

**MINUTES OF THE
SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE**

Room 30 House Building, State Capitol Complex
Friday, February 10, 2012

MEMBERS PRESENT: Sen. Allen M. Christensen, Co-Chair
Rep. Bill Wright, Co-Chair
Rep. Bradley G. Last, House Vice Chair
Sen. Margaret Dayton
Sen. Patricia W. Jones
Sen. Wayne L. Niederhauser
Sen. Luz Robles
Sen. Todd Weiler
Rep. Jim Bird
Rep. Rebecca Chavez-Houck
Rep. David Litvack
Rep. Daniel McCay
Rep. Ronda Rudd Menlove
Rep. Kraig Powell
Rep. Evan Vickers
Rep. Larry B. Wiley

MEMBERS EXCUSED: Sen. Peter C. Knudson
Rep. John Dougall

STAFF PRESENT: Mr. Russell Frandsen, Fiscal Analyst
Mr. Stephen Jardine, Fiscal Analyst
Mrs. Diane Pope, Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at www.le.utah.gov
A list of visitors and a copy of handouts are filed with the committee minutes.

Co-Chair Wright called the meeting to order at 8:17 am.

1. Public Comments on Human Services, Office of Recovery Services and Division of Services for People with Disabilities Budget Issues

Ms. Karen Silver, Advocate, Salt Lake Community Action Program, works with the office of DCFS to make sure child support cases are handled expeditiously. She feels the program could use the support of another employee to handle Interstate and International cases because families are more mobile now.

Mr. Russ Hansen, Advocate, was homeless last year. He now works with the Support Work Independence Program. Mr. Hansen thinks this program is the best.

Ms. Deborah Bowman is the parent of an adult daughter with disabilities. She works as a volunteer with multiple disability related agencies. She feels our disability system is on the brink of disaster. DSPD is currently facing a shortfall of \$2.2 million. The system has also

taken severe budget cuts over the past few years. It is only because of the commitment of stakeholders that the system continues to operate. Providers are trying to keep programs intact under extreme financial pressure. Paul Smith, the new Director of DSPD, is skillfully addressing the staggering problems and responsibilities that he assumed just a few months ago. Under Mr. Palmer DePaulis, Mr. Smith is working with stakeholders to make thoughtful and positive steps in making this agency a leaner, healthier, and more responsive agency. This is not the time to make cuts to the disability system. Hiring competent support workers at the current rates is getting more difficult. If these community based services are lost, parents will be forced into using more expensive support services at a greater cost to the system. She asked the Subcommittee to support the supplemental funding for FY 2012 and the building block for FY 2013. She also asked to restore the provider rates to the level before the budget cuts and to please consider funding for the waiting list.

Ms. Kris Fawson, Legislative Coalition for People with Disabilities, thanked the Subcommittee for their work. She wanted to help the Subcommittee understand how important these services are to parents. The Department has made some strides with Mr. Paul Smith. They are seeing some changes that have been a long time coming but are really moving along. The partnerships between all the programs that help individuals with disabilities are vital.

Sen. Weiler wanted to know if the funds Ms. Bowman discussed are included in the base budget.

Mr. Jardine answered noting that the items Ms. Bowman talked about will be on the lists of one-time funding, ongoing funding, and motion suggestions that will be distributed today and discussed on Monday. The base budget was approved by the Subcommittee on January 25, 2012.

Mr. Larry Valdez, Independent Support Coordinator Association, wanted to speak about the coordination of stakeholders that support DSPD. Medicaid requires many of the services provided. The team works together to best meet the needs of individuals. DSPD has made some great improvements over the past year to implement new, efficient strategies to their service policies. DSPD services are vital to helping families remain strong, cohesive and productive units in their communities and the State. Mr. Valdez asked the Subcommittee to support the Governor's budget, reinstate previous provider rates, and increase funds for the waiting list.

3. Approval of Minutes

MOTION: Co-Chair Christensen made a motion to approve the minutes of January 27, 2012. The motion passed.

