

### Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	619.86	619.86	617.86	617.86	619.86	617.86	(2.00)	(0.32%)
Personal Services	34,307,972	35,525,822	37,977,401	37,839,712	69,833,794	75,817,113	5,983,319	8.57%
Operating Expenses	12,039,834	13,522,662	13,112,197	13,862,524	25,562,496	26,974,721	1,412,225	5.52%
Equipment & Intangible Assets	107,460	45,420	107,460	107,460	152,880	214,920	62,040	40.58%
Grants	3,711,911	5,145,999	4,044,002	4,049,612	8,857,910	8,093,614	(764,296)	(8.63%)
Benefits & Claims	67,014,551	73,876,535	75,198,016	78,107,860	140,891,086	153,305,876	12,414,790	8.81%
Transfers	30,000	30,000	24,300	22,500	60,000	46,800	(13,200)	(22.00%)
Debt Service	69,607	67,598	117,623	117,623	137,205	235,246	98,041	71.46%
<b>Total Costs</b>	<b>\$117,281,335</b>	<b>\$128,214,036</b>	<b>\$130,580,999</b>	<b>\$134,107,291</b>	<b>\$245,495,371</b>	<b>\$264,688,290</b>	<b>\$19,192,919</b>	<b>7.82%</b>
General Fund	60,625,217	63,015,207	64,203,883	65,683,610	123,640,424	129,887,493	6,247,069	5.05%
State Special	12,573,861	14,801,412	15,402,701	15,639,050	27,375,273	31,041,751	3,666,478	13.39%
Federal Special	44,082,257	50,397,417	50,974,415	52,784,631	94,479,674	103,759,046	9,279,372	9.82%
<b>Total Funds</b>	<b>\$117,281,335</b>	<b>\$128,214,036</b>	<b>\$130,580,999</b>	<b>\$134,107,291</b>	<b>\$245,495,371</b>	<b>\$264,688,290</b>	<b>\$19,192,919</b>	<b>7.82%</b>

### Program Description

The Addictive and Mental Disorders Division 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>	
◆	The Addictive and Mental Disorders Division 2015 biennium budget is \$19.2 million higher than the 2013 biennium
◆	The major changes that the legislature approved are: <ul style="list-style-type: none"> <li>• Annualization of Medicaid waiver services - \$8.2 million</li> <li>• Reinstatement of overtime, holiday, and shift differential pay for state mental health facility workers - \$5.1 million general fund</li> <li>• Inflationary increases in operating costs for state mental health facilities - \$2.5 million general fund</li> <li>• 2% annual provider rate increases - \$4.1 million total funds, including \$1.1 million general fund</li> </ul>
◆	The legislature removed funding for 2.00 FTE at the Montana Chemical Dependency Center

### Program Narrative

The AMDD 2015 biennium budget appropriation is \$19.2 million higher than the 2013 biennium budget. However, the present law adjustments and new proposals that the legislature approved are based on changes to base budget spending in

FY 2012 and total \$30.1 million, including \$8.6 million general fund. Since legislative changes are measured from the FY 2012 base budget, which is \$11.0 million lower than the FY 2013 appropriation, total legislative changes are higher than the biennium to biennium difference, which includes the FY 2013 appropriation.

The most noticeable difference between FY 2012 base expenditures and the FY 2013 appropriation is in benefits and claims (services for individuals who meet financial eligibility and, in some instances, disability criteria). Base expenditures are \$5.8 million lower, primarily in Medicaid mental health services, compared to the FY 2013 appropriation.

The major changes authorized by the legislature are:

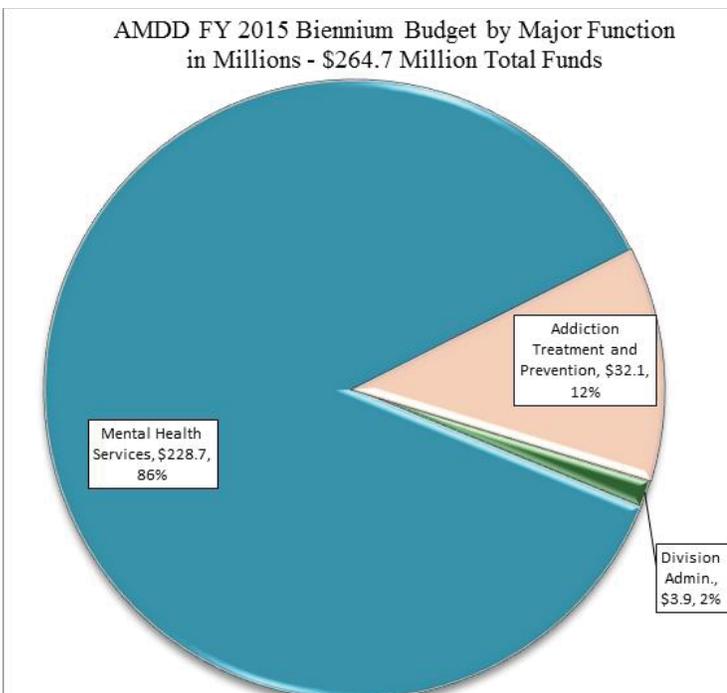
- o Medicaid enrollment and service utilization increases and state match rate changes - \$10.5 million, including \$1.8 million general fund
- o Reinstatement of state facility overtime, holiday, and shift differential pay that is zero based - \$6.0 million, including \$3.1 million general fund
- o A 2% annual provider rate increase - \$4.1 million total funds, including \$1.1 million general fund
- o State facility inflation and operating costs - \$2.5 million general fund
- o Statewide present law adjustments to fully fund personal services, including broad band pay increases authorized late in the base year - \$1.6 million, including \$0.4 million general fund
- o Grants to counties for mental health crisis jail diversion services and for prevention of suicides in jails and increases for some mental health community services - \$1.5 million

