

**MINUTES**

**MONTANA HOUSE OF REPRESENTATIVES  
57th LEGISLATURE - REGULAR SESSION  
JOINT APPROPRIATIONS SUBCOMMITTEE ON HEALTH & HUMAN SERVICES**

**Call to Order:** By **CHAIRMAN DAVE LEWIS**, on January 30, 2001 at 8:00 A.M., in Room 152 Capitol.

**ROLL CALL**

**Members Present:**

Rep. Dave Lewis, Chairman (R)  
Sen. John Cobb, Vice Chairman (R)  
Rep. Edith Clark (R)  
Rep. Joey Jayne (D)  
Sen. Bob Keenan (R)  
Sen. Mignon Waterman (D)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Robert V. Andersen, OBPP  
Lois Steinbeck, Legislative Branch  
Sydney Taber, Committee Secretary  
Connie Welsh, OBPP

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

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: Continuation of Policy and Services Division Overview; Public Testimony on Public Health Service Division  
Executive Action: Motion to have staff and DPHHS work on language for alcohol tax refinance.

***{Tape : 1; Side : A; Approx. Time Counter : 0.3-14.3}***

**Drew Dawson, Health Systems Bureau Chief**, presented an overview of the Health Systems Bureau accomplishments in the emergency medical services and injury prevention program: most ambulance services in Montana now have at least one EMT; computers are placed in most ambulance services for data collection; progress has been made in the trauma system implementation; the procedures

for the trauma center designation and trauma system protocols have been started **EXHIBIT(jhh24a01)**.

**Mr. Dawson** reviewed the Robert Wood Johnson grant that the Department has received to fund public health systems training for public health professionals throughout the state, and the annual and quarterly reports that the Bureau has created on various health factors throughout the state. He touched on the tobacco use prevention surveillance system, effectiveness of the diabetes quality improvement program and Montana Health Agenda.

**Mr. Dawson** then detailed the decision packages requested by his Bureau. **Mr. Dawson** expanded on the trauma system implementation bill, which would impose an assessment on motor vehicle registration fees to fund the state trauma system.

**CHAIRMAN LEWIS** made comments on the bill, which was tabled in Appropriations.

*{Tape : 1; Side : A; Approx. Time Counter : 14.3-20.7}*

**Gail Gray, Director of Department of Public Health and Human Service (DPHHS)**, reviewed the federal complaint that the state match for the Healthy Mothers and Healthy Babies contract was not an appropriate match. There was a federal audit over the first five years of that program and there were no findings at that time. The suit revolved around how the match was made and whether it was a voluntary contribution by the media. **CHAIRMAN LEWIS** expressed his concern that there could possibly be a large state liability. **Director Gray** stated that the Department will pay any fines or damages. Committee member asked that they be updated on this issue.

*{Tape : 1; Side : A; Approx. Time Counter : 20.7-50 }*

**Lois Steinbeck, Legislative Fiscal Division (LFD)**, distributed two bill draft requests for Montana that deal with the Montana Telecommunications Access Program (MTAP) **EXHIBIT(jhh24a02)** and **EXHIBIT(jhh24a03)**, as well as an amendment requested by **SEN. WATERMAN EXHIBIT(jhh24a04)**. **Ms. Steinbeck** reviewed the LFD issues regarding MTAP: 1) the program extended services to the mobility impaired, which is a class of impairment not anticipated by the statute; 2) the program has not developed a means test for families; 3) the statutory authorization directing the program to establish a means test was so broad as to constitute an unlawful delegation of legislative authority; and 4) the ending fund balance in the account could be used for other purposes, which would require an amendment to statute.

The two bills address parts of the issues identified in the LFD analysis, but not other issues. The first bill was requested by

**REP. TROPILA** and includes a definition of mobility impaired on the first page, includes a means test requiring that families with incomes not less than 250% and more than 400% of the federal poverty level be served, and adds a new type of expenditure that can be made from the account, equipment for the mobility impaired and hearing screening equipment. The second bill requested by **REP. GALVIN-HALCRO**, requires universal newborn hearing screening and establishes a task force on hearing loss in newborn infants, among other items. There is an appropriation of \$100,000 from general fund. If this amount is all that is needed, it can be funded from the current appropriation approved by the Committee by the MTAP program.

