

Program Budget Comparison

The following table summarizes the total budget requested by the Governor for the agency by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	183.02	183.02	184.02	184.02	183.02	184.02	1.00	0.55 %
Personal Services	9,107,427	10,672,933	10,736,692	10,767,860	19,780,360	21,504,552	1,724,192	8.72 %
Operating Expenses	12,661,462	15,024,004	13,160,809	13,673,903	27,685,466	26,834,712	(850,754)	(3.07%)
Equipment & Intangible Assets	333,976	248,562	483,976	483,976	582,538	967,952	385,414	66.16 %
Grants	23,031,012	23,728,245	24,379,972	24,429,972	46,759,257	48,809,944	2,050,687	4.39 %
Benefits & Claims	13,964,291	12,869,089	16,257,546	17,321,999	26,833,380	33,579,545	6,746,165	25.14 %
Total Costs	59,098,168	62,542,833	65,018,995	66,677,710	121,641,001	131,696,705	10,055,704	8.27 %
General Fund	2,647,706	2,407,009	3,367,252	3,421,984	5,054,715	6,789,236	1,734,521	34.31 %
State Special	15,984,548	17,003,540	17,796,087	17,823,744	32,988,088	35,619,831	2,631,743	7.98 %
Federal Special	40,465,914	43,132,284	43,855,656	45,431,982	83,598,198	89,287,638	5,689,440	6.81 %
Total Funds	59,098,168	62,542,833	65,018,995	66,677,710	121,641,001	131,696,705	10,055,704	8.27 %

Program Description

Program Description - The mission of the Public Health and Safety Division (PHSD) is to improve the health of Montanans to the highest possible level. The division provides a wide range of public health services to individuals and communities that are aimed at prevention of disease and promotion of health. Services are provided through nearly 400 contracts with a broad range of private and public providers, including local and tribal public health departments, clinics, hospitals and other community-based organizations. Programs administered by the division include, but are not limited to:

- o Clinical and environmental laboratory services;
- o Chronic and communicable disease prevention and control;
- o Maternal and child public health services;
- o Public health emergency preparedness;
- o Women's, Infants and Children's Special Nutrition Program (WIC);
- o Food and Consumer Safety;
- o Tobacco cessation and prevention programs; and
- o Emergency Medical Services.

Statutory authority for public health functions is in Title 50, MCA, including local public health activities. Rules concerning public health programs are in Title 37 of the Administrative Rules of Montana. Specific citations include: Maternal and Child Health Title 50, Chapter 1 and Chapter 19, MCA, and Title V of the Social Security Act; Family Planning Title X of the federal Public Health Service Act and 42 CFR, Subpart A, Part 59; WIC P. L. 95-627, Child Nutrition Act of 1966, and 7 CFR, Part 246

Program Highlights

Public Health and Safety Division Major Budget Highlights	
◆	The Public Health and Safety Division 2011 budget request is approximately \$10 million or 8.3 percent higher when compared to the 2009 biennium. The increases include: <ul style="list-style-type: none"> • \$1.7 million in general fund including \$0.7 million to offset public health and environmental laboratory costs • \$2.6 million in state special revenues of which \$1.0 million is from tobacco settlement interest

<ul style="list-style-type: none"> • \$5.6 million in federal funds, mainly for a projected \$5.0 million increase to the federal WIC program
Major LFD Issues
<ul style="list-style-type: none"> ◆ \$1.1 million in general fund savings could be realized by switching funding for program costs to tobacco cessation and prevention funds available for legislative appropriation ◆ Objectives provided to attain the division's goal to improve the health of Montanans to the highest possible level do not provide sufficient information for the 2009 Legislature to formulate an appropriations policy for the PHSD

Program Narrative

The Public Health and Safety Division 2011 budget request is approximately \$10.0 million or 8.3 percent higher when compared to the 2009 biennium. The increases include:

- \$1.7 million in general fund including \$0.7 million to offset public health and environmental laboratory costs, \$0.5 million to support statewide present laws adjustments, and \$0.2 million to offset increases in contraceptive costs
- \$2.6 million in state special revenues of which \$1.0 million is from tobacco settlement interest. Increases include \$0.4 million for vaccinating young adults, \$0.3 million to support reporting on hospital discharges information, and \$1.3 million to support statewide present law adjustments
- \$5.6 million in federal funds, mainly for a projected \$5.0 million increase to the federal WIC program

The PHSD reorganized in FY 2007. As a result, the Public Health System Improvement and Preparedness Bureau was eliminated. The system improvement functions included in the bureau were transferred to the Division Administration Bureau. PHSD also created the Office of Public Health Emergency Preparedness and Training (office) under the division administrator to continue implementing Center for Disease Control (CDC) grant requirements in relation to public health emergency preparedness and public health training.

The 2007 Legislature passed a major revision of public health laws during the session. To enhance understanding of the revisions and increase compliance with the changes, PHSD developed a training program for county public health offices around Montana. PHSD staff visited the majority of the county health offices during the end of FY 2008 and the beginning of FY 2009 as part of the training program.

Goals and Objectives

State law requires agency and program goals and objectives to be specific and quantifiable to enable the legislature to establish appropriations policy. As part of its appropriation deliberations the Legislative Fiscal Division (LFD) recommends the legislature review the following:

- Goals, objectives, and year-to-date outcomes from the 2009 biennium
- Goals and objectives and their correlation to the 2011 biennium budget request

2009 Biennium Major Goals

The following provides an update of the major goals monitored by the Legislative Finance Committee (LFC) during the 2009 interim.

The Legislative Finance Committee reviewed five separate goals for the PHSD. They included:

- Reduce the burden of chronic disease, injury, and trauma in Montana
- Reduce the incidence of communicable disease in Montana citizens through efforts in prevention, treatment, surveillance, and epidemiology
- Provide programs and services to improve the health of Montana's women, children, and families

- Reduce communicable disease in Montana through a surveillance system based on public health laboratory disease diagnosis and assessment
- A strong and prepared public health system that provides a foundation to respond to emergencies with a well-trained workforce.

A discussion of the measurable objectives selected to measure the goals during the 2009 biennium, the successes, and challenges is presented in the narrative section of each subprogram.

2011 Biennium Major Goals

PHSD is required by law to submit goals and measurable objectives as part of the budgeting process. The LFD recommends that the legislature adopt specific program goals and corresponding objectives for monitoring during the interim. The PHSD submitted one goal for the 2011 biennium – Improve the health of Montanans to the highest possible level. The goal has a number of objectives and proposed measurements included that relate to the various bureaus within the division. A discussion of the objectives, proposed measurements, and LFD issues is provided in the narrative section of the related bureaus.

LFD ISSUE

Objectives Do Not Provide Sufficient Information to Formulate Appropriations Policy

Overall the objectives provided to attain the division's goal to improve the health of Montanans to the highest possible level do not provide sufficient information for the 2009 Legislature to formulate an appropriations policy for the PHSD. PHSD submitted specific, quantifiable objectives for consideration by the 2007 Legislature. The objectives included several outcomes which improved the overall health of Montanans. The specific objectives used for the 2009 biennium are provided in the narrative sections on the subprograms charged with ensuring the measurements were attained or determining the challenges to overcome to attain the measurements in future biennia. Based on the provided measurable objectives, the 2007 Legislature appropriated a total of \$128.2 million in funds to PHSD.

The objectives and proposed measurements submitted as part of the 2011 biennium budget uniformly do not provide sufficient specific quantifiable information for the legislature to develop an appropriations policy for the request budget of \$131.7 million. Public health measurements are established on a national level. The Office of Disease Prevention and Health Promotion within the U.S. Department of Health and Human Services established the Healthy People 2010 goals to increase quality and years of health life and eliminate health disparities in the first decade of the 21st century. PHSD has access to the specific, measureable objectives included in the program as it included them as part of its measurable objectives presented to the 2007 Legislature.

The Joint Appropriations Subcommittee on the Department of Public Health and Human Services may wish to request that the PHSD revise its proposed objectives to include specific, measurable objectives for its programs:

- As outlined by the U.S. Department of Health and Human Services for the Healthy People 2010 goals; or
- Based on program evaluations completed during the 2009 interim that provide specific, measurable objectives for the 2011 biennium.

Issues identified with the objectives proposed for each of the bureaus in PHSD are discussed in the narrative sections.

Additional Interim Committee Review of PHSD Programs

The Children, Families, Health, and Human Services Interim Committee (CFHHIC) conducted a study of emergency medical services (EMS) in Montana to determine the issues that communities face and to identify strategies for ensuring services remain in place throughout the state as part of Senate Joint Resolution 5. Emergency medical services are provided as part of the functions of the PHSD Chronic Disease Prevention and Health Promotion Bureau. CFHHIC approved seven committee bills designed to help with recruitment, retention, and cost issues for volunteer EMS providers and to clarify existing statutes related to the state agencies overseeing EMS activities. The committee bills provide for the following:

- Creating a special license plate for volunteer emergency medical technicians and providing a tax credit for volunteer emergency medical technician license plates

- Establishing the nonemergency ambulance transport act which establishes nonemergency and certain emergency ambulance transports
- Providing tax incentives to volunteer emergency medical technicians and their employers
- Creating a grant program for emergency medical service providers; establishing eligibility requirements and review criteria; creating a grant review committee; authorizing DPHHS to adopt rules; transferring \$1 million from the highway nonrestricted account; and providing for a statutory appropriation
- Providing for an evaluation of emergency medical service run reviews for quality improvement purposes and providing for establishment of standards for run reviews in EMS council meetings; requiring confidentiality of medical run review data
- Clarifying medical direction for emergency medical services, and handling of complaints related to prehospital and interhospital emergency care

Emergency medical services are budgeted within the Chronic Disease Prevention and Health Promotion Bureau. Grants proposed in the committee bills would be administered by this bureau.

Summary of Division Base Budget Compared to Executive Request by Function

Figure 29 shows the FY 2008 base budget expenditures compared to the 2011 biennium request by function of PHSD.

Major Function Grants and Benefits	FY 2008 Base Budget					FY 2010 Executive Request					FY 2011 Executive Request				
	Genl Fund	SSR	Federal	Total	% of Total	Genl Fund	SSR	Federal	Total	% of Total	Genl Fund	SSR	Federal	Total	% of Total
Major Function															
Division Administration	\$233,800	\$325,100	\$1,324,949	\$1,883,849	3.19%	\$284,329	\$532,493	\$1,472,872	\$2,289,694	3.52%	\$286,246	\$533,761	\$1,477,901	\$2,297,908	3.45%
Chronic Disease Prev/Hlth Prom	607,754	10,905,233	6,371,813	17,884,800	30.26%	616,761	11,219,585	6,881,535	18,717,881	28.79%	668,803	11,223,471	6,884,051	18,776,325	28.16%
Family & Community Health	560,459	1,536,295	19,967,704	22,064,458	37.34%	1,058,755	1,915,491	22,103,567	25,077,813	38.57%	1,058,881	1,915,529	23,674,609	26,649,019	39.97%
Community Disease Control & Prev	714,089	836,075	3,798,487	5,348,651	9.05%	895,799	1,326,445	4,132,911	6,355,155	9.77%	896,445	1,326,728	4,138,347	6,361,520	9.54%
Laboratories	531,604	2,381,845	686,887	3,600,336	6.09%	511,608	2,802,073	951,804	4,265,485	6.56%	511,609	2,824,255	938,052	4,273,916	6.41%
Office of Public Health Emergency Preparedness & Training	0	0	8,316,074	8,316,074	14.07%	0	0	8,312,967	8,312,967	12.79%	0	0	8,319,022	8,319,022	12.48%
Total Division Budget	\$2,647,706	\$15,984,548	\$40,465,914	\$59,098,168	100.00%	\$3,367,252	\$17,796,087	\$43,855,656	\$65,018,995	100.00%	\$3,421,984	\$17,823,744	\$45,431,982	\$66,677,710	100.00%
Percent of Total	4.48%	27.05%	68.47%	100.00%		5.18%	27.37%	67.45%	100.00%		5.13%	26.73%	68.14%	100.00%	
Grants															
Women, Infants and Children	\$0	\$0	\$3,496,201	\$3,496,201	5.92%	\$0	\$0	\$3,496,201	\$3,496,201	5.38%	\$0	\$0	\$3,496,201	\$3,496,201	5.24%
Emergency Systems Preparedness	0	0	5,723,008	5,723,008	9.68%	0	0	5,723,008	5,723,008	8.80%	0	0	5,723,008	5,723,008	8.58%
Women and Men's Health	0	0	1,779,063	1,779,063	3.01%	500,000	0	1,779,063	2,279,063	3.51%	500,000	0	1,779,063	2,279,063	3.42%
Maternal/Child Health Grnt	0	0	2,065,004	2,065,004	3.49%	0	0	2,065,004	2,065,004	3.18%	0	0	2,065,004	2,065,004	3.10%
Tobacco Control and Prevention	0	5,127,051	0	5,127,051	8.68%	0	5,127,051	0	5,127,051	7.89%	0	5,127,501	0	5,127,501	7.69%
AIDS Prevention/Treatment	0	0	967,965	967,965	1.64%	0	0	967,965	967,965	1.49%	0	0	967,965	967,965	1.45%
Chronic Disease Programs	0	542,604	0	542,604	0.92%	0	916,564	0	916,564	1.41%	0	916,564	0	916,564	1.37%
Cancer Control	0	1,053,303	389,578	1,442,881	2.44%	0	1,053,303	389,578	1,442,881	2.22%	0	1,053,303	389,578	1,442,881	2.16%
Subtotal Grants	\$0	\$6,722,958	\$14,420,819	\$21,143,777	35.78%	\$500,000	\$7,096,918	\$14,420,819	\$22,017,737	33.86%	\$500,000	\$7,097,368	\$14,420,819	\$22,018,187	33.02%
Percent of Total Grants	0%	29.19%	62.61%	91.81%		2.05%	29.11%	59.15%	90.31%		2.05%	29.05%	59.03%	90.13%	
% of Total Division Budget	0.00%	11.38%	24.40%	35.78%		0.77%	10.92%	22.18%	33.86%		0.75%	10.64%	21.63%	33.02%	
Benefits															
Women, Infants, and Children	\$0	\$0	\$9,787,784	\$9,787,784	16.56%	\$0	\$0	\$11,767,039	\$11,767,039	18.10%	\$0	\$0	\$12,831,492	\$12,831,492	19.24%
Genetics	0	993,019	0	993,019	1.68%	0	993,019	0	993,019	1.53%	0	993,019	0	993,019	1.49%
Tobacco Control and Prevention	0	896,699	0	896,699	1.52%	0	896,699	0	896,699	1.38%	0	896,699	0	896,699	1.34%
Maternal and Child Health Grnt	0	0	187,350	187,350	0.32%	0	0	187,350	187,350	0.29%	0	0	187,350	187,350	0.28%
Chronic Disease	0	261,891	0	261,891	0.44%	0	261,891	0	261,891	0.40%	0	261,891	0	261,891	0.39%
Subtotal Benefits	\$0	\$2,151,609	\$9,975,134	\$12,126,743	20.52%	\$0	\$2,151,609	\$11,954,389	\$14,105,998	21.70%	\$0	\$2,151,609	\$13,018,842	\$15,170,451	22.75%
Percent of Total Benefits	0.00%	15.41%	71.43%	86.84%		0.00%	13.23%	73.53%	86.77%		0.00%	12.42%	75.16%	87.58%	
% of Total Division Budget	0.00%	3.64%	16.88%	20.52%		0.00%	3.31%	18.39%	21.70%		0.00%	3.23%	19.53%	22.75%	

Division administration is responsible for the overall management of PHSD. Its budget accounts for slightly more than 3 percent of the total FY 2011 biennial budget request. The majority of the division administrative budget functions are cost allocated among all division subprogram functions. The Libby asbestos screening project is managed in the Division Administration Program and is funded using federal grant funds. Division administration's budget increases approximately \$0.4 million each year of the biennium. Over half of the increase is from statewide present law adjustments. Another \$150,000 each year is appropriated from tobacco settlement funds. See the Division Administration Sub Program narrative for a discussion on the use of these funds.

