



## HEALTH AND HUMAN SERVICES INTERIM BUDGET COMMITTEE

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### 67th Montana Legislature

#### SENATE MEMBERS

Charlene Devine  
Carl Glimm  
Bob Keenan  
Mary McNally

#### HOUSE MEMBERS

Mary Caferro  
Frank Garner  
Terry Moore  
Matt Regier

#### COMMITTEE STAFF

Charlene Devine - Secretary  
Brian Hannan - OBPP Staffer  
Joshua Poulette - Legislative Fiscal Analyst

## MINUTES LOG

December 15, 2021  
Room 102  
Helena, Montana

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#### **MEMBERS PRESENT:**

Rep. Matt Regier, Chair (R)  
Sen. Carl Glimm, Vice Chair (R)  
Rep. Mary Caferro (D)  
Rep. Frank Garner (R)  
Sen. Bob Keenan (R)  
Sen. Mary McNally (D)  
Rep. Terry Moore (R)

#### **STAFF PRESENT:**

Charlene Devine, Secretary  
Brian Hannan, OBPP Staffer  
Joshua Poulette, Legislative Fiscal Analyst

#### **AGENDA ([Attachment 1](#))**

#### **VISITORS' LIST ([Attachment 2](#))**

### **CALL TO ORDER/ROLL CALL**

- 10:03:47 Rep. Matt Regier-R called the meeting to order at 10:03 AM. The committee secretary took roll.
- 10:04:41 Chairman Regier reviewed format and agenda for the meeting.

### **DPHHS Updates - Adam Meier, DPHHS Director**

- 10:08:08 Director Meier spoke about the reorg process and recent updates. Healthcare facilities have been placed into one division.  
[Exhibit 1](#)
- 10:10:05 Chairman Regier asked about IBC and how the transfer over to DOJ was going.
- 10:10:38 Director Meier responded that the transfer was working well, he felt that there were no issues.  
Director Meier continued with his presentation. He reviewed the new positions and the progress of each position.  
**Introduction of new hires:**  
Kim Aiken, Chief Financial Officer  
Carrie Albro, Chief Information Officer  
Karol Anne Davis, Office of Human Resources  
Christie Twardoski, Child Support Services Division  
Tracy Moseman, Faith and Community Based Services Coordinator
- 10:14:15 Ms. Moseman spoke about focusing on priorities and needs of communities.
- 10:15:21 Director Meier continued with introductions:  
Charlie Breneton, Chief of Staff
- Director Meier spoke of challenges with staffing. He said facilities have the same issues as external facilities and they are relying on contract staffing. There is an RFP to help with efficiency and a third party to help with lingering issues.
- 10:18:19 Chairman Regier welcomed new hires and asked the director to speak on department red zones regarding vacancies. He asked about contract nurse wages and how it is being maintained and meeting services.
- 10:21:04 Director Meier responded that the department is able to maintain services just at a higher cost. He said there is a national shortage and several factors that are driving costs up across the country.
- 10:22:41 Sen. McNally asked Director Meier about retention bonuses.
- 10:23:07 Director Meier responded that department is looking into options.
- 10:24:15 Rep. Caferro asked what the budget for travelling nurses is and where is it in the budget which was approved by legislature.
- 10:24:43 Director Meier responded that question would be addressed during the financial presentation.
- 10:25:02 Rep. Caferro asked what the average wage was for travelling nurses and average wage for local nurses. She asked about the impact on patients during this time and the workforces.
- 10:25:44 Director Meier referred to MSH handout.
- 10:30:45 Rep. Caferro asked how many patients are transferred from state hospital to the state prison and the length of stay.
- 10:31:32 Director Meier responded that the department will provide that information.

- 10:31:41 Rep. Caferro asked about recruitment and retention bonuses and if a decision had been made whether to provide bonuses to instate workers.
- 10:32:23 Director Meier responded that the department is in the process of reviewing all the market rates in the area as well as compensation rates and bonuses.
- 10:33:35 Director Meier continued with his presentation.

#### **Follow-up on Medicaid-funded abortion services**

Update on legal and policy review currently in process. Reviewing contracts and forms. Stated no further findings since the last meeting.

- 10:34:07 Chairman Regier asked what the timeline would be.
- 10:34:11 Director Meier responded no later than the end of January.
- 10:34:36 Sen. Glimm asked Director Meier about a requested report regarding the numbers of abortions seemed skewed.
- 10:35:07 Director Meier responded to Sen. Glimm.
- 10:35:29 Sen. Glimm asked about the chief complaint section of the report.
- 10:35:55 Director Meier responded that he will follow up on the request.

