

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON HUMAN SERVICES & AGING

Call to Order: By CHAIRMAN JOHN COBB, on January 29, 1993, at 8:20 A.M.

ROLL CALL

Members Present:

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

Members Excused: None

Members Absent: None

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

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

Committee Business Summary:

Hearing: NONE
Executive Action: SOCIAL AND REHABILITATION SERVICES

Ms. Lois Steinbeck, Legislative Fiscal Analyst, EXHIBIT 1

EXECUTIVE ACTION ON SOCIAL AND REHABILITATION SERVICES

Tape No. 1:Side 1

#1. Benefit Enhancements EXHIBIT 2

Motion/Vote: CHAIRMAN COBB moved to expand daycare benefits to fund one month gap in moving to transitional daycare using \$26,000 from the general fund. Motion CARRIED unanimously.

#2. Benefit Enhancements EXHIBIT 2

Motion/Vote: CHAIRMAN COBB moved to approve at-risk daycare

requiring \$820,000 of general fund monies. Motion **CARRIED** unanimously.

#3. Benefit Enhancements **EXHIBIT 2**

Motion/Vote: **CHAIRMAN COBB** moved to bid out JOBS program or give 3 FTEs to SRS. Motion **CARRIED** with **REPS. WANZENRIED** and **KASTEN** voting no.

#4. Benefit Enhancements **EXHIBIT 2**

Motion: **CHAIRMAN COBB** moved to fund inflation in elderly and disabled care waiver and add 40 waiver cases requiring \$628,363 from the general fund.

Substitute Motion: **REP. KASTEN** moved to fund inflationary increase to keep elderly and disabled care waiver at \$499 and add 20 more waiver cases. Cut expansion in half but not inflation.

Vote: **CHAIRMAN COBB** called for the vote on **REP. KASTEN'S** substitute motion. Motion **FAILED** with **SEN. CHRISTIAENS**, **SEN. WATERMAN**, **REP. WANZENRIED**, and **CHAIRMAN COBB** voting no.

Motion/Vote: **CHAIRMAN COBB** called for the vote on the original motion. Motion **CARRIED** with **REP. KASTEN** voting no.

#5. Benefit Enhancements **EXHIBIT 2**

Expand vocational rehabilitation independent living benefits requiring \$200,00 of general fund monies.

Motion: **REP. KASTEN** moved to cut appropriation in half.

REP. KASTEN withdrew her motion.

#6 Benefit Enhancements **EXHIBIT 2**

Block grant for developmentally disabled (not intended for construction of new facilities) using \$400,000 from the general fund.

Motion: **CHAIRMAN COBB** moved to accept #6.

Substitute Motion: **REP. KASTEN** moved to cut appropriation in half using only \$200,000 from the general fund.

Vote: **CHAIRMAN COBB** called for a vote on the substitute motion. Motion **CARRIED** with **CHAIRMAN COBB** voting no.

Motion/Vote: **SEN. WATERMAN** moved to approve language and add appropriation for developmentally disabled and vocational rehabilitation programs. Motion **CARRIED** unanimously.

Motion: **SEN. WATERMAN** moved to give DD providers a three-percent

rate increase which amounts to \$2.0 million for the biennium from the general fund; \$3.2 million total cost.

Vote: CHAIRMAN COBB called for a vote on the motion. Motion FAILED with CHAIRMAN COBB, SEN. KEATING, and REP. KASTEN voting no.

REP. WANZENRIED moved approval of a two-percent provider rate increase for DD; \$1.3 million general fund cost. Motion FAILED with CHAIRMAN COBB, SEN. KEATING, and REP. KASTEN voting no.

#5. Benefit Enhancements

Expand vocational rehabilitation independent living benefits.

Substitute Motion: REP. KASTEN moved to appropriate half of the appropriation; \$100,000 from the general fund.

REP. KASTEN withdrew her motion.

SEN. CHRISTIAENS moved to act on this motion along with vocational rehabilitation. Motion CARRIED with CHAIRMAN COBB voting no.

The telecommunications devices for the deaf. EXHIBITS 3 and 4

Motion/Vote: SEN. WATERMAN moved to approve the executive budget in all three items for telecommunication devices for the deaf. Motion CARRIED with REP. KASTEN voting no.

Motion/Vote: REP. WANZENRIED moved to clarify funding switch in data processing for TEAMS. Motion CARRIED unanimously.

Motion/Vote: REP. WANZENRIED moved to direct staff to make ancillary decisions regarding the impacts to federal funds and special revenue funds due to changes in general fund policy decisions. Motion CARRIED unanimously.

#7. Benefit Enhancements EXHIBIT 2

Motion/Vote: CHAIRMAN COBB moved to accept the welfare to work waiver utilizing \$105,000 of general fund monies. Motion CARRIED unanimously.

Program 1 - Family Assistance

Motion/Vote: SEN. WATERMAN moved that executive level reduced under contract services and minor services for the Family Assistance Division be accepted. Motion CARRIED unanimously.

Motion/Vote: SEN. WATERMAN moved LFA budget for operating costs for daycare benefits. Motion CARRIED unanimously.

Motion/Vote: SEN. KEATING moved to accept the LFA budget for

HOUSE HUMAN SERVICES & AGING SUBCOMMITTEE

January 29, 1993

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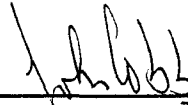
JOB program general fund match. Motion CARRIED unanimously.

Motion/Vote: SEN. KEATING moved the LFA budget for local-match IV-F JOBS; accept LFA budget using 50% local money. Motion CARRIED unanimously.

Motion/Vote: SEN. KEATING moved to accept food stamp outreach in executive budget. Motion CARRIED with CHAIRMAN COBB voting no.

ADJOURNMENT

Adjournment: 12:10 P:M



JOHN COBB, Chairman



BILLIE JEAN HILL, Secretary

JC/bjh

HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

ROLL CALL

DATE

1-29-82

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

HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

ROLL CALL VOTE

DATE Jan 27, 1993 BILL NO. _____ NUMBER _____

MOTION: Approved Day Care Benefits fund moved
going in moving to transitional DC

①.

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	✓	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	✓	
SEN. CHRIS CHRISTIAENS	✓	
SEN. TOM KEATING	✓	
REP. BETTY LOU KASTEN	✓	
REP. DAVID WANZENRIED	✓	

HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

ROLL CALL VOTE

DATE Jan 29, 1993 BILL NO. _____ NUMBER _____

MOTION: _____

At Risk, DC, out of Gen Funds
each
410,000 Gen F every year

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	✓	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	✓	
SEN. CHRIS CHRISTIAENS	✓	
SEN. TOM KEATING	✓	
REP. BETTY LOU KASTEN	✓	
REP. DAVID WANZENRIED	✓	

HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

ROLL CALL VOTE

DATE Jan 29, 1993 BILL NO. _____ NUMBER _____

MOTION: Bid out Jobs Program on gree
3 FTE's D SRS

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	X	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN	/	X
REP. DAVID WANZENRIED		X

*Original
motion*

HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

ROLL CALL VOTE

DATE Jan 29, 1993 BILL NO. _____ NUMBER _____

MOTION: Send inflation and in elderly care
warmer and add 40 more women
Cases.

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	X	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN		X
REP. DAVID WANZENRIED	X	

*Amendments
motion by Rep Kasten*

HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

ROLL CALL VOTE

DATE Jan 29, 1993 BILL NO. _____ NUMBER _____

MOTION:

*Extend inflation in elderly ^{Care} waiver
~~and add 40 cases~~ ^{in 499}
and add 20 more ^{waiver} Cases Expansion
in ~~but not~~ ^{inflation} inflation*

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	<i>X</i>	X
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	<i>X</i>	X
SEN. CHRIS CHRISTIAENS	<i>X</i>	X
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN	X	
REP. DAVID WANZENRIED	<i>X</i>	X

*file
original*

HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

ROLL CALL VOTE

DATE Jan 29, 1993 BILL NO. _____ NUMBER _____

MOTION: Block Grant for Developmentally Disabled (not intended for Construction)
(\$200,000) 100,000 each year.

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	X	X
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN	X	
REP. DAVID WANZENRIED	X	

HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

ROLL CALL VOTE

DATE Jan 29, 1993 BILL NO. _____ NUMBER _____

MOTION: Improve longevizer add
Appropriation for DW+V or Rehab

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	X	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN	X	
REP. DAVID WANZENRIED	X	

HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

ROLL CALL VOTE

DATE Jan 29, 1993 BILL NO. _____ NUMBER _____

MOTION: 3% provider rate increase for OP providers
#2. M biennium Gen Fund
\$3.2^M total funds

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN		X
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING		X
REP. BETTY LOU KASTEN		X
REP. DAVID WANZENRIED	X	

John

HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

ROLL CALL VOTE

DATE 1-29-93 BILL NO. _____ NUMBER _____

MOTION: 27 provided date increase D D

3.4 Gen F

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN		✓
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	✓	
SEN. CHRIS CHRISTIAENS	✓	
SEN. TOM KEATING		✓
REP. BETTY LOU KASTEN		✓
REP. DAVID WANZENRIED	✓	

fails

HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

ROLL CALL VOTE

DATE Jan 29, 1993 BILL NO. _____ NUMBER _____

MOTION: we approve Eyes budget in
All 3 items for TDD (Telecommunication
Devices for the Deaf)

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	✓	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	✓	
SEN. CHRIS CHRISTIAENS	✓	
SEN. TOM KEATING	✓	
REP. BETTY LOU KASTEN		✓
REP. DAVID WANZENRIED	✓	

HOUSE OF REPRESENTATIVES

HUMAN SERVICES SUB-COMMITTEE

ROLL CALL VOTE

DATE 1/29/93 Wong BILL NO. _____ NUMBER _____

MOTION: for Classy funding switch to
Data processing for TEAMS

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	✓	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	✓	
SEN. CHRIS CHRISTIAENS	✓	
SEN. TOM KEATING	✓	
REP. BETTY LOU KASTEN	✓	
REP. DAVID WANZENRIED	✓	

HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

ROLL CALL VOTE

DATE Jan 29, 1993 BILL NO. _____ NUMBER _____

MOTION: Wages

Read second motion

Propose Director's Direct Staff to make ancillary decisions re impacts to fed fund & state special revenue fund

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	✓	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	✓	
SEN. CHRIS CHRISTIAENS	✓	
SEN. TOM KEATING	✓	
REP. BETTY LOU KASTEN	✓	
REP. DAVID WANZENRIED	✓	

due to the changes in general fund policy decisions.

