

### 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	614.86	614.86	622.86	695.56	614.86	695.56	80.70	1.30 %
Personal Services	38,092,489	40,445,756	42,256,971	45,347,960	78,538,245	87,604,931	9,066,686	11.54 %
Operating Expenses	13,538,426	13,833,324	16,802,208	17,325,710	27,371,750	34,127,918	6,756,168	24.68 %
Equipment & Intangible Assets	107,061	107,460	107,460	107,460	214,521	214,920	399	0.19 %
Grants	3,696,524	4,049,612	5,328,870	5,328,870	7,746,136	10,657,740	2,911,604	37.59 %
Benefits & Claims	75,392,087	78,066,983	93,045,384	88,003,636	153,459,070	181,049,020	27,589,950	17.98 %
Transfers	24,300	22,500	22,500	22,500	46,800	45,000	(1,800)	(3.85)%
Debt Service	113,994	117,623	117,623	117,623	231,617	235,246	3,629	1.57 %
<b>Total Costs</b>	<b>\$130,964,881</b>	<b>\$136,643,258</b>	<b>\$157,681,016</b>	<b>\$156,253,759</b>	<b>\$267,608,139</b>	<b>\$313,934,775</b>	<b>\$46,326,636</b>	<b>17.31 %</b>
General Fund	66,023,522	67,942,332	79,705,165	75,095,729	133,965,854	154,800,894	20,835,040	15.55 %
State/Other Special Rev. Funds	14,125,830	15,873,645	15,835,470	16,322,498	29,999,475	32,157,968	2,158,493	7.20 %
Federal Spec. Rev. Funds	50,815,529	52,827,281	62,140,381	64,835,532	103,642,810	126,975,913	23,333,103	22.51 %
<b>Total Funds</b>	<b>\$130,964,881</b>	<b>\$136,643,258</b>	<b>\$157,681,016</b>	<b>\$156,253,759</b>	<b>\$267,608,139</b>	<b>\$313,934,775</b>	<b>\$46,326,636</b>	<b>17.31 %</b>

### Program Description

The Addictive and Mental Disorders Division (AMDD) provides chemical dependency and mental health services through contracts with behavioral health providers across the state. People with substance abuse disorders who have family incomes below 200% of the federal poverty level are eligible for public funding of treatment services. In addition, the Medicaid program funds outpatient and residential chemical dependency treatment services for adolescents and outpatient services for adults who are Medicaid eligible. The mental health program provides services to adults who are eligible for Medicaid as well as non-Medicaid adults up to 150% of FPL. The division also manages three inpatient facilities: the Montana State Hospital in Warm Springs, Montana Chemical Dependency Center in Butte, and Montana Mental Health Nursing Care Center in Lewistown.

**Program Highlights**

<b>Addictive and Mental Disorders Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The 2017 biennium appropriation is \$45.1 million or 16.8% higher than the 2015 biennium appropriation</li> <li>• Major changes include: <ul style="list-style-type: none"> <li>◦ Medicaid enrollment and service utilization - \$32.9 million total funds (\$10.9 million general fund)</li> <li>◦ Additional adult mental health community services - \$6.8 million general fund</li> <li>◦ State facility mental health services - \$5.0 million general fund, including funds for 82.70 new FTE in FY 2017</li> <li>◦ Transitional mental health group homes - \$3.5 million (\$3.0 million general fund)</li> <li>◦ A 2% annual provider rate increase - \$4.7 million total funds (\$1.8 million general fund)</li> </ul> </li> <li>• Increases are partially offset by a \$10.8 million general fund reduction due to anticipated savings from the Medicaid eligibility expansion authorized in SB 405 <ul style="list-style-type: none"> <li>◦ SB 405 savings can be distributed throughout the agency since savings will occur in several programs</li> </ul> </li> </ul>

**Program Narrative**

The 2017 biennium AMDD legislative appropriation is \$45.1 million higher than the 2015 biennium budget. Most of the increase is in benefits and claims, which are funds that pay for services for persons who meet specific programmatic eligibility criteria.

Personal services increases are due to approval of the executive request to expand adult mental health facilities and fund an additional 82.70 FTE in FY 2017. Operating cost increases are primarily due to inflationary adjustments that are included in all agency budgets and additional increases for state facilities due to population and medical services cost inflation. Grants are higher due to additional community mental health funding.

The major changes adopted by the legislature are:

- Medicaid services adjustments including:
  - Expansion of the HIFA/MHSP waiver, which moves adults with a serious and disabling mental illness (SDMI) and incomes below 150% of the federal poverty level from a state funded program with a limited mental health benefit to Medicaid funded services including an expanded array of mental health services and addition of physical health services - \$16.1 million
  - Present law changes to fund increased enrollment and service utilization in adult mental health Medicaid services - \$5.4 million
  - A 2% annual provider rate increase for all medical providers except those that receive a statutorily required annual increase - \$2.6 million
  - Expansion of the AMDD community based waiver services for adults with SDMI and who need nursing home level of care to add 50 service slots in FY 2016 and an additional 50 slots in FY 2017 (total of 100 new slots) - \$0.9 million
- NonMedicaid community services increases including:
  - Mental health crisis jail diversion services - \$2.0 million
  - Community secure psychiatric treatment beds - \$1.2 million
  - New short-term inpatient voluntary treatment - \$1.6 million

