

DEPARTMENT OF  
PUBLIC HEALTH AND HUMAN SERVICES

EXHIBIT 3  
DATE 2/21/07  
98



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2/20/07

To: Representative John Sinrud, Chair  
House Appropriations Committee

Members of the House Appropriations Committee

From: Mary E. Dalton, Administrator *Mary*  
Health Resources Division  
Department of Public Health and Human Services

RE: HB98

This is the template and goals requested for HB98. I apologize for not getting them to you for executive action on 2/20/07. I mistakenly thought that you wanted them incorporated into the Health Resources Division template that will be used as part of the agency background for LC2241.

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**TEMPLATE**  
**HB 98 System of Care Account**

**Justification:**

If HB 98 passes, the Children's Mental Health Bureau of the Health Resources Division will be better able to serve high-risk seriously emotionally disturbed children who have multi-agency service needs. The bill grew out of a very simple concept that we have heard repeatedly from families, advocates, and providers. The state could provide better treatment if we had more flexibility to purchase non-traditional services for youth who have a serious emotional disturbance. HB 98 establishes a vehicle for flexible funding through the establishment of a system of care account. This account is a general/state fund account that can be used by DPHHS and other agencies that are already part of a multi-agency collaboration charged with developing community based services. The account will be used by agencies to voluntarily allocate a relatively small portion of their budget to manage high-risk cases on a child-by-child basis. The bill as amended in House Appropriations limits the account to no more than \$500,000 in state funds in each year of the upcoming biennium (SFY08 and SFY09).

The reason that a bill is needed is that a vehicle is needed (the system of care account) to allow agencies a means of funding multi-agency children. Agencies at the state level and in communities have worked well together but we need a central account where we can pool money and pay for services that cannot be paid for under existing programs.

HB 98 gives the involved agencies the authority to transfer money into and out of an account at DPHHS in the narrow circumstances described in the bill and the authority to write rules governing what services will be funded, how services will be authorized, etc. It is our intent that all expenditures from this account will be pre-authorized based on an individual plan of care for a specific child. Purchased services cannot be "eligible for reimbursement for another source"; this is specified in subpart 3 of the bill.

This bill does not request new funding for these children, it allows the agency to have the authority to take the general or state special fund portion of what we would have spent for example on a Medicaid-covered child and say to the community - if you can serve him for \$X amount we will provide you with the funding. Examples of services that might be purchased are respite care, classes on mental illness such as the 5-part series offered by NAMI that allow parents to better understand and live with a child with a serious emotional disturbance, training for caregivers (parents, schools, therapists, etc.) in a specific treatment modality that has worked for the child.

**Goal:**

In SFY08, keep 25 children in their homes who would have otherwise been served in an out-of-home placement. In SFY09, keep 38 children in their homes who would have otherwise been served in an out-of-home placement. See the specific goal at the end of this template.

**Performance Criteria:**

Eligible individuals will be served in their own home and/or community. General/state special funds will be used to buy the most appropriate service to meet the needs of the child. Staff will monitor program budgets monthly to insure that program is operating within funding levels as appropriated and utilization is consistent with expected program growth rates. Reports on the utilization of this account will be made to the interim finance committee.

**Milestones:**

The program will monitor budget activity monthly and annually to operate program expenditures within appropriated funding levels over the course of the biennium. Reports on the utilization of this account will be made to the interim finance committee.

**FTE:**

This account and the prior authorization will be administered by existing staff.

**Funding:**

The funding for this proposal is the general/state fund match that would have been used to match the Medicaid program. Expenditures will be cost neutral to the general/state fund.

**Obstacles:**

- This is a new program that will require development of rules to govern program guidelines and expenditures.
- Services to keep the child in his/her home will need to be developed in

conjunction with families and providers. We anticipate that both will be fairly skeptical of the service.

- Some children will be too ill to be served at home, even with additional services. We anticipate that only 1 in 2 children screened will avail themselves of services.

**Risk:**

If resources are not made available, children will continue to be served in out-of-home placements.

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**Health Resources Division  
Children's Mental Health Bureau  
Goal for Incorporation into the Template**

**HB 98**

**Goal:**

In SFY 2008, the children's mental health bureau will screen 50 children who would have been placed in out-of-home placements or who are currently in out-of-home placements to determine whether a service funded by general fund such as respite care or training for caregivers (parents, schools, therapists, etc.) in a specific treatment modality that has worked for the child would allow the child to remain in or return to their home. We anticipate that 25 of these 50 children will be eligible for services and that these children will be treated in their homes rather than in an out-of-home placement.

In SFY2009, we will screen 75 children and keep 38 children in their homes who would have otherwise been served in an out-of-home placement.

**Measurement Tool:**

Develop and implement a plan of care that is cost neutral to the state general fund for these children who are at risk of out-of-home placement. All expenditures to keep children in their home will be prior authorized by the Department.

**Baseline:**

Baseline is zero in SFY2007. Baseline target in SFY2008 is 50 children screened and 25 served. Baseline target in SFY2009 is 75 children screened and 38 served. The number of children screened, served, and the general fund expenditures will be reported to the interim finance committee.

cc: Joan Miles  
John Chappuis

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