

**Local Government Advisory Committee
Room 473, Human Services Building, Salem
April 13, 2007
Minutes**

ATTENDING

Ben Boswell	Wallowa County Commissioner
Janet Carlson	Marion County Commissioner
Barbara Carranza	Oregon Commission on Children and Families
Cathy Cooper	DHS – Seniors and People with Disabilities
Joe Corsiglia	Columbia County Commissioner
Bill Coulombe	DHS – Public Health Division
Ron Dodge	Polk County Commissioner
Tom Engle	DHS – Public Health Division
Cara Fischer	Association of Oregon Counties
Linda Fleming	CLHO
Ramona Foley	DHS – Children, Adults & Families
Gordon Fultz	Association of Oregon Counties
Sharon Guidera	Assoc. of Oregon Community Mental Health Programs
Bill Hall	Lincoln County Commissioner
John Hartner	Oregon Association of Community Corrections
Tony Howell	League of Oregon Cities
Chuck Hurliman	Tillamook County Commissioner
Linda Modrell	Benton County Commissioner
Sue Nelson	DHS – Administrative Services
Bob Nikkel	DHS – Office of Mental Health and Addiction Services
Gina Nikkel	Assoc. of OR Community Mental Health Programs
Fariborz Pakseresht	DHS – Administrative Services
Debra Patterson	Oregon Juvenile Department Directors’ Association
Anne Peltier	CLHO
Clyde Saiki	DHS – Deputy Director
Cindy Scheick	DHS – Finance and Policy Analysis
Jim Scherzinger	DHS – Director’s Office
Mary Shortall	Multnomah County Aging and Disability
Michael Stickler	DHS – Finance and Policy Analysis
Julie Strauss	DHS – Finance and Policy Analysis
Wendy VanElverdinghe	Community Action Directors of Oregon
Bill Wagner	Cascades West Council of Governments
Gillian Wesenberg	Coalition of County Children and Families Commissions

WELCOME & INTRODUCTIONS

Linda Modrell called the meeting to order and roundtable introductions were made.

APPROVAL OF MINUTES & AGENDA

The minutes from March 9, 2007, were reviewed and approved.

The agenda was also approved with the addition of a discussion on the counties that are returning services to the state and an update on the Medicaid match.

DIRECTOR’S REPORT – Bruce Goldberg

Bruce Goldberg updated LGAC on the Legislature. The Co-Chairs budget adds about \$200 million to education and makes some cuts to the Governor’s Human Services budget. It did include a tobacco tax which has not yet passed. There was hope that it would precipitate a revenue conversation, however that has not occurred. It would take 36 votes in the House for any revenue raising measure to pass. The DHS position is the Governor’s budget was a good starting place to build from and we will continue to advocate for that.

There are many conversations going on about the tobacco tax. There may be the ability to pass one or two taxes, but Bruce feels not all will pass and some may or may not get referred.

Bruce feels that SB 184 is an important place to focus attention on since it does not involve new revenue, but focuses on existing revenue. It would take 2% (\$17 million) of OLCC money off the top, with \$3 million going to drug courts, \$3 million to prevention around youth and county-based prevention services and \$10 million targeted to alcohol and drug treatment to parents who have kids at risk of going into the foster care system. It does not change the distribution formula.

AOC is in favor of this bill because the counties will get the money back into the treatment system; however the League of Oregon Cities is against it because of the previous contract agreement.

Bruce feels advocating for a tobacco tax is not just a revenue source; it would also be good to help stop kids from smoking. Local advocacy around the tobacco tax would be helpful.

Sharon Guidera said that the Hood River County Commissioners sent a letter to the leadership advocating in favor of the malt liquor tax.

Mary Shortall asked if it was true that the more cigarettes cost, the fewer people will smoke and fewer kids begin smoking.

Tom Engle said that a 10% increase in cost of cigarettes equals to about a 7% decrease in teen smoking.

UPDATE ON COUNTY RESIDENCY ISSUE – Bob Nikkel, Ramona Foley

Bob Nikkel discussed the issue of the change in enrollment for kids who are in the behavioral rehabilitation services facilities and whether DHS should make the BRS enrollment parallel to the enrollment of kids in psychiatric residential treatment services. DHS has a plan to do that and details of the plan will be sent out to LGAC. The policy change will take effect on January 1, 2008, due to technical issues related to rate setting that complicated the process. DHS is now developing the procedures to identify the children and make the automated enrollment system ignore the address change and ensure that planning for the change includes the service providers, branch offices and the MHOs. DHS must also build in time for federal approval of the mental health organization contract changes.

Sharon Guidera expressed frustration with the amount of time it has taken to make this change.

Linda Modrell said that whether it is schools, county or state government, we are still trying to make the old institutions work in situations where a lot of flexibility is needed.

Clyde Saiki agreed that it has been very frustrating and he will debrief with Bob Nikkel and Ramona Foley to find out why it took so long, lessons learned and how not to repeat it in the future with other situations.