- A 2% annual provider rate increase - \$1.1 million
- Additional 72 hour crisis services funding - \$1.0 million
- Additional housing and re-entry services for transitions from facility based care - \$0.6 million
- Support for existing mental health crisis jail diversion services - \$0.5 million
- Peer support services - \$0.5 million
- New funding for adult mental health transitional group homes - \$3.5 million
- Montana State Hospital increases including:
  - Staff and operating costs for a new forensic wing and for ongoing costs of a new group home - \$3.5 million and 53.50 new FTE
  - Facility inflation and operating cost increases - \$1.8 million
  - Contracted services to provide medical staff for positions that are difficult to recruit and retain - \$1.5 million
- Montana Mental Health Nursing Care Center increases including:
  - Staff and operating costs for a new Alzheimer's unit - \$1.5 million and 29.20 new FTE

*Impact of SB 405 - the Montana Health and Economic Livelihood Program (HELP Act)*

About \$10.8 million of the total increase for AMDD is offset by a reduction due to savings anticipated from the passage of SB 405 – the Montana Health, Economic, and Livelihood Program (HELP Act). Although the reduction was taken in AMDD, the savings occur in other programs as well and can be distributed throughout DPHHS when it develops its operating plan at the beginning of the 2017 biennium.

The AMDD budget was reduced due to the impact of the Medicaid expansion on its current Medicaid costs and due to the requirement in SB 405 that state facilities reimburse the cost of community medical services provided to patients of the state facility at the applicable Medicaid rate rather than a private pay rate. The fiscal note anticipated that there would be a savings of 30% when state facilities use Medicaid reimbursement rates for outside medical costs.

The Medicaid expansion adds a new eligibility group – persons between the ages of 21 and 64 who are not pregnant or disabled and who have incomes below 138% of the federal poverty level. AMDD has a waiver (HIFA waiver) of Medicaid regulations to provide persons with a serious and disabling mental illness and incomes below 150% of the federal poverty level with Medicaid services. Since these persons would be eligible as part of the new expansion population, the state cost would decline from a 35% match rate to 0% through January 1, 2017 and then gradually increase to 10% by 2020. Medicaid expansion costs are paid from a statutory appropriation, therefore a large portion of the current HB 2 expenditures

for the HIFA waiver would shift to the statutory appropriation once federal approval to implement Medicaid expansion is granted.

#### *Medicaid Services Appropriations by Component*

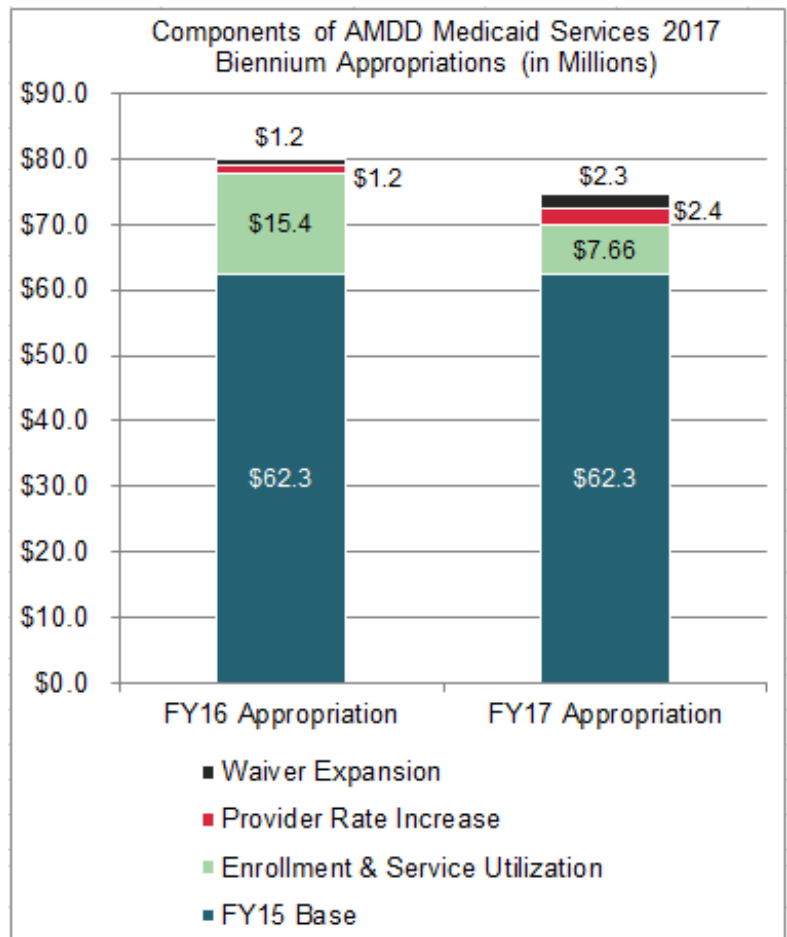
Medicaid services are 52.4% of the 2017 biennium appropriation for AMDD. The table on the right shows the components of the Medicaid services appropriation for each year of the 2017 biennium.

