

## SECTION B – DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

Figure 1

6901 Dept Of Public Health & Human Services							All Programs	
Legislative Budget Comparison Table								
Federal Stimulus Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Personal Services	-	-	437,500	262,500	-	700,000	700,000	0.0%
Operating Expenses	-	-	3,970,090	819,235	-	4,789,325	4,789,325	0.0%
Grants	-	-	40,189,530	29,307,151	-	69,496,681	69,496,681	0.0%
Benefits & Claims	-	-	253,656,901	184,751,900	-	438,408,801	438,408,801	0.0%
<b>Total Costs</b>	-	-	<b>298,254,021</b>	<b>215,140,786</b>	-	<b>513,394,807</b>	<b>513,394,807</b>	<b>0.0%</b>
General Fund	-	-	29,886,697	40,016,708	-	69,903,405	69,903,405	0.0%
State/other Special Rev. Funds	-	-	19,829	41,231	-	61,060	61,060	0.0%
Federal Spec. Rev. Funds	-	-	268,347,495	175,082,847	-	443,430,342	443,430,342	0.0%
<b>Total Funds</b>	-	-	<b>298,254,021</b>	<b>215,140,786</b>	-	<b>513,394,807</b>	<b>513,394,807</b>	<b>0.0%</b>

### Agency Narrative

The Department of Public Health and Human Services (DPHHS) is appropriated \$513.4 million funds for the biennium, including \$69.9 million general fund. Most of the increase, \$438.4 million is appropriated for benefits (direct services to individuals) and \$69.4 million is for grants for community services.

The majority of the general fund appropriation (\$40.7 million) supports increased Medicaid costs and is discussed in greater detail in the Health Resources Division narrative. The most significant increase is in federal authority. About \$320.5 million in federal funds pay Medicaid costs, including additional funds needed due to the temporary increase in the federal Medicaid match rate. The balance of the federal appropriation (\$122.9 million) funds categorical grants authorized by the American Recovery and Reinvestment Act (ARRA) for specific uses.

Briefly the major components of HB 645:

- Reduce general fund appropriations by \$146.0 million for the current fiscal year and the 2011 biennium due to the temporary enhancement of the federal Medicaid match rate
- Increase general fund revenues by \$14.7 million due to Medicaid reimbursement for state institution services and diversion of a portion of hospital tax utilization fee revenue to the general fund
- Fund categorical federal grants for:
  - The Supplemental Nutrition Assistance Program (SNAP) - about \$50.0 million
  - Weatherization assistance – about \$27.0 million
  - The Child Care Development Block Grant – about \$5.8 million
  - The Temporary Assistance for Needy Families (TANF) program – about \$5.6 million
  - The Community Services Block Grant – about \$4.5 million
  - Homeless prevention and emergency food and shelter – \$3.7 million
- Other general fund increases for:
  - One-time 2 percent annual provider rate increases - \$15.0 million
  - NonMedicaid community aging services - \$3.0 million
  - Homelessness and emergency shelters - \$1.5 million



- Sustain system of care and kids management authorities - \$0.7 million
- Food banks - \$0.5 million
- Mental health crisis diversion pilot program - \$0.5 million

Legislative appropriations for programs other than additional Medicaid services added a net increase of \$9.2 million general fund compared to the introduced version of HB 645.

### Purpose of Funds

The purpose of the funds is specific to each federal categorical grant or appropriation. Each division includes specific information on the purpose of funds.

### Statutory Changes

There are no statutory changes needed for the ARRA. However, HB 645 includes several statutory changes to state special revenue accounts that fund DPHHS programs, including the hospital utilization fee, health and Medicaid initiatives, and older Montanans trust fund. In summary these changes are:

- Hospital utilization fee – deposit a portion of proceeds to the general fund
- Health and Medicaid initiatives – eliminate the requirement that funds not be used for the “trended traditional level” of Medicaid services
- Older Montanans trust fund – include a definition to determine base appropriations as average over the last five biennial budgets

Another statutory change in HB 645 allows the DPHHS base budget for the 2013 biennium request to include the general fund that is offset by increased federal funds as a result of the temporary Medicaid match rate change and the temporary restoration of the federal matching funds for child support enforcement. When DPHHS submits its 2013 budget request, the adjusted base budget could include up to \$55.0 million more in general fund than actual expenditures.

### Conditions and Limitations

Conditions and limitations on funding changes due to ARRA are discussed in greater detail in each division narrative. In general, state funds freed up due to the enhanced federal Medicaid match rate may not be used directly or indirectly build a reserve or rainy day fund.



## SECTION B – DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

Figure 2

6901 Dept Of Public Health & Human Services	All Programs					
Legislative Budget	General Fund	General Fund	General Fund	Total Funds	Total Funds	Total Funds
Decision Package	FY 2010	FY 2011	FY 2010-11	FY 2010	FY 2011	FY 2010-11
<i>Federal Stimulus New Proposal Decision Packages</i>						
NP010100 Vocational Rehabilitation State Grants	-	-	-	1,315,737	1,000,000	2,315,737
NP010103 IDEA Infants and Families	-	-	-	1,069,921	1,069,922	2,139,843
NP011100 FMAP Funding Adjustment	-	-	-	132,000,000	31,000,000	163,000,000
NP011101 Medicaid Caseload	18,433,433	22,219,989	40,653,422	71,406,748	99,681,765	171,088,513
NP011647 Transitional Medicaid	196,432	248,020	444,452	833,400	833,400	1,666,800
NP011648 Sustain System of Care & Kids Management Authority	333,500	333,500	667,000	333,500	333,500	667,000
NP011649 Indian Property Exclusion - Medicaid Determination	231,764	310,188	541,952	983,300	1,042,298	2,025,598
NP020100 Child Care Development Block Grant - Caseload/FPI	-	-	-	668,397	1,375,485	2,043,882
NP020101 Child Care Development Block Grant - Other	-	-	-	2,923,842	779,642	3,703,484
NP020102 Community Services Block Grant	-	-	-	3,948,000	564,000	4,512,000
NP020103 Weatherization	-	-	-	16,912,301	10,147,380	27,059,681
NP020104 TANF Emergency Funds	-	-	-	3,951,202	1,638,999	5,590,201
NP020105 SNAP Supplemental	-	-	-	27,049,203	21,153,078	48,202,281
NP020106 SNAP - Administrative	-	-	-	437,500	262,500	700,000
NP020107 Emergency Food Assistance	-	-	-	76,417	10,916	87,333
NP020108 Homeless Prevention/Emergency Food and Shelter	-	-	-	2,062,500	1,687,500	3,750,000
NP020112 Food Distribution on Reservations	-	-	-	146,300	7,700	154,000
NP020120 Food for Food Banks (Restricted)	250,000	250,000	500,000	250,000	250,000	500,000
NP020121 Homeless Prevent./Emerg. Food & Shelter GF (Rest)	750,000	750,000	1,500,000	750,000	750,000	1,500,000
NP022001 Aging Services Programs	-	-	-	250,000	250,000	500,000
NP022648 Direct Care Worker Wage Increase (Restricted)	1,915,738	2,446,846	4,362,584	8,126,271	8,222,149	16,348,420
NP022649 NonMedicaid Community Aging Services	1,500,000	1,500,000	3,000,000	1,500,000	1,500,000	3,000,000
NP033649 Mental Health Crisis Diversion Pilot Program	250,000	250,000	500,000	250,000	250,000	500,000
NP040101 VISTA/AmeriCorps	-	-	-	50,000	50,000	100,000
NP040102 Provider Rate Increases	4,650,830	10,333,165	14,983,995	13,014,392	26,486,317	39,500,709
NP050100 Child Support Enforcement Enhancement	-	-	-	3,687,090	619,235	4,306,325
NP070100 WIC Supplemental	-	-	-	500,000	500,000	1,000,000
NP070101 WIC Information System Upgrade	-	-	-	283,000	200,000	483,000
NP070102 Prevention and Wellness Fund	-	-	-	2,100,000	2,100,000	4,200,000
NP070103 County Health Grants - Asbestos	1,000,000	1,000,000	2,000,000	1,000,000	1,000,000	2,000,000
NP090100 Health Information Technology - Stim	375,000	375,000	750,000	375,000	375,000	750,000
<b>New Proposal Total</b>	<b>29,886,697</b>	<b>40,016,708</b>	<b>69,903,405</b>	<b>298,254,021</b>	<b>215,140,786</b>	<b>513,394,807</b>
<b>Total All Decision Packages</b>	<b>29,886,697</b>	<b>40,016,708</b>	<b>69,903,405</b>	<b>298,254,021</b>	<b>215,140,786</b>	<b>513,394,807</b>

### Decision Package Narrative

The budget changes that are specific to each division are discussed in greater detail in the division narrative.

