

MINUTES OF THE  
JOINT HEALTH AND HUMAN SERVICES APPROPRIATION SUBCOMMITTEE  
INTERIM

Thursday, January 10, 2002, 9:00 a.m.  
State Office Building Auditorium

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: Clark Hinckley, Vice Chairman, Utah Health Data Committee  
Bob Hueffner, Public Health Representative, Health Data Committee  
Tamara Lewis, M.D., Medical Director for Community Health, IHC  
David Cunningham, Southeast Health Department  
Bonnie Cook, Castlevew Hospital  
Jorge Arch-Laretta, President, Utah Coalition of LaRaza  
Wayne Cottam, Chairman, Special Population Committee  
Judi Hillman, Health Policy Analyst, Utah Issues  
Chad Westover, Director, CHIP  
Jesse Soriano, Chairman, Ethnic Health Advisory Committee  
Dennis Houze, Chairman, Utah Telehealth Commission  
Donna Singer, CEO, Utah Navajo Health System  
Manual Morgan, Chairman, Board of Directors, Utah Navajo Health System  
Chris Cook, RN, Salt Lake County Jail  
C. J. Hansen, Executive Director, Enterprise Valley Medical Clinic  
Michael Wood, Superior Care Pharmacy  
Neil Jensen, Director, Utah Pharmacy Association  
Dave Gessell, Utah Hospital Association  
Brad LeBaron, Administrator, Uintah Basin Medical Center  
Bob Jex, Administrator, Bear River Valley Hospital  
Brent Cope, CEO, Tooele County Medical Center  
James Olsen, Utah Retail Merchant's Association  
Joan Gallegos, Executive Director, Utah Health Care Association  
Dee Bangarter, Utah Health Care Association  
Nano Podolsky, Site Coordinator, Salt Lake City Schools  
Jan Ferre, Legislative Coalition for People with Disabilities  
Sheri Lee  
Tina Johnson

Shauna O'Neill, Utah Association of Area Agencies on Aging  
Doris Fry  
Jack Tanner, Executive Director, Utah Behavioral Health Care Network  
John Walker, Co-director, Addiction Research and Education Center, U of U  
Dr. Kelly Lundberg, Executive Director, Callister Foundation  
Dr. Barbara Hardy, Director of Substance Abuse Services for Salt Lake County  
Owen Wood, Consulting Pharmacist  
Dr. Mary Jane Norman  
Dr. Steven Warren  
Dr. Don Fennimore, Valley Mental Health  
Marilyn Rockelman, Murray FACT  
Bill Cox, Utah Association of Counties  
Vicki Cottrell, NAMI Utah  
Sheri Houston, Allies with Families  
Dale Greenwell, Allies with Families  
Charley Risenman, President, SAFF Care

Visitor List on File

Committee Co-Chair Seitz called the meeting to order at 9:10 a.m.

Co-Chair Seitz welcomed everyone and indicated the committee would hear public testimony. He cautioned that each person would be given three minutes due to the large number wishing to be heard.

Clark Hinckley, Vice Chairman of Utah Health Data Committee, spoke in support of continued funding for the Office of Health Care Statistics. He stated the data collected by Health Care Statistics is a great help to companies and its employees in making informed health care purchases. He distributed a printed copy of his testimony to each committee member.

Bob Hueffner, Public Health Representative of the Health Data Committee, also distributed printed information to the committee and spoke of the value of the surveys that are collected by Health Care Statistics. He stated that using this trusted information is essential for good health care management.

Tamara Lewis, M.D., Medical Director for Community Health with IHC, spoke in opposition to the purposed cuts for the Public Health Assessment Group. She said data is essential in using funds, especially the tobacco settlement funds, appropriately and putting dollars where problems exist. She stated there is no other group in the state that has the skills and ability that the people do at the state health department.

Rep. Seitz turned the chair to Sen. Steele.

David Cunningham, health officer for Southeast Health Department and President of Local Health Officers Association, stated he was concerned about the effects of the proposed cuts on the general block grants and also some of the Medicaid programs that are run locally in the local health departments. He stated most of the programs are mandatory and are grant services. He stated the bottom line is that cuts to local health departments will result in cuts to needed services.

Bonnie Cook, Chief Clinical and Nursing Office at Castlevue Hospital in Price, said that as a member of the private health care sector she was speaking in opposition to the elimination of the nursing and other health care providers

financial assistance program. She stated the state is facing a critical nursing shortage. She said it is not only a nursing shortage but a staffing disaster. She said she has not seen a more effective program for supporting health care education than the Nurse Education Financial Assistance Program.

