



## Children, Families, Health, and Human Services Interim Committee

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### 65th Montana Legislature

#### SENATE MEMBERS

MARY CAFERRO--Chair  
FREDERICK ( ERIC ) MOORE  
ALBERT OLSZEWSKI  
DIANE SANDS

#### HOUSE MEMBERS

DENNIS LENZ--Vice Chair  
KATHY KELKER  
JON KNOKEY  
GORDON PIERSON

#### COMMITTEE STAFF

SUE O'CONNELL, Lead Staff  
ALEXIS SANDRU, Staff Attorney  
FONG HOM, Secretary

# MINUTES LOG

June 21, 2018  
Room 137, Capitol Building  
Helena, Montana

**Please note:** This document is a Minutes Log and provides a notation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video record of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

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### **COMMITTEE MEMBERS PRESENT**

SEN. MARY CAFERRO, Chair

SEN. FREDERICK (ERIC) MOORE  
SEN. ALBERT OLSZEWSKI  
SEN. DIANE SANDS

REP. KATHY KELKER  
REP. GORDON PIERSON

### **COMMITTEE MEMBERS EXCUSED**

REP. DENNIS LENZ, Vice Chair  
REP. JON KNOKEY

### **STAFF PRESENT**

SUE O'CONNELL, Lead Staff  
ALEXIS SANDRU, Staff Attorney  
FONG HOM, Secretary

## VISITORS' LIST ([Attachment 1](#))

## AGENDA ([Attachment 2](#))

### COMMITTEE ACTIONS

The committee moved toward completion of its three assigned studies by:

- reviewing and giving final approval to draft final reports on the House Joint Resolution 17 study of prescription drug pricing and the House Joint Resolution 20 study of transparency in health care pricing;
- agreeing to introduce LCCF10 as a committee bill in the 2019 legislative session, to eliminate the oversight committee created to monitor Medicaid expansion; and
- asking for revisions to five draft bills related to the HJR 24 study of community services for developmentally disabled adults, for review and final action at the committee's September meeting.

The committee also:

- asked that staff draft a letter to the Department of Public Health and Human Services asking about the continuation of a 2.99% Medicaid provider rate reduction in the next fiscal year;
- discussed holding an additional one-day meeting this summer to take public comment from DPHHS stakeholders on how any revenue restored pursuant to Senate Bill 9 should be used;
- heard presentations related to the DPHHS budget and Medicaid expansion costs; and
- received updates on activities related to past legislative action on Alzheimer's disease and other dementias, guardianship, behavioral health peer support specialists, and a publicly funded preschool pilot program.

### CALL TO ORDER AND ROLL CALL

00:00:10 Sen. Caferro called the meeting to order at 10:06 a.m. The secretary called roll. Rep. Knokey and Rep. Lenz were excused. ([Attachment 3](#))

### AGENCY OVERSIGHT: MEDICAID EXPANSION

#### HELP-Link Update - Scott Eychner, Administrator, Workforce Services Division, Department of Labor and Industry

00:01:43 Mr. Eychner ([Exhibit 1](#))

#### Expansion Update - Erica Johnston, Manager, Operations Services Branch, Department of Public Health and Human Services

00:03:54 Ms. Johnston

#### Committee Questions

00:06:16 Rep. Kelker asked Mr. Eychner about community engagement requirements for Medicaid.

00:08:35 Sen. Olszewski asked Ms. Johnston about the Medicaid expansion budget and the projected costs for fiscal year 2018.

00:10:53 Sen. Moore asked Mr. Eychner about the HELP-Link workforce development

program employment outcomes.

00:14:08 Sen. Moore asked Ms. Johnston about the \$40 million general fund savings that she said occurred because of the HELP Act.

00:15:45 Sen. Sands commented on the workforce shortage and asked Mr. Eychner how the training programs are being supported and funded.

00:22:21 Rep. Kelker asked how many people participating in the Medicaid expansion are able to work.

