

MINUTES OF THE  
JOINT HEALTH AND HUMAN SERVICES APPROPRIATION SUBCOMMITTEE  
Monday, January 23, 2006, 2:00 p.m.  
Room W125, West Office Building, State Capitol Complex

Members Present: Sen. Sheldon L. Killpack, Committee Co-Chair  
Rep. Merlynn T. Newbold, Committee Co-Chair  
Sen. Allen M. Christensen  
Sen. Gene Davis  
Rep. Bradley G. Last  
Rep. David Litvack  
Rep. Steven R. Mascaro  
Rep. Roz McGee  
Rep. Aaron Tilton

Members Excused: Sen. Chris Buttars

Members Absent: Rep. Paul Ray

Staff Present: William Greer, Legislative Fiscal Analyst  
Debbie Headden, Legislative Fiscal Analyst  
Norda Shepard, Secretary

Public Speakers Present: Rep. Eric Hutchings  
Lisa-Michele Church, Executive Director, Department of Human Services  
Alan Ormsby, Director, Division of Aging and Adult Services  
Karmen Sanone, Salt Lake County Aging Services  
Bill Cox, Rich County Commissioner, Utah Association of Counties  
Brent Kelsey, Deputy Director, Division of Substance Abuse and Mental Health  
Mark Brasher, Director, Division of Office of Recovery Services  
Shauna O'Neil, Chairman, Utah Area Agencies on Aging  
Jack Tanner, Executive Director, Utah Behavioral Healthcare Network  
Dr. Dallas Earnshaw, Director, Utah State Hospital  
David Gessell, Vice President, Utah Hospital Association  
Ross VanRanken, Director, University Neuro-psychiatric Institute  
Arm Earle, Salt Lake County Jail  
Phil Shumway, President, Utah Association of Community Providers  
Margaret Peterson, Executive Director, Youth Providers Association  
Mark Weisbender, Director, Youth Providers Association  
Rich Dimick, President Elect, Youth Providers Association

A list of visitors and a copy of handouts are filed with the committee minutes.

The meeting was called to order by Co-Chair Newbold at 2:11 p.m.

Co-Chair Newbold announced that Sen. Buttars was excused due to illness and that Rep. McGee was making a presentation in another committee but would arrive later.

**1. MOTION:** Sen. Christensen moved to approve the minutes of 1-18-06. The motion passed unanimously with Sen. Davis, Reps. McGee and Tilton absent for the vote.

**2. Department of Human Services - Division of Aging and Adult Services**

Alan Ormsby, Director, Division of Aging and Adult Services, stated that the Division of Aging and Adult Services is the smallest division within the Department of Human Services with a combined state and federal budget of about \$22

million. However, the responsibility is great and it is growing every year in line with Utah's rapid growth in the senior population. The DAAS partners with area agencies to provide critical services for Utah's seniors. He indicated that the "baby boomers" are beginning to turn sixty and become eligible for most of the services administered by DAAS. Today there are about 215,000 seniors in the state, By the year 2030, there will be 500,000 or more. This will bring a number of opportunities and challenges to the state. He said the Division is excited to prepare for that challenge and they are doing it efficiently and responsibly. He said the Division provides services that empower seniors to stay in their homes and be independent as long as possible. These services include transportation, in-home health services, care giver support and respite, chore services, congregate and meals-on-wheels and many others. He said the Division faced a special challenge this year with the Medicare Part D prescription drug program. The Division met with over 6,200 seniors to assist them in enrolling in Medicaid Part D.

Mr. Ormsby said the Division staff and the area agencies are devoted, hard working, and very responsible with the funding that is appropriated by the Legislature.

**a. Issue Brief - Aging Waiver and Alternatives**

Debbie Headden, Fiscal Analyst, stated that with the coming on of the "baby boomers" and increased growth in the aging population, we need to think of ways to make better use of resources and funding. One of those tools is the Aging Waiver and Alternatives Programs. Waiver programs are exceptions to the Medicaid plan which allow elderly individuals to live in their homes rather than skilled nursing facilities. The annual cost of the waiver is about \$4,900 annually versus \$23,900 for the skilled nursing facility. This is a significant difference. Last year the Legislature appropriated one-time General Fund to the DAAS to cover the change in rate from FY2004 to FY 2005. The Division is requesting that money be on-going so they can maintain the same level of support for these 206 individuals in this program. Administrative costs for the waiver program will increase due to the ratio change for Medicaid funding resulting in a request for \$144,600. They are also requesting \$23,900 to cover the increase costs of the waiver services.

