

MINUTES OF THE
JOINT HEALTH AND HUMAN SERVICES APPROPRIATION SUBCOMMITTEE
Monday, February 6, 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. Paul Ray
Rep. Aaron Tilton

Members Excused: Sen. Chris Buttars

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

Public Speakers Present: Michael Hales, Acting Director, Division of Health Care Financing
Dr. David N. Sundwall, Executive Director, Department of Health
Mark Ward, Deputy Director, Department of Human Services
Lisa-Michele Church, Executive Director, Department of Human Services

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

The meeting was called to order by Co-Chair Killpack at 2:13 p.m.

1. H.B. 22 Utah Child Abuse Prevention Board (Rep. P. Ray)

Rep. Ray said this bill would turn the Children's Trust Account in to a true Trust Fund and create a board to run the trust fund. The fiscal note on the bill is \$189,000. This will be turned over to the Department of Health and hopefully will decrease the case load at the Division of Child and Family Services. The goal of the board is to prevent child abuse. He said it is estimated that every dollar put into prevention, creates a saving of \$25 to \$35 per child. He explained that only 10 percent of the funds from the trust would be expended to run the board. This will sunset in three years.

2. Approval of Fees - Department of Health

Analyst Greer outlined the fee changes for the Department of Health. He explained that most increases were to more fully recover the cost of the tests.

MOTION: Sen. Christensen moved to approve the Adjusted Fee Schedule for the Department of Health included under Tab 6, Issue Brief 07-01 in the Budget Analysis binder.

The motion passed unanimously with Sen. Davis absent for the vote.

3. Adoption of Intent Language - Department of Health

Analyst Greer explained that the only change to the Intent Language from previous discussions was adding language for assistance for people with bleeding disorder to the supplemental for FY 2006 as well as for FY 2007.

In answer to committee questions, Michael Hales, Acting Director, Division of Health Care Financing, stated that the Intent Language for the Division would attempt to receive approval from the federal government to take money not appropriated by the state, such as private donations, and use that to draw down federal matching dollars to provide optional services. Dr. David N. Sundwall, Executive Director, Department of Health, said that some states have been very creative in what they have done in an attempt to draw down federal grants. Utah has always been conservative and wants to remain in good standing. This Intent Language would give the Department the authority to explore other options.

MOTION: Sen. Davis moved to approve the following Intent Language for the Department of Health:

Health Systems Improvement - FY 2007

It is the intent of the Legislature that the fees collected for the purpose of plan reviews by the Bureau of Licensing be considered nonlapsing.

It is the intent of the Legislature that civil money penalties collected for child care and health care provider violations be considered nonlapsing.

It is the intent of the Legislature that funds for the Primary Care Grants Program be considered nonlapsing.

It is the intent of the Legislature that funds appropriated for assistance for people with bleeding disorders be considered nonlapsing.

Community and Family Health Services - FY 2007

It is the intent of the Legislature that the funding for alcohol, tobacco, and other drug prevention reduction, cessation and control programs be considered nonlapsing.

Health Care Financing - FY 2007

It is the intent of the Legislature that the Division of Health Care Financing within the Department of Health use part of this appropriation to:

(1) determine the feasibility of developing and submitting a Medicaid waiver to the Secretary of the United States Department of Health and Human Services which would allow the state to match federal Medicaid funds with funds provided by private nonprofit charities for the delivery of optional Medicaid services; and

(2) prior to November 30, 2006, report to the Legislature's Executive Appropriations Committee and the Legislature's Interim Health and Human Services Committee regarding the feasibility of the waiver and any proposed amendments to the state Medicaid plan to implement the Medicaid waiver.

Health Systems Improvement - FY 2006

It is the intent of the Legislature that funds appropriated for assistance for people with bleeding disorders be considered nonlapsing.

Epidemiology and Laboratory Services - FY 2006

Under the terms of UVCA 63-38-8.1, the Legislature intends to make nonlapsing item 92, Chapter 8, Laws of Utah 2005. Expenditure of these funds is limited to \$200,000 for laboratory equipment, computer equipment, and/or software, and building improvements.

The motion passed unanimously.

4. Approval of Intent Language - Department of Human Services

Analyst Headden explained the Intent Language for the Department of Human Services. There are six proposed for FY 2007 and one supplemental for FY 2006. After committee discussion, it was suggested to add Intent Language concerning issues for substance abuse and mental health for persons with hearing disabilities to the Analyst's recommended list, updating the date.

MOTION: Rep. Litvack moved to approve the following Intent Language for the Department of Human Services:

FY 2007 Intent Language:

It is the intent of the Legislature that funds appropriated to the Office of Technology in the Executive Director Operations budget for e-REP enhancements are nonlapsing.

It is the intent of the Legislature that funds appropriated to the Office of Recovery Services for e-REP enhancements are nonlapsing.

