES (continued)

	Personnel Policies
442.430	Staff treatment of residents
442.435	Resident activities
442.436	Personal possessions
442.438	Physical restraint of residents
442.440	Chemical restraint of residents
442.441	Behavior Modification Programs
	Professional and Special Program and Services
442.454	Needed services
	Training and Habilitation Services
442.463	Required services
	Food and Nutritional Services
442.465	Required services
442.466	Diet requirement
442.467	Meal service

12/30/88 DHES Follow-up Survey

440.150(c)	Standard for active treatment not met
	Administrative Policies and Procedures
442.404	Resident bill of rights
	Personnel Policies
442.430	Staff treatment of residents
442.435	Resident activities
442.438	Physical restraint of residents
442.440	Chemical restraint of residents
442.441	Behavior modifications programs
	Professional and Special Programs and Services
442.454	Needed services
	Training and Habilitation Services
442.463	Required services
	Food and Nutrition Services
442.466	Diet requirements
442.467	Meal services

EXHIBIT 5
DATE 2-8-89
HB

Community-Based Residences:

DEVELOPING AND MAINTAINING GOOD COMMUNITY RELATIONS

EXHIBIT 5
DATE 2-8-89
HB Social Services

TRIC
Training Resource & Information Center
P.O. Box 4210, Helena, Montana 59604
(406) 449–5647

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH & ENVIR SCIENCE PROGRAM: DIVISION ADMINISTRATOR

BUDGET ITEM	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Difference
FTE	2.50	2.50	0.00	2.50	2.50	0.00
Personal Services	$98,778	$96,762	$2,016	$99,034	$97,013	$2,021
Operating Expenses	28,982	16,831	12,151	29,099	16,278	12,821
TOTAL EXPENSES	$127,760	$113,593	$14,167	$128,133	$113,291	$14,842
FUNDING						
General Fund	$84,576	$69,744	$14,832	$84,827	$69,318	$15,509
Federal Revenue	43,184	43,849	(665)	43,306	43,973	(667)
TOTAL FUNDING	$127,760	$113,593	$14,167	$128,133	$113,291	$14,842

	FTE	Gen Fund	Total Funds
Issue 1. The executive budget includes $3,530 more for travel than the LFA budget.	0.00	2,153	3,530
Issue 2. The executive budget includes $1,418 more for other operating expenses than the LFA budget.	0.00	865	1,418

AGENCY: DEPT OF HEALTH & ENVIR SCIENCE PROGRAM: EMERGENCY MEDICAL SERVICES

BUDGET ITEM	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Difference
FTE	8.27	8.27	0.00	8.27	8.27	0.00
Personal Services	$239,552	$239,406	$146	$240,167	$240,020	$147
Operating Expenses	300,757	275,617	25,140	308,605	285,807	22,798
Equipment	4,050	4,050	0	4,240	4,240	0
TOTAL EXPENSES	$544,359	$519,073	$25,286	$553,012	$530,067	$22,945
FUNDING						
General Fund	$322,091	$280,908	$41,183	$329,432	$291,321	$38,111
State Special Rev	44,565	43,161	1,404	44,702	43,297	1,405
Federal Revenue	177,703	195,004	(17,301)	178,878	195,449	(16,571)
TOTAL FUNDING	$544,359	$519,073	$25,286	$553,012	$530,067	$22,945

	FTE	Gen Fund	Total Funds
Issue 1. The executive budget includes $2,826 more for travel expenses than the LFA budget.	0.00	1,526	2,826

AGENCY: DEPT OF HEALTH & ENVIR SCIENCE PROGRAM: BUREAU ADMINISTRATION

BUDGET ITEM	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Difference
FTE	3.00	3.00	0.00	3.00	3.00	0.00
Personal Services	$105,283	$103,135	$2,148	$105,502	$103,349	$2,153
Operating Expenses	140,804	131,706	9,098	140,833	131,087	9,746
Equipment	0	0	0	0	0	0
TOTAL EXPENSES	$246,087	$234,841	$11,246	$246,335	$234,436	$11,899
FUNDING						
General Fund	$0	$0	$0	$0	$0	$0
Federal Revenue	246,087	234,841	11,246	246,335	234,436	11,899
TOTAL FUNDING	$246,087	$234,841	$11,246	$246,335	$234,436	$11,899

