

(Draft – Awaiting Final Approval)
**MINUTES OF THE
SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE**
Cottages of Hope, 2724 Washington Blvd, Ogden, UT 84401
September 22, 2016

Members Present: Sen. Allen M. Christensen, Co-Chair
Rep. Paul Ray, Co-Chair
Rep. Edward H. Redd, House Vice Chair
Sen. Luz Escamilla
Sen. Lincoln Fillmore
Sen. Daniel Hemmert
Sen. Todd Weiler
Rep. Melvin R. Brown
Rep. Rebecca Chavez-Houck
Rep. Earl D. Tanner
Rep. Raymond Ward

Members Excused: Sen. Brian E. Shiozawa

Members Absent: Sen. Deidre M. Henderson
Sen. Mark B. Madsen
Rep. Bradley M. Daw
Rep. Sandra Hollins
Rep. Robert Spendlove

Staff Present: Mr. Russell T. Frandsen, Fiscal Analyst
Mr. Stephen C. Jardine, Fiscal Analyst
Mr. Hector Zumaeta Santiago, Fiscal Analyst
Ms. Tonya Hadley, Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at www.leg.utah.gov.

1. Call to Order

Co-Chair Christensen called the meeting to order at 8:20 a.m.

2. Update on Implementation of Health Coverage Improvement Program

"During the 2016 General Session of the Utah State Legislature, House Bill 437 passed and was signed into law by Governor Gary Herbert on March 25, 2016. This bill directs the Department of Health (DOH) to expand coverage for parents and to develop criteria for three new eligibility groups of adults without dependent children. DOH must submit a plan to the Centers for Medicare and Medicaid Services (CMS) to modify the current Utah Medicaid program accordingly. It is estimated that 9,000-11,000 adults will be covered through these changes."

Mr. Nathan Checketts, Deputy Director, DOH, presented the update on Medicaid expansion. The federal government required that a portion of the bill be opened for a second round of public comment. DOH complied, but received no additional input.

Mr. Checketts also detailed implementation issues. He stated that individuals are much more medically frail than DOH had anticipated. Thus, fewer individuals will be covered under H.B. 437 than originally

estimated. Mr. Checketts and the Co-Chairs discussed a possible January 1, 2017 implementation date if final approval comes in the next month.

Rep. Redd asked about residential treatment facilities. Mr. Checketts explained that Medicaid cannot pay housing costs. Rep. Tanner asked about the flexibility of the cutoff 5 percent FPL (federal poverty level) rule. Mr. Checketts replied that the percentage cannot change without amending the waiver. He stated that DOH will accommodate the Legislature's requests by renegotiating with CMS, if need be.

3. Subcommittee Questions from the 2016 General Session (Department of Health)

Ms. Emma Chacon, Medicaid Division Operations Director, DOH, answered [Subcommittee questions from the 2016 General Session](#).

Ms. Chacon stated that DOH no longer has concerns regarding the sharing of client information with other state agencies. Co-Chair Ray asked what stops the communication between agencies. She said, "That issue has been resolved."

Mr. Stephen Jardine commented about HIPAA and other federal regulations. Rep. Ray stated that hospitals won't release basic demographic data to law enforcement officers regarding drug overdose cases. Ms. Chacon replied that HIPAA restricts the sharing of aggregate information if a person could be identified by the data shared.

Ms. Chacon then detailed the process DOH is using to gather data on "high-cost" Medicaid clients (\$100,000+). She stated, "We are looking at data for individuals whose costs are high, but less than \$100,000, to determine if there are meaningful interventions that can be used to mitigate costs in certain circumstances."

Rep. Redd asked about prevention options and a better case management model. Ms. Chacon explained what the Accountable Care Organizations (ACO) are currently doing. She offered to pull some more data together to share with the committee.

Next, Ms. Chacon reported Utah's 5.1 percent Medicaid growth compared to the 5.2 percent national average. The latest data is from FY 2010. Sen. Weiler asked if that is 5.1 percent in dollars or number of people. She said it is in dollars.

4. Study of Continuous 12-month Enrollment for Children on CHIP and Medicaid

Mr. Russell Frandsen summarized [Issue Brief: Report on 12-month Continuous Eligibility for Children](#). For more information, see [DOH's report on Continuous Eligibility for Children](#). Rep. Redd asked about the \$26,000 cost. Mr. Frandsen and Mr. Kevin Burt, Assistant Director of Eligibility Services, Department of Workforce Services (DWS), explained the cost as well as additional unknown impact. Rep. Tanner asked for an outcome analysis. Mr. Frandsen offered to research it.

5. Quarterly Status Reports on Replacement of Medicaid Management Information System

Mr. Checketts discussed the new Prism system. See [MMIS Quarterly Report, June 30, 2016](#). He reassured the committee that Prism is fully funded. Its first phase launched on July 1, 2016. The full launch is expected in 2019. Prism will need to seek certification from CMS in 2019, which may take one to two

more years. Co-Chair Christensen asked about getting pre-certified now. Mr. Checketts said they are certifying the pieces that can be.

