

**MINUTES OF THE
SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE**

Wednesday, June 13, 2012 - 8:00 a.m.

Valley Mental Health
1020 S. Main Street
Salt Lake City, UT 84101

Members Present:

Sen. Allen M. Christensen, Co-Chair
Rep. Bradley G. Last, House Vice Chair
Sen. Margaret Dayton
Sen. Patricia W. Jones
Sen. Peter C. Knudson
Sen. Wayne L. Niederhauser
Sen. Todd Weiler
Rep. Jim Bird
Rep. Rebecca Chavez-Houck
Rep. John Dougall
Rep. Kraig Powell
Rep. Larry B. Wiley

Members Excused:

Sen. Luz Robles
Rep. David Litvack
Rep. Daniel McCay
Rep. Ronda Rudd Menlove
Rep. Evan J. Vickers
Rep. Bill Wright, Co-Chair

Staff Present:

Mr. Russell T. Frandsen, Fiscal Analyst
Mr. Stephen C. Jardine, Fiscal Analyst
Mr. Gary K. Ricks, Fiscal Analyst
Ms. Greta Rodebush, Legislative Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at www.le.utah.gov.

Mr. Gary Larcenaire, President and CEO, Valley Mental Health, welcomed committee members.

1. Introduction and Approval of Minutes

Co-Chair Christensen called the meeting to order at 8:24 a.m. and welcomed those in attendance. There was no action to approve the minutes at this time.

2. Subcommittee Questions from the 2012 General Session (Department of Human Services)

- a. DSPD - How are individuals taken off the DSPD waiting list as additional funding is provided and whether individuals at both the top and the bottom of the list are potentially receiving services through the process of taking individuals off the list?*

Mr. Paul Smith, Director, Division of Services for People with Disabilities (DSPD), referred to a two-page handout that lists DSPD's responses to subcommittee questions from the 2012 General Session. According to state statute, as additional funding for the waiting list becomes available, individuals are funded off the list based upon a person's critical need. He noted one exception to this practice when the Legislature approved a special one-time allocation for provision of Non-Waiver respite and supported employment. During the September 2009 Special Session, the Legislature implemented cuts and eliminated the one-time Non-Waiver (state only) Programs.

Mr. Smith commented that as DSPD takes in people with the "most critical needs," eventually DSPD will end up serving a population with intense service and support needs which will make it more difficult to show cost neutrality in comparison to the costs associated with an institutional setting. He stated that the

Legislature appropriated \$500,000 during the 2012 General Session, which will help take at least 80 individuals off the Waiting List.

Mr. Smith responded to committee questions.

Co-Chair Christensen called for a motion on the minutes.

MOTION: Rep. Dougall moved to approve the minutes for January 30, 2012, January 31, 2012, February 2, 2012, February 3, 2012, February 7, 2012, February 8, 2012, February 9, 2012, February 10, 2012, February 13, 2012, and February 14, 2012. The motion passed unanimously with Sen. Knudson absent for the vote.

Sen. Weiler stated that he had read the entire set of minutes and found them very informative. He complimented committee secretary, Ms. Diane Poppe, for her fine work.

b. DSPD - Have DSPD provide a description of best practices in its profession that can be used for performance measure comparisons as well as what accreditations and standards are used in the DSPD field to show good outcomes.

Mr. Smith briefly discussed a number of performance measures that address statutorily required outcomes that reflect what people expect from DSPD's programs, such as quality of life, least restrictive environment, and self determination. DSPD monitors health and safety issues, how programs are run, delivery of services, and employment outcomes. Mr. Smith indicated that as of July 2012, DSPD has rejoined the National Core Indicators, the primary performance measure, which compares the services people with disabilities receive state by state and nationally.

Sen. Dayton inquired about achieving a balance in the monitoring of safety measures in both the public and private Intermediate Care Facilities for the Mentally Retarded (ICF/MRs).

c. Department of Human Services - What rate reductions have all Human Services' providers taken over the past several years and where does each of them stand now by comparison to June 30, 2008 levels?

