MINUTES

MONTANA HOUSE OF REPRESENTATIVES
52nd LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON HUMAN SERVICES & AGING

Call to Order: By **CHAIRMAN DOROTHY BRADLEY**, on January 24, 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: Carroll South, Senior Fiscal Analyst (LFA)
Bill Furois, Budget Analyst (OBPP)
Faith Conroy, Secretary

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

Announcements/Discussion:

DEPARTMENT OF SOCIAL AND REHABILITATIVE SERVICES

Tape 1A

Jon Meredith, Child Support Enforcement Division Administrator, distributed an analysis of cost-benefit ratios and the additional resources needed to meet July 1, 1993 compliance. **EXHIBIT 1**

Julia Robinson, SRS Director, distributed and reviewed information on the governor's proposed health care plan and pending legislation. **EXHIBIT 2-3.** She noted the governor's plan will not address all needs or serve all 141,000 Montanans without health insurance. The Department would like to see 2,000 of these policies sold in the first biennium. Insurance also would be available to people coming off Workers Compensation. The proposals are high-risk. The state needs to take chances. SRS wants to work on them in the next two years and return with refinements.

SEN. NATHE asked if the subcommittee considered combining the money, then dividing it up under a national or state health-care plan. He asked if there were any recommendations or resolutions to urge the federal government to lift its restrictions on these programs. **Ms. Robinson** said no. Efforts were made to see what could be done with the existing system. A national plan isn't coming soon, but cost-containment incentives must be looked at.

EXECUTIVE ACTION ON THE OFFICE OF MANAGEMENT, ANALYSIS AND SYSTEMS

Carroll South, Legislative Fiscal Analyst, distributed funding figures based on previous subcommittee decisions on the Office of Management, Analysis and Systems budget. **EXHIBIT 4**

SEN. KEATING asked if funding figures included TEAMS and SEARCHS, not Child Support, and if funding sources were included in the executive budget. **Mr. South** said yes.

MOTION: SEN. KEATING moved approval of the funding mix.

VOTE: The motion **PASSED** unanimously.

FAMILY ASSISTANCE DIVISION

HEARING ON THE ELIGIBILITY PROGRAM

CHAIRMAN BRADLEY referred to Page B75 in the LFA budget analysis for the Eligibility Determination Program and Page B80 for State-Assumed County Administration.

Mr. South distributed the budget summary for the Eligibility Determination Program. **EXHIBIT 5**

Tape 1B

Ms. Robinson said 12 counties opted to turn over full management of their county welfare programs to the state. This was a provision of the 1983 Legislature. Once a county got to 12 mills and started to cap it, the state would take responsibility. If the state was to pay above 12 mills, then it would have full control. State-assumed counties tend to be the larger counties, except Yellowstone County, which has indicated it will become state-assumed in the next year or so.

State-assumed counties have a different mix of services than non-assumed counties. The General Assistance program is different and costs significantly more. Only state-assumed counties offer the State Medical Program. The program is growing and is funded totally with General Fund money. The Department will be proposing changes.

The smallest caseloads tend to be in non-assumed counties. The Department wants to set a caseload-to-worker standard. The Department is requesting 203.1 FTEs to administer welfare programs in state-assumed counties. This is 51 percent of the total number of FTEs. The remaining 49 percent is in non-assumed counties. In an average month, state-assumed county staffers administer 6,000 AFDC cases, 19,000 Medicaid cases and 13,700 Food Stamp cases. They administer 19,958 cases in an average month. Cases in state-assumed counties represent 65 percent of all cases. The staff ratio is not as high as the workload ratio.

The 44 non-assumed counties are administered by local boards of commissioners with the state supervising eligibility determination for federal programs. Commissioners can levy up to 13.5 mills to fund the programs. In smaller counties, they are nowhere near 13.5 mills, with the exception of Yellowstone County.

Personnel in non-assumed counties are paid through the state payroll system with a combination of county and federal funds. Operating costs for non-assumed counties are paid by county commissioners, who report their costs to the state to get federal matching money.

The Department is requesting 196.1 FTEs to administer the welfare programs in non-assumed counties. Each month, staffers administer 3,400 AFDC cases, 8,400 Medicaid cases and 7,284 Food Stamp cases. They handle 17,276 cases in an average month. If Yellowstone County decides to be state-assumed, those figures will change dramatically.

Ms. Robinson referred to Family Assistance Division error rates in Food Stamps, AFDC and Medical Assistance programs, and the distribution of Food Stamps Bonus Funds. **EXHIBIT 6**

She said the Division received a $248,000 federal Food Stamps incentive award for accuracy. The money was returned to counties. The federal government can sanction the state if it doesn't have accurate error rates. Recently, error rates have been down. Congress passed a bill that said states don't have to pay previous sanctions.

Food Stamps incentive money was distributed to counties because that is where the work is done. The Department has been trying to improve morale in local agencies. The Department also gave some incentive money to Regional and Central offices for equipment, the Food Stamps Employment and Training Program, and the Pacific Institute employee training program.

It was thought field staff could be cut with the implementation of TEAMS; but if caseloads increase, the Department won't be able to afford reductions. The Department wants the flexibility to either add or reduce staff.

There was a suggestion that the Department examine field-office performance because Montana's eligibility rates are higher than other states. That would be a poor use of time. The Department studies error rates and appears to be applying policies well.

The 1989 Legislature authorized the Department to do eligibility work in non-traditional settings. The Department contracted out a large portion of the Jobs Program, training, case management and supportive services. The Department allowed counties to decide who would be the most appropriate contractor in their area. They're using Human Resource Development Councils (HRDCs), Jobs Service offices and non-profit agencies.

The Department is required to provide day care for Jobs participants. SRS contracted with the Department of Family Services to manage day-care services.

SRS contracted with the Governor's Office on Aging and area aging offices to get more senior citizens involved in health-care programs in response to the Catastrophic Health Care Act. Of 3,300 inquiries, 1,800 were referred to welfare offices. That saved welfare offices from seeing some 2,000 cases. The Department also hired temporary clerical workers to help organize files. It is difficult to get programs going within federal deadlines. That saved about 8 FTEs.

FOOD STAMP OUTREACH

Hank Hudson, Governor's Office on Aging representative, said the Food Stamp Outreach program began July 1, 1990. The Governor's Office on Aging uses $136,000 in General Fund money to provide information and referral services to the elderly. The General Fund appropriation is matched with federal U.S. Department of Agriculture money. The money is given to area agencies on aging, which train county information and referral technicians about food stamps and how to help people obtain them. Training was completed at the end of August. There are between 55 and 60 trained Food Stamp Outreach employees, pretty much one in every county. They are specialists in helping people access programs.

The outreach program works through the aging services network but is a program for people of all ages. The Governor's Office on Aging tried to find out why people weren't using food stamps at the rate they could. The application process is complex and scares a lot of people away. Workers try to reduce the complexity by going through the forms with applicants. Because there is a stigma attached to going to the welfare office, efforts are made to reach people in their homes and accompany them to the office. Benefits aren't always large, but efforts are made to show how even a small amount of assistance makes a difference.

Widespread efforts have been made to get the word out. First-quarter statistics show outreach to 200 individuals. Of them, 46 now receive food stamps, 72 people needed help filling out the forms and 43 people couldn't get to the office because of physical problems or lack of transportation. This is a way to remove the program from county offices and put it into a more generally accepted setting, such as senior and community centers.

Ms. Robinson said low-energy assistance programs have been moved to wherever counties chose to move them. HRDCs receive administrative money to do the work. When the Low-Income Energy Assistance Program (LIEAP) program comes on line, there will be a large influx of people. County offices are set up to handle a stable number of recipients. Moving the work out of county offices was good for the state and HRDCs.

SEN. NATHE asked if people can go to one place for information about programs they may be eligible for. **Ms. Robinson** said the governor's health-care plan hopes to establish a one-stop place for seniors. There isn't a single place now, but the Department is examining the possibilities of having county and various state services share office building space.

