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Deanna Hall
Operator's Signature

10/23/03
Date

2003 SENATE APPROPRIATIONS

SCR 4001

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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4001

Senate Appropriations Committee

☐ Conference Committee

Hearing Date January 24, 2003

Tape Number	Side A	Side B	Meter #
#1	x		1,928 - 3470
Committee Clerk Signature <i>Jan Hendrickson</i>			

Minutes:

Senator Holmberg, chairman, opened the hearing on SCR 4001 (#1928)

Yvonne Smith, Deputy Director of the Department of Human Services (#2033) provided the committee with information in regard to the benefits of the funding flexibility that has been granted to the Human Service Centers, as well as to the State Hospital and Developmental Center. (Her written testimony is Exhibit #1 which is attached) Since the 1995-97 biennium, the human service centers and the two institutions have operated under lump sum appropriations. In addition, the Department's appropriations bill has allowed the transfer of funds among the centers and the institutions, in response to client need. The combination of these two mechanisms has been instrumental in our ability to provide the right services in the right setting to meet the needs that arise. In the past several years, the Department has focused efforts on serving people as close to home as possible, and in the least restrictive appropriate setting. The Department has decreased the average daily census at the State Hospital from 228 in 1997 to 160 now. During the

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Senate Appropriations Committee

Bill/Resolution Number SCR 4001

Hearing Date January 24, 2003

1999-01 biennium, \$468,705 was transferred from the State Hospital budget to the human service center budgets to increase their capacity to provide community based care, including residential services, crisis residential services, short-term psychiatric hospitalization, medical detoxification, and other treatment and care services. The flexibility created by the "lump sum" budget has allowed the centers and the institutions to determine whether to purchase a service or provide the service directly, based upon the employee/provider market in their region. With this flexibility, they are able to address emerging needs more quickly. Through their strategic planning process, the Department has created a greater degree of alignment of services statewide. Through establishing our guiding principles and defining basic core services, we have been able to identify a base level of services that ought to be available to people statewide, regardless of the region they live in, however there is program flexibility from region to region which allows for determining the breadth and scope of service, based upon the unique demographic, geographic, and economic factors. In addition, operational flexibility allows each region to determine how the services will be delivered. In other words, consistency is applied to the "what" of services, and program and operational flexibility is applied to the "how". Funding mechanisms currently existing in the Department's appropriations bill accommodate and encourage this flexibility. The regulations governing some of the federal funding sources create exceptions and limitations for the use of the funds. These regulations must be adhered to if we are to continue to access those federal dollars. The Department is very interested in maintaining the level of funding flexibility granted in the past biennium and look forward to working toward identifying additional funding flexibility based upon performance outcomes that reinforce the statewide system of care for

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Senate Appropriations Committee
Bill/Resolution Number SCR 4001
Hearing Date January 24, 2003

vulnerable people. They also asked that the committee consider including the State Hospital and the Developmental Center in this resolution.

Questions: (#2383)

Senator Kilzer: During the Human Service Center testimony, we heard that the center in the Williston area served 25% of the population, Minot under 10% and in Lake Region it was about 1/3 of the population. Could you comment on that, why the variance, services of other agencies like the State Health Department or is the social economics conditions, what are the factors?

Ms. Smith responded, it is wide factor of reasons, in the rural regions there aren't private providers that are available to provide services, so the Human Service centers end being the only thing in town. For that reason some may serve more than others, also the demographics, like in the lake region where there is a higher degree of poverty.

Other testimonies:

Senator Tim Mathern, (#2723) Senator from District 11 in Fargo and he served on the budget committee in governmental administration that brought this bill before the committee. He felt that the testimony by Ms. Smith showed why this study is needed. When the governmental administration committee visited the Human Service center, they were given the impression that there was not enough flexibility. As a legislature they had times had mandated that certain programs be added, only to find out that the need was not there or had changed, and was then not doing what it should be providing. That is where this bill came from, in fact Senator Nething and a number of other people brought forth this resolution in order to making an environment where there is flexibility that Ms. Smith talked about.. He felt that both the testimony and the experience they had on the subcommittee, there is a need for this study and he didn't think

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Senate Appropriations Committee

Bill/Resolution Number SCR 4001

Hearing Date January 24, 2003

anyone on the Interim committee would mind including the State Hospital and the Developmental Center in this study. Bottom line is we want to make sure that the people get the right services and work with the department in making sure that there is enough flexibility to make that happen.

