MINUTES

MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON EDUCATION & CULTURAL RESOURCES

Call to Order: By Chairman Royal Johnson, on January 27, 1993, at 8:00 a.m.

ROLL CALL

Members Present:
Rep. Royal Johnson, Chair (R)
Sen. Don Bianchi, Vice Chair (D)
Rep. Mike Kadas (D)
Rep. Ray Peck (D)
Sen. Chuck Swysgood (R)

Members Excused: Sen. Dennis Nathe (R)

Members Absent: none

Staff Present: Taryn Purdy, Legislative Fiscal Analyst
Skip Culver, Legislative Fiscal Analyst
Doug Schmitz, Office of Budget & Program Planning
Curt Nichols, Office of Budget & Program Planning
Jacqueline Brehe, Committee Secretary

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

Committee Business Summary:
Hearing: OFFICE OF THE COMMISSIONER OF HIGHER EDUCATION; AGRICULTURAL EXPERIMENT STATION; COOPERATIVE EXTENSION SERVICE ; AND FIRE SERVICES TRAINING SCHOOL
Executive Action: NONE

HEARING ON OFFICE OF THE COMMISSIONER OF HIGHER EDUCATION

Tape No. 1:A:000

TALENT SEARCH PROGRAM

Informational Testimony:

David Toppen, Associate Commissioner for Academic Affairs, OCHE, stated that the Talent Search Program, a federally funded program, was very effective at helping students, who otherwise might not consider postsecondary education, apply and gain admission to higher education.

Rene Dubay, Director, Talent Search Program, OCHE, stated that the Talent Search Program was one of a number of federally funded programs begun in the 1960's known as "Trio" programs. The program served low-income, first generational college students. It was created at the same time as several federal financial aid programs. The financial aid programs were created to remove the financial barriers, while Talent Search had the objective of removing other, more subtle, barriers preventing students from attending college.

Ms. Dubay said that since 1979 the OCHE had run the program with ten outreach staff, to search out students in 16 high schools and 16 junior high schools assisting them to stay in school and encouraging them to attend post-secondary education. Currently, of the students they work with, 80% enroll in college. She said that a 10% increase in the federal budget for the program had been announced.

Questions, Responses, and Discussion:

CHAIRMAN JOHNSON asked if this was a program that needed to be reauthorized by Congress. **Ms. Dubay** said it had to be reauthorized every five years.

DWIGHT D. EISENHOWER PROGRAM

Informational Testimony:

Dr. Toppen distributed **EXHIBIT 1** which gave the committee basic information concerning the program. He noted that the program had been with the Montana university system (MUS) throughout the 1980's and had recently been reauthorized for another three years. The purpose of the program was to enhance the national competitiveness by improving the quality of instruction in mathematics and science at the K-12 and postsecondary education levels. He added that approximately $1.1 million dollars was devoted to the program. The Office of Public Instruction was given $800,000 to be redistributed to the school districts. Another $300,000 was distributed by OCHE to 20 projects throughout the state to improve the quality of instruction.

Dr. Toppen noted there had been some concern that duplication of efforts might occur between the Eisenhower Program and SIMMS (Systemic Initiative for Mathematics in Montana) or the activities of the OPI curriculum specialists. He assured the committee that the Eisenhower Program was very carefully coordinated with the other programs so that no overlap occurred.

Dr. Toppen pointed out that 80% of the projects funded through the Eisenhower Program were using METNET to distribute the concepts which were developed throughout the state.

Dr. Toppen informed the committee that at a national annual conference of Eisenhower Program Coordinators held by the Department of Education in December of 1992, it was announced that the Eisenhower Program in Montana was the best coordinated and most innovative in the entire country.

MONTANA UNIVERSITY SYSTEM GROUP INSURANCE

Informational Testimony:

David Evenson, Director of Benefits, Montana University System, distributed **EXHIBIT 2** which contained information about the group insurance program and which he used for his presentation.

Mr. Evenson stated there was a problem in that the level of required reserves which were used for outstanding claims was not adequate. He said he had presented an initial request for $3.2 million reserve for the claims and had asked for a stabilization reserve. The effect was to overstate the reserve requirement. He referred the committee to the spreadsheet in **EXHIBIT 2B** and explained that the actuary had calculated the IBNR on line 4 would be an estimated $2.3 million while he reported it at $3.2 million. With current assumptions, there would be a deficit in 1995 of $719,000 projected. **Mr. Evenson** noted that it was a complicated issue because the premium being discussed as being generated over the next two years in the exhibit was the state contribution of $20 per month per employee increase. He said it represented the target for cost containment which had to be reached by 1995 as it represented the limit of their revenue potential. He noted that there were a number of strategies which they expected to employ to remain solvent.

Mr. Evenson reviewed major findings of an examination of the group insurance plan. **EXHIBIT 2C-2E** He added that over half the costs of the plan went to hospital costs.

Questions, Responses, and Discussion:

CHAIRMAN ROYAL JOHNSON asked if employees paid a deductible with the program. **Mr. Evenson** replied that there was a $250 deductible after which the plan paid 80% of the costs up to $3,000. After $3,000, the plan paid 100%. He referred the committee to a chart in the packet of information, **EXHIBIT 2**, and said that employees essentially paid about one-third of their medical costs under the plan. **CHAIRMAN JOHNSON** asked if the plan was part of the statutes. **Mr. Evenson** explained that the statutes authorize the Board of Regents to administer a plan like the present one. An employee committee had been formed to devise the plan. He noted that it was typical of plans at other university systems.

CHAIRMAN JOHNSON asked who did the claims management for the plan. **Mr. Evenson** explained that through a competitive bid process United of Omaha was selected to do the claims administration on an administrative services only (ASO) basis. Another contract was with Blue Cross-Blue Shield Managed Care of Montana to do a utilization review/case management review. He referred the committee to **EXHIBIT 2** for further details.

CHAIRMAN JOHNSON asked if the fund was reinsured. **Mr. Evenson** replied that the fund was reinsured at 125%. He said if the claims exceeded 125% on an aggregate basis, then the reinsurance would "kick in". On an individual claim there was an unlimited liability.

SEN. CHUCK SWYSGOOD noted that some of the plan was under the administration of the DoA and asked why the university had a separate system from the state system. **Mr. Evenson** said that historically the university system was separate from the state. There was a legal mechanism by which the Board of Regents could grant its authority to administer group insurance to the DoA. However, it was a decision that OCHE believed to be in the hands of the university employees. If they endorsed the idea, it could be done.

MONTANA CAREER INFORMATION SYSTEM (MCIS)

Informational Testimony:

Brady Vardemann, Associate Commissioner of Vocational Technical Education, OCHE, stated that MCIS was a private, non-profit program charged with collecting current labor market information and educational data and developing the data into a useable form. Each state which received federal Carl Perkins funds was required to have a career information system. The MCIS was designed to be used by both students and adults and was the only comprehensive system of career information that was Montana based. She said the $100,000 annual budget was totally funded from state monies and users fees. Institutions wishing to utilize the information pay the users fee for a license to use the materials. MCIS did not use the state general fund. She noted that the OCHE assumed sponsorship of MCIS through a budget amendment in the fall of 1992 and requested that the program modification be approved as part of the OCHE administrative budget.

Questions, Responses, and Discussion:

REP. MIKE KADAS noted that the addendum to the executive budget referred to a number of proposed changes, most of them tied to a study which was requested of OCHE and which was to be done in the next month. It included downsizing the office of commissioner to executive secretary. He asked OBPP how the mechanics of the request were to go forward in lieu of the committee's need to take action on the budget. **Curt Nichols, OBPP,** said the intent of the Racicot amendment to the Stephens' budget was to require the OCHE to reply to the suggestion of a lump sum budget and a $25 million reduction. He admitted, that for the reply to come to the subcommittee, timing would be a problem. **REP. KADAS** agreed that it would be a problem since the subcommittee had to be finished with its work by the 45th day and the executive request of the Regents was that they submit their report by the

60th day. **CHAIRMAN JOHNSON** commented that the Regents would be meeting on the 36th day of the legislature and had agreed to have their report to the committee by the 40th day of the legislature.

REP. KADAS asked the **CHAIRMAN** if he expected to return to the budgets after the 40th day. **CHAIRMAN JOHNSON** said he believed that was the way it had to be done.

REP. KADAS noted that the OBPP stated the $25 million in cuts could be managed through administrative efficiency and simplification. He asked what the reaction of the OBPP would be if the Regents' report found there were no potential savings of that magnitude. **Mr. Nichols** said the $25 million was the general fund reduction and there was the option to offset part of that with tuition increases of $13 million resulting in an actual reduction of $12 million. **REP. KADAS** said his understanding was that, tuition indexing, discussed at the December Regents' meeting, was to be in place and then the $25 million cut was to be taken from that. He asked if that scenario was incorrect. **Mr. Nichols** said it may be saying the same thing. He noted that the Stephens' budget did not include the tuition increases proposed with the tuition indexing and the Racicot budget proposed the $25 million reduction in the general fund and encouraged that tuition offset no more than what would be generated by the increases approved with tuition indexing.

REP. KADAS noted that this plan would leave $12 million in cuts in the Racicot budget premised on administrative savings. He asked if OBPP intended the system be cut by that amount regardless of whether savings could be had in the administration or not. **Mr. Nichols** said that OBPP was anticipating the cut irrespective of the source. **REP. KADAS** voiced concern about dealing with the budgets on the 40th day but conceded there were few desirable alternatives.

HEARING ON AGRICULTURAL EXPERIMENT STATION

Tape No. 1:B:000

Informational Testimony:

Michael Malone, President, Montana State University (MSU), stated that agriculture was the number one industry in Montana and that if the secondary aspects of agriculture were included, it would comprise 40% of the entire economy in the state. He noted that producers appreciate the activities of the AES and want more off-site activities. He said the $820,000 in cuts to the AES that came in the 1992 special session were hard-hitting and drastic. He said 75% of the cuts were taken at the Bozeman campus and 25% were taken at field sites. Since 1983 the AES had lost 30 FTE.

Barry Jacobsen, Director of AES and Dean of the College of Agriculture, MSU, presented written testimony regarding the history of the AES, the impact the AES has had on the economy of the state, and a review of the budgetary issues. **EXHIBIT 3**

Questions, Responses, and Discussion:

REP. RAY PECK asked for clarification on item 4 on page 3 of **EXHIBIT 3** which dealt with the capital equipment budget. **Dr. Jacobsen** said that in the budget which was prepared there was an increase in federal Hatch funds over those received in the 1993 biennium and the request was to use those funds for capital equipment rather than for offsetting the reduction in general fund.

REP. KADAS asked what would be done by the agency to reduce their budget by 10%. **Dr. Jacobsen** said if reductions had to be made, they would be programmatic cuts. He said he would utilize the state advisory board to help make the decisions. He stated that the experiment stations could be only as healthy as the parent campuses, referring to the $25 million target reduction for the university system. He noted the AES was spared reductions in the amended executive budget. **REP. KADAS** pointed out that the executive requested that the budget for the university system be a lump sum. He asked OBPP if the lump sum included the AES. **Mr. Nichols** said yes. He added that the AES would be included in the areas the Regents had the discretion to cut. **REP. KADAS** asked if the AES would have to close one of the stations if it received a 10% cut. **Dr. Jacobsen** replied that it would be an option as would be the closing of the department on campus.

REP. KADAS asked if the cuts should be focused on programs such as AES which were not central to the function of the main campus or if the cuts should affect programs central to the core mission of the campus. **Dr. Malone** answered that they would try to honor the line item nature of the funding provided the stations. He added that in light of the recision which had already been imposed on the experiment stations, an additional 10% would probably result in the closing of one or two rather than spreading the cuts over all of them, debilitating the stations.

REP. KADAS inquired as to the priorities of the MSU campus. If a reduction of 10% were imposed on the campus along with lump sum funding, he asked if cuts would be made campus-wide or by program. **Dr. Malone** said he would recommend keeping line item funding. He did not want the experiment stations cut in the interest of the campus or vice versa. He added that he would not use across the board cuts.

REP. KADAS noted that **Dr. Jacobsen** felt the operating budget was in more dire straits than the personal services area. He asked if layoffs would result if a major cut occurred and how this would be handled to increase the operations budget. **Dr. Jacobsen** answered that two or three mechanisms would be used to move money into operations from personal services. Money would be generated by attrition as people left or retired. A second opportunity would come as people were terminated. The third possibility would involve moving people from state support to grant support. He said if the operation budget could not be increased, he would request flexibility to move personal services money into operations using the mechanisms mentioned.

REP. KADAS asked what was lacking in the operating budget. **Dr. Jacobsen** replied that modernization of the research labs and the field sites needed to occur with updating of facilities and equipment.

REP. PECK noted that there had been an excess of $1.5 million in six-mill levy because the legislature had underestimated revenue. The largest bipartisan committee in the legislature reviewed the budget amendment for the money and voted to refer the issue to the Regents to consider the experiment stations in the distribution of those funds. The Regents refused to make any changes as suggested by the committee.

REP. PECK requested a response to the suggestion that county agents in CES be shared between counties. **Dr. Jacobsen** said that would be addressed in detail in the extension portion of the budget. He noted that he had been discussing the possibility of using split research/extension appointments for some of the more specialized people at the research centers as a mechanism for increasing service. **Dr. Malone** answered that sharing agents between counties did work, but the counties tended to want their own agents. Consolidation would continue to be explored and enacted whenever possible.

SEN. DON BIANCHI referred to the personal services item mentioned in **EXHIBIT 3** (item 3, page 3) and asked if the positions were federally funded. **Dr. Jacobsen** said the station was a cooperative station and that federal employees were funded by the federal government and state employees were funded from the sale of cattle at Miles City.

CHAIRMAN JOHNSON requested an explanation for the reduction in capital from 1983 to 1992. **Dr. Jacobson** explained that the consumer index was used to adjust for inflation to reflect what had happened due to inflation factors and the funded capital budget. He added that in 1992 it reflected the total actual dollars in the fund. **Gerry Sutton, Budget Director, AES,** referred the committee to page 10 of **EXHIBIT 3** which gave the historical data on the budget for the main station.

HEARING ON COOPERATIVE EXTENSION SERVICE

Tape No. 1:B

Informational Testimony:

Dr. Malone noted that the extension service had been undergoing a reorganization for the past two years. It consisted of a triad arrangement between state government, federal government and the counties. A major issue which had been addressed was consolidation of offices in the more rural counties. He noted the increased communication between the county agents and the main campus enabling the agents full access to the resources on the central campus.

Tape No. 2:A:000

Andrea Pagenkopf, Director of CES and Associate Vice-President for Extension and Outreach, noted that the extension service utilized the resources of the university to help counties and people do a better job of resolving problems which face them. She listed the variety of outreach programs available from the university which went beyond the extension service and included the local government center, the entrepreneurship center and the university technical assistance program. These programs were being brought to the counties through faculty members. MSU was now electronically connected to every county allowing quick and easy excess to the resources of the campus.

Dr. Pagenkopf referred the committee to page 14 of **EXHIBIT 3** noting that 48% of the extension service personnel was involved with agriculture and 24% was involved in 4-H, half of which involved agriculture. She said the extension service would be using telecommunications more, including METNET, to deliver its educational information. She noted that page 15 of **EXHIBIT 3** illustrated the downsizing which had occurred in CES over the past seven years with a drop from 135 to 115 FTEs.

Dr. Pagenkopf said the CES had four area directors each supervising 20 county agents. After much study, it had been decided that the structure would be changed, and as of July 1, 1993 there would be three program support positions instead. She directed the committee to a chart on page 14 of **EXHIBIT 3** which listed the source of funding for CES which included federal, state and county monies. For every state dollar funding CES, $2.32 came from other sources. She noted that presently six of the county offices were multi-county offices testifying to the movement toward consolidation. She added that the agents appreciated the arrangement, but counties often wanted their own full-time agents.

Dr. Pagenkopf explained that her office could do a better job of managing the program if it had greater flexibility and less strict guidelines.

Bud Clinch, Commissioner, Montana Department of State Lands, said one of the functions of his agency was the forestry assistance to private land owners. This area overlapped with the functioning of the CES forestry program. He emphasized the national acclaim the Montana Forestry Stewardship Program had received which was due mostly to its forestry specialists and their outreach efforts. He noted the reductions received in his agency and emphasized the resulting heavier responsibility laid on the CES to continue its work in forestry education and outreach.

Dr. Pagenkopf stated that the forestry stewardship program was funded through state, federal and private funds. She said a recently developed program was the Business Retention and Expansion Program which helped to improve the economic vitality of communities.

David Hemion, Director, Helena Chamber of Commerce, stated that the purpose of the Business Retention and Expansion Program was to assess the health of local businesses and to determine how some of them might be expanded and to determine how others might be prevented from failing. He said that the CES has been a leader in the state in encouraging municipalities to utilize the program to their benefit. He commented that Helena was midway in its program and was presently compiling the data collected in a survey of the business community. He said that the program was proactive in helping businesses and planning for the future. The role of CES was to provide training and consultation to organize the local efforts.

Dr. Pagenkopf noted that recent federal statutes were requiring that landfill operators must be certified and must have continuing education to maintain the certification. CES had helped establish, with the Montana Association of Counties, a center at MSU (Solid Waste Institute of Montana) to provide the necessary training. **Sandy Oitzinger, Montana Association of Counties,** commented that the work and efforts of CES had enabled the Solid Waste Institute of Montana (SWIM) to be responsive to local landfill operator needs for training.

Dr. Pagenkopf stated that the challenge in the future would be in the area of public policy: issues such as land use, environmental issues, animal rights, etc. The CES hoped to become an unbiased research based source of information for the communities of Montana dealing with these issues. Another future direction was that of industrial extension which would give support and assistance to small manufacturers.

<u>Questions, Responses, and Discussion</u>:

REP. KADAS asked what steps would be taken by the agency to meet a $500,000 reduction in the budget. **Dr. Pagenkopf** said it would mean programmatic cuts. She explained that most of the personnel were in the counties and whenever a county position was cut, the county dollars for that position were lost. She added that a certain level of expertise had to be maintained on campus to assist the county agents. The result, therefore, would be cuts in personnel and cuts in total programs. She said she would enlist the help of the advisory committee in making the decisions.

REP. KADAS asked what percentage of the total personal services costs was comprised of county agents. **Clyde Carroll, Budget and Fiscal Director of CES,** stated that there were 88 county agents who were not full-time FTEs, and 26 specialists on campus. **REP. KADAS** noted that to meet an imposed reduction, personnel would have to be terminated since eliminating programs would have little effect because they were spread throughout the state. **Dr. Pagenkopf** concurred. She added that any cuts made in personnel at the state level would involve elimination of a program because only one or two specialists were assigned to a program.

REP. KADAS noted that the budget had been reduced so many times, there was not much room left to reduce it further in the area of local government, human services and corrections. The area which was still available was the university system, because there was no constitutional mandate of a state or federal nature which required a certain level of funding. He said to balance the budget without an increase in taxes, the bulk of the cuts would come in the university budget. Such a cut would have an effect on economic development because of the services provided communities. He asked **Mr. Hemion** for his reaction. **Mr. Hemion** responded that his Board of Directors had taken the stand that supported tax reform which included a sales tax which raised additional revenue for the state. They did not want services provided by the state to erode because it eroded the business base and ruined the ability of Montana to compete with other states. **REP. KADAS** asked if **Mr. Hemion** would support a tax reform proposal which did not shift the tax burden from businesses to individuals. **Mr. Hemion** explained that his organization supported a general sales tax with exemptions and rebates which prevented too much of a negative impact on citizens at the bottom of the economic strata. He agreed that a sales tax did affect individuals more than businesses. He added that his organization would also like to see a reduction in personal property tax.

REP. PECK asked if the process of consolidation in CES would result in the loss of federal dollars in addition to county dollars. **Dr. Pagenkopf** replied that federal dollars were given with the expectation that they would be matched by state funds, not county funds. Federal dollars would not be directly affected if a county agent was cut. Federal dollars would be cut if the state appropriation went below the match which was required. She said there was no federal maintenance of effort involved.

REP. PECK made reference to the six multi-county operations and asked what the savings were. **Dr. Pagenkopf** stated that the county paid for one-half of the salary of a county agent and all of the operation costs. State and federal money paid the other half of the agent's salary. Cutting a county agent saved less than half the cost of his salary. **REP. PECK** asked for information on how the three funding sources came together. **Dr. Pagenkopf** said that the federal funds formed the base of the budget, with the state and county following in that order. There was an agreement each year with each county that they would provide for the county extension office. The county paid toward the agent's salary, 65% of the salary of an elected official. This amounted to one-half of the agent's salary.

REP. PECK asked if there had been greater concern on the part of the counties as the budgets were composed. **Dr. Pagenkopf** replied that in general the counties were strapped for money and were concerned about affording a county agent. Those who could afford it, wanted their own agent and preferred not to share. **REP. PECK** commented that sharing agents did reduce services. **Dr. Pagenkopf** concurred.

SEN. SWYSGOOD asked for more information concerning the Business Retention and Expansion Program and the SWIM Program. He noted that these programs were not services provided by county agents and wanted to know the budget allocation for these programs. **Dr. Pagenkopf** stated that the Business Retention and Expansion Program did not have specific funding, but depended upon the efforts of the community development specialist who had developed the program on a regional basis. The SWIM Program was funded primarily with contributions from the Montana Association of Counties. One specialist was involved with the program as part of his workload. **SEN. SWYSGOOD** asked if the only state funds which were involved in the programs were those for the positions of the specialists. **Dr. Pagenkopf** said yes and added that there would also be county agent involvement.

REP. PECK asked if the counties paid their share of the salaries directly to the county agents. **Dr. Pagenkopf** said that the counties essentially contract for services with the university and send their share of the salaries to the university which issued the checks to the county agents. **REP. PECK** asked where the funds were seen in the budget. **Mr. Carroll** explained that MSU paid the county agents and then billed the counties for their share. The money sent by the counties was placed in a designated account. He noted that no funds remained in the account at the end of the fiscal year. **REP. KADAS** asked the staff where the county money showed in the budget. **Ms. Purdy** explained that it did not show because it was not a current unrestricted fund. It showed up in the state internal records.

HEARING ON FIRE SERVICES TRAINING SCHOOL

Tape No. 2:B:000

Informational Testimony:

Dr. Pagenkopf noted that FSTS now worked in collaboration with CES. **Butch Weedon, Director, FSTS,** gave written testimony reviewing the background and purpose of FSTS and addressing budgetary issues. **EXHIBIT 4**

Questions, Responses, and Discussion:

REP. KADAS asked for more information concerning the innovative approach used by FSTS. **Mr. Weedon** explained that their "training in context" program was receiving notoriety. He said it was a change in the way the FSTS delivered its services. **REP. KADAS** asked what would happen if the legislature eliminated the budget for the FSTS. **Mr. Weedon** replied that five staff would be terminated. There would be no focal point for training for the local fire departments. Over time there would be duplication of efforts at training which were now centralized at the FSTS. There would also be duplication of the library resources.