Tape 2A

Ms. Robinson outlined policy differences that make Montana's per-capita usage higher than other states. She said the Unemployed Parent Program allows two-parent households to be on AFDC. Federal welfare reform requires states to have some kind of program. Wyoming chose a six-month option. People on Montana's Unemployed Parent Program are the least likely to participate in the Jobs Program. They refuse jobs, which is contrary to the Department's philosophy. The Department wants to mandate participation in the Jobs Program. About 600 cases have been on the rolls for longer than the average stay of two years. She urged the subcommittee to review the program.

Norm Waterman, Family Assistance Division Administrator, referred to Table 7 on Page B73 of the LFA budget analysis. He said Montana would rank in the middle, at 25.79 AFDC recipients per 1,000 population, if the unemployed parent population were removed from the AFDC population. The difference between Montana's program and Utah's program is that Utah operates a six-month, time-limited program. Montana has a full-time program that does not require participants to work. Montana's AFDC program is administered much like other states, except two states require a stepparent's income and resources to be included in eligibility determination. Montana, North Dakota, Colorado, Wyoming and Idaho do not. Stepparents' resources are disregarded and their income may be partially considered.

REP. FRANCIS BARDANOUVE, APPROPRIATIONS COMMITTEE CHAIRMAN, said the Mormon Church plays a big role in Idaho and Utah. The Mormon Church encourages its members to care for each other. They oppose government welfare. Many church-related programs aid church members.

CHAIRMAN BRADLEY said the subcommittee wanted to look at the comparisons because of concern that Montana is substantially higher than six comparable states, not just Utah.

HEARING ON MEDICALLY NEEDY, SPOUSAL IMPOVERISHMENT AND PRESUMPTIVE ELIGIBILITY PROGRAMS

Mr. Waterman distributed and read background information on the Medically Needy, Spousal Impoverishment and Presumptive Eligibility programs. **EXHIBIT 7**

Ms. Robinson said not every state runs a Medically Needy Program. It is difficult to administer. It is part of the Medicaid Program and is funded with 72 percent federal money.

The Department has proposed a utilization fee in the Spousal Impoverishment Program because the only people directly affected are those who are not on Medicaid. The state pays at higher levels for many people on Medicaid.

The Presumptive Eligibility Program was pushed by children's advocates. It is difficult to implement. The state will pay benefits between the time an individual is believed to be eligible and when final determination is made.

Marcia Dias, Montana Low-Income Coalition representative, asked if contracted workers will have computers and be trained to use them, and if everyone will work together regarding eligibility. She wanted to know how much money the Department received in federal Food Stamps incentives and expressed concern about how the money is spent. She said equipment and training are necessary and help people do better jobs, but some people have no food and shelter.

Ms. Robinson said the Department is not necessarily advocating the proposed eligibility programs.

CHAIRMAN BRADLEY asked if the executive branch had a position on the Unemployed Parent Program. **Ms. Robinson** said the Department isn't saying the Unemployed Parent Program should be eliminated. The Department believes participation in the Jobs Program should be mandatory. **CHAIRMAN BRADLEY** asked if the Department can do that. **Ms. Robinson** said it is being worked on.

SEN. KEATING asked what counties did with the $240,000 federal Food Stamps incentive money.

Tape 2B

Ms. Robinson said they bought equipment to improve services.

SEN. KEATING said that by improving eligibility and delivery of services, more people are being served and at a better level. The state is educating the public as to where services are available and sends people out to help them with the paperwork. They also are being trained on how to use food stamps and other assistance.

Mr. Waterman said it is important for counties to have proper equipment and training. SRS also is concerned about the human element. Many workers lack the necessary equipment to do their jobs. Incentive money allows them to buy the equipment, to feel better about what they're doing, and to provide better and faster service to clients.

SEN. WATERMAN said she was involved with the Hunger Coalition, which advocated the outreach program. A reason people weren't using food stamps as much as they could was because of high staff turnover and workloads. It was important to help people past the stigma of applying for food stamps. She asked if the incentive money could have been used differently. **Mr. Waterman** said yes. The Food Stamp Outreach Program was already in place and it wasn't evident how to expand it. **Ms. Robinson** said the Department wanted to make a commitment to county workers. If they were responsible for getting the money, the Department was going to give it to them and not use it in the central office for other things. In the past, central office administrators bought things for the central office. The intent was to improve services at the local level. **SEN. WATERMAN** said that effort positively impacted the number of people getting food stamps.

SEN. KEATING said most people receive the maximum number of food stamps. The number can't be increased because of eligibility limits. He asked if that was right. **Ms. Robinson** said yes. The Department may have been able to use the money to address homelessness. The state has not been aggressive in that area. She will establish a task force to work on it.

SEN. KEATING said potential food-stamps clients are less likely to become discouraged and go without aid if they deal with well-trained employees. Whenever efficiency and delivery are improved, clients benefit.

REP. JOHNSON asked if the time frame under the Presumptive Eligibility Program is fixed or flexible. **Mr. Waterman** said it is fixed. Eligibility exists for up to 45 days while the application is being processed.

REP. JOHNSON asked for an explanation of the term "accurate error rate." **Ms. Robinson** said the federal government emphasizes accuracy in the delivery of benefits. A 3 percent error rate means 97 percent of the time the state is accurate. The federal government emphasizes the negative side.

SEN. NATHE asked if programs listed in **EXHIBIT 7** are offered in other states. **Ms. Robinson** said Spousal Impoverishment is a newly mandated program in the United States. Some flexibility exists in setting income standards. Montana's standard is somewhat lower than surrounding states. Presumptive Eligibility is offered in about 30 states and is optional. Medically Needy is offered in about 36 states and is optional.

CHAIRMAN BRADLEY reviewed potential savings in the Medically Needy Program. She said either the subcommittee is satisfied with it the way it is, it needs to be changed, or it needs to be examined further to see if changes are needed. Medically Needy income limits are the highest they can be, the state covers all optional groups, and the state spends the bulk of the nearly $40 million budget on Supplemental Security Income (SSI)-related individuals. Those are disabled people mostly in nursing homes. **REP. COBB** said he would like to delve into the program further and will report back to the subcommittee.

CHAIRMAN BRADLEY said she doesn't see any flexibility in what can be done in the Spousal Impoverishment Program. She asked if the subcommittee was comfortable with the program. She said the federal government's approach is fair, but it makes more people eligible.

SEN. KEATING asked if nursing homes were experiencing an influx of people. **Ms. Robinson** said more people are eligible but they're probably already in nursing homes. The growth in nursing-home beds has been increasing by 2 percent per year. The program went into effect in July. LFA figures show growth beyond 2 percent per year. That growth was not factored into Department budgets so nursing-home figures had to be adjusted.

SEN. KEATING asked if this reflected a trend or hiatus. **Mr. South** said December data showed the number of recipients in nursing homes increased 5 percent over the previous year. It is assumed that Spousal Impoverishment had a lot to do with it. There aren't many more beds being filled. The clients were already in the beds, but they weren't getting Medicaid until the Spousal Impoverishment Program was implemented.

SEN. KEATING asked if the number of people in nursing homes had been stable, then eligibility changed, prompting more payments. **Peter Blouke, SRS Deputy Director,** said the nursing home population is somewhat stable. The percentage of beds being paid by Medicaid is increasing because of changes in eligibility.

SEN. KEATING said if that continues, the Medicaid-paid portion of nursing homes will increase and private-pay will decrease. The cost charged by nursing homes will go up because Medicaid payments are too low. Private-pay charges will go up disproportionately to make up the difference. Nursing homes will stop taking Medicaid payments. They'll seek full private-pay. The state may end up with a shortage of Medicaid beds if care isn't taken regarding the differences in charges.

Mr. Blouke said the Department is proposing to increase the Medicaid reimbursement rate to nursing homes. A significant part of the proposal involves the user fee.

CHAIRMAN BRADLEY asked if the subcommittee believes Spousal Impoverishment is something that cannot be tightened. **SEN. NATHE** said yes. He asked if the 5 percent increase was a one-time increase. **Mr. South** said the 5 percent increase was during the first six months of fiscal year (FY) 1990 compared with the same six months of FY 89. January and February's data will be reviewed before the Legislature adjourns.