With no other testimony, the hearing was closed on SCR 4001. (#2961).

Senator Christmann: question regarding the language, if this resolution passed, is this going to be a study resolution that is required of the legislative counsel and thus takes away their flexibility? Should the wording being changed from directing to urges? Alan from Legislative Counsel: the language is consistent with all state resolutions, so the Legislative counsel would decide whether this is studied or not. Senator Holmberg stated that this is not a mandate to have a study.

Motion by Senator Robinson, seconded by Senator Mathern to pass SCR 4001. Roll call vote was taken on a do pass. Motion carried. (Roll call vote is attached). Senator Mathern was asked to carry the first bill from this committee. Senator Mathern accepted.

With no other business before the committee, the meeting was adjourned for the weekend by Senator Holmberg, chair. (#3470).

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10/23/03
Date

Date: 1-24-03
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SCR 4001

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Senator Robinson Seconded By Senator Mathern

Senators	Yes	No	Senators	Yes	No
Senator Holmberg, Chairman	x				
Senator Bowman, Vice-Chair	x				
Senator Grindberg, Vice-Chair	x				
Senator Andrist	x				
Senator Christmann	x				
Senator Kilzer	x				
Senator Krauter					
Senator Kringstad	x				
Senator Lindaas	x				
Senator Mathern	x				
Senator Robinson	x				
Senator Schobinger	x				
Senator Tallackson	x				
Senator Thane	x				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Senator Mathern

If the vote is on an amendment, briefly indicate intent:

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10/23/03
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REPORT OF STANDING COMMITTEE (410)
January 24, 2003 9:25 a.m.

Module No: SR-14-1024
Carrier: Mathern
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SCR 4001: Appropriations Committee (Sen. Holmberg, Chairman) recommends DO PASS (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SCR 4001 was placed on the Eleventh order on the calendar.

(2) DESK, (3) COMM

Page No. 1

SR-14-1024

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10/23/03
Date

2003 HOUSE HUMAN SERVICES

SCR 4001

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4001

House Human Services Committee

☐ Conference Committee

Hearing Date March 25, 2003

Tape Number	Side A	Side B	Meter #
1	x		0.6 - 2.8
2	x		0.0 - 14.6
Committee Clerk Signature <i>Sharon Benfraw</i>			

Minutes:

Al Knutson, LC Staff stating he was staff on the interim committee, this resolution came out of a budget tour that the committee had at the SE Human Services Center and there was discussion at the center as far as the changes that they needed to respond to during the interim and to take a look at the way we do funds at the Human Service Centers across the state and to potentially allow them some additional funding, to respond to changes that happened during the interim. So that is the back ground as to why this resolution was introduced. Senator Mathern chaired the committee.

Rep. Devlin: The term on line 16 for enhanced accountability, in the Sunday paper it says that we are already micro managing the Human Service Centers and looking at every line item and every dollar, so how could there be any more accountability than that?

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10/23/03
Date

Page 2
House Human Services Committee
Bill/Resolution Number SCR 4001
Hearing Date March 25, 2003

Answer: I think what the thought was, the way that we are now funding the Higher Education System was kind of a block grant system and they are by additional accountability for the additional flexibility they have.

Rep. Price: Was the discussion within a Human Service Center or between the Human Service Centers? Answer: It was within each Human Service Center

Rep. Amerman: Is this kind of looking at the round table like the University System has, is this going towards that? Answer: The additional flexibility would be similar to Higher Education but the results would intend to be the same. I don't think the intent of the bill is to have a round table involving a number of people other than legislators.