REP. KADAS asked how training would be accomplished if the FSTS were eliminated. **Mr. Weedon** said some local firefighters would probably market themselves as trainers. He noted that if communities did not have the resources to partake of the services, they would remain untrained. **REP. KADAS** asked what percentage of the total program consisted of the library. **Mr. Weedon** said about 25%. **REP. KADAS** asked if it were possible to maintain the library and eliminate the rest of the program. **Mr. Weedon** explained that the library was a collection of training resources and was of little use without the instructors. **REP. KADAS** asked if fees were collected from the fire departments utilizing the services of FSTS. **Mr. Weedon** said in FY92 $47,000 in fees were collected. **REP. KADAS** asked what would happen if the FSTS was put on a proprietary basis with the elimination of general fund. **Mr. Weedon** replied that there would be a significant reduction in training. **Mr. Culver** noted that the $47,000 was a designated fund which did not show up in the appropriation process.

<u>PUBLIC TESTIMONY ON AGENCIES</u>

Clark Johnson, Chief, Wolf Point Volunteer Fire Department, spoke in support of the FSTS saying that the program was fulfilling its legislative directives in meeting the essential needs of the citizens of the state. He noted that the number of careless ignitions in Wolf Point had decreased 82% in the past three years. He said the decrease was directly correlated with the initiation of a fire prevention education program which was funded locally but which was heavily dependent on the resources and guidance from FSTS. He commented that many small communities financially support their own volunteer fire department, but none could support its own education, research and development division. He asked that the FSTS not be considered in across the board cuts because of the essential nature of its work.

REP. KADAS asked if **Mr. Johnson** would be willing to pay for the training provided by FSTS. **Mr. Johnson** replied that he would be, because his community could afford it; other communities could not. He said he was now subsidizing two rural departments in other communities which could not afford the present services of the FSTS. He added that without FSTS and its resources, communities would need to go as far away as Georgia to get the same type of training. Such efforts cost money.

REP. PECK asked for more information on the two rural communities which were mentioned. **Mr. Johnson** said the two communities had not formed rural fire districts. He said he paid the $75 resource fee for them and sponsored state training school courses in his department and invited them to come. One of the fire departments was in northern McCone County and the other was at Custer.

REP. PECK noted that the communities could form a rural fire district and impose a mill levy to pay for its functioning.

Roy Cornell, Chief, Dillon Voluntary Fire Department, spoke in support of the FSTS saying he did not know where his men would receive training if the FSTS were eliminated. He noted that the mill levy in his fire district was frozen. He said there was no money left in his budget for training after liability on the fire fighting apparatus, the minimum life insurance policies, and the gas and maintenance were paid. He spoke to the positive impact the FSTS had on his fire department and their function. He noted that he also paid for the training of smaller departments. As the cost of the training was increased and it became more distant, the lives of firefighters and the general population were being put at risk. He concluded that FSTS was an efficient way to deliver the service. As costs increased, the smaller departments which needed the training the most would not be able to afford it.

Norm Rostocki, Chief, Marysville Volunteer Fire Department, gave written testimony in support of FSTS describing the effect FSTS had on his community. **EXHIBIT 5**

In reply to a question from **REP. PECK, Mr. Rostocki** said that the levy in his fire district was 58 mills and added that only 60 people lived in Marysville.

Ross Fitzgerald, Chairman, Advisory Council for FSTS, spoke in support of FSTS and its training. He said demands made on FSTS were increasing.

Randy Johnson, Montana Grain Growers Association, spoke on behalf of the CES and the AES. He said in today's climate, research and extension were the single most important assets to the agricultural economy because of the international competitiveness of the industry. He said increased environmental demands also required more research and development.

Susan Baldwin, Owner, Montana Mountain Fruit Farm, provided written testimony in support of the AES, specifically the station at Corvallis. **EXHIBIT 6**

Tape No. 3:A:0045

Robert Christ, member, Pomona Grange, gave written testimony in support of the AES especially the station at Corvallis. **EXHIBIT 7**

REP. PECK asked if the source of the nitrate contamination of the groundwater mentioned in the testimony had been identified. **Mr. Christ** said studies were ongoing to attempt to find the source of the contamination.

Patrick McNulty, Buffalo, spoke in support of the governor's recommended budget for the AES. He said the cuts made during the special session put the whole system at risk because every station was important and the loss of one impacted the entire system. He noted that duplication was deliberate to verify observations in different climates and topographies. He asked the committee to consider the long term aspects of the research and its effect on the economy. He said the general fund should be used to fund AES because everyone in Montana benefitted and because the research impacted the entire economy. Receiving additional grants was not the answer to the financial crisis because a certain amount of basic state support to initiate research was needed to attract the grants.

REP. KADAS noted that although the governor's budget showed a line item increase for the AES, it also requested a $25 million reduction for the university system which, on an across the board basis, meant a $1 million cut in the AES budget. **Mr. McNulty** said he understood the budget request and repeated that the AES took a significant cut during the special session and could not afford to take another one. **REP. KADAS** noted that other parts of the university system have equally good arguments for not having their budgets cut. **Mr. McNulty** stated that during the two previous special sessions, the university system budget had been increased eight percent which was then reduced to four percent due to the recision. The AES did not participate in any of the increases.

REP. PECK agreed with **Mr. McNulty** concerning the gravity of the cuts on the AES, but cautioned him about endorsing the governor's proposal since it actually could result in a reduction to AES if accepted.

Bing VonBergen, farmer, Moccasin, spoke in support of the AES and noted that the AES should be the last item to be cut because 40% of the economy of the state was derived from agriculture.

CHAIRMAN JOHNSON commented that along with reductions, requests for increased flexibility were being considered so the departments could better manage the reductions. **REP. KADAS** noted that all programs which received general fund money were being considered for reductions. He stressed that there were no sacred cows. **SEN. BIANCHI** voiced concern that the lobbyists for agriculture were not present to support agricultural research.

SEN. JUDY JACOBSEN noted that the Human Services Subcommittee was hearing from disabled people pleading for services that allowed them independence. She said considering the level and types of cuts which had to be made, there could be no sacred cows.

Mr. Johnson noted that a number of organized groups representing agriculture had been at the meeting earlier but had left. He said their views were similar to those voiced by people who did give testimony. He said he understood that there were no sacred cows, but added that from a practical standpoint agriculture was an important part of the economy and contributed to the services enjoyed by other people in the state. He stated that research in agriculture could contribute to the solution and help get the state out of the financial difficulty it was in.

A letter from **Mr. David McClure, Montana Farm Bureau,** supporting AES was presented to the committee. **EXHIBIT 8**

ADJOURNMENT

Adjournment: 11:45 a.m.

Royal Johnson

REP. ROYAL JOHNSON, Chair

Jacqueline Brehe

JACQUELINE BREHE, Secretary

jb/

HOUSE OF REPRESENTATIVES

EDUCATION SUB-COMMITTEE

ROLL CALL DATE ______

NAME	PRESENT	ABSENT	EXCUSED
REP. ROYAL JOHNSON, CHAIRMAN	✓		
SEN. DON BIANCHI, VICE CHAIRMAN	✓		
REP. MIKE KADAS	✓		
SEN. DENNIS NATHE			✓
REP. RAY PECK	✓		
SEN. CHUCK SWYSGOOD	✓		

Dwight David Eisenhower
Science and Mathematics Education Program
(formerly the National Defense Education Act)

Purpose of the Program:	Enhance National Competitiveness through improved Science and Mathematics Education
Program Direction:	Elementary and Secondary Science and Mathematics Teachers:
Source of Funds:	U.S. Department of Education
Amount of Funds:	ca. $295,000 (including $20,000 for program administration)
Teachers involved:	1989-90 500 1990-91 575 1991-92 1000 (est)
Students affected:	1989-90 not recorded 1990-91 26,300 1991-92 51,000 (est)
Institutions involved:	Montana State University University of Montana Western Montana College Montana Tech Northern Montana College Eastern Montana College Carroll College
Projects funded:	1989-90 12 1990-91 12 1991-92 17 1992-93 20

EXHIBIT 1
DATE 1-27-93
SB

#1

MUS GROUP INSURANCE **INCOME, EXPENSES AND RESERVES** **FY 95 EST**

		FY 85	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93*	FY 94*	FY 95*
	REVENUE											
	Premium	$7,042,514	$7,155,581	$7,421,360	$7,478,097	$7,844,322	$9,673,886	$11,329,165	$13,443,851	$14,913,800	$15,701,094	$16,511,082
	Interest	$93,509	$239,426	$300,464	$308,360	$363,156	$310,303	$272,384	$235,283	$230,000	$200,000	$200,000
	Refunds	$192,031										
1	Total Revenue	$7,328,054	$7,395,007	$7,721,824	$7,786,457	$8,207,478	$9,984,189	$11,601,549	$13,679,134	$15,143,800	$15,901,094	$16,711,082
	EXPENSES											
	Operating	$52,127	$58,715	$62,240	$83,874	$87,843	$92,957	$125,515	$137,920	$150,000	$150,000	$150,000
	Wellness	$49,660	$209,264	$266,496	$326,436	$333,283	$336,685	$361,245	$463,389	$460,000	$460,000	$460,000
	ADM EXPENSE	$948,540	$1,089,742	$850,863	$1,046,425	$1,231,509	$1,583,599	$1,413,864	$1,151,291	$1,800,000	$2,000,000	$2,000,000
	Claims	$4,770,000	$4,642,028	$6,107,000	$6,571,908	$7,201,961	$8,351,886	$9,434,988	$11,328,435	$12,578,000	$13,962,157	$15,497,994
#2	Total Expenses	$5,820,327	$5,999,749	$7,286,599	$8,028,643	$8,854,596	$10,365,127	$11,335,612	$13,081,035	$14,988,000	$16,572,157	$18,107,994
	Beg fund bal	$0	$1,507,727	$4,363,992	$4,799,217	$4,557,031	$3,909,913	$3,528,975	$3,794,912	$4,393,011	$4,548,811	$3,877,748
	Reserve Transfers	$0	$1,461,007									
	Excess Income Over Expenses	$1,507,727	$1,395,258	$435,225	($242,186)	($647,118)	($380,938)	$265,937	$598,099	$155,800	($671,063)	($1,396,912)
#3	Ending Bal	$1,507,727	$4,363,992	$4,799,217	$4,557,031	$3,909,913	$3,528,975	$3,794,912	$4,393,011	$4,548,811	$3,877,748	$2,480,836
	RESERVES											
#4	IBNR	$1,431,472	$1,157,313	$1,194,395	$1,343,606	$1,419,240	$1,642,600	$2,000,000	$2,000,000	$3,200,000	$3,400,000	$3,700,000
	Stabilization	$1,400,000	$1,000,000	$1,000,000	$1,300,000	$1,400,000	$1,600,000	$1,700,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000
	Total Reserve Requirement	$2,831,472	$2,157,313	$2,194,395	$2,643,606	$2,819,240	$3,242,600	$3,700,000	$4,000,000	$5,200,000	$5,400,000	$5,700,000
#5	Excess Reserve (deficit)	($1,323,745)	$2,206,679	$2,604,822	$1,913,425	$1,090,673	$286,375	$94,912	$393,011	($651,189)	($1,522,252)	($3,219,164)

FY 93,94,95 ARE ESTIMATES–PRIOR YEARS ACTUAL

ASSUMWS 11% TREND–CONSTANT WORK FORCE

CORRECTED COPY

LIVES 5846

EXHIBIT 2-A
DATE
SB

#2

MUS FY95 CORRECTED   INCOME, EXPENSES AND RESERVES   FY 95 CORRECTED

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93*	FY 94*	FY 95*
REVENUE											
Premium	$7,042,514	$7,155,581	$7,421,360	$7,478,097	$7,844,322	$9,673,886	$11,329,165	$13,443,851	$14,913,800	$15,701,094	$16,511,082
Interest	$93,509	$239,426	$300,464	$308,360	$363,156	$310,303	$272,384	$235,283	$230,000	$200,000	$200,000
Refunds	$192,031										
Total Revenue	$7,328,054	$7,395,007	$7,721,824	$7,786,457	$8,207,478	$9,984,189	$11,601,549	$13,679,134	$15,143,800	$15,901,094	$16,711,082
EXPENSES											
Operating	$52,127	$58,715	$62,240	$83,874	$87,843	$92,957	$125,515	$137,920	$150,000	$150,000	$150,000
Wellness	$49,660	$209,264	$266,496	$326,436	$333,283	$336,685	$361,245	$463,389	$460,000	$460,000	$460,000
ADM EXPENSE	$948,540	$1,089,742	$850,863	$1,046,425	$1,231,509	$1,583,599	$1,413,864	$1,151,291	$1,800,000	$2,000,000	$2,000,000
Claims	$4,770,000	$4,642,028	$6,107,000	$6,571,908	$7,201,961	$8,351,886	$9,434,988	$11,328,435	$12,578,000	$13,962,157	$15,497,994
Total Expenses	$5,820,327	$5,999,749	$7,286,599	$8,028,643	$8,854,596	$10,365,127	$11,335,612	$13,081,035	$14,988,000	$16,572,157	$18,107,994
Beg fund bal	$0	$1,507,727	$4,363,992	$4,799,217	$4,557,031	$3,909,913	$3,528,975	$3,794,912	$4,393,011	$4,548,811	$3,877,748
Reserve Transfers	$0	$1,461,007									
Excess Income Over Expenses	$1,507,727	$1,395,258	$435,225	($242,186)	($647,118)	($380,938)	$265,937	$598,099	$155,800	($671,063)	($1,396,912)
Ending Bal	$1,507,727	$4,363,992	$4,799,217	$4,557,031	$3,909,913	$3,528,975	$3,794,912	$4,393,011	$4,548,811	$3,877,748	$2,480,836
RESERVES											
IBNR	$1,431,472	$1,157,313	$1,194,395	$1,343,606	$1,419,240	$1,642,600	$2,000,000	$2,000,000	$2,357,715	$2,800,000	$3,200,000
Stabilization	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Reserve Requirement	$1,431,472	$1,157,313	$1,194,395	$1,343,606	$1,419,240	$1,642,600	$2,000,000	$2,000,000	$2,357,715	$2,800,000	$3,200,000
Excess Reserve (deficit)	$76,255	$3,206,679	$3,604,822	$3,213,425	$2,490,673	$1,886,375	$1,794,912	$2,393,011	$2,191,096	$1,077,748	($719,164)

FY 93,94,95 ARE ESTIMATES--PRIOR YEARS ACTUAL

ASSUMWS 11% TREND--CONSTANT WORK FORCE

CORRECTED COPY

LIVES 5846

EXHIBIT 2B
DATE
SB

EXHIBIT 2C
DATE 1-27-93
SB

MONTANA GROUP INSURANCE

MAJOR FINDINGS

1. The current annual claims trend calculated by our actuary is near 6%. Cost projections in the budget document for the MUS are based on a 11% trend. Most groups are experiencing a larger trend. The State employees group see a 15% trend. Most other insurance groups in Montana see an 18%-20% trend.

2. The percentage of large claims paid by the MUS is similar to other insurance groups. However, there appears to be growth in the number of large claims (over $20,000).

3. The number of Plan members who have submitted claims has grown faster than Plan enrollment.

4. Employee contributions toward the cost of dependent coverage are not keeping up with increases in Plan payments for dependents.

5. Retiree contributions toward their costs of claims are also not keeping up with their increases in Plan payments.

6. Inpatient costs are the major contributor in the overall growth in Plan expenditures. Hospital charges for room and board are growing the fastest. The MUS pays significant dollars to a small set of hospitals.

7. Utilization of physician services has increased while average charges have declined. This suggests a phenomenon known as claims "unbundling" or "a la carte" billing.

8. Expenditures for miscellaneous outpatient services has increased significantly over last year.

9. Prescription drug costs are responsible for approximately 9.5% of Plan medical expenses.

10. The increase in Plan expenditures does <u>not</u> appear to be caused by a change in the general health status of MUS employees or dependents. The change in costs appears to be caused by provider treatment patterns.

EXHIBIT 20
DATE 1-27-93
SB

Exhibit 3

MONTANA UNIVERSITY SYSTEM
SUMMARY OF MEDICAL CLAIMS PAYMENTS

I. Plan Total	7/90 - 6/91 Expense	7/90 - 6/91 % of Total	7/90 - 6/91 Expense Per Employee	7/91 - 6/92 Expense	7/91 - 6/92 % of Total	7/91 - 6/92 Expense Per Employee	% Change Expense Per Employee
Eligible Charges	$13,828,354		$2,447	$17,188,267		$2,922	19.4%
UCR Reductions	131,817		23	365,856		62	166.7%
Other Reductions *	13,892		2	516,966		88	3475.8%
Covered Charges	$13,682,645	100.0%	$2,421	$16,305,445	100.0%	$2,772	14.5%
Deductibles	1,409,889	10.3%	249	1,483,686	9.1%	252	1.1%
Coinsurance	1,266,012	9.3%	224	1,348,114	8.3%	229	2.3%
COB	2,159,621	15.8%	382	2,704,850	16.6%	460	20.3%
Other +	32,715	0.2%	6	89,099	0.5%	15	161.7%
Benefits Paid	$8,879,838	64.9%	$1,571	$10,857,894	66.6%	$1,846	17.5%

* This field further adjusts eligible charges to properly achieve the benefits paid amount.

+ Includes under and over payments, and prompt payment discounts.

	7/90 - 6/91	7/91 - 6/92
Overpayment	(63,683)	(16,846)
Underpayment	96,706	109,109
Prompt Payment Discount	(308)	(27)
Total	$32,715	$92,236

EXHIBIT 26
DATE 1-27-93
SB

Exhibit 1

MONTANA UNIVERSITY SYSTEM
CLAIMS PAYMENT DISTRIBUTION

PAYMENT RANGE	7/1/90 to 6/30/91 Number of Claimants	% of Total	Paid Amount	% of Total	7/1/91 to 6/30/92 Number of Claimants	% of Total	Paid Amount	% of Total
ALL CLAIMANTS								
TOTAL	7,678	100.0%	$7,283,099	100.0%	8,778	100.0%	$10,938,357	100.0%
under $5,000	7,183	93.6%	2,381,195	32.7%	8,078	92.0%	3,143,052	28.7%
$5,000-9,999	294	3.8%	1,371,034	18.8%	372	4.2%	1,842,504	16.8%
$10,000-19,999	125	1.6%	1,105,699	15.2%	195	2.2%	1,660,129	15.2%
$20,000 +	76	1.0%	2,425,171	33.3%	133	1.5%	4,292,672	39.2%
EMPLOYEES								
TOTAL	3,929	100.0%	$4,185,696	100.0%	4,458	100.0%	$6,142,148	100.0%
under $5,000	3,613	92.0%	1,300,171	31.1%	4,019	90.2%	1,739,321	28.3%
$5,000-9,999	190	4.8%	882,043	21.1%	240	5.4%	1,188,231	19.3%
$10,000-19,999	81	2.1%	707,927	16.9%	114	2.6%	974,515	15.9%
$20,000 +	45	1.1%	1,295,555	31.0%	85	1.9%	2,240,081	36.5%
SPOUSE								
TOTAL	1,792	100.0%	$2,135,113	100.0%	2,051	100.0%	$3,291,328	100.0%
under $5,000	1,651	92.1%	705,419	33.0%	1,869	91.1%	912,719	27.7%
$5,000-9,999	85	4.7%	392,594	18.4%	96	4.7%	472,364	14.4%
$10,000-19,999	29	1.6%	228,274	10.7%	56	2.7%	458,092	13.9%
$20,000 +	27	1.5%	808,826	37.9%	30	1.5%	1,448,153	44.0%
DEPENDENT CHILD								
TOTAL	1,957	100.0%	$962,290	100.0%	2,269	100.0%	$1,504,881	100.0%
under $5,000	1,919	98.1%	375,605	39.0%	2,190	96.5%	491,012	32.6%
$5,000-9,999	19	1.0%	96,397	10.0%	36	1.6%	181,909	12.1%
$10,000-19,999	15	0.8%	169,498	17.6%	25	1.1%	227,522	15.1%
$20,000 +	4	0.2%	320,790	33.3%	18	0.8%	604,438	40.2%

* Paid amount for period 7/90-6/91 does not include claims run-out for account GLUG-D341.

Exhi

EXHIBIT 2 ?1
DATE
SB

Montana University System
Distribution of Charges by Individual Hospital

July 1, 1991–June 30, 1992

	Outpatient		Inpatient			Total	
Facility	Number of Visits	Total Charges	Number of Discharges	Room & Board Charges	Ancillary Charges	Hospital Charges	Pct of Total
Bozeman Deaconess	1,968	407,133	252	223,845	693,763	$1,324,741	14.6%
St. Patrick Hospital	1,007	382,671	124	212,706	553,988	$1,149,365	12.6%
Deaconess Medical Center	289	229,996	61	357,465	528,106	$1,115,567	12.3%
Community Medical Center	1,132	201,465	102	263,136	790,677	$1,255,278	13.8%
St. James Hospital	465	145,427	39	64,803	200,175	$410,405	4.5%
St. Vincent Hospital	1	340	1	3,020	7,420	$10,780	0.1%
St. Peters Community Hospital	383	88,460	23	31,850	48,909	$169,219	1.9%
Northern Montana Hospital	415	101,944	28	44,749	101,447	$248,140	2.7%
Holy Rosary Hospital	50	19,856	2	2,710	5,985	$28,551	0.3%
Mt. Deaconess Medical Center	108	50,915	19	31,363	84,870	$167,148	1.8%
Barrett Memorial	437	61,392	16	12,240	35,241	$108,873	1.2%
Columbus Hospital	153	75,282	14	38,889	61,246	$175,417	1.9%
Marcus Daly Memorial Hospital	45	6,184	1	490	1,369	$8,043	0.1%
Livingston Memorial Hospital	45	11,117	6	5,910	12,089	$29,116	0.3%
Kalispell Regional Hospital	27	3,679	1	1,603	2,858	$8,140	0.1%
Community Hospital Anaconda	9	2,180	0	0	0	$2,180	0.0%
Glendive Community Hospital	89	21,158	4	1,395	4,765	$27,318	0.3%
Total of Above Hospitals	6,623	$1,809,199	693	$1,296,174	3,132,908	$6,238,281	68.6%
All Other Hospitals	1,566	703,456	214	686,636	1,463,619	$2,853,711	31.4%
Total Montana University System	8,189	$2,512,655	907	1,982,810	$4,596,527	$9,091,992	100.0%

THE MONTANA UNIVERSITY SYSTEM
2500 BROADWAY
HELENA, MONTANA 59620-3101
(406) 444-6570

COMMISSIONER OF HIGHER EDUCATION

EXHIBIT 2F
DATE 1-27-93
SB

MANAGED CARE SUMMARY REPORT
FY 92

for
THE MONTANA UNIVERSITY SYSTEM

January 21, 1993

THE MONTANA UNIVERSITY SYSTEM CONSISTS OF THE UNIVERSITY OF MONTANA AT MISSOULA, MONTANA STATE UNIVERSITY AT BOZEMAN, MONTANA COLLEGE OF MINERAL SCIENCE AND TECHNOLOGY AT BUTTE, WESTERN MONTANA COLLEGE AT DILLON, EASTERN MONTANA COLLEGE AT BILLINGS AND NORTHERN MONTANA COLLEGE AT HAVRE.

