



Children, Families, Health, and Human Services Interim Committee

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60th Montana Legislature

SENATE MEMBERS

CAROL JUNEAU
RICK LAIBLE
TERRY MURPHY
DAN WEINBERG

HOUSE MEMBERS

EDITH CLARK
ERNIE DUTTON
TERESA HENRY
DIANE SANDS

COMMITTEE STAFF

SUE O'CONNELL, Lead Staff
LISA JACKSON, Staff Attorney
FONG HOM, Secretary

MINUTES

November 16, 2007

Room 102, Capitol Building
Helena, Montana

Please note: These are summary minutes. Testimony and discussion are paraphrased and condensed. Committee tapes are on file in the offices of the Legislative Services Division. **Exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of the document.**

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. The minutes are accompanied by an audio recording. For each action listed, the minutes indicate the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time may be used to locate the activity on the audio recording.

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COMMITTEE MEMBERS PRESENT

SEN. RICK LAIBLE
SEN. TERRY MURPHY
SEN. DAN WEINBERG

REP. EDITH CLARK
REP. ERNIE DUTTON
REP. TERESA HENRY
REP. DIANE SANDS

COMMITTEE MEMBERS EXCUSED

SEN. CAROL JUNEAU

STAFF PRESENT

SUE O'CONNELL, Lead Staff
LISA JACKSON, Staff Attorney
FONG HOM, Secretary

Visitors and Agenda

Visitors' list, Attachment 1
Agenda, Attachment 2

COMMITTEE ACTION

- The minutes of the September 24, 2007 meeting were approved.
- The Committee designated an ad hoc committee comprised of Sen. Weinberg and Rep. Dutton to meet with interested groups and staff to come up with solutions and suggestions for policy on SJR 15.
- The Committee approved the elements of an RFP for a mental health study.
-

CALL TO ORDER AND ROLL CALL

00:00:01 REP. CLARK called the meeting to order at 8:00 a.m. The Committee Secretary took roll visually. Sen. Juneau was excused. Sen. Laible **moved** to approve the September 24, 2007 minutes. The motion **passed** unanimously.

AGENDA

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES UPDATE - Joan Miles, Director, and John Chappius, Deputy Director

Children's Health Insurance Program (CHIP)

00:01:16 **Joan Miles, Director**, gave an update on CHIP. She said that CHIP funding has not been settled on the federal level and that Congress has passed continuing resolutions to keep funding going.

John Chappius, Deputy Director, talked about the pressures and contentions that are happening with the CHIP program. He said that a point of contention was the idea that CHIP will become the private insurance for people who can and should afford their own insurance. He also said that before the state can go above 250% of poverty level, the CHIP program has to be able to prove that it is covering 95% of all children whose family income is below 200% of the poverty level. He said that about 7,000 children who are partially insured are Indian Health Services children which CHIP is trying to enroll.

Mr. Chappius said that according to the CHIP chart showing monthly enrollment (**EXHIBIT 1**), they have 15,563 children that have been on CHIP and are re-enrolling on their annual date. Mr. Chappius said that they continue to see successes in the outreach efforts that they are doing to get Montana's uninsured children on the CHIP Program.

State Hospital

00:08:59 Ms. Miles said that the Department has continued to struggle with the census numbers at the State Hospital, which are continuing to rise above the number of patients they are licensed for. Ms. Miles talked about the strong commitment on the part of the Administration and the Department to continue to strengthen community mental health services and to provide good treatment at the State Hospital for the people who need that level of treatment. Ms. Miles discussed the issue of a shortage of nurses on staff. Due to the disparity in pay between what the Department pays nurses and what the State Prison pays, it has been difficult hiring nurses. Ms. Miles said that the Department would like to become a single employer; i.e., the State of Montana, and have potential employees look at jobs

with the state and then make their decisions about which facility to work in instead of what job pays better.

Questions

00:13:21

REP. SANDS asked Ms. Miles if the differential in pay is significant. **Ms. Miles** said that the difference was between \$2.00 and \$2.50 an hour.

SEN. LAIBLE asked Ms. Miles if the staffing issue was something new and when did she become aware that the other facilities were paying better wages to their nursing staff. **Ms. Miles** said that staffing issue happens on a cyclical basis, and that is the reason for their effort in looking at the single employer approach. The Department thinks that they are at levels of parity and then one of the institutions, in an effort to improve their ability to recruit staff, increases pay or benefits to their staff. She said that the summer has been difficult in terms of recruitment and retention for the Department because they are struggling with the private sector paying more than they are able to.

Big Sky Rx

00:24:58

Ms. Miles talked about the Big Sky Rx (**EXHIBIT 2**) program. She said that there are currently 5,321 people enrolled.

House Bill 406 Update

00:25:56

Ms. Miles provided an update on the activities of implementing House Bill 406. She said that the Department was charged with putting together an advisory committee to meet and begin discussions on targeting RFPs for funding. She said that it was her understanding that the committee decided that the best investment for this year was to look at new community health centers rather than expansion of existing health centers.

Questions

00:27:41

REP. SANDS said that being the chair of that committee, she wanted to add that putting together an RFP for a new program was time consuming. She said that the committee is in agreement on how to proceed with this and they are looking forward to getting applications from a variety of large and small communities.