The Chronic Disease Prevention and Health Promotion Bureau budget is about 28 percent of the proposed budget in the 2011 biennium, increasing almost \$1.0 million annually. The bureau administers tobacco prevention and control, cancer control, diabetes, cardiovascular health, asthma, nutrition and physical activity section, and the emergency medical services and trauma system section. The 2007 Legislature increased the bureau's funding by \$5.4 million over the biennium to implement chronic disease programs to reduce the burden of tobacco-related disease. The additional funds were used for primary prevention of diabetes and heart disease, acute stroke care in rural Montana, comprehensive cancer control, and asthma surveillance and control projects. The majority of the increases over the 2011 biennium are for statewide present law adjustments funded through state and federal special revenues. The executive proposes increasing federal special revenues to support a cooperative agreement with the Centers for Disease Control for a nutrition and physical activity program.

The Family and Community Health Bureau accounts for almost 40 percent of the division budget request. The major programs in this bureau include women, infants, and children nutrition (WIC), women and men's health, infant, child and maternal health including the MIAMI program, maternal and child health data monitoring, and the children's special health section encompassing newborn screening and genetics. This bureau also administers contracts with local governments and contractors that provide maternal and child health services funded by the maternal and child health grant. The executive proposes increases of \$3.8 million in FY 2010 and \$4.5 million in FY 2011 when compared to the FY 2008 base. The most significant increases result from:

- A new proposal to increase federal WIC funding by \$3.0 million in FY 2010 and \$4.5 million in FY 2011
- Statewide present law adjustments that account for \$0.5 million of the increase over the biennium
- Support of \$1.0 million over the biennium to offset the higher costs of contraceptives
- Additional federal Medicaid authority of \$0.5 million in FY 2011 to establish a Family Planning Waiver program

Communicable Disease Control and Prevention Bureau comprises about 10 percent of the PHSD proposed biennial budget. Major responsibilities include food and consumer safety, communicable diseases and epidemiology/tuberculosis control section, immunization, and sexually transmitted disease and AIDS prevention and monitoring. Major biennial changes to the proposed budget include:

- \$1.0 million in statewide present law adjustments funded with a combination of general fund, state special revenue, and federal special revenue
- \$0.8 million to vaccinate adolescents against whooping cough, meningitis, hepatitis B, genital warts, and cervical cancer

Laboratory Services Bureau functions are slightly more than 6 percent of the proposed budget in the 2011 biennium. The laboratory includes both the environmental and public health laboratories and the biomonitoring function. During FY 2008 DPHHS transferred general fund appropriation authority between divisions as allowed by statute. A transfer of \$1.2 million supported additional remodeling of the laboratory and operating costs for the environmental laboratory because fee income was insufficient. Previous costs for this ongoing remodeling project were funded through the federal bioterrorism grant and approved through the long range building program. Increases in statewide present law adjustments are almost entirely offset by removal of \$0.35 million in general fund each year for the portion of the appropriation transfer included in the FY 2008 base for operating expenses of the environmental laboratory. The executive proposes:

- Increasing federal special revenues by \$0.4 million over the biennium to integrate clinical laboratories into public health testing

- Restoring \$0.7 million in general fund to support operating expenses in the laboratory, including equipment replacement

The 2007 Legislature included a one-time only \$1.5 million general fund appropriation to support grants to county health boards in counties with a proliferation of tremolite asbestos-related diseases. PHSD granted \$0.75 million of the funds in FY 2008 to the Lincoln County Health Department. Since the legislature appropriated the funds further resolution for the victims of Libby asbestos has occurred including that in:

- April 2008, W.R. Grace agreed to pay \$250 million into a trust for the victims of tremolite asbestos related diseases, with additional payments to follow. The bankruptcy judge for W.R. Grace must agree to the proposed settlement
- July 2008, the U.S. Department of Health and Human Services and the U.S. Environmental Protection Agency announced the Libby Amphibole Health Risk Initiative, an \$8 million project over 5 years to understand the health effects of exposure to lower levels of Libby, Montana asbestos

The Office of Public Health Preparedness and Training is more than 12 percent of the overall division budget in the 2011 biennium and provides for almost 9 percent of the grants included in the proposed budget. Funding for the office is provided almost entirely by the CDC federal bioterrorism hospital preparedness and bioterrorism grants. The budget for the office remains almost flat over the biennium when compared with FY 2008.

Over 62 percent (\$82 million) of the 2011 biennial budget supports grants and services (benefits) to individuals. This is approximately the same percentage as FY 2008. The largest component of these expenditures is for the WIC program, with a combined total of \$31.6 million in grants and benefits included in the 2011 biennium. The WIC program provides vouchers for food for low-income children under age 5 and for nursing mothers. 2011 biennium grants for emergency preparedness to local governments and hospitals are the largest grant source with \$11.4 million proposed. Tobacco control and prevention are the third highest source for support of grant expenditures with \$10.3 million requested by the executive for the biennium. The program grants funds to county, tribal, and urban Indian community-base programs, Addictive and Mental Disorders Division, Office of Public Instruction, and the Montana University System to address issues associated with tobacco use prevention and cessation.

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as recommended by the executive.

Program Funding Table Public Health & Safety Div.							
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011	
01000 Total General Fund	\$ 2,647,706	4.5%	\$ 3,367,252	5.2%	\$ 3,421,984	5.1%	
01100 General Fund	2,647,706	4.5%	3,367,252	5.2%	3,421,984	5.1%	
02000 Total State Special Funds	15,984,548	27.0%	17,796,087	27.4%	17,823,744	26.7%	
02199 Dhes Food & Consumer	12,264	0.0%	14,997	0.0%	14,997	0.0%	
02366 Public Health Laboratory	2,381,845	4.0%	2,802,073	4.3%	2,824,255	4.2%	
02379 02 Indirect Activity Prog 07	251,179	0.4%	308,572	0.5%	309,840	0.5%	
02462 Food/Lodging License	823,811	1.4%	827,448	1.3%	827,731	1.2%	
02512 Brfs Survey Fees	73,921	0.1%	73,921	0.1%	73,921	0.1%	
02544 6901-Welch'S Cost Relief Gran	4,216	0.0%	4,216	0.0%	4,216	0.0%	
02765 Fees On Insurance Policies - Sb 275	1,031,947	1.7%	1,106,167	1.7%	1,106,208	1.7%	
02772 Tobacco Hlth & Mediced Initiative	25,685	0.0%	25,684	0.0%	25,684	0.0%	
02773 Childrens Special Health Services	167,775	0.3%	367,767	0.6%	367,766	0.6%	
02790 6901-Statewide Tobacco Sttlmnt	10,905,233	18.5%	11,244,585	17.3%	11,248,471	16.9%	
02987 Tobacco Interest	306,672	0.5%	1,020,657	1.6%	1,020,655	1.5%	
03000 Total Federal Special Funds	40,465,914	68.5%	43,855,656	67.5%	45,431,982	68.1%	
03004 Ems Data Injury	106,608	0.2%	106,518	0.2%	106,508	0.2%	
03020 Ph Workforce Development	18,412	0.0%	75,950	0.1%	76,337	0.1%	
03026 Family Planning Title X	2,091,574	3.5%	2,100,531	3.2%	2,101,673	3.2%	
03027 Wic (Women,Infants & Children)	10,882,288	18.4%	12,861,253	19.8%	13,925,676	20.9%	
03030 Health Prevention & Services	537,282	0.9%	536,454	0.8%	536,661	0.8%	
03031 Maternal & Child Health	2,495,635	4.2%	2,571,026	4.0%	2,574,278	3.9%	
03057 Newborn Hearing Screening	245,099	0.4%	264,854	0.4%	264,884	0.4%	
03074 Obesity Prevention	441,974	0.7%	835,838	1.3%	835,828	1.3%	
03085 Yth/Yng Adult Suicide Prv 93.243	487,984	0.8%	487,936	0.8%	487,931	0.7%	
03146 10.577 Wic Bf Peer Counseling	58,955	0.1%	58,953	0.1%	58,953	0.1%	
03159 Tuberculosis Grant	96,824	0.2%	223,947	0.3%	224,294	0.3%	
03208 Abstinence Education Blk Grant	(41)	0.0%	-	-	-	-	
03246 Wic Admin	3,235,974	5.5%	3,336,900	5.1%	3,339,104	5.0%	
03247 Maiw Regional Health Conf	13,542	0.0%	13,541	0.0%	13,541	0.0%	
03253 Homeland Security Program	104,355	0.2%	104,266	0.2%	104,257	0.2%	
03258 Diabetes Control	515,572	0.9%	535,460	0.8%	535,449	0.8%	
03273 Primary Care Services	86,458	0.1%	86,478	0.1%	86,449	0.1%	
03274 Ryan White Act, Title Ii	851,761	1.4%	893,096	1.4%	893,673	1.3%	
03275 Adult Viral Hepatitis Prevent	16,333	0.0%	16,327	0.0%	16,326	0.0%	
03336 Food Inspection Program	38,226	0.1%	45,917	0.1%	47,016	0.1%	
03362 Data Integration	82,312	0.1%	82,263	0.1%	82,262	0.1%	
03370 Epi & Lab Surveillance E. Coli	579,163	1.0%	629,136	1.0%	635,789	1.0%	
03383 Search Grant	111,255	0.2%	111,216	0.2%	111,243	0.2%	
03448 6901-Early Childhood Comp Sys	63,890	0.1%	63,885	0.1%	63,885	0.1%	
03451 69010-Cdp For Brfs	121,662	0.2%	121,662	0.2%	121,662	0.2%	
03461 6901- Childrens Oral Hlth Care	8,674	0.0%	8,673	0.0%	8,673	0.0%	
03477 Clinical Lab - Public Health Testin	-	-	199,542	0.3%	199,542	0.3%	
03510 Heart Disease & Stroke Program	965,059	1.6%	992,659	1.5%	993,979	1.5%	
03580 6901-93.778 - Med Adm 50%	-	-	-	-	500,000	0.7%	
03596 03 Indirect Activity Prog 07	837,988	1.4%	984,448	1.5%	988,665	1.5%	
03681 6901-Mt Fd Safe Adv Cncl93.103	69,262	0.1%	79,260	0.1%	79,259	0.1%	
03683 6901-Biomonitoring	38,462	0.1%	43,866	0.1%	23,462	0.0%	
03686 6901-Adult Lead	917	0.0%	917	0.0%	1,096	0.0%	
03689 6901-Bioter Hosp Preparedness	2,575,786	4.4%	2,556,451	3.9%	2,558,227	3.8%	
03690 6901-Rape Prev & Educ 93.126	111,682	0.2%	111,672	0.2%	111,671	0.2%	
03697 6901-Cardiovascular Hlth Prgm	-	-	-	-	-	-	
03698 6901-Ems Prev Fire Related Inj	26,999	0.0%	26,976	0.0%	26,974	0.0%	
03708 6901-Libby Asbestos Screening	285,059	0.5%	287,154	0.4%	287,740	0.4%	
03709 6901-Rural Access Emerg Device	178,301	0.3%	189,317	0.3%	189,478	0.3%	
03711 6901-Breast & Cervical Cancer	2,093,405	3.5%	2,138,065	3.3%	2,138,877	3.2%	
03712 6901-Cancer Registries 93.283	175,826	0.3%	175,813	0.3%	175,812	0.3%	
03713 6901-Wic Farmer Market 10.572	48,044	0.1%	-	-	-	-	
03788 Montana Disability And Health Progr	358,252	0.6%	358,252	0.6%	358,252	0.5%	
03822 Tobacco Control	931,155	1.6%	944,236	1.5%	944,518	1.4%	
03929 Seroprevalence/Surveillance	26,859	0.0%	26,857	0.0%	26,857	0.0%	
03936 Vaccination Program	1,132,258	1.9%	1,215,567	1.9%	1,217,658	1.8%	
03937 Std Program	231,606	0.4%	265,303	0.4%	265,874	0.4%	
03938 Aids Fed. Cat. #13.118	1,227,090	2.1%	1,268,397	2.0%	1,268,972	1.9%	
03959 Bioterrorism	5,647,119	9.6%	5,605,826	8.6%	5,609,720	8.4%	
03979 Comprehensive Cancer Control	213,014	0.4%	212,998	0.3%	212,997	0.3%	
Grand Total	\$ 59,098,168	100.0%	\$ 65,018,995	100.0%	\$ 66,677,710	100.0%	

PHSD is funded by a combination of general fund, state, and federal special revenue funds. General fund supports about 5 percent of the executive's proposed budget. State special revenue funds about 27 percent of the budget request and federal special revenues make up 68 percent.

