



Children, Families, Health, and Human Services Interim Committee

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58th Montana Legislature

SENATE MEMBERS

JOHN ESP
JERRY O'NEIL
GERALD PEASE
TRUDI SCHMIDT

HOUSE MEMBERS

EVE FRANKLIN--Vice Chair
DON ROBERTS--Chair
EDITH CLARK
CAROL GIBSON

COMMITTEE STAFF

SUSAN FOX, Research Analyst
GREG PETESCH, Staff Attorney
DAWN FIELD, Secretary

MINUTES

January 22, 2004

Room 152, State Capitol
Helena, Montana

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed. Committee tapes are on file in the offices of the Legislative Services Division. **Exhibits for this meeting are available upon request. Legislative Council policy requires a charge of 15 cents a page for copies of the document.**

COMMITTEE MEMBERS PRESENT

REP. DON ROBERTS, Chair

SEN. JOHN ESP
SEN. JERRY O'NEIL
SEN. GERALD PEASE
SEN. TRUDI SCHMIDT

REP. EDITH CLARK
REP. CAROL GIBSON

COMMITTEE MEMBERS EXCUSED

REP. EVE FRANKLIN, Vice Chair

STAFF PRESENT

SUSAN FOX, Research Analyst
GREG PETESCH, Staff Attorney
DAWN FIELD, Secretary

VISITORS' LIST & AGENDA

Visitors' list, Attachment #1.
Agenda, Attachment #2.

COMMITTEE ACTION

- approved the October 30 and 31, 2003, meeting minutes as written.

CALL TO ORDER AND ROLL CALL

REP. ROBERTS called the meeting to order. The secretary noted the roll, REP. FRANKLIN was excused, all other members were present.

DEPARTMENT OF PUBLIC HEALTH & HUMAN RESOURCES (DPHHS)

Gail Gray, Director, began her presentation by introducing new members of the DPHHS staff to the Committee:

- Gail Clifford - Director, Office of Refinance;
- Joyce DeCunzo - Director, Addictive and Mental Disorders Division (AMDD);
- Joan Cassidy - Bureau Chief, Chemical Dependency Bureau; and
- Gayle Shirley - Public Information Officer.

Director Gray distributed and discussed an updated DPHHS organizational chart (EXHIBIT #1) and reported there were no significant changes in the structure of DPHHS.

Director Gray reported:

- The Child Support Enforcement Division has recently received federal certification. This is a major accomplishment for the Department. Director Gray expressed her appreciation for all of the work the staff has done to ensure certification.
- The hospital tax issue has been resolved after a long and difficult process. This resulted in approximately \$19 million for Montana hospitals.
- The DPHHS is coordinating with the Department of Corrections (DOC) and the Mental Health Ombudsman to provide services and ease the transition process for inmates leaving the correctional system. Some of the specific needs and services that will be explored are:
 - ▶ Medicaid;
 - ▶ food stamps;
 - ▶ prescription drug coverage;
 - ▶ Supplemental Security Income (SSI) for the disabled;
 - ▶ improved collaborative discharge plans;
 - ▶ coordination with crisis centers;
 - ▶ substance abuse and chemical dependency issues;
 - ▶ housing;
 - ▶ having representatives from Disability Determination and Veterans' Service specifically focus on the Montana State Prison inmates to assist with health needs and transition services;
 - ▶ providing post-release health care to inmates;
 - ▶ transfer of medical records; and
 - ▶ drug felony limitations on food stamps and TANF eligibility.

Director Gray highlighted reservation needs as one area of the refinancing initiative still in need of attention. A letter has been sent to Tribal leaders offering DPHHS assistance in refinancing and restructuring existing funding to improve their health and human service programs.

Director Gray said she could not emphasize enough how pleased the Department is with the recent Legislative Audit completed by the Legislative Audit Division. She said the positive report was the result of a collaborative effort by the entire staff and gives the DPHHS more credibility.

Director Gray also discussed a CHIP update:

- There is waiting list of 102 families/200 children.
- There are currently 10,705 children being served.

Director Gray reported that she recently attended the National Governor's Association Symposium on Quality Early Childhood Education with Governor Judy Martz, along with Kris Goss, Education Advisor, and Bob Runkle, Office of Public Instruction. She said the group asked to report on the meeting to the Montana Early Childhood Advisory Committee and that the dialogue that resulted from that meeting has continued.

Director Gray also reported there has been a small change in FMAP funds. She said it was very preliminary at this point and while the percentage change would be small, the impact would be measurable.

REP. GIBSON, in reference to the joint departmental meeting held to improve inmates' transition from prison, asked if there was a representative from the Women's Prison at the meeting. Director Gray said there was not but that the Women's Prison and the Regional Prison would be included in future work.

REP. CLARK said she had attended the joint meeting and was very pleased with the work started there. She said joint involvement was important in bringing forward legislation that will be effective for everyone and not impact just one department's budget.

SEN. SCHMIDT asked if there was a serious effort to change the felony drug law. Director Gray said it was early in the process and there was not a clear plan in place at this time.

SEN. ESP asked for details on the FMAP match. Director Gray said for federal fiscal year 2005, the match would be decreased to 71.9% and CHIP would be decreased to 80.33%. She said these are small percentage changes but are big in terms of money.

SEN. ESP said he had been contacted by several concerned individuals regarding the Service Area Authority (SAA). He said he thought she should be aware that there are concerns about the program. Director Gray responded that she appreciated and understood the concerns and that long term, she thought the concerns would be alleviated.

REP. ROBERTS commented that children's mental health needs are separate and different than adults and need an approach suited to them. Director Gray said there is an increasing recognition of the need for a separate approach to children's mental health services.

Hank Hudson, Temporary Assistance for Needy Families (TANF) Update, DPHHS, handed out copies of the survey used by the Department to gather information from former and present TANF clients on the effects of the benefit change that occurred in August of 2003 (EXHIBIT #2). Mr. Hudson reported that the results had not yet been completely tabulated. Mr. Hudson said

as soon as the results are available, they would immediately be provided to the Committee members. Mr. Hudson said the survey would be of 250 randomly selected TANF cases.

Mr. Hudson updated the Committee on the TANF caseload, expenditures, benefit projections for fiscal years 2004 and 2005, the TANF block grant analysis, and child care funding for fiscal years 2004 and 2005 (EXHIBIT #3).

SEN. O'NEIL referred to the questionnaire (EXHIBIT #2) and asked Mr. Hudson if he thought it would be beneficial to find out if they are receiving any other type of aid. Mr. Hudson said the surveyors will ask what other types of general assistance is being received. He said Question 3 specifically asks if the individual or household is receiving Medicaid or food stamps.

SEN. SCHMIDT asked if the case closures had been broken down by county or by region and why some TANF cases were closed at the request of the client. Mr. Hudson said the information had been broken down by county. SEN. SCHMIDT asked him to provide that information to her.

SEN. SCHMIDT asked if it was known what has happened to the people whose TANF benefits were cut. Mr. Hudson said there has been no formal contact from the Department so the only information he had was strictly anecdotal. He said he has heard that there has been a steady increase in the demand for food from food banks but it would be difficult to determine how much is due to the TANF cuts. SEN. SCHMIDT said she hoped there were people present that could provide insight into this matter during the public testimony comment period.