	FTE	Gen Fund	Total Funds

Program: 07 - Family/MCH Bureau

Control: 92043 Title: Children/Special Health Needs

	Fiscal 1990	Fiscal 1991
FTE	0.50	0.50
Personal Services	$ 8,305	$ 8,310
Operating Expenses	44,405	44,394
Equipment	2,558	2,558
Subtotal	$55,268	$55,262
Other	-0-	-0-
Total Expenses	$55,268	$55,262
Funding		
General Funds	$ -0-	$ -0-
Other	55,268	55,262
Total Funds	$55,268	$55,262

Program: 07 - Family/MCH Bureau

Control: 92056 Title: MCH Staff Development

	Fiscal 1990	Fiscal 1991
FTE	1.50	1.50
Personal Services	$33,691	$33,714
Operating Expenses	16,309	16,286
Equipment	-0-	-0-
Subtotal	$50,000	$50,000
Other	-0-	-0-
Total Expenses	$50,000	$50,000
Funding		
General Funds	$ -0-	$ -0-
Other	50,000	50,000
Total Funds	$50,000	$50,000

AGENCY: DEPT OF HEALTH & ENVIR SCIENCE PROGRAM: CHILD NUTRITION

BUDGET ITEM	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Difference
FTE	3.50	3.50	0.00	3.50	3.50	0.00
Personal Services	$92,391	$90,506	$1,885	$92,695	$90,804	$1,891
Operating Expenses	71,626	63,763	7,863	72,103	63,696	8,407
Non-Operating	3,598,839	2,530,568	1,068,271	4,066,687	2,530,568	1,536,119
TOTAL EXPENSES	$3,762,856	$2,684,837	$1,078,019	$4,231,485	$2,685,068	$1,546,417
FUNDING						
Federal Revenue	$3,762,856	$2,684,837	$1,078,019	$4,231,485	$2,685,068	$1,546,417
TOTAL FUNDING	$3,762,856	$2,684,837	$1,078,019	$4,231,485	$2,685,068	$1,546,417

	FTE	Gen Fund	Total Funds
Issue 1. The executive budget includes $2,604,390 more grant authority than the LFA budget.	0.00	0	2,604,390

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH & ENVIR SCIENCE PROGRAM: WIC

BUDGET ITEM	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Difference
FTE	9.00	9.00	0.00	9.00	9.00	0.00
Personal Services	$217,119	$212,688	$4,431	$217,268	$212,834	$4,434
Operating Expenses	208,960	190,536	18,424	208,666	188,947	19,719
Equipment	3,000	3,000	0	0	0	0
Non-Operating	6,824,564	6,000,299	824,265	7,190,482	6,000,299	1,190,183
TOTAL EXPENSES	$7,253,643	$6,406,523	$847,120	$7,616,416	$6,402,080	$1,214,336
FUNDING						
Federal Revenue	$7,253,643	$6,406,523	$847,120	$7,616,416	$6,402,080	$1,214,336
TOTAL FUNDING	$7,253,643	$6,406,523	$847,120	$7,616,416	$6,402,080	$1,214,336

	FTE	Gen Fund	Total Funds
Issue 1. The executive budget includes $2,014,448 more authority for benefits and claims than the LFA budget.	0.00	0	2,014,448

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH & ENVIR SCIENCE PROGRAM: FAMILY PLANNING

BUDGET ITEM	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Difference
FTE	4.00	4.00	0.00	4.00	4.00	0.00
Personal Services	$113,219	$110,909	$2,310	$113,731	$111,410	$2,321
Operating Expenses	112,667	103,122	9,545	113,131	102,997	10,134
Equipment	0	0	0	0	0	0
Non-Operating	832,730	832,730	0	831,679	831,679	0
TOTAL EXPENSES	$1,058,616	$1,046,761	$11,855	$1,058,541	$1,046,086	$12,455
FUNDING						
Federal Revenue	$1,058,616	$1,046,761	$11,855	$1,058,541	$1,046,086	$12,455
TOTAL FUNDING	$1,058,616	$1,046,761	$11,855	$1,058,541	$1,046,086	$12,455

