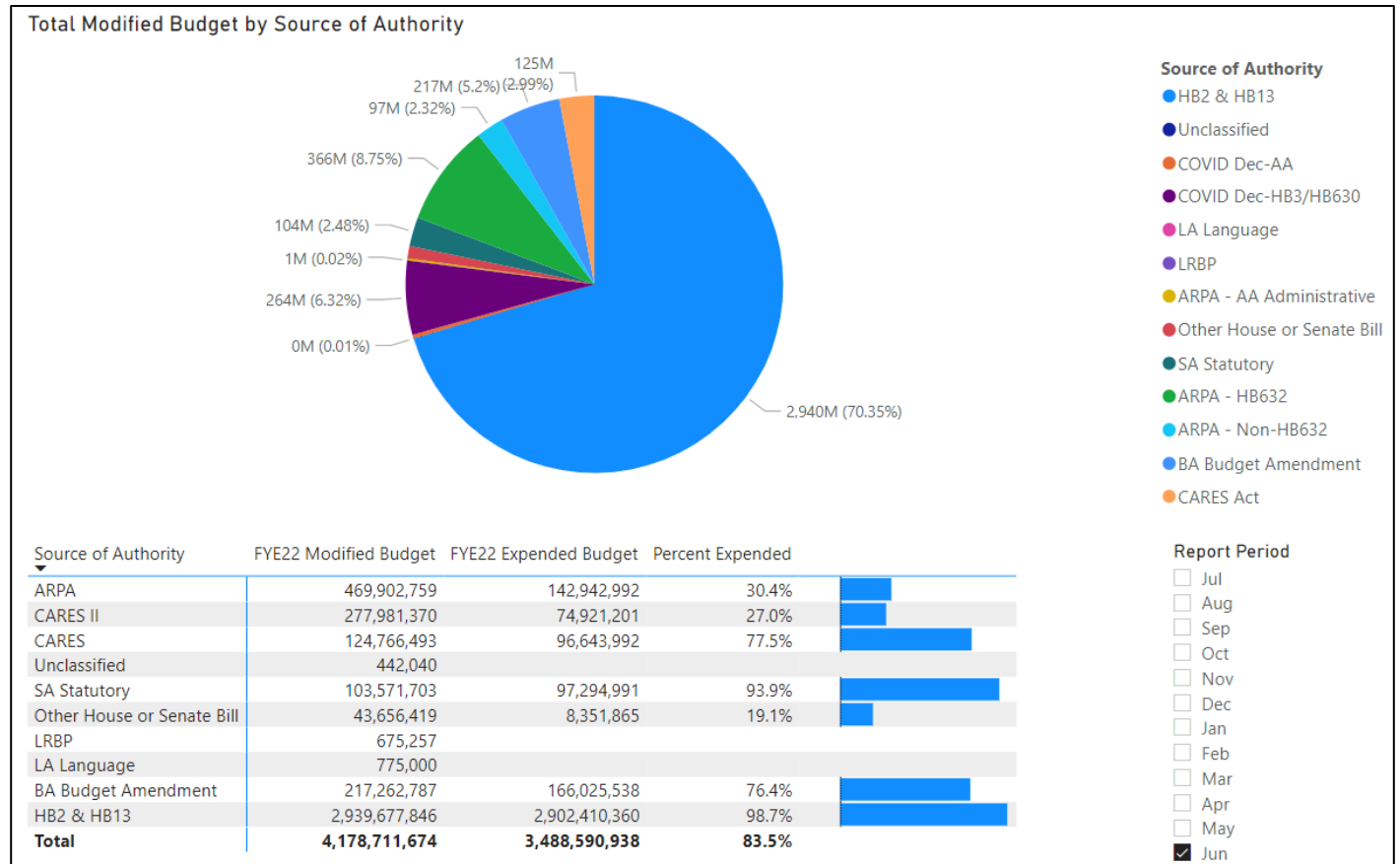


# DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES (DPHHS)

## TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 70.4% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.



## Budget Amendments

Budget Amendment (BA) authority totaled \$217.3 million (all federal funds) at the end of FY 2022, and expenditures were \$166.0 million. The largest area of authority and expenditures was additional authority for Medicaid expansion expenditures – a total of \$135.1 million was established and \$133.4 million was expended. Another large area of authority was indirect activity funding for the Health Information Exchange in the Technology Services Division (TSD); authority totaled \$33.5 million with expenditures of \$8.4 million. Note that BAs involving COVID-19 are categorized separately as ARPA in the graphic above and are discussed separately in the COVID-19 section below. BA authority also existed in the following divisions:

- Public Health and Safety Division (PHSD) – spending of \$4.7 million from a budget of \$10.8 million, largely on prescription drug overdose activities; diabetes, heart health, stroke, and chronic disease-related activities; childhood lead poisoning prevention; and epidemiology & laboratory capacity
- Behavioral Health and Developmental Disabilities Division (BHDDD) – spending of \$10.5 million from a budget of \$17.8 million. Most expenditures have been for opioid response, postpartum services, and the chemical dependency prevention framework grant
- Early Childhood and Family Support Division (ECFSD) – spending of \$6.1 million from a budget of \$12.4 million, mostly on maternal/infant home visiting, sexual risk avoidance education, pediatric mental health care access, and the Maternal Health Innovations Program
- Child and Family Services Division (CFSD) – spending of \$1.0 million from a budget of \$3.2 million on caseworker visits, family first prevention services, the Kinship Navigator Program, and adoption incentives
- Senior and Long-Term Care Division (SLTC) – spending of \$1.1 million from a budget of \$2.9 million, mostly on elder abuse prevention, Alzheimer’s activities, the adult protective services opioid misuse program, and lifespan respite
- Health Resources Division (HRD) – in addition to the \$135.1 million for Medicaid expansion discussed above, spending of \$778,676 from a budget of \$1.1 million on perinatal health
- Human and Community Services Division (HCSD) - spending of \$28,212 from a budget of \$494,353 for food stamp performance bonuses, income verification, and emergency food assistance
- Disability Employment and Transitions (DET) – Spending of \$33,994 from a budget of \$33,994 for financial relief restoration payments

## Language

Language (LA) authority is associated with the Montana Telecommunications Access Program (MTAP). As of FYE 2022, none of the \$775,000 in HB 2 language authority had been expended.

## Statutory Appropriations

The largest statutory appropriation in DPHHS is for the Indian Health Service component of Medicaid, which is 100.0% federal funding. As of the end of FY 2022, budget authority for this program was \$94.6 million, and expenditures were \$89.0 million.