MANAGED CARE SUMMARY REPORT
FY 92

EXHIBIT 26
DATE 1-27-93
SB

I. Utilization Review/Hospital Pre-certification

Utilization review is provided by Managed Care Montana

A. MEDICAL/SURGICAL HOSPITAL ADMISSION REVIEW

1.	Admissions Reviewed			
	a) Medical		254	
	b) Surgical		451	
		TOTAL	705	
2.	Total Number of Days Avoided		436	
3.	Number of Days Denied			
	a) Medical		15	
	b) Surgical		1	
		TOTAL	16	
		ESTIMATED SAVINGS		**$578,096**

B. MENTAL HEALTH/SUBSTANCE ABUSE REVIEW

1.	Admissions Reviewed			
	a) Mental Health		43	
	b) Substance Abuse		30	
		TOTAL	73	
2.	Total Number of Days Avoided		579	
3.	Number of Days Denied			
	a) Mental Health		85	
	b) Substance Abuse		217	
		TOTAL	302	
		Estimated Savings		**$157,414**
		TOTAL SAVINGS A+B		**$735,510**

Cost of Utilization Review Contract	**$81,176**

Return on Investment 9 to 1

EXHIBIT 2H
DATE 1-27-93
SB

TOTAL DOLLARS AVERTED RELATIVE TO DOLLARS BILLED TO THE MONTANA UNIVERSITY SYSTEM BY MANAGED CARE MONTANA (JULY 1, 1991 to JUNE 30, 1992)

AVERTED DOLLARS	
MEDICAL/SURGICAL REVIEW	**$578,096**
MENTAL HEALTH/SUBSTANCE ABUSE REVIEW	**$157,414**
TOTAL	**$735,510**
AMOUNT BILLED	**$81,176**

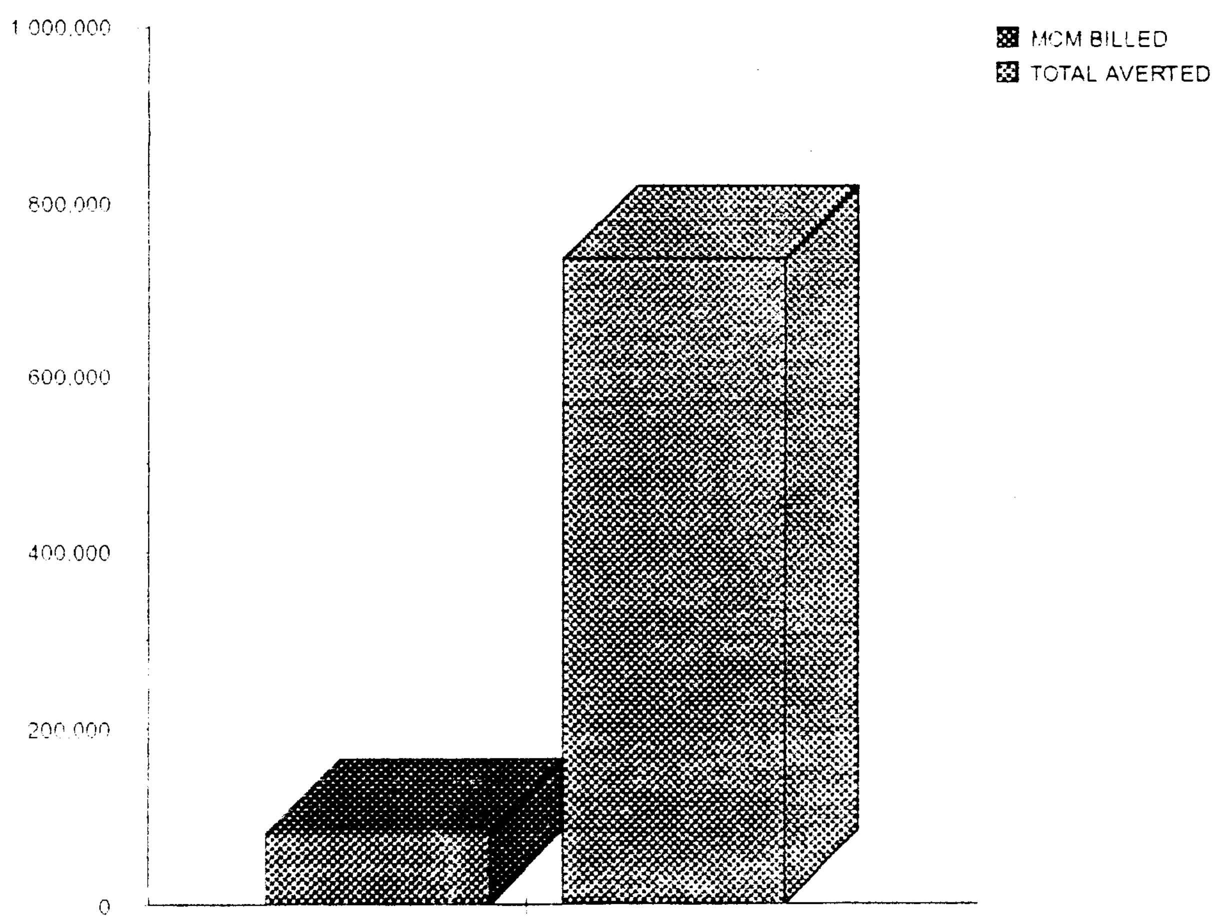


EXHIBIT 2F
DATE 1-27-93
SB

II. Individual Case Management

Case management is also provided by Managed Care Montana

Case management services are voluntary and free to the patient. Case management services are delivered cooperatively with the patient, the attending physician and admitting hospital. This coordination of complex medical care often results in significant savings.

CASE MANAGEMENT SUMMARY

A.	Mental Health	3
B.	Chemical Dependency	0
C.	Medical	21
D.	Surgical	1
E.	Obstetrical	1
F.	Rehabilitation	4
G.	Other	3
	Total Cases Opened	33

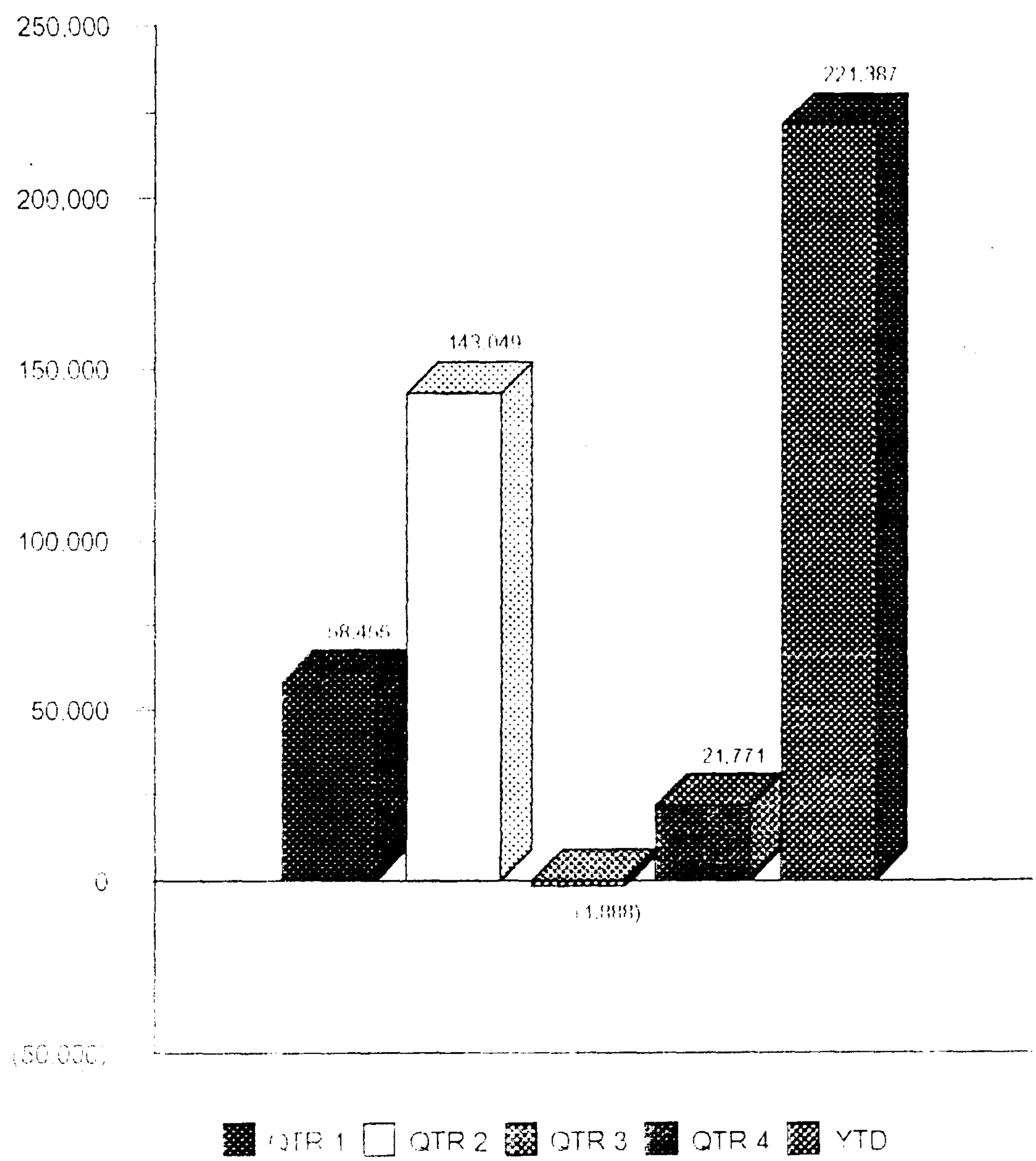
1.	Estimated Claim Costs with No Case Management	$377,796
2.	Actual Costs	120,104
3.	Cost of Case Management Services	36,305
4.	**Net Savings:**	**$221,387**

Return of Investment 6 to 1

EXHIBIT
DATE 1-27-93
SB

INDIVIDUAL CASE MANAGEMENT SUMMARY FOR THE MONTANA UNIVERSITY SYSTEM 1991-1992

cost savings by quarter



THE MONTANA UNIVERSITY SYSTEM
2500 BROADWAY
HELENA, MONTANA 59620-3101
(406) 444-6570

COMMISSIONER OF HIGHER EDUCATION

EXHIBIT 25
DATE 1-27-93
SB

January, 1993

S.H.A.P.E. ANALYSIS

SUMMARY HEALTHPLAN

ANNUAL PROGRAM EVALUATION FOR MONTANA UNIVERSITY SYSTEM

EXHIBIT 2C
DATE 1-27-93
SB

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FGK/WLH
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EXHIBIT 2C
DATE 1-27-93
SB

Preface

Comparison of medical plan data between plan years proved difficult to accomplish. For the plan year ending June 30, 1992, United of Omaha collected and reported claim data differently than it had in the past. In essence, claims are being reported more completely now when coordination of benefits (COB) with another group plan occurs due to a participant's dual coverage.

In the past, the United of Omaha only reported the final amounts for which the Montana University System was responsible as a secondary payor after a primary plan paid its benefits (e.g., the remaining $2,000 after a primary payor had paid 80% of a $10,000 bill). The new reporting method used by United of Omaha is more accurate, showing all eligible and covered amounts incurred by claimants with dual coverage. However, the amounts paid by other group plans are not fully reported as COB expense recoveries, but partly as COB recoveries and partly as "other reductions" to eligible charges. (United of Omaha is planning to show these reductions to expenses as COB in future reports.)

As a consequence of these changes, overall eligible expenses reported for the Montana University System plan are likely to appear higher, but are more complete for the plan year ending June 30, 1992, than they were in the past. Thus, *eligible charges and the rate or expense escalation appear worse this year than they actually are. True increases have been estimated along with "increases" due to more complete data capture.* These full amounts are reflected in Exhibits 1 to 15.

To address this reporting change and obtain a more reasonable estimate of actual plan activity net of the influence of modification of data capture and reporting techniques, we have generated a second set of tables concerning the distribution of expenses by type of service and benefit area (Exhibits 3R to 10R and 12R to 15R). (This issue is discussed in greater detail in the sections of the report called **Cost Sharing Provisions** and **Expense and Use Levels**.)

EXHIBIT 2M
DATE 1-27-93
SB

Introduction

The purpose of Mercer's SHAPE report (Summary Healthplan Annual Program Evaluation) is to identify and analyze the factors affecting the cost and utilization of the Montana University System medical plan. Key areas of the evaluation address:

- Large claims
- Claims payment distributions, and
- Expense and utilization levels by type of service.

These factors have been evaluated to provide answers to the following questions:

- At what rate are plan expenses increasing or decreasing?
- What portion of the increase in expenses can be explained by changes in plan design, plan accounting or an unexpected number or size of large claims?
- In what areas are plan expenses higher or lower than expected?
- Are increases in expenses due to the increased use of medical services or inflation in the prices paid for those services, or both?
- What are the uses and charges associated with certain benefit areas? Are those services avoidable or manageable?

The SHAPE report defines and evaluates key areas in the Montana University System's indemnity program and identifies options for effective cost management.

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Executive Summary

Major findings, underlying issues and a discussion of each are provided below.

Major Finding	Issue	Discussion
The percentage of high cost claims paid by the Montana University is similar to the percentage paid by other groups. However, there appears to have been some growth in the number of claims involving payments in excess of $20,000. (Note: Payment data were not affected by United of Omaha's reporting changes.)	Large claims can increase a plan's overall expenditures significantly. Such cases occur infrequently, but can seriously affect overall experience. At present, Managed Care Montana reviews all cases requiring hospitalization. However, it does not receive information on persons receiving costly non-inpatient care.	The Montana University System should continue case management activity to contain costs and provide alternatives for patients with serious conditions. United of Omaha should be asked to refer potential candidates for case management to Managed Care Montana.
The proportion of plan participants who submitted claims has grown faster than overall plan enrollment.	Increasing claim activity among plan participants is not a simple function of health status. Growing use of the health care system can indicate that there is concern about the future availability of coverage or other economic issues.	The University System should continue to monitor claim activity levels over time.
Employee contributions toward the cost of dependent coverage are not keeping up with increases in plan payments for dependents.	Under the current contribution strategy, the University System will likely pay an increasing amount and share of the expenses incurred by plan participants.	The University System may wish to consider changes in its contribution strategy, increased cost sharing as services are obtained and/or a modification of its approach to coordinating benefits for dependents with other plans.
Inpatient hospital expenses are the major driver in the overall growth in plan expenditures. Hospitals' daily charges (for room & board and ancillary care) are growing the fastest. The Montana University System pays significant dollars to a small set of hospitals.	Provider charges often appear to be beyond the control of plan sponsors. Increases in provider prices, however, can seriously affect overall plan funding requirements. Unless price control mechanisms can be implemented, plan experience will be completely subject to medical price inflation, independent of any reduction in utilization of health care services through mechanisms such as utilization review and case management.	Consideration should be given to pursuing price controls, particularly with the major hospitals in Montana. This can help limit financial exposure of the plan and participants. We recognize that the Montana University System has attempted to negotiate prices with selected hospitals, but has met with resistance. Continued efforts by the Montana University System and other plan sponsors, as well as supporting legislation, may be needed to obtain provider price controls in Montana.

Major Finding	Issue	Discussion
In general, utilization of physician services has increased, while average charges have declined. This suggests a phenomenon known as claims "unbundling" or "a la carte billing."	Unbundling involves separate billing for each component of a procedure (e.g., incision, suturing) rather than the procedure as a whole. This billing practice is used by providers to increase overall reimbursement from benefit plans and patients without increasing the provider's workload or productivity.	United of Omaha and Managed Care Montana should work together to review physician's claims and/or to implement payment arrangements such as per case reimbursement to reduce excessive billing. Special software can detect and rebundle split claims.
Expenditures for miscellaneous outpatient services (e.g., X-ray/ lab, prescription drugs) have increased 14.1 percent over the last year. Prescription drug costs account for approximately 9.5 percent of medical plan expenses.	Some of this change is consistent with a decline in the use of inpatient services. However, miscellaneous service expenditures account for over one-third of plan expenditures.	The pricing of many miscellaneous outpatient services would be addressed if the Montana University System elects to pursue negotiated fee arrangements with hospitals. In addition, the University System may wish to pursue alternative prescription drug delivery/payment arrangements through organizations which levy price and utilization controls on community pharmacies throughout Montana.

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Distribution of Claims

Evaluating claims distribution data provides important information on how large claims affect a plan (i.e, the extent to which they increase average as well as overall costs). To obtain this information, we reviewed data provided by United of Omaha on the aggregate number and percentage of claimants who had benefits paid within certain ranges during each of the last two plan years. These data are shown on **Exhibits 1 and 2**.

Please note that Mutual of Omaha generated the reports used in this analysis at different time periods. Because varying amounts of claims had been processed as of the different reporting dates, the total claim payment amounts shown in **Exhibits 1 and 2** do not conform to the paid amounts shown in **Exhibits 3R and 3** (which focus on overall plan administration activity for all University System groups.) United of Omaha suggests that the information incorporated into Mercer exhibits regarding overall plan administration activity is more likely to be correct, as the data were generated by United of Omaha at a later time. For purposes of discussing the distribution of paid claims, however, the data on **Exhibits 1 and 2** are still indicative of plan activity, as their totals are within one percent of the totals on **Exhibits 3R and 3**.

In the most recent plan year shown on **Exhibit 1**, there were an additional 1,100 claimants (14 percent increase) relative to the previous year. This 14 percent increase occurred although the number of covered employees and retirees in the plan increased less than 5 percent and their average family size declined. Accordingly, it is difficult to explain why the relative proportion of participants who submitted claims increased so much. However, we noted that the monthly contribution required from employees to purchase coverage for dependents is fairly modest -- $48 per month for 1 dependent and $98 for 2 or more dependents. It is possible that employees will selectively obtain coverage for dependents through the University System plan when they expect them to incur health care expenses and they do not have alternate sources of affordable coverage.

Distribution of Claims by Size of Payment

As shown in **Exhibits 1 and 2**, the distribution of claimants by the total amount of their respective paid benefits changed somewhat over the two year period. The number of claimants in each payment category increased in the second year. There appeared to be an especially noticeable increase in the percentage of benefit payments that were accounted for by payments exceeding $20,000. In the year ending June 30, 1991, 76 individuals received plan benefits totalling $2,425,171 (33.3 percent of plan payments). During the following year, 133 participants accounted for $4,292,672 in payments (39.2 percent of plan payments).

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United of Omaha staff and Mercer concur that the reporting change alluded to earlier would not have caused the apparent surge in large claims activity. However, United of Omaha's staff confirmed the increase in large claim payments in the most recent plan year in telephone discussions. It was noted that one claim alone was large enough to involve almost $100,000 in COB recoveries from the federal Medicare program. The next five largest claims involved an additional $212,000 in COB recoveries. The conclusion is that the University System's claim payments would have been even greater except for the amounts payable by other plans.

We should note that large claims with primary coverage under another plan typically are case managed through the other plan. Nevertheless, the apparent increase in the numbers of larger claims covered by the Montana University System plan indicates that continued screening and management by Managed Care Montana is needed to help control the larger claims that heavily influence the group's overall claim experience. The effectiveness of case management services on plan costs could be enhanced by directing United of Omaha to also refer cases that Managed Care Montana would not know about -- those large cases which do not involve inpatient hospital care. Mercer and Managed Care Montana are investigating the frequency with which large dollar claims are not known to the case management program.

We expect that the recent increase in large claim activity will not be ongoing. We reviewed an additional source of payment data used for underwriting purposes. It appeared that Montana University System's unusually high claim payment levels were clustered in the last two months of the most recent completed plan year (May and June 1992), and continued into the first month of the current plan year (July 1992). Subsequently, payment volume returned to a more "normal" level. Accordingly, the upward trend in plan payments may moderate over time.

Payments by Type of Claimant

United of Omaha's claim payment distribution data was sorted by category of plan participant -- i.e., employees, spouses and dependent children -- for the plan years ending June 30, 1991 and June 30, 1992. When reviewing the payment distribution data by category of participant, the greatest number of claimants in both years continued to be University System employees. The increase in reported benefit payments also increased the most for this particular group (by almost $1 million or 73 percent). For non-employees (spouses and children), reported payments increased a total of $922,975 (82 percent) in the second plan year shown.

Mercer sought to determine the extent to which employee contributions toward the cost of dependent coverage have been keeping up with increases in benefit payments for dependents. Accordingly, we abstracted information from United of Omaha's listings of the number of employees selecting different tiers of coverage (e.g., employee only, employee + 1, etc.) and multiplied the enrollment figures by the required contribution per month for each of the plan years. This yielded information on total employee contributions toward the cost of dependent coverage. We recognize that the contributions deducted for dependent coverage are not fully allocated toward the purchase of medical coverage; some of the contribution money involved is

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used for purchasing dependent dental and vision coverage. Nevertheless, since those other health coverages are fairly low in cost, the total of employee contributions was used to compare contributions to medical plan benefit payments for dependents. Information on the contributions toward coverage and on payments by type of claimant is summarized in the table on the next page.

Total employee contributions rose from $1,621,932 to $2,083,280, an increase of $461,348 (28 percent). Plan payments on behalf of dependents increased over $900,000 (82 percent). Thus, increased contributions covered only half of the increase in plan payments for medical services provided to dependents.

	Year Ending 6/30/91	Year Ending 6/30/92	Difference
Employees			
• Contribution toward coverage	N/A	N/A	N/A
• Med. plan payments	$4,185,696	$6,142,148	$1,956,452 (46.7%)
Spouses and Children (Dependents)			
• Contribution toward all health coverages	$1,621,932	$2,083,280	$461,348 (28.4%)
• Med. plan payments	$3,097,403	$4,796,209	$1,698,806 (54.8%)

If the University wishes to reduce the proportion of expenses absorbed by the plan relative to those absorbed by participants, a number of approaches can be considered individually or in tandem:

- changing the plan's contribution strategy so that monthly contributions are more reflective of plan value;

- changing out-of-pocket expense requirements (deductibles, coinsurance and out-of-pocket maximums) to help control plan utilization and costs;

- altering the current approach to coordination of benefits. At present, when the plan is a secondary payor, it pays the difference between billed expenses and what the primary plan paid, up to the total expenses actually incurred. Thus, a claimant with dual coverage could receive 100% coverage.

