

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By Vice Chairman Spaeth, on March 1, 1989, at 8:32 a.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Pam Joehler, Judy Rippingale, Dr. Peter Blouke

Announcements/Discussion: Chairman Bardanouve is in another committee and will be in later.

HEARING ON HOUSE BILL 532

"AN ACT ESTABLISHING A UNIFIED SUPPORTED EMPLOYMENT AND EXTENDED SERVICES PROGRAM FOR PERSONS WITH SEVERE DISABILITIES; APPROPRIATING FUNDS; AND PROVIDING EFFECTIVE DATES."

Presentation and Opening Statement by Sponsor:

Representative Gould, District 61, Missoula, Chief Sponsor of House Bill 352, said this is a bill relating to supported employment. He said supported employment takes people who are on a program and helps those people to become productive taxpaying citizens of Montana. He said it does cost some money, but it will be money well spent.

Representative Spaeth reminded those testifying that the emphasis should be on the costs concerned in the bill as to whether the bill should be allowed.

Testifying Proponents and Who They Represent:

Steve Waldron, Executive Director of the Montana Council of Mental Health Centers.

Frank Lane, Director, Eastern Montana Mental Health Center

Dick Hruska, Executive Director, Region 2, Mental Health Center, Great Falls.

Tom Posey, Montana Alliance for the Mentally Ill, Billings

John Thorson, Mental Health Assn. of Montana, Helena

Proponent Testimony:

Steve Waldron, handed out EXHIBIT 1, HB 532, and said it lays out what has been happening with the Montana Supported Employment Demonstration Project. He said it was a 5 year federal grant to build capacity for supported employment in Montana. He said this bill addresses a missing component in the current funding available for supported employment. The Vocational Rehabilitation, DD, and Dept. of Inst. through it's Mental Health Contracts, have gotten interested in providing paid employment for disabled people. He said this is severely disabled people, and they have not been served because of vocational rehabilitation because of some constraints on how quickly these people could move into a non supported environment. Mr. Waldron went over the sheet with the committee, and said the problem was these people needed on-going support, and they did not have that. He said taking the most conservative estimate there are at least 160 people right now that need on-going support.

Mr. Lane said this bill was really needed, and told of a person in Eastern Montana that is now a productive person. He said job coaches can keep the people on the job, train them for the job, etc., and are really needed.

Mr. Hruska said it is possible for this type of program to be successful. He said they have been doing this for slightly over a year and have managed to place 8 people out of the day treatment center who are mentally ill, in either full time or part time employment. He said this takes them off the public support system and puts them in the free enterprise system, they are now taxpaying people, but they do need the on-going support.

Tom Posey (192) said the National Alliance for the Mentally Ill, in cooperation with 4 other national organizations have just recently completed a survey of over 10,000 consumers of mental health services and the intent of the survey was to find the reasons for the revolving door syndrome. He said they found the number one need, as explained by the consumers themselves, and that a full time job was not necessarily appropriate since they were still fighting with their illness and the stigma the illness causes. He told of his own release, his attempts to get a job, and being terrified to find a job. He felt supported employment would have speeded his recovery by at least 2 years.

Mr. John Thorson said they feel this bill creates a public-private partnership that will enable mentally ill

individuals to become productive tax paying members of our society, and they feel it is cost beneficial for the state to support this program through the passage of this legislation.

Chairman Spaeth said they would go to questions, and leave this hearing open for testimony from those who had not been able to get here.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members: (247) Representative Quilici asked Mr. Waldron about the handout that he had listed "placed in work" 102, and showed their gross earnings. How many do you intend to place if this bill is enacted, since this bill has about \$1.1 million. Mr. Waldron said this is short term, intensive, supported employment. Job coaches being on the job with these people every day for fairly long periods of time, working with them, training them, helping them to keep them in this paid employment. Once you get them stabilized on the job, then vocational rehabilitation pulls out their funding, and we have to figure out some way to continue the continuing on-going support. He said you are looking at a total of 482 service slots. It means you may have several individuals filling that one slot. Sometimes you have a failure, etc. 244 are reallocation and the remainder expansion.

Representative Cobb asked if this money is mostly for job coaching, and Mr. Waldron answered he was not sure on the percentages, but would get back to him. Representative Cobb asked about the JTPA funds which are for Department of Labor and they help find jobs. He said the JTPA funds are used to find jobs. Mr. Waldron answered that the clients this bill is dealing with are very severely disabled. He said the goal is to get them into a minimum of 20 hours a week of employment, and some will be able to get into 40 hours a week at some time in the future. He said the expectations for these clients are generally lower, he said he believed the Department of Labor prefer higher functioning levels than we are looking at on these clients. In answer to applying for JTPA funds for job coaches, Mr. Waldron said they would love to have JTPA involved with this population, but their statistics will not look as good to their funding sources as they do now.

Representative Marks (323) asked what is the amount of support per client that is anticipated, and Mr. Waldron answered

that it is \$3200 to \$3400 that it costs to provide services to each client. Rep. Marks asked if this was mainly Job Coach, and asked what they do. Rep. Waldron said the Job Coach is the program, so far as the operation of it goes. The Job Coach develops the jobs, convincing the employers to open up a job in their business to work with these clients, he then has to learn the job, guarantee the employer the job will be done if the client doesn't show up for work, works directly on the job with the client, handles problems with other persons in the job. He said this is a program of disabled people working with non disabled people, and there is benefits for both.

Representative Marks asked if these people are social workers, and Mr. Waldron said it does not require that someone have a social worker's degree to do this. It is essentially a type of social work function. Rep. Marks asked about the earnings listed, and asked if this was a year, or how long, and Mr. Waldron (370) said this was 11 months, and this is the data we have come up with in the time the program has been in effect. He said there were start-up costs involved in this also, the average monthly earning was \$280 a month, but most of them are part time employees. He said their earning capacity is going up.

Representative Marks asked what other funds these people have and Mr. Waldron (409) said most have SSI. Some have DD help, or help from the State Hospital.

Representative Kimberley (425) asked if some of these people don't go on to working full time, and Mr. Waldron answered yes, and in answer to a possible percentage of these people who will eventually be self supporting in this group, Mr. Waldron answered that he could not give an accurate figure, but the people we are putting in supported employment now, 10 years ago we would never have thought most of these people could live outside of an institution. Our expectation is not too high that there will be a lot of them that will work a 40 hour week and become totally independent, but from past experience, he said their expectations were generally too low when dealing with mentally ill people.

Representative Kimberley asked Mr. Posy the same question in regard to Billings. Mr. Posy said he could not give a figure in regard to Billings, but had figures by Boston University nationwide. He said it is approximately 86% of those on supported employment for up to two years, then go into full time jobs and last at least 5 years. He said they had no figures beyond that since that is the life of the program.

Representative Bradley asked that you consider sending this to

our subcommittee. Chairman Spaeth said they would do this, and continue with the questions from those who are not on the subcommittee.

Representative Marks asked what the case load might be, and someone said Mr. Waldron had stated 482 slots.

Representative Gould closed by saying he would discuss this in subcommittee.

Closing by Sponsor: Representative Gould said he felt the figures Mr. Posy gave were much more accurate figures than the actual start-up in only 11 months. He said when you are dealing with the Federal funds, they look at case closures, and that would be hard to get the Department of JTPA funds since they like to see case closures.

HEARING ON HOUSE BILL 663

"AN ACT TO INCLUDE HOSPICE CARE AS A MANDATORY MEDICAID SERVICE; AMENDING SECTION 53-6-101, MCA; AND PROVIDING AN EFFECTIVE DATE."

Presentation and Opening Statement by Sponsor:

Representative Bradley, gave the opening presentation for Representative Jan Brown who was tied up with her committee. She said Rep. Brown would try to get down and give the closing. She said this includes Hospice Care, in the definition of Medical Assistance. She said she thought this was pretty much a wash financially. She said since everyone was pressed for flight schedules, she would turn the hearing over to the public.

Testifying Proponents and Who They Represent:

Tony Wellever, Montana Hospital Association, Helena

Bonnie Adey, Montana Hospice Organization, Director of the Hospice Service here in St. Peter's Hospital.

Dr. Martin Skinner, a practicing internist in Helena, and the Medical Director for Hospice at St. Peter's Hospital, serve on several National Hospice Organizations, and is a medical director of a county nursing home in Helena.

Gene Huntington, representing the Montana Dietetic Association

Proponent Testimony:

Mr. Wellever (569) said he had a hand in drafting the fiscal note and would like to compare it with that prepared by SRS. He said there are two areas of disagreement, one on the assumptions used to determine volume and the other on the

assumptions used to determine current program costs. He said the SRS assumption leads to a current law program cost of \$2,873 per case, ours lead to a current law program cost of \$5,791 per case. Neither of the figures appear on the fiscal note, but they are the average cost per case. He said the real disagreement we have is the unit cost estimates of current law. He said the sponsor's fiscal note assumes in 45 days a medicaid person without a hospice benefit would be hospitalized twice. The cost per day is estimated at \$2,632, or \$5,264 for both stays. He said they assumed for 20 days the patient would receive out of hospital care at \$26 per day, and this figure includes a mixture of Nursing Homes, Home Health, oxygen and drug benefits. He said these figures had not been inflated forward to 1989, so they have not been over stated. SRS assumes that if Hospice benefits were not available, 1/2 of the eligible medicaid patients would have gone to a hospital with no other out of hospital services, and the other 1/2 would have gone to nursing homes with no hospital services at all. They assumed the single hospital visit would cost \$3,000, the nursing home stay would cost \$1,900. He said the difference then was the assumption that persons with terminal illness would receive only nursing home care and not a combination of the two. He said experience shows that terminally ill patients go into the hospital more than once in the last 45 days of their life.

