# Department of Public Health and Human Services

Dr. Robert Wynia, Director

January 6,2005



EXHIBIT 1
DATE Jan 7 2005
HB Agency Overview
etc.

# Department of Public Health and Human Services

## Mission Statement

*To improve and protect the health, well-being and self reliance of all Montanans.*

# Department of Public Health and Human Services

## Goals

*To ensure that all Montana children are healthy, safe and in permanent loving homes.*

*To ensure that all Montanans have the tools and support to be as self sufficient as possible.*

*To ensure that all Montanans are injury-free, healthy, with access to quality health care.*

*To ensure that all Montanans can contribute to the above through community service.*

# Department of Public Health and Human Services

## Accomplishments in the 2004/2005 Biennium

Bio-terrorism Grant - The Department was awarded a grant of approximately $8 Million per year in this biennium for bio-terrorism preparedness. Funds were spent primarily to improve preparedness and infrastructure at the local level

Electronics Benefits Transfer (EBT) - The major DPHHS technology accomplishment over the past two years has been the design, development and implementation of the Montana Access Platform System. The Montana Access Program (EBT) provides an electronic, stigma free, means to deliver Food Stamps and Temporary Assistance for Needy Families (TANF) benefits to eligible participants as well as Child Support payments to custodial parents. In Fiscal Year 2005 Montana Access Program Food Stamp payments will amount to $91 million serving 80,000 recipients, TANF payments wll be $10 million serving over 6,000 recipients, and Child Support payments will be over $12 million serving 12,000 recipients. Total Montana Access Platform payments for FY 2010 are projected to exceed $400 million, serving 150,000 recipients.

Child Support Collections - Improved from $ 51.32 million in 2002, $ 53.002 million in 2003, to $ 54.32 million in 2004. This was accomplished with less staff and contractor services.

Third Party Liability (TPL) - enhanced collections from $ 3.6 million in 2001 to a projected $ 4.2 million in 2003. The Quality Assurance Division continues to improve recoveries for programs in the Department.

# Department of Public Health and Human Services

## Accomplishments in the 2004/2005 Biennium

(Continued)

- ✓ Provider Reimbursement - The Department implemented the Hospital Provider Tax in FY 2004. This funding mechanism provided a return for Hospital providers through the Medicaid program totaling approximately $30 million in new provider reimbursement per year this biennium with no new general fund.
- ✓ Developmental Disabilities Program (DDP) - The DDP worked with Department legal staff and the Governor's Office to settle the long-standing Travis D lawsuit. This resulted in the transfer of 45 individuals from the Montana Developmental Center to community programs allowing for more individual choice for DD clients.
- ✓ Department Audit: The Department achieved an unqualified opinion for 2002/2003 Financial and Compliance Legislative Audit. This reflects the Department's continued emphasis on the accuracy of its accounting and management systems.
- ✓ Disease Management: The Department established a chronic disease management program known as "Nurse First" in FY 2004. This program provides assistance to chronically ill persons with conditions that include diabetes, asthma, heart conditions among others. It also provides overall assistance to Medicaid clients by helping them to make appropriate choices in terms of the utilization of services.
- ✓ Public Health Care Program Redesign: The Department worked with a the Redesign council to prepare a report for redesign of public health care programs. The recommendations are available in the "Montana Public Health Care Redesign" report.

# Department of Public Health and Human Services
# Organizational Changes

Office of Policy, Coordination, and Analysis (PCA): This office is charged with ensuring that programs are coordinated and working in accordance with the Department's mission and goals. In addition, the PCA will continue to identify refinancing opportunities and work to ensure that departmental programs are receiving the most advantageous match rates possible. The PCA employs two research specialists to work with data sources and other information to ensure that management has all the information necessary to make appropriate decisions.

Public Health and Medicaid: The Department reorganized the Medicaid and Public Health functions by creating the Public Health and Safety Division and the Health Resources Division. This reorganization provides renewed emphasis and attention to the Public Health functions and aligned Medicaid primary care with children's mental health. In accordance with this emphasis on mental health the Department is one of only a few states that received the SAMHSA (Substance Abuse and Mental Health Services Administation) system of care grant, which will provide approximately $5 million in federal funding over the next five years.

Deputy Director - The Department added the function of state Medicaid director, and overall administration of the Department's budget to the duties of the Deputy Director.

