

**MINUTES OF THE
SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE**

Room 30 West House Building, State Capitol Complex
February 9, 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. Brian E. Shiozawa
Sen. Alvin B. Jackson
Sen. Todd Weiler
Rep. Rebecca Chavez-Houck
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. Luz Escamilla
Sen. Mark B. Madsen

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

Rep. Ray called the meeting to order at 8:17 a.m.

1. Unfinished Items from the Previous Agenda

None

2. Public Input

Dennis Toland, Owner, Assisted Living Homes, gave a background on the Choices Waiver Program and the fees involved for them in several areas of increase. He stated they support the 10% increase which is being proposed.

Marianne McGregor Guelker, parent; Kelsey Lewis, Executive Director, Kids Who Count, Jessica Pugh, parent; and Peter Baxter, parent, each shared evidence of the positive services provided to their families, their outcomes, and their experience with as well as their support of

Early Intervention Services.

Tara Thompson, parent, shared the story of her own child and Andrew Riggle, Public Policy Advocate for the Disability Law Center, shared their support of H.B. 199 and the medical waiver for Medicaid for children with complex medical needs and disorders.

Sen. Weiler gave thanks to those presenting today.

Janis Dubno, Director of Early Childhood Policy, Voices for Utah Children, made a request for \$2 million ongoing funding for the Nurse Family Partnership for a statewide initiative implementation of this program. She referred to a document available about the program which reported outcomes of treatment through this program.

Chris Burbank, Chief, Salt Lake City Police Department, gave testimony about the importance of preventing crime. He shared statistics about the benefits of the Nurse Family Partnership on families in the reduction of crime and the reduction of recidivism.

Sen. Henderson asked for an explanation of how this program helps prevent crime. Chief Burbank explained how statistics have been obtained. He stated that it helps educate parents and helps to improve the family by teaching women to be effective mothers. Ms. Dubno stated that it may have to do with reduction of child abuse and neglect which translates to the importance of education and also bonding with their children and fewer in the criminal justice system.

Rep. Tanner asked for details about why so many nurses can handle so few mothers. Ms. Dubno replied with the examples that there are 25 cases per nurse and also that it is intensive in nature. She continued with examples. She stated she would be willing to come back with specific information on how the nurses spend their time. Rep. Tanner stated he would be interested in having that information.

Rep. Chavez-Houck suggested hearing research on toxic stress and how with intervention that can change the brain chemistry of a child in terms of predisposing them to more appropriate behavior and how this can become intergenerational if it is not addressed. Ms. Dubno gave a response with reference to research done by two entities and adverse childhood experiences. She continued to reference other information about the effects upbringing has on a child's brain.

Andrew Riggle, Public Policy Advocate for the Disability Law Center, read a statement that shared several priorities about the support of Medicaid which includes dental care. He named several requests being supported by the Law Center.

3. Request for Appropriation – High Quality Dementia Care (Sen. Shiozawa)
<http://le.utah.gov/interim/2015/pdf/00001096.pdf>

Sen. Shiozawa introduced Dr. Foster.

Dr. Norman L. Foster, M.D., Professor of Neurology, Chief of the Division of Cognitive Disorders and Director of the Center for Alzheimer's Care, Imaging and Research, spoke in support of request:

#47 ongoing state funds building block list and <http://le.utah.gov/interim/2015/pdf/00001159.pdf>

14 One-time State Funds Building Block List – Chair Proposal
<http://le.utah.gov/interim/2015/pdf/00001156.pdf>

He referred to the recent passing of Speaker Becky Lockhart and the effectiveness of the state plan in helping her receive care in one of the hospitals with appropriate protocols in place. He referred to another family treated very differently because a member of their family had Creutzfeldt-Jakob Disease (CJD) also. He spoke of the steps that have been taken to help develop the goal of the state health plan in handling this disease. He continued to speak on the recurring problem of dementia diseases and the request for appropriations as well as the savings it would incur.

Rep. Redd spoke in favor of this proposal and thanked Dr. Foster for his progress and expertise in this area.

