

**MINUTES OF THE
SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE**

Room 30 House Building, State Capitol Complex

Wednesday, February 8, 2012

MEMBERS PRESENT: Sen. Allen M. Christensen, Co-Chair
Rep. Bill Wright, Co-Chair
Rep. Bradley G. Last, House Vice Chair
Sen. Patricia W. Jones
Sen. Wayne L. Niederhauser
Sen. Luz Robles
Sen. Todd Weiler
Rep. Jim Bird
Rep. Rebecca Chavez-Houck
Rep. John Dougall
Rep. David Litvack
Rep. Daniel McCay
Rep. Evan Vickers
Rep. Larry B. Wiley

MEMBERS EXCUSED: Sen. Margaret Dayton
Sen. Peter C. Knudson
Rep. Ronda Rudd Menlove

MEMBERS ABSENT: Rep. Kraig Powell

STAFF PRESENT: Mr. Russell Frandsen, Fiscal Analyst
Mr. Stephen Jardine, Fiscal Analyst
Mrs. Diane Pope, Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at www.le.utah.gov
A list of visitors and a copy of handouts are filed with the committee minutes.

Vice Chair Last called the meeting to order at 8:15 am.

1. Public Comment on Divisions of Human Services, Substance Abuse and Mental Health, and Aging Adult Services Budget Items

Sarah Brenna with Scott McBeth, Providers, Utah Association of Area Agencies on Aging (U4A), spoke about the twelve agencies on aging whose collective purpose is to advocate for, and provide services that improve the quality of life to, Utah's older generations. The seniors served are usually female, financially isolated, low income, living at home and 80 years old. The programs they provide are preventative in nature and help to keep seniors living at home. Ms. Brenna said they were grateful for the budget they've been given but indicated they wouldn't be able to meet the needs of the growing population without more resources. U4A is respectfully requesting \$1 million be placed into DHS's budget.

Rep. Chavez-Houck asked if the agencies are already seeing a jump in population.

Mr. McBeth answered that in the Meals on Wheels program they have seen an increased need of 20 percent. He believes this is the trend that will continue to be seen.

Rep. Chavez-Houck asked how much of the need is situational versus how much is population growth.

Ms. Brenna indicated they are seeing an increase in population growth but they are also seeing more need with the recession. They ask the seniors for donations towards their meals and the donations are significantly down. She also said that the population has more health needs than previously.

Ms. Ginger Phillips, consumer, Utah State Hospital, has been going in and out of treatment since age 15. She ended up drinking cleaning fluid, alcohol and several bottles of nighttime cough syrup, nearly killing herself. She was placed in the Utah State Hospital where she stayed for a year. They saved her life and helped her to recover through their consistency. USH services are desperately needed. She began her advocacy work as a consumer representative for her unit, meeting with doctors and staff. She helped to bring a peer support program to Utah. Mental health consumers need more than a two week stay and that's why they need every possible bed at the Utah State Hospital.

Co-Chair Christensen clarified that USH is currently scheduled to lose 30 beds if the Subcommittee doesn't fund them \$1.1 million.

Jarrett Kelton, Supervisor, Archway Youth Services (Ogden), works to collaborate with Weber Human Services. One program that has been essential is the juvenile drug court program. Archway is helping with this program by housing youth for one month while they detox. They provide immediate intervention and prevention so there is less need on the back end. They also use a crisis counselor to work with suicidal youth. There is a multi-agency council committee that helps to determine the best fit for the needs of the youth. This committee gets the local agencies working together.

Mr. Dean Barley, licensed clinical social worker and psychologist, director of BYU comprehensive clinic, wanted to speak for the citizens and the services provided for them. He shared a story about a neighbor that suffered with schizophrenia. The neighbors just couldn't provide what was needed. It was when the neighbor was taken to Wasatch Mental Health Services that he began to get help. Mr. Barley wanted to put a human face on the dollars that the Subcommittee is spending. He pointed out that these individuals are our friends and neighbors.