**SEN. WATERMAN** stated that her understanding of the fiscal note was that they would drop the appropriation, and it would be replaced with funding from MTAP. **SEN. WATERMAN** also stated that the language on the poverty eligibility need to be tightened up. **Ms. Steinbeck** offered the language in Exhibit 4, which states that individuals and families with income exceeding 250% of the poverty level would have a minimum and maximum cost-share, for consideration by the Committee. **Ms. Steinbeck** suggested that if the Committee wanted to divert any of the ending fund balance in the MTAP program, it would need to make an amendment to the statute.

**CHAIRMAN LEWIS** asked what the surplus in the ending fund balance is, to which **Ms. Steinbeck** replied that it could be \$750,000 to \$1.2 million over the biennium. In further discussion, **SEN. WATERMAN** stated that since the Division has already been providing equipment to the mobility impaired this will not increase costs, but corrects the impropriety of providing the equipment when statute does not allow it. As far as the **HALCRO-GALVIN** bill is concerned, it should be a one-time expenditure for hospitals to purchase the hearing screening equipment, so will not seriously deplete the MTAP balance. The means testing and sliding fee scale should reduce expenditures, but may not have a major impact on MTAP.

**SEN. WATERMAN** said that she will notify **REP. GALVIN-HALCRO** that funding is available through MTAP.

*{Tape : 1; Side : B; Approx. Time Counter : 1.2-10.5}*

**Ms. Steinbeck** referred the Committee to B-195 of the budget analysis and reviewed the alcohol and chemical dependency refinance issues. The refinance allows funds currently used for the Montana Chemical Dependency Center (MCDC) to be diverted to provide the Medicaid match for expanding services to chemical dependency (CD). The block grant funds allocated to state approved programs in the community are used to backfill the MCDC

funding. There is a net reduction of about \$200,000 over the biennium in the amount of funds that would go out to local programs.

**Ms. Steinbeck** then reviewed the LFD issues: 1) the statute does not allow expenditure for the state match; and 2) fewer people between Medicaid eligibility and 200% of poverty would be served. **SEN. WATERMAN** stated that she has a bill that revises the statute so that if the language is problematic, it can be corrected. She continued that the assumption is that intergovernmental transfers for Medicaid can only be used to serve more people who are on Medicaid, but that there is more flexibility in using these funds than people realize.

*{Tape : 1; Side : B; Approx. Time Counter : 10.5-14.0}*

**SEN. COBB** expressed concerns about expanding Medicaid and suggested that limitations be placed on the funds going to the non-Medicaid services, so that there is protection should the budget blow up. He does not mind the expansion of rates, but wants to make sure that for two years, at least, that it does not end up causing problems in the budget.

**SEN. WATERMAN** expressed concern that in placing limitations on Medicaid, counties with 50% of Medicaid clients in nursing homes would be prohibited from using their money for match to draw down the federal dollars should they so desire.

*{Tape : 1; Side : B; Approx. Time Counter : 14-15.4}*

**CHAIRMAN LEWIS** reviewed the refinance issue, and the split of opinion that providers have taken on the refinance issue.

*{Tape : 1; Side : B; Approx. Time Counter : 15.4}*

**Ms. Steinbeck** continued with an explanation of the intergovernmental transfer and refinance process that is being proposed. The intergovernmental transfers to which **SEN. WATERMAN** are referring could be in lieu of or on top of refinancing CD. **Ms. Steinbeck** has not investigated the legality of the counties using the money as match for Medicaid services, but it would be difficult to manage the program if that were the mechanism to finance it because the amount of match would always be in question. If this were used to raise rates, which is a different aspect, it could more easily be done, but statute would need to be amended to allow any state special revenue from the alcohol tax to be used for Medicaid.

*{Tape : 1; Side : B; Approx. Time Counter : 18.6-33}*

**Director Gray** reiterated her support of the refinance and intergovernmental transfer issue.

**Roland Mena, Chemical Dependency Bureau Chief**, met with providers for several years and provided training on the process. Montana depends on how much people drink and how much the federal government gives to fund the system. His Bureau did not ask for further funding, but asked to be able to maximize the use of funds to: 1) increase rates and 2) to build capacity. He believes that the providers just got cold feet, and that people not involved in the process had an influence in frightening the providers. He is concerned about responding to the people needing the services, not fear of change. He distributed a summary of CD Medicaid refinance **EXHIBIT (jhh24a05)**.