4. Building Block Lists

Russell Frandsen, Fiscal Analyst, gave an explanation and direction about the new building block list sheets. He directed the Committee to an item #10A-Motions for Subcommittee Consideration that had to do with intent language and performance measures desired by the Committee.

One-time State Funds Building Block List - Chair Proposal
<http://le.utah.gov/interim/2015/pdf/00001156.pdf>

Ongoing State Funds Building Block List – Chair Proposal
<http://le.utah.gov/interim/2015/pdf/00001159.pdf>

He referred to SB 7 and several items approved by the Executive Appropriations Committee (EAC).

Sen. Christensen commented on the sheets provided today and suggested that the old ones be thrown out. He thanked Staff for working all the hours to provide information for the Committee.

MOTION: Sen. Christensen moved to approve the following motion from the sheet entitled “Social Services Subcommittee – Motions for Subcommittee Consideration” dated 2/7/2015 6:21 PM: #10A.

The motion was passed unanimously.

Mr. Frandsen gave direction on what would be taking place next and what would be referenced as well as the upcoming task for the Committee.

5. Request for Appropriation – Parkinson Disease Registry (Sen. Shiozawa)

<http://le.utah.gov/interim/2015/pdf/00001103.pdf>

Sen. Shiozawa introduced Meghan Holbrook, Trustee, who represented the I.J. and Janae Wagener Charitable Foundation. She spoke about a resolution established in 2013. She gave more information about a registry which was begun to track the disease. The \$200,000 request is for one-time funding to get the registry up and running.

Rep. Chavez-Houck asked for the purpose for the registry and whether or not with the registry tracking would be done on individuals who have a predisposition to Parkinson's because of familial history and how the research would move forward. There was continued discussion about the purpose. Ms. Holbrook continued explaining the possible procedure.

Dr. Shiozawa contributed his view. Rep. Chavez-Houck explained that she is interested in the hereditary issue because of incidence in her husband's family.

Rep. Ward asked about the efficacy of making this be a reportable disease, also how many diseases are already reportable, why are they reported and how many other disease registries there are in the state. Sen. Shiozawa suggested going offline to converse with Rep. Ward.

Sen. Christensen encouraged the Departments that if they could find another place within the department to obtain money from, their building block would have a much better chance of succeeding.

Mr. Frandsen made some clarifications on reductions that were taken and that those amounts were reallocated to the Committee for internal reallocations which amounted to about \$10 million ongoing and about \$3 million one-time.

7. Request for Appropriation – Human Services Background Checks and HB 145 (Rep. Sanpei)

#49 Ongoing State Funds Building Block List – Chair Proposal

<http://le.utah.gov/interim/2015/pdf/00001159.pdf>

Rep. Sanpei described how the request came about in regard to parents dealing with disabled adult children who are mentally or physically impaired and are unable to care for themselves. The request is to add the component of Federal background checks done for everyone who applies for a license to work with vulnerable adults.

Sen. Christensen offered his support for the proposal.

6. Building Block Request - Medicaid Caseload Growth

<http://le.utah.gov/interim/2015/pdf/00001149.pdf>

#1 Ongoing State Funds Building Block List – Chair Proposal

<http://le.utah.gov/interim/2015/pdf/00001159.pdf>

Dr. David Patton, Executive Director, Department of Health (DOH), explained about how the numbers for growth come about. He referred to item #1 from the Ongoing State Funds Building Block List items.

Sen. Christensen asked for clarification on \$12.9 million returned and where that surplus came from. Dr. Patton indicated that it developed as a result of several factors. There continued to be conversation and clarification.

Russell Frandsen, Fiscal Analyst, explained that the biggest difference in the growth was there were fewer than anticipated in enrollment from the mandatory Medicaid expansion. Sen. Christensen and Dr. Patton continued to comment.

