



Select Committee on Efficiency in Government

62nd Montana Legislature

SENATE MEMBERS

JON SONJU--Chair
EDWARD BUTTREY
MARY CAFERRO
JIM KEANE
EDWARD WALKER
DAVID WANZENRIED

HOUSE MEMBERS

MARK BLASDEL
RON EHLI
GALEN HOLLENBAUGH
PAT NOONAN
SCOTT REICHNER
KATHLEEN WILLIAMS

COMMITTEE STAFF TEAM

DAVE BOHYER, Lead Staff
DAVID NISS, Staff Attorney
DAWN FIELD, Secretary
SUE O'CONNELL, LSD, Health Care
JASON MOHR, LSD, Nat'l Res.
QUINN HOLZER, LFD, Health Care
TARYN PURDY, LFD, Budgeting Process
BARBARA SMITH, LFD, Technology
LOIS STEINBECK, LFD, Health Care

MINUTES DRAFT

May 15, 2012
Room 172

State Capitol Bldg.
Helena, Montana

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. To the left of each section in these minutes is a time designation indicating the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side menu of the home page, select *Committees*, then *Interim*. Once on the page for *Interim Committees*, scroll down to the appropriate committee. The written minutes summary, along with the audio and video recordings, are listed by meeting date on the interim committee's web page. You must have Real Player to listen to the audio recording or to view the video.

Hard copies of the exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of the document.

COMMITTEE MEMBERS PRESENT

Sen. Jon Sonju, Chair
Sen. Edward Buttrey
Sen. Mary Caferro
Sen. Jim Keane
Sen. Edward Walker
Sen. David Wanzenried
Rep. Mark Blasdel
Rep. Galen Hollenbaugh
Rep. Pat Noonan
Rep. Scott Reichner
Rep. Kathleen Williams

COMMITTEE MEMBERS EXCUSED

Rep. Ron Ehli
Rep. Scott Reichner

STAFF PRESENT

Dave Bohyer, Lead Staff
David Niss, Attorney
Cj Johnson, Secretary
Sue O'Connell, LSD, Health Care
Jason Mohr, LSD, Natural Resources
Quinn Holzer, LFD, Health Care
Taryn Purdy, LFD, Budgeting Process
Barbara Smith, LFD, Technology
Lois Steinbeck, LFD, Health Care

VISITORS/AGENDA

Visitors' list, [Attachment #1](#).
Agenda, [Attachment #2](#).

COMMITTEE ACTION

The Select Committee on Efficiency in Government approved:

- LCSC01 - Revise the 72-hour presumptive eligibility program for Crisis Stabilization.
- LCSC02 - Measure outcomes of Children's mental health services.
- LCSC03 - Pay-for-performance pilot project for Children's mental health services.
- LCSC10 - Penalty for transfer of assets.
LCSC10 - Roll call vote - DPAA 11-1.
- To table LCSC11 - - Eliminate Unit billing for certain mental health services.
- LCSC12 - Revise Medicaid application process.
- to send Utilization Review letter from the SCEG to the DPHHS.
- to send letter from Diedra Murray, Performance Auditor, Legislative Audit Division (LAD), to the two 2013 Legislative Appropriations subcommittees.

CALL TO ORDER AND ROLL CALL

00:00:00 Sen. Jon Sonju, Chairman, called the SCEG to order at 8:33. The Secretary called roll. [Attachment #3](#).

Committee comments and questions

The committee discussed a contract between Department of Public Health and Human Services (DPHHS) and Magillan Medicaid Administration, Inc., a health service organization, and the department's funding guidelines.

00:00:51 Sen. Wanzenried

00:03:01 Sen. Caferro

00:03:49 Mr. Bohyer

Health Care/Medicaid Bill Drafts and Material

00:04:28 Sue O'Connell, Research Analyst, LSD, gave an overview of LCSC01, LCSC02, and LCSC03, the three bill drafts recommended by the committee.

LCSC01 - Presumptive Eligibility Program Bill Draft and Related Briefing Paper

00:07:39 Ms. O'Connell gave an overview of LCSC01. [Exhibit 1](#) She explained two changes

regarding the 72-hour presumptive eligibility program for mental health crisis stabilization services.