REP. ROBERTS asked Mr. Hudson to provide the information requested by SEN. SCHMIDT to all of the Committee members.

Susan Fox, Research Analyst, Legislative Services Division, (LSD), referred to EXHIBIT #3, TANF Block Grant Analysis, and asked if the increase in cash assistance benefits was due to a projection of an increase in case load or if there was going to be an adjustment in the eligibility level. Mr. Hudson said the numbers were based totally on case load.

Director Gray provided a report on all Medicaid Eligibles for 2004-2004 (EXHIBIT #4).

PUBLIC COMMENT

Judy Smith, Women's Opportunity & Resource Development (WORD), Missoula, testified that WORD is quite concerned about the impacts of the TANF cuts on the families it serves. She said the cut has fallen on very vulnerable families that are not capable of functioning on their own. She reported that:

- The Paverello Homeless Shelter in Missoula estimates the demand for its services has risen by 15% for every quarter the TANF cut has been in effect.
- WORD provides "basic needs assistance" to families and was able to help TANF families affected by the cuts until its funds were depleted.

Ms. Smith addressed the subject of "cost of living" and past discussion by the DPHHS that it should cut the benefit rate to become more average within the area. She said she wanted to make two points regarding this:

- An Internet cost of living search revealed that similar sized communities in surrounding states all have a lower cost of living (approximately 10-15% less) than does Montana.

- Montana's standing has fallen in comparison to surrounding states in funding for key programs such as welfare, public health, and hospitals.

Ms. Smith said the DPHHS has not been forthcoming with information and has not worked with groups to gather information, nor has it been receptive to information gathered by groups who have attempted to share information with the Department.

Ms. Smith discussed the issue of spending of TANF surplus funds and said there is money being saved (TANF Update Report prepared by Pat Gervais, Fiscal Analyst, Legislative Fiscal Division, EXHIBIT #5) and estimated that there was approximately \$10 million due to the drop in the case load; and approximately \$4 million due to the performance bonus. Ms. Smith wondered why some could not be put back for the families that are experiencing such a crisis. She said it was a logical argument that once it was determined that money was available, that it should be directed back to those from whom it was taken.

Ms. Smith distributed and discussed a draft letter from the Children and Families Interim Committee to the DPHHS addressing TANF benefit cuts (EXHIBIT #6). SEN. O'NEIL asked that Director Gray and Mr. Hudson also be given copies of the letter.

SEN. ESP said he thought it was an illusion to tell people that the money is there, because in his opinion, it isn't. He asked Ms. Smith to look at the picture as a whole, with TANF funding being just a piece and said legislators have to manage resources for current and future needs.

Ms. Smith responded with two points:

- The cash benefit is the most essential element in providing shelter for families and until shelter is provided to a family, all of the other services available really don't make much of a difference to these families.
- It is possible to address the most immediate crisis and still save some of the money.

SEN. ESP asked Ms. Smith to suggest how she would fund the TANF benefit. Ms. Smith said it was her view that the excess TANF funds and the performance bonuses could both be used to restore some of the TANF benefits.

Colette Gray, Community Advocate, Opportunities Inc., Great Falls, HRDC #5, said as an agency and an advocate for low income people, there is great concern about the TANF benefit cuts. Ms. Gray said there has been a tremendous increase in her area in the demand for goods and services from the food banks and emergency shelters. She said the people affected by the TANF cuts are the hardest to place. Most aren't ready to go into the work force and have the least amount of skills, some are disabled, and there is an increasing number of senior citizens. Ms. Gray also discussed a comparison of October to December of 2002 to the same time period in 2003 and reported that:

- food requests increased by 32%;
- LIEAP applications increased by 26%; and
- Energy Share applications increased by 34%.

Ms. Gray addressed the TANF benefits telephone survey to be conducted and commented that it is bothersome to her that it will reach only those who have a telephone. She said the majority of people affected by the TANF cuts have no telephone. She added that the people that are

reached may be hesitant to share information on how they are making ends meet because some of their activities may be illegal.

Beth Satre, Montana Coalition Against Domestic and Sexual Violence, commented on the connection between welfare domestic violence and the welfare population. She made the following points:

- Domestic violence can happen in any income level, to anyone, at any age, but there is a direct correlation between people who are on welfare and domestic violence.
- Perpetrators of domestic violence often use control of finances as a tactic to maintain control over the victim.
- Victims of domestic violence frequently use cash assistance to extricate themselves from a domestic violence situation and the majority of these victims have children under 12 years of age.

Ms. Satre said her agency felt DPHHS has been unresponsive to attempts to alert the Department of the ramifications of the TANF cuts and she asked the Committee to encourage the Department to rethink some of these decisions that have been made.

Mary Caferro, Working for Equality and Economic Liberation (WEEL), discussed the following points with the Committee:

- The TANF population is a specific population with specific needs and is different than the low income working population that receives child care assistance.
- Housing is a critical component and there is evidence that families displaced by the TANF cuts are doubling up and resorting to unsafe living conditions. Once a family has housing, they can take better care of their children.
- The director of the domestic violence shelter in Helena reported that because of the severity of the TANF cuts, families have been destabilized and women are choosing to take their children and return their abuser just to have economic security.
- The Helena Food Bank has seen requests rise dramatically.
- The county health nurses report that disassociation and disengagement are occurring in families. They are giving up and not even trying to access services and supports that they have in the past.

Ms. Caferro urged the Committee to support at least partial restoration of funds to the TANF cash assistance benefit program and also distributed various newspaper editorials written about the impacts of the TANF cuts and letters of support from tribal leaders, senior citizens, and other advocates for low income families (EXHIBIT #7).

Director Gray responded that the concerns expressed are all legitimate concerns but that it is important to remember that not all of the issues are specific to TANF, and that many of these needs existed before the TANF cuts and will continue to exist.

Mr. Hudson also responded by saying that the issues raised should be discussed by both the Executive and Legislative Branch and said the question is if Montana should fund the childcare program into the future with funds that were generated by reducing a benefit. He also made the following points:

- the DPHHS will not be allocated any additional funding in the next biennium;
- the child care waiting list is not compatible with successful welfare reform program and should be debated;
- the housing issue does need to be addressed;

- he will look at the draft letter from WORD; and
- he will get results of survey to Committee members and interested persons as soon as possible.

REP. ROBERTS asked how soon the Committee could expect the results of the survey. Mr. Hudson said the survey results should be available within a month.

SEN. ESP asked Mr. Hudson to confirm a statement he had made earlier, "that if the level of spending had been continued, the TANF block grant would have been exhausted". Mr. Hudson said that was correct. SEN. ESP asked if this situation have occurred if the Department had taken a more conservative approach in the past. Mr. Hudson said if the proposed DPHHS budget from the 2001 Legislative Session had been adopted, the benefits would not had to have been reduced as significantly.

