

Agency Budget Comparison

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

Agency 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	1,248.58	1,248.58	1,246.70	1,319.40	1,248.58	1,319.40	70.82	5.67 %
Personal Services	71,028,223	75,504,630	81,320,674	85,324,173	146,532,853	166,644,847	20,111,994	13.73 %
Operating Expenses	43,684,775	50,607,319	49,278,176	51,923,557	94,292,094	101,201,733	6,909,639	7.33 %
Equipment & Intangible Assets	175,110	218,553	175,110	175,110	393,663	350,220	(43,443)	(11.04)%
Grants	25,200,742	23,704,203	34,832,297	34,832,297	48,904,945	69,664,594	20,759,649	42.45 %
Benefits & Claims	1,199,407,681	1,281,262,063	1,403,796,302	1,497,001,322	2,480,669,744	2,900,797,624	420,127,880	16.94 %
Transfers	24,463	27,500	17,963	17,963	51,963	35,926	(16,037)	(30.86)%
Debt Service	218,583	193,907	221,682	227,151	412,490	448,833	36,343	8.81 %
Total Costs	\$1,339,739,577	\$1,431,518,175	\$1,569,642,204	\$1,669,501,573	\$2,771,257,752	\$3,239,143,777	\$467,886,025	16.88 %
General Fund	346,952,875	365,334,620	421,713,368	456,119,716	712,287,495	877,833,084	165,545,589	23.24 %
State/Other Special Rev. Funds	121,719,566	130,704,643	129,947,084	133,039,206	252,424,209	262,986,290	10,562,081	4.18 %
Federal Spec. Rev. Funds	871,067,136	935,478,912	1,017,981,752	1,080,342,651	1,806,546,048	2,098,324,403	291,778,355	16.15 %
Total Funds	\$1,339,739,577	\$1,431,518,175	\$1,569,642,204	\$1,669,501,573	\$2,771,257,752	\$3,239,143,777	\$467,886,025	16.88 %

Mission Statement

Coordinate Medicaid and Health Services Programs to optimize efficient delivery of services.

Agency Highlights

As shown in the main table, the 2017 biennium Health and Medicaid Services branch budget increases \$467.9 million over the 2015 request. Major changes include:

- Medicaid and HMK enrollment and service utilization increases
- Proposed provider rate increases
- The Governor's adult mental health initiative
- Facility inflation and operating cost increases

Each of these changes is reviewed in greater detail in the division budget discussions.

Agency Discussion

The Health and Medicaid Services branch accounts for 81% of the 2017 biennium DPHHS budget request. Major programs included in the branch are Medicaid services, the Healthy Montana Kids (HMK) program, and six state facilities. Each division budget discussion includes a description of the major changes included in the executive budget request.

Agency Personal Services

The executive request for personal services is discussed in greater detail each program as part of DP 99. This adjustment shows some of the personal services component parts for a more detailed understanding of the executive request. FY 2016 and FY 2017 contain the reductions in FTE made by the executive to implement the boilerplate language in HB 2.

Comparison of FY 2015 Legislative Base to FY 2015 Appropriation

The differences between the FY 2015 appropriation as shown in the main table and the FY 2015 legislative appropriation used for purposes of the budget base are discussed in detail in each division within the Medicaid and Health Services branch. There is also a discussion in each division budget narrative of the differences between the FY 2015 legislative appropriation and FY 2014 expenditures, which were used as the executive base budget.

In general, the FY 2015 appropriation in the main table includes the following adjustments, while the FY 2015 legislative appropriation does not:

- One time appropriations
- Remainder of biennial appropriations
- Reorganizations and transfers of appropriation authority
- Adjustments of authority between appropriations and expenditure categories

The FY 2015 legislative appropriation includes the following adjustments while the FY 2015 appropriation in the main table does not:

- Annualization of pay plan changes for increases in health insurance
- Changes in longevity, workers' compensation costs, and payroll taxes
- Executive implementation of the pay plan
- Funding for positions that were vacant during FY 2014

Funding

The following table shows proposed agency funding by source of authority as proposed. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Medicaid and Health Services Branch Funding by Source of Authority 2017 Biennium Budget - Medicaid and Health Services Branch					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	877,833,084	0	0	877,833,084	27.02 %
State Special Total	262,986,290	0	10,248,448	273,234,738	8.41 %
Federal Special Total	2,098,324,403	0	0	2,098,324,403	64.58 %
Proprietary Total	0	0	0	0	0.00 %
Other Total	0	0	0	0	0.00 %
Total All Funds	\$3,239,143,777	\$0	\$10,248,448	\$3,249,392,225	
Percent - Total All Sources	99.68 %	0.00 %	0.32 %		

The branch is funded predominantly with federal funds. General fund and state special revenue together are 35% of the total. Funding is discussed in greater detail in each division.

Budget Summary by Category

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

Budget Summary by Category								
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	365,164,837	365,164,837	730,329,674	83.20 %	1,431,302,999	1,431,302,999	2,862,605,998	88.38 %
PL Adjustments	42,406,059	62,390,066	104,796,125	11.94 %	105,830,682	173,302,633	279,133,315	8.62 %
New Proposals	14,142,472	28,564,813	42,707,285	4.87 %	32,508,523	64,895,941	97,404,464	3.01 %
Total Budget	\$421,713,368	\$456,119,716	\$877,833,084		\$1,569,642,204	\$1,669,501,573	\$3,239,143,777	

Language and Statutory Authority -

The executive proposes the following language be included in HB2:

"County Nursing Home Intergovernmental Transfer may be used only to make one-time payments to nursing homes based on the number of Medicaid services provided. State special revenue in County Nursing Home IGT may be expended only after the Office Budget and Program Planning has certified that the department has collected the amount that is necessary to make one-time payments to nursing homes based on the number of Medicaid services provided and to fund the base budget in the nursing facility program and the community services program at the level of \$564,785 each year from counties participating in the intergovernmental transfer program for nursing facilities."

"First Step may only be used as follows: peer support services (\$700,000 in general fund money each year); crisis intervention team (\$50,000 in general fund money each year); 72-hour crisis intervention (\$500,000 in in general fund money in fiscal year 2016 and \$750,000 in general fund money in fiscal year 2017); drop-in centers (\$193,769 in general fund money each year); housing re-entry (\$315,000 in general fund money each year); county matching grants for HB 130 services (\$360,000 in general fund money each year); secure crisis beds for HB 131 services (\$200,000 in general fund money each year); contracted forensic psychologists (\$180,000 in general fund money each year), Medicaid benefit funding switch (\$1,049,904 in general fund money each year), supported employment services (\$420,000 in federal special revenue each year), dementia wing personal services and operating costs at the Montana Mental Health Nursing Care Center (\$2,005,057 in general fund money in fiscal year 2017), and forensic safety upgrade personal services and operating costs at Montana State Hospital (\$2,980,827 in general fund money in fiscal year 2017).

First Step is void if appropriations totaling \$7,352,954 for renovations and equipment at Montana State Hospital and Montana Mental Health Nursing Care Center are not approved."