	FTE	Gen Fund	Total Funds

Program: 07 - Family/MCH Bureau

Control: 92058 Title: Montana Family Planning

	Fiscal 1990	Fiscal 1991
FTE	-0-	-0-
Personal Services	$ -0-	$ -0-
Operating Expenses	-0-	-0-
Equipment	-0-	-0-
Subtotal	$ -0-	$ -0-
Other	50,000	50,000
Total Expenses	$50,000	$50,000
Funding		
General Funds	$50,000	$50,000
Other	-0-	-0-
Total Funds	$50,000	$50,000

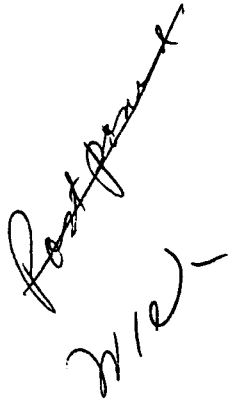
LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH & ENVIR SCIENCE PROGRAM: HANDICAPPED CHILDREN

BUDGET ITEM	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Difference
FTE	4.00	4.00	0.00	4.00	4.00	0.00
Personal Services	$97,344	$95,358	$1,986	$97,575	$95,583	$1,992
Operating Expenses	744,714	736,736	7,978	744,740	736,164	8,576
Non-Operating	0	0	0	0	0	0
TOTAL EXPENSES	$842,058	$832,094	$9,964	$842,315	$831,747	$10,568
FUNDING						
Federal Revenue	$842,058	$832,094	$9,964	$842,315	$831,747	$10,568
TOTAL FUNDING	$842,058	$832,094	$9,964	$842,315	$831,747	$10,568

AGENCY: DEPT OF HEALTH & ENVIR SCIENCE PROGRAM: MCH BLOCK GRANT TO COUNTIES

BUDGET ITEM	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Difference
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Non-Operating	$651,427	$721,596	($70,169)	$650,425	$719,458	($69,033)
TOTAL EXPENSES	$651,427	$721,596	($70,169)	$650,425	$719,458	($69,033)
FUNDING						
Federal Revenue	$651,427	$721,596	($70,169)	$650,425	$719,458	($69,033)
TOTAL FUNDING	$651,427	$721,596	($70,169)	$650,425	$719,458	($69,033)



LEGISLATIVE ACTION

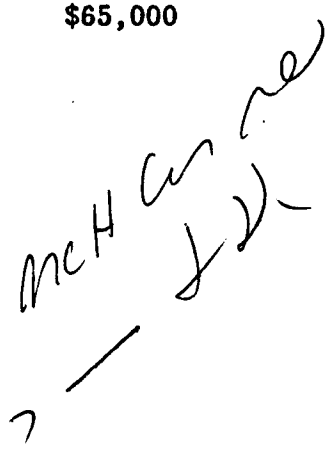
AGENCY: DEPT OF HEALTH & ENVIR SCIENCE PROGRAM: PERINATAL PROGRAM

BUDGET ITEM	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Difference
FTE	4.00	4.00	0.00	4.00	4.00	0.00
Personal Services	$130,607	$130,607	$0	$130,910	$130,910	$0
Operating Expenses	102,011	91,884	10,127	102,187	91,255	10,932
Equipment	0	0	0	0	0	0
TOTAL EXPENSES	$232,618	$222,491	$10,127	$233,097	$222,165	$10,932
FUNDING						
General Fund	$0	$0	$0	$0	$0	$0
Federal Revenue	232,618	222,491	10,127	233,097	222,165	10,932
TOTAL FUNDING	$232,618	$222,491	$10,127	$233,097	$222,165	$10,932