20. Medicaid Consensus Forecasting – Issue Brief

Mr. Frandsen referred to the Medicaid Consensus Forecasting – Issue Brief and detailed the items and amounts in the Mandatory Costs which were:

- (1) Change in caseloads and cost per member per month
- (2) Collections by the Office of the Inspector General, Medicaid Fraud Control Unit, and the Office of Recovery Services
- (3) Medicaid to CHIP adjustment
- (4) Accountable Care Organization Contracts
- (5) Autism increased Federal Requirements
- (6) Forced Provider Inflation

Rep. Tanner expressed his surprise at the cost for autism through age 21 of \$3 million. He asked if that was a reasonable figure for that item. Dr. Patton replied in the affirmative. Mr. Frandsen stated this is based on another state's experience and what they have seen as a requirement.

Sen. Christensen asked Mr. Frandsen to comment on how Medicaid hospital inpatient or outpatient rates compare to private pay. Mr. Frandsen said he could get that information. Sen. Christensen continued to comment about the rates in regard to nursing homes and those rates.

Michael Hales, Director, Department of Health, spoke about the history of outpatient reimbursement and how it has changed. He explained the methodology. Sen. Christensen and Mr. Hales continued to clarify and discuss.

16. Building Block Requests – Baby Watch Early Intervention Caseload

<http://le.utah.gov/interim/2015/pdf/00001098.pdf>

<http://le.utah.gov/interim/2015/pdf/00001113.pdf>

#4 Ongoing State Funds Building Block List <http://le.utah.gov/interim/2015/pdf/00001159.pdf>

Dr. Patton requested a \$220,000 ongoing Building Block.

12. Building Block Request - Health Facility State Licensing Staffing

<http://le.utah.gov/interim/2015/pdf/00001098.pdf>

<http://le.utah.gov/interim/2015/pdf/00001113.pdf>

#25 Ongoing State Funds Building Block List - <http://le.utah.gov/interim/2015/pdf/00001159.pdf>

Dr. Patton explained that this was for state facilities DOH was required to inspect. The funding would increase their inspection staff by one.

13. Building Block Request - Health Facility Certification Staffing

<http://le.utah.gov/interim/2015/pdf/00001098.pdf>

<http://le.utah.gov/interim/2015/pdf/00001113.pdf>

#13 Ongoing State Funds Building Block List <http://le.utah.gov/interim/2015/pdf/00001159.pdf>

#3 One-time State Funds Building Block List <http://le.utah.gov/interim/2015/pdf/00001156.pdf>

Dr. Patton indicated this is for inspection of Health Care Facilities to increase the frequency of inspection of nursing homes. The request is for \$56,000 of ongoing funds.

14. Building Block Request - Prescription Drug Abuse, Misuse, and Overdose Prevention

<http://le.utah.gov/interim/2015/pdf/00001098.pdf>

<http://le.utah.gov/interim/2015/pdf/00001113.pdf>

#7 One-time State Funds Building Block List <http://le.utah.gov/interim/2015/pdf/00001156.pdf>

Dr. Patton spoke about the success of this program with a 28% decrease in deaths due to misuse and abuse of prescription drugs. He also stated that program ended in 2010 and since then there has been an increase in deaths. The request is for continuation of one-time funding

Rep. Daw stated that this funding is vital and we have the statistics to prove that it has a positive effect. He also explained that it is his understanding that IHC (Intermountain Healthcare) is donating money to a program similar to this and wanted to know the difference in the program and if it is complimentary to the funding being requested.

Dr. Robert Rolfs, Deputy Director, Department of Health responded by describing the situation of someone working with partners in the community including IHC to help develop a comprehensive state plan. He gave some examples of how this has been structured to cover different parts of the plan. Dr. Patton continued with information about the misuse of drugs and

the use of the funding. Rep. Daw continued commenting.

Dr. Patton continued by speaking about the costs in hospital stays for those with opioid abuse. He explained the goals to try to reduce the problem of abuse.

Rep. Tanner asked a question about the recycling of drugs and if there is a way to reuse unused medications. Dr. Patton responded that he would be very cautious about going in that direction but it could be explored.

Rep. Redd commented on reuse of medications and stated that using old medications is the reason for this campaign. He spoke on the hazard of reusing medications and why pharmacies are so regulated.

