

### 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 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	367.92	367.92	359.21	354.92	367.92	354.92	(13.00)	(3.53%)
Personal Services	17,811,546	19,391,879	18,862,774	18,606,692	37,203,425	37,469,466	266,041	0.72%
Operating Expenses	6,256,198	6,444,185	5,654,489	5,632,350	12,700,383	11,286,839	(1,413,544)	(11.13%)
Equipment & Intangible Assets	0	57,356	0	0	57,356	0	(57,356)	(100.00%)
Grants	400,941	645,569	400,941	400,941	1,046,510	801,882	(244,628)	(23.38%)
Benefits & Claims	164,418,427	167,678,196	184,550,306	187,344,464	332,096,623	371,894,770	39,798,147	11.98%
<b>Total Costs</b>	<b>\$188,887,112</b>	<b>\$194,217,185</b>	<b>\$209,468,510</b>	<b>\$211,984,447</b>	<b>\$383,104,297</b>	<b>\$421,452,957</b>	<b>\$38,348,660</b>	<b>10.01%</b>
General Fund	53,214,370	65,989,671	74,383,149	75,834,802	119,204,041	150,217,951	31,013,910	26.02%
State Special	5,607,178	5,541,925	5,607,178	5,607,178	11,149,103	11,214,356	65,253	0.59%
Federal Special	130,065,564	122,685,589	129,478,183	130,542,467	252,751,153	260,020,650	7,269,497	2.88%
<b>Total Funds</b>	<b>\$188,887,112</b>	<b>\$194,217,185</b>	<b>\$209,468,510</b>	<b>\$211,984,447</b>	<b>\$383,104,297</b>	<b>\$421,452,957</b>	<b>\$38,348,660</b>	<b>10.01%</b>

### Program Description

The Disability Services Division (DSD) assists Montanans with disabilities and children with mental health needs to live, work, and participate in their communities. The Division includes the Developmental Disabilities Program, the Montana Developmental Center, and the Children's Mental Health Bureau. The Division provides or contracts for institutional care, inpatient care, residential services, home and community based services, and case management.

The Developments Disabilities Program operates three home and community based Medicaid waivers, the state's IDEA early intervention program, and the state facility for behavioral treatment at the Montana Developmental Center in Boulder. These services include transportation, residential and work habilitation, adaptive equipment, and some medical services not covered by state plan Medicaid.

The Children's Mental Health Bureau manages a continuum of services to address the needs of youth with serious emotional disturbance and their families. These services are funded by Medicaid and offered by Medicaid enrolled providers. In addition the bureau builds linkages to other child serving agencies to support the development of a system of care for youth.

Statutory Title 53, MCA, 29 U.S.C. 721 et. seq., 29 U.S.C. 796, et. seq., 29 U.S.C. 774, 29 U.S.C. 777b, 29 U.S.C. 2201 et. seq., 42 U.S.C. 75, 6602, 72 U.S.C. 1300, 42 CFR 441.302(b), 42 CFR 441.302(g), 45 CFR 74.62, and 34 CRF Part 303.

## Program Highlights

<b>Disability Services Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The increase in total funding of \$38 million is due primarily to caseload adjustments</li> <li>◆ Federal fund increases are primarily the net of reduction in federal stimulus funding and caseload adjustments</li> <li>◆ DSD general fund increases by \$31 million when compared to the 2011 biennium <ul style="list-style-type: none"> <li>• \$14.5 million is due to the loss of federal FMAP support provided in the federal stimulus package</li> <li>• \$11.6 million is budgeted for caseload adjustments matched with \$22.6 million in federal funds</li> <li>• \$1.3 million is state match for waiver annualizations with another \$3.3 million in federal funds</li> </ul> </li> <li>◆ The legislature reduced the licensed bed capacity for MDC by 12 individuals and approved increased funding for community services for the residents to be moved out of the institution</li> <li>◆ General fund decreases of \$2.01 million a year resulted from moving 250 individuals into the comprehensive waiver program</li> </ul>

### Summary of Legislative Action

The division provides services through three areas: 1) children's mental health; 2) institutional services for individuals with developmental disabilities; and 3) community services for individuals with developmental disabilities.

The 2013 biennium budget for DSD increases \$38.3 million when compared to the 2011 biennium. The increases are for caseload adjustments and annualizations of waiver programs including:

- \$18.6 million in caseload adjustments for children's mental health services
- \$15.7 million in caseload adjustments for developmentally disabled services
- \$4.0 million in annualization costs for the developmentally disabled comprehensive services waiver program

Increases to the Children's Mental Health Bureau result from caseload increases based on an estimated increased number of eligible children. Provider reimbursements in the program revert to FY 2009 levels as the legislature did not fund one-time-only increases provided in the previous biennium.

In addition, the legislature made two further changes regarding developmentally disabled clients: 1) restructuring institutional services; and 2) a shift in the source of funding for services to 250 individuals.

### *Restructuring Facility Services*

The legislature approved the division's request to restructure the facility services for individuals with developmental disabilities provided at the Montana Developmental Center (MDC). Between 9 and 12 individuals residing in cottage six at MDC are eligible to move into community services, a less expensive alternative to residential care at MDC. The legislature decreased the budget for MDC, including FTE, personal services, and operational costs. The cost reductions include reducing the licensed capacity of the cottages from 56 to 44. Other changes create office space for professional staff in the cottages by reducing the number of clients residing in each of the cottages. Reductions in general fund from this proposal are \$1.0 million over the biennium. However, it should be noted that there is a corresponding reduction in general fund revenues for those individuals eligible under Medicaid as MDC is funded 100% with general fund and any Medicaid reimbursements are deposited into the general fund. The estimated reduction in general fund revenues from institutional reimbursements is \$0.4 million over the 2013 biennium, leaving an actual savings of \$0.6 million.

The reductions in the MDC budget are partially offset by increases in the costs of providing community services for the individuals moved from MDC. The legislature provided \$0.7 million in general fund and \$1.4 million in federal funds to provide services funded in the Developmental Disabilities Program. Further discussion on these programs and services can be found in the subprogram narratives for this division.

#### *Shift in Funding*

The legislature approved the division's request to shift funding for 250 developmentally disabled individuals from the general fund to federal Medicaid funds. The change resulted in savings of \$2.0 million in general fund spending and an offsetting reduction in revenue built into the underlying revenue estimates. Developmentally disabled individuals who previously had eligibility issues must resolve the issues and apply for Medicaid. Further discussion of these challenges can be found in the subprogram narrative for this division.

#### **Other Legislation**

SJ 27 is a joint resolution to study a separate Medicaid waiver for services provided to children with developmental disabilities. The resolution ranked low in the poll of legislators and the Legislative Council voted to not assign the study to an interim legislative committee. The Legislative Finance Committee will evaluate the need for a white paper on the subject as part of its interim work plan. In addition, the staff of DSD have indicated they will study the issue as part of the renewal of the comprehensive waiver for individuals with developmental disabilities.

HB 377 allows the use of medication aides in long-term care facilities, including the Montana Developmental Center. DSD anticipates this would create a new job classification and require training for certified nursing assistants moving into the medication aide positions in the first two years of implementation. The estimated costs for the training are \$26,208 in FY 2012 and \$24,524 in FY 2013. Subsequent years would have cost savings as a result of a decreased need for licensed practicing nurse positions to administer medications. The legislature did not provide additional funding for these costs.

SB 73 provides that state-operated adult care facilities, such as the Montana Developmental Center (MDC), providing special education services to residents have obligations equivalent to the obligations of a school district. The facilities are required to provide special education programs to residents under the age of 19 and may provide programs to residents under 22 years of age. As of December 20, 2010 MDC had two residents under the age of 19. However, because MDC has a special education teacher on staff providing services it was not anticipated that there would be a fiscal impact as a result of SB 73.

HB 565 clarifies requirements for providing mental health services alternatives to out-of-state placements for children and revises the reporting requirements for out-of-state placements. The bill requires the division to use current resources to make the changes.

#### **Program Narrative**

##### *Summary of Expenditures by Funding*

The figure below shows the FY 2010 base budget expenditures compared to the 2013 biennium budget by function for DSD.

