

(Draft – Awaiting Formal Approval)
**MINUTES OF THE
SOCIAL SERVICE APPROPRIATIONS SUBCOMMITTEE**
The Children’s Center, 350 South 400 East Salt Lake City, Utah 84111
Thursday, September 12, 2013
1:00 p.m. – 5:00 p.m.

MEMBERS PRESENT: Sen. Allen M. Christensen, Co-Chair
Rep. Ronda Rudd Menlove, Co-Chair
Rep. Daniel McCay, House Vice Chair
Sen. Brian E. Shiozawa
Sen. Evan J. Vickers
Sen. Todd Weiler
Rep. Rebecca Chavez-Houck
Rep. Tim M. Cosgrove
Rep. Edward H. Redd
Rep. Marc Roberts
Rep. Earl D. Tanner
Rep. Brad L. Dee
Rep. Paul Ray

MEMBERS ABSENT: Sen. Deidre M. Henderson
Sen. Peter C. Knudson
Sen. Wayne L. Niederhauser
Sen. Luz Robles

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 www.le.utah.gov.

10. Unfinished Items from the Morning Agenda

There were no unfinished items from the morning agenda.

11. Refugee Services in Utah

Co-Chair Christensen called the meeting to order at 1:18 p.m. He introduced Mr. Jon Pierpont, Executive Director, Department of Workforce Services (DWS).

Mr. Pierpont introduced Mr. Thurl Bailey, Ambassador, Refugees in Utah, who discussed the handout, “Refugee Services Presentation.” Mr. Bailey stated that 70,000 refugees came into the United States last year and that Utah resettles about 1,200 refugees per year. He explained the difference between an immigrant and a refugee. He reviewed the process of being a refugee and Utah’s ranking in refugee resettlement. He expounded on the services Utah provides and the three primary refugee service providers. Mr. Pierpont spoke of the challenges that DWS faces and listed all of the specialized services that need to be provided in a short time. He referred to a flow chart, which indicates that approximately \$15 million is provided for refugee services. And illustrated how the funds are distributed. Pages 5-7 of the handout provide explanation of each specific service as well as the positive outcomes.

Mr. Bailey thanked the committee for the opportunity to be present and expressed his feelings about becoming an ambassador. He stated he has learned much from meeting and hearing one-on-one from the refugees. He said he became aware of the issue of the refugees having to become integrated quickly into

their surroundings. He emphasized that it is not what we can offer the refugees but what they have to offer our community. Mr. Bailey mentioned that a yet unnamed center is going to be built for refugees. The center will be a centralized place for refugees to come and learn things that will help them integrate into the community.

Rep. Tanner inquired where the center might be built, its size, and potential costs.

Mr. Pierpont informed the committee that a 30,000 square foot facility is being considered with a cost of about \$10 million. There are two sites being considered within the area where many refugees are currently located.

Sen. Shiozawa asked if these services would be available to immigrants and if so, how would eligibility be determined. Mr. Pierpont stated that they would want it to be available to the community.

Mr. Aden Batar, Director of Volunteer and Community Relations, Catholic Community Services, proceeded to give an overview of the process when someone is relocated to Utah. He explained that he was a refugee in 1994 and how he received support and detailed some services in the aforementioned handout that are performed for and with the refugees as they come to Utah. He spoke of the volunteers who help with these services from their arrival at the airport going forward.

Rep. Cosgrove asked if there were some immediate needs and concerns that legislators could address. Mr. Batar identified some needs and concerns that included: case management, housing, job location, mental health, and the building of the center.

Rep. Redd inquired about whether the refugees might be located in another place besides downtown or South Salt Lake. He asked if this might cause a problem with transportation for them. Mr. Pierpont emphasized that other locations would not be considered because the two locations currently being considered are where refugees reside and bus service is available.

Mr. Shu Chen, Asian Association of Utah, Refugee Immigrant Center, discussed a number of issues related to refugees. He explained that he has worked with refugees for 36 years, and there have been many volunteers willing to help. In fact, staff speaks 35 different languages. Mr. Chen mentioned that religious organizations provide assistance as well. He stated that there is a need for tutoring, housing, and home furnishings. Children need help navigating between two cultures as well. The community should acknowledge the contributions of the refugee community. Mr. Chen said that it is important to assist refugees early on in the process which will help them be more successful.