HOUSE OF REPRESENTATIVES

HUMAN SERVICES SUB-COMMITTEE

ROLL CALL VOTE

DATE Jun 29, 1993 BILL NO. _____ NUMBER _____

MOTION: Wherefore I move waived

Sen K \$105,000 on condition they pass the pkg.

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	X	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN	X	
REP. DAVID WANZENRIED	X	

HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

ROLL CALL VOTE

DATE 1-29-93 BILL NO. _____ NUMBER _____

MOTION: Accept Motion Miss D'Amico

LFA Current Level 5% reduction -

Don't reflect LFA dollar changes which
be exact

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	X	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN	X	
REP. DAVID WANZENRIED	X	

HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

ROLL CALL VOTE

DATE 1-29-93 BILL NO. the Ops level NUMBER

MOTION: Move that the EFA budget reduced
under contract services and minor
services be accepted for the Kennedy Assistance
and the Council Assistance Program

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	X	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN	X	
REP. DAVID WANZENRIED	X	

HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

ROLL CALL VOTE

DATE Jan 29, 1993 BILL NO. _____ NUMBER _____

MOTION: Move LFA budget (operating costs) to accept Day Care Benefits and changes made by LFA 1-28-93

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	X	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN	X	
REP. DAVID WANZENRIED	X	

HOUSE OF REPRESENTATIVES

HUMAN SERVICES SUB-COMMITTEE

ROLL CALL VOTE

DATE 1-29-93 BILL NO. _____ NUMBER _____

MOTION: Depr concerns with LFA budget
and OBS Program GF Ditch

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	X	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN	X	
REP. DAVID WANZENRIED	X	

HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

ROLL CALL VOTE

DATE Jan 29, 1993 BILL NO. _____ NUMBER _____

MOTION: Local LFA budget for Local
Match II - FJOBS accept LFA Budget
providing using local money (50%)

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	X	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN	X	
REP. DAVID WANZENRIED	X	

HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

ROLL CALL VOTE

DATE Jan 29, 1993

BILL NO. _____

NUMBER _____

MOTION:

Sen 12 Food Stamp Outreach in Eper Budget

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	Y	X
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	Y	
REP. BETTY LOU KASTEN	X	
REP. DAVID WANZENRIED	X	

SUBCOMMITTEE ACTION TO DATE (1-30-93)

SB

Subcommittee Action

Biennial General
Fund (Reduction) Increase
Contingent
on Bill

Restrict Emergency Assistance	(\$50,000)	
Reduce Outpatient Hospital Reimbursement	(115,368)	
Bid Oxygen Services	(175,440)	
Recalculate Out-of-State Hospital Payment	(475,592)	
Non-Assumed Counties TEAMS Costs	(700,000)	
5% Personal Services Reductions*	(389,262)	
Positions Vacant 12-29-92*	(157,141)	
Deassumption of County Welfare Programs		LC1112
Department of Social and Rehabilitation Services	(9,300,000)	
Department of Family Services	(5,400,000)	
Seek Child Support Payments from Parents of Pregnant, Unmarried Minors	(472,092)	LC1287
Payment of Medically Needy Incurment		
Revenue Increase**	(5,850,412)	
Benefit and Operating Cost Increases	1,123,859	HB309
One Month Day Care Gap	26,000	
Transitional Day Care	820,000	
Fund Elderly Waiver Inflation and Add 20 Cases	515,231	
DD Services (not Intended for New Facility Construction)	200,000	
Welfare to Work Waiver	105,000	

SUBTOTAL OF ACTIONS TO 1-29-93 (\$20,295,217)

DIFFERENCE BETWEEN SUBCOMMITTEE ACTION AND

\$25 MILLION TARGET (\$4,704,783)

*Estimated general fund personal services reductions.

**Revenue increase shown as negative.

PLAN TO ACHIEVE REDUCTIONS AND TARGET NECESSARY BENEFIT ENHANCEMENTS

Subcommittee Decisions	Estimated General Fund (Savings)/Costs Biennial
REDUCTIONS	
1. Transfer Poor Fund Back Administration to Assumed Counties	
SRS Duties	(\$9,300,000)
DFS Duties	(5,400,000)
2. House Bill 309 (Payment of Medically Needy Incurment)	(4,700,000)
3. Racicot Amendments with Exception of 5% Personal Services Cuts	(3,987,503)
4. Cap Growth of Primary Care Medicaid (Fiscal Year 1995)	(6,000,000)
TOTAL REDUCTIONS	(\$29,387,503)
BENEFIT ENHANCEMENTS	
1. Expand Day Care Benefits to Fund One Month Gap in Moving to Transitional Day Care	26,000
2. At-Risk Day Care	820,000
3. JOBS FTE (3.0) - Contingent <i>and disabled</i>	229,000
4. Fund Inflation in Elderly Care Waiver and Add 40 Waiver Cases	628,363 <i>among members</i>
5. Expand Vocational Rehabilitation Independent Living Benefits	200,000
6. Block Grant for Developmentally Disabled (not Intended for Construction of New Facilities)	400,000
7. Welfare to Work Waiver	105,000
8. Fiscal Year 1995 Block Grants/Medicaid Expansion for Health Care for Children (HB 145)	1,402,910
TOTAL ENHANCEMENTS	\$3,811,273
NET REDUCTIONS	(\$25,576,230)
ACTIONS REQUIRED IN FY95 IF CAPS FOR PRIMARY CARE ARE NOT ACHIEVED	
1. Reduce AFDC Payment to Average Monthly Grant Amount of \$375	(\$517,133)
2. Reduce Personal Care Home Making Services	(260,000)
3. Reduce Outpatient Hospital Reimbursement	(115,000)
4. Reduce General Fund Positions in SRS	(250,000)
5. Require Private Pay Nursing Home Rates to be Equal to or Greater than Medicaid Rates	(90,000)
6. Adjust Medically Needy	(600,000)
7. Eliminate Block Grants/Medicaid Expansion and Make Other General Reductions	(1,979,140)
TOTAL ACTIONS REQUIRED	(\$3,811,273)

SUGGESTED LANGUAGE FOR HOUSE BILL 2

The department must eliminate monthly reporting for AFDC clients when it can determine that a person will become ineligible for AFDC within three months or when payments change.

In order to expend funds from the appropriation in item __, the department must by July 1, 1994 adopt rules that require AFDC recipients whose youngest child is at least one year old participate in the JOBS program. The department may waive the requirement for good cause.

The department must extend client follow up to six months for each participant leaving the JOBS program.

The department must certify to the Legislative Finance Committee by July 1, 1994 that it has:

- 1) developed a common referral and intake form for JOBS and JTPA;
- 2) developed a joint intake and assessment form with the eventual goal of creating a unified delivery system;
- 3) established a JOBS/JTPA Integration Council among the department, the Department of Labor and Industry, JTPA representatives, and JOBS program representatives, and other training and work programs including the Office of the Superintendent of Public Instruction;
- 4) conducted joint training of the various providers, including private industry councils, job service employees, and nonprofit corporations;
- 5) developed local service teams with procedures to refer problems outside their authority to the state level work group.

Expenditures may not be made the fiscal 1995 appropriation in items __ and __ unless the department has made the certifications.

The department must provide family planning information to AFDC applicants and recipients. The information must include the address and phone number of the local family planning provider as well as the specific services covered by medicaid.

The department is directed to contact the units of the university system to determine if students will voluntarily agree to assist the department in developing a clear, concise, and short description of AFDC provisions regarding earned income, transitional day care and medicaid benefits, job training benefits, and other benefits to support and assist their employment.

The department must adopt rules that exclude the housing allowance from consideration in calculating AFDC benefits for any AFDC client that has been receiving AFDC benefits monthly for more than two years, unless the client is employed, enrolled in a training program, or enrolled in high school or a secondary school.

The department is prohibited from transferring or delegating administration of the JOBS program to a contractor, unless the department demonstrates to the Legislative Finance Committee that such a transfer or delegation is a more cost effective than in-house administration of the program.

The department must provide the following information about the Montana AFDC population to the 54th Legislature by December 1, 1994:

- 1) the average length of time a client receives AFDC;
- 2) the percentage of the caseload that remains on AFDC by length of stay;
- 3) reported reasons that applicants are requesting AFDC benefits; and
- 4) reported reasons AFDC recipients no longer require AFDC benefits.

