

MINUTES OF THE  
JOINT HEALTH AND HUMAN SERVICES APPROPRIATION SUBCOMMITTEE  
Monday, February 2, 2004, 2:00 p.m.  
Room 131 State Capitol

Members Present: Sen. Sheldon L. Killpack, 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: Robin Arnold-Williams, Executive Director, Department of Human Services  
Dr. Scott Williams, Executive Director, Department of Health  
Richard Anderson, Director, Division of Child and Family 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 Seitz at 2:01 p.m.

Copies of a letter e-mailed to Co-Chair Killpack from Dr. Michael Miescier concerning a policy statement of the American Academy of Pediatrics was distributed to committee members.

**1. Budget Overview - Department of Human Services - Fiscal Analyst**

Fiscal Analyst, Thor Nilsen, stated he would discuss how to find the information contained in the Budget Analysis FY 2005 book and the major issues and major funding issues for the Department of Human Services. He explained the Red Tab sections of the book contain information for the Department, beginning on Red Tab 19 with a summary of the Department as a whole. He said that there was no additional funding at this time so the analyst's recommended budget is basically the budget that came from last year. He drew attention to the fact that this committee does not hear the budget for the Division of Youth Corrections. Recommended budgets do not include this Division.

He explained the table on Page 4, Red Tab 19, which shows the breakdown of the recommended budget for the Department. He said if the committee was to approve, as a starting point at least, the Analyst's recommended budget for FY 2005, it would be the third column on that table on Page 4. He stated that there are similar tables for the recommended budget in each of the various Divisions, which will be heard in other meetings. He stated there were three general fund adjustments in the base budget for FY 2005, which are a reduction for an extra work day of \$254,600, restoration of \$235,000 in the Division of Services for People with Disabilities that were switched from Trust Funds on a one-time basis in FY 2004, and the loss of the one-time \$350,000 appropriated to DSPD for non-waiver services.

Mr. Nilsen highlighted various issues starting on Tab 19, Page 5. He explained that the Department has consolidated all of the human resource functions into one office. He stated that funding for eREP would be on a list of urgent items if funding becomes available. He indicated on that list would be additional funds for additional staff to fully staff the Stake Hospital Rampton II addition. He stated this will also impact the FY 2004 budget and a supplement appropriation will be needed. He said other items on the priority list would include budget increases for out of home services and adoption services in DCFS. He addressed the waiting list for community based services, stating there were 1,929 on the list in October, 2003, who are in immediate need of services. The list of all people with both current and future needs now totals 2,715. He discussed the 2002 law suit concerning the waiting list. The Medicaid claims of the suit have been dismissed but other claims are pending. He indicated the majority of states have had law suits concerning waiting lists. He said this is a critical funding need and recommends that \$420,00 in general funds be appropriated to be used exclusively for bringing people with disabilities off the waiting list.

Mr. Nilsen discussed the Mental Health PASRR and Competency Evaluation needs, portability between ICF/MR and community services, TANF fund transfers to SSBG, and future tobacco settlement funds for drug courts, stating that drug courts will loose most of its Tobacco Settlement funds in FY 2006. He discussed the David C. settlement which came into being in 1994 and expired in 1998. The Milestone Plan grew out of the continued court oversight and the judge has extended it for two more years to see if the Division can come into compliance. He indicated the 51 additional FTEs for DCFS that were funded last year were in direct response to the court identification of needs.

Mr. Nilsen stated he would highlight a few items in the rest of the book. He explained that under each of the tabs is a discussion of Intent Language and the Analyst's response as to compliance. The Outcome Report for the Department of Human Services for the committee's information is under Red Tab 20. Red Tab 21 outlines the various bureaus that are served by the Executive Director's Operations. He stated fees are found under Tab 21, Page 22, and no fee changes are proposed. Tab 22 contains Drug Courts and drug boards with \$1,647,200 of tobacco settlement funds. Tab 23 contains the combined Substance Abuse and Mental Health Divisions. He stated the Department has requested \$2.2 million in general funds to re-open the State Hospital Forensic Facility. Intent language was complied with.

