

MINUTES

MONTANA SENATE  
52nd LEGISLATURE - 2nd SPECIAL SESSION

COMMITTEE ON FINANCE & CLAIMS

Call to Order: By Senator Judy Jacobson, Chairman, on July 13, 1992, at 5:20 p.m., Room 325.

ROLL CALL

Members Present:

Judy Jacobson, Chairman (D)  
Greg Jergeson, Vice Chairman (D)  
Gary Aklestad (R)  
Thomas Beck (R)  
Esther Bengtson (D)  
Don Bianchi (D)  
Gerry Devlin (R)  
Eve Franklin (D)  
Harry Fritz (D)  
H.W. Hammond (R)  
Ethel Harding (R)  
Bob Hockett (D)  
Thomas Keating (R)  
Dennis Nathe (R)  
Lawrence Stimatz (D)  
Larry Tveit (R)  
Eleanor Vaughn (D)  
Mignon Waterman (D)  
Cecil Weeding (D)

Members Excused: None

Staff Present: Carroll South (LFA)

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

HEARING ON SENATE BILL 8

Presentation and Opening Statement by Sponsor:

Senator Tom Keating, District 44, Billings, sponsor, said SB 8 would provide for the closure of the acute care hospital and intermediate nursing care program at the Galen campus of Montana State Hospital. He distributed to the committee a handout relative to Senate Bill 8. (See Exhibit 1) He noted an interim committee had been formed to study this. The interim committee made an on-grounds study, had public hearings, listened to mental

health centers around the state that testified relative to making Warm Springs a crisis unit for mental health treatment for the transfer of patients from there back into the community for ongoing mental treatment. They also heard testimony from the Montana Eagles Manor at Lewistown talking about how they could accept the Galen patients. He noted that Galen is over-staffed and does not function economically. The mental patients going to Warm Springs would be given active mental treatment; there would be an infirmary at Warm Springs substituting for the Galen infirmary. It would provide appropriate services to the clients that need it, help bring Warm Springs into compliance with the Ihler decision because staffing could be shifted from Galen to Warm Springs. Better services would be provided throughout the state, and \$1.5 million of general fund money could be saved. He noted that the interim committee after a long study voted 10 to 5 to do what is in Senate Bill 8. He concluded it has had a thorough study thus far and the recommendation was made to close Galen.

#### Proponents' Testimony:

Curt Chisholm, Director, Department of Corrections and Human Services, stated this has become an extreme emotional issue and not very factual. He noted that the study commission has been working on the past, present and future uses of both Galen and Warm Springs. He added he is aware the work of that committee has not been completed, but because of serious obligations to the court of Montana relative to the Ihler compliance plan, the Department is obligated to balance the population of Warm Springs to around a 200 patient level. They are also committed to getting \$1 million of the State hospital budget into the regional mental health centers to stabilize the population, as they are committed to keeping the pilot programs alive. Mr. Chisholm stated there is a population that has well exceeded the amount budgeted for and it has now exceeded the physical capacity limitations. He said the nursing beds available are being under-utilized at the Warm Springs State Hospital campus, the Galen campus, and the Center for the Aged. A number of people don't need specialized institutional care and could go to appropriate private nursing homes where they should have been placed in the first place. There is under-utilization of a 33 bed acute medical hospital on the third floor of a wing of a building at the Galen campus. SB 8 would allow the department to go ahead with a proposal made in the budget process to close the long-term care unit and the acute hospital and save roughly \$1 million. The LFA stated the total impact of the general fund was not addressed; they were right and that has since been addressed. He noted there would probably be a loss of \$7,000 relative to revenue to the general fund from those that might lose their jobs because of the closures. Unemployment insurance would not be adjusted until FY '95, and according to the Department of Labor, hardly any notes will increase to the unemployment insurance the Department pays. SRS has indicated they probably may not need the appropriation to sustain this effort. The net loss of

revenue to the general fund has been taken into consideration. All in all, the Department will be able to save close to \$1 million. He concluded there has been much grief suffered over this recommendation but it is a real issue and becomes a real issue when cuts are taken in the Department's programs that are critical to their mission and Galen is left alone as some sacred entity that simply has to stay in place. He added it is a legitimate issue to be discussed. He stated that Jane Edwards of the Montana State Hospital will testify on SB 8 at the request of Senator Keating.

Jane Edwards, Superintendent of Montana State Hospital, appeared in support of Senate Bill 8. (See Exhibit 2)

### Opponents' Testimony:

Representative Menahan, said there are many issues relative to this. One is losing the license at Galen when it is downsized and the debate over the number of people that have been medically detoxed which he stated would be a cost to the county. Some counties would be hit extremely hard on the issues being discussed. He noted the study committee should be allowed to continue their efforts until the next regular session when a rational decision can be made. He reminded the committee that there are 87 positions that when eliminated would go on unemployment at approximately \$200 a week for a total of \$380,000 for 26 weeks. He added it would cost more than what is saved.

Keith Colbo, representing the Warm Springs, Galen task force. He stated their opposition to the Galen proposal made in SB 8. He said there are many uncertainties about the future existence of Galen. He noted there has been 18 votes taken on this issue and they have all resulted in the same way. He said the proposal while not closing the Galen campus would have the same effect, which would be a real impact. It would be taking the last step to close the campus. He said the study committee still has more hearings to conduct and felt they should be allowed to finish their study and have the results of the work for the administration's own proposal. He felt the projected savings of \$1.1 million probably is not there. He stated the task force supports the total and complete compliance with the Ihler decision. He concluded by recommending a Do Not Pass on Senate Bill 8.

George Hagerman, Director of AFSCME, Montana Council 9, stated their commitment to HB 966, the Warm Springs study process as well as the Galen study. He felt the next regular session should review the recommendations made by the committee when they have completed their deliberations and they should be accepted or rejected based on the program needs of the State at that time. He added the proposal has no more merit today than it did when it was rejected during the 1991 session and again during the first special session. He concluded the study committee should be allowed to complete their work.

Tom Foley, staff employee for American Federation of State, County and Municipal Employees, testified on behalf of Don Judge, AFL-CIO. A resolution that was passed at the recent AFL-CIO convention adamantly opposed the downsizing and closure of the Galen campus and Montana State Hospital and urged the committee to oppose the adoption of SB 8.

Patrick Pope, Director of the Merriweather Lewis Institute, said the Galen task force and study should be allowed to finish their study and make their proposals at the next legislative session.

Representative Gary Beck, Deer Lodge, said the emotional part of the issue is in the fact that people are being treated at these facilities which will cost the state a lot of money if they are treated someplace else. He said that we should wait for the study to be completed. He noted there is a considerable amount of stress in the Deer Lodge valley because of this issue coming up every time the legislature meets. He felt that consolidation issues should be looked at and that the program should remain in place.

#### Questions From Committee Members:

Senator Weeding questioned Mr. Chisholm about the discussion relative to some of the pressure being alleviated by transferring patients to Lewistown.

Curt Chisholm said Lewistown has been part of the scenario relative to the downsizing and/or closure of the Galen campus. The Montana Center for the Aged is in Lewistown which is a state-owned, state-operated nursing facility for elderly people that need nursing home care and residual management of their mental health problems. They have 191 beds and in the last 18 months their average daily population was 142 patients, therefore the facility is not fully utilized. Those beds could accommodate the patients at Galen that need continued nursing home care.

Senator Franklin said this is a complex issue with many particular detailed questions and the interim committee has attempted to elevate the discussion to trying to make a policy decision and not merely a budget decision. She stated she is a member of the study committee and felt that the closure of Galen has little to do with the Ihler compliance. Another concept relative to community based treatment being assisted by the closure or downsizing project is not part of the current plan. The interim committee is charged with making social policy decision with some very disparate groups and trying to meet some consensus points and she prevailed upon the Senate finance and claims committee to allow the committee to finish their work and come up with some degree of resolution or at least some recommendations for the 1993 legislature. In that way the decision will be based on a body of work and not a budgetary decision that cuts off the needs of the committee.

**Closing by Sponsor:**

Senator Keating said the proponents presented direct numbers. What was heard from the opposition is a lot of supposition. He said there are expert administrators and expert staff members within the government that have looked at the statutes and appropriateness of the services being delivered. The interim committee had their hearings and has done their study and voted to do what is called for in SB 8 and that is to move the nursing home patients to Lewistown where they will get very good care. We are talking about appropriate care for Montana citizens in an efficient and cost effective way. Moving those needy mental patients that need active care would be moved closer to the care body. The study committee has made their decision based on what they see and that part does not need further study. What needs to be studied is what else can be done with Galen; it will be very expensive to retrofit Galen to any other purpose because of the old buildings. This is a side issue which is not being considered here. The appropriate cost effective delivery of service is being considered for Montana citizens that has been recommended by the interim committee.

**HEARING ON SENATE BILL 10****Presentation and Opening Statement by Sponsor:**

Senator Tom Keating, sponsor, said SB 10 deals with the state medical program which is 100 percent general fund money. SB 10 would eliminate state medical program to state assumed counties. It would reduce from 12 mills to 8.7 mills the number of mills levied in counties opting for state assumption of county assistance programs. It would authorize local boards of health to provided medical assistance. The counties will have no obligation to the state and no statutory obligation to have a medical program but 3.3 mills of their property taxes to implement any medical program they want to without any state supervision. This legislation is being proposed so that the maximum benefit amount to be granted to a person new to Montana must be reduced by \$50 per month for each of the first 2 months of the person's residency. He noted other parts of the program are for language changes and definitions. SB 10 would expand the time period for job search, training, workfare, or self-sufficiency programs prior to receipt of benefits. He concluded that because of the drafting in a short period of time, there will be a technical amendment which can be brought up in executive session having to do with some of the language in SB 10 but for the most part it is purely technical changes.

**Proponents' Testimony:**

Hank Hudson, Deputy Director of Department of Social and Rehabilitation Services, testified in support of SB 10. (See Exhibit 3)

Ron Garberino, vocational specialist with Project Work Program in Silver Bow County, said he would like to speak in support of one proposal of SRS and that is in support of chemical dependency counselor for Project Work sites. (See Exhibit 4)

Opponents' Testimony:

Ann Mary Dussault, Missoula County Commissioner, stated she would like to address the issue of state medical programs and give the committee a letter written to Roger LaVoie, Administrator, Family Assistance Division (See Exhibit 5). She stated she would like to go on record stating that they doubt it is good public policy to eliminate state medical. She said this would involve shifting the cost to the local hospitals; counties will not absorb all costs. People currently receiving the services are likely not to receive them. Even though it may be true that approximately 25 to 30 percent of the individuals receiving this assistance now come from out of state, that leaves 70 percent of Montanans that will be denied services under this proposal. She concluded that either people will not receive the services or the local hospital will pick up the burden of that cost.

Ellen Lahi, Director of Missoula City-County Health Department, said this proposal would result in a great net loss for people and for providers in the counties. It would increase the number of medically indigent people. For that reason alone, she stated her opposition to SB 10. What it would do to the providers would preclude their involvement in the voluntary program in Missoula County. She questioned her uncertainty that this money would go for any type of medical care. She said that while she understands the difficulty SRS has in trying to bring us effective proposals, she stands in opposition to the proposal.

Harry Mitchell, Cascade County Commissioner, stated his vigorous opposition to SB 10 as it would eliminate the medical program run by the state for state assumed counties such as Cascade. He stated SB 10 affects the least able; those whose needs are the greatest and means are the least. They contend it is state responsibility; what is government all about. He concluded that counties won't pick it up as they can't pick it up.

Gordon Morris, Executive Director of Association of Counties, presented testimony he has received relative to their opposition to SB 10. (See Exhibit 6) He said this bill went into effect in 1981 and created the option for county commissioners to choose state assumption of welfare; 12 counties have opted to do it since the law went into effect. All counties oppose the medical assistance portion of this bill as this would eliminate general welfare assistance from the welfare section of the Montana Codes which goes far beyond dealing with state assumption of both general assistance and general medical assistance.

Chuck Searney, Director of Psychiatric Services and Rehabilitation at Montana Deaconess Medical Center of Great Falls, stated people will be taken care of regardless of the outcome of SB 10, but committee members should be aware that these kinds of decisions put hospitals on the brink. This is cost shifting of the worst type from the state deficit to the county to the hospitals. He noted his feeling that the intentions of Senator Keating and the Department of SRS are good but we cannot keep asking the hospitals to take the responsibility of paying the bills. He concluded they will take care of the people, but they may go down in the process.

Bob Johnson, Lewis and Clark City-County Health Department Director and also representing Lewis and Clark County Commission, stated their opposition to the section of the bill that does away with state medical assistance. He said currently Lewis and Clark County receives about \$634,000 a year to take care of these people; under the revision proposed in SB 10, they would receive \$223,000 per year which would not do the job the State medical assistance has attempted to do.

Lee Roth, Montana Deaconess Medical Center Director of Physical Services, Cascade County, stated their opposition to the elimination of the state medical portion only and not the other portions of SB 10. He said in Cascade County they receive \$1.5 million out of state medical funds that finances 539 patients. That money is received during a fiscal year of 12 months. For 3.3 mills, that would equal approximately \$300 and some thousand which means they would be financing the hospital itself approximately \$1 plus million that they would have to find out how they would handle. They would have a problem with the chemical dependency program as well as the psychiatric department. Cost shifting would be the only option available. Self-pay patients would be charged and insurance patients about 1.3 percent more in cost shift when they are paying their bills. Insurance patients and self-pay patients would have to pay that portion so the cost is being moved from state and local government and passing it down to people having no options in controlling their costs. He concluded he is an opponent to the state medical portion.

Jim Ahrens, President, Montana Hospital Association, stated his opposition to SB 10. (See Exhibit 7)

Diane Sands, Montana Women's Lobby, and also representing the Montana Catholic Conference, the Montana Low Income Coalition, and the Montana Association of Churches, stated their opposition to SB 10. (See Exhibit 8)

#### Questions From Committee Members:

Senator Beck stated his concern with the effective date in that it puts the counties in an almost impossible situation for

them to come up with any type of funding to offset what they will lose in the medical assistance program. He felt it some way would have to go back to the hospitals. He asked Senator Keating if this would be better brought up at the next regular session so the counties could be prepared for this.