  If the plan were to adopt a "maintenance of benefits" approach, the University System would be liable for the difference between what the primary plan paid and the maximum benefit payable under its own plan (i.e., 80%). This could reduce the Universty System's liabilities considerably.

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Cost Sharing Provisions

Cost sharing provisions require employees to pay part of the cost of their medical care as they receive it. These provisions serve as a cost containment measure, since they help deter benefit utilization and reduce plan expenditures. Cost sharing measures include initial deductibles and ongoing coinsurance and copayments.

Evaluation of cost sharing provisions, in conjunction with an analysis of claims payment data, determines the impact of cost sharing on overall plan expenses. Evaluation of the structure of these provisions can also indicate whether employee contributions at the time of service are reasonable and whether or not they support the University System's benefit objectives. **Exhibits 3R and 3** present a summary of claims payments (i.e., claim administration activities and financial outcomes) for the total medical plan. The eligible charges shown in these exhibits serve as the basis for more detailed exhibits and explanations provided later in this report.

The cost sharing recoveries reported by United of Omaha were evaluated by Mercer for the entire Montana University System medical plan (see **Exhibit 3**.) Upon our initial review, total eligible charges appeared to have increased 19.4 percent between the years ending June 30, 1991 and 1992 to a total of $17,188,267 or an average of $2,922 per employee. Eligible charges are provider fees that are fully subject to plan benefits, prior to the levying of expense recoveries (e.g., coordination of benefits, subrogation) or administrative adjustments as discussed below.

We also noted that a large sum of money, just over a half million dollars, was shown independently as "other reductions" made to eligible charges during the most recent plan year. Relative to $13,892 in "other reductions" made the previous year, this newer amount was extremely high. Accordingly, we contacted the plan administrator to investigate the change. We learned that the inclusion of the large sum is likely to be an artifact of the recent change in United of Omaha's reporting methods discussed on page 1.

Based on our detailed conversations with United of Omaha, we have been led to expect that the increases in "other reductions" and total eligible charges are likely to be the only changes influenced by the modification in reporting. United of Omaha staff agreed that it would be reasonable to delete the additional $500,000 from eligible charges and from "other reductions" to obtain a more realistic sense of recent plan activity. The revision of eligible charge amounts has also been allocated proportionately to other tables that provide charges by type of service area and benefit. Further discussion of trends in this report will be based on the revised data.

However, the unrevised data for the year ending June 30, 1992 will be retained for future use. United of Omaha does not foresee any future reporting changes that will affect the plan's operating statistics to the extent noted. Accordingly, use of the unrevised data in conjunction with upcoming fully reported statistics will allow discussion of future changes in an undistorted manner.

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Based on our review of the revised claim administration information (**Exhibit 3R**), it appears that eligible charges increased 16 percent per employee in the most recent plan year, compared to 4 percent in the previous plan year (as reported in the previous SHAPE report). The 16 percent increase shown for the most recent year is at the lower end of the range of plan expense increases experienced by many other employer-sponsored medical plan throughout the country; however, the level of change is striking for this group.

Compared to the previous year in which $131,817 in usual, customary and reasonable (UCR) cutbacks were made to provider fees, the most recent plan year involved $365,856 in UCR reductions. This change suggests that health care providers, particularly physicians, have been increasing their professional fees significantly, but that application of United of Omaha's UCR limits has helped to contain the liabilities that the plan would otherwise absorb.

After basic UCR reductions and revised "other reductions" were made to posted charges, covered charges reached a level of $16,305,445 for the group, or $2,772 per employee. This reflects an increase over the previous year of 14.5 percent in covered expenses per employee. This recent rate of increase is likely to be closer to the "true" increase experienced by this group once reporting differences are taken into consideration.

At this point, recovery of plan expenses through the levying of participant deductibles, participant coinsurance and coordination of benefits (COB) with other group plans occurs, with these amounts deducted from covered charges in arriving at total benefits paid. United of Omaha also considers "other" adjustments for overpayments, underpayments and discounts negotiated with providers for prompt payment of claims as forms of expense recovery.

Total expense recoveries for the Montana University System plan remained extremely high (approximately one third of covered charges). This results from the significant number of adults with dual coverage under the plan as both Montana University System employees and spouses of employees. Because of the large number of persons with dual Montana University System coverage, the plan appears to recover approximately 17 percent of covered charges through COB. This percentage is well above typical employer plan COB recoveries (which range from 4 to 8 percent), because for the University System plan, some of the plan payments as a primary payor are also counted as COB recoveries. The amount involved in "other" adjustments to covered charges had increased in the year ending June 30, 1992, but still accounts for only 0.5 percent of covered charges.

Once the reason for the overstatement of COB recoveries is recognized, the level of recoveries overall, and the net benefits paid of $10,857,894 or $1,846 per employee, are approaching the level seen for a comparative, representative grouping of Mercer's larger, northwest clients whose payments per employee averaged $1,944 during the same period.

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Expense and Use Levels

Contributing Factor Analysis

Evaluating changes in expenditure levels by specific benefit area determines where cost increases are occurring and whether they are a result of increasing utilization, higher prices, or both. If high utilization is a problem, plan design can be modified to discourage over-utilization of specific services. If price increases are driving up expenditures, the University System might consider pursuing negotiated provider payment arrangements, perhaps through United of Omaha or through other organizations, if available. Other options for addressing prices include the use of fee schedules and other prospectively set payment systems.

The Montana University System's indemnity medical plan expenditures were analyzed to determine if utilization and price increases were occurring in three major service areas: inpatient hospital care, physician services and miscellaneous services. This section of the analysis measures the impact of price and utilization in terms of overall covered expense dollars. This portion of the report is intended to answer the following questions:

- Which service components are contributing to increases or decreases in expenses, or to high expense levels?

- Are the increases or decreases in expense levels due to changes in the use or prices of health care services?

The answers to these questions identify the sources of the increases and quantify how much of the 16 percent increase in eligible expenses is due to utilization versus price increases. **Exhibits 4R and 5R** illustrate the "relative (percentage) contribution" towards the overall increase in eligible charges in the most recent plan year (net of the changes due to reporting). **Exhibit 6R** expands upon **Exhibits 4R and 5R**, providing the relative contribution of the major utilization and price factors during the three most recent plan years (years ending June 30, 1990, 1991 and 1992.

The relative contribution data reflect the combined impact of the percentage changes in prices, utilization and enrollment, and the relative magnitude of expenses associated with each service. Thus, a small percentage change in use of a service with high levels of expense may have a larger, relative impact on expenses than a large percentage change in use of a service with a low level of expenses. For example, a small percentage increase in hospital prices may have a much greater impact on overall expenses than a large percentage increase in prescription drug use. The percent attributed to each factor represents the amount it would have affected total expenses per employee **had all other factors remained constant.**

EXHIBIT 2-V
DATE 1-27-93
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A three-year profile is shown on **Exhibit 6R**. For the year ending 1990, savings were provided by a reduction in hospital admissions. However, these savings were not large enough to counteract the expense increases caused by growth in miscellaneous service use and price, physician service use, inpatient hospital prices and the average length of inpatient stays.

During the next year (ending June 30, 1991), miscellaneous service prices and use (i.e., for outpatient hospital services, prescription drugs, X-ray and lab services) served to increase overall eligible expenses, as did physician and inpatient hospital service pricing. Inpatient hospital and physician claim utilization went down and served to moderate the growth in overall expenses.

This past year, only average family size provided a small restraint on plan costs; all major types of care fueled the increase in eligible expenses. Inpatient hospital expenses provided the greatest upward pressure on plan expenses, followed by miscellaneous expenses and physician expenses respectively.

Exhibit 7R summarizes the overall expense levels for the three primary categories of medical care (service areas). The proportions of expenses incurred for inpatient hospital care, inpatient and outpatient physician service, and outpatient miscellaneous services have remained relatively stable when data for the years ending June 30, 1991 and 1992 are compared. Nevertheless, inpatient hospital expenses have been rising most steeply (23.6 percent per year), followed by miscellaneous expenses (14.1 percent) and physician expenses (8.6 percent). The relative surge in inpatient hospital expenses is consistent with the fact that there appear to have been more large claims recently.

The expense and utilization levels for the each of the primary categories of care (service areas) are discussed in greater detail below.

Hospital Inpatient Services

Factors influencing changes in the expenses attributable to inpatient hospital care are shown in **Exhibits 8R, 9R and 10R.** The previous SHAPE report indicated that inpatient hospital expenses decreased 8 percent between the years ending June 30, 1990 and 1991 to a level of $860 per employee. This was due to a decline in utilization large enough to offset increased hospital prices and to reduce the proportion of expenses due to inpatient hospital care from 40 percent to 35 percent. In contrast, during the most recent plan year, total hospital expenses grew faster than expenses for other services, bringing hospital expenses to a level of $1,062 per employee and raising the percentage of expenses incurred by the plan for inpatient hospital room & board and ancillary services to 37.4 of the total.

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As reflected on **Exhibit 8R**, inpatient hospital charges per day appeared to increase considerably (16.8 percent) due to increased charges for all types of conditions. The overall average expense per stay went up somewhat more, due to an increased length in the average number of days each inpatient remained in the hospital. Based on these factors, hospital expenses for the plan increased a total of 23.6 percent.

Exhibit 9R provides the overall admission rate per 1,000 covered persons. The mix of admissions by benefit area for the year ending June 30, 1992 remained about the same as those of the previous plan year. In general, average length of stay increased due to noticeable increases in the lengths of stay for commonly occurring, very intensive and mental health/substance abuse diagnosis-related groups. These, in turn, generated a moderate increase in inpatient utilization (days of care). **Exhibit 10R** provides a graphic illustration of clustered diagnosis-related, group-specific expenses per employee and admissions per 1,000 for the two plan years that are the focus of this report.

The listing on **Exhibit 11** shows the extent to which hospital expenditures for both inpatient and outpatient care are incurred at particular institutions. The seventeen (17) hospitals/medical centers listed account for more than two thirds of total hospital charges for the Montana University System. Further, four hospitals/medical centers alone account for just over half of all hospital charges. This clustering continues to support the Montana University System's previous efforts to obtain reduced rates through a structured "preferred provider" arrangement and through the continuing use of case management.

Physician Services

Plan expenses for the care provided by physicians are shown in **Exhibits 12R and 13R**. Total average expenses for physician services increased this past year at a rate of 8.6 percent after having been virtually stable between the years ending June 30, 1990 and 1991. The major cause of this increase in expenses was growth in the utilization of physician services, particularly for inpatient care. Again, this reflects the increase in hospitalization levels attendant with catastrophic cases.

United of Omaha sorts physician claim data into three broad benefit categories -- medical, surgical and mental health care. Within these categories, United of Omaha notes whether the care was provided on either an inpatient or outpatient basis. On the whole, the average expense per unit of service remained about the same or increased slightly compared to the charges seen the previous year. At the same time, the frequency with which most categories of physician services were provided increased. Only one category of care, inpatient mental health care, showed a substantial drop (38.9 percent) in the level of services provided per 1,000 plan enrollees. However, total expenses for this category of care accounted for less than one percent of physician claims, and did not affect overall physician utilization appreciably.

EXHIBIT 2-X
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The overall increase in physician activity combined with minimal growth in average charges suggests that two types of phenomena may be occurring. The first phenomenon is known as "unbundling," or "a la carte billing," in which each of the lower priced components of a service are billed separately to maximize reimbursement (e.g, for an office visit, for suturing of a wound and for administration of a tetanus booster). The second phenomenon involves a direct inflation of the number of services provided to patients (e.g., requiring that patients have an additional follow-up visit following completion of a particular treatment regimen).

Based on the level of data provided by United of Omaha to Mercer, we cannot categorically state that unbundling or service inflation is actually occurring. We would suggest, however, that United of Omaha and/or Managed Care Montana explore physician profiling and/or bill auditing to determine whether unbundling is taking place. Mechanisms such as ongoing monitoring of surgical bills, use of computerized algorithms to detect split claims or implementation of per case payment mechanisms can be adopted to reduce or prevent this problem, if necessary.

Miscellaneous Services

Miscellaneous service expenses cover outpatient hospital care, x-ray and laboratory services, prescription drugs, and other services (e.g., ambulance trips, home health visits). Eligible expenses for the Montana University System plan are shown on **Exhibits 14R and 15R.**

Over the past year, the average miscellaneous expense per employee increased 14.1 percent to $1,063 per employee per year. This rate is lower than the rate of change shown the previous year (24 percent). This year's miscellaneous service expense increases appear to be due to both increased utilization and increases in provider charges. The rate at which these services were delivered to plan participants probably increased due to steady pressures to provide outpatient testing and treatment services in lieu of inpatient care.

Increases in prices were most noticeable for outpatient surgery and prescription drugs. Given that so much care for participants of the Montana University System medical plan is purchased from relatively few hospital providers, the University System may wish to explore the possibility of negotiating special fees with these institutions. In addition, the University System may wish to explore the use of alternate prescription drug payment arrangements (such as a discount card program) to help contain the impact on expenses of outpatient prescription drugs.

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DATE 1-27-93
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EXHIBIT LISTING

EXHIBIT 22
DATE 2-27-93
SB

EXHIBIT 2 AP
DATE 1-27-93
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Exhibit 1

MONTANA UNIVERSITY SYSTEM
CLAIMS PAYMENT DISTRIBUTION

PAYMENT RANGE	7/1/90 to 6/30/91 Number of Claimants	% of Total	Paid Amount	% of Total	7/1/91 to 6/30/92 Number of Claimants	% of Total	Paid Amount	% of Total
ALL CLAIMANTS								
TOTAL	7,678	100.0%	$7,283,099	100.0%	8,778	100.0%	$10,938,357	100.0%
under $5,000	7,183	93.6%	2,381,195	32.7%	8,078	92.0%	3,143,052	28.7%
$5,000-9,999	294	3.8%	1,371,034	18.8%	372	4.2%	1,842,504	16.8%
$10,000-19,999	125	1.6%	1,105,699	15.2%	195	2.2%	1,660,129	15.2%
$20,000 +	76	1.0%	2,425,171	33.3%	133	1.5%	4,292,672	39.2%
EMPLOYEES								
TOTAL	3,929	100.0%	$4,185,696	100.0%	4,458	100.0%	$6,142,148	100.0%
under $5,000	3,613	92.0%	1,300,171	31.1%	4,019	90.2%	1,739,321	28.3%
$5,000-9,999	190	4.8%	882,043	21.1%	240	5.4%	1,188,231	19.3%
$10,000-19,999	81	2.1%	707,927	16.9%	114	2.6%	974,515	15.9%
$20,000 +	45	1.1%	1,295,555	31.0%	85	1.9%	2,240,081	36.5%
SPOUSE								
TOTAL	1,792	100.0%	$2,135,113	100.0%	2,051	100.0%	$3,291,328	100.0%
under $5,000	1,651	92.1%	705,419	33.0%	1,869	91.1%	912,719	27.7%
$5,000-9,999	85	4.7%	392,594	18.4%	96	4.7%	472,364	14.4%
$10,000-19,999	29	1.6%	228,274	10.7%	56	2.7%	458,092	13.9%
$20,000 +	27	1.5%	808,826	37.9%	30	1.5%	1,448,153	44.0%
DEPENDENT CHILD								
TOTAL	1,957	100.0%	$962,290	100.0%	2,269	100.0%	$1,504,881	100.0%
under $5,000	1,919	98.1%	375,605	39.0%	2,190	96.5%	491,012	32.6%
$5,000-9,999	19	1.0%	96,397	10.0%	36	1.6%	181,909	12.1%
$10,000-19,999	15	0.8%	169,498	17.6%	25	1.1%	227,522	15.1%
$20,000 +	4	0.2%	320,790	33.3%	18	0.8%	604,438	40.2%

* Paid amount for period 7/90-6/91 does not include claims run-out for account GLUG-D341.

Exhibit 2

EXHIBIT 2 BA
DATE 1-22-93
SB

MONTANA UNIVERSITY SYSTEM
Claims Payment Distribution

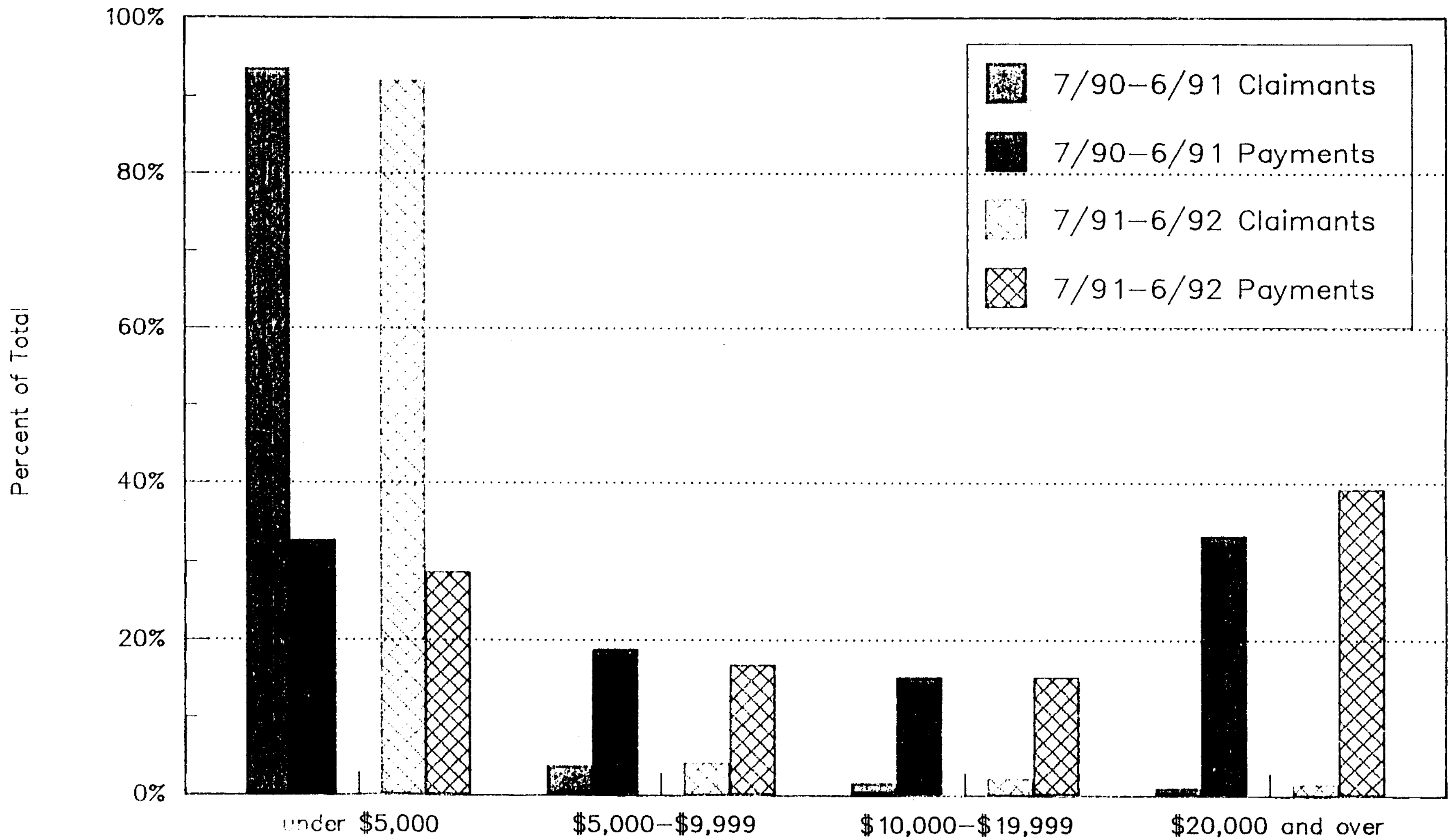

EXHIBIT 2 CC
DATE 1-27-93
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Exhibit 3R

MONTANA UNIVERSITY SYSTEM
SUMMARY OF MEDICAL CLAIMS PAYMENTS

I. Plan Total	7/90 - 6/91 Expense	7/90 - 6/91 % of Total	7/90 - 6/91 Expense Per Employee	7/91 - 6/92 Expense	7/91 - 6/92 % of Total	7/91 - 6/92 Expense Per Employee	% Change Expense Per Employee
Eligible Charges	$13,828,354		$2,447	$16,688,267		$2,837	16.0%
UCR Reductions	131,817		23	365,856		62	166.7%
Other Reductions *	13,892		2	16,966		3	17.4%
Covered Charges	$13,682,645	100.0%	$2,421	$16,305,445	100.0%	$2,772	14.5%
Deductibles	1,409,889	10.3%	249	1,483,686	9.1%	252	1.1%
Coinsurance	1,266,012	9.3%	224	1,348,114	8.3%	229	2.3%
COB	2,159,621	15.8%	382	2,704,850	16.6%	460	20.3%
Other +	32,715	0.2%	6	89,099	0.5%	15	161.7%
Benefits Paid	$8,879,838	64.9%	$1,571	$10,857,894	66.6%	$1,846	17.5%

* This field further adjusts eligible charges to properly achieve the benefits paid amount.

+ Includes under and over payments, and prompt payment discounts.