General fund supports division administration, public health planning, cancer control, emergency medical services, MIAMI program, women and men's health, food and consumer safety, public health laboratory, AIDS prevention, and communicable disease control. General fund provides support for 5.15 percent of the proposed budget in the 2011 biennium, an increase from the 4.16 percent in the 2009 biennium.

State special revenue continues to provide approximately 27 percent of the funding support for the 2011 biennium proposed budget. Sources of the funding include tobacco settlement funds supporting tobacco use prevention and cessation and chronic disease programs, tobacco settlement trust interest supporting public home health visiting, and emergency medical services. Additional sources include public health laboratory fees, food and lodging licenses, insurance policy fees supporting the genetics program and reimbursements for children's special health services.

LFD COMMENT	In the 2011 biennium, the fund balance in the tobacco settlement funds allocated to prevention and cessation programs is estimated to increase almost \$3.0 million by the end of FY 2011. According to statute, 32 percent of the tobacco settlement money may only be used for tobacco prevention and cessation programs designed to prevent children from starting tobacco use and to help adults who want to quit tobacco use. These funds are deposited to a state special revenue account for this purpose. Any funds not appropriated from the state special revenue accounts within 2 years of receipt are deposited into the tobacco settlement trust fund. The executive budget does not appropriate the entire amount of the projected revenues to tobacco prevention activities. See Chronic Disease Prevention and Health Promotion Bureau and Family and Community Health Bureau for discussion on potential areas for additional legislative appropriation.
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There are almost 50 federal funding sources listed in the division funding table, including 2 federal block grants and more than 40 categorical grants that each have explicit programmatic and expenditure requirements. The vast majority of the federal grants require the division to report on performance measurements as part of the grant requirements. In most cases the purpose of the grant can be determined from its name.

The largest federal grant funds the WIC program, which accounts for \$33.5 million of the 2011 biennial budget request. Federal funds supporting the emergency preparedness activities are the next significant federal grant funds source, accounting for \$16.3 million or 18.3 percent of the 2011 biennium federal special revenue request.

Two federal block grants account for 4.7 percent of the PHSD 2011 biennium budget request for federal appropriation authority. They are the Maternal Child Health (MCH) block grant (\$2.6 million annually) and the Preventative Health block grant (\$0.5 million annually). These block grants support a variety of PHSD functions and are both allocated in consultation with division advisory councils. As a result, the allocation is usually some what different than anticipated in the budget request and without specific legislative restrictions, can also be different than the legislative appropriation.

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	2,647,706	2,647,706	5,295,412	78.00 %	59,098,168	59,098,168	118,196,336	89.75 %
Statewide PL Adjustments	239,536	244,268	483,804	7.13 %	1,641,574	1,685,836	3,327,410	2.53 %
Other PL Adjustments	(349,990)	(349,990)	(699,980)	(10.31%)	2,011,751	3,076,204	5,087,955	3.86 %
New Proposals	830,000	880,000	1,710,000	25.19 %	2,267,502	2,817,502	5,085,004	3.86 %
Total Budget	3,367,252	3,421,984	6,789,236		65,018,995	66,677,710	131,696,705	

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the Governor. "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 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					2,017,326					2,049,707
Vacancy Savings					(444,988)					(446,288)
Inflation/Deflation					17,978					21,829
Fixed Costs					51,258					60,588
Total Statewide Present Law Adjustments					\$1,641,574					\$1,685,836
DP 70001 - Increased Federal Spending Authority For WIC	0.00	0	0	1,979,255	1,979,255	0.00	0	0	3,043,708	3,043,708
DP 70003 - Increased Authority for Children's Special Health	0.00	0	200,000	0	200,000	0.00	0	200,000	0	200,000
DP 70008 - Adolescent Immunization Outreach Program	0.00	0	0	57,486	57,486	0.00	0	0	57,486	57,486
DP 70011 - Authority for Laboratory to Cover Increased Expens	0.00	0	125,000	0	125,000	0.00	0	125,000	0	125,000
DP 70020 - Reduce Environmental Lab Base Budget	0.00	(349,990)	0	0	(349,990)	0.00	(349,990)	0	0	(349,990)
Total Other Present Law Adjustments	0.00	(\$349,990)	\$325,000	\$2,036,741	\$2,011,751	0.00	(\$349,990)	\$325,000	\$3,101,194	\$3,076,204
Grand Total All Present Law Adjustments					\$3,653,325					\$4,762,040

Program Personal Services Narrative

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited for brevity by the LFD.

- **Market Rate** – As of October 2008, PHSD estimates employees will be at 93 percent of the 2008 market survey, which is below the agency-wide target of 100 percent of market. PHSD makes exceptions from the agency policy on the market entry ratio of 80 percent and progressions to market for public health professionals. Candidates with masters in public health, sanitarians, nurses, dietitians, and emergency management specialists are hard to recruit within the current pay ranges.
- **Vacancy** – PHSD has difficulty recruiting and retaining laboratory specialists due to competition with private sector businesses. The Laboratory Bureau has completed classification reviews and made pay plan adjustments to address the issue. The vacancies resulted in increased workload and overtime for current staff that can increase risk of errors. Optional tasks are also not completed.

- **Legislatively applied vacancy savings** – Due to the difficulty in recruiting a number of the positions as evidenced by the number of positions requiring re-advertisement, the PHSD generated excess personal services vacancy savings above the legislatively applied vacancy savings amount.
- **Pay Changes** – Pay changes as negotiated with bargaining units were granted outside of those legislatively approved in HB 13. A majority of the increases were funded through federal grant appropriations, the remainder were funded through vacancy savings above the amount required by the legislature and transfers of operating expense appropriations.
- **Retirements** – The division anticipates 154 employees or 92 percent of its workforce will be eligible for retirement in the 2011 biennium. Based on current trends and projections it estimates that 16 employees will actually retire. The compensated absence liability associated with these retirements is \$130,368.

New Proposals

Program	Fiscal 2010					Fiscal 2011				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 70004 - Emergency Dept/Hosp Discharge Data Surveillance										
07	0.00	0	150,000	0	150,000	0.00	0	150,000	0	150,000
DP 70005 - Establish Injury Prevention Program										
07	1.00	0	125,000	0	125,000	1.00	0	125,000	0	125,000
DP 70006 - Fund Poison Control Hotline										
07	0.00	0	0	0	0	0.00	50,000	0	0	50,000
DP 70007 - Cont. 2009 Bien. Funds: Offset Contraceptive Costs										
07	0.00	500,000	0	0	500,000	0.00	500,000	0	0	500,000
DP 70013 - National Laboratory Systems (NLS) Grant										
07	0.00	0	0	199,542	199,542	0.00	0	0	199,542	199,542
DP 70014 - MT Health Professional Recruit/Reten Incentive Pgm										
07	0.00	0	75,000	0	75,000	0.00	0	75,000	0	75,000
DP 70015 - Increased Funding for HIV Treatment										
07	0.00	0	84,000	0	84,000	0.00	0	84,000	0	84,000
DP 70016 - Local WIC Farmer's Market Support										
07	0.00	0	30,000	0	30,000	0.00	0	30,000	0	30,000
DP 70019 - Adolescent Immunization										
07	0.00	0	400,000	0	400,000	0.00	0	400,000	0	400,000
DP 70021 - Nutrition and Physical Activity Program										
07	0.00	0	0	373,960	373,960	0.00	0	0	373,960	373,960
DP 70022 - Restore General Fund for Public Health Labs										
07	0.00	330,000	0	0	330,000	0.00	330,000	0	0	330,000
DP 70023 - Family Planning Waiver - Biennial										
07	0.00	0	0	0	0	0.00	0	0	500,000	500,000
Total	1.00	\$830,000	\$864,000	\$573,502	\$2,267,502	1.00	\$880,000	\$864,000	\$1,073,502	\$2,817,502

Sub-Program Details

PUBLIC HEALTH & SAFETY DIVISION 01

Sub-Program Proposed Budget

The following table summarizes the proposed executive budget for the agency by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011	Total Exec. Budget Fiscal 10-11
FTE	21.08	0.00	0.00	21.08	0.00	0.00	21.08	21.08
Personal Services	1,345,922	252,969	0	1,598,891	260,193	0	1,606,115	3,205,006
Operating Expenses	412,432	2,876	150,000	565,308	3,866	150,000	566,298	1,131,606
Benefits & Claims	125,495	0	0	125,495	0	0	125,495	250,990
Total Costs	\$1,883,849	\$255,845	\$150,000	\$2,289,694	\$264,059	\$150,000	\$2,297,908	\$4,587,602
General Fund	233,800	50,529	0	284,329	52,446	0	286,246	570,575
State/Other Special	325,100	57,393	150,000	532,493	58,661	150,000	533,761	1,066,254
Federal Special	1,324,949	147,923	0	1,472,872	152,952	0	1,477,901	2,950,773
Total Funds	\$1,883,849	\$255,845	\$150,000	\$2,289,694	\$264,059	\$150,000	\$2,297,908	\$4,587,602

Sub-Program Description

The Public Health and Safety Division Administration Bureau provides oversight and administrative support for the division’s four bureaus and the Office of Public Health Preparedness and Training. The bureau is supported for the most part, through indirect cost recovery allocations applied to the expenses of the division bureaus and office through cost allocation. Included within the bureau functions are the Libby asbestos screening and surveillance grant and public health planning and improvement. The bureau also administers a Robert Wood Foundation grant received June 2008. The grant supports preparing Montana’s public health system for national voluntary accreditation through workforce development and quality improvement.

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent Of Budget
Base Budget	233,800	233,800	467,600	81.95 %	1,883,849	1,883,849	3,767,698	82.13 %
Statewide PL Adjustments	50,529	52,446	102,975	18.05 %	255,845	264,059	519,904	11.33 %
Other PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	150,000	150,000	300,000	6.54 %
Total Budget	284,329	286,246	570,575		2,289,694	2,297,908	4,587,602	

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Governor. “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.

	-----Fiscal 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Present Law Adjustments										
Personal Services					319,588					327,117
Vacancy Savings					(66,619)					(66,924)
Inflation/Deflation					892					1,038
Fixed Costs					1,984					2,828
Total Statewide Present Law Adjustments					\$255,845					\$264,059
Grand Total All Present Law Adjustments					\$255,845					\$264,059

New Proposals

Sub Program	-----Fiscal 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 70004 - Emergency Dept/Hosp Discharge Data Surveillance										
01	0.00	0	150,000	0	150,000	0.00	0	150,000	0	150,000
Total	0.00	\$0	\$150,000	\$0	\$150,000	0.00	\$0	\$150,000	\$0	\$150,000

DP 70004 - Emergency Dept/Hosp Discharge Data Surveillance - The executive proposes appropriations of \$150,000 for each year of the biennium in tobacco settlement funds allocated to prevention and cessation programs. The funds support operational costs and contracted services to be provided by the Montana Hospital Association (MHA) to fully implement an emergency department and hospital discharge monitoring system within DPHHS. Availability of emergency department and hospitalization claims data is essential to monitor the health status of Montanans and to guide actions by the department and other health organizations to improve health and inform policy deliberations and legislation.

The following information is provided so that the legislature can consider various performance management principles when examining this proposal. It is as submitted by the agency, with editing by LFD staff as necessary for brevity and/or clarity.

Justification: Monitoring is critical to guide actions by the DPHHS and other health organizations to improve health and inform policy deliberations and legislation. There are a number of data sources available to help achieve this goal including vital records (births and deaths) and the cancer registry. The major gap in PHSD ability to effectively assess the health status of Montanans is the absence of timely, thorough, morbidity data. For example, the number of deaths due to unintentional poisoning in Montana has been increasing. Using death records PHSD can tell that this increase began in 1999, and that the use of prescription drugs is related to this increase. However, important morbidity data to investigate this problem for the general Montana population are not available. Availability of emergency department and hospitalization claims data could provide the missing morbidity data and is essential to monitor the health status of Montanans. DPHHS has worked with the existing hospitalization data maintained by the MHA for some of Montana hospitals. Limitations in the current form of MHA hospitalization data currently prohibit this type of investigation. The MHA and the participating hospitals have done a tremendous amount of work to establish a limited hospital discharge data system. However, a number of essential improvements to this system that would increase the quality and usefulness of both the hospital and emergency department data are needed. Information derived from this data will support the design and evaluation of prevention activities.

As with all public health monitoring data, this information would be analyzed in aggregate, maintaining individual patient confidentiality and strictly following federal and state standards such as HIPAA. DPHHS collects identifiers for other reportable conditions including communicable diseases and cancer and has had no issues or problems with maintaining patient confidentiality.

Program Outcomes: The goals of this proposal are to:

- Establish a statewide reporting of emergency department and hospital discharge data to DPHHS
- Conduct regular data analyses and disseminate reports to key stakeholders to guide actions by DPHHS and other health organizations to improve health and inform policy deliberations and legislation.

Outcome Measures: Progress toward meeting these goals will be achieved by meeting the following objectives.

- By June 2010, all hospitals in Montana (excluding federal and state hospitals) will submit hospital discharge data to DPHHS
- By June 2011, all hospitals in Montana (excluding federal and state hospitals) will submit emergency department discharge data to DPHHS
- Ongoing, DPHHS will publish and disseminate quarterly reports utilizing the emergency department and hospital discharge data to assess the health status of Montanans
- Ongoing, DPHHS staff for this program will work collaboratively with other state and local public health programs, and other health organizations to support the utilization of emergency department and hospital discharge data

Milestones: To achieve the objectives listed above the following activities will need to be completed:

- By September 2009, hire a qualified epidemiologist to manage the program
- By September 2009, establish administrative rules for this program
- Ongoing, work collaboratively with the Montana Hospital Association to coordinate data collection and reporting

FTE: DPHHS is requesting 1.00 FTE - Epidemiologist to manage this program. This position will be responsible for the overall management of the program including coordination between DPHHS and MHA, data analyses, technical report writing, and providing analytic support to other state and local public health programs, and other health organizations.

Funding: \$150,000 is being requested to establish this program. The funding would support the FTE for the program, a contract with MHA to support data collection from hospitals in Montana, and the dissemination of quarterly technical reports from DPHHS utilizing these data sources.

