

**Public Institution Reimbursements**

**Revenue Description**

The Department of Public Health and Human Services (DPHHS) receives reimbursement for the cost of sheltering and treating residents at the Montana Developmental Center (MDC), the Montana Mental Health Nursing Care Center (MMHNCC), Montana State Hospital (MSH), Montana Chemical Dependency Treatment Center (MCDC), and the Montana Veterans' Home (MVH).

Reimbursement comes from four sources: state and federally matched Medicaid monies, federal Medicare funds, insurance payments if available, and private payments by residents or persons legally responsible for them.

**Statutory Reference**

Tax Rate – [53-1-402, MCA](#) (requirement to pay)

Tax Distribution – [53-1-413, MCA](#)

Date Due – Monthly ([53-1-405\(3\), MCA](#))

**Applicable Tax Rates:** Three variables determine the level of Medicaid nursing home payments: the number of patient days eligible for Medicaid reimbursement, the reimbursement rate per patient day, and the private resources of Medicaid patients.

**Collection Frequency:** Monthly

**Distribution**

Institutional reimbursements for MDC, MMHNCC, and MSH are first used for debt service with the remainder distributed to the general fund. Reimbursements for MCDC and MVH are distributed to a DPHHS state special revenue fund to be appropriated to those facilities.

**Summary of Legislative Action**

[Senate Bill 411](#) – This bill requires MDC to reduce capacity from 56 to 12 by transferring the remaining individuals to services in community settings. The bill ends new admissions to MDC as of December 31, 2016 unless there are fewer than 12 individuals at MDC. The bill creates a committee to research, develop, and make recommendations for the closure of MDC. The bill closes the facility completely by June 30, 2017.

Public Institution Reimbursements – Legislation Passed by 64th Legislature			
General Fund Impact (\$ Millions)			
Bill Number and Short Title	FY 2015	FY 2016	FY 2017
SB0411 Plan for the closure of Montana developmental center at Boulder	-	-	(\$7.194)
<b>Total General Fund Impact</b>	<b>-</b>	<b>-</b>	<b>(\$7.194)</b>

**Revenue Estimate Methodology**

Data

The public institution reimbursement estimate is based on data obtained from DPHHS, SABHRS, and IHS. Average daily population and patterns in payment type are provided by DPHHS; fiscal year fee collections by facility and payment type are from SABHRS; forecasts for independent economic variables are produced by IHS.

Analysis

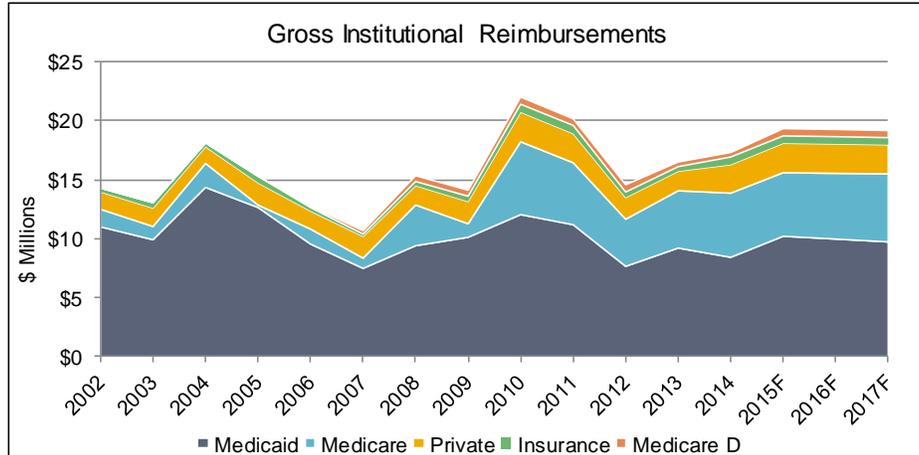
Total reimbursements are calculated by summing the estimates for reimbursement in each of the facilities. MDC population is forecast using a regression model over time. MMHNCC population is forecast with a regression model using the independent, IHS-provided values for Montana medical spending. MSH population is forecast with a regression model using the IHS variable for federal

## Other General Fund Sources

## Public Institution Reimbursements

Medicare spending. MCDL population is forecast by applying the ratio of the previous year's Montana per capita income and the IHS projection for the current year's Montana per capita income to the previous year's population. MVH population is forecast using a regression model over time.

As shown to the right, the largest component of institutional reimbursements is Medicaid, followed by Medicare. Medicaid and Medicare payments are responsible for most of the variability in collections, due to the changes in the Federal Medical Assist. Percentages (FMAP) for the state. The FMAP rates are set annually based on the state's relative per capita income.



## Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2015 Legislature.

FY	Total Rev. \$ Millions	GF Rev. \$ Millions	Aggregate Ave. Daily Population	Insurance \$ Millions	Medicaid \$ Millions	Medicare \$ Millions
A 2002	\$14.283	\$14.283	-	\$10.995	\$2.563	-
A 2003	13.043	13.043	337	9.900	2.172	-
A 2004	18.110	18.110	350	14.337	2.907	-
A 2005	12.509	12.509	348	12.631	1.217	-
A 2006	12.728	12.728	339	9.531	2.225	\$0.104
A 2007	10.669	10.669	343	7.473	1.826	0.291
A 2008	15.335	15.335	512	9.392	4.438	0.495
A 2009	14.101	14.101	493	10.109	2.104	0.513
A 2010	22.000	22.000	480	12.030	7.166	0.608
A 2011	20.158	20.158	482	11.176	6.236	0.561
A 2012	14.562	14.562	440	7.645	4.980	0.619
A 2013	16.212	16.212	449	9.194	5.819	0.397
A 2014	17.298	17.298	464	8.411	6.436	0.383
F 2015	16.630	16.630	452	10.196	6.385	0.618
F 2016	16.606	16.606	451	-	-	-
F 2017	16.570	16.570	448	-	-	-

## Revenue Projection

