

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 63rd LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND HUMAN SERVICES

Call to Order: Chair Ron Ehli, on January 23, 2013 at 8:00 AM, in Room 102 Capitol

ROLL CALL

Members Present:

Rep. Ron Ehli, Chair (R)
Sen. Mary Caferro (D)
Rep. Dave Hagstrom (R)
Rep. Pat Noonan (D)
Sen. Roger Webb (R)

Members Excused: Sen. Priest, Vice Chair (R)

Members Absent: None

Staff Present: Sara Andersen, Committee Secretary
Marilyn Daumiller, Legislative Branch
Rob Miller, Legislative Branch
Lois Steinbeck, Legislative Branch

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Health Resources Division, Technology Services Division and Director's Office.
Hearing and Public Testimony on Medicaid and Health Services Administration

00:29:23 Chairman Ehli
 00:31:38 Marilyn Daumiller, Legislative Fiscal Division, (LFD)
 00:32:23 Chairman Ehli

Quality Assurance Division Vacancies

00:32:26 Roy Kemp, Interim Director, Quality Assurance Division, Department of Public Health and Human Services (DPHHS)

EXHIBIT(jhh14a01)

00:34:54 Chairman Ehli
 00:34:56 Mr. Kemp, DPHHS
 00:35:07 Rep. Hagstrom
 00:35:24 Mr. Kemp, DPHHS
 00:35:52 Rep. Hagstrom
 00:36:38 Mr. Kemp, DPHHS
 00:36:49 Lauri Lamson, Manager, Operation Services Division, DPHHS
 00:38:24 Rep. Hagstrom
 00:38:44 Ms. Lamson, DPHHS
 00:39:12 Mr. Kemp, DPHHS
 00:39:58 Chairman Ehli
 00:40:03 Sen. Caffero
 00:41:06 Mr. Kemp, DPHHS
 00:41:26 Sen. Caffero
 00:42:07 Richard Opper, Director, DPHHS
 00:43:14 Sen. Caffero
 00:43:43 Mr. Opper, DPHHS
 00:44:04 Chairman Ehli
 00:44:20 Mr. Kemp, DPHHS
 00:45:51 Chairman Ehli
 00:46:04 Mr. Kemp, DPHHS
 00:46:24 Chairman Ehli
 00:46:30 Mr. Kemp, DPHHS
 00:47:05 Chairman Ehli
 00:47:10 Mr. Kemp, DPHHS
 00:47:28 Chairman Ehli
 00:47:32 Mr. Kemp, DPHHS
 00:47:52 Chairman Ehli
 00:48:09 Mr. Kemp, DPHHS
 00:48:20 Chairman Ehli
 00:48:24 Ms. Daumiller, LFD
 00:49:06 Mr. Kemp, DPHHS
 00:50:05 Chairman Ehli
 00:50:09 Mr. Opper, DPHHS
 00:50:25 Chairman Ehli
 00:50:32 Ms. Daumiller, LFD
 00:51:16 Mr. Kemp, DPHHS
 00:52:10 Ms. Daumiller, LFD
 00:52:17 Sen. Caffero
 00:52:32 Mr. Kemp, DPHHS
 00:53:13 Sen. Caffero

00:53:46 Ms. Lamson, DPHHS
 00:54:03 Sen. Caffero
 00:54:19 Ms. Lamson, DPHHS
 00:55:11 Sen. Caffero
 00:55:57 Chairman Ehli
 00:56:02 Mr. Opper, DPHHS
 00:57:21 Sen. Caffero
 00:57:37 Chairman Ehli
 00:58:36 Mr. Opper, DPHHS
 00:59:36 Chairman Ehli
 00:59:59 Mr. Kemp, DPHHS
 01:00:09 Chairman Ehli
 01:00:33 Mr. Kemp, DPHHS
 01:00:43 Chairman Ehli
 01:00:46 Ms. Daumiller, LFD

Executive Action On Quality Assurance Division:

DECISION PACKAGE 8005

01:02:33 **Motion/Vote:** Rep. Ehli moved to approve **Decision Package 8005 - Survey Federal Compliance - This proposal is a request for 2.0 FTE and Title 18, Medicare federal funds for the 2015 biennium. This request is made to meet federal requirements for the survey and certification of health care and nursing facilities in Montana as required under Section 1864 of the Social Security Act agreement and CMS contract.** Motion failed 2-4 by roll call vote with Rep. Ehli and Rep. Noonan voting aye. Sen. Priest voted by proxy.