Suicide Prevention Coordinator Position

00:30:57

Ms. Miles said that they have had good applicants for the position of Suicide Prevention Coordinator and hope to offer that position to someone soon.

Rehabilitation Rule and Long Term Care Rule - John Chappius

00:32:35

Mr. Chappius said that while attending the State Medicaid Directors Meeting in Washington, D.C., one of the things that he learned related to the federal government's rehabilitation rule. He discussed the bundled daily rate being changed to a fee for service regarding therapeutic group homes and that Congress may put a moratorium on the rehabilitation rule for one more year or until 2010.

Medicaid

00:36:33

Mr. Chappius referred the Committee to the Medicaid Eligibility Charts (**EXHIBIT**

3). He talked about pressures affecting the program, including the rise in the population of the disabled, children with autism, the need for the right kind of services for children who are in an acute situation, the costs issue regarding therapeutic group homes, federal medical assistance, and budget pressures in the CHIP program,

Questions

00:45:15

SEN. WEINBERG asked Mr. Chappius to explain the Poverty Child Infant to 18 Years of Age chart. **Mr. Chappius** said that Poverty Children has been a product of outreach. A good portion of the 19,000 Medicaid enrollees are under 200% of poverty. He said that the Department continues with the outreach efforts and also continues to work with Indian Health Services to try to maximize the 100% pass through.

SEN. LAIBLE asked Mr. Chappius why he thinks there is there an increase in the number of disabled. Is that as a result of more young men and women in the Military returning from active duty with disabilities, or has the definition of "disabled" changed. **Mr. Chappius** said that the definition has not changed but the Social Security Disability Income has to reach a threshold to be able to go over to Medicaid and be designated as disabled. He said that part of the problem is the fact that a person is uninsured and they come back from overseas and have become disabled, whether it is PTSD or physically disabled, and for those who are disabled or on their way to becoming disabled, it is very difficult to obtain insurance. Medicaid is the insurer for the disabled. Once people become disabled, they almost have to stay in those income brackets to keep their health care, so they don't dare take a job that would take them above the income status, and they won't leave the program.

UPDATE OF MENTAL HEALTH INITIATIVES - Joyce DeCunzo, Administrator, DPHHS Addictive and Mental Disorders Division

00:51:42

Ms. DeCunzo talked about funding that the Addictive and Mental Disorders Division (AMDD) received from the 2007 Legislative Session and the support AMDD has received on the kind of work that they are doing. She discussed AMDD activities in her memorandum (**EXHIBIT 4**):

- Residential services for methamphetamine and other chemical dependency
- 72-hour presumptive eligibility for crisis services
- Mental health drop-in center
- Community liaison officers
- Behavioral Health Inpatient Facility (BHIF)
- Mental Health Service Plan
- Suicide prevention officer position
- Home and Community Based Services waiver
- Substance Abuse Management System (SAMS)
- MSH Campus Building Projects, remodeling the Receiving Hospital at the State Hospital grounds

Questions

01:12:39

SEN. WEINBERG and Ms. DeCunzo had a discussion on Medicaid reimbursements being important to BHIFs and whether or not BHIFs are going to

work and if pressures can be taken off the State Hospital. Sen. Weinberg asked if the Department can get Medicaid waivers to help with costs of the BHIFs and what stands between the state and the ability to get a Medicaid waivers. **Ms. DeCunzo** explained that a waiver gives the state permission to use Medicaid money in a different way than normal. The Department needs to make a determination if the state wants a waiver or could they develop a reimbursement schedule and still get Medicaid reimbursement. Ms. DeCunzo said that they did not spend time building Medicaid money into the funding because they felt that the individuals were not Medicaid eligible. The State Hospital does not receive Medicaid payment for anyone between the ages of 18 and 64 because it is considered an end for mental disease. People who are on Medicaid receive a wide range of services and their ability to gain that service delivery in the community keeps many of them out of the State Hospital.

SEN. LAIBLE asked if taking general fund out of the State Hospital and applying it into community residences would be cost effective and does the state save money by serving those patients in the community as opposed to sending them to the hospitals. **Ms. DeCunzo** said that the Department will be doing some research on how these things work in other states and asking what the eligibility mix is for those individuals. She said that other states have invested a tremendous amount of general fund in those facilities because their issues regarding people who don't have resources to pay for their care are similar to ours and that they end up being in the State Hospital.

REP. CLARK asked if Ms. DeCunzo could provide more information on obtaining a waiver, what it would take, and what other states are doing to fund this type of facility at the next meeting.

Public Comment

01:37:30 **Linda Henderson, RN, President of Montana Nursing Association**, said that based on both the state task force on health care workers as well as the national statistics, Montana does not show that there is a shortage of nurses. She said that the state has more of a problem in that it has fewer places where nurses want to work rather than not enough nurses to work. She thanked Rep. Henry for bringing up the work force work place issues which is something that needs to continue to be addressed.

01:39:05 **Sami Butler, Intermountain**, said that the facility provides an array of services for serious emotionally disturbed children and their families across Montana and the nation. She thanked the Committee for sending a letter to the Montana Congressional Delegation regarding the Medicaid Rehabilitation Rules and unbundling of therapeutic foster care rates. She said that another issue that is on the minds of providers of children's mental health services are the provider rate increases that were appropriated by the Legislature.

