



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2021 Biennium

Bill # SB0209

Title: Require provision of DPHHS services in certain counties

Primary Sponsor: Esp, John

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>
Expenditures:				
General Fund	\$147,713	\$140,385	\$140,225	\$140,524
State Special Revenue	\$10,639	\$10,105	\$10,120	\$10,135
Federal Special Revenue	\$230,586	\$219,044	\$219,209	\$219,573
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$230,586	\$219,044	\$219,209	\$219,573
Net Impact-General Fund Balance:	<u>(\$147,713)</u>	<u>(\$140,385)</u>	<u>(\$140,225)</u>	<u>(\$140,524)</u>

Description of fiscal impact: SB 209 requires the Department of Public Health and Human Services (DPHHS) to have or to ensure a physical presence for certain services in counties with populations exceeding a specific level.

FISCAL ANALYSIS

Assumptions:

1. The Child and Family Services Division (CFSD) currently maintains physical presence in all counties with a population greater than 9,000, apart from one county. CFSD estimates the need to establish a physical presence in one additional county to meet the population threshold criteria.
2. The Human and Community Services Division (HCSD) estimates the need to establish a physical presence in an additional seven counties to meet the population threshold criteria to provide local offices of public assistance.
3. DPHHS assumes community partners will provide adequate office space for department programs to operate and establish office hours as proposed in the bill. DPHHS anticipates that the office space provided by community partners will be provided free of charge.

Child and Family Services Division (CFSD)

4. CFSD estimates 0.50 FTE is necessary to provide coverage in Boulder, MT. Currently, this is the only location without dedicated staff.
5. The FTE will be based in Helena and will commute to Boulder twice weekly. Personal services costs are estimated at the following levels: \$30,157 in FY 2020, \$31,157 in FY 2021, \$30,700 in FY 2022 and \$30,877 in FY 2023.
6. Travel costs are calculated at two days per week using the following calculations:
 - a. 16 hours x \$1.081 for mid-sized compact car, class 06 = \$17.30 weekly x 52 weeks = \$899
 - b. Motor pool charges for mileage: 120 miles per week x \$0.106 per mile = \$12.72 weekly x 52 weeks = \$661
 - c. Per Diem associated with travel is estimated at \$2,392 annually.

The total annual travel cost is \$3,952
7. One-time costs for computer equipment and office furniture in FY 2020 is calculated at \$2,800 for one employee.
8. Operating costs associated with the new FTE are estimated 3% of personal service costs.
9. Funding for CFSD is 70% general fund and 30% federal funds.
10. Should the FTE be a resident of Boulder, then no motor pool, per diem, or travel costs would be incurred.

Human and Community Services Division (HCSD)

11. A total of 4.5 FTE client service coordinators are necessary to provide coverage in the estimated seven counties requiring it. This includes:
 - a. 1.0 FTE five days a week in Livingston.
 - b. 3.50 FTE total (0.5 FTE for every identified location for the following locations: Boulder, Thompson Falls, Sidney, Red Lodge, Dillon, Columbus, and Glendive). FTE costs are estimated as follows: \$271,094 in FY 2020, \$275,721 in FY 2021, \$276,196 in FY 2022 and \$276,678 in FY 2023.
12. One-time computer equipment and office furniture in FY 2020 is calculated at \$22,400 for eight new employees.
13. Operating costs associated with the new FTE are estimated 3% of personal service costs.
14. The total estimated annual travel cost is \$49,497. This includes rental of a Mid-sized compact car-class 06, miles driven, hotel for one night if distance between OPA office and county seat is more than one hour, and per diem for two days/week.

County Seat	Closest OPA Office	Motor Pool Hours/Week	Motor Pool Hourly Rate	Motot Pool Annual Cost	Miles to closest OPA	Miles per week	Motor Pool Total Mileage	Annual Hotel Cost	Annual Per Diem	Total Travel
Boulder	Helena	16	\$1.081	\$899	29	116	\$639		\$2,392	\$3,931
Thompson Falls	Polson	16	\$1.081	\$899	89	178	\$981	\$4,888	\$2,392	\$9,161
Sidney	Wolf Point	40	\$1.081	\$2,248	97	194	\$1,069	\$4,888	\$2,392	\$10,598
Red Lodge	Billings	16	\$1.081	\$899	61	122	\$672	\$4,888	\$2,392	\$8,852
Dillon	Butte	16	\$1.081	\$899	18	72	\$397		\$2,392	\$3,688
Columbus	Billings	16	\$1.081	\$899	43	172	\$948		\$2,392	\$4,239
Glendive	Miles City	16	\$1.081	\$899	77	154	\$849	\$4,888	\$2,392	\$9,028
TOTAL										\$49,497

15. Funding for HCSD is 34.53% general fund, 3.03% State special and 62.44% federal funds.

	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	5.00	5.00	5.00	5.00
<u>Expenditures:</u>				
Personal Services	301,251	306,878	306,896	307,555
Operating Expenses	87,688	62,656	62,657	62,677
TOTAL Expenditures	<u>\$388,939</u>	<u>\$369,534</u>	<u>\$369,553</u>	<u>\$370,232</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$147,713	\$140,385	\$140,225	\$140,524
State Special Revenue (02)	\$10,639	\$10,105	\$10,120	\$10,135
Federal Special Revenue (03)	\$230,586	\$219,044	\$219,209	\$219,573
TOTAL Funding of Exp.	<u>\$388,939</u>	<u>\$369,534</u>	<u>\$369,553</u>	<u>\$370,232</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$147,713)	(\$140,385)	(\$140,225)	(\$140,524)
State Special Revenue (02)	(\$10,639)	(\$10,105)	(\$10,120)	(\$10,135)
Federal Special Revenue (03)	(\$230,586)	(\$219,044)	(\$219,209)	(\$219,573)

Technical Notes:

1. The amendment to Mont. Code Ann. § 53-20-205 in Section 4 of the bill would likely damage existing community developmental disability service providers as they could be required to expand services offered in order to maintain provider status. For example, 24 percent of the enrolled waiver providers service 10 or fewer clients based upon those individuals’ specific needs. The amendments in section 4 could require these small providers to become sufficiently qualified to offer over 30 different waiver services—regardless of the individualized needs of an existing clientele. This amendment also gives rise to concerns that certain waiver services would not be able to be provided in compliance with federal “free choice” and provider access provisions, as well as with the Montana Medicaid State Plan. Under section 1902(a)(23) of the Social Security Act, Medicaid beneficiaries generally have the right to obtain services “from any institution, agency, community pharmacy, or person, qualified to perform the service or services required . . . who undertakes to provide . . . such services.” Aside from a few narrow exceptions, states are not permitted to place obstacles in the way of open provider enrollment. 42 C.F.R. § 431.51(c) generally provides that states may only establish provider standards based on reasons relating to the fitness of the provider to perform covered medical services and the fees for those services. A state law requirement that a provider must “provide a full array of services at a physical location in the county seat of each county in the region with a population of at least 12,000” might prevent an otherwise qualified provider from enrolling simply because that provider is not able provide a full array of services.

2. Per Section 2, the proposal does not include a mechanism for the DPHHS to track or enforce the provisions of the bill to require providers to have a specific service location and set office hours. It is unknown how DPHHS would identify providers to require they have a service location in the county seat or enforce the location and office hour requirements.
3. The bill does not indicate that the providers of services must be Medicaid providers. The department does not currently track or monitor information on non-participating (non-Medicaid) providers.
4. In Section 2, there is no specific definition in relation to “provider of mental illness treatment services”. Mental health services can be provided by a multitude of provider types, including: hospitals, Psychiatric Residential Treatment Facilities, Group Homes, Federally Qualified Health Centers, Rural Health Centers, mental health centers, physicians, psychiatrists, other mental health professionals, School districts through the Comprehensive School and Community Treatment program, etc. It is unclear if there is any restriction on the term “provider of mental illness treatment services” in Section 2.
5. There are numerous population surveys and population estimates provided at various dates during the year from the U.S. Census Bureau and the Montana Census and Economic Information Center. The proposal should identify the data series to be used to measure the population for each county and how often it should be reviewed.
6. Section 2 (5) of SB 209 requires providers of mental illness or chemical dependency treatment services to establish and maintain a physical location in each county with a population of at least 12,000. It is unclear how and under what authority the department would compel this.
7. Section 2 (5) directs DPHHS to require providers of mental illness or chemical dependency treatment services to establish services and maintain a physical office with scheduled hours at least three days a week. Additional clarification may be needed in order to establish or modify administrative rule, civil law, or criminal law as needed to encourage provider adherence to SB 209.

NO SPONSOR SIGNATURE

Sponsor's Initials

Date

TL

Budget Director's Initials

2/13/19

Date