

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	626.85	626.85	629.35	629.35	626.85	629.35	2.50	0.40%
Personal Services	32,582,100	36,947,056	38,963,948	39,326,721	69,529,156	78,290,669	8,761,513	12.60%
Operating Expenses	14,373,649	11,476,817	13,495,181	13,776,465	25,850,466	27,271,646	1,421,180	5.50%
Equipment & Intangible Assets	227,741	27,000	51,741	51,741	254,741	103,482	(151,259)	(59.38%)
Grants	9,947,378	11,538,389	5,935,998	5,268,411	21,485,767	11,204,409	(10,281,358)	(47.85%)
Benefits & Claims	46,081,172	65,343,210	58,862,443	65,325,923	111,424,382	124,188,366	12,763,984	11.46%
Transfers	0	0	0	0	0	0	0	n/a
Debt Service	38,153	106,196	42,953	42,953	144,349	85,906	(58,443)	(40.49%)
Total Costs	\$103,250,193	\$125,438,668	\$117,352,264	\$123,792,214	\$228,688,861	\$241,144,478	\$12,455,617	5.45%
General Fund	55,876,309	63,169,445	62,848,510	66,452,402	119,045,754	129,300,912	10,255,158	8.61%
State Special	9,817,772	13,088,335	12,325,207	12,905,717	22,906,107	25,230,924	2,324,817	10.15%
Federal Special	37,556,112	49,180,888	42,178,547	44,434,095	86,737,000	86,612,642	(124,358)	(0.14%)
Total Funds	\$103,250,193	\$125,438,668	\$117,352,264	\$123,792,214	\$228,688,861	\$241,144,478	\$12,455,617	5.45%

Program Description

The Addictive and Mental Disorders Division (AMDD) is responsible for providing alcohol and drug prevention services, treatment and aftercare services, and mental health treatment services. Alcohol and drug services are provided through inpatient and outpatient settings. Direct inpatient services are provided at the 76-bed Montana Chemical Dependency Center (MCDC) in Butte. Other inpatient, outpatient, and prevention services are provided through contracts with community-based programs around the state.

Community-based mental health services are delivered to eligible Medicaid and non-Medicaid individuals through a network of providers around the state. Non-Medicaid services are delivered through the Mental Health Services Plan (MHSP) and provide services to individuals earning up to 150 percent of the federal poverty level. The Montana State Hospital (MSH) at Warm Springs (182 licensed beds) and the Montana Mental Health Nursing Care Center (MMHNCC) at Lewistown (100 beds available with 75 beds budgeted) provide institutional services to individuals with mental illness. The services at MSH are typically of a short duration while services for residents at the MMHNCC are considered to be long term.

Statutory references: Mental health is in Title 53, Chapter 21, parts 1 through 7 and part 10, MCA, and P. L. 102-321, CFR. Chemical dependency is in Title 53, Chapters 1 and 24, MCA, and Part C, Title XIX of the Social Security Act.

Program Highlights

Addictive and Mental Disorders Division HB 2 Budget Highlights	
♦	The 2011 biennium budget is \$12.5 million more than the 2009 biennium budget, including \$10.3 million general fund
♦	Most of the change is in personal services costs, which increase a total of \$8.8 million rising to \$78.3 million in the 2011 biennium due to changes in state institution budgets and the 2011 biennium pay plan <ul style="list-style-type: none"> • Institution costs drive the increase due to annualization of 2009 biennium pay plan and reinstatement of overtime, holiday, and shift differential costs, which are removed from the base budget • Institution FTE increase a net of 2.50 FTE
♦	Services costs increase \$12.8 million - growing to a total of \$124.2 million in the 2011 biennium

<ul style="list-style-type: none"> • Much of the increase is due to shifting appropriations for the Mental Health Services Plan (MHSP) from grants to benefits • Some of the increase is related to annualization of the cost of initiatives implemented in FY 2008 ◆ Compared to base budget expenditures, other major components of the 2011 biennium appropriation include: <ul style="list-style-type: none"> • \$2.5 million general fund to implement crisis diversion and short-term inpatient community treatment • \$0.8 million general fund to continue Goal 189 services initiated by DPHHS in FY 2008 to fund community services for persons ready to be discharged from or at risk of being admitted to the Montana State Hospital • An allocation of \$3.8 million to a one-time appropriation with requirements that the department identify reductions to the 2013 biennium budget and that the reductions may be allocated across all department programs
HB 645 Budget Highlights
<ul style="list-style-type: none"> ◆ About \$4.8 million of the general fund reduction due to the enhanced federal Medicaid match rate is allocated to AMDD, with federal appropriations in HB 645 to offset the general fund reduction ◆ HB 645 appropriates a 2 percent annual one-time provider rate increase ◆ HB 645 appropriates \$0.5 million general fund to implement mental health crisis services, with most of the appropriation restricted to funding grants for local crisis diversion services

Program Narrative

The AMDD 2011 biennium appropriation is \$12.5 million greater than the 2009 biennium, including \$10.3 million general fund. Changes in state institution budgets account for \$10.5 million of the total change, and \$9.3 million of the increase in general fund. Present law and new proposal increases for other functions are nearly offset by the general fund reduction (\$4.8 million) due to the temporary increase in the federal Medicaid match rate authorized in the American Recovery and Reinvestment Act (ARRA) of 2009.

The largest change is in benefits (direct services to individuals), which rises \$12.8 million over the biennium, partly due to a reallocation of \$10.3 million from grants to benefits. The 2007 Legislature appropriated additional funds for the Mental Health Services Plan (MHSP) to move from a grant funded program to a fee for service reimbursement, necessitating a shift from grants to benefits, with no total overall funding increase. Additionally, about \$2.0 million for meth treatment homes was moved from contracted services in operating costs to benefits. Meth treatment is provided to specific eligible individuals and the funds do not support agency administrative costs.

Personal services funding rises \$8.8 million between the two biennia, including a net increase of 2.50 FTE, which raise personal services costs only marginally. AMDD has about 630 FTE, most of whom (93 percent) work in the three state institutions administered by the division. Personal services costs increase due to:

- Annualization of 2009 biennium pay plan increases primarily at state institutions, including additional pay raises for nurses (\$2.50 per hour) and licensed practical nurses (entry level wage increased by \$2.35 per hour; hourly increase was greater for existing staff and varied by market rate of each position) in FY 2008 in order to recruit and retain staff at the state hospital
- Removal of overtime, shift differential, and holiday institutional expenditures in FY 2008 and appropriations to reinstate funding in FY 2010 and FY 2011
- Fully funding vacant positions, particularly at state institutions, which experienced difficulty in recruiting and retaining medical staff

- Operating cost increases between the biennia are largely due to inflation in medical, food, and utility costs at the three state institutions administered by AMDD.

Annual Appropriation Changes Exceed Biennial Difference

The legislature adopts incremental changes to FY 2008 base budget expenditures. Legislative appropriation changes are higher than the \$12.5 million biennial difference shown in the main budget table because incremental increases that occur in the second year of the biennium (FY 2009) must be added to base budget expenditures. Medicaid cost growth is a primary example of an incremental change.

The most significant changes from the base budget for AMDD are:

- Medicaid service and cost increases, including expansion of the home and community based waiver - \$13.8 million total funds (\$0.8 million general fund)
- Reinstatement of funds for institution overtime, holiday pay, and shift differential - \$7.0 million (\$6.5 million general fund)
- Annualization of community mental health services (mental health drop in centers, 72 hour community crisis stabilization services, suicide prevention, expansion of MHSP) approved by the 2007 Legislature - \$3.1 million general fund
- New proposals which add :
 - New mental health crisis diversion and short-term inpatient community treatment - \$2.5 million general fund
 - Continuation of Goal 189 services initiated by the department during the 2009 biennium - \$0.8 million general fund
 - A net increase of 2.50 FTE - 4.00 new FTE and about \$0.5 million in state special alcohol tax funds for MCDC and a reduction of \$0.2 million general fund for 1.50 FTE vacant for an extended period of time at the MSH
- A new proposal that reduces general fund by \$4.8 million due to the temporary increase in the federal Medicaid match rate and partially offsets other general fund increases

Base Budget Funded from a One-Time Appropriation

The legislature reallocated \$3.8 million total funds, including \$1.3 million general fund, into a one-time appropriation for the 2011 biennium. These funds will be removed from the AMDD base budget used to develop the 2013 biennium appropriation. The legislature also added language to HB 676 requiring the department to develop and implement a review of potential budget reductions to its 2013 biennium appropriation prior to the next session and directed the Legislative Finance Committee (LFC) to monitor DPHHS work.

2011 Biennium Appropriation by Major Function and Service

Figure 42 shows the base budget and appropriation for each year of the 2011 biennium for each major function and service administered by AMDD. The mental health function is 84 percent of the total division appropriation in FY 2011 and addiction services are 14 percent.

Figure 42

Addictive and Mental Disorders Division FY 2008 Base Budget Expenditures Compared to 2011 Biennium Legislative Appropriation