Program: 08 - Preventive Health Bureau

Control: 92006 Title: Low Birthweight Prevention PG

	Fiscal 1990	Fiscal 1991
FTE	-0-	-0-
Personal Services	$ -0-	$ -0-
Operating Expenses	66,000	65,000
Equipment	-0-	-0-
Subtotal	$66,000	$65,000
Other	-0-	-0-
Total Expenses	$66,000	$65,000
Funding		
General Funds	$66,000	$65,000
Other	-0-	-0-
Total Funds	$66,000	$65,000



Program: 08 - Preventive Health Bureau

Control: 92007 Title: Risk Prevention/Quality Assur

	Fiscal 1990	Fiscal 1991
FTE	-0-	-0-
Personal Services	$ -0-	$ -0-
Operating Expenses	25,000	20,000
Equipment	-0-	-0-
Subtotal	$25,000	$20,000
Other	-0-	-0-
Total Expenses	$25,000	$20,000
Funding		
General Funds	$25,000	$20,000
Other	-0-	-0-
Total Funds	$25,000	$20,000

Program: 08 - Preventive Health Bureau

Control: 92039 Title: AIDS

	Fiscal 1990	Fiscal 1991
FTE	8.00	8.00
Personal Services	$196,772	$197,069
Operating Expenses	355,060	444,119
Equipment	28,650	-0-
Subtotal	$580,482	$641,188
Other	-0-	-0-
Total Expenses	$580,482	$641,188
Funding		
General Funds	$ -0-	$ -0-
Other	580,482	641,188
Total Funds	$580,482	$641,188

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH & ENVIR SCIENCE PROGRAM: DENTAL

BUDGET ITEM	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Difference
FTE	1.00	1.00	0.00	1.00	1.00	0.00
Personal Services	$55,081	$55,081	$0	$55,538	$55,538	$0
Operating Expenses	41,623	36,285	5,338	41,690	36,214	5,476
Equipment	0	1,620	(1,620)	0	0	0
TOTAL EXPENSES	$96,704	$92,986	$3,718	$97,228	$91,752	$5,476
FUNDING						
General Fund	$22,321	$20,288	$2,033	$23,526	$20,248	$3,278
Federal Revenue	74,383	72,698	1,685	73,702	71,504	2,198
TOTAL FUNDING	$96,704	$92,986	$3,718	$97,228	$91,752	$5,476

AGENCY: DEPT OF HEALTH & ENVIR SCIENCE PROGRAM: BEHAVIROL RISK

BUDGET ITEM	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Difference
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	$14,511	$15,000	($489)	$14,511	$15,000	($489)
Equipment	0	0	0	0	0	0
TOTAL EXPENSES	$14,511	$15,000	($489)	$14,511	$15,000	($489)
FUNDING						
Federal Revenue	$14,511	$15,000	($489)	$14,511	$15,000	($489)
TOTAL FUNDING	$14,511	$15,000	($489)	$14,511	$15,000	($489)

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH & ENVIR SCIENCE PROGRAM: HEALTH EDUCATION RISK REDUCT

BUDGET ITEM	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Difference
FTE	1.00	1.00	0.00	1.00	1.00	0.00
Personal Services	$35,331	$35,331	$0	$35,487	$35,487	$0
Operating Expenses	21,043	18,604	2,662	21,145	18,483	2,662
TOTAL EXPENSES	$56,374	$53,935	$2,662	$56,632	$53,970	$2,662
FUNDING						
Federal Revenue	$56,374	$53,935	$2,662	$56,632	$53,970	$2,662
TOTAL FUNDING	$56,374	$53,935	$2,662	$56,632	$53,970	$2,662

Program: 08 - Preventive Health Bureau

Control: 92055 Title: Chronic Disease

The Chronic Disease modification is a request for a cooperative agreement to assist the state of Montana in developing a chronic disease control project in coordination with the Centers for Disease Control.

