

**MINUTES OF THE
SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE**

Room 30 House Building, State Capitol Complex
Wednesday, February 20, 2013

MEMBERS PRESENT: Sen. Allen M. Christensen, Co-Chair
Rep. Ronda Rudd Menlove, Co-Chair
Rep. Daniel McCay, House Vice Chair
Sen. Deidre M. Henderson
Pres. Wayne L. Niederhauser
Sen. Luz Robles
Sen. Evan J. Vickers
Sen. Todd Weiler
Rep. Tim Cosgrove
Rep. Brad L. Dee
Rep. Paul Ray
Rep. Edward H. Redd
Rep. Marc K. Roberts
Rep. Earl D. Tanner

MEMBERS ABSENT: Sen. Peter C. Knudson
Sen. Brian E Shiozawa
Rep. Rebecca Chavez-Houck

STAFF PRESENT: Mr. Russell Frandsen, Fiscal Analyst
Mr. Stephen Jardine, Fiscal Analyst
Ms. Paula Winter, Secretary

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

Co-Chair Christensen called the meeting to order at 8:19 a.m.

There were no minutes to approve.

Public comment

Nita Smith, Executive Director, Utah Brain Injury Council, Traumatic Brain Injury (TBI) Advisory Board, Spinal Cord Injury TBI Fund Board spoke about general knowledge on brain injury in Utah. She stated some facts about the number seen each day in emergency rooms and the number admitted to the hospital or who die from brain injury. Ms. Smith also related statistics about undiagnosed or untreated injury. She also stated that there were 73.4 percent of people with brain injury who were not aware of any treatment options available. Ms. Smith also spoke of spinal cord injury fund which is totally different from the brain injury fund. The TBI fund provides resource facilitation, training for professionals but not ongoing support for people. The Spinal Cord Injury Fund provides treatment and is funded to a clinic that will provide the treatment.

Sen. Christensen clarified that there is not a request this year for Spinal Cord Injury and there is ongoing funding for that fund. Ms. Smith stated that there is not a request but it is an agenda item and there will be an issue brief about it. Sen. Christensen confirmed that there is a request for Traumatic Brain Injury.

Ron Roskos, Executive Director, Brain Injury Alliance of Utah, stated there are 1.7 million individuals nationwide each year that suffer a TBI which are documented. These are people who may be about to lose homes, have no resources for medication, or no money for doctor bills. This fund helps these people

locate

resources. Mr. Roskos continued to explain the number that this program serves and how they are served by the funds and information they share.

Rep. Ray presented the amount requested which is \$150,000 ongoing so that there is continual funding.

Ms. Smith clarified that the funds do not go to treatment it goes to resource facilitation, which is a network for each individual for them to maneuver through getting their treatment.

Rep. Redd asked for further clarification on use of the \$150,000. Ms. Smith used the example of the last appropriation to explain that the money goes to certified brain specialists assisting the individual. About \$20,000 was used to train educators, medical professionals, for mental health programs and hoping to do some training with Workforce Services. Other training has been for Juvenile Justice Services and the Division of Child and Family Services. Rep. Redd clarified that you have had one time funding and now are asking for ongoing funding.

Ms. Smith said that this is a larger amount being requested. It was \$50,000 and then an additional amount of \$100,000 with a total of \$150,000.

Rep. Ray shared a personal experience about a family member who suffered a TBI. Rep. Ray said knowing about the services available and having access has helped her to be self-sufficient.

Budget and Issue Briefs

Russell Frandsen, Fiscal Analyst, summarized the briefs by stating that the five funds covered in the Issue Briefs were previously not included in the appropriations act and by including them the fund is not being changed in any way, but are merely including them to see what is happening in the funds and understand statewide spending. He stated that there was a benefit from this process which was location of a fund that received an appropriation intended for another fund. There are two TBI funds and the wrong one received the appropriation and the issue was rectified by staff. Each fund is unique and staff recommends that they are included in the appropriations process. The Briefs are:

- a. Traumatic Head and Spinal Cord Rehabilitation Fund
- b. Traumatic Brain Injury Fund
- c. Intermountain Weatherization Training Fund
- d. Permanent Community Impact Fund
- e. State Small Business Credit Initiative Program Fund

Sen. Christensen reminded the Committee members to put a name to the changes on the priority list they want to move on the list.

Requests for Appropriations with Fiscal Impact

- a. Sen. Ralph Okerlund spoke on workforce financial assistance as it relates to rural areas. He referred to healthcare people and hospital administrators and other providers from rural areas such as San Juan and Grand Counties where there are a number of underserved areas as far as physician availability and other professionals in those areas. The request is to reestablish a program that was implemented in 1990 that created the Healthcare Workforce Financial Assistance Program. This program was working until 2009 when it was defunded. Sen. Okerlund reported that since that time rural and underserved areas in Utah have struggled to find, recruit, and retain healthcare professionals. There were 27 of 29 counties served by the program when it was funded. It has assisted over 280 recipients with physicians, dentists, nurses, physicians

assistants, and behavioral health specialists. Now it is difficult to place those now and so \$450,000 is being requested to refund the program.

