

MINUTES OF THE
JOINT HEALTH AND HUMAN SERVICES APPROPRIATION SUBCOMMITTEE
Wednesday, February 5, 2003, 2:00 p.m.
Room 131 State Capitol

Members Present: Sen. David H. Steele, Committee Co-Chair
Rep. Jack A. Seitz, Committee Co-Chair
Sen. Paula Julander
Rep. J. Stuart Adams
Rep. Calvin G. Bird
Rep. David Litvack
Rep. Rebecca Lockhart
Rep. Roz McGee

Members Excused: Sen. Leonard Blackham

Members Absent: Rep. Mike Thompson

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

Public Speakers Present: Bill Cox, Rich County Commissioner
Michael Cragon, Davis County Commissioner
Sharon Walters, Daggett County Commissioner
Camille Cain, Weber County Commissioner
Jack Tanner, President, Utah Behavioral Health Network
Randall W. Bachman, Director, Utah Division of Substance Abuse & Mental Health
Rod Betit, Executive Director, Department of Health
Maureen D. Womack, CEO, Davis Behavioral Health
Vicki Cottrell, NAMI Utah
Ted Livingston, Director, Mountainland Department of Aging and Adult Services
Dr. Scott Williams, Deputy Director, Department of Health
Patrick Fleming, Director, Salt Lake County Substance Abuse
Heather Borski, Program Manager, Tobacco Prevention and Control Program
John Harbart, Director, Utah Association of Community Services
Fran Morse, Director, Division of Services for People with Disabilities
Paul Day, Division of Services for People with Disabilities
Iona Traen, Director, Division of Health Systems Services
Robin Arnold-Williams, Executive Director, Department of Human Services

List of Visitors on File

Meeting was called to order by Co-Chair Seitz at 2:03 p.m.

1. Local Health and Human Services Providers

Bill Cox, Rich County Commissioner, distributed a Utah Association of Counties packet and said that in their presentation they would like to go back to the basics and address the role of the state and the counties and the providers to see where each are responsible. He introduced Michael Cragon, Davis County Commissioner. Mr.

Cragon showed a slide presentation which included how funds are distributed from federal, state and county governments; the state and local authority relationship; local authority responsibilities which are spelled out in statute; local authority funding obligations; county revenue sources and limitations; and projected service reductions. He explained how revenues can change as property taxes and the various sales taxes can change with population growth and the economy. He said fees should not be continually raised because most of the people who need the services cannot afford to pay higher fees. He said you cannot keep raising fees and expect to service the people who need it the most.

Sharon Walters, Daggett County Commissioner, stated everyone knows there is an issue of population increase in the state and it is difficult to keep up with funding for the services that are required to be provided. She indicated that committee members see the numbers on a state level, but the local commissioners see the people who live in their counties, their friends and neighbors. When these services are cut in these areas, it becomes very personal to county elected officials. She stated that when population increases, needs increase, especially in mental health services. She indicated that with the increase of population they have also experienced a decrease in some revenue sources including the beer tax, the FACT program, and district courts are having funding decreases. She distributed three handouts, on aging program projects service reductions, budget reductions for local mental health and substance abuse and a fact sheet on Utah Association of Counties substance abuse services. She discussed the aging program reductions and said these are critical needs for real people. She asked for support of H.B. 339 Classification of State Employees For Insurance Purposes (*J. Seitz*).

Camille Cane, Weber County Commissioner, said a very serious picture has been painted and knows there is a serious challenge before the committee. She said the local officials and providers have come together in working on the interim task force for health and human services. She noted tremendous strides have been made in working together. She said there are four bills currently before the Legislature this year as a result of that task force. They are H.B. 41 Legislative Budgeting for Cola for Local Health Authorities (*J. Seitz*); H.B. 43 Reauthorization of Funding of State and County Health and Human Services Task Force (*J. Seitz*); H.B. 44 Substance Abuse and Mental Health Amendments (*L. Pace*); and S.B. 24 Local Human Services Authorities Amendments (*S. Jenkins*) She asked for support of the bills and recommended reauthorization of the task force.

Co-Chair Seitz reported that three of the bills have passed both bodies. He said the only fiscal note is on H.B. 43 for \$24,500.

Mr. Cox explained that in the rural areas of the state associations of governments have been formed with three or four, and up to as many as six counties, to jointly provide services, particularly in the aging area. He said that in this way one administration can oversee six different counties so they contract with the counties to provide services. He said that one area that is continually reviewed is fees and should they be raised. He stated that some fees are raised but in most cases those people who are getting the services cannot pay. He said he wanted to reiterate that many of these service are early intervention services that require smaller amounts on the front end and this is crucial to small counties because the big bills come at the end.