Ms. Cheryl Smith, mother of Carson, President, Autism Council of Utah, reminded the Subcommittee that she had sent a letter to them. She indicated the autism spectrum is huge and so is the spectrum of needs. These children need early intervention to achieve any real success. It's been a very long time since money has been added to the funding for early intervention and the waiting list keeps growing. Carson is 220 pounds now and needs adult services. Over 90 percent of the residents at the Developmental Center have autism. The numbers are only growing. Parents are doing everything they can to meet their child's needs; they're just trying to keep their heads above water. The services that are provided work toward family preservation. Ms. Smith would like to see more funding for autism.

Ms. Lori Cerar, Executive Director, Allies with Families, spoke on behalf of the mental health early intervention building block of the Division of Substance Abuse and Mental Health. About 50 percent of lifetime mental illnesses occur by the time children turn 14 years old and 75 percent of lifetime mental illnesses occur by age 24. The building block has three components: family resource facilitators, school-based mental health and mobile crisis teams. In FY 2011, their family resource facilitators served 989 children and provided 356 families with evidence based wrap around services. In FY 2011, only 86 different schools partnered with their local mental health authority to provide some services. The use of mobile crisis units is new but is nationally recognized as being evidence based. The mental health building block could double these services.

Rep. Chavez-Houck asked Ms. Cerar to send the Subcommittee information on the statistics she quoted.

Ms. Cerar gave Rep. Chavez-Houck the paperwork she brought with her.

Ms. Brenda Chabot, Family Resource Facilitator, Wasatch Mental Health, spoke about the success of using wrap around services. She has eleven children, six children with mental illness and found NAMI and Allies With Families in her search for help. Parents feel lost, frustrated, and worried about their child's future. They are overwhelmed with how they are going to help their child. Ms. Chabot teaches a family to identify their strengths, needs, and culture. Then she teaches the family the life domains they are struggling with and helps them to set goals. She helps them find services across all agencies. She helps the families become the CEO of their child's treatment.

Ms. Mary Jo McMillen, Executive Director, USARA, came to speak for those individuals and families that are in the recovery community for substance abuse treatment, prevention and recovery support services. She brought Mr. Gary Ewers with her to speak about his own story. He was homeless due to a mental illness and through the help of services is now a professional pilot. Ms. McMillen wanted to comment on community based services. Utah has over 100,000 adults and youth that are in need of treatment services and only has the capacity to treat 16,400 of the 100,000. Many of the untreated individuals become criminally involved. It's important to help individuals before they get to this point. This is why DORA is so critical. Ms. McMillen asked for the Subcommittee's support for mental health services.

Ms. Merika Christiansen, parent, has an autistic son that attends Northern Utah Autism Program (NUAP). She knew early on that her son wasn't right but the doctors showed little concern for his delays. She finally got him diagnosed but still didn't know what to do for him. She found NUAP in Ogden. Now her son knows his colors and shapes, says a few words and signs many more. Ms. Christiansen now believes her son might grow up to be self-sufficient. She wanted to ask to for continued funding of early intervention programs.

Rep. Vickers wanted to add to Ms. Smith's comments that in Southern Utah there are some after-school and school outreach programs that have been very effective. He would like to see the Subcommittee to consider these type of programs.

Ms. Carolyn Tometich, Director of Behavioral Health, McKay Dee Hospital, partners with Weber Human Services (WHS). McKay Dee Hospital staff see inpatients from Davis, Morgan and Weber. Working with Weber Human Services they can connect these individuals with outpatient services. WHS sends staff into the inpatient unit to help with continuity of services. A few years ago, McKay Dee had a physician join them with a passion for unfunded kids and community based services. Working with WHS and Midtown Community Health Center they were able to implement a school-based mental health program.

Ms. Lisa Nichols, Executive Director, Midtown Community Health Center, indicated that Midtown works very closely with Weber Human Services and Davis Behavioral Health to provide care for the medically underserved. They work closely with these two agencies to serve approximately 1,400 children with serious and persistent mental illness. There are two school-based health centers, one in Weber County and one in Davis County. They are able to provide efficient services for the children and provide early prevention. Ms. Nichols asked the Subcommittee to consider additional funding for wrap around services and the mental health building block.