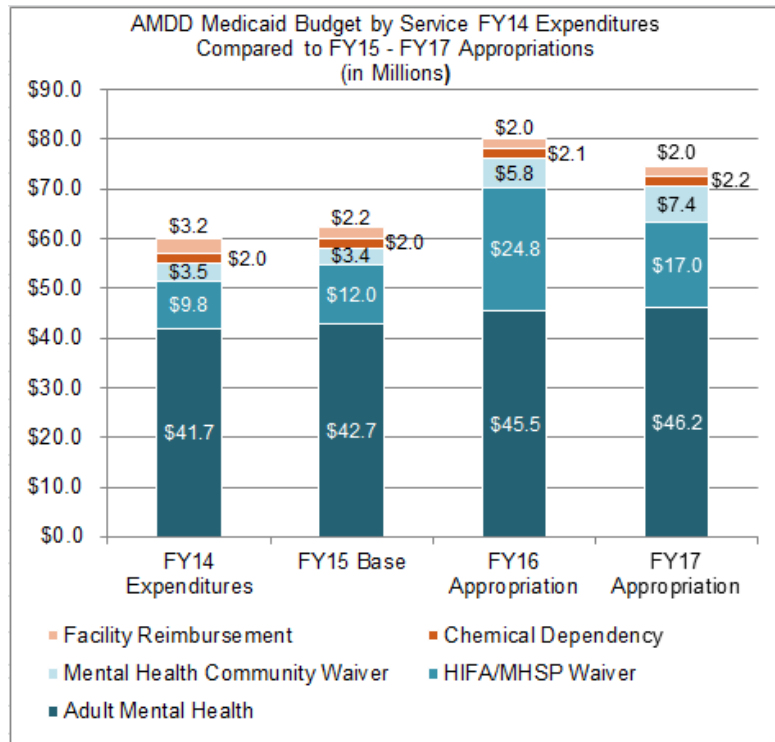
The FY 2015 ongoing appropriation is the majority of the funding each year – more than two-thirds - followed by anticipated changes in enrollment and service utilization. As noted earlier, a significant share of the HIFA waiver costs shift out of HB 2 subject to federal approval to implement the Medicaid expansion, which results in a lower total cost in FY 2017. In the adjacent figure, the \$9.8 million reduction due to lower HIFA waiver costs is included in the enrollment and service utilization changes.

Other new proposals, including the 2% annual provider rate increase, and funding for additional community based services add small amounts each year of the biennium.

#### *Legislative Appropriations by Medicaid Service*

AMDD administers Medicaid services that are comparable to private insurance such as hospital, physician, and prescription drug services as well as services that specifically treat mental illness and chemical dependency. The following figure shows the 2015 biennium expenditures and appropriation compared to the 2017 biennium appropriation.





Adult mental health services are 59.2% of the 2017 biennium Medicaid services appropriations and are estimated to grow slowly over the 2017 biennium.

The increase from FY 2014 to FY 2015 for the HIFA waiver is due to anticipated enrollment increases throughout FY 2016. Subsequent reductions in FY 2017 are due to anticipated savings related to the HELP Act.

The mental health community waiver provides home and community based services to persons with a serious and disabling mental illness who meet nursing home or hospital level of care. The legislature funded 100 new service slots in FY 2016 and an additional 100 new services slots for a total of 200 new slots in FY 2017.

Chemical dependency services and Medicaid reimbursement for state facility services are close to the same amount and a relatively small proportion of the total.

#### *Mental Health State Facility Services*

The three state facilities administered by AMDD account for nearly one-third of the 2017 biennium division appropriation and 95.1% of the total FTE. The following table shows FY 2014 expenditures as well as the appropriations for FY 2015 through FY 2017 for each facility as well as other data.

The Montana State Hospital (MSH) is the largest of the facilities with half of the division employees in FY 2017. It serves over 200 people per day in the 2017 biennium. Funding for an additional 20 forensic beds adds 43.50 FTE in FY 2017 and funding for the McCollom group home opened in late FY 2014 adds 10.00 FTE each year of the biennium.

MSH also receives payment for some of its services from Medicare, private health insurance, private payments, counties, and Indian Health Services. The revenue is first pledged to repay bonds that financed the state hospital and then any remainder is deposited to the general fund.

The Montana Mental Health Nursing Care Center (MMHNCC) is the second largest facility administered by AMDD. Funding and FTE increase from FY 2016 to FY 2017 to support operating and staff costs for a new 25 bed Alzheimer's and dementia unit. This adds 29.25 FTE in FY 2017. MMHNCC also receives revenue for services from Medicaid, Medicare, and private payments.

The Montana Chemical Dependency Center (MCDC) is the smallest of the three state facilities administered by DPHHS. It was recently reconfigured from a single structure to several smaller structures, making its services Medicaid eligible. When the Medicaid eligibility expansion authorized by SB 405 is implemented, more of MCDC services will most likely be funded through a statutory appropriation. The amounts listed in the adjacent table reflect facility costs as if they would be fully funded from HB 2 appropriations from the alcohol state special revenue fund.

State Facilities Administered by AMDD				
FY14 Expenditures Compared to FY15 - FY17 Appropriations				
Facility	FY 2014	Legislative	Legislative Appropriation	
Cost/Funding	Expenditures	Base	FY 2016	FY 2016
		FY 2015		
<b>Montana State Hospital</b>				
FTE	405.40	405.40	415.40	458.90
Personal Services	\$26,320,250	\$25,574,612	\$26,266,960	\$28,409,013
All Other	8,039,567	7,067,429	8,660,028	8,242,646
Total	34,359,817	32,642,041	34,926,988	36,651,659
General Fund	33,265,957	31,503,298	34,788,245	36,512,916
State Special Rev.	107,670	138,743	138,743	138,743
Federal Funds	986,190	1,000,000	-	-
Facility Revenue*	8,407,412	8,661,714	8,944,869	9,174,172
Average Population	187	208	208	228
Costs Per Person	184,097	156,933	167,918	160,753
Cost Per Day	504	430	460	440
Annual Change		-14.8%	7.0%	-4.3%
<b>Mental Health Nursing Care Center</b>				
FTE**	120.21	119.21	120.21	149.41
Personal Services	6,922,852	6,183,935	6,183,935	7,254,617
All Other	3,066,572	4,085,281	3,462,838	3,984,413
Total	9,989,424	10,269,216	9,646,773	11,239,030
General Fund	9,989,424	10,269,216	9,646,773	11,239,030
Facility Revenue*	4,076,588	4,443,248	4,850,515	5,145,508
Average Population	82	95	95	120
Cost Per Person	122,509	108,097	101,545	93,659
Cost Per Day	336	296	278	257
Annual Increase		-11.8%	-6.1%	-7.8%
<b>Montana Chemical Dependency Center</b>				
FTE	53.25	52.65	53.25	53.25
Personal Services	2,768,442	3,448,824	3,448,824	3,448,824
All Other	1,373,058	1,452,064	1,547,002	1,792,842
Total	4,141,500	4,900,888	4,995,826	5,085,003
State Special Funds	4,141,500	4,900,888	4,995,826	5,085,003
Federal Funds	-	-	-	-
Average Population	35	39	39	39
Cost Per Person	118,329	125,664	128,098	130,385
Cost Per Day	324	344	351	357
Annual Change		6.2%	1.9%	1.8%
<b>Total Division Facility Budget</b>				
FTE**	578.86	577.26	588.86	661.56
% of Division Total	94.1%	93.9%	94.5%	95.1%
General Fund	43,255,381	41,772,514	44,435,018	47,751,946
% of Division Total	33.0%	30.6%	28.2%	30.6%
Total Funds	\$48,490,741	\$47,812,145	\$49,569,587	\$52,975,692
Annual Change		-1.4%	3.7%	6.9%
General Fund Revenue		13,104,962	13,795,384	14,319,679
*Facility revenue includes payments for facility services, which are deposited to the general fund.				
**The FTE for the Nursing Care Center do not include the 20.25 FTE funded by a contract with the Department of Corrections to provide services to inmates needing nursing home level of care.				

