

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION**

#### **SUBCOMMITTEE ON HUMAN SERVICES & AGING**

**Call to Order:** By CHAIRMAN DOROTHY BRADLEY, on January 14, 1991,  
at 8:05 a.m.

#### **ROLL CALL**

##### **Members Present:**

Rep. Dorothy Bradley, Chairman (D)  
Sen. Mignon Waterman, Vice Chairman (D)  
Rep. John Cobb (R)  
Rep. John Johnson (D)  
Sen. Tom Keating (R)  
Sen. Dennis Nathe (R)

**Staff Present:** Taryn Purdy (LFA), Dan Gengler, (OBPP) and Faith Conroy, secretary.

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

##### **Announcements/Discussion:**

#### **DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES (DHES)**

#### **HEARING ON FAMILY/MATERNAL CHILD HEALTH (MCH) BUREAU (CONT.)**

**Tape 1A**

**CHAIRMAN BRADLEY** referred to page B36 of the LFA current level analysis for discussion of the Family/Maternal Child Health Bureau.

**Taryn Purdy, Legislative Fiscal Analyst,** distributed **EXHIBIT 1.** Program Issue No. 1 is an expansion based on FY 91 expenditures for programs begun in 1990 that were not fully reflected in the Bureau's administration base.

**Dale Taliaferro, Health Services Division Administrator,** said the Bureau is seeking a budget increase in the Perinatal Program. Because the Bureau did not begin writing contracts early in 1990, the base was low and does not reflect ongoing expenditures.

**SEN. KEATING** asked about the funding source. **Mr. Taliaferro** said it was part of the Maternal and Child Health block grant.

**SEN. WATERMAN** asked if the money identified in Program Issue No. 1 was the additional \$20,000 the Bureau wanted to target for its

vaccine program. Ms. Purdy said no.

Ms. Purdy said the difference between the LFA and executive budgets for Handicapped Children's Services in Program Issue No. 2 is due to inflation.

Ray Hoffman, DHES Administrator, said if the Handicapped Children's Services' allocation were increased, the funding to counties could be reduced by a comparable amount. The Department receives third-party reimbursement for services but must obligate funding for those services. The executive budget more accurately reflects actual expenses.

REP. COBB asked if everyone received services requested. Mr. Taliaferro said all eligible parties receive services. If the Handicapped Children's Services' segment of the budget is increased, it would be more difficult to meet the federal government's 30 percent requirement. The Bureau already exceeds 30 percent in special care needs and may not be able to justify a higher level.

Ms. Purdy said primary care for children and care for children with special health-care needs each must be at least 30 percent of the total grant award. The Department can exceed 30 percent. The Department and executive budget intend additional funds in Handicapped Children's Services to go to counties mostly for primary care. It isn't a problem to exceed 30 percent in special health care needs, but the Department must meet 30 percent in primary care. The executive budget increases primary care categories instead of Handicapped Children's Services to ensure the 30 percent requirement is met. The LFA budget is borderline on whether the 30 percent would be met for primary care.

CHAIRMAN BRADLEY asked what constitutes primary care. Mr. Taliaferro said immunizations, examinations, etc.

SEN. NATHE asked how people are notified about the availability of programs. Mr. Taliaferro said DHES contacts county commissioners and county health departments. County welfare offices are the major referral agencies.

CHAIRMAN BRADLEY asked Department officials to explain how funding would be shifted if medical services costs were inflated as discussed by Ms. Purdy. She referred to Table C on Page B3 of the LFA budget analysis, which includes disbursement of the MCH block grant.

Mr. Hoffman said the executive budget more closely meets the level of services than does the LFA budget, which projected forward from FY 90 using predetermined inflationary figures. The executive budget considers ongoing services, not what transpired in FY 90. The Division didn't spend all allocated funds in FY 90 because all contracts were not yet in place. Use of FY 90 figures will cut ongoing county services or programs within the

Department. If the Handicapped Children's Services program receives inflationary dollars based on the LFA budget, the program will get a greater percentage of the MCH block grant and another program will lose. The Department and executive budget advocate the additional funds go to counties to establish, expand or maintain grassroots services.

**Ms. Purdy** said the Department spent funds in FY 90 for low birth-weight prevention. The executive budget breaks out funding for that purpose. The LFA budget carries forward FY 90 expenditures. However, actual grants to counties is higher in the LFA budget.

The question is, if actual grants to counties is higher in the LFA budget than the executive budget, how do the additional funds get to the counties through other programs.

**Mr. Hoffman** said the Department either allocates a portion of the MCH block grant to counties or contracts with counties for a specific service desired in the county.

Tape 1B

**SEN. WATERMAN** asked if the subcommittee would be spending more money than it has by accepting the LFA budget for Handicapped Children's Services and the executive budget for grants to counties.

**Ms. Purdy** said less would be spent if the subcommittee approved the LFA budget in grants to counties and the executive budget in Handicapped Children's Services. The executive budget makes up the difference in other areas, primarily in low birth-weight prevention and medical director support.

**SEN. KEATING** asked **Mr. Hoffman** if the money is allocated as a lump sum distributed by the Department, or if the money comes from the federal government earmarked for specific programs. **Mr. Hoffman** said the Legislature initially determined where to allocate the grant and the executive budget has continued the allocation formula from past legislative practice. The subcommittee can allocate the MCH block grant within terms of the grant.

**Ms. Purdy** said the LFA budget did not attempt to completely allocate grants. Those decisions were left to the Legislature. The grant is anticipated in FY 92 and FY 93 to be approximately \$2.2 million per year. The Legislature will have to determine how to fill the gap.

**SEN. WATERMAN** asked if language is needed to indicate the subcommittee wants additional money to be allocated to counties. **CHAIRMAN BRADLEY** said yes.

**SEN. KEATING** asked if the Legislature has latitude in how it spends the money. **CHAIRMAN BRADLEY** said yes, as long as the

federal mandate is met. The subcommittee could spend with medical inflationary factors built in, approve the executive budget without inflationary factors, or have inflationary factors modified at a lower level.

**SEN. WATERMAN** asked if grants-to-counties money could be used for Handicapped Children's Services. **Mr. Taliaferro** said the Department had only partial data on how counties were spending money, but estimated that 5 percent to 10 percent in the past year went into Handicapped Children's Services. The Department will be reviewing the entire block grant, assessing needs of each county. It had only been done on a program-by-program basis in the past.

**CHAIRMAN BRADLEY** said she appreciated the Department's fiscal conservativeness but asked if inflationary factors reflect increasing medical costs. **Mr. Taliaferro** said medical inflation affects all programs, none of which received inflationary increases. The counties carry a bigger share.

**REP. JOHNSON** asked how more money could be funneled to counties in the Handicapped Child Services program. **Mr. Taliaferro** said he didn't think it would be necessary.

**Ms. Purdy** explained Program Issue No. 3. **CHAIRMAN BRADLEY** said the issue was simply a transfer of expenditures. **Ms. Purdy** said the MIAMI Program manager's current pay level is \$1,000 higher than proposed in the LFA budget, but \$9,000 less than the amount in the executive budget.

**SEN. WATERMAN** asked why the executive budget would be \$9,000 higher. **Mr. Hoffman** said the executive budget was based on figures from last July, and the position changed since then, so the additional money is not needed.

**Ms. Purdy** explained Program Issue No. 4. Federal funds to automate the Women, Infants and Children (WIC) Program would be a one-time expenditure, so they were included in the executive budget only. Referring to Program Issue No. 5, **Ms. Purdy** said the amounts necessary for benefits and grants in the WIC and Child Nutrition programs are estimated and will change during the biennium.

The Executive Budget Modified Addition No. 1 includes payments to child day-care providers under the Child Nutrition Program. The executive budget includes the FY 91 appropriated level. The modified budget is based on estimates of additional requirements in the 1993 biennium over the FY 91 level.

**SEN. KEATING** asked for an explanation of how the money would be spent. **Ms. Purdy** said the 1989 Legislature estimated how much would be needed to reimburse day-care providers for the cost of meals served under the Child Nutrition Program. Under the executive budget, the 1991 level was assumed to be the current

level. But the estimates of the actual reimbursements were revised upward from the 1991 level by \$1.6 million the first year and \$2.6 million the second year. The LFA budget does not include the modification. The program involves federal money and the WIC modification under modification No. 2 is essentially the same issue.

**CHAIRMAN BRADLEY** asked if the Department wanted spending authority to avoid frequent budget amendments as the money is received. **Mr. Hoffman** said yes.

**Gene Huntington, Montana Hunger Coalition representative,** said the coalition will seek legislation to extend the WIC Program to all counties in Montana and has been working with the Department to estimate costs. The coalition also wants language included in the bill to allow the Department to fully expend federal WIC funds so the money doesn't revert, or to set up a revolving fund so there isn't fear of over-expending the federal allocation.

**Tape 2a**

**SEN. NATHE** asked why some of the money isn't used for school breakfasts. **Mr. Huntington** said part of the bill will be to provide more money to the Office of Public Instruction (OPI) to inform schools about federal breakfast programs.

**Mr. Hoffman** said the language **Mr. Huntington** mentioned previously may not be needed because the Department spends all its WIC money. He urged the subcommittee to check with WIC and Child Nutrition programs before writing any legislation to avoid conflicts with federal regulations governing the programs.

**Mr. Taliaferro** said the Department must spend 95 percent of its WIC money or pay a penalty, but it can't overspend funds at the end of the year because there would be no money to cover the expense. He said **Mr. Huntington** was suggesting a cushion of state funds to allow the Department to come even closer to fully expending the federal monies while protecting against occasional overspending.

**SEN. NATHE** asked why counties aren't participating in the program. **Mr. Huntington** said no administrative structure was available. Counties had to find an entity to run the program, such as a hospital. **Mr. Taliaferro** said counties may fear being asked in the future to contribute money to cover costs.

**CHAIRMAN BRADLEY** said a vote is needed on whether to continue language allocating additional block grant revenues to counties and to specify that Family Planning could use additional federal revenues without losing General Fund monies.

**EXECUTIVE ACTION ON FAMILY/MATERNAL AND CHILD HEALTH BUREAU**

Votes were taken on issues in EXHIBIT 1.

**MOTION:** SEN. NATHE moved approval of Program Issue No. 1 to expand the Bureau's administrative base by \$26,500.

**VOTE:** The motion PASSED unanimously.

CHAIRMAN BRADLEY said if the subcommittee wants the figures in Program Issue No. 2 to come out the same, she suggested inflation not be added in to the Handicapped Children's Services budget.

SEN. KEATING asked if acceptance of the executive budget would accomplish the same thing. CHAIRMAN BRADLEY said yes.

SEN. WATERMAN asked if the two budgets differed. Ms. Purdy said the difference is \$400 in FY 92 and \$1,350 in FY 93.

**MOTION:** SEN. KEATING moved to accept the executive budget.

**DISCUSSION:** REP. COBB said if inflation is going to be factored into the budget somewhere, maybe it should be in the Handicapped Children's Services budget.

CHAIRMAN BRADLEY said she agreed to a certain extent. Counties have repeatedly requested more money and it's a difficult choice with limited dollars.

**VOTE:** The motion passed, 5-1, with CHAIRMAN BRADLEY voting no.

**MOTION:** SEN. NATHE moved to transfer expenditures in accordance with the executive reorganization, which switches the Perinatal Program from the Preventive Health Bureau to the MCH Bureau. Program Issue No. 3.

**VOTE:** The motion PASSED unanimously.

**MOTION:** SEN. KEATING moved to fund the MIAMI Program manager position at grade 16, step 2, which is the salary level of the person currently in the position. Program Issue No. 3a.

**VOTE:** The motion PASSED unanimously.

**MOTION:** SEN. KEATING moved approval of the executive budget to automate local offices of the WIC Program. Program Issue No. 4.

**VOTE:** The motion PASSED unanimously.

**MOTION:** SEN. WATERMAN moved approval of the spending authority in

the LFA budget for benefits and grants in the WIC and Child Nutrition programs. Program Issue No. 5.

VOTE: The motion PASSED unanimously.

MOTION: SEN. KEATING moved approval of the executive budget modifications for the Child Nutrition and WIC programs.

VOTE: The motion PASSED unanimously.

MOTION: SEN. NATHE moved approval of the spending authority for the additional WIC federal grant.