Ms. Jennifer Wayne, single mother of four, spoke about the loss of her mother and husband. Her life was falling apart and she suffered depression and high anxiety and was unable to provide for her children. She started working with a family facilitator. The facilitator set up wrap around services to help her. They helped her set goals, fill out forms, went to court with her, advocated at school meetings, and

developed a support team. They helped her find the confidence to make her family stronger. Ms. Wayne would like to see more family facilitators to help families like hers.

Mr. Philip Funk, a parent from Kaysville, has a child receiving services at NUAP. He came to speak about early intervention programs funding. He and his wife fostered a four month old boy that had some delayed learning. At age two they were able to adopt David. By this time they suspected he suffered from some form of autism. They enrolled him into NUAP. When he entered, he spoke about 50 words. Since August his vocabulary has blossomed and they heard a complete sentence for the first time just last week. While he still is working on potty training, there have been social improvements. They hope David can be mainstreamed at some point and won't need additional services. Mr. Funk asked the Subcommittee to please continue funding early intervention programs.

Vice Chair Last thanked all those individuals that spoke today. He indicated that the Subcommittee might not understand what the parents are going through but they can have an appreciation for their struggles.

Co-Chair Christensen spoke to the budget concerns. The Subcommittee has been told that to fund any program, the funds have to be found within the departments. Unfortunately, many dollars go out of state to take care of the needs of the mentally ill with substance abuse problems. There is a lot of misinformation and misplaced distrust that must be overcome to keep millions of dollars in Utah.

2. Unfinished Items from Previous Agenda

Responses to Briefs from Staff by Department of Health and Others

A. Mr. Gary Edwards, Executive Director, Salt Lake Valley Health Department, spoke to questions asked about the measles outbreak last spring. Approximately \$296,000 was expended by three health departments to respond to the prevention of the measles from spreading. One element in prevention is contact tracing, talking to anyone that had contact with the nine confirmed cases. This led to 12,126 follow up calls. Another part is lab testing to determine immunity status. This outbreak occurred in a public school setting and many of the teachers didn't have records of having received the booster for measles. There has been a decrease in funding for vaccination. Less children are being inoculated which leads to an increase for a potential of an outbreak. During an outbreak, the department has to purchase additional vaccine. Mr. Edwards urged the Subcommittee to fund the emergency fund that was approved in Legislation in 2008 for these types of events.

Rep. Chavez-Houck asked what the challenge is with funding for immunizations.

Mr. Edwards said it would probably be best to have a specific opportunity to talk about that issue when they have all the numbers together.

Mr. Frandsen answered Rep. Chavez-Houck from the Disease Control and Prevention Budget Brief from yesterday.

B. Dr. Robert Rolfs, Deputy Director, Department of Health (DOH), spoke about the contingency plan for federal funds reductions of five percent or 25 percent. The department receives 107 different federal grants or contracts which represents about two-thirds of the department's funding. DOH looked at two areas of change. One change would be impact on statute. The first would be with CHIP funding. In order to reduce the number of children served by 2,000 or 7,700, the statute would have to be changed from an open enrollment program to a needs based only program. The second major change in statute would be with Medicaid because there would be a loss of \$500 million. There would be complications not only in the number of individuals served but in terms of infrastructure too. The other area of change

would be in grants. DOH receives a lot of grants for specific programs that are not required by statute so those services would be discontinued. Dr. Rolfs first concern would be in epidemiology and laboratory services. This would impact the local health departments and hospitals when faced with potential health disasters. In other areas, breast and cervical cancer screening would have to be cut for over 2,000 women. About 120 individuals would lose access to HIV medications. About 1,100 children would lose access to about 6,000 doses of vaccine. Baby Watch, an early intervention program, would serve 365 less children. WIC would serve about 18,000 fewer clients each month. The impact of the lost programs would show up in poor health which would cost money.

