



HEALTH AND HUMAN SERVICES INTERIM BUDGET COMMITTEE

67th Montana Legislature

SENATE MEMBERS

Charlene Devine
Carl Glimm
Bob Keenan
Mary McNally

HOUSE MEMBERS

Mary Caferro
Frank Garner
Terry Moore
Matt Regier

COMMITTEE STAFF

Charlene Devine - Secretary
Brian Hannan - OBPP Staffer
Joshua Poulette - Legislative Fiscal Analyst

MINUTES LOG

September 15, 2021
Room 102
Helena, Montana

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MEMBERS PRESENT:

Rep. Matt Regier, Chair (R)
Rep. Mary Caferro (D)
Rep. Frank Garner (R)
Sen. Carl Glimm (R)
Sen. Bob Keenan (R)
Sen. Mary McNally (D)
Rep. Terry Moore (R)

MEMBERS EXCUSED:

STAFF PRESENT:

Matt Hartnett, Fiscal Analyst
Joshua Poulette, Fiscal Analyst
Brian Hannan, OBPP Analyst
Greg Sawyer, OBPP Analyst
Charlene Devine, Secretary

AGENDA ([Attachment 1](#))

VISITORS' LIST (Attachment 2)

CALL TO ORDER/ROLL CALL

- 08:03:26 Rep. Matt Regier called the meeting to order at 8:03 a.m. The committee secretary took roll.
- 08:03:26 Chairman Regier reviewed the agenda.
- 08:04:37 Introductions of staff:
Matt Hartnett, Fiscal Analyst
Josh Poulette, Fiscal Analyst
Greg Sawyer, Governor's Budget office
Brian Hannan, Governors Budget office
Charlene Devine, clerk

COMMITTEE ORGANIZATION

- 8:05:35 Chairman Regier spoke on creation of the committee for the next two biennia and committee goals as well as an overview of procedures for public comment.
- 08:08:13 Vice Chair Keenan moved that proxy voting be authorized for the committee.

Vote:

- 08:08:43 Carried unanimously by voice vote.
- 08:09:15 Chairman Regier discussed the overall agenda for the meeting. Spoke of the workplan and general direction for the committee.
- 08:14:10 Recess
- 08:15:06 Sen. Glimm entered the meeting.
- 08:20:04 Reconvened

DPPHS REORGANIATION OVERVIEW; DPPHS UPDATES

- 08:20:26 Director Meier, DPHHS, spoke on direction of the organization. Addressed changes and goals to improve both internally and externally. Discussed structural efficiencies and issues that existed. General focus on how to better align departments and leadership. Presentation of updated org chart. Overview of structural plan moving forward for the organization. **EXHIBIT 1**
- 08:46:40 Chairman Regier asked about the absence of deputy director and how that might affect the future of the division.
- 08:47:32 Director Meier explained the plan to have three different divisions for efficiency. Created facility directors to focus on operations.
- 08:48:10 Rep. Garner asked Director to explain what the duties are.
- 08:48:22 Director Meier responded the plan would enable them to look at the physical plan, staff morale, exits, turnover and HR structure.
- 08:51:09 Rep. Garner asked Director Meier to explain the strategies on recruitment and retention.
- 08:51:45 Director Meier responded that there are big challenges. Work with department of Labor and Industry. Maintain operations.
- 08:55:06 Rep. Garner asked what work force placement contracts are being used.

08:55:27 Director Meier responded that department is using different contract staffing. Explains that one of the struggles is that hires are not showing up after being hired because other facilities in other states are paying at a higher rate.

08:57:06 Rep. Garner asked if department is tied into community colleges and university systems for training of skilled positions.

08:57:18 Director Meier responded

09:02:19 Rep. Moore requested data on trends from last year regarding turnover and vacancies

09:02:46 Director Meier responded that he will provide data.

09:03:30 Rep. Moore referred to reorg chart regarding leadership positions and what are expectations to fill these in a reasonable time.

09:04:05 Director Meier explained movement of staff and positioning.

