

MINUTES

MONTANA SENATE  
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON FINANCE AND CLAIMS

Call to Order: By CHAIRMAN PETE STORY, on APRIL 3, 1989, at  
4:35 P.M.

ROLL CALL

Members Present: 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 Valken-  
burg, 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: Judy Ripplingale, LFA

Announcements/Discussion: None

EXECUTIVE ACTION HB 100

Senator Keating offered an amendment that would allow the  
Department of Family Services to contract with private  
sources for adoption investigations (Exhibit #1). He  
said that it would permit spending authority for the  
fees that are generated by adoptive parents  
investigation. He moved the amendment.

The question was called. The motion passed unanimously.

Senator Keating offered an amendment that would provide  
spending authority for the Independent Living, Post  
Adoption Center, and Child Justice Act programs. Also  
it would provide for the Title III Aging Program.  
(Exhibit #2) He moved the amendment.

Doug Maddis, from the Department of Family Services,  
explained that these programs were budgeted in but this  
amount reflect the money that would carry into next  
year in the federal grants that run into part of 1990.  
The Aging Program is adjusting the federal grant award.

The question was called. The motion passed unanimously.

Senator Keating presented an amendment for an appropriation for the state child support enforcement bureau and to establish an enterprise fund (148) (Exhibit #3).

The question was called. The motion passed unanimously.

Julia Robinson explained the amendment. She said the program did the same thing but transferred the money and the program to SRS. (166) She pointed out that this amendment would clearly outline performance. The program would have to get \$1.25 for every dollar expended in order to add any kind of staff. It gives authorization to add up to 70 new positions but they could not be added unless the performance was guaranteed. The amendment would also allow a higher performance criteria in the second year. She said the amendment would also require a return of the money loaned except for a \$500,000 fund to keep the program going. Any money that is made is also returned, she stated. She suggested that when the program was working, a few more people spread around the state could be added. If possible this should be privatized before adding a bunch of state employees, she said.

The question was called. The motion passed unanimously.

Senator Van Valkenburg (437) distributed an amendment that would put in a contingency fund that was needed due to the uncertainties in the three major federal programs. (Exhibit #4) He pointed out that it was difficult to anticipate the effects on the state of Montana. He moved the amendment.

Julia Robinson explained that the Governor had recommended this contingency fund but it was not put in the budget. She said that his recommendation was for 2 million dollars and they were raising it to 4 million. The reason for this was to avoid debating each and every caseload that was cut. The caseloads may stay down, which means Montana people are working or have left the state. She said she was concerned about the projections because she doubted that the welfare reform programs would kick in at a successful level over the next two years (514). She pointed out that the jobs program is not targeted to begin until April of 1990, though it is recommended that small programs start in October of this year.

Dave Lewis commented that this fund would probably be way short, but that the new director needed that opportunity and it would also help avoid a large supplemental. (595)

Senator Jacobson commented that spending this money could not be avoided. She said it would either be spent now or two years from now. Senator Jenkins asked which way would it have the best chance of being spent - if it was appropriated and given to them now or if they have to come back and justify using it.

Senator Van Valkenburg (726) said that this would protect the administration.

The question was called. The motion failed 9-10 on a roll call vote.

Senator Jacobson distributed an amendment that would bring level 3 hospitals into level 2 to review the perinatal program. (Exhibit #5) She said this would help prevent mortality during the perinatal period. This is being done on a limited scale in Utah and additional money is needed to continue. Problem babies are sent out to Salt Lake City for care and this is very expensive to the state of Montana, she said. The program would allow an upgrade of the services in the state and keep some of those babies here. (820)

Ray Hofman, from the Department of Health, (882) said the Legislature established the Montana Perinatal Program to try to reduce infant mortality in the state. He said this step was vital to that operation. Professionals in the field need continued review of how to identify these problem babies and when to interact on what facilities should take care of them.

The question was called. The motion failed 7-10 on a roll call vote.

(Tape 1-B 4:30 pm)

Senator Boylan offered an amendment that would delay the hiring of 2.5 FTE daycare people in DFS until October 1. (Exhibit #6) Taryn Purdy clarified that at that time the state could utilize new federal monies to support these people on a 90-10 match.

The question was called. The motion passed unanimously.

Senator Harding distributed an amendment that would increase nurses aides salary 20 cents per hour. This would be accomplished by reducing the number of patient days. It also provides that they have to complete the OBRA training and testing requirements.

