

MINUTES

MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON PUBLIC HEALTH, WELFARE & SAFETY

Call to Order: By Chairman Dorothy Eck, on January 11, 1991, at 1:30 p.m.

ROLL CALL

Members Present:

Dorothy Eck, Chairman (D)
Eve Franklin, Vice Chairman (D)
James Burnett (R)
Thomas Hager (R)
Judy Jacobson (D)
Bob Pipinich (D)
David Rye (R)
Thomas Towe (D)

Members Excused: None

Staff Present: Tom Gomez, Legislative Council Researcher
Christine Mangiantini, Committee Secretary

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

Announcements/Discussion: No bills were scheduled for hearing.

The chairman thought it would be appropriate for the committee to be briefed on what the Governor's commissions had been studying on health care.

The chairman introduced the committee members and staff present.

The chairman introduced Julia Robinson, executive director of the Department of Social and Rehabilitation Services (SRS).

Ms. Robinson introduces two technical staff persons from SRS: Nancy Ellery and Bob Fraser. She then commenced her presentation on the proposal, "Health Care For Montanans".

Ms. Robinson passed three hand-outs to the Committee:

- Exhibit #1: Health Care For Montanans Booklet
- Exhibit #2: Chart on Total Infants On Medicaid
- Exhibit #3: "Uninsured Kids: A Model Solution"
(from Pediatric Management magazine).

SENATE PUBLIC HEALTH, WELFARE & SAFETY COMMITTEE

January 11, 1991

Page 2 of 6

Chairman Eck asked Ms. Robinson about the impact of the program on employees from large businesses, especially chain stores, where a portion of the employees don't work the required hours to be eligible for benefits.

Mr. Fraser responded by saying that the issue did not come up. But 20 hours was most popular with the committee.

Ms. Robinson continued explanation of the program.

Senator Towe asked Ms. Robinson to explain who is eligible to buy the insurance.

Ms. Robinson responded that individuals and companies can buy it. It is targeted for people who are not currently covered.

Senator Towe continued by asking what would stop a company from canceling current policy and asking employees to purchase coverage directly from the insurance company.

Ms. Robinson responded that the question did not come up and that research indicated other states had not had the problem. Mr. Fraser surveyed 17 different states. It is a concern. Perhaps amend bill to ensure it doesn't happen.

Senator Towe asked about mental health mandated coverage.

Ms. Robinson responded that most states leave it out. But thought there should be some obligation to provide some type of mental health insurance.

Senator Jacobson asked about exempting mandates from health care but adding well child check-ups and immunizations as a part of this program, which isn't included in most mandated insurance programs.

Ms. Robinson referred to other proposed legislation and reminded committee members that the charge of the program was to focus on individuals with no insurance coverage.

Senator Jacobson asked if her bill does not pass will this be a mandate in the basic plan.

Ms. Robinson responded that it is in the bill.

Chairman Eck asked about data for well child clinic and long-term savings to the state.

Ms. Robinson replied that there is good data and she will touch on it.

Chairman Eck asked about costs of the basic plan and wanted to know if it is available to any individual or whether it has to be purchased through a business.

Ms. Robinson stated that it could be offered by Blue Cross/Blue Shield which has low-cost plans.

Robinson continued by saying that a family could choose to buy the plan as part of employee coverage.

Senator Towe referred to Exhibit #1 text regarding costs.

Ms. Robinson said that was a Blue Cross/Blue Shield estimate. It is a recent figure for the employee.

Towe continued by referring to text in Exhibit #1 regarding incentives.

Ms. Robinson explained the table in Exhibit #1 and explained deductions with the assistance of Mr. Fraser. Fraser understood the deduction as a tax liability deduction in the corporate license tax.

Senator Hager talked about basic plans in Washington and Oregon. He continued by saying they have a telephone number that explains qualification procedures to businesses and individuals.

Ms. Robinson responded that they envision that insurance companies will go out and aggressively sell the program. They are hoping to sell 2,000 the first year or two of the program.

Chairman Eck asked if there is a consideration of any tax incentives for individuals.

Ms. Robinson and staff responded that it is just for businesses. Fraser continued by explaining the problems in Oregon with their health care program.

Ms. Robinson now focused the presentation on children's programs.

Senator Towe asked that if Medicaid payments are so bad that doctors don't want to treat pregnant women is that why focus is to increase fees.

