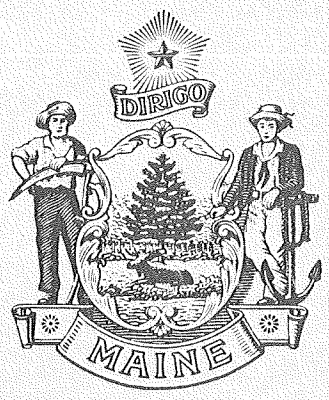

A REPORT OF THE JOINT STANDING COMMITTEE ON AUDIT AND PROGRAM REVIEW

Sunset Reviews of Group B-1 Departments and Independent Agencies

DEPARTMENT OF HUMAN SERVICES

STATE OF MAINE
ONE HUNDRED AND TENTH LEGISLATURE

COMMITTEE ON AUDIT AND PROGRAM REVIEW

December 17, 1981

Members of the Legislative Council:

Enclosed is the third report of the Joint Standing Committee on Audit and Program Review. In accordance with the Maine Sunset Law, the report briefly summarizes a great deal of factual information and careful deliberations, and presents a number of recommendations for consideration by the Legislature. These recommendations are listed in the yellow pages at the front of the report and explanations and detailed information are found in the body of the report.

Our review of the Department of Human Services (DHS) was particularly challenging because of the sheer size and complexity of DHS's programs. In addition, the substantial cutbacks in federal funds and the uncertainty throughout the summer and early fall about the impact of the change from categorical to block grants complicated our work.

Despite these difficulties, we feel that our 41 recommendations will provide significant improvements in departmental operations and programs at no additional cost to the state in FY 1983.

Some highlights of our recommendations include:

- Efforts to maximize funds for direct services. We have recommended cuts in administrative areas which will provide an additional $690,000 for direct services to rehabilitation and social services clients at no additional cost to the state.

- Expansion of some services to maximize use of state funds to draw down federal dollars. At a relatively small cost to the state we suggest that $835,500 worth of additional services to low income Maine residents can be provided by adding eyeglasses as a covered service under Medicaid. This change expands a state-funded program serving 4,300 people into a state-federal program serving 60,000 people.

- Sunset of the Maine Human Services Council. While the Committee recognizes many contributions by the Council, it also finds that many similar but more focused organizations have developed since the establishment of the Council. Given continued prospects for reductions in federal funding, and the fact that these other organizations are not generally financed with state funds, the Committee finds that it is no longer cost effective to fund the Council.

- Finally, the Committee recommends that the counties be relieved of their financial responsibilities for the Food Stamp program. This represents an annual shift of nearly $993,000 from property taxes to the General Fund's income and sales tax revenues. Because of savings which result from our other recommendations, we have accomplished this shift at no net cost to the state in FY 1983 and at a net cost in the following years of about $466,900.

The Committee has asked many questions and collected a great deal of information from the Department of Human Services. We expect this exchange of information to continue through the public hearing process in January. This kind of dialogue about overall program objectives and operations is by itself a promising development in the Legislature's exercise of its oversight role. We have generally had excellent cooperation with the department and we appreciate that assistance because it has made our task much easier.

The Committee recognizes that some of its recommendations may be controversial. However, we urge the full Legislature to consider these proposals carefully, with the understanding that they reflect many hours of study and discussion. Throughout the entire process our major objective has been to make state government more efficient and less costly while continuing to provide high levels of service to the citizens of Maine.

Sincerely,

GEORGETTE B. BERUBE
House Chairman

JAMES A. McBREAIRTY
Senate Chairman

Enclosures

TABLE OF CONTENTS

SUMMARY OF RECOMMENDATIONS - DEPARTMENT OF HUMAN SERVICES

The Committee is making three types of recommendations; Statutory, Legislative and Administrative. Statutory changes are included in Part A of the proposed legislation. Legislative changes which affect funding levels are included in Parts B, C, D or E of the legislation. Administrative changes can be implemented by the department without legislative action.

TYPE OF CHANGE		RECOMMENDATION
		CENTRAL ADMINISTRATION
LEGISLATIVE PART B	1.	Eliminate the Office of Special Projects in order to improve legislative involvement in future departmental studies. (p. 13)
LEGISLATIVE PART B	2.	Eliminate one professional staff position from the Office of Public Affairs because the current staff level is excessive. (p. 14)
LEGISLATIVE PART B	3.	Discontinue the publication of CONCERN in order to reduce administrative costs. (p. 14)
LEGISLATIVE PARTS B,C,D & E	4.	Eliminate the Staff Education and Training Unit and use these dollars for direct social services to reflect changing priorities as federal dollars decrease. (p. 15)
FINDING		The Department of Human Services should decrease its out-of-state travel expenditures from FY 1981 levels once the initial transition period to block grants has passed. (p. 16)
STATUTORY §26-28 §35-38 §49,54,65,74	5.	Repeal or amend various sections of Title 22 which are outdated in relation to the Department of Human Services' current activities. (p. 16)
		BUREAU OF HEALTH PLANNING AND DEVELOPMENT
STATUTORY §11-15 §17-25 §126	6.	Eliminate the Maine Health Systems Agency (MHSA) because it duplicates the functions of the Bureau of Health Planning and Development and the State Health Coordinating Council. (p. 17)

STATUTORY §16	7	The State Health Coordinating Council should hold hearings on Certificate of Need (CoN) applications to provide for public participation in the CoN process (p. 19).
STATUTORY §30	8.	Repeal the Northern New England Medical Needs Compact because it has never been activated. (p. 19)
STATUTORY §30	9.	Repeal the New England Health Services and Facilities Compact because it has never been activated. (p. 20)

BUREAU OF HEALTH

ADMINISTRATIVE	10.	Move the Emergency Medical Services program under the administrative control of the Bureau of Health because the program complements other Bureau objectives. (p. 20)
STATUTORY §29	11.	Require Regional Emergency Medical Services Councils to obtain local funds in order to receive continued financial support from the state. (p. 21)
ADMINISTRATIVE	12.	Focus the risk reduction program on activities which will benefit the general public. (p. 22)
STATUTORY PARTS A B & C §2-4 §9	13.	Transfer responsibility for the First Aid Station from the Department of Human Services to the Department of Personnel to reflect program intent. (p. 22)
ADMINISTRATIVE	14.	The definition of medical eligibility for the Crippled Children program should be clarified. (p. 23)
STATUTORY PARTS A & C §44	15.	Undedicate license fee revenues from eating establishments, eating and lodging places, recreational camps and camping areas to reflect the public protection function of the licensing program. (p. 23)

STATUTORY §39-40 §48	16.	Require the Department of Human Services to inspect and license any eating place that provides seating to consumers, even if that establishment is within a larger one licensed by the Department of Agriculture to improve public protection. (p. 24)
STATUTORY § 41-45	17.	Eliminate the requirement that the state license mobile home parks to reduce unnecessary regulation and inspection. (p. 25)
STATUTORY §43-44 §48	18.	Increase the allowable maximum license fee for eating establishments, eating and lodging places, recreational camps and camping areas by $5 to offset increased costs of licensing and inspecting these facilities. (p. 26)
STATUTORY §32	19.	Require the Department of Human Services to obtain information from the municipal officers of the municipality in which a mass gathering is intended to be held before issuing a state permit. (p. 27)
STATUTORY §75	20.	Increase the Electrologist license fee to $50 to reflect the cost of licensing and inspection by health sanitarians and undedicate these revenues. (p. 27)

BUREAU OF MEDICAL SERVICES

STATUTORY §51-53 §114	21.	The Department of Human Services should present the 111th Legislature with a plan for instituting user co-payments for Medicaid services because co-payments appear to be a valuable option in controlling Medicaid costs and because the Legislature should have a voice in this important policy area. (p. 28)
ADMINISTRATIVE	22.	The Department should revise its reimbursement procedures for paying for Medicaid outreach services for eligible children to minimize costs. (p. 29)

STATUTORY PARTS A & C §53, 57	23	Eliminate the Medical Eye Care program and use these funds to add eyeglasses as a service covered by Medicaid to provide these services at minimum cost to the state. (p. 30)
ADMINISTRATIVE	24.	Require the Bureau of Taxation to include information on eligibility requirements for SSI and Medicaid on the Low Cost Drug application form to ensure that low income elderly residents are aware of these programs. (p. 32)
FINDING		Recent legislative changes in the Catastrophic Illness program may have resulted in a sub-substantial shift in who pays for medical care in "catastrophic" situations. These changes should be monitored to determine whether the program continues to fulfill legislative intent. (p. 33)
STATUTORY §33	25.	Undedicate licensing fee revenues from hospitals, nursing homes and other health care institutions to reflect the public protection function of the licensing program. (p. 35)
STATUTORY PARTS A & B §34	26.	Repeal mandatory State Fire Marshal inspections of hospitals, nursing homes and other health care institutions but mandate Life Safety Code standards for fire safety in those facilities. (p. 36)

BUREAU OF INCOME MAINTENANCE

STATUTORY PARTS A & C §50	27.	Eliminate County involvement in the Food Stamp program by shifting total responsibility for administration to the Bureau of Income Maintenance to reflect the program's function. (p. 37)

BUREAU OF SOCIAL SERVICES

LEGISLATIVE PARTS B, D & E	28.	Reduce the Staff in the Bureau of Social Services to reflect the reduction in regulatory requirements and program transfers due to the Social Service Block Grant changes at both the state and federal levels. (p. 37)

STATUTORY PARTS A & B §10	29.	Eliminate the Mental Retardation Developmental Day Care appropriation because the program is not fulfilling legislative intent. (p. 38)
STATUTORY §6	30.	The Department of Human Services should be reimbursed for case study services when the court requests an investigation for purposes other than suspected abuse or neglect. (p. 39)
FINDING		The Bureau of Social Services is currently developing a new program for the resettlement of Indochinese unaccompanied minors. (p. 40)
ADMINISTRATIVE	31.	The Bureau of Social Services should require statutorily mandated reports from all those agencies receiving Aid to Charitable Institution funds. (p. 40)
STATUTORY §58	32.	Repeal the Interstate Compact on Welfare Services because it is no longer necessary. (p. 41)

