

MINUTES

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

JOINT SUBCOMMITTEE ON INSTITUTIONS & CULTURAL EDUCATION

Call to Order: By REP. ED GRADY, Chairman, on February 11, 1993,
at 7:00 AM

ROLL CALL

Members Present:

Rep. Ed Grady, Chair (R)
Sen. Eve Franklin, Vice Chair (D)
Sen. Gary Aklestad (R)
Sen. Tom Beck (R)
Sen. J.D. Lynch (D)
Rep. Red Menahan (D)
Rep. Linda Nelson (D)

Members Excused: NONE

Members Absent: NONE

Staff Present: Sandra Whitney, Legislative Fiscal Analyst
Mary LaFond, Office of Budget & Program Planning
Judy Murphy, Committee Secretary

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

Committee Business Summary:

Hearing: NONE
Executive Action: SUPPLEMENTALS FOR DCHS

Sandra Whitney, Legislative Fiscal Analyst explained to the committee that supplementals are amounts of money the department will need to finish out this fiscal year. The budget modifications are items the department will need in addition to the current level budget for the FY '94-'95 biennium. The supplementals are for FY '93 and the modifications are for FY '94 & '95. EXHIBIT 1

EXECUTIVE ACTION ON SUPPLEMENTALS FOR DCHS

Tape No. 1:A

Motion: SEN. TOM BECK made the motion to accept the original supplemental of \$3,570,239.

Questions, Responses, and Discussion:

Rick Day, Department of Corrections and Human Services Administrator, explained the information which his department put together at the committee's request. **EXHIBIT 2**

SEN. GARY AKLESTAD asked why the projection is higher in the original supplemental?

Mr. Day said \$700,000 was a carryover from last fiscal year in other budget categories. The workers' comp caused some of the increase.

SEN. AKLESTAD asked what part of workers' comp is included in this amount?

Pam Joehler, Central Service Division, explained the \$2.5 million in the original column includes the increase effective through July 1993. In the additional column there was an increase in the July projection and some increase in January. **EXHIBIT 1**

SEN. J.D. LYNCH asked if the committee had received the handout showing the \$3.57 million in inmate medical?

Ms. Joehler said the department has a biennial medical appropriation set by the '91 legislature of \$1.8 million dollars. Through the end of FY 1992 the department had spent \$1.3 million of the \$1.8 million and by the end of December the department had spent \$591,000.

SEN. LYNCH asked if between January 1993 and July 1993 the department will need \$1.4 million?

Ms. Joehler said the department is running 50% ahead of year-to-date expenditures this year as compared to one year ago.

SEN. BECK said even with the original modification the department will need between \$700,000 to \$800,000.

SEN. AKLESTAD believes the committee needs to give the department some direction on the spending of the medical budget.

SEN. BECK said the committee cut the department's medical budget last session and the problem is still there.

Mr. Day said the department has been working on solutions to the medical situation. They are working with Blue Cross/Blue Shield in trying to save money. The solutions will be a medical policy whereby the doctor at each institution will be put in charge of his medical budget, there will be a utilization review of managed care and services already provided and the department will look at the set rate doctors receive which is controlled by BC/BS.

SEN. AKLESTAD asked what the date was when the department felt

they would need supplementals for FY '92-'93?

Mr. Day said he became aware of the need in December.

Ms. Joehler said the department made the projection for the medical supplemental a year ago at special session one and the department was told to come back in regular session. The remainder of the supplemental, the short fall to workers' comp was realized in August. The official request was made to the budget office in October.

SEN. AKLESTAD feels it is hard to justify some of the supplementals.

Mr. Day has sent direction to the department managers to work within their existing budgets. He feels better judgement needs to be used by managers. There will be policies developed to deal with budgets.

SEN. BECK asked if the committee gave the department any supplements in the July special session?

Ms. Joehler said there were none in July but there were in the January special session. In January special Session one the trials had not begun. There were trial costs relating to the Gollehon-Turner trial, inmate variable costs and the DD program.

SEN. BECK feels the reason for the supplemental is because of the cost of workers' comp.

SEN. LYNCH said in the medical handout MSH is a vendor and they received \$65,000. He asked what the \$65,000 covers?

Mr. Day said the supplies, service and equipment are for specific programs. As the inmates receive these services at MSP the fees for these services are charged back against the prison budget.

Ms. Joehler told the committee the \$65,000 is deposited to the general fund.

Vote: The motion **CARRIED** unanimously:

Questions, Responses, and Discussion:

SEN. BECK asked what would happen if the committee did not pass the \$1.7 million?

Mr. Day said the programmatic implications include closing the SRFC, the Missoula and Billings pre-release centers, MSP and WS expansion unit and Rothe Dorm; laying off most program support staff at MSP (counselors, teachers, clergy, data processing, and related administrative support, approximately 53 FTE); and reducing the probation and parole staff by one-fourth. The

corrections system would also have to release 180-200 low-security inmates in order to reduce correctional officers at MSP.
EXHIBIT 1 page 2

SEN. LYNCH asked if this money was already spent by the department?

Mr. Day said the \$1.7 million is a projected amount for the remainder of the biennium.

SEN. LYNCH feels something has to be cut from the original supplementals. The medical expenses are out of hand.

Mr. Day believes he can put in some controls which will be savings of thousands of dollars but he only has a short time to do this. He hopes the controls will help with the medical budget.

CHAIRMAN GRADY feels the committee can give the department some help controlling the medical expenses which will be for the next biennium. If the committee cuts the department's supplementals they will have to take the medical expenses out of the budget in other areas.

SEN. AKLESTAD asked if the workers' comp and medical expenses are department-wide?

Mr. Day said the medical is just for the corrections department but workers' comp is for the whole department.

SEN. AKLESTAD said the committee is looking at a total budget for FY 1992-1993 of \$175 million, the LFA has \$190 million, and the executive budget has \$186 million. He said the committee is looking at a total budget of \$185 to \$190 million. He said this is \$15 million higher than the budget was 18 months ago.

SEN. BECK asked why the management audit cost was not included in the original budget?

Mr. Day explained the audit cost was due to the prison riot.

SEN. AKLESTAD feels the committee should wait and look at the whole budget before any action is taken.

SEN. BECK feels the department cannot do anything regarding the workers' comp expense. The trial costs are there due to the riot and nothing can be done about those costs at this time.

Motion/Vote: **SEN. LYNCH** made the motion to change the medical funding from \$698,800 to \$448,800 for the next six months. The motion **CARRIED** unanimously.

Questions, Responses, and Discussion:

SEN. LYNCH asked if the increase in drugs is just a fact of life? He asked how much is spent on drugs?

Mr. Day told the committee the department spent \$272,000 on drugs in FY 1992.

Ms. Joehler explained that \$131,645 was the additional projection for drugs in the corrections department.

Motion/Vote: SEN. LYNCH made the motion to change the additional drug funding from \$131,645 to \$100,000 for the next six months. The motion CARRIED unanimously.

Motion/Vote: SEN. BECK made the motion to accept the \$1,420,019 which remains in the department budget after the cuts are made in the above motions. The motion CARRIED 6 to 1 with Sen. Aklestad voting no.

Questions, Responses, and Discussion:

Mr. Day explained the Legislative Contract Authority. The biennial appropriations are subject to the following conditions:

1. LCA applies only to federal funds.
2. LCA expenditures must be reported on state accounting records, and the records must be separate from current level operations.
3. A report must be submitted by the Department of Corrections and Human Services to the legislative fiscal analyst following the end of each fiscal year of the biennium and must include a listing of projects with the related amount of expenditures for each project.

EXHIBIT 1 page 1

Motion: REP. RED MENAHAN made the motion to approve LCA for the department's budget amendments and to include reporting language.

Questions, Responses, and Discussion:

Ms. Whitney said she has been in contact with the budget office and the LCA which is being requested by agencies is to be placed in the main appropriations act, HB 2. If this authority is not enough the departments will still have to come in for budget amendments.

SEN. AKLESTAD asked why this would not be enough?

Ms. Whitney said the agencies may receive more in federal grants than what the LCA would cover. They would then need to ask for budget amendments.

SEN. AKLESTAD asked if these funds are scheduled?

Mr. Day said they are anticipating these amounts because they know about these grants.

SEN. AKLESTAD asked if there are matching funds for these dollars?

Ms. Joeehler said the MH and CD funds are for increases in the block grant funds from the federal government and no matching funds are required.

CHAIRMAN GRADY told the committee they gave the same authority to the Montana State Library.

Vote: The motion CARRIED unanimously

Questions, Responses, and Discussion:

Ms. Whitney explained the DD worksheet. The department wants to make sure the accepted LFA budget contains the right amount for the cook-chill system at Boulder. EXHIBIT 3

Mr. Day said the DD facilities at Eastmont and Boulder have been experiencing dramatic reductions. Boulder has dropped over 200 employees since 1978. Boulder is scheduled for a rebuilding project. Boulder has achieved their Medicaid certification and the programs are running smoothly.

Motion: SEN. BECK made a motion to reaffirm the LFA current level for program 50 and to close the program.

Questions, Responses, and Discussion:

SEN. AKLESTAD questioned the figures which would be \$3.5 million over the FY '92-'93 budget and stated these figures do not reflect the global issues over \$200,000.

Ms. Whitney said the LFA current level for FY 1994 is \$16,032,157 and for FY 1995 is \$16,502,135. EXHIBIT 3. This does not include the global issues which deal with benefits.

SEN. LYNCH stated this is approximately \$3.7 million over the last biennium.

Mr. Day said in this program the increase was due to workers' comp.

CHAIRMAN GRADY asked if the budget would allow the department to purchase lifting belts? He feels the belts will cut down on the injuries to staff members and help reduce the workers' comp claims.

Bob Anderson, Administrator of Special Services Division, said the department is looking into the purchase of the belts and they will do whatever they can to help keep down the workers' comp

claims. There are also increases the department does not have any control over such as FTE increases in personal services.

Mr. Day said the department is in the process of using a workers' comp pilot program at Boulder. He feels it is a very aggressive program to cut the workers' comp costs.

CHAIRMAN GRADY feels a real effort needs to be made in the safety programs at the institutions in order to cut down on workers' comp claims.

Mr. Day said the federal funds have nothing to do with the DD program.

CHAIRMAN GRADY feels there is not much choice with the programs at Eastmont and Boulder because a certain amount needs to be done in order for them to keep their accreditation.

Motion: **SEN. AKLESTAD** made the amended motion to reduce the budget by \$93,933 in FY 1994 and \$128,623 in FY 1995.

Questions, Responses, and Discussion:

Mary Lafond, Office of Budget Planning and Programming, said the department has to meet a certain standard of certification in order to meet the Medicaid requirements.

Vote: The motion **FAILED** with **Sen. Aklestad** and **Sen. Beck** voting aye.

Vote: This vote is in regards to **SEN. BECK'S** motion. The motion **CARRIED** with **Sen. Aklestad** voting no.

Questions, Responses, and Discussion:

Ms. Whitney explained the CD worksheet. The executive budget is higher than the LFA current level because it includes more for rent since the executive budget anticipated charging the chemical dependency program rent to be paid to the Mental Health Division for support services performed. **EXHIBIT 4**

Mr. Day stated there is a modification which would allow the division to make improvements to their CD treatment programs which are not general fund. The general fund switch would be approximately \$257,000 in FY 1994 and \$265,000 in general fund. To change to alcohol tax money will not impact what is distributed to the local CD programs. He asked the committee to leave the issue of rent open at this time since the decision will depend on what happens to the Galen campus.