**REP. JAYNE** asked **Mr. Mena** or **Director Gray** to expand on who the providers are and how the money will be funneled. **Mr. Mena** went over the system in place and the provider system. **REP. JAYNE** asked how the refinance would effect the providers if it is done or not done. **Mr. Mena** explained that the earmarked alcohol tax, about \$1 million per year, goes directly to the county. The other source of funding for CD is federal block grant dollars. Over the last three years, the Department has realized slight increases in that amount. If things remain the same, the Department will be able to maintain the system as it is, with some small adjustments. The Department has had difficulty in recruiting and retaining qualified staff to provide services, particularly in rural areas, which will be affected if the plan does not go into effect. Success is greatest in chemical dependency treatment when there are supportive living situations and an array of services in the community. If funding remains the same, there will be limited ability to expand those services. Under the Medicaid plan, rates could be increased, which would give programs flexibility and latitude to increase salaries, benefit packages, and to enhance recruitment.

*{Tape : 1; Side : B; Approx. Time Counter : 33-}*

**CHAIRMAN LEWIS** reviewed the objections of the CD providers to the refinance proposal and suggested that perhaps the Department should spend a few more years trying to get support for the plan. **Mr. Mena** stated that the Department could slow down the implementation and reevaluate and continue to work with providers to help them make the transition. No specific concerns regarding the plan have been received by the Department.

**SEN. WATERMAN** asked why detoxification was not included in the plan earlier than the third year. **Mr. Mena** explained that it was due to the extreme cost and the lack of detoxification services.

**SEN. WATERMAN** expressed concerns that the systems change and maximization of dollars is going too slowly. The state cannot afford to spend 100% general fund if there are other matches or 100% alcohol dollars if there can be reasonable matches. She

asked **Mr. Mena** if the Bureau had discussed the possibility of intergovernmental transfers to use as match in this program. **Mr. Mena** stated that they had not done so until the start of the hearings. He believes that it is a great opportunity for flexibility within the system as long as those who do not want to participate are not forced to.

**SEN. COBB** asked **Mr. Mena** if he could reassure the providers and come back later in the session with a refinance proposal. **Mr. Mena** believes that it would require more time than remains in the session.

*{Tape : 2; Side : A; Approx. Time Counter : 0.3-}*

**Peg Shea** went over the issues that have caused concern among the network membership. The issues are: 1) a poor projection on alcohol tax funds not spent last year, which will go to meet the budget deficit in the Division; 2) taking \$1.2 million of county earmarked funds for FY02 and FY03, which the providers see as theirs; and 3) the Medicaid expansion using increased block grant funds. The funding issues are complicated, and there is considerable fear and confusion within the membership, especially since many are facing financial difficulties. The county funds provide flexibility in the use of funds, which block grants do not. These factors create an atmosphere of suspicion and an unwillingness to relinquish what is considered theirs. **Ms. Shea** still supports the refinance herself.

**SEN. WATERMAN** asked if the fact that the money would be used to provide for the treatment of individuals with co-occurring mental health and chemical dependency offered any comfort and reiterated her position that it makes no sense to treat one and not the other. **Ms. Shea** reviewed some of the programs that work with both issues, but there are still those programs that do not have the capacity to deal with both, and do not want to lose what they do have.

*{Tape : 2; Side : A; Approx. Time Counter : 11-14.8}*

**CHAIRMAN LEWIS** commented that he is not comfortable proceeding on these issues until the Department goes back to providers and tries to resolve the issues. **SEN. WATERMAN** expressed concerns that the Committee is giving them a mixed message to retreat from their position. She does not want things to be slowed down or stopped; there needs to be change, and she is ready to move forward to maximize these funds as soon as possible, and so is **SEN. KEENAN**. She does not have problems with the plan being brought back, but she wants people to be clear that the Department is not retreating.

*{Tape : 2; Side : A; Approx. Time Counter : 14.8-16.6}*

**SEN. COBB** stated that there does need to be some sort of refinancing, but he plans to make a motion to cap the growth of Medicaid because he has a problem of it getting out of hand.

*{Tape : 2; Side : A; Approx. Time Counter : 16.6-20.3}*

**Joannie Cassidy, President of Montana Addiction Service Providers and Director of Butte-Silver Bow Chemical Dependency Services,** expressed her willingness to work with the association and the Bureau to resolve the problems. She does believe that the refinance will provide opportunities to those in need.