Mr. Mark Ward, Deputy Director, DHS, discussed the provider rate changes in the handout, "Department of Human Services, Provider Rates, June 13, 2012." He reported on the directional changes in the provider rates for FY 2008-FY 2013. In FY 2008 and FY 2009, the rates for all providers increased, followed by a decrease in FY 2010. In FY 2011, the rates for most providers decreased back to the FY 2007 rates, the exception being DSPD whose rates remained the same.

There was no change to the rates in FY 2012. In FY 2013, the Legislature appropriated additional funds to increase the rates for Foster Care (\$15.00 per day) and DSPD providers (\$8.45 qtr/hour). Mr. Ward pointed out that Youth Provider rates remain at the FY 2007 levels.

Co-Chair Christensen felt that it would be important to take a closer look at the foster care rates this year.

Sen. Jones inquired about the impacts on providers and patients when appropriations are reduced. Mr. Ward explained that reduced appropriations add to the providers' financial burdens especially when the providers have to deal with increases in nonpersonnel costs and caseload growth. The quality of care becomes an issue because providers find it harder to retain employees. Low provider rates have impacted foster care as well. Since FY 2011 when rates decreased, the department has seen a decrease in the number of licensed foster care parents.

Sen. Christensen asked what happens to children if there is not a sufficient number of foster care parents. Mr. Ward stated that if a child cannot be placed in foster care home, that child could be placed in a larger residential setting which may cost more money and take longer to place the child in a home. Sen. Christensen stated that he is going to address the reimbursement rate for foster care this year.

Rep. Chavez-Houck asked about providing support services to kin who are asked to foster children.

Mr. Brent Platt, Director, Division of Child and Family Services (DCFS), stated that last year, the division purchased a service that looks for relatives and family members who could possibly help take care of children who cannot safely remain in their homes. The division is working with grandparents to make sure they get licensed so they can receive the same support and benefits as other foster parents. If the families choose not to become licensed, they can still qualify for financial assistance through the Department of Workforce Services.

Rep. Chavez-Houck asked for more information on the number of children placed in family homes vs. nonfamily homes.

3. Questions from the 2012 G.S. & May EAC Meeting (Department of Health)

a. Department of Health - Would like recommendations on what to do to streamline the reporting requirements and eliminate unnecessary reports.

Mr. David Patton, Executive Director, DOH, stated that this question was asked in the context of Medicaid. He identified three reports that duplicate or provide any new information: PCN Report; 340B Report - Expansion of the Drug Pricing Program; and the H.B. 459 - Medicaid Efficiencies Report. Dr. Patton stated that the department is statutorily required to provide the Legislature with about 30 reports each year.

Co-Chair Christensen asked the DOH to provide the subcommittee with a list of the required reports, in the event that someone may be interested in having a specific report reviewed. Dr. Patton indicated that the department may have more recommendations on which reports to reduce or eliminate for the next general session.

b. Department of Health - Grant rejected for funding by EAC - need to review and look at cross over from other grants and provide a recommendation to EAC.

Mr. Frandsen explained that the Executive Appropriations Committee (EAC) in its May 2012 meeting voted not to approve the Department of Health's Heart Disease and Stroke Prevention Programs grant and recommended that the Social Services Appropriations Subcommittee review the grant and provide

the EAC with a recommendation. In addition, the EAC asked the subcommittee to review and make recommendations on two additional grants: Cancer Prevention and Control Program for State, Territorial and Tribal Organizations and Well-Integrated Screening and Evaluation for Women Across the Nation.

Ms. Teresa Garrett, Director, Division of Disease Control and Prevention, DOH, introduced Ms. Heather Borsky, Director, Bureau of Health Promotion, who reported on the benefits of the three federally funded grant programs. Handouts outlining the details of each program were available.

Ms. Borsky explained that these intervention programs are very beneficial to the state in that they help prevent or control heart disease and stroke as well as other chronic conditions such as cancer and diabetes. She asked the subcommittee to submit a recommendation to the EAC to approve all three grants as well as the DOH request to use \$205,100 in existing already appropriated General Funds as match for the \$948,228 in federal funds that the department has already received.