Budget Component Function/Benefit	FY 2008 Base Budget Expenditures			FY 2010 Legislative Appropriation			FY 2011 Legislative Appropriation			% of Ttl Division
	General Fund	SSR	Federal	Total	General Fund	SSR	Federal	Total	% of Ttl Division	
Total Division										
Division Admin.	\$905,441	\$158,926	\$578,386	\$1,642,753	\$1,374,419	\$190,202	\$541,492	\$2,106,113	\$1,524,612	1.8%
Mental Health	52,980,512	5,180,859	27,065,756	85,227,127	59,375,498	6,886,239	31,269,275	97,531,012	62,829,210	83.8%
Addiction Services	1,990,356	4,477,987	9,911,970	16,380,313	2,098,593	5,248,766	10,367,780	17,715,139	2,098,580	14.4%
Total Division	\$55,876,309	\$9,817,772	\$37,556,112	\$103,250,193	\$62,848,510	\$12,325,207	\$42,178,547	\$117,352,264	\$66,452,402	100.0%
Percent of Total	54.1%	9.5%	36.4%	100.0%	53.6%	10.5%	35.9%	100.0%	53.7%	100.0%
State Institution Costs										
State Hospital	\$28,808,461	\$422,963	\$0	\$29,231,424	\$32,025,648	\$422,459	\$0	\$32,448,107	\$32,241,653	26.4%
Nursing Care Center	7,693,018	0	0	7,693,018	9,485,014	0	0	9,485,014	9,640,813	7.8%
Chemical Dependency Cnt	0	3,791,337	457,083	4,248,420	0	4,404,786	456,980	4,861,766	0	4.0%
Subtotal Institutions	\$36,501,479	\$4,214,300	\$457,083	\$41,172,862	\$41,510,662	\$4,827,245	\$456,980	\$46,794,887	\$41,882,466	38.2%
% of Total Division Budget	65.3%	42.9%	1.2%	39.9%	66.0%	39.2%	1.1%	39.9%	63.0%	38.2%
Grants*										
Mental Health Grants										
Mental Health Svcs Plan*	\$5,626,598	\$0	\$1,201,776	\$6,828,374	\$475,000	\$0	\$0	\$475,000	\$475,000	0.4%
72 Hr Crisis Care	83,300	0	0	83,300	1,412,473	0	0	1,412,473	1,412,473	1.1%
Crisis Diversion/Treatment	0	0	0	0	1,240,866	0	0	1,240,866	1,239,454	1.0%
Drop In Centers	256,656	0	0	256,656	361,647	0	0	361,647	361,647	0.3%
PATH/Homeless Svcs	91,772	0	285,159	376,931	91,772	0	285,159	376,931	285,159	0.3%
Suicide Prevention	50,000	0	0	50,000	200,000	0	0	200,000	200,000	0.2%
Service Area Authority	55,000	0	0	55,000	55,000	0	0	55,000	55,000	0.0%
Start up Funds - SDMI	0	25,100	0	25,100	0	0	0	0	0	0.0%
Addiction Services										
Community Services	0	0	2,345,350	2,345,350	0	0	2,791,487	2,791,487	0	2.3%
Subtotal Grants**	\$6,163,326	\$25,100	\$3,832,285	\$10,020,711	\$3,836,758	\$0	\$3,076,646	\$6,913,404	\$3,835,346	5.6%
% of Total Division Budget	11.0%	0.3%	10.2%	9.7%	6.1%	0.0%	7.3%	5.9%	5.8%	5.6%
Benefits/Services										
Medicaid										
Mental Health	\$6,003,111	\$1,736,538	\$18,709,654	\$26,449,303	\$4,543,244	\$1,736,538	\$20,177,434	\$26,457,216	\$7,597,871	25.0%
Community Waiver Srv	0	220,350	514,150	734,500	0	1,210,442	2,569,558	3,780,000	0	4.1%
PACT	1,023,382	0	2,236,836	3,260,218	1,343,551	0	2,789,180	4,132,731	1,362,561	3.3%
ICBR	510,402	0	1,115,599	1,626,001	528,613	0	1,097,388	1,626,001	536,093	1.3%
Institutional Reim.	0	0	2,324,002	2,324,002	0	0	2,324,002	2,324,002	0	1.8%
Chemical Dependency	95	457,419	997,860	1,455,374	95	497,069	1,030,933	1,528,097	95	1.3%
Other Benefits										
Mental Health Services										
Mental Health Svcs Plan*	674,401	2,768,810	0	3,443,211	4,953,486	3,433,968	1,201,776	9,589,230	4,953,486	7.7%
PACT - MHSP Slots	872,513	0	0	872,513	872,513	0	0	872,513	872,513	0.7%
Intensive Services - Goal 189	218,860	0	0	218,860	618,860	0	0	618,860	618,860	0.5%
Chemical Dependency	1,692,278	0	4,982,790	6,675,068	1,745,995	0	4,982,790	6,728,785	1,820,250	5.5%
Adjustments	0	0	(795)	(795)	0	0	0	0	0	0.0%
Subtotal Benefits**	\$10,995,042	\$5,183,117	\$30,880,096	\$47,058,255	\$14,606,357	\$6,878,017	\$36,173,061	\$57,657,435	\$17,761,729	51.3%
% of Total Division Budget	19.7%	52.8%	82.2%	45.6%	23.2%	55.8%	85.8%	49.1%	26.7%	51.3%

*Mental Health Services Plan budget amounts were reallocated, moving \$6.4 million general fund from grants to benefits in anticipation of fully implementing a fee for service reimbursement methodology.

**Benefits and grants totals in this figure will be different than the main division table because crisis diversion/treatment, Goal 189, suicide prevention, and drop-in center services have been consolidated in either grants or services funding in this table. Additionally, some costs have been moved from operating to grants and benefits in the base budget to correctly reflect the purpose of the expenditure.

State Institutions Administered by AMDD

State institution costs are 38.2 percent of the FY 2011 appropriation, but 63 percent of the general fund. The state hospital appropriation is 26 percent of the total AMDD FY 2011 appropriation. Figure 43 shows the base budget compared to the 2011 biennium appropriation, the number of FTE funded, the average daily population, and the per person cost for each state institution administered by AMDD

The Montana State Hospital (MSH) is the largest institution administered by AMDD with 404.90 FTE and a \$23.7 million appropriation in FY 2011. The legislature removed funding for 1.50 FTE that had been vacant for an extended period of time.

MSH population averaged 204 over FY 2008 - 20 above the licensed capacity. The legislature approved the executive budget request for MSH based on an average daily capacity (ADP) of 178. The average per person cost increases about \$40,000 per year from FY 2009 due to the projected lower population without a proportionate reduction in costs. MSH is funded from the general fund except for a small state special revenue account where the hospital deposits reimbursement from the Department of Corrections for maintenance work at the Dr. Xanthopolus building that houses the WaTCH program for chemical dependency treatment of offenders.

The nursing care center appropriation rises about \$2.0 million from base budget expenditures. FTE and patient levels remain relatively constant and the average per person costs rise about \$23,000 per year. The nursing care center is fully funded from the general fund.

The Montana Chemical Dependency Center is funded from alcohol state special revenue and federal chemical dependency block grant funds. Funding for FTE increases by 4.00 FTE and the average daily population is expected to remain at about 56 persons. The average daily per person cost increases about \$12,500 per year from base budget expenditures.

Institution Reimbursements

The mental health state institutions receive reimbursements from several sources including Medicare, Medicaid, Indian Health Services, counties, private insurance, and patient payments. The institution reimbursements are deposited to the general fund as revenue. The AMDD mental health institutions are estimated to generate \$12.8 million in general fund reimbursement over the 2011 biennium, which is about 15 percent of the general fund appropriation for the 2011 biennium.

AMDD Grant Appropriations

Over the last several biennia, AMDD has contracted with licensed mental health centers to provide mental health services

Figure 43
Base Budget Compared to 2011 Biennium Budget
Institutions Administered by AMDD

Institution Cost/Funding	Actual FY 2008	Appropriation FY 2009	Legislative FY 2010	Appropriation FY 2011
Montana State Hospital				
FTE	406.40	406.40	404.90	404.90
Personal Services*	\$22,916,676	\$23,196,773	\$26,345,477	\$26,468,145
All Other	<u>6,314,748</u>	<u>5,978,515</u>	<u>6,102,630</u>	<u>6,195,949</u>
Total	<u>\$29,231,424</u>	<u>\$29,175,288</u>	<u>\$32,448,107</u>	<u>\$32,664,094</u>
General Fund	\$28,808,461	\$28,748,225	\$32,025,648	\$32,241,653
State Special Rev.	422,963	426,509	422,459	422,441
Population	204	199	178	178
Costs Per Person	\$143,291	\$146,609	\$182,293	\$183,506
Cost Per Day	\$393	\$402	\$499	\$503
Annual Increase		2.3%	12.8%	5.9%
Mental Health Nursing Care Center				
FTE	122.70	122.70	122.70	122.70
Personal Services	\$4,523,359	\$5,606,262	\$6,100,108	\$6,142,127
All Other*	<u>3,169,659</u>	<u>3,217,491</u>	<u>3,384,906</u>	<u>3,498,686</u>
Total	<u>\$7,693,018</u>	<u>\$8,823,753</u>	<u>\$9,485,014</u>	<u>\$9,640,813</u>
General Fund	\$7,693,018	\$8,823,753	\$9,485,014	\$9,640,813
Population	83	83	83	83
Cost Per Person	\$92,687	\$106,310	\$114,277	\$116,154
Cost Per Day	\$254	\$291	\$313	\$318
Annual Increase		14.7%	7.5%	1.6%
Montana Chemical Dependency Center				
FTE	54.25	54.25	58.25	58.25
Personal Services	\$2,939,989	\$2,869,490	\$3,439,115	\$3,462,244
All Other*	<u>1,308,431</u>	<u>1,453,317</u>	<u>1,422,651</u>	<u>1,470,501</u>
Total	<u>\$4,248,420</u>	<u>\$4,322,807</u>	<u>\$4,861,766</u>	<u>\$4,932,745</u>
State Special Rev.	\$3,791,337	\$3,807,562	\$4,404,786	\$4,475,766
Federal Funds	457,083	584,127	456,980	456,979
Population	56	72	56	56
Cost Per Person	\$75,527	\$60,039	\$86,988	\$88,258
Cost Per Day	\$207	\$164	\$238	\$242
Annual Increase		-20.5%	44.9%	1.5%
Total Division Institution Budget				
FTE	583.35	583.35	585.85	585.85
% of Division Total	93.1%	87.5%	93.1%	93.1%
General Fund	\$36,501,479	\$37,571,978	\$41,510,662	\$41,882,466
% of Division Total	65.3%	59.9%	66.0%	63.0%
Total Funds	<u>\$41,172,862</u>	<u>\$42,321,848</u>	<u>\$46,794,887</u>	<u>\$47,237,652</u>
Annual Increase		2.8%	6.6%	0.9%

to persons eligible for MSHP. The contracts provided a fixed payment regardless of the number of eligible persons and the services provided.

The 2007 Legislature appropriated an additional \$2.6 million general fund each year of the 2009 biennium to expand access to MHSP services. The legislature also intended that the MHSP program transition from a grant funded to fee for service reimbursement system by FY 2009. Therefore, the base expenditures for MHSP grants is much higher than the 2011 biennium appropriations, which were shifted to the benefits category.

MHSP Moving to Fee for Service

AMDD began expanding the types of providers that can participate in MHSP and provide medication management services. Physicians, psychiatrists, mid-level practitioners, Federally Qualified Health Centers, Rural Health Centers, and laboratories were added during FY 2008. On July 1, 2008 licensed mental health centers were added to the fee for service expansion. A plan of benefits was developed. Extraordinary services are available by prior authorization. AMDD is monitoring utilization carefully to ensure fiscal sustainability through the fiscal year.

Costs for the expanded provider network were about \$1.4 million in FY 2008, leaving \$1.2 million of the additional legislative appropriation for MSHP expansion. The \$1.2 million was allocated among mental health centers that contracted to provide services (other than prescriptions) to the MHSP population if service claims existed to support additional payment.

Other Mental Health Grants

72 hour community crisis stabilization, mental health drop-in centers, suicide prevention, and grants to support Service Area Authorities (SAA's) were initiated in FY 2008. 72 hour crisis stabilization services provide funding for up to 72 hours to evaluate and stabilize a person in crisis. AMDD began implementation by contracting for pilot programs and expanded to all providers July 1, 2008.