Ms. Headden said the Alternatives Programs is similar to the Aging Waiver except it is for non-Medicaid eligible persons. The Division is requesting \$79,000 based on a 2 percent increase in the base in order to maintain the current level of support for about 25 individuals who want to remain in their homes. There is an applicant list under the Alternatives Program. Last year DAAS was unable to provide services for about 593 seniors. They are requesting \$200,000 to be able to allow 63 senior citizens to remain in their homes through the Alternative Program.

The Analyst recommends that a one-time appropriation of \$300,000 from General Fund be allocated to the Aging Waiver for FY 2007, and that the Subcommittee may want to prioritize the additional funding of \$447,500 for administrative costs, the increased costs of services for both the Waiver and Alternatives Program and the Alternative Applicant List.

Mr. Ormsby states these costs are increasing because they are serving far more acutely ill people. He stated it is a good value for the state because the costs are so much lower than having these people placed in skilled nursing facilities. He said the Division would like to see that funding be made on-going as the governor has recommended.

**b. Issue Brief - Transportation Costs**

Ms. Headden stated the Area Agencies on Aging (AAA) has experienced an increase in transportation costs because of fuel prices. They transport about 1,200 senior citizens to medical visits, senior citizen centers, shopping, etc. They are requesting \$119,900 to cover fuel costs just to meet their transportation budget. The Analyst recommends that the Subcommittee may want to prioritize this request for FY 2007.

**c. Issue Brief - Meals Costs**

Ms. Headden stated the AAA's, under the DAAS, provide both congregate and meals-on-wheels for senior individuals. They are requesting funding for three items relating to meal costs: (1) The increased cost of food. They are requesting a 2.5 percent increase based on the Consumer Price Index which amounts to \$52,500 (2) \$62,500 for the increase in transportation costs for delivering meals-on-wheels because of increased fuel costs. (3) \$200,00 for the expansion of services in the rural communities from three days a week to four days a week in four areas of the state.

The Analyst recommends that \$115,000 from the General Fund, which is on-going money, be appropriated for FY 2007 meal costs. In addition, the Subcommittee may want to consider prioritizing the remaining \$200,000 for program expansion.

Mr. Ormsby stated this \$115,000 should be sufficient to maintain the program at the current level. However, if gas prices spike again, there will be a reduction in services. Without the \$115,000 it is estimated that 11,600 meals to about 98 seniors and about 10,000 congregate meals to 256 seniors would be eliminated.

**d. Issue Brief - Ombudsman Program Trainer**

Ms. Headden stated that as the population of senior citizens continues to grow the role of the long-term ombudsman program becomes more acute. They have the responsibility of promoting, advocating, and ensuring the adequacy of care received, and the quality of life experienced by elder residents in long-term care facilities within the state. The DAAS is requesting funding for one FTE to be dedicated to training individuals, not only in long-term care facilities, but also volunteers to work with the elderly. The Analyst recommends that the Subcommittee may want to prioritize this request for funding of \$55,800 for an ombudsman trainer.

**e. Issue Brief - Caregiver Respite Care**

Ms. Headden explained that the respite care program helps to provide relief for care givers of elderly spouses or parents. This is often a very exhausting and demanding task. In addition, supplemental services are provided to modify their homes to allow the seniors to stay in the home, such as ramps or safety bars. The annual cost of respite care is about \$1,500 and the annual cost of supplemental services is about \$300. In the past DAAS has been unable to provide services to about 312 care givers because of lack of funding. This request would allow 56 individuals to access respite care. The Division is requesting an appropriation of \$100,800 from General Fund. The Analyst recommends that the Subcommittee may want to prioritize this request.

Mr. Ormsby said that this program is another of those programs which is an extremely good value for the state. If we can support informal caregivers, they will often be able to keep that senior in their own home and avoid the costs of a skilled nursing facility.

**f. Issue Brief - Vehicles**

Ms. Headden said the AAA's transport elderly citizens throughout the year. The DAAS is requesting one-time funds of \$542,000 for the purchase of 17 new vehicles. The chart on the Issue Brief indicates the number requested for each region. With these 17 new vehicles, their fleet would total 103. The Analyst recommends that the Subcommittee may want to prioritize this request for FY 2007. The Subcommittee may want to consider allowing either by statute or through intent language non-lapsing authority to the Division of Aging and Adult Services for one-time expenditures.

Mr. Ormsby stated that transportation issues for seniors is an extremely important one and one that seniors care deeply about. This request is to add to the fleet. He said he wanted to make it clear that the vans that are being requested are not 15-passenger vans but mini vans, which are easier for seniors to get in and out of and are safer as well.

