EXHIBIT 3 Additional
DATE 2/19/09
HB 2

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

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February 18, 2009

Representative Teresa Henry, Chairman
Appropriation Subcommittee
Health & Human Services
State Capitol Building
Helena, MT 59620

Dear Chairman Henry:

We are providing information regarding Healthy Montana Kids in response to questions raised by the subcommittee:

1. These scenarios assume the Healthy Montana Kids (I-155) statute will be amended to begin October 1, 2011.
2. The information provided by the department for the economic downturn (presented 2/17/09) includes both children and adults who would be eligible for Medicaid due to the decline in the economy. The caseload adopted by the subcommittee does not yet reflect the economic downturn data.
3. The economic downturn data reflects only the amount needed for benefits and does not account for the related FTE required to perform Medicaid eligibility determinations.

Below are the two CHIP scenarios:

Scenario A reflects the approved adjusted base; DP 11008 CHIP Caseload minus the I-155 funds; DP 11041 CHIP FMAP; and DP 11009 CHIP State Special change. The funding in Scenario A is General Fund, Tobacco Tax (I-149) and Tobacco Settlement (I-146) and the corresponding federal funds. This scenario removes the funding that was in DP 11008 for HMK ($415,541 and $1,014,678).

a. This keeps CHIP eligibility at 175% of the Federal Poverty Level (FPL).
b. The department will need to cap the CHIP program at 16,890 children which is below the current enrollment of 17,480.
c. 590 children currently on the program could not be served. There will be a waiting list this biennium due to lack of funding.

Scenario A - CHIP REMAINS AT 175% FPL		
	FY 2010	FY 2011
# of Children	16,890	16,890
Federal	$29,610,994	$30,705,834
State Funding	$8,542,370	$9,187,415
Total	$38,153,363	$39,893,250

Scenario B reflects how many additional children can be covered by CHIP if the legislature appropriated an additional $5 million in state funds.

a. This would move CHIP to approximately 200% FPL.
b. For this scenario, the department would need to request and receive additional federal funds to re-set the base number of children to be served by CHIP.
c. Additional FTE would be needed to determine CHIP eligibility.

Scenario B – Increase CHIP State Funds by $5 million/year		
	FY 2010	FY 2011
# of Add'l Children	9,850	9,850
Additional Federal	$17,026,432	$16,710,811
Additional State Funding	$5,000,000	$5,000,000
Total	$22,026,432	$21,710,811

Total funding needed to implement Scenarios A and B:

Increase CHIP State Funds by $5 million each year		
	FY 2010	FY 2011
Total # of Children	26,740	26,740
Federal	$46,637,426	$47,416,645
State Funding	$13,542,370	$14,187,415
Total	$60,179,796	$ 61,604,060

If you have any other questions or concerns, please contact me at 444-4084 or mdalton@mt.gov

Sincerely,

Mary E. Dalton

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