Rep. Chavez-Houck asked about the costs for emergency room visits associated with heart disease and stroke, and how these costs compare with other states.

Ms. Nicole Bissonette, Program Manager, Heart Disease and Stroke Prevention Program, stated that she would have to look up emergency room visits, but the total cost for hospital charters for coronary heart disease in Utah was \$240 million. The cost for the most expensive chronic diseases (hypertension, coronary artery disease, heart failure, and stroke), according to the All-Payer Claims data base, was \$206 million in Utah.

Sen. Jones stated that it was not clear what the EAC concerns were about these programs. She spoke on the merits of saving taxpayer money as well as improving the lives and health of Utah citizens, particularly women. She asked what the outcome would be if these grants were not approved, how much prevention money would be saved through the efforts of education, and if there are any trends surfacing that might suggest that the education process is having an impact on human behavior?

Dr. Patton explained that the misunderstanding in last month's EAC meeting revolved around the match money. He clarified that the Heart Disease and Stroke Prevention Program was an ongoing grant program that was being increased by \$56,628. He pointed out that an ongoing state match of \$205,100 had already been approved and would apply to the entire grant of almost \$1 million.

Ms. Borsky stated that these are long standing public health programs that have been in place in Utah for at least two decades. She stated that for every dollar invested in prevention you save three dollars in care. She felt this held true in Utah with these programs.

Sen. Jones observed that EAC's issue with the grant had more to do with a clerical misunderstanding and not the grant itself. She recommended that the subcommittee send the grant back to the EAC.

Sen. Niederhauser asked about the impact on FTEs if this grant was not approved, and how much money goes to administrative cost versus direct services. Ms. Borsky said that if the grant were not approved, the program would lose about seven FTEs in the Heart Disease and Stroke Prevention Program and 10 FTEs in the Cancer Prevention and Control Program along with local health department services. She explained that in the Cancer Prevention and Control Program nearly all of the money goes to direct

services to women. In the Heart Disease and Stroke Prevention Program, 60 percent of the \$1 million goes out to community-based programs, and 40 percent stays in-house. In order to access the federal funds, the state is required to provide a 1 to 5 match.

MOTION: Sen. Jones moved to submit a recommendation to the Executive Appropriations Committee to approve all three of these grants.

Sen. Niederhauser suggested dividing the motion and voting on each grant separately.

Mr. Frandsen clarified that only the Heart Disease and Stroke Prevention Program grant needed approval.

MOTION: Sen. Jones moved to amend the motion to submit a recommendation to the Executive Appropriations Committee to approve the Heart Disease and Stroke Prevention Program.

Sen. Niederhauser still had some concerns about these grants going forward.

Co-Chair Christensen suggested that the subcommittee consider sending the grant back to the EAC without a recommendation either way.

SUBSTITUTE MOTION: Sen. Niederhauser moved to approve the Heart Disease and Stroke Prevention Programs grant and have the Social Services Appropriations Subcommittee study some of these grants in greater detail.

Sen. Jones spoke in support of the substitute motion, stating that this program is an absolutely crucial program that needs to be protected.

Rep. Dougall asked for further clarification on how the grant money for the Heart Disease and Stroke Prevention Programs would be spent. He also asked about the metrics being used to measure the effectiveness of the program. Ms. Borsky restated that 60 percent of the money goes to direct services with no overhead, and 40 percent covers administration and staff time actively working with partners and the community, providing training and technical assistance. She referenced the handout, "Heart Disease in Utah Brief," which cites some examples of program successes.

A vote was taken on the substitute motion. The motion passed with Rep. Dougall voting in opposition.

4. Medicaid Overview by Staff

Mr. Russell Frandsen, Fiscal Analyst, LFA, gave a comprehensive overview of the Medicaid Program that included a slide presentation on the history of Medicaid in Utah, decisions on program implementation, mandatory vs. optional coverage, Medicaid program expansions, mandatory vs. optional services, service delivery, funding, administration, and spending.