	7/90 - 6/91	7/91 - 6/92
Overpayment	(63,683)	(16,846)
Underpayment	96,706	109,109
Prompt Payment Discount	(308)	(27)
Total	$32,715	$92,236

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Exhibit 4 R

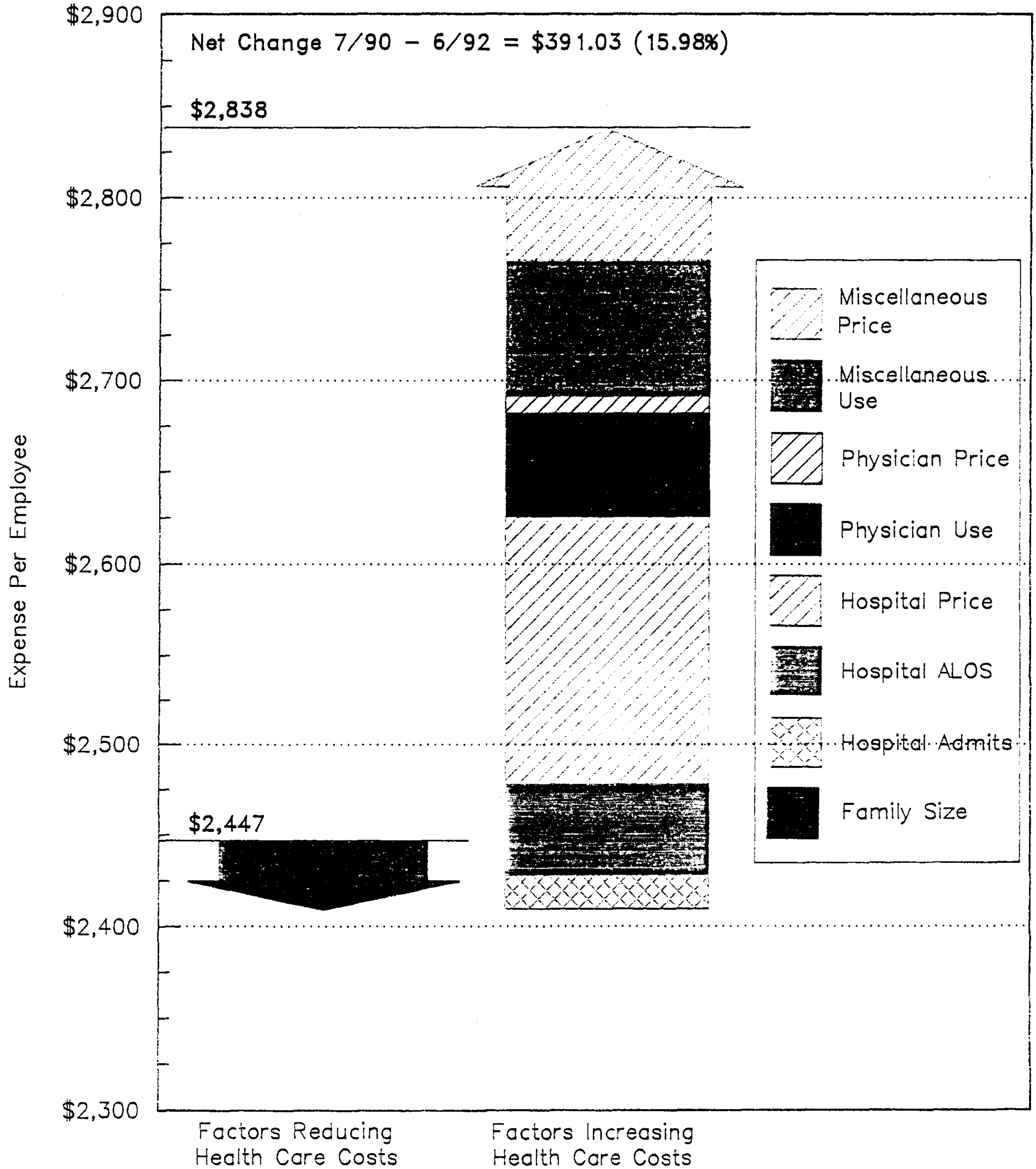
MONTANA UNIVERSITY SYSTEM
ANALYSIS OF CONTRIBUTING FACTORS

Factor	Actuals 7/90–6/91	Actuals 7/91–6/92	Net $ Change	Relative % Impact
IP Hospital Services				
ALOS	5.32	5.60	48.56	1.98%
Paid/Day	1,066.34	1,245.54	148.73	6.08%
Admits/Enr	0.079	0.081	19.30	0.79%
Enr/Emp	1.915	1.888	-13.60	-0.56%
Exp/Emp	$859.56	$1,062.55	$202.99	8.30%
Physician Services				
Use/Enr	3.573	3.877	55.74	2.28%
Paid/Unit	95.78	97.29	10.71	0.44%
Enr/Emp	1.915	1.888	-9.70	-0.40%
Exp/Emp	$655.39	$712.13	$56.75	2.32%
Miscellaneous Services				
Use/Enr	10.982	11.811	72.52	2.96%
Paid/Unit	44.30	47.67	72.92	2.98%
Enr/Emp	1.915	1.888	-14.14	-0.58%
Exp/Emp	$931.68	$1,062.97	$131.29	5.37%
Total Exp/Emp	**$2,446.63**	**$2,837.66**	**$391.03**	**15.98%**
Utilization	-	-	196.11	8.02%
Prices	-	-	232.36	9.50%
Family Size	-	-	(37.44)	-1.53%

EXHIBIT 2 EE
DATE 1-27-93
SB

Exhibit 5 R

HEALTH CARE COST CONTRIBUTING FACTORS MONTANA UNIVERSITY SYSTEM 7/90-6/91 - 7/91-6/92

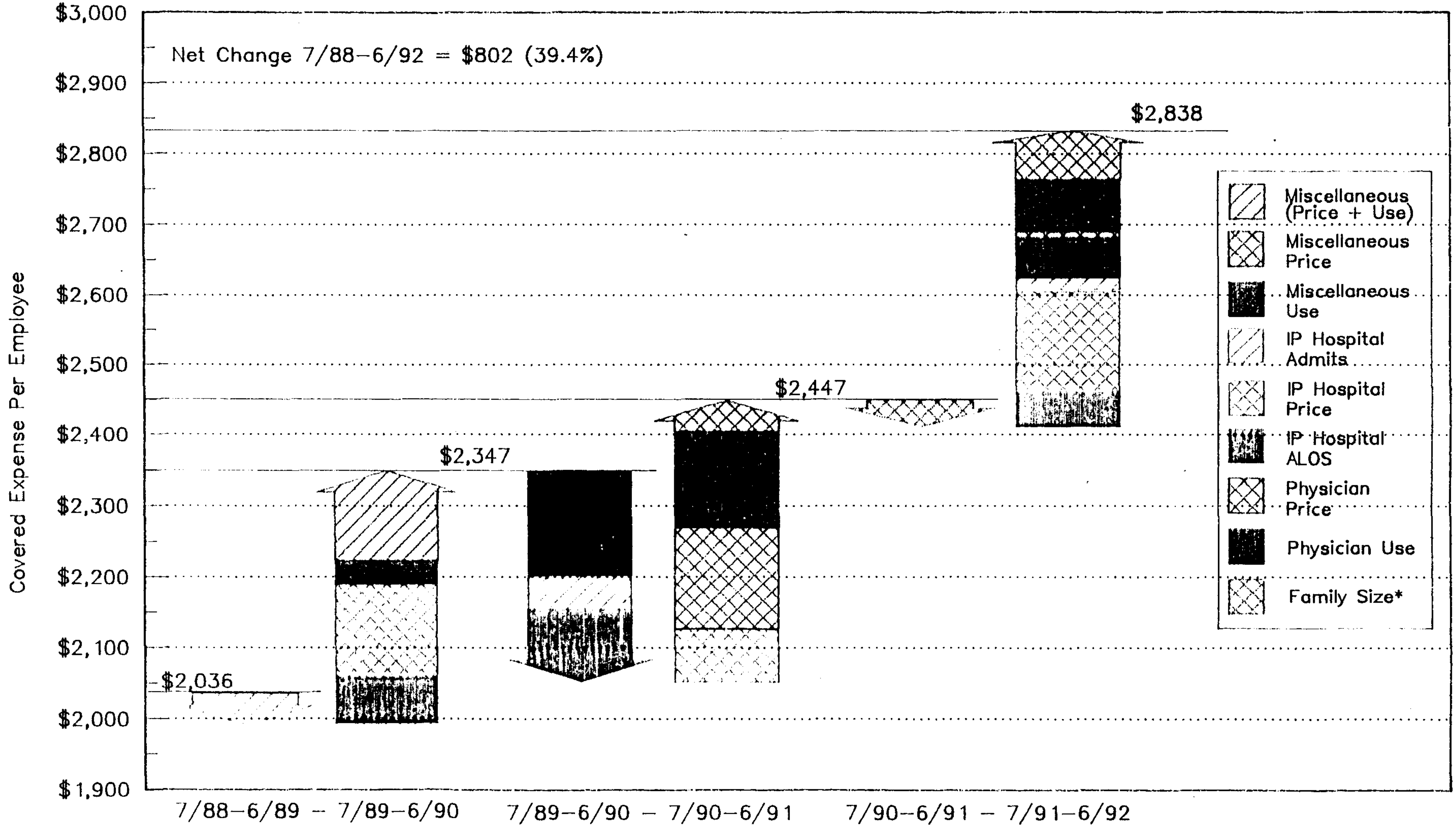


Prepared By William M. Mercer, Incorporated

Exhibit 6 R

EXHIBIT 2FF
DATE 2-27-93
SB

HEALTH CARE COST CONTRIBUTING FACTORS MONTANA UNIVERSITY SYSTEM 7/88-6/89 - 7/91-6/92



* Family Size data was not available until 7/90.

Prepared by William M. Mercer, Incorporated

EXHIBIT 2 GG
DATE 1-27-93
SB

Exhibit 7 R

MONTANA UNIVERSITY SYSTEM
TOTAL EXPENSE BY BENEFIT AREA

	7/90 - 6/91			7/91 - 6/92			% Change
	Expense	% of Total	Expense Per Employee	Expense	% of Total	Expense Per Employee	Expense Per Employee
I. TOTAL	$13,828,354	100.0%	$2,447	$16,688,267	100.0%	$2,837	16.0%
Inpatient Hospital Expense	4,858,259	35.1%	860	6,248,862	37.4%	1,062	23.6%
Physician Expense	3,704,242	26.8%	655	4,188,057	25.1%	712	8.6%
Miscellaneous Expense	5,265,852	38.1%	932	6,251,348	37.5%	1,063	14.1%

EXHIBIT 2 HH
DATE 1-27-93
SB

Exhibit 8 R

MONTANA UNIVERSITY SYSTEM
INPATIENT HOSPITAL EXPENSE BY BENEFIT AREA

	7/90 - 6/91			7/91 - 6/92			% Change
I. Expense	Expense	% of Total	Expense Per Employee	Expense	% of Total	Expense Per Employee	Expense Per Employee
Total	$4,858,259	100.0%	$860	$6,248,862	100.0%	$1,062	23.6%
DRG Charges:							
Commonly Occuring	758,237	15.6%	134	751,101	12.0%	128	-4.8%
Very Intensive	1,431,611	29.5%	253	2,038,027	32.6%	346	36.8%
Obstetrical	298,806	6.2%	53	334,097	5.3%	57	7.4%
Mental Health/Substance Abuse	306,643	6.3%	54	382,879	6.1%	65	20.0%
Other	2,062,962	42.5%	365	2,742,757	43.9%	466	27.8%
II. Expense Per Day							
Total	$1,066			$1,246			16.8%
DRG Charges:							
Commonly Occuring	1,133			1,163			2.6%
Very Intensive	1,765			2,103			19.1%
Obstetrical	1,075			1,156			7.6%
Mental Health/Substance Abuse	512			521			1.8%
Other	938			1,153			22.9%
III. Expense Per Stay							
Total	$5,676			$6,974			22.9%
DRG Charges:							
Commonly Occuring	4,680			5,564			18.9%
Very Intensive	17,459			23,159			32.7%
Obstetrical	2,576			2,716			5.4%
Mental Health/Substance Abuse	6,013			7,658			27.4%
Other	4,636			5,486			18.3%

EXHIBIT 2FI
DATE 1-27-93
SB

Exhibit 9 R

MONTANA UNIVERSITY SYSTEM
INPATIENT HOSPITAL UTILIZATION BY BENEFIT AREA

	7/90 - 6/91			7/91 - 6/92			% Change
I. Days Of Care	Total Utilization	% of Total	Util/1,000 Enrollees	Total Utilization	% of Total	Util/1,000 Enrollees	Util/1,000 Enrollees
Total	4,556	100.0%	421	5,017	100.0%	452	7.3%
DRG Charges:							
Commonly Occuring	669	14.7%	62	646	12.9%	58	-5.9%
Very Intensive	811	17.8%	75	969	19.3%	87	16.5%
Obstetrical	278	6.1%	26	289	5.8%	26	1.3%
Mental Health/Substance Abuse	599	13.1%	55	735	14.7%	66	19.6%
Other	2,199	48.3%	203	2,378	47.4%	214	5.4%
II. Admissions							
Total	856	100.0%	79	896	100.0%	81	2.0%
DRG Charges:							
Commonly Occuring	162	18.9%	15	135	15.1%	12	-18.8%
Very Intensive	82	9.6%	8	88	9.8%	8	4.6%
Obstetrical	116	13.6%	11	123	13.7%	11	3.3%
Mental Health/Substance Abuse	51	6.0%	5	50	5.6%	5	-4.4%
Other	445	52.0%	41	500	55.8%	45	9.5%
III. Average Length of Stay							
Total	5.3			5.6			5.2%
DRG Charges:							
Commonly Occuring	4.1			4.8			15.9%
Very Intensive	9.9			11.0			11.3%
Obstetrical	2.4			2.3			-2.0%
Mental Health/Substance Abuse	11.7			14.7			25.2%
Other	4.9			4.8			-3.8%

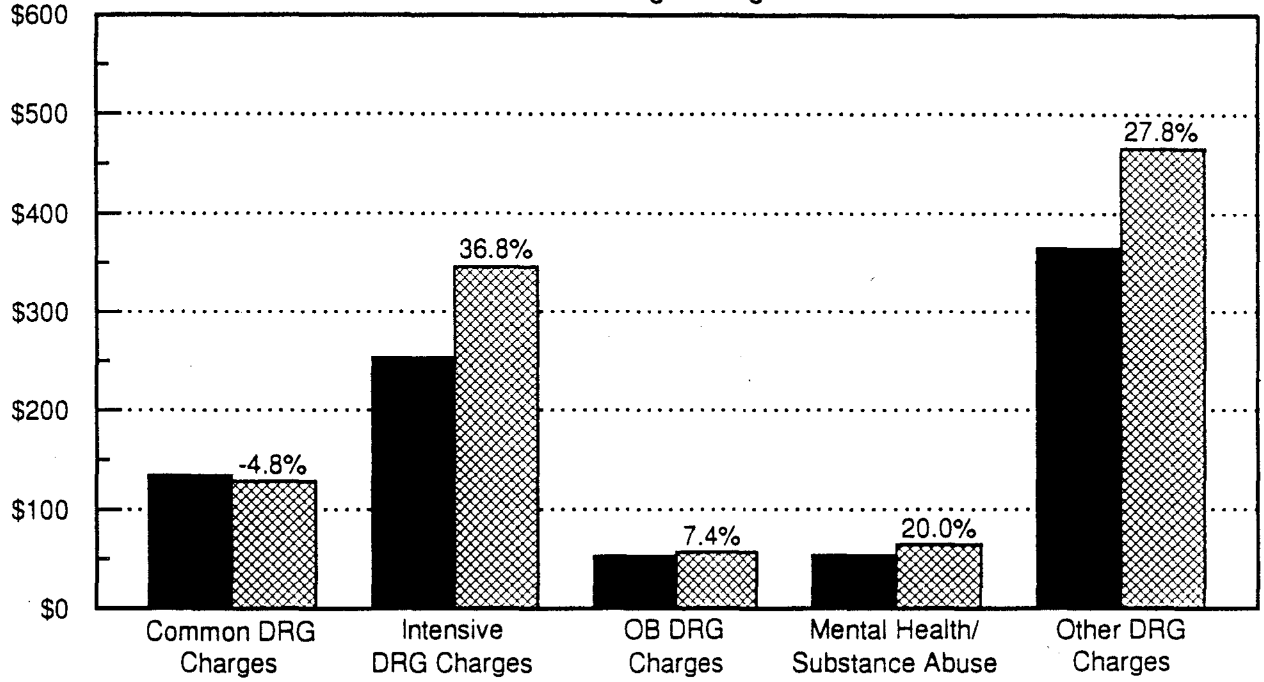
Exhibit 10 R

MONTANA UNIVERSITY SYSTEM

Inpatient Hospital Expense and Utilization

EXHIBIT 2 35
DATE 1-27-93
SB

Expense per Employee and Annual Percentage Change



Admissions per 1,000 Enrollees and Annual Percentage Change

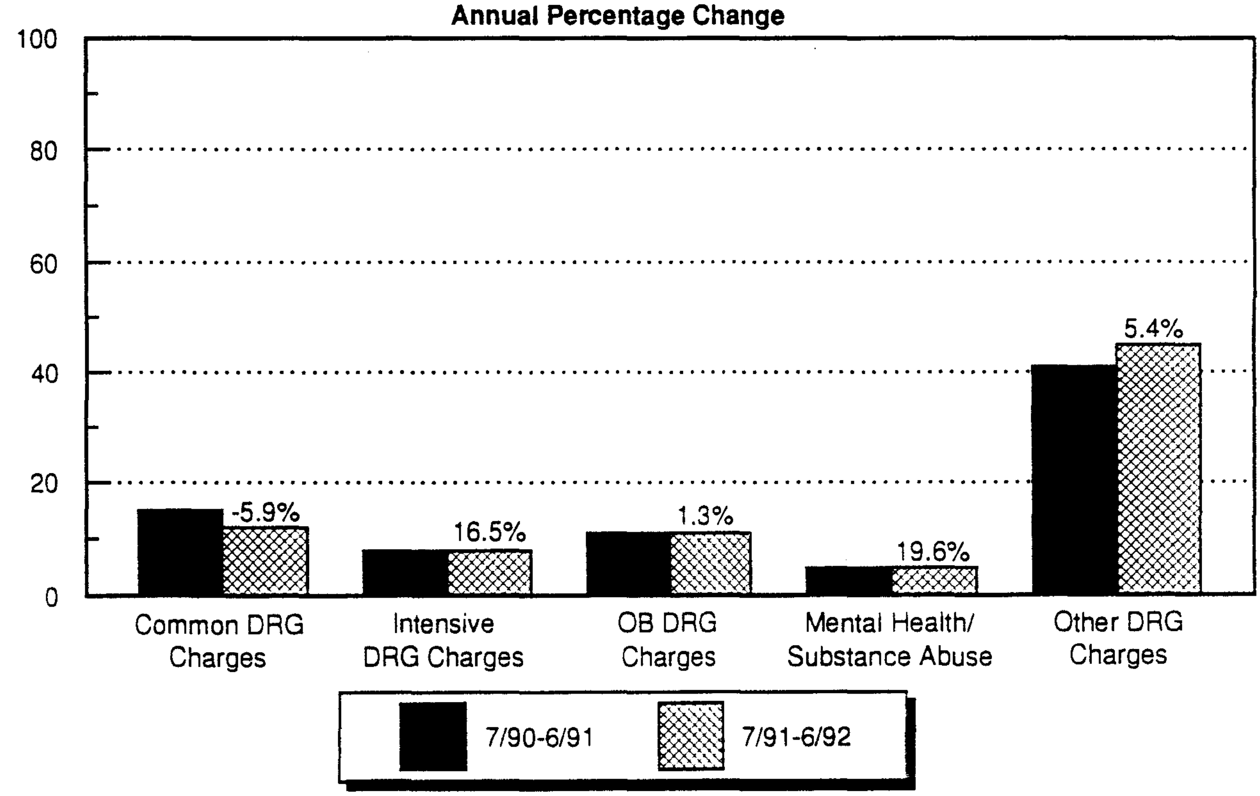


EXHIBIT 2 KK
DATE 1-27-93
SB

Montana University System
Distribution of Charges by Individual Hospital

July 1, 1991-June 30, 1992

	Outpatient		Inpatient			Total	
Facility	Number of Visits	Total Charges	Number of Discharges	Room & Board Charges	Ancillary Charges	Hospital Charges	Pct of Total
Bozeman Deaconess	1,968	407,133	252	223,845	693,763	$1,324,741	14.6%
St. Patrick Hospital	1,007	382,671	124	212,706	553,988	$1,149,365	12.6%
Deaconess Medical Center	289	229,996	61	357,465	528,106	$1,115,567	12.3%
Community Medical Center	1,132	201,465	102	263,136	790,677	$1,255,278	13.8%
St. James Hospital	465	145,427	39	64,803	200,175	$410,405	4.5%
St. Vincent Hospital	1	340	1	3,020	7,420	$10,780	0.1%
St. Peters Community Hospital	383	88,460	23	31,850	48,909	$169,219	1.9%
Northern Montana Hospital	415	101,944	28	44,749	101,447	$248,140	2.7%
Holy Rosary Hospital	50	19,856	2	2,710	5,985	$28,551	0.3%
Mt. Deaconess Medical Center	108	50,915	19	31,363	84,870	$167,148	1.8%
Barrett Memorial	437	61,392	16	12,240	35,241	$108,873	1.2%
Columbus Hospital	153	75,282	14	38,889	61,246	$175,417	1.9%
Marcus Daly Memorial Hospital	45	6,184	1	490	1,369	$8,043	0.1%
Livingston Memorial Hospital	45	11,117	6	5,910	12,089	$29,116	0.3%
Kalispell Regional Hospital	27	3,679	1	1,603	2,858	$8,140	0.1%
Community Hospital Anaconda	9	2,180	0	0	0	$2,180	0.0%
Glendive Community Hospital	89	21,158	4	1,395	4,765	$27,318	0.3%
Total of Above Hospitals	6,623	$1,809,199	693	$1,296,174	3,132,908	$6,238,281	68.6%
All Other Hospitals	1,566	703,456	214	686,636	1,463,619	$2,853,711	31.4%
Total Montana University System	8,189	$2,512,655	907	1,982,810	$4,596,527	$9,091,992	100.0%

EXHIBIT 2 LL
DATE 1-27-93
SB

Exhibit 12 R

MONTANA UNIVERSITY SYSTEM
PHYSICIAN EXPENSE AND UTILIZATION BY BENEFIT AREA

I. Expense	7/90 – 6/91 Expense	% of Total	Expense Per Employee	7/91 – 6/92 Expense	% of Total	Expense Per Employee	% Change Expense Per Employee
Total	$3,704,242	100.0%	$655	$4,188,057	100.0%	$712	8.6%
Total Surgical	$2,281,432	61.6%	$404	$2,598,695	62.1%	$442	9.5%
IP Surgical	1,349,066	36.4%	239	1,545,320	36.9%	263	10.1%
OP Surgical	932,366	25.2%	165	1,053,375	25.2%	179	8.6%
Total Medical	$988,240	26.7%	$175	$1,139,512	27.2%	$194	10.8%
IP Medical	201,597	5.4%	36	241,361	5.8%	41	15.0%
OP Medical	786,643	21.2%	139	898,151	21.4%	153	9.7%
Total Mental Health	$434,571	11.7%	$77	$449,850	10.7%	$76	-0.5%
IP Mental Health	17,158	0.5%	3	9,424	0.2%	2	-47.2%
OP Mental Health	417,413	11.3%	74	440,426	10.5%	75	1.4%