Disability Services Division													
Fiscal Year 2010 Base Budget Compared to 2013 Biennium Budget													
By Major Function													
Function	FY 2010 Base Budget				FY 2012 Request				FY 2013 Request				Percent of Division Biennium Total
	General Fund	State Special	Federal Special	Total Funds	General Fund	State Special	Federal Special	Total Funds	General Fund	State Special	Federal Special	Total Funds	
<b>Children's Mental Health Services</b>													
Children's Mental Health Admin	\$419,852	\$0	\$220,124	\$639,976	\$352,089	\$0	\$184,633	\$536,722	\$352,120	\$0	\$184,648	\$536,768	0.25%
Children's Mental Health Ben & Grants	731,936	0	0	731,936	731,936	0	0	731,936	731,936	0	0	731,936	0.35%
Medicaid Admin Children's Mental Health	947,952	0	1,911,413	2,859,365	1,002,372	0	1,577,379	2,579,751	1,001,726	0	1,558,636	2,560,362	1.22%
Medicaid Ben Children's Mental Health	12,123,465	2,053,472	47,879,884	62,056,821	21,910,558	2,053,472	46,914,499	70,878,529	22,575,121	2,053,472	47,258,718	71,887,311	33.87%
Subtotal Children's Mental Health Services	<u>\$14,223,205</u>	<u>\$2,053,472</u>	<u>\$50,011,421</u>	<u>\$66,288,098</u>	<u>\$23,996,955</u>	<u>\$2,053,472</u>	<u>\$48,676,511</u>	<u>\$74,726,938</u>	<u>\$24,660,903</u>	<u>\$2,053,472</u>	<u>\$49,002,002</u>	<u>\$75,716,377</u>	35.70%
Percent of Total Funds	21.46%	3.10%	75.45%	100.00%	32.11%	2.75%	65.14%	100.00%	32.57%	2.71%	64.72%	100.00%	
<b>State Facilities</b>													
Montana Developmental Center	\$13,303,175	\$11,576	\$0	\$13,314,751	\$13,757,094	\$11,576	\$0	\$13,768,670	\$13,493,324	\$11,576	\$0	\$13,504,900	6.47%
MCD Alternative Safety Unit	1,817,045	0	0	1,817,045	1,961,749	0	0	1,961,749	1,962,129	0	0	1,962,129	0.93%
Subtotal Institutions	<u>\$15,120,220</u>	<u>\$11,576</u>	<u>\$0</u>	<u>\$15,131,796</u>	<u>\$15,718,843</u>	<u>\$11,576</u>	<u>\$0</u>	<u>\$15,730,419</u>	<u>\$15,455,453</u>	<u>\$11,576</u>	<u>\$0</u>	<u>\$15,467,029</u>	7.40%
Percent of Total Funds	99.92%	0.08%	0.00%	100.00%	99.93%	0.07%	0.00%	100.00%	99.93%	0.07%	0.00%	100.00%	
Facility Medicaid Reimbursement	0	0	9,080,434	9,080,434	0	0	9,080,434	9,080,434	0	0	9,080,434	9,080,434	4.31%
<b>Developmental Disabilities - Community</b>													
Administration	\$1,242,057	\$0	\$2,134,664	\$3,376,721	\$1,476,110	\$0	\$2,126,829	\$3,602,939	\$1,481,590	\$0	\$2,125,661	\$3,607,251	1.71%
Targeted Case Management Admin	719,080	0	971,445	1,690,525	724,783	0	979,149	1,703,932	724,862	0	979,257	1,704,119	0.81%
Targeted Case Management - Adults	655,943	0	2,148,957	2,804,900	1,035,292	0	2,029,518	3,064,810	1,056,950	0	2,028,133	3,085,083	1.46%
Medicaid Comprehensive Waiver Services	13,638,037	2,942,130	56,806,255	73,386,422	26,208,251	2,942,130	57,352,437	86,502,818	27,222,141	2,942,130	58,084,511	88,248,782	41.46%
Medicaid Community Supports Waiver	328,561	0	1,178,642	1,507,203	542,924	0	1,064,311	1,607,235	556,994	0	1,068,790	1,625,784	0.77%
Medicaid Autism Waiver	268,485	0	951,982	1,220,467	709,521	0	1,390,895	2,100,416	727,425	0	1,395,822	2,123,247	1.00%
DD Benefits	3,972,912	0	3,938,287	7,911,199	926,796	0	3,938,287	4,865,083	904,555	0	3,938,287	4,842,842	2.30%
Medicaid Administration	901,773	0	1,021,318	1,923,091	899,767	0	1,019,048	1,918,815	899,832	0	1,019,119	1,918,951	0.91%
Early Intervention, IDEA Part C	2,144,097	600,000	1,822,159	4,566,256	2,143,907	600,000	1,820,764	4,564,671	2,144,097	600,000	1,820,451	4,564,548	2.17%
Subtotal Developmental Disabilities	<u>\$23,870,945</u>	<u>\$3,542,130</u>	<u>\$70,973,709</u>	<u>\$98,386,784</u>	<u>\$34,667,351</u>	<u>\$3,542,130</u>	<u>\$71,721,238</u>	<u>\$109,930,719</u>	<u>\$35,718,446</u>	<u>\$3,542,130</u>	<u>\$72,460,031</u>	<u>\$111,720,607</u>	52.59%
Percent of Total Funds	24.26%	3.60%	72.14%	100.00%	31.54%	3.22%	65.24%	100.00%	31.97%	3.17%	64.86%	100.00%	
<b>Total Disability Services Division</b>	<u>\$53,214,370</u>	<u>\$5,607,178</u>	<u>\$130,065,564</u>	<u>\$188,887,112</u>	<u>\$74,383,149</u>	<u>\$5,607,178</u>	<u>\$129,478,183</u>	<u>\$209,468,510</u>	<u>\$75,834,802</u>	<u>\$5,607,178</u>	<u>\$130,542,467</u>	<u>\$211,984,447</u>	100.00%
Percent of Total	28.17%	2.97%	68.86%	100.00%	35.51%	2.68%	61.81%	100.00%	35.77%	2.65%	61.58%	100.00%	

About 77% of funding for the division supports comprehensive waiver services for developmentally disabled individuals and mental health benefits for children. Both programs are provided under the federal Medicaid program. Increases from the FY 2010 base budget are primarily due to statewide present law adjustments and increases in caseload. General fund increases are also due to an increase in the state's share of the costs for providing Medicaid services, with a corresponding reduction in federal funds. The other significant increase is for annualization of client cost plans under two Medicaid waivers – the comprehensive waiver and the autism waiver.

Medicaid services are entitlements and are required under federal law to be provided to individuals who qualify for services. However, the Centers for Medicare and Medicaid Services can approve waivers to federal Medicaid requirements that allow states to provide services to target populations. The waivers granted to Montana and administered by DSD allow the state to contain costs for the targeted populations of developmental disabled individuals and mentally ill children as the services are delivered through a more cost effective delivery system and costs can be limited to the funding provided by the legislature. DSD operates three waivers for developmentally disabled individuals and one waiver for mentally ill children.

The Montana Developmental Center (MDC) is the other major component of the division budget. The legislature provided for reinstatement of overtime and holiday pay for employees in the 24/7 facility. This is the major driver of the increases above the 2010 base budget for the institution. The legislature reduced staff at MDC by 13.00 FTE, reducing personal services costs and operating expenses by \$1.0 million in general fund over the biennium. The reduction in the MDC budget is partially offset by increases of \$0.7 million in services provided under the Medicaid comprehensive waiver.

#### Summary of Benefits

The costs of this division are driven by the provision of benefits and the staff and contracted providers that deliver the services throughout the state. The figure below summarizes the benefits provided in the FY 2010 base year and the anticipated increases in the 2013 biennium.

Disability Services Division Summary of Benefits and Claims with Related Funding													
Description	FY 2010 Base Budget				FY 2012 Budget				FY 2013 Budget				Percent of Division Biennium Total
	General Fund	State Special	Federal Special	Total Funds	General Fund	State Special	Federal Special	Total Funds	General Fund	State Special	Federal Special	Total Funds	
Benefits and Claims													
Medicaid Ben Children's Mental Health	\$12,123,465	\$2,053,472	\$47,879,884	\$62,056,821	\$21,910,558	\$2,053,472	\$46,914,499	\$70,878,529	\$22,575,121	\$2,053,472	\$47,258,718	\$71,887,311	38.39%
Children's Mental Health Admin	21,159	0	11,096	32,255	21,159	0	11,096	32,255	21,159	0	11,096	32,255	0.02%
Children's Mental Health Ben & Grants	729,892	0	0	729,892	729,892	0	0	729,892	729,892	0	0	729,892	0.39%
MDC Medicaid	0	0	9,080,434	9,080,434	0	0	9,080,434	9,080,434	0	0	9,080,434	9,080,434	4.88%
Medicaid DD Targeted Case Management	655,943	0	2,148,957	2,804,900	1,035,292	0	2,029,518	3,064,810	1,056,950	0	2,028,133	3,085,083	1.65%
Medicaid Comprehensive Waiver	13,638,037	2,942,130	56,806,255	73,386,422	26,208,251	2,942,130	57,352,437	86,502,818	27,222,141	2,942,130	58,084,511	88,248,782	46.99%
Medicaid Community Supports Waiver	328,561	0	1,178,642	1,507,203	542,924	0	1,064,311	1,607,235	556,994	0	1,068,790	1,625,784	0.87%
Medicaid Autism Waiver	268,485	0	951,982	1,220,467	709,521	0	1,390,895	2,100,416	727,425	0	1,395,822	2,123,247	1.14%
DD Benefits	3,972,912	0	3,938,287	7,911,199	926,796	0	3,938,287	4,865,083	904,555	0	3,938,287	4,842,842	2.61%
Medicaid Admin DD	584,432	0	661,957	1,246,389	584,556	0	661,833	1,246,389	584,556	0	661,833	1,246,389	0.67%
Early Intervention IDEA Part C	2,085,728	583,737	1,772,980	4,442,445	2,086,616	583,737	1,772,091	4,442,445	2,087,061	583,737	1,771,647	4,442,445	2.39%
<b>Total Benefits and Claims</b>	<b>\$34,408,614</b>	<b>\$5,579,339</b>	<b>\$124,430,474</b>	<b>\$164,418,427</b>	<b>\$54,755,566</b>	<b>\$5,579,339</b>	<b>\$124,215,401</b>	<b>\$184,550,306</b>	<b>\$56,465,854</b>	<b>\$5,579,339</b>	<b>\$125,299,271</b>	<b>\$187,344,464</b>	<b>100.00%</b>

Medicaid benefits provided to developmentally disabled individuals living in the community comprise almost 54% of the benefits provided by the division while Medicaid benefits provided to mentally ill children make up the majority of the rest of the benefits provided. The increases in Medicaid benefits are primarily driven by caseload increases of \$18.6 million for children's mental health and \$15.7 million for developmentally disabled individuals.

