

MINUTES OF THE  
JOINT HEALTH AND HUMAN SERVICES APPROPRIATION SUBCOMMITTEE  
Wednesday, February 11, 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: Cheryl Smith, Pingree School  
Jane McBride  
Dr. Scott Williams, Executive Director, Department of Health  
Robin Arnold-Williams, Executive Director, Department of Human Services  
Michael Deily, Director, Division of Health Care Financing  
George Kellner, Division of Services to People with Disabilities

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 2:09 p.m.

**1. Public Comment on Autism Pre-School**

Cheryl Smith distributed a legislative initiative for the Carmen B. Pingree School for Children with Autism. She stated that autism is a lifelong neurological disorder that severely affects a child's language, cognitive abilities, social skills and behavior. She said it is estimated that 200 Utah children will be diagnosed with autism during the coming year. She indicated that the Autism Pre-school teaches these children how to learn, and said that early intervention is vital and can eliminate future needs for costly education and social services. She stated that children on the early intervention waiting list have no hope without funding for these services. She said if not treated while young, these children miss a window of opportunity that never comes again. She indicated there is room at the school and they do not need funding for a facility, but are asking for \$275,000 to fund the opening of one new class per year until all can be taken off the waiting list.

Jane McBride displayed a picture of her husband with their 3½ year old son. She indicated their son was diagnosed with autism one month before turning three. She said prior to that time they had witnessed a variety of strange behaviors including inflicting self pain. His speech was badly delayed, along with most all other skills most parents take for granted. She said he was immediately placed on the waiting list for the Pingree School. She said all professionals with whom they have consulted have said that if he is not in the right program before he is 5, it will be too late. She said right now he is like wet cement waiting to be poured into the right mold and when he turns 5, the cement will dry. She said she is afraid he will lose his future and this should not be acceptable for him or any other child on the waiting list.

## **2. Approval of Minutes**

**MOTION:** Rep. Adams moved to approve the minutes of 2-09-04.

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

## **3. Committee Voting**

Analyst Thor Nilsen stated that the recommended budgets the committee would be taking action on are the amounts in the Analyst Book for FY 2005.

**MOTION:** Sen. Killpack moved the following items:

To approve the Analyst's FY 2005 budget totaling \$468,737,300, including \$199,272,900 from the General Fund with other funding sources as specified in the table on page 4 (red tab 19) of the Analyst's report. To approve the Analyst's division line item budgets as shown in the reports' tables as follows:

- Executive Director Operations (page 3, red tab 21)
- Drug Courts/Boards (page 3, red tab 22)
- Division of Substance Abuse and Mental Health (page 4, red tab 23)
- Division of Services for People with Disabilities (page 4, red tab 24)
- Office of Recovery Services (page 3, red tab 25)
- Division of Child and Family Services (page 4, red tab 26)
- Division of Aging and Adult Services (page 3, red tab 27)

To increase the FY 2005 General Fund appropriation to the Office of Human Resources in the Executive Director Operations line item budget by \$251,500.

To approve the Analyst's FY 2005 budget for the Department's Internal Service Funds in the amount of \$4,029,500 from Dedicated Credits - Intra-governmental Revenues, as shown in the table on page 3, red tab 28. To also approve a staffing level of 32 FTEs, zero funds for capital acquisitions, and rates as shown in the tables on pages 5 and 6 of the Analyst's report.

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

**MOTION:** Rep. Litvack moved to adopt the Analyst's FY 2004 supplemental appropriation recommendation for the Department of Human Services as shown in the 2nd column of the table on page 3 of the Analyst's report under white tab #5.

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

**MOTION:** Sen. Killpack moved to adopt the license fee structure for the Department of Human Services as listed in the table on page 22 of the Analyst's report under red tab #21.

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

**MOTION:** Rep. Adams moved to adopt the budget for the Department of Health for FY 2005 in the amount of \$1,557,821,400 with \$263,677,400 from the General Funds, \$1,053,594,900 from Federal Funds and other funding as listed on page 10 of Tab 6 "Department of Health - Summary." This includes funding which the Analyst has recommended for the programs listed in that same table. The individual program and line item budgets are found behinds Tab 7 - 15 and are to be approved at the Analyst's recommended levels.

