

MINUTES

**MONTANA SENATE
53rd LEGISLATURE - REGULAR SESSION**

COMMITTEE ON FINANCE & CLAIMS

Call to Order: By Chair Judy Jacobson, on January 15, 1993, at
8:00 a.m.

ROLL CALL

Members Present:

Sen. Judy Jacobson, Chair (D)
Sen. Eve Franklin, Vice Chair (D)
Sen. Gary Aklestad (R)
Sen. Tom Beck (R)
Sen. Don Bianchi (D)
Sen. Chris Christiaens (D)
Sen. Gerry Devlin (R)
Sen. Gary Forrester (D)
Sen. Harry Fritz (D)
Sen. Ethel Harding (R)
Sen. Bob Hockett (D)
Sen. Greg Jergeson (D)
Sen. Tom Keating (R)
Sen. J.D. Lynch (D)
Sen. Dennis Nathe (R)
Sen. Chuck Swysgood (R)
Sen. Larry Tveit (R)
Sen. Eleanor Vaughn (D)
Sen. Mignon Waterman (D)
Sen. Cecil Weeding (D)

Members Excused: None.

Members Absent: None.

Staff Present: Terry Cohea, Legislative Fiscal Analyst
Lynn Staley, Committee Secretary

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

Committee Business Summary:

Hearing: SB 39, SB 40, SB 71, SB 94, SB 101
Executive Action: SB 71, SB 101

HEARING ON SB 94

Opening Statement by Sponsor:

Senator Tom Keating, Senate District 44, Billings, sponsor, said SB 94 resulted from lost statutes during the July 1992 special session in dealing with state medical and assumed counties. He noted each county has a general assistance welfare program and a medical program, and until the July 1992 session each non-assumed county designed and operated their own medical program. The non-assumed counties operate the benefits and medical programs on a contracted basis with SRS, while the money spent is federal and county, whereas the 12 assumed counties have levied 12 mills on the property in each county and the equivalent of those is paid into the SRS fund where they run the program at the direction of the county commissioners. The assumed counties are levying 12 mills and spending 19 mills which is excess state general fund money. They tried to correct the state medical program in the special session to reduce the eligibility standard and limit the benefits. Section 53-3-306 MCA was repealed and within that was a section that stated that the non-assumed counties could act, design and operate their own medical program. They therefore have no authority to run a medical program in the non-assumed counties, which they would like to have reinstated. He concluded SB 94 would allow the counties to manage their own affairs. Regarding the notion of assumed counties promulgating generous medical benefits and exceeding the 13.5 mill levy emergency cap, at the present time most of the non-assumed counties are spending less than 12 mills and have not requested to be state assumed because they get by for less money than the assumed counties. He concluded there are safeguards against abuse and that the history of the counties has demonstrated proper operations, frugality and good business practices.

Proponents' Testimony:

Mike Matthew, Yellowstone County Commissioner, said the effect of the bill after the last special session was that Yellowstone County had to reduce their medical benefits. Their county is a non-assumed county which operates an excellent program serving county needs. In the past they have had the ability to write their own medical plan which has given them latitude on what they can do, but this was lost after the past special session. Because they are not assumed and are staying under the 12 mill levy, they would like the ability to write and implement their own plan.

Opponents' Testimony:

Russ Cater, Chief Legal Counsel, Department of Social and Rehabilitation Services, presented testimony from Peter S. Blouke, Director of SRS. (See Exhibit 1)

Questions From Committee Members and Responses:

None.

Closing by Sponsor:

Senator Keating concluded he was asking for some latitude in allowing the nonassumed counties to run their own program because they are not a burden to the Montana general fund.

HEARING ON SB 39, SB 40**Opening Statement by Sponsor:**

Senator Tom Keating, Senate District 44, Billings, sponsor, said the interim study committee recommended SB 39 and SB 40 to the committee. SB 39 concerns the discontinuance of licensed acute hospital care on the Galen Campus of Montana State Hospital, while SB 40 provides that the Galen Campus of Montana State Hospital cease to provide intermediate nursing care. They were amended in subcommittee to designate the chemical dependency center as the Montana Chemical Dependency Center at Galen. For several years the administration has determined that the acute care hospital at Galen is grossly under-utilized, and the nursing care patients at Galen are under-utilizing that facility and could be provided for at the Center for the Aged at Lewistown and private nursing care homes.

Senator Keating indicated the interim committee on two occasions voted 10 to 5 to accomplish what SB 39 and SB 40 would do. He said the committee spent \$15,000 for a peer review of the medical files of the Galen patients, and two physicians doing the review reported that many of the patients were inappropriately placed and receiving inappropriate services.