# Department of Public Health and Human Services

## Challenges of the 2006/2007 Biennium

- The greatest challenges of the next biennium are:
  - Medicaid - The Medicaid monthly caseload grew to over 83,000 individuals. Growth occurred primarily with children and disabled individuals. While children are comparatively inexpensive in annual average cost per individual disabled persons cost an average of over $9,000 per year.
  - Child Support Enforcement Division (CSED) - The federal government changed the formula reducing the Montana distribution of the incentive grant funding for CSED. The department is requesting a supplemental appropriation for FY 2005 of over $900,000 for CSED.
  - Children and Family Services Division (CFSD) - CFSD has experienced an increase in placements in high cost levels of care in the last biennium causing severe problems in the foster care, subsidized adoption, and group homes budget. In addition, the division will be unable to obtain federal title IV-E funding at levels equal to prior years. The Department is requesting a supplemental appropriation for FY 2005 of over $2.1 million dollars.

# Department of Public Health and Human Services
# Challenges of the 2006/2007 Biennium

- The greatest challenges of the next biennium are: (Continued)
  - Medicare Modernization Act (Medicare Prescription Drug Program): In fiscal year 2004 congress passed the Medicare Modernization Act (MMA). The act provides for prescription drug coverage for all Medicare eligible persons. There are approximately 20,000 Medicare beneficiaries on the Medicaid program in Montana. The Medicaid drug costs for this population approximately 50% of the total Medicaid prescription drug costs. This benefit will start in January of 2006.
    - Concerns include:
      - Federal clawback: The federal government is requiring states to pay 90% of what would have been their share of the drug costs of dual Medicare/Medicaid eligible people.
      - Formulary differences: Indications are that there will be significant formulary differences between Medicare and state Medicaid programs. Federal matching for prescription drugs not on the Medicare formulary but needed for dually eligible persons will not be available after January 1, 2006.
      - Systems issues: The Department will have to make significant changes to its eligibility and provider payment systems by January 2006.

# Department of Public Health and Human Services
# Challenges of the 2006/2007 Biennium

- The greatest challenges of the next biennium are: (Continued)
  - Medicaid Redesign:
    - 1115 Waiver allowing refinance of the mental health services plan (MHSP). MHSP is a program for mentally adults with income levels under 150% of the federal poverty level. This waiver would allow refinance of this program with Medicaid leveraging additional funds of approximately $12 million dollars. The federal government requires reinvestment of these funds into currently uninsured populations.
      - The Department proposes that these funds be used to provide coverage for the following groups:
        - Physical health coverage for MHSP eligible persons
        - Coverage for 2,000 additional CHIP children
        - Coverage for up to 300 seriously emotionally disturbed (SED) children from age 18 to 21.
        - Premium assistance or coverage for parents of Medicaid or CHIP children
    - 1915C waiver for SED children under age 18: This would provide nontraditional medical services such as respite and mentoring for SED children. These services would be designed to help the child and the family to be able to maintain the child in the home rather than in very expensive residential care.
    - There are a variety of other initiatives associated with Medicaid redesign. Some are under consideration from the legislature and the Department already has authority to develop under current law.

# Department of Public Health and Human Services

## Key Facts

- ✓ Grants and benefits has grown from 73% in 2000 to 82% of the total budget in 2007
- ✓ The Department served more people in its major programs this biennium and stayed within its budget except for a supplemental at MDC related to the revenue referred to above.
  - ✓ Medicaid enrollment increased from 71,221 in 2001 to 83,157 in December 2004
  - ✓ TANF cases declined from 6,182 in 2003 to 4,730 in December of 2004
  - ✓ MHSP expenses for adults totaled $ 6.8 million in 2004.
  - ✓ Food stamp enrollment increased from 27,120 in July of 2003 to 34,355 at the end of December of 2004.
  - ✓ DD enrollment increased from 3,740 to 4,022 from 2003 to 2004
  - ✓ Children receiving services from Child and Family Services averaged over 5000 per month in 2004.