SJR 15 STUDY: HEALTH-CARE DELIVERY SYSTEMS - Pat Murdo, Research Analyst, LSD

01:58:46 **Montana's Health Care Facilities**

Pat Murdo, Research Analyst, LSD, discussed the survey for the Specialized Health Care Facilities and the Hospitals. She said that the basic part of SJR 15 is information gathering so that the Committee can see where there is competition, where there is potential conflict, and if there are any issues for quality besides the staffing. She referred the Committee to the document "Cost Comparison of Selected Procedures" (**EXHIBIT 5**) and said that it is difficult to get quality outcomes because you don't know if the people were transferred from a critical access hospital to another hospital and their mortality rate may be higher at some of the larger hospitals for certain procedures because they were transferred. This document will give you an idea of the different kinds of procedures at different places.

02:06:12

Transparency in Health Care Pricing

Bob Olsen, Montana Hospital Association, said that the issue of consumer-driven health care transparency and finding prices and judging quality for health care services is a very frustrating endeavor for most consumers these days. He said that the reason you can't get a fixed health care price is because they don't necessarily know before the services are delivered. He discussed the Consumer Guide (**EXHIBIT 6**) that the Montana Hospital Association puts out that guides the consumer through obtaining health care, but does not bring the consumer to the question of out-of-pocket expenses, and that the consumer needs to talk to their physicians and to their insurance companies to get that information. He said that the Hospital Association has taken that issue as their strategy to help foster that process.

Questions

02:17:06

REP. DUTTON said that he agrees with Mr. Olsen that posting prices on a website is not going to give a lot of valuable information. He said the question then is, how do we involve consumers more in the process, give them more information. Right now, people do feel that they are pawns in the system and don't feel like they are the customer. How do we come up with a model that is affordable? Do we go to a one-payer system, a government-run model, or do we look for a system that people can relate to in other market-driven services and products that are consumed?

02:20:13

SEN. WEINBERG said that from what Mr. Olsen said, the onus is upon the consumer to figure out what things cost. He asked if Mr. Olsen really thought that a person in an emergency situation would be in a position to look at the website and gather information and make the phone calls to get the necessary answers. Sen. Weinberg asked who the onus should be upon if they are going to solve this. **Mr. Olsen** said that he thinks that the onus is on the consumer to gather information in advance, if possible. In an emergency situation, the consumer is a pawn of the system because the services are delivered to you in the judgment of the providers, the physicians and others on how they are going to address your medical needs and the charges fall where they fall. It is true, if you have time, you can get price, you can consider quality, and therefore the onus is on the consumer to ask.

02:25:21

SEN. LAIBLE said that his concern is that the fact that, for example, the hospital

charges \$1,000/day but when the consumer gets the final bill, other charges have been added to the bill. He asked if there was some way that when someone gets an estimate for a procedure, that they have a range of what that procedure is going to cost, including all the peripheral items that are part of the process. **Mr. Olsen** said that the consumer is a pawn of the system, the hospital can tell you what it charges, but they are not the only entity involved in the process. He said that he is looking for a model to try and work through the process, but a consumer would have to understand that there are many players involved in providing services: the facility, a physician, the pathologist, etc.

02:33:49 REP. DUTTON said that what the Committee is hearing is that the system won't provide what people would expect. The problem is, they haven't interfaced with the providers, and the consumers are depending on the hospital to do their bidding and management of that situation, and if that's not the case, then the consumer needs to be informed of that. He said that what they need is a different system because, as Mr. Olsen pointed out, there is a complexity there where people are not allowed to participate in the system.

02:37:19 **ANDY BECK, President of the Montana Association of Ambulatory Surgical Centers**, gave a brief overview of the ambulatory surgical services in Montana. He said that the Association was established in 1998 and represent 12 ambulatory surgical centers in Montana. He discussed a data sheet from 2006 that summarizes who they are (**EXHIBIT 7**). Ambulatory Surgical Centers are a growing industry because of technological and pharmacological and technique advances. He invited any Committee members to contact an ASC in their community and have a tour and meet with the staff. Mr. Beck discussed how the ambulatory surgical services bill for their services. He said that Ambulatory Surgical Centers are already offering high quality and cost effective care in a safe environment for their clients.

Questions

02:45:39 SEN. LAIBLE asked Mr. Beck how patients are referred to ASCs, if their doctors have hospital privileges, and what happens to the patient if there is a problem while conducting surgery within their facilities, does ASC's have a relationship with a hospital that will take these patients. **Mr. Beck** said that patients are referred to them by their own physicians. He said that one of the ASCs stipulations for their doctors is that they must have hospital privileges in Montana. If a problem arises with one of their patients during surgery, they have a contract with a hospital to admit the patient.

02:47:57 SEN. WEINBERG asked if the surgeons charge the same in Mr. Beck's facility as they would in the neighborhood hospital. **Mr. Beck** said a physician's fee is the same no matter where it is done, in a hospital or in an ambulatory surgical center. The difference might be that if the procedure is done in their office, they are reimbursed a little bit more because they are actually using their own equipment.