Ms. Jennifer Adams is the parent of a daughter with severe disabilities. Her daughter, Cora, receives services from DSPD. Despite her disabilities, Cora enjoys life. She even attends school. The services she receives from DSPD provide her with a quality of life. Cora receives respite care daily in her home by trained care givers. Ms. Adams said she appreciates having the services so that they can be together as a family. Her daughter loves to be outside and they enjoy many bike rides together. She thanked the Subcommittee for their insight.

Mr. Andy Curry, Executive Director, Tri-County Independent Living Center, spoke on behalf of six Independent Living Centers in Utah. They support the request for additional funds for DSPD. They are seeing more and more people on the waiting list that end up in nursing homes or other institutions because they can't get services any other way. This is not the most cost effective way to give services so they would like to see this addressed in the interim. Mr. Curry indicated they are very supportive of consumer-directed services that the Physical Disabilities Waiver provides. Individuals are able to hire, train and even fire their attendants. The Waivers are the most cost effective way of providing services. One disadvantage to the Waiver is that individuals are not allowed to have home health services.

Mr. Josh Reece, an employee of Tri-County Independent Living Center, uses the Physical Disabilities Waiver. He lives at home with his wife and four children and receives help from an attendant. Mr. Reece supports the DSPD building blocks. He thanked the Subcommittee for their work.

Ms. Kristen Chapman is the aunt of a severely autistic nephew, Alek. She moved back to Utah to help raise him. Alek was on DSPD's waiting list for three and one-half years. It took another three years to get him to a good place. He's a lovely young man today. His injurious behavior has gone from daily to two or three times a year. DSPD services have been invaluable. Services for Alek were cut a couple of years ago and it was financially devastating to their family. Ms. Chapman is worried about what will happen to the system if more cuts take place. She realizes that they are the lucky ones because they are receiving services. She asked the Subcommittee to remember Alek's story if they consider making cuts to DSPD.

Ms. Shauna Smiley, Support Coordinator, Intersect Services, spoke about Mitt Romney's quote about having a safety net. She feels DSPD is a safety net. She worked for several years in the private sector but returned as a Support Coordinator two years ago. She was surprised that many families weren't using DSPD services. Their answer would be that they had enough family support. That's when Ms. Smiley realized that DSPD is truly a safety net for those that don't have a support system. Utah's safety net has been weakened. Ms. Smiley asked, on behalf of individuals that cannot take care of themselves, that the Subcommittee look out for them and give DSPD the needed funding.

Ms. Arlette Allen, is a mentally and physically disabled parent with a six year old disabled daughter, Allyson. She is getting bigger and heavier. Ms. Allen's own disabilities keep her from lifting Allyson into her car seat and buckling her in safely. Allyson has been on the waiting list for five years. She needs services to help feed her, dress her and potty train her. They are homebound. Allyson is at school during the day but the school can only do so much. She needs to be taught to walk, be potty trained, and learn to feed herself. Ms. Allen is worried that she won't be able to do anything for Allyson or herself in just a few years.

Mr. Mike Davis is disabled and receives support from DSPD. His parents, Bob and Ruth, spoke on his behalf. He suffers from seizures, which only allows his mother to have a part-time job because she is his primary care giver. Mr. Davis doesn't speak and doesn't have the ability to learn sign language. Support services from DSPD have been terrific. Mr. Davis uses a specially trained respite provider because an ordinary babysitter wouldn't suffice. The family has found that relying on family, church and the community is not practical. They were able to take a

vacation last year by using a respite provider for ten days. Using a Medicaid waiver allows for an evening aide to address Mr. Davis' hygiene needs and pays the balances on his numerous health insurance deductibles. The family hopes to place Mr. Davis in a group home eventually but can't do it without DSPD services. Mr. Bob Davis thanked the Subcommittee for their support.