Other statutory authority in DPHHS is associated with:

- Alcohol tax distributions to the Behavioral Health and Developmental Disabilities Division – budget of \$4.6 million state special revenue (SSR) with spending of \$4.6 million
- Title X family planning – budget of \$2.4 million federal funds with spending of \$2.4 million
- Montana State Hospital bond payments – budget of \$1.8 million SSR with spending of \$1.1 million
- Adoption services fees – budget of \$250,000 SSR with spending of \$176,979

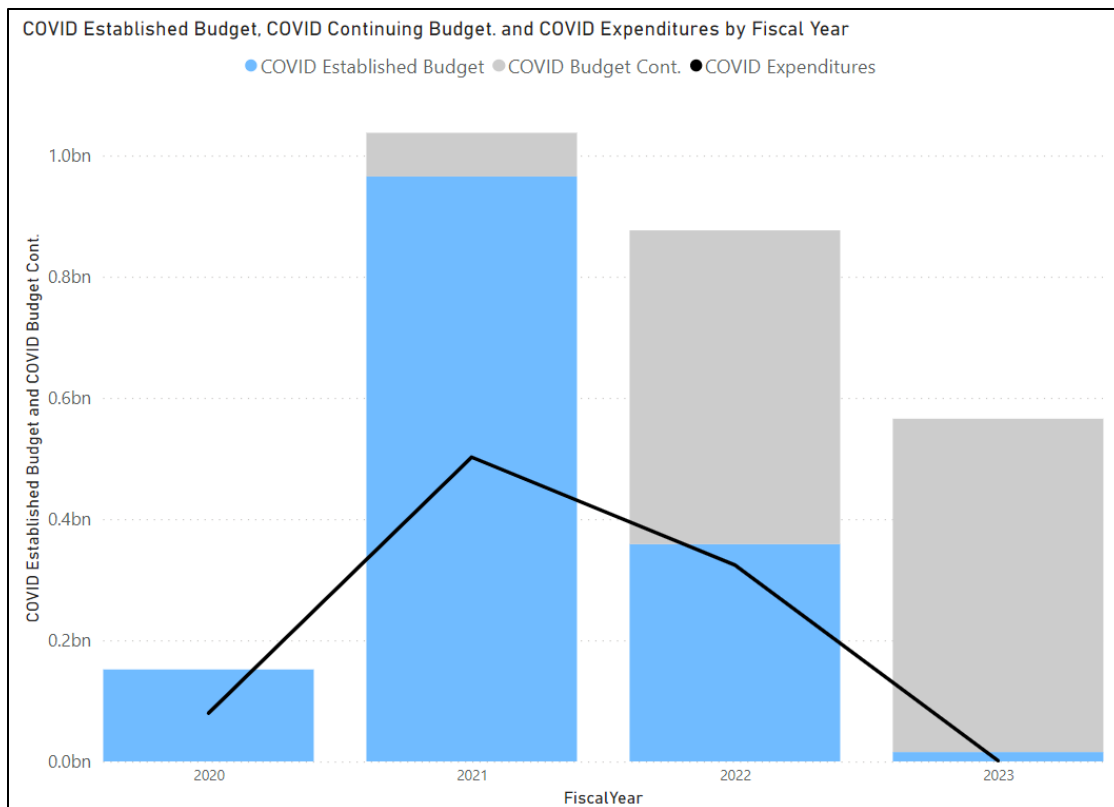
## Other Bills

Authority from other bills totals \$43.7 million and is associated with the items listed below. Budgets and expenditures are current through the end of FY 2022.

- HB 4: authority of \$375,219 for long-range information technology (IT) projects including the Temporary Assistance for Needy Families (TANF), Client Assistance Program (CAPS), Supplemental Nutrition Assistance Program (SNAP), and Combined Health Information and Montana Eligibility System (CHIMES) systems; no expenditures to date
- HB 5: authority of \$600,000 for Southwest Montana Veterans Home in the Senior and Long-Term Care Division, with \$600,000 of unspent authority
- HB 10: authority of \$17.7 million for long-range IT projects, largely accounted for by the Medicaid Management Information System (MMIS); \$7.8 million has been expended to date
- HB 57: authority of \$16,526 for child protective services (CPS) review hearings; authority fully expended
- HB 459: authority of \$41,731 for CPS worker certification; authority fully expended
- HB 701: authority of \$25.0 million for Healing and Ending Addiction Through Recovery and Treatment (HEART) fund-related Medicaid services, with spending of \$500,000 for the tribal HEART fund

## COVID-19 Authority

The following chart is provided to allow the legislature to examine the funding that is available to the agency for COVID-19 impacts from FY 2020 through FY 2022. The chart shows the budget established in each fiscal year, any authority that continued into the following fiscal year because it was not spent in the previous fiscal year, and expenditures.



**In FY 2020:**

DPHHS established \$151.8 million in budget authority tied to the Coronavirus Aid, Relief, and Economic Security (CARES) Act I (plus Federal HR 6074, 6201, and 266). Of this total, \$79.7 million was expended in FY 2020, and \$72.0 million was carried over to FY 2021.

**In FY 2021:**

DPHHS established \$412.9 million in budget authority tied to CARES I (plus Federal HR 6074, 6201, and 266). DPHHS also carried over \$72.0 million in unused CARES I authority from FY 2020. Total CARES I expenditures in FY 2021 were \$448.0 million.

DPHHS established \$310.3 million in budget authority tied to CARES II (HB 3 and HB 630). Total CARES II expenditures in FY 2021 were \$39.2 million.

DPHHS established \$231.3 million in budget authority tied to the American Rescue Plan Act (ARPA)/HB 632. Total ARPA expenditures in FY 2021 were \$15.0 million. The only expenditure was for nursing home supplemental payments.

**In FY 2022:**

DPHHS established \$84.7 million in budget authority tied to CARES I (plus Federal HR 6074, 6201, and 266). DPHHS also carried over \$40.1 million in unused CARES I authority from FY 2021. Total CARES I expenditures in FY 2022 were \$96.9 million. Significant expenditure areas included:

- \$81.2 million for enhanced federal medical assistance percentage (FMAP) (budget of \$81.2 million)
- \$7.0 million for epidemiology and laboratory capacity (budget of \$20.5 million)
- \$5.1 million for the Housing and Urban Development (HUD) emergency shelter program (budget of \$6.3 million)

DPHHS established \$16.6 million in budget authority tied to CARES II (HB 3 and HB 630). DPHHS carried over \$261.4 million in unused CARES II authority from FY 2021. Total CARES II expenditures in FY 2022 were \$84.2 million. Significant expenditure areas included:

- \$26.2 million for epidemiology and laboratory capacity (budget of \$58.0 million)
- \$13.3 million for immunizations (budget of \$34.4 million)
- \$20.2 million from the childcare development fund (budget of \$20.4 million)
- Large areas of unspent authority to date include \$31.8 million for epidemiology and laboratory capacity and \$23.4 million for health disparities

Excess COVID Authority

The DPHHS budget currently contains \$238.5 million in “excess” COVID authority – authority for which federal funds have not been (and may not ever be) received. It is possible that supplemental awards could be granted by federal entities. The largest pieces of this authority are \$101.0 million for testing, \$97.9 million for testing, tracing, and mitigation, and \$15.7 million for the public health workforce.

DPHHS established \$253.6 million in budget authority tied to ARPA/HB 632. DPHHS also carried over \$216.3 million in unused ARPA authority from FY 2021. Total ARPA expenditures in FY 2022 were \$142.9 million. Significant expenditure areas included:

- \$24.8 million for SNAP
- \$21.8 million for the low income energy assistance program (LIEAP)
- \$26.8 million for childcare stabilization
- \$6.8 million for SNAP enhanced benefits

- \$38.7 million for home and community-based services supplemental payments
- \$7.4 million for epidemiology and laboratory capacity, reopening schools (budget of \$32.2 million)
- Large areas of unspent authority to date include \$41.2 million for childcare stabilization and \$40.5 million for childcare development

## HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget through the end of FY 2022. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, account, and fund type.

