

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

BUDGET COMMITTEE ON HUMAN SERVICES

Thursday, August 7, 2003
 Roughrider Room, State Capitol
 Bismarck, North Dakota

Representative Clara Sue Price, Chairman, called the meeting to order at 10:00 a.m.

Members present: Representatives Clara Sue Price, Jeff Delzer, William R. Devlin, Gary Kreidt, Vonnie Pietsch, Louise Potter, Wayne W. Tieman, Robin Weisz, Alon Wieland

Members absent: Senators Bill L. Bowman, Tom Fischer, Joel C. Heitkamp, Aaron Krauter, Judy Lee, Harvey Tallackson, Russell T. Thane

Others present: See attached appendix

Mr. Jim W. Smith, Legislative Budget Analyst and Auditor, reviewed the Legislative Council supplementary rules of operation and procedure.

Chairman Price announced that Senator Thane would serve as vice chairman of the committee. Chairman Price said the committee may meet in other cities across the state if the committee is assigned to tour state facilities such as the human service centers.

human services programs. The Legislative Council staff said the study is to include administrative costs incurred by the central office of the Department of Human Services, human service centers, and county social services. In addition, the study is to include a review of the effects of the 1997 "swap" legislation on state and county human services program costs.

The Legislative Council staff reviewed previous studies relating to human services program administrative costs, including a 1995-96 interim study that recommended 1997 House Bill No. 1041 providing for the "swap" agreement. The "swap" agreement, as approved by the 1997 Legislative Assembly, required counties, effective January 1, 1998, to assume financial responsibility for the costs of administering certain economic assistance programs and required the state to assume complete financial responsibility for grant programs, including temporary assistance for needy families (TANF), basic care, child care assistance, and medical assistance. In addition, the state agreed to provide additional support for administrative costs of counties with Indian land. Statutory provisions relating to these programs are contained in North Dakota Century Code Title 50.

The schedule below presents legislative appropriations for TANF, basic care assistance, child care assistance, medical assistance, and grants to Indian counties since the 1997-99 biennium:

**HUMAN SERVICES PROGRAM
 ADMINISTRATIVE COSTS**

The Legislative Council staff presented a memorandum entitled *Human Services Administrative Costs - Background Memorandum* relating to the committee's study, as directed by Section 14 of Senate Bill No. 2012, of the administrative costs of

	1997-99	1999-2001	2001-03	2003-05
TANF				
General fund	\$5,700,000	\$5,500,000	\$3,950,382	\$3,950,382
Special funds	4,000,000	6,397,947	10,525,123	12,215,691
Federal funds	31,200,000	13,110,930	11,150,551	13,341,867
Total	\$40,900,000	\$25,008,877	\$25,626,056	\$29,507,940
Child care assistance				
General fund				\$5,726,109
Special funds	\$3,528,016	\$3,675,262	\$4,013,314	
Federal funds	14,749,420	12,832,634	17,233,719	21,335,096
Total	\$18,277,436	\$16,507,896	\$21,247,033	\$27,061,205
Basic care assistance				
General fund	\$1,654,727			\$747,857
Special funds	4,473,987	\$7,690,647	\$2,783,072	2,284,362
Federal funds			6,081,186	5,363,506
Total	\$6,128,714	\$7,690,647	\$8,864,258	\$8,395,725
Medical assistance¹				
General fund	\$180,467,562	\$195,469,683	\$217,096,629	\$259,872,239
Special funds	7,206,368	8,035,112	36,388,827 ²	12,584,800

