

MINUTES OF THE
JOINT HEALTH AND HUMAN SERVICES APPROPRIATION SUBCOMMITTEE
Wednesday, February 12, 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
Rep. Mike Thompson

Members Excused: Sen. Leonard Blackham

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

Public Speakers Present: Charles Brokopp, Director, Division of Epidemiology and Laboratory Services
George Delavan, Director, Division of Community and Family Health Services
Michael Deily, Director, Division of Health Care Financing
Rod Betit, Executive Director, Department of Health

List of Visitors on File

Meeting was called to order by Co-Chair Steele at 2:05 p.m.

Co-Chair Steele stated the purpose of the meeting today would be to get preliminary recommendations to the Executive Appropriations Committee. He explained the process and timing of the appropriations bill. He explained the bill is not written yet, as all the subcommittees have not yet reported. When written, the bill will have portions from every subcommittee. He said it is anticipated that the bill will be available on February 28 and the discussion of the bill by Legislators will occur on March 3rd and 4th.

1. Approval of Minutes

MOTION: Rep. Bird moved to approve the minutes of 2-07-03 and 2-10-03. The motion passed unanimously with Rep. Adams and Rep. Thompson absent at the time of the vote.

2. FY 2003 Supplementals

MOTION: Rep. Seitz moved to approve the reduction in the FY 2003 budgets for information technology and retirement as indicated in the tables on pages 3 and 5 of the Analyst's "Supplemental Funding Items" report for the Departments of Health and Human Services.

The motion passed unanimously with Rep. Adams absent at the time of the vote.

MOTION: At the request of Sen. Julander, Sen. Seitz moved to recognize a no vote from Sen. Julander on the FY 2003 Supplementals previously voted.

The motion passed unanimously with Rep. Adams absent at the time of the vote.

3. Legislative Intent Language Department of Health

Co-Chair Steele explained that no action would be taken on intent language where it was felt there was no need to continue. If no action is taken, the intent language will lapse.

MOTION: Rep. Seitz moved to adopt the Legislative Intent Language as outlined on the Analyst's handout dated February 12, 2003.

MOTION: Sen. Steele moved to divide the motion.

The motion passed unanimously with Rep. Adams absent at the time of the vote.

MOTION: Rep. Seitz moved to adopt the following Intent Language for the Executive Director's Office:

It is the intent of the Legislature that the budget analysis for the Department of Health be presented with a breakdown between costs of administration and services delivered and the number of citizens served and categorized by cost and type of service.

It is the intent of the Legislature that the Office of the Medical Examiner shall charge scheduled fees, except that no fees will be charged for State criminal cases.

The motion passed unanimously with Rep. Adams absent at the time of the vote.

MOTION: Rep. Seitz moved to adopt the following Intent Language for Health Systems Improvement with the stipulation that it be put on statute:

It is the intent of the Legislature that funding for Primary Care Health Grants not be expended for inter-departmental projects except for Community Partnered Mobile Dental Services.

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

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.

The motion passed unanimously with Rep. Adams absent at the time of the vote.

Charles Brokopp, Director, Division of Epidemiology and Laboratory Services stated there was no need for the language addressing donated equipment as there is no more equipment readily available.

MOTION: Rep. Seitz moved to adopt the following Intent Language for the Community and Family Health Services:

It is the intent of the Legislature that there be a sliding scale suggested by the Department be adopted for children's services in the Early Intervention Program.

George Delavan, Director, Division of Community and Family Health Services, stated that the Department has been considering a fee schedule. He said they are not yet to the point where they have finalized what the schedule might be. He said several options and a sliding scale is one of the options.

The motion passed with Sen. Steele, Rep. Seitz, Rep. Bird, Rep. Lockhart, and Rep. Thompson voting in favor and Sen. Julander, Rep. Litvack and Rep. McGee voting in opposition and Rep. Adams absent at the time of the vote.

MOTION: Rep. Seitz moved to adopt the following Intent Language for Community and Family Health Services with the stipulation that it go to statute.

It is the intent of the Legislature that funds appropriated from the Tobacco Settlement Restricted Account be considered nonlapsing.

The motion passed with Sen. Julander voting in opposition.

MOTION: Rep. Seitz moved to not recommend the Intent Language for Health Care Financing concerning the ad hoc advisory committee since its work should be completed by FY 2004.

Michael Deily, Director, Division of Health Care Financing, said the ad hoc committee's work is not completed but will be by June 30, 2003 and since this intent language is for FY 2004, it is no longer needed.

The motion passed unanimously.

MOTION: Rep. Seitz moved to adopt the following Intent Language for Medical Assistance:

It is the intent of the Legislature that the Department of Health will review with the Executive Appropriations Committee any Medicaid Program reductions or additions.

The motion passed unanimously.

MOTION: Rep. Seitz moved to adopt the following Intent Language for Medical Assistance:

It is the intent of the Legislature that the Department of Health continue to offer chiropractic coverage as part of the Medicaid benefit package. However, the Department may negotiate a reduced scope of coverage.

The motion passed unanimously.