Co-Chair Christensen excused the committee to take a tour of The Children's Center.

Dr. Douglas Goldsmith presented some information on the purpose of The Children's Center. The committee was divided into groups for the tour.

12. Subcommittee Questions from the 2013 General Session, Department of Health

The Department of Health provided written responses in advance of the meeting and was available to answer committee questions.

Co-Chair Christensen inquired about the question that addresses how the reimbursement rates for Medicaid and PEHP compare for the Autism Pilot Project (H.B. 272 – 2012 General Session).

Mr. Russell Frandsen, Fiscal Analyst, stated that for the higher level of training, Medicaid paid 69 percent of the PEHP average which was \$80 vs. \$117. For the lower level of training, Medicaid picked up 55 percent of the PEHP average.

No further questions were asked.

13. Costs and Benefits of Medicaid Optional Expansion Report

Dr. David Patton, Executive Director, Department of Health (DOH), stated that because of the Supreme Court decision that states could make decisions the DOH proceeded to address the issue by hiring an independent group to assess how the Medicaid expansion would impact Utah. Additionally, all the different options were looked at in work groups and 4 people on this committee participated in the study. Options prepared will be presented to the Governor who will bring in the Legislative Branch to help with the final decision. The options will be presented at a Summit on September 26, 2013.

Co-Chair Christensen questioned if there was agreement will the DOH and the Fiscal Analysts. Dr. Patton replied that the group's work was good and they had good results.

Rep. Dee inquired where we are in the process of the study. Dr. Patton stated that the information has been collected and is available online.

Rep. Dee asked about the availability of some 4,000 jobs and Dr. Patton replied that theoretically when people have more money that is spread throughout the economy and the jobs depend on how that money is spread throughout the economy where jobs are created. He also stated that there are other jobs that are more specific.

Rep. Chavez-Houck addressed the issue of the 5 Medicaid expansion scenarios and requested they be explained in a cursory manner since there were a number on the committee not involved in the study previously mentioned.

Mr. Nathan Checketts, Health Reform Coordinator, DOH, referred to the slide presentation packet entitled "Public Consulting Group Report" and page 3 to clarify what the graph there covered and how to read it. He proceeded to page 4 which lists 5 scenarios of expansion. He clarified, for the committee, each of the 5 scenarios.

Dr. Patton further explained that these are the 5 options that group was asked to study and the group is also looking at other options beyond these.

Rep. Tanner requested that the specifics of expansion be discussed.

Mr. Checketts and Rep. Tanner conversed about the scenarios addressing the graph on page 3 and the scenarios and various numbers and possibilities in different areas.

Mr. Brent Kelsey, Assistant Director, Division of Substance Abuse and Mental Health, Department of Human Services (DHS), spoke on estimates of substance abuse and mental health issues and Medicaid expansion issues. He stated that numbers such as 13 percent for mental health and 15 percent of substance abuse cases may be treated.

Rep. Redd questioned that if Medicaid is extended to 138 percent would local entities be responsible for coverage of all mental health cases.

Mr. Kelsey, Mr. Checketts and Rep. Redd continued a conversation about the percentage of responsibility for coverage by the state and counties.

Dr. Patton addressed the issue raised by Rep. Redd by sharing possible scenarios and stating that this process would become quite complicated as the Affordable Care Act moves forward.

Co-Chair Christensen added the caveat that suppliers of services may be lost to other areas because of increased need.

Rep. Menlove offered a concern about “crowd-out” as employers realize they are paying for a certain amount of insurance they cut the number of employees and then raise the pay of those still employed which would have them move into the tax credit

Dr. Patton replied that there is concern being voiced now because many will leave their current programs and go to Medicaid. There continued to be a conversation about the concern because it will affect the responsibility of the State. Many more will be going to Medicaid because the cost will be less expensive for employers. Dr. Patton pointed out that these concerns are to be taken into account but we don’t know exactly how things will progress.

Mr. Frandsen introduced the Issue Brief, “Medicaid Expansion Financial Estimate Comparison,” which reviews and explains two different financial estimates of the optional Medicaid expansions. He directed the Committee to page 4 and the assumptions listed there and the explanation of the differences between the Public Consulting Group (PCG) and the Legislative Fiscal Analysts (LFA). He continued to address some specific areas of differences and assumptions in the tables.