	1997-99	1999-2001	2001-03	2003-05
Federal funds	422,301,922	471,880,515	550,022,159	596,320,683
Total	\$609,975,852	\$675,385,310	\$803,507,615 ²	\$868,777,722
Grants to Indian counties				
General fund		\$121,766	\$456,993	\$649,559
Special funds	\$1,059,000	1,654,654	2,068,007	1,964,607
Total	\$1,059,000	\$1,776,420	\$2,525,000	\$2,614,166
Total				
General fund	\$187,822,289	\$201,091,449	\$221,504,004	\$270,946,146
Special funds	\$20,267,371	\$27,453,622	\$55,778,343	\$29,049,460
Federal funds	\$468,251,342	\$497,824,079	\$584,487,615	\$636,361,152
Total	\$676,341,002	\$726,369,150	\$861,769,962	\$936,356,758

¹Includes nursing facilities, intergovernmental transfer payments, and developmental disabilities services grants, but excludes Healthy Steps.

²Includes the \$16.3 million special funds deficiency appropriation approved by the 2003 Legislative Assembly.

The Legislative Council staff proposed the following study plan:

1. Receive information from the Department of Human Services regarding administrative costs of the central office, State Hospital, Developmental Center, and human service centers.
2. Receive information from the Department of Human Services regarding grant cost changes resulting from the "swap" agreement since 1997.
3. Receive information from the North Dakota County Social Services Directors Association regarding administrative cost changes of county social service agencies since 1997.
4. Receive information from the Department of Human Services and county social service agencies analyzing administrative cost increases incurred by county social service agencies for select economic assistance programs since the 1997-99 biennium and the grant cost increases paid by the state for economic assistance programs since the 1997-99 biennium.
5. Review administrative cost levels of human service programs in other states.
6. Receive testimony from other interested persons regarding administrative costs of the Department of Human Services and county social service agencies.
7. Develop recommendations and prepare any legislation necessary to implement the recommendations.
8. Prepare a final report for submission to the Legislative Council.

Ms. Brenda Weisz, Chief Financial Officer, Department of Human Services, commented on the committee's study of the administrative costs of human services programs. Ms. Weisz offered assistance from the department as the committee conducts its study.

Representative Weisz asked why federal funding for the TANF program decreased from \$31.2 million in the 1997-99 biennium to approximately \$13 million in subsequent bienniums. Ms. Weisz said prior to 1998, under the aid to families with dependent children program, the federal funds were used only for family benefits. Since welfare reform, she said, the state receives its federal TANF funds as a block grant. As a result, the department now allocates the federal funding to a number of programs.

Representative Price asked whether the department has information available on the amount of time spent administering various programs. Ms. Weisz said for a number of federal programs, the department is required to complete time studies.

HUMAN SERVICE CENTER STUDY

The Legislative Council staff presented a memorandum entitled *Human Service Center Services - Background Memorandum*. The Legislative Council staff said Senate Concurrent Resolution No. 4001 provides for the Legislative Council to study the delivery of services and cost versus benefit of those services provided by the eight human service centers, to consider the possibility of combining human service centers and the administrative costs of the centers related to the programs and clients served, and to study third-party reimbursement and competition with private providers.

The Legislative Council staff reviewed previous studies relating to human service center services, including a 1999-2000 study of human service center services. The committee reviewed the human service centers' services, caseloads, contracts for services, administrative costs, and funding. The following schedules present the funding, full-time equivalent (FTE) positions, percentage of funding spent on administrative costs, and caseloads for the human service centers:

Human Service Center	1999-2001 Biennium Appropriation			FTE	Administrative Cost Percentage
	General Fund	Other Funds	Total		
Northwest Human Service Center	\$4,102,011	\$3,554,087	\$7,656,098	67.00	18.4%
North Central Human Service Center	7,321,844	7,030,328	14,352,172	110.75	13.7%
Lake Region Human Service Center	4,296,195	3,086,833	7,383,028	66.00	17.5%
Northeast Human Service Center	6,675,924	10,589,332	17,265,256	157.65	10.7%
Southeast Human Service Center	7,714,051	10,922,681	18,636,732	181.75	11.9%
South Central Human Service Center	5,045,074	4,341,654	9,386,728	79.00	15.2%
West Central Human Service Center	7,237,801	10,680,615	17,918,416	131.15	11.3%
Badlands Human Service Center	4,273,846	4,626,639	8,900,485	90.50	16.7%
Total	\$46,666,746	\$54,832,169	\$101,498,915	883.80	13.3%

