

**MINUTES**

**MONTANA HOUSE OF REPRESENTATIVES  
53rd LEGISLATURE - REGULAR SESSION**

**JOINT SUBCOMMITTEE ON HUMAN SERVICES & AGING**

**Call to Order:** By **CHAIRMAN JOHN COBB**, on January 15, 1993, at  
11:00 A.M

**ROLL CALL**

**Members Present:**

Rep. John Cobb, Chairman (R)  
Sen. Mignon Waterman, Vice Chairman (D)  
Sen. Chris Christiaens (D)  
Rep. Betty Lou Kasten (R)  
Sen. Tom Keating (R)  
Rep. David Wanzienried (D)

**Members Excused:** None

**Members Absent:** None

**Staff Present:** Lisa Smith, Legislative Fiscal Analyst  
Lois Steinbeck, Legislative Fiscal Analyst  
Connie Huckins, Office of Budget & Program  
Planning  
John Huth, Office of Budget & Program Planning  
Billie Jean Hill, Committee Secretary

**Committee Business Summary:**

Hearing: STATE MEDICAL AND MEDICAID SERVICES  
DIVISION

Executive Action: NONE

**CHAIRMAN COBB** explained the day's topics.

**HEARING ON STATE MEDICAL**

**Tape No. 1:Side 1**

**Mr. Roger La Voie**, Administrator, Family Assistance Division,  
presented the overview on this program. **EXHIBIT 1**

**HEARING ON MEDICAID SERVICES DIVISION**

**Ms. Nancy Ellery**, Administrator, Medicaid Services Division,  
discussed her division and state medical services for the 12  
state-assumed counties. **EXHIBIT 2, 3**

**Mr. Norm Rostocki**, Supervisor, Budget Section, State Medical

Program, and Mr. John Chappuis, Bureau Chief, Budget Section, Institutional Reimbursement Policy in Medicaid, responded to questions from committee members. EXHIBIT 4

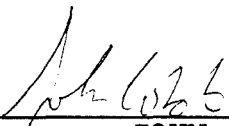
Ms. Judith Carlson, HRDC's and Social Worker Association, and Mr. Bob Olson, Montana Hospital Association, addressed the issue and answered questions from committee members.

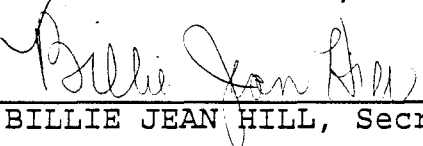
Ms. Steinbeck said the state-assumed county administration budget sheets (green) represent the guide that will be used when taking executive action on the differences between the executive and LFA current level. EXHIBIT 5

SEN. KEATING asked the committee to listen to a letter he had received from a Butte woman about AFDC, etc. EXHIBIT 6

ADJOURNMENT

Adjournment: 12:10 P:M

  
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JOHN COBB, Chairman

  
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BILLIE JEAN HILL, Secretary

JC/bjh

# HOUSE OF REPRESENTATIVES

HUMAN SERVICES

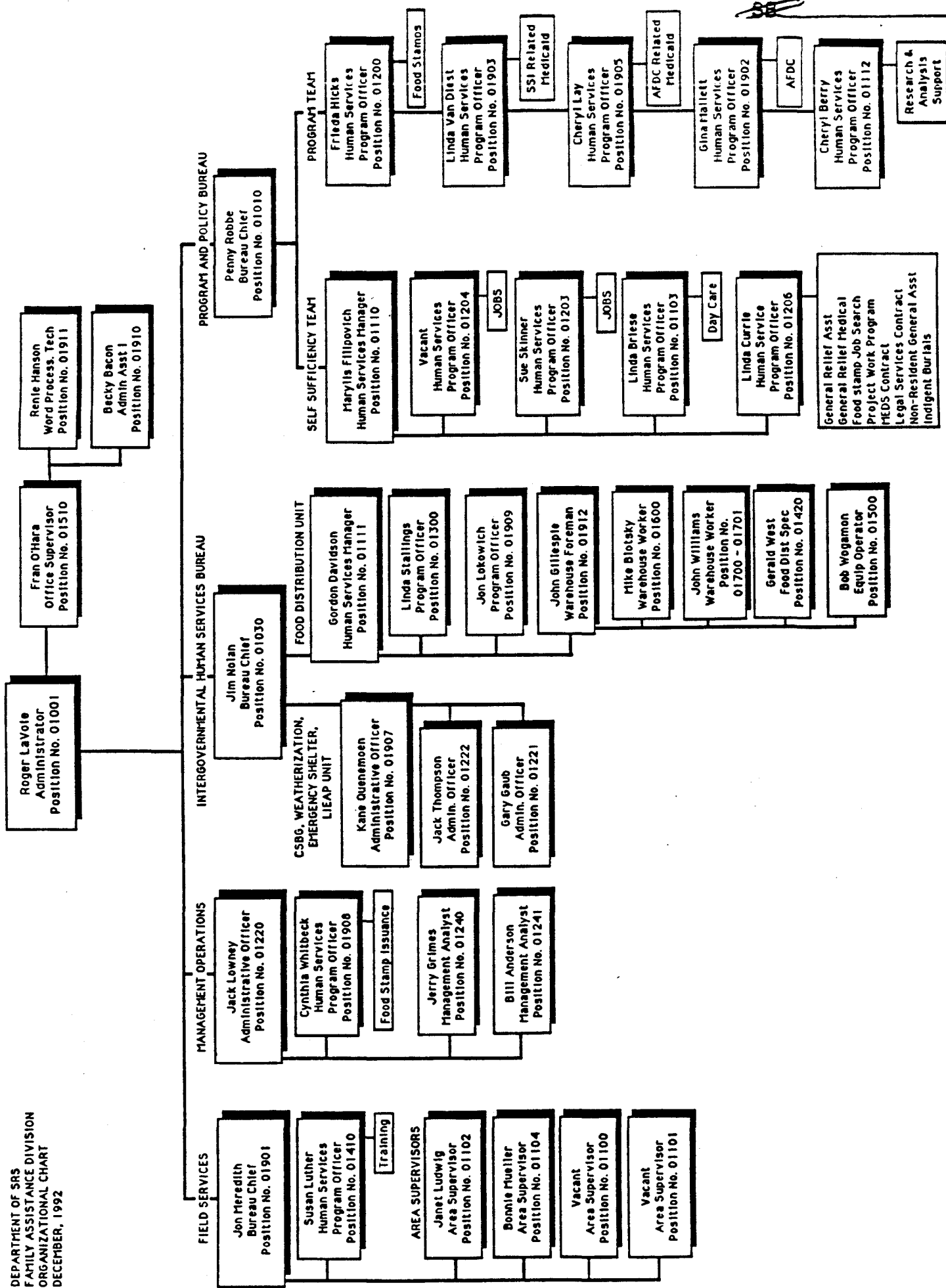
SUB-COMMITTEE

ROLL CALL

DATE

1-15-83

NAME	PRESENT	ABSENT	EXCUSED
REP. JOHN COBB, CHAIRMAN	✓		
SEN. MIGNON WATERMAN, VICE CHAIR			
SEN. CHRIS CHRISTIAENS			
SEN. TOM KEATING			
REP. BETTY LOU KASTEN			
REP. DAVID WANZENRIED			



**FAMILY ASSISTANCE DIVISION  
Program Summary**

**OVERVIEW:**

The Family Assistance Division (FAD) is responsible for the overall coordination and management of public assistance programs in the State of Montana. The Central Office staff develop policy, coordinate with federal agencies and provide administrative supervision for the grant and benefit programs operated by the Division. The Division is responsible for administration of the following grants and programs:

Program Administration\Management Operations  
Fiscal and Data Analysis  
Food Stamp Issuance

Intergovernmental Human Services Bureau  
Community Services Block Grant  
Weatherization Program  
Low Income Energy Assistance Program  
Emergency Shelter  
Food distribution

Program and Policy Bureau  
Aid to Families With Dependent Children  
AFDC Emergency Assistance  
General Assistance  
Non Resident General assistance  
Indigent Burials  
Legal Services Contract  
Medical Eligibility Determination Services Contract  
Day Care  
Job Opportunity and Basic Skills  
Food Stamp Job Search  
Project Work

Field Services Bureau  
Training  
Supervision and Coordination of Field Services

**FAMILY ASSISTANCE  
Program Administration**

**BASE PROGRAM:**

The Family Assistance Division is organized into three bureaus: the Program and Self-Sufficiency Bureau, Field Services Bureau and the Intergovernmental Human Services Bureau. These Bureaus are responsible for development, implementation, coordination, and monitoring of policy

for programs in the respective Bureaus. The administrative section of the division has overall responsibility for staff supervision, policy development, and fiscal and data analysis.

#### **BASE FUNDING**

Funding for the administrative program is approximately 76 percent federal funds and 24 percent general fund. Federal funding sources include AFDC, Weatherization, LIEAP, and Community Services Block Grant.

#### **FAMILY ASSISTANCE Food Stamp Program**

##### **Goal:**

- To safeguard the health and well being of Montana's population by raising the level of nutrition available to low-income households.

##### **BASE PROGRAM:**

The Food Stamp program is a federal program for low income individuals and families. The program is designed to supplement basic nutritional dietary requirements and is considered one of the basic components of the United States Welfare System. The food stamp program in Montana served 24,675 low income households in fiscal 1992 and generated approximately \$50.5 million in federal funds for the state.

Eligibility for the Food Stamp program is determined by county eligibility specialists based primarily on financial criteria established by the federal government.

##### **BASE FUNDING:**

Food Stamp benefits are 100 percent federally funded and are not included as part of the SRS budget. The federal government reimburses the state at a 50/50 match rate for the administrative costs associated with the Food Stamp program.

##### **PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Average Monthly Caseload	24,675	24,675	25,415	25,923

**FAMILY ASSISTANCE**  
**Community Services Block Grant (CSBG)**

**GOAL:**

- To identify and help alleviate the causes of poverty in Montana communities.

**BASE PROGRAM:**

CSBG is a federally authorized and funded block grant program intended to reduce the causes and consequences of poverty. Although the grant is administered by the Department, the majority of funds (92.5% in fiscal 1993) are allocated to the 12 regional Human Resource Development Councils (HRDCs). The HRDCs are locally administered, non-profit, multi-county organizations whose boards of directors are comprised of one-third public officials, at least one-third low-income representatives and the remainder representative of business, labor, religious, welfare, education or other major interest groups within the community. HRDCs prepare and submit to SRS annual work plans and budgets which are reviewed for consistency with federal and state regulations and then forwarded to the federal government for funding.

Anti-poverty programs administered by the 10 HRDCs include Headstart, Food Commodities, JOBS, Energy Share, Montana Power Weatherization, Low Income Energy Assistance, Family Planning, and Emergency Shelter.

The CSBG functions as a major delivery system for a number of federal and state human services. The approximately \$1,500,000 CSBG funds are a core administrative, planning and direct delivery cost that would be difficult to replace. The HRDCs enjoy considerable acceptance as a non-bureaucratic, locally-controlled system making a direct impact on lives of low-income people.

**BASE FUNDING:**

This program is funded with 100 percent federal funding from the Department of Health and Human Services.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
HRDC Work Plans approved, disapproved or modified	10	10	10	10
HRDC Contracts Issued	10	10	10	10
HRDC Anti-Poverty Programs Begun	10	10	10	10
On-site Evaluations	10	10	10	10

**FAMILY ASSISTANCE  
Weatherization**

**GOAL:**

- To help low-income people reduce their home heating costs and to help conserve natural resources.

**BASE PROGRAM:**

This program provides funds to local Human Resource Development Councils (HRDCs) and tribal organizations to install energy savings measures in low-income people's homes.

Energy costs are one of the greatest demands on a low-income family's budget. In the wintertime in Montana those costs can exceed the mortgage or rent payment. Weatherization, by reducing a family's shelter costs, can enable that family to remain in their home. Also, a more energy-efficient home allows the family more discretionary income and furthers their self-sufficiency. Income not spent on utility bills stays in the local community as do the funds spent on weatherization crews and materials.

Specific weatherization measures are decided on after each home has had an energy audit completed to determine what would be most cost-effective. Measures include insulation, caulking, furnace repair and replacement. Homes are prioritized based on energy consumption and all materials and labor are purchased locally.

**BASE FUNDING:**

Funding for the Weatherization program is 100% federal funds from the Department of Energy and Department of Health and Human Services Low-Income Energy Assistance Program (LIEAP). The Department of Energy and Health and Human Services notify SRS of available funding annually.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
HRDC/Tribal Contracts Issued	15	15	15	15
Units Weatherized	2,211	2,051	2,200	1,800



**FAMILY ASSISTANCE**  
**Low Income Energy Assistance Program (LIEAP)**

**GOALS:**

- To assist low income families in meeting their home heating costs.

**BASE PROGRAM:**

Using a series of matrix tables which factor a household's income, fuel type, size and type of home, and local heating degree days, payments are made to the household's utility company. Supplemental payments are also available to very low-income households and emergency payments for unforeseen energy-related events are also allowed.

LIEAP has become one of the major public assistance programs available to low-income clients. Averaging approximately 22,000 households served with benefits of nearly \$6,500,000, the program makes more discretionary income available to families by paying a portion of their winter heating bills. An additional benefit is the permitted use of 15% of the block grant for weatherization activities, a long range answer to the problem of high heating costs.

**BASE FUNDING:**

This program is funded with 100% federal funding from the Department of Health and Human Services.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Households Served:	22,000	22,000	22,000	22,000

**FAMILY ASSISTANCE**  
**Homeless Assistance Grants**

**GOAL:**

- To provide funds for the renovation, rehabilitation, or operating costs of homeless shelters and for the provision of follow-up and long-term services to help homeless people escape poverty.

**BASE PROGRAM:**

The Departments of Health and Human Services (HHS) and Housing and Urban Development (HUD) provide funds for the renovation, rehabilitation, or operating costs of homeless shelters and for the provision of follow-up

and long-term services to help homeless people escape poverty. Although allocations from both HHS and HUD are administered by the Department, the majority of funds (95% by federal law) are allocated to the twelve regional Human Resource Development Councils (HRDCs). Shelters to be assisted and services to be delivered are determined by the HRDCs.

#### BASE FUNDING:

This program is funded with 100 percent federal funding from the Departments of HHS and HUD. The Department is notified of funding levels on an annual basis. In FY 21993 the Department will receive \$115,000 of HUD and \$73,361 of HHS homeless funding.

#### PERFORMANCE INDICATORS:

	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>
HRDC Workplans Approved	20	20	20	20
HRDC Contracts Issued	20	20	20	20
On-site Evaluations	10	10	10	10

#### FAMILY ASSISTANCE Food Distribution Programs

#### GOAL:

The six programs operated by the Food Distribution section provide USDA commodity food assistance to low income individuals/families and nonprofit organizations who serve low income individuals/families.

#### BASE PROGRAM

The Food Distribution section orders, stores, and ships USDA commodities for the following food programs: Charitable Institutions (CI), Nutrition Program for the Elderly (NPE), Summer Camps Food Program (SCFP), Soup Kitchen/Food Banks (SKFB), The Emergency Food Assistance Program (TEFAP), and Food Distribution on Indian Reservations (FDIR). The food benefits are provided free of charge to the State of Montana by the Federal Government. *State Institutions*

#### PERFORMANCE INDICATORS:

- CI - There are 159 institutions which served 8,930 persons in FY 1992.
- NPE - There are 11 Area Agency on Aging Services with 93 subsites which served 49,516 persons in FY 1992.
- SCFP - There are 55 summer camp sites which served 121,419 persons in FY 1992.
- TEFAP - There are 10 Human Resource Development Councils and 5 Indian Reservations which provided food to 42,813 persons in FY 1992.

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FDIR - There are 7 Reservations which provided food to 6,000 persons in FY 1992.

### **FAMILY ASSISTANCE General Assistance**

#### **GOALS:**

- To provide indigent Montanans financial assistance for basic necessities compatible with decency and health.

#### **BASE PROGRAM:**

General Assistance (GA) is a program that provides cash assistance to persons in need of such assistance. Cash payments made under this program are intended to provide recipients with money to purchase food, shelter, utilities and personal needs. General Assistance is available in the twelve state assumed counties of: Cascade, Deer Lodge, Flathead, Lake, Lewis and Clark, Lincoln, Mineral, Missoula, Park, Powell, Ravalli and Silver Bow.

To be eligible for General Assistance, a person must be a Montana resident or intend to become one. Eligibility for General Assistance is based upon recipients' income and resources. The amount of time an individual can receive GA benefits is based upon their employability classification.

Unemployable recipients may receive General Assistance for as long as the condition rendering them unemployable continues. Employable recipients may receive General Assistance for four months out of twelve. Employable recipients who have serious barriers to employment or chemical dependency problems and temporarily unemployable recipients may receive General Assistance for six months out of twelve, as long as they are willing to participate in a program to help them overcome their serious barrier, chemical dependency or the condition which renders them temporarily unemployable. Serious barriers include, illiteracy, lack of high school diploma or GED and lack of skills, experience or training necessary to secure employment.