C. Mr. Michael Hales, Deputy Director, Department of Health, said if DOH were seriously talking about cuts of 25 percent, the federal government would obviously have to change some of the requirements. DOH would have to reevaluate funding.

Vice Chair Last asked if it has been valuable as a management tool to go through this exercise with the five or 25 percent reduction.

Mr. Hales said the exercise was definitely valuable in terms of the 25 percent scenario, which really identified what the risks would be for the public in general. It gave DOH an idea of what cuts were even feasible and what would need to be made up at the state level. It was a very comprehensive assessment of all of the programs in DOH.

Vice Chair Last said we all wonder what is going to happen at the federal level.

Co-Chair Christensen has found with all the agencies he's dealt with, they've said a 25 percent cut would be feasible, just not in their program because they're already cut to the bone. A cut of 25 percent won't allow the agencies to function.

Sen. Niederhauser asked whether Sen. Christensen was talking about FTE's or beneficiaries to programs.

Co-Chair Christensen said he was talking about both FTE's and recipients. In cutting FTE's, all the administration can't be cut out and still have a program.

Sen. Niederhauser asked Mr. Hales whether the cuts would involve FTE's or beneficiaries. He assumed the biggest losers will be the beneficiaries of the programs.

Mr. Hales answered that the beneficiaries would be hurt the most. Looking at the Medicaid budget, the program expenditures to providers for services to beneficiaries is \$1.8 billion. Administration across the three departments; DOH, DHS, and WFS is only \$100 million in aggregate. With a 25 percent reduction, the population of beneficiaries would be cut, payment to providers would be cut, and a number of programs that are supplementary would be cut.

Co-Chair Christensen asked if Mr. Hales could imagine a caseload worker with 2,000 cases.

Mr. Hales answered not in a practical sense. Error rates would be extraordinarily high.

Vice Chair Last asked how many children were being serviced by CHIP at this time.

Mr. Hales indicated that about 39,000 children were enrolled in CHIP. CHIP is not an entitlement program but gets a federal grant. If the grant were to be reduced then DOH would not be able to enroll all of the children and the statute would need to be changed as Dr. Rolfs indicated. Mr. Hales wanted to follow up on the intent language in Issue Brief: ARRA Funds Approval - Department of Health. There is

a concern that DOH wanted to share with the Subcommittee in reference to their decision making next week. ARRA funds in general have been considered economic stimulus money. Medicaid was able to get an 80 percent federal match rate during that time. According to intent language, the Medicaid General Fund would be reduced by the additional amount and left in the General Fund to be used in other areas. Mr. Hales concern is with perpetuating this intent language. Last June, the stimulus money associated with ARRA ended but there are a number of grants still associated with the ARRA law. One is known as High Tech, which is meaningful use related electronic health care incentive payments that Medicaid and Medicare can make to hospitals and physicians. DOH has worked to qualify a program to structure credentialing physicians and hospitals to provide Medicaid services. The concern with perpetuating this intent language is if DOH has more physicians or hospitals qualify for the incentive payment than they predict then there would be a reduction in core Medicaid General Funds and DOH doesn't believe this is an appropriate use of the funds nor the Subcommittee's intent. DOH recommends that the Subcommittee reconsider a change in the intent language for this line item because there is no offset for it. Mr. Hales wanted to make sure that was brought to the attention of the Subcommittee since the issue briefs were discussed very quickly yesterday.

Mr. Frandsen clarified that those are the only ARRA funds in those line items so if the Subcommittee agreed with the agency then they should not pass that intent language for those line items.

3. Introduction & Approval of Minutes

None.