Ms. Jessica Kerr, is the parent of Nathan, an autistic child. Living with Nathan is difficult because he needs 24 hour supervision. Life is very stressful for the family. Nathan has a DSPD Home and Community Waiver. Ms. Kerr said they are always worried they will lose services. Families living with disabilities are doing everything they can but can't do it alone. Having a disabled child is hard on the other children and on a marriage. Ms. Kerr would like to request the supplement funding and building blocks requested by DSPD and the restoration of pre-2009 provider rates. She would also like to see some funding for people on the waiting list.

Ms. Mary Ann Smail is the parent of a 27 year old disabled son that is still on the waiting list and his future is uncertain. But he has been able to participate in job coaching and training. He is able to use the Epass system to support him in his job. People's lives can be improved by the decisions the Subcommittee has to make. Her son, Ritchie, couldn't be here today because he had to work.

Ms. Heather Kelly is the parent of a six year old son, Wesley, with severe autism. He was on the waiting list for about four years. Wesley just got off the waiting list six months ago. It has changed their family unbelievably. He attends an after-school program. His family has seen major changes. Ms. Kelly said she came today to fight for parents that have children on the waiting list, that work hard but don't make enough for special services. She asked the Subcommittee to not cut funding because they just got services and it has changed their lives.

Mr. Mark Hansen is a parent with a disabled child that receives services. He wanted to thank the Subcommittee for funding programs to the extent that they do. He can't explain how much the funding means to them. His son is mainstreamed at school with an aide. Without the Medicaid component, his family would be facing financial ruin. Mr. Hansen has a job and insurance but that's just not enough. As he's associated with families that have children with disabilities he's realized that these are not people that just want to live off of the government. They are working, tax paying families that just don't have enough to meet their child's needs themselves. It's a question of survival.

Mr. Charlie Luke, Executive Director, Utah Association of Community Services, represents over 40 providers for people with disabilities. This group provides services to 95 percent of DSPD patients. He thanked the Subcommittee for being fair during the hard times. He asked that the three and one-half percent increase that was given providers in 2008 and taken away in 2009, be reinstated. This would go a long way in helping providers stay in business. DSPD and DHS have listened to the Subcommittee and the relationship between the agencies and providers has improved dramatically. Mr. Luke attributes this improvement to Mr. Paul Smith and Mr. Palmer DePaulis and the instruction the Subcommittee has given them.

Sen. Jones wanted to thank all the families that came today along with the providers. This is a hard day but very meaningful day for Sen. Jones.

Rep. Powell asked about the waiting list, how to get off the waiting list and whether some services are provided while on the waiting list.

Mr. Jardine referred to a foldout chart, The Disability Safety Net in Utah, given out on January 27, 2012. One of the difficulties in defining the safety net is that programs are offered in many different divisions. Mr. Jardine then referred to DHS-Services for People with Disabilities Budget Brief where it describes the numbers on the waiting list. This brief explains the criteria for determining services within DSPD. The division has prioritized risk factors for those on the waiting list. Generally, the severity of need takes priority. There has been a provision made by the federal government to give out Waivers in many cases. There were 1,825 individuals with severe disabilities on the waiting list for services on June 30, 2011.

Co-Chair Christensen suggested that the top of the list may take \$100,000 a year to service. Whereas, further down the list may be requests for respite care. He asked if you take the top five individuals off the list or the bottom 100 off the list. There has been a compromise to do a little of both each year but it leaves that whole middle group on the list. There is nothing fair about it. There is nothing fair about being on a waiting list. The Subcommittee addresses the issue the best way that they can.

Rep. Wiley asked why you would you not want to wait for services.

Mr. Jardine has heard over the years, that some families don't think they'll ever get services. Others may not believe in using the system. Probably the most common reason is that the family moves to another state.

2. Unfinished Items from Previous Agenda

None.