#### **BASE FUNDING:**

The program is funded with 100 percent general fund. Funding for the 1995 Biennium is held at the projected fiscal 1993 expenditure with the anticipation that the GA case load will remain constant.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
GA Caseload	945	1,229	1,171	1,171
Costs		\$3,103,127	2,774,891	2,774,891

**FAMILY ASSISTANCE  
Non-Resident General Assistance**

**GOALS:**

- To provide assistance to nonresidents (interstate transients) who need assistance in returning to their state of origin or who incur medical expenses arising from accidental injury.

**BASE PROGRAM:**

For the 12 assumed counties, Montana statutes provide for financial assistance and medical care for indigent persons who experience accidental injuries or need temporary assistance while traveling through the state.

**BASE FUNDING:**

This program is funded with 100% general fund. Expenditures for the program are difficult to project due to the fact that a single severe injury can significantly increase the overall cost of the program. Funding decreases during the 1995 biennium as a result of discontinued of funding for homeless shelters in Helena and Missoula.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Non-Res. GA Costs	\$95,086	\$50,000	\$50,000	\$50,000

**FAMILY ASSISTANCE  
Indigent Burials**

**GOALS:**

- To provide for the burial of eligible deceased indigent in state assumed counties.

**BASE PROGRAM:**

Montana Statutes provide for payment of indigent burials in the state

assumed counties. For fiscal year 1992, the average cost per burial was \$988.85.

#### BASE FUNDING:

This program is funded with 100% general fund. Funding for this program has been reduced to the lesser of the cost of cremation or burial.

#### PERFORMANCE INDICATORS:

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Indigent Burial Costs	\$230,351	\$190,000	\$190,000	\$190,000

#### FAMILY ASSISTANCE

##### Aid To Families With Dependent Children (AFDC)

#### GOALS:

- To meet the basic financial and medical needs of needy Montanans with dependent children.

#### BASE PROGRAM:

The AFDC program is a federal entitlement program administered by SRS to provide temporary financial assistance to needy children and their families. AFDC eligible families also receive Medicaid coverage. Eligibility for AFDC is determined by evaluating specific nonfinancial and financial criteria established by federal and state regulations.

*Medicaid coverage - larger cost.*

#### BASE FUNDING:

In fiscal 1994, funding for the AFDC program will be 71.05 percent federal funds, 27.14 percent general fund, and 1.84 percent county funds. SRS is not requesting a benefit standard increase for fiscal 1994 or 1995.

#### PERFORMANCE INDICATORS:

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Avg Monthly Caseload	10,696	11,465	11,564	11,800
Avg Monthly Payment	\$351.04	\$355	\$355	\$355
General Fund Cost	\$13,206,579	\$12,737,924	\$13,331,832	

**FAMILY ASSISTANCE**  
**AFDC Emergency Assistance**

**GOALS:**

- To provide emergency assistance to needy families who otherwise qualify for AFDC and who are experiencing a temporary financial emergency.

**BASE PROGRAM:**

Emergency Assistance is an optional program under the federal guidelines for AFDC that provides aid to needy families with children. The purpose of the program is to provide such temporary assistance as necessary to ensure the safety and well being of the child (children) who might otherwise be in jeopardy or to provide living arrangements in a home for such child (children) in the event of an emergency. For the 1995 biennium, the department is initiating significant change in the way the program is administered which will result in substantial savings.

**BASE FUNDING:**

In the 12 state assumed counties, AFDC Emergency Assistance is funded with 50 percent federal funds and 50 percent state funds. For non-assumed counties funding is 50 percent federal funds and 50 percent county funds.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
No. Families served	964	964	772	772
Average Cost per Family	\$260	\$260	\$260	\$260
Total Cost	\$250,753	\$250,753	\$200,753	\$200,753
General Fund Cost	\$116,079	\$116,079	\$ 91,079	\$ 91,079

**FAMILY ASSISTANCE**  
**Legal Services Contract**

**GOAL:**

- To provide legal assistance to General Assistance (GA) clients who claim disability in applying for and carrying through appeals for SSI assistance. Service is provided by Montana Legal Services Association (MLSA) in the 12 State Assumed counties.

**BASE PROGRAM:**

Montana Legal Services Association provides legal services under contract to GA recipients who claim disability. The contract provides a continuum of services, from assistance with original applications for SSI through the Appeals Board, and with additional approval from SRS, for District Court appeals. The intent of the contract is to assist clients in obtaining SSI, thus providing them with a higher monthly income and at the same time reducing the GA caseload. Most of these persons are also eligible for the State Medical program. If they are found SSI eligible, Medicaid eligibility replaces the State Medical program. Since the GA and State Medical programs are 100% State funds, a transfer to SSI and Medicaid, which are primarily federal dollars, helps the State budget as well as providing a higher per month payment for the client.

**BASE FUNDING:**

The Montana Legal Services Association contract is funded with 100% General Fund through a legislative appropriation of \$50,000 for each year of the biennium.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
GA clients referred:	371	186	186	186
Number receiving SSI:	208	104	104	104
Number denied SSI:	61	31	31	31
Number closed prior to determination:	124	62	62	62

**FAMILY ASSISTANCE**

**Medicaid Eligibility Determination Services (MEDS) Contract**

**GOAL:**

- The purpose of this contract is to promptly place eligible individuals on Medicaid generating savings to the State Medical and General Assistance programs.

**BASE PROGRAM:**

This contract provides independent disability determination reviews for persons applying for Medicaid. Also provided are independent reviews for State Medical recipients to determine their eligibility for Medicaid. For State Medical clients, this reduces general fund expenses

by removing State Medical clients from the 100 percent general funded program and placing them on Medicaid.

#### BASE FUNDING:

This program is funded with 50% general funds and 50% federal Title XIX funds.

#### PERFORMANCE INDICATORS:

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
No. GA clients allowed	210	210	210	210
No. GA clients denied	189	189	189	189
Total determinations	399	399	399	399

#### FAMILY ASSISTANCE

##### Day Care

#### GOAL:

- To provide day care assistance for low income families who are either on AFDC or at risk of coming on AFDC.

#### BASE PROGRAM:

Currently the Department administers the following Day Care programs:

1. JOBS Day Care - which serves AFDC clients who are enrolled in the JOBS program and who need day care in order to attend training or educational activities;
2. Transitional Day Care - which serves former AFDC clients who are transitioning off of welfare programs and who need day care in order to continue to work;
3. Self-Initiated Day Care - which also serves AFDC clients who are not in the JOBS program, but need day care in order to attend educational institutions;

An additional category of day care recently started in Missoula and Yellowstone Counties is:

At-Risk Day Care - which serves low income working families who are at risk of coming onto AFDC.

For all categories of day care except At-Risk Day Care, payments for necessary day care assistance is a requirement of the federal government



as a condition of participation in the AFDC program. The At-Risk Day Care is an optional service.

The Executive is recommending transfer of the federal Block Grant day care program currently at the Department of Family Services to the Department of Social and Rehabilitation Services. Additionally, state general funds for the Child Protective Services Day Care would pass through SRS to allow maximization of matching these state funds with federal IV-A funds. Day-to-day administration of the Child Protective Day Care program would remain with DFS.

#### **BASE FUNDING:**

In Fiscal 1994, Day Care funds are provided through a match of approximately 71.04 federal funds and 28.05 general funds.

#### **FAMILY ASSISTANCE**

##### **Job Opportunity and Basic Skills Program (JOBS)**

#### **GOALS:**

- To provide AFDC recipients with the opportunity to obtain the education, training and employment needed to avoid long term dependency on welfare.

#### **BASE PROGRAM:**

Title II of the Family Support Act of 1988, Public Law 100-485, created the Job Opportunities and Basic Skills (JOBS) training program and mandated other program changes for recipients of Aid to Families with Dependent Children (AFDC). The JOBS program is designed to assist recipients in becoming self-sufficient by providing needed employment related activities and support services. The federal guidelines provide for two levels of JOBS programs: 1) a complete program; and 2) a minimal program.

A complete JOBS program consists of: high school education, basic and remedial education, English proficiency, job skills training, job readiness activities, job development and job placement activities, group and individual job search, on-the-job training, work supplementation and community work experience.

A minimal program consists of high school education or equivalency, one optional component, and referral to a non-JOBS employment services.

Seventy-five percent of the state's AFDC recipients reside in 10 Montana counties. Complete JOBS programs were implemented in Flathead,

Missoula, Gallatin, Lewis and Clark and Yellowstone Counties on July 1, 1990. On January 1, 1991 the following 5 counties began complete programs: Cascade, Silver Bow, Ravalli, Lincoln, and Lake. Minimal programs were begun July 1, 1991 in an additional 17 counties, where 20% of the AFDC population resides.

**BASE FUNDING:**

The JOBS Program has several different federal match rates. The funding for JOBS is as follows: general fund 27 percent, federal funds 73 percent averages approximately.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Regular AFDC Enrollment	2,090	1,934	2,413	2,413
UP AFDC Enrollment	662	711	711	711
Resolved*	1,230	1,170	1,447	1,447

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Resolved - Employment	775	754	940	940
% Resolved	58%	60%	60%	60%
% Resolved to Employment	37%	39%	39%	39%

\* A resolution consists of:

1. Employment of at least 20 hours per week, expected to last 30 days;
2. mandatory individual becomes exempt;
3. enrolled individual is sanctioned;
4. termination from AFDC for any reason.

\* During fiscal 1992, JOBS contractors served more clients than contracts required.

**FAMILY ASSISTANCE  
Job Search Program**

**GOAL:**

- To provide an Employment and Training Job Search program for recipients of Food Stamps in order to place them into employment.

**BASE PROGRAM:**

Federal regulations require any state which has a Food Stamp program must operate an Employment and training program. Food Stamp Job Search

(FSJS) is mandatory for all non-exempt Food Stamp applicants and recipients who reside in counties where the program is offered. Job Search operates in the following counties: Cascade, Custer, Deer Lodge, Flathead, Lake, Lewis and Clark, Lincoln, Mineral, Missoula, Park, Powell, Ravalli, Silver Bow, and Yellowstone. The 12 state-assumed county FSJS programs are maximum programs and are combined with the Project Work Program. Custer and Yellowstone counties have a minimum FSJS program. For both types of programs, participation for two months out of a twelve month period is required. In a minimum Job Search program, participants must make at least 24 job contacts during their 8 week participation period. In a maximum FSJS program, participants are required to participate for 30 hours per week in the Project Work Program.

SRS contracts with the Department of Labor and Industry to operate Job Search in Yellowstone and Custer Counties. Project Work Program (PWP) contractors operate the program in the 12 state assumed counties. PWP contractors are Human Resource Development Councils, Job Service Offices, Women's Opportunity and Resources, Inc., and AFL-CIO.

**BASE FUNDING:**

The Food Stamp Job Search program is 100 percent federal funding. Administrative funding is 50 percent federal funds and 50 percent state general funds.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Job search Participants				
Referred	3,499	3,499	3,499	3,499
Entered Job Search	1,707	1,707	1,707	1,707
Long Term Job Found	*497	497	497	497
Short Term Job Found	**490	490	490	490

\* Long Term = greater than 30 days

\*\* Short term = less than 30 days

**FAMILY ASSISTANCE  
Project Work**

**GOAL:**

- To initiate, promote and develop Job Search Training and Workfare programs that will provide employment training and work experience for persons receiving Food Stamps and General

## Assistance

### BASE PROGRAM:

Project Work, Employment and Training Program, is mandatory for all non-exempt General Assistance (GA) recipients in the 12 state-assumed counties. Participants in the Project Work Program are required to participate 40 hours per week for up to 6 months, depending on their employability classification.

Project Work consists of 3 components: the Intake, Assessment and Work Experience component; the Initial Month Training Component; and the Successive Months' Training Component. The Initial Month Training Component consists of 20 days of intense Job Search and Work Experience, where at least 50% of participants' time is spent on Job Search. The Successive Months' Training Component consists of Job Search, Work Experience, Job Readiness Training, Job Skills Training, Remedial Education, Overcoming Chemical Dependency and Peer Counseling.

It is not recommended that the Project Work Program be eliminated as long as there is a General Assistance (GA) Program. If GA for employable adults was eliminated the Project Work Program could be revised to be a food stamp employment and work program. Under any scenario, Montana would still have to maintain a Food Stamp Employment and Training program.

### BASE FUNDING:

For fiscal 1992 the legislature appropriated \$937,921 of which \$649,533 or 69 percent is federal funds and \$288,388 is state general funds.

### PERFORMANCE INDICATORS:

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Clients Served:	7,259	6,729*	6,729	6,729

\*Decrease in clients served reflects changes made in Project Work that require payment after performance and a new sanction waiting period.

## FAMILY ASSISTANCE Transition to Work

### GOALS:

- To provide General Assistance recipients a Transition-To-Work allowance to assist in relocation expenses when employment has been obtained in another county or state.

**BASE PROGRAM:**

Montana Statutes provide for an allowance for moving expenses to GA clients who have located employment away from their county of residence.

**BASE FUNDING:**

This program is funded with 100% general fund.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Number Served	110	110	110	110
Costs:	\$38,148	\$38,148	\$38,148	\$38,148

**FAMILY ASSISTANCE  
IV-A TRAINING Contract**

**GOAL:**

- To provide appropriate training opportunities to Family Assistance staff to allow them to more effectively meet their responsibilities in assisting clients.

**BASE PROGRAM:**

In addition to policy and computer training, the Family Assistance Division provides various other types of training for Division staff through a contact with the University of Montana. During fiscal 1993 the following workshops were offered: Becoming a More Effective Change Agent, Street and Business Law, Writing for Specific Purposes, Self Esteem and Self Potential, Building Your Interview Skills and Coping with Difficult Clients.

**BASE FUNDING:**

Funding for this program is 50 percent federal IV-A funds and 50 percent state funds. The Department only provides the federal portion of the funding while the University provides the state fund match.

STATE OF MONTANA - MEDICAID  
DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

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## STATE MEDICAL

**PROGRAM GOAL:** To provide indigent Montanans with serious medical conditions basic medical services compatible with decency and health.

### PROGRAM DESCRIPTION:

State Medical (SM) is a 100% state funded assistance program designed to provide limited medical services to recipients with serious medical conditions. SM eligible individuals or families do not have sufficient income or resources to sustain themselves and do not meet eligibility criteria for other state and federal assistance programs. Eligibility is determined by income and resources and the eligibility requirements are identical to General Assistance (GA). SM is available in the twelve state assumed counties.

### POPULATION SERVED:

State Medical recipients include both GA recipients and those persons who are within financial limits for GA, but choose to receive only State Medical services, or whose time limited GA benefits have been exhausted. The July, 1992 special legislative session changed the services of this program from one which mirrored Montana Medicaid in scope and duration to a limited services program. As of October 1, 1992 only hospital services, physician services and prescribed drugs are available to recipients. Financial Eligibility requirements were also changed

and now are the same as for GA. This change eliminated a resource spend-down and lowered the State Medical income level from 150% of the GA standard to 100% of the standard. Preliminary figures show a caseload reduction of approximately one-fourth.

For FY92, there were 2,062 persons eligible for State Medical. Of the 2,062, 1,458 were GA eligible recipients and 604 were State Medical Only eligible recipients. The average State Medical Eligible person is single and aged 31 to 45 years old. Attachment #1 shows the age distribution and marital status of all eligibles. Women make up 37% of State Medical Eligibles. Attachment #2 shows the age and marital status of female eligibles, while Attachment #3 shows the same data for males. Expenditures for FY92 for this caseload will be given by the Medicaid Services Division.

