

**MINUTES OF THE
SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE**

Room 30 West House Building, State Capitol Complex
January 28, 2015

Members Present: Sen. Allen M. Christensen, Co-Chair
Rep. Paul Ray, Co-Chair
Rep. Edward H. Redd, House Vice Chair
Sen. Deidre M. Henderson
Sen. Luz Escamilla
Sen. Alvin B. Jackson
Sen. Todd Weiler
Rep. Rebecca Chavez-Houck
Sen. Mark B. Madsen
Rep. Melvin R. Brown
Rep. Bradley M. Daw
Rep. Earl D. Tanner
Rep. Sandra Hollins
Rep. Robert Spendlove
Rep. Raymond Ward

Members Excused:

Members Absent: President Wayne L. Niederhauser
Sen. Brian E. Shiozawa

Staff Present: Mr. Russell T. Frandsen, Fiscal Analyst
Mr. Stephen C. 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.

1. Call to Order/Approval of Minutes

Rep. Ray called the meeting to order at 8:20 a.m.

2. Public Input

Pete Early, Author, spoke about mental illness vs. the criminal justice system. He shared a personal experience his son had with mental illness. He advocated addressing the issue of mental health or community care rather than putting mentally ill individuals in prison or jail. Mr. Early quoted statistics about those in prison who have mental illness and the cost for keeping them there. He left the message of using community care to assist those who are mentally ill rather than putting them in jail or prison.

Rep. Ward reminded the Committee of a quote given by the Chief Justice of Utah which in part said, ".....the most important thing we can do to reduce recidivism and increase public safety is

to provide necessary drug and alcohol treatment and to do that we need treatment resources.” He continued to speak on how our treatment system has become our jails and prisons which don’t serve individuals who need help well and don’t serve the community well. Rep Ward emphasized the importance of this year because of an initiative and also the possibility of addressing this as part of the Healthy Utah Plan. He agreed with Mr. Early, who offered more information about following 97 street people for a year and stated statistics that showed the cost to the community to be \$13 million.

3. Department of Health’s Base Budget

a. Budget Effectiveness Review – Revenue and Funding Exchanges for 2% document. Russell Frandsen, Fiscal Analyst, identified possible items for the stress test and spoke about the ongoing source of revenue for the Tobacco Settlement Restricted Account. The Staff recommendation was to give more to the Children’s Health Insurance Plan (CHIP). Mr. Frandsen then gave an explanation of item #3 entitled Have Birth Certificate Fees Statewide Pay for System Costs.

Rep. Redd clarified the amount of money being returned by the Health Department to help maintain the computer system as to what is being asked for in the motion. Mr. Frandsen affirmed that fact. Rep. Redd voiced a desire to discuss the computer system issue.

Dr. Robert Rolfs, Deputy Director, Department of Health (DOH), responded to the question about vital records which include birth and death certificates. He stated that the DOH agrees with the analysts to a point but because of a change from paper to electronic based the revenue has shifted and the costs have shifted. Dr. Rolfs went on to explain how the system presently used is not up to date. The funds are being requested to maintain the vital record information. There was continued discussion about the funding for revenue requests between Rep. Redd and Dr. Rolfs. Mr. Frandsen requested that Dr. Rolfs speak about additional birth certificate fees. Dr. Rolfs explained the process. Rep. Redd and Dr. Rolfs discussed several items to do with the revenue.

b. Revenue Options and Funding Exchanges

Mr. Frandsen made reference to #1 and #3 on the document that have to do with the State Endowment Fund. He defined each of the items and their purpose as well as possibilities and processes to use those funding sources.

c. Department of Health – Expenditures by Vendor - <http://le.utah.gov/interim/2015/pdf/00000432.pdf>

Mr. Frandsen referred to the handout and stated that as part of doing some Base Budget analysis work the Fiscal Analyst examined payments by vendors. He focused on a few vendors from the list displayed such as: UTA, Milliman, Utah Health Care Association, Henriksen Butler Design Group, and Nancy Sabrina Morales and clarified their services and the amounts requested.

Rep. Redd asked if the translation services for Nancy Sabrina Morales was a phone translation or if it was in person. Michael Hales, Department of Health, replied that this could be

either by phone or in person at a service site.

d. Issues/Analysis from the 2015 Compendium of Budget Information (COBI)

http://www.le.utah.gov/lfa/reports/cobi2015/agcy_270.htm#issuesTab

Mr. Frandsen gave a quick overview of what is happening in Utah with health issues. He indicated that Utah is 5th best in the nation for health. He reviewed some of the issues that Utah did the best and worst in.

4. Dedicated Credits Proposed Increase for Approval

Shari Watkins CPA, Finance Director, Department of Health (DOH), spoke on the surplus program and how sales and finances are handled.