VOTE: The motion PASSED unanimously.

MOTION: REP. JOHNSON moved to continue language previously inserted for surplus block grant revenues allocated to counties.

VOTE: The motion PASSED unanimously.

CHAIRMAN BRADLEY suggested the subcommittee line-item General Fund dollars for expansion of Family Planning to allow the program to keep any additional federal funds that may be received, without loss of General Fund money.

DISCUSSION: SEN. WATERMAN asked if a federal match could be obtained. SEN. KEATING said the Department was seeking only authority to spend Title X money as it is available. Ms. Purdy said Medicaid provides some Family Planning services. Those funds come through the Department of Social and Rehabilitative Services and are matched there.

MOTION: REP. JOHNSON moved approval of the additional budget authority, with General Fund dollars being line-itemed for expansion of Family Planning, and that receipt of any additional federal funds will not decrease Family Planning's General Fund appropriation.

VOTE: The motion PASSED unanimously.

MOTION: REP. COBB moved approval of the LFA budgets for 1992 and 1993, as adjusted by the subcommittee.

VOTE: The motion PASSED unanimously.

HEARING ON PREVENTIVE HEALTH BUREAU

CHAIRMAN BRADLEY said the subcommittee already dealt with Program

Issue No. 1 regarding retention of the Perinatal Program expenditures by its vote on the reorganization of the MIAMI Program. **EXHIBIT 2**

**Ms. Purdy** reviewed information about the deleted AIDS position in Program Issue No. 2 and said it is currently vacant but being advertised.

**SEN. KEATING** asked why the position wasn't filled. **Mr. Taliaferro** said there was a lot of turnover and the Bureau waited until a new program manager was hired. There also was a long delay in getting the position classified.

**Ms. Purdy** distributed and reviewed Executive Budget Modifications No. 1 and 2. **EXHIBIT 3**

**REP. COBB** asked if the Department of Institutions was reducing its budget by \$100,000 in response to the closure of the state hospital at Galen.

**CHAIRMAN BRADLEY** said it is not a direct transfer of money to the tuberculosis program. The executive budget assumes Galen will be closed and includes the full amount in its recommendations. **Mr. Gengler** said the proposed closure of Galen would save the General Fund many times more than the \$100,000.

**CHAIRMAN BRADLEY** asked the Department how many people have tuberculosis in Montana, how the disease would be treated in community hospitals and what percentage of the budget would go toward medical costs.

**Judith Gedrose, Communicable Disease Section Nurse**, said about 30 new cases of tuberculosis are diagnosed each year in Montana. Four to six people are sent to Galen each year for treatment. Tuberculosis can be treated effectively without hospitalization, but patients need to be monitored to ensure they take their medication. The Department proposes to contract with local health departments to monitor tuberculosis patients. If a patient takes medication properly, the disease can be eradicated in six to 12 months. Without proper medication, the person will be back on the caseload after infecting others.

Tuberculosis is one of the few communicable diseases in a chronic state. The virus remains in patients' bodies all their lives. When they get older, they can become infectious again. Other states provide incentives to motivate people to take their medication. Sometimes a court order is needed to restrain a patient in a health facility.

Four people in Galen receive supervised therapy. The \$100,000 appropriation would enable the Department to supervise all tuberculosis cases through contracts with county health departments. If treatment is missed for a week or two, tuberculosis organisms build up resistance to the medication. Ten



years ago there were no documented drug-resistant strains of tuberculosis in Montana. Now there are six or seven cases each year because people are not taking their medication properly.

**CHAIRMAN BRADLEY** said the question before the subcommittee is whether to postpone action on the issue to see if reorganization passes. The subcommittee can always revisit the issue later.

**SEN. WATERMAN** asked if it were possible to approve the \$100,000 contingent on the passage of the reorganization bill. **CHAIRMAN BRADLEY** said yes.

**Ms. Purdy** said the Sexually Transmitted Diseases modification was added to continue funds previously added by a budget amendment. **EXHIBIT 3, Page 3.** The issue is essentially the same as the Chronic Disease Prevention issue. Under Additional Issues, the FY 91 Sexually Transmitted Disease appropriation to the state from the federal government increased by an additional \$26,650. The issue is whether the subcommittee wants to give the Department spending authority up to the level anticipated for FY 92 and FY 93.

**REP. JOHNSON** proposed adding \$30,000 each year of the biennium to finance dissemination of information about AIDS by counties. He suggested grant applications be required.

**CHAIRMAN BRADLEY** asked **REP. JOHNSON** if he was referring to the AIDS item under Additional Issues and if he wanted it stated specifically that the funds be used for the purpose he mentioned. **REP. JOHNSON** said yes.

**Mr. Hoffman** said the federal government tells the Department how the funds can be spent. He suggested additional funding for counties be sought when the Department reapplies for the federal grant. If the federal government denies the funding, the Department wouldn't have the money to give to counties.

**Tape 2B**

**REP. JOHNSON** asked how counties could get money for AIDS education. **CHAIRMAN BRADLEY** suggested the subcommittee insert intent language in the appropriations bill indicating any available high-priority money be distributed to counties for educational purposes. The alternative is to use General Fund money or reallocate block grants, but that would mean other programs would lose those dollars.

**SEN. KEATING** asked what the counties could do to disseminate information that couldn't be done by the state. **Bruce Desonia, Sexually Transmitted Diseases Program Manager,** said the DHES contracts with 11 county health departments and local public health agencies to provide counseling and testing services to people who want to know if they've been exposed to AIDS. Eight counties are under contract to provide education to surrounding

areas.

**SEN. KEATING** asked what the counties could do that would be different from what the state is doing to educate people about AIDS. **Mr. Desonia** said counties are better suited to coordinate with local service providers and to provide follow-up services to the medical community. He believes the effort would help reduce the number of new AIDS cases.

**SEN. WATERMAN** suggested the subcommittee put intent language into the modification to have counties receive as much of the funding as possible. **REP. COBB** and **REP. JOHNSON** agreed such language should be included. **CHAIRMAN BRADLEY** said the subcommittee would vote on the matter later.

**CHAIRMAN BRADLEY** said the subcommittee also will vote on whether to continue language in the Preventive Health block grant that says additional expenditures or cuts due to receipt of a different grant level than appropriated, will be made with the director's discretion.

**CHAIRMAN BRADLEY** asked why the Department does not want leftover money in the emergency medical training and rabies programs to revert to the General Fund at the end of the biennium, and how much money is anticipated to be leftover. **Mr. Hoffman** said any unspent balance of an earmarked revenue account, unless specifically identified, reverts to the General Fund. If the Department commits to buying vaccines but does not do so before the end of the fiscal year, the money reverts to the General Fund and the Department can't buy the vaccines. **Mr. Hoffman** said he wanted the funds to be maintained for services. The maximum amount involved is about \$2,000 to \$3,000 each year.

**CHAIRMAN BRADLEY** said she would ask for a vote on immunization. Because federal money for vaccines is being appropriated to more populous areas, it creates problems for low populated places like Montana. She suggested the subcommittee set aside \$200,000 in General Fund money each year of the biennium to cover two doses of measles, mumps and rubella (MMR) vaccine, and to boost the state's vaccine stockpile. The money could be line-itemed to ensure it is spent for that purpose only and it would be administered the way federal money is administered.

**Paulette Kohman, Montana Council for Maternal and Child Health Director,** distributed EXHIBIT 4.

**Mr. Taliaferro** distributed and reviewed EXHIBIT 5.

**SEN. KEATING** asked if the vaccines were booster doses and what would occur without it. **Dick Paulsen, Immunization Program Manager,** said the vaccines are boosters and can prevent costly outbreaks, such as those experienced in Montana high schools in recent years.

**SEN. WATERMAN** asked how the state can monitor home schools and private schools. **Mr. Paulsen** said state law requires all schools, public and private, to ensure students are vaccinated. The state doesn't have a good handle on home schools. The Department plans to require a booster dose at middle schools and it could be required that the second dose be reported to the state.

**SEN. NATHE** asked what the state's liability would be if someone died from an allergic reaction to the vaccine. **Mr. Paulsen** said Congress passed a law to protect states from liability.

**Ms. Kohman** testified about the health risks from measles and rubella. She stated that 2 million children worldwide die from measles each year and rubella can cause birth defects if contracted by a pregnant woman. An additional \$20,000 to cover a projected shortfall in the state's immunization program won't be enough money to meet current need. **EXHIBIT 5, Page 1**

Doctors refer parents to public health offices for free vaccines, but the public agencies don't always have a sufficient supply. State funds could be used to buy vaccines for every child in the state for distribution to doctors' offices, but a lot of doctors wouldn't want to participate in such a program because of the "red tape." It also would significantly increase the cost of monitoring the program by the state.

#### EXECUTIVE ACTION ON PREVENTIVE HEALTH

Votes were taken on issues in **EXHIBIT 2-3**.

**CHAIRMAN BRADLEY** said Program Issue No. 1 had already been voted upon, but called for a vote on Program Issue No 2.

**MOTION:** **SEN. KEATING** moved to approve the AIDS position.

**VOTE:** The motion **PASSED** 5-1, with **REP. COBB** voting no.

**MOTION:** **REP. COBB** moved approval of the Chronic Disease budget modification to continue a half-time position filled from a previous budget amendment, and related expenses.

**VOTE:** The motion **PASSED** unanimously.

**CHAIRMAN BRADLEY** said the tuberculosis program budget modification would add a position for outreach, making the Department the lead agency in the tuberculosis program, now centered at Galen. The modification would be done under the assumption that reorganization occurs.

**REP. COBB** said he wanted to wait to decide the issue until after Galen's fate is determined.

**CHAIRMAN BRADLEY** said it would be better to have the people dealing with reorganization take care of the tuberculosis funding modification issue. **Ms. Purdy** said she would coordinate with that committee's LFA.

**SEN. KEATING** suggested the issue be deferred to the full Appropriations Committee, so that representatives from both subcommittees would be involved.

**CHAIRMAN BRADLEY** said the tuberculosis modification issue would be deferred with no motion.

**MOTION:** **REP. JOHNSON** moved to maintain the 1.5 FTE in the Sexually Transmitted Diseases Program and grant spending authority for additional federal funds received.

**VOTE:** The motion **PASSED** unanimously.

**MOTION:** **REP. JOHNSON** moved approval of additional spending authority in the AIDS Program for additional federal funds received.

**DISCUSSION:** **SEN. NATHE** asked if the AIDS position was separate from the AIDS position in OPI. **Mr. Desonia** said yes. OPI also receives federal monies for AIDS education and the two agencies work together. DHES finances AIDS education through local health care providers and OPI finances AIDS education in schools.

**SEN. WATERMAN** asked if language was needed to require the Department to use the money in counties. **CHAIRMAN BRADLEY** said the subcommittee could do that separately. **SEN. KEATING** said the grant has specific guidelines and the subcommittee can't dictate how it is spent. **CHAIRMAN BRADLEY** said the subcommittee can generally add language in the bill that expresses the subcommittee's intent that the counties be given more revenue.

**VOTE:** The motion **PASSED** unanimously.

**MOTION:** **SEN. WATERMAN** moved that language be added to have the Department use appropriations to counties for AIDS education to the fullest extent possible.

**VOTE:** The motion **PASSED** unanimously.

**Tape 3A**

**MOTION:** **REP. COBB** moved the Emergency Medical Services and rabies programs be allowed to keep unspent balances and that the money not revert to the General Fund.

**VOTE:** The motion **PASSED** unanimously.

**SEN. WATERMAN** asked reasons for giving the director discretion in how additional Preventive Health block grant funds over the appropriation are spent in this instance, while in the MCH block grant the subcommittee wanted county money protected. **CHAIRMAN BRADLEY** said directors must deal with an array of expenses and inflation, and it was felt some management flexibility was appropriate.

**MOTION:** **REP. COBB** moved to retain language that grants the director discretion in determining how to spend revenues over or under the anticipated amount received in the Preventive Health block grant.

**VOTE:** The motion **PASSED** unanimously.

**REP. COBB** said \$200,000 for the Immunization Program may be too much money. **CHAIRMAN BRADLEY** said the funding could be line-itemed so that unspent funds revert to the General Fund.

**MOTION:** **REP. COBB** moved approval of \$200,000 from the General Fund each year and that it be line-itemed so that any unspent money reverts to the General Fund.