Bonnie Adey, She said of the 15 other states that have adopted this optional benefit all have done so on the basis of a cost containment philosophy. She said she had done a survey of the 5 largest hospices in the state, and the fiscal note indicates that the 39 figure comes from my survey. She said in Missoula there were 18 medicaid eligible patients who had 702 home days, 180 in patient days, which was 20% of their times, and averaged 10 in patient days per patient. In Billings there were 12 patients, 795 home days, 250 inpatient days, or 24% of their time were in patient days, averaging 21 in patient days per patient. She said in Butte there were 3 medicaid eligible patients reporting 92 home days and 118 in patient representing 56%, or 39 days per patient. One of those was an AIDS patient. In Helena, 3 patients, 100 home days, 45 in patient days, 31% of the time in patient. In Great Falls, 3 patients, 35 days home, 53 in patient, 60% of their time in patient. She said the home days also represent nursing home days since that was not broken out. She said she felt these figures justified their assumption that 2 in patient stays is realistic during the last 45 days of their life.

Dr, Martin Skinner said terminally ill patients get hospitals for a variety of reasons including pain control, symptoms of vomiting, diarrhea, skin break down, etc. He said without management at home they get hospitalized more frequently.

He said they also get hospitalized to give the family a break. He said many of the AIDS patients can be managed at home with Hospice care. He said Hospice can eliminate or reduce a hospital stay, since they can professionally help management out of a hospital, as a better alternative.

Mr. Huntington said they have worked with the Hospital Association on this legislation. He recapped the two main differences in the fiscal notes as the number of people we would have and the methodology used in estimating it. He said there is an avoidance cost--what are we avoiding. He said here you are dealing with people that are terminally ill and have to be medicaid eligible. He said this program is an alternative to acute care, and not adding new clients. He said AIDS is a fiscal policy, AIDS is a disability, and everyone contracting AIDS will be eligible for medicaid. He said about \$80,000 for medical care for AIDS, and in 1995 a low estimate of 80 new cases to a high of 1250 cases. Looking at AIDS, the Legislature will at some time recognize that Hospice is an effective and appropriate way to deal with those projected medical costs.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members: Representative Menahan said he understood Hospice Care was mostly volunteer time, and asked if this had changed. Ms. Adey answered that volunteer help is an important part of Hospice, but it is a medical program, and more and more uses paid care people. She said the nurses, social workers, etc. are paid, they use a lot of volunteers, but they are not in skilled positions.

(Tape 1, side B, 083) Representative Grinde asked if this fiscal note accounts for the 1/2 time FTE. Mr. Wellever answered that they had assumed it would be 14 FTE rather than the 1/2 time FTE. He said that assumption was based on looking at 39 patients over the course of a year, and at any one time you can have 4 to 6 patients who are receiving the benefit. The average benefit is about 45 days. He said they felt they would only need 1/4 FTE to do this.

Representative Grinde (101) asked if Dietary Service that would be directed to the hospital was included in the fiscal note. Mr. Huntington answered that is a technical note. In talking to the SRS, because it uses Federal medicare regulations that require dietary counseling, it was there anyway, and we agreed.

Representative Grinde asked what would happen if in using the number 139, it doubled. Can SRS come in on a supplementary on this? Mr. Skinner answered that if the utilization was doubled, the savings would double, so there would be no need for a supplementary. If it were necessary to increase the personal services budget to administer the program, I don't know if that would be necessary for SRS to submit a supplemental. Rep. Grinde said he hoped this program is set up to be a cost savings. If it is not, he asked if SRS has the ability to come in for a supplemental. Mr. Chaffee, DHES, said if the savings were not realized, they would look in other areas of the medicaid budget to see if they were over spent. If they were over spent they would have to come in for a supplemental, if not, they would cover it.

Representative Grinde asked, if there are these other sources, then why aren't you doing this now? Mr. Chaffee answered that they are not sure Hospice will be a cost savings the first year. It is a new program, only in 15 states so far, and the committee would have to approve this as an optional service.

Representative Cody asked who is paying for the Hospice care now. Mr. Chaffee said medicaid patients do not receive Hospice, so it is being paid for by the patient, or by medicare patients. Representative Cody said the Hospice Organization that identified the actual number of medicaid eligible patients in 5 larger Hospices who received Hospice care--who paid for this? Ms. Adey answered, there is no real reimbursement for Hospice care, but we serve patients with no reimbursement, and they get services in in-patient care, nursing homes and Home Care, but we do not get paid. Some Hospices in the state are dually licensed as a Hospice and a Home Health Agency, and they then can reimburse through their Home Health arm.

Representative Swysgood asked when Hospice was first conceived, did it start out to be a medical program or a volunteer program. Ms. Adey answered that it has always been a medical program because we always start with a patient's physical symptoms. Those giving the service have not always been paid, and many of those nurses were strictly volunteer, many have burned out, and not able to volunteer. Over time, there have been sources of reimbursement for care givers, such as the medicare benefit and now many private insurances also cover hospice care. It has shifted from a totally volunteer to a paid service, but was always medical.

Closing by Sponsor: None

Chairman Spaeth declared the hearing on House Bill 663 closed.

HEARING ON HOUSE BILL 66

"AN ACT TO INCLUDE CASE MANAGEMENT SERVICES FOR THE CHRONICALLY MENTALLY ILL AS A MANDATORY SERVICE UNDER THE MEDICAID PROGRAM; AMENDING SECTION 53-6-101, MCA; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

Presentation and Opening Statement by Sponsor:

(182) Representative Schye, House District 18, Glasgow said this bill has already gone through the House, and there were some of the subcommittee members there. He said there are 2 fiscal notes with the bill, dealing with case management. He said he sits on a Mental Health Advisory Board for the past 2 years and this is one of the things they said was a very important area. They want to move Case Management under the mandatory medicaid reimbursement. He said the Sponsor's fiscal note would be a pilot program, sunset the bill and spend less money. They would come back in 2 years and prove the program works, if not, it is done.

Testifying Proponents and Who They Represent:

Florence Foster, speaking for herself and her husband, as parents of a mentally ill son.

Steve Waldron, Executive Secretary Montana Mental Health Centers

Tom Posey, Montana Alliance for the Mentally Ill

Frank Lane, Executive Director, Eastern Montana health Center

Dick Hruska, Director of Region 2 Mental Health Center, Great Falls

John Thorson, Mental Health Association of Montana

Kelly Morse, Director of the Mental Disabilities Board of Visitors

Proponent Testimony:

Mrs. Foster said their son is now a patient at Warm Springs State Hospital, and became ill about 6 years ago as a student at Montana State University. She shared some of her experiences without intensive case management, and later with intensive case management. She said they did not know what the illness was about, what to do, resistance by Terry to any medication. She said he has been in and out of WSSH 6 times. She said with intensive case management they have learned how to cope with the problems, and are able to help their son.

(273) Mr. Waldron handed out EXHIBITS 1, 2, and 3 said this is a community support system that does not provide counseling to the patients. It attempts to help them meet life's needs in the community. He said the service system we have now, we don't have the resources to go out in the community and deal with clients on an individual basis. He said this type of case management under the Federal law, can be limited differently than for other paid services. You can limit it by diagnosis, functioning ability and by geography. He said this bill will target it to two geographical areas, and target it to adults with severe disabling mental illness. He said there are certain types of mental disorders that are so disabling they would probably be included with those of chemical disorders. He said there are 288 average daily population at the state hospital, there are 700 admissions and discharges per year to this hospital, and of that about 400 are re-admissions.

Mr. Posey (399) said this is the 10th anniversary of the most important day of his life. He said it was March 1, 10 years ago that he attempted suicide for the 7th time. He told the history of his mental illness, his attempts and fright at getting employment, and said if he had this type of help he would have recovered much sooner.

Mr. Lane said he had started out as a therapist in Plentywood, Mt., and was the first mental health professional in that community and soon had an active treatment caseload of about 100 people. He said he did as much case management as he could, but was not able to do much. He says at present he shares one case manager between Sydney and Glendive, a 1/2 time person.

Mr. Hruska said he would strongly urge passage of this legislation and to go on record as being very supportive of the program, it is a very needed service.

Mr. Thorson said there were two people here earlier who had to leave who wanted to leave their support of House Bill 66. He passed out EXHIBIT 4, H.B, 66 and went through part of the exhibit with the committee.

(679) Ms. Morse said Florence Foster's comments reflect many of those the Board of Visitors receive as they review Mental Health Centers throughout the state. She said the transition into the community can be traumatic. She they would urge the support of the bill.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members: (700)

Representative Cobb asked if the Mental Health had given a recommended budget to the county they are in. Do they have to levy 1 mill? Mr. Waldron answered not necessarily. Rep. Cobb asked if there is any way the county can pay for part of this? Mr. Waldron answered that participating counties do pay in to the Mental Health Centers. He said currently 52 of the 56 counties do participate, and there is an assessment made against each county. Some centers do it on a per capita basis, some on a millage basis. Rep. Cobb asked if they were paying the equivalent of 1 mill, and Mr. Waldron answered that the mill is an option with the counties. He said some of the counties pay over the mill, and the majority are paying less than a mill.

Tape 2, Side A, 000.

Representative Grinde said when they heard this bill in Human Services they were debating who would administer it. He asked if it had been decided on the Department of Institutions? Mr. Waldron answered yes, SRS is the medicaid agency for Montana and funding has to go through them and their rules, however, it is the intention that the Department of Institutions would work with SRS to develop contracts with the Mental Health Centers to provide the case management services in those two areas. Rep. Grinde said, if it goes through both, will the cost be covered to administer the program? Mr. Waldron said there is no funding in the fiscal note for administration, he said he did not feel it would cost much. He said before the Department of SRS has cooperated with the Dept. of Institutions under the current medicaid contract and utilized the Dept. of Institutions site visits for oversight of the medicaid contracts. He assumed this would continue.

Representative Grinde asked someone in SRS if there would be any additional cost to the department or to the Dept. of Institutions? Mr. Chaffee SRS, said they believe they can handle it in their current budget. Mr. Anderson from Dept. of Institutions said they did not see any additional administration costs.