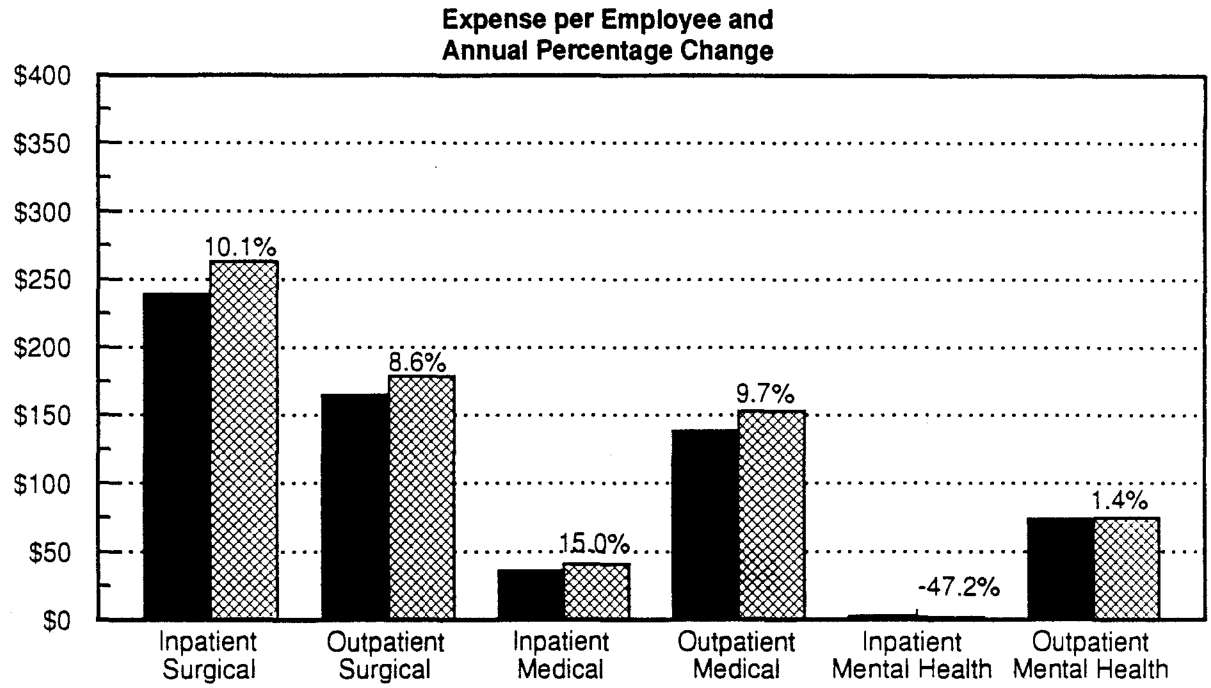
II. Services	Utilization	% of Total	Util/1,000 Enrollees	Utilization	% of Total	Util/1,000 Enrollees	% Change Util/1,000 Enrollees
Total	38,674	100.0%	3,573	43,045	100.0%	3,876	8.5%
Total Surgical	5,828	15.1%	538	5,981	13.9%	539	0.0%
IP Surgical	843	2.2%	78	1,021	2.4%	92	18.0%
OP Surgical	4,985	12.9%	461	4,960	11.5%	447	-3.0%
Total Medical	26,060	67.4%	2,408	30,107	69.9%	2,711	12.6%
IP Medical	3,304	8.5%	305	4,223	9.8%	380	24.6%
OP Medical	22,756	58.8%	2,102	25,884	60.1%	2,331	10.9%
Total Mental Health	6,786	17.5%	627	6,957	16.2%	626	-0.1%
IP Mental Health	169	0.4%	16	106	0.2%	10	-38.9%
OP Mental Health	6,617	17.1%	611	6,851	15.9%	617	0.9%

III. Expense Per Service	7/90 – 6/91	7/91 – 6/92	% Change
Total	$96	$97	1.6%
Total Surgical	$391	$434	11.0%
IP Surgical	1,600	1,514	-5.4%
OP Surgical	187	212	13.5%
Total Medical	$38	$38	-0.2%
IP Medical	61	57	-6.3%
OP Medical	35	35	0.4%
Total Mental Health	$64	$65	1.0%
IP Mental Health	102	89	-12.4%
OP Mental Health	63	64	1.9%

EXHIBIT 2 MM
DATE 1-27-93
SB

Exhibit 13 R

MONTANA UNIVERSITY SYSTEM
Physician Expense and Utilization



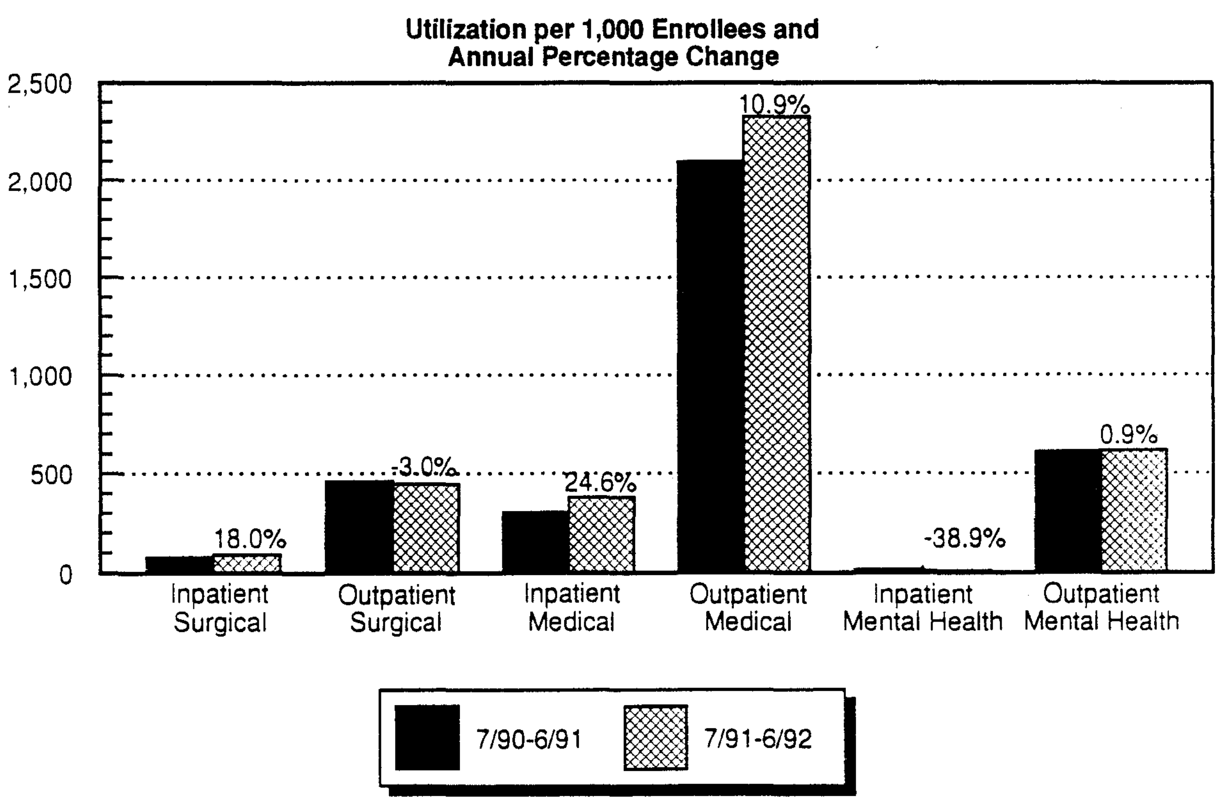


EXHIBIT 2 NN
DATE 1-27-93
SB
Exhibit 14 R

MONTANA UNIVERSITY SYSTEM
MISCELLANEOUS EXPENSE AND UTILIZATION BY BENEFIT AREA

	7/90 - 6/91			7/91 - 6/92			% Change
I. Expense	Expense	% of Total	Expense Per Employee	Expense	% of Total	Expense Per Employee	Expense Per Employee
Total	$5,265,852	100.0%	$932	$6,251,348	100.0%	$1,063	14.1%
OP Hospital Total	1,725,059	32.8%	305	2,144,656	34.3%	365	19.5%
OP Hospital Surgery	559,981	10.6%	99	880,678	14.1%	150	51.1%
OP Hospital Medical	1,165,078	22.1%	206	1,263,978	20.2%	215	4.2%
X-Ray/Lab	1,010,534	19.2%	179	1,135,220	18.2%	193	7.9%
Prescription Drugs	1,311,532	24.9%	232	1,590,682	25.4%	270	16.5%
Other	1,218,727	23.1%	216	1,380,791	22.1%	235	8.9%

II. Services	Utilization	% of Total	Util/1,000 Enrollees	Utilization	% of Total	Util/1,000 Enrollees	% Change Util/1,000 Enrollees
Total	118,862	100.0%	10,982	131,144	100.0%	11,809	7.5%
OP Hospital Total	9,216	7.8%	851	9,971	7.6%	898	5.4%
OP Hospital Surgery	1,449	1.2%	134	1,897	1.4%	171	27.6%
OP Hospital Medical	7,767	6.5%	718	8,074	6.2%	727	1.3%
X-Ray/Lab	28,493	24.0%	2,632	31,799	24.2%	2,863	8.8%
Prescription Drugs	50,460	42.5%	4,662	54,212	41.3%	4,882	4.7%
Other	30,693	25.8%	2,836	35,162	26.8%	3,166	11.7%

III. Expense Per Service	7/90 - 6/91	7/91 - 6/92	% Change
Total	$44	$48	7.6%
OP Hospital Total	187	215	14.9%
OP Hospital Surgery	386	464	20.1%
OP Hospital Medical	150	157	4.4%
X-Ray/Lab	35	36	0.7%
Prescription Drugs	26	29	12.9%
Other	40	39	-1.1%

EXHIBIT 2 - 00
DATE 1-27-93
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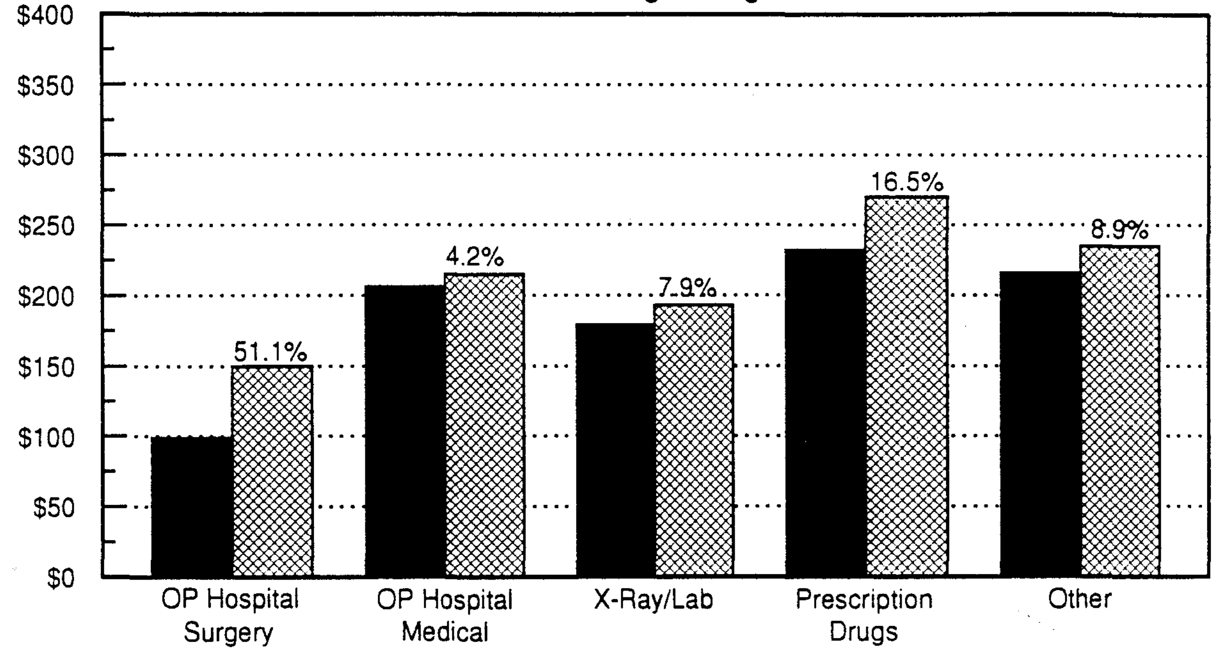
Exhibit 15 R

MONTANA UNIVERSITY SYSTEM

Miscellaneous Expense and Utilization

Expense per Employee and Annual Percentage Change



Utilization per 1,000 Enrollees and Annual Percentage Change

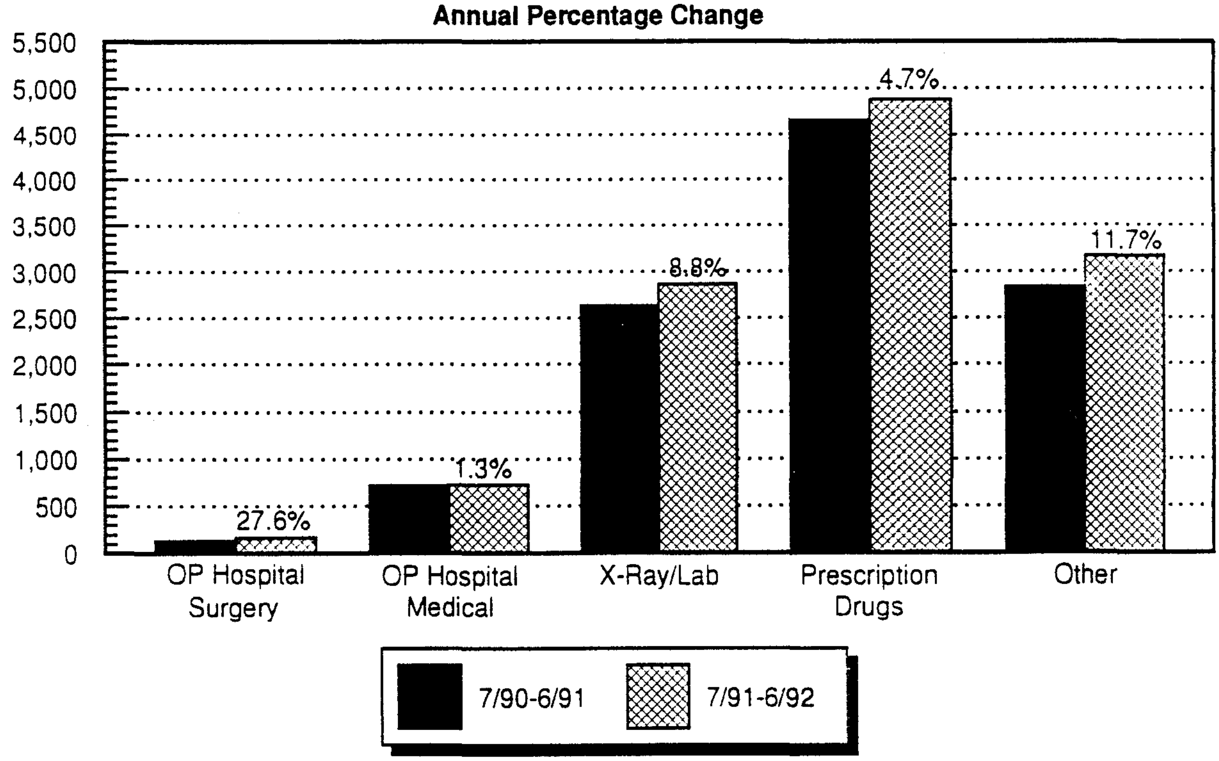


EXHIBIT 2 88
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Exhibit 3

MONTANA UNIVERSITY SYSTEM
SUMMARY OF MEDICAL CLAIMS PAYMENTS

	7/90 - 6/91			7/91 - 6/92			% Change
I. Plan Total	Expense	% of Total	Expense Per Employee	Expense	% of Total	Expense Per Employee	Expense Per Employee
Eligible Charges	$13,828,354		$2,447	$17,188,267		$2,922	19.4%
UCR Reductions	131,817		23	365,856		62	166.7%
Other Reductions *	13,892		2	516,966		88	3475.8%
Covered Charges	$13,682,645	100.0%	$2,421	$16,305,445	100.0%	$2,772	14.5%
Deductibles	1,409,889	10.3%	249	1,483,686	9.1%	252	1.1%
Coinsurance	1,266,012	9.3%	224	1,348,114	8.3%	229	2.3%
COB	2,159,621	15.8%	382	2,704,850	16.6%	460	20.3%
Other +	32,715	0.2%	6	89,099	0.5%	15	161.7%
Benefits Paid	$8,879,838	64.9%	$1,571	$10,857,894	66.6%	$1,846	17.5%

* This field further adjusts eligible charges to properly achieve the benefits paid amount.

+ Includes under and over payments, and prompt payment discounts.

	7/90 - 6/91	7/91 - 6/92
Overpayment	(63,683)	(16,846)
Underpayment	96,706	109,109
Prompt Payment Discount	(308)	(27)
Total	$32,715	$92,236

EXHIBIT 2 4
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Exhibit 4

MONTANA UNIVERSITY SYSTEM
ANALYSIS OF CONTRIBUTING FACTORS

Factor	Actuals 7/90–6/91	Actuals 7/91–6/92	Net $ Change	Relative % Impact
IP Hospital Services				
ALOS	5.32	5.60	49.31	2.02%
Paid/Day	1,066.34	1,282.86	179.72	7.35%
Admits/Enr	0.079	0.081	19.59	0.80%
Enr/Emp	1.915	1.888	−13.81	−0.56%
Exp/Emp	$859.56	$1,094.39	$234.82	9.60%
Physician Services				
Use/Enr	3.573	3.877	56.58	2.31%
Paid/Unit	95.78	100.21	31.36	1.28%
Enr/Emp	1.915	1.888	−9.85	−0.40%
Exp/Emp	$655.39	$733.47	$78.08	3.19%
Miscellaneous Services				
Use/Enr	10.982	11.811	73.62	3.01%
Paid/Unit	44.30	49.10	103.88	4.25%
Enr/Emp	1.915	1.888	−14.36	−0.59%
Exp/Emp	$931.68	$1,094.82	$163.14	6.67%
Total Exp/Emp	**$2,446.63**	**$2,922.68**	**$476.05**	**19.46%**
Utilization	–	–	199.10	8.14%
Prices	–	–	314.96	12.87%
Family Size	–	–	(38.01)	−1.55%

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DATE 1-27-93
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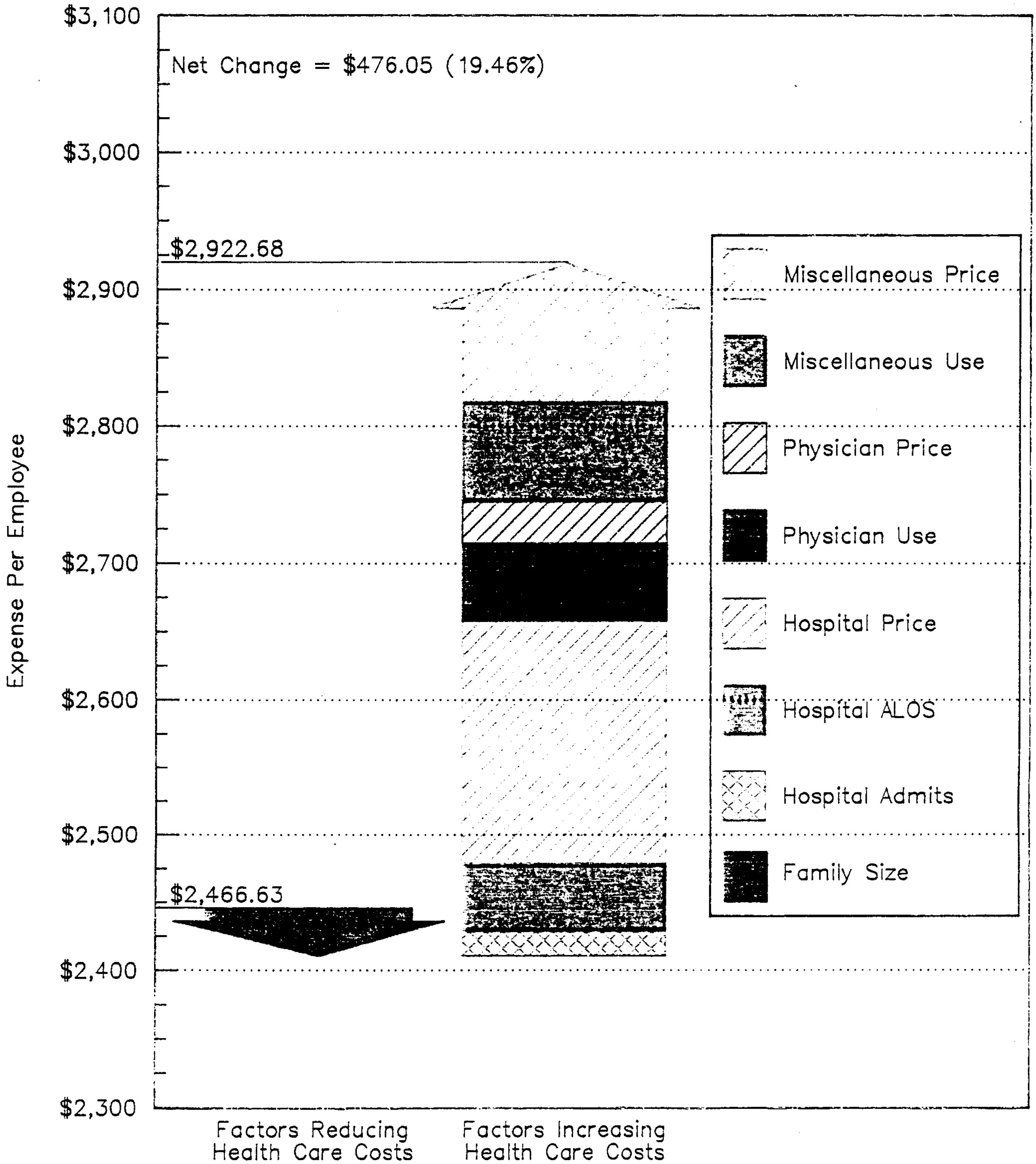
Exhibit 5

