



## HEALTH AND HUMAN SERVICES INTERIM BUDGET COMMITTEE

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### 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

March 16, 2022  
Room 102  
Helena, Montana

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#### **MEMBERS PRESENT:**

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

#### **MEMBERS EXCUSED:**

#### **MEMBERS ABSENT:**

#### **STAFF PRESENT:**

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

#### **AGENDA ([Attachment 1](#))**

## **VISITORS' LIST (Attachment 2)**

### **COMMITTEE ACTION**

#### **CALL TO ORDER/ROLL CALL**

09:59:52 Rep. Matt Regier-R called the meeting to order at 9:59 AM. The committee secretary took roll.

#### **DPHHS UPDATES - Adam Meier, DPHHS Director**

10:02:56 Kim Aiken, Chief Financial Officer, DPHHS gave a budget status report update.

10:04:36 Rep. Caferro has arrived

10:05:01 Chair Regier asked if projections were through the 3rd quarter and go into the 4th quarter.

10:05:25 Ms. Aiken responded to Chair Regier.

10:06:08 Director Meier spoke of a need for additional appropriation authority for Medicaid expenditures. The department has no request for supplemental authority for the general fund but may need a supplemental appropriation for federal appropriation authority.

10:07:03 Chair Regier asked Ms. Aiken asked about state special authority, if the department anticipates enough authority.

10:07:16 Ms. Aiken responded that department is expecting a surplus of state special appropriation authority.

10:07:25 Rep. Garner asked what amount in state special would be unused.

10:07:34 Ms. Aiken responded to Rep. Garner and continued with the presentation.

10:08:44 Chair Regier asked what the total was in the contingency fund.

10:08:54 Ms. Aiken answered Chair Regier's question.

10:09:25 Rep. Caferro asked Ms. Aiken what the total projected shortfall for Medicaid appropriation authority.

10:09:49 Ms. Aiken responded to Rep. Caferro.

10:11:08 Rep. Caferro commented about being short on Medicaid and what the total projected shortfall is.

10:11:40 Ms. Aiken responded to Rep. Caferro with the numbers regarding the shortfall for all Medicaid.

10:12:55 Rep. Caferro asked Director Meier to explain why the department is not requesting a supplemental for the Medicaid general fund.

10:13:22 Director Meier responded.

10:13:37 Sen. Glimm arrived.

10:13:50 Rep. Caferro asked Director Meier if the numbers were for the fiscal year or the biennium and if there wasn't enough federal authority in HB 2 to cover.

10:14:39 Director Meier responded that the numbers were the current fiscal year and affirmed that there wasn't enough.

10:15:13 Ms. Aiken explained areas that were negative and reasons for the shortfall.

10:16:11 Rep. Caferro asked Director Meier what the projection was for the end of the biennium for Medicaid. She inquired about the unfunded physician increase.

- 10:17:55 Director Meier responded.  
10:18:32 Ms. Aiken explained projections for the 2023 biennium.

### **Reorganization Update**

- 10:20:13 Director Meier introduced Stephanie Iron Shooter, American Indian Health Director.  
[Exhibit 1](#)  
10:21:59 Chair Regier asked Director Meier what the F/T meant on top of the chart.  
10:22:12 Director Meier explained.  
10:23:00 Chair Regier asked Director Meier if the department was still looking for a Medicaid Director and a Facilities Director.  
10:23:07 Director Meier responded.  
10:23:53 Chair Regier inquired about the Medicaid Director.  
  
10:24:00 Director Meier responded.

