

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	54.00	54.00	51.62	51.62	54.00	51.62	(2.38)	(4.41)%
Personal Services	2,941,704	3,591,880	3,718,946	3,741,816	6,533,584	7,460,762	927,178	14.19 %
Operating Expenses	9,569,124	8,777,561	10,949,030	10,353,769	18,346,685	21,302,799	2,956,114	16.11 %
Benefits & Claims	640,048,260	659,061,176	727,683,696	784,882,834	1,299,109,436	1,512,566,530	213,457,094	16.43 %
Total Costs	\$652,559,088	\$671,430,617	\$742,351,672	\$798,978,419	\$1,323,989,705	\$1,541,330,091	\$217,340,386	16.42 %
General Fund	136,047,384	137,311,959	145,498,617	153,667,279	273,359,343	299,165,896	25,806,553	9.44 %
State/Other Special Rev. Funds	67,041,676	69,165,712	74,780,080	77,435,878	136,207,388	152,215,958	16,008,570	11.75 %
Federal Spec. Rev. Funds	449,470,028	464,952,946	522,072,975	567,875,262	914,422,974	1,089,948,237	175,525,263	19.20 %
Total Funds	\$652,559,088	\$671,430,617	\$742,351,672	\$798,978,419	\$1,323,989,705	\$1,541,330,091	\$217,340,386	16.42 %

Program Description

The Health Resources Division (HRD) administers Medicaid primary care services, Healthy Montana Kids (Medicaid and Children's Health Insurance Program services for children in low-income families), and Big Sky Rx. The purpose of the division is to improve and protect the health and safety of Montanans. The division reimburses private and public providers for a wide range of preventive, primary, and acute care services. Major service providers include: physicians, public health departments, clinics, hospitals, dentists, pharmacies, durable medical equipment, and mental health providers. The division develops tools, measurements and reports necessary to allow division management to administer and control programs and expenditures in the division, and to report those results in an accurate and timely manner to others.

The majority of services in the division are funded through Medicaid. Medicaid is a voluntary state/federal partnership that reimburses for medical services for the aged, blind, disabled, children and low-income families.

The division administers Healthy Montana Kids (HMK) as a separate health insurance program and contracts with Blue Cross Blue Shield to provide third party administrator services. HMK dental and eyeglasses benefits are reimbursed directly by the department. HMK is a voluntary state/federal partnership that reimburses for medical services for children at or below 261% of poverty.

Big Sky Rx is a state funded program that helps Montanans, who are at or below 200% of poverty and who are eligible for the Medicare Part D prescription drug program, pay for their Medicare premium. Big Sky Rx eligibility is determined by division staff. A related program, PharmAssist, pays for prescription drug counseling by a pharmacist and provides drug information and technical assistance to all Montanans.

Program Highlights

Health Resources Division Major Budget Highlights
<ul style="list-style-type: none"> • The 2017 biennium appropriation is \$234.8 million or 18.0% higher higher than the 2015 biennium appropriation • Major changes include: <ul style="list-style-type: none"> ◦ Medicaid enrollment and service utilization increases as well as changes in the state match rate - \$175.5 million total funds, including \$27.1 million general fund ◦ Adopting the FY 2015 appropriation as a starting point - \$13.8 million ◦ Enrollment and cost growth in the component of Healthy Montana Kids funded from the federal Children's Health Insurance Program grant - \$10.0 million total funds ◦ A 2% annual provider rate increase for most providers - \$13.3 million, including \$5.1 million general fund • The enhanced federal match rate for the Children's Health Insurance Program (CHIP), which begins October 1, 2016, lowers general fund costs for children's medical services by \$47.5 million over the biennium

Program Narrative

The 2017 biennium legislative appropriation for the Health Resources Division (HRD) is \$234.8 million higher than the 2015 biennium. The majority of the increase is in the benefits and claims expenditure category, which funds Medicaid and Healthy Montana Kids (HMK) services for persons who meet specific eligibility criteria, including financial eligibility.