The legislature removed funding for 2.00 FTE at the Montana Chemical Dependency Center (MCDC). The FTE had been vacant for more than two years and AMDD indicated that it would not be filling the positions.

*Line Item Veto*

The legislature approved a one-time appropriation of \$704,896 over the biennium to support mental health crisis jail diversion grants to counties. The source of funds was Montana Chemical Dependency Center cost recovery state special revenue. The Governor removed this appropriation via line item veto after the legislature had adjourned.

Figure 27

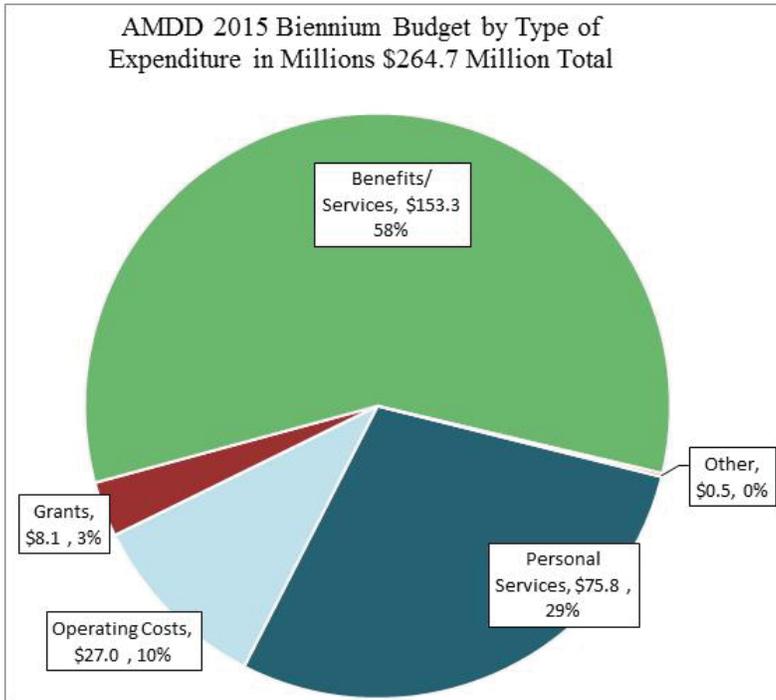


*Division Appropriation Characteristics*

The AMDD division appropriation is 29% of the \$3.5 billion appropriated to DPHHS, including 14% of the total \$900 million general fund appropriation to DPHHS. Figure 27 shows the appropriation by major division function.

Mental health services are the largest slice of the pie totaling \$228.7 million or 86%. Addiction treatment and prevention services are just under 12% of the appropriation and division administration is 2% of the total.

Figure 28



*Appropriations by Type of Expenditure*

Figure 28 shows the 2015 biennium appropriation for AMDD by type of expenditure. Payment for benefits or services for persons who meet financial and other eligibility criteria total \$153.3 million or 58% of the appropriation. Personal services are 29% of the total appropriation reflecting the staffing requirements of the three state facilities administered by AMDD. Operating costs are 10% of the total, followed by grants with 3%, and other costs such as equipment and debt service are under 1% of the total.

*Appropriations by Fund Type*

Figure 29 shows the AMDD 2015 biennium appropriation by fund type. General fund is just under one half the total appropriation, due in large part to the two mental health state facilities that are funded almost entirely by general fund. Although DPHHS receives reimbursements for some state facility services, including Medicare, Medicaid,

insurance, and private payments, those funds are used first to pay bonds that supported construction of a new state hospital with any remaining balance deposited to the general fund. Federal funds - primarily Medicaid matching funds - are 39% of the total. State special revenue is 12%. The Funding section discusses individual fund sources in greater detail.