*{Tape : 2; Side : A; Approx. Time Counter : 20.3-21.3}*

**Motion:** **SEN. WATERMAN** moved **THAT THE COMMITTEE DIRECT THE DEPARTMENT TO MEET WITH PROVIDERS, AND BRING BACK TO THE COMMITTEE A PROPOSAL THAT MOVES THE DEPARTMENT TOWARD MEDICAID EXPANSION AS RAPIDLY AS POSSIBLE AND THAT THEY EXPLORE THE POSSIBILITY OF ALLOWING FOR BUT NOT MANDATING INTERGOVERNMENTAL TRANSFERS OF THE COUNTY PORTION OF THE TAX, AND THAT THEY BRING IT BACK AS QUICKLY AS POSSIBLE SO THAT THE COMMITTEE CAN ACT ON IT.**

*{Tape : 2; Side : A; Approx. Time Counter : 21.3}*

**Substitute Motion:** **SEN. COBB** made a substitute motion **TO REMOVE THE RAPIDLY AS POSSIBLE AND CHANGE IT TO WORK TOGETHER TO BRING BACK A REFINANCING PLAN.**

**Discussion:** **REP. JAYNE** asked if the Medicaid expansion is legal. **SEN. WATERMAN** stated that the expansion and intergovernmental transfers are legal. **Ms. Steinbeck** stated that the statute authorizing use of state special revenue does not allow it to use as Medicaid match. **SEN. WATERMAN** said that it can be legal, but the statute needs to be changed. She has a bill in to amend the statute already. The hearing may be later this week.

*{Tape : 2; Side : A; Approx. Time Counter : 25.6}*

**Vote:** Motion carried 5-0.

*{Tape : 2; Side : A; Approx. Time Counter : 28.7-}*

**Ms. Steinbeck** distributed decision package spreadsheets for executive action on Thursday on the Health Policy and Services Division **EXHIBIT (jhh24a06)**. There is a new proposal responding to the LFD issue raised concerning the amount of the 9-mill levy included in the Executive Budget being greater by about \$2 million over the biennium than the revenue estimates adopted by the Legislature. As part of the supplemental plan proposed two weeks ago, the Department requested the increase in general fund of \$981,000 FY02 and \$990,000 in FY03.

**{Tape : 2; Side : A; Approx. Time Counter : 32.8}**

**CHAIRMAN LEWIS** mentioned that the Committee needs to discuss with **Director Gray** the supplemental request that she has brought up in her memo **EXHIBIT(jhh24a07)**. **Ms. Steinbeck** mentioned that she has not received the final Department estimate of costs for the general fund population in the Mental Health Services Plan (MHSP).

**SEN. WATERMAN** said that there is a bigger issue in regard to what the Committee is doing to the Temporary Assistance for Needy Families (TANF) funds. The Committee needs to have a preliminary discussion on what impact it has had on the budget of the Human and Community Services Division.

**{Tape : 2; Side : A; Approx. Time Counter : 37.3}**

**Director Gray** presented a letter on the TANF issues **EXHIBIT(jhh24a08)**, which says enough is enough.

**{Tape : 2; Side : A; Approx. Time Counter : 38.6}**

**Ms. Steinbeck** presented a letter from **Russ Cater, Office of Legal Affairs, DPHHS**, which concludes that the Department does not need legislative authority to expand Medicaid services as long as the service is considered by federal Medicaid rule and regulation **EXHIBIT(jhh24a09)**. It is an issue raised by the LFD budget analysis. The Department can expand Medicaid services, but the Legislature is then faced with the choice of continuing those services or cutting them. LFD is asking the Committee to consider an amendment to statute to prevent Medicaid expansion unless mandated by the federal government.

## PUBLIC TESTIMONY ON HEALTH SERVICES POLICY DIVISION

### NON-TOBACCO WITNESSES

**{Tape : 2; Side : B; Approx. Time Counter : .3-24}**

**Bob Olsen, Montana Hospital Association (MHA)**, presented written testimony **EXHIBIT(jhh24a10)**, and stated that Montana hospitals support the 1.8% rate hike proposed in the Executive Budget along with some other proposals. **Mr. Olsen** reviewed how hospitals are paid, going over the losses that occur since Medicaid and Medicare do not pick up the full cost of patient care. He explained the DRG based payment system, which is a flat rate from the Department and reviewed the rebasing of the DRG system, which was supposed to set the payment system to hit a certain percentage of hospital costs and ensure that all of the policies in the system do not overspend the Medicaid budget. There was no money in the budget last year for inflation for in-patient services or out-patient services. Hospitals have gone from 100%

of costs to about 87% of costs today, which translates to about 50% of charges.