John Fine, Legislative Audit Division (LAD), Legislative Audit Report distributed and discussed the results of the financial compliance audit of the DPHHS (EXHIBIT #8). Mr. Fine noted that overall, the Department had made improvements. Of the 24 recommendations made from the previous audit, the DPHHS has fully implemented 20, has partially implemented two, and did not implement one. Mr. Fine said there were 14 new recommendations contained in this audit but qualitatively, they were not significant recommendations. He said that overall, the DPHHS has improved its fiscal controls.

Mr. Fine also distributed a memo from Tori Hunthausen, Deputy Legislative Auditor, regarding an Information System Audit done on information services equipment operated by the Department (EXHIBIT #9).

REP. ROBERTS asked Mr. Fine why federal Medicaid payments were switched from electronic billing to paper billing. Mr. Fine said he did not have this information but would follow up on this. SEN. SCHMIDT said the Medicaid providers want the Department to pay for their portion of the electronic billing, therefore, the Medicaid costs would not come in on a timely fashion and could not be reimbursed and this would skew the budget numbers.

MENTAL HEALTH UPDATE

Jani McCall, Executive Director, Montana Children's Initiative Provider Association (MCI), introduced Leroy Keenan, (contract staff to MCI who analyzed the data and prepared the presentation) and Sen. Mignon Waterman. Ms. McCall also gave an overview of the work done to this point and said significant progress has been made in children's mental health. She also noted that the Children's Mental Health Bureau and the Children and Adult Resources Division both were established due to the recognition of the need for childrens mental health services.

Ms. McCall said the information presented is just the first phase of the survey, is a very short piece of the entire data received, and specifically addresses children who are in the custody of Child and Family Services Division. Ms. McCall provided copies of MCI's Executive Summary, which is a condensed version of the survey for the Committee members (EXHIBIT #10).

Leroy Keenan, MCI, discussed the survey results in a Power Point presentation, *A SAMPLING OF HIGH-COST CHILDREN'S MENTAL HEALTH CASES IN MONTANA* (EXHIBIT #11). Mr. Keenan said the goal of the survey was to examine the wide array of factors that affect Montana

childrens' mental health cases and to identify who these children are and their family background in order to provide a factual basis for discussion and decision making. Mr. Keenan discussed in detail the aspects of Phase One and briefly outlined the objectives for Phase Two, and Phase Three.

Sen. Mignon Waterman said that when she began her initial investigation of this issue, she discovered that just 10% of the Medicaid-eligible children consumed 76% of the Medicaid budget. The data has changed but Montana is still spending a great deal of money on a small number of children. Some of the children are in the appropriate placement but the goal is to return children to their family homes, if at all reasonable. The study shows that high-cost children come from high-cost families.

Sen. Waterman also said she is excited about what is happening in children's health care in Montana because the specific needs of children are being addressed and because the traditional "silo" approach to treatment is being broken down. She also made the following points:

- Children think they are punished for success because when they respond to treatment and improve, they usually are moved out of a program or home. A way to "wrap the services around the child" should be investigated.
- Many of these families have case managers, social workers, and/or probation officers, all of whom have plan in place for the family to adhere to. There needs to be a unified approach to treating the family.
- Early intervention in the community and family is the critical key to preventing many of the problems these families are experiencing.

In response to a question from SEN. O'NEIL, Sen. Waterman said a dysfunctional family struggling with its problems frequently comes from a community that cannot meet their needs. She said some of the problems are systemic, some are family, some are specific to the child, and all of them must be addressed.

Mr. Keenan said the different agencies involved with these families need to work in a coordinated fashion and suggested the system be "tweaked" in order to look at them as a family unit.

SEN. SCHMIDT asked Sen. Waterman if when SB 454 was being developed, the plan was to work towards returning the child back to the family home. Ms. McCall answered by saying that the intent is to provide the most appropriate placement and treatment for the child and that may mean placing a child in an out-of-home treatment facility.

SEN. SCHMIDT said she has been told by providers that treating the child and not the parents is not an effective approach because the treatment will not be successful if the parents don't know how to work with the child. Ms. McCall said it is recognized that family involvement is crucial and it is a major priority to implement family involvement at all levels of the system.

SEN. SCHMIDT asked Ms. McCall to clarify Service Area Authority (SAAs) language regarding dividing the children and families unit and that the SAAs will not be dealing with the whole family unit, but as separate entities. Ms. McCall said at this point the SAAs are going to be focusing on the adult population but work would continue to involve families and the two would eventually be combined. SEN. SCHMIDT asked if a child was the one needing expensive service, if the

parents would be involved. Ms. McCall said that issue will be focused on and there is a plan to use the SAMHSA grant funds to establish family support and family advocacy programs. Sen. Waterman said the intention is to have some representation provided for families with children in service involved in the SAAs. Ms. McCall added that another element of concern is the transition of children going into adult services. Sen. Waterman agreed there is a gap in consistent transitional planning.

Lou Thompson, Chief of the Mental Health Services Bureau, AMDD, DPHHS, SB 347 - Department plans for Service Area Authorities (SAA), provided a memo listing the schedule for the listening/comment tour that are being held around Montana (EXHIBIT #12) and said the purpose of the meetings is to survey the needs of communities regarding mental health and chemical health dependency services.

Ms. Thompson provided a copy of the SAA Implementation plan to Committee members (EXHIBIT #13). Ms Thompson's discussion included:

- an introduction and history of the process;
- the structure of the SAA;
- a description of the role and function of the SAA;
- the role and function of the Department within the SAA; and
- the schedule for implementation.

Ms. Thompson said she would like to address several questions that have been raised to her about the involvement of the children's system in the Central SAA:

- Critical participation in that stakeholder group comes from parents with children with serious emotional disturbance and families members of adults and children with serious emotional disturbance. They are seen as providing very valuable input. There will be at least one representative on the Leadership Committee from the one of the Kid Management Authorities (KMA) in the region to maintain the flow of information between the adult and children's systems.
- As the SAA matures, it will include the children's system in its planning efforts.
- It is hoped that the SAA will also expand to include the chemical dependency system and the provider-sponsored organizations (PSOs).

REP. GIBSON asked exactly what area the Central SAA covered. Ms. Thompson said it is the central part of Montana that extends from the Hi-Line all the way down to Bozeman. She explained that the SAA boundaries were intended to divide the state into three geographic areas that were balanced by the number of Medicaid recipients, the number of MHSP recipients, and by the provider resources. REP. GIBSON asked if the SAAs were operating successfully. Ms. Thompson said the SAA plan is not active at this time but they meet regularly and have developed bylaws. The next step will be to identify a Board of Directors, then the SAA will begin the process of seeking 502 (C) (3) status.

SEN. SCHMIDT referred back to SB 347 and said it mandates that SAA Boards must submit a plan and budget to support mental health services for children and adults. It also says that the Leadership Committee must include a significant portion of consumers or persons with mental illness, family members, or persons with mental illness. Diane White is the person designated from the Childrens Mental Health Bureau will attend the Congress meetings and the Leadership Committee meetings for informational purposes. She will not sit in the Committee for have any formal status, but attend as a staff person. It is not our intent to exclude but to embrace and

include the children's family members in the SAA development because we clearly recognize the importance of their involvement.