BUREAU OF REHABILITATION

LEGISLATIVE PARTS B & C	33.	Reduce the number of clerical positions in the Bureau of Rehabilitation so that clerical staff ratios more closely match the ratios in similar programs. Redirect the funds saved from this reduction to provide additional services to VR clients. (p. 41)
LEGISLATIVE PARTS B & C	34.	Transfer the state's Employee Assistance Program from the Office of Alcohol and Drug Abuse Prevention to the Department of Personnel because this program is more appropriately a personnel function. (p. 42)
STATUTORY §31 §66-73	35.	Eliminate the mandated Citizens Advisory Council on Alcoholism, the Interdepartmental Coordinating Committee and the State Government Coordinating Committee because they are inactive. (p. 43)

BUREAU OF MAINE'S ELDERLY

STATUTORY PARTS A & B §64	36.	Eliminate the 5% administrative charge on the Bureau of Maine's Elderly Priority Social Services contracts to maintain consistency with previous legislative repeal of the 5% provision in other social service areas. (p. 43)
STATUTORY §7, 59, 60	37.	Establish the Maine Committee on Aging as an organization administratively independent of the Department of Human Services to increase its effectiveness. (p. 44)

INDEPENDENT AGENCIES

STATUTORY PARTS A,B,D & E §7-8, §55-56, §61-63	38.	Eliminate the Maine Human Services Council because it no longer provides a necessary service. (p. 45)
STATUTORY §1, §5 §81-108	39.	Transfer the Board of Hearing Aid Dealers and Fitters from the Department of Human Services to the Department of Business Regulation because Business Regulation is better equipped to oversee licensing activities. (p. 46)
STATUTORY §1, §5 §76-80	40.	Transfer the State Board of Funeral Service from the Department of Human Services to the Department of Business Regulation because Business Regulation is better equipped to oversee licensing activities. (p. 47)
STATUTORY §1, §5 §109-112	41.	Transfer the Plumbers Examining Board from the Department of Human Services to the Department of Business Regulation because Business Regulation is better equipped to oversee licensing activities. (p. 48)

During 1981, the Audit and Program Review Committee was charged under the Maine Sunset Law with reviewing the work of the Department of Human Services and four independent agencies. The Committee's Sunset review process is summarized below:

October 1980. The department and agencies scheduled for review submitted a justification report for each of the 110 programs to be reviewed. These reports are available upon request.

January - June 1981. The Committee conducted 22 public hearings covering each of the justification reports submitted.

July - December 1981. The Committee held 6 full committee meetings and 26 subcommittee meetings to develop the recommendations contained in this report.

The Committee followed the development and implementation of the Block Grant concept in considerable detail.

The Committee reviewed numerous federal regulations in examining various options available to the state.

Special studies of client characteristics for three different medical assistance programs were reviewed by the Committee.

Because of time and staff limitations, the Committee has not been able to review all 110 programs in depth. Consequently, the absence of findings or recommendations about a departmental program does not necessarily mean that the Committee found that program to be operating efficiently and effectively.

The following report represents the majority opinion of the Committee with respect to each program reviewed, based on information received by the Committee to date. An additional public hearing on each segment of the accompanying "ACT Relating to Periodic Justification of Departments and Agencies of State Government under the Maine Sunset Law" is planned after the bill is referred back to the Committee in January.

The opinions of individual Committee members on each of the recommendations included in this report will be indicated when the Committee reports the bill back to the full Legislature after these hearings.

DEPARTMENT OF HUMAN SERVICES

DESCRIPTION

The Department of Human Services (DHS) is charged with providing preventive health, health planning, medical, social and rehabilitation services and income assistance to Maine residents. Some of these services are provided directly by Department employees. Others are provided through DHS contracts with non-profit agencies or, in the case of medical services, are purchased from the private sector. The Department maintains five regional offices and 15 satellite offices through the state.

In FY 1981, DHS's total expenditures amounted to $321,700,000. About 64% of this amount was from federal sources, 33% was from the General Fund and the remaining 3% was from various dedicated revenues. Roughly half of this $322 million budget goes for medical assistance programs and an additional 25% goes for transfer payments to individuals.

The Department has about 2000 employees. In addition to Central and Regional administration functions, these employees serve in the seven bureaus described below. The Commissioner is also responsible for 15 independent boards and commissions under the human services "umbrella."

Central and Regional Administration. Central administration includes the Commissioner's office, various financial, personnel and other departmental support services, and vital statistics. Central Administration accounts for 198 employees. Fifty-five percent of its $3.7 million expenditures in FY 81 was from federal funds - much of which were from "overhead" charges to various federally supported programs throughout the Department.

Regional administration encompasses the core staffing for the five regional and 15 satellite DHS offices statewide. There are 281 employees assigned to Regional Administration whose expenditures of $5,358,000 in FY 1981 were 41% state and 59% federal dollars.

Bureau of Health Planning and Development. The Bureau of Health Planning and Development is responsible for statewide health planning and for making Certificate of Need decisions related to new expenditures for health facilities and services. The Bureau has 22 employees, and 1981 expenditures of $510,300, of which 68% were federal funds.

Bureau of Health. The Bureau of Health oversees the Department's preventive and public health activities and several medical assistance programs. The Bureau's total budget of $14.2 million, 78% of which comes from federal sources, supports 196 employees.

Bureau of Medical Services. This bureau manages the Medicaid, Catastrophic Illness and Low Cost Drug programs and is responsible for the licensing and certification of various health care facilities. About 67% of the Bureau's total $170 million expenditures in 1981 was from federal sources. Medical Services had 149 employees and administrative expenditures of $4.9 million in 1981.

Bureau of Income Maintenance. The Food Stamp, AFDC, and Medical Assistance Eligibility programs are the responsibility of the Bureau of Income Maintenance. The Bureau's expenditures of $83,344,000 included $74.8 million in payments to individuals. Sixty percent of this budget is federal dollars and the remainder comes from the General Fund. The Bureau has 486 employees.

Bureau of Social Services. The Bureau of Social Services has two major responsibilities: To contract with non-profit agencies for the provision of various social services throughout Maine; and to direct the provision of adult and child protective services. In addition the Bureau licenses facilities such as day care centers and foster homes. About forty-eight percent of the Bureau's $27.08 million expenditure is used to contract with other agencies to provide social services. The bulk of the remaining funds and the Bureau's 416 staff are associated with the Bureau's protective work. About half of the Bureau's funds comes from the General Fund.

Bureau of Rehabilitation The Bureau of Rehabilitation has 261 employees who provide rehabilitation services, carry out disability determinations and administer a major portion of the state's alcohol and drug abuse program. In FY 1982 the General Fund will provide an estimated $3.6 million (27%) of the Bureau's total budget of $13.3 million. The remainder will reflect $8.67 million (65%) from federal funds and $1,031,000 (8%) from the new alcohol premium revenues.

Bureau of Maine's Elderly. The 19 employees of the Bureau of Maine's Elderly's and the Committee on Aging's 6 employees are responsible for ensuring that services are provided for Maine's elderly residents. The Bureau operates some programs directly and contracts with area agencies for other services such as nutrition and transportation. About 83% of the Bureau's $5,660,000 expenditure was from federal funds.

RECOMMENDATIONS

CENTRAL ADMINISTRATION

RECOMMENDATION 1: Eliminate the Office of Special Projects in order to improve legislative involvement in future departmental studies.

The Office of Special Projects which reports directly to the Commissioner was established in 1979 to staff special study task forces on major issues concerning foster care, long-term care, and maternal and child health. These three Governor's Task Forces were comprised of private citizens and public employees. In addition to these areas, the Office has coordinated and staffed similar work groups on the Alcohol Premium and the Work Incentive Program. The Special Projects Office follows up on task force recommendations to ensure their implementation, and also serves as a trouble shooting mechanism for the Governor and the Commissioner.

The Office has one professional staff position with some clerical support, and additional staff as each project warrants. An associated professional position in DHS provides a liaison between the Executive Office and the Department.

The Office of Special Projects is currently concluding its major initiatives. For fiscal years 80 and 81, special task force expenditures totaled approximately $154,000.

The Committee finds that this level of funding for Special Projects within the Department of Human Services warrants future oversight by the Legislature. It is the Committee's concern that the Legislature should also have some involvement in identifying priority areas for study. Therefore, the Committee recommends that this Office and the two related professional positions be eliminated. The Committee also recommends that in order to achieve the desired level of Legislative oversight, funding for special project task forces should be requested by the Governor and approved through the appropriations process.

This recommendation will result in General Fund savings of approximately $20,000 and federal savings of $30,000 for FY 1983.

RECOMMENDATION 2: Eliminate one professional position from the Office of Public Affairs because the current staff level is excessive.

The Office of Public Affairs is responsible for statewide coordination of public relations for the Department of Human Services. The Office issues all press releases, edits and prints brochures, posters, and newsletters, and operates as the main informational center for both the general public and the Legislature. The Office of Public Affairs currently has four professional positions and two clerical positions. Other state departments of comparable size have one to two professional staff positions.

The Committee recognizes that both the varied nature of DHS programs and the extensive use of these programs may warrant a staff larger than those of other state agencies. The Committee finds, however, that the current level of six is excessive and should be decreased by at least one position. Therefore, the Committee recommends that the professional staff in the Office of Public Affairs be reduced by one position.

This recommendation will result in a General Fund savings of approximately $8,200 and a federal savings of $12,300 for FY 83.

RECOMMENDATION 3: Discontinue the publication of CONCERN in order to reduce administrative costs.

The publication CONCERN is one of ten newsletters which the Office of Public Affairs publishes. CONCERN is printed three times a year and has a circulation of around 60,000, primarily food stamp recipients. It typically includes articles on issues related to rehabilitation services, the elderly, the OUI law, and the pressures teenagers cope with, and also lists various social services.

The Committee finds that the information provided in CONCERN can be found in many other department publications and many non-profit agency newsletters such as those published by the area agencies on aging or the community action agencies. The Department itself, in addition to CONCERN, prints numerous informational brochures, press releases, and task force reports. Furthermore, DHS clients can be informed of program changes through notices mailed with checks or eligibility cards. The APA process itself ensures that provider agencies are aware of changing rules and regulations.

Therefore, the Committee recommends that the Department of Human Services discontinue the publication of its newsletter CONCERN to avoid unnecessary expenditure. This recommendation will save an estimated $15,700 in federal dollars and $10,400 in General Fund dollars for FY 83.