Rose Hughes, with the Health Care Association, explained that part of the rationale were due to the two new medicaid waiver programs without any offsetting reduction in nursing home days. The object of the waiver programs is to reduce nursing home days. She pointed out that there were patient days that would not be used. (172) She pointed out that there was a turnover rate in nurses aides of almost 80%. The turnover rate would go down if there was an increase in salaries.

Senator Keating said that the nurses aides were very low paid hands on workers and the raise was justified.

The question was called. The motion passed with two no votes by Senators Story and Aklestad.

Senator Harding presented an amendment for a pilot project in SRS for independent living centers to utilize a personal care model and have flexibility for choosing such services. (Exhibit #8) She pointed out that item two should be added "and subject to approval and plan".

Lowal Uda, from SRS, (403) explained that this was a pilot project that the department had made a space for.

Senator Keating asked how much money was involved in this amendment. Peter Blouke replied that there were no additional funds requested in the pilot project. They would use funds that are currently allocated for existing services.

Mr. Uda said the project could be changed. He pointed out that there were some obstacles in implementing flexibility (544). He said that changes would need a feasibility study. Senator Story pointed out there may be a better method of utilizing the fund and that the flexibility existed now to do that. Mr. Uda said it was up to the feds whether they would allow that under the medicaid program.

Senator Regan offered a substitute motion to put the amendment aside and ask the department to draft language making it clear that legislative intent would allow them along with the Personal Care Advisory

Council to address the problem by administrative procedure if they choose to. This would give the director better control of the program.

Senator Hammond asked how this compared with other pilot programs. Julia Robinson commented that SRS did not need legislation to do this. She said that Representative Boharski wanted the legislation so the department would be required to do this. She said the SRS staff wanted to make sure that the legislature did not mind them pursuing this project.

The question was called. The substitute motion passed with one no by Senator Story.

ADJOURNMENT

Adjournment At: 5:49 p.m.



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PETE STORY, Chairman

PS/dt

FCS4034P

DAILY ROLL CALL

FINANCE AND CLAIMS

COMMITTEE - 1989

DATE 4-3-89 4:30 p.m.

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	✓		

# 1

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 1  
DATE 4-3-89 pm  
BILL NO. 100

AMENDMENTS TO HOUSE BILL NO. 100

THIRD READING COPY

FOR THE FINANCE AND CLAIMS COMMITTEE

PREPARED BY THE DEPARTMENT OF FAMILY SERVICES  
MARCH 29, 1981

- 1) Page B-12, line 19. 16
- Following: "1,425,639"
- Insert: " 45,000"
- Following: "1,413,169"
- Insert: " 45,000"

Adjust totals to conform to amendment.

SB 146 has been approved by both houses and allows the Department to contract with private sources for adoption investigations and to charge a fee from the prospective adoptive parent for the cost of the investigation. The bill has a Governor's mandatory veto establishing a special revenue account for the fees. This amendment provides spending authority for the Department to expend those fees for contracted investigations for both fiscal 1990 and fiscal 1991.

#2

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 2  
DATE 4-3-89pm  
BILL NO. 100

AMENDMENTS TO HOUSE BILL NO. 100  
THIRD READING COPY

FOR THE FINANCE AND CLAIMS COMMITTEE

PREPARED BY THE DEPARTMENT OF FAMILY SERVICES  
MARCH 29, 1989

- 1) Page b-13, line 9.
- Strike: "3,464,437                      3,588,725"
- Insert: "3,719,916                      3,660,289"

Adjust totals to conform to amendment

This amendment provides federal authority for fiscal 1990 for the following programs initiated by budget amendment during fiscal 1989:

	<u>1990</u>
Independent Living	39,244
Post Adoption Center	110,375
Child Justice Act	34,296

This amendment also provides federal authority of 71,564 for fiscal 1990 and 71,564 for fiscal 1991 for the Title III Aging Program. It continues the Aging authority for fiscal 1990 and fiscal 1991 at the current grant award amount.



#3

SENATE FINANCE AND C  
BILL NO. 3  
DATE 4-3-89pm  
BILL NO. 100

Amendments to House Bill No. 100  
Third Reading Copy

For the Committee on Senate Finance and Claims

Prepared by LFA  
April 3, 1989

1. Page A-16, lines 5 and 6.  
Strike: Lines 5 and 6 in their entirety.

2. Page B-6, following line 21.  
Insert: "c. Child Support Enforcement Bureau  
          \$2,443,161     FY90 Federal Special  
          \$1,155,846     FY90 Proprietary  
  
          \$2,831,288     FY91 Federal Special  
          \$1,260,677     FY91 Proprietary"

LFA will amend totals.