**g. Issue Brief - Senior Center Renovations**

Ms. Headden said the AAA is requesting one-time funding for the renovation of 23 senior citizen centers. In the Utah code they are allowed to request appropriations for the alteration, renovation, or improvement of an existing facility with a 25 percent match from the local providers. This request represents 75 percent of the total funding that would be needed. The Analyst recommends that the Subcommittee may want to prioritize this request for one-time funding of \$791,300 for the renovation of the senior citizen centers. There may also be a consideration to allow non-lapsing authority to the Division of Aging and Adult Services for one-time expenditures either through statute or intent language.

Karmen Sanone, Salt Lake County Aging Services, answered questions regarding the history of funding for senior center renovations. She explained that in the mid nineties legislation was passed for \$100,000 for senior center

renovations. A requirement is that the local agency must come up with a 25 percent match. She said they have not received anything within the past four years.

Mr. Ormsby stated that there is some time to prepare for the anticipated growth in the senior population. He said the Commission on Aging began on July 1, 2005, and has been asked to be proactive to help create a plan for the Division to prepare for the next 20 to 25 years growth.

### **3. Utah Association of Counties**

Commissioner Bill Cox, Utah Association of Counties, thanked the committee for the opportunity to speak to them. He said that the services provided by the Division of Substance Abuse and Mental Health and the Division of Aging and Adult Services are provided on a local level making the local providers partners with the state. As the numbers needing this service continues to grow and services are not available, it is the local providers who must try explain to someone why services cannot be provided to a parent, son or daughter. The State and local governments both rely on the federal government to partner with them to help provide the services, and when the federal government makes cuts, then services must be reduced. He said we need to look at where our dollars are going and find ways to put some in the front end to save millions in the back end.

He said the Drug Courts are a good example of this. The allocation is \$1.7 million for 805 individuals. If we can get them into drug court it is about \$4,200 a year per person, yet if they are incarcerated, it is \$26,000. This equates to \$3.3 million for drug court or \$20 million if incarcerated. He said even though the economy has been good and the state has done well this year, this is not reflected in county budgets. Many have had to raise taxes and are at their limit while expenses continue to rise. He gave an example of the senior center in Rich County where in 2000 the heating bill per month was \$566 and for December of 2005, it was \$1,466.

The county agencies have listed priorities they feel need addressing. They would like to see the Medicaid waivers, home and community based waivers and the aging waiver be on-going. They are concerned with the cost of congregate and meals-on-wheels, nursing shortages, respite care support, and transportation costs. All of these need additional funding to maintain or services have to be reduced. He stated the restoration of the 30 beds at the Utah Hospital is very necessary as there is a great shortage of bed for mental health patients. These patients are now being put in prison or sent to facilities in surrounding states.

He said the Drug Courts should be seriously looked at. This is one of the good things going. It is actually a program that works. He encouraged subcommittee members to take the opportunity to attend a drug court if they have not done so. He said that if the requests that have been asked for today and last Thursday could be appropriated, we could maintain a level of services. He said he was begging as a representative of the Utah Association of Counties because they just cannot keep up with the needs that are out there. Property and sales taxes just cannot do it alone.

In answer to subcommittee questions concerning the growing meth problem, Brent Kelsey, Deputy Director, Division of Substance Abuse and Mental Health, said that 52 percent of the participants in drug treatment programs are using meth. He said they are also finding that meth users require a longer stay in treatment. Most of the programs were designed for 9 to 12 months. The meth addicts are staying in the programs up to 18 to 24 months thereby increasing the costs.

### **4. Department of Human Services - Office of Recovery Services**

Mark Brasher, Director, Office of Recovery Services, thanked the committee for their support and for the opportunity to address them. He distributed a handout on ORS' budget return on investments and managing public assistance costs. He stated his division was not coming for building blocks or supplementals because performance in incentive measurements made possible no additional funding. He said he would talk about ORS' accomplishment, challenges for the future, and the legislative audit. The ORS has an outstanding, staff that provides one of the finest child support enforcement services in the nation. The office serves 243,000 individuals, of which 110,000 are children. He stated this is a wise investment and one that will continue to be fruitful for the state of Utah.

He discussed the figures included on the handout. From a total budget from state and federal contributions of \$44.1

million, \$52 million was returned to state and federal governments. That does not take into consideration the \$132 million that was passed on to families with children. In addition to collecting child support, ORS also collects Medicaid expenses.

Mr. Brasher said one challenge for ORS is the most recent development of federal participation where the federal government will no longer allow using federal incentive funds for state matches. This will result in a \$6.6 million loss of federal money effective October 2007. Another challenge is the mandate on system technology and additional requirements that come with those mandates requiring program changes on their system and distribution rules. They also have a challenge with employee retention and managing growing case loads with the same number of staff.