Senator Keating said this is not about fixed costs. He said general assistance recipients totals about \$1650 on a monthly basis; about 1300 of those get general assistance and are covered with some medical coverage anyhow. In the state medical program they are dealing with about 350 people a month that may or may not require medical services and they are mostly single males. He stated counties are equipped to manage their own budgets. Some of the things are already being done in the counties and he questioned that it would affect their budget all that much; if money is not available, the services cannot be delivered. Services are not mandated in any form.

Senator Beck questioned why the state isn't making the cuts if they are not mandatory and why it cannot be done at that level instead of the county level. He questioned the constitutionality of the \$50 per month assistance.

Hank Hudson said the \$50 sum was selected as a deterrent for people moving to get their benefit and then leaving the state and allowing enough for survival. The constitutionality issue was considered at length in the Department of SRS and they are comfortable in recommending this but that the final decision would be made by the court.

Senator Nathe questioned the percent of the gross of the losses of uncompensated care.

Jim Ahrens said hospital revenues for 1991 in Montana are \$550 million. About \$250 million of that goes to payments not received from Medicare or Medicaid or charity and bad debts so it is about 30 percent of it. Hospitals don't get paid that much in their total revenues.

Senator Nathe questioned if in the uncompensated care are they able to deduct that on Hill Burton and other federal funds.

Lee Roth said no, that Hill Burton is a federal program. The charity assistance program has nothing to do with Hill Burton fund at all. It is simply a write-off of the bottom line. You take the gross profit and minus your bad debt and charity. It would be an automatic hit on the bottom line. In a question from Senator Nathe, Mr. Roth said the federal government requires that they donate so much charity. Other than Hill Burton, there is no mandatory portion but all hospitals have charity and bad debt. Primarily most hospitals run between 1 and 2.5 percent charity in their programs. Mr. Roth said uncompensated care is different than charity; it is the amount of money in relation to revenue that is charged versus payment that is received. He said the

only portion considered in uncompensated care are those mandated by federal law that they cannot bill patients for. Commercial insurance patients are billed the difference between their policy and what is charged so they never go into the uncompensated care figure. It is only federal and state government programs that are included in that.

Senator Nathe questioned what percent of federal and state payments is uncompensated care. Mr. Roth said it would be between \$200,000 up to \$1 million and some, depending on the effect in each county.

Senator Harding said she would like to have Mr. Morris present to the committee the 12 assumed counties and the amount of mills for each county, amount of money each mill brings in and also the amount of medical bills we would be talking about from each county.

Gordon Morris said he could provide the names of the 12 state assumed counties, the value of the mills. They could use current SRS statistics in terms of what total medical costs are and calculate what the 3.3 mills would generate based on current value.

Chairman Jacobson said it had been her intention to take executive action on these bills tonight.

Senator Waterman said there are a number of things considered in the budget that are rolled into this and felt it is important to know that when discussing the changes in the \$50 and in the 18 months and 12 months, these are already figured in in budget savings. She asked if the new category had no funding provided in the budget.

Hank Hudson said the category temporarily unemployable, the funding for that was eliminated in the House appropriations process. The funding was \$285,761 of general fund money. For that reason amendments have been prepared which would provide permissive language in this bill so if there was not funding they would not operate the program for the new category.

Closing by Sponsor:

Senator Keating said in 1989 there were caseloads close to 1,860 of general assistance. When general assistance was changed saying they would have to work for the assistance and make the hard choice of not being so generous, people then left the state or went to work. By 1991 the caseload had been cut to 1,750. He said it is obvious from testimony heard in subcommittee that if anything is offered free, people migrate to it and that is why people come into this state to obtain free services. He stated we are in a budget crunch which we are trying to cover with a lot of reductions. Other states are reducing benefits and cutting programs and people are going to shift. The 12 assumed counties

are spending \$5 million of general fund money over and above the 12 mills they pay in. There are 44 counties running their own medical programs efficiently and they seem to be getting along quite well. This measure puts all 56 counties on equal footing to run their own medical program. He concluded this is an effort to save money for the state as a whole, to save money for taxpayers. Those rushing to get a handout will think twice before coming to Montana. We are still covering the general assistance program state operated in the 12 assumed counties and some of those people will get medical assistance; this is mostly single males that will have to fend for themselves and it will be a real savings to the general fund.

### HEARING ON SENATE BILL 12

#### Presentation and Opening Statement by Sponsor:

Senator Keating, sponsor, said the main intent of the bill is on page 2, subsection 4. A woman currently on AFDC that conceives after the effective date of this legislation will not receive increased AFDC payments for the child that results from that birth. He stated out of wedlock births in Montana has increased up to 25 percent since 1984 so currently 25 percent of the live births in Montana are out of wedlock births. People creating a new person should be responsible for the child, not just the mother. The fathers are being let off the hook, making it easy for fathers to avoid their responsibility. We are only recovering from about 7 percent of the errant fathers. About \$6 million is spent a year in child enforcement to raise about \$24 million. SB 12 is a measure that would advise people to be careful; if something is being done to result in another living person, that responsibility has to be assumed for that living person. The difference in the payment is about \$75 a month incurred by every taxpayer for every new AFDC child that is born to an existing or current AFDC mother.

#### Proponents' Testimony:

Senator Pinsonneault said many women in this predicament cannot afford an attorney and he has worked in this area. These women are pried upon by the male sluts that stand outside the Department of Family Services and watch them come out and know they are in deep trouble and at a low point in their life, low self esteem and extremely vulnerable. They will start a relationship with these males. He said this may sound harsh but when the taxpayers are picking up the tab and things like this are happening in the program, then something should be done to stop it. He suggested strongly that SB 12 be passed.

#### Opponents' Testimony:

John Ortwein, Montana Catholic Conference, stated their opposition to SB 12. (See Exhibit 9)

Diane Sands, representing Montana Women's Lobby, stated her opposition to SB 12. (See Exhibit 10)

Marcia Dias, Montana Low Income Coalition, spoke in opposition to SB 12. She said she comes in contact with people that have unwanted pregnancies and many times are very sad and tragic but said she has never encountered somebody that got pregnant for a welfare payment.

Questions From Committee Members:

Senator Jacobson questioned Senator Keating's testimony regarding the fathers needing to be more responsible. She stated the only thing she could read into SB 12 is it is punitive to women and children and it does not touch the male population. She questioned how it would make the fathers more responsible. Senator Keating said if one party does not volunteer to be part of the act, then the act does not occur. SB 12 says if a woman becomes voluntarily pregnant. SB 12 puts them on notice that they are going to have to be careful when they allow a partner to join them. He added the out of wedlock thing is going to eat us alive. This is telling them if they want to have more children that it be done in wedlock, not out of wedlock. He contended this type of legislation will preclude unwanted pregnancies.

Senator Jacobson said through the years we have eliminated state funding for birth control methods and have talked about abortion and now we are talking about limiting payments to women on welfare. If we are going to promote a pro-life situation where we don't want to see abortion happening, there has to be some reality check here. If we are not going to pay for birth control and not pay for abortions and we are going to suggest that we don't want women to have abortions particularly for birth control methods and then we bring in a bill to reduce payments should a woman become pregnant, there is a problem; she said she must be missing something here.

Senator Keating said when we gave out condoms and birth control measures, we found that it increased the incidence of unwanted pregnancies because it increased sexual activity of those people. When they ran out of birth control, they took the risk and lost, hence the increase in unwanted pregnancies when we had birth control programs. The system is now being abused and more and more children are being born out of wedlock and they don't have an environment in which they can learn because they don't have a father present. They should be aware they are responsible for their actions, and the state should not take care of every unwanted pregnancy.

Senator Jacobson said if we took the concept to an alcoholic that went through treatment once and fell off the wagon, that he should then be thrown out in the street because he had his chance, if we are going to be punitive, there are a lot of places

we could be punitive other than to a mother.

Senator Waterman questioned the terminology voluntarily conceives. She questioned if a couple on AFDC conceived a child while they are practicing some sort of birth control would be considered voluntarily conceiving or involuntarily conceiving.

Senator Keating stated this is designed for an unwed situation.

Senator Waterman questioned that someone could be discriminated against based on marital status.

Senator Keating said he did not know. He said this bill was passed in Wisconsin and he has not seen anything go to court yet.

Senator Hockett said it was his understanding that the general assistance and AFDC was reduced from 42 to 38 percent at this time. He stated his opinion that children are being penalized that have no way to protect themselves.

Senator Keating questioned that the child born in that situation would be well off with or without any funds. He said his intention is to make the adult think about what they are doing; not penalize the child.

Senator Franklin questioned how the term voluntary pregnancy would be determined and how that would be clarified and who would make the decision.

Senator Harding said her area has concern regarding unwed mothers continuing to have children and that being their means of livelihood. She stated it is a deteriorating way to live but if that is all that people ever know and that might be their only means of livelihood, this could be a deterrent.

Closing by Sponsor:

Senator Keating closed.

EXECUTIVE ACTION ON SENATE BILL 8

Motion:

Senator Keating moved that Senate Bill 8 DO PASS.

Recommendation and Vote:

Senator Keating's motion that SB 8 DO PASS failed on a roll call vote.

EXECUTIVE ACTION ON SENATE BILL 10

Discussion:

Senator Keating asked for the committee's indulgence to postpone executive action until he could get some of the resource material available.

Senator Jacobson said she would be happy to hold SB 10.

Senator Waterman said she would like to have information available before further action on SB 10. She would like a breakdown as the subcommittee did of some of the proposals and the costs of those proposals, both those in the budget now and those not in the budget.

Senator Jacobson said Senator Harding also had questions so action will be held on SB 10.

EXECUTIVE ACTION ON SENATE BILL 12

Motion:

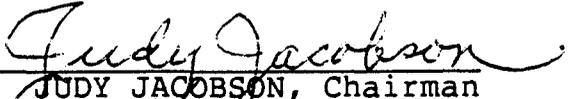
Senator Keating moved that Senate Bill 12 DO PASS.

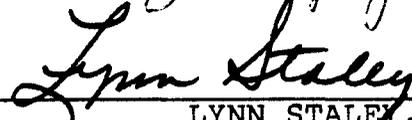
Recommendation and Vote:

Senator Keating's motion that Senate Bill 12 DO PASS failed on a roll call vote.

ADJOURNMENT

Adjournment At: 8:00 p.m.

  
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JUDY JACOBSON, Chairman

  
\_\_\_\_\_  
LYNN STALEY, Secretary

JJ/lrs

ROLL CALL

FINANCE AND CLAIMS COMMITTEE

DATE 7/13/92

SPECIAL  
52nd LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SENATOR JACOBSON	✓		
SENATOR JERGESON	✓		
SENATOR AKLESTAD	✓		
SENATOR BECK	✓		
SENATOR BENGTON	✓		
SENATOR BIANCHI	✓		
SENATOR DEVLIN	✓		
SENATOR FRANKLIN	✓		
SENATOR FRITZ	✓		
SENATOR HAMMOND	✓		
SENATOR HARDING	✓		
SENATOR HOCKETT	✓		
SENATOR KEATING	✓		
SENATOR NATHE	✓		
SENATOR STIMATZ	✓		

Each day attach to minutes.



# ADVERSE

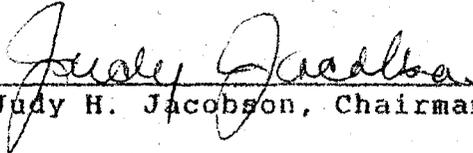
## SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
July 14, 1992

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration Senate Bill No. 12 (first reading copy -- white), respectfully report that Senate Bill No. 12 do not pass.

Signed:

  
Judy H. Jacobson, Chairman

AS 7-14-92  
And. Coord.

SR 7-14-92  
Sec. of Senate

080819SC.SJI

# ADVERSE

## SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
July 14, 1992

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration Senate Bill No. 8 (first reading copy -- white), respectfully report that Senate Bill No. 8 do not pass.

Signed: \_\_\_\_\_

*Judy H. Jacobson*  
Judy H. Jacobson, Chairman

*JJA 7-14-92*  
Amd. Coord.

*SP 7-14-92*  
Sec. of Senate

X2

*Exhibit*

SENATE BILL 8

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 1

DATE 7/13/92

BILL NO. SB 8

POLICY ISSUES

Department policy, as directed by state and federal law, is to use institutional services for people with mental illness only for those who require active treatment of mental illness and only for so long as confinement to a state facility is necessary.

The State Mental Health Act, 53-21- Part 1, begins with a statement of purpose which includes the requirement that mental health services be provided in an institution "only when less restrictive alternatives are unavailable or inadequate and only when a person is so mentally ill as to require institutionalized care...". State law (53-21-602) specifically suggests that Galen patients with mental illness be served at facilities other than Galen.

This is consistent with the Department's policy to serve people with mental illness in communities whenever possible. If institutional care is necessary, active treatment of mental illness is available at Warm Springs. Long term care of people with mental illness who do not require intensive treatment is provided at the Montana Center for the Aged.

UTILIZATION

Acute Care Unit: This is licensed for 33 patients. Consistently, for the past 18 months, this unit has averaged approximately 12 patients. On the average 6 of these patients are in the unit for detoxification and 6 are in the unit for other medical reasons.

However, only an average of about 1-2 patients residing in this unit at any given time actually require acute hospital care according to an independent review organization, the Montana-Wyoming Foundation for Medical Care. The other patients need either a medically monitored non-hospital detoxification program or infirmary care. The Department could and would provide these services if the acute care unit were to be closed.

Nursing Home Unit: The Galen nursing home is one of 3 licensed nursing facilities within the State mental health system:

	<u>Licensed Capacity</u>	<u>Approx. 18 Month Avg. Daily Pop.</u>
Warm Springs Geriatric Treatment Program	60	48
Galen Nursing Home Unit	* 185	60
Montana Center for the Aged	** <u>191</u>	<u>142</u>
TOTAL	436	250

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\* Staffed for a capacity of 104 patients.

\*\* Staffed for a capacity of 150 patients.

The nursing home units within the mental health system are clearly underutilized. Program efficiencies, as well as budgetary savings, can be realized by consolidating nursing home services at Warm Springs and the Center for the Aged.