He discussed the Intent Language on Tab 24 for the Division of Services for People with Disabilities concerning prevailing labor market conditions and rent and costs of operating state-owned group homes. He said the state owns five homes that are leased to private providers to provide services to people with disabilities. He felt the Division was in compliance with this Intent Language. He said the Division was well within the 10% restriction in providing services to non-Medicaid or non-waiver eligible people. He explained the item on Tab 24, Page 11, concerning non-lapsing funds. He said HB 211 authorized all appropriations to DSPD as non-lapsing, to be used only for one-time expenditures unless otherwise authorized by the Legislature. He said the committee may be asked to put into Intent Language the authority for the Division to use any carry over funds for emergency clients. He said the amount for appropriation from the Trust Fund for People with Disabilities is pretty much gone.

Tab 25 contains the budget for the Office of Recovery Services and Tab 26, the Division of Child and Family Services. He stated that on Tab 26, Page 8, is a graph showing the amount of state funds, over \$4.5 million, that has been spent for plaintiff's attorney fees, legal and other court costs. He stated this amount is growing still. He said in the future these funds will be paid from the Attorney General's Office. Tab 27 contains Aging Services. Mr. Nilsen pointed out the results of HB 310 which created a \$1 voluntary check off on car registration and renewals for the Mobility Assistance Fund to provide public transportation for seniors or people with disabilities. The act required DAS to make an annual report on the funds to the subcommittee. They reported to the Analyst's office that none of the collected money has gone to any service providers. Mr. Nilsen stated the reason for this is that the fund is only a little over \$20,000 currently after paying implementation and administrative costs. Mr. Nilsen stated the committee is required to approve budgets for the two Internal Service Funds in the Department, Tab 28. These funds provide for the operation of the main office building downtown and for programming services.

Mr. Nilsen distributed detailed budget reports with details below the line item and program level for each Division.

## **2. Department of Health Budget Issue Clarification**

Dr. Scott Williams, Executive Director, Department of Health, distributed and discussed a handout concerning budget issue clarifications. He stated the first issues concerned the funding of nursing homes and how that would occur if the proposed nursing home tax went into place. He said the handout showed the Governor's budget for inflation for Medicaid and the part where the Governor funded inflationary increases out of the nursing facility assessment. He stated these items are the two shaded items on the handout, nursing home pharmacy at 12% for \$753,400 and the nursing care facilities rate increase at 9.3% for \$3,446,600. He said the Governor would not recommend these items be funded if the assessment does not pass.

He addressed what it would cost to restore benefits that were cut over the last two years stating a lot of different numbers have been given. He said the numbers on the handout are the numbers from the Health Department and are not part of the Governor's budget, but are for committee member's information. Restoration for adult vision for the current case load would be \$1,112,900 in state general fund. To restore adult dental at the rate Medicaid currently pays and with increased case load would be \$3.6 million.

Dr. Williams indicated that there are some people on Medicaid who currently do receive dental benefits: children, pregnant women and people on the PCN program. He said that Tammy Ann Burton, who spoke at the last meeting indicating she was pregnant and could not get dental benefits, is eligible for those benefits and was contacted after the hearing and notified of her eligibility. He said that was a misunderstanding on her part. He also indicated the PDL program would focus on two classes of drugs, those that reduce cholesterol and those that reduce stomach acid.

## **3. Budget Overview - Department of Human Services - Executive Director**

Robin Arnold-Williams, Executive Director, Department of Human Services, said there were only a couple of issues she wanted to add to the Department Summary given by the Analyst. She stated she had good news and bad news. The good news was that the TANF transfer is now again at 10%, the bad news, TANF has yet to be re-authorized and continues to operate on continuing resolutions, the current one to run out the end of March. She said in reference to the Substance Abuse Prevention and Treatment block grant, as of the October 1st review, the Department falls out of compliance with required maintenance of effort funding levels. The Departmental has submitted an appeal for a waiver.

She indicated that her perception of federal programs is that there are some changes coming in mental health prepaid plans under Medicaid with changes in rules and how rates are established. She said we will see a reduction in the amount of federal Medicaid money that will come into this program. She stated the Department is in agreement with the Analyst concerning critical needs and specific issues will be handled as each Division hearing is held.

## **4. Statutory Reports - Department of Human Services**

Ms. Arnold-Williams distributed a report "Summary of the Effects of the Budget Cuts FY 2002 through FY 2004." She said this report is in response to Intent Language for last year to project the effects of budget cuts, particularly focusing on loss of services or those cuts causing more expensive services. She indicated the Department polled Division providers to gather this information. She said the cuts cost the Department about \$30 million, including \$22.2 million General Fund. She said the Department had a commitment first and foremost to target administration and they were successful in doing so. Administration was cut 21% and direct client services 6.6%.