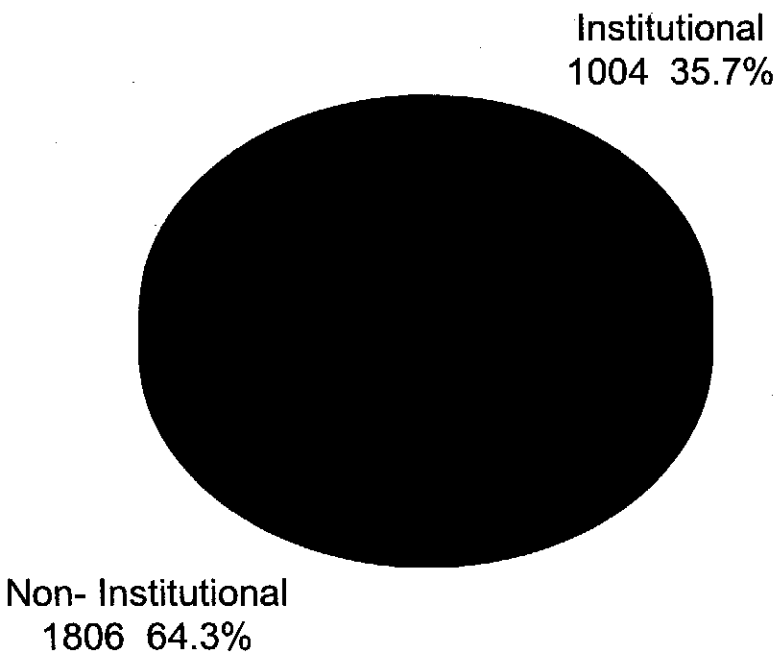
# Department of Public Health and Human Services

## FY 2004 Personal Services and FTE

- In 2004 the total authorized FTE's was 2,806 with budget of $120.7
- Personal services has decreased from approximately 10.7% of total budget in 2005 to 9.4% in 2007 even though budgeted expenses for personal services has increased
- The Department was authorized 2,806 FTE in FY 2004 and requests 2,739 FTE for FY 2007
  - 29 FTE were eliminated in the budget and 13 FTE were added .
  - FTE added to the budget are mostly funded with federal funds
  - Other additions include FTE for field staff for the children and adult mental health programs under Medicaid, and a total of 12 FTE were added for Public Health and Safety related to variety of concerns from asbestos related diseases to emergency preparedness. These new FTE are funded largely with federal funds.

# Department of Public Health and Human Services

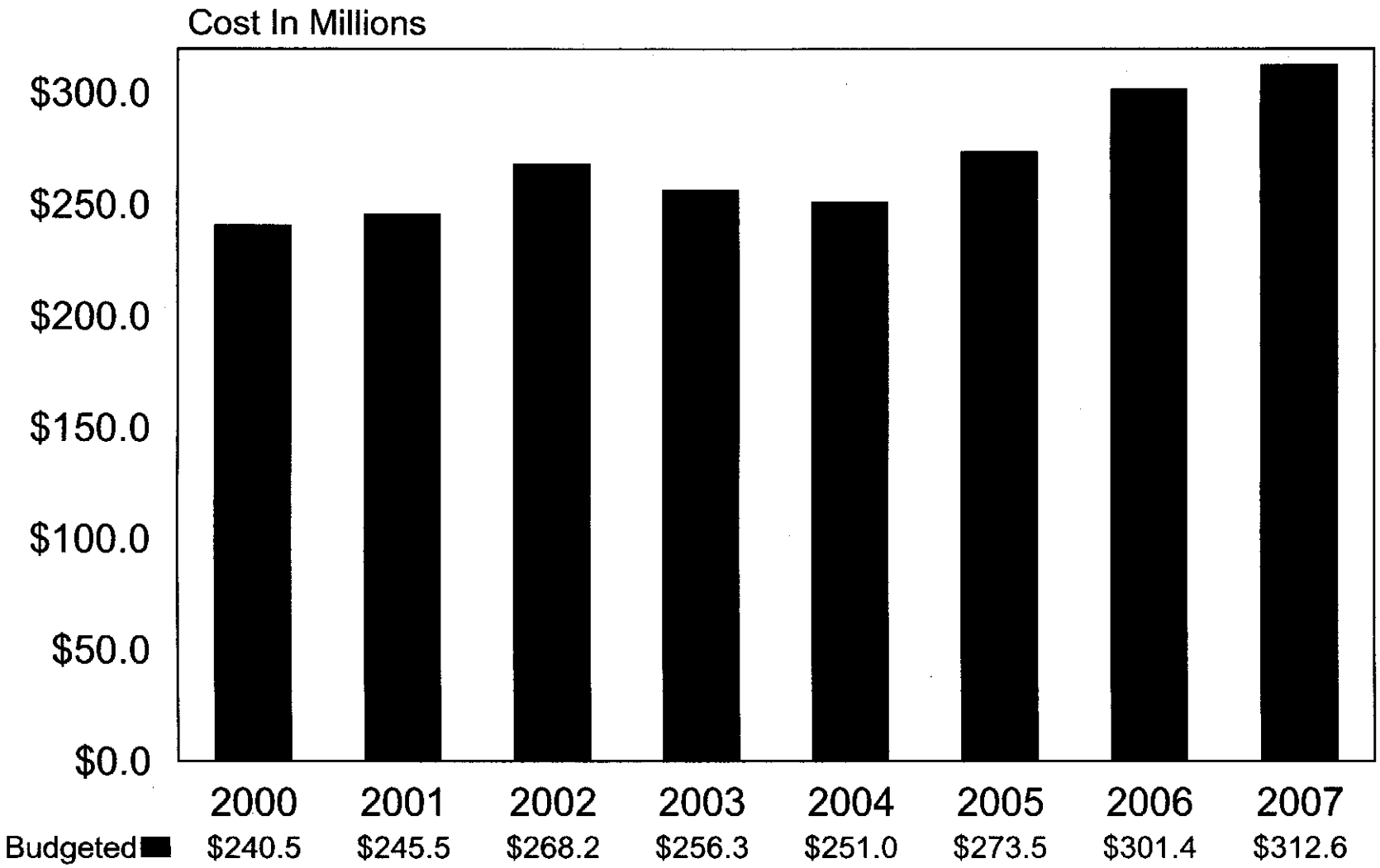
## Staffing (FY 2004)