The Galen nursing home is particularly costly due to its underutilization and physical layout. The facility was built in the 1940's and 50's as a TB hospital. The 54 nursing home residents are housed in three separate wards, each of which must be separately staffed.

The per day cost of the Galen nursing unit is \$143.46. This compares to \$108.94 per day at the Warm Springs Geriatric Program and \$65.00 per day at the Montana Center for the Aged.

### PROPOSAL OUTLINE

1. If the legislation passes, the acute care unit and the nursing home unit will be closed by no later than November 30, 1992.
2. An infirmary of 16 beds will be established at Warm Springs to provide medical care for Warm Springs patients. Some Galen staff will be transferred to Warm Springs to provide infirmary care.
3. Galen nursing home patients will be placed according to their medical/nursing needs and, to the extent possible, consistent with their wishes and the wishes of their families. Most will be transferred to private nursing homes, the Montana Center for the Aged or Warm Springs.
4. Placements will be individually planned. The following is the best current estimate of placement locations for the 54 current nursing home residents. These estimates are based on Montana-Wyoming Foundation for Medical Care assessments done in 1990.

Private Community Nursing Homes:	19 patients
Montana Center for the Aged:	30 patients
Warm Springs:	5 patients

5. The Galen chemical dependency program will be moved into the hospital building and will be expanded to include a medically monitored detox program. No reduction in the chemical dependency program will take place as a result of the changes planned at Galen. In fact, the chemical dependency program will have an increased capacity and additional staff transferred from the nursing home and acute care units.
  
6. To appropriately serve the additional patients anticipated at the Center for the Aged, some Galen staff will be transferred to the Center.

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 2

DATE 7/13/92

BILL NO. SB 8

Jane Edwards  
Testimony

I APPEAR TODAY IN SUPPORT OF SENATE BILL 8.

THE PRIMARY ROLE OF MONTANA STATE HOSPITAL IS TO PROVIDE ACTIVE PSYCHIATRIC TREATMENT TO PERSONS WHO ARE SERIOUSLY MENTALLY ILL. RESIDENTS OF THE GALEN NURSING HOME DO NOT REQUIRE ACTIVE PSYCHIATRIC TREATMENT AND CAN BE APPROPRIATELY HOUSED AND TREATED IN PRIVATE AND OTHER STATE-OPERATED FACILITIES.

THE GALEN NURSING HOME AND ACUTE CARE HOSPITAL ARE UNDERUTILIZED AND COSTLY. I AM EXTREMELY CONCERNED ABOUT UNDERUTILIZATION OF THESE UNITS IN VIEW OF SERIOUS BUDGET DEFICITS, AND ESPECIALLY WHEN STAFFING AND FUNDING FOR MENTAL HEALTH SERVICES IS MINIMAL AT BEST AND LIKELY WILL BE CUT.

The primary goal is to provide notice  
hospital to provide notice  
to persons  
who require psychiatric treatment to persons  
seriously mentally ill. Residents  
of the Galen Nursing Home do not  
require active psychiatric treatment.

THEREFORE, THEIR CONTINUED CARE AT ASH  
IS NOT APPROPRIATE TO THE PRIMARY POLICY  
OF THE HOSPITAL, AND DOES NOT MEET  
THEIR BEST INTERESTS.

~~MADAM~~ <sup>PERSON</sup> CHAIRMAN - MEMBER OF THE  
COMMITTEE - My name is .....  
Supt. ASH.

I APPEAR TODAY  
I ~~WILL~~ IN ~~FAVOR~~ OF SENATE BILL 8.  
SUPPORT

THE GALEN NURSING HOME AND ACUTE CARE  
UNITY ARE UNDERUTILIZED AND COSTLY.  
I AM EXTREMELY CONCERNED ABOUT  
THESE FACILITIES  
UNDERUTILIZATION OF ~~STATE FACILITIES~~  
IN VIEW OF SERIOUS BUDGET DEFICIT  
~~IN THE MENTAL HEALTH SYSTEM,~~  
STAFFING AND MENTAL  
ESPECIALLY WHEN FUNDING FOR THESE  
HEALTH SERVICES  
SERVICES IS MINIMAL AT BEST AND  
LIKELY WILL BE CUT.

develop  
to maintain  
quality psychiatric  
services

~~IF A~~  
~~THE HOSPITAL STATE HOSPITAL~~  
WE CAN NO LONGER REDUCE GENERAL FUND  
EXPENDITURES THROUGH ACROSS THE  
BOARD CUTS, AND HIRING FREEZES, <sup>WHICH EFFECT ALL</sup> DELETION  
~~OF AUTHORIZED POSITIONS OR VACANCY~~  
<sup>WITHOUT SERIOUSLY COMPROMISING PSYCHIATRIC SER-</sup>  
VING. BELIEVE ME, THERE IS  
NOTHING LEFT TO CUT IF WE ARE TO  
ACHIEVE <sup>AND MAINTAIN</sup> QUALITY PSYCHIATRIC CARE  
AND TREATMENT FOR THE APPROXIMATELY  
ONE THOUSAND PATIENTS SERVED EACH  
YEAR.

2

3 INSERT  
AS DIFFICULT AS IT MAY BE, WE MUST  
TOTAL

ELIMINATED WITH THE LEAST EFFECT ON TOTAL SERVICES AND WITHOUT DILUTING THOSE PSYCHIATRIC SERVICES MANDATED BY MT. LAW AND OF WHICH MT. CITIZENS ARE ENTITLED.

~~WE~~ CONTINUE TO

① WE MUST BUILD AN ACTIVE PSYCHIATRIC TREATMENT FACILITY AT MONTANA STATE HOSPITAL. MT. LAW, THE RECENT IHLER LAWSUIT, AND SOUND MENTAL HEALTH PRACTICES DEMAND THAT. FURTHER, THE CITIZENS OF MT. DESERVE NO LESS. IN ADDITION, WE MUST BUILD A STRONG, EFFECTIVE MENTAL HEALTH SYSTEM THROUGHOUT THE STATE OF MONTANA. IT IS IMPORTANT THAT ADVANCES THAT HAVE BEEN MADE ARE NOT STYMIED OR FORESTALLED DUE TO CHIPPING AWAY AT THE GENERAL FUND DOLLARS THAT SUPPORT THOSE PROGRAMS.

↓ JERT →  
SO, WHAT ALTERNATIVES DO WE HAVE?  
HOW CAN THE MENTAL HEALTH BUDGET BE REDUCED?

IT IS MY BELIEF THAT WE CAN  
REDUCE GENERAL FUND APPROPRIATIONS  
AT MONTANA STATE HOSPITAL AND IN  
THE MENTAL HEALTH SYSTEM <sup>WITHOUT</sup> ~~IN ANY~~  
COMROMISING PSYCH. CARE AND TREATMENT. —  
~~ONE WAY~~ BY CLOSING THE GALEN NURSING  
HOME AND THE GALEN ACUTE CARE HOSPITAL.

THE CLOSING OF THE GALEN NURSING HOME  
WOULD :

STAFFING;  
- MAINTAIN THE INTEGRITY, AND QUALITY OF  
THE ACTIVE PSYCHIATRIC TREATMENT  
PROGRAMS AT THE STATE HOSPITAL;  
THEREBY STRENGTHENING ITS ROLE IN  
THE MENTAL HEALTH SYSTEM

- TRANSFER NURSING HOME RESIDENTS TO  
PRIVATE AND STATE-OPERATED NURSING  
FACILITIES WHICH WOULD APPROPRIATELY  
MEET THEIR INDIVIDUALIZED NEEDS

THE CLOSING OF THE GALEN ACUTE CARE HOSPITAL WOULD:

- ALLOW THE STATE HOSPITAL TO ESTABLISH AN INFIRMARY AT WARM SPRING<sub>J</sub> TO PROVIDE SUB-ACUTE MEDICAL CARE TO THE PSYCHIATRIC PATIENT<sub>J</sub> HOUSED AT WARM SPRING<sub>J</sub>.
- PATIENT<sub>J</sub> WOULD NO LONGER BE SEPARATED BY SEVERAL MILE<sub>J</sub> FROM A <sup>PROFESSIONAL</sup> STAFF PROVIDING ACTIVE PSYCHIATRIC TREATMENT; THEREFORE THERE WOULD BE NO INTERRUPTION OF THAT TREATMENT.
- PATIENT<sub>J</sub> WOULD BE HOUSED IN A MEDICAL FACILITY WITHIN THE SAME BUILDING AS THE RADIOLOGY DEPARTMENT, MEDICAL LABORATORY, DENTAL OFFICE, AND MEDICAL CLINIC.

AND - FINALLY, THIS PROPOSAL WOULD NOT  
CLOSE THE GALEN CAMPUS.

↳ THE CHEMICAL DEPENDENCY PROGRAM  
<sup>WOULD</sup>  
~~WILL~~ REMAIN AT GALEN AND WILL BE  
ENHANCED - BOTH IN STAFFING AND  
PROGRAMS.

↳ EMPLOYEE HOUSING <sup>WOULD</sup>  
~~WILL~~ BE RETAINED  
AT GALEN.

↳ APPROXIMATELY  $\frac{2}{3}$ 'S OF THE EMPLOYEES  
AT GALEN <sup>WOULD</sup>  
~~WILL~~ RETAIN THEIR POSITIONS OR  
WILL BE OFFERED A COMPARABLE POSITION

TESTIMONY OF THE DEPARTMENT OF  
SOCIAL AND REHABILITATION SERVICES

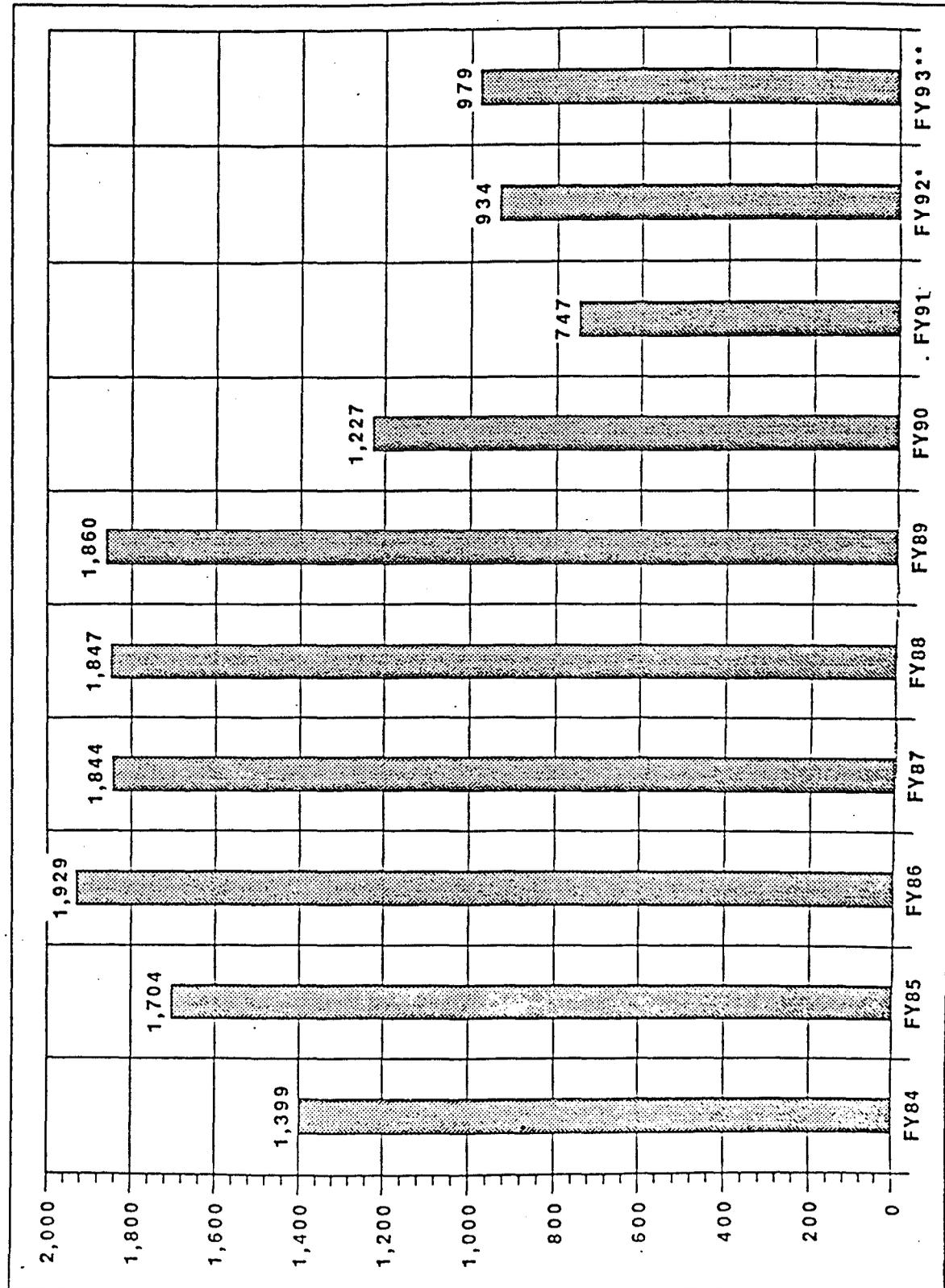
PRESENTED BY

HANK HUDSON, DEPUTY DIRECTOR

General Assistance (GA) is a 100% state funded benefit program in the twelve state assumed counties. These counties are identified by the chart on page 18 of your packet. GA cash assistance is used to meet the needs of single persons or families who do not have enough income or resources to support themselves. These people are not eligible for any other state or federal assistance programs.

The GA program was substantially changed in July, 1989. Changes were made to allow stricter penalties for GA recipients who refuse to look for work or quit a job. As you will see on by the chart on page 2, the caseload has been substantially reduced as a direct result of those changes.

# General Assistance Average Monthly Caseload State Fiscal Years 84 - 93\*\*



\*July, 1991 to Mid-June, 1992

\*\*Estimated

Other changes took place January 1, 1990. These changes caused persons to be sorted as employable, employable with serious barriers or unemployable. Persons who are employable or employable with serious barriers are limited to four and six months of help, respectively, in a twelve month period. Those who are unemployable have no time limits on benefits.