The major changes from the FY 2015 appropriation that were adopted by the legislature are:

- Medicaid enrollment and service utilization increases - \$175.5 million
- Annual 2% provider rate increases for all providers except those who receive statutorily required cost of living adjustments and except for hospital services, which receive a 2% increase in FY 2016 that is removed in FY 2017 - \$11.5 million
- HMK services funded from the Children's Health Insurance Program for enrollment increases - \$10.0 million

The net increase in general fund between the two biennia is \$25.8 million. Major components of that change are:

- An increase for Medicaid enrollment, service utilization, and pharmacy inflation - \$64.4 million
- An increase for a higher state Medicaid match rate - \$8.5 million

- Provider rate increase - \$4.0 million
- A reduction due to the enhanced federal match for CHIP - \$47.5 million

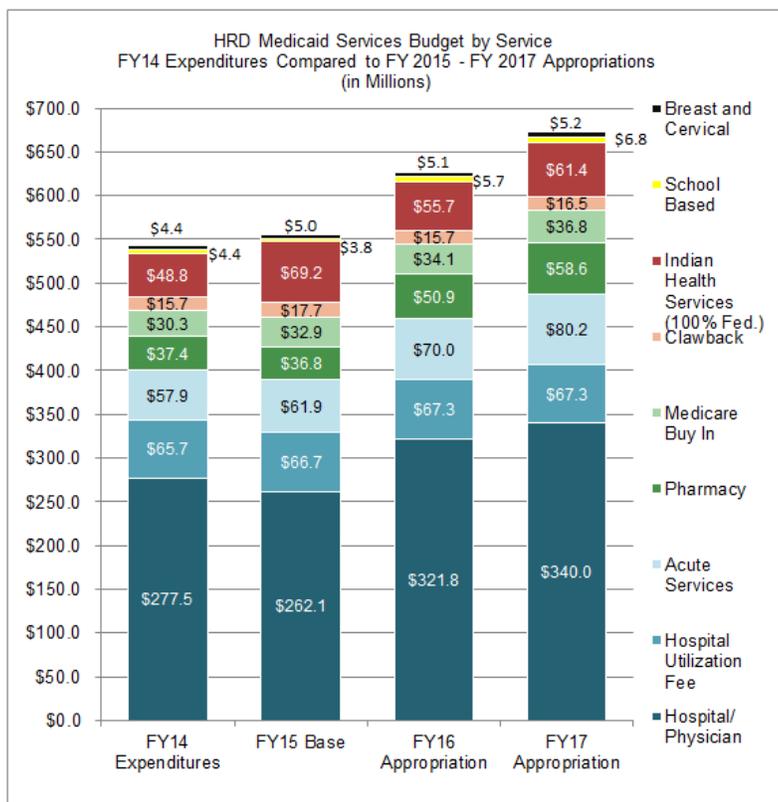
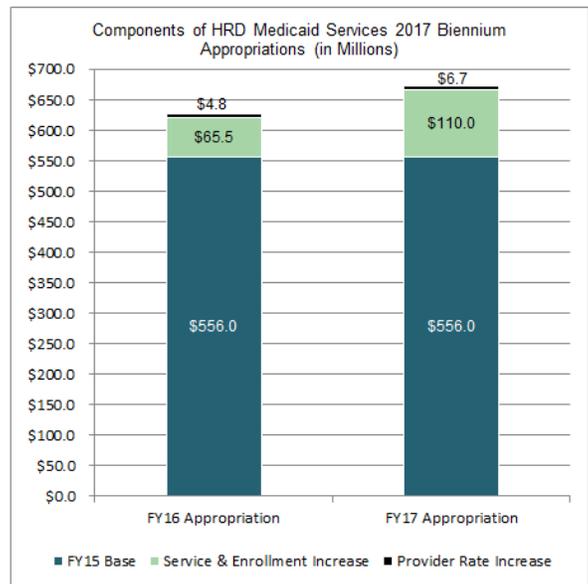
Components of Medicaid Services Appropriations

The majority - \$1.3 billion or 84.3% - of the HRD appropriation for the 2017 biennium is for Medicaid services. The graph on the right compares the major elements of the 2017 biennium appropriation for total Medicaid services. The FY 2015 base amount is 88.8% of the FY 2016 appropriation and 82.7% of the FY 2017 appropriation. Adjustments for enrollment and service utilization are the next most significant component with 10.5% of the total in FY 2016 and 16.4% in FY 2017. Provider rate increases are about 1% of the total appropriation each year.