Figure 29

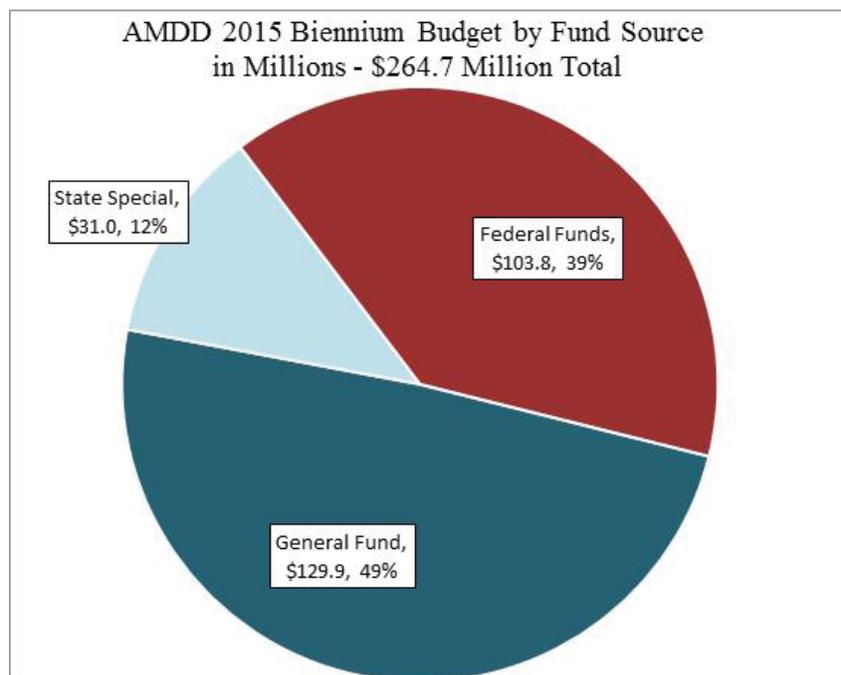


Figure 30

*Major Function*

Figure 30 shows the 2015 biennium appropriation for major programs administered by AMDD. Adult mental health Medicaid services are 45% of the total, with \$118.2 million, followed by the two state mental health institutions. The state hospital appropriation is just under one quarter of the total and the nursing care center appropriation is 8%. Major services with less than 10% of total appropriation are:

- Chemical dependency (CD) community services - 6%
- The state funded Mental Health Services Plan – 5%
- MCDC – 4%
- CD Medicaid services – 1%

The remainder of the AMDD biennial appropriation – 7% - includes various adult mental health community services and grants as well some administrative costs.

*Detailed Appropriation Information*

Detailed division appropriation information for AMDD can be found in Table 33-A at this link: <http://leg.mt.gov/content/Publications/fiscal/FR-2015/Additional-Data-Tables/33A-AMDD.pdf>

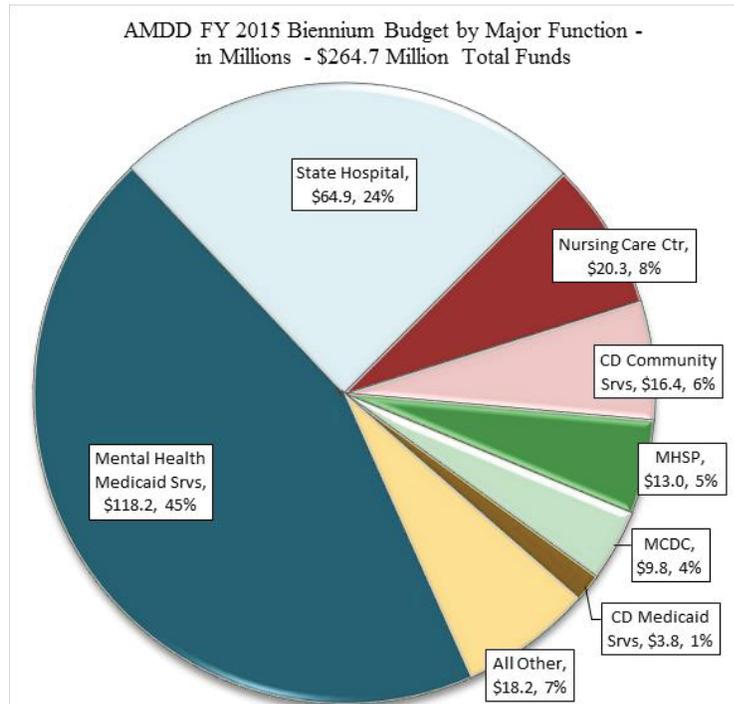
A summary of each legislative change to the Medicaid services appropriations can be found in Table 33-B at this link: <http://leg.mt.gov/content/Publications/fiscal/FR-2015/Additional-Data-Tables/33B-AMDD.pdf>

*State Facility Costs*

AMDD administers three state facilities, with combined FTE of 577.26 or 94% of the division total. Table 33-C at the following link <http://leg.mt.gov/content/Publications/fiscal/FR-2015/Additional-Data-Tables/33C-AMDD.pdf> shows the 2013 biennium appropriation compared to the 2015 biennium appropriation for each facility administered by AMDD.

**Funding**

The following table shows program funding by source of authority for the 2015 biennium as adopted by the legislature.



