

Testimony for Senate Bill 41
Medicaid Redesign Funding Principles

Mr. Chairman, members of the committee, I am John Chappuis, Deputy Director of the Department of Public Health and Human Services.

On behalf of the Department of Public Health and Human Services, I stand in support of Senate Bill 41, "AN ACT INCORPORATING FUNDING PRINCIPLES FOR THE PURPOSES OF THE MONTANA MEDICAID PROGRAM; AND AMENDING SECTIONS 53-6-101 AND 53-21-139, MCA."

This bill will codify in statute the funding principles adopted by the Public Funded Health Care Redesign Committee, authorized in the last legislative session through HJR 13. The principles are as follows and are stated in this legislation:

(a) protecting those persons who are most vulnerable and most in need, as defined by a combination of economic security and medical circumstances;

(b) giving preference to the elimination of an entire medicaid program or service, rather than sacrifice the quality of care for several programs or services through dilution of funding; and

(c) giving priority to retaining those services that protect life, alleviate severe pain, and prevent significant disability.

The legislation requires that the Department consider these principles when making changes in the Medicaid program. Currently there is no guidance in statute related to principles the Department should consider when making changes to the program when the legislature is not in session. In 2002 and in 2003 the Department had to make program reductions in order to stay within budget and later due to overall state revenue shortfalls. We did the best we could in making these reductions as appropriate as possible. However, it would have helped greatly to have guidance in statute.

While it is hoped that the Department is never again faced with budget reductions such as those that occurred in 2002 and 2003, if we are forced to make program cuts in the future this legislation will help in those decisions.