

MINUTES

MONTANA SENATE  
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON FINANCE AND CLAIMS

Call to Order: By CHAIRMAN STORY, on MARCH 10, 1989, at  
8:00 A.M.

ROLL CALL

Members Present: Senator Gary Aklestad, Senator Loren  
Jenkins, Senator Esther Bengtson, Senator Matt Hims1,  
Senator Paul Boylan, Senator Tom Keating, Senator Judy  
Jacobson, Senator H.W. "Swede" Hammond, Senator Pat  
Regan, Senator Larry Tveit, Senator Fred Van  
Valkenburg, Senator Dennis Nathe, Senator Greg  
Jergeson, Senator Gerry Devlin, Senator Richard  
Manning, Senator Sam Hofman, Senator Lawrence Stimatz,  
Senator Ethel Harding, Senator Pete Story

Members Excused: None

Members Absent: None

Staff Present: Curt Nichols, LFA; Deb Thompson, Secretary

Announcements/Discussion: Elizabeth Bozdog with the  
Childrens Alliance served juice and muffins.

HEARING ON HOUSE BILL 452

Presentation and Opening Statement by Sponsor:

Representative Dorothy Cody, District 20, presented HB 452.  
She explained that the bill was needed in order for the  
State to conform with the federal changes in Medicaid.

List of Testifying Proponents and What Group they Represent:

Russell Cater, Department of Social and Rehabilitative  
Services

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Russell Cater, chief legal counsel for SRS, discussed the  
bill as a result of federal law. He said the state has

no choice in the matter or else the Medicaid program would be eliminated. See Exhibit 1.

Questions From Committee Members:

Senator Aklestad pointed out that there was no fiscal impact but that the bill looks like it is mandating more restrictive language. Russell Cater said that the changes in the Act start on page 9 concerning the health care facilities standards. The Department of Health insures that these facilities follow federal standards. He said it is spelled out in section 4 where penalties will be imposed on providers in order to protect patients. Senator Aklestad noted that due to mandates imposed on someone else they can't live up to the mandate because of the additional cost.

Senator Keating asked if the State paid on a 70-30 match. Russell Cater replied that it was a 71-29 match. He said the more money the State puts up the more they get from the Federal. Senator Keating pointed out on page 6, line 11 it was limited to only clinical social workers. He suggested professional licensed counselors should be included. Russell Cater replied that the federal law allowed reimbursement for clinical social workers. He said the law was general but could be expanded with additional appropriation. He pointed out that professional counselors have been wanting to come to the Medicaid program.

Senator Hims1 pointed out that Medicaid was an entitlement program. Russell Cater said it was true in the sense that if you are eligible for Medicaid services you are entitled to receive them but there are certain restrictions within federal law and certain options which the state can take. He listed examples of mandated services from page 5, line 6. The only service that isn't a mandated service by federal law would be nurse specialists, he said.

Senator Hims1 asked for a figure that the Medicaid program would cost with respect to the Medicaid buy-in. Russell Cater replied that the amount was drawn up in the subcommittee. He said the Medicare buy-in in the current budget is \$1.8 million dollars for FY 1990 and \$5.3 million for FY 1991.

Senator Hims1 asked if there was a qualifying period for the state to comply. Russell Cater replied that there was. He said he copied an article from the Medicaid-Medicare Guide from the Commerce Clearinghouse that discusses the requirements. He said that under the Medicaid buy-in it is to be effective January 1, 1989. The law

indicates that the state is entitled to ask for a waiver if state law does not allow for a buy-in. The state has to enact the buy-in no later than the first quarter after the legislative session ends which would be July 1. The Department of SRS has requested a waiver, he said.

Senator Jenkins asked about rulemaking authority on page 9, line 24, concerning minimum standards if this would be expanding above federal standards. Russell Cater replied that federal law says that facilities not only must follow the minimum standards in federal law but also be able to achieve requirements of a state licensing authority. He said the Department of Health standards follow the federal certification standards.

Closing by Sponsor: Representative Cody closed. She commented that if the bill does not pass SRS must do it anyway.

#### HEARING ON HOUSE BILL 636

Presentation and Opening Statement by Sponsor:

Representative Bob Pavlovich, District 70, presented HB 626. (A-738)

List of Testifying Proponents and What Group they Represent:

List of Testifying Opponents and What Group They Represent:

Testimony:

Nick Rotering, attorney with Department of Institutions, said the bill would clarify existing reimbursement laws. Section 2 of the bill indicates the authority of the department over what programs would be addressed. He said the bill was a house keeping bill and the language had been in the bill since 1977 and needed to be revised.