EXHIBIT 2
DATE 1-29-93
SB

LANGUAGE TO IMPLEMENT REDUCTIONS IF PRIMARY CARE MEDICAID CAPS ARE NOT ACHIEVED

By June 30, 1994, the Office of Budget and Program Planning must certify that the department has achieved a \$6,000,000 reduction in anticipated general fund expenditures for fiscal year 1995 below the appropriation in item _____. If the Office of Budget and Program Planning does not certify that the reduction is achieved, the fiscal 1995 appropriation in item ____ (health care block grants/medicaid expansion) is eliminated and the following reductions are made to the fiscal 1995 general fund appropriations for item ____, (AFDC grant) (\$517,133); item ____ (personal care home making services) (\$260,000); item ____ (outpatient hospital) (\$115,000); item ____ (nursing home rates) (\$90,000); item ____ (medically needy) (\$600,000); and item ____ (personal services) (\$250,000). The Office of Budget and Program Planning must retain documentation of the analysis it performed to support certification of the fiscal 1995 \$6,000,000 general fund reduction. The documentation must be available for review by the Office of the Legislative Auditor and the Office of the Legislative Fiscal Analyst.

Executive Budget Modifications

DATE 1-29-30

SB _____

Social & Rehabilitation Services

Budget Modification	P G	FTE	Fiscal 1994		FTE	Fiscal 1995		Committee Action
			General Fund	Total Funds		General Fund	Total Funds	
1 Local JOBS Match <i>passed</i>	01	0.00	\$0	\$1,100,000	0.00	\$0	\$1,650,000	
2 Food Stamp Outreach	01	0.00	0	157,349	0.00	0	157,349	
3 AFDC At-Risk Day-Care <i>passed</i>	01	0.00	0	1,176,774	0.00	0	1,176,774	
4 General Assistance Work Program	01	0.00	522,142	698,569	0.00	522,142	698,569	
5 GA Payment At 32% Of Poverty	01	0.00	(520,596)	(520,596)	0.00	(520,596)	(520,596)	
6 Daycare Administration To SRS	01	0.00	0	2,800,492	0.00	0	2,800,767	
7 Continue Non-Assumed Co. BA	03	6.00	0	170,787	6.00	0	170,888	
8 Restore 5% Reduction - A	03	10.25	0	236,323	10.25	0	236,792	
10 Additional FTE	05	14.00	0	0	14.00	0	0	
11 Increased Communication Costs	05	0.00	0	45,990	0.00	0	49,240	
12 Restore 5% Reduction - C	05	6.42	0	160,923	6.42	0	161,457	
14 Medicaid Managed Care	07	1.00	(1,059,198)	(3,850,244)	1.00	(1,387,072)	(4,858,840)	
15 Pyschiatric Utilization Review	07	0.00	(103,525)	(417,250)	0.00	(106,125)	(417,250)	
16 State Medical Cost Containment	07	0.00	75,000	75,000	0.00	75,000	75,000	
17 Medicaid Claims Processing	07	0.00	69,300	277,200	0.00	69,300	277,200	
18 Medically Needy Cost Savings	07	0.00	(1,691,500)	(639,509)	0.00	(1,691,500)	(639,509)	
20 Teams Facility Management	09	0.00	0	0	0.00	74,926	149,853	
20A Restore 5% Reduction - TDD	09	0.20	0	3,549	0.20	0	3,553	
22 MSED Administration	10	0.00	0	5,176	0.00	0	1,310	
23 MSED Benefits	10	0.00	0	459,614	0.00	0	116,288	
24 MonTECH Administration	10	0.00	0	6,098	0.00	0	6,403	
25 MonTECH Benefits	10	0.00	0	565,414	0.00	0	593,683	
26 Funding Switch	10	0.00	244,027	0	0.00	433,944	0	
28 Additional FTE	11	3.00	0	78,339	3.00	0	78,414	
29 Restore 5% Reduction - H	11	2.50	0	68,475	2.50	0	68,534	
Totals		43.37	(\$2,464,350)	\$2,658,473	43.37	(\$2,529,981)	\$2,035,879	

E: Items in this table are explained on pages B-55 to B-59 in the LFA Budget Analysis (Vol.II).

number and title of the items listed ties to the number and title of items discussed in the budget analysis.

... Racicot amendments to the Stephens budget removed budget modifications to reinstate general fund FTE removed to comply with section 13 of House Bill 2. Those budget modifications are not listed in this table.

DATE 1-29-93

Vacant FTE Removed from SRS Budget

Social & Rehabilitation Services

Reinstatement of FTE	P G	Fiscal 1994			FTE	Fiscal 1995		Committee Action
		FTE	General Fund	Total Funds		General Fund	Total Funds	
1 Assistance Payments	01	0.75	\$6,052	\$18,684	0.75	\$6,057	\$18,702	
2 Non-Assumed Counties Eligibility Staff	03	6.50	0	144,373	6.50	0	144,503	
3 Administrative and Support Services	04	3.00	22,520	40,036	3.00	22,164	40,446	
4 Child Support Enforcement	05	1.00	0	42,570	1.00	0	42,603	
5 State-Assumed Counties Eligibility Staff	06	2.50	30,758	30,684	2.50	30,872	30,773	
6 Medical Assistance	07	3.00	46,270	46,270	3.00	46,297	46,297	
7 Office of Management and Analysis	09	1.00	0	33,892	1.00	0	33,918	
8 Vocational Rehabilitation	10	3.00	19,934	73,653	3.00	19,951	73,715	
9 Developmental Disabilities Division	14	1.00	13,365	19,313	1.00	13,441	19,262	
10 DDPAC	15	<u>1.00</u>	<u>0</u>	<u>22,998</u>	<u>1.00</u>	<u>0</u>	<u>22,018</u>	
Totals		22.75	\$138,899	\$472,473	22.75	\$138,782	\$472,238	

NOTE: This table lists FTE vacant 12/29/92 and removed by the joint House Appropriations and Senate Finance and Claims committees. The executive is requesting reinstatement of these FTE.

THE AMOUNTS SHOWN IN GENERAL FUND AND TOTAL FUNDS COLUMNS ARE ESTIMATES. ANY SUBCOMMITTEE ACTION TO REINSTATE FTE SHOULD IDENTIFY THE FTE BY POSITION NUMBER AND LET THE BUDGET SYSTEM CALCULATE THE CORRECT PERSONAL SERVICES REDUCTION.

6901 01 00000

DEPT SOCIAL & REHAB SERVICES

Program Summary

Family Assistance

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	38.00	37.25	35.75	38.00	(2.25)	35.75	38.00	(2.25)
Personal Services	1,290,179	1,212,672	1,300,881	1,377,286	(76,405)	1,304,363	1,380,833	(76,470)
Operating Expenses	2,187,243	1,975,661	2,306,740	2,387,728	(80,988)	2,294,363	2,428,880	(134,517)
Equipment	40,983	72,195	52,738	52,895	(157)	52,738	53,046	(308)
Benefits and Claims	64,662,851	68,198,992	71,718,696	73,005,993	(1,287,297)	73,143,299	74,410,595	(1,267,296)
Transfers	<u>685,175</u>	<u>777,897</u>	<u>914,428</u>	<u>823,143</u>	<u>91,285</u>	<u>914,428</u>	<u>823,143</u>	<u>91,285</u>
Total Costs	\$68,866,433	\$72,237,417	\$76,293,483	\$77,647,045	(\$1,353,562)	\$77,709,191	\$79,096,497	(\$1,387,306)
Fund Sources								
General Fund	17,450,368	17,953,753	18,830,479	20,035,221	(1,204,742)	19,452,941	20,665,600	(1,212,659)
State Revenue Fund	835,331	878,656	934,855	934,855	0	953,354	953,354	0
Federal Revenue Fund	<u>50,580,734</u>	<u>53,405,008</u>	<u>56,528,149</u>	<u>56,676,969</u>	<u>(148,820)</u>	<u>57,302,896</u>	<u>57,477,543</u>	<u>(174,647)</u>
Total Funds	\$68,866,433	\$72,237,417	\$76,293,483	\$77,647,045	(\$1,353,562)	\$77,709,191	\$79,096,497	(\$1,387,306)

Page References

LFA Budget Analysis (Vol. II) pp. B-63 to B-66
 Stephens' Executive Budget pp. B-27, B-32 to B-34
 Racicot Executive Budget pp. 13 to 21

Current Level Differences

5% PERSONAL SERVICES REDUCTION--The joint House Appropriations and Senate Finance and Claims committees removed 2.25 FTE and associated personal services costs.

(77,957) (77,965)

CONTRACTED SERVICES--The executive includes lower contracted services costs than the LFA current level by the amounts shown. This difference results because the executive transfers administration costs for the Community Services Block grant to the regular program administration budget, while the LFA maintained the administration costs for CSBG at the current level in grant administration. The LFA double counts contracted services costs.

(82,120) (135,648)

MINOR DIFFERENCES IN OPERATING COSTS, EQUIPMENT, AND INFLATION

2,531 2,325

EMERGENCY ASSISTANCE--The Racicot budget includes an initiative to reduce emergency assistance by \$25,000 general fund each year of the biennium to reflect cost reductions expected due to a rule adopted by the department in December 1992. This initiative is discussed in the following section "Budget Modifications and Racicot Initiatives". The executive reduces general fund but does not reduce federal funds that also decline as state match falls.

(25,000) (25,000)

PROJECT WORK PROGRAM/UI ADMIN TAX MATCH--The executive budget replaces unemployment insurance administration tax appropriated as match for federal funds for project work with general fund. The LFA continues the UI admin tax match (\$89,722 each year) in the Department of Labor and Industry budget.

91,285 91,285

DAY CARE BENEFITS--The executive includes \$20,000 less general fund match for federal day care funds in fiscal 1994 due to an oversight.

(20,000)

JOBS PROGRAM GENERAL FUND MATCH--The LFA current level is only slightly different in total funds than the executive current level, however, the funding mix is different between the two budgets. The LFA current level includes \$16,738 less general fund in fiscal 1994 and \$15,995 less general fund in fiscal 1995 than the executive current level. The LFA current level uses the estimated FMAP (federal matching assistance percentage) rate of 28.98% general fund in fiscal 1994 and 29.5% general fund in fiscal 1995.

