

MINUTES OF THE
JOINT HEALTH AND HUMAN SERVICES APPROPRIATION SUBCOMMITTEE
INTERIM

Tuesday, January 15, 2002, 2:00 p.m.
Room 403 State Capitol

Members Present: Sen. David H. Steele, Committee Co-Chair
Rep. Jack A. Seitz, Committee Co-Chair
Sen. Edgar Allen
Sen. Curtis S. Bramble
Rep. Trisha Beck
Rep. David L Hogue
Rep. David Litvack
Rep. Rebecca Lockhart
Rep. Carl S. Saunders
Rep. Matt Throckmorton

Member Excused: L. Steven Poulton

Staff Present: Spencer C. Pratt, Legislative Fiscal Analyst
Thor Nilsen, Legislative Fiscal Analyst
Norda Shepard, Secretary

Public Speakers Present: Rod L. Betit, Executive Director, Department of Health
Chad Westover, Director, CHIP
Robin Arnold-Williams, Director, Department of Human Services

Visitors List on File

Committee Co-Chair Steele called the meeting to order at 2:21 p.m.

Copies of a letter from the James Olsen, Utah Food Industry Association, regarding his testimony on 1-10-02 were distributed to committee members.

Co-Chair Steele stated that the process for today will be that of finalizing a recommendation to Executive Appropriations. The Executive Appropriations Committee will then take that recommendation, accept, modify, reject, or utilize other options they have available to them. He stated they will also look at additional recommendations if, for whatever reasons, additional funding becomes available. He explained that if there needs to be a code modification by anything that is suggested by either this subcommittee or the Executive Appropriations Committee, then legislation will be drawn.

1. Voting on Department of Health

Rod L. Betit, Director, Department of Health, stated that the Department would recommend that the revised recommended reductions that were distributed and discussed on January 14 be adopted. He said there were a couple of things that would be helpful if that motion occurred. He stated the if additional funds are found, his prime concern would be in restoring funding for the pharmacy piece. He stated he wanted to clarify his comments reported in the news media with respect to employee furloughs. He said he was not recommending furloughs for his department, but his statement was that he felt the Legislature should deal the same way with that issue with all state

employees.

MOTION: Rep. Seitz moved to adopt the budget revision for the Utah Department of Health FY2002 budget appropriations as reflected in the fiscal analysts' revised recommendations, developed in consultation with the Department, that were presented to the subcommittee on January 14, 2002.

Rep. Saunders and Rep. Beck stated they would vote for the motion but had strong concerns that needed to be addressed later.

After committee discussion, the motion passed unanimously with Sen. Bramble and Rep. Throckmorton absent at the time of voting.

MOTION: Rep. Seitz moved that a recommendation be made to the Executive Appropriations that, in the event additional funds become available, restoration for Medicaid seven prescription limits be considered.

The motion passed unanimously with Sen. Bramble and Rep. Throckmorton absent at the time of voting.

MOTION: Sen. Allen moved that \$750,000 be applied to CHIP to remove the enrollment cap.

Rep. Saunders asked if the 200% poverty level could be lowered. Mr. Betit responded that doing so would reduce the number of children who could be served. It would bring it down closer to Medicare. He stated their goal was to serve children up to 200% of poverty who otherwise would not have access to medical care. Chad Westover, Director, CHIP, answered questions from the committee concerning the new co-pays. He indicated the co-pays were initiated on several services that previously did not have co-pays. There is now a \$5 or \$10 office visit co-pay, depending on family income. There will also be new co-pays on lab work and x-rays. He said co-pays are regulated by federal statute.

SUBSTITUTE-MOTION: Rep. Beck moved to amend the original motion to restore \$1,750,000 to CHIP to remove the enrollment cap and restore dental coverage.

The substitute-motion passed with Sen. Steele, Sen. Allen, Rep. Beck, Rep. Hogue and Rep. Litvack voting in favor and Rep. Seitz, Rep. Lockhart, and Rep. Saunders voting in opposition, with Sen. Bramble and Rep. Throckmorton absent at the time of voting.

MOTION: Rep. Litvack moved to recommend to Executive Appropriations that, if funds become available, the hospital co-pay be eliminated.

The motions passed with Sen. Steele, Rep. Seitz, Rep. Beck, Rep. Livack and Rep. Lockhart voting in favor, and Sen. Allen, Rep. Hogue and Rep. Saunders voting in opposition, with Sen. Bramble and Rep. Throckmorton absent at the time of voting.

Rep. Saunders stated he would like to challenge the legality of using tobacco settlement funds in a manner other than appropriate tobacco programs. He read from the code. Sen. Steele indicated that during the special session a settlement was made to deal with attorney fees which freed up funds. Sen. Steele stated the chairmen would direct the legal department in Legislative Research to have a legal opinion on tobacco money attached with our discussion.

