

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SEN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2307

2001 SENATE HUMAN SERVICES

SB 2307

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2307

Senate Human Services Committee

Conference Committee

Hearing Date February 7, 2001

Tape Number	Side A	Side B	Meter #
1	X		
February 7, 2001 2		X	43.2
March 26, 2001 1		X	
Committee Clerk Signature			

Minutes:

The Human Services Committee was called to order by SENATOR LEE with all Senators present.

The hearing was opened on SB 2307.

SENATOR GRINDBERG, sponsor of the bill, explained the bill. Made reference to amendments. There is a need to challenge the progression of command. Services are there to provide for individuals in communities. How do we improve services to make their life better. Why do we have audits 3 years in arrears. These folks contract with the state to provide services. Why do we legislate how much they should pay people. If you should amend pilot projects state wide - not only one region. SENATOR FISCHER: What did the '95 legislature do?

SENATOR GRINDBERG quoted the codes enacted in SB 2012, some of which has not happened..

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Senate Human Services Committee

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PAUL ORNBERG, Vocational Training Center, supports bill. Providers need to do what they need to do. Reimbursement regulation by Dept. Of Human Services audit that you spend as rules apply. Need flexibility in district. Develop budget and get approval and a final contract.

Amendments were presented.

TOM NEWBERGER, Director of Red River Human Services Foundation, supports bill.

(Written testimony)

Neutral position:

DAVE ZENTNER, Dept Human Services, provided information on the bill. (Written testimony)

SENATOR FISCHER: Explain lines 3 and 4, page 2. Could one audit meet all requirements:

Because providers already pay, could be hired by state, paid by provider. MR. ZENTNER: Yes,

we could use outside firm. SENATOR LEE: How can we benefit by observing other states? MR.

ZENTNER: Every state's program is different. The department is willing to look at other states.

It is not a simple project. Federal government gives us 70% and they think they should have a

say. We should try to work together to solve these problems. SENATOR FISCHER: If

Minnesota is getting the same money as ND why would it be difficult to get approval from the

Fed government. MR. ZENTNER: We have two different programs with this. SENATOR

FISCHER: Maybe we should roll the whole state in this. MR. ZENTNER: It is an option.

SENATOR MATHERN: What is the major difficulty in coming to resolutions or creating a new

system and prevented change in this issue? MR. ZENTNER: Differences of opinion. All

providers are not necessarily in disagreement with the system. You do run into those issues that

they spend money and then we come back after the fact and say you spent it inappropriately.

You can go to a prospective system or a fee for service. SENATOR KILZER: Some providers

have lost money? MR. ZENTNER: If they have cost for program they do have cost settlement.

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Senate Human Services Committee

Bill/Resolution Number SB 2307

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SENATOR FISCHER: What is cost settlement? MR. ZENTNER: You determine cost of services.

BARB FISCHER: There is some limit on cost to be recognized. There is on therapy.

SENATOR LEE: Audits seem to be big objection; projects could be made simple, more efficient.

Hearing was closed on SB 2307..

February 7, 2001, Tape 2, Side B, Meter 43.2

Discussion was resumed on SB 2307. The amendments of Paul Ornberg were discussed.

SENATOR MATHERN moved the adopt the amendments. SENATOR KILZER seconded the motion. Roll call vote carried 6-0. SENATOR FISCHER presented an amendment. SENATOR FISCHER moved the amendment "If the Federal determines approval." SENATOR MATHERN seconded. Roll call vote carried 6-0. SENATOR MATHERN moved a DO PASS AS AMENDED. SENATOR ERBELE seconded the motion. Roll call vote carried 6-0. SENATOR MATHERN will carry the bill.

March 25, 2001, Tape 1, Side B

Discussion on the return of SB 2307 from the House. SENATOR FISCHER moved a motion to DO CONCUR. SENATOR MATHERN seconded the motion. Voice vote carried.

FISCAL NOTE

Requested by Legislative Council

03/21/2001

Bill/Resolution No.:

Amendment to: Engrossed
 SB 2307

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The engrossed bill with House amendments requires the Department of Human Services and developmental disabilities services providers to make recommendations regarding a statewide reimbursement system to be reported to the legislative council. The work is to be completed during the interim. This interim work will not have a fiscal impact on the Department.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Brenda M. Weisz	Agency:	Department of Human Services
Phone Number:	328-2397	Date Prepared:	03/21/2001

FISCAL NOTE

Requested by Legislative Council
01/23/2001

Bill/Resolution No.: SB 2307

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
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1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This is a bill that proposes to set up a pilot project in the southeast human service center region for reimbursement of Developmental Disabilities (DD) service providers.

The fiscal impact is difficult to determine since the bill does not define allowable and nonallowable costs, there are no cost containment measures, and it doesn't allow for an audit of the reported costs.

The formula, as proposed in paragraph 2.b. of the bill, results in a negative number of units for reimbursement for residential services, further complicating the analysis of the fiscal impact.

Currently, the Department of Human Services pays the providers an estimated \$36,200,000 per biennium for DD services in this region. The Department's current waiver would have to be analyzed to determine if federal participation could continue to be accessed for these services under the pilot program.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Brenda M. Welsz	Agency:	Department of Human Services
Phone Number:	328-2397	Date Prepared:	01/26/2001