Ms. Arnold-Williams said the Executive Director's Office eliminated 12 staff positions, cut state travel by 50%, conferences and training by 25% and 100% of employee incentives. She said Drug Courts were cut \$1 million in loss of opportunity to serve people. She said Substance Abuse and Mental Health administration was reduced by 31.5% and nearly 8 FTEs. She said the eliminated FACT funding resulted in a loss of 24 staff positions at mental health centers making a great impact on the community. She said there were 56 beds closed in the State Hospital, 30 geriatric and 26 forensic. Closure of the forensic beds requires defendants to remain in county jails until their

evaluation is complete. She said there are more and more individuals needing competency evaluations. She stated we are in a situation where public safety may be impacted. She drew attention to the chart in the handout regarding people entering services from the DSPD waiting list and how quickly budget cuts impact that list, from 300 leaving the list and coming into service in FY1996 to only 29 in FY 2003. Office of Recovery Services had a total reduction of \$1.7 mill in general fund and \$4.3 million total funds. They have reduced services in certain cases and caseloads have increased. FACT funding termination resulted in a loss of 26 FTEs in the Division of Child and Family Services which was offset by the 51 FTEs for the Milestone Plan implementation. She said Aging and Adult Services was cut by 13.4%, reducing their ability to respond to public needs and programs. She said alternative services, home delivered meals, Medicaid Waiver, transportation and adult protective services all cut services.

In compliance with Intent Language, Ms. Arnold-Williams distributed a handout showing percent administration and service costs for FY 2003. She explained costs of caseworkers, support coordinators, nurses, first line supervisors, and those who carry partial caseloads as service oriented and state office staff, regional directors, assistant directors, non-caseload workers, community service managers, administrative service managers, support service coordinators, financial and information analysts, and accounting techs as administrative. The handout outlines each Division's breakdown and also the number of persons served and costs per person.

She gave an example of Outcome Reports from the Outcome Report, Tab 20, Page 5, on Domestic Violence Shelters. She pointed out the dramatic growth in the number of victims being sheltered state wide. She said even with reduced funding these numbers continue to grow and these community based shelters need to rely on private donations and their community to pick up the slack. She indicated that Outcome Reports from each Division will be addressed in the different Division hearings.

#### **5. Budget Discussions - Executive Director Operations and DHS Internal Service Fund**

Ms. Arnold-Williams stated she has no recommended changes from the Analyst's recommended budget. She indicated they are requesting one building block for eREP. She said they were not recommending any changes in rates or FTEs in the DHS Internal Service Funds.

#### **6. Approval of Minutes**

Sen. Killpack made a correction to page 6 of the minutes for 1-29-04 to change Co-Chair Seitz to Co-Chair Killpack.

**MOTION:** Rep. McGee moved to approve the minutes of 1-28-04 and 1-29-04 as corrected.

The motion passed unanimously.

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

Ms. Arnold-Williams stated there was one other item she wanted to bring to the attention of the committee, that of inter-country adoptions. She said new regulations require that adoption agencies who engage in inter-country adoptions have to meet new regulations set by the State Department and there will have to be an accrediting entity in order to accredit these child placement agencies. She stated there are about 10 agencies in Utah who do inter-country adoptions. The State Department encouraged the Department of Human Services to become the accrediting entity since the Department also licenses these agencies. The Department has sent a letter of intent to the State Department and they will be reviewed in March. She stated S.B. 140 Human Services Licensing Amendments (*Sen. D. C. Buttars*) addresses these inter-country adoptions. She said the agencies will pay a significant fee. She said the State Department approves those fees as a part of the process but the Department will also have to bring them back before this committee to approve as well.

In answer to committee questions, Richard Anderson, Director, Division of Child and Family Services, stated the state becomes involved with foreign adoptions if these adoptions are disrupted and the children come into the DCFS system for foster care. He stated he did not have a number of these placements off hand. He said SB 140 will make it easier to monitor these adoptions before a child is placed.

**MOTION:** Rep. Bird moved to adjourn. The motion passed unanimously.

Co-Chair Seitz adjourned the meeting at 3:34 p.m.

Minutes reported by Norda Shepard, Secretary.

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Sen. Sheldon L. Killpack  
Committee Co-Chair

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Rep. Jack A. Seitz  
Committee Co-Chair