MONTANA DPHHS
Healthy People. Healthy Communities.
Department of Public Health & Human Services

Department of Public Health and Human Services

Director's Office ♦ PO Box 4210 ♦ Helena, MT 59620 ♦ (406) 444-5622 ♦ Fax: (406) 444-1970♦ www.dphhs.mt.gov

Steve Bullock, Governor

Sheila Hogan, Director

January 18, 2018

Sue O'Connell, Research Analyst/Committee Lead Staff
CFHHS Interim Committee
PO Box 201706
Helena, MT 59620

Dear Sue –

Please see our agency response to the requests for information included in your January 8, 2018, letter to me. Some of these topics will be covered in more depth during the committee meeting this week. However, I wanted to provide written response, as requested.

Requests New to January Meeting

1. Please explain the reductions the department will be making as a result of the governor's 17-7-140 decisions. I sent the specific list of requested information earlier, so I hope you can provide a written summary in the format Sen. Caferro requested and then discuss at the meeting the reductions/impacts/plans to alleviate impacts. I also sent, a couple of days ago, the briefing paper that I've provided the committee. It simply lists the reductions that were included in the governor's document of Nov. 6, so the committee members would have a general idea of what was contained in that list before you provide the more detailed information next week.

> The Department is on the agenda to discuss reductions to HB2 made by the Legislature during the special session in November, and will provide additional information during that time.

2. Please discuss the change to targeted case management services for developmentally disabled individuals and how the department will provide those services now that the contracts have been canceled. As part of this topic, the following questions were raised: Please see attached FAQs from the Department regarding targeted case management services for this population.

> a. Please explain why the contracts were not renewed. Were the providers not doing a good job? Or did the department find someone that could do it better, or think the department could do it better?
>
> b. If the latter, what resources will the department use to provide the TCM services -- are you hiring new people or were there employees who had time to take on the extra duties?
>
> c. Are there other examples in the state where health care delivery has been improved by switching resources from the private sector to the public sector?

3. The department has adopted the rules relating to birth certificates, changing ARM 37.8.102 and 37.8.311. Why didn't the department provide a fiscal impact statement on the proposed rules as requested by the Legislature?

The Legislature's request for an economic impact statement was made pursuant to Mont. Code Ann. § 2-4-405. Subsection (3) of that statute reads: "A request to an agency for a statement or a decision to contract for the preparation of a statement must be made prior to the final agency action on the rule. The statement must be filed with the appropriate administrative rule review committee within 3 months of the request or decision. A request or decision for an economic impact statement may be withdrawn at any time."

The Department received the Legislature's request on Nov. 15th. Accordingly, the agency has until Feb. 15th to provide the statement to the interim committee and is presently working on collecting that information.

4. For the Medicaid expansion discussion (Marie), please include information about the potential costs in 2018 and the department's (executive's) strategy for paying for it.

The projections for Medicaid expansion were included in Executive balance sheets prior to the call for the special legislative session. These projections were adopted by legislative fiscal staff in the status sheets presented for approval and use by the Legislature for special session. Additionally, projections are updated and reported monthly on the budget status report provided to the Legislative Finance Division. An update on Medicaid expansion is scheduled on the agenda.

5. Please provide additional information about the delay to the new IT system for CFSD. (I sent this request before our November meeting was canceled, so it's still on the list as "new"!)

Phase One of MFSIS (Montana Family Safety Information System) is currently under development. This phase encompasses intake (the moment the call is received to the child abuse and prevention hotline a.k.a. Centralized Intake) through assigning the call to the field for an investigation.

The Project Plan/Schedule for the MFSIS Phase One effort has been revised from what was originally targeted, due to several factors:

- At the time of the original plan, the project was in the initiation phase, with target dates being set based on program need without validation from technical teams.
- Complexities in the interfaces/integration with the legacy Mainframe System presented unforeseen challenges resulting in additional time and effort needed to identify and develop a solution.
- Inability to pilot system (due to legacy system limitations), significantly changing the original rollout and training plan.

Phase One is expected to be operational by the end of 2018. Deploying early would result in a less-than-optimal solution, and would lead to additional burden on caseworkers and have a negative impact on families we serve.