The 2009 Legislature passed HB 130, HB 131, and HB 132 recommended by the Interim Law and Justice Committee. These bills implemented several initiatives to fund mental health crisis diversion and short-term inpatient community treatment with the intent of diverting mentally ill persons from jail and keeping persons in or as close to their home communities as possible to facilitate a shorter length of inpatient treatment. The legislature appropriated \$2.5 million general fund in HB 2 and approved a one-time appropriation of \$0.5 million general fund in HB 645.

The 2007 Legislature appropriated funds for expansion of mental health drop-in centers and implementation of a suicide prevention program. The 2011 biennium appropriation includes funds to annualize costs for full implementation.

Services for homeless mentally ill persons are funded from a federal categorical grant.

Grants to community addiction services providers and other community groups are funded by general fund and federal block grant funds. These funds are supplemented by two statutory appropriations from the alcohol tax state special revenue that are discussed in the funding section.

Benefits and Services

Benefits costs are 51 percent of the FY 2011 cost, and 20 percent for total general fund because of the level of federal grant funding and federal Medicaid matching funds. In addition, the general fund reduction of \$4.8 million due to the temporary increase in the federal Medicaid match rate also lowers the total general fund cost of benefits administered by AMDD.

Programs that fund community based mental health and chemical dependency services for eligible individuals are 51 percent of the FY 2011 appropriation. Medicaid mental health services for adults total \$45.6 million (37 percent of the total division budget) when all Medicaid program components are added together. This amount is net of a \$4.8 million general fund reduction due to the temporary increase in the federal Medicaid match rate.

The adult mental health community services waiver received federal approval in FY 2006 and AMDD began waiver

implementation late in FY 2006. The waiver provides Medicaid eligible persons with a severe and disabling mental illness who need either hospital or nursing home level of care enhanced services to support them in the community. The waiver has expanded slowly. Funding the 2009 waiver increase and expansion during the 2011 biennium for the AMDD Medicaid community based waiver adds \$8.2 million over the biennium. The state match is paid from health and Medicaid initiatives state special revenue.

Medicaid mental health services include appropriations for the Program for Assertive Community Treatment (PACT) and intensive community based rehabilitation (ICBR). These two services provide stable living and treatment environments for persons who are at high risk of placement in MSH or who transitioned from MSH to the community.

There were 314 PACT slots budgeted in FY 2008 and 406 slots actually available in FY 2008. The increase is due to providers initiating PACT programs. An average of 357 persons enrolled in PACT services during FY 2008 at an annual average per capita cost of \$15,852.

FY 2008 included funding for 31 ICBR slots at an average cost of \$82,125 annually. However, an average of 20 slots was used.

Chemical dependency Medicaid services rise slightly from \$1.5 million in the base budget to \$1.6 million in the FY 2011 appropriation.

Other Benefits

MSHP drug benefits are funded with general fund and health and Medicaid initiative state special revenue funds and are recorded as benefits/services costs. The 2011 biennium appropriation is greater than the base budget expenditures due to reallocation of funds from grants to benefits. Other than a small caseload change and annualization of FY 2009 rate increases, there is no major increase in the 2011 biennium appropriation.

Goal 189 Services

Goal 189 services were initiated by the executive during FY 2008 in order to help lower the MSH population, which frequently exceeded 200. The funding for community services is intended to help lower the MSH census. The services are funded from the general fund and rise from \$0.2 million in FY 2008 to \$0.6 million in each year of the 2011 biennium.

Chemical Dependency Services

The 2011 biennium appropriation is \$6.8 million annually for addiction services. Federal block grants provide \$4.9 million and general fund is \$1.8 million each year the 2011 biennium. The general fund supports community group homes for methamphetamine treatment. The 2007 Legislature approved the new programs.

Funding

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

Program Funding Table Addictive & Mental Disorders						
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	\$ 55,876,309	54.1%	\$ 62,848,510	53.6%	\$ 66,452,402	53.7%
01100 General Fund	55,876,309	54.1%	62,848,510	53.6%	66,452,402	53.7%
02000 Total State Special Funds	9,817,772	9.5%	12,325,207	10.5%	12,905,717	10.4%
02034 Earmarked Alcohol Funds	4,283,362	4.1%	5,094,364	4.3%	5,197,466	4.2%
02053 Medicaid Nursing Home Match	1,043,037	1.0%	1,043,037	0.9%	1,043,037	0.8%
02217 Amdd/Doc Shared Position	79,453	0.1%	79,281	0.1%	79,850	0.1%
02384 02 Indirect Activity Prog 33	79,473	0.1%	66,822	0.1%	68,083	0.1%
02691 6901-Msh/Doc Maint Agreement	422,963	0.4%	425,594	0.4%	426,551	0.3%
02772 Tobacco Hlth & Medica Initiative	3,874,727	3.8%	5,529,977	4.7%	5,989,081	4.8%
02987 Tobacco Interest	34,757	0.0%	86,132	0.1%	101,649	0.1%
03000 Total Federal Special Funds	37,556,112	36.4%	42,178,547	35.9%	44,434,095	35.9%
03082 Spfsig Cfda 93.243	1,896,006	1.8%	2,317,047	2.0%	2,317,175	1.9%
03171 Data Infrastructure Development	157,878	0.2%	98,689	0.1%	99,657	0.1%
03505 93.150 - Mntal Hlth - Homeless	285,159	0.3%	285,159	0.2%	285,159	0.2%
03507 93.958 - Mntal Hlth - Blk Grt	1,201,776	1.2%	1,201,776	1.0%	1,201,776	1.0%
03508 93.959 - Adad - Blk Grt 100%	6,960,044	6.7%	6,963,067	5.9%	6,965,718	5.6%
03580 6901-93.778 - Med Adm 50%	736,895	0.7%	884,818	0.8%	890,837	0.7%
03583 93.778 - Med Ben Fmap	25,898,101	25.1%	29,988,495	25.6%	32,227,662	26.0%
03601 03 Indirect Activity Prog 33	420,253	0.4%	439,496	0.4%	446,111	0.4%
Grand Total	\$ 103,250,193	100.0%	\$ 117,352,264	100.0%	\$ 123,792,214	100.0%

AMDD is supported by general fund, state special revenue, and federal funds. General fund is 54 percent of the FY 2011 appropriation and:

- Funds most of MSH and MHNNC costs
- Provides most of the state match for state Medicaid services
- Pays some of the costs of the Mental Health Services Plan
- Funds seven methamphetamine treatment group homes
- Funds some mental health community services

State special revenue includes the alcohol tax allocated to DPHHS, health and Medicaid initiatives (I-149 – tobacco tax increase), county funds, and tobacco settlement interest and funds:

- The Montana Chemical Dependency Center (MCDC)
- Community chemical dependency services
- Part of the state match for Medicaid services, including the home and community based waiver for adults with a serious and disabling mental illness
- Some of the costs of MHSP

Federal funds support:

- Medicaid
- Block grant funds for community and institution chemical dependency services
- Block grant funds for community mental health services

Alcohol Tax Fund Balance

Figure 44 shows the estimated fund balance of the alcohol state special revenue allocated to AMDD. Appropriations are expected to exceed available revenues by about \$80,000 over the biennium. However, if cost allocated administrative expenses grow slower than estimated, the over-appropriation could be partially mitigated.

Most of the alcohol tax supports MCDC (56 percent). The next most significant expenditures are the two statutory appropriations from the alcohol tax allocated to DPHHS that total 26.6 percent of annual revenues. The largest statutory appropriation is to counties for the support of state-approved chemical dependency programs (20 percent plus any remaining unexpended balances in the account) and 6.6 percent to fund treatment of persons with both a mental illness and chemical dependency.

Other appropriations from the alcohol tax are individually less than 5 percent of the total revenues and support various functions, including administrative and service costs in other DPHHS divisions and in other departments.

Alcohol Tax Revenue – Indirect Cost Assessment Review by LFC

The subcommittee considered the increased assessment of indirect costs to the alcohol and cigarette tax (Senior and Long Term Care Division) state revenue accounts over the last several years. Indirect costs have increased at rates exceeding 20 percent per year. The subcommittee recommended that the Legislative Finance Committee (LFC) review the indirect cost assessments and determine the various cost drivers.

Figure 44
Earmarked Alcohol Tax Revenue and 2011 Biennium Appropriations

Revenue/Expenditures Fund Balance	Actual FY 2008	Budgeted FY 2009	Legislative Appropriation		% of Total
			FY 2010	FY 2011	
Beginning Balance	\$417,243	\$864,452	(\$186,874)	(\$140,575)	
Revenues*					
Liquor License	5,122,428	5,416,000	5,681,000	6,042,000	74.3%
Beer Tax	965,469	976,000	996,000	1,015,000	12.5%
Wine Tax	836,544	889,000	936,000	982,000	12.1%
DPHHS Cost Recovery	69,761	109,645	69,761	69,761	0.9%
Other Receipts**	23,160	10,810	23,160	23,160	0.3%
Total Revenue	7,017,362	7,401,455	7,705,921	8,131,921	100.0%
Annual Percent Change	0	0	0	0	
Total Funds Available	7,434,605	8,265,907	7,519,047	7,991,346	
Disbursements					
Chemical Dependency Cntr (MCDC)	3,791,337	4,475,764	4,404,786	4,475,766	56.4%
Distribution to Counties***	1,384,888	2,227,731	1,522,600	1,607,800	20.3%
Services for Dually Diagnosed***	374,157	480,546	502,458	530,574	6.7%
CD Medicaid Services/Admin.	262,794	320,606	302,444	320,606	4.0%
Justice - Crime Lab DUI Tests	303,204	303,204	302,710	302,618	3.8%
CD Operations	220,621	349,484	338,301	338,562	4.3%
Cost Allocated Administration	235,156	258,672	269,474	280,728	3.5%
Pay Plan and Retirement	0	53,922	40,223	53,922	0.7%
Quality Assurance-Licensure	66,496	65,303	67,214	67,480	0.9%
Department of Corrections-Pine Hills	25,523	25,523	25,523	25,523	0.3%
CD Benefits - nonMedicaid	8,610	672	8,610	8,610	0.1%
Temp. Federal Medicaid Match Incr.	0	(108,646)	(124,721)	(79,094)	-1.0%
Total Disbursements	6,672,786	8,452,780	7,659,623	7,933,095	100.0%
Adjustments****	102,633	0	0	0	
Ending Fund Balance	\$864,452	(\$186,874)	(\$140,575)	\$58,249	

*Revenue estimates are those adopted by the House Taxation Committee.
DPHHS cost recovery, which uses DPHHS estimates. FY 2009 budgeted amounts are based on 2007 legislative appropriations, except indirect costs, which are based on LFD estimates.
**Other receipts include lab testing and phone/vending machine income.
***26.6 percent of alcohol tax revenues collected by the Department of Revenue are statutorily appropriated for distribution as grants to state approved public or private alcoholism programs. A portion (6.6 percent of total revenue) is appropriated to treat persons with alcoholism who also have a mental illness. Any fund balance remaining at fiscal year end, is statutorily appropriated to be distributed to state approved
****Generally accepted accounting principles (GAAP) require certain entries to be made. The adjustments include those entries, with the most significant being capitalization of a lease for \$28,068.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
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	55,876,309	55,876,309	111,752,618	86.43%	103,250,193	103,250,193	206,500,386	85.63%
Statewide PL Adjustments	2,189,495	2,358,334	4,547,829	3.52%	2,443,062	2,632,028	5,075,090	2.10%
Other PL Adjustments	6,361,761	7,479,282	13,841,043	10.70%	12,956,096	16,869,600	29,825,696	12.37%
New Proposals	(1,579,055)	738,477	(840,578)	(0.65%)	(1,297,087)	1,040,393	(256,694)	(0.11%)
Total Budget	\$62,848,510	\$66,452,402	\$129,300,912		\$117,352,264	\$123,792,214	\$241,144,478	

Base budget expenditures are 86 percent of the total 2011 biennial budget (\$206.5 million, including \$111.8 million general fund). Statewide present law adjustments are \$5.1 million, due mostly to adjustments to personal services costs at the state institutions, and funded mostly by general fund. New proposals reduce the 2011 biennium appropriation by \$0.3 million total funds and \$0.8 million general fund due to the temporary increase in the federal Medicaid match rate. Other new proposals offset the general fund reduction and include funding for the new mental health crisis diversion services and grant programs authorized by HB 130, HB 131, and HB 132, and to continue the executive initiative to fund community services to help lower the MSH population.

