

**MINUTES**

**MONTANA HOUSE OF REPRESENTATIVES  
52nd LEGISLATURE - 2nd SPECIAL SESSION**

**COMMITTEE ON APPROPRIATIONS**

**Call to Order:** By Chair Bardanouve, on July 17, 1992, at 1 p.m.

**ROLL CALL**

**Members Present:**

Francis Bardanouve, Chairman (D)  
Ray Peck, Vice-Chairman (D)  
Dorothy Bradley (D)  
John Cobb (R)  
Ed Grady (R)  
Larry Grinde (R)  
John Johnson (D)  
Mike Kadas (D)  
Berv Kimberley (D)  
Wm. "Red" Menahan (D)  
Jerry Nisbet (D)  
Mary Lou Peterson (R)  
Joe Quilici (D)  
Chuck Swysgood (R)  
Bob Thoft (R)  
Tom Zook (R)

**Members Excused:** John Johnson (D)  
Dorothy Cody (D)  
Mary Ellen Connelly (D)

**Staff Present:** Terry Cohea, Legislative Fiscal Analyst  
Jim Haubein, Senior Fiscal Analyst  
Sylvia Kinsey, Committee Secretary

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

**HEARING ON SENATE BILL 10**

**REVISE GENERAL RELIEF**

**Presentation and Opening Statement by Sponsor:**

REP COBB presented SB 10 on behalf of SENATOR KEATING. SB 10 revises the State Medical Assistance program. He asked Mr. Hank Hudson, SRS, to explain the bill to the committee.

Mr. Hudson said Senate Bill 10 would make some changes in the General Relief Assistance program and an addition to the state medical program. He said the first change in the bill is the

creation of a new category of General Obligee Recipients, what would be termed the "temporary unemployable". This would be a group that at present receives general relief assistance on a 12 month basis without participating in Project Work activities. They are people who have a temporary barrier to employment, and this bill would require them to participate in Project Work activities with the goal of removing more people from the general relief assistance roles.

**Mr. Hudson** said the second change is to limit general relief payments to people who have resided in the state for less than a month. Their payments would be reduced by \$50 for a two month period. The third change is to delay the payment of the first general relief check until they have been in the program for four weeks and that would be a payment for participation much as we get paid for working at the end of the month. The fourth change is a change in the penalty provisions so that people who violate their requirements of participating in Project Work, their penalty would begin at the beginning of the next eligible period. At present the person may be in the last month of participation, they don't go to classes, they don't participate in the job service, etc. and there is really no penalty because they are done with the program anyway. This would make it so that the next time they signed up for general assistance the penalty would begin then.

**Mr. Hudson** said the final change is in the State Medical Program which reduces the eligibility requirement. Currently, to be eligible for State Medical in the 12 assumed counties, you have to have an income of 50% of the General Assistance Eligibility. This would bring it into line with General Assistance so the eligibility is the same as GA. It reduces the package of health care benefits in the State Medical program which at the present time is the same as the Medicaid package, which is a fairly comprehensive package, and it would reduce it to what they would call a catastrophic package which is hospital, pharmaceutical and medication now. One of the major changes is the savings generated by this bill are \$1.5 million to be applied to supplemental and \$116,000 which is a savings again. This is something we have worked on and felt this was an appropriate time to present it. He said the original proposal was to eliminate the State Medical program. That was not acceptable to the Senate and at that point we worked in cooperation with those associated with the counties, the hospital association etc. to get this bill.

**Questions From Committee Members:**

**REP KADAS** said he was interested in the savings from some of the different components of this bill, particularly in moving from 150% to 100% and for limiting the coverage from the Medicaid program to the catastrophic. **Mr. Hudson** said the savings, by changing the eligibility, can be answered better by someone from the Family Services Division.

