

MINUTES OF THE  
JOINT HEALTH AND HUMAN SERVICES APPROPRIATION SUBCOMMITTEE  
INTERIM

Wednesday, January 09, 2002, 9:00 a.m.  
Room 403, State Capitol Building

Members Present: Sen. David H. Steele, Committee Co-Chair  
Rep. Jack A. Seitz, Committee Co-Chair  
Sen. Edgar Allen  
Sen. Curtis S. Bramble  
Rep. Trisha Beck  
Rep. David L. Hogue  
Rep. David Litvack  
Rep. Rebecca Lockhart  
Rep. Carl S. Saunders  
Rep. Matt Throckmorton

Member Excused: L. Steven Poulton

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

Public Speakers Present: Rod L. Betit, Executive Director, Department of Health  
Scott Williams, Deputy Director, Department of Health  
Robin Arnold-Williams, Executive Director, Department of Human Services  
Michael Deily, Director, Division of Health Care Financing

Visitor List on File

Committee Co-Chair Seitz called the meeting to order at 9:03 a.m.

**1. Response to FY 2002 Budget Adjustments - Department of Health**

Rod L. Betit, Executive Director, Department of Health, said he hoped to share with the committee the department's concerns and recommendations concerning the analyst's presentation yesterday. He stated he had talked with many constituents yesterday about their interests and concerns. He said he was quite surprised by the analyst's recommendations in terms of what impact it would have on the public health programs in the state. He stated he understood the situation the analyst was in in light of the cuts that have already been made. He said he felt there were some significant implications that the committee should be aware of and we need to rethink where to make cuts. He stated he hoped that at the end of his presentation the committee would be willing to go back to leadership and argue for additional funds. He said he believed there are funds in the revenue picture that could preclude having to take these additional drastic cuts. He stated that since his arrival in Utah in 1987 he had never seen a situation where the core of the health department had been under attack to balance the budget.

He distributed and discussed a prepared handout which showed the budget by major programs, where Medicaid is used to support state and local programs, a comparison of the Governor's budget and the proposed fiscal analyst's budget, a budget revision summary showing proposed budget reductions and those already implicated. The report also contained Budget Fact Sheets documenting the impact on various programs. Mr. Betit indicated that the health department has come through two years of reductions with no higher funding and programs would have to be cut as

there is no surplus of funds left to offset these proposed budget cuts. He stated that while it might seem fair to target every department for an equal amount of general fund, the impact would not be the same in each department. The health department is tied to federal money on a very direct relationship. If you take out a dollar of state money, you take out three or four dollars of federal money. The bottom line is that when you get done looking at the impact of general fund reductions, they are significant in how they play out with federal money.

One critical area of concern in the Health Department is the Patient Safety Initiative. Dr. Scott Williams, Deputy Director, Department of Health, stated that two years ago the Institute of Medicine came out with a report that was called "To Error is Human" which identified that somewhere between 50,000 to 100,000 people die in this country every year because of mistakes that are made in hospitals. He said this placed medical errors as the 8<sup>th</sup> most common cause of death in the country. Dr. Williams said it happens more often than is talked about and is not brought forth because people are afraid of the liability issues. He stated there are specific things that can be done to dramatically reduce those errors. The Utah Department of Health was the only public health department in the country who received a grant for \$1.5 million for health quality and research meant to help hospitals put in known improvements that can reduce errors, especially drug errors, which are the most common cause of medical errors in hospitals. Rep. Saunders asked if this grant required any state matching funds. Dr. Williams answered that matching funds were not required but it does require the department to have the capacity to measure these problems over time to show that we were achieving improvement. It also must have capacity to supervise the distribution of this money and give technical assistance to hospitals and other organizations to put the program in place. Dr. Williams stated that if the department loses the Office of Health Care Statistics, which is one of the cuts the analyst has recommended, the grant will likely be withdrawn. Rep. Lockhart asked why hospitals cannot carry out this program with "incident reports" that are already in practice. Dr. Williams answered that "incident reports" only address about 10% of the problems.

Rep. Litvack asked what programs have increases in co-pay and if exceptions can be made in someone receiving more than seven drug prescriptions a month. Michael Deily, Director, Division of Health Care Financing, explained that the co-pays already implemented were physician services and out-patient hospital services and on February 1 non-emergency hospital stays will be implemented. Mr. Deily said that adjustments can be made in the seven drug prescriptions limits for valid medical reasons.