Total Medicaid And Health Services Branch Funding by Source of Authority 2015 Biennium Budget - Addictive & Mental Disorders							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$129,887,493	\$0	\$0	\$129,887,493	47.7%		
State Special Total	\$31,041,751	\$0	\$7,488,244	\$38,529,995	14.2%		
02034 Earmarked Alcohol Funds	\$12,065,597	\$0	\$3,821,174	\$15,886,771	5.8%	53-24-108	Pass Thru 53-24-206 Pass Thru
02053 Medicaid Nursing Home Match	\$2,099,808	\$0	\$0	\$2,099,808	0.8%		
02244 Misc Fees	\$0	\$0	\$0	\$0	0.0%		
02384 02 Indirect Activity Prog 33	\$289,948	\$0	\$0	\$289,948	0.1%		
02394 Montana State Hospital Rev Acc	\$0	\$0	\$3,667,070	\$3,667,070	1.3%	17-7-502	Direct
02598 Mcdc Cost Recovery	\$268,566	\$0	\$0	\$268,566	0.1%		
02691 6901-msh/doc Maint Agreement	\$277,486	\$0	\$0	\$277,486	0.1%		
02772 Tobacco Hlth & Mediced Initiative	\$14,654,676	\$0	\$0	\$14,654,676	5.4%		
02987 Tobacco Interest	\$1,385,670	\$0	\$0	\$1,385,670	0.5%		
Federal Special Total	\$103,759,046	\$0	\$0	\$103,759,046	38.1%		
03171 Data Infrastructure Development	\$188,410	\$0	\$0	\$188,410	0.1%		
03505 93.150 - Mntal Hlth - Homeless	\$606,034	\$0	\$0	\$606,034	0.2%		
03507 93.958 - Mntal Hlth - Blk Grt	\$2,276,723	\$0	\$0	\$2,276,723	0.8%		
03508 93.959 - Adad - Blk Grt 100%	\$13,553,167	\$0	\$0	\$13,553,167	5.0%		
03513 Chipra Bonus	\$2,250,000	\$0	\$0	\$2,250,000	0.8%		
03580 6901-93.778 - Med Adm 50%	\$1,993,213	\$0	\$0	\$1,993,213	0.7%		
03583 93.778 - Med Ben Fmap	\$82,340,144	\$0	\$0	\$82,340,144	30.3%		
03601 03 Indirect Activity Prog 33	\$551,355	\$0	\$0	\$551,355	0.2%		
Total All Funds	\$264,688,290	\$0	\$7,488,244	\$272,176,534	100.0%		
<b>Percent - Total All Sources</b>	<b>97.2%</b>	<b>0.0%</b>	<b>2.8%</b>				

AMDD is funded by general fund, state special revenue, and federal funds. General fund supports:

- o State adult mental health facility costs
- o State Medicaid match
- o Some adult mental health community services
- o Community chemical dependency group home services for adults with methamphetamine and other addictions

State special revenue and functions that it supports are:

- o Alcohol taxes – Montana Chemical Dependency Center (MCDC), state Medicaid match, community chemical dependency services, and statutory appropriations to counties for to support chemical dependency community services
- o Tobacco taxes allocated to the health and Medicaid initiatives account – state Medicaid match
- o Tobacco trust fund interest income - Mental health crisis jail diversion grants to counties
- o Montana State Hospital account – facility revenues that fund bond repayment through a statutory appropriation

*Alcohol State Special Revenue Account Fund Balance*

Figure 31 shows the alcohol state special revenue account balance for the 2013 biennium compared to the 2015 biennium. The legislature as part of its appropriation decisions removed MCDC cost recovery revenues from consideration as a revenue source for the account, which is reflected in the \$1.0 million reduction in revenue in FY 2013. The reduction was based on DPHHS estimates of the amount of MCDC cost recovery revenue that had built up in the account for a number of years.