Discussion:

01:02:55 Chairman Ehli
 01:03:22 Ms. Daumiller, LFD
 01:03:34 Sen. Webb exited the meeting.
 01:04:00 Chairman Ehli
 01:04:04 Mr. Kemp, QAD
 01:04:26 Chairman Ehli
 01:04:34 Mr. Kemp, QAD
 01:04:51 Chairman Ehli
 01:04:55 Mr. Opper, DPHHS
 01:05:24 Chairman Ehli
 01:06:40 Mr. Opper, DPHHS
 01:07:15 Chairman Ehli
 01:07:20 Ms. Daumiller, LFD
 01:07:35 Chairman Ehli
 01:07:40 Mr. Opper, DPHHS
 01:07:45 Ms. Daumiller, LFD
 01:07:55 Sen. Caffero
 01:08:19 Lois Steinbeck, Legislative Fiscal Division, (LFD)
 01:09:36 Chairman Ehli
 01:10:24 Ms. Daumiller, LFD

01:11:21 Recessed
 01:12:05 Reconvened
 01:12:09 Ms. Daumiller, LFD
[EXHIBIT\(jhh14a02\)](#)

DECISION PACKAGE 9001

01:14:29 **Motion/Vote:** Rep. Ehli moved to approve **Decision Package 9001 - Private Lease Adjustment - The Governor requests a total fund increase to annualize rent for offices in non-state owned buildings throughout the state.** Motion carried unanimously by a voice vote.

DECISION PACKAGE 9003

01:16:04 Ms. Daumiller, LFD
 01:16:55 **Motion/Vote:** Rep. Ehli moved that **Decision Package 9003 - National Electronic Disease Surveillance system - the Governor requests \$129,329 federal funding to provide for the programming and maintenance of the National Electronic Disease Surveillance System (NEDS).** Motion carried unanimously by roll call vote. Sen. Priest and Sen. Webb voted by proxy.

DECISION PACKAGE 9004

01:18:21 Ms. Daumiller, LFD
 01:18:51 **Motion:** Rep. Ehli moved to approve **Decision Package 9004 - CAPS Maintenance and Operations Annualization - the Governor requests funding for maintenance and operations (M&O) of the Child and Adult Protective Services System, which is associated with federal Title IV-E funding (foster care and subsidized adoption) at a matching rate of 64.0% general fund and 36.0% federal funds.**

Discussion:

01:19:06 Sen. Caffero
 01:19:44 Ms. Daumiller, LFD
 01:21:22 Chairman Ehli
 01:21:27 Rep. Noonan
 01:21:43 Ms. Daumiller, LFD
 01:22:32 Rep. Noonan
 01:22:45 Ms. Daumiller, LFD
 01:23:22 Chairman Ehli
 01:23:27 Mr. Baldwin, Technical Services Division, Department of Public Health and Human Services (DPHHS)
 01:24:03 Sen. Caffero
 01:24:54 **Vote:** Motion carried unanimously by roll call vote. Sen. Priest and Sen. Webb voted by proxy.

DECISION PACKAGE 9005

01:25:35 Ms. Daumiller, LFD

01:26:25 **Motion/Vote:** Rep. Ehli moved to approve **Decision Package 9005 - Child Care Under the Big Sky Maintenance and Operations - the executive requests an increase to maintain the maintenance and operations contract for the Child Care Under the Big Sky, (CCUBS) System. This service is funded with 100% federal funds.** Motion carried unanimously by roll call vote. Sen. Priest and Sen. Webb voted by proxy.

DECISION PACKAGE 9006

Discussion:

01:27:18 Ms. Daumiller, LFD
01:28:44 Mr. Baldwin, DPHHS
01:29:41 Chairman Ehli
01:29:49 Rep. Hagstrom
01:30:10 Mr. Baldwin, TSD
01:30:14 Rep. Hagstrom
01:30:53 Ms. Lamson, DPHHS
01:31:35 Chairman Ehli
01:31:44 Sen. Caffero
01:31:59 Rep. Noonan
01:32:14 Chairman Ehli
01:32:18 Ms. Lamson, OSD
01:32:34 Ms. Daumiller, LFD

01:33:18 **Motion:** Sen. Caffero moved to approve **Decision Package 9006 - CHIMES Medicaid/HMK and TEAMS Systems M&O- as a restricted, one-time-only increase to annualize costs for the maintenance and operations contract and project management of the eligibility determination systems associated with the CHIMES Medicaid/HMK and TEAMS systems. Funding has the following restriction: Funding for the CHIMES Medicaid/HMK and TEAMS may only be used by the Technology Services Division for the maintenance and operations contract and project management of the eligibility determination systems for CHIMES Medicaid/HMK, Chimes SNAP, CHIMES TANF, and TEAMS system. The CHIMES systems are replacing the legacy TEAMS system. The request would support eligibility determination for Medicaid, Healthy Montana Kids, SNAP, and TANF.**