**SEN. KEATING** asked if the amount exceeds the executive budget. **CHAIRMAN BRADLEY** said yes and it is General Fund money.

**SEN. KEATING** suggested the subcommittee wait to take action until all General Fund increases can be reviewed. **CHAIRMAN BRADLEY** said the time to take action is when the information is fresh in people's minds. She said a summary of additional General Fund money allocated by the subcommittee would be provided.

**REP. COBB** said it would be better to approve the funding now and remove it later if financing is approved through other legislation.

**Mr. Hoffman** suggested language be added on how the money will be spent. **CHAIRMAN BRADLEY** said the motion can include the subcommittee's request for **Mr. Hoffman** and **Ms. Purdy** to put the appropriate language together.

**SEN. NATHE** asked where the money will go. **CHAIRMAN BRADLEY** said it goes to whoever deals with the counties' public health programs, not private physicians.

**AMENDMENT:** **REP. COBB** amended his motion to include language on how the money will be spent, as drafted by **Mr. Hoffman** and **Ms. Purdy**.

**VOTE:** The motion **PASSED** unanimously.

**MOTION:** REP. JOHNSON moved approval of the LFA budget for 1992 and 1993, with adjustments for previous actions by the subcommittee.

**VOTE:** The motion PASSED unanimously.

**HEARING ON LICENSING, CERTIFICATION AND CONSTRUCTION BUREAU**

Ms. Purdy distributed a budget summary for the Bureau. EXHIBIT 6

Denzel Davis, Licensing and Certification Bureau Chief, testified. EXHIBIT 7

Tape 3B

REP. COBB asked if employees put in a lot of overtime. Mr. Davis said the overtime, which is compensated with extra time off, is needed to keep up with the survey and certification schedule.

Rose Hughes, Montana Health Care Association Executive Director, testified in support of budget modifications for additional positions requested by the Bureau. With new regulations, nursing homes need additional assistance from the agency. Certification is jeopardized if inspections are not done in a timely fashion. EXHIBIT 10

Mr. Gengler said the administration recognizes the Bureau has difficulty retaining and recruiting qualified staff. But the budget director believes pay increases should be dealt with in the context of the proposed pay plan. Dealing with them piecemeal in the budgets is inappropriate.

SEN. WATERMAN asked who would be affected. Mr. Davis said step increases would apply to existing surveyor positions that received state pay plan exceptions nine months ago and 15 additional positions requested in the budget modification.

Mr. Gengler said the pay plan proposal in the executive budget would gradually bring staff pay, including surveyors' pay, up to market levels.

SEN. WATERMAN asked how long it would take under the pay plan proposal for surveyors' pay to rise to the level proposed by the Bureau. Mr. Gengler said he would work out the figures with Mr. Davis.

REP. COBB asked if step increases for surveyors had already been authorized. Mr. Gengler said yes, and funding for the increases was to be addressed through the pay plan proposal.

REP. COBB said he believes the subcommittee needs to deal with the step increases separately from the pay plan.

**Mr. Gengler** said in response to **SEN. WATERMAN's** question earlier that it was possible for the surveyors' increase to be immediate, depending on how the pay plan is structured.

**SEN. WATERMAN** asked if the pay plan stipulates that salaries would increase immediately. **Mr. Gengler** said no, the plan did not include that level of detail.

**Mr. Taliaferro** said the 15 additional FTEs requested by the Bureau are the absolute minimum needed to meet requirements. The Bureau also hoped to handle enforcement through contracted services. The Department is requesting additional funds for this.  
**EXHIBIT 8-9**

**SEN. KEATING** asked how the Bureau's activities differed from the Board of Visitors. **Mr. Davis** said the Bureau has to provide 30-days notification before relocating a Medicaid or Medicare patient. Residents also have a right to a hearing before they are moved, and a lengthy investigation process must be followed in response to allegations of abuse. Most of the money would be used to contract outside legal assistance.

**SEN. NATHE** asked what happened to the state's long-term care ombudsman's position. **Mr. Davis** said the ombudsman and staff work closely with the Bureau in abuse investigations. But the ombudsman hasn't enough time to accompany Bureau staff on all its investigations.

**EXECUTIVE ACTION ON LICENSING, CERTIFICATION AND CONSTRUCTION**

Votes were taken on issues in **EXHIBIT 6**.

**SEN. NATHE** suggested the subcommittee defer action on step increases for surveyors, and leave the matter with the pay plan for now. **CHAIRMAN BRADLEY** said the issue can always be revisited later.

**SEN. WATERMAN** said she is concerned that the surveyors' step increases will not be addressed unless there is a modification in the pay plan. She said she was prepared to take action.

**REP. COBB** said the subcommittee should wait until morning to deal with it. **CHAIRMAN BRADLEY** agreed.

**MOTION:** **SEN. KEATING** moved approval of the administrative position in Program Issue No. 2.

**VOTE:** The motion **PASSED 4-2**, with **REP. COBB** and **REP. JOHNSON** voting no.

**CHAIRMAN BRADLEY** said the LFA assumption on the mix of funds is one-third each in state licensure, Medicare and Medicaid. The Department wants the money allocated as it was spent in 1990,

according to the appropriations that were available. Federal guidelines want it allocated in thirds, as proposed by the LFA, but it actually is expended the way it is billed.

SEN. NATHE asked what would happen if the allocation wasn't in thirds. Mr. Hoffman said the federal government could defer awarding money for the program. If the money isn't spent in line with actual expenses, it will revert.

MOTION: SEN. KEATING moved to allocate the money in thirds, with the intent that no funds would be transferred.

VOTE: The motion PASSED unanimously.

ADJOURNMENT

Adjournment: 12 p.m.

  
REP. DOROTHY BRADLEY, Chairman

  
FAITH CONROY, Secretary

DB/fc



HOUSE OF REPRESENTATIVES  
HUMAN SERVICES SUBCOMMITTEE

ROLL CALL

DATE 1/14/91

NAME	PRESENT	ABSENT	EXCUSED
REP. JOHN COBB	✓		
SEN. TOM KEATING	✓		
REP. JOHN JOHNSON	✓		
SEN. DENNIS NATHE	✓		
SEN. MIGNON WATERMAN, VICE-CHAIR	✓		
REP. DOROTHY BRADLEY, CHAIR	✓		

HR:1991  
CS10DLRLCALHUMS.MAN

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	26.50	26.50	24.50	2.00	26.50	24.50	2.00
Personal Services	684,813	760,389	700,090	60,299	759,461	699,303	60,158
Operating Expenses	1,264,538	1,431,778	1,249,926	181,852	1,436,234	1,282,653	153,581
Equipment	0	204,010	0	204,010	0	0	0
Grants	6,338,478	6,782,144	6,798,918	16,774-	6,782,144	6,798,918	16,774-
Benefits and Claims	5,443,705	6,024,927	6,022,171	2,756	6,022,296	6,019,540	2,756
Total Expend.	\$13,731,534	\$15,203,248	\$14,771,105	\$432,143	\$15,000,135	\$14,800,414	\$199,721
<u>Fund Sources</u>							
General Fund	106,704	100,667	101,244	577-	100,667	101,164	497-
Federal Revenue Fund	13,624,830	15,102,581	14,669,861	432,720	14,899,468	14,699,250	200,218
Total Funds	\$13,731,534	\$15,203,248	\$14,771,105	\$432,143	\$15,000,135	\$14,800,414	\$199,721

LFA Current Level Analysis Reference: page B-36  
Executive Budget Summary Reference: page 73  
Executive Budget Narrative Reference: page 69

Current Level Issues	FY 92	---Exec Over (Under) FY 92	LFA--- FY 93	Amount
Reorganization Issues				
1. Indirect Charges				
Appropriation Policy Issues				
1. Difference in the funding base				
2. Difference in computer network charges				
3. Difference in inflation				
Program Issues				
1. Bureau Administration Base Expansion				
The executive budget includes additional operating expenses to expand services.				
MCH Block Grant				
		\$42,782		\$43,242
		\$10,146		\$13,226
		\$5,909		\$5,909
		(\$6,828)		(\$4,475)
		\$26,500		\$26,500

2. Handicapped Children's Services  
The LFA current level in the 1993 biennium. However, medical services, from which the majority of expenditures in this program are made (\$518,443 in fiscal 1990) were inflated at the LFA rate of 6.2% in fiscal 1992 and 12.89% in fiscal 1993, while the executive maintained the allocation at the fiscal 1991 appropriated level.  
MCH Block Grant  
The adjusted difference between the LFA current level and the executive budget for the Handicapped Children's Services Program (when differences in indirects are also factored out) totals \$399 in fiscal 1992 and \$1,347 in fiscal 1993.

Exhibit #1  
1/14/91  
Human Svc Subc

EXHIBIT 1  
DATE 1-14-91  
HB

January 14, 1991

## HUMAN SERVICES SUBCOMMITTEE

### Perinatal Program/Preventive Health Bureau Administration

The Executive Budget transfers the MIAMI and Perinatal programs from the Preventive Health Bureau to the Family/MCH Bureau. Because expenses of the perinatal and Preventive Health Bureau administrative functions were comingled in fiscal 1990, the department could not identify actual expenditures by function. As a result, the MIAMI program but not the Perinatal program was transferred in the LFA current level. Consequently, the LFA current level and the Executive Budget for the Perinatal Program and the Preventive Health Bureau administration are not comparable.

If actual expenditures of the perinatal/bureau administration function in fiscal 1990 are allocated on a percentage basis based upon the department's allocation of the fiscal 1991 appropriation, the following amount would be transferred in the LFA current level.

	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
FTE	2.0	2.0
Personal Services	\$ 51,286	\$ 51,167
Operating Expenses	<u>135,505</u>	<u>136,009</u>
Total	\$186,791	\$187,176

The combined MIAMI/Perinatal Program resulting from this transfer is compared to the total Perinatal Program budget contained in the Executive Budget.

	<u>LFA</u>	<u>Fiscal 1992</u> <u>Exec</u>	<u>LFA</u>	<u>Fiscal 1993</u> <u>Exec</u>
FTE	5.0	5.0	5.0	5.0
Personal Services	\$141,725	\$150,251	\$141,533	\$149,971
Operating Expenses	<u>180,539</u>	<u>185,582</u>	<u>181,131</u>	<u>185,605</u>
Total	\$322,264	\$335,833	\$322,664	\$335,576

Perinatal Program Transfer  
The executive budget transfers the Perinatal Program from the Preventive Health Bureau to this program in the 1993 biennium. Because funding for the Perinatal Program and Preventive Health Bureau funding was comingled in the 1991 biennium, LFA current level maintained the Perinatal program in the Preventive Health Bureau.

See attached sheet)

FTE  
Personal Services  
Operating Expenses

2.0	2.0	\$51,286	\$51,167
		\$135,505	\$136,009
		-----	-----
		\$186,791	\$187,176

Total PH and MCH Block Grant

(a). Salary of MIAMI Program manager

LFA current level includes the MIAMI program manager at the fiscal 1991 authorized level, while the executive budget includes the position at the actual rate paid in fiscal 1990.

MCH Block Grant

\$10,679	\$10,652
----------	----------

WIC Equipment

The executive budget includes \$204,010 in fiscal 1992 to automate local offices of the Women, Infants, and Children Program.

WIC Federal Funds

\$204,010
-----------

Benefits and Claims - WIC and Child Nutrition

The LFA current level includes benefits and grants in the WIC and Child Nutrition programs at the agency requested level, while the executive includes revised grants and benefits levels.

Federal WIC and Child Nutrition Funds

-----	-----	-----	-----
2.0	2.0	\$433,809	\$201,382
-----	-----	-----	-----
		(\$14,018)	(\$14,018)

Total Current Level Issues

Executive Budget Modified Additions

1. Child Nutrition

This modification adds authority for reimbursements to day care providers for the cost of meals served.

Federal Child Nutrition Grants

\$1,634,000	\$2,642,000
-------------	-------------

2. Women, Infants, and Children

This modification adds authority for food payments to program recipients.

Federal WIC Funds

\$482,322	\$482,322
-----	-----
\$2,116,322	\$3,124,322
=====	=====

Total Executive Budget Modifications

Additional Modification Approved by Executive but not in Executive Budget

1. WIC Additional Federal Grant

The executive includes an additional \$640,164 each year due to a higher actual fiscal 1991 grant award than originally estimated.