6. Public Input on Topics on Today's Agenda

Ms. Jessie Mandle, Policy Analyst, Voices for Utah's Children, spoke in support of 12-month continuous eligibility. Rep. Chavez-Houck asked about the neighboring states' coverage benefits. Ms. Mandle offered to get that data to her off-line.

7. Highlight Some Performance Measure Trends

Mr. Frandsen shared [Highlights of Some Performance Measure Trends – DOH](#). "Rates of Gonorrhea have increased from 22.2 per 100,000 in FY 2013 to 62.3 per 100,000 in FY 2016, a 181 percent increase. DOH is monitoring this increase and distributing surveillance updates to the LHDs. Additionally, DOH monitors all GC cases for appropriate treatment and is conducting a case-control study to better identify risk factors for GC among Utah residents. DOH aims to halt this increase in the gonorrhea rate in FY 2017." There was discussion about the target goal for Gonorrhea cases. Ms. Sheila Walsh McDonald, Legislative Liaison, DOH, offered to find the answers.

Mr. Jardine shared [Highlights of Some Performance Measure Trends – Department of Human Services](#). The subcommittee reviewed trends regarding four major Human Services' outcome measures included in H.B. 7, Social Services Base Budget (2016 General Session).

Mr. Hector Zumaeta Santiago shared [Highlights of Some Performance Measure Trends – Department of Workforce Services \(DWS\)](#). Co-Chair Christensen and Ms. Kathy Bounous, Director of Appeals and Legislative Affairs, DWS, discussed department attrition and layoffs. "Cases Determined for Eligibility within 30 days have increased by 10 percent over the last four years. Dislocated workers that have re-entered employment has gone up by nine percent over the last four years. Job seekers served has gone down by 36 percent over the last four years (because the economy, as a whole, has been strengthening). Cost per placement has gone up by 27 percent over the last four years." Ms. Bounous stated that it is a good problem to have, because it results from a good economy.

8. Fiscal Note and Budget Item Follow-up Report (Social Services)

Mr. Jardine presented [Follow up on Building Blocks Within Social Services](#) and [Fiscal Note and Budget Item Follow-Up Report 7/7/2016](#) and indicated that \$13.8 million of the Social Services budget was not spent in the year it was appropriated for. These reports provide feedback on funded items from previous sessions. There was \$3 million of additional costs identified where the original appropriation did not fully cover the actual or estimated expenditures.

Co-Chair Christensen and Rep. Chavez-Houck asked Mr. Jardine to explain the color coding on the performance measure handout. He detailed that green is within a narrow range of the initial budget estimate, yellow is further from the original budget estimate, and red is significantly different from the original budget estimate. Rep. Chavez-Houck asked why abstinence education is coded red. Mr. Jardine referred her to page 101 of the handouts for a detailed explanation.

MOTION: Rep. Ray moved to approve the minutes of the June 16, 2016 morning and afternoon meetings. The motion passed unanimously with Rep. Ward absent for the vote.

9. Tour of Cottages of Hope

Mr. Jeremy Botelho, Executive Director, Cottages of Hope, Mr. Chris Swaner, Co-director and CFO, Cottage of Hope, and Ms. Debbie Sheldon, SparkPoint Program, DWS, shared the [SparkPoint Program](#) presentation on the goals, strategies, and successes of the [Cottages of Hope](#) program to reduce poverty in Weber County. They also led a tour of their facility.

Rep. Redd asked about the bonding SparkPoint gives program participants who are ex-offenders. Ms. Sheldon explained that DWS bonds the employee to reduce the risk to an employer to help ex-offenders gain employment.

Co-Chair Christensen asked about counseling services provided by the SparkPoint program. Mr. Botelho answered that they provide financial counseling, but not marital counseling. Co-Chair Christensen added that financial problems are one of the top causes of divorce.

10. Report on Recommendations in Supplemental Nutrition Assistance Program (SNAP) Performance Audit

Mr. Zumaeta Santiago, Mr. Kevin Burt, Eligibility Director, DWS, and Mr. John Dougall, State Auditor, presented [Issue Brief: Audit](#) and [Follow-up Report](#). They explained the fraud committed by eligible food stamp participants and/or vendors. Food stamps are 100 percent federal funds. Mr. Burt reported that DWS is implementing all findings from the audit and making revisions accordingly.

Co-Chair Christensen wanted clarification on how a vendor commits food stamp fraud. Mr. Dougall explained that a participant may sell the food stamps to a vendor for cash. They split the profit. The cases of fraud are one to two percent of eligible participants.

11. Strategies to Assist Families Identified as Part of Intergenerational Poverty (IGP)

Mr. Jon Pierpont, Executive Director, DWS, and Mr. Spencer J. Cox, Lieutenant Governor, shared [Strategies for Families Intergenerational Poverty presentation](#). They have traveled to 10 rural Utah counties and Weber county. They proposed a \$15,000 IGP grant to each county. Stakeholders in each community will craft their own plan by June 2, 2017. Lt. Governor Cox asked these communities to better coordinate efforts between government, business, faith-based and non-profit organizations to break the trend of IGP in their county.

Sen. Escamilla expressed concern for potential IGP people who are immigrants, refugees, or move-ins from another state. Mr. Pierpont stated that we lack data on these people. Lt. Governor Cox added that Utah is aware of the “at-risk” population who are on services now and may be first generation Utah IGP people. These strategy plans will help those people as well.

Ms. Domenica Watkins, Weber County Coordinator, Mr. Ward Ogden, Ogden City Community Development Manager; and Mr. Tim Jackson, Ogden United Promise Neighborhood, Weber County, presented the efforts made by Ogden City and Weber County community partners to address IGP in their community.

Co-Chair Christensen asked about the excess housing in Weber County and whether it is desirable housing. Mr. Ogden responded that they have 4000 excess affordable housing units. Some are new. Many are desirable and some are blighted.

Rep. Redd asked how Weber community providers communicate with one another. Ms. Watson explained the monthly meetings these partners hold. Rep. Redd asked whether the proposed “navigators” are working with people now. Ms. Watson said they are still in the planning phase. Sen. Escamilla asked about the health services providers role. Ms. Watson replied that health is a benchmark indicator of the success of the program.

Rep. Tanner asked how they are going to man the project and how large the caseworkers load would be for the 6000 IGP participants. Ms. Watson said the goal is to start with five in-kind navigators and grow the program from there. There isn't a pilot program for this project. They will welcome input and the local expertise of community partners.

Rep. Chavez-Houck asked about integrating Head Start, because they have been making home visits for 50 years. Mr. Jackson responded that they do partner with Head Start, but Head Start is a federal program with very specific controls on how their funding can be spent.

Rep. Chavez-Houck asked two questions: one about pre-natal care and one about helping families recover from trauma. Mr. Jackson responded they were just awarded a grant for ages 0-3, but nothing specific to pre-natal care. The question about trauma was left unanswered.

12. Direct Care Salary Increase Report

Mr. Jardine shared a follow-up [report](#) for funding to increase salaries funded in the last two legislative sessions. Financial reports show that the money was used for direct care staff salaries, as appropriated. The Division of Services for People with Disabilities (DSPD) reported to the Office of the Legislative Fiscal Analyst that turnover is down for direct care staff working for DSPD community providers. For more information, see [staff turnover report](#).

13. Recovery Services Medical Collections Report

Mr. Jardine summarized the [Issue Brief: September 14, 2016](#) regarding Office of Recovery Services (ORS) medical collections. Co-Chair Christensen reminded the committee that the ACOs were taking over this responsibility of collections for ORS. Ms. Leisa Stockdale, Director, ORS, stated that only one ORS program falls into this category and equates to 7.25 FTE. She said their workload did not drop. For more information, see the [ORS Collections Report](#).

14. Use TANF for Homeless Reform Initiative and Report

Mr. Jonathan Hardy, Director of Housing and Community Development, Homeless Reform Initiative, presented [HB 436, Housing and Homeless Reform, TANF Efforts](#). Salt Lake County received \$1,200,000 to operate the Midvale Family Shelter year-round. Prior to this, the Midvale Shelter was only open during the winter.

Co-Chair Christensen asked Mr. Hardy if Salt County has spent more than 70 percent of the funding for the Initiative. The Legislature intended that 30 percent of the funds be disbursed to the rest of the State.

Mr. Hardy said they did not have this disbursement information, as they did not come to the Hill to lobby for this funding. He said they are operating within the law. Co-Chair Christensen explained the Legislature's intention and told Mr. Hardy to expect a call from Commissioner Ebert.

15. Use TANF for Domestic Violence Shelters and Report

Ms. Liz Watson, Associate Director, Utah Domestic Violence Coalition, presented a one-year success report of the Lethality Assessment Protocol. Of the \$787,000 authorized in the 2016 General Session for Domestic Violence Shelters, ten contracts have been signed by organizations working with DWS, eight are in the signature process, and two more are in budget negotiations. For more information, see [Certain DWS TANF Appropriations Status Reports](#) and [Homeless to Housing TANF Award Summary](#).

16. Other Business

Mr. Zumaeta Santiago handed out a yellow survey to the committee to get input for General Session topics. These two briefs were also handed out: [Issue Brief: Statewide Medicaid Spending May 23, 2016: Issue Brief: "Medicaid Collections: What is the Bang for Our Buck?"](#).

17. Adjourn

MOTION: Rep. Brown moved to adjourn. The motion passed unanimously with Co-Chair Ray, Sen. Escamilla, Sen. Fillmore, Sen. Hemmert, and Rep. Ward absent for the vote.

Co-Chair Christensen adjourned the meeting at 12:05 p.m.