3. Page B-12, following line 14.  
Insert: "Item 3c is an appropriation for the state child support enforcement bureau. The department shall establish an enterprise fund on July 1, 1989 to allow for operation of the child support enforcement program. It is the intent of the legislature that the program collect \$1.25 in fiscal 1990 and \$1.69 in fiscal 1991 for each \$1.00 expended from the enterprise fund. The department is authorized to employ a maximum of 106 FTE in fiscal 1990 and 121 FTE in fiscal 1991 provided the department meets the legislative performance criteria. The purpose of the additional staff is to meet the requirements of the federal audit performance standards, the 1987 audit corrective action plan, the federal welfare reform act, and senate bills 22, 42, 129, and 177 passed by the 1989 legislature. The department may contract portions of this program as long as it meets legislative performance criteria.

The state share of the AFDC-related support collections and all AFDC and non-AFDC federal incentive payments must be deposited to this enterprise fund from which the state's share of the administrative and operational cost of the program must be paid. Any fund balance in excess of \$500,000 in the enterprise account at the end of each fiscal year shall be returned to the general fund. The department shall clearly identify all related revenues and expenditures on the State Budgeting and Accounting System in order for the Office of Budget and Program Planning or the Office of the Legislative Fiscal Analyst to completely evaluate the cost effectiveness of this program."

#4

SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 4  
DATE 4-3-89 pm  
BILL NO. 100

AMENDMENTS TO HOUSE BILL 100  
(General Appropriations Act)  
Third Reading Copy

1. Page B-8.  
Following: line 6  
Insert: "c. Extended Benefits"  
Insert: (Under column for General Fund)  
          "4,000,000"  
          (Under column for Federal Special Revenue)  
          "10,326,648"  
Adjust totals accordingly.
  
2. Page B-11.  
Following: line 18  
Insert: "Item [5c] is a biennial appropriation. Funds may  
          be used for unanticipated costs among items lbiv, lbv,  
          5bv, 5bvi, 5bvii, and 5bviii."  
Adjust totals accordingly.

Rationale: Due to uncertainties in the area of AFDC caseload projections and the impact of recent federal laws, i.e. Medicare Catastrophic Coverage Act, Family Support Act, and the Omnibus Reconciliation Act, a contingency biennial appropriation of \$4,000,000 general fund and \$10,326,648 federal special revenue fund is requested.

#5

EXHIBIT NO. 5

DATE 4-3-89 pm

BILL NO. 100

Amend House Bill 100, Department of Health & Env Sciences

page B-2, line 15

Strike: 233,525 General Fund Fiscal 1990  
233,070 General Fund Fiscal 1991

Insert: 258,525 General Fund Fiscal 1990  
253,070 General Fund Fiscal 1991

amend totals as appropriate

This amendment will increase the Montana Perinatal Program by \$25,000 in Fiscal Year 1990 and \$20,000 in Fiscal Year 1991 for contracts with out-of-state Level III Medical Centers to provide quality assurance/risk prevention services to Montana's Level II hospitals. These services are provided on-site by a team of physicians and nurses with specialties in perinatal medicine, and include chart reviews, physical plant reviews, educational sessions with physicians and nurses, and a report of findings and recommendations. These services are necessary to improve the outcome of pregnancy in Montana by reducing the risk of preventable mortality, morbidity, and disability during the perinatal period. These items were approved in the Executive Budget.

Amendments to House Bill No.100  
Third Reading Copy

Requested by Senator Boylan  
For the Committee on Senate Finance and Claims

Prepared by LFA  
March 30, 1989

1. Page B-13, line 5.

Strike: "6,603,922	2,895,828	6,633,398	2,877,461"
Insert: "6,542,966	2,939,593	6,574,161	2,936,698"

Narrative 4, page B-131.

Implementation Oct. 1 rather than July 1 pursuant to Sec. 302  
Federal Family Support Act 90/10 match.

#6

SENATE FINANCE AND CL

EXHIBIT NO. 6

DATE 4-3-89 p.m.