Chuck Hunter, Administrator, Child and Adult Health Resources Division, DPHHS, said one of the biggest challenges he has faced as the Administrator has been to rectify the many changes in mental health. Mr. Hunter discussed the following:

- SB 94 was designed specifically for mental health services for children and it directs the Department to continue work in the SED development of system of care.
- There are competing legislative directives in SB 347 and SB 94 to the Department on how to build the mental health system.
- System of Care: The Public Policy Statement states it is the policy of this State to provide for and encourage the development of a stable system of care for high risk children with multi-agency service needs. It defines a high risk child as "a child who is seriously emotionally disturbed who is placed or imminently may be placed in an out-of-home setting". It defined "system of care" as an integrated service support system that:
 - ▶ emphasizes the strengths of the child and the child's family;
 - ▶ is comprehensive and individualized;
 - ▶ provides for culturally competent and developmentally appropriate services in the least restrictive and most appropriate setting;
 - ▶ provides for full involvement of families and providers as partners;
 - ▶ provides for interagency collaboration; and
 - ▶ provides for unified care and treatment planning at the individual child level.

Mr. Hunter said this was the legislative vision of how services are to be developed for children in Montana and that the DPHHS has been working on this concept for quite some time.

Mr. Hunter discussed progress being made in implementing this system:

- There is a System of Care Planning Committee (a directive of SB 94) whose membership is comprised of many state agencies that serve children. This Committee has been instrumental in setting up pilot programs in individual communities, has applied for \$3 million federal SAMHSA grant with state matching funds, and sent a team to the Policy Academy which educated states on development issues in building systems of care. This team identified three specific issues in need of guidance in Montana:
 - ▶ outcomes;
 - ▶ family involvement; and
 - ▶ development of a governance structure for systems of care, both for the local and state level.
- The Medicaid Redesign Committee is conducting a comprehensive examination of how the Department is delivering its Medicaid services. Children's mental health is largely funded by Medicaid, making up about \$65 million of the annual budget, within that redesign group. There is a specific proposal to redesign how services are delivered to Severely Emotionally Disturbed (SED) children under a federal Medicaid waiver that would allow the Department to target its services to the family as a unit and not just to the child. An SED work group that will help flesh out that proposal.
- The DPHHS will continue to work with MCI on the continuation of its study. There is a need for richer and broader data but there is also work being done to restructure existing benefits to serve more families. It will be a priority to look at the needs of the child and family as a unit and to provide services from that perspective.

- The point at which the System of Care movement intersects with SAA is a critical one: the key players and funding streams of these systems must be carefully braided to provide the best care for the family.
- The SAA concept seeks to broadly and regionally define which mental health services are needed in that region, both for children and adults and the development of these two programs are taking place in different ways:
 - ▶ The KMA development is very much a local process and getting those structures built in communities across Montana is the focus of effort for System of Care.
 - ▶ That is not inconsistent or incompatible with SAAs: KMA structures can and should be in place to route information up to the SAAs, as they consider the needs of the region, particularly of children and families. Those KMAs are going to know a lot about what services are there and what services are lacking.
 - ▶ The key work to developing KMAs is done at the local level: pulling together the local planning oversight group and building on a child-by-child and family-by-family basis to determine what services are needed and how best to deliver those services.
 - ▶ The KMA system will be developed with the SAA in mind but there is a clear need to coordinate with the adult system in a couple of key places: children who are transitioning from the children's system to the adult system and children who are in families with adult mental health needs are two specific areas that need coordination.

Mr. Hunter said he wanted to assure SEN. SCHMIDT that families would be involved and the goal is to provide services to the family as a whole, not just to the child.

EMERGING ISSUES/PUBLIC COMMENT

Kathy McGowan, Community Mental Health Centers & Sheriff and Peace Officers, reported that:

- Community Mental Health Centers have met with Peter Blouke and with Mike Hanshue regarding the HIFA waiver concept and there is cautious optimism that a HIFA waiver can be designed for the non-Medicaid adult population, with the recognition that a significant amount of general fund dollars and community mental health center dollars fund that population. Ms. McGowan said this population is a reality and there is a need to be more creative with funding.
- She has spoken with Ms. Thompson and Ms. DeCunzo about providing mental health training for law enforcement officers. Many people end up in jail because there are no services available and they don't understand their illness. It is frustrating for law enforcement to have to put a person in a jail cell when they know that is not what they need but that jail is the safest place for them in their community.
- She said she is working with Big Brother Big Sisters and the Sheriff's and Peace Officer's Association to establish a mentoring program and is trying to get the public interested in mentoring as well. The program will be funded through a grant from the Department of Justice.

Julie Adair, American Massage Therapy Association - Montana Chapter (AMTA-MT), presented testimony regarding licensing of massage therapists in Montana. Ms. Adair submitted:

- a written copy of her testimony (EXHIBIT #14);

- a December 2003 AMTA-MT Law and Legislation Update (EXHIBIT #15); and
- a Summary of Legislative Intentions from the AMTA-MT Legislative Planning Retreat (EXHIBIT #16).

SJR 11 STUDY ON DRUG AND ALCOHOL POLICY: PREVENTION, INTERVENTION, TREATMENT, AND INCARCERATION

Susan Fox, Research Analyst, LSD, said the purpose for the afternoon meeting was to:

- develop an understanding of the entire range of prevention;
- understand that tobacco prevention exists in both the Public Health Division and the AMDD; and
- to understand the structure of each prevention program.

She said this information would allow the Committee members to gain a broad overview of prevention and help them decide how and where to focus prevention efforts.

DPHHS Prevention Programs

Maggie Bullock, Administrator, Public Health and Safety Division (PHSD), DPHHS,

distributed an overview of the PHSD which discussed:

- the programs and essential services provided by the PHSD;
- assessment results from a recent survey;
- prevention programs within the PHSD;
- the PHSD budget;
- significant public health issues in Montana; and
- other issues of importance to the PHSD (EXHIBIT #17).

REP. ROBERTS asked how public health efforts are coordinated on the Reservations. Ms. Bullock reported that the Reservations are very involved and active.

REP. ROBERTS asked if there are any on-going coordination efforts with Canada. Ms. Bullock said that there have been meetings with Canadian officials regarding the border communities and there is an increased effort at coordination.

Jane Smilie, Acting Bureau Chief, Health Systems Bureau, discussed the *MONTANA TOBACCO USE PREVENTION PROGRAM* (MTUPP) and included information on:

- the membership of the Tobacco Prevention Advisory Board;
- community-based programs;
- training and technical assistance;
- youth and school programs;
- tobacco use cessation efforts;
- communications and public education;
- the monitoring and evaluation system; and
- the upcoming strategic planning meeting on February 10, 2004 (EXHIBIT #18).

Ms. Smilie also provided a comprehensive working budget for FY 2004-05 for the MTUPP (EXHIBIT #19).