SEN. NATHE said those people would have been on Medicaid anyway. It just happened faster. **CHAIRMAN BRADLEY** said she saw it that way too. **Ms Robinson** said it also means many senior citizens will remain independent much longer.

SEN. WATERMAN asked how the Spousal Impoverishment Program ties into incentives for long-term health care. **Mr. Hudson** said federal provisions in the Spousal Impoverishment Program act as a disincentive for some people to purchase insurance. Once people realize what Spousal Impoverishment provisions can and can't do for them, they can calculate what they need to do with long-term care. Tax credits for long-term care insurance would encourage more people to buy insurance. The Department considered allowing people to purchase long-term care insurance to protect a certain amount of their assets. If this was done, the insured person would be allowed to keep the assets and not count them toward Medicaid. Such a plan would encourage a lot of people to get into the long-term health care insurance market. They could design a policy to protect the amount of resources they want to protect above what Spousal Impoverishment does. Insurance companies would know their liability level because the policy would be for a certain amount. Premiums would come down as more people bought coverage. Getting the insurance industry into the long-term care arena is what is needed to save the Medicaid budget.

SEN. WATERMAN said her concern is about disincentives for Montanans to buy long-term health care insurance. She asked why the federal government is standing in the way. **Ms. Robinson** said she thinks it shows a false understanding of the Medicaid system. The system encourages middle-class people to get on Medicaid. **SEN. WATERMAN** said she doesn't have any changes to suggest in Spousal Impoverishment, but the situation is going to worsen. The Legislature has talked about disincentives in welfare programs for years and has now built one. She doesn't know how the state can get out of it and it isn't clear how it will work, especially with the governor's health-care plan.

Ms. Robinson suggested the subcommittee contact U.S. Sen. Max Baucus, who sits on the finance committees that make decisions on Medicaid. **CHAIRMAN BRADLEY** asked **SEN. WATERMAN** to draft a letter to Baucus for the subcommittee to sign.

SEN. KEATING asked whether in-home care delays or prevents people from entering nursing homes. **Ms. Robinson** said the Department has studied Medicaid cost-containment. Results will be presented later. In-home care must be a key component when building a continuum of care. **SEN. KEATING** asked the Department to provide figures on the length of time people are in nursing homes and the turnover rate.

SEN. NATHE said the 1989 Legislature passed tax-credit incentives for children taking care of their parents at home. The maximum tax credit was $10,000 and the Department of Revenue issued only $17,000 in two years. **Ms. Robinson** said that is the problem with projecting tax credits. The Revenue Department set aside $500,000 and only $17,000 was used. The structure of the bill was too restrictive. Changes are included in proposed legislation.

Tape 3A

CHAIRMAN BRADLEY asked for further explanation of the Presumptive

Eligibility Program provision that allows certain providers to use abbreviated eligibility criteria when determining eligibility for ambulatory prenatal services. **Ms. Robinson** said the intent was to provide services quickly and then establish eligibility. **Penny Robbe, Program and Policy Bureau Chief,** said full Medicaid eligibility depends on household composition. The federal government allows the state to combine incomes of parents and children living in the same home into a single gross income. If gross income is below a certain level, then eligibility is presumed. A pregnant woman may not be fully Medicaid eligible.

SEN. WATERMAN asked if the Department planned to move forward with the program if the subcommittee takes no action. **Ms. Robinson** said yes.

SEN. NATHE asked if the program applies to only prenatal care. **Ms. Robbe** said yes. It applies only to prenatal ambulatory services for pregnant women. No inpatient hospital services or baby-delivery costs are paid.

SEN. KEATING asked to what extent there are overpayments and how much it will cost when someone is first presumed eligible and then found to be ineligible. **Ms. Robbe** said the Department isn't sure how much it will cost because the program is new. The federal government isn't holding states liable for overpayments. The cost of the program depends on how many women are Medicaid eligible anyway. This program speeds up eligibility so they can access prenatal care.

CHAIRMAN BRADLEY asked if the subcommittee wanted to do anything with the Unemployed Parent Program. If the program were eliminated, the state would be about average in the number of recipients per 1,000 population. **Ms. Robinson** said the program cannot be eliminated. It was optional last year. It can't be cut to a six-month program. It is required now. States can run six-month, limited programs if they weren't already running the program. If a state was already running a program, it couldn't reduce it. The Department would have made that recommendation if it could. The Department will be requiring participation in the Jobs Program.

CHAIRMAN BRADLEY said the subcommittee is satisfied that the Department is doing what it can, at least through work requirements. She asked what the Department planned to do regarding stepparent income. **Ms. Robinson** said the Department hadn't planned to do anything. It is believed a family may stay together if the stepparent isn't charged. The subcommittee may want to research the matter further. **SEN. KEATING** asked if the children in the family are still eligible for AFDC regardless of whether a stepparent has substantial income. **Ms. Robinson** said yes. **CHAIRMAN BRADLEY** said the downside of including stepparent income is that it may stop the marriage and the state would still have the AFDC load. **Ms. Robinson** said the system used to discourage men from staying with the children. It isn't clear what the long-term consequences would be if the system were changed. **SEN. KEATING** said the stepfather sometimes has outside obligations to his own children. He agreed to look into the issue. **Mr. Waterman** said he would gather information from other states and noted that Montana law would have to be changed to include stepparent income in eligibility determinations.

EXECUTIVE ACTION ON THE ELIGIBILITY DETERMINATION PROGRAM

Votes were taken on issues in **EXHIBIT 5.**

Mr. South reviewed the 4.5 positions eliminated in the LFA budget. He said the first word processing operator position on the list is in a state-assumed county, which has a General Fund match. The others are in non-assumed counties, which are funded with federal and county money. Operational differences between the LFA and executive budgets are minor.

DISCUSSION: **SEN. NATHE** asked if the Department or counties fill the bottom 3.5 FTEs on the list. **Mr. Blouke** said the Department doesn't get involved in administrative operations in non-assumed counties. Many of the positions are vacant because there is no General Fund money. The Department looked at the positions in state-assumed counties to see what efficiencies could be realized. Non-assumed counties were not included because there is no General Fund money used. There is no incentive for a non-assumed county to give up FTEs. They don't impact the state budget.

SEN. NATHE asked if the subcommittee had any authority in this. **CHAIRMAN BRADLEY** said yes. The subcommittee can limit them. **Mr. South** said they are state employees paid on the state payroll system. The only difference is they are funded with federal and county money. If the subcommittee wants to keep the positions in the budget, then the appropriate action would be to accept the executive budget proposal in Personal Services. **Mr. Blouke** said the positions are needed because of increasing caseloads. **SEN. KEATING** asked if the positions were left vacant to take advantage of vacancy savings. **Mr. Blouke** said the word processing operator in the state-assumed county was left open for vacancy savings. He did not know why the positions were left vacant in the non-assumed counties. Maybe the counties didn't want to put up the money.

MOTION: **SEN. KEATING** moved the executive budget level for FTEs.

VOTE: The motion **PASSED** unanimously.

CHAIRMAN BRADLEY said a second motion is needed for an additional 4.2 eligibility workers for state-assumed counties. The executive removed 9.7 FTEs during the biennium that were allocated in 1989 because the caseload wasn't increasing as quickly as expected and savings were anticipated from TEAMS. The Department voluntarily eliminated 9.7 FTEs and is requesting 4.2 of them back to cover increasing caseloads. The funding mix would be about half General Fund and half federal money.

SEN. WATERMAN asked about the governor's position on this. **Mr. Blouke** said the governor's office is aware of the need for increased staff. **Mr. Furois** said the governor recognized the caseload increase by including $18 million in the budget. The governor and Budget Office is not against adding the 4.2 FTEs. **Ms. Robinson** said the governor didn't express an opinion.

Dave Depew, Montana Public Employees Association representative, said eligibility technicians told him they do not anticipate a reduction in the workload from TEAMS. Computers will not reduce the need for people. The association supports any effort by the Department to look at the caseload as it increases.

