

Issue Brief: Energy Conservation Projects
Prepared by: Tom O'Connell, State Architect
Update #4
April 22, 2010

Issue: Reduce energy consumption in State facilities.

Project Description: The Department's Architecture & Engineering (A&E) Division is implementing energy conservation projects in numerous facilities throughout the State. Our purpose is to meet the Governor's 20x10 Initiative to reduce energy consumption and save resources.

Project Status:

- **Campus Energy Improvements, Montana State University & University of Montana:** Consultants appointed in July 2009; contracts negotiated. Design work continues on numerous HVAC and lighting projects. Several projects are either nearing the bidding process or construction has begun.
- **Montana State Prison Alternative Energy, Biomass Boiler:** Consultant appointed in July 2009; contract negotiated. Design work continues and the bid is anticipated for May.
- **Department of Transportation:** Energy Improvements, Statewide: Consultants appointed in September 2009. Consultant contracts negotiated and designs are either complete or nearing completion. HQ lighting upgrade has bid and is on hold pending MDT funding decision; all other projects on hold pending MDT funding decision.
- **Implement numerous energy projects statewide for agencies** including the Department of Natural Resources and Conservation, School for the Deaf & Blind, Veterans' Homes, Riverside, Montana Developmental Center, Men's Prison, Montana Mental Health Nursing Care Center, Warm Springs Addictions Treatment and Change Program (WATCh) East, Montana State Hospital, Fish, Wildlife and Parks, Labor & Industry, Revenue, and Justice. While many of the projects are in the design phase, several of the projects have been scheduled to bid or are under construction.

Issue Brief: Health Care Cost Containment
Prepared by: Connie Welsh, Administrator, HCBD
Update #4
April 22, 2010

Issue: Control increases in health care costs for employees and their families.

Project Description:

The Health Care & Benefits Division has developed a new prescription drug benefit program called URx. The program is an evidence-based medical approach designed to educate and provide economic incentives to plan members. By promoting interaction between plan members and their physicians, URx results in the selection of prescription drugs that will deliver optimal health outcomes at the most efficient cost. The program is a joint effort of the State and the Montana University System benefit program.

Preliminary actuarial analysis indicates that URx will reduce costs by approximately \$6.3M in 2010. The cost reductions have been used to cover a portion of the overall increase in pharmacy and medical costs for the State plan in 2010.

Project Status:

- The URx program was implemented January 1, 2010. In the first three months, the Health Care & Benefits Division has authorized over **1200 plan exceptions** to allow members to individually tailor their prescription drug coverage. Exception requests are processed within one day.
- In July 2009, **80%** of plan members were on the highest value drugs (both clinically and financially). As of March 2010, over **92%** of members are on the highest value drugs. **Savings in prescription drug expenditures during the first three months of 2010 is 44% compared to 2009 expenditures.**
- Current projections for 2010 savings for URx range from \$8.4M to \$11.9M.

Issue Brief: State of Montana Data Center
Prepared by: Dick Clark, Chief Information Officer
Update # 4
April 22, 2010

Issue: Meet the increasing demands for security, reliability, and growth by constructing data centers in Helena and Miles City.

Project Description: The project consists of constructing two data centers (Helena and Miles City) and transitioning all equipment and services currently offered by the department's Information Technology Services Division (ITSD).

The Department's Architecture and Engineering (A&E) Division is providing project management for the construction project.

The Department's Information Technology Services Division (ITSD) - Enterprise Operations will manage the transition to the Helena Data Center of all IT equipment and services presently offered or hosted by ITSD.

Project Status:

1. **Construction:** Construction is complete.
Helena Data Center on March 3rd and Miles City on February 17th
2. **Schedule:** The project is on schedule. The Helena Data Center will be ready for operation by December 31st, 2010. The schedule will be refined and updated as needed until the end of the project.
3. **Budget:** The budget has been established, with items prioritized as needed. The Chief Financial Officer will make decisions on lease vs. purchase options.