

**Local Government Advisory Committee
Room 473, Human Services Building, Salem
September 9, 2005
Minutes**

ATTENDING

Ben Boswell	Wallowa County Commissioner
Bill Crowell	DHS – Office of Information Systems
Ron Dodge	Polk County Commissioner
Gina Firman	Assoc. of Oregon Community Mental Health Programs
Irene Fischer-Davidson	Clackamas County Human Services
David Foster	Oregon Housing and Community Services
Robert Furlow	Blue Mountain Recovery Center
John Hartner	Oregon Assoc. of Community Corrections Directors
Tony Howell	League of Oregon Cities
Chuck Hurliman	Tillamook County Commissioner
Bryan Johnston	DHS – Interim Director
Barry Kast	DHS – Deputy Director
Marilyn Kittleman	Douglas County Commissioner
Linda Modrell	Benton County Commissioner
Jim Neely	DHS – Children, Adults and Families
Sue Nelson	DSH – Human Resources
Bob Nikkel	DHS – Health Services
Anne Peltier	Conference of Local Health Officials
Lynn Read	DHS – Office of Medical Assistance Program
Clyde Saiki	DHS – Administrative Services
Vic Todd	DHS – Finance and Policy Analysis
James Toews	DHS – Seniors and People with Disabilities
Wendy VanElverdinghe	Community Action Directors of Oregon
Gillian Wesenberg	Commission on Children and Families

WELCOME & INTRODUCTION/APPROVAL OF MINUTES & AGENDA

Linda Modrell called the meeting to order and roundtable introductions were made. The minutes from the July 8 meeting were approved as well as the agenda items (noting that the topic of Hurricane Katrina will be discussed in the Director’s Report).

DIRECTOR'S REPORT

-Bryan Johnston

The Director's Report will consist of three areas: 1) On-going developments, 2) Hurricane Katrina, and 3) money.

On-going developments:

Several months ago Bryan Johnston extended, at the urging of LGAC members, the opportunity for counties to sign contracts with the Department of Human Services through September only, pending either the passage of a bill by the Legislature that would amend some of the contract language or negotiated agreements between the counties and DHS. The bill did not pass the Legislature, but the negotiations are close to being completed. The Department is going to work with everyone to make sure this is resolved.

Bryan Johnston is to make a decision on the tobacco prevention money expenditures of \$6.9 million today. Unlike last biennium, the Legislature gave no specific directions on how it is to be allocated. The Department is using the process that was originally in place when these monies were first made available. Contracts will be going out soon.

Q: Once the decision is made on how the tobacco money will be divided, do the counties that have tobacco prevention programs know that is where it is going?

A: The recommendation actually increased the number of counties receiving those funds from 14 to 17. Theoretically they all know. The last time the majority of the money was allocated to the media campaign by direction of the Legislature. This time, since there was no legislative direction, it has been proposed that the media campaign be cut back by about 34%, but no decision has been made.

The budget approved by the Legislature includes the reduction of about 500 positions in the Department of Human Services. Of those 500 positions, just over 100 are filled. Many vacancies were held open over the past year in anticipation of this reduction as identified in the Governor's Recommended Budget. The Department will begin layoffs in October.

Bryan has required each of the organizational units within the Department to prepare an 18-month plan; what they intend to accomplish over the next 18 months in 3, 6 and 9 month increments. Each Cluster has developed a draft of their plan and presented it at Cabinet.

Hurricane Katrina:

Oregon is prepared to accept 500 evacuees from Hurricane Katrina. Most are scheduled to arrive this weekend. Some people are already here. Counties are

largely the leads. This is primarily a volunteer response being mobilized by the American Red Cross.

A number of individuals throughout the department have responded as well. There are several people that are certified crisis managers and are available to FEMA if requested. The Department has prepared a list of food stamp certifiers willing to go to Texas and assist should they be asked. Some DHS employees are participating in National Guard activities or have taken personal leave and gone to help.