### **Montana State Hospital Update**

- 10:24:42 Director Meier spoke on the State Hospital Centers for Medicare & Medicaid Services (CMS) inspection and provided a presentation on staffing at the state hospital.  
[Exhibit 2](#)  
10:34:01 Sen. McNally asked Director Meier about the difference in staffing contract vs state employee charts.  
10:35:12 Director Meier referred to documents in handout.  
10:35:38 Sen. McNally asked for a breakdown to look at staffing pattern overtime and contract staff.  
10:35:51 Rep. Garner asked Director Meier for an estimated date when SIA would be implemented and executed.  
10:36:18 Director Meier responded that it could start in the next few weeks but did not have the details yet.  
10:37:13 Rep. Garner asked for an update that show suggested implantations of dates and actions. Rep. Garner also asked for confirmation of \$7.0 million overage.  
10:37:50 Director Meier confirmed that the figure was \$7.6 million for the year.  
10:37:52 Rep. Garner asked if that number was directly related to the contract employees and what the breakdown is.  
10:38:14 Ms. Aiken responded that there wasn't a breakdown available.  
10:38:27 Rep. Garner referred to vacancy rate document percentage.  
10:39:26 Director Meier responded.  
10:40:06 Rep. Garner asked if vacancy rate included contracted staff or non-contracted staff.  
10:40:41 Director Meier responded that it was contracted staff. .  
10:41:22 Rep. Garner referred to report and commented that falls are related to shortage of staff. Rep. Garner also asked Director Meier that if it is a staff issue, how is the department looking at it.  
10:42:24 Director Meier responded that having staff adequately trained.

10:44:08 Rep. Garner asked if this was impacting the census.

10:44:28 Director Meier responded that he didn't think it impacted census.

10:45:30 Rep. Caferro referred to the 3 areas on the organizational chart for state hospitals. And asked what happens to money that isn't used for wages and is it being used for travelers.

10:47:05 Director Meier responded that the money is reallocated for contracted staff and travelers.

10:47:47 Rep. Caferro asked if the hospital had a budget shortfall and requested a copy of the formal documents the department submitted. Rep. Caferro also requested a copy of the service improvement agreement.

10:49:19 Director Meier responded by explaining what the best path was in recognizing that Montana has gaps.

10:50:08 Rep. Caferro asked if the immediate jeopardy has been cleared and is CMS satisfied.

10:50:41 Director Meier commented that they suspended the immediate jeopardy when it is entered into a SIA.

10:52:02 Rep. Caferro asked if the immediate jeopardy has been cleared as of today.

10:52:13 Director Meier responded that it has not been cleared.

10:52:40 Rep. Caferro asked how the care has been impacted by the constantly changing workforce and what the department doing.

10:56:04 Director Meier responded on the concerns on the impact.

11:01:50 Rep. Caferro requested a pay rate scale for travelers.

11:02:18 Director Meier referred to the handout chart and explained the hourly average rate.

11:02:51 Rep. Caferro expressed concern of the care everyone at the state hospital is receiving and asked about hands on work. She also asked if the department was considering bonuses.

11:04:22 Director Meier responded that the department was looking at long term funding and didn't think there was one time funding being looked at.

11:05:34 Rep. Garner asked about the quality of the safety complies department inside the organization. He also asked if it was tied to the department or is it specific to the facility.

11:05:54 Director Meier explained that each department has its own contract.

11:07:38 Chair Regier asked Rep. Caferro if she wanted the communication between CMS and the department.

11:07:50 Rep. Caferro asked for a copy of the formal document that was submitted to CMS in response to the immediate jeopardy and a copy of the service agreement.

11:08:18 Director Meier responded that once it is finalized CMS would allow the department to share.

11:08:45 Chair Regier asked for explanation of the state registered nurse rate on the rate chart handout.

11:09:15 Ms. Aiken explained how the chart was compiled and will get back to the committee.

11:09:55 Chair Regier asked if figures were an average.

11:10:04 Ms. Aiken stated that it was an average and an example.

11:10:15 Chair Regier commented about entries on the report.

- 11:10:33 Sen. Glimm asked if that would make the differential larger. Also asked what the connection is between psychiatric technician and psychiatric practitioner.
- 11:11:05 Director Meier explained the difference.
- 11:11:27 Sen. McNally asked if the policy committee and this committee could get the same documents.

**S W v State of Montana**

- 11:12:39 Director Meier gave an overview of S W v State of Montana court case.
- 11:15:55 Chair Regier asked if there were in state funds for lawsuits.
- 11:16:21 Brian Hannan, OBPP responded that claims would be handled by department of Administration.
- 11:17:04 Chair Regier asked if the legislature handles this kind of situation and not an insurance.
- 11:17:19 Director Meier stated that the state is self-insured and could ask the Legislature for appropriation authority.