Legislative Appropriations by Service

HRD administers Medicaid services that are most comparable to private insurance such as hospital, physician, and prescription drug services. The figure below shows the 2015 biennium expenditures and appropriation compared to the 2017 biennium appropriation.

Hospital and physician services are the major component of HRD Medicaid expenditures and appropriations, accounting for 50.9% of the 2017 biennium appropriation. Increases for hospital and physician services are due primarily to estimated enrollment and service utilization growth. A small part is related to the statutorily required cost of living adjustment for physician services and a 2% provider rate increase for hospitals in FY 2016 only.



Reimbursement for Medicaid hospital services is augmented by the funding generated by the hospital utilization fee - a \$50 per day fee for each inpatient day of hospital care. The fee revenue is used to draw down federal Medicaid matching funds, and then the total funds are redistributed to hospitals. The hospital utilization fee is 10.4% of the total 2017 biennium appropriation and when added to the amount for hospital and physician services the combined total accounts for 61.3% of the 2017 biennium appropriation for HRD administered Medicaid services.

Acute services include services such as dental, physical therapy, speech therapy, and ambulance services. All together these services account for 11.6% of the 2017 biennium appropriation.

Pharmacy appropriations are 8.4% of the 2017 biennium total. Pharmacy services appropriations are the net cost of prescription drugs offset by rebates from drug manufacturers. Pharmacy appropriations increase due to anticipated inflation in the cost of prescription drugs as well as the development of new, sometimes expensive drug therapies.

The clawback payment is a 100% general fund reimbursement paid by the state to the federal government as a result of savings that the state Medicaid program experienced due to implementation of Medicare Part D drug coverage. Some persons are eligible for both Medicaid and Medicare. Medicaid covered the cost of prescription drugs prior to implementation of Part D drug coverage. Since states experienced savings, some of those savings are captured through the clawback payment. It constitutes 2.5% of the total cost and if it is included with the pharmacy appropriation, the total for prescription drug coverage is 10.9%.

Indian Health Services (IHS) appropriations are 100% federal reimbursements for payments to IHS providers for services provided to Medicaid eligible persons.

School based services are federal reimbursement for Medicaid eligible physical health services provided by schools to Medicaid eligible children. Examples of services are speech and occupational therapy. Schools provide the state match.

Breast and cervical cancer services are a limited set of Medicaid services provided to persons screened through the Montana Breast & Cervical Health Program between the ages of 50 to 64 with incomes under 200% of the federal poverty level.

HB 2 Language Appropriations for Medicaid Services

The legislature added a language appropriation to HB 2 for Medicaid services (see the “Language and Statutory Authority” section in the Medicaid and Health Services Branch Overview). The language authorizes incremental amounts of general fund and federal funds in the event that total Medicaid expenditures, including year-end accruals, exceed certain amounts. The total increase included in the language appropriation is \$53.3 million total funds over the biennium, including \$20.4 million general fund. The funds can be used for any Medicaid service, including those administered by HRD. The language appropriation is discussed in greater detail in the agency overview.

SB 405 – Montana Health and Economic Livelihood Partnership Act (HELP Act)