SEN. LYNCH said several weeks ago **CHAIRMAN GRADY** asked the department to give the committee their recommendations for the use of the Galen campus. Do they have the recommendations?

Mr. Day did not understand he was responsible to find alternate uses for the Galen campus. The department feels the best recommendation would be to move the CD program off the Galen campus, close the Galen campus entirely and relocate the CD program to St. James Community Hospital East in Butte. He feels this move could be made by using the monies in the alcohol tax revenue. He understands there were to be groups presenting their options for the use of the Galen campus.

CHAIRMAN GRADY said he did ask the department to explore some alternatives for the use of the Galen campus.

Mr. Day said the department would attempt to explore other uses for the campus.

CHAIRMAN GRADY stated there will be an on-going cost of the Galen campus to the state until a decision is made regarding the use of the campus.

Mr. Day said the cost to maintain heat to the campus will be approximately \$100,000 per year.

CHAIRMAN GRADY believes the committee needs to look at the Galen campus in regard to a long-term plan. He suggested contacting the private sector to find interest for the campus.

Tape 1:B

Motion: SEN. BECK made a motion to replace the general fund with alcohol tax and accept the modifications.

Questions, Responses, and Discussion:

SEN. BECK asked where the alcohol tax money has been going?

Darrell Bruno, Administrator Chemical Dependency Division, explained the earmarked alcohol tax money is used to fund chemical dependency services in the state and the balance is distributed to counties which have approved CD programs. This money would also allow the programs to be maintained.

CHAIRMAN GRADY asked the committee why they are cutting \$500,000 in program two and increasing the alcohol tax?

Ms. Whitney explained the motion is to replace the general fund with the alcohol tax and then accept the budget modifications which is an increased use of alcohol tax.

SEN. AKLESTAD asked if the increase is going to the program will less money be going to the communities?

Mr. Day said no. EXHIBIT 1 page 4

REP. LINDA NELSON asked if the committee accepts the

modifications are they expanding the programs? She feels this motion needs to be segregated into two parts.

Motion/Vote: SEN. LYNCH changed his motion to read, to replace the general fund with the alcohol tax. The motion CARRIED unanimously.

Motion: SEN. LYNCH made a second motion to accept the modifications.

Questions, Responses, and Discussion:

Mr. Bruno said the enhancement modification is very necessary for security purposes. There are between 90-100 people and the facility is close to the road. One of the modifications deals with security and the other modification deals with treatment. The department is trying to create treatment on demand for the patients at Galen.

SEN. LYNCH said the committee he served on found it difficult to tell clients who truly need treatment to come back in 70 days to receive services. His committee was concerned with the waiting list.

SEN. AKLESTAD feels if the modifications are going into the base and the programs were being expanded the committee needs to put a stop to the spending.

SEN. LYNCH believes a 14-day program is beneficial in helping more people receive treatment. The program does not take general fund money.

SEN. AKLESTAD feels these dollars could be spent in another area.

CHAIRMAN GRADY said cuts have to be made and the committee is responsible for the treatment people receive. He feels the areas of treatment which have been discussed will be less expensive in the long run.

Vote: The motion CARRIED with Sen. Aklestad and Rep. Nelson voting nay.

Questions, Responses, and Discussion:

Mr. Whitney explained the veteran's nursing home worksheet. EXHIBIT 3 page 3 The funding switch the department is proposing for the veteran's nursing home is dependent on either HB 46 or HB 16.

SEN. LYNCH asked if the funding switch is dependent on long-range planning? He asked if the funding switch cut will affect the building of the veteran's home in Glendive?

Mr. Day said the department has proposed no recommendation for

the funding of the veteran's home in Glendive. The department did have an alternative proposal which is to follow HB 46 and use the two-cent cigarette tax in the operation of the veteran's nursing home in Columbia Falls. This would not require general funds but this proposal would need legislation. There would need to be a decision regarding the start-up costs to begin operation of a new veteran's home. EXHIBIT 1 page 5

CHAIRMAN GRADY asked what would happen to the \$2 million dollars if the committee suggests taking the cigarette tax and the legislation does not pass?

Mr. Day said if legislation did not proceed there would need to be a general fund allocation.

Mr. Day explained the collection of the cigarette tax. After the tax was imposed, the amount which was required to match the federal money for the eastern Montana veteran's home was set aside. The collections were put into long-range building. The money which is the match for the federal money is \$1.6 million. The tax is on-going so the proposal would be to stop the flow of the tax to long range building and divert the tax to veteran's home operations.

REP. MENAHAN asked if HB 46 and HB 16 should be passed out of this committee?

CHAIRMAN GRADY said both of those bills replace general fund money.

Mr. Day said neither of the bills address the \$1.6 million which is federal match money. Separate action would be necessary to use the \$1.6 million.

CHAIRMAN GRADY said that since the veteran's home in Glendive will not be built the money will not be used.

REP. NELSON asked **Mr. Day** what the status is of the nursing home in Glendive if it is not built at this time? What happens to the federal dollars which have been set aside for this building?

Mr. Day said if the decision is made not to build the veteran's home the project will be taken off the priority list and the state would have to reapply if and when the building would take place. The federal matching funds would be lost.

Mr. Anderson said at the present time the department is ready to build and the federal funds for FY 1993 have been set aside and the department is at the top of the priority list. What generated this process was the department was able to develop a state match. If the state decides not to build by September 30, 1993 they will have to write a letter of intent, telling the federal government what their intent will be for FY 1994. If the state tells the federal government they want to continue the

project and maintain the match for FY 1994 the state would remain at the top of the list for FY 1994. Once the state match is gone the project goes to the bottom of the priority list for federal matching funds.

SEN. BECK said the state match money is in place but what the committee is doing is diverting money to the match.

Mr. Anderson said if one of these bills is passed all that is being done is diverting the two-cent cigarette tax.

SEN. AKLESTAD feels if the state does not proceed with the plan to build the veteran's home in Glendive the federal dollars will not be available and we will be dropped from the priority list.

Motion: **SEN. AKLESTAD** made a motion to accept Program 60 using one and one-half cents of the cigarette tax for the operating cost of the veteran's home in Glendive, if the building takes place.

SEN. LYNCH feels the motion should state the two-cents will be used for maintenance, construction, remodeling etc. of veteran's nursing homes.

SEN. BECK told **SEN. AKLESTAD** what he is going to do in two years is come back to the legislature and ask to raise the cigarette tax.

SEN. AKLESTAD told the committee that could happen, but he feels the legislature should stand up to their obligation regarding the cigarette tax and the legislature did not make any obligations on the modifications.

Mr. Day stated it will take over \$1 million dollars a year to operate the Veteran's Nursing Home in Columbia Falls.

SEN. AKLESTAD said one and one-half cents of the cigarette tax would go to the department's proposal.

Mr. Day said the tax would go into a state special revenue account for veterans and the committee would set an appropriation level for the department.

SEN. AKLESTAD wants to make sure the one and one-half cents is geared to the nursing home project at Glendive and he wants it so stated. He does not want the money to go to the total fund.

SEN. BECK asked **SEN. AKLESTAD** if he wants one and one-half cents to go to the veterans and a one half cent to go to long-range building?

SEN. AKLESTAD told the committee he is earmarking the money for his motion.

SEN. LYNCH wants to make sure the one half cent does not go to the Architecture & Engineering Division and that it stays with the veterans. He asked **SEN. AKLESTAD** what he wants to do with the one half cent?

SEN. AKLESTAD said he is just trying to make an effort to reduce the operating budget at Columbia Falls.

SEN. BECK feels the committee will need a bill to get the two-cents out of long-range building.

REP. NELSON said HB 46 with an amendment could do what **SEN. AKLESTAD** is talking about.

Mr. Day explained the two-cent cigarette tax will collect approximately \$1.3 million and if the committee approves this they will have given the department authority to spend \$1.021 million for the nursing home operation in Columbia Falls. If the tax was put into a state special revenue account the committee can move the money as they see fit. It would take legislation from the committee to direct the department where to use the money.


SEN. AKLESTAD told the committee he would withdraw his motion.

Motion/Vote: **SEN. AKLESTAD** made a motion to accept Program 60 as presented by the LFA and the appropriate language be included to coincide with legislation which is passed regarding HB 46 or HB 16. The motion **CARRIED** unanimously.

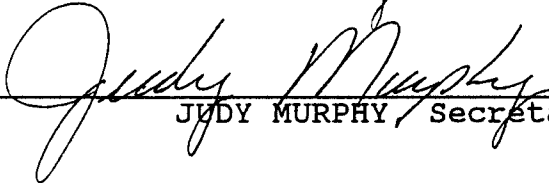
A motion was made to adjourn.

ADJOURNMENT

Adjournment: 9:45 am



REP. ED GRADY, Chair



JUDY MURPHY, Secretary

EG/jm

HOUSE OF REPRESENTATIVES

INSTITUTIONS/CULTURAL EDU. SUB-COMMITTEE

ROLL CALL

DATE 2-11-93

NAME	PRESENT	ABSENT	EXCUSED
SEN. GARY AKLESTAD	✓		
SEN. TOM BECK	✓		
SEN. EVE FRANKLIN, VICE CHAIRMAN	✓		
SEN. J.D. LYNCH	✓		
REP. RED MENAHAN	✓		
REP. LINDA NELSON	✓		
REP. ED GRADY, CHAIRMAN	✓		

INSTITUTIONS & CULTURAL EDUCATION SUBCOMMITTEE
DEPARTMENT OF CORRECTIONS & HUMAN SERVICES

Executive Action
February 11, 1993

Legislative Contract Authority

1.	Corrections Division	\$1,000,000	Federal Funds
2.	Mental Health	600,000	Federal Funds
3.	Chemical Dependency	1,000,000	Federal Funds

Items 1, 2, and 3 above are biennial appropriations.

The biennial appropriations for legislative contract authority in items 1, 2, and 3 above are subject to the following conditions: (1) legislative contract authority applies only to federal funds; (2) legislative contract authority expenditures must be reported on state accounting records, and the records must be separate from current level operations; (3) a report must be submitted by the department of corrections and human services to the legislative fiscal analyst following the end of each fiscal year of the biennium and must include a listing of projects with the related amount of expenditures for each project.

----- End -----

Reference: LFA 1995 Biennium Budget Analysis, Page D-36.

The department requests that Legislative Contract Authority (LCA) be added to HB02. The LFA suggests in its budget analysis, and other subcommittees have apparently decided, to place LCA in HB02. DCBS requests the amount of \$2.6 million over the biennium and suggests reporting language similar to that approved by this subcommittee for the Library Commission.