09:08:14 Sen. Glimm referred to analysis. Encouraged Director Meier to reach out to people who used to work in departments several years ago to gather information from them.

09:08:38 Director Meier responded by finding new ways to structure and improve ways of doing things. Primary goal is to look at continuing care. Goal is to be more strategic.

09:12:13 Sen. Glimm asked about new position and plans and the department's vision.

09:14:38 Director Meier responded by finding someone with fresh eyes. HHS experience. A person who has worked across the spectrum.

09:18:48 Sen. McNally asked Director Meier to address any budget implications.

09:19:23 Director Meier explained some of the budget costs and temporary funding.

09:20:34 Sen. McNally asked if it would result in more money going into administration than services.

09:20:49 Director Meier explained effective management would show better budget outcome.

09: 28:05 Rep. Caferro asked for a list of vacancies. Referred to the number of vacancies on the chart. Asked if positions are going to out of state hires and if there is any value given to Montanans when hiring.

09:28:43 Director responded that it varies on position. Varies on technical qualifications.

09:28:15 Rep. Caferro stated that on chart the AMDD goes away. 3 positions combined with four in DD. Asked Director Meier to comment on combination.

09:29:07 Director responded,

09:30:53 Chairman Regier requested that FTE be put on an org chart.

09:31:10 Director Meier agreed to change the org chart.

Medicaid Monitoring Report

09:46:08 Director Meier referred to the abortion services and Montana Medicaid report and Montana healthcare programs, physician certification for abortion services form. Discussed the Hyde Amendment and what it provides. Services of Montana Medicaid and purposes. **EXHIBIT 2**

09:46:18 Chairman Regier asked Director if the abortion services were for traditional Medicaid members.

09:46:43 Director Meier responded that all services are for qualified traditional members.

09:47:56 Chairman Regier referred to the physician form. Asked Director Meier to explain contract with Mountain Pacific Quality Health.

09:48:07 Director Meier stated that a utilization review would be used to determine the services of an abortion. Examples are level of care, equipment necessary, pharmacy, transportation services and genetic testing.

09:48:57 Chairman Regier asked if there are several utilization reviews done in various areas. Inquires if the done by contracts or in house.

09:49:26 Director Meier stated that the utilization reviews are primarily done by contract.

09:50:17 Chairman Regier asked if medically necessary abortions are specifically paid for by the state.

09:50:25 Director Meier responded that the medically necessary abortions are paid by the state. Funding comes from the General fund.

09:51:56 Chairman Regier referred to chart. Asked Director Meier to explain Mountain Pacific Quality Health does not consistently review.

09:52:07 Director Meier responded.

Discussion:

09:52:24 Sen. Glimm referred to certification form and asked if the five situations listed were part of the medically necessary form.

09:53:09 Director Meier responded that it is unclear.

Discussion:

09:53:33 Sen. Glimm asked if there were any more details listed. Asked Director Meier if providers identification were listed.

09:54:07 Director Meier responded that he did not know.

09:54:22 Sen. Glimm responded that he would like to know, but assumed it was not public.

09:54:32 Rep. Caferro objected to identification of three providers be public information.

09:55:14 Chairman Regier noted Rep. Caferro's objection. Asked Director Meier to check into legality of that information.

09:55:24 Sen. Glimm asked if there was a statute concerning no federal funding for medically necessary abortions.

9:55:45 Director Meier referred to page 2, the 1995 decision of Jeannette R. v. Ellery.

09:58:49 Chairman Regier referred to the Ellery decision. Asked if ARM 37.86.104 came out of court decision.

09:59:18 Director Meier responded that the ARM 37.86.104 was updated after the case.

09:59:35 Chairman Regier asked if the form is from that far back as well.

09:59:46 Director Meier responded that he was not sure when the form was updated.

10:00:18 Chairman Regier commented that the form did not have much information regarding a medically necessary abortion. Would like to see more history transparency and a legal review.