Fiscal Year	Unduplicated Clients	Adult Caseload	Adolescent Caseload	Total Caseload
1998	25,990	31,314	8,031	39,345
1999	26,833	32,379	8,269	40,648
2000	27,659	33,958	8,140	42,098

The Legislative Council staff said the Department of Human Services operates eight regional human service centers--the Northwest Human Service Center in Williston, North Central Human Service Center in Minot, Lake Region Human Service Center in Devils Lake, Northeast Human Service Center in Grand Forks, Southeast Human Service Center in Fargo, South Central Human Service Center in Jamestown, West Central Human Service Center in Bismarck, and Badlands Human Service Center in Dickinson.

The Legislative Council staff said the 2003 Legislative Assembly appropriated \$108,545,653, of

which \$52,321,098 is from the general fund, for the eight human service centers for the 2003-05 biennium. The total includes a \$250,000 general fund mental health community services contingency funding pool to be distributed to human service centers for mental health and substance abuse services based on the needs of the regions. The Legislative Assembly authorized the human service centers 833.88 FTE positions for the 2003-05 biennium.

The following schedule provides information regarding the 2003-05 biennium appropriation and the authorized FTE levels for each human service center:

2003-05 Biennium				
Human Service Center	General Fund	Other Funds	Total	FTE
Northwest Human Service Center	\$3,630,039	\$3,645,640	\$7,275,679	51.00
North Central Human Service Center	7,841,196	6,723,674	14,564,870	114.78
Lake Region Human Service Center	4,637,960	3,782,973	8,420,933	63.00
Northeast Human Service Center	7,996,363	11,444,820	19,441,183	136.90
Southeast Human Service Center	9,509,320	11,215,222	20,724,542	184.20
South Central Human Service Center	5,627,107	5,731,868	11,358,975	86.00
West Central Human Service Center	8,463,209	9,121,635	17,584,844	120.00
Badlands Human Service Center	4,365,904	4,558,723	8,924,627	78.00
Mental health contingency	250,000		250,000	0.00
Total	\$52,321,098	\$56,224,555	\$108,545,653	833.88

The Legislative Council staff said the human service centers have begun sharing administrative and program services, including:

Director

- Lake Region and South Central Human Service Centers.
- Northeast and Southeast Human Service Centers.
- West Central and Badlands Human Service Centers.
- Northwest and North Central Human Service Centers (effective October 1, 2003).

Business manager

- Northwest and North Central Human Service Centers.

Child care licensing regional representative

- Southeast and South Central Human Service Centers.
- West Central and Badlands Human Service Centers.

Long-term care ombudsman

- Northwest and North Central Human Service Centers.
- Lake Region and Northeast Human Service Centers.
- Southeast and South Central Human Service Centers (Aging Services employee).

Adult Protective Services

- Northwest and North Central Human Service Centers.

Vision specialist

- Northwest and North Central Human Service Centers.

Developmental disabilities regional program administrator

- West Central and Badlands Human Service Centers.

The Legislative Council staff proposed the following study plan:

1. Receive information from each of the human service centers regarding programs and services, staffing, programmatic and administrative costs, number of clients served, and sources of funding, including third-party reimbursements.
2. Receive testimony from interested persons, including the North Dakota County Social Services Directors Association, representatives of private providers, and clients regarding human service center programs and services and competition with private providers.
3. Develop committee recommendations and prepare any legislation necessary to implement the recommendations.
4. Prepare a final report for submission to the Legislative Council.