Committee comments and questions

The committee discussed the fiscal consideration and cost savings through the 72-hour presumptive eligibility program in regard to better care for patients, denying payment for health services, and does rule-making authority comply with current language.

00:12:02 Rep. Williams

00:12:47 Sen. Wanzenried

00:14:45 Sen. Buttrey

Public Comment

00:16:14 John Lynn, Western Montana Mental Health Services, gave his views of LCSC01.

Discussion

00:18:57 Ms. O'Connell will review the rules to make sure the language in LCS01 is original and report back to the committee if there is a change.

LCSC02 - Outcomes-Based Planning Bill Draft

00:20:02 Ms. O'Connell explained bill draft LCSC02 is a measurement for children's mental health services. [Exhibit 2](#)

Committee comments and questions

The committee asked questions of Ms. O'Connell about the annual report posted on-line, and if the data is available for providers of mental health services.

00:23:02 Rep. Hollenbaugh

00:23:38 Rep. Noonan

00:25:01 Rep. Williams

00:25:31 Rep. Noonan

00:26:23 Sen. Buttrey

Public Comment

00:27:25 Jani McCall, representing Intermountain Children's Home and the Yellowstone Boys and Girls Ranch, stated they support LCSC02.

00:29:29 Sheila Smith, Montana Mental Health Services, Kalispell, stated their support for LCSC02. She addressed several concerns regarding how the measuring of outcomes and tools are used to determine mental health of children.

LCSC03 - Pay for Performance Bill Draft

00:36:37 Ms. O'Connell said LCSC03 is a pilot project regarding pay-for-performance that includes language for services to determine if the treatment leads to a better outcome for patients rather than the amount of services provided. [Exhibit 3](#)

00:42:09 Ms. McCall distributed a copy of bill draft LCSC03 that includes amendments, and explained the language change. [Exhibit 4](#)

00:50:13 Ms. Smith said they support LCSC03.

- 00:50:35 Matt Kuntz, Director of NAMI (National Alliance on Mental Illness), said they support LCSC03.
- 00:50:55 Aimee Grmoljez, representing Billings Clinic, said the clinic supports LCSC03, and suggested adding hospitals and physicians to the bill draft.
- 00:52:19 Dan Aune, Executive Director, MHA (Montana Hospital Association) of Montana, stated their support for this legislation.

Committee comments and questions

The committee discussed the pilot project and its progress. The plan is to have the pilot project available by the 2015 Legislature.

- 00:52:43 Sen. Wanzenried
 00:54:08 Ms. McCall
 00:57:40 Ms. O'Connell
 00:59:31 Sen. Wanzenried
 00:59:42 Ms. McCall

LCSC10 - Transfer of Assets Bill Draft - Alexis Sandru

01:01:13 Ms. Sandru distributed LCSC10, and explained how the transfer of assets are handled by the DPHHS. [Exhibit 5](#)

01:01:31 Ms. McCall explained how the transfer of assets will allow the DPHHS to pursue a penalty in a dollar amount from an improper transfer from an applicant or recipient in order to receive medical assistance.

Committee comments and questions

The committee discussed how the transfer of assets will be handled.

- 01:04:53 Sen. Sonju
 01:05:27 Rep. Williams
 01:06:18 Rep. Hollenbaugh
 01:07:24 Sen. Buttrey

01:09:01 Rose Hughes, Executive Director, Montana Health Care Association, talked about Medicaid dollars, and how Medicare will pay if Medicaid will not or vice versus. She reiterated the association's support of LCSC10.

Committee comments and questions

The committee discussed the threshold amount of Medicaid vs Medicare dollars.

- 01:12:32 Sen. Walker
 01:14:38 Sen. Buttrey
 01:15:43 Sen. Caferro
 01:18:24 Sen. Buttrey
 01:19:29 Sen. Wanzenried
 01:20:32 Mr. Bohyer
 01:20:50 Sen. Walker
 01:21:30 Rep. Hollenbaugh
 01:22:56 Sen. Wanzenried
 01:23:15 Mr. Bohyer

01:25:07 Sen. Walker
01:26:26 Rep. Ehli

LCSC11 - Mental Health Unit Billing Bill Draft - Alexis Sandru

01:29:58 Ms. Sandru distributed bill draft LCSC11, and explained how the reimbursement rate is set for targeted case management services in the Medicaid program. [Exhibit 6](#)

Public comment

01:30:03 Mr. Kuntz said they support LCSC11.