## SECTION B – HUMAN AND COMMUNITY SERVICES

Figure 1

6901 Dept Of Public Health & Human Services				690102 Human And Community Services					
Legislative Budget Comparison Table									
Federal Stimulus	Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item		FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Personal Services		-	-	437,500	262,500	-	700,000	700,000	0.0%
Grants		-	-	24,069,101	13,406,580	-	37,475,681	37,475,681	0.0%
Benefits & Claims		-	-	34,669,061	24,958,120	-	59,627,181	59,627,181	0.0%
<b>Total Costs</b>		-	-	<b>59,175,662</b>	<b>38,627,200</b>	-	<b>97,802,862</b>	<b>97,802,862</b>	<b>0.0%</b>
General Fund		-	-	1,000,000	1,000,000	-	2,000,000	2,000,000	0.0%
Federal Spec. Rev. Funds		-	-	58,175,662	37,627,200	-	95,802,862	95,802,862	0.0%
<b>Total Funds</b>		-	-	<b>59,175,662</b>	<b>38,627,200</b>	-	<b>97,802,862</b>	<b>97,802,862</b>	<b>0.0%</b>

### Division Narrative

The Human and Community Services Division (HCS D) manages many programs related to the American Recovery and Reinvestment Act (ARRA). The primary programs are the Temporary Assistance to Needy Families (TANF) program, Supplemental Nutrition Assistance Program (SNAP), child care subsidy programs, the Child and Adult Care Food Program (CACFP), weatherization services, the Community Services Block Grant, homeless prevention and emergency food and shelter, as well as food distribution and commodities grants.

#### Purpose of Funds

The Human and Community Services Division will receive ARRA funds supporting the following programs:

- The Supplemental Nutrition Assistance Program (SNAP) - about \$50.0 million
- Weatherization assistance – about \$27.0 million
- The Child Care Development Block Grant – about \$5.8 million
- The Temporary Assistance for Needy Families (TANF) program – about \$5.6 million
- The Community Services Block Grant – about \$4.5 million
- Homeless Prevention and emergency food and shelter – \$3.7 million
- Emergency food assistance and food distribution – about \$0.2 million

The SNAP, TANF, child care and emergency food assistance programs primarily provide direct benefits to individuals or communities. Funds for weatherization, homeless prevention and emergency food and shelter, and the Community Service Block Grant are passed through to communities. There is some funding included for administration. More specific information related to each source of funds is included in the following paragraphs.

#### Changes to HB 645

The original HCS D budget contained in HB 645 was for federal stimulus funding of \$58.2 million in FY 2010 and \$37.6 in FY 2011. Legislative initiatives added \$1.0 million general fund each year of the biennium. General fund increases over the biennium include:

- Food for food banks - \$0.5 million
- Emergency support for shelters - \$1.5 million



Additionally, the bill appropriates \$39.5 million for provider rate increases. The appropriation is in the Director's Office to be allocated throughout the department. The share for the child care providers is estimated at \$679,838 over the biennium. Language specifies that provider rate increases may not be used to raise rates paid to providers pursuant to 53-6-125, MCA.

Statutory Changes – HB 645 allows for the amount of the child care general fund reduction (NP 020100) that is offset by stimulus funding to be included in the division's present law base budget for the 2013 biennium executive budget.

Conditions and Limitations - The following sections identify major conditions to the funding.

#### Child Care Development Block Grant

This funding has two primary purposes. It is to provide child care services for additional children in low-income families while their parents work or to improve the quality of infant and toddler care. Funds should supplement, not supplant state general fund revenue. Funding is a set amount. There is no required match, and funds must be obligated within two years and spent in three years. Total funding is \$5,797,345.

#### Community Services Block Grant

The Community Services Block Grant funding is to be used as pass-through grants to local communities to support employment, food, housing, and healthcare efforts. Total funding is \$4.5 million.

#### Weatherization

Weatherization funding of nearly \$27.1 million may be used by the division for grants to local agencies for projects related to weatherization of homes, especially in the context of creating jobs and stimulating regional economies. HCS D has traditionally used the 10 Human Resources Development Councils (HRDC) to provide these services.

The division is allowed to expand eligibility to 200 percent of the Federal Poverty Level and adjust the allowable level per home to \$6,500 (increase from about \$3,500). The division is allowed to use 5 percent of the grant for administrative costs.

#### Temporary Assistance for Needy Families

TANF block grant funds are to support anticipated increases of families needing assistance while continuing the goals of the TANF program that center around work activities. Funding could address: 1) basic assistance expenditures; 2) increased non-recurrent short term benefits (20 percent state match); and increased expenditures for subsidized employment activities (20 percent state match). As of this writing the division plan is to use the funds for basic cash assistance and subsidized employment programs.

#### Supplemental Nutrition Assistance Program

Funding for SNAP is to increase benefits 113.6 percent. It also provides funding for administrative costs.

SNAP benefit funds are allocated from October 2008 through the federal fiscal year ending September 30, 2012. Benefits are allocated on a percentage that is calculated each October. Depending upon the amount used following the October 2011 allocation, the benefits could continue at the same level into the state fiscal year 2012 and beyond.

Present estimates, including funds allocated for administrative uses are: FY 2009 - \$6.0 million; FY 2010 – 21.5 million; FY 2011 \$21.4 million; and FY 2012 - \$8.8 million.



The SNAP program includes about \$680,000 for administrative needs. About \$333,000 of that amount will be received in FY 2009. The balance will be received in FY 2010. Administrative funds must be spent in the year received.

There is a rule change for individuals in the Able-bodied Adults Without Children (ABAWDS) category that removes the time-limited benefit policy. This will produce a spike in caseload and eligibility work for the division.

#### Homeless Prevention and Emergency Food and Shelter Program

This funding is to focus on homelessness prevention. It is a formula grant and rules are forthcoming. Montana is scheduled to receive \$3.7 million to address homelessness prevention via pass-through funds to help local community organizations. Funds come from the Housing and Urban Development (HUD) via the formula from emergency shelter grant program.

Because this funding is not intended to assist shelters, the House Appropriations Committee added \$1.5 million general fund over the biennium to assist shelters across the state. There is further information in NP 20121.