**Legislative Audit Report: Kids in Care ( Dec. 2021)**

- 11:18:54 Jeremy Verhasselt, Legislative Audit Division  
[Exhibit 3](#)
- 11:19:59 Chair Regier explained the audit booklet.
- 11:20:46 Erika Johnston, Economic Security Services Executive Director explained the audit and what auditors looked at.
- 11:23:55 Chair Regier asked Ms. Johnston to speak on employment and vacancies.
- 11:24:12 Ms. Johnston responded and explained challenges and vacancies.
- 11:25:54 Chair Regier asked what the starting pay was for CPS staff.
- 11:26:04 Ms. Johnston responded that the starting pay was around \$21.00.
- 11:26:34 Sen. McNally commented to Ms. Johnston that the SAMS Model was never implemented and asked Ms. Johnston to briefly talk about the changes and how to drive numbers back down.
- 11:27:25 Ms. Johnston responded.
- 11:29:15 Rep. Moore referred to Sec.4 of handout and asked Ms. Johnston what is left to complete the project and what the resources are and what kind of operation efficiencies would be in implemented.
- 11:30:40 Ms. Johnston explained federal regulations to be compliant.
- 11:33:05 Director Meier added comments regarding new system and upgrades.
- 11:34:41 Chair Regier asked if system upgrade would have to be done a certain way to get federal dollars.
- 11:35:09 Ms. Johnston explained how the 50/50 match would work and explained other options.
- 11:36:00 Sen. Glimm asked Ms. Johnston how current the numbers are and what are the factors. and when is it a good time to compare the numbers.
- 11:36:50 Ms. Johnston explained that there was a reduction in reports during pandemic. She explained that the department tried to increase public awareness.

**Medicaid Enrollment Update**

11:39:06 Director Meier reviewed update on Medicaid enrollment.  
11:45:48 Chair Regier asked if enrollment has climbed steadily in the last month.  
11:45:58 Director Meier responded.  
11:46:36 Chair Regier commented that Montana is at a low for unemployment, but people are still qualifying.  
11:46:59 Director Meier explained how people are qualified.  
11:47:17 Sen. Glimm asked about 1/9 enrollment and what it is driven by.  
11:47:51 Director responded that it raised concerns about files are properly reviewed.  
11:48:38 Sen. Glimm asked if there would be a penalty.  
11:48:53 Director Meier responded that states would be under enhanced scrutiny.  
11:49:12 Sen. Glimm asked about other states.  
11:50:00 Director Meier explained guidance methods.  
11:51:04 Sen. Glimm asked if there could be a reenrollment process.  
11:51:48 Director Meier responded that there is data available for reviews.

### **Provider Rate Study Update**

11:53:25 Director Meier gave update on provider rate study.  
11:56:52 Chair Regier asked Director Meier if there was a target end date.  
11:56:59 Director Meier responded that department hoped to have information this summer and late fall.  
11:57:49 Chair Regier asked if it will be ready by next session.  
11:57:55 Director Meier responded they would have the information and recommendation ready.  
11:58:05 Sen. McNally referred to ARPA summary sheet. Sen. McNally asked if there was a way to get Healthcare Recruitment money to DPHHS health work issues.  
11:59:22 Director Meier explained that the program was recently launched, and it may take time.  
12:00:22 Sen. McNally remarked that it is important to support the people here and there is a real problem with work force.  
12:01:00 Director Meier responded to Sen. McNally.  
12:02:06 Sen. McNally commented that resources need to be found now to plan.

### **BREAK**

12:31:38 Reconvene

### **PUBLIC COMMENT**

12:31:58 Rep. Jane Gillette, Bozeman, Mt., Abigail St Lawrence, Mt. Health Care Assoc.

### **DPHHS DIVISION UPDATES**

#### **Public Health and Safety Division - Todd Harwell**

12:42:45 Todd Harwell, Administrator of Public Health and Safety Division presented an overview of major functions and what division does.  
[Exhibit 4](#) and [Exhibit 5](#)

13:17:04 Matt Hartnett, Fiscal Analyst commented on the chart.