Ms. Robinson explained that increased fees will improve access. The federal government is increasing eligibility every year. In Helena one set of family physicians will not see Medicaid patients and one set will see them. The federal government is requiring ensuring access. Nancy Ellery responds that the rate of obstetrical/pediatric providers drop over the past five years by about 30 percent. Doctors say the reason is the fees as well as the high cost of liability insurance.

Senator Towe voiced his concern by wondering of this is symptomatic throughout the health care field.

Ms. Robinson responded that this is not the case with all medical areas. But that this is an area with particular problems.

Chairman Eck asked about eligibility rates for pregnant women and children.

Ms. Robinson responded that it is higher. There are more people eligible than in other categories. Ms. Robinson continues by talking about expansion of early intervention services for handicapped children.

She continued by focusing on the Caring For Children aspect of the program.

Senator Pipinich commented about rural hospital problems in Deer Lodge, Granite and upper Seeley.

Ms. Robinson responded that the program will not help him with his immediate problems.

Mr. Fraser commented about openings for health care doctors in rural Montana. He is proposing an incentive program to recruit more doctors to rural areas. He says Montana cannot compete with the larger states incentive programs.

Senator Jacobson commented about going to rural areas and bringing students into contact with the WAMI program to generate interest in the profession.

Ms. Robinson continued the presentation by focusing on long-term care.

Senator Towe asked about personal care facilities pilot projects and about the definition of a personal care facility.

Nancy Ellery responded that they are trying to develop a model that will tell what the cost of the care is. There are 22 licensed personal care facilities in the state, about 500 total beds. They would like the federal government to approve a waiver that will allow SRS to implement a pilot project to test the quality of care and costs of care. Personal care facilities are considered an institution and the costs cannot presently be reimbursed. A personal care facility is a licensed facility by the Department of Health that is an interim between a nursing home and having someone live at home. The residents cannot take care of their personal needs but are not sick enough to go into a nursing home. It is different than a foster home.

Senator Towe commented that he has seen a focus in Billings that personal care facilities may be better care and less expensive than a nursing home.

SENATE PUBLIC HEALTH, WELFARE & SAFETY COMMITTEE

January 11, 1991

Page 5 of 6

Senator Eck responded that at some point it might be important to go through the whole continuum of care.

Senator Pipinich asked about licensing retirement homes which caused problems several years ago.

Nancy Ellery responded that the Department of Health is responsible for licensing those types of facilities. Once more medically involved needs are evident the patients need to be in a nursing home where they have 24-hour care.

Senator Pipinich continued by commenting that different religious sects were starting homes.

Ms. Robinson explained that she cannot answer any of the licensing questions and that a Department of Health employee should discuss this issue.

Chairman Eck asked about a proposal to expand the Medicaid waiver for home services and whether it will be expanded into rural areas.

Nancy Ellery said they had a study completed on existing waiver sites. Now they will look at additional slot approval and where the expansion will occur.

Chairman Eck asked if the legislature sets the limitation or if Medicaid sets the number of slots.

Ellery responded that the legislature sets the limitation on the number of slots available.

Ms. Robinson talked about the state medical program changes and said there are eleven different bills in the package.

Chairman Eck asked if the state medical plan legislation is likely to come to Public Health Committee.

Robinson responded that she assumes it will be assigned to the Public Health Committee.

Senator Towe asked for an explanation of the state medical program.

Ms. Robinson explained that it serves the 12 state assumed counties, the non-assumed counties do not participate in it. Costs are rising. The proposals redesign state medical to bring the programs closer to those in the non-assumed counties.

Senator Jacobson explained that the bill will actually uncouple state medical assumed counties from Medicaid so they will receive a different level of care than Medicaid recipients.

SENATE PUBLIC HEALTH, WELFARE & SAFETY COMMITTEE

January 11, 1991

Page 6 of 6

Ms. Robinson explained that some but not all of them will be effected in that way. For those people able to work the acute care plan will handle emergencies and catastrophic coverage but will not cover all the services under Medicaid.

Senator Jacobson commented that if there seems to be over utilization in state medical, would we not perhaps find over utilization in Medicaid.

Ms. Robinson commented about unusual experiences with certain types of clients. The goal is to get coverage to people who need it.

Senator Jacobson asked if there are those types of problems in general assistance aren't there also similar problems in the Medicaid program.