Figure 31

Earmarked Alcohol Tax Revenue - 2013 Biennium Budget Compared to 2015 Biennium Appropriations					
Revenue/Expenditures	Base	Legislative Appropriations		% of	
Fund Balance	FY 2012	FY 2013**	FY 2014	FY 2015	Total
Beginning Balance	\$714,719	\$1,220,439	\$233,258	\$13,786	
<u>Revenues*</u>					
Liquor License	5,850,168	6,244,000	6,614,000	7,007,000	76.6%
Beer Tax	915,225	942,000	948,000	953,000	10.4%
Wine Tax	963,075	982,000	1,015,000	1,049,000	11.5%
DPHHS Cost Recovery	<u>134,283</u>	<u>(987,181)</u>	<u>0</u>	<u>0</u>	<u>1.5%</u>
Total Revenue	<u>7,862,751</u>	<u>7,180,819</u>	<u>8,577,000</u>	<u>9,009,000</u>	100%
Annual Percent Change		5.7%	4.9%	5.0%	
Total Funds Available	8,577,470	8,401,258	8,810,258	9,022,786	
<u>Disbursements</u>					
Montana Chemical Dependency Center (MCDC)	3,912,173	4,295,267	4,772,195	4,766,605	54.0%
Distribution to Counties***	1,436,532	1,634,600	1,715,400	1,801,800	19.5%
Distribution to Counties - Srvs for Dually Diagnosed*	474,055	539,418	566,082	594,594	6.5%
CD Benefits - nonMedicaid	487,256	618,923	487,256	487,256	5.3%
CD Medicaid Services	469,558	210,875	420,086	444,413	5.1%
Cost Allocated Administration	357,125	376,830	395,671	415,455	4.9%
CD Operations	287,846	248,761	343,796	343,990	3.7%
Quality Assurance-Licensure	72,007	70,945	70,463	71,040	0.8%
Department of Corrections-Pine Hills	<u>25,523</u>	<u>25,523</u>	<u>25,523</u>	<u>25,523</u>	<u>0.3%</u>
Total Disbursements/HB 2 Appropriations	7,522,075	8,021,142	8,796,472	8,950,676	100%
Distribution to Counties - Revenue Exceeding Appropriations/Unencumbered Authority***	0	146,858	0	58,324	
Adjustments****	<u>165,044</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Ending Fund Balance	<u>\$1,220,439</u>	<u>\$233,258</u>	<u>\$13,786</u>	<u>\$13,786</u>	
estimates.					
** FY 2013 budgeted amounts are based on 2011 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.					

The legislature removed the MCDC cost recovery funding from the account in order to clearly delineate the statutory appropriations from the account and to accurately determine the funding available for legislative appropriation. There are three statutory appropriations from the account:

- 20% of revenues deposited to the account must be distributed as grants to state-approved private or public alcoholism programs
- 6.6% of revenues deposited to the account must be distributed to state-approved private or public alcoholism programs that provide services for treatment and rehabilitation for persons with co-occurring serious mental illness and chemical dependency
- Revenues that have not been encumbered by the counties or DPHHS must be returned to the fund within 30 days after the close of each fiscal year and must be distributed by the department the following year

Federal special revenue and functions that it supports are:

- Federal Medicaid matching funds – chemical dependency and adult mental health services
- Substance abuse block grant – community chemical dependency services with a small allocation to support the Montana Chemical Dependency Center
- Mental health block grants – community mental health services and homelessness prevention

- Children’s Health Insurance Program Reauthorization Act (CHIPRA) bonus payments – overtime, shift differential, and holiday pay at the Montana State Hospital and grants for prevention of suicide in local jails

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	60,625,217	60,625,217	121,250,434	93.35%	117,281,335	117,281,335	234,562,670	88.62%
Statewide PL Adjustments	253,876	167,655	421,531	0.32%	786,257	684,871	1,471,128	0.56%
Other PL Adjustments	3,970,863	5,175,806	9,146,669	7.04%	10,413,955	12,652,143	23,066,098	8.71%
New Proposals	(646,073)	(285,068)	(931,141)	(0.72%)	2,099,452	3,488,942	5,588,394	2.11%
<b>Total Budget</b>	<b>\$64,203,883</b>	<b>\$65,683,610</b>	<b>\$129,887,493</b>		<b>\$130,580,999</b>	<b>\$134,107,291</b>	<b>\$264,688,290</b>	

The majority of the legislative appropriation supports continuation of present law services. Just over 2% of the appropriation funds new proposals for a 2% annual provider rate increase and an increase in federal substance abuse block grant funds. General fund present law adjustments support adult mental health state facility cost increases, reinstatement of overtime pay that is zero based, pay increases granted by DPHHS in FY 2012, increases in Medicaid enrollment and service utilization growth for adult mental health, and increases in grants to counties to develop mental health crisis jail diversion grants.

