

M I N U T E S

LEGISLATIVE COUNCIL

March 4, 1976

The ninth meeting of the 1975-1976 Iowa Legislative Council was called to order at 12:45 p.m., Thursday, March 4, 1976, in the Speaker's Room of the State House, Des Moines. Members attending the meeting were:

Speaker of the House Dale M. Cochran, Chairperson
President Pro Tem of the Senate Minnette Doderer,
Vice Chairperson
Lieutenant Governor Arthur A. Neu
Senator James E. Briles
Senator Lucas J. DeKoster
Senator Willard R. Hansen
Senator Eugene M. Hill
Senator George R. Kinley
Senator Clifton C. Lamborn
Senator William D. Palmer
Senator Steve Sovern
Representative Elmer H. Den Herder
Representative Donald V. Doyle
Representative Keith Dunton
Representative James I. Middleswart
Representative Floyd H. Millen
Representative Delwyn Stromer

Also in attendance were Senator William Gluba, Representative Greg Cusack and a number of legislative staff personnel and other interested persons.

Chairperson Cochran stated that there were three items to be taken up at the present meeting. The first is a proposed study of Iowa's Title XIX (Medicaid program); the second is a proposal to design and install for the use of the Iowa General Assembly a method of analyzing fiscal requests and spending performance by means of electronic data processing known as the Legislative Evaluation and Accountability Program (LEAP); the third is a proposal by Legislative Service Bureau Director Serge Garrison relative to updating legislative computer programs.

In response to questions by Senator Doderer, the Legislative Fiscal Director Gerry D. Rankin stated that Senate File 1124 authorizes "a study and review of certain operational aspects of the Department of Social Services which relate to the Title XIX program" and provides that the Legislative Fiscal Bureau may employ consultants to aid in carrying out the study. He added that although this bill has not yet been acted upon by the House, he had made contact with six firms regarded as potential contractors to conduct the study. The firm of Haskins and Sells had proposed to

conduct the study for a fee of \$30,000, which Mr. Rankin stated he considers very reasonable.

Mr. Rankin continued that of the other five firms contacted, one works primarily in the nursing home field and in Mr. Rankin's view does not have the necessary qualifications to conduct the study authorized by S.F. 1124. He indicated that each of the other four firms possesses the necessary qualifications, but had proposed fees ranging from \$50,000 to \$70,000. Mr. Rankin added that he would have recommended Haskins and Sells even if their fee proposal had been in this same range, because he feels that the team which the firm proposes to have conduct the study is superior. Mr. Rankin noted that two representatives of Haskins and Sells, Mr. Walter H. Hanshaw and Mr. Wm. E. Kuntz were present and prepared to discuss their study proposal with Council members.

Copies of a booklet prepared by Haskins and Sells and entitled "Proposal for the Study and Review of the Title XIX Program; Iowa Department of Social Services, presented to Legislative Fiscal Director, February, 1976" were distributed to Council members. The proposal is on file with the Legislative Fiscal Bureau.

Representative Stromer noted that the difference in the amount of the fee for conducting the study proposed by Haskins and Sells and by each of the other four firms which Mr. Rankin considers capable, is rather substantial. He asked whether this difference reflects a difference in the study proposals themselves. Mr. Rankin replied in the negative.

In response to further questions from Senator Doderer, Representative Cusack stated that the proposal for the study of the Department of Social Services' administration of the Title XIX program originated with the joint Senate-House Appropriations Subcommittee on Human Resources. He expressed confidence that the House will act favorably on S.F. 1124.

Lieutenant Governor Neu, referring to the purposes of the study as outlined in the Haskins and Sells proposal which had been distributed to Council members, expressed the view that most of the data referred to on page 2 of the proposal can be readily obtained from the Department of Social Services or Blue Cross-Blue Shield (Title XIX carrier) computers. Mr. Rankin agreed, and Lieutenant Governor Neu then inquired what it is that Haskins and Sells would be paid to do. Mr. Rankin described the project as a "limited engagement management study." He added that basically the firm would be searching for possible economies that do not result in reduced services to needy persons in Iowa.

Senator Doderer expressed the view that Haskins and Sells are unlikely to obtain any data which is not already available, and that the problem is to decide what should be done. She asked for examples of similar work that the firm has done for other states. In response, Mr. Hanshaw cited experience in Utah, Maryland, and

New Jersey. These and other projects carried out by the firm are briefly described on page 13 of the proposal distributed to Council members.

There was further discussion by Senator Doderer, Senator Palmer, and other Council members regarding the possibility that sufficient data on which to base necessary legislative policy decisions might be obtained from the Department of Social Services and Blue Cross-Blue Shield without the proposed study. Senator Palmer commented that while the proposed study might produce no dramatic results, it is quite possible what he termed a "fresh new look" by an outside party might be beneficial to the Legislature.

