

**MINUTES OF THE
SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE**

Room 30 West House Building, State Capitol Complex

February 2, 2015

Members Present: Sen. Allen M. Christensen, 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

Members Excused: Rep. Ray, Co-Chair

Members Absent: President Wayne L. Niederhauser
Sen. Brian E. Shiozawa
Sen. Mark B. Madsen
Rep. Bradley M. Daw
Rep. Raymond Ward

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.

0. Call to Order/Approval of Minutes

Sen. Christensen called the meeting to order at 8:17 a.m.

1. Unfinished Items from the Previous Agenda

None

2. Public Input

Justin Olsen, Advocate, shared that he lives in a group home. He spoke about low provider rates impacting his own services. His request was to increase pay so that qualified staff could be employed.

Emily Wagner, Advocate and parent of disabled daughter, related her story of caring for her disabled child and the results to her family. She distributed a document with items used by her daughter and indicating the costs and copays.

Rep. Redd commented on Ms. Wagner's input. He supported what she had said.

4. Department of Human Services' Office of Recovery Services (ORS) Base Budget

http://le.utah.gov/lfa/reports/cobi2015/LI_KGA.htm

Stephen Jardine, Fiscal Analyst, endeavored to explain what the Committee was to do on each line item. Mr. Jardine displayed the Base Budget for the Committee. He guided the members through the items and explained what the Office of Recovery Services does. He moved through the document and explained several items.

He spoke of #7G regarding the implementation of 2014 General Session fee increases and listing of the intended uses of the additional fee revenue.

a. Review of Office of Recovery Services Off Budget Funds

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

Item #8K – Fund 8090 Human Services – ORS

Mr. Jardine named several items the funds are spent for. He introduced item #7G. as a motion and explained the Committee responsibility and what would be approved in the motion.

b. Budget Effectiveness Review Options - http://le.utah.gov/lfa/reports/cobi2015/LI_KGA.htm

Mr. Jardine indicated that the only item here is to include current expense costs in all units.

c. Federal Funds in the Department of Human Services - Issue Brief

<http://le.utah.gov/interim/2015/pdf/00000456.pdf>

Mr. Jardine Referenced item #1C Motions for Subcommittee Consideration – Federal Funds approval motion

d. Office of Recovery Services: Collections and Costs – ORS

Liesa Stockdale, Director, Office of Recovery Services (ORS), referred to the document from January 30 and offered figures on the medical collections summary for the past 5 years. She continued to address items on the document regarding the collections made. Rep. Redd asked for clarification about how the claims are collected and Ms. Stockdale shared information about how that is done. Rep. Redd and Ms. Stockdale continued conversing. Ms. Stockdale shared more information on cost avoidance methods.

Sen. Christensen inquired if this has affected the number of employees and Ms. Stockdale indicated there are still the same number of employees with the Medicaid Collections Program. She then spoke of Child Support Services Collections and the overall collections for the ORS, the Goals for the ORS Office as a multipurpose goal, and offered the figures for their collections services. Ms. Stockdale answered questions from Rep. Redd and Sen. Christensen regarding the collections and what happens to those after they are received by the department. Ms. Stockdale discussed how much of the Medicaid money comes back to the General Fund.

MOTION: Rep. Redd moved to approve the following motions for the Department of Human Services Office of Recovery Services line item from the sheet entitled “Social Services Subcommittee – Motions for Subcommittee Consideration” dated 1/23/2015 9:15 PM: 1C, 7G, 8K, and 9M.

The motion passed unanimously with Sen. Escamilla, Rep. Brown, and Rep. Tanner absent for the vote.

MOTION: Rep. Redd moved to approve the following motions for the Department of Health’s Disease Control and Prevention line item from the sheet entitled “Social Services Subcommittee – Motions for Subcommittee Consideration” dated 1.23.2015 9:15 PM: 1C, 1D, 1E, 3B, 3G, 3M, 3K, 9C, 9D & 10B.

The motion passed unanimously with Sen. Escamilla, Rep. Brown and Rep. Tanner absent for the vote.