8. Building Block Request - Dental Coverage for Elderly and Persons with Disabilities on Medicaid

#34 Ongoing State Funds Building Block List <http://le.utah.gov/interim/2015/pdf/00001159.pdf>

Dr. Patton explained that previously there was coverage that had to be cut back and so the coverage was eliminated for those on Medicaid. He indicated this request is for those who are elderly and those with disabilities which would include about 50,000 individuals for \$3.2 million ongoing.

17. Building Block Requests/Request for Appropriation – Increase Nursing Home Medicaid Rates <http://le.utah.gov/interim/2015/pdf/00001105.pdf>

#17 Ongoing State Funds Building Block List <http://le.utah.gov/interim/2015/pdf/00001159.pdf>

Dr. Patton explained that this is to make the request ongoing that last year was funded with one-time money. Mr. Frandsen clarified on the amounts paid.

9. Building Block Request – Medicaid Management Information System (MMIS) Replacement; 21. Quarterly Status Reports on Replacement of Medicaid Management Information System

<http://le.utah.gov/interim/2015/pdf/00001098.pdf>

<http://le.utah.gov/interim/2015/pdf/00001113.pdf>

https://medicaid.utah.gov/Documents/pdfs/legislative%20reports/mmis/HB2%20MMIS%20Quarterly%20Report_2014-12-23.pdf

#2 One-time State Funds Building Block List <http://le.utah.gov/interim/2015/pdf/00001156.pdf>

Dr. Patton explained the MMIS and the function of it. He also explained how it was funded.

Rep. Redd asked if once the final installment of \$7 million for two years nonlapsing is done

would there be ongoing costs associated with the system or would the system be serviced by the vendor for the next ten years. Dr. Patton explained his understanding of the maintenance and update of the system. Michael Hales, Deputy Director, Department of Health (DOH), explained that currently we maintain the existing mainframe system. He went on to explain upcoming costs according to managing and licensing fees. Rep. Redd and Mr. Hales continued to discuss how the system will be housed.

Sen. Christensen asked what the ramifications would be if there were not enough cash available to pay the vendor when it is due. Dr. Patton stated that probably work would stop causing a delay and increased costs. Sen. Christensen clarified that the 2017 budget is the final year. They continued to discuss the implications of not funding the project this year.

Rep. Redd asked about the total cost of the system when complete and what is the life expectancy of the system. Dr. Patton shared some information about the old system. Mr. Hales informed the Committee that the current system has been in use for 35 years. The hope is that this technology will adapt and change over the years. He continued to explain the costs for the state with the total costs being \$120 million. Dr. Patton added more comment.

Mr. Frandsen gave some clarification and explanation for the Committee.

11. Building Block Request – Technology Dependent Waiver Capacity

<http://le.utah.gov/interim/2015/pdf/00001098.pdf>

<http://le.utah.gov/interim/2015/pdf/00001113.pdf>

#24 Ongoing State Funds Building Block List <http://le.utah.gov/interim/2015/pdf/00001159.pdf>

Dr. Patton stated the proposal to add ten additional children to the waiting list. He explained what the Technology Dependent Waiver provides. The request is for \$366,000 of ongoing funds.

19. Building Block Request - Tax on Medicaid and CHIP Health Plans from Federal Health Care Reform <http://le.utah.gov/interim/2015/pdf/00001115.pdf>

#5 Ongoing State Funds Building Block List <http://le.utah.gov/interim/2015/pdf/00001159.pdf>

Dr. Patton explained that this is a tax imposed by the Affordable Care Act (ACA) on individuals who provide health care plans. He continued to explain what the State has done.

Sen. Jackson referred back to information about picking up ten children from the waiting list and asked how much more it would cost to cover all the children and why just ten. Dr. Patton replied that it would be close to \$2 million.

10. Building Block Request – Healthy Utah

<http://le.utah.gov/interim/2015/pdf/00001098.pdf>

<http://le.utah.gov/interim/2015/pdf/00001113.pdf>

#36 Ongoing State Funds Building Block List <http://le.utah.gov/interim/2015/pdf/00001159.pdf>

Dr. Patton explained that there will be savings that will occur as well as increases in administrative costs that would modify the savings for the first year because of increased staffing for the increase of people coming into the system.

Sen. Christensen asked for clarification on the provider health plan's tax which is #5 on the list.