Representative Swift (030) said this relates to adults only, nothing on children, and nothing in the bill indicates that. He said the other concern is this is a trial program and nothing in the bill sets a termination. Mr. Waldron said the Federal Medicaid law allows you to target by geographic area and by diagnosis and function level. He said his intention is that when medicaid develops the rule to

implement the law that their rule reflecting legislative intent would target the 2 geographical areas. The Federal Government will have to give a waiver to the areas. Rep. Swift asked if this would not call for a statement of intent on the bill, and Mr. Waldron said he would be happy to work with the staff to develop one, if needed.

Representative Bardanouve said the fiscal note only covers a small part of Montana, doesn't it? Mr. Waldron said the Sponsor's fiscal note was developed with the intent that we try this with 2 urban areas, bring back the data, and expand it in 2 years when we show it works. Rep. Bardanouve said if we cover Montana, what will the cost be? Mr. Waldron said he thinks the budget office fiscal note is accurate.

Representative Bardanouve took over the Chair at this point.

Representative Bardanouve mentioned the case in New York between a woman and the Mayor. He asked if someone like that would become a part of the program. Mr. Waldron said their intention, that people who for some reason cannot come into the program, they would be able to take the services to the client. It is the nature of the disease plus perhaps personal desire, they don't want any medication, and under current civil rights law you can't force medication. A case manager can go out and work with them and see that their needs are being met, they can remain in the community, and often when trust has been established they will come into a day program.

Representative Swysgood asked why in making this a pilot program they did not make it a rural area along with an urban area. Mr. Waldron answered there is a great need for case management in the rural area, and the two sponsors come from rural areas. He said the data can get skewed badly in the rural area. Someone could move into the area and go into the state hospital, and that one case can throw everything way off. With a larger population in the urban areas, we can give you better data. It is Rep. Schye's intention and ours, he said, to expand into the rural areas. Rep. Swysgood asked, if we are going to get a handle on this don't we need data from the rural area also? Mr. Waldron answered that it is up to the wisdom of the committee as to whether we implement this in the rural areas now.

Representative Grady asked what urban areas they were choosing, and Mr. Waldron said they were leaving that to the Dept of Institutions and SRS to make that decision.

Representative Peterson (165) said the case worker becomes the best friend this person has had, are they also going to do some job coaching like in the other bill? Mr. Waldron said these case managers will be over loaded enough with the case

load of up to 25, there is not going to be time for job coaching. These people will be too disabled, too severe to get into the supported job program, later on a number will be able to.

Representative Grinde (172) Rep. Marks asked about social workers administering this, and we know it will not be, but who trains these people? Mr. Waldron said that currently with some very limited federal funds they have a small case management contract. The requirements for the case manager is to have a bachelor's degree, or a registered nurse diploma in the Human Services field, plus one year of experience serving people with severe mental illness. Individuals with other background who have developed the necessary skills may be employed as case managers whose services are purchased. He said there are some people who have worked with these people for a number of years. Some have bachelor's degrees in another field, some only high school diplomas, but have developed such good skills through experience with this population, he felt they should be included, but that would be up to the committee. He said you need close competent supervision of case managers. There are times they deal with some pretty serious situations and you need close supervision. At the present time it is mental health professionals who are degreed, with at least a masters degree, and most of them have been in service for some time.

Closing by Sponsor: Representative Schye said he thought this was very important, we needed the case management, and while he would like it statewide, by having it in the two areas they could come back next time and prove it does work.

Chairman Bardanouve closed the hearing on House Bill 66.

HEARING ON HOUSE BILL 282

"AN ACT CREATING A DETENTION CENTER STANDARDS COMMISSION; PROVIDING THAT THE COMMISSION CONSIST OF NINE MEMBERS OF THE BOARD OF CRIME CONTROL; AUTHORIZING THE COMMISSION TO ADOPT STANDARDS FOR DETENTION CENTERS AND TEMPORARY DETENTION CENTERS; PROVIDING FOR IMPLEMENTATION OF STANDARDS FOR DETENTION CENTERS AND TEMPORARY DETENTION CENTERS; AMENDING SECTION 2-15-2006, MCA; AND PROVIDING AN EFFECTIVE DATE."

Presentation and Opening Statement by Sponsor:

(230) Representative Strizich, House District 41, Great Falls, and Chief sponsor of House Bill 282 said this is the result of efforts of the Board of Crime Control, the Montana Sheriff's and Peace Officer's Association in conjunction with some assistance from the National Institution of Corrections. He explained the problem of law suits as a result of problems

in detention centers, and felt there were enough answers now to problems to work on a set of standards to assist in building or upgrading detention centers. He said our jails are currently faced with problems of today and facilities of yesterday. He told of the work done on preparing this bill, the need for standardization, in an effort to avoid legal problems.

Testifying Proponents and Who They Represent:

Don Crabb, Board of Crime Control

Chuck O'Rielly, Lewis and Clark Sheriff

John Conner, County Prosecutor's Bureau, Department of Justice

Proponent Testimony:

Mr. Crabb (295) He said he was one of the two staff people who worked with the Board of Crime Control on this proposal. He talked of the role of coordination of the 17 member board, with the Board of Crime Control paying for their mileage and per diem to attend meetings through a federal grant, and the remainder of their time given free. We assisted on drafting, and in resolving the issues relating to the legislation, and put it into a final form. He said the fiscal impact was to create a new agency, it was reduced in the Human Services Committee from \$150,000 to \$52,000 in the first year and \$56,000 in the second year. He said the money will be used for 1.5 FTE to develop and work on the standards for jail facilities throughout the state of Montana.

Chairman Bardanouve asked how many members on the board and was told 18 members on the board, 9 on the advisory board. Chairman Bardanouve said if he read this right it was 9 members of the Board of Crime Control on the commission. He said it sounded like it limited the commission to members of the Board of Crime Control. Mr. Crabb said he thought that was the recommendation of the Human Services Committee since we already have the representation in the Board. Chairman Bardanouve said the bill tells what it will be consisted of, and Mr. Crabb said that was one of the inconsistencies that has been created between the original drafting and the amendments put in by the Human Services Committee.

Sheriff Chuck O'Reilly (400) said he could speak personally to the necessity of the bill. He said they built in 1985 a new detention facility, which was a 6 year project. He said one of the problems they had was there were so many agencies on the National level that had jail standards, and nothing in Montana that could pull these together or provide any

standards for our particular needs in Montana.

(477) John Conner said this legislation is the product of a lot of hard work by the members of the Crime Control Board and the Sheriff's Association. He said this should go a long way toward assisting in the liability problem for counties.

Representative Bradley said she felt this was a good thing, but that there must be a cheaper way to do it. She asked if they couldn't just hire 1 FTE in the A. G.'s office to work with the Crime Control to try to put these standards together? Mr. Conner said essentially that is what they were doing, using an existing committee that meets on a regular basis and they do represent the group of individuals required to pull this together. The cost we are talking about are really a minimal. He said they were down to an FTE and 1/2 support person, and that was the extent of the cost.

Representative Swysgood asked why it could not be done with the existing functions of the Board of Crime Control, and Mr. Crabb answered that could be a possibility. There was further discussion on the make up of the members, existing people already hired, and just expand the budget of the Board. There was questions on the make up of the board, and possible correlation with present members.

Representative Thoft asked if on page 3, line 6 through 10 it did not take away the right of the voters in the counties to adopt a bond issue to build a facility. Representative Strizich answered that they are talking here of a given jail that is open and operating, and how they could bring themselves some protection.

Closing by Sponsor: Representative Strizich said he would have no objection to a statement of intent, and they can work on the language as it relates to the commission. He said he would be happy to work with anyone on it.

Chairman Bardanouve closed the hearing on House Bill 282.

HEARING ON HOUSE BILL 469

"AN ACT TO APPROPRIATE TO THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES \$75,000 FOR THE CONTINUED OPERATION OF AIR QUALITY MONITORING STATIONS IN YELLOWSTONE COUNTY, CONTINGENT UPON CONTINUED MONITORING BY PRIVATE INDUSTRIES; AND PROVIDING AN EFFECTIVE DATE."

Presentation and Opening Statement by Sponsor:

Tape 2, Side B, 000. Representative Addy, House District 94, Billings, and Chief Sponsor of House Bill 469, said the

purpose of this bill is to know what the impact on the people in the area of sulphur dioxide in Billings. They are trying to increase the data base so people can get on a common ground. The Chamber of Commerce sees improvement of air quality in the Billings area as being an important economic issue. They have had the opportunity to bid for a malting plant for Anheiser-Busch. One of the concerns is, is there enough room in the Billings air shed to absorb another sulphur dioxide emitter. The people have seen the need to reduce the volume of sulphur dioxide in the Billings area as important to increasing the economic activity in that area.

Representative Bardanouve stated under a recent Supreme Court opinion this could well fall into any RIT monies and it might be easier to get those monies than general fund money. He suggested Rep. Addy check with Carroll South in the fiscal analyst office to see if there is some RIT money available.

Testifying Proponents and Who They Represent:

Kay Foster, Representative, Billings Chamber of Commerce

Jeff Chaffee, Bureau Chief, Air Quality Bureau with the Dept. of Health and Environmental Sciences.

John Lahr, Montana Power Co.

Chris Kaufmann, Montana Environmental Center

Proponent Testimony:

Kay Foster stated the Billings area air quality technical council was put together following the appropriation at the last session. During this time through the monitoring of the air shed in the Billings and Laurel area have been able to come up with many short term ways the air quality can be improved. They feel it is absolutely necessary they continue this effort jointly funded by the businesses in the area and with the cooperation of the state so they can see how these short term measures actually are working to improve the air quality in the area.

Jeff Chaffee offered testimony on House Bill 469 to explain the Department's role in the Billings' air monitoring study. See Exhibit 1.

John Lahr explained his Company, Montana Power Co., is a member of this Air Quality Committee in Billings and support it financially, in addition they pay the entire cost of the SO₂ monitoring of the Corette Steam Generating Plant there and spoke in support of the Bill.

