

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
58th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN DAVE LEWIS**, on February 14, 2003 at 3:20 P.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Dave Lewis, Chairman (R)
Rep. Rosalie (Rosie) Buzzas, Vice Chairman (D)
Rep. Edith Clark, Vice Chairman (R)
Rep. John Brueggeman (R)
Rep. Tim Callahan (D)
Rep. Stanley (Stan) Fisher (R)
Rep. Eve Franklin (D)
Rep. Donald L. Hedges (R)
Rep. Joey Jayne (D)
Rep. Dave Kasten (R)
Rep. Christine Kaufmann (D)
Rep. Monica Lindeen (D)
Rep. John Musgrove (D)
Rep. Jeff Pattison (R)
Rep. Rick Ripley (R)
Rep. John Sinrud (R)
Rep. John Witt (R)

Members Excused: Rep. Dick Haines (R)
Rep. Carol C. Juneau (D)

Members Absent: None.

Staff Present: Jon Moe, Legislative Branch
Mary Lou Schmitz, Committee Secretary

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

Committee Business Summary:

Hearing & Date Posted: HB 567, HB 547, 2/11/2003
Executive Action: HB 276, HB 363

HEARING ON HB 567

Sponsor: REP. GEORGE GOLIE, HD 44, Great Falls

Opening Statement by Sponsor:

REP. GOLIE said this bill is legislation to fund the hospice services under the Montana Medicaid program. The Hospice Program is a program for life's inclusions for the terminally ill patients. A concern for the quality of life for terminally ill patients is why the bill was introduced. The Hospice Program will need funding. The total funding will be \$347,312 for the biennium which will match \$895,982 in federal funds. The source of funding will be in HB 215 when it is approved and passed. It is currently in the Senate.

Proponents' Testimony:

Casey Blumenthal, Vice President, Extended Care Services, Montana Health, read testimony from Exhibit 1.
EXHIBIT (aph33a01)

Gina Drummond, Manager, Peace Hospice of Montana, Great Falls, said the average charge to Medicaid per patient was \$5,278. When compared to the twenty-six Medicaid beneficiaries who died in the hospital without the benefit from hospice care the average charge for each was \$22,000. This was the total amount per patient for their final hospitalization alone. This did not include the previous couple of months prior to their death.

Dr. Jack McMahon, Sr., Helena, Co-Chairman, Montana Medical Association's Committee on Legislation, said one of the major advances in medicine for care of the patient over the last twenty years has been our abilities to help families and patients in the terminal situations. The credit for that goes to the Hospice Program.

Sami Butler, Registered Nurse, representing Montana Nursing Association stood in support of HB 567.

Kate Brotches, Missoula, telephoned her support for HB 567 and asked to be a proponent.

Opponents' Testimony: None

Informational Testimony:

Cecilia Cowie, Senior and Long Term Care Division, Department of Health and Human Services, said she would be available to answer any questions.

Questions from Committee Members and Responses:

REP. KASTEN asked **REP. GOLIE** to explain HB 215. **REP. GOLIE** said that was legislation brought forth by **REP. BRUEGGEMAN**. In that legislation there is \$930,000 for the biennium. It raised fees on drivers' license reinstatements and that is the money for this legislation.

REP. FRANKLIN said that funding was cut due to the budget issues. She asked Ms. Drummond what cost increases might be for inpatient care home-based Medicaid services that aren't funded. **Ms. Drummond** said for the Medicaid-Hospice beneficiaries they served, the average cost for Medicaid was \$5,278 per patient for their total length of stay and she compared that to twenty-six beneficiaries that died in the hospital without ever having been exposed to their program. That number was \$22,000 per patient and that was just the final hospitalization alone.

REP. FISHER asked the sponsor how this project is being financed at the present time. **REP. GOLIE** said, "It is being funded from the last budget." **CHAIRMAN LEWIS** said, "It is in the General Fund for Public Health and Human Services."

REP. KAUFMANN asked what the federal match will be that is derived from these funds. **REP. GOLIE** said the match will be \$896,000.

Closing by Sponsor:

REP. GOLIE closed the Hearing on HB 567.

HEARING ON HB 547

Sponsor: **REP. JOE BALYEAT, HD 32, Bozeman**

Opening Statement by Sponsor:

REP. BALYEAT read testimony from Exhibit 2.
EXHIBIT (aph33a02)

{Tape: 1; Side: A; Approx. Time Counter: 0 - 29.5}

Proponents' Testimony:

Kenneth Nordtvedt, Former Representative, Bozeman, read testimony from Exhibit 3.

