

**Local Government Advisory Committee
Room 473, Human Services Building, Salem
June 13, 2003
Minutes**

Attending

Janet Carlson	Marion County Board of Commissioners
Larry Cole	League of Oregon Cities
Jean Cowan	Lincoln County Board of Commissioners
Ramona Foley	DHS – Assistant Director, Children Adults and Families, and Interim Assistant Director, Community Human Services
David Foster	Oregon Housing & Community Services
Gordon Fultz	Association of Oregon Counties
Robert Furlow	Douglas County Health & Social Services
Sharon Guidera	Association of Mental Health Program Directors
John Hartner	Oregon Association of Community Corrections Directors
Lisa Joyce	DHS – Director’s Office
Barry Kast	DHS – Assistant Director, Health Services
Jan Kenna	Columbia County Board of Commissioners
Linda Modrell	Benton County Board of Commissioners
Jim Neely	DHS – Deputy Director
Sue Nelson	DHS – Deputy Assistant Director, Health Services
Ray Naff	Governor’s Office
Bob Nikkel	DHS – Health Services
Gillian Nicolaides	Douglas County Commission on Children & Families
Anne Peltier	Conference of Local Health Officials
Dan Postrel	DHS – Administrative Services
Clyde Saiki	DHS – Chief Administrative Officer, Administrative Services
Jim Sellers	DHS – Administrative Services
Mary Shortall	Multnomah County Area Agencies on Aging and Disabilities
Jean Thorne	DHS – Director
James Toews	DHS – Acting Deputy Assistant Director, Seniors & People with Disabilities

Minutes: Dena Comer, DHS – Director’s Office Administration and staff to LGAC

WELCOME & INTRODUCTIONS/APPROVAL OF MINUTES

Jean Cowan called the meeting to order, and roundtable introductions were made. The May 9, 2003, minutes were approved with a change to a sentence on page 3.

DIRECTOR'S REPORT

Jean Thorne reported that DHS is waiting for the results of legislative budget decisions, as the department's work session on the issues has been rescheduled to a yet undetermined date. DHS raised discussion yesterday on a program, restored in January to cover anti-rejection transplant and HIV drugs for those formerly covered by the Medically Needy program. While the program is being considered for continuation into the next biennium, it is very expensive and the outcome is unknown.

Thorne expressed her appreciation for LGAC's input in answer to the three questions surrounding reorganization. DHS' cabinet will work on this over the summer, with further discussion planned for this fall.

All of state government is going through strike planning, and it is possible that the union (SEIU) could strike as early as July. DHS is in the process of identifying its most critical functions and will complete its strike plan by early next week.

GUEST

Ray Naff, Director of Intergovernmental Relations in the Governor's Office, reported on the Governor's efforts toward building better working relationships with local governments, particularly as the state addresses its budget crisis. The Governor believes that communication is the key to better decisions, as local government is the predominate delivery system for the state. Naff added that he is appalled when local government is called a "special interest group."

Naff spoke to Oregon's diversity, commenting on the changing demographics within rural communities. Canyon City is an example of such a community, established in its location due to existing natural resources. Its original mining and timber industries no longer exist, yet the population continues to grow, if slightly. Another example is Lakeview, which has lost 25 percent of its school-aged population within the last four years, yet the size of the community has remained the same. Aging is a factor throughout rural Oregon, and the Governor would like to engage in direct conversations with the people who live there. An additional consideration is an educational platform for the legislators between budget cycles. Some legislators don't fully understand the role of local government.

Q. What is the plan for achieving this?

A. Successful partnerships include communication and trust. When the legislature adjourns, the Governor intends to go out into the communities. The plan is to investigate systemic issues, to ensure local government is engaged in the process of making decisions, rather than springing decisions upon them.

Linda Modrell suggested engaging local government in creating policy, as well. Naff concurred. He continued by explaining the importance of no surprises. Better communication, where all aspects are discussed and understood, will help both parties deal with the issues. After the legislature adjourns, the Governor's Office plans to hold group meetings where budget items can be discussed.

