

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - SPECIAL SESSION

JOINT SUBCOMMITTEE ON INSTITUTIONS, CULTURAL EDUCATION AND HUMAN SERVICES

Call to Order: By **REP JOHN COBB, CHAIRMAN**, on November 18, 1993,
at 8:00 a.m.

ROLL CALL

Members Present:

Rep. John Cobb, Chairman (R)
Rep. Betty Kasten, Vice Chairman (R)
Sen. Mignon Waterman (D)
Sen. Chris Christians (D)
Sen. Thomas Keating (R)
Rep. David Wanzenried (D)
Sen. Eve Franklin, Vice Chairman (D)
Sen. Gary Aklestad (R)
Sen. J.D. Lynch (D)
Rep. Red Menahan (D)
Rep. Linda Nelson (D)
Sen. Daryl Toews (R)

Members Excused: Rep. Ed Grady (R)

Members Absent:

Staff Present: Sandra Whitney, Legislative Fiscal Analyst
Mary LaFond, Office of Budget & Program Planning
Lisa Smith, Legislative Fiscal Analyst
Lois Steinbeck, Legislative Fiscal Analyst
Gayleen Strachan, Committee Secretary

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

Committee Business Summary:

Hearing: Department of Corrections and Human
Services

REP. JOHN COBB, CHAIRMAN, called the meeting to order. He
briefly went over the proposed caps explaining that the first is
a 22-hour limit on outpatient services and the second is a limit
of 780 hours for day treatment.

Informational Testimony:

Lois Steinbeck, LFA, referred to pages B-15 and B-16 of the LFA book. She stated that the executive budget proposes two caps. These caps would reduce the total expenditure by about \$1.6 million over the biennium. The contract to capitate all mental health services for adults will not go into effect until July 1, 1995. The two caps proposed on therapy services and day treatment services are only in place until the capitation contract is negotiated. After that all mental health services will be provided through the contract at a fixed rate per person. One issue in the LFA budget is that there is no official executive proposal to provide services to people who reach the service caps and lose services. Table 1 on page B-16 shows the number of people who would have been affected by these caps had they been in place in 1992. The LFA has been unable to determine what would happen if these people lose services. Three possibilities would be: they could require treatment in Warm Springs; they could require acute care stabilization in hospitals; or community mental health centers will restructure their priorities under the state services contract to continue to treat Medicaid eligible persons. At that point services would be paid for by 100% General Fund instead of 30% General Fund and 70% federal funds. The executive also estimates that these service caps will cause revenues at community mental health centers to decline by six to seven percent.

Peter Blouke, Director, Social and Rehabilitation Services, stated that he had talked to the department personnel and some of the mental health centers to determine how many people would require institutional care. The department does not believe there will be many. There is flexibility within the mental health center budgets to shift priorities. Priorities from a state standpoint have to be the seriously mentally disturbed when looking at where deductions could be made by limiting the number of outpatient services to 22 hours and limiting day treatment services to 780 hours. These limits do not restrict the clients ability to receive medications, and clients would continue to receive three hours of day treatment per week.

Questions, Responses, and Discussion:

SEN. KEATING asked **Dr. Blouke** to outline a typical scenario of the continuum of care for the mentally ill. **Dr. Blouke** referred the question to **Dan Anderson, Administrator, Mental Health Division**. **Mr. Anderson** described a person with a serious mental illness such as schizophrenia. Someone who hasn't been in treatment before may require a short term hospital stay in a psychiatric unit. If it looked as if there was going to be a need for long term hospitalization, they would be transferred to Warm Springs. The typical length of stay at the state hospital might be 60 days. The hospital would arrange for the patient to be discharged back into the community. An intensive case manager would be assigned. The mental health center would help find the person a place to live and arrange for them to receive care from a psychiatrist. Often the person would attend a day care treatment program. The day care treatment program would provide support, crisis intervention, group therapy activities, and

vocational training. The goal of the health system is to move that person toward more independent living.

SEN. KEATING asked how much time it would take before a person in this situation would recover. **Mr. Anderson** replied that while the department is always trying to move the person out of the system, these kinds of disabilities are often life long. While people may get to a point where they are fairly independent, often they still need an ongoing support system.

SEN. KEATING asked **Mr. Anderson** what the cost would be for a person in this scenario. **Mr. Anderson** explained that the department could develop a list of the cost, but he did not have it with him at the time.

REP. DAVID WANZENRIED questioned how much the department will be downsized as a result of any budget reductions. **Dr. Blouke** replied that their staff has already been reduced and to further reduce the staff would be inefficient.

SEN. MIGNON WATERMAN commended the subcommittees for holding a joint meeting. She asked whether there would be mandatory reviews if the services were capped. **Mr. Anderson** stated that SRS decided it would not be cost effective to have mandatory reviews.

Informational Testimony:

Kathy McGowen, Executive Director, Montana Council of Mental Health Centers, provided information regarding three proposed cuts: a proposal to limit services for medically needy to primary and preventive care, a proposed cap 22 hour limitation on therapy provided by community mental health centers, and a proposal to implement a limit of 15 hours per week on day treatment services at a community mental health center. **EXHIBIT 1. Ms. McGowen** gave examples of people who would be affected by the proposed budget cuts.

Dr. Blycass, Clinical Psychologist, Montana Psychological Association, spoke against the budget cuts. He stated that three points need to be made regarding day treatment. The first one is that these are marginal and needy people. They are extremely vulnerable and fragile. They need a great deal of help before their symptoms become severe. The second point is that contemporary psychological help is better in the community than in the hospital. The third point is that if these people are hospitalized again, the cost to the Montana taxpayer will be high.