No opposition. Closed the hearing.

Rep. Amerman: My question has to do with mentioning the University Systems and I asked about the round table and they said they weren't really looking at that type of scenario, that is the only concerns I have, what they are going to be looking as far as the study goes.

Rep. Porter: Concerns with Human Service Centers as competing head to head as a provider and communities and accepting third party private reimbursement from such providers as Blue Cross/Blue Shield and other insurance companies and that's competing against private individuals stand alone practitioners, whether they be psychologists, psychiatrist, counselors or whatever and I have a real hard time with that being part of their mission. I don't think it was ever intended that they become the sole source provider of these services in that community.

Rep. Devlin: I agree with Rep. Porter, I've had complaints from the private sector on that very issue.

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House Human Services Committee
Bill/Resolution Number SCR 4001
Hearing Date March 25, 2003

Rep. Wieland: They've gone far beyond what they were intended to do. We talked about reducing the number from 8 to 4 and maybe this could be the vehicle by which to do that. They are already sharing directors in some cases, they could use their flexibility between the units as well.

Rep. Pietsch: How many studies have been done on Human Services and their departments?
Don't know.

Rep. Wieland: I'm not sure whether I agree with the one Whereas where it says the needs of clients and service priorities vary among the centers. I think that they do a lot of the same things, there may be a little different program, but the needs of the clients and the service priorities aren't any different.

Rep. Niemeier: Isn't the funding dependent upon the numbers? Answer: Yes, that wouldn't mean that 2 Centers couldn't combine.

Rep. Porter: Bench marker their program for deficiency.

Rep. Pollert: Concern with redoing this resolution is that I have reservations about the greater flexibility of how they switch their funds back and forth. That to me, would be a night mare.

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4001

House Human Services Committee

☐ Conference Committee

Hearing Date March 26, 2003

Tape Number	Side A	Side B	Meter #
1	x		50.6 - 61.4
		x	67 - 9.5
Committee Clerk Signature <i>Sharon Rengrow</i>			

Minutes: Comm. work.

Rep. Weisz moves Rep. Porter's & Rep. Wielands' amendments, second by Rep. Pollert.

Rep. Wieland explained what the amendment would do. We really hog housed this. Line 1 we removed feasibility and desirability and then line 2 remove "of allowing" after centers and insert "administrative and program efficiencies competition with the private sector, costs to provide programs that are available in the private sector" and then remove an additional flexibility.

Basically we are putting into a study as opposed to allowing them the funding flexibility which they've asked for.

Under line 5 we replaced the words unique with specific, maybe they are unique and maybe they are not, they're not all unique, but they are specific, that means that each one is different in some sort or another.

In line 7, we've replaced vary with "are similar" because they don't vary that much, that are very similar, the needs of clients and service priorities are very similar.

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Page 2
House Human Services Committee
Bill/Resolution Number SCR 4001
Hearing Date March 26, 2003

After line 8 we've inserted whereas Human Service Centers except third party private reimbursement and compete against private providers for the same services and clients, and they do that. Also the whereas the Human Service Centers are already sharing administrators and we talked about the fact that I believe there are 5 administrators now the eight centers. So they are sharing.

We are removing lines 9 through 12 which just takes out the whole reference to the funding of the ND System, etc. After line 14, we're inserting that the Legislative Council study the delivery of services and costs vs. benefits for those services provided by the 8 Human Service Centers and to consider the possibility of combining Service Centers and the administrative costs of the centers related to the programs and clients served and study third party reimbursements and competition with the private provider. Then remove lines 15 through 17, lines 18 through 20 remain.

Rep. Price: I mentioned my anonymous letter with Carol Olson last night and it did address the private issue and the administrative cost issue and actually it addressed the fact that someone in the third party that there waiting lists are growing again. Some of the clientele are having to wait longer to get services. Apparently she had received a similar letter also.

Rep. Weisz: Should delete "and" after the last whereas, after line 8.