00:23:04 Sen. Olszewski asked Mr. Eychner what percentage of the 24,000 HELP-Link participants were able to find employment and leave the Medicaid program. Mr. Eychner referred the question to Ms. Johnston.

00:24:27 Ms. Johnston

00:25:32 Sen. Caferro asked Mr. Eychner if there was any evidence of workforce participation declining to support the viewpoint that people on Medicaid are not incentivized to find employment because Medicaid is free.

00:28:26 Ms. Johnston referred the committee to a report showing that 8 out of 10 Medicaid enrollees are in working families.

00:28:43 Sen. Moore commented about the 24,500 expansion enrollees who received employment services through HELP-Link. He asked Mr. Eychner why that number is still a significant minority.

00:30:09 Mr. Eychner

00:30:49 Ms. Johnston

00:31:41 Sen. Caferro asked Ms. Johnston about the impact that Medicaid expansion has had on the uninsured rate and if there were any counties in Montana that do not benefit from the expansion.

#### **Fiscal Report - Quinn Holzer, Operations Manager, Legislative Fiscal Division**

00:34:11 Mr. Holzer gave a report on Medicaid expansion expenditures to date.

#### **Committee Questions on Medicaid Expansion**

00:37:12 Sen. Moore asked Mr. Holzer about the 2018-2019 budget for Medicaid expansion.

00:37:32 Mr. Holzer said there is no specific dollar amount for Medicaid expansion because the money is statutorily appropriated.

#### **Committee-Requested Materials - Sue O'Connell, Research Analyst Expansion and CHIP Enrollment in Other States**

00:39:23 Ms. O'Connell ([Exhibit 2](#))

#### **LCCF10: Eliminate the HELP Act Oversight Committee**

00:40:35 Ms. O'Connell ([Exhibit 3](#))

#### **Committee Questions of Ms. O'Connell**

00:42:18 Rep. Kelker commented on having information about the number of people in the workforce development program reported to the committee.

00:43:30 Sen. Sands asked if other committees interested in reports on Medicaid expansion could request those reports.

### **Public Comment on Medicaid Expansion**

00:44:17 Erin McGowan, Association of Montana Public Health Officials, commented on uninsured rates.

### **AGENCY OVERSIGHT: DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES BUDGET OUTLOOK**

Quinn Holzer, Operations Manager, Legislative Fiscal Division  
Erica Johnston, DPHHS Operations Services Branch Manager

00:46:59 Mr. Holzer discussed the 2021 Biennium Outlook General Fund Budget (**Exhibit 4**) and Present Law Detail (**Exhibit 5**).

00:54:43 Mr. Holzer discussed the Montana Health and Economic Livelihood Partnership (HELP) Act general fund costs.

#### Committee Questions about the HELP Act chart

01:00:27 Rep. Kelker asked if the number shown in the bracketed part of the table on page 6, for potential initiative funding, is a statutory amount as opposed to a budgeted amount.

01:01:48 Mr. Holzer discussed the Total Medicaid General Fund Benefits and Claims chart on page 22.

01:09:07 Mr. Holzer discussed the DPHHS General Fund chart on page 24.

#### Committee Questions of Mr. Holzer

01:16:29 Rep. Kelker asked about the difference between the \$385 million estimate for the 2020-2021 biennium and the \$295 million figure Mr. Holzer had mentioned earlier.

01:18:02 Sen. Moore asked about the chart on page 24 showing a wheat-checked box.

01:18:59 Sen. Caferro compared state and federal spending on highways and Medicaid expansion.

01:20:17 Sen. Caferro asked about the cut to Medicaid providers of 2.99% as it was explained to the committee

01:27:42 Sen. Moore commented on Mr. Holzer's present law assumptions for fiscal years 2020 and 2021 for the Children's Health Insurance Program.

01:29:15 Rep. Kelker asked how action in the November 2017 special session affected the base budget and budget projections.

