

Public Institution Reimbursements

Revenue Description

The Department of Public Health and Human Services (DPHHS) receives reimbursement for the cost of sheltering and treating residents at the Montana Developmental Center (MDC), the Montana Mental Health Nursing Care Center (MMHNCC), Montana State Hospital (MSH), Montana Chemical Dependency Treatment Center (MCDC), and the Montana Veterans' Home (MVH).

Reimbursement comes from four sources: state and federally matched Medicaid monies, federal Medicare funds, insurance payments if available, and private payments by residents or persons legally responsible for them.

Statutory Reference

Tax Rate – [53-1-402, MCA](#) (requirement to pay)

Tax Distribution – [53-1-413, MCA](#)

Date Due – Monthly ([53-1-405\(3\), MCA](#))

Applicable Tax Rates: Three variables determine the level of Medicaid nursing home payments: the number of patient days eligible for Medicaid reimbursement, the reimbursement rate per patient day, and the private resources of Medicaid patients.

Collection Frequency: Monthly

Distribution

Institutional reimbursements for MDC, MMHNCC, and MSH are first used for debt service with the remainder distributed to the general fund. Reimbursements for MCDC and MVH are distributed to a DPHHS state special revenue fund to be appropriated to those facilities.

Comparison of Legislative and Executive Forecasts

There are no material differences between the legislative and executive branch forecasts.

Public Institution Reimbursements				
(\$ Millions)				
	FY 2015	FY 2016	FY 2017	Total
Executive Forecast	\$16.950	\$17.320	\$17.800	\$52.070
Legislative Forecast	17.123	17.239	17.280	51.643
Difference	(\$0.173)	\$0.081	\$0.520	\$0.427
% Difference	-1.0%	0.5%	3.0%	0.8%

Forecast Risks

- Changes in insurance, Medicaid, Medicare eligibility and payment levels
- Values of state and local medical spending
- Changing Montana per capita income

Revenue Estimate Methodology

Data

The public institution reimbursement estimate is based on data obtained from DPHHS, SABHRS, and IHS. Average daily population and patterns in payment type are provided by DPHHS; fiscal year fee collections by facility and payment type are from SABHRS; forecasts for independent economic variables are produced by IHS.

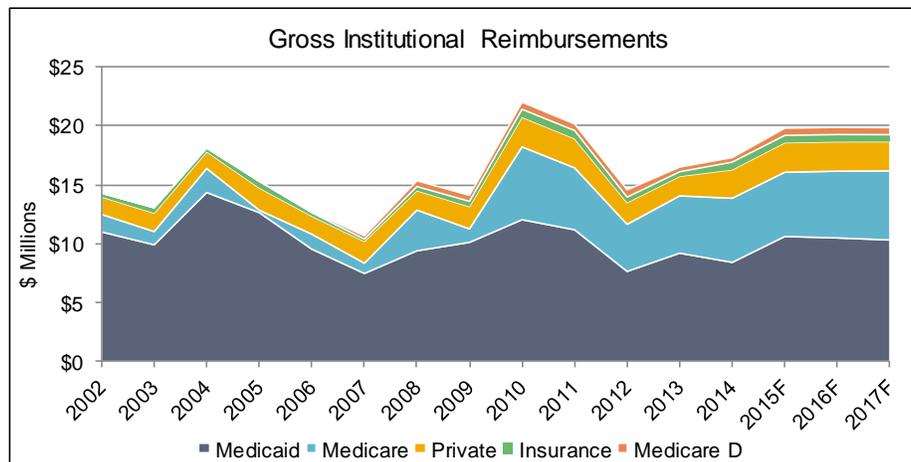
Other General Fund Sources

Public Institution Reimbursements

Analysis

Total reimbursements are calculated by summing the estimates for reimbursement in each of the facilities. These estimates are based on applying the most recent effective rates for reimbursement to forecasts for annual bed days. MDC population is forecast using a regression model over time. MMHNCC population is forecast with a regression model using the independent, IHS-provided values for Montana medical spending. MSH population is forecast with a regression model using the IHS variable for federal Medicare spending. MCDC population is forecast by applying the ratio of the previous year's Montana per capita income and the IHS projection for the current year's Montana per capita income to the previous year's population. MVH population is forecast using a regression model over time.

As seen in the figure below, the largest component of Montana's institutional reimbursements is Medicaid, followed by Medicare and private payments. Medicaid and Medicare payments are responsible for most of the variability in reimbursement collections, due to the changes in the Federal Medical Assistance Percentages (FMAP) for the state. The FMAP rates are set annually based on the state's relative per capita income.



Revenue Estimate Assumptions

FY	Total Rev. \$ Millions	GF Rev. \$ Millions	Aggregate Ave. Daily Population	Insurance Millions	Medicaid Millions	Medicare Millions
A 2002	\$14.283	\$14.283	-	\$10.995	\$2.563	\$0.000
A 2003	13.043	13.043	337	9.900	2.172	-
A 2004	18.110	18.110	350	14.337	2.907	-
A 2005	12.509	12.509	348	12.631	1.217	-
A 2006	12.728	12.728	339	9.531	2.225	0.104
A 2007	10.669	10.669	343	7.473	1.826	0.291
A 2008	15.335	15.335	512	9.392	4.438	0.495
A 2009	14.101	14.101	493	10.109	2.104	0.513
A 2010	22.000	22.000	480	12.030	7.166	0.608
A 2011	20.158	20.158	482	11.176	6.236	0.561
A 2012	14.562	14.562	440	7.645	4.980	0.619
A 2013	16.212	16.212	449	9.194	5.819	0.397
A 2014	17.298	17.298	464	8.411	6.436	0.383
F 2015	17.123	17.123	452	10.607	6.448	0.615
F 2016	17.239	17.239	450			
F 2017	17.280	17.280	447			