MOTION: Rep. Seitz moved to adopt the following Intent Language for Medical Assistance:

It is the intent of the Legislature to improve the oral health status, and thereby improve the overall health of low-income Utahns through increased utilization and access to dental services for Medicaid recipients, especially children. It is intended that this be accomplished as funding permits, by (1) increasing the participation of dentists in the Medicaid program by increasing the Medicaid reimbursement for dental services, (2) implementing a case management system to encourage more appropriate and timely access of Medicaid dental benefits by Medicaid recipients, and (3) implementing an early intervention/prevention and education program aimed at increasing the awareness of the importance of oral health among this population.

The motion passed unanimously.

MOTION: Rep. Seitz moved to adopt the following Intent Language for the Health Systems Improvement:

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

The motion passed unanimously.

MOTION: Rep. Seitz moved to adopt the following Intent Language for Community and Family Health Services:

It is the intent of the Legislature that funds appropriated from the Cigarette Tax Restricted Account be considered nonlapsing.

The motion passed unanimously.

Rep. Litvack discussed his proposed intent language that addresses tracking the impact and human toll of cuts made to services. Rod Betit, Executive Director, Department of Health, stated that tracking may be difficult and costly. He said when a person is no longer eligible for services, the Department loses contact with them. He said it would be more feasible to project what the effects might be.

MOTION: Rep. Litvack moved to adopt the following Intent Language for the Department of Health:

It is the intent of the Legislature that the Department of Health and the Legislative Fiscal Analyst's Office project the effects of cuts made to the Department beginning in FY 2002. Particular notice shall be paid to the human toll of loss of services by individuals and families, and to the degree which cost-shifting to other, more expensive services occurs in the health and human services sector. The Department of Health shall report its findings to the Health and Human Services Appropriations Subcommittee.

The motion passed unanimously.

Rep. Lockhart distributed proposed intent language concerning the preferred drug list. Mr. Betit commented that there are a number of issues to explore before the decision is made to adopt a PDL. He stated he would support the intent language and report back to the committee of what has been learned.

MOTION: Rep. Lockhart moved to adopt the following Intent Language for the Department of Health:

It is the intent of the Legislature that the Department of Health, for the purpose of cost savings, design a preferred drug list in the Medicaid program. The Department shall create a list of reference drugs for which it will make payment without prior approval. Other drugs in the same class as the reference drug will require prior approval, unless an acceptable enhanced rebate can be negotiated with the manufacturer of the non-reference drug.

It is the intent of the Legislature that this preferred drug list is not a prohibited formulary as defined in UCA 58-17a-605.1.

The Department shall report on its progress in formulating a Preferred Drug List, including any proposed new rules or rule changes and potential savings and use of the saved funds, to the Executive Appropriations Committee during the 2003 Interim, and receive approval from the Executive Appropriations Committee before implementation. The Department shall report on its progress toward implementation to the members of the Health and Human Services Interim Committee by August 31, 2003, and shall report on implementation to the Health and Human Services Appropriations Subcommittee during the 2004 General Session.

The motion passed unanimously.

4. Legislative Intent Language Department of Human Services

Co-Chair Steele re-emphasized that intent language included on the Analyst's handout that is not moved on by the committee would lapse.

MOTION: Rep. Seitz moved to adopt the following Intent Language for the Department of Human Services:

It is the intent of the Legislature that the budget analysis for the Department of Human Services be presented with a

breakdown between costs of administration and services delivered and the number of citizens served and categorized by cost and type of service.

The motion passed unanimously.

MOTION: Rep. McGee moved to adopt the following Intent Language:

It is the intent of the Legislature that in renewing contracts with private providers the Division of Services for People with Disabilities shall consider prevailing labor market conditions.

The motion passed unanimously.

MOTION: Rep. Seitz moved to adopt the following Intent Language:

It is the intent of the Legislature that rent collected from individuals who occupy state owned group homes be applied to the cost of maintaining these facilities. It is also the intent of the Legislature that the Division of Services for People with Disabilities provide an accounting of state owned group home rents and costs to the Legislature or Office of Legislative Fiscal Analyst.

The motion passed unanimously.

MOTION: Rep. Lockhart moved to adopt the following Intent Language:

It is the intent of the Legislature that funds appropriated for the home and community based services waiting list for people with disabilities be used exclusively for direct services and related support.

The motion passed unanimously.

MOTION: Rep. Seitz moved to adopt the following Intent Language:

It is the intent of the Legislature that no more than 15 percent of the individuals served by the Division of Services for People with Disabilities shall be non-Medicaid or non-waiver eligible.

SUBSTITUTE-MOTION: Rep. Lockhart moved to change the percentage to 10 percent from 15 percent in the previous Intent Language.

The substitute-motion passed unanimously.

MOTION: Rep. Seitz moved to adopt the following Intent Language:

It is the intent of the Legislature that the Division of Services for People with Disabilities has the flexibility to implement fiscal year 2004 budget reductions in programs as appropriate. It is further the intent of the Legislature that the Division first seek to achieve savings through attrition, second, through re-evaluation of service packages and reduction of service levels within those packages where appropriate, and lastly, through removing individuals from service entirely. The Division will report to the Health and Human Services Joint Appropriations Subcommittee during the 2004 General Session on actions taken.