5. Department of Human Services’ Services for People with Disabilities Base Budget

http://le.utah.gov/laf/reports/cobi2015/LI_KFA.htm

Item #7E - requires the agency to report to the Office of the Legislative Fiscal Analyst and the analyst will in turn report to the Social Services Appropriations Committee.

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

Stephen Jardine, Fiscal Analyst, reviewed items in this area and explained the motions to be considered. He examined several items in the Base Budget.

a. Review of Services for People with Disabilities Off-Budget Funds

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

#8B Fund 2185 State Development Center Miscellaneous Donation Fund

#8C Fund 2190 State Developmental Center Workshop Fund

#8H Fund 7305 State Developmental Center Patient Account

b. Federal Funds in the Department of Human Services – Issue Brief

<http://le.utah.gov/interim/2015/pdf/00000456.pdf>

Rep. Redd requested an example and Paul Smith, Director, Division of Services for People with

Disabilities, responded.

Mr. Jardine continued with comment and Mr. Smith responded to questions from Rep. Redd.

#1C Motions for Subcommittee Consideration - Federal Funds Approval Motion
<http://le.utah.gov/interim/2015/pdf/00000311.pdf>

Rep. Ward asked for clarification on the payment for staff and what the costs are for.

Rep. Tanner had a question about Host Home Supports and Mr. Smith clarified what that entity was. They continued clarification of items on the list of Community Supports Waiver FY 2014 Expenditures by Service Categories document.

Rep. Redd commented on the questions Rep. Tanner asked and also explained that the system does work. Sen. Christensen also commented on the services provided.

Mr. Jardine referred to the list and the System of Care and keeping people at home. He reviewed a list of providers and their payment amounts.

Rep. Redd asked a question about one of the items mentioned on Mr. Jardine's presentation and requested clarification. Mr. Jardine responded as well as Paul Smith who continued to clarify with Rep. Redd. Rep. Redd continued to comment. Sen. Christensen commented on the issues at hand and the difficulty of deciding. Rep. Ward requested more clarification from Mr. Smith. Rep. Tanner asked about what a host home is and also supportive living/hourly. Mr. Smith explained the parameters in each case. There was continued discussion.

Mr. Jardine presented a list of providers for those in DSPD.

a. Effectiveness Review Options

Mr. Jardine shared the following items on the green Budget Effectiveness Review for 2% as examples to consider:

- # 9 Ongoing savings for system improvements as a result of audit -\$100,000
- #22 Administration - \$57,600
- #15 Service Delivery - \$119,200
- #17 Utah State Developmental Center - \$168,500

6. Issues with access to community services and provider rates

<http://le.utah.gov/interim/2014/pdf/00005461.pdf>

Paul Smith, Director, Division of Services for People with Disabilities (DSPD), commented on the importance of access to services provided through DSPD. Mr. Smith emphasized that the time it took for someone to access services in FY 2013 to FY 2014 has more than doubled. Sen. Christensen discussed the issue of not enough staff or inefficient staff to provide services with Mr. Smith. Mr. Smith continued with information about provider wages for services in

comparison with other states in the region and that Utah is tied with Texas for the lowest in the region. Sen. Christensen asked if there was a provider who was paying significantly higher wages and stealing all the providers from the system and Mr. Smith replied in the negative. They continued to discuss the issue. Mr. Smith said that one of the difficulties is competition from other areas of the economy that pay higher wages. He stated that the low unemployment rate also affects the ability to find workers to serve those with disabilities. He continued providing information for the Committee.

Rep. Redd asked if Mr. Smith was aware of any negative outcomes because of the provider issue and the hiring pool. Mr. Smith requested to answer that question offline.

Sen. Christensen commented on the large amount it would cost to give an increase to the workers.

Sen. Escamilla made a comment and asked about receiving information by e-mail about the rates in other states. Mr. Smith shared a list of wages per hour in other states.

Rep. Tanner requested clarification on the wages just read and wondered if that is the number that is being received or budgeted. Mr. Smith replied that they were the wages that are being paid.