**LFD
COMMENT**

The executive proposes using tobacco settlement funds allocated to prevention and cessation programs to support this decision package. The 2007 Legislature approved including chronic disease programs to the definition of programs for tobacco disease prevention as recommended by CDC's Best Practices for Comprehensive Tobacco Control Programs – August 1999. Part of the purpose of the programs is to reduce the burden of tobacco-related diseases such as cancer, heart disease, and strokes. Tobacco use also worsens the effects of chronic diseases such as asthma and diabetes. Programs to address both asthma and diabetes were also approved. The legislature accepted the division's proposal to implement chronic disease programs broadly, focusing the programs on all Montanans. The legislature's assumption was that the approved programs would reduce the burden of tobacco related chronic diseases without targeting tobacco exclusively. This proposal appears to be a continuation of a broader focus of PHSD chronic diseases worsened through tobacco use as a high percentage of the data gathered in this project will relate to the burden of chronic diseases resulting from tobacco use.

Challenges: This proposal can be accomplished, but will require a collaborative effort between Montana hospitals, MHA and DPHHS. Based on meeting with MHA, we do not envision any major obstacles. Additionally, other States have successfully implemented emergency department and hospital discharge data programs. As of 2007, the majority of states (39 including the District of Columbia) have legislation in place to require reporting of hospital discharge data. Twenty-eight of those states collect hospital discharge data directly, and 11 contract with private organizations (e.g., hospital associations) for data collection. Additionally, 27 states are collecting emergency room data.

Risks: The primary risk to the state if this program is not implemented will be that the state will continue to not have timely, high quality emergency department and hospital discharge data available to guide actions by DPHHS and other health organizations to improve health and inform policy deliberations and legislation.

Sub-Program Details

CHRONIC DISEASE PREV & HEALTH PROMOTION 03

Sub-Program Proposed Budget

The following table summarizes the proposed executive budget for the agency by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011	Total Exec. Budget Fiscal 10-11
FTE	43.02	0.00	1.00	44.02	0.00	1.00	44.02	44.02
Personal Services	2,020,718	317,233	56,927	2,394,878	322,764	57,014	2,400,496	4,795,374
Operating Expenses	7,041,880	16,888	68,073	7,126,841	19,801	67,986	7,129,667	14,256,508
Grants	7,663,612	0	373,960	8,037,572	0	423,960	8,087,572	16,125,144
Benefits & Claims	1,158,590	0	0	1,158,590	0	0	1,158,590	2,317,180
Total Costs	\$17,884,800	\$334,121	\$498,960	\$18,717,881	\$342,565	\$548,960	\$18,776,325	\$37,494,206
General Fund	607,754	9,007	0	616,761	11,049	50,000	668,803	1,285,564
State/Other Special	10,905,233	189,352	125,000	11,219,585	193,238	125,000	11,223,471	22,443,056
Federal Special	6,371,813	135,762	373,960	6,881,535	138,278	373,960	6,884,051	13,765,586
Total Funds	\$17,884,800	\$334,121	\$498,960	\$18,717,881	\$342,565	\$548,960	\$18,776,325	\$37,494,206

Sub-Program Description

The Chronic Disease Prevention and Health Promotion Bureau provides for the following functions:

- o Cardiovascular health
- o Diabetes control and prevention
- o Nutrition and physical activity
- o Cancer control
- o Emergency medical services and trauma system
- o Asthma control
- o Tobacco use prevention and cessation

The functions use surveillance, health status, and health care service information to monitor health conditions in Montana. The information is used to direct the efforts of the various programs within the bureau.

LFD ISSUE	Additional Funding in Tobacco Cessation and Prevention Funds Available for Appropriation
	Included in the 2011 biennial budget for the Chronic Disease Prevention and Health Promotion Bureau are several programs supported by tobacco settlement funds including: <ul style="list-style-type: none"> o Tobacco use prevention and cessation , \$16.8 million o Chronic disease programs to reduce the burden of tobacco related illnesses, \$5.4 million
As shown in the DPPHS summary on tobacco settlement funds and appropriations, the executive is proposing \$11.7 million in expenditures each year of the biennium supported by tobacco settlement funds. This level of expenditure leaves approximately \$3.0 million in tobacco settlement funds available for legislative appropriation for tobacco cessation and prevention activities in the 2011 biennium.	

**LFD
ISSUE (CONT.)**

As stated before, if tobacco prevention and cessation funds are not appropriated within two years of receipt they are transferred to the tobacco settlement trust. Therefore, the legislature may wish to consider whether it has priorities that could be addressed within funding not proposed for expenditure by the executive. Among the options are:

- Provide additional funding for pilot sites funded in the last biennium for diabetes and heart disease prevention, which showed positive outcomes (See the goals and objectives section that follows)
- Provide additional funds for tobacco cessation in pregnant women (Discussed in the Family and Community Health Bureau narrative)
- Other programs reflecting legislative priorities for tobacco use prevention and cessation funding

2009 Biennium Major Goals

The following provides an update of the major goal for Chronic Disease Prevention and Health Promotion monitored by the LFC during the 2009 interim.

The 2007 Legislature approved adding chronic disease programs to the definition of programs for tobacco disease prevention as recommended by CDC's Best Practices for Comprehensive Tobacco Control Programs – August 1999. The legislature also approved an additional \$5.4 million in tobacco settlement money to support the new programs. Part of the purpose of the programs is to reduce the burden of tobacco-related diseases such as cancer, heart disease, and strokes. Tobacco use also worsens the effects of chronic diseases such as asthma and diabetes, which also received funding. The LFC included review of several measurable objectives related to these new programs as part of its monitoring function in the 2009 biennium. The LFC monitored the bureau's goal to reduce the burden of chronic disease, injury, and trauma in Montana. Measurable objectives for the goal included:

- By June 2009, decrease the proportion of high school students who report smoking cigarettes in the past 30 days from 20 percent (2007) to 18 percent
- By June 2009, decrease the proportion of high school students who report spit tobacco use in the past 30 days from 13 percent (2007) to 11 percent
- By June 2009, maintain the average annual monthly number of intake calls to the Montana quit line at 700 calls per month
- By June 2008, assess the capacity of Montana clinicians to increase colorectal cancer screening in persons aged 50 years and older
- By June 2009, increase the proportion of persons aged 50 years and older who have ever had a colorectal cancer screening examination from 53 percent (2006) to 58 percent
- By June 2008, identify four program sites and implement diabetes and heart disease prevention programs. By June 2009, conduct program evaluation of these activities to assess the efficiency of this intervention

Status:

The measurements for the decrease in the proportion of high school student who report either smoking cigarettes or using spit tobacco in the past 30 days are not yet completed for FY 2009. The Behavioral Risk Survey used to generate the percentages of high school students smoking or using tobacco products is conducted every other year in February. Measurements for this objective should be available prior to the end of FY 2009.

PHSD reported the average number of calls to the Montana quit line averaged 882 from January to June of 2008 or an average of 182 more calls a month than anticipated. The quit line provides assistance to smokers who wish to quit including direct assistance such as nicotine patches.

The bureau completed an assessment of the capacity of Montana clinicians to increase colorectal cancer screening in persons 50 years and older. The assessment findings suggest that Montana has statewide capacity to meet moderately increased demand for screening colonoscopy but could only meet 17 percent demand in FY 2009 if all eligible adults chose colonoscopy as their primary form of screening. The percentage of Montanans 50 years of age and older that indicated they had had a colorectal screening increased from 53 percent in FY 2006 to 57 percent in FY 2008.

The pilot programs to implement diabetes and heart disease prevention programs met their enrollment targets of 400 individuals and follow-up goals of having 200 individuals completing a 16 session core program on the benefits of losing weight, increasing exercise, and tobacco use cessation. 45 percent of the 355 eligible participants have met the 7 percent weight loss goals and 65 percent lost 5 percent of their weight. Improvements were seen among participants' blood pressure, cholesterol, and blood glucose values reducing the participants risk for developing diabetes or heart disease.

2011 Biennium Major Goals

PHSD is required by law to submit goals and measurable objectives as part of the budgeting process. The LFD recommends that the legislature adopt specific program goals and corresponding objectives for monitoring during the interim.

The PHSD submitted one goal for the 2011 biennium – Improve the health of Montanans to the highest possible level. The measurable objective for the goal as it relates to chronic disease is to reduce the burden of chronic disease, the overall goal of the program in the 2009 biennium. The executive proposes the following measurements for the objective:

- Continuously reduce the proportion of high school students smoking cigarettes in the last 30 days
- Continuously reduce the proportion of adults currently smoking
- Continuously increase the proportion of persons aged 50 years and older who have had a colorectal exam

LFD ISSUE

PHSD objectives should be measurable and time-bound

The measurements for the new objective provided to meet the goal over the 2011 biennium do not include measurements or dates for achievement. As can be seen in the measurable objectives included for the 2009 biennium and monitored by the LFC, the previous legislature was given specific measurements and achievement dates for the bureau's goal of reducing the burden of chronic disease, injury, and trauma in Montana. While the goal for the 2009 biennium is now the objective for the 2011 biennium, the measurements and dates for achievement have been eliminated in the current budget submission by the bureau. The bureau provided the following measurable objectives for its 2009 biennial appropriations of \$22.3 million in tobacco settlement funding:

- By June 30, 2009 decrease the proportion of high school students who report smoking cigarettes in the past 30 days to the Healthy People National Objective of 16 percent, 2005 baseline 20 percent
- By June 30, 2009, decrease the proportion of high school students who report spit tobacco use in the past 30 days to the Healthy People 2010 National Objective of less than 1 percent, 2005 baseline 15 percent
- By June 2009, decrease the proportion of adults who report smoking to the Healthy People National Objective of 12 percent, 2005 baseline 19 percent
- By June 2009, decrease the proportion of pregnant women who report smoking to the Healthy People National Objectives of 12 percent, 2005 baseline 18 percent
- By June 30, 2009, establish a baseline measure of the proportion of adults at high risk for diabetes and heart disease who have lost 7 percent of their body weight
- By June 30, 2009 increase the proportion of people with diabetes in Montana who receive the recommended preventive care services to the Healthy People 2010 National Objectives. 2004 baseline for pneumococcal vaccination 60 percent, annual foot examinations 77 percent, and annual A 1c test 69 percent
- By June 30, 2009 reduce the prevalence of smoking among Montanans aged 18 to 24 years old to 23 percent

The specific measurements and achievement dates allowed the legislature to assess the need for the level of the appropriations in the tobacco cessation and prevention program. In addition, the information on the measurements as of January 2009 would assist the 2009 Legislature in formulating appropriations policy for the 2011 biennium.

LFD ISSUE (CONT.) The bureau is requesting \$22.4 million in state special revenues funded through tobacco settlement funds. \$18.7 million of the funding is proposed to support tobacco prevention and cessation activities. The proposed executive objectives do not provide the legislature with sufficient, specific, quantifiable information to enable it to formulate an appropriations policy regarding the program as required by statute. For example:

- o The proposed objectives do not include the proportion of high school students or adults who will quit smoking in the 2011 biennium. The percentage reduction in Montanans smoking provides the legislature specific, quantifiable information for appropriation decisions
- o The proposed objectives also do not allow the legislature to determine if the program attained its goal and objectives at some point in the future, another statutory requirement

The legislature may support the proposed appropriation levels if the requested appropriations will be supporting a decline of 5 percent in the percentage of high school students and adults who smoke in the 2011 biennium. The legislature may have additional questions or may wish to reduce the appropriations if the reductions in the percentage of Montanans smoking are less than .00002 percent achieved by the 2031 biennium. As currently proposed, either scenario meets the measurements proposed by the executive.

The U.S. Department of Health and Human Services includes specific, measurable objectives for cancer, diabetes, heart disease and stroke, nutrition and overweight, physical activity and fitness, and tobacco use as part of its goal Healthy People 2010. The legislature could use these specific, measurable objectives to formulate objectives for the bureau.

Option: The legislature may wish to discuss with PHSD how it can provide specific, quantifiable objectives for its goal which are both measurable and time-bound.

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent Of Budget
Base Budget	607,754	607,754	1,215,508	94.55 %	17,884,800	17,884,800	35,769,600	95.40 %
Statewide PL Adjustments	9,007	11,049	20,056	1.56 %	334,121	342,565	676,686	1.80 %
Other PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	50,000	50,000	3.89 %	498,960	548,960	1,047,920	2.79 %
Total Budget	616,761	668,803	1,285,564		18,717,881	18,776,325	37,494,206	

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Governor. “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.

	-----Fiscal 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Present Law Adjustments										
Personal Services					414,645					420,407
Vacancy Savings					(97,412)					(97,643)
Inflation/Deflation					7,988					9,701
Fixed Costs					8,900					10,100
Total Statewide Present Law Adjustments					\$334,121					\$342,565
Grand Total All Present Law Adjustments					\$334,121					\$342,565

New Proposals

New Proposals	-----Fiscal 2010-----					-----Fiscal 2011-----					
	Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 70005 - Establish Injury Prevention Program											
03	1.00	0	125,000	0	125,000	1.00	0	125,000	0	125,000	
DP 70006 - Fund Poison Control Hotline											
03	0.00	0	0	0	0	0.00	50,000	0	0	50,000	
DP 70021 - Nutrition and Physical Activity Program											
03	0.00	0	0	373,960	373,960	0.00	0	0	373,960	373,960	
Total	1.00	\$0	\$125,000	\$373,960	\$498,960	1.00	\$50,000	\$125,000	\$373,960	\$548,960	

DP 70005 - Establish Injury Prevention Program - The executive is proposing \$125,000 and 1.00 FTE for each year of the biennium in tobacco trust fund interest to establish an injury prevention program for the State of Montana. The funds would be used to establish a core capacity injury prevention program, which would allow DPHHS to initiate public health interventions to reduce the burden of unintentional injury in Montana.

DP 70006 - Fund Poison Control Hotline - The executive requests \$50,000 in general fund for FY 2011 to contract with the Rocky Mountain Poison Center (RMPC) to provide 24/7 poison control hotline services for Montanans and medical consultation for health care professionals in the state. PHSD currently contracts with the RMPC to provide 24/7 poison control hotline services for Montanans and medical consultation for health care professionals in the state. One of the intended outcomes of the program is to reduce emergency room visits by managing human exposure to poisons over the phone in the person's home. The current costs for these services are \$371,106 per year. PHSD provides only \$214,830 to RMPC to cover these services.

DP 70021 - Nutrition and Physical Activity Program - This decision package requests \$373,960 in each year of the biennium for increased federal spending authority for the Nutrition and Physical Activity program. The Montana Nutrition and Physical Activity Program received an increase in federal funding through their cooperative agreement with the Centers for Disease Control and Prevention.

