

**MINUTES OF THE
SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE**

Room 30, House Building, State Capitol Complex
TUESDAY, JANUARY 24, 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. Peter C. Knudson
Sen. Wayne L. Niederhauser
Sen. Luz Robles
Sen. Todd Weiler
Rep. Jim Bird
Rep. Rebecca Chavez-Houck
Rep. John Dougall
Rep. David Litvack
Rep. Ronda Rudd Menlove
Rep. Kraig Powell
Rep. Evan Vickers
Rep. Larry B. Wiley

MEMBERS EXCUSED: Sen. Margaret Dayton

MEMBERS ABSENT: Rep. Daniel McCay

STAFF PRESENT: Mr. Russell Frandsen, Fiscal Analyst
Mr. Stephen Jardine, Fiscal Analyst
Mr. Gary Ricks, Fiscal Analyst
Mrs. Diane Pope, Committee 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 speakers, visitors and a copy of handouts are filed with the committee minutes.

1. Introduction

Co-Chair Christensen called the meeting to order at 8:19 am.

2. Approval of Minutes

MOTION: Rep. Wiley moved to approve the minutes of July 21, 2011. The motion passed, with a quorum noted.

3. What is Your Agency Doing to Encourage Employment?

3a. Department of Health

Dr. David Patton, Executive Director, Department of Health (DOH), presented a handout of an overview of what the agency covers, which includes over 100 programs. The mission of the

Department of Health is to protect the public's health by preventing illness, injury, and premature death, providing healthcare for the poor and promoting healthy lifestyles. Department goals include having a healthier workforce and cheaper healthcare costs. Two of the programs specific to employment are the Worksite Wellness Program which helps to reduce obesity of employees and the Chronic Disease Self-Management Program which trains those who have a chronic disease to deal with fatigue and pain, exercise to maintain strength, improve nutrition, how to use appropriate medications and how to approach healthcare professionals. DOH has reduced some of the rules, as part of the Governor's initiative, so that businesses are able to prosper. DOH also covers health and welfare training, the emergency management program under which they certify EMT's, and a number of Medicaid programs where individuals can transition to work with the use of waivers. Overall, the department helps employment by keeping employees healthy.

Rep. Wright asked about the reduction of rules. Some of the businesses have indicated that they have not seen the reduction.

Dr. Patton indicated that they have reviewed and eliminated several rules. Specifically they've looked into rules for buildings.

Sen. Jones asked all departments to remark on the number of cuts in personnel and how that is related to increasing job opportunities.

Dr. Patton didn't feel that the intent of the agenda item was to increase jobs within their department. He indicated that they have lost many jobs, both through layoffs and attrition, and over \$50 million in funding over the past three years. It has forced them to be as efficient and lean as possible.

Sen. Jones asked what the benefit or detriment these cuts have had for the citizens, and how the cuts have affected the counties.

Dr. Patton indicated that the biggest impact has been on response times, with Medicaid being hit the hardest. The department is running with two percent administrative overhead. He expressed concern about the work load that has been placed on the remaining employees of his department. Dr. Patton said that the department has made a concerted effort to hold the local health departments harmless. Immunizations is one area that has been affected.

Rep. Litvak asked if there have been any studies done in respect to the DOH mission statement that calculate the economic loss as a result of the reductions as well as loss of productivity.

Dr. Patton did not have specific answers but said studies have been done that support that there are substantial losses.

Rep. Menlove commended Dr. Patton and the Department of Health on their efforts to help individuals on Medicaid to find work. She is encouraged by the effort to transition individuals to being independent.

Dr. Patton noted that Medicaid is considered a temporary assistance program.

Rep. Vickers asked if the DOH has looked at shifting administrative resources to the rural areas. He felt that the rural departments do a good job and could use more resources.

Dr. Patton stated that there was some legislation passed a few years ago that set up an organization between the health departments to look at how money is distributed and how to use the grants most effectively.