Rep. Tanner requested some detail on Inpatient Medical Costs in prisons and jails. Mr. Frandsen distinguished that there are prisoners in state facilities and those in county facilities. He also identified the savings in areas.

Rep. Redd asked for clarification about the fact that when prisoners are in jail they currently lose Medicaid coverage when they leave the jail for treatment and become residents of the hospital. Prisoners then only qualify for Medicaid again when they return to the prison. Mr. Redd asked whether that eligibility would change with expansion.

Dr. Patton stated there is a provision today in Medicaid that indicates that. He continued to state the provision currently used.

Dr. Patton stated the purpose of the study was to try to get the impact by presenting as much information as possible and make good decisions about what to do.

Rep. Chavez-Houck encouraged members of the committee to attend the health conference being held at the end of the month because there will be representatives from other states with the same issues attending. She also suggested that with the October 1 sign up for insurance ahead it may give an indication of what might happen and whether there will be crowd-out or other issues to consider. She also responded to Rep. Redd about the mental health aspects of a committee she sits on and to ensure that the best practices are being considered for reimbursement.

15. Update on Medicaid Eligibility Card Savings

Co-Chair Christensen reviewed that the cards being considered would be plastic cards not readable cards and would be more durable and last longer.

Mr. Michael Hales, Deputy Director, Department of Health (DOH), reminded the committee of the discussion about moving to a plastic card from the monthly printed card. He stated that because of implementation of new factors such as real time eligibility and some other changes re-prioritizing of the card is possible for some time next spring (2014) and this may be a good time to implement that possibility of replacing the current cards with plastic cards. Mr. Hales referred to the handout, "Medicaid Eligibility Card Replacement Savings." He reviewed the information which is based on 2013 actual numbers and stated that the savings would be somewhere between \$480,000- and \$520,000. He also explained the process used to verify eligibility.

16. 2013 General Session Review and 2014 General Session Outlook

Dr. Patton, Executive Director, DOH, covered three specific areas. The first was the security breach. He informed the committee that the funding had helped with the breach by allowing things to be looked at across the agency. The next area was the screening for Cytomegalovirus (CMV). The funding allowed the department to contact primary care physicians to educate and train them with the result that screenings are being done. The last area is the Medicaid Management System (MMIS) which is a very large national program. In the first two years, the department had asked for and received a total of \$6 million. For the last two years, the department received one-time funding. We will run out of funds and will be asked for ongoing funding of this program. Next year, the department will ask for more funding because of caseload increases partly due to mandatory Medicaid increases of children coming off of the Children's Health Insurance Program (CHIP). Also because of the Affordable Care Act (ACA), there will be increased costs we don't know about yet.

Mr. Frandsen stated there is a \$34 million surplus of general funds for Medicaid from the end of FY 2013.

Rep. Cosgrove asked for information of the emergency dollars for dental care and the savings. Mr. Hales did not have the exact figures with him but estimated the savings to be \$1-2 million in savings by having treatment in a practitioner's office rather than emergency care and stated that he would update that information.

Sen. Shiozawa complimented the DOH on the smarter use of services and improved quality of dental care for their clients.

Co-Chair Christensen reminded the committee that this was a pilot program and it seems to be working.

Mr. Geoff Landward, Deputy Director, DWS, reported that their main request was to fund mandatory expansion of Medicaid. This included one-time funding of \$667,000 that went toward updating program expansions having to do with the expansion program and the Federal Healthcare Exchange. We also had asked for funding of those needed to staff for the change. They have made progress in updating their system in preparation also for the October 1 deadline. Our system is prepared to handle an increase in the state's participation. There is still an unknown factor and we are waiting to see the result of our increase in employees. He spoke of three separate Building Block projects at \$500,000 each. Two of those went to separate homeless shelters. It was determined that the shelter in Midvale would need to be rebuilt rather than renovated and so that money was not used. The other funding was for the Lantern House which is in the middle of its fundraising and so we are ready to send that money to Lantern House. The last \$500,000 is reserved for the Pamela Atkinson Trust Fund which will go toward case

management. As far as the next session it depends on the Affordable Care Act (ACA) and trying to understand the funding pressures which are necessary. Another area of infusion will be the childcare subsidy program which has substantial Federal draw down funds available for a relatively small increase in General Fund appropriation. We are currently investigating that and will advise the committee of our findings.

