

Program Budget Comparison

The following table summarizes the total proposed budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Budget Fiscal 2016	Budget Fiscal 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	94.50	94.50	97.00	97.00	94.50	97.00	2.50	2.65 %
Personal Services	7,146,257	5,612,750	8,579,633	8,582,733	12,759,007	17,162,366	4,403,359	34.51 %
Operating Expenses	10,714,075	11,798,821	13,362,250	13,456,594	22,512,896	26,818,844	4,305,948	19.13 %
Equipment & Intangible Assets	0	0	15,000	25,000	0	40,000	40,000	0.00 %
Total Costs	\$17,860,332	\$17,411,571	\$21,956,883	\$22,064,327	\$35,271,903	\$44,021,210	\$8,749,307	24.81 %
General Fund	17,860,332	17,411,571	21,747,983	21,855,427	35,271,903	43,603,410	8,331,507	23.62 %
State/Other Special Rev. Funds	0	0	208,900	208,900	0	417,800	417,800	0.00 %
Total Funds	\$17,860,332	\$17,411,571	\$21,956,883	\$22,064,327	\$35,271,903	\$44,021,210	\$8,749,307	24.81 %

Program Description

The Clinical Services Division (CSD) includes medical, dental and mental health staff at the Montana State Prison (MSP), Treasure State Correctional Training Center (TSCTC), Montana Women's Prison (MWP), Riverside Youth Correctional Facility, and Pine Hills Youth Correctional Facility. In addition, the division oversees medical, dental and mental health services at contracted facilities as specified in the facilities' contracts with the department. The division also works with a third-party administrator to oversee all claims submitted by outside medical providers. It oversees the health services pre-authorization process and provides education to contracted facilities with regard to medical issues. The division tracks and ensures Medicaid reimbursement for Medicaid-eligible inmates under the supervision of the department.

Program Highlights

Clinical Services Division Major Budget Highlights
<ul style="list-style-type: none"> • Compared to the 2015 legislative funding, budget changes are for: <ul style="list-style-type: none"> ◦ Funding increases as the result of an agency reorganization during the 2015 biennium ◦ Funding to annualize the 2013 legislative pay plan ◦ A request to fund increased medical costs ◦ A request to fund increases to the Montana State Prison infirmary costs ◦ A request for funding to add 1.00 FTE psychiatrist at the Montana State Prison ◦ A request for funding to add 2.50 FTE for health services at the Montana Woman's Prison ◦ A request for funding authority to implement a medical co-payment system
Major LFD Issues
<ul style="list-style-type: none"> • Funding for a medical co-payment system is based on a yet to be completed process and are speculative. The Legislature may want to restrict funding for this request

Program Discussion -

FY 2016 and FY 2017 contain any reductions in FTE made by the executive to implement the boilerplate language in HB 2. Though intended by the legislature, the FY 2014 and FY 2015 FTE levels do not reflect this language.

Personal Services

This program did not exist in the FY 2015 legislative budget. The increases in costs are due to:

- Pay increases funded both by the pay plan of the 2013 Legislature and those funded within the agency budget

For this program, 41 pay adjustments were funded within the agency's budget during FY 2014 in addition to the increases funded in HB 13 or specified in statute, such as for increased longevity. These increases averaged 6.7% and added an estimated \$101,000 to the funding requirements of subsequent years. Of these increases 43% were for market adjustments and 43% were for career ladder adjustments.

The program experienced a 11.7% vacancy savings in hours expended compared to hours budgeted.

Funding

The following table shows proposed program funding by source from all sources of authority.

Department of Corrections, 06-Clinical Services Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	43,603,410	0	0	43,603,410	99.05 %	
02261 P & P Supervisory Fee	0	0	0	0	0.00 %	
02355 Miscellaneous Fines and Fees	417,800	0	0	417,800	100.00 %	
State Special Total	\$417,800	\$0	\$0	\$417,800	0.95 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$44,021,210	\$0	\$0	\$44,021,210		

General fund provides 98.8% of the division’s funding. About 1.2% of the division’s funding would come from state special revenue collected from inmates under a proposal to fund a medical co-payment program.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 Legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	21,550,315	21,661,159	43,211,474	99.10 %	21,550,315	21,661,159	43,211,474	98.16 %
New Proposals	197,668	194,268	391,936	0.90 %	406,568	403,168	809,736	1.84 %
Total Budget	\$21,747,983	\$21,855,427	\$43,603,410		\$21,956,883	\$22,064,327	\$44,021,210	

Program Reorganization -

In the 2015 biennium, the executive reorganized the agency. The reorganization was done to consolidate all medical costs and services into this new program. The reorganization moved funding for 94.50 FTE and associated funding for operating costs, including all agency medical costs, to this program. For FY 2015, \$19.3 million of HB 2 budget authority was moved to this program when none existed after the 2013 Legislature.