Hospitals need the proposed rate hike, but it is not equal to inflation so they will slide even further behind on Medicaid payments. If they cannot keep pace with inflation, hospitals must economize in other ways, and **Mr. Olsen** listed some of those economies: bulk purchase of supplies, sharing of medical staff and technical resources, buying power on the open market, upgrading computer systems by sharing computer resources from facility to facility, and sharing of management expertise.

The most serious cost issue that hospitals must deal with is the recruitment and retention of skilled medical staff, particularly registered and licensed practical nurses, surgical and operating room technicians, and laboratory and radiology staff. Costs of pharmaceuticals and other supplies are also rapidly expanding, and new regulations and mandates also drive costs up.

**Mr. Olsen** also expressed support of the intergovernmental transfer proposal. He reviewed the proposal made by MHA to the Department last year and compared the results that Hospital Services and Senior and Long-Term Care had. MHA approached the Department with the recommendation that they do an intergovernmental transfer for the entire Medicaid program, not just the hospitals. Senior and Long-Term Care Division put together a modest program to see if it could be done. Hospital Services implemented the program as recommended by MHA. Jane Bernard, the Hospital Services staff person at the Department, submitted a proposal in May; she had to beat the June 30 deadline because federal match can be claimed for the year in the quarter for which you have an approved state plan. This did not put the state at risk, if the plan was approved then federal match for FY00 could be claimed. It was approved on December 28 and pulled in \$1.4 million in federal money, but because of regulations, only seven hospitals can use it. Senior and Long-Term Care had a more modest proposal, but had they done the same thing with the nursing home program under the rules in place last year, there would have been \$25 million in federal money for FY00 and FY01. The rules have changed now, and going forward, the nursing homes will only produce \$6.25 million under that proposal.

**Mr. Olsen** reviewed what could have been done had they had a little more courage. Enough money would have been available to take care of the counties that put up the match; to take care of the nursing homes in fiscal crisis; and if the program had been designed correctly, there would have been enough money left over to eradicate the supplement. Furthermore, services to mental

health could have been restored. **Mr. Olsen** expressed frustration that the idea, which did carry some risk, was basically ignored. Now, the rules have changed and much of the money is gone.

**Mr. Olsen** said that the Committee will now receive an intergovernmental transfer program for nursing homes. It will be far more constrained because federal rules have changed, limiting what can be done. This could have been done last year, since the federal government allows a three year transition period, three years of transition time and always has phase-out periods. In dealing with a government program, intergovernmental transfer can be used, but if it is a private facility, the provider tax and donation program can be used to amplify and leverage federal money.

There is nothing preventing the Department from dropping a state plan amendment in today and a rule, to deal with the nursing facility funding crisis through the use of intergovernmental transfers for FY01. The Department will wait until after the Committee takes executive action and do it next year, and will lose \$6.25 million in federal money for those facilities that are in crisis. **Mr. Olsen** stated that he does not see the need to delay; the Department should move forward while the opportunity exists, if it waits until July, this fiscal year is forfeit.

**Mr. Olsen** expressed MHA's support of the Children's Health Insurance Program (CHIP) expansion, ambulance services, and the dental program dollars.

*{Tape : 2; Side : B; Approx. Time Counter : 24-26.5}*

**REP. JAYNE** asked what reasons DPHHS gave for not developing the proposal. **Mr. Olsen** stated that they presented the proposal to DPHHS, and also to the budget office. He suspects that there was fear that the proposal would not be approved by the federal government; that the rules might be changed; and that providers would not come together in Senior and Long-Term Care Division. They did tell him that they wanted to wait until they saw the federal rules.

*{Tape : 2; Side : B; Approx. Time Counter : 26.5-30.7}*

**SEN. WATERMAN** commented on the fear of moving too fast and requested that **Ms. Steinbeck** get together with **Mr. Olsen** to explore means to maximize funding before the end of this fiscal year.

**CHAIRMAN LEWIS** offered the comments that when this was proposed the fear was that if the federal government changed the rules they would be locked into higher rates. **Bob Andersen, Office of Budget and Program Planning (OBPP)**, commented that the concern

was that if the transfers were built into the rates and providers would count on those dollars. The Department proposal does not build the transfer into the rates; transfers are separate from any rate action.