SEN. KEATING asked if any other FTEs will be requested in excess of the executive budget and what the total will be. **Mr. Blouke** said the only other area seeking additional FTEs is in the Medicaid budget in response to OBRA 1990 costs. The Department is seeking 3 FTEs and possibly contract services to finance expenses that weren't anticipated when the budget was developed. He noted the Department originally cut many more FTEs. **SEN. KEATING** said he would like to wait to make a decision. The subcommittee should be FTE conscious, especially when payroll is being funded through attrition and vacancy savings. **CHAIRMAN BRADLEY** said she wanted to act on the issue and reconsider it later if there is a surplus. The Department voluntarily cut a number of positions and is asking for only about half of them back. She is concerned about accuracy and the handling of a vast amount of information with insufficient staff.

MOTION: **REP. COBB** moved approval of an additional 4.2 FTEs in the state-assumed counties.

DISCUSSION: **REP. COBB** said the Department gave up FTEs voluntarily and most agencies don't give up anything voluntarily. He wants to reward them for that and to help them respond to the increasing caseload.

SEN. KEATING said the funding source is less than 50 percent federal funds overall. He asked if state special revenue going into this is actually county money. **Mr. Blouke** said yes. **SEN. KEATING** asked what the funding percentages were. **Mr. South** said 48 percent General Fund, 52 percent federal. **Mr. Blouke** said that was correct. The 4.2 FTEs are in state-assumed counties. **Jack Lowney, Family Assistance Division Fiscal Officer,** corrected the figures. He said the funding split is 52 percent General Fund and 48 percent federal funds.

VOTE: The motion **PASSED** unanimously.

MOTION: **REP. JOHNSON** moved approval of the LFA budget for operations, with other calculations factored in.

VOTE: The motion **PASSED** unanimously.

MOTION: **SEN. KEATING** moved to accept funding sources as detailed by the Budget Office and LFA.

VOTE: The motion **PASSED** unanimously.

EXECUTIVE ACTION ON STATE-ASSUMED COUNTY ADMINISTRATION

Mr. South distributed a budget summary for State-Assumed County Administration. **EXHIBIT 8. CHAIRMAN BRADLEY** said the budget did not include FTEs. It is essentially administration for the 12 state-assumed counties.

Mr. South said rental contracts cost $26,000 more than what was included in the executive budget. The LFA budget included the amount because it is a fixed cost.

SEN. KEATING asked if the counties were paying 13 mills into the General Fund and if the Legislature is giving it back plus additional money. **Mr. South** said the 12 state-assumed counties each levy 12 mills and send the money to the Department, which applies it in lieu of General Fund as match in the Medicaid program. The money isn't actually deposited into the General Fund.

SEN. KEATING said he wants to know how much additional General Fund money is paid to state-assumed counties compared with what 12 mills raise. **Ms. Robinson** said the Department will get the information.

SEN. NATHE asked why state-assumed counties levy only 12 mills when the maximum is 13.5 mills. **Mr. South** said state law requires them to levy 12 mills. There was a major difference of more than $1 million in revenue projections for the 12 mills between the LFA and executive offices. Most of the difference is because the state gets only the 12 mills revenue from the counties. The state does not get any of the allocated monies that go back to the counties for license fees, etc. The difference amounts to about $800,000 per year. It will be discussed later when the subcommittee gets to the Medicaid budget.

MOTION: **SEN. KEATING** moved approval of the LFA budget with adjustments for previous actions by the subcommittee.

DISCUSSION: **REP. COBB** asked if the $26,000 fixed cost for rent was left out. **Mr. South** said no. The $26,000 is in the LFA budget, not the executive budget.

VOTE: The motion **PASSED** unanimously.

ADJOURNMENT

Adjournment: 11 a.m.

Dorothy Bradley
REP. DOROTHY BRADLEY, Chairman

Faith Conroy
FAITH CONROY, Secretary

DB/fc

HOUSE OF REPRESENTATIVES

HUMAN SERVICES SUBCOMMITTEE

ROLL CALL **DATE** 1-24-91

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	✓		

DEPARTMENT OF
SOCIAL AND REHABILITATION SERVICES
CHILD SUPPORT ENFORCEMENT DIVISION

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Faith Conroy

EXHIBIT 1
DATE 1-24-91

January 23, 1991

Exhibit #1
1/24/91
Human Se
Subc

To: Representative John Cobb
Montana House of Representatives

From: Jon Meredith, CSED Administrator

Jon Meredith

Subject: **ADDITIONAL CSED RESOURCES NEEDED FOR 7/1/93 COMPLIANCE**

Caseworking resources:	28
Paralegal resources:	5
Clerical resources:	5
Admin. resources:	7
TOTAL	45

Allocation

Region/Unit	Type	Number
Great Falls	Caseworking	6
	Clerical	1
	Paralegal	1
Billings	Caseworking	6
	Clerical	1
	Paralegal	1
Butte	Caseworking	6
	Clerical	1
	Paralegal	1
Missoula	Caseworking	6
	Clerical	1
	Paralegal	1
Interstate	Caseworking	4
	Clerical	1
	Paralegal	1
Supp. Pymts. (SPU)	Acct.	2
Admin Supp. (ASU)	Locate	1
	Hearings	1
Administration	Policy/Dev.	1
	Training	1
	Clerical	1

Contracting Plan

May, 1991

Region/Unit	Position type	Number	Approx. Pay level
SPU	Acct. Clerk	1	8
	Acct. Tech.	1	10
Administration	Policy/Dev.	1	14
	Clerical	1	7
Regions	Caseworkers	4	11
Interstate	Caseworkers	2	11
All Regions	Paralegals	5	11
TOTAL		15	

Nov., 1991

Administration	Training	1	14
Regions	Clerical	5	7
	Caseworkers	8	11
Interstate	Caseworker	1	11
TOTAL		15	

May, 1992

ASU	Hearings	1	9
	Locate	1	9
Regions	Caseworkers	12	11
Interstate	Caseworker	1	11
TOTAL		15	

CSED ENTERPRISE FUND CASH BALANCE LEDGER Updated: 01/23/91 05:15 PM
(06025 Funds Only)

1-24-91

LINE#		SFY 1990	SFY 1991	SFY 1992	SFY 1993
	BEGINNING BALANCE:	$0	$500,000	$500,000	$500,000
	Net State Incent Withheld:	$559,304	$725,903	$874,063	$1,006,086
	Net FFY Reconciliation:	$102,513 <1	$103,437 <1	$6,372 <1>	$0
	FFY 1989 Reconciliation:	$131,632 <2	N/A	N/A	N/A
	Net State Incentives:	$793,449	$829,340	$880,435	$1,006,086
	State Share Collections:	$967,175	$1,298,580	$1,432,120	$1,602,177
	State Share Interest:	$38,446	$46,466	$50,498	$56,955
	State Share Fees:	$0	$0	$45,851	$51,067
	TOTAL REVENUE:	$1,799,070	$2,174,386	$2,408,904	$2,716,285
3	Total Operating Cash:	$1,799,070	$2,674,386	$2,908,904	$3,216,285
					$5,050,221
	Pgm 5 (CSED-CL) Cost:	$891,383	$1,104,294	<4$1,260,769	$1,249,875
	Pgm 5 (CSED-ML) Cost:	$0	$45,500	$317,821	$467,200
	Pgm 9 (SEARCHS-CL) Cost:	$11,694	$38,350	$38,350	$38,338
	Pgm 9 (SEARCHS-ML) Cost:	$0	$0	$396,337	$226,975
	Pgm 4 Direct/Indirect Cost:	$68,243	$77,959	$103,219	$103,244
	Pgm 9 (OMAS Indirect) Cost:	$0	$14,000	$17,373	$17,373
	Pgm 8 (Audit Support) Cost:	$0	$7,654	$0	$0
	Pgm 7 (Medicaid) Cost:	$0	$0	$0	$0
4	TOTAL EXPENDITURES:	$971,320	$1,287,757	$2,133,869	$2,103,005
5	SUBTOTAL-NET AVLBLE CASH:	$827,750	$1,386,629	$775,035	$1,113,280
6	SURPLUS:	$327,750 <3	$886,629	$275,035	$613,280
7	END CASH BALANCE:	$500,000	$500,000	$500,000	$500,000
8	TOTAL BENEFIT/COST RATIO: [Ln 2 / Ln 4]	$1.85	$1.69	~~$1.13~~	$1.29

AVERAGE B/C: $1.21

FOOTNOTES

<1 This figure represents the difference between the amount federally pre-approved to be withheld as incentives for the Federal Fiscal Year based upon prior year estimates of federal benefit/cost) and the actual federal benefit/cost achieved. This reconciliation occurs in March of the following year. In SFYs 1992-1993, estimates of both actual and estimated incentives are assumed to be equal.