It is the intent of the Legislature that the Division of Services for People with Disabilities (DSPD) use nonlapsing funds carried over from FY 2006 to provide services for individuals needing emergency services, individuals needing additional waiver services, individuals who turn 18 years old and leave state custody from the Divisions of Child and Family Services and Juvenile Justice Services, and individuals court ordered into DSPD services. DSPD will report to the Office of Legislative Fiscal Analyst on the use of these funds.

If funds are available, the Division of Aging and Adult Services is authorized to not lapse up to \$100,000 at the end of FY 2006. These funds are to be used for senior center renovations and to assist with vehicle maintenance and replacements within local area agencies on aging.

It is the intent of the Legislature that funds appropriated for Drug Courts and Drug Boards from the Tobacco Settlement Restricted Account for FY 2006 be non-lapsing.

It is the intent of the Legislature that funds appropriated for the Adoption Assistance program and the Out of Home Care program in the Division of Child and Family Services not lapse at the end of FY 2006. It is further the intent of the Legislature that these funds be used for Adoption Assistance and Out of Home Care programs.

It is the intent of the Legislature that the Division of Substance Abuse and Mental Health, in consultation with local mental health and substance abuse authorities and their providers, the Robert G. Sanderson Community Center of the Deaf and Hard of Hearing Programs within the Utah State Office of Rehabilitation, and others, identify critical issues related to the delivery of substance abuse and mental health services to persons with a hearing disability and report on those issues to the Health and Human Services Joint Appropriations Subcommittee and the Health and Human Services Interim Committee before October 1, 2006.

FY 2006 Supplemental Intent Language:

If funds are available, the Foster Care Citizens Review Board is authorized to not lapse funds at the end of FY 2005. These funds are to be used solely for one-time development, maintenance, and upgrading of

computer software and equipment and for recruitment, training and retention of volunteers.

5. Adjustments to Base Budget - Department of Health

Analyst Greer distributed a sheet summarizing the adjustments to the base budget which included corrections, transfers, and adjustments made since S.B. 1. The adjustments total \$87,900.

MOTION: Sen. Davis moved to approve the adjustments to the Base Budget for the Department of Health of \$87,900.

The motion passed unanimously.

6. Adjustments to Base Budget - Department of Human Services

Analyst Headden distributed suggested motions regarding the base budget adjustments for the Division of Human Services. She explained that the Division of Child and Family Services is requesting to expand their motor pool by seven vehicles which would require Legislative approval. The second motion relates to adjusting entries that are not state funds with a reduction of \$915,000 to the base budget for the Department of Human Services. Rep. Newbold asked the Department about requesting seven vehicles in light of the federal budget cuts.

Mark Ward, Deputy Director, Department of Human Services, stated the Department has a building block requesting twenty additional case workers to meet the standards recommended by the Legislative audit and the additional vehicles would be needed for those case workers. He said the source of funding for these vehicles would be from nonlapsing funds and would be used only in the event funds are available.

MOTION: Sen. Christensen moved to allow the Division of Child and Family Services in the Department of Human Services to expand their state motor vehicle fleet by up to seven vehicles for FY 2007 based on available resources.

The motion passed with Rep. Newbold voting in opposition.

MOTION: Sen. Christensen moved to approve the adjustments to the base budget for the Department of Human Services with a deduction of \$915,000.

The motion passed unanimously.

7. Prioritization and Budget Finalization - Department of Human Services

Analyst Headden distributed the priority list in order as voted by the subcommittee. She explained that different dollar figures were given by different members so that would be up for discussion. She said that Item 9, FY 2007 On-going for Non-Medicaid Mental Health, and Item 10, DSPD Additional Waiver Services, had the same rating. Also, Items 16, Domestic Violence, and Item 17, ORS Lease Increases had the same rating. In the Department of Health, Item 1, Health Baby Watch and Item 2, State Primary Care Grants had the same rating. Item 3, State Epidemiologist, and Item 4, Medicaid Utilization & Caseload had the same rating.

The subcommittee discussed the various rankings.

MOTION: Sen. Davis moved to move the Loss of Federal Funds to the number one position for the Department of Human Services.

The motion passed unanimously.

MOTION: Rep. Litvack moved to make the DSPD Waiting list \$3 million with added Intent Language that the

Division of Services to People with Disabilities use \$1,620,900 going to the most critical needs and the remainder to address other needs on the Waiting List.

SUBSTITUTE- MOTION: Sen. Davis moved to put the DSPD Waiting List at #2 position for \$1,620,900 and adding \$1,379,100 for the DSPD Non-Critical Clients (DSPD Waiting List into position #23).

The substitute-motion passed with Sen. Killpack and Reps. Newbold, McGee and Ray voting in opposition.

MOTION: Rep. Mascaro moved to move Adult Beds at the State Hospital to #3.