**RECENT CHANGES:**

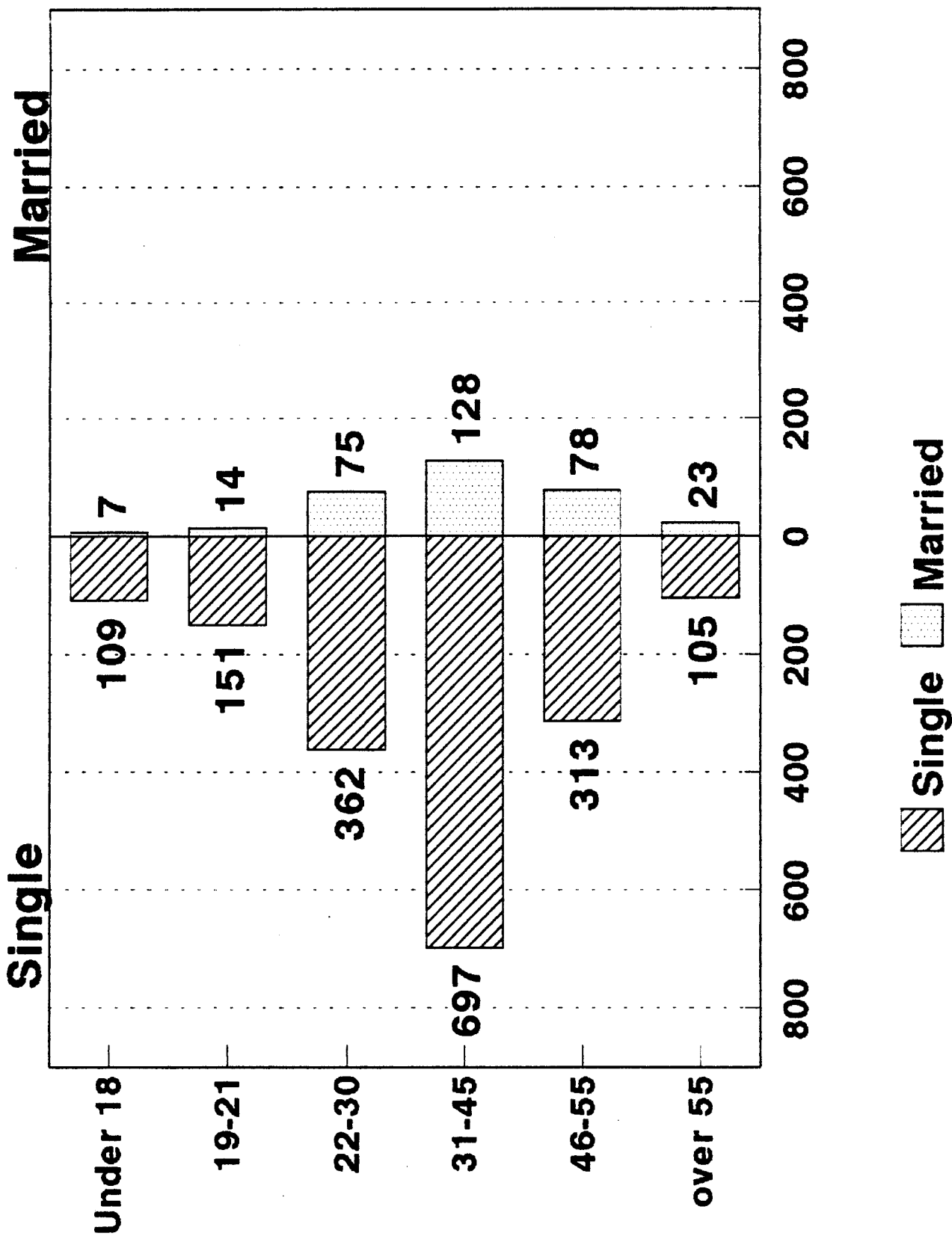
FY93 figures for caseload and expenditures are limited because of the length of time providers need for billing. However, the changes which took place on October 1st will have substantial impact on both the fiscal side and the human side. Costs are already declining due to the reduction in services and tighter eligibility requirements. The human impact is also being felt as clients and providers call the Department and the media about the cuts in services or about being eliminated from the program. Many complaints have centered on the lack of any dental or respiratory therapy services and ancillary medical items (syringes for



diabetics, etc.) no longer being covered. Persons eliminated from the program due to the new eligibility requirements have also been quite vocal. These recent changes and reactions to them have pointed out the basic need for this program.

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# State Medical Age Distribution For FY 92

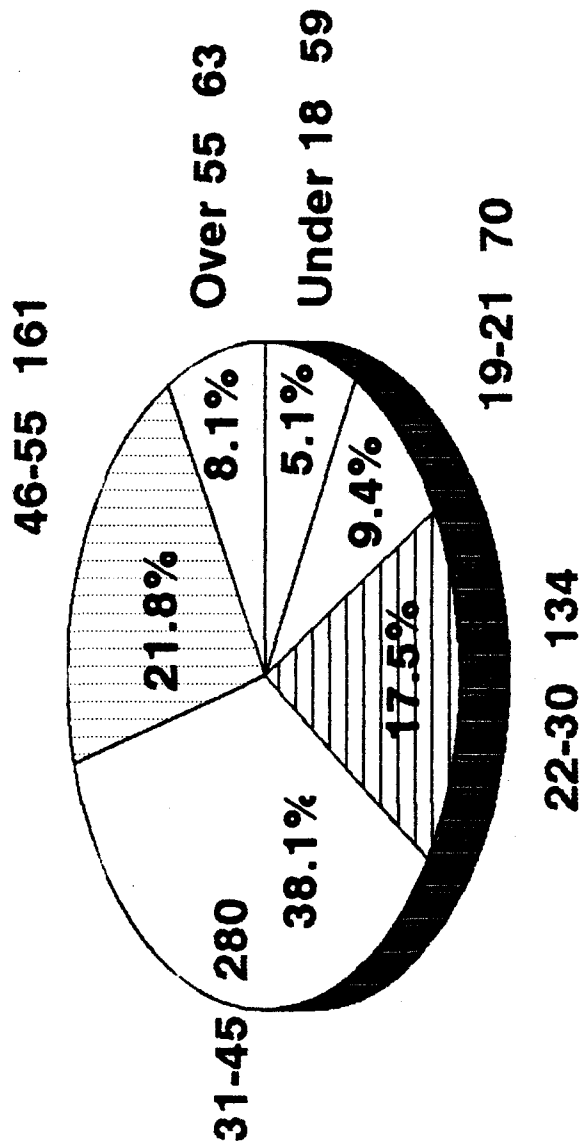


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80

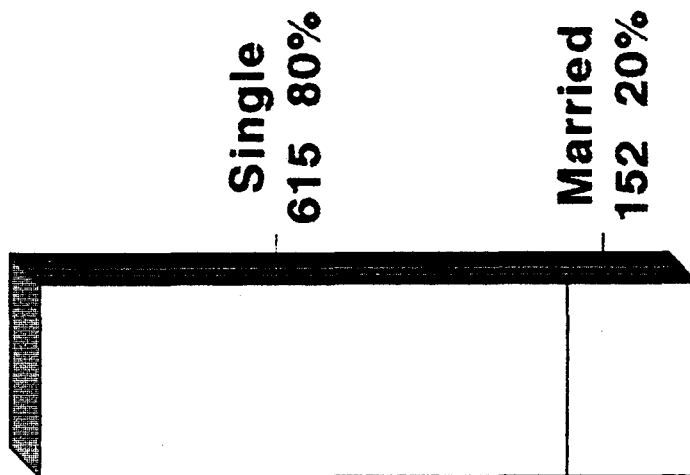
Based on data from Jan-June, 1992

# State Medical Female Eligibles By Age and Marital Status

## FY 92 Summary



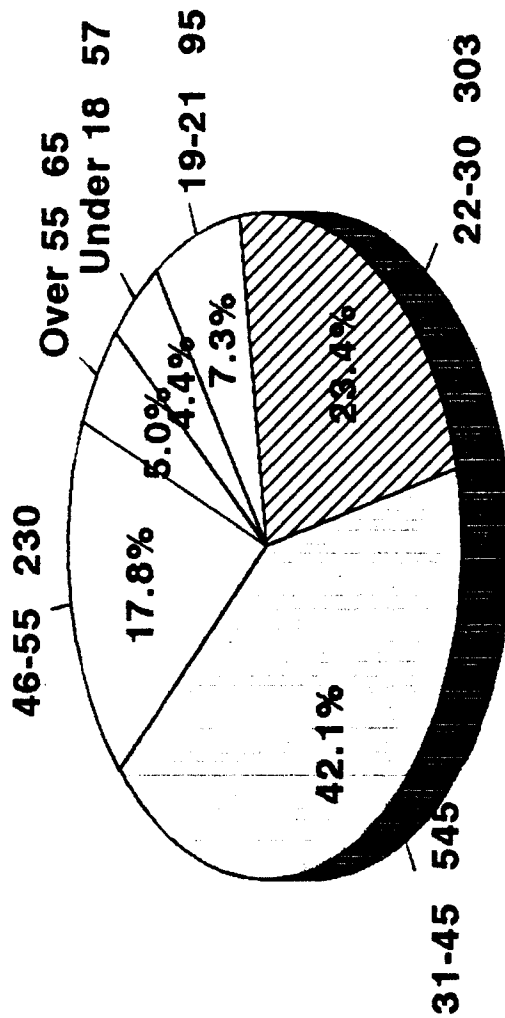
By Age



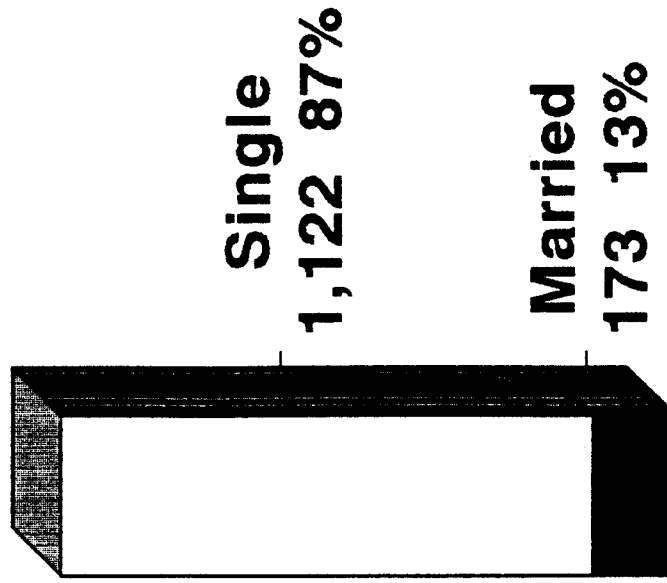
By Marital Status

Data based on January-June, 1992  
Total Female Recipients 767

# State Medical Male Eligibles By Age and Marital Status FY 92 Summary

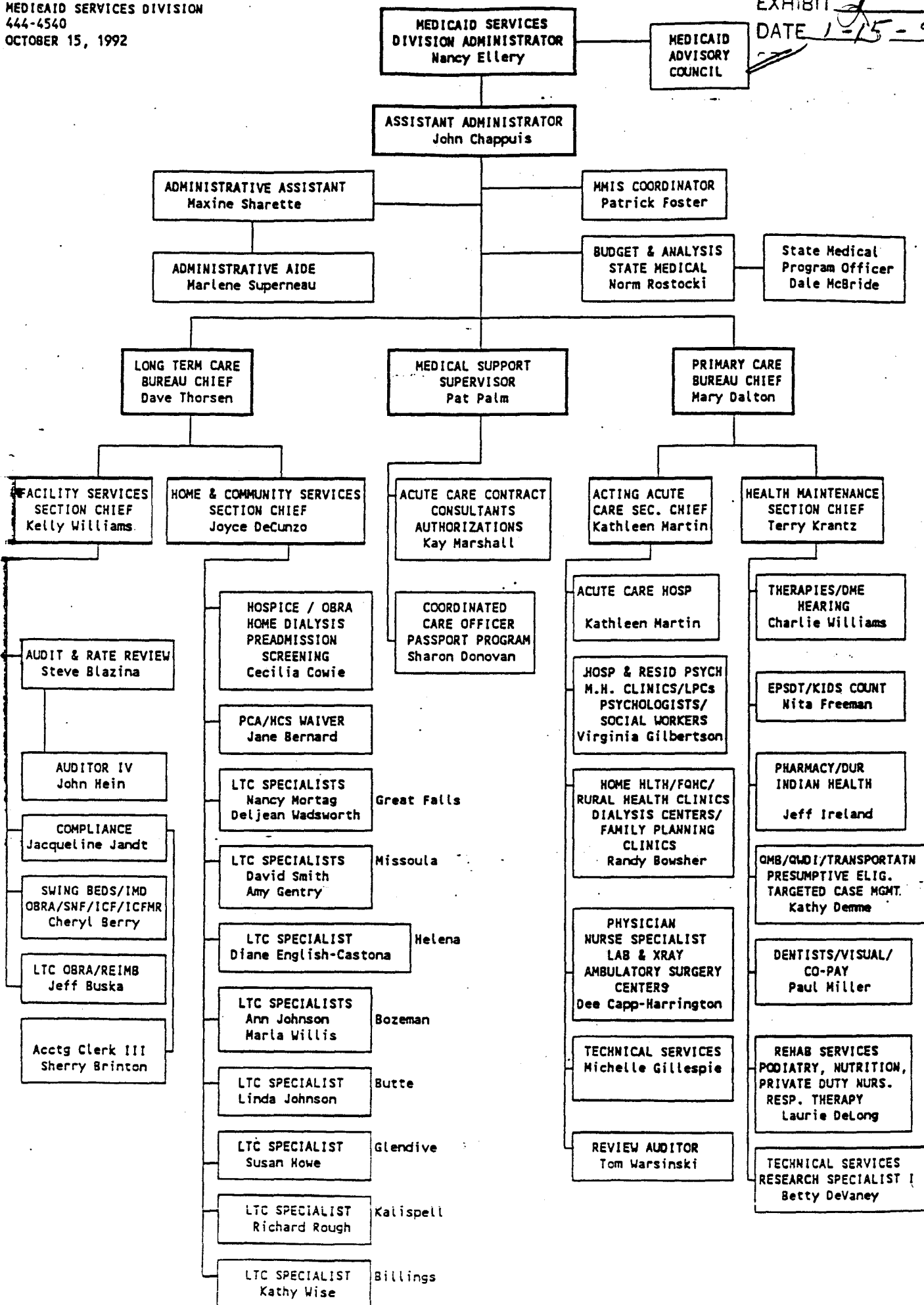


**By Age**



**By Marital Status**

**Total Male Recipients 1,295**  
**Data from January-June, 1992**



**MEDICAID SERVICES DIVISION  
Program Summary**

**OVERVIEW:**

The Medicaid Program is a joint Federal/State funded program designed to meet the cost of medical care for certain low-income persons: aged persons age 65 and over, the blind, the disabled, members of families with dependent children and poverty-related pregnant women and children. Montana Medicaid also covers medically needy individuals who have income in excess of AFDC or SSI income thresholds, but have sufficient medical bills that reduce their countable income to medically needy income thresholds. The Medicaid Program also administers the State Medical Program which is designed to provide medical care to certain low-income persons who do not qualify for Medicaid. This program is 100% state funded.

Within Federal guidelines, the state has the flexibility to determine who is eligible for the Medicaid program, what medical services are covered, and the amounts paid to providers for services. At a minimum, states are required to provide certain medical services. These include inpatient and outpatient hospital services, physician services, skilled nursing care, early periodic screening diagnosis and treatment for children (EPSDT), lab and x-ray, home health, nursing home services, family planning and rural health clinic services. At their option, states can provide other services such as prescription drugs, dental care, eyeglasses and hearing aids among others. Montana covers all optional services except chiropractic services and christian science sanatoria. Statutory authority for the program is provided for in Title 53, Chapter 6, MCA.

A federal "pass through" grant is administered by the Division for Indian Health services on Indian Reservations.

**MEDICAID SERVICES DIVISION  
Program Administration**

**GOAL:**

- To promote the timely and economic delivery of appropriate health care to eligible recipients in accordance with state and federal guidelines.

**BASE PROGRAM:**

The Medicaid program provides services to over 75,000 recipients through an estimated 6,000 different practitioners, facilities and clinics. Of this number, approximately 2,500 are physicians, 530 are dentists, 360 are pharmacies, 115 are nursing homes, and 60 are hospitals. The

balance of providers are other practitioners including clinics, home health agencies, nurses, etc.

Some services must be prior authorized by medical consultants or state staff (e.g., certain dental services, therapies, hearing aids and speech devices, durable medical equipment). Many services have service limits (e.g., psychologists' services are limited to 22 hours per fiscal year). Selected inpatient hospital admissions and nursing home admissions are prior authorized by the Colorado Foundation for Medical Care. Recipients are charged a nominal copayment for most services.

The Administration Unit is responsible for managing the Division and includes administrative and clerical support service staff. The objective of the Administration Unit is to provide overall policy direction for the Division and manage the workload within allocated resources.

The Long Term Care Bureau is responsible for the planning and implementation of program and reimbursement policies for long term care which includes nursing care, home and community services, and personal care. This bureau supervises the ten Long Term Care Specialists located in the field offices.

The Primary Care Bureau is responsible for the planning and implementation of program and reimbursement policies which include acute care and health maintenance services.

The Medical Support Section is responsible for the planning and implementation of utilization control policies which insure that only medically necessary services are provided. This includes responsibility for managing the contract with the Colorado Foundation for Medical Care.

The Medicaid Program has instituted the Passport to Health Program which allows certain AFDC clients to select a single primary care provider who manages the care of the client. This program should help to insure that all services are medically necessary and coordinated with other care that the recipient may be receiving. Significant cost savings are expected.

The Division contracts with Consultec, Inc. to receive and process Medicaid claims. Approximately 2,500,000 claims are processed each year or 208,000 per month.

The federal government mandates that all states have a Medicaid program. Because the state has the discretion to determine which optional eligibility categories and services to provide, there are a variety of ways to restructure the program. All or a combination of optional services for adults could be eliminated. The potential savings realized by eliminating optional services are limited by the requirement that these services must be provided to children (under age 21) who have a need for treatment identified during an EPSDT screen or who reside in nursing homes. Also, savings are further reduced by the potential for

cost-shifting optional services to more expensive services. For example, eliminating prescription drugs for adults would force recipients to go to physicians or hospitals to receive the service.