RECOMMENDATION 4: Eliminate the Staff Education and Training Unit and use these dollars for direct social services to reflect changing priorities as federal dollars decrease.

The Staff Education and Training Unit (SETU) was organized in 1975 and is responsible for coordinating and administering the education and training programs for approximately 2,000 DHS workers and the staff of over 200 social service providers. The unit is staffed by seven professionals and four clericals. In FY 82, approximately 83% of SETU's budget of $567,000 comes from the Social Services block grant.

The staff of SETU handles the mechanics of organizing training programs. They contract with numerous trainers throughout Maine to run programs such as Working with Adolescents, Casework Skills, Child Development and Foster Parent Training. In addition, the professional SETU staff spend an increasingly larger percentage of its time as trainers. Courses taught directly by these staff members include Parent Effectiveness Training, Assertiveness Training, Orientation to Supervision, Reality Therapy and Clerical Skills training.

While the Committee recognizes a need for staff training, it has found that department and agency staff have received substantially more training over the past few years than the staff in other departments. According to SETU records, approximately 2,400 DHS employees attended training courses in FY 81. This represented a cost to the state, in addition to the cost of SETU itself, of approximately $307,000 in personnel time. This is the equivalent of 21 full-time positions which could otherwise have been spent providing direct service. It is important to note that this calculation does not include costs for staff time spent attending tuition programs, in educational leave, in direct on-the-job training, or for the 1,600 provider agency personnel who have also attended courses.

After reviewing these past training programs, the department's entry level job requirements, and funding priorities, the Committee concluded that most of the dollars within the Social Services block grant should be used for direct social services.

The Committee is also concerned that SETU's training program may set an expensive precedent for other state department personnel who feel that they too should have equal access to such training. Therefore, the Committee recommends that the Staff Eduction and Training Unit be eliminated and that SETU funds be used for direct social services in areas such as daycare, homemaker services, transportation services, family planning, alcoholism, mental health, mental retardation, and child welfare services.

This recommendation will result in the redirection of approximately $518,000 to social service providers. The state under the Social Services block grant now has the option of shifting its priorities to reflect decreasing federal funds.

FINDING: The Department of Human Services should decrease its out-of-state travel expenditures from FY 1981 expenditure levels once the initial transition period to block grants has passed.

The Department of Human Services spent approximately $76,244 on out-of-state travel in FY 80 and $65,740 in 81. In FY 81, 72% of the out-of-state travel budget was funded from federal dollars.

The Committee notes that the recent decrease in federal appropriations should be reflected by a continued decrease in out-of-state travel expenditures. Also, the elimination of federal regulations due to the consolidation of categorical grants into block grants should result in less contact with federal, regional and central offices once these block grants have been implemented.

Therefore, the Committee finds that the Department should exercise restraint and continue to decrease its out-of-state travel expenditures.

RECOMMENDATION 5: Repeal or amend various sections of Title 22 which are outdated in relation to the Department of Human Services' current activities.

In reviewing MRSA Title 22, the Committee recommends that the following sections be repealed because they are no longer relevant to the operation of the Department:

Section 401: Requires the Department to appoint medical doctors as District Health Officers in each of 3 districts of the state.

Section 451, first paragraph, fifth sentence:	Allows the Department to appoint and pay the salary of health officers in remote unorganized territories.
Section 452:	Allows the State to pay up to $800 per year towards the salary of fulltime municipal health officers.
Section 456:	Allows two or more municipalities to employ the same local health officer.
Sections 1952-1953:	Allows the Department to accept federal Social Security Assistance for Maternal and Child Health programs.
Sections 2002-2003:	Allows the Department to accept federal Social Security Assistance for Crippled Children programs.
Section 3551:	Allows the State to pay 50% of the salary and travel expenses of a municipal public health nurse in towns of less than 6,000 population.

In addition, the Committee recommends that the following sections be amended:

Section 2602-A:	To authorize the Department to test, for a fee, private water supplies upon request.
Section 3174:	To clarify the amount of income which can be transferred from a medically indigent individual to his spouse.

BUREAU OF HEALTH PLANNING AND DEVELOPMENT

RECOMMENDATION 6. Eliminate the Maine Health Systems Agency (MHSA) because it duplicates the functions of the the Bureau of Health Planning and Development and the State Health Coordinating Council.

The National Health Planning and Resource Development Act of 1975 required the Governor to designate several types of health planning bodies in Maine. These included: A state health planning and development agency (SHPDA); a health systems agency (HSA); and a state health coordinating council (SHCC). Each is mandated to carry out several specific functions.

The SHPDA is charged with conducting state health planning activities and preparing a preliminary triennial state health plan; administering the Certificate of Need (CoN) program and making final CoN decisions; staffing the SHCC; and conducting appropriateness reviews. In Maine the SHPDA is the Bureau of Health Planning and Development and has an annual budget of $565,000 and a staff of 22.

The HSA in Maine is the Maine Health Systems Agency (MHSA). The MHSA is mandated to: Develop a triennial state health plan within the guidelines established by the SHCC; review CoN applications; conduct appropriateness reviews; and review grant applications for federal funds. The primary focus of MHSA's activity has been health planning and CoN activities. State law requires that upon request either the MHSA or the Department of Human Services shall hold a hearing on any CoN application. In practice, MHSA has held all of these hearings. MHSA currently has an annual budget of $435,000 which comes entirely from federal funds, and a staff of 12. Congress is considering cutbacks to this funding.

The SHCC establishes statewide health planning guidelines and recommends a state health plan to the Governor for his approval. Most states have several HSA's and the SHCC is charged with coordinating and combining the health plans of the sub-state HSA's into one state plan. Maine, however, is one of 13 states which has a single HSA covering the entire state. Federal law defines the membership of the SHCC and the HSA Board.

The Omnibus Reconciliation Act of 1981 modifies the federal law to permit the governors of single-HSA states to request elimination of the HSA. The SHCC alone would then be responsible for full development of the triennial state health plan. SHCC membership would be appointed directly by the Governor without nominations provided by the HSA.

The Committee finds that because Maine is a single HSA state, there is much duplication of effort between MHSA and the Bureau. Both MHSA and the Bureau develop and hold multiple hearings on a comprehensive state health plan. Both also review and make recommendations on CoN applications, although only the Bureau has the statutory authority (under federal law) to approve or deny these applications.

This duplication requires parties who want to comment on or react to either the health planning or CoN process to respond to plans and actions of both agencies, resulting in inconvenience and additional costs to these groups. The Committee therefore

recommends that the Governor request elimination of the MHSA. The Committee finds that while the HSA process may be useful in states where HSA's represent sub-state regions and focus on sub-state health concerns, it contributes little new information when there is a total overlap of jurisdiction between the HSA and the SHPDA.

Eliminating the MHSA will save taxpayers about $325,000 in federal expenditures in FY 83. While this recommendation will not have any direct impact on state finances, elimination of unnecessary federal expenditures will result in savings to all federal taxpayers.

RECOMMENDATION 7: The State Health Coordinating Council should hold hearings on Certificate of Need (CoN) applications to provide for public participation in the CoN process.

While the Committee recommends the elimination of the Maine Health Systems Agency, it recognizes that the unique contribution of the MHSA has been that it provides a public forum for hearings on CoN applications. The Committee finds that these public hearings are a valuable part of the CoN review process. While the final CoN decision-making rests with the SHPDA, there are inherent policy ramifications in at least some of these decisions which can best be explored by a body separate from the SHPDA.

The SHCC is an appropriate forum for holding these hearings because a majority of its members are consumers. The SHCC's responsibility for the state health plan means that its members will bring to the CoN review process a general background and awareness of health planning issues. While federal law prohibits any but an advisory role for any agency but the SHPDA, a recommendation from the SHCC to the Commissioner would provide a valuable perspective which might not be readily available through an internal staff review. The Committee therefore recommends that the state CoN law be amended to require public hearings before the SHCC rather than the Maine Health Systems Agency.

RECOMMENDATION 8: Repeal the Northern New England Medical Needs Compact because it has never been activated.

The Northern New England Medical Needs Compact, enacted in 1957, established a Tri-State Regional Medical Needs Board made up of representatives of medical societies, state health officials, and medical schools in Maine, New Hampshire and Vermont. The Board was

to advise health agencies and educational institutions which provide day to day medical care in rural areas. The Maine statute provides that the compact would become effective when ratified by the other two states.

At present only New Hampshire and Maine have ratified the compact, and the Department of Human Services reports that the program is not operative. The Committee recommends that the statutory compact language be repealed because the program is not functioning, and because the compact is not valid unless ratified by all three members.

RECOMMENDATION 9: Repeal the New England Health Services and Facilities Compact because it has never been activated.

The New England Health Services and Facilities Compact provides for the creation of a board composed of representatives of each of the six member states. The Board is authorized to collect and publish data and reports which would support the planning of health services and facilities, the exchange of new information and the training and recruitment of health personnel. Maine approved the compact in 1963 and the Legislature appropriated $1,000 toward operating expenses. The statute provides that the compact shall become operative when any two or more of the six states ratify the agreement.

Maine is the only state which has ratified the compact, and DHS indicates that the compact is no longer operative or useful. The Committee thus recommends that the compact be repealed.

BUREAU OF HEALTH

RECOMMENDATION 10: Move the Emergency Medical Services program under the administrative control of the Bureau of Health because the program complements other Bureau objectives.

During 1980, the Department of Human Services took over responsibility for Emergency Medical Services from Medical Care Development, Inc., a private contract agency. In an effort to rapidly assume control of all phases of the program, the Department made the program a separate entity with direct reporting requirements to the Deputy Commissioner of Health and Medical Services. While this strategy was important in the early months, the Committee finds that on a continuing basis, the EMS program does

not warrant the special status of an independent office. Furthermore, with continued funding through block grants anticipated, the Committee finds that this program would be better served as a permanent part of an existing bureau. This will assure a closer level of administrative control and support within the larger scope of state administered health services.

Therefore, the Committee recommends that the Emergency Medical Services project be moved under the administrative control of the Bureau of Health.

RECOMMENDATION 11: Require Regional Emergency Medical Services Councils to obtain local funds in order to receive continued financial support from the state.