C:\words\lca

INSTITUTIONS AND CULTURAL EDUCATION SUBCOMMITTEE
 EXECUTIVE ACTION FEBRUARY 11, 1993

DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES
 SUPPLEMENTAL REQUEST

<u>ITEMS</u>	<u>ORIGINAL</u>	<u>ADDITIONAL</u>	<u>REVISED</u>
WORKERS COMP	\$2,538,544	\$503,562	\$3,042,106
FY 92 APPROP TRANSFER	122,795	0	122,795
MEDICAL	703,500	698,800	1,402,300
INMATE VARIABLE COSTS	281,400	0	281,400
COST INCREASE FOR DRUGS	90,000	131,645	221,645
MANAGEMENT AUDIT COSTS	0	171,657	171,657
INMATE TRIAL COSTS	324,000	146,000	470,000
FOOD COSTS & EXTRA HOLIDAY	175,000	0	175,000
PROF. CONTRACTED SERVICES	35,000	0	35,000
FLSA SETTLEMENT	0	50,000	50,000
	<u>\$4,270,239</u>	<u>\$1,701,664</u>	<u>\$5,971,903</u>
FYE 92 TRANSFER TO FY 93	(700,000)	0	(700,000)
TOTAL- SUPPLEMENTAL REQUESTED	<u>\$3,570,239</u>	<u>\$1,701,664</u>	<u>\$5,271,903</u>

CONSEQUENCES OF NOT RECEIVING SUPPLEMENTAL REQUEST

The consequences of not receiving the supplemental for the workers compensation increase would be severe. A \$3.0 million reduction in the department's personal services budget at this point in the year would require a reduction of approximately 370 FTE. A reduction of this magnitude presents definite public safety concerns as well as federal medicaid certification issues. approximately 171 FTE would be cut in the corrections division as explained in the next section. The state general fund would lose approximately \$3.3 million in the remaining portion of FY93 if the Montana Developmental Center, Eastmont Human Services Center, Montana Center for the Aged, and the Montana Veterans' Home lost medicaid certification due to FTE reductions.

Not receiving the remaining supplemental appropriation request would have a devastating effect on the corrections system. The programmatic implications include closing the Swan River Forest Camp, the Missoula and Billings pre-release centers, and the MSP Warm Springs expansion unit and Rothe Dorm; laying off most program support staff at Montana State Prison (counselors, teachers, clergy, date processing, and related administrative support, approximately 53 FTE); and reducing the probation and parole staff by one-fourth. The corrections system would also have to release 180-200 low security inmates in order to reduce correctional officers at Montana State Prison. Following all of the above described action, the corrections system would still be facing a \$1.5 million deficit because of high medical costs.

EXHIBIT 1
 DATE 2-11-93

DEVELOPMENTAL DISABILITY

Program	04:00 PM 10-Feb-93	FY94 LFA	FY94 HR 2	FY94 Total Action	FY95 LFA	FY95 HR 2	FY95 Total Action	Biennium FY94-95 Total Action
	Current Level	Changes		Current Level	Changes			
50 Developmental Disability								
PTE:	459.43		0.00	459.43	459.43		0.00	459.43
Personal Services	14,110,677		0	14,110,677	14,560,208		0	14,560,208
Operating	1,792,983		0	1,792,983	1,814,875		0	1,814,875
Equipment	102,749		0	102,749	128,085		0	128,085
Capital Outlay	0		0	0	0		0	0
Grants	0		0	0	0		0	0
Transfers	0		0	0	5,000		0	5,000
Debt Service	24,748		0	24,748	18,005		0	18,005
Total:	\$16,031,157		\$0	\$16,031,157	\$16,526,173		\$0	\$16,526,173
Funding:								
General Fund	15,978,298		0	15,978,298	16,473,314		0	16,473,314
Other State Spec.	39,859		0	39,859	39,859		0	39,859
Federal Fund	13,000		0	13,000	13,000		0	13,000
Proprietary Fund	0		0	0	0		0	0
Total:	\$16,031,157		\$0	\$16,031,157	\$16,526,173		\$0	\$16,526,173

Notes: Figures above do not include global issues acted on to date.

General Fund	\$93,933	\$128,623
Other Funds	-0-	-0-

EXHIBIT 1
 DATE 2-11-93
83

CHEMICAL DEPENDENCY

Program	01:59 PM 10-Feb-93	FY94 LFA	FY94 HR 2	FY94 Total Action	FY95 LFA	FY95 HR 2	FY95 Total Action	Biennium FY94-95 Total Action
40 Chemical Dependency								
FTE:		59.65	5.00	64.65	59.65	5.00	64.65	64.65
Personal Services		2,082,547	131,209	2,213,756	2,117,933	135,439	2,273,372	4,487,128
Operating		481,200	0	481,200	468,810	0	468,810	950,010
Equipment		1,800	0	1,800	3,000	0	3,000	4,800
Capital Outlay		0	0	0	0	0	0	0
Grants		2,306,925	0	2,306,925	2,306,925	0	2,306,925	4,613,850
Transfers		0	0	0	0	0	0	0
Debt Service		2,303	0	2,303	2,303	0	2,303	4,606
Total:		\$4,874,775	\$131,209	\$5,005,984	\$4,918,971	\$135,439	\$5,054,410	\$10,060,394
Funding:								
General Fund		257,046	(257,046)	0	265,047	(265,047)	0	0
Other State Spec.		2,285,059	388,255	2,673,314	2,321,254	400,486	2,721,740	5,395,054
Federal Fund		2,332,670	0	2,332,670	2,332,670	0	2,332,670	4,665,340
Proprietary Fund		0	0	0	0	0	0	0
Total:		\$4,874,775	\$131,209	\$5,005,984	\$4,918,971	\$135,439	\$5,054,410	\$10,060,394

Note: Figures above do not include global issues acted on to date.

General Fund	-0-	-0-
Other Funds	\$83,061	\$110,344

**THE RENT ISSUE WILL BE RESOLVED WHEN THE CHEMICAL DEPENDENCY PROGRAM LOCATION IS RESOLVED.

	FY94	FY95
1. Replace General Fund with Alcohol Tax.		
General Fund	(257,046)	(265,047)
State Special Revenue	257,046	265,047

Impact

Replacing General Fund with Earmarked Alcohol Tax revenue will impact funding in communities programs. This impact however, will not reduce current level services in the communities in FY 94 and 95.

For community treatment programs in Montana there are only two sources of public funding, earmarked alcohol tax revenue and federal block grant funds. The federal block grant awarded to Montana in FY 94 & 95, for substance abuse treatment, is projected to increase over the FY 93 level by \$371,373 each year. The biennium total is \$742,746. Based on the legislative oversight committee revenue projections, executive budget recommendations and DCHS spending reduction plan, we would reduce the distribution of earmarked revenue from the FY 92 & 93 level by \$330,000 each year or a biennium total of \$660,000. The estimated projected increase for community programs is projected to be \$82,746 in the biennium.

Projected Distribution To Community Programs

	FY 93	FY 94	FY 95
General Fund	-0-	-0-	-0-
Earmarked Alcohol Tax	1,330,000	1,000,000	1,000,000
Federal Block Grant	2,306,925	2,678,298	2,678,298
Total	\$3,636,925	\$3,678,298	\$3,678,298

Security Guard (1.0 FTE) - Coverage at the Montana Chemical Dependency Center is inadequate between the hours of 11:00 pm to 7:00 am as only 2 positions are available which results in only one security guard four nights a week. This additional position would allow full coverage and ensure the safety of a resident population of 87 treatment beds and the DEAR program beds. Given the total population of up to 100 at any time, the high percentage of clients with legal involvement, and the disjointed nature of the current ASC building or the multi-level main facility this enhancement is crucial.

Alcohol Counseling Techs (3.0 FTE) - Coverage at the Montana Chemical Dependency Treatment Center on evening and weekend shifts is inadequate and virtually without any structured therapeutic activities for 87 clients. Currently only one counselor, who is often pulled to day shift and one to two rehab aides are available on evenings and weekends. Needless to say, the only activity that occurs is maintaining order and minimal recreational activities. The lack of staff and lack of structure diminishes the purpose of chemical dependency treatment at Galen.

The purpose of this modification is for necessary chemical dependency treatment services on the Galen campus. The requested three counselor tech positions would work evenings and weekends, enhancing the therapeutic environment by offering lectures, educational experiences, discussion groups, supervision of therapeutic assignments, facilitate AA & NA meetings, aftercare placement and crisis intervention.

This enhancement would result in a well monitored, safe facility with therapeutic activities occurring 16 hours a day, 7 days a week instead of just 8 hours a day 5 days a week.

Substance Abuse Counselor (1.0 FTE) - The purpose of this modification is for necessary chemical dependency treatment services on the Galen campus. Currently the program has only one duty (evening and weekend) counselor on staff. This counselor is often pulled to day shift to fill a vacancy or other leave of absence. Counselor coverage on evenings and weekend is essential for a therapeutic environment and crisis intervention services.

EXHIBIT 1DATE 2-11-9397

VETERANS' NURSING HOME

Program	03:08 PM 10-Feb-93	FY94 LFA	FY94 HR 2	FY94 Total Action	FY95 LFA	FY95 HR 2	FY95 Total Action	Biennium FY94-95 Total Action
		Current Level	Changes		Current Level	Changes		
60 Veterans Nursing								
PIE:		85.89	0.00	85.89	85.89	0.00	85.89	85.89
Personal Services		2,467,809	0	2,467,809	2,542,686	0	2,542,686	5,010,495
Operating		681,896	0	681,896	706,801	0	706,801	1,388,697
Equipment		7,144	0	7,144	7,144	0	7,144	14,288
Capital Outlay		0	0	0	0	0	0	0
Grants		0	0	0	0	0	0	0
Transfers		0	0	0	0	0	0	0
Debt Service		0	0	0	0	0	0	0
Total:		\$3,156,849	\$0	\$3,156,849	\$3,256,631	\$0	\$3,256,631	\$6,413,480
Funding:								
General Fund		1,021,894	(1,021,894)	0	1,014,770	(1,014,770)	0	0
Other State Spec.		1,139,515	1,021,894	2,161,409	1,176,959	1,014,770	2,191,729	4,353,138
Federal Fund		995,440	0	995,440	1,064,902	0	1,064,902	2,060,342
Proprietary Fund		0	0	0	0	0	0	0
Total:		\$3,156,849	\$0	\$3,156,849	\$3,256,631	\$0	\$3,256,631	\$6,413,480

Note: Figures above do not include global issues acted on to date.

General Fund	\$5,623	\$8,635
Other Funds	-0-	-0-

1. Create State Special Revenue Account using proceeds of 2 cent cigarette tax to replace general fund in MVH.

General Fund	
State Special	

	FY 94	FY 95
	(1,021,894)	(1,014,770)
	1,021,894	1,014,770

To ensure appropriate cash flow, the department has the following options:

- * obtain an interentity loan to cover expenditures until cigarette tax revenues are collected and distributed to the state special revenue account;
- * transfer the balance of the previously appropriated funds (\$1.6 million) in the Dept. of Administration for the construction of the Eastern Montana Veterans Home, to a special revenue account in DCHS for the operation and maintenance of the Montana Veterans Home, or:
- * transfer funds from the Dept. of Administration long range building account (\$1.02 million) to the DCHS special revenue account for the operation and maintenance of the Montana Veterans Home. This assumes that the above revenues were generated by the 2 cent cigarette tax during FY 1993. The \$1.6 million could then be appropriated to the general fund or for other purposes specifically for veterans.

EXHIBIT 2
 DATE 2-11-93
83

**PHASED IN PRISON POPULATION REDUCTION
 BY END OF FY 94. (14 months)**

GOAL: The goal is to reduce the population while constantly being aware of the public safety factors as they relate, both to the community and the inmate preparedness.

CURRENT: Currently the affected male population is as follows:

MSP	1,170
SRFC	<u>50</u>
TOTAL	1,220

In addition the system is projected to receive the following:

FY 93	104 (from end of session May, 1993)
FY 94	<u>639</u>
TOTAL	743

REDUCTION PLAN:	<u>Population</u>	<u>Total</u>
Current Population	1,220	(Incl. Swan River)
Admit (5/93 - 6/94)	743	1,963
Divert to Community	(196)	1,767
Reduce Parole and Probations Revs	(196)	1,571
Normal Parole and Release to Prob.	(588)	983
Direct Discharge	(133)	850

KEY

FACTORS: If necessary, maintain the one in - one out theory to comply with the cap. The population is already being controlled in a more limited fashion as demonstrated by a reduction from 1,216 in July to 1,170 now.