Senator Keating said the state should appropriately place those people which can be done by moving some patients to Warm Springs where they will get ongoing active mental health care and the nursing home patients will be provided for at Lewistown and in private care. He noted taxpayers are inappropriately spending money for political reasons, and that reason is 105 fte's. By reducing the facility, about 15 fte's would be placed in new positions at the Center for the Aged; 5 registered nurses would be transferred to Warm Springs; about 12 fte's would leave under normal attrition. He said the turnover rate in personnel at Galen has historically been about 33 percent. Actual job losses would be approximately 70 or 75 fte's which has caused concern in that area. He said while he understands their concern, Montana citizens are heavily burdened with taxes and desire government efficiency and to continue providing useless services when these patients can be more appropriately provided for in other areas is unconscionable. He concluded it is up to the committee to start the process to correct the inequities.

Proponents' Testimony:

Dan Anderson, Administrator of Mental Health Division, Department of Corrections and Human Services, said the acute care hospital licensed for 33 beds is for people needing close medical supervision and treatments and the other group is people entering the chemical dependency program at Galen who need a period of detoxification prior to going into the actual rehabilitation program. The 33 bed unit has been chronically under-utilized for many years. While this is licensed as an acute care hospital, according to an independent peer review of patients served in that unit, an average of 2.66 patients in 1992 actually required that level of medical care. Most could be cared for in an infirmary type program or a medically monitored nonacute detoxification program.

Mr. Anderson said the Department is proposing an infirmary unit at Warm Springs where a patient critically ill could receive better medical care than at one of the psychiatric treatment units. It also would be available if a patient needed surgery or had a significant illness requiring local hospitalization, a place where that person could come back to and go through the convalescing period. Regarding the mental health program, they are proposing an infirmary at Warm Springs greatly superior to what presently exists where the patients could remain there during their illness. Their ongoing psychiatric treatment would not have to be discontinued during the time that they are now at Galen. The detoxification services now provided in the acute unit at Galen would continue to be provided at Galen as a part of the chemical dependency program. The nursing home unit which is currently licensed for 185 patients has decreased to where there are now 51 patients in that unit. He said there is a nursing home unit at Warm Springs, the unit at Galen that is being discussed as well as the Center for the Aged at Lewistown, which is all a part of the mental health system. Among those three units are a total of 436 nursing home beds available. The staff of the units was asked in 1990 to do a review of all patients they were serving as relating to need, and they indicated that approximately 66 of those patients could be served in a regular nursing home program. A review indicated that they were at that time serving 203 patients requiring state provided nursing home services in a mental health type of environment and they were operating 436 beds. Another study was conducted of patients in nursing home beds. It was indicated that perhaps as few as 136 of the patients then being served required the services of a nursing home having a specialty emphasis in mental health services.

Mr. Anderson said closure of the nursing home will mean transfer of 51 elderly nursing home patients to other places, 3 of them being inmates. The remainder will either be transferred to the Center for the Aged in Lewistown or to community private

nursing homes. Regarding the fear of transfer trauma, that issue has been studied and it is not inevitable that patients will die as a result of transfer from one nursing home to another. Many techniques are involved in preparation for this transfer, and he noted he would be happy to share the literature received on this. He said the Department is committed to making the transfers as safe as possible. If the decision is made to close the nursing home unit, a full time social worker will be assigned to work on this project. An oversight committee will be set up to work with the coordinator to assure that important issues are not overlooked. He said the Department since 1986 has transferred 23 patients from the State Hospital to the Montana Center for the Aged. Of that number, 2 have died. One died after being at the Center for the Aged for about 3 years which he felt was not a result of transfer trauma. The other patient did die shortly after transfer, but this patient had a serious and undiagnosed medical problem which he felt would have led to his death whether or not he had been transferred.

Darryl L. Bruno, Administrator, Alcohol and Drug Abuse Division, Department of Corrections and Human Services, testified in support of SB 39 and SB 40. (See testimony attached as Exhibit 2)

Rick Day, Director, Department of Corrections and Human Services, stated his support of SB 39 and SB 40, indicating the question is not one of quality of care or staff dedication at Galen but an issue of changing times, treatment methods, dwindling resources and under-used facilities. He said the direction of the Department should be looked at and a new approach in governing and allowing the Department to have discretion to combine facilities for efficiency. Although the process takes time, he asked that a decision be made as soon as possible to allow the Department time to deal with patients and staff.

John Shontz, Mental Health Association of Montana, stated his support of SB 39 and SB 40 and the work done by the interim study committee. He said the Association felt that Warm Springs should be a psychiatric hospital of more than reasonable standing. He noted opposition of the Association to general fund monies that will be saved by the closure of programs at Galen and the reduction of the programs at Warm Springs to balance the budget. He felt those funds should be used to enhance community programs that serve the state's mentally ill people and to strengthen the psychiatric facility at Warm Springs.

Kelly Morse, Executive Director, Mental Disabilities Board of Visitors, stated her support of SB 39 and SB 40. She said the bill supports the mandate of treating people with mental disorders in the least restrictive setting possible. She stated her support of the transfer of nursing home patients where individual patients from the long term care facility at Galen have successfully been placed in other communities and that the

remaining nursing home patients can continue to be served in private nursing homes or state facilities.