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					2,196,951					2,065,730
Vacancy Savings					(1,460,233)					(1,454,915)
Inflation/Deflation					(40,406)					(7,160)
Fixed Costs					89,945					81,216
<b>Total Statewide Present Law Adjustments</b>		<b>\$253,876</b>	<b>\$496,975</b>	<b>\$35,406</b>	<b>\$786,257</b>		<b>\$167,655</b>	<b>\$481,123</b>	<b>\$36,093</b>	<b>\$684,871</b>
DP 50 - Initial Motion to FY 2012 Base	0.00	(253,876)	(496,975)	(35,406)	(786,257)	0.00	(167,655)	(481,123)	(36,093)	(684,871)
DP 51 - Adjustment for Statewide Personal Services	0.00	103,492	540,183	93,043	736,718	0.00	(10,060)	527,311	93,564	610,815
DP 52 - Adjustment for Statewide Operations	0.00	41,233	8,998	(692)	49,539	0.00	68,979	5,483	(406)	74,056
DP 53 - Base Funding Switch	0.00	109,151	(52,206)	(56,945)	0	0.00	108,736	(51,671)	(57,065)	0
DP 33101 - MH Comm Crisis Serv Annualization Goal 189	0.00	283,870	0	0	283,870	0.00	283,870	0	0	283,870
DP 33103 - Med Ben Waiver Annualization MHSP (HIFA)	0.00	(470,860)	1,498,002	2,961,995	3,989,137	0.00	(470,860)	1,502,314	2,957,683	3,989,137
DP 33104 - Med Ben Waiver FMAP Adult Mental Health	0.00	0	(9,762)	9,762	0	0.00	0	(4,600)	4,600	0
DP 33200 - Med Ben Core Caseload Adult Mental Health	0.00	678,765	(49,472)	1,236,384	1,865,677	0.00	1,171,013	(25,145)	2,246,281	3,392,149
DP 33201 - Med Ben Federal Caseload Adult Mental Health	0.00	0	0	200,000	200,000	0.00	0	0	200,000	200,000
DP 33202 - Adjustment to AMDD HCBS Waiver	0.00	0	(1,637)	1,637	0	0.00	0	(692)	692	0
DP 33203 - Restrict Medicaid Services Funding	0.00	0	0	0	0	0.00	0	0	0	0
DP 33300 - Required Overtime/Holiday/Differential MCDC	0.00	0	438,229	0	438,229	0.00	0	438,229	0	438,229
DP 33301 - Required Overtime/Holiday/Differential MSH	0.00	2,055,361	0	0	2,055,361	0.00	2,055,361	0	0	2,055,361
DP 33302 - Required Overtime/Holiday/Differential MMHNCC	0.00	516,541	0	0	516,541	0.00	504,247	0	0	504,247
DP 33400 - Med Ben Core FMAP Adult Mental Health	0.00	(12,048)	(3,594)	15,642	0	0.00	2,489	742	(3,231)	0
DP 33501 - Private Lease Adjustment MCDC	0.00	0	108,877	0	108,877	0.00	0	108,877	0	108,877
DP 33502 - Private Lease Adjustment Division Admin.	0.00	13,936	2,319	7,569	23,824	0.00	19,212	3,174	10,433	32,819
DP 33601 - MCDC Facility Operating Inflation	0.00	0	27,141	0	27,141	0.00	0	36,980	0	36,980
DP 33602 - Montana State Hosp Facility Operating Inflation	0.00	466,215	0	0	466,215	0.00	947,655	0	0	947,655
DP 33603 - MMHNCC Facility Operating Inflation	0.00	439,083	0	0	439,083	0.00	662,819	0	0	662,819
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$3,970,863</b>	<b>\$2,010,103</b>	<b>\$4,432,989</b>	<b>\$10,413,955</b>	<b>0.00</b>	<b>\$5,175,806</b>	<b>\$2,059,879</b>	<b>\$5,416,458</b>	<b>\$12,652,143</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$4,224,739</b>	<b>\$2,507,078</b>	<b>\$4,468,395</b>	<b>\$11,200,212</b>	<b>0.00</b>	<b>\$5,343,461</b>	<b>\$2,541,002</b>	<b>\$5,452,551</b>	<b>\$13,337,014</b>

Statewide present law adjustments add a net increase of \$1.5 million over the biennium. The majority of the statewide present law adjustment funds pay increases granted in late FY 2012, which add \$2.4 million to the 2015 biennium budget request. Pay increases implemented by the executive in FY 2012 are discussed in the DPHHS overview.

Other adjustments such as workers' compensation costs and reclassification of positions due to changes in duties add about \$1.4 million. The remainder of personal services costs provides full funding for positions that were vacant during FY 2012. Vacancy savings offsets all but \$1.5 million of the personal services increases.

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment establishes the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 33101 - MH Community Crisis Services Annualization Goal 189 - This present law adjustment funds Goal 189 community crisis services provided in a group home or individual setting and brings base year costs up to the level of the FY 2012 appropriation. AMDD has worked with service providers in an effort to expand participation.

DP 33103 - Med Ben Waiver Annualization MHSP (HIFA) - This adjustment funds continuation of the HIFA waiver initiated in December 2010. Enrollment in the waiver increased between 1 to 69 persons per month until about 800 service slots were filled in July 2012. The waiver provides Medicaid funded mental health services and most Medicaid physical health services to persons eligible for the MHSP program who have incomes up to 150% of the federal poverty level and who have a mental health diagnosis of schizophrenia or bipolar disease. This waiver allows persons to move from 100% state funded services to a more comprehensive array of Medicaid funded services. Enrollment in the waiver is capped at around 800 slots.

DP 33104 - Med Ben Waiver FMAP Adult Mental Health - The legislature adjusted funding for the change in the state Medicaid match rate. The state match rate declines from 33.79% in FY 2012 to 33.73% in FY 2014 and 33.78% in FY 2015.

DP 33200 - Med Ben Core Caseload Adult Mental Health - This present law adjustment funds enrollment and service utilization growth in adult mental health Medicaid services. Base expenditures were \$39.8 million.

DP 33201 - Med Ben Federal Caseload Adult Mental Health - This present law adjustment adds federal funds for Medicaid reimbursement for services provided by state adult mental health facilities. Base expenditures were \$2.0 million.