#### **ARPA-funded childcare expenditures and impacts**

- 10:36:33 Jamie Palagi, Early Childhood and Family Support Division, discussed her handout including Covid-19 relief funding.  
[Exhibit 2](#)
- 10:41:11 Chairman Regier referred to a chart and asked if it was the federal guidelines.
- 10:41:24 Ms. Palagi responded it was the federal performance period laid out.
- 10:41:37 Rep. Caferro asked if people online had the handout.
- 10:41:55 Josh Poulette, Fiscal Analyst stated the handout would be posted on the IBC website.
- 10:42:17 Rep. Caferro referred to the update and asked Ms. Palagi which pot of money.
- 10:42:33 Ms. Palagi responded.
- 10:42:53 Rep. Caferro asked Ms. Palagi if most of the update is looking back.
- 10:43:13 Ms. Palagi responded.
- 10:43:32 Rep. Caferro asked if the presentation is looking back.
- 10:43:51 Ms. Palagi continued with her presentation.
- 10:47:03 Chairman Regier asked about the grants being operational.
- 10:47:20 Ms. Palagi responded to Chairman Regier.
- 10:47:37 Chairman Regier asked about operational costs to parents.
- 10:47:57 Ms. Palagi explained about the provisions of providers.
- 10:48:33 Chairman Regier asked about the value being monitored to the cost of the parents.
- 10:48:41 Mr. Poulette explained that the document is posted.
- 10:49:25 Ms. Palagi continued with ARPA Supplemental Child Care Block Grand Funding.

10:51:38 Chairman Regier asked for more detail regarding the Resource and Referral Pilot in Eastern Montana.

10:51:52 Ms. Palagi explained about community-based resources.

10:52:44 Ms. Palagi continued with her presentation.

10:54:40 Rep. Moore asked about licensing and funds for the unlicensed.

10:55:27 Ms. Palagi responded that funds were not available for those that are unlicensed or not registered.

10:56:56 Rep. Moore asked for more differences between a licensed childcare provider and a registered childcare provider.

10:57:09 Ms. Palagi explained the difference.

10:58:05 Director Meier added more clarification.

10:58:44 Rep. Caferro commented on the childcare shortage.

10:59:54 Ms. Palagi responded that there may not may be enough childcare to meet the demand.

11:00:45 Director Meier explained that the review will be addressing getting more childcare providers.

11:01:18 Rep. Caferro commented on a workforce shortage that has reduced childcare providers and asked if there was a plan to address the issue.

11:02:29 Ms. Palagi explained that there is money in the plan and incentives for workers. She said there are recruitment challenges in childcare.

11:03:56 Rep. Caferro asked about provider subsidies.

11:04:53 Ms. Palagi stated that the with the Stabilization Grant the providers can submit an operation budget.

11:06:22 Rep. Caferro asked Ms. Palagi to explain what a workforce incentive is.

11:06:42 Ms. Palagi explained eligibility for incentive.

11:06:52 Rep. Caferro asked for data showing the funding is going to childcare deserts.

11:07:20 Ms. Palagi responded that the department has requested data.

11:07:37 Rep. Garner asked Ms. Palagi to talk about Stabilization Block Grants regarding ability and flexibility to what requirement of Federal guidelines.

11:08:16 Ms. Palagi referred that Stabilization Grants are the most restrictive.

11:08:56 Director Meier thanked the team.

**Update on provider rate study**

11:09:37 Director Meier referred to a provider rate study.

11:11:11 Chairman Regier asked when final product could be expected.

11:11:18 Director Meier responded that it could be early summer.

11:11:30 Rep. Moore asked Director Meier to what extent will potential future impact be factored into the rate study.

11:12:23 Director Meier responded that the changes are pre-Covid and post-Covid.

11:13:39 Rep. Caferro asked about the goal of the study.

11:13:55 Director Meier responded that the goal is to be data-informed.

11:15:15 Sen. Glimm asked what other states were doing.

11:15:35 Director Meier responded that the department would look internally and looking at other states would help to be more competitive for providers.

11:16:24 Sen. Glimm asked if providers were looking at this as to where to expand to and commented that it shouldn't take this long.

11:17:13 Director Meier responded to Sen. Glimm that it was only one part of the analysis.