01:35:18 Ms. Smith talked about rate setting by the DPHHS, and said the rate is not sufficient in meeting the reimbursement rate to the providers.

01:43:17 Stacey Wheeler, Winds of Change, gave an explanation of her views of the reimbursement rates. She asked that the committee look at this more in-depth.

01:46:15 Ms. McCall said they support LCSC11.

01:47:29 Mr. Lynn said they support this draft bill. He hopes the rule-making committee will clarify language.

Committee comments and questions

The committee discussed the reimbursement rate, the increment plan, and a treatment plan and care of the patients.

01:48:33 Sen. Wanzenried

01:52:51 Jim Fitzgerald, CEO of Intermountain Children's Home, talked about focusing on clients rather than the reimbursement rates for providers. He asked the committee to measure the sustainable outcome for patients.

Discussion

01:54:15 Rep. Williams and Ms. Smith discussed case management billing and diagnosis for base billing.

LCSC12 - Medicaid Application Bill Draft - Alexis Sandru

01:57:33 Ms. Sandru explained the changes in bill draft LCSC12. She said it will require the Medicaid application and eligibility be used in the determination process. [Exhibit 7](#)

Public Comment

02:00:08 Mr. Kuntz said they support LCSC12.

02:00:23 Mr. Aune said they support LCSC12.

02:01:09 **BREAK**

Professional Wilderness Outfitters Association (PWOA) - Pat M. Tabor, President, and Vice President of Montana Outfitters and Guides Association (MOGA)

02:24:30 Mr. Tabor distributed a handout explaining the outfitting industry, why it exists, and the duties of the association. [Exhibit 8](#) He discussed the contribution from the

outfitters and guides on tourism and the economy of Montana. He talked about the industry's concerns in the rising costs of regulation and administrative fees.

02:37:27 Rob Arnaud, MOGA, said he is an outfitter and a wildland biologist. He talked about creating opportunities for landowners, and producing records for the Board of Outfitters.

02:42:01 Mac Minard, Executive Director of the MOGA, distributed a copy of his talking points and a DVD that shows how the association is stewards of the land and how they contribute to the economy of Montana. [Exhibit 9](#)

02:51:32 Robin Cunningham, representing the Fishing Industry Association, discussed decreasing the MOGA regulations. He said the fishing association does not have the burden that the Outfitter's Association has in reporting to the Board. He talked about streamlining statutes and reducing the administrative overhead to increase its budget.

Committee comments and questions

The committee discussed the MOGA statistics, complaints, and licensing requirements.

02:56:04 Rep. Hollenbaugh

02:57:26 Mr. Tabor

02:59:10 Sen. Keane

02:59:35 Mr. Tabor

Department of Public Health and Human Services (DPHHS) - Child and Adolescent Needs and Strengths (CANS), Bob Runkel, Administrator, Disability Services Division, DPHHS

03:03:13 Mr. Runkel discussed the functional assessment tool for children's mental health services. He distributed a handout explaining the standardized outcomes and rating of clients and providers. [Exhibit 10](#)

Committee comments and questions

The committee discussed bill drafts LCSC11 and LCSC12.

03:14:16 Rep. Noonan

03:14:28 Mr. Runkel

03:17:17 Rep. Noonan

DPHHS response to SCEG questions how the department intends to engage with stakeholders and providers to:

- 1) plan for estimate the cost of, and design an implementation strategy in light of the implications to Montana's Medicaid program under PPACA: and**
- 2) develop a Medicaid reimbursement model based on the measurement and reporting of specifically described outcomes - Ms. Anna Whiting Sorrell, Director, DPHHS**

03:20:26 Ms. Whiting-Sorrell, talked about PPACA, and how the department is currently operating under this program.

Committee comments and questions

The committee discussed, Magillan and its Request for Proposal (RFP) with DPHHS, funding of the program, and its stakeholders.