Jack Tanner, President, Utah Behavioral Health Network, explained that in April 2002 President Bush formed The President's New Freedom Commission on Mental Health, composed of very distinguished and knowledge people in the field of mental health from throughout the county. He quoted from a report from that commission, "Our review for this interim report leads us to the united belief that America's mental health service delivery system is in shambles. There are so many programs operating under such different levels that it is often impossible for families and consumers to find the care that they urgently need. As a result, too many Americans suffer needless disabilities and millions of dollars are spent unproductively in a dysfunctional service system that cannot deliver the treatments that work so well. The system's failings lead to unnecessary and costly disability, homelessness, school failure and incarceration. Nationally, our failure to help people with mental illness achieve productive work is not only a personal tragedy but staggeringly costly. The system is not oriented to the single most important goal of the people it serves, the hope of recovery. People could recover if they had access to treatment tailored to their needs to support and to services in each of their communities." Mr. Tanner said it was felt that Utah had a different story to tell and requested time before the commission to present that story. A delegation from Utah appeared before the

commission in January. He distributed a copy of the information that was presented to that commission and said Utah's delegation would report here today.

Randall W. Bachman, Director, Utah Division of Substance Abuse and Mental Health, said he feels Utah does have a well coordinated system and a good working relationship with providers and the people in the community who deliver services. He stated the good news is there has been significant improvement in the treatment of those who suffer from mental illness. He said we have programs that work and recovery is possible. The bad news is that it is an underfunded system and not everyone shares the benefits. He gave examples for how dollars invested in prevention and early treatment can be beneficial, such as for every dollar invested in substance abuse treatment, it saves over \$7 of taxpayers money in terms of future health care costs and future costs of incarceration. He cautioned that if there are across the board cuts in some areas, it is going to cost 2 to 10 times more in the long run. He distributed a handout highlighting prevention, community treatment, criminal justice, the community mental health system and Utah State Hospital, which gave information regarding the population, the outcomes, the budgets and the dollars and cents of investing in these services.

Mr. Tanner stated that Utah is a local authority state which means that all locally delivered public mental health services are under the control and the coordination of county governments. Mental health services to all Medicaid clients are provided in the same way. The funding from federal, state and county are pooled together to provide services through that county coordination. He stated Medicaid is the key to the entire system. He talked about integrated care, management of risk, revenue reinvestment and collaboration. He said that while Utah's model may be unique in many ways, it shares its greatest challenge with all other states, and that is resources. Utah's challenge is growth, both in Medicaid enrollees and in the cost of providing services. The costs have grown much faster than the funds becoming available for Medicaid.

Rod Betit, Executive Director, Department of Health, explained there is a letter in the packet that he provided to the Presidential Commission. He said he did not go with the delegation as he was here for the public hearing. He stated Utah's Medicaid mental health program is the only one of its kind in the country. It is based on a waiver. It has to be cost neutral. It brings together all the dollars that would have been spent on the traditional program but gives flexibility to do it in a way that the money can be used to buy housing, utilize residential treatment programs, do case management and a host of things that can be done with the waiver that traditionally are not allowed on the Medicaid program. He said Utah's program has come a long way and it does have funding pressures but it has accomplished much good for Utah and is envied by many other states.

Maureen Womack, CEO, Davis Behavioral Health, stated that her family had moved to Utah because of their research of the public mental health systems in the western states and finding that Utah's program was clearly the best. She said she felt the strength of Utah's system is based mainly on three things; (1) taking advantage of the waiver that encouraged states to pursue program innovations to enhance care unique to the state's culture and demographics; (2) reinvestment of saving to previously uninsured persons; and (3) the statewide leadership. The result of Utah's program is that Utahans have access to public mental health systems, they receive appropriate care and have accountability for their investment.

Vicki Cottrell, NAMI Utah, stated that science has given the mentally ill a great gift in that there is now evidence that mental illness is a disease that can be treated, treatment which brings hope of recovery. She stated, however, that there is no hope if our citizens do not have access to those treatments. She said families have been frustrated for a long time watching family members suffer with these diseases, but the public mental health system is paying attention to that frustration. She said they are training family members to be involved in the treatment. She stated that corrections, juvenile justice, hospitals, religious groups and business all partner together in Utah to focus on the needs and the problems of those who suffer mental illness.

Ted Livingston, Director, Mountainland Department of Aging and Adult Services, distributed a handout entitled "Plan for the Provision of Long-Term Care Services for Seniors." He stated that independence is the main focus of their services. He said these services are provided to keep people in their own homes as long as possible and still recognize that nursing homes play an important part in the care that is provided for the elderly.

