

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	4,396,450	4,402,060	8,857,910	8,798,510	(59,400)	(0.67%)
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%
Total Costs	\$117,281,335	\$128,214,036	\$130,933,447	\$134,459,739	\$245,495,371	\$265,393,186	\$19,897,815	8.11%
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	15,755,149	15,991,498	27,375,273	31,746,647	4,371,374	15.97%
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%
Total Funds	\$117,281,335	\$128,214,036	\$130,933,447	\$134,459,739	\$245,495,371	\$265,393,186	\$19,897,815	8.11%

Page Reference

Legislative Budget Analysis, B-189

Funding

The Addictive and Mental Disorders Division (AMDD) appropriation for the 2015 biennium is \$19.9 million higher than the 2013 biennium, including \$6.2 million general fund. Major changes in the budget are due to:

- A 2% annual provider rate increase
- An increase in grants for development of county mental health crisis jail diversion services
- State mental health facility personal services and operating cost increases
- Growth in Medicaid enrollment, service utilization, and inflation

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

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

State special revenue and functions that it supports are:

- Alcohol taxes – Montana Chemical Dependency Center, state Medicaid match, community chemical dependency services
- Tobacco taxes allocated to the health and Medicaid initiatives account – state Medicaid match

Federal special revenue and functions that it supports:

- 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 grant – community mental health services
- Children's Health Insurance Program Reauthorization Act (CHIPRA) bonus payments – overtime, shift differential, and holiday pay at the Montana State Hospital

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	88.38%
Statewide PL Adjustments	253,876	167,655	421,531	0.32%	786,257	684,871	1,471,128	0.55%
Other PL Adjustments	3,970,863	5,175,806	9,146,669	7.04%	10,413,955	12,652,143	23,066,098	8.69%
New Proposals	(646,073)	(285,068)	(931,141)	(0.72%)	2,451,900	3,841,390	6,293,290	2.37%
Total Budget	\$64,203,883	\$65,683,610	\$129,887,493		\$130,933,447	\$134,459,739	\$265,393,186	

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	
Total Statewide Present Law Adjustments	\$253,876	\$496,975	\$35,406	\$786,257		\$167,655	\$481,123	\$36,093	\$684,871	
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
Total Other Present Law Adjustments	0.00	\$3,970,863	\$2,010,103	\$4,432,989	\$10,413,955	0.00	\$5,175,806	\$2,059,879	\$5,416,458	\$12,652,143
Grand Total All Present Law Adjustments	0.00	\$4,224,739	\$2,507,078	\$4,468,395	\$11,200,212	0.00	\$5,343,461	\$2,541,002	\$5,452,551	\$13,337,014

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 Comm Crisis Serv 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 2015 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 Hosp 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

New Proposals Program	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	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 33908 - Mental Health Crisis Jail Diversion Services (RST/										
33	0.00	0	352,448	0	352,448	0.00	0	352,448	0	352,448
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
Total	(2.00)	(\$646,073)	\$674,210	\$2,423,763	\$2,451,900	(2.00)	(\$285,068)	\$876,635	\$3,249,823	\$3,841,390

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.

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.

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.

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.

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.

DP 33906 - Mental Health Crisis Jail Diversion Services (RST) - The legislature added \$201,591 in tobacco settlement trust interest funds 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 33908 - Mental Health Crisis Jail Diversion Services (RST/ - The legislature added one-time MCDC cost recovery funds to provide grants to expand the number of counties that can receive grants to develop mental health crisis jail diversion services. 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. Together with DP 33906, this one-time funding brings total appropriations for county grants to \$1.2 million, which is the level originally appropriated by the legislature prior to budget and spending reductions implemented in the 2011 biennium.

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 proposes the following language for inclusion 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."