Federal legislation in 1973 created a nationwide Emergency Medical Services program. The purpose of the program is to "promote the development of comprehensive emergency medical services systems in order to improve the quality of patient care." The program established 300 regions, 5 of which are located in Maine, and listed a number of specific EMS requirements in each region to be supported with federal funds. Maine has established "regional councils" to oversee the activities in each local region, and has also provided funds to the councils in an effort to get them firmly established. However, these councils in conjunction with the State Office of Emergency Medical Services, have yet to develop an acceptable plan of continued financial support.

As a condition of receiving federal funds for development of EMS systems, any state or region accepting funds must agree to continue and maintain the systems developed with federal assistance. A major problem in Maine has been the failure of local regions to secure necessary commitments for the ongoing financial support required by the federal government. (The one plan developed, using hospital contributions, was rejected by the Maine Hospital Association.) The Department has managed to provide some funds to local regions in the past by awarding a portion of one regional council's grant on a statewide basis. Under the block grant concept, the state will have much more flexibility in awarding federal funds on a statewide basis. However, the Committee finds that this new "freedom" does not negate past requirements to develop a basis of continued local financial support.

Therefore, the Committee recommends that the Department provide up to 50% of the administrative costs of the regional councils with a dollar for dollar state/local match. The Committee further recommends that the state match be made from funds available for emergency medical services in the Preventive Health and Health Services Block Grant, and in no case should exceed $25,000 per council.

RECOMMENDATION 12: Focus the risk reduction program on activities which will benefit the general public.

The Risk Reduction program is a preventive health effort which attempts to reduce high risk health conditions such as smoking, obesity and hypertension. The program has a staff of 3, currently costs $65,800 and is funded from the Preventive Health Block Grant.

The Committee finds that the objectives of this program are commendable, but notes that a number of its risk reduction activities are focused specifically on DHS employees. The Committee feels this focus is inappropriate and that these funds should be used instead to benefit the general public. The Committee recognizes the need for "model" programs to be used as examples for wider efforts, but suggests that a model program in the private sector would be more effective in promoting risk reduction activities by other employers statewide.

RECOMMENDATION 13: Transfer responsibility for the First Aid Station from the Department of Human Services to the Department of Personnel to reflect program intent.

The Department of Human Services has operated the First Aid Station in the State House complex since 1965. The First Aid Station provides emergency treatment and preventive health care to state employees and visitors.

The Committee supports the concept of a state First Aid/Health Station, but finds that the Department of Human Services should not be providing this type of direct service to state employees. Employee health and safety as it relates to job performance is more appropriately a concern of the Department of Personnel. Therefore, the Committee recommends that administrative control of the First Aid Station, along with one position and associated funding, be transferred from DHS to the Department of Personnel.

RECOMMENDATION 14: The definition of medical eligibility for the Crippled Children program should be clarified.

The Crippled Children program provides full payment for medical treatment of chronic illness in children whose families have incomes below the state's median but who are ineligible for Medicaid benefits. The program also provides help in developing a treatment program for each enrolled child. About 900 children receive services each year.

Annual payments average $317 but individual payment amounts range widely. Typical conditions treated under this program include cardiac problems, hearing difficulties, cleft palate and orthopedic problems. Direct treatment services cost about $464,000 in FY 1981 of which about 50% is paid from federal funds.

Maine statutes require services to be provided to children "who are crippled or who are suffering from conditions which lead to crippling." Department rules provide that eligibility depends on the existence of a "chronic physical illness which requires a significant amount of specialty medical treatment over an extended period of time."

The Committee finds that this definition is not sufficiently clear. For example, some types of orthodontic problems may require a significant amount of treatment over several years and can be a serious crippling condition. Yet the program generally does not pay for orthodontic work except when it is associated with cleft palate.

The Committee recommends that the Department's rules on what constitutes medical eligibility be clarified. The Committee also requests that it be provided copies of proposed clarifications in the medical eligibility criteria as they are developed by the Department.

RECOMMENDATION 15: Undedicate license fee revenues from eating establishments, eating and lodging places, recreational camps and camping areas in order to reflect the public protection function of the licensing program.

Public health sanitarians in the Division of Health Engineering are required to inspect and license eating places, lodging places, camps and other facilities that serve food. Statewide, there are

more than 8,000 licensed establishments, including about 600 that are inspected by state certified municipal inspectors in Portland and Lewiston. All licenses are renewed annually and the Department attempts to inspect each facility at least once a year as well.

License fees are determined by the Department, but must be set according to the size of the establishment and cannot exceed $30. License revenues amount to about $170,000 annually and are deposited in a dedicated fund. These fees would be sufficient to support 6 positions in the Division of Health Engineering in FY 83.

The Committee finds that the primary objective of this program is to protect public health and welfare. For this reason, the entire health sanitarian program should be subject to regular review by the Legislature through the appropriations process. Therefore, the Committee recommends that the program be fully funded from the General Fund.

However, the Committee also finds that there are specific benefits to users of these inspected facilities that go beyond general consumer protection. It is appropriate to charge those users for the costs of the state inspection. Continuing to charge a license fee but depositing the revenues in the General Fund accomplishes this objective.

RECOMMENDATION 16: Require the Department of Human Services to inspect and license any eating place that provides seating to consumers, even if that establishment is within a larger one licensed by the Department of Agriculture, to improve public protection.

Previous Sunset legislation eliminated "duplicate" inspections by state personnel in certain situations. Stores that sold groceries, food and produce were inspected by the Department of Agriculture and those stores that also had a lunch counter, deli, or otherwise sold food for immediate consumption (e.g. a hot dog steamer) were inspected by the Department of Human Services too. The Committee intended to relieve the small store owner from having to accompany two and sometimes three inspectors just because the store sold take-out sandwiches in addition to groceries. Based on the Committee's recommendation, the Legislature mandated one license, issued on the predominate portion of business, and one inspection for all stores affected by the dual inspection requirement.

The Committee now finds that some grocery stores and department stores have coffee shop/restaurant facilities with a substantial seating capacity. Although these facilities do not dominate store business, the Committee finds that they are special situations and warrant attention beyond a general store inspection. The Committee further finds that the Division of Health Engineering has the knowledge and experience necessary to best enforce restaurant sanitation regulations in these facilities.

Therefore, the Committee recommends that stores with an eating establishment capable of seating customers be required to obtain both a Departrment of Agriculture license for the store section and a DHS license for the eating section.

RECOMMENDATION 17: Eliminate the requirement that the state license mobile homes parks to reduce unnecessary regulation and inspection.

The Division of Health Engineering sanitarians license and inspect mobile home parks along with restaurants, camps, motels, etc. The Committee finds that mobile home parks are not significantly different from condominiums, apartment house complexes or municipal subdivisions, none of which are "licensed" by the state.

In many cases, municipalities have ordinances covering all of these housing situations, including mobile home parks, and state laws regulate many other aspects of housing such as public water supplies and sewage disposal. There has always been a legal question as to whether the local ordinances or the state mobile home park license takes precedence.

The Committee finds that state licensure is unnecessary at this time. Eliminating the state licensing responsibility will not eliminate the public protection given to those living in a mobile home park. It will, however, reduce the workload of the health sanitarians and eliminate some unnecessary licensing paperwork. This recommendation will reduce revenue to the Department by $10,600, but it will be offset by the reduced workload.

RECOMMENDATION 18: Increase the allowable maximum license fee for eating establishments, eating and lodging places, recreational camps and camping areas by $5 to offset increased costs of licensing and inspecting these facilities.

Licensing of eating establishment, lodging places, camps, etc., began in 1947. At that time, the Department was authorized to charge a fee appropriate to the size of the facility, not to exceed $10. Beginning in 1975, the Department could charge a fee not to exceed $30. As a dedicated fund, revenues were sufficient to cover all costs and even build up a small surplus in the late 1970's. More recently, however, revenues have not met expenses due to the statutory limit on fees. A major problem with dedicated accounts has been that both merit and collective bargaining salary increases are awarded to all employees without a corresponding increase in revenues. The Department has tried to overcome this situation by using federal funds and laying people off because past attempts to increase fees have been unsuccessful.

The Committee finds that the program is no longer as effective as it should be because only four field sanitarians are available to inspect more than 7,000 different facilities excluding mobile home parks. The Committee further finds that if the Department raised additional revenue within the existing fee schedule, it would unfairly protect those establishments already paying the statutory maximum of $30 from sharing in the increased costs of providing services. Therefore, the Committee recommends increasing the maximum fee from $30 to $35, while allowing the Department to retain the flexibility needed to adjust fees within the range.

An across-the-board increase of $5 would generate approximately $38,000 in additional revenue again excluding mobile home parks. Total revenues would then allow the Department to maintain a health sanitarian staff of one supervisor and five field inspectors, as well as two clerical workers. This recommendation, combined with recommendations 15 and 17, would produce a small net gain to the General Fund for at least one fiscal year, possibly two, subject to collective bargaining agreements.

RECOMMENDATION 19: Require the Department of Human Services to obtain information from the municipal officers of the municipality in which a mass gathering is intended to be held before issuing a state permit.

Existing statutes list certain minimum requirements that must be met in order to conduct a mass gathering. For example, adequate provisions must be made for the number of people expected, including water, food, toilet facilities and police and fire protection. Municipalities may choose to enact and enforce any ordinance or regulation that is more stringent than the requirements of the law. However, in that many municipalities have not enacted ordinances, the Department informally calls a town where a mass gathering is planned in order to obtain specific local information from the municipal officers.

The Committee finds that the informal nature of state/municipal discussions may put the Department in a tenuous position if a promoter meets all the permit conditions established by the state, but the municipal officers feel the event should not be held in their town or city for reasons other than those cited by the statute. Therefore, the Committee recommends that the statute be amended to require state/municipal discussion as a condition of obtaining a mass gathering permit.

RECOMMENDATION 20: Increase the Electrologist license fee to $50 to reflect the cost of licensing and inspection by health sanitarians, and undedicate these revenues.

The license fee for the practice of electrology is set by the Department at $40 per year. This fee must be used for licensing and inspecting each facility and is intended to meet the Department's "reasonable, necessary expenses". The inspection of these facilities is performed by health sanitarians in the Division of Health Engineering, who also inspect many other types of business establishments.

The Committee finds that inspecting facilities for the practice of electrology is very similar to inspecting other establishments and that license fees for these similar inspections should be consistent and reflect the cost of the inspection. Therefore, the Committee recommends that the Department increase the electrologist license fee to $50.