SEN. SCHMIDT asked if MTUPP provides guidelines for the community-based programs or if they develop their own. Ms. Smilie said the community-based programs all competed for funding through a Request For Proposals (RFP) process. They had to include four goals that were established by the Center for Disease Control (CDC):

- preventing initiation;
- promoting quitting;
- eliminating disparities; and
- reducing exposure to second hand smoke.

The communities develop their proposals around these goals and are given a menu of best practices and science-based programs that have been used successfully in other states. They develop a work plan and an evaluation plan using these guidelines and submit them annually. The Department tries to support these programs with a lot of education and training.

SEN. SCHMIDT asked if the reservation programs differed from the other programs or if they operate on the same requirements and guidelines. Ms. Smilie said they are held to the same goals and requirements but that there is a Native American working group to ensure that their culture and traditions are respected.

SEN. PEASE asked about the \$25,000 already allocated to the tribes. Ms. Smilie said the \$25,000 was the initial amount granted so that work could begin immediately and the balance would be awarded soon.

SEN. PEASE said the Crow Reservation had reported that their funds had been delayed. Ms. Smilie said she was sure the Crow Reservation had received the same initial amount of \$25,000 but that she would investigate the matter to be certain.

SEN. PEASE referred to EXHIBIT #18 and asked why there is a Montana-Wyoming Tribal Leaders Council. Ms. Smilie said that group evolved because of the overlap of the representation of the Windy Boy Reservation.

REP. ROBERTS asked if any Montana Tribes are involved with the commercial sale of tobacco. Ms. Smilie said she did not know but would get that information.

Ken Taylor said he believed there were some tobacco shops on Reservations but that they were not included in the sampling activities because of tribal sovereignty issues.

REP. ROBERTS asked if chewing tobacco cessation percentages were similar to smokers cessation percentages. Ms. Smilie said she did not have a quit rate for tobacco chewers.

Ken Taylor, Youth Access to Tobacco Program (YATP), Chemical Dependency Bureau, AMDD, DPHHS, discussed compliance rates for sales of tobacco to underage youth and reported that Montana had a violation rate of 23.3% for 2002 and a violation rate of 11.2% for 2003. Mr. Taylor provided additional compliance rate information to the Committee regarding:

- the federal Synar Amendment requirements;
- Montana's historical compliance rates;
- Montana's response to the 2002 Sample recommendations; and
- a comparison of Montana's sanctions for merchant violations compared with neighboring states (EXHIBIT #20).

Mr. Taylor discussed youth access to tobacco, alcohol, and gambling in Montana. These are highly addictive behaviors and have serious social costs. The enforcement of Montana laws regarding alcohol and gambling is lax. There has been discussion at the federal level to design a Synar-type program to reduce youth access to alcohol. It is likely that the Substance Abuse Prevention and Treatment Block Grant will be targeted by this effort. A recent soft survey of Missoula bars revealed that in 60% of the cases, identification had not been checked. A similar survey in Billings revealed that minors were successful in 70% of their attempts to purchase alcohol.

Mr. Taylor stated that this information is important because research shows that one of the most important factors in reducing youth substance abuse is clear community norms and standards that are consistently enforced. A child who begins using alcohol before the age of 14 is four times more likely to become an alcoholic. The average age of onset in Montana is between 12 and 13 years of age. Montana laws regarding youth access to alcohol and tobacco provide a good foundation but consistent enforcement is missing.

Mr. Taylor also provided a list of actual and estimated general fund revenues generated from age restricted activities with percentages for youth access enforcement (EXHIBIT #21). Mr. Taylor said one-half of 1% of the total amount collected would provide badly needed money for enforcement and education for youth access laws.

SEN. SCHMIDT asked if most states have a stiffer penalty than Montana for violations of sales to minors. Mr. Taylor said all states are required to have a law forbidding the sale of tobacco products to minors under the age of 18. He said in terms of merchant compliance, most states do have stronger sanctions than Montana. He said it was important to note that consistent enforcement efforts is as important as the sanction itself.

SEN. SCHMIDT asked where the fines collected by the sanctions are deposited. Mr. Taylor said he did not know where the fine money is allocated.

SEN. ESP asked Mr. Taylor for information on how other states treat minors who purchase tobacco products. Mr. Taylor said Montana has a Youth Possession Law and other states have similar laws.

SEN. PEASE asked if compliance checks are conducted on the Reservations. Mr. Taylor said issues of tribal sovereignty have prevented compliance checks on the Reservations but said checks have been done in communities that are close to the Reservations.

REP. ROBERTS read 45-5-673, section 2(a), MCA, 2003, regarding fines for a minor convicted of possession or consumption of tobacco products. Mr. Taylor responded by saying he found it interesting that Montana law treats possession by a youth more seriously than it does the adult who sells to the youth.

PUBLIC COMMENT

Judy Kolar, Executive Director, Gateway Community Services (GSD), Great Falls, said she was urged to testify before the Committee by both SEN. SCHMIDT and the Great Falls Methamphetamine Task Force and that her testimony would be from a provider's perspective.

Ms. Kolar listed several key decisions made in the past years that have been instrumental in how services have filtered down to people in the community and discussed related issues:

- In 1995, the Department Of Corrections (DOC) and Human Services dissolved and the Department of Health and Human Services (DPHHS) was formed. Prior to and up to that time, services were fairly well coordinated in terms of budgeting.
- As a consequence of the agency divisions, budgets were split and it started to become an issue of who should be paying for treatment for whom. As the block grant contracts were examined, it became apparent that the AMDD had an extremely high percentage of its money being spent on persons in the criminal justice system.
- The AMDD viewpoint was that if all the money was being spent on criminal justice people, dollars weren't being allocated fairly for the rest of the public in need of treatment. As much as 90% of contract money was being expended for criminal justice and the AMDD felt that the DOC should be responsible for some of those costs..
- The AMDD put a cap on contracts to spend only 28% of its budget on criminal justice patients. Because there are more and more people coming into the criminal justice system, most agencies struggle with this same issue.
- There have been repeated efforts over the years to have the DOC pay for treatment and they have developed some treatment programs on their own, but as that happened, the data systems started to separate. Since the data systems don't interface, it is not possible for an agency to have a full picture of what is going on throughout the state.
- Also, the programs being run by the DOC were gathering a lot of addiction counselors out of the AMDD because the DOC paid better salaries. A current example of that struggle is the WATCH program (Warm Springs campus) initiated for repeat 4th DUI offenders. When these patients come to the Gateway program for their aftercare after the WATCH program, they are under the jurisdiction of Probation and Parole and are counted as criminal justice patients. This is a huge cost to the Gateway program. Some kind of oversight at a higher level when the planning was being done for the WATCH program could have prevented this.
- Things that have worked: there have been several different grants from the Montana Board of Crime Control (MBCC) that have been implemented at the community level and used for youth-focused activities. The DOJ used a federal grant to establish a program for meth users called the Bridge Project. These dollars have been allocated for residents in the three women's recovery homes in the state and fill a lot of unmet needs such as dental care, prescriptions, clothing, etc. These are good examples of interfacing where two programs find a way to work together.
- Gateway has a small contract with the DOC to place a Gateway counselor at the local adult probation and parole office for 15 hours a week. He doesn't do treatment but works with both the probation officer and the person on treatment plans and strategies.
- The women's recovery homes serve a small number of people but the results are amazing. Statistics show that it actually costs half of what it would cost to incarcerate the woman and house the children in foster care for a year.