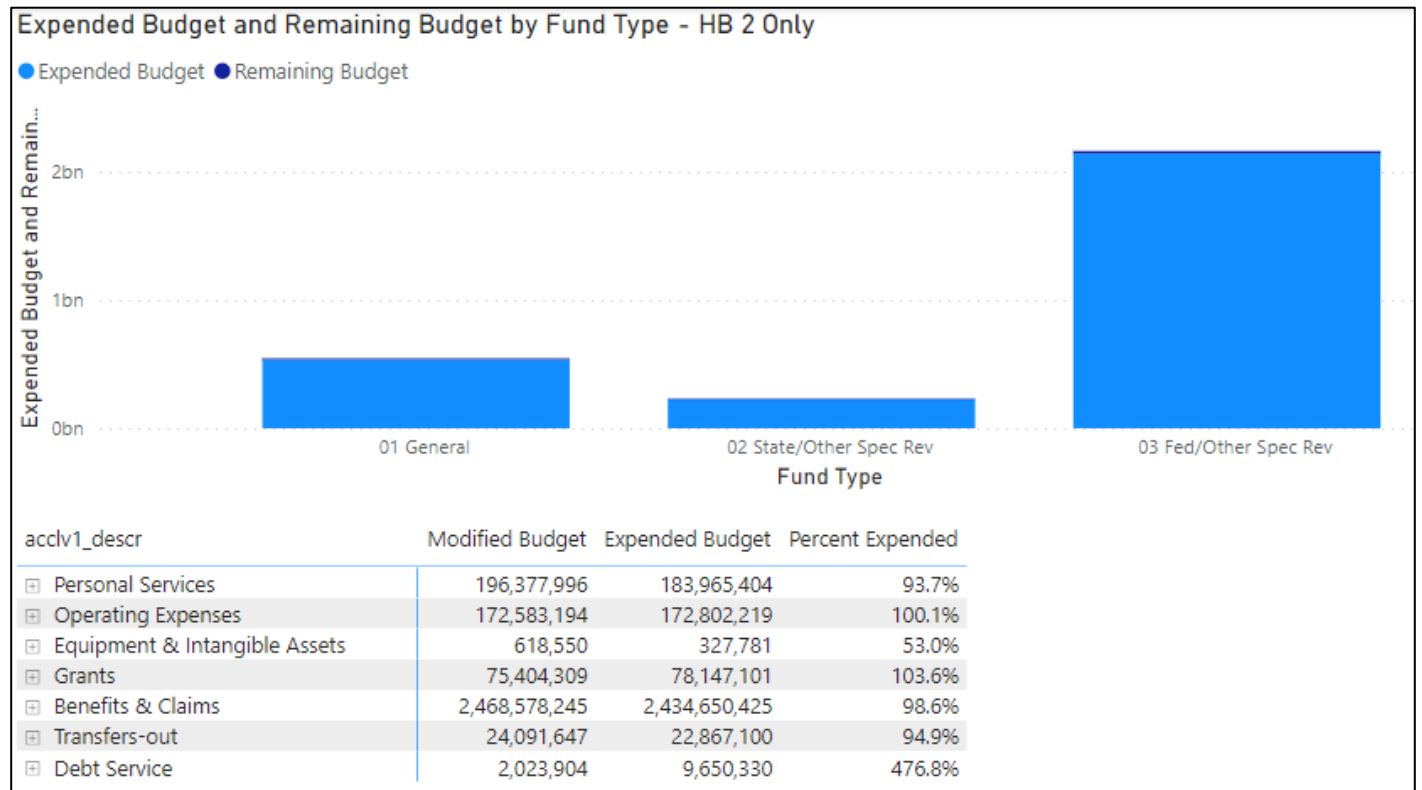
Legislative Budget Compared to Modified Budget - HB 2 Only			
Agency Name	June Modified Budget	FYE22 Modified Budget	Net Modifications
<b>Public Health &amp; Human Services</b>	<b>2,962,392,404</b>	<b>2,939,677,846</b>	<b>-22,714,558</b>
ADDICTIVE & MENTAL DISORDERS	90,389,200	105,080,302	14,691,102
BUSINESS & FINANCIAL SERVICES	13,572,271	14,653,071	1,080,800
CHILD & FAMILY SERVICES	106,570,665	107,619,657	1,048,992
CHILD SUPPORT SERVICES	11,454,868	10,879,868	-575,000
DEVELOPMENTAL SERVICES DIV	443,680,036	399,970,307	-43,709,729
DIRECTORS OFFICE	25,387,470	19,294,570	-6,092,900
DISABILITY EMPLOYMNT & TRANSITNS	29,172,143	22,259,943	-6,912,200
EARLY CHILDHOOD & FAM SUPPORT	84,128,200	83,658,400	-469,800
HEALTH RESOURCES DIVISION	1,456,550,022	1,523,944,257	67,394,235
HUMAN AND COMMUNITY SERVICES	279,636,123	254,429,224	-25,206,899
MEDICAID & HEALTH SVCS MNGMT	4,169,022	3,817,022	-352,000
OFFICE OF INSPECTOR GENERAL	9,015,012	8,796,212	-218,800
OPERATIONS SERVICES DIVISION	1,228,666	841,766	-386,900
PUBLIC HEALTH & SAFETY DIV	38,304,851	37,503,751	-801,100
SENIOR & LONG TERM CARE SVCS	309,803,371	286,079,513	-23,723,858
TECHNOLOGY SERVICES DIVISION	59,330,484	60,849,984	1,519,500
<b>Total</b>	<b>2,962,392,404</b>	<b>2,939,677,846</b>	<b>-22,714,558</b>
Acct & Lvl 1 DESC	June Modified Budget	FYE22 Modified Budget	Net Modifications
61000 Personal Services	202,494,071	196,377,996	-6,116,075
62000 Operating Expenses	155,403,444	172,583,194	17,179,750
63000 Equipment & Intangible Assets	575,550	618,550	43,000
66000 Grants	75,427,831	75,404,309	-23,522
67000 Benefits & Claims	2,503,213,631	2,468,578,245	-34,635,386
68000 Transfers-out	24,834,223	24,091,647	-742,576
69000 Debt Service	443,653	2,023,904	1,580,251
Fund Type	June Modified Budget	FYE22 Modified Budget	Net Modifications
01 General	566,741,749	545,299,715	-21,442,034
02 State/Other Spec Rev	232,498,906	231,272,043	-1,226,863
03 Fed/Other Spec Rev	2,163,151,749	2,163,106,088	-45,661

Several significant modifications were made to the DPHHS HB 2 budget in the May-FYE (June) period of FY 2022. These include:

- In the Health Resources Division (HRD), an overall increase of \$67.4 million due to transfers in authority from other divisions for Medicaid expenditures
- In the Developmental Services Division (DSD/BHDDD), a total reduction of \$43.7 million mostly due to the transfer of Medicaid authority to HRD for other Medicaid expenditures
- In the Human and Community Services Division (HCSD), a total reduction of \$25.2 million driven by the transfer of TANF and SNAP federal authority to HRD for Medicaid expenditures
- In the State-Run Facilities Division (AMDD), a total increase of \$14.7 million driven by transfers of authority from other programs (including enhanced FMAP contingency funds) for operations expenditures at the Montana State Hospital (MSH)
- In the Director's Office, an overall decrease of \$6.1 million driven by the transfer of contingency funding for MSH operations
- In the Disability Employment and Transitions Division, a total reduction of \$6.9 million driven by transfers of authority to the Business and Financial Services Divisions and State-Run Facilities Divisions
- In the Senior and Long-Term Care Division, a total reduction of \$23.7 million mostly due to the transfer of Medicaid authority to HRD for other Medicaid expenditures as well as reductions in general fund tied the enhanced FMAP
- Personal services authority decreased by \$6.1 million in the May-FYE period mostly due to the transfer of personal services expenditures to other types of expenditures (largely operating expenses and benefits and claims) in order to balance FYE authority and expenditures
- Operating expenses authority increased by \$17.2 million in the May-FYE period; \$16.2 million of this total went to the State-Run Facilities Division mostly to support operations/contract staff at the Montana State Hospital
- Benefits and claims authority decreased by \$34.6 million in the May-FYE period due to several factors, the largest of which was the reduction in authority associated with the enhanced FMAP. Benefits and claims authority was also shifted to operating expenses authority in order to support expenditures at MSH
- An overall general fund decrease of \$21.4 million is due to reductions in authority associated with the enhanced FMAP

## HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through the end of FY 2022.



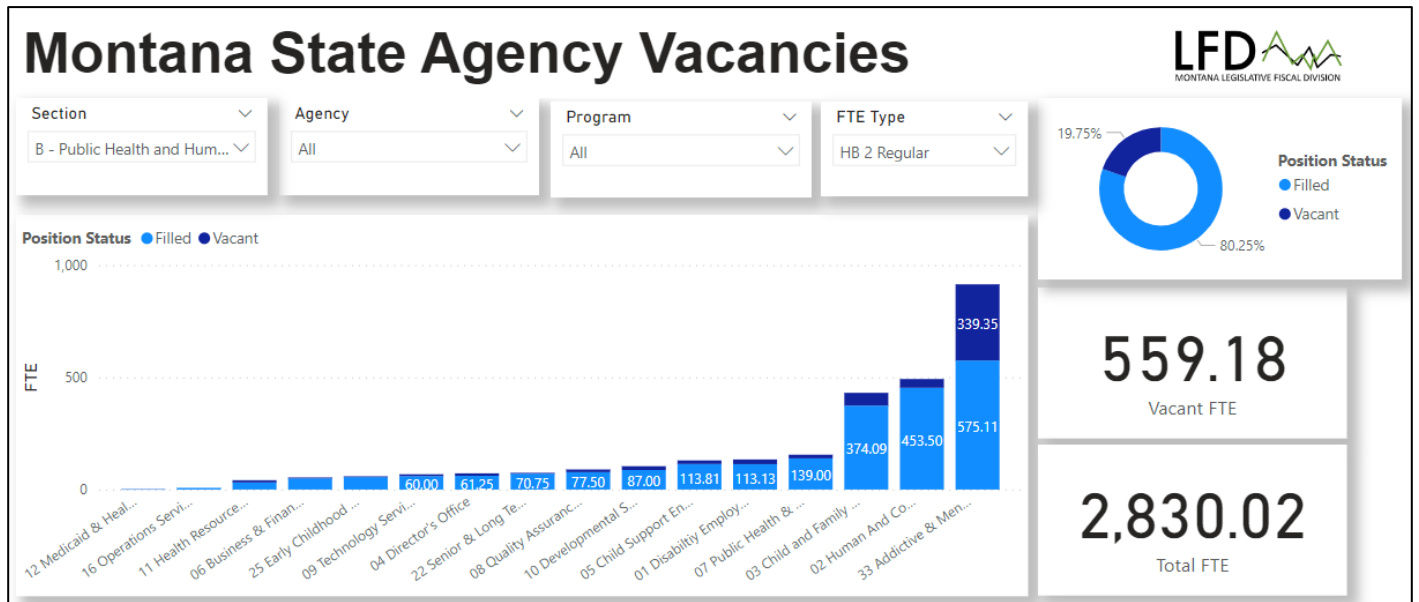
Program Name	Modified Budget	Expended Budget	Percent Expended
ADDICTIVE & MENTAL DISORDERS	105,080,302	103,863,629	98.8%
BUSINESS & FINANCIAL SERVICES	14,653,071	14,054,574	95.9%
CHILD & FAMILY SERVICES	107,619,657	105,138,356	97.7%
CHILD SUPPORT SERVICES	10,879,868	10,681,440	98.2%
DEVELOPMENTAL SERVICES DIV	399,970,307	398,090,907	99.5%
DIRECTORS OFFICE	19,294,570	9,717,012	50.4%
DISABILITY EMPLOYMNT & TRANSITNS	22,259,943	21,595,940	97.0%
EARLY CHILDHOOD & FAM SUPPORT	83,658,400	82,397,127	98.5%
HEALTH RESOURCES DIVISION	1,523,944,257	1,513,203,727	99.3%
HUMAN AND COMMUNITY SERVICES	254,429,224	252,554,635	99.3%
MEDICAID & HEALTH SVCS MNGMT	3,817,022	3,718,782	97.4%
OFFICE OF INSPECTOR GENERAL	8,796,212	8,279,576	94.1%
OPERATIONS SERVICES DIVISION	841,766	779,400	92.6%
PUBLIC HEALTH & SAFETY DIV	37,503,751	35,416,699	94.4%
SENIOR & LONG TERM CARE SVCS	286,079,513	282,640,192	98.8%
TECHNOLOGY SERVICES DIVISION	60,849,984	60,278,364	99.1%
<b>Total</b>	<b>2,939,677,846</b>	<b>2,902,410,360</b>	<b>98.7%</b>

The lower percent expenditure in the Director’s Office was the result of a higher modified budget due to the transfer of the enhanced FMAP contingency funding to the Director’s Office. Contingency funding of \$8.8 million remains available for agency utilization in FY 2023.