Questions From Committee Members: None

Closing by Sponsor: Representative Pavlovich closed. Senator Jacobson carries the bill.

#### HEARING ON HOUSE BILL 453

Presentation and Opening Statement by Sponsor:

Representative Dorothy Cody, District 20, presented HB 453.

She said the bill addressed Medicaid eligibility. (A-852) She noted that current statutory provisions are broad and do not detail those persons that are eligible for medical exclusions under the Montana Medicaid Program. The proposed bill sets for eligibility requirements both financial and non-financial. She discussed revisions in the bill and also the criteria elimination of the review of Medicaid eligibility by county welfare boards. Federal law mandates that Medicaid rules be consistent throughout the state and be administered by a single state agency. She clarified that this only is for counties that are State assumed (A-912).

List of Testifying Proponents and What Group they Represent:

List of Testifying Opponents and What Group They Represent:

Testimony:

Russell Cater, SRS, spoke in favor of the bill. *See Exhibit 2.*

Questions From Committee Members:

Senator Hammond asked for clarification on assumed counties. Representative Cody replied that County Eligibility Technicians in the non-assumed counties are state employees, in the 12 assumed counties the state has the full function of the welfare in those counties. The review boards are only in the assumed counties. She said the bill is to set a statewide standard for eligibility requirements to conform with federal mandates.

Chairman Story asked for the budget figure needed in order to comply with federal standards. Representative Cody replied that the Human Services Subcommittee arrived at the cost of this legislation as close to six million dollars.

Senator Van Valkenburg asked about language on page 8-9 about the department adopting rules if this was an expansion of rulemaking authority. Russell Cater said that currently the department has the authority.

(B-000) Senator Van Valkenburg said there was concern that Medicaid funding would be short based on the subcommittee action alone. There will be pressure on the department to adopt rules that will limit eligibility for Medicaid based on lack of sufficient appropriations. Russell Cater replied that to be more restrictive would result in cuts in services.

Senator Van Valkenburg asked Peter Blouke if there would be changes in the Medicaid Program in the coming biennium. Peter Blouke replied that he did not see an expansion in rulemaking or services. He noted that the names were changed in specific services but the services were still provided.

Closing by Sponsor: Representative Cody closed. She commented that the bill would give the department some direction.

DISPOSITION OF HOUSE BILL 452

Discussion: Senator Manning moved that HB 452 be concurred in. Senator Keating said he was concerned that licensed professional counselors were not included. He pointed out they would be less expensive and there could be a savings.

Senator Manning withdrew the motion.

Amendments and Votes: None

Recommendation and Vote: None

HEARING ON HOUSE BILL 744

Presentation and Opening Statement by Sponsor:

Representative Joe Quilici, District 71, presented HB 744 to de-earmark the Motor Vehicle Account to go directly to the general fund.

List of Testifying Proponents and What Group they Represent:

None

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Questions From Committee Members: Senator Regan commented that the fund was constantly overdrawn and using general fund money anyway.

Closing by Sponsor: Representative Quillici closed.

DISPOSITION OF HOUSE BILL 744

Discussion:

Amendments and Votes:

Recommendation and Vote: Senator Regan moved HB 744 be concurred in. The question was called. The motion passed unanimously.

DISPOSITION OF HOUSE BILL 636

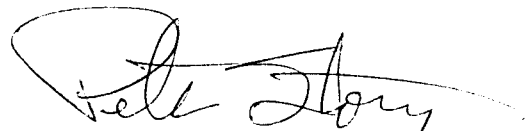
Recommendation and Vote: Senator Jenkins moved HB 636 be concurred in. The question was called. The motion passed unanimously.

DISPOSITION OF HOUSE BILL 453

Recommendation and Vote: Senator Manning moved HB 453 be concurred in. The question was called. The motion passed unanimously.

ADJOURNMENT

Adjournment At: 9:15 a.m.