Sub-Program Details**FAMILY & COMMUNITY HEALTH 04****Sub-Program Proposed Budget**

The following table summarizes the proposed executive budget for the agency by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011	Total Exec. Budget Fiscal 10-11
FTE	34.75	0.00	0.00	34.75	0.00	0.00	34.75	34.75
Personal Services	1,816,030	217,445	0	2,033,475	222,003	0	2,038,033	4,071,508
Operating Expenses	1,096,746	11,655	75,000	1,183,401	13,850	575,000	1,685,596	2,868,997
Grants	7,530,516	0	500,000	8,030,516	0	500,000	8,030,516	16,061,032
Benefits & Claims	11,621,166	2,179,255	30,000	13,830,421	3,243,708	30,000	14,894,874	28,725,295
Total Costs	\$22,064,458	\$2,408,355	\$605,000	\$25,077,813	\$3,479,561	\$1,105,000	\$26,649,019	\$51,726,832
General Fund	560,459	(1,704)	500,000	1,058,755	(1,578)	500,000	1,058,881	2,117,636
State/Other Special	1,536,295	274,196	105,000	1,915,491	274,234	105,000	1,915,529	3,831,020
Federal Special	19,967,704	2,135,863	0	22,103,567	3,206,905	500,000	23,674,609	45,778,176
Total Funds	\$22,064,458	\$2,408,355	\$605,000	\$25,077,813	\$3,479,561	\$1,105,000	\$26,649,019	\$51,726,832

Sub-Program Description

The Family and Community Health Bureau programs and services are designed to improve the health of Montana's women, children, and families. The bureau provides support for the following programs:

- Maternal and child health data monitoring
- Infant, child and maternal health including public health home visiting and MIAMI programs
- Nutrition/Women, Infants, and Children (WIC)
- Women's and Men's Health including family planning, teen pregnancy prevention, and women's health services
- Children's Special Health Services incorporating specialty clinics, newborn metabolic and hearing screening, and genetics services

The 2007 Legislature approved additional program support to expand the panel of tests conducted at birth from 4 to 29. The legislature also approved \$0.4 million in additional support for a newborn screening follow-up program to assure the availability of clinical diagnostic and support services for babies with an abnormal condition identified through the additional tests. In addition, the legislature approved additional funding to support public health home visiting programs to high-risk pregnant women.

LFD ISSUE	<p>General fund savings of up to \$1.1 million available through funding switch</p> <p>As discussed in the Chronic Disease Prevention and Health Promotion Bureau narrative, the executive proposes \$11.7 million in appropriations for tobacco settlement funds used to support tobacco cessation and prevention activities. 17-6-602, MCA includes in the definition of programs for tobacco disease prevention programs for special education and cessation programs designed to reach youth and women of childbearing age.</p> <p>Smoking cigarettes is recognized as one of the primary causes of low birth weight babies. According to the 2006 DPHHS report on the health of Montana, the rate of smoking in pregnancy is higher in Montana (19 percent in 2003) than in the United States (11 percent in 2002) and even higher in American Indian women in Montana (30 percent in 2003). According to <u>Montana Public Health, May 2008, Volume 3</u>, 18 percent of women smoked during their pregnancies between 2004 through 2006. Overall, the prevalence of low birth weight babies in this period was almost twice as high in women who smoked (9.3 percent) compared to women who did not (4.7 percent).</p>
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**LFD
ISSUE (CONT.)**

The infant, child, and maternal health section includes public home health visiting services to high risk pregnant women who are at risk for using substances, including tobacco, while pregnant. According to program statistics, approximately 50 percent of the women served in the program in FY 2008 reported smoking while pregnant. This statistic is consistent with those that reported smoking in FY 2006 and FY 2007. However, program staff believes this number may be underreported as the number of women who reported they stopped smoking as part of the program is higher than the number who report they smoked during their pregnancy. A component of the home health visit includes tobacco smoking cessation education as it relates to the increased risk of low birth weight for the baby. The program reports 19.4 percent of the 1,186 pregnant women served in 2006 reported decreased tobacco use and an additional 16.6 percent reported they stopped using tobacco altogether.

The executive is proposing funding the public home health visiting program using \$1.1 million of general fund and \$0.4 million in tobacco settlement interest from the Tobacco Settlement Trust in the 2011 biennium. The executive also proposes appropriations for tobacco settlement funds used to provide for tobacco cessation programs which result in \$3.0 million in funds available for appropriation by the legislature.

Given the high prevalence of smoking found in the high-risk population served by the home health visiting program, the link between smoking and low birth weight babies, the significant health issues for low birth weight babies, and the focus on tobacco use cessation as part of the home health visits, the legislature may wish to consider funding a portion of the home health visiting program using tobacco settlement funds dedicated to tobacco cessation programs. Given that at least 50 percent of the women in the program report smoking, the legislature may wish to replace up to \$1.1 million in general fund with tobacco use prevention and cessation funds.

Legislative options include:

- Replace approximately \$750,000 of general fund or 50 percent of program costs with tobacco settlement funds over the biennium
- Funding the entire program using tobacco settlement funds as the program appears to meet the definition of a program providing special education and tobacco cessation that reaches women of childbearing age. This option results in \$1.1 million in general fund savings and \$0.4 million of interest on the Tobacco Settlement Trust available for appropriation to other programs

2009 Biennium Major Goals

The following provides an update of the major goal the Family and Community Health Bureau monitored by the LFC during the 2009 interim.

The LFC monitored the bureau's goal to provide programs and services to improve the health of Montana's women, children, and families. Measurable objectives for the goal included:

- By January 1, 2008, have administrative rule in place to require expanded newborn screening testing, and have in place a contract for newborn screening follow-up
- By June 30, 2009, assure that 95 percent of newborns receive timely follow up to definitive diagnosis and clinical management for conditions mandated by their state-sponsored newborn screening program
- By December 31, 2007, increase the number of tribal sites providing public health home visiting by conducting a request for proposal
- By June 30, 2009 examine the impact of home visiting on the incidence of low birth weight births in Montana

Status:

Administrative rules requiring expanded new born screening testing were completed in October 2007. A contract for newborn screening follow up was issued for 18 months beginning January 1, 2008. As of October 2008, the bureau reported over 95 percent of newborns received the mandated 29 tests for metabolic and hearing screening abnormalities. In addition, the bureau provided federal performance measurements showing both the Montana target and Montana rate

for the percentage of screen positive newborns who receive timely follow up to definitive diagnosis and clinical management for conditions mandated by newborn screening programs was 100 percent through 2007. It should be noted that the federal follow-up performance measurements reported were issued prior to the implementation of the requirement for 29 metabolic and hearing tests.

In FY 2008 the bureau added a public health home visiting program to the Northern Cheyenne reservation increasing the tribal sites to two. The bureau is on track to issue a report on the impact of public health home visiting on the incidence of low birth weight births in Montana.

2011 Biennium Major Goals

PHSD is required by law to submit goals and measurable objectives as part of the budgeting process. The LFD recommends that the legislature adopt specific program goals and corresponding objectives for monitoring during the interim.

The PHSD submitted one goal for the 2011 biennium – Improve the health of Montanans to the highest possible level. The measurable objective for the goal as it relates to family and community health is to provide programs and services to improve the health of women. The executive proposes the following measurements for the objective:

- Continuously reduce the rate of birth for teenagers aged 15 through 17 years
- Continuously increase the proportion of newborns fully screened and, when indicated, provide follow up services

LFD ISSUE	<p>Objectives for Program Goal are neither measurable nor time-bound</p> <p>The measurements for the new objective provided to meet the goal over the 2011 biennium do not include measurements or dates for achievement. In addition, the executive proposes a single objective for the 2011 biennium with two measurements. As can be seen in the measurable objectives included for the 2009 biennium and monitored by the LFC, the previous legislature was given specific measurements and achievement dates for the bureau's goal to provide programs and services to improve the health of Montana's women, children, and families. While the goal for the 2009 biennium is now the objective for the 2011 biennium, the measurements and dates for achievement have been eliminated in the current budget submission by the executive. The bureau provided the following measurable objectives for its 2009 biennial appropriations of \$43.6 million:</p> <ul style="list-style-type: none"> ○ By June 30, 2009, reduce the rate of birth for teenagers aged 15 to 17 years to 9.3 per 1,000. FY 2005 baseline 9.7 per 1,000 ○ By June 30, 2009, increase the percentage of mothers who breastfeed their infants at hospital discharge to 77.1 percent. FY 2005 baseline 73.0 percent ○ By June 30, 2009, increase the percent of potential WIC eligibles served by 10 percent. FY 2005 baseline 65 percent ○ By June 30, 2009, increase the frequency of WIC computer help desk calls for assistance due program inadequacies. FY 2007 baseline 114 calls per month November and December 2006 ○ By June 30, 2009, decrease the number of WIC audit findings due to computer system operations, FY 2005 baseline two internal audit and four external audit findings ○ By June 30, 2009, increase the percentage of newborns who have been screened for hearing before hospital discharge to 92 percent. FY 2005 baseline 87.9 percent ○ By June 30, 2009, 100 percent of newborns will receive timely follow up to definitive diagnosis and clinical management for conditions mandated by their state-sponsored newborn screening programs. FY 2005 baseline 100 percent ○ By June 30, 2009, increase accessibility to specialty services for children with special health care needs through specialty clinics by 10 percent. FY 2005 baseline 2,510
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**LFD
ISSUE (CONT.)**

- By June 30, 2009, 100 percent of Montana's counties will have been reviewed as potential Health Professional Shortage Area designations for primary care, mental health, and dental services in an effort to improve the health-care access to medically underserved and vulnerable populations of Montanans
- By June 30, 2009, decrease the rate per 100,000 of suicide deaths among youth ages 15 through 19 to 9/100,000. FY 2005 baseline 25.1/100,000

The specific measurements and achievement dates allowed the legislature to assess the need for the level of the appropriations in the family and community health programs. In addition, the information on the measurements as of January 2009 would assist the 2009 Legislature in formulating appropriations policy for the 2011 biennium.

The bureau is requesting \$51.7 million funded through a combination of general fund, state special revenues, and federal funds for the 2011 biennium. \$45.8 million of the funding proposed supports federally supported grant activities. Most federal grant programs, including WIC and maternal and child health block grants, require state agencies to report on specific, quantifiable measurements as part of their program responsibilities. Many of the measurements included in the 2009 biennium are required as part of the federal grants the bureau receives. In addition, U.S. Department of Health and Human Services includes specific, measurable objectives for maternal, infant, and child health and family planning as part of its Healthy People 2010 goals.

The proposed executive objectives do not provide the legislature with sufficient, specific, quantifiable information to enable the legislature to formulate an appropriations policy regarding the program as required by statute. The proposed objectives do not include the amount of the reduction in the rate of birth for teenagers aged 15 through 17 years or the increase to the proportion of newborns fully screened and provided follow up services. Specific percentage reductions or increases provide the legislature specific, quantifiable information for appropriation decisions. The proposed objectives also do not allow the legislature to determine if the program attained its goal and objectives at some point in the future date, another statutory requirement. For example, the legislature may support the proposed appropriation levels if the requested appropriations will be supporting a decline of 5 percent in the percentage of teenagers aged 15 through 17 years who give birth to 8.8 per 1,000 in the 2011 biennium. The legislature may have additional questions or may wish to reduce the appropriations if the reduction in the percentage of teen birth rates is less than .005 percent achieved by the 2031 biennium. As currently proposed, either scenario meets the measurements proposed by the executive.

The legislature may wish to discuss how the bureau will improve on their current performance for the measurement to increase the proportion of newborns fully screened and, when indicated provide follow up services. Currently over 95 percent of Montana newborns received the mandated 29 screening tests and 100 percent of newborns received the indicated follow up services. The legislature may wish to discuss the following as it related to the measurement proposed by the executive:

- Does the program propose to focus efforts on the remaining 5 percent of newborns who are not currently screened?
- What barriers has the program identified to attaining this measurement?
- What percentage increase in newborns screened does the bureau propose for the 2011 biennium?
- How do current appropriation requests support this increase?

Options:

- To better understand the anticipated measurable objectives for the 2011 biennium, request the bureau provide federally required performance measurement targets for its proposed federal appropriations of \$51.7 million in the 2011 biennium.
- Discuss with PHSD how it can provide specific, quantifiable objectives for its goal which are both measurable and time-bound.

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent Of Budget
Base Budget	560,459	560,459	1,120,918	52.93 %	22,064,458	22,064,458	44,128,916	85.31 %
Statewide PL Adjustments	(1,704)	(1,578)	(3,282)	(0.15%)	229,100	235,853	464,953	0.90 %
Other PL Adjustments	0	0	0	0.00 %	2,179,255	3,243,708	5,422,963	10.48 %
New Proposals	500,000	500,000	1,000,000	47.22 %	605,000	1,105,000	1,710,000	3.31 %
Total Budget	1,058,755	1,058,881	2,117,636		25,077,813	26,649,019	51,726,832	

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Governor. “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 2010-----				-----Fiscal 2011-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					302,172					306,919
Vacancy Savings					(84,727)					(84,916)
Inflation/Deflation					2,592					3,137
Fixed Costs					9,063					10,713
Total Statewide Present Law Adjustments					\$229,100					\$235,853
DP 70001 - Increased Federal Spending Authority For WIC	0.00	0	0	1,979,255	1,979,255	0.00	0	0	3,043,708	3,043,708
DP 70003 - Increased Authority for Children's Special Health	0.00	0	200,000	0	200,000	0.00	0	200,000	0	200,000
Total Other Present Law Adjustments	0.00	\$0	\$200,000	\$1,979,255	\$2,179,255	0.00	\$0	\$200,000	\$3,043,708	\$3,243,708
Grand Total All Present Law Adjustments					\$2,408,355					\$3,479,561

DP 70001 - Increased Federal Spending Authority For WIC - The executive proposes \$1,979,255 in FY 2010 and \$3,403,708 in FY 2011 in federal spending authority for an estimated 5 percent increase for the Montana WIC program. The increase is anticipated federal support for food dollars, and is for an average of past increases. Montana's federal WIC budget increased four times and decreased twice in the last six years. The latest increase of 8 percent between 2007 and 2008 was attributable to the increase in the cost of food. Federal intent is unknown at this time, but food costs are expected to continue to rise. The 5 percent increase approximates the average change over the last seven years.