The Parole Board approved paroles for 631 inmates in FY 92. With the ability to award the extra good time this number should be sufficient to balance the intake.

PROGRAM OR DIVERT OUT OF THE SYSTEM PER MONTH

<u>Per Month Placement</u>	
DIVERT TO COMMUNITY:	14
REDUCE PAROLE AND PROBATION REVOCATIONS:	14
NORMAL PAROLE & RELEASE TO PROBATION:	42
DIRECT DISCHARGE:	<u>10</u>
TOTALS	80
<u>Staff Reductions</u>	
CLOSE EXP. UNIT 15 BY 7/93	<u>15</u>
CLOSE ROTHE DORM 10 BY 9/93	30
CLOSE 3 TOWERS 15 BY 1/94	<u>0</u>
	<u>Inmates Affected</u>

NOTE: The quicker the prison population is reduced, the more funding becomes available for community alternatives.

The Corrections Division projects 205 Intensive Supervision Programs and 240 Pre-Release Center beds available for FY 94. This would mean that of the 80 placed every month, there would be intense programs for more than 40, the remaining will be normal parole.

FISCAL YEAR 1993 ADP

MONTANA STATE PRISON

The following information represents the FY 93 Average Daily Population (ADP) for MONTANA STATE PRISON.

Month	Caredays Provided	ADP	Cumulative ADP	Days Available
Jul 1992	38,157	1230.87	1230.87	31
Aug	37,498	1209.61	1220.24	31
Sep	35,876	1195.87	1212.29	30
Oct	35,483	1182.77	1195.24	31
Nov	35,340	1178.00	1191.86	30
Dec	36,125	1165.32	1187.39	31
Jan 1993				
Feb				
Mar				
Apr				
May				
Jun				
Total	218,479			184

Fiscal Year 1993 ADP = 1187.39

FY '93 PROJECTED: \$19,453,000* Care and Custody

*Excludes prison ranch but includes projected supplemental.

Estimated Care and Custody for first half of FY '93:

\$19,453,000 / 2 = \$9,726,500

\$ 9,726,500 / 218,479 Caredays = \$ 44.52 day

\$ 44.52 Care and Custody
 2.55 Estimated medical Costs

 \$ 47.07 CPD

EXHIBIT 2
DATE 2-11-93
~~SP~~

ESTIMATED FY93 MSP BUDGET PROJECTION

The FY93 MSP budget projection of \$19,453,378 was prepared by the business manager's office at MSP and is based upon their December budget status report. It includes an estimated \$500,000 in prison trial costs. \$1,266,262 of this projected budget is contained in the department's revised FY93 supplemental request. Of this amount, \$458,765 is attributable to increases in workers' compensation rates; \$281,400 for inmate variable costs; \$46,795 for an appropriation transfer made in FY92; \$171,657 in management audit costs; \$131,645 in drug costs; and \$176,000 in inmate trial costs.

"Non-seriously Mentally Ill" Budget Reduction Plan

Terminology - Non-seriously mentally ill adults are referred to as "priority groups 4 and 5" in Department contracts with the mental health centers.

Suicide Intervention - Both state and federal law requires community mental health centers to provide emergency services to people in crisis. In a crisis "client group" is not relevant. Our contracts with the mental health centers will reimburse for crisis intervention services, especially when there is suicide potential, regardless of the client group of the person involved.

Client Impact - Some of the testimony predicted that as many as 5,000 people would go without services if this budget reduction option is selected. Our data indicate that an annual reduction of \$597,211 will eliminate 10,977 hours of therapy based on the rates we now pay the centers. Our best estimate, based on a 1990 sample, is that people in this client group receive, on the average, seven hours of therapy per year. This would mean about 1,500 people would not receive services.

Fiscal Impact - There was testimony that this funding reduction would trigger the reduction of other funds that go to community mental health centers. We estimate that the Centers would lose about \$255,000 in patient fees. These are the partial payments that would have been made by clients whose services are no longer subsidized. There is also the potential for some counties to discontinue financial support of the Centers if it is necessary to eliminate offices in some rural counties. Total statewide county mental health contributions are \$868,172 compared to the 7.5 mil state contribution.

Legislation - One reason the Centers predict a larger client and fiscal impact than the Department is current law prohibits discrimination by Centers based on ability to pay. If this budget reduction is adopted some Centers believe that a result will be that no one, including full fee and Medicaid-supported clients, can be served if they don't meet the seriously mentally ill definition. The Department has prepared legislation which will allow the Centers to charge their full fee for services which are not subsidized by the Department. This should avoid the problem of having to turn away people who can pay for services through personal resources, insurance or Medicaid.

Impact - Without minimizing the impact of this budget reduction proposal the plan to eliminate subsidy for adults who do not have serious mental illness will still allow the Department and the mental health centers to continue to fulfill our most essential missions - to treat and support adults and children with severe and disabling mental illness or disturbances.

The other side of this sheet shows total proposed spending for community mental health programs in 94-95 and how funding for adults who are not seriously mentally ill fits into the program.

CMHC FUNDING - FY 1994

	BUDGET	FUNDING	
		Federal	GF
CHILDREN/ADOLESCENTS			
Outpatient Therapy	607,061	37,180	569,881
Day Treatment	367,000	367,000	
Special Ed/Mental Health Services	149,328	149,328	
Consultation & Education	32,885		32,885
TOTAL CHILDREN/ADOLESCENTS	1,156,274	553,508	602,766
ADULTS - SEVERE AND DISABLING MENTAL ILLNESS			
Inpatient	141,163		141,163
Outpatient Therapy	701,189		701,189
Day Treatment	886,988	425,868	461,120
Residential	848,650		848,650
Case Management	1,266,800	300,000	966,800
Emergency Telephone	100,000		100,000
TCM/Crisis Intervention	582,800	82,800	500,000
Ihler Programs	1,000,000		1,000,000
*HB 103 - Crisis Intervention	145,000		145,000
*Ihler Mod ##	113,604		113,604
TOTAL - ADULTS (SDMI)	5,786,194	808,668	4,977,526
ADULTS - NOT SERIOUSLY MENTALLY ILL			
Outpatient Therapy	597,211		597,211
TOTAL - ALL SERVICES AND CLIENT GROUPS	7,539,679	1,362,176	6,177,503

The cost of this Budget Modification will be \$229,480 in FY 95.

The total budget is based on the LFA current level budget plus HB103 Mods and the Executive 'Ihler Mod'. These Mods are listed as part of SDMI funding and identified with an *.

EXHIBIT 2DATE 2-11-93~~SB~~

Information on Community Mental Health Centers (CMHCs)

The following is provided in response to the Committee's request on February 9th for information relative to CMHC expenditures, number of clients served, and staffing data.

Mental health program expenditures supported by all funding sources (e.g. patient fees, insurance, Medicaid, DCHS etc.) and DCHS funding only are reported for each CMHC for FY 92 in the following table:

CMHC	EXPENDITURES	DCHS FUNDING
Region I (Miles City)	\$1,938,888	\$ 733,485
Region II (Great Falls)	3,795,530	1,371,912
Region III (Billings)	2,926,445	1,184,658
Region IV (Helena)	3,330,637	1,450,935
Region V (Missoula)	3,873,528	1,741,712
TOTAL	\$15,865,028	\$ 6,482,702

The following describes the number of clients served by each CMHC in FY 92 by client group:

Region	Children & Adolescents	Adults - Serious Mental Illness	Adults - Not Seriously Mentally Ill	Total
I	682	515	811	2,008
II	572	968	938	2,478
III	397	877	1,129	2,403
IV	641	674	1,143	2,458
V	586	740	990	2,316
TOTAL	2,878	3,774	5,011	11,663

The information requested on the number of F.T.E and salary levels will be provided to the committee by the Mental Health Centers.

EXHIBIT 2

DATE 2-11-93

DATE: February 8, 1993
TO: Pan Joehler, Administrator
Management Services Division
FROM: Bill Furois, Fiscal Officer
Management Services Division
RE: Subcommittee Questions 2-4-93; Employee Housing

Senator Aklestad requested information on the employee housing provided at Warm Springs and Galen. He asked about rental rates, revenue and when the rates were last updated.

1. Rates and Housing Units: Attached are lists covering each campus by unit, tenant, rate, discount and net rate.
2. Revenues: The following figures from SBAS reflect the revenues during FY92 and through the end of January for FY93. RCs 330111211 and 340111211 report this revenue which is placed in the general fund.

	12 Months Actual FY92	1st 7 Months FY93
Galen	\$25,750.80	\$12,863.68
Warm Springs	45,071.32	26,176.12

3. Rate Updates: According to the recent Legislative Audit, rates were last evaluated and increased in August 1987. The Auditor recommended, and the department concurred, that rates should be periodically reviewed to insure the department recovers the costs of providing the housing.

MONTANA STATE HOSPITAL
GALEN CAMPUS
HOUSING LIST

2/3/93

#	UNIT	TENANT	RATE	GARAGE	DISCOUNT	NET RATE
<u>Apartments</u>						
G27	101	Jackie Mellinger	91.50	6.00		97.50
G28	102	Cynthia Anderson	91.50	6.00		97.50
G29	103	Guy Bateman	91.50		100%	- 0 -
G30	104	Jan Jarvi	91.50	6.00		97.50
G31	105	Mike Weist	91.50	6.00	50%	48.75
G32	106	JoAnn Mitchell	91.50	6.00	50%	48.75
G33	107	James Myrick	91.50	6.00		97.50
G34	108	Dave Whitney	91.50	6.00	50%	97.50
G35	109	Marian Minnehan	91.50	6.00		97.50
G36	110	Joe Forkan	91.50	6.00		97.50
G37	111	Dave Kostacki	91.50	6.00		97.50
G38	112	Mahle Schulz	91.50	6.00		97.50
G39	201	Tina Bolkovatz	86.00	6.00		92.00
G40	202	Shirley Peltier	86.00	6.00		92.00
G41	203	Deanna Agostinelli	86.00	6.00		92.00
G42	204	Nancy Dunagan	86.00			86.00
G43	205	Rolaxi Maria	86.00			86.00
G44	206	John Van Hassel	86.00	6.00		92.00
G45	207	Rose Pratt	86.00			86.00
G46	208	Charlotte Denda	86.00	6.00	50%	46.00
G47	209	Lee Jaeger	86.00	6.00		92.00
G48	210	Olin Vick	86.00	6.00		92.00
G49	211	Jeremy Cobban	86.00			86.00
G50	212	Joyce Kimber	86.00			86.00
G1	Big House	Patricia Green	354.40	6.00	100%	- 0 -
G2	Cottage I	W.D. Autery, Jr.	303.00	6.00	100%	- 0 -
G3	Cottage II	Ardean Moore	303.00	6.00	100%	- 0 -
G4	Cottage III	John Schaack	204.50	6.00	50%	105.25
G5	Cottage IV	Robert Caldwell	226.50	6.00	100%	- 0 -
G6	Cottage V	Pat Zeier	161.50	12.00	50%	89.75*
G7	Apartment E	Gary Lord	227.00	6.00	100%	- 0 -
G8	Apartment G	Gary Lord	192.00	6.00	100%	- 0 -
G9	Triplex A	Jamie Berry	130.00	6.00		136.00
G10	Triplex B	Walter Bolkovatz	140.50	6.00	50%	73.25
G11	Triplex C	Doris Seeley	130.00	6.00	50%	68.00