As shown, DD benefits are 2.6% of the 2013 biennial budget. Services provided include case management for non-Medicaid children or children on the waiting list for waiver services. In the 2013 biennium, the legislature did not include adjustments for caseload to this portion of the budget due to approval of a proposal to move 250 individuals with services funded with general fund into comprehensive waiver services funded with a combination of general fund and federal special revenues under the Medicaid program. The change reduces general fund by \$4.0 million over the 2013 biennium.

Medicaid reimbursement for services provided to developmentally disabled individuals residing at MDC are almost 5% of the benefits provided by the division. The funds are deposited into the general fund and not provided as part of the support for MDC.

### Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 53,214,370	28.2%	\$ 74,383,149	35.5%	\$ 75,834,802	35.8%
01100 General Fund	53,214,370	28.2%	74,383,149	35.5%	75,834,802	35.8%
02000 Total State Special Funds	5,607,178	3.0%	5,607,178	2.7%	5,607,178	2.6%
02035 Mdc Vocational	11,576	0.0%	11,576	0.0%	11,576	0.0%
02597 Montana Healthy Kids Initiative	78,917	0.0%	78,917	0.0%	78,917	0.0%
02772 Tobacco Hlth & Mediced Initiative	4,683,133	2.5%	4,683,133	2.2%	4,683,133	2.2%
02987 Tobacco Interest	833,552	0.4%	833,552	0.4%	833,552	0.4%
03000 Total Federal Special Funds	130,065,564	68.9%	129,478,183	61.8%	130,542,467	61.6%
03237 Alternative To Psych Treatment Fac	361,450	0.2%	259,617	0.1%	259,450	0.1%
03556 84.181 - Part H - Early Interv	1,714,882	0.9%	1,713,497	0.8%	1,713,174	0.8%
03579 93.667 - SsbG - Benefits	4,045,564	2.1%	4,045,554	1.9%	4,045,564	1.9%
03580 6901-93.778 - Med Adm 50%	2,687,209	1.4%	2,336,810	1.1%	2,318,305	1.1%
03583 93.778 - Med Ben Fmap	117,930,226	62.4%	117,832,094	56.3%	118,916,408	56.1%
03599 03 Indirect Activity Prog 10	3,106,109	1.6%	3,105,978	1.5%	3,104,918	1.5%
03794 Samsa Grant	220,124	0.1%	184,633	0.1%	184,648	0.1%
Grand Total	<u>\$ 188,887,112</u>	<u>100.0%</u>	<u>\$ 209,468,510</u>	<u>100.0%</u>	<u>\$ 211,984,447</u>	<u>100.0%</u>

The majority of the funding supporting DSD comes from federal sources and is used for the provision of benefits and client services. General fund provides over a third of the support for the division, and is primarily used to support the Montana Developmental Center (MDC) and as match to draw down Medicaid and other federal matching funds. The matching ratio for federal programs administered by the division varies. However, the most common ratios are as follows:

- Medicaid services are funded at the federal medical assistance participation rate (FMAP), which for the 2013 biennium is generally 34% state funds and 66% federal funds (for more information see the agency overview section of this narrative)
- Medicaid administrative costs are funded at a 50/50 ratio of state and federal funds
- Psychiatric Residential Treatment Facilities (PRTF) waiver state administrative costs are 100% federal funds
- MDC is funded entirely with general fund. Medicaid reimbursements for services provided at MDC are first used to repay bond debt and the remaining balance is deposited in the general fund

General fund supporting the division changes due to:

- Funding switches between federal revenue and general fund due to changes in FMAP and the elimination of federal support provided in the American Recovery and Reinvestment Act totaling over \$29.4 million over the 2013 biennium
- Increases to support changes in the costs associated with three Medicaid waivers providing support for developmentally disabled children and adults and caseload costs changes for Medicaid services provided to children with serious emotional disturbances (SED). The changes increased general fund by about \$13.4 million and will be used to draw down federal support of approximately \$26.0 million over the biennium
- Converting funding for about 250 developmentally disabled individuals who had received services that were primarily financed with general fund to the Medicaid comprehensive waiver program at a savings of \$4.0 million general fund over the biennium
- Reconfiguring services at the Montana Developmental Center to address changes in the population including severity and duality of mentally ill developmentally disabled individuals being served. The legislature increased community services to allow DSD to reduce bed capacity at MDC by 12 individuals. This change reduced general fund supporting MDC by about \$0.3 million over the biennium.

Two federal sources are used to fund services to children with diagnosis of SED - Medicaid and the Children's Health Insurance Program (CHIP). Medicaid, CHIP and state matching funds to support services provided to mentally ill children are in two divisions within DPHHS:

- Children's Mental Health Program budget in DSD has the majority of Medicaid costs for children with SED
- Health Resources Division has the majority of federal CHIP funding and state matching funds for services provided to SED children and the costs for Medicaid drugs, and for individually licensed mental health professionals serving SED children

State special revenue funds include health and Medicaid initiative funding and tobacco settlement interest funds. The funds support Medicaid services for seriously emotionally disturbed children, developmentally disabled children and adults, and early intervention services for babies and toddlers with disabilities. These funding sources are discussed in detail in the agency summary.

### Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	53,214,370	53,214,370	106,428,740	70.85%	188,887,112	188,887,112	377,774,224	89.64%
Statewide PL Adjustments	15,133,374	15,146,956	30,280,330	20.16%	427,148	441,204	868,352	0.21%
Other PL Adjustments	7,803,370	9,064,963	16,868,333	11.23%	19,148,951	20,640,514	39,789,465	9.44%
New Proposals	(1,767,965)	(1,591,487)	(3,359,452)	(2.24%)	1,005,299	2,015,617	3,020,916	0.72%
<b>Total Budget</b>	<b>\$74,383,149</b>	<b>\$75,834,802</b>	<b>\$150,217,951</b>		<b>\$209,468,510</b>	<b>\$211,984,447</b>	<b>\$421,452,957</b>	

An adjustment was made to the funding for this division to reflect the end of the increased federal FMAP provided through the federal stimulus package in the 2011 biennium. The 2009 Legislature had anticipated and sanctioned this funding switch in HB 645, which implemented the federal stimulus in Montana. Federal funds totaling \$14.7 million in the FY 2010 base expenditures have been replaced with general fund each year of the 2013 biennium in the legislative budget.

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted 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 2012-----						-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					1,226,895					1,235,746
Vacancy Savings					(761,534)					(761,889)
Inflation/Deflation					(58,736)					(51,064)
Fixed Costs					20,523					18,411
<b>Total Statewide Present Law Adjustments</b>		<b>\$15,133,374</b>	<b>\$0</b>	<b>(\$14,706,226)</b>	<b>\$427,148</b>		<b>\$15,146,956</b>	<b>\$0</b>	<b>(\$14,705,752)</b>	<b>\$441,204</b>
DP 10001 - FMAP Adj - DD & CMH	0.00	688,470	0	(688,470)	0	0.00	1,346,538	0	(1,346,538)	0
DP 10002 - Med Ben - CMH Caseload	0.00	2,982,619	0	5,839,089	8,821,708	0.00	3,367,926	0	6,462,564	9,830,490
DP 10003 - Med Ben - DD Caseload	0.00	2,564,364	0	5,027,002	7,591,366	0.00	2,764,300	0	5,304,292	8,068,592
DP 10006 - Restore OT/Holidays Worked	0.00	927,632	0	0	927,632	0.00	933,187	0	0	933,187
DP 10008 - Med Ben - Annualization of Service Expansion	0.00	679,973	0	1,332,973	2,012,946	0.00	689,636	0	1,323,310	2,012,946
DP 10009 - FMAP Adj - DD Operating Costs	0.00	165,013	0	(165,013)	0	0.00	168,077	0	(168,077)	0
DP 10010 - Reduction to DSD Base	0.00	(924,237)	0	0	(924,237)	0.00	(924,237)	0	0	(924,237)
DP 10011 - Re-establish Comprehensive Waiver Base	0.00	818,120	0	0	818,120	0.00	818,120	0	0	818,120
DP 55140 - 17-7-140 reductions - Operations Efficiency	0.00	(98,584)	0	0	(98,584)	0.00	(98,584)	0	0	(98,584)
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$7,803,370</b>	<b>\$0</b>	<b>\$11,345,581</b>	<b>\$19,148,951</b>	<b>0.00</b>	<b>\$9,064,963</b>	<b>\$0</b>	<b>\$11,575,551</b>	<b>\$20,640,514</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$22,936,744</b>	<b>\$0</b>	<b>(\$3,360,645)</b>	<b>\$19,576,099</b>	<b>0.00</b>	<b>\$24,211,919</b>	<b>\$0</b>	<b>(\$3,130,201)</b>	<b>\$21,081,718</b>

**New Proposals**

New Proposals											
-----Fiscal 2012-----						-----Fiscal 2013-----					
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 10103 - Med Ben - Restore Autism Group Home	10	0.00	202,680	0	397,320	600,000	0.00	205,560	0	394,440	600,000
DP 10104 - Med Ben - MDC Transition to Waiver	10	0.00	125,019	0	245,078	370,097	0.00	430,691	0	826,435	1,257,126
DP 10110 - Increase Funding for Targeted Case Management	10	0.00	0	0	(443,765)	(443,765)	0.00	0	0	(461,205)	(461,205)
DP 10500 - Restore Utilization Review	10	0.00	0	0	0	0	0.00	0	0	0	0
DP 55107 - Med Ben - DD Refinancing	10	0.00	(2,017,138)	0	2,017,138	0	0.00	(2,017,138)	0	2,017,138	0
DP 55410 - 4% GF - MDC Reconfiguration	10	(8.71)	(78,526)	0	557,493	478,967	(13.00)	(210,600)	0	830,296	619,696
<b>Total</b>	<b>(8.71)</b>	<b>(\$1,767,965)</b>	<b>\$0</b>	<b>\$2,773,264</b>	<b>\$1,005,299</b>	<b>(13.00)</b>	<b>(\$1,591,487)</b>	<b>\$0</b>	<b>\$3,607,104</b>	<b>\$2,015,617</b>	