Jorge Arch-Larretta, President, Utah Coalition of LaRaza, spoke in opposition to the proposed cuts or elimination of the Primary Care and Rural, Ethnic Health. He said services to minorities throughout the state will suffer. He said they will have to wait too long for care and will be less likely to receive preventive care.

Wayne Cottam, Chairman Special Population Committee, stated that this committee is supported by the Primary Care and Rural and Ethnic Health. He stated the Primary Care office works with the federal government and others to access the health care needs of the population, especially the poor and low income population. It works to get areas designated as health professional shortage areas and medically under served areas and also to fund health care providers who care for the poor and needy while receiving scholarship or loan repayments. He said these functions are absolutely essential and do effect direct services.

Judi Hillman, Health Policy Analyst, Utah Issues, stated health advocates are reeling from the Medicaid cuts and now face more possible health department cuts. She stated they are concerned about the increased co-pays and the CHIP enrollment cap. She stated it does not make sense for the poorest among us to pay for a poor economy. She distributed printed material outlining the concerns of the Coalition for Medicaid Consumers.

Chad Westover, Director, CHIP, responding to questions from the committee, stated that CHIP is not currently accepting applications. He stated they receive about 1000 applicants a month. He said if funding is available by summer they may be able to accept two to three thousand applications. He said that cutting the dental coverage was a painful and very unpopular decision but there was no other avenue.

Jesse Soriano, Chairman, Ethnic Health Advisory Committee, stated he was voicing concern to the proposed budget cuts to the Department of Health, especially the cuts impacting the Bureau of Primary Care, Rural and Ethnic Health. These cuts will greatly reduce the bureau's ability to deliver essential and greatly needed services to ethnic and minority communities. He said to reduce the programs would undo much of the progress that has been made.

Dennis Houze, Chairman, Utah Telehealth Commission, stated he was speaking on behalf of fund for the Bureau of Primary Care Rural and Ethnic Health and the impact budget cuts will have on the state in providing services and equal access outside of the Wasatch Front. If programs are cut it will diminish health care and reduce quality of life in rural areas. He asked that cuts not be made without considering the impact it will have on the people it serves.

Donna Singer, CEO, Utah Navajo Health System, spoke in support of the Bureau of Primary Health Care, stating that this program is one of the best investments that can be made with state medical dollars. She said the CHIP cuts have already had a significant impact, especially the dental cuts. She stated preventive medicine is by far the best spent medical dollars and that rural area have desperate needs.

Manual Morgan, Chairman, Board of Directors, Utah Navajo Health System, stated that the decisions the committee make affect him and his health care. He asked for support of the Bureau of Primary Health, stating it was one arm of state government that finally came into the rural community and brought great benefits.

Chris Cook, a registered nurse at the Salt Lake County Jail, stated he supported funding for the Bureau of Primary Health Care. He said it is an important program that is used throughout the state. He said there is a significant shortage in the nursing program. This bureau can train our own people and keep them here, especially in rural areas.

C. J. Hansen, Executive Director, Enterprise Valley Medical Clinic, spoke in support of the scholarship and loan

repayment program. This is a critical part of recruitment and retention of medical providers in rural areas. He stated it is difficult to get qualified people to come and provide services in hard to reach populations and this program is a key component in getting those services directly to those patients. He asked for consideration to continue the scholarship and loan repayment program.

Michael Wood from Superior Care Pharmacy distributed a printed presentation and stated that he was here today to voice strong opposition to the proposed limits on prescriptions and the drastic cut in reimbursement to pharmacies for the drugs they dispense and the services they provide.

Neil Jensen, Director, Utah Pharmacy Association, said his association has great concern over the cuts that have been made recently by Medicaid and the one cutting the fees to pharmacies. He said that some pharmacies, especially smaller independent ones, can not even buy products for what they are paid. He stated they care about people and want to serve their customers in the best possible way. They cannot do this if not paid adequately. He stated that if patients do not have proper medication, they will have more serious problems.

Dave Gessell, Utah Hospital Association, said they appreciate what the Governor, Rod Betit and Spencer Pratt are doing to try to protect the Medicaid program but they do have concerns. He stated the \$220.00 hospital co-pay will be difficult for many people to pay. He estimated that three quarters of the money will essentially be eaten by hospitals. He said they were concerned about the limits on prescription drugs. He said reducing programs that have worked well in helping to eliminate the nursing shortage is not the prudent thing to do.

Brad LeBaron, Administrator, Uintah Basin Medical Center in Roosevelt, stated that they have been very successful over the past several year in recruiting physicians to their community through the loan repayment program that is now being considered for elimination. He said he feels this program is a tremendous benefit to rural areas and asked for continued funding.

