MINUTES

MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON HUMAN SERVICES & AGING

Call to Order: By **CHAIRMAN JOHN COBB**, on January 20, 1993, at 9:07 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 Wanzenried (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

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

Committee Business Summary:
Hearing: MEDICAID NURSING FACILITIES AND HOME AND COMMUNITY SERVICES PROGRAM (COMMONLY CALLED THE MEDICAID WAIVER) WITHIN THE MEDICAID SERVICES DIVISION
Executive Action: NONE

Ms. Nancy Ellery, Administrator, Medicaid Services Division, explained waivers and introduced new staff as follows: **Ms. Kelly Williams, Supervisor, Nursing Home Section, Medicaid; Mr. Jeff Buska, Supervisor, Nursing Home Side.**

HEARING ON MEDICAID NURSING FACILITIES

Tape No. 1:Side 1

Ms. Ellery spoke to the committee using both **EXHIBIT 1** and

information on the Boren amendment, **EXHIBIT 2.**

BUDGET ITEM OPTIONS FOR COST CONTROL

Ms. Ellery discussed the following options which are not necessarily recommended by SRS. **EXHIBIT 1**

1. Eliminate Reimbursement for Therapeutic Home Visits Hospital Hold Days

2. Limit Medicaid Payment to No More Than Private Pay Rate

3. Eligibility Changes

4. Long Term Care Insurance

5. Assisted Living Alternatives

Ms. Rose Hughes, Executive Director, Montana Health Care Association, Representing Nursing Homes, spoke to the committee. **EXHIBITS 3 and 4.**

HEARING ON HOME AND COMMUNITY SERVICES PROGRAM (COMMONLY CALLED THE MEDICAID WAIVER) WITHIN THE MEDICAID SERVICES DIVISION

Ms. Nancy Ellery, Administrator, Medicaid Services Division, introduced staff who work with the **Home and Community Services Program (Medicaid waiver): Ms. Joyce DeCunzo, Supervisor, Home and Community Services Program, and Jane Bernard, Program Manager. EXHIBITS 5 and 6**

BUDGET ITEM OPTIONS TO CONTAIN COST

Tape No. 1:Side 2

1. Reduce personal care limit from 40 to 35 per week

2. Establish limit on hours devoted to homemaking

3. Eliminate the hospice program

Citizens appearing on behalf of case management included **Ms. Jane Lux, EXHIBIT 7; Mr. Jack Cole; Mr. John Gallegos; Christine Tremaine, Director, Special Services, Central Montana Medical Center, EXHIBIT 8; Jo Ann Pimentel, Senior Companion, Missoula, EXHIBIT 9.**

REP. LARRY GRINDE, HD 30, Lewistown, spoke in favor of the waiver program as a way to protect the quality of life for Montanans in need of services.

Dr. Blouke, Mr. Chappuis, Ms. DeCunzo, and Ms. Ellery responded to questions from committee members.

Ms. Joyce Anderson, Administrator of Missoula Manor, a low to moderate income housing facility in Missoula appeared before the committee. **EXHIBIT 10**

Mr. Dan Shea, Ms. Linda Cuchine, and Ms. Bonnie Adee, Hospice of St. Peter's Hospital, Montana Hospice Organization, Exhibit 11, addressed the committee.

CHAIRMAN COBB adjourned the meeting.

ADJOURNMENT

Adjournment: 12:00 Noon

JOHN COBB, Chairman

BILLIE JEAN HILL, Secretary

JC/bjh

HOUSE OF REPRESENTATIVES

HUMAN SERVICES **SUB-COMMITTEE**

ROLL CALL **DATE** Jan 20, 1993

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	✓		

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Presentation Date 1/20/93

SRS Staff: **Nancy Ellery, John Chappuis, Kelly Williams, Jeff Buska**

Committee: **Human Services Appropriation Sub-Committee**

MEDICAID NURSING FACILITIES

Current Program:

Licensed nursing facilities are the most widely available long term care service option purchased with public funds in Montana. Nursing facility expenditures now account for 27% of the total Medicaid budget. (See Figure 1) There are 96 nursing facilities in Montana excluding the 6 state run facilities with a total of about 6,700 beds.

Medicaid currently pays for about 62% of all nursing home services purchased in Montana; private payers 31% and Medicare and other payers 7%. In the Medicaid program, two factors exert the greatest influence on the amount of money spent on nursing facilities: the growth in the number of licensed nursing facility beds, and the increases in the reimbursement rates paid to nursing facilities.

The number of licensed nursing facility beds in Montana is regulated by the Department of Health and Environmental Sciences (DHES) through its Certificate of Need (CON) process. Prior to construction, agencies or organizations wishing to develop or expand nursing facilities must obtain a certificate of need from DHES demonstrating that additional beds are necessary. At any one time about 92% of nursing facility beds

in the state are occupied. The immediate availability of nursing facility services varies greatly from location to location with the larger towns typically having a waiting list. In fiscal year 1992 two new nursing facilities were added to the Medicaid program and one facility left the Medicaid program. There are few new beds projected to be added in 1994/1995, but there is CON activity for facility replacement of 3 to 4 nursing facilities around the state.

Nursing facilities are paid a daily rate that incorporates the facility base year costs and an inflationary index. The daily rate is comprised of a operating component, a direct nursing component and a property component. The system of reimbursement is a prospective system, and unlike a cost based system with a prospective reimbursement methodology there is no end of the year settlement with providers based on each individual facility's actual costs. Nursing homes with reimbursement rates higher than their costs may retain any balance in funds that is achieved. The Medicaid program revised its reimbursement methodology for nursing facilities in 1991 and continues to evaluate the system of reimbursement for compliance with federal laws and statutes so that rates and allowable costs correlate to each other. (See Figure 2 Rate/ Cost Comparison) The average daily Medicaid reimbursement rate in 1993 is $67.15 with patient contributions accounting for $15.10 of that rate. The balance of $52.05 is comprised of 72% federal dollars and 28% state general funds. Patient contributions represent the income and resources that a person eligible for medicaid in a nursing facility must contribute to their cost of nursing home care on a monthly basis.

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A comparison of rates from other states in the region for fiscal year 1992 shows that Montana 's rates are comparable to other states in our geographic region. Idaho $61.09; Montana $63.30; North Dakota $64.25; South Dakota $54.45; and Wyoming $65.77.

Medicaid residents are allowed to keep $40.00 of personal needs money on a monthly basis to purchase personal items. All other amounts, if any, go towards their cost of care. Eligibility changes such as spousal impoverishment , changes in resource standards, buy-in or medicare premiums all impact the amount of income available to contribute or offset the cost of nursing home care. In addition to financial eligibility there is also a prescreening or level of care requirement that is required prior to a medicaid recipient being eligible for nursing home care. If the recipient does not meet the level of care criteria other placements will be necessary or medicaid will not be a payer in the nursing home setting.

1992/1993 Funding

Changes to the base funding that was acquired from the 91 legislature were implemented to avoid litigation in 1992. These changes were to fully fund the rebase in 1992/1993 reimbursement levels after the legislature implemented a 3 month delay in funding a the end of the 1991 legislature. This delay was funded by the increase in the private pay offset or revenue that was not accounted for by the 1991 legislature. This did not require additional state funds. This was approved prior to

implementation by the governors office and the Legislative Fiscal Analyst but still is considered controversial by some legislators who supported the delay originally.

Settlement with industry in 1993:

The medicaid program is working to provide additional funding in fiscal year 1993 to avoid a Boren Amendment law suit. The settlement for FY93 centers around the recognition of costs of the bed fee in the reimbursement base and increasing of the overall rate cap from $6.00 to $9.00. The cost of this settlement is approximately 3.5 million total state and federal dollars. The Boren Amendment requires that rates are reasonable and adequate to reimburse efficiently and economically operated facilities so that they can comply with health standards and provide access to quality services and achieve the highest practicable physical, mental and psychosocial status of residents.

Twenty two states have had lawsuits filed against them using this standard but most have not been successful. Some recent successes in nursing facility Boren defense can be found in the states of Nevada, Washington and Idaho. Success in Boren litigation has mostly centered around whether or not states went through a reasoned decision making process in establishing reimbursement levels and have prepared findings that support the adequacy of rates. Most states have lost because they have not prepared findings regarding the method of rate setting. Montana has prepared such findings documents but it will ultimately be up to the courts to decide whether the requirements of the Boren

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Amendment have been met based on these findings. Boren Amendment litigation is extremely complex and time consuming. In addition to possible increased reimbursement, there are substantial legal fees, consultant fees and staff resources involved.

Bed Fee or User Fee:

Montana implemented a user fee or a bed fee in 1992 of $1.00 /day on all nursing home bed days paid for by third party payers (medicaid, medicare and insurance). This fee increased to $2.00 in 1993. The revenue from the fee was used to fund the requested increases in the reimbursement rates for 1992/1993 for nursing facilities.

Provider taxes and donations have become the most popular way to fund expansion or new mandates even though the federal government has reduced the potential growth of these taxes by applying upper limits on their use. Taxed or donated funds are used to leverage federal matching dollars at the state level. As of March 1992 ten (10) states had a tax program for nursing homes which was used for medicaid expansion. Some changes coming out of the federal law are that the taxes must be broad based and applied to all payers in the class to be allowable to use by states to match federal dollars. This means that the fee imposed on nursing home days for third party payers will need to be expanded or broad based to all payers days in the nursing facility so that the funds can be used as matching dollars in 1994/1995.

Currently the fee raises approximately $3.2 million in state revenue. Broad basing the fee at the $2.00 level would approximately generate an additional $1.4 million in state revenue. In fiscal year 1993 and there after approximately $1.9 million of the revenue generated from the fee will remain in the general fund and the balance will be used to fund expansion of the nursing facility program.

The law provides for a transition period for states to bring their fee or tax plans into compliance. During this transition period which extends through 9/30/95, the maximum amount of health care taxes that a state may receive from a provider tax during a fiscal year without an FFP reduction is 25%. After 10/1/95 there is no limitation on the amount of health care taxes that a state may receive without an FFP reduction as long as the tax is broad based and no hold harmless provisions or a guarantee that the tax will be reimbursed in total exists. There are specific threshold tests that must be applied to insure that the tax is broad based and a hold harmless does not exist.

Potential opposition will occur when the user fee is expanded to private payer days in the nursing facility. If the broad based legislation is adopted for 1994 and after, nursing facilities will face a choice regarding whether or not to charge the cost of the fee to persons paying for their own care. Historically, nursing facilities have argued that private pay residents must bear a disproportionate share of the cost of providing care because Medicaid rates are too low. While individual private pay residents may be required to absorb the

cost of the fee in some cases, in general, the need for large increases in private pay rates should be reduced due to the rising medicaid reimbursement. The quality of care should also improve with this additional reimbursement level so that all nursing facility residents will benefit. Data shows that in many facilities the full cost of a day of care is not being charged to the private pay residents and in many instances the private pay rate is lower than the Medicaid rate that is paid to the facility. Whether of not the increase in the fee is passed on to the private pay is the facility's choice. The fee will be imposed on the facility for all bed days occupied regardless of payment source.

1994/1995 Budget request:

The 1994/1995 executive budget contains no new money to fund nursing facility reimbursement. A contingency of the settlement agreement with the industry will be the necessity to request additional new funding to provide for a rate increase in 1994/1995, to account for the impact of bringing forward the settlement agreement from 1993 into the base funding and to provide for changes to the system of property reimbursement and a rebasing of the system to fiscal year 1992 cost reports. A study is currently being performed for the department which could impact property reimbursement and may incorporate a fair rental value system or a system that more closely matches property costs with property rates. This change would most likely be incorporated into the funding request for 1995 and not for 1994. Additional revenue to fund this request for increased reimbursement would come from broad basing the user fee and increasing the fee to generate the additional funding

levels necessary. The fee would most likely have to be increased to $2.85 in 1994 and to $3.65 in 1995 to fund this increase in reimbursement.

Department of Corrections and Human Services:

In addition to the 96 nursing facilities discussed above the medicaid program also reimburses the costs of six state run long term care facilities. They are the Montana Developmental Center (MDC), Montana State Hospital (Galen campus), Montana State Hospital (Warm Springs campus), Center for the Aged, Eastmont Human Services Center, and the Montana Veterans Home. MDC and Eastmont serve persons with developmental disabilities and the campus at Warm Springs serves persons with mental illness. The three other facilities provide nursing facility care.

Only the federal portion of the funding for these facilities is included in the medicaid budget. The state general funds for these facilities are held with the Department of Corrections and Human Services.

MDC, Eastmont and Warm Springs are cost based facilities. This means that they receive an interim payment rate (appropriated level of funding divided by projected bed day utilization) that is adjusted or cost settled after the fiscal year is over and financial information is received by medicaid. This settlement process results in either a payment due to the facility or a payment due to SRS depending on the result of the audit and the comparison of the interim rate to the final

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rate established through this settlement process. The medicaid program has received criticism from the Legislative Auditors Office on the amount of time that it takes to settle these cost reports and provide the payment to the state or return excess federal funds. The medicaid program is processing these audits in the most timely manner possible given the resources that are available to perform these audits and the technical nature of the cost reports for these providers. These providers are cost based, provide a services to a unique group of recipients (MR and MI), and are more difficult and technical cost reports to review.