Sen. Weinberg asked if it would be helpful to provide the following information to the consumer: the amount of the charges, the range that each doctor charges,

and who would work with that surgeon, etc. **Mr. Beck** said that it would be very helpful to the consumer, but the difficulty in that would be that they are sharing information about what one doctor charges versus what another doctor charges, and that they would have access to all that data, and he is not sure that those individuals would appreciate that.

- 02:51:00 REP. HENRY asked if Mr. Beck had any idea how much is direct private pay versus insurance, frequently out-of-pocket expenses not covered by health insurance such as Lasik surgery. **Mr. Beck** said that he doesn't have that information with him.
- 02:53:15 SEN. MURPHY said that he noticed on the information sheet provide by Mr. Beck that less than one-half of one percent of their volume is charity care. He asked why that is so much lower than charity care at a hospital. **Mr. Beck** said that he does not have an answer for that. He said that it is an aggregate number. There are some facilities that have very low charity care, others that had larger charity care percentages, but as a whole, that is less than 1%.
- 02:54:51 REP. DUTTON said that the Committee is charged with looking into specialty hospitals and the issue of credentialing. He asked if there are any issues or conflicts happening that the Committee might have to look at. **Mr. Beck** said that some of the issues out there might be economic credentialing of physicians and the effects on the physicians' ability to practice in their home town.
- 02:57:44 SEN. WEINBERG asked Mr. Olsen to comment of the question of why surgery centers' costs are so much lower than charity care in the hospitals. **Bob Olsen, Montana Hospital Association**, said that hospitals that invest in a competitive surgery center typically will require, as part of that investment, the surgery center to operate under the same charity policies as the hospital. He said that he does not have any data collected from those entities to show what percentages have been achieved. He said that the Committee will probably see a preponderance of the uninsured coming to hospitals which is the way the system is crafted right now.
- SEN. WEINBERG asked Mr. Olsen to be more specific when he said "that is the way it is crafted". **Mr. Olsen** said that he cannot be more specific because he is not privy to the exact details of every financial arrangement. He said that he is trying to characterize them generally, that, as a hospital, they are forever trying to be a partner to an entity. They have a charitable mission. That's the difference in characterizing those things. He said that hospitals would have to get specific numbers so that they can say that they have an open policy or a more restrictive policy.
- REP. CLARK asked Mr. Olsen if he could provide those numbers for the Committee. **Mr. Olsen** said that he thinks that they can do a facility-specific charity load and that he has the data for Northwest Health Center, which is a hospital and the Committee can look at the differences from the data.
- 03:01:41 SEN. LAIBLE asked if it would make a difference if Mr. Olsen did a comparison

by separating public hospitals from privately owned hospitals. **Mr. Olsen** said that all the hospitals in Montana are not for-profit. He said that very few are actually owned by county governments. There are a few that have hospital tax districts that supply some of their funding through local tax payments but predominantly, hospitals are not for-profit 501(c)(3). The only two hospitals that have a fundamentally different corporate structure are: Central Montana Surgical Hospital and Health Center Northwest.

03:05:39 **Dr. Fred Olson, Medical Director, Blue Cross Blue Shield**, said that the Blue Cross Blue Shield Association currently has demonstration projects in transparency for both quality and costs. Dr. Olson spoke on the quality measures for hospital facilities in Montana and their approach to certification of "blue distinction hospitals". Blue distinction hospitals are hospitals that the Association reviews for quality, matrix, and pertinency to a specific service. He said that the Association publishes a list of hospitals that qualify based on excellence in providing care. He also discussed treatment cost estimators that 24 states have in place.

Questions

03:12:17 SEN. LAIBLE asked why Montana does not have a treatment cost estimator. **Dr. Olson** said that the answer to that is very complicated. He said that there are 60 facilities, 3,500 providers, 10,000 described services by CPT code, 4,000 supply codes, and 10,000+ diagnoses, and the uncertainty of any particular condition within a patient or member. Ultimately they are left with an estimator only because they can't predict the future and the course of particular conditions. They have to obtain valid statistics from a particular facility, construct statistics for all those different variables for different diseases and distill it into an average and a range, and collect that information to construct a treatment cost estimator. Treatment cost estimator is actually a large data analysis project involving many, many claims for members to be presented in a fashion that is member-usable.

03:15:00 REP. DUTTON asked how the treatment costs estimator will be used, if that was a document that will allow a consumer to manage costs and show what is driving costs and which facilities are competitive. **Dr. Olson** said that the treatment costs estimator is to be put on a website as a template where the following questions are asked: what procedure, what facility, what physician. But the treatment costs estimator has to know the benefit structure of the member's insurance contract in order to supply the correct information. Dr. Olson said that the information could also be available for customer service representatives, should a member call, and be able to supply the information on the phone and see the results of the estimation in return.