Sen. Weiler informed the Committee that he sponsored a Bill in 2012 that made this possible and stated there has been pushback about the extra work this has created. He said he is having a meeting this afternoon to discuss some of those issues. He invited Ms. Watkins to the meeting.

MOTION: Sen. Christensen moved to approve motion #1L for the Department of Health from the sheet entitled “Social Services Subcommittee – Motions for Subcommittee Consideration” dated 1/23/2015/ 9:15 PM (<http://le.utah.gov/interim/2015/pdf/00000311.pdf>).

The motion passed unanimously with Sen. Escamilla absent for the vote.

5. Department of Health’s Executive Director’s Operations Base Budget

a. Budget Effectiveness Review – Additional Options
<http://le.utah.gov/interim/2015/pdf/00000335.pdf>

Mr. Frandsen moved to item #13 which involved lower priority changes to the all payer claims data base for health insurance claims.

b. Traumatic Spinal Cord and Brain Injury Rehab Fund

He reviewed that fund and the balance left as well as its use.

c. Historical Trends

1. Program Operations – General Fund

<http://le.utah.gov/interim/2015/pdf/00000438.pdf>

2. Director’s Office – Personnel Services

<http://le.utah.gov/interim/2015/pdf/00000438.pdf>

3. Federal Funds in the Department of Health – Issue Brief

<http://le.utah.gov/interim/2015/pdf/00000394.pdf>

Mr. Frandsen referred to the Brief and reviewed the summary and the discussion and analysis.

d. Performance Measure Trends

Mr. Frandsen noted two positive trends:

1) Center for Health Data (CHD) – Deaths registered electronically indicates how quickly death certificates are issued. There has been an improvement over the last four years as to those being done electronically.

Rep. Redd commented that the current system works better than it has in the past.

2) CHD – Visits to the My Health Care site from the DOH. This has been due to increased media campaigns.

e. Three Proposed Performance Measures to Include in Appropriations Acts via Intent Language

#9A Motions for Subcommittee Consideration
<http://le.utah.gov/interim/2015/pdf/00000311.pdf>

Mr. Frandsen reviewed the motion for the Committee and stated why this request for approval is taking place.

f. Dedicated Credits Proposed Increase for Approval

#1J Motions for Subcommittee Consideration
<http://le.utah.gov/interim/2015/pdf/00000311.pdf>

Dr. Robert Rolfs, Deputy Director, Department of Health, indicated that there are three components to the dedicated credits. He continued to enumerate those items and explain them. Mr. Frandsen, Rep. Redd and Dr. Rolfs clarified some questions.

Rep. Daw commented on the All Payer Claims Data Base and requested an overview of what it is and what products are being proposed to be sold using the data base.

Dr. Rolfs explained that it was a legislative initiative to create greater transparency in the health care system by capturing all the claims across the health care system from payers. He continued to share information about the system. Rep. Daw attempted to put this information into layman's terms to clarify. Dr. Rolfs and Rep. Daw continued to discuss the purpose of the initiative.

g. Agency Requests for Nonlapsing Authority

Shari Watkins CPA, Finance Director, Department of Health, presented the request for nonlapsing authority for the Executive Director's Office (EDO) and the use of it. Ms. Watkins explained the second part of the request #3A and #3AE on the Motions sheet for consideration

and indicated the uses for that funding request.

MOTION: Sen. Christensen moved to approve the following motions for the Department of Health's Executive Director Operations line item from the sheet entitled "Social Services Subcommittee – Motions for Subcommittee Consideration" dated 1/23/2015 9:15 PM: 1C, 1J, 3A, 3AE, & 9A (<http://le.utah.gov/interim/2015/pdf/00000311.pdf>).

The motion passed unanimously with Sen. Escamilla absent for the vote.

6. Annual Audit of the Department of Health by the State Auditor – Family Health and Preparedness

John Dougall, State Auditor, introduced other members from the State Auditor. Melanie Henderson, Audit Supervisor, reported on the information received from the audit and proceeded to explain two of the findings from the report using the presentation information available. The first information was from the immunization program. The second area spoken of was from the Maternal and Child Health Services Grant. She disclosed the findings made by the auditor in that area. She explained that all of the audits can be found on www.auditor.utah.gov.

Rep. Ward asked for clarification on the vaccine follow-up. Ms. Henderson explained the procedure. There was continued conversation between the Ms. Henderson and Rep. Ward.

Rep. Tanner asked for further clarifications of the report findings in supervising Medicaid programs. He wondered if that was related to what was just reported or whether it would be discussed later. Mr. Frandsen indicated that would be spoken about later when the Base Budget of Medicaid in Workforce Services is discussed.