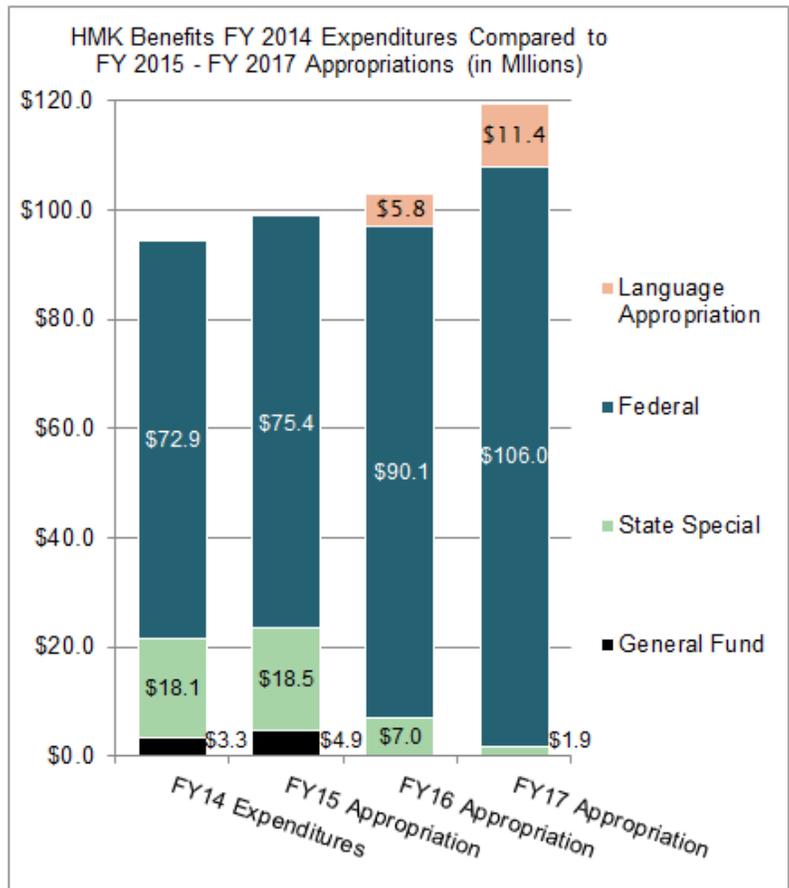
The HELP Act established in SB 405 adds a new eligibility coverage group to the Medicaid program – nondisabled, nonpregnant individuals between the ages of 21 and 64 with household incomes below 138% of the federal poverty level.

The Medicaid eligibility expansion is dependent on federal approval. Services provided to the expansion population will be funded through a statutory appropriation.

The majority of the newly eligible populations will most likely use the types of primary care services administered by HRD. DPHHS will contract with a third party administrator to establish service provider networks, set rates, and pay claims. If the program is implemented by January 1, 2016, the fiscal note for SB 405 estimated that an additional \$86.7 million of Medicaid services would be provided in FY 2016 and an additional \$230.5 million in FY 2017.

Healthy Montana Kids (HMK)

The figure on the right shows FY 2014 expenditures compared to the FY 2015 to FY 2017 appropriations for HMK services funded from the federal CHIP grant. The adjacent graph does not include the appropriations for HMK Medicaid services, which are included in the appropriations discussed previously.



In addition to the direct appropriations for CHIP funded services in HB 2, the legislature included a language appropriation if incurred costs exceed a certain threshold in either year of the biennium. As shown in the adjacent figure, the language appropriation increases total appropriation authority by 8.4% over the 2017 biennium.

HMK State Match Rate and General Fund Savings

The Affordable Care Act (ACA) raises the federal match rate for CHIP by 23% effective October 1, 2015. As of that date, the state match rate for CHIP will decline from 24.22% to 1.22% for the remainder of FY 2016 and in FY 2017 the state match rate will be 1.49%.

The reduction in the state CHIP match rate reduced the general fund needed for HMK services by \$47.5 million over the biennium. The legislature lowered general fund appropriations for the Medicaid services component of HMK since the majority of children enrolled in HMK are eligible for Medicaid, which requires a state match of about 35% each year of the 2017 biennium. The legislature did fund the state match for the language component of HMK services from general fund, which adds about \$1.0 million of general fund if HMK service costs exceed the appropriations included in line items in HB 2.