New Federal Mandates Impacting Nursing Facilities:

Constantly changing mandates impact nursing facilities such as the changes in voluntary contributions and donations, eligibility changes, sanction and enforcement regulations, ongoing OBRA activities regarding training and testing of nurse aides, specialized services in nursing facilities for mental retardation and mentally ill, and changes in charges to residents funds in nursing facilities.

The most unpredictable as far as the cost of implementation are the Sanction and Enforcement requirements. These regulations apply a scope and severity scale to a facility for deficiencies under the survey process that is performed by DHES. Enforcement options can be the imposition of sanctions, civil monetary penalties, or temporary management depending on the deficiency and the severity or the jeopardy that the deficiency places the residents of the facility under. There

is also a hearings process regarding the sanction and enforcement process.

New federal regulations have redefined what can be included in the nursing home per day rate and what can be billed as an extra charge to the nursing facility residents personal funds. These regulation changes require that states be required to cover the items and services as nursing facility services under their state plan.

Final PASARR regulations have been issued and a concern exists for the provision of specialized services in nursing facilities for mentally retarded (MR) and mentally ill (MI) residents. States must arrange for or provide specialized services for residents with MR or MI and there is no federal funding available for these services. Specialized services are services specified by the state which, combined with services provided by the NF results in the continuous and aggressive implementation of an individualized plan of care.

OBRA activities continue into the 1994/1995 biennium. A separate reimbursement for the testing cost of nurse aides is being currently maintained in addition to the per diem payment rate for the nursing facility. The activities of training and competency program approvals is ongoing through a contract with DHES. Contract responsibilities include approving training and certification programs and monitoring to see if the requirements are met on an ongoing basis. They also must maintain the registry of certified aides so that it is accessible 6

hours/day Monday through Friday as well as the abuse registry for nurse aides.

New proposed regulations concerning the Minimum Data Set (MDS) used in nursing facilities have recently been issued. Use of the MDS as an assessment tool has been in place for two years now. These proposed regulations will mandate that the MDS must be computerized by October 1, 1994, so that the federal government can collect this data nation wide as a resource for administering long term care programs. The cost of this change is difficult to determine as many facilities already have this process computerized. The additional cost to facilities could be reimbursed through the existing provider reimbursement system.

Program Expenditures:

(See one pager: page 2)

Options for Cost control:

There are few options for cost control that provide substantial savings to the medicaid program since the number of eligibles and the cost of care are the major impacts on this area of the medicaid program. Some options for cost containment do exist.

1. Eliminate Reimbursement for Therapeutic Home Visits and Hospital Hold Days

Many states do not pay for bed hold days for residents who go home on therapeutic home visits or who go to the hospital for medical treatment. Medicare does not reimburse for bed hold days. The Medicaid program

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currently reimburses for 24 therapeutic home visit days (THV) per state fiscal year. Hospital hold reimbursement is not limited as long as the resident is considered to be able to return to the nursing facility after the medical service and the facility has a waiting list for admission. The reason for holding beds is that when occupancy is high and there is a waiting list, residents currently occupying a nursing home bed and needing to leave the facility will be at risk of losing that bed. They could be held up in a hospital setting at a higher cost to medicaid or be unable to access services when they return because their bed was filled. With a occupancy level of 92% in Montana, the potential for having no bed to return to is very high in many areas of the state.

Potential savings for FY 94 if these bed hold days were eliminated would be:

FY 94 Potential Savings

Hospital Hold	3819 days x $52.05 =	$198,779
THV	2269 days x $52.05 =	$118,101
		$316,880
General Fund	.2898 matching rate=	$ 91,832
Federal Funds	.7102 matching rate=	$225,048

2. Limit Medicaid Payment to No More Than Private Pay Rate

Additional savings in the nursing facility program could be found in restricting the Medicaid payment to nursing facilities to not pay more than the private pay rate set at each facility. If this limitation was implemented, facilities that charge less to their private pay residents than the established Medicaid rate would be limited to the lower of the two rates. This would result in a one time savings if the private pay

rate was lower than the Medicaid rate. Facilities would most likely adjust their private pay rates to be equal to the established Medicaid rate over time and the differential in rates would no longer exists. Using 1991 data the total FY 94 savings would be $590,900 and impact 22 nursing facilities. FY 94 general fund savings $590,900 x .2898 = $171,243.

3. Eligibility Changes

Other options for cost control center around the review of transfer of asset and estate recovery policies and limiting the use of trusts. Federal law for the most part determines what assets and income are counted in the medicaid eligibility process. Loopholes exist that allow persons to maintain assets or transfer resources to a relative and still qualify for Medicaid coverage. Changes in Federal law are needed to close these loopholes. Medicaid estate planning has become a national problem where individuals with modest to vast assets have shielded them from the medicaid eligibility criteria. SRS will closely monitor the proposed changes and implement policy changes once they are approved.

4. Long Term Care Insurance

Another option for cost control is to pursue a waiver that would provide an incentive for individuals to purchase long term care insurance. Four states (Connecticut, California, Indiana and New York) have received federal waivers to implement a program which would allow the marketing of a long term care insurance policy which provides a variable level of benefits. An individual could buy a policy which pays a benefit amount

equal to the assets they wish to shield from medicaid consideration. After the policy had paid that amount in benefits, they could apply for medicaid and the amount of assets equal to the insurance benefits paid would be exempt from the medicaid eligibility calculations. The insurance policy would serve the function of a trust by protecting an estate but the individual would be paying for their long term care expenses in a more equitable manner. SRS will research whether such an approach would be cost-effective in Montana.

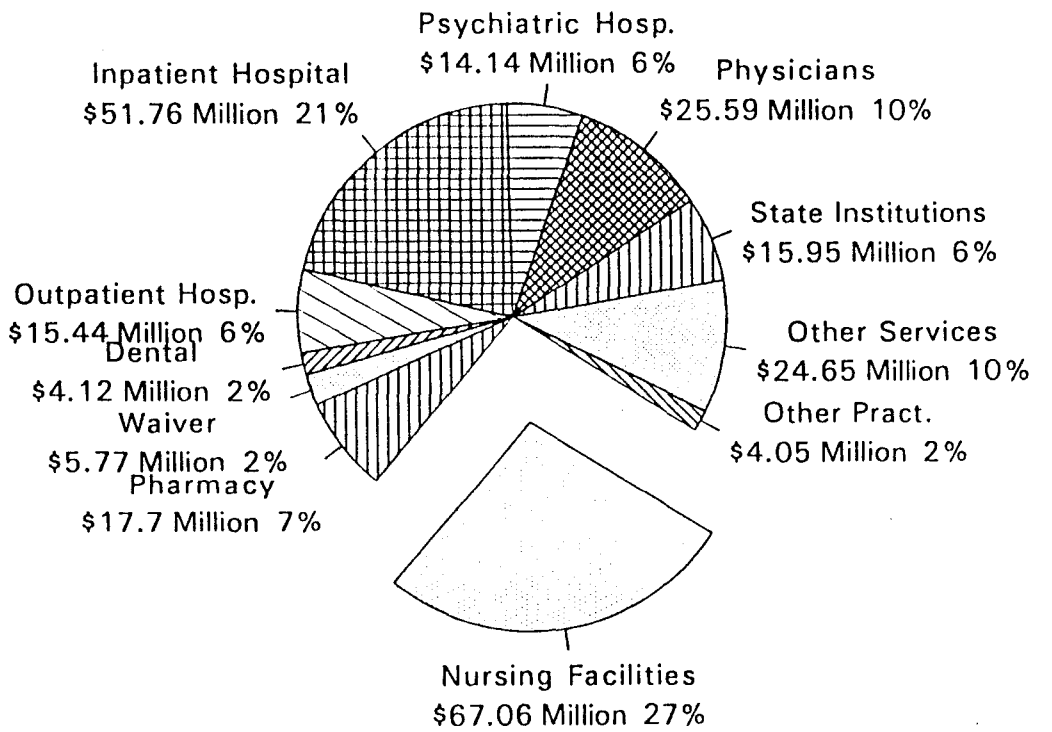
4 Stat.

5. Assisted Living Alternatives

One of the greatest cost control measures that will impact nursing facilities is to keep residents out of the nursing facility in a less restrictive and less expensive setting. Nursing home placement has become increasingly expensive -$25,000 to $35,000 per year. Assisted living, which also goes by other names such as, personal care, board and room, adult foster care, and supported living, is a less expensive alternative to nursing home placement. These services are not an allowable service covered by the medicaid program. The department pursued a personal care facility pilot project in the 1993 biennium and requested a waiver from the federal government for medicaid to pay for personal care level of services. The federal government has not approved the request and most likely will deny the waiver. The cost savings that could result are not available at this time.

EXHIBIT 8
DATE 1-20-93

Nursing Facilities
Medcaid Expenditures
FY 1992 (Paid through 11/92)



Based on Medicaid Paid Claims through November 1992
Total 1992 Medicaid for these Benefits is $255.4 Million
Does not include Indian Health or Buy-In Expenditures

Figure 1

EXHIBIT 1
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Nursing Facility Reimbursement
1987 Through 1993

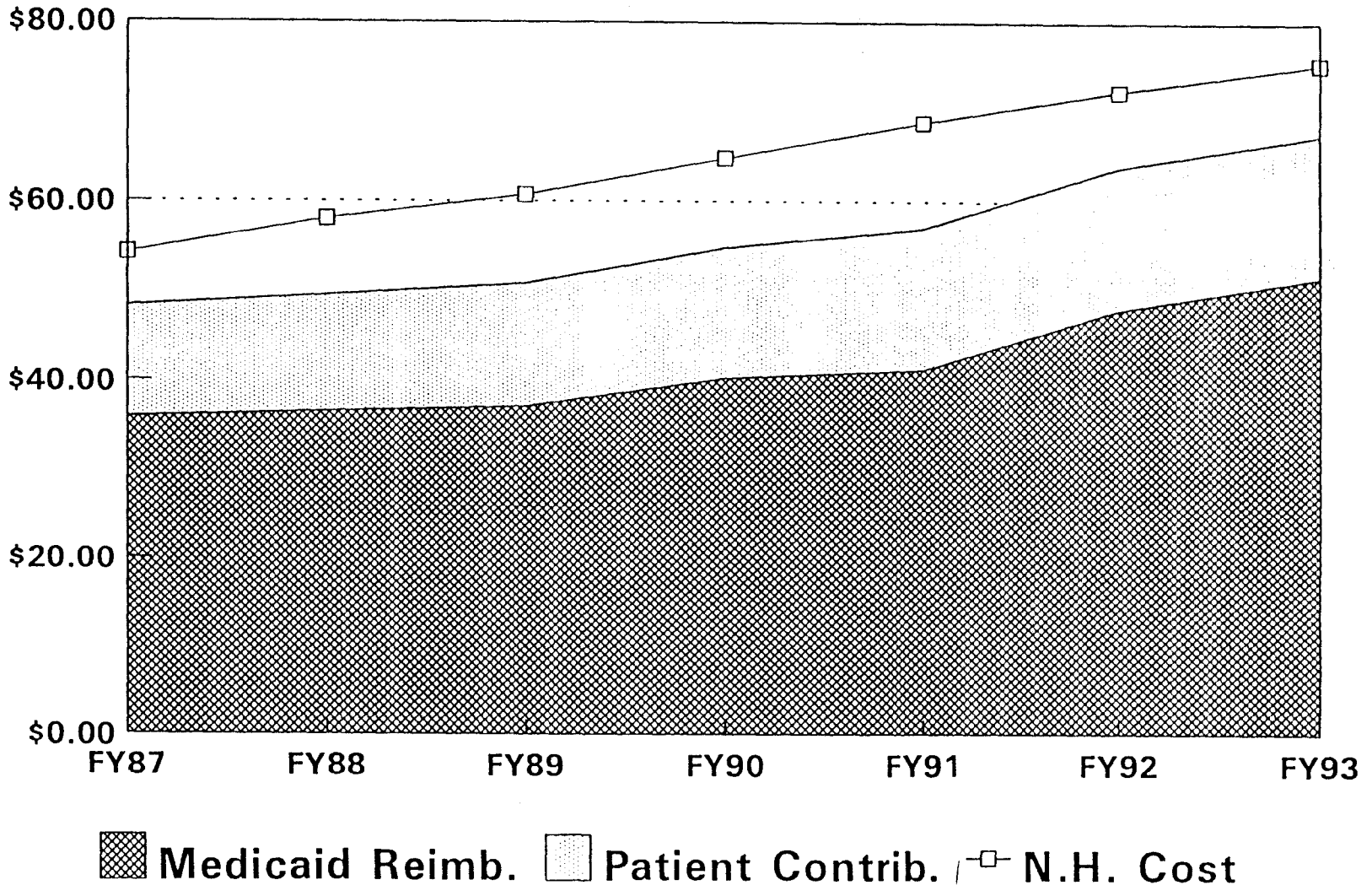

Figure 2

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BOREN AMENDMENT

What is the Boren Amendment? The Boren Amendment was passed by Congress in 1980 and it requires that state Medicaid programs pay reimbursement rates that are adequate and reasonable to reimburse the costs that must be incurred by economically and efficiently operated hospitals, nursing facilities, and intermediate care facilities for the mentally retarded. It was enacted to give states the freedom to experiment with reimbursement methodologies that would promote cost containment and efficiency.