7. Department of Health's Family Health and Preparedness Base Budget

a. Expenditure and Revenue Historical Trends That May be of Interest

Russell Frandsen, Fiscal Analyst, proceeded to explain the information available from the Funding Sources information for Child Care Services and Primary Care Grants.

b. Performance Measure Trends – Emergency Medical Services

- 1) Percentage of Ambulance Providers Receiving Enough but not More Than 8% of Gross Revenue or 14% return on Assets

http://www.le.utah.gov/lfa/reports/cobi2015/appr_LFG.htm#appr_performace

Mr. Frandsen clarified what was being measured and the result.

2) On-site Survey Inspections of 75% of All Health Care Providers in Health Facility Licensing

Mr. Frandsen reported on the findings from that.

Rep. Redd requested clarification on the term “all health care providers.” Mr. Frandsen explained that it was primarily health care facilities that are required to have annual inspections. There continued to be continued conversation with Mr. Frandsen, Rep. Redd and Dr. Marc Babitz, Director of Family Health and Preparedness, responded that all facilities are inspected except private offices. Any office that is licensed and certified is inspected. Rep. Redd continued to ask for clarification on the 75% goal. Dr. Babitz explained about the difference between certification inspection and how money can be lost if those are not done and licensed facilities which sometimes are not inspected from 3-5 years which causes difficulties to come up.

Mr. Frandsen asked a question about who makes up most of the inspections. Dr. Babitz and Mr. Frandsen discussed this. Mr. Frandsen requested a break down of the services. Rep. Redd asked for more information and Dr. Babitz emphasized that every facility that operates in Utah including hospitals and except for a private office must be licensed and that if Medicare or Medicaid is to be billed, the entity must be certified. Dr. Babitz continued to speak on certification requirements and the determination of number of inspections necessary. Dr. Babitz agreed to bring a chart that would give all the information Rep. Redd was asking for.

Sen. Shiozawa asked for further clarification on the redundancy of inspections and how that would affect efficiency. He stated that the goal of 55% was not acceptable and that the goal should be higher. He agreed with Dr. Babitz that those issues should be addressed.

Sen. Escamilla commented and asked whether the Committee would be having comments and be given information about Family Health and Preparedness and all the grants coming forward. Rep. Ray indicated it would be upcoming.

c. Three Proposed Performance Measures to Include in Appropriations Acts via Intent Language

#9B Performance Measures

<http://le.utah.gov/interim/2015/pdf/00000311.pdf>

Mr. Frandsen indicated the different areas in which the measures were done:

- 1) Percent of children who demonstrated improvement in social and emotional skills, social relationships which are all part of the Baby Watch program.
- 2) Percentage of children demonstrated improvement in the rate of growth and acquisition of knowledge and skills
- 3) Percentage of children who demonstrate improvement in the rate of growth in appropriate behaviors to meet their goals.

c. Federal Funds in the Department of Health – Issue Brief

<http://le.utah.gov/interim/2015/pdf/00000394.pdf>

#1C Motions for Subcommittee Consideration

<http://le.utah.gov/interim/2015/pdf/00000311.pdf>

Mr. Frandsen referred to several figures in the brief for explanation and proceeded to explain several Block Grants and their possible use.

d. Agency Explanation of Federal Reserves Over Three Months

Marc Babitz, MD., Division Director, Division of Family Health and Preparedness, Department of Health (DOH), indicated there were three federal funds that had reserves above three months:

- 1) The Office of Home Visiting which indicated they will have no reserves in the future.
- 2) Abstinence Education Program- Dr. Babitz read a statement from the program director indicating their situation.
- 3) Maternal and Child Health Grant – Dr. Babitz gave credit to this staff on their excessive funds accumulated because of their conservatism and responsible management.

Sen. Escamilla mentioned that she has been working on the Community Health Workers component and the co-chairs have heard her proposal. She inquired about what other states such as Texas and New Mexico had as funding to train and make sure individuals are accessing information on care for individuals using Affordable Care Act (ACA) funding. Dr. Babitz spoke about the Baby Your Baby program being supported by Medicaid. He continued to explain some challenges.

e. Agency Requests for Nonlapsing Authority

<http://le.utah.gov/interim/2015/pdf/00000311.pdf>

Dr. Babitz continued to explain several Motions for Subcommittee Consideration:

- 1) #3C Bleeding Disorders – There were comments from Sen. Shiozawa and Rep. Ward.
- 2) #3D Emergency Medical Services Program – Certification of EMTs and paramedics – There was comment from Rep. Ray about a change in accreditation for air ambulance and discussion about it.
- 3) #3H Child Care Licensing Program and Child Development – collection of penalties

- 4) #3J Health Facility Licensing Bureau – collection of penalties
- 5) #3L Health Facility Licensing Bureau – licensing function
- 6) #3N Emergency Services and Preparedness – dollars received from fines and forfeitures

MOTION: Sen. Christensen moved to approve the following motions for the Department of Health's Family Health and Preparedness line item from the sheet entitled "Social Services Subcommittee – Motions for Subcommittee Consideration" dated 1/23/2015 9:15 PM: 1C, 3C, 3D, 3H, 3J, 3L, 3N, & 9B.