## HUMAN AND COMMUNITY SERVICES – NEW PROPOSALS

Figure 2

6901 Dept Of Public Health & Human Services			690102 Human And Community Services			
Legislative Budget Decision Package	General Fund FY 2010	General Fund FY 2011	General Fund FY 2010-11	Total Funds FY 2010	Total Funds FY 2011	Total Funds FY 2010-11
<i>Federal Stimulus New Proposal Decision Packages</i>						
NP020100 Child Care Development Block Grant - Caseload/FPI	-	-	-	668,397	1,375,485	2,043,882
NP020101 Child Care Development Block Grant - Other	-	-	-	2,923,842	779,642	3,703,484
NP020102 Community Services Block Grant	-	-	-	3,948,000	564,000	4,512,000
NP020103 Weatherization	-	-	-	16,912,301	10,147,380	27,059,681
NP020104 TANF Emergency Funds	-	-	-	3,951,202	1,638,999	5,590,201
NP020105 SNAP Supplemental	-	-	-	27,049,203	21,153,078	48,202,281
NP020106 SNAP - Administrative	-	-	-	437,500	262,500	700,000
NP020107 Emergency Food Assistance	-	-	-	76,417	10,916	87,333
NP020108 Homeless Prevention/Emergency Food and Shelter	-	-	-	2,062,500	1,687,500	3,750,000
NP020112 Food Distribution on Reservations	-	-	-	146,300	7,700	154,000
NP020120 Food for Food Banks (Restrictd)	250,000	250,000	500,000	250,000	250,000	500,000
NP020121 Homeless Prevent./Emerg. Food & Shelter GF (Rest)	750,000	750,000	1,500,000	750,000	750,000	1,500,000
<b>New Proposal Total</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>2,000,000</b>	<b>59,175,662</b>	<b>38,627,200</b>	<b>97,802,862</b>
<b>Total All Decision Packages</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>2,000,000</b>	<b>59,175,662</b>	<b>38,627,200</b>	<b>97,802,862</b>

### Decision Package Narrative

#### Child Care Development Block Grant Proposals

There are two proposals for the child care development block grant funds. The division intends to spend the funds to address the caseload increase associated with the economic downturn, address child care funding removed from HB 2, provide a temporary reduction in client co-pays, address the STARS quality child care program, and assist with the child care apprenticeship program. The division requests the amounts of: \$718,736 in FY 2009, \$2,873,503 in FY 2010, and \$2,155,127 in FY 2011.

The following two proposals include a request to spend the entire amount of the grant award (NP 020101) and a request to reduce a general fund appropriation in HB 2 (NP 020100).

NP 020100 - Child Care Development Block Grant - Caseload/FPI – The legislature provided authority to reduce general fund appropriated in HB 2 and replace it with federal funds appropriated in HB 645. General fund is reduced by \$668,397 in FY 2010 and \$1,375,485 in FY 2011.

This funding switch maintains child care eligibility at 150 percent of the current federal poverty level and supports a caseload for low income working parents based upon the 4 year historical case growth rate for child care scholarships of 1.9 percent. It is estimated to serve about 61 cases in FY 1010 and 63 in FY 2011.

Child Care Development Block Grant			
	Federal Poverty Level	Case Growth Funds	Total
FY 2010	\$236,253	\$432,144	\$668,397
FY 2011	479,482	896,003	\$1,375,485
<b>Total</b>	<b>\$715,735</b>	<b>\$1,328,147</b>	<b>\$2,043,882</b>



NP 020101 - Child Care Development Block Grant – Other – This bill provides authority for the Human and Community Services Division (HCS D) to use the Child Care Block Grant funds from the ARRA to support additional child care and quality care programs for infants and toddlers.

#### Community Services Block Grant

NP 020102 - Community Services Block Grant – The bill provides authority for HCS D to distribute the Community Services Block Grant funding as pass-through grants to local communities to support employment, food, housing, and healthcare efforts. Applicants will be asked to provide the same level of planning and accountability documentation as required by Community Services Block Grant granting processes.

The funding is \$1,692,000 in FY 2009, \$2,256,000 in FY 2010, and \$564,000 in FY 2011. The division is allowed to use 1 percent of the funds for administration. The administrative percentage could be passed on to the grant recipients as 1 percent of the grant award.

#### Weatherization

NP 020103 – Weatherization – The bill provides authority for the HCS D to use the \$27,059,681 of federal weatherization funds in the 2011 biennium to provide grants to local agencies to weatherize homes, especially in the context of creating jobs and stimulating regional economies.

The division intends to distribute funds to Human Resources Development Councils (HRDC) that apply. As with all weatherization projects, the applicants would be asked to provide planning and accountability documentation. An administrative allotment of 5 percent could be passed on to the grant recipients in the grant award.

#### TANF

NP 020104 – TANF Emergency Funds – The bill provides authority for HCS D to use TANF block grant emergency funds to help states offset a surge in families needing help during the recession period. The state is estimated to receive about \$5.6 million comprising \$1,765,870 in FY 2009, \$2,185,332 in FY 2010, and \$1,638,999 in FY 2011. As of the initial submission of the HB 645 budget, the division's plan was to use the funds for basic cash assistance addressing an increase in the caseload.

At the time of public testimony, the division had not presented a plan for spending any funding beyond cash assistance at the status quo. The Joint Appropriations Subcommittee on Health and Human Resources asked the division to bring forth a plan indicating a more aggressive approach to serving families in need as intended in the stimulus funding. The subcommittee also requested that the division place a focus on job skill and training and that the division to track major items in the plan and report to the Legislative Finance Committee during the interim. Since the discussion, the division prepared options that included continuing the cash assistance at the present level, increasing the eligibility standard, and offering subsidized employment programs. The House Appropriations Committee did not revisit the TANF program.

#### Supplemental Nutrition Assistance Program

NP 020105 – SNAP Supplemental – The bill provides authority for the HCS D to fund SNAP benefits at 113.6 percent of FY 2008 SNAP benefit levels. Funding is \$5,983,625 in FY 2009, \$21,503,078 in FY 2010, and \$21,415,578 in FY 2011. Additional benefits would start at \$24 and increase depending upon the number of individuals in the household. The benefit increase would begin in April of 2009.

NP 020106 – SNAP Administrative – The bill also provides HCS D the authority to spend the SNAP administrative costs associated with the recession period. As mentioned earlier, the estimate is about \$680,000 for FY 2009 through FY 2011 and these administrative expenditures would be considered one-time-only.



#### Other Pass-through Grants

NP 020107 – Emergency Food Assistance Program (TEFAP) – The bill appropriates HCSD \$87,333 for costs associated with the acquisition, storage, and delivery of USDA commodities from FY 2009 through FY 2011. The division has also received about \$200,000 to be used as “credit” for acquisition of food from USDA.

NP 020108 – Homeless Prevention – The bill appropriates HCSD \$3,750,000 for the 2011 biennium as pass-through funds to help local community organizations provide services that address homelessness prevention such as rent payments, utility payments, and support services to individuals in economic crisis. This funding would come from Housing and Urban Development (HUD) via the formula from emergency shelter grant program.

Estimates are \$187,500 for FY 2009, \$1,875,000 for FY 2010, and \$1,687,000 for FY 2011.

NP – 020109 – Food Distribution on Reservations – The bill appropriates \$154,000 for FY 2009 through FY 2011. Funding could be used to provide and administer food distribution programs on reservations as well as to help reservations acquire useful equipment for their storage/distribution centers.

This funding is part of \$5 million that is available nationally. This request is for the authority to spend the funds in the event it is received.

NP – 020120 – Food for Food Banks (Restricted) - The bill appropriates \$250,000 general fund each year of the biennium in support of the needs of food banks throughout the state.

NP – 020121 – Homeless Prevention / Emergency Food & Shelter General Fund (Restricted) - The bill provides \$1.5 million general fund for the biennium to assist shelters throughout the state as identified in the present federal Emergency Shelter Grant. Funds could support any of the following: 1) essential services to homeless families; 2) one-time payments for homeless prevention services; 3) maintenance funding in support of existing emergency shelters and domestic violence facilities that provide shelter, food and individual support services; and 4) rehabilitation or conversion of buildings for homeless shelters including “shovel-ready” infrastructure projects.