The Committee further finds, however, that the primary objective of this program is to protect public health and welfare. For this reason, and in order to maintain consistent funding among establishments inspected by the health sanitarians, the Committee recommends that electrologist license fee revenues be undedicated.

BUREAU OF MEDICAL SERVICES

RECOMMENDATION 21: The Department of Human Services should present the 111th Legislature with a plan for instituting user co-payments for Medicaid services because co-payments appear to be a valuable option in controlling Medicaid costs and because the Legislature should have a voice in this important policy area.

Co-payments are relatively small fees which a Medicaid recipient must pay in exchange for various medical services under the Medicaid program. The state has required a comparable $2.00 co-payment under the 100% state funded Low Cost Drug program and DHS is currently establishing a 50¢ co-payment for all Medicaid prescriptions.

Co-payments can result in savings to the state in two ways. First, the state saves the amount of the co-payment itself. Second, and more important, co-payments can help to discourage excessive or inappropriate use of medical services which can occur when medical care is totally free. An example of an inappropriate use would be using an expensive hospital out-patient facility for a minor illness which could be treated at lower cost at a clinic. A higher co-payment for out-patient than for clinic services would encourage clinic use.

Given the possibility of future cuts in federal Medicaid funding and the continued growth in Medicaid costs, the state may be forced to undertake major Medicaid cost containment efforts in the near future. The Committee finds that co-payments are much more equitable to Medicaid users than total elimination of services or some client groups. While co-payments do impose some costs on users, they also provide an important incentive which the Medicaid system now lacks -- the incentive to limit unnecessary or inappropriate demands for medical service.

The Committee recognizes that adoption of a co-payment for drugs is a major policy change in the Medicaid program and endorses that change. It finds, however, that the Legislature should have a role in that and future decisions on co-payment policy. Currently the Department can develop whatever policies it chooses with

respect to co-payments because there is only passing mention of the Medicaid program in state statutes. Changes in that policy will come to the Legislature only indirectly as they are reflected in variations in requests for General Fund dollars to support the Medicaid program.

Consequently the Committee first recommends the current co-payment policy be established statutorily. This will ensure that changes in this policy must be approved by the Legislature. Second, the Committee finds that the Legislature should have the opportunity to consider in more detail co-payment provisions for other kinds of medical services such as those suggested in the Department's August 7, 1981 proposal for dealing with federal budget cuts.

Due to the administrative complexity of establishing a wholly new co-pay system, the Department should define how alternatives can be implemented before the Legislature addresses the co-pay policy issue. The Committee thus recommends that DHS study co-payment possibilities and problems and report back to the 111th Legislature with its findings and implementing legislation. This will assure that the Legislature maintains its policy-making role with respect to co-payment issues.

While this recommendation will obviously not result in any immediate savings, the impact of establishing more co-payments in the future could be substantial. For example, the Department's August proposal for co-payments was estimated to save $3.02 million in FY 83. This estimate did not assume any reduction in utilization. A 10% reduction in usage, however, is quite consistent with experience in and outside Maine when co-payments are established or increased. Assuming a 10% reduction, the co-payments included in the August proposal would have reduced Medicaid costs by $5.626 million in FY 1981.

RECOMMENDATION 22 : The Department should revise its reimbursement procedures for paying for Medicaid outreach services for eligible children to minimize costs.

Medicaid services for eligible children include a federally mandated Early Periodic Screening, Detection and Treatment program (EPSDT) designed to ensure that these children receive regular preventive health care. Such care is intended to reduce long-run medical costs by reducing the need for acute care in later years.

As part of EPSDT, the state contracts with 12 health care agencies to send out workers to each newly enrolled Medicaid family to inform them of the availability of these preventive services. Nearly 17,000 such interviews are conducted each year. If the family wishes to enroll in EPSDT the agency will send periodic reminders about the need for check-ups based on the ages of the children involved. More than 21,000 reminders were mailed in FY 80. The EPSDT agencies also check that appointments are kept and provide other supportive services. The check-ups themselves and other follow up medical care is provided by physicians and/or child health clinics selected by the family.

The outreach and support activities conducted by these 12 agencies cost $1.7 million in FY 81 (30% from the General Fund). Each agency is paid on a reimbursement basis -- i.e. the agency is paid for whatever it costs (within some general administrative limits) to deliver this service. This payment system means that costs on a "per family" or "per unit of service" basis can vary widely from agency to agency because the cost components (salaries or administrative costs, for example) are up to the individual agency. In fact, in FY 1980 costs per contact (new family interviews plus periodic contacts divided by total cost) varied from a low of $19 to a high of $49.

The trend in Medicaid payment schedules over the past few years has been away from full reimbursement systems. Instead, fee schedules or more carefully controlled reimbursement principles have been established to control costs for many Medicaid services.

The Committee recommends that DHS review reimbursement policies for EPSDT agencies and develop a policy which better controls EPSDT costs. The Committee's intent is that the reimbursement system should encourage EPSDT agencies to provide services as economically as possible and that there be more consistency in the amount of reimbursement from agency to agency.

RECOMMENDATION 23: Eliminate the Medical Eye Care program and use these funds to add eyeglasses as a service covered by Medicaid to provide these services at minimum cost to the state.

The Medical Eye Care (MEC) program serves an estimated 4,280 people annually, providing eye care for individuals whose income is below 80% of the state median and whose uncorrected vision is no better than 20/70 (adult) and 20/30 (children). The program provides glasses and contact lenses which are not covered by Medicaid to adult Medicaid clients, and all types of eye care services to non-Medicaid clients.

A random sample of 39 adult clients served in FY 81 was reviewed to find out more about who the MEC program is serving. Some details of this review are shown in Appendix A. More than half of the MEC clients are over 65. About 54% of all recipients appear to be Medicaid eligible and are using this program only to pay for glasses. Another third of the clients use the program only for exams and glasses. Contacts or other medical treatment are provided to the remaining 18% of the clients. Average annual payments for all services except contact lenses (90% of all services) are less than $60.

The sample of MEC clients indicates that the MEC program is not being used uniformly throughout the state. For example, Androscoggin, Aroostook and Piscataquis counties represent 19.2% of total state populations, yet 39.4% of MEC clients were from these counties. On the other hand, Cumberland, Franklin, Washington and York counties represent 36% of the total population but only 11.1% of MEC cases. One explanation is that relatively few doctors are aware of the program and suggest that their patients apply for benefits.

The Committee notes that the MEC program is not being used by many people who are eligible to use it. Approximately 60,000 adult Medicaid recipients are eligible for this program, yet MEC has an active case file of only 7,000. Furthermore, Medicaid income ceilings are only one-third to one-half of the median income, while the MEC ceiling is 80% of the median. In addition, there is an assets test for Medicaid but none for MEC. Therefore, a substantial but unknown number of people in addition to the 60,000 Medicaid recipients are likely to be eligible for, but not using this program. The Committee notes, however, that since this program is funded entirely from the General Fund, encouraging wider participation would be quite expensive.

The relatively high income ceiling and the absence of any co-payment requirement aggrevates the inequities of the spotty enrollment in the program. On one hand, MEC is paying for small bills - a $4 Medicare insurance co-payment, for example - for a single person with a monthly income of $627. Or on the other hand, a Medicaid client with a monthly income of only $337 who doesn't know about the MEC program is paying for his own glasses - perhaps as much as $60 a pair.

The Committee recognizes that an estimated 1,970 people currently served by MEC would not be covered by Medicaid. About 1,100 recipients have incomes above the Medicaid guidelines and the remainder are not categorically eligible for Medicaid. The Committee finds that since MEC payments are relatively small the burden on those above the Medicaid ceiling should not be overwhelming. It notes that children from households with incomes above the Medicaid limit but below median income can be eligible for services under the Crippled Children Program.

In the case of those who are not categorically eligible for Medicaid, the Committee notes that eye problems are the only kind of non-catastrophic medical problem for which the state pays. A person in similar circumstances but with any other type of illness must rely on his or her own resources or on General Assistance to pay medical bills. Thus the elimination of the MEC program is consistent with the overall state policy of limiting services to certain groups given a limited amount of state resources.

The MEC program will cost about $328,200 in FY 83. A preliminary estimate is that adding glasses to Medicaid would cost $1,212,100 annually, of which the General Fund would have to pay 30% ($363,600). Eliminating MEC and adding glasses to Medicaid would result in a $35,400 increase in cost to the General Fund. This cost should be reduced by requiring a co-payment. The Committee recommends a co-payment of up to $10 depending upon federal limitations on co-payment amounts. Currently these limitations may restrict the co-payment to $2-$3. This limited co-payment would reduce the total cost by about $48,000 and in turn reduce the net state cost of this recommendation to an estimated $21,000.

RECOMMENDATION 24: Require the Bureau of Taxation to include information on eligibility requirements for SSI and Medicaid on the Low Cost Drug application form to ensure that low income elderly residents are aware of these programs.

The Low Cost Drug program has provided drugs to people who are over 62 and who have incomes below $5,000 (single) or $6,000 (couple). Eligibility is determined by the Bureau of Taxation and is based primarily on eligibility for the Elderly Rent and Tax Relief Program. Eligible individuals must pay the first $2 toward each prescription filled and the state, through the General Fund, pays the remainder of the cost. Approximately 19,800 households (singles and couples) were eligible for this program in FY 81.

Since Medicaid also pays for drugs, this program should only serve those who are between the Medicaid eligibility limit and the Low Cost Drug income ceiling. The Committee has reviewed Bureau of Taxation records, however, and found that an estimated 4,800 drug card holders are probably Medicaid eligible but have not applied for Medicaid benefits. Based on a sample of 63 applications, these are elderly people (average age of 75) whose average income is $2,743 (single) or $4,163 (couple). Eighty-four percent had no income from dividends or interest and the remainder had minimal interest income indicating that they would meet SSI/Medicaid assets limitations.

The Committee is concerned that nearly 5,000 low income elderly people may not be taking advantage of a program which could provide them with additional financial resources and medical care. Even if no other medical services are claimed, Medicaid covers a much wider range of drugs and the Medicaid co-payment is 50¢ rather than $2.00. In addition, the Drug Program is paid for entirely from the General Fund, while the same drugs through Medicaid would be 70% funded by the federal government. There is, therefore, likely to be less cost to the state if Medicaid eligible recipients use Medicaid rather than the Low Cost Drug program.