Mr. Frandsen indicated that as of June 2011, there were 224,700 individuals on Medicaid. There are 14 federally mandated services and 38 optional services. Utah covers 27 of the 38 optional services. For every \$1 spent on Medicaid services, the federal government pays \$.70 and the state pays \$.30. In

FY 2011, the Legislature appropriated \$389 million from the General and Education Funds. In addition, \$179 million came from assessments and seeding.

Mr. Frandsen called attention to the handout, "Ongoing Prioritization List," that highlights Medicaid funding items, shaded in grey, that were discussed in the 2012 General Session.

5. Medicaid Panel Discussion

The following individuals participated in the Medicaid panel discussion.

Mr. Michael Hales, Deputy Director, Department of Health
Mr. Palmer DePaulis, Executive Director, Department of Health
Mr. Kevin Burt, Associate Director, Department of Workforce Services
Mr. Lee Wyckoff, Inspector General for Medicaid Services, Medicaid Office of Inspector General
Mr. Alan Dayton, Senior Counsel, Intermountain Health Care, representing the Utah Hospital Association
Ms. Karen Warren, Acting Plan President, Molina Healthcare of Utah
Mr. Brian Neilson, Medicaid recipient

The participants introduced themselves and explained how Medicaid impacts their agencies and the services they provide or receive. Panel members responded to the following questions: What is Medicaid program doing right and what is working? What are some of the challenges and risks of implementing the new Accountable Care program? Is there evidence that going to a new managed care model will bring costs down? How are you verifying quality outcomes now and moving forward in the new system? How important is Medicaid to your department? What are some of the trends and issues Medicaid fraud, waste, and abuse? What interaction does your organization have with other organizations on the panel? What is not working with Medicaid?

6. Update on Hospital Payment Issue/Lawsuit

Mr. Lee Wyckoff, Inspector General, Medicaid Office of Inspector General (OIG), commented on the status of the hospital lawsuits challenging the OIG's efforts to recoup back payments and overpayments related to Medicaid reimbursement. He indicated that all lawsuits have been stayed for now and that the OIG is meeting with hospital representatives on a daily and weekly basis. While it is premature to talk about this issue extensively, Mr. Wyckoff indicated that one of the major hospitals has signed off on an agreement ordered by a judge. With the other hospital systems, the outcome could go a variety of ways depending on how they see the facts, what they choose to do, and if they want to go to court.

Co-Chair Christensen complimented Mr. Wyckoff, the hospitals, and all the groups involved for trying to work together on this issue.

Sen. Dayton thanked the members of the Medicaid panel for the information that they shared today and for their contributions.

Rep. Chavez-Houck stated that the Health System Reform Task Force and its working groups are looking at some of the same policy issues that are being discussed today. She indicated that she would like to

have a conversation with the subcommittee as those tracks converge.

7. What is the Role of the Department of Health with Medicaid?

This agenda item was not heard at this time.

8. Tour of Valley Mental Health Operations

Mr. Pat Fleming, Director, Salt Lake County Division of Behavioral Health Services, gave an overview of Valley Mental Health and the services it provides in Salt Lake County.

The subcommittee members participated in a one-hour tour of the facility.

Co-Chair Christensen reconvened the meeting at approximately 12:30 p.m.

9. Updates and Reports from the Department of Health

This agenda item was not heard at this time.

10. What is the Role of the Department of Human Services with Medicaid?

Mr. Palmer DePaulis, Executive Director, DHS, briefly summarized the handout, "The Role of the Department of Human Services with Medicaid." He explained that the DHS interacts with Medicaid on many different levels. Mr. DePaulis mentioned the check and balance system that exists with the DOH and DWS, efforts to bring down the cost of entitlements while providing the necessary supports, and "program integrity," working closely with the Office of the Inspector General and the DOH to identify fraud, waste, and abuse. Mr. DePaulis stated that the handout outlines the role of the DHS with Medicaid in greater detail and encouraged staff to review the material and contact the department with additional questions.