03:29:34 **Dr. Kurt Kubicka, Montana Medical Association and Member Physicians**, spoke on the issue of transparency and pricing. He said that one important piece information that the Committee needs to recognize or understand is the varied reimbursement mechanisms that physicians face from multiple payors. There is a substantial payment disparity based on to whom they are providing the services and how they are insured. There are other factors such as bundling and discrepancies over CPT coding interpretation. Other payors employ a

percentage of usual and customary charges and their mechanism for reimbursement varies. In order to contend with all of the above, their posted fees, particularly as it pertains to the uninsured, may have little bearing on reimbursement and what is a real market price. Dr. Kubicka said that Mr. Olsen made some important points regarding up-front pricing. It is difficult if not impossible to anticipate all costs as there are conditions and complications that are not evident before providing services. In closing, Dr. Kubicka said that medical liability dictates that the quality of care is immutable, and that you cannot adjust price according to quality.

Questions

03:39:21

SEN. WEINBERG asked Dr. Kubicka what considerations does a medical doctor make in sending a patient to a surgery center or to a hospital, for a procedure. **Dr. Kubicka** said the primary consideration would be is, which is the most appropriate facility to perform the procedure in. For an uncomplicated procedure with an otherwise healthy patient with whom you don't anticipate complications, the surgicenter would be the better place. Generally the facility costs at a surgicenter would be less than at a full-service hospital.

SEN. WEINBERG said that if a doctor had a patient who clearly was unable to pay for a procedure and if that doctor had a financial interest in a surgicenter, he asked Dr. Kubicka where does he think that a doctor is more likely to send that patient. **Dr. Kubicka** said that the doctor would have to sort through that process with the patient. The preponderance of costs in many procedures is not the physician charge, rather it is the facility charge. If the hospital can provide indigent care or discounted care to those patients with limited means, then the hospital would be the appropriate place. Dr. Kubicka added that hospitals are not for-profit entities and receive money from elsewhere. Ambulatory surgery centers are generally for-profit; they don't have the tax exempt status, they don't have public funding support, and they are not able to implement a tax district on their behalf.

TRANSPARENCY: EXAMPLES FROM OTHER STATES AND NEXT STEPS - Pat Murdo, Research Analyst, LSD

03:51:30

Ms. Murdo gave a presentation on Pricing/Quality Transparency, Regulatory Considerations (based on Texas). She talked about:

- standardized language for billing by physicians, hospitals, ambulatory surgical centers, birthing centers
- information to be provided to patient: estimate of cost of service, whether late payments will incur interest, public posting of insurance policy data of patient satisfaction, quality of care, coverage areas, copayments and deductibles and network information, whether facility-based specialists are in or out of the patient's network, and whether facility-based specialists balance bill
- discounts to be developed and made public for uninsured/indigent patients
- refunds for overpayment
- the federal government said that the two powerful tools in underpinning

personalized health care is information technology and knowledge management

- efforts from the Department of Health and Human Services to encourage more pricing and quality information

Questions

04:15:32

REP. DUTTON said that he thought that credentialing and the hospital issue could be part of the agenda at the March meeting. He thought that it would be important to also survey the referral policies that different institutions have both in terms of disclosures made to the patient about other providers involved in the patient's care. Does the patient know who is included up-front and is the patient given a choice of options, and who makes the decisions of who the anesthesiologist or surgeon, for example, might be.

SEN. LAIBLE said that Ms. Murdo made the comment that the Texas legislation was some of the most comprehensive in the country as far as transparency. He asked if it would be possible to get an executive summary of that legislation. Ms. Murdo said that the summary was included in the Committee packet.

Health Information Technology Update - Mike Foster, Health Information Technology Task Force

04:37:33

Mike Foster, HealthShare Montana Board of Directors, was joined by two physicians: Dr. Mike Schweitzer, Billings, and Dr. William Reiter, Anaconda. Mr. Foster gave a brief update of the Health Information Technology Project. He talked about the Continuity of Care Record and that it is like a snapshot in time providing some basic information about a patient.

04:40:02

Dr. William Reiter, Internist, talked about the Continuity of Care Record (CCR) system:

- It is a record that captures the most basic information that is needed by another physician to understand what is going on with a particular patient.
- CCR has been adopted as a national standard for any organization that one might want to reference.
- It does not require expensive electronic health record systems to be placed with physicians who would not be able to afford them.
- It does not require expensive integration of technology.
- It can work with almost anything, from a doctor's office having a fax machine to a medical center having the most complex technology, and it can exchange information between those entities.
- As the CCR is being transferred from one physician to another, it can be retained in a repository or a registry that can be accessed by anyone with appropriate security and permission.

04:45:31

Dr. Mike Schweitzer, Anesthesiologist, a founding member of the Health Information Task Force and the chair of the Board of Rocky Mountain Health Network, said that because of the costs of CCR, electronic medical records can be sustained statewide.

Mr. Foster said that as his final remark, they are looking to the Legislature to

help with the up-front costs.

Questions

04:50:01 REP. DUTTON asked where would the repository be located and how would it be accessed, is it accessible both statewide and nationally. **Mr. Foster** said that it could be located anywhere that is the most cost effective place to put it. They prefer to utilize infrastructure already in place in Helena. He said that it could be accessed by any web browser.