Bob Jex, Administrator, Bear River Valley Hospital in Tremonton, expressed concern in cutting funding for the Rural and Medical Financial Assistance Program. He said this program is doing what it was intended to do. He stated that rural hospitals are at risk. He said the only effective voice rural hospitals have in the Department of Health are found in the Primary Care and Rural Health Division and it is important to maintain the program.

Brent Cope, CEO of Tooele County Medical Center, stated that a significant factor in their ability to rebuild a health care system in Tooele is based on their ability to recruit primary care physicians. He stated that if you eliminate primary care physicians, you essentially eliminate the entire health care delivery system, especially in small towns in rural areas. He said the nursing shortage is also a great concern. He said without the loan repayment programs the basis of health care in rural Utah will be significantly affected.

James Olsen, representing the Utah Retail Merchant's Association, stated he realizes there are no easy solutions to funding problems. He said their pharmacy committee has been studying the causes of increases in pharmacy benefits and found three main reasons: increased participation in utilization; the many new drugs been introduced; and the manufacturing cost of these drugs. He said any lasting solution to budget problems must look at these three areas.

Joan Gallegos, Executive Director, Utah Health Care Association, said she would echo the Hospital Association in thanking the committee for their work. She stated they believe their association should be in a partnership with the state in finding answers to these difficult problems. One area of concern is the nursing shortage and funding in the Nurse Education Work Force Grants are very important.

Dee Bangerter, Utah Health Care Association, said the committee should be mindful of just how much cuts save. He said if you cut 1 dollar from matched programs, you only save 6 cents because of the federal match rate.

Nano Podolsky, Site Coordinator, Salt Lake City Schools, distributed materials stating FACT ( Families, Agencies and Communities Together) information, FACT Survey and Site Based Needs and discussed each one briefly. She said the purpose of FACT is prevention and early intervention for families in the site based programs. It is a volunteer program and is an effective means to help families in need.

Jan Ferre, Legislative Coalition for People with Disabilities, distributed a handout responding to the analyst's recommendations. She said the budget cuts would result in the Health Department losing funding for 20 public health nurses who are based in low income schools. She said the purposes of FACT are to eliminate duplication of services and get agencies to talk to each other thereby providing more appropriate services, and to fill in service gaps.

Sheri Lee testified representing families who have received help from FACT. She described the problems in her family with one child and how FACT had helped her entire family. She stated the program has been crucial in the survival of her family. She stated the program provides our children with the best outcome for the future. Her complete typed remarks were copied and distributed to committee members.

Tina Johnson distributed a booklet containing personal testimony on the impact of the proposed and implemented Utah Medicaid cuts. She said the drug limitations would be life threatening in many cases, using her own circumstances as a personal example. She said the Medicaid cuts will affect how people function in their families and communities and cut into the quality of life.

Shauna O'Neill, Utah Association of Area Agencies on Aging, said the Division of Aging and Adult Services is the smallest division that provides services to the public. The 9.6% budget cut recommended for this division is the largest in the department. Much of this is taken from services that are provided by local counties in the community. She addressed how the cuts would affect meals for the elderly. She said 25% of people receiving these benefits have no family and it is the only balanced meal they receive. The agency distributed a news release relating the story of how a Sandy man's life was saved by a "Meals on Wheels" driver.

Doris Fry stated she is 95 years old and lives in St. Mark's Tower. She said she lives a good life for her age but she is concerned about others. She said without help from programs provided for elderly people, they would have great difficulties. She stated she only has Social Security and if she had to pay for all medical bills she would not have enough to live on.

Jack Tanner, Executive Director, Utah Behavioral Health Care Network, distributed a list of actions that have already been taken by mental health and substance abuse centers throughout the state. He stated that further actions will result in more cuts. He noted that staff has been cut, which means fewer clients are served and programs have been reduced. He said you can cut budgets but problems do not disappear and we really don't stop paying the costs. He stated that with treatment for both mental illness and substance abuse we can improve lives. People can recover and have hope and participate in family life and begin to contribute to their communities.

John Walker, Co-Director Addiction Research and Education Center at the University of Utah, stated that drug abuse and addiction is a complex illness. He said his center is striving to form partnerships with private foundations, such as the Callister Foundation, and the Division of Substance Abuse. He asked the committee to respectfully reconsider the recommended cuts to the Division of Substance Abuse.