Ms. Yvonne Smith, Deputy Director, Department of Human Services, commented regarding the study of services provided by the human service centers. She said over the past few years, the department has been combining various functions of the human service centers in order to streamline administration and focus on funding direct services. She said the department has defined core services and budget allocations have been revised to reflect demographic patterns of the state. She said the department has combined administrative, management, and supervisory functions at the human service centers and the centers have continued to develop partnerships and contractual arrangements with private providers for residential services, specialty consultation services, and inpatient treatment. She said the emphasis on services continues to shift from institution-based to community-based. She said the human service centers with their community partners have developed the capacity to serve the complex needs of individuals who in the past would have been placed in inpatient settings. A copy of the report is on file in the Legislative Council office.

COMMITTEE DISCUSSION

Chairman Price asked the Department of Human Services to present information on its strategic plan and definitions of the department's core services at the committee's next meeting.

Chairman Price asked that the committee receive information relating to:

1. Population and demographic information by county and human service region.
2. The number of clients served by counties and human service centers by type of service.
3. Funding for human service programs since the 1995-97 biennium.
4. Service capacity of human service centers, county social services, and private providers.
5. Services the department contracts for with private providers, the number of clients

served by contract providers, and funding reimbursements for providers.

Representative Delzer suggested the committee receive information on the status of TANF reauthorization by Congress.

Representative Weisz asked that the committee receive information on how the service types offered by human service centers and the counties are determined.

Chairman Price asked for committee discussion on the proposed study plan for the human service program administrative cost study.

Representative Delzer suggested the committee receive information on computer system costs paid by the state since the 1995-97 biennium.

Representative Price suggested the committee review administration of the children's health insurance program (Healthy Steps).

Representative Devlin suggested the committee receive information on the adjustments that counties have made to administrative functions since 1997.

Representative Delzer suggested the committee receive information on the number of counties that have combined services since 1997.

Representative Devlin asked that the committee receive information on the caseloads of counties since 1997 and on the funding provided for the Indian county allocation.

In response to a question from Representative Devlin, Ms. Kathy Hogan, Director, Cass County Social Services, said that Cass County has asked for an exception from the salary scale for its social services employees based on a recommendation of a consultant that would allow Cass County to provide more competitive social services staff salaries.

It was moved by Representative Delzer, seconded by Representative Weisz, and carried on a voice vote that the committee adopt the following study plan for its study of human services program administrative costs:

1. **Receive information from the Department of Human Services regarding administrative costs of the central office, State Hospital, Developmental Center, and human service centers.**
2. **Receive information from the Department of Human Services regarding grant cost changes resulting from the "swap" agreement since 1997.**
3. **Receive information from the North Dakota County Social Services Directors Association regarding administrative cost changes of county social service agencies since 1997, the adjustments that counties have made to their administrative functions since 1997, the number of counties that have combined services since 1997, county caseload changes since 1997, and how the types of services**

provided by county social services are determined.

4. Receive information from the Department of Human Services and county social service agencies analyzing administrative cost increases incurred by county social service agencies for select economic assistance programs since the 1997-99 biennium and the grant cost increases paid by the state for economic assistance programs since the 1997-99 biennium.
5. Review the administrative costs and functions of the children's health insurance program.
6. Review state assistance provided to Indian counties since 1997.
7. Review administrative cost levels of human services programs in other states.
8. Receive testimony from other interested persons regarding administrative costs of the Department of Human Services and county social service agencies.
9. Develop recommendations and prepare any legislation necessary to implement the recommendations.
10. Prepare a final report for submission to the Legislative Council.

Chairman Price asked for committee discussion regarding the proposed study plan for the study of human service centers.

Representative Delzer suggested the committee receive additional information on historical costs of human service centers.

Representative Kreidt suggested the committee receive information on human service center facilities.

Representative Price suggested the committee receive information on waiting lists of human service centers and private providers, a listing of services the department contracts for by region and of the private providers available to provide those services, and on the original purpose of the human service centers when established in 1981.

Representative Wieland suggested the committee ask the Department of Human Services to explain its methodology of consolidating or sharing services between specific human service centers.