The Committee finds that there should be additional efforts to make eligible elderly people aware of the Medicaid program. Specifically, the Committee recommends that information on SSI and the Medicaid eligibility requirements and benefits be included with the instructions for completing the Low Cost Drug application to encourage participation by all who are eligible.

FINDING: Recent legislative changes in the Catastrophic Illness program may have resulted in a substantial shift in who pays for Medical care in "catastrophic" situations These changes should be monitored to determine whether the program continues to fulfill legislative intent.

The Catastrophic Illness (CI) program is a 100% General Fund medical assistance program which pays major medical bills for individuals who are not eligible for other medical assistance programs such as Medicaid. Medicaid generally covers individuals or households who have limited assets and incomes, and who also (1) are over 65, (2) are permanently and seriously disabled, or (3) have children under 18.

The CI program was enacted in 1974 as part of a bill which established the Medically Needy program (which assists individuals who meet Medicaid categorical guidelines but whose income is somewhat higher) and raised the cigarette tax. The program originally required that an individual had to pay medical costs equal to $1,000 plus 20% of income and 10% of cashable assets in excess of $20,000 before CI eligibility was established.

After enactment the cost of the CI program grew rapidly -- from $457,000 in 1975 to $5.7 million in 1981. In an effort to reduce these costs, the Legislature last session reduced the scope of the CI program substantially (to $1 million annually) by making major

revisions in the deductible which must be paid before the state takes over medical payments. Eligibility now depends on medical expenses (beyond bills covered by insurance) amounting to 10% of assets (exclusive of the applicant's home and car) plus 30% of income after deductions, plus $7,000.

A review of a sample of CI cases opened between July 1,1981 when the new deductible went into effect and October 15 gives an indication of the type of person who is using the CI program. These cases suggest that the typical CI recipient is single, male, between the ages of 26 and 60, has no available assets and is only marginally employed. He is paying very little more than the flat $7,000 deductible amount before going on the CI program. Earlier reviews of CI recipients suggested that they have been very similar to current recipients, except that those with medical bills of between $1,000 and $7,000 have now been eliminated from the program.

There is widespread agreement that the estimated (FY 83) $6.07 million cost which was eliminated when the deductible was increased, generally will not be borne by the individuals involved because they have very marginal earning potential and few assets. Instead, if General Assistance does not cover these expenses, the hospitals (which represent the bulk of CI payments) will write off the unpaid bills as bad debts. Rates for other hospital users will be raised to make up these losses.

In addition, given the apparent earning power and physical limitations (major heart conditions, permanently crippling auto accidents, etc.) associated with many CI cases, the likelihood of complete payment of the current deductible by the recipients themselves is slim. These costs are also being passed on to General Assistance or to other health care consumers.

The Committee finds that sufficient information to fully understand the consequences of the changes made last session is not yet available. The Committee is concerned about the burden that a $7,000 deductible places on CI recipients themselves, on the towns which will be providing more General Assistance as a result of this change and on other patients who will end up paying higher rates to cover increased hospital charity cases and bad debts.

The Committee finds that the CI program should be monitored closely to determine who is being served and who is actually paying the deductibles for CI recipients. When the full impact of the recent changes have been assessed, the Legislature should consider whether, with the current deductible, the program continues to fulfill legislative intent.

RECOMMENDATION 25: Undedicate licensing fee revenues from hospitals, nursing homes and other health care institutions to reflect the public protection function of the licensing program.

State statutes mandate that DHS license hospitals, skilled nursing facilities (SNF's), intermediate care facilities (ICF's), boarding homes and drug treatment facilities. Altogether there are 580 such facilities in Maine. Hospitals are subject to a licensing survey every other year, while other facilities are surveyed annually. Nursing homes are also visited every three months and boarding homes with more than six beds are visited twice a year for consultation. This licensing review is conducted simultaneously with the Department's certification of hospitals, SNF's and ICF's for Medicaid and Medicare purposes.

The annual license fee is $50 for drug treatment facilities and is based on number of beds for the other facilities: $50 for up to 50 beds; $100 for 51 to 100 beds; and $200 for more than 100 beds. Total revenues from licensing fees in FY 81 were $29,459 which were deposited in a dedicated account. The statutes provide that these funds are to be used to offset licensing costs. However, they are currently used as the state match to fund the Attorney General's Medicaid Fraud Unit which would otherwise be funded from the General Fund. The state licensing program costs between $173,000 and $255,000 and is funded entirely from the General Fund. The license revenues do offset 11.5% to 17% of this cost.

The Committee finds that the primary objective of the licensing program is to protect public health and welfare. Because of this public protection objective, the entire program should be subject to regular review by the Legislature through the appropriations process. The Committee thus recommends that the program be fully funded from the General Fund.

The Committee also finds, however, that consumer protection activities specifically benefit those who use the service being regulated. When the regulation is of special benefit to particular groups of consumers, it is appropriate that these groups help pay for that regulation. Maintaining fees which are currently dedicated to supporting the regulatory activity, but depositing those revenues in the General Fund, accomplishes this objective.

RECOMMENDATION 26: Repeal mandatory State Fire Marshal inspections of hospitals, nursing homes and other health care institutions but mandate Life Safety Code standards for fire safety in those facilities.

State statutes require an annual inspection by the Fire Marshal or "the proper municipal official" before Human Services can license hospitals, skilled nursing facilities, intermediate care facilities, boarding homes or drug and alcohol treatment facilities. In practice, these inspections are always done by the Fire Marshal's staff. A member of his staff is included in each 4-5 person inspection team from DHS's Division of Licensing and Certification (L&C) which inspects these facilities.

The Fire Marshal uses the equivalent of three full-time staff to do these inspections and DHS paid the Fire Marshal $81,244 (FY 81) for this inspection work. The federal government, which pays for about 70% of all L&C costs, indicates that the fire safety aspects of hospital inspections could generally be handled by the L&C staff itself. L&C staff do these inspections in some other states. Local fire officials also do regular inspections in many Maine communities.

The fire inspections are based on the appropriate parts of the Life Safety Code -- a nationally recognized standard for fire safety in various kinds of buildings. This code has been adopted as Maine's fire safety standard and is the basis for the fire safety portion of federal Medicaid certification for hospitals, SNF's and ICFs's.

The Committee recommends that mandatory annual inspections by the Fire Marshal be eliminated. The Fire Marshal would still be required to review all plans for new or expanded facilities and be available for consultation on any special problems under his general fire safety mandates (25 MRSA §2396). Mandating Life Safety Code standards in the statute would provide criteria for the L&C staff, the Fire Marshal and local fire officials to deal with fire safety issues.

The federal government is currently providing a fixed amount of funds to the L&C unit for its activities. Eliminating the mandate for payments to the Fire Marshal will effectively result in a $68,000 savings to the General Fund in FY 83.

BUREAU OF INCOME MAINTENANCE

RECOMMENDATION 27: Eliminate County involvement in the Food Stamp program by shifting total responsibility for administration to the Bureau of Income Maintenance to better reflect the program's function.

The Food Stamp program is one of very few social welfare programs dependent on federal, state and local government expenditures to meet its administrative costs. When it first began, the program was a joint effort between two counties and the federal government. As more counties adopted the program, the state increased its involvement, but maintained the historical participation of the counties. Currently the federal government supports 50% of the administrative costs, the counties provide approximately 17% and the General Fund picks up the remaining 33%.

In 1981 the counties budgeted more than $790,000 for payment to the state as their share of administrative costs. The Committee finds that these expenditures are beyond the general responsibilities of county government and are much more appropriately the responsibility of the state.

Therefore, the Committee recommends that the administrative costs of the Food Stamp program be split 50/50 between the state and federal government. This recommendation will result in an annual transfer of approximately $947,000 in costs from the property tax based county budgets to the income and sales tax based General Fund. The Committee rcommends that this shift become effective January 1983 because county budgets are based on the calendar year.

BUREAU OF SOCIAL SERVICES

RECOMMENDATION 28: Reduce the staff in the Bureau of Social Services to reflect the reduction in regulatory requirements and program transfers due to the Social Service Block Grant changes at both the state and federal levels.

The Bureau of Social Services is responsible for contracting out and monitoring funds related to a variety of social services such as homemaker and transportation services. The Bureau also functions as the central state office for the Division of Child and Adult Protective Services, and licenses facilities such as day care centers and foster homes. The Bureau has a total of about 100 positions, with approximately 30 staff involved in the social service contract area either through program evaluation or direct contract administration.

The recent federal change to a block grant for social programs has reduced administrative requirements within the Social Services contract area. First, due to the repealing of Title XX federal regulations, the Bureau has simplified its client reporting and billing procedures. For example, instead of submitting monthly reports, contract agencies will now submit quarterly reports. Second, federal program planning and evaluation requirements have also been minimized, thus demanding less staff time. Third, as a result of the special legislative session, contracts previously administered by the Bureau of Social Services in the areas of Mental Health, Mental Retardation, and Alcoholism are no longer the Bureau's responsibility. In line with these changes, the Bureau is reassessing and simplifying its overall contract process.

Combined, these changes result in a substantial decrease in the Bureau's work related to contract services and planning. Over one-third of the current social service contracts will be transferred from the Bureau's control. Therefore, the Committee recommends that a minimum of eleven staff positions excluding those in Child and Adult Protective Services and licensing be eliminated to reflect reduced administrative workload. This recommendation will result in a General Fund savings of approximately $216,300 in FY 83.

RECOMMENDATION 29: Eliminate the Mental Retardation Developmental Day Care appropriation because the program is not fulfilling legislative intent.

In 1979, the Legislature mandated that center-based developmental day care services for eligible pre-school children be provided through Title XX regardless of family income. It established sliding fees for these developmental day care services for families with gross incomes over the 80% and 115% median income levels. Title XX pre-school developmental day care services below the 80% level were made available at no cost. In FY 80, $64,000 was appropriated from the General Fund and was intended to provide these developmental services to income groups over the 80% level. In FY's 81, 82 and 83, $86,000 per year has been appropriated.

The Committee finds that of the $86,000 appropriation in FY 81, only an estimated $18,250 was used for services to individuals with incomes above 80% of the median. In addition, the Committee finds that given a reduction in federal funds, social service funding

should be limited to individuals under the 80% median income level for "income status" clients. For these reasons, the Committee recommends the elimination of this Mental Retardation Developmental Day Care appropriation and repeal of the corresponding legislation which mandates that these services be provided through the Title XX mechanism for individuals above the 80% median income level.