Federal WIC Funds

\$640,164	\$640,164
-----------	-----------

EXHIBIT 1  
DATE 1-14-91  
HB *Hum. Serv. Sub.*

5301 DEPT HEALTH & ENVIRON SCIENCES  
08 PREVENTIVE HEALTH BUREAU

DATE : 01/08/91  
TIME : 21/29/24

CURRENT LEVEL COMPARISONS

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	21.50	19.50	20.50	1.00-	19.50	20.50	1.00-
Personal Services	567,449	563,547	589,707	26,160-	563,031	589,197	26,166-
Operating Expenses	917,795	878,872	955,034	76,162-	888,122	963,727	75,605-
Equipment	1,575	0	0	0	0	0	0
Grants	11,968	11,968	11,968	0	11,968	11,968	0
Total Expend.	\$1,498,787	\$1,454,387	\$1,556,709	\$102,322-	\$1,463,121	\$1,564,892	\$101,771-
<b>Fund Sources</b>							
General Fund	215,606	222,412	219,527	2,885	222,552	219,544	3,008
State Revenue Fund	34,105	60,020	60,020	0	65,874	65,874	0
Federal Revenue Fund	1,249,076	1,171,955	1,277,162	105,207-	1,174,695	1,279,474	104,779-
Total Funds	\$1,498,787	\$1,454,387	\$1,556,709	\$102,322-	\$1,463,121	\$1,564,892	\$101,771-

LFA Current Level Analysis Reference: page B-39  
Executive Budget Summary Reference: page 73  
Executive Budget Narrative Reference: page 93

Current Level Issues

- Reorganization Issues
- 1. Indirect Charges

Appropriation Policy Issues

- 1. Difference in the funding base
- 2. Difference in computer network charges
- 3. Difference in inflation

Program Issues

- 1. Retention of Perinatal Program Expenditures  
LFA current level maintains the Perinatal Program in the Preventive Health Bureau, while the executive budget transfers the program to the Family/MCH Bureau.

(See attached supplemental sheet)

FTE

Personal Services  
Operating Expenses

Total MCH and PH Block Grant

2. Deleted AIDS Program Position

LFA current level deletes 1.0 FTE in the AIDS Program due to extended vacancy. The position was added by the 1989 legislature and never filled pending a grade review.

Federal AIDS Funds

Total

---Exec Over (Under) LFA---  
FY 92 FY 93 FY 93

FTE  
Amount

\$18,030 \$18,368

\$33,784 \$31,479  
\$6,490 \$6,490  
\$1,039 \$4,067

(2.00) (2.00)  
(\$51,286) (\$51,167)  
(\$135,505) (\$136,009)

(\$186,791) (\$187,176)

1.00 1.00 \$25,755 \$25,696

(1.00) (1.00) (\$101,693) (\$101,076)

Exhibit #2  
1/14/91  
Human Serv  
Subc.

EXHIBIT 2  
DATE 1-14-91  
HB H.S.S.

Executive Budget Modified Additions

1. Chronic Disease  
This modification would continue .5 FTE and related expenses added via budget amendment in fiscal 1991.  
Federal Chronic Disease Funds

0.5 0.5 \$40,500 \$40,500

2. Tuberculosis\*  
This modification adds 1.0 FTE and related expenses as well as operating expenses to provide community based care for tuberculosis patients as a result of the proposed closure of the state facility at Galen.  
General Fund

\$100,000 \$100,000

3. Sexually Transmitted Diseases  
This modification would maintain 1.5 FTE added via budget amendment in fiscal 1990 for education, surveillance, and screening.  
Federal STD Funds

1.5 1.5 \$54,823 \$54,801

Total Budget Modifications Included in Executive Budget

2.0 2.0 \$195,323 \$195,301

\*This is a modified budget modification.

Additional Issues - Requested Additions Approved by Executive but not in Executive Budget

1. Additional Federal Grant Award over the Executive Budget Level  
The executive is requesting that additional authority be added to the AIDS and Sexually Transmitted Diseases (STD) Programs due to higher fiscal 1991 actual grant awards than included in the Executive Budget.

AIDS

Contracted Services and Federal AIDS Funds

Sexually Transmitted Diseases

Operating Expenses and Federal STD Funds

\$33,583 \$32,751

\$26,650 \$26,650

EXHIBIT 3  
DATE 1-14-91  
HB \_\_\_\_\_

Exhibit #3  
1/14/91  
Human Serv  
Subc.

MODIFIED BUDGETS

Department of Health and Environmental Sciences

Chronic Disease Prevention

This modification adds federal authority to continue FTE and related operating expenses added via budget amendment in fiscal 1991 for development of a chronic disease control information system. The figures have not been adjusted for subcommittee action on indirect charges.

<u>Object of Expenditure</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
FTE	0.5	0.5
Personal Services	\$ 9,974	\$ 9,951
Operating Expenses	<u>30,526</u>	<u>30,549</u>
Total Federal Funds	\$40,500	\$40,500

## MODIFIED BUDGETS

### Department of Health and Environmental Sciences

#### Community Based TB Care

This modification adds authority to provide community-based care for tuberculosis patients due to the proposed closure of the state facility in Galen. The department would provide medication for therapy, and all costs recovered from insurance coverage or other sources would be deposited to the general fund. This is an updated budget modification, and includes subcommittee action on indirect charges.

<u>Object of Expenditure</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
FTE	1.0	1.0
Personal Services	\$ 30,085	\$ 30,015
Operating Expenses	<u>69,915</u>	<u>69,985</u>
Total General Fund	\$100,000	\$100,000



EXHIBIT 3  
DATE 1-14-91  
HB Hum. Dev. Dev.

## MODIFIED BUDGETS

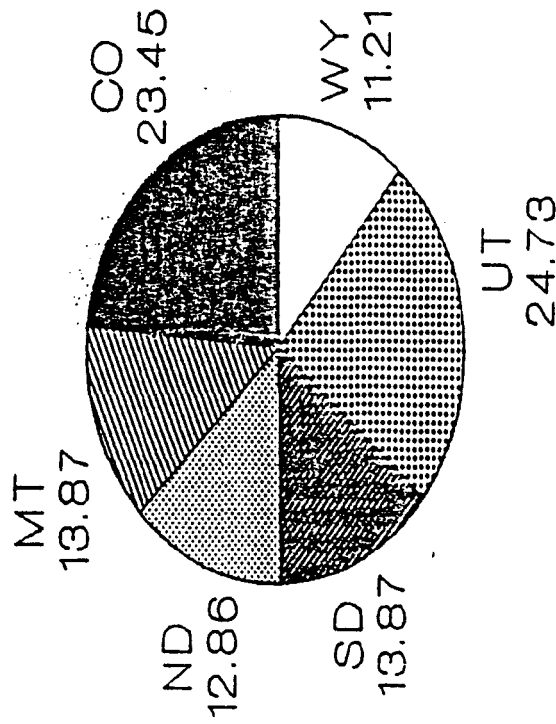
### Department of Health and Environmental Sciences

#### Sexually Transmitted Diseases

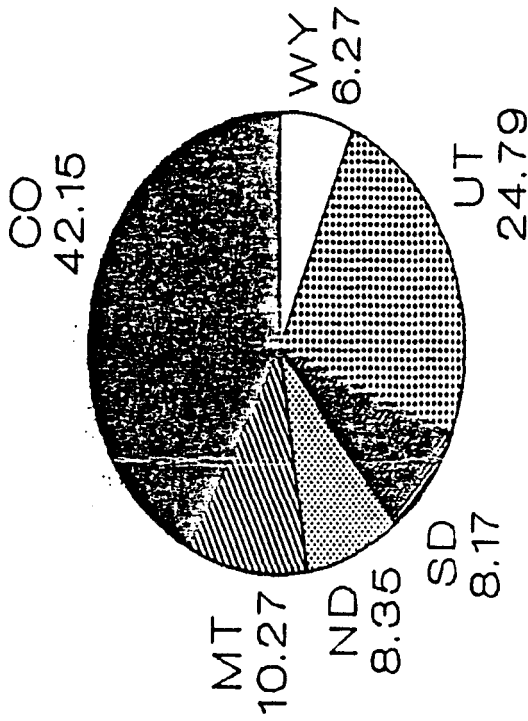
This modification adds federal fund authority to continue a budget amendment added in fiscal 1990 for increased education and information, surveillance, and screening. This modification does not include subcommittee action on indirect charges.

<u>Object of Expenditure</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
FTE	1.5	1.5
Personal Services	\$42,877	\$42,777
Operating Expenses	<u>11,946</u>	<u>12,024</u>
Total Federal Funds	\$54,823	\$54,801

# PHS REGION VIII IMMUNIZATION PROJECTS



% FEDERAL FUNDS



% LIVE BIRTHS

# PHS REGION VIII IMMUNIZATION PROJECTS

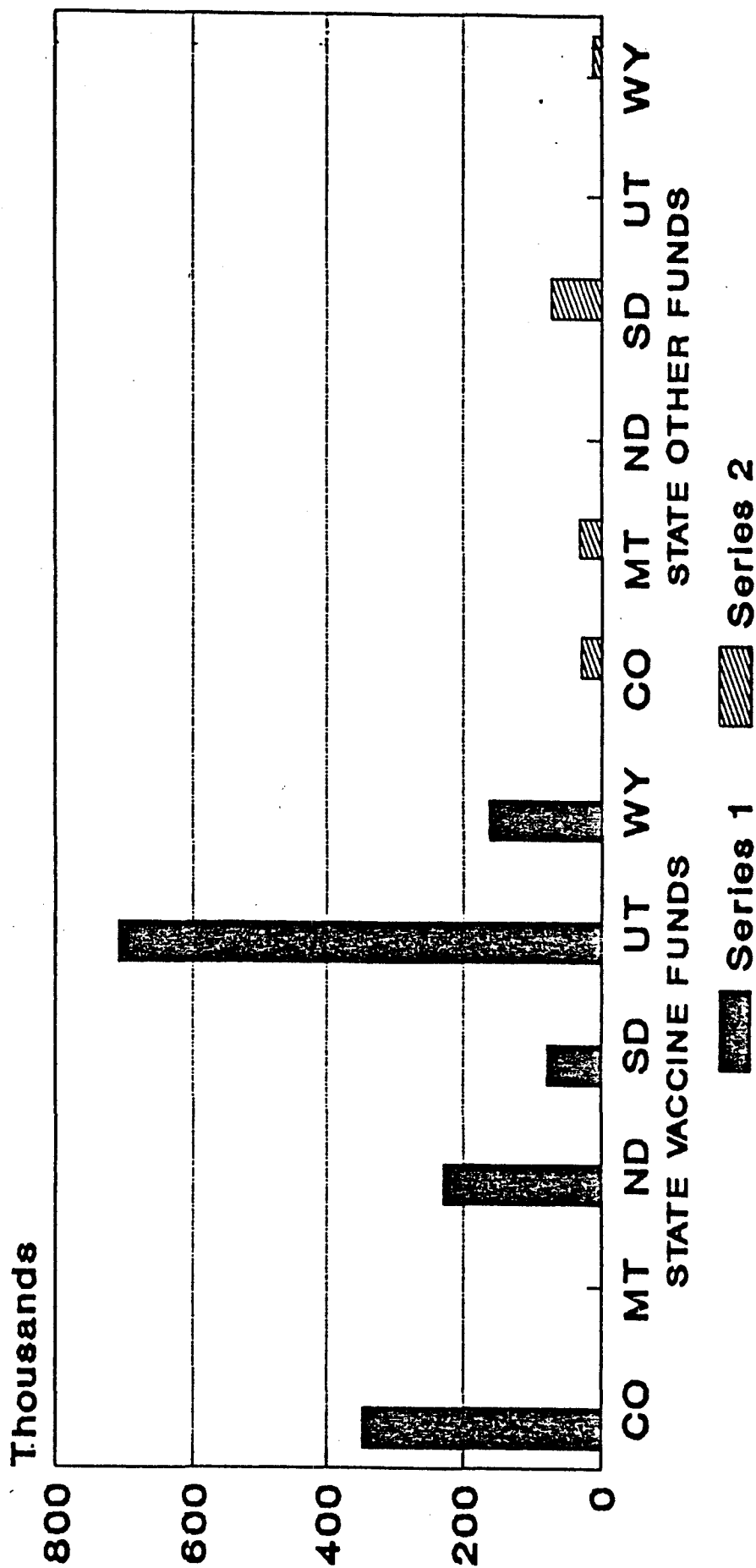




EXHIBIT 4  
DATE 1-14-91

Exhibit # 4  
1/14/91  
Hum. Serv.  
Subc.

DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service  
Region VIII

RECEIVED

Federal Office Building  
1961 Stout Street  
Denver CO 80294

JUN 15 1989

MDHES  
DIRECTOR'S OFFICE

Donald E. Pizzini, Director  
Montana Department of Health &  
Environmental Sciences  
Cogswell Building  
Helena, Montana 59620

June 13, 1989  
D. E. Pizzini

W. J. Opitz

Dale Taliapero J.D.T.  
Ray Hoffman

Dear Don:

Thank you for meeting with me on May 9 to discuss issues related to Montana's immunization program needs.

I delayed forwarding the information you requested until we were in receipt of additional funds from CDC which enabled us to award additional funds to each state. At this point, we are providing the State of Montana all funds requested except for \$110,000. We are seeking additional funds from CDC in order to meet your total request. If this request is approved by CDC, the funds will arrive in our office sometime during the fourth quarter (July - September).

However, it is important to note that the immunization funds provided to you this year exceed Montana's share and will not be available on a continued basis unless Congress provides a significant increase in immunization funds to CDC next fiscal year.

As we discussed, Montana receives a disproportionate share of the Region's immunization funds. If we were to award funds strictly on the basis of the number of live births for each state, Montana would receive \$677,481 rather than the \$910,191 you will receive with our most recent award. The enclosed charts reflect the inverse share of federal funds you receive.

We know you have special needs and we are attempting to assist you in meeting these needs. However, other Rocky Mountain States are experiencing similar resource problems. The essential difference is that these states are seeking funds from their state legislators to accommodate the escalating costs and increased demand for public vaccine.

We strongly feel that Montana must undertake similar action, for federal support is insufficient in meeting your total needs. In addition, other Rocky Mountain States are asking for their fair share of the Region's monies.

Thank you for your attention to this important matter.

Sincerely,

Clyde L. Younger, Deputy Director  
Division of Preventive Health Services

STATE	AWARDED	PERCENT OF FUNDS ALLOCATED	ANNUAL LIVE BIRTHS	% LIVE BIRTHS	STATE VACCINE FUNDS	STATE OTHER FUNDS	STATE TOTAL FUNDS
	5,071,400 6,569,670						
Colorado	1,538,675	23.45	58,054	42.15	350,000	30,000	380,000
Montana	910,191	13.87	14,146	10.27	0	31,570	31,570
North Dakota	843,533	12.86	11,500	8.35	230,000	0	230,000
South Dakota	910,331	13.87	11,253	8.17	80,000	73,131	153,131
Utah	1,622,703	24.73	34,142	24.79	709,900	0	709,900
Wyoming	735,688	11.21	8,633	6.27	163,845	12,000	175,845
TOTALS	6,561,121	100.00	137,728	100.00	1,533,745	146,701	1,680,446

EXHIBIT 4  
DATE 1-14-91  
HHS/Dep. Sec. Sec

PERSONNEL AND OPERATING  
IMMUNIZATION PROGRAM  
FEDERAL FUNDING COMPARISON  
11/16/90

[ ] = BASE IMMUNIZATION PROGRAM ONLY

FEDERAL BUDGET CATEGORIES	GRANT AWARD 1990	GRANT APPLICATION FOR 1991		TOTAL	AMOUNT EXPECTED FOR 1991		COMM. VAX DIFFERENCE 1991 REQUEST VS. AWARD	COMM. VAX DIFFERENCE 1990 - 1991 AWARD
		W/O NEW FTE'S COMM. VAX PROGRAM	1 NEW FTE HEP. B		COMM. VAX	HEP. B		
Personnel	\$95,805	\$83,783	\$24,404	\$108,187	\$83,783	\$24,404	\$0	(\$12,022)
Fringe	21,077	18,432	5,369	23,801	18,432	5,369	0	(2,645)
Travel	13,938	18,110	5,200	23,310	7,000	0	(11,110)	(6,938)
Equipment	1,000	0	2,626	2,626	0	0	0	(1,600)
Supplies	1,348	2,724	0	2,724	1,300	0	(1,424)	(48)
Contractual	7,980	4,994	60,000	64,994	1,500	0	(3,494)	(6,480)
Other	27,913	41,741	8,924	50,665	42,075	0	334	(4,162)
Total Direct	179,061	169,784	106,523	276,307	154,090	29,772	(15,694)	(24,971)
Total Indirect	17,767	15,537	4,525	20,062	15,537	4,525	0	(2,280)
TOTALS	\$196,826	\$185,321	\$111,048	\$296,369	\$169,627	\$34,297	(\$15,694)	(\$27,199)

VACCINE		1991 AWARD VS 1990 AWARD	
	1990 GRANT AWARD	1991 GRANT REQUEST	1991 AWARD
Routine 1z	\$669,518	\$781,770	\$592,989
MMR #2	83,200	369,330	74,300
New Hib	?	0	0
Outbreak MMR	10,000	0	0
Hepatitis B	0	55,128	3,564
TOTAL	\$762,718	\$1,206,228	\$670,853

TOTAL COMMUNITY VACCINE PROGRAM REDUCTION (VACCINE & OPERATING) \$10 VS 91 = (\$119,064)

Results of Montana's Retrospective Survey  
For the School Year 1988-89

A "look back" or retrospective survey was performed by the Montana Immunization Program for the school year 1988-89. The survey assessed the timing of immunizations for 2 year old children. Children not fully immunized at school entry were not included in this survey. The following procedures were used:

1. Only schools chosen for the program's annual school validation survey were included in the survey. In the validation survey, schools are chosen randomly with larger schools being weighted by population to ensure the results reflect the status of all school children at the time of the survey.
2. Only school entering grades were used. (kindergarten or first grade if no kindergarten class was in the school)
3. All immunization records of either the kindergarten or 1st grade class were used.
4. A photocopy of the actual immunization record was obtained to reduce the error associated with transcribing recorded information on to a tally sheet.
5. The following criteria were used: a) the individual record must show the child had received a minimum of 4 DTP (or Td), 3 POLIO, and one MMR; b) immunization dates must be recorded for each dose given (check marks were not accepted for use in this survey); and; c) there was no exemption claimed. Only records meeting all of these criteria for each of the vaccine categories were used.
6. The child's birth date, school, county, and all immunization dates were enter onto a computer program, designed by the Centers for Disease Control. No patient identifiers were used.

Number of schools included in the survey data: 14

Sample population: 485 student records

The computer program tabulated the data and looked at specific age categories by vaccine type. The age categories which were chosen for analysis correspond with the timing of immunizations, as recommended by the Immunization Practices Advisory Committee (ACIP). The computer also looked at the timing of immunizations by individual vaccine types and combinations of immunizations for each individual school record.

This data is summarized, for the entire state as follows:

	<u>Number</u>	<u>Percent</u>
<u>Before age 3 months</u>		
(ACIP Recommended Schedule: at age 2 months, DTP #1 and Polio #1)		
- one dose of DTP	359	74.02
- one dose of Polio	358	73.81
- one dose each of DTP and Polio	357	73.61
<u>Before age 7 months</u>		
(ACIP Recommended Schedule continued: at age 6 months of age, receive DTP #3; Polio and DTP #2 should have been given at 4 months of age);		
- 3 DTP	234	48.25
- 2 Polio	378	77.94
- 3 DTP and 2 Polio	232	47.84
<u>Before 1st Birthday</u>		
(this looks at the same vaccines which were recommended by age 7 months)		
- 3 DTP	366	75.46
- 2 Polio	419	86.39
- 3 DTP and 2 Polio	365	75.26
<u>At age 12-15 months</u>		
(ACIP recommends an MMR at 15 months; this looks at those immunized at 15 months and any who were immunized as early as the 1st Birthday)		
- 1 Measles/Mumps/Rubella (MMR)	174	35.88
<u>Before 19 months</u>		
(ACIP Recommends a 4th dose of DTP at 18 months)		
- 4 DTP	93	19.13
- 3 Polio	374	71.55
- 4 DTP and 3 Polio and 1 MMR	91	19.76
<u>12-23 months</u>		
(This looks at children up to 24 months of age for an MMR which was recommended at 15 months.)		
- 1 MMR	383	78.97



EXHIBIT 4  
DATE 1-14-91  
HB. Dum. Sen. Sub.

Before 2nd Birthday

(ACIP Recommended Schedule: by age  
2, should have received 4 DTP,  
3 Polio, and 1 MMR)

- 4 DTP	206	42.47
- 3 DTP	430	88.66
- 3 Polio	389	80.21
- 4 DTP and 3 Polio and 1 MMR	201	41.44
- 3 DTP and 3 Polio and 1 MMR	389	80.21

Average age of MMR Immunization = 22.19 months

Average age at completion of primary series = 34.83 months

---

For this application, 1 month = 30.5 days

Histories with dates showing Month and Year only were entered  
as H.

DISCUSSION

The Immunization Program will continue to do retrospective surveys of school entering children as it is now a requirement of the federal immunization grant. The survey data should be used by health care providers to 1) assess their delivery of immunizations, 2) identify potential problem areas and 3) determine a means to improve in the timing of vaccination of Montana children.

Hib immunization was not assessed as it is not currently a part of the Montana Certificate of Immunization (school record).

Overall, the state summary reflects the individual results found in each school and each county. Some of the highlights (low-lights) of this survey are as follows:

- A significant number of children, who are susceptible to measles are not immunized on schedule. The average age for receiving the MMR (22.19 months) is 6 months beyond the recommended time for it to be given (15 months). Also, more than 20% of the children surveyed did not have an MMR by age 2.

- All of the children, whose records were used in the survey, had at least 1 MMR, 4 DTP and 3 Polio by school entry. It appears that one of the factors which determines when children are immunized is the entry into school and meeting the requirements of the Immunization Law.

- There appears to be a major problem with children failing to be immunized on schedule with DTP. At age 7 months, more than 50% of the children had not received 3 doses of DTP. At age 19 months, more than 80% of all children had not received the recommended number of 4 DTP vaccinations. Also, by age 24 months, more than 56% still had not received 4 doses of DTP.

If there were schools in your county which were included in the survey, a copy of 1) that school's report and 2) the county summary is attached.

The retrospective survey data for the school year 1989-90 has been obtained. The report for that survey will be forwarded to you as quickly as possible.

## Department of Health and Environmental Sciences

### Vaccine Need and Supply Projections

The Department's Immunization Program provides a number of vaccines to public health clinics. The federal government uses a limited amount of funds to purchase vaccine that is provided to the Department each year. The Department projects that for 1991 there is a need for \$776,116 worth of vaccine to continue our current programs. With present vaccine and Montana's 1991 federal allocation, there is a projected shortfall of about \$20,000. There are continuing revisions in the amount of federal vaccine available, the price of vaccine and the actual usage. Past experience would indicate that the Department will be able to meet all 1991 requests for the vaccines provided currently.

Recommendations for childhood immunizations now require a second dose of MMR (Measles/Mumps/Rubella) vaccine. Because of the cost of the vaccine and the limited personnel and funds available locally to administer the vaccine, the Department recommends that catching up with the new recommendations be done over a six-year period. This would be accomplished by providing second dose vaccine for all 12-year-old children and all college entrants. The following table shows the projected needs.

#### Funds Needed for Second Dose MMR Vaccine

##### Target Group

<u>Year</u>	<u>12-year-olds</u>	<u>College Entrants</u>	<u>Total</u>
FY 1991	181,191	188,135	369,326
FY 1992	181,191	188,135	369,326
FY 1993	181,191	188,135	369,326
FY 1994	181,191	188,135	369,326
FY 1995	181,191	188,135	369,326
FY 1996	181,191	188,135	369,326
FY 1997	181,191	0	181,191

The Department has some MMR vaccine that can be used for second dose and has a federal allocation of \$74,300 for 1991 that is specifically designated for second dose MMR. The projected need for funds for second dose MMR is thus \$201,369 for 1991 and \$369,300 a year for 1992 through 1996 and \$181,191 beginning in 1997. There is no indication whether the federal government will provide any funds for second dose MMR after 1991.