The motion passed unanimously.

MOTION: Rep. Seitz moved to adopt the following Intent Language:

It is the intent of the Legislature that funds appropriated for the adoption assistance program in the Division of Child and Family Services not lapse at the end of FY 2004. It is further the intent of the Legislature that these funds

be used for adoption assistance programs.

MOTION: Rep. Seitz moved to adopt the following Intent Language for the Department of Human Services:

It is the intent of the Legislature that the Department of Human Services and the Legislative Fiscal Analyst's Office project the effects of the cuts made to the Department beginning in FY 2002. Particular notice shall be paid to the human toll of loss of services by individuals and families, and to the degree which cost-shifting to other, more expensive services occurs in the health and human services sector. The Department of Human Services shall report its findings to the Health and Human Services Appropriations Subcommittee.

The motion passed unanimously.

MOTION: Rep. Seitz moved to adopt the following Intent Language:

It is the intent of the Legislature that funds appropriated for Drug Courts and Drug Boards from the Tobacco Settlement Restricted Account for FY 2003 by non-lapsing.

The motion passed with Rep. Lockhart and Rep. Thompson absent at the time of the vote.

Co-Chair Seitz read proposed intent language submitted by Rep. David Hogue concerning nursing homes long term services for Medicaid recipients. Co-Chair Steele commented that because of the nature of the language it would have to go to Legislative Research for approval to make sure it does not conflict with any existing legislation.

MOTION: Rep. Adams moved to recommend Rep. Hogue's proposed Intent Language be sent to Legislative Research for input before committee action.

The motion passed unanimously with Rep. Lockhart and Rep. Thomson absent at the time of the vote.

5. Consideration of FY 2004 Budget

Co-Chair Steele stated the committee has heard much testimony which has been compelling and illustrative of great needs. He stated he would recommend taking a different position than in times past. He stated he has never before as a chairman of appropriations gone before the Executive Appropriations Committee and said he was unable to do something. He said the motion would come with sensitivity to the discussions that have been held to this point.

MOTION: Rep. Seitz moved that the Health and Human Services Appropriations Subcommittee recommend that the FY 2004 base budget as determined in the Sixth Special Session of 2002 be adopted, but that additional 2% cuts not be implemented.

Co-Chair Steele divided the motion.

MOTION: Rep. Seitz moved that the Health and Human Services Appropriations Subcommittee recommend to the Executive Appropriations Committee that addition 2% cuts not be implemented.

The motion passed unanimously with Rep. Lockhart absent at the time of the vote.

MOTION: Rep. Seitz moved to adopt of the FY 2004 base budget as determined in the Sixth Special Session of 2002 be adopted for the Department of Health for \$1,340,087,100, with \$229,898,300 from General Fund, \$896,152,900 from Federal Funds and other funding as list on page 6 of Tab 6, in Health Summary; and for the Department of Human Services a FY 2004 budget \$449,730, 600, including \$198,825,300 in General Fund and other sources of funding specified in the Table on page 4, Red Tab 19, of the Analyst's Summary Report.

The motion passed with Sen. Steele, Rep. Seitz, Rep. Adams, Rep. Bird and Rep. Thompson voting in favor; and

Sen. Julander, Rep. Litvack and Rep McGee voting in opposition, with Rep. Lockhart absent at the time of the vote.

6. Other Committee Business

MOTION: Rep. Seitz moved that the subcommittee recommend to the Executive Appropriation Committee to look to other funding sources; onetime money in the disabilities trust account; other trust accounts that could be looked at; and recommend that circumcision be dropped from covered Medicaid services and those funds be directed to other programs.

The motion passed unanimously with Rep. Lockhart absent at the time of the vote.

MOTION: Rep. Seitz moved to include in the Analyst's FY 2004 budget for the Department of Human Services Internal Service Fund in the amount of \$4,046,000 from Dedicated Credits as shown on page 3, Red Tab 28, and to approve a staffing level of 33 FTE, 0 funds for capital acquisitions and rates as shown on pages 5 and 6 of the Analyst's Report.

The motion passed unanimously with Rep. Lockhart absent at the time of the vote.

Co-Steele stated that the committee members have received a lot of input and he wished to compliment the people who have contacted him on their courtesy and consideration in light of extreme emotional issues. He voiced appreciation for this on behalf of the committee members. He thanked the staff and Department heads for the great work that they do. He stated this is a tremendous effort and requires many late hours from the staff and Department heads. Rep. Seitz also expressed appreciation to the committee members, the staff and the Department and Division directors. He also thanked the concerned citizens. He stated this is not an easy process and realizes that it affects the lives of individuals.

MOTION: Sen. Seitz moved to adjourn. The motion passed unanimously with Rep. Lockhart absent at the time of the vote.

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

Minutes reported by Norda Shepard, Secretary.

Sen. Davis H. Steele
Committee Co-Chair

Rep. Jack A. Seitz
Committee Co-Chair