**{Tape : 2; Side : B; Approx. Time Counter : 30.7-38}**

**Rose Hughes, Executive Director Of the Montana Health Care Association,** expressed concern regarding the elimination of Certificate of Need (CON) in the Martz proposal. Saving \$50,000 on CON, does not make sense if that elimination creates a \$3 million general fund per year impact. If the state is in a position to lose \$3 million per year, then it should be put into raises in direct services to people, rather than in expansion in bed numbers and cost increases by spreading the money out over more beds and more facilities.

**{Tape : 2; Side : B; Approx. Time Counter : 38-45}**

**SEN. WATERMAN** asked **Ms. Hughes** to expand on the impact that elimination of CON would have. Basically, creation of new beds would mean even more empty beds in facilities that are already struggling with decreased occupancy and patients that require more care.

**{Tape : 2; Side : B; Approx. Time Counter : 45-48.5}**

**Steve Yeakel, Montana Council for Maternal and Child Health,** offered support for the Department's budget request.

**{Tape : 3; Side : A; Approx. Time Counter : 0.3-3.4}**

**Mr. Yeakel** detailed the issues of importance to the organization: CHIP, dental care provider rate increases to include cost of materials, and appropriate funding for tobacco use prevention issues.

**{Tape : 3; Side : A; Approx. Time Counter : 3.5-4.5}**

**Sharon Hoff-Broadway, Montana Catholic Conference,** offered the group's support for the Department's spending authority and funding CHIP at the highest level possible.

**{Tape : 3; Side : A; Approx. Time Counter : 4.5 - 7}**

**Sherry McHargon, Administrator of the Big Sky Care Center in Helena,** supported Rose Hughes on the elimination of CON process, she requested that the nursing home process be kept. She outlined the nursing home situation in Helena, and the burden that a new nursing home would place on those facilities and the people in them.

**{Tape : 3; Side : A; Approx. Time Counter : 6.4-8.5}**

**Dick Paulsen, American Lung Association,** expressed the need for health care coverage and respiratory care for individuals with

lung disease. He also expressed support for maintaining a comprehensive program including services for women with breast cancer. We need to do more not less.

**{Tape : 3; Side : A; Approx. Time Counter : 8.5 - 12}**

**Jani McCall, Deaconess Billings Clinic (DBC)**, offered information on Medicaid costs, reimbursements, and unreimbursed costs for the clinic. She also expressed support for the MHA position. DBC supports a provider payment rate update equal to the increase in costs for health care organizations in terms of Medicaid beneficiaries. DBC also supports expansion of CHIP.

**SEN. COBB** commented on the unreimbursable costs and the 305 profit built into charges.

**SEN. WATERMAN** requested the study done on the CON process from the Department.

**{Tape : 3; Side : A; Approx. Time Counter : 12.2-18.6}**

**Susan Good**, representing anesthesiologists, neurosurgeons, and orthopedic surgeons, offered support for the Department language on RV/RBS and all also stated that all physicians are underpaid.

**{Tape : 3; Side : A; Approx. Time Counter : 18.6-28.7}**

**Mary McCue, Montana Dental Association (MDA)**, provided written testimony **EXHIBIT (jhh24a11)** and offered the Association's support for the Montana Dental Action Plan Medicaid proposal and the original DPHHS request 40% increase in the Medicaid budget for dental reimbursement. She also expressed support for the donated dental care program for the developmentally disabled (DD) and requested funding for administrative costs.

**SEN. WATERMAN** expressed concern about the low percentage of dentist who accept Medicaid patients. **Ms. McCue** said that if there is a significant increase in reimbursement, the Association will work hard to encourage dentists to accept more Medicaid patients.

**{Tape : 3; Side : A; Approx. Time Counter : 28.7-34}**

**Kimberly Eisentrager, Montana People's Action (MPA)**, made a plea for the expansion of current programs to include low-income working Montanans. CHIP has been a success and all children in Montana deserve access to affordable health insurance. MPA will submit a proposal to expand coverage and believes that the money to cover the program should come from Montana's share of the tobacco settlement money. It will be a 3 to 1 match from the federal government for our contribution. MPA urges the Committee to protect the current health insurance programs, but also to expand them to cover low-income working families. To turn back

federal money that would be an enormous help for working families in the state would be terribly wrong.

**{Tape : 3; Side : A; Approx. Time Counter : 34-39.3}**

**Alan Strange, Montana Primary Care Association**, supported the MDA position provided by Mary McCue. He also requested that the Committee look at the possibility of supporting community health centers directly or to contract with in-house dentists to provide care. He suggested that the increase in Medicaid reimbursement will not solve all the problems and asked for innovative funding that would allow them to treat people.