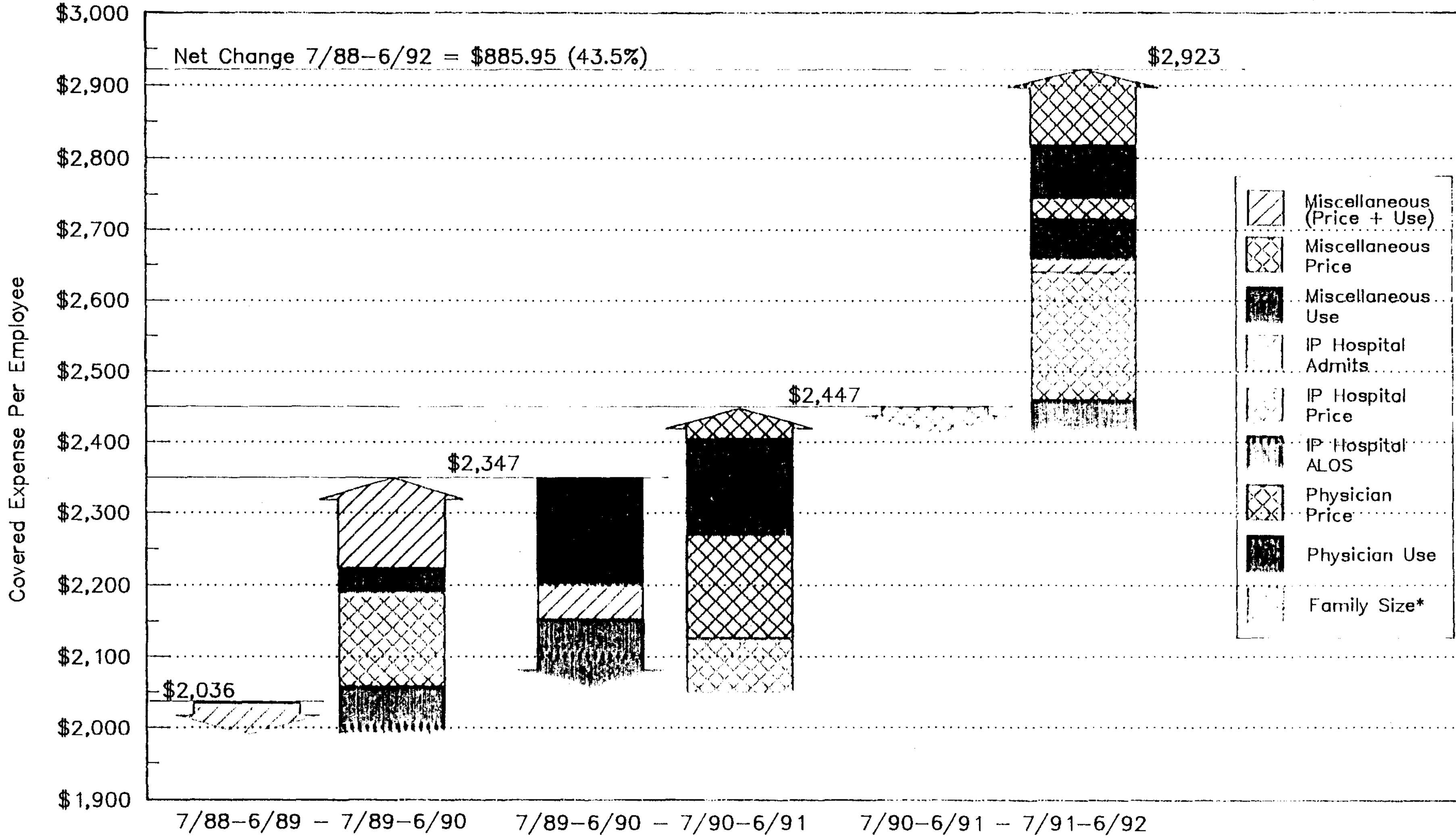
HEALTH CARE COST CONTRIBUTING FACTORS MONTANA UNIVERSITY SYSTEM
7/90-6/91 - 7/91-6/92



Prepared By William M. Mercer, Incorporated

Exhibit 6

HEALTH CARE COST CONTRIBUTING FACTORS MONTANA UNIVERSITY SYSTEM 7/88-6/89 – 7/91-6/92



* Family Size data was not available until 7/90.

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EXHIBIT 2 TT
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Exhibit 7

MONTANA UNIVERSITY SYSTEM
TOTAL EXPENSE BY BENEFIT AREA

	7/90 - 6/91			7/91 - 6/92			% Change
	Expense	% of Total	Expense Per Employee	Expense	% of Total	Expense Per Employee	Expense Per Employee
I. TOTAL	$13,828,354	100.0%	$2,447	$17,188,267	100.0%	$2,922	19.4%
Inpatient Hospital Expense	4,858,259	35.1%	860	6,436,085	37.4%	1,094	27.3%
Physician Expense	3,704,242	26.8%	655	4,313,536	25.1%	733	11.9%
Miscellaneous Expense	5,265,852	38.1%	932	6,438,646	37.5%	1,095	17.5%

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DATE 1-27-93
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Exhibit 8

MONTANA UNIVERSITY SYSTEM
INPATIENT HOSPITAL EXPENSE BY BENEFIT AREA

	7/90 - 6/91			7/91 - 6/92			% Change
I. Expense	Expense	% of Total	Expense Per Employee	Expense	% of Total	Expense Per Employee	Expense Per Employee
Total	$4,858,259	100.0%	$860	$6,436,085	100.0%	$1,094	27.3%
DRG Charges:							
Commonly Occuring	758,237	15.6%	134	773,605	12.0%	132	-2.0%
Very Intensive	1,431,611	29.5%	253	2,099,089	32.6%	357	40.9%
Obstetrical	298,806	6.2%	53	344,107	5.3%	59	10.7%
Mental Health/Substance Abuse	306,643	6.3%	54	394,351	6.1%	67	23.6%
Other	2,062,962	42.5%	365	2,824,933	43.9%	480	31.6%
II. Expense Per Day							
Total	$1,066			$1,283			20.3%
DRG Charges:							
Commonly Occuring	1,133			1,198			5.7%
Very Intensive	1,765			2,166			22.7%
Obstetrical	1,075			1,191			10.8%
Mental Health/Substance Abuse	512			537			4.8%
Other	938			1,188			26.6%
III. Expense Per Stay							
Total	$5,676			$7,183			26.6%
DRG Charges:							
Commonly Occuring	4,680			5,730			22.4%
Very Intensive	17,459			23,853			36.6%
Obstetrical	2,576			2,798			8.6%
Mental Health/Substance Abuse	6,013			7,887			31.2%
Other	4,636			5,650			21.9%

EXHIBIT 2 [illegible]
DATE 1-27-93
SB

Exhibit 9

MONTANA UNIVERSITY SYSTEM
INPATIENT HOSPITAL UTILIZATION BY BENEFIT AREA

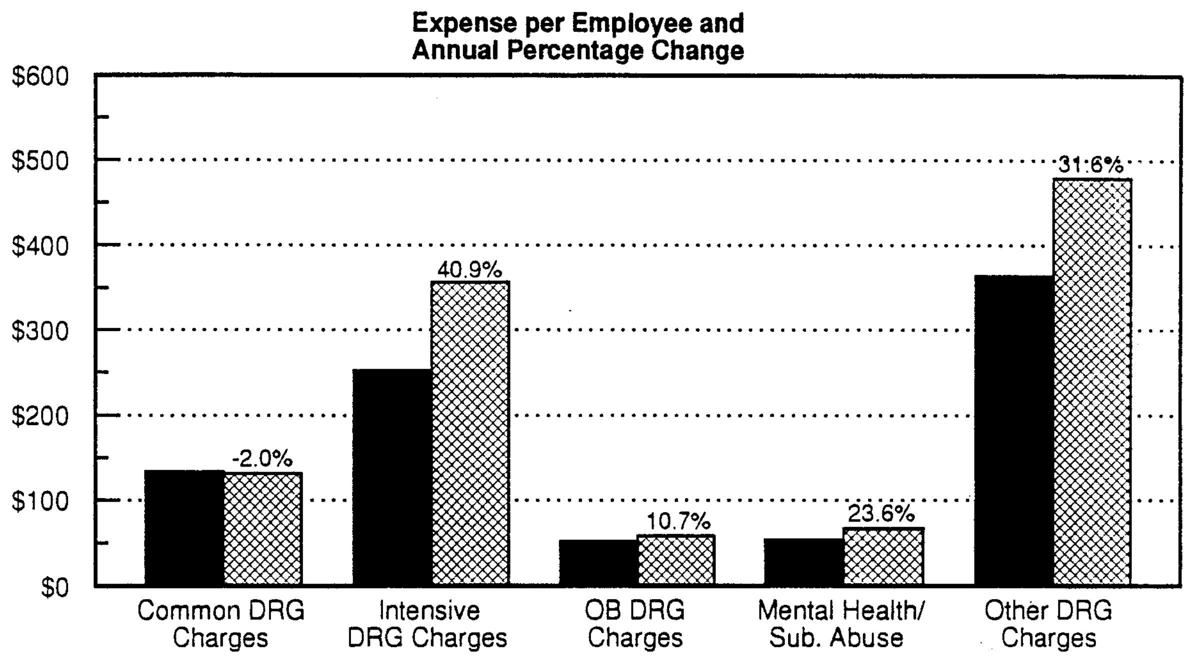
	7/90 - 6/91			7/91 - 6/92			% Change
I. Days Of Care	Total Utilization	% of Total	Util/1,000 Enrollees	Total Utilization	% of Total	Util/1,000 Enrollees	Util/1,000 Enrollees
Total	4,556	100.0%	421	5,017	100.0%	452	7.3%
DRG Charges:							
Commonly Occuring	669	14.7%	62	646	12.9%	58	-5.9%
Very Intensive	811	17.8%	75	969	19.3%	87	16.5%
Obstetrical	278	6.1%	26	289	5.8%	26	1.3%
Mental Health/Substance Abuse	599	13.1%	55	735	14.7%	66	19.6%
Other	2,199	48.3%	203	2,378	47.4%	214	5.4%
II. Admissions							
Total	856	100.0%	79	896	100.0%	81	2.0%
DRG Charges:							
Commonly Occuring	162	18.9%	15	135	15.1%	12	-18.8%
Very Intensive	82	9.6%	8	88	9.8%	8	4.6%
Obstetrical	116	13.6%	11	123	13.7%	11	3.3%
Mental Health/Substance Abuse	51	6.0%	5	50	5.6%	5	-4.4%
Other	445	52.0%	41	500	55.8%	45	9.5%
III. Average Length of Stay							
Total	5.3			5.6			5.2%
DRG Charges:							
Commonly Occuring	4.1			4.8			15.9%
Very Intensive	9.9			11.0			11.3%
Obstetrical	2.4			2.3			-2.0%
Mental Health/Substance Abuse	11.7			14.7			25.2%
Other	4.9			4.8			-3.8%

EXHIBIT 2 ww
DATE 1-27-93
SB

Exhibit 10

MONTANA UNIVERSITY SYSTEM

Inpatient Hospital Expense and Utilization



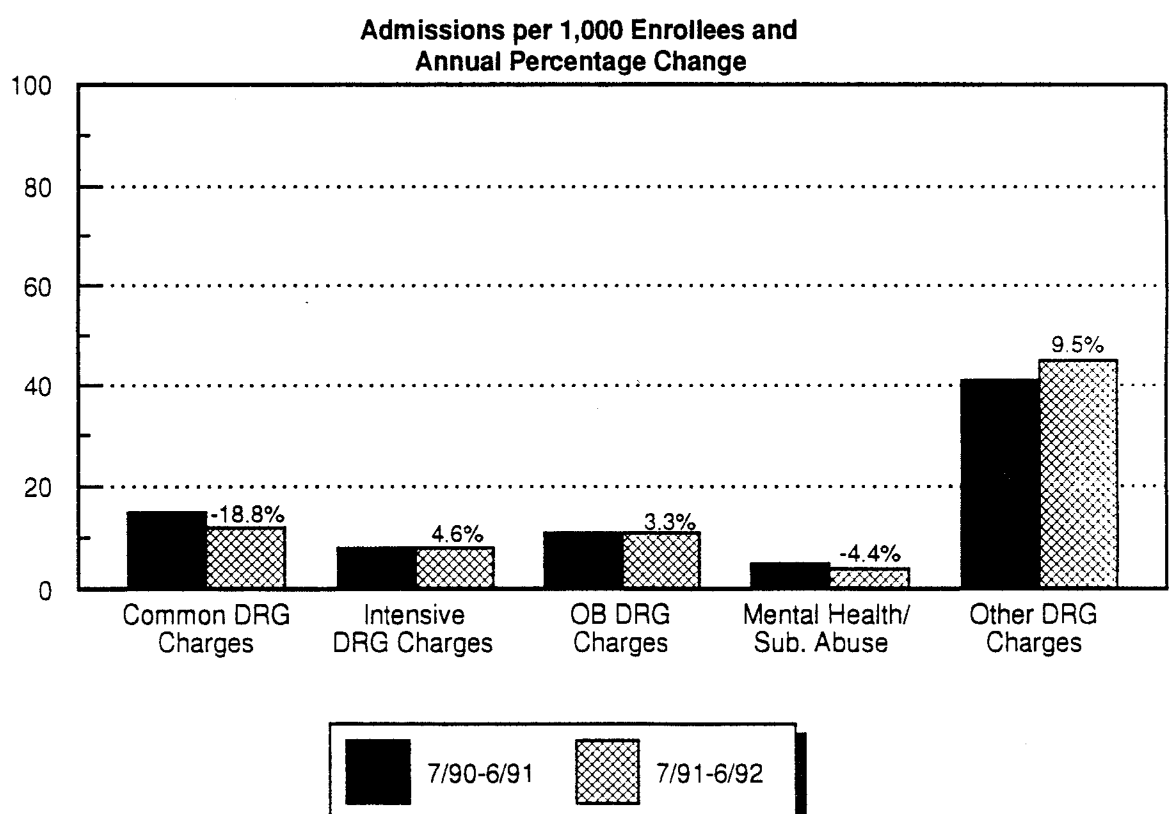


EXHIBIT 2 XX
DATE 1-27-93
SB

Exhibit 12

MONTANA UNIVERSITY SYSTEM
PHYSICIAN EXPENSE AND UTILIZATION BY BENEFIT AREA

	7/90 - 6/91			7/91 - 6/92			% Change
I. Expense	Expense	% of Total	Expense Per Employee	Expense	% of Total	Expense Per Employee	Expense Per Employee
Total	$3,704,242	100.0%	$655	$4,313,536	100.0%	$733	11.9%
Total Surgical	$2,281,432	61.6%	$404	$2,676,555	62.1%	$455	12.7%
IP Surgical	1,349,066	36.4%	239	1,591,620	36.9%	271	13.4%
OP Surgical	932,366	25.2%	165	1,084,935	25.2%	184	11.8%
Total Medical	$988,240	26.7%	$175	$1,173,653	27.2%	$200	14.1%
IP Medical	201,597	5.4%	36	248,592	5.8%	42	18.5%
OP Medical	786,643	21.2%	139	925,061	21.4%	157	13.0%
Total Mental Health	$434,571	11.7%	$77	$463,328	10.7%	$79	2.4%
IP Mental Health	17,158	0.5%	3	9,706	0.2%	2	-45.6%
OP Mental Health	417,413	11.3%	74	453,622	10.5%	77	4.4%

II. Services	Utilization	% of Total	Util/1,000 Enrollees	Utilization	% of Total	Util/1,000 Enrollees	% Change Util/1,000 Enrollees
Total	38,674	100.0%	3,573	43,045	100.0%	3,876	8.5%
Total Surgical	5,828	15.1%	538	5,981	13.9%	539	0.0%
IP Surgical	843	2.2%	78	1,021	2.4%	92	18.0%
OP Surgical	4,985	12.9%	461	4,960	11.5%	447	-3.0%
Total Medical	26,060	67.4%	2,408	30,107	69.9%	2,711	12.6%
IP Medical	3,304	8.5%	305	4,223	9.8%	380	24.6%
OP Medical	22,756	58.8%	2,102	25,884	60.1%	2,331	10.9%
Total Mental Health	6,786	17.5%	627	6,957	16.2%	626	-0.1%
IP Mental Health	169	0.4%	16	106	0.2%	10	-38.9%
OP Mental Health	6,617	17.1%	611	6,851	15.9%	617	0.9%

III. Expense Per Service	7/90 - 6/91	7/91 - 6/92	% Change
Total	$96	$100	4.6%
Total Surgical	$391	$448	14.3%
IP Surgical	1,600	1,559	-2.6%
OP Surgical	187	219	17.0%
Total Medical	$38	$39	2.8%
IP Medical	61	59	-3.5%
OP Medical	35	36	3.4%
Total Mental Health	$64	$67	4.0%
IP Mental Health	102	92	-9.8%
OP Mental Health	63	66	5.0%

EXHIBIT 2 YY
DATE 1-27-93
SB

Exhibit 13

MONTANA UNIVERSITY SYSTEM
Physician Expense and Utilization

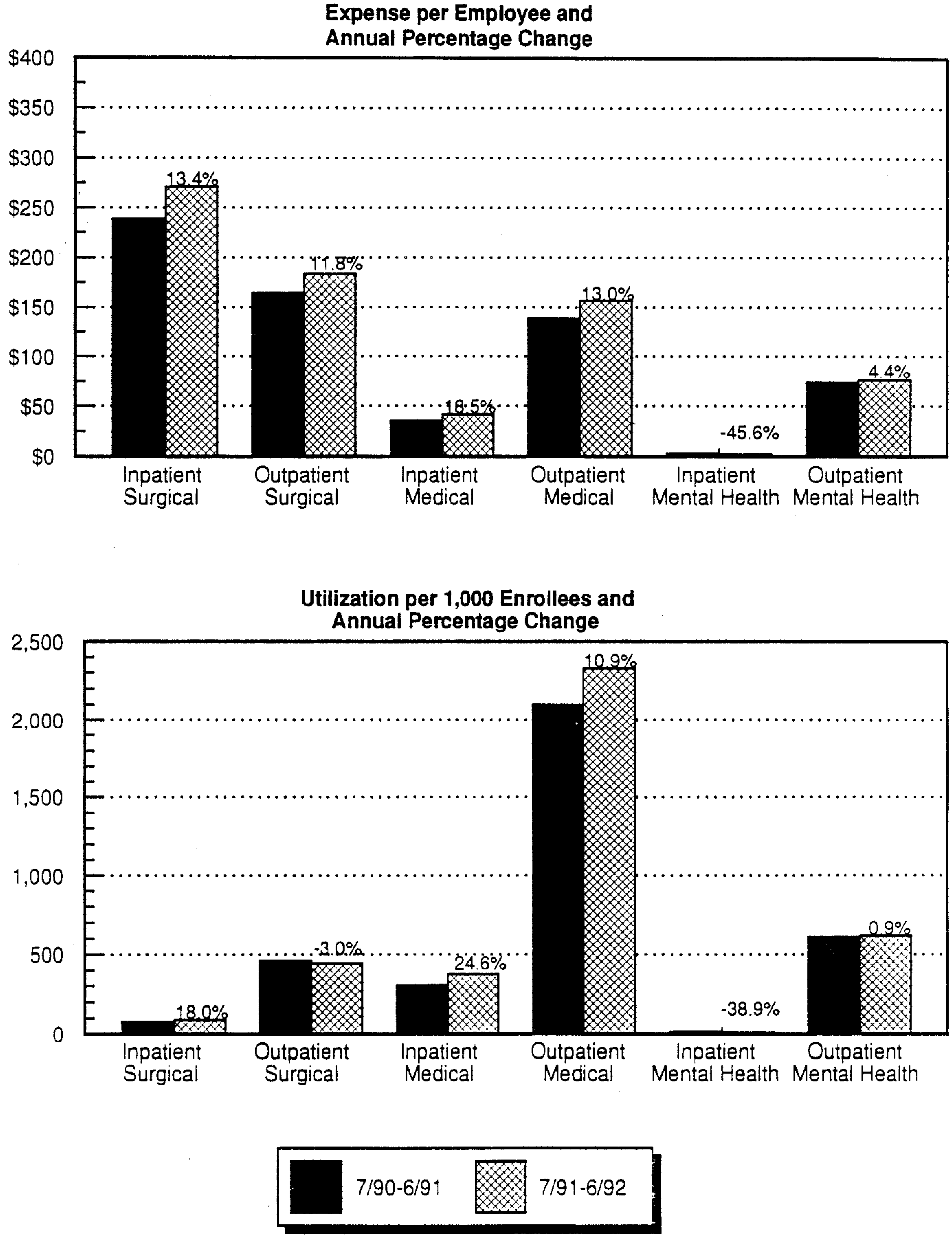


EXHIBIT 222
DATE 2-27-93
SB

Exhibit 14

MONTANA UNIVERSITY SYSTEM
MISCELLANEOUS EXPENSE AND UTILIZATION BY BENEFIT AREA

	7/90 - 6/91			7/91 - 6/92			% Change
I. Expense	Expense	% of Total	Expense Per Employee	Expense	% of Total	Expense Per Employee	Expense Per Employee
Total	$5,265,852	100.0%	$932	$6,438,646	100.0%	$1,095	17.5%
OP Hospital Total	1,725,059	32.8%	305	2,208,912	34.3%	376	23.0%
OP Hospital Surgery	559,981	10.6%	99	907,064	14.1%	154	55.6%
OP Hospital Medical	1,165,078	22.1%	206	1,301,848	20.2%	221	7.4%
X-Ray/Lab	1,010,534	19.2%	179	1,169,233	18.2%	199	11.2%
Prescription Drugs	1,311,532	24.9%	232	1,638,340	25.4%	279	20.0%
Other	1,218,727	23.1%	216	1,422,161	22.1%	242	12.1%

II. Services	Utilization	% of Total	Util/1,000 Enrollees	Utilization	% of Total	Util/1,000 Enrollees	% Change Util/1,000 Enrollees
Total	118,862	100.0%	10,982	131,144	100.0%	11,809	7.5%
OP Hospital Total	9,216	7.8%	851	9,971	7.6%	898	5.4%
OP Hospital Surgery	1,449	1.2%	134	1,897	1.4%	171	27.6%
OP Hospital Medical	7,767	6.5%	718	8,074	6.2%	727	1.3%
X-Ray/Lab	28,493	24.0%	2,632	31,799	24.2%	2,863	8.8%
Prescription Drugs	50,460	42.5%	4,662	54,212	41.3%	4,882	4.7%
Other	30,693	25.8%	2,836	35,162	26.8%	3,166	11.7%

III. Expense Per Service	7/90 - 6/91	7/91 - 6/92	% Change
Total	$44	$49	10.8%
OP Hospital Total	187	222	18.4%
OP Hospital Surgery	386	478	23.7%
OP Hospital Medical	150	161	7.5%
X-Ray/Lab	35	37	3.7%
Prescription Drugs	26	30	16.3%
Other	40	40	1.9%