The Committee recognizes that this recommendation will result in a reduction of an estimated $17,700 in FY 83 in center-based developmental day care services to clients below the 80% level because these funds were being used for that income group despite legislative intent. The Committee finds that it is the role of the Committee on Appropriations and Financial Affairs to determine within the overall context of the social service block grant the appropriate level of funding for pre-school developmental services for the below 80% income group.

This recommendation will save the General Fund $86,000 in FY 83.

RECOMMENDATION 30: The Department of Human Services should be reimbursed for case study services when the court requests an investigation for purposes other than suspected abuse or neglect.

The Child Protective Services Division in the Bureau of Social Services has a staff of about ten individuals who undertake studies when requested by the court, particularly in cases involving the custody of minor children in a divorce proceeding. The Department currently receives approximately 900 requests annually for case studies from the courts. A preliminary DHS evaluation of this service, using a sample of 146 studies, found that only 21% of the court requested studies involved allegations of jeopardy to the children.

The Committee is concerned that the Department, at its expense, is providing a case study service for the courts in situations where alleged jeopardy is not involved. The Committee recognizes that these case studies assist the judiciary in their deliberations, but finds that DHS should be reimbursed for its case study services when the court requests an investigation where suspected abuse or neglect is not involved. Therefore, the Committee recommends that the court order either or both parties to pay part or all of the cost of this service unless the court has made a finding of "inability to pay." The Committee further recommends that these revenues be dedicated to DHS to defray the cost of providing this service.

In addition, the Committee recommends that DHS should tighten its management of this case study service so that it can determine an accurate formula for assessing the exact costs involved.

FINDING The Bureau of Social Services is currently developing a new program for the resettlement of Indochinese unaccompanied minors.

The Committee, in reviewing the Bureau of Social Services, found that a resettlement program for unaccompanied Indochinese refugee minors is now being developed. The Bureau's expectation is that fifteen Indochinese minors, ages 14-17, will be resettled in Maine during this coming year.

The Committee wishes to call the Legislature's attention to the unaccompanied minors program. The Committee is concerned that although this new program is currently funded by federal dollars, future federal reductions and the resettlement of additional minors may mean a potential cost to the state. The Committee has relayed its concern to DHS and has asked that the Department closely monitor the future resettlement of minors by independent agencies.

RECOMMENDATION 31: The Bureau of Social Services should require statutorily mandated reports from all those agencies receiving Aid to Charitable Institution funds.

The Aid to Charitable Institutions appropriation began in 1917. It appears that the funding originated at a time when there were several orphanages run as charitable institutions and the Legislature appropriated funds specifically for those facilities. Since the original appropriation, some charitable institutions have ceased to exist or have been merged with others, while others have been added in. In 1973, additional state funds were appropriated for St. Andre's Shelter Group Care Home for Girls. In FY 1981, the Aid to Charitable Institutions appropriation of $204,000 was divided between six charitable institutions. This total appropriation provided services to around 170 individuals, primarily infants and unwed mothers.

In reviewing this program the Committee found that one institution has not submitted any service or financial information regarding the expenditure of these dollars, as is currently mandated in the statute. The Committee recommends that all the institutions submit itemized bills which indicate the services provided and cost.

RECOMMENDATION 32: Repeal the Interstate Compact on Welfare Services because it is no longer necessary.

This compact was established in 1959 when the states had various residency requirements for receiving Old Age, Aid to the Blind, AFDC, Aid for the Disabled, General Assistance, Child Welfare Services, Services to Unwed Mothers and Medical Services. The compact is an agreement between states that when a person moves from one New England state to another any durational residency requirement for services would be waived.

There has been no activity under this compact since its inception, and the legislation itself is outdated. Other federal legislation has supplanted the need for the Interstate Compact. Therefore, the Committee recommends that the Interstate Compact on Welfare Services be repealed.

BUREAU OF REHABILITATION

RECOMMENDATION 33 : Reduce the number of clerical positions in the Bureau of Rehabilitation so that clerical staffing ratios more closely match the ratios in similar programs. Redirect the funds saved from this reduction to provide additional services to VR clients.

The Bureau of Rehabilitation maintains staff in ten regional offices throughout the state to provide Vocational Rehabilitation (VR) counseling and services to disabled individuals who have the potential for employment and more self-sufficiency as a result of these services. Within each VR office, VR counselors have a caseload of specific clients for whom they are responsible and a "budget" of funds which can be used to purchase medical services, prosthetic devices, eye glasses, hearing aids, transportation, vocational training and equipment, maintenance and other services to assist their clients to become more independent. The Department has noted that these case service budgets are being reduced and that this limits the rehabilitation work which can be done.

The Committee has examined the ratio of professional to clerical staff in a number of programs operated by DHS. Social services staff which deals with foster care, child and adult protective clients within a comparable caseload format maintain a 5.9 professional to clerical staff ratio. On the other hand, the Committee notes that there is, on average, one filled clerical position to every 2.3 professional positions in VR field offices.

The Committee finds that the elimination of some VR clerical positions would release funds for additional VR client services. The Committee thus recommends that 14 clerical positions within the Bureau of Rehabilitation be eliminated. This will result in a ratio of four professional to one clerical position in the VR field offices. The Committee further recommends that the $172,000 used to fund these 14 positions be appropriated instead for VR client services.

RECOMMENDATION 34: Transfer the state's Employee Assistance Program from the Office of Alcohol and Drug Abuse Prevention to the Department of Personnel because this program is more appropriately a personnel function.

Maine's employee assistance program provides confidential counseling and referral services on a wide variety of personal problems to all state employees. It consists of one counselor who is available in Augusta two days a week and works out of the Rockland office the remaining three days.

Currently the Office of Alcohol and Drug Abuse Prevention (OADAP) has administrative responsibility for this program and funding is included in OADAP's General Fund appropriation. This is because some employees may be facing alcohol or drug related problems and because OADAP works to encourage employers statewide to establish such assistance programs.

The Committee supports the Employee Assistance Program concept. It finds, however, that OADAP is not geared to direct provision of services and that the Employee Assistance Program is not specifically related to OADAP's primary objective of preventing and treating substance abuse. Rather, the Employee Assistance Program is a benefit provided to state employees and as such it should be under the administrative supervision of the Department of Personnel. The Committee thus recommends that the Assistance Program's funding and one position be transferred from OADAP to the Department of Personnel.

RECOMMENDATION 35: Eliminate the mandated Citizens Advisory Council on Alcoholism, the Interdepartmental Coordinating Committee and the State Government Coordinating Committee because they are inactive.

In 1973 the Legislature passed two major pieces of legislation dealing with alcoholism and drug abuse. One decriminalized public intoxication and established the state's regional treatment programs under the supervision of the old Division of Alcoholism in DHS. The other combined the Maine Commission on Drug Abuse and the Division of Alcoholism to create the present OADAP. The second LD included much of the language contained in the first and was apparently intended to supersede it. Both established citizen's advisory boards and coordinating committees within the Executive branch.

Because of the effective dates on these bills, both were enacted and are included in the statutes. The Committee recommends repealing statutes relating to the Division of Alcoholism, the Citizens Advisory Council and the Interdepartmental Coordinating Committee because they are redundant.

The Committee also recommends repealing the State Government Coordinating Committee language because the Coordinating Committee has never been activated and because the "Alcohol Premium" legislation passed by the 110th Legislature mandates coordination by the Commissioners of Human Services, Education and Mental Health and Mental Retardation. Any additional Executive branch coordination can be instituted through executive order.

BUREAU OF MAINE'S ELDERLY

RECOMMENDATION 36: Eliminate the 5% administrative charge on the Bureau of Maine's Elderly (BME) Priority Social Services contracts to maintain consistency with previous legislative repeal of the 5% provision in other social services areas.

The Priority Social Services Program (PSSP) was established in 1972 to ensure that the priority services for the elderly be maintained. Contracted PSSP services include transportation services, health and home care, meals and counseling services. The Bureau of Maine's Elderly currently receives an annual General Fund

appropriation of approximately $383,150 for this program. These General Fund dollars, in turn, are matched 25% at the local level, bringing the total contracted PSSP dollars to around $510,000. It has been BME's policy to charge a 5% fee on the total contract amount to cover administrative costs. For FY 83, this 5% collection from the local agencies will total approximately $27,000. These dollars are deposited in a special revenue account for the Bureau's use.

When the Legislature allocated federal block grant funds in September, it also eliminated a similar 5% charge on other social service contracts. The Committee recommends eliminating the BME 5% administrative charge so that contracting policy is consistent. The $27,000 which would have been collected should be retained in FY 83 by the local community agencies for their use in providing services.

In addition, the Committee found when reviewing BME's Special Revenue account that for FY 81 there was an unencumbered balance forward of $71,600. Given this balance, plus additional special revenues for fiscal years 82 and 83, and allowing for the loss due to the elimination of the 5% charge in FY 83, the Committee finds that a surplus balance of $20,000 will remain at the end of FY 83.

The Committee, therefore, recommends that in FY 83 $20,000 be deappropriated from the Bureau of Maine's Elderly General Fund appropriation and that this amount be expended from the Special Revenue account instead. This, coupled with the recommendation to eliminate the 5% administrative charge, will ensure that the balance in the special revenue account is expended and that there is consistent elimination of these charges on local agencies.

This recommendation will result in a one-time $20,000 savings to the General Fund in FY 83 and will provide local community agencies with an additional $27,000 dollars for their use.

RECOMMENDATION 37: Establish the Maine Committee on Aging as an organization administratively independent of the Department of Human Services to increase its effectiveness.

The Maine Committee on Aging (CoA) is a 15 member citizens advisory group which was established in 1973 to advise the Legislature and Governor on issues related to older people. In connection with this responsibility, the Committee on Aging represents the needs of the elderly and seeks input through

meetings, public forums, and the Blaine House Conference on Aging. The Committee uses this information to comment on all state and area agency plans related to the Elderly. The Committee is staffed by three individuals and is housed physically and administratively within DHS.