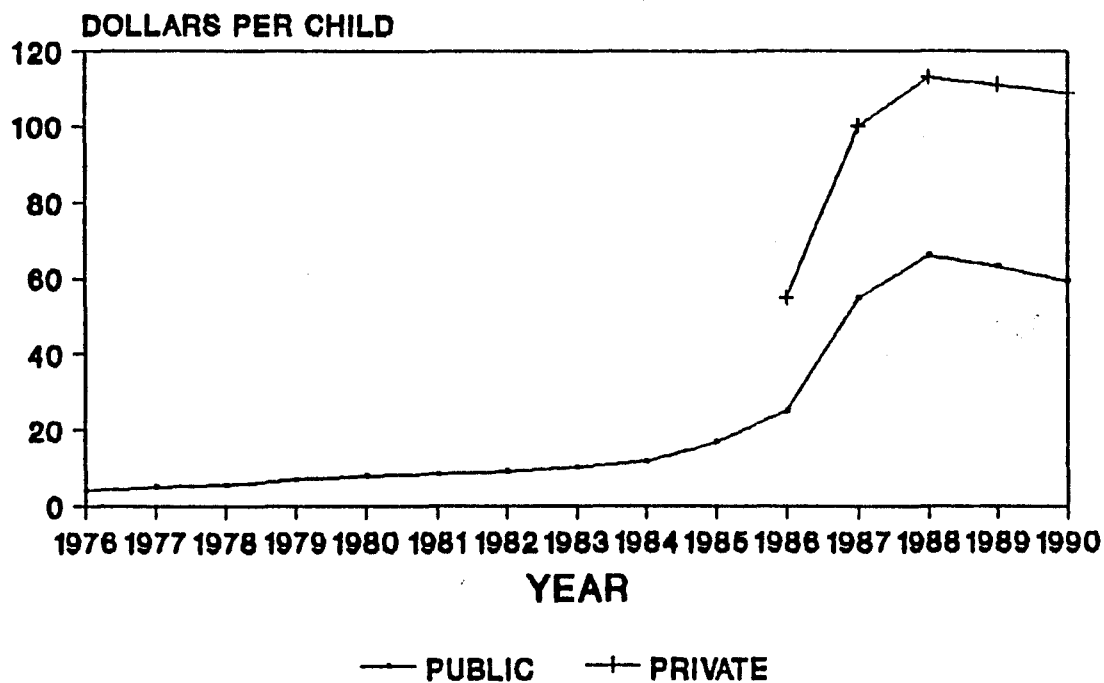
The above projections do not include any price inflation factor (historically 10%) for vaccine. These projections

Department of Health and Environmental Sciences  
Vaccine Need and Supply Projections  
Page 2

also are based on completely using the available vaccine. In addition, for Montana's population, there should be roughly a \$150,000 reserve supply for outbreak control. These factors would affect the base program as well as the second dose MMR supply.

Prepared by J. Dale Taliaferro  
January 10, 1991

## PRIVATE VS. PUBLIC VACCINE COSTS 1976 - 1990



Vaccine Types: 5 DTP, 4 OPV, 1 MMR

EXHIBIT

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DATE

1-14-91

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Montana Immunization Program's Total  
Vaccine Doses Used and Number of  
Childhood Diseases Reported (Measles,  
Mumps, Rubella, Polio, Diphtheria, Tetanus,  
and Pertussis) 1976-1989

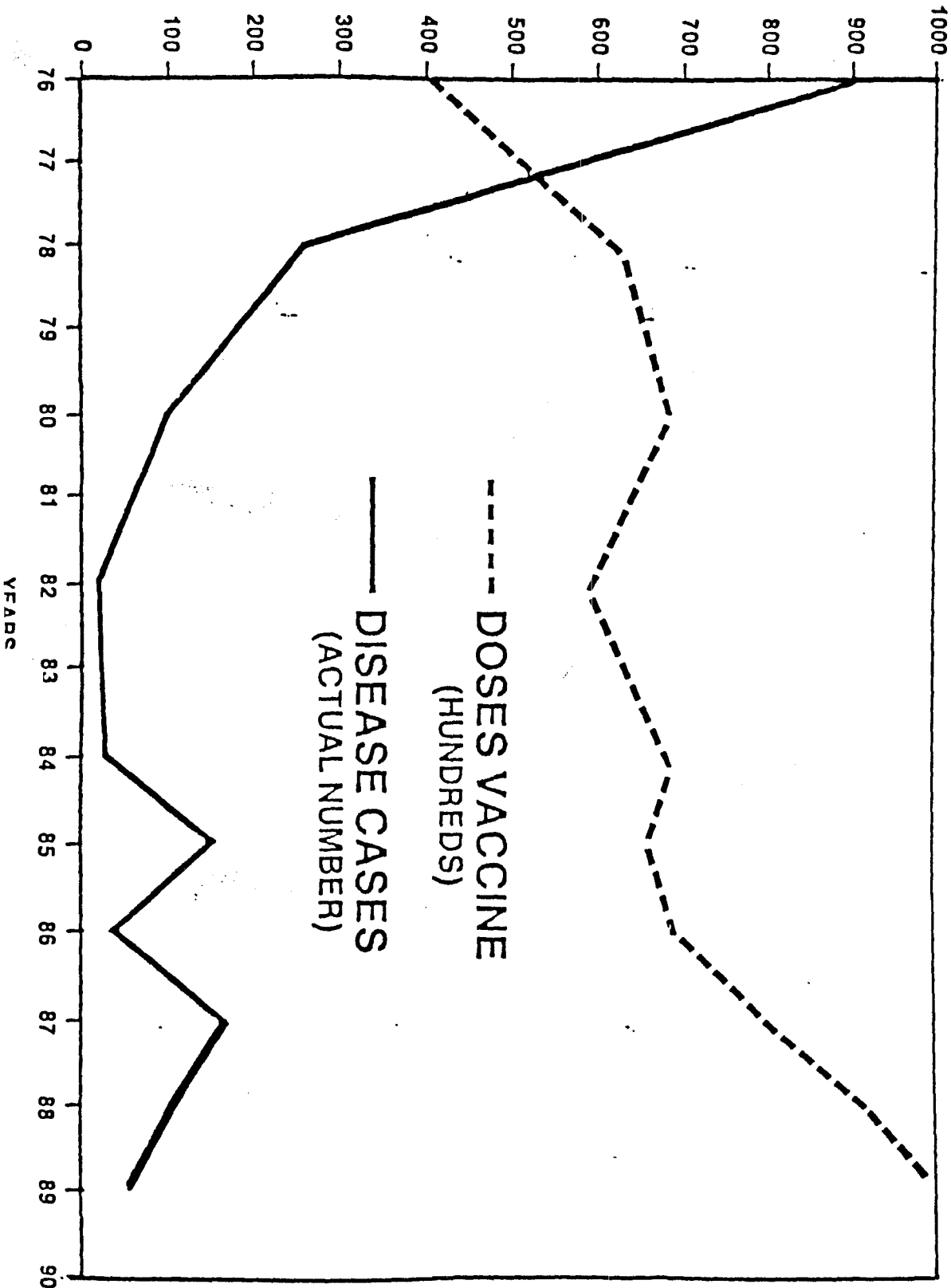


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EXHIBIT 5  
1/14/91  
Human Serv.  
Subc.

Department of Health and Environmental Sciences  
Vaccine Need and Supply Projections

The Department's Immunization Program provides a number of vaccines to public health clinics. The federal government uses a limited amount of funds to purchase vaccine that is provided to the Department each year. The Department projects that for 1991 there is a need for \$776,116 worth of vaccine to continue our current programs. With present vaccine and Montana's 1991 federal allocation, there is a projected shortfall of about \$20,000. There are continuing revisions in the amount of federal vaccine available, the price of vaccine and the actual usage. Past experience would indicate that the Department will be able to meet all 1991 requests for the vaccines provided currently.

Recommendations for childhood immunizations now require a second dose of MMR (Measles/Mumps/Rubella) vaccine. Because of the cost of the vaccine and the limited personnel and funds available locally to administer the vaccine, the Department recommends that catching up with the new recommendations be done over a six-year period. This would be accomplished by providing second dose vaccine for all 12-year-old children and all college entrants. The following table shows the projected needs.

Funds Needed for Second Dose MMR Vaccine

Target Group

<u>Year</u>	<u>12-year-olds</u>	<u>College Entrants</u>	<u>Total</u>
FY 1991	181,191	188,135	369,326
FY 1992	181,191	188,135	369,326
FY 1993	181,191	188,135	369,326
FY 1994	181,191	188,135	369,326
FY 1995	181,191	188,135	369,326
FY 1996	181,191	188,135	369,326
FY 1997	181,191	0	181,191

The Department has some MMR vaccine that can be used for second dose and has a federal allocation of \$74,300 for 1991 that is specifically designated for second dose MMR. The projected need for funds for second dose MMR is thus \$201,369 for 1991 and \$369,300 a year for 1992 through 1996 and \$181,191 beginning in 1997. There is no indication whether the federal government will provide any funds for second dose MMR after 1991.

The above projections do not include any price inflation factor (historically 10%) for vaccine. These projections

Department of Health and Environmental Sciences  
Vaccine Need and Supply Projections  
Page 2

also are based on completely using the available vaccine. In addition, for Montana's population, there should be roughly a \$150,000 reserve supply for outbreak control. These factors would affect the base program as well as the second dose MMR supply.

Prepared by J. Dale Taliaferro  
January 10, 1991



Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	32.55	32.55	31.55	1.00	32.55	31.55	1.00
Personal Services	735,421	933,445	977,876	44,431-	932,655	976,982	44,327-
Operating Expenses	289,070	422,149	364,981	57,168	427,116	365,020	62,096
Equipment	13,311	9,500	8,849	651	9,500	8,849	651
Total Expend.	\$1,037,802	\$1,365,094	\$1,351,706	\$13,388	\$1,369,271	\$1,350,851	\$18,420
Fund Sources							
General Fund	335,362	458,269	512,522	54,253-	485,251	534,712	49,461-
Federal Revenue Fund	702,440	906,825	839,184	67,641	884,020	816,139	67,881
Total Funds	\$1,037,802	\$1,365,094	\$1,351,706	\$13,388	\$1,369,271	\$1,350,851	\$18,420

LFA Current Level Analysis Reference: page B-42  
Executive Budget Summary Reference: page 73  
Executive Budget Narrative Reference: page 131

Current Level Issues

- Reorganization Issues  
1. Indirect Charges

Appropriation Policy Issues

1. Difference in the funding base  
2. Difference in computer network charges  
3. Difference in inflation

Program Issues

1. Step Increases for Surveyors  
The LFA current level includes step increases for surveyors as approved by the Department of Administration. The executive does not include these increases due to the proposed pay plan.

2. Deleted Position

LFA current level deletes 1.0 FTE administrative position due to extended vacancy. The position was added by the 1989 legislature and never filled pending a grade review.

Total

0.0 0.0 \$12,737 \$17,769  
=====

Funding Issues

1. The LFA current level funds the bureau on the assumption of a programmatic split of 1/3 state licensure (100% general fund), 1/3 medicare (federal funds with general fund match), and 1/3 medicare (100% federal funds). The executive funds the bureau based upon actual fiscal 1990 expenditures and the fiscal 1991 appropriation.

6  
DATE 1-14-91

Exhibit # 6  
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Executive Budget Modified Additions

Nursing Home Reform

This modification adds 15.0 additional FTE and related expenses due to expanded requirements of the federal Omnibus Budget and Reconciliation Act of 87.

FTE	15.0	15.0	
General Fund			\$50,007 \$68,424
Federal Funds			\$828,488 \$759,558
			-----
Total	15.0	15.0	\$878,495 \$827,982
			=====

DATE 1-14-91  
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Exhibit #7  
1/14/91  
Human Serv.  
Subc.

LICENSING, CERTIFICATION, AND CONSTRUCTION BUREAU  
MONTANA DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES  
TESTIMONY FOR  
THE APPROPRIATIONS JOINT SUBCOMMITTEE ON HUMAN SERVICES  
JANUARY 14, 1991

Chairman Bradley, Senators, and Representatives, I am Denzel Davis, Chief of the Licensing, Certification, and Construction Bureau.