## PERSONAL SERVICES

### Personal Services FYE 2022 Update

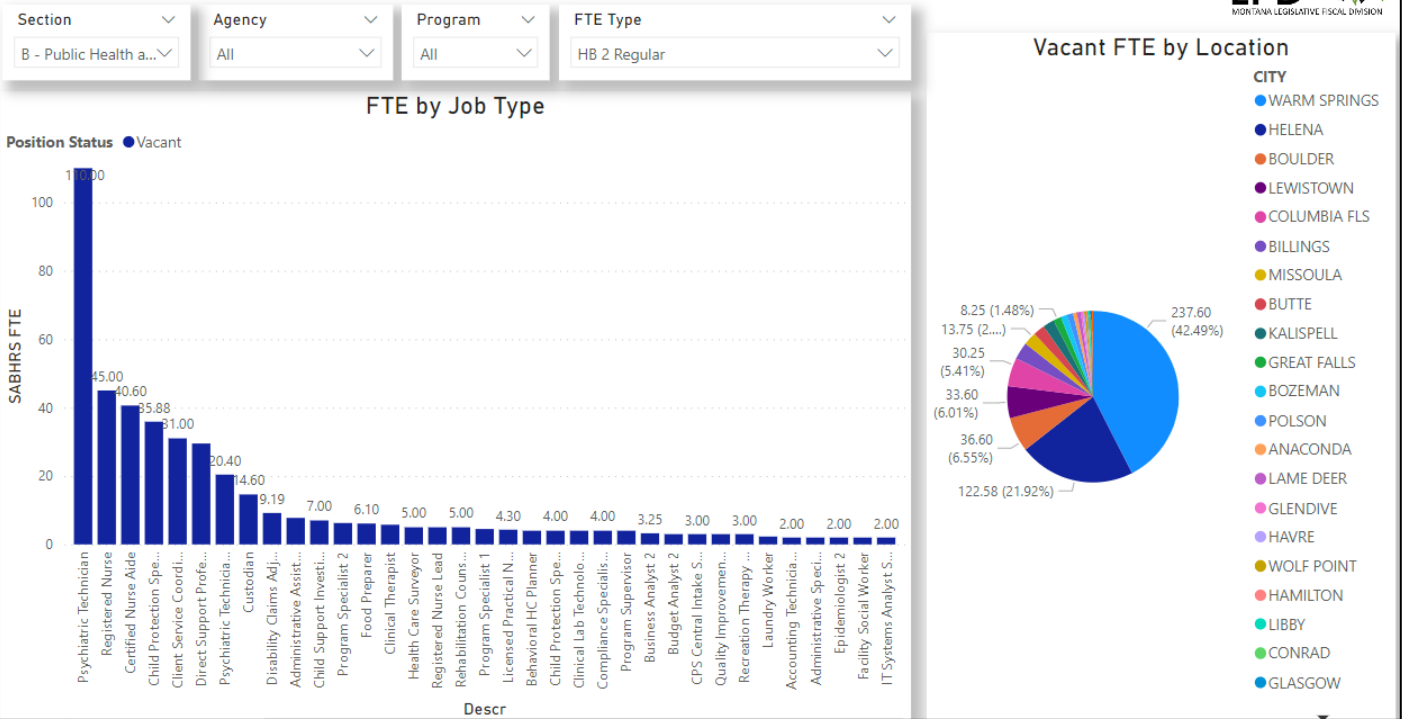
Personal services make up 6.7% of the DPHHS HB 2 budget in FY 2022. The modified budget amount for personal services is \$196.4 million, of which \$184.0 million, or 93.7%, has been expended to date. The image below provides detail on vacancies in DPHHS as of August 1, 2022.



In the column chart above DPHHS divisions are sorted by total FTE. Program 33 (State-Run Facilities Division), which is responsible for several facilities, including the Montana State Hospital (MSH), has both the most total FTE and the largest portion of vacancies. Of the 559.18 vacant positions, 60.7% are in AMDD/FSD. DPHHS has been using contract labor in order to provide many services at MSH. Contract labor is coded as operating expenses (and not personal services) in the state accounting system. The following image provides more detail on the types of positions that have vacant FTE as of August 1, 2022.



# Vacancies by Job Type and Location

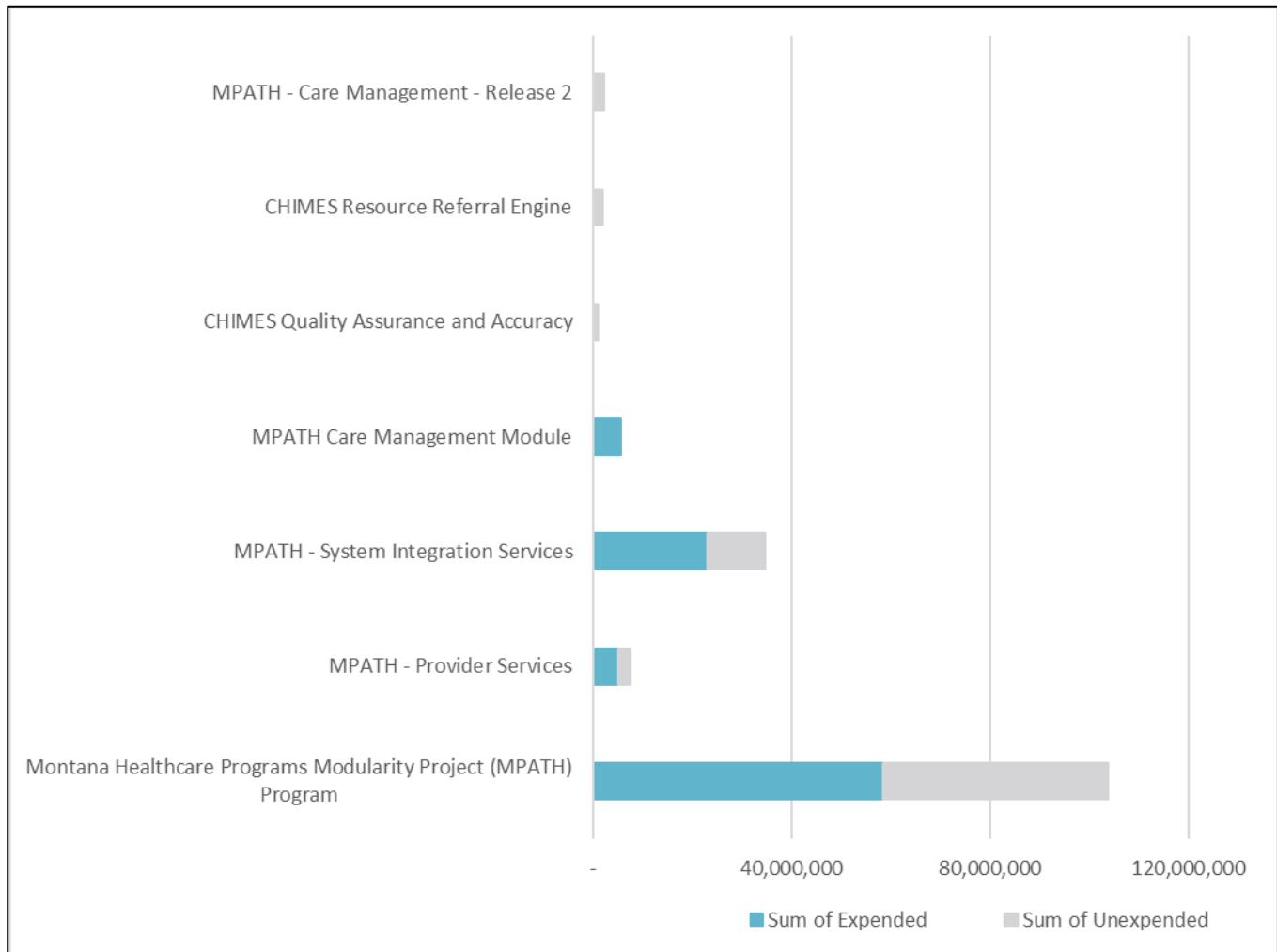


This image is not inclusive of every vacant position in DPHHS. The table below contains detail on utilization by FTE hours for each DPHHS division in FY 2022. Divisions are sorted by total available hours. Two divisions exceeded their budgeted FTE hours in FY 2022. Note that AMDD/State-Run Facilities Division is 70.1% utilized, reflective of the high number of vacancies in that division.