DP 33202 - Adjustment to AMDD HCBS Waiver - The legislature funded the home and community based waiver services for the 2014 biennium based on an estimated number of 198 service slots at an annual cost of \$16,289 per service slot. The total amount budgeted for AMDD HCBS waiver services was \$3,225,182 per year not including provider rate increases. Slight funding adjustments were made by the legislature to fund this Medicaid service according to the projected state and federal matching ratios.

DP 33203 - Restrict Medicaid Services Funding - The legislature restricted Medicaid services appropriations to be used only for payment of medical services for persons eligible for Medicaid. The department will be able to transfer appropriations for Medicaid services among divisions, but will not be able to transfer Medicaid appropriations to divisions to be used for other purposes.

DP 33300 - Required Overtime/Holiday/Differential MCDC - This present law adjustment funds overtime, holidays worked, aggregate costs, and the corresponding benefits at the Montana Chemical Dependency Center. These costs are removed from base year expenditures and totaled \$591,524 in FY 2012.

DP 33301 - Required Overtime/Holiday/Differential MSH - This present law adjustment funds overtime, holidays worked, differential pay, and the corresponding benefits at the Montana State Hospital. These expenditures are removed from base year expenditures and totaled \$3,045,707 in FY 2012.

DP 33302 - Required Overtime/Holiday/Differential MMHNCC - This present law adjustment funds overtime, holidays worked, differential pay, and the corresponding benefits for the Montana Mental Health Nursing Care Center. These expenditures are removed from the base budget and totaled \$451,476 in FY 2012.

DP 33400 - Med Ben Core FMAP Adult Mental Health - The legislature adjusted base level expenditures for the change in the state Medicaid match rate. The state match rate declines from 33.79% in FY 2012 to 33.73% in FY 2014 and 33.78% in FY 2015.

DP 33501 - Private Lease Adjustment MCDC - The legislature funded an increase in rent for three buildings to house operations for the Montana Chemical Dependency Center. AMDD rented new space for MCDC because the former facility no longer met licensure requirements. The new site meets safety and security requirements for licensing the facility and allows essential services to continue.

DP 33502 - Private Lease Adjustment Division Admin. - The legislature funded increases in the rental agreement for office space.

DP 33601 - MCDC Facility Operating Inflation - This adjustment funds increases in certain operating costs for the Montana Chemical Dependency Center. It is funded from alcohol tax state special revenue.

DP 33602 - Montana State Hospital Facility Operating Inflation - The legislature funded increases in certain operating costs for the Montana State Hospital.

DP 33603 - MMHNCC Facility Operating Inflation - The legislature funded increases in certain operating costs for the Montana Mental Health Nursing Care Center.

**New Proposals**

Program	FTE	-----Fiscal 2014-----				-----Fiscal 2015-----					
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 33803 - Substance Abuse Prevention Treatment Grant	33	0.00	0	0	488,561	488,561	0.00	0	0	488,561	488,561
DP 33901 - PRI Med Ben Waiver AMDD	33	0.00	0	102,377	201,142	303,519	0.00	0	207,108	406,001	613,109
DP 33902 - PRI Med Ben Core Adult Mental Health	33	0.00	172,683	95,214	526,342	794,239	0.00	348,820	192,400	1,063,170	1,604,390
DP 33903 - PRI - HB 131 Crisis Beds	33	0.00	5,500	0	0	5,500	0.00	11,110	0	0	11,110
DP 33904 - PRI - CD SAPT Block Grant	33	0.00	0	0	82,718	82,718	0.00	0	0	167,091	167,091
DP 33905 - PRI - Mental Health Services Plan	33	0.00	175,744	0	0	175,744	0.00	355,002	0	0	355,002
DP 33906 - Mental Health Crisis Jail Diversion Services (RST)	33	0.00	0	201,591	0	201,591	0.00	0	201,591	0	201,591
DP 33907 - Remove Funding for 2.00 Vacant FTE	33	(2.00)	0	(77,420)	0	(77,420)	(2.00)	0	(76,912)	0	(76,912)
DP 33910 - Prevent Jail Suicide (Restricted/Biennial/OTO)	33	0.00	0	0	125,000	125,000	0.00	0	0	125,000	125,000
DP 33911 - Offset General Fund in MSH Overtime (Biennial)	33	0.00	(1,000,000)	0	1,000,000	0	0.00	(1,000,000)	0	1,000,000	0
<b>Total</b>	<b>(2.00)</b>	<b>(\$646,073)</b>	<b>\$321,762</b>	<b>\$2,423,763</b>	<b>\$2,099,452</b>	<b>\$2,099,452</b>	<b>(2.00)</b>	<b>(\$285,068)</b>	<b>\$524,187</b>	<b>\$3,249,823</b>	<b>\$3,488,942</b>

DP 33803 - Substance Abuse Prevention Treatment Grant - The legislature approved additional spending authority for the federal Substance Abuse Prevention Grant.