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

**MOTION:** Sen. Killpack moved to approve the following fees for the Department of Health for FY 2005.  
Executive Director's Office - Tab 7, pages 21 - 23  
Health Systems Improvement - Tab 8, pages 23 -26  
Epidemiology and Laboratory Services - Tab 10, pages 27 - 32  
Community and Family Health Services - Tab 11, pages 44 - 47

Analyst Spencer Pratt explained the fee structures to the committee, pointing out any changes.

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

Mr. Pratt discussed the recommended intent language for the Department of Health, indicating that action would have to be taken to continue any language for FY 2005. He indicated that no action needed to be taken on intent language no longer needed. A discussion was held on each section of intent language.

**MOTION:** Rep. Adams moved to amend Intent Language on Medical Assistance, Item 3 to add after especially: people with disabilities and children.

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

**MOTION:** Sen. Killpack moved to adopt the following Intent Language for the Department of Health:

*"It is the intent of the Legislature to encourage th Department of Health to consider replacing the current property component of the Medicaid reimbursement system called Resource Utilization groups (RUGS) with a fair rental market value model which compensates skilled and intermediate care facilities for capital improvements. It is further the intent of the Legislature to encourage the Department to consider that capital improvements recognized under the fair rental model not be based on traditional cost-based methods to calculate property rates or individual facility appraisal methodologies. It is the intent of the Legislature that the Department of Health report on the implementation of this program during the 2005 General Session.*

Michael Deily, Director, Division of Health Care Financing, answered questions and clarified the need for this language.

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

Dr. Scott Williams, Executive Director, Department of Health, answered questions concerning the cost of complying with intent language on break down between costs of administration and services. He said this is always a challenge because many services are difficult to define, but it can be helpful in looking at budgets.

**MOTION:** Rep. Adams moved to approve the following Intent Language for the Department of Health - 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."*

For the Department of Health - Health Systems Improvement:

*"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 funding for Primary Care Health Grants not be expended for inter-departmental projects except for Community Partnered Mobile Dental Services."*

For the Department of Health - Community and Family Health Services:

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

For the Department of Health - Medical Assistance as amended:

*"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 people with disabilities and 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."*

*"It is the intent of the Legislature that the Department of Health continue to reimburse nursing care facilities based on the Resources Utilization Group System (RUGS) which went into effect in FY 2003. It is further the intent of the Legislature that the Department maintain a rule which phases out over a three year period ending December 31, 2005, the component of property payments which is based on varying individual nursing facility property costs."*

For FY 2004 for the Department of Health - Health Care Financing:

*"It is the intent of the Legislature that funds appropriated for the eREP enhancements be considered nonlapsing."*

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

A discussion was held concerning the Preferred Drug List issue.

**MOTION:** Rep. McGee proposed to have a consultation and possible Intent Language drafted concerning the PDL issue.

The motion failed with Sen Julander, Rep. Litvack, and Rep. McGee voting in favor; and Sen. Killpack, Rep. Seitz, Rep. Adams, Rep. Bird, and Rep. Thompson voting against, with Rep. Lockhart absent at the time of the vote.

Mr. Nilsen distributed the Intent Language for the Department of Human Services, discussing those that were recommended to keep and those no longer necessary. He noted Item #17 on DCFS funds for adoption assistance being used to hire staff may need to be considered by the committee. Robin Arnold-Williams, Executive Director, Department of Human Services, pointed out an error in Item #18 in the language for the Division of Services for People with Disabilities concerning the aging out population. She indicated it is not aging out of the public school system but from state custody, juvenile justice and child welfare. George Kellner from the Division of Services to People with Disabilities stated that these one-time funds would probably be gone by FY 2006 but could go beyond that if efficiencies being developed are effective.

**MOTION:** Sen. Killpack moved to amend language for the Division of Service to People with Disabilities by changing aging out of the public school system to aging out of state custody, juvenile justice services and child welfare.

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

Ms. Arnold-Williams stated she would like to comment on the intent language concerning the breakdown between administrative and services costs. She indicated her department had kept track of the hours needed to comply with this language and it came to 48.5 hours of staff time. She stated she felt this is not a good use of 48.5 hours of staff time.