	Fiscal 1990	Fiscal 1991
FTE	1.50	1.50
Personal Services	$40,145	$40,172
Operating Expenses	52,004	51,971
Equipment	-0-	-0-
Subtotal	$92,149	$92,143
Other	-0-	-0-
Total Expenses	$92,149	$92,143
Funding		
General Funds	$ -0-	$ -0-
Other	92,149	92,143
Total Funds	$92,149	$92,143

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH & ENVIR SCIENCE PROGRAM: COMMUNICABLE DISEASES

BUDGET ITEM	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Difference
FTE	1.00	1.00	0.00	1.00	1.00	0.00
Personal Services	$34,030	$34,030	$0	$34,304	$34,304	$0
Operating Expenses	17,476	14,588	2,888	17,230	14,068	3,162
Equipment	0	0	0	0	0	0
TOTAL EXPENSES	$51,506	$48,618	$2,888	$51,534	$48,372	$3,162
FUNDING						
General Fund	$51,506	$48,618	$2,888	$51,534	$48,372	$3,162
TOTAL FUNDING	$51,506	$48,618	$2,888	$51,534	$48,372	$3,162

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH & ENVIR SCIENCE PROGRAM: STD & IMMUNIZATION

BUDGET ITEM	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Difference
FTE	6.00	6.00	0.00	6.00	6.00	0.00
Personal Services	$157,926	$161,149	($3,223)	$158,040	$161,269	($3,229)
STD						
Operating Expenses	22,103	28,625	(6,522)	22,187	28,362	(6,175)
Equipment	1,200	1,200	0	0	0	0
IMMUNIZATION						
Operating Expenses	96,876	64,342	32,534	97,445	64,161	33,284
Equipment	0	0	0	0	0	0
TOTAL EXPENSES	$278,105	$255,316	$22,789	$277,672	$253,792	$23,880
FUNDING						
General Fund	$41,294	$38,508	$2,786	$41,294	$38,341	$2,953
Federal Revenue	236,811	216,808	20,003	236,378	215,451	20,927
TOTAL FUNDING	$278,105	$255,316	$22,789	$277,672	$253,792	$23,880

	FTE	Gen Fund	Total Funds
STD Program			
Issue 1. The executive budget includes $3,998 more for travel expenses than the LFA budget.	0.00	800	3,998
IMMUNIZATION Program			
Issue 1. The executive budget includes $15,492 more for printing expenses than the LFA budget.	0.00	0	15,492
Issue 2. The executive budget includes $3,714 more for communication expenses than the LFA budget.	0.00	0	3,714
Issue 3. The executive budget includes $6,295 more for travel expenses than the LFA budget.	0.00	1,547	6,295

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LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH & ENVIR SCIENCE PROGRAM: RAPE CRISIS

BUDGET ITEM	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Difference
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Non-Operating	$11,968	$11,968	$0	$11,968	$11,968	$0
TOTAL EXPENSES	$11,968	$11,968	$0	$11,968	$11,968	$0
FUNDING						
Federal Revenue	$11,968	$11,968	$0	$11,968	$11,968	$0
TOTAL FUNDING	$11,968	$11,968	$0	$11,968	$11,968	$0

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH & ENVIR SCIENCE PROGRAM: RENAL

BUDGET ITEM	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Difference
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	$125,000	$125,000	$0	$125,000	$125,000	$0
TOTAL EXPENSES	$125,000	$125,000	$0	$125,000	$125,000	$0
FUNDING						
General Fund	$125,000	$125,000	$0	$125,000	$125,000	$0
TOTAL FUNDING	$125,000	$125,000	$0	$125,000	$125,000	$0

LEGISLATIVE ACTION

AGENCY: DEPT OF HEALTH & ENVIR SCIENCE PROGRAM: RABIES

BUDGET ITEM	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Difference
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	$52,702	$52,702	$0	$54,849	$54,849	$0
TOTAL EXPENSES	$52,702	$52,702	$0	$54,849	$54,849	$0
FUNDING						
Federal Revenue	$52,702	$52,702	$0	$54,849	$54,849	$0
TOTAL FUNDING	$52,702	$52,702	$0	$54,849	$54,849	$0