Funding

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

Medicaid and Health Services Branch, 11-Health Resources Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	299,165,896	0	0	299,165,896	19.41 %	
02053 Medicaid Nursing Home Match	123,110	0	0	123,110	0.08 %	
02142 Medicaid Third Party Revenue	1,604,792	0	0	1,604,792	1.05 %	
02164 MT Univ System Grad Med Ed	636,660	0	0	636,660	0.42 %	
02311 6901-02 Indrct Activity Prog 11	(2,642,574)	0	0	(2,642,574)	(1.74)%	
02597 Montana Healthy Kids Initiative	58,020,956	0	0	58,020,956	38.12 %	
02772 Tobacco Hlth & Medicd Initiative	31,828,712	0	0	31,828,712	20.91 %	
02789 6901-CHIP/MCHA Tobacco Sett Fd	8,142,064	0	0	8,142,064	5.35 %	
02987 Tobacco Interest	7,599,610	0	0	7,599,610	4.99 %	
02989 69010-Hospital Utilization Fee	46,902,628	0	0	46,902,628	30.81 %	
State Special Total	\$152,215,958	\$0	\$0	\$152,215,958	9.88 %	
03127 Montana Within Us Grant	0	0	0	0	0.00 %	
03426 CHIP Program Fed	200,532,069	0	0	200,532,069	18.40 %	
03580 6901-93.778 - Med Adm 50%	0	0	0	0	0.00 %	
03582 93.778 - Med Ben 100%	117,119,284	0	0	117,119,284	10.75 %	
03583 93.778 - Med Ben Fmap	766,418,607	0	0	766,418,607	70.32 %	
03611 6901-03 Indrct Activity Prog 11	5,878,277	0	0	5,878,277	0.54 %	
Federal Special Total	\$1,089,948,237	\$0	\$0	\$1,089,948,237	70.71 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$1,541,330,091	\$0	\$0	\$1,541,330,091		

HRD is funded from general fund, state special revenue, and federal funds. General fund is 19.4% of the total and pays the state matching cost for Medicaid and CHIP.

State special revenue is 9.9% of the HRD budget request. Functions supported by state special revenue sources are state Medicaid match, CHIP match, and Big Sky Rx. The major sources include hospital utilization fees, insurance tax, and multiple accounts tied to tobacco tax.

Federal funds are 70.7% of the HRD appropriation. The majority of federal funding is Medicaid matching funds and CHIP federal grant funds.

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	137,311,959	137,311,959	274,623,918	91.80 %	671,430,617	671,430,617	1,342,861,234	87.12 %
PL Adjustments	9,113,708	17,313,911	26,427,619	8.83 %	65,479,061	119,661,368	185,140,429	12.01 %
New Proposals	(927,050)	(958,591)	(1,885,641)	(0.63)%	5,441,994	7,886,434	13,328,428	0.86 %
Total Budget	\$145,498,617	\$153,667,279	\$299,165,896		\$742,351,672	\$798,978,419	\$1,541,330,091	