SUBSTITUTE-MOTION: Rep. Newbold moved to move Adoption Caseload to #3.

Lisa-Michele Church, Executive Director, Department of Human Services answered questions concerning the adoption caseload. She said some of these children are in high cost placements with complex issues with substance abuse, sex offender treatments, and other problems so the cost of placement for the same number of children has risen.

The substitute motion failed. The original motion also failed.

MOTION: Sen. Davis moved to adopt the priority list as amended and adding \$1,379,00 for additional funding for the DSPD Waiting List needs at #23.

SUBSTITUTE-MOTION: Sen. Christensen moved to adopt #1 through #6 and then have a discussion on the remaining list before voting on all of them.

The motion passed with Sen. Davis voting in opposition.

The subcommittee discussed the Children's Mental Health center expansion request presented by Dr. Douglas Goldsmith on Thursday.

MOTION: Rep. Mascaro moved to adopt Items 7 through 10, making #9 FY 2006 One-time for Non-Medicaid Mental Health \$2,000,000 as on-going.

Rep. Tilton asked the motion be divided.

The first part of the motion to adopt Item 7, 8, and 10 passed unanimously.

The second part of the motion to make #9, \$2,000,000 for FY 2006 One-time for Non-Medicaid Mental Health remain at #9 as on-going funds passed unanimously.

MOTION: Sen. Davis moved to keep FY 2006 One-time for Non--Medicaid Mental Health at #10 and place DSPD Additional Waiver Services at #9.

The motion passed with Sen. Killpack and Rep. Newbold voting in opposition.

MOTION: Sen. Christensen moved to adopt Items 12, 13, 15, 19, 20, and 21 in that order and add the remaining items in sequence.

Further discussion was held regarding the Children's Mental Health request. Ms. Church indicated it is a good program but was not in her budget request.

The motion passed unanimously with Rep. McGee absent for the vote.

MOTION: Sen. Davis moved to adopt the priority list for the Department of Human Services as amended as

follows:

1. Loss of Federal Funds	\$ 19,160,000
2. DSPD Waiting List	1,620,900
3. Drug Courts	1,479,000
4. Adult Beds at the State Hospital	1,550,100
5. Adoption Caseload	609,600
6. Out of Home Care (Foster Care) Growth	1,700,000
7. Meal Increases for Aging	115,000
8. DCFS Additional Caseworkers	1,258,700
9. DSPD Additional Waiver Services	599,800
10. FY 2006 One-Time for Non-Medicaid Mental Health	2,000,000
11. Nursing Recruitment & Retention at State Hospital	474,300
12. Aging Waivers & Alternatives	747,500
13. Nursing Recruitment & Retention at Developmental Center	47,600
14. Medication Costs at State Hospital	201,600
15. Medication Costs at Developmental Center	32,300
16. Transportation Increases for Aging	119,000
17. Children's Mental Health	500,000
18. Caregiver Respite Care	100,800
19. Domestic Violence	524,500
20. ORS Lease Increases	26,100
21. State Hospital Utilities Increase	169,200
22. Ombudsman Program Trainer	55,800
23. DSPD Waiting List	1,379,100
	<u>\$34,470,900</u>

The motion passed unanimously with Rep. McGee absent for the vote.

8. FY 2007 One-time Prioritization - Department of Human Services

MOTION: Rep. Last moved to to move the David C. Lawsuit Monitor to #1, DORA to #2 and the rest of the list as listed.

The motion passed unanimously with Rep. McGee absent for the vote.

MOTION: Sen. Davis moved to approve the FY 2007 One-time Prioritization for the Department of Human Services as amended as follows:

1. David C. Lawsuit Monitor	\$ 269,500
2. DORA	647,000
3. H.B. 31, Pilot Program for Supported Employment DSPD	150,000
4. Aging Waivers & Alternatives	300,000
5. FY 2006 One-time for Non-Medicaid Mental Health	2,000,000
6. Purchase of Vehicles for Aging	542,000
7. Senior Center Renovations	791,300
	<u>\$ 4,699,800</u>

The motion passed unanimously with Rep. McGee absent for the vote.

9. FY 2006 Supplemental One-time Prioritization - Department of Human Services

MOTION: Sen. Davis moved to approve the FY 2006 Supplemental One-time Prioritization for the Department of Human Services as follows:

1. Loss of Federal Funds	\$ 10,279,600
2. Out of Home Care (Foster Care) Growth	708,000
3. Adult Beds at the State Hospital	358,700
4. ORS Lease Increases	15,500
5. Nursing Recruitment & Retention at State Hospital	158,100
	<u>\$ 11,519,900</u>

The motion passed unanimously.

MOTION: Rep. Last moved to reconsider the vote on the Department of Human Services to change Non-Medicaid Mental Health to \$1,000,000 instead of \$2,000,000.