  
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PETE STORY, Chairman

PS/dt

FCS310

DAILY ROLL CALL

FINANCE AND CLAIMS

COMMITTEE - 1989

DATE March 10 - 89

NAME	PRESENT	ABSENT	EXCUSED
Senator Gary Aklestad			
Senator Loren Jenkins			
Senator Esther Bengtson			
Senator Matt Himsl			
Senator Paul Boylan			
Senator Tom Keating			
Senator Judy Jacobson			
Senator H.W. "Swede" Hammond			
Senator Pat Regan			
Senator Larry Tveit			
Senator Fred Van Valkenburg			
Senator Dennis Nathe			
Senator Greg Jergeson			
Senator Gerry Devlin			
Senator Richard Manning			
Senator Sam Hofman			
Senator Lawrence Stimatz			
Senator Ethel Harding			
Senator Pete Story			



DEPARTMENT OF  
SOCIAL AND REHABILITATION SERVICES

Exhibit 1  
HB 452  
3/10/89



STAN STEPHENS, GOVERNOR

P.O. BOX 4210

STATE OF MONTANA

HELENA, MONTANA 59604-4210

EXPLANATION OF HOUSE BILL 452  
MEDICAID SERVICES

The Department of Social and Rehabilitation Services is proposing to amend certain provisions in Title 53, chapter 6 of the Montana Code Annotated. Revisions are proposed to insure that the terminology used in Montana statutes are consistent with federal law and existing programs. A listing of medicaid services in section 53-6-101 is amended to reflect those changes.

Two substantive changes have also been made to comply with the Omnibus Budget Reconciliation Act of 1987 (OBRA) and the Medicare Catastrophic Coverage Act of 1988 (MCCA). These changes authorize the department to pay the medicare premiums of individuals with incomes within 100% of the poverty guidelines (MCCA § 301). The bill also implements the federal requirements that the state performs survey and certification requirements for health care facilities, including the establishment of minimum health care standards, the adoption of civil penalties for facilities that have not complied with federal requirements, the imposition of sanctions, suspension and termination from the Medicaid program, and the ability of the department to temporarily take over management of a health care facility while there is an orderly closure of the facility or improvements are made in order to bring the facility into compliance with minimum federal standards (OBRA § 4213). The bill also mandates preadmission screening for private pay patients as well as medicaid patients in those situations required by federal law.

*Russell E. Coker*

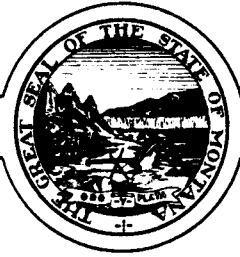


DEPARTMENT OF  
SOCIAL AND REHABILITATION SERVICES

Exhibit 2

HB 453

3/10/89



STAN STEPHENS, GOVERNOR

P.O. BOX 4210

STATE OF MONTANA

HELENA, MONTANA 59604-4210

EXPLANATION TO HOUSE BILL 453  
MEDICAID ELIGIBILITY

The Department of Social and Rehabilitation Services is proposing amendments to chapter 6 of Title 53 pertaining to medicaid eligibility. Current statutory provisions are very broad and do not detail those person who are eligible for medical assistance under the Montana Medicaid program. The proposed bill (LC-431) sets forth eligibility requirements, both financial and nonfinancial. The current Montana statutory provision set forth at section 53-6-131 should be amended to more accurately reflect the terminology and requirements as mandated by federal law.

New provisions have also been recommended for adoption as the result of the recent federal legislation. This includes the payment of medicare premiums, medicare deductibles and coinsurance for medicare eligible persons; and broader medical assistance for pregnant women and persons under 1 year of age.

A more detailed analysis of eligibility criteria is explained in the attached outline.

In addition to revisions pertaining to eligibility, section 53-6-133, MCA is being revised to eliminate the review of medicaid eligibility by county welfare board. This board is made up of the county commissioners in each county. Federal law mandates that welfare rules and regulations be consistent throughout the state and that they be administered by a "single state agency". Counties in Montana contribute a proportionate share for administrative cost but counties do not contribute or pay for any portion of benefits or medical assistance provided. As a practical matter, eligibility is determined by state employees in county offices but the county commissioners very rarely review medicaid eligibility determinations.

*Russell E. Caten*

3/10/89

HOUSE BILL 453  
Outline of proposed amended version of  
medicaid eligibility - 53-6-131