**Penny Robbe, Family Services Division, SRS,** said the savings computed under this bill have been estimated at \$116,000 under the assumption that SRS would not have to come in for a supplemental appropriation this year. They are assuming they would have to come in for a supplemental for approximately \$1.5 million plus the \$116,000, the estimated savings, is about \$1.6 million.

**REP KADAS** asked, of that savings, how much is due to lowering the eligibility rate from 150% to 100%? **Ms. Robbe** said she did not have the breakdown between the two components with her. The two components are reducing the income standard from 150% to 100% and implementing the catastrophic care coverage.

**REP KADAS** said there are about four other parts to this bill. Do they have any fiscal impact? **Ms. Robbe** said they have the components part of the bill and have computed out the cost of some of the components that would make savings. Part of the component which includes implementing the temporary unemployable category would provide self sufficiency services for those needing chemical dependency counselors on sight. The cost of those two components is approximately \$220,000 in general fund for this fiscal year because we put in for that program in January. To reduce the benefit \$50 for those individuals who are new to Montana and apply for GA within one month and reduce that benefit for a two month period, plus a waiting period performance payment after performance from 2 weeks to 4 weeks, is estimated to be a general fund savings of about \$100,000.

**REP KADAS** said the other things are kind of a wash and the State Medical is where all the bucks are? **Ms. Robbe** said the other major portion of the GA bill was to change the period of eligibility from 4 and 6 months out of 12 to 4 and 6 months out of the 18, and the Senate did not approve that so it goes back to 4 and 6 months out of 12 and, thus, no savings.

**REP KADAS** said under this catastrophic, what is the difference between that and the Medicaid program? What kind of coverage are we going to be providing under catastrophic?

**Julia Robinson, Director, SRS,** said Medicaid equivalent provides all services that Medicaid funds, which is every single option except Christian Science. We have one of the most comprehensive health care options in the country. It pays for physicals, psychiatric services, etc., so long as it has been prescribed and is some kind of medical claim. They are recommending with catastrophic it would pay only for drugs, physicians and hospital service. The other services, such as hearing aids would no longer be paid for. If you are in the Project Work program and need glasses or hearing aids or that type of thing in order to go to work, then there are new supported employment pieces of the program that they would pay for up front.

**REP KADAS** said if someone were ill and go to the doctor and prescribes antibiotics, would that be covered under catastrophic?

**Ms. Robinson** said it was her understanding if they go to a physician and they have an illness it pays. If they just go in for a physical or something like that, unless it is through Project Work, it does not pay.

**CHAIR BARDANOUE** asked what was meant by the statement on 150% to 100%. Can you put it into dollars rather than percentages so we get a better feel for what it is? **Ms. Robinson** said **Mr. Hudson** had gone to get information to answer **REP KADAS's** question. We do have broken out how much it costs to drop from 150% to 100% and how much it costs to go through a great deal of benefits. The primary cost savings in this program is the drop in eligibility. It is not a reduction in the scope of services.

**CHAIR BARDANOUE** posed the question of someone coming in from Idaho or somewhere with a wife and kids and asked what would happen in terms of health care? **Ms. Robinson** said if you have kids and a wife you will not be on this program. You would be on AFDC. This program is strictly for singles and couples. The majority of the people in this program are younger.

**Penny Robbe, SRS,** said the current payment standard is 42% of poverty for GA and it is \$238 per month. Under our proposal, to reduce the payment standard to 38% of poverty that would be \$216 per month. The \$50 reduction, if you are new to the state, a person needs to apply for financial assistance and have been here less than a month. That person would receive \$166 in GA payments for the first two months. If they are still here after that period of time, they would go to the \$216 per month.

**CHAIR BARDANOUE** asked what the 150% of poverty to 100% means? **Ms. Robbe** said the 150% is 150% of the GA standard. Now you can qualify for State Medical if you have less than 150% of the GA standard which is approximately \$357. People who have income above GA standards of \$238, but less than \$357, can still get benefits under current law.