In June, 1990 in Wilder v. Virginia Hospital Association, the Supreme Court decided that federal courts were an appropriate venue and that institutional providers have an enforceable right to adequate payment.

Twenty-two (22) states have been involved in Boren Amendment litigation of some kind. Several states have been sued more than once. Most of the law suits have been initiated by hospitals, nursing facilities or provider organizations to which hospitals and nursing facilities belong.

Why have they sued? There are several reasons for the law suits, however they can be grouped into general categories:

- Those in response to alleged procedural noncompliance issues, i.e., the state failed to make "findings" to support it's reimbursement changes or methodology. Many of the law suits were filed in response to budget reductions or rate freezes. States who failed to make proper findings have found their payment rates invalidated by the courts.

- Those in response to alleged substantive noncompliance issues. Substantive compliance requires states to actually pay rates that are reasonable and adequate.

- Those in response to other reasons such as lengthened payment cycles.

States have lost most but not all Boren Amendment litigation.

APWA is proposing additional amendments to the Boren Amendment language to clarify the original intent of Congress.

MONTANA
HEALTH
CARE
ASSOCIATION

36 S. Last Chance Gulch, Suite A · Helena, Montana 59601
Telephone (406) 443-2876 · FAX (406) 443-4614

EXHIBIT 3
DATE 1-20-93
SB

JOINT APPROPRIATIONS SUBCOMMITTEE
JANUARY 20, 1992

NURSING HOME REIMBURSEMENT

NEED FOR INCREASED FUNDING

COST VS. RATE FOR FY93 AS PROJECTED BY SRS: $75.43 COST
$67.15 RATE

BY THE STATE'S OWN ESTIMATES, FOR FY 93, 68 OF MONTANA'S 97 NURSING FACILITIES PARTICIPATING IN MEDICAID WILL LOSE MONEY CARING FOR MEDICAID PATIENTS. THIS REPRESENTS 70% OF ALL FACILITIES. WHEN THE USER FEE IS FULLY ACCOUNTED FOR, 78 OF MONTANA'S 97 NURSING FACILITIES LOSE MONEY CARING FOR MEDICAID PATIENTS. THIS REPRESENTS NEARLY 80% OF ALL FACILITIES.

THE ACTUAL DIFFERENCE BETWEEN COSTS AND RATES IS EVEN MORE SUBSTANTIAL BECAUSE OF A NUMBER OF COSTS THAT WERE NOT TAKEN INTO ACCOUNT IN SRS' FIGURES. COSTS UNACCOUNTED FOR IN THESE FIGURES INCLUDE:

1. OBRA (INCLUDING THE COST OF PROVIDING FOR THE "HIGHEST PRACTICABLE LEVEL OF PHYSICAL, MENTAL AND PSYCHOSOCIAL FUNCTIONING" FOR EACH RESIDENT. The cost projections used did not include a full year of OBRA implementation costs.

2. WORKERS' COMPENSATION. The cost projections used did not include a 70% increase in nursing home workers' compensation premiums from June 30, 1991 to July 1, 1992. (Cost estimate $3 million.)

3. NURSING HOME USER FEE. The cost projections included only a portion of the user fee. (Cost estimate $1 million.)

4. OSHA. The cost projections used did not include the cost of complying with the OSHA bloodborne pathogens standard which was effective October 1, 1991. (Cost estimate $.3 million.)

5. AMERICANS WITH DISABILITIES ACT. The cost projections used did not include the cost of complying with the Americans With Disabilities Act.

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6. RESIDENT ASSESSMENT USING MINIMUM DATA SET. The cost projections used did not include the full costs associated with use of the Minimum Data Set since its use was not required until July 1, 1991.

IT SHOULD BE CLEAR THAT THERE IS A SUBSTANTIAL DIFFERENCE BETWEEN THE COSTS ASSOCIATED WITH PROVIDING CARE TO MEDICAID RESIDENTS IN OUR NURSING FACILITIES AND THE RATES MEDICAID IS PAYING FOR THOSE SERVICES.

IF WE HOLD OUR COSTS TO A MODERATE INFLATION RATE OF 4% PER YEAR OVER THE NEXT BIENNIUM, OUR COSTS (NOT INCLUDING THE COSTS NOT ACCOUNTED FOR AS OUTLINED ABOVE) WOULD BE:

FY 94	$78.45
FY 95	$81.59

CLEARLY, THERE IS A NEED TO PROVIDE SUBSTANTIAL RATE INCREASES OVER THE NEXT BIENNIUM.

WE WILL BE SUPPORTING A BROAD BASED USER FEE TO FUND APPROPRIATE INCREASES IN NURSING HOME RATES TO ENABLE US TO CONTINUE TO PROVIDE SERVICES IN COMPLIANCE WITH STATE AND FEDERAL LAW.

MONTANA
HEALTH
CARE
ASSOCIATION

36 S. Last Chance Gulch, Suite A · Helena, Montana 59601
Telephone (406) 443-2876 · FAX (406) 443-4614

EXHIBIT 4
DATE 1-20-93
SB

Joint Appropriations Subcommittee
on Human Services
January 20, 1992

NURSING HOME REIMBURSEMENT

COST CONTAINMENT OPTIONS

MEDICAID COST CONTAINMENT VS. ACTUAL COST CONTAINMENT

ACTUAL COST CONTAINMENT:

1. DO NOT ADD NEW LAWS AND REGULATIONS WHICH EXPAND THE SERVICES PROVIDED AND COST MONEY.

2. CONTINUE CERTIFICATE OF NEED TO CONTROL BED EXPANSION

STATE AND MEDICAID PROGRAM COST CONTAINMENT:

1. EXPAND USE OF PROVIDER TAXES AND DONATIONS

2. ELIGIBILITY CHANGES / LONG TERM CARE INSURANCE

3. BED HOLD DAYS

4. LIMIT MEDICAID PAYMENT TO NO MORE THAN PRIVATE PAY RATE

5. ASSISTED LIVING ALTERNATIVES

6. INCREASE MEDICAID PAYMENTS TO STATE FACILITIES

Just for the record

EXHIBIT 4
DATE 1/20/93

jan 19, 1993

My name is Danny Lavelle & I'm 35 years old. I was in a car accident 11 years ago & have been disabled since then. I lived in a nursing home for awhile & have been in a ~~[illegible]~~ group home for about 10 years now. Case management in Missoula has been so supportive for me. They helped me get glasses and to set up doctors appointments. They've always been there when I needed help. Because of case managment I was able to leave the nursing home & move to the group home. I do not feel on account of saving money it would be appropriate for me to go back in a nursing home, so please for me and my case managers, don't cut medicaid funding.

DANNY LaVELLE

EXHIBIT 4
DATE 1/20/93

14 May 1992

This letter is in Regards to the services provided for my father. I feel that without the services of your case management service's. My father would be in a rest home or would'nt be with us. I believe that this kind of service is more important than anything that can be done for elderly people.

I would like to thank you for all the work & care you have done on my father's behalf.

Howard L. Wiggs

EXHIBIT 4
DATE 1/20/93

Dear Ora!

Just few lines to tell you I am well glase with my home care as if I did not have them I could not stand up long enough to make my own breakfast They lot of helps to me in every way and dont know what I do with out them.

Thank you very much.

Blanch Cook

5/15/92

Dear Ms. Kychener:

Case Management and Staff have given quality care and advocacy on behalf of Elsie & Frank Brocker. We appreciate Sue, Marlene, and Joan for their support they have given Elsie and Frank in the past year. We would appreciate your continued service for the coming year.

Thank you Partners In Home Care for your excellence service.

Sincerely,

Wilda Ericksen
Pauline Ericksen
George Brocker

EXHIBIT 4
DATE 1/20/93

MISSOULA FAMILY MEDICAL CENTER

Michael R. Priddy, M.D. *Daniel W. Thompson, M.D.* *David Westphal, M.D.*

EXHIBIT 4
DATE 1/20/93

May 13, 1992

Dallas Rychener
Partners in Home Care, Inc.
500 N Higgins Avenue - Suite 201
Missoula, Montana 59802

Dear Dallas:

I am happy with my relationship with Partners in Home Care and their care of my patients.

I have been very pleased with the care that my patients have received from Partners in Home Care. This program provides a very good and much needed service to our community by providing in-home assessments and evaluations of patients. Although telephone communications sometimes get to be a hassle with busy schedules of both parties, I have found that the quality of care and the assessments made by the personnel at Partners in Home Care have been accurate and timely.

I have also had several patients who were very borderline in their ability to stay at home and with questions of abuse/neglect, and have found the assessments from home health visits to be very important to me in assessing a patient's safety and competence of the family to care for the patient.

If I may provide further assistance, please contact me.

Sincerely,

Michael R. Priddy, M.D.

MRP/lrc

2831 Fort Missoula Road, Suite 146 • Missoula, Montana 59801 • (406) 728-6557

EXHIBIT 4
DATE 1/20/93

May 15, 92

Dear Dallas,

Received your letter of May 11 regarding your contract with DRS

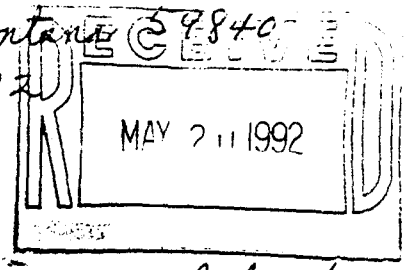
I have been working in Case Management as a volunteer in the office doing clerical work the past three years.

Working for Sue, Marlene, Kay & Joan I have learned just how fortunate we are in having home health care for the elderly & needy in Missoula & surrounding areas. The Case Management team is so concerned about their clients' welfare & happiness, doing what they can for their clients needs & wants. I would want them to be able to continue doing so. The clients depend on them so much.

Sincerely
Doris Peterson, Volunteer
Case Management

Mrs. Myrtle Caloff
722 State St.
Hamilton, Montana 59840

May 18, 1992



Dear Sirs,

In regards to your letter of 05/11/92, I would like to say that your program of Home Care is much needed & very appreciated.

With all the agencies involved; Westmont, MD Home Health Nurses, Dr. Holt to do my feet, & yourselves its wonderful how well they all get along & work together.

Tyrell (the lady before Joan Carver) helped me so much to explain some problems to my family so they could understand my feelings.

Norda London was very helpful in getting me a lift chair that I desperately needed. Five Valleys also assisted me with getting a bath bench, & other bathroom modifications that were needed.

I also value the PCA program & don't know what I'd do without it.

One thing that would be helpful is to have a paper that would explain line by line just what Partners in Home Care/Five Valleys does for their clients. It's a little confusing. Would I still have PCA's, Home Health Nurses etc, etc., if I didn't have Five Valleys?

Thank You Very Much!

Sincerely,

Myrtle Caloff

STAR ROUTE BOX 247
BONNER, MT 59823
MAY 15, 1992

EXHIBIT 4
DATE 1/20/93

DALLAS L. RYCHENER
EXECUTIVE DIRECTOR
FIVE VALLEYS HEALTH CARE, INC.
500 N HIGGINS AVE., SUITE 201
MISSOULA, MT 59802

DEAR DALLAS:

AS YOU KNOW, I WAS CONSERVATOR FOR A MAN FOUND INCOMPETENT TO HANDLE HIS AFFAIRS FOR FIVE YEARS, ENDING IN OCTOBER, 1991. FROM THE FIRST, FIVE VALLEYS' EMPLOYEES WERE HELPFUL, UNDERSTANDING, COOPERATIVE, AND GENEROUS WITH TIME AND ADVICE.

MY INITIAL RELATIONSHIP WAS WITH BARB FABEY, WHO WAS THEN ACTIVE IN CASE MANAGEMENT. THIS WAS A "FIRST" FOR BOTH: AS CONSERVATOR, I HAD NOT ENGAGED IN THIS ACTIVITY, AND FIVE VALLEYS HAD NOT WORKED WITH A CONSERVATOR. ONCE THE RESPECTIVE RESPONSIBILITIES HAD BEEN UNDERSTOOD, MY DUTIES AS CONSERVATOR WERE SMOOTHLY PERFORMED. FROM CAREGIVER TO THE ACCOUNTING DEPARTMENT, PERSONNEL WERE UNFAILINGLY COURTEOUS.

I THINK THAT THE MEASURES OF MY OPINION OF FIVE VALLEYS' QUALITY OF SERVICE TO ME IN MY PROFESSIONAL CAPACITY ARE THAT I SERVE ON THE BOARD OF DIRECTORS AND HAVE CONTINUED PERSONAL RELATIONSHIPS WITH STAFF MEMBERS SINCE I WAS DISCHARGED AS CONSERVATOR.

VERY TRULY YOURS,

Gardner Cromwell

GARDNER CROMWELL

MONTANA STATE UNIVERSITY
1893•CENTENNIAL•1993

College of Nursing

Missoula Campus
UM North Corbin Hall
Missoula, Montana 59812

Telephone 406-243-6515
FAX 406-243-5745

EXHIBIT 4
DATE 1/20/93

May 20, 1992

Dallas L. Rychener
Executive Director
P.H.C.
500 N. Higgins #201
Missoula, MT 59802

Dear Mr. Rychener:

During the past Spring Semester I have had the opportunity to work with the Case Management Program staff. I am a MSU College of Nursing faculty and as such I supervised four nursing student's clinical placement at Case Management. I have been impressed with the professionalism of the staff and the attention to detail in provision of service. Their relationship with the students has been outstanding. They provide an excellent learning environment.