Rep. Lockhart ask if consideration had ever been made to combine the Health Department and the Department of Human Services. Mr. Betit said he had been in that situation in another state and would not want to go there again. He said the focus and pressures of the two departments are entirely different and he felt it would be a huge mistake and a big step backward to combine the two departments.

Sen. Allen asked if the Health Department had worked with the Governor's Office in arriving at their recommendations. Mr. Betit stated that they did work together and although not everyone got what they wanted, the department basically agreed with the Governors's recommendations. He stated Utah has a remarkable Department of Health with many highly qualified, committed people and it is demoralizing for them to go through this kind of thing. Sen. Bramble indicated he was concerned about administrative inefficiencies shown in the DSPD audit. He said his concern is getting the most services to those who are in the most need.

Co-Chair Seitz suggested that the department directors and the analysts get together to work out recommendations for budget cuts that would do the least harm. Co-Chair Steele expressed appreciation to the departments for coming and responding. He said he was not prepared to make any decision until more information was available. A discussion was held concerning extra committee meetings before decisions were made.

Spencer Pratt, Senior Fiscal Analyst, distributed a detail sheet for the Department of Health. The Governor's Office distributed a handout entitle "Budget Bulletin." Both of these offer more detailed information for committee

members.

**MOTION:** Rep. Saunders moved that the fiscal analysts and the department directors meet together to analyze the proposed budget cuts and come to some agreement to bring back to the committee. The motion passed unanimously.

## **2. Response to FY 2002 Budget Adjustments - Department of Human Services**

Robin Arnold-Williams, Executive Director, Department of Human Services, distributed and discussed a handout. She indicated there was a great deal of congruence with the Governor's and the analyst's recommendations with the exception of the additional recommendations from the analyst above those of the Governor. She indicated that these reductions were not made without pain and that the department had held back many services. They did not bring new people into programs knowing that they would have to be taken out again because of the budget situations. She indicated the various ways, indicated on page 2 of her handout, where on-going reductions are being implemented. Page 3 of the handout outlined programmatic reductions affecting overall service capacity, which do not affect current service recipients or direct service staff. Also outlined were the programmatic reductions that will affect current service capacity, recipients and staff.

Ms. Arnold-Williams expressed concern in two areas. First, the medicaid waiver which means that 43 people are not being served, and second, closing the beds in the state hospital, in that it may need a change in state statute. The yellow page of the handout outlines the increase cuts recommended by the fiscal analyst. She also voiced concern about the proposed one-day furlough. She stated the Department of Human Services operates 24-hour care facilities. She stated the patients in the State Hospital, the residents of the Developmental Center and the youth in the youth correction facilities will not take a one day off. Their needs are ongoing every day. She indicated they already have difficulty maintaining the nursing staff. There is a shortage of nurses and for one to take a day off requires overtime from others, so no real savings will be realized. Another concern on the one-day furlough is that it will impact each employee's personal budget on different levels. She indicated that the one-day furlough is not as easy to put into practice as it looks like on the surface. Committee members voiced concern that if the one-day furlough was implemented, it has to be uniform for all state employees.

Fiscal Analyst Thor Nilsen distributed detail sheet summaries for the Department of Human Services as requested in yesterday's meeting.

Committee discussion was held concerning the difficulty of making informed decisions in a "hurry up" fashion and their willingness to hold meetings on Friday or Monday in order to be better informed.

**MOTION:** Rep. Hogue moved to request the Executive Appropriations Committee to extend the deadline to a later date to allow the committee more time for recommendations, and if not extended, that the committee meet next Monday.

After committee discussion Rep. Hogue amended his motion.

**AMENDED-MOTION:** Rep. Hogue moved to have the committee meet on Monday, January 14, at 2:00 p.m. The motion passed unanimously.

Co-Chair Seitz announced that tomorrow's meeting would be moved to the State Office Building Auditorium in order to accommodate the anticipated crowd. He asked that those giving public comment limit their comments to three

minutes or less and to keep their comments to the current issues, not past problems.

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

Co-Chair Seitz adjourned the meeting at 11:27 a.m.

Minutes reported by Norda Shepard, Secretary.

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Sen. David H. Steele  
Committee Co-Chair

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Rep. Jack A. Seitz  
Committee Co-Chair