## SECTION B – DIRECTOR’S OFFICE

Figure 1

6901 Dept Of Public Health & Human Services				690104 Director'S Office				
<b>Legislative Budget Comparison Table</b>								
Federal Stimulus Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Grants	-	-	50,000	50,000	-	100,000	100,000	0.0%
Benefits & Claims	-	-	13,014,392	26,486,317	-	39,500,709	39,500,709	0.0%
<b>Total Costs</b>	-	-	<b>13,064,392</b>	<b>26,536,317</b>	-	<b>39,600,709</b>	<b>39,600,709</b>	<b>0.0%</b>
General Fund	-	-	4,650,830	10,333,165	-	14,983,995	14,983,995	0.0%
State/other Special Rev. Funds	-	-	19,829	41,231	-	61,060	61,060	0.0%
Federal Spec. Rev. Funds	-	-	8,393,733	16,161,921	-	24,555,654	24,555,654	0.0%
<b>Total Funds</b>	-	-	<b>13,064,392</b>	<b>26,536,317</b>	-	<b>39,600,709</b>	<b>39,600,709</b>	<b>0.0%</b>

### Division Narrative

The Director’s Office received appropriations for the AmeriCorps\*VISTA program and provider rate increases for services administered by the Human and Community Resources, Child and Family Services, Disability Services, Health Resources, Senior and Long Term Care, and Addictive and Mental Disorders divisions.

### Purpose of Funds

The American Recovery and Reinvestment Act of 2009, includes \$50,000 per year in funding for the Corporation for National and Community Service in Montana to support an expansion of AmeriCorps State and National and AmeriCorps VISTA programs.

AmeriCorps State and National engages individuals (AmeriCorps members) in service to support thousands of local community organizations. The AmeriCorps members’ service expands these organizations’ capacity to achieve their missions and builds community involvement and support.

Provider rates are funded with general fund, state special revenues, and federal funds, which are predominately federal Medicaid matching funds. The appropriation supports a one-time 2 percent annual increase.

### Statutory Changes

HB 645 does not contain any statutory changes specific to the AmeriCorp Program.

### Conditions and Limitations

The federal funds provided in HB 645 for the AmeriCorp Program must be used under federal guidance for the program currently in place in Montana. The provider rate appropriation may be used only to fund provider rate increases for providers except physicians, psychiatrists, and podiatrists, whose rates are adjusted according to 53-6-125, MCA.

## SECTION B – DIRECTOR’S OFFICE

Figure 2

6901 Dept Of Public Health & Human Services				690104 Director'S Office		
Legislative Budget	General Fund	General Fund	General Fund	Total Funds	Total Funds	Total Funds
Decision Package	FY 2010	FY 2011	FY 2010-11	FY 2010	FY 2011	FY 2010-11
<i>Federal Stimulus New Proposal Decision Packages</i>						
NP040101 VISTA/AmeriCorps	-	-	-	50,000	50,000	100,000
NP040102 Provider Rate Increases	4,650,830	10,333,165	14,983,995	13,014,392	26,486,317	39,500,709
<b>New Proposal Total</b>	<b>4,650,830</b>	<b>10,333,165</b>	<b>14,983,995</b>	<b>13,064,392</b>	<b>26,536,317</b>	<b>39,600,709</b>
<b>Total All Decision Packages</b>	<b>4,650,830</b>	<b>10,333,165</b>	<b>14,983,995</b>	<b>13,064,392</b>	<b>26,536,317</b>	<b>39,600,709</b>

### Decision Package Narrative

DP04010 Vista/AmeriCorps - The Director's Office is appropriated \$50,000 in each year of the 2011 biennium to provide additional grants to increase the number of volunteers supported by the AmeriCorps program.

DP04102 Provider Rate Increases - The legislature approved a 2 percent annual one-time provider rate increase for all providers except physicians, psychiatrists, and podiatrists, whose rates are adjusted according to 53-6-125, MCA. The appropriation for the rate increase is allocated to the Director’s Office, but must be allocated to programs. The total approved for the one-time rate increase is \$39.5 million, including \$15.0 million general fund.

## SECTION B – CHILD SUPPORT ENFORCEMENT DIVISION

Figure 1

6901 Dept Of Public Health & Human Services					690105 Child Support Enforcement			
Legislative Budget Comparison Table								
Federal Stimulus Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Benefits & Claims	-	-	3,687,090	619,235	-	4,306,325	4,306,325	0.0%
<b>Total Costs</b>	-	-	<b>3,687,090</b>	<b>619,235</b>	-	<b>4,306,325</b>	<b>4,306,325</b>	<b>0.0%</b>
General Fund	-	-	-	-	-	-	-	0.0%
Federal Spec. Rev. Funds	-	-	3,687,090	619,235	-	4,306,325	4,306,325	0.0%
<b>Total Funds</b>	-	-	<b>3,687,090</b>	<b>619,235</b>	-	<b>4,306,325</b>	<b>4,306,325</b>	<b>0.0%</b>

### Division Narrative

Child Support Enforcement pursues financial and medical support of children by establishing, enforcing, and increasing public awareness of parental obligations.

### Purpose of Funds

The American Recovery and Reinvestment Act (ARRA) temporarily restores federal matching funds for Child Support Enforcement incentive payments. The funds were removed by the Deficit Reduction Act of 2005 and states used general fund to maintain the operations of child support enforcement divisions. The funding switch is presently in effect from: Oct. 1, 2008 through September 30, 2010. The division should receive about \$1.6 million in FY 2009, \$2 million in FY 2010, and \$0.6 million in FY 2011.

Statutory Changes – HB 645 allows the DPHHS base budget to include the funding switch made as a result of the temporary restoration of the federal matching funds for child support enforcement that is discussed below. HB 645 also allows the amount of the general fund reduction to be included in the division’s present law base budget for the 2013 biennium executive budget.

Conditions and Limitations – None

## CHILD SUPPORT ENFORCMENT DIVISION – NEW PROPOSALS

Figure 2

6901 Dept Of Public Health & Human Services				690105 Child Support Enforcement		
Legislative Budget Decision Package	General Fund FY 2010	General Fund FY 2011	General Fund FY 2010-11	Total Funds FY 2010	Total Funds FY 2011	Total Funds FY 2010-11
<i>Federal Stimulus New Proposal Decision Packages</i>						
NP050100 Child Support Enforcement Enhancement	-	-	-	3,687,090	619,235	4,306,325
<b>New Proposal Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,687,090</b>	<b>619,235</b>	<b>4,306,325</b>
<b>Total All Decision Packages</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,687,090</b>	<b>619,235</b>	<b>4,306,325</b>

### Decision Package Narrative

DP 050100 – Child Support Enforcement Enhancement – The bill allows the use federal stimulus funds to replace general fund for the operations of the Child Support Enforcement Division.

The House Appropriations Committee (HAC) reduced the division’s general fund by \$1,894,588 for FY 2010 and by \$473, 647 in FY 2011, and recommended that the division receive the same amounts of funding from HB 645. The recommendation was made with the understanding that the division must have this authority in order to spend the federal appropriation and have a complete operational budget for FY 2011.

## SECTION B –PUBLIC HEALTH AND SAFETY DIVISION

Figure 1

6901 Dept Of Public Health & Human Services				690107 Public Health & Safety Div.					
Legislative Budget Comparison Table									
Federal Stimulus Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial	
Budget Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent	
Operating Expenses	-	-	283,000	200,000	-	483,000	483,000	0.0%	
Grants	-	-	3,100,000	3,100,000	-	6,200,000	6,200,000	0.0%	
Benefits & Claims	-	-	500,000	500,000	-	1,000,000	1,000,000	0.0%	
<b>Total Costs</b>	-	-	<b>3,883,000</b>	<b>3,800,000</b>	-	<b>7,683,000</b>	<b>7,683,000</b>	<b>0.0%</b>	
General Fund	-	-	1,000,000	1,000,000	-	2,000,000	2,000,000	0.0%	
Federal Spec. Rev. Funds	-	-	2,883,000	2,800,000	-	5,683,000	5,683,000	0.0%	
<b>Total Funds</b>	-	-	<b>3,883,000</b>	<b>3,800,000</b>	-	<b>7,683,000</b>	<b>7,683,000</b>	<b>0.0%</b>	

### Program Narrative

The Public Health and Safety Division (PHSD) operates the chronic disease prevention and communicable disease control and prevention programs and the family and community health program. Federal funds support a majority of the activities in these programs. Included in the communicable disease program is the immunization section.