Sincerely,

Doris Henson

Doris Henson, M.P.H., M.S., R.N.
Assistant Professor

DH/pk

RECEIVED
MAY 21 1992

Ira Robert Byock, MD, FACEP

341 University Avenue Missoula, Montana 59801 (406) 728-8643

EXHIBIT 4
DATE 1/20/93

May 20, 1992

To whom it may concern:

I am writing this letter in support of the Medicaid Waiver Program, Home and Community Services offered through Partners in Home Care.

I have had the opportunity to work with the staff of this service in management of very complex patients. I have consistently found the service to be highly professional, easy to work with and adept at the advanced problem-solving skills that is required in these situations. The addition of the Service's case management expertise has often had a dramatic impact on the care of patients. This translates into better, more comprehensive and cost-effective care of these clients.

I heartily recommend continuation of this excellent and greatly needed service.

Sincerely,

Ira R. Byock, MD

EXHIBIT 4
DATE 1/20/93

Tuesday, May 26th

Hi Dallas,

In reply to your letter of May 11th.

I am very pleased with the Case Management Team. They Work together so well since I have been a client a year and half ago; in doing certain care for all my needs and problems, all the time, in every way.

Thanking You,

Mrs Barney B. Pearce

DEPARTMENT OF FAMILY SERVICES
610 WOODY
MISSOULA, MONTANA 59802

STAN STEPHENS, GOVERNOR

FAX (406) 721-6249
(406) 721-9369

STATE OF MONTANA

May 15, 1992

Dallas Rychener
Executive Director
Partners In Home Care, Inc.
500 North Higgins, Suite 201
Missoula, MT 59802

Dear Dallas:

Home and Community services provided under the SRS Medicaid Waiver program have proven to be vital and needed, providing effective services to persons in the Missoula Community.

The Department of Family Services, Adult Protective Services continues to maintain a strong relationship with Partners In Home Care, Inc. as a referral source for persons who require community-based services.

In addition, the staff continues to be cooperative and resourceful in order to maintain high quality programs.

The Adult Protective Services department receives utmost cooperation from staff and employees in providing protective services to disabled and elderly persons.

We are pleased to be associated with Partners and look forward to continuing a strong community working relationship with agency staff. Thank you.

Sincerely,

Pat Cahill
Pat Cahill
Community Social Worker Supervisor

Jim Mason
Jim Mason
Community Social Worker

Karen Emerson
Karen Emerson
Community Social Worker

EXHIBIT 4
DATE 1/20/93

PC:hw

Community

Community Medical Center
2827 Fort Missoula Road
Missoula, MT 59801
(406) 728-4100

EXHIBIT 4
DATE 1/20/93

May 19, 1992

Dallas L. Rychner, Executive Director
Partners in Home Care
500 North Higgins, Suite 201
Missoula, MT 59802

Dear Dallas:

On behalf of the Social Service Department staff here at Community Medical Center I would like to express our appreciation and support for the Home and Community Services provided by the Medicaid Waiver program for the elderly in our community.

Whenever a Medicaid Waiver client is admitted to CMC it has been our experience that the Waiver Team immediatly responds in an effective manner and cooperates with our social workers in planning for home services necessary to keep the patient independent in their own home.

Patients who are on the Waiver appear more relaxed and confident about discharge knowing that needed support services will be available to help them return home safely.

However, because of the need by an increasing number of frail elderly for home support services we usually find that the program has a waiting list and cannot be used for immediate discharge plans for new applicants. Our hope is that you will be able to increase the number of clients served.

It is a pleasure to work with the Waiver Team who provide consistent high quality service to insure the continuity of care for their patients.

Sincerely,

Gloria A. Horejsi MSW

Gloria A. Horejsi, MSW, LSW
Director of Social Services

EXHIBIT 4
DATE 1/20/93

M E M O R A N D U M

TO: Sue, Kay, Marlene

FROM: Peggy Hicks

DATE: June 6, 1991

SUBJECT: Florine Watson

As the daughter of a CMT client, I thought it would be nice to just let you know what a great job you are doing.

In April, four years ago my Mother, Florine Watson was admitted to the CMT Program. At this time her doctor figured she would only live a few more months at the most. He had told me three or four times while she was in the hospital, he doubted if she would even make it out of the hospital.

Mom just celebrated her 86th Birthday yesterday, is doing great and living the quality of life that she could only have in her home. With just the two of us at home and me working full time the only other alternative I would have had was a nursing home. I know beyond a shadow of a doubt Mom would not be alive today if she had been placed in a nursing home.

At the time I wasn't sure if Home Health Care would really work but I felt it was the only alternative I had. Through excellent management and kind, thoughtful caregivers, Mom and I are where we are today, celebrating her 86th Birthday!

Your team has proven Home Health works. It not only just works, but provides the elderly opportunity to enjoy the remaining years of their life, in their home, with their families, and the family the opportunity to continue to work without the worry of wondering whats going on with their parent.

Its nice to know that Mom is home and safe and well taken care of.

Again I thank you and wish for you to know, you're doing one great job.

Thanks!

Peggy Hicks

Peggy Hicks

May 13, 1992

Partners in Home Care
500 North Higgins Ave.
Suite 201
Missoula, MT 59801

Dallas L. Rychener:

The care my mother has received through yuor Case Management Program has been excellent and your staff extremely helpful.

Without the care you have provided, I would have had no alternative but to place my mother in a nursing home.

My thanks to you and your caring staff.

Sincerely,

Mary Nakamura
238 So. Fifth East
Missoula, MT 59801

EXHIBIT 4
DATE 1/20/93

Barry Hoffman
425 1/2 Rollins
Missoula, MT 59801
January 19, 1993

Dear Legislator;

My name is Barry Hoffman. I am 32 years old, and have been head-injured since 1985. I woke up from a coma and was placed into a nursing home for one year. I then spent a year in a rehab unit going through therapy. I was released and lived at home for a while. That was rough! Mom put me into Missoula Community Nursing Home.

Case Management of Missoula found me and helped me get a roommate and get out of the nursing home. A group home opened and I moved in. Being in a group home was not a good plan for a person like me...too many rules. I am very independent. Instead of bettering yourself they place you into a day program where you're stuck with twenty other disabled people. What a drag!

No one wants to help a guy become more independent, however the Case Management Program has helped me to get married and helped me to realize there is more to life than living in a group home or in a situation where you are told what to do all the time by able-bodied people who think they are better than you.

Sincerely, Barry Hoffman

4
1/28/93

EXHIBIT 4
DATE 1/20/93

Gary Church
730 Turner #2
Missoula, MT 59801
January 18, 1991

Dear Legislator;

My name is Gary Church. I am thirty-five years old and suffered a head-injury in 1986. I was working as a cowboy in the Big Hole at the time of my accident. That changed my life drastically. I couldn't do anything I wanted to anymore.

Now I feel I have gone up a hill and I'm at the top and I see I'm on the way down hill, thanks to the Missoula Case Management Team. Fewer people are telling me what to do and I feel freer now, more capable to take care of myself. I do have praise for the Case management program. If it wasn't for the program I'd still be stuck back where I was not able to much of anything. I had no choices. Lots of doors were shut in my face. When I left the group home, doors began to open up for me. I have more choices in my life now. I can do more, living semi-independently. I t's frustrating when you are not allowed to go and do, when you're prevented by others; and you feel you are not supported. The Missoula Case Management Team has given me more options in my life.

Sincerely,

Gary L Church

EXHIBIT 4
DATE 1/20/93

Jeremy Brown
3250 Keck Street
Missoula, MT 59801

January 18, 1993

Dear Legislator;

My name is Jeremy Brown, I am twenty-three years old. I have cerebral palsy (C.P.). I am glad to be serviced by Community Case Management of Missoula. I have great case workers who watch out for me and they are good people. The programs they have arranged for me are the best ever. Before Case management got involved, life was very boring because I couldn't do what I wanted to.

I was born with C.P. and I had more than my younger brother Jamey, and my other brother Jason didn't have no C.P. I've had lots of operations and was in body casts and had pins in my hips. I know I have C.P. because my legs don't work and also because I shake a lot. I wish I could walk but I know I can't. Without Case Management I would be watching T.V. in my room only.

Sincerely,

Jeremy

EXHIBIT 4
DATE 1/20/93

Jenny Brown
Jan 18TH 1993
315 N. Patee
MSLa. MT 5980,

Dear Legislators;

My name is Jenny Brown and I am 39 years old. I am head injured, my accident occured in 1982.

This letter is in support of Case Mngmt. Services of MSLa. and their programs which have greatly benefited my life.

I lived in Darby for about 4 years after my wreck. There was absolutely nothing for me to do but watch T.V. I lived in my own trailer where few people came to see me.

It was very lonely. I moved to MSLa. to a personal-care facility in 1987.

I was 34 yrs old.

Since I've been in the Community Case Management program in MSLa. they have opened many doors for me. I really like the people who work with me!

work
since I can't even [redacted] "like I used to" it is very frustrating.
the people of case mngmt are very very nice to me and everybody else
They have helped me to have a new life!, and I really appreciate it.

Sincerely;
Jenny Brown

EXHIBIT 4
DATE 1/20/93

Tony Oliver
January 18, 1993
119 West Alder apt [illegible]
Missoula MT. 5980[illegible]

Dear legislator,

My name is Tony Oliver, I am 38 yrs old ~~[illegible]~~ and Head injured. I Have Been Head injured since ~~[illegible]~~ 1975. I lived in 3 nursing homes in the Missoula area from wayside to community Nursing Homes. I was 21 when I Had my wreck and my memory is more or less nill now, I lived in nursing Homes for more than 5 years. I couldn't talk and that satisfied the nursing Home staff. I ~~[illegible]~~ couldn't grasp that I was younger. I tried to slip into the main stream of life, that was almost an impossibility. case management services of Missoula rescued me. Because of case Management services I can make more choices about my life. I like my independence. Case Management gives me enough help and hope so I can choose what I want to do. [illegible] every day [illegible], that's important to me. I need to know that I'm going. I don't know what I would do if I was still living in a nursing Home. [illegible] I Have [illegible] and I don't [illegible] a day [illegible] [illegible] [illegible]

[illegible]

[illegible]

E[illegible]

EXHIBIT 4
DATE 1/20/93

124 So. Travis
Missoula, Mont. 59802
Jan. 18, 1993

Dear Legislater

I am a client of Case Management since the Spring of 1982 - when my Doctor asked them to help me.

Case Management arranged to have people come into my home and help me with regular chores of household, shopping, Drs. appointments. They also do the cooking such as I need.

They make sure my wheelchair ramp is free of snow and my walk.

Due to Case managments help I am able to remain in my home to live, & can live an independant life here.

I feel comfortable, respected and really cared for - this eases the stress of living with a bad heart. I am also loosing my eye sight - and I will feel better here where I know where everything is.

They are only a phone call away if I need them, that is a blessing to me. It would be a great loss to many of us without this help. Thank you for your time.

Sincerely, Virginia Jackson.
124 So. Travis

1-14-93

EXHIBIT 4
DATE 1/20/93

To: Legislature

It has come to my attention, that there is the potential for possible cut backs and reductions involving programs such as Case Managements services at Community Hospital.

Reductions such as these always look good up front but we fail to see the long term effects of these cuts until much later. These initial cuts invariably end up costing much more money, hurting our economy, and more importantly the people that need them the most.

Programs like Case Management are doing an outstanding job in keeping these costs down, by providing clients with positive and rewarding lifestyles that benefit all.

Please take time when you are considering the decisions you will be making, and what they truly mean to the people that are receiving them now. You have the opportunity to continue supporting and maintaining well run programs that are cost effective or you could drastically change lifestyles in a negetive manner.

This is your chance to audio - I wonder were we went wrong.

Sincerely

Jeff Mollen HAB Trainer, PLA

1227 Old Orchard Rd

Missoula, MT. 59802

406-[illegible]

EXHIBIT 4
DATE 1/20/93

Dear Legislator: January 14, 1993

This letter is in support of Case Management services provided to residents of Missoula.

As a habilitation trainer I see daily, the life enhancing, indeed, life preserving effects of services that case management provides.

Clients are trained to use injury prevention and sound judgement in the event of emergency. Long term follow up prevents costly visits to hospital emergency rooms and lengthy and expensive stays in nursing homes.

Providing services in the home setting allows training of family members as well as the individual.

Promoting independence in young children through habilitation training prevents dependence on our healthcare system and produces healthy contributing members of society.

Please extend your support for this much needed and highly cost effective service.

Sincerely

Lewistown, Mt.
Jan. 14, 1993

EXHIBIT 4
DATE 1/20/93

Mt. State Legislature
Helena, Mt.

To whom it may concern:

I urge your Continued support of Case Management Medicaid Waiver Services.

I have a head injured son, who is a client of Case management Services of Community Hospital, Missoula. He has been able to live in an independent situation with their service, it has worked well for many years. Without this service, he would probably have to be in a costly nursing home, also a much less desirable situation at his age.

Again, I ask you, please give your support to a working, worthwhile program.

