

**Program Budget Comparison**

The following table summarizes the total executive 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	5.00	5.00	5.00	5.00	5.00	5.00	0.00	0.00%
Personal Services	385,797	461,030	468,192	467,679	846,827	935,871	89,044	10.52%
Operating Expenses	7,975,646	7,429,555	8,137,054	10,792,776	15,405,201	18,929,830	3,524,629	22.88%
Grants	0	0	10,578,125	7,039,062	0	17,617,187	17,617,187	n/a
<b>Total Costs</b>	<b>\$8,361,443</b>	<b>\$7,890,585</b>	<b>\$19,183,371</b>	<b>\$18,299,517</b>	<b>\$16,252,028</b>	<b>\$37,482,888</b>	<b>\$21,230,860</b>	<b>130.64%</b>
General Fund	2,090,308	2,195,759	2,137,657	2,824,069	4,286,067	4,961,726	675,659	15.76%
State Special	87,925	39,755	91,621	92,965	127,680	184,586	56,906	44.57%
Federal Special	6,183,210	5,655,071	16,954,093	15,382,483	11,838,281	32,336,576	20,498,295	173.15%
<b>Total Funds</b>	<b>\$8,361,443</b>	<b>\$7,890,585</b>	<b>\$19,183,371</b>	<b>\$18,299,517</b>	<b>\$16,252,028</b>	<b>\$37,482,888</b>	<b>\$21,230,860</b>	<b>130.64%</b>

**Program Description**

The Medicaid Systems Support Program works in conjunction with the state Medicaid director and division administrators by providing oversight and guidance on management of the Medicaid programs. It also oversees the Medicaid Management Information System (MMIS) contractor that is responsible for the processing and payment of Medicaid claims. The Medicaid and Health Services Branch Manager is attached to this program for budget purposes.

**Program Highlights**

<b>Medicaid and Health Services Management Major Budget Highlights</b>	
<ul style="list-style-type: none"> <li>◆ The major changes in the Governor’s proposal compared to the base budget expenditures include:                             <ul style="list-style-type: none"> <li>• Increase of \$17.6 million in federal funds to continue federal IT initiatives related to health records. These funds were originally budgeted in the Health Resources Division</li> <li>• Increase of \$2.1 million in federal and \$0.7 million in state funds to support the implementation of new IT upgrades</li> </ul> </li> <li>◆ Statewide present law adjustments \$83,000 in each year of the biennium are driven primarily by vacancy savings related to a computer systems analyst position that was vacant for most of FY 2012</li> </ul>	

**Funding**

The following table shows program funding, by source for the 2015 biennium as recommended by the Governor.

Total Medicaid And Health Services Branch Funding by Source of Authority 2015 Biennium Budget - Medicaid And Health Services Management							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$4,961,726	\$0	\$0	\$4,961,726	13.2%		
State Special Total	\$184,586	\$0	\$0	\$184,586	0.5%		
02220 02 Indirect Activity Prog 12	\$184,586	\$0	\$0	\$184,586	0.5%		
Federal Special Total	\$32,336,576	\$0	\$0	\$32,336,576	86.3%		
03305 03 Indirect Activity Prog 12	\$14,719,389	\$0	\$0	\$14,719,389	39.3%		
03580 6901-93.778 - Med Adm 50%	\$17,617,187	\$0	\$0	\$17,617,187	47.0%		
Total All Funds	\$37,482,888	\$0	\$0	\$37,482,888	100.0%		
<b>Percent - Total All Sources</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>				

General fund supports 13% of the proposed funding for the biennium. State special funds are derived from indirect charges on all programs within the Medicaid and Health Services branch. Federal revenues are from indirect charges and Medicaid matching funds, which in total support 84% of the proposed budget.