(4) (6)

AFDC BENEFITS GENERAL FUND --The executive current level is about \$1.8 million general fund lower each year of the due to changes included in the Racicot budget. Each of these separate changes is discussed under "Budget Modifications and Racicot Initiatives". The Executive Budget does not reduce federal and county funds that decline as state match declines.

(914,061) (914,061)

GENERAL ASSISTANCE BENEFITS--The executive current level general assistance benefits is lower than the LFA due to the two Racicot initiatives discussed in the following section.

(328,236) (328,236)

TOTAL CURRENT LEVEL DIFFERENCES

(1,353,562) (1,387,306)

OPERATIONS FUNDING—After adjustment for expenses that are either 100% general fund or federal funds, the balance of program operating, personal services, and equipment costs are funded 24.65% general fund in FY94 and 24.66% in FY95. The remainder of program administration costs are federally funded.

BENEFITS FUNDING— Most benefits are funded at 28.98% state funds in fiscal 1994 and 29.5% state funds in fiscal 1995. Non-assumed counties also contribute a portion of AFDC benefit costs (\$1.9 million over the 1995 biennium). General assistance benefits are 100% general fund and some benefits are fully federally funded.

PLEASE NOTE THAT THE RACICOT INITIATIVES ADOPTED BY THE SUBCOMMITTEE WILL BE REFLECTED IN CHANGES TO CURRENT LEVEL BENEFITS.

Budget Modifications and Racicot Initiatives

RESTRICT EMERGENCY ASSISTANCE— The department implemented new regulations December 1992 governing receipt of emergency assistance. The executive budget reduces general fund expenditures \$25,000 each year of the biennium due to the new guidelines.

(68,253) (68,253)

AFDC MINOR AT HOME— This initiative in the Racicot budget will require pregnant, unmarried minors to reside in the household of an adult parent or guardian, unless the minor can show good cause as to why she should not remain in the household. Parents of AFDC-eligible minors, not living in their parents' homes, would be identified and referred to child support enforcement. This initiative is estimated to reduce general fund expenditures by \$263,044 each year of the biennium.

(815,376) (810,325)

INCLUDE \$50 GOVERNMENT RENT— This initiative in the Racicot budget would reduce AFDC grants to households receiving subsidized housing benefits by \$50 each month. This initiative is estimated to reduce general fund costs by \$678,015 each month of the biennium.

(2,339,596) (2,298,356)

PAY EMPLOYABLES AFTER 20 DAYS— This initiative in the Racicot budget would require that employable GA recipients participate in 20 days of a work/training program before receiving GA benefits, each month they are eligible. Payments to employable GA recipients would be delayed one full month from the date of application or started in a training/work program. This initiative expands a rule adopted October 1992 by the department requiring employable GA recipients to participate in a work/training program for 20 days prior to receiving their first month of benefits.

(146,445) (146,445)

PRORATE CASH FROM DATE OF APPLICATION— This initiative in the Racicot budget would change payment of GA benefits to be consistent with AFDC and Food Stamp benefits. GA benefits would be prorated from the date of application, rather than giving the recipient a lump sum cash payment equal to what he or she would have received had the application been made the first day of the month.

(181,791) (181,791)

LOWER GA PAYMENT LEVEL— The executive budget proposed to lower GA payments to 32% of the federal poverty index and freeze the payment level. This action would reduce the average GA monthly benefits to \$163.33 from \$210.41.

(520,596) (520,596)

LOCAL MATCH IV-F JOBS— Additional federal funds are available for the JOBS program. Required matching funds (50%) would be local funding solicited by SRS.

1,100,000 1,650,000

FOOD STAMP OUTREACH— The Executive Budget includes a budget modification for federal funds to continue a program started by budget amendment.

157,349 157,349

AFDC AT-RISK DAY CARE— This budget modification would subsidize day care for persons who may be at risk of becoming AFDC recipients. The budget modification is federal funds, the executive proposes that day care funds appropriated to Department of Family Services be used as a match (28.98% in fiscal 1994 and 29.5% in fiscal 1995).

1,176,774 1,176,774

GENERAL ASSISTANCE WORK PROGRAM— This budget modification would expand the GA work program (PWP) by including: 1) chemical dependency counseling services at 10 of 12 PWP sites; 2) self-sufficient programs for GA recipients assessed as "employable with substantial barriers"; and 3) non-catastrophic medical services for GA recipients. The July 1992 special session limited state medical services to hospital, physician, and prescription drug services. This budget modification would fund other medical services (such as eyeglasses, hearing aids, and dental work) to GA recipients only if these services are necessary to remove barriers to employment. The general fund cost is \$522,142 each year.

698,569 698,569

DAY-CARE ADMINISTRATION TO SRS— The executive proposes to transfer federal day-care authority and the administration and rule-making for day-care services from DFS to SRS. DFS would remain responsible for day-care benefits related to child protective services. The Racicot budget includes an additional initiative related to this budget modification to transfer the day-care licensing function from DFS to DHES. This change will require legislation to designate SRS the state day-care agency and DHES the state day-care licensing agency.

2,800,492 2,800,767

Language and Other Issues

POSITIONS VACANT 12/29—The joint House Appropriations and Senate Finance and Claims committees removed .75 FTE vacant during December 1992.

24,736

24,760

HOUSE BILL 2 LANGUAGE—See attached.

LEGAL SERVICES CONTRACT—The department has proposed funding the contract for legal services to assist GA recipients in applying for social security disability benefits by offsetting federal benefits reimbursements with an accounting procedure called an abatement. This procedure allows the department to code revenue against expenditures, thereby "abating" expenditures. Abatement is a proper procedure when an expense is legitimately not a state expense. The department would need a letter from the federal Social Security Administration documenting that public assistance in aiding persons with SSI applications is a legitimate expense for federal reimbursement in order for the abatement procedure to be a correct, legitimate way for the department to account for such expenditures. The department does not at this time have such permission.

COMBINING WELFARE AND WORK—Proposal submitted by Judy Smith.

6901 07 00000

DEPT SOCIAL & REHAB SERVICES

Medicaid Services

Program Summary

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	46.50	44.50	44.50	46.50	(2.00)	44.50	46.50	(2.00)
Personal Services	1,501,365	1,386,275	1,593,018	1,665,735	(72,717)	1,596,970	1,669,771	(72,801)
Operating Expenses	3,508,257	3,476,104	4,231,360	4,092,755	138,605	4,347,713	4,088,707	259,006
Equipment	27,856	3,198	52,233	35,439	16,794	51,333	35,575	15,758
Benefits and Claims	244,542,704	254,635,095	318,151,305	319,941,976	(1,790,671)	352,753,613	354,583,135	(1,829,522)
Transfers	1,908,791	1,926,674	1,224,990	1,224,990	0	1,219,760	1,219,760	0
Total Costs	\$251,488,975	\$261,427,346	\$325,252,906	\$326,960,895	(\$1,707,989)	\$359,969,389	\$361,596,948	(\$1,627,559)
Fund Sources								
General Fund	60,702,428	60,753,737	78,566,822	79,475,980	(909,158)	88,991,604	90,301,776	(1,310,172)
State Revenue Fund	7,590,929	7,975,494	8,328,494	8,328,494	0	8,488,494	8,488,494	0
Federal Revenue Fund	183,195,617	192,698,115	238,357,590	239,156,421	(798,831)	262,489,291	262,806,678	(317,387)
Total Funds	\$251,488,975	\$261,427,346	\$325,252,906	\$326,960,895	(\$1,707,989)	\$359,969,389	\$361,596,948	(\$1,627,559)

Page References

LFA Budget Analysis (Vol. II) pp. B-71 to B-75
 Stephen's Executive Budget pp. B-39 to B-41
 Racicot Executive Budget pp. 13 to 21

Current Level Differences

5% PERSONAL SERVICES REDUCTION— The joint House Appropriations and Senate Finance and Claims committees removed 2.0 FTE and associated personal services costs.

(72,717) (72,801)

CONTRACTED SERVICES —The LFA includes \$24,466 more in contracted services than the executive for the executive for utilization acute care contract review in fiscal 1994. In fiscal 1995 the executive is about \$82,000 higher than the LFA current level for the following contracts in fiscal 1995.

(24,466)

1. Utilization review for long-term care. The executive includes inflationary increases the second year of the biennium while the LFA continues the fiscal 1994 amount forward.

40,000

2. Pharmacy consultants. The LFA increases this contract from \$3,150 to an annualized amount of \$10,000. The executive includes the amount originally budgeted for the contract.

43,800

RENT—The LFA inadvertently did not include rent in the fiscal 1995 budget.

13,923

EQUIPMENT—The LFA and executive both include replacement office and computer equipment and computer software. The executive includes an additional optical disc scanning system, 8 desks and chairs, and 2 personal computers above the LFA level.

16,794 15,758

OPERATING AND INFLATION DIFFERENCES—The executive has reduced its estimate of the contract for nurse aide registry about \$160,000 each year.

163,071 161,283

INSTITUTIONAL REIMBURSEMENT—The executive includes a lower estimated reimbursement to state institutions for the care of medicaid-eligible persons. Reimbursement is 100% federal funds. There are two issues:

1. The executive is lower due to the initiative to close the nursing and acute care facilities at Galen;

(717,346) (680,529)

2. However, the executive does not include the veterans' home in its estimates.

(73,281) (101,339)

PRIMARY CARE—The executive budget is about \$2 million lower in general fund primary care medicaid benefits than the LFA current level, reflecting all of the Racicot initiatives to reduce general fund. However, the executive budget does not include the accompanying reductions in federal funds resulting from these initiatives. Each Racicot initiative is discussed in the "Budget Modifications and Racicot Initiatives" section. However, initiatives adopted by the subcommittee will be recorded as adjustments to the current level primary care benefits budget.