Dr. Kelly Lundberg, Executive Director, Callister Foundation, gave examples of how valuable the Division of Substance Abuse has been to the private sector, the public sector and to the community, including the "Hope Line," which is a toll free line people can use to gain information regarding addiction. She said the funding resources need to be left intact. She said she feels the Callister Foundation can make a huge contribution to this issue if they are allowed to.

Dr. Barbara Hardy, Director of Substance Abuse Services for Salt Lake County, said she wanted to acknowledge what a difficult and painful task the committee has. She says everyone recognizes the reality of budget cuts and that something has to be done. She noted that in the Department of Human Services you are dealing with real people who have real problems. She said that substance abuse does not happen in a vacuum. She said she was concerned about two specific areas of budget cuts; flow down money to local areas and cuts to substance abuse. She said that both of these translate into cutting services to clients. She said to carefully consider that these cuts impact families, communities and public safety.

Owen Wood stated he is consulting pharmacist who deals with long-term care patients. He spoke concerning the seven medication limit rule. He asked how a physician was to decide which medicine to cut. He urged committee members to look in the budget for other things and fund the needs of people.

Dr. Mary Jane Norman said she is a full time long-term care physician and president of the local Medical Records Association. She stated she didn't want to come in being negative. She said her association is ready to try and implement change, but do it in the most appropriate way to patients and nursing facilities. She spoke concerning the seven drug limitation and asked how do you pick your favorite seven. She stated that if new programs are to work it will require good communication and education of what is going to be required.

Dr. Steven Warren stated that the patients he now has in nursing homes have multiple problems and are more complex than any patients he has ever before treated. He said that most nursing homes now are doing almost hospital work. He said they look at their medications very closely, try to use generic and use the right medication for the problem. He said most patients can't get by on seven medications. He said that Medicaid regulation will not always pay for simpler medication and therefore the more expensive ones that are covered have to be used, resulting in more cost. He recommended that an advisory committee of people who are practicing in the field could help to make more realistic regulation and save medication dollars.

Dr. Don Fennimore, Valley Mental Health, stated he was concerned about the seven medication limit. He said it is often these complex medications that keep people at home rather than ending up in a more costly nursing home.

Marilyn Rockelman, Murray FACT, stated she is a front line FACT worker. She said FACT works with all available resources in the community. She asked that the committee reconsider cutting or eliminating FACT.

Bill Cox, Utah Association of Counties, stated he is concerned as a county commissioner of what is going to happen to the aging programs if budget cuts are implemented. He gave examples of what might happen in his county. He stated he would appreciate every effort being made to keep funding for aging services.

Vicki Cottrell, NAMI Utah, distributed a booklet entitled "Improving the Nation's Health." She discussed the problem of children's mental illness. She said children do have mental illness and about 90% are going untreated. She stated we need to be aware of the need for children to receive mental health services. Untreated mental health can be devastating.

Sheri Houston, Allies with Families, stated she is a mother of a child with severe mental illness and also an advocate

for Allies with Families, an organization that has been helping families throughout the state of Utah with mental health problems for over ten years. She said they are concerned about the proposed budget cuts and would like the committee to consider looking for other funding avenues, such as the Rainy Day Fund, bonding and the tobacco settlement money.

Dale Greenwell, Allies with Families, displayed a picture of his family and related the problems his family has had with mental illness. He stated without the help available to his family from the mental health organizations his family would not be functioning and contributing to society. He said mental health centers are doing the best they can with the budget restraints that are already on them. He stated that if more cuts are made, families such as his won't have the services that they need.

Charly Risenmay, President, SAFF Care, stated she was concerned about the CHIPS cuts and the recommended one-day furlough. She stated she is the parent of ten children. Most of them have special needs of one kind or another and are uninsurable. CHIP is the only available insurance they have ever had.

**MOTION:** Rep. Hogue moved to approve the minutes of 1-08-02. The motion passed unanimously with Rep. Throckmorton absent at the time of voting.

Other materials distributed to the committee during the meeting were Utah Association of Local Health Officers Budget Fact Sheet, Budget Bulletins from the Governor's office for both Health and Human Services, a letter from the Diocese of Salt Lake City, a letter from Ogden Area Community Action Agency, Inc., a letter from F. Mariam Bishop, Chairman of the Rural Medical Financial Assistance Committee, and a letter from the Utah Area Health Education Centers.

Co-Chair Steele thanked people for their comments and all those in attendance for being patient with the long meeting.

**MOTION:** Rep. Lockhart moved to adjourn. The motion passed unanimously with Rep. Throckmorton absent at the time of voting.

Co-Chair Steele adjourned the meeting at 12:04 p.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

