

MINUTES OF THE  
JOINT HEALTH AND HUMAN SERVICES APPROPRIATION SUBCOMMITTEE  
WEDNESDAY, JANUARY 28, 1998  
Room 403, State Capitol Building

Members Present: Sen. Howard Stephenson, Committee Co-Chair  
Rep. J. Brent Haymond, Committee Co-Chair  
Sen. Howard C. Nielson  
Rep. Jeff Alexander  
Rep. Loretta Baca  
Rep. Gene Davis  
Rep. Lloyd Frandsen  
Rep. Bryan D. Holladay  
Rep. Robert H. M. Killpack  
Rep. Richard M. Siddoway

Members Excused: Sen. Scott N. Howell

Staff Present: Spencer Pratt, Legislative Fiscal Analyst  
Thor Nilsen, Legislative Fiscal Analyst  
Bonnie Brinton, Secretary

List of Others Present on File.

Committee Co-Chair Haymond called the meeting to order at 2:15 p.m

Jessie Soriano, Chairman-Ethnic Health Advisory Commission, and Mili Peter, Chairwoman-Utah State Ethnic Councils, spoke in favor of funding of a survey of ethnic health issues. The governor has recommended \$185,000 for this survey.

**A. MOTION:** Rep. Siddoway moved to accept the minutes of January 26, 1998. The motion passed unanimously with Reps. Davis, Frandsen and Killpack absent for the vote.

**B. Vote on Budgets**

**1. Epidemiology and Laboratory Services**

The Analyst has recommended \$9,912,000 for this budget which includes the General Fund of \$4,371,600.

**MOTION:** Sen. Stephenson moved to adopt the Analyst's recommendation for the Epidemiology and Laboratory Service as stated. The motion carried unanimously with Reps. Davis, Frandsen and Killpack absent for the vote.

**2. Community and Family Health Services**

The Analyst has recommended \$71,111,000 for this budget which includes the General Fund of \$10,949,400. FY 1999 will be the final of four years for funding of 2<sup>nd</sup> dose MMR. The amount is \$250,000 and is recommended by the Analyst.

**MOTION:** Rep. Siddoway moved to adopt the Analyst's recommendation for the Community and Family Health Services as stated. The motion carried unanimously with Reps. Frandsen and Killpack absent for the vote.

**MOTION:** Rep. Davis moved to put the funding for the local health departments' Cost of Living Adjustment on the same basis as the increase on salaries for State employees and to put that amount on the B list. The motion carried unanimously with Reps. Frandsen and Killpack absent for the vote. The Executive

Appropriation has set aside 3% for state employees; a 3% increase for the local health departments would be \$46,500.

**MOTION:** Rep. Baca moved to put \$185,000 for the Ethnic Health Study on the A list. The motion failed in the Senate.

**MOTION:** Rep. Siddoway moved to put \$185,000 for the Ethnic Health Study on the B list. The motion carried unanimously with Reps. Frandsen and Killpack absent for the vote.

### **C. Budget Hearing: Department of Health - Health Policy Commission**

The Analyst is recommending a budget of \$412,300 of which \$312,300 if from the General Fund. This amount shows an increase of \$42,200 associated with personnel costs.

Patrick Johnson, Executive Director, Health Policy Commission recognized members of the Commission and expressed appreciation for their efforts. He acknowledged staff members and the support of the Health Data committee. Mr. Johnson listed the issues the Commission addressed and stated that 24,000 hours were spent on the work of this Commission in 1997.

Mr. Johnson also stated that the Health Policy Commission, at the charge of the Governor, developed the details of the Child Health Insurance Program (CHIP) and he was hopeful that the budgetary challenges associated with it could be resolved so that the legislation could go forward and the Health Department could implement the program in the Spring.

Rep. Alexander asked Analyst Spencer Pratt if he felt the legislature should be funding the Health Policy Commission. Mr. Pratt stated that he felt the Commission had not been as effective as it was originally envisioned to be. It has made significant steps and he didn't know if eliminating it would solve anything or if a larger budget would help promote the mission that the legislature envisioned for the Health Policy Commission.