Q. LGAC is the only department-wide advisory body DHS enjoys, with the constituency of both interest groups and local officials. It's one thing for the Governor to go out and establish rapport with individuals around the state, but that's not a conversation. In terms of talking around the table about policy development affecting all parties, how is the Governor's Office going to engage in that conversation? Will it be through Jean Thorne, or someone from the Governor's Office who will be continually engaged in the discussion?

A. This is a work in progress. Before one can get to the specific "how" of a process, they understand who they're dealing with. There is still a lot to be learned about the people and groups in the meetings which have occurred.. It's easy to govern when there's lots of money and services can be provided. The challenge is applying the different pieces equitably, and trying to inform and educate people so they understand what's out there.

David Foster encouraged the Governor's Office to make LGAC a priority. There may not be another group that connects across families, programs, and government levels. Gordon Fultz concurred, adding that LGAC has enjoyed consistent success. Robert Furlow explained the past problem of discussions occurring at LGAC and being conveyed to the Governor's Office, and yet the issues don't come back for dialogue before becoming an edict. Local government is left wondering what happened to the partnership. Modrell compared the relationship between state and local governments and a dysfunctional marriage; a partnership is tough when one party has the money and the other doesn't.

Naff agreed that the relationship is not a working partnership now. A lot has happened within the last six months, which has been a factor. The partnership has never been a perfect "marriage;" the state gets frustrated at the federal government for the same reasons local governments get frustrated with the state. This relationship will have to be worked on for a long period of time. Thorne added a suggestion for the state to consider its relationship with the federal government, and then to step back and consider the local issues in this way, as well.

Sharon Guidera commented that if 80 percent of services are handled at the local level, the conversation should occur at the local level, then taken back for massaging. This would be better than some group in Salem meeting in a room to discuss the issue. Naff responded that including the groups affected by cuts in the budget conversations is a reasonable request.

Thorne explained that 87 percent of DHS' general fund is used to match federal funds. This limits flexibility, yet where there is discretion, as in the work being done around the Lane county pilot, better methods for leveraging funds should be investigated.

Fultz suggested, with respect to negotiations on contracts, the Governor's Office assist local governments toward more equitable methods for doing business.

Cowan added her appreciation for the Governor's Office going out around the state, and encouraged them to look closely at the existing variety of advisory groups, and to eliminate those that are not working. LGAC is a functional group, having excellent cooperation from DHS, and other agencies would benefit from this type of group. LGAC's professional

affiliations and resources should be utilized, and local government must make the commitment to educate legislators and to be at the table when the legislature is not in session to keep the conversation going.

Furlow explained his frustration over politics interfering with the good of the people. The rhetoric in the legislature needs to be toned down. Naff concurred, adding that this has been an ongoing struggle.

Janet Carlson commented that a single voice the people doesn't exist, and after serving in the legislature, her belief is the representative process works fairly well. Cowan concurred, adding this is the reason why local government works so hard to bring local voices into the discussion.

Foster commented on the need to identify the point of the conversation. If we try to go out and get a consensus it won't happen, however, we can get the fodder for the decision making process. The additional step is the bully pulpit; once the sense of the people's voice is obtained, the people will indicate whether or not their desires are being met. The leadership in the Governor's Office has a unique opportunity apart from the legislature in this sense. Cowan added the need for getting past positions, to the underlying interests and finding the commonality, so that rational solutions can be found.

Naff reported the Governor's Office has endorsed efforts to bring parties together for a process of conversation and solutions which can ultimately be voted on, referencing the League of Women's Voters as an example. He thanked LGAC for their time, and assured that representation from the Governor's Office, in this group, will be followed up on. On behalf of LGAC, Cowan invited Governor's Office representation to each of its meetings.

SPECIAL SENATE COMMITTEE ON THE OREGON HEALTH PLAN

Handout #1: Letters to US Senator Ron Wyden and Secretary Tommy Thompson, June 6, 2003, regarding the Oregon Health Plan

Handout #2: OHP Prioritized List for 2003-2005 HSC Report

Thorne reported that the DHS Stakeholders' group, created at the beginning of the reorganization, has been disbanded due to lack of attendance. DHS currently has 35 statutory advisory groups, and plans to bring the chairs of those groups together for public meetings every six months. Cowan replied that a representative of LGAC could attend.