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

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 101 - Personal Services Adjustment	0.00	28,251	(155,531)	214,667	87,387	0.00	37,366	(154,256)	227,147	110,257
DP 102 - Other Differences for Executive PL	0.00	312,681	(1,126,948)	2,609,022	1,794,755	0.00	330,923	(1,276,573)	2,145,123	1,199,473
DP 515 - State Share Health Insurance	0.00	7,255	949	16,883	25,087	0.00	7,255	949	16,883	25,087
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	3,193	1,943	9,456	14,592	0.00	3,193	1,943	9,456	14,592
DP 525 - Fixed Costs Adjustment	0.00	(1,385)	(690)	(3,247)	(5,322)	0.00	(1,385)	(690)	(3,247)	(5,322)
DP 527 - Inflation/Deflation	0.00	20,297	0	45,465	65,762	0.00	20,304	0	45,479	65,783
DP 1100444 - Statewide 4% FTE Reduction - Program 11	(2.38)	0	0	0	0	(2.38)	0	0	0	0
DP 1111002 - Med Ben Other Cload Clawback	0.00	(1,986,095)	0	0	(1,986,095)	0.00	(1,201,381)	0	0	(1,201,381)
DP 1111008 - HMK CHIP-Funded Caseload	0.00	0	(28,196)	(2,282,941)	(2,311,137)	0.00	0	117,663	7,779,186	7,896,849
DP 1111010 - MED Admin Contractual Adjustments	0.00	158,137	0	158,137	316,274	0.00	158,137	0	158,137	316,274
DP 1111012 - Med Ben Other FMAP Breast and Cervical	0.00	29,065	0	(29,065)	0	0.00	42,595	0	(42,595)	0
DP 1111013 - HMK FMAP Change All CHIP Funded Admin and Benefits	0.00	(5,094,321)	(11,790,525)	16,884,846	0	0.00	(5,162,320)	(17,262,698)	22,425,018	0
DP 1111015 - Med Ben Core FMAP Hospital, Clinic, Physician	0.00	1,982,196	0	(1,982,196)	0	0.00	2,730,326	0	(2,730,326)	0
DP 1111016 - Med Ben Core FMAP Managed Care	0.00	737,684	0	(737,684)	0	0.00	966,559	0	(966,559)	0
DP 1111017 - Med Ben Core FMAP Acute Services	0.00	556,667	0	(556,667)	0	0.00	760,778	0	(760,778)	0
DP 1111018 - Med Ben Core FMAP Medicare Buy In	0.00	295,653	0	(295,653)	0	0.00	404,059	0	(404,059)	0
DP 1111019 - Med Ben Core FMAP Pharmacy	0.00	0	0	0	0	0.00	0	0	0	0
DP 1111020 - Enhanced CHIP FMAP Funding Change	0.00	(15,153,885)	15,153,885	0	0	0.00	(22,193,109)	22,193,109	0	0
DP 1111021 - Med Ben Other FMAP Hosp. Util Fee	0.00	0	600,018	(600,018)	0	0.00	0	820,024	(820,024)	0
DP 1111026 - Med Ben Other Hospital Utilization Fee Cslid	0.00	0	220,638	415,573	636,211	0.00	0	220,638	415,573	636,211
DP 1111030 - Med Ben Fed Indian Health Services	0.00	0	0	(13,566,591)	(13,566,591)	0.00	0	0	(7,798,449)	(7,798,449)
DP 1111031 - Med Ben Fed School Based Services	0.00	0	0	1,923,954	1,923,954	0.00	0	0	2,976,086	2,976,086
DP 1111060 - Med Ben Core Hospital, Physician	0.00	19,472,801	0	36,677,145	56,149,946	0.00	25,794,874	0	47,883,714	73,678,588
DP 1111061 - Med Ben Core Acute Services	0.00	2,474,158	0	4,660,092	7,134,250	0.00	5,728,379	0	10,633,742	16,362,121
DP 1111062 - Med Ben Core Medicare Buy In	0.00	438,751	0	826,390	1,265,141	0.00	1,374,812	0	2,552,101	3,926,913
DP 1111063 - Med Ben Core Pharmacy	0.00	4,832,605	0	9,102,242	13,934,847	0.00	7,512,546	0	13,945,740	21,458,286
Grand Total All Present Law Adjustments	(2.38)	\$9,113,708	\$2,875,543	\$53,489,810	\$65,479,061	(2.38)	\$17,313,911	\$4,660,109	\$97,687,348	\$119,661,368

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 101 - Personal Services Adjustment -

The legislature adopted all other personal service cost adjustments, except the annualization of the 2015 biennium pay plan.

DP 102 - Other Differences for Executive PL -

The legislature adopted all other operating cost adjustments.

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 520 - Fully Fund 2015 Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

DP 525 - Fixed Costs Adjustment -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit, grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 527 - Inflation/Deflation -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 1100444 - Statewide 4% FTE Reduction - Program 11 -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package 1100444 includes a reduction of 2.38 FTE each year of the biennium.

DP 1111002 - Med Ben Other Clload Clawback -

This adjustment reduces general fund as the FY 2015 legislative base budget is higher than the 2017 biennium appropriation. The funding is 100% general fund and represents the payment to the federal government for Medicaid program savings due to implementation of the Medicare Part D drug benefit.