<2 This figure represents the reconciliation of incentives earned in FFY 1989 prior to the establishment of the Enterprise Fund but paid in March, 1990.

<3 This figure includes $225,341 already paid to the General Fund and $102,513 to be paid when the FFY 1990 federal incentive reconciliation is received.

<4 This figure includes a $119,000 State Share cost savings by the CSED.

)DITIONAL STAFF NEEDED FOR COMPLIANCE
(06025 Funds Only)

	SFY 1992	SFY 1993
May 1991 Hiring:	$153,355	$155,598
November 1991 Hiring:	$118,998	$150,849
May 1992 Hiring:	$45,467	$160,753
TOTAL 06025:	$317,821	$467,200

* *

(TOTAL FUNDS--06025 & 03039:	$934,766	$1,374,118

CSED ENTERPRISE FUND CASH BALANCE LEDGER (06025 Funds Only) Updated: 01/23/91 05:01 PM

LINE#		SFY 1994	SFY 1995	SFY 1996	SFY 1997
1	BEGINNING BALANCE:	$500,000	$500,000	$516,000	$558,000
	Net State Incent Withheld:	$1,227,420	$1,286,137	$1,352,242	$1,448,047
	Net FFY Reconciliation:	$0	$0	$0	$0
	Net State Incentives:	$1,227,420	$1,286,137	$1,352,242	$1,448,047
	State Share Collections:	$1,676,443	$1,789,070	$1,910,774	$2,041,696
	State Share Interest:	$63,410	$67,151	$71,252	$76,203
	State Share Fees:	$56,469	$61,849	$67,777	$74,310
2	TOTAL REVENUE:	$3,023,741	$3,204,208	$3,402,045	$3,640,257
3	Total Operating Cash:	$3,523,741	$3,704,208	$3,918,045	$4,198,257
	Pgm 5 (CSED-CL) Cost:	$1,274,276	$1,599,278	$1,764,589	$1,822,087
	Pgm 5 (CSED-ML) Cost:	$0	$0	$0	$88,523
	Pgm 9 (SEARCHS-CL) Cost:	$313,548	$313,548	$313,548	$313,548
	Pgm 4 Direct/Indirect Cost:	$105,309	$107,415	$109,563	$111,755
	Pgm 9 (OMAS Indirect) Cost:	$17,720	$18,075	$18,436	$18,805
	Pgm 8 (Audit Support) Cost:	$0	$0	$0	$0
	Pgm 7 (Medicaid) Cost:	$0	$0	$0	$0
4	TOTAL EXPENDITURES:	$1,710,854	$2,038,316	$2,206,137	$2,354,718
5	SUBTOTAL-NET AVLBLE CASH:	$1,812,887	$1,665,891	$1,711,908	$1,843,540
	SURPLUS:	$1,312,887	$1,149,891	$1,153,908	$1,247,540
7	END CASH BALANCE:	$500,000	$516,000	$558,000	$596,000
8	TOTAL BENEFIT/COST RATIO: [Ln 2 / Ln 4]	$1.77	$1.57	$1.54	$1.55

EXHIBIT 1
DATE 1-24-91
Hum. Serv. Sub.

SED ENTERPRISE FUND CASH BALANCE LEDGER Updated: 01/23/91 05:01 PM
(06025 Funds Only)

LINE#		SFY 1998	SFY 1999	SFY 2000	SFY 2001
1	BEGINNING BALANCE:	$596,000	$629,000	$664,000	$702,000
	Net State Incent Withheld:	$1,550,619	$1,660,433	$1,778,003	$2,016,717
	Net FFY Reconciliation:	$0	$0	$0	$0
	Net State Incentives:	$1,550,619	$1,660,433	$1,778,003	$2,016,717
	State Share Collections:	$2,182,173	$2,332,677	$2,493,787	$2,666,164
	State Share Interest:	$81,511	$87,195	$93,280	$102,257
	State Share Fees:	$81,515	$89,462	$98,234	$107,919
2	TOTAL REVENUE:	$3,895,817	$4,169,768	$4,463,305	$4,893,056
3	Total Operating Cash:	$4,491,817	$4,798,768	$5,127,305	$5,595,056
	Pgm 5 (CSED-CL) Cost:	$1,937,043	$2,061,876	$2,197,512	$2,344,972
	Pgm 5 (CSED-ML) Cost:	$97,096	$106,505	$116,831	$128,165
	Pgm 9 (SEARCHS-CL) Cost:	$313,548	$313,548	$313,548	$313,548
	Pgm 4 Direct/Indirect Cost:	$19,181	$116,270	$118,595	$120,967
	Pgm 9 (OMAS Indirect) Cost:	$113,990	$19,565	$19,956	$20,355
	Pgm 8 (Audit Support) Cost:	$0	$0	$0	$0
	Pgm 7 (Medicaid) Cost:	$0	$0	$0	$0
4	TOTAL EXPENDITURES:	$2,480,859	$2,617,763	$2,766,442	$2,928,007
5	SUBTOTAL-NET AVLBLE CASH:	$2,010,958	$2,181,005	$2,360,862	$2,667,048
	SURPLUS:	$1,381,958	$1,517,005	$1,658,862	$1,924,048
7	END CASH BALANCE:	$629,000	$664,000	$702,000	$743,000
8	TOTAL BENEFIT/COST RATIO: [Ln 2 / Ln 4]	$1.57	$1.59	$1.61	$1.67

Exhibit #2
1/24/91
Human Serv
Subc.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

STAN STEPHENS
GOVERNOR

JULIA E. ROBINSON
DIRECTOR

STATE OF MONTANA

P.O. BOX 4210
HELENA, MONTANA 59604-4210
(406) 444-5622
FAX (406) 444-1970

EXHIBIT 2
DATE 1-24-91
HB

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES' SPONSORED HEALTH CARE RELATED LEGISLATION

1. An act providing for the enforcement of health insurance obligations through withholding. Sponsor: Rep. Jan Brown (LC 1231)

2. An act to develop managed care systems to protect the health of Medicaid and State Medical recipients. Sponsor: Sen. Thomas Keating (LC 1436)

3. An act revising the Medicaid program to continue the presumptive eligibility program for pregnant women; to continue hospice services; to add federally qualified health centers as a Medicaid service; and to expand those entitled to receive Medicaid assistance in paying for medicare premiums. Sponsor: Rep. Thomas Nelson (LC 991)

4. An act imposing a $1 utilization fee upon nursing home beds in order to raise state general fund revenues (which would be used to match federal funds) for the Medicaid program. Sponsor: Rep. John Cobb (HB 93/LC 249)

5. An act providing tax credits as an incentive for physicians to practice in rural areas. Sponsor: Sen. Dennis Nathe

6. An act expanding the current tax credit for health related expenses of the elderly. Sponsor: Rep. Charlotte Messmore (LC 710)

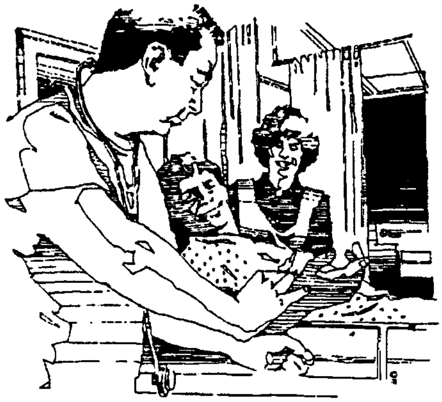
7. An act to provide tax deductions for the costs of purchasing long term care insurance.