DP 70003 - Increased Authority for Children's Special Health - The executive requests \$200,000 for each year of the biennium in state special spending authority for anticipated increases in billing revenue for Children's Special Health Care Needs Clinics. The department provides for the metabolic and cleft cranio facial clinics in the state, and bills for those services. Clinic visits have increased each year; there were 2,202 completed visits in CY2005, 2,455 in CY 2006 and 2,732 in CY 2007. PHSD estimates CSHS clinics visits will increase by 5 percent each year of the biennium.

New Proposals

New Proposals Sub Program	-----Fiscal 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 70007 - Cont. 2009 Bien. Funds: Offset Contraceptive Costs										
04	0.00	500,000	0	0	500,000	0.00	500,000	0	0	500,000
DP 70014 - MT Health Professional Recruit/Reten Incentive Pgm										
04	0.00	0	75,000	0	75,000	0.00	0	75,000	0	75,000
DP 70016 - Local WIC Farmer's Market Support										
04	0.00	0	30,000	0	30,000	0.00	0	30,000	0	30,000
DP 70023 - Family Planning Waiver - Biennial										
04	0.00	0	0	0	0	0.00	0	0	500,000	500,000
Total	0.00	\$500,000	\$105,000	\$0	\$605,000	0.00	\$500,000	\$105,000	\$500,000	\$1,105,000

DP 70007 - Cont. 2009 Bien. Funds: Offset Contraceptive Costs - The executive proposes \$500,000 in each year of the biennium to continue the one-time only funding authorized by the previous session for increased contraceptive costs. These funds would be used to offset the increased cost of contraceptives for Title X Family Planning Clinics. Contraceptive costs rose 70 percent during FY 2007 and are expected to remain at that level. If the federal Family Planning Waiver is approved in this biennium, general fund (up to \$300,000) can be used for state match with Medicaid funds.

The following information is provided so that the legislature can consider various performance management principles when examining this proposal. It is as submitted by the agency, with editing by LFD staff as necessary for brevity and/or clarity.

Justification - DPHHS contracts with 14 family planning agencies in 25 locations throughout Montana offering comprehensive family planning, medical, counseling and educational services to women in need. These clinics rely on the Federal Title X program which is devoted to the provision of family planning and reproductive health care. In 2006, Montana family planning clinics began experiencing drastically increased prices for contraceptives. The contraceptive patch nearly doubled in price between the second and third quarters of 2006. The price increases for oral contraceptives were more extreme, going from as little as one penny for a month's supply to nearly \$19. Such price fluctuations have continued into 2008. Montana's family planning clinics continue to face a nearly 70 percent increase in costs for contraceptives since 2006. The 2007 Legislature allocated general fund until Montana Plan First, Montana's Section 1115 Family Planning Waiver could be implemented. The Medicaid waiver was submitted July 1, 2008.

Program goals: The goal is to assure that Title X clients have access to affordable contraception.

Outcome measures:

- o Title X clinics will report the type and cost of contraception prescribed by Title X providers
- o The availability of at least two contraceptive options in each Title X clinic

Milestones:

- o Beginning July 1, 2010, funding earmarked for contraceptive purchases will be included in the SFY 2010 Title X contracts
- o Quarterly and on-going, contractors will report to the Women's and Men's Health Section on the amount of funding expended for contraception quarterly

FTE: The Women's and Men's Health section will distribute and monitor the funding and the Title X contractor clinics will purchase and distribute the contraceptives.

Funding: Title X contracting agencies purchase contraceptives at lower prices than other clinic and physician sites, and pass those savings on the clients.

Challenges: None anticipated.

Risks: The increase in contraceptive prices jeopardizes the availability of reproductive health services, including low cost contraception, for low-income and uninsured women in Montana.

LFD COMMENT	The LFC Subcommittee on Public Health and Human Services requested the Joint Appropriations Subcommittee on Public Health and Human Services consider continued funding for this proposal to provide continuity in support for contraceptive options to low income women in Montana. The LFC subcommittee also recommends the appropriation subcommittee recommend this program for monitoring by the LFC during the 2011 biennium.
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DP 70014 - MT Health Professional Recruit/Reten Incentive Pgm - The executive proposes \$75,000 in state special revenue funds in FY 2010 and FY 2011 for the Montana Health Professional Recruitment and Retention Incentive Program. This program would be available to non-physician primary care providers, mental health and dental health providers. Initial implementation would allow for up to 13 providers to receive up to \$5,000 per year for recruitment and retention support. Placement would be limited to facilities and practices in designated shortage areas that have submitted site applications to the federal National Health Service Corp (NHSC). Legislation implementing the program would be developed by DPHHS, in partnership with key partners.

Outcome Indicators:

- By June 30, 2010, increase the number of non-physicians receiving recruitment and retention assistance for practice in designated health professional shortage areas by 10 percent.
- By June 30, 2010, increase the number of Montana facilities and practices authorized as recruitment sites by the NHSC by 10 percent.

LFD COMMENT	The Postsecondary Education Policy and Budget Subcommittee of the Education and Local Government Interim Committee requested a bill draft to: <ul style="list-style-type: none"> ○ Provide incentives for dentists to practice in underserved areas or for underserved populations ○ Allowing a fee to be assessed to certain students to fund the incentives ○ Created a dental extension program
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DP 70016 - Local WIC Farmer's Market Support - The executive requests \$30,000 per year of the biennium in tobacco settlement trust interest for local WIC programs operating Farmer's Market Nutrition Programs (FMNP). In 2007, Montana had seven WIC FMNP Sites that included 10 farmers markets. Montana anticipates that three additional sites would participate in the FMNP if these funds were available. FMNPs offer fresh locally grown products to WIC participants.

DP 70023 - Family Planning Waiver - Biennial - The executive proposes to implement Montana Plan First, Montana's Section 1115 Family Planning Waiver which was applied for July 2008. The decision package requests \$500,000 in federal spending authority for the biennium. Once the federal waiver is approved, DPHHS proposes to transfer the funds to the Health Resources Division. If the waiver is approved in this biennium, the executive proposes using up to \$300,000 general fund from DP 70007 (Contraceptive Costs) as state match in this waiver.

**LFD
ISSUE**

The proposed federal appropriations should be budgeted in the Human Resources Division

The 2007 Legislature added \$0.7 million general fund and \$5.4 million federal funds for the 2009 biennium for the first of two years of a five year family planning waiver. The program was expected to start July 2007 and to provide reproductive health services estimated at approximately \$480 per year to about 6,000 low-income women with incomes below 185 percent of the federal poverty level (FPL) who are of child bearing age. The goal of the program was to reduce the number of unplanned/unwanted pregnancies through coverage of family planning services for low income women in years 3, 4, and 5 of the program. The performance criteria for the proposal included:

- Number of women receiving family planning services under the Montana Family Planning Project being between 6,000 and 10,000 during the first 3 years
- Number of live births for Medicaid and Medicaid eligible populations
- Costs of the family planning project

Option: As the services provided through the Montana Plan First waiver would be staffed, provided, and funded through the Human Resources Division, the legislature may wish to appropriate the federal funds in the correct program for the 2011 biennium, eliminating the need to transfer appropriation authority between the programs.

The following information is provided so that the legislature can consider various performance management principles when examining this proposal. It is as submitted by the agency, with editing by LFD staff as necessary for brevity and/or clarity.

Justification: The funds will be used to implement Montana Plan First in calendar year 2009, adding to Medicaid approximately 4,000 women of child bearing age with incomes at or below 185 percent FPL. Women eligible for Plan First will receive contraceptives and associated reproductive health services. Implementing this waiver will increase costs during the first year and will provide savings during years 2 through 5.

**LFD
ISSUE**

The 2011 biennium request supports 2,000 to 6,000 fewer participants than approved by the 2007 Legislature.

The Montana Plan First Medicaid waiver was approved by the 2007 Legislature to serve between 6,000 and 10,000 women in the first three years of operation. The current proposal serves 4,000 women of child bearing age for the 5 year waiver.

Option: The legislature may wish additional information on the changes identified in the 2009 interim that resulted in the reduction in the number of women served by the waiver.

Program goals:

- Goal 1: Improve access to and use of family planning services among women in the target population.
- Goal 2: Reduce number of unintended pregnancies for Montana women ages 14 through 44 who live at or below 185 percent FPL.
- Goal 3: Improve birth outcomes and women's health by increasing the child spacing interval among women in the target population.

Outcome measures:

The DPHHS Office of Planning, Coordination, and Analysis (OPCA) will manage the evaluation of Montana Plan First. At the end of each waiver year, the OPCA will complete the evaluation and will deliver a report within 90 days of waiver year end. The evaluation will include the number of women served and rate in expenditure growth for family planning services on a per capita basis, using total expenditures recorded during the first year of the demonstration as a baseline. OPCA will also compare the annual rate of growth of actual expenditures with the baseline amount trended forward using the Medical Consumer Price Index (MCPI).

**LFD
ISSUE**

Measures Do Not Address 2 of Program Goals

The proposed outcome measures do not address two of the goals outlined for the program. The goal of reducing the number of unintended pregnancies for Montana women ages 14 through 44 who live at or below 185 percent of the federal poverty levels is not measured by evaluating the number of women served or the rate in expenditure growth for family planning services on a per capita basis. Neither does this measure address the program goal to improve birth outcomes and women's health by increasing the child spacing interval among women in the target population.

The legislature may wish to discuss how the program will determine success for the two program goals outlined above.

Milestones: Implementation schedule (depending on CMS approval of waiver application):

January through June 2009:

Design and implement enhancements to computer system

- o Modify the Medicaid Management Information System (MMIS)
- o Modify the KIDS eligibility system for Plan First eligibility determination
- o March through June 2009: Amend Administrative Rules of Montana
- o March 2009: Hire and train eligibility determination staff

April through June 2009:

- o Revise Medicaid client handbook and update client website
- o Notify and train providers
- o Develop provider manual to provide information on covered services, eligible population, and billing procedures
- o Develop and conduct provider trainings regarding eligibility, services, billing procedures, and primary care referrals
- o Conduct outreach

July 2009 - begin enrolling women into the waiver.

August through September 2010 - Conduct evaluation

FTE: A current FTE (Program Officer) in the Medicaid Managed Care Bureau will manage Montana Plan First. Eligibility determination for the waiver will be performed by DPHHS employees who currently determine eligibility for other health care programs.

Funding: Requested funding is federal Medicaid funds. The division proposes general fund appropriations included in DP 70007 to provide support for the state matching share. Expending general fund in the first year of the waiver will result in cost savings in waiver years 2 through 5. The federal government matches the cost of services and supplies for family planning at 90 percent for all states; this rate is a clear incentive for states to extend family planning services to eligible women.

Challenges: DPHHS will use targeted outreach to reach potentially eligible women. Targeted outreach in Montana is challenging because of large distances between population centers and sparsely populated rural areas. All Medicaid providers who deliver family planning services will be able to deliver services under the waiver. DPHHS anticipates that private providers, health departments, family planning clinics, and Community Health Centers will provide services to eligible women. Adequate training for these providers will necessitate creative training delivery methods, such as web-based training sessions, training CDs or DVDs, and specialized claims submission training. In addition, providers must be trained in the importance of referrals for primary care services for women who receive family planning services under the waiver.

Risks: Montana's risk in not implementing the family planning waiver is that Medicaid will continue to pay for births to low-income and high-risk women that could have been averted if the waiver had been implemented. A decade of evaluations of states' family planning programs has shown that the investment has prevented unintended pregnancies and abortions, and generated substantial cost savings for states.

Sub-Program Details**COMMUNICABLE DISEASE CONTROL & PREV 05****Sub-Program Proposed Budget**

The following table summarizes the proposed executive budget for the agency by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011	Total Exec. Budget Fiscal 10-11
FTE	30.75	0.00	0.00	30.75	0.00	0.00	30.75	30.75
Personal Services	1,212,462	458,239	0	1,670,701	462,530	0	1,674,992	3,345,693
Operating Expenses	954,608	64,265	0	1,018,873	66,339	0	1,020,947	2,039,820
Equipment & Intangible Assets	13,665	0	0	13,665	0	0	13,665	27,330
Grants	2,108,876	0	400,000	2,508,876	0	400,000	2,508,876	5,017,752
Benefits & Claims	1,059,040	0	84,000	1,143,040	0	84,000	1,143,040	2,286,080
Total Costs	\$5,348,651	\$522,504	\$484,000	\$6,355,155	\$528,869	\$484,000	\$6,361,520	\$12,716,675
General Fund	714,089	181,710	0	895,799	182,356	0	896,445	1,792,244
State/Other Special	836,075	6,370	484,000	1,326,445	6,653	484,000	1,326,728	2,653,173
Federal Special	3,798,487	334,424	0	4,132,911	339,860	0	4,138,347	8,271,258
Total Funds	\$5,348,651	\$522,504	\$484,000	\$6,355,155	\$528,869	\$484,000	\$6,361,520	\$12,716,675

Sub-Program Description

The Communicable Disease Control and Prevention Bureau provides public health functions including:

- Disease surveillance
- Disease investigation
- Regulatory public health activities
- Coordination of prevention and treatment
- Education
- Training

The communicable disease and epidemiology/TB section, the food and consumer safety section, the HIV/STD prevention section, and the immunization section are supported through the 2011 biennial budget request.

The executive proposes increased support of:

- \$0.9 million in statewide present law adjustments
- \$0.9 million for immunization programs for adolescents
- \$0.17 million for HIV treatment

2009 Biennium Major Goals

The following provides an update of the major goal for Communicable Disease Control and Prevention Bureau monitored by the LFC during the 2009 interim.

The LFC monitored the bureau's goal to reduce the incidence of communicable disease in Montana citizens through efforts in prevention, treatment, surveillance, and epidemiology. Measurable objectives for the goal included:

- By 2009, achieve and maintain 90 percent immunization coverage rate for children 19-36 months of age who are seen in health care settings in accordance with the recommended immunization schedule
- By 2009, reduce the incidence of Chlamydia to 250 cases per 100,000 in Montana. This would be reducing it from 293 cases/100,000 in 2006.

Status:

The LFC Performance Measurement Subcommittee on DPHHS recommended changing the performance measurement on immunization coverage for children 19-36 months of age to the national performance standard during its October 2008 meeting. The national measurement more accurately reflects the overall percentage of Montana children immunized in accordance with the recommended immunizations schedule. According to division staff, in FY 2008 Montana was second from the last in the country for the number of children receiving immunizations according to recommended schedule.

