

# HOUSE COMMITTEE ON HEALTH AND HUMAN SERVICES

January 20, 2003 Hearing Room D  
8:30 A.M. Tapes 2 – 4

**MEMBERS PRESENT:**       Rep. Jeff Kruse, Chair  
                                  Rep. Billy Dalto, Vice-Chair  
                                  Rep. Carolyn Tomei, Vice-Chair  
                                  Rep. Laurie Monnes Anderson  
                                  Rep. Gordon Anderson  
                                  Rep. Jeff Barker  
                                  Rep. Ben Westlund

**STAFF PRESENT:**         Sandy Thiele-Cirka, Administrator  
                                  Mara McGraw, Assistant

**ISSUES HEARD:**         **INFORMATIONAL MEETING**  
                                  **Overview of the Department of Human Services (DHS)**  
                                  • **Review of HB 5100 Budget Reductions**

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These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

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TAPE/#	Speaker	Comments
<b>TAPE 2, A</b>		
006	Chair Kruse	Calls meeting to order at 8:35 A.M. and opens informational meeting.
<b><u>INFORMATIONAL MEETING</u></b>		
007	Chair Kruse	Introduces overview of Department of Health and Human Services (DHS) and HB 5100 reductions.
015	Jean Thorne	Acting Director of the DHS. Offers DHS overview and overview of HB 5100 reductions, special session cuts, November rebalance and December revenue forecast ( <b>EXHIBIT A</b> ). Provides a context for DHS and the budget relating to the General Fund. Begins presentation by reviewing:
200		<ul style="list-style-type: none"><li>• federal funding;</li><li>• merge of mental health and addiction services;</li><li>• operation and service delivery;</li><li>• general funds related to federal match requirements;</li><li>• entitlement programs and eligibility standards;</li><li>• delays in expansion;</li><li>• provider fees reduction;</li><li>• target reductions;</li><li>• current law suits and settlement agreements;</li><li>• Oregon Health Plan 2 (OHP2) waivers; and</li></ul>

400

- budget reduction actions (**EXHIBIT B**)

Introduces assistant directors to speak on specific departmental reductions.

**TAPE 3, A**

047	Chair Kruse	Questions implementation of HB 510 reductions.
054	Thorne	Continues presentation. Comments on Measure 28 and impact on DHS.
073	Chair Kruse	Questions if current statues require specific date.
076	Thorne	Responds and explains the funds in mandated program reductions relating the timing of the reductions.
099	Rep. Monnes Anderson	States desire to put a face to issue. Refers to Hood View facility closure and pending lawsuit. Questions approach toward displaced clients.
112	Thorne	Explains DHS transition planning and downsizing related to federal match. References the biennium budgeting. Emphasizes sustainability regarding cuts to health programs.
169	Rep. Westlund	Provides brief recap of legislative reductions.
173	Thorne	Concurs.
203	Rep. Dalto	Requests data regarding reorganization savings.
206	Thorne	Defines figures and savings targets regarding reinvestment and reorganization. Offers example of current employment vacancies.
222	Chair Kruse	Requests clarification on dollar amounts.
224	Thorne	Responds with uncertainty as to exact figures.
226	Chair Kruse	Explains figures were target for reorganization during the 2001 session.
233	Rep. Dalto	Requests clarification on “reinvesting.”
235	Thorne	Details costs of reorganization and service integration relating to staff and management training, networking computer systems, and co-location of services. Provides details of the reorganization process.
286	Rep. Dalto	Inquires on reorganization goals relating to reduction of cost or improvement of service delivery.
291	Thorne	Responds and identifies the focus to improve services and reduce costs.
312	Chair Kruse	Directs members to HB 5100 reduction handout ( <b>EXHIBIT C</b> ).
324	Ramona Foley	Assistant Director for Children, Adults and Families, and Interim Assistant Director for Community Human Services, DHS. Introduces self.
329	Jim Nealy	Deputy Director for Human Services, introduces self.
332	Foley	Speaks to merger between Adult Services with Services to Children and Families and commitment to consistency within and between

programs.

- 350 Nealy Explains matrix (**EXHIBIT B**) regarding elimination of emergency assistance. Notes the program could start up again with next biennium.
- 374 Chair Kruse Questions the dollar figure relating to continuation of services in 2003-2005 and dollar figures for current reductions.
- 381 Nealy Responds the programs are being substantially reduced in the reorganization. Explains reductions of employment related day care regarding Jobs program, and Temporary Assistance to Needy Families (TANF) grants (**EXHIBIT B**). Continues TANF discussion.
- 452 Chair Kruse Requests clarification on TANF's current budget and how the federal reductions impact Oregon's funding match.
- 454 Nealy Explains relationship of General Fund to TANF block grant. Notes the reductions do not eliminate federal funds.
- 465 Foley Details TANF cuts. Contrasts figures for services to children removed from the home versus services to intact families. Emphasizes and details largest system reductions (**EXHIBIT B**). Explains loss of General Funds; including staff.