4. Budget Brief: Human Services - Office of Recovery Services

Mr. Jardine referred to the referenced brief. The Office of Recovery Services (ORS) is not asking for supplemental funds. Mr. Jardine pointed out that the funding has heavy involvement with the federal government in terms of financing and terms of policy. The Office of Recovery Services is responsible for collecting funds owed to the state in the Human Services and Medical Assistance areas. ORS is also charged with collecting child support payments from non-custodial parents on behalf of custodial parents. If the custodial parent is receiving public assistance, the child support payments are used to reimburse the State and federal governments for assistance given. If the State has custody of the child, the non-custodial parents are still required to pay child support to the State. Federal law requires the office to provide child support collection services to families not receiving public assistance. The Department of Health also contracts with ORS to provide insurance identification and third party collection services for medical assistance programs such as Medicaid.

Co-Chair Christensen pointed out that when the Subcommittee cuts an employee (FTE) from ORS, Utah loses not only the money they saved but as much as three times the amount from what they would have collected, so they save the State \$60,000 and cost the State \$200,000.

That is one of the dilemmas the Subcommittee faces.

Mr. Palmer DePaulis, Executive Director, DHS, introduced Mr. Mark Brasher, Director, ORS. He indicated that ORS provides a net gain to the State budget, as Co-Chair Christensen stated, because they are collecting money for the benefits or services provided individuals. This is a very enterprising organization. It's been very difficult to take cuts in this division because it is an actual loss of revenue for the state of Utah. They are not asking for any building blocks at this time.

Co-Chair Christensen asked how accurate his statement was concerning the dollar amount generated.

Mr. Brasher answered that the ORS actually collects about \$350,000 per agent.

Rep. Wiley wanted to thank Mr. Brasher for his efforts and professionalism in resolving a problem from last year.

Sen. Jones asked if the use of new technology has helped in tracking non-custodial parents.

Mr. Brasher indicated that technology does help but ORS has a hard time keeping up-to-date. ORS could use more resources in that area.

6. Issue Brief - Office of Recovery Services - Output and Outcome Measures

Mr. Jardine said there were two things to focus on. He pointed out what is being measured on the second sheet. The other item would be trend analysis of the outcomes. There has been an improvement of five percent in three areas: child support collections, ratio of child support collections to cost, and State Hospital collections from insurance. There is just one measure that had a decline of five percent or greater; the amount of child support collected by criminal non-support staff.

Vice Chair Last referenced the budget brief. He asked if any of this budget was for providing services to DSPD or is the entire budget for the collecting of money.

Mr. Jardine explained that there had been some confusion with the DSPD testimony given today. ORS is a collection agency. The origins of ORS were to collect child support payments from non-custodial parents for children that were receiving public assistance in order to repay the State. The federal government expanded this to include collecting child support from non-custodial parents if requested by the custodial parent. The Medicaid program contracts with ORS to collect insurance payments. Finally, ORS collects funds from families that have a child in JJS or DCFS care. ORS is a service provided in a round about way.

Vice Chair Last asked if they have a \$45 million budget he would like to know what that amount generates.

Mr. Brasher indicated that those numbers were on the website.

Mr. DePaulis said they would provide the information to the Subcommittee.

Co-Chair Christensen suggested ORS keep the money they collect that covers their budget and hand the excess back to the State instead of allowing that money go back to the General Fund in order to make a point.

5. Office of Recovery Services - Plan to Address Potential Loss of Federal Funds

Mr. DePaulis indicated the Department has covered the issue well. Any loss ORS would have would probably be in the amount the federal government would not reimburse Utah for the work that ORS does.

Mr. Brasher said all indications are that cuts would be in the match rate, which is currently 66 percent. There has been discussion that the rate would be cut down to 60 or even 50 percent.

Mr. Frandsen found the information concerning the dollar amount generated by ORS and made it available for the Subcommittee to see.