### Funding

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

Medicaid and Health Services Branch, 33-Addictive & Mental Disorders Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	154,800,894	0	0	154,800,894	48.04 %
02034 Earmarked Alcohol Funds	13,009,852	0	4,781,350	17,791,202	43.99 %
02053 Medicaid Nursing Home Match	0	0	0	0	0.00 %
02247 MMHNCC DOC INFIRMARY	0	0	0	0	0.00 %
02384 02 Indirect Activity Prog 33	817,516	0	0	817,516	2.02 %
02394 Montana State Hospital Rev Acc	0	0	3,500,000	3,500,000	8.65 %
02598 MCDL COST RECOVERY	268,545	0	0	268,545	0.66 %
02691 6901-MSH/DOC Maint Agreement	279,248	0	0	279,248	0.69 %
02772 Tobacco Hlth & Medicd Initiative	16,389,742	0	0	16,389,742	40.53 %
02987 Tobacco Interest	1,393,065	0	0	1,393,065	3.44 %
<b>State Special Total</b>	<b>\$32,157,968</b>	<b>\$0</b>	<b>\$8,281,350</b>	<b>\$40,439,318</b>	<b>12.55 %</b>
03171 Data Infrastructure Development	203,897	0	0	203,897	0.16 %
03491 Tobacco Retail Inspctn Program	0	0	0	0	0.00 %
03504 Strategic Prevention Framework	0	0	0	0	0.00 %
03505 93.150 - Mntal Hlth - Homeless	606,034	0	0	606,034	0.48 %
03507 93.958 - Mntal Hlth - Blk Grt	1,884,730	0	0	1,884,730	1.48 %
03508 93.959 - ADAD - Blk Grt 100%	12,613,055	0	0	12,613,055	9.93 %
03513 CHIPRA Bonus	0	0	0	0	0.00 %
03580 6901-93.778 - Med Adm 50%	2,068,430	0	0	2,068,430	1.63 %
03582 93.778 - Med Ben 100%	0	0	0	0	0.00 %
03583 93.778 - Med Ben Fmap	108,998,472	0	0	108,998,472	85.84 %
03601 03 Indirect Activity Prog 33	601,295	0	0	601,295	0.47 %
03611 6901-03 Indrct Actvty Prog 11	0	0	0	0	0.00 %
03902 HRSA Flex Rural Hlth Access Pg	0	0	0	0	0.00 %
<b>Federal Special Total</b>	<b>\$126,975,913</b>	<b>\$0</b>	<b>\$0</b>	<b>\$126,975,913</b>	<b>39.41 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$313,934,775</b>	<b>\$0</b>	<b>\$8,281,350</b>	<b>\$322,216,125</b>	

AMDD is funded by general fund, state special revenue, and federal funds. General fund is 48.0% of the division budget request and supports state adult mental health facility costs and some community services, state Medicaid match, community chemical dependency group home services for adults with methamphetamine and other addictions, and grants to counties to develop mental health crisis jail diversion services.

State special revenue funds 12.6% of the division budget request and supports the Montana Chemical Dependency Center, state Medicaid match for chemical dependency services and a portion of the Medicaid state match for adult mental

health community waiver services, grants to counties to support state approved chemical dependency programs, and other division administrative costs.

Federal sources provide 39.4% of division funding and are primarily used for Medicaid matching funds and categorical block grants for mental health, and chemical dependency treatment and prevention.

#### *Alcohol State Special Revenue*

A portion of beer and wine taxes and liquor license fees is allocated to a state special revenue account directed to DPHHS for the treatment, rehabilitation, and prevention of alcoholism and chemical dependency. The table to the right shows the FY 2014 expenditures compared to the FY 2015 through FY 2017 appropriations, expenditures, and projected revenues.