7. Disabilities Provider Rates - Issue Brief

Mr. Jardine referenced a document entitled Services for People with Disabilities Base Budget Issues for the 2015 General Session and spoke on several items to clarify for the Committee.

Mr. Jardine referred to the funding of on-going programs being funded with one-time money. He explained the results of that affecting entities like the waiting list and aging out of DCFS custody. He explained that there is a compounding effect and complications from these recurring things.

Mr. Jardine referred to information about the kinds of requests that people would come with next week.

9. Agency Requests for Non-lapsing Authority

<http://le.utah.gov/interim/2015/pdf/00000447.pdf>

#3Y Motion

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

Mr. Jardine proceeded to explain the items and suggested that a downturn in the economy may cause issues in the future.

Mr. Jardine explained some items for the upcoming motion.

MOTION: Rep. Redd moved to approve the following motions for the Department of Human Services Division of Services for People with Disabilities line item from the sheet entitled “Social Services Subcommittee – Motions for Subcommittee Consideration” dated 1/23/2015 9:15 PM: 1C, 3Y, 7E, 8B, 8C, 8H, and 9L.

The motion passed unanimously.

Mr. Jardine went online to the DSPD performance measures dashboard and walked the committee through various online screens to compare some areas and demographics for individuals with disabilities.

Rep. Chavez-Houck asked for clarification about the performance measures and variability and how that may be affected by the amount of resources available to this segment of the population and how we compensate for that. Mr. Smith responded that the reason for the website is that it generates discussion and helps us focus on measures to be improved. Rep. Chavez-Houck and Mr. Smith continued to discuss this issue.

Mr. Jardine returned to the demographics information online.

Rep. Chavez-Houck wondered about the difference in numbers of gender on the previous demographics information and why males predominate and is it tied to the autism numbers in the state.

11. Department of Human Services’ Aging and Adult Services Base Budget

http://le.utah.gov/lfa/reports/cobi2015/LI_KKA.htm

a. Review of Aging and Adult Services Off-Budget Funds

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

Mr. Jardine covered several items on the base budget bill document and explained that many of their funds are pass-through funds. He continued to review the items including Adult Protective Services, Aging Waiver, and Care of the Aging Alternatives.

Rep. Redd asked what the consequence would be if \$3.9 million were cut from Aging Alternatives. Mr. Jardine replied that cutting that funding would eliminate the services and affected individuals may have to seek institutional care which the state would be partially liable for because most of the institutional care payments are from Medicaid.

Rep. Hollins requested clarification on non-formula funds. Mr. Jardine explained non-formula funds by explaining what formula funds are in several areas and indicates the non-formula funds are not based on population. He continued down the information. Sen. Christensen inquired what the Legal Services Developer is.

Nels Holmgren, Director, Division of Aging and Adult Services (DAAS) explained about the

Legal Services Developer and that it is a program within the Older Americans Act designed to provide legal education for seniors - not legal services.

Item #8A Fund 2180 Out & About Homebound Transportation Assistance Fund
Mr. Jardine explained the purpose of this Fund and how it is set up.

c. Agency Requests for Non-lapsing Authority -
<http://le.utah.gov/interim/2015/pdf/00000447.pdf>

#3A - \$50,000 to use for the division for one-time items as listed
#3AD Keeping leftover capital to use for the coming year in the DAAS

d. Federal Funds in the Department of Human Services –Issue Brief
<http://le.utah.gov/interim/2015/pdf/00000456.pdf>

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

Mr. Jardine spoke about DAAS Federal Funds and the Grants. He explained the largest is the Meals on Wheels. He showed that quite a bit of the Federal money has been kept as a reserve. He suggested that some of this money could be used one-time to help fund half of the costs for the Meals on Wheels request.

Sen. Weiler spoke about the non-lapsing authority and the built up funds in the previously discussed DSPD data base because of the delay of hiring front line staff and wondered if there would be a motion to allow that money to be spent and not taken away. Mr. Jardine referred to the document and explained how DSPD would like to spend that one-time excess funding. He explained that DSPD needs authorization from the Committee to do that. He also explained that by statute they have authority to carry over money but cannot spend it for on-going items without authorization from the Committee by intent language. He shared information about how DSPD will spend it.