Mr. Mark Brasher, Deputy Director, Department of Human Services (DHS), reported that the DHS felt fortunate in receiving the mandatory funds they needed. He expressed appreciation for the funding of early intervention for mental health. He reminded the committee that of the \$3 million funded, \$1.5 of that was one-time funding, which raises a concern for the future. Identification of future building blocks is currently being determined. Some things to be considered are case load growth and other mandatory needs.

Rep. Redd asked regarding mental health services being driven out of Valley Mental Health Optum and how can that be changed.

Mr. Doug Thomas, Acting Director, Division of Substance Abuse and Mental Health (DSAMH), replied that this is an area of concern and is being addressed. He stated that there is a lack of funding from Medicaid services.

Mr. Russ Thelin, Executive Director, Utah State Office of Rehabilitation, referred to the handout, "Client Service Delivery," to highlight a couple of areas. He highlighted the enhancement section of Vocational Rehabilitation. There were some ongoing monies and some one-time funding which provided for two technicians. He stated that there has been an impact of those paraprofessionals in allowing the counselors to apply their specialties as well as the paraprofessionals to apply their specialties. He informed the committee that there has been an increase in follow-up with employers. He reported that the addition of the technicians has assisted not only with efficiency but also productivity in the agency.

Mr. Thelin also reported that restoration of funds for the hard of hearing has also been successful in providing services around the State. He said that the other areas are fairly new and not a lot of data is available currently but a report will be made at a later date. He addressed possible requests for the next session which include vocational rehabilitation and the increase in costs. He stated that their request would probably be two-part because of how the economy is moving and will consist of: 1) one-time funding to, in part, keep the paraprofessionals in place as well as hire others, and 2) ongoing funding for direct client services so that all clients can be served if the demand increases. He reported that their second area would be the independent living area where there may also be an increase in those needing services.

Mr. Adam Trupp, General Counsel and Director of Utah Behavioral Health Committee (UBHC), spoke on mental health issues particularly Early Intervention funding. He stated that a request for local mental health center funding was made but by the time the request reached Executive Appropriations the amount requested was cut by \$2 million. He wanted to present reasons to fund the needs they have. He stated that the most urgent concern is Medicaid match. He informed the Committee that the request last year was for \$6 million but \$2 million was received and actually \$6.5 million is needed to maintain basic obligations.

Co-Chair Christensen reminded the committee that if we don't come up with money for the Medicaid match, we lose the 3 to 1 match of federal dollars and it is hard to pay all state dollars for non-Medicaid clients.

Mr. Trupp added that caseload growth is mandatory and the UBHC is not trying to add on to the amount. He referred to a chart that had been passed out that showed efforts made and where they have been in terms of low growth and what has happened so far. He expressed appreciation to the Committee. Mr. Trupp took a few moments to explain the chart/graph which was passed out in response to a request by Rep. Redd.

17. Mental Health Pilot Project Report

Ms. Lana Stohl, Deputy Director, Department of Human Services (DHS), commented on keeping families together and keeping children in their own homes, communities and schools. She explained to facilitate that they are using Early Intervention which is very well documented with data that supports that. She also explained that in cases where the Early Intervention does not work, the DHS is developing a program across the departments called System of Care. She stated that it is an evidence-based program which puts the child at the center and uses the department services to bring the program to them.

Mr. Doug Thomas reported on the outcome of the investment by the Legislature of \$3.5 million. He spoke of the benefits of Early Intervention and addressed 3 other programs that address family issues whether they have Medicaid or private insurance. He discussed the three programs: 1) Family Resource Facilitation, which assists families in reaching assistance in many areas; 2) School-based Behavioral Health Services, which is present in 25 school districts and vary by school according to needs and includes individual therapy, group therapy, family therapy, consultation services and case management; and 3) Mobile Crisis Teams, which partner with emergency services like 911. Four of the five counties with populations over 125,000 use this service. He stated that a total of 3,983 children have been served by these programs.

Mr. Thomas continued to report on the outcomes for each area. He talked about the costs of the services and the overall value of the outcome from services being rendered.