04:52:32 REP. SANDS asked where would the record originate and would the individual whose record it was, have access to that information to make sure it was correct and updated. **Dr. Schweitzer** said that a record originates with the provider and you would have to have permission from the patient to include that information in the CCR. The record would then be created by the provider. It would go to a central repository and given security codes and permissions. A patient could have access to that information on a personal health record so that they could look at what is on that CCR. Those are all created by permission and you have to have consent in order to be involved in that process to allow other providers to look at that.

REP. SANDS asked how they would address the issue of people having multiple providers and some having no providers. **Dr. Schweitzer** said that each provider would have access to a central repository so that they can update the CCR.

04:54:51 SEN. LAIBLE said that the panel mentioned the fact that there is a national movement for this and questioned whether they have any concerns about creating something that may be outdated by what the federal government comes up with. **Dr. Reiter** said that the standard is national but there are no plans on a global basis to implement the project. It is more of a matter of accepting a standard that everyone would use in their state or region. Once those states and regions do that, then it can all come together into a nationwide health information network.

Public Comment

04:56:05 **Lorena Pettet, consumer of health care**, provided written comments to the Committee (**EXHIBIT 8**) and said that there is a need to talk about transparency in health care decision making.

04:57:23 **Cory Swanson, Attorney**, on behalf of the Montana Orthopedic Society and the Yellowstone Physicians Alliance, said that they were involved in the regular session with the issues that have been encapsulated in SJR15 dealing with specialty hospitals and economic credentialing issues. He said that they are willing to participate in January in the examination of those issues because they are complicated and their concern is, if they are not tackled quickly with initial involvement, the Committee will not be able to finish its work to give future legislators more understanding of it.

LUNCH

Reconvene after lunch break

05:54:29 REP. CLARK reconvened the meeting at 1:15 p.m.

05:54:44 Pat Murdo distributed Tamim Khaliqi's comments to the Committee for the record on economic credentialing and pricing transparency in health care.

Ad hoc committee assignment

05:55:31 Rep. Clark said that staff needs direction on how to proceed on SJR 15. She said that it is within her purview to appoint two committee members to meet with interested groups and staff to come up with solutions to all of the parts of the SJR 15.

Rep. Henry **moved** to set up a specially designated ad hoc committee comprised of two legislators to meet with interested groups from SJR 15 and staff to come up with solutions and suggestions for policy that the Committee can present as a bill. The motion **passed** with Senator Juneau and Rep. Dutton absent. Rep. Clark appointed Sen. Weinberg and Rep. Dutton.

ADMINISTRATIVE RULE REVIEW - Lisa Mecklenberg Jackson, Staff Attorney

06:03:03 Ms. Jackson discussed some of the rules in a memo on DPHHS Administrative Rule Review (**EXHIBIT 9**).

MENTAL HEALTH STUDY- Sue O'Connell, Research Analyst, LSD

06:13:10 Ms. O'Connell said that in September the Legislative Council assigned the mental health study that was funded during the May Special Session to the Children, Families Health and Human Services Interim Committee. The Council also approved hiring a consultant to conduct the study, which had to be done through a Request for Proposal (RFP) process. Ms. O'Connell discussed the documents regarding the RFP for the mental health study (**EXHIBIT 10**).

Public Comment

None at this time.

Discussion

06:22:10 The Committee discussed prioritizing the recommendations to indicate which ones are the most affordable and sustainable. Sen. Laible and Rep. Sands both agreed that they should approve the RFP as soon as possible so that the study could be completed before the Committee's last meeting. Some of the Committee members were concerned about the cap of 40 hours that DPHHS could spend on working with the consultant on the study. It was clarified that the time capped at 40 hours would be hours that each division in DPHHS could spend, not 40 hours total for the Department. Ms. O'Connell said that she wanted the Committee to discuss each item that is contained in her Decision Log Sheet so that she has the approval of the Committee before the RFP is finalized.

DECISION LOG SHEET DISCUSSION

Timelines: Deadline for submission and award dates

Rhonda Grandy, Department of Administration, Procurement Bureau, gave the Committee an idea of how an RFP process works. She said that it is not a good idea to leave an RFP open less than 30 days because you will not get good responses in that short time frame. She said that contractors need time to review the RFP, ask clarifying questions, and prepare their proposals. Ms. Grandy said that she would like to see a period of six weeks from the date the RFP leaves the Procurement Bureau for the Committee to award the contract. Rep. Sands said that the Committee should allow that time and then reserve \$5,000 from the budget and plan a late meeting date to bring forth recommendations that will come out of the study.

- Sen. Laible **moved** to hold open the contract for six weeks from issuance date of the RFP. The motion **passed** unanimously.

Section 3: Language and Scope of Project

Ms. O'Connell said that this section outlines the scope of the project, the tasks that the Committee wants completed, and the products that the Committee wants the contractor to provide.

- Sen. Weinberg **moved** to adopt the language and scope of project, including the 40-hour cap on each division in DPHHS that deals with mental health. The motion **passed** unanimously.

Rep. Clark said that there have been many studies done on mental health by various agencies and entities. She requested that all that material be made available to be used.

Section 4: Offeror Qualifications Requirements

Ms. O'Connell said that this section sets out the references and the materials that the contractors are to submit to show that they are qualified to do the work.

- Sen. Laible **moved** to adopt Section 4, Offer of Qualification and Informational Requirement. The motion **passed** unanimously.

