



Select Committee on Efficiency in Government

62nd Montana Legislature

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Feb. 16, 2012

Anna Whiting Sorrell, Director
Department of Public Health and Human Services
111 N. Sanders
Helena, MT 59604-4210

Dear Ms. Whiting Sorrell:

In the last several months, the Select Committee on Efficiency in Government has heard from numerous stakeholders about the implications that the federal health care law holds for the state Medicaid program. These stakeholders have expressed an interest in being a part of discussions with the Department of Public Health and Human Services about how the state will prepare for expanding the Medicaid program as required by the Patient Protection and Affordable Care Act.

Initial analysis by DPHHS in 2010 indicated that by 2019, an additional 84,000 Montanans may qualify for Medicaid coverage under the expansion. In addition, the Department indicated that the state would need to make changes to existing information technology systems to address the federal law's requirements relating to Medicaid eligibility determination, health insurance exchanges, Medicaid claims processing, and federal reporting requirements.

At several Committee meetings, speakers have discussed the far-reaching effects the Medicaid expansion could have on the state budget, on state information technology systems, and on the Department's business practices.

Issues raised by the stakeholders and committee members include:

- the effect on the Department and its staff of processing the additional applications it may receive or be required to review;
- the importance of having information technology systems in place that will accommodate application, eligibility determination, and billing requirements;
- whether Montana will have enough Medicaid providers to handle the increased number of Medicaid patients;

- the short timeline for ensuring that the state is ready to process Medicaid applications during the likely "open enrollment" period for insurance coverage in late 2013; and
- a concern that individuals may be denied coverage that is required by federal law if the state and providers are not well-prepared for the expansion of the Medicaid program on Jan. 1, 2014.

The Committee is aware that the federal government has yet to provide guidance on many aspects of the Medicaid expansion and that such guidance could help policymakers better determine potential costs or pin down some of the specific requirements that state systems will need to meet.

However, the lack of federal guidance should not prevent the state from carrying out a thoughtful planning process to determine how it will be prepared for the changes. Committee members expressed an interest in having a methodical planning process in place. In addition, stakeholders are interested in being a part of any planning process that may currently be underway or that may occur in the future.

The Committee believes that the both the Department and the 2013 Legislature will be best prepared to meet the challenges of the Medicaid expansion if the Department and stakeholders work together now to discuss the changes that will be required and the ways in which the state might satisfy the new requirements.

Therefore, the Committee respectfully asks that the Department establish a work group of Medicaid stakeholders to discuss and plan for issues related to the anticipated expansion of the Medicaid program.

The Committee will meet next on March 1-2. We hope you can provide staff member Sue O'Connell with a response by Feb. 28 that indicates whether you will be able work with a group of Medicaid stakeholders on the Medicaid expansion during the remainder of this interim.

If you are able to do so, the Committee would appreciate hearing an update on that activity at its final meeting on Sept. 10, 2012.

Thank you for your consideration of this request.

Sincerely,

Sen. Jon Sonju
Presiding Officer

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