

MINUTES

MONTANA SENATE  
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON PUBLIC HEALTH, WELFARE AND SAFETY

Call to Order: By Senator Tom Hager, on April 7, 1989, at  
12:35 p.m., Room 410, State Capitol

ROLL CALL

Members Present: Senators Tom Hager, Chairman; J. D. Lynch,  
Matt Himsl, Bill Norman, Harry H. McLane, Bob Pipinich

Members Excused: Senator Tom Rasmussen

Members Absent: None

Staff Present: Tom Gomez, Legislative Council  
Dorothy Quinn, Committee Secretary

Announcements/Discussion: None

HEARING ON HOUSE BILL 663

Presentation and Opening Statement by Sponsor: Jan Brown,  
Representative from House District #46, Helena, advised  
that HB 663 would include hospice care as a mandatory  
Medicaid service. She stated she wished to waive her  
right to close and respond to questions because the  
School Foundation bill was being heard in the House and  
she wished to be present there.

List of Testifying Proponents and What Group they Represent:

Jim Ahrens, President, Montana Hospital Association  
Bonnie Adee, Director, Hospice Program  
Martin Skinner, Medical Director of Hospice of St.  
Peter's Hospital, Helena  
Gene Huntington, Dietetic Association

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Jim Ahrens, President, Montana Hospital Association,  
presented the committee with a written chronology of  
the history of HB 663. He stated the Bill was in

Public Health since it cleared the Rules Committee. Also attached was a copy of a letter directed to Senator Gary Aklestad from Mr. Ahrens setting out the reasons for the Association's belief that hospice care can actually reduce the Medicaid budget (Exhibit #1). He stated they have had many meetings with the SRS Director, Julia Robinson, who agreed that the original fiscal note was conservative and that the hospice program will likely be budget neutral. It was also agreed to put a two-year sunset on the bill, and he stated he was presenting an amendment to that effect (Exhibit #2). He stated it was also important to recognize that the Governor's Advisory Council on cost containment which had SRS representation on it, recommended that hospice be employed to reduce the cost of institutional health care. He stated the amendment was prepared by Russ Cater of SRS and would terminate the hospice care benefit from the Medicaid program at the end of fiscal year 1991. The Hospital Association would be willing to accept the amendment, and he urged support of HB 663.

Bonnie Adee, Director of the Hospice program in Helena, and also representing the Montana Hospice Organization, stated she wished to make a few points regarding HB 663. (1) This is an option for a patient to elect under the Medicaid system. The patient may elect it if they are deemed eligible. In order to become eligible two physicians must certify that they are terminally ill with their life expectancy at six months or less. The benefit must be provided by a Medicaid certified hospice program. This would be a limited pool under those constraints. (2) This is a perspective payment system. There is a set daily rate for the level of care, and the hospice becomes the case manager. If the cost exceeds the payments, the loser would be the Hospice Program since they cannot go back to Medicaid and ask for more money. Hospice becomes the fiscally responsible party in terms of paying for the other services such as hospital costs. That authority gives the hospice the authority to become the case manager on behalf of the patient. (3) This is for Medicaid eligible patients only, not for those who are dually eligible. Someone who would be Medicaid and Medicare eligible is already eligible for the the Medicare Hospice benefit which has been on the books since 1983.

Dr. Martin Skinner, Medical Director of Hospice of St. Peter's, Helena, and a member of several national Hospice organizations, stated he wished to add some points to what has been already stated. He stated (1) the biggest cost of terminally ill patients is

hospitalization. Patients get hospitalized in the last days of their life for a variety of reasons. One of the biggest fiscal advantage of a hospice team is the case management which can reduce the hospitalization and can deal with crises at home. (2) In the SRS fiscal note, they talk about an alternative - either hospital or nursing home. It should be pointed out that patients in nursing homes who are going to die get transferred to the hospital. If they are under a Hospice program, they get transferred less often, if at all. Nursing homes are reluctant to let people die in the nursing home and the Hospice program will help keep people out of the hospital. (3) The note does not address home care costs, which are now being used through Medicaid for terminally ill patients.