Thorne explained that a special senate committee had passed legislation providing a roadmap for decision-making on the Oregon Health Plan (OHP). Over the past several months, DHS, the Governor's Office, and the Office of Health Policy and Research have been meeting with the co-chairs regarding the future of the health plan. Since then, the Governor, Senate President, and Speaker of the House have submitted a letter to U.S. Health and Human Services Secretary Tommy Thompson, outlining their preliminary agreement on continuing the OHP (handout #1). The letter outlines the elements of a restructured health plan, and asks that the program be allowed to begin on October 1. Most notably, the plan would continue coverage for all those groups currently entitled under OHP Plus and OHP Standard. In addition, it would expand

coverage for children from 185 percent to 200 percent of the federal poverty level, and represents a significant advancement in budget discussions.

The letter includes the following elements:

- A benefit package for the OHP Standard population with minimum benefits covering physician services, lab and x-ray, prescription drugs, outpatient mental health and chemical dependency services, limited medical supplies, and emergency dental services.
- Moving the line on the prioritized list of health care services from 549 to 519.
- Reinstating a Medically Needy program, or offering limited prescription drug coverage to low-income seniors and persons with disabilities who currently lack such coverage.

What it wouldn't cover that is covered now is hospital coverage. This will be a challenge, and more negotiations would be necessary. The services that keep people out of the hospital are most important.

Q. Where's the money coming from?

A. We're not sure at this point, except the enhanced federal match we would get for the five quarters is close to \$100 million. Legislative leadership will decide the utilization of the other \$116 million. The cost of this is approximately \$200 million, with hospital being an additional \$100 million.

Q. There has been rumor about the hospital association suing, as well as rumors about doctors forming their own hospitals, etc. How will this play out?

A. The piece surrounding doctors forming their own hospitals is new information, however, there has been more activity on the part of the hospital association on this issue. A precedent has been set with a similar benefit package and waiver in Utah. Utah has a very different relationship with their hospitals than Oregon, however.

Q. Is the funding a one-shot scenario?

A. Yes. It involves five quarters, starting with the last quarter and continuing through next June.

Q. In moving the line from 549 to 519, what things will fall off and won't be covered?

A. The prioritization list, in lay terms, (handout #2) will outline the items. The organization that creates this list updates it every two years, and has put a lot of thought into it. The medical directors from all of the health plans met and reviewed the updated list three or four months ago, and felt comfortable with the resulting benefit package.

UPDATES

Handout #3: What the Mental Health/Addiction System Needs from the 2003 Legislature

Mental Health/Legislative Discussions

Bob Nikkel reported on current legislation, including SB 146, which was introduced by DHS and eliminates the statutory mental health and disability advisory board and creates a mental health advisory board to replace the non-statutory planning and management advisory council.

Doing so would assist the department in being awarded a \$9 million block grant per biennium. After several amendments, it would become a Governor's appointed advisory board, with approximately one-half of the original membership. It has gone to Ways & Means and is moving along. Confusion has arisen resulting from SB 541, which would have created an interim mental health task force. The Governor is now prepared to create by executive order an interim mental health review group, smaller than the SB 146 board.

Q. What would be the main focus of the task force?

A. The task force would examine defining problems in mental health, set benchmarks, and look at the possibility of regionalization to promote resolution to the problems. It would also collaborate closely with the SB 146 group as well as the Governor's Council on Alcohol and Drug Abuse Programs.

Also getting attention is the evidence-based practice bill, SB 267, which would apply to corrections services, the Oregon Youth Authority (OYA), and the Commission on Children and Families (CCF), in addition to mental health and alcohol and drug services. It essentially reads that any funds expended by the state would be reviewed to determine whether they're evidence-based. By the 2005-07 biennium, 25 percent of the funds would need to be documented as being spent on evidence-based practices. In the 2007-09 biennium, 50 percent would need to be documented, followed by 75 percent in 2009-11. A process would be established with stakeholders to define what is considered evidence-based practice within each program area. Another feature of the bill is that it could be included in budget considerations for future biennia.