Bill Evans, Montana Psychological Association, opposed the proposed budget cuts. The association feels that putting a limit on the number of mental health services will end up costing the state much more.

John Johnson, Montana Mental Health Providers Coalition, distributed a letter opposing the proposed budget cuts and explaining why the state would save money if it worked more closely with the private sector. **EXHIBIT 2.** He stated that community mental health centers charge an average of \$80 per hour while if the private sector was allowed to treat this population their charge will be \$36.86 per hour.

Marty Onishuk, Vice President, Montana Alliance for the Mentally Ill, briefly went over what serious mental illness is. She stated that it is a neurobiological brain disease. The cause is not clear. It may be viral or genetic but it is not the fault of the person who has the disease. At this time there is no cure for serious mental illness. **Ms. Onishuk** passed out a newspaper article called "The Outsiders." **EXHIBIT 3**

Jeff Stern, MSW, Helena Community Support Program Clinical Director, testified in opposition to the proposed cuts. **Mr. Stern** distributed a copy of a study that shows the cost of community treatment versus institutional care. **EXHIBIT 4.** He stated that if these cuts are approved it would result in some people currently in community care needing to be hospitalized.

Dr. Thomas D. Carlin, Chairman, Montana Committee for the Emotionally Disturbed Child, supports mental health centers in Montana. The committee backs the development of community based services. **Dr. Carlin** stated that his committee strongly supports the Managed Resources of Montana. The case managers that are employed by Managed Resources of Montana need to have special training. It is not an entry level position. It appears to the committee that the case loads are becoming large and will soon be unworkable. If the funding is not available there could possibly be an interruption of services for the Managed Resources of Montana program. It is known that schools can't take the place of a more restrictive therapeutic setting. There should be an increase in funding to meet the needs of the severely emotionally disturbed children's population. There has been an under estimation of the number of SED children that have been identified in the state. One reason is that there has been a tremendous unanticipated increase in the number of SED children coming into the state of Montana from other states.

Dr. Q. Hehn, Montana Clinical Mental Health Counselors, stated that capitation will take away the ability of the private practitioner to work with the people that need his services the most. **Dr. Hehn** testified that private practitioners are more accessible and cost considerably less than mental health centers.

Mary Murphy, Member, Montana House; Judy Erickson, Member, Montana House; Monique Sheppard, Member, Montana House; spoke in opposition to the proposed budget cuts. They testified that the Montana House is a great help to the mentally ill and without it some people will need to be hospitalized or may attempt suicide.

Clifford Murphy, Mental Health Association, testified against the proposed budget cuts. He stated that most people realize the importance of medical care being available to all people, and it is equally important that care be available for the mentally ill.

Harley Warner, Montana Association of Churches, stated that if the community based services are cut back, we will see an increase in the number of people who need to be hospitalized. **Mr. Warner** stated that this isn't a real budget cut.

Wesley R. Alcorn, Member, Alliance for the Mentally Ill and Montana House, has gone through the system and graduated. He stated that the program has helped him. He is now to the point where he is ready to reenter society and become a taxpayer. He stated that the program can and does work. **Mr. Alcorn** believes that if the proposed budget cuts take place, we would see homelessness and people eating out of garbage cans may occur.

Dawn Peterson testified against the budget cuts. She stated that she was abused as a child and now has multiple personality disorder. She has been in the mental health system for four years. At one time she was in the Montana State Hospital. She is currently in therapy. Her therapist is a critical link in creating a productive life for her and her family. She also sees a psychiatrist to monitor her medication. **Ms. Peterson** stated that if her hours are limited she will end up back at the state hospital which would be more expensive. She stated that she could not live if she did not have someone to help her deal with the abuse she suffered as a child.

Questions, Responses, and Discussion:

SEN. WATERMAN commented that she senses a division between mental health clinics and private clinics and she thinks it is essential that the two work together.

SEN. KEATING questioned whether any of the clients in the system are able to work. **Ms. McGowen** stated that many can't afford to work because they will be ineligible to receive Medicaid and some of the medication they need is very expensive.


SEN. KEATING questioned whether there is occurring migration from other states for our mental health services. **Mr. Bob Ross, Director, Mental Health Center in Billings**, said there has been a significant increase in the population in general. Because the population has increased, more people need mental health services. However, some people are moving to Montana because of the mental health services we offer.

Dr. Blouke clarified that only two and a half percent of the medically needy population use the mental health service. He stated that the recommendations were difficult decisions and this has to be taken in context with all the recommendations they are making. They are the least painful cuts in the Medicaid program.

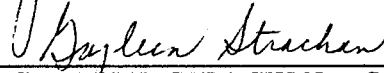
Without the cuts, an additional \$60 million will be needed in the next biennium. **SEN. KEATING** pointed out that the Social and Rehabilitation Services Department made the recommendations on their own and not everyone has the same priorities as this department.

ADJOURNMENT

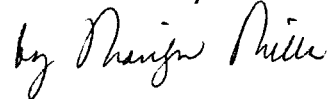
Adjournment: 10:00 a.m.



REP. JOHN COBB, Chairman



GAYLEEN STRACHAN, Secretary



jc/gs

HOUSE OF REPRESENTATIVES

HUMAN SERVICES AND AGING SUB-COMMITTEE

ROLL CALL

DATE 11-18-93

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