01:33:31 Sen. Caferro asked for more detail on Mr. Holzer's projection of \$27 million in additional CHIP costs.

01:37:13 Sen. Caferro asked for a breakdown of general fund and special revenue funds for CHIP.

### **Department of Public Health and Human Services' Budget - Erica Johnston, DPHHS**

01:38:47 Ms. Johnston said that the Department of Public Health and Human Services (DPHHS) continues to watch the budget closely with the June 15th published budget status report.

#### Committee Questions of Ms. Johnston

01:40:49 Rep. Kelker asked that Ms. Johnston go into more depth about the Child and

- 01:42:21 Family Services Division budget.  
Sen. Caferro said the committee received a budget status report that showed a \$992,000 surplus in Children's Medicaid for autism services and asked why the money hasn't been spent
- 01:44:42 Ms. O'Connell discussed receiving an e-mail with information on the status of the autism treatment services.

#### **Public Comment on DPHHS Budget Matters**

- 01:45:55 Rose Hughes, Executive Director, Montana Health Care Association, commented on the Medicaid provider rate cuts.
- 01:51:40 Mike Mahoney, Executive Director, Family Outreach, commented on the cuts that were made as a result of Senate Bill 261.
- 01:57:42 Erin McGowan, Montana Dental Association, introduced the new executive director of the Montana Dental Association and discussed the effects of Medicaid program cuts on dental services.
- 01:59:57 **LUNCH** (reconvened at 1:06 p.m.)
- 03:03:46 Ms. O'Connell referred the committee to DPHHS' information on EPSDT and CHIP Requests for Autism Treatment Services. [\(Exhibit 6\)](#)

#### **ASSIGNED STUDIES: FINAL REPORTS**

##### **Draft Final Reports - Sue O'Connell**

- 03:04:08 Ms. O'Connell gave overview of the reports.

##### **HJR 17: Prescription Drug Pricing**

- 03:04:46 Ms. O'Connell [\(Exhibit 7\)](#)

##### **HJR 20: Health Care Price Transparency**

- 03:06:19 Ms. O'Connell [\(Exhibit 8\)](#)
- 03:08:25 Rep. Kelker commented about the HJR 20 report and the work that Ms. O'Connell did on the HJR 20 study.
- 03:08:52 Sen. Caferro thanked Rep. Kelker and Sen. Olszewski for their work on the HJR 20 study.

##### **Public Comment on draft final reports**

- 03:09:09 Kris Hansen, chief legal counsel for the State Auditor's Office, commented on the HJR 17 Study.
- 03:13:19 Derek Oestreicher, legal counsel for the State Auditor's Office, discussed potential legislation on drug pricing issues.
- 03:16:12 Eve Franklin, Montana Optometric Association, thanked the HJR 20 subcommittee for its work on the study.

#### **HJR 24 STUDY: DD SERVICES FOR ADULTS**

##### **Update on Agency-Provider Talks**

Rebecca de Camara, Administrator, DPHHS Developmental Services Division  
Josh Kendrick, CEO, Opportunity Resources, Inc.

03:18:30 Mr. Kendrick  
03:19:35 Ms. de Camara

#### Committee Questions

03:23:48 Sen. Caferro asked Ms. de Camara how the changes in invoicing for residential services came about.  
03:25:26 Sen. Sands asked about any issues that Mr. Kendrick and Ms. de Camara are looking at.  
03:25:48 Ms. de Camara  
03:26:03 Mr. Kendrick  
03:26:20 Sen. Sands asked Mr. Kendrick if there were other issues that the committee should be thinking about before the 2019 session that are not on his agenda.  
03:27:47 Rep. Kelker commented on the suggestions that providers had offered earlier in the interim and asked Mr. Kendrick if DPHHS would be reviewing them.