Discussion:

01:33:47 Chairman Ehli
01:33:55 Sen. Caffero
01:35:04 Chairman Ehli
01:35:08 Ms. Daumiller
01:35:44 Sen. Caffero
01:35:48 Ms. Daumiller, LFD
01:36:25 Sen. Caffero
01:36:47 Chairman Ehli

- 01:36:53 Mr. Baldwin, DPHHS
01:37:21 Ms. Daumiller, LFD
01:37:37 Mr. Baldwin, DPHHS
01:37:42 Ms. Daumiller, LFD
01:37:46 Chairman Ehli passes unan, priest and webb by proxy need to ask lois about this.
- 01:38:00 **Vote:** Motion carried unanimously by roll call vote. Sen. Priest and Sen. Webb voted by proxy.

DECISION PACKAGE 9007

- 01:38:53 Ms. Daumiller, LFD
- 01:39:24 **Motion:** Rep. Ehli moved to approve **Decision Package 9007- Montana Access EBT Outsourcing - The executive requests a total funds HB 2 reduction of just over \$700,000 in FY 2015 to the operating costs for the Montana Access Electronic Benefits Transfer system. There is a general fund reduction of just over \$300,00. A feasibility study on the option of outsourcing the current EBT operated by DPHHS indicated that costs could be saved by outsourcing to a vendor already proficient in EBT technology. At the time of the writing, DPHHS is preparing an RFP to out source a system.**

Discussion:

- 01:39:36 Sen. Caffero
01:40:03 Ms. Daumiller, LFD
01:40:25 Mr. Baldwin, DPHHS
01:40:37 Ms. Daumiller, LFD
01:40:47 Sen. Caffero
01:40:58 Mr. Baldwin, DPHHS
01:41:27 Sen. Caffero
01:41:34 Mr. Baldwin, DPHHS
01:41:44 Ms. Daumiller, LFD
01:42:00 Sen. Caffero
01:42:23 Ms. Lamson, DPHHS
01:44:26 Sen. Caffero
01:44:54 Ms. Lamson, DPHHS
01:45:07 Chairman Ehli
- 01:45:26 **Vote:** Motion carried unanimously by roll call vote. Sen. Priest and Sen. Webb voted by proxy.
- 01:45:57 Ms. Daumiller, LFD
01:48:19 Chairman Ehli
01:48:23 Ms. Steinbeck, LFD
01:49:28 Chairman Ehli
01:49:58 Ms. Steinbeck, LFD
- 01:50:04 Recessed

01:54:38 Reconvened

Health Resources Division

01:55:08 Ms. Steinbeck, LFD
 02:02:03 Chairman Ehli
 02:02:24 Ms. Steinbeck, LFD
 02:03:31 Chairman Ehli
 02:03:48 Duane Preshinger, 6
 02:04:04 Ms. Steinbeck, LFD
 02:04:56 Chairman Ehli
 02:05:07 Ms. Steinbeck, LFD
 02:05:27 Sen. Caffero
 02:05:42 Chairman Ehli
 02:05:53 Bob Olson, Montana Hospital Association
 02:07:12 Chairman Ehli

Executive Action on Health Resources Division

DECISION PACKAGE 11206

02:07:49 **Motion:** Rep. Ehli moved to approve **Decision Package 11206 - Med Ben Other Caseload Hospital Utilization Fee - The Request adds funds for the hospital utilization fee, which is assessed for every inpatient hospital day. The fee is used to match federal Medicaid funds and then redistributed to hospitals as Medicaid reimbursements. The regular Medicaid rate covers about 65% to 68% of the cost of hospital care. Adding the amount from the hospital utilization fees raises Medicaid reimbursement to about 95% of 98% of the cost of hospital care.**

The Montana medicaid program has historically reimbursed the Montana Hospitals at a rate less than the cost of providing hospital services to Medicaid Clients. Federal regulations require hospitals to provide services to all citizens without regard to ability to pay, and require the hospitals to have a methodology to place to provide charity care to patients who do not have the ability to pay for the hospital services

The hospital utilization fee and the corresponding federal funding is distributed using disproportionate share payments and hospital reimbursement adjustment payments to allocate the payments to hospital based on Medicaid inpatient days and Medicaid inpatient/outpatient charges.