DP 1111008 - HMK CHIP-Funded Caseload -

This adjustment reflects enrollment and service utilization changes for the cost of medical services for enrollees in the Healthy Montana Kids Medicaid CHIP-funded eligibility groups. FY 2016 costs are anticipated to be lower than the FY 2015 legislative appropriation, while FY 2017 costs are expected to exceed the FY 2015 base appropriation.

DP 1111010 - MED Admin Contractual Adjustments -

This adjustment increases funding for contracts related to administration of the Medicaid program, including contracts to administer prior authorization functions for high cost services.

DP 1111012 - Med Ben Other FMAP Breast and Cervical -

This adjustment changes the funding mix for Medicaid services to account for the increase in the state match rate and the reduction in the federal match rate that occurs each year of the 2017 biennium. This adjustment provides funding changes to the FY 2015 legislative appropriation at the correct match rate. The total cost for the base appropriation does not change.

DP 1111013 - HMK FMAP Change All CHIP Funded Admin and Benefits -

This adjustment changes the funding mix for CHIP administrative and services expenditures to account for the increase in the federal CHIP match rate effective October 1, 2015 and the reduction in the state match rate. This adjustment provides funding changes so that the FY 2015 legislative appropriation is funded at the correct match rate. The total cost for the base appropriation does not change. The state match rate for CHIP after October 1, 2015 is 1.22% and after June 30, 2016 is 1.49%.

DP 1111015 - Med Ben Core FMAP Hospital, Clinic, Physician -

This adjustment increases state funds and reduces federal funds to account for the change in the Medicaid services match rate, which is adjusted annually based on a federal formula. This adjustment provides the funding change needed to align FY 2015 base budget appropriations with the new Medicaid funding ratios. There is no overall change in funding.

DP 1111016 - Med Ben Core FMAP Managed Care -

This adjustment increases state funds and reduces federal funds to account for the change in the Medicaid services match rate, which is adjusted annually based on a federal formula. This adjustment provides the funding change needed to align FY 2015 base budget appropriations with the new Medicaid funding ratios. There is no overall change in funding.

DP 1111017 - Med Ben Core FMAP Acute Services -

This adjustment increases state funds and reduces federal funds to account for the change in the Medicaid services match rate, which is adjusted annually based on a federal formula. This adjustment provides the funding change needed to align FY 2015 base budget appropriations with the new Medicaid funding ratios. There is no overall change in funding.

DP 1111018 - Med Ben Core FMAP Medicare Buy In -

This adjustment increases state funds and reduces federal funds to account for the change in the Medicaid services match rate, which is adjusted annually based on a federal formula. This adjustment provides the funding change needed to align FY 2015 base budget appropriations with the new Medicaid funding ratios. There is no overall change in funding.

DP 1111019 - Med Ben Core FMAP Pharmacy -

This adjustment increases state funds and reduces federal funds to account for the change in the Medicaid services match rate, which is adjusted annually based on a federal formula. This adjustment provides the funding change needed to align FY 2015 base budget appropriations with the new Medicaid funding ratios. There is no overall change in funding.

DP 1111020 - Enhanced CHIP FMAP Funding Change -

The legislature made adjustments to reflect the 23% increase in the federal share of CHIP funding beginning October 1, 2015, which lowered the amount of state special revenue needed to fund CHIP services during the 2017 biennium by \$37.3 million. This present law adjustment uses the state special revenue that is no longer needed as state match for CHIP services and applies it to Medicaid funded HMK services that were previously funded from the general fund. There is an increase in state special revenue equal to the general fund reduction. There is no change in total funding.

DP 1111021 - Med Ben Other FMAP Hosp. Util Fee -

This adjustment increases state funds and reduces federal funds to account for the change in the Medicaid services match rate, which is adjusted annually based on a federal formula. This adjustment provides the funding change needed to align FY 2015 base budget appropriations with the new Medicaid funding ratios. There is no overall change in funding.