Present law adjustments are 12 percent of the 2011 biennium appropriation and are due mostly to fully funding mental health programs that were initiated but not fully implemented in FY 2008, including 72 hour community crisis stabilization, mental health community Medicaid waiver services for adults, drop in centers, and suicide prevention. Medicaid service utilization and eligibility increases also contribute to present law growth.

HB 2 and HB 645 Appropriations

Figure 45 shows the total appropriated to AMDD from HB 2 (including HB 13 – pay plan) and HB 645. HB 2 and HB 645 appropriations to AMDD total \$246.4 million over the biennium – a 2.2 percent increase over HB 2 alone. Figure 45 does not include the allocation to AMDD for the one-time 2 percent provider rate increases funded in HB 645. Funds were appropriated to the Director's Office with direction to allocate the rate increase among DPHHS services.

HB 645 included one-time general fund appropriations:

- To fund grants for community crisis services - \$475,000 general fund
- To implement crisis diversion and short-term community inpatient treatment - \$25,000 general fund

As noted previously, HB 645 reduced general fund appropriations in HB 2 by \$97 million over the 2011 biennium due to the enhanced federal match. The allocation to AMDD was \$4.8 million. Figure 45 includes the additional federal funds appropriated in HB 645 that will offset the general fund reduction - \$4.8 million.

Figure 45 Total Appropriated in HB 2, HB 13, and HB 645 Addictive and Mental Disorders Division				
Budget Item/Fund	HB 2 & HB 13	HB 645 One-Time Appropriations	2011 Biennium Total	Percent of Total
FTE	629.35	0.00	629.35	
Personal Services	\$78,290,669	\$0	\$78,290,669	31.8%
Operating	27,271,646	0	27,271,646	11.1%
Equipment	103,482	0	103,482	0.0%
Grants	11,204,409	500,000	11,704,409	4.8%
Benefits/Claims*	124,188,366	4,758,338	128,946,704	52.3%
Debt Service	<u>85,906</u>	<u>0</u>	<u>85,906</u>	<u>0.0%</u>
Total Costs	<u>241,144,478</u>	<u>5,258,338</u>	<u>246,402,816</u>	<u>100.0%</u>
General Fund	129,300,912	500,000	129,800,912	52.7%
State Special	25,230,924	0	25,230,924	10.2%
Federal Funds	<u>86,612,642</u>	<u>4,758,338</u>	<u>91,370,980</u>	<u>37.1%</u>
Total Funds	<u>\$241,144,478</u>	<u>\$5,258,338</u>	<u>\$246,402,816</u>	<u>100.0%</u>
Percent Increase			2.2%	
*This table does not include the 2 percent provider rate increase funded in HB 645.				

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget made by the legislature. “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					3,789,420					3,974,254
Vacancy Savings					(1,454,842)					(1,462,226)
Inflation/Deflation					132,602					154,114
Fixed Costs					(24,118)					(34,114)
Total Statewide Present Law Adjustments		\$2,189,495	\$164,448	\$89,119	\$2,443,062		\$2,358,334	\$180,375	\$93,319	\$2,632,028
DP 7101 - Fuel Inflation Reduction	0.00	(5,010)	(172)	(20)	(5,202)	0.00	(5,752)	(198)	(22)	(5,972)
DP 33101 - AMDD Operations Present Law Adjustments	0.00	11,438	1,758	7,394	20,590	0.00	13,227	2,033	8,551	23,811
DP 33102 - AMDD Rent Increase	0.00	8,108	1,246	5,241	14,595	0.00	11,990	1,843	7,750	21,583
DP 33201 - Medicaid FMAP - Chemical Dependency	0.00	0	16,008	(16,008)	0	0.00	0	22,702	(22,702)	0
DP 33202 - CD Medicaid Caseload Adjustment	0.00	0	23,642	49,081	72,723	0.00	0	35,110	71,381	106,491
DP 33203 - Annualize Meth & CD Regional Services Expansion	0.00	119,212	0	0	119,212	0.00	119,017	0	0	119,017
DP 33206 - Strategic Prevention Framework Incentive Grant	0.00	0	0	446,137	446,137	0.00	0	0	446,087	446,087
DP 33301 - MCDC Restore OT/Holidays Worked/Aggregates	0.00	0	243,190	0	243,190	0.00	0	250,488	0	250,488
DP 33302 - MCDC Present Law Adjustments	0.00	0	100,503	0	100,503	0.00	0	153,099	0	153,099
DP 33306 - MHSP Pharmacy Benefit - Biennial	0.00	0	665,158	0	665,158	0.00	0	665,158	0	665,158
DP 33401 - Medicaid FMAP - Mental Health	0.00	343,319	0	(343,319)	0	0.00	494,855	0	(494,855)	0
DP 33402 - Medicaid Caseload Adjustment - Mental Health	0.00	1,129,701	0	2,345,232	3,474,933	0.00	1,883,580	0	3,829,433	5,713,013
DP 33404 - Annualize Mental Health Drop-In Centers	0.00	104,991	0	0	104,991	0.00	104,991	0	0	104,991
DP 33405 - Annualize Suicide Prevention Program	0.00	24,687	0	0	24,687	0.00	24,665	0	0	24,665
DP 33407 - Annualize 72 Hr Community Crisis Stabilization	0.00	1,429,173	0	0	1,429,173	0.00	1,429,173	0	0	1,429,173
DP 33410 - Mental Health Community Services Development	0.00	0	3,764	0	3,764	0.00	0	18,962	0	18,962
DP 33414 - Annualize Home & Community Based Services Waiver	0.00	0	990,092	2,055,408	3,045,500	0.00	0	1,449,196	2,946,304	4,395,500
DP 33501 - MSH Restore OT/Holiday Worked /Aggregates	0.00	2,829,789	0	0	2,829,789	0.00	2,830,233	(2)	0	2,830,231
DP 33502 - MSH Present Law Adjustments	0.00	531,713	0	0	531,713	0.00	619,767	0	0	619,767
DP 33503 - Reduce MSH Base Budget - FY08 Operating Plan Adj.	0.00	(618,310)	0	0	(618,310)	0.00	(618,310)	0	0	(618,310)
DP 33504 - Reduce MSH Base Budget - Equipment	0.00	(176,000)	0	0	(176,000)	0.00	(176,000)	0	0	(176,000)
DP 33601 - MMHNCC Restore OT/Holiday Worked/Aggregates	0.00	436,474	0	0	436,474	0.00	445,367	0	0	445,367
DP 33602 - MMHNCC Present Law Adjustments	0.00	192,476	0	0	192,476	0.00	302,479	0	0	302,479
Total Other Present Law Adjustments		0.00	\$6,361,761	\$2,045,189	\$4,549,146	0.00	\$7,479,282	\$2,598,391	\$6,791,927	\$16,869,600
Grand Total All Present Law Adjustments		0.00	\$8,551,256	\$2,209,637	\$4,638,265	0.00	\$9,837,616	\$2,778,766	\$6,885,246	\$19,501,628

New Proposals

New Proposals										
Program	FTE	-----Fiscal 2010-----				-----Fiscal 2011-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6010 - HB 645 General Fund Reduction - Enhanced Match										
33	0.00	(3,467,020)	0	0	(3,467,020)	0.00	(1,291,318)	0	0	(1,291,318)
DP 6013 - 2011 Biennium Pay Plan - HB 13										
33	0.00	179,925	19,968	8,740	208,633	0.00	543,866	60,732	26,252	630,850
DP 6014 - Pay Plan Lump Sum Payment OTO										
33	0.00	220,275	24,907	8,842	254,024	0.00	0	0	0	0
DP 8101 - Increasing 4% Vacancy Savings to 7%										
33	0.00	(34,707)	(16,293)	(33,412)	(84,412)	0.00	(34,805)	(16,300)	(33,515)	(84,620)
DP 33408 - Annualize Intensive Community Services (Goal 189)										
33	0.00	400,000	0	0	400,000	0.00	400,000	0	0	400,000
DP 33702 - MCDC Modified Positions										
33	1.00	0	115,534	0	115,534	1.00	0	116,019	0	116,019
DP 33707 - MCDC Staff Positions										
33	3.00	0	153,682	0	153,682	3.00	0	148,728	0	148,728
DP 33896 - Mental Health Crisis Diversion (Restricted/Biennia										
33	0.00	1,240,866	0	0	1,240,866	0.00	1,239,454	0	0	1,239,454
DP 33898 - Remove FTE with Extended Vacancy										
33	(1.50)	(99,644)	0	0	(99,644)	(1.50)	(99,970)	0	0	(99,970)
DP 33899 - Nurses Loan Reimbursement - HB 224										
33	0.00	(18,750)	0	0	(18,750)	0.00	(18,750)	0	0	(18,750)
DP 33900 - Structural Balance Adjustment - Reduce 2013 Budget										
33	0.00	0	0	0	0	0.00	0	0	0	0
Total	2.50	(\$1,579,055)	\$297,798	(\$15,830)	(\$1,297,087)	2.50	\$738,477	\$309,179	(\$7,263)	\$1,040,393