The Bureau is responsible for survey of State licensure and Medicaid/Medicare certified health care providers.

We currently conduct joint State and Medicare/Medicaid surveys at 43 Hospitals and 17 Hospitals Accredited by the Joint Commission on Accreditation of Health Care Organizations, 99 Skilled Nursing Facilities/Nursing Facilities, 38 Hospital Swing Beds (swing beds are licensed as hospital beds but can be used and are surveyed as Skilled Nursing beds), 3 Intermediate Care Facilities for Mental Retardation, 45 Home Health Agencies, 4 Rural Health Clinics, 10 Outpatient Surgical Centers, 8 End Stage Renal Dialysis Facilities, 6 Outpatient Physical or Occupational Therapist, Speech Therapist and Radiation Therapist, 5 Hospice Facilities, 8 Excluded Rehabilitation or Psychiatric Units, 1 Residential Treatment Facility for Youth Under 21, and 1 Medical Assistance Facility.

Health services that are State licensed only include 2 Infirmaries, 13 Hospice facilities, 25 Adult Day Care Centers, 8 Mental Health Retardation facilities, 8 Chemical Dependency facilities, and 26 Personnel Care facilities.

The Bureau is responsible for investigation and processing complaints that come to the State agency regarding health care facilities or facility staff. Initial processing, survey and construction inspections for new providers. We are currently processing 123 applications for new health care providers.

Annually, approximately 30 major and 100 minor plans are reviewed for compliance with National Fire Protection Association codes and minimum health care construction requirements. These reviews are done for additions, modifications, and new construction of health care facilities.

To accomplish the Bureau's responsibilities, the management and survey staff is composed of Registered Nurses, Registered Dietitians, Sanitarians, Pharmacist, master level Social Workers, Medical Technologist, Recreation Therapists, Deputy State Fire Marshal and Building Consultant. Licensing and Certification surveys are done concurrently by a survey team.

Although the Bureau's primary workload is still the regulation of health care facilities, we have endeavored to expand our function as a resource point for the provider community, residents, patients, families or guardians, and potential new providers. Resident focused and outcome surveys are eliminating the "nit picky deficiencies" cited in the past surveys.

The Bureau has worked hard over the past two years to develop a better working relationship with health care providers and the HCFA Regional Office without compromising our role as a regulator and advocate for the health care recipients of Montana. I believe we have accomplished this objective.

#### NURSING HOME REFORM OBRA 87 to OBRA 91

In February 1989 my predecessor reported to this committee and discussed the new challenges and responsibilities facing the Bureau through the biennium, and a major item discussed was implementation of OBRA 87. At that time the Bureau was still guessing at what the full impact of OBRA would be.

Today I am hear to tell you what the impact is as I know it today.

Implementation of the original provisions of OBRA were to be phased in gradually starting in July of 1989 and completed in 1990. In 1989 two provisions of OBRA were implemented, these were the Nurse Aide package that consisted of: Nurse Aide Training, Nurse Aide Testing, Nurse Aide Registry and Abuse Registry and the Home Health Hot Line. The remaining provisions of OBRA were again delayed. Implementation of the Nurse Aide package, training, testing and the registry was difficult. In the absence of Health Care Financing rules, the State Agency was forced to develop and implement the "The Montana training, testing and registry program". The development of the Montana plan was a joint effort that included the Bureau staff, staff from the Department of Social and Rehabilitation Services and health care provider organizations.

7  
DATE 1-14-91  
-R. Num. Serv. Sub.

The remaining provisions of Nursing Home reform were again delayed in 1990. However during the period of January 1990 to October 1, 1991, changes in The Health Care Financing Administration (HCFA) policy were occurring. Survey and Certification policy and philosophy shifted to reflect impending OBRA requirements. HCFA placed new emphasis in the areas of complaints, scheduling, new providers, surveyor and provider training, follow-up inspections, and quality assurance reviews of surveyor findings and provider plans of corrections. Computer software was developed to generate survey findings and certification data input. Other programs were re-designed and up-graded. The Bureau went from one computer to sixteen, in an effort to keep up with day to day correspondence and data input requirements.

HCFA policy changes resulted in a major reorganization of the Bureau staff in 1990. Three senior surveyors were moved into Quality Assurance positions (Exhibit A). This was a necessary move for several reasons: as a response to items noted in our state agency evaluation conducted annually by Regional Office personnel in Denver, as well as in preparation for the implementation of the major part of the OBRA legislation, specifically new regulations and a new survey process for nursing homes. It must be noted that this has been the most wide-sweeping and monumental piece of nursing home reform legislation to ever be passed in our country. It has meant that the agency needed senior staff in place to assist in addressing the fairly massive training efforts necessary in preparing our surveyors for these new regulations and survey process as well as in anticipation of the implementation of OBRA requirements concerning surveyor competency and testing. The Bureau has also been attempting to respond to the many questions and anxieties of the nursing home industry. Telephone inquiries and correspondence to and from providers has risen significantly since this time. This has meant having to have more staff available to work with providers. Implementing quality assurance in the Bureau became an absolute necessity and was long overdue. It has enabled the Bureau to establish and maintain more consistency and quality in survey activities, improve staff training, and have better communication with providers these are just a few examples. The down side to all of this is that it reduced our on-line survey staff by three positions. This reduction, coupled with existing vacant positions that we were unable to fill for an extended period of time, resulted in the Bureau falling behind schedule in fiscal 1990.

Since the implementation of the new regulations and survey process for nursing homes implemented on October 1, 1990, has had the most significant impact on our agency. I would like to take some time to discuss this with you further.

EXHIBIT 7

DATE 1-14-91

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## COMPREHENSIVE EVALUATION REPORT (CER)

The CER summarizes the results of the State Agency Evaluation Program (SAEP).

Exhibit B 1988 - 1989 CER

Exhibit C 1989 - 1990 CER

I would direct you to the 1990 CER report Exhibit C page 2, under the heading PERFORMANCE OVERVIEW: "The FY 1990 workload was accomplished in the face of an increasing workload and a somewhat diminished workforce. Hopefully, the recent approval for additional staff positions along with a greatly enhanced survey agency budget for the current fiscal year will help alleviate the problems experienced during the past fiscal year in meeting survey obligations and improving accuracy."

The State Agency performance, especially in the area of surveys obligations of Medicare and Medicaid certified facilities is crucial to the recipients of Medicare and Medicaid services.

I would like to share with the committee one situation that has developed in fiscal 1991.

Part of the Agencies budget information sent to (HCFA) Regional Office in September of 1990 for the 1991 budget request was the agency workload projections for FY 91, based on our current staff, projected impact of training and the new survey process, it was my best estimate that the Agency would only survey approximately 45 percent of the Medicare and Medicare certified facilities in FY 91.

The Bureau's workload projections for fiscal 91 were given to the State Medicaid Agency the Department of Social and Rehabilitation Services (SRS). The projections prompted a letter from the Agency Director, Julia Robinson, to Gary Wilks, Associate Regional Administrator, Division of Medicaid (Exhibit D).

The gist of this correspondence is contained in Mr. Wilks reply. I would like to read to the committee two excerpts from Mr. Wilks letter. Mr. Wilks reply (Exhibit E).

The message to the Director of SRS is clear. If the State Survey Agency is unable to survey and certify Medicaid providers, new provider agreements may not be executed by the Medicaid agency nor may Medicaid payment be made to a facility. This would also hold true for the execution of Medicare agreements and Medicare payments.

EXHIBIT

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DATE 1-14-91

HB. *Dem. Serv. Sub.*

## BUREAU OF LICENSING, CERTIFICATION, AND CONSTRUCTION

Division Administrator 683.0.25

Bureau Chief 982

Information Systems  
Specialist III Mod 927 Vacant

CRA Staff

Surveyor Supervisor CRA

MOD 929

Surveyor Supervisor

983 Survey and Office Support

Program Asst. I Grade

MOD 932

Admin Aide II Grade

685

Admin Aide II Grade

381

Sec. Admin. I Grade

684

Data Entry III Grade

MOD 928

Fire Life Safety/Construction

Construction Consultant Grade

984

Construction Consultant Grade

919

Fire Life Safety Specialist Grade

Req Mod Budget

Fire Life Safety Specialist Grade

Req Mod Budget

## RA Group

Quality Assurance Grade 928

Staff Training/  
Provider Information Grade 922Complaint Coordinator/  
Survey Schedule Grade 908

Survey -- Page 2

Survey

Program Asst. II 6 915

Hospital - Indep. Lab. - Psych. Hosp.  
ESRD - RS - PT - OT - Hospice

Hlth Care Fac Sur Supr 6 923  
Hlth Care Fac Sur 6 905  
Hlth Care Fac Sur 6 918  
Hlth Care Fac Sur 6 907  
Hlth Care Fac Sur 6 MOD 926

Nursing Home Facility

Hlth Care Fac Sur Supr 6 921  
Hlth Care Fac Sur 6 925  
Hlth Care Fac Sur 6 906  
Hlth Care Fac Sur 6 909  
Hlth Care Fac Sur 6 910  
Hlth Care Fac Sur 6 912  
Hlth Care Fac Sur 6 913  
Hlth Care Fac Sur 6 914  
Hlth Care Fac Sur 6 917  
Hlth Care Fac Sur 6 924  
Hlth Care Fac Sur 6 911



Nurse Ride Training/Testing		
HLth Care Fac Sur Splst	6	MOD 931
HLth Care Fac Sur Splst	6	MOD 930
HLth Care Fac Sur Splst	6	Requested Modified Budget

[illegible]

## State Agency Evaluation Program

Montana

Fiscal Year 1989

Overall responsibility for the administration of the Survey and Certification process for providers and suppliers who desire to participate in Title XVIII (Medicare) and Title XIX (Medicaid) programs resides with the Secretary of the Department of Health and Human Services. Within the Department, this responsibility has been delegated to the Health Care Financing Administration (HCFA). In accordance with Title XVIII and XIX of the Social Security Act, as amended, HCFA has entered into an agreement with the State of Montana to conduct survey and certification operations.

The Montana Department of Health and Environmental Sciences, Licensing and Certification Bureau (hereafter called the State Agency) is under continuous monitoring by the HCFA regional office to ensure that all survey and certification functions are being properly carried out. This monitoring program is called the State Agency Evaluation Program (SAEP).

The SAEP process consists of a review by the Regional Office of seven (7) Criterion, each with several Standards. These are as follows:

- Criterion I - Surveyor Proficiency Criterion (Six Standards)
- Criterion II - Fiscal Management Criterion (Eight Standards)
- Criterion III - Process Management Criterion (Seven Standards)
- Criterion IV - Survey Management Criterion (Seven Standards)
- Criterion V - Complaint Management Criterion (Nine Standards)
- Criterion VI - Evidentiary Requirements Criterion (Eleven Standards)
- Criterion VII - Federal Monitoring Survey Criterion (Six Standards)

There are 220 possible points, of which the Montana State Agency scored 175.65 or 79.84%.

A corrective action plan (CAP) is required for any Standard in which the performance level is less than .6. Corrective Action Plans were required for the following Standards for FY 1989:

- I - SURVEYOR PROFICIENCY CRITERION - Standards 1 and 2
- II - FISCAL MANAGEMENT CRITERION - Standard 5
- III - PROCESS MANAGEMENT CRITERION - Standard 6
- V - COMPLAINT MANAGEMENT CRITERION - Standards 5, 6 and 7
- VI - EVIDENTIARY REQUIREMENTS CRITERION - Standards 1 and 5
- VII - FEDERAL MONITORING SURVEY CRITERION - Standard 5

The overall performance of the Montana State Agency was good. No pattern of poor performance emerged in any single Criterion.

We do believe it appropriate to comment on two specific areas where improvement is needed.

Criterion V, Standard 5:

The State Agency did not have in place specific policies and procedures for handling complaints as described in State Operations Manual, Sections 3281 and 3282. Also, complaints were not handled timely in five of nine cases reviewed. Work had begun on bringing these areas into compliance prior to the end of FY 1989.