**{Tape : 3; Side : A; Approx. Time Counter : 39.3-48.6}**

**Jerry Lindorf, Montana Medical Association (MMA)**, stated that physicians are underpaid by Medicaid, which means that an increasing number will not see new Medicaid patients. This is creating an inability to recruit physicians into the state.

**REP. JAYNE** asked **Mr. Lindorf** why physicians are declining patients, and is it solely based on their inability to pay. **Mr. Lindorf** said that they are not accepting patients because of the low rate of reimbursement. **Mr. Lindorf** responded that he is unsure how this is conveyed.

#### **PUBLIC TESTIMONY ON THE TOBACCO USE PREVENTION PROGRAM**

**{Tape : 3; Side : B; Approx. Time Counter : 0.3-7.4}**

**Jeri Domme, Governor's Advisory Council on Tobacco Use Prevention**, offered support for the tobacco use prevention program and presented information on tobacco use related illness and death, and its costs. She briefly reviewed the state tobacco use prevention plan and highlighted accomplishments of the program **EXHIBIT (jhh24a12)**. The Council asks the Committee to fund the program as it should and does not support Governor Martz's recommendation.

**{Tape : 3; Side : B; Approx. Time Counter : 7.4-21.2}**

**Dr. Richard Sargent, Chairman of the Helena Health Alliance**, spoke in support of the tobacco use prevention program and presented his written testimony **EXHIBIT (jhh24a13)** and **EXHIBIT (jhh24a14)**. He went over the expense to the state of smoking related illness and addressed the money that tobacco companies still reap. He stated that the priority should be set on stopping people from smoking.

**{Tape : 3; Side : B; Approx. Time Counter : 21.2-23.5}**

**REP. JAYNE** asked how to address the statements that people will make that it's a free country, and they have the right to smoke

if they want. **Dr. Sargent** replied that people are entitle to make poor decisions, but it costs the state \$12-\$14 million in Medicaid a year to pay the health care costs for those who made those poor decisions. The costs to all of us is the increase in insurance coverage to pay for the \$50 million in expenses for tobacco related illness.

*{Tape : 3; Side : B; Approx. Time Counter : 23.5-34.3}*

**Joan Miles, Director of the Lewis and Clark City-County Health Department**, presented a study on the correlation between the decline of heart disease mortality and cigarette smoking **EXHIBIT (jhh24a15)**, which indicates that aggressive tobacco control programs do work. The state has received the tobacco settlement fund money because of Montanans who died as a result of disease associated with tobacco use. It is unconscionable if the state does not use some of those dollars to ensure that future generations do not suffer the same consequences. **Ms. Miles** also spoke in support of home visiting programs.

*{Tape : 3; Side : B; Approx. Time Counter : 34.3-48.5}*

**Linda Stoll, Montana Local Health Officers Group**, supports reinstating full funding for tobacco prevention and cessation programs. **Ms. Stoll** reviewed the Retail Alcohol Tobacco Sales (RATS) program, and its success in decreasing alcohol and tobacco sales to minors. Missoula County has put most of its prevention efforts into children because it believes that preventing people from starting to smoke is more effective over time. She asked the Committee to reevaluate the decision to cut tobacco use prevention programs because evidence indicates that prevention and cessation programs do work.

*{Tape : 4; Side : A; Approx. Time Counter : 3.2-13.4}*

**Cliff Christian, American Heart Association and American Cancer Society's Montana Campaign for Tobacco Free Kids**, supports the tobacco use prevention efforts and wants some of the tobacco settlement money for use in Montana's comprehensive tobacco cessation, prevention and education program. There are millions coming into Montana annually from the tobacco settlement, but there is virtual silence from the Governor and Legislature on this issue. There should be a line item of at least \$9 million in Governor Martz's budget for a comprehensive prevention and education program. **Mr. Christian** reviewed programs that have worked in other states and went over the enormous financial burden that tobacco related illness has created on businesses and families in lost work days and medical costs, and he reiterated the need for a comprehensive cessation, education, and prevention program. He offered a report from the American Heart Association in support of tobacco prevention and education **EXHIBIT (jhh24a16)**.