Thanks
Maxine Troth
Rt. 2 Box 2326
Lewistown, Mt. 59457

DATE 1/20/93

Missoula, Mt
Jan 14, 1993

Dear Legislators:

Our son, Michael, is a 37 yr old victim of Cerebral Palsy (Birth defect) He now lives at a opportunity Inc Group Home in Missoula — 2115 - 38th. He receives physical and mental assistance through Case Management and Home Care Services from Medicaid

Mike is confined to a wheelchair, cannot walk or stand without assistance. Has slight arm and hand limitations, problems with reading and writing, good speech + communication, practically a photogenic mind, good sense of humor.

We ask that you do not cut optional items from Medicaid. such as Wheelchair repairs, orthopedic supports for posture and comfort.

Without these accessories accessability to personal care, mental attitude, and lifestyle in general would be curtailed

Most of these optional items are available only through professional sources and not available on a private basis.

Mike's case is typical of most of these clients assisted by Case Management + Home Care

Your sympathetic consideration is appreciated

Sincerely,
Russell Griffith

EXHIBIT 4
DATE 1/20/93

1-15-93

Dear Legislator,

I am writing in regards to the possible cuts in medicaid funding for Case Management. I hope before this becomes a reality you will consider the many effects what this will do to the "special needs people" in our communities.

As you know it is very expensive to provide 24 hr care for an institutionalized person. This will be the only option for the parents of these "special needs" people", as they would be unable to meet all the needs without the help of Case management services.

Please give this some serious consideration before making such a decision to cut funding.

Thank You

Marie Hopper

EXHIBIT 4
DATE 1/20/93

Colleen Anderson
1319 E. Broadway # 219
Missoula, Mt. 59802
Jan 15, 1993

Dear Legislators,

My name is Colleen Anderson. I am handicapped and live solely on SST. I understand it is being considered cutting Medicaid Optional Services. I wish To plead That You do not cut These services because I would not be able to live independently in The Community. I would end up in a nursing home.

Here are a list of Optional Services I use most: Personal Care, Prescribed Drugs, Durable Medical Equipment, Case Management, Occupational and Physical Therapy, Dental and Denturist Services and Eyeglasses/Optometric Services.

Thank you for your time and attention. I hope you see how important these services are to me.

Sincerely Yours,
Ms. Colleen Anderson

EXHIBIT 4
DATE 1/20/93

1/14/93

Dear Legislator,

I am writing to express my concern regarding the possible cuts in Medicaid funding for Case Management. Have you considered the effects of what this decision may mean? Without Case management services, there is a strong possibility that some of the Special Needs people in our community would become institutionalized because their parents would be unable to meet their needs. As you know, it is much more expensive to provide 24 hr./day services in an institution than it is to keep these people in their own homes with Case Management services. Need I discuss the benefits of having these people live with their families versus an institution.

Sincerely,

EXHIBIT 4
DATE 1/20/93

1/14/93

Dear Legislator,

I am writing to express my concerns regarding the possible cuts in medicaid funding for Case Management. Have you considered the effects of what this decision may mean? Without Case Management services, there is a strong possibility that some of the Special Needs People in our community would become institutionalized because their parents would be unable to meet their needs. As you know, it is much more expensive to provide 24 hour a day services in an institution than it is to keep these People in their own homes with Case Management services. Need I even discuss the benefits of having these People live with their families versus in an institution?

Sincerely,

Vicky Angyus
Occupational Therapist

EXHIBIT 4
DATE 1/20/93

DEPARTMENT OF FAMILY SERVICES

610 WOODY
MISSOULA, MONTANA 59802

STAN STEPHENS, GOVERNOR

(406) 721-9369

STATE OF MONTANA

January 15, 1993

Ms. Jayne Lux, RN
Community Case Management
Community Medical Center
2827 Fort Missoula Road
Missoula, MT 59801

To Whom it May Concern:

I am writing to express my concern and support regarding funding for the Medicaid Waiver Home and Community Based Services Program. I feel that it is essential that these services be available. Beyond the quality of life issues which should be the major consideration, there are the financial aspects.

The case management and plan of care services prevent incidents of repeated hospitalizations for acute problems and also prevent institutionalization of individuals due to lack of alternative living situations. My belief is that this program saves public dollars in the long run.

I have worked in the human service field for over a decade and have accessed the services of the Medicaid Waiver Programs since 1983. I applaud their accomplishments and support their continuation and, if possible, expansion.

Sincerely

Chris Woodward
Community Social Worker

CW:sm

1/14/93

EXHIBIT 4
DATE 1/20/93

Dear Legislator,

I am writing to express my concern regarding the possible cuts in medicaid funding for programs provided by Case Management. Before making any cuts in funding these progams, please consider the cost effectiveness of continuing to fund these particular services. This is a very special population that without services provided by case management might have to be institutionalized. In fact I have been told by more than one parent that without the help from the Case management team they would have institutionalized their child. As you know it is much more expensive to provide 24 hour care than the limited care that families now receive though Case Management. Also I would be remiss if I did not mention the anguish it would cause these very special people and their families to be removed from their homes and family units.

Please consider these people who do not have a voice for themselves. It is imperative for them to have continued services.

Sincerely,

Linda Champion friend of many special

1-15-93

EXHIBIT 4
DATE 1/20/93

Dear Legislator,

I am writing to express my concerns regarding the possible cuts in medicad funding for Case Management. I am a special education teacher and work with children with severe physical disabilities. Have you considered the effects of what this decision may mean? Without Case Management services, there is a strong possibility that some of the Special Needs People in our community would become institutionalized because their parents would be unable to meet their needs. As you know it is much more expensive to provide 24 hour a day services in an institution than it is to keep these people in their own homes with Case Management services. Need I even mention the benefits of home vs institution

EXHIBIT 4
DATE 1/20/93

January 17, 1993

Lola B. Bergseng
110 B. Buena Vista Ln. Ct.
Missoula Mt. 59802

Dear Legislators;

There is a need for people to work with the handicap. I have been in the field for thirty years and see the need. I have worked for Case Management for six years with a number of clients for my livelyhood.

The ladies deal with their clients on a very professional basis as people. They deal with them in a respectful and honest manner with consideration. They fill a very important role and need for individuals who are handicapped so they can live independently in the community with dignity. It is important for handicapped people to be treated with respect.

There are a number of individuals who need these services and are not getting them. These people could benefit from what this organization does to help them in the community.

Sincerely Yours
Ms. Lola B. Bergseng

EXHIBIT 2
DATE 1-20-93
SB

Presentation Date: January 20, 1993

SRS Staff: Nancy Ellery, John Chappuis, Joyce De Cunzo, Jane Bernard

Committee: Human Services Appropriations Sub-Committee

Introduction

While nursing home care is the most visible and expensive long term care service funded through Medicaid, it is by no means the only service option available. Medicaid funds several home and community services that enable some people who require care to remain in their homes and avoid placement in an institutional setting. These services include personal care attendant services, skilled nursing and other services provided by licensed home health agencies, home dialysis attendant services, hospice and the Home and Community Services Program, commonly called the Medicaid waiver. I would like to draw your attention to three of these programs.

Home and Community Services

This program began in 1983 serving residents of 9 counties. Now available in 32 counties, it provides a variety of home and community services that are not ordinarily funded through Medicaid to physically disabled and elderly individuals who require the type of care provided in a nursing home, but want to remain at home to receive the services they need.

Some important waiver services include: case management, nursing, adult day care, respite care, medical alert, habilitation and modifications to the home - a complete list of services is on the one page description of this program (page 3). Waiver services are coordinated by contracted case management teams, each made up of a nurse and a social worker. Case managers ensure that waiver services meet each person's needs as cost effectively as possible.

How Much Does It Cost?

Federal regulations mandate that services to persons served by the waiver must not cost more than the services that would be provided to the person in a nursing facility or hospital.

In order for Medicaid to pay for care, a person enrolled in the waiver must have the same care needs as a person in a nursing facility. This means that the person in the waiver would very likely have to enter a nursing facility if waiver services were not available.

The attached graph shows that the cost of waiver services on average is 60% of the cost of nursing facility care, which is a savings of $5,073 per person on the waiver.

Assuming that all individuals on the waiver would be placed in nursing facilities if waiver services were not available, the

care in nursing facilities for the 664 unduplicated clients served in the waiver in FY92 would have cost the state an additional $3,368,472.

The waiver also serves several individuals who would have to reside in a hospital if waiver services were not provided. Since hospital costs and lengths of stay are so varied, it is difficult to get a meaningful average.

One example of the difference in costs can be shown by describing the situation of a 25 year old quadriplegic man who is ventilator dependent. Medicaid was paying for his care in a special care rehabilitation unit out of state at $800/day. He now lives in his own apartment, in Montana, with waiver services including round the clock nursing, at $300/day. Serving this man under the waiver saves the state $500 a day. Our current appropriation allows us to serve six individuals who are ventilator dependent.

Current Issues

The waiver is a cost containment program - it provides necessary services to persons at risk of nursing facility or hospital placement, at a lower cost.

However, not all people who could be adequately served in the waiver are receiving waiver services. In addition to the

people currently on the waiver, there are about 185 people on waiting lists. These people are in the community, nursing homes and hospitals waiting for waiver services.

Our data reflect that over the last 18 months, 15% of the individuals on the waiver waiting list entered a nursing facility; 35% entered the waiver, 9% died and 1% entered a hospital. This indicates the severity of the conditions of people on the waiting list.

State funding for this program is not adequate so we cannot serve as many people as our federal authority allows. A "slot" in the waiver equals 365 days of care, much like a nursing facility bed, which can be filled by one or more people in the course of a year.

We currently have an appropriation that was developed in 1989, based on 1988 costs. Since that time, almost all costs for waiver services have risen, resulting in slots that are now very underfunded. This means that in order to stay within our appropriation, we must continually **decrease** the number of people who can be served.

For example, in December, 1992, we served 499 individuals. If our appropriation stays the same, in FY 94 we would be able to

serve about 441 persons per month, and in FY95 this would drop to 416 persons per month.

The waiver was developed as an alternative to institutional care and we are allowed by our federal regulations to spend up to the same amount we would spend on these individuals in nursing facilities. Because our budget has not kept pace with increases in the nursing facility budget, however, we are unable to offer people in the community the same level of service as can be found in a nursing facility.

In order to stay within our appropriation, we now allow projected costs for waiver participants to be no more than 91% of the cost of nursing facility care for the individual for a year. The average Medicaid reimbursement for nursing facility care is $52.05 per day (this amount excludes patient contributions). We allow a projected cost of only $47.57 per day for waiver services. Once again, institutionalization becomes the only choice for some people because we cannot afford to provide for them adequately in the community within our appropriation.

Personal Care Services

Personal care services are provided to individuals who require assistance with the activities of daily living such as

bathing, grooming and dressing. These services are delivered in each person's home by attendants working under the supervision of a registered nurse.

In December, 1992 there were 1189 individuals receiving services. Persons age 60 and older made up 59% of the caseload and those under the age of 60 were 41% of the caseload. The hours used per week were 21 or less for 62% of the caseload and 38% received 21 or more hours per week.

The Medicaid Division has a contract with West Mont Home Management, Inc. to provide personal care attendant services on a statewide basis.

In addition, the department has three other small contracts for personal care services. At the direction of the 1989 legislature, two pilot projects were initiated. A contract awarded to Western Medical Services in Billings allows ten Medicaid recipients to have greater control over the delivery of their services, usually referred to as the self-directed pilot. In this project, attendants are paid a higher wage than in the West Mont contract. This project ends 6-30-93.

The other pilot project allows the waiver case management team in Kalispell to hire personal care attendants and provide the

nurse supervision of the attendants with the case management team nurse. This project will expire 6-30-93.

The Division also has a contract with Accessible Space, Inc. (ASI) to provide attendant services to residents of Eagle Watch Estates, a HUD subsidized accessible apartment complex for mobility impaired persons in Missoula.

How Much Does It Cost?

Since 1986 this program has had significant increases both in the numbers of clients served and the costs of providing services. Worker's compensation increases alone have drastically impacted the cost of services. Personal care attendants have realized very modest increases in salaries and benefits.

As the results of Requests for Proposals, contracts have been awarded as follows: The West Mont contract costs $9.64 per hour (attendants receive $5.00 per hour, with benefits of a retirement plan, health insurance and personal leave time). The self-directed pilot costs $11.50 per hour (attendants receive $6.50 per hour and no benefits). The case management pilot costs $8.16 per hour (attendants receive $5.05 per hour with benefits of health insurance and personal leave time). The ASI contract costs $9.53 per hour (attendants receive $5.25 per hour, with benefits of a training incentive and

health insurance). It is difficult to make comparisons among contracts regarding which is the most cost-effective because they do not all include the same costs in their unit rates.

The national trend is for people to want services in their own homes. This is certainly happening in Montana, and contributing to the growth in the number of clients served.

Additionally, many people are surviving injuries but needing services to continue to live in the community. Individuals with head injuries make up a large part of this group.

The Department conducted a survey of nursing facilities and hospitals to learn how many, in 1991, were seen for head injuries and what has happened to them. Responses were received from 60% of the nursing facilities and 54% of the hospitals.

The hospitals identified 565 individuals who were treated for head injuries in CY 1991. Of those, 73% went home from the hospital without services, 13% went to a nursing facility or other hospital, 5% went home with services and 4% died in the hospital.