10:02:08 Director Meier responded by noting for more transparency and an updated legal review recommendation.

10:02:36 Chairman Regier asked for history on ARM 37.86.104.

10:03:22 Rep. Caferro asked Director Meier who makes medical determination.

10:03:28 Director Meier responded that the determination is made by the physician.

10:04:10 Rep. Caferro referred to the Hyde Amendment. Asked if State can go against the Federal Government and prohibit situations from being covered.

10:04:45 Director Meier responded that the State must comply with Federal law.

10:05:14 Rep. Caferro asked if life of mother, rape or incest does not fall under a utilization review.

10:05:35 Director Meier responded that everything is treated the same. It all goes through the same process.

10:06:17 Sen. Glimm asked if Director Meier could provide information as to if the medically necessary abortions were performed by surgically or prescription.

10:08:20 Recess

10:22:09 Reconvene

FYE 2021 FINANCIAL REPORT

10:22:25 Joshua Poulette, Fiscal Analyst presented the report. [EXHIBIT 3](#)

Discussion:

10:25:13 Chairman Regier asked Mr. Poulette if committee could ask questions during the presentation.

10:25:18 Mr. Poulette continued with presentation

10:26:30 Sen. Keenan asked what “BN” means on the pie chart.

10:26:46 Mr. Poulette stated that it means billions.

10:27:06 Sen. Glimm asked going back one year on the blue part of pie chart would be negotiable.

10:27:19 Mr. Poulette stated that two years would be more negotiable.

10:27:37 Sen. Glimm clarified pre-covid.

10:27:45 Mr. Poulette confirmed.

10:27:51 Rep. Caferro asked Mr. Poulette is he could go over Sen. Glimm’s question and his response.

10:28:03 Mr. Poulette stated that the unclassified portion of pie chart is mostly covid. If looked at pre-covid (2019) that portion would be less.

10:30:32 Sen. Glimm asked if low expenditures would be expended over time.

10:30:53 Mr. Poulette replied.

10:31:12 Chairman Regier stated that some probably will not carry. Some grants did not.

10:31:18 Mr. Poulette commented.

10:31:36 Rep. Moore asked if unspent would have to be re-appropriated or extended.

10:32:09 Mr. Poulette stated that it can be carried forward in time.

10:32:32 Rep. Moore asked if general fund dollars are carried forward.

10:32:43 Mr. Poulette stated that they are all general fund dollars.
Mr. Poulette continues with presentation. Page 3.

10:36:39 Chairman Regier asked about CARES 2. Asked if all CARES funding is listed below in bullet points. Did Montana hit the ceiling of spending.

10:36:58 Mr. Poulette responded that might see more CARES 2 spending.

10:37:12 Chairman Regier stated that CARES 2 had rental relief and so did ARPA. How does it get spent?

10:37:50 Mr. Poulette will check with analyst.

10:38:27 Chairman Regier asked for update on CARES 2.

10:39:39 Rep. Caferro asked why has there been so little of Cares 2 go out into the community.

10:40:08 Mr. Poulette stated that when breaking down expenditures most is out of CARES 1. Will create a document.

10:40:53 Rep. Caferro asked if information is from 20-21. Is amount from CARES 1 and CARES 2.

10:41:56 Sen. Glimm stated that the numbers are for Cares 1.

10:42:23 Rep. Caferro asked for sequence of how money goes out and the timelines. Asked for some clarity.

10:43:09 Mr. Poulette responded.

10:43:33 Sen. Glimm pointed out that during session every program had different date.

10:43:54 Rep. Caferro clarified her request for information.

10:45:00 Mr. Poulette responded that there are different deadlines. Review guidance created during session.

10:47:06 Mr. Poulette continued with report. Page 5.

10:47:50 Sen. Glimm asked for the reason for decrease.

10:48:02 Mr. Poulette responded that department saw lower Medicaid utilization.

10:54:25 Chairman Regier asked Mr. Poulette to explain the shortage on Medicaid expansion.

10:54:52 Mr. Poulette responded did see growth in Medicaid expansion population.