The Committee also operates an Ombudsman program. This program investigates complaints made by or on behalf of nursing and boarding home residents, responds to requests from individuals and families in choosing nursing or boarding home placements, and educates residents to their rights. Two additional CoA staff members coordinate this program.

The Audit Committee finds that the advocacy responsibility of the Committee on Aging, and specifically the Ombudsman program, often puts CoA in opposition to the Department. The administrative location of CoA under the DHS umbrella curtails CoA's potential effectiveness. Therefore, the Audit Committee recommends that CoA be established as an advisory committee administratively independent of the Department of Human Services.

INDEPENDENT AGENCIES

RECOMMENDATION 38: Eliminate the Maine Human Services Council because it no longer provides a necessary service.

The Maine Human Services Council was established within DHS in 1973. The Council is comprised of legislators, service providers, service consumers, and the general public who serve as advocates for human service programs in Maine. The Council advises both the Executive and Legislative branches, reviews and comments on DHS policy, and critiques both funding proposals and state plans. In FY 81, the Council's expenditures totaled $107,000 and supported a staff of four.

The growing complexities of human service programs since 1973 has created many citizen advisory councils and task forces dealing with human service issues. During 1981 alone, the Department of Human Services and the Legislature received input from three special project task forces on foster care, long-term care, and maternal and child health. Independent organizations which provided input similar to that of the Human Services Council's include the Maine Council on Alcohol and Drug Abuse Prevention and Treatment, the Maine Committee on Problems of the Mentally Retarded, the State Employment and Training Council, the Protection and Advocacy Agency for the Developmentally Disabled, the Maine Committee on Aging and the State Health Coordinating Council.

Furthermore, the contract agencies which once depended upon the Human Services Council to voice their concerns now have their own organizations to advocate for their needs. These organizations include the Maine Day Care Directors Association, the Family Planning Association, and the Maine Community Action Association.

One of the Human Service Council's mandates is to hold public hearings to solicit information on human service needs. Another is to inform the public concerning the status of the human service programs. Both state and federal regulations mandate that bureaus developing state plans must hold public hearings. The APA process itself ensures that changing state policy and regulation are visible to the public and legislature. For example, this past year, the Department of Human Service's public forums on the block grants made it unnecessary for the Human Services Council to hold such public hearings. Also, in light of the block grants, the Legislature itself is assuming a greater oversight role in reviewing federal expenditures.

In light of the many sophisticated organizations which provide input to and oversight of human services policies and programs, the Committee recommends that the Maine Human Services Council be eliminated. While making this recommendation the Committee commends the Council for its past actions. Given all the changes in recent years, however, the Committee feels that alternatives now exist which eliminate the need for a single agency to oversee human services.

This recommendation will result a General Fund savings of $120,722, and additional federal dollar savings.

RECOMMENDATION 39: Transfer the Board of Hearing Aid Dealers and Fitters from the Department of Human Services to the Department of Business Regulation because Business Regulation is better equipped to oversee licensing activities.

The Board of Hearing Aid Dealers and Fitters is charged with making recommendations on the issuance of hearing aid dealer licenses by the Department of Human Services. About 80 dealers are currently licensed.

Although the statute provides that DHS issue these licenses, the Board has, in fact, taken the lead in making policy decisions related to the licensing process. The Department does provide supervision of the Board's record-keeping activities which are carried out by a 1/2 time clerical position funded from license fee revenues. The Department also ensures that the Board's budget and other associated paperwork is processed in a timely manner.

The Committee finds that the state's interest in licensing hearing aid dealers is primarily related to protecting consumers from economic losses associated with improperly fitted hearing aids. Since DHS does not take an active role in determining the medical standards for fitting hearing aids, and since the Board has been given the major voice in licensing issues, there is no particular reason for the Board to be under the DHS umbrella.

The Committee notes that the Department of Business Regulation is charged with ensuring that licensing boards under its jurisdiction operate efficiently and comply with their "statutory and public service responsibilities." That Department is specifically, however, prohibited from interfering with a board's "duty and authority to regulate its profession, occupation or industry."

Given the Board's current role in the licensing process and the general responsibilities of the Department of Business Regulation, the Committee recommends that the Board be given explicit responsibility for licensing hearing aid dealers and fitters and that the Board should more properly be located in the Department of Business Regulation.

RECOMMENDATION 40: Transfer the State Board of Funeral Service from the Department of Human Services to the Department of Business Regulation because Business Regulation is better equipped to oversee licensing activities.

The State Board of Funeral Service is charged with licensing various activities related to the practice of funeral service. The Board currently issues about 430 licenses and has registered an additional 310 funeral establishments.

The Department of Human Services provides supervision of the Board's record-keeping activities which are carried out by a 1/2 time clerical position funded from license fee revenues. The Department also ensures that the Board's budget and other associated paperwork is processed in a timely manner.

The Committee finds that the state's primary interest in licensing funeral services is to protect citizens from inappropriate soliciation of these services. Since the Department of Human Services does not take an active role in regulating sanitation issues associated with the handling of dead bodies, there is no particular reason for the Board to be under the umbrella of that Department.

The Committee notes that the Department of Business Regulation is charged with ensuring that licensing boards under its jurisdiction operate efficiently and comply with their "statutory and public service responsibilities." That Department is specifically, however, prohibited from interfering with a board's "duty and authority to regulate its profession, occupation or industry."

Given the general responsibilities of the Department of Business Regulation and the public interest in regulating funeral services, the Committee recommends that the State Board of Funeral Service should more properly be located in the Department of Business Regulation.

RECOMMENDATION 41: Transfer the Plumbers Examining Board from the Department of Human Services to the Department of Business Regulation because Business Regulation is better equipped to oversee licensing activities.

The Plumbers Examining Board tests and licenses more than 2,600 plumbers from the apprentice through master level. It receives all of its funding from examination/license fees which are dedicated to carrying out the work of the 4-member Board. The Board currently has 3 employees supervised within the Division of Health Engineering in DHS. The Department ensures that the Board's budget and other associated paperwork is processed in a timely manner.

The Committee finds that the Board's responsibilities for examining and licensing plumbers are similar to those of boards and commissions in the Department of Business Regulation. The Committee notes that the Department of Business Regulation is charged with ensuring that licensing boards under its jurisdiction operate efficiently and comply with their "statutory and public service responsibilities." That Department is specifically, however, prohibited from interfering with a board's "duty and authority to regulate its profession, occupation or industry."

Given the Board's current role in the licensing process and the general responsibilities of the Department of Business Regulation, the Committee recommends that the Plumbers Examining Board should more properly be located in the Department of Business Regulation.

FISCAL IMPACT OF COMMITTEE RECOMMENDATIONS

The Committee has made recommendations which will save the General Fund $549,600 annually. As shown in Table A, these savings are offset by the recommendation that the counties be relieved of their share of the cost of the food stamp program and by a small additional cost for adding eyeglasses as a Medicaid service. Total fiscal impact (reduced expenditures + increased revenues - increased costs) is estimated to be a $49,082 savings to the General Fund in FY 83. In subsequent years there is a net $467,900 loss because of the full year cost of the food stamp recommendation.

The Committee has made other recommendations (shown in Table B) which will: Make an additional $518,000 available for direct social services; result in an additional $172,000 available for VR client services; and bring in an additional $814,600 in federal funds for eyeglasses for Medicaid recipients. This total of $1.5 million in new funds for direct services for DHS clients will cost the General Fund only $20,900.

With respect to federal expenditures, the Committee has made recommendations which both increase and decrease federal expenditures. The net impact of these recommendations is an increase in federal expenditures in Maine of $478,400 due primarily to the Medicaid eyeglasses recommendation offset by the elimination of the Maine Health Systems Agency.

TABLE A

ESTIMATED GENERAL FUND IMPACT

FY 1983

REC #	NET DEAPPROPRIATIONS	Impact
1	Eliminate Office of Special Projects	$ 20,000
2	Decrease Staff in Office of Public Affairs	8,200
3	Eliminate publication of CONCERN	10,400
26	Eliminate Fire Marshal inspections of health care facilities	68,000
28	Decrease administrative staff in Bureau of Social Services	216,310
29	Eliminate separate MR Developmental Day Care appropriation	86,000
36	Bureau of Maine's Elderly (5%, one time)	20,000
38	Eliminate Maine Human Services Council	120,722
		$ 549,632
	NET REVENUES INCREASES	
18	Increase and undedicate eating place fees	17,000
20	Increase electrologist licensing fees	350
		$ 17,350
	NET APPROPRIATIONS	
23	Add eyeglasses as a Medicaid service	$ 20,900
27	Eliminate county funding of food stamps	497,000
		$ 517,900
	NET SAVINGS FROM COMMITTEE'S RECOMMENDATIONS	$ 49,082

TABLE B

OTHER FISCAL IMPACTS - ADDITIONAL SERVICES

REC #		
	FUNDS SHIFTED TO DIRECT SERVICES	
4	Eliminate SETU and use funds for direct services	$ 518,000
33	Eliminate VR staff positions and use funds for direct services	172,000
	ADDITIONAL "DRAW-DOWN" OF FEDERAL FUNDS	
23	Eliminate Eye Care Programs and add eyeglasses to Medicaid	814,600
TOTAL VALUE OF ADDITIONAL SERVICES		$ 1,504,600

APPENDIX A
Summary Statistics
Sample of MEC Cases Served in FY 81
(A random sample of 16 male and 23 female recipients)

I Age and Medicaid Eligibility

Age	Number of Recipients	Number of Medicaid Eligible Recipients
0-6	2	1
7-20	2	1
21-50	10	6
51-64	4	0
65 and over	21	13
	39	21

II Monthly Income by Household Size (excludes 7 individuals living in boarding homes or nursing homes)

Household Size	Average Income - Medicaid Eligible	Average Income - not Medicaid Eligible
1	$217.09 (8)	$381.83 (6)
2	230.76 (1)	505.80 (5)
3	702.00 (1)	-
4	226.00 (2)	864.00 (1)
5	111.00 (1)	721.47 (3)
6	-	1308.90 (1)
Information missing	(2)	(1)
	(15)	(17)

III Diagnosis and average amount of bill

Service	# of Cases	# Medicaid Eligible Cases	Average Bill
Exam and glasses	16	4	$ 57.59
Glasses only	15	14	53.65
Contact lens	3	2	259.82
Misc Treatment	4	-	41.86
Unknown	1	1	46.00
	39	21	