Representative Cusack agreed. He asserted that existing sources of information are either biased or unresponsive or both. He added that while the Title XIX advisory council has recently again become active, it appears to be largely stalemated by conflicting self-interests of the various provider members. He said that if the Joint Senate-House Appropriations Subcommittee on Human Resources does not have the benefit of the proposed study, it will not have information it deems reliable on which to base decisions about the Medicaid program.

After further discussion, Senator Lamborn asked unanimous consent that the Council Chairperson be authorized to appoint a six member subcommittee of the Council to review the matter and the proposed study and report back to the Council at an early date. There being no objection, Chairperson Cochran appointed as the Subcommittee for this purpose Representative Dunton as Chairperson, and Senators DeKoster, Doderer, and Palmer and Representatives Den Herder and Doyle.

In conclusion, Mr. Hanshaw stated that the \$30,000 fee proposal by Haskins and Sells reflects what he termed a sincere interest by Haskins and Sells in doing the proposed study and completing a meaningful report. In response to a final question from Senator Gluba, Mr. Hanshaw stated that Haskins and Sells is not doing work for any major provider of services under the Medicaid program.

Chairperson Cochran expressed appreciation to the Haskins and Sells representatives for attending the meeting. After a brief discussion, it was agreed that the Council would hold another meeting at 8:00 a.m. on Thursday, March 11, to receive the report of the Subcommittee appointed to review the proposed study.

Chairperson Cochran next recognized Mr. Pat Charles of Seattle, Washington, a representative of Coopers and Lybrand, certified public accountants. Mr. Charles presented an overview of a system of analyzing fiscal requests and spending performance through a specially designed electronic data processing program known as the Legislative Evaluation and Accountability Program (LEAP).

Mr. Charles distributed to members of the Council copies of a booklet entitled "LEAP Survey Proposal, March 4, 1976." The proposal is on file with the Legislative Service Bureau.

Mr. Charles asserted that the LEAP system was designed for the use of legislators by legislators. He added that it is presently in use in the State of Washington, and that the Washington Legislature has found it highly satisfactory. He said his firm is now making proposals to other states for the possible adaptation of this basic system to the needs of the respective states. Mr. Charles stressed that the system would be designed to meet Iowa's particular needs, and would be designed to function within the existing legislative process in this state.

After further discussion by Council members and Mr. Charles regarding the cost and capabilities of the LEAP system, Chairperson Cochran proposed that the matter be referred to the Legislative Fiscal Committee with the hope that the Fiscal Committee can report back to the Council on the matter at the March 11 meeting which had previously been scheduled. There being no objection it was so ordered.

Chairperson Cochran then recognized Mr. Garrison, who distributed to Council members copies of a document entitled "Estimated Costs for Updating Legislative Computer Programs." A copy of the document is attached to and by this reference made a part of these minutes.

In presenting the document to Council members, Mr. Garrison suggested they could for the moment ignore part B of the document, and simply review parts A and C, which relate respectively to updating the electronic tape code and publishing future Codes. He explained that item B is a somewhat more long-range matter.

Lieutenant Governor Neu suggested what Mr. Garrison actually was seeking from the Council at the moment was authorization to present these matters to the Appropriation Committees of the Senate and House. Mr. Garrison agreed, adding that he does not feel it appropriate for him to go before the Appropriations Committees without first receiving authorization from the Legislative Council.

Senator Lamborn moved that Mr. Garrison be authorized to place before the Appropriations Committees the request for funds to update legislative computer programs in accordance with the proposal presented to the Council. The motion was seconded by Representative Stromer and unanimously adopted.

Mr. Garrison stated that if the update of the data base is approved such update would be greatly facilitated if he could receive copies of Mr. Faupel's proposed printing of the Code at the same time it is sent to the printer so it could be sent to the computer firm.

Senator Doderer noted that item B of the proposal distributed to Council members by Mr. Garrison refers to generation of a new Code index on computer, and eventual updating of this index. She added that Code Editor Wayne Faupel has discussed with the Departmental Rules Review Committee plans for updating the index to the Code, and has indicated that he wishes to hire an individual in the position of Code Indexer at a salary of perhaps \$25,000 per year. Mr. Garrison replied that he is generally aware of this proposal. He added that in all frankness he considers hiring a person to do index work at the rate of \$25,000 per year to be an expensive procedure since the implementation of a computerized index will cost less and be more efficient in the long run.

The meeting was adjourned at 1:30 p.m.

Respectfully submitted,

SERGE H. GARRISON
Director

PHILIP E. BURKS
Senior Research Analyst