BILL NO. 100

#7

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 7

DATE 4-3-89 pm

BILL NO. 100

Amendments to House Bill No.100  
Third Reading Copy

Requested by Senator Harding  
For the Committee on Senate Finance and Claims

Prepared by LFA  
March 29, 1989

1. Page B-7, line 19.

Strike: "15,179,404	37,472,015	15,612,302	38,748,081"
Insert: "15,083,822	37,236,058	15,475,256	38,407,944"

EXPLANATION: This amendment reduces total patient days from 1,368,618 to 1,360,000 in FY90 and from 1,372,044 to 1,360,000 in FY91 and saves total funds of \$331,539 the first year and \$477,183 the second year of the biennium.

2. Page B-8, following line 4.

Insert: "ix. Medicaid - Nursing Homes - Nurse Aide Salary Increase"

Insert: "112,497 (gen) 277,712 (Fed) 230,860 (gen) 572,970 (Fed)"

Renumber subsequent sections.

EXPLANATION: This amendment adds \$390,209 in total funds in FY90 and \$803,830 in FY91 to fund a nurse aide salary increase of about 20 cents per hour, effective January 1, 1990. The increase is applicable only to the last six months of FY90 and is carried forward through FY91. There is no additional wage increase for FY91, so that the 20 cent per hour increase applies to the biennium, not each year.

3. Page B-11, following line 9.

Insert: "Funds appropriated under item 5bix may only be used for salary increases for nurse aides who have completed all training and competency evaluation requirements mandated under the Federal Omnibus Budget Reconciliation Act. These funds may not be distributed by the department as part of the reimbursement formula for routine operating and property costs."

EXPLANATION: This amendment adds language to HB 100 which clarifies that the money appropriated may be used only for wage increases associated with completion of OBRA requirements for training and testing.

ADOPT

REJECT

#7  
Σx. 7  
4-3-89  
p.m.

Affect of nursing home amendments:

	FY90	FY91
General nursing home appropriation	-331,539	-477,183
Special appropriation for salary increase	<u>+390,209</u>	<u>+803,830</u>
Difference	+ 58,670	+326,647
General Fund	+ 16,915	+ 93,813

LFA will amend totals

ADOPT

REJECT

#8

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 8

DATE 4-3-89

BILL NO. 100

Amendments to House Bill 100  
Second Reading Copy

For the Committee on Senate Finance and Claims  
Requested by Senator Harding

Prepared by LFA  
March 29, 1989

1. Narrative Page B-86.

It is the intent of the legislature that Social and Rehabilitative Services develop a pilot project under which Montana's existing independent living centers would utilize a self-directed personal care model to allow individuals receiving personal care services under the Montana Medicaid program greater flexibility and freedom of choice in obtaining such services while reducing administrative costs.

This project would be completed in two phases:

1. Social and Rehabilitative Services and Montana's Personal Care Advisory Council will conduct an analysis of federal and state statutory/regulatory obstacles, contractual barriers, and past practices affecting this design. By March 31, 1990, a report would be completed containing the outcome, implications, and alternatives concerning: 1) Administrative Autonomy; 2) Transition Activities; 3) Services and Strategy; 4) Eligibility Criteria for Project Participants; 5) Process for Selection of Project Participants; 6) Types and Qualifications of Home Care Service Providers; 7) Payment System; 8) Oversight and Monitoring of Project by Local Districts; and 9) Evaluation of Project.
2. Based on the report findings, <sup>and subject to Approval Plan</sup> Social and Rehabilitative Services will implement a pilot project of direct service activities for a twelve-month period.

Funding for the pilot project will be derived from a reallocation of funding for the statewide contract at an amount sufficient to provide services to 28 clients for this self-directed model.

ADOPT

REJECT

650919CW.LFA

Fail

ROLL CALL VOTE

FINANCE AND CLAIMS

COMMITTEE

DATE 4-3-89

BILL NO. HB 100

NUMBER #4

p.m.

NAME	AYE	NAY
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		✓

TALLY

9 10

Debbie Thompson - 319  
Secretary

Pete Story  
Chairman

Motion: Van Valkenberg motion - contingency  
fund - failed



Fail

ROLL CALL VOTE

FINANCE AND CLAIMS

COMMITTEE

DATE 4-3-89

BILL NO. HR 100

NUMBER 5

*Jacobson*

NAME	AYE	NAY
Senator Gary Aklestad		✓
Senator Loren Jenkins		✓
Senator Esther Bengtson		✓
Senator Matt Himsel		✓
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		✓

TALLY

7 10

Debbie Thompson - 319  
Secretary

Pete Story  
Chairman

Motion: Jacobson - review perinatal  
program failed