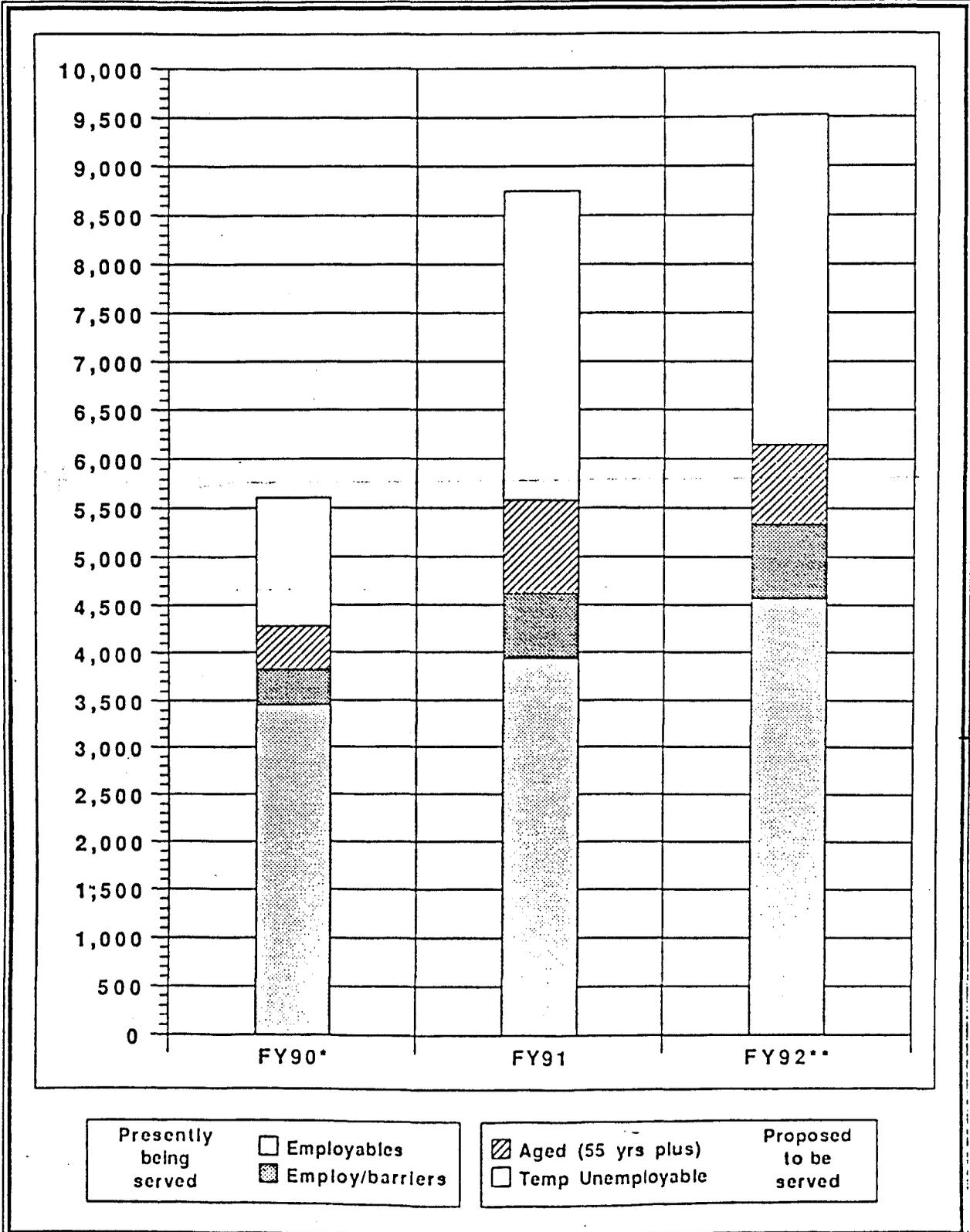
Persons who are employable or employable with serious barriers are required to participate for 40 hours each week in a program designed to place them into employment. This employment and training program is the Project Work Program (PWP).

The Department proposes to start a new program component (track) of self-sufficiency services to those who are unemployable because of a temporary disability, and to those who are aged 55 or older who have limited work skills. These individuals currently receive no employment and training services.

This track would enable recipients to remove or alleviate the condition making them temporarily unemployable or to enable them to secure SSI. Besides being able to access all current services through Project Work, these individuals would receive medical services management, chemical dependency counselling as necessary, as well as a self-sufficiency plan designed to make them no longer GA dependent. The chart on page 4 shows the population we are currently serving, as well as those we propose to now add.

**GENERAL ASSISTANCE  
PWP CLIENTS (SERVED AND PROPOSED TO BE SERVED) FY90-91-92**

	FY90*	FY91	FY92**
Employables	3,457	3,936	4,575
Employ/barriers	367	687	763
Aged (55 yrs plus)	454	956	810
Temp Unemployable	1,330	3,166	3,374



\*Program changes began January, 1990

\*\*Mid-June figures (figures for May and June are not complete)

In order to fund the proposed self-sufficiency track and mold the existing GA program into a more responsive, efficient program, we propose to make the following changes:

1. add an on site chemical dependency counselor in ten of the twelve PWP sites (Mineral County would access Missoula County, and Powell County would access Deer Lodge County).

2. reduce the GA payment levels from 42% to 38% of poverty.

Family Size	FY93 42%	FY93 38%
1	\$238	\$216
2	\$322	\$291

3. change time limits on benefits to 4 or 6 months in an 18 month period instead of the current 12 month period, for those individuals who are employable, employable with serious barriers and the new classification of temporarily unemployable.

4. change the start date for applying penalty periods. Currently, when a recipient does not comply with program requirements, the penalty begins the next month. If the non-compliance occurs during the last month of eligibility, it

does not present a deterrent. We are proposing to have the penalty period begin with the next month the person is program eligible.

5. change the payment after performance period from two weeks to four weeks.

6. reduce the benefit for the initial two months for those persons who apply for GA within the first month of Montana residency. Since January, 1990, we have seen a rise in the number of persons who move into Montana and apply for GA within the first month of their residency. The Department proposes to reduce the benefit amount by \$50 in each of the first two months. There may be constitutional issues with this proposal; however, the previous constitutional challenge was the situation where all benefits were denied. The State of California recently passed a law affecting AFDC recipients which limits the amount of AFDC to that which was received in the previous residence state, if that AFDC amount was lower.

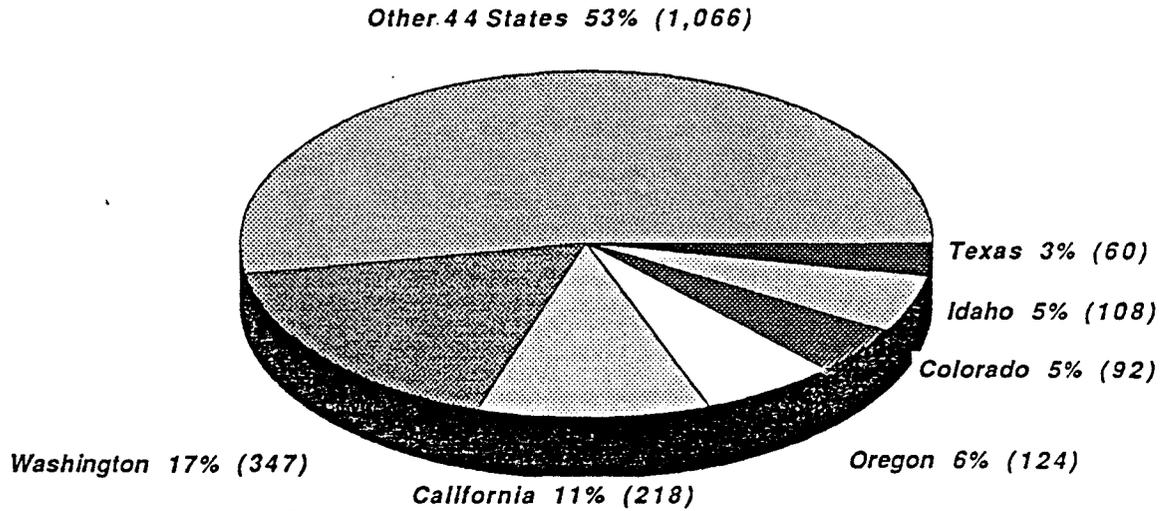
... Federal approval has been requested, but not yet granted.

The chart on page 7 shows the number of individuals who have been applying for GA after a recent move from another state.

**GENERAL RELIEF ASSISTANCE  
Client Migration Residency Summary  
Unduplicated client residency for Fiscal Year 1992  
as of Report Date: 06/12/92**

Exhibit # 3  
7/13/92 SB 10

**Residency of Migrating Clients  
as percent of US total 2,015**



*This graph represents this piece of the pie*

**Migrant Applicants  
1 to 12 months  
13% (849)**

**Migrant Applicants  
1 month or less  
17% (1,166)**

**Montana Applicants 70% (4,762)**

**Total General Assistance Relief Applicants (6,777)**

7. Eliminate the state medical program.

A. The state medical program is 100% general fund and operates in the twelve state assumed counties. For FY93, the program received an appropriation of \$4.5 million, but because it is an entitlement and medical costs and usage have risen, the program is estimated to need a \$1.5 million supplemental for a total of \$6 million in general fund.

B. The forty-four non-assumed counties are able to more closely manage county medical programs and most spend less than three mills on their programs. Even Yellowstone County, which has the largest number of persons receiving AFDC, Medicaid and Food Stamps in the state and has a large medical community, is able to administer their county medical program for between 2 to 3 mills (2.73 mills for FY93).

C. This proposal calls for the elimination of the state medical program. Starting on October 1, 1992, assumed counties would be allowed to retain 2.52 mills (approximately \$1,500,000) of the 12 mill levy for public assistance. (See table 1, on page 12).

For fiscal years 1994 and after, state assumed counties would be allowed to retain 3.3 mills of the 12 mill levy (see table 2 on page 13). This is more than many of the non-assumed

counties are spending. There is no requirement that counties must run a county medical program. With the current emphasis on health care, we hope most counties would design a local program. The design of the program is totally up to the discretion of the county commissioners.

Types of programs that could be developed include expanding public health preventative programs, contracting with the local hospital for catastrophic care for the uninsured, or purchasing prescription drugs and other services in the free clinics, similar to ones operating in Missoula and Lewis and Clark counties.

D. Who is impacted:

1. Employable persons on General Assistance will continue to receive medical supportive services which are needed to obtain or retain employment at state expense through the Project Work Program. This allows for PWP case management to control costs.

2. Medical care will no longer be an entitlement program; therefore, other General Assistance clients and State Medical Only clients now must use community resources for medical care. General assistance clients are those whose income is \$238 or less a month for a single person

household. State Medical clients are those whose income is \$357 or less a month for a single person household.

3. There are approximately 1,650 persons per month (average) who are eligible for the State Medical program. Of this number, 1,300 are General Assistance clients and 350 are State Medical only clients. Approximately 895 persons actually use services in an average month. While there are no readily available statistics for the State Medical only portion of the population, the charts on pages 15 and 16 give the sex and age ranges of the GRA population.

E. Rationale for recommendation.

\* The legislature has said they want to eliminate programs rather than continuing percentage reductions that eventually result in diminishing the quality of all services.

\* This program does not provide for equal services to Montana citizens and yet it is paid for by all Montana taxpayers.

\* Montanans in forty-four counties get no benefit from this entirely general fund program with enormous cost escalations.

\* Even in the assumed counties, many of the people receiving the benefits are not Montanans, but newcomers from out of state.

\* We have been verbally told that Montana is listed in the California homeless shelters as the place to move if you have medical expenses.

\* The number of G.A. clients coming to Montana and applying for benefits within one month of arriving has grown to 17% of total applications. Overall, persons who move to Montana and apply for benefits within one year of their move account for 30% of the total yearly applicants.

\* The best seller, REINVENTING GOVERNMENT, suggests that during tough times government should return control to local levels and provide maximum flexibility. This proposal does just that. Whether to have a program and/or the design of any program is totally a local option. The state only insures that every county gets reimbursed the 3.3 mills since we will no longer be providing this service.

TABLE 1

ALLOCATION OF MEDICAL ASSISTANCE GRANTS TO STATE ASSUMED COUNTIES  
 THROUGH COUNTY RETENTION OF 2.52 MILLS LEVY OF 12 MILL LEVY  
 GRANTS ARE FOR THE 9 MONTH PERIOD OCT 1992 THROUGH JUNE 1993  
 DATE OF REPORT: 07/10/92

TOTAL AMOUNT OF GRANTS TO BE DISTRIBUTED--THIS OPTION: 1,500,000.00

COUNTY	EST TAXABLE VALU--FY93 (x1000)	AMOUNT OF MEDICAL ASSISTANCE GRANT FOR 9 MONTHS FY93	MILL EQUIVALENT RETAINED BY CO FOR GA MEDICAL
CASCADE	\$98,261.00	\$247,617.72	2.52
DEER LODGE	\$8,942.00	\$22,533.84	2.52
FLATHEAD	104,725.00	\$263,907.00	2.52
LAKE	\$32,429.00	\$81,721.08	2.52
LEWIS & CLARK	\$69,130.00	\$174,207.60	2.52
LINCOLN	\$28,696.00	\$72,313.92	2.52
MINERAL	\$8,204.00	\$20,674.08	2.52
MISSOULA	124,444.00	\$313,598.88	2.52
PARK	\$25,052.00	\$63,131.04	2.52
POWELL	\$12,160.00	\$30,643.20	2.52
RAVALLI	\$32,155.00	\$81,030.60	2.52
SILVERBOW	\$52,849.00	\$133,179.48	2.52
TOTALS ----->	\$597,047.00	\$1,504,558.44	2.52

Note: Taxable valuation was estimated by increasing FY92 taxable valuations by same percentage change as was experienced from FY91 to FY92.