Rep. Menlove praised the DSAMH for reporting with data beyond expectations and thanked Mr. Thomas for preparation and tracking that was done to help the Legislators know how their funding is being used.

Rep. Redd asked about how a Family Resource Facilitator comes about because neither Cache nor Rich County has one.

Mr. Thomas replied that it is a partnership between the department and the local authority which provides mentors to train. Those counties made school-based decisions to spend the funds available in other areas they were already vested in.

Rep. Chavez-Houck posed a question about data collection consistency.

Mr. Thomas stated there is a standardized form available and used to make the data robust not just good. They will continue to monitor that to make sure they are on the right track.

18. General Assistance Update

Mr. Pierpont reported on the General Assistance Fund program. It re-opened August 1, 2013. The new rule is that the clients must apply a month ahead to help us facilitate it. He continued to explain additional needs.

19. Employment Projects Report

Mr. Ben Hart, Employer Initiatives, DWS, gave an overview of some project associated with client services for employment. He spoke about the outcomes of the programs which are creation of new jobs and identifying needs of companies which this program tries to address and provides training funds to help employees. He continued to explain specific areas where the program has been working. He referred to the chart and the significant outcomes from the programs.

20. Employment Services Report

Mr. John Talcott, Finance Director, DWS, gave a brief report stating that the funding of \$4.5 million appropriated for workforce development was spent in accordance with the Legislative intent. He highlighted that using the funds resulted in increased job placement, reduction in our insurance benefit duration to about one week which translates to a savings of about \$16 million to a trust fund associated with that.

21. Answers to Questions from the Subcommittee from the 2013 General Session, Human Services

Mr. Stephen Jardine, Fiscal Analyst, explained that all the answers to the questions were in the document before the committee titled, "DHS Response – Rep. Redd."

Co-Chair Christensen stated that his own question was answered previously and did not need to be covered.

Mr. Brasher addressed Rep. Menlove's desire to have updates on DHS encouraging efficiencies. He explained about technologies available and a recent purchase of a transcription tool which allows workers who need to report to speak into a microphone and the tool immediately transcribes it directly into the system. There have also been efforts to introduce a new system for licensing which will make it easier for those on the road to take care of what they need to while they are on the road. They have also purchased Adobe Software which will allow them to take on and fill in documents and issue licenses on the spot.

Rep. Menlove questioned whether there is data available on efficiencies of workers using these tools. Do they allow workers to see more clients? She wondered about the outcome of using the technologies.

Mr. Brasher replied that the workers are saving as much as an hour to two hours per day based on not having to go make those entries after writing them, rather they are doing it at the time and also the quality of information has increased because of the immediate input. He also stated that more information will be forthcoming.

Rep. Menlove stated that when you have an electronic scheduling system that should account for more efficiency and wondered if that is being tracked and Mr. Brasher replied that is not currently being tracked. Rep. Menlove suggested putting information into numerics so that it could be understood that way.

Mr. Brasher brought up the new licensing procedure and stated that he is very interested in tracking that with the new procedure to see if that is more efficient.

Mr. Paul Smith, Director of the Division of Services of People with Disabilities, referred to Rep. Redd's previous question about waivers and attempted to define what a waiver program does by saying that it allows a state to focus on a specific area of need for a specific geographic area for a specific

population area of the social services program. He also stated that a waiver allows some things to be done that a standard Medicaid service cannot. He continued to speak about other types of waivers and give examples. He emphasized the importance that waivers are constantly changing if things are not working, and it's an agreement between the state and Federal Medicaid and Medicare Services. He explained that the time cycle for a waiver is typically 3-5 years. He continued that sometimes the requests made to the Legislature are the result of an agreement with the Federal entity.

Mr. Brent Platt, Director, Division of Child and Family Services (DCFS), responded to Rep. Tanner's question regarding different types of foster care. He stated that there is an average of three placements before the children go home. Typically there are 2,600-2,700 children per day in foster care in Utah, which is one of the lowest rates in the nation. A reason for the low rate may be that there are relatives available that may want to take the children into their care. Care previous to relatives assuming care would be referred to as shelter care. He further explained that DCFS contracts with about 1,200 families that may be licensed for 1-3 children to provide foster care. A monthly stipend is paid to them when a child is in their home. Co-Chair Christensen interjected that the families receive about \$15 a day. Mr. Platt clarified that it depends on if there are additional behavioral problems, and if so, then that amount would increase to \$30 per day. Families with more difficult children may utilize a facility like Utah Youth Village, which has been contracted for assistance with them in various ways. This agency is also referred to as a Proctor Agency. This agency is also paid to assist with these tougher children. Additional services may include having a college student assist in transporting a child to necessary places or assisting with homework.

