

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	628.35	628.35	619.86	619.86	628.35	619.86	(8.49)	(1.35%)
Personal Services	34,558,671	39,266,241	35,808,582	35,827,173	73,824,912	71,635,755	(2,189,157)	(2.97%)
Operating Expenses	13,051,488	13,720,810	13,292,046	13,618,640	26,772,298	26,910,686	138,388	0.52%
Equipment & Intangible Assets	45,420	51,741	45,420	45,420	97,161	90,840	(6,321)	(6.51%)
Grants	5,145,999	5,268,411	5,765,467	5,765,467	10,414,410	11,530,934	1,116,524	10.72%
Benefits & Claims	58,111,749	63,869,117	71,238,499	73,257,067	121,980,866	144,495,566	22,514,700	18.46%
Debt Service	1,620	42,953	1,620	1,620	44,573	3,240	(41,333)	(92.73%)
Total Costs	\$110,914,947	\$122,219,273	\$126,151,634	\$128,515,387	\$233,134,220	\$254,667,021	\$21,532,801	9.24%
General Fund	58,190,516	65,823,142	62,845,099	63,316,558	124,013,658	126,161,657	2,147,999	1.73%
State Special	10,910,039	12,438,514	14,008,262	14,801,412	23,348,553	28,809,674	5,461,121	23.39%
Federal Special	41,814,392	43,957,617	49,298,273	50,397,417	85,772,009	99,695,690	13,923,681	16.23%
Total Funds	\$110,914,947	\$122,219,273	\$126,151,634	\$128,515,387	\$233,134,220	\$254,667,021	\$21,532,801	9.24%

Program Description

The Addictive and Mental Disorders Division (AMDD) provides chemical dependency and mental health services through contracts with behavioral health providers across the state. People with substance abuse disorders who have family incomes below 200% of the federal poverty level (FPL) are eligible for public funding of treatment services. In addition, the Medicaid program funds outpatient and residential chemical dependency treatment services for adolescents and outpatient services for adults who are Medicaid eligible. The mental health program provides services to adults who are eligible for Medicaid as well as non-Medicaid adults up to 150% of FPL. The division also manages three inpatient facilities: the Montana State Hospital in Warm Springs, Montana Chemical Dependency Center in Butte, and Montana Mental Health Nursing Care Center in Lewistown. The division administers programs through three bureaus: Mental Health Services, Chemical Dependency Services, and Administration.

Program Highlights

Addictive and Mental Disorders Division	
Major Budget Highlights	
◆	The AMDD appropriation for the 2013 biennium is \$21.5 million (9%) higher than the 2011 biennium, with \$2.1 million supported by general fund
◆	Benefits costs (services to individuals) exceed the total division appropriation increase rising \$22.5 million net increase due to: <ul style="list-style-type: none"> • Extending Medicaid eligibility to low-income adults with a serious and disabling mental illness - \$17.0 million • Increasing Medicaid eligibility and service utilization about \$11.0 million • Reducing funding to remove \$4.0 million for reductions in Medicaid adult mental health case management rates and \$1.9 million general fund cost for base year cost overruns in the state funded Mental Health Services Plan (MHSP)
◆	Personal services are a net \$2.2 million lower in the 2013 biennium compared to the 2011 biennium due to: <ul style="list-style-type: none"> • Elimination of funding for 8.49 FTE as part of the Governor's 4% FTE reduction, which offsets the request to reinstate overtime, shift differential, and holiday pay for state institution staff removed from base budget expenditures • Correction of workers' compensation rates, which were too high for nondirect care staff at state mental health institutions
◆	Operating costs grow about \$0.1 million, primarily due to inflation in medical, food, and prescription costs for state mental health institutions

Summary of Legislative Action

There are two basic ways to measure appropriation changes for the 2013 biennium. The first is to compare the difference from the 2011 biennium, which is about \$21.5 million for AMDD. The second way is to compare each year of the 2013 biennium to the FY 2010 base budget expenditures, which is about \$32.8 million, and is the method used by the legislature for appropriation decisions.

Biennium to Biennium Comparison

A biennial comparison includes changes in appropriations from FY 2010 to FY 2011, which is important in programs with Medicaid services. Historically, there are ongoing annual increases in Medicaid service utilization and usually in the number of persons eligible for services, unless the legislature, DPHHS, or federal policies make programmatic changes that lower annual cost growth. So absent programmatic changes, the FY 2011 cost for Medicaid services will be higher than the FY 2010 cost. Therefore, the total cost increase between biennia is usually smaller than the 2013 biennium budget request compared to the base budget doubled.

The main program table for AMDD shows the biennial comparison. However, the appropriation decisions the legislature made reflect the difference from the base budget.

The largest share of the AMDD appropriation supports benefits and claims – payments for services for eligible individuals – rising from \$122.0 million in FY 2010 to \$144.5 million in the 2013 biennium, primarily due to the new Montana Health Services Plan MHSP Medicaid expansion (HIFA waiver). Personal services is the next largest component (26%), declining slightly from \$73.8 million to \$71.6 million over the same time period. Personal services costs decline due to eliminating funding for 8.49 FTE. AMDD has about 620 FTE, most of whom (579 FTE or 93% of the total) work in the three state institutions administered by the division.

Major Appropriation Changes Compared to Base Budget

The major components of the AMDD 2013 biennium appropriation increase compared to the 2010 base budget are:

- \$17.0 million total funds to extend Medicaid eligibility to low-income adults with a serious and disabling mental illness and provide mental health services as well as a basic package of physical health services
- \$16.5 million total funds (\$4.1 million general fund) for increases in Medicaid service utilization and eligibility changes, including the annualization of the FY 2011 expansion of the home and community based services waiver
- \$5.5 million general fund for state institution changes, including requests to restore overtime, holiday, and shift differential pay; funding for aggregate positions; and inflation in operating costs
- \$3.8 million general fund, with a like reduction in federal funds, since the temporary 10% increase in the federal Medicaid match rate in FY 2010 will not continue

Appropriation increases were partially offset by reductions of:

- \$1.9 million general fund to reduce expenditures in MHSP that had been supported by a transfer from savings in workers' compensation costs at the state mental health institution
- \$1.0 million general fund to eliminate 8.49 FTE as part of the Governor's 4% FTE reduction

Major Components – AMDD Appropriation

Figure 10 shows the major components of the FY 2013 AMDD appropriation. Medicaid services (adult mental health and chemical dependency) are the largest share - \$57.0 million (44% of the total). The three state institutions administered by AMDD together account for \$45.0 million or 34% of the total. AMDD also administers non-Medicaid community services. The Mental Health Services Plan (MHSP) for low-income adults with a serious and disabling mental illness is about 8% of the total and community chemical dependency services are about 6%.

Cost Drivers

The major cost drivers in the AMDD budget are Medicaid services, especially those that are entitlement services, and state institution services, both of which are greatly influenced by medical inflation and the number of persons receiving services. Changes in these two functions can have a major impact on AMDD expenditures – especially general fund costs.

2013 Biennium Budget Compared to FY 2010 Base Budget

Figure 11 shows the FY 2010 base budget compared to the 2013 biennium appropriation. The first part of the table shows the budget by major function. The second part shows the budget for each state facility administered by AMDD. The final portion of the table shows base expenditures and appropriations for each major grant and service administered by AMDD. Base expenditures and 2013 biennium appropriations are shown by fund type.

Figure 10

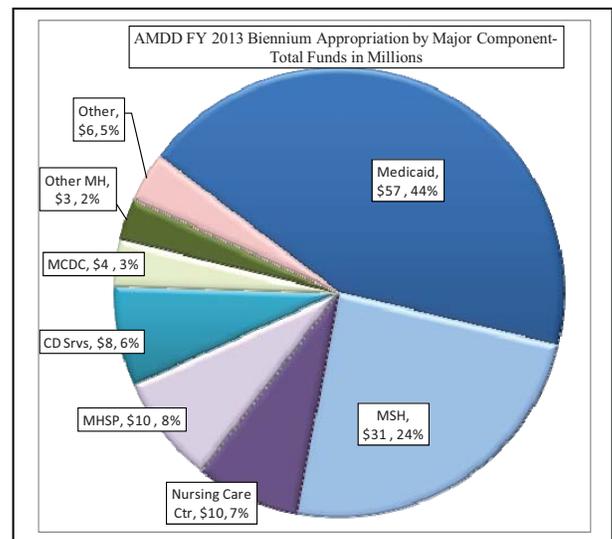


Figure 11

Addictive and Mental Disorders Division FY 2010 Base Budget Expenditures Compared to 2013 Biennium Legislative Appropriation													
Budget Component Function/Benefit	FY 2010 Base Budget Expenditures				FY 2012 Legislative Appropriation				FY 2013 Legislative Appropriation				% of Ttl Division
	General Fund	SSR	Federal	Total	General Fund	SSR	Federal	Total	General Fund	SSR	Federal	Total	
Total Division													
Division Admin.	\$946,165	\$169,099	\$270,330	\$1,385,594	\$1,047,807	\$169,099	\$270,868	\$1,487,774	\$1,047,919	\$169,099	\$271,997	\$1,489,015	1.2%
Mental Health	55,145,957	5,722,001	31,883,116	92,751,074	60,145,788	8,172,483	39,515,360	107,833,631	60,769,423	8,806,985	40,613,929	110,190,337	85.7%
Addiction Services	<u>2,098,394</u>	<u>5,018,939</u>	<u>9,660,946</u>	<u>16,778,279</u>	<u>1,651,504</u>	<u>5,666,680</u>	<u>9,512,045</u>	<u>16,830,229</u>	<u>1,499,216</u>	<u>5,825,328</u>	<u>9,511,491</u>	<u>16,836,035</u>	13.1%
Total Division	\$58,190,516	\$10,910,039	\$41,814,392	\$110,914,947	\$62,845,099	\$14,008,262	\$49,298,273	\$126,151,634	\$63,316,558	\$14,801,412	\$50,397,417	\$128,515,387	100.0%
Percent of Total	52.5%	9.8%	37.7%	100.0%	49.8%	11.1%	39.1%	100.0%	49.3%	11.5%	39.2%	100.0%	
State Facility Costs													
State Hospital	\$29,761,776	\$447,815	\$0	\$30,209,591	\$30,528,146	\$447,815	\$0	\$30,975,961	\$30,722,591	\$447,815	\$0	\$31,170,406	24.3%
Nursing Care Center	8,646,058	0	0	8,646,058	9,362,524	0	0	9,362,524	9,506,656	0	0	9,506,656	7.4%
Chemical Dependency Cnt	0	4,305,618	8,592	4,314,210	0	4,290,929	8,592	4,299,521	0	4,295,267	8,592	4,303,859	3.3%
Subtotal Institutions	\$38,407,834	\$4,753,433	\$8,592	\$43,169,859	\$39,890,670	\$4,738,744	\$8,592	\$44,638,006	\$40,229,247	\$4,743,082	\$8,592	\$44,980,921	35.0%
% of Total Division Budget	66.0%	43.6%	0.0%	38.9%	63.5%	33.8%	0.0%	35.4%	63.5%	32.0%	0.0%	35.0%	
Grants													
<i>Mental Health Grants</i>													
Mental Health Svcs Plan	\$385,233	\$0	\$0	\$385,233	\$1,004,701	\$0	\$0	\$1,004,701	\$1,004,701	\$0	\$0	\$1,004,701	0.8%
72 Hr Crisis Care	200,000	0	0	200,000	200,000	0	0	200,000	200,000	0	0	200,000	0.2%
Crisis Diversion/Treatment	673,849	0	0	673,849	244,381	429,468	0	673,849	244,381	429,468	0	673,849	0.5%
Drop In Centers	379,080	0	0	379,080	379,080	0	0	379,080	379,080	0	0	379,080	0.3%
PATH/Homeless Svcs	89,438	0	268,313	357,751	89,438	0	268,313	357,751	89,438	0	268,313	357,751	0.3%
Suicide Prevention	187,500	0	0	187,500	187,500	0	0	187,500	187,500	0	0	187,500	0.2%
Service Area Authority	85,000	0	0	85,000	85,000	0	0	85,000	85,000	0	0	85,000	0.1%
<i>Addiction Services</i>													
Community Services	0	0	2,877,586	2,877,586	0	0	2,877,586	2,877,586	0	0	2,877,586	2,877,586	2.3%
Subtotal Grants	\$2,000,100	\$0	\$3,145,899	\$5,145,999	\$2,190,100	\$429,468	\$3,145,899	\$5,765,467	\$2,190,100	\$429,468	\$3,145,899	\$5,765,467	4.7%
% of Total Division Budget	3.4%	0.0%	7.5%	4.6%	3.5%	3.1%	6.4%	4.6%	3.5%	2.9%	6.2%	4.5%	
Benefits/Services*													
<i>Medicaid**</i>													
Mental Health	\$2,344,752	\$2,672,498	\$19,268,662	\$24,285,912	\$7,301,558	\$2,672,498	\$20,818,350	\$30,792,406	\$7,551,961	\$2,672,498	\$20,899,588	\$31,124,047	25.1%
Mental Health Expansion/ HIFA Waiver	0	0	0	0	0	1,226,487	6,434,471	7,660,958	0	1,843,997	7,491,698	9,335,695	7.5%
HCBS Waiver Srv	(7,781)	483,367	1,692,104	2,167,690	0	1,278,018	2,501,982	3,780,000	0	1,295,028	2,484,972	3,780,000	3.1%
PACT	1,621,875	0	3,365,442	4,987,317	1,742,304	0	3,410,862	5,153,166	1,765,590	0	3,387,576	5,153,166	4.2%
ICBR	827,180	0	1,716,425	2,543,605	860,474	0	1,684,526	2,545,000	871,974	0	1,673,026	2,545,000	2.1%
Institutional Reimbursemen	0	0	3,482,976	3,482,976	0	0	2,190,965	2,190,965	0	0	2,203,155	2,203,155	1.8%
Chemical Dependency	95	405,500	1,357,820	1,763,415	0	576,204	1,187,211	1,763,415	0	576,204	1,187,211	1,763,415	1.4%
Other Benefits													
<i>Mental Health Services</i>													
Mental Health Svcs Plan	6,484,779	2,060,056	1,144,595	9,689,430	4,802,738	2,060,056	1,202,630	8,065,424	4,802,739	2,060,056	1,202,630	8,065,425	6.5%
PACT - MHSP Slots	960,163	0	0	960,163	977,157	0	0	977,157	977,157	0	0	977,157	0.8%
72 Hr Crisis Care	1,241,296	0	0	1,241,296	1,241,296	0	0	1,241,296	1,241,296	0	0	1,241,296	1.0%
Goal 189 Services	656,418	0	0	656,418	656,418	0	0	656,418	656,418	0	0	656,418	0.5%
Chemical Dependency	1,925,692	1,254	4,487,214	6,414,159	1,479,491	447,455	4,487,214	6,414,159	1,479,491	447,455	4,487,214	6,414,159	5.2%
Adjustments	0	0	(1,865)	(1,865)	0	0	(1,865)	(1,865)	0	0	(1,865)	(1,865)	0.0%
Subtotal Benefits*	\$16,054,469	\$5,622,675	\$36,513,372	\$58,190,516	\$19,061,435	\$8,260,718	\$43,916,346	\$71,238,499	\$19,346,625	\$8,895,238	\$45,015,205	\$73,257,067	59.2%
% of Total Division Budget	27.6%	51.5%	87.3%	52.5%	30.3%	59.0%	89.1%	56.5%	30.6%	60.1%	89.3%	57.0%	

*Medicaid services FY 2010 amounts include the adjusted base funding switch that allowed general fund to be increased since the temporary increase in the federal Medicaid match rate will not be continued.

Mental health services functions account for 86% of the FY 2013 appropriation, due to the two mental health facilities and Medicaid services. Chemical dependency services account for 13% and division administration is 1%.

Facility Budgets

State facility costs are 35% of the total funding in FY 2013, but 64% of the general fund budget. The Montana State Hospital (MSH) is the largest with nearly one quarter of the total division budget. While the two state mental health institutions are budgeted from the general fund, some state institution services are reimbursed by Medicare, Medicaid, Indian Health Services, private health insurance, and patient payments. Those reimbursements are first used to pay debt services for the state hospital bond issue with the remainder deposited to the general fund. General fund revenue from AMDD facilities, not including debt service payments, is estimated to be \$39.4 million over the 2013 biennium. Figure 12 shows each state institution administered by AMDD, the FY 2010 base budget, the 2013 biennium appropriation, and the total state general fund revenue projection.

The three state facilities administered by AMDD account for over 93% of the division FTE. The average daily population at each institution is expected to remain relatively constant through the 2013 biennium. The average daily cost at the two mental health institutions is higher than the base budget, but lower than the FY 2011 appropriation due to elimination of funding for FTE and because workers' compensation costs for nondirect care staff were budgeted at too high a rate in the 2011 biennium.

MSH and the Montana Mental Health Nursing Care Center (MMHNCC) together are projected to generate \$20.9 million in general fund revenue over the 2013 biennium. Annual revenues were higher in the base budget year due to higher Medicare and Medicaid payments.

Grants

Grants are funds that are awarded to entities that provide public services without regard to specific eligibility criteria. Grants are about 5% of the division budget in FY 2013. The largest grant expenditure is funded from the federal chemical dependency block grant and supports local state approved programs. Other grants fund mental health services and are largely supported by general fund.

Figure 12

Base Budget Compared to 2013 Biennium Appropriation Facilities Administered by AMDD				
Facility	Actual	Appropriation	Legislative Appropriation	
Cost/Funding	FY 2010	FY 2011	FY 2012	FY 2013
Montana State Hospital				
FTE	406.40	406.40	402.40	402.40
Personal Services	\$23,765,555	\$26,741,115	\$24,322,269	\$24,325,105
All Other	<u>6,444,036</u>	<u>6,794,429</u>	<u>6,653,692</u>	<u>6,845,301</u>
Total	<u>\$30,209,591</u>	<u>\$33,535,544</u>	<u>\$30,975,961</u>	<u>\$31,170,406</u>
General Fund	\$29,761,776	\$33,113,035	\$30,528,146	\$30,722,591
State Special Rev.	447,815	422,509	447,815	447,815
General Fund Revenue	8,582,144	6,926,620	6,944,397	6,926,620
Average Population	185	186	186	186
Costs Per Person	\$163,295	\$180,299	\$166,537	\$167,583
Cost Per Day	\$447	\$494	\$456	\$459
Annual Change		10.4%	-7.6%	0.6%
Mental Health Nursing Care Center				
FTE	122.20	122.20	119.21	119.21
Personal Services	\$5,257,324	\$6,171,127	\$5,794,142	\$5,805,855
All Other	<u>3,388,734</u>	<u>3,499,766</u>	<u>3,568,382</u>	<u>3,700,801</u>
Total	<u>\$8,646,058</u>	<u>\$9,670,893</u>	<u>\$9,362,524</u>	<u>\$9,506,656</u>
General Fund	\$8,646,058	\$9,670,893	\$9,362,524	\$9,506,656
General Fund Revenue	4,221,948	3,659,762	3,538,032	3,521,024
Average Population	83	82	82	82
Cost Per Person	\$104,169	\$117,938	\$114,177	\$115,935
Cost Per Day	\$285	\$323	\$313	\$318
Annual Increase		13.2%	-3.2%	1.5%
Montana Chemical Dependency Center				
FTE	57.32	57.32	57.32	57.32
Personal Services	\$2,992,998	\$3,462,242	\$3,092,246	\$3,094,466
All Other	<u>1,321,212</u>	<u>1,470,647</u>	<u>1,207,275</u>	<u>1,209,393</u>
Total	<u>\$4,314,210</u>	<u>\$4,932,889</u>	<u>\$4,299,521</u>	<u>\$4,303,859</u>
State Special Rev.	\$4,305,618	\$4,475,894	\$4,290,929	\$4,295,267
Federal Funds	8,592	456,995	8,592	8,592
Average Population	54	56	56	56
Cost Per Person	\$79,893	\$88,261	\$76,928	\$77,006
Cost Per Day	\$219	\$242	\$211	\$211
Annual Change		10.5%	-12.8%	0.1%
Total AMDD Institution Budget				
FTE	585.92	585.92	578.93	578.93
% of Division Total	93.2%	93.2%	93.4%	93.4%
General Fund	\$38,407,834	\$42,783,928	\$39,890,670	\$40,229,247
% of Division Total	66.0%	65.0%	62.7%	62.6%
Total Funds	<u>\$43,169,859</u>	<u>\$48,139,326</u>	<u>\$44,638,006</u>	<u>\$44,980,921</u>
Annual Change		11.5%	-7.3%	0.8%
General Fund Revenue	\$12,804,091	\$10,586,382	\$10,482,430	\$10,447,644

Each grant, purpose, and funding source are:

- Mental Health Services Plan (MHSP) – services to adults with incomes under 150% of the federal poverty level - general fund
- 72 hour crisis care – funds to help support development of community services to keep adults with a mental health crisis in the community – general fund
- Crisis diversion/treatment – funds develop and support local services to divert adults with a mental health crisis from jail and into mental health treatment – general fund in the base budget with part of the general fund cost offset by tobacco settlement trust fund interest in the 2013 biennium
- Drop-in centers – funds to support local services such as recreational activities, socialization, individual or group counseling, mutual support group meetings, information and referral or other similar services for adults with a serious and disabling mental illness - general fund
- PATH/homeless services – funds to identify and provide local services for persons who have a serious and disabling mental illness and who are homeless – Projects for Assistance in Transition for Homelessness (PATH) federal categorical grant
- Suicide prevention – funds for local projects to prevent suicide and for a statewide, toll free hotline – general fund
- Service area authority – funds to support the cost of regional groups of stakeholders that meet and provide feedback and recommendations to AMDD about adult mental health services – general fund
- Addiction services – funds for state approved chemical dependency services, including treatment and prevention, provided in communities throughout the state – federal categorical grant

Benefits (Services) Costs

Benefits costs are services provided to persons who meet specific eligibility criteria, including financial criteria and sometimes level of disability criteria. Benefits appropriations are 57% of the FY 2013 budget, but 31% of total general fund because a significant portion of costs are supported by federal grant funding and federal Medicaid matching funds. State special revenue budgeted as state Medicaid match also reduces general fund cost for AMDD benefits.

Mental health Medicaid services are about 44% of the total division appropriation. Adult mental health services increase about 15% per year from the FY 2010 base budget through FY 2012 and level off rising 1% between FY 2012 and FY 2013. Adult Medicaid mental health funds services such as inpatient and outpatient hospital, psychiatrist, psychologist, social worker, licensed professional counselor, community mental health center, nurse specialists, rural health clinics, targeted case management, and laboratory.

Mental Health Expansion/HIFA Waiver

DPHHS received federal approval in late November 2010 to implement a waiver -- called the HIFA waiver (Health Insurance Flexibility and Accountability) -- of federal regulations for a limited Medicaid expansion. The mental health expansion/HIFA waiver will allow up to 800 individuals in state funded MHSP services to transition to Medicaid funded mental health services and receive a basic package of physical health services as well. Currently MHSP funds some mental health services and a limited \$425 monthly prescription benefit. This waiver expands both mental health and prescription services available to the 800 enrollees and it adds a physical health component.

AMDD began transitioning individuals from MHSP to Medicaid services December 1, 2010. MHSP enrollees with a diagnosis of schizophrenia receive first enrollment priority followed by those with a diagnosis of bipolar disorder. Individuals are picked by lottery. Enrollment in the mental health expansion/HIFA waiver should be complete in early FY 2012.

Maintenance of Effort

The state is required to maintain the level of state funding for the MHSP program that it spent in federal fiscal year 2009 as a condition of receiving the waiver - \$8,860,518 million annually. AMDD is allowed to count state matching funds for the waiver as part of the maintenance of effort (MOE) in addition to state funds spent for the regular non-Medicaid portion of the MHSP program.

Figure 13 shows the components of the 2013 biennium appropriation that can count toward the waiver MOE compared to the required MOE level. Including state funded grants supporting MHSP, PACT (Program for Assertive Community Treatment), and the mental health expansion waiver, the 2013 biennium appropriation exceeds the MOE requirement by \$3.3 million in state funds.

Figure 13

State Funds Supporting MHSP and the Medicaid Expansion/HIFA Waiver						
Component	FY 2012 Appropriation			FY 2013 Appropriation		
	General Fund	SSR	Total	General Fund	SSR	Total
Mental Health Svcs Plan & Admin.	\$5,594,839	\$2,060,056	\$7,654,895	\$5,594,967	\$2,060,056	\$7,655,023
Mental Health Expansion/HIFA Waiver	0	1,226,487	1,226,487	0	1,843,997	1,843,997
PACT - MHSP Slots	977,157	0	977,157	977,157	0	977,157
MHSP Crisis Grants	<u>363,500</u>	<u>0</u>	<u>363,500</u>	<u>363,500</u>	<u>0</u>	<u>363,500</u>
Total Funds for MOE	6,935,496	3,286,543	10,222,039	6,935,624	3,904,053	10,839,677
MOE Requirement			<u>8,860,518</u>			<u>8,860,518</u>
Funding in Excess of MOE Requirement			<u>\$1,361,521</u>			<u>\$1,979,159</u>

Match Rate

The mental health expansion waiver appropriation listed in Figure 13 (HIFA MOE) does not include sufficient state funds to pay the state Medicaid match. AMDD will transfer funds from the MHSP appropriation to pay the state match for the waiver. The additional match needed is \$1.3 million in FY 2012 and \$1.9 million in FY 2013.

Figure 14

HCBS Waiver Sites and Capacity		
Site	Actual	Estimated
	FY10	FY11
Billings	46	46
Butte	35	40
Great Falls	39	39
Missoula	<u>0</u>	<u>30</u>

Home and Community Based Services (HCBS) Waiver

AMDD administers another waiver that provides intensive community support services to Medicaid eligible persons with a serious and disabling mental illness who meet level of care criteria for nursing home or hospital services. This waiver is similar to the one managed by the Senior and Long Term Care Division for physically disabled and elderly persons.

The AMDD HCBS waiver was initiated in the 2007 biennium. Figure 14 shows the number of service slots by location. The 2013 biennium appropriation is sufficient to fund 155 slots each year.

PACT and ICBR

The Program for Assertive Community Treatment (PACT) is provided to Medicaid eligible persons and to MHSP eligible persons. PACT and intensive community based rehabilitation (ICBR) 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. ICBR is an intensive level adult group home service for persons who have previously been unsuccessful in community placements. PACT is a team of professional and paraprofessionals who work with groups of individuals who must be able to live independently in the community and typically have psychotic disorders.

Institutional reimbursement accounts for some of the revenues received for state institution services. The federal funds budget allows the state to spend the federal portion of Medicaid funds to claim the match, which is deposited to the state general fund.

Chemical Dependency Services

Chemical dependency Medicaid services are budgeted to remain at \$1.8 million throughout the 2013 biennium. The types of services covered by Medicaid include children’s inpatient residential treatment, mental health group home, case management, individual, group and family therapy, drug testing, psychiatric diagnosis and medication management, and school based services.

Mental Health Services Plan (MHSP)

MHSP services are funded from the general fund, health and Medicaid initiatives tobacco tax state special revenue, and federal block grant funds. Some of the MHSP state special revenue appropriation will be transferred to fund the remaining state match required for the mental health Medicaid expansion/HIFA waiver discussed previously. As noted earlier, 800 individuals will transition out of MHSP services to the new mental health expansion waiver and AMDD will transfer state funds from the MHSP program to fully fund state matching requirements for the Medicaid waiver.

MHSP Funding Change

The 2007 Legislature increased general fund support for MSHP to move from a block grant reimbursement to a fee for service reimbursement methodology. The legislature hoped that more persons could be served more quickly and that more providers would participate in the program. MHSP experienced cost overruns in FY 2010. One of the management actions taken by DPHHS to control costs was to move back to block grant funding for MHSP in mid FY 2011. Block grant funding means that a contracting entity (community mental health centers) accepts a fixed level of funding to provide MHSP services.

72 Hour Crisis Stabilization

72 hour community crisis stabilization services were initiated in FY 2008. The services provide funding for up to 72 hours to evaluate and stabilize a person experiencing a mental health crisis, with the goal of keeping persons in the community and lower admissions to MSH. AMDD began implementation by contracting for pilot programs and expanded to all providers July 1, 2009.

Goal 189 Gap Funding

In February 2008, DPHHS declared an exigency situation (difficult situation requiring urgent action) at MSH due to the ongoing high census and implemented Goal 189 to lower the population to 189 or lower. DPHHS used some of the excess general fund in Medicaid appropriations (Goal 189 gap funding) to support development of community services for persons ready to be discharged from the state hospital. Services provided include: group home, Program for Assertive Community Treatment (PACT), adult foster care, and medications. There are no eligibility criteria to receive Goal 189 gap funding other than a person needs to be ready for discharge from MSH and has no other payment source available to purchase services. AMDD spent \$1,058,492 general fund in FY 2009 in Goal 189 gap funding, with outlays dropping to \$656,418 in FY 2010.

Chemical Dependency Services

Chemical dependency services are funded from general fund, alcohol state special revenue, and a federal categorical grant. Federal grant funds support local programs that provide addiction services to persons with incomes under 200% of the federal poverty level.

The general fund and state special revenue supports seven residential and supportive living services located throughout Montana that were developed in late FY 2008. The goal of the services is to treat addiction, with a focus on methamphetamine. Figure 15 shows contracted service sites and capacity in FY 2010.

Figure 15

Program Data for Meth Treatment Services						
Program	Location	Facility Type	Date Opened	Unduplicated Number Served	Average Length of Stay	Beds
Eastern Montana Community Mental Health Center	Miles City	Men	March 2008	20	388	8
White Sky Hope	Box Elder	Native American Men	July 2008	15	298	8
Flathead Valley CD	Kalispell	Women	September 2008	24	216	8
Gateway Community Services	Great Falls	Native American Women	April 2008	31	197	8
Alcohol & Drug Services of Gallatin County	Bozeman	Men	June 2008	24	177	8
White Birch	Billings	Men				6
Rimrock Treatment Center	Billings	Men and Women	January 2008	80	155	2
Elkhorn Treatment Center	Boulder	Women	March 2008	40	164	4

Source: AMDD, November 26, 2010.

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 Table						
Addictive & Mental Disorders						
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	\$ 58,190,516	52.5%	\$ 62,845,099	49.8%	\$ 63,316,558	49.3%
01100 General Fund	58,190,516	52.5%	62,845,099	49.8%	63,316,558	49.3%
02000 Total State Special Funds	10,910,039	9.8%	14,008,262	11.1%	14,801,412	11.5%
02034 Earmarked Alcohol Funds	4,824,314	4.3%	5,472,055	4.3%	5,630,703	4.4%
02053 Medicaid Nursing Home Match	1,043,037	0.9%	1,043,037	0.8%	1,043,037	0.8%
02217 Amdd/Doc Shared Position	77,708	0.1%	77,708	0.1%	77,708	0.1%
02384 02 Indirect Activity Prog 33	91,391	0.1%	91,391	0.1%	91,391	0.1%
02691 6901-Msh/Doc Maint Agreement	447,815	0.4%	447,815	0.4%	447,815	0.3%
02772 Tobacco Hlth & Medica Initiative	4,340,050	3.9%	6,361,188	5.0%	6,995,708	5.4%
02987 Tobacco Interest	85,724	0.1%	515,068	0.4%	515,050	0.4%
03000 Total Federal Special Funds	41,814,392	37.7%	49,298,273	39.1%	50,397,417	39.2%
03082 Spfsig Cfda 93.243	2,290,287	2.1%	2,290,287	1.8%	2,290,287	1.8%
03171 Data Infrastructure Development	96,395	0.1%	96,189	0.1%	96,159	0.1%
03505 93.150 - Mntal Hlth - Homeless	294,364	0.3%	294,364	0.2%	294,364	0.2%
03507 93.958 - Mntal Hlth - Blk Grt	1,143,741	1.0%	1,201,776	1.0%	1,201,776	0.9%
03508 93.959 - Adad - Blk Grt 100%	5,949,741	5.4%	5,961,404	4.7%	5,961,013	4.6%
03580 6901-93.778 - Med Adm 50%	890,781	0.8%	959,693	0.8%	959,270	0.7%
03583 93.778 - Med Ben Fmap	30,883,428	27.8%	38,228,367	30.3%	39,327,226	30.6%
03601 03 Indirect Activity Prog 33	265,655	0.2%	266,193	0.2%	267,322	0.2%
Grand Total	<u>\$ 110,914,947</u>	<u>100.0%</u>	<u>\$ 126,151,634</u>	<u>100.0%</u>	<u>\$ 128,515,387</u>	<u>100.0%</u>

AMDD is funded from general fund, state special revenue, and federal funds. General fund provides just under 50% of the funding in FY 2013 and supports:

- o The two state mental health institutions
- o Most of the state match for adult mental health Medicaid services
- o A portion of the cost for the state funded Mental Health Services Plan (MHSP) for low-income adults with a serious and disabling mental illness
- o Community methamphetamine treatment facilities
- o A portion of administrative costs

Special revenue accounts for about 11% of total FY 2013 appropriations. The major sources of state special revenue, source of funding, and functions supported are:

- o Health and Medicaid initiatives tobacco tax state special revenue pays a portion of state match for adult mental health Medicaid services, the cost of the MHSP program for prescription drug services, and the state match for the newly approved Medicaid waiver to expand basic Medicaid physical health services to 800 individuals formerly served in MHSP
- o Alcohol taxes fund community chemical dependency services, a portion of the cost for the Montana Chemical Dependency Center (MCDC), state matching funds for Medicaid chemical dependency services, a portion of the cost of community methamphetamine treatment facilities and a portion of division administrative costs
- o County funds for the support of community mental health centers are transferred to AMDD to pay a portion of the mental health state Medicaid match
- o Tobacco settlement trust fund interest supports a portion of mental health state Medicaid match and mental health crisis jail diversion services (county grants and inpatient community services)

Alcohol Tax State Special Revenue

Figure 16 shows the alcohol tax state special revenue account balance for the 2011 and 2013 biennia. Annual revenues are projected to grow between 3% to 4% annually from FY 2010. Expenditures in FY 2011 will need to be adjusted in order to remain within available funding.

Figure 16

Earmarked Alcohol Tax Revenue and 2013 Biennium Appropriation					
Revenue/Expenditures	Base	Budget	Legislative Appropriation		% of
Fund Balance	FY 2010	FY 2011**	FY 2012	FY 2013	Total
Beginning Balance	\$491,252	\$0	\$0	\$13,946	
Revenues*					
Liquor License	\$5,367,409	\$5,543,000	\$5,788,000	\$6,029,000	73.8%
Beer Tax	937,912	975,000	1,000,000	1,020,000	12.5%
Wine Tax	884,708	941,000	975,000	1,009,000	12.3%
DPHHS Cost Recovery	<u>129,699</u>	<u>115,000</u>	<u>115,000</u>	<u>115,000</u>	<u>1.4%</u>
Total Revenue	<u>\$7,319,728</u>	<u>\$7,574,000</u>	<u>\$7,878,000</u>	<u>\$8,173,000</u>	<u>100.0%</u>
Annual Percent Change		3.5%	4.0%	3.7%	
Total Funds Available	<u>\$7,810,980</u>	<u>\$7,574,000</u>	<u>\$7,878,000</u>	<u>\$8,186,946</u>	
Disbursements					
Chemical Dependency Cntr (MCDC)	\$4,305,618	\$4,475,766	\$4,290,929	\$4,295,267	52.5%
Distribution to Counties***	1,487,274	1,491,800	1,552,600	1,625,546	19.9%
CD Benefits - nonMedicaid	20,103	8,610	466,304	618,923	7.6%
Services for Dually Diagnosed***	474,542	492,294	512,358	531,828	6.5%
CD Medicaid Services/Admin.	210,875	320,606	381,579	381,579	4.7%
Cost Allocated Administration	317,170	331,443	345,715	376,830	4.6%
CD Operations	287,718	338,562	217,970	248,761	3.0%
Quality Assurance-Licensure	73,268	67,480	71,076	70,945	0.9%
Department of Corrections-Pine Hills	25,523	25,523	25,523	25,523	0.3%
Justice - Crime Lab DUI Tests	307,742	302,618	0	0	0.0%
Pay Plan and Retirement	0	53,922	0	0	<u>0.0%</u>
Total Disbursements	<u>\$7,509,833</u>	<u>\$7,908,624</u>	<u>\$7,864,054</u>	<u>\$8,175,202</u>	<u>100.0%</u>
Adjustments****	<u>(\$301,147)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
Spending Reductions to Balance		<u>(\$334,624)</u>			
Ending Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$13,946</u>	<u>\$11,744</u>	
*Revenue for liquor, beer, and wine are based on estimates adopted in HJ 2 by the House of Representatives on March 28, 2011. Revenue for DPHHS cost recovery uses DPHHS estimates.					
** FY 2011 budgeted amounts are based on 2009 legislative appropriations, except indirect costs, which are based on LFD estimates.					
***26.6% of alcohol tax revenues are statutorily appropriated for distribution as grants to state approved public or private alcoholism programs. A portion (6.6% 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 programs.					
****Adjustments include those made to comply with generally accepted accounting principles (GAAP) as well as actions needed to maintain the account in a positive balance.					

The largest share of alcohol tax supports MCDC (53%). There are two statutory appropriations that total about 27% of the appropriations that support state approved county programs and services for persons who are diagnosed with chemical dependency and a serious and disabling mental illness. About 8% of the revenue funds methamphetamine treatment group homes and other community services. Medicaid state match and Medicaid program administrative costs, and indirect program administrative costs are each about 5% of the tax proceeds. A small amount of the tax pays the state match for chemical dependency Medicaid services (3%). The remainder of the FY 2011 appropriation - under 2% - funds a small portion of administrative costs in the Quality Assurance Division and Pine Hills Youth Correctional Facility managed by the Department of Corrections. The legislature shifted \$654,000 supporting breathalyzer/intoxalyzers equipment and testing for the Department of Justice from the alcohol tax state special revenue fund to the highways non restricted state special revenue fund. The freed up alcohol tax state special revenue was used to offset general fund costs of community treatment for chemical dependency, including addiction to methamphetamine.

Federal funds and the functions supported by those funds are:

- o Medicaid matching funds for mental health and chemical dependency services and a portion of division administration costs

- o Federal block grant funds for community and state institution chemical dependency services, development of community chemical dependency prevention programs, and a portion of division administrative costs
- o Federal block grant funds for community mental health services, including mental health services for homeless persons

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	58,190,516	58,190,516	116,381,032	92.25%	110,914,947	110,914,947	221,829,894	87.11%
Statewide PL Adjustments	3,355,694	3,373,997	6,729,691	5.33%	(416,959)	(392,360)	(809,319)	(0.32%)
Other PL Adjustments	3,228,860	3,834,635	7,063,495	5.60%	17,370,912	19,695,738	37,066,650	14.55%
New Proposals	(1,929,971)	(2,082,590)	(4,012,561)	(3.18%)	(1,717,266)	(1,702,938)	(3,420,204)	(1.34%)
Total Budget	\$62,845,099	\$63,316,558	\$126,161,657		\$126,151,634	\$128,515,387	\$254,667,021	

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					1,191,824					1,205,120
Vacancy Savings					(1,430,030)					(1,430,548)
Inflation/Deflation					(178,736)					(152,443)
Fixed Costs					(17)					(14,489)
Total Statewide Present Law Adjustments		\$3,355,694	\$142,320	(\$3,914,973)	(\$416,959)		\$3,373,997	\$148,331	(\$3,914,688)	(\$392,360)
DP 33001 - Med Ben- HCBS Waiver Annualization	0.00	0	545,122	1,067,188	1,612,310	0.00	0	552,377	1,059,933	1,612,310
DP 33002 - Restore OT/Holidays Worked MSH	0.00	1,619,978	0	0	1,619,978	0.00	1,613,397	0	0	1,613,397
DP 33003 - MSH - Medical and Pharmacy Inflation	0.00	367,979	0	0	367,979	0.00	556,531	0	0	556,531
DP 33004 - Restore OT/Holidays Worked NCC	0.00	382,907	0	0	382,907	0.00	395,301	0	0	395,301
DP 33005 - MMHNCC-Medical & Pharmacy Inflation	0.00	220,347	0	0	220,347	0.00	346,568	0	0	346,568
DP 33006 - Med Ben - Mental Health Caseload Adj.	0.00	2,188,392	0	4,284,225	6,472,617	0.00	2,330,406	0	4,471,714	6,802,120
DP 33007 - FMAP Adj - Mental Health	0.00	(526,524)	249,529	276,995	0	0.00	(383,349)	259,284	124,065	0
DP 33013 - Med Ben--HIFA Waiver	0.00	0	1,226,487	6,434,471	7,660,958	0.00	0	1,843,997	7,491,698	9,335,695
DP 55140 - AMDD Operations Efficiencies 17-7-140	0.00	(57,407)	0	0	(57,407)	0.00	(57,407)	0	0	(57,407)
DP 55801 - Reduction to MHSP Base	0.00	(966,812)	0	58,035	(908,777)	0.00	(966,812)	0	58,035	(908,777)
Total Other Present Law Adjustments	0.00	\$3,228,860	\$2,021,138	\$12,120,914	\$17,370,912	0.00	\$3,834,635	\$2,655,658	\$13,205,445	\$19,695,738
Grand Total All Present Law Adjustments	0.00	\$6,584,554	\$2,163,458	\$8,205,941	\$16,953,953	0.00	\$7,208,632	\$2,803,989	\$9,290,757	\$19,303,378

New Proposal

New Proposals										
Program	FTE	-----Fiscal 2012-----				-----Fiscal 2013-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 33015 - Med Ben - Alcohol Tax Offset of General Fund Match										
33	0.00	(170,704)	170,704	0	0	0.00	(170,704)	170,704	0	0
DP 33016 - Alcohol Tax Offset General Fund Treatment Cost										
33	0.00	(446,201)	446,201	0	0	0.00	(598,820)	598,820	0	0
DP 55433 - 4% FTE Reduction										
33	(8.49)	(514,768)	0	0	(514,768)	(8.49)	(514,768)	0	0	(514,768)
DP 95141 - HB130 Crisis Divrsn Fndng in HB2 17-7-140										
33	0.00	(619,468)	0	0	(619,468)	0.00	(619,468)	0	0	(619,468)
DP 95331 - Reduce Targeted Case Management Rates										
33	0.00	(368,830)	0	(722,060)	(1,090,890)	0.00	(368,830)	0	(707,732)	(1,076,562)
DP 95332 - MCDC - Reduction in Food Service Costs										
33	0.00	0	(111,608)	0	(111,608)	0.00	0	(111,608)	0	(111,608)
DP 96141 - Restore Funding for HB 130 Crisis Diversion										
33	0.00	190,000	429,468	0	619,468	0.00	190,000	429,468	0	619,468
Total	(8.49)	(\$1,929,971)	\$934,765	(\$722,060)	(\$1,717,266)	(8.49)	(\$2,082,590)	\$1,087,384	(\$707,732)	(\$1,702,938)

Language and Statutory Authority

The legislature included the following language in HB 2:

“Disability Services Division, Senior and Long-Term Care Division, and Addictive and Mental Disorders Division do not include present law adjustments for non-department of administration rent increases for the department of public health and human services for the 2013 biennium. It is the intent of the legislature that its rejection of the governor's proposed present law adjustments for rent is a reduction in the funds available for the purpose of the Department of Public Health and Human Services' leases for office space and that the Department of Public Health and Human Services either renegotiate the leases due to the reduction in funds or cancel the leases as provided in 2-17-101(6).”

“If the Addictive and Mental Disorders Division is unable to secure a federal grant to support the suicide prevention coordination position, the division may use other funds available from the appropriations for the Addictive and Mental Disorders Division to fund the position.”

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 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	545.10	0.00	(6.49)	538.61	0.00	(6.49)	538.61	538.61
Personal Services	30,168,350	1,342,677	(384,855)	31,126,172	1,356,368	(384,855)	31,139,863	62,266,035
Operating Expenses	10,518,731	378,517	0	10,897,248	702,964	0	11,221,695	22,118,943
Equipment & Intangible Assets	45,420	0	0	45,420	0	0	45,420	90,840
Grants	2,080,913	0	619,468	2,700,381	0	619,468	2,700,381	5,400,762
Benefits & Claims	49,936,040	14,837,108	(1,710,358)	63,062,790	16,841,348	(1,696,030)	65,081,358	128,144,148
Debt Service	1,620	0	0	1,620	0	0	1,620	3,240
Total Costs	\$92,751,074	\$16,558,302	(\$1,475,745)	\$107,833,631	\$18,900,680	(\$1,461,417)	\$110,190,337	\$218,023,968
General Fund	55,145,957	6,182,984	(1,183,153)	60,145,788	6,806,619	(1,183,153)	60,769,423	120,915,211
State/Other Special	5,722,001	2,021,014	429,468	8,172,483	2,655,516	429,468	8,806,985	16,979,468
Federal Special	31,883,116	8,354,304	(722,060)	39,515,360	9,438,545	(707,732)	40,613,929	80,129,289
Total Funds	\$92,751,074	\$16,558,302	(\$1,475,745)	\$107,833,631	\$18,900,680	(\$1,461,417)	\$110,190,337	\$218,023,968

Sub-Program Description

The Mental Health subprogram includes all mental health services, the two state mental health institutions, and mental health services administrative functions. The 2013 biennium budget request grows \$32.5 million compared to base budget expenditures, with \$10.6 million of the increase supported by general fund. The most significant biennial general fund increases are:

- o General fund Medicaid match needed due to discontinuation of the 10% temporary increase in the federal Medicaid match rate - \$7.7 million
- o Adjustments for MSH and the Nursing Care Center to reinstate overtime costs, and fund inflationary increases in food and medical costs - \$5.5 million general fund
- o Total Medicaid service utilization increases and state match rate adjustments - \$4.1 million

General fund increases are partially offset by reductions in:

- o An appropriation transfer for MHSP cost overruns - \$1.9 million general fund
- o A fund switch that offset general fund with tobacco trust fund interest state special revenue - \$0.9 million
- o Funding for 6.49 FTE - \$0.8 million

State special revenue increases due to the fund switch noted previously. Federal funds decline due to the reduction in the federal Medicaid match rate.

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	55,145,957	55,145,957	110,291,914	91.21%	92,751,074	92,751,074	185,502,148	85.08%
Statewide PL Adjustments	2,931,259	2,949,119	5,880,378	4.86%	(835,475)	(817,923)	(1,653,398)	(0.76%)
Other PL Adjustments	3,251,725	3,857,500	7,109,225	5.88%	17,393,777	19,718,603	37,112,380	17.02%
New Proposals	(1,183,153)	(1,183,153)	(2,366,306)	(1.96%)	(1,475,745)	(1,461,417)	(2,937,162)	(1.35%)
Total Budget	\$60,145,788	\$60,769,423	\$120,915,211		\$107,833,631	\$110,190,337	\$218,023,968	

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					569,303					577,498
Vacancy Savings					(1,229,511)					(1,229,828)
Inflation/Deflation					(175,555)					(149,646)
Fixed Costs					288					(15,947)
Total Statewide Present Law Adjustments		\$2,931,259	(\$124)	(\$3,766,610)	(\$835,475)		\$2,949,119	(\$142)	(\$3,766,900)	(\$817,923)
DP 33001 - Med Ben- HCBS Waiver Annualization	0.00	0	545,122	1,067,188	1,612,310	0.00	0	552,377	1,059,933	1,612,310
DP 33002 - Restore OT/Holidays Worked MSH	0.00	1,619,978	0	0	1,619,978	0.00	1,613,397	0	0	1,613,397
DP 33003 - MSH - Medical and Pharmacy Inflation	0.00	367,979	0	0	367,979	0.00	556,531	0	0	556,531
DP 33004 - Restore OT/Holidays Worked NCC	0.00	382,907	0	0	382,907	0.00	395,301	0	0	395,301
DP 33005 - MMHNCC-Medical & Pharmacy Inflation	0.00	220,347	0	0	220,347	0.00	346,568	0	0	346,568
DP 33006 - Med Ben - Mental Health Caseload Adj.	0.00	2,188,392	0	4,284,225	6,472,617	0.00	2,330,406	0	4,471,714	6,802,120
DP 33007 - FMAP Adj - Mental Health	0.00	(526,524)	249,529	276,995	0	0.00	(383,349)	259,284	124,065	0
DP 33013 - Med Ben--HIFA Waiver	0.00	0	1,226,487	6,434,471	7,660,958	0.00	0	1,843,997	7,491,698	9,335,695
DP 55140 - AMDD Operations Efficiencies 17-7-140	0.00	(34,542)	0	0	(34,542)	0.00	(34,542)	0	0	(34,542)
DP 55801 - Reduction to MHSP Base	0.00	(966,812)	0	58,035	(908,777)	0.00	(966,812)	0	58,035	(908,777)
Total Other Present Law Adjustments	0.00	\$3,251,725	\$2,021,138	\$12,120,914	\$17,393,777	0.00	\$3,857,500	\$2,655,658	\$13,205,445	\$19,718,603
Grand Total All Present Law Adjustments	0.00	\$6,182,984	\$2,021,014	\$8,354,304	\$16,558,302	0.00	\$6,806,619	\$2,655,516	\$9,438,545	\$18,900,680

General Fund Change in Statewide Present Law Budget – Enhanced Federal Medicaid Match Rate

The statewide present law adjustments include a \$7.7 million general fund increase offset by a reduction in federal Medicaid matching funds. This funding switch accounts for FY 2010 general fund savings due to the enhanced federal match rate (FMAP) included in the American Recovery and Reinvestment Act of 2009 (ARRA). The 2009 Legislature authorized an automatic adjustment to the adjusted base budget to restore general fund in the amount of increased federal Medicaid matching funds received in FY 2010. This funding change was authorized for all Medicaid services and foster care services funding as well.

DP 33001 - Med Ben- HCBS Waiver Annualization - The legislature approved \$3.2 million total funds, including \$1.1 million in health and Medicaid initiatives tobacco tax state special revenue, to fund 155 slots for the AMDD home and community-based waiver. The program is currently operating with 125 slots, with an additional 30 slots planned in FY 2011. FY 2010 expenditures were \$2,167,690. This program provides community services to adults with a severe and disabling mental illness who meet nursing home level of care criteria. The average cost per service slot is \$24,387 per year.

DP 33002 - Restore OT/Holidays Worked MSH - The legislature appropriated \$3.2 million for overtime, shift differential, holidays worked, and aggregate FTE at the Montana State Hospital (MSH). These costs, which are removed from the base budget, are related to staffing a facility that must be open 24 hours a day, 7 days a week. Base expenditures were \$1.6 million.

DP 33003 - MSH - Medical and Pharmacy Inflation - The legislature appropriated \$0.9 million general fund for inflationary increases for pharmacy, outside medical, laundry, and food services expenses at the Montana State Hospital. The hospital provides prescription drugs for residents during their stay at the facility, and incurs costs for medical services outside the facility such as lab, hospital, x-rays, dental, and optometry. Base expenditures for these items were \$2.7 million.

DP 33004 - Restore OT/Holidays Worked NCC - The legislature appropriated about \$0.8 million general fund for overtime, shift differential, holidays worked, and aggregate FTE at the Montana Mental Health Nursing Care Center (MMHNCC). These costs, which are removed from the base budget, are related to staffing a facility that must open 24 hours a day, 7 days a week. Base expenditures were \$0.4 million.

DP 33005 - MMHNCC-Medical & Pharmacy Inflation - The legislature appropriated \$0.6 million general fund over the biennium for a 5% inflationary increase for pharmacy contracted services and a 10% inflationary increase for drug costs, outside medical, and dental costs for MMHNCC residents who do not have other forms of insurance. Base expenditures for these items were \$1.1 million.

DP 33006 - Med Ben - Mental Health Caseload Adj. - The legislature added \$13.3 million total funds (\$4.5 million general fund) over the biennium for projected Medicaid mental health services cost increases. Base expenditures were \$35.3 million.

The legislature appropriated \$54.6 million additional funds for updated Medicaid caseload estimates. The branch overview includes a summary of the appropriation. Based on documentation supporting the updated Medicaid cost estimate provided to the legislature, \$1.9 million of the estimate is due to additional adult mental health Medicaid costs.

DP 33007 - FMAP Adj - Mental Health - The legislature reduced general fund (\$0.8 million over the biennium) and increased state special revenue (\$0.5 million over the biennium) and federal Medicaid funds (\$0.4 million) due to a projected change in the Federal Medical Assistance Participation (FMAP) rates for FY 2012 and FY 2013.

The state Medicaid match rate is expected to increase over the 2013 biennium. The adjustment in the AMDD budget lowered general fund despite the match increase in order to adjust state funding to the correct mix. When the adjusted base budget was modified to account for the discontinuation of the temporary increase in the federal Medicaid match rate, too much general fund was added. This adjustment corrects for that error.

DP 33013 - Med Ben--HIFA Waiver - The legislature appropriated \$17.0 million total funds, including \$3.1 million in tobacco tax health and Medicaid initiatives state special revenue, to implement the health insurance flexibility and accountability (HIFA) Medicaid waiver program, which was approved by the federal Centers for Medicare and Medicaid Services (CMS) in late November 2010. The HIFA waiver proposal was originally discussed with the 2005 Legislature and submitted to CMS in 2006. The HIFA waiver is discussed in more detail in the division overview.

DP 55140 - AMDD Operations Efficiencies 17-7-140 - The legislature accepted the executive recommendation to reduce the general fund base budget by \$57,407 each year. This change continues FY 2011 reductions made by the Governor under 17-7-140, MCA. AMDD will accommodate reductions through efficiencies in the areas of travel, conferences, supplies, newspaper ads, cell phone use, postage and contracting.

DP 55801 - Reduction to MHSP Base - The legislature accepted the executive proposal to reduce general fund by \$2.0 million over the biennium to lower the 2013 biennium Mental Health Services Plan (MHSP) appropriation to the level established by the 2009 Legislature. Enrollment and service utilization in MHSP spiked in FY 2010. Mitigation activities undertaken by AMDD included limiting enrollment by shifting eligibility determination to AMDD staff, limiting eligibility to those persons most in need of services, and capping monthly case management reimbursement. However, despite these cost containment efforts, the program expenditures exceeded the amounts appropriated for MHSP. The division covered the MHSP shortfall by transferring funds from the appropriations for the 72 hour community crisis diversion program and personal services costs at the state mental health institutions. This reduction removes the additional expenditures that were funded by the transfer. Other mitigation plans are in progress to maintain the program at this level.

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 55433 - 4% FTE Reduction										
01	(6.49)	(384,855)	0	0	(384,855)	(6.49)	(384,855)	0	0	(384,855)
DP 95141 - HB130 Crisis Divrsn Fndng in HB2 17-7-140										
01	0.00	(619,468)	0	0	(619,468)	0.00	(619,468)	0	0	(619,468)
DP 95331 - Reduce Targeted Case Management Rates										
01	0.00	(368,830)	0	(722,060)	(1,090,890)	0.00	(368,830)	0	(707,732)	(1,076,562)
DP 96141 - Restore Funding for HB 130 Crisis Diversion										
01	0.00	190,000	429,468	0	619,468	0.00	190,000	429,468	0	619,468
Total	(6.49)	(\$1,183,153)	\$429,468	(\$722,060)	(\$1,475,745)	(6.49)	(\$1,183,153)	\$429,468	(\$707,732)	(\$1,461,417)

DP 55433 - 4% FTE Reduction - The legislature accepted the executive request to remove funding for 8.49 FTE with a total reduction of about \$1.0 million general fund over the biennium. These reductions include two positions in the division administration subprogram and the balance from the mental health services subprogram - 0.50 FTE from the services bureau, 3.00 FTE from MSH, and 2.99 FTE from MMHNCC. In addition, a reduction of \$81,890 in operating expenses at the MMHNCC was included. All but 1.00 of the FTE in the Mental Health Services subprogram are vacant.

DP 95141 – HB 130 Crisis Divrsn Fndng in HB2 17-7-140 - This reduction was included in the AMDD 5% budget reduction plan required to be developed pursuant to 17-7-111(3)(f), MCA. The proposal lowered the general fund base budget by \$619,468 each year for mental health crisis jail diversion services implemented in three bills recommended by the Interim Committee on Law and Justice and passed by the 2009 Legislature (HB 130, HB 131, and HB 132 and codified as Title 53, Title 21, Part 12, MCA). This reduction was restored in DP 96141.

DP 95331 - Reduce Targeted Case Management Rates - AMDD implemented administrative rules to lower targeted case management rates for adult mental health services in early 2011. This reduction was included in the AMDD 5% budget reduction plan required to be developed pursuant to 17-7-111(3)(f), MCA.

DP 96141 - Restore Funding for HB 130 Crisis Diversion - The legislature reinstated funding for mental health crisis diversion services, which was eliminated when the legislature adopted a starting point for budget deliberations (DP 95141). The legislature reinstated \$380,000 general fund and about \$860,000 of tobacco settlement trust fund interest. The funding can be used to support mental health crisis jail diversion services enacted in HB 130, HB 131 and HB 132 by the 2009 Legislature.

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 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	67.25	0.00	0.00	67.25	0.00	0.00	67.25	67.25
Personal Services	3,539,366	166,791	0	3,706,157	170,461	0	3,709,827	7,415,984
Operating Expenses	2,185,618	(3,233)	(111,608)	2,070,777	(1,097)	(111,608)	2,072,913	4,143,690
Grants	2,877,586	0	0	2,877,586	0	0	2,877,586	5,755,172
Benefits & Claims	8,175,709	0	0	8,175,709	0	0	8,175,709	16,351,418
Total Costs	\$16,778,279	\$163,558	(\$111,608)	\$16,830,229	\$169,364	(\$111,608)	\$16,836,035	\$33,666,264
General Fund	2,098,394	170,015	(616,905)	1,651,504	170,346	(769,524)	1,499,216	3,150,720
State/Other Special	5,018,939	142,444	505,297	5,666,680	148,473	657,916	5,825,328	11,492,008
Federal Special	9,660,946	(148,901)	0	9,512,045	(149,455)	0	9,511,491	19,023,536
Total Funds	\$16,778,279	\$163,558	(\$111,608)	\$16,830,229	\$169,364	(\$111,608)	\$16,836,035	\$33,666,264

Sub-Program Description

The Addiction Treatment and Prevention subprogram includes all chemical dependency services, MCDC, and administrative functions. The legislative appropriation grows about \$110,000 over the biennium compared to the FY 2010 base budget.

Statewide present law adjustments for annualization of the FY 2011 health insurance increase in the 2011 biennium pay plan and funding for positions that were vacant a portion of FY 2010 add about \$330,000 over the biennium. Reductions in contracted costs for food at MDC partially offset the personal services increase.

The 2013 biennium general fund appropriation is about \$1.0 million lower than the base budget and federal funds are about \$0.3 million lower. State special revenue appropriations are \$1.5 million higher. General fund was offset by alcohol tax funds freed up due to lower food costs at MCDC and because there was excess funds in the alcohol tax state special revenue account.

Reductions in federal funds are due to the discontinuation of the temporary federal Medicaid match rate change.

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	2,098,394	2,098,394	4,196,788	133.20%	16,778,279	16,778,279	33,556,558	99.67%
Statewide PL Adjustments	170,015	170,346	340,361	10.80%	163,558	169,364	332,922	0.99%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	(616,905)	(769,524)	(1,386,429)	(44.00%)	(111,608)	(111,608)	(223,216)	(0.66%)
Total Budget	\$1,651,504	\$1,499,216	\$3,150,720		\$16,830,229	\$16,836,035	\$33,666,264	

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					321,218					325,039
Vacancy Savings					(154,427)					(154,578)
Inflation/Deflation					(2,928)					(2,555)
Fixed Costs					(305)					1,458
Total Statewide Present Law Adjustments		\$170,015	\$142,444	(\$148,901)	\$163,558		\$170,346	\$148,473	(\$149,455)	\$169,364
Grand Total All Present Law Adjustments	0.00	\$170,015	\$142,444	(\$148,901)	\$163,558	0.00	\$170,346	\$148,473	(\$149,455)	\$169,364

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 33015 - Med Ben - Alcohol Tax Offset of General Fund Match										
02	0.00	(170,704)	170,704	0	0	0.00	(170,704)	170,704	0	0
DP 33016 - Alcohol Tax Offset General Fund Treatment Cost										
02	0.00	(446,201)	446,201	0	0	0.00	(598,820)	598,820	0	0
DP 95332 - MCDC - Reduction in Food Service Costs										
02	0.00	0	(111,608)	0	(111,608)	0.00	0	(111,608)	0	(111,608)
Total	0.00	(\$616,905)	\$505,297	\$0	(\$111,608)	0.00	(\$769,524)	\$657,916	\$0	(\$111,608)

DP 33015 - Med Ben - Alcohol Tax Offset of General Fund Match - The legislature used excess alcohol tax state special revenue to offset \$341,408 general fund appropriated for state Medicaid matching funds over the 2013 biennium.

DP 33016 - Alcohol Tax Offset General Fund Treatment Cost - Alcohol tax funds were available because the legislature shifted funds supporting breathalyzer/intoxalyzers from the alcohol tax state special revenue fund to the highways non restricted state special revenue fund. The freed up alcohol tax state special revenue was used to offset general fund cost of community treatment for chemical dependency, including addiction to methamphetamine.

DP 95332 - MCDC - Reduction in Food Service Costs - Food costs for MCDC will be lower than included in the executive budget submitted on December 15, 2010. This reduction was included in the AMDD 5% budget reduction plan required to be developed pursuant to 17-7-111(3)(f), MCA. The legislature used the freed up alcohol state special revenue to offset general fund costs for state Medicaid match and for community treatment for addiction.

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 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	16.00	0.00	(2.00)	14.00	0.00	(2.00)	14.00	14.00
Personal Services	850,955	255,211	(129,913)	976,253	256,441	(129,913)	977,483	1,953,736
Operating Expenses	347,139	(23,118)	0	324,021	(23,107)	0	324,032	648,053
Grants	187,500	0	0	187,500	0	0	187,500	375,000
Total Costs	\$1,385,594	\$232,093	(\$129,913)	\$1,487,774	\$233,334	(\$129,913)	\$1,489,015	\$2,976,789
General Fund	946,165	231,555	(129,913)	1,047,807	231,667	(129,913)	1,047,919	2,095,726
State/Other Special	169,099	0	0	169,099	0	0	169,099	338,198
Federal Special	270,330	538	0	270,868	1,667	0	271,997	542,865
Total Funds	\$1,385,594	\$232,093	(\$129,913)	\$1,487,774	\$233,334	(\$129,913)	\$1,489,015	\$2,976,789

Sub-Program Description

The legislative appropriation for the AMDD division administration function grows about \$200,000 general fund over the biennium from a total funds base expenditure level of \$1.4 million. Increases in personal services are partially offset by eliminating funds for 2.00 FTE.

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	946,165	946,165	1,892,330	90.29%	1,385,594	1,385,594	2,771,188	93.09%
Statewide PL Adjustments	254,420	254,532	508,952	24.29%	254,958	256,199	511,157	17.17%
Other PL Adjustments	(22,865)	(22,865)	(45,730)	(2.18%)	(22,865)	(22,865)	(45,730)	(1.54%)
New Proposals	(129,913)	(129,913)	(259,826)	(12.40%)	(129,913)	(129,913)	(259,826)	(8.73%)
Total Budget	\$1,047,807	\$1,047,919	\$2,095,726		\$1,487,774	\$1,489,015	\$2,976,789	

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					301,303					302,583
Vacancy Savings					(46,092)					(46,142)
Inflation/Deflation					(253)					(242)
Total Statewide Present Law Adjustments		\$254,420	\$0	\$538	\$254,958		\$254,532	\$0	\$1,667	\$256,199
DP 55140 - AMDD Operations Efficiencies 17-7-140										
	0.00	(22,865)	0	0	(22,865)	0.00	(22,865)	0	0	(22,865)
Total Other Present Law Adjustments	0.00	(\$22,865)	\$0	\$0	(\$22,865)	0.00	(\$22,865)	\$0	\$0	(\$22,865)
Grand Total All Present Law Adjustments	0.00	\$231,555	\$0	\$538	\$232,093	0.00	\$231,667	\$0	\$1,667	\$233,334

DP 55140 - AMDD Operations Efficiencies 17-7-140 - The legislature accepted the executive recommendation to reduce the general fund base budget FY 2011 reductions made by the Governor under 17-7-140, MCA. AMDD will accommodate reductions through efficiencies in the areas of travel, conferences, supplies, newspaper ads, cell phone use, postage and contracting.

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 55433 - 4% FTE Reduction											
03	(2.00)	(129,913)	0	0	(129,913)	(2.00)	(129,913)	0	0	(129,913)	
Total	(2.00)	(\$129,913)	\$0	\$0	(\$129,913)	(2.00)	(\$129,913)	\$0	\$0	(\$129,913)	

DP 55433 - 4% FTE Reduction - The legislature accepted the executive request to remove funding for 8.49 FTE with a total reduction of about \$1.0 million general fund over the biennium. These reductions include two positions in the division administration subprogram and the balance from the mental health services subprogram - 0.50 FTE from the services bureau, 3.00 FTE from MSH, and 2.99 FTE from MMHNCC. In addition, a reduction of \$81,890 in operating expenses at the MMHNCC was included. All but 1.00 of the FTE in the Mental Health Services subprogram are vacant.