There are several statutory appropriations from the alcohol tax state special revenue account in addition to HB 2 appropriations. The statutory appropriations include:

- 20.0% to counties for distribution to state approved public or private programs for the treatment and prevention of chemical dependency
- 6.6% to counties for distribution to state approved public or private programs for treatment of persons with both chemical dependency and a mental health diagnosis
- Any unencumbered funds remaining in the account at fiscal year end to counties for distribution to state approved public or private programs for the treatment and prevention of chemical dependency

Earmarked Alcohol Tax Revenue - FY 2014 Expenditures Compared to FY 2015 to FY 2017 Appropriations and Estimated Revenues					
Revenue/Expenditures	FY 2014	Legislative Base FY 2015**	Legislative Appropriation FY 2016	Legislative Appropriation FY 2017	% of Total
Fund Balance					
Beginning Balance	\$1,514,092	\$0	\$0	\$0	
<b>Revenues*</b>					
Liquor License	6,328,906	6,512,023	6,691,229	6,975,805	76.8%
Wine Tax	1,030,618	1,053,288	1,083,865	1,116,223	12.3%
Beer Tax	935,365	957,594	969,281	987,373	10.9%
Total Revenue	8,294,889	8,522,905	8,744,375	9,079,401	100.0%
Annual Percent Change		5.7%	5.7%	5.7%	
Total Funds Available	9,808,981	8,522,905	8,744,375	9,079,401	
<b>Disbursements</b>					
Montana Chemical Dependency Center	4,007,219	4,766,605	4,865,333	4,953,434	51.2%
Statutory Distribution to Counties***	2,031,981	1,704,581	1,748,875	1,815,880	18.8%
Statutory Distribution to Counties - Services for Dually Diagnosed***	547,463	562,512	577,129	599,240	6.2%
Cost Allocated Administration	515,950	541,748	568,835	597,277	6.2%
CD Medicaid Services	422,524	444,413	493,214	533,289	5.5%
CD Benefits - nonMedicaid	450,088	487,256	487,256	487,256	5.0%
CD Operations	340,809	343,990	343,990	343,990	3.6%
Mental Health Administration	-	252,146	291,841	250,474	2.6%
Quality Assurance-Licensure	78,003	75,362	76,160	76,200	0.8%
Department of Corrections-Pine Hills	25,523	25,523	25,523	25,523	0.3%
Total Disbursements	8,419,559	9,204,135	9,478,156	9,682,563	100.0%
Accounting and Spending Adjustments****	(1,159,680)	(681,230)	(733,781)	(603,163)	
Ending Fund Balance	\$229,742	(\$0)	\$0	\$0	
Spending Adjustments Needed to Balance Account		(\$0)	\$0	\$0	
*Revenue for liquor, beer, and wine taxes are based those adopted by the Interim Committee on Revenue and Transportation.					
** FY 2015 budgeted amounts are based on legislative appropriations, except indirect costs, which are based on LFD estimates.					
***26.6% of alcohol tax revenues are statutorily appropriated for distribution as grants to state approved public or private alcoholism programs. A portion (6.6% of total revenue) is statutorily required to be used to treat persons with alcoholism who also have a mental illness. Revenues in excess of appropriations or unencumbered balances remaining at fiscal year end, also are statutorily appropriated to be distributed to state approved programs.					
****Adjustments include those made to comply with generally accepted accounting principles (GAAP) as well as actions needed to maintain the account in a positive balance.					

#### Revenues, Expenditures, and SB 405

The ending balance in the alcohol state special revenue account shows \$0. However, the HB 2 appropriations from the account exceed the estimated funding available for HB 2 by \$1.3 million for the 2017 biennium, potentially requiring spending adjustments as shown in the "Accounting and Spending Adjustments" line in the table.

On the other hand, if the Medicaid expansion authorized in SB 405 is implemented by January 1, 2016 as assumed by the legislature, the alcohol tax fund may have excess funds that would augment the statutory appropriation amounts distributed to counties. MCDC is funded entirely from the alcohol tax account and its services are eligible for Medicaid reimbursement. It is anticipated that a significant number of persons served by MCDC would become eligible for Medicaid when Medicaid expansion is implemented. The costs for those services would shift to the statutory appropriation that supports expansion costs, freeing up HB 2 alcohol tax appropriations.

#### **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	68,164,903	68,164,903	136,329,806	88.07 %	136,810,954	136,810,954	273,621,908	87.16 %
PL Adjustments	3,083,142	4,319,724	7,402,866	4.78 %	12,453,906	15,144,000	27,597,906	8.79 %
New Proposals	8,457,120	2,611,102	11,068,222	7.15 %	8,416,156	4,298,805	12,714,961	4.05 %
<b>Total Budget</b>	<b>\$79,705,165</b>	<b>\$75,095,729</b>	<b>\$154,800,894</b>		<b>\$157,681,016</b>	<b>\$156,253,759</b>	<b>\$313,934,775</b>	