The Medically Needy Program could be eliminated or altered; elimination would restrict access to health care to low-income Montanans and shift costs to local government and private payers without the benefit of a federal match of approximately \$3 for every \$1 spent on health care. However, a large portion of the savings would be costs that are shifted to other payers or show up as uncompensated care by hospitals and doctors. Thirty-six states have Medically Needy Programs.

#### BASE FUNDING:

The program is jointly funded by federal and general funds. The funding mix for service expenditures will be 71.02% federal funds and 28.90% general funds in FY 94 and 70.5% federal funds and 29.5% general funds in FY 95. Funding for personnel and other administrative activities is 50% federal and 50% state. Funding for the state medical program is 100% state funds.

#### PERFORMANCE INDICATORS:

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
FTE's	46.50	46.50	46.50	46.50

#### MEDICAID SERVICES DIVISION DHES Surveys

#### GOAL:

- To ensure appropriate care and treatment in accordance with federal standards for persons who reside in nursing facilities funded through the Medicaid program.

#### BASE PROGRAM:

Nursing facilities must comply with the nursing home certification requirements established by the federal government in order to receive Medicaid reimbursement. The Medicaid Services Division contracts with the Licensing and Certification Bureau of the Department of Health and Environmental Sciences (DHES) to inspect the 102 facilities that participate in the Medicaid program. Certification is based on the results of annual unannounced on-site surveys to assess each facility's compliance with the applicable federal requirements. Once certification is achieved the Medicaid Services Division enters into a provider agreement with the nursing facility. In addition to its survey



activities, DHES also investigates any allegations concerning the abuse or neglect of nursing facility residents and performs activities pertaining to federal mandates and abuse registries. Changes mandated by OBRA have had a significant impact on the way services are provided in nursing facilities as well as the way in which surveys are conducted by DHES.

**BASE FUNDING:**

Only the federal portion of funding for this program is appropriated to SRS. The general fund match is appropriated to the Department of Health and Environmental Sciences.

**MEDICAID SERVICES  
Indian Health**

**GOAL:**

- To pass through 100% federal Medicaid reimbursement from HHS/HCFA to the Bureau of Indian Affairs (BIA) for medical services provided to Indians in federal Indian Health Services (IHS) facilities.

**BASE PROGRAM:**

The U.S. Congress passed Public Law 94-437 specifically to reimburse IHS for services provided to Medicaid recipients in their medical facilities. Specially appropriated Federal Medicaid funds (100% federal money) are available through the State Medicaid program to support a variety of Indian Health services (inpatient hospital, outpatient hospital, clinic and home health services) on the Flathead, Blackfeet, Rocky Boy, Fort Belknap, Crow, Northern Cheyenne and Fort Peck Indian reservations. These funds are passed through the Department of SRS to the Federal Bureau of Indian Affairs.

Federal law specifies that Medicaid is a primary payor for medical services before Indian Health Services. Medicaid Eligible Indians have freedom of choice where to receive services (i.e. they can receive them from a medical provider of their choice off the reservation or from the Federal Indian Health Service facilities).

The purpose for this reimbursement is for IHS to upgrade, maintain and expand their medical facilities and services located on the Indian Reservations.

**MEDICAID SERVICES  
Medicare Buy-In**

**GOAL:**

- To deflect costs from the Medicaid Program to the Medicare program by maintaining Medicare Part B Insurance coverage for certain Medicaid recipients; and to assist low income Medicare clients with their Medicare premiums, deductibles and coinsurance.

**BASE PROGRAM:**

The Catastrophic Care Act of 1988 created the Qualified Medicare Beneficiary (QMB) Program and changed the structure of the Medicare Part B Buy-in Program. Under the QMB Program, Medicaid pays the premiums, deductibles, and coinsurance of Medicare beneficiaries with incomes below the federal poverty level and with resources less than twice the Supplemental Security Income (SSI) Program limit. If the recipient is eligible for both Medicare and Medicaid, the provider must bill Medicare first before billing Medicaid. Medicare reimburses about 80% of the cost of medical care, thus reducing Medicaid's liability.

The implementation of the QMB Program has resulted in a significant number of Medicare Part B Buy-in recipients being converted to QMB and those Medically Needy recipients with incomes below the QMB income limits. This has left mostly Medically Needy clients in the Medicare Buy-in program. The QMB Program also paid Part A premiums for a number of clients.

**BASE FUNDING:**

The Qualified Medicare Beneficiary program and the Buy In Program is jointly funded by Federal and general funds at the same 70/30 match as other medicaid benefits.

The Medicare Buy-in Program for individuals who do not qualify for the QMB Program is supported by 100% general funds.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
# of QMB recipients Part A Medicare	167	208	219	230
# of QMB recipients Part B recipients	1,176	1,470	1,543	1,621

**MEDICAID SERVICES DIVISION  
Elderly/Disabled Waiver**

**GOALS:**

- To provide in-home and other community services to certain individuals residing in certain counties as an alternative to institutionalization.

**BASE PROGRAM:**

Federal legislation enacted in 1981 authorized states to request a waiver of certain Medicaid regulations to enable states to serve people in their own homes as an alternative to institutional settings. Montana applied for and received a waiver in 1982. The elderly and physically disabled persons served in this program must require the same level of care as persons served in nursing homes. Services provided to help maintain recipients in their own homes are: case management, personal care, homemaker, transportation, habilitation, adult day care, respite, environmental modifications to the home/adaptive equipment, medical alert, meals/dietitian, respiratory therapy and nursing. There is an upper limit on the total cost of waiver services provided. For FY 92 the average cost per recipient in the waiver program is approximately 70% of the cost per recipient in a nursing facility.

Medicaid waiver services for elderly and physically disabled persons is presently available in 32 Montana counties. The program has a waiting list.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Average month Caseload	482		441*	416*
Average Cost/Recipient	11,556		9,338**	9,951**

\* Decrease in monthly caseloads due to decrease in budgeted appropriations for the waiver.

\*\* Decrease in average cost per recipient due to the removal of state plan personal care costs from waiver costs.

**MEDICAID SERVICES  
State Medical Program**

**GOALS:**

- To provide basic medical care to low income individuals who do not qualify for any other assistance program in a humane and cost effective manner.

**BASE PROGRAM:**

As part of the state's assumption of county welfare programs in fiscal 1984, the Department of SRS assumed responsibility for administration and funding of the county level medical program in the 12 state assumed counties.

The State Medical program is a 100% general funded program which provides medical benefits to low income persons who do not qualify for any other form of federal or state medical assistance. Services provided under the State Medical Program are similar to those provided by the Medicaid Program. In fact, the legislature has limited the State Medical Program to services that do not exceed the amount, scope, or duration of mandatory services provided under the Montana Medicaid program.

The legislature has the authority to limit the State Medical program to emergency services only. Such a limit would significantly reduce general fund cost while maintaining a limited safety net for the economically disadvantaged.

**BASE FUNDING:**

Funding for the State Medical Program is 100 percent general fund.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
# Recipients	3,354	2,515	2,565	2,617

Note: The number of services available was reduced to mandatory services on October 1, 1992. This reduces the number of recipients for Fiscal 93 and limits growth for fiscal years 1994 and 1995 to 2% per year.

**MEDICAID SERVICES DIVISION**  
**Department of Corrections and Human Services**

**GOAL:**

- To ensure that quality services are provided to Medicaid eligible individuals in Montana's state operated long term care institutions in accordance with state and federal standards while maximizing federal participation in the cost of operating the state institutions.

**BASE PROGRAM:**

Six state operated institutions receive reimbursement under the Medicaid institutional reimbursement program. Two of the facilities, Montana Developmental Center and Eastmont Human Services Center, are funded as Intermediate Care Facilities for the Mentally Retarded (ICF's/MR). Three facilities, Montana Veterans Center, Montana Center for the Aged and Galen State Hospital are funded as Nursing Facilities (NFs). Warm Springs State Hospital is the state's only Institution for Mental Diseases (IMD). The state's ICF's/MR and Warm Springs State Hospital are funded through a cost-based reimbursement system. The three nursing facilities are reimbursed through the regular nursing facility prospective rate system. The Medicaid budget includes only the federal funds for these programs.

Deletion of this program from the Medicaid budget would require the state to pay 100% of the costs incurred at these institutions or reduce the level of services available. Total revenue lost to the state would be approximately \$24,369,432 over the 1995 biennium.

**BASE FUNDING:**

Like other Medicaid services, institutional reimbursement is at the same federal state match ratio of approximately 29 percent state funds and 71 percent federal funds. However, the Department of Social and Rehabilitation Service is only appropriated the federal portion of the Medicaid reimbursement for institutions. The general fund match is appropriated to the Department of Corrections and Human Services.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Reimbursement	\$12,458,530	\$11,735,720	\$11,921,000	12,448,432

**MEDICAID SERVICES**  
**Nursing Homes**

**GOALS:**

- To ensure that quality nursing home services are provided in accordance with state and federal standards to the Medicaid eligible individuals who require them.

**BASE PROGRAM:**

The Medicaid nursing facility program provides reimbursement for short and long term nursing care to Medicaid eligible persons. During fiscal 1992, approximately 62 percent of the total number of nursing facility beds in the state were funded through the Medicaid program. Approximately 4,000 persons per month receive nursing facility services funded by Medicaid. Currently, 96 nursing home providers are certified as eligible to receive Medicaid reimbursement. These providers include public, private non-profit, and private proprietary organizations located in fifty-three of Montana's fifty-six counties and range in size from 6 to 278 beds.

Nursing facilities are reimbursed under a complex formula that establishes a fixed rate per day. In fiscal year 1992 SRS implemented a new reimbursement system for nursing facilities which incorporated facility costs and an inflationary index. The rate per day is calculated prospectively and incorporates such factors as property costs, direct nursing staff, and the severity of need of the individual residents of the facility, operating cost and an incentive component. In 1993 the department rebased the nursing facility reimbursement formula using 1991 Medicaid cost reports to establish reimbursement levels.

The 1993 reimbursement formula projects the average cost of nursing facility care to be \$75.43 per day while the average daily Medicaid rate is \$67.

The current 1994/1995 executive budget contains no new money for nursing facility reimbursement. The Montana Health Care Association is very interested in filing a Boren amendment law suit if the funding issue is not resolved regarding the adequacy of reimbursement rates.

The Medicaid nursing facility program is funded in part by a utilization fee on bed days reimbursed by third party payers. The fee began in 1992 at \$1/day and increased to \$2 in 1993. Federal law changes will result in a change in the mechanics of how the fee will be assessed. Starting in FY 1994 the fee must be imposed in a broad based manner to all payers.

In addition to the regular long and short term care, the nursing home program also includes funding for one privately operated Intermediate Care Facility for the Mentally Retarded (ICF/MR) as well as hospital "swing" beds that may be used to provide both acute hospital and longer term nursing care services.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Number of Bed Days	1,395,457	1,401,686	1,415,703	1,429,860

Note: A 1% increase in bed days is projected for FY 94 and FY 95.

**MEDICAID SERVICES  
Inpatient Hospital**

**GOAL:**

- To ensure eligible Medicaid recipients receive appropriate inpatient hospital care in the most efficient and cost effective manner consistent with state and federal guidelines.

**BASE PROGRAM:**

Inpatient hospital services are services furnished to a Medicaid recipient under the direction of a physician or dentist in an inpatient hospital setting. "Inpatient" means a patient who is receiving professional services and board and room on a 24 hour basis.

Payment for in-state hospitals is made on the basis of a prospective payment system developed by the state and is based on the Medicare Diagnosis Related Group (DRG) system which classifies each inpatient stay into one of 473 groups. Additional payments are made to hospitals which serve a disproportionate number of Medicaid recipients or low income patients, for capital related costs, for medical(nursing) education related costs, and for extremely long or costly stays.

This prospective system was implemented in October of 1987. Since that time Medicare has performed five major revisions to its DRG system. Medicaid has not updated its system. A recently completed study of the hospital reimbursement system strongly recommends significant updates to the system, both to help Medicaid control escalating costs and to give the state a defensible, equitable system.

Medicaid guidelines under Title XIX of the Social Security Act require that payments "are reasonable and adequate to meet the costs which must be incurred by efficiently and economically operated facilities" and "assure that individuals eligible for medical assistance have reasonable access to inpatient hospital services of adequate quality". In the past, Montana has utilized a national market basket index to update rates to insure reasonable and adequate rates. Hospital rates were frozen in 1992 and 1993. An increase in the base rate is needed, along with other adjustments to the system in order to maintain compliance with Boren Amendment requirements.

Medicaid also utilizes out of state providers for certain services. These services include, but are not limited to, services not available in Montana (such as some levels of neonatal intensive care services) or services that are necessary or more cost effective to treat out of state.

The objectives of the Inpatient hospital program will be to provide recipients with necessary services and to implement changes that reduce

the administrative burden on both Medicaid and the providers. In FY 92, Medicaid reimbursed approximately 92,000 days of care for 15,666 recipients.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Number of Admissions	17,326	22,085	26,844	31,676

**MEDICAID SERVICES**  
**Inpatient Psychiatric Services**

**GOAL:**

- To ensure eligible Medicaid recipients receive appropriate inpatient psychiatric care in the most efficient and cost effective manner consistent with state and federal guidelines.

**BASE PROGRAM:**

Reimbursement is provided for services provided in an inpatient psychiatric facility which is devoted solely to the care of individuals under the age of 21 provided that:

1. Proper treatment of the recipient's psychiatric condition requires services on an inpatient basis under the direction of a physician;
2. The services can reasonably be expected to improve the recipient's condition or prevent further regression so that the services will no longer be needed.

To receive payment proposed services must be deemed medically necessary by the designated peer review organization both at admission and on an on-going basis throughout the stay. Reimbursement for services in state is at cost on a retrospective basis, subject to limits. Out of state providers are paid at a percentage of charges to approximate cost. Currently, there are four facilities certified to provide the above services in the state - Rivendell-Billings; Rivendell-Butte; Yellowstone Treatment Center-Billings and Shodair-Helena. Yellowstone Treatment Center provides less intensive treatment than the Rivendells and Shodair facilities. In addition, several out of state providers perform services to a limited extent.

Currently, parental income and resources are not considered in determining the financial eligibility of the individual admitted to a facility. This results in Medicaid being available to virtually any



child who is admitted. This results in parents who have the ability and willingness to pay for care not being required to. In addition, since Medicaid reimburses the cost of the services, the providers do not have the ability to earn a profit from private pay patients since almost all private pay patients become eligible for Medicaid during their stay.

The objective of this program is to provide medically necessary and appropriate care to Montana children.

The Department and DFS are currently examining the continuum of youth services and evaluating a case management model for this service. In addition, the department is examining the possibility of further limiting financial eligibility by considering family income and resources rather than only the resources of the child.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Reimbursement	\$10,612,699	12,076,367	13,350,000	14,480,694

**MEDICAID SERVICES  
Outpatient Hospital**

**GOAL:**

- To ensure eligible Medicaid recipients receive appropriate outpatient hospital care in the most effective and efficient manner consistent with state and federal guidelines.

**BASE PROGRAM:**

Outpatient services provided by hospitals under the direction of a physician or dentist may be either preventative, diagnostic, therapeutic, rehabilitative or palliative. "Outpatient" means a patient who is not receiving board, room and professional services on a 24 hour-a-day basis. Services are limited to emergency room services and services provided in a hospital that would also be covered by Medicaid in a non-hospital setting (i.e. outpatient surgery, physical therapy, etc.). A major goal of the Outpatient Hospital Program is to encourage hospitals to provide services to "traditional" inpatients in the less expensive outpatient setting whenever appropriate.

Reimbursement is on a retrospective cost basis. These services are becoming more widely used as medical technology and cost containment pressure increases. The Department (SRS) is requesting funding to study

outpatient reimbursement and to develop a system that would restrict the rate of growth in costs in this program.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Reimbursement	\$15,438,022	19,341,043	25,862,601	32,606,747
Units of service	416,428	431,003	N/A	N/A
Cost per service	\$16.12	16.75	N/A	N/A
No recipients	23,660	24,606	N/A	N/A
No providers	409	409	N/A	N/A

**MEDICAID SERVICES  
Physician Services**

**GOALS:**

- To provide diagnostic and treatment services to all recipients with acute or chronic medical or psychological problems. Treatment is provided to correct, restore or rehabilitate the individual's medical/psychological health status.

**BASE PROGRAM:**

Physician services are mandated under federal Medicaid statute. Medical care provided through a physician is provided to diagnose and/or treat acute or chronic physical or mental health problems.

Low rates of reimbursement by Medicaid have created difficulty in maintaining provider participation. The majority of fees for physician services are only 50% of customary charges. These low rates are resulting in increases in complaints regarding reimbursement and contributing to reduced willingness of physicians to accept Medicaid patients.