7. Coordination of Medical Services for People Receiving Mental Health Capitated Services

Mr. Jardine explained that this topic is connected to Health Care Reform. In discussion with a Legislator, there were questions raised about how mental health would be handled in capitated services. Mr. Jardine introduced Ms. Lana Stohl, Mr. Kevin Eastman, and Ms. Lisa Nichols, who will be presenting on mental health capitated services.

Ms. Lana Stohl, Director, Division of Substance Abuse and Mental Health (DSAMH), thanked the Subcommittee for allowing her to explain how the division is integrating mental and physical health for over 62,000 individuals. Ms. Stohl began with a few facts. Medicaid is the largest payer for mental health services in the United States. This is also true for Utah. Substance abuse and mental health patients represent 12 percent of Medicaid beneficiaries, however, they account for 32 percent of all Medicaid expenditures. This population accounts for approximately 12 million ER visits annually in the US. In 2006, a study found that individuals with serious mental health issues die 25 years younger. They also found that almost 70 percent of all those with mental health issues have a chronic physical condition. In 2008, the division made efforts to coordinate with health care providers, asking them to record vital statistics for patients they were prescribing medication. For the last two years, local health authorities have been using a holistic approach in treating individuals by looking at their overall health and habits. They use the data gathered for performance measures. The Division is coordinating with DOH on a new program, Recovery Plus, to work on tobacco cessation for both patients and staff. The Division is also participating in health care reform efforts. Ms. Stohl indicated they have done training on physical and mental health integration. DSAMH just finished putting together a request for integration services to present to CMS. The Division philosophy is that behavioral health is essential to overall health and any discussion on health care reform must include behavioral health.

Mr. Kevin Eastman, Executive Director, Weber Human Services (WHS), said WHS's mission is

to provide high quality, accessible, and cost effective human services to the residents of Weber and Morgan counties. WHS is one of 14 local authorities, and provides services for over 7,000 individuals each year. WHS is working to deliver whole health care. In 2007, WHS repositioned one of their case managers to provide assistance to those individuals with chronic physical health diseases, following up on doctor visits. WHS found they were mostly transporting patients to the doctor and only a few patients were getting enough care. It was also difficult to communicate between mental health providers and doctors. WHS determined they needed a different infrastructure. They followed national emerging research on health homes where all needs can be met. WHS contacted Midtown Community Health in Ogden to design an infrastructure that would be physically and financially feasible. In 2010, WHS was awarded grant funding for an integrated clinic and they opened it last February. WHS contracted with Midtown to provide the medical personnel to operate that clinic within the mental health center, known as the Wellness Clinic. WHS currently has 450 seriously and persistently mentally ill patients enrolled. By September they are targeted to reach 1,000 patients enrolled.

Ms. Lisa Nichols, Executive Director, Midtown Community Health Center (MCHC), explained that Midtown serves the medically underserved in Northern Utah, including Weber and Davis Counties. MCHC works in partnership with the local health authorities. For the first time in Lisa's career, she is seeing seriously and persistently mentally ill patients that are concerned about their physical health and how that affects their mental illness. Hospital stays are being avoided by addressing physical health. Midtown has been collecting data for the past year. After six months, they have found that 37 percent of clients reported an improvement in overall health, seven percent reported that they had quit using tobacco, and 42 percent reported an improvement in social connections. Midtown is analyzing additional data, such as blood pressure, BMI, and Cholesterol, to see what the outcomes have been. They believe this data will show integrated health care is achievable. An integrated system doesn't necessarily mean funding is integrated but they found the most important factor is the delivery infrastructure whether in a primarily mental health care setting or a physical health care setting. MCHC recognizes that whole health care is vital to a person's ability to function on a daily basis.

8. Federal Health Care Reform Update

Dr. David Patton, Executive Director of the Department of Health (DOH), said they would like to do a quick overview of the impacts DOH expects to see under the Affordable Care Act (ACA) over the next couple of years. Although there are lawsuits pending, ACA is the law. It may be repealed, overhauled or left alone so DOH is in a state of limbo. Because it is the law, DOH is doing what needs to be done as things are clarified. There have been some changes in grants that now fall under ACA.