EXHIBIT (aph33a03)

Jake Donaldson, Premedical Student, Carroll College came in as an opponent but after hearing the sponsor's opening remarks, switched as a proponent.

Opponents' Testimony:

Lawrence McEvoy, Physician, said the state would be making a short-sighted decision in failing to send some of its best and brightest to medical school and other professional schools. Montana has no medical or dental school.

Dwight Phillips, Interim Director, WWAMI Program, explained what the WWAMI program is, Exhibit 4.

EXHIBIT (aph33a04)

Dr. Jack McMahon, Helena, Legislative Chairman, Montana Medical Association, spoke in opposition to HB 547.

{Tape: 1; Side: B; Approx. Time Counter: 0.1 - 29.5}

Dr. Bryan Martin, Internist, Great Falls, Member of Montana Medical Association Executive Committee, read testimony from Exhibit 5.

EXHIBIT (aph33a05)

REP. LARRY JENT, HD 29, Bozeman, said this bill would leave us as the only state in the Union without a chance for a public medical education for those students that have that ambition when they leave high school. This bill is one more "nail in the coffin" of rural health care in Montana.

Aaron Alme, Sunburst, Medical Student, University of Washington, said the WWAMI program provides an outstanding opportunity to be trained in Montana by Montanans.

Zach Sturges, Montana Medical Student, WWAMI Program.

Will Hammerquist, appeared on behalf of the Associated Students at Montana State University, Bozeman.

Courtney Paterson, first year medical student, WWAMI, MSU, Bozeman.

Curt Crews, Family Practitioner, Stevensville.

Dr. Mary Anne Guggenheim, on behalf of herself.

Chad Sukut, Colstrip, First year medical student, WWAMI program.

Dr. Dan Alzheimer, Choteau, WWAMI program.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 30}

Brian Bartlett, Senior Medical Student, Carroll College.

Katie Leuthoid, representing the Premedical Student Body at MSU.

Maseeha Khaleel, Junior, Premedical Student, MSU.

Brian Zins, Executive Vice President, Montana Medical Association.

EXHIBIT (aph33a06)

Tom Woods, Kalispell, WWAMI Trained Physician.

Jan Donaldson, Nurse.

Jan Anderson, Boulder, Self.

EXHIBIT (aph33a07)

Katie Woods, First Year Student, WWAMI Program.

John Galt, General Surgeon, Helena.

Mark Elliott, Missoula, WWAMI Trained Physician.

John Flink, Montana Hospital Association.

Informational Testimony: None

Questions from Committee Members and Responses:

REP. FRANKLIN referred to the Sponsor's argument that taxpayers earning \$23,000 a year were supporting people going into a lucrative profession. She asked Ms. Leuthoid if this program might help people who earn \$23,000 per year, to send their children to medical school? **Ms. Leuthoid** said "Yes."

REP. WITT asked the sponsor how many of those 20 students come from physicians' families. **REP. BALYEAT** said there are a lot of

wealthy families in the state who have children going through the WWAMI program.

REP. BUZZAS said it was her understanding only Montana students can start the WWAMI program. **Mr. Phillips** said that is right. Some of the third year students who participate in the clinical training can be from the other WWAMI states. In answer to **REP. BUZZAS'** question concerning the Rural Physician Program, **Mr. Phillips** said, "Basically, all the WWAMI students and all of the WICHE students pay \$912 to \$925 a year and that goes into a trust fund. The trust fund is allowed to build for several years, then from that trust fund, people who are willing to practice in a rural community in which a hospital submits a statement that says they cannot recruit physicians to that community, can apply up to \$45,000 in loan-forgiveness and then submit a statement of all their loans. They get up to \$45,000 to practice in that rural community. The program has been in effect since 1994 so they don't know what it can do in the long-term. Right now the program has a very high success rate."

Closing by Sponsor:

REP. BALYEAT closed the Hearing on HB 547 by reading from **EXHIBIT (aph33a08)**

{Tape: 2; Side: B; Approx. Time Counter: 0 - 29.1}

EXHIBIT (aph33a09) and the following exhibits given to Secretary following the closing.

EXHIBIT (aph33a10)

EXHIBIT (aph33a11)

EXHIBIT (aph33a12)

EXECUTIVE ACTION ON HB 276

Motion: **REP. LINDEEN** moved that HB 276 DO PASS.

REP. LINDEEN said this bill creates an Economic Development Trust within the Coal Trust. On July 1, 2003, 25% of the money that is currently going into Treasure State Endowment Program (TSEP), will be diverted back into the Permanent Trust. This bill captures that 25% and puts it in the Economic Development Trust to be used for economic development projects. She then explained the amendments.

Motion: **REP. LINDEEN** moved that HB 276 BE AMENDED.

EXHIBIT (aph33a13)

Discussion:

REPS. BUZZAS, KASTEN, and WITT asked for further explanation.
CHAIRMAN LEWIS said the amendments will make the bill better.

Dave Gibson, Governor's Office, said the basic problem with this bill originally were several issues:

It conflicted directly with HB 345, a bill that requested the Budget Office to take this same money and divert it in other ways.

It got tabled in House Taxation Committee so assuming that HB 345 does not come back, the provisions of this bill would take that money and allow it to go to the Trust and then not take any interest over the next biennium. It would not affect the Treasure State Endowment Program (TSEP).

Vote: Motion on the amendments, Exhibit 13, carried 18-1 with **REP. FISHER** voting no on a voice vote.

Motion: **REP. LINDEEN** moved that HB 276 DO PASS AS AMENDED.

Substitute Motion/Vote: **REP. KASTEN** moved that HB 276 BE TABLED. Motion carried 10-9 with **REPS. BUZZAS, CALLAHAN, FRANKLIN, JAYNE, JUNEAU, KAUFMANN, LINDEEN, MUSGROVE** and **SINRUD** voting no on a roll call vote.

EXECUTIVE ACTION ON HB 363

Motion: **REP. BRUEGGEMAN** moved that HB 363 DO PASS.

Motion: **REP. CLARK** moved that HB 363 BE AMENDED, HB036302.ajm, **EXHIBIT** (aph33a14).

Discussion:

CHAIRMAN LEWIS said this amendment puts all of the available excess money in the Workmen's Compensation Reserve, into this bill. There will also be two or three other amendments.

{Tape: 3; Side: A; Approx. Time Counter: 0 - 29.6}

Jon Moe, Legislative Fiscal Analyst, said there was \$13,178,000 in excess reserves and of that amount, \$4 million was transferred during the special session. It leaves \$9,178,000 that is available. There is a requirement within that statute that 10%

of what their claims and administrative liabilities are, is to be set aside. This amendment, Exhibit 14, transfers the \$9,178,000 to the General Fund to be set aside as an unreserved designated fund balance in the General Fund to mitigate the General Fund cost of workforce reductions.

CHAIRMAN LEWIS said, "REP. BROWN is adamant about wanting to keep the money in for the Teachers' Signing Bonus. That will be the subject of a subsequent amendment they will have to deal with. This extra money that is coming in basically will go into the General Fund effective this year. That will cover Director Swysgood's potential cash flow issues but it will be set aside in a designated fund balance to mitigate the General Fund cost of workforce reductions."

Vote: Motion on Amendment, Exhibit 14, carried 12-7 with REPS. BUZZAS, FRANKLIN, JAYNE, JUNEAU, KAUFMANN, MUSGROVE and RIPLEY voting no on a roll call vote.

Motion: REP. BRUEGGEMAN moved that HB 363 DO PASS AS AMENDED.

Motion: REP. KAUFMANN moved that HB 363 BE AMENDED, HB036301.ajm.

EXHIBIT (aph33a15)

Discussion:

REPS. KAUFMANN, FISHER, BUZZAS, WITT, LINDEEN, KASTEN, and RIPLEY asked for clarification and comments.

Vote: Motion on Kaufmann amendment failed 8-11 with REPS. BUZZAS, CALLAHAN, FRANKLIN, HEDGES, JAYNE, JUNEAU, KAUFMANN and MUSGROVE voting yes on a roll call vote.

Motion/Vote: REP. WITT moved that HB 363 BE AMENDED, HB036301.atp. Motion carried 11-8 with REPS. LEWIS, CLARK, BRUEGGEMAN, FISHER, HAINES, PATTISON, RIPLEY, and SINRUD voting no on a roll call vote.

EXHIBIT (aph33a16)

{Tape: 3; Side: B; Approx. Time Counter: 0 - 29.7}

Motion/Vote: REP. CLARK moved that HB 363 DO PASS AS AMENDED. Motion carried 17-2 with REPS. FRANKLIN and MUSGROVE voting no on a roll call vote.

{Tape: 4; Side: A; Approx. Time Counter: 0 - 4.8}

ADJOURNMENT

Adjournment: 6:30 P.M.

REP. DAVE LEWIS, Chairman

MARY LOU SCHMITZ, Secretary

DL/MS

EXHIBIT (aph33aad)