Co-Chair Christensen asked about who makes the determination about where the child goes. Mr. Platt replied that there is a specific assessment of the whole family and that the determination is made by a staff team and a supervisor. He also stated that at times a judge may make the determination depending on the previous behavior of the child.

Rep. Tanner inquired about how successful reuniting with children's family is. Mr. Platt replied that he did not have exact data but they are successful and he would get the exact percentages for the future. He reminded the committee that if there are difficulties getting a child back with a family because of drug dependency or other issues a judge may order the child to a group home but the goal is to get the children with an adoptive family as soon as possible.

22. Intent Language Report –Division of Child and Family Services (DCFS)

Mr. Platt introduced Ms. Navina Forsythe who spoke on SAFE modernization. She stated that a report has been submitted and spoke to the database being improved. She also included web-based models, the Waterfall process which offers a much slower turn around and moving to the Agile system as well as looking at the system assisting workers being able to spend more time with the families they are working with. This project is estimated to last 8-9 years. Further efficiencies are also being looked at.

23. Intent Language Report – Drug Offender Reform Act (DORA) Program

Ms. Mary Lou Emerson, Director, Utah Substance Abuse Advisory Council, referred to a study on DORA done in 2011 and 7 strategies recommended to strengthen their program which were covered in the packet handed out to each committee member. It was requested that a report be prepared on how they have been responded to and this has been submitted to the Legislative Fiscal Analyst. This year, Ms. Emerson stated that we are submitting a follow-up report. She indicated that 7 strategies have been accomplished with the exception of one.

Mr. Craig Burr, Chair, Utah Substance Abuse Advisory Council, reported that since funds have been cut, treatment in Corrections has stopped and as a result agents have not been involved with the program as deemed necessary. He referred to the DORA Funding Formula found on page 8 of the handout as a recommendation for future funding.

Mr. Richard Nance, Vice Chair, Utah Substance Abuse Advisory Council, reported that 6 strategies have been accomplished. The exception was the organization of a DORA Oversight Committee Summit whose purpose would be to share what works well in DORA. This summit has been delayed until the completion of a "Technical Assistance and Quality Improvement Process" for each site visit. Further information on this is located in the DORA handout on page 9 under the heading Update on Accomplishments. He also spoke on Medicaid expansion and how that would allow for more treatment opportunities in the system.

Rep. Menlove questioned that there is no clear direction where new funds would go. She asked whether or not DORA would like a statute or intent language for a year or to have a committee open up a bill file and provide some guidance.

Mr. Nance replied that intent language would be good. Rep. Menlove and Ms. Emerson conversed about the options and Ms. Emerson stated they would rather have it as policy.

Rep. Chavez-Houck asked if they would be able to use Medicaid expansion with the recommendations made and if it would be helpful. Mr. Nance stated he will collect data and let them know.

Ms. Emerson suggested everyone look at page 11 of the report and the final paragraph on the page which states that this will be the final DORA report.

24. Increased cost for Utah State Hospital Building Project

Mr. Richard Amon, Acting Director, Division of Facilities Construction Management (DFCM), reported that the project is about 62% complete and is scheduled to be finished in April of 2014. He stated that the original cost was \$30 million. There were negotiations with the Legislature and the previous Division of Facilities Construction Management Director. Mr. Amon indicated that was about \$5 million in savings on the University of Utah Building and Dixie. However, in a year and a half, construction costs have increased; so those savings are not possible if we want to keep the wings that were planned originally. We are now right on budget of \$30 million.

Mr. Amon introduced the new DFCM Director, Mr. Josh Haines. Mr. Haines explained that he has had 25 years of experience in construction management in various places in the country and now in Utah.

MOTION: Rep. Dee moved to adjourn.

Co-Chair Christensen adjourned the meeting at 5:10 p.m.