Ben Boswell said that frustration at the local level is very high and asked if there was anything that the local officials could do. Sometimes the federal mandates when closely examined are not really mandates, they are suggestions. To the extent that they could support DHS and put together a program that works for Oregon, Ben feels that encounter data should be useful information for clinicians not just for rate setting.

Bob Nikkel agreed with the frustration, but explained that encounter data is the fundamental building block for rate setting and is what DHS agreed to in the waiver. The Department is starting an Actuarial Services Workgroup and will be inviting participation to make the rate setting process more transparent.

Clyde Saiki agreed the counties would be helpful to the process and encouraged their assistance on the front-end when developing policy and rules.

Linda Fleming said it is the responsibility of the locals to say show me and not just accept that something is a federal mandate.

Clyde said if DHS makes those types of requirements, before the locals ask, DHS should show you. Also, if the locals have a different interpretation of a federal guideline or rule, it is important to talk about it.

Action Item:

Bob Nikkel will send a copy of the BRS enrollment plan to Diana Woods to forward to LGAC.

COMMUNITY SERVICES WORK PLAN – Bob Nikkel

DHS met with stakeholders including several legislators to work on the part of the State Hospital Master Plan that is going to need to take place in the community if the new State Hospital is going to be successful. The group completed an extensive review of front-end services (back-end services have not been as challenging since it is already built into the system). The community services report was issued in March, and contains the budget breakdown of front-end services. Projected cost for this coming biennium is \$105 million more than the Governors Recommended Budget (GRB), assuming that we could do more than 50% of the assertive community treatment development until the next biennium; it is an underestimate of the actual need. The report contains a disclaimer that the projected cost is not included in the GRB. Other task forces estimate \$200+ million but include children's services in their estimates. The DHS estimate only included adults. The report has received a lot of attention at the Legislature. SB 881 just passed from the Policy Committee on to Ways and Means with the \$105 million price tag. The methodology used for pricing out the cost is included in the report.

Gina Nikkel will have copies of this report available at the AOC Human Services meeting this afternoon.

Bob Nikkel said that one of the questions that came up during DHS's presentation before the Ways and Means Committee was the historical reference. Even though the appearance is more money is recommended, the actual amount is not equal to the pre-2003 funding levels in addictions and mental health.

The public meetings with legislators held across the state were limited to two minutes for each person to say what they wanted. Seniors and disabled persons found accessibility to some locations difficult.

It was agreed that it is important for people to get their voices heard. When legislators hear more people voicing opinions on education and not much on addiction services, it is assumed that education is the bigger issue. It is important to say up front what your concerns are when presenting to the legislators at these meetings and send letters and doing what they can to get legislators to understand the importance of mental health and addiction services to the people of Oregon.

Joe Corsiglia suggested that LGAC could submit a letter voicing these concerns to the Legislature.

Anne Peltier said at the Corvallis meeting she was the only one who advocated only for Public Health. There are no support groups for people who do not get diseases like meningitis, food poisoning or any communicable disease. Good public health is silent so advocacy is difficult.

Linda Modrell agreed that LGAC could send a letter of observation and concern.

Mary Shortall suggested that the accessibility issue and the fact that only individuals who are well and have the stamina can go to the meetings be included in the letter of concern from LGAC.

COUNTIES TURNING SERVICES OVER TO THE STATE – Gordon Fultz

Gordon Fultz discussed the issue of a couple of counties that are considering turning services back to the State because of the loss of timber revenues. The concerns are if citizens will continue to receive adequate services in those areas and if there is any way that the counties could retain those services. The questions the counties have are whether the State is required to be held at the same standard as the counties if they take over the services and if the services provided will be the same as the counties have been providing.

Bruce Goldberg has requested information from Dr. Susan Allan on Public Health services. Clyde Saiki understands that the counties have only asked the question in regard to Public Health. So far mental health services have not been discussed. There is already a clause in statute as well as in contract that mental health services could be returned to the State. The first option would not be to operate with state employees, but possibly another county or non-profit could operate a community mental health program. There is also labor law that guarantees public employees continued employment for one year at the same or substantially the same salary. Many things would need to be worked out.

Tom Engle stated that the State would have the same target for services as if they were serviced by the county. If a county is currently putting in a lot of general fund dollars and they drop the authority and the money, the citizens would see a difference.

Tom plans to meet with CLHO next week and share the breakdown that goes to local health departments and they can decide which of those streams they want to push back to the appropriate committee to work on. All State support for public health goes to counties.

Linda Fleming said that on March 5, CLHO and office administrators from the Public Health Division held an all-day facilitated retreat and out of that came a process by which a county could request some type of a variance in the program elements. The request would first go to Tom Engle as the county liaison and then through CLHO committees to validate the need for the variance. This process was put in place and sent to every county on March 12 and so far there have been no county requests for any variance of program elements.

Gordon Fultz suggested this might be a good time for representatives from DHS (Mental Health & Public Health) to visit those counties experiencing major financial distress.