BUDGET ITEM	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Difference
FTE	25.55	25.55	0.00	25.55	25.55	0.00
Personal Services	$702,040	$702,040	$0	$703,429	$703,429	$0
Operating Expenses	337,499	256,298	81,201	341,612	252,158	89,454
Equipment	7,660	3,166	4,494	0	0	0
TOTAL EXPENSES	$1,047,199	$961,504	$85,695	$1,045,041	$955,587	$89,454
FUNDING						
General Fund	$345,575	$315,430	$30,145	$344,863	$313,432	$31,431
Federal Revenue	701,624	646,074	55,550	700,178	642,155	58,023
TOTAL FUNDING	$1,047,199	$961,504	$85,695	$1,045,041	$955,587	$89,454

	FTE	Gen Fund	Total Funds
Issue 1. The executive budget includes $31,614 more for travel expenses than the LFA budget.	0.00	10,433	31,614
Issue 2. The executive budget includes $3,198 more for contracted services than the LFA budget.	0.00	1,053	3,198
Issue 3. The executive budget includes $3,048 more for communications expenses than the LFA budget.	0.00	1,006	3,048
Issue 4. The executive equipment budget includes $4,494 more for single user computers than the LFA budget.	0.00	1,483	4,494

Program: 09 - Licensing and Certification

Control: 92011 Title: Supplemental/L & C Bureau

The Supplemental Licensing and Certification modification funds staffing to meet an increased workload resulting from new federal regulations and the growth in the number of health care facilities that must be surveyed.

	Fiscal 1990	Fiscal 1991
FTE	4.00	4.00
Personal Services	$ 85,721	$ 85,769
Operating Expenses	57,419	57,931
Equipment	-0-	-0-
Subtotal	$143,140	$143,700
Other	-0-	-0-
Total Expenses	$143,140	$143,700
Funding		
General Funds	$ 47,236	$ 47,421
Other	95,904	96,279
Total Funds	$143,140	$143,700

Program: 09 - Licensing and Certification

Control: 92052 Title: OBRA Labs

The OBRA modification is funded additional work associated with passage of the Omnibus Budget Reconciliation Act (OBRA) of 1987 which has mandated major changes in the way nursing homes deliver services, staff their facilities, are inspected by government agencies, and are sanctioned when services do not measure up.

	Fiscal 1990	Fiscal 1991
FTE	1.00	1.00
Personal Services	$25,410	$25,423
Operating Expenses	16,429	16,432
Equipment	2,500	2,500
Subtotal	$44,339	$44,355
Other	-0-	-0-
Total Expenses	$44,339	$44,355
Funding		
General Funds	$ 7,094	$ 7,097
Other	37,245	37,258
Total Funds	$44,339	$44,355

Program: 09 - Licensing and Certification

Control: 92053 Title: OBRA - General

	Fiscal 1990	Fiscal 1991
FTE	6.00	6.00
Personal Services	$133,209	$133,286
Operating Expenses	329,949	328,091
Equipment	30,000	7,000
Subtotal	$493,158	$468,377
Other	-0-	-0-
Total Expenses	$493,158	$468,377
Funding		
General Funds	$ 54,247	$ 51,521
Other	438,911	416,856
Total Funds	$493,158	$468,377

AGENCY: DEPT OF HEALTH & ENVIR SCIENCE PROGRAM: HEALTH PLANNING & RESOURCE D

BUDGET ITEM	Fiscal 1990 Executive	Fiscal 1990 LFA Curr Lvl	Fiscal 1990 Difference	Fiscal 1991 Executive	Fiscal 1991 LFA Curr Lvl	Fiscal 1991 Difference
FTE	4.75	4.75	0.00	4.75	4.75	0.00
Personal Services	$144,431	$141,484	$2,947	$144,849	$141,893	$2,956
Operating Expenses	57,955	43,816	14,139	58,036	42,986	15,050
Equipment	0	200	(200)	0	0	0
TOTAL EXPENSES	$202,386	$185,500	$16,886	$202,885	$184,879	$18,006
FUNDING						
General Fund	$202,386	$185,500	$16,886	$202,885	$184,879	$18,006
TOTAL FUNDING	$202,386	$185,500	$16,886	$202,885	$184,879	$18,006