Agency	YTD HOURS	Available Hours	Percent Utilized
<b>69010 PUBLIC HEALTH AND HUMAN SERVICES</b>	<b>5,173,554</b>	<b>5,909,082</b>	<b>87.6%</b>
33 Addictive & Mental Disorders	1,337,764	1,909,392	70.1%
02 Human And Community Services	930,154	1,028,340	90.5%
03 Child and Family Services	947,682	897,777	105.6%
07 Public Health & Safety Div	317,754	324,162	98.0%
01 Disability Employment & Transitions Program	254,262	279,938	90.8%
05 Child Support Enforcement	268,273	271,043	99.0%
10 Developmental Services	199,263	221,328	90.0%
08 Quality Assurance Division	170,236	186,876	91.1%
22 Senior & Long Term Care Svcs	153,576	156,078	98.4%
04 Director's Office	127,702	146,682	87.1%
09 Technology Services Division	133,772	139,896	95.6%
25 Early Childhood & Family Support	131,492	123,693	106.3%
06 Business & Financial Services	103,609	112,752	91.9%
11 Health Resources Division	78,925	88,991	88.7%
16 Operations Services Division	14,861	15,869	93.6%
12 Medicaid & Health Svcs Mngmt	4,231	6,264	67.5%
<b>Total</b>	<b>5,173,554</b>	<b>5,909,082</b>	<b>87.6%</b>

## OTHER ISSUES

### Information Technology Project Expenditures



Large Information Technology Projects Original and Revised Budgets				
Project	Original Budget	Revised Budget	Change from Original Budget	
Montana Healthcare Programs Modularity Project (MPATH) Program	73,255,288	103,837,339	30,582,051	▲
MPATH - Provider Services	7,405,542	7,405,542	-	▬
MPATH - System Integration Services	34,660,000	34,660,000	-	▬
MPATH Care Management Module	6,954,980	5,655,220	(1,299,760)	▼
CHIMES Quality Assurance and Accuracy	965,000	965,000	-	▬
CHIMES Resource Referral Engine	1,874,250	1,874,250	-	▬
MPATH - Care Management - Release 2	2,115,103	2,115,103	-	▬

The large majority of the IT project expenditures in DPHHS involve the Montana healthcare programs modularity project (MPATH). According to the State Information Technology Services Division, the MPATH project is intended to:

“procure software and services to replace the state’s aging legacy Medicaid Management Information System (MMIS). DPHHS will acquire discrete modules that align with the Final Rule for Mechanized

Claims Processing and Information Retrieval Systems as described in 42 CFR 433.111, and successfully meet the goals and business needs identified by DPHHS during the modularity planning process. The MPATH modularity blueprint includes the following modules: systems integration services, provider services, enterprise data warehouse services, data analytics services, financial support services, claims processing and management services, care management services, customer care services, and pharmacy support services. DPHHS will be developing and releasing request for proposals related to these modules over the next two years.”

The comprehensive MPATH delivery date, which has been revised several times, is December 2024, according to DPHHS correspondence with LFD.

Large Information Technology Projects Original and Revised Delivery Date					
Project	Start Date	Original Delivery Date	Revised Delivery Date	Change from Original Delivery Date	
Montana Healthcare Programs Modularity Project (MPATH) Prog	1/2/2017	9/30/2022	N/A	0.0%	_____
MPATH - Provider Services	7/9/2018	8/5/2019	11/19/2021	213.5%	_____
MPATH - System Integration Services	10/8/2018	9/30/2022	N/A	0.0%	_____
MPATH Care Management Module	4/22/2019	2/22/2022	N/A	0.0%	_____
CHIMES Quality Assurance and Accuracy	1/4/2022	12/31/2022	N/A	0.0%	_____
CHIMES Resource Referral Engine	2/28/2022	4/1/2023	N/A	0.0%	_____
MPATH - Care Management - Release 2	3/1/2022	2/28/2023	N/A		_____

# MEDICAID MONITORING

The state Medicaid program involves appropriations and expenditures by three different DPHHS divisions: Behavioral Health and Developmental Disabilities Division (BHDD), Health Resources Division (HRD), and Senior and Long-Term Care Division (SLTC). The Health and Economic Livelihood Partnership Act (HELP Act - Medicaid expansion) is discussed in the second half of this section. This section covers Medicaid benefits only; the administrative costs of the state Medicaid program are not included in this section.

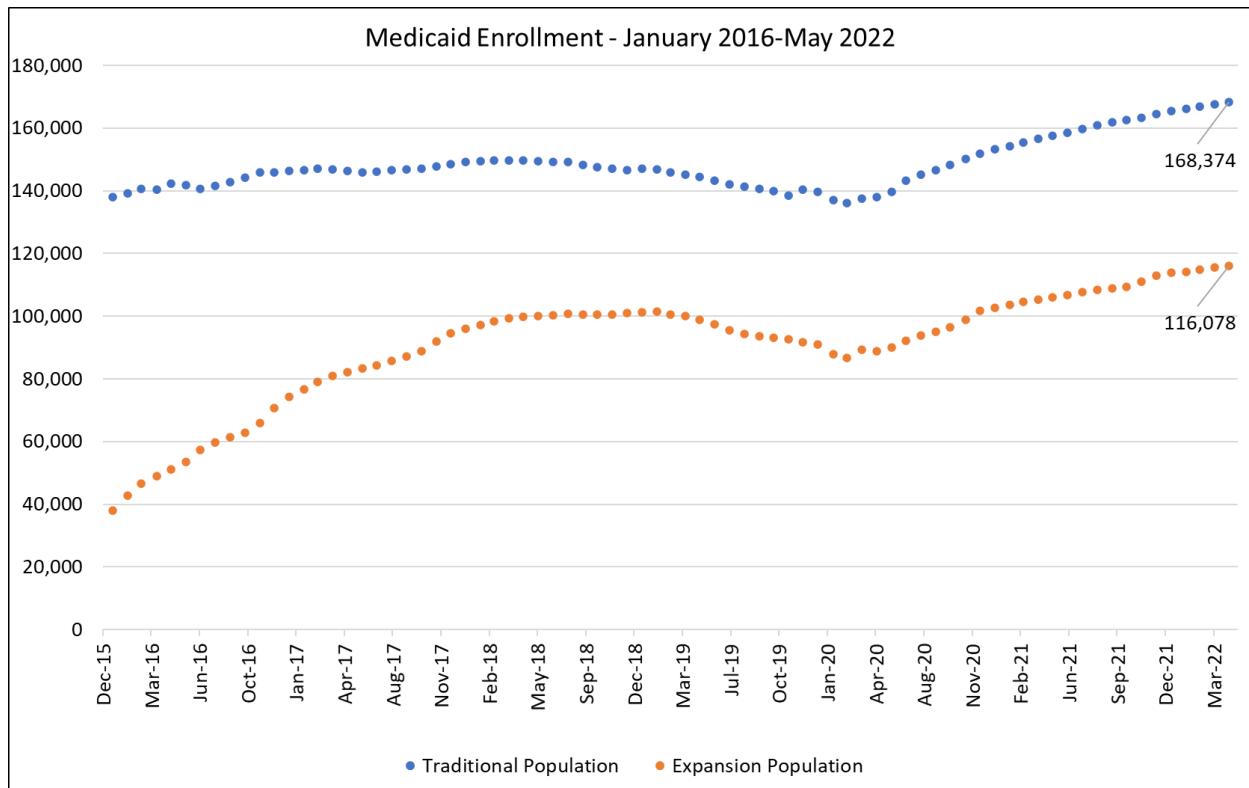
## SUMMARY

In the most recent (FYE 2022, transmitted August 30, 2022) statutorily required budget status report (BSR), DPHHS is reporting a surplus in general fund authority of \$31,059 for traditional Medicaid benefits. The department is also projecting a surplus in state special revenue funds of \$8.0 million and a federal special revenue surplus of \$12.3 million.