Q: Does the State have any personnel policies in place that deal with employees assisting in a national emergency? How does it affect their pay or their health insurance?

A: It depends in what capacity the individual is leaving. Oregon has some cooperative emergency agreements with sister states that, under certain circumstances, the State will send certain people, and if we send these people in their capacity as employees of Oregon, they are fully employed for Oregon. However, if an individual, for example is trained by the Red Cross in crisis response, or trained by some other entity to assist with mental health counseling or any range of things and they choose to request leave time and go on their own, they are pretty much on their own.

Budget:

The Department is preparing to close the books on the 2003-05 biennium several months early, as well as preparing for the Emergency Board in October. There is still the \$25.5 million problem. DHS will have to either adjust the eligibility requirements or seek money from the Legislature. Since the E-Board only has about \$30 million, chances are they will not give DHS \$25.5 million.

For the next ten weeks, Bryan Johnston will be unavailable to attend the LGAC meetings due to a prior commitment. This was discussed and agreed by the Committee that the meetings will continue at the scheduled time and dates with Barry Kast filling in for Bryan during this time.

END OF SESSION BUDGET REPORT

Vic Todd summarized some of the major changes that the Legislature made from the reshoot budget (Handout #1).

Some of the items listed affect all DHS Clusters. The Legislature took an additional three percent service and supply reduction as well as delayed the COLA adjustments. The service and supply reduction is in addition to the reductions that

have been taken in the Governor's Recommended Budget, so DHS has a fairly tight budget.

The Legislature did put a special purpose appropriation to the emergency funding relating to legal council in child welfare cases. DHS along with the Department of Justice will come back in October with a proposal.

Within Health Services, although not a full restoration, they added back funding for dental. The Legislature reduced the payment amount for DRG hospitals. The Governor's Recommended Budget had it at 90 percent, and then reduced that to 72 percent of the actuarial rate. Additionally, the Legislature added in \$75,000 related to a Marion County Meth Pilot.

Under Seniors and People with Disabilities, the Legislature added back all of the actions that were taken in the GRB related to proposed reductions. They increased reimbursements for the AAAs by \$2 million General Fund, a small wage increase related to Developmental Disability providers, and established OPI at \$12 million.

Q: There was an item in the Governor's Recommended Budget about closing field offices. What is the status?

A: It is still in the budget and there are a number of offices around the state that are targeted for closure. The most difficult issue was to have a particular number of offices on the table and a corresponding General Fund savings amount. While it was possible to get to that number of offices, the savings generated, because of moving people to other offices nearby turned out to be less than half of what the actual target was. Then the issue became what offices were at the end of their contract period so no contracts were broken, where they fit in the community, and were there other offices nearby. Depending on when the office closure was, or when the office contract was scheduled to close, some will happen sooner than others.

END OF SESSION LEGISLATIVE REPORT

Patty O'Sullivan reported on the end of Session. The Department's budget notes are contained in about three different bills; but they have been combined on a single page (Handout #2). DHS is developing implementation for each of those budget notes; some only require reporting, while others are more complex. The Clusters are putting together plans. There are a total of ten budget notes.

The Department is trying to do a better job of following up on things that are either required or promised. These items need to be captured to make sure that things don't fall through the cracks and that the new director will be prepared for appearances before the Emergency Board and other legislative committees. The Department plans to be more proactive in this regard.

Many bills passed the Legislature, many failed. HB 3108 passed. The MMA bill passed and all but one of the Department's pre-session filed bills passed. There were some water issues out of Public Health that did not pass. Partners were lined up in the community. No one opposed the bills, but the Legislators were not brought on-board soon enough, and by the end of Session, the Legislature just didn't want to deal with them. So again, the Department wants to be more proactive.