Chris Kaufmann spoke in support of House Bill 469 and definitely support the reduction of SO2 levels over Billings and need more information and this kind of monitoring will provide that.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions from Committee Members: Tape 2, Side B, 137

Representative Thoft stated \$50,000 was appropriated last session in this project and this time they want \$75,000 and wondered why the increase. Mr. Chaffee stated the reason for the difference in the funding level is that \$50,000 was for an eighteen month study and the \$75,000 is for a twenty-four month study during this next biennium. There were some shortfalls in the \$50,000 funding level as well so they have projected the \$75,000 funding. The Air Quality budget picked up the shortfall during this biennium.

Representative Menahan asked due to the fact all these businesses are paying taxes in that community, why do they come to the state. Mr. Chaffee stated the industry is supporting three monitoring stations and a good portion of the monitoring effort there and they are contributing quite a bit of money. Rep. Menahan said the funding should come from the local level.

Representative Cobb asked how much are the industries contributing now and under the last study how much are they going to contribute under the new study. Mr. Chaffee stated the level of Industry contribution was approximately \$150,000 during the last biennium which included the purchase of the monitoring stations they are now operating. The current level of contributions by the Industry involves funding a contractor to run their monitoring stations as well as their own input into the process. Their level of contribution is pretty consistent with what the state is putting up.

Representative Marks asked if the three monitoring stations supported by the industries are sufficient to a good monitoring job. Mr. Chaffee stated the three monitoring stations operated by the Industry members do cover a portion of the monitoring needs there. In response to Rep. Mark's question if this appropriation did not pass, what would happen to the three that are now supported by industries and

if they would continue to monitor the air quality, Mr. Chaffee stated it was his understanding the continuation of the industry monitoring is contingent on state contribution.

Mr. Lahr said his understanding of the monitoring they do at the Corette Plant is if the installation cost about \$250,000 that it costs \$50,000 a year to operate it. It is inside the stack and subject to the heat and has numerous breakdowns which require a staff of people there to fix every time it breaks down. They would continue to operate that mechanism whether this Bill passes or not.

Representative Bradley asked Rep. Addy what is the future of this and is this going to be a permanent program for Billings or is there a better way of doing it. Because it is long term would it not be better to just make this a part of the Department of Health budget and have this kind of help for other communities who are going to need it as well instead of just doing this every couple of years. Rep. Addy stated he could support that, in fact, this is something that was not included in the executive budget because the Governor's office wanted to spend the money elsewhere.

Representative Quilici asked if there was coordination between the state air quality bureau and industry in monitoring. Mr. Chaffee stated there is coordination and they work together and meet monthly. Rep. Quilici asked if the data varies from the bureau and the industry monitoring? Mr. Chaffee stated the data does vary from spot to spot, that although they both make the same quality checks, and over the years they have taken the worst places so that hopefully the rest will be better. Rep. Quilici asked if Industry monitors at their own sites, and Mr. Chaffee answered they are monitoring 5 sites, 3 industry plus 2 state sites, and the areas monitoring are based on historic monitoring in the county.

Representative Cody asked if the community or Yellowstone ever considered the 1 mill to come up with the money? Rep. Addy answered no, they haven't. He said the state has funded the monitoring in the past, just as the state mandated the change in air quality standards. Ms. Foster said they do have city county air pollution control monies they put in to help with the staff. She said if all the monitoring is done by the industry they are suspect, and she hoped the state would continue their efforts in monitoring.

Closing by Sponsor: Representative Addy said he would point out the change in air quality standards in Billings was not made in Billings.

Chairman Bardanouve declared the hearing on House Bill 469 closed.

HEARING ON HOUSE BILL 535

"AN ACT REVISING MEDICARE SUPPLEMENT INSURANCE MINIMUM STANDARDS TO COMPLY WITH THE FEDERAL MEDICARE CATASTROPHIC COVERAGE ACT OF 1988, P.L. 100-360; PROVIDING A PENALTY FOR VIOLATION OF MEDICARE SUPPLEMENT INSURANCE MINIMUM STANDARDS; APPROPRIATING MONEY TO THE STATE AUDITOR TO MONITOR COMPLIANCE; AMENDING SECTIONS 33-16-103 AND 33-22-903, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE FOR THE EXTENSION OF RULEMAKING AUTHORITY."

Presentation and Opening Statement by Sponsor:

Representative Jan Brown, House District 46, Helena, Chief sponsor of House Bill 535 said this is the medicare supplemental bill. She said this bill revises the Montana Medicare Supplement Insurance Minimum Standards Act to meet compliance with federal regulations passed in 1988. This bill provides for an additional FTE in the Auditor's office to carry out the functions of this act.

Testifying Proponents and Who They Represent:

Stewart Doggett, State Auditor's Office

Proponent Testimony:

Mr. Doggett said in section 10 there is an appropriations that would provide \$25,891 for fy'90 and \$22,697 for fy'91 and this amount would be used for a grade 12. It is higher in the first year because of a one time equipment cost. He said the additional FTE is needed because of the requirements that have been imposed on the state by two pieces of federal legislation, the Medicare Catastrophic Health Act and the Omnibus Reconciliation Act (OBRA). He said these acts require additional information and materials to be filed and reviewed by the states insurance department. We are to review all medicare supplement policies to check their advertising provisions, loss ration provisions, etc that are for consumer protection.

Chairman Bardanouve asked if this was a federal requirement and was told yes.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members: Representative Cody said there

seems to be a lot of information collecting dust in this Department. She asked where they are going to send this information and Mr. Doggett answered they have to compile it and give it to the Health Department. Rep. Cody asked if some of this information isn't already being done by the Department by a 1/2 time person, and Tonya Ask said this does add additional duties, but the insurance companies are going to have to take certain loss ratios, and will have to do so if they want to sell medicare supplement insurance in Montana, they will have to pay out a certain percentage of the premiums they receive in benefits back to the individuals. She said the insurance companies have to send those loss ratios to the State Auditor's office and they will set the loss ratio standard. It also requires they make sure all of those companies are paying out those loss ratios.

In answer to questions from the committee Mr. Stewart said he did not have a breakdown on the equipment, and at this time they have 2 part time FTE working in the area of rate review and one part time person for review. (465) In answer to a question as to what they would do if the bill is not passed, Mr. Stewart said they would have to re-establish their priorities. he said this is an area that is going to require a lot of work and a lot of review. In answer to a question as to whether since this is collected from insurance companies, it is a proper use of the funds, Mr. Stewart answered, yes. Tonya Ask said she was not certain why this was not a modified.

Closing by Sponsor: Representative Brown said she closed.

Chairman Bardanoue closed the hearing on H.B. 535 and said the committee would recess to the call of the chair on adjournment of the House.

HEARING ON HOUSE BILL 692

"AN ACT ESTABLISHING A UNIFIED SUPPORTED EMPLOYMENT AND EXTENDED SERVICES PROGRAM FOR PERSONS WITH SEVERE DISABILITIES; APPROPRIATING FUNDS; AND PROVIDING EFFECTIVE DATES."

Presentation and Opening Statement by Sponsor: (528)

Representative Hannah, House District 86, Billings, Chief Sponsor of House Bill 692 said this morning the committee had heard a bill of Rep. Gould's that is exactly the same as this. He said he had some amendments for the committee on the bill. (Attached as EXHIBIT 1). He told of his progressive advancement in this area, and said he still had some problems with certain areas, so he was proposing the amendments. He said he could be wrong, but felt this was as far as he could go at this time. He said this is a supported work program. It takes a Developmentally Disabled

person and put them in a sheltered work shop, it will cost \$5,000 to \$5,200 and if you put them in a supported work program it will cost the state of Montana \$3,000 to \$3200. You will have people out earning money, paying taxes, and requiring less resources than they would in a supported workshop. He said the amendment deals with the mental health area. He said he was comfortable to come before the committee on the DD issue, but less comfortable with the mental health side of the equation. He said he would recommend this be in a subcommittee with Rep. Gould's bill and let them work out the whole question. He said there is a video, and they would show it.

Testifying Proponents and Who They Represent:

Chris Volinkaty, Developmentally Disabled

Rita Schilling, Job Connection, Billings

Jennifer Johnson, Opportunity Industries, Inc

Linda Alred, Improvement Specialist

Steve Waldron, Montana Council of Mental Health Agencies

Proponent Testimony:

Chris Volinkaty showed a VCR film on Developmentally Disabled people working and happy, and the businesses they worked for were satisfied.

Ms. Schilling (064) stated supported employment is developed for people with severe disabilities who need ongoing support in order to get and maintain employment.

Ms. Johnson addressed the issue of training and stated they bring in professionals who are trained in the areas of vocational training and evaluating people with traumatic brain injuries and how to do placement. They also provide training to other professionals as they come in. They do advise social workers to take a day to spend with the job coaches to find out what the employment is about.

Ms. Volinkaty spoke in support of House Bills 532 and 692.

Linda Alred, a supported employment specialist and program manager for mental health services, Inc. and Montana House mental health services, spoke in support of House Bill 532.

Tape 3, Side A (215)

Mr. Waldron stated the amendment to this bill discriminates against disabled people based on their mental illness and

urged the bill be passed without the amendment.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members:

Representative Cody asked Rep. Hannah why he took out the mental illness. He stated it was a very difficult thing to do. He has been involved and seen how money could be saved in government by serving these people in a different way. He is moving in the area of the mentally ill but has some unanswered questions as to how you would quantify who those people are. Rep. Cody asked if the bill is not amended would he still support the Bill and he answered yes.

Representative Swysgood stated he has a problem understanding something. He heard Rep. Gould's Bill earlier and feels it and this Bill are identical so he is wondering why there are two identical Bills addressing the subject. Rep. Hannah stated what happened was when the Bill draft request went in Rep. Gould's was the full Bill request for the PFP recommendation which covered all three areas. His request was for the two areas of the Developmentally Disabled and the Voch Rehab section. When the Bill came out of drafting it was drafted incorrectly which required the amendment to come before the Committee but it was at a particular time in the Session that he thought it would be easier to come forward with an amendment rather than send it back through the process.

Closing by Sponsor: Representative Hannah stated this is an excellent program and it allows people to get out and do something in a productive manner. These people, the taxpayers, and the families are better off in the work programs.