10:55:33 Rep. Caferro asked about budget amendments timeline.

10:56:27 Mr. Poulette will check with analyst.

10:56:41 Rep. Caferro asked about window of time and what is included in report.

10:57:09 Mr. Poulette responded. He will check with Jon Arnold, LFD analyst.

10:57:37 Rep. Caferro asked for more information on enhanced FMAP. Referred to page 2.

10:58:57 Rep. Caferro asked for more information on General Fund.

10:59:19 Mr. Poulette responded it is reduced authority.

11:00:30 Rep. Caferro asked about base budget. Need to understand the dynamics of base budget.

11:01:51 Mr. Poulette responded that enhanced FMAP is still in effect. Mr. Poulette continued to page 8 of report. HB 2 Appropriations Authority.

11:05:33 Sen. Glimm inquired who vendor for MPATH is.

- 11:05:53 Mr. Poulette responded there are several vendors associated with the different modules.
- 11:06:18 Sen. Glimm asked if CHIMES was all one vendor.
- 11:06:28 Mr. Poulette responded that he would find out that information.
- 11:06:44 Rep. Caferro asked what happened to the IT dashboard that was created last interim.
- 11:07:00 Mr. Poulette responded that it has always been public.
- 11:08:44 Chairman Regier indicated that committee will skip the Medicaid monitoring section for now and move on to CSCT monitoring section.
- 11:08:54 Rep. Garner commented on workplan.

Comprehensive School and Community Treatment (CSCT) monitoring

11:09:30 Jay Phillips, OPI. **EXHIBIT 4 & EXHIBIT 5**

Discussion:

- 11:15:18 Sen. Keenan asked if COVID-19 emergency enhanced Medicaid match rate plays into this.
- 11:13:05 Rep. Garner has left the meeting.
- 11:15:37 Mr. Phillips responded that they are applying higher rate for all claims submitted.
- 11:16:09 Chairman Regier asked about bridge funding.
- 11:16:16 Mr. Phillips responded to cover the match requirements of claims submitted.
- 11:16:42 Chairman Regier commented that the funding doesn't change but paperwork does.
- 11:16:53 Mr. Phillips responded.
- 11:17:40 Rep. Moore asked about the change of procedures etc and extent of disruption in services due to the changes.
- 11:18:07 Mr. Phillips responded that there should be no disruption in services.
- 11:19:14 Chairman Regier asked what ESSER funds are for the state.
- 11:19:20 Mr. Phillips explained the funds.
- 11:20:28 Chairman Regier asked about sum of money.
- 11:20:31 Mr. Phillips stated he has a presentation available.
- 11:21:23 Rep. Caferro asked if OPI is suggesting that the school districts use Federal funding to pay CSCT.
- 11:21:42 Mr. Phillips responded that it is an option.
- 11:22:19 Rep. Caferro asked about bridge funding and plan for when bridge funding runs out. Asked where would new funding comes from.
- 11:23:51 Mr. Phillips referred question to Sharyl Allen, Deputy Superintendent for OPI
- 11:24:18 Sharyl Allen responded that the Bridge fund is going to expire as soon as October.
Explains the history and challenges. Proposed plan.
- 11:27:31 Rep. Caferro commented on reductions of services. Concerned about families going without the services. Asks what the timeline is to get things in place so services to children is not disrupted.

11:28:47 Ms. Allen referred to the Belgrade district model.
11:31:02 Rep. Caferro asked about Belgrade model
11:31:30 Sen. Glimm stated that there is conflicting information. COVID-19 dollars/mental health dollars.
11:32:01 Ms. Allen explained identification of COVID-19 dollars/mental health dollars.
11:33:42 Chairman Regier asked who negotiated the rate.
11:33:53 Ms. Allen responded that Health and Human Services identifies the rate.
11:35:27 Sen. Glimm asked about the rate.
11:36:03 Ms. Allen responded that rate is per day.
11:36:15 Sen. Glimm asked how long a day is.
11:36:28 Ms. Allen responded that the rate is per day per student.

