

MINUTES
SENATE HEALTH & WELFARE COMMITTEE

DATE: Tuesday, February 07, 2017

TIME: 3:00 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Heider, Vice Chairman Souza, Senators Martin, Lee, Harris, Anthon, Agenbroad, Foreman, and Jordan

ABSENT/ EXCUSED: None

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairman Heider** called the meeting of the Senate Health and Welfare Committee (Committee) to order at 3:11 p.m.

GUBERNATORIAL APPOINTMENT: **Reappointment of Beth Elroy to the Board of Environmental Quality.** **Beth Elroy** introduced herself to the Committee and provided her educational background. She completed an internship at the Idaho National Engineering and Environmental Laboratory (INEEL) and went to work for Monsanto, where she was responsible for environmental compliance for several facilities in Wyoming and Eastern Idaho. After ten years at Monsanto, she worked briefly for Ashgrove Cement and next joined Micron Technology as an environmental engineer responsible for air programs. After several promotions, she is now the site manager responsible for all Micron facilities, including construction, operations, maintenance, environmental safety, health, workforce development, and snow removal.

Ms. Elroy informed the Committee she has been married for 23 years and has two teenage sons, and her family enjoys skiing and outdoor sports. It is important to focus on protecting the environment so all can continue to enjoy Idaho's quality of life, while being mindful of businesses and giving them the opportunity to thrive.

Vice Chairman Souza inquired what Ms. Elroy appreciates most about the Board of Environmental Quality (Board) and the most important part of the Board's function. **Ms. Elroy** responded it is ensuring the Department of Environmental Quality maintains a well-trained staff, including both technical and management skills necessary to sustain the environmental programs.

Senator Martin asked Ms. Elroy to identify an issue in which the Board has been involved that has been beneficial to the State. **Ms. Elroy** answered there are two issues: 1.) a contested case proceeding regarding a Blackfoot facility, where she learned about the professionalism of the staff and how they were able to maintain detailed technical records that withstood scrutiny; and 2.) recent rulemaking where the staff collected technical data from the State of Idaho and did not just rely on guidance from other U.S. jurisdictions.

Chairman Heider thanked Ms. Elroy and advised the Committee would vote on her reappointment at the following day's meeting.

**GUBERNATORIAL
APPOINTMENT:**

Reappointment of Carol Mascarenas to the Board of Environmental Quality. Carol Mascarenas introduced herself to the Committee. Ms. Mascarenas was first appointed to the Board 12 years ago. She is originally from Southern California and obtained a civil engineering degree with an environmental emphasis in 1986. Ms. Mascarenas informed the Committee she worked two years for a California regulatory board and this experience led to her interest in reports and investigations rather than just conducting oversight. She worked for a private consultant for three years and met her husband, who is from Soda Springs, Idaho. She has worked at INEEL for the last 26 years with increasing levels of responsibility and has been project engineer on several clean-up areas. In 2005, she moved to the research division of INEEL and is currently the Environmental Safety, Health, and Quality Director.

Ms. Mascarenas said her tenure on the Board has afforded her a balanced perspective as a regulator, industry member, and government representative.

Senator Martin asked about Ms. Mascarenas's length of service and accomplishments with the Board. Ms. Mascarenas answered her original appointment was 12 years ago, and she pointed out three items of significance. After her initial appointment, she was immediately required to learn the process for handling disputes and overseeing Department of Environmental Quality decisions. At her first meeting, she received three three-inch binders of materials relating to a dispute from Idaho Falls, and the Board came to a balanced decision. Ms. Mascarenas mentioned the issue of handling mercury was quite controversial, especially with the pollutants coming from other areas not within the State of Idaho. Ms. Mascarenas also identified the Board's challenge of an Environmental Protection Agency (EPA) fish consumption value. The Board and EPA had a good dialog even though the Board did not agree with EPA, and the Board came to a good decision.

Chairman Heider thanked Ms. Mascarenas for her service and advised that the Committee would vote on her reappointment at the following day's meeting.

PRESENTATION:

Department of Health and Welfare FY 2018 Budget Review. Richard Armstrong, Director of the Department of Health and Welfare (Department), introduced himself to the Committee to provide an overview of the Department's FY 2018 budget request (see Attachment 1).