8. An act to promote health insurance for the uninsured by providing tax credits and permitting exemptions from some mandatory coverage requirements. Sponsor: Rep. Fred Thomas (LC 273)

9. An act to revise eligibility criteria for the State Medical program by establishing separate criteria for those who are chronically disabled in comparison with those who are temporarily disabled. Sponsor: Sen. Gary Aklestad (LC 590)

EXHIBIT 3
DATE 1-24-91
HB ______

1/24/91
Human Serv.
Subc.



HEALTH CARE FOR MONTANANS

■ *GOVERNOR STAN STEPHENS*

■ *AGENCY SPONSORS:*

Dept. of Health and Environmental Sciences, *Dennis Iverson, Director*
Dept. of Family Services, *Tom Olsen, Director*
Dept. of Social and Rehabilitation Services, *Julia E. Robinson, Director*
Dept. of Institutions, *Curt Chisholm, Director*
Governor's Office on Aging, *Hank Hudson, Aging Coordinator*

■ *JULIA E. ROBINSON, CHAIRPERSON*

INTRODUCTION

In the fall of 1990, Governor Stephens appointed a number of working committees to address the problem of access to health care for the uninsured. The committee recommendations were submitted to the Governor in December of 1990.

Upon review of the Final Report, Governor Stephens personally committed to working on successful implementation of the five steps outlined in this summary. Because changing health care is an ongoing process, the final action step is a commitment of executive branch staff and financial resources to continuing the search for solutions to problems in the health care arena.

Governor Stephens believes these steps provide positive, appropriate direction for Montana in addressing the complex issue of health care access. They are not a total solution; just a beginning. Also, we must acknowledge that some changes are not possible instate because of the federal design of the Medicaid and Medicare programs. Potential changes in these programs await Congressional action.

(All committee recommendations are contained in the working committees' Final Report on Health Care for Montanans.)

CONTENTS

Copies of the full report are available upon request from the Department of Social and Rehabilitation Services, P.O. Box 4210, Helena, MT 59604

Exhibit #4
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1-24-91
HB

DEPT SOCIAL & REHAB SERVICES
09 OFFICE OF MGMT, ANALY & SYSTEMS

Budget Item	Fiscal 1992	Fiscal 1993
P. Services	1,124,338	1,118,180
Operating	8,709,481	7,069,460
Equipment	158,132	89,591
Total Expend.	9,991,951	8,277,231

Fund Sources		
General Fund	2,315,191	2,575,956
State Special	548,382	596,675
Federal Funds	6,674,034	4,820,301
Proprietary	454,344	284,299
Total Funds	9,991,951	8,277,231

Exhibit #5
1-24-91
Human Serv.
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5
1-24-91

6901 DEPT SOCIAL & REHAB SERVICES
03 ELIGIBILITY DETERMINATION PGM
00000

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	406.90	399.20	394.70	4.50	399.20	394.70	4.50
Personal Services	8,697,641	9,555,321	9,462,861	92,460	9,545,230	9,453,004	92,226
Operating Expenses	169,186	143,533	175,987	32,454-	143,646	175,985	32,339-
Total Expend.	$8,866,827	$9,698,854	$9,638,848	$60,006	$9,688,876	$9,628,989	$59,887
Fund Sources							
General Fund	2,244,713	2,510,463	2,510,483	20-	2,523,798	2,523,823	25-
State Revenue Fund	2,186,855	2,528,672	2,497,439	31,233	2,526,041	2,494,901	31,140
Federal Revenue Fund	4,435,259	4,659,719	4,630,926	28,793	4,639,037	4,610,265	28,772
Total Funds	$8,866,827	$9,698,854	$9,638,848	$60,006	$9,688,876	$9,628,989	$59,887

PAGE REFERENCES:

LFA Current Level Analysis Reference: B-75
Executive Budget Summary Reference: 125
Executive Budget Narrative Reference: 37

EXECUTIVE AND LFA CURRENT LEVEL DIFFERENCES

Personal Services:

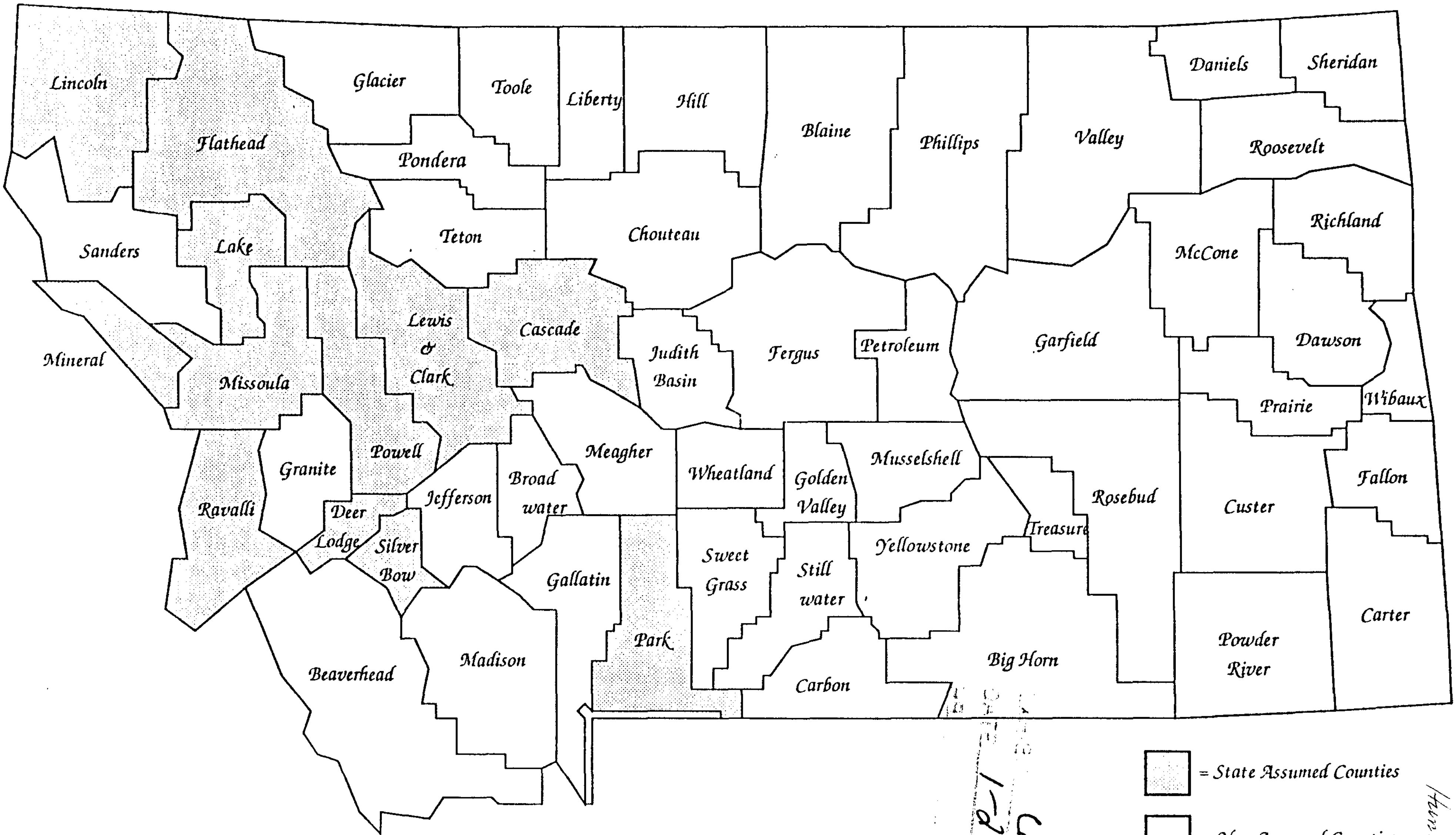
LFA Eliminated Positions	Position Type	Time Vacant
1.0 FTE	Word Processing Operator III	8/21/89 through 9/21/90
1.0 FTE	Word Processing Operator III	1/26/90 through 9/21/90
1.0 FTE	Eligibility Tech Supervisor	7/1/89 through 9/21/90
0.5 FTE	Human Service Aide	11/30/89 through 9/21/90
0.5 FTE	Typist II	7/1/89 through 9/21/90
0.5 FTE	Eligibility Tech I	7/1/89 through 9/21/90
4.5 FTE		

Operations:	Executive Under(Over) LFA 1992	1993
1) Inflation	($1,029)	($914)
2) Base Difference	($31,425)	($31,425)
Total Differences	(32,454)	(32,339)

ISSUES:

The 1989 legislature authorized the department to spend from appropriations for the federal Catastrophic Coverage and Welfare Reform Acts to determine eligibility of additional AFDC and general assistance caseloads directly attributable to changes in federal eligibility criteria. The agency was further authorized to contract for these additional cases in "non-traditional" settings and is required to report to the Fifty-second Legislature "on the efficiency and cost effectiveness of such an approach to eligibility determination."