**Sub-Program Details****CHILDREN'S MENTAL HEALTH SERVICES 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 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Leg. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Leg. Budget Fiscal 2013	Total Leg. Budget Fiscal 12-13
FTE	17.49	0.00	0.00	17.49	0.00	0.00	17.49	17.49
Personal Services	1,017,066	60,918	0	1,077,984	58,855	0	1,075,921	2,153,905
Operating Expenses	2,051,123	(21)	(443,765)	1,607,337	139	(461,205)	1,590,057	3,197,394
Grants	400,941	0	0	400,941	0	0	400,941	801,882
Benefits & Claims	62,818,968	8,821,708	0	71,640,676	9,830,490	0	72,649,458	144,290,134
<b>Total Costs</b>	<b>\$66,288,098</b>	<b>\$8,882,605</b>	<b>(\$443,765)</b>	<b>\$74,726,938</b>	<b>\$9,889,484</b>	<b>(\$461,205)</b>	<b>\$75,716,377</b>	<b>\$150,443,315</b>
General Fund	14,223,205	9,773,750	0	23,996,955	10,437,698	0	24,660,903	48,657,858
State/Other Special	2,053,472	0	0	2,053,472	0	0	2,053,472	4,106,944
Federal Special	50,011,421	(891,145)	(443,765)	48,676,511	(548,214)	(461,205)	49,002,002	97,678,513
<b>Total Funds</b>	<b>\$66,288,098</b>	<b>\$8,882,605</b>	<b>(\$443,765)</b>	<b>\$74,726,938</b>	<b>\$9,889,484</b>	<b>(\$461,205)</b>	<b>\$75,716,377</b>	<b>\$150,443,315</b>

**Sub-Program Description**

The Children's Mental Health Bureau (CMHB) administers mental health services for children, including Medicaid funded services, an expanded mental health benefit program in HMK for seriously emotionally disturbed (SED) children, and very limited services supported by general fund. The expanded mental health benefit program in HMK is limited to 130 children and budgeted in Health Resources Division.

**Sub-Program Narrative**

Seriously emotionally disturbed youth eligible for Medicaid services have access to a continuum of mental health services if they meet requirements of medical necessity. The costs of the Medicaid services are included in either the Health Resource Division or the Disability Services Division budgets.

Basic outpatient mental health services are provided by licensed mental health professionals, including psychologists, social workers, and professional counselors. Medical providers such as advanced practice nurses, psychiatrists, or primary care doctors also provide mental health services. The annual costs for individually licensed mental health professionals is in the DSD budget while the costs of medical providers and medications are included in the Health Resource Division budget.

Next in the continuum of care for youth with SED and his/her family are mental health center outpatient services. These include individual, group, and family therapy provided in a clinic setting, psychotropic medication management, target youth case management, youth day treatment, community-based psychiatric rehabilitation and support services, comprehensive school and community treatment, and therapeutic family care. The costs included in this category of services are included in the Children's Mental Health Bureau budget. The figure on the next page provides the costs of these services over the last 5 years and the budgeted costs for FY 2011, FY 2012, and FY 2013.

Disability Services Division Children's Mental Health Division Costs of Services								
Medicaid Service	Actual Expenditures					Budgeted		
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Mental Health Centers	\$4,405,574	\$3,602,529	\$3,896,745	\$5,382,191	\$6,148,088	\$6,532,344	\$6,734,357	\$6,895,981
Case Management Services	5,056,952	5,156,882	4,898,168	4,778,569	5,026,429	5,026,429	4,922,745	4,898,131
Inpatient Hospital Services	3,773,945	3,668,414	2,531,627	3,429,344	4,625,410	4,717,918	4,788,665	4,879,649
Residential Psychiatric	16,840,447	15,528,989	12,606,453	12,579,092	13,231,297	12,834,358	13,034,242	13,034,242
Therapeutic Group Home	14,967,222	16,027,134	17,247,286	15,289,308	16,319,981	17,299,179	17,743,983	18,013,600
Therapeutic Foster Care	<u>5,109,435</u>	<u>5,690,791</u>	<u>6,627,561</u>	<u>8,330,505</u>	<u>9,275,927</u>	<u>9,790,741</u>	<u>10,142,671</u>	<u>10,479,813</u>
<b>Total</b>	<b>\$50,153,575</b>	<b>\$49,674,739</b>	<b>\$47,807,840</b>	<b>\$49,789,009</b>	<b>\$54,627,132</b>	<b>\$56,200,969</b>	<b>\$57,366,663</b>	<b>\$58,201,416</b>

Youth whose symptoms can no longer be managed by the family while residing at home are eligible to receive out-of-home services in inpatient hospitals, therapeutic group homes, or psychiatric residential treatment facilities. While most of these services are provided in Montana, some are provided out of state, depending on availability of beds and the needs of the child. Youth needing this level of care can incur the greatest costs. As discussed in the program narrative, HB 565 changes the requirements for making out-of-state placements and requires DSD to absorb any costs within current resources. The Medicaid costs included for these services are budgeted in CMHB. The figure above provides the costs of out of home care over the last 5 years and the budgeted costs for FY 2011, FY 2012, and FY 2013.

Montana has received a federal grant to operate a demonstration waiver (PRTF) to provide wraparound services to children who qualify for or at risk of placement in psychiatric residential treatment facilities. The purpose of the waiver is to support a youth in need of psychiatric residential treatment care to remain in their homes with their family. Youth already living in a psychiatric residential treatment facility may discharge early and transition to waiver services. The funding for two additional waiver sites is budgeted at 100% federal funding in the 2013 biennium.

In addition, Montana offers the option of therapeutic foster care. These services allow youth to live in the foster care home while the foster family and the youth receive therapeutic support. The costs for these services are also included in the CMHB budget. The figure above shows the costs of these services over the last 5 years and the budgeted costs for FY 2011, FY 2012, and FY 2013.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	14,223,205	14,223,205	28,446,410	58.46%	66,288,098	66,288,098	132,576,196	88.12%
Statewide PL Adjustments	6,527,274	6,526,659	13,053,933	26.83%	60,897	58,994	119,891	0.08%
Other PL Adjustments	3,246,476	3,911,039	7,157,515	14.71%	8,821,708	9,830,490	18,652,198	12.40%
New Proposals	0	0	0	0.00%	(443,765)	(461,205)	(904,970)	(0.60%)
<b>Total Budget</b>	<b>\$23,996,955</b>	<b>\$24,660,903</b>	<b>\$48,657,858</b>		<b>\$74,726,938</b>	<b>\$75,716,377</b>	<b>\$150,443,315</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget adopted 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 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					105,833					103,685
Vacancy Savings					(44,915)					(44,830)
Inflation/Deflation					(515)					(508)
Fixed Costs					494					647
<b>Total Statewide Present Law Adjustments</b>		<b>\$6,527,274</b>	<b>\$0</b>	<b>(\$6,466,377)</b>	<b>\$60,897</b>		<b>\$6,526,659</b>	<b>\$0</b>	<b>(\$6,467,665)</b>	<b>\$58,994</b>
DP 10001 - FMAP Adj - DD & CMH	0.00	263,857	0	(263,857)	0	0.00	543,113	0	(543,113)	0
DP 10002 - Med Ben - CMH Caseload	0.00	2,982,619	0	5,839,089	8,821,708	0.00	3,367,926	0	6,462,564	9,830,490
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$3,246,476</b>	<b>\$0</b>	<b>\$5,575,232</b>	<b>\$8,821,708</b>	<b>0.00</b>	<b>\$3,911,039</b>	<b>\$0</b>	<b>\$5,919,451</b>	<b>\$9,830,490</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$9,773,750</b>	<b>\$0</b>	<b>(\$891,145)</b>	<b>\$8,882,605</b>	<b>0.00</b>	<b>\$10,437,698</b>	<b>\$0</b>	<b>(\$548,214)</b>	<b>\$9,889,484</b>

DP 10001 - FMAP Adj - DD & CMH - The legislature supported an increase in general fund and a decrease in federal Medicaid funds over the biennium due to a projected change in FMAP rates for FY 2012 and FY 2013 as they apply to the Children’s Mental Health Services Program (CMHB) and Developmental Disabilities Program (DDP) benefit expenditures.

The projected calculated of the FMAP rate for FY 2012 is 33.78% and 34.26% for FY 2013 for DDP and 33.81% and 34.26% in FY 2012 and FY 2013, respectively, for CMHB as compared to the adjusted base FMAP of 33.30%.

DP 10002 - Med Ben - CMH Caseload - The legislature provided general fund and federal Medicaid funds to support projected caseload increases for children receiving mental health services. The funding is about \$6.4 million general fund and \$18.7 million total funds over the 2013 biennium.