(1,000,044) (1,047,654)

TOTAL CURRENT LEVEL COST DIFFERENCES

(1,707,989) (1,627,559)

FUNDING—Most operating costs, excluding contracted services, are funded 50% state funds and 50% general fund. Contracted services funding varies by contract. Some contracts that will not be continued in the 1995

biennium were funded at 10% state/90% federal. Contracts during the 1995 biennium range in funding from 25% state/75% federal to 50% state/50% federal.

EXHIBIT 4
DATE 1-29-93
CR

OPERATIONS FUNDING ISSUE— The LFA current level operating costs are funded at fiscal 1992 actual with 39.2% general fund and the balance federal funds. The executive current level is funded 40.56% general fund in fiscal 1994 and 40.42% general fund in fiscal 1995 with the balance from federal funds. If the subcommittee adopts the executive funding mix, the general fund percent increase for operating costs will range from 1.3% to 1.2%.

BENEFITS FUNDING— Most medicaid benefits are funded at 28.98% general fund in fiscal 1994 and 29.5% general fund in fiscal 1995 with the balance of program costs funded from the general fund. State special revenue (the 12-mill levy revenue from state-assumed counties) is budgeted in medicaid primary care benefits and is estimated to be about \$7.6 million each year. Reimbursements from child support collections are also deposited to state special revenue and are estimated to be about \$230,000 annually. Both sources of state special revenue are direct offsets to the general fund cost of medicaid primary care benefits. Some medicaid benefits are funded entirely from federal funds. State medical benefits are funded entirely from the general fund.

Budget Modifications and Racicot Initiatives

MEDICAID MANAGED CARE— This budget modification would expand managed care to medicaid recipients who are eligible for medicaid in the Supplemental Security Income eligibility category. The 1991 Legislature authorized a managed care system (designated Passport to Health by SRS) beginning in fiscal 1993 for AFDC-medicaid eligible recipients. This budget modification includes 1.0 FTE and \$495,062 for operating costs and estimates benefits savings of \$9,204,146, for a net savings of \$8,709,084 (\$2,446,270 general fund savings during the 1995 biennium).

(3,850,244) (4,858,840)

PSYCHIATRIC UTILIZATION REVIEW— This budget modification would fund an expansion of the current contract that provides reviews of inpatient psychiatric treatment provided to persons under 21 in inpatient psychiatric hospitals and residential facilities. Contractor review includes determinations of medical necessity and active treatment. The executive requests an increase of \$165,000 for this contract during the 1995 biennium and estimates benefits savings of \$1.0 million. The net savings is \$834,500 (\$219,650 general fund). Since the general fund medicaid match for this service is appropriated to the Department of Family Services, the general fund savings would occur in the DFS budget.

(313,725) (311,125)

STATE MEDICAL COST CONTAINMENT— This budget modification appropriates general fund to expand an existing contract that provides cost containment activities in the state medical program. Although the executive budget requests additional funding for cost containment, it does not reduce its estimate of state medical benefits costs.

75,000 75,000

MEDICAID CLAIMS PROCESSING — This budget modification funds increases in contracted services for processing medicaid and state medical claims. The additional funding would provide inflationary increases during the 1995 biennium.

277,200 277,200

MEDICALLY NEEDY COST SAVINGS — The executive proposes to permit medically needy recipients to become eligible for medicaid services at the beginning of the month by paying the spend down amount to the state, rather than paying for medicaid expenses during the month. The Stephens estimates that general fund expenditures will be reduced by about \$1.7 million each year of the biennium. Updated information allowed the Racicot amendments to the Stephens' budget to increase general fund savings of the initiative by \$640,649 each year of the biennium. The executive budget includes the budget modifications as expenditure reductions. However, the fiscal note for HB309 that implements the initiative lists cost increases of \$3.8 million (\$1.1 million general fund) over the biennium with offsetting revenue increases to the general fund of \$4.7 million. The executive also includes 1.0 FTE and \$85,031 personal services and operating costs over the biennium to implement the proposal.

(1,280,158) (1,280,158)

REIMBURSEMENT TO OUT-OF-STATE HOSPITALS— This budget modification would lower reimbursement to out-of-state hospitals. Some services provided by these hospitals are not available in Montana. The department reimburses billed charges with no discount. This change is estimated to reduce general fund expenditures by \$227,515 in fiscal 1994 and \$248,077 in fiscal 1995. These reductions in benefits costs are net of \$6,000 in operating costs in fiscal 1994 and \$3,000 in fiscal 1995 to implement the program.

(300,000) (300,000)

BID OXYGEN— The Racicot budget includes an initiative to issue a request for proposal to purchase oxygen from a single source or a limited number of sources. When the department bid provision of wheel chairs, it saved 25% on the cost of wheel chairs. The department estimates that it will save 15% on the cost of oxygen, reducing general fund costs by \$86,940 in fiscal 1994 and \$88,500 in fiscal 1995.

(155,072) (238,739)

REDUCE OUTPATIENT HOSPITAL REIMBURSEMENT TO 93% AND 98.8%— The Racicot budget proposes to reduce reimbursement for outpatient hospital costs to 98.8% for sole community hospitals and 93% for those hospitals that are not sole community hospitals. The department estimates that this modification will reduce general fund costs by \$44,940 in fiscal 1994 and \$70,428 in fiscal 1995.

BROAD BASE NURSING HOME BED TAX— The Stephens' Executive Budget includes an initiative to levy

the nursing home bed tax on all beds. The 1991 Legislature approved the bed tax for beds paid for by third party payors (medicaid, medicare, and private insurance). Federal law requires broad basing such taxes or federal funds to match bed tax revenue will be withheld. The Stephens' budget includes increased bed days; however, the tax revenue generated will exceed the cost of the anticipated increase in nursing home bed days.

EXHIBIT

DATE

1-29-93

SB

Language and Other Issues

POSITIONS VACANT 12/92—The joint House Appropriations and Senate Finance and Claims committees removed 3.0 FTE vacant December 1992.

(92,540)

(92,593)

APPROPRIATION TRANSFER FLEXIBILITY—The department has requested flexibility to move funds between benefits and operating costs. The subcommittee may wish to consider language directing when such transfers are appropriate.

LINE ITEM APPROPRIATION FOR MEDICAID HOSPITAL BENEFITS—The Montana Hospital Association has requested that the subcommittee consider splitting medicaid hospital benefits from the primary care appropriation. The line item appropriation would include inpatient and outpatient hospital costs.

NURSING HOME AGREEMENT/RATE INCREASE—The executive budget does not include funds to support a negotiated increase for nursing home reimbursement. The initiative to broad base the nursing home bed tax will not generate sufficient revenue to cover the negotiated increases. Alternatives the subcommittee may consider are:

1. Appropriate funds to cover the negotiated increase and endorse no revenue enhancements;
2. Appropriate funds to cover the negotiated increase and endorse an increase in the proposal to broad base the bed tax (the department estimates that an increase of 55 cents per day per bed would offset the negotiated increase);
3. Request the department identify sufficient savings or cost reduction measures to offset the increase;
4. Take no action.

A part of the negotiated increase is estimated to cost \$983,654 general fund and \$2,410,597 in fiscal 1994 and \$1,001,304 general fund and \$2,392,947 federal funds in fiscal 1995. Additional federal funding

HOUSE BILL 2 LANGUAGE—The language included in House Bill 2 by the 1991 Legislature is attached.

6901 09 00000

DEPT SOCIAL & REHAB SERVICES

Program Summary

Office Of Mgmt. Analy & Syst

SB _____

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	39.25	38.00	36.10	39.00	(2.90)	36.10	39.00	(2.90)
Personal Services	1,193,177	1,113,747	1,251,661	1,294,989	(43,328)	1,255,173	1,298,591	(43,418)
Operating Expenses	6,774,457	7,050,622	7,008,883	7,245,477	(236,594)	6,917,698	7,050,066	(132,368)
Equipment	<u>71,720</u>	<u>89,591</u>	<u>89,250</u>	<u>89,267</u>	<u>(17)</u>	<u>87,493</u>	<u>87,527</u>	<u>(34)</u>
Total Costs	\$8,039,354	\$8,253,960	\$8,349,794	\$8,629,733	(\$279,939)	\$8,260,364	\$8,436,184	(\$175,820)
Fund Sources								
General Fund	2,175,607	2,505,907	2,470,404	2,837,998	(367,594)	2,404,244	2,764,508	(360,264)
State Revenue Fund	689,880	896,011	1,170,016	1,115,207	54,809	1,263,850	1,130,968	132,882
Federal Revenue Fund	<u>5,173,866</u>	<u>4,852,042</u>	<u>4,709,374</u>	<u>4,676,528</u>	<u>32,846</u>	<u>4,592,270</u>	<u>4,540,708</u>	<u>51,562</u>
Total Funds	\$8,039,354	\$8,253,960	\$8,349,794	\$8,629,733	(\$279,939)	\$8,260,364	\$8,436,184	(\$175,820)

Page References

LFA Budget Analysis (Vol. II) p. B-77 to B-78
 Stephens' Executive Budget p. B-43

Current Level Differences

5% PERSONAL SERVICES REDUCTION—The joint House Appropriations and Senate Finance and Claims committees removed 2.9 FTE and associated personal services costs.

(58,439) (58,542)

OVERTIME—The executive includes overtime while the LFA current level does not.