13:17:36 Todd Harwell responded to Mr. Hartnett.

13:18:10 Chair Regier asked about FTE and difference between an active rule and non-active.

13:18:18 Mr. Harwell described the difference.

13:18:34 Sen. Glimm asked Mr. Harwell if he was aware of any adverse reactions to vaccine.

13:18:49 Mr. Harwell commented that adverse reactions were rare according to CDC.

13:19:18 Rep. Moore asked Mr. Harwell if monitoring and tracking of other diseases available and impact on public health.

13:20:31 Mr. Harwell will provide more information on other illnesses and diseases and will provide a health assessment report.

13:22:38 Chair Regier asked about fair and equitable manner and are we short.

13:22:48 Mr. Harwell responded.

13:23:55 Chair Regier asked if there were any providers who want antibodies that can't get it.

13:24:01 Mr. Harwell responded that he would check.

13:24:24 Chair Regier referred to page 8 of the handout and asked about \$7 million to local and travel jurisdictions if this was ARPA and if it was funded for 2 years.

13:24:39 Mr. Harwell commented he will check on the years for the funding.

13:25:09 Chair Regier referred to surveillance and asked how the department interacts with hospitals.

13:25:30 Mr. Harwell stated that there is a data system from hospitals in place and it is administrative data only.

### **Child Support Services Division - Christine Twardoski**

13:26:15 Ms. Twardoski, Administrator of Child Support Services Division, presented an overview.  
[Exhibit 6](#)

13:37:31 Chair Regier asked Ms. Twardoski if things ran smoothly.

13:37:49 Erica Johnston responded to Chair Regier.

### **Early Childhood and Family Support Division - Jamie Palagi**

13:39:08 Jamie Palagi, Administrator of Early Childhood and Family Support Division gave an overview of the division. Ms. Palagi introduced her team  
[Exhibit 7](#)

14:13:24 Rep. Garner asked about 185% of the federal poverty level and what was the percentage increase.

14:13:50 Ms. Palagi responded it was 150% of poverty level.

14:14:04 Rep. Garner asked for the total number of individuals that received eligibility.

14:14:27 Ms. Palagi responded 454 families have qualified.

14:14:41 Sen. Glimm asked about page 12 regarding licensed care businesses. He asked for an explanation of the differences.

14:15:42 Ms. Palagi responded that a report will be available to committee.

14:16:38 Sen. Glimm asked about vaccination practices for childcare.

14:17:17 Ms. Palagi responded.

14:17:26 Sen. Glimm asked if there will be changes to childcare vaccinations.

14:17:36 Director Meier commented that it is ongoing with the legal review.

14:17:57 Sen. Glimm asked if legal says okay, will the department do it.

14:18:05 Director Meier commented that there are changes that could be made but would not commit to anything.

14:18:24 Chair Regier referred to page 6, adolescence health and asked if those were grants.

14:18:36 Ms. Palagi responded.

14:18:59 Chair Regier asked how the department would determine which curriculum would get the grant.

14:19:09 Ms. Palagi responded.

14:19:30 Chair Regier asked if they had a menu of educational curriculum that chooses.

14:19:39 Ms. Palagi referred the question to Jacqueline Islay, Family and Community Health Bureau Chief.

14:19:53 Jacqueline Islay, Family and Community Health Bureau Chief.

14:20:23 Chair Regier asked for a list of programs and funding be provided to the committee.

14:21:20 Rep. Garner referred to stabilization chart and asked Ms. Palagi grants are existing or new.

14:21:54 Ms. Palagi responded and discussed the application process.

### **BREAK**

14:37:30 Re-convene

### **QUARTLY FINANCIAL REPORT LFE STAFF ( with input on COVID expenditures from Kim Aiken, DPHHS)**

14:37:46 Josh Poulette, provided the Department of Public Health & Human Services quarterly budget presentation.  
[Exhibit 8](#)

14:41:14 Sen. Glimm referred to HB 701 Heart Fund and asked if there was any money.

14:41:25 Brian Hannan stated that there is no money in that fund yet and explained why and when to expect funds.

14:42:22 Sen. Glimm asked Mr. Hannan what he thought it would be.