03:23:36 Sen. Wanzienried

03:23:48 Ms. Whiting-Sorrell
03:26:37 Sen. Sonju
03:27:07 Sen. Caferro

LUNCH - this is a working lunch as members are presented a report on the Montana mobile initiative leadership by Dick Clark, CIO of Information Technology, Department of Administration.

OTHER STATES' HEALTH CARE PROGRAM

04:37:50 Ms. Tracy Turner, Applications and Operational Support Manager, Oklahoma Health Care Authority, presented a PowerPoint about creating on-line Medicaid enrollment. She explained how Oklahoma's process works when clients are making application on-line for Medicaid. She talked about a \$6 million grant received by Oklahoma to develop the program and had to apply for an additional \$1.2 million to finalize the program.

Committee comments and questions

The committee discussed the cost of the on-line Medicaid application program and its process.

04:54:06 Sen. Sonju
04:56:45 Ms. Turner
05:01:36 Sen. Buttrey
05:01:42 Ms. Turner
05:05:02 Sen. Caferro

Public Comment

05:07:20 Krista Pocha, Helena, talked about her problems with the current Medicaid process.

05:09:51 Brittany Heady, Helena, said she never knows who her case worker is from phone call to phone call.

05:13:19 Melissa Marsh, Helena, talked about the problems she has with the current Montana Medicaid program.

05:17:01 Dan Hoy, Director of Montana Mental Health of America, talked about a survey by his office that concluded most of the problems regarding Medicaid issues is mainly medication for mental health issues.

05:19:50 Greg Daily, Lewis and Clark Health Department, gave an overview of Montana's current Medicaid system.

05:20:54 Jeremy Vandehey, Director of Oregon's legislative and governmental affairs, talked about Oregon's health care plan, and how it will be aligned with the federal Affordable Health Care Act. He talked about several grants Oregon has received to develop Oregon's Insurance Exchange program. He said they will be starting enrollment in October of 2013 and be ready for the January 1, 2014 effective date. He talked about the various services that will be included in the program, and the organizations involved in the development of Oregon's health care plan. Mr. Vandehey will provide the committee with a copy of Oregon's matrix.

Department of Justice (DOJ) - Ms. Brenda Nordlund, Administrator, Montana Motor Vehicle Division

05:38:37 Ms. Nordlund talked about her duties at the DOJ motor vehicle division. She discussed Merlin, a program that is used in the driver licensing bureau, and explained how the program works. She talked about the knowledge, resources, planning and design, and the money it took to implement Merlin.

Information Technology Subcommittee Update and Recommendations

06:09:16 Rep. Hollenbaugh distributed a handout of the subcommittee's 25 items they have identified and will present to the full committee at its next meeting. [Exhibit 11](#)

06:11:49 Barbara Smith, LFD, gave an overview of the issues discussed by the SCEG subcommittee on May 14, 2013.

MOTION

LCSC01

06:14:07 Rep. Noonan made a motion to accept LCSC01 - the 72-hour presumptive eligibility. The motion **passed** unanimously.

06:14:33 Mr. Bohyer informed the committee that they previously agreed they will need 8 votes to make the bill drafts into committee bills.

MOTION

LCSC02

06:15:23 Rep. Noonan made a motion to accept LCSC02 - this will set a base-line to start recordings of outcomes, and pay for performance language to encompass CANS.

Vote/amendment

06:19:16 Sen. Buttrey made a motion to strike the word "written" on page 3 Sub5(b). The motion **passed** 10-0.

DPAA

06:20:26 Sen. Wanzenried made a motion to accept LCSC02 as amended. The motion **passed** unanimously.

MOTION

LCSC03

06:21:37 Sen. Wanzenried made a motion to accept the gray bill draft LCSC03 as written.

Vote/amendment

06:22:35 Rep. Williams made a motion to add an additional member from the Montana University System to the task force of the kids count study. The motion **passed** unanimously.

DPAA/LCSC03

06:22:53 Sen. Wanzenried made a motion that LCSC03 do pass as amended. The motion **passed** unanimously.