13. Three Proposed Performance Measures to Include in appropriations Acts via Intent Language

Item #90 – items to be reported on
<http://le.utah.gov/interim/2015/pdf/00000311.pdf>

Mr. Jardine reviewed the 2 items on the motion.

MOTION: Rep. Redd moved to approve the following motions for the Department of Human Services Division of Aging and Adult Services line item from the sheet entitled “Social Services Subcommittee – Motions for Subcommittee Consideration” dated 1/23/2015 9:15 PM: 1C, 3AC, 3AD, 8A and #90.

Rep. Chavez-Houck asked about the target for Meals on Wheels and not having the numbers available yet with the date on the Motion. Mr. Holmgren explained that the reporting is done on a Federal fiscal year and that there is an extensive reconciliation done and that the accurate number will be coming soon. Mr. Jardine indicated that the dates on the Motions are all about the Base Budget Bill.

Motion passed unanimously.

14. Items from the Next Meeting's Agenda

Russell Frandsen, Fiscal Analyst reviewed information from the online information including. He looked at Medicaid Administration to explain how much that is and what it is used for.

He referred to Item #6 Medicaid and Health Financing in the linked base budget bill S.B. 7 (<http://le.utah.gov/interim/2015/pdf/00000265.pdf>) and examined the figures. He explained what the money is used for according to the information.

He then looked at the Medicaid and Health Financing Performance tab to highlight a few items. Sen. Christensen asked for clarification about Medicaid and nursing homes payment. Mr. Frandsen noted he will ask the agency for exact figures.

Rep. Ward inquired if these are patients that were in a hospital and then discharged to nursing homes or patients at home that got worse and went to a nursing home. Mr. Frandsen stated that it could be either scenario but for some reason they now meet the requirements for Medicaid and suggested that be answered in the next meeting. Sen. Christensen added some comments and Mr. Frandsen replied.

Mr. Frandsen next went to trends and the Average Decision time in Prior Authorizations which showed a positive trend downward. He gave an example of what that means.

Rep. Ward commented on the spectacularly better time than when he is dealing with Insurances. Sen. Christensen clarified that this refers to the Preferred Drug List and getting an override on a preferred drug. Mr. Jardine added to the comments.

Mr. Frandsen referred to the performance measure entitled Number of Clients Educated on Proper Benefit in Use. He indicated when there is an open enrollment period clients have the opportunity to learn about what they need to do, provider networks and which plan to choose.

Mr. Frandsen went to the document and noticed the large increase and could have been a result of the three open enrollment periods versus one in the past and could have been affected by some Dental plans and the CHIP transition from federal healthcare. Sen. Christensen noted that is just about a 50% increase in clients.

a. Budget Effectiveness Review – Additional Items (Green sheet) Options for Reducing 2% Target in Medicaid Administration

#8- (Green sheet) Medicaid Administration Reduction – Mr. Frandsen referred to the past two years and some lapsing funds in the line item which means some of the General Fund Allocation was not spent. He stated this reduction would make some of the unused funds ongoing.

#10 – (Buff sheet) - End Nurse Case Management Medicaid Pilot- Mr. Frandsen explained what this item is and that the Committee can continue the project or decide not to.

Sen. Christensen suggested that we call the meeting since there are no representatives from the Department of Health.

Rep. Redd agreed saying that if there are questions there is no one here to answer them and Sen. Christensen added that this information comes from the analysts there is no one to ask questions on their behalf.

15. Handout: Budget Effectiveness Review Documents

Russell commented about what would be coming on Thursday for vote on the Green and Pink sheets being distributed and also

Rep. Redd suggested that reviewing the sheet is important to be prepared for Thursday.

MOTION: Rep. Redd moved to adjourn.

Co-Chair Christensen adjourned the meeting at 10:30 a.m.

The motion passed unanimously.

Sen. Allen M. Christensen, Co-Chair

Rep. Paul Ray, Co-Chair