Dr. Patton, referring to the handout, noted that the Department of Health is having an impact on the health of the state. The population of Utah has the lowest smoking rate in the country, lowest cancer death rate, third lowest adult diabetes rate, and third lowest infant mortality rate. Obesity is an area that needs to be addressed, with about 25 percent of the population being overweight. Even though Utah has the lowest rate of smoking, there are still nine percent of the population that do smoke. On page 3 there is a list of divisions that the DOH covers. On page 7, Dr. Patton noted that the department covers approximately 240,000 individuals each year under Medicaid with 61 percent of recipients being children. The majority of other users are disabled, aged, or pregnant women. The preferred drug list has been very successful. Utah has the lowest enrollment of individuals on Medicaid at nine percent of the population. Utah has some of the best data collection. The DOH goals are to have the healthiest people, to include health in healthcare reform, to transform Medicaid and to establish a great organization.

5. Federal Funds Approval

5.a. Issue Brief: Federal Funds in the Department of Health

Not heard.

5.b. Department of Workforce Services (DWS)

Mr. Gary Ricks presented "Issue Brief: Federal Funds, Department of Workforce Services." The issue brief is required by statute to be presented to each subcommittee by the fiscal analyst regarding Federal funds. The legislative subcommittee will review the Federal funds request summary and may recommend that the agency accept the funds and participate in the programs or decide not to accept the Federal funds and not participate in the Federal programs. The DWS is still receiving funds from the American Recovery and Reinvestment Act (ARRA). For the fiscal year (FY) 2012, DWS received funds covering four areas, in the amount of \$220,400,000. The four areas covered are: Unemployment Insurance Compensation (\$205 million), Unemployment Insurance Administration (\$5 million), Temporary Assistance for Needy Families (\$10 million) and Healthcare Tax Credit (\$400,000.) In FY 2013, the projected ARRA funding is reduced to \$12,092,000 with the following funding: Unemployment Insurance Compensation (\$9.3 million), State Energy Sector Grant (\$2.5 million), and Workforce Investment Act Healthcare Tax Credit (\$235,000). The analyst recommends that the Subcommittee recommend that the Department of Workforce Services accept the Federal funds including the ARRA funding amounts listed in the report and participate in the attendant Federal programs for the FY12 and FY13.

5.c. Issue Brief: FY 2013 - DHS - Federal Funds

Not heard.

5.d. Issue Brief: FY 2013 - USOR - Federal Funds

Not heard.

3.b. Department of Human Services

Mr. Palmer DePaulis, Executive Director, Department of Human Services (DHS), presented a department overview. DHS is the largest department in state government with a budget of about \$650 million. DHS employs about 4,200 individuals, but has lost about 800 positions. The major divisions include Child and Family Services, Juvenile Justice Services (reports to another committee), Division of Services for People with Disabilities, Division of Aging and Adult Services, and the Division of Substance Abuse and Mental Health. The Department has several offices, with the Office of Recovery Services being the largest. DHS also has responsibility for two institutions, the Utah State Hospital and the Utah State Developmental Center. The department provides services rather than benefits. These are mostly support services for people that need to correct behavior, to function better, to give kids a second chance and make healthy families. In the area of disabilities, the department has instituted community support waivers which are much less expensive services, allowing individuals to function, rather than being housed. DHS tries to get people employed and paying taxes.

The Department of Human Services issues contracts to private providers in the community worth approximately \$350 million. Those contracts help to employ over 30,000 people. DHS also partners with the DOH, DWS, and USOR. Mr. DePaulis referred to the handout, "Department of Human Services: Efforts to Encourage Employment", covering the major divisions within the department. Mr. DePaulis mentioned the bill presented by Rep. Menlove that helps to encourage employment for individuals that are eligible for services and enrolled on waiting lists. This is part of the waiver program.

Sen. Jones complimented the work being done by the department and asked if the department was using federal funds effectively.

Mr. DePaulis reported that Utah has a very good match in its formula so that for every 30 cents Utah spends, the federal government matches with 70 cents. When the department loses money from the State, the impact is tripled with the loss of Federal funds as well.

Rep. Menlove wanted to know how many people are on services waiting lists and if there is any data concerning individuals no longer on the waiting lists.

Mr. DePaulis indicated that about 2,000 individuals were on the rolls but he suspects that there are many more that have become frustrated with the system and are no longer being counted. Mr. DePaulis will bring data to the committee in the future. This is where the waiver has been very beneficial.