Rep. Sandvig: Problem with line 2, feels its cumbersome. Answer: That's the basically the title.

Rep. Sandvig: I have a problem with removing the additional funding and flexibility because its taking the intent of the resolution and making it something else.

Rep. Wieland: Feels it will end up being a part of the study.

Page 3
House Human Services Committee
Bill/Resolution Number SCR 4001
Hearing Date March 26, 2003

Rep. Niemeier: I find this hog housing is entirely inappropriate, Legislative Council brought this in whose intent is to address the funding flexibility and hog house it into a different subject altogether doesn't fit well with me and I would oppose it.

Rep. Price: There may be a chance that the Dept. is actually going to ask the budget section for some of this within the Legislative Session depending on the amount of funding the Dept. gets they may ask for flexibility right now to do some changing.

Rep. Potter: Why not just leave it in then?

Rep. Pollert: Not wild about funding flexibility, so likes it where its at.

VOTE: 7 - 4 - 2 Passed

Rep. Pollert made a motion for DO PASS as Amended, second by Rep. Kreidt.

Rep. Wieland: I hope that from this study, that we would have a better delivery service to the clients, after all its the clients we're concerned about instead of getting lax and just looking at as job security. I look at this as something positive and that there could be great improvement with protection and for the service of the clients.

VOTE: 10 - 2 - 1 Rep. Wieland will carry the bill.

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PROPOSED AMENDMENTS TO S.C.R. 4001

Line 1, remove "the feasibility and desirability"

Line 2, remove "of allowing", after "centers" insert ", administrative and program efficiencies, competition with the private sector, cost to provide programs that are available in the private sector" and remove "additional funding flexibility"

Line 5, replace "unique" with "specific"

Line 7, replace "vary" with "are similar"

After line 8 insert:

"WHEREAS, human service centers accept third party private reimbursement and compete against private providers for the same services and clients; and

WHEREAS, the human service centers are already sharing administrators; and"

Remove lines 9 through 12

After line 14 insert:

"That the Legislative Council study the delivery of services and the cost versus benefit of those services provided by the eight human service centers and to consider the possibility of combining service centers and the administrative costs of the centers related to the programs and clients served, and study third party reimbursements and competition with the private providers."

Remove lines 15 through 17

By Porter & Wieland

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33011.0201
Title.0300

Adopted by the Human Services Committee
March 26, 2003

House Amendments to SCR4001 - Human Services Committee 03/27/2003

Page 1, line 1, replace "the feasibility and desirability" with "the delivery of services and the cost versus benefit of those services provided by the eight human service centers, consider the possibility of combining service centers and the administrative costs of the centers related to the programs and clients served, and study third-party reimbursements and competition with private providers."

Page 1, remove line 2

Page 1, line 5, replace "unique" with "specific"

Page 1, line 7, replace "vary" with "are similar"

Page 1, replace lines 9 through 12 with:

"WHEREAS, human service centers accept third-party private reimbursement and compete against private providers for the same services and clients; and

WHEREAS, the human service centers currently share administrators;"

Page 1, replace lines 15 through 17 with:

"That the Legislative Council study the delivery of services and the cost versus benefit of those services provided by the eight human service centers, consider the possibility of combining service centers and the administrative costs of the centers related to the programs and clients served, and study third-party reimbursements and competition with the private providers; and"

Renumber accordingly

Deanna Ball
Operator's signature

10/23/03
Date

Date: March ¹⁶, 2003
Roll Call Vote #:

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SCR 4001

House HUMAN SERVICES Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass As Amended

Motion Made By Rep Pollert Seconded By Rep Kreidt

Representatives	Yes	No	Representatives	Yes	No
Rep. Clara Sue Price - Chair	✓		Rep. Sally Sandvig	✓	
Rep. Bill Devlin, Vice-Chair A			Rep. Bill Amerman		✓
Rep. Robin Weisz	✓		Rep. Carol Niemeier		✓
Rep. Vonnie Pietsch	✓		Rep. Louise Potter	✓	
Rep. Gerald Uglem	✓				
Rep. Chet Pollert	✓				
Rep. Todd Porter	✓				
Rep. Gary Kreidt	✓				
Rep. Alon Wieland	✓				

Total (Yes) 10 No 2

Absent 1

Floor Assignment Rep. Wieland

If the vote is on an amendment, briefly indicate intent:

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REPORT OF STANDING COMMITTEE (410)
March 27, 2003 8:45 a.m.