**{Tape : 4; Side : A; Approx. Time Counter : 13.4-14.2}**

**Janie McCall, DBC,** stated that Deaconess wants to go on record in opposition to the Governor's tobacco use prevention proposal and is on record to support the Governor's Advisory Council proposal. She asked the Committee to challenge the Governor's office to step up and do the right thing.

**{Tape : 4; Side : A; Approx. Time Counter : 14.2-17.8}**

**Vernon Bertelsen, from the Tobacco Use Prevention Council,** supports putting the tobacco settlement money into tobacco use prevention. He asked the Committee to support tobacco use prevention at full funding.

**{Tape : 4; Side : A; Approx. Time Counter : 17.8-28.5}**

**Jill Flynn, an elementary counselor in Townsend,** spoke on behalf of the tobacco use prevention program. The funding is being put to good use in communities throughout the state. She cited examples of practical prevention programs that have been put in place and gave examples of how the funding is used, particularly in schools. She stated that without the funding, many school systems would not be able to afford the educational materials that they use in their education and prevention programs. She requested that the Committee continue to support tobacco use education, cessation, and prevention. She presented an information on comprehensive programs to the Committee **EXHIBIT (jhh24a17)**.

**{Tape : 4; Side : A; Approx. Time Counter : 28.5-32.2}**

**Paul FitzGerald, a former smoker,** read his statement outlining the struggle he had in quitting and the new life that he has as a result. He offered support of tobacco settlement money going to tobacco use prevention programs and reminded the Committee that the voters had had their say in this matter and that it is an opportunity to use the money as they intended. He submitted his written statement **EXHIBIT (jhh24a18)** in support of tobacco use prevention; a written statement from Paul Krieg, another former smoker, in support of tobacco use prevention receiving the funding **EXHIBIT (jhh24a19)**; and a six-months progress report from United Tobacco Free Coalition - Billings and Yellowstone County **EXHIBIT (jhh24a20)**.

**{Tape : 4; Side : A; Approx. Time Counter : 32.2-38.5}**

**Elizabeth Andrews,** read a letter addressed to **REP. VICK** from the Chief Joseph Middle School Breakfast Club in Bozeman concerning the importance of the tobacco use prevention program in their school and asking for continued support of the program **EXHIBIT (jhh24a21)**. She also presented other written statements in support of restoration of the full funding for tobacco use prevention:

**EXHIBIT (jhh24a22)** a letter from Anna Jones  
**EXHIBIT (jhh24a23)** a letter from Deb Van Poolen  
**EXHIBIT (jhh24a24)** a letter from Bill Gilbert  
**EXHIBIT (jhh24a25)** a letter from Claire Cantrell

*{Tape : 4; Side : A; Approx. Time Counter : 38.5-44.6}*

**Jim Ahrens, Chairman of the Alliance for a Healthy Montana**, the group that started the campaign for initiative C-35, expressed support for the use of the state's share of the tobacco settlement. He outlined the long-term goals for which his organization supports the use of this money:

increase the number of Montanans covered by health insurance;  
a comprehensive tobacco disease prevention program; and  
Medicaid payment rates based on the actual cost of providing care.

**Mr. Ahrens** also offered support for Medicaid provider rate increases. He presented a written statement signed by members of the alliance **EXHIBIT (jhh24a26)**.

*{Tape : 4; Side : A; Approx. Time Counter : 44.6 - 48.8}*

*{Tape : 4; Side : B; Approx. Time Counter : 0.3 -7.5 }*

**Michael Huntly, a registered nurse and full-time tobacco prevention specialist**, explained the type of death that is involved in tobacco related illness and how little can be done to relieve the suffering of those patients to the Committee. He stressed the importance of using the tobacco settlement money for tobacco use prevention, cessation, and education.

*{Tape : 4; Side : B; Approx. Time Counter : 7.5-10.9}*

**Linda Lee, a member of the Governor's Advisory Council**, offered written testimony on problem of tobacco related illness and death world-wide **EXHIBIT (jhh24a27)**.

DPHHS submitted a statement on the federal complaint involving Montana's Child **EXHIBIT (jhh24a28)**, a report on Montana's Initiative for Abatement of Mortality in Infants (MIAMI) on American Indian Reservations in Montana **EXHIBIT (jhh24a29)**, and an abstinence education report **EXHIBIT (jhh24a30)**.

**ADJOURNMENT**

Adjournment: 12:05 P.M.

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REP. DAVE LEWIS, Chairman

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SYDNEY TABER, Secretary

DL/ST

**EXHIBIT (jhh24aad)**