- ✓ Staffing FTE
- ✓ Non-Institutional
  - ✓ In Helena 930
  - ✓ Outside Helena 1876
- ✓ Institutional
  - ✓ MDC Montana Developmental Center 309
  - ✓ Mt Vets Home 121
  - ✓ MCDC 41
  - ✓ MSH 362
  - ✓ MMHNCC 121
  - ✓ Eastmont 50
- ✓ Total - Institutions 1004
- ✓ Grand Total 2806

# Department of Public Health and Human Services

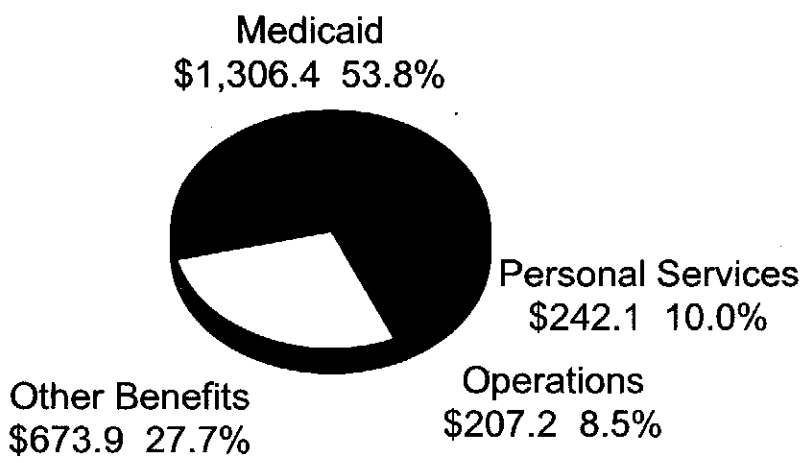
## DPHHS General Fund Budget 2000 through 2007



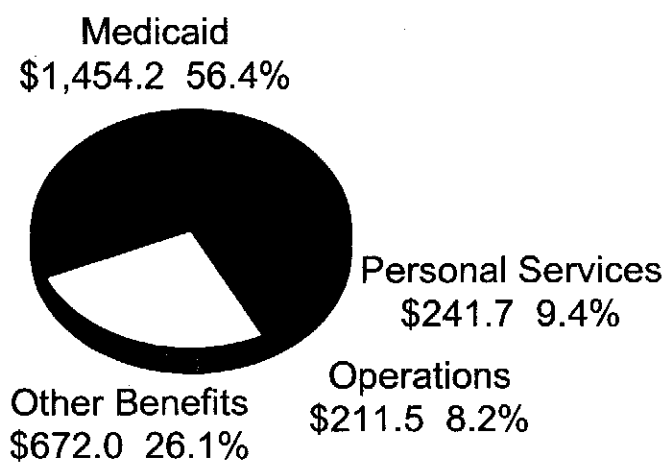
# Department of Public Health and Human Services