Ms. Kolar closed by saying if there is a consideration among the Committee to make a recommendation that the federal block grant dollars that are currently allocated to specific state programs be split up and reallocated, she strongly recommended that the Committee not do that. She said that despite being underfunded, the existing system works very well.

Dr. Don Nauts, Methamphetamine Task Force, Great Falls, expressed his appreciation to Susan Fox for her work on this issue and said he wanted to address some of the areas of concern. Dr. Nauts began by saying there are three kinds of prevention:

- 1) Primary prevention: is very broad-based in its efforts and attempts to prevent initial use.
- 2) Secondary prevention: use has already occurred and there is a problem with use or the pattern of use.
- 3) Tertiary prevention: people who have established problems with severe substance abuse.

Dr. Nauts said abstinence would be ideal but is not realistic. He said a more realistic goal would be to reduce use. Reducing but not eliminating substance abuse would still significantly reduce costs.

Dr. Nauts said funding is the most critical issue. Most agencies and programs accept the reality that there will not be additional funding sources so it becomes a matter of better utilizing the existing money. It is a "turf" issue with no agency wanting to risk its funding stream. There must be a way of integrating the funding from the various agencies and programs to better serve this population.

Dr. Nauts gave his opinion on the need for a "drug czar" or Chief Prevention Officer. He said while he wasn't sure of the correct title, the person would have to have strong clinical skills, a wish to change the system, and the ability to think outside the box. He said the position must have authority and can't merely be a figurehead. Dr. Nauts also expressed concern about attaching the position to the Governor's Office, He said the frequent change could result in little stability, thus preventing continuity.

Dr. Nauts discussed several related issues:

- Even for those with insurance, treatment is difficult to provide because carriers do not consider this type of care at the same level as diabetes or heart disease, etc.
- The treatment of patients with substance abuse disorders has become more complex and he is aware that significant mental disorders often co-occur with substance abuse. He said it is time to start looking at how to blend and integrate services.
- Patients with addiction problems don't necessarily need intensive treatment programs but rather long-term, low-intensity treatment services. This is lacking under the current system.
- There needs to be better public education about people with mental health disorders or addiction disorders. These are normal people with diseased brains and they don't deserve some of the barriers that have been created.
- There is a need to broaden the clinical capabilities of community programs and encourage them to all work together. The State should offer an incentive for quality providers to work together.
- American Society of Addiction Medicine (ASAM) has developed a criteria that outlines which services should be provided for complex patients and personnel that can provide those services must be trained so that the patient will not have to be sent elsewhere.
- The state has been discussing regionalization plans. Dr. Nauts said he was in favor of this because developing better relationships would allow more enhanced programs to help support less enhanced programs.
- Dr. Nauts said he was personally very pleased that the Great Falls Task Force had received a grant to pursue a treatment court. He said the State must continue to support and that it dovetails into the coordination that he had referred to in his testimony.

Dr. Nauts also discussed buprenorphine, an experimental drug that actually diminishes cravings and helps chronic opiate addicts feel normal. He said only four doctors in Montana have waivers to prescribe it and to only 30 patients each. Each patient must have successfully completed a recovery course. This therapy is incredibly effective and should be used on many more patients.

Dr. Nauts concluded his discussion by saying he was hopeful that action steps would be taken that would lead to some positive change regarding this population. He said there must be improved access to treatment and the quality of the treatment must also be improved.

REP. CLARK asked Dr. Nauts for specific suggestions on how he would incentivize programs to work together and said she thought that was a crucial element. Dr. Nauts agreed and suggested perhaps offering limited choices to the agencies and mandate that they choose one. REP. CLARK said she was formally requesting his assistance in formulating incentives for increasing agency cooperation. Dr. Nauts said ideally agencies would work together on their own but did not think this was a realistic goal, since it has not previously occurred. He suggested if money is not available for using as an incentive, then perhaps, taking money away from agencies and programs if cooperative efforts are resisted.

SEN. ESP asked what the patient cost per day was for the Buprenorphine drug and how long a patient would remain on it. Dr. Nauts said the cost is about \$300 - \$400 per month, depending on the dosage. He said the length of time a patient would be prescribed the drug would depend on the patient's level of drug dependence. An addict who has been chronically using for three years or more may need it for the rest of their life. The issue is again, unless a person has Medicaid or a third party payer that has prescription coverage, they can't afford the treatment.

Mona Sumner, Chief Operating Officer, Rimrock Foundation, Billings, discussed family treatment courts. Ms. Sumner stated that:

- This type of court offers the most effective treatment plan and is the most cost effective solution to the huge problem of drug, alcohol, and other addictions.
- Drug treatment courts are a very exciting innovation and hold the greatest promise for solutions on a number of important fronts.
- Montana has been excruciatingly slow to adopt these kinds of programs that would have a huge impact on problems such as the multiple DUI offender or the misdemeanor offenses related to substance abuse. Huge amounts of the State's resources are spent on this population.
- 80% of the county jail population and 85% of the state prison population have this problem. It would take a huge burden off the county and state criminal justice systems if some local community-based drug treatment courts were to be established.
- There are a several models and each can be adapted to fit a community's individual needs.
- The concept of family treatment courts is growing because of their effectiveness. The oldest drug court in the United States is in St. Louis, Missouri, and has reduced recidivism to 3%.
- In Yellowstone County, families are staying together. Children don't go into foster care and have sober parents and effective parents. There is a huge cost benefit to that kind of structure.
- The basic mission of adult drug courts is reduce or eliminate the extent of the substance abuse and offer a compelling choice for the individual whose criminal justice involvement

really stems from substance abuse. In exchange for completing treatment successfully, the court may dismiss the original charge, reduce or set aside a sentence and offer a lesser penalty, or offer some combination of the two. In doing so, the court can capture large numbers of individuals who would otherwise recidivate within the system.

- In a city municipal court, just one misdemeanor drug-related offender may cost that system \$47,000 over a 18-month period. That same offender could have been served in a drug court for one full year at a cost of \$4,000 or less.
- It has been proven that treatment that is mandated works as effectively as treatment that is voluntary.
- This approach provides an opportunity for the treatment and the criminal justice systems to be effective partners. The judge, prosecuting attorney, defense attorney and treatment provider all work together to manage a drug court.
- One of the most important things this Committee can do is to recommend and back legislation for the funds that will be needed to maintain this type of drug court.
- Family treatment court is a great example of cooperation between agencies at a community level. Unfortunately, this same level of cooperation is not happening at the state level.
- Instead of allowing side-by-side development, insist that Corrections contract with the treatment providers. Agencies would have to work together and parallel systems would cease to exist.