#### **HB 458 Report: Monitoring of MDC Clients**

Novelene Martin, Bureau Chief, DPHHS Developmental Disabilities Program

03:30:58 Ms. Martin ([Exhibit 9](#))

#### Committee Questions of Ms. Martin

03:44:10 Rep. Kelker asked about a law that says one cannot provide individualized data.  
03:48:03 Sen. Sands asked how DPHHS is using data from the report.  
03:49:38 Sen. Sands said that there is a difference between how DPHHS and the providers are using the assessment tool. She asked if the report should continue to be mandatory.

#### **Bill Drafts and Staff Briefing Papers - Sue O'Connell**

03:51:14 Ms. O'Connell gave an overview of the bill drafts and the briefing papers: Appropriations-Related Considerations ([Exhibit 10](#)) and Considerations Related to LCCF01-LCCF05 ([Exhibit 11](#)).

#### **Bill Drafts**

##### **LCCF01: Use of the Supports Intensity Scale**

03:52:14 Ms. O'Connell ([Exhibit 12](#))

#### Committee Questions

03:56:02 Rep. Kelker asked about the resource allocation protocol referenced in the bill.  
03:56:43 Rep. Kelker asked if the protocol, commonly known as the MONA, lists the type and amount of services needed.

##### **LCCF02: Requirements for Provider Rates and Direct-Care Worker Wages**

03:57:38 Ms. O'Connell ([Exhibit 13](#))

#### Committee Questions

04:00:36 Sen. Sands asked whether state law requires a rate increase in any other area of the DPHHS budget.  
04:01:24 Rep. Kelker asked whether state law requires an inflationary increase in public education funding.

### **LCCF03: Flexibility in Funding of DD Services**

04:02:26 Ms. O'Connell (**Exhibit 14**)

#### **Committee Questions**

04:04:37 Sen. Sands asked how the rates are set in statute.

04:05:14 Sen. Sands commented that this would be the first time that rates would be set in statute versus the rulemaking process.

04:05:33 Rep. Kelker asked about the grant program.

04:06:40 Rep. Kelker asked about providers having the flexibility to take money from one person's care plan and put it into another person's plan.

### **LCCF04: Crisis Response Services**

04:07:33 Ms. O'Connell (**Exhibit 15**)

### **LCCF05: Review of Rules, Policies, and Procedures**

04:10:00 Ms. O'Connell (**Exhibit 16**)

### **Briefing paper presentation: HJR 24 Study: Appropriations-Related Considerations**

04:12:04 Ms. O'Connell (**Exhibit 10**)

### **Draft Final Report on the HJR 24 Study - Sue O'Connell**

04:14:06 Ms. O'Connell (**Exhibit 17**)

### **Public Comment on the HJR 24 Study**

04:17:05 Patrick Maddison, Chief Executive Officer, Flathead Industries

04:25:01 Mike Mahoney, Executive Director, Family Outreach

04:27:24 Mark Murphy, Montana Chief of Police Association and Montana Police Protective Association

04:30:29 Fran Sadowski, Chief Executive Officer, Missoula Developmental Service Corporation

04:37:54 Diane Reidelbach, Job Connection, Billings

04:44:46 Pat Noonan, Public Policy Officer, A.W.A.R.E., Inc.

04:50:24 Joshua Kendrick, Chief Executive Officer, Opportunity Resources, Inc.

04:53:09 Jean Morgan, WestMont, Helena

04:56:31 Eve Franklin, Montana Association of Community Disability Services

05:00:04 **BREAK** (reconvene at 3:21 p.m.)

### **AGENCY OVERSIGHT: STAFF REPORTS**

#### **Administrative Rule Review - Alexis Sandru, Committee Attorney**

05:16:56 Ms. Sandru (**Exhibit 18**)

#### **Committee Questions**

05:18:25 Sen. Sands said the committee can ask questions of the DPHHS director about the agency's intentions on the Medicaid provider rates when Director Hogan speaks to the committee on June 22.