The federal government requires adequate and reasonable payment rates for obstetrical and pediatric physician services. This was recently adopted through the passage of the Omnibus Budget Reconciliation Act of 1989 (OBRA). During the 1993 biennium, the legislature raised Medicaid reimbursement rate for obstetrical care to 85 percent and for pediatric care to 80 percent of major insurance rates of reimbursement for these services respectively.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Units of service	829,305	1,013,652	1,187,660	1,247,043
Cost per service	\$25.22	\$35.88	\$35.91	\$37.71
Number providers	1,903	1,903	N/A	N/A

**MEDICAID SERVICES**  
**Drugs**

**GOAL:**

- To ensure eligible Medicaid recipients receive appropriate drugs services in the most effective and efficient manner consistent with state and federal guidelines.

**BASE PROGRAM:**

Outpatient drugs are an optional service under the Medicaid Program. These include prescription drugs and biologicals and antacids, laxatives and insulin that are available without a prescription. By providing medically necessary drugs and biologicals, Medicaid recipients are able to reach and maintain as meaningful and productive life as possible. Coverage of these services also can be a cost effective alternatives to other forms of treatment.

The objectives of the drug program is to provide services to children and to adults, provide technical assistance to providers and improve access to preventive care.

Medicaid has implemented a utilization review program (DUE CARE) on January 1993 that will improve quality and cost effectiveness.

The elimination of outpatient drug/pharmacy services could result in recipients acquiring these services through a more costly method such as physicians office, outpatient hospital, or emergency services. The elimination of drugs could also result in recipients becoming sicker and requiring more expensive inpatient hospital or long term care services. Physicians and other practitioners could also become frustrated at not being able to obtain drugs to maintain their patients at home and in the community.

Numerous options could be considered such as, limiting the number of drugs purchased each month; limiting the dollar amount a recipient would have available for purchase of drugs each month. A few types of drugs can be eliminated. However, other states that have done this have experienced shifting costs to more expensive settings.

Medicaid Drug Utilization Review (DUR) Programs have been used in other states to improve the quality and cost effectiveness of drug therapy rendered to Medicaid recipients. A DUR Board composed of three pharmacists and three physicians is in place. The Board examines Medicaid recipients' medical services profiles to identify potential concerns.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Recipients	56,573	62,796	69,703	77,371
Services (Approx)	848,599	941,945	1,043,559	1,160,570
Providers	374	384	NA	NA

**MEDICAID SERVICES  
Dental Program**

**GOAL:**

- To ensure eligible Medicaid recipients receive appropriate dental services in the most effective and efficient manner consistent with state and federal guidelines.

**BASE PROGRAM:**

The dental services program provides dental services to eligible recipients through licensed and enrolled providers. Dental services include preventive, restorative and emergency services necessary for maintaining dental and general health. Services are provided by licensed dentists or dental hygienists under the direct supervision of a dentist. Dentures may be provided by a licensed denturist when they are prescribed by a dentist. The program contracts with dental consultants to review and authorize selected dental procedures.

The objectives of the dental program are to provide services to clients, provide technical assistance to providers and improve access to preventive dental care to children.

Dental services are federally mandated for children and can not be eliminated. If adult dental services were eliminated, the dental and general health of low income adults, including developmentally disabled and nursing home recipients, will suffer due to lack of access to dental care. Nursing homes must assure access to dental care for their patients so the elimination of adult dental services would result in a shift of the dental costs to the nursing home program.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
No service (children)	41,423	47,456	49,829	
No service (adults)	76,929	88,400	92,820	
No children served	10,161	NA	NA	
No adults served	10,106	NA	NA	
No providers	450	NA	NA	

**MEDICAID SERVICES**  
**Other Practitioners**

**GOALS:**

- To provide a range of medically necessary professional therapy services that will assist eligible Medicaid recipients to remain in the home or community in the most cost effective and efficient manner consistent with state and federal guidelines.

**BASE PROGRAM:**

Deletion of these optional services would restrict access to necessary health care and some recipients may seek the services needed from providers who may be more expensive sources of care, such as nursing homes, hospital outpatient services and home health agencies.

Nurse specialists services are federally mandated services and cannot be eliminated.

All services in the Other Practitioner Services program are federally mandated for children under the age of 21 in compliance with the EPSDT changes mandated by OBRA 89.

The following is a list and brief description of each of the other practitioner services currently available under Montana's Medicaid program.

**Audiology:**

Audiology services includes hearing aid evaluation and basic audio assessment provided by a licensed and enrolled audiologist to eligible recipients with hearing disorders.

The objectives of the audiology program are to provide children and adults with audiological services, to provide technical assistance to 50 providers and to expand services to include hearing testing for children with communication disorders.

Nurse Specialist:

The nurse specialist services program covers services provided by licensed and enrolled nurse midwives, nurse practitioners and nurse anesthetists. Services include primary health care services for the treatment of acute or chronic illnesses as defined within the nurse practice act.

Physicians Assistants

Physician Assistant services are provided by Physician Assistants under the supervision of Supervising Physicians and include obtaining medical histories, comprehensive physical examinations, minor surgical procedures and counseling on preventive health care topics. These services will vary with the individual protocols established between the Supervising Physician and the Physician Assistant. There are currently 30 physician Assistants enrolled in the Medicaid program.

Occupational Therapy:

Occupational therapy services are provided by licensed occupational therapists who are enrolled in the Medicaid program or certified occupational therapy assistants under the direct supervision of a licensed occupational therapist. Occupational therapy services are medically directed treatment of physically and/or medically disabled individuals by means of constructive activities designed and adapted to restore useful function for eligible recipients.

Nutrition Services:

Nutrition services are medical services related to the care and treatment of dietary problems. Nutrition services may include screening, assessment, counseling, consultation, education, and related services. Nutrition services may be provided only by a licensed or registered Nutritionist or Dietician. Reimbursement is limited to medically necessary services rendered to Medicaid eligible individuals under the age of 21.

The objectives of this program are to comply with the requirements of OBRA '89 by providing services to children under the Kids Count (EPSDT) program, and to provide technical services to enrolled providers.

Respiratory Therapy:

Respiratory therapy services are medical services related to the care and treatment of the human respiratory system. Under the Medicaid program respiratory therapy services may be provided only by a licensed Respiratory Care Practitioner. Reimbursement is limited to medically necessary services rendered to Medicaid eligible individuals under the age of 21. Respiratory therapy is an expansion mandated by OBRA '89, and was implemented July 1, 1992.

The objectives of this program are to comply with the requirements of OBRA '89 by providing services to children not in a hospital setting under the Kids Count (EPSDT) program, and to provide technical services to enrolled providers.

Private Duty Nursing Services:

Private Duty Nursing Services are services provided by a registered nurse or licensed practical nurse to a non-institutionalized patient under the age of 21 requiring care for conditions of such medical severity or complexity that skilled nursing care is necessary. Private Duty Nursing Services include skilled nursing services provided by a registered or licensed practical nurse, and patient specific training provided to a registered nurse or licensed practical nurse. Private Duty Nursing for non-institutionalized patients under 21 is an expansion mandated by OBRA '89, and was implemented September 1991.

The objectives of this program are to comply with the requirements of OBRA '89 by providing services to children under the Kids Count (EPSDT) program, and to provide technical services to enrolled providers.

Chemical Dependency Treatment:

Chemical dependency treatment services are medical services related to the care and treatment of patients who are addicted to alcohol or drugs. Chemical dependency treatment services may be provided only by a facility approved by the Montana Department of Corrections and Human Services. Chemical dependency treatment services may include intensive outpatient, basic outpatient, and aftercare. When an eligible child receives outpatient chemical dependency treatment, and the certified chemical dependency counselor consults with the parent as part of the child's treatment, the consultation is also a reimbursable service.

Outpatient chemical dependency treatment must be determined appropriate by a certified chemical dependency counselor. Reimbursement is limited to medically necessary services rendered to Medicaid eligible individuals under the age of 21. Chemical dependency treatment is an expansion mandated by OBRA '89, and was implemented July 1, 1992.

The objectives of this program are to comply with the requirements of OBRA '89 by providing services to children under the Kids Count (EPSDT) program, and to provide technical services to enrolled providers.

Chiropractic Services:

Chiropractic services are offered to Medicaid children under the age of 21. Chiropractic services are limited to treatment by means of manual manipulation of the spine, and x-rays to support the diagnosis of subluxation of the spine. Services must be provided by a licensed chiropractor in accordance with the laws of the state in which he or she is practicing. Reimbursement is limited to medically necessary services rendered to Medicaid eligible children under the age of 21.

Chiropractic services is an expansion mandated by OBRA '89, and was implemented July 1, 1992.

The objectives of this program are to comply with the requirements of OBRA '89 by providing services to children under the Kids Count (EPSDT) program, and to provide technical services to enrolled providers.

#### Optometric:

The optometric services program provides routine eye care to determine the need for corrective lens, visual training, treatment of diseases of the eye and eyeglasses or contact lens. Services are provided by licensed and enrolled optometrists.

The objective of the optometric services program are to provide services to children and adults who require this service, provide technical services to the 250 providers and to provide medically necessary services to children under the Kids Count (EPSDT) program. In 1992 the program served 371 children and 691 adults.

#### Physical Therapy:

Physical therapy services are provided by licensed and enrolled physical therapists and their assistants to eligible Medicaid recipients. Physical therapy services include evaluation, treatment and instruction to limit or correct physical disability, bodily malfunction and bodily and mental disability.

The objectives of the physical therapy program will be to provide services to children and adults who require this service, provide technical services to the 70 enrolled providers and expand the number of services to children. In 1992 the program served 519 children and 964 adults.

#### Podiatry:

The podiatry service program is provided by licensed and enrolled podiatrists who treat eligible recipients with foot and ankle problems. The podiatry services program includes treatment for the amelioration of pain and suffering and maintenance of ambulation. Podiatry service also includes medical care, surgery, prosthesis and other services related to the treatment of the ankle and foot.

The objective of the podiatry program is to treat clients, provide technical assistance to 30 enrolled podiatrists, and to improve the access to care to recipients in remote areas of the state and to eligible children in need of the service.

#### Licensed Professional Counselors

The Licensed Professional Counselors program includes the provision of individual therapy, group therapy, family therapy, appraisals and



consultation services. Services are provided by licensed and enrolled clinical Licensed Professional Counselors.

The objectives of the licensed professional counselors program is to provide services to children and adults, to provide technical assistance to enrolled providers and to improve the access to care for those recipients residing in remote areas of the states.

Psychological Services:

The psychological services program includes the provision of psychological testing and consultation, individual, group and family services to eligible recipients. Services are provided by licensed and enrolled clinical psychologists. The objectives of the psychological services program are to treat children and adults, provide technical assistance to enrolled providers and to improve the access to care to recipients in remote areas of the state.

Social Work Services:

Social work services are provided by licensed and enrolled social workers to eligible recipients in need of counseling services. Social worker services include consultation, individual, group and family therapy services necessary to the treatment of mental diseases.

The objectives of the social work services program is to provide services to children and adult recipients, to provide technical assistance to enrolled providers and to improve the access to care for those recipients residing in remote areas of the state.

Speech Therapy:

Speech therapy services are provided by licensed and enrolled speech therapists to eligible Medicaid recipients. Speech therapy services include diagnostic, screening and corrective procedures performed by qualified speech pathologists to detect, assess, prevent, correct and alleviate speech and language disorders.

The objectives of the speech therapy services program are to provide services to children and adults, provide technical assistance to the approximately 35 speech therapists, and to increase the number of hours of services available to children.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Average Cost Per Service	\$11.56	11.13	10.35	10.02

**MEDICAID SERVICES DIVISION**  
**Other Services**

**GOAL:**

- To provide a range of medically necessary services that will assist eligible Medicaid recipients to remain in the home or community in the most cost effective and efficient manner consistent with state and federal guidelines.

**BASE PROGRAM:**

Family planning, sterilization and lab and x-ray services are mandatory services which a state must offer if they choose to participate in Medicaid. All of the other services listed in the "other Medicaid services" category are optional services with respect to adults. This means that the state Medicaid program may choose to provide these services if they wish. These services are mandatory, however, with respect to children under the Early Periodic Screening, Diagnostic and Testing Program (EPSDT). These services may be categorized as services which provide for a specific need such as eyeglasses or hearing aid services, or as services which are alternatives to more costly institutional care, such as home health or personal care services.

Other Medicaid Services includes the following medical services:

Clinic Services

Clinic services are preventative, diagnostic, therapeutic, rehabilitative, or palliative services provided on an outpatient basis by a facility that is not part of a hospital, but is organized and operated to provide medical care. Clinic services may be provided in mental health centers, diagnostic centers, and/or surgical centers. Public Health Clinics, Federally Qualified Health Centers (FQHC), Rural Health Clinics (RHC). (Rural Health Clinics may be "provider based", that is, part of a hospital.)

Clinic services are intended to provide medical treatment on an outpatient basis rather than in a hospital setting which would be more costly. The services are intended to meet a specific medical need.

The objectives of the clinic services during the 1995 biennium will be to provide services to children and adults, provide technical assistance to providers and to maintain access to care.

Personal Care Services

These services are medically necessary in home services provided to persons whose chronic health problems cause them to be functionally impaired in performing activities of daily living such as personal

hygiene, administration of medication, meal preparation and home management. Personal care services are intended to prevent or delay institutionalization in a nursing home by providing maintenance or support services in the home.

The objectives of the personal care program will be to provide services to approximately 91 children each month and approximately 1184 adults each month, provide technical assistance to providers, and to maintain access to care.

#### Durable Medical Equipment

This category includes disposable medical supplies, durable medical equipment which has an extended useful life and prosthetic devices. These items are intended to meet the medical needs of individuals based on specific diagnosis in a cost effective manner. Some items such as oxygen are provided on a on going basis while other items such as the rental of medical equipment continue until the medical need has been resolved.

The objectives of the durable medical equipment program will be to provide services to children and adults, provide technical assistance to 126 providers and to maintain access to care. Medicaid is implementing volume purchasing for wheelchairs in an effort to obtain discounts on major equipment.

#### Home Health Services

Home Health services include nursing and therapy services provided by a licensed home health agency. These services are provided to individuals who are home bound and are not able to receive services in the community. These services are intended to maintain the individual in his or her own home or residence and to prevent institutionalization in a nursing home.

The objectives of the home health program will be to provide services to children and adults, provide technical assistance to the 42 providers and to maintain access to care.

#### Ambulance and Transportation

Ambulance services provide medical care and transportation of the sick or injured in a vehicle that is specially designed, staffed, and equipped with customary medical care equipment and supplies required by law. Ambulance services are intended for emergency life threatening situations.

Transportation services include mileage and per diem to individuals who must travel in order to receive medical treatment.

The objectives of the ambulance and transportation program will be to provide services to children and adults, provide technical assistance to

providers and to maintain access to care.

#### Home Dialysis

This service is provided to individuals with end-stage renal disease. Equipment and training of care-givers for kidney dialysis and to maintain the person at home. The major alternatives to this care are inpatient hospitalization or outpatient hospital care.

The objectives of the home dialysis program will be to provide services to children and adults, provide technical assistance to providers and to maintain access to care.

#### Hearing Aids

This service provides devices or instruments used to compensate for a hearing loss. This program is intended to maintain a person's ability to hear, communicate, and to be aware of his or her surroundings. The objectives of the hearing aid program will be to provide services to children and adults, provide technical assistance to 40 providers and to maintain access to care.

#### Eyeglasses

This service provides eyeglasses which include lens and/or frames prescribed by a physician or by an optometrist. This program is intended to correct visual problems of persons with impaired vision. Medicaid has implemented a volume purchasing contract to obtain discounts and improve the quality of service provided.

The objectives of the eyeglasses program will be to provide services to children and adults, provide technical assistance to providers and to maintain access to care.

#### Family Planning and Sterilization

Family planning services are designed to help a recipient make an informed choice about having a child and prevent unwanted pregnancies. These services are available without limitation and may include prescribed drugs, the services of a physician, or services provided by a local delegate of the family planning program of the Department of Health and Environmental Sciences. Services include physical examination, counseling, ordering of laboratory tests, prescriptions and other medically necessary services appropriate to family planning.

The objective of the family planning and sterilization program will be to provide services to children under the age of 21 and adults, provide technical assistance to providers and to maintain access to care.

### Targeted Case Management

Case management is one of the methods of human service delivery which emphasizes working with and through service providers to achieve a certain goal. It entails planning and coordinating care and services to meet individual needs and maximize access to necessary medical, social, nutritional, educational and other services. The individuals served must be eligible for Montana Medicaid. Montana targets the following four groups:

#### High Risk Pregnant Women

Pregnant women whose pregnancy outcomes are considered high risk. The case management provider must meet certain criteria and be approved by the Department of Social and Rehabilitation Services.

The major goals of this Program are to:

1. reduce infant mortality and morbidity;
2. ensure provision of comprehensive services to pregnant women and their infants; and
3. assist pregnant women and caretakers of infants in meeting priority needs that affect their well-being and that of their families.

