Program Legislative Budget

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

Program Legislative Budget Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	109.95	1.00	6.75	117.70	1.00	8.50	119.45	119.45
Personal Services	5,249,065	689,612	267,041	6,205,718	713,993	335,450	6,298,508	12,504,226
Operating Expenses	1,529,230	177,517	55,117	1,761,864	189,133	50,511	1,768,874	3,530,738
Equipment	7,645	0	0	7,645	0	0	7,645	15,290
Grants	539,697	0	0	539,697	0	0	539,697	1,079,394
Total Costs	**$7,325,637**	**$867,129**	**$322,158**	**$8,514,924**	**$903,126**	**$385,961**	**$8,614,724**	**$17,129,648**
General Fund	1,980,699	338,236	115,295	2,434,230	351,869	136,805	2,469,373	4,903,603
State/Other Special	134,137	91,877	0	226,014	92,388	0	226,525	452,539
Federal Special	5,210,801	437,016	206,863	5,854,680	458,869	249,156	5,918,826	11,773,506
Total Funds	**$7,325,637**	**$867,129**	**$322,158**	**$8,514,924**	**$903,126**	**$385,961**	**$8,614,724**	**$17,129,648**

Page Reference

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Funding

The Quality Assurance Division is funded primarily with federal funds (69 percent of the 2009 biennium appropriations). General fund supports about 29 percent of program costs with the remaining 2 percent of budgeted expenditures supported by state special revenue.

General fund supports a portion of the administrative functions, the state match for Medicaid and Title IV-E (foster care) eligible costs, a portion of child care licensure, and the full cost of certificate of need, health facility licensure, mental health facility licensure, and radiological equipment testing.

State special revenue includes alcohol taxes allocated to DPHHS, lien and estate recoveries for Medicaid services, medical marijuana registry fees, and indirect cost recovery funds. Alcohol taxes fund staff and contracted services for chemical dependency program licensure. Lien and estate funds pay for services to pursue recoveries for the costs of Medicaid, mainly for nursing home services. Medical marijuana registry fees cover the cost of administering the registry.

There are 11 separate federal funding sources in the Quality Assurance Division budget request. Some federal sources support more than one function. For instance, Medicaid funds support: 1) third party (Medicare, insurance, and private pay) recovery; 2) the surveillance, utilization, and review unit; 3) the nurse aide registry for nursing homes; and 4) the Department of Justice fraud surveillance contract. Medicaid and Medicare funds support certification of services such as nursing home and home health services. Medicare CLIA (clinical laboratory improvement amendments) pays for reviews of some laboratories in order to qualify the labs for federal funding. The rural hospital flexibility grant supports grants and other activities for local hospitals to maintain critical access hospital status. Childcare discretionary and administrative funding supports licensure of childcare facilities. Title IV-E pays the federal share of costs of licensing community residential facilities. Mammography funds pay for inspections of mammography equipment. Federal indirect funding represents the federal share of allocated administrative costs, such as those for fair hearings and administrative costs.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the proposed adjusted base budget. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies, unless otherwise noted. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	Fiscal 2008					Fiscal 2009				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					900,131					925,491
Vacancy Savings					(245,971)					(246,982)
Inflation/Deflation					22,252					23,459
Fixed Costs					(20,471)					(19,863)
Total Statewide Present Law Adjustments					**$655,941**					**$682,105**
DP 6015 - State Motor Pool Rate Change	0.00	(227)	0	(1,355)	(1,582)	0.00	(234)	0	(1,398)	(1,632)
DP 80002 - QAD Rent Increase	0.00	12,330	222	21,534	34,086	0.00	15,472	318	28,179	43,969
DP 80007 - Leased Vehicles (2) For Field Staff	0.00	(2,984)	0	(1,412)	(4,396)	0.00	(2,984)	0	(1,412)	(4,396)
DP 80008 - Additional Lien and Estate Recovery Costs	0.00	0	91,540	91,540	183,080	0.00	0	91,540	91,540	183,080
DP 80009 - Child Care Licensing Increase 1 FTE	1.00	0	0	0	0	1.00	0	0	0	0
DP 80010 - TPL Funding Adjustment	0.00	58,231	0	(58,231)	0	0.00	58,340	0	(58,340)	0
Total Other Present Law Adjustments	**1.00**	**$67,350**	**$91,762**	**$52,076**	**$211,188**	**1.00**	**$70,594**	**$91,858**	**$58,569**	**$221,021**
Grand Total All Present Law Adjustments					**$867,129**					**$903,126**

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool were reduced from the level requested by the Governor.

DP 80002 - QAD Rent Increase - This bill provides funding to support division rent increases. Rent for the division is increasing between 2-3 percent per year. In addition, department staff will be moving into a new building in Kalispell in FY 2008 which has an increase in the rental prices associated with it.

DP 80007 - Leased Vehicles (2) For Field Staff - This bill includes a reduction each year of the biennium to lease two motor pool cars. The reductions reflect the cost savings to the division from leasing motor pool cars rather than reimbursing employees for the costs of driving their own cars.

DP 80008 - Additional Lien and Estate Recovery Costs - This bill includes a one-time-only appropriation of $183,080 in state special revenue funds in each year of the FY 2009 biennium for additional lien and estate recovery costs. The division estimates that as a result of recovery efforts lien and estate state special revenue (SSR) collections will increase $253,840 in FY 2008 and $258,800 in FY 2009.

DP 80009 - Child Care Licensing Increase 1 FTE - This bill converts 1.00 modified FTE to a permanent position for each year of the biennium to provide administrative and technical support for the Child Care Licensing Program.

DP 80010 - TPL Funding Adjustment - This bill includes a funding switch for the TPL Unit to align the funding with federal requirements. It was originally funded at 25 percent general fund and 75 percent federal funds. It is now a 50 percent general fund program.

New Proposals

New Proposals	Fiscal 2008					Fiscal 2009				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 80011 - Payment Error Rate Measurement										
08	6.75	115,295	0	206,863	322,158	8.50	136,805	0	249,156	385,961
Total	**6.75**	**$115,295**	**$0**	**$206,863**	**$322,158**	**8.50**	**$136,805**	**$0**	**$249,156**	**$385,961**

DP 80011 - Payment Error Rate Measurement - This bill provides FTE and funding to implement the Centers for Medicare and Medicaid Services Payment Error Rate Measurement (PERM) program in Montana. PERM is a new federal requirement for Medicaid and CHIP. States are reviewed every 3 years and Montana is to be reviewed beginning in FY 2008.

Language

"Included in Quality Assurance Division Admin/Reporting is $200 in general fund money each year for a semi-annual report to the legislative finance committee, the interim committee on children and families and members of the joint appropriation subcommittee for health and human services for the following:

(1) progress towards the goals presented to the joint appropriations subcommittee on health and human services in the division's final template; and

(2) attainment of measurable objectives as outlined in the division's final template presented to the joint appropriations subcommittee on health and human services.

If the reports are not received by the legislative finance committee on December 31, 2007, and June 30, 2008, the fiscal year 2009 general fund appropriation is reduced by $200."