14:42:30 Mr. Hannan responded that could be \$6.3 million in tax to date.

14:43:02 Sen. Glimm asked if it all went to HEART fund.

14:43:09 Mr. Hannan explained where all the money goes.

14:43:44 Chair Regier asked if the marijuana state tax was the only state dollars.

14:44:02 Mr. Hannan responded that it was a combination of state funds and a federal match.



14:44:29 Mr. Poulette explained 3-1 ratio. Mr. Poulette continued with presentation on page 3.

14:48:46 Ms. Aiken presented COVID expenditures.  
[Exhibit 9](#)

14:50:50 Rep. Garner asked what total funds represented in the chart.

14:50:58 Ms. Aiken explained the funding.

14:51:22 Mr. Poulette continued with presentation and explained table on page 5. (Legislative Budget compare to Medicaid Budget). Mr. Poulette referred to page 7, expended budget and remaining budget by fund type.

14:58:21 Chair Regier asked Ms. Aiken on vacant FTE's and what other parts in Health and Human Services uses contract work.

14:58:49 Ms. Aiken responded that only 2 facilities utilize contract work.

14:59:30 Ms. Aiken responded.

14:59:37 Sen. Glimm asked Mr. Poulette about the extended percentage.

14:59:54 Mr. Poulette responded to Sen. Glimm.

15:00:54 Mr. Poulette continued with page 10 of presentation.

15:01:59 Rep. Garner asked Mr. Poulette how hours are calculated.

15:02:36 Mr. Poulette answered and continued with presentation.

15:05:08 Mr. Hartnett, LFD continued with presentation on page 14.

15:08:17 Sen. Glimm asked Mr. Hartnett if there was a reason for 2 months spiking.

15:08:38 Mr. Hartnett responded.

15:09:06 Sen. Glimm asked what the driving force was.

15:09:15 Mr. Hartnett responded that there was an increase in enrollment.

15:10:02 Mr. Poulette commented that it will carry into the end of FY 2022.

15:10:33 Sen. Glimm asked Mr. Poulette if provision was made for that but not until the end of year.

15:10:43 Mr. Poulette explained.

15:11:36 Sen. Glimm asked if funds were given for the first quarter and second quarter was part of the "black box".

15:11:48 Mr. Poulette responded that the first quarter retained by the department per HB 2 language was the "black box".

### **MARA Study Update**

15:13:15 Mr. Poulette presented and discussed the MARA Model  
[Exhibit 10](#)

15:23:55 Sen. McNally asked if it is done at module level and then aggregated up.

15:24:08 Rep. Garner asked about who establishes the modules.

15:24:41 Mr. Poulette responded.

15:24:56 Rep. Garner commented he could see the value in it.

15:25:09 Mr. Poulette responded and continued with the presentation.

15:30:58 Rep. Garner asked how the accuracy was checked over time.

15:31:43 Mr. Poulette stated that the project is updated through time. The goal is that this would continue through time.

15:32:39 Rep. Garner commented if 10 years from now, looking back to see how useful the tool was.

15:32:57 Mr. Poulette responded to Rep. Garner's comment.

15:33:35 Sen. McNally commented on project variables

15:34:09 Mr. Poulette responded to Sen. McNally's comment and continued with the MARA presentation.

15:38:00 Chair Regier asked if the committee was hearing this in chronological order.

15:38:16 Mr. Poulette responded that they are all under development at the same time.

15:38:27 Chair Regier asked Mr. Poulette if agenda in April will be set by what is available.

15:38:36 Mr. Poulette responded that there is a meeting in May.

15:39:21 Chair Regier asked what the committee will base the agenda on.

15:39:31 Mr. Poulette explained the goal of the model.

15:39:57 Sen. McNally asked if this was done in other states.

15:40:12 Mr. Poulette responded to Sen. McNally that other states may not have done it in this same way.

#### **COMMITTEE DISCUSSION & FUTURE AGENDA ITEMS**

15:42:20 Rep Garner commented on reviewing data from the department.

15:42:24 Sen. Glimm stated would like to work with zero base budgeting.

#### **ADJOURNMENT**

Adjournment: 15:43:29