The primary reason for including case management for this target group is to help remove two major barriers that negatively affect pregnancy outcomes. They are:

1. fragmentation and lack of coordination in service delivery; and
2. lack of patient knowledge of and ability to successfully access the health care system.

Reducing the incidence of high risk pregnancies, thus high cost infants, reduces Medicaid Program expenditures.

#### Individuals Age 16 & Over With Developmental Disabilities

These individuals are at least sixteen years old and have a developmental disability. The case manager must be employed by or under contract with the Montana Department of Family Services.

#### Adults With Severe and Disabling Mental Illness

These individuals are at least eighteen years old, have severe mental illness and ongoing functional difficulties because of mental illness. These services help reduce costly hospital stays and improve quality of life for the clients and their families. Services must be provided by a licensed mental health center (or other approved provider) under contract with the Montana Department of Corrections and Human Services.

### Youth With Severe Emotional Disturbance

These children are less than eighteen years old (or are Less than twenty-one years old and being served by an education agency) and have severe emotional disturbance(s). The case management services must be provided by a licensed mental health center (or other approved provider) under contract with the Montana Department of Corrections and Human Services.

### Lab and X-Ray

Laboratory and x-ray services serve to help the physician diagnose and treat a medical condition. These services must be ordered by a physician or be done under the direction of a physician for diagnostic purposes. Lab tests must be done by a licensed laboratory.

The objective of the lab and x ray program will be to provide services to 282 children and 525 adults, provide technical assistance to providers and to maintain access to care. New federal regulations for certification of labs (CLIA) will impact the number and cost of services reimbursed under this program in the next biennium.

### Hospice

The Medicaid Hospice program provides health and support services to terminally ill individuals and their families. Hospice care is an approach to treatment that, recognizing the impending death, focuses on palliative rather than curative care. The hospice seeks to help the individual and those close to the person come to terms with the terminal condition (6 months or less) and live the remaining life as fully as possible.

Individuals who elect to receive hospice services also must waive certain other Medicaid services such as those services which are related to the treatment of the terminal illness. The Medicaid program realizes savings via hospice services because the cost of medical services waived are almost always greater than the cost of hospice services alone. For example, a person dying of cancer may elect the hospice option and receive primarily pain management services instead of inpatient hospital services, chemotherapy, etc.

### **BASE FUNDING:**

Funding for Family Planing and Sterilization is currently 90% federal funds and 10% general funds. These funding amounts are anticipated to remain the same for the next biennium. The other services listed above are funded at approximately 71% federal funds and 29% state general funds.

**PERFORMANCE INDICATORS:**

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Units Service Child	976,764	1,010,951	NA	NA
Units Service Adult	1,813,991	1,877,481	NA	NA
Cost per Service	\$4.99	\$5.22	\$5.14	\$5.24

**MEDICAID SERVICES**  
**Pregnant Women and Children Program**

**GOALS:**

- To ensure appropriate pregnancy related services are available and accessed by low income women in the most cost effective and efficient manner consistent with state and federal guidelines.

**BASE PROGRAM:**

The pregnant women and children program provides pregnancy related services to women who would not otherwise qualify for Medicaid but whose income is at or below 133% of the federal poverty level. It also provides full Medicaid benefits to infants of these women up to one year of age.

The Pregnant Women and Children program is a mandated service as a condition of participation in the federal Medicaid program. Deletion of this program would result in restricted access to pre-natal and post-partum care for many high risk pregnant women which might result in more complicated and expensive care at a later date.

The objectives of the Pregnant Women and Children program during the 1995 biennium are to provide services to an additional 238 women and 119 infants in FY 90, and 238 women and 238 infants in FY 91.

EXHIBIT 3  
DATE 1-15-93  
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# **STATE MEDICAL**

**Limited Medical Services  
For Recipients  
With  
Serious Medical Conditions**



EXHIBIT 3  
DATE 1-15-93  
800

## **STATE MEDICAL**

**PROGRAM GOAL:** To provide indigent Montanans with serious medical conditions basic medical services compatible with decency and health.

### **PROGRAM DESCRIPTION:**

State Medical (SM) is a 100% state funded assistance program designed to provide limited medical services to recipients with serious medical conditions. SM eligible individuals or families do not have sufficient income or resources to sustain themselves and do not meet eligibility criteria for other state and federal assistance programs. Eligibility is determined by income and resources and the eligibility requirements are identical to General Assistance (GA). SM is available in the twelve state assumed counties.

### **POPULATION SERVED:**

State Medical recipients include both GA recipients and those persons who are within financial limits for GA, but choose to receive only State Medical services, or whose time limited GA benefits have been exhausted. The July, 1992 special legislative session changed the services of this program from one which mirrored Montana Medicaid in scope and duration to a limited services program. As of October 1, 1992 only hospital services, physician services and prescribed drugs are available to recipients. Financial Eligibility requirements were also changed

and now are the same as for GA. This change eliminated a resource spend-down and lowered the State Medical income level from 150% of the GA standard to 100% of the standard. Preliminary figures show a caseload reduction of approximately one-fourth.

For FY92, there were 2,062 persons eligible for State Medical. Of the 2,062, 1,458 were GA eligible recipients and 604 were State Medical Only eligible recipients. The average State Medical Eligible person is single and aged 31 to 45 years old. Attachment #1 shows the age distribution and marital status of all eligibles. Women make up 37% of State Medical Eligibles. Attachment #2 shows the age and marital status of female eligibles, while Attachment #3 shows the same data for males. Expenditures for FY92 for this caseload will be given by the Medicaid Services Division.

**RECENT CHANGES:**

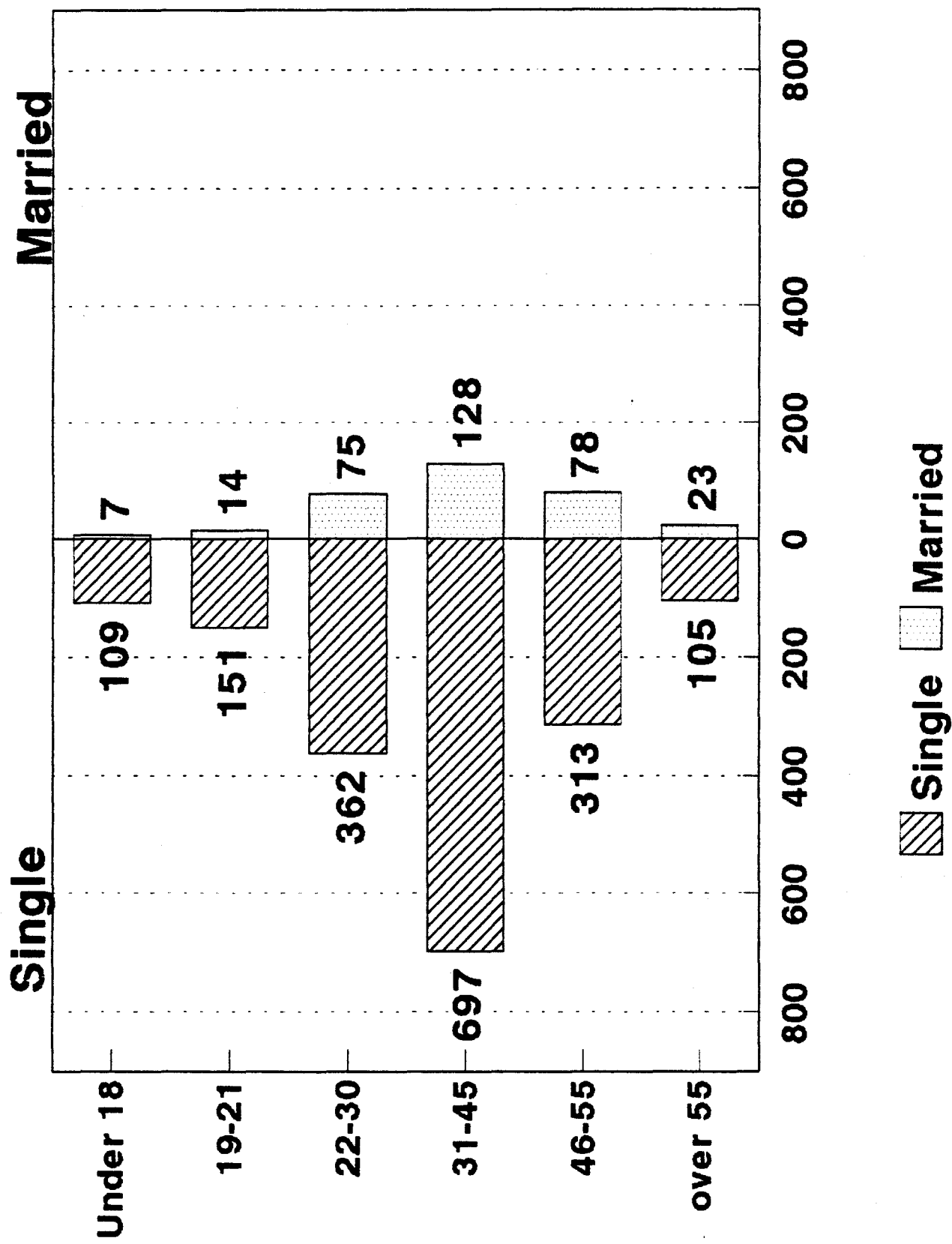
FY93 figures for caseload and expenditures are limited because of the length of time providers need for billing. However, the changes which took place on October 1st will have substantial impact on both the fiscal side and the human side. Costs are already declining due to the reduction in services and tighter eligibility requirements. The human impact is also being felt as clients and providers call the Department and the media about the cuts in services or about being eliminated from the program. Many complaints have centered on the lack of any dental or respiratory therapy services and ancillary medical items (syringes for

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DATE 1-15-93  
80

diabetics, etc.) no longer being covered. Persons eliminated from the program due to the new eligibility requirements have also been quite vocal. These recent changes and reactions to them have pointed out the basic need for this program.

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# State Medical Age Distribution For FY 92

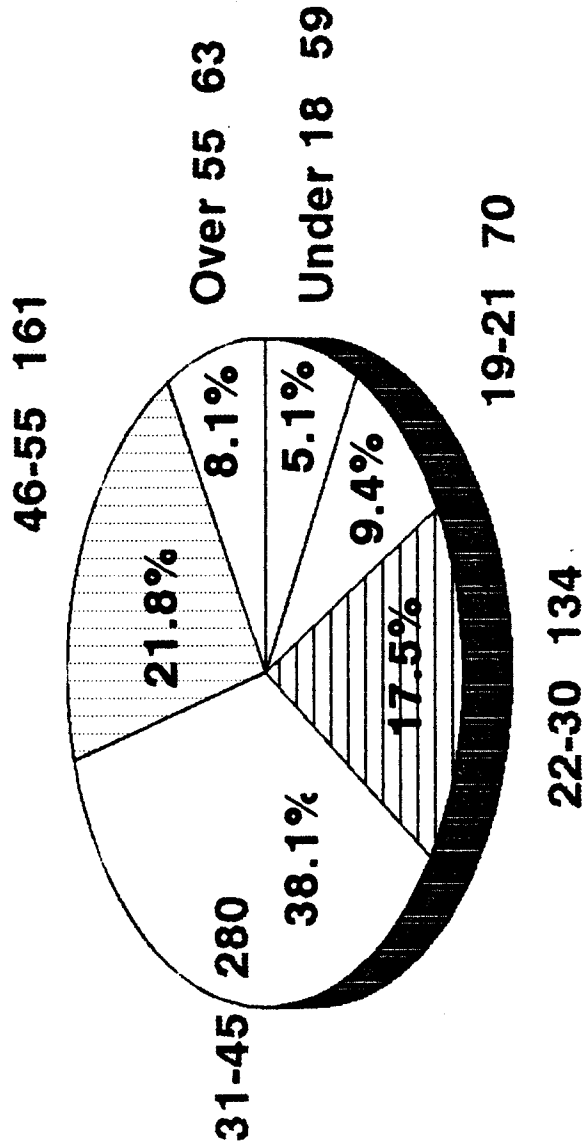


Based on data from Jan-June, 1992

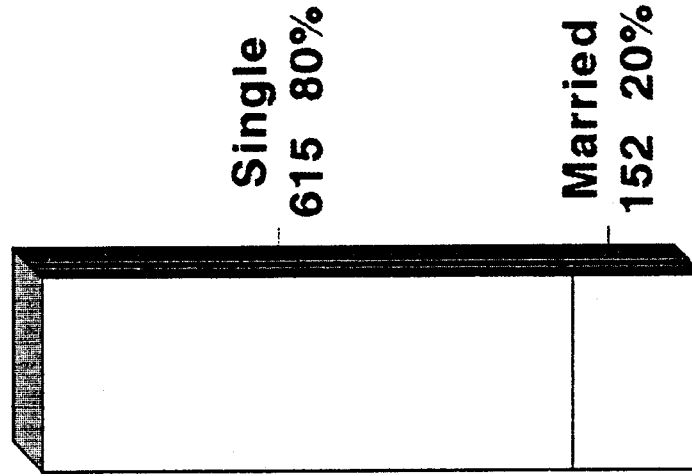
# State Medical Female Eligibles By Age and Marital Status

## FY 92 Summary

EXHIBIT 3  
 DATE 1-15-93  
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**By Age**

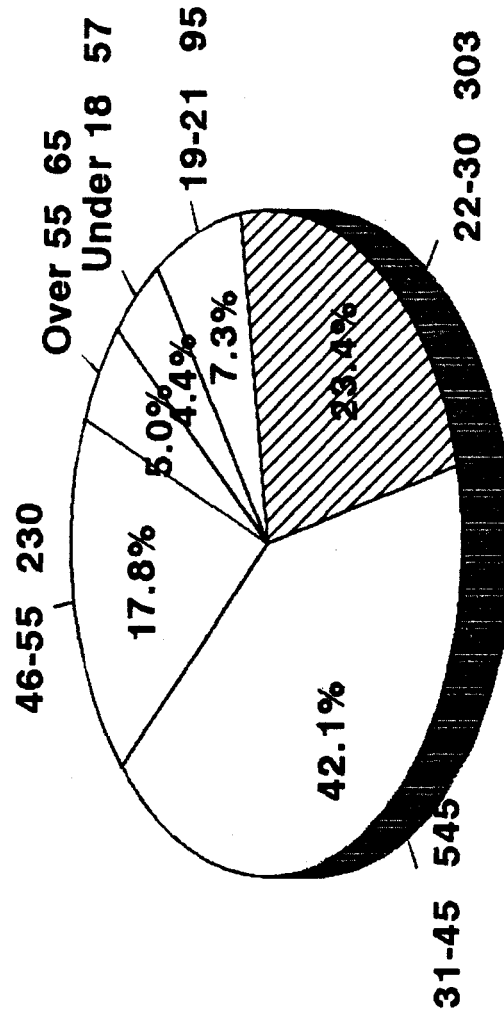


**By Marital Status**

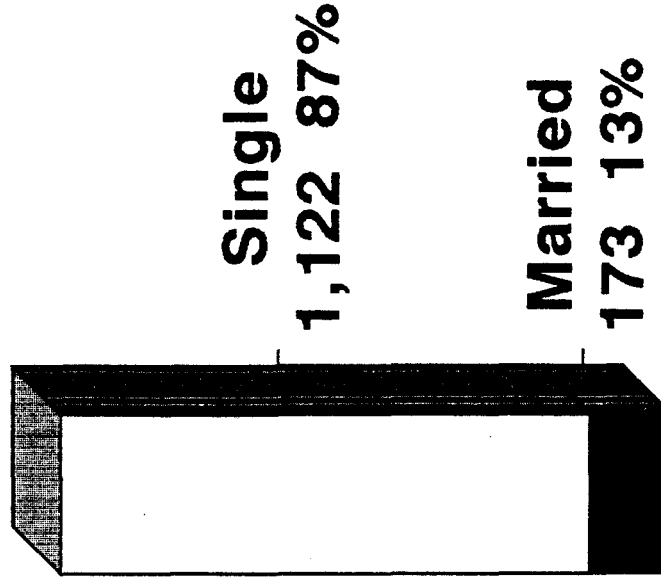
Data based on January-June, 1992  
 Total Female Recipients 767

# State Medical Male Eligibles By Age and Marital Status FY 92 Summary

FORM 2  
DATE 1-15-93



**By Age**



**By Marital Status**

**Total Male Recipients 1,295  
Data from January-June, 1992**

Presentation Date: 1/15/93

SRS Staff: Nancy Ellery, John Chappuis, Norm Rostocki

Committee: Human Services Appropriations Sub-Committee

### State Medical Services

**Current Program:** This program covers persons who live in one of the 12 "state-assumed" counties who have medical bills and are not eligible for any other medical program such as Medicare or Medicaid. A person is automatically eligible for State Medical benefits if he/she is either eligible for General Relief Assistance or may become eligible for State Medical by meeting certain income requirements. Refer to the attached map which identifies the state assumed counties.