#### **TAPE 2, B**

- 056 Foley Explains reduction in foster care payments and adoption rates (**EXHIBIT B**). States that Oregon as one of the top in the nation in foster care and adoption assistance.
- 102 Chair Kruse Requests information on federal funding stream reductions.
- 102 Foley Explains General Fund reductions. Details several reductions.
- 129 Chair Kruse Requests clarification regarding cuts to residential treatment programs.
- 130 Foley Details reductions from 24 hour residential programs.
- 143 James Toews Acting Assistant Director for Seniors and People with Disabilities, DHS. Explains decision making around reductions and discussions with federal reductions (**EXHIBIT D**). Identifies and details partnerships. Explains relationship to federal Medicaid waiver program reapplication process. Reports efforts to preserve specific services.
- 235 Rep. Tomei Requests savings figures.
- 236 Toews Speaks to rate reductions and roll back rates to 1999-01 levels. Details Oregon Project Independence (OPI) reductions.
- 288 Rep. Dalto Inquires on OPI reductions during the last 2 years.
- 290 Toews Explains OPI cuts.
- 308 Rep. Barker Requests figure regarding number of people impacted by reductions.
- 312 Toews Discusses impact on client population. Details cuts as they apply to Social Security/Disability Benefits (SSI/SSDI) (**EXHIBIT B**). Explains ranking of impairment (1-17) according to activities of daily living (ADL's). Continues presentation.
- 392 Chair Kruse Questions cuts at level 10.

393	Toews	Defers answer to later testimony.
404	Sandy Thiele-Cirka	Administrator. Submits ADL description ( <b>EXHIBIT C</b> ).
412	Toews	Notes DHS attempt to preserve services to 24 hour care in developmental disabilities ( <b>EXHIBIT B</b> ). Reports reductions as they impact clients living with their families.
457	Chair Kruse	Inquires on Staley agreement.
466	Toews	Explains Staley agreement and relationship to current cuts and reports DHS is aware of risks.
417	Chair Kruse	Questions cost of settlements compared to cost services.
482	Toews	Explains moving target cut dates. Continues.

**TAPE 3, B**

048	Rep. Dalto	Questions total people impacted by HB 5100 cuts.
057	Toews	Explains levels 10-14 ( <b>EXHIBIT C</b> ). Offers figure on people and dollars involved and reduction delays.
077	Chair Kruse	Questions logistical information regarding client requests and rights for a hearing if denied services.
086	Toews	Explains loss of OHP and other services. Details federal standards on hearing rights related to level cuts. Reports assessment of eligibility is hearable, service/program cuts are not hearable and the hearings process.
135	Chair Kruse	Questions federal relationship and determination of hearing rights related to cuts.
149	Toews	Explains mandatory versus optional services with regard to elimination of an entire program. Restates assessments as contestable but eligibility figures and guidelines are not contestable. Explains level for eligibility is now at level 10 ( <b>EXHIBIT E</b> ).
169	Chair Kruse	Questions impact on Medicaid waiver relating to elimination of Medically Needy program.
174	Toews	Defers to Thorne.
175	Thorne	Explains Medically Needy program as optional.
178	Chair Kruse	Requests additional information on Medicaid waivers.
181	Thorne	Explains states can choose to cover. Defines populations covered. Details specific populations and income levels covered in Oregon. Explains program can be eliminated at will if not tied to waivers.
189	Chair Kruse	Requests matrix on Medicaid programs related to specific waivers.
224	Lynn Read	Acting Administrator, Oregon Medical Assistance Program (OMAP), DHS. Introduces self.
225	Barry Kast	Assistant Director for Health Services, DHS. Introduces self. Explains: <ul style="list-style-type: none"> <li>• employees and services staffed;</li> </ul>

250		<ul style="list-style-type: none"> <li>• grants, revenue and general fund;</li> <li>• community as the client;</li> <li>• role of regulatory work;</li> <li>• client based services of OMAP and relationship to OHP;</li> <li>• community partnerships;</li> </ul>
300		<ul style="list-style-type: none"> <li>• cuts as statutory requirements; and</li> <li>• school based health services.</li> </ul>
360	Chair Kruse	Requests clarification regarding certification of state workers.
388	Kast	Explains relationship between state and local cuts.
402	Rep. Monnes Anderson	Inquires about tracking and data from school based cuts.
412	Kast	States inability to answer but will provide information to committee.
416	Chair Kruse	Comments on administrative functions supported by General Fund.
<b>TAPE 4, A</b>		
008	Kast	States school based health centers are part of larger safety net.
013	Chair Kruse	Comments on alternative funding sources.
022	Kast	Discusses procedural constraints that impact budget cuts due to OHP fund merger. Comments on mental health infrastructure. Explains restrictions in cuts and potential litigation.
101	Chair Kruse	Questions litigation outside of Multnomah County.
104	Kast	Explains current litigation in connection to mental health and addictions cuts. Details choice to preserve community crisis system over hospital beds. Relates need to choose cuts that can be implemented.
136	Chair Kruse	Inquires if DHS has proposed alternative reductions.
160	Thorne	Explains HB 5100 reductions are related to serious impacts in services. Describes proposed cuts dependent on passage of Measure 28.
186	Chair Kruse	Requests discussion on alternatives funding. Adjourns the meeting at 10:34 A.M.

## **EXHIBIT SUMMARY**

**A – Informational, DHS Overview, Jean Thorne, 27 pp.**

**B – Informational, DHS Budget Reductions Actions, Jean Thorne, 12 pp.**

**C – Informational, HB 5100, staff, 2 pp.**

**D – Informational, Medically Needy Fact Sheet, James Toews, 1 p.**

**E – Informational, Characterization of Survival Levels, James Toews, 3 pp.**