Present Law Adjustments -

The “Present Law Adjustments” table shows the changes from FY 2015 legislative appropriation to the budget proposed by the executive. PSPL adjusts all personal services. LGPL provides for adjustments to other expenditures such as operating expenses. Each is discussed in the narrative that follows. Total funds in the Present Law Adjustments table do not include proprietary funds budgeted in House Bill 2.

Present Law Adjustments										
-----Fiscal 2016-----					-----Fiscal 2017-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 98 - LEG. Personal Services Present Law	0.00	8,387,705	2,160	0	8,389,865	0.00	8,391,306	2,159	0	8,393,465
DP 99 - LEG. Present Law	0.00	13,162,610	(2,160)	0	13,160,450	0.00	13,269,853	(2,159)	0	13,267,694
Grand Total All Present Law Adjustments	0.00	\$21,550,315	\$0	\$0	\$21,550,315	0.00	\$21,661,159	\$0	\$0	\$21,661,159

DP 98 - LEG. Personal Services Present Law -

The following table outlines various components of the changes included in the PS PL adjustments.

Personal Services Present Law Adjustments					
FY 2016					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	0.00	\$45,441	\$0	\$0	\$45,441
Executive Implementation of 2015 Pay Increase		136,033	-	-	136,033
Fully Fund 2015 Legislatively Authorized FTE		-	-	-	-
Other					
Clinical Staff at Montana Woman's Prison	2.50	274,977	(6,546)	-	268,431
Overtime and Inmate Pay	0.00	312,690	-	-	312,690
Reorganization	94.50	6,367,750	-	-	6,367,750
Remainder of Other	0.00	1,250,814	8,706	-	1,259,520
Total Other	97.00	8,206,231	2,160	-	8,208,391
Personal Services Present Law Adjustments	97.00	\$8,387,705	\$2,160	\$0	\$8,389,865
FY 2017					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	0.00	\$45,441	\$0	\$0	\$45,441
Executive Implementation of 2015 Pay Increase		136,033	-	-	136,033
Fully Fund 2015 Legislatively Authorized FTE		-	-	-	-
Other					
Clinical Staff at Montana Woman's Prison	2.50	274,255	(6,547)	-	267,708
Overtime and Inmate Pay	0.00	312,690	-	-	312,690
Reorganization	94.50	6,367,750	-	-	6,367,750
Remainder of Other	0.00	1,255,137	8,706	-	1,263,843
Total Other	97.00	8,209,832	2,159	-	8,211,991
Personal Services Present Law Adjustments	97.00	\$8,391,306	\$2,159	\$0	\$8,393,465

This program did not exist in the FY 2015 legislative budget.

Clinical Staff at Montana Woman's Prison - The executive requests funding to add 2.50 FTE health services positions (1.00 FTE registered nurse, 0.50 FTE primary care physician, and 1.00 FTE correctional treatment specialist as a case manager) for the Montana Woman's Prison.

Overtime and Inmate Pay - The executive requests overtime to maintain minimum medical and security staff levels in nursing and mental health programs. Overtime is requested for the clinical services at Pine Hills Correctional Facility,

Montana Woman’s Prison, Montana State Prison, and Treasure State Correctional Training Center. Inmate pay is requested for the Montana State Prison to allow staff to hire inmate workers to clean the infirmary facilities. Overtime is requested at the level expended in FY 2014.

Reorganization - The executive reorganized this agency to add this new program to administer all clinical services of the agency. This reorganization moved funding for 94.50 FTE from various other programs to this program.

Remainder of Other - Changes that make up the remainder of the other adjustments include the following:

- Fiscal year transfer

The executive moved FY 2015 funding to FY 2014 to fund an anticipated personal services budget shortfall. Much of the funding was not expended and remains valid for FY 2015.

DP 99 - LEG. Present Law -

The following table outlines various components of the changes included in the LGPL adjustments.