The nursing facilities identified 50 residents who were treated for head injuries in CY91 . Thirty of those residents

were in the 20 - 49 age range. Only two facilities in the state have a wing or section dedicated to individuals with head injuries. Facilities reported that many of these residents cannot return to their communities because the resources and support services they need are not available.

Options to Contain Costs: (Requested by Chairman Cobb)

1. Reduce personal care limit from 40 to 35 per week.

The state may set limits on the amount of services available to individuals. Currently, up to 40 hours per week of personal care attendant services are allowed. If the maximum hours were reduced to 35 per week, the savings shown below might result in the personal care program. Since the individuals who need the greatest number of hours of service are the most likely to enter a nursing facility if they do not have the community services available, it is possible that any potential savings from this plan would not be realized because many individuals would enter nursing facilities at a higher cost to the state.

Individuals Impacted: 175

Savings	FY94	FY95	Biennium
General Fund	$231,925	$236,086	$ 468.011
Federal Fund	$568,368	$564,207	$1,132,575
	$800,293	$800,293	$1,600,586

2. Establish limit on hours devoted to homemaking.

Many individuals receive more hours of incidental homemaker services than actual assistance with daily living activities. By limiting incidental homemaking hours to 33% of the total personal care plan, a savings could be achieved. A recent survey of 44% of the total caseload revealed a potential savings of approximately $909,000 for the sample group. A reasonable estimate applied to the entire caseload would potentially achieve the following savings:

Individuals Impacted: 1204

Savings	FY94	FY95	Biennium
General Fund	$ 526,856	$ 536,310	$1,063,166
Federal Fund	$1,291,144	$1,281,690	$2,572,834
	$1,818,000	$1,818,000	$3,636,000

Hospice

Hospices are programs that provide health and support services to terminally ill individuals and their families. Hospice care is an approach to treatment that focuses on making patients as comfortable as possible rather than curing their condition. Reimbursement rates for hospice services include the cost of all services related to the terminal condition. Hospice is an optional service under the Medicaid state plan.

Options To Contain Costs:

1. Eliminate the Hospice Program

When a person chooses to receive hospice care, they give up their right to have Medicaid pay for any medical services that are related to the treatment of the terminal condition for which hospice care was elected. It is expected that all those services will be covered by the hospice rate.

In a 1986 study of hospice services in Michigan, which compared the cost of hospice care to traditional acute care (the medical services the person would use and Medicaid would pay for in the absence of hospice), hospice care cost $53/day less than total traditional care. With Michigan's average length of stay on hospice of 70 days, the average total savings per individual equalled $3,710.

Recent cost report data from hospices in Montana show that often the actual cost of providing hospice services is twice the Medicaid reimbursement. If we delete hospice as a payable service, the affected individuals would then be eligible for all the traditional medical services which would be more expensive than the hospice services.

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DATE 1-20-93
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Summary

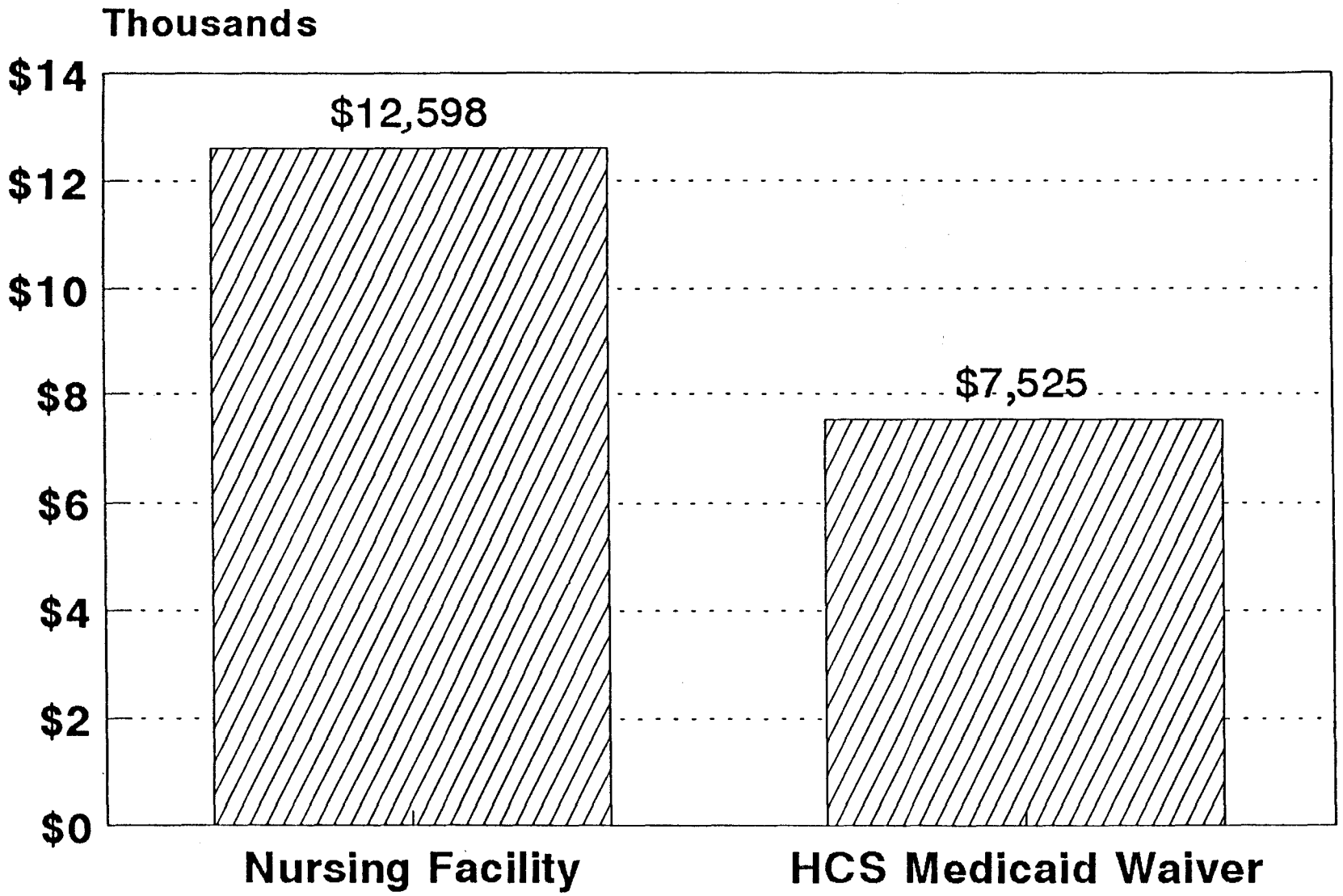
While it is clear we are now doing a good deal to meet the long term care needs of many of Montana's citizens, I believe it is important that we begin now to prepare for the future.

Older persons will make up an increasingly large segment of the U.S. population in the future. Although they accounted for nearly 13% of the population in 1989, the number of persons 65 years and over is projected to increase to 23% of the population by the year 2040.

Add to this group the numbers of individuals who are sustaining injuries and requiring Medicaid payment for their long term care services, the money we are spending today on long term care represents just the tip of the iceberg in potential public costs.

It is imperative that we begin to look for creative ways to meet the ever increasing demand for services and at the same time act to control expenditures. I believe we can continue to address the challenge that the future holds by working now to improve on the continuum of long term care that has been developed in this state. This continuum provides quality nursing home services to those who require them but also must assure an array of home and community service alternatives to those who are able and choose to remain in their homes.

COMPARISON OF AVERAGE MEDICAID EXPENDITURES FISCAL YEAR 1992



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SB ___

MONTANA MEDICAID

HOME AND COMMUNITY SERVICES PROGRAM

January 1, 1993

Home is where the Health is

HOME & COMMUNITY SERVICES

Montana
Department of Social and Rehabilitation Services
Medicaid Services Division
Long Term Care Bureau

EXHIBIT 6
DATE 1-20-93
SB

INTRODUCTION

The Home and Community Services (HCS) program is a special Medicaid program designed to serve frail elderly and physically disabled individuals in the community who would otherwise require nursing facility care. The HCS Program is also known as the Medicaid waiver program as the federal government grants the state a waiver of certain regulations in order to pay for services in an individual's home. The HCS program provides an array of home and community services to elderly and disabled individuals in Montana; services that not only meet their needs but are cost effective for the state.

HISTORY

The HCS waiver program was created in Montana in response to the Omnibus Budget Reconciliation Act of 1981, federal legislation that encouraged the development of Medicaid funded home and community services. Prior to 1981, Medicaid funding for long term care was primarily available in institutional settings such as nursing homes.

Montana's HCS program was initially approved for operation in July of 1983 by the Department of Health and Human Services' Health Care Financing Administration (HCFA). The program was phased in across nine of the state's fifty-six counties during state fiscal year 1984, the waiver's first year of operation.

Currently, the HCS waiver provides home and community services to elderly and physically disabled individuals in 32 counties.

DESCRIPTION OF THE WAIVER PROGRAM

The HCS Waiver provides a variety of home and community services that are not ordinarily funded through Medicaid to physically disabled and elderly individuals who require the level of care offered in a nursing facility, but choose to receive services in their homes.

HCS Waiver services include:

Case Management	Medical Alert
Personal Care	Respiratory Therapy
Homemaker services	Nutritional/Dietitian
Nursing Services	Transportation
Adult Day Care	Habilitation
Respite care	Home Modification/Adaptive Equipment

SERVICE DELIVERY

Individuals needing HCS services must apply for Medicaid at the local county welfare office/county office of human services. After the individual is determined financially eligible for Medicaid, an assessment is completed by a Department Long Term Care Specialist. This assessment determines the level of care required by the individual and evaluates the

appropriateness of home services. If the individual meets nursing facility level of care and lives in a county covered by the HCS Program, the individual is given the choice of where to receive long term care services: home or nursing facility. If the individual chooses to receive services in his home, a referral is made to a case management team.

The Department contracts with private and public agencies for case management services. Case management teams are comprised of registered nurses and social workers who arrange and monitor services required by the HCS recipient. When the team receives a referral, they visit the individual and with input from the individual, family, and attending physician, prepare a plan of care. The case management team assists the HCS recipient in arranging the services approved in the care plan. The case management team continuously monitors the recipient's condition and the quality of service delivery. Case management teams are brokers for recipients. They link them to necessary services, provide support and are a central point for resolution of problems. When HCS recipients no longer require home and community services, they are discharged from the HCS waiver. Attachment 1 of this document lists the name and location of the eleven HCS case management teams.

ELIGIBILITY REQUIREMENTS

HCS Medicaid waiver services are not an entitlement. Both the numbers of individuals served and the dollars to be spent are limited by the terms of an agreement between the state and federal government. As part of its agreement, the state assures the federal government that the average cost of services for individuals served under the HCS waiver will not exceed the average cost of services in nursing facilities. Individuals enrolled in the HCS program must meet all the following criteria:

* Be financially eligible for Medicaid;
* Be age 65 or over or determined disabled by the Social Security Administration;
* Require the level of care provided in a nursing facility;
* Have a plan of care approved by a physician:
* Reside in federally approved service areas; and
* Be appropriately served in the community at a cost less than the cost of institutional care.

DESCRIPTION OF POPULATION SERVED

The graphs below present general demographic information on the population currently served under the waiver:

EXHIBIT 6
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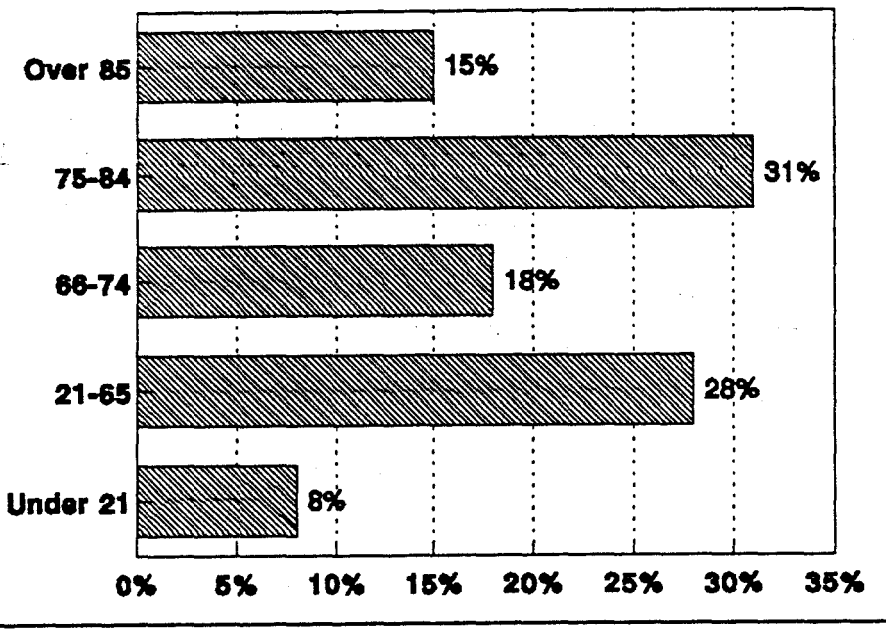
AGE