Director Armstrong informed the Committee the Department's FY 2018 budget request of \$2.88 billion is comprised of 61 percent federal dollars, 25 percent General Fund, 12 percent receipts, and 2 percent dedicated funds. The request represents an increase of three and one-half percent, while the General Fund increase is six percent, or approximately \$44 million. The increase is fueled largely by an increase in Medicaid participants and for strategic investments in behavioral health services. Receipts are an important part of the budget, with drug rebates in the Medicaid program contributing the most, and the request includes an additional \$10 million in spending authority to utilize receipt dollars first.

Director Armstrong mentioned approximately 85 percent of the Department's appropriation, or \$2.5 billion, is paid to private service providers. The Department is always looking for administrative efficiencies to keep operating costs low while balancing equitable provider payments. The budget request includes an increase of 34 full-time positions (FTPs). More than one-half of the new FTPs are the result of the Jeff D settlement agreement. The Department's 2,910 FTP count is still below the 3,137 FTPs prior to 2009. Behavioral health services would increase from 3.5 percent to 3.8 percent of the total budget, mostly due to mental health innovations proposed by the Department.

Director Armstrong informed the Committee Medicaid is the largest appropriation, and the Department has worked hard to improve health care quality while controlling costs. The monthly cost per participant has decreased by nine percent over the last five years. A good part of this decrease is attributed to the concept of patient-centered medical homes (PCMHs) to oversee patient care. Medicaid enrollees in primary care facilities have experienced reduced hospitalizations, emergency visits, and total cost of care as a result. The Department is working to expand the PCMH concept to hospitals and other providers to develop coordinated care efforts. Based on the experience of other states, the Department expects to see better care for participants while maintaining lower costs. The State Medicaid program is also working to improve the care for individuals with special health care needs and expand mental health services for Idaho children, and to improve its system of care for individuals with developmental disabilities.

Director Armstrong provided information on the use of public assistance by region, including food stamps, Medicaid, cash assistance, and subsidized child care. On June 30, 2016, there were 252,000 citizens, or 21 percent of the State's population, participating in at least one public assistance program. The highest use is in Southwest Region 3, which includes Canyon County, at 28 percent. Region 4 is the lowest, and that includes Boise, at 16 percent. In June 2008 before the recession, 14 percent of Idaho citizens received public assistance. Eligibility criteria for the programs has not changed, and the State is at full employment at 3.8 percent, suggesting the economic recovery has not been uniform across all income levels. People are working but their incomes are low enough that too many still qualify for public assistance.

Director Armstrong informed the Committee of the Department's seven budget priorities. Three of the priorities involve efforts to improve and coordinate behavioral health services. The top priority is a redesign of the children's mental health program to expand services to more Idaho children through Medicaid. General Fund dollars can be used to leverage federal funds to reach more children who have trouble functioning in their day-to-day lives. This priority is the result of the Jeff D lawsuit, which took 35 years to reach agreement. The lawsuit is disappointing because millions of dollars have been spent on legal fees rather than in providing services to children and families.

Director Armstrong provided examples of benefits to the State of improving children's mental health treatment: 1.) improved school performance; 2.) fewer children getting in trouble with the law; 3.) fewer children entering foster care; 4.) fewer children who take up criminal behavior as adults; and 5.) fewer children transitioning to adulthood with unmet mental health needs. The Department's FY 2018 budget request includes an increase in foster care stipends and \$11 million for mental health services for high risk probationers.

Director Armstrong reported the Office of Performance Evaluations very recently released a study on the State's child welfare system. The report is detailed and includes several themes germane to the budget request. The study found a need to better support foster families, both from a monetary and resource standpoint, and improve communication and interaction with them. The FY 2018 budget request includes a 20 percent increase in the foster care stipend. Second, the study found a shortage of social workers and a need to better manage their workload. The Department's budget request includes two line items for year two of the modernization of the welfare information system to reduce documentation demands on social workers, and the addition of six support staff to help schedule and transport children to visitations with their families to free up social worker time currently spent handling these duties.

Director Armstrong explained there are more than 160,000 open child support cases at this time, and it is important to be successful in collecting child support. Otherwise, families are often forced to rely on public assistance to meet their basic needs. About two-thirds of child support cases involve self-reliance programs. Unlike many states, Idaho requires single parents applying for public assistance to open a child support case. The 160,000 open cases represent more than 411,000 parents and children, and the Department collects and distributes more than \$211 million in child support payments each year. The child support system modernization project is a three-year project, and the FY 2018 budget request is for year two of the project. Year two involves a redesign of State interfaces, better case management tools for staff, a new business work tool management engine, improved security and privacy safeguards, and a better online tool for families to receive information about their cases. The goal of the modernization project is to reduce risk and minimize cost by avoiding building a brand new system. Average cost of a new system in other states is between \$80 to \$100 million. The modernization project has a 66 percent federal match to help reduce the cost to the State.