Rep. Redd asked about what these funds would actually do and Sen. Okerlund replied that they help repay student loans and then used to recruit those that would like to serve in a rural or underserved area but can find no other way to do it.

- b. Allen Lipman, Capital Campaign Chairman for Lantern House in Ogden introduced Max Thompson, chairman of the campaign to raise funds presented the request for \$500,000 which had previously been presented by Pamela Atkinson. They were supporting that request and Mr. Lipman stated that the face of the homeless has changed and now includes families. He shared some statistics and situations in the facility presently. Max Thompson referred to some materials given to the committee and stressed that there is an enormous need to increase the facility to meet that need. Mr. Thompson explained that more than \$5 million has been raised with the project being a \$7 million project. The land has been deeded to them along with site work being done and the project is going out to bid and will be completed in about 45 days.

Sen. Christensen clarified that this is not to be confused with the Pamela Atkinson request or the Road Home request.

- c. Rep. Paul Ray held his recommendation for respite care for \$350,000 one-time care and waited to work with the Committee Chair to perhaps add more funding at a later date.
- d. Rep. Cosgrove passed a document out regarding Primary Care Grants. The request for funding is \$500,000 and would target low income families, families without health insurance, with limited health insurance, those who cannot qualify for public insurance which often includes the working poor, chronically ill, homeless migrant workers, ethnic and racial groups, single parent families and the elderly. Rep. Cosgrove stated that the program has been successful in reducing emergency room visits, improved health care outcomes, reducing inpatient administration rates and lowering the rates of disease and disability. Rep. Cosgrove introduced Janida Emerson, Public Affairs Manager with the Association for Utah Community Health. Ms. Emerson proceeded to share information about the purpose of the program and what the funding would cover.

Sen. Christensen asked what clientele is served. Ms. Emerson responded that 60 percent of those served are uninsured and below 200 percent of the poverty level, about 20 percent are Medicaid, some of them are private pay, and the rest are Medicare.

Rep. Cosgrove referred to the study that showed that many of the emergency visits were oral health related and that if the problem could be stopped before the visits money would be saved. Sen. Christensen referred to the Accountable Care Act and the supposition that no one would be without insurance except those who are not citizens. Then, supposedly the Primary Care Grants would go 80 percent to the people who are not citizens. Ms. Emerson stated that part of the grants go to fund adult dental services which would still be unfunded even if we do a Medicaid expansion. Much of the funding goes to cover services that aren't covered by traditional Medicaid.

- e. Rep. Ray presented HB 276, Newborn Screening for Critical Congenital Heart Defects. He informed the committee that a pilot program has been set up that the Department of Health would administer for the first year to determine what good oxygen saturation levels would be for this elevation. Beginning October 2014 it would become part of the newborn screening panel. The cost would be \$8,000 in the first year of start-up and \$68,500 as the ongoing. Currently only 10

of 50 hospitals do this procedure.

- f. Brian Chapman, Board Member of the Utah Hemophilia Foundation, Lifeline Grant (Bleeding Disorders) explained that in 2005 the Legislature created an ongoing grant of \$250,000 to people with bleeding disorders which helps pay for private insurance and extra costs of managing bleeding disorders. In 2011 the fund was cut by \$75,000 and has made us short in assisting those needing help. Mr. Chapman continued to present facts and information about how assistance through this grant saves money by keeping individuals off Medicaid. The request is to restore the \$75,000 which was cut in 2011.

Rep. Ray had questions about the money amount and also about how many are served with these funds.

There was some confusion as to the actual amount available currently which is somewhere between \$175,000 to \$200,000 ongoing. Sen. Christensen also informed the committee that the Affordable Care Act will also be an influence on those covered. Rep. Ray also asked how many are served by this money and Mr. Chapman said there are approximately 25 families depending on this - some are individuals and some have multiple family members involved in the service. Anywhere from 25-45 people have been served each year.

The additional \$50,000 will keep it at the level it is.

FY 2013 and FY 2014 Budget Discussions

Michael Hales, Deputy Director, Department of Health, presented a follow up on the plastic eligibility card as a means to reduce costs in mailing and printing. Several items were put forth to see if a pilot program could be looked at in terms of limiting it to a select group of the Medicaid population who may be more stable, looking at something different than our first proposal like a QR code reader, proposed by Rep. Roberts, rather than a fully embedded electronic magnetic strip card which has benefits of being more accessible to the providers. We also looked at the electronic benefits card and the potential for that which would not be feasible because of the way benefits are structured. Rather than doing a small pilot the decision has been made to do a full implementation. The Affordable Care Act (ACA) has an impact on this and the proposal is to evaluate this and return to this committee in an interim meeting that could be as soon as July of this year. Also being considered is the bus pass which is currently mailed concurrently with the Medicaid card.