TABLE 2

ALLOCATION OF MEDICAL ASSISTANCE GRANTS TO STATE ASSUMED COUNTIES  
THROUGH COUNTY RETENTION OF 3.3 MILLS LEVY OF 12 MILL LEVY.  
GRANTS ARE FOR THE 9 MONTH PERIOD OCT 1992 THROUGH JUNE 1993  
DATE OF REPORT: 07/10/92

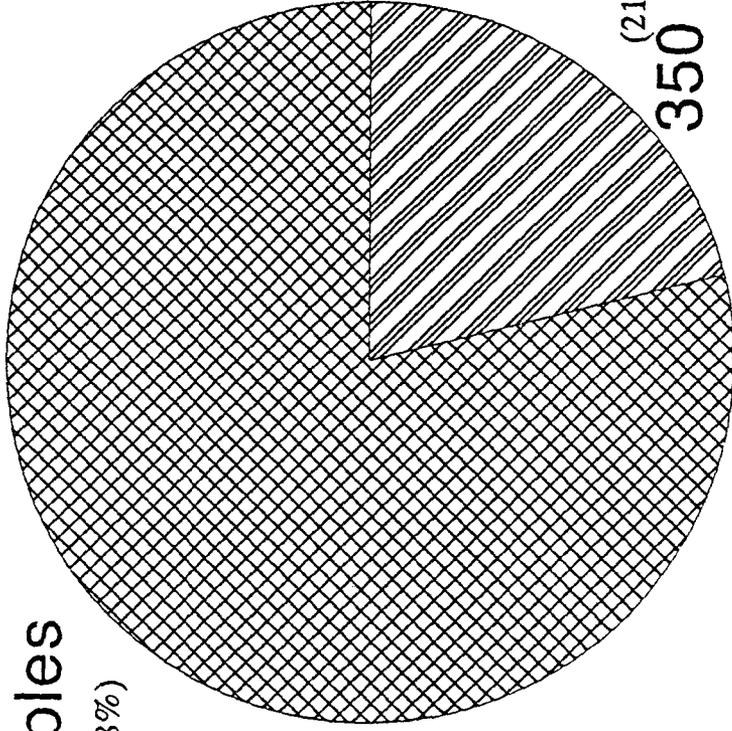
TOTAL AMOUNT OF GRANTS TO BE DISTRIBUTED--THIS OPTION: 1,902,760.00

COUNTY	TAXABLE VALUATION (x1000)	AMOUNT OF MEDICAL ASSISTANCE GRANT FOR FY93	MILL EQUIVALENT RETAINED BY CO FOR MED ASSIST
CASCADE	\$94,664.00	\$312,391.20	3.3
DEER LODGE	\$8,784.00	\$28,987.20	3.3
FLATHEAD	\$99,266.00	\$327,577.80	3.3
LAKE	\$30,529.00	\$100,745.70	3.3
LEWIS & CLARK	\$67,576.00	\$223,000.80	3.3
LINCOLN	\$30,463.00	\$100,527.90	3.3
MINERAL	\$8,107.00	\$26,753.10	3.3
MISSOULA	120,119.00	\$396,392.69	3.3
PARK	\$23,656.00	\$78,064.80	3.3
POWELL	\$12,346.00	\$40,741.80	3.3
RAVALLI	\$31,038.00	\$102,425.40	3.3
SILVERBOW	\$50,046.00	\$165,151.80	3.3
TOTALS ----->	\$576,594.00	\$1,902,760.19	3.3

# State Medical Eligibles

1,300 GA Eligibles

(78.8%)



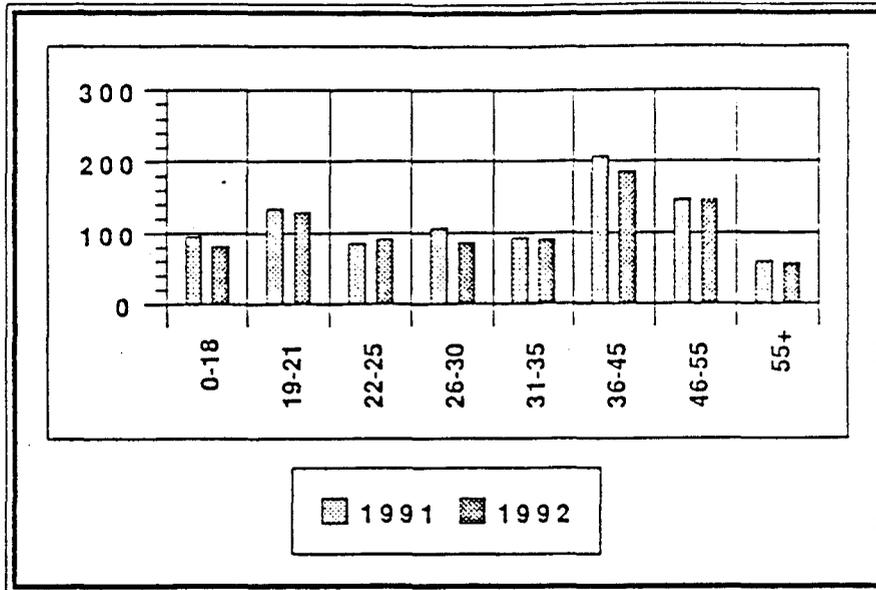
(21.2%)

350 State Med. Only

1,650 Total State Medical Eligibles

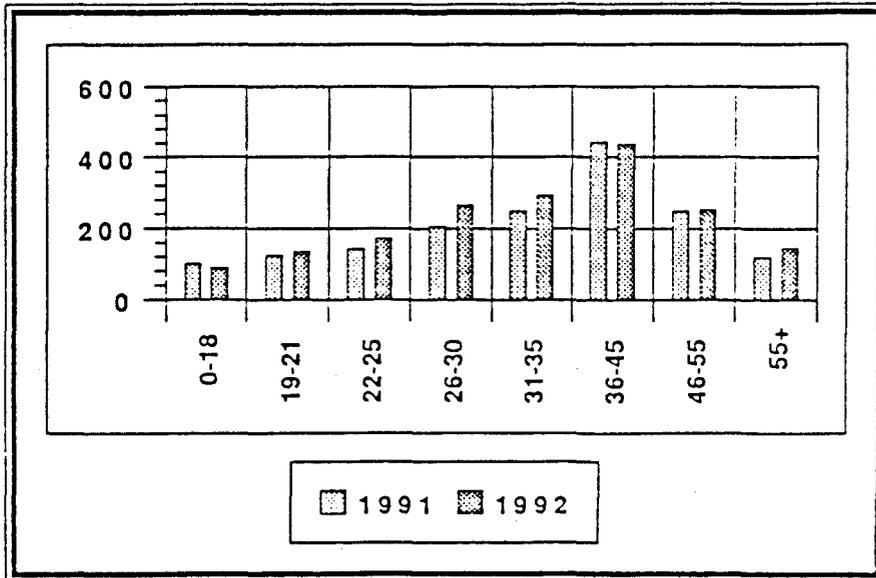
GENERAL ASSISTANCE RECIPIENTS--FEMALE

AGE	1991	1992
0-18	95	82
19-21	134	129
22-25	85	92
26-30	107	86
31-35	93	90
36-45	207	186
46-55	147	146
55+	59	57
<b>TOTAL</b>	<b>927</b>	<b>868</b>



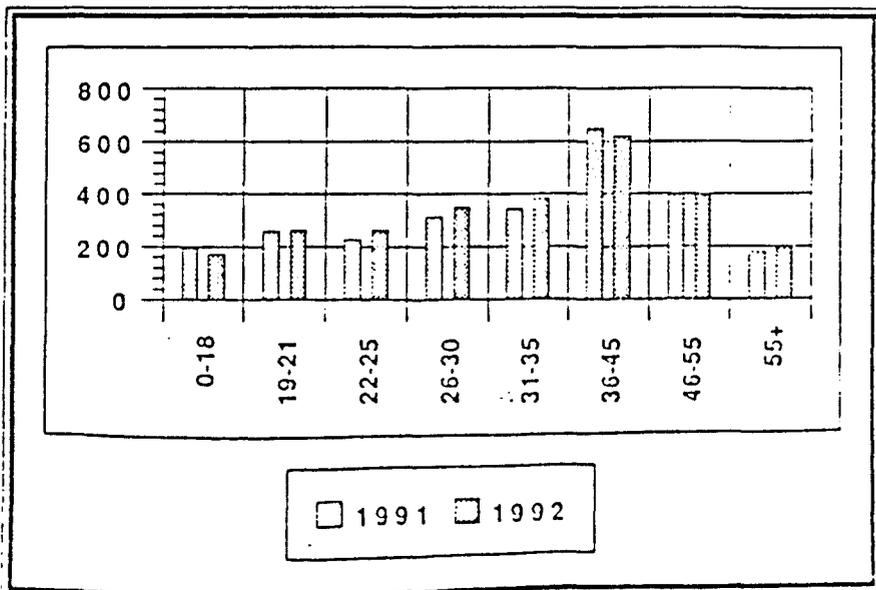
GENERAL ASSISTANCE RECIPIENTS--MALE

AGE	1991	1992
0-18	99	90
19-21	124	135
22-25	143	172
26-30	204	265
31-35	250	293
36-45	442	437
46-55	249	253
55+	119	145
<b>TOTAL</b>	<b>1,630</b>	<b>1,790</b>



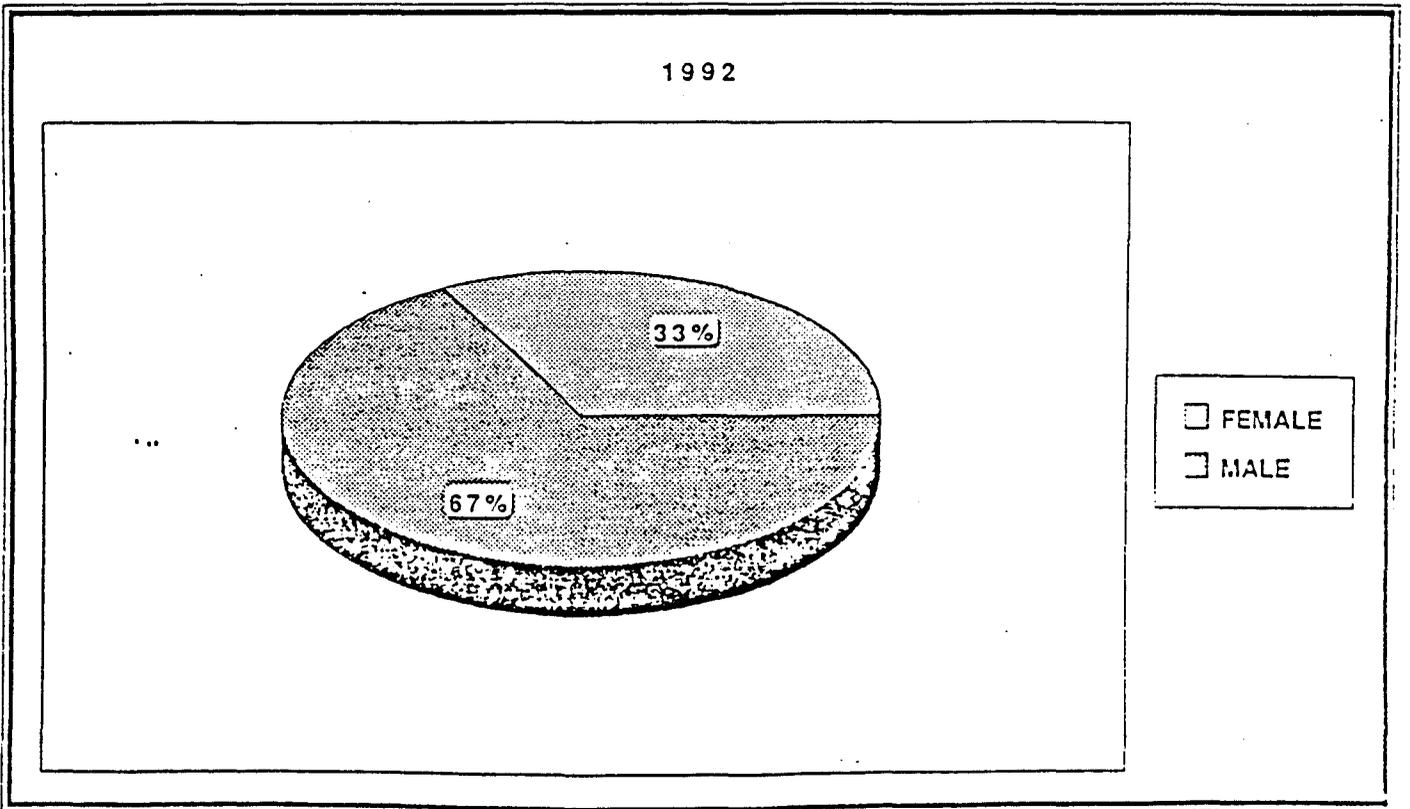
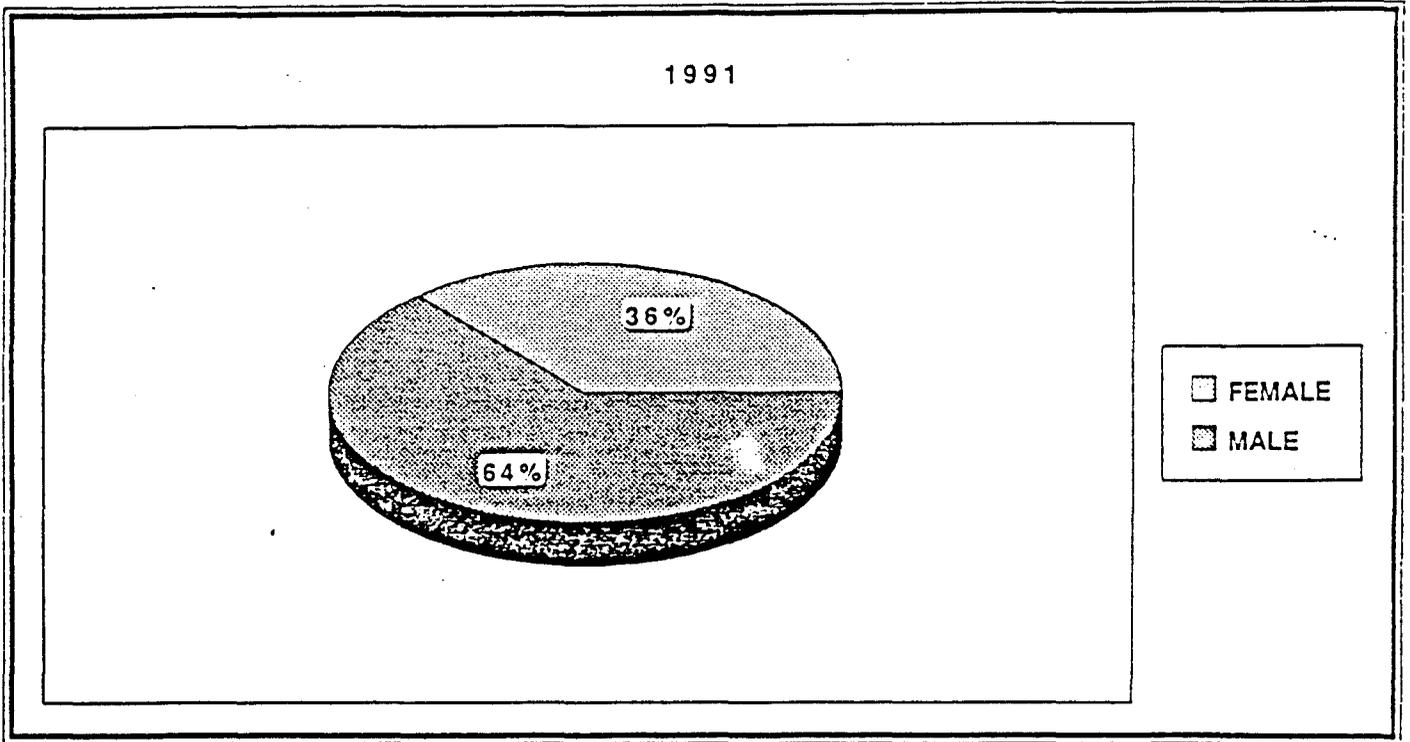
GENERAL ASSISTANCE RECIPIENTS--TOTAL