Gene Huntington, representing the Dietetic Association, stated that organization supports HB 663. They feel that it is a good program and one that is cost effective. Hospice needs to be viewed as a cost containment measure. It was one of the recommendations of the 1987 Governor's Advisory Committee on Health Care Cost Containment that the state should provide reimbursement as an alternative institutional care for hospice. The fiscal analyst's study indicated that hospice could play a very important part in trying to contain aids costs. Everyone who is infected with aids will be eligible for Medicaid because they are recognized as having disability. He believes hospice will become a needy component in trying to contain state costs for aids treatment.

Questions From Committee Members: Senator Himsl stated he thought the hospice program was a home service program more than a hospital service. Ms. Adee stated it is still a home care based program in that the goal is to keep people home as long as possible. However, from the beginning it has also been a medical program of care requiring physician involvement. It has become more integrated in the medical system and in some communities that means hospital based.

Senator Himsl stated that if they are hospital based, where would the savings be made. Ms. Adee stated that hospital based means the Hospital pays the difference between what it costs to deliver the service and the amount of revenue that is available. For instance, St. Peter's Community Hospital is providing hospice as a community service in that they pick up the difference in cost between what it costs hospice to provide the care and what hospice gets reimbursed. She explained some of the services offered by hospice, and stated

they feel hospice is more appropriate for terminally ill patients than Home Health Care.

Closing by Sponsor: Representative Jan Brown relinquished her right to close.

DISPOSITION OF HOUSE BILL 663

Discussion: Chairman Hager stated that the amendment offered puts in a termination date in two years.

Amendments and Votes: Senator McLane made a MOTION THAT THE AMENDMENT BE ADOPTED. Senators in favor, 6; opposed, 0. MOTION PASSED.

Recommendation and Vote: Senator Lynch made a MOTION THAT HOUSE BILL 663 BE CONCURRED IN AS AMENDED. Senators in favor, 6; opposed, 0. MOTION PASSED.

ADJOURNMENT

Adjournment At: 12:55 p.m.

  
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SENATOR TOM HAGER, Chairman

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ROLL CALL

PUBLIC HEALTH

COMMITTEE

51st LEGISLATIVE SESSION -- 1989

Date 4/7/89

NAME	PRESENT	ABSENT	EXCUSED
Sen. Tom Hager	X		
Sen. Tom Rasmussen			X
Sen. Lynch	X		
Sen. Himsl	X		
Sen. Norman	X		
Sen. McLane	X		
Sen. Pipinich	X		

Each day attach to minutes.

4/7/89  
HB 663

SENATE STANDING COMMITTEE REPORT

April 8, 1989

MR. PRESIDENT:

We, your committee on Public Health, Welfare, and Safety, having had under consideration HB 663 (third reading copy -- blue), respectfully report that HB 663 be amended and as so amended be concurred in:

Sponsor: Brown, J. (Hager)

1. Title, line 6.

Following: "DATE"

Insert: "AND A TERMINATION DATE"

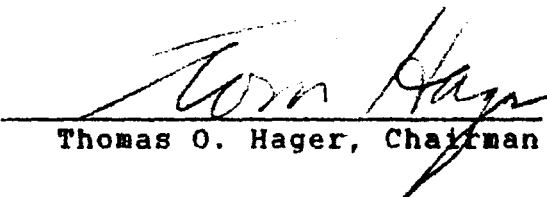
2. Page 2.

Following: line 25

Insert: "NEW SECTION. Section 4. Termination. [This act] terminates June 30, 1991."

AND AS AMENDED BE CONCURRED IN

Signed: \_\_\_\_\_

  
Thomas O. Hager, Chairman

SENATE HEALTH & WELFARE  
EXHIBIT NO. # 1  
DATE 4/7/89  
BILL NO. HB 663

History of HB 663 - Hospice

2/11 Introduced in the House  
2/13 Referred to House Human Services  
2/14 Fiscal note requested  
2/15 Bill heard in House Human Services Committee  
2/16 Bill passed out of committee  
2/17 Sponsor requests fiscal note  
2/18 Sponsor's fiscal note requested and printed  
2/20 Second Reading in the House, passed 92-6, rereferred to House Appropriations  
3/1 Heard in House Appropriations Committee  
3/18 Bill given a DO PASS recommendation from committee  
3/22 Second Reading in the House, passed 76-18  
3/23 Third Reading, passed 82-16, sent to the Senate  
3/27 Referred to Senate Labor Committee  
4/4 Referred to Senate Rules for committee assignment - either Public Health or Finance and Claims