Director Armstrong stated last year, the Department presented a multi-year funding road map for the Idaho Child Care Program to accomplish four goals: 1.) move the ICCP off the mainframe and into the current eligibility system called Idaho Benefits Eligibility System (IBES); 2.) increase market rates to ICCP providers which have not been adjusted since 2001; 3.) implement federal changes in the Child Care Reauthorization Act; and 4.) address case load increases as more families return to work. In December 2016, ICCP was moved from the mainframe to IBES. For FY 2018, the Department requests planning costs to cover the multi-year road map with just under \$1 million in General Funds while using a 71 percent federal match.

Director Armstrong advised the Division of Behavioral Health has a growing need for a facility to house and treat people who have been charged with a crime but are deemed incompetent to stand trial due to mental illness. The courts commit these people to State hospitals, but the State hospitals are not designed, equipped, or staffed for high risk mentally ill and very violent patients. The number of court-ordered commitments to restore competency has more than tripled in the last five years. The number of significant events including assaults on staff or other patients, property damage, or self harm has increased 50 percent in the last three years. To alleviate the facility need, the Department plans to repurpose a building currently being used to hospitalize adolescents in Blackfoot. The building will be upgraded to handle high risk mentally ill patients and will be accomplished in three phases. First, the FY 2018 budget includes a request for \$300,000 to allow the Department of Corrections to expand its mental health bed capacity from three beds to nine beds. Second, the Department will build a 16-bed adolescent unit in the Treasure Valley to replace the beds in Blackfoot. Since more than two-thirds of the youths who are patients in the Blackfoot facility are from the Treasure Valley, it makes sense to locate the new facility in the Treasure Valley. Phase three will retrofit the Blackfoot facility to accommodate the high risk patients.

Director Armstrong reported the Department is working on another initiative for the developmentally disabled population that is still in its infancy. The Department intends to build another facility for the developmentally disabled, separate from the psychiatric facility.

Director Armstrong informed the Committee that the Idaho Department of Corrections estimated 35 percent of all felony offenders will return to prison within three years of release. In 2015, the State hired the Western Interstate Commission on Higher Education (WICHE) to evaluate the behavioral health needs of the felony prison population. The analysis is required annually by the Legislature as a result of the Justice Reinvestment Initiative (JRI). The evaluation identified a total of 7,388 felony offenders with a moderate to high risk of recidivism. The JRI recommends resources be focused on these offenders. Offenders usually lose access to behavioral health services when they leave prison, and many struggle with mental illness and substance use disorders. Under Idaho Code § 19-2524, the Department is responsible for providing services to this population, and the budget request is necessary for the Department to meet its statutory obligation. The Department proposes to contract with a behavioral health provider so parolees have access to services to help them stabilize in their communities and become productive and self-sufficient. At the current annual cost in corrections of \$20,000 per inmate per year, intervention services would need to be successful with only 560 or eight percent of those 7,388 offenders to justify the expense. The Department is requesting \$11.2 million in General Funds to cover this obligation. If the request goes unfunded, the population will continue to be underserved, which may result in their return to prison.

Director Armstrong stated the Department's employee turnover of 12 percent in 2016 was a decrease from 15 percent in 2015. Last year's three percent change in employee compensation was helpful in trimming the turnover rate. The Department still has two areas of concern: licensed practical nurses and facility supervisors, which are currently at 27 percent turnover. The Department wants to move their pay closer to current market rate. The 2015 targeted increases for child welfare social workers was quite successful in retaining those employees. State worker pay lags the private section by over 20 percent, although the benefit package is comprehensive and helps close that gap. With the current low unemployment rate, wages are increasing, and the State needs to attract and retain a talented work force.

Senator Lee asked for an update on the Southwest Idaho Treatment Center (SWITC) and if there has been any consideration for using that property for the secure mental health facility. **Director Armstrong** responded the plan is confusing. The new 16-bed facility for adolescents could be built on the SWITC property. The secure facility will be in Blackfoot and will house only adults. The local facility for adolescents will not be a secure facility. It would be nice to knock down the abandoned structures existing on the SWITC property and save the real estate costs for the facility. The old hospital there is terribly inefficient and could not be used.