Representative Bardanouve stated he would refer the Bill to the Human Services Committee.

HEARING ON HOUSE BILL 723

"AN ACT TO GENERALLY REVISE AND CLARIFY THE LAWS RELATING TO THE PROVISION OF GENERAL RELIEF ASSISTANCE; AMENDING SECTIONS 53-2-822, 53-3-108, 53-3-109, 53-3-113, 53-3-205, 53-3-206, 53-3-209, 53-3-304, 53-3-309, AND 53-3-311, MCA; AND PROVIDING AN EFFECTIVE DATE."

Presentation and Opening Statement by Sponsor:

Representative Cobb stated this Bill is supposed to revise and clarify laws relating to provision of general relief assistance, most of which is just clean up. Section 1 just changes the word "work" to Workfare program. Page 2, Line 16 and Lines 20 to 25 were stricken. That talked about able bodied and the Supreme Court threw out that language. Page 3, Section 3 on definitions, Lines 14 through 16 they define children to mean minor and adult children now. Page 3 on lines 24 and 25 they define household to be a collective body of persons including the spouses of parents and their children residing in the same residence. On page 4, lines 8 and 9 income is to include all the money that is received by all those members. Page 4, lines 15 through 18 they took out the word that referred to able bodied persons. Page 5, Lines 6 through 12 "presumptive income" means any financial assistance that a person would have received on an AFDC program, if that person had not been determined ineligible to receipt of lump sum income. On page 7, section 5, eligibility for GA on Page 8, lines 8 through 11, they took out the words "able bodied person without dependent minor children." Page 9 was just redefined through lines 7 through 16, the words "prospective income." Page 11, Section 6, eligibility for general relief, medical assistance, on lines 15 through 18 determining eligibility of all married persons or the children of those people, minor or adults. On lines 21 through 24 to offset medical payments, which can't be done that way. Page 11, Line 25, a household is ineligible to receive general relief medical assistance if the household is ineligible for medicaid etc. Page 12, Lines 14 through 19, and Page 13, lines 18 through 25 were struck. Section 7, period of eligibility, lines 8 through 12, were taken out and lines 13 through 18, they clarified medical assistance for one month at a time. Section 8, the power to require recipients to participate in job search training deleted the word "work" and entered workfare programs. Page 16, lines 19 through 23, and page 17, Lines 1 through 4 were struck. Page 17, lines 5 through 10, clarifies the purpose of the workfare program. Lines 17 through 20 clarifies an assignment to reword the language. Page 18, lines 1 through 10, the wording comes out of Senate Bill 101 which is in the House. Lines 20 through 25 were struck. Page 19, lines 15 through 21, may require you to work more than 10 miles from your residence. Lines 22 and 23 extension of authority. Section 9 on page 20 clarifies forms of relief. Section 10 on page 21, lines 7 through 21, to clarify language on how to make payments. There is no fiscal impact, supposedly, in this Bill.

Tape 3, Side 1 (656)

Testifying Proponents and Who They Represent:

Russell Cater, Chief Legal Counsel for Dept. of Social and
Rehabilitation Services

Proponent Testimony:

Mr. Cater stated the original intent of the Bill when it was first requested to be drafted was to close and plug a few of the loopholes that they saw in the law and to not make any major changes but to have the Bill conform to the practice that the Department was undergoing. This Bill was submitted to the Legislative Council in December and it sat there because of potential conflicts they thought it would have with other Bills. That is why this Bill contains alot of provisions they did not ask for initially but they said they had to be in there. He gave to the Committee the amendments he had to one section on Page 21, subsections 3 and 4 and the way people's benefits are figured. They requested different language be presented in their Bill and is more clear. The intent is exactly the same. It just more clearly states in the Federal programs, when someone comes on the program they are going to look at what they tell them they think they will earn in the next month and based upon that they give them that amount of benefits. They want to make sure what they are telling them is true after a couple of months so they go back to a retrospective budget in the third month.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members:

Tape 3, Side 2, (025) Representative Cobb answered a question from Rep. Marks concerning the amendment speaking to accountable income on Page 21. The idea of accountable income is to look at all of the income of the household but the Bill contained certain exclusions and they are actually resources, such as an exemption for a home so that is the reason the term is in there. That term was put in by the legislative council.

Closing by Sponsor:

Representative Cobb closed the hearing.

DISPOSITION OF HOUSE BILL 723

Motion: Representative Thoft moved to pass House Bill 723.

Discussion: None

Amendments, Discussion, and Votes: Representative Thoft moved to accept the amendment to House Bill 723. Amendment passed. Rep. Peck voted no.

Recommendation and Vote: Committee vote, House Bill 723 as amended, passed. Rep. Menahan voted no.

HEARING ON HOUSE BILL 390

"AN ACT GENERALLY REVISING THE LAWS RELATING TO THE CRIMINAL SALE OF DANGEROUS DRUGS; PROVIDING FOR A MANDATORY 2-YEAR PRISON SENTENCE FOR THE SALE OF COCAINE IN ANY OF ITS FORMS; PROVIDING THAT THE FIRST 2 YEARS OF A SENTENCE OF IMPRISONMENT FOR THE SALE OF CERTAIN DANGEROUS DRUGS TO MINORS MAY NOT BE DEFERRED OR SUSPENDED; AMENDING SECTIONS 45-9-101, 46-18-201, AND 46-18-231, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Presentation and Opening Statement by Sponsor:

Representative Gary Spaeth, House District 84, stated that at the top of the fiscal note the law revises the laws relating to the criminal sale of dangerous drugs and provides for mandatory two year sentence for the sale of cocaine and any of its forms, including crack, and providing that the first two years of the sentence will not be deferred or suspended. It also provides a mandatory two-year minimum sentence for the sale of dangerous drugs to minors. Looking at the fiscal note there is some expenditure potential and that is because it costs more money to place someone in the prison and that is exactly what this Bill is intended to do is to send people who sell cocaine or crack to prison for a longer period of time.

Representative Bardanoue asked Rep. Spaeth how he arrived at the figure and Rep. Spaeth stated that 14 people would be affected in Deer Lodge.

Testifying Proponents and Who They Represent:

John Conner, Dept. of Justice, County Prosecutor's Service Division.

Proponent Testimony:

Mr. Conner stated he was testifying on behalf of the County Attorney's Association and one of the obligations of his office is to prosecute all of the Coal County task force drug cases that arise in the nine counties in Eastern Montana that are investigated by the Montana Criminal Investigation Bureau. For the past year and a half he has

spent the majority of his time prosecuting drug cases, primarily in Yellowstone County. They have seen a tremendous increase in the number of drug cases, particularly hard drug cases, over the last few years and the symptoms that are indicated by that, suggest to him that the problem is going to get worse, not better and they think now is the time to deliver the message to people who utilize the sale of these things for purposes of profit, that incarceration is going to be considered appropriate for that.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members:

Representative Cody directed her question to Rep. Spaeth and asked why is it so good to mandate sentences in one case and not in another and what do the judges think about being told they have to. Rep. Spaeth replied that some judges like mandatory sentences because it eliminates some of their discretion, particularly in some of the more heinous things and it gets them off the hook politically. Rep. Cody asked if there is an amount of cocaine or crack that is addressed or is it any amount and Rep. Spaeth stated it is any amount.

Representative Kadas asked Mr. Conner to describe the changing nature of this business, how effective he thinks prison sentences will be and wondered where the demand is coming from. Mr. Conner stated that crack is cocaine in free base form. They have not been seeing a lot of crack in Montana, it is basically a drug of the ghetto because it is cheap and easy to manufacture. They have been seeing some sign of Metropolitan street gangs operating in Montana or beginning to make overtures of operation in Montana. They are concerned about the possibility of crack becoming a problem. Rep. Kadas referred to Mr. Conner's testimony that there was a significant increase, particularly in Yellowstone County. Mr. Conner stated they are seeing a lot of cocaine sales and a lot of the cases he prosecutes are the sales cases. Rep. Kadas asked if the reason they are selling it now is because they got into it early or are they selling it to make money. Mr. Conner stated it was to make money.

Representative Bradley stated she shares his concern and asked about alternatives such as intensive supervision in homes with monitoring equipment. Mr. Conner stated he is not ruling out any alternatives but thinks prison sentences make

sense.

Representative Menahan asked Mr. Conner if he thought dealing in drugs was a nonviolent crime and he stated he thinks it is a crime that can do violence to themselves and others.

Closing by Sponsor: Representative Spaeth saved his close until executive action on this Bill.

HEARING ON HOUSE BILL 72

"AN ACT MANDATING THAT THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES PERFORM QUALITY ASSURANCE REVIEWS TO ENSURE THE INTEGRITY OF THE GENERAL RELIEF ASSISTANCE PROGRAM; APPROPRIATING FUNDS; AMENDING SECTION 53-3-112, MCA; AND PROVIDING AN EFFECTIVE DATE."

Presentation and Opening Statement by Sponsor:

Representative Bradley, House District 79, described this Bill as coming out of the interim welfare study and all of those measures were kept in one block when they were introduced and started in the Senate with the Chairman Senator Aklestad, but this one has to start in the House because of appropriation. It is option #16 which their committee endorsed and she would like to point out this dealing with quality assurance and SRS that this was also proposed and supported in two different legislative audits. One was the financial compliance audit that was issued in 1987 and talked about quality assurance and a performance audit on Medicaid with the same recommendation. Quality assurance review is part of SRS in the past and when there was that executive reduction in 1986 the quality assurance FTEs were taken out at that time. What they looked at in the Welfare Interim study and what they felt the record showed was that for every dollar that was spent for these two FTEs there were \$2.00 in savings. This would just put those individuals back into SRS. Quality assurance means that in effect they would take the extra time to look over the whole situation of general assistance, the eligibility of the individual and just make sure the best job is being done. In other words, that nobody is getting assistance that should not be receiving it or maybe some people are not getting the size of benefit they should be getting and to make sure that fraud is not taking place.