Mike Ruppert, President of Chemical Dependency Programs of Montana and Executive Director of Boyd Andrew Chemical Dependency Care Center in Helena testified. He stated CDPM has taken no position as yet on SB 39 and SB 40, although they are supportive of the upgrade of the changes to the chemical dependency treatment component that are discussed in the bills.

Judith Gedrose, Department of Health and Environmental Sciences, presented written testimony to the committee relative to tuberculosis care at Galen. (See testimony attached as Exhibit 3)

When questioned by Chair Jacobson if the Department of Health was neither a proponent nor opponent but asking for additional money for the Department, Ms. Gedrose said she was advising the committee on the status of tuberculosis care.

Patrick Pope, Director, Meriwether Lewis Institute, stated his support of SB 39 and SB 40. He noted all voting members of the Institute have a diagnosis of mental illness. He asked that the committee not get sidetracked and that decisions be based on fact and concluded that the facts state that the acute care hospital and Galen nursing home can be cut without seriously affecting services.

Kathy McGowan, Montana Council of Mental Health Centers, stated her support of SB 39 and SB 40 and retention of the funds in the chemical dependency and mental health systems. She noted people at the facilities have been treated well and the employees have been good employees but the fact remains that major changes are being faced on all levels. Budgetary restraints have demanded that business cannot be done as it previously was.

Opponent's Testimony:

Senator J. D. Lynch stated his opposition to SB 39 and SB 40. He noted he was chair of the Galen-Warm Springs study and there was an error in the deliberations of the committee and it was not the recommendation of the committee but a recommendation of the majority of the committee, and a minority report has been filed on SB 39 and SB 40. He stated his feeling that this was an evil attempt by the Stephens administration of under-utilization to achieve their goals of decimating Galen. The reason there is under-utilization is because the former Department director purposely under-utilized the facility.

Senator Lynch said the committee he chaired was charged to find alternatives to the Galen campus and that once a facility is closed, re-licensing is an expensive proposition. The reason people were at the campus was that private nursing homes did not want those people and the employees at Galen took care of these

people and care a great deal about them. He concluded he would like SB 39 and SB 40 sent to subcommittee so the entire concern of Galen could be looked at and suggestions offered.

Chair Jacobson stated to the committee that she had been asked by the Galen task force and by the Governor to move the bill back to subcommittee because of suggestions from the Racicot administration and the task force that could be explored in depth.

Senator Henry McClernan, SD 34, stated his concern with the lack of accreditation at the campus and comments about bizarre and unmaintainable buildings relating to neglect by the Department of Institutions. He felt the interim committee came up with some positive suggestions and the task force has come up with interesting and innovative ideas. He suggested the task force be allowed to come forward with ideas.

Representative Bea McCarthy, HD 66, Anaconda, stated her desire to have the bills brought back to subcommittee for ideas from the task force and concluded that a hasty decision would not be wise.

Representative Red Menahan stated his opposition to the bills. He said people at the institution have been denied services and costs are going back onto the local counties. He asked the committee send SB 39 and SB 40 back to the subcommittee for alternatives being discussed relating to taxpayer savings.

Senator Tom Beck, Senate District 24, spoke in opposition to SB 39 and SB 40 stating there is no consideration for new job placement for those employees losing their jobs, re-educating skills for these people. He indicated his concern with people testifying on the bill stating they were neither a proponent nor opponent but still giving their statement when the Chair called for testimony from proponents. It was his feeling that the mental health people had something to gain by the bill. He also questioned the full occupancy load at the Center for the Aged and how patients at Galen would be able to be admitted there.

Keith Colbo, representing the Warm Springs Galen Task Force, testified in opposition to SB 39 and SB 40. (See testimony attached as Exhibit 4)

Jack Lynch, Chief Executive, Butte-Silver Bow County, stated his opposition to SB 39 and SB 40, adding that the facilities are needed. He disagreed that this is politics and economics and urged the Department of Corrections and Human Services to consider housing geriatric inmates as well as a facility for compulsive gamblers in the state. He concluded it would be cheaper to take care of patients in a facility already staffed and in existence that has the capability of dealing with those particular inmates. The proposal for alternative use of the facility is legitimate, valid and in the long run will save the

state and the taxpayers a lot of money.

Ray Linder, Montana Nurses Association, stated his opinion that the implementation of this legislation will detrimentally affect the long term care of elderly patients with psychiatric disability and not provide them a mechanism to ensure adequate treatment and care.

Val "Buzz" Galle, Chairman, Anaconda-Deer Lodge County Commission, stated his opposition to SB 39 and SB 40. He said Anaconda has suffered unemployment and people will leave the area and depress the housing market or stay and add to social services. He concluded the State hospital should not be a force to cause more hardship on its citizens when there are available alternatives.

Tom Foley, representative for American Federation of State, County and Municipal Employees, stated his opposition to SB 39 and SB 40 and said he would support the idea that SB 39 and SB 40 be reverted back to subcommittee for further discussion.