Q. Is there a concern that this will be evidence-based programs, not practices?

A. A concern is that it might be too watered down. You don't have to replicate a program in order to be considered evidence-based.

Q. What does it mean for the future of a program when a watered-down version is brought before the legislature?

A. This legislation opens the door for discussion, and to examine resources to determine a reasonable approximation of effective evidence-based practice.

Sharon Guidera commented on the lack of scientific studies and literature covering all practices actually being done. An example is the therapeutic relationships between consumers and providers as being a major factor in recovery. She asked how things like this would be measured and brought to the committee. Is there a need to craft some language surrounding the funding of evidence-based practices? Because of term limits, would some of these broader understandings of programs versus practices still exist in 2007? Ramona Foley added that a part of the debate should include the lack of criteria to determine good research. An example is holding therapy, which is not done in Oregon yet is supported by research. Nikkel responded that the current language, while not as precise as earlier drafts, is more flexible and addresses this issue.

Anne Peltier commented that in the public health realm, it's good to have best practices to draw upon, so those proven to be effective can be selected. John Hartner reported that he was told departments, not the legislature, will be developing administrative rules. He added if the practices do come with a price tag, the legislature would have the responsibility of making them work. Furlow suggested that DHS should look at other groups using the best practices, toward developing a universal set of standards. Fultz added verifying that the Governor is on board with the concept as he considers building his next budget.

Fultz reported that the AOC has developed a campaign for restoring minimum levels of services in mental health (handout #3). It includes the current status of services, and the results of a county survey on the impacts of reductions in this biennium. The document is being sent to the legislature.

Area Agencies on Aging (AAAs) and Seniors and People with Disabilities (SPD)

James Toews reported that SPD has formed twelve work groups involving DHS, local governments and advocacy groups, which are reexamining the way in which business is done. He will bring a list of these groups and their memberships to the next LGAC meeting.

A major topic of discussion is whether to realign the AAA boundaries and unifying the field toward a more cohesive and manageable system. At issue is equity, addressing the real costs of running the Medicaid program when administered by the state and local governments. The formula needs updating in order to realign.

With respect to caseload issue, the groups are working on managing caseloads for the next biennium. If levels 10 and 11 are restored, the estimated caseload of new people eligible for all services in the next biennium is about 50 percent short of what is needed to accommodate capacity. This could result in lengthy waiting lists, and there are currently no statewide criteria for managing such lists.

Another issue is that federal partners have recently announced an August review of the aging and disability portion of the home and community based waiver. Thorne sent a letter to Region X last week, explaining the poor timing of this audit given the current budget crisis, in the hope of a delay until late fall.

Q. Will the federal government allow the use of waiting lists?

A. Yes. States can set waiting lists beyond the cap. This may trigger the caseload to two-three times the costs, however.

Q. Is there any chance that Oregon Project Independence (OPI) will be restored?

A. There may be a restoration \$2-\$3 million, but the answer is unknown at this point.

ORGANIZATIONAL UPDATES

Conference of Local Health Officials: Peltier reported that local public health departments are still struggling with their capacity to deal with disease outbreaks and disaster. A great many

departments are behind in their planning for earthquake, flood, or pandemics and epidemics, as well as bioterrorism. Cowan suggested that reports should include such things as how much staff time was needed per case, etc, in order to improve awareness of the problem.

Association of Mental Health Program Directors: Guidera thanked Thome for her efforts in getting mental health and chemical dependency on the table.

OTHER ITEMS

Handout #4: LGAC letter to Chairs of the Joint Legislative Committee on Ways and Means, May 15, 2003

Handout #5: Sentinel newspaper article, April 16, 2003

No discussion of these handouts occurred. Copies of these documents were distributed to group members as informational only.

FUTURE AGENDA ITEMS

The actual agenda is dependent upon the LGAC Executive Committee meeting.

NEXT MEETING

Date: July 11, 2003

Time: 9:00 AM – Noon

Location: Room 473, Human Services Building

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Approved minutes are available on the LGAC web page: <http://www.hr.state.or.us/lgac>

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