## Comparison of Major Expense Categories

Cost in Millions




2004/2005 Biennium

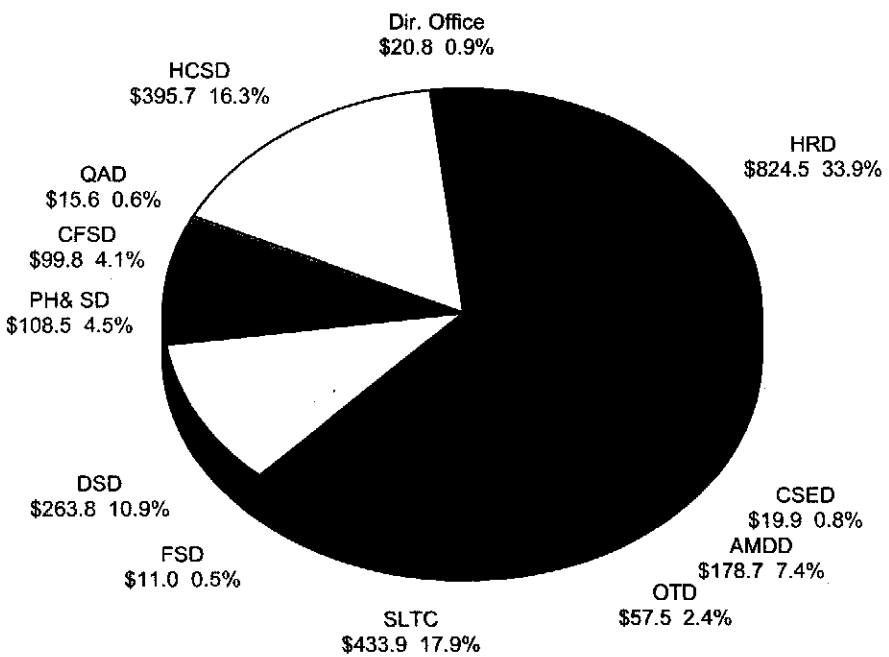



2006/2007 Biennium

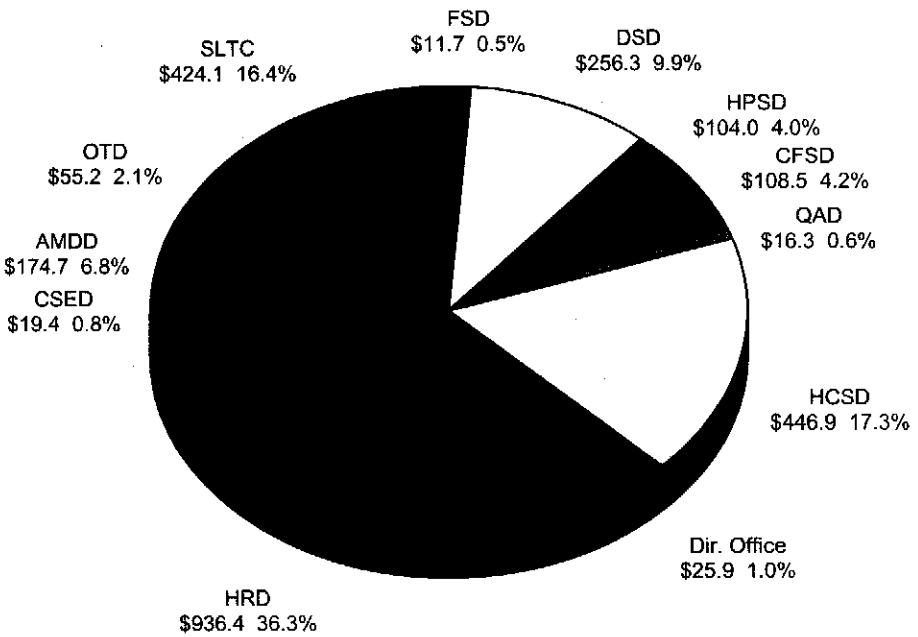
# Department of Public Health and Human Services