Linda McNeil, Anaconda Chamber of Commerce, stated her opposition to SB 39 and SB 40, saying a decision should not be made until the entire picture was presented.

Darrell Holzer, Montana State AFL-CIO, stated his opposition and encouraged that more attention be paid to the results of the task force for more deliberation and concluded the overall picture will minimize any adverse effect and create positive ideas through the process.

(AT THIS TIME, EMPLOYEES OF GALEN STATED THEIR NAMES FOR THE RECORD IN OPPOSITION TO SB 39 AND SB 40)

Chair Jacobson said it was her hope that this matter would be moved back to subcommittee and noted that the subcommittee would make recommendations to the full committee. She said the subcommittee has far more expertise in this area than the full committee. She noted Governor Racicot and Rick Day have further suggestions on the Galen and Warm Springs campus. She assured the committee that the bill would be deliberated before the Finance and Claims Committee whether or not the subcommittee concurs or does not concur in the bills.

Questions From Committee Members and Responses:

When asked by Senator Hockett why a fiscal note was not included, Mr. Dan Anderson said the fiscal note was not completed, however it would probably be similar to that of the legislative fiscal analyst, an overall savings net of lost reimbursement of about \$1 million per year. Chair Jacobson said that is noted in the budget book under D-26 through 37.

Closing by Sponsor:

Senator Keating noted in closing that there was a time when the campus was well cared for but over the years it has suffered from ravages of time and the building will not comply with specifications. It would be extremely expensive to replace or retrofit those buildings. It would be much more efficient to salvage the buildings and use that money towards a new building if there is a need for it, noting he would be glad to support it when and if there is a need for it. At the present time he added there is not a need for those buildings on the Galen campus, save for the chemical dependency center which is a good move. That is a state facility for Montana citizens and it will be a good program that is needed and will help take care of the subacute emotional disturbances because of co-dependency. Although it is called a chemical dependency center he felt they would be taking care of gamblers, users, bulimia and other areas. He said the mental health services, chemical dependency and all services provided for by government are pretty well distributed throughout the state and did not feel any one community had a monopoly on state services and state positions.

Senator Keating said the clients are inappropriately placed and added that if anything he said denigrated the delivery of services at the campus, he apologized. He did not refer to the fact they are not getting quality service. He noted the potential loss of jobs is also disturbing, but added life has changes. He concluded that the committee as well as experts and medical providers determined that the people would be better served in other communities and other settings; that the move is not harmful and least of all that there will be an annual savings of about \$1 million a year of taxpayer dollars in the general fund. The patients will receive appropriate placement and appropriate care and concluded that the first duty of government is to provide for its citizens.

EXECUTIVE ACTION ON SB 39, SB 40

Motion: Senator Franklin said she was aware that additional data would be looked at relative to this issue but added she supported changing infirmaries to infirmary status on the interim committee. She moved that SB 39, SB 40 BE REVERTED TO SUBCOMMITTEE.

Vote: Senator Franklin's motion to REVERT SB 39, SB 40 TO SUBCOMMITTEE CARRIED unanimously.

HEARING ON SB 101

Opening Statement by Sponsor:

Senator Judy Jacobson, Senate District 36, Butte, sponsor, stated SB 101 came from the legislative finance committee to clarify in the statutes the form in which individual income tax data be provided to the fiscal analyst and clarifying that the Department of Revenue may provide individual income tax data to the Office of Budget and Program Planning. She noted there is law on the books talking about income tax data necessary, and SB 101 would clarify how that data would be masked and the form it will come to the fiscal analyst. There never had been a policy for the OBPP who also needs to obtain the same data. If SB 101 passes, there will be the same requirement of the OBPP as the fiscal analyst, the same restrictions and penalties applying to both offices.

Proponents' Testimony:

Dave Woodgerd, Chief Counsel, Department of Revenue, indicated the Department's support of SB 101, noting that confidentiality of tax reports is important to the Department.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

None.

Closing by Sponsor:

Senator Jacobson closed.

HEARING ON SB 71**Opening Statement by Sponsor:**

Senator Tom Towe, Senate District 46, Billings, sponsor, noted that Senator Bob Brown's name would be added to the yellow version of SB 71. Senator Towe stated SB 71 on page three requires elimination of unnecessary administrative positions within the Department and that one-half of the savings resulting from the position elimination may be expended at the discretion of the department head, provided the expenditure is consistent with the goals and objectives of the department; the remaining one-half must revert to the original funding source. He concluded his feeling that SB 71 is consistent with what Governor Racicot has said and that it may aid in resolving serious budget shortfalls.

Proponents' Testimony:

Senator Bob Brown, Senate District 2, noted to the committee the book "Reinventing Government" regarding excessive government spending, saying it mentions some things can be done better by government and some things done better by business and some things by using business concepts in government which he noted is being attempted in SB 71.

Opponents' Testimony:

None.

Informational Testimony:

None.

Questions From Committee Members and Responses:

Senator Bianchi questioned the narrowness of SB 71 in stating administrative personnel and why it did not include all personnel.