AGE	1991	1992
0-18	194	172
19-21	258	264
22-25	228	264
26-30	311	351
31-35	343	383
36-45	649	623
46-55	396	399
55+	178	202
<b>TOTAL</b>	<b>2,557</b>	<b>2,658</b>



GENERAL ASSISTANCE--PERCENT OF FEMALE AND MALE

	1991	1992
FEMALE	36%	33%
MALE	64%	67%
TOTAL	100%	100%

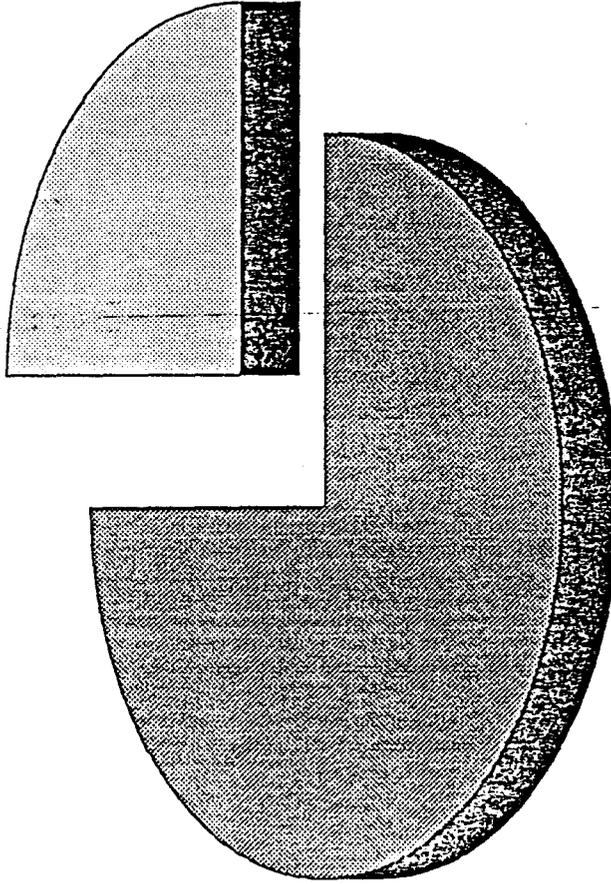


# FY91 State Medical Costs

as of 4-30-92

Exhibit # 3  
7/13/92 SB 10

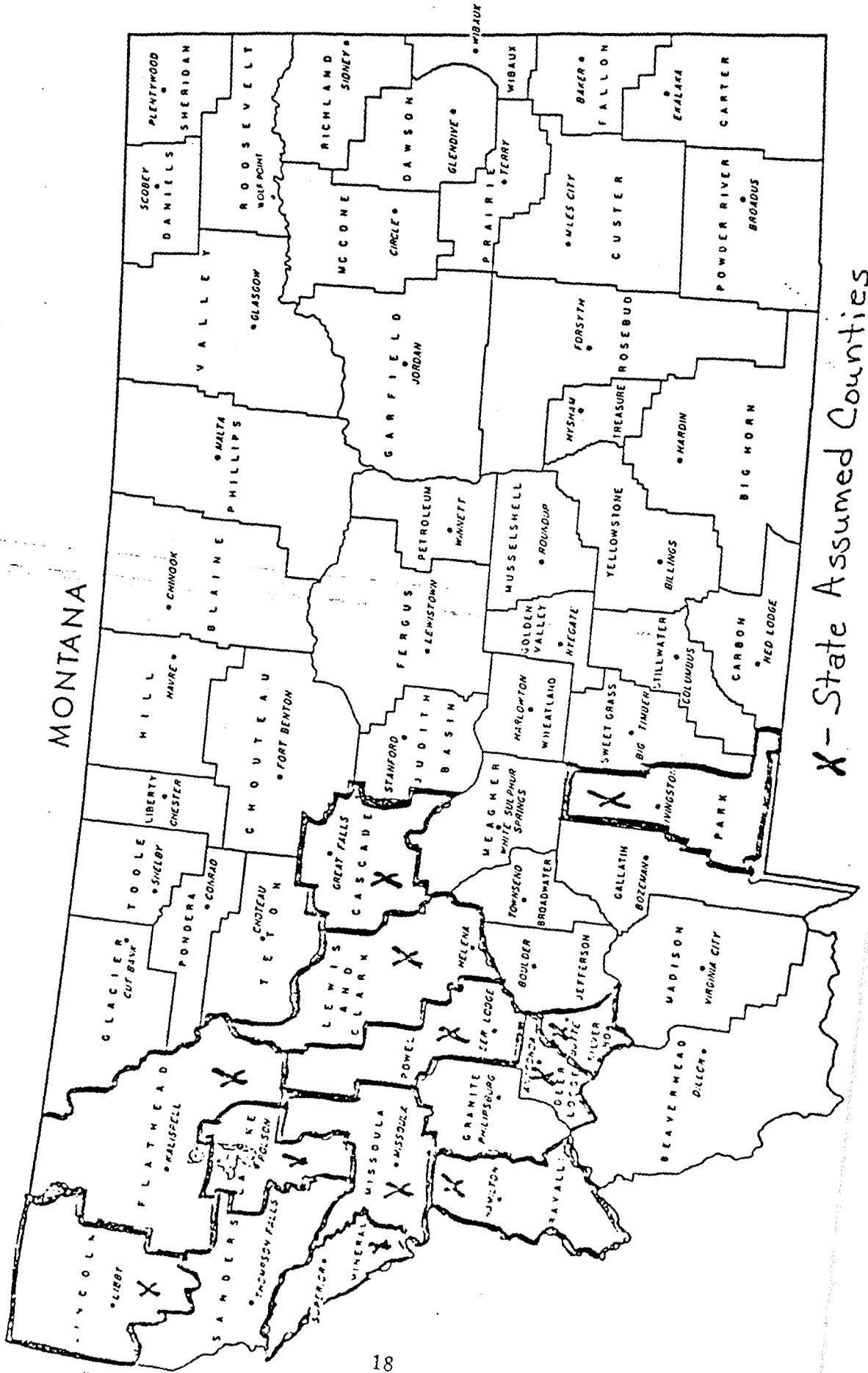
State Medical Only - 25%  
\$1,468,800  
(Includes resource spend down cases)



General Assistance Recipients - 75%  
\$4,429,609

Total FY91 State Medical Costs \$5,898,755

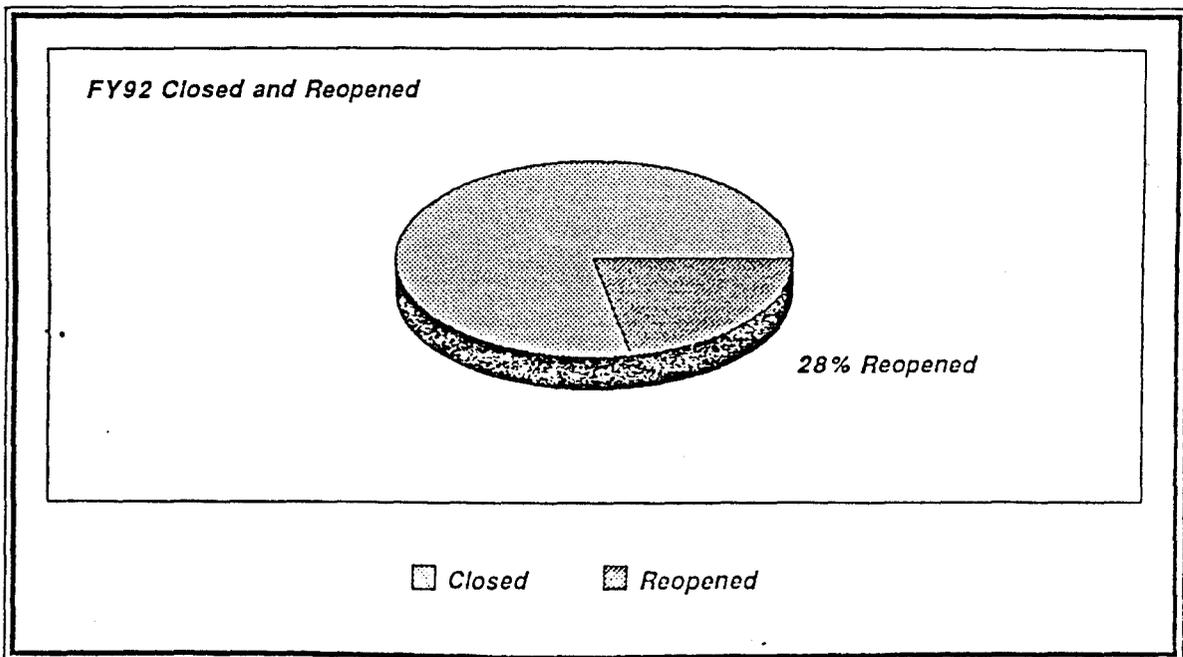
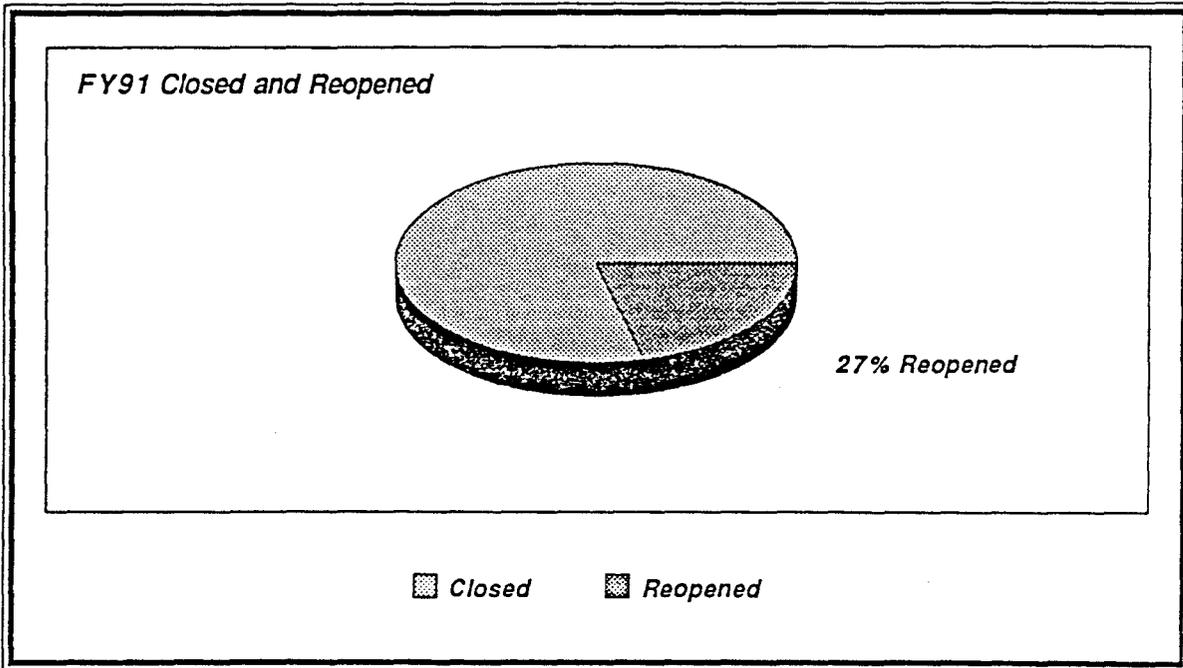
# MONTANA