PRIMARY CARE - OPTION A

	Fiscal 1988	Fiscal 1989		Fiscal 1990		Fiscal 1991	
TOTAL MEDICAID Service	PROJECTED	%Increase	COST	%Increase	COST	%Increase	COST
Inpatient Hospital	$31,238,385	10.227%	$34,433,291	10.227%	$37,954,956	10.331%	$41,876,082
Number of Services	NA	NA	NA	NA	NA	NA	NA
Cost per Service	NA	NA	NA	NA	NA	NA	NA
Outpatient Hospital	$5,663,209	10.227%	$6,242,414	10.227%	$6,880,857	10.331%	$7,591,718
Number of Services	388,740	0.035	402,346	0.035	416,428	0.035	431,003
Cost per Service	$14.57	0.065	$15.52	0.065	$16.52	0.066	$17.61
Physician	$12,436,429	5.052%	$13,064,780	3.500%	$13,522,047	3.500%	$13,995,319
Number of Services	555,906	0.035	575,363	0.035	595,500	0.035	616,343
Cost per Service	$22.37	0.015	$22.71	0.000	$22.71	0.000	$22.71
Other Pratitioners	$2,386,773	3.500%	$2,470,310	3.500%	$2,556,771	3.500%	$2,646,258
Number of Services	197,471	0.035	204,382	0.035	211,536	0.035	218,940
Cost per Service	$12.09	0.000	$12.09	0.000	$12.09	0.000	$12.09
Drugs	$9,275,396	3.500%	$9,600,035	3.500%	$9,936,036	3.500%	$10,283,797
Number of Services	748,541	0.035	774,740	0.035	801,856	0.035	829,921
Cost per Service	$12.39	0.000	$12.39	0.000	$12.39	0.000	$12.39
Dental	$2,996,449	3.501%	$3,101,353	3.500%	$3,209,901	3.500%	$3,322,247
Number of Services	122,534	0.035	126,823	0.035	131,261	0.035	135,856
Cost per Service	$24.45	0.000	$24.45	0.000	$24.45	0.000	$24.45
Other	$9,233,306	3.500%	$9,556,472	3.500%	$9,890,948	3.500%	$10,237,131
Number of Services	2,605,201	0.035	2,696,383	0.035	2,790,756	0.035	2,888,433
Cost per Service	$3.54	0.000	$3.54	0.000	$3.54	0.000	$3.54
TOTAL MEDICAID	$73,229,947	7.154%	$78,468,654	6.987%	$83,951,515	7.148%	$89,952,552
ADJUSTMENTS:							
ADD: RIVENDELL - BILLINGS 48 BEDS FY 89-91 @ $300.00/			$2,628,000		$2,628,000		$2,628,000
RIVENDELL - BUTTE 48 BEDS FY 89-91 @ $300.00/DAY			$1,839,600		$1,839,600		$1,839,600
SHODAIR - HELENA 20 BEDS FY 89-91 @ $420.00/DAY			$2,299,500		$2,299,500		$2,299,500
STATE MEDICAL TO MEDICAID TRANSFERS			$450,000		$450,000		$450,000
LESS: REFUNDS			($700,000)		($700,000)		($700,000)
FY 88 ADJUSTMENTS	$3,278,686						
ADJUSTED TOTAL MEDICIAD	$76,508,633		$84,985,754		$90,468,615		$96,469,652