Rep. Tanner asked if there is monitoring on the amounts of profits returned to shareholders in for-profit operations. Dr. Patton stated that he didn't believe that figure was looked at other than to make sure they are qualified in terms of providing plans for Medicaid.

Mr. Hales informed the Committee that information is gathered from all of the health plans every six months in terms of their expenditures and what has been paid to them in premiums. He continued to clarify the information. Rep. Tanner and Mr. Hales continued their remarks.

Rep. Redd referred back to the tax on Medicaid and CHIP health plans and asked if we didn't fund this who would end up paying it. Dr. Patton replied that the individual providers would have to do that.

Rep. Redd asked if they would get the 70/30 match. Mr. Hales stated it would come out of their monies and there would be no match. He continued explanation. Rep. Redd continued questioning for clarification. Dr. Patton added explanation.

Sen. Christensen asked about incorporating the tax into the organizations when we renegotiate contracts with them and would the competition level hold the amounts down. Mr. Hales explained the way rates are set. He continued to spell out more details on how the rates are set.

Sen. Christensen asked if other providers are interested in stepping into the ACO model since we do not renegotiate this year. Mr. Hales explained that the hope was to provide for all the phases of an individual. Delivery of care is being looked at to coordinate services. There continued to be ongoing discussion about the question Sen. Christensen asked.

Rep. Tanner asked if it costs more to take care of Medicaid patients through for-profit operations than through non-profits. Mr. Hales explained that reimbursement is not distinguished based on non-profit or for-profit organizations. He explained the methodology of how the rate is established for reimbursement. He did describe that the ACA tax does impact the for-profit vs. the not for profit providers differently which may cause confusion. He went on to explain how that worked with comment from Rep. Tanner.

Mr. Frandsen asked if Mr. Hales had the amount for the provider tax for the Committee. Mr. Hales reported that for state FY 2016 the projected amount is \$3.26 million of ongoing General Fund. He continued to explain the calculations.

Russ Elbel, Medicaid Program Director, Select Health, Hal Gooch, Chief Medical Officer, Interim Plan President, Molina Healthcare, and Justin Allen, Premier Access Dental, introduced themselves. Mr. Elbel appreciated the opportunity to present information to the Committee. He indicated that they were there to discuss funding on the Medicaid program specifically about the premium tax that is imposed on Medicaid and CHIP medical and dental plans. He proceeded to give a background on the tax. He spoke about how the funding and the rates are established. He stated their request for FY 2016 and an amount for an underestimated amount in FY 2015.

15. Building Block Request – Assistant Attorney General at the Department of Health

<http://le.utah.gov/interim/2015/pdf/00001098.pdf>

<http://le.utah.gov/interim/2015/pdf/00001113.pdf>

#32 Ongoing State Funds Building Block List <http://le.utah.gov/interim/2015/pdf/00001159.pdf>

Dr. Patton explained this request and the reason for it. He stated that the Inspector General would pay for their attorney and that a staff person would return to the Department of Health. He commented that this is a way to look at items to be paid for. He continued to name other items that have been looked at to solve funding problems.

Sen. Christensen asked question about clerks in the Medical Examiner’s office. They decided to wait for another day to discuss this item.

Motion: Sen. Christensen moved to approve the following motion from the sheet entitled “Social Services Subcommittee – Motions for Subcommittee Consideration” dated 2/7/2015 6:21 PM: #6G & 6H.

The motion passed unanimously with Sen. Weiler and Rep. Spendlove absent for the vote.

17. Building Block Requests /Request for Appropriation – Increase Nursing Home Medicaid Rates (Sen. Shiozawa) <http://le.utah.gov/interim/2015/pdf/00001105.pdf>

#17 Ongoing State Funds Building Block List <http://le.utah.gov/interim/2015/pdf/00001159.pdf>

Sen. Shiozawa introduced Dirk Anjewierden, Executive Director, Utah Healthcare Association, who represented the skilled nursing facilities throughout Utah. He explained last year’s presentation for ongoing funds and appreciated the one time funding they did receive. He requested ongoing money. He gave a background of previous increases and shared the reason for this request and also why the methods used before for increases cannot be used again. He explained that the requested funding will keep them where they are now. Without the rates will be cut to the nursing homes.