County Administration



6
1-24-91

Exhibit #6
1/24/91
Human Serv.
Subc.

Family Assistance Division
Statewide Error Rates
FFY86 - FFY90 YTD

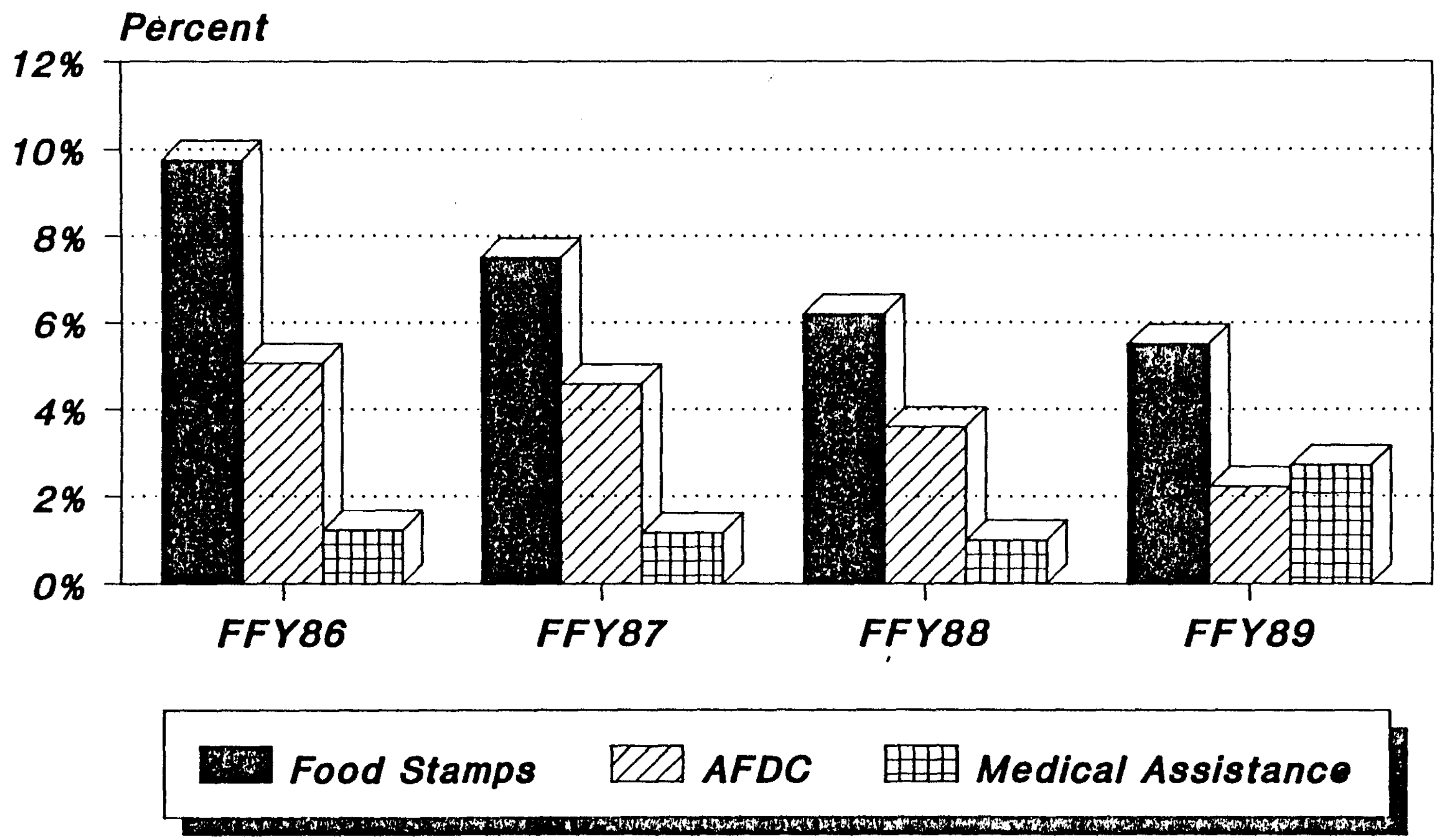
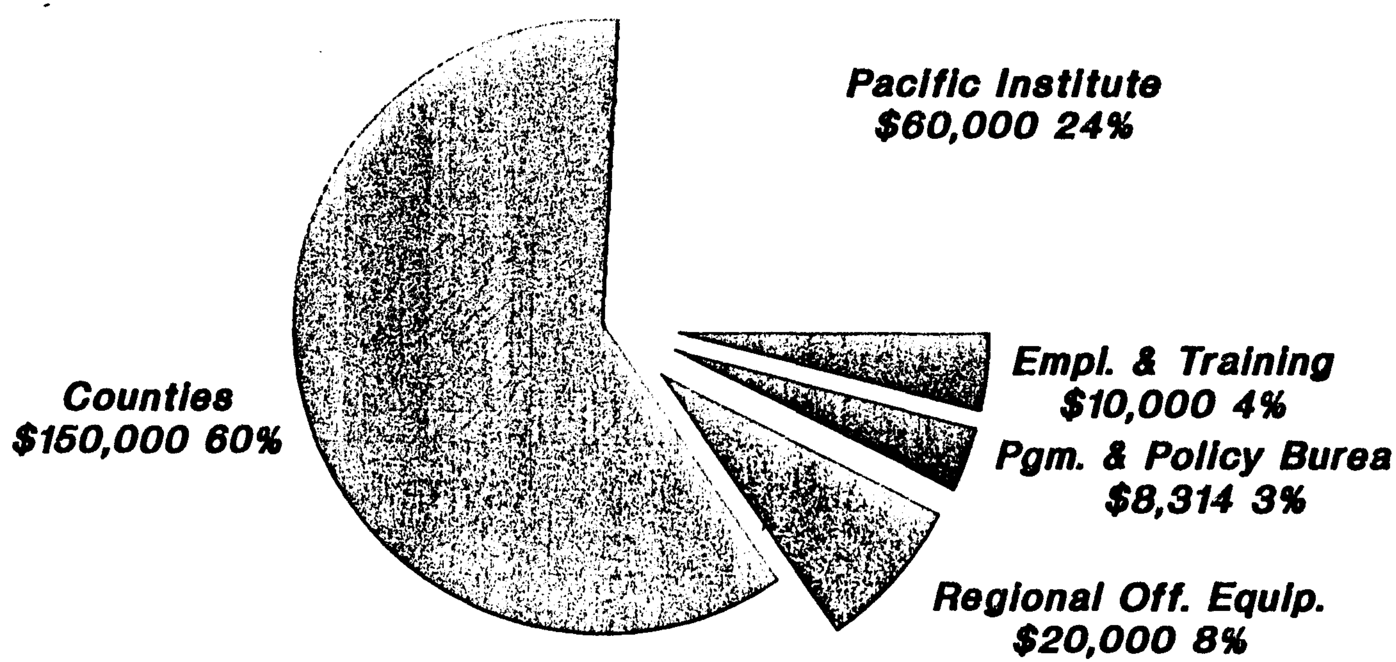


EXHIBIT 6
DATE 1-24-91
HB Hum. Serv. Sub.