Discussion

06:28:03 Rep. Hollenbaugh said he is concerned about telling an agency to take on this project. He asked if the Legislature can deal with this in HB 2 and bring the \$50,000 into a line-item in the DPHHS budget so the agency isn't stuck with the funding.

06:29:56 Mr. Bohyer said there is an appropriations in the bill draft on LCSC03 page 8, Section 6 that will need to be taken out. Mr. Bohyer explained the difference between a draft bill and a grey bill as proposed by the Legislative Services.

Amendment

06:30:43 Sen. Wanzenried made a motion to delete line 5 on page 5 of the bill draft.

Vote/amendment

06:32:33 Sen. Buttrey made a motion to remove new section 6 of LCSC03. The motion **passed** 9-1 by voice vote. Sen. Wanzenried voted no.

DPAA/LCSC03

06:33:50 Sen. Buttrey made a motion that LCSC03 **DPAA**. The motion **passed** by voice vote.

LCSC10

06:34:21 Rep. Noonan explained LCSC10 is about transferring assets. He is comfortable in lowering the dollar amount.

Motion/amendment

06:35:44 Sen. Buttrey made a motion to accept LCSC10, and amend the amount from \$60,000 to \$25,000.

Discussion

06:36:17 Sen. Wanzenried asked Ms. O'Connell if the title of the bill makes the dollar amount a moot point. Ms. O'Connell said the title should be amended to include language in the title into the body of the bill and will not need to change title.

06:37:50 Sen. Wanzenried said the bill title suggests that the money involved is incidental to the bill. He talked about taking the \$60,000 back to \$25,000. Alexis Sandru said the title should be reworded more clearly, and recommended they create a penalty equal too or greater than the allowable \$60,000.

Substitute amendment

06:39:42 Rep. Williams made a substitute motion to amend Subsection A to say "the assets were transferred".

Withdrew motion

06:40:43 Sen. Buttrey withdrew his amendment motion.

Discussion

06:40:54 Sen. Wanzenried, Rep. Williams, and Mr. Bohyer discussed how much of a client's assets does the department need to go after, and do they need to get rid of Subsection A entirely.

Amendment

06:41:56 Rep. Williams proposed a substitute amendment to insert language in Section 1, A of LCSC10, to say "the assets are transferred for fair market value".

Vote/amendment

06:43:48 The substitute amendment **passed** 9-1. Sen. Caferro voted no.

Discussion

06:44:08 Rep. Hollenbaugh wanted to know how the DPHHS will process the claims, and how many people are involved? Ms. Sandru said the DPHHS is aware of this bill draft and they did not respond.

06:46:56 Rep. Hollenbaugh and Ms. Hughes talked about investigators and DPHHS going after the assets. Ms. Hughes said that the DPHHS currently does this and now they will have the ability to go after assets to pay back what is owed to the Medicaid program.

06:49:30 Sen. Keane feels this process of going after claims makes the bill more difficult and he asked if the committee to work on it later.

06:49:59 Sen. Buttrey said this process is already in place and allows the DPHHS to fine a recipient or make them give the Medicaid payment back.

DPAA

LCSC10

06:52:15 Roll call vote was taken. **Exhibit 12** The motion **passed** 11-1. Sen. Keane voted no. Rep. Ehli and Rep. Reichner both voted **aye** by proxy.

LCSC11

06:53:39 Rep. Noonan explained this bill draft establishes a rate for targeted case management services. Rep. Noonan said the committee does not have the time to work on this, and there is no other alternative so he will vote no.

Motion

06:54:11 Rep. Noonan made the motion to table **LCSC11**. The motion **passed** 10-2 to table LCSC11. Sen. Wanzenried and Sen. Caferro voted no. Rep. Ehli and Rep. Reichner both voted aye by proxy

06:55:36 Sen. Buttrey asked where the bill stands now that it is tabled. Sen. Sonju said the bill is on hold.

06:56:37 Sen. Wanzenried gave a scenario of what will happen now that LCSC11 is tabled.

LCSC12

06:57:11 Rep. Noonan explained bill draft LCSC12 revises laws regarding the new process to put the Medicaid application on-line.