50% Rent reduction for members of Volunteer Fire Department

100% doctors are provided with housing as part of benefits

* Mr. Zeier has two garages, only receives 50% rent reduction on one

EXHIBIT 2
DATE 2-11-93
87

02/05/93 12:03

003

#	UNIT	TENANT	RATE	GARAGE	DISCOUNT	NET RATE
<u>Lighthouse</u>						
	Rm 2A	vacant	50.00			
	Rm 2B	vacant	50.00			
	Rm 2C	Dave Sturm	50.00			50.00
	Rm 2D	vacant	50.00			
	Rm 2E	vacant	50.00			
	Rm 3A	vacant	50.00			
	Rm 3B	Nita Johl	50.00			50.00
	Rm 3C	vacant	50.00			
	Rm 3D	vacant	50.00			
	Rm 3E	Sandra Brockbank	50.00			50.00
	Rm 3F	vacant	50.00			
	Rm 3G	vacant	50.00			
	Rm 3H	vacant	50.00			
	Rm 3T	vacant	50.00			

MONTANA STATE HOSPITAL
Warm Springs, Montana 59756

Res. No.	Type Unit	Tenant	Rate	Garage	Discount	Net Rate
1	1 bedroom duplex	Ray Scausoleil	\$129.00	36.00		\$135.00
2		Betty Cutler	129.00	6.00		135.00
3		Gene Schulz	129.00	6.00	VF 50%	67.50
4		Toynet Thayer	129.00	6.00		135.00
5		Katie Koffler	129.00	6.00		135.00
6		Trent Moore	129.00	6.00		135.00
7		Dave Sirginson	129.00	6.00	VF 50%	67.50
8		George Doherty	129.00	6.00		135.00
9		James Brandon	129.00	6.00		135.00
10		Lori Tammen	129.00	6.00		135.00
11		Mary Alice Bice	129.00	6.00		135.00
12		Tina Grigsby	129.00	6.00		135.00
13		Christine Babcock	129.00	6.00		135.00
14		Vacant	129.00	6.00		
15		Phil Murphy	129.00	6.00	(no garage)	129.00
16		Carol Zitek	129.00	6.00		135.00
17		Vacant	129.00	6.00		
18		Paul Castiglioni	129.00	6.00		135.00
19		Mikal Richter	129.00	6.00	VF 50%	67.50
20		Fred Lehti	129.00	6.00		135.00
21	2 bedroom duplex	Ed Kulzer	160.50	6.00	VF 50%	83.25
22		Bob Tibbetts	160.50	6.00	VF 50%	83.25
23		Jerrl Sirginson	160.50	6.00		166.50
24		Caroline Shaw	160.50	6.00		166.50
25		Bill Rogers	160.50	6.00	VF 50%	83.25
26		Karen Fleming	160.50	6.00		166.50

EXHIBIT 2
 DATE 2-11-93
 SD _____

02/05/93 12:04

005

Page 2

Res. No.	Type Unit	Tenant	Rate	Garage	Discount	Net Rate
27	2 bedroom duplex	Molina Opp	160.50	6.00	VF 50%	83.25
28		Father Cabaong	160.50	6.00	VF 50%	83.25
29		Mattie Monger	160.50	6.00		166.50
30		Judy Harmon	160.50	6.00		166.50
31		Gabe Suarez	160.50	6.00	VF 50%	83.25
32		Fred Harmon	160.50	6.00		166.50
33		Larry Adams	160.50	6.00	VF 50%	83.25
34		Gladys Richter	160.50	6.00		166.50
35	3 bedroom duplex	Archie McPhail	178.00	6.00	VF 50%	92.00
36		Mike Beausolcil	178.00	6.00	VF 50%	92.00
37	2 bedroom duplex	Harriet Humes	196.00	6.00		202.00
38		Dan Evans	196.00	6.00	VF 50%	101.00
39		Ken Klima	196.00	6.00	VF 50%	101.00
40		Catherine Harris	196.00	6.00		202.00
41	Free standing Res.	Dr. Virginia Hill	278.00	6.00	Dr. 100%	-0-
42		Dr. Warren Swager	278.00	6.00	Dr. 100%	-0-
C		Dr. Paul Mayer	343.00	6.00	Dr. 100%	-0-
D		Oscar Siegle	145.00	6.00	VF 50%	75.50
E		Mike Savoie	175.00	6.00	VF 50%	90.50
F		Josie Opp	175.00	6.00	VF 50%	90.50
G		Dr. Harry Xanthopoulos	258.00	6.00	Dr. 100%	-0-
H		Dr. Edward King	220.00	6.00	Dr. 100%	-0-
M		Dr. Carl Keener	261.00	6.00	Dr. 100%	-0-

HPI HEALTH CARE SERVICES, INC.
SERVICE LEVEL SUMMARY
FY 1992

The Department's contract with HPI provides for services at the Montana State Hospital, Montana State Prison, Montana Developmental Center, Montana Veteran's Home, Center for the Aged, and the Women's Correctional Center. HPI operates a central pharmacy on the Warm Springs Campus at the Montana State Hospital and dispenses all pharmaceuticals from that location. The Montana State Hospital, Women's Correctional Center, Montana State Prison, and Montana Developmental Center receive delivery of drugs the same day as ordered. The Center for the Aged and Montana Veteran's Home receive delivery of drugs one to two days after ordered, depending on the time of day the order is placed. Each institution communicates with the central pharmacy at the Montana State Hospital by telephone and facsimile machine.

In addition to clinical pharmacy services, HPI provides the department with an automated pharmacy computer system, a drug information program, a quality assurance program, reconciliation of physician orders, an emergency backup and starter pack medication system, an inservice education program, pre-accreditation service and other services. Pharmacy services are available 24 hours a day.

The following service levels were provided in fiscal 1992:

HPI staff located at Montana State Hospital:

3.0 FTE	Registered Pharmacists
1.0 FTE	Consultant Pharmacist
8.25 FTE	Technicians and Secretarial Staff

71,605 patient chargeable prescription transactions.

EXHIBIT 2

DATE 2-11-93

CP

MT STATE PRISON MEDICAL EXPENDITURES CLASSIFIED BY MEDICAL CATEGORY
07/01/92 THROUGH APPROXIMATELY 10/31/92

PHYSICIAN/PHYSICIAN DIRECTED SERVICES	\$147,977
HOSPITAL INPATIENT/OUTPATIENT AND MISCELLANEOUS	259,216
DENTAL	33,780
PHYSICAL THERAPY	12,776
HEARING TESTING	170
AMBULANCE	3,142
SHERIFF (SILVER BOW AND MISSOULA COUNTIES)	28,493
TOTAL	\$485,554

MSP RECORDED MEDICAL EXPENDITURES, FY 1993, GENERALLY THROUGH 10/30/92
 COMPILATION OF SERVICES BY VENDOR

SERVICE TYPE	VENDOR	FY 93
PHYSICIAN/PHYSICIAN DIRECTED SERVICES		
Anesthesiology	Bradford, John MD	310
Anesthesiology	Cornelius L. R. MD	616
Anesthesiology	Diggs, John MD	320
Anesthesiology	Hunter, David MD	2,592
Anesthesiology	Medical Anesthesia Services	9,871
Cardiovascular	Cleveland, Joseph MD	282
Cardiovascular	Oury, James MD	5,356
Dermatology	Goldes, Jeffry JD	75
Drugs	Shopco (drugs)	67
EKG Svcs	St. Vincent Hospital	273 (EKG)
General Surgeon	Johnson, David MD	150
General Surgeon	Newman, Jan MD	29,303
General Surgeon	Weinstein, S.F. MD	1,305
General Surgery	Gibbs, Ben MD	1,048
General Surgery	Silverbow Surgical Associates	2,453
Internal Medicine	Anderson, Rebecca MD	60
Internal Medicine	Siddoway, Paul MD	168
Int'l Med/Gastroenterology	Cain, James MD	394
Int'l Med/Cardio/Nuclear	Gabster, Alan MD	2,303
Int'l Med/Crit Care/Pulmonary	Loehnen, Paul MD	254
Int'l Med/Endocrinology	Sampson, Ruth MD	145
Int'l Med/Gastroenterology	Curtis, Kimberly MD	490
Int'l Med/Hematology/Oncology	Schmidt, Judy MD	1,315
Int'l Med/Pulmonary Diseases	Popovich, Keith MD	395
Neurology	Cooney, Gary MD	167
Neurosurgeon	Baggenstos, Pius MD	1,850
Obstetrics	OB-GYN Associates	685
Oncology/Radiation	Hughes, Eugene MD	110
Ophthalmologist	Mt. Valley Eye Clinic	5,161
Ophthalmologist	Noble, Robert MD	195
Optometry	Vanio, David O.D.	15,417
Orthopedic Surgeon	Lahey, Michael MD	88
Orthopedics	Butte Orthopedic & Fracture	5,538
Orthopedics	Seim, Robert MD	866
Otolaryngology	Divide Creek, Neal Rogers MD	1,671
Otolaryngology/Facial Surgery	Montana Facial Surgery	5,998
Pathology	Butte Pathology Associates	3,134
Pathology	Evanger & Maddux Pathology	601
Pathology and Lab	Medical Reference Labs	309
Pathology and Lab	Missoula Pathology Labs, Inc.	327
Pathology and Lab	Pathology Associates, Medical Labs	117
Physician	Deer Lodge Clinic	7,231
Physician	Missoula Orthopedic Clinic	441
Physician	Rocky Mountain E.N.T. & Eye Ctr.	404
Physician	Rocky Mountain Services Corp	261
Physician	Western Mt. Clinic	947
Podiatry	Holt, Bart D.P.M.	15,681
Radiology	Butte Radiology Associates	7,226
Radiology	McLaren R. MD	521
Radiology	Missoula Radiology, Inc.	6,148

EXHIBIT 2
 DATE 2-11-93
 SB

MSP RECORDED MEDICAL EXPENDITURES, FY 1993, GENERALLY THROUGH 10/30/92
 COMPILATION OF SERVICES BY VENDOR

SERVICE TYPE	VENDOR	FY 93
Ultrasounds	Sound Health Imaging	2,275
Urology	Brennon, James MD	1,303
Urology	High, Kenneth MD	3,698
Urology	Scott, Terrence MD	62
TOTAL		\$147,977
HOSPITAL INPATIENT/OUTPATIENT AND MISCELLANEOUS		
Hospital	Community Hospital of Anaconda	28
Hospital	Community Medical Ctr, Missoula	1,102 (OP)
Hospital	Powell County Memorial Hospital	44,673 (IP & OP)
Hospital	St. James Community Hospital	155,919 (IP & OP)
Hospital	St. Patricks Hospital	57,494 (IP & OP)
TOTAL		\$259,216
AMBULANCE		
Ambulance	Powell County Ambulance	3,142
TOTAL		\$3,142
DENTAL		
Dentist	Miller, Edward DDS	28,445
Oral Surgeon	Givler, G. B. DDS	254
Oral Surgeon	Sims, Paul DDS	5,081
TOTAL		\$33,780
PHYSICAL THERAPY		
Physical Therapy	Donna Woodward	11,790
Physical Therapy	Powell County Physical Therapy	986
TOTAL		\$12,776
SHERIFF		
Sheriff	Butte Silver Bow Sheriff	19,151
Sheriff	Missoula County Sheriff	9,342
TOTAL		\$28,493
HEARING TESTING		
Audiometry	Highland Hearing Center	170
TOTAL		\$170
TOTAL		\$485,554

MT STATE PRISON MEDICAL EXPENDITURES CLASSIFIED BY MEDICAL CATEGORY
07/01/91 THROUGH 06/30/92

PHYSICIAN/PHYSICIAN DIRECTED SERVICES	\$423,139
HOSPITAL INPATIENT/OUTPATIENT AND MISCELLANEOUS	568,292
DENTAL	19,905
PHYSICAL THERAPY	34,280
ORTHOPEDIC & PROSTHETICS	5,165
HEARING TESTING	1,276
AMBULANCE	11,311
JEWELL FUNERAL HOME (MAXIMUM SEC. RIOT)	3,118
SHERIFF (SILVER BOW AND MISSOULA COUNTIES)	62,507
TOTAL	\$1,128,993

Note: Maximum Security Disturbance medical expense included in above total is \$36,865.

