



AN ASSOCIATION OF
MONTANA HEALTH
CARE PROVIDERS

Medicaid Health Resource Division Budget
By Bob Olsen, Vice President, MHA
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MHA has adopted a set of priorities for the next two years for Medicaid funding for hospitals, physicians and other health programs. We realize that in tough economic times the general fund needed to fund all human service programs just isn't available. Hospitals are ready to do their part. But we also have to work to preserve the core programs that are so needed by Medicaid beneficiaries during the recession. Hospitals, like any business, must cover its costs and develop its services to meet the needs of the community. It is very important that Medicaid pay its fair share of health costs. To do otherwise, is to simply shift the burden onto private insurance, and in turn, local businesses.

MHA is advocating that hospitals, physicians and other medical providers be funded at amounts no less than the current base budget. We also strongly oppose any measure to divert, reduce or otherwise modify the current hospital and nursing home bed tax programs.

There are several important parts of the Health Resource Division Budget for which we urge your support.

- Fund the Growth Rate. Very important to fund the true rate of growth. To do otherwise is to put providers at risk for payment cuts during the interim period.
- The Department must update its computer technology to pay claims and provide support for policy development and program administration. The MMIS is antiquated, and should be replaced.
- Adopt DP 11112, the hospital utilization fee authority. Note that the amount of money is declining from the base year. The program will be reduced from \$82 million this year, to \$68 million in the next two years. This is due to fewer bed days and a return to a lower federal match rate.
- Adopt the proposal to re-establish the hospital base budget. Unlike other providers that had to forego the 2% rate hike authorized in the 09 Legislature, hospital payments were reduced due to higher than expected growth.
- Adopt the new proposal to provide incentive payments for electronic health records. Hospitals, physicians and others are adopting new technology aimed at modernization of patient health records. The updates will improve health care administration, reduce paperwork and overhead costs, support improved quality and reduce medical errors. But, the new technology is very expensive, especially for small rural hospitals and group practices and clinics. The incentive payments are very important to help meet the new development costs.