**New Proposals**

New Proposals	-----Fiscal 2012-----					-----Fiscal 2013-----					
	Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 10110 - Increase Funding for Targeted Case Management											
01	0.00	0	0	(443,765)	(443,765)	0.00	0	0	(461,205)	(461,205)	
DP 10500 - Restore Utilization Review											
01	0.00	0	0	0	0	0.00	0	0	0	0	
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$443,765)</b>	<b>(\$443,765)</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$461,205)</b>	<b>(\$461,205)</b>	

DP 10110 - Increase Funding for Targeted Case Management - The legislature eliminated funding for the clinical review services contract for the Children's Mental Health Bureau and provided a restricted appropriation for a provider rate increase for targeted case management services provided by licensed mental health centers. The change resulted in a reduction in federal funds as the contract FMAP was at 75% while the provider rate was at about 66%.

DP 10500 - Restore Utilization Review - The legislature approved restoring utilization review for the Children's Mental Health Bureau and eliminated a restricted appropriation for provider increases for targeted case management services provided for licensed mental health centers.

**Sub-Program Details****MT DEVELOPMENTAL CENTER 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 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Leg. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Leg. Budget Fiscal 2013	Total Leg. Budget Fiscal 12-13
FTE	266.35	0.00	(8.71)	257.64	0.00	(13.00)	253.35	253.35
Personal Services	12,280,677	1,111,272	(341,765)	13,050,184	1,123,280	(611,898)	12,792,059	25,842,243
Operating Expenses	2,851,119	(149,737)	(21,147)	2,680,235	(144,743)	(31,406)	2,674,970	5,355,205
<b>Total Costs</b>	<b>\$15,131,796</b>	<b>\$961,535</b>	<b>(\$362,912)</b>	<b>\$15,730,419</b>	<b>\$978,537</b>	<b>(\$643,304)</b>	<b>\$15,467,029</b>	<b>\$31,197,448</b>
General Fund	15,120,220	961,535	(362,912)	15,718,843	978,537	(643,304)	15,455,453	31,174,296
State/Other Special	11,576	0	0	11,576	0	0	11,576	23,152
<b>Total Funds</b>	<b>\$15,131,796</b>	<b>\$961,535</b>	<b>(\$362,912)</b>	<b>\$15,730,419</b>	<b>\$978,537</b>	<b>(\$643,304)</b>	<b>\$15,467,029</b>	<b>\$31,197,448</b>

**Sub-Program Description**

The mission of the Montana Developmental Center (MDC) is to improve, preserve, strengthen, and protect the health, well-being, and self-reliance of all individuals served, in an environment that respects and develops those individuals charged with providing services. MDC's program is directed toward preparing clients for discharge to an appropriate program in a community setting. All persons are recognized as having the capability to grow and develop throughout their lifetime. All individual clients are ensured the right to be treated with dignity and respect and are provided the opportunity to realize their potential.

MDC, located in Boulder, provides a healthy, safe, therapeutic environment to assist individuals with developmental disabilities prepare for community living. MDC also provides a safety net for those individuals who pose a danger to themselves or others. MDC is licensed by Medicaid as an ICF/MR (Intermediate Care Facility for Mental Retardation) and by the State of Montana as an ICF/DD (Intermediate Care Facility for Developmental Disabilities) and currently serves 66 individuals.

Individuals arrive at MDC by civil or court commitment, or by court referral for a short term evaluation of their fitness to proceed in criminal cases. Civil commitments are for no longer than one year. In criminal cases, if an individual is capable to stand trial and found guilty, but placement in the correction system is determined inappropriate, the individual can be committed to MDC as a criminal to serve a criminal sentence. The state must take an individual for an emergency civil commitment or for a criminal sentence.

**Sub-Program Narrative**

The figure on the next page shows the population and related costs for FY 2008, FY 2010, and those budgeted for the 2013 biennium.

Montana Developmental Center Expenditures				
	Actual FY 2008	Actual FY 2010	Budgeted FY 2012	Budgeted FY 2013
FTE	268.80	266.35	257.64	253.35
Personal Services	\$12,329,954	\$12,280,667	\$13,050,184	\$12,792,059
All other	<u>2,913,672</u>	<u>2,851,119</u>	<u>2,680,235</u>	<u>2,674,970</u>
Total	<u>\$15,243,626</u>	<u>\$15,131,786</u>	<u>\$15,730,419</u>	<u>\$15,467,029</u>
General Fund	\$15,189,807	\$15,120,220	\$15,718,843	\$15,455,453
State Special Rev.	53,819	11,576	11,576	11,576
Federal Special	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$15,243,626</u>	<u>\$15,131,796</u>	<u>\$15,730,419</u>	<u>\$15,467,029</u>
Population	63	63	56	56
Cost Per Person	\$241,962	\$240,187	\$280,900	\$276,197
Cost Per Day	\$663	\$658	\$770	\$757
Annual Change		-0.73%	16.95%	-1.67%
Federal Reimbursements*	8,952,602	9,080,434	9,080,434	9,080,434
* Includes debt service repayments of \$1,013,533 and \$1,014,218 in FY 2012 and FY 2013 respectively.				

The increasing costs for MDC shown in figure above reflect the more difficult population mix and the changes in staffing required to work with the clients. The reduced FTE numbers in FY 2012 and FY 2013 are due to moving 12 individuals from MDC into the community and the corresponding reduction in the associated number of staff at MDC.

The bottom line shows the federal Medicaid reimbursement amounts that MDC receives for Medicaid eligible clients. Any reimbursement amounts are deposited into the state's general fund. The reimbursement amounts in the figure do not reflect the reduction to Medicaid reimbursements that would result when DSD moves individuals out of cottage six as discussed in the program narrative.

The individuals are:

- Older
- Roommates
- Long-term residents of the facility, in one case 68 years
- Moderate to severely mentally retarded
- Supervised with activities of daily living
- Not dually diagnosed with a mental illness

As the residents have lived together for many years, DSD will work with DSD providers to take the group together, maintaining each client's relationships and routines, reducing the changes for the clients, and reducing the probability the residents will need to return to MDC.

#### *Changes in Populations, Staffing, and Treatment*

Over approximately the past five years MDC has gone through significant changes in the population served at the facility. New admissions are committed or criminally sentenced to the facility for being a danger to self or others and generally are diagnosed with mild retardation or borderline IQ. Recent admissions have included individuals convicted of sexual assault, assault, and/or self injury. Two individuals have committed homicides. Almost 85% of the individuals at MDC also have a dual diagnosis of mental illness and several have significant substance abuse problems.

As a result of the rapid change in the type of individuals served at MDC, the legislature supported changing the treatment program to meet the current needs of the individuals who reside there. More intensive staffing for both safety and treatment and staff with specialized skills (e.g. clinical psychologists) were approved to serve individuals who have the multi-diagnoses.

The population of individuals at MDC also includes an increasing proportion of individuals who have been referred for community placement. If the client's civil commitment is ended and not renewed, and the client is appropriate to live in a community setting, they are referred to providers in Montana communities. The legislature provided funding to move individuals out of the facility into community placements and to ensure those with mental illness receive treatment.

### Types of Populations

The average daily population at MDC in FY 2010 was 63. The maximum daily population in the six residences will be reduced to 44 clients as a result of the legislative approval to move 12 individuals into community services and reduce the licensed bed capacity of MDC. In addition to six residencies, MDC operates the Assessment and Stabilization Unit (ASU) with a maximum daily population of 12. The ASU is a locked and enclosed facility that houses individuals who are unlikely to be candidates for community inclusion because of the significant safety issues associated with their care, including protecting both the client and the caretakers. Residents of the ASU have been deemed a danger to themselves or others. The remaining MDC population includes individuals who may be civilly committed to MDC because they have engaged in a criminal behavior but have been determined to be incompetent to be prosecuted because they cannot understand the criminality of their actions. Others have been determined to be capable of understanding the criminal nature of their acts but are in need of treatment and are criminally sentenced. Many clients presently at MDC require a 2:1 staff ratio, which is reflected in the staffing numbers approved by the legislature.

### **Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	15,120,220	15,120,220	30,240,440	97.00%	15,131,796	15,131,796	30,263,592	97.01%
Statewide PL Adjustments	126,499	137,946	264,445	0.85%	126,499	137,946	264,445	0.85%
Other PL Adjustments	835,036	840,591	1,675,627	5.38%	835,036	840,591	1,675,627	5.37%
New Proposals	(362,912)	(643,304)	(1,006,216)	(3.23%)	(362,912)	(643,304)	(1,006,216)	(3.23%)
<b>Total Budget</b>	<b>\$15,718,843</b>	<b>\$15,455,453</b>	<b>\$31,174,296</b>		<b>\$15,730,419</b>	<b>\$15,467,029</b>	<b>\$31,197,448</b>	

### **Present Law Adjustments**

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted 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 2012-----				-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					702,984					709,704
Vacancy Savings					(519,344)					(519,611)
Inflation/Deflation					(56,233)					(48,655)
Fixed Costs					(908)					(3,492)
<b>Total Statewide Present Law Adjustments</b>		<b>\$126,499</b>	<b>\$0</b>	<b>\$0</b>	<b>\$126,499</b>		<b>\$137,946</b>	<b>\$0</b>	<b>\$0</b>	<b>\$137,946</b>
DP 10006 - Restore OT/Holidays Worked	0.00	927,632	0	0	927,632	0.00	933,187	0	0	933,187
DP 55140 - 17-7-140 reductions - Operations Efficiency	0.00	(92,596)	0	0	(92,596)	0.00	(92,596)	0	0	(92,596)
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$835,036</b>	<b>\$0</b>	<b>\$0</b>	<b>\$835,036</b>	<b>0.00</b>	<b>\$840,591</b>	<b>\$0</b>	<b>\$0</b>	<b>\$840,591</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$961,535</b>	<b>\$0</b>	<b>\$0</b>	<b>\$961,535</b>	<b>0.00</b>	<b>\$978,537</b>	<b>\$0</b>	<b>\$0</b>	<b>\$978,537</b>

DP 10006 - Restore OT/Holidays Worked - The legislature approved an additional \$1.8 million general fund over the biennium to restore zero-based personal services funding. The components of the funding include overtime, differential pay to meet required union contracts when an employee performs duties outside of and above his/her regular job classification (non-union employees also receive higher pay under agreed upon conditions on a temporary basis when assigned), holidays and holidays worked, and adjustments to standard payroll benefits.