EXHIBIT 2DATE 2-11-9383MSP MEDICAL EXPENDITURES, FY 1992
COMPILATION OF SERVICES BY VENDOR

SERVICE TYPE	VENDOR	FY 92

PHYSICIAN/PHYSICIAN DIRECTED SERVICES		
Anesthesiology	Ayers, Laurence MD	945
Anesthesiology	Bradford, John MD	279
Anesthesiology	Bucknum, Frank MD	1,457
Anesthesiology	Davies, Parker MD	405
Anesthesiology	Diggs, John MD	2,252
Anesthesiology	Hansen, J.N. MD	208
Anesthesiology	Harris, John MD	495
Anesthesiology	Hunter, David MD	768
Anesthesiology	Medical Anesthesia Associat	17,624
Anesthesiology	Norgard, Raymond MD	6,736
Anestsiology	Domin, David MD	360
Cardiologist	Reed, George MD	300
Cardiologist	Wilson, Stan MD	2,673
Cardiovascular/Thoracis	Cleveland, Joseph MD	14,556
Dermatology	Feucht, Christopher MD	125
Dermatology	Korenberg, Robert MD	2,289
General Practitioner	Risi, George MD	636
General Surgeon	Gallus, John MD	920
General Surgeon	Johnson, David MD	300
General Surgeon	Newman, Jan MD	34,917
General Surgeon	Staples, Daniel MD	184
General Surgeon	Weinstein, S.F. MD	317
General Surgery	Siverbow Surgical Associate	4,950
Hospital	Deer Lodge Clinic	52,004
Hospital	Diversified Medical Systems	272
Hospital	Mt. State Hospital	65,467 (X-Ray)
Hospital	St. Vincent Hospital	756 (EKG)
Hospital	Western Mt. Clinic	1,321
Int'l Med	Anderson, Rebecca MD	1,100
Int'l Med	Cone, Clancy MD	56
Int'l Med	Olson, Judith MD	22
Int'l Med	Siddoway, Paul MD	184
Int'l Med/Cardiology	Garen, Carolyn MD	333
Int'l Med/Cardiology/Nuclear	Gabster, Alan MD	4,387
Int'l Med/Critical Care	Liponis, Mark MD	167
Int'l Med/Endocrinology	Sampson, Ruth MD	797
Int'l Med/Gasteroesterology	Cain, James MD	1,190
Int'l Med/Gasteroesterology	Curtis, Kimberly MD	70
Int'l Med/Hematology/Oncology	Schmidt, Judy MD	156
Int'l Med/Infectious Disease	Pullman, John MD	1,938
Int'l Med/Pulmonary	Popovich, Keith MD	2,686
Lab/Pathology	Helena Laboratory Physician	109
Lab/Pathology	Medical Reference Labs	562
Lab/Pathology	Missoula Pathology Lab	1,853
Miscellaneous	Rocky Mountain Service Corp	4,599
Neurosurgeon	Baggenstos, Pius MD	6,753
Obstetrics	OB-GYN Associates	375
Oncology/Radiation	Hughes, Eugene MD	1,560

MSP MEDICAL EXPENDITURES, FY 1992
 COMPILATION OF SERVICES BY VENDOR

SERVICE TYPE	VENDOR	FY 92
Optomology	Montana Valley Eye Clinic	9,430
Optomology	Noble, Robert MD	527
Optomology	Rocky Mountain E.N.T. & Eye	5,166
Optometry	Vanio, David O.D.	42,640
Orthopedics	Butte Orthopedic & Fracture	28,843
Orthopedics	Hunter, Brooke MD	29
Orthopedics	Lahey, Michael MD	2,501
Orthopedics	Missoula Orthopedic Clinic	844
Orthopedics	Seim, Robert MD	14,979
Orthopedics	Sterling, R.A. MD	994
Otolaryngology	Divide Creek/Neal Rogers MD	9,031
Otolaryngology/Facial Surgery	Montana Facial Surgery	8,462
Pathology	Butte Pathology Associates	3,818
Pathology	Evanger & Maddux Pathology	680
Pathology	Pathology Associates Medica	139
Podiatry	Holt, Bart D.P.M.	16,241
Podiatry	Smith, Cleveland D.P.M.	842
Psychiatry/Neurology	Anderson, Charles MD	935
Radiology	Butte Radiology Associates	15,836
Radiology	Helena Radiology Associates	84
Radiology	McLaren, R. MD	2,833
Radiology	Missoula Radiology, Inc.	1,079
Ultrasound	Sound Health Imaging	1,700
Urology	Brennan, James MD	2,340
Urology	Engbrecht, R.E. MD	551
Urology	High, Kenneth MD	7,746
Urology	Scott, Terrance MD	2,456
TOTAL		\$423,139
HOSPITAL INPATIENT/OUTPATIENT AND MISCELLANEOUS		
Hospital	Community Hospital, Anacond	1,482
Hospital	Community Medical Center, M	15,232 (IP & OP)
Hospital	Deaconess Hospital, G.F.	6 (Med Rcds)
Hospital	Fort Harrison VA Center	2
Miscellaneous	Miscellaneous Vendor	14
Hospital	Powell County Memorial Hosp	131,907 (IP & OP)
Hospital	Shodair Hospital	63
Hospital	St. James Community Hospita	306,035 (IP & OP)
Hospital	St. Patrick Hospital	112,366 (IP & OP)
Hospital	St. Peters Hospital	1,185 (OP)
TOTAL		\$568,292

EXHIBIT 2DATE 2-11-93MSP MEDICAL EXPENDITURES, FY 1992
COMPILATION OF SERVICES BY VENDOR

SERVICE TYPE	VENDOR	FY 92
DENTAL		
Dentist	Hofer, David DDS	215
Dentist	McGuire, Michael DDS	1,418
Oral Surgeon	Sims, Paul DDS	15,276
Oral Surgeon	Givler, G.B. DDS	2,996
TOTAL		\$19,905
PHYSICAL THERAPY		
Physical Therapy	Donna Woodward Physical The	34,280
TOTAL		\$34,280
ORTHOPETICS & PROSTHETICS		
Medical Equipment	Missoula Orthopedic Supply	2,470
Orthopedics/Prosthetics	Anderson Orthopedic & Prost	2,695
TOTAL		\$5,165
HEARING TESTING		
Audometry	Highlands Hearing Center	1,276
TOTAL		\$1,276
AMBULANCE		
Ambulance	A-1 Ambulance	3,298
Ambulance	Powell County Ambulance	8,013
TOTAL		\$11,311
JEWELL FUNERAL HOME		
Funeral	Jewell Funeral Home	3,118
TOTAL		\$3,118
SHERIFF		
Sheriff	Butte Silver Bow Sheriff	43,430
Sheriff	Missoula County Sheriff	19,077
TOTAL		\$62,507
	TOTAL	\$1,128,993

Montana Facial Surgery & E.N.T.

\$8,462

Summary of 53 Services provided 28 inmates; includes follow up visits for same condition. More than one inmate seen for same condition; more than one condition per inmate

Swelling mass - head or neck
Hoarseness - laryngoscopy w/biopsy
Acute pharyngitis
Deviated nasal septum
Hearing loss
Subjective tinnitus; perceptive hearing loss
Chronic sinusitis pansinusitis
Disease of salivary gland - sialoadenitis
Fracture of jaw bone - complicated repair
w/implant
Perceptive hearing loss
Chronic pansinusitis
Nasal endoscopy - removal of foreign body
Deviated nasal septum - intramural cauterization
Dizziness - vertigo - sensory hearing loss

MONTANA STATE PRISON; SELECTION OF HIGH USE VENDORS - FY 1992

In preparing the following five high use physician specialty summaries, diagnostic and procedure codes were researched for narrative translation. Each service line was not individually translated due to the time it would take to do so. However, it was noted that the same diagnostic codes were shown several times on each of the itemized vendor reports. Also during this review, it was noted that many office visits were for follow up visits related to previously treated conditions. Perhaps the question could be asked with regard to many of these cases as to whether medical follow up could have been provided in the prison infirmary setting by Dr. Autry.

Divide Creek/ Neal Rogers, MD - Ear, Nose, Throat

\$9,031

Summary of 33 services provided 20 inmates: Includes follow up visits for same condition. More than one inmate seen for same condition; more than one condition per inmate.

- Nural hearing loss
- Cholesteatoma of middle ear & mastoid
- Deviated nasal septum
- Chronic sinusitis
- Dento facial anomalies - joint disorder
- Tinnitus
- Dizziness
- Sensory hearing loss
- Polyp of nasal cavity
- Acute antritis
- Fracture-subcondylar - face bones
- Septoplasty submucous resection
- Removal of cyst
- Open treatment of fracture of orbit
- Cochlear otosclerosis

Robert J. Seim, MD (Orthopedics)

\$14,978.75

Summary of 44 Services provided 20 inmates; includes follow up visits for same condition. More than one inmate seen for same condition; more than one condition per inmate.

Shoulder rotator cuff - injection, supplies
Shoulder sprain
Low back pain
Dislocation of finger
Tear of medial cartilage - knee surgery
Dislocation of knee
Sprain of knee & leg; sprain of shoulder
Arthroscopically aided ligament repair;
augmentation/reconstruction - knee
Incision/exploration/drainage - knee
Joint pain unspecified
Surgical repair - tear of knee cartilage
Finger tendon disorder
Fracture of carpal bone - wrist/casting

Bart Holt, D.P.M. (Podiatry)

\$16,241

Summary of 179 services provided 89 inmates: Includes follow up visits for same condition/treatment. More than one inmate seen for same condition; more than one condition per inmate.

Keratoderma - removal of callus or wart
Disease of nail
Peroneal tendinitis
Enthesopathy of ankle & tarsus ,
(swelling/inflammation)
Flat Foot - casting
Infection of nail
Flat Foot - joint range of motion testing
Deformity of toe
Sprain of ankle & foot
Dermatitis
Deformities of feet - casting
Tarsal tunnel syndrome
Bone spur
Tendinitis
Athlete's foot
Hypertrophy of bone
Varus deformities of feet
Contusion of ankle & foot
Planters wart
Calcaneal spur
Cellulitis of heel - incision & drainage
Equinus deformity of foot - casting
Deformity of toe; Keratoderma
Athlete's foot; debridement of nails
Unequal leg length - fitting of prosthetic device
Skin ulcer of lower limb
Mononeuritis of lower limb
Cellulitis & abscess of toe
Hammer toe
Collateral circulation
Contusion of foot

MEMORANDUM

TO Pam Joehler, Administrator
 Management Services Division

FROM Janie Wunderwald, Chief
 Reimbursement Bureau *JW*

DATE February 9, 1993

On 2/4/93, you requested me to find out how much Mt. State Hospital spent in FY 92 and FY 93 for outside medical care.