# MONTANA HOSPITAL ASSOCIATION

April 3, 1989

SENATE HEALTH & WELFARE

EXHIBIT NO. A 1

DATE 4/7/89

BILL NO. HB 663

Senator Gary Aklestad  
Capitol Station  
Helena MT 59620

Dear Senator Aklestad:

House Bill 663 is a bill to extend the hospice benefit to the Medicaid program. Hospice care is provided to terminally ill patients in non-institutional settings. The Montana Hospital Association believes that hospice care can actually reduce the Medicaid budget. This is an argument you may have heard before in regard to other Medicaid program expansions. However, in regard to hospice, there are two important issues to note.

First, the Governor's Advisory Council on Health Care Cost Containment (January, 1987), recommended hospice as a cost containment device that should be employed in lieu of hospital and nursing home costs. Under the proposed Medicaid amendment, hospital and nursing home expenses will be paid by the hospice from the hospice benefit payment.

Second, because one has to be terminally ill to be eligible for the benefit, it is unlikely that the availability of hospice as a benefit will cause its use to grow. The pool of eligibles is fixed.

This bill was heard in the House Human Services and Aging Committee, and the Appropriations Committee and passed the House 82 to 16. The fiscal note which accompanied the bill claimed it would cost the general fund about \$14,000 per year (after adjusting for double counting computer expenses). The sponsor's fiscal note claimed that approximately \$17,000 per year would be saved. The Appropriations Committee apparently accepted the sponsor's fiscal note, because it did not amend HB 100 to include any new expenses for the benefit.

In discussions with Julia Robinson, Director of SRS, she agreed that the original fiscal note was likely conservative and that the hospice program will likely be budget neutral. She directed that the amendment to HB 100, scheduled for the Senate Finance and Claims Committee appropriating new money for the hospice benefit be withdrawn. She also asked that we amend HB 663 to sunset in two years. We believe this is a responsible request and have complied.

This action clears the way for a hearing and action of HB 663. We understand that it is waiting a hearing in the Senate Labor and Employment Relations Committee. In order that this important bill not become a victim of legislative deadlines, it must be sent to the House (as amended) by April 10th.

We urge you to support HB 663 and to hold a hearing on the bill as soon as possible. This is a noncontroversial bill that will improve the care given to terminally ill patients in Montana.

Sincerely,

James F Ahrens  
President

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HELENA, MT  
59604  
(406) 442-1911

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AMENDMENT TO HOUSE BILL 663  
Third Reading, Second Printing Copy

Prepared April 6, 1989

1. Following page 2, line 25.  
Insert: "New Section. Section 4. Termination. [This act] terminates June 30, 1991."

Rationale: This amendment would add a sunset provision to automatically terminate the hospice care benefit from the medicaid program at the end of fiscal year 1991 unless reauthorized by the 52nd Legislature.

ROLL CALL VOTE

SENATE COMMITTEE PUBLIC HEALTH

Date 4/7/89 Bill No. HB 663 Time \_\_\_\_\_

NAME	YES	NO
Sen. Tom Hager	X	
Sen. Tom Rasmussen	-	
Sen. Lynch	X	
Sen. Matt Himsl	X	
Sen. Bill Norman	X	
Sen. Harry McLane	X	
Sen. Bob Pipinich	X	

Dorothy Quinn  
Secretary

Sen. Tom Hager  
Chairman

Motion: Sen. McLane made a motion  
that the amendment be adopted.  
In favor, 6; opposed, 0.

ROLL CALL VOTE

SENATE COMMITTEE PUBLIC HEALTH

Date 4/7/89 Bill No. HB 663 Time \_\_\_\_\_

NAME	YES	NO
Sen. Tom Hager	X	
Sen. Tom Rasmussen	-	
Sen. Lynch	X	
Sen. Matt Himsl	X	
Sen. Bill Norman	X	
Sen. Harry McLane	X	
Sen. Bob Pipinich	X	

Dorothy Quinn  
Secretary

Sen. Tom Hager  
Chairman

Motion: Sen. Lynch made a Motion THAT  
HOUSE BILL 663 BE CONCURRED  
IN. In Favor, 6; opposed 0.