Mr. Brasher said the legislative audit was a positive experience, stating the Legislative Auditor Darren Marshall and his staff were very fair, very objective, and conscientious in their efforts to understand child support and the complexities of the program. The auditor made four recommendations: (1) that the Legislature provide more tools (2) that the tools currently available be utilized more aggressively; (3) to evaluate the use of the attorney general staff; and (4) to eliminate IV-A debt.

#### **a. Issue Brief - Leases**

Ms. Headden explained that the Office of Recovery Services currently has had a renewal on three leases for FY 2006 and FY 2007. The square footage did not change but the rates did. For FY 2006 the rates change was \$74,800 and for FY 2007, it was \$125,900. The Analyst recommends that funding in the amount of \$125,900 be appropriated for FY 2007, \$26,100 from general fund, \$93,600 from federal funds, and \$6,200 for Medicaid federal funds. In addition, a supplemental appropriation for FY 2006 of one-time general funds of \$15,500, federal funds of \$55,600, and Medicaid funds of \$3,700 for a total of \$74,800.

Mr. Brasher answered questions regarding raising fees to offset the impact of federal changes. He said fees can be used to mitigate the impact but the most that could be expected to gain would be around \$1.2 million in fees before it became a point of having prohibitive fees.

Lisa-Michele Church, Executive Director, Department of Human Services, said she had the information requested regarding DCFS and the Title IV-E funding cuts. She indicated 100 home workers would be cut. She said she would distribute that to subcommittee members. Co-Chair Newbold also asked Ms. Church to come prepared with a priority list taking into account the loss of the \$20 million federal funding.

#### **5. Adoption of Intent Language for the Department of Human Services**

Co-Chair Newbold announced that the adoption of intent language for the Department of Human Services would not be adopted today but would be moved toward the end of the meeting schedules when the budgets are finalized.

#### **6. Private and Medicaid Providers**

Ms. Headden distributed a handout, "COLA and Maximum Allowable Rates (MARs)" and said it would help to understand the difference between COLA's and the MARs. She said there are currently five divisions in the Department of Human that work with contracts with local service providers. Contract rates are based on the MARs and these rates are adjusted annually based on the US Department of Labor Statistics Consumer Price Index. Many of the increases in contract rates are directly linked to Legislative appropriations for the Cost of Living Adjustments (COLAs).

Shauna O'Neil, Director, Utah County Aging Services and President of the Utah Area Agencies on Aging, distributed two handouts, "Utah Seniors' Issues" and "Utah Association of Area Agencies on Aging Funding Priorities." She said she would like to emphasize the concern the agencies are having with the growth of the "baby boomers." However, her agencies also see them as a wonderful resource for volunteers. In Salt Lake County they use 5,000 volunteers a year to augment paid services and most of them are between the ages of 60 to 75. She said the object of their services is to have the families involved and try to allow people to stay at home. They do not provide high tech services but simple things like transportation, meals, the minimum efforts for people to stay at home. She indicated inflation is hitting the

agencies hard, especially with higher food and transportation costs due to fuel increases.

Jack Tanner, Executive Director, Utah Behavioral Healthcare Network, distributed a handout on the background and recommendations for funding requests. He said he would like to commend the leadership at the Department of Human Services and the Division of Substance Abuse and Mental Health. They are an outstanding team and have the full support from the Network. He stated that substance abuse treatment restores people to productive lives and money for Drug Courts is money for treatment. It also provides a superb return on investment. He indicated that a small percentage of really sick people require intensive in-patient treatment and stabilization but there are not enough adult beds at the Utah State Hospital to meet the needs. Because of this shortage, the pressure backs up on other emergency room and psychiatric beds in hospitals. He said the cause for the increased demand for psychiatric beds are: (1) insufficient resources for community treatment (2) funding for community services has not kept pace with population growth and inflationary costs; and (3) changes in funding for non-Medicaid consumers. His funding recommendation would be to fully fund the 30 beds at the Utah State Hospital, to fund \$2 million ongoing for treatment of uninsured clients, a COLA for Substance Abuse and Mental Health equal in percentage to that granted to state employees for salaries and benefits, and funding for Drug Courts and the DORA pilot.

Dr. Dallas Earnshaw, Director, Utah State Hospital, stated that because of fixed operational costs on each unit it is difficult to cut the cost of a 30 bed unit by half. For example, staffing can't be cut in half when you have one registered nurse operating a unit with 30 patients. If you cut that to 15 patients, you still need the registered nurse. Some clinical staff can be cut but it would not be a 50 percent cut.