DP 55140 - 17-7-140 reductions - Operations Efficiency - The Governor made reductions to agencies' 2011 biennium general fund budgets in accordance with 17-7-140, MCA. A portion of the reductions was effective in FY 2011 and therefore is not reflected in the base. The legislature continued the reduction in the 2013 biennium including reduced support for medications and canned goods at MDC and supplies and cell phone costs in DDP.

### New Proposals

New Proposals										
Sub Program	FTE	Fiscal 2012				Fiscal 2013				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 55410 - 4% GF - MDC Reconfiguration 02	(8.71)	(362,912)	0	0	(362,912)	(13.00)	(643,304)	0	0	(643,304)
<b>Total</b>	<b>(8.71)</b>	<b>(\$362,912)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$362,912)</b>	<b>(13.00)</b>	<b>(\$643,304)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$643,304)</b>

DP 55410 - 4% GF - MDC Reconfiguration - The legislature approved this decision package as part of the department's 4% general fund personal services reduction. This reconfigures the operations of MDC and moves 12 residents of MDC into community-based 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 as necessary for brevity and to include any legislative changes.*

Justification: A few residents remain at MDC who are diagnosed with a moderate or severe mental retardation, are older and have resided at the facility for many years, require supervision for daily self care activities, and do not have mental health diagnosis. All of these individuals have been referred for community placement. Due to the lower level of functioning and vulnerability of these individuals, mixing this population with the new commitments described below puts these remaining individuals at risk for serious harm. This proposal provides funding for the personal support plans to serve the individuals in the community.

Goals: The goal of the reconfiguration will be to place individuals into the community and reduce the census by 12 individuals on the ICF/MR portion of the facility. The licensed capacity of MDC will be reduced to 56 individuals (44 beds in the ICF/MR portion of the facility and 12 beds in the ICF/DD portion of the facility).

Performance Criteria: Successfully place all 12 individuals out of MDC by 12/31/2011.

Milestones: Following successful passage by the 2011 Legislature, DDP would begin the process of placement from MDC. Activities toward that goal would include:

- 5/1/2011- Send notice to providers for requests to serve the 12 individuals
- 7/1/2011- Begin placements of the 12 individuals
- 12/31/2011- Place all 12 individuals in community placements

FTE: The proposal will reduce 13 FTE at MDC.

**Funding Source:** The request is \$0.7 million general fund and \$1.3 million federal Medicaid funds over the 2013 biennium.

**Obstacles:** The biggest potential obstacle to the success of the MDC reconfiguration will be whether community providers will submit proposals to serve the 12 individuals.

**Risk:** If placement in the community is delayed or does not happen, several of the individuals we are asking to move to the community are at risk of harm, because of the characteristics of the other clients at MDC. The Department and Montana also face the risk of legal action based on previous “Olmstead” court decisions. These Olmstead decisions center on treating people in the least restrictive setting. Community settings have been found to be less restrictive than facilities. Other states have been given some leeway when clients, who are ready for discharge, are moved from a state facility to a community setting at a reasonable pace.

**Sub-Program Details****DEVELOPMENTAL DISABILITIES PROGRAM 04****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 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Leg. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Leg. Budget Fiscal 2013	Total Leg. Budget Fiscal 12-13
FTE	84.08	0.00	0.00	84.08	0.00	0.00	84.08	84.08
Personal Services	4,513,803	220,803	0	4,734,606	224,909	0	4,738,712	9,473,318
Operating Expenses	1,353,956	12,961	0	1,366,917	13,367	0	1,367,323	2,734,240
Benefits & Claims	92,519,025	9,498,195	1,811,976	103,829,196	9,975,421	3,120,126	105,614,572	209,443,768
<b>Total Costs</b>	<b>\$98,386,784</b>	<b>\$9,731,959</b>	<b>\$1,811,976</b>	<b>\$109,930,719</b>	<b>\$10,213,697</b>	<b>\$3,120,126</b>	<b>\$111,720,607</b>	<b>\$221,651,326</b>
General Fund	23,870,945	12,201,459	(1,405,053)	34,667,351	12,795,684	(948,183)	35,718,446	70,385,797
State/Other Special	3,542,130	0	0	3,542,130	0	0	3,542,130	7,084,260
Federal Special	70,973,709	(2,469,500)	3,217,029	71,721,238	(2,581,987)	4,068,309	72,460,031	144,181,269
<b>Total Funds</b>	<b>\$98,386,784</b>	<b>\$9,731,959</b>	<b>\$1,811,976</b>	<b>\$109,930,719</b>	<b>\$10,213,697</b>	<b>\$3,120,126</b>	<b>\$111,720,607</b>	<b>\$221,651,326</b>

**Sub-Program Description**

The mission of the Developmental Disabilities Program (DDP) is to support choices and opportunities for people with developmental disabilities in their communities. To accomplish this mission, DDP employs a person-centered planning approach.

DDP is organized into a central office and five regional offices with four satellite offices. The central office provides statewide management and supervision, program fiscal operations and budgeting, policy direction, quality assurance, provider payment processing, and federal reporting functions. The offices across the state oversee 60 service provider agencies that provide services to over 4,500 individuals with developmental disabilities. The regional staff performs billing and invoicing, quality assurance monitoring, and case management functions.

Developmental disabilities include mental retardation, cerebral palsy, epilepsy, and autism. The disabilities place significant obstacles for individuals afflicted to overcome or adapt to if they are to be successful in living in a community setting.

**Sub-Program Narrative***Services*

As discussed in the program narrative, DDP provides services under three federal waivers. The federal waivers allow DSD to deliver Medicaid services to developmentally disabled individuals more cost effectively than having the individuals reside at MDC. In addition to the three waivers, the division also provides early intervention services, targeted case management, administration, and a limited amount of developmental disability benefits to children who do not qualify for Medicaid. The figure on the next page shows the budget by service category for the 2013 biennium.