2. Voting on Department of Human Services

Robin Arnold-Williams, Director, Department of Human Services distributed a handout based on discussions

yesterday on some of the options presented. She stated they had three recommendations listed on the handout for redirecting funds across the department. Those included increasing the check processing fee in Office of Recovery Services to \$5 per check up to a maximum of \$10 per month, taking \$100,000 of the incentive money from Office of Recovery Services for use elsewhere in the Department, and adopting Item #3 on Division of Services of People

with Disabilities that was included in yesterday's handout from the analyst. She also recommended that intent language be adopted that would direct the non-lapsing balance in the Division of Aging and Adult Services be directed to in-home services. She indicated that if TANF funds become available, they would recommend they be directed to mitigate the impact of FACT by funding the flexible funds used by Local Interagency Councils. She said these recommendations do not make the department whole by any means, but they do address some of the critical areas and redirect some of those funds.

Rep. Hogue suggested that the chairs meet with the chairs of the Commerce and Revenue Appropriations Subcommittee and collaborate with them to identify available funds related to issues that cross lines. He said he feels it is important that we state our positions and discuss issues with them and also have up to date information on what funds they have. Ms. Arnold-Williams stated there are some areas that cross over and they would be happy to participate in a meeting of this kind.

MOTION: Sen. Allen moved to adopt the fiscal analyst's recommended FY 2002 budget reductions for the Department of Human Services as shown in the table on Page 4 of the analyst's report with distribution as shown in the tables on pages 10,13,15,19,22,25,28 and 32, as revised by the supplemental appropriations presented by the Department of Human Services.

Analyst Thor Nilsen pointed out that a correction should be made by taking \$15,000 from the one time general fund in the Division of Mental Health on page 15 and increasing by \$15,000 one time general fund to the Division of Substance Abuse on page 19.

The motion passed unanimously.

MOTION: Rep. Hogue moved that Intent Language be developed to reference authority to keep the \$100,000 incentive money from the Office of Recovery Services for interdepartmental redirection within the Department of Human Services.

The motion passed unanimously.

MOTION: Rep. Saunders moved that a recommendation be made to the Executive Appropriations Committee that if funds become available, \$100,000 be funded to restore the Meals-on-Wheels program and make it whole.

The motion passed unanimously.

Sen. Allen asked for clarification of what cuts are now existing with FACT. Ms. Arnold-Williams answered that it is a significant amount of money and is serious. She said this is not just a Human Services issue, but a Health Department issue, a Public Education issue, as well as Work Force Services. All of these are facing reductions. Mr. Nilsen indicated that the total proposal originally was for \$716,000, with the majority of it coming from Human Services. That would double for the FY 2003 year if the full amount was taken out.

MOTION: Sen. Allen moved that \$150,000 be placed back into FACT and intent language be prepared that would recommend that the Executive Appropriations find funds in the other departments that are similarly affected to accomplish similar assistance in those other areas.

After committee discussion a substitute motion was made.

SUBSTITUTE-MOTION: Rep. Saunders moved that a recommendation be made to the Executive Appropriations Committee to address the FACT program for funding restoration to help it remain viable.

Sen. Bramble asked where we expect to find additional funds and what is being accomplished in asking for more. Rep. Hogue stated we are expressing our priorities for funds that may become available.

Rep. Saunders summed up his motion by saying that historically analysts uncover some error or very often find additional money so it is not inappropriate to say where we would like to have the additional money applied.

The substitute-motion passed with Sen. Steele, Rep. Seitz, Sen. Bramble, Rep. Beck, Rep. Hogue, Rep. Lockhart, Rep. Saunders and Rep. Throckmorton voting in favor and Sen. Allen and Rep. Litvack voting in opposition.

MOTION: Rep. Seitz moved to approve the non-lapsing intent language as shown in items 2.11 through 2.15 on pages 7 and 8 of the Analyst's report for FY2002.

The motion passed unanimously.

Sen. Allen asked Mr. Arnold-Williams to respond on the Drug Court cuts. She said the Department believes in the Drug Courts. It is an important program. They have held back funds, not wishing to start serving new people if they were not going to be able to sustain them. She said it was simply a matter of not knowing if the money would be there.

MOTION: Rep. Seitz moved if funds become available to restore funding to restore provider reimbursement in the Department of Health.

The motion passed unanimously.

MOTION: Sen. Allen moved that a recommendation be made to Executive Appropriations that Drug Courts be made a priority.

After committee discussion, it was decided that a letter of request would be appropriate and Sen. Allen withdrew his motion.

Co-Chair Steele indicated that there would be no meeting on Wednesday as the chairs would be meeting with Executive Appropriations. He said it was possible that a meeting would be held on Thursday if directed by Executive Appropriations but it was doubtful. He said the committee should be prepared to start work on FY2003 next week.

Sen. Saunders asked who was going to take care of any statute or code changes that may need to be made. Co-Chair Steele said any necessary bills would be prepared by general counsel. He said he would take care of the Department of Health and Co-Chair Seitz would handle the Department of Human Services if committee members had questions or concerns in these areas.

MOTION: Sen. Bramble moved to approve the minutes of 1-10-02. The motion passed unanimously.

MOTION: Sen. Bramble moved to adjourn. The motion passed unanimously.

Co-Chair Steele adjourned the meeting at 4:00 p.m.

Minutes reported by Norda Shepard, Secretary

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Sen. David H. Steele
Committee Co-Chair

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Rep. Jack A. Seitz
Committee Co-Chair