Section 5: Cost Proposal

This section sets aside \$5,000 of the \$200,000 appropriation to cover the costs of an additional meeting and additional staff costs. The remainder would be available for consulting services.

- Sen. Laible **moved** to reserve \$5,000 for the costs of an additional meeting. The motion **passed** unanimously.

Section 6: Evaluation Criteria

This section assigns a point value to be used in evaluating the proposal.

- Sen. Laible **moved** to adopt the evaluation criteria. The motion **passed** unanimously.

Evaluation Committee

Rep. Clark asked if the Committee wanted anyone else other than the staff on the evaluation committee. She said that the Committee has confidence in the staff in making those decisions.

SJR 5: EMERGENCY MEDICAL SERVICES - Sue O'Connell

06:43:11 Ms. O'Connell said that the SJR 5 study has taken a detour. The original study plan called for the Legislative Audit results to be presented at this meeting but because the audit is not complete, a number of EMS providers and hospital representatives traveled to Helena to offer their perspectives about the EMS system and the issues affecting them. She commented on her briefing paper "EMS By the Numbers". Ms O'Connell discussed:

- Emergency Medical Technicians section covers the different levels of licensure, the amount of training needed for each level, the duties each type of EMT can undertake, and the number of EMTs currently licensed at each level.
- Types of EMS providers: volunteers or paid personnel, whether they transport patients or treat them at the scene, whether they are affiliated with the fire department, and staffing requirements for each type of ambulance service.
- Major types of reimbursement available for ambulance services.
- A summarization of key findings from surveys that were conducted in recent years.

Ms. O'Connell said that the first group of panelists are representatives of rural and volunteer services, tribal services, and private ambulance providers. They will be giving an overview of who they are, who they serve, the types of calls they handle, and the number of calls. She said that she wanted each panelist to address some of the major issues that are facing their services.

06:45:35 **Teresia Moore, Roosevelt Medical Center Volunteer Ambulance, Culbertson, Montana**, provided written testimony on the Montana EMS System (**EXHIBIT 11**) that briefly described problems that they are experiencing and some possible solutions to their problems.

Joleen Weatherwax, Blackfeet Tribal Emergency Medical Service, Browning, Montana, discussed the EMS system on the Blackfeet Indian Reservation and provided a copy of her presentation to the Committee (**EXHIBIT 12**).

Delbert Abbey, Philipsburg Volunteer Ambulance Association, Philipsburg, Montana, discussed his presentation (**EXHIBIT 13**) and provided a copy to the Committee.

Mike McGree, A-1 Ambulance Service, Butte, Montana, provided a brief overview of the private ambulance services in Montana (**EXHIBIT 14**).

Don Whalen, Manager, Missoula Emergency Services, Missoula, Montana,

said that they are a full-time paid paramedic service. He said that their response area is Missoula County and as far as Idaho because there are no ambulances to pick up patients over the top of Lolo Pass. He talked about the services they provide to the community.

Dave Kuhn, Missoula Emergency Services, talked about how their service makes and loses money. He said that 85% of their business is from Medicaid, Medicare, and others; and that their profits are from reimbursements from insurance. He said that he thinks the state can look at the Medicaid number and help get that reimbursement figure up. He said that as a private company, they focus on quality work and want to provide top notch service with the best equipment that they can get.

Questions

07:40:56

REP. DUTTON asked Teresia Moore if they are billing for their services. Ms. Moore said that they bill for every call. She referred the Committee to the chart that shows the their expenses of \$76,400, and the amount that they collected, which was \$65,000.

SEN. MURPHY asked if Dave Kuhn's figure of \$2 million a year was uncompensated, and is that considered an underpayment from Medicare and Medicaid. **John Ungaretti, Health Care Billing, Missoula**, said that the numbers provided do not include contractual write downs for Medicare/Medicaid and other government payors. The contractual write downs are separate and the \$1.96 million costs of uncompensated care in fiscal year 2007 is actual.

SEN. MURPHY asked if that includes a number of people who do not and cannot pay their bill. **Mr. Ungaretti** said that was correct.

There was a discussion regarding ambulance services filing liens on auto insurance claims in order to be reimbursed for their services. John Ungaretti said that a bill passed allowing ambulance services to legally file liens with auto insurance companies so that they can be paid for their services at automobile accident sites. In the past, reimbursements paid on automobile accident claims went to the patient and/or their attorney. With ambulance services being able to file liens, the insurance company that is paying the claim has to put the ambulance service's name on the payment and it will then go directly to the ambulance services.

SEN. WEINBERG asked if there has been any improvement in compensation for ambulance services as a result of that lien filing? **John Ungaretti** said that they were losing somewhere between \$300,000 and \$400,000 on automobile accident claims that his company bills for a group of ambulance companies. Since July, the payments have increased because they now can file liens on the insurance claims.

07:59:37

Scot Mitchell, Administrator, Wheatland Memorial Hospital, provided a written overview (**EXHIBIT 15**) of Wheatland Memorial Healthcare, the Ambulance Service and their relationship to each other, the challenges with local

EMS, and what the Legislature can do to find solutions to their problems.