In the same report, Medicaid expansion is projected to have a surplus of \$465,911 in general fund, a surplus of \$1.8 million in state special revenue, and a surplus in federal funds of \$18.0 million.

## ENROLLMENT UPDATE

As of August 2022, DPHHS was reporting a total of 116,078 individuals covered by Medicaid expansion and 168,374 individuals covered by traditional Medicaid. While enrollment had been trending downward since early 2019, the increase since early 2020 aligns closely with the COVID-19 pandemic and corresponding impacts on enrollment linked to the Families First Coronavirus Response Act (FFCRA). The enrollment reporting for DPHHS has changed to a 90-day look back period to allow for application processing lag. Enrollment numbers below are as of 8/26/2022, with the most recent month of data May 2022.



## FINANCIAL UPDATE – TRADITIONAL MEDICAID

The table below illustrates the FYE 2022 status of the traditional Medicaid appropriation. Changes in appropriations are due to the reorganization/combining of AMDD and BHDD, as well as the removal of general fund authority and addition of federal fund authority associated with the enhanced FMAP. In addition, both general fund and federal fund authority were shifted from traditional Medicaid to Medicaid expansion in order to fund higher than anticipated expenditures in that program.

### FY 2022 Traditional Medicaid Benefits & Claims Appropriations Compared to Expenditures

	FY 2022 Legislative Appropriation	Executive Changes in Appropriation <sup>1</sup>	FY 2022 Modified Appropriation	FY 2022 Expenditures <sup>2,3</sup>	Projected Surplus (Deficit)	Surplus (Deficit) as a % of Modified Budget
<b><u>10 Behavioral Health &amp; Dev. Disabilities</u></b>						
General Fund	\$ 81,912,501	\$ (16,518,368)	\$ 65,394,133	\$ 65,314,657	\$ 79,476	0.1%
State Special Revenue	5,699,714	21,360,639	27,060,353	20,503,168	6,557,185	24.2%
Federal Funds	207,349,465	24,752,227	232,101,692	227,917,923	4,183,769	1.8%
Subtotal	294,961,680	29,594,498	324,556,178	313,735,747	10,820,430	3.3%
<b><u>11 Health Resources Division</u></b>						
General Fund	160,458,553	(20,460,186)	139,998,367	139,997,594	773	0.0%
State Special Revenue	54,975,814	5,184,602	60,160,416	59,973,459	186,957	0.3%
Federal Funds	450,043,719	83,515,819	533,559,538	526,628,848	6,930,690	1.3%
Subtotal	665,478,086	68,240,235	733,718,321	726,599,902	7,118,419	1.0%
<b><u>22 Senior and Long Term Care</u></b>						
General Fund	64,412,530	(23,988,499)	40,424,031	40,356,934	67,097	0.2%
State Special Revenue	32,844,370	(773,066)	32,071,304	30,737,641	1,333,663	4.2%
Federal Funds	190,361,131	4,941,241	195,302,372	194,028,260	1,274,111	0.7%
Subtotal	287,618,031	(19,820,325)	267,797,706	265,122,835	2,674,871	1.0%
<b><u>33 Addictive and Mental Disorders</u></b>						
General Fund	14,940,373	(14,940,373)	-	-	-	-
State Special Revenue	12,892,431	(12,892,431)	-	-	-	-
Federal Funds	55,243,120	(55,243,120)	-	-	-	-
Subtotal	83,075,924	(83,075,924)	-	-	-	-
<b>Grand Total All Medicaid Services</b>						
General Fund	321,723,957	(75,907,427)	245,816,530	245,669,185	147,346	0.1%
State Special Revenue	106,412,329	12,879,744	119,292,073	111,214,268	8,077,805	6.8%
Federal Funds	902,997,435	57,966,167	960,963,602	948,575,032	12,388,570	1.3%
<b>Grand Total All Funds</b>	<b>\$ 1,331,133,720</b>	<b>\$ (5,061,516)</b>	<b>\$ 1,326,072,205</b>	<b>\$ 1,305,458,484</b>	<b>\$ 20,613,721</b>	<b>1.6%</b>

<sup>1</sup>Changes in appropriation authority can include: reorganizations, transfer of authority among Medicaid programs, transfers to/from other DPHHS programs, or additional federal authority as authorized in statute. Modifications listed here are for all of FY 2022.

<sup>2</sup>Expenditures based on August 30 SABHRS data

<sup>3</sup>Expenditures include accruals for estimated costs of services provided but not yet paid.

## MAJOR SERVICE CATEGORIES – TRADITIONAL MEDICAID

Data in the following table are taken from the FYE 2022 DPHHS BSR. The largest projected expenditure categories are hospital services (inpatient, outpatient, hospital utilization fees/supplemental payments, and other), nursing facilities, the developmental disability waiver, mental health services, and physician services. Totals vary slightly from the table on the previous page due to timing of LFD versus agency processing.

Traditional Medicaid Summary by Major Service Category				
Category	FY22 Initial Budget	FY22 Current Budget	FY22 Expenditure Est.	FY22 Projected Balance
Hospital Services	\$49,613,075	\$59,449,917	\$59,418,052	\$31,865
Hospital Utilization Fees / DSH	64,965,364	77,816,000	77,793,184	22,816
Inpatient Services	65,621,323	73,103,591	73,094,375	9,215
Outpatient Services	47,714,856	54,607,246	54,600,002	7,244
Physician and Professional Services	96,352,875	107,012,018	106,971,631	40,387
Pharmacy	137,021,778	153,034,339	152,910,176	124,163
Pharmacy Rebates	(104,728,943)	(112,768,434)	(112,695,994)	(72,440)
Part D Clawback	17,627,797	26,343,905	26,343,905	-
Dental	41,965,639	52,927,159	52,548,262	378,897
Health Centers and Clinics	37,386,230	39,169,035	39,169,034	1
Medical Equipment and Supplies	21,365,771	22,872,263	22,872,262	1
Laboratory and Imaging Services	23,573,449	6,993,808	6,993,807	1
Medical Transportation	9,412,559	8,602,274	8,548,095	54,179
Other Services	8,116,615	4,085,904	4,076,072	9,832
Nursing Facility	181,130,552	151,200,525	149,220,577	1,979,949
Home and Community Based - Other Services	3,815,032	5,261,296	5,231,524	29,772
Home and Community Based - CFC	44,930,714	53,645,362	53,561,543	83,820
Home and Community Based - Big Sky Waiver	52,749,779	57,407,731	56,849,407	558,324
Care and Case Management	17,808,825	17,368,175	17,242,765	125,411
Substance Use Disorder Services	3,318,425	4,104,284	4,054,026	50,258
Mental Health Services	146,580,976	130,430,467	125,447,363	4,983,105
Home and Community Based - SDMI Waiver	17,031,839	14,557,062	14,553,457	3,605
Mental Health Services - HIFA Waiver	8,217,734	7,047,158	7,014,305	32,853
Developmental Disability Services	1,297,905	1,164,897	1,164,895	1
Home and Community Based - DD Waiver	144,252,612	129,281,231	128,805,168	476,063
Indian and Tribal Health Services	94,556,232	94,556,231	88,979,627	5,576,604
School Based - Physical Health	4,705,029	4,351,031	4,351,031	-
School Based - Mental Health	55,724,058	25,414,985	20,498,288	4,916,697
Medicare Buy-In	52,441,275	55,453,099	54,580,975	872,123
<b>Total</b>	<b>\$1,344,569,375</b>	<b>\$1,324,492,559</b>	<b>\$1,304,197,814</b>	<b>\$20,294,746</b>