You already heard testimony from Roger regarding who is eligible for the program when he presented the charts showing the eligibles by age, sex and marital status. The charts showed that the "typical" person eligible for the State Medical program was a single person between the ages of 31 and 45.

### How Much Does It Cost?

Chart 1 shows the cost history of the State Medical program since 1986. The program cost rose steadily until FY 1990 when the Legislature started putting constraints on the program beginning

with Project Work, later limiting the eligibility of General Assistance for 4 months and finally reducing the scope of benefits in the July, 1992 Special Session. Each of these actions seem to temporarily stop the growth of the program.

### **Benefits Covered**

Chart 2 shows what benefits are covered by the State Medical program in FY 92 and FY 93. The scope of the State Medical program in prior to October, 1992 was identical with the Medicaid program. In the July, 1992 Special Session, the benefit package was reduced to hospital services, physicians (including lab and x-ray costs) and prescription drugs effective October 1, 1992.

Nearly 1500 persons have received benefits from this program during this fiscal year (bill received through 12/92) while almost 3400 received benefits in FY 92.

### **What Are We Doing To Control Costs?**

In September, 1991, the division implemented a contract to manage care of individual recipients and to review all inpatient admissions. This was authorized in SB 390 last session. The contractor reviews all I/P admissions for medical necessity before bills for services are paid. The contractor also tracks recipients that have high medical usage and requires that they contact contracted nurses in the community. The nurses work with the client's physician to develop a plan of care which might require



such things as participation in Alcoholics Anonymous, classes, restriction to a single physician and pharmacy, regularly reporting to a Mental Health center and in some cases, enrolling in the program at Galen. If the client does not cooperate with the managed care team, he/she is suspended from the program until cooperation is achieved. This part of the contract has resulted in clients going both ways. Some clients have used the nurses to help themselves address their medical problems and in a few cases, are now off of State Medical. Other cases have been suspended from the program because the client has no desire to follow the plan of action developed by the Managed Care nurse and the client's physician.

This contract costs \$120,000 and has paid for itself several times over. For example, State Medical will not pay for services in an out-of state facility that could have been provided in Montana.

#### **Case Examples-Hospital Certification**

In one case, a recipient chose to go to Mayo clinic in Minnesota even though his personal physician could perform the surgery here. The bill for this individual was in excess of \$250,000 but was not paid. In the past, these inpatient admissions were not reviewed and would have been paid.

In another example, a person was injured in Wyoming while participating in bull riding in a rodeo. When the hospital called to approve the admission, the nature of the injury was discovered

and reported to us. Current rules do not allow payment for persons who are voluntarily out-of-state. In this case, the hospitalization was not covered under the state medical program.

#### **Managed Care Examples**

The Managed Care part of the contract involves personal contact between the recipient, physician and the RN from Managed Care. A plan of care is developed by the case manager and the physician. The recipient must agree to abide by it. In the past year, Managed Care has been involved with 50 people at a cost of about \$600 per person. We have estimated a net savings of \$189,900 to date.

#### **Examples:**

1. Male, mid 30's, alcoholic, severe diabetes, epileptic seizures. Non-compliant with case management. He continued excessive drinking, usually resulting in seizures and inpatient stay approximately 3 times/month at cost of \$10,000 /month. Suspended from program after 1 month warning. Eventually moved back with parents in a non-assumed county. In this case, Managed Care saved a significant amount of state dollars but did not change client behavior.

2. Female, mid 30's, severe anorexia, several admissions to out-of-state eating disorder clinics; now being treated in Great Falls, paid \$6,200 to Mt Deaconess (\$119/day). If out-of-state, would have cost \$540/day for 52 days or \$28,080. Since has gone to a foster care home and healthy. Seeking employment. Ready to discontinue case management.

**Proposals For Change:** There are several proposals to change or eliminate the State Medical program by limiting enrollment, reduce services or both.

**Eliminate State Medical Program:**

This eliminates the state medical program.

Impacts: 3400 people received benefits in FY 92

Most of these expenditures will become uncompensated care by medical providers.

GF Savings: FY 94: \$3,933,000

FY 95: \$4,012,000

**Limit State Medical to Inpatient Hospital Services Only**

This option eliminates the current services of outpatient hospital, physicians, lab, x-ray and drugs. Services are limited to inpatient hospital.

Impacts: About 2900 people received services from other medical providers in FY 92. It's unknown if recipients will go to hospitals for routine health care. Managed Care contract to review inpatient admission for medical necessity would need to continue. If there is a shift to hospitals for care, we will be paying for health care in the highest cost setting.

Savings: FY 94: \$2,383,816

FY 95: \$2,431,657

**Limit State Medical to Physician, Pharmacy, Lab and X-Ray:**

This option eliminates inpatient and outpatient hospital services.

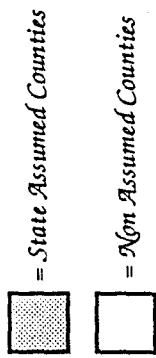
Services would be limited to physician, pharmacy, lab and x-ray.

Impacts: About 500 people used inpatient and 1700 people used O/P hospital in FY 92. Most of the savings will become uncompensated care at hospitals.

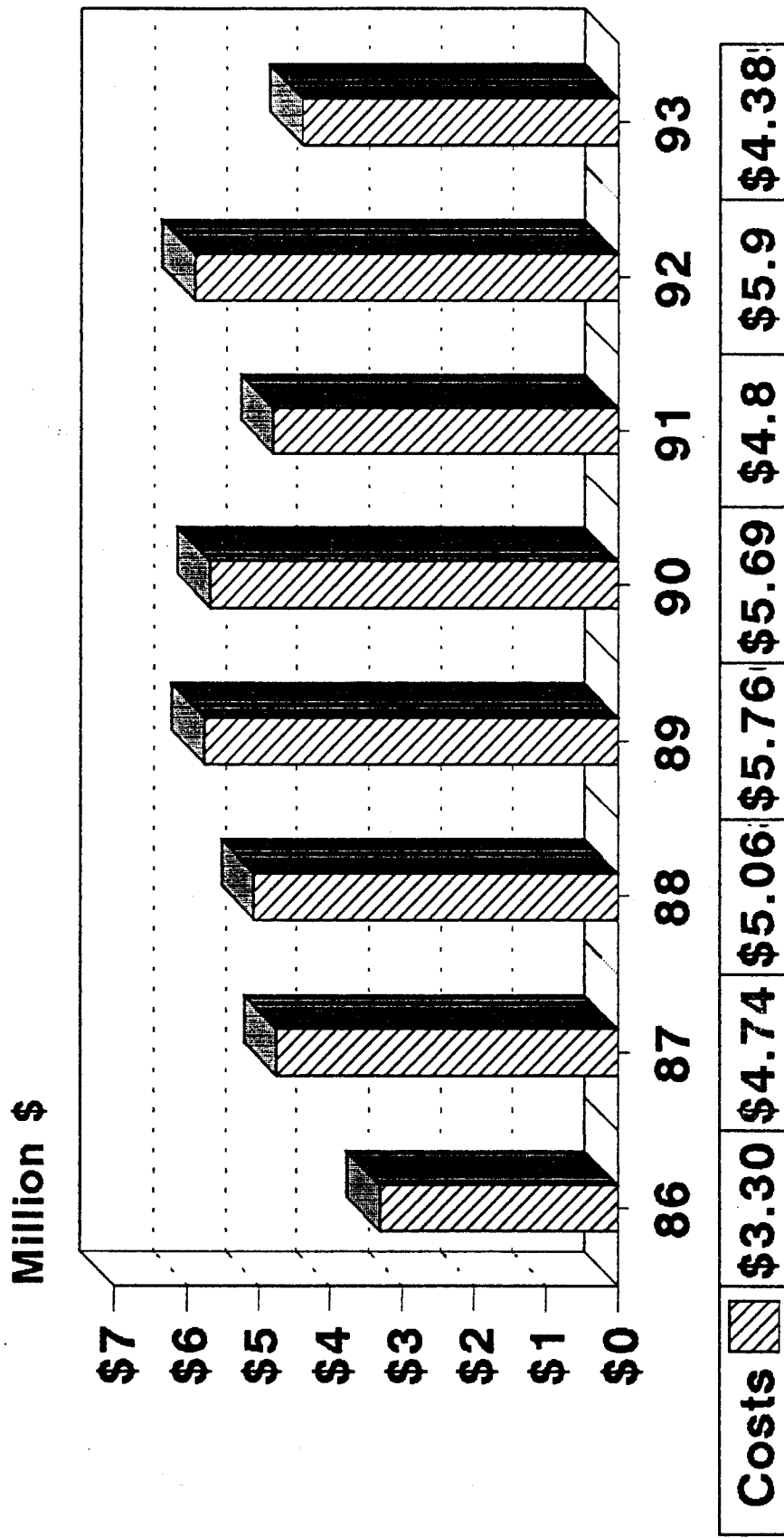
Savings: FY 94: \$2,218,601

FY 95: \$2,263,126

DATE 1-15-93



# Chart 1 State Medical Costs Fiscal Years 1986-1993



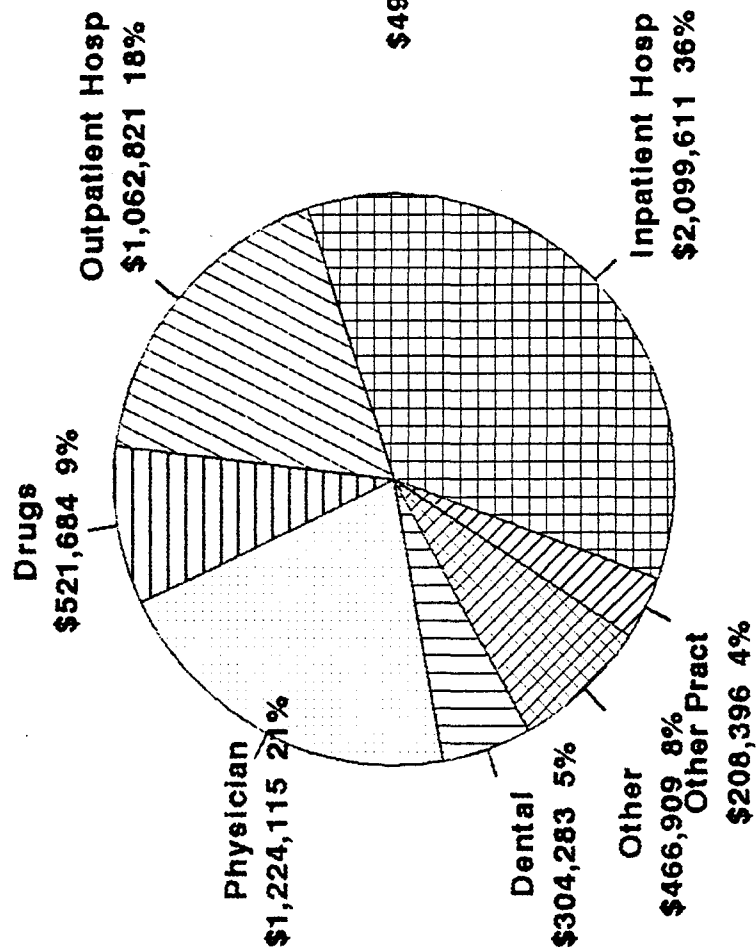
FY 1993 is estimated.

DATE 1-15-93

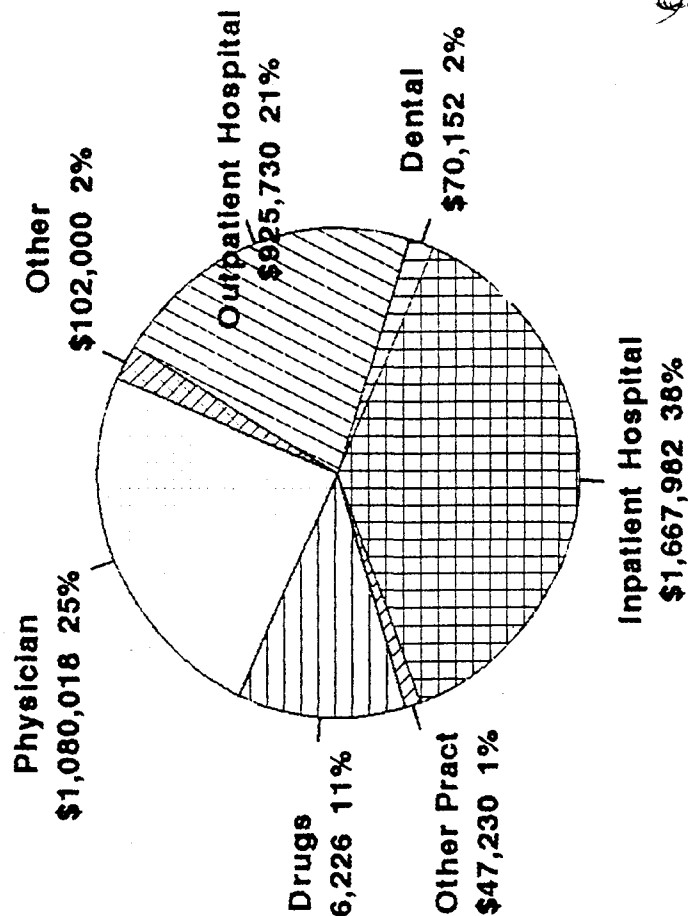
# Chart 2

## State Medical Costs

### FY 92 vs FY 93



**FY 92 Costs = \$5.887 Million**



**FY 93 Costs = \$4.389 Million**

Services available were reduced in October, 1992.  
FY 93 costs are estimated.

STATE OF MONTANA - MEDICAID PROGRAM  
 DEPARTMENT OF SOCIAL AND REHABILITATIVE SERVICES  
STATE MEDICAL PROGRAM

**DESCRIPTION:** The State Medical Program provides medical assistance to low income persons in 12 state-assumed counties who do not meet eligibility requirements for any other state or federally funded program such as Medicaid or Medicare.

Beginning in October, 1992 medical benefits available were reduced to hospital, physician, drugs, lab and x-ray.

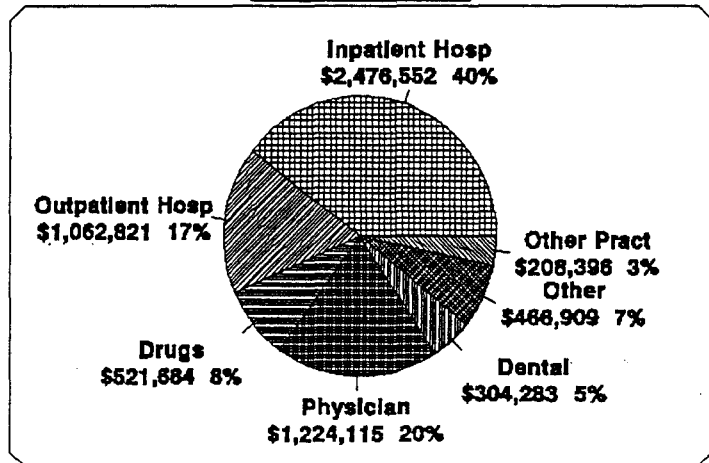
**Recipients and Funding:**

All persons eligible for General Assistance are automatically eligible for State Medical benefits. Beginning in January, 1991, all employable individuals are limited to four months of benefits in each calendar year.

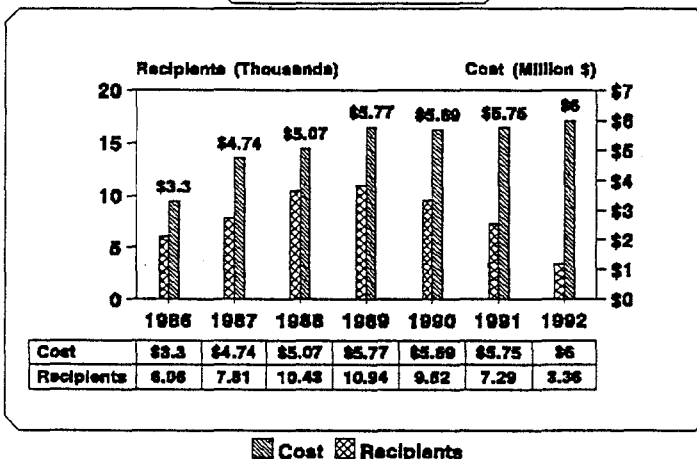
Beginning in September, 1991, the department began contracting for managed care for recipients based upon the use patterns of the individual. A nurse contacts the recipient, and the recipient's doctor to develop a plan of care to address the medical needs of the recipient. If the recipient does not cooperate with the plan of care, he is suspended from the State Medical program.

Although the number of persons receiving State Medical benefits has declined substantially, there has not been a similar reduction in the State Medical expenses. The costs of the State Medical Program are paid entirely from the state general fund and have increased from \$3.3 million in FY 1986 to nearly \$6.0 million in FY 92.

State Medical Costs  
FY 92



State Medical Costs  
Fiscal Years 1986-1992



Note: State assumed counties: Lewis & Clark, Park, Silver Bow, Deer Lodge, Powell, Missoula, Cascade, Lake, Ravalli, Mineral, Flathead, and Lincoln.