REP. ROBERTS referred to testimony given by Sheriff Cheryl Liedle, Lewis and Clark County Sheriff (October, 2003) that there is no treatment available to inmates with addictions and asked how the treatment courts dealt with that. Ms. Sumner said the individual is diverted from jail into drug court and that is where treatment services are initiated. The chief objective in Yellowstone County is to prevent the meth user from going to jail at all. He is under the umbrella of the drug court, he will be detoxed in the community, and he will enter into a treatment track where he will be followed for at least a year. REP. ROBERTS asked what happens if the participant's drug arrest is in conjunction with a felony of another type. Ms. Sumner said it depended on the individual circumstances of each case and that the participant had to meet the program's admission criteria.

SEN. O'NEIL asked what power or resources District Courts are lacking that prevent them from acting as a drug court. Ms. Sumner said the main obstacle is time because the court calendars are very crowded, making it difficult for a judge to participate. She said the criminal justice system also needed to be educated about the effectiveness of this approach.

REP. CLARK asked if there were figures available for the cost of maintenance of a drug court and said in order to convince people how much will be saved, we must first know how much it is going to cost. Ms. Sumner said she would provide that information to Ms. Fox.

SEN. ESP asked how long the drug court has been in force. Ms. Sumner said the drug court has been operating for two years under a three-year federal grant. She reiterated that a family drug court is the most complicated court to administer and takes the biggest number of personnel. She also said Dr. Brenda Roche would present cost benefit data in the next day's meeting. SEN. ESP said he would like to come to the drug court for a day to observe in order to gain a better understanding of how it operates. Ms. Sumner said he or any other Committee member would be most welcome.

Mary Fay, Methamphetamine Task Force, Great Falls submitted a written copy of her testimony and read it for the Committee (EXHIBIT #22). Ms. Fay urged the Committee to examine this issue very thoroughly in order to be clearly aware of the devastating effects of drugs and alcohol, particularly with methamphetamine drug use. She said it is imperative that a stable funding stream be established in order to deal with this rapidly growing problem.

Roland Mena, Executive Director, Montana Board of Crime Control (MBCC), provided materials from the MBCC (EXHIBIT # 23) and discussed:

- the need for coordinated efforts from the various state agencies involved and the willingness of the MBCC to be a part of this effort;
- using the State's available expertise, knowledge, and professionals to build a foundation and leadership structure that can really take charge of this;
- the willingness of the MBCC to be a lead agency in coordinating the complex issues of justice, prevention, and treatment;
- that significant gaps have been identified in the movement between justice and treatment and said it was obvious that people are falling through the cracks;
- that as Chair of the Interagency Coordinating Council (ICC), the MBCC sees the suggestion to create a Board of Prevention or another type of leadership body as a challenge;
- what the structure will look like, the role of the ICC within this new entity and how the other major agencies will be involved (MBCC, OPI, DPHHS, DOJ, and DOC);
- establishing an overarching body that would form a drug policy using a holistic approach;
- the need to look at standards and practices, research and development, resource development, grant writing, information dissemination, and specific kinds of outreach and said those foundations and structures need to be established so that whatever body is formed can cut across departments and divisions in a real leadership role;
- the importance of using science-based practice so that results are measurable;
- the past work of the ICC, which has been very valuable but has never been adequately funded; and
- that the Prevention Resource Center, within the ICC, could transition as part of the support system to this leadership group and start to broaden the standards and practices, research and development, resource development, grant writing, information dissemination, and specific kinds of outreach.

Ms. Bullock presented comments on the preliminary proposal for coordinated statewide leadership in alcohol, tobacco, and other drug prevention, treatment and control. She said she had three main points:

- It would be beneficial to have a discussion with the DPHHS Administrators and Director Gray and have them give their input on this proposal. There are several prevention programs already in place and there should be an effort to involve these existing programs in the coordination process.
- The Environmental Quality Council (EQC) invited Ms. Bullock to participate on a panel which discussed meth lab issues: cleanup techniques, hazards of a meth lab site, and the cost of cleaning up a site. Montana has no resources, funding, manpower, or training, so essentially, nothing is being done. Other states have guidelines for handling these cleanup sites and information has been requested from these states. The DEQ does not want have to be the entity responsible for cleaning up these sites and wants the DPHHS to be responsible. This will be addressed in a package that will come

forward in the executive planning process through the Governors Office and hopefully to the Legislature.

- Incentives for contractors has worked, particularly in rural areas, where it is very beneficial to pool resources.

Ms. Bullock closed by stating that she is not opposed to DPHHS Administrators forming a committee to coordinate prevention programs.

SEN. SCHMIDT asked if the federal government provides any guidelines for cleaning up methamphetamine lab sites. Ms. Bullock said there are guidelines that have been proposed by private research institutions and that some states have adapted them. Clean up is a technical process and there would need to be a group of very knowledgeable people assembled to adapt them for use at a state level. Montana must decide if it wants technical standards or general cleanup standards. There is insufficient evidence on how dangerous a meth lab site is, before or after a cleanup.

Roger Curtis, Director, Alcohol and Drug Services, Anaconda, said he has spent 23 years working with substance abuse patients in 20 different counties in Montana. He made the following points:

- Nothing can compare to the results produced from a drug court.
- This problem is going to continue to increase in difficulty and severity.
- He will be meeting with SAMHSA soon and will be discussing workforce issues and the need for trained and educated staff who will be able to handle these issues.
- Collaborative efforts from agencies will be necessary for success.

Mr. Curtis encouraged the Committee to make real and substantial recommendations to deal with the major drug and alcohol problems in Montana.

Mr. Curtis told REP. CLARK that the yearly cost of maintaining a drug court (after implementation has been completed) was about \$100,000 and includes all of the ancillary support activities.

STAFF PRESENTATION/COMMITTEE WORK SESSION

Ms. Fox said suggested the Committee:

- prioritize the issues it feels are most important, can do something about, and would like additional information on. The issues discussed to date are:
 - ▶ treatment courts - adult felony drug court, juvenile drug court, or family drug court,
 - ▶ multiple DUI courts,
 - ▶ insurance parity,
 - ▶ youth access,
 - ▶ TANF eligibility, or
 - ▶ treatment and recovery homes.

Ms. Fox suggested the Committee choose one or two of these areas for additional study, with the caveat that additional areas could be added, if the Committee felt the need. She said she would provide copies of the minutes from EQC meeting on methamphetamines and would ask Larry Mitchell, Research Analyst, Legislative Environmental Protection Office (LEPO) to speak at the next Committee meeting.

Ms. Fox stated that the information she compiled in *Preliminary Proposals to address COORDINATED STATEWIDE LEADERSHIP in Alcohol, Tobacco, and Other Drug Prevention, Treatment and Control* (EXHIBIT #24) is very preliminary and open to direction from the Committee.

Ms. Fox distributed an SJR 11 Decision Points ballot to assist the Committee in its decision making process (EXHIBIT #25). She also provided a document containing additional background information for the SJR 11 study (EXHIBIT #26). She said it was a compilation of all of the prevention programs identified in the State Prevention Resource Directory and also included treatment programs and other state models in use.