HEALTH BENEFITS FOR CORRECTIONS CLIENTS IN TRANSITION

John Hartner reviewed the question raised at the last meeting: would it be possible to take the most severely mentally ill in the Oregon State Penitentiary and have them qualified for benefits prior to release, so they could move directly into treatment upon release? A joint committee was formed with DHS, Department of Corrections and other interested parties. At the beginning of the meeting, all agreed to produce a plan to make this happen. Everyone focused on the discussion and finished the meeting with a pretty solid plan and tasks assigned - not answering all the questions - but with direction to have things resolved. The biggest hurdle is to have them qualified for Oregon Health Plan Plus benefits. The more challenging issue is to have them qualified for disability, since many of them need housing.

There are currently two states that have exemptions to get SSI approval prior to release. Oregon will be looking to see if this can happen here, as well. The group will be meeting again in October.

DHS DIRECTOR RECRUITMENT

Sue Nelson reported that the national recruitment for the director's position has yielded 80 applications. The Governor's Office has screened them down to 25 candidates. A meeting was held with Governor's staff to narrow the list of candidates in order to select individuals to begin the interviewing process. More information will be coming soon.

STREAMLINING IN CONTRACTING AND REGULATION

Clyde Saiki reported that contract negotiations with the counties were suspended pending the outcome of HB 3303. When the bill did not pass, negotiations resumed. The negotiations are very close to resolution. Copies of proposed contract language were sent out to the counties and some have come back with requests for additional language. The Department will be sending out the revised language to the people who signed for the full term of the agreement in the form of an amendment. For the people who have agreements that are set to expire at the end of the month, that will go in the form of an amendment.

The dispute resolution workgroup that was discussed at a previous meeting will begin on October 12, 2005. Gordon Fultz is responsible for gathering county representatives and Clyde Saiki is responsible for DHS people. Initially the meetings will be held monthly. When legal issues arise, legal people will be called upon.

Clyde Saiki offered to meet with anyone, commissioners, program people, county councils, etc., in any county or forum, in order to further the understanding about this process.

CHILDREN'S SYSTEM CHANGE INITIATIVE

Bob Nikkel presented a handout to the group entitled Children's Mental Health System Change Initiative Overview and Update (Handout #3). The handout listed 14 accomplishments.

One of the accomplishments was the adoption of a uniform community-based method of referral, assessment and access to the appropriate level of mental health needs and services. On October 1 screening and referral processes for residents going into intensive treatment services will begin.

DHS has three budget notes for the Office of Mental Health and Addiction Services (Handout #4). All three apply to children's services.

Some MHOs will start off with less capitation money, but over time with the glide path, will get additional resources and will be able to more easily meet expectations. It will be a transition period for the next year or so.

The Department wants to reassure counties that, without sacrificing regulatory responsibilities, it will be reasonable concerning expectations around goals for those counties that will not have enough capitation funds right away.

This is a difficult situation for smaller, 10- and 12-slot providers who don't have the organizational flexibility of the larger programs.

The first meeting with the architectural engineering firm on the Oregon State Hospital Master Plan phase II is this afternoon. There are now \$1 placeholders for the state hospital construction project and the construction of up to three locked community facilities.

The adequacy of drug and alcohol treatment funding this biennium was discussed.

STRATEGIES TO IMPLEMENT OHP BUDGET REDUCTIONS

Lynn Read reported that coming out of Session there are directives that will move the Department toward requesting amendments to the demonstration waiver amendments from the federal government in three different arenas, although only one is related to a budget reduction.

Close to \$6 million in General Fund, plus federal dollars, equaling about \$15 million in total reduction were made to the budget that is focused on OHP benefits.

HB 3108 gives the department the authority to make benefit changes and also has a clause in it that requires a waiver amendment request be submitted to CMS within 60 days. Given the short timeframe, the department held a variety of meetings with stakeholders to review concept policy proposals and gather input. The four targeted benefit areas are vision, dental, hospital and pharmacy.