15,541 15,554

NETWORK FEES—The executive includes \$84,800 more in fiscal 1994 and \$117,000 more in fiscal 1995 to pay fees to connect personal computers in county and regional offices to the state mainframe computer. The difference is due to:

1. Transfer of current level expenditures from the Child Support Enforcement Division; and
2. Expansion for SEARCHS.

64,320 64,320
21,480 52,680

COMPUTER PROCESSING COSTS FOR TEAMS—The LFA current level funds the annualized level of charges for TEAMS. The executive budget mistakenly reduces operating costs to reflect the funding shift proposed in the Racicot budget that shifts general fund costs to county funds. The expenditures will not decrease but the funding mix will change. (The difference between computer processing charges and the rate deflation for these expenditures—see following issue—net to \$350,000 per year.)

(500,000) (564,516)

DEFLATION DIFFERENCES—Since the LFA and executive budget include different amounts for computer processing charges there are differences in deflation for this expenditure.

150,000 214,516

TDD OPERATING COSTS—The Telecommunications Devices for the Deaf program is administratively attached to SRS. Its budget is included in this program. The LFA current level is based on estimated revenues available during the 1995 biennium. The LFA fiscal 1994 current level is about \$100,400 higher than fiscal 1992 actual expenditures and about \$149,000 higher in fiscal 1995. The LFA current level is adjusted to maintain expenditures within available revenues. A higher expenditure level will reduce the fund balance.

26,670 99,196

MINOR DIFFERENCES IN OPERATING AND EQUIPMENT COSTS

489 972

TOTAL CURRENT LEVEL DIFFERENCES

(279,939) (175,820)

FUNDING—Program administration costs are funded 37.98% general fund, 4.31% state special revenue (county funds), and 55.61% federal funds. SEARCHS program administration, data network fees, and computer processing charges are funded 34% state special revenue and 66% federal funds. TEAMS administration costs are funded 50% general fund and 50% federal funds and TEAMS computer processing is funded 35% general fund and 65% federal funds. TDD is funded from state special revenue (income from a fee of 10 cents per month per telephone).

FUNDING ISSUE—The Racicot budget proposes to shift \$350,000 of general fund costs for TEAMS computer processing costs and personal computer network fees to non-assumed counties. There will be no change in the

Exec. Over(Under) LFA
 Fiscal 1994 Fiscal 1995

LFA current level budget, but general fund would decline by \$350,000 each year and county funds would increase by a like amount if the subcommittee adopts this initiative. (TEAMS computer processing costs and network fees are funded 35% from the general fund and 65% from federal funds.)

EXHIBIT 34

DATE 1-29-93

SB

Budget Modifications

TEAMS FACILITIES MANAGEMENT—This budget modification funds a 5.76% increase in the contract to maintain and update TEAMS. The rate increase is effective for the last 11 months of fiscal 1995. The budget modification is funded 50% from general fund and 50% from federal funds.

149,853

REINSTATE 5% REDUCTION—The Racicot budget includes budget modifications to reinstate non-general fund FTE removed to comply with section 13 of House Bill 2. This budget modification reinstates 0.2 FTE removed from the TDD program.

3,549

3,553

TDD RELAY RATE INCREASE—The Racicot budget includes funds for a rate increase for the relay service provided under contract by AT&T. The contract was recently renegotiated to increase by the amount of increase in the consumer price index for the Pacific Northwest. This issue is not included in the printed Racicot budget.

60,800

86,900

Language and Other Issues

POSITIONS VACANT 12/92—The joint House Appropriations and Senate Finance and Claims committees removed 1.0 vacant FTE from the SEARCHS program.

33,892

33,918

HOUSE BILL 2 LANGUAGE—It is the intent of the legislature that annualized expenses for operation of SEARCHS not exceed \$1,500,000. This amount includes expenses for a facilities management contracting that may be utilized for system operations, computer processing costs directly associated with operation of the system, and other personal services and nonpersonal services costs directly charged to the management and operation of the system. The department may not proceed with development of SEARCHS until it has demonstrated to the satisfaction of the Governor's Office of Budget and Program Planning and to the Legislative Finance Committee that the projected annualized operational costs of the system will not exceed the limit imposed in this statement of intent.

6901 14 00000

DEPT SOCIAL & REHAB SERVICES

Program Summary

Developmental Disab Program

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	41.25	43.25	42.75	44.25	(1.50)	42.75	44.25	(1.50)
Personal Services	1,252,550	1,373,145	1,468,664	1,519,276	(50,612)	1,471,430	1,522,082	(50,652)
Operating Expenses	301,116	308,945	312,376	304,992	7,384	316,299	306,794	9,505
Equipment	14,484	10,081	13,052	13,052	0	12,902	12,902	0
Grants	19,308	16,000	19,000	19,000	0	19,000	19,000	0
Benefits and Claims	28,178,262	33,231,137	35,769,308	34,792,162	977,146	35,769,308	34,792,162	977,146
Total Costs	\$29,765,722	\$34,939,308	\$37,582,400	\$36,648,482	\$933,918	\$37,588,939	\$36,652,940	\$935,999
Fund Sources								
General Fund	11,804,682	13,840,737	15,321,147	15,290,440	30,707	15,636,754	15,531,404	105,350
Federal Revenue Fund	17,961,040	21,098,571	22,261,253	21,358,042	903,211	21,952,185	21,121,536	830,649
Total Funds	\$29,765,722	\$34,939,308	\$37,582,400	\$36,648,482	\$933,918	\$37,588,939	\$36,652,940	\$935,999

Page References

LFA Budget Analysis (Vol. II) p. B-82 to B-83
Stephens' Executive Budget p. B-47 to B-48

Current Level Differences

5% PERSONAL SERVICES REDUCTION—The joint House Appropriations and Senate Finance and Claims committees removed 1.5 FTE and associated personal services costs.

(50,611) (50,658)

RENT—The executive includes a higher amount for rent of non-Department of Administration buildings than does the LFA.

5,906 7,769

OTHER OPERATING AND INFLATION DIFFERENCES

1,477 1,742

BENEFIT LEVEL—The LFA has a lower total level of benefits than the executive. The LFA annualized program expansions authorized by the 1991 Legislature using the 1993 appropriation as a base. The executive annualized benefit expansions using the fiscal 1992 actual expenditures. The LFA current level also reduced federal authority for which the department did not receive cash grants in fiscal 1992, because the department can request a budget amendment if it receives new or additional federal funding above the level anticipated by the legislature. The executive continues the fiscal 1992 level of federal authority. The department notes that in fiscal 1993 it has received an additional \$283,028 in federal authority above the fiscal 1992 level of expenditures for the Part H program.

977,146 977,146

TOTAL CURRENT LEVEL DIFFERENCES

933,918 935,999

BENEFITS FUNDING MIX —The LFA general fund is lower as a percent of benefits than the executive current level. Both the executive and LFA include general fund to offset the drop in the LIAEP grant amount that can no longer be transferred to the program (\$635,196 in fiscal 1994 and \$862,436 in fiscal 1995). However, the LFA continues the fiscal 1993 general fund match forward, adjusting for annualization of benefit expansions in fiscal 1993. The executive uses the estimated general fund medicaid match rate for fiscal 1994 and 1995. So the executive general fund amount is higher due to a larger amount of federal funds to match and a higher match rate than the LFA.

General fund differences:

62,140 135,570

Federal funds differences:

915,006 841,576

ADMINISTRATION FUNDING—Program administration is a mix of funding depending on the function, with general fund comprising 40.9% in fiscal 1994 and 41.1% in fiscal 1995 and the balance of administration costs federally funded.

BENEFITS FUNDING—Some benefits are 100% federally funded and some are fully state funded.

Medicaid-eligible benefits require a state match at the FMAP rate. Part H requires the state to fund 100% of the required services once federal grant funds are expended.

Budget Modifications

DD CASE MANAGEMENT—The executive proposes to transfer DD case management from the Department of Family Services to SRS. The executive will discuss the proposal in more detail during the hearings for the Department of Family Services.

EXHIBIT

DATE 1-29-93

SB

Language and Other Issues

POSITIONS VACANT 12/92—The joint House Appropriations and Senate Finance and Claims committees removed 1.0 vacant FTE.