3c. Department of Workforce Services (DWS)

Ms. Kristen Cox, Executive Director, Department of Workforce Services (DWS), presented the overview of the Department of Workforce Services. Ms. Cox presented a handout, "Workforce Alignment." The goal of DWS is to strengthen Utah's economy by supporting quality and

stability through the workforce. Every service is seen ultimately as a temporary service. The Department provides over 90 programs with unemployment being the largest division. DWS changed the data gathering system using constraint management so that duplication between departments can be minimized with the result of creating a 33 percent reduction. There has been a reduction in the DWS workforce by planned attrition. The Department has implemented a pay for performance program in-house.

The employment initiative is to operate together as a system, not as individual departments within the agency. The Workforce Alignment has 6 key levers. First, the Department identifies employer workforce needs by studying data from several sources. Second, DWS connects employers with qualified job seekers. The Department started a new job seekers website that is receiving 10 million hits per month. Third is the evaluation of job seeker readiness or preparedness for employment. DWS uses a work readiness evaluation and determines transferable skills. The Department does everything for employment through training. Fourth, DWS provides world-class economic data and tools to support workforce, education and job creation activities. DWS works with higher education as well as the high schools. DWS supports the Utah Futures program. Fifth is the support of job creation. The Department received recruiting funds based on the data. Sixth is the philosophy that people who can work, do work. If DWS meets its targets, this alignment strategy leads to a reduction in cases by 18,000.

Rep. Chavez-Houck asked if DWS is helping people to move upward to a profession, looking for a diversity in training, not just getting them jobs.

Ms. Cox said that was the purpose of using career pathways, starting in high school. There are several training levels for jobs. Within those categories, identify the top jobs for success by addressing the demand. DWS is especially concerned with retention and promotion.

Rep. Chavez-Houck asked about non-traditional students and women returning to the workforce and maximizing the individual's abilities.

Ms. Cox explained that there are several services where there is extensive training from childcare to transportation as part of the job seeking process.

Sen. Jones asked how the Department will deal with health care reform and eligibility.

Ms. Cox replied that plans are being made; there are time lines and policy development. Need to be ready by 2014 if things move forward as planned.

Rep. Bird wondered what is happening with kids that don't fit the traditional mold and how workforce services is working with the high schools to develop a place for the trades. Rep. Bird would like statistics of where these kids end up.

Ms. Cox answered that workforce services is supporting these kids through education, specifically through "Utah Futures." DWS is looking for mentors in the trades.

4. Report on Increasing Public Awareness of Reporting Medicaid Fraud

Mr. Lee Wycoff, Inspector General, Office of the Inspector General (OIG), was available for comment. The Office has enhanced the department's website to build awareness of fraud and worked to increase status in social media. There is also a tool for doctors to report fraud. A training coordinator is working on developing an education program to take to the providers, targeting issues or problems found in common. The Office is developing curriculum to take to every provider in terms of preventative work.

Sen. Christensen wanted to know if the trainer was going out on request or working down the list of problems.

Mr. Wycoff stated that the current goal is to work with providers about which OIG has specific concerns.

Rep. Chavez-Houck asked if the OIG would be exploring webinars and working with personnel or associations beyond doctors. Rep. Chavez-Houck also commented that the training sounds beneficial but wants more detail and the committee would like a future report on its progress.

Mr. Wycoff indicated that webinars have not been discussed. The department is working more on problems at this time because many providers are making the same types of mistakes. Mr. Wycoff has been in touch with the Utah Hospital Association and the nursing home system. OIG is just branching out into prevention.

3d. Utah State Office of Rehabilitation

Mr. Russell Thelin, Division Director, Utah State Office of Rehabilitation (USOR), provided a handout, "Employment & Independence". The USOR mission statement is to assist eligible individuals in obtaining employment and increasing their independence. Employment emphasis is based on preparedness. The Community Work Incentive Program provides direct guidance to help individuals from living on Medicaid to working independently. The office works to help those with special needs to recognize their potential.

6. Other Business

No other business was conducted.

MOTION: Rep. Litvack moved to adjourn, and the vote was unanimous in the affirmative.

Co-Chair Christensen adjourned the meeting at 10:00 am.

Minutes were recorded by Mrs. Diane Pope, Senate Secretary.