Rep. Tanner ask for clarification on the nursing home Medicaid rates and asked for clarification on what the Medicare rates were. Mr. Anjewierden stated that Medicaid rates today are about

\$175 per day and Medicare rates are about \$100 more than that. There continued to be discussion on the issue.

18. Request for Appropriation – Intermediate Care Facilities for the Intellectually Disabled (ICF/ID) (Sen. Shiozawa) <http://le.utah.gov/interim/2015/pdf/00001101.pdf>

#45 Ongoing State Funds Building Block List <http://le.utah.gov/interim/2015/pdf/00001159.pdf>

Deb Burcombe, Utah Health Care Association, thanked the Committee for their listening ear. The request being made was for \$500,000 for increase in wages for the ICFID. She stated this is similar to item # 6 on the ongoing list. She explained why and what the request is.

23. Request for Appropriation – Utah Family Medicine Residency (Sen. Shiozawa)
<http://le.utah.gov/interim/2015/pdf/00001117.pdf>
<http://le.utah.gov/interim/2015/pdf/00001107.pdf>

#48 Ongoing State Funds Building Block <http://le.utah.gov/interim/2015/pdf/00001159.pdf>

Sen. Shiozawa introduced Jennifer L. Dailey, MBA, Executive Director, Utah Academy of Family Physicians, who stated a significant shortage of family physicians in the state. She explained the difficulties getting doctors into the program and proposed that funding be increased for training residencies in the state in rural communities. She stated the benefits of doing this.

Rep. Daw asked the question if it was time to look at licensure laws and perhaps move some of the burden from physicians to physician assistants or nurse practitioners to do some of the work. Ms. Dailey explained that in Utah we have and are recognized for team-based care as well as training residents according to that kind of care. She responded that the funding being requested for residencies actually looks to address that issue.

Sen. Shiozawa commented on expansion of medical training slots in Utah and the need to bring our own Utah residents here to help keep more physicians in Utah. He agreed with Rep. Daw on the team based approach in working collaboratively. Ms. Dailey commented further. Sen. Shiozawa concluded the request presentation.

Mr. Frandsen stated that there was a request from the DOH on a grant increase.

#10 Motions for Subcommittee Consideration

Jennifer Brown, Division Director, Department of Health, requested funding of \$148,000 for the Utah Public Health Laboratory. She stated the purpose for the request

MOTION: Sen. Christensen moved to accept the intent language for the Department of Health on the sheet entitled “Social Services Subcommittee - Motions for Subcommittee Consideration”

dated 2/7/1015 6:21 PM: #10.

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

22. Fees in the Department of Health – Issue Brief

#2A Motions for Subcommittee Consideration Updated 2/7/2015
<http://le.utah.gov/interim/2015/pdf/00001153.pdf>

Russell Frandsen, Fiscal Analyst, explained that each year as per statute agencies are required to submit their fee schedule to the Legislature for their approval. He informed the Committee that all the fees are in the Brief and also how much the fees generate.

Sen. Christensen asked if there were any changes on the fee schedule. Mr. Frandsen indicated that there were some and stated that the largest increase was already approved by the Committee.

The Department of Health indicated that there were none to be spoken about.

MOTION: Sen. Christensen moved to approve the following motion for the Department of Health from the sheet entitled “Social Services Subcommittee – Motions for Subcommittee Consideration” dated 2/7/2015 6:21 PM: #2A.

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

Rep. Ray gave a reminder about the Thursday meeting that will begin at 7:00 a.m.

Sen. Christensen encouraged everyone to be there for the request presentations.

Rep. Brown voiced concern that many other Committees would be meeting at the same time.
Rep. Ray made a suggestion of how to adjust to that.

Mr. Frandsen answered a question posed by Rep. Ward previously about the number of reportable diseases in Utah found in COBI.

MOTION: Sen. Christensen moved to adjourn. The motion passed unanimously.

Co-chair Ray adjourned the meeting at 10:42 a.m.