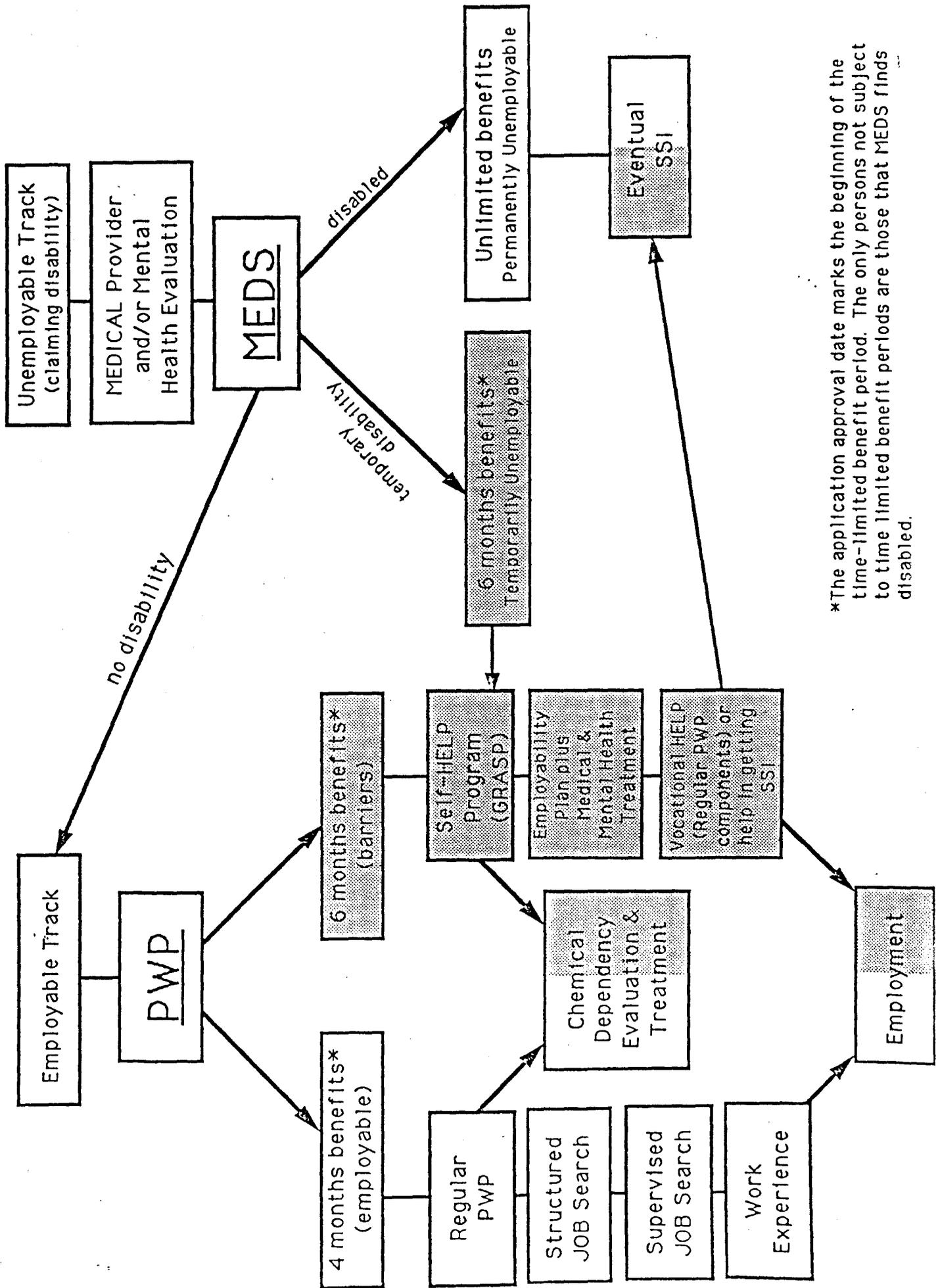
X - State Assumed Counties

**GRA--RECIDIVISM**  
*Persons closed due to exhaustion of time  
limited benefits and who come back on GRA.*

	FY91	FY92*
Closed	391	492
Reopened	105	138
% Reopened	27%	28%



# GRA CLASSIFICATION & PROGRAM DETERMINATION



\*The application approval date marks the beginning of the time-limited benefit period. The only persons not subject to time limited benefit periods are those that MEDS finds disabled.

Rev. Janet [unclear]I would like  
to speakthe proposal  
to provide  
chemicalIn support of dependency counseling for Project Work participants sites.

Persons with chemical dependencies are continuing to come back

to Project Work. To stop the revolving door we need to intervene

with cost-effective drug alcohol counseling. In house drug alcohol

screening would provide intervention to help individuals

develop their own problem-solving and coping skills.

We at Project Work need to handle chemical dependency problems

along with unemployment problems to lower the number of

persons applying for General Assistance.

Project Work could and would integrate into our structured Job  
a continuing education about <sup>the</sup> social  
search program, the economic effects of drug and alcohol abuse.

III We would enhance the referral to and coordination present services provided in the community.

By having contact with persons at critical milestones in a treatment

we can help lower the numbers of persons continuing to come back for general assistance.

In the longer term ~~we~~ <sup>the community.</sup> would be saving money spent with family services and legal costs, ~~and~~

Present programs in ~~Butte~~ community based programs for dependency are stretched to their limits. The state facility <sup>at</sup> ~~at~~ Galen still has a waiting list for treatment.

I ~~am not~~ recommend that any assistance you could provide persons at this juncture in their lives would be money wisely spent.



BOARD OF COUNTY COMMISSIONERS  
MISSOULA COUNTY COURTHOUSE  
MISSOULA, MONTANA 59802

(406) 721-5700

BCC-92-362  
July 9, 1992

Roger LaVoie, Administrator  
Family Assistance Division  
Department of SRS  
Helena, MT 59620

*Ann Dussault*  
SENATE FINANCE AND CLAIMS  
EXHIBIT NO. 5  
DATE 7/13/92  
BILL NO. SB 10

Dear Mr. LaVoie:

The Missoula County Board of Commissioners have met with the Missoula Office of Human Services, the Missoula City-County Health Department, and representatives of our local hospitals regarding the proposal to eliminate the state medical program and distribute grants to state-assumed counties. Our concern about this proposal is that it essentially shifts the burden of care for the medically indigent to local health care providers, insured patients, and local government. Further, this proposal places an already vulnerable population at greater medical risk.

If this proposal moves forward, however, Missoula County will use the proposed 3.3 mills in grant funds to address the needs of our medically underserved population. But our interest in doing this is contingent upon our ability to have complete local control over the expenditure of these funds. If the call for special session is not broad enough to allow amendments to this effect, or if the legislature does not support the issue of local control, we will vigorously oppose the proposal.

In addition, we would like to comment that any comparison of costs in assumed counties versus non-assumed counties should include a look at the costs of uncompensated care in local hospitals. For example, it is our understanding that Billings Deaconess has uncompensated care costs of approximately \$56 million versus \$28 million in both Missoula hospitals combined.

Thank you for keeping us informed about this proposal. We will continue to work with you as this legislation progresses.

Sincerely,

Board of County Commissioners,

*Barbara Evans*  
Barbara Evans, Chairman

*Ann Mary Dussault*  
Ann Mary Dussault, Commissioner

*Janet Stevens*  
Janet Stevens, Commissioner

BCC-92-362  
July 9, 1992

Roger LaVoie, Administrator  
Family Assistance Division  
Department of SRS  
Helena, MT 59620

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 5

DATE 7/13/92

BILL NO. SB 10

Dear Mr. LaVoie:

The Missoula County Board of Commissioners have met with the Missoula Office of Human Services, the Missoula City-County Health Department, and representatives of our local hospitals regarding the proposal to eliminate the state medical program and distribute grants to state-assumed counties. Our concern about this proposal is that it essentially shifts the burden of care for the medically indigent to local health care providers, insured patients, and local government. Further, this proposal places an already vulnerable population at greater medical risk.

If this proposal moves forward, however, Missoula County will use the proposed 3.3 mills in grant funds to address the needs of our medically underserved population. But our interest in doing this is contingent upon our ability to have complete local control over the expenditure of these funds. If the call for special session is not broad enough to allow amendments to this effect, or if the legislature does not support the issue of local control, we will vigorously oppose the proposal.

In addition, we would like to comment that any comparison of costs in assumed counties versus non-assumed counties should include a look at the costs of uncompensated care in local hospitals. For example, it is our understanding that Billings Deaconess has uncompensated care costs of approximately \$56 million versus \$28 million in both Missoula hospitals combined.

Thank you for keeping us informed about this proposal. We will continue to work with you as this legislation progresses.

Sincerely,

Board of County Commissioners,

---

Barbara Evans, Chairman

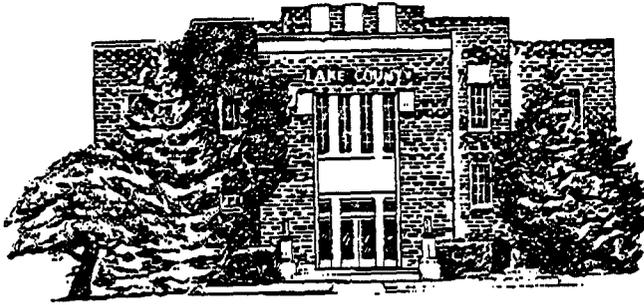
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Ann Mary Dussault, Commissioner

---

Janet Stevens, Commissioner

COUNTY COMMISSIONERS  
 MIKE W. HUTCHIN  
 District One  
 RAY HARBIN  
 District Two  
 GERALD L. NEWGARD  
 District Three  
 TREASURER  
 PATRICIA J. COOK  
 CLERK AND RECORDER  
 SURVEYOR  
 RUTH E. HODGES



ASSESSOR  
 LENORE A. ROAT  
 SHERIFF AND CORONER  
 JOE GELDRICH  
 CLERK OF COURT  
 KATHERINE E. PEERSEN  
 SUPERINTENDENT OF SCHOOLS  
 JOYCE DECKER WEGNER  
 COUNTY ATTORNEY  
 LARRY J. NISTLER  
 JUSTICE OF THE PEACE  
 CHUCK WHITSON

# LAKE COUNTY

PHONE 406/883-6211 • 106 FOURTH AVENUE EAST • POLSON, MONTANA 59860

July 13, 1992

Senator Ethel M. Harding  
 Capitol Station  
 Helena, MT 59601

Dear Senator Harding: *Ethel*

We have read Senate Bill 10 and have reviewed its impacts on our County. As you know, Lake County is an assumed county and contributes 12 mills to fund our portion of the S.R.S. system.

If S.B. 10 is passed, we will assume another financial burden that we have no way to fund. The current impact, as proposed would be approximately \$60,000. to our county.

With the increased cost of Juvenile Detention and Court Ordered Psychiatric Evaluations, we simply cannot stand any additional costs.

We are operating with the same budget we had in 1986 and must urge you and the other members of the Legislature to resist any and all efforts to shift any more costs to Local Government.

Thank you for your consideration, Ethel, and we will be anxiously watching the activities of this most difficult special session. Good Luck with your work.

Sincerely,  
*Ray*  
 Ray Harbin, Chairman  
 BOARD OF LAKE COUNTY COMMISSIONERS

cc: MACo

Office of  
**County Commissioners of Park County**  
Livingston, Montana 59047

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 6

DATE 7/13/92

BILL NO. SB 10

July 13, 1992

Finance and Claims Committee

RE: SB 10 Legislation to eliminate general medical program

Park County is opposed to any change in the General Relief Medical program without clarification of many of the issues.

Our concern is that we will eventually be mandated to provide additional money for these services and will not have the resources to pay.

Please consider all issues carefully and do not put extra financial burden on local governments.

Park County Commissioners

Carlo Cieri  
Carlo Cieri, Chairman

Jim Hunt  
Larry Lovely  
Larry Lovely

PCC/mc  
cc: file



TESTIMONY OF JAMES AHRENS, PRESIDENT  
MONTANA HOSPITAL ASSOCIATION

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 7

DATE 7/13/92

BILL NO. SB 10

SENATE BILL 10 ELIMINATION OF STATE MEDICAL ASSISTANCE

MHA is concerned about this proposal. This plan has serious financial implications for counties and for medical providers who currently serve state medical clients. SRS has again crafted a proposal at the last minute, the proposal changes nearly every day, and there is not enough information about the proposal to understand the full impact of the plan.

This proposal is very much like a trojan horse. The state is depicting the proposal as a reasonable solution to the problem of serving state medical clients. State assumed counties should be cautious about accepting this program back from the state. Currently, expenditures for this program total about \$6 million. After October 1 the counties will be faced with providing \$4.5 million of care with only \$1.5 million from the state.

The counties may be best situated to deal with the problems of paying for health care for indigent people. But Senate Bill 10 merely transfers the state deficit to the county. There is no way the county can meet all the needs with the money the state will provide. Counties will have to face the tough choices of rationing and access. They will find it no easier than the state. Senate Bill 10 should provide a mandate to reform the provision of services, assuring access to essential services for indigent persons, and encourage the efficient and effective delivery of services. Instead, the bill calls for more cost shifting and less access for poor people.

There is little information about what kind of services SRS pays for. The latest data MHA has from SRS indicates the five most common types of services provided by hospitals includes heart ailments, rehabilitation for head and back injuries, acute mental health treatment and alcohol related services. If counties are unable to fund these services locally, many will be shifted to state facilities like Warm Springs and Galen.

Counties are in no financial position to accept this responsibility back from the state. It is probable that the counties will have little choice but to demand free care from local hospitals and doctors. This will only serve to drive up health care costs for people who pay their own bills.

Senate Bill 10 affects all counties in Montana, not just those which are state assumed. General relief medical is ended in all 56 counties. The program is shifted to the local Health Board, who must follow SRS rules; rules which have not yet been disclosed. Passing Senate Bill 10 will add administrative costs to some counties, hamper the process to gain SSI eligibility for Medicaid and cause increased health costs.

MHA urges the committee to oppose Senate Bill 10.



City County Building  
P.O. Box 1724  
316 North Park  
Helena, Montana 59624  
Telephone 406/447-8304

# LEWIS AND CLARK COUNTY

Board of County Commissioners

July 13, 1992

Senator Mignon Waterman  
Capitol Station  
Helena, MT 59620

Dear Senator Waterman:

As a member of the Senate Finance & Claims Committee, you will be taking action soon on SB 10, legislation that, among other things, proposes the elimination of the general medical program run by the state for state-assumed counties like Lewis & Clark. We urge your active opposition to this bill.

In FY 91, the State of Montana spent \$634,334.04 on this program in Lewis & Clark County. The three mills that the state proposes to return would result in about \$250,000.00. Clearly, our county will not be able to levy against local property taxpayers the difference between what has been historically spent and what would come back to us in order to provide the same service. Nor would we be able to bear the administrative burden of running such a program.

As disturbing as the implications of this bill are for our county, the potential state-wide ramifications could be even more damaging. Many of the public and private rural hospitals in our state are having a difficult time simply surviving. The likely result of the passage of this bill is that those hospitals would have to bear even greater costs by absorbing more patients who cannot afford to pay their hospital bills.