Rep. Davis spoke in support of funding the Health Policy Commission.

Bill Crim, Utah Issues, spoke in support of funding the Health Policy Commission.

**MOTION:** Rep. Frandsen moved to include \$200,000 one-time money in the budget for Utah Statewide Immunization Information System on the B list. The motion passed unanimously.

### **D. Budget Hearing: Department of Health - Health Care Financing**

#### **1. Fiscal Analyst**

The Analyst is recommending \$42,805,900 for this division which includes \$8,955,800 from the General Fund and \$23,172,200 from federal funds. New federal regulations will require five additional FTE staff workers who determine Medicaid eligibility. The amount is \$271,800, with half coming from the General Fund and the remaining half coming from federal funds.

#### **2. Department of Health**

Michael Deily, Director, Division of Health Care Financing, introduced new staff members and states there were no major areas of disagreement with the Analyst's budget. Ron Betit, Executive Director, Department of Health, responded to questions from committee members regarding Medicaid and

Medicare, Nursing Home Services and Home Health Care.

**E. Budget Hearing: Department of Health - Medical Assistance**

**1. Fiscal Analyst**

The Analyst is recommending \$660,798,200 for this division which includes \$136,825,900 from the General Fund and \$469,266,700 from federal funds. There are increases recommended by the Analyst—the federal match rate change and inflation and utilization increases totaling \$7,133,100 in General Funds with a total increase of \$17,303,100.

**2. Department of Health**

Ron Betit, Executive Director, Department of Health, addressed key issues regarding the governor's budget for Medical Assistance. He explained to the committee that the analyst's recommendation could jeopardized the negotiations between the governor and the hospital association with such a reduction. He respectfully requested that the committee move quickly to get to Executive Appropriations, alert them that the Analyst's recommendation won't work and that the Subcommittee be given authority to restore this budget closer to what the governor's request was.

The main area of concern is the Analyst's recommendation which reduces the General Fund portion of the Medical Assistance budget by \$3.5 million. This reduction also affects the Federal fund level, reducing it by almost \$9 million.

Analyst Spencer Pratt stated that this budget does not address CHIP. There is no reference in the Analyst's budget to the CHIP program. The CHIP program is going to be promoted as a bill and both the State funding match and the Federal funds that are made available, will be part of the fiscal note attached to that bill. He stated that he has to construct a budget according to current laws. The law states that there will be no hospital tax on July 1, 1998. What the governor has done in his negotiations with the hospital association does not alter the fact that the law states that the hospital tax will no longer be effective on July 1<sup>st</sup>. It will take an act of the legislature to reinstate that or to make it a permanent tax and to hook it up with CHIP. It also is going to take an act of the legislature to authorize the CHIP program.

Mr. Betit stated that he agreed with the analyst, and that is why his department packaged it so that none of the pieces would get lost in the process. The danger is that being bound by limitations, it will not be treated as a package.

Kim Hood, Policy Analyst, Governor's Office of Planning and Budget, clarified line H-9 on the Budget Bulletin showing the ongoing Base Savings. The methodology of showing that those new Medicaid children that are on line H10 would have their General Fund allocation come from the base savings within the Medicaid program. It appears as a base budget reduction, but the funds are used to fund the building block.

Rep. Haymond suggested the Analyst, the governor's office and the Department of Health get together and report back in the opening part of the hearing in the meeting on Friday and this matter will be discussed further in an attempt to come to a unity on actual figures.

Rick Kinnersley, President, Utah Association of Health Care Providers, stated that the program which the UAHCP has agreed to is included in the governor's budget. The Association wants assurances that the Medicaid program will be adequately funded. It does not want to reduce rates so a new program can be started.

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**MOTION:** Rep. Alexander moved to adjourn the meeting. The motion passed unanimously.

Meeting adjourned at 4:40 p.m.

Minutes reported by Bonnie Brinton, Secretary.

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Sen. Howard Stephenson  
Committee Co-Chair

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Rep. J. Brent Haymond  
Committee Co-Chair