RETROACTIVE AUDIT/COST SETTLEMENT OF SERVICE ELEMENTS – Jim Scherzinger & Fariborz Pakseresht

Ben Boswell received a letter dated January 16, 2007, from DHS stating that Wallowa County owes the State \$181,000 without any advance notice that the bill was coming.

Fariborz Pakseresht said that this goes back to the contract settlement issue. What DHS has done in the past is a very poor business practice that goes back 10-12

years. The contract language reads that counties are responsible for maintaining records for three years past the end date of the contract or as long as there are unresolved settlement issues. What DHS committed to at the county Mental Health Directors' meeting is to work with each county individually and if they cannot reach agreement, the escalation process will go to Shawn Jacobsen, DHS Controller. If that does not happen, counties are welcome to call Fariborz directly, then Jim Scherzinger.

There have been a range of responses from the counties so far. Some counties were anxious to give the money back to DHS and get it off their books, while others are not. No one at DHS has the authority to write this off, and the Department has an obligation by contract to collect. The way the contract works is DHS gives money to a county up front for services to be provided and at the end of the contract, any services not provided to the amount listed, the county owes the difference back to the State. In some cases if the county spends more on the service elements than the contract indicated, then the State owes the county money.

DHS has had conversations with Gordon Fultz regarding the contracts and DHS wants to be fair and equitable to everyone. Fariborz said that if the counties feel they are not being treated fairly, they may call him. A new payment system (MMIS) is being put in place which will show the actual charge and not estimate the payments like in the past. The intent is to eliminate the backlog.

Bruce Goldberg added that fiscal accountability for DHS is his commitment and the department will strive to be transparent and fair. DHS is committed to fixing what was done in the past and to fix what caused it in the first place. The other partner in all of this is the federal government.

AOC HUMAN SERVICES REPORT – Bill Hall and Gina Nikkel

Last month, the Human Services Committee endorsed HB 2535 (beer tax). All five beer tax bills will be up for hearing on Wednesday, April 18 at 1:00 p.m. One of the bills, if passed, will go to prevention, treatment and recovery. Please come and show your support.

Thanks to Mary Shortall for attending the Legislative Committee on Monday. AOC affirmed its position on HB 2032A supporting it to the extent that it helps with senior interest tax liabilities, but does not support it to the extent that it impacts revenues to Oregon Project Independence. AOC Human Services will be meeting today; lunch starts at 12:30 p.m. The meeting will begin at 12:45 p.m. and everyone is welcome.

STATE/COUNTY LEVERAGING – Cindy Scheick

Tom Fronk (Benton County) and Cindy Scheick met to develop a local and state partnership to discuss, analyze and bring forth ideas around leveraging opportunities. A small group has been formed to lay out who would participate in the partnership and how it will function. They are hoping the workgroup will meet in the next two weeks develop the foundation for the partnership and make a presentation to LGAC and AOC. The goal is to maximize the leveraging of federal dollars.

HB 2650 SCHOOL NUTRITION STANDARDS – Linda Fleming

HB 2650 passed out of the House and has now moved on to Senator Morrisette's committee. Linda was assured that there would be enough votes to pass the Senate and the Governor will sign the bill.

MEDICAID MATCH INTERGOVERNMENTAL TRANSFER (IGT) – Cindy Schieck

Congress has adopted an amendment to the supplemental war spending bill. It would postpone the implementation of the new rules governing Intergovernmental Transfer of Medicaid match by two years. Congress indicated they were very interested in having a postponement of the IGT.

ASSISTED LIVING FACILITIES – Bill Wagner

About 40% of the assisted living beds in Oregon are with national corporations that have notified DHS when the current Medicaid residents leave, they will not replace them with Medicaid clients. It may be justified due to the rates for assisted living facilities have not kept up with the rates for other types of care and we are asking more for care of the assisted living clients than would be found in other states.

A trend is being seen in the attendance at senior centers and the Meals-on-Wheels programs are dropping. There is a shift in what current seniors want in terms of service delivery and how delivery is provided. O4AD is looking at putting forth a couple of bills that would look at the changes happening in the communities to meet baby boomers' needs.

Cathy Cooper said DHS has received notice that would affect 13 different areas around the state; about 275 Medicaid clients will be effected. SPD would be happy to discuss this issue in more detail at the next LGAC meeting.

SSI/SSDI BRIDGE – Wendy VanElverdinghe

The SSI/SSDI Bridge formally known as General Assistance for families is included in the Governor’s budget but not for individuals. This is a priority for the Hunger Relief Task Force. The SSI/SSDI Bridge would provide some money to live on for the poorest of the poor that have no income until they get their SSI or SSDI. Once awarded, a portion of the bridge gets returned to the State.

NEXT MEETING – May 11, 2007

Senior Facilities – Cathy Cooper

School Nutrition Bill Update – Wendy VanElverdinghe

Seamless Health Care for Inmates Coming Out of the System (progress report) – Bob Nikkel and John Hartner

Effect of Human Services as a Result of County Budgets – Gina Nikkel & Linda Fleming

State/County Leveraging Update - Cindy

Adjourned at 12:00 noon

The next LGAC meeting is scheduled for May 11, 2007.