Senator Towe said he would have no objection to expanding SB 71. He felt there might be more resistance to SB 71 if managers were allowed to cut personnel because policy decisions made by the legislature might be cut.

Senator Bianchi said regarding the manager keeping one-half of the savings, this would reduce the base by one-half and if money can be saved by reducing personnel, why would only one-half be given back. It would reduce the overall base in his division as suggested in SB 71.

Senator Towe said if money can be saved for the state, the department would be allowed to keep one-half of the money to use for other programs consistent with his mission. He conceded if it was felt that a larger percentage was better, the larger percentage, the less money saved. He concluded that the percentage was sufficient, without giving it all.

Senator Bianchi said if money is appropriated in this process and one-half of the savings is turned back to the general fund, it goes to the next year as a surplus to reappropriate.

Senator Towe said the amount of cash available would be increased as a surplus to apply towards the supplementals and towards the next year's budget which is a laudable goal and objective, as well as a goal and objective of SB 71. He said he would have no objection to the incentive being larger, but added there should be some savings to the state in the process.

Senator Jergeson questioned why it was applied to administrative positions and not all positions.

Senator Towe said he would have no objection to amending it to include all positions. He did not want to get SB 71 into policy questions of allowing Department heads to make decisions to cut entire programs that they did not like even though the legislature mandated them to do the programs.

Senator Jergeson asked if it was calculated how this might affect reversions and also vacancy savings.

Senator Towe felt it had a beneficial effect in that regard. Once it was determined savings could be made, vacancies will be reduced from their base.

Senator Devlin questioned if it was expanded, classified employees would be added which could cause difficulties. He questioned Section 2-15-112, MCA.

Senator Towe said it has to do with authority to do certain things under present law.

Senator Harding questioned a department being set up by the legislature and then another law being passed requiring that job be done at the state and county, but the original position created by the legislature still being there, would this be taken care of.

Senator Towe said yes.

Regarding a question from Senator Devlin as to the intent of Section 17-7-138, Chair Jacobson said substantial compliance means a first level category in the operating budget may not be exceeded by more than five percent.

Senator Beck noted his support of SB 71 as it presently reads.

Senator Hockett stated some agencies are penalized for saving money in that they are given a lower budget the following year. He felt there should be an incentive to save operating budgets but not penalize the program in the future.

Senator Towe agreed with Senator Hockett's remarks and said he would work on ideas to eliminate that problem in state government.

Senator Bianchi questioned if there was a bill introduced with regard to incentives.

Terry Cohea, LFA, said she does not know if there is a bill in the printed Racicot amendment to the Stephens budget. They state there would be a provision if the budget office review

agency requests to carry money that was saved over into the next fiscal year. She did not know if there was currently a bill in that regard. It would have an impact in the first year on the reversions because included in current level budget projections are general fund reversions or nonspending of money of \$7.3 million.

Senator Weeding said with the flexibility that exists in budgets, administrators can move some personal service into other programs and reap benefits of eliminating fte's.

Senator Keating questioned if this would alleviate wrongful discharge charges.

Senator Towe said it did not speak to that.

Senator Keating said this would clarify that the purpose for the reduction is budgetary which would probably work toward avoiding wrongful discharges.

Senator Towe suggested it would not hurt.

Closing by Sponsor:

Senator Towe closed.

EXECUTIVE ACTION ON SB 101

Motion/Vote

Senator Jergeson moved that SB 101 DO PASS. Motion CARRIED unanimously.

EXECUTIVE ACTION ON SB 71

Discussion:

Senator Jacobson suggested the word "unnecessary" tends to make administrators look like they have been hanging onto unnecessary positions. She said she would prefer to delete the word "unnecessary" and say "eliminate administrative positions".

Motion: Senator Fritz moved to amend SB 71 to strike the word "unnecessary" in the title and body of the bill.

Vote: Senator Fritz's amendment motion CARRIED unanimously.

Discussion:

Senator Jergeson stated that the word "administrative" either had to be removed or defined, otherwise all savings would

be going to pay for lawyers and lawsuits.

Senator Beck questioned if the word "administrative" is defined in the law.

Ms. Cohea said she believed not, that there is no classification within the state classification system that is specifically administrative. She added we could specify the grade of the position because about 80 percent of all state employees are classified and that would eliminate much of the difficulty in defining it.

Senator Devlin questioned if the term unclassified positions could be used.

Ms. Cohea said the only positions that are unclassified are the directors of the departments in the executive branch. In the elected officials offices, there are up to 15 exempt staff but deputy directors of executive branch agencies are classified positions as are division administrators, bureau chiefs, et cetera.

Motion: Senator Jergeson moved to strike the word "administrative" in the title and body of the bill.

Discussion:

Senator Beck stated his opinion that more research should be done on this as to certain grades being included.

Senator Jacobson said in looking at the budget book, there is a problem with classification upgrades at the present time where there are heavy upgrades in some areas and not in others. She noted her concern in putting a grade in that there may be a number of upgrades so people won't be eliminated.