The following information includes all professional services provided off site to Warm Springs and Galen patients.

	Total invoice Charges	**Estimated Charges	*MSH Paid
FY 1992	\$442,472		\$32,919
FY 1993 thru 1/31/93	\$111,331	\$24,994	\$15,190

* MSH liability due to either no third party patient resource, service not covered by third party, and/or zero ability to pay.

** Invoices not received as of 1/31/93 for services provided, and services scheduled but not as yet provided/received. Based on the per cent of MSH obligation against total invoice charges, approximately 13% or \$3,249 of the estimated charges will be the responsibility of the state hospital.

TOTAL CURRENT LEVEL DIFFERENCES

12,626 (24,038)

FUNDING—The Executive includes less in donations than the LFA current level, which includes: 1) an amount equal to fiscal 1992 actual donations in MDC direct care and the Eastmont budget; and 2) the agency request of \$10,000 each year in MDC non-direct care. In fiscal 1992 MDC received \$2,728 in donations and spent \$6,013. Eastmont received \$217 and spent \$395. Fund balances remaining at fiscal year end 1992 are \$9,267 at MDC and \$5,890 at Eastmont.

(4,859) (4,859)

While both the Executive and LFA include increased donations for both years, a cash flow analysis indicates that, even if the MDC donations fund balance is entirely used, no more than \$6,000 per year could be expended at MDC. The additional \$8,464 per year in the LFA current level therefore replaces general fund and is probably empty spending authority which could result in budget shortfall.

The Eastmont fund balance and revenue would support the LFA current level.

Budget Modifications

NONE

Language an Other Issues

NATURAL GAS PROCUREMENT—Both the Executive and the LFA current level include \$143,658 in fiscal 1994 and \$127,248 in fiscal 1995 for natural gas at MDC. These are reductions from the \$225,099 actual expenditure and are the result of estimated savings from a change in natural gas procurement. However, DNRC has stated that these factors may not be accurate (see "Natural Gas Procurement" on the attached sheet.)

6401 50 00000

CORRECTIONS & HUMAN SERVICES
Program Summary

Developmental Disabilities

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	497.42	457.73	459.43	459.43	0.00	459.43	459.43	0.00
Personal Services	12,857,645	12,147,150	14,118,809	14,110,677	8,132	14,550,570	14,560,208	(9,638)
Operating Expenses	1,880,487	1,859,721	1,809,563	1,792,983	16,580	1,842,897	1,814,875	28,022
Equipment	90,477	97,759	90,663	102,749	(12,086)	90,663	128,085	(37,422)
Transfers	0	0	0	0	0	0	5,000	(5,000)
Debt Service	35,999	30,872	24,748	24,748	0	18,005	18,005	0
Total Costs	\$14,864,610	\$14,135,502	\$16,043,783	\$16,031,157	\$12,626	\$16,502,135	\$16,526,173	(\$24,038)
Fund Sources								
General Fund	14,815,924	14,102,811	15,995,783	15,978,298	17,485	16,454,135	16,473,314	(19,179)
State Revenue Fund	31,679	30,251	35,000	39,859	(4,859)	35,000	39,859	(4,859)
Federal Revenue Fund	17,006	2,440	13,000	13,000	0	13,000	13,000	0
Total Funds	\$14,864,610	\$14,135,502	\$16,043,783	\$16,031,157	\$12,626	\$16,502,135	\$16,526,173	(\$24,038)

Page References

LFA Budget Analysis (Vol. 2), D51-D52
Stephens' Executive Budget, D29

Current Level Differences

PERSONAL SERVICES—The Executive is higher in fiscal 1994 and lower in fiscal 1995 than the LFA current level because of: 1) differences in holidays worked; and 2) differences in the calculation of benefits for differential, overtime, and holidays worked (see "Miscellaneous Personal Services" on the attached sheet).

Exec. Over(Under) Fiscal 1994	LFA Fiscal 1995
-------------------------------	-----------------

8,132	(9,638)
-------	---------

OPERATING EXPENSES—The Executive is higher than the LFA current level because it includes:

1) more for contracted painting services. The LFA current level did not include the contracted painting services because elimination of 2.0 FTE painters was identified as part of the "downsizing" savings at MDC. Restoring a portion of the painting services reduces those savings and therefore is brought to the committee's attention;

15,000	15,000
--------	--------

2) includes \$500 each year, while the LFA current level includes the fiscal 1992 actual amount of \$3,205 each year for dentistry services;

(2,705)	(2,705)
---------	---------

3) more for prescription services (see "Prescription Services" on the attached sheet);

4,120	4,120
-------	-------

4) more for utilities at Eastmont in fiscal 1993 (see "Energy Retrofit Savings" on the attached sheet); and

10,000	
--------	--

5) minor base differences and inflation.

165	1,607
-----	-------

EQUIPMENT—The Executive is lower than the LFA current level because the LFA includes:

1) the full principal payment for the cook/chill system in equipment; and

(12,513)	(19,257)
----------	----------

2) equipment from a prioritized list sufficient to provide equipment purchased by general fund throughout the department at approximately the three-year average (see "Equipment" on the attached sheet).

427	(18,165)
-----	----------

TRANSFERS—The LFA current level includes a transfer to the general fund of half the estimated energy savings resulting from an energy retrofit at Eastmont in fiscal 1995. In a general fund supported program such as Eastmont, this transfer results in budgeting general fund for transfer to the general fund (see "Energy Retrofit Savings" on the attached sheet).

(5,000)	
---------	--

CORRECTIONS & HUMAN SERVICES

Eastmont Human Services Center

Program Summary

Budget Item	Current	Current	Executive	LFA	Difference	Executive	LFA	Difference
	Level	Level						
FTE			105.12	105.12	0.00	105.12	105.12	0.00
Personal Services	2,603,307	0	3,112,141	3,110,212	1,929	3,206,891	3,205,903	988
Operating Expenses	354,415	0	358,095	357,710	385	367,639	355,884	11,755
Equipment	11,083	0	10,279	10,279	0	10,279	10,279	0
Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>(5,000)</u>
Total Costs	\$2,968,806	\$0	\$3,480,515	\$3,478,201	\$2,314	\$3,584,809	\$3,577,066	\$7,743
<u>Fund Sources</u>								
General Fund	2,968,410	0	3,480,515	3,477,806	2,709	3,584,809	3,576,671	8,138
State Revenue Fund	<u>395</u>	<u>0</u>	<u>0</u>	<u>395</u>	<u>(395)</u>	<u>0</u>	<u>395</u>	<u>(395)</u>
Total Funds	\$2,968,806	\$0	\$3,480,515	\$3,478,201	\$2,314	\$3,584,809	\$3,577,066	\$7,743

Page ReferencesCurrent Level DifferencesBudget ModificationsLanguage

Exec. Over(Under)	LFA	
	Fiscal 1994	Fiscal 1995

6401 50 15111
CORRECTIONS & HUMAN SERVICES
Program Summary

Montana Developmental Center

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	0.00	0.00	354.31	354.31	0.00	354.31	354.31	0.00
Personal Services	10,254,338	0	11,006,668	11,000,465	6,203	11,343,679	11,354,305	(10,626)
Operating Expenses	1,526,072	0	1,451,468	1,435,273	16,195	1,475,258	1,458,991	16,267
Equipment	79,394	0	80,384	92,470	(12,086)	80,384	117,806	(37,422)
Debt Service	35,999	0	24,748	24,748	0	18,005	18,005	0
Total Costs	\$11,895,804	\$0	\$12,563,268	\$12,552,956	\$10,312	\$12,917,326	\$12,949,107	(\$31,781)
<u>Fund Sources</u>								
General Fund	11,847,513	0	12,515,268	12,500,492	14,776	12,869,326	12,896,643	(27,317)
State Revenue Fund	31,284	0	35,000	39,464	(4,464)	35,000	39,464	(4,464)
Federal Revenue Fund	17,006	0	13,000	13,000	0	13,000	13,000	0
Total Funds	\$11,895,804	\$0	\$12,563,268	\$12,552,956	\$10,312	\$12,917,326	\$12,949,107	(\$31,781)

Page References

Current Level Differences

Budget Modifications

Language

Exec. Over(Under) LFA
Fiscal 1994 Fiscal 1995

6401 60 00000		CORRECTIONS & HUMAN SERVICES					Veteran's Nursing Home		
Program Summary		DATE <u>2-11-93</u>							
		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	85.89	85.89	85.89	85.89	0.00	85.89	85.89	0.00	
Personal Services	2,099,446	2,257,173	2,460,577	2,467,809	(7,232)	2,530,556	2,542,686	(12,130)	
Operating Expenses	643,769	732,309	737,931	681,896	56,035	762,512	706,801	55,711	
Equipment	<u>15,904</u>	<u>5,524</u>	<u>3,463</u>	<u>7,144</u>	<u>(3,681)</u>	<u>3,463</u>	<u>7,144</u>	<u>(3,681)</u>	
Total Costs	\$2,759,120	\$2,995,006	\$3,201,971	\$3,156,849	\$45,122	\$3,296,531	\$3,256,631	\$39,900	
Fund Sources									
General Fund	635,934	880,730	1,154,597	1,021,894	132,703	1,148,846	1,014,770	134,076	
State Revenue Fund	1,274,511	1,259,167	1,051,934	1,139,515	(87,581)	1,082,783	1,176,959	(94,176)	
Federal Revenue Fund	<u>848,673</u>	<u>855,109</u>	<u>995,440</u>	<u>995,440</u>	<u>0</u>	<u>1,064,902</u>	<u>1,064,902</u>	<u>0</u>	
Total Funds	\$2,759,120	\$2,995,006	\$3,201,971	\$3,156,849	\$45,122	\$3,296,531	\$3,256,631	\$39,900	

Page References

LFA Budget Analysis (Vol. 2), D53-D54
 Stephen's Executive Budget, D30

Current Level Differences

PERSONAL SERVICES—The Executive is lower than the LFA current level because of: 1) differences in holidays worked; and 2) differences in the calculation of benefits for differential, overtime, and holidays worked (see "Miscellaneous Personal Services" on the attached sheet).

Exec. Over(Under) LFA
 Fiscal 1994 Fiscal 1995

(7,232) (12,130)

OPERATING EXPENSES—The Executive is higher than the LFA current level because it includes:

1) more for perscription services (see "Perscription Services" on the attached sheet);

2,729 2,729

2) more for nursing home fee collection expenses (see "Nursing Home Fees" on the attached sheet);

52,166 52,166

3) more for tools and books; and

800 300

4) minor base and inflation differences.

340 516

EQUIPMENT—The Executive is lower than the LFA current level because the LFA includes the agency request from a prioritized list (see "Equipment" on the attached sheet).

(3,681) (3,681)

TOTAL CURRENT LEVEL DIFFERENCES

45,122 39,900

FUNDING—The Executive includes less in state special funds and more in general fund because the Executive includes only revenue from private payments, while the LFA current level includes both private payments and payments from insurance, medicare, and medicaid.