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## DEPT SOCIAL &amp; REHAB SERVICES

State Assumed County Admin.

DATE 1-15-93

## Program Summary

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	203.10	0.00	192.10	203.10	(11.00)	192.10	203.10	(11.00)
Personal Services	5,166,079	0	5,405,876	5,669,519	(263,643)	5,418,602	5,682,480	(263,878)
Operating Expenses	1,012,918	1,080,928	1,010,926	1,015,266	(4,340)	1,024,416	1,015,354	9,062
Equipment	13,332	16,019	31,700	16,500	15,200	31,700	16,500	15,200
Total Costs	\$6,192,331	\$1,096,947	\$6,448,502	\$6,701,285	(\$252,783)	\$6,474,718	\$6,714,334	(\$239,616)
<b>Fund Sources</b>								
General Fund	3,161,245	596,195	3,288,671	3,354,663	(65,992)	3,302,044	3,362,538	(60,494)
Federal Revenue Fund	3,031,085	500,752	3,159,831	3,346,622	(186,791)	3,172,674	3,351,796	(179,122)
Total Funds	\$6,192,331	\$1,096,947	\$6,448,502	\$6,701,285	(\$252,783)	\$6,474,718	\$6,714,334	(\$239,616)

**Page References**

LFA Budget Analysis (Vol. II) p. B-70.  
 Stephens' Executive Budget pp. B-38 to B-39.

**Current Level Differences**

5% PERSONAL SERVICES REDUCTION – The joint House Appropriations and Senate Finance and Claims committees removed 11.0 FTE and about \$264,000 each year of the biennium.

(263,643) (263,878)

POSTAGE AND RENT – The LFA current level includes a higher amount for postage in fiscal 1994 than the executive. The executive includes a higher amount for county office rent in fiscal 1995 than the LFA current level.

(4,340) 9,062

EQUIPMENT – The LFA and executive include the same level of funding for replacement office equipment for county offices. However, the executive includes funds for 13 personal computers and monitors each year and the LFA funds 5 personal computers and monitors.

15,200 15,200

**TOTAL CURRENT LEVEL DIFFERENCES**

(252,783) (239,616)

FUNDING ISSUE – This LFA funded this program using the same percentages as the agency request: 50.06% from the general fund in fiscal 1994 and 50.08% in fiscal 1995 with the balance of funding from federal funds. The executive revised the funding mix to 51% general fund and 49% federal funds each year of the biennium.

**Budget Modifications****Language and Other Issues**

POSITIONS VACANT 12-29-92 – The joint House Appropriations and Senate Finance and Claims committees removed 2.50 FTE vacant as of 12-29-92. The positions are in the following counties: Lincoln, Park, and Ravalli.

61,442 61,645

Positions Removed by Joint Committee Action  
House Appropriations & Senate Finance and Claims  
January 6, 1993

EXHIBIT 5  
DATE 1-15-93

Position #      Position Description/County		Total Personal Services		FTE Removed by		Total FTE Removed	Non--Approp. FTE
		Fiscal 1994	Fiscal 1995	5% Reduct.	Being Vacant		
All or Partial General Fund Positions							
30076	Eligibility Examiner – Cascade	23,345	23,363	1.00		1.00	
30081	Eligibility Examiner – Cascade	25,820	25,839	1.00		1.00	
30099	Eligibility Assistant – Cascade	21,836	21,857	1.00		1.00	
30105	Eligibility Assistant – Cascade	22,836	22,857	1.00		1.00	
30154*	Eligibility Examiner – Deer Lodge	27,407	27,433	1.00		1.00	
30158	Eligibility Assistant – Deer Lodge	9,909	9,925	0.50		0.50	
30320	Program Assistant I – Lake	5,401	5,407	0.25		0.25	
30333	Eligibility Examiner – Lewis and Clark	30,789	30,818	1.00		1.00	
30375*	Eligibility Examiner – Lincoln	12,812	12,821	0.50		0.50	
30435	Eligibility Examiner – Missoula	10,965	10,977	0.50		0.50	
30536	Eligibility Examiner – Ravalli	5,053	5,059	0.25		0.25	
30616	Eligibility Examiner – Silver Bow	26,475	26,495	1.00		1.00	
30628	Eligibility Assistant – Silver Bow	20,359	20,374	1.00		1.00	
30635	Eligibility Assistant – Silver Bow	23,824	23,846	1.00		1.00	
Adjustment to tie to LFA/Exec. Difference		(3,188)	(3,192)				
Sub--Total 5%		\$263,643	\$263,878	11.00	0.00	11.00	
30372	Eligibility Assistant – Lincoln	24,313	24,336		1.00	1.00	
30485	Eligibility Examiner – Park	12,383	12,392		0.50	0.50	
30537	Eligibility Examiner – Ravalli	24,746	24,917		1.00	1.00	
Sub--Total Vacant		\$61,442	\$61,645	0.00	2.50	2.50	
Sub--Total All or Partial General Fund		\$325,085	\$325,523	11.00	2.50	13.50	0.00
Non--General Fund Positions							
	None						
Sub--Total		\$0	\$0	0.00	0.00	0.00	0.00
TOTAL		\$325,085	\$325,523	11.00	2.50	13.50	0.00

\*FTE also included in action by joint appropriation committees to removed positions vacant as of 12/29/92.

01/13/93

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## DEPT SOCIAL &amp; REHAB SERVICES

Eligibility Determination Pgm

DATE 1-15-93

## Program Summary

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	194.80	403.40	184.55	194.80	(10.25)	184.55	194.80	(10.25)
Personal Services	5,049,270	10,205,380	5,174,540	5,407,505	(232,965)	5,186,867	5,420,378	(233,511)
Operating Expenses	60,288	175,985	115,374	115,374	0	118,492	118,492	0
Total Costs	\$5,109,558	\$10,381,365	\$5,289,914	\$5,522,879	(\$232,965)	\$5,305,359	\$5,538,870	(\$233,511)
<b>Fund Sources</b>								
General Fund	0	2,576,971	0	0	0	0	0	0
State Revenue Fund	2,610,464	2,728,028	2,704,189	2,823,296	(119,107)	2,713,605	2,833,132	(119,527)
Federal Revenue Fund	2,499,094	5,076,366	2,585,725	2,699,583	(113,858)	2,591,754	2,705,738	(113,984)
Total Funds	\$5,109,558	\$10,381,365	\$5,289,914	\$5,522,879	(\$232,965)	\$5,305,359	\$5,538,870	(\$233,511)

**Page References**

LFA Budget Analysis (Vol. II) p. B-67.  
 Stephens' Executive Budget p.p. B-35- B-36.

**Current Level Differences**

5% PERSONAL SERVICES REDUCTION—The joint House Appropriations and Senate Finance and Claims committees reduced personal services appropriations by 10.25 FTE and about \$233,000 annually.

(232,965) (233,511)

**TOTAL CURRENT LEVEL DIFFERENCES**

(232,965) (233,511)

FUNDING—This program is funded 51% from state special revenue (county funds) and 49% from federal funds.

**Budget Modifications**

CONTINUE NON-ASSUMED CO. BA— This budget modification continues six eligibility technicians in non-assumed counties that were added by budget amendment during the 1993 biennium.

170,787 170,888

**Language and Other Issues**

POSITIONS VACANT 12/29/92—This program had 6.5 vacant FTE that were removed by the joint House Appropriations and Senate Finance and Claims committees. These positions are in the following counties: Big Horn, Gallatin, Glacier, Broadwater and Sanders.

144,373 144,503

## Eligibility Determination Program

1/7/93

Positions Removed by Joint Committee Action  
House Appropriations & Senate Finance and Claims  
January 6, 1993

EXHIBIT 5  
DATE 1-15-93  
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Position #	Position Description	Total Personal Services		FTE Removed by		Total FTE Removed	Non-Approp. FTE
		Fiscal 1994	Fiscal 1995	5% Reduct.	Being Vacant		
All or Partial General Fund Positions							
	None					0.00	
Sub-Total		0	0	0	0	0	0.00
Non-General Fund Positions							
30021	Eligibility Examiner – Blaine	6,128	6,148	0.25		0.25	
30022	Eligibility Assistant – Blaine	6,097	6,102	0.25		0.25	
30025	Eligibility Assistant – Blaine	22,275	22,296	1.00		1.00	
30028	Typist II – Blaine	9,630	9,637	0.50		0.50	
30041	Eligibility Examiner – Broadwater	24,210	24,233	1.00		1.00	
30121	Eligibility Examiner – Choteau	4,778	4,782	0.25		0.25	
30122	Eligibility Examiner – Choteau	6,130	6,175	0.25		0.25	
30172	Eligibility Assistant – Fallon	24,161	24,184	1.00		1.00	
30278	Program Assistant I – Hill	21,793	21,814	1.00		1.00	
30280	Clerk Supervisor II – Hill	20,915	20,935	1.00		1.00	
30491	Secretary II – Phillips	10,693	10,693	0.50		0.50	
30501	Eligibility Examiner – Pondera	11,707	11,717	0.50		0.50	
30504*	Eligibility Assistant – Pondera	4,302	4,307	0.25		0.25	
30557*	Receptionist II – Richland	12,407	12,427	0.50		0.50	
30652	Eligibility Assistant – Sweetgrass	29,180	29,318	1.00		1.00	
30684	Administrative Assistant I – Valley	10,540	10,631	0.50		0.50	
30731	Eligibility Examiner – Yellowstone	11,395	11,404	0.50		0.50	
Adjustment	to tie to LFA/Exec. Difference	(3,374)	(3,291)				
	Subtotal – 5%	\$232,965	\$233,511	10.25	0.00	10.25	
30017	Eligibility Assistant – Big Horn	19,973	19,992		1.00	1.00	
30041	Eligibility Examiner – Broadwater	24,210	24,233		1.00	1.00	
30229	Eligibility Assistant – Gallatin	20,365	20,384		1.00	1.00	
30230	Eligibility Assistant – Gallatin	20,365	20,384		1.00	1.00	
30241	Program Assistant II – Glacier	25,084	25,103		1.00	1.00	
30246	Program Assistant I – Glacier	23,053	23,075		1.00	1.00	
30594	Eligibility Assistant – Sanders	11,323	11,332		0.50	0.50	
Subtotal – Vacant FTE		\$144,373	\$144,503	0.00	6.50	6.50	0.00
TOTAL		\$377,338	\$378,014	10.25	6.50	16.75	0.00

\*FTE also included in action of joint subcommittees to remove positions vacant as of 12/29/92.

01/13/93

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4  
EXHIBIT 66

DATE 1-15-93

SB \_\_\_\_\_

3400 Hill Avenue #306  
Butte, Montana 59701  
January 7, 1993

Senator Tom Keating, R-Billings  
Montana State Capitol Bldg  
Helena, Montana 59620

Dear Senator

I am writing at this time to respond to a recent article printed in the Montana Standard, in Butte, Montana, regarding your proposal of reducing aid to single Mothers with dependent children.

First, I would like to give you the opportunity to explain yourself fully and given the fact most newspapers do not give us the "whole" story, and also given the fact that you probably have never been in a situation where you need financial aid, given the fact that you or your family have never had to depend on a "dead beat" to come through, and given the fact that you yourself have been making laws to supposedly to protect all of the people in the Great State of Montana.

Secondly, I would like to inform you that I did not choose to be in this situation. In fact, if the Child Support Enforcement Division had more authority, more personnel, I would not have been forced to apply for Food Stamps and anyother program to help my family, which consists of a 13 year old daughter, a 9 year old son and a 3 year old daughter.

Thirdly, surely you can understand that in the beginning, the laws were written to protect the delinquent, "dead beat" Father, for fear of interfering with his "rights". Who, might I ask protects the children of these delinquent fathers? Unfortunately, that is left up to the single Mother to find any way she can to feed, clothe and care for her children. The law says that the children should continue to live in the custom to which they were use to, surely you can figure out that this never happens, or we single mothers would not be on welfare, Food Stamps, Medicaid, etc.

Fourthly, my particular situation creates a most unusual set of circumstances. My ex-husband has "come out of the closet" and therefore is using his homosexuality to put the fear of the ACLU in every way possible. He has been refused visitation of his children by a Court order, because of mental, emotional and physical abuse towards the children. I have been in Court Five (5) times in the past year to try and collect Child Support, to no avail. He has used the system that lawmakers like yourself have created to his best intentions, hiding his money in his "friend's" accounts, not allowing me or the Child Support Enforcement Division to touch a penny of it. He has bounced checks

Senator Tom Keating  
January 7, 1993  
Page 2

EXHIBIT 6  
DATE 1-15-93  
SB

to your CSED, and if they attempt to take any action, he cries ACLU and calls all of us homophobics.

Our joint efforts of trying to collect current and delinquent child support are further hampered by his business, being self-employed he has the opportunity to control his money very tightly, to deposit money at his will and none of it in his own name. Also, if you think that your plan to cut programs will bring any "dead beat dad" to pay child support, you are sorely mistaken. If a "dead beat dad" does not pay child support now, they will never pay, they don't care, their "out of sight, out of mind" attitude about their children is what they live by.

The County Attorney, the Court system, the police officers are all afraid to say one word, to attempt any kind of action. I would like to remind you again, that these are all laws that you and your fellow constituents have created, and they are hurting the very people you want to further create a hardship for, single mothers and dependent children.

I am not going to go away Senator, for several reasons: (1) I have three children to raise and I plan on doing that and using every available resource I deserve; (2) there will be more single mothers and dependent children unless you change the laws of collecting Child Support; (3) I plan on being visible to any extent I have to, my ex-husband is close to \$14,000.00 in arrears in Child Support and you want to cut my resources of taking care of my children, I will not let you do that.

Further, for you to even suggest such a plan to penalize single Mothers for having to apply for and receive aid through plans that you have created is immoral, should be unconstitutional and if you can live with yourself after you have done such an act, you are not the type of person that needs to be representing anyone. In my opinion, Senator, your attitude is very consistent with your attitude that we single mothers deserve hardship, we deserve to be punished for not marrying the right person, we did something wrong.

I would like you to know that I have been in the same job as a Legal Secretary for over 8½ years, but my take-home pay barely covers the cost of my rent, car payment and day-care plus a few monthly bills. This in no way attempts to even attack the food bill. My pay-check is further reduced by medical insurance each month, which I cannot live without but which is increasing as I write to you. If not for the generosity of my parents and my family, I would have been forced to quit my job and depend completely on the welfare system. Is that what you want Senator, is that where you want most people in the State of Montana?

Senator Tom Keating  
January 7, 1993  
Page 3

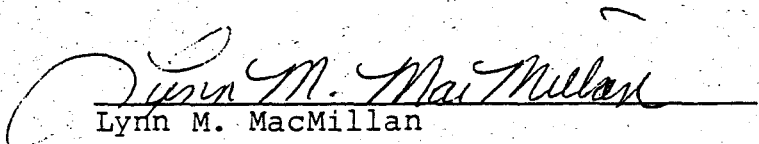
EXHIBIT 6  
DATE 1-15-93  
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I challenge you Senator, to read my letter aloud at your next attempt to cut the current system as it is set up, there are enough limitations as there is. I agree that there are people out there that abuse the system, but those people will also be the ones to find a way to abuse your "so called better plan"!

I further challenge you Senator, and all the lawmakers in this Session of the Legislature to think not of yourselves and what you can gain out of some publicity by getting your name in the major newspapers, have the newspapers say something positive about you and this Legislature, for once! I suggest you pass the legislation to publish pictures and amounts of "dead beat dads" throughout Montana, on a regular basis, would accomplish more than cutting programs I can assure you.

I thank you for taking the time, I hope, to personally read this letter, and I hope that if you have any questions, or possibly would like any further input, I would be more than happy to work with you and create a positive and productive welfare system for the State of Montana.

Sincerely yours,

  
Lynn M. MacMillan

/lm

cc: Governor Mark Racicot  
Joe Quilici, Representative-Butte  
J.D. Lynch, Representative-Butte  
Diane Sands, Montana Women's Lobby

HOUSE OF REPRESENTATIVES  
VISITOR'S REGISTER

HUMAN SERFS

COMMITTEE

BILL NO. \_\_\_\_\_

DATE 1-15

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<u>Jack Lounsbury</u>	<u>SRS</u>		
<u>Clinda Currie</u>	<u>SRS</u>		
<u>John Chappin</u>	<u>Am. Bd. of Prisoners</u>		
<u>Nancy Elroy</u>	<u>✓</u>		
<u>Karen Rostocki</u>	<u>✓</u>		
<u>KARLEY WARNER</u>	<u>ASSOC. OF CHURCHES</u>		
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<u>Don M. Martin</u>	<u>MELA</u>		
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<u>Bob Olson</u>	<u>MHA</u>		
<u>Shirley Sanders</u>	<u>Intern</u>		
<u>David Nelson</u>	<u>Intern</u>		
<u>Judith Carlson</u>	<u>HRDC 212 HRC:</u>		

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.