Family Assistance Division
Distribution of Food Stamp Bonus Funds
FY91



1-24-91

EXHIBIT # 2
1-24-91
Human Serv.
Subc.

Respresenting
Family Assistance Division
Norman Waterman, Administrator
Penny Robbe, Bureau Chief

THE MEDICALLY NEEDY PROGRAM

The Medically Needy Program is a medicaid option available to the states. Currently, 36 states, including Montana, have chosen this option.

The Medically Needy program provides medicaid coverage to those individuals who would qualify for either the AFDC or SSI cash assistance programs, except that their income (or in the case of AFDC, income or resources) exceeds the cash assistance standards. Coverage begins when the individual incurs medical expenses equal to or greater than the difference between their countable income and the Medically Needy Income Limit for their household size.

According to federal regulations, each state may set its own "reasonble" Medically Needy Income Limits. However, states cannot claim Federal Financial Participation (FFP) if Medically Needy Income Limits <u>exceed</u> 133 1/3% of the highest payment which would be made under the state's AFDC cash program.

In Montana, the Medically Needy Income Limits are the highest they can be for FFP purposes for families of one, two or three individuals. For families of four or more, the Medically Needy Income Limits are the same as the AFDC cash assistance limits.

In practical terms, what this means is that some families of one, two or three may be eligible for the Medically Needy program but have no incurment, because even though their income is higher than the AFDC cash standards, it is lower than the Medically Needy Income Limit. Families of four or more with income higher than the AFDC cash standards will always have an incurment in the Medically Needy program.

The Medically Needy program is only available to individuals who are aged, blind or disabled according to Social Security criteria, commonly called SSI-related, or to those who are pregnant or have at least one dependent child, commonly called AFDC-related.

Montana operates a full medically needy program. That is, all optional groups are covered. Federal regulations require, at a minimum, that if states elect to have a medically needy program, the covered groups must include pregnant women and children.

At states' option, the aged and/or the blind or disabled may be added.

States may also choose whether to offer coverage in nursing home situations using Medically Needy Income Levels or offer coverage using Special Income Limits. Under the Special Income Limit, persons in nursing homes have income eligibility determined by comparing income to 300% of the SSI cash standard. That 300% figure is currently $1221.

EXHIBIT 7
DATE 1-24-91
HB

Under this option, persons in nursing homes with income over the $1221 figure would not qualify for nursing home coverage at all.

In FY 90, there were approximately 6,200 individuals eligible for the Medically Needy program. Of those, approximately 4,300 were SSI-related and approximately 1,900 were AFDC-related.

The total Medically Needy program cost in FY 90 was approximately $39.5 million. Of that amount, approximately $35.9 million was spent on SSI-related individuals.

Representating
Family Assistance Division
Norman Waterman, Administrator
Penny Robbe, Bureau Chief

SPOUSAL IMPOVERISHMENT

On October 1, 1989 Montana implemented the federally required Medicaid provisions of spousal impoverishment. These provisions drastically changed the budgeting methods used to determine medicaid eligibility for persons in nursing homes who have spouses still living in the community (called community spouses).

The spousal impoverishment provisions allow the community spouse to keep or have "protected" resources which previously would have been counted as available to the person in the nursing home.

Under "old" eligibility rules, the resources of a couple were counted in determining eligibility. Any amount exceeding the $3000 resource limit for a couple caused the nursing home spouse to be ineligible.

Under the spousal impoverishment provisions, several steps are used to determine eligibility.

First, the resources of the couple are added together. Then, a portion of the total resources is allocated to or "protected" for the community spouse. Any amount which is not allocated to or protected for the community spouse is considered in determining eligibility for the nursing home individual.

EXHIBIT 7
DATE 1-24-91
HB Hum. Serv. Sub.

The amount of resources protected for the community spouse is the greater of:

a. one-half (not to exceed $66,480) of the couple's combined countable resources;

b. Montana's minimum resource maintenance allowance of $13,296;

c. An amount designated by a hearings officer; or

d. An amount which has been court ordered.

In addition to the changes in determining eligibility according to resources, the spousal impoverishment provisions also provide for a greater amount of the nursing home individual's income to be diverted to the community spouse.

Under "old" eligibility rules, states could only allow up to the SSI cash payment amount (currently $407) to be made available to the community spouse. If the community spouse's own income exceeded the SSI payment amount, none of the nursing home spouse's income was available to the community spouse.

Under spousal impoverishment, a <u>much</u> greater amount of the nursing home spouse's income may be made available to the community spouse. In combination with any of his/her own income, the community spouse may now keep a <u>minimum</u> of $933. This was income which previously had to be paid to the nursing home to help offset medicaid expenditures.

As you can see, these spousal impoverishment provisions work to allow the community spouse to maintain a standard of living which existed prior to one spouse entering a nursing home.

DATE 1-24-91
HB Hum. Serv. Sub.

Representing
Family Assistance Division
Norman Waterman, Administrator
Penny Robbe, Bureau Chief

PRESUMPTIVE ELIGIBILITY

Studies have shown that some of the highest cost infants paid for under the Medicaid program could have had some of those costs prevented and other costs reduced had the mothers of those infants received early, adequate prenatal care.

It is believed that some medical providers may be more willing to deliver immediate prenatal services if payment for those services is guaranteed. In order to help facilitate the ability of pregnant women to access prenatal care, the Department implemented the optional medicaid program of presumptive eligibility.

Under this program, using abbreviated eligibility criteria, certain providers can determine eligibility for ambulatory prenatal services. This eligibility period is time limited. No inpatient hospital services are paid. During this period of presumptive eligibility, the eligible pregnant woman is given an authorization form which guarantees the medical provider that payment will be made for ambulatory prenatal services given within that time frame.

Meanwhile, the application form from which presumptive eligibility was determined is forwarded to the local welfare office for processing of full medicaid eligibility. In this way, SRS hopes to help assure that all eligible pregnant women have one barrier to prenatal care eliminated.

On January 1 of this year, SRS was able to implement the medicaid optional program of presumptive eligibility. Because of the newness of the program, no statistics on usage are yet available.

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1-24-91

Exhibit #8
1/24/91
Human Serv.
Subc.

6901 DEPT SOCIAL & REHAB SERVICES
06 STATE ASSUMED COUNTY ADMIN.
00000

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	.00	.00	.00	.00	.00	.00	.00
Operating Expenses	1,060,855	988,097	1,105,533	117,436-	989,984	1,106,195	116,211-
Equipment	19,249	16,019	16,019	0	16,019	16,019	0
Total Expend.	$1,080,104	$1,004,116	$1,121,552	$117,436-	$1,006,003	$1,122,214	$116,211-
Fund Sources							
General Fund	637,682	549,950	614,270	64,320-	551,097	614,759	63,662-
Federal Revenue Fund	442,422	454,166	507,282	53,116-	454,906	507,455	52,549-
Total Funds	$1,080,104	$1,004,116	$1,121,552	$117,436-	$1,006,003	$1,122,214	$116,211-

PAGE REFERENCES:

LFA Current Level Analysis Reference: B-80
Executive Budget Summary Reference: 126
Executive Budget Narrative Reference: 49

EXECUTIVE AND LFA CURRENT LEVEL DIFFERENCES

Operations:	Executive Under(Over) LFA 1992	Executive Under(Over) LFA 1993
1) Inflation	($3,771)	($2,546)
2) D of A Network	($14,210)	($14,210)
3) Non-D of A Rent	($26,141)	($26,141)
4) Base Difference	($73,314)	($73,314)
Total Difference	($117,436)	($116,211)

ISSUES:

None

VISITOR'S REGISTER

Human Services SUBCOMMITTEE

AGENCY(S) SRS DATE 1-24-91

DEPARTMENT

NAME	REPRESENTING	SUP-PORT	OP-POSE
Julie Robinson	SRS		
Norman Waterman	SRS		
Jack Tourney	SRS		
Gerry Roelke	SRS		
Hank Hudson	Gov Office on Aging		
Nancy Ellery	SRS		
Dave Depew	MPEA		

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

FORM CS-33A
Rev. 1985