Testifying Proponents and Who They Represent:

None

Proponent Testimony:

None

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members:

None

Closing by Sponsor:

Representative Bradley stated she closed.

ADJOURNMENT

Adjournment At: 4:30 p.m.



REP. FRANCIS BARDANOUE, Chairman

FB/sk

4802.min

DAILY ROLL CALL

HOUSE APPROPRIATIONS

COMMITTEE

51st LEGISLATIVE SESSION -- 1989

Date 3/1/89

NAME	PRESENT	ABSENT	EXCUSED
REPRESENTATIVE BARDANOUVE	✓		
REPRESENTATIVE SPAETH	✓		
REPRESENTATIVE PECK	✓		
REPRESENTATIVE IVERSON	✓		
REPRESENTATIVE SWIFT	✓		
REPRESENTATIVE QUILICI	✓		
REPRESENTATIVE BRADLEY	✓		
REPRESENTATIVE PETERSON	✓		
REPRESENTATIVE MARKS	✓		
REPRESENTATIVE CONNELLY	✓		
REPRESENTATIVE MENAHAN	✓		
REPRESENTATIVE THOFT	✓		
REPRESENTATIVE KADAS	✓		
REPRESENTATIVE SWYSGOOD	✓		
REPRESENTATIVE KIMBERLEY	✓		
REPRESENTATIVE NISBET	✓		
REPRESENTATIVE COBB	✓		
REPRESENTATIVE GRINDE	✓		
REPRESENTATIVE CODY	✓		
REPRESENTATIVE GRADY	✓		

STANDING COMMITTEE REPORT

March 1, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that HOUSE BILL 723 (first reading copy -- white) do pass as amended .

Signed: B. Bardanouve
Francis Bardanouve, Chairman

And, that such amendment read:

1. Page 21, lines 7 through 21.

Strike: lines 7 through 21 in their entirety

Insert: "(a) Countable income during the first two months of continuous eligibility is the income the household is likely to receive during the benefit month less the amounts excluded in 53-3-205(2).

(b) Countable income in the third and all consecutive continuous months of eligibility is the income the household received in the second calendar month immediately preceding the benefit month less the amounts excluded in 53-3-205(2)."

EXHIBIT 1

DATE 3/1/89

HB 532

SUPPORTED EMPLOYMENT
Vocational Rehabilitation Program
The Department of Social and Rehabilitation Services

People with severe disabilities who need ongoing support to maintain their employment after they are placed into competitive employment, are candidates for Supported Employment through the vocational rehabilitation system if a funding source other than Vocational Rehabilitation can be found to pay for the support services. Since the Supported Employment program became fully operational approximately eleven months ago, 102 people with severe disabilities have been placed with the following results:

<u>Client Disability</u>	<u>#Placed in Work</u>	<u>Gross Earnings</u>
Physical Disability	1	\$1,072
Visual Impairment	2	\$1,508
Hearing Impairment	2	\$1,011
Mental Retardation	45	\$45,260
Seizure Disorder	2	\$1,232
Traumatic Brain Injury	4	\$2,783
Mental Illness	35	\$38,650
Learning Disability	3	\$7,439
Other	8	\$22,305
Totals	102	\$121,260

The above effort (through December, 1988) represents an average of 4.3 months of employment per client. The average monthly earnings for a client was \$280. The average hours worked per week by Supported Employment clients was 20.5, with a range of 1 hour per week to 40 hours per week. The average hourly wage was \$3.28 per hour, ranging from \$1.01 per hour to \$5.28 per hour.

Fifty one employers in Montana hired Supported Employment clients. All types of businesses were represented, although the majority of placements were in service industry jobs.

Vocational Rehabilitation has set up multi-agency service committees to deliver Supported Employment services in nine Montana communities. Those communities are: Conrad, Great Falls, Kalispell, Missoula, Miles City, Billings, Bozeman, Butte, and Helena.

SPONSOR'S FISCAL NOTE

Form BD-155

Introduced Bill

There is hereby submitted a Sponsor's Fiscal Note for: HB 663, Version:

DESCRIPTION OF PROPOSED LEGISLATION:

An act to include hospice as a mandatory Medicaid service, and providing an effective date.

ASSUMPTIONS:

1. 39 Medicaid-eligible patients per year would elect the hospice benefit. (This estimate of utilization is based upon a survey conducted by the Montana Hospice Organization, which identified the actual number of Medicaid-eligible patients in the five largest hospices, who received hospice care during calendar 1988.)
2. 45 days will be the average length of stay in a hospice program.
During that period:
 - 5 days of care will be provided in an inpatient setting (The Health Care Financing Administration estimates that 10% of hospice care is provided in an inpatient setting.)
 - 39 days of routine home care
 - 1 day of continuous home care (private duty nursing)
 - 2 physician services

3. Hospices will be reimbursed according to Medicare regulations as follows: Inpatient care=\$257.63/day; Home Care =\$57.53/day; Continuous Care=\$333.76/day; and Physician Services=\$100/visit.

4. Traditional Care:

- A. 45 day period
- B. Two hospital admissions during period
- C. Average DRG weight 1.9238
- D. Capital pass-through equals 10% of DRG weighted price
- E. DRG price \$1,368.19
- F. Average traditional out of hospital care equals \$26/day for 20 days. (Based upon 1986 study performed by Michigan Department of Social Services. Costs have not been adjusted for inflation.)

5. The cost of adding this service to the MMIS payment system is estimated to \$60,000 in FY 1990.

6. The Federal Medicaid matching rate is assumed to be 71.17% in FY 1990 and 71.28% in FY 1991.

7. A one-quarter time FTE will be required to administer the program.

EXHIBIT
DATE 3-1-89
HB 663

SPONSOR DATE
Jan Brown 2/18/89

Fiscal Note for: HF 663 Version: Introduced Bill

HB 663

SPONSOR'S FISCAL NOTE

Form HD-155

There is hereby submitted a Sponsor's Fiscal Note for: HB 663, Version: Introduced Bill

FISCAL IMPACT:

Expenditures:

	FY90	FY91	Difference
	Current Law	Proposed Law	
Personal Services	\$ -0-	\$ 7,027.00	\$ 7,027.00
Operating Expenses	\$ -0-	\$ -0-	\$ -0-
Benefits	\$ 225,836.22	\$ 158,557.62	\$ (67,278.60)
Total	\$ 225,836.22	\$ 165,584.62	\$ (60,251.60)

Funding:

General Fund	\$ 65,108.58	\$ 65,036.05	\$ (72.53)
Federal Funds	\$ 160,727.64	\$ 160,548.57	\$ (179.07)
Total	\$ 225,836.22	\$ 225,584.62	\$ (251.60)

TECHNICAL NOTES:

- Hospice care (as defined by the Federal Government) includes dietary counseling. This service would have to be added as a covered benefit for the Medicaid program. This service could be limited to hospice care only.

PRIMARY SPONSOR DATE

Fiscal Note for: HB 663 Version: Introduced Bill

HB 663

Criterion 1. The person has a severe mental illness as indicated by one of the following:

- EXHIBIT 1 -
DATE 3/1/89
HB 66
- a. the person has been hospitalized for at least 30 consecutive days because of a mental disorder at Montana State Hospital (Warm Springs campus) or Rivendell of Billings (former Montana Youth Treatment Center) at least once, or
 - b. the person has a DSM-III-R diagnosis of schizophrenic disorder (295), major mood disorder (296.2, 296.3, 296.4, 296.5, 296.6, 296.7, 301.13); paranoid disorder (297.10); organic disorder (290, 293.81, 293.82, 293.83, 294.00, 294.10, 294.80, 310.10); or other psychotic disorder (298.80, 295.40, 295.70, 297.30, 298.90); or
 - c. the person has a personality disorder (DSM-III-R code 301) which causes the person to be unable to work competitively on a full-time basis or unable to maintain a residence without assistance and support by family or a public agency.

Criterion 2. The person has ongoing functioning difficulties because of the mental illness, as indicated by one of the following:

- a. the person takes prescribed medication to control the symptoms of mental illness, or
- b. the person is unemployed or does not work in a full-time competitive situation because of mental illness, or
- c. the person receives SSI or SSDI payments due to mental illness; or
- d. the person maintains or could maintain a living arrangement only with the ongoing supervision and assistance of family or a public agency.

ph 2
HB 66
Wardlaw

EXHIBIT 2
DATE 3/1/89
HB 66

MEDICAID - CASE MANAGEMENT PROPOSAL

A. Target Group

Adults with severe and disabling mental illness

B. Availability

Consider targeting certain communities or counties to initiate program.

C. Providers

1. The State may limit the case managers available.
2. The State sets qualifications of providers.

D. Payment Method

May be paid on fee-for-service or capitation basis. Special rules apply to capitation methods.