05:18:35 Rep. Kelker asked if DPHHS could let the committee know what is happening with the 340B program that allows hospitals to get expensive medications at a

05:19:14 lower cost.  
Sen. Olszewski commented on the 340B prescription drug program.

#### **MDC Client Status - Sue O'Connell**

05:20:10 Ms. O'Connell ([Exhibit 19](#))

#### **Committee Questions**

05:20:54 Sen. Sands asked if people who were criminally committed had committed crimes while at the Montana Developmental Center.

#### **Montana Medical Marijuana Act - Sue O'Connell**

05:22:01 Ms. O'Connell gave an overview of the Medical Marijuana Act: Registry Statistics ([Exhibit 20](#)) and Medical Marijuana Act: Selected Statistics from Colorado and Washington ([Exhibit 21](#)).

#### **Committee Questions**

05:23:08 Rep. Kelker asked if any marijuana providers were dropping out of the system because of the new rules.

05:23:59 Sen. Sands asked about DPHHS moving ahead with implementation and adoption of the rules.

05:24:35 Ms. O'Connell

05:24:44 Ms. Sandru

### **AGENCY OVERSIGHT: DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES**

#### **Children's Mental Health Required Reports**

#### **Out-of-State Placement of Children - Meghan Peel, Chief DPHHS Children's Mental Health Bureau**

05:25:54 Ms. Peel ([Exhibit 22](#))

#### **Children's Mental Health Outcomes - Rebecca de Camara**

05:39:10 Ms. de Camara ([Exhibit 23](#))

#### **Committee Questions**

05:50:21 Sen. Sands said that she would like to hear from the providers on whether or not the results of the outcomes survey were useful to them in guiding their programming.

05:52:57 Rep. Kelker asked Ms. de Camara if she supports the use of the criteria from the outcomes of data.

05:54:44 Sen. Sands asked about out-of-state placements, whether a step-down process exists to move children into a less intensive program, and how the system is working for those children.

05:55:09 Ms. Peel

05:56:12 Ms. de Camara

05:58:57 Sen. Sands asked about other sources of funding that are being used for treatment programs.

05:59:52 Sen. Sands asked Ms. Peel how the system interfaces with some of the correction system's programs that supports families.



06:02:06 Ms. Sandru reported on the latest marijuana rules that were proposed but have not been adopted.

### **Peer Support Certification and Services**

Bobbi Perkins, Chief, DPHHS Chemical Dependency Bureau  
Jim Hajny, Executive Director, Montana's Peer Network

06:02:24 Ms. Perkins

06:08:46 Mr. Hajny ([Exhibit 24](#))

### **Committee Questions**

06:15:32 Sen. Sands, Sen. Moore, and Rep. Kelker commented on the peer support services.

06:16:57 Sen. Sands asked the panelists if they are aware of any schools or programs in the country that are trying to work with young people.

06:17:42 Mr. Hajny

06:19:14 Ms. Perkins

### **GENERAL PUBLIC COMMENT**

06:20:51 Moffie Funk, representing individuals and entities who have been impacted by closure of MDC, commented that the reports on client outcomes follow the letter of the law but not the intent. ([Exhibit 25](#))

06:24:07 Ona Leopard, former Helena Industries employee, discussed the effects of recent budget cuts on services for people with developmental disabilities

06:27:31 Mike Mahoney, Executive Director, Family Outreach, said the status of the vocational rehabilitation program has not been discussed.

06:29:39 Sen. Moore clarified that interim committees do not have authority to appropriate money.

06:30:11 Sen. Sands said that the committee will talk with the DPHHS director about the process for restoring funds during the second day of its meeting.

06:30:20 Ms. O'Connell distributed public comment from Shyla Patera. ([Exhibit 26](#))

### **RECESS**

06:31:32 Sen. Sands recessed the meeting at 4:37 p.m., to reconvene at 9:15 a.m. on June 22, 2018.

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