DP 1111026 - Med Ben Other Hospital Utilization Fee Cslid -

The legislature added appropriation authority for hospital utilization fee revenues. The fee income is used as state Medicaid match and the additional revenue is distributed to hospitals based on a formula that takes into account the proportion of low income persons served and Medicaid days of service.

DP 1111030 - Med Ben Fed Indian Health Services -

The legislature adjusted appropriations for reimbursements for Indian Health Services providers to fund the executive present law request for the 2017 biennium. The reimbursements are 100% federal funds.

DP 1111031 - Med Ben Fed School Based Services -

The legislature made adjustments for reimbursements to schools that provide Medicaid services to eligible children. The DPHHS portion of the expenditures is 100% federal and the schools provide the necessary state match.

DP 1111060 - Med Ben Core Hospital, Physician -

The legislature added appropriation authority based on legislative staff estimates of the 2017 biennium cost for hospital and physician Medicaid services.

DP 1111061 - Med Ben Core Acute Services -

The legislature added funds for acute services such as transportation, speech therapy, occupational therapy, and private duty nursing. The amount of the appropriation was based on legislative staff estimates of the 2017 biennium expenditures.

DP 1111062 - Med Ben Core Medicare Buy In -

The legislature added appropriation authority to pay the Medicare Part A and Part B premiums for persons eligible for both Medicare and Medicaid. The appropriation is based on legislative staff estimates for the 2017 biennium.

DP 1111063 - Med Ben Core Pharmacy -

The legislature added appropriation authority for pharmacy services based on legislative staff estimates of the cost of services in the 2017 biennium.

New Proposals

The "New Proposals" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

New Proposals	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1111022 - PRI - HMK (CHIP)	0.00	35,000	20,763	174,474	230,237	0.00	35,000	78,553	346,922	460,475
DP 1111023 - PRI HMK (CHIP-Funded)	0.00	0	98,491	308,160	406,651	0.00	0	200,560	612,742	813,302
DP 1111024 - PRI Med Ben Medicaid Core	0.00	1,636,937	0	3,083,182	4,720,119	0.00	3,305,027	0	6,135,212	9,440,239
DP 1111025 - PRI Med Ben Breast & Cervical Cancer	0.00	20,584	0	64,403	84,987	0.00	59,508	0	110,466	169,974
DP 1111064 - Additional HMK State Special Revenue	0.00	(2,619,571)	2,619,571	0	0	0.00	(3,331,934)	3,331,934	0	0
DP 1111065 - Eliminate FY 2017 Hospital Rate Increase	0.00	0	0	0	0	0.00	(1,026,192)	(990)	(1,970,374)	(2,997,556)
Total	0.00	(\$927,050)	\$2,738,825	\$3,630,219	\$5,441,994	0.00	(\$958,591)	\$3,610,057	\$5,234,968	\$7,886,434

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1111022 - PRI - HMK (CHIP) -

This adjustment funds a 2% provider rate increase in each year of the biennium for HMK CHIP program.

DP 1111023 - PRI HMK (CHIP-Funded) -

This adjustment funds a 2% provider rate increase in each year of the biennium for HMK Medicaid services that are funded from the CHIP grant.

DP 1111024 - PRI Med Ben Medicaid Core -

This adjustment funds a 2% provider rate increase in each year of the biennium for the following Medicaid services: hospital, pharmacy, managed care, and acute care services. See DP 1111065 Eliminate FY 2017 Hospital Rate Increase for an adjustment made to this appropriation.

DP 1111025 - PRI Med Ben Breast & Cervical Cancer -

This adjustment funds a 2% provider rate increase in each year of the biennium for Medicaid funded breast and cervical cancer services.

DP 1111064 - Additional HMK State Special Revenue -

The legislature increased HMK state special revenue and reduced general fund match for Medicaid services provided to children enrolled in HMK. There is no net change in overall funding for the program.

DP 1111065 - Eliminate FY 2017 Hospital Rate Increase -

The legislature did not continue the 2% provider rate increase for hospital services from FY 2016 into FY 2017. The reduction was offset by increased revenue from SB 405, which authorizes a Medicaid expansion subject to federal approval.