4. Budget Brief: Human Services - Division of Substance Abuse and Mental Health (DSAMH)

Mr. Jardine presented the budget brief on the Division of Substance Abuse and Mental Health (DSAMH). DSAMH is the state's public mental health and substance abuse authority and also provides fiscal oversight for treatment funding for drug courts and the Drug Offender Reform Act (DORA). In Utah, counties are currently organized as 13 local mental health and 13 local substance abuse authorities. The division sets policy for programs funded with state and federal money. This agency is mostly funded with state money from the General Fund. There are some Medicaid funds going to the Utah State Hospital. The local substance abuse and mental health authorities contribute no less than 20 percent to match the state pass through funds. There were three requests made by the Department of Human Services (DHS) that the Fiscal Analyst did not recommend in order to keep a balanced budget, but they were items approved in the Governor's budget. (1) Provide \$3,500,000 One-time General Fund for FY 2013 for Mental Health Intervention Services. (2) Provide \$1,100,000 ongoing General Fund for FY 2013 to backfill one-time funding provided the Utah State Hospital during the 2011 General Session. (3) Provide \$118,000 ongoing General Fund for FY 2013 to meet the increase in demand for forensic evaluations. The Fiscal Analyst recommends a FY 2013 budget of \$124,096,200 which includes \$14,500 in operations and maintenance funding along with a one-year negative offset of \$14,500. The Fiscal Analyst also recommends the subcommittee forward to Executive Appropriations Committee for further consideration moving \$1,118,000 of either one-time or ongoing General Fund from DCFS along with intent language for nonlapsing funds.

Vice Chair Last asked in reference to the Utah State Hospital if the money for the 30 beds was just for this year. He wanted to know if there was money in the budget after June.

Palmer DePaulis, Executive Director, DHS, said the \$1.1 million is in the budget for FY 2012 as one-time funds and would expire at the end of June without some action. Unless this is replaced as recommend by the Governor with \$1.1 million in ongoing funds, the beds would need to be closed.

Rep. Vickers asked if the 30 beds being discussed were part of the new building and when that building is supposed to come on line.

Mr. DePaulis indicated the budget item would affect adult beds. The new building wing was designated for children and doesn't involve the 30 beds currently being used by adults.

Ms. Lana Stohl, Division Director, DSAMH, explained about the 30 bed scenario. It has been determined that to maximize staff per patient, there is an ideal point which includes about 30 beds. If these beds are lost, those individuals would be the responsibility of the county agencies and it would be more expensive to care for them. USH would lose the potential for 55 patient civil commitments. Because of funding, a 30 bed unit was closed last year. The biggest concern in losing more beds is the impact it will have on patients and on the local mental health authorities.

Mr. DePaulis indicated that 46 staff members came from the closed unit and they were able to place most of them into the system but another decrease of 46 staff would mean layoffs.

Sen. Niederhauser asked about new building operating budget. He also asked about the DCFS money being used and whether it was generated with the use of fees.

Mr. Jardine answered that there is already an operating maintenance budget in place because this is a replacement building, not a new building. The \$14,500 is just an add-on. The DCFS money is one-time money that was saved in their budget. The nonlapsing funds being held by DCFS is a cushion of emergency funds because they never know when the needs will dramatically increase. This money could be used to cover other items since it's not appropriated elsewhere.

Rep. Vickers wanted confirmation that as the Subcommittee got closer to budget decisions, the staff would provide some type of list of all one-time funding requests.

Mr. Jardine said there would be a list at the discretion of the Chairs. That is the typical pattern.

Mr. DePaulis addressed Sen. Niederhauser about the federal funds reduction issue. The federal funds reduction issue is also being considered when asking for some flexibility in DHS budget.

Sen. Niederhauser asked what percentage of DHS budget was flexible and whether a loss of two or three percent may be sustainable.

Mr. DePaulis indicated the flexibility is less than five percent. DHS believes they could be sustained.

5. Substance Abuse and Mental Health - Plan to Address Potential Loss of Federal Funds

The department had no additional comments from what it had presented during other meetings.

6. Issue Brief: Substance Abuse and Mental Health - Output and Outcome Measures

Mr. Jardine presented the Issue Brief. This report is part of a follow up to the Human Services in-depth Budget Review. He noted trends that can be seen in the tables. DHS reported on their output and outcome measures in a summary on page two.