(87,581) (94,176)

Budget Modifications

NEW VETERAN'S HOME OPERATIONS—The Executive includes a budget modification for operations of the 80-bed Eastern Montana Veteran's Home scheduled to open on July 1, 1994. Construction is expected to start in February, 1993. Start-up costs in fiscal 1994 include personal services of \$80,289 for 2.83 FTE, operating costs of \$122,212, and equipment costs of \$74,000. Fiscal 1995 costs are for an average daily population of 58, but the department expects that 72 beds will be filled by the end of the year. The department estimates that full annualized costs of operation will be \$2.8 million, including \$1.2 million general fund (see LFA Budget Analysis, Vol. 2, D-35).

TOTAL CURRENT LEVEL DIFFERENCES

108,922

124,218

Budget Modifications

GALEN CHANGES—The Executive includes a budget modification for 5.0 FTE and state special funds (earmarked alcohol tax) for treatment and program staff in an expanded Chemical Dependency program (see LFA Budget Analysis, Vol. 2, D-35).

131,209

135,439

Language and Other Issues

RENT—The Executive budget includes rent in the Chemical Dependency budget at Galen that would be paid to the Mental Health Division for support services provided by MSH. The Executive budget then reduces FTE, personal services, and operating expenses in the Chemical Dependency budget, increases the FTE at MSH, adds vacancy savings at MSH, and provides for abatement of support services expenditures in the Mental Health budget. Under this proposal, personal services and other operating expenses would not be recorded on the statewide accounting system (see LFA Budget Analysis, Vol. 2, D-28. The LFA current level includes personal services and operating expenses in the Chemical Dependency budget (see "Operating Expenses" below).

Alternatives to the rent/abatement proposal are:

- 1) record all support personal services and operating expenses as they occur in the Mental Health budget and record the rent as a transfer in the Chemical Dependency budget and as revenue in the Mental Health budget. This procedure would result in double-budgeting the earmarked alcohol tax in the two programs, but it would accurately allocate revenue and expenditures in both programs.
- 2) budget earmarked alcohol tax directly in the Mental Health budget for Chemical Dependency support services. This procedure would allow accurate allocation of personal services and operating expenses for support services, but it would result in an understatement of the cost of the Chemical Dependency program.
- 3) budget all support services directly in the Chemical Dependency program as has been done in the LFA current level. This procedure accurately allocates expenses and revenue, but it results in program difficulties because the FTE performing the services are physically located on the Warm Springs campus and are supervised by personnel budgeted in the Mental Health program.

OPERATING EXPENSES—The LFA current level includes 7.8 FTE not included in the Executive Budget and an operating expense transfer of utilities from Mental Health to Chemical Dependency in lieu of rent (total rent is \$441,461). However, the utility transfer in the LFA current level is negated by the re-calculation of natural gas costs under the natural gas procurement agreement. The corrected natural gas costs provided by DNRC and OBPP include \$128,837 of operating transfers.

Agency documentation indicates that the total support services would cost \$441,461 each year.

If the sub-committee elects to budget transfers in Chemical Dependency and budget the support services in Mental Health, an appropriate approach is to approve the Executive base and budget the "rent" in transfers instead of the "rent" line item. The transfer of the earmarked alcohol tax funds of \$441,461 each year would then be recorded as a revenue in Mental Health, and all corresponding personal services and operating expenses would be recorded as expenditures in Mental Health (#1 above).

If the sub-committee elects to budget those support services directly in Mental Health, an appropriate approach is to approve the Executive base for Chemical Dependency, excluding the rent, and budget \$441,461 of earmarked alcohol tax each year and all corresponding personal services and operating expenses in the MSH budget (#2 above).

If the sub-committee elects to budget those support services directly in Chemical Dependency, an appropriate approach is to approve the LFA current level and transfer FTE and an additional \$60,953 in fiscal 1994 and \$51,983 in fiscal 1995 for personal services and operating expenses from Mental Health to Chemical Dependency (#3 above).

DATE 2-11-93

6401 40 00000

CORRECTIONS & HUMAN SERVICES

Chemical Dependency

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	59.65	59.65	51.85	59.65	(7.80)	51.85	59.65	(7.80)
Personal Services	1,843,922	1,811,656	1,851,118	2,082,547	(231,429)	1,905,381	2,137,933	(232,552)
Operating Expenses	489,327	141,944	823,854	481,200	342,654	827,883	468,810	359,073
Equipment	289	307	1,800	1,800	0	3,000	3,000	0
Grants	1,878,944	2,141,176	2,306,925	2,306,925	0	2,306,925	2,306,925	0
Debt Service	<u>2,302</u>	<u>0</u>	<u>0</u>	<u>2,303</u>	<u>(2,303)</u>	<u>0</u>	<u>2,303</u>	<u>(2,303)</u>
Total Costs	\$4,214,786	\$4,095,083	\$4,983,697	\$4,874,775	\$108,922	\$5,043,189	\$4,918,971	\$124,218
Fund Sources								
General Fund	242,317	283,885	271,885	257,046	14,839	273,352	265,047	8,305
State Revenue Fund	1,921,865	1,696,372	2,379,142	2,285,059	94,083	2,437,167	2,321,254	115,913
Federal Revenue Fund	<u>2,050,603</u>	<u>2,114,826</u>	<u>2,332,670</u>	<u>2,332,670</u>	<u>0</u>	<u>2,332,670</u>	<u>2,332,670</u>	<u>0</u>
Total Funds	\$4,214,786	\$4,095,083	\$4,983,697	\$4,874,775	\$108,922	\$5,043,189	\$4,918,971	\$124,218

Page References

LFA Budget Analysis (Vol. 2), D48-D50
 Stephen's Executive Budget D28-D29

Current Level Differences

PERSONAL SERVICES—The Executive is lower than the LFA current level because:

1) the Executive includes 7.8 fewer FTE and less in personal services because it planned to move these FTE to the Mental Health Budget and provide the services by charging the Chemical Dependency program rent. The LFA current level includes all FTE in the program now and does not include rent (see "Rent" issue below).

(251,672) (260,641)

2) the Executive includes less for overtime and differential pay, and more for holidays and benefits for overtime, differential, and holidays than the LFA current level (see "Miscellaneous Personal Services" on the Global Issues sheet).

20,243 28,089

Total Personal Services

(231,429) (232,552)

OPERATING EXPENSES—The Executive is higher than the LFA current level because it includes:

1) federal funds for independent audit fees for audits of federal grants. The LFA current level does not include these fees, but it uses the full amount of federal funds requested by the agency to fund other operating expenses. Since these audits are required, the adjustment to the LFA current level is to add those audit fees, fund them with federal funds by reducing federal funds for other current level expenses, and add state special funds (earmarked alcohol tax) for the other operating expenses.

8,000

2) \$6,000 each year for additional chemical dependency counselor certification examinations to implement House Bill 909. The LFA current level did not include impacts resulting from other legislation.

6,000 6,000

3) more for communications, travel, subscriptions, and training. The LFA current level included amounts equal to fiscal 1992 actual expenditures plus inflationary adjustments.

13,759 13,431

4) more for rent because the Executive anticipated charging the chemical dependency program rent to be paid to the Mental Health Division for support services performed (see "Rent" issue below).

441,461 441,461

5) less for utilities because Chemical Dependency utilities were included in rent (see "Rent" and "Operating Expense" issues below).

(127,601) (104,744)

6) minor base and inflation differences.

1,035 2,925

Total Operating Expense Differences

342,654 359,073

DEBT SERVICE—The Executive does not include debt service in this program, while the LFA current level includes an amount equal to the fiscal 1992 actual debt service.

(2,303) (2,303)

Exec. Over(Under) LFA	Fiscal 1994	Fiscal 1995

6401 40 14211

CORRECTIONS & HUMAN SERVICES

MSH Chemical Dependency

Program Summary

Budget Item	Current Level	Current Level	Executive	LFA	Difference	Executive	LFA	Difference
	Fiscal 1992	Fiscal 1993	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1995	Fiscal 1995	Fiscal 1995
FTE	0.00	0.00	43.85	51.65	(7.80)	43.85	51.65	(7.80)
Personal Services	1,561,035	0	1,562,376	1,793,804	(231,428)	1,615,676	1,848,228	(232,552)
Operating Expenses	160,453	0	731,478	413,799	317,679	742,300	399,997	342,303
Equipment	0	0	0	0	0	1,700	0	1,700
Total Costs	\$1,721,488	\$0	\$2,293,854	\$2,207,603	\$86,251	\$2,359,676	\$2,248,225	\$111,451
<u>Fund Sources</u>								
General Fund	242,317	0	271,885	257,046	14,839	273,352	265,047	8,305
State Revenue Fund	1,479,171	0	2,021,969	1,950,557	71,412	2,086,324	1,983,178	103,146
Total Funds	\$1,721,488	\$0	\$2,293,854	\$2,207,603	\$86,251	\$2,359,676	\$2,248,225	\$111,451

Page ReferencesCurrent Level DifferencesBudget ModificationsLanguage

Exec. Over(Under) LFA	
Fiscal 1994	Fiscal 1995

6401 40 04100

CORRECTIONS & HUMAN SERVICES

Chemical Dependency Operations

DATE 2-11-93

Program Summary

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	0.00	0.00	8.00	8.00	0.00	8.00	8.00	0.00
Personal Services	263,586	0	288,742	288,743	(1)	289,705	289,705	0
Operating Expenses	102,749	0	92,376	67,401	24,975	85,583	68,813	16,770
Equipment	289	0	1,800	1,800	0	1,300	3,000	(1,700)
Debt Service	<u>2,302</u>	<u>0</u>	<u>0</u>	<u>2,303</u>	<u>(2,303)</u>	<u>0</u>	<u>2,303</u>	<u>(2,303)</u>
Total Costs	\$368,927	\$0	\$382,918	\$360,247	\$22,671	\$376,588	\$363,821	\$12,767
<u>Fund Sources</u>								
State Revenue Fund	343,183	0	357,173	334,502	22,671	350,843	338,076	12,767
Federal Revenue Fund	<u>25,744</u>	<u>0</u>	<u>25,745</u>	<u>25,745</u>	<u>0</u>	<u>25,745</u>	<u>25,745</u>	<u>0</u>
Total Funds	\$368,927	\$0	\$382,918	\$360,247	\$22,671	\$376,588	\$363,821	\$12,767

Exec. Over(Under) LFA
Fiscal 1994 Fiscal 1995

Page References

Current Level Differences

Budget Modifications

Language

6401 40 04300
 CORRECTIONS & HUMAN SERVICES
 Program Summary

Chemical Dependency Community Services

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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Personal Services	19,300	0	0	0	0	0	0	0
Operating Expenses	226,125	0	0	0	0	0	0	0
Grants	<u>1,815,694</u>	<u>0</u>	<u>2,306,925</u>	<u>2,306,925</u>	<u>0</u>	<u>2,306,925</u>	<u>2,306,925</u>	<u>0</u>
Total Costs	\$2,061,119	\$0	\$2,306,925	\$2,306,925	\$0	\$2,306,925	\$2,306,925	\$0
<u>Fund Sources</u>								
State Revenue Fund	36,261	0	0	0	0	0	0	0
Federal Revenue Fund	<u>2,024,858</u>	<u>0</u>	<u>2,306,925</u>	<u>2,306,925</u>	<u>0</u>	<u>2,306,925</u>	<u>2,306,925</u>	<u>0</u>
Total Funds	\$2,061,119	\$0	\$2,306,925	\$2,306,925	\$0	\$2,306,925	\$2,306,925	\$0

Page References

Current Level Differences

Budget Modifications

Language

Exec. Over(Under) LFA
 Fiscal 1994 Fiscal 1995