## MEDICAID EXPANSION

The Health and Economic Livelihood Partnership (HELP) Act of the 2015 Montana Legislature expanded Medicaid in Montana. Medicaid expansion provides Medicaid coverage for adults ages 19-64, with incomes less than 138.0% of the federal poverty level for Montana. Benefits and claims for the expansion population are funded with 90.0% federal dollars (less an adjustment made for continuous eligibility) and 10.0% state dollars. Unlike traditional Medicaid, there are no FMAP adjustments to the expansion population as a result of the FFCRA, and the federal match rate will remain at 90.0% barring any future federal statute changes.

### FINANCIAL UPDATE – MEDICAID EXPANSION

The table below illustrates the total Medicaid expansion benefits & claims appropriation for FY 2022. Changes in appropriations are due to the reorganization/combining of AMDD and BHDD, as well as the addition of authority to HRD through house adjustments, budget amendments, and program transfers. Budget amendments increased Medicaid expansion federal authority by \$135.1 million.

FY 2022 Medicaid Expansion Benefits & Claims Appropriations Compared to Expenditures

Agency and Fund Type	FY 2022 Legislative Appropriation	Executive Changes in Appropriation <sup>1</sup>	FY 2022 Modified Appropriation	FY 2022 Expenditures <sup>2,3</sup>	Projected Surplus (Deficit)	Surplus (Deficit) as a % of Modified Budget
<b><u>10 Behavioral Health &amp; Dev. Disabilities</u></b>						
General Fund	\$ 539	\$ 8,200,271	\$ 8,200,810	\$ 7,817,048	\$ 383,762	4.7%
State Special Revenue	-	1,749,845	1,749,845	-	1,749,845	100.0%
Federal Funds	4,858	88,059,811	88,064,669	72,273,042	15,791,628	17.9%
Subtotal	5,397	98,009,927	98,015,324	80,090,089	17,925,235	18.3%
<b><u>11 Health Resources Division</u></b>						
General Fund	17,734,741	12,747,303	30,482,044	30,430,256	51,788	0.2%
State Special Revenue	51,039,613	2,364,597	53,404,210	53,403,810	400	0.0%
Federal Funds	679,695,818	165,001,015	844,696,833	842,502,158	2,194,675	0.3%
Subtotal	748,470,172	180,112,915	928,583,087	926,336,224	2,246,863	0.2%
<b><u>22 Senior &amp; Long Term Care</u></b>						
General Fund	861,099	82,706	943,805	896,541	47,264	5.0%
Federal Funds	8,757,365	2,105,948	10,863,313	10,806,285	57,029	0.5%
Subtotal	9,618,464	2,188,655	11,807,119	11,702,826	104,293	0.9%
<b><u>33 Addictive and Mental Disorders Division</u></b>						
General Fund	6,670,852	(6,670,852)				
State Special Revenue	1,749,845	(1,749,845)				
Federal Funds	74,695,434	(74,695,434)				
<b>Grand Total All Medicaid Expansion Benefits</b>						
General Fund	25,267,231	14,359,428	39,626,659	39,143,845	482,814	1.2%
State Special Funds	52,789,458	2,364,597	55,154,055	53,403,810	1,750,245	3.2%
Federal Funds	763,153,475	180,471,341	943,624,816	925,581,485	18,043,331	1.9%
Grand Total All Funds	\$ 841,210,164	\$ 197,195,366	\$ 1,038,405,530	\$ 1,018,129,139	\$ 20,276,391	2.0%

<sup>1</sup>Changes in appropriation authority can include: reorganizations, transfer of authority among Medicaid programs, transfers to/from other DPHHS programs, or additional federal authority as authorized in statute. Modifications listed here are as of FYE 2022.

<sup>2</sup>Expenditures based on August 30 SABHRS data.

<sup>3</sup>Expenditures include accruals for estimated costs of services provided but not yet paid.

## MAJOR SERVICE CATEGORIES – MEDICAID EXPANSION

Data in the following table are taken from the FYE 2022 DPHHS budget status. The largest expenditure category for major services is hospital utilization fees/supplemental payments, followed by other types of hospital services, physician services, pharmacy, Indian and tribal health services, and mental health services. Totals vary slightly from the table on the previous page due to timing of LFD versus agency processing.

Medicaid Expansion Summary by Major Service Category				
Category	FY22 Initial Budget	FY22 Current Budget	FY22 Expenditure Est.	FY22 Proj. Balance
Hospital Services	\$ 52,644,095	\$ 72,942,450	\$ 72,936,524	\$ 5,926
Hospital Utilization Fees / DSH	271,461,683	304,891,818	304,891,417	401
Inpatient Services	70,071,313	81,687,353	81,676,795	10,558
Outpatient Services	63,537,676	74,070,605	74,061,032	9,573
Physician and Professional Services	84,886,689	107,092,218	105,355,326	1,736,892
Pharmacy	208,502,199	216,224,492	216,224,497	(5)
Pharmacy Rebates	(145,269,561)	(113,810,860)	(113,811,866)	1,006
Dental	14,808,526	21,166,585	20,833,475	333,110
Health Centers and Clinics	41,047,903	39,794,033	39,747,650	46,383
Medical Equipment and Supplies	7,898,834	12,361,886	12,326,223	35,663
Laboratory and Imaging Services	12,267,702	18,586,617	18,586,617	-
Medical Transportation	5,569,903	8,248,843	8,248,842	1
Other Services	1,008,476	1,159,032	1,077,087	81,945
Nursing Facility	7,022,334	6,869,134	6,813,951	55,183
Home and Community Based - Other Services	1,772,365	1,800,455	1,792,120	8,335
Home and Community Based - CFC	761,924	3,037,736	3,013,852	23,884
Home and Community Based - Big Sky Waiver	55,731	210,885	195,534	15,351
Care and Case Management	5,332,170	5,792,533	5,719,581	72,952
Substance Use Disorder Services	15,336,810	17,273,351	17,137,656	135,695
Mental Health Services	66,554,907	79,414,109	61,716,303	17,697,806
Home and Community Based - SDMI Waiver	23,388	128,888	124,482	4,406
Mental Health Services - HIFA Waiver	-	-	-	-
Developmental Disability Services	-	-	-	-
Home and Community Based - DD Waiver	-	-	-	-
Indian and Tribal Health Services	55,902,279	80,971,702	80,971,701	1
School Based - Physical Health	7,421	7,421	557	6,864
School Based - Mental Health	5,397	5,342	-	-
Medicare Buy-In	-	-	-	-
<b>Total</b>	<b>\$841,210,164</b>	<b>\$1,039,926,628</b>	<b>\$1,019,639,356</b>	<b>\$20,281,930</b>