Motion

06:57:37 Sen. Caferro made a motion to accept LCSC12. She said this bill draft changes how the process for the Medicaid eligibility application can now be on-line.

Motion/amendment

06:58:25 Sen. Caferro distributed and explained amendments on page 2 of LCSC12, and made a motion to accept the amendments. [Exhibit 13](#)

Discussion

07:01:10 Sen. Buttrey said he will support the amendments.

07:02:26 Rep. Hollenbaugh asked about amendment #3 - peoples access to courts.

07:03:24 Ms. Sandru explained how the process works.

07:03:55 Sen. Caferro and Mr. Bohyer talked about how everything is done electronically and that it is valid.

Vote/amendment

07:05:53 The amendment **passed** by voice vote.

Motion/vote

07:06:05 Sen. Caferro moved LCSC12 DPAA. The motion **passed** 10-0 by voice vote.

Letter written by Sue O'Connell about the appropriation for Utilization Review of Children's Mental Health Services

07:08:40 Ms. O'Connell gave an overview of a letter from Sen. Sonju regarding the utilization review contract between DPHHS and Magellan Medicaid Administration, Inc. [Exhibit 14](#)

07:10:33 Sen. Sonju and Sen. Wanzenried talked about sending the letter to the two appropriation subcommittees of the 2013 Legislature and a separate letter to the DPHHS regarding the full scope of the Utilization Review.

Motion/vote

07:11:33 Sen. Wanzenried made a motion to send a separate letter to the DPHHS. The motion **passed** 10-0 by voice vote.

Legislative Audit Division

07:14:03 Diedra Marie, LAD, explained a letter she wrote to Tori Hunthausen, Director of LAD, regarding the mental health utilization review contract (#12P-09). [Exhibit 15](#)

Motion/vote

07:17:45 Sen. Buttrey made a motion to send the letter from Ms. Marie to the Legislative House Appropriations Committee and the Senate Finance Committee. Voice vote was taken. The motion **passed** 10-0.

Payment of invoices by state agencies

07:19:19 Mr. Bohyer distributed and explained a letter he wrote to the committee regarding

payment of invoices by state agencies. [Exhibit 16](#)

07:23:26 Mr. Bohyer distributed a memo requesting the committee's assistance in identifying unnecessary statutes. [Exhibit 17](#)

07:24:36 Rep. Hollenbaugh had to leave and Rep. Noonan is in charge of his proxy - (not written).

07:25:54 Mr. Bohyer talked about the bill drafts he will prepare for the Havre meeting in June.

07:26:14 Sen. Buttrey discussed electronic signatures, and will provide an update after he attends a meeting tomorrow.

The cost of creating a county septic permit database

07:27:05 Jason Mohr, Research Analyst, LSD, discussed creating county septic permits.

Job training programs

07:28:21 Mr. Mohr distributed a memo about Job training programs offered by the state of Montana. [Exhibit 18](#) Mr. Mohr explained the three primary job training programs for Montana's businesses and organizations. [Exhibit 19](#)

07:33:20 Sen. Keane talked about the people who take the training, and employers using the job training grants. He asked for more information about creating jobs for the future and the training to go with it.

07:34:44 Sen. Buttrey said he has used these three programs and explained to the committee how they work.

07:35:58 Sen. Caferro and Mr. Moore talked about the grants used by employers. Sen. Buttrey said with the workforce training grant the employer has to hit a certain target.

07:38:41 Sen. Caferro and David Murry, Department of Labor and Industry, talked about how the target is aimed at small businesses with 20 or less employees.

07:43:25 Rep. Williams talked about how to fund the worker training programs through the schools.

Budget report

07:44:15 Dave Bohyer gave an update of the committee's budget. [Exhibit 20](#) He gave an overview of the agenda for the Havre meeting for June 18 & 19, 2012, and said he will have three draft bills prepared for the June meeting in Havre.

07:48:06 Rep. Williams wanted to know when a draft of the committee report will be available. Mr. Bohyer said approximately around the end of July.

07:50:37 Sen. Caferro thanked Rep. Noonan for his good work.

Adjournment

07:51:03 Sen. Sonju adjourned the SCEG committee at 4:24 p.m.

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