

MINUTES

**MONTANA SENATE
56th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON FINANCE AND CLAIMS

Call to Order: By **CHAIRMAN CHUCK SWYSGOOD**, on January 26, 1999
at 1:49 P.M., in Room 108 Capitol.

ROLL CALL

Members Present:

Sen. Chuck Swysgood, Chairman (R)
Sen. Tom Keating, Vice Chairman (R)
Sen. Chris Christiaens (D)
Sen. William Crismore (R)
Sen. Eve Franklin (D)
Sen. Greg Jergeson (D)
Sen. Bob Keenan (R)
Sen. J.D. Lynch (D)
Sen. Dale Mahlum (R)
Sen. Ken Mesaros (R)
Sen. Ken Miller (R)
Sen. Arnie Mohl (R)
Sen. Linda Nelson (D)
Sen. Debbie Shea (D)
Sen. Mike Taylor (R)
Sen. Mignon Waterman (D)

Members Excused: Sen. Daryl Toews (R)
Sen. Tom A. Beck (R)

Members Absent: None.

Staff Present: Shannon Gleason, Committee Secretary
Clayton Schenck, Legislative Branch

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

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 247:1/21/1999
Executive Action: NONE

HEARING ON SB 247

Sponsor: SEN. WILLIAM GLASER, SD 8, HUNTLEY

Proponents: NONE

Opponents: NONE

Opening Statement by Sponsor:

SEN. GLASER advised this bill was introduced as a tool to provide the coverage required by the Federal Government on children 16-18 years old currently not covered under **Medicaid**, and their relation to the **CHIP** program. SEN. GLASER explained because of Federal mandate and in accordance with certain income guidelines coverage will be required to be phased for children 16-18 years until the age of 18. SEN. GLASER commented that over the next few years additional monies will be required to cover these children and the current verbiage requires coverage under **CHIP**, then reverting to **Medicaid**, he noted he did not feel comfortable with the funding source "churning" from one fund to another. SEN. GLASER noted there was approximately \$600,000 in matching Federal funds that will be involved once these children are covered under **Medicaid**.

Informational Testimony:

Nancy Ellery, Administrator of the Health Policy and Services Division, advised the Committee her Division is in agreement with the concept of this bill. Ms. Ellery further explained that **CHIP** was originally drafted to include this, however the Interim Committee did not want a Medicaid expansion program so it was revised to exclude this. Ms. Ellery noted the Governor's budget does not include money for this nor does HB 131, allocating the distribution of Tobacco Settlement monies. {Tape : 1; Side : A; Approx. Time Counter : 1.6}

Questions from Committee Members and Responses:

SEN. KEENAN wondered with the pilot program outlined for **CHIP** how many children would be covered under **Medicaid** instead of **CHIP** with this bill. SEN. GLASER thought approximately half, or 450 children.

SEN. MOHL inquired about the Fiscal Note, CHAIRMAN SWYSGOOD advised there is a Fiscal Note currently being drafted, and the Committee would not take executive action until the note was completed. CHAIRMAN SWYSGOOD then read verbatim **EXHIBIT(fcs20a01)**

this was a summary of **SB247** and it's effect. **SEN. SWYSGOOD** noted this was a rough draft of the effects of the bill.

SEN. WATERMAN commented she wanted to make sure the Fiscal Note would be provided.

SEN. WATERMAN wondered what the cost difference between Medicaid and CHIPS coverage was. **Ms. Ellery** advised the average cost was very close, approximately \$96.00 per child excluding administration cost, however under **Medicaid** the cost was determined by age. **Ms. Ellery** referred the question to **John Chappuis**, Bureau Chief Health Policy and Services Division, who concurred with her answer. **Ms. Ellery** explained with the current recommended application of **CHIP** the coverage breakout is as follows: Mental health, both **CHIP** and **Medicaid** would cover depending on what the children qualified for, children qualifying for **Medicaid** would be covered under the Impact plan, children not qualified under **Medicaid** would be covered by **CHIP**. The 16-18 years old not eligible for **Medicaid** would be covered under **CHIP** until the Federally mandated phase in.

SEN. WATERMAN asked if this was just covering the children involved under the acceleration program, **Ms. Ellery's** response was yes. **Ms. Ellery** advised this bill frees up the money required to cover these children under **CHIP** and makes available the Federal matching funds by covering them under **Medicaid** now.

SEN. WATERMAN wondered if Tobacco Settlement funds were used would the **CHIP** funds be reduced. **Ms. Ellery** advised they would.

SEN. WATERMAN stated this was a temporary use of the Tobacco Funds because the cost for coverage would have to be picked up under **Medicaid** over the next few years anyway. **Ms. Ellery** agreed.

SEN. CHRISTIAENS inquired if there was a carve out of Foster Care children, he noted there were approximately 3,500 individuals. **CHAIRMAN SWYSGOOD** assumed none of the new children eligible for **CHIP** funds would be in Foster Care since they would be covered under **Medicaid**. **Mary Dalton**, Bureau Chief Medicaid Services Bureau, advised she concurred with **CHAIRMAN SWYSGOOD**, the Foster Care individuals would already be covered under **Medicaid**, thus excluded under **CHIP**.

SEN. CHRISTIAENS asked for clarification on individuals covered under the Mental Health Access Plan, **Ms. Ellery** explained if individuals were already covered under the plan they would remain under the plan, in the case of severely emotionally disturbed clients who do not qualify for **Medicaid**, they are also covered under the plan.

{Tape : 1; Side : A; Approx. Time Counter : 2.0}

Closing by Sponsor:

SEN. GLASER advised the Tobacco Settlement doesn't specifically say where the monies should go, he felt however the general intent was clear, and that the money was to be used to support health care issues and not to be used in the General Fund. The settlement is currently structured as follows: 30% into the General Fund, 15% CHIP, 33% prevention, and 22% was allocated for a trust fund. **SEN. GLASER** stressed his concern was the " on again off again, who's funding who" question.

CHAIRMAN SWYSGOOD noted the cost of covering the 16-18 years old children will be assumed one way or the other due to the mandate from the Federal Government. **CHAIRMAN SWYSGOOD** advised the Committee needs to review this bill and evaluate how the **CHIP** and Medicaid expansion all fits together. He advised the Committee will wait to take action until the Fiscal Note is reviewed.

After the meeting had concluded **Chris Tweeten**, Department of Justice, provided **EXHIBIT (fcs20a02)** for the Committee's review.

ADJOURNMENT

Adjournment: 2:10 P.M.

SEN. CHUCK SWYSGOOD, Chairman

SHANNON GLEASON, Secretary

CS/SG

EXHIBIT (fcs20aad)