11. Public Input (Agenda Item 12)

Ms. Kay Luther, Services Coordinator, Grace Mary Manor, spoke on behalf of the residents of the Grace Mary Manor, which provides housing for the formerly chronically homeless, two-thirds of whom are on Medicaid. She identified two barriers to Medicaid: the lack of dental care, and the inability of Medicaid recipients to make co-pays for medications. Ms. Luther pointed out, though, that the residents seem to have good access to healthcare providers while on Medicaid.

12. Report on Modernizing SAFE Database System (Agenda Item 11)

Mr. Brent Platt, Director, Division of Child and Family Services (DCFS), stated that DCFS would be providing an update on the modernization efforts of the SAFE Database system.

Ms. Navina Foresythe, Project Manager, SAFE and Data Reporting, reported on project status, current cost estimates, and performance measures related to worker productivity and organizational efficiency. The current cost estimate of the SAFE Program is \$9.2 million. Ms. Foresythe projected that it will take

eight years to modernize all the modules in SAFE and the background database. She outlined some of the project goals for the upcoming year.

Ms. Foresythe reviewed the performance metrics in the one-page handout, "Division of Child and Family Services SAFE modernization performance measures for organizational efficiency and worker productivity." She stated that DCFS will provide an update at the next General Session.

Rep. Wiley asked clarifying questions on the cost and licensing of the program.

Mr. Frandsen provided some additional information on the makeup of the top 1 percent of individuals that account for 25 percent of Medicaid expenditures in Utah.

13. Items from the Afternoon Agenda

There were no afternoon items discussed at this time.

Co-Chair Christensen thanked Valley Mental Health for hosting today's meeting. He indicated that the afternoon session would be held at the Multi-Agency State Office Building, 195 North 1950 West, Rooms 1019 A & B, Salt Lake City, Utah. Driving directions were available in the committee packets.

The subcommittee recessed for lunch at 1:16 p.m.

AFTERNOON SESSION

Co-Chair Christensen reconvened the meeting at 2:30 p.m.

14. Unfinished Items from the Morning Agenda

Agenda Items 7 and 9 were heard later in the afternoon.

Subcommittee Questions from 2012 G.S. (Department of Workforce Services) (Agenda Item 9)

- a. Would you clarify/explain Reed Act Funding and the Federal Laws governing this funding and its purpose?*

Ms. Kristen Cox, Executive Director, Department of Workforce Services (DWS), explained that the Reed Act is a source of money that the state gets from time to time from the federal unemployment insurance trust funds. The last Reed Act transfer was in 2002. The total Reed Act distribution the state has received from the late 1990's to 2002 was \$64 million. Utah has been very judicious on how those funds have been spent. During the recession, those funds were saved for emergency unemployment insurance purposes, which would have only paid about three weeks.

Reed Act funds can be used for capital infrastructure, IT assistance, and re-employment initiatives, etc. upon approval from the DWS Employer Advisory Committee and the Legislature.

Ms. Cox reported that Utah was ranked 49th lowest in time spent receiving unemployment insurance.

Sen. Knudson asked Ms. Cox to provide the subcommittee with a little history on “Who was Reed?” before the next General Session.

16. What is the role of the Department of Workforce Services with Medicaid?

Ms. Cox presented an overview of DWS’s role, staffing levels, projects the department is working on, and priorities moving forward. She referred to a packet of four handouts: “Random Moment Time Study,” “Eligibility Services Division Throughput Operating Strategy,” “ESD Road Map and Lever Tracking,” and “Public Assistance - Eligibility Services.”

Ms. Cox noted that Utah was highlighted as a best practice state for its highly integrated model of services which offers better cost and quality programs.

Ms. Cox discussed budgeted FTEs, span of control, privatization of eligibility, workflow, constraints management system, and tracking cost per case and case turn around. She also reviewed key strategies that DWS will be focusing on in the upcoming year including co-production, auto-eligibility determination, customer education, employee success, and workflow management.