As outlined in the budget report, in vision the proposal is to eliminate routine eye exams and glasses for non-pregnant adults age 21 and older. The Department's only flexibility is to determine what is routine and to look at some possible exceptions.

For dental, the Department's challenge is to define the benefit.

On the hospital side, the concept is to limit payment to DRT hospitals - those are hospitals with 50 beds or more - to 18 days per person per year for OHP plus adults. It would not apply to those under age 21. It would not apply to Medicare beneficiaries, although they're generally older than 21. It would not apply to hospital services provided by managed care organizations or to hospital days provided in a type A or B hospital - smaller hospital under 50 beds. It is possible that when the Medicaid Advisory Committee makes its recommendations, it may recommend not implementing this. This was not spelled out in the budget report document as a specific reduction.

The last area is pharmacy. What came out of Session was limited funding available for over-the-counter drugs for Medicaid clients. The Department is working with stakeholders to define which over-the-counter drugs should be excluded and which should be a covered benefit.

In addition there are other reductions in the Governor's Budget that are unspecified fee-for-service reductions. It amounts to about \$10 million total funds. The Department is working with stakeholders to identify what those unspecified changes might be.

OFFICES SCHEDULED FOR CLOSURE

As a follow-up to an earlier discussion, Clyde Saiki and Jim Neely presented the list of proposed office closures (Handout #5).

The Department took into consideration lease expiration dates and the capacity to move staff to nearby offices. This is what the Department is going to have to do to achieve the savings needed or take other administrative actions in other areas to make up for it.

For each of the proposals, the service delivery area managers got together and discussed any objections to closing the listed offices. Some had very few objections because there were facilities reasonably close by. Others had a small amount of business that could not justify finding a replacement office.

LEGAL REPRESENTATION IN CHILD WELFARE PROCEEDINGS

Jim Neely stated that Oregon may be the last remaining state in the country that does not have full-scale legal representation for child welfare in court. That often places child welfare workers and supervisors in the position of practicing law without a license. The Department has received several complaints and a resulting lawsuit. Approximately five percent of the time child welfare workers are in court is covered by AAG representation. DHS proposed a package as part of the last budget go-round that would take that to about 15 percent - about \$5 million in General Fund. Although the package did not make it through there was \$2.5 million special appropriation to deal with the issue. If the proposal is accepted, it will allow DOJ to hire a supervising attorney, four AAGs, two paralegals and three legal secretaries. It will allow DHS to have 20 paralegals, two supervisors and ten support staff that will be able to off-load some of the legal work that child welfare workers are currently doing.

The Department is taking a different approach in determining which cases to cover. Before a plan for return is consolidated and moved forward to the court, at the least, a staffing will be held with an attorney to make sure all the legal questions have been answered and to determine if DHS needs legal representation.

OTHER NON-AGENDA TOPICS

Irene Fischer-Davidson is retiring as of October 1st.

Recently a young man from Joseph died in a dorm room in Corvallis as a result of alcohol poisoning. On Tuesday, the Board of Commissioners for Wallowa County was notified of two grants to help reduce underage drinking. Wallowa County is one of three sites in the state that was selected for one of these grants.

Also on September 29 and 30 Wallowa County is hosting a regional, multi-state training in Enterprise called Community Roadmap to Reduce Underage Drinking. If anyone is interested in this training, contact Ben Boswell.

The National Association of Counties is offering a prescription drug card through CareMark. It will begin on January 1st, and there's no application, and no fee. Anyone can go to his or her local county distribution point, pick up a card, take it to a participating pharmacy and receive 20% off the prescription price.

TOPICS FOR NEXT MEETING

Follow-up on Health Benefits for Corrections Clients in Transition

Jail Manager's Survey – Stan Hart

DHS Director Recruitment

Director's Report

Update to CMS – Lynn Read

MMA – Jane-ellen Weidanz

Children's Mental Health Initiative Expectations/Timeline – Bob Nikkel
Katrina

Meeting adjourned at 11:58 a.m.