Ms. Fox referred the Committee members to the *Preliminary Proposals* (EXHIBIT #24) and discussed each proposal:

- ▶ Chief Prevention, Treatment, and Drug Control Officer, pages 2 & 3;
- ▶ Prevention Resource Center, pages 3 & 4;
- ▶ Board of Drug Prevention, Treatment, and Control, pages 4 & 5;
- ▶ Assessment Fee on Prevention, Treatment, and Drug Control Grants, page 5;
- ▶ Interagency Coordinating Council, pages 5 & 6;
- ▶ Department of Public Health and Human Services, page 6; and
- ▶ Montana Board of Crime Control, pages 6 & 7.

Ms. Fox also discussed the possibility of reinventing a Statewide Drug and Alcohol Advisory Council. She said there are many more possibilities and asked the Committee for direction and scope on two points:

- 1) a coordinated statewide leadership proposal and
- 2) other options (if any) it wants want to pursue.

Ms. Fox said final recommendations must be completed by the August meeting, so the March and May meetings will have to be used to digest and fine tune any proposals the Committee wishes to carry forward.

REP. GIBSON said her inclination was to keep it simple, to start small and integrate gradually. She said she would support an supervisory entity to oversee coordination efforts.

REP. ROBERTS asked SEN. ESP if any part of the Tobacco Fund was available or unattached that could be used to fund the implementation of a substance abuse panel. SEN. ESP said he thought there was money available but that there would be a lots of competition for it.

REP. ROBERTS asked if there was any money available through federal grants for youth drug programs. Mr. Mena said Montana receives an annual \$6.4 million appropriation from the Center for Substance Abuse Treatment and Prevention. In addition to that, applications for a \$100 million grant (ACCESS TO RECOVERY) will be available in the spring or summer of 2004. The grant will be used to expand states' capacity to provide treatment services. Mr. Mena said those are two very large sources of money and there are also multiple other grants that the state can apply for to enhance specific programs. He also recommended training additional staff in grant writing, which would greatly enhance Montana's ability to procure federal funds for resource and program development.

SEN. SCHMIDT reminded the Committee members that at the October meeting, the decision was made to focus on the policy area of coordinating statewide leadership first. By addressing this overarching structural area first, the thought was that the Committee could positively influence other policy areas as well. She said the substance abuse issue is a very large one and that she hoped the Committee did not get sidetracked from the October decision by all of the other issues that had been presented. Ms. Fox suggested concentrating on the concept of a Chief Prevention and Treatment Officer and continue conversations with the ICC, the MBCC, and the DPHHS about what the support system for the position should be. She said agency directors and/or division administrators could be invited to give input and assist in planning efforts. Ms. Fox said the necessary pieces may all be available but just not in the proper place and there may not be a need for any new committees.

REP. CLARK said she was in favor of creating a Chief Prevention Officer and that the position must be funded if it was to be effective. She said it was more likely than not that there would be no new funding available so the funding would have to come from existing programs.

REP. ROBERTS wondered if the position should be an individual or a committee that would act as one. REP. CLARK said there would certainly have to be input from all of the involved entities and agencies and the level of involvement could be worked out.

Ms. Fox said that, essentially, that is what the ICC already does but the problem is that there is no funding and no authority. She said one option would be to remedy the issue of no funding and give the ICC decision making authority.

SEN. ESP said this could be a difficult process because agencies and programs will be reluctant to share funding and resources.

REP. GIBSON recommended that the position be a Chief of Prevention and Treatment Officer and not address drug control. She said Ms. Fox could explore funding and coordination options. In reference to discussion of the territorial defense of funding, REP. GIBSON suggested that in the long run, money will be saved because services would not be fragmented or duplicated and resources would be shared.

SEN. O'NEIL asked what authority the Governor has over the ICC. Ms. Fox said the vast majority of the ICC members are governor appointed and the exceptions are the Attorney General, the Office of Public Instruction, and the Montana Board of Crime Control Executive Director. SEN. O'NEIL suggested that the proposed prevention officer be appointed by the Governor's Office because there are enough existing boards and agencies. Ms. Fox said if the decision was made to go with an existing board, there would have to be an effort to be sensitive to the separation of power and make certain that everyone has a voice.

SEN. SCHMIDT said she would like to pursue the idea of the position being appointed by the Governor.

Mr. Petesch commented that all of the different prevention and treatment programs are funded. The Legislative Branch has given tremendous authority to the Executive Branch to move legislatively-appropriated money between programs and agencies. The impediment to that is that in order to move the money between agencies, the agencies have to agree. The agencies don't have to report to its legislative oversight authority if the amount it is moving is below \$1

million. It has to be over \$1 million before it is considered significant by the terms of what the legislature statutorily constructed. So when this new structure is in place and there is someone who has final decision making authority, the legislature may want to consider tweaking that transfer authority that already exists to allow that to be implemented more easily within the prevention and treatment programs.

Ms. Fox restated that what she had heard from the Committee in the day's meeting was that it would like her to pursue the option of Chief Prevention and Treatment Officer. She said she would separate those two functions so if it looked too big, the Committee could choose which avenue it wished to pursue. She said the Committee would have to decide what type of support structure the position would need and would also have to identify options for funding.

The Committee and panelists discussed parity and treatment issues. Dr. Nauts said parity exists within the federal government but not in most insurance programs. He said there are no dramatic increases in insurance costs if mental health and substance use disorders are put at parity. This is something that may need to be revisited. It shifts the costs from the working poor who may have some insurance into the public sector.

Ms. Fox said there is a section in the insurance code regarding statutory limits on number of benefits. It reads like an insurance policy but is state law instead of policy. Dr. Nauts said it was his understanding that this only applies to group plans. Ms. Fox said it was very complicated and it goes back to that mandated benefit concept but there is federal law, state law, group or individual insurance markets, and self insured are in a different pool altogether. There is a portion of insurance coverage in this state that is covered under state law.

REP. ROBERTS said that this Committee could direct the czar/chief officer to coordinate plans to allow people get the best benefit possible. The current system is very fragmented and after a claim gets denied one or two times, people get frustrated and give up. Dr. Nauts said this situation is partly due to the economy but the "wrenching down" by the managed care entities regarding this treatment is making it increasingly less viable, certainly for hospital-based programs, to remain in business.

REP. ROBERTS said there may be a way to work with Medicare to find at least a partial remedy to this problem and discussed a similar circumstance experienced by emergency room services where Medicaid assisted with a solution.

SEN. ESP said he thought it was important that data systems between agencies and programs be compatible. He asked Ms. Fox to explore possible solutions that wouldn't cost much. Ms. Fox said she would look into this.

SEN. SCHMIDT asked Ms. Fox if all of the treatment issues and related agencies and programs had been covered. Ms. Fox said the prevention efforts are linked with the Board of Crime Control because it gets juvenile delinquency, domestic violence, and several other sources of funding that are specifically for prevention. Treatment issues would be linked Corrections and the DPHHS. Ms. Fox said to the extent the DOJ has prevention and treatment information and is connected to the MBCC, it would also be included in the planning. The DOJ is also the link to drug control and Ms. Fox suggested the Committee not include this aspect of the department in its planning.

With no further business before, REP. ROBERTS recessed the Committee at 5:30 p.m.

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