Workplan, Committee Discussion

11:37:33 Chairman Regier asked for suggestions of workplan. Suggested that the committee plan ideas for next meeting.

Discussion:

11:39:25 Sen. McNally commented on issues around expenditures, CARES, and ARPA money. Plan to monitor money.
11:40:05 Chairman Regier noted Sen. McNally's suggestion.
11:40:27 Mr. Sawyer, OBPP analyst, reminded committee ARPA website is up.
11:40:51 Sen. Glimm suggested an overview of budget amendments coming through.
11:41:29 Mr. Poulette commented that the reports will show appropriation changes and will include that format every quarter.
11:42:14 Rep. Moore would like to hear more from agency on challenges. More information on budget results.
11:44:28 Chairman Regier reviewed some of the bullet points.
11:45:01 Sen. Glimm suggested it would be helpful if committee members could see program.
11:45:22 Chairman Regier noted Sen. Glimm's suggestion.

Updates on interim studies:

Discussion:

11:46:36 Chairman Regier reviewed some of the studies that were passed. Asked for suggestions concerning path for studies.
11:46:59 Sen. McNally saw no problems for updates. There won't be information for 6 months on certain committees.
11:47:39 Sen. Keenan asked for details on DPHHS procurement practices.
11:48:30 Rep. Caferro in agreement with Sen. McNally.
11:48:58 Chairman Regier spoke of benefits to work with appropriations committee.
11:49:20 Sen. Keenan referred to Rep. Moore's request for information on how systems are being challenged.
11:50:52 Rep. Moore responded to Sen. Keenan.

11:55:34 Sen. Keenan spoke about different perspectives in other areas.
11:57:25 Sen. McNally spoke about community-based services that have been shut down. And to keep community-based infrastructure going.
11:58:06 Sen. Keenan agreed with Sen. McNally. Spoke of advantages of interim meetings.
11:58:38 Chairman Regier spoke about putting agenda together and focusing forward for effectiveness.
11:59:14 Rep. Moore spoke about agenda. Asked for current challenges of the future on agenda.
12:00:15 Sen. Keenan suggested on committee discussion time on the next agenda.
12:00:57 Sen. McNally spoke on agenda and website available for information on various services and studies.
12:02:52 Chairman Regier responded that committee has great ideas.

Medicaid Monitoring Report

12:03:53 Matt Hartnett, Fiscal Analyst, presented the report. (Page 11 of Exhibit 3)

Discussion:

12:06:43 Rep. Caferro stated that she appreciated the report and wondered how report will change after the re-org takes place.
12:07:25 Mr. Hartnett responded.
12:07:39 Rep. Caferro asked if report reflects last quarter of fiscal year 2021.
12:07:47 Mr. Hartnett responded that the report captures the whole fiscal year 2021.
12:08:12 Rep. Caferro asked about numbers for Senior and Long-term care.
12:08:18 Mr. Hartnett responded.
12:09:04 Mr. Poulette discussed the columns.
12:10:05 Rep. Caferro asked about people being denied services. Budget ends up getting modified. Asked for different information instead of modified information.
12:12:26 Sen. Keenan asked about actuary projections
12:13:02 Brian Hannan responded that expenditures would be accounted for in year-end fiscal adjustments.
12:13:52 Sen. Keenan responded.
12:14:36 Mr. Harnett responded that expenditures would be for fiscal year 2021.
12:15:09 Rep. Caferro welcomed Mr. Harnett.
12:15:32 Chairman Regier asked about decreased federal funds.
12:15:50 Mr. Harnett responded establishment of what is expected and then modified.
12:16:20 Chairman Regier asked if they are expecting utilization to be down.
12:16:28 Mr. Harnett referred to page 15 regarding Medicaid expansion.
12:17:08 Mr. Poulette responded that there were transfers from traditional Medicaid program to Medicaid expansion program throughout fiscal year.
12:17:34 Mr. Harnett responded on the benefit of 90/10 match.