Criterion VI, Standard 1:

Review of this Standard revealed that the State Agency often did not follow-up on deficiencies listed on plans of correction (POC) in a significant number of cases. There is no latitude allowed in HCFA instructions for not following-up on deficiencies specified in POC's. All deficiencies must have follow-up, either by revisit, mail or telephone as appropriate. (State Operations Manual, Section 2732).

The Montana State Agency has demonstrated a commitment to HCFA and to the provider/supplier community throughout the State. They have worked closely with the Regional Office staff to assure responsiveness to HCFA directives pertaining to the survey and certification process. The providers/suppliers of Montana have been well served by this State Agency.

NARRATIVE

## Comprehensive Evaluative Report

## Montana State Survey Agency

Fiscal Year 1990

Overall responsibility for the administration of the survey and certification process for providers and suppliers who desire to participate in Title XVIII (Medicare) Title XIX (Medicaid) programs resides with the Secretary of the Department of Health and Human Services. Within the Department, this responsibility has been delegated to the Health Care Financing Administration (HCFA). In accordance with Title XVIII and XIX of the Social Security Act, as amended, HCFA has entered into an agreement with the State of Montana to conduct survey and certification operations.

The Montana State Department of Health and Environmental Sciences, (hereafter called the State Agency) is under continuous monitoring by the HCFA Regional Office to ensure that all survey and certification functions are being properly carried out. This monitoring program is called the State Agency Evaluation Program (SAEP).

The SAEP process consists of a review by the HCFA Regional Office of seven (7) Criterion with a total of 54 Standards. These are as follows:

- Criterion I - Survey Proficiency (Six Standards)
- Criterion II - Fiscal Management (Eight Standards)
- Criterion III - Process Management (Seven Standards)
- Criterion IV - Survey Management (Seven Standards)
- Criterion V - Complaint Management (Nine Standards)
- Criterion VI - Evidentiary Requirements (Eleven Standards)
- Criterion VII - Federal Monitoring Survey (Six Standards)

Based on the results of the Regional Office review, each Standard is scored by multiplying the performance level X the weight of the Standard. For any Standard in which the State Agency did not have activity up to the time the review was performed, the weight for that particular Standard is redistributed among the remaining Standards in the Criterion which did have activity.

There are 220 possible points, of which the Montana State Agency scored 174.51, or 79.32%.

A plan of corrective action is required for any Standard in which the performance level is less than .6. Plans of corrective action were required for the following Standards for FY 1990:

Criterion III, Process Management, Standard 7

Criterion IV, Survey Management, Standard 2

Criterion V, Complaint Management, Standards 5, 6 and 7

Criterion VI, Evidentiary Requirements, Standards 4 and 11

Criterion VII, Federal Monitoring Survey, Standard 3

Plans of corrective action furnished by the State Agency are included as a part of this Comprehensive Evaluative Report.

#### PERFORMANCE OVERVIEW:

Overall, the State Agency was able to maintain the same level of SAEP performance in FY 1990 as in FY 1989. (79.84% for FY 1989 compared with 79.32% for FY 1990) The FY 1990 workload was accomplished in the face of an increasing workload and a somewhat diminished workforce. Hopefully, the recent approval for additional staff positions along with a greatly enhanced survey agency budget for the current fiscal year will help alleviate the problems experienced during the past fiscal year in meeting survey obligations and improving accuracy.

It is noted that the State Agency achieved perfect scores for all six Standards in Criterion I, Survey Proficiency. Those Standards for which performance levels were below .6 are listed above. We wish to comment on two.

1) Criterion III, Standard 7:

The State Agency needs to establish a tighter control on requests for initial certification per the instructions in State Operations Manual Section 2008.

2) Criterion IV, Standard 2:

Among the most important functions of the State Agency is the annual resurvey of providers. Four provider types were not surveyed at the level mandated by the FY 1990 budget call letter. Hopefully, performance for this Standard will improve in FY 1991.

The Montana Department of Health and Environmental Sciences, Licensure and Certification Bureau, has demonstrated a commitment to HCFA and to the provider/supplier community throughout the State. They have worked closely with the Regional Office staff to assure responsiveness to HCFA directives pertaining to survey and certification activities, a process which was made considerably more difficult this past year with the implementation of OBRA '87 provisions which had a major impact on State Agency operations. Your efforts are appreciated by both HCFA and the provider community in Montana.

*Denzel*DEPARTMENT OF  
SOCIAL AND REHABILITATION SERVICESEXHIBIT 7DATE 1-14-91H. H. *See Doc* JULIA E. ROBINSON  
DIRECTORSTAN STEPHENS  
GOVERNOR

STATE OF MONTANA



October 30, 1990

**RECEIVED**

NOV 02 1990

MDHES  
HEALTH SERVICES DIVISION

Gary Wilks  
Associate Regional Administrator  
Health Care Financing Administration  
Region VIII  
1961 Stout Street  
Denver, Colorado 80294

Dear Mr. Wilks:

The Montana Department of Health and Environmental Sciences (DHES) Licensing and Certification Bureau recently submitted its FFY 1991 proposed State Survey Agency budget to the Division of Health Standards and Quality (DHSQ) in Denver for approval. In the budget DHES is proposing to survey only 45% of the licensed Nursing Facilities in Montana during fiscal year 1991. DHSQ in Denver instructed Denzel Davis of the Licensing and Certification Bureau to inform the Montana Medicaid program of the projected number of surveys assumed in the proposed budget.

Our questions to you are: What impact will the reduced number of surveys of nursing facilities have on our ability to enter into Medicaid agreements with nursing facilities? What latitude and discretion does a state Medicaid agency have to take into account the inability of the State Survey Agency to survey a facility when entering into a Medicaid provider agreement?

If you need any further information, please contact Mike Hanshew or Kelly Williams of the Medicaid Services Division.

Sincerely,

*Julia E. Robinson*  
Julia E. Robinson  
Director

D. Davis 11-12  
J. Perkins Linda S. PS 11-13  
C. Johnson \_\_\_\_\_

cc: Nancy Ellery ✓  
Denzel Davis ✓  
Russ Cater  
Verne Hamlin

Return



## DEPARTMENT OF HEALTH &amp; HUMAN SERVICES

Health Care Financing Administration

NOV 13 1990

Region VIII  
Federal Office Building  
1961 Stout Street  
Denver, CO 80294**RECEIVED**

NOV 15 1990

Julia E. Robinson, Director  
Department of Social and Rehabilitation Services  
Post Office Box 4210  
Helena, Montana 59604

**ADMINISTRATION**

Dear Ms. Robinson:

By letter dated October 30, 1990, you have asked for a policy statement regarding a Medicaid State Agency's ability to enter into a provider agreement when the survey agency fails to conduct surveys and certifications. The following is a discussion of the appropriate regulatory requirements for provider agreements.

42 CFR 442.12(a) states that a provider agreement may not be executed by a Medicaid agency nor may Medicaid payment be made to a facility unless the State survey agency has certified the facility to provide services. Extension of a provider agreement by a Medicaid agency may be granted under 42 CFR 442.16 for a single period of up to 2 months beyond the original expiration date if it receives written notice from the survey agency before the expiration date of the agreement.

The survey agency must certify that an extension will not jeopardize the patients' health and safety and that an extension is needed to prevent irreparable harm to the facility or hardship to the recipients in the facility or it is needed because it is impracticable to make a determination before the expiration date whether the facility meets certification requirements. We are optimistic that the survey agency through the use of appropriate planning in conjunction with the extensions and the new staff allocation, will complete all surveys in a timely fashion. However, we wish to remind you of your responsibilities in the event certification does not occur. The state Medicaid manual, section 4657, discusses situations which require the transfer of patients from non-certified facilities to certified facilities and the availability of FFP.

It is our understanding that the Regional Office Division of Health Standards and Quality (DHSQ) and the Montana Department of Health and Environmental Sciences Licensing and Certification Bureau have discussed the consequences of surveying any less than 100 percent of the Long Term Care facilities in Montana during fiscal year 1991. We also have been advised by DHSQ that no approval was given for any less than 100 percent of Long Term Care facility surveys to be conducted in Montana for fiscal year 1991.

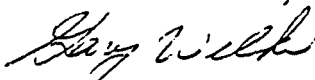


EXHIBIT 7  
DATE 1-14-91  
HB Hum. Serv. Sub.

Page 2 - Ms. Robinson

If you have further question regarding this matter, please contact Bernadette Quevedo-Mendoza at (303) 844-6216 ext.73.

Sincerely,



Gary Wilks  
Associate Regional Administrator  
Division of Medicaid

1/14/91

Human Svc.  
Subc.

EXHIBIT 8

DATE 1-14-91

## MODIFIED BUDGETS

## Department of Health and Environmental Sciences

## Federal Nursing Home Reform

This modification adds authority to continue implementation of new programs and expanded certification requirements contained in the federal Omnibus Budget and Reconciliation Act (OBRA) of 1987. These positions were originally added via budget amendment in fiscal 1991, in addition to the 6.0 FTE authorized by the 1989 legislature to address changes under OBRA. This modification does not include subcommittee action on indirect charges.

<u>Object of Expenditure</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
FTE	15.0	15.0
Personal Services	\$483,971	\$482,851
Operating Expenses	91,392	91,499
Equipment	<u>44,000</u>	<u>35,000</u>
Total	\$878,495	\$827,982
<u>Funding</u>		
General Fund	\$ 50,007	\$ 68,424
Federal Revenue	<u>828,488</u>	<u>759,558</u>
Total	\$878,495	\$827,982

LICENSING, CERTIFICATION, AND CONSTRUCTION BUREAU  
MONTANA DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

TESTIMONY FOR

THE APPROPRIATIONS JOINT SUBCOMMITTEE ON HUMAN SERVICES

JANUARY 14, 1991

Chairman Bradley, Senators, and Representatives, I am Denzel Davis, Chief of the Licensing, Certification, and Construction Bureau.

Due to additional requirements of OBRA, I offer for the subcommittee's review and consideration the following request to add contracted services for fiscal years 1992 & 1993.

ADDITIONAL REQUIREMENTS

The agency is responsible for conducting hearings regarding resident rights violations. This would include the review and investigation of resident abuse or misappropriation of resident funds by facility staff or others as well as enforcement. The contracted services requested will give the Bureau the ability to purchase outside services for help in these areas. It is very difficult at this time to predict the activity in the areas of resident rights hearings and resident abuse complaints review and investigations but it is our best estimate that this appropriation would be sufficient to fulfill these responsibilities.

# LICENSING, CERTIFICATION, & CONSTRUCTION BUREAU

Modified level

Budget Item	Fiscal 1992	Fiscal 1993
Contracted Services	\$137,002.00	\$137,002.00
Fund Sources		
Medicare	\$68,501.00	\$68,501.00
Medicaid	\$58,226.00	\$54,801.00
Medicaid General Fund	\$10,275.00	\$13,700.00
Total Funds	\$137,002.00	\$137,002.00

EXHIBIT 10

DATE 1-14-91

Human Svc Subcommittee

1/15/91

DONOT ABBREVIATE

PLEASE PRINT

WITNESS STATEMENT

NAME Rose Hughes BILL NO. \_\_\_\_\_  
 ADDRESS 52 Cloverview, Helena DATE 1-14-91  
 WHOM DO YOU REPRESENT? Mt. Health Care Assn.  
 SUPPORT X OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Support budget modifications  
 to add FTE's to Licensing  
 & Certification Bureau.  
~~to~~ Necessary to implement  
 new regulations, provide  
 support to providers, &  
 complete surveys in timely  
 manner for purposes  
 of Medicaid / Medicare  
 certification.

## VISITOR'S REGISTER

Human Soc Subc

SUBCOMMITTEE

AGENCY(S) \_\_\_\_\_

DATE

1/14/91

DEPARTMENT \_\_\_\_\_

PLEASE PRINT

NAME	REPRESENTING	SUP- PORT	OP- POSE
Ray Hoffman	DHES		
BOB MOON	DHES		
Bill Opitz	DHES		
Judith Gedrose	Dept of Health & Env Science		
Charles Clagones	Dept of Health & Env Science		
BRUCE DIESON/A	MDHES		
MAXINE FERGUSON	DHES		
JUDITH CARLSON	Local health dept		
Darc Deper	MPEA		
Robert R Johnson	I & C Cg-Cut H.D.		
Rose Hughes	Int. Health Care Assn		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT.  
 IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY.