



EXHIBIT 3
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HB 410

February 14, 2011

Good afternoon, Chairman Howard and members of the Human Services Committee, my name is Dennis Taylor. I am the policy coordinator for the Montana Children's Initiative (MCI), a provider organization providing children's mental health services, shelter care and foster parent services in virtually every county in the state of Montana.

I appear before you today in support of HB 410, a bill to strengthen the DPHHS provider rate commission. MCI supports continuation of the DPHHS rate commission and urges the committee to establish these fundamental principles and timelines for the commission's work.

HB 410 provides a framework and timetable for the rate commission to create **transparent** rate setting that is based upon a **clear methodology**. The commission also allows the government to ensure **accountability** of providers for outcomes and to be good **stewards** of the funds we receive. This process creates an open and defensible process free from politics.

The commission was first established during the 2005 Legislative Session under MCA 53-10-201 through 53-10-204 and 53-10-211 and 53-10-212. Since its inception the DPHHS commission has served as a useful forum for rate review.

The DPHHS rate commission strives to ensure that rates setting for children's mental health and child welfare services is done in a transparent and objective environment. The commission should be required to reviews provider reimbursement rates on a scheduled and periodic basis to insure that they are objective, unbiased and developed in a scientific and predictable way to create a balanced and equitable system. The commission should work diligently to insure client access, quality services and provider network, equitable reimbursement for services and good stewardship for taxpayers.

The DPHHS rate commission is a good business practice and a good government practice. It provides a win-win-win for the department, providers and the taxpayers we all service. Adding the provisions of HB 410 to the rate commission statutes will provide needed structure and establish important timelines for the commissions' work. We also support the inclusion of a more rigorous reporting requirements of the commission's findings and recommendations each interim to the Children, Families, Health and Human Services interim committee and the Legislative Finance Committee.

We ask that this commission be strengthened to ensure that there is a multi-member body--a transparent rate setting group--that provides an objective forum so that provider rates are based on a rigorous and clear methodology that is consistent with federal Medicaid requirements and that complies with all state administrative rules for licensing, contracting and labor markets.

The DPHHS rate commission adopted the following reimbursement principles that go to the very heart of the relationship between government and private agencies providing services to children in community based settings and children at risk of out of home placement.

- The highest priority for public funding must be the care and safety of our most vulnerable populations including at risk children and their families.
- Reimbursement policy must be driven by outcomes and quality practice.
- Government must clearly articulate the regulations and the standards by which services should be governed.
- Government must fully fund the cost of meeting all regulations.
- Government should treat its procurement of services for children with the same respect and sense of equity they have for other goods and services.
- The rate methodology itself must include all direct and indirect costs of providing.

In this time of fiscal restraint and health care transition, the DPHHS rate commission is needed more than ever.

Please give these fundamental principles outlined in HB 410 your favorable consideration. Please give HB 410 a "do pass" recommendation.

Thank you.