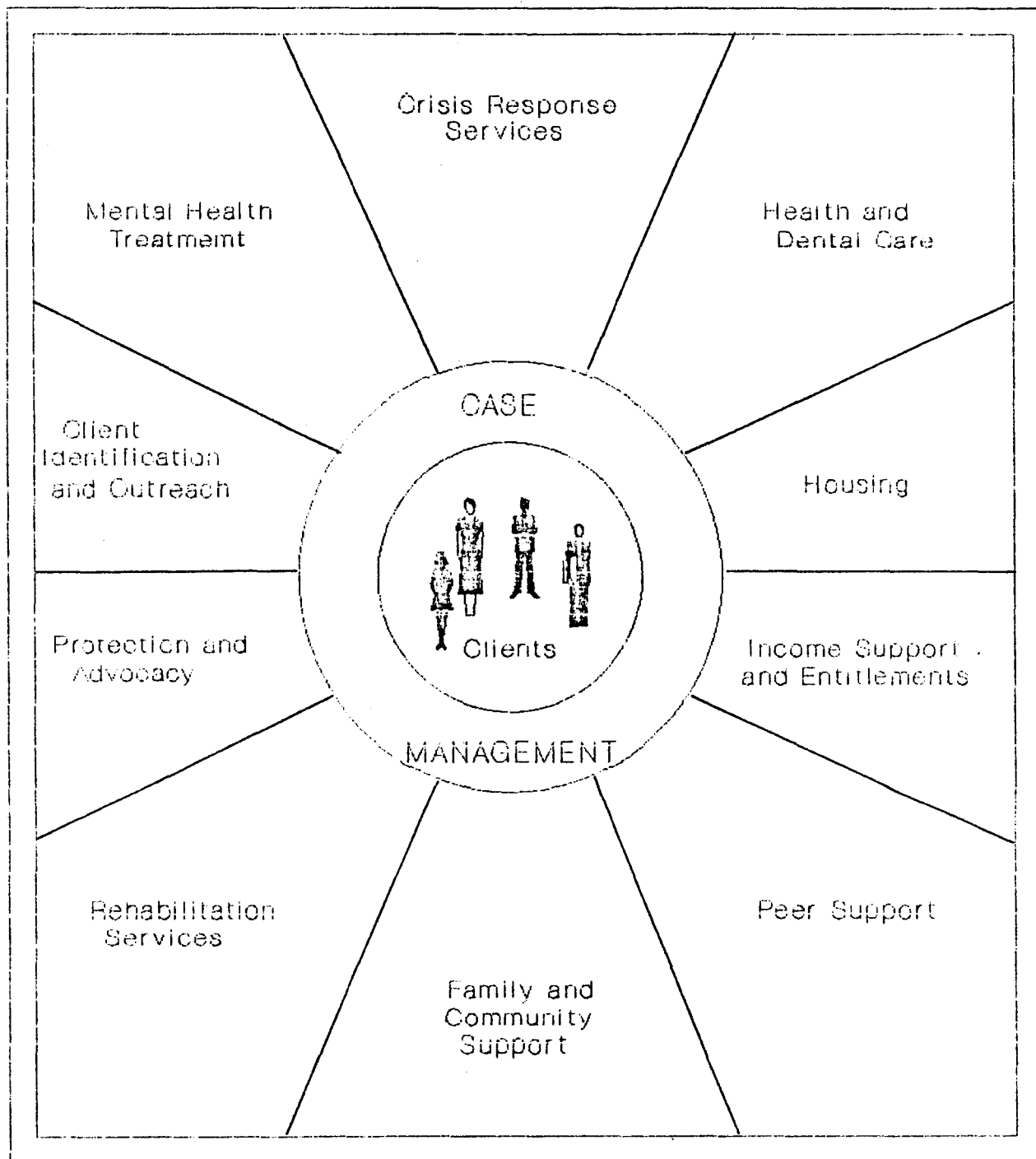
E. Definition of Case Management

1. State has considerable discretion.
2. "Outreach" may be reimbursed as administrative expense only (50% federal funds).
3. Discharge planning from Medicaid reimbursed facility is not reimbursable.
4. The current Mental Health Bureau definition of case management is:

Intensive case management is the activities of a single person or team which carries responsibility for: a) helping the consumer make informed choices about opportunities and services, b) assuring timely access to needed assistance, c) providing opportunities and encouragement for self-help activities, d) assisting the consumer in the development of realistic, attainable life goals, and e) coordinating all services to meet these goals. Intensive case management is a supportive community-based service which seeks to maximize an individual's personal abilities and enable growth in some or all aspects of the person's vocational, residential, social, and health related environments. Priority is placed on providing personal support and guidance in helping the person acquire comprehensive, integrated resources in his or her natural community environment.

EXHIBIT 3
DATE 3/1/89
HB 66

SYSTEM OF COMMUNITY SERVICES FOR ADULTS WITH CHRONIC MENTAL ILLNESS





Mental Health Association of Montana

A Division of the National Mental Health Association

State Headquarters

555 Fuller Avenue

Helena, Montana 59601

(406) 442-4276

EXHIBIT 4

DATE 3/1/89

HB 66

Presentation of the Mental Health Association of Montana

Concerning HB 66, Case Management Services

Before the House Appropriations Committee,

March 1, 1989

BOARD MEMBERS

Carroll Jenkins—President
Helena

Char Messmore —Vice President
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Norda London—Secretary
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Tom Cherry—Past President
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James D. Johnson
Butte

Kelly Moorse
Helena

Cliff Murphy
Billings

Marilyn Olson
Sidney

Dick Prugh
Bozeman

Mary Alice Rehbein
Lambert

Uta Shiotani
Harlowton

Connie Skiftun
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Allen Smith
Warm Springs

Winnifred Storli
Kalispell

NATIONAL M.H.A.

V.P., REGION VII

Joan-Nell Macfadden
Great Falls

EXECUTIVE DIRECTOR

Joy McGrath

Chapters in:

Billings

Blaine County

Cascade County

Daniels County

Helena

Hill County

Pondera County

Sheridan County

Sweet Grass-Stillwater Counties

The Mental Health Association of Montana strongly supports the passage of HB66, an act to include case management services for the chronically mentally ill as a mandatory program under the Medicaid program. In fact, our Association's Board of Directors has identified this bill as one of the three most important mental health measures before the 51st Session of the Montana Legislature.

The Mental Health Association is a nonprofit, volunteer organization advocating the improvement of care and treatment services and their availability and accessibility for persons of all ages. One of our primary interests is that persons with mental health problems be treated in the least restrictive, most appropriate manner possible, with consideration also being given to cost-effectiveness and proximity to one's residence.

Case management services satisfy those criteria. Case management can take place in the person's own community rather than in a distant city or state. When appropriate, the case manager can be in contact with the person's family.

Case management allows more holistic attention to the needs of the mentally ill. The case manager can assist the client in locating the appropriate local medical and social services. The case manager can help ensure that the client is receiving proper medication. The location of clean, secure housing is one of the most important of the case management services. Case managers can also assist their clients in locating job training programs and jobs--such as through supported employment programs. The case manager can intervene early in crisis. The case manager can be a supporter, a listener, and a friend.

Case management is also cost-effective. Clients can remain in their communities with case management rather than in more expensive state or private institutions. Case management can prevent the deterioration of persons whose present condition would not yet justify institutionalization. So long as case managers exercise independent judgment with regard to their clients, they can be effective advocates in behalf of their clients before other components of the mental health delivery system.

We have successfully reduced the number of individuals in Montana's State Hospital. So that this policy of deinstitutionalization does not become a policy of eviction, we must be very concerned about the availability and quality of mental health programs in our communities so that these people do not become invisible children and invisible adults. Our community mental health centers are one essential aspect of locally provided mental health care. Case management services are another.

We strongly urge your support of HB 66.

EXHIBIT 1
DATE 3/1/89
HB 282

HB 282 ESTIMATED COST PER AMENDMENTS

	FIRST YEAR	SECOND YEAR
PERSONNEL		
1 FTE INSPECTOR (G15)	\$23,228	\$23,720
.5 FTE SECRETARY (G9)	\$7,271	\$7,430
BENEFITS @ 20%	\$6,100	\$6,230
TOTAL PERSONNEL	\$36,599	\$37,380
EQUIPMENT		
OFFICE WORK STA	\$2,500	\$0
OTHER	\$400	\$0
EQUIPMENT TOTAL	\$2,900	\$0
SUPPLIES/MATERIALS		
OFFICE SUPPLIES	\$500	\$500
TOTAL SUPPLIES	\$500	\$500
OPERATING		
PHONE	\$1,200	\$1,200
POSTAGE	\$1,200	\$1,200
ARM PUBLICATION	\$0	\$3,600
DUES/SUBSCRIPT/REGIS	\$500	\$500
TOTAL OPERATING	\$2,900	\$6,500
CONTRACTED		
PHOTOCOPING	\$2,000	\$2,000
PRINTING	\$1,200	\$1,200
TOTAL CONTRACTED	\$3,200	\$3,200
TRAVEL/PER DIEM		
MILAGE (staff)	\$1,500	\$1,500
PER DIEM (staff)	\$600	\$600
LODGING (staff)	\$1,000	\$1,000
COMMISSION MEMBER PER DIEM ¹	\$2,988	\$2,988
TOTAL TRAVEL	<u>\$6,088</u>	<u>\$6,088</u>
TOTAL FOR YEAR	\$52,187	\$63,688

1. Assumes Commission members meet an extra day to handle Standards Commission on day before or after Crime Control Board meetings. Covers per diem and lodging combined.

Given Sec. later

EXHIBIT
DATE 3/1/89
HB 282

MEMORANDUM

TO: Representative Bob Marks
Members of the House Appropriations Committee

FROM: Rep. Bill Strizich *WSS*

DATE: March 1, 1989

RE: HB 282 - Detention Standards Commission

Thank you for raising your concerns regarding the composition and appointment of a Detention Standards Commission from the ranks of the members of the existing Board of Crime Control. After noting your concerns I asked the staff of the Board of Crime Control to review the sections of HB 282 which you questioned.

They reported to me that indeed language starting on page 15, line 21 through page 16, line 25 is unnecessary and redundant. The general section setting up the Board of Crime Control (2-15-2006) and the section providing for the appointments by the Governor (2-15-124) are sufficient. The intent of HB 282 is to use 9 of the Board of Crime Control members to also serve as the Detention Standards Commission.

The language of HB 282 can be greatly clarified by striking all the language in Section 16 (page 14, line 24 through and including line 25, page 16). This removes any conflict and confusion. The Detention Standards Commission is then defined or set up in Section 3, on page 5, line 8 - 16. In fact, further improvements result from striking lines 11 to 13 on page 5, since this is redundant to existing law (2-15-2006) setting up the Board of Crime Control.

I appreciate your suggestions and I hope these suggested changes are satisfactory.

Given See later

EXHIBIT
DATE 3/1/89
HB 282

MEMORANDUM

TO: Rep. Bob Thoft
Members of the House Appropriations Committee

FROM: Rep. Bill Strizich *WJS*

DATE: March 1, 1989

RE: HB 282--Detention Standards Commission

I reviewed your concern with lines 6-10 on page 3 of HB 282 regarding potential closure of local facilities which are not standard compliant. HB 282 incorporates several features which mitigate your fear of loss of local control.