2. Tobacco Program Funding

Dr. Scott Williams, Deputy Director, Department of Health, distributed budget fact sheets and the annual report on the Tobacco Prevention and Control Program. He stated that like the problems from the loss of Medicaid and early intervention services, the impacts of tobacco are equally serious and must also be addressed. He said 1,218 Utahans die every year from tobacco related illness. Fifty thousand children are exposed to tobacco or smoke in their home. He said tobacco smoking is alive in Utah. He said the Master Settlement Funds exist because of the efforts of those who wanted to create an effective counterattack to the marketing and sale of an addictive, lethal, legal product. The anti-tobacco program is to try to counter the media marketing programs of the tobacco companies. He stated that prevention programs are carried out in schools and communities and discussed the effectiveness of the "Quit Line" program. He said this is a battle with many, many fronts.

Rep. Bird asked if there was a connection between tobacco use and other drug and alcohol use and if a hot line for substance abuse could be combined with the tobacco hot line. Dr. Williams answered that tobacco is sometimes called the "gateway drug" in that when children start by using tobacco, it can lead them into an interest in other drugs. Pat Fleming, Director, Salt Lake County Substance Abuse, said they do have a hot line, called "Hope Line," which is funded through private sources. He said there is some overlap in prevention programs, especially in the elementary school. Heather Borski, Program Manager, Tobacco Prevention and Control Program, said when people with substance abuse problems call the "Quit Line" they are referred to the "Hope Line." She said what makes tobacco use different is that it kills so many people, is legally obtained, and is a tremendous public health problem and it requires a different approach.

3. DSPD Report on Progress of Maximizing Services

Fran Morse, Director, Division of Services for People With Disabilities, reported on the Divisions response to Legislative Intent Language. She stated the first intent was to consider prevailing labor markets in renewing contracts to local providers. She said this was considered and is reflected in no increases. She said she would support an increase as there is no system of service without providers. The second was that rent collected from individuals who occupy state owned group homes be applied to the cost of maintaining these facilities. She reported that this is being done and accounting is provided each year. The third intent was that the Division maximize its ability to serve individuals on the waiting list and report on the progress. She reported that a number of things have been done, including splitting allocations between in home services and residential services, giving in home at 60%. They have reviewed the waiting list and have established a state wide waiting list. The intent to convert TANF funds to General Funds is now before the Legislature. The final intent to have non-Medicaid and non-waiver individuals be 15% or less is now around 6%. Paul Day, DSPD, explained that 600 people had been converted from non-waiver into waiver services. He said that some people choose not to go on the waiver.

4. Utah Association of Community Services

John Harbart, Director, Utah Association of Community Services, stated he represents the contract providers who support people with disabilities. He stated the only way changes can occur in reimbursement rates is money appropriated by the legislature for that purpose. He said in the last three years it has been 0%, 2.4%, and 0% and it looks like it will be 0% again. He stated they are doing some good things to try to maximize what they can do, but they are on thin ice.

5. Approval of Minutes

MOTION: Rep. McGee moved to approve the minutes of 1-31-03. The motion passed unanimously.

6. Committee Discussion - 2% Reductions

Analyst Spencer Pratt distributed and explained a recommended list of cuts for the Department of Health. He said his list was based on information from the Department. He stated the target cut is \$4.6 million and stated that these

cuts are getting progressively more and more difficult as there are not many more places to go.

Rod Betit, Executive Director, Department of Health, distributed a handout outlining the Department's recommended cuts. He stated there are some differences from the analyst's recommendations. He indicated he still felt that the Governor's budget is the best approach.

Co-Chair Steele asked the committee to take these lists and give priority ranking and if there are items members would like to offer themselves, additional cuts or funding sources, to do so and return the information to the Co-Chairs by tomorrow at noon. The Co-Chairs will then take them to the Executive Appropriations co-chairs.

Iona Traen, Director, Division of Health Systems Improvement, distributed a fact sheet and explained that the Work Force Assistance Program had consolidated the three loan scholarship programs. She said in that consolidation there were cuts made to the program, and with this additional proposed cut of \$91,000, it will result in a loss of 4-6 loan/scholarship applicant awards.

Analyst Thor Nilsen distributed a handout of recommended additional 2% cuts for the Department of Human Services which reflects a \$3.9 million reduction. He stated he was not necessarily recommending these cuts but was complying with requests that have been made. He said there were some alternatives that might be considered including using one-time funds.

Robin Arnold-Williams, Executive Director, Department of Human Service, distributed a packet outlining the impact of the additional 2% recommended cuts to the Department. She indicated the Department had taken the same position of the analyst and the Governor and did not take 2% out of the Division of Child and Family Services. She stated they are not recommending reducing child welfare. She explained they are asking for more staff in the division due to the court order. She said there are no easy choices and made a plea to accept the Governor's budget recommendations.

Rep. Litvick asked for support of H.B. 151 Sales and Use Tax Amendments (*D. Litvack*).

MOTION: Rep. Adams moved to adjourn. The motion passed unanimously.

Co-Chair Seitz adjourned the meeting at 5:12 p.m.

Minutes reported by Norda Shepard, Secretary.

Sen. David H. Steele
Committee Co-Chair

Rep. Jack A. Seitz
Committee Co-Chair