Mr. Michael Hales, Deputy Director of the DOH, showed the Subcommittee the 2,407 pages of the Affordable Care Act, also known as Obamacare. He said that what is discussed today will only be a small piece of the issue. There are all kinds of changes for Medicaid, public health as well as private insurance. The first major impact to Medicaid will be the change in eligibility, where eligibility will be solely based on income and no other criteria. Currently there are about 250,000 enrollees on Medicaid in any given month. In 2014, DOH projects that approximately 110,000 additional individuals will be able to enroll in Medicaid. The projected cost in State General Fund from FY 2014 to FY 2023 is \$1.2 billion.

Co-Chair Wright asked for clarification on eligibility. He wanted to know if someone that chose not to work, or had other assets, would be eligible.

Mr. Hales clarified that Co-Chair Wright had heard him correctly. Anyone under 138 percent of poverty level, regardless of assets, will be eligible to receive assistance. The projection is based on the number of

individuals they can currently identify as being without health insurance. The reality is that the cost could be far greater because individuals that currently have health insurance from their employer could drop that insurance so they don't have to pay the premium because they're eligible for Medicaid. The Medicaid population would change dramatically from mostly children, pregnant women, those individuals with disabilities and the elderly, to include all individuals under the poverty line.

Co-Chair Wright asked about how much money could someone make to qualify at the current poverty level.

Mr. Hales said that a family of four making about \$30,000 per year would qualify.

Co-Chair Christensen asked Mr. Hales to explain if the \$1.2 billion was for the ten year period or just for one year.

Mr. Hales explained that the \$1.2 billion covers the first ten years. He pointed out that the federal government will be covering the new population for the first three years at 100 percent. Then the percentage will drop each year. Mr. Hales indicated there is a health insurance mandate which will not apply to individuals under the poverty level. This could impact Utah even more because right now only 70 percent of those individuals eligible for Medicaid are enrolled in Medicaid.

Rep. Chavez-Houck asked how phasing in and phasing out of the elements will work from FY 2014 to FY 2023.

Mr. Hales said the State is required to have an Integrated Application Portal for all individuals seeking health insurance. The State will be required to have health insurance or they will be mandated to follow a federal model. The State has had a health insurance exchange running for a couple of years. When an individual applies for insurance, their Medicaid eligibility will also be determined. For the first three years, the federal government will cover the newly enrolled at 100 percent. After three years, the percentage drops each year.

Rep. Chavez-Houck asked if there has been any research or modeling done concerning the impact of ACA on emergency room visits. She wondered if having people enrolled in a program will reduce the cost to the community.

Mr. Hales indicated there are two possible areas of savings. One is the hope that more people would be treated by a Primary Care physician thereby reducing ER visits. The other area would be with mental health care. The hope would be that those individuals that have a mental illness will get treatment earlier and have less problems. Either scenario is dependent on having enough physicians to treat all the people.

9. Other Business

Report from Legislative Fiscal Analyst Request - Department of Human Services - Follow Up on DCFS Performance Audit Issue Brief, Item #7

Mr. Jardine indicated that this item was not available when the rest of the report was presented by DHS.

Motions and Priority Lists

Co-Chair Wright introduced handouts to be used on Monday for the Subcommittee to review: One-Time Prioritization List, Ongoing Prioritization List, and Social Services Subcommittee - Motions for Subcommittee Consideration.

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Mr. Frandsen explained the handouts, indicating that changes could be made. This was just a starting point for the Subcommittee to work from.

MOTION: Co-Chair Christensen moved to adjourn. The Motion passed with Rep. Litvack, Rep. Menlove and Rep. Vickers absent.

Co-Chair Wright adjourned the meeting at 9:50 am.

Minutes were reported by Mrs. Pope, Senate Secretary

Sen. Allen M. Christensen, Co-Chair

Rep. Bill Wright, Co-Chair