

SENATE PHS

Exhibit No. 4

Date 1-10-07

Bill No. SB22

TESTIMONY OF THE DEPARTMENT OF PUBLIC HEALTH
AND HUMAN SERVICES
BEFORE THE SENATE PUBLIC HEALTH,
WELFARE AND SAFETY COMMITTEE
JANUARY 11, 2006

RE: SB 22 - "AN ACT REVISING THE ELIGIBILITY REQUIREMENTS FOR THE CHILDREN'S HEALTH INSURANCE PROGRAM; AMENDING SECTIONS 53-4-1004 MCA; AND PROVIDING AN EFFECTIVE DATE."

Thank you for allowing me to appear today as an informational witness on SB 22 which Senator Weinberg is carrying on behalf of the Children, Families, Health and Human Services Interim Committee. I come before you today because of some uncertainty about the amount of funds that will be available through the federal grant in the next few years.

- CHIP grant federal authorization ends 10/1/07, Congress must re-authorize the program and will probably do so in the summer of 2007.
- The Schweitzer administration has made and will continue to make it a priority to work with Congress to ensure that Montana's needs are met when CHIP is re-authorized.
- The amount of federal grant funds that will be available to Montana is unknown at this time - there is widespread speculation that Congress may fund children up to 200% of the federal poverty level, but we will not know this until after Montana's legislature has departed.
- Montana has enough CHIP federal grant funds to fully fund the existing CHIP program at 150% of federal poverty with a projected enrollment of 13,900 annually through SFY 09 if we receive our current federal grant level of \$15,736,459 each year.
 - Montana CHIP expenditures of the federal grant are estimated at \$20,442,500 in SFY 07: these estimated federal expenditures rise in SFY 11 to \$25,523,852.
- The Governor's office has concerns about the sustainability of increasing eligibility levels, coverage or benefits in the CHIP program.
- If the Legislature decides to increase eligibility levels, coverage or benefits - language such as "combined family income at or below ___% of the federal poverty level or at a lower level determined by the department of public health and human services as provided in subsection (4)" is preferred since this will allow the state to adjust the CHIP program if there is not enough federal and/or state appropriation to cover the increase or additional funding will need to be appropriated to fully fund this bill.

For the past several years Montana has been able to carry grant funds forward but we will have expended those funds in SFY 2010. I have attached a chart that demonstrates Montana's expected expenditure patterns.

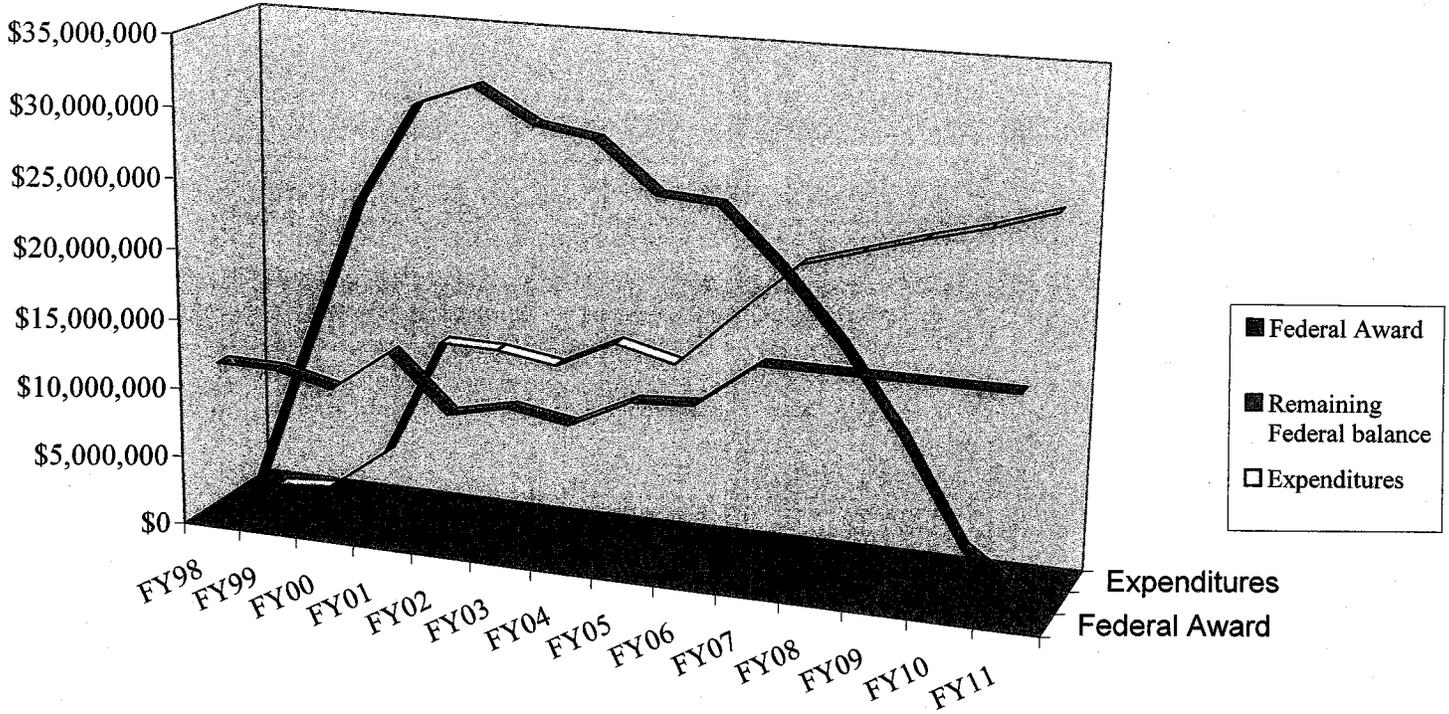
I would be happy to answer any questions that you might have.

Respectfully submitted,

Mary E. Dalton

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

CHIP Federal Award vs Expenditures



SFY 2007			SFY 2008			SFY 2009		
Remaining Grant Award (July 1st, 2006)	FFY05	8,523,971	Remaining Grant Award (July 1st, 2007 estimate)	FFY07	16,375,993	Remaining Grant Award (October 1st, 2008 estimate)	FFY08	10,397,702
October 1ST, 2005	FFY06	12,558,064	October 1st, 2007 estimate	FFY08	15,736,459	October 1st, 2008 estimate	FFY09	15,736,459
October 1st, 2006 Estimate	FFY07	15,736,459						
Total Federal Grants		36,818,494	Total Federal Grants		32,112,452	Total Federal Grants		26,134,161
Enrollee Expenditures SFY 2007	13,900 enrollees	(20,442,500)	Enrollee Expenditures SFY 2008	13,900 enrollees	(21,714,750)	Enrollee Expenditures SFY 2009	13,900 enrollees	(22,991,535)
Remainder		16,375,993	Remainder		10,397,702	Remainder		3,142,626

SFY 2010			SFY 2011		
Remaining Grant Award (October 1st, 2009 estimate)	FFY09	3,142,626	Remaining Grant Award (October 1st, 2010 estimate)	FFY10	0
October 1st, 2009 estimate	FFY10	15,736,459	October 1st, 2010 estimate	FFY11	15,736,459
Total Federal Grants		18,879,085	Total Federal Grants		15,736,459
Enrollee Expenditures SFY 2010	13,900 enrollees	(24,141,112)	Enrollee Expenditures SFY 2011	13,900 enrollees	(25,523,852)
Remainder		(5,262,027)	Remainder		(9,787,393)