Representative Devlin suggested the committee analyze whether services are being duplicated at human service centers and county social services.

Chairman Price asked that the Legislative Council staff survey all counties to gather the information being requested by the committee.

It was moved by Representative Kreidt, seconded by Representative Wieland, and carried on a voice vote that the committee proceed with the study of human service center services as follows:

1. Receive information from each of the human service centers regarding programs and services, staffing,

programmatic and administrative costs, number of clients served, and the sources of funding, including third-party reimbursements.

2. Review human service center facilities and associated costs.
3. Receive information on the original purpose of the human service centers, waiting lists of both public and private providers, the types of services contracted with private providers by human service region, and the availability of private providers by human service region.
4. Review the department's plan for sharing services and administrative functions between human service centers.
5. Consider the duplication of programs provided by the human service centers and county social services.
6. Receive testimony from interested persons, including the North Dakota County Social Services Directors Association, representatives of private providers, and clients regarding human service center programs and services and competition with private providers.
7. Develop committee recommendations and prepare any legislation necessary to implement the recommendations.
8. Prepare a final report for submission to the Legislative Council.

DEVELOPMENTAL DISABILITIES SERVICES PAYMENT SYSTEM

The Legislative Council staff presented a background memorandum entitled *Developmental Disabilities Services Payment System* which included information on the committee's responsibility to receive reports during the 2003-04 interim from the Department of Human Services regarding the development of a new payment system for developmental disabilities services providers.

The Legislative Council said 2003 Senate Bill No. 2086 provides that the Department of Human Services report to the Legislative Council during the 2003-04 interim regarding its progress in developing a fee-for-service payment system for treatment or care centers and by October 1, 2004, the department certify to the Legislative Council whether the department and developmental disabilities services providers have reached an agreement on a new fee-for-service payment system.

The Legislative Council staff said the 2001 Legislative Assembly approved Senate Bill No. 2307, which provided that the Department of Human Services, in cooperation with developmental disabilities services providers, prepare a joint recommendation for consideration by the 2003 Legislative Assembly regarding a

new statewide developmental disabilities services provider reimbursement system. The 2001-02 interim Budget Committee on Human Services received quarterly reports from the Department of Human Services regarding the progress of the workgroup organized to develop the recommendation. The workgroup consisted of representatives of the Department of Human Services, developmental disabilities services providers, and legislators. The committee learned that although a consensus of all developmental disabilities services providers was not reached, a strong majority expressed support that the department, in cooperation with the developmental disabilities services industry, develop a bill to implement a prospective fee-for-service payment system in lieu of the current retrospective system. The prospective fee-for-service model would be based on allowable costs and be provider-specific. The prospective system would establish the reimbursement rate prior to the provision of services. Each provider's rate would be unique based on each provider's historic costs. The initial rate would be adjusted each year by inflationary increases until periodically rebased as determined by the Legislative Assembly. The targeted implementation date of the new payment system would be July 1, 2005, and the payment system would be budget-neutral as compared to the current system.

The Department of Human Services introduced 2003 Senate Bill No. 2086 to implement a fee-for-service ratesetting system effective July 1, 2005. As passed by the 2003 Legislative Assembly, the bill creates a workgroup consisting of one voting member appointed by the Governor, three voting members from the Department of Human Services, and three voting members from the North Dakota Association of Community Facilities. The bill:

1. Provides that the department implement a fee-for-service payment system by July 1, 2005. The fee-for-service payment system must require each developmental disabilities services provider to be responsible for its own operating costs and that the fee paid represents payment in full for the services provided.
2. Establishes a trust fund with up to two-tenths of 1 percent of the general fund appropriation provided for developmental disabilities grants for the 2005-07 biennium to be used for:
 - a. Reasonably unforeseeable costs experienced by developmental disabilities providers.
 - b. One-time improvements needed to comply with life safety codes.
 - c. Additional costs associated with providing services to individuals with extraordinary needs.
3. Requires the department to report to an interim Legislative Council committee regarding its progress in developing a

fee-for-service payment system and to certify to the Legislative Council by October 1, 2004, whether the department and developmental disabilities providers reached an agreement on the new payment system.