In addition, the LFC subcommittee recommended changing the measurement for the incidence of Chlamydia as the division's surveillance of the disease increased resulting in an increased number of cases per 100,000 reported in FY 2008

2011 Biennium Major Goals

PHSD is required by law to submit goals and measurable objectives as part of the budgeting process. The LFD recommends that the legislature adopt specific program goals and corresponding objectives for monitoring during the interim.

The PHSD submitted one goal for the 2011 biennium – Improve the health of Montanans to the highest possible level. The measurable objective for the goal as it relates to communicable disease control and prevention is to prevent and control communicable disease, a variation on the bureau's 2009 goal to reduce the incidence of communicable disease in Montana citizens through efforts in prevention, treatment, surveillance, and epidemiology. The executive proposes the following measurements for the objective:

- Continuously increase the proportion of children (19-36 months) fully immunized
- Continuously reduce annual cases of Chlamydia

LFD ISSUE	<p>The Objectives are Not Measureable or Time-bound</p> <p>The new objective provided to meet the goal over the 2011 biennium does not include measurements or dates for achievement. In addition, the executive proposes a single objective for the 2011 biennium with two measurements. As can be seen in the measurable objectives included for the 2009 biennium and monitored by the LFC, the previous legislature was given specific measurements and achievement dates for the bureau's goal of reducing the incidence of communicable disease in Montanan citizens through efforts in prevention, treatment, surveillance, and epidemiology. While the goal for the 2009 biennium is now generally presented as the objective for meeting the 2011 biennium goal, the measurements and dates for achievement have been eliminated in the current budget submission by the executive.</p> <p>The bureau provided the following measureable objectives for its 2009 biennial appropriations of \$11.9 million:</p> <ul style="list-style-type: none"> ○ By June 30, 2009 achieve and maintain 90 percent immunization coverage rate for children 19-35 months of age in accordance with the recommended immunization schedule. FY 2005 baseline 91 percent ○ By June 30, 2009, continue to maintain at 100 percent, the proportion of tuberculosis cases completing curative therapy within 12 months. FY 2005 baseline 100 percent ○ Increase the rate of compliance with food and pool safety regulations by licensed establishments by 5 percent annually through June 30, 2009. Baseline to be established in 2007 ○ By June 30, 2009, reduce the incidence of Chlamydia to 150 cases per 100,000 in Montana. FY 2005 baseline 258/100,000 cases ○ Control the incidence of HIV/AIDS in Montana so as not to exceed 1.4 cases per 100,000 persons, through June 30, 2009. 2005 baseline 1.6 cases per 100,000
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LFD
ISSUE (CONT.)

As is discussed in the other narrative sections on the 2009 biennium objectives, the specific measurements and achievement dates allowed the legislature to assess the need for the level of the appropriations. In addition, the information on the measurements as of January 2009 would assist the 2009 Legislature in formulating appropriations policy for the 2011 biennium.

The bureau is requesting \$12.7 million in appropriations funded through a combination of general fund, state special revenues, and federal funds for the 2011 biennium. \$8.3 million of the funding as is proposed supports federally supported grant activities. Most federal grant programs, including the vaccination program and AIDS prevention require state agencies to report on specific, quantifiable measurements as part of their program responsibilities. In addition, the U.S. Department of Health and Human Services includes specific, measurable objectives for respiratory diseases, sexually transmitted diseases, food safety, and immunization and infectious diseases which could assist the legislature in determining measurable objectives for the bureau.

The proposed executive objectives do not provide the legislature with sufficient, specific, quantifiable information to enable the legislature to formulate an appropriations policy regarding the program as required by statute.

Options:

- Discuss how the bureau will continue to improve on their current performance for the measurements reviewed in the 2009 biennium
- Request the PHSD submit specific, quantifiable objectives for its goal which are both measurable and time-bound
- To better formulate measurable objectives for the 2011 biennium, request the bureau provide federally required performance measurement targets for its proposed federal appropriations of \$8.3 million in the 2011 biennium

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent Of Budget
Base Budget	714,089	714,089	1,428,178	79.69 %	5,348,651	5,348,651	10,697,302	84.12 %
Statewide PL Adjustments	181,710	182,356	364,066	20.31 %	465,018	471,383	936,401	7.36 %
Other PL Adjustments	0	0	0	0.00 %	57,486	57,486	114,972	0.90 %
New Proposals	0	0	0	0.00 %	484,000	484,000	968,000	7.61 %
Total Budget	895,799	896,445	1,792,244		6,355,155	6,361,520	12,716,675	

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Governor. “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 2010-----						-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					527,852					532,324
Vacancy Savings					(69,613)					(69,794)
Inflation/Deflation					3,579					4,553
Fixed Costs					3,200					4,300
Total Statewide Present Law Adjustments					\$465,018					\$471,383
DP 70008 - Adolescent Immunization Outreach Program	0.00		0	0	57,486	57,486	0.00	0	0	57,486
Total Other Present Law Adjustments	0.00	\$0	\$0	\$0	\$57,486	\$57,486	0.00	\$0	\$0	\$57,486
Grand Total All Present Law Adjustments					\$522,504					\$528,869

DP 70008 - Adolescent Immunization Outreach Program - The executive proposes \$57,486 in federal spending authority for each year of the biennium to develop an adolescent project to improve outreach to the adolescent population and improve the vaccination status for tetanus, diphtheria, whooping cough, meningitis, human papillomavirus, and hepatitis B vaccines to help to lessen the disease burden on these children before they mature into adults. The Centers for Disease Control and Prevention has instituted a new adolescent immunization program to increase use of newly recommended adolescent vaccines.

New Proposals

New Proposals										
-----Fiscal 2010-----						-----Fiscal 2011-----				
Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 70015 - Increased Funding for HIV Treatment										
05	0.00	0	84,000	0	84,000	0.00	0	84,000	0	84,000
DP 70019 - Adolescent Immunization										
05	0.00	0	400,000	0	400,000	0.00	0	400,000	0	400,000
Total	0.00	\$0	\$484,000	\$0	\$484,000	0.00	\$0	\$484,000	\$0	\$484,000

DP 70015 - Increased Funding for HIV Treatment - This decision package requests \$84,000 in tobacco trust fund interest each year of the biennium for a state supported HIV treatment program. The requested funds would allow additional uninsured persons access to expensive HIV medication. Federal assistance has not kept pace with rising medication costs and the increasing number of Montanans who are living with HIV. Additional state dollars would supplement the federal funding and help to alleviate a waiting list for medication assistance by serving approximately twelve more individuals.

DP 70019 - Adolescent Immunization - The executive proposes \$400,000 each year of the biennium in tobacco trust fund interest to purchase vaccines to support the immunization of adolescents ages 11-12, who are entering grade 7 in Montana. Funds would be used for HPV, Tdap, Hepatitis B, and Meningococcal vaccines, as well as education regarding their importance.

The following information is provided so that the legislature can consider various performance management principles when examining this proposal. It is as submitted by the agency, with editing by LFD staff as necessary for brevity and/or clarity.

Justification: Since 2005, three new vaccines formulated specifically for adolescents have been recommended by the Advisory Committee on Immunization Practices (ACIP). Meningococcal conjugate, acellular pertussis, and for females, human papillomavirus vaccines (HPV) are to be given universally starting at age 11-12 years. The HPV is a three-dose

vaccine series that will help prevent genital warts and certain types of cervical cancer. Several counties have experienced pertussis (whooping cough) outbreaks during 2008. This disease has been reported in the middle and high schools. The Immunization Program evaluated the mandated immunization rate for Tetanus/diphtheria/acellular pertussis (Tdap) vaccine in grade 7 for the 2006 and 2007 school years and learned that 24 percent of the children entering grade 7 did not have the vaccine that would protect them from developing pertussis disease, and lessen the disease burden in schools and communities. The Immunization Program would purchase the Tdap vaccine for the children in this age cohort (grades 7 & 8) who were not eligible for the vaccine through existing programs. The series to protect the children from hepatitis B requires 3 doses. However, many children have not completed this series. Hepatitis B is a liver disease that is easily communicated through blood and other body fluids. Meningococcal vaccine is critical to protect adolescents from a bacterial illness that infects the brain and spinal cord. This illness attacks children who live in close contact with others, such as dormitories or middle school lunchrooms. The vaccines are increasingly expensive. For instance, a 17 year old girl or her family could spend \$639.73 to pay for all recommended vaccines. The Immunization Section estimates that 27 percent of adolescents aged 11-26 do not have adequate means for paying for the vaccines recommended by the ACIP.

Program goals: The goals are to assure that all Montana adolescents have access to affordable immunizations regardless of ability to pay and to increase educational activities for adolescent immunizations.

Outcome Measurements:

- o Progress will be measured by monitoring adolescent immunization rates measured at the national and state level
- o Increasing the number of adolescent immunizations recorded in Montana's Immunization Information System
- o Monitoring adolescent immunization education activities

Milestones:

- o Vaccine will be purchased starting July 1, 2009 and will be provided to adolescent vaccine providers
- o By July 1, 2009 and January 1, for every year thereafter, county contracts will include funding for adolescent educational outreach to health care providers, adolescents and their parents, as well as data collection activities

FTE:

- o The project will be overseen by the Adolescent Immunization Coordinator
- o The vaccine will be shipped by the Centers for Disease Control and Prevention Contractor
- o The Adolescent Immunization Coordinator and county health departments on contract will conduct educational activities
- o Health care providers will deliver vaccine

Funding: If this funding is granted, 75 percent would be used to purchase vaccine and 25 percent would be used to contract with county health departments for adolescent immunization educational and data collection activities.

Challenges: None anticipated.

Risks: There have been multiple disease outbreaks in the adolescent age group and if funding is not provided, Montana can expect to see an increase in these disease outbreaks. In Montana, from 2000-2006 there were over 600 cases of pertussis and 41 percent of those infected were ages 11-19 years old. Other states have experienced mumps outbreaks among college students. There have also been measles outbreaks among adolescents in other states.

Sub-Program Details**LAB 07****Sub-Program Proposed Budget**

The following table summarizes the proposed executive budget for the agency by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011	Total Exec. Budget Fiscal 10-11
FTE	32.00	0.00	0.00	32.00	0.00	0.00	32.00	32.00
Personal Services	1,465,382	339,188	0	1,804,570	344,586	0	1,809,968	3,614,538
Operating Expenses	1,859,780	(203,581)	304,542	1,960,741	(200,548)	304,542	1,963,774	3,924,515
Equipment & Intangible Assets	275,174	0	150,000	425,174	0	150,000	425,174	850,348
Grants	0	0	75,000	75,000	0	75,000	75,000	150,000
Total Costs	\$3,600,336	\$135,607	\$529,542	\$4,265,485	\$144,038	\$529,542	\$4,273,916	\$8,539,401
General Fund	531,604	(349,996)	330,000	511,608	(349,995)	330,000	511,609	1,023,217
State/Other Special	2,381,845	420,228	0	2,802,073	442,410	0	2,824,255	5,626,328
Federal Special	686,887	65,375	199,542	951,804	51,623	199,542	938,052	1,889,856
Total Funds	\$3,600,336	\$135,607	\$529,542	\$4,265,485	\$144,038	\$529,542	\$4,273,916	\$8,539,401

Sub-Program Description

The Laboratory Services Bureau is comprised of the environment laboratory section, the microbiology/molecular section, and the serology/newborn screening/preparedness section. The bureau focuses on the prevention and control of disease and the improvement of community health by providing testing in support of disease assessment and control.

The executive proposes \$8.5 million in funding to support the bureau's various laboratory functions. Included in the proposal are:

- o Statewide present law adjustments of \$0.7 million
- o Increased state special revenue authority for increased lab fees of \$250,000
- o Reductions of \$0.7 million in general fund transferred from another division and included in the laboratory's base budget
- o Additional federal fund appropriations of \$0.4 million to support public health testing integrated into clinical laboratory testing procedures
- o Provision of \$0.7 million in general fund support for the Laboratory Services Bureau

The 2007 Legislature passed a major revision of public health laws. Included was the elimination of the statutory requirement that the rules imposing fees for the tests and services performed by the department's laboratory should reflect the actual costs of the tests or services provided. The statute stated that the department may not establish fees exceeding the costs incurred in performing tests and services. The elimination of the requirement allows the bureau to receive general fund support as fees no longer are required to be commensurate with the costs of providing the services.

2009 Biennium Major Goals

The following provides an update of the major goal for the Laboratory Services Bureau monitored by the LFC during the 2009 interim.

The LFC monitored the bureau's goal to reduce communicable disease in Montana through a surveillance system based on public health laboratory disease diagnosis and assessment. Measurable objectives for the goal included:

- o By November 30, 2007, distribute grant monies to Boards of Health for tremolite asbestos-related disease benefit programs

- By June 30, 2009, summarize use of tremolite asbestos-related disease benefits grants, including the number of Montanans served and a breakdown of the services provided
- Through June 30, 2009, maintain accurate, reliable laboratory testing services, including human clinical and drinking water that are accessible to 95 percent of local health jurisdictions and public clinics.

Status:

The bureau distributed the grant monies for tremolite asbestos-related disease benefits to the Lincoln County Board of Health February 14, 2008. Summarization of the number of Montanans served shows 662 individuals received services through the grant. A breakdown of actual services provided is in progress. Initial reports show an average of \$504 provided per individual served. However, the bureau is reconciling the services provided with the grant requirements to ensure all services were provided for tremolite asbestos-related disease benefits.

Clinical testing by the public health laboratory was provided to 55 of 56 counties or 98.2 percent during FY 2008.

2011 Biennium Major Goals

PHSD is required by law to submit goals and measurable objectives as part of the budgeting process. The LFD recommends that the legislature adopt specific program goals and corresponding objectives for monitoring during the interim. The PHSD submitted one goal for the 2011 biennium – Improve the health of Montanans to the highest possible level.