Co-Chair Christensen asked if there are some particular issues that hold up eligibility determinations. Ms. Cox responded that determining income is a challenge. Pulling real time wage data from the UI system into the eligibility system would help verify income.

Rep. Wiley inquired about employee morale given all of the department changes. Ms. Cox mentioned that employees have lots of grievance opportunities. She noted a few instances where employees struggled in making adjustments to the changes, but overall, employee morale has been good.

17. Tour of Workforce Services Operations

Casey Erickson, Director of Eligibility Operations, conducted the tour.

What is the Role of the Department of Health With Medicaid? (Agenda Item 7)

Mr. Michael Hales, Deputy Director, DOH, distributed the handout, "FY 2011 Medicaid Expenditures," which is an overview of the administrative and program expenditures for the departments that participate in the Medicaid Program.

Mr. Hales also distributed the "2011 Utah Annual Report of MEDICAID & CHIP" and reviewed the six bureaus within the Division of Medicaid and Health Financing on page 4 and the structure of the Medicaid budget on page 33. The DOH administers the state plan, Utah’s contract with the federal government for Medicaid.

18. Autism Pilot Project in Medicaid (Agenda Item 19)

Mr. Hales distributed and discussed the one-page summary, "Medicaid Autism Waiver Development Update," and dated June 13, 2012. The Medicaid Autism Waiver is one of two pilot programs the DOH was asked to implement. To date, the department has held six public meetings, convened a workgroup of families, providers and state agencies to assist in the development of the waiver document, and presented the information before several advisory boards. On May 24, 2012, a draft of the Medicaid Autism Waiver was posted on the Autism Waiver Website for public comment.

Mr. Hales also discussed the proposed open enrollment process (likely to occur in October/November 2012), covered services, and the evaluation process. The Medicaid Autism Waiver will be available to about 200 children between the ages of 2 and 6 years old with an Autism Treatment Disorder (ASD).

Dr. Marc Babitz, Division of Family Health and Preparedness, gave an overview of the Autism Treatment Account, which funds therapy focused on the evaluation and treatment of children between the ages of 2 and 6 years old with an ASD as well. The program will contract with qualified behavioral analysts who will work with 30 children. The goal is to start funding September 1, 2012.

Co-Chair Christensen asked clarifying questions about the selection process.

Sen. Weiler recounted an instance where a family was able to save some money by hiring a therapist who trained 3 college age students to work with their autistic child. The students were each paid \$10 per hour to work with the child for 15 hours a week, which equated to 45 hours of therapy. Apparently, there were some good results. Dr. Babitz commented that the law states that the funds can only go to certified therapists. Mr. Hales stated that Medicaid will use an Applied Behavior Analysis (ABA) trainer and allow families to hire college students to implement the training. Medicaid is also asking parents to give 5 hours a week to participate in the treatment of their child.

19. Status of Possible Expansion for Preferred Drug List (Agenda Item 18)

Mr. Hale reported that there are 76 drug classes currently on the preferred drug list out of a possible 100 drugs. At the end of the last fiscal year, the PDL saved \$8 million in general funds, and for the current fiscal year, general fund savings for the PDL are trending at about \$9.5 million. Mr. Hale noted that there may be some additional savings due to legislation passed in the last General Session that included previously excluded sedative hypnotic drugs. There are several other drug classes that were scheduled to be implemented in August and September. However, there is a prohibition on the amino suppressant drugs and mental health behavioral drugs that they are not able to put on the preferred drug list. Mr. Hale stated that new drugs are being added to the Preferred Drug List (PDL) on a regular basis and the savings continues to build every year.

Co-Chair Christensen inquired about which sedative hypnotic drugs were going to be put on the PDL. Mr. Hale stated that he would not have that information until July.

20. Ways to Decrease Prescription Drug Abuse

Mr. Brent Kelsey, Assistant Director, Division of Substance Abuse and Mental Health, used a power

point presentation to discuss ways to decrease prescription drug abuse. In addition two handouts were distributed to the subcommittee, "Utah Pharmaceutical Drug Abuse Brief" and a prescription drug public awareness campaign flyer, "Use Only as Directed."