Legislative Present Law Adjustments				
	FY 2016			
	General Fund	State Special	Federal Special	Total Funds
CP 99 Item				
Annualize Outside Medical Costs	\$2,841,515	\$0	\$0	\$2,841,515
Infirmary Operating Needs at Montana State Prison	260,527	-	-	260,527
Reorganization	12,943,821	-	-	12,943,821
Other	(2,883,253)	(2,160)	-	(2,885,413)
Legislative Present Law Adjustments	\$13,162,610	(\$2,160)	\$0	\$13,160,450
	FY 2017			
	General Fund	State Special	Federal Special	Total Funds
CP 99 Item				
Annualize Outside Medical Costs	\$2,938,696	\$0	\$0	\$2,938,696
Infirmary Operating Needs at Montana State Prison	270,527	-	-	270,527
Reorganization	12,943,821	-	-	12,943,821
Other	(2,883,191)	(2,159)	-	(2,885,350)
Legislative Present Law Adjustments	\$13,269,853	(\$2,159)	\$0	\$13,267,694

The executive has proposed to increase funding for all other expenditure categories excluding personal services by 1.9% in FY 2016 and by 5.8% in FY 2017 compared to the FY 2015 legislative budget. Changes that make up the other category are not determinable largely due to the reorganization that created this program. Individually listed adjustments are described separately.

Annualize Outside Medical Costs - The executive requests funding to annualize outside medical costs for the agency. Outside medical are for expenses the agency incurs when an offender is treated outside an agency facility or program. The legislative funding for FY 2015 for outside medical costs was \$9.1 million and funded in the Director’s Office. This funding was moved to this program as part of the reorganization mentioned above. The request would bring funding for outside medical costs to nearly \$9.8 million in FY 2016, a 7.5% increase from the FY 2015 legislative funding, and nearly \$9.9 million, an 8.5% increase from the FY 2015 legislative funding. The executive recommends that funding for outside medical costs be designated as biennial, to be available in either year of the biennium.

Infirmiry Operating Needs at Montana State Prison - The executive requests funding to contract with supplemental nursing staff at the Montana State Prison. Additionally, funding is requested to provide training for existing staff, to fund accreditation fees for accreditation by the National Commission on Correctional Health Care at the Montana State Prison infirmiry, and to purchase dental and optical equipment. The executive recommends that funding for this request be designated as biennial, to be available in either year of the biennium and that \$15,000 in FY 2016 and \$25,000 in FY 2017 be designated as one-time-only. The one-time-only funding is associated with equipment purchases that are not recurring.

Reorganization - The executive reorganized the agence and created this program. This reorganization resulted in movement of funding mostly related to medical costs from various other programs to this program.

New Proposals -

Total funds in the New Proposals table do not include proprietary funds budgeted in House Bill 2.

	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 600029 - Psychiatrist - MSP	1.00	197,668	0	0	197,668	1.00	194,268	0	0	194,268
DP 600033 - Medical Co-Pay State Special Authority	0.00	0	208,900	0	208,900	0.00	0	208,900	0	208,900
Total	1.00	\$197,668	\$208,900	\$0	\$406,568	1.00	\$194,268	\$208,900	\$0	\$403,168

DP 600029 - Psychiatrist - MSP -

The executive requests funding to add 1.00 FTE clinical psychiatrist at Montana State Prison. This position would provide the services necessary to comply with Adult Correctional standards, which recommend one psychiatrist for every 150 patients.

LFD COMMENT	<p><u>Adult Correctional Standards</u></p> <p>According to the agency, the Adult Correctional Standards recommends one psychiatrist for every 150 patients. The agency currently has over 300 mental health patients being served by one psychiatrist. This request would cut in half the number of patients seen by each psychiatrist.</p>
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DP 600033 - Medical Co-Pay State Special Authority -

The executive requests funding to implement a medical/dental co-pay for inmates within the prison system.

LFD COMMENT	<p><u>Funding for the Co-Pay</u></p> <p>This request is funded by fees charged to inmates receiving medical and dental services as a co-payment of medical costs. Montana law 53-1-107, MCA allows for the department to fund reasonable medical costs with inmate funds. The department is in the process of determining the co-payment amount and this request would provide the budget authority for the payments.</p>
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**LFD
ISSUE**

Co-pay Funding Restriction

The department has yet to finalize the amount of the co-payment so the funding amount is speculative. The legislature may want to restrict the funding for this request so that any excess funding could not be used for other purposes within the agency.