### Purpose of Funds

Included in the bill are enhanced federal appropriations granted by the Centers for Disease Control and Prevention (CDC) to provide for the Prevention and Wellness Fund. The purpose of the funds is to carry out evidence-based clinical and community-based prevention and wellness strategies that deliver specific, measurable health outcomes related to chronic disease rates, to carry out activities to implement healthcare associated infection reduction strategies, and to increase support for the federal immunization program.

The Women, Infants, and Children Nutrition Program (WIC) provides food benefit packages to:

- Pregnant women
- Breastfeeding women
- Women who recently had a child
- Infants birth to 12 months
- Children up to 5 years of age

Qualifying individuals must be determined to be at nutritional or medical risk and be below 185 percent of the Federal Poverty Income Guidelines. The legislation includes \$1.0 million in federal funding to expand the WIC program, which can be used to support additional eligible individuals or increased costs of providing the food package benefits. WIC food benefit packages have recently expanded to include fresh fruits and vegetables which have increased costs for the program. In addition the ARRA includes additional federal appropriations of \$483,000 over the biennium for technology support for WIC computer systems. Montana is in the process of updating its WIC computer system.



HB 645 includes \$2.0 million in general fund over the 2011 biennium to provide county health grants for asbestos. The 2007 Legislature provided \$1.5 million general fund on a one-time only basis to support grants to county health boards in counties with a proliferation of tremolite asbestos-related diseases. The grants were to provide for benefits to individuals exposed to asbestos and supplemental health care need of those individuals with asbestos-related diseases who have limited resources. The one-time-only designation was made due to the potential for other funding from either ongoing litigation with W.R. Grace & Company and/or federal funding for asbestos-related diseases.

### Statutory Changes

The legislation does not contain any specific statutory changes related to WIC or the programs supported by the federal Prevention and Wellness Funds.

### Conditions and Limitations

The enhanced federal appropriations included for the WIC program and the Prevention and Wellness Funds must follow applicable federal statutes relating current programs and additional guidance as provided by CDC.

Prevention and Wellness Funds are distributed within the legislation as \$2.1 million each year of the biennium. The PHSD anticipates using the funds as required in the federal legislation:

- \$500,000 each year of the biennium for immunization
- \$1.5 million each year of the biennium for chronic disease prevention
- \$100,000 each year of the biennium for hospital based infections

## SECTION B –PUBLIC HEALTH AND SAFETY DIVISION

Figure 2

6901 Dept Of Public Health & Human Services				690107 Public Health & Safety Div.		
Legislative Budget	General Fund	General Fund	General Fund	Total Funds	Total Funds	Total Funds
Decision Package	FY 2010	FY 2011	FY 2010-11	FY 2010	FY 2011	FY 2010-11
<i>Federal Stimulus New Proposal Decision Packages</i>						
NP070100 WIC Supplemental	-	-	-	500,000	500,000	1,000,000
NP070101 WIC Information System Upgrade	-	-	-	283,000	200,000	483,000
NP070102 Prevention and Wellness Fund	-	-	-	2,100,000	2,100,000	4,200,000
NP070103 County Health Grants - Asbestos	1,000,000	1,000,000	2,000,000	1,000,000	1,000,000	2,000,000
<b>New Proposal Total</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>2,000,000</b>	<b>3,883,000</b>	<b>3,800,000</b>	<b>7,683,000</b>
<b>Total All Decision Packages</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>2,000,000</b>	<b>3,883,000</b>	<b>3,800,000</b>	<b>7,683,000</b>

### Decision Package Narrative

DP070100 WIC Supplemental - The legislation includes \$500,000 in each year of the biennium to provide services and food for the Women Infants & Children (WIC) program.

DP070101 WIC Information System Upgrade –The legislation provides support for \$483,000 for the biennium to implement new management information systems or improve existing systems for the Women Infants & Children (WIC) program.

DP070102 Prevention and Wellness Fund - Included in the bill is \$2.1 million in each year of the biennium for immunizations, chronic disease prevention and hospital-based infections.

DP070103 – County Health Grants – Asbestos - \$2.0 million over the 2011 biennium is provided for grants to county health boards in counties with a proliferation of tremolite asbestos-related diseases.

## SECTION B – TECHNOLOGY SERVICES DIVISION

Figure 1

6901 Dept Of Public Health & Human Services				690109 Technology Services Division					
<b>Legislative Budget Comparison Table</b>									
Federal Stimulus	Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item		FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Grants		-	-	375,000	375,000	-	750,000	750,000	0.0%
<b>Total Costs</b>		-	-	<b>375,000</b>	<b>375,000</b>	-	<b>750,000</b>	<b>750,000</b>	<b>0.0%</b>
General Fund		-	-	375,000	375,000	-	750,000	750,000	0.0%
<b>Total Funds</b>		-	-	<b>375,000</b>	<b>375,000</b>	-	<b>750,000</b>	<b>750,000</b>	<b>0.0%</b>

### Division Narrative

The Technology Services Division (TSD) is responsible for all agency information technology.

### Purpose of Funds

The funds in this section of HB 645 are for the general fund that is available as the result of the FMAP and other changes in the American Recovery and Reinvestment Act (ARRA). The executive proposes a Health Information Technology grant for a project to provide clinical information at the point of care and aggregated data for disease management capability. As a result of these efforts, the project intends that Montanans see better quality healthcare in the form of reduced medical errors, reduced medical costs (e.g., redundancy of tests, duplication of therapies, drug interactions, etc), and improved transparency.

### Statutory Changes

None

### Conditions and Limitations

The general fund would be used to match federal funding from Health and Human Services. The most recent communication from Senator Baucus indicated the amount of funds included in the federal appropriation for Montana would be \$714,000.

Legislative discussion asked that the nonprofit entity selected to receive the funds report to the Children, Families, Health, and Human Services Interim Committee during the 2009-10 interim on how the funds were used, including but not limited to the number of participants in the health care information exchange pilot project and how the participants used the health care information exchange system to improve patient care.

## SECTION B – TECHNOLOGY SERVICES DIVISION

Figure 2

6901 Dept Of Public Health & Human Services	690109 Technology Services Division					
Legislative Budget	General Fund	General Fund	General Fund	Total Funds	Total Funds	Total Funds
Decision Package	FY 2010	FY 2011	FY 2010-11	FY 2010	FY 2011	FY 2010-11
<i>Federal Stimulus New Proposal Decision Packages</i>						
NP090100 Health Information Technology - Stim	375,000	375,000	750,000	375,000	375,000	750,000
<b>New Proposal Total</b>	<b>375,000</b>	<b>375,000</b>	<b>750,000</b>	<b>375,000</b>	<b>375,000</b>	<b>750,000</b>
<b>Total All Decision Packages</b>	<b>375,000</b>	<b>375,000</b>	<b>750,000</b>	<b>375,000</b>	<b>375,000</b>	<b>750,000</b>

### Decision Package Narrative

DP 090100 Health Information Technology - This request is for \$750,000 general fund for a grant to support the development of a statewide health information technology pilot project. This grant may be used to purchase hardware, software, programming costs, and participating site-related costs. It is anticipated that this project will utilize the "continuity of care record" as a basis for the exchange of healthcare information among healthcare facilities and providers.