Robinson responded that it is true. Ms. Ellery explained that they address it in the Medicaid program by authorizing all in-patient hospitalizations to ensure that they are necessary and in emergency room area a computer program flags clients who use those services more than the norm. The department then locks those clients into one doctor and one pharmacy.

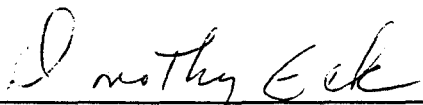
Ms. Robinson summarized her presentation and asked the committee members to support the program.

Chairman Eck asked Ms. Robinson to answer questions individually from the committee members.

The chairman adjourned the meeting with no objections.

ADJOURNMENT

Adjournment At: 2:50 p.m.


DOROTHY ECK, Chairman


CHRISTINE MANGIANTINI, Secretary

DE/cm

ROLL CALL

PUBLIC HEALTH, WELFARE COMMITTEE
AND SAFETY

Date 01/11/91

NAME	PRESENT	ABSENT	EXCUSED
SENATOR BURNETT	X		
SENATOR FRANKLIN	X		
SENATOR HAGER	X		
SENATOR JACOBSON	X		
SENATOR PIPINICH	X		
SENATOR RYE	X		
SENATOR TOWE	X		
SENATOR ECK	X		

Each day attach to minutes.



SENATE HEALTH & WELFARE

EXHIBIT NO. # 1

DATE 01-11-91

BILL NO. N/A RE: presentation materials by Julia Robinson, Director of SRS.

CONTENTS

- 2 Project Goals
- 2 Access To Health Care A Growing Problem
- 3 Outline of Governor Stephens' Proposal
- 4 Steps To Change
- 14 Working Committees
- 15 Related Legislation

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.

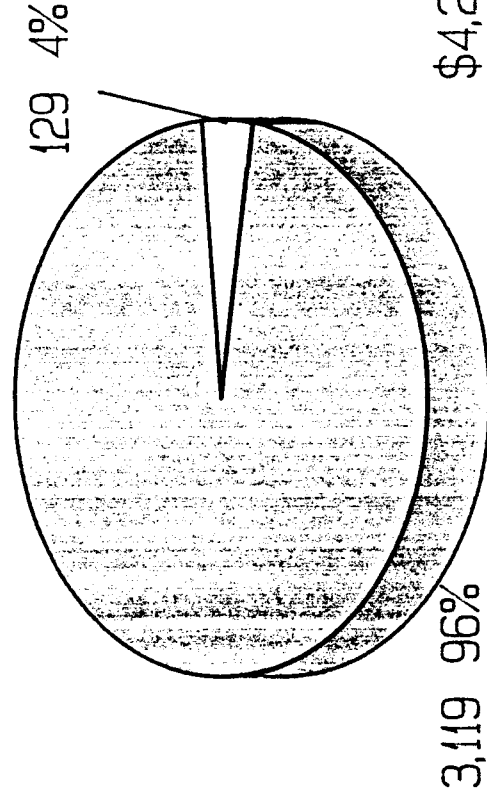
Governor Stephens believes these steps provide positive, appropriate direction for Montana in addressing the complex issue of health care access. They are not a total solution; just a beginning. Also, we must acknowledge that some changes are not possible instate because of the federal design of the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

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

Total Infants On Medicaid FY 1988

129 High Cost Infants Cost \$4.2 million, 51% of Total Spent



Number of Infants Served

Medicaid Expenditures for Infants

○ High Cost Infants

○ Normal Cost Infants

Uninsured Kids: A Model Solution


BY CHRISTOPHER ZURAWSKY
Associate Editor

No mother should have to choose between paying for food and shelter and paying for health care for her child.

But that's exactly what Chris Coles had to do when her husband, Jim, lost his job as a steelworker in Pittsburgh. The health-care benefits he and his family had enjoyed suddenly disappeared. Subsequent seasonal employment as a painter offered no medical fringes and paid just slightly above minimum wage.

Although Chris worked part time too, the Coleses still couldn't afford their own health-care coverage. And their combined income put them over Pennsylvania's Medicaid eligibility guidelines.

To make matters worse, their 8-year-old son, Justin, had had recur-



*Western Pennsylvania's
Caring Program for
Children—prototype
for a growing number
of plans across the
country—provides
medical insurance to
poor working families
who earn too much for
Medicaid.*

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senate committee on public health, welfare & safety

VISITORS' REGISTER

[illegible]

(Please leave prepared statement with Secretary)