DP 33901 - PRI Med Ben Waiver AMDD - This new proposal funds a 2% annual provider rate increase for Medicaid community mental health waiver services. The legislature added language requiring DPHHS to raise provider rates by 2% annually, which is implemented in HB 625. The Governor vetoed this bill. At the time of this writing, a veto override poll had been sent to legislators.

DP 33902 - PRI Med Ben Core Adult Mental Health - This new proposal funds a 2% annual provider rate increase for contracted community crisis beds funded under 53-21-1204, MCA (HB 131 passed during the 2009 session). The legislature added language requiring DPHHS to raise provider rates by 2% annually, which is implemented in HB 625. The Governor vetoed this bill. At the time of this writing, a veto override poll had been sent to legislators.

DP 33903 - PRI - HB 131 Crisis Beds - This new proposal funds a 2% annual provider rate increase for contracted community crisis beds funded under 53-21-1204, MCA (HB 131 passed during the 2009 session). The legislature added language requiring DPHHS to raise provider rates by 2% annually, which is implemented in HB 625. The Governor vetoed this bill. At the time of this writing, a veto override poll had been sent to legislators.

DP 33904 - PRI - CD SAPT Block Grant - This new proposal funds a 2% annual provider rate increase in each year of the biennium for chemical dependency services. The legislature added language requiring DPHHS to raise provider rates by 2% annually, which is implemented in HB 625. The Governor vetoed this bill. At the time of this writing, a veto override poll had been sent to legislators.

DP 33905 - PRI - Mental Health Services Plan - This new proposal funds a 2% annual provider rate increase for the state funded Mental Health Services Program (MHSP). The legislature added language requiring DPHHS to raise provider rates by 2% annually, which is implemented in HB 625. The Governor vetoed this bill. At the time of this writing, a veto override poll had been sent to legislators.

DP 33906 - Mental Health Crisis Jail Diversion Services (RST) - The legislature added \$201,591 in tobacco settlement trust interest each year to provide grants to expand the number of counties that have mental health crisis jail diversion grants. The legislature intended that the funds be used to expand crisis services and not to augment funding for existing programs. Base budget expenditures for this activity were \$645,961 supported from a combination of general fund and tobacco settlement trust interest funds.

DP 33907 - Remove Funding for 2.00 Vacant FTE - DPHHS indicated that it would not fill two positions at MCDC that had been vacant for more than two years. The legislature removed funding for the FTE as identified by DPHHS.

DP 33910 - Prevent Jail Suicide (Restricted/Biennial/OTO) - The legislature added one-time funds from the Children's Health Insurance bonus payments to fund grants for jail suicide prevention.

DP 33911 - Offset General Fund in MSH Overtime (Biennial) - The legislature appropriated \$1 million in federal CHIPRA bonus funds in place of general fund for overtime, shift differential, and holiday pay for MSH. The legislature added language prioritizing the use of CHIPRA bonus funds and listed MSH overtime pay as the first priority for use of the funds.

### **Language and Statutory Authority**

The legislature included the following language in HB 2.

"Best Beginnings STARS, Prevent Jail Suicide, and Montana State Hospital Overtime Pay are funded from a federal children's health insurance program reauthorization grant. If grant funds are insufficient to fund all appropriations, the funding shall be allocated in the following order of priority:

- (1) Montana State Hospital Overtime Pay;
- (2) Prevent Jail Suicide; and
- (3) Best Beginnings STARS."

"Medicaid Services -- Developmental Services, Medicaid Services -- Health Resources, Medicaid Services -- Senior and Long-Term Care, and Medicaid Services -- Addictive and Mental Disorders may be used only to pay for Medicaid services for eligible Medicaid enrollees for expenses recorded as benefits and claims in the state accounting system and may not be transferred to other uses in the department.

The Department of Public Health and Human Services must use the following amounts of money in the following appropriations to raise Medicaid provider rates, except those Medicaid services funded by the federal children's health insurance grant, by 2% in fiscal year 2014 and by 2% in fiscal year 2015:

(1) Medicaid Services -- Developmental Services, \$3,755,335 in fiscal year 2014 and \$7,585,778 in fiscal year 2015;

(2) Medicaid Services -- Health Resources, \$4,650,249 in fiscal year 2014 and \$9,389,047 in fiscal year 2015;

(3) Medicaid Services -- Senior and Long-Term Care, \$4,392,560 in fiscal year 2014 and \$8,872,971 in fiscal year 2015; and

(4) Medicaid Services -- Addictive and Mental Disorders, \$1,097,758 in fiscal year 2014 and \$2,217,499 in fiscal year 2015."

"The Department of Public Health and Human Services must use \$263,962 in fiscal year 2014 and \$533,203 in fiscal year 2015 of funds in Addictive and Mental Disorders Division to raise nonMedicaid provider rates by 2% in fiscal year 2014 and by an additional 2% in fiscal year 2015."

"Mental Health Crisis Jail Diversion Services and One - Time Mental Health Crisis Jail Diversion Services may be used only to fund grants to counties to develop mental health crisis jail diversion services in accordance with 53-21-1203, MCA."