As noted earlier in the discussion, the federal matching funds are \$714,000. A general fund match would provide a grant of \$1,428,000.

## SECTION B – DISABILITY SERVICES DIVISION

Figure 1

6901 Dept Of Public Health & Human Services				690110 Disability Services Division					
Legislative Budget Comparison Table									
Federal Stimulus Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial	
Budget Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent	
Operating Expenses	-	-	-	-	-	-	-	-	0.0%
Grants	-	-	2,385,658	2,069,922	-	4,455,580	4,455,580	-	0.0%
<b>Total Costs</b>	-	-	<b>2,385,658</b>	<b>2,069,922</b>	-	<b>4,455,580</b>	<b>4,455,580</b>	-	<b>0.0%</b>
Federal Spec. Rev. Funds	-	-	2,385,658	2,069,922	-	4,455,580	4,455,580	-	0.0%
<b>Total Funds</b>	-	-	<b>2,385,658</b>	<b>2,069,922</b>	-	<b>4,455,580</b>	<b>4,455,580</b>	-	<b>0.0%</b>

### *Division Narrative*

Disability Services Division (DSD) assists Montanans with disabilities in living, working, and participating in their communities. The division provides or contracts for institutional care, residential services, home-based services to families, case management, and a variety of employment outcome-related services. These services include counseling and guidance, career training, transportation, adaptive equipment, orientation and mobility services to the blind, vocational rehabilitation training, independent living services, medical services, job placement, and supported employment. DSD is responsible for medical adjudication of all claims for Social Security Disability and Supplemental Security Income. The division is responsible for the state behavioral treatment facility at the Montana Developmental Center (MDC) in Boulder.

### Purpose of Funds

There are two sources of ARRA funds for the Disability Services Division. The IDEA Part C Infants and Families funding is to provide additional early intervention services for children with disabilities ages 0 through 2 years. Funding is \$2.1 million over the biennium. Vocational Rehabilitation (VR) funding is for additional services to help persons with disabilities prepare for gainful employment. VR funding over the biennium is \$2,059,043, which includes \$242,913 of Independent Living Part B funds to support direct services to individuals with disabilities that help them achieve independent living. There is also \$13,781 in funding to support services for older and blind individuals.

### Changes to HB 645

There are no changes to the total funding for DSD in HB 645. However, an appropriation made in the Finance and Claims Committee provides \$39.5 million in total funds for provider rate increases. The appropriation is in the Director’s Office to be allocated throughout the department. The share for DSD is estimated to be nearly \$6.5 million over the biennium. Language specifies that provider rate increases may not be used to raise rates paid to providers pursuant to 53-6-125, MCA.

Statutory Changes – HB 645 allows for the amount of the FMAP general fund adjustments due to the stimulus funding to be included in the division’s present law base budget for the 2013 biennium executive budget.

### Conditions and Limitations

States must maintain the maintenance of effort (MOE) requirements for funding for IDEA Part C funding.

Funding for all three of the above categories should supplement, not supplant state general fund revenue. Funding is a set amount. There is no required match.

## DISABILITY SERVICES DIVISION – NEW PROPOSALS

Figure 2

6901 Dept Of Public Health & Human Services	690110 Disability Services Division					
Legislative Budget Decision Package	General Fund FY 2010	General Fund FY 2011	General Fund FY 2010-11	Total Funds FY 2010	Total Funds FY 2011	Total Funds FY 2010-11
<i>Federal Stimulus New Proposal Decision Packages</i>						
NP010100 Vocational Rehabilitation State Grants	-	-	-	1,315,737	1,000,000	2,315,737
NP010103 IDEA Infants and Families	-	-	-	1,069,921	1,069,922	2,139,843
<b>New Proposal Total</b>	-	-	-	<b>2,385,658</b>	<b>2,069,922</b>	<b>4,455,580</b>
<b>Total All Decision Packages</b>	-	-	-	<b>2,385,658</b>	<b>2,069,922</b>	<b>4,455,580</b>

### Decision Package Narrative

DP – 010100 – Vocational Rehabilitation State Grants – The bill provides authority for the Disability Services Division to spend \$2,315,737 for the 2011 biennium for additional services in support of the Vocational Rehabilitation and Independent Living programs.

The program plans to use the Vocational Rehabilitation funds to strengthen and enrich the current program and to prepare the program for the next few difficult years. Federal requirements state the money must be spent on services allowable under Title I of the federal Rehabilitation Act. This will include additional client benefits to avoid order of selection (establishing a waiting list), one-time programs putting people with disabilities to work, technology infrastructure, and other infrastructure.

The Independent Living Part B money will be spent on enhancing independent living services in Montana. Federal requirements state the money must be spent on services allowable under Title VII of the federal Rehabilitation Act.

The Independent Living Older Blind money will be used to enhance services to Montanans who are over the age of 55 and who have visual impairments. Most likely, direct services to consumers will be increased.

The general public will have an opportunity to suggest specific ideas at a statewide planning meeting conducted via MetNet on March 25. Priority for spending the funds will be provided by the state plans, strategic plans, public input and the VR Council and the Statewide Independent Living Council.

DP – 010103 - Disability Services Division The bill also provides authority for the Disability Services Division to use \$2,139,943 over the biennium to help increase services for children ages 0 through 2 years with disabilities.

The division plans to use of the IDEA Part C funds to provide additional services to children and families as well as: 1) to enhance Montana’s Part C methods to collect, analyze and utilize data for continuous improvement planning at state and local level; and 2) to enhance the capacity of Montana’s technical assistance and training system to disseminate and implement research-based promising early intervention practices in Part C services to those professionals who are providing services.

## SECTION B – HEALTH RESOURCES DIVISION

Figure 1

6901 Dept Of Public Health & Human Services				690111 Health Resources Division				
Legislative Budget Comparison Table								
Federal Stimulus Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Operating Expenses	-	-	-	-	-	-	-	0.0%
Grants	-	-	333,500	333,500	-	667,000	667,000	0.0%
Benefits & Claims	-	-	205,223,448	132,557,463	-	337,780,911	337,780,911	0.0%
<b>Total Costs</b>	-	-	<b>205,556,948</b>	<b>132,890,963</b>	-	<b>338,447,911</b>	<b>338,447,911</b>	<b>0.0%</b>
General Fund	-	-	19,195,129	23,111,697	-	42,306,826	42,306,826	0.0%
Federal Spec. Rev. Funds	-	-	186,361,819	109,779,266	-	296,141,085	296,141,085	0.0%
<b>Total Funds</b>	-	-	<b>205,556,948</b>	<b>132,890,963</b>	-	<b>338,447,911</b>	<b>338,447,911</b>	<b>0.0%</b>

### Division Narrative

The Health Resources Division (HRD) is one of four divisions in DPHHS that administers Medicaid services. HRD manages state plan services (e.g. hospital, physician, prescription drugs, dental). HB 645 appropriates \$42.3 million general fund and \$296.1 million in federal funds to HRD largely in anticipation of Medicaid cost increases due to the recession and to provide additional federal funds for the temporary increase in the federal Medicaid matching rate.

HRD includes an appropriation of \$40.6 million general fund (\$171.1 million total funds) for recession related Medicaid costs, including the updated cost estimates based on Medicaid January data. The appropriation increase is to be managed across Medicaid programs in the department.

The general fund for the recession related Medicaid costs is available because the American Recovery and Reinvestment Act (ARRA) of 2009 temporarily raises the federal Medicaid match rate over the recession adjustment period of October 1, 2008 to December 31, 2010. HB 645 reduces DPHHS general fund appropriations in HB 2 by \$49.0 million in FY 2009 (the current fiscal year), \$71.0 million in FY 2010, and \$26.0 million in FY 2011 – in total freeing up an estimated \$146.0 million in state matching funds appropriated in HB 2.