Rep. Eric Hutchings stated his bill is still in process but he wanted to take an opportunity to call attention to a couple of things. He stated he is running legislation based on information given at the last NCSO conference. He said it drew his attention to the fact that we have more and more people entering the senior population. He said it is estimated that in the next 15 years we will have one out of every two homes with an aging parent living with another family member. He stated plans need to be made, especially from an appropriations standpoint, on how this population growth will be handled.

David Gessell, Vice President, Utah Hospital and Health Systems Association, introduced Ross Van Ranken, the director of the University Neuro-psychiatric Institute and asked that he share part of his time. Mr. Gessell distributed a handout containing an alternate proposal for the adult 30 bed building block at the Utah State Hospital. He said the association support the \$2 million on-going funding request for these beds. He stated there has been a very heavy impact on emergency rooms across the state when federal funding was cut. At Lakeview Hospital, for example, they went from about 800 mental health crisis patients to over 1200 in the last year.

Mr. VanRanken stated there are 90 beds at the Neuro-psychiatric Hospital and 28 beds at the University Med Center. This is a reduction from the 1,000 psychiatric beds that were in operation 1990. Of the 153 bed in Salt Lake and Bountiful, the University has 118. They have become the backstop for the community in terms of absorbing the emergency mental health crises patients seen in the community. Currently they are seeing about 60,000 crises calls a year, which is about 20 percent of the people coming to ER. The University also provides crises coverage for all non IHC facilities in Salt Lake. Without enough beds, a lot of people are being sent out on the streets who can become a public safety concern. He supports the funding for the 30 bed building block.

Amy Earle, Senior Discharge Planner, Salt Lake County Jail, said she appreciated the opportunity to come and present. She stated she is charged with the responsibility of educating all inmates who are diagnosed with serious mental conditions when they are discharged to know what they need to do to continuing receiving needed mental health services. She indicated that many of the people who cannot be admitted to hospitals end up in the jail, making the jail the largest defacto mental health treatment facility in the state. The average population in the Salt Lake County jail is about 2,000, with about 400 receiving mental health medications. They receive limited treatment while incarcerated but once they are released, they are unable to receive treatment in the community because they are unfunded. They soon return again. It becomes a revolving door.

Phil Shumway, President, Utah Association of Community Services, distributed a fact sheet. He thanked the committee for the 2 percent COLA from last year. The Utah Association of Community Services is an association made up of 44 Utah based small businesses that contract with the Division of Human Services to provide services.

These businesses employ 4,500 people and have responsibility and care of approximately 4,000 persons with developmental disabilities. Business expenses continue to rise in all businesses. Meaningful wages need to be achieved in order to maintain employees. Without ongoing COLA's, businesses cannot address wage issues. He said minimum appropriation of \$674,500 would equal a 2.5 percent COLA. He also requested \$750,000 directed to benefit costs.

Margaret Peterson, Executive Director, Youth Providers Association, distributed a handout and introduced President Mark Weisbender and President-Elect Rich Dimick. Ms. Peterson expressed appreciation to Lisa-Michele Church and Richard Anderson for their support of providers. She discussed the graphs included on the handout. The graphs indicate the provider rate increase for a 7 year total is 3.47 percent while business costs have risen 31 percent. Provider average wages are 37 percent below the average Utah wage.

Mr. Weisbender also expressed thanks to Ms. Church and Mr. Anderson for working closely with the association and sharing concerns. He stated he would rubber stamp what has been said previously concerning the cost of running business, the availability of services, low wages and employee retention. The Youth Providers are front line service providers to at-risk youth and their families. They see directly the impact that legislation and funding has on these families in their ability to receive services.

Mr. Dimick, stated that in 2004 they are able to provide health insurance benefits to 30 of their 100 employees. In 2005, that number was cut to 14. If this year's requested COLA is not received all benefits to all employees will have to be cut. He stated he did not know how many providers could survive one more year with an increase. If something is not done, providers will not be able to afford to provide services for Utah Youth.

#### **7. Other Committee Business**

Co-Chair Newbold announced that advocacy and public testimony would be heard at the next committee meeting on Wednesday, January 25, and reminded everyone that due to space requirements that meeting will be held in Room W135.

**MOTION:** Sen. Christensen moved to adjourn. The motion passed unanimously.

Co-Chair Newbold adjourned the meeting at 4:58 p.m.

Minutes reported by Norda Shepard, Secretary

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Sen. Sheldon L. Killpack  
Committee Co-Chair

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Rep. Merlynn T. Newbold  
Committee Co-Chair