Sub-Program Details

MENTAL HEALTH 01

Sub-Program Legislative Budget

The following table summarizes the total legislative budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Legislative Budget								
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Leg. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Leg. Budget Fiscal 2011	Total Leg. Budget Fiscal 10-11
FTE	547.60	0.00	(1.50)	546.10	0.00	(1.50)	546.10	546.10
Personal Services	28,082,699	5,504,918	(132,222)	33,455,395	5,673,785	(132,660)	33,623,824	67,079,219
Operating Expenses	10,325,320	182,338	(18,750)	10,488,908	405,202	(18,750)	10,711,772	21,200,680
Equipment & Intangible Assets	227,741	(176,000)	0	51,741	(176,000)	0	51,741	103,482
Grants	7,602,028	(6,098,383)	1,640,866	3,144,511	(6,098,383)	973,329	2,476,974	5,621,485
Benefits & Claims	38,961,941	14,868,138	(3,467,020)	50,363,059	18,456,218	(625,193)	56,792,966	107,156,025
Debt Service	27,398	0	0	27,398	0	0	27,398	54,796
Total Costs	\$85,227,127	\$14,281,011	(\$1,977,126)	\$97,531,012	\$18,260,822	\$196,726	\$103,684,675	\$201,215,687
General Fund	52,980,512	8,355,977	(1,960,991)	59,375,498	9,635,787	212,911	62,829,210	122,204,708
State/Other Special	5,180,859	1,707,055	(1,675)	6,886,239	2,181,348	(1,674)	7,360,533	14,246,772
Federal Special	27,065,756	4,217,979	(14,460)	31,269,275	6,443,687	(14,511)	33,494,932	64,764,207
Total Funds	\$85,227,127	\$14,281,011	(\$1,977,126)	\$97,531,012	\$18,260,822	\$196,726	\$103,684,675	\$201,215,687

Sub-Program Description

The Mental Health sub-program appropriation grows \$30.8 million compared to base budget expenditures, with \$16.2 million of the increase supported by general fund. The most significant biennial general fund changes are:

- Total adjustments for MSH - \$5.0 million to reinstate overtime costs and fund inflationary increases in food and medical costs
- Statewide present law adjustments - \$4.6 million, with the largest change in personal services for the two state mental health institutions
- New proposals for mental health crisis diversion services and expansion of a FY 2008 initiative to fund community services for persons leaving MSH - \$3.2 million general fund
- Annualization of implementation of several mental health community service expansions funded by the 2007 Legislature - \$3.1 million (\$12.2 million total funds)
- A temporary increase in the federal Medicaid match rate that reduces general fund by \$4.8 million over the 2011 biennium

Figure 42 shows the amount appropriated by individual mental health service and program.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
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	52,980,512	52,980,512	105,961,024	86.71%	85,227,127	85,227,127	170,454,254	84.71%
Statewide PL Adjustments	2,132,967	2,300,731	4,433,698	3.63%	2,341,726	2,511,638	4,853,364	2.41%
Other PL Adjustments	6,223,010	7,335,056	13,558,066	11.09%	11,939,285	15,749,184	27,688,469	13.76%
New Proposals	(1,960,991)	212,911	(1,748,080)	(1.43%)	(1,977,126)	196,726	(1,780,400)	(0.88%)
Total Budget	\$59,375,498	\$62,829,210	\$122,204,708		\$97,531,012	\$103,684,675	\$201,215,687	

The Mental Health Services sub-program increases \$30.8 million over the biennium compared to the base budget doubled. The majority of the appropriation continues base budget costs (85 percent). Other present law adjustments are 16.2

percent of the 2011 biennium budget and new proposals net to a 1 percent reduction due to the temporary increase in the federal Medicaid match rate.

General fund changes for institution overtime pay, annualization of 2009 service expansions, Medicaid service and eligibility increases, and for new mental health crisis diversion services are also partially offset by the \$4.8 million general fund reduction due to the temporary increase in the federal Medicaid match.

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget made by the legislature. "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				3,502,030						3,668,197
Vacancy Savings				(1,263,375)						(1,270,012)
Inflation/Deflation				127,854						148,188
Fixed Costs				(24,783)						(34,735)
Total Statewide Present Law Adjustments										
	\$2,132,967	\$48,099	\$160,660	\$2,341,726		\$2,300,731	\$48,100	\$162,807	\$2,511,638	
DP 7101 - Fuel Inflation Reduction										
	0.00	(5,003)	(58)	(2)	(5,063)	0.00	(5,744)	(66)	(2)	(5,812)
DP 33306 - MHSP Pharmacy Benefit - Biennial										
	0.00	0	665,158	0	665,158	0.00	0	665,158	0	665,158
DP 33401 - Medicaid FMAP - Mental Health										
	0.00	343,319	0	(343,319)	0	0.00	494,855	0	(494,855)	0
DP 33402 - Medicaid Caseload Adjustment - Mental Health										
	0.00	1,129,701	0	2,345,232	3,474,933	0.00	1,883,580	0	3,829,433	5,713,013
DP 33404 - Annualize Mental Health Drop-In Centers										
	0.00	104,991	0	0	104,991	0.00	104,991	0	0	104,991
DP 33405 - Annualize Suicide Prevention Program										
	0.00	24,687	0	0	24,687	0.00	24,665	0	0	24,665
DP 33407 - Annualize 72 Hr Community Crisis Stabilization										
	0.00	1,429,173	0	0	1,429,173	0.00	1,429,173	0	0	1,429,173
DP 33410 - Mental Health Community Services Development										
	0.00	0	3,764	0	3,764	0.00	0	18,962	0	18,962
DP 33414 - Annualize Home & Community Based Services Waiver										
	0.00	0	990,092	2,055,408	3,045,500	0.00	0	1,449,196	2,946,304	4,395,500
DP 33501 - MSH Restore OT/Holiday Worked /Aggregates										
	0.00	2,829,789	0	0	2,829,789	0.00	2,830,233	(2)	0	2,830,231
DP 33502 - MSH Present Law Adjustments										
	0.00	531,713	0	0	531,713	0.00	619,767	0	0	619,767
DP 33503 - Reduce MSH Base Budget - FY08 Operating Plan Adj.										
	0.00	(618,310)	0	0	(618,310)	0.00	(618,310)	0	0	(618,310)
DP 33504 - Reduce MSH Base Budget - Equipment										
	0.00	(176,000)	0	0	(176,000)	0.00	(176,000)	0	0	(176,000)
DP 33601 - MMHNCC Restore OT/Holiday Worked/Aggregates										
	0.00	436,474	0	0	436,474	0.00	445,367	0	0	445,367
DP 33602 - MMHNCC Present Law Adjustments										
	0.00	192,476	0	0	192,476	0.00	302,479	0	0	302,479
Total Other Present Law Adjustments										
	0.00	\$6,223,010	\$1,658,956	\$4,057,319	\$11,939,285	0.00	\$7,335,056	\$2,133,248	\$6,280,880	\$15,749,184
Grand Total All Present Law Adjustments										
	0.00	\$8,355,977	\$1,707,055	\$4,217,979	\$14,281,011	0.00	\$9,635,787	\$2,181,348	\$6,443,687	\$18,260,822

DP 7101 - Fuel Inflation Reduction - This reduction removes the amount included in the executive budget statewide present law adjustments for inflation in gasoline and diesel fuel. The total reduction is \$11,174 over the biennium, including \$10,762 general fund. The reduction is allocated among sub-programs, therefore the amount in the table above will be a portion of the total division reduction.

DP 33306 - MHSP Pharmacy Benefit - Biennial - The legislature approved the executive appropriation for \$1,330,316 in health and Medicaid state special revenue over the biennium for the Mental Health Services Plan (MHSP). Caseload

growth (\$562,726 over the biennium) is included as well as increased costs for drugs in the MHSP pharmacy program. The appropriation for MHSP drug benefits is biennial and totals \$3.4 million per year.

This adjustment also shifts funds from grants to benefits because the MHSP program is transitioning to a fee for service reimbursement system and providing access an expanded provider panel. Over the last several biennia the MHSP program has operated as a grant program, providing a fixed amount of grant funds to mental health centers to provide services to eligible persons.

DP 33401 - Medicaid FMAP - Mental Health - The legislature appropriated \$838,174 general fund over the biennium with an equal reduction in federal funds due to an increase in the state Medicaid match rate. HB 645 reduces HB 2 general fund Medicaid appropriations due to the temporary enhanced federal Medicaid match rate in the federal stimulus legislation. The LFD estimate of the amount allocated to this program is \$4.8 million (see DP 6010).

DP 33402 - Medicaid Caseload Adjustment - Mental Health - The legislature appropriated \$9.2 million total funds, including \$3.0 million general fund for increased adult mental health Medicaid costs. Base level expenditures were \$35.3 million.

DP 33404 - Annualize Mental Health Drop-In Centers - The legislature appropriated \$104,991 general fund each year of the biennium to support five community mental health drop-in centers and to assist with start up for additional programs. This adjustment brings the total annual appropriation to \$361,247 general fund each year.

AMDD contracts with five selected providers: Eastern Montana Community Mental Health Center, Western Montana Mental Health Center in Gallatin County, Montana Mental Health Association, South Central Montana Regional Mental Health Center, and Western Montana Mental Health Center in Livingston. The 2007 Legislature provided funds to expand drop-in centers.

The legislature requested that this initiative be monitored and reviewed by the Legislative Finance Committee. The legislature also asked that measurable evaluation criteria be developed to evaluate the services.

The following information was utilized as part of the legislative decision making process and will be used for ongoing program evaluation. It was submitted by the agency, edited by LFD staff for brevity and to include any legislative changes.

Justification: Drop-in centers provide a safe place for consumers to socialize, have interactions with staff who can identify needs, offer supportive services, and provide for early identification and support for a consumer whose illness may be becoming more acute. Drop-in centers provide an opportunity for peer support services and access to other needed mental health or community services.

Goals:

1. Provide accessible resources for early identification, monitoring, and support of individuals with severe mental illnesses
2. Provide a safe environment for socialization for individuals with severe mental illnesses
3. Provide outreach, referral, and diversion for individuals with severe mental illnesses

Performance Criteria and Milestones:

- o Quarterly reporting by contracted providers on number served, hours of operation, services provided, recovery activities

FTE: There are no FTE associated directly with this service. The AMDD Mental Health Services Bureau is responsible for providing program direction and analysis.

Funding: This present law adjustment of \$104,991 general fund annualizes start up costs. FY 2008 expenditures were \$266,565 compared to a general fund appropriation of \$371,647.

Challenges to Implementation: Implementation of the program was delayed in FY 2008 due to other competing new program start-ups. All new programs are operational in FY 2009.

Risks of Not Adopting Proposal: Without the funding, communities lack the ability to fund these evidence-based services. These services provide an excellent opportunity to identify individuals needing more acute mental health services. Without these services in place, some consumers would need more intense levels of care because of lack of early identification.

DP 33405 - Annualize Suicide Prevention Program - This present law adjustment adds \$24,687 general fund in FY 2010 and \$24,665 in FY 2011 for contracted services provided by the two call center operations in Great Falls and in Bozeman that manage the suicide hotline. The suicide prevention program was funded by the 2007 Legislature. This adjustment brings the total suicide prevention program to \$200,000 general fund each year of the 2011 biennium.