The Legislative Council staff said the 2003 Legislative Assembly appropriated a total of \$190.6 million for developmental disabilities services grants for the 2003-05 biennium, of which \$61.9 million is from the general fund and \$128.7 million from federal funds. In total the funding provided for developmental disabilities services grants is an increase of \$17.1 million compared to the 2001-03 biennium appropriation of \$164.2 million. The Legislative Assembly provided funding for increasing the average wage for employees of developmental disabilities services providers by 87 cents per hour and for increasing the allowable fringe benefits percentage from 30 to 33 percent of salary.

The 2003-05 biennium budget anticipates serving an average of 2,189 developmental disabilities clients in day and residential services for each year of the 2003-05 biennium and 1,337 clients in family support programs for each year of the 2003-05 biennium.

The Legislative Council staff proposed the following study plan:

1. Receive reports from the Department of Human Services and developmental disabilities providers as requested by the committee on the status of the development of a new developmental disabilities services provider payment system.
2. Receive the Department of Human Services certification by October 1, 2004, regarding whether the department and providers have reached an agreement on a new payment system.
3. Determine whether the provisions of Senate Bill No. 2086 should become effective on July 1, 2005, or whether the provisions should be amended or repealed.
4. Develop committee recommendations and prepare any legislation necessary to implement the recommendations.
5. Prepare a final report for submission to the Legislative Council.

Mr. Gene Hysjulien, Disabilities Services Director, Department of Human Services, commented on the status of the development of a new payment system for developmental disabilities services providers. He said as required by Senate Bill No. 2086, a committee has been formed consisting of three representatives of developmental disabilities services providers, three representatives of the Department of Human Services, and one member appointed by the Governor. He said the committee will be holding its first meeting on August 20, 2003.

Chairman Price asked Mr. Hysjulien to arrange for the meetings of the committee to be taped and to submit the minutes to the Legislative Council staff to

distribute to the Budget Committee on Human Services members. Mr. Hysjulien said he would arrange for copies of the minutes to be delivered to the Legislative Council staff.

The committee recessed for lunch at 11:45 a.m. and reconvened at 1:15 p.m.

CHILDREN'S SERVICES COORDINATING COMMITTEE REPORTS

The Legislative Council staff presented a memorandum entitled *Children's Services Coordinating Committee Reports*. The Legislative Council staff said Section 5 of 2003 House Bill No. 1014 provides that the Children's Services Coordinating Committee report to an interim Legislative Council committee at least twice during the 2003-04 interim on the amount of "refinancing" funds generated and the uses of the funds for the 2003-05 biennium.

The Legislative Council staff said the 2003 Legislative Assembly appropriated \$2,794,000 of funds generated by "refinancing." The schedule below lists the estimated amounts allocated for various purposes:

	Estimated Amount
Department of Human Services	\$279,400
Children's Services Coordinating Committee - Administration	139,700
Grants to regional and tribal committees for collaboration and administration	977,900
Grants to participating entities	1,397,000
Total	\$2,794,000

The Legislative Council staff said that "refinancing" is a system administered through the Department of Human Services when federal reimbursement of eligible administrative costs of local schools, juvenile courts, and public health organizations is claimed under the federal IV-E foster care and Medicaid programs. The local organizations participating in the system complete time studies to document the amount of time spent with children eligible for the federal reimbursement. These time studies are submitted to the regional or tribal children's services coordinating committee, reviewed by the state Children's Services Coordinating Committee, and submitted for federal administrative cost reimbursement by the Department of Human Services. The federal reimbursements are received by the Department of Human Services. The department retains its percentage allocation (10 percent) and transfers the remaining funds to the state Children's Services Coordinating Committee, which retains its percentage (5 percent) and distributes the remaining funds to the Children's Services Coordinating Committee of the region or tribe that generated the funds. Each regional or tribal committee distributes the percentage allocation of funds to each of the organizations that generated the federal reimbursements (50 percent) and uses the remaining funds (35 percent) for its

administrative and operating costs and for other purposes based on the allocations approved by the Legislative Assembly. The percentage allocation of these funds for the 2003-05 biennium compared to the 2001-03 biennium are listed below:

	2001-03 Biennium	2003-05 Biennium
Department of Human Services	10.0%	10.0%
Children's Services Coordinating Committee - Administration	1.7%	5.0%
Children's Services Coordinating Committee - Grants		
Participating entities generating federal funds	20.0%	50.0%
Statewide grants	10.2%	0.0%
Regional and tribal children's services coordinating committees for administrative costs	16.2%	0.0%
Regional and tribal children's services coordinating committees for collaboration efforts	1.8%	0.0%
Regional and tribal children's services coordinating committees for administrative costs and collaboration efforts	0.0%	35.0%
Regional and tribal children's services coordinating committees for grants to providers	40.1%	0.0%
Total	100.0%	100.0%

The estimated funding to be available from "refinancing" for the 2003-05 biennium compared to the 2001-03 biennium is substantially reduced due to a federal policy change relating to the allowable uses of federal IV-E foster care funds. The change became effective on July 1, 2002, and now only allows federal IV-E foster care funding to be claimed if the child being served is in foster care or is a "candidate" for foster care. Previously, these funds could be claimed for a child in foster care or for a child who was "at risk" of being placed in foster care. The 2001 Legislative Assembly anticipated "refinancing" would generate \$8.3 million for the 2001-03 biennium while the 2003 Legislative Assembly anticipates "refinancing" to generate only \$2.8 million for the 2003-05 biennium.

The Legislative Council staff proposed that the committee proceed with this responsibility by receiving reports from the Children's Services Coordinating Committee at meetings after January 1, 2004.

Representative Delzer said it is important for the Legislative Assembly to monitor the amount of and use of the "refinancing" funds received by the state since the amounts generated are substantially less and may result in many local organizations discontinuing submission of time studies to generate the refinancing funds. He said depending on how many organizations continue, the 2005 Legislative Assembly will need to consider the future of this system.

COMMITTEE DISCUSSION

Representative Price suggested the study plan for the developmental disabilities services payment system also include that the minutes of the committee developing the system be taped and the minutes submitted to the Legislative Council office for distribution to members of this committee.

It was moved by Representative Delzer, seconded by Representative Tieman, and carried on a voice vote that the committee proceed with the committee's responsibility to receive reports from the Children's Services Coordinating Committee by receiving those reports at meetings after January 1, 2004, and that the committee proceed with its responsibility to receive reports regarding the developmental disabilities services payment system as follows:

1. **Receive reports from the Department of Human Services and developmental disabilities providers as requested by the committee on the status of the development of a new developmental disabilities services provider payment system.**
2. **Receive the minutes of the workgroup meetings.**
3. **Receive the Department of Human Services certification by October 1, 2004,**

regarding whether the department and providers have reached an agreement on a new payment system.

4. **Determine whether the provisions of Senate Bill No. 2086 should become effective on July 1, 2005, or whether the provisions should be amended or repealed.**
5. **Develop committee recommendations and prepare any legislation necessary to implement the recommendations.**
6. **Prepare a final report for submission to the Legislative Council.**

Chairman Price announced that the next committee meeting would tentatively be scheduled in late October or November 2003.

The committee adjourned subject to the call of the chair at 1:30 p.m.

Allen H. Knudson
Assistant Legislative Budget Analyst and Auditor

Jim W. Smith
Legislative Budget Analyst and Auditor

ATTACH:1