Sen. Christensen asked about having a card quarterly. Mr. Hales said that is a possibility of savings if the providers call in for eligibility but if they don't there may be the possibility that their eligibility may end before the card expires thus having services provided beyond the eligibility time.

John Talcott confirmed that more time was needed to work through the issues to come up with strategies and realize savings for the next general session in 2015. Mr. Hales stated they would be ready to come back at the first interim meeting.

Rep. McCay asked for clarification of the process of the how the card works. Mr. Hales said it depends on the provider. Sometimes the provider calls before but the work is done as a batch process. The real time eligibility check is not currently available. Mr. Hales stated that the Department is looking for a time table of being prepared by July of 2014 and begin in FY 2015 with the program.

Dr. David Patton, Director, Department of Health, first addressed the request for Healthy Eating and Active Living and requested that it be moved to number nine where the current Emergency Fund for the local health departments is. He stated that obesity is the number 1 public health issue. This money would

be distributed to Utah's 12 local health departments. Dr. Patton moved to the credit monitoring and cautioned that things will get shifted down and would like to not have it moved too far down because there could be possible savings by using the opt in choice.

Dr. Patton looked at the ongoing priority list and mentioned the Baby Watch Early Intervention item. It is listed as number 36 on the ongoing list and asked that it be recombined with the rest of the building block which is currently number 4. This request is for the costs of the program increase over the last 5 years. We are asking for 1 percent a year over the last 5 years. There are 15 providers statewide and these providers travel to homes. Increased costs in transportation, visual testing equipment, hearing testing equipment, wheelchairs as well as rate adjustments for the providers are part of this. There are 4,600 children involved in this program since 2009 there has been an increase of 921 children to the program. By the time these children get to preschool or kindergarten 36 percent of these children do not need special needs care.

Dr. Patton brought up the Data Security and Privacy Office listed as number 39 on the list and recommend that it move to number 18 which is another of the Department items. He stated that Information Technology (IT) people are needed in their Department to address the needs they have with over 100 data systems in their Department with varying degrees of security needs. He informed the committee that there are dozens of IT vendors who need to be managed because Data Technology Services (DTS) does not do that. There is a high level of privacy needs in the agency that are unique to their agency. Dr. stated the breach was called the Health Department breach and it was but the Health Department does not have control of it. There are many entities involved.

Rep. Menlove expressed concern that policy wise a few years ago it was decided to centralize IT functions with DTS and now it looks like we are either decentralizing while still keeping the centralized unit saying we don't trust the centralized unit now we are going to hire our own people to monitor the centralized unit. She believes there needs to be a bigger discussion about this issue and recommends that happen.

Dr. Patton agreed with Rep. Menlove's description and emphasized the growth that is taking place and that DTS is trusted.

Rep. McCay stressed that he likes the technology coming out of the same areas. He also stated that he is not prepared to decentralize without having a comprehensive strategy for the State and would desire to see a discussion happen before approving any new FTEs.

Sen. Robles wanted to echo some of the same concerns and brought up the individuals affected by the breach. She wondered where the funds to rectify that came from and Dr. Patton stated it was from the Department of Health's budget.

Rep. Redd suggested that public health and Department of Health took a hit on their credibility and received the blame but didn't have much control. So we need to look at where we want the control and safety issues to be.

Rep. Menlove asked Dr. Patton to prioritize the needs of the Department and asked what the highest priority would be knowing that there are limited dollars. Dr. Patton replied that Early Intervention is the number 1 priority with obesity next and then security.

Palmer DePaulis thanked the committee for their prioritization and their work.

Geoff Landward, Deputy Director, Department of Workforce Services (DWS), voiced appreciation for the prioritization and referred to the ongoing list and the item title d mandatory changes for the Affordable Care Act (ACA).

They wanted to request that number 8 mandatory changes and number 3 mandatory changes be moved closer to number 3 because they are both mandatory changes for ACA.

Sen. Christensen stated that all the mandatory changes are lumped at the first and there is probably no advantage in moving from number 8 to 5.

Don Uchida, Utah State Office of Rehabilitation (USOR), had no changes to the prioritization list but requested looking at item #12 and moving \$50,000 from that back into number 10 and making that amount \$252,000. There are 2 reasons for this: 1) The Vocational Rehabilitation Program has the biggest return on investment, and 2) if number 11 Restore Assistive Technology at USU and Independent Living Centers is funded the Independent Living Centers will get \$70,000 of that money.