### 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	58,070	0	416,564	474,634	0.00	(133,445)	(13,032)	499,365	352,888
DP 102 - Other Differences for Executive PL	0.00	113,753	97,925	(383,264)	(171,586)	0.00	174,300	203,176	(556,292)	(178,816)
DP 515 - State Share Health Insurance	0.00	261,884	30,035	5,931	297,850	0.00	261,884	30,035	5,931	297,850
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	89,021	24,625	10,118	123,764	0.00	89,021	24,625	10,118	123,764
DP 525 - Fixed Costs Adjustment	0.00	(7,725)	(777)	0	(8,502)	0.00	(3,370)	(339)	0	(3,709)
DP 527 - Inflation/Deflation	0.00	194,722	(944)	(7,844)	185,934	0.00	614,441	(2,978)	(24,754)	586,709
DP 532 - General Liability Insurance Rate Adjustment	0.00	(30,140)	(1,054)	(7,190)	(38,384)	0.00	(28,227)	(943)	(6,433)	(35,603)
DP 3300444 - Statewide 4% FTE Reduction - Program 33	(2.00)	0	0	0	0	(2.00)	0	0	0	0
DP 3333101 - Med Ben Waiver FMAP HIFA MHSP	0.00	0	112,784	(112,784)	0	0.00	0	152,451	(152,451)	0
DP 3333102 - Med Ben Core FMAP Adult MH	0.00	307,712	78,117	(385,829)	0	0.00	420,195	106,673	(526,868)	0
DP 3333103 - Med Ben Core FMAP CD	0.00	0	17,089	(17,089)	0	0.00	0	23,588	(23,588)	0
DP 3333104 - Med Ben Waiver FMAP HCBS	0.00	0	31,208	(31,208)	0	0.00	0	42,355	(42,355)	0
DP 3333105 - Med Ben Core Cloud Adult MH	0.00	657,589	0	1,238,573	1,896,162	0.00	1,213,154	0	2,252,010	3,465,164
DP 3333106 - Med Ben Core Cloud Chem Dep	0.00	0	16,571	31,213	47,784	0.00	0	34,034	63,178	97,212
DP 3333108 - Med Ben Waiver Cloud HCBS	0.00	0	400,656	754,639	1,155,295	0.00	0	555,248	1,030,722	1,585,970
DP 3333109 - Med Ben Facility Reimbursement	0.00	0	0	(241,529)	(241,529)	0.00	0	0	(241,529)	(241,529)
DP 3333303 - Med Ben Waiver HIFA MHSP	0.00	0	(58,231)	8,123,863	8,065,632	0.00	0	(65,675)	8,131,307	8,065,632
DP 3333307 - Facility Inflation MMHNCC	0.00	(612,463)	0	0	(612,463)	0.00	(520,580)	0	0	(520,580)
DP 3333308 - Facility Inflation MCDC	0.00	0	34,019	0	34,019	0.00	0	122,120	0	122,120
DP 3333309 - Facility Inflation MSH	0.00	781,328	0	0	781,328	0.00	1,029,960	0	0	1,029,960
DP 3333311 - AMDD Suicide Mortality Review Team - OTO	0.00	67,000	0	0	67,000	0.00	0	0	0	0
DP 3333312 - Contracted Medical Staff	0.00	772,670	0	0	772,670	0.00	772,670	0	0	772,670
DP 3333318 - Private Lease Adjustment MCDC	0.00	0	64,709	0	64,709	0.00	0	64,709	0	64,709
DP 3333601 - SAMSHA Federal Grant Adjustment	0.00	0	0	(695,742)	(695,742)	0.00	0	0	(695,742)	(695,742)
DP 3333602 - Intensive Community Services - Difference from FY 2015	0.00	237,373	0	(237,373)	0	0.00	237,373	0	(237,373)	0
DP 3333603 - Operating Cost Adjustment - Difference from FY 2015	0.00	0	62,983	0	62,983	0.00	0	62,983	0	62,983
DP 3333611 - Pay Changes due to Longevity, Career Ladder	0.00	192,348	0	0	192,348	0.00	192,348	0	0	192,348
<b>Grand Total All Present Law Adjustments</b>	<b>(2.00)</b>	<b>\$3,083,142</b>	<b>\$909,715</b>	<b>\$8,461,049</b>	<b>\$12,453,906</b>	<b>(2.00)</b>	<b>\$4,319,724</b>	<b>\$1,339,030</b>	<b>\$9,485,246</b>	<b>\$15,144,000</b>

\*\*\*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 532 - General Liability Insurance Rate Adjustment -

The legislature reduced the rate assessed to state agencies for general liability insurance provided by the Risk Management and Tort Defense Division.

DP 3300444 - Statewide 4% FTE Reduction - Program 33 -

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 3300444 includes a reduction of 2.00 FTE each year of the biennium.

DP 3333101 - Med Ben Waiver FMAP HIFA MHSP -

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 3333102 - Med Ben Core FMAP Adult MH -

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 3333103 - Med Ben Core FMAP CD -

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 3333104 - Med Ben Waiver FMAP HCBS -

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 3333105 - Med Ben Core Cload Adult MH -

This adjustment funds enrollment and service utilization increases for the 2017 biennium for Medicaid funded adult mental health services.

DP 3333106 - Med Ben Core Cload Chem Dep -

This adjustment funds enrollment and service utilization increases for the 2017 biennium for Medicaid funded chemical dependency services.

DP 3333108 - Med Ben Waiver Cload HCBS -

This adjustment funds the Home and Community Based Services (HCBS) waiver program in AMDD. The funding is anticipated to provide services to 198 persons annually.

DP 3333109 - Med Ben Facility Reimbursement -

The legislature adjusted the amount of federal Medicaid reimbursement expected for services provided by the Montana Mental Health Nursing Care Center (MMHNCC).

DP 3333303 - Med Ben Waiver HIFA MHSP -

This legislature appropriated funds to transition additional persons served in the state funded Mental Health Services Plan (MHSP) program to a Medicaid program that provides mental health and physical health services. General fund is shifted from the MHSP program to pay the state Medicaid match for the increased enrollment in the HIFA/MHSP waiver.

DP 3333307 - Facility Inflation MMHNCC -

The legislature approved a 4% annual inflation in selected medical and operating costs for certain medical and food costs for MMHNCC for the 2017 biennium. The legislature applied inflation forward from FY 2014. Since FY 2014 expenditures for these items were significantly below the FY 2015 base appropriation, the adjustment is negative.

DP 3333308 - Facility Inflation MCDC -

This present law adjustment adds state special revenue to fund inflationary increases in certain operating and medical costs for Montana Chemical Dependency Center (MCDC).

DP 3333309 - Facility Inflation MSH -

This present law adjusts various operating and medical costs for inflation for Montana State Hospital (MSH).