DP 33407 - Annualize 72 Hr Community Crisis Stabilization - The legislature appropriated \$1,429,173 general fund each year of the biennium to annualize community crisis stabilization services, bringing the annual appropriation to \$1,412,473 general fund each year of the 2011 biennium. The program was started March 1, 2008 as a pilot in five sites – Bozeman, Billings, Butte, Hamilton, Helena, Miles City, and Missoula. Starting August 2008, the program was open to any other willing provider. Training has been provided to hospitals in Great Falls, Kalispell, and Glendive. The department is working with private providers and psychiatrists at the Montana State Hospital to provide psychiatric support to hospitals and community crisis services providers. Support will be provided both by telephone and by televideo conference where the capability exists.

DP 33410 - Mental Health Community Services Development - This present law adjustment adds \$3,764 tobacco settlement trust fund interest state special revenue in FY 2010 and \$18,962 in FY 2011 for operating costs (office space, travel, and leased vehicles.) for five half-time FTE who provide peer support to discharged MSH clients to assist in community re-integration. The FTE are located in Missoula (two 0.50 FTE), Butte (two 0.50 FTE), and Helena (one 0.50 FTE).

DP 33414 - Annualize Home & Community Based Services Waiver - The 2007 Legislature accepted the executive proposal to continue and expand a home and community-based Medicaid waiver for adults with severe and disabling mental illness, similar to the waivers administered for elderly, physically disabled, and developmentally disabled adults.

Program initiation has been slow, but gradual. Estimated FY 2008 expenditures were \$734,500. This present law adjustment (\$7.4 million over the biennium) annualizes the cost of FY 2009 expansion as well as increasing service slots from 125 in FY 2009 to 140 in FY 2010 and 190 in FY 2011. Waiver services will be expanded from three communities (Great Falls, Butte, and Billings) to two additional communities. Estimated expenditures in FY 2009 are \$1.2 million.

The legislature recommended tracking this proposal during the interim.

The following information was utilized as part of the legislative decision making process and will be used for ongoing program evaluation. It was submitted by the agency, edited by LFD staff for brevity and to include any legislative changes.

Justification: The program is designed to provide individuals with severe mental illnesses, that otherwise would require a nursing home level of care, a package of services including case management, nursing, personal assistance services, and homemaker services to enable them to remain in their homes.

Goals:

1. Provide community-based services to 190 individuals in FY 2011 with severe mental illnesses as an alternative to nursing home level of care
2. Develop resources in targeted communities to meet the health care needs of individuals who are eligible for this waiver and who have chosen to participate

Performance Criteria and Milestones:

1. By January 2009, complete annual audit of all individual care plans to evaluate effectiveness of services and identify unmet needs
2. Assess feasibility of expansion to targeted communities and number of slots through an amendment to the waiver without additional funding.

FTE: There are no FTE associated directly with this service. The AMDD Mental Health Services Bureau is responsible for providing program direction and analysis.

Funding: This program is funded from health and Medicaid initiatives state special revenue (\$2.4 million) and federal Medicaid funds (\$5.0 million).

The program is currently operating in three geographical areas: Billings, Butte, and Great Falls. In those communities, the program is managed by a primary contractor that, in turn, contracts with several subcontractors for individualized wrap around services.

Challenges to Implementation: Barriers to enrollment have included recruitment and training of case management teams, AMDD staff, and community providers as well as development of appropriate services in targeted communities (i.e., housing).

Risks of Not Adopting Proposal: Without this service array, individuals would be served in nursing home settings.

DP 33501 - MSH Restore OT/Holiday Worked /Aggregates - The legislature appropriated \$5.7 million general fund over the biennium for overtime, shift differential, holidays worked, and doctor on-call services to provide 24 hour staffing. These costs are removed from the base budget and must be reauthorized each legislative session.

DP 33502 - MSH Present Law Adjustments - This adjustment adds \$531,713 general fund in FY 2010 and \$619,767 in FY 2011 for inflationary cost increases for pharmacy, and for hospital funded outside medical expenses for residents without Medicare, Medicaid or personal funds. It also increases funding for food services and upgrades to computer software at the state hospital.

DP 33503 - Reduce MSH Base Budget - FY08 Operating Plan Adj. - In FY 2008, the Montana State Hospital transferred \$775,000 general fund from personal services to cover additional operating costs at the hospital. \$618,310 of that amount was spent and the balance was reverted. This adjustment reduces the base budget by \$618,310 and brings the budget back to the appropriated 2008 level.

DP 33504 - Reduce MSH Base Budget - Equipment - The legislature accepted the executive appropriation that eliminated the equipment budget for MSH, lowering the annual appropriation by \$176,000 general fund each year of the biennium. The adjustment was included as one of the changes to the executive budget published December 15.

DP 33601 - MMHNCC Restore OT/Holiday Worked/Aggregates - The legislature appropriated \$0.9 million general fund over the biennium to restore overtime, holiday, and shift differential for the MMHNCC. These personal services costs are removed from the base budget and must be restored each biennium.

DP 33602 - MMHNCC Present Law Adjustments - This present law adjustment funds inflation increases in pharmacy and outside medical services, replacement equipment, and nursing facility bed tax for MMHNCC. The adjustment adds \$192,476 general fund in FY 2010 and \$302,479 in FY 2011.

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 6010 - HB 645 General Fund Reduction - Enhanced Match										
01	0.00	(3,467,020)	0	0	(3,467,020)	0.00	(1,291,318)	0	0	(1,291,318)
DP 8101 - Increasing 4% Vacancy Savings to 7%										
01	0.00	(16,443)	(1,675)	(14,460)	(32,578)	0.00	(16,505)	(1,674)	(14,511)	(32,690)
DP 33408 - Annualize Intensive Community Services (Goal 189)										
01	0.00	400,000	0	0	400,000	0.00	400,000	0	0	400,000
DP 33896 - Mental Health Crisis Diversion (Restricted/Biennia										
01	0.00	1,240,866	0	0	1,240,866	0.00	1,239,454	0	0	1,239,454
DP 33898 - Remove FTE with Extended Vacancy										
01	(1.50)	(99,644)	0	0	(99,644)	(1.50)	(99,970)	0	0	(99,970)
DP 33899 - Nurses Loan Reimbursement - HB 224										
01	0.00	(18,750)	0	0	(18,750)	0.00	(18,750)	0	0	(18,750)
Total	(1.50)	(\$1,960,991)	(\$1,675)	(\$14,460)	(\$1,977,126)	(1.50)	\$212,911	(\$1,674)	(\$14,511)	\$196,726

DP 6010 - HB 645 General Fund Reduction - Enhanced Match - HB 645 reduces HB 2 general fund appropriations for Medicaid and Title IV E foster care services by \$97.0 million over the biennium due to the temporary increase in the federal Medicaid match rate from October 1, 2008 to December 31, 2010. The allocation to this program is a \$4.8 million general fund reduction. The enhanced federal match rate is estimated be as high as 77.14 percent over the recession adjustment period compared to 66.99 percent, which is the match rate that will be in effect in the last half of FY 2011 resulting in higher general fund expenditures. HB 645 appropriates the additional federal funds that offset the general fund reduction.

DP 8101 - Increasing 4% Vacancy Savings to 7% - The legislature approved the executive appropriation to raise vacancy savings from 4 to 7 percent for all personal services except state institution FTE. This change removes \$164,385 total funds, which includes \$69,512 in general fund. This change removes \$164,385 total funds from the entire division budget, which includes \$69,512 in general fund. The reduction is allocated across all sub-programs so the amounts in the table represent the allocation to this sub-program.

DP 33408 - Annualize Intensive Community Services (Goal 189) - The legislature approved the executive request to add \$800,000 general fund over the biennium to provide community-based services to uninsured individuals, who would otherwise have difficulty in transitioning from MSH to community services.

This funding continues the Intensive Community Services (Goal 189) agency initiative started in FY 2008, with expenditures of \$218,860. It is estimated that the program will cost \$1.3 million general fund in FY 2009.

The following information was utilized as part of the legislative decision making process and will be used for ongoing program evaluation. It was submitted by the agency, edited by LFD staff for brevity and to include any legislative changes.

Justification: The initiative is designed to enable MSH to maintain its daily census as close to 182 as possible by developing new community services to serve the uninsured individuals needing more a intensive level of community care.

Goals and Objectives:

1. Expand community based services to adequately serve individuals needing intensive services upon discharge from the state hospital or who are at risk of readmission to the hospital.
2. Provide funding for community supports and resources to aid in transition and integration into community
3. Provide timely access to treatment throughout the state to:
 - a. Help reduce the number of individuals who must be admitted to the state hospital.
 - b. Discharge individuals sooner, where they can be treated in a community setting; therefore reducing the census as well.

Performance Criteria and Milestones:

- o Number of patients discharged with services and supports funded by this initiative
- o Readmission rates for this population at 60, 90, 180 days compared with all discharges

FTE: None. Program support and analysis is provided through the AMDD Mental Health Services Bureau.

Funding: \$800,000 general fund each year

Evaluation: The effectiveness of this program will be gauged through the daily census reports from MSH, as well as the number of individuals served within the community setting.

Obstacles: Development of new resources (group home beds) delayed implementation until June 2008. Programs administered through individual contracts and agreements are time-consuming for providers and AMDD staff.

Risk: Without these resources, the ability to keep the MSH census near the licensed capacity would be difficult. Further, uninsured individuals may struggle to find necessary crisis services in the community.

DP 33896 - Mental Health Crisis Diversion (Restricted/Biennial) - The legislature appropriated \$1.2 million general fund each year of the biennium to implement HB 130, HB 131, and HB 132. HB 130 establishes a grant program to reimburse up to 50 percent of a county's costs for jail diversion, crisis intervention services, and precommitment cost insurance premiums (if such insurance is set up by the counties) for mentally ill individuals picked up by law enforcement. To the extent funding is available, HB 131 requires DPHHS to contract for crisis beds in each mental health service area for persons who are a danger to themselves or others because of a mental disorder and who may need commitment. HB 132 allows a petition for involuntary commitment to be suspended if a mental health professional person finds that the respondent would benefit from short term inpatient treatment and the respondent agrees to be diverted to short term inpatient treatment for up to 14 days.

HB 645 also includes two one-time appropriations to implement these bills:

- o \$25,000 general fund for all bills
- o \$475,000 to implement HB 130

DP 33898 - Remove FTE with Extended Vacancy - The legislature removed about \$200,000 general fund for 1.50 FTE at MSH that had been vacant for more than two years. One is a psychologist and the other is a half-time registered nurse.

DP 33899 - Nurses Loan Reimbursement - HB 224 - The legislature removed \$18,750 general fund each year of the biennium from MSH contracted services to implement HB 224. The funds were transferred to the university system to be used for loan repayment for registered professional nurses who agree to work at MSH or the state prison.