**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	2,090,308	2,090,308	4,180,616	84.26%	8,361,443	8,361,443	16,722,886	44.61%
Statewide PL Adjustments	31,352	31,117	62,469	1.26%	83,807	83,119	166,926	0.45%
Other PL Adjustments	15,997	702,644	718,641	14.48%	159,996	2,815,893	2,975,889	7.94%
New Proposals	0	0	0	0.00%	10,578,125	7,039,062	17,617,187	47.00%
<b>Total Budget</b>	<b>\$2,137,657</b>	<b>\$2,824,069</b>	<b>\$4,961,726</b>		<b>\$19,183,371</b>	<b>\$18,299,517</b>	<b>\$37,482,888</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

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					101,904					101,368
Vacancy Savings					(19,509)					(19,486)
Inflation/Deflation					(4)					(3)
Fixed Costs					1,416					1,240
<b>Total Statewide Present Law Adjustments</b>		<b>\$31,352</b>	<b>\$3,696</b>	<b>\$48,759</b>	<b>\$83,807</b>		<b>\$31,117</b>	<b>\$3,671</b>	<b>\$48,331</b>	<b>\$83,119</b>
DP 12101 - MMIS Maint. Contract	0.00	15,997	0	143,999	159,996	0.00	702,644	1,369	2,111,880	2,815,893
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$15,997</b>	<b>\$0</b>	<b>\$143,999</b>	<b>\$159,996</b>	<b>0.00</b>	<b>\$702,644</b>	<b>\$1,369</b>	<b>\$2,111,880</b>	<b>\$2,815,893</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$47,349</b>	<b>\$3,696</b>	<b>\$192,758</b>	<b>\$243,803</b>	<b>0.00</b>	<b>\$733,761</b>	<b>\$5,040</b>	<b>\$2,160,211</b>	<b>\$2,899,012</b>

DP 12101 - MMIS Maint. Contract - This decision package requests an increase in state and federal authority to support the implementation of the new Management Information System (MMIS) components. The department's new MMIS system is scheduled for implementation in FY 2015.

**New Proposals**

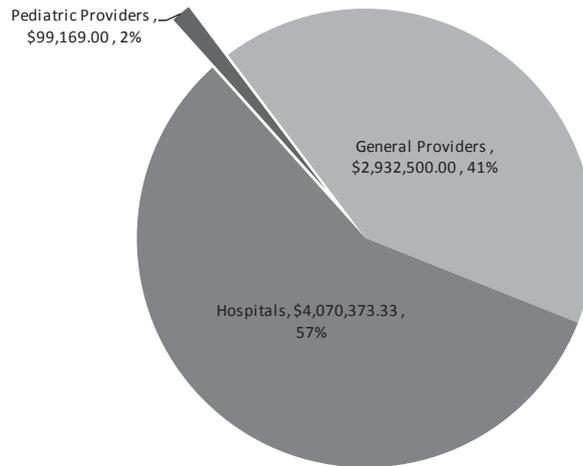
New Proposals	-----Fiscal 2014-----					-----Fiscal 2015-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 12102 - Health Information Technology	12	0.00	0	0	10,578,125	10,578,125	0.00	0	0	7,039,062	7,039,062
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,578,125</b>	<b>\$10,578,125</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,039,062</b>	<b>\$7,039,062</b>

DP 12102 - Health Information Technology - This present law adjustment is requested to maintain services for the Federal Electronic Health Records initiatives. Prior funding was one-time-only.

<b>LFD COMMENT</b>	<p>The Federal Electronic Health Records is an initiative to develop a system to provide clinical information at the point of care. The system is also designed to aggregate data for disease management capability. Those eligible who register for the program receive funding assistance over a six-year period. Eligible professionals typically receive \$21,250 in the first year and \$8,500 for the next five years. Eligible hospitals receive payment based on Medicaid volume. Hospitals received 50% of the total funding in year one and then 30%, 10% and 10% in the following years. In FY 2012, 145 eligible professionals registered for the program while 13 eligible hospitals registered. The figure below shows the relative funding.</p>
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**LFD  
COMMENT CONT.**

**Health Information Technology Grant Distribution FY 2012**



In the 2013 biennium \$18.85 million and \$16.5 million was appropriated for FY2012 and FY2013, respectively. In FY2012 \$7 million (37%) of the authority was awarded, while as of November 2012 awards total \$2.4 million (15 percent) of the FY2013 authorization.

Since the previous legislature authorization was designated as one-time-only funding the agency must request that the authorization be renewed to continue funding the program in the 2015 biennium.

**LFD  
COMMENT**

Because the amount of funds needed by the department cannot routinely be predicted, the legislature may wish to authorize this appropriation as a one-time-only so the next legislature can examine the requested amount in full. The legislature may also wish to restrict the appropriation to this purpose so that unused authority is not used elsewhere if estimates are significantly higher than actual.