Also, there is additional general fund revenue (\$14.7 million) available due to the enhanced FMAP. First, some state institution costs are eligible for federal Medicaid reimbursement, which is deposited to the general fund and will increase compared to original revenue estimates. Second, the hospital utilization fee revenue above the amount needed to fully match Medicaid hospital payments will be deposited to the general fund.

Other appropriations for HRD include:

- \$2.0 million total funds (\$0.5 million general fund) for estimated Medicaid costs for eligibility changes made by the ARRA in the treatment of assets for Indians
- \$1.7 million total funds (\$0.4 million general fund) to extend Medicaid assistance from 6 to 12 months for people who are transitioning off due to increased earnings
- \$0.7 million general fund to sustain the children’s system of care and kids management authorities

HRD will also receive an allocation from the appropriation for a one-time 2 percent annual provider rate increase - \$13.6 million total funds, including \$4.4 million general fund



### Purpose of Funds

The statement of purpose in ARRA says that the enhanced federal Medicaid match rate is intended to prevent limitations or reductions in eligibility for services and to avert cuts to Medicaid services and provider rates. The enhanced federal match rate cannot be used to pay for increased costs due to eligibility expansions after June 2008. Some of the Medicaid costs associated with Healthy Montana Kids would not be eligible for the enhanced federal match rate since I-155 was enacted November 2008.

### Statutory Changes

There are no statutory changes necessary to implement ARRA. However, HB 645 includes changes to 15-6-102, MCA to allow direct that hospital utilization fee revenue above a certain amount to be deposited to the general fund. The department will need to submit a Medicaid state plan amendment to divert a portion of the hospital utilization fee to the general fund and receive federal approval to make the change.

### Conditions and Limitations

For the most part, states receiving the enhanced federal Medicaid match rate may not:

- 1) Limit eligibility for Medicaid services compared to eligibility standards in place as of June 2008
- 2) Directly or indirectly build a reserve or rainy day fund (except for \$19.0 million of general fund due to one of the components of the federal match rate enhancement)

## SECTION B – HEALTH RESOURCES DIVISION

Figure 2

6901 Dept Of Public Health & Human Services	690111 Health Resources Division					
Legislative Budget Decision Package	General Fund FY 2010	General Fund FY 2011	General Fund FY 2010-11	Total Funds FY 2010	Total Funds FY 2011	Total Funds FY 2010-11
<i>Federal Stimulus New Proposal Decision Packages</i>						
NP011100 FMAP Funding Adjustment	-	-	-	132,000,000	31,000,000	163,000,000
NP011101 Medicaid Caseload	18,433,433	22,219,989	40,653,422	71,406,748	99,681,765	171,088,513
NP011647 Transitional Medicaid	196,432	248,020	444,452	833,400	833,400	1,666,800
NP011648 Sustain System of Care & Kids Management Authority	333,500	333,500	667,000	333,500	333,500	667,000
NP011649 Indian Property Exclusion - Medicaid Determination	231,764	310,188	541,952	983,300	1,042,298	2,025,598
<b>New Proposal Total</b>	<b>19,195,129</b>	<b>23,111,697</b>	<b>42,306,826</b>	<b>205,556,948</b>	<b>132,890,963</b>	<b>338,447,911</b>
<b>Total All Decision Packages</b>	<b>19,195,129</b>	<b>23,111,697</b>	<b>42,306,826</b>	<b>205,556,948</b>	<b>132,890,963</b>	<b>338,447,911</b>

### Decision Package Narrative

NP11100 FMAP Funding Adjustment – This appropriation increases the federal Medicaid funds appropriation by \$54.0 million in FY 2009, \$78.0 million in FY 2010, and \$31.0 million in FY 2011 due to the temporary increase in the federal Medicaid match rate.

The majority of additional federal funds will replace state funds used as Medicaid match – some of the increase will be passed through to schools and Indian Health Services providers. The reduction to state general fund expenditures (October 1, 2008 to December 31, 2010) from the temporary federal match rate change is included in section 38 of the bill and totals \$146.0 million.

NP 11101 Medicaid Caseload – HB 645 includes \$18.4 million of general fund in FY 2010, and \$22.2 million in FY 2011, as well as \$130.4 million federal matching funds over the 2011 biennium for the anticipated increase in Medicaid caseloads as a result of the economic downturn. The increased funds for Medicaid would be administered from a department-wide perspective to maintain the current level of Medicaid services. The general fund appropriation in HB 645 includes \$19.0 million directed to a state special reserve account, \$1.0 million for added administrative costs, and \$20.6 million for increased Medicaid costs due to the recession.

It is anticipated that the recession related spike in Montana Medicaid caseloads will lag the national recovery by several months. HB 645 establishes a Medicaid reserve state special revenue account for 2013 biennium Medicaid costs. The amount of the enhanced federal Medicaid match rate that can be deposited to a reserve account is directed to be deposited in the account – an estimated \$19.0 million of the \$60.0 million appropriation. The \$19.0 million reserve is an estimate of the portion of the “hold harmless” federal match rate provisions within ARRA, which is consistent with the conditions established and initiated by the ARRA.

The remaining \$21.6 million of the Medicaid services would be spent for increased Medicaid caseload costs incurred during the 2011 biennium with the exception of \$1.0 million general fund and \$1.0 million federal match funds. The appropriation could fund the updated cost estimate for Medicaid based on January data, which is estimated to be \$10.1 million general fund. The balance would be available for increases related to recession related unemployment.

NP 11647 Transitional Medicaid - The legislature appropriated about \$445,000 general fund and \$1.2 million federal funds to extend transitional Medicaid assistance from 6 to 12 months as allowed by the federal American



Recovery and Reinvestment Act of 2009. States can extend Medicaid benefits to persons leaving Medicaid due to increased earnings for a transitional period.

NP 11648 – Sustain System of Care and Kids Management Authority – The legislature added \$667,000 general fund over the biennium to sustain the children's system of care and kids management authorities. The funds will be used to pay the increased match required as part of the federal grant from the Substance Abuse and Mental Health Services Administration.

NP 11649 – Indian Property Exclusion – Medicaid Determination - This new proposal adds about \$542,000 general fund and \$1.5 million in federal matching funds for additional Medicaid services costs due to changes included in the American Recovery and Reinvestment Act of 2009. The act changed the way that certain assets may be counted in determining Medicaid eligibility for Indians. These changes are anticipated to make more people eligible for Medicaid.

### Alternatives and Policy Options

The legislature could consider allowing the department to use the recession related general fund appropriation for additional Medicaid costs for transitional Medicaid costs since those costs are directly related to conditions included in the ARRA. That would reduce general fund appropriations by \$444,000 general fund.

## SECTION B – SENIOR & LONG-TERM CARE DIVISION

Figure 1

6901 Dept Of Public Health & Human Services				690122 Senior & Long-Term Care					
Legislative Budget Comparison Table									
Federal Stimulus	Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item		FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Grants		-	-	9,876,271	9,972,149	-	19,848,420	19,848,420	0.0%
<b>Total Costs</b>		-	-	<b>9,876,271</b>	<b>9,972,149</b>	-	<b>19,848,420</b>	<b>19,848,420</b>	<b>0.0%</b>
General Fund		-	-	3,415,738	3,946,846	-	7,362,584	7,362,584	0.0%
Federal Spec. Rev. Funds		-	-	6,460,533	6,025,303	-	12,485,836	12,485,836	0.0%
<b>Total Funds</b>		-	-	<b>9,876,271</b>	<b>9,972,149</b>	-	<b>19,848,420</b>	<b>19,848,420</b>	<b>0.0%</b>

### Division Narrative

The Senior and Long Term Care Division (SLTC) manages Medicaid nursing home, home based (predominantly personal care), and community waiver services for the elderly and physically disabled. It also funds community services for the aged and disabled and manages the two Montana veterans' homes.