Sub-Program Details**ADDICTION TREATMENT & PREVENTION 02****Sub-Program Legislative Budget**

The following table summarizes the total legislative budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Legislative Budget								
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Leg. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Leg. Budget Fiscal 2011	Total Leg. Budget Fiscal 10-11
FTE	64.25	0.00	4.00	68.25	0.00	4.00	68.25	68.25
Personal Services	3,448,543	341,277	240,156	4,029,976	365,154	241,132	4,054,829	8,084,805
Operating Expenses	3,507,836	(1,087,697)	10,000	2,430,139	(1,034,085)	4,500	2,478,251	4,908,390
Grants	2,345,350	446,137	0	2,791,487	446,087	0	2,791,437	5,582,924
Benefits & Claims	7,069,231	1,380,153	0	8,449,384	1,413,726	0	8,482,957	16,932,341
Debt Service	9,353	4,800	0	14,153	4,800	0	14,153	28,306
Total Costs	\$16,380,313	\$1,084,670	\$250,156	\$17,715,139	\$1,195,682	\$245,632	\$17,821,627	\$35,536,766
General Fund	1,990,356	110,051	(1,814)	2,098,593	110,047	(1,823)	2,098,580	4,197,173
State/Other Special	4,477,987	512,477	258,302	5,248,766	606,357	253,825	5,338,169	10,586,935
Federal Special	9,911,970	462,142	(6,332)	10,367,780	479,278	(6,370)	10,384,878	20,752,658
Total Funds	\$16,380,313	\$1,084,670	\$250,156	\$17,715,139	\$1,195,682	\$245,632	\$17,821,627	\$35,536,766

Sub-Program Description

The Addiction Treatment and Prevention sub-program appropriation grows \$2.8 million over the biennium, including \$0.2 million general fund. Present law adjustments for overtime pay and inflation for certain operating costs and new proposals that add 4.00 FTE for the Montana Chemical Dependency Center (MCDC) are \$1.1 million of the change. MCDC adjustments are funded entirely from the alcohol tax state special revenue account. Federal grant funds for prevention of binge drinking increase about \$1 million. General fund supports group home services for community meth treatment.

The reduction in operating costs shifts funds to benefits and claims. Costs of the meth treatment homes were recorded as operating costs in the FY 2008 base budget and the legislature shifted the appropriation to benefits since the appropriation provides direct services to individuals.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
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	1,990,356	1,990,356	3,980,712	94.84%	16,380,313	16,380,313	32,760,626	92.19%
Statewide PL Adjustments	(9,161)	(8,970)	(18,131)	(0.43%)	103,032	120,646	223,678	0.63%
Other PL Adjustments	119,212	119,017	238,229	5.68%	981,638	1,075,036	2,056,674	5.79%
New Proposals	(1,814)	(1,823)	(3,637)	(0.09%)	250,156	245,632	495,788	1.40%
Total Budget	\$2,098,593	\$2,098,580	\$4,197,173		\$17,715,139	\$17,821,627	\$35,536,766	

The majority of the 2011 biennium appropriation for addiction services supports base budget expenditures (93 percent). Present law adjustments support institution costs including reinstatement of overtime and inflation in food and medical costs, and Medicaid service utilization increases. New proposals fund 4.00 FTE and increasing vacancy savings from 4 to 7 percent for all non institution personal services reduces general fund.

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget made by the legislature. “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					245,857					263,128
Vacancy Savings					(147,770)					(148,462)
Inflation/Deflation					4,030					5,109
Fixed Costs					915					871
Total Statewide Present Law Adjustments										
		(\$9,161)	\$129,247	(\$17,054)	\$103,032		(\$8,970)	\$145,088	(\$15,472)	\$120,646
DP 7101 - Fuel Inflation Reduction										
	0.00	0	(113)	(14)	(127)	0.00	0	(130)	(16)	(146)
DP 33201 - Medicaid FMAP - Chemical Dependency										
	0.00	0	16,008	(16,008)	0	0.00	0	22,702	(22,702)	0
DP 33202 - CD Medicaid Caseload Adjustment										
	0.00	0	23,642	49,081	72,723	0.00	0	35,110	71,381	106,491
DP 33203 - Annualize Meth & CD Regional Services Expansion										
	0.00	119,212	0	0	119,212	0.00	119,017	0	0	119,017
DP 33206 - Strategic Prevention Framework Incentive Grant										
	0.00	0	0	446,137	446,137	0.00	0	0	446,087	446,087
DP 33301 - MCDC Restore OT/Holidays Worked/Aggregates										
	0.00	0	243,190	0	243,190	0.00	0	250,488	0	250,488
DP 33302 - MCDC Present Law Adjustments										
	0.00	0	100,503	0	100,503	0.00	0	153,099	0	153,099
Total Other Present Law Adjustments										
	0.00	\$119,212	\$383,230	\$479,196	\$981,638	0.00	\$119,017	\$461,269	\$494,750	\$1,075,036
Grand Total All Present Law Adjustments										
	0.00	\$110,051	\$512,477	\$462,142	\$1,084,670	0.00	\$110,047	\$606,357	\$479,278	\$1,195,682

DP 7101 - Fuel Inflation Reduction - This reduction removes the amount included in the executive budget statewide present law adjustments for inflation in gasoline and diesel fuel. The total reduction is \$11,174 over the biennium, including \$10,762 general fund. The reduction is allocated among sub-programs, therefore the amount in the table above will be a portion of the total division reduction.

DP 33201 - Medicaid FMAP - Chemical Dependency - This appropriation adds \$38,710 alcohol state special revenue over the biennium and reduces federal funds by the same amount due to the increase in the state Medicaid match rate. The adjustment brings the state match to what it would be without changes from the federal stimulus increase in the federal match rate.

DP 33202 - CD Medicaid Caseload Adjustment - Chemical dependency Medicaid services are estimated to increase by 2.2 percent each year of the 2011 biennium. This appropriation adds \$72,723 in FY 2010 (\$23,642 in alcohol state special revenue and \$49,081 in federal funds) and \$106,491 in FY 2011 (\$35,110 in alcohol state special revenue and \$71,381 in federal funds) for this increase. Base expenditures were \$1.5 million.

DP 33203 - Annualize Meth & CD Regional Services Expansion - The legislature appropriated \$238,229 general fund over the biennium for the seven treatment homes developed in FY 2008. The 2007 Legislature approved the first major general fund appropriation to support chemical dependency services when it appropriated \$2.0 million general fund each year of the biennium for this expansion. This adjustment also reallocates funding for the meth treatment homes from operating costs to benefits since the funds provide direct services to individuals and do not fund division operating costs.

The legislature recommended that the Legislative Finance Committee monitor implementation and service outcomes due to the new treatment services.

The following information was utilized as part of the legislative decision making process and will be used for ongoing program evaluation. It was submitted by the agency, edited by LFD staff for brevity and to include any legislative changes.

Justification: Methamphetamine use continues to impact communities across Montana. An increased level of community based services based on best treatment strategies for methamphetamine treatment is necessary to address this problem. Methamphetamine clients need the range of services and continuum of care represented in biopsychosocial treatment for optimum results. The ideal treatment process consists of a treatment initiation phase, an abstinence attainment phase, and a maintenance phase with long-term support

Goals and Objectives:

1. Expand community based services to successfully deal with this growing problem.
2. Provide community based services that address the needs of male, female, and Native Americans across the state.
3. To provide timely access to treatment is critical to address the problem, and reduce costs to the medical, correctional, and public health systems.

Performance Criteria and Milestones:

1. Increase admissions to community based services with the implementation of NIATx (Network for the Improvement of Addiction Treatment) principles
2. Reduce waiting time between the first appropriation for service and first treatment session

FTE: None. Program support and analysis is provided by AMDD Chemical Dependency Bureau.

Funding: \$2.2 million general fund each year of the biennium

Evaluation: The effectiveness of the community-based programs will be evaluated on a quarterly and annual basis through data submitted by non-profit corporations. Quality Assurance Division undertakes annual site reviews of all state-approved programs.

Obstacles: Many individuals using meth suffer from co-occurring disorders and deal with mental health issues as well. This issue has far reaching impacts on the medical, correctional, and public health systems across the state. With seven residential homes, each having a maximum capacity of eight residents, there can be a waiting list for admission into treatment.

Risk: Meth use will continue to grow, and if not addressed by the combined efforts of media, enforcement, treatment and recovery Montana will continue to see increased injury and death, in addition to escalating costs to medical, correctional, and public health systems.

DP 33206 - Strategic Prevention Framework Incentive Grant - This present law adjustment adds additional federal grant authority of \$446,137 in FY 2010 and \$446,087 in FY 2011. This grant will assist in helping communities develop 'how to' manuals for prevention activities related to binge drinking. The manuals will include direction on integrating data, developing a licensure for prevention professionals, and building data and evaluation of knowledge and use. Funding will support community grants. Base expenditures were \$1.8 million.

The legislature recommended that this project be monitored by the Legislative Finance Committee during the interim.

The following information was utilized as part of the legislative decision making process and will be used for ongoing program evaluation. It was submitted by the agency, edited by LFD staff for brevity and to include any legislative changes.

Justification: Binge drinking has been identified as a continual problem in Montana, especially in the youth population. Montana continues to lead the country with its incidence of drunken driving deaths. Lifespan drinking beginning at youth is a perpetual problem in the state.

Goals and Objectives:

1. Build infrastructure and capacity to prevent or diminish binge and lifespan drinking
2. Expand the epidemiological workgroup
3. Build functionality for prevention through leadership, cooperation, and action
4. Expand the knowledge, skills, and abilities of state and community prevention personnel
5. Reduce incidence of drunk driving deaths and injuries in Montana
6. Assist communities in developing “how to” manuals for prevention activities
7. Assist communities in building, integrating, and evaluating prevention data
8. Develop a licensure program for prevention professionals

Performance Criteria:

- o Did the community develop a local strategic prevention plan?
- o Did the community identify one or more casual factors on which to focus?
- o Did the community identify additional stakeholders and create new partnerships to advance the plan? Who else needs to be involved?
- o Did the community select and implement effective strategies linked to impacting casual factors?
- o Did positive change occur at the community level in the substance abuse problem in the population that was targeted?
- o Were there related changes in casual factors linked to the substance abuse related problems?

Milestones:

1. Did the community plan work and overcome the challenges that were addressed?
2. Did the community focus on one or more identified casual factors?
3. Were additional stakeholders identified and were they utilized to assist in advancing the plan?
4. Were effective strategies identified and implemented that impacted casual factors?
5. Did positive change occur at the community level related to the substance abuse problem?

FTE: None

Funding: \$2.2 million federal grant funds each year of the biennium

Evaluation: The effectiveness of the community-based programs will be evaluated on a quarterly and annual basis through performance based contracts. Data will be entered and evaluated through the Substance Abuse Management System (SAMS).

Obstacles: Possible decrease in federal grant funding

Risk: Fatalities due to vehicle crashes and binge drinking, especially with youth.

DP 33301 - MCDC Restore OT/Holidays Worked/Aggregates - The legislature appropriated \$243,190 in FY 2010 and \$250,486 in FY 2011 in alcohol state special revenue for personal services costs that were removed from the FY 2008 base budget for MCDC. This appropriation funds overtime and holidays worked, with benefits, and funding of aggregate positions. Aggregate positions are used to provide coverage for staff on sick leave, vacation leave, and in staff training classes.

DP 33302 - MCDC Present Law Adjustments - This adjustment adds \$100,503 in alcohol tax state special revenue in FY 2010 and \$153,099 in FY 2011 to address inflation increases for pharmacy, laboratory, outside medical and dental, facility rent, and food services at MCDC. Total operating costs (excluding personal services costs) for MCDC in FY 2008 were \$1.3 million.

New Proposals

New Proposals										
Sub Program	FTE	Fiscal 2010				Fiscal 2011				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 8101 - Increasing 4% Vacancy Savings to 7%										
02	0.00	(1,814)	(10,914)	(6,332)	(19,060)	0.00	(1,823)	(10,922)	(6,370)	(19,115)
DP 33702 - MCDC Modified Positions										
02	1.00	0	115,534	0	115,534	1.00	0	116,019	0	116,019
DP 33707 - MCDC Staff Positions										
02	3.00	0	153,682	0	153,682	3.00	0	148,728	0	148,728
Total	4.00	(\$1,814)	\$258,302	(\$6,332)	\$250,156	4.00	(\$1,823)	\$253,825	(\$6,370)	\$245,632

DP 8101 - Increasing 4% Vacancy Savings to 7% - The legislature approved the executive request to raise vacancy savings from 4 to 7 percent for all personal services except state institution FTE. This change removes \$164,385 total funds, which includes \$69,512 in general fund. This change removes \$164,385 total funds from the entire division budget, which includes \$69,512 in general fund. The reduction is allocated across all sub-programs so the amounts in the table represent the allocation to this sub-program.

DP 33702 - MCDC Modified Positions - The legislature added \$231,553 in state special revenue to make permanent a modified position for an advanced practice registered nurse (APRN) approved in FY 2008. The APRN provides assistance to the single medical physician employed by MCDC on a regular and on-call basis. Without the APRN position, the physician is responsible for all on-call hours evenings and weekends.

DP 33707 - MCDC Staff Positions - The legislature appropriated \$302,410 in state special revenue for the 2011 biennium to add one registered nurse and two case managers at MCDC. The appropriation includes \$287,910 in personal services and \$14,500 in operating expenses. The new registered nurse FTE would increase the nurse coverage on afternoon shifts and weekends. The new case managers will coordinate with the clinical treatment teams, probation officers, family services, the legal system, referral sources, and other outside sources involved in a patient's treatment to coordinate continued care and discharge planning (make follow-up appointments with CD providers, mental health providers, medical providers and others), and obtain placement confirmations for housing and employment. The new staff will eliminate the amount of time that clinical staff spends coordinating these services, allowing them more time to focus their efforts on clinical treatment and record keeping.

Sub-Program Details**AMDD DIVISION ADMIN 03****Sub-Program Legislative Budget**

The following table summarizes the total legislative budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Legislative Budget								
Budget Item	Base Budget Fiscal 2008	PL Base Adjustment Fiscal 2010	New Proposals Fiscal 2010	Total Leg. Budget Fiscal 2010	PL Base Adjustment Fiscal 2011	New Proposals Fiscal 2011	Total Leg. Budget Fiscal 2011	Total Leg. Budget Fiscal 10-11
FTE	15.00	0.00	0.00	15.00	0.00	0.00	15.00	15.00
Personal Services	1,050,858	(2,164)	429,883	1,478,577	(823)	598,035	1,648,070	3,126,647
Operating Expenses	540,493	35,641	0	576,134	45,947	0	586,440	1,162,574
Benefits & Claims	50,000	0	0	50,000	0	0	50,000	100,000
Debt Service	1,402	0	0	1,402	0	0	1,402	2,804
Total Costs	\$1,642,753	\$33,477	\$429,883	\$2,106,113	\$45,124	\$598,035	\$2,285,912	\$4,392,025
General Fund	905,441	85,228	383,750	1,374,419	91,782	527,389	1,524,612	2,899,031
State/Other Special	158,926	(9,895)	41,171	190,202	(8,939)	57,028	207,015	397,217
Federal Special	578,386	(41,856)	4,962	541,492	(37,719)	13,618	554,285	1,095,777
Total Funds	\$1,642,753	\$33,477	\$429,883	\$2,106,113	\$45,124	\$598,035	\$2,285,912	\$4,392,025

Sub-Program Description

The appropriation for the AMDD division administration function grows about \$1.1 million over the biennium from a base expenditure level of \$1.6 million. Most of the increase (over \$1.0 million) is due to allocation of the entire appropriation for the AMDD pay plan to the Division Administration sub-program. An increase in vacancy savings from 4 to 7 percent offsets most other increases.

This sub-program also includes the base funding shifted to a one-time appropriation - \$0.7 million general fund (\$3.8 million total funds). The legislature added language to HB 676 directing the department to review, evaluate, and identify reductions to its 2013 biennium budget equivalent to the one-time appropriations and direct the LFC to review department work during the interim. The legislature allocated the one-time appropriation to the four divisions that administer Medicaid services, but intended that the department review all processes and services to identify efficiencies and other reductions.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
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	905,441	905,441	1,810,882	62.47%	1,642,753	1,642,753	3,285,506	74.81%
Statewide PL Adjustments	65,689	66,573	132,262	4.56%	(1,696)	(256)	(1,952)	(0.04%)
Other PL Adjustments	19,539	25,209	44,748	1.54%	35,173	45,380	80,553	1.83%
New Proposals	383,750	527,389	911,139	31.43%	429,883	598,035	1,027,918	23.40%
Total Budget	\$1,374,419	\$1,524,612	\$2,899,031		\$2,106,113	\$2,285,912	\$4,392,025	

The 2011 biennium appropriation for the Division Administration sub-program supports base budget expenditures (75 percent) and new proposals (23 percent). New proposals include the allocation of the division pay plan.

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget made by the legislature. "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	Total Funds
Personal Services					41,533					42,929
Vacancy Savings					(43,697)					(43,752)
Inflation/Deflation					718					817
Fixed Costs					(250)					(250)
Total Statewide Present Law Adjustments		\$65,689	(\$12,898)	(\$54,487)	(\$1,696)			\$66,573	(\$12,813)	(\$54,016)
DP 7101 - Fuel Inflation Reduction	0.00	(7)	(1)	(4)	(12)	0.00	(8)	(2)	(4)	(14)
DP 33101 - AMDD Operations Present Law Adjustments	0.00	11,438	1,758	7,394	20,590	0.00	13,227	2,033	8,551	23,811
DP 33102 - AMDD Rent Increase	0.00	8,108	1,246	5,241	14,595	0.00	11,990	1,843	7,750	21,583
Total Other Present Law Adjustments	0.00	\$19,539	\$3,003	\$12,631	\$35,173	0.00	\$25,209	\$3,874	\$16,297	\$45,380
Grand Total All Present Law Adjustments	0.00	\$85,228	(\$9,895)	(\$41,856)	\$33,477	0.00	\$91,782	(\$8,939)	(\$37,719)	\$45,124

DP 7101 - Fuel Inflation Reduction - This reduction removes the amount included in the executive budget statewide present law adjustments for inflation in gasoline and diesel fuel. The total reduction is \$11,174 over the biennium, including \$10,762 general fund. The reduction is allocated among sub-programs, therefore the amount in the table above will be a portion of the total division reduction.

DP 33101 - AMDD Operations Present Law Adjustments - The legislature appropriated \$20,590 in FY 2010 and \$23,811 in FY 2011 for additional software maintenance for medical records systems and data consultants for IT system improvements at Montana State Hospital. This appropriation includes \$24,665 of general fund over the biennium and \$19,736 in other funds. Base expenditures were \$48,662.

DP 33102 - AMDD Rent Increase - This appropriation adds \$36,178 (\$20,098 in general fund and \$16,080 in other funds) over the biennium for rent increases at the AMDD headquarters building in Helena. Base expenditures were \$125,161.

New Proposals

New Proposals										
-----Fiscal 2010-----						-----Fiscal 2011-----				
Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds		FTE	General Fund	State Special	Total Funds
DP 6013 - 2011 Biennium Pay Plan - HB 13										
03	0.00	179,925	19,968	8,740	208,633	0.00	543,866	60,732	26,252	630,850
DP 6014 - Pay Plan Lump Sum Payment OTO										
03	0.00	220,275	24,907	8,842	254,024	0.00	0	0	0	0
DP 8101 - Increasing 4% Vacancy Savings to 7%										
03	0.00	(16,450)	(3,704)	(12,620)	(32,774)	0.00	(16,477)	(3,704)	(12,634)	(32,815)
DP 33900 - Structural Balance Adjustment - Reduce 2013 Budget										
03	0.00	0	0	0	0	0.00	0	0	0	0
Total	0.00	\$383,750	\$41,171	\$4,962	\$429,883	0.00	\$527,389	\$57,028	\$13,618	\$598,035

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. These amounts represent this program's allocation of costs to fund this pay plan. In addition, the legislature provided a one-time-only payment of \$450 for all employees earning less than \$45,000 annually. These costs are included in DP 6014.

DP 6014 - Pay Plan Lump Sum Payment OTO - This DP funds this program's cost of providing a one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half-time employees making \$21.635 per hour or less.

DP 8101 - Increasing 4% Vacancy Savings to 7% - The legislature approved the executive request to raise vacancy savings from 4 to 7 percent for all personal services except state institution FTE. This change removes \$164,385 total funds from the entire division budget, which includes \$69,512 in general fund. The reduction is allocated across all sub-programs so the amounts in the table represent the allocation to this sub-program.

DP 33900 - Structural Balance Adjustment - Reduce 2013 Budget - The legislature shifted \$5.6 million total funds, including \$0.8 million general fund, of the AMDD budget into a one-time-only appropriation. This action maintains services throughout the 2011 biennium, but lowers the 2013 biennium budget starting point. The legislature also adopted language in HB 676 directing DPHHS to identify, evaluate, and recommend budget reductions for consideration by the 2011 Legislature and the LFC to review the DPHHS work over the biennium.

The structural balance reduction was allocated to four divisions: Disability Services, Senior and Long-Term Care, Health Resources, and AMDD. However, the legislature expected that the impact of the one-time-only appropriation would be distributed throughout all department programs when the 2013 biennium budget is submitted.