Standing Requests

1. Please provide a brief, written summary of CFSD caseloads -- number of kids in care, number of investigations, number of deaths, etc. This would be similar to the information Shannon provided in September, except the committee would like it in writing and doesn't think Sheila needs to spend much time discussing it at the meeting. The information should cover the time period since the last committee meeting, on Sept. 11.

	QE 9/30/2017	QE 12/31/2017
Children in Care	3,839	3,926
Investigation Referrals	2,523	2,572
Investigations Completed	2,400	2,609
Entries into Care	621	496
Exits from Care	508	409
Child Deaths	4	3

Requests Still Pending from Previous Meetings/E-Mails

1. The committee would still like a ***written*** response to the questions that were provided to you before the September meeting but that were not addressed at that meeting. Again, those questions were:

a. Are there any unfilled positions at DPHHS, and, if so, what are the savings?

The Department implemented a hiring freeze (CFSD and OPA frontline staff, and 24/7 facilities excepted), effective February 2017, to meet anticipated budget constraints. DPHHS must carry a minimum of 176 positions vacant at an average annual salary of $57,000 to achieve the 6% vacancy savings levied during the 2017 Legislative Session. Additionally, to implement HB2 reductions made in the special legislative session, DPHHS has closed 21 offices statewide, including 19 Offices of Public Assistance. This has resulted in additional reduced staffing of 36 positions.

b. How will the elimination of Blue Cross Blue Shield as the Medicaid expansion TPA affect access to care for Medicaid-eligible patients living in rural areas?

There will be minimal impact. The Department conducted provider by provider comparison and found that the vast majority of Blue Cross Blue Shield Medicaid Expansion providers are also Medicaid providers. Staff are currently reaching out to the small number of providers not enrolled in both programs and inviting them to become Medicaid providers.

c. How many children, youth and adults will no longer have targeted case management services because of the SB 261 cuts to mental health TCM? Where will these people go for help? Hospital emergency rooms?

Medicaid will continue to cover mental health case management at a rate of $32 per hour. Whether providers feel that rate is sufficient to cover their costs is a

business decision that each provider must make. The Department looks forward to continued partnership with providers of health services across the state to ensure prompt, effective delivery of care to Montanans.

d. With the SB 261 cuts to Medicaid provider rates, will Medicaid providers turn away Medicaid clients? What services will be in the greatest jeopardy because of lower provider rates?

This is a question for providers. The Department looks forward to continued partnership with providers of health services across the state to ensure prompt, effective delivery of care to Montanans. We certainly hope that Medicaid providers will continue to work with the Department to serve the most at-risk populations, and that providers don't choose to withdraw from the Medicaid provider network over a 2.99% rate reduction.

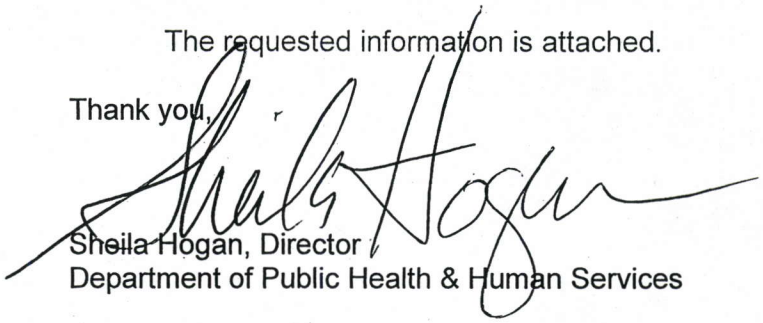
e. Lower state rates for Medicaid services will result in reduced federal dollars available as a match. Altogether, how much federal financial support will be lost because of SB 261 rate reductions?

In total, rate reductions as directed by SB 261 will result in a loss of approximately $9.5 million in federal funds.

2. The committee is still waiting for information on the DD waiting list that it requested of Rebecca during the September meeting. Rebecca said she has prepared this information and it's been with Marie for review.

The requested information is attached.

Thank you,



Sheila Hogan, Director
Department of Public Health & Human Services