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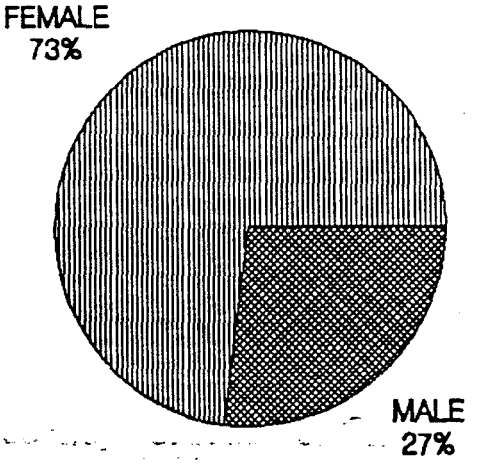

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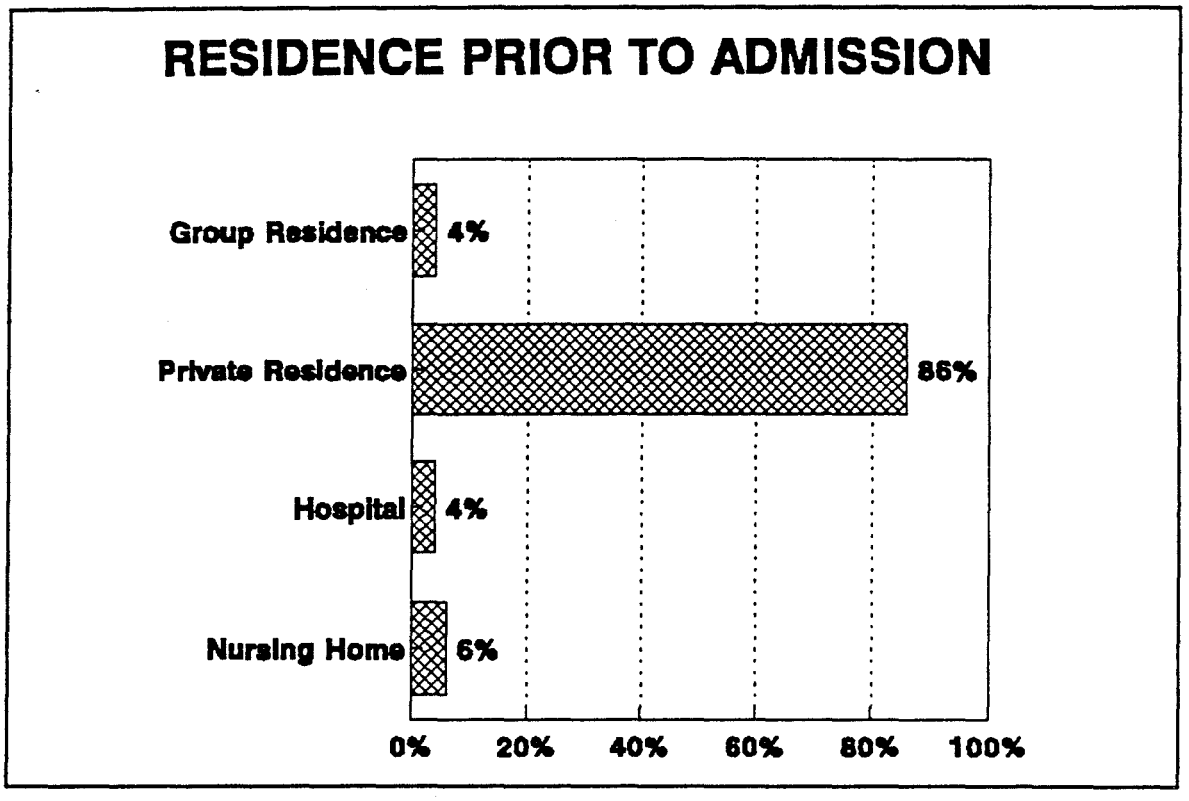

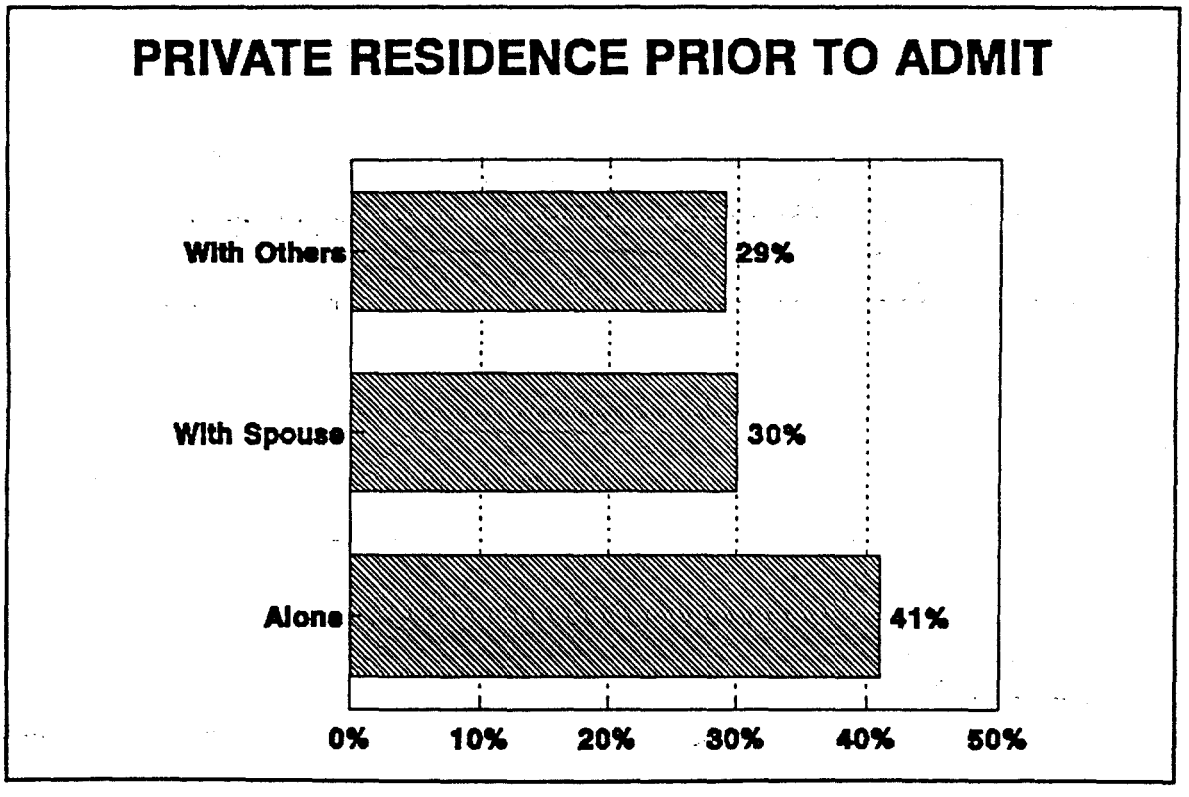

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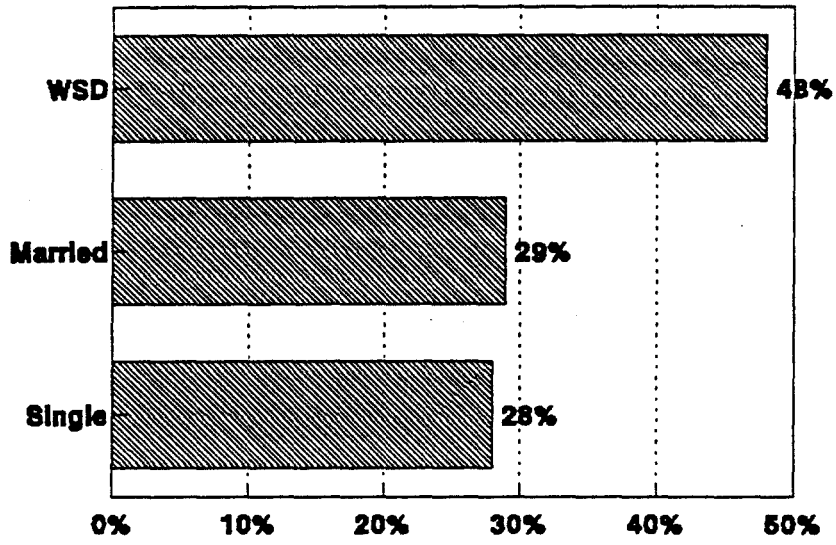
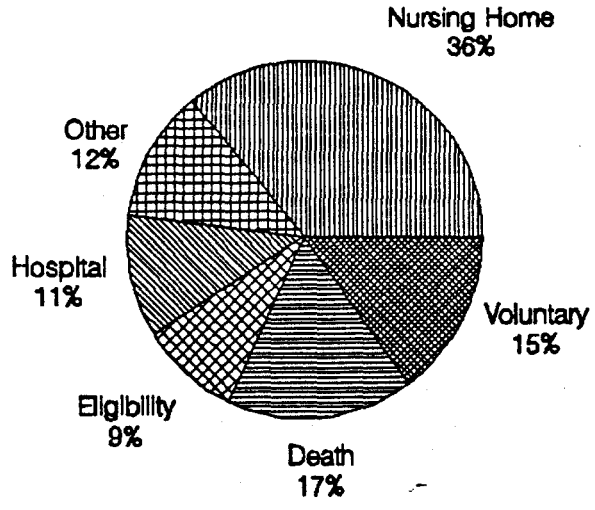
MARITAL STATUS



WSD - Widowed, Separated , Divorced

REASONS FOR DISCHARGE



ATTACHMENT 1

CASE MANAGEMENT TEAMS

CASE MANAGEMENT TEAMS	PHONE NUMBER
Community Hosp - Rehab Dept. - Missoula	728-4100
Five Valleys Hlth Care - Missoula	728-8848
Yellowstone Ci-Co Hlth Dept Billings	256-2757
Easter Seal - Great Falls	761-3680
District IX HRDC - Bozeman	587-4487
Lewis & Clark Co Hlth - Helena	447-8367
Holy Rosary Hospital - Miles City	232-2540
Community Memorial Hosp - Sidney	482-2120
NW Montana Human Resource - Kalispell	758-5422
Easter Seal South West - Butte	723-5780
Central Mt. Hosp & NH - Lewistown	538-7711

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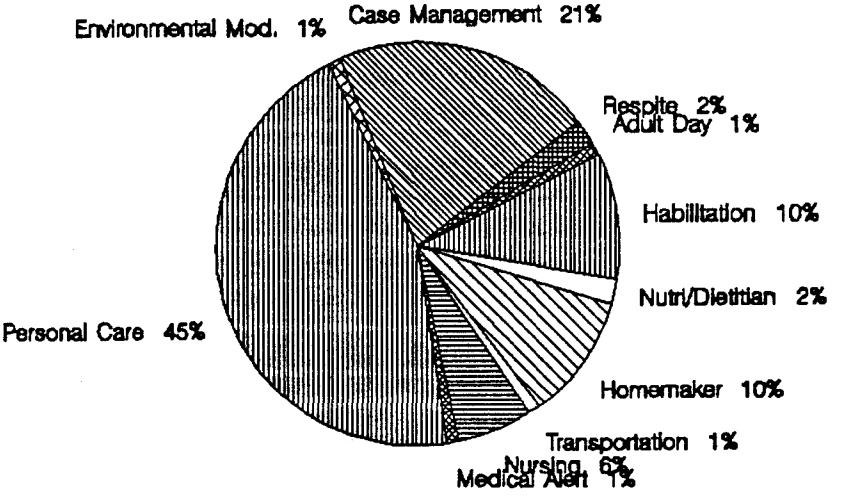
ATTACHMENT 2.A

EXPENDITURES BY SERVICE
FISCAL YEAR 1991



This graph reflects the percentage of total program expenditures by type of service and represents only those services paid by Medicaid.

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Jayne Lux
Director, Case Management Services
Community Hospital
Fort Missoula Road
Missoula, Montana

Dear Representatives and Senators of the State of Montana,

I am a client under the Medicaid waiver program, managed by Case Management Services, through Community Hospital. I have to say that I have been very satisfied with the job performed by Mrs. Lux and her staff.

Recently I have heard that the State of Montana plans to trim 1.6 million dollars from Medicaid optional services. These are services that allow me to live at home, independently with twenty-four hour nursing to monitor the ventilator and provide for my other necessary medical needs. Case Management was instrumental in setting up my homecare situation, hiring the LPNs, ensuring a nursing supervisor is available on a limited basis due to budget restraints, and helping coordinate the various medical maintenance and [illegible] among many individuals to facilitate efficient operation of the household. Without Case Management, my life as I know it would not be possible. Do not get me wrong this is not an "institutionalized" setting but a person's home and under Case Management this idea has been maintained under Mrs. Lux.

[illegible] home, which facilitates a healthier [illegible]

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emotional and mental state for myself. I am attending the University of Montana to pursue a degree which will allow me to be a contributing member of society, a tax-paying member of society.

The cost of living on my own and not in a hospital(Fortunately ventilator clients cannot be cared for in a nursing home due to a state law) is considerably less than the cost of residing in the hospital, in fact, it is even one-third the cost of living in a nursing home. Independence leads to less expense for the state and more importantly, to a healthy, happy life for those of us who rely on a ventilator for our breathing.