32,678

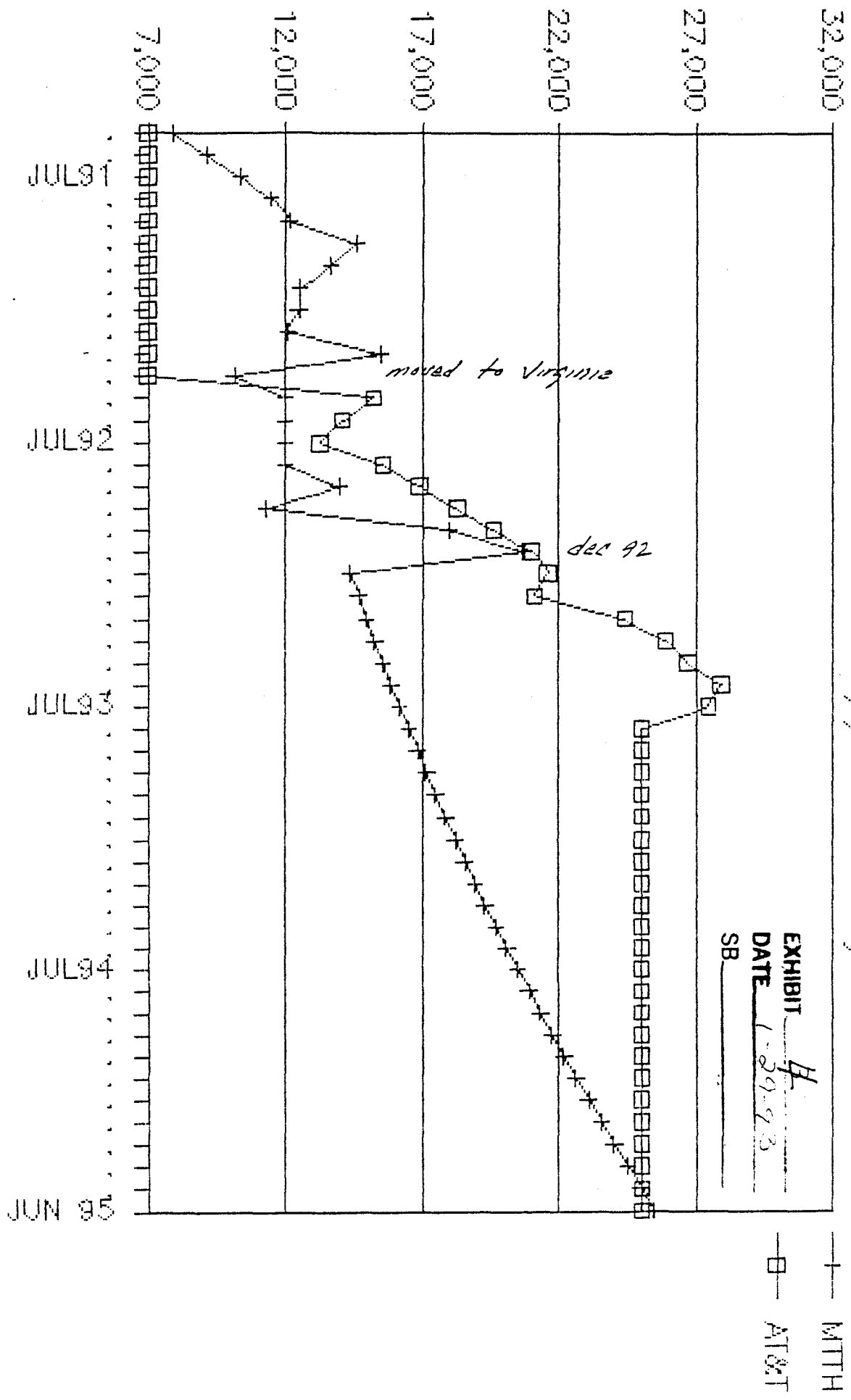
32,703

HOUSE BILL 2 LANGUAGE—The department may pursue funding OF ANY OR ALL EXISTING ELIGIBLE STATE GENERAL FUNDED SERVICES under the federal ICF/MR program for additional intensive service slots funded by the 1991 Legislature if the federal government fails to approve adequate medicaid waiver funding under the home and community-based waiver program.

5 copies

MONTANA TELEPHONE RELAY SERVICE

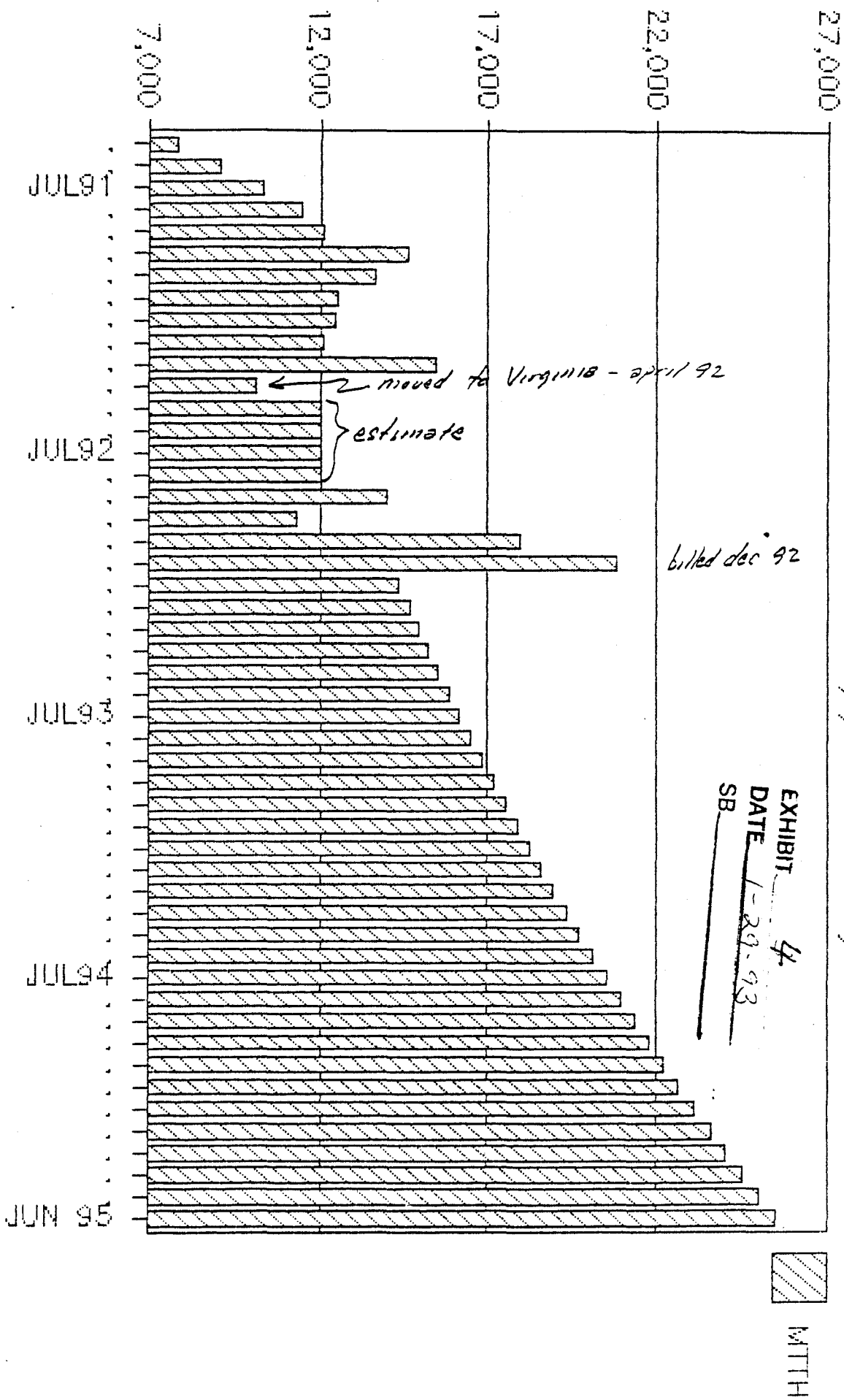
actual thru dec 92 // est thru june 95



relay traffic projections

MONTANA TELEPHONE RELAY SERVICE

billed thru dec 92 // est thru june 95



relay traffic projections

BUDGET.TDD\95BIE1 (08.15.92)

BUDGET.TDD\95BIE1a (01.05.93)

AT&T DPRS CONTRACT EXTENSION PROPOSAL
RATE PER COMPLETED MINUTE SCHEDULE

PER MONTH

(8.8.92)

(original 95 biennial request)

NEW AT&T DPRS CONTRACT EXTENSION RATE
(RATE PER COMPLETED MINUTE)

PER MONTH

(01.05.93)

(modified 95 biennial request/based on 2% growth in traffic)

	MINUTES INCREASE @ 3% p/mo	@ CURR YEAR RATE	SUB TOTALS	OUTREACH EDUCATION	SUB TOTALS	11	MINUTES INCREASE @ 2% p/mo	@ REVISED NEW RATE	SUB TOTALS	OUTREACH EDUCATION	SUB TOTALS
JULY/93	18,357	\$15,603		\$4,038		11JULY/93	16,170	\$20,698		\$3,557	
AUGUST	18,907	\$16,071		\$4,160		11AUGUST	16,493	\$21,112		\$3,629	
SEPTEMBER	19,475	\$16,553		\$4,284		11SEPTEMBER	16,823	\$21,534		\$3,701	
OCTOBER	20,059	\$17,050		\$4,413		11OCTOBER	17,160	\$21,965		\$3,775	
NOVEMBER	20,661	\$17,562		\$4,545		11NOVEMBER	17,503	\$22,404		\$3,851	
DECEMBER	21,280	\$17,450		\$4,682		11DECEMBER	17,853	\$22,852		\$3,928	
JANUARY	21,919	\$17,973		\$4,822		11JANUARY	18,210	\$23,309		\$4,006	
FEBRUARY	22,576	\$18,513		\$4,967		11FEBRUARY	18,574	\$23,775		\$4,086	
MARCH	23,254	\$19,068		\$5,116		11MARCH	18,946	\$24,251		\$4,168	
APRIL	23,951	\$19,640		\$5,269		11APRIL	19,325	\$24,736		\$4,251	
MAY	24,670	\$20,229		\$5,427		11MAY	19,711	\$27,596		\$4,336	
JUNE	25,410	\$20,836	\$216,549	\$5,590	\$57,314	11JUNE	20,105	\$28,148	\$282,377	\$4,423	\$47,712
JULY/94	26,172	\$21,461		\$5,758		11JULY/94	20,508	\$28,711		\$4,512	
AUGUST	26,957	\$22,105		\$5,931		11AUGUST	20,918	\$29,285		\$4,602	
SEPTEMBER	27,766	\$22,768		\$6,109		11SEPTEMBER	21,336	\$29,871		\$4,694	
OCTOBER	28,599	\$23,163		\$6,292		11OCTOBER	21,763	\$30,468		\$4,788	
NOVEMBER	29,457	\$23,798		\$6,481		11NOVEMBER	22,198	\$31,077		\$4,884	
DECEMBER	30,341	\$24,452		\$6,675		11DECEMBER	22,642	\$31,699		\$4,981	
JANUARY	31,251	\$25,126		\$6,875		11JANUARY	23,095	\$32,333		\$5,081	
FEBRUARY	32,189	\$25,820		\$7,081		11FEBRUARY	23,557	\$32,979		\$5,182	
MARCH	33,154	\$26,534		\$7,294		11MARCH	24,028	\$33,639		\$5,286	
APRIL	34,149	\$27,270		\$7,513		11APRIL	24,508	\$34,312		\$5,392	
MAY	35,173	\$28,026		\$7,738		11MAY	24,999	\$34,998		\$5,500	
JUNE/95	36,228	\$28,800	\$280,621	\$7,970	\$81,716	11JUNE/95	25,499	\$35,698	\$385,069	\$5,610	\$80,511
TOTAL	631,955		\$497,170		\$139,030	11TOTAL	491,924		\$667,447		\$108,223
AVERAGE			\$20,715		\$5,793	11AVERAGE			\$27,810		\$4,509

assume: base of 12,500 minutes p/mon june 92
relay traffic growth at 3% p/mon
current contract term rates apply
outreach terms at .22 p/min

assume: base of 12,500 minutes p/mon june 92
relay traffic growth at 2% p/mon
new contract term rates apply
outreach terms at .22 p/min