Senator Martin asked what percent of the Department's budget is federal money, and if there are large reductions in federal programs, what effect will that have on the Department and the State. **Director Armstrong** replied on average, 61 percent of the Department's budget is federally funded. Within the Department, some programs have higher percentages of federal money and some lower. With a new U.S. President and Administration, the Department always considers what might happen if a program goes away and determines whether the program would be continued in a lesser form or simply eliminated. **Director Armstrong** said he is not convinced there will be any dramatic changes at this time. It is always difficult to reduce or eliminate programs when participants are used to receiving benefits.

Vice Chairman Souza asked for an overview of the Jeff D lawsuit and its impact. **Director Armstrong** replied the lawsuit started in 1980 because State Hospital South commingled adolescents with adults. The suit also involved the question of why so many children were institutionalized, and if there were community-based services, some children might have remained at home. The settlement agreement provides a plan for the State to provide services within a community for children with serious mental illness. Services must be available without regard to income. The plan involves Medicaid because the State does not have enough resources to implement the plan on its own. Not all children will be eligible for Medicaid, but enough will be eligible to leverage matching federal money. The State must prove to the court over the next four years that it has complied with the settlement. After four years, the State will be released from court oversight. The settlement is not a one-time event but a substantial transformation for Idaho children.

Senator Agenbroad asked for some bright moments from Director Armstrong's tenure at the Department. **Director Armstrong** responded there are many.

The insurance exchange reduced the cost of indigent care by one-half in a short period of time. More than 100,000 Idahoans processed through the most recent open enrollment period, and Idaho's enrollment will likely be number one in the nation. Operating costs for the exchange are 1.9 percent, one-half of the next closest state.

Idaho has been able to create a single eligibility system that few states have been able to replicate. Every program managed by the Department comes through a single source of eligibility processing, and it is extremely effective.

In 2006 or 2007, the costs for processing food stamps was about \$54 per case per month. Now, it's close to \$20, while some states are still at \$54 or higher.

Department staff has been brilliant at figuring out how to do things better with an eye toward delivering services online in real time. It used to take more than 20 days to deliver food stamp benefits. Now, 85 percent are processed at the point of application, and there is no backlog.

The federal government allows seven days to process emergency applications, and the Department processes them immediately. Idaho has been number one in the U.S. for timeliness for five years in a row.

The Department has re-engineered every process throughout the agency, and each one is an immense success because more can be done with fewer people and lower cost while providing better customer service.

Chairman Heider asked why there is such a rise in mental health issues compared to the past. **Director Armstrong** answered illegal drug use and the new types of drugs are the primary problem. Today's marijuana is dramatically more potent than the marijuana of the 1970's. Heroin use is on the rise, and opiate addiction is an epidemic. Prescription drug opiate use is unprecedented and creates a dependency that often leads to heroin use. Methamphetamine was not very well known 10 to 15 years ago. Methamphetamine alters the brain permanently and destroys the frontal cortex, leading to more violent behavior. This violent behavior by patients in facilities has always been controlled by staff, but at one facility 40 percent of the staff have had workers compensation claims in the last few years due to patient assaults. There is no way to adjudicate these assaults, and there is no place to put the patients.

Relating to Health Care. Rebekah Hall introduced herself to the Committee as a member of the Idaho CMV Advocacy Project to present **RS 25093C1** relating to education on cytomegalovirus (CMV). **Ms. Hall** informed the Committee her four-year-old daughter Keira was born with congenital CMV. Most people have been infected with CMV by the age of 40 but have never heard of it. CMV is typically a harmless virus, and if a healthy person has any symptoms, it is similar to a common cold. CMV is one of the few viruses that can cross the placental barrier if contracted by a pregnant woman. A baby infected with CMV is at risk for microcephaly and other brain damage, hearing loss, vision problems, cerebral palsy, and death. The Center for Disease Control reports one in 150 babies is born with CMV, and of those, one in five will have permanent disabilities. CMV is more prevalent than Down's Syndrome, spina bifida, human immunodeficiency virus or acquired immunodeficiency syndrome, and Zika virus.