Module No: HR-55-5872
Carrier: Wieland
Insert LC: 33011.0201 Title: .0300

REPORT OF STANDING COMMITTEE

SCR 4001: Human Services Committee (Rep. Price, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (10 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). SCR 4001 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "the feasibility and desirability" with "the delivery of services and the cost versus benefit of those services provided by the eight human service centers, consider the possibility of combining service centers and the administrative costs of the centers related to the programs and clients served, and study third-party reimbursements and competition with private providers."

Page 1, remove line 2

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WHEREAS, the human service centers currently share administrators;"

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"That the Legislative Council study the delivery of services and the cost versus benefit of those services provided by the eight human service centers, consider the possibility of combining service centers and the administrative costs of the centers related to the programs and clients served, and study third-party reimbursements and competition with the private providers; and"

Renumber accordingly

2003 TESTIMONY

SCR 4001

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Date

exhibit #1

Senate Concurrent Resolution No. 4001

Senate Appropriations Committee

January 24, 2003

Chairman Holmberg and members of the Senate Appropriations Committee, I am Yvonne Smith, Deputy Director of the Department of Human Services. I appear before you today to provide information in regard to the benefits of the funding flexibility that has been granted to the Human Service Centers, as well as to the State Hospital and Developmental Center.

Since the 1995-97 biennium, the human service centers and the two institutions have operated under lump sum appropriations. In addition, the Department's appropriations bill has allowed the transfer of funds among the centers and the institutions, in response to client need. The combination of these two mechanisms has been instrumental in our ability to provide the right services in the right setting to meet the needs that arise.

For example, for the past several years, the Department has focused efforts on serving people as close to home as possible, and in the least restrictive appropriate setting. As such, we have decreased the average daily census at the State Hospital from 228 in 1997 to 160 presently. During the 1999-01 biennium, \$468,705 was transferred from the State Hospital budget to the human service center budgets to increase their capacity to provide community based care, including residential services, crisis residential services, short-term psychiatric hospitalization, medical detoxification, and other treatment and care services.

The flexibility created by the "lump sum" budget has allowed the centers and the institutions to determine whether to purchase a service or provide the service directly, based upon the employee/provider market in their

Deanna Holmberg
Operator's Signature

10/23/03
Date

region. With this flexibility, we are able to address emerging needs more quickly. In addition, when savings are generated in the operation of the center or institution, those funds can be re-directed to pay for direct client services.

Through our strategic planning process, the Department has created a greater degree of alignment of services statewide. Through establishing our guiding principles and defining basic core services, we have been able to identify a base level of services that ought to be available to people statewide, regardless of the region in which they live. However, there is program flexibility from region to region which allows for determining the breadth and scope of service, based upon the unique demographic, geographic, and economic factors. In addition, operational flexibility allows each region to determine how the services will be delivered. In other words, consistency is applied to the "what" of services, and program and operational flexibility is applied to the "how."

Funding mechanisms currently existing in the Department's appropriations bill accommodate and encourage this flexibility. The regulations governing some of the federal funding sources create expectations and limitations for the use of the funds. These regulations must be adhered to if we are to continue to access those federal dollars.

The Department is very interested in maintaining the level of funding flexibility granted in the past biennia, and will look forward to working toward identifying additional funding flexibility based upon performance outcomes that reinforce the statewide system of care for vulnerable people. We ask that you also consider including the State Hospital and the Developmental Center in this resolution.

Thank you for the opportunity to provide comment.