Senator Beck said he would not want to see some department try to keep an administrative position by eliminating or requiring a guard at Montana State Prison to guard 60 inmates rather than 50 or something of this nature, a position where we are going backwards with the population we are trying to serve.

Senator Jergeson said he did not understand the problem with providing discretion to administrators here in our committee in conjunction with the House appropriations committee in that they did not differentiate between one fte and another by classification or any other category when the Cobb and Swysgood motions were adopted that applied to how the budget was constructed. There was no protection offered in those two motions.

Senator Beck withdrew his objection.

Senator Swysgood stated his agreement with Senator Jergeson.

He said the departments will use prudent judgment because there are rules guarding against wholesale elimination.


Vote: Senator Jergeson's amendment motion CARRIED with Senator Fritz opposed.

Motion: Senator Weeding moved that SB 71 DO PASS AS AMENDED.

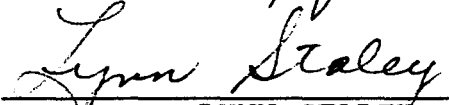
Vote: Motion that SB 71 DO PASS AS AMENDED CARRIED with Senators Fritz and Forrester opposed.

ADJOURNMENT

Adjournment: 11:00 a.m.



JUDY JACOBSON, Chair



LYNN STALEY, Secretary

JJ/LS

ROLL CALL

SENATE COMMITTEE FINANCE AND CLAIMS

DATE 1/15/93

NAME	PRESENT	ABSENT	EXCUSED
SENATOR JACOBSON	✓		
SENATOR FRANKLIN	✓		
SENATOR AKLESTAD	✓		
SENATOR BECK	✓		
SENATOR BIANCHI	✓		
SENATOR CHRISTIAENS	✓		
SENATOR DEVLIN	✓		
SENATOR FORRESTER	✓		
SENATOR FRITZ	✓		
SENATOR HARDING	✓		
SENATOR HOCKETT	✓		
SENATOR JERGESON	✓		
SENATOR KEATING	✓		
SENATOR LYNCH	✓		
SENATOR NATHE	✓		
SENATOR SWYSGOOD	✓		
SENATOR TVEIT	✓		
SENATOR VAUGHN	✓		
SENATOR WATERMAN	✓		
SENATOR WEEDING	✓		

FC8

Attach to each day's minutes

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
January 15, 1993

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration Senate Bill No. 71 (first reading copy -- white), respectfully report that Senate Bill No. 71 be amended as follows and as so amended do pass.

Signed: Judy H. Jacobson
Senator Judy H. Jacobson, Chair

That such amendments read:

1. Title, line 5.
Following: "ELIMINATE"
Strike: "UNNECESSARY ADMINISTRATIVE"

2. Title, line 7.
Following: "REDUCE"
Strike: "ADMINISTRATIVE"

3. Page 3, line 20.
Following: "eliminate"
Strike: "unnecessary administrative"

-END-

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
January 15, 1993

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration Senate Bill No. 101 (first reading copy -- white), respectfully report that Senate Bill No. 101 do pass.

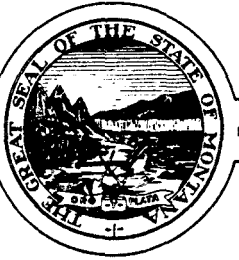
Signed: Judy H. Jacobson
Senator Judy H. Jacobson, Chair

DEPARTMENT OF
SOCIAL AND REHABILITATION SERVICES

MARC RACICOT
GOVERNOR

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SENATE FINANCE AND CLAIMS

EXHIBIT NO. 1

DATE 11/15/93

BILL NO. SB 94

TESTIMONY OF THE DEPARTMENT OF
SOCIAL AND REHABILITATION SERVICES
BEFORE THE SENATE FINANCING CLAIMS COMMITTEE
(Re: SB 94 - County Medical Assistance)

Senator Keating has always been very helpful and cooperative in working with the Department of Social and Rehabilitation Services regarding public assistance programs administered by the Department. His interest in public assistance programs is evident from his sponsorship of this bill. Due to our good relationship with Senator Keating the Department is somewhat reluctant in opposing Senate Bill 94. The Department, however, believes that it is necessary that this Committee be aware of certain concerns which would affect the Department if this bill is passed.

Senate Bill 94 will allow "non state-assumed" counties greater discretion in the operation of their County Medical Assistance program. This bill will allow counties to (1) establish eligibility at a level which is three times that otherwise permitted in state-assumed counties, and (2) provide medical services beyond hospital, physician and prescription drugs.

Passage of Senate Bill 94 may cause state payments under the grant-in-aid laws if a county exceeds 13 1/2 mills. If a county expands its County Medical Assistance program beyond what is currently allowed by state law the Department through the use of state general funds would be required by current law (sections 53-2-322 and 53-2-323, MCA) to pay for these costs if the aggregate of public assistance expenditures in the county exceeds 13 1/2 mills.