2013 Biennium Budget - DDP Services									
	FY 2012				FY 2013				Percent of Division Biennium Total
	General Fund	State Special	Federal Special	Total	General Fund	State Special	Federal Special	Total	
<i>Services and Legislative Changes</i>									
<i>Administration</i>									
Base Expenditures	\$2,143,830	\$0	\$3,155,982	\$5,299,812	\$2,143,830	\$0	\$3,155,982	\$5,299,812	4.78%
Statewide Present Law Adjustments	73,022	0	154,908	227,930	75,503	0	156,875	232,378	0.21%
DP 10009 FMAP Adj DD Operating Costs	165,013	0	(165,013)	0	168,077	0	(168,077)	0	0.00%
DP 55140 17-7-140 Reductions	(5,988)	0	0	(5,988)	(5,988)	0	0	(5,988)	-0.01%
Subtotal Administration	\$2,375,877	\$0	\$3,145,877	\$5,521,754	\$2,381,422	\$0	\$3,144,780	\$5,526,202	4.98%
<i>Targeted Case Management</i>									
Base Expenditures	\$1,375,023	\$0	\$3,120,402	\$4,495,425	\$1,375,023	\$0	\$3,120,402	\$4,495,425	4.06%
Statewide Present Law Adjustments	66,394	0	(52,987)	13,407	66,473	0	(52,879)	13,594	0.01%
DP 10001 FMAP ADJ DD & CMH	230,861	0	(230,861)	0	244,325	0	(244,325)	0	0.00%
DP 10003 DD Caseload	81,717	0	160,193	241,910	89,824	0	172,359	262,183	0.23%
DP 55410 4% GF MDC Reconfiguration	6,080	0	11,920	18,000	6,167	0	11,833	18,000	0.02%
Subtotal Targeted Case Management Admin	\$1,760,075	\$0	\$3,008,667	\$4,768,742	\$1,781,812	\$0	\$3,007,390	\$4,789,202	4.31%
<i>Medicaid Comprehensive Waiver Services</i>									
Base Expenditures	\$13,638,037	\$2,942,130	\$56,806,255	\$73,386,422	\$13,638,037	\$2,942,130	\$56,806,255	\$73,386,422	66.22%
Statewide Present Law Adjustments	8,050,233	0	(8,050,233)	0	8,050,233	0	(8,050,233)	0	0.00%
DP 10001 FMAP ADJ DD & CMH	159,533	0	(159,533)	0	511,788	0	(511,788)	0	0.00%
DP 10003 DD Caseload	2,434,621	0	4,772,663	7,207,284	2,611,591	0	5,011,266	7,622,857	6.69%
DP 10008 Med Ben Annualization of Service Expansion	396,961	0	778,176	1,175,137	402,602	0	772,535	1,175,137	1.06%
DP 10010 Reduction to DSD Base	(924,237)	0	0	(924,237)	(924,237)	0	0	(924,237)	-0.83%
DP 10011 Re-establish Comprehensive Waiver Base	818,120	0	0	818,120	818,120	0	0	818,120	0.74%
DP 10103 Med Ben - Restore Autism Group Home	202,680	0	397,320	600,000	205,560	0	394,440	600,000	0.54%
DP 10104 Med Ben MDC Transition to Waiver	125,019	0	245,078	370,097	430,691	0	826,435	1,257,126	0.73%
DP 10107 Med Ben DD Refinancing	1,028,978	0	2,017,138	3,046,116	1,051,219	0	2,017,138	3,068,357	2.76%
DP 55410 4% GF MDC Reconfiguration	278,306	0	545,573	823,879	426,537	0	818,463	1,245,000	0.93%
Subtotal Medicaid Comprehensive Waiver Services	\$26,208,251	\$2,942,130	\$57,352,437	\$86,502,818	\$27,222,141	\$2,942,130	\$58,084,511	\$88,248,782	78.84%
<i>Medicaid Community Supports Waiver</i>									
Base Expenditures	\$328,561	\$0	\$1,178,642	\$1,507,203	\$328,561	\$0	\$1,178,642	\$1,507,203	1.36%
Statewide Present Law Adjustments	161,571	0	(161,571)	0	161,571	0	(161,571)	0	0.00%
DP 10001 FMAP ADJ DD & CMH	19,001	0	(19,001)	0	26,236	0	(26,236)	0	0.00%
DP 10003 DD Caseload	33,791	0	66,241	100,032	40,626	0	77,955	118,581	0.10%
Subtotal Medicaid Community Supports Waiver	\$542,924	\$0	\$1,064,311	\$1,607,235	\$556,994	\$0	\$1,068,790	\$1,625,784	1.46%
<i>Medicaid Autism Waiver</i>									
Base Expenditures	\$268,485	\$0	\$951,982	\$1,220,467	\$268,485	\$0	\$951,982	\$1,220,467	1.10%
Statewide Present Law Adjustments	128,571	0	(128,571)	0	128,571	0	(128,571)	0	0.00%
DP 10001 FMAP ADJ DD & CMH	15,218	0	(15,218)	0	21,076	0	(21,076)	0	0.00%
DP 10003 DD Caseload	14,235	0	27,905	42,140	22,259	0	42,712	64,971	0.05%
DP 10008 Med Ben Annualization of Service Expansion	283,012	0	554,797	837,809	287,034	0	550,775	837,809	0.76%
Subtotal Medicaid Autism Waiver	\$709,521	\$0	\$1,390,895	\$2,100,416	\$727,425	\$0	\$1,395,822	\$2,123,247	1.91%
<i>DD Benefits</i>									
Base Expenditures	\$3,972,912	\$0	\$3,938,287	\$7,911,199	\$3,972,912	\$0	\$3,938,287	\$7,911,199	7.14%
Statewide Present Law Adjustments	0	0	0	0	0	0	0	0	0.00%
DP 10107 Med Ben DD Refinancing	(3,046,116)	0	0	(3,046,116)	(3,068,357)	0	0	(3,068,357)	-2.76%
Subtotal DD Benefits	\$926,796	\$0	\$3,938,287	\$4,865,083	\$904,555	\$0	\$3,938,287	\$4,842,842	4.38%
<i>Early Intervention, IDEA Part C</i>									
Base Expenditures	\$2,144,097	\$600,000	\$1,822,159	\$4,566,256	\$2,144,097	\$600,000	\$1,822,159	\$4,566,256	4.12%
Statewide Present Law Adjustments	(190)	0	(1,395)	(1,585)	0	0	(1,708)	(1,708)	0.00%
Subtotal Early Intervention	\$2,143,907	\$600,000	\$1,820,764	\$4,564,671	\$2,144,097	\$600,000	\$1,820,451	\$4,564,548	4.12%
<b>Grand Total</b>	<b>\$34,667,351</b>	<b>\$3,542,130</b>	<b>\$71,721,238</b>	<b>\$109,930,719</b>	<b>\$35,718,446</b>	<b>\$3,542,130</b>	<b>\$72,460,031</b>	<b>\$111,720,607</b>	<b>100.00%</b>

Approximately 78.8% of the DDP budget supports Medicaid comprehensive waiver services for developmentally disabled individuals living in communities around Montana. Caseload and annualization of service plan costs total \$5.8 million of the general fund budget. As stated earlier, the legislature approved a proposal to reduce the licensed bed capacity of the Montana Developmental Center and move the 12 individuals into community placement. The legislature provided a portion of the general fund savings resulting from the closure to support the community services for the 12 individuals moving out of MDC cottage. This is discussed further under new proposals.

4.4% of the budget supports DD Benefits, which provides support for non-Medicaid children and their families on the waiting list for waiver services. Many of the children were served under the Early Intervention, IDEA Part C Program until they aged out of the program and many of the children served are autistic. Federal support for this part of the budget is provided by the Social Security Block Grant, Title XX. The funding is at the FY 2010 base level with no changes to the budget.

The Early Intervention, IDEA Part C Program is 4.1% of the DDP budget and serves children from birth to age 3 who are identified as developmentally disabled. Federal funding supporting the program comes from the Individuals with Disabilities Education Act (IDEA), Part C requiring state dollars for matching funds. The funding for this budget is decreased slightly due to adjustments included in statewide present law adjustments but otherwise remains at the FY 2010 base level.

The Medicaid autism waiver provides young children with autism intensive services and works to train families in skills and therapies that can mitigate the effects of the illness. The waiver serves 50 children under the age of 5 for 3 years. The budget for the Medicaid autism waiver is 1.9% of the DDP budget, with minor adjustments for caseload and \$0.5 million in general fund for annualization of service plans.

About 1.5% of the DDP budget supports the Medicaid community supports waiver. This waiver service provides developmentally disabled adults with limited service needs with services and supports such as:

- Training
- Residential
- Recreational
- Vocational

The budget includes caseload changes and funding shifts for FMAP changes.

Targeted case management services are about 4.3% of the DDP budget. Increases are related to caseload adjustments, funding shifts, and moving individuals from MDC into community-based services.

Administration makes up the remaining 5.0% of the DDP budget. The budget includes funding shifts for FMAP changes and reductions under 17-7-140, MCA.

### Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	23,870,945	23,870,945	47,741,890	67.83%	98,386,784	98,386,784	196,773,568	88.78%
Statewide PL Adjustments	8,479,601	8,482,351	16,961,952	24.10%	239,752	244,264	484,016	0.22%
Other PL Adjustments	3,721,858	4,313,333	8,035,191	11.42%	9,492,207	9,969,433	19,461,640	8.78%
New Proposals	(1,405,053)	(948,183)	(2,353,236)	(3.34%)	1,811,976	3,120,126	4,932,102	2.23%
<b>Total Budget</b>	<b>\$34,667,351</b>	<b>\$35,718,446</b>	<b>\$70,385,797</b>		<b>\$109,930,719</b>	<b>\$111,720,607</b>	<b>\$221,651,326</b>	

About \$8.0 million each year of federal funds in the FY 2010 base is replaced with general fund in the 2013 biennium budget to reflect the end of the increased federal FMAP provided through the federal stimulus package in the 2011 biennium. For additional detail see the Agency Overview section of this narrative.

### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted 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 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					418,078					422,357
Vacancy Savings					(197,275)					(197,448)
Inflation/Deflation					(1,988)					(1,901)
Fixed Costs					20,937					21,256
<b>Total Statewide Present Law Adjustments</b>		<b>\$8,479,601</b>	<b>\$0</b>	<b>(\$8,239,849)</b>	<b>\$239,752</b>		<b>\$8,482,351</b>	<b>\$0</b>	<b>(\$8,238,087)</b>	<b>\$244,264</b>
DP 10001 - FMAP Adj - DD & CMH	0.00	424,613	0	(424,613)	0	0.00	803,425	0	(803,425)	0
DP 10003 - Med Ben - DD Caseload	0.00	2,564,364	0	5,027,002	7,591,366	0.00	2,764,300	0	5,304,292	8,068,592
DP 10008 - Med Ben - Annualization of Service Expansion	0.00	679,973	0	1,332,973	2,012,946	0.00	689,636	0	1,323,310	2,012,946
DP 10009 - FMAP Adj - DD Operating Costs	0.00	165,013	0	(165,013)	0	0.00	168,077	0	(168,077)	0
DP 10010 - Reduction to DSD Base	0.00	(924,237)	0	0	(924,237)	0.00	(924,237)	0	0	(924,237)
DP 10011 - Re-establish Comprehensive Waiver Base	0.00	818,120	0	0	818,120	0.00	818,120	0	0	818,120
DP 55140 - 17-7-140 reductions - Operations Efficiency	0.00	(5,988)	0	0	(5,988)	0.00	(5,988)	0	0	(5,988)
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$3,721,858</b>	<b>\$0</b>	<b>\$5,770,349</b>	<b>\$9,492,207</b>	<b>0.00</b>	<b>\$4,313,333</b>	<b>\$0</b>	<b>\$5,656,100</b>	<b>\$9,969,433</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$12,201,459</b>	<b>\$0</b>	<b>(\$2,469,500)</b>	<b>\$9,731,959</b>	<b>0.00</b>	<b>\$12,795,684</b>	<b>\$0</b>	<b>(\$2,581,987)</b>	<b>\$10,213,697</b>

DP 10001 - FMAP Adj - DD & CMH - The legislature supported an increase in general fund and a decrease in federal Medicaid funds over the biennium due to a projected change in FMAP rates for FY 2012 and FY 2013 as they apply to the Children's Mental Health Services Program (CMHB) and Developmental Disabilities Program (DDP) benefit expenditures.

The calculated projection of the FMAP rate for FY 2012 is 33.78% and 34.26% for FY 2013 for DDP and 33.81% and 34.26% in FY 2012 and FY 2013, respectively, for CMHB as compared to the adjusted base FMAP of 33.30%.