DP 3333311 - AMDD Suicide Mortality Review Team - OTO -

This adjustment continues existing services for the suicide mortality review team established by the 2013 Legislature in HB 583. The funding maintains the appropriation established in FY 2015 through FY 2016, when the team is no longer statutorily required.

DP 3333312 - Contracted Medical Staff -

The legislature added funds for contracted medical staff. MSH contracts for psychiatric services and other medical staff services when it is unable to fill positions or does not have enough staff to cover all shifts.

DP 3333318 - Private Lease Adjustment MCDC -

This adjustment funds increased lease payments for the Montana Chemical Dependency Center (MCDC). MCDC moved operations to a new facility in FY 2014. This lease is funded with 100% state special revenue alcohol tax.

DP 3333601 - SAMSHA Federal Grant Adjustment -

The legislature reduced federal grant authority to align the 2017 biennium appropriation with the amount requested in the executive budget.

DP 3333602 - Intensive Community Services - Difference from FY 2015 -

The legislature increased general fund and reduced federal funds to support intensive adult mental health community services.

DP 3333603 - Operating Cost Adjustment - Difference from FY 2015 -

The legislature funded various operating cost adjustments.

DP 3333611 - Pay Changes due to Longevity, Career Ladder -

The legislature added funds for longevity, career ladder, training assignment, and negotiated pay schedules for MSH and MMHNCC.

**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 600 - Replace Federal CHIPRA Bonus Funds - MSH	0.00	1,000,000	0	(1,000,000)	0	0.00	1,000,000	0	(1,000,000)	0
DP 3333319 - Expanded Community Mental Health Services (RST)	0.00	800,000	0	800,000		0.00	800,000	0	0	800,000
DP 3333320 - Med Ben MFP AMDD Community Placements	0.00	0	60,604	114,653	175,257	0.00	0	102,204	189,891	292,095
DP 3333501 - McCollom Group Home Staffing MSH	10.00	500,000	0	500,000		10.00	500,000	0	0	500,000
DP 3333502 - Occupational Therapist MSH	0.00	63,215	0	63,215		0.00	63,215	0	0	63,215
DP 3333504 - B Wing Dementia Unit MMHNCC	0.00	0	0	0		29.20	1,500,000	0	0	1,500,000
DP 3333505 - Forensic Unit D Wing Montana State Hospital	0.00	0	0	0		43.50	2,500,000	0	0	2,500,000
DP 3333506 - Suicide Prevention Grants (OTO/RST/Biennial)	0.00	0	0	0		0.00	0	0	0	0
DP 3333507 - Adjustment for SB 405 - Medicaid Expansion	0.00	0	0	0		0.00	(10,828,414)	0	0	(10,828,414)
DP 3333604 - Mental Health Crisis Jail Diversion - Community Grants (R	0.00	1,000,000	0	1,000,000		0.00	1,000,000	0	0	1,000,000
DP 3333605 - Community Secure Psychiatric Treatment Beds (Restricted)	0.00	600,000	0	600,000		0.00	600,000	0	0	600,000
DP 3333606 - Peer Support Services (Restricted)	0.00	250,000	0	250,000		0.00	250,000	0	0	250,000
DP 3333607 - Short Term Inpatient Treatment (Restricted)	0.00	500,000	0	500,000		0.00	500,000	0	0	500,000
DP 3333608 - Additional Community Waiver Services - AMDD (Restricted)	0.00	344,407	0	648,693	993,100	0.00	695,369	0	1,290,831	1,986,200
DP 3333609 - Crisis Jail Diversion - Existing Programs (Restricted)	0.00	250,000	0	250,000		0.00	250,000	0	0	250,000
DP 3333610 - Replace County IGT Funds	0.00	1,049,904	(1,049,904)	0		0.00	1,049,904	(1,049,904)	0	0
DP 3333612 - Transitional Mental Health Group Home (RST/Biennial)	0.00	1,500,000	0	238,761	1,738,761	0.00	1,500,000	0	237,555	1,737,555
DP 3333901 - PRI CD SAPT Block Grant	0.00	0	0	121,266	121,266	0.00	0	0	247,383	247,383
DP 3333902 - PRI Med Ben Waiver Services	0.00	107,315	0	203,024	310,339	0.00	221,518	0	411,573	633,091
DP 3333903 - PRI Med Ben Chemical Dependency	0.00	0	15,141	28,645	43,786	0.00	0	31,254	58,069	89,323
DP 3333904 - PRI Med Ben Mental Health	0.00	291,106	0	550,872	841,978	0.00	599,116	0	1,113,194	1,712,310
DP 3333905 - PRI MHSP	0.00	117,097	0	27,281	144,378	0.00	238,878	0	55,653	294,531
DP 3333906 - PRI Community Support	0.00	43,717	0	0	43,717	0.00	89,184	0	0	89,184
DP 3333907 - PRI RTEC Meth Substance Abuse	0.00	40,359	0	0	40,359	0.00	82,332	0	0	82,332
<b>Total</b>	<b>10.00</b>	<b>\$8,457,120</b>	<b>(\$974,159)</b>	<b>\$933,195</b>	<b>\$8,416,156</b>	<b>82.70</b>	<b>\$2,611,102</b>	<b>(\$916,446)</b>	<b>\$2,604,149</b>	<b>\$4,298,805</b>

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

#### DP 600 - Replace Federal CHIPRA Bonus Funds - MSH -

The legislature reduced federal funds by \$1.0 million and added \$1.0 million of general fund each year of the biennium to pay overtime costs at MSH. The 2015 legislative appropriation included \$1 million in one-time funding from the Children's Health Insurance Program Reauthorization (CHIPRA) bonus funds awarded to Montana for enacting certain policy changes and increased enrollment in the Children's Health Insurance Program (CHIP). The 2013 Legislature used the one-time federal funds in place of general fund. Since CHIPRA bonus funds will not continue, the legislature funded overtime costs with general fund.