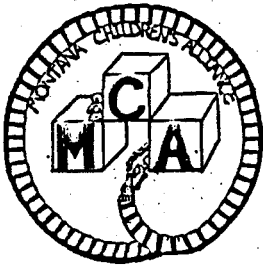
- (1) granted to person department finds eligible as follows:
  - (a) the person receives or is deemed to be receiving SSI or AFDC
  - (b) the person would receive SSI or AFDC if applied for
  - (c) the person is in a medical facility that is a medicaid provider, and the person but for residence there would be able to receive SSI or AFDC
  - (d) the person is under 19 and meets AFDC eligibility except for school attendance
  - (e) the person is under 21 in foster care under state supervision or was and has been adopted as hard to place
  - (f) the person meets the non financial criteria of (1)(a) through (1)(e) and
    - (i) has income less than medically needy income level and resources are within the SSI resource standards or
    - (ii) has an adjusted income level after incurring medical expenses equal to the medically needy income level and resources are within the SSI resource standard
  - (g) the person is under 1 year
    - (i) has income not in excess of income standards required by the federal Social Security Act
    - (ii) has resources that do not exceed standards department adopts
- (2) pregnant person is eligible for pregnancy related medical assistance if the person
  - (a) has income not in excess of income standards required by the federal Social Security Act
  - (b) has resources that do not exceed standards department adopts
- (3) program pays premiums, deductibles, and coinsurance for medicaid eligible person who

Ex. #2

3/10/89

- (a) has income not in excess of income standards required by the federal Social Security Act
  - (b) has resources that do not exceed a level two times the SSI resource standard
- (4) The department may provide, if a waiver is not available from the feds, medical and other assistance mandated by Title XIX and not otherwise listed in this part to categories of persons that may be designated by the federal act for receipt of assistance.

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1989 MONTANA CHILDREN'S AGENDA

Legislative Update

HEALTH

- MIAMI Project/Infant Mortality Reduction - LC 1592  
\$214,502 - Bill in draft  
  
\$131,000/biennium - Approved Human Services Appropriations  
Subcommittee for replacement of DDPAC and private funds
- Early Intervention Services/Developmentally Disabled 0-3 yrs.  
\$250,000/ biennium - Approved Human Services Appropriations  
Subcommittee
- Montana Medical Genetics Program - HB 402  
\$688,000/biennium - \$.45 on health insurance policies  
Passed House and Senate
- Family Planning - HB 688 RN's Dispense Commercial Contraceptives  
Passed House  
Senate Public Health, Welfare, Safety Committee - 3/15

MENTAL HEALTH/SOCIAL SERVICES

- Quality Youth Residential Care - \$2,033,028/biennium  
Approved Human Services Appropriations Subcommittee  
  
HB 304 Medicaid for Inpatient Psychiatric Services under 21 yr.  
Referred to Appropriations Committee
- Out of Home Data Collection - HJR 15  
Passed House  
Referred Senate Public Health, Welfare, Safety Committee
- Comprehensive Child Care Bill - HB 200  
Referred to Appropriations Committee
- Children's Trust Fund - \$122,854/biennium  
\$5 from marriage dissolution fee, tax write offs, donations  
Approved Human Services Appropriations Subcommittee

LATE BREAKING NEWS FAMILY PLANNING / BROADENING SERVICES  
\* 100,000/biennium. APPROVED HOUSE APPROPRIATIONS COMMITTEE

- \*\* Muffins donated by Ralph Anderson of Helena
- \*\* Juice donated by Shodair Children's Hospital

3/10/89



# 1989

# CHILDREN'S AGENDA

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## ENDORISING ORGANIZATIONS

Butte Silver Bow Health Department  
Butte Family Service Center  
Cascade County Child Protection Team  
Early Childhood Project  
Early Intervention Advisory Council  
Family Outreach, Inc.  
Florence Crittenton Home and Services  
Great Falls Children's Receiving Home  
Great Falls City-County Health Department  
Healthy Mothers, Healthy Babies, The Montana Coalition  
Intermountain Planned Parenthood, Inc.  
Kairos Youth Services, Inc.  
League of Women Voters of Montana  
Missoula Youth Homes, Inc.  
Montana Alliance for Better Child Care  
Montana Association of Home Health Agencies  
Montana Association of School Nurses  
Montana Big Sky Chapter,  
    March of Dimes Birth Defect Foundation  
Montana Chapter Nurses Association of American  
    College of Obstetrics and Gynecology  
Montana Children's Trust Fund  
Montana Committee for Prevention of Child Abuse  
Montana Council for Maternal and Child Health  
Montana Council of Mental Health Centers  
Montana HRDC Directors Association  
Montana Nurses Association  
Montana Occupational Therapy Association  
Montana Perinatal Association  
Montana Public Health Association  
Montana Residential Child Care Association  
Montana State Family Planning Council  
Montana University Affiliated Program for  
    Developmental Disabilities and Research and  
    Training Center on Rural Rehabilitation Services  
Montana Women's Lobby  
Parents Anonymous of Montana  
Shodair Hospital  
Sanders County Public Health Department  
Yellowstone City-County Health Department