DATE 2/16/89
HUMAN SERVICES SUBCOMMITTEE

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PRIMARY CARE - OPTION D

	Fiscal 1988		Fiscal 1989		Fiscal 1990		Fiscal 1991	
TOTAL MEDICAID Service	PROJECTED	%Increase	COST	%Increase	COST	%Increase	COST	
Inpatient Hospital	$31,238,385	10.227%	$34,433,291	10.227%	$37,954,956	10.227%	$41,836,799	
Number of Services	NA	NA	NA	NA	NA	NA	NA	
Cost per Service	NA	NA	NA	NA	NA	NA	NA	
Outpatient Hospital	$5,663,209	10.227%	$6,242,414	10.227%	$6,880,857	10.227%	$7,584,596	
Number of Services	388,740	0.035	402,346	0.035	416,428	0.035	431,003	
Cost per Service	$14.57	0.065	$15.52	0.065	$16.52	0.065	$17.60	
Physician	$12,436,429	5.052%	$13,064,780	10.227%	$14,400,980	10.227%	$15,873,840	
Number of Services	555,906	0.035	575,363	0.035	595,500	0.035	616,343	
Cost per Service	$22.37	0.015	$22.71	0.065	$24.18	0.065	$25.75	
Other Pratitioners	$2,386,773	3.500%	$2,470,310	10.227%	$2,722,961	10.227%	$3,001,452	
Number of Services	197,471	0.035	204,382	0.035	211,536	0.035	218,940	
Cost per Service	$12.09	0.000	$12.09	0.065	$12.87	0.065	$13.71	
Drugs	$9,275,396	3.500%	$9,600,035	10.227%	$10,581,878	10.227%	$11,664,140	
Number of Services	748,541	0.035	774,740	0.035	801,856	0.035	829,921	
Cost per Service	$12.39	0.000	$12.39	0.065	$13.20	0.065	$14.05	
Dental	$2,996,449	3.501%	$3,101,353	10.227%	$3,418,544	10.227%	$3,768,176	
Number of Services	122,534	0.035	126,823	0.035	131,261	0.035	135,856	
Cost per Service	$24.45	0.000	$24.45	0.065	$26.04	0.065	$27.74	
Other	$9,233,306	3.500%	$9,556,472	10.227%	$10,533,860	10.227%	$11,611,210	
Number of Services	2,605,201	0.035	2,696,383	0.035	2,790,756	0.035	2,888,433	
Cost per Service	$3.54	0.000	$3.54	0.065	$3.77	0.065	$4.02	
TOTAL MEDICAID	$73,229,947	7.154%	$78,468,654	10.227%	$86,494,036	10.227%	$95,340,213	
ADJUSTMENTS:								
ADD: RIVENDELL - BILLINGS 48 BEDS FY 89-91 @ $300.00/			$2,628,000		$2,628,000		$2,628,000	
RIVENDELL - BUTTE 48 BEDS FY 89-91 @ $300.00/DAY			$1,839,600		$1,839,600		$1,839,600	
SHODAIR - HELENA 20 BEDS FY 89-91 @ $420.00/DAY			$2,299,500		$2,299,500		$2,299,500	
STATE MEDICAL TO MEDICAID TRANSFERS			$450,000		$450,000		$450,000	
LESS: REFUNDS			($700,000)		($700,000)		($700,000)	
FY 88 ADJUSTMENTS	$3,278,686							
ADJUSTED TOTAL MEDICIAD	$76,508,633		$84,985,754		$93,011,136		$101,857,313	

EXHIBIT 8
DATE 2/8/89
HB Human Svcs Sub-C

DATE 2/8/89

COMMITTEE ON Sen Com Hum Serv BILL NO. _____

VISITOR'S REGISTER

NAME	REPRESENTING	Check One: Support	Check One: Oppose
Deborah Gabbe	MDC		✓
Julie Dahlin	AFSCME		
James B McCauley	Jefferson Co. Commission		✓
David W Kirsch	MACC		✓
Cecelia Ameneau	Boulder Business person		✓
Kathleen A Kirsch	Boulder Business		✓
Richard Moe	Boulder Public Schools.		✓
Robert Runkel	OPI		
Dale Taliaferro	DHES		
Kris Bakula	Montana Advocacy Program		
Kelly Moore	Board of Visitors		
Linda Sandman	DHES		
Doug Andersen	Jefferson Co. Commission		X
[redacted]	[redacted]		
Brenda Nordlund	MT Women's Lobby		

(Please leave prepared statement with Secretary)