The measurable objective for the goal as it relates to laboratory services is to provide accurate and timely laboratory testing and results. The executive proposes the following measurements for the objective:

- Continuously increase the proportion of local health jurisdictions and public health clinics with access to accurate, reliable testing services (clinical and drinking water)

**LFD
ISSUE**

Objectives Not Measureable or Time-bound

The new objective provided to meet the goal over the 2011 biennium does not include measurements or dates for achievement. As can be seen in the measureable objectives included for the 2009 biennium and monitored by the LFC, the previous legislature was given specific measurements and achievement dates for the bureau's goal of reducing communicable disease in Montana through a surveillance system based on public health laboratory disease diagnosis and assessment. The single measurement provided for the 2011 biennium goal does not include measurements or dates for achievement. The bureau provided the following measureable objectives for its 2009 biennial appropriations of \$7.1 million:

- Through June 30, 2009, maintain full access of local health departments and other public clinics to accurate, reliable, population-based laboratory services
- Through June 30, 2009, maintain state's capacity to provide technically advanced laboratory testing for conditions that affect the health of Montanans, including unusual and emerging diseases
- Through June 30, 2009, maintain a communication system through faxes and email with Montana hospitals, clinics, and infectious disease physicians for the purpose of providing updated information related to infectious diseases
- Through June 30, 2009, continue to provide testing capable of monitoring public drinking water according to current EPA standards and to ensure that private drinking water laboratories throughout the state are capable of meeting the same EPA standards of testing
- Through June 30, 2009, maintain laboratory preparedness for testing agents of bioterrorism, and continue to develop methods of meeting expectations regarding testing for agents capable of being used for chemical terrorism

LFD ISSUE (CONT.) As is discussed in the other narrative sections on the 2009 biennium objectives, specific measurements and achievement dates allowed the legislature to assess the need for the level of the appropriations. In addition, information on the measurements presented to the previous legislature as of January 2009 would assist the 2009 Legislature in formulating appropriations policy for the 2011 biennium.

The bureau is requesting \$8.5 million in appropriations funded through a combination of general fund, state special revenues, and federal funds for the 2011 biennium. \$1.9 million of the funding as is proposed supports federally supported grant activities. Most federal grant programs, including EPI and lab surveillance of E. Coli require state agencies to report on specific, quantifiable measurements as part of their program responsibilities.

Options:

- o To better formulate measurable objectives for the 2011 biennium, request that the bureau provide federally required performance measurement targets for its proposed federal appropriations of \$1.9 million in the 2011 biennium.
- o Discuss with the bureau if it anticipates changes to its current performance measurements reviewed in the 2009 biennium
- o Request the bureau submit specific, quantifiable objectives for its goal that are both measurable and time-bound

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent Of Budget
Base Budget	531,604	531,604	1,063,208	103.91 %	3,600,336	3,600,336	7,200,672	84.32 %
Statewide PL Adjustments	(6)	(5)	(11)	0.00 %	360,597	369,028	729,625	8.54 %
Other PL Adjustments	(349,990)	(349,990)	(699,980)	(68.41%)	(224,990)	(224,990)	(449,980)	(5.27%)
New Proposals	330,000	330,000	660,000	64.50 %	529,542	529,542	1,059,084	12.40 %
Total Budget	511,608	511,609	1,023,217		4,265,485	4,273,916	8,539,401	

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Governor. “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.

	-----Fiscal 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Present Law Adjustments										
Personal Services					414,379					420,002
Vacancy Savings					(75,191)					(75,416)
Inflation/Deflation					798					1,000
Fixed Costs					20,611					23,442
Total Statewide Present Law Adjustments					\$360,597					\$369,028
DP 70011 - Authority for Laboratory to Cover Increased Expense	0.00	0	125,000	0	125,000	0.00	0	125,000	0	125,000
DP 70020 - Reduce Environmental Lab Base Budget	0.00	(349,990)	0	0	(349,990)	0.00	(349,990)	0	0	(349,990)
Total Other Present Law Adjustments	0.00	(\$349,990)	\$125,000	\$0	(\$224,990)	0.00	(\$349,990)	\$125,000	\$0	(\$224,990)
Grand Total All Present Law Adjustments					\$135,607					\$144,038

DP 70011 - Authority for Laboratory to Cover Increased Expense - The executive proposes \$125,000 each year of the biennium to meet projected increases in DPHHS laboratory supplies and other operating expenses. The expenses for laboratory supplies and other operating expenses are expected to increase an estimated 4 percent or \$125,000 each year. This estimate is based on maintaining level test volumes. The increased expenses will be covered by increased laboratory fees.

DP 70020 - Reduce Environmental Lab Base Budget - In FY 2008, the environmental lab received a program transfer of general fund, which was incorporated into the 2008 base budget. The executive proposes reducing the base budget by \$349,990 to align the budget and funding to the amounts approved by the legislature for FY 2008.

New Proposals

Sub Program	-----Fiscal 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 70013 - National Laboratory Systems (NLS) Grant										
07	0.00	0	0	199,542	199,542	0.00	0	0	199,542	199,542
DP 70022 - Restore General Fund for Public Health Labs										
07	0.00	330,000	0	0	330,000	0.00	330,000	0	0	330,000
Total	0.00	\$330,000	\$0	\$199,542	\$529,542	0.00	\$330,000	\$0	\$199,542	\$529,542

DP 70013 - National Laboratory Systems (NLS) Grant - The executive requests \$199,542 in federal funding for each year of the biennium to integrate clinical laboratories into public health testing. The purpose of the funding is to facilitate high quality and timely public health laboratory testing that is done in local hospitals and clinics, to facilitate better detection of diseases and tracking of public health threats, and to maintain consistent standards of testing at all clinical laboratories in Montana.

DP 70022 - Restore General Fund for Public Health Labs - The executive proposes \$330,000 for each year of the biennium in general fund support for both the Public Health and Environmental Laboratories. The Laboratory Services Bureau’s primary mission is to support public health programs and to provide scientific expertise in emergencies. Fees alone have not covered expenses for the services. Despite several significant fee increases, the DPHHS laboratory fee funds have been short an average of approximately \$180,000 per year over the last 9 years. Negative balances were offset in those years by general fund short term loans and transfers. In addition, \$150,000 per year is requested for equipment replacement.

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Funding for the Laboratory Services Bureau

The PHSD is required by statute to maintain both a public health and environmental laboratory (labs). The environmental laboratory function provides analyses for the Safe Drinking Water Act, and testing under the Clean Water Act, the National Pollutant Discharge Elimination Systems, the Clean Air Act, and the Dyed Fuel Program for the Montana Department of Transportation. Tests are provided for private well owners under the Safe Drinking Water Act. The public health laboratory function provides services to identify and confirm the cause of a wide variety of diseases, and plays a role in statewide surveillance of conditions of public health importance such as tuberculosis outbreaks. The public health lab also conducts tests that are unavailable elsewhere in the state.

The labs have been traditionally funded with fees for the services provided and federal grants. During FY 2008, DPHHS transferred \$350,000 in general fund to the Laboratory Services Bureau for support of operating expenses. The labs used the funding for operating expenses related to equipment and supplies and to purchase new equipment for the environmental functions of the lab.

The funding matrix for the labs is a policy decision of the legislature. Approving this decision package would establish a new policy to provide on-going general fund support to the labs. This proposed policy supports the idea that the general public benefits from having the public health and environmental labs. If the main objective of the labs is to provide timely, official, objective and accurate test results to hospitals, physicians, outpatient clinics, or private residents interested in their well water safety, then there may not be a direct correlation to the general public. However, if the labs provide surveillance for disease outbreaks or contamination of ground water, and monitors and notifies the public of associated potential health risks, there would be a public health benefit to the lab.

The executive's proposal would create a funding matrix of 12 percent general fund, 66 percent lab fees, and 22 percent federal funds. The fees for the lab are set in rule and at the control of the division. While the executive considers increasing the fees, the increases are not sufficient to support the operating expenses or equipment purchases at the levels proposed in the budget. This proposal makes the assumption that the labs' new fees are adequate rates, there are no other alternative sources of state special revenue, and there is a public health benefit to having the public health and environmental labs. The legislature may wish to consider one or more of the following:

- Establish a statutory funding formula. This options would require a committee bill
- Do not establish a funding formula in statute, but establish a funding formula through appropriations that reflects legislative policy
 - Fund the executive request
 - Establish some other formula that reflects policy on how much the labs provide a general public benefit and how much the private entities benefit with having the labs
- Deny the decision package and request the department establish fees at a level to support the labs

Sub-Program Details**PUBLIC HEALTH SYS IMPROV & PREPAREDNESS 09****Sub-Program Proposed Budget**

The following table summarizes the proposed executive budget for the agency by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Exec. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Exec. Budget Fiscal 2011	Total Exec. Budget Fiscal 10-11
FTE	21.42	0.00	0.00	21.42	0.00	0.00	21.42	21.42
Personal Services	1,246,913	(12,736)	0	1,234,177	(8,657)	0	1,238,256	2,472,433
Operating Expenses	1,296,016	9,629	0	1,305,645	11,605	0	1,307,621	2,613,266
Equipment & Intangible Assets	45,137	0	0	45,137	0	0	45,137	90,274
Grants	5,728,008	0	0	5,728,008	0	0	5,728,008	11,456,016
Total Costs	\$8,316,074	(\$3,107)	\$0	\$8,312,967	\$2,948	\$0	\$8,319,022	\$16,631,989
Federal Special	8,316,074	(3,107)	0	8,312,967	2,948	0	8,319,022	16,631,989
Total Funds	\$8,316,074	(\$3,107)	\$0	\$8,312,967	\$2,948	\$0	\$8,319,022	\$16,631,989

Sub-Program Description

The fully federally funded Office of Public Health Preparedness and Training (office) provides leadership in emergency preparedness in working with county and tribal health departments and hospitals around Montana. It is also a part of the state's emergency preparedness system and works with the Department of Military Affairs to implement the requirements of the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (Act). The Act establishes opportunities for states and local governments to conduct evaluations of public health emergency preparedness, and enhances public health infrastructure and the capacity to prepare for and respond to public health emergencies. The Act addresses the following in relation to public health emergencies:

- o New controls on biological agents and toxins
- o Additional safety and security measures affecting the nation's food and drug supply
- o Additional safety and security measures affecting the nation's drinking water
- o Measures affecting the Strategic National Stockpile and development of priority countermeasures to bioterrorism

The office funding decreases slightly when compared to the 2009 biennium due to statewide present law adjustments.

2009 Biennium Major Goals

The following provides an update of the major goal for the office monitored by the LFC during the 2009 interim.

The LFC monitored the office's goal to provide a strong and prepared public health system that provides the foundation to respond to emergencies with a well-trained workforce. Measurable objectives for the goal included:

- o By June 30, 2009, 75 percent of Montana's local and tribal health jurisdictions, in collaboration with local hospitals/clinics will have participated in multi-jurisdictional pandemic influenza exercises that are evaluated, and result in improved response plans
- o By June 30, 2009, the PHSD will make public health training and continuing education opportunities available that are accessible to 85 percent of Montana's public health workforce on an on-going basis

Status:

The bureau conducted a statewide exercise focused on the submission and review of medical resource requests with 95 percent of local jurisdictions participating. Approximately 50 percent of Montana's county and tribal health agencies participated in collaborative exercises related to pandemic influenza that tested command and medical systems.

The Montana Training and Communication Center on-line courses allow all public health professionals to access over 100 courses with 5 new courses added each month. In addition, the Summer Public Health Institute provided a week

long educational class with 8 courses provided to 60 public health professionals. Finally, 60 state health professionals attended intensive 5 day courses at the Centers for Domestic Preparedness in Anniston, Alabama.

2011 Biennium Major Goals

PHSD is required by law to submit goals and measurable objectives as part of the budgeting process. The LFD recommends that the legislature adopt specific program goals and corresponding objectives for monitoring during the interim.

The PHSD submitted one goal for the 2011 biennium – Improve the health of Montanans to the highest possible level. The measurable objective for the goal as it relates to the Office of Public Health Preparedness and Training is to prepare the public health system to respond to public health events and emergencies. The executive proposes the following measurements for the objective:

- All local jurisdictions will participate in a public health emergency exercise every other year
- Continuously increase the proportion of public health workers that have participated in public health training and continuing education opportunities

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Measurements and time-bound dates needed for second objective.

The second new objective provided to meet the goal over the 2011 biennium does not include measurements or dates for achievement. As can be seen in the measurable objectives included for the 2009 biennium and monitored by the LFC, the previous legislature was given specific measurements and achievement dates for the bureau's goal of providing a strong and prepared public health system that provides the foundation to respond to emergencies with a well-trained workforce. The bureau provided the following measurable objectives for its 2009 biennial appropriations of \$22.0 million:

- By June 30, 2009, 75 percent of Montana's local and tribal health jurisdictions, in collaboration with local hospitals/clinics, will have participated in multi-jurisdictional pandemic influenza exercises that are evaluated, and result in improved response plans
- By June 30, 2009, the PHSD will make public health training and continuing education opportunities available that are accessible to 85 percent of Montana's public health workforce on an on-going basis

As is discussed in the other narrative sections on the 2009 biennium objectives, specific measurements and achievement dates allowed the legislature to assess the need for the level of the appropriations. In addition, information on the measurements presented to the previous legislature as of January 2009 would assist the 2009 Legislature in formulating appropriations policy for the 2011 biennium.

The bureau is requesting \$16.6 million in appropriations funded through federal funds for the 2011 biennium. Most federal grant programs, including Bioterrorism Hospital Preparedness and Bioterrorism require state agencies to report on specific, quantifiable measurements as part of their program responsibilities. To better formulate measurable objectives for the 2011 biennium, the legislature may wish to request that the bureau provide federally required performance measurement targets for its proposed federal appropriations of \$16.6 million in the 2011 biennium.

The proposed executive objectives do not provide the legislature with sufficient, specific, quantifiable information to enable the legislature to formulate an appropriations policy regarding the program as required by statute. The legislature may also wish to discuss if the bureau anticipates changes in its current performance for the measurements reviewed in the 2009 biennium.

Option: The legislature may wish to request the PHSD submit specific, quantifiable objectives for its goal which are both measurable and time-bound.

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent Of Budget
Base Budget	0	0	0	0.00 %	8,316,074	8,316,074	16,632,148	100.00 %
Statewide PL Adjustments	0	0	0	0.00 %	(3,107)	2,948	(159)	0.00 %
Other PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	0	0	0		8,312,967	8,319,022	16,631,989	

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Governor. “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 2010-----				-----Fiscal 2011-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					38,690					42,938
Vacancy Savings					(51,426)					(51,595)
Inflation/Deflation					2,129					2,400
Fixed Costs					7,500					9,205
Total Statewide Present Law Adjustments					(\$3,107)					\$2,948
Grand Total All Present Law Adjustments					(\$3,107)					\$2,948