Ms. Hall stated pregnant women need to be aware of and informed about CMV just like most know to avoid eating certain types of fish, cheese, and lunch meat and to avoid the cat litter box. CMV is preventable and understanding how it can be prevented is critical information for pregnant women to make informed decisions on whether or not to engage in behaviors that put them at higher risk for contracting CMV. **Ms. Hall** commented she had two children prior to Keira, read many books about pre-natal development, and obtained regular pre-natal care. However, she had never heard of CMV until it was too late for Keira. **Ms. Hall** explained she most likely caught CMV from her then-toddler by kissing him on the mouth or finishing his macaroni and cheese or wiping his runny nose and failing to wash her hands afterwards. Keira has cerebral palsy, vision impairment, and failure to thrive; she will never walk or talk and struggles to hold up her own head. Keira receives all her nutrition entirely by a feeding tube, and it is unlikely she will outlive her parents or her brothers. Nevertheless, Keira is a fighter. **Ms. Hall** said she hoped to bring her daughter to the meeting, but Keira is currently in the hospital with breathing problems.

Ms. Hall informed the Committee the bill would provide for an Idaho education and awareness program so pregnant women can understand how to prevent CMV and why it is important. The effective distribution of this information will save the State millions of dollars in the care and treatment of various disabilities associated with CMV infection. In four years, Keira has had 14 surgeries and spent over 100 days in the hospital. Keira is followed by 16 medical specialists and seven types of therapists, takes seven medications, and averages six appointments a week not including school. To date, Medicaid has paid almost \$300,000 on Keira's behalf. The education endeavor is anticipated to cost \$60,000 in the first year. If even one infection is prevented, it will be cost effective.

Ms. Hall advised Idaho would be the seventh state to pass legislation regarding CMV. This bill is modeled after one passed by Utah in 2013.

Senator Foreman asked why the medical community has not stepped up to address the CMV issue if it is so common and preventable. **Ms. Hall** answered it is a complicated issue. Doctors know about it but are not as well informed as they should be. Most infants born with CMV do not come out looking as sick as Keira. Many are completely asymptomatic but may go on to develop problems as they grow. CMV is the number one cause of hearing loss in children outside of genetic predisposition. Because the hearing loss is progressive, it is not identified at birth. If a child starts losing hearing at age two, it's more difficult to connect it back to congenital CMV. Another reason physicians do not talk about preventative measures is they believe the methods of prevention are unrealistic. Telling parents not to kiss their children may be like telling people not to breathe air, but if people know the specifics about CMV, it might change their minds. **Ms. Hall** further explained some medical practitioners believe nothing can be done about infection except termination of pregnancy. This is no longer true, but the information is difficult to find, and the options are not fully reflected in the standards of care for doctors in the U.S. **Senator Foreman** inquired if the primary preventative step is lack of contact. **Ms. Hall** replied the easiest way to contract CMV is from wet bodily fluids to wet bodily fluids. CMV is most commonly contracted by pregnant women through their smaller children or by child care workers who have contact with runny noses and slobbery faces. The most helpful preventative measures are to avoid sloppy kisses with kids, avoid sharing eating utensils or food, and wash hands very carefully after wiping noses or changing diapers.

Senator Souza asked if there is a test for CMV, and if there is a part of the gestational period of the pregnancy that the mother is more vulnerable. **Ms. Hall** referred the question to Erica Jensen.

Ms. Jensen introduced herself to the Committee as a registered nurse who has worked as a labor and delivery nurse and in pediatric clinics. **Ms. Jensen** said she was diagnosed with CMV during the first trimester of her pregnancy with twins. She finally learned of the CMV diagnosis through a blood test. Because it was her first trimester and her initial infection, the risk to the babies was much higher and the doctor recommended she terminate the pregnancy.

Ms. Jensen did not want to terminate the pregnancy and after much searching, she was able to identify a treatment in Europe that was successful. Even being involved in health care, she was not familiar with CMV, and she was angry she didn't know more. Having information about simple hand hygiene and where to kiss her two-year-old would have been helpful.

Senator Souza inquired about the treatment used in Europe and whether it is accepted or legal in the U.S. **Ms. Jensen** responded she believes it is still considered experimental in the U.S. The treatment consisted of immunoglobulin infusions at 17 weeks and 19 weeks with donated plasma from people with high CMV antibodies. The cost was \$25,000 per infusion, but the treatments were ultimately covered by insurance. It was cost effective compared to treating her children for CMV issues.

MOTION:

Senator Martin moved to send **RS 25093C1** to print. **Senator Harris** seconded the motion.

Senator Jordan thanked the presenters for bring the issue forward and making the Committee aware of the problem.

The motion carried by **voice vote**.

ADJOURNED:

There being no further business at this time, **Chairman Heider** adjourned the meeting at 4:27 p.m.

Senator Heider
Chair

Jeanne Jackson-Heim
Secretary