The motion passed unanimously with Sen. Weiler and Rep. Chavez-Houck absent for the vote.

8. Department of Human Services' Base Budget (Materials in COBI)

Stephen Jardine, Fiscal Analyst, introduced the information and where the analysts had looked for reductions and items to look at. He gave some examples and examined some concerning areas. Mr. Jardine defined Human Services as 6 entities: (1) Services for people with disabilities, which is also the largest in total spending, (2) Child and Family Services, (3) Substance Abuse and Mental Health, (4) Aging and Adult Services, (5) Office of Recovery Services and (6) Executive Director's Line item – administration plus a number of other items. He stated that each item will be looked at. He referred to COBI and continued to share various pieces of information and how funds may be distributed.

9. Department of Human Services Expenditure Trends That May be of Interest (materials in COBI)

Stephen Jardine, Fiscal Analyst, explained the benefit of examining these items so that it will set the context for further discussion. He continued to refer to the trends and offered explanations for them.

10. Review of Department of Human Services Off Budget Funds (materials in COBI)

Mr. Jardine reminded the Committee that item #8F consisted of Fund 7290 which is a Human Services client Trust Fund used for elderly, disabled and child clients. The recommendation is that it be reviewed annually by becoming part of the Base Budget bill.

Rep. Tanner asked for clarification of what this item actually is. He and Mr. Jardine conversed about it.

Rep. Redd asked if the Committee will be addressing all of the items on the list. Mr. Jardine indicated they would each be looked at in the future meetings.

MOTION: Rep. Ray moved to approve #8F – “Fund 7290 Human Services Client Trust Fund – Due to the materiality and fiduciary nature of this fund, the Analyst recommends the fund be reported annually to the Social Services Appropriations Subcommittee.”

The motion passed unanimously with Sen. Henderson, Sen. Jackson and Sen. Weiler absent for the vote.

11. Intent Language and Nonlapsing Balances Follow-up Issue Briefs

Mr. Jardine brought the item of Intent Language up and indicated much was heard during the interim and there were no issues to report.

He proceeded to the Nonlapsing Balances and explained the tracking of the funds. Mr. Jardine indicated what the items on the information sheet available online indicated.

<http://le.utah.gov/interim2015/pdf/0000444.pdf>

<http://le.utah.gov.interim/2015/pdf/0000447.pdf>

12. Agency Explanation of Federal Reserves Over Three Months (i.e. – Social Services Block Grant for the Department, System of Care Grant as well as planned use of TANF for System of Care)

<http://le.utah.gov/interim/205/pdf/0000456.pdf>

Mark Brasher, Deputy Director, Department of Human Services (DHS), explained the Block Grant. He stated that the DHS is still trying to recover from sequestration. Mr. Brasher indicated that the funding they are receiving from the Social Services Block Grant is currently less than they are spending from this block grant. He also indicated that it is a grant the Federal Government is looking for and could possibly be taken away or reduced. He expressed a desire to reduce their dependency on this grant.

Ann Silverberg Williamson, Director, DHS explained how the DHS has received a 5 year Federal grant for coordinated service delivery. System of Care which will allow their approach to be a much more solution oriented way at a more local level. She commented on current options for having a needy child taken care of and their desire to make the care short term and least invasive on the family. Ms. Williamson indicated the System of Care program will begin in April in 5 counties. She also spoke on combating intergenerational poverty and spoke of working with the Department of Workforce Services in using Temporary Assistance for Needy Families (TANF) as an investment to assist in solving that issue for 3 years at a rate of \$10 million per year. Mr. Jardine asked for clarification. Ms. Williamson stated that the focus is on prevention and early intervention.

Rep. Redd asked for an example of a situation where the grant would work. Ms. Williamson responded that this comes through Substance Abuse and Mental Health Services Administration

(SAMSA) which is a Federal program. Ms. Williamson illustrated with an example. Rep. Redd also asked for clarification of how these individuals are identified. Lana Stohl, Deputy Director, DHS, responded to that question. Rep. Redd, Ms. Stohl, and Ms. Williamson continued to discuss and share comments.

Rep. Chavez-Houck commented on System of Care and encouraged new members of the Committee to look at it. She asked about some TANF funding that was appropriated last year for intergenerational poverty and wondered how DHS is working with DWS to make sure funding is used appropriately. Mr. Jardine answered that they could talk off line to clarify.

MOTION: Sen. Christensen moved to adjourn and the motion passed unanimously.

Co-Chair Ray adjourned the meeting at 10:50 a.m.

Sen. Allen M. Christensen, Co-Chair

Rep. Paul Ray, Co-Chair