

**MINUTES OF THE
MEDICAID INTERIM COMMITTEE**

Monday, June 26, 2006 – 9:00 a.m. – Room W135 House Building

Members Present:

Sen. Sheldon L. Killpack, Senate Chair
Rep. Merlynn T. Newbold, House Chair
Sen. Gene Davis
Sen. Karen Hale
Sen. Lyle W. Hillyard
Rep. Jeff Alexander
Rep. D. Gregg Buxton
Rep. David Litvack
Rep. Karen W. Morgan
Rep. Michael E. Noel

Staff Present:

Mr. Mark D. Andrews, Policy Analyst
Mr. Leif G. Elder, Research Analyst
Mr. Derek Byrne, Analyst
Mr. Stan Eckersley, Analyst
Mr. William Greer, Analyst
Ms. Debbie Headden, Analyst
Ms. Catherine J. Dupont, Associate General Counsel
Mr. Thomas R. Vaughn, Associate General Counsel
Ms. Phalin L. Flowers, Legislative Secretary

Members Absent:

Sen. Allen M. Christensen
Rep. Paul Ray

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Newbold called the meeting to order at 9:10 a.m.

MOTION: Sen. Hale moved to approve the minutes of the June 14, 2006 meeting. The motion passed unanimously with Rep. Alexander absent for the vote.

2. Human Services Funding Overview

Ms. Headden discussed "Issue Brief - Update on Federal Funding," "Department of Human Services Funding History," "Funding History for the Department of Human Services," and "Department of Human Services FY 2007 Appropriations," which were distributed prior to the meeting. She also distributed and discussed "DJJS Funding History," "Funding History for the Division of Juvenile Justice Services," and "Department of Human Services Federal Fund Reductions." Ms. Headden gave an overview of the Department of Human Services and discussed the Department's fiscal issues.

Sen. Hale asked why there was a sudden drop in funding for DJJS (Division of Juvenile Justice Services) from dedicated credits, restricted funds, and other small funding sources between fiscal year 2000 and 2001.

Mr. Mark Ward, Deputy Director, Department of Human Services, replied that in fiscal year 2000 Medicaid funds were treated as "other" revenue instead of in its own category, but that the funding amounts stayed the same.

Rep. Buxton asked why there was such a large increase in funds for DJJS between fiscal years 2006 and 2007. Mr. Byrne replied that part of the funding appropriated for DJJS will go to caseload growth. He

explained that another cause for more funding being appropriated to DJJS is to replace one-time funds, which are no longer available, that DJJS has been using to cover the reduction of other funding sources.

Mr. Ward explained that funding to DJJS also increased to provide a more generous compensation and medical package for employees.

Ms. Headden discussed "Utah Department of Human Services List of Programs," "Medicaid Funding Included in the Department of Human Services Budget," "Medicaid Funding Not Included in the Department of Human Services Budget," "Medicaid Funding Included and Not Included in the Department of Human Services," and a letter from the Division of Aging and Adult Services, all of which were distributed prior to the meeting.

3. Department of Human Services Overview

Ms. Lisa-Michele Church, Executive Director, Department of Human Services, discussed four guiding principles around which the Department's programs are built: protection, self-sufficiency and independence, external and internal accountability, and opportunity.

Rep. Noel asked how much the state is obligated to provide for individuals. He asked which programs are mandatory and which are optional.

Ms. Church discussed issues relating to legal entitlements of the elderly and disabled. She explained that by designing good programs the state won't reward bad choices.

Sen. Davis said that Medicaid is an optional program that the State could discontinue at any time, but that we have a responsibility to take care of those who do not have the ability to provide for themselves.

Ms. Church said that she looks at each Medicaid program to determine if it produces an outcome, spends funds well, and is a priority before she submits a budget request. She listed six cost-drivers in the Medicaid programs: population growth, including adolescents and baby boomers; the cost of materials, including food, fuel, and insurance premiums; staffing costs as caseloads grow; program shifting from other departments, such as the Department of Workforce Services or the Department of Corrections; legal requirements the Department must fulfill; and public expectation.

4. Department of Workforce Services Overview

Ms. Tani Downing, Executive Director, DWS (Department of Workforce Services), distributed and discussed "Department of Workforce Services Medicaid Study Presentation" and "Utah Department of Workforce Services Medicaid Interim Committee Information." She explained that DWS does not operate any Medicaid programs, but that DWS does determine if customers are eligible for Medicaid when they come in for other services. She said that DWS receives a small amount of Medicaid dollars to help with determining eligibility. Ms. Downing read DWS's mission statement and explained how the Department reaches its goals. She discussed federal funding received by DWS and anticipated shortfalls in that funding. She also gave details about the Child Care, General Assistance, and Choose to Work programs administered by DWS.

Rep. Newbold asked about the effects of any cuts in health and human services programs on the DWS budget.

Ms. Helen Thatcher, Assistant Director, Department of Workforce Services, replied that cuts to Medicaid will affect programs like TANF (Temporary Assistance for Needy Families). She said grant amounts to these families would not be lowered, but they would not be raised to cover the loss of health care. She said that health care is important to being self-sufficient and that health issues are a common problem keeping single parents from working.

Rep. Newbold asked whether an individual receiving SSI (Supplemental Security Income) can also receive Medicaid. Ms. Thatcher said that individuals receiving SSI will automatically receive Medicaid as well.

5. Division of Rehabilitation Services Overview

Mr. Don Uchida, Director, Division of Rehabilitation Services, Utah State Office of Rehabilitation, discussed an organizational chart of the Utah State Office of Rehabilitation, "Utah State Office of Rehabilitation Programs," and "Utah State Office of Rehabilitation - 85 Years of Service," which were distributed prior to the meeting. He detailed the programs offered by the Division, including the Vocational Rehabilitation Program. He explained that this program impacts the economy positively by putting individuals with disabilities back into the workforce.

Sen. Killpack asked if services could be denied to an individual after they were determined to be eligible for a program. Mr. Uchida replied that individuals could be denied services, but that certain services must be provided on a contractual basis if an individual is found to be eligible.

6. Follow-up to June 14 Meeting Requests for Information

Mr. Andrews distributed and discussed charts comparing the growth rates of Medicaid and the state sales tax since 1991.

Mr. Andrews distributed a memo from the Association for Utah Community Health indicating that Medicaid funding accounted for 23 percent of total revenues to Utah community health centers in 2005.

The Committee reviewed "Medicaid Deliveries by County FY 2005," data provided by the Department of Health. Rep. Morgan asked why most counties had no Medicaid births to mothers over 45 years of age.

Mr. Kent Roner, Department of Health, replied that only three births that year were to mothers on Medicaid who were over 45 years of age.

7. Adjourn

MOTION: Rep. Alexander moved to adjourn the meeting. The motion passed unanimously with Sen. Davis absent for the vote.

Minutes of the Medicaid Interim Committee
June 26, 2006
Page 4

Chair Newbold adjourned the meeting at 12:04 p.m.