

Performance Evaluation Fact Sheet

**DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
BUDGET STATUS REPORT**

ISSUE STATEMENT

The Department of Public Health and Human Services (DPHHS) is required to provide monthly updates of estimated costs for Medicaid services as well as a copy of the department’s budget status report (BSR) to the Legislative Finance Committee (LFC). The reports must be in a format mutually agreed to by the department and LFC.

HISTORY AND PURPOSE OF PROGRAM OR ITEM

The current BSR contains much appropriation and budget detail that is useful to legislative staff. The LFC will review the type of management level budget information that it may wish to receive. It has been six years since 53-6-110(4), MCA was enacted.

MEASURES FOR DETERMINING EFFECTIVENESS

The table lists tasks that have been completed and those that will be undertaken pending LFC direction.

| Steps Taken and Planned | Completed or Not |
|---|------------------|
| Review examples of current BSR reports (fiscal year end and monthly report) | Completed |
| Identify types of useful information currently included in the report | Completed |
| Identify format changes to facilitate conveyance of management or other information that could be included in the BSR | Completed |
| Develop LFC workgroup recommendation on formats to retain and formats to add | Completed |
| Preliminary meeting with DPHHS staff to explain workgroup recommendations | Completed |
| Present preliminary workgroup recommendations to LFC and receive direction from LFC | |
| Work with DPHHS and LFC to negotiate final agreement if directed by LFC | |

CURRENT STATUS

The LFC formed a work group to consider what types of information would be most useful for committee members: Representative Esp, Senator Lewis, Senator Wanzenried, and Senator Williams. The workgroup considered several options. There was unanimous agreement on the following recommendations:

- 1) Ask DPHHS to highlight variances of projected expenditures from budgeted amounts, providing a short narrative explanation as to why projected expenditures exceed or are lower than appropriations by a certain threshold amount;
- 2) Ask that the BSR show total reversion amounts separate from reversions from restricted appropriations only (information similar to FY 2011 fiscal year end report); and
- 3) Ask that the BSR maintain the level of appropriation and expenditure detail for programs and Medicaid cost estimates included in the current format.

The following proposals received a recommendation from 2 of the 4 members:

- o Ask that DPHHS identify all manual adjustments that it has made to the BSR to track or isolate certain appropriation policy issues- eg amounts allocated to capital outlay in FY 2011 that represented 17-7-140, MCA reductions in the 2011 biennium, set asides for enhanced federal Medicaid match (FMAP)
- o Request that DPHHS provide anecdotal information for budgetary risks such as lawsuits, federal regulatory changes
- o Request that LFD staff provide a short memo with bullet style highlights of its review of the BSR for LFC review
- o Ask that DPHHS and LFD work jointly to clarify column headings of the BSR

POTENTIAL OPTIONS OR DECISION POINTS

The LFC may wish to review, edit, and decide which recommendations it wishes to pursue in discussing the BSR format changes with DPHHS. If the LFC opts to request format changes, it may wish to direct that the workgroup continue, meet with DPHHS, and report back to the March LFC meeting.