95bie(a)
01.29.93

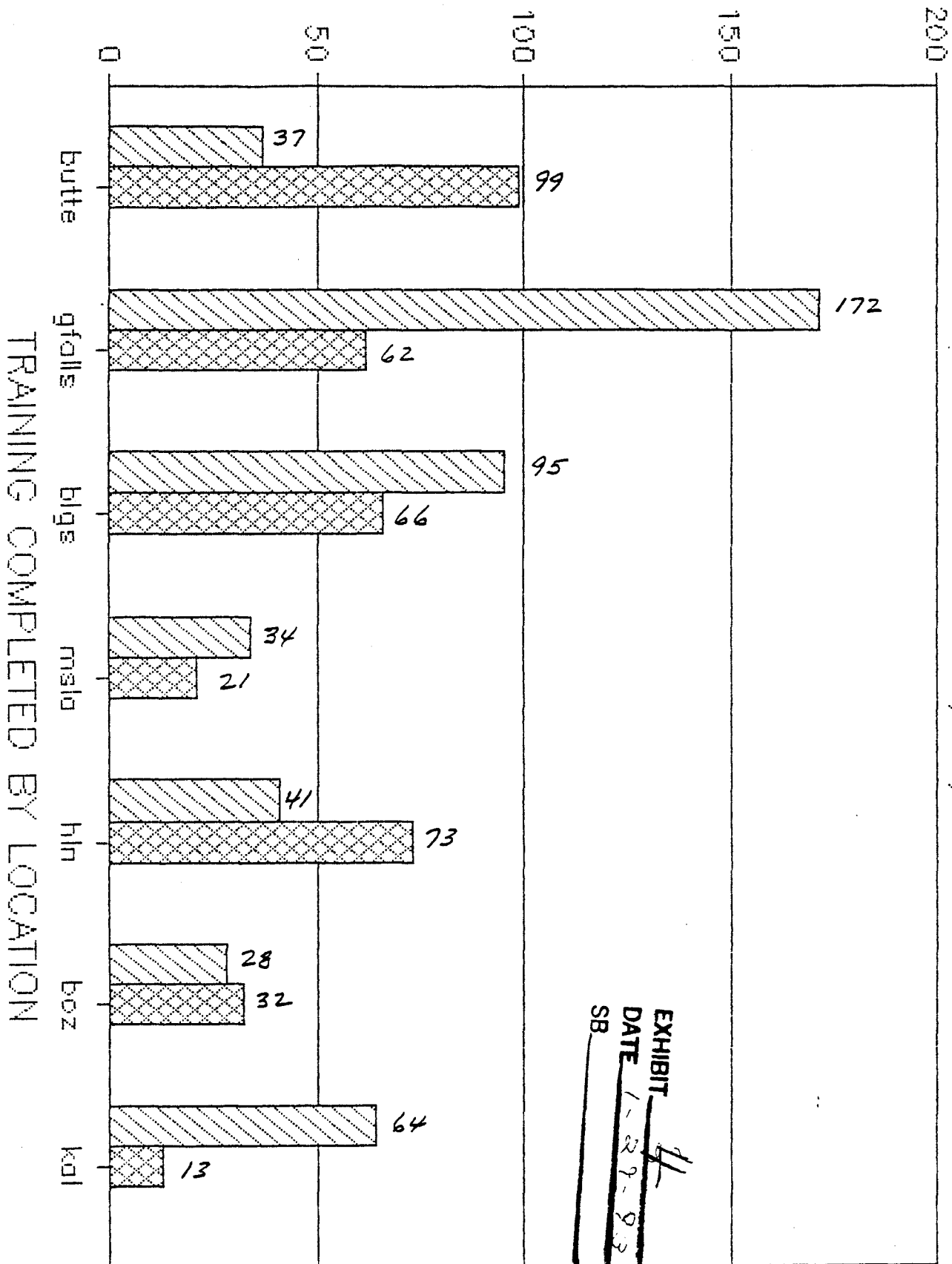
MONTANA COMMITTEE ON TELECOMMUNICATION SERVICES FOR THE TELEPHONE IMPAIRED
JULY 1, 1989 THRU JUNE 30, 1995

1.29.93
(modified 1.6.93)

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS		FY90	FY91	I	FY92	FY93	FY94	FY95
		(actual) 7/89 to 6/90	(actual) 7/90 to 6/91	I	(actual) 7/91 to 6/92	(budget) 7/92 to 6/93	(request) 7/93 to 6/94	(request) 7/94 to 6/95
Reporting Periods								
Receipts	Begin Fund Balance		307,668	I	503,147	589,843	502,013	379,361
	Fee Assessment Collections	319,354	445,521	I	460,239	460,370	460,370	460,370
	Total Funds Available	319,354	753,189	I	963,386	1,050,213	962,383	839,731
Expenses	Personal Services		67,694	I	89,833	92,000	96,796	96,996
	Other Services	3,257	9,914	I	19,620	20,000	40,815	40,867
	Supplies	250	5,959	I	3,529	3,600	5,269	5,406
	Communications	170	2,739	I	6,267	7,000	6,042	5,997
	Travel	5,322	10,803	I	13,562	19,000	13,679	14,020
	Rent		5,801	I	8,566	8,600	9,153	9,399
	Repairs/Maintenance	492	572	I	815	900	859	883
	Other Expenses	40	458	I	2,336	2,400	2,488	2,520
	Equipment	2,155	146,102	I	73,110	70,000	72,832	71,375
	Relay Service (2 2% growth)			I	135,986	275,300	282,377	385,069
	Outreach			I		44,400	47,712	60,511
	Indirect Cost (SRS)			I	4,462	5,000	5,000	5,000
	Prior Year			I	15,457			
	Total Operating Expenses	11,686	250,042	I	373,543	548,200	583,022	698,043
Balance	Year Ending Fund Balance	307,668	503,147	I	589,843	502,013	379,361	141,688
						552,000	409,400	191,700
Receipts by Telephone Company	Blackfoot Telephone Cooperative, Inc.	3,211	5,696	I	5,987	6,000	6,000	6,000
	General Telephone	5,291	8,375	I	8,437	8,400	8,400	8,400
	Hot Springs Telephone Company	444	598	I	621	600	600	600
	Interbel Telephone	446	1,219	I	1,194	1,200	1,200	1,200
	Lincoln Telephone Company, Inc.	609	840	I	891	900	900	900
	Mid-Rivers Telephone Cooperative, Inc.	4,692	6,303	I	6,341	6,300	6,300	6,300
	Mtn Bell/US West	253,629	345,763	I	354,032	354,000	354,000	354,000
	Newmont Telephone Cooperative, Inc.	1,925	2,526	I	2,502	2,500	2,500	2,500
	Northern Telephone	1,112	1,502	I	1,499	1,500	1,500	1,500
	Northwestern Telephone	31,307	43,884	I	49,471	49,500	49,500	49,500
	Project Telephone	2,163	2,972	I	3,028	3,000	3,000	3,000
	Range Telephone		3,102	I	2,954	3,000	3,000	3,000
	Reservation Telephone	23	31	I	31	30	30	30
	Ronan Telephone Company	1,941	2,665	I	2,755	2,800	2,800	2,800
	Southern Montana Telephone Company	515	716	I	761	800	800	800
	Triangle Telephone Cooperative Associati	4,673	9,395	I	9,480	9,500	9,500	9,500
	Valley Rural Telephone Cooperative	606	834	I	870	900	900	900
	West River Cooperative Telephone Company	35	45	I	42	40	40	40
	3 Rivers Telephone Cooperative, Inc.	6,732	9,055	I	9,343	9,400	9,400	9,400
	Total Annual Receipts	319,354	445,521	I	460,239	460,370	460,370	460,370

MONTANA EQUIPMENT DISTRIBUTION SUMMARY

thru 01/29/93



TRAINING COMPLETED BY LOCATION

EXHIBIT 4
DATE 1-29-93
SB

TOD
471
AIMP
366
837
170
667

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Shuman Shuman

COMMITTEE

BILL NO. _____

DATE 1-29

SPONSOR(S) _____

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Bob McLACHLIN	HAVER HRC		
Dan Shea	MLTC ^{Repeal the} _{Clinton} Amendment		
Cristina Medina	MLIC		
Krista Hollman	Medicaid Waiver		
Rob Carver	MPS		
Susan Mann	Medicaid Waiver		
Barbara Foley	Medicaid Waiver		
Alvin B. Swartzel	GAAP		
Linus Carleton	SRS/CSED		
Penny Robbe	SRS		
Roger LaVoie	"		

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