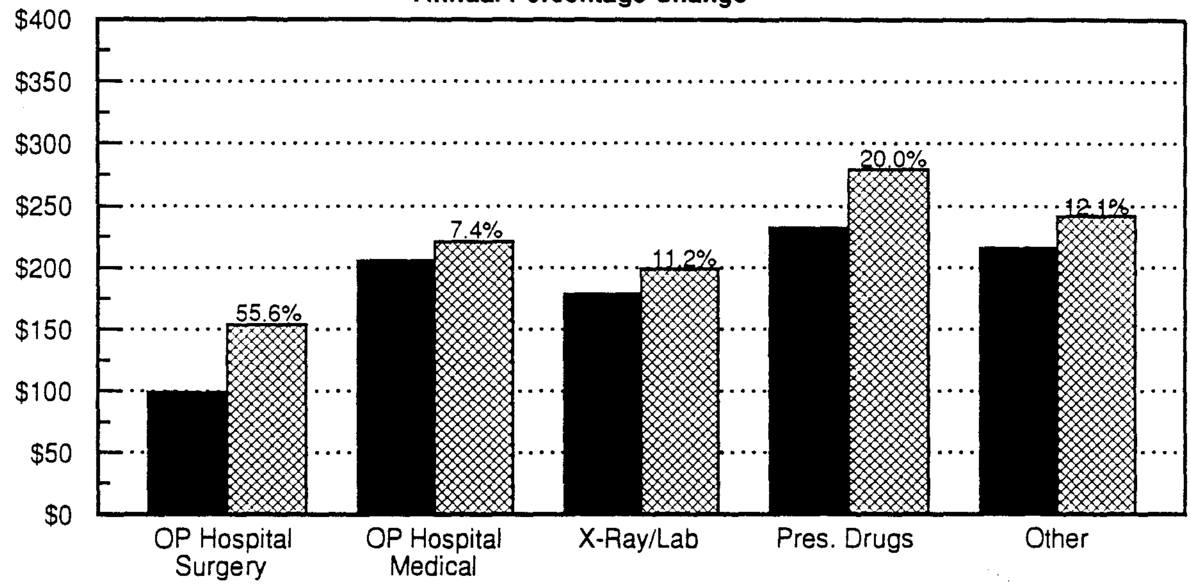
EXHIBIT 2 AAA
DATE
SB

Exhibit 15

MONTANA UNIVERSITY SYSTEM

Miscellaneous Expense and Utilization

Expense per Employee and Annual Percentage Change



Utilization per 1,000 Enrollees and Annual Percentage Change

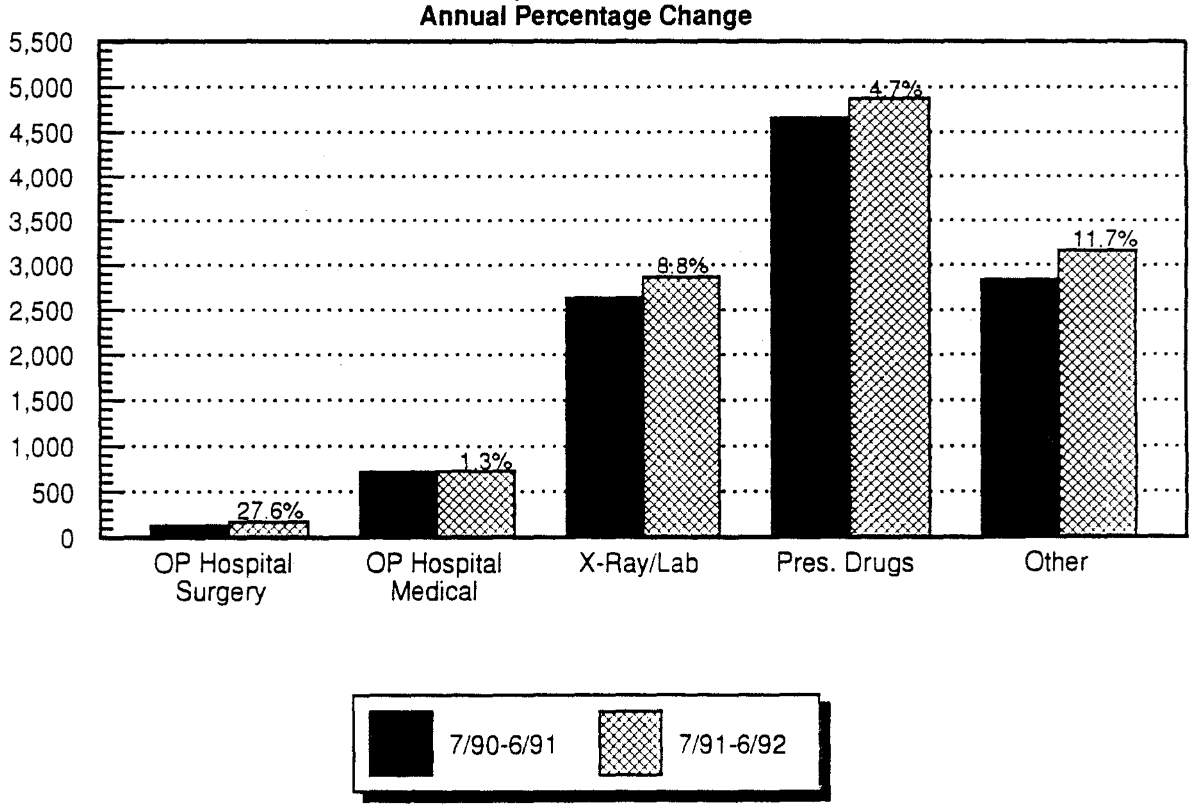


EXHIBIT 3
DATE 1-27-93
SB

MONTANA AGRICULTURAL
EXPERIMENT STATION

MSU EXTENSION SERVICE

Legislative Hearings
January 27, 1993

January 27, 1993

Exhibit 3, "Legislative Hearings: January 27, 1993", is 21 pages long. The original is stored at the Historical Society at 225 North Roberts Street, Helena, MT 59620-1201. The phone number is 444-2694.

Testimony Before The Joint Appropriations Education Subcommittee
By Seldon S. Weedon, Director
MSU Extension - Fire Training School
January 27, 1993

Representative Johnson and Members of the Committee.

My name is Butch Weedon and I am the Director of the MSU Extension - Fire Training School.

I would like to give you brief background information about the School and it's customers, then draw your attention to budget issues of concern.

Background

The Fire School, like the Extension Service, is an educational outreach program with a tradition of servicing communities across Montana, by taking programs to our clients. Our audience consists of 360 organizations with 7600 fire fighters, 95% of which are volunteers. During fiscal year 92 our training reached 2800 members of local government emergency services, while 210 organizations contributed to our Emergency Services Library. The School's office is co-located with the Great Falls Vo-Tech. Because our clientele live throughout Montana, and must work at jobs that offer compensation, our programs are delivered at remote sites throughout the state. The School is staffed by five FTE, an eight member advisory council, and twenty unsalaried coaches who make an immeasurable contribution to our fire services' success.

Your support of the Fire School in years past has allowed us to introduce innovations and techniques to Montana's fire fighters that they have adopted - which in turn have paid significant dividends to taxpayers. Our water tender shuttle program has provided fire fighters with the ability to move water in rural areas more efficiently, and as a result larger fires can be extinguished. Montana's fire fighters operate more safely using the new rope/rescue techniques they have learned. Fire fighters can save lives and reduce property damage with positive pressure ventilation, a technique the Fire School discovered in California and brought to Montana. Montana is one of only a few states with a nationally accredited Professional Qualifications Certification Program, again, introduced and operated by the Fire School. At major incidents, any number of jurisdictions or agencies can eliminate chaos and integrate their emergency activities, because of the incident management training provided by the Fire School.

The School has implemented its most significant innovation to date. We have developed a different way to train fire fighters. It takes less time and results in higher levels of competency and confidence, both of which are essential to our rural organizations. We call this technique "Training in Context." This unique process is also receiving a great deal of attention beyond our borders.

EXHIBIT 4
DATE 1-27-93
SB

The demand for local taxpayer dollars to provide fire and rescue training resources is dramatically reduced because the School serves as a collection pool for training materials. These resources and services are available to every fire service organization without the duplication that would otherwise be required.

Like our staff and field instructors, this Committee can take pride in these accomplishments. Your support of the School is essential to the safety of Montana's citizens and fire fighters on the home front. Please recognize that while our impact is significant, we are not reaching all who need our services.

Today, members of local fire services face unprecedented challenges. State law has historically put mandates on them which they could not meet. Recent national standards provide a measure that will likely be used against them, if they cannot show compliance. And new federal laws require training not previously needed. There is a high level of anxiety over liability risk. I-105 has severely restricted their ability to finance their operations. Together you and I, face a parallel challenge: To provide for the protection of our communities and their inhabitants, we must maintain an environment where these volunteers will continue to be motivated and effective. The least costly way to do that is with quality training, in adequate quantities. We can keep them effective by meeting their increasing training and education needs.

Current Level Issues

I must draw your attention to two budget issues:

First, our need for replacement vehicles. The Governor's budget does not include a replacement vehicle, while the LFA includes only one. Our vehicles are essential in allowing us to reach our clients. The two vehicles needing replacement have 146,000 and 90,250 miles respectively. If funded by this Committee, they cannot be replaced for more than a year. The Committee is asked to provide replacement vehicles.

The second concerns language in the Appropriations Bill which provides for our office, classroom, and storage space as well as custodial services and utilities at the Great Falls Vo-Tech Center. This language should be inserted in the 95 biennium Appropriations Bill, or money specifically appropriated to provide for these costs.

I recognize that the figures I have discussed with you today are small in comparison to the numbers this Committee has been dealing with. Even so, they are critical to your fire fighters and their ability to serve our citizens safely. As you have done in the past, please give them the attention they deserve.

I thank you for your attention and will be happy to respond to your questions.

Mr. Chairman, Members of the Committee;

For the record, my name is Norm Rostocki, and I'm the chief of the Marysville Volunteer Fire Department. Perhaps some of you were in Marysville last weekend with the snowmobile club.

I realize that both time and money is short this session and I'd like to make just a few comments about the Fire Services Training School. I'd like to show you how the school fits into the needs of volunteer departments all over this state.

I'm from a very small community that has created its own fire district because we are 12 miles from the nearest fire department, also a volunteer company. Sometimes the road between the communities is marginally passible, especially with a large fire truck. We have good community support and started our taxing district by petition about 5 years ago. Our levy is relatively high at 58 mills while most of the other departments in the area are around 10-15 mills.

One of the incentives that the Legislature has provided to volunteer fire fighters is a retirement fund that is funded from a surcharge on fire insurance premiums paid in this state. In order to qualify for this retirement, a firefighter has to have at least 10 years of service, and has to have completed 30 hours of training each year. Although there is a constant need for training, this option of retirement benefits is the carrot that gets many volunteers to donate their time.

The Fire Services School plays a vital role in helping our department and many other departments of all sizes in providing up-to-date training in fire fighting equipment and techniques. The school has a resource library that has books, videos, movies, and several other training materials that are available to be checked out by departments. In addition, Butch and his staff have to be commended for doing so much with the limited resources they have. The FSTS staff travels the state and will help us with our training needs, whether it be an in-classroom discussion or a hands-on training session. I have had help on several occasions from the FSTS staff which has greatly improved our ability to fight fires in our community and make much better use of the equipment we have.

I want to point out that the FSTS is not just another state agency with 8 to 5 hours. Butch and his staff have come to our meetings to help us out, and our meetings are at 8:30 on Sunday mornings. Its great to have people out there to help us when we need it, not when its convenient for them.

For the past few sessions, when the Legislature was attempting to find additional funding, the general fund at the FSTS has been reduced while increasing their earmarked authority which comes from dues we pay to access the FSTS library. The fee for departments with less than 28 people is now $75. My budget is about $2,200 per year and I spend almost $1,000 on utilities to keep the fire hall at 40 degrees. My second priority is fuel for our 2 fire trucks. Third is life safety equipment. Until now, I've had funds to send to FSTS for the training library fee. Please consider the impact you are having on small departments when you raise the training fee. I know for a fact that several small departments no longer can afford the fee. Its these same departments that need the training the most.

Look around at your own communities and keep those small volunteer fire departments in mind when you are deciding the budget for the FSTS. Please don't price us out of the training materials that we need. Since we have few resources to begin with, the FSTS is where we turn to get the expertise we need to fight fires safely and use our equipment in the most effective way possible. Remember, we're volunteers.

January 27, 1993

TO: Joint Education Appropriation Subcommittee

FROM: Susan Baldwin, Owner
Montana Mountain Fruit Farm
345 Indian Prairie Loop
Victor, MT. 59875

EXHIBIT 6A
DATE 1-27-93
SB

RE: Proposed Budget for Montana's Agricultural Research Centers

I thank you for the opportunity to express my strong support for Agricultural Research Centers in Montana and specifically the research center located in Corvallis, called the Western Agricultural Research Center (WARC).

I own and operate Montana Mountain Fruit Farm on 16 acres in the Bitterroot Valley, where I raise organic berries for a you-pick operation and to process into gourmet jams and jellies. I am not representative of a traditional farmer, yet I am part of a growing number of people who make a full time living on small acreages of land by raising alternative high value crops. In our farm club in the Bitterroot Valley, I am but one of a group of farmers all making their living from such operations, as raising and marketing locally adapted seeds, medicinal and culinary herbs, tree and small fruits, and vegetables. We aren't even counted in the agricultural statistics, yet combined we bring in a sizeable agricultural income to the county.

Speaking for our entire farm club, we value highly the WARC. All of us at one time or another have sought advice, information, or scientific analysis to solve problems we face from the professional staff located there. Some of our farmers are even involved with cooperative research projects with them. The concept of regional research centers that concentrate on research pertinent to their respective environments is a must for a sparsely populated, diverse state like Montana because the private sector would not be able to step in and fill this need.

Researchers located in the same communities as the producers stay in tune with the long and short term problems facing agriculture and have a productive interaction with the producers of the area. The problems we face as producers are no longer simple but often require scientific analysis by experts. The research centers house our experts and I can not stress enough that wee need these experts and their research.

In the last special session of the Legislature funds were cut so drastically to the research centers that three of them were slated for closure, or to survive only as skeletons of their previous existence, by the Dean of Agriculture. There was no place left to cut as the research center system was already operating with a million dollars less in 1992 as it was in 1982. One of the research centers slated for cutting was the WARC located in our area. To give you an idea of what these budget cuts were removing from the system let me tell you briefly about the WARC (See enclosure for more detail).

There are three scientists - an entomologist, a horticulturalist/plant pathologist, and an agronomist/soil scientist at the WARC. Each of these researchers are involved with projects involving sustainable agricultural practices, biological control of diseases and weeds, and groundwater quality, just to name a few. The insect rearing facility and research on insect predators of range land weeds is the only one of its kind in the nation. These research projects are on the leading edge of agricultural research. These scientists alone secured over $450,000 in grant monies last year to support long term research projects. Of that grant money $177,000 will be spent in the local economy this year. This tells you the caliber of programs that are being selected for cuts if the budget to the research centers is not restored. Please consider this matter very carefully knowing the very essential part these research centers play in Montana's number one industry - agriculture.

Thank you for your consideration.

Sincerely,
Susan Baldwin
Susan Baldwin

ENCL: Research Programs at the WARC

CC: Dean Barry Jacobsen

EXHIBIT 6B
DATE 1-27-93
SB

Research Programs at the Western Agricultural Research Center

MSU's Western Agricultural Research Center (WARC) in Corvallis, a unit of Montana State University, is home to three research projects addressing the needs of western Montana's diverse agriculture. Together, these projects derive benefits to western Montana's changing population, including the farmer/rancher, the small-scale or specialty producer, the home gardener, and the consumer. Together with the Northwestern Agricultural Research Center in Kalispell, the WARC represents MSU's agricultural link to the people of western Montana.

Biological Weed Control. Entomologist Jim Story, at WARC since 1979, is doing research on the use of introduced insect predators to biologically control rangeland weeds. Most of his work is focused on spotted knapweed (western Montana's most troublesome weed) but he is also working on sulfur cinquefoil, diffuse knapweed, and leafy spurge. He is also mass-rearing some of the introduced insects for subsequent redistribution at weed-infested areas throughout Montana and the western US.

Agronomy and Soil Science. Soil Scientist Dr. Mal Westcott, at WARC since 1986, addresses issues of sustainable agriculture, groundwater quality, new crops, and crop quality through research on nutrient management and conservation in western Montana cropping systems. Specific research in the soils program includes management of legumes and green manures for sustainable farming; protection of groundwater quality and farm profitability through improved efficiency of nitrogen fertilization and irrigation in high input crops such as mint and potatoes; the adaptation and management of new crops such as mint, canola, alternative forages, and legumes; and development of new techniques for the detection of nitrates in cereal hay.

Horticulture and Plant Pathology. Horticulturist Dr. Nancy Callan, at WARC since 1980, has conducted research involving tree and small fruit production and culture, with emphasis on tart cherry cold hardiness, sweet cherry rain splitting, apple and cherry mineral nutrition, apple rootstocks, diseases, and varieties, and small fruit variety selection. The horticultural research program is currently directed toward the development of biological control methods for the prevention of plant diseases. Biopriming, a biological seed treatment for protection of vegetable seeds from seed rot, is a product of this research. Other research concerns biological control of fire blight, a serious bacterial disease of apples and pears, and the involvement of soil organic matter in plant disease.

The three project leaders at WARC have been very effective in securing the resources needed to supplement state funds to carry out their research. Last year alone, for example, they wrote successful grant applications which brought in a total of over $450,000. This money was mainly from federal and private sources and will be used to support projects at WARC and other MSU units over the next few years. While some of these grants span several years, approximately $177,000 will be spent in the local economy this year. These grant applications were developed with considerable input from the agricultural community.

DATE: January 27, 1993

TO: Joint Education Appropriation Sub Committee

From: Robert Christ
282 Skalkaho Hwy.
Hamilton, MT 59840

RE: Agriculture Research Center Appropriations

I appreciate the opportunity to visit with you about the Agriculture Experiment Station budget and in particular the Agriculture Research Center in the BitterRoot Valley at Corvallis.

I represent the Pomona Grange and I am also speaking on behalf of a coalition of all major agricultural interests in Ravalli and surrounding counties.

It is my desire and the desire of our several organizations to impress on you the real need for continued experimental work at the Corvallis Station.

I particularly have reference to the very different climatic and soil conditions that exist west of the mountains.

The accomplishments of Jim Story in biological weed control research at the Western Agricultural Center are well known in Montana and throughout the northwest. The long range economic impact of this work is not measurable, but in fact should improve forage and habitat for livestock and wildlife and restore our native species by 50% or more throughout western Montana.

We are as concerned as you are for the control of the spread of knapweed and sulfur cinquefoil.

I raise certified weed free hay and straw on our ranch and I am well aware of the production increase by controlling knapweed. The Forest Service and other land agencies are requiring weed free feeds and seeding material in the back country.

Mal Westcott's work on fertilizer or nitrate movement in soils for crops such as potatoes and mint is extremely timely to protect our groundwater from toxic levels of nitrate.

Also the desire of urban people to maintain lush green lawns through application of fertilizer and water contributes to problems of groundwater contamination simply because the pounds of fertilizer applied per acre is far higher than any farm could justify economically. And I can speak first hand on the economic loss of a dairy's production from high nitrates in the water supply.

7a
1-27-93

Nancy Callan is one of two horticultural researchers in Montana currently concentrating on natural systems to reduce disease in new plants but has for some years researched winter hardy varieties of fruit for Western Montana, cherry growing problems and small fruits. She also trains Extension workers throughout the area to handle clientele problems.

We realize traditional agricultural enterprises are declining in our area. New specialty crops and value added enterprises will require agriculture research as a basis for new innovators or young people in agriculture to develop specialty markets and to obtain necessary financing. I visited with a banker in our town recently and he informed me that before they will finance any agricultural venture they want to know what research has been done on the products.

As an alternative to the experimental work in Montana we would have to depend on our neighboring states such as desert climate Twin Falls, Idaho or Washington State University in the Palouse area of Eastern Washington, neither of which fit our Western Montana environment. You can rest assured we would not be given high priority by these states for Montana producers.

In a recent evaluation of agriculture research projects in Montana both on campus and at the agricultural research centers, the Corvallis research workers had two of the top five projects based on importance of their work for the future of Montana.

As a farmer and rancher, I have depended on agricultural research all of my life. I have based my decisions on crop varieties and livestock production, as well as the applications of fertilizer and pesticides to maintain maximum production. All of us involved in agriculture try very hard to be good stewards of the land.

We need your help with research and most certainly, we need the Western Agricultural Research Center at Corvallis.

Sincerely,

Bob Christ

Bob Christ

BC/cla

EXHIBIT 13
1-27-93

MONTANA FARM BUREAU FEDERATION
502 South 19th • Bozeman, Montana 59715
Phone: (406) 587-3153

EXHIBIT 8
DATE 1-27-93

January 28, 1993

Joint Subcommittee on Education and Cultural Resources

Chairman Johnson, Committee members:

On behalf of the over 4500 Montana Farm Bureau member families I wish to support the Agricultural Experiment Stations. Recognizing that agriculture is the number one industry in Montana now, and into the foreseeable future we recommend restoring fiscal year 1993 funding cuts to the Agricultural Experiment Stations. The Ag Experiment Stations bore a disproportionate share of the funding cuts during the special sessions. Research dollars from these experiment stations translate into jobs and economic development for all of Montana . Farm Bureau realizes the important role the experiment stations play in keeping Montana's farmers and ranchers on the cutting edge of farm and ranch technology.

Sincerely

David L. McClure

David L. McClure
President

8
1-27-93

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

EDUCATION SUBCOMMITTEE DATE 1-27-93

DEPARTMENT(S) DIVISION

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NAME	REPRESENTING	
Butch Weedon	MSU Ext - Fire Training	
Clyde Carroll	MSU	
Andrea Pagenkopf	MSU - Extension	
[illegible] Malone	MSU	
Tracy [illegible]	MSU - Ag Expt Station	
Don Mathre	MSU - Ag Expt Station	
Ross H. Fitzgerald	FTS Adv Council	
Randy Johnson	Montana Grain Growers	
Bud Stephens	Mt. Grain Growers	
Clark V Johnson	FTS	
Rene Dulsay	[illegible]CHE	
Paul [illegible]	Stanford MT	
Mark Holzer	Stanford, MT	
[illegible] Bailey	" "	
Bing Von Bergen	Moccasin Mt.	
William P S[illegible]	Moccasin MT	
DICK CERVENKA	MOCCASIN MT	
Susan Baldwin	West Agr. Research Center	

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

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

EDUCATION SUBCOMMITTEE DATE 1-27-93

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NAME	REPRESENTING	
Robert Christ	Western Mt Exp. Station-Rancher	
Willis Christ	" " "	Grange
Brady Vardemann	OCHE	"
Staci Riley	MFT	
SANDRA Ditzinger	MACo	Smith
Patrick McNulty	Buffalo, MT / Farm Bureau	
Roy CORNELL, Fire Chief	Dillon Vol Fire Dept	
Carlene Nimlos		
Norm Kostecki	Marysville VFD	
Sutton	MEA	
Clinch	MT Dept of State Lands	

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