After committee discussion, Sen. Davis made a substitute motion.

SUBSTITUTE-MOTION: Sen. Davis moved to move on to the Department of Health.

The motion passed with Rep. Last voting in opposition.

10. Prioritization and Budget Finalization - Department of Health

Analyst Greer explained that Item #6 for Medical Inflation/Provider Reimbursements Rates for \$3,600,000 would give an additional 6 percent increase to physicians and dentists on top of the 2 percent covered in Medicaid inflation on S.B. 1. The subcommittee discussed the importance of increasing the reimbursements rate and gave directions to the chairs to emphasize the importance of this issue to Executive Appropriations.

MOTION: Sen. Davis moved to approve the priority list as compiled from the subcommittee priorities.

SUBSTITUTE-MOTION: Sen. Christensen moved to make Item 1, Medicaid Utilization and Caseload; #2, Medicare Part D Implementation; #3, Baby Watch/ Early Intervention, #4, State Primary Care Grants; and move #16, Medical Examiner, to #6, and the rest of the list falling in place as outlined.

The motion passed unanimously.

MOTION: Sen. Davis moved to adopt the priority list for the Department of Health as amended.

SUBSTITUTE- MOTION: Rep. Litvack moved to add H.B. 142, " Center for Multicultural Health - Duties" to the bottom of the list at #21, with an on-going fiscal note of \$150,000 and adopt the rest of the list as amended as follows:

1. Medicaid Utilization & Caseload	\$ 5,000,000
2. Medicare Part D Implementation	2,606,400
3. Baby Watch/Early Intervention	675,000
4. State Primary Care Grants	500,000
5. State Epidemiologist	210,000
6. Medical Examiner	110,000
7. Medical Inflation/Provider Reimbursement Rates	3,600,000
8. H.B. 288 Health Care Amendments for Foster Children	450,000
9. Utah Birth Defects Network	352,900
10. Restoration of Adult Dental	3,917,100
11. Obesity/Overweight Initiative (up to \$800,000)	800,000
12. Restoration of Adult vision	780,900
13. H.B. 24 Medicaid Child Dental Reimbursement	2,700,000
14. Medicaid Inflation for Dentists (10%)	909,300
15. HIV Medications	250,000

16. H.B. 276 Medicaid Covered at Work Premium Subsidies	535,000
17. Medicare Part D Eligibility Workers	60,000
18. Medicaid Inflation for Physicians (10%)	3,675,100
19. H.B. 144 Enforcement of Food Sanitation Rules	102,500
20. H.B. 197 Medicaid Resource Standards & Methodologies	990,900
21. H.B. 142 Center for Multicultural Health - Duties	<u>150,000</u>
	<u>\$ 28,375,100</u>

The substitute-motion passed unanimously.

11. FY 2007 One-time Prioritization - Department of Health

Analyst Greer explained that the \$319,900 for the Laboratory Equipment could be shifted from the current year from the Health Care Financing area and be taken off the list.

MOTION: Sen. Davis moved to remove Laboratory Equipment from the list and renumber the remaining list.

The motion passed unanimously.

MOTION: Sen. Davis moved to direct staff to place the \$319,900 for Laboratory Equipment in the appropriate line item and to include Intent Language to make it nonlapsing.

The motion passed unanimously.

MOTION: Rep. Tilton moved to approve the FY 2007 One-time Prioritization as amended as follows:

1. Consumer Healthcare Reporting	\$ 75,000
2. Nursing Home Funding	1,500,000
3. Restoration of Adult Dental	3,917,000
4. Restoration of Adult Vision	<u>780,900</u>
	<u>\$ 6,273,000</u>

The motion passed unanimously.

12. FY 2006 Supplemental One-time Prioritization

MOTION: Sen. Davis moved to fund the Medical Examiner at \$70,000 with one-time reallocation of \$70,000 from Health Care Financing and make the funds non-lapsing and remove from the priority list.

The motion passed unanimously.

MOTION: Rep. McGee moved to adopt the FY 2006 Supplemental One-time Prioritization as amended as follows:

1. Medicaid Utilization and Caseload	\$ 10,263,700
2. Medicare Part D Implementation	4,249,300
3. Medicare Part D Eligibility Workers	<u>60,000</u>
	<u>\$ 14,573,000</u>

The motion passed unanimously.

MOTION: Rep. Ray moved to reconsider the priority list for the Department of Health and add H.B. 22, Utah Child Abuse Prevention Board, for \$189,000 as Item #22.

The motion passed unanimously.

MOTION: Rep. Litvack moved to adjourn.

Co-Chair Killpack adjourned the meeting at 4:30 p.m.

Minutes reported by Norda Shepard, Secretary.

Sen. Sheldon L. Killpack
Committee Co-Chair

Rep. Merlynn T. Newbold
Committee Co-Chair