**MPATH status**

11:19:53 Shellie McCann, Medicaid Systems Operations Manager, Department of Public Health & Human Services  
[Exhibit 3](#)

11:20:10 Carrie Albro, Chief Information Officer, Department of Public Health & Human Services.

11:20:13 Ms. McCann presented an overview of MPATH.

11:24:53 Mr. Poulette explained the handouts have been posted online.

11:25:07 Ms. McCann continued with presentation of Legacy Components Services referred to 12 modules.  
Ms. McCann continued with the MT Medicaid Modularity Blueprint.

11:35:42 Sen. Glimm asked if the data warehouse is in interaction with the federal government.

11:36:15 Ms. McCann responded that Montana is one of 31 states who have implemented the reporting.

11:37:20 Sen. Glimm asked if the other states that are not on the program if they are on an inferior program.

11:37:49 McCann responded to Sen. Glimm that Montana understands the critical circumstances and has a data team that focuses on the data coming in.

11:38:30 Sen. Glimm asked if Montana was at the forefront or behind. He asked what is unique about Montana in provider services.

11:39:02 Ms. McCann stated that Montana is at the forefront and explained the procurement. She said Montana led the first Medicaid enterprise system for that procurement.

11:39:54 Sen. Glimm asked why we are having to figure all this out on our own if the feds are requiring it. He asked why we continually blow the budget on IT programs.

11:40:49 Director Meier explained that there are differences in each state.

11:44:16 Sen. Keenan asked Ms. McCann what services are provided of the vendor and at what cost. He asked if the contract has been modified since January of 2017.

11:45:16 Ms. McCann stated yes the vendor was modified and the original contract expired.

11:45:58 Sen. Keenan asked what services they were providing.

11:46:21 Ms. McCann responded that they provided overarching program of evaluation and validation of requirements.

11:46:52 Director Meier explained the requirements of CMS.

11:47:41 Sen. Keenan asked about the base amount in the contract and if it was billable hours.

11:48:12 Ms. McCann responded that it is based on task orders.

11:48:59 Rep. Caferro asked if budget questions could be taken now or later.

11:49:13 Director Meier responded that questions can be asked now.

11:49:22 Rep. Caferro asked Ms. McCann if the presentation was required by the federal government.

11:50:07 Ms. McCann stated that it was a combination of the Department of Health and Human Recourse's visions and that of the federal government.

11:50:38 Rep. Caferro asked if Montana already had a data warehouse.

11:51:20 Ms. McCann responded that the data warehouse was implemented in 2018 and was actually the Department of Health and Human Resources.

11:51:32 Rep. Caferro referred to the budget report and asked about the MMIS revised budget, where \$30 million came from and why it was such a steep increase.

11:54:13 Director Meier responded the number was from the original MMIS replacement.

11:54:38 Mr. Poulette responded that it was from the SITSD dashboard and will find out about the data.

11:55:11 Rep. Caferro asked what the original budget was and when did the change happen and why.

11:55:28 Mr. Poulette responded that it goes back long ago.

11:55:53 Rep. Caferro referred to the revised completion date of 2024 and suggested the dashboard should state when it was changed and why.

11:56:12 Mr. Poulette agreed with Rep. Caferro and explained the way SITSD organized the components.

11:56:37 Ms. McCann agreed that 2024 was final delivery date.

11:56:45 Sen. Keenan asked Brian Hannon, OBPP staff, if that kind of adjustment was made in HB 10.

11:57:20 Kim Aiken, Chief Financial Officer, responded there was some history. She said the increase was primarily federal dollars and schedules that lay it out would be available.

11:58:09 Director Meier added that the date change goes back to 2016 when a change to modularity system occurred.

11:58:37 Rep. Caferro asked for more information.

12:01:20 Ms. Aiken responded.

12:01:40 Rep. Caferro used an example of accrual to confirm meaning.

12:02:26 Ms. McCann continued with her presentation.

12:11:29 Chairman Regier asked Director Meier if the department could come back later in afternoon.

12:11:55 Director Meier responded.

12:12:06 The committee recessed for lunch.

12:41:03 Reconvened

### **Public Comment**

12:41:31 Rep. Jennifer Carlson, HD 69

12:49:17 Abigail St. Lawrence, Montana Healthcare Association

12:54:25 Mary Windecker, Behavioral Health Alliance of Montana

12:59:08 Rep. Jane Gillette, HD 64

### **DPHHS Updates - Adam Meier, DPHHS Director- continued**

#### **Financial update**

13:02:21 Director Meier re-introduced Ms. