

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	5.00	5.00	5.00	5.00	5.00	5.00	0.00	0.00%
Personal Services	444,575	432,582	462,194	461,263	877,157	923,457	46,300	5.28%
Operating Expenses	7,490,576	6,751,683	7,429,513	7,429,555	14,242,259	14,859,068	616,809	4.33%
Total Costs	\$7,935,151	\$7,184,265	\$7,891,707	\$7,890,818	\$15,119,416	\$15,782,525	\$663,109	4.39%
General Fund	2,195,280	1,933,491	2,198,977	2,195,992	4,128,771	4,394,969	266,198	6.45%
State Special	38,345	25,079	36,708	39,755	63,424	76,463	13,039	20.56%
Federal Special	5,701,526	5,225,695	5,656,022	5,655,071	10,927,221	11,311,093	383,872	3.51%
Total Funds	\$7,935,151	\$7,184,265	\$7,891,707	\$7,890,818	\$15,119,416	\$15,782,525	\$663,109	4.39%

Program Description

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

Mission – Pay Medicaid and other health claims in an accurate and timely manner.

MCA 2-4-201
ARM 37.1.101

Program Highlights

Medicaid and Health Services Management Major Budget Highlights
◆ 99.5% of operational costs support IT consulting and professional services related to the MMIS contract

Program Narrative

The 2013 biennium budget for the Medicaid and Health Services Management Program (program) increases 4.4% when compared to the 2011 biennium budget. As shown in the table above, operating expenses, including costs for contracted services related to the MMIS contract, are appropriated at \$0.7 million less in FY 2011 than actual costs occurring in the FY 2010 base budget. The decrease to operating expenses in FY 2011 results in an overall increase of \$663,000 when comparing the 2011 biennium to the 2013 biennium. Comparisons with the FY 2010 base budget show a decrease in operational expenses due to a reduction in funding for the Claim Jumper publication. Information contained in the publication is available to providers online.

Increases are driven by personal services costs included in the statewide present law adjustments. Positions and funding for the Medicaid and Health Services Management Program were reallocated mainly from the Director's Office during the FY 2010 reorganization. The program positions funded in the statewide present law adjustments include:

- o Branch manager position, who is also the Medicaid state director
- o Program manager
- o Health program representative

- o 2.00 FTE computer system analysts

The vast majority of the costs in the program, 93.7% of total program costs and 99.5% of the operational costs, are for IT consulting and professional services related to the MMIS contract. MMIS is the computer system used to process provider claims for the Medicaid and Health Services Branch, excluding the Disability Services Division.

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	\$ 2,195,280	27.7%	\$ 2,198,977	27.9%	\$ 2,195,992	27.8%
01100 General Fund	2,195,280	27.7%	2,198,977	27.9%	2,195,992	27.8%
02000 Total State Special Funds	38,345	0.5%	36,708	0.5%	39,755	0.5%
02220 02 Indirect Activity Prog 12	38,345	0.5%	36,708	0.5%	39,755	0.5%
03000 Total Federal Special Funds	5,701,526	71.9%	5,656,022	71.7%	5,655,071	71.7%
03305 03 Indirect Activity Prog 12	5,701,526	71.9%	5,686,022	72.1%	5,685,071	72.0%
03580 6901-93.778 - Med Adm 50%	-	-	(30,000)	-0.4%	(30,000)	-0.4%
Grand Total	<u>\$ 7,935,151</u>	<u>100.0%</u>	<u>\$ 7,891,707</u>	<u>100.0%</u>	<u>\$ 7,890,818</u>	<u>100.0%</u>

The functions within the Medicaid and Health Services Management Program are cost allocated through indirect cost recoveries to the other divisions within the Medicaid and Health Services Branch. \$7.4 million in total funding supports the MMIS contract, which is funded at a rate of 25% state matching funds to 75% of federal funds. Personal services is funded at a rate that is a combination of 50% of state matching funds and 50% federal funds for those FTE considered administrative. The FTE working exclusively on MMIS are funded at the MMIS contract rate.

General fund supports about 28% of program in the 2013 biennium budget. State special revenue funds support less than 1% of the 2013 biennium budget. Federal special revenue funds support the remainder of the budget.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 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	2,195,280	2,195,280	4,390,560	99.90%	7,935,151	7,935,151	15,870,302	100.56%
Statewide PL Adjustments	33,697	30,712	64,409	1.47%	16,556	15,667	32,223	0.20%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	(30,000)	(30,000)	(60,000)	(1.37%)	(60,000)	(60,000)	(120,000)	(0.76%)
Total Budget	\$2,198,977	\$2,195,992	\$4,394,969		\$7,891,707	\$7,890,818	\$15,782,525	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed 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					36,877					35,907
Vacancy Savings					(19,258)					(19,219)
Inflation/Deflation					(15)					(15)
Fixed Costs					(1,048)					(1,006)
Total Statewide Present Law Adjustments		\$33,697	(\$1,637)	(\$15,504)	\$16,556		\$30,712	\$1,410	(\$16,455)	\$15,667
Grand Total All Present Law Adjustments	0.00	\$33,697	(\$1,637)	(\$15,504)	\$16,556	0.00	\$30,712	\$1,410	(\$16,455)	\$15,667

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 95121 - 5% Plan - Eliminate Claim Jumper Publication											
12	0.00	(30,000)	0	(30,000)	(60,000)	0.00	(30,000)	0	(30,000)	(60,000)	
Total	0.00	(\$30,000)	\$0	(\$30,000)	(\$60,000)	0.00	(\$30,000)	\$0	(\$30,000)	(\$60,000)	

DP 95121 - 5% Plan - Eliminate Claim Jumper Publication - The legislature eliminated general fund support for the Claim Jumper publication. The agency included this reduction in the statutorily required plan to reduce base expenditures of general fund and certain state special revenue funds by 5%.