## Cost Comparison 2005 to 2007 Biennial by Division

Cost in Millions




2004/2005 Biennium



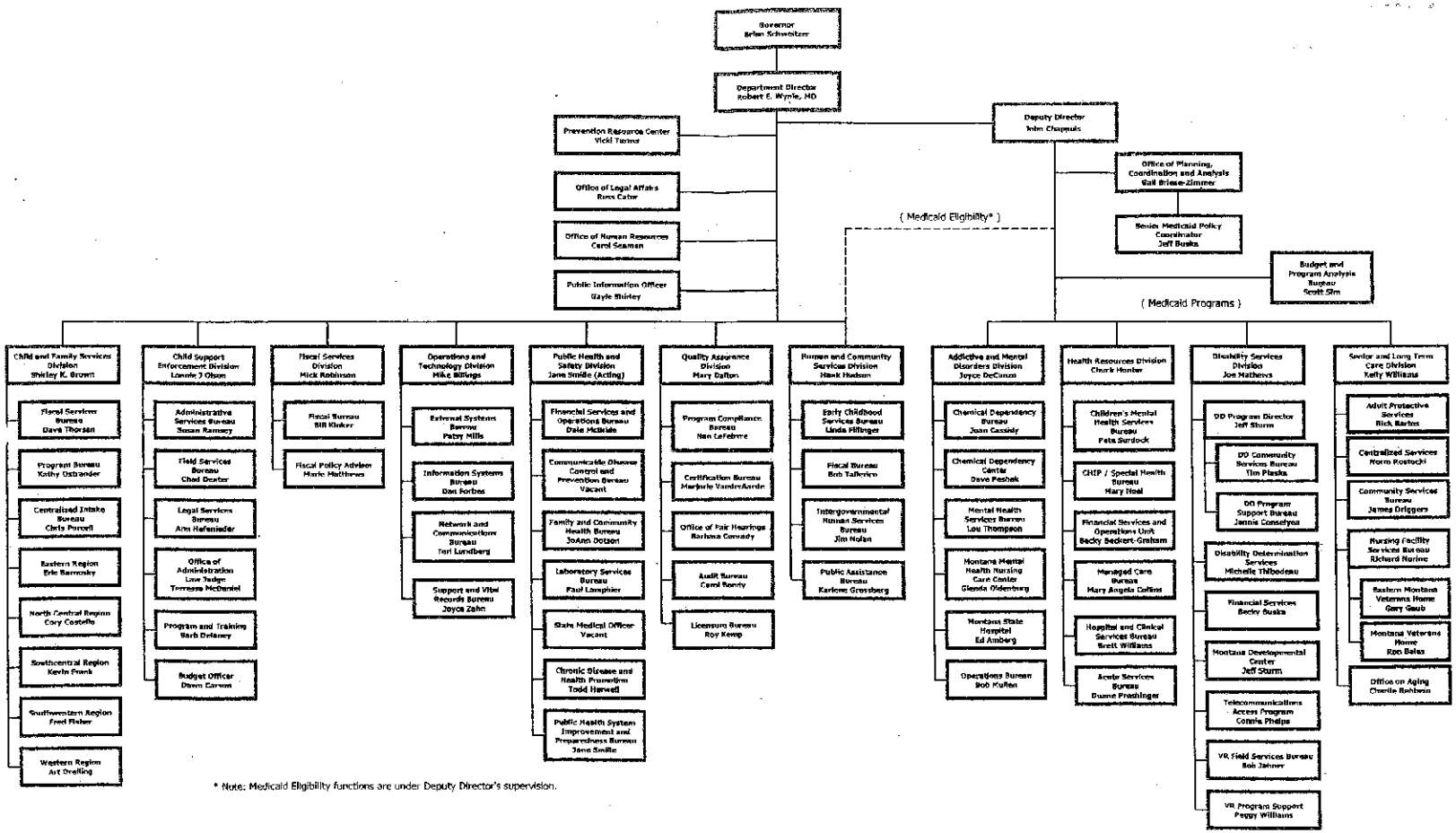

2006/2007 Biennium

# Department of Public Health and Human Services

## Key elements of the Department's Vision for the next Biennium

- Refinancing
  - The PCA will review all department programs for refinancing opportunities
  - The Disabilities Services Division plans to migrate the DD program to the DD Medicaid waiver whenever possible.
- Process Re-engineering
  - The Operations and Technology Division will review each Department program to ensure that they operate at the most effective and efficient level possible.
- Medicaid Redesign
  - The Department will implement recommendations of the Public Health Care Redesign Council study. Some recommendations will require the approval of the 2005 legislature.
- Improving Tribal Relations
  - The Department will be working to improve relations with Native American tribes to ensure that appropriate consultation, consideration of tribal cultures, and tribal needs are taken into account in all decisions Department programs that serve Native Americans.
- Developmental Disabilities
  - The Disabilities Services Division will continue to work to improve financing services for DD clients to allow freedom of choice and funding for client services.