**CHAIR BARDANOUE** said if he fell in the 110% class he would not get anything? **Ms. Robbe** said under the new proposal he would not get anything. If you go to 38% of poverty, anything above \$216, you would not qualify for State Medical if you are a single person.

**REP MENAHAN** asked if that was all you get? **Ms. Robbe** told him that you can receive food stamps and most GA recipients do receive food stamps in addition to GA.

**REP SWYSGOOD** said you talked about the unemployability. Does that mean some barrier to employment? **Ms. Robbe** said that apparently there is a temporary barrier that has been identified such as fairly serious chemical dependency. It may be that you have a condition that has been defined by the legislature as being permanently unemployable, which is being 55 or older and having limited work skills. She said they believe if they are 55

or older and have limited work skills, that does not make you totally unemployable. They believe you should be allowed to work in a Project Work program to help you.

**REP SWYSGOOD** said he assumed there is a cost in this bill which is associated with Project Work. How is that coordinated with the other projects out there such as the JPTA programs, JOBS, etc? These things we are already funding and already have barrier requirements, etc. **Ms. Robbe** said they do coordinate with the local JPTA programs in the Project Work program right now. She said there are JPTA coordinators and general industry task forces in each county. They look at accessing all available services they can to serve the population.

**REP MENAHAN** asked if they put back all eleven of the alcohol counselors? **Ms. Robbe** told him that this bill does fund 10 out of the 12 assumed counties with on-sight chemical dependency counselors.

**REP MENAHAN** said he thought this is a barrier, but existing alcohol services are not that overcrowded or utilized but at the request of the Chair, agreed to take the matter up later.

**REP ZOOK** asked what the dollar value was of the food stamps given to a GA recipient? **Ms. Robbe** said she had not computed out how many food stamps a single person might receive on this program. She said for a single person it would be on the average about \$100 per month.

**CHAIR BARDANOUE** said he had been hearing about the numbers coming from Oregon, Washington and wherever. He asked how much of that occurs? He asked if they had any calculations on how many people are really coming in from outside to receive benefits from us? **Ms. Robbe** said they collect migration statistics on the GA population for the 12 assumed counties and in the testimony we presented before the legislature, we had a chart. It shows about 1166 GA applicants received benefits last year within one month of moving from another state. That is approximately 17% of the total applicants for GA. They also have statistics that show within one year of moving from another state, approximately 30% of the applications are people who apply for assistance within that period of time.

**REP PECK** asked, if we removed the alcohol counselors, what would the savings be? The answer was \$120,000.

**REP MENAHAN** answered a question in regard to "not liking" the alcohol counselors. He said **SEN KEATING** likes those things, but we talk about adding to the bureaucracy. There are over 600 licensed counselors in the state of Montana and 10 years ago we had about 10. He felt this was where the tail is wagging the dog. We know the county services are not being fully utilized and they can send them to those various groups.

**REP KADAS** asked where the counselors stand now? **Ms. Robinson** said the money is out of the bill now, the counselors are out.

**CHAIR BARDANOUVE** asked what changes were made in the third reading bill as it came from the Senate? **Mr. Hudson** said the change was that the total elimination of State Medical was changed to going from 150% to 100% and reducing the scope of benefits.

**REP KADAS** asked **Mr. Hudson** to give them the savings in the bill and was told the change in State Medical from 150% to 100% is a savings of \$1.5 million and reducing to the catastrophic is a savings of \$644,000.

**REP KADAS** said that is for a year. Then the total savings for the 9 months would be \$2.88 million. It was agreed this was close.

**REP SWYSGOOD** asked the difference between this bill now as it stands and how it was introduced; how does the revenue changed? **Mr. Hudson** said the savings have been reduced. **Ms. Robinson** said this program was authorized at \$4.5 million entirely general fund. We are anticipating a supplemental in this program because it continues to grow at about 1.5%. The total general fund in this program is \$6 million, but they had anticipated giving back to the counties 3.3 mills, or 2.6 mills for this year because we have only 3/4 of the year left. We were going to be returning about 2.5 mills and you would have saved over \$4 million if you adopted the other proposal.