12:17:45 Chairman Regier asked about states special revenue funds that were unspent.

12:18:00 Mr. Harnett responded that it is expansion of beds. That it covered all 4 divisions.

12:18:26 Chairman Regier asked what special account it was.

12:18:31 Mr. Harnett referred to SB 30.

12:19:32 Mr. Harnett unspent because timing.

12:21:02 Rep. Caferro stated that it had a delayed effective date.

12:21:16 Chairman Regier stated that used medical marijuana dollars asked why special revenue was high and unspent.

12:22:08 Mr. Harnett responded.

12:23:29 Mr. Poulette explained and asked Mr. Hannan if it was the new fund.

12:24:01 Mr. Hannan responded it was the old fund.

12:24:02 Mr. Poulette responded. Funds all components of Medical expansion.

12:26:23 Chairman Regier asked where the supplemental payments come from.

12:26:24 Mr. Poulette explained outpatient supplemental fees and in-patient supplemental fees.

12:26:31 Chairman Regier commented that fees increased per day.

12:25:14 Rep. Garner returned.

12:26:43 Mr. Harnett continued with page 13; major service categories and page 14; enrollment update graph.

12:28:08 Sen. Glimm asked Mr. Harnett if there was a number for traditional Medicaid enrollees.

12:28:14 Mr. Harnett responded he could get that number. Mr. Harnett continued with page 15: table 3. FYE 2021 Medicaid expansion Benefits and Claims appropriations compared to DPHHS projections.

12:29:17 Rep. Moore asked if 1.4% was over the past twelve months.

12:29:37 Mr. Harnett responded that the 1.4% was per month.

12:30:01 Rep. Moore asked from what beginning point was this calculated.

12:31:14 Mr. Harnett explained.

12:31:47 Rep. Moore commented it would be useful to have beginning of what point of information.

12:32:46 Mr. Harnett responded to Rep. Moore's comment.

12:33:05 Sen. Keenan referred to HELP- Link by MTDLI. Referred to page 16 and 17. Asked committee to look at page 13, Medicaid summary by major service category. Commented on the category of autism being astounding.

Noon recess

Workplan

13:08:53 Chairman Regier spoke of the workplan for next meeting. Reviewed bullet points for meeting in December.

13:10:46 Rep. Moore commented on an additional report on how many Montana children are being served out of state and at what acuity levels and at what cost.

- 13:12:05 Sen. McNally responded to Rep. Moore's suggestion that is already part of the study on children's mental health. Possible to coordinate between the two committees.
- 13:12:29 Sen. Keenan asked if there are out of state placements for children with DD and which budget does it come out of.
- 13:12:51 Chairman Regier spoke of an open hour of discussion at meeting.
Asked Mr. Poulette about process of workplan for department.
- 13:14:26 Mr. Poulette responded that the report will be prepared every quarter. Reviewed bullet points.
- 13:16:31 Chairman Regier asked Mr. Poulette to get back to him and to create an email list.
- 13:17:20 Rep. Garner asked about CARES dashboard for authorizations and expenses.
- 13:17:38 Mr. Poulette responded that it may have been taken down. Asked Mr. Hannan if Governor's office has that information available.
- 13:17:58 Mr. Hannan responded.

UPDATE CHILDREN, FAMILIES, HEALTH and HUMAN SERVICES INTERIM COMMITTEE

- 13:18:24 Mr. Poulette referred committee to revised draft workplan handout. **Handout**

Discussion:

- 13:21:51 Chairman Regier asked Sen. McNally if committee prioritized list.
- 13:21:54 Sen. McNally spoke that the focus is on children and family services. Also, mental health. Commented committee would have a better picture after meeting the following week.
- 13:22:47 Chairman Regier opened the meeting to public comment.
There was no public comment.
- 13:24:29 Recess
- 13:37:49 Reconvened
- 13:38:14 Chairman Regier

ADJOURNMENT

Adjournment: 13:40:36