The Department does not believe this bill is necessary. There are very few instances, if any, in which counties would really want to expand their County Medical Assistance program beyond what is currently allowed by state law. Almost all counties follow similar eligibility criteria as that used by the Department.


Previous to the July, 1992 Session of the Montana Legislature the general relief laws allowed for payments of all medical services if they were "medically necessary" and were otherwise provided in a similar type of service in the Medicaid program. In order to reduce expenditures, and to care for the immediate and acute needs of indigents, medical payments were limited to hospital services, physician services and prescription drugs. This should not be

expanded in times when the legislature is looking for means to cut other programs in order to balance a very large state deficit. In addition, current law does allow for expanded medical services for individuals who require medical services in order to obtain or retain employment. (See 53-3-310, MCA.)

The Department is also concerned that passage of this law would create significantly different medical assistance programs among the counties. This could possibly lead to court challenges based upon Montana's equal protection laws.

If this Committee is determined to pass this bill it is recommended that modifications to the current emergency grant-in-aid laws be amended. Section 53-3-322 and 53-3-323 should be amended to insure that these added expenditures are not paid through the use of a grant-in-aid.

On behalf of the Department of Social and Rehabilitation Services I urge you to seriously consider these comments. Thank you for taking the time to hold this hearing and listening to my comments.

Submitted by: 
Peter S. Blouke, Director
Department of Social and
Rehabilitation Services

DEPARTMENT OF CORRECTIONS
AND HUMAN SERVICES

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 2

DATE 1/15/93

BILL NO. SB 39

339 11TH AVENUE

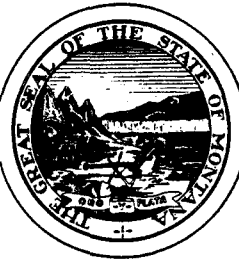
SB 40

STAN STEPHENS, GOVERNOR

STATE OF MONTANA

(406) 444-3930 FAX (406) 444-4920

HELENA, MONTANA 59620-1301



TESTIMONY FOR SB 39 AND 40

SB 39 proposes to discontinue operation of the 33 bed acute care hospital unit and SB 40 proposes to discontinue operation of the nursing home unit. Both of units are located within the Terrill and Crockett wings of the main hospital building at Galen. The majority of patients in the acute care hospital are there for drug/alcohol detoxification and/or processing prior to admittance to the Montana Chemical Dependency Center (MCDC).

The interim committee on Montana State Hospital recommended closure of the acute care hospital following reports by two independent physicians who were selected by the committee. The reports indicated that few patients admitted to the acute care unit required acute care and that alcohol/drug detoxification could appropriately be provided at a sub-acute level of care. In fact, sub-acute\medically monitored detoxification was what was being provided.

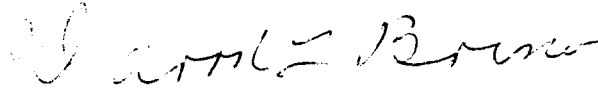
The committee also recommended that inpatient chemical dependency services continue to be provided at Galen as part of a comprehensive public and private system of care and the Department of Corrections and Human Services (DCHS) provide a subacute medical detoxification program that continues all current medical protocols.

The DCHS, Alcohol and Drug Abuse Division, proposes with the closure of the Acute care unit and Nursing Home Unit all alcohol/drug detoxification services and inpatient chemical dependency treatment be provided in the main hospital building.

A detoxification education assessment and referral program (DEAR) will be established. The DEAR program will become the point of entry for the inpatient treatment programs. Detoxification services will be provided in a medically monitored, subacute setting, utilizing criteria from the American Society of Addiction Medicine (ASAM). After detoxification, if needed, the patient will enter the education, assessment and referral phase of his/her treatment. Based on the assessment, medical history etc; the individual will be referred back to the community for outpatient or referred on to the appropriate 14 , 28 or 60 day inpatient programs.

The Galen campus would become a stand alone chemical dependency facility. There are many advantages for the move to the main hospital building. Supervision of all programs in one location will strengthen team building and communication among staff. With all programs and all support services in one location, security and monitoring of patients will improve. Exposure to patients in treatment will motivate patients in DEAR to stay in the program. This building is also much more accessible to services for the handicapped patients.

We view the proposed Galen closures and the movement of all alcohol and drug services in one location as an enhancement of chemical dependency services.



Submitted by Darryl L. Bruno
Administrator, Alcohol and Drug Abuse Division

DEPARTMENT OF
HEALTH AND ENVIRONMENTAL SCIENCES

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 3

DATE 1/15/93

BILL NO. SB 39 SB 40
COGSWELL BUILDING



STAN STEPHENS, GOVERNOR

STATE OF MONTANA

FAX # (406) 444-2606

GALEN CLOSURE
HBs 39 & 40

HELENA, MONTANA 59620

Judith Sedroae

Nationally, tuberculosis care moved from institutions to communities in the mid 1970's. Public health systems were strengthened to shift the care from institutions to communities. DHES nor the local health departments had specific funding for tuberculosis control from 1979 to 1992 so Galen has continued to be an integral part of tuberculosis treatment in Montana.