**REP SWYSGOOD** asked if that included the supplemental. **Ms. Robinson** said that includes the supplemental, and that is just State Medical.

**REP QUILICI** asked what affect does this bill actually have on an assumed counties as far as payments are concerned? **Ms. Robinson** asked if he meant, would they have to pay anything? She was told yes, and she said absolutely not, not the way we have amended it. She said they are running exactly the same program that they will be running when this bill is passed that we were running yesterday, except that fewer people will be eligible and services that are paid for will be less. The other proposal was a significant change in how the program would be run.

**REP QUILICI** said, then none of the assumed counties will have to pick up any part of the expenses than they ever had to. **Mrs. Robinson** said no.

**CHAIR BARDANOUVE** said there would be a shortfall there somewhere if people do not receive some of these benefits, they will be out there looking for some way to make up what we are cutting. Who picks that up? If they have to wait a couple weeks and have a severe sore toe or whatever, who picks that up in the time they have to wait? **Ms. Robinson** said if they have no resources, the

chances are they will go on uncompensated care from the physician or a hospital.

**REP KADAS** asked if she could tell him how many people would be affected in going from 150% of poverty to 100%? **Ms. Robinson** said from 250 to 300 or 350 people would be affected.

**REP KADAS** said what will really happen is that these 350 people will not be able to receive any medical care from the state and will either do without or go to a hospital or physician who will donate the service. He asked if that was generally accurate and **Ms. Robinson** said that one of the things they have found in their study of medical care in the state, that actually poor people here get some of the better coverage. Physicians and hospitals actually do take people, as opposed to what you read about hospitals in Los Angeles turning folks away. At least your uncompensated care and the cost shifting is what we keep hearing from the hospital. She pointed out that **CHAIR BARDANOUVE's** county had put away \$90,000 for this program and only spent \$5,000, so somehow the non-assumed counties manage to keep their costs considerably less than the assumed counties.

Closing by Sponsor: **REP COBB** closed.

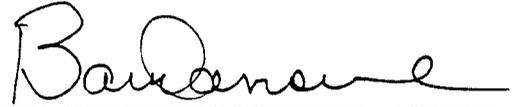
EXECUTIVE ACTION ON SENATE BILL 10

Motion: **REP COBB** moved Senate Bill 10 be concurred in.

Vote: Motion passed with 14 voting yes, and **Rep Cobb** voting no.

ADJOURNMENT

Adjournment: 2:10 p.m.



REP FRANCIS BARDANOUVE, Chair



Sylvia Kinsey, Secretary

FB/sk

HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

ROLL CALL

DATE

*July 17-92*

NAME	PRESENT	ABSENT	EXCUSED
REP. FRANCIS BARDANOUE, CHAIRMAN	✓		
REP. RAY PECK, VICE-CHAIRMAN	✓		
REP. DOROTHY BRADLEY	✓		
REP. JOHN COBB	✓		
REP. DOROTHY CODY			✓
REP. MARY ELLEN CONNELLY			✓
REP. ED GRADY	✓		
REP. LARRY GRINDE	✓		
REP. JOHN JOHNSON			✓
REP. MIKE KADAS	✓		
REP. BERV KIMBERLEY	✓		
REP. WM. "RED" MENAHAN	✓		
REP. JERRY NISBET	✓		
REP. MARY LOU PETERSON	.		
REP. JOE QUILICI	✓		
REP. CHUCK SWYSGOOD	✓		
REP. BOB THOFT	✓		
REP. TOM ZOOK	✓		

HOUSE STANDING COMMITTEE REPORT

July 17, 1992

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Mr. Speaker: We, the committee on Appropriations report that SB 10 (first reading copy -- blue) be concurred in .

Signed: \_\_\_\_\_  
Francis Bardonouve, Chairman