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

*"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."*

*"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."*

*"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."*

*"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 2005. It is further the intent of the Legislature that these funds be used for adoption assistance programs."*

*"It is the intent of the Legislature that funds appropriated for Drug Courts and Drug Boards from the Tobacco Settlement Restricted Account for FY 2004 be non-lapsing."*

*"If funds are available, the Foster Care Citizen Review Board is authorized to not lapse funds at the end of FY 2004. These funds are to be used solely for one-time volunteer recruitment or database costs."*

*"If funds are available, the Division of Substance Abuse and Mental Health is authorized to not lapse up to \$80,000 at the end of FY 2004. These funds are for the purchase of computer equipment and software, capital equipment and improvements, and equipment and supplies."*

*"If funds are available, DCFS is authorized to not lapse up to \$50,000 at the end of FY 2004. These funds are for the purchase of computer equipment and software."*

*"If funds are available, DCFS is authorized to purchase up to six additional vehicles."*

*"Funds appropriated to the Office of Technology in the Executive Director Operations budget for e-REP enhancements are non-lapsing."*

*"Funds appropriated to the Office of Recovery Services for e-REP enhancements are non-lapsing."*

*"It is the intent of the Legislature that the Division of Services for People with Disabilities use non-lapsing funds carried over from FY 2003 to provide services for people needing emergency services, aging out of state custody, juvenile justice services and child welfare services, or being court ordered into DSPD services. It is further the intent of the Legislature that the Division will use generated budget savings to continue funding services for these people by FY 2006. The Division will report regularly to the Office of Legislative Fiscal Analyst on progress in the efforts to generate these cost savings."*

The motion passed with Sen. Julander and Rep. Thompson voting in opposition.

**MOTION:** Rep. Litvack moved to include the following Intent Language in the Department of Human Services:

*"Funds appropriated to DCFS for adoption assistance may be used to hire staff to provide post-adoption support. This support will provide adoptive parents with information, services, and counseling in an effort to prevent adoptive placements from failing. The division will track adoption assistance funds transferred as well as estimated savings resulting from this effort and report back to the Health and Human Services Appropriations Subcommittee during the 2005 General Session to determine the value of continuing this post-adoption support."*

The motion tied in the Senate and failed in the House. The motion failed with Sen. Julander, Rep. Bird and Rep. Litvack voting in favor; and Sen. Killpack, Rep. Seitz, Rep. Adams and Rep. Thompson voting against; with Rep. Lockhart and Rep. McGee absent at the time of the vote.

Sen. Julander asked to be declared as a yes vote in the previous motion.

**MOTION:** Rep. Litvack moved to reconsider intent language for the Department of Health.

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

**MOTION:** Rep. Litvack moved to eliminate the following Intent Language for the Department to Health, 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."*

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

**MOTION:** Rep. Litvack moved to adopt the following Intent Language:

*"It is the intent of the Legislature that legislation passed during the 2004 General Session with a fiscal note that impacts the Department of Health and/or the Department of Human Services budget be funded with "new" monies, and not be shifted from the current on-going budget."*

A brief discussion was held concerning this motion with the committee and Dr. Williams and Ms. Arnold-Williams.

The motion failed with Sen. Julander, Rep. Litvack and Rep. McGee voting in favor; and Sen. Killpack, Rep. Seitz, Rep. Bird, Rep. Lockhart, and Rep. Thompson voting in against, with Rep. Adams absent at the time of the vote.

#### **4. Committee Priority Funding Lists**

Items identified by the Analysts for potential funding for the Department of Human Services and the Department of Health were distributed to committee members. Mr. Pratt pointed out a correction on the Department of Health handout; item #4 should be Medicaid Caseload and Utilization and not Inflation. Co-Chair Seitz indicated that committee members could submit a written list or could voice concerns in the meeting. Co-Chair Seitz indicated that the analysts have been asked to compile a report on what it would cost to provide a 1% increase for provider services in both the Department of Health and Department of Human Services.

A discussion was held concerning those items committee members felt should be funded if more funding becomes available. Co-Chair polled the committee concerning their lists. Rep. Litvack stated his concerns were the \$3.2 million change in the Medicaid Capitalizations, restoration of vision and dental to Medicaid, provider

reimbursement and funding the waiting list. Sen. Killpack stated he was concerned about specific providers' reimbursements and state employee salaries. Co-Chair Seitz asked committee members to submit a list before 7:30 a.m. on Thursday so it could be compiled for the Thursday afternoon committee meeting.

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

Co-Chair Seitz adjourned the meeting at 4:25 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