Sen. Christensen directed action on motions to be taken.

Russell Frandsen, fiscal analyst, read the motion:
Social Services Appropriations Subcommittee moved to

1. Delete #1K on the Social Services Subcommittee – Motions for Subcommittee Consideration
2. Provide the Department \$2,000,000 in Additional spending authority from the GFR – Autism Treatment Account in FY 2013 and ongoing beginning in FY 2014 so that the Department can spend the donations that the fund has received.

MOTION: Sen. Christensen and Rep. Menlove spoke in favor of the motion.

Rep. Redd wanted clarification about where the money came from. Rep. Menlove explained that \$750,000 has been donated to the fund, the state appropriated \$1million last year, providers have been selected the children have entered the program and we need to make sure the funds can be spent. Rep. Redd reiterated that we are just giving them the authorization to use the funds.

Rep. McCay explained to those that are new this is not a new allocation it is a spending authority amount: Co-chair Christensen moved to vote on Rep. Menlove's motion.

The motion passed unanimously with Sen. Knudson, Pres. Niederhauser and Reps. Chavez-Houck and Ray absent for the vote.

Russell Frandsen, fiscal analyst, spoke about the fees for the Department of Workforce Services. These are not new fees; they were just orphaned temporarily during the transition of Housing and Community Development to the Department of Workforce Services. The fees are referenced on the handout.

MOTION: Rep. Menlove placed the motion to approve the additional fees for Housing and Community Development.

The motion passed unanimously with Sen. Knudson, Pres. Niederhauser and Reps. Chavez-Houck and Ray absent for the vote.

Russell Frandsen read the next request from Workforce Services which basically states: If you fund this item please provide the agency with non-lapsing authority. The item is the Affordable Care Act Mandatory Changes. He clarified this is for two items - both the Health Care Exchange costs and the Affordable Care Act.

MOTION: Rep. Menlove placed the motion to give non-lapsing authority to Workforce Services for both the costs of the Health Care Exchange and the Affordable Care Act.

The motion passed unanimously with Sen. Knudson, Pres. Niederhauser and Reps. Chavez-Houck and

Ray absent for the vote.

Rep. Tanner questioned a bracket in the motion about the statement “funded by EAC” and requested clarification of that.

Russell Frandsen, fiscal analyst, responded that the ultimate funding decision will be made by the Executive Appropriations Committee to fund this. If it is funded, whatever is approved will be put into the intent language and say whatever they approve has non-lapsing authority. This intent language will only happen if the item is funded.

Rep. Menlove referred to the following item on the ongoing priority list:

- Increase Accountable Care Organization Administration to 10%
 - a. General Fund cost of \$2,700,000

Background: Molina Healthcare of Utah testified before Social Services during this General Session about the need to raise administration rates being paid to Accountable Care Organizations participating in the Medicaid program. This request was omitted when the budget was put together.

Rep. Menlove made the motion to add the item to the priority list.

Sen. Robles referred to the original request of 13 percent and wondered why the difference to 10 percent.

Rep. Menlove responded that 10 percent was requested and this is just to get it on the list and can be discussed later.

MOTION: Sen. Christensen placed the motion and asked for all in favor for placing this on the prioritization list.

The motion passed unanimously with Sen. Knudson, Pres. Niederhauser and Rep. Chavez-Houck absent for the vote.

Sen. Weiler referred to item #4 on the one-time funding priority list that provides for a reduction in the request by the Division of Workforce Services (DWS) by pro-rating the ongoing request for FY 2014 showing that DWS only needs the funding from November 1, 2013 forward. DWS has explained that it needs the funding for the entire fiscal year since it needs to hire and train new staff to be ready and in place on October 1, 2013 and will need to start hiring by July 1, 2013 not November 1, 2013.

MOTION: Sen. Weiler moved that item #4 from the chairs one-time state funding priority list, which is DWS Affordable Care Act Mandatory Changes One-time Offset, be removed from the priority list based on the need for DWS to hire, house and equip the additional staff by July 1, 2013 in order to prepare those additional applications under the Affordable Care Act that will begin on October 1, 2013.

Rep. McCay stated he was completely baffled by the motion and also inquired about what the additional revenue would be. Sen. Weiler explained that the hiring from July through December is obviously more than November through December. Russell Frandsen explained that staff added this on their own to be consistent with what was happening in the Health Department staffing request.

The motion passed with Rep. McCay in opposition and Sen. Knudson, Pres. Niederhauser and Rep. Chavez-Houck absent for the vote.

Sen. Weiler moved to adjourn.

Co-Chair Christensen adjourned the meeting at 9:58 a.m.

Minutes were reported by Ms. Paula Winter, Senate Secretary

Sen. Allen M. Christensen, Co-Chair
Rep. Ronda Rudd Menlove, Co-Chair