The legislature appropriated \$19.8 million, including \$7.4 million general fund, for SLTC services. HB 645 provides \$16.3 million, including \$4.4 million general fund for a one-time provider rate increase to fund a wage increase or lump-sum payment for direct care workers who provide Medicaid funded services (nursing services, personal assistance, and community waiver services). The appropriation must be used to implement the rate increase and may fund up to \$1 per hour including benefits. The legislature also appropriated \$3.0 million general fund over the biennium restricted to nonMedicaid community aging services. The final appropriation is a \$0.5 million federal grant available through the ARRA for meal programs for aging services.

The division will be able to spend Medicaid services appropriations budgeted in the Health Resources Division if the department exceeds HB 2 appropriations.

SLTC will also receive an allocation from the appropriation for a one-time 2 percent annual provider rate increase - \$14.0 million total funds, including \$4.3 million general fund

### Purpose of Funds

The appropriations will be used to fund:

- One-time Medicaid provider rate increases to raise direct care worker wages
- Community services for the aged and disabled
- Elderly feeding programs

### Statutory Changes

There are no statutory changes needed.

### Conditions and Limitations

Each of the appropriations is limited to specific uses. The federal grant and general fund appropriations for nonMedicaid aging services appropriations must be used for community aging services that are not funded by Medicaid. The federal grant funds must be used for elderly feeding programs. The general fund and matching federal Medicaid funds must be used for a provider rate increase to raise direct care worker wages for Medicaid services administered by the Senior and Long Term Care Division.

## SECTION B – SENIOR & LONG-TERM CARE DIVISION

Figure 2

6901 Dept Of Public Health & Human Services				690122 Senior & Long-Term Care		
Legislative Budget	General Fund	General Fund	General Fund	Total Funds	Total Funds	Total Funds
Decision Package	FY 2010	FY 2011	FY 2010-11	FY 2010	FY 2011	FY 2010-11
<i>Federal Stimulus New Proposal Decision Packages</i>						
NP022001 Aging Services Programs	-	-	-	250,000	250,000	500,000
NP022648 Direct Care Worker Wage Increase (Restricted)	1,915,738	2,446,846	4,362,584	8,126,271	8,222,149	16,348,420
NP022649 NonMedicaid Community Aging Services	1,500,000	1,500,000	3,000,000	1,500,000	1,500,000	3,000,000
<b>New Proposal Total</b>	<b>3,415,738</b>	<b>3,946,846</b>	<b>7,362,584</b>	<b>9,876,271</b>	<b>9,972,149</b>	<b>19,848,420</b>
<b>Total All Decision Packages</b>	<b>3,415,738</b>	<b>3,946,846</b>	<b>7,362,584</b>	<b>9,876,271</b>	<b>9,972,149</b>	<b>19,848,420</b>

### Decision Package Narrative

NP 22001 Aging Services Programs - This appropriation for \$250,000 federal funds for each year of the 2011 biennium is funded by a federal grant in the ARRA. It will be passed through to local area agencies on aging to provide meals on wheels, congregate meals, and senior meals.

NP 22648 Direct Care Worker Wage Increase (Restricted) – The legislature appropriated \$16.3 million, including \$4.4 million general fund, for a provider rate increase to raise direct care worker wages for Medicaid services administered by the Senior and Long Term Care Division. Language in HB 645 authorizes one-time wage increases or lump sum payments.

NP 22649 NonMedicaid Community Aging Services - The legislature added \$3.0 million general fund over the biennium for nonMedicaid community aging services. The Senior and Long Term Care Division contracts with Area Agencies on Aging (AAAs) to administer the funds. AAAs provide services such as congregate meals and meals on wheels, home care giver and chore services, information and referral services.

## SECTION B – ADDICTIVE AND MENTAL DISORDERS DIVISION

Figure 1

6901 Dept Of Public Health & Human Services				690133 Addictive & Mental Disorders					
Legislative Budget Comparison Table									
Federal Stimulus	Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item		FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Grants		-	-	-	-	-	-	-	0.0%
Benefits & Claims		-	-	250,000	250,000	-	500,000	500,000	0.0%
<b>Total Costs</b>		-	-	<b>250,000</b>	<b>250,000</b>	-	<b>500,000</b>	<b>500,000</b>	<b>0.0%</b>
General Fund		-	-	250,000	250,000	-	500,000	500,000	0.0%
Federal Spec. Rev. Funds		-	-	-	-	-	-	-	0.0%
<b>Total Funds</b>		-	-	<b>250,000</b>	<b>250,000</b>	-	<b>500,000</b>	<b>500,000</b>	<b>0.0%</b>

### Division Narrative

The Addictive and Mental Disorders Division (AMDD) administers community and state institution chemical dependency services and adult mental health services. It administers both Medicaid funded services as well as services supported by federal block grants and services that are fully state funded. The division may receive funds appropriated in the Health Resources Division for recession related Medicaid costs if HB 2 costs exceed the HB 2 appropriation for Medicaid services.

AMDD received \$0.5 million general fund for a mental health crisis diversion pilot program contingent on passage and approval of the following bills:

- HB 130 - Establishing a grant program to reimburse up to 50 percent of a county's costs for jail diversion, crisis intervention services, and precommitment cost insurance premiums (if such insurance is set up by the counties) for mentally ill individuals picked up by law enforcement
- HB 131 - Requiring DPHHS to contract for up to three emergency detention beds in each mental health service area for persons who are a danger to themselves or others because of a mental disorder and who may need commitment.
- HB 132 - Allowing a petition for involuntary commitment to be suspended if a respondent agrees to be diverted to short-term inpatient treatment for up to 14 days and requiring DPHHS to contract for up to three short-term inpatient treatment beds in each mental health service area

AMDD will also receive an allocation from the appropriation for one-time 2 percent provider rate increases - \$3.7 million total funds, including \$1.9 million general fund

### Purpose of Funds

The funds are to be used to implement a pilot program based on bills listed above.

### Statutory Changes

The appropriation is contingent on passage and approval of HB 130, HB 131, and HB 132.

### Conditions and Limitations

The appropriation may be used only to implement the pilot program for a mental health crisis diversion project.

## SECTION B – ADDICTIVE AND MENTAL DISORDERS DIVISION

Figure 2

6901 Dept Of Public Health & Human Services				690133 Addictive & Mental Disorders		
Legislative Budget	General Fund	General Fund	General Fund	Total Funds	Total Funds	Total Funds
Decision Package	FY 2010	FY 2011	FY 2010-11	FY 2010	FY 2011	FY 2010-11
<i>Federal Stimulus New Proposal Decision Packages</i>						
NP033649 Mental Health Crisis Diversion Pilot Program	250,000	250,000	500,000	250,000	250,000	500,000
<b>New Proposal Total</b>	<b>250,000</b>	<b>250,000</b>	<b>500,000</b>	<b>250,000</b>	<b>250,000</b>	<b>500,000</b>
<b>Total All Decision Packages</b>	<b>250,000</b>	<b>250,000</b>	<b>500,000</b>	<b>250,000</b>	<b>250,000</b>	<b>500,000</b>

### Decision Package Narrative

NP 33649 Mental Health Crisis Diversion Pilot Program - The legislature added \$0.5 million general fund over the biennium to fund a mental health crisis diversion pilot program. The funds are contingent on passage and approval of HB 130, HB 131, and HB 132 and may be used only to implement those bills. These bills require DPHHS to contract for community crisis beds and provide 14 days of inpatient mental health treatment for persons who otherwise might be involuntarily committed to the Montana State Hospital.

### Alternatives and Policy Options

The legislature may wish to request that the department provide an expanded justification for this proposal, including implementation milestones, goals, and measures. The legislature may wish to recommend that the Legislative Finance Committee monitor implementation of the initiative during the 2011 biennium.