Galen has been called upon to accept patients with no ability to pay elsewhere and ones who refused to adhere to outpatient treatment in their communities. Except for 1990, since 1989, six patients in total were admitted to Galen for acute tuberculosis care. In 1990, there was a case cluster which resulted in 10 admissions to Galen because of indigence and non-compliance. Since, 1991 there has been only one admission to Galen for tuberculosis care and the patient is still in residence at Galen.

The other role Montana State Hospital has played in tuberculosis control in the past 12 years has been provision of out-patient tuberculosis medications. Many patients receiving treatment and monitoring in their home communities are not able to afford the tuberculosis medication. Corrections and Institutions via MSH pharmacy continues to provide medications for treatment of tuberculosis patients and this is vital to maintaining the Montana system. During SFY 1992, MSH spent \$10,000 on all out-patient medications and a portion of the amount was for tuberculosis medication.

In 1992, DHES applied for and received a grant from the Centers for Disease Control/Prevention and a majority will be contracted to local health departments. Unfortunately, the amount received was approximately 28% of the funds needed to have a comprehensive tuberculosis program in Montana. The funding for DHES Public Health Laboratory support vital to the effort is not addressed in this analysis so must be added to the total needed for a comprehensive program.

If Galen closes, tuberculosis care would have to be absorbed in the local community with DHES and county health departments sharing financial responsibility to treat and monitor patients. In addition to current level federal funds, another \$54,300 is needed for an adequate tuberculosis control program in Montana.

DHES-TB
BUDGET*

OBJ CODE	ITEM	AMT	EXPLANATION
2nd Level			
2108	Legal	800	Court Orders
2109	Physician	500	Specialist
2196	Counties	43000	In-pt & HomeHlth Followup
	Total	44300	
2nd Level			
2222	Drugs	10000	TB case treatment
	Total	54300	

*Needed in addition to Federal

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 4

DATE 1/15/93

BILL NO. SB 39

SB 40

January 15, 1993

Testimony: Keith L. Colbo

Senate Finance & Claims

8:00 AM - Room 108

Chair: Senator Judy Jacobson

Senate Bill 39 and 40 - Introduced by Senator Keating

- INTRODUCTION: Warm Springs/Galen Task Force
- DRAFTED H.B. 966 creating the *Warm Springs Study Committee*
- PURPOSE OF COMMITTEE
 - Current programs
 - Alternate uses of the staff and facilities
- OTHER BILLS: Bills for alternate programs are being drafted for introduction. They would provide needed services, mitigate economic impact, utilize existing staff, and not add to the general fund expenditure base.
- *Inler Compliance*
- INFRASTRUCTURE STUDY
- NEW ADMINISTRATION
- OPPOSE S.B. 39 AND 40: Recommend that as a result of this hearing, they are referred back to joint sub-committee where all bills might be considered
- Hope that this issue is resolved by the 1993 Session

Friday

DATE 1/15/93

SENATE COMMITTEE ON Finance & Claims

BILLS BEING HEARD TODAY: SB 39 SB 40 SB 71

SB 94 SB 101

Name	Representing	Bill No.	Check One	
			Support	Oppose
T. Thum	MNA	39/40	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ray Buder	MNA	39/40	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Judith Goluse	DHES	39/40	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Lois Morris	MAG	SB 94	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Linda McNeil	Anaconda Chamber	39/40	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Val "Buzz" Galle	Anaconda Deer Lodge	39/40	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Garrett Holzer	MT. ST. AFL-CIO	39/40	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Scott St Arnaud	AFSCME	39/40	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Keith L. Colbo	Galen Task Force	39/40	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Henry McClern	Sen Dist 34	39/40	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Dina Anderson	DCHS - MH	39/40	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Kathy McDouan	MCMHC	39/40	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Linda Sandman	DHES	39/40	<input type="checkbox"/>	<input type="checkbox"/>
Rick Day	DCHS	39/40	<input checked="" type="checkbox"/>	<input type="checkbox"/>
John E. Mase		39/40	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Petrick S. Pope	Member Lewis Ins. Co.	39/40	<input checked="" type="checkbox"/>	<input type="checkbox"/>

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE Friday
1/15/93

SENATE COMMITTEE ON Finance & Claims

BILLS BEING HEARD TODAY: SB 39 SB 40 SB 71
SB 94 SB 101

Name	Representing	Bill No.	Check One	
			Support	Oppose
Russ Carter	SRS	SB 94		X
KATHY STANDARD	M.L.I.	39/40	X	
Darryl Bruno	DCHS	39/40	X	
John Shontz	mental Health Div	39/40	X	→ ad intro
Jeff Smith	A.D. 48	39/40		X
Jack Smith	State Super Court	39/40		✓
Don-ell Macfarlan	MHAM	39/40	X	
Dave Wadgeland	Dept. of Revenue	SB 101		

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY