



Utah State Legislature

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November 13, 2018

Senator Jerry W. Stevenson, Senate Chair
Representative Bradley G. Last, House Chair
Executive Appropriations Committee
Utah State Legislature
Salt Lake City, UT 84114

Dear Senator Stevenson and Representative Last,

The Social Services Appropriations Subcommittee is pleased to report our actions during the 2018 Interim. You allowed us to meet on four days for a total of seven meetings in June, August, September, and October. Below we include a discussion of action taken, topics requiring further discussion, and other items discussed.

Action Taken

1. Identify Potential Base Budget Actions for Discussion in October
 - a. The Subcommittee approved three General Fund reductions totaling (\$18,600) ongoing and (\$8.7) million one-time. (see page five)
2. Medicaid Coverage and Reimbursement Provisions
 - a. The Subcommittee directed the Department of Health to prepare a comprehensive report by November 30, 2018 on: (1) How they currently pay for outpatient physical therapy and occupational therapy treatment, and (2) An estimate of what the costs and improvements in physical and occupational therapy availability and services might be if Medicaid were to move from its current single, all-inclusive code for outpatient therapy treatment to the multiple treatment codes used by other insurances, Medicare, and other state Medicaid programs.
3. Fiscal Note and Budget Item Follow-Up Report 2018
(<https://le.utah.gov/interim/2018/pdf/00003203.pdf>)
 - a. The Subcommittee approved all staff recommendations on eight items.
 - b. The Subcommittee did not approve staff recommendations on two items:
 - i. Page 29 -- 2015 Nurse Family Partnership
 - ii. Page 32 -- 2017 H.B. 36 - Affordable Housing.
 - c. The Subcommittee moved to place one item on a list of budget reduction options in the 2019 General Session:
 - i. Approximately \$163,900 one-time General Fund -- from surplus funds from Jail-Based Forensic Competency Restoration

Topics Requiring Further Discussion

1. The Subcommittee heard and/or took action on the legislative audits below:
 - a. Legislative Audit of the Road Home

- i. Received reports from the boards of The Road Home and Shelter the Homeless on the status of action taken to address the audit's recommendations.
 - b. An In-Depth Budget Review of the Utah Department of Health
 - c. A Performance Audit of the Utah Office of the Inspector General of Medicaid Services
 - d. Legislative Audit of Temporary Assistance for Needy Families (TANF)
 - i. Will work with Department of Workforce Services to address the recommendations given in the audit.
 - e. Legislative Audit of Family Health and Preparedness
 - i. Received reports from staff on the status of each recommendation that the Department of Health had anticipated completing by the meeting dates of the Subcommittee.
 - f. Legislative Audit of Juvenile Justice Services (JJS) -- Interim Progress Report
 - g. Performance Audit of Beaver Valley Hospital's Medicaid Upper Payment Limit Program
 - i. The Subcommittee received a report from staff on the status of each recommendation which indicated that one recommendation remains unimplemented (<https://le.utah.gov/interim/2018/pdf/00003982.pdf>).
- 2. Town Hall Meeting on the Opioid Overdose Crisis in Carbon County
 - a. The Subcommittee held a town hall meeting in Price in Carbon County to hear from local residents and experts regarding the opioid overdose crisis in their community.
- 3. Options to Save Money in Medicaid and Address High Cost Drugs
 - a. Representative Thurston expressed his intention to introduce legislation during the 2019 General Session to address pharmaceutical price transparency.
- 4. Three Month Supply for Some Medicaid Medications
 - a. The Department of Health intends to explore requiring a 90-day supply of low cost generic medication to try and save additional pharmacy dispensing fees.
- 5. Performance Measures: Base Budget (Line Item) Performance Measures for FY 2018 and Budget Item (Building Block) Performance Measures for 2017 and 2018 General Sessions
 - a. The Subcommittee will continue to monitor the agency results of funding provided.
- 6. How are the State Dental and Medical Clinics Coordinating with Other Non-Profit Clinics? Why are the Clinics Not Making a Profit?
 - a. The Department of Health committed to continue to explore ways to make the state clinics self-sustaining with revenue.
- 7. Division of Services for People with Disabilities (DSPD) Issues
 - a. Report on Interpretation of the Settings Rule
 - b. Report on Waiting List Management
 - c. Report on Transition from Public Education to Employment
 - i. Each of these reports addressed long-term, complex issues for DSPD, which the Subcommittee will continue to consider.
- 8. Coordination of Mental Health Services in the Schools
 - a. The Subcommittee expressed interest in supporting local partnerships that vary based on the needs of the behavioral health authority and the local education agency. In the future, the Subcommittee may consider additional information from Public Education and ways to facilitate coordination.
- 9. Utah State Hospital -- Progress Report on Operational Excellence Pilot to Improve Forensic Throughput
 - a. The Subcommittee will continue to monitor progress on meeting the terms of the 2017 settlement agreement and consider any associated funding needs.

Other Items Discussed

1. Public Input
 - a. At each of our seven meetings over four days, the Subcommittee provided opportunities for the public to provide input on the topics discussed.
2. Tours – At each of our regularly scheduled meetings, we met offsite and for an extra 30 to 45 minutes to facilitate a tour, without taking away from discussion time. The Subcommittee toured the operations below:
 - a. Columbus Community Center
 - i. Provides day services for individuals with disabilities
 - ii. Is planning for changes in the federal settings rule by finding new employment and activity opportunities for clients in community settings
 - b. Medical Examiner's Office
 - i. The office is responsible to investigate suspicious deaths in the State.
 - ii. The Legislature approved two recent building blocks to address caseload growth.
 - c. Utah Center for Assistive Technology
 - i. Provides information and technical services to help people with disabilities acquire and use assistive technology devices
 - ii. Also houses CReATE, a nonprofit organization through Utah State University that refurbishes donated mobility equipment and makes it available at low cost to people with disabilities
 - d. Odyssey House
 - i. Provides substance use disorder treatment in a residential setting
 - ii. Opened in response to new funding for Operation Rio Grande and the targeted adult Medicaid expansion from HB 437 (2016 GS)
 - iii. Has been at capacity since opening, with a waiting list of several weeks
 - e. The INN Between
 - i. A hospice facility for homeless individuals
 - ii. Recently relocated to east Salt Lake City, and is facing pushback from neighbors regarding its operations there
3. Invitation for Bid Results for Behavioral Risk Factor Survey
 - a. The Department of Health indicated that outsourcing the Behavioral Risk Factor Survey would not save money compared to the current work done by state employees.
4. Review of the Utah State Immunization Information System
5. Results of the Department of Health's Accreditation Process
6. PEHP - Medicaid Restrictions on Opioid Supply
7. New Federal Funding Opportunities with the 2018 Omnibus Agreement
8. Comparison of Subcommittee Priorities and Final Funding
9. Medicaid Coverage and Reimbursement Provisions
 - a. Breast and Cervical Cancer Coverage Options to Change
 - b. Status Update of Moving Certain Medicaid Claims to Higher Federal Match Rate
 - c. Update on School Participation in Billing Medicaid
 - d. Medicaid Spending Statewide - Issue Brief
 - e. Medicaid Management Information System Replacement
10. Follow Up on Homelessness Deep-Dive/Operation Rio Grande
11. Recommendations on the Workforce Services Budget Structure
12. Implications of the 2020 Census

13. Evidence-Based Interventions for Intergenerational Poverty
14. Evidence-Based Interventions for Homelessness
15. Time-Series Analysis on General Assistance Funding
16. Employability to Careers Annual Report
17. Division of Services for People with Disabilities Issues
 - a. Report on Growth in Additional Needs Compared to Other States
 - b. Budget Deep-Dive into Disability Service Provider Rates Follow-Up Reports: Cost Analysis, Cost Containment Strategies, Provider Survey
 - c. Report on Direct Care Staff Salary Increases
 - d. Report on Types of Residential Supports and Division Oversight
 - e. Report on Support Coordination Companies and Division Oversight
18. Return on Investment Data for the Utah Parent Center
19. Addiction and Recovery Rates for Young People
20. Impact of Medicaid Expansion on the Treatment Gap for Offenders and Need for Drug-Related Offenses Reform Act (DORA) Treatment

Over the course of our meetings, we addressed all the items that you approved for interim study, with the exception of one. We did not discuss FY 2018 close-out and what it means going forward, as the data were not finalized prior to our last meeting.

Sincerely,

Chairs of the Social Services Appropriations Subcommittee.

Sen. Christensen, Co-Chair

Rep. Ray, Co-Chair

Rep. Ward, Vice Chair

Ref#	Ongoing State Funds	One-time State Funds	Total Funds ¹	Base Funding/ Fund Balance	Consensus Funding Reduction Items ²	Requires Other Changes?
1	\$ -	\$ (8,700,000)	\$ -	\$ 160,466,900	DOH - Children's Health Insurance Program Higher Federal Match - As part of federal health care reform the State of Utah is projected to receive a 100% federal match rate from October 2015 through September 2019 and a 11.5% federal match rate increase from October 2019 through September 2020. For FY 2020 there are one-time state appropriations of \$29.3 million. This reduction takes the 30% of state appropriations from July 2019 through June 2020.	No
2	\$ (18,100)	\$ -	\$ (20,300)	\$ -	DHS - Reduced Background Check Costs - SB 16 passed in the 2018 GS after the Bill of Bills was finalized. The associated savings were not captured.	No
3	\$ (500)	\$ -	\$ (500)	\$ -	DHS - Licensing One Fewer Program - HB 468 passed in the 2018 GS after the Bill of Bills was finalized. The associated savings were not captured.	No
	\$ (18,600)	\$ (8,700,000)	\$ (20,800)	\$ 160,466,900	Grand Total - Consensus Funding Reduction Items	
			\$ (8,718,600)		Grand Total - State Funds (Ongoing and One-time)	
(1) Where there are numbers in both ongoing and one-time state funds columns, the total funds represents ongoing funds.						
(2) DOH = Department of Health, DWS = Department of Workforce Services, DHS = Department of Human Services						
Please visit https://le.utah.gov/lfa/cobi/cobi.html?cobilD=5&tab=issuesTab&year=2019 for updated descriptions of reduction options.						