First, and most importantly, lines 6-10 on page three refer to the intent of Section 12 of the bill found on page 12, starting on line 15. Section 12 indicates that a local facility may only be closed upon order of the district court. This means that there is opportunity for all sides to present their 'case' and a decision regarding a local detention facility is not made by a state agency but only through judicial process and by judicial authority. In addition, the court need not order closure as, on page 13 lines 9 to 16, court options are described.

Second, lines 6-10 on page 3 of the bill, should not lead to the assumption that local facilities can be closed within 3 years. In actuality 2 years are given simply for the development and promulgation of the standards. Then an additional 3 years are allowed to make efforts to achieve compliance. Finally, if a detention center can not make compliance after those 3 years, they submit a 'corrective action plan' (page 12 lines 3 - 7) which allows them a reasonable additional amount of time to comply (page 12, lines 8 - 14). A reasonable time may indeed be several years if the problems of the facility are great.

EXHIBIT 1
DATE 3-1-89
HB 469

TESTIMONY ON HOUSE BILL 469

BEFORE THE APPROPRIATIONS
COMMITTEE OF THE MONTANA
HOUSE OF REPRESENTATIVES

BY JEFFREY CHAFFEE, P.E., CHIEF OF
THE AIR QUALITY BUREAU OF THE MONTANA
DEPARTMENT OF HEALTH AND ENVIRON-
MENTAL SCIENCES

The Montana Department of Health and Environmental Sciences (Department) is offering testimony on House Bill 469 to explain the Department's role in the Billings air monitoring study. The Billings-Laurel Air Quality Technical Committee (BLAQTC), which is comprised of Billings area industries, the Billings Chamber of Commerce, the Yellowstone County Air Pollution Control Agency, and the Department instituted an ambient sulfur dioxide (SO_2) monitoring study in December, 1987. This monitoring effort consists of three monitoring stations operated by BLAQTC's industrial members, and two monitoring stations operated by the Department. Data collected by the monitoring network is used to evaluate ambient SO_2 levels in the Billings area and to focus BLAQTC efforts for improvement of ambient air SO_2 levels.

The 50th Legislature passed House Bill 878 which provided \$50,000 to the Department for Billings area SO_2 monitoring, provided that area SO_2 -emitting industries also contributed to the monitoring study. BLAQTC would like to continue the joint state-industry SO_2 monitoring to facilitate group efforts toward reduction of ambient SO_2 levels. Without ongoing ambient SO_2 data collection, progress on BLAQTC goals would not be assessed. Furthermore, additional data to define conditions leading to elevated SO_2 concentrations is needed.

BLAQTC is requesting the appropriation of \$75,000 for the continuation of Department SO₂ monitoring in Billings for the next biennium. HB 469 would appropriate these dollars contingent upon continuation of the industry monitoring network in Yellowstone County. Funding provided in this bill would support operation of two Department monitoring sites through the next biennium, including a 1 FTE site operator and associated operating expenses.

Continuation of BLAQTC efforts to monitor and reduce Billings-Laurel area ambient SO₂ levels is necessary to protect public health in these communities. Additional benefits to the economic health of the communities should be realized as well.

Amendments to House Bill No. 692
Second Reading Copy

Requested by Representative Tom Hannah

Prepared by Tom Gomez, Staff Researcher
March 1, 1989

EXHIBIT 1
DATE 3/1/89
HB 692

1. Page 2, lines 6 through 7.

Following: "means" on line 6

Strike: the remainder of line 6 through line 7

Insert: "any bureau or division of"

2. Page 2, line 13.

Following: "53-7-202"

Insert: , but excluding a disability resulting from mental illness"

3. Page 3, lines 16 through 22.

Strike: section 5 in its entirety

Insert: "NEW SECTION. Section 5. Appropriation. The following funds are appropriated from the general fund to the department of social and rehabilitation services for the purpose of administering [this act]:

FY 90
\$185,531

FY 91
\$406,594"

DEPARTMENT OF
SOCIAL AND REHABILITATION SERVICES

EXHIBIT 1
DATE 3-1-89
HB 723



STAN STEPHENS, GOVERNOR

P.O. BOX 4210

STATE OF MONTANA

HELENA, MONTANA 59604-4210

EXPLANATION TO HOUSE BILL 723
INTRODUCED COPY
GENERAL RELIEF

Miscellaneous general relief and workfare: Revisions will be made to Title 53, chapter 3, part 3 of the MCA as follows:

(a) Changes are made to 53-3-304(4), MCA to clarify that a public assistance recipient performing work for general relief is not considered to be an employee nor does it mean that the department is responsible for tax withholding, social security, etc. This would also clarify that benefits received would be considered "unearned" income for purposes of determining eligibility for other assistance programs. Furthermore, a recipient who was later found to have been ineligible for benefits but who has participated in workfare would be subject to recoupment of benefits. (Pages 1, 15-20 of HB 723.)

(b) Participation in job search, training and work programs will no longer be limited to six months. 53-3-304(8)(b), MCA. This amendment is consistent with SB 101. (Page 19, l. 22-23 of HB 723.)

(c) Persons living more than ten miles from work sites may now be required to participate in the work program. This amendment is consistent with SB 101. (Page 19, l. 18-19 of HB 723.)

(d) Prohibit persons penalized or sanctioned in federal programs from becoming eligible for general relief. See 53-3-109(11), 53-3-205(2) and 53-3-206(5), MCA.

(e) Limits on able-bodied are removed to comply with the Supreme Court ruling in B.C.U. v. Lewis. 53-3-205(3), MCA.

(f) The definition of a "household" (53-3-109(5)) and other sections of the law dealing with household eligibility (53-3-205(5)) are rewritten to clarify current department policy. Current policy allows the deeming of spouses and parents income to adult and minor children but not that of siblings. 53-3-206(3), MCA is also rewritten to limit responsibility for legal relationship as set forth above. (Page 3, l. 24 to page 4, l. 5 of HB 723.)

(g) The receipt of "lump sum" income or resources as set forth in 53-3-205(4)(c) [renumbered (3)(c)] is expanded so as to preclude individuals terminated from AFDC gaining assistance in the general relief program. This is accomplished by adding a definition of "presumptive income" to 53-3-109 and adding the term to 53-3-205(2). (Page 5, l. 6-12 and page 7, l. 17-18 of HB 723.)

(h) Revisions are made to 53-3-209(3), MCA to allow for easier administration of the medical assistance program. This revision would clarify when medical services eligibility begins and ends. (Page 14 of HB 723.)

(i) State medical income eligibility is simplified by eliminating the spenddown requirements and thereby referencing the table in 53-3-206 only. (Pages 11-13 of HB 723.)

(j) Revisions are made to 53-3-206(4) MCA to clarify that resources offset against general assistance would not be applied once again as a required offset for payment of medical assistance. This would avoid duplicative counting of resources. (Page 11, l. 21-24 of HB 723.)

(k) Prospective budgeting will be for the first two months and then continued eligibility will be on a retrospective income analysis. Federal programs operate in a like manner. See 53-3-205, MCA (new subsection 5) and 53-3-311 (new subsections 3 and 4). (Page 21, l. 7-21 of HB 723.)

Submitted by: *Russell E. Carter*
Department of Social and
Rehabilitation Services

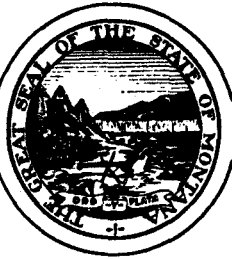
EXHIBIT 2
DATE 3-1-89
HB 723 AMENDMENTS TO HOUSE BILL 723
(Re: General Relief)

1. Page 21, lines 7 through 21
Strike: lines 7 through 21 in their entirety
Insert: "(a) Countable income during the first two months of continuous eligibility is the income the household is likely to receive during the benefit month less the amounts excluded in 53-3-205(2).
(b) Countable income in the third and all consecutive continuous months of eligibility is the income the household received in the second calendar month immediately preceding the benefit month less the amounts excluded in 53-3-205(2)."

Rationale: The use of "prospective" budgeting during the first two months of eligibility and "retrospective" budgeting thereafter is a required procedure for federal programs. This method of counting income was discussed and approved by the Joint Interim Subcommittee on Welfare prior to the legislative session. New subsections (3) and (4) on page 21 of HB 723 is language that appeared in an earlier draft which some members thought confusing and perhaps misleading. The department presented to the legislative council the new language requested in this amended but it was overlooked until now. It is our hope that this language more clearly reflects the intent of the eligibility determination process.

Submitted by: *Russell E. Carter*
Department of Social and
Rehabilitation Services

DEPARTMENT OF
SOCIAL AND REHABILITATION SERVICES



STAN STEPHENS, GOVERNOR

P.O. BOX 4210

STATE OF MONTANA

HELENA, MONTANA 59604-4210

March 1, 1989

TO: House Appropriations Committee
Chairman, Francis Bardonoue

EXHIBIT 1
DATE 3-1-89
HB 72

FROM: Erich Merdinger, Acting Administrator
Audit and Program Compliance Division *EM*

RE: Testimony Concerning H.B. 72: General Relief Assistance
Quality Assurance Reviews

Upon passage of H.B. 72 the department would develop and implement a Quality Assurance program for General Relief Assistance. Quality Assurance reviews will be conducted in counties with state-assumed welfare services. The primary purpose of such reviews is to insure the integrity of the general relief assistance program.

The department will review selected General Relief Assistance cases through the efficient and selective use of such quality control methods as desk reviews, questionnaires, random sampling, targeted cases or geographic areas, error prone profiles, collateral contacts and home visits.

The reviews will identify overpayment and underpayment errors, verify eligibility information and refer possible fraud and abuse cases for prosecution or administrative action.

It is the department's intent to use the equivalent of two FTE's to desk review all General Relief Assistance cases if time and resources permit and to provide an effective and cost efficient level of review within resource limitations.

2-1-89

Appropriations

VISITORS' REGISTER

[illegible]