DP 3333319 - Expanded Community Mental Health Services (RST) -

The legislature added general fund for additional community mental health services. Funding is restricted to support housing, re-entry, and additional 72 hour crisis services.

DP 3333320 - Med Ben MFP AMDD Community Placements -

The legislature added funds for additional service slots for the Home and Community Base Services Waiver through the Money Follows the Person (MFP) program. Funding will support an additional 9 slots in FY 2016 and 15 slots in FY 2017 for individuals transitioning out of facility based care into community services. Eligible individuals receive services for one year through MFP at an enhanced federal Medicaid match, which lowers the state match rate by one half. When MFP funding ends, the person must be moved to regular Medicaid funded waiver services.

DP 3333501 - McCollom Group Home Staffing MSH -

The legislature added funds for operating costs and 10.00 FTE to operate the McCollom group home at MSH. The home was opened in late FY 2014 to alleviate overcrowding at the state hospital. Personnel include 7 psychiatric technicians, 1 social worker, 1 registered nurse, and 1 licensed practical nurse.

DP 3333502 - Occupational Therapist MSH -

The legislature approved the program request to contract for occupational therapist services at MSH. The contract would augment the services performed by the one occupational therapist who serves more than 190 individuals. The number of older, physically, and mentally challenged individuals at MSH is increasing.

DP 3333504 - B Wing Dementia Unit MMHNCC -

The legislature added funds for a 25 bed dementia unit at MMHNCC. The funding supports 29.20 FTE in FY 2017 and personal services and operating expenses.

DP 3333505 - Forensic Unit D Wing Montana State Hospital -

The legislature added funds to expand the Forensic Unit D Wing at MSH including the addition of 43.50 new FTE. The expansion will provide space for containing aggressive patients and could decrease the need for intervention by a high profile corrections operation.

DP 3333506 - Suicide Prevention Grants (OTO/RST/Biennial) -

This proposal would use general fund to provide grants for suicide prevention.

DP 3333507 - Adjustment for SB 405 - Medicaid Expansion -

The legislature reduced general fund in AMDD due to implementation of SB 405, which authorizes expansion of Medicaid. The legislature also added language allowing the reduction to be allocated among programs. SB 405 is discussed in greater detail in the agency narrative.

DP 3333604 - Mental Health Crisis Jail Diversion - Community Grants (R -

The legislature expanded funding for mental health crisis jail diversion grants and restricted the appropriation to that use pursuant to 53-21-1203(2), MCA . The FY 2015 appropriation includes about \$850,000 each year for these services, bringing the annual total to \$1.85 million each year of the 2017 biennium.

DP 3333605 - Community Secure Psychiatric Treatment Beds (Restricted) -

The legislature increased and restricted funding to pay for additional secure psychiatric treatment services in community settings. The legislature restricted the base appropriation as well as the new funding. The total available for this service is \$815,000 general fund each year of the 2017 biennium.

DP 3333606 - Peer Support Services (Restricted) -

The legislature added general fund for peer support services and restricted the funds to that use. The services were initiated with a grant from the mental health trust.

DP 3333607 - Short Term Inpatient Treatment (Restricted) -

The legislature added funds each year of the biennium for short term inpatient treatment (up to 14 days) in an appropriate mental health facility. The appropriation is restricted to services as authorized in 53-21-1205, MCA.

DP 3333608 - Additional Community Waiver Services - AMDD (Restricted) -

The legislature added funding for 50 new services slots for the home and community services waiver administered by AMDD in FY 2016 and added another 50 new slots in FY 2017 for a combined total of 100 new service slots in FY 2017. The funds are restricted for that use.

DP 3333609 - Crisis Jail Diversion - Existing Programs (Restricted) -

The legislature added funds to pay increased costs for programs that provide mental health crisis jail diversion services. The appropriation is limited to funding those programs in existence as of January 1, 2015.

DP 3333610 - Replace County IGT Funds -

The legislature added general fund to replace county funds transferred to DPHHS to be used as Medicaid match for community mental health services. Counties will be able to retain funds that were previously transferred to use for local mental health needs. There is no net funding change due to this action.

DP 3333612 - Transitional Mental Health Group Home (RST/Biennial) -

The legislature added general fund for one or more transitional mental health group homes.

DP 3333901 - PRI CD SAPT Block Grant -

This new proposal funds a 2% annual provider rate increase for chemical dependency community services funded from the federal substance abuse prevention block grant.

DP 3333902 - PRI Med Ben Waiver Services -



This new proposal funds a 2% annual provider rate increase for Medicaid community waiver services and the HIFA/MHSP waiver.

DP 3333903 - PRI Med Ben Chemical Dependency -

This adjustment funds a 2% annual provider rate increase in each year of the biennium for Medicaid chemical dependency services.

DP 3333904 - PRI Med Ben Mental Health -

This adjustment funds a 2% annual provider rate increase for Medicaid adult mental health services.

DP 3333905 - PRI MHSP -

This new proposal funds a 2% annual provider rate for the state funded MHSP program. The rate increase is funded partially from general fund and from the federal mental health block grant.

DP 3333906 - PRI Community Support -

This adjustment funds a 2% annual provider rate increase for intensive community support services.

DP 3333907 - PRI RTEC Meth Substance Abuse -

This adjustment funds a 2% annual provider rate increase in each year of the biennium for community group home services to treat methamphetamine addiction and other types of chemical dependency.