07:21:29 **John Bleicher, Trauma Services Coordinator, St. Patrick's Hospital, Missoula**, provided a written overview of problems that the ambulance service is facing and possible solutions (**EXHIBIT 16**).

Questions

07:34:13 SEN. MURPHY said that he would like Mr. Mitchell or Mr. Bleicher to respond to his question of what would be the upside, if any, or downside, if any, of changing the requirement from two EMTs on an ambulance to one EMT with a driver. **Mr. Bleicher** said that the downside would be that, other than transporting, there are issues with scene stabilization, scene safety, and working with other agencies. He said that he is not just talking about trauma but complications they might run into in a medical emergency in a private home. He said that it should be recognized that the quality of care on the scene would decrease when they have that first patient contact. **Mr. Mitchell** said that it is necessary to have another trained person to help when going on calls. He said that reducing the licensure requirements or the requirements to have a qualified staff on the ambulance is going in the opposite direction that they need to go.

Public Comment

07:37:28 **Randy McCamley, Fire Chief, Great Falls**, said that there is much more to EMS than ambulance service. He said that they are striving to get safety and stability in a system that provides a safe and stable care for all Montanans.

07:41:51 **Linda Henderson, RN, President, Montana Nurses Association**, said that the Association has some concerns about EMS's desire to expand EMT services and EMT's the scope of practice, which EMS people and Ken Threet had presented at the last committee hearing. She said that in the 2005 Legislative Session, BOME and EMS tried to introduce a bill to revise emergency medical technician laws, but that did not go through. Ms. Henderson said that when patients hit the door of the emergency room, the expectation is that there will be a professional registered nurse there to provide services. Expanding EMS to work in hospitals, or work in community health centers, do not meet the needs of the citizens or the safety for patient outcomes. She discussed Mr. Mitchell's argument that the Board of Nursing took a wrong turn in terms of the delegation rules. She said that she respectfully disagrees with Mr. Mitchell and wants to point out that what they have done is provide a mechanism whereby hospitals can most appropriately use the personnel that they have and ensure adequate outcomes.

Rep. Henry called the committee's attention to the letter dated November 11, 2007, from Ms. Glenda Nielsen, RN, that discusses some of the issues that Ms. Henderson referred to.

COMMITTEE DISCUSSION AND DIRECTION

07:46:01 SEN. WEINBERG said that in the 2005 session there was a concern that if we liberalize the rules to allow EMTs in emergency rooms, that that would happen in the cities where it would be done for different reasons than in smaller communities. He asked the committee if they wanted to consider a bifurcated

system where a certain set of rules apply in smaller populated areas and a set of different rules apply in the larger populated areas. He asked if that should be put on the table for consideration in future discussions. **Rep. Henry** said that she would recommend additional information on that subject. She said that the State of Minnesota addressed this particular issue regarding use of emergency medical technicians and registered nurses. **Rep. Clark** said that that would be on the agenda for consideration.

Public Comment

07:48:56

Eric Hensley, Director of Operations, Polson Ambulance, Polson, Montana, said that a great many things in their industry are cost prohibitive. They have recruitment and retention issues, training issues, fuel costs, maintenance costs. He said that those things continue to rise while reimbursements stays the same or goes down. The private ambulance companies in Montana have banded together and have taken on the responsibility to shoulder that load over the past decade. The Polson Ambulance offers training not only to their employees and crew members, but to outlying services and they do that at their own expense because it strengthens the system.

07:52:03

Tim Brester, Polson and Ronan Ambulance Service, said that he heard a common theme at this meeting. The themes were that the EMTs were doing a great job, they are asking for the Legislature's help in recruitment and retention of new EMTs, the difficulties in education, problems they are facing with having quality instructors, funds needed for training and training aids, quality improvement programs, and quality assurance programs. These things are important to the people that they take care of. Paramedics are doing all of this at the reimbursement rates that are less than what it costs them to provide. It is not uncommon for a paramedic to work 80 to 120 hours a week. He said that he does not do it for the money but that he does it for the people that he takes care of and because he loves the job.

HEALTH CARE FORUM UPDATE - Rep. Dutton

08:57:23

Rep. Dutton briefed the Committee on the Health Care Forum which he attended. He said that he found that a vision of any kind was lacking and that the Legislature needs to come up with a system that would provide at least as good a quality or better system of health care than what we have now but at a sustainable costs. He said that materials presented at the Forum can be found on Montanahealthforum.com.

REP. CLARK said that she had asked Mary Noel, DPHHS, to find out how much Wal Mart saved the state with their \$4.00 generic program. She provided a copy of Ms. Noel's email regarding the savings to the Committee (**EXHIBIT 17**).

RHODE ISLAND SYSTEM OF CARE SUMMARY - SUE O'CONNELL

08:03:09

Ms. O'Connell said that the Committee could read the Rhode Island System Summary at their leisure (**EXHIBIT 18**).

Other Items

08:03:55 Rep. Clark e asked the committee members if they had any preferences for the June meeting. Rep. Clark tabled the setting of the June meeting until the January 25 meeting.

08:04:54 REP. HENRY said that she has material from the OBC Prevention Conference that she attended in June for the committee members.

Adjournment

08:06:03 Rep. Clark adjourned the meeting at 4:28 p.m.

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