Mr. Kelsey provided some statistics that show that Utah has a serious prescription drug problem. He also discussed what has been done to address this issue over the last five years in Utah that included legislation passed in 2007, H.B. 137 - Pain Medication Management and Education 2007 and the Utah Pharmaceutical Drug Crime Project (UPDCP).

Rep. Dougall inquired about the "Use Only as Directed" flyer. Mr. Kelsey stated that one of the critical components of these campaigns is to educate the public and individuals who prescribe about the safe use, storage, and disposal of prescription drugs.

Rep. Wiley inquired about the 193 percent increase in pills seized in Utah from 2007 to 2011 by the Law Enforcement Task Force Tactical Diversion Squad (TDS). Mr. Kelsey referred to page 3 in the handout, "Utah Pharmaceutical Drug Abuse Brief" that outlines in more detail the efforts of the TDS.

Sen. Jones asked if there was any relationship between funding and the trends in overdose deaths. Mr. Kelsey stated that there could be a relationship and this needs to be looked at.

Mr. Kelsey presented the following six recommendations: ensure policies and programs are data driven; raise public awareness; develop a comprehensive prevention strategy; provide access to effective treatment services; foster the development of recovery support services; and ensure law enforcement has the tools to combat pharmaceutical drug fraud.

Sen. Niederhauser asked what a good treatment system would look like. Mr. Kelsey stated that individuals need to have access to a high quality treatment system that matches needs, offers transition programs, connects to other types of services, and provides performance incentives.

Sen. Jones asked if Mr. Kelsey was seeing different trends in different counties. Mr. Kelsey commented prescription drug use across the state varies, and in some instances, tremendous differences. School districts are surveyed every two years looking at trends and planning for prevention programs and treatment strategies. He referred to the chart on "Treatment Needs vs. Treatment Capacity" which identifies treatment needs for adults and youth by county. Local communities and counties need to be involved in planning for these services.

21. Department of Technology Services Update on Medicaid Breach Data

Mr. Mark Vanorden, Interim Executive Director, Department of Technology Services (DTS) presented the report, "Data Breach Update." Mr. Vanorden explained how the breach happened, what kind of information was on the server, why individuals who have no history with Medicaid or CHIP are receiving letters stating their personal information was part of the breach, how many victims there were, and what is being done to correct the problem. He stated that up to 780,000 people had personal information that was compromised.

Dr. David Patton, DOH, spoke to the two state contracts that are in place to investigate the breach. The

first contract is with Deloitte & Touche and the second contract is with Hogan Lovells that will use a HIPAA response expert. So far there has been a favorable review of the state's response effort to the breach.

Dr. Patton responded to subcommittee questions.

Co-Chair Christensen inquired about a limit on the vulnerability window for the data breach, if there is any reported use of the data being used illegally, and what is the cost to the state.

Rep. Wiley asked if there are any other states that are known to have had this problem, could we have been more proactive in protecting against the data breach, and should there be safeguards to limit hackers once they get in.

Rep. Dougall commented that there is a whole spectrum of security and data is less likely to have been breached if procedures had been followed. Mr. Vanorden indicated that Utah has a great IT security officer who is always looking for ways to improve security.

Sen. Jones asked how one would know if their social security number had been breached. Dr. Patton said that the department sent letters to everyone that was potentially affected by the data breach. Another way would be to sign up for free credit reports from the three major credit firms. Additionally, an individual can receive help by contacting the DOH's Ombudsman.

Co-Chair Christensen wanted to know how long the computer was not protected. Mr. Vanorden stated that the first attack was on March 10, 2012, but no data was taken until March 30, 2012. DTS detected the security breach on April 2, 2012 at which time the server was shut down.

Sen. Niederhauser asked for more information on the encryption of data.

22. Other Business

MOTION: Rep. Dougall moved to adjourn. The motion passed unanimously.

Co-Chair Christensen adjourned the meeting at 5:15 p.m.