Discussion:

02:08:14 Rep. Noonan
 02:08:28 Ms. Steinbeck, LFD
 02:09:12 Chairman Ehli
 02:09:16 Rep. Hagstrom
 02:09:36 Ms. Steinbeck, LFD

02:09:48 **Vote:** Motion carried unanimously by roll call vote. Sen. Priest and Sen. Webb voted by proxy.

DECISION PACKAGE 11401

02:10:40 Ms. Steinbeck, LFD

02:12:47 **Motion/Vote:** Rep. Ehli moved to approve **Decision Package 11401 - Med Ben Core FMAP Physical Health - This present law requests adjusts federal Medicaid funds and general fund due to the increase in the federal Medicaid match rate. The state Medicaid match rate will decline from 33.79% in FY 2012 to 33.73% in FY 2014 and 33.78% in FY 2015. This request adjusts funding for hospital and clinic services, managed care, breast and cervical cancer, pharmacy, and acute care services.** Motion carried unanimously by roll call vote. Sen. Priest and Sen. Webb voted by proxy.

DECISION PACKAGE 11211

02:13:44 Ms. Steinbeck, LFD

02:15:39 **Motion/Vote:** Rep. Ehli moved to approve **Decision Package 11211 Med Ben SSR Hold Harmless Adjustment - This present law adjustment adds about \$17.0 million in general fund over the biennium and reduces satate spercial revenue by a like amount. The state special revenue was a one-time funding source from a portion of the saving due to the temporary increase on the federal Medicaid match rate authorized by the American Reinvestment and Recovery Act of 2009. States were allowed to set aside savings of a small portion of the enhanced federal Medicaid match (the hold harmless component). The legislature apropriated the funds as a one-time source of state Medicaid matching funds.** Motion carried unanimously by roll call vote. Sen. Priest and Sen. Webb voted by proxy.

DECISION PACKAGE 11221

02:16:22 Ms Steinbeck, LFD

02:16:59 Sen Caffero

02:17:24 Chairman Ehli

02:18:00 Ms. Steinbeck, LFD

02:18:14 Chairman Ehli

02:18:52 Ms. Steinbeck, LFD

02:19:15 Chairman Ehli

02:19:21 Sen. Caffero

02:19:34 Recessed

03:28:15 Reconvened

Indian Tribal Leaders Presentation and Testimony

03:29:54 Sen. Caffero
03:30:20 Kevin Howlett, Director, Tribal Health and Human Services, Confederated Salish and Kootenai Tribes (CSKT)

EXHIBIT(jhh14a03)

03:35:48 Sen. Webb entered the meeting.
03:37:57 Sen. Caffero

Discussion:

03:38:52 Mr. Mathias
03:39:45 Sen. Webb
03:40:12 Mr. Howlett, Tribal Health and Human Services, CSKT
03:40:28 Sen. Caffero
03:41:18 Mr. Howlett, CSKT
03:43:56 Sen. Caffero
03:44:04 Mr. Howlett, CSKT
03:44:16 Sen. Caffero
03:44:33 Willie Sharp, Chairman, Blackfeet Nation
03:52:02 Sen. Caffero

Public Testimony:

03:53:05 Lauren 'Bum' Stiffarm, Chief Administrative Officer, Fort Belknap Indian Community Counsel

EXHIBIT(jhh14a04)

04:01:29 Keith Bailey, Executive Director, Helena Indian Alliance
04:12:38 Sen. Caffero
04:12:50 Mr. Bailey, Helena Indian Alliance
04:13:58 Sen. Caffero
04:14:33 Dustin Monroe
04:18:23 Charles Walking Child, Self
04:24:58 Sen. Caffero
04:25:27 LeeAnn Johnson, Crow Tribe
04:29:47 Jackie Stewart, Crow Nation
04:34:10 Sen. Caffero

Questions from the Committee and Responses:

04:35:00 Rep. Noonan
04:35:29 Mr. Stiffarm, Fort Belknap Indian Counsel

EXHIBIT(jhh14a05)

04:36:02 Rep. Noonan
04:36:09 Mr. Opper, DPHHS
04:36:36 Mr. Stiffarm, Fort Belknap Indian Counsel
04:36:58 Rep. Hagstrom
04:37:26 Mr. Stiffarm, Fort Belknap Indian Counsel
04:37:45 Rep. Hagstrom
04:38:07 Mr. Stiffarm
04:38:14 Sen. Caffero
04:39:08 Mr. Howlett, CSKT
04:45:12 Sen. Caffero

ADJOURNMENT

Adjournment: 04:45:33

Sara Andersen, Secretary

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Additional Documents:

EXHIBIT([jhh14aad.pdf](#))