Sincerely,

Rick Luloff
715 Cooper Street
Missoula, Montana
59801

EXHIBIT 8
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SB

THE HOME AND COMMUNITY SERVICES PROGRAM (MEDICAID WAIVER)

The Home and Community Services Program (Medicaid Waiver) provides in-home long term care services to elderly and physically disabled individuals choosing to remain at home who would otherwise require nursing home care. Home and Community Services enhance the quality of life for these individuals and are cost effective for the state.

For fiscal year 1992, there were 688 unduplicated waiver recipients; 664 are compared to nursing facility costs and 24 are compared to hospital costs. The average annual cost per waiver recipient is $7572. The average annual cost per nursing facility recipient is $12,598. This reflects a savings in Nursing Home expense of $5026 per person or a total savings of $3,337,264 for persons receiving waiver services rather than nursing home care.

The appropriations per slot have been inadequate to cover these costs and have not taken into account movement in and out of the program. Further cuts to this program would be devastating, not only cutting persons from this cost effective service, but would undermine the program's ability to function productively resulting in further increased costs.

It is essential to increase Base Funding for waiver services to prevent a reduction in slots ultimately forcing institutional placement at a higher cost to the state.

Currently about 10% of all waiver recipients come out of institutions onto the program. Our waiting lists number 182 persons. These are persons either in Nursing Homes or living in at risk situations at home. Our experience demonstrates that if these persons are not served, they typically encounter an acute crises necessitating more costly care. The waiver program increases quality of life for persons who choose to stay home rather than go to a nursing home. The program prevents health care crises because people are receiving the types of preventive maintenance necessary to continue leading a healthy life.

One of the reasons this program is so successful is the Case Management component; a registered nurse and a social worker team who monitor the quality of services being provided on an almost daily basis. This team is aware when services need to be cut when someone is no longer in need of a particular or degree of service, or when someone needs more service to avert a health crises. Because the case management team works directly with patients' physicians, many health crises are averted through simple, regular and direct communication. In addition to monitoring clients care, the case management team also develops a plan of care using the persons own resources to augment services on the plan of care. Utilization of the persons' informal network and provision of the support and respite services for the primary caregiver are

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another reason for program success and cost effectiveness. The way the program is established with subcontracts lends itself to the highest order of efficiency when coordinating with other service providers. For example, Area Offices on Aging have been able to expand services and continue to provide quality homemaking, respite and transportation services for our clients.

I would like to give you a specific example of a person receiving waiver services. A young man who was a painting contractor fell 40 feet from his scaffolding to the ground below resulting in a very serious head injury where he was not expected to live. His employees were covered under workers compensation, but he did not have coverage on himself and consequently, his wife and five children applied for medicaid for him. After his hospitalization, he was placed in the nursing home where he made some progress and stayed for six months. During this time, his wife expressed a continuous desire to take her husband home. She felt the more normal atmosphere of home would help him more than the nursing home. She sold her home and relocated to a house that had easier access for handicapped and after six months in the nursing home she took her husband home on the waiver program. Many medical people were skeptical of this plan and afraid the care would not be adequate. The plan of care included her as a primary caregiver and she was taught by physical, speech therapists, dietician and nursing how to provide care for him. We now provide adult day care for respite, homemaker, and have provided some home modification as well as personal care. He has progressed significantly since returning home where his wife and children provide much of his care and work aggressively with developmental tasks. He still requires nursing home level care.

His total cost of nursing home care in the six months in the nursing home was $27,116.38. For one year on the waiver program, his plan of care costs $11, 210.00. For one year, there is a savings of $43,022.76 in nursing home costs utilizing the waiver program, not to mention the improved quality of life for the entire family.

As a hospital social work director, responsible for discharge planning and provision of social services to nursing home residents, I see the broad picture of the continuum of services and how many of the services interrelate and are coordinated. No where do I find a program that is as efficient, provides a continual system of checks and balances and provides such an increase in quality of life for so many. Those able to have waiver services are very fortunate indeed.

It is imperative that this program receive an increase in Base funding so that we may continue to serve persons who would otherwise require nursing home care at a much higher cost.

Christine Tremain, Central Montana Medical Center,
Representing the Case Management Association.

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TESTIMONY FOR APPROPRIATIONS COMMITTEE
HUMAN SERVICES SUB-COMMITTEE
JANUARY 20, 1993

Hello, I am JoAnn Pimentel, Senior Companion working for Case Management. I have worked with Sue Mann for seven years.

Without the help of Sue, Marlene and Joan, all my client I have now and have had over the years have better lives.

These girls go in the homes and find out what can be done to make life better for these people and go overboard getting it done. Their services are endless, whether it be for food, housing, grocery shopping, Doctors, Dentists, clinic appointments, cleaning, I could go on and on.

Without their help some of these people would be in real sad shape and bad trouble, as they help them get help with their bookkeeping, paying bills, writing letters and so many things the people can't do as they get older.

The renewal of our program is very important to the community and the people.

Thank you,

JoAnn Pimentel

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Testimony re:Home Health Services

January 20, 1993

My name is Joyce Anderson. I am the administrator of Missoula Manor, a 151 unit retirement apartment complex. I have watched the evolution of services for the elderly over the last 20 years. Twenty years ago it was not uncommon for people to be placed in nursing homes simply because they could not manage their own medications. Families who could afford to pay for help to come into the home found that finding competent, trained home aides was next to impossible. Today we have a wide variety of services to meet the needs of the elderly and, where appropriate, allowing them to stay in their own homes.

Home health services have made the difference for people needing limited care to stay in their own home and receive that care. This care ranges from assistance with bathing, meal preparation, and similar personal care services to more complex medical management. Some people can get by with just a few hours per week while others need daily assistance. Helping people stay at home enhances the

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quality of their lives. Individuals feel comfort in staying in a familiar environment. They have their neighbors to visit, their own bed in which to sleep, more control over their daily schedule and the food that they eat. Having home health services allows a feeling of independence and alleviates the guilt feelings of being a burden to one's family.

In addition to providing necessary care to the elderly, home health services have saved substantial dollars by preventing premature nursing home placement. Comparison figures show that personal care cost per person is on average $4,000 less with home health care than the cost of equivalent care in a nursing home. If nursing home room and board costs were factored in as compared to moderate priced housing and meals, the savings per person probably increases by another $6,000 per year.

This is not to say that all persons using home health services would go to a nursing home if funding were to be discontinued. In a few cases families may be able to step in to some degree. Some elderly persons would continue to live alone for a while even though unable to care for themselves. But, most would need to move to a nursing home to get the care that they require. Of the persons

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receiving home health care at Missoula Manor, at least nine would have to move immediately to a nursing home where their care would be paid by Medicaid if state funding for home health care were lost. These are people who have no resources or families to step in and fill any gap left by the loss of home health services. For these people alone, the increase in cost would be substantial.

I hope that you do not hear this as an appeal to lower funding to nursing homes. Nursing homes provide an invaluable service in our society. They provide a higher level of care than can be provided by home health services and certainly need the resources provided by the state to provide the quality of care which they do. My purpose is to point out that having the levels of care which we have today is saving money both privately and publicly as well as allowing our elderly residents access to care which was not available prior to organized home health delivery. I urge you to support continued funding of home health care as a cost effective, life enhancing service for the frail elderly.

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SB

TESTIMONY

BEFORE THE HUMAN SERVICES AND AGING SUBCOMMITTEE

January 20,1993

My name is Bonnie Adee. I represent Hospice of St Peter's in Helena, a Medicare certified hospice, and I am a member of the Legislative Committee of the Montana Hospice Organization (MHO), the statewide hospice network.

In 1989 the MHO and I came before the Montana Legislature to request a hospice benefit for terminally ill Medicaid recipients. In 1991 we came again to ask that the sunset provision be removed from the benefit. I am back today to implore the Montana Legislature not to eliminate the hospice benefit in its efforts to balance the budget. I will tell you again that hospice is a cost effective way to care for the terminally ill, a conclusion Medicare and most Managed Care providers have already reached.

Hospice only serves persons who have a prognosis of six months or less. These persons require medical care whether or not hospice provides it. A study done by HCFA prior to implementing a hospice benefit for Medicare concluded that the last six months of a person's life required a higher proportion of health care dollars than any other six month period. Upon further analysis, HCFA determined the increased cost of this period was associated with increased hospitalizations.

There are reasons other than cost for preferring hospice care to what I'll call "traditional care". However, I know none of those will preserve the hospice benefit if I can't convince you that hospice is the best financial choice. Please consider the following :

1. Hospice reduces the use of acute inpatient care. During the first two years of the benefit, our hospice provided 924 benefit days to Medicaid recipients and only 3 of those were in an acute care setting. In 1992 we provided 686 benefit days and 9 of those were in an acute care setting. This low incidence of hospital days for hospice patients is consistent with the data other hospices have shared with me. With the support of hospice, patients are less likely to use hospitalizations for symptom management or to provide caregiver relief in times of crisis.

2. Hospice provides case management. Once the benefit is elected, hospice assumes the responsibility for all care related to the person's terminal illness , as well as the risk that the cost of care may exceed the reimbursement.

Therefore, hospice reviews medications to avoid duplication and unnecessary cost. Hospice develops contracts with equipment suppliers, seeking lower costs. Hospice questions physicians' treatment plans which do not promote the comfort of the patient. Lack of effective case management is one of the criticisms leveled at our current Workers Compensation system with its runaway medical costs.

3. Even hospice provides more care than it receives reimbursement for. Medicaid paid my hospice $77.74/day for 686 days of care in 1992, but it cost our hospice $109/day to provide it. I, like other providers, had to shift some of my cost to other payors.

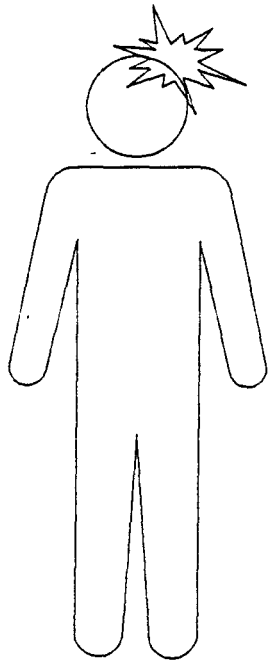
The hospice benefit may be a tempting target for budget cutters. If it is eliminated, how will terminal care be provided to the relatively small number of Medicaid recipients who need it. And what is the cost of the alternative?

Please allow me the opportunity to answer any questions you may have about the Medicaid hospice benefit.

MEDICAID SERVICES SURVEYS

HEAD INJURIES IN MONTANA

HOSPITALS AND NURSING FACILITIES



Department of Social and Rehabilitation Services
Medicaid Services Division
Long Term Care Bureau

EXHIBIT 12
DATE 1/20/93

October, 1992

2/1

HOUSE OF REPRESENTATIVES

WITNESS STATEMENT

PLEASE PRINT

NAME JACK COLE BILL NO. _____

ADDRESS 2115 38th St. DATE 1/20/93

WHOM DO YOU REPRESENT? Medicaid Waiver

SUPPORT ✓ OPPOSE _____ AMEND _____

COMMENTS: _____

HR:1991
CS15

3rd

HOUSE OF REPRESENTATIVES

WITNESS STATEMENT

PLEASE PRINT

NAME JOHN GALLEGOS BILL NO. _____

ADDRESS 2332 CLOVERDALE DR. DATE 1/20/93

WHOM DO YOU REPRESENT? MEDICAID WAIVER PROGRAM

SUPPORT ✓ OPPOSE _____ AMEND _____

COMMENTS: _____

HR:1991
CS15

HOUSE OF REPRESENTATIVES

WITNESS STATEMENT

#L

PLEASE PRINT

NAME Rick Luloff BILL NO. _____

ADDRESS 716 Cooper Missoula DATE 1-30-91

WHOM DO YOU REPRESENT? Ea Montana Wildlife

SUPPORT ✓ OPPOSE _____ AMEND _____

COMMENTS: _____

HR:1991
CS15

HOUSE OF REPRESENTATIVES

WITNESS STATEMENT

PLEASE PRINT

NAME Bonnie Adee BILL NO. _____

ADDRESS 807 2nd St Helena DATE 1/20/93

WHOM DO YOU REPRESENT? Montana Hospice Organization

SUPPORT _____ OPPOSE _____ AMEND _____

COMMENTS: In support of House Bill [illegible]
under Medicaid

HR:1991
CS15

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Human Services. COMMITTEE BILL NO. _____

DATE 1-20-93 SPONSOR(S) _____

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Sandra Nelson	Nelson Medical		
Christi Jamison	CMMC		
Maureen O'Reilly	West Mont		
MARY K. MARTIN	MT CMA		
BARBARA FASEY	MT. COA		
Joyce Anderson	Missoula Manor		
Joan Fennell	Medicaid Waiver		
[illegible]			
Linda Sandman	Dept. of Health		
Kelly Williams	SRS		
Joyce DeCunn	SRS		
Jim Kembel	SRS		
Ted Dick	SRS		
GENE Dieneman	AARP		

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

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Human Services COMMITTEE BILL NO. _____

DATE 1-20-93 SPONSOR(S) _____

PLEASE PRINT **PLEASE PRINT** **PLEASE PRINT**

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Dan Shea	MLIC		
Judith Carlson	HRDC's NAC		
Kelley Woodward	MSCA		
[illegible]	Fergus Cable		
Ray Hoffman	DHES		
Bob Olson	MHA		
Charles Brooks	MAA		
[illegible]	[illegible]		
Linda Cockhill	Personal		

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