DP 10003 - Med Ben - DD Caseload - The legislature approved this request for general fund and federal Medicaid funds to support ongoing Medicaid caseload and service utilization projections for individuals receiving Developmental Disabilities Program services, including comprehensive waiver, community services waiver, and autism waiver services.

DP 10008 - Med Ben - Annualization of Service Expansion - The legislature approved a request for general fund and federal Medicaid funds to support FY 2011 Medicaid caseload levels for individuals receiving DDP services, including comprehensive waiver and autism waiver services. These individuals entered waiver services during the 2011 biennium; however, their annual cost plans were not part of the base budget due to timing.

DP 10009 - FMAP Adj - DD Operating Costs - The legislature approved providing an increase in general fund and a

decrease in federal Medicaid funds over the biennium due to a projected change in FMAP rates for FY 2012 and FY 2013 as they apply to administrative operating costs. The decrease in federal funds is equal to the increase in general funds.

The projected FMAP rate for FY 2012 is 33.78% and 34.26% for FY 2013, as compared to the adjusted base FMAP of 33.30%.

DP 10010 - Reduction to DSD Base - In FY 2010, the DSD funding for personal support plans was below the service needs in the comprehensive services waiver, and funds were transferred from MDC for various ongoing costs, including group home, and day treatment services. The legislature approved this proposal to remove general fund from the base and bring the program back to the level established by the 2009 Legislature.

DP 10011 - Re-establish Comprehensive Waiver Base - The legislature provided additional general fund to provide support for comprehensive services waivers at almost the FY 2010 expenditure level.

DP 55140 - 17-7-140 reductions - Operations Efficiency - The Governor made reductions to agencies' 2011 biennium general fund budgets in accordance with 17-7-140, MCA. A portion of the reductions was effective in FY 2011 and therefore is not reflected in the base. The legislature continued the reduction in the 2013 biennium including reduced support for medications and canned goods at MDC and supplies and cell phone costs in DDP.

### New Proposals

Sub Program	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 10103 - Med Ben - Restore Autism Group Home										
04	0.00	202,680	0	397,320	600,000	0.00	205,560	0	394,440	600,000
DP 10104 - Med Ben - MDC Transition to Waiver										
04	0.00	125,019	0	245,078	370,097	0.00	430,691	0	826,435	1,257,126
DP 55107 - Med Ben - DD Refinancing										
04	0.00	(2,017,138)	0	2,017,138	0	0.00	(2,017,138)	0	2,017,138	0
DP 55410 - 4% GF - MDC Reconfiguration										
04	0.00	284,386	0	557,493	841,879	0.00	432,704	0	830,296	1,263,000
<b>Total</b>	<b>0.00</b>	<b>(\$1,405,053)</b>	<b>\$0</b>	<b>\$3,217,029</b>	<b>\$1,811,976</b>	<b>0.00</b>	<b>(\$948,183)</b>	<b>\$0</b>	<b>\$4,068,309</b>	<b>\$3,120,126</b>

DP 10103 - Med Ben - Restore Autism Group Home - The legislature provided \$1.2 million total funds, including \$0.4 million general fund, over the 2013 biennium to restore OTO funding from the 2009 Legislative Session for a group home for people with autism. This group home is at capacity. Four people remain in treatment.

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

Justification: The increase in the number of children with autism has put an enormous strain on education and human services. While many of the children diagnosed with an Autism Spectrum Disorder can be served in their home - more and more children are requiring intense supervision due to severe behaviors that cause harm to self and others.

In 2008, in response to growing concerns over the care of children with autism and severe behavioral problems, the department developed an autism specific group home. The group home, located in Bozeman, is serving 4 children with autism. Prior to moving to the group home, three of the 4 children were in more restrictive residential placements while the other child was in the family home with 24 hour 1:1 supports. The Bozeman autism group home is showing that it is a successful cost saving alternative to more restrictive settings. The home treatment model incorporates best-practice evidenced based services utilizing the principles of Applied Behavioral Analysis in a community home-based model

Goals: To provide quality services to individuals diagnosed with Autism. To retain the Bozeman Autism group home and continue to provide services in the community to the four individuals currently residing in this home.

Funding: The 2009 Legislature provided the one-time funding for this home in the 2011 biennium. The home is funded with federal Medicaid funds and state funds at FMAP. This decision package requests restoration of funding for this home in the 2013 biennium and beyond.

Challenges/Obstacles/Risks: The 4 children in the home will most likely always need intensive supervision. Without this service, these children are likely to return to a more restrictive residential or hospital-like setting.

DP 10104 - Med Ben - MDC Transition to Waiver - The legislature approved \$0.6 million general fund and \$1.1 million in federal funds over the 2013 biennium to support services in the community for individuals residing at MDC whose commitments have expired and who are referred for community placement. This request provides the community services for the individuals moved out of MDC. The funding would support individual cost plans for additional residents above those discussed in DP 55410 below.

DP 55107 - Med Ben - DD Refinancing - The legislature approved a decrease of \$4.0 million general fund and an increase of \$4.0 million federal Medicaid funds over the biennium to support the transition of individuals served in the DD benefit program to the comprehensive waiver services program by providing for federal Medicaid participation. The request transfers approximately \$3 million per year of state-only funded cost plans to cost plans funded with federal Medicaid participation at the FMAP rate.

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

Justification: Some people served in the Developmental Disabilities Program (DDP) have either not applied or have not been eligible for Medicaid in the past for a variety of reasons (see the challenges section below). These people receive services that are primarily financed with general fund. This proposal converts approximately 250 people from services reimbursed with general fund to the Medicaid Waiver. (Approximately 120 people will continue to need services financed by the general fund. The number of people in each category may change, depending on the cost of their individual service plans.) This transition to Medicaid at this point is made possible for some people because of the Medicaid for Workers with Disabilities eligibility passed during the last session which allows individuals to work and remain on Medicaid.

Goals/Funding: Convert approximately 250 people currently receiving general fund services to the Medicaid Waiver. The goal will be to refinance individual personal support plans with the least negative effect to the life of any individual. The proposal to fund services at the FMPA rate creates a reduction to general fund of \$2.01 million each year and increases Medicaid federal revenues by an equal amount.

Performance Measure: The measure of success in meeting the refinancing goal will be the number of plans converted to Medicaid by 7/1/11.

Milestones:

12/15/10- Submit ARM changes

2/1/11- Submit Waiver changes as necessary

7/1/11- All identified individuals converted to Waiver

FTE's: No FTE will be added or reduced as a result of refinancing

Challenges/Obstacles/Risks: Several tasks must be done to convert individuals to Waiver services. First each individual must be assessed for and found eligible for Medicaid. Examples of challenges and decisions that need to be addressed in assessing which clients should convert to Medicaid funding include:

- Individuals who have received a relatively small amount of general fund service because of other family/community supports may be eligible for a larger array of services financed through the waiver. This could be more costly to the general fund;
- Individuals with large spend downs that must be met to become eligible for Medicaid. In some communities access to subsidized housing is unavailable due to large waiting lists and rents are high. A large spend down may create severe hardships such as being unable to afford housing;
- Individuals residing in a nursing facility are not be eligible for specialized DD Medicaid waiver services outside of the nursing home due to federal regulations;
- Individuals with excess resources, such as property, may not be eligible for Medicaid until the resources are sold and then spent down; and
- Individuals with trusts may not be eligible for Medicaid until the trust is depleted.
- Changes to administrative rules and possibly Waiver amendments will also be needed.

DP 55410 - 4% GF - MDC Reconfiguration - The legislature approved this decision package as part of the department's 4% general fund personal services reduction. This reconfigures the operations of MDC and moves 12 residents of MDC into community-based 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 as necessary for brevity and to include any legislative changes.*

Justification: A few residents remain at MDC who are diagnosed with a moderate or severe mental retardation, are older and have resided at the facility for many years, require supervision for daily self care activities, and do not have mental health diagnosis. All of these individuals have been referred for community placement. Due to the lower level of functioning and vulnerability of these individuals, mixing this population with the new commitments described below puts these remaining individuals at risk for serious harm. This proposal provides funding for the personal support plans to serve the individuals in the community.

Goals: The goal of the reconfiguration will be to place individuals into the community and reduce the census by 12 individuals on the ICF/MR portion of the facility. The licensed capacity of MDC will be reduced to 56 individuals (44 beds in the ICF/MR portion of the facility and 12 beds in the ICF/DD portion of the facility).

Performance Criteria: Successfully place all 12 individuals out of MDC by 12/31/2011.

Milestones: Following successful passage by the 2011 Legislature, DDP would begin the process of placement from MDC. Activities toward that goal would include:

5/1/2011- Send notice to providers for requests to serve the 12 individuals

7/1/2011-Begin placements of the 12 individuals

12/31/2011- Place all 12 individuals in community placements

FTE: The proposal will reduce 13 FTE at MDC.

Funding Source: The request is \$0.7 million general fund and \$1.3 million federal Medicaid funds over the 2013 biennium.

Obstacles: The biggest potential obstacle to the success of the MDC reconfiguration will be whether community providers will submit proposals to serve the 12 individuals.

Risk: If placement in the community is delayed or does not happen, several of the individuals we are asking to move to the community are at risk of harm, because of the characteristics of the other clients at MDC. The Department and

Montana also face the risk of legal action based on previous “Olmstead” court decisions. These Olmstead decisions center on treating people in the least restrictive setting. Community settings have been found to be less restrictive than facilities. Other states have been given some leeway when clients, who are ready for discharge, are moved from a state facility to a community setting at a reasonable pace.