# Department of Public Health and Human Services
## Organizational Chart by Bureau




* Note: Medicaid Eligibility functions are under Deputy Director's supervision.

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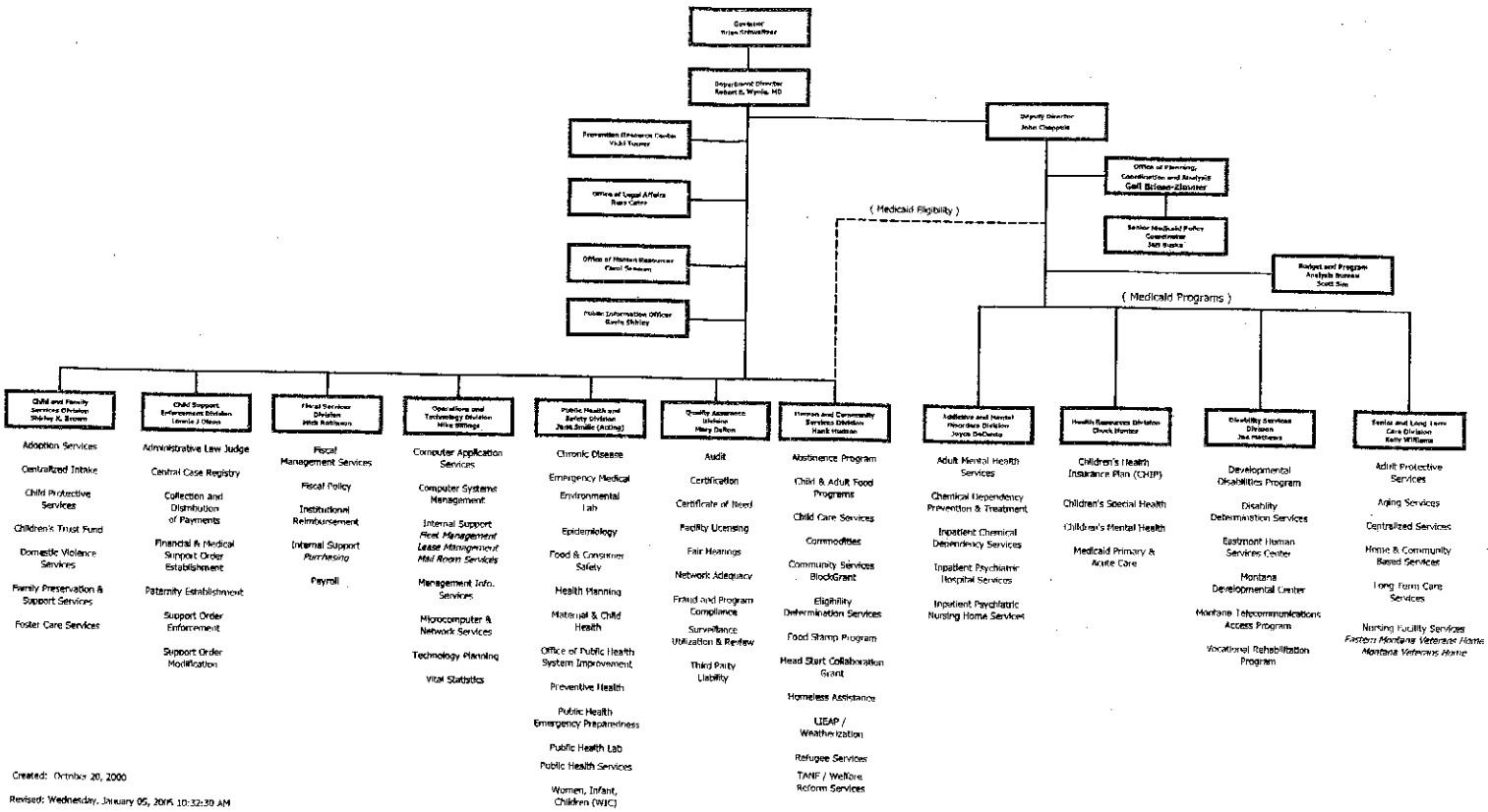
# Department of Public Health and Human Services
## Program Organizational Chart

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