The elimination of the general medical program will not eliminate the urgent need for the service. Indigent people who have used the general medical

Senator Mignon Waterman  
July 13, 1992  
Page Two

program are not going to go away. Senate Bill 10 will merely shift the financial costs from the state to counties and the medical community.

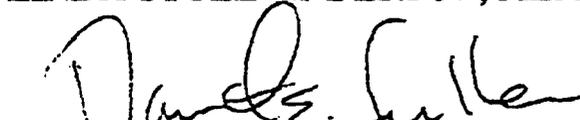
We urge you to vigorously oppose Senate Bill 10.

Thank you for your consideration of our request.

Sincerely,

  
\_\_\_\_\_  
BLAKE J. WORDAL, CHAIRMAN

  
\_\_\_\_\_  
LINDA STOLL-ANDERSON, MEMBER

  
\_\_\_\_\_  
DAVID E. FULLER, MEMBER

BOARD OF COUNTY COMMISSIONERS

**LINCOLN COUNTY**  
STATE OF MONTANA

DISTRICT NO. 1, LIBBY  
GERALD R. CRINER

DISTRICT NO. 2, TROY  
LAWRENCE A. (LARRY) DOLEZAL

DISTRICT NO. 3, EUREKA  
NOEL E. WILLIAMS

CLERK OF THE BOARD AND COUNTY RECORDER, CORAL M. CUMMINGS  
512 CALIFORNIA AVENUE  
LIBBY, MONTANA 59923

July 13, 1992

TO: MACo

FROM: Lincoln County Commissioners

Re: SB 10 or any other legislation to eliminate the  
general medical relief program

We are not fully informed as to the content and potential impacts of this bill. However, we do understand that the proposal to eliminate the State Medical General Relief Program in assumed counties is included. The primary argument for this seems to be that medical assistance is being provided at a much lower cost in non-assumed counties.

We have been working with the MACo staff to try to quantify this, but due to the short time we have been unable to put our hands on all the appropriate data. We have several questions that have yet to be answered.

Just what are the costs for medical assistance in the non-assumed counties? What medical benefits are they providing? Are people in need of these state medical general relief benefits gravitating to the assumed counties from the non-assumed counties in specific times of need? How will these people receive medical assistance if this program is eliminated? Would this potentially increase the uncompensated care level in our rural and county-owned hospitals in the assumed counties?

This could put a burden on our local St. John's Lutheran Hospital in Libby in the amount of approximately \$200,000.00 or the same difference to Lincoln County if the same level of medical assistance were provided. 3.3 mills would generate about \$100,000.00 in revenue if this were retained for medical benefits in Lincoln County. Roughly \$300,000.00 was paid out for Medical General Relief benefits in Lincoln County this past year. How do you propose we are to cover the estimated \$200,000.00 shortfall?

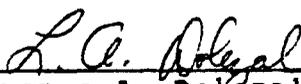
If we are forced to handle medical general relief at the county level and reduce the level of benefits available to our residents, then you are in effect setting the counties up to be the "bad guys".

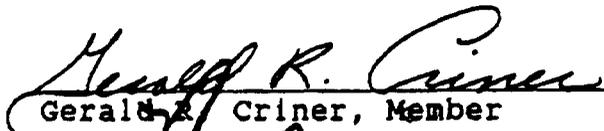
We feel this proposal deserves a closer look with more in depth research that will substantively answer these and other questions about the impacts of this potential legislation before it is given further consideration.

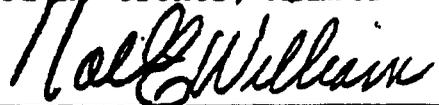
Until the impacts of this proposal are clearly identified, we are asking you to please kill this bill in committee and fight any attempts to eliminate medical general relief.

Sincerely,

LINCOLN COUNTY COMMISSIONERS

  
\_\_\_\_\_  
Lawrence A. Dolezal, Chairman

  
\_\_\_\_\_  
Gerald R. Criner, Member

  
\_\_\_\_\_  
Noel E. Williams, Member

BCC:bjb



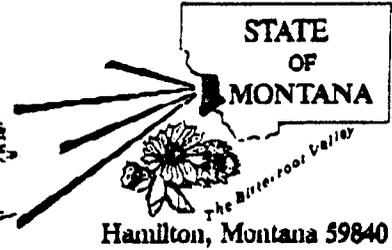
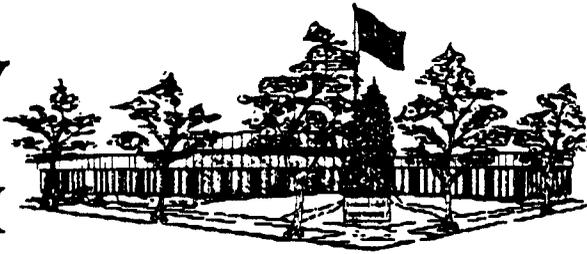
TO: MACO  
ATT: SANDRA OITZINGER  
FROM: POWELL COUNTY COMMISSIONERS *Kenneth P. Fleming*  
DATE: JULY 13, 1992  
SUBJECT: S.B.# 10 RE: MEDICAL GENERAL RELIEF FOR STATE ASSUMED COUNTIES

The Powell County Commissioners strongly oppose S.B. #10 and the elimination of the State's responsibility for the medical general relief portion of S.R.S..

Our opposition is based on the following reasons:

1. To fund this portion at the current level Powell County would become responsible for approximately \$80,000.
2. The restrictions placed on Powell County from I-105 have severely limited our financial resources.
3. The potential financial liability for Powell County Memorial is unacceptable to us at this time or any time.
4. The County Hospital is in a transitional stage and the additional burden of the general medical expense for assuming medical care for the welfare recipients would place our small rural hospital in a further deficit situation.

# COUNTY OF RAVALLI



July 13, 1992

Chairman, Senate Finance and Claims Committee

Members of the Committee:

We are writing to express our opposition to Senate Bill #10 which proposes to transfer responsibility for State General Relief Medical Program. While there may be good reason to study the current program in the interest of reducing costs achieving greater efficiency, the current proposal will create more problems than it will solve. In the case of Ravalli County, the proposed medical assistance grant for fiscal year 1993 would only cover half of the costs for General Relief Medical incurred in Ravalli County in 1991. The amount of administrative costs associated with this proposal are not identified.

We are not anxious to assume control of a medical assistance program with inadequate financial resources, especially before the mandate for provision of these services is removed. We are also concerned about the impact of this change on our local hospital and other health care providers since the number of uninsured patients would increase.

Sincerely,  
BOARD OF COUNTY COMMISSIONERS

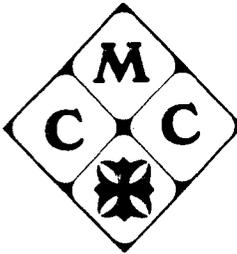
*Jerry L. Allen*  
\_\_\_\_\_  
Jerry L. Allen, Chairman

*Steven D. Powell*  
\_\_\_\_\_  
Steven D. Powell, Member

*Allen C. Horsfall, Jr.*  
\_\_\_\_\_  
Allen C. Horsfall, Jr., Member

mkt

Post-It™ brand fax transmittal memo 7671		# of pages ▶ 1
To <i>Senate</i>	From <i>Ravalli Co</i>	
Co. <i>Senate</i>	Co.	
Dept. <i>Finance</i>	Phone #	
Fax # <i>442-5938</i>	Fax #	



# Montana Catholic Conference

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 9

DATE 7/13/92

BILL NO. SB 12

SB 12  
[Handwritten notes]

July 13, 1992

## MADAM CHAIRMAN JACOBSON AND MEMBERS OF THE COMMITTEE

I am John Ortwein representing the Montana Catholic Conference.

We are very concerned about the implications contained in SB 12.

I am well aware that SB 12 is being submitted to you as a cost saving measure. Several years ago, in Congressional debates over extending Medicaid funding to abortion one of primary reasons given for this extension of federal dollars was the millions of dollars that could be saved in future welfare costs if Medicaid would cover the abortion costs of poor women. It seems as though welfare reform has turned explicitly punitive. In the past several years, forty states have cut welfare benefits and stiffened eligibility requirements.

Although I am certain this is not the intent of Senator Keating, I feel this bill falls into the trap of contemporary welfare reforms which assume reliance on legal abortions to halt increased costs of AFDC.

I have had the bill analyzed by a number of members of my Legislative Advisory Committee, and without exception they have come to the same conclusions. Number 1--This legislation hurts the child as well as the mother; and Number 2--A logical conclusion of this legislation is for a pregnant woman to abort the child when the fiscal means are not available to care for the child.

I would hope that this committee will vote to kill SB 12.



EXHIBIT NO. 10DATE 7/13/92BILL NO. SB 12WITNESS STATEMENT

To be completed by a person testifying or a person who wants their testimony entered into the record.

Dated this 14 day of July, 1992.

Name: Diane SANDS

Address: P.O. Box 1099, Helen 59624

Telephone Number: 449-7917

Representing whom?

MT Women's Lobby

Appearing on which proposal?

SB 12

Do you: Support?  Amend?  Oppose?

Comments:

MWL considers this bill to be an outrageous governmental intrusion into the private reproductive decisions of women on AFDC. If the committee accepts this idea we suggest an amendment to provide state funded abortions for all women who are forced into this decision because of this law.

Also - because the majority of women on AFDC are largely there because of uncollected child support, we suggest the state require temporary sterilization of dads delinquent on child support, until the family is off AFDC.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

It only costs \$15,000 - is this with the excess of state involvement in reproductive choices

WITNESS STATEMENT

To be completed by a person testifying or a person who wants their testimony entered into the record. SB 10

Dated this 14 day of July, 1992

Name: Diane SANDS

Address: P.O. Box 1099, Helen 57624

Telephone Number: 445-7917

Representing whom?

MT. Women's lobby / MT Catholic Conference / MT Ass. of Churches / MT. Low Income Coalition

Appearing on which proposal? SB 10

SB 10

Do you: Support?  Amend?  Oppose?

Comments:

- 1) all 4 organizations oppose the entire bill
- 2) we draw special attention to proposed change in length of time a GA recipient can receive assistance from 4 months in 12 months to 4 months in 18 months. 4 months allows people to receive assistance during winter months in each year. 4 months in 18 months means some people will have no assistance in the dead of winter. We oppose this change.

ROLL CALL VOTE

SENATE COMMITTEE FINANCE & CLAIMS

SB 8

Date 7/13/92 Senate Bill No. 8 Time \_\_\_\_\_ #1 Pg 1 of 2

*Failed*

NAME	YES	NO
SENATOR JACOBSON		✓
SENATOR JERGESON		✓
SENATOR AKLESTAD	✓	
SENATOR BECK		✓
SENATOR BENGTON	✓	
SENATOR BIANCHI		✓
SENATOR DEVELIN	✓	
SENATOR FRANKLIN		✓
SENATOR FRITZ		✓
SENATOR HAMMOND	✓	
SENATOR HARDING	✓	
SENATOR HOCKETT		✓

Lynn Staley  
Secretary

Chairman

Motion: Senators Keating motion  
that SB 8 Do Pass.

Failed

ROLL CALL VOTE (Cont'd)

SENATE COMMITTEE FINANCE AND CLAIMS

# 1

PS 2062

Date 7/13/92 Sen. Bill No. 8 Time \_\_\_\_\_

NAME	YES	NO
SENATOR KEATING	✓	
SENATOR NATHE		✓
SENATOR STIMATZ		✓
SENATOR TVEIT	✓	
SENATOR VAUGHN		✓
SENATOR WATERMAN		✓
SENATOR WEEDING		✓

Secretary \_\_\_\_\_

Chairman \_\_\_\_\_

Motion: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

ROLL CALL VOTE

SENATE COMMITTEE FINANCE & CLAIMS

#2  
Pg. 1 of 2

Date 7/13/92 Senate Bill No. 12 Time \_\_\_\_\_

NAME	YES	NO
SENATOR JACOBSON		✓
SENATOR JERGESON		✓
SENATOR AKLESTAD	✓	
SENATOR BECK		✓
SENATOR BENGTON		✓
SENATOR BIANCHI		✓
SENATOR DEVLIN		✓
SENATOR FRANKLIN		✓
SENATOR FRITZ		✓
SENATOR HAMMOND	✓	
SENATOR HARDING	✓	
SENATOR HOCKETT		✓

Lynn Stealy  
Secretary

\_\_\_\_\_  
Chairman

Motion: Senator Keating's motion that  
SB 12 Do Pass.  
Motion Failed

ROLL CALL VOTE (Cont'd)

SENATE COMMITTEE FINANCE AND CLAIMS

#2  
Pg. 2 of 2

Date 7/13/92 Senate Bill No. 12 Time \_\_\_\_\_

NAME	YES	NO
SENATOR KEATING	✓	
SENATOR NATHE	✓	
SENATOR STIMATZ		✓
SENATOR TVEIT	✓	
SENATOR VAUGHN		✓
SENATOR WATERMAN		✓
SENATOR WEEDING		✓

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

Motion: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ROLL CALL VOTE

SENATE COMMITTEE

FINANCE & CLAIMS

Date 7/13/92 Senate Bill No. 12 Time \_\_\_\_\_

NAME	YES	NO
SENATOR JACOBSON		✓
SENATOR JERGESON		✓
SENATOR AKLESTAD	✓	
SENATOR BECK		✓
SENATOR BENGTON		✓
SENATOR BIANCHI		✓
SENATOR DEVLIN		✓
SENATOR FRANKLIN		✓
SENATOR FRITZ		✓
SENATOR HAMMOND	✓	
SENATOR HARDING	✓	
SENATOR HOCKETT		✓

Lynn Staley  
Secretary

Chairman

Motion: Senator Keating's motion that  
SB 12 Do Pass.  
Motion Failed

ROLL CALL VOTE (Cont'd)

SENATE COMMITTEE FINANCE AND CLAIMS

Date \_\_\_\_\_ Bill No. \_\_\_\_\_ Time \_\_\_\_\_

NAME	YES	NO
SENATOR KEATING	✓	
SENATOR NATHE	✓	
SENATOR STIMATZ		✓
SENATOR TVEIT	✓	
SENATOR VAUGHN		✓
SENATOR WATERMAN		✓
SENATOR WEEDING		✓

Secretary \_\_\_\_\_

Chairman \_\_\_\_\_

Motion: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_