7. Utah State Hospital Funding Study Group Report

Ms. Lana Stohl, Director, DSAMH, spoke concerning those individuals admitted to the Utah State Hospital. The Group Report came out of the in-depth budget review. The Legislative Fiscal Analyst (LFA) suggested the department realign their priorities and decision making by moving funding for USH to the local mental health authorities since they had decision making over individuals placed in the Hospital. The LFA also requested that the department and the counties provide two options around this issue. The LFA indicated county authorities manage USH placements but not the USH funding. LFA believes this set up creates dis-incentives for the local authorities to consider cost when making placements. The Hospital admits the most seriously mentally ill adults and children who have failed often in multiple settings at lower levels of care. All individuals admitted must meet the criteria for civil court commitment. USH serves those that need intermediate care, whereas acute inpatient care is treated at local facilities for less than 30 days typically.

The Study Group used a process that included DHS leadership, county authorities, advocates, parents, local mental health center leadership and financial staff, and the Medicaid division from DOH. The Group also devoted one of its meetings to a presentation by the NAMI Utah staff to gather their input. They looked at some of the underlying assumptions coming from the review. The Study Group noted that there was no evidence of the misalignment of incentives and the counties don't have sole control of admissions and discharges. Although all admissions are screened by the counties for placement, the clinical and medical staff at USH reviews each referral and determines placement based on clinical need and admission criteria standards. The centers for Medicaid and Medicare services, and the joint commission for hospitals, as well as the courts, all look at eligibility for patients. Utah has about half the State hospital beds per capita of the national average with the fourth lowest utilization rate for adults and 13th lowest for children despite Utah's large pediatric population. Increased bed utilization moves individuals through the system which decreases costs and wait times. Utah has chosen not to open the Medicaid code for psychiatric residential treatment centers because of the enormous cost. Local mental health authorities have developed best practice treatment modalities and increased community based services.

The Study Group came up with some options for changing the funding of the Utah State Hospital as shown in the charts of their report. In looking at the options, the Group realized they needed to address all parts of the State. Each option was based on data from Utah and other states. There were two significant pieces of data to consider. Last year, the local mental health authorities treated 29,500 adults in the community while admitting only 219 individuals to the Hospital. The local mental health authorities treated 15,500 children and admitted only 109 children to the hospital.

The conclusion of the Study Group's findings is to continue appropriating funding directly to the Utah State Hospital at the current level. Doing otherwise would have a negative impact on the system as a whole. Other recommendations include increasing funding to community based services to increase the infrastructure. The Group suggests funding the early intervention building block. In order to curb costs, the community needs to intervene earlier. Mental illness is a childhood and young adult disorder with 75% of all mental illnesses being diagnosed by age 25. If the Subcommittee chooses not to accept the Group's recommendations, they would like the Subcommittee to carefully study the impact data in the report.

Mr. Adam Trupp, General Legal Counsel, Utah Association of Counties, has been fully involved in the discussion on this issue. There are some options to increase community-based services but he feels the current system is well-balanced and is used pretty conservatively. Mr. Trupp indicated the Utah Association of Counties supports these results. He asked the Subcommittee to review the study carefully. The current system has served us well.

Rep. Chavez-Houck wanted to discuss the house bill that was passed on civil commitment. She noted that it had a fiscal note attached and wanted to know how it fits into the budget.

Vice Chair Last apologized to NAMI for running out of time. He welcomed them to come back tomorrow. He also mentioned that if anyone wanted to bring a motion forward to the committee for consideration, they needed to be in touch with the Chairs and staff.

Rep. Weiler clarified that when the Subcommittee says it's out of time, that it's not about the issues being discussed but their commitment to be on the legislative floor.

8. Issue Brief: Drug Offender Reform Act (DORA)

Deferred to tomorrow.

9. Budget Brief: Aging and Adult Services - Output and Outcome Measures

Deferred to tomorrow.

10. Other Business

None.

MOTION: Co-Chair Christensen moved to adjourn.

Vice Chair Last adjourned the meeting at 9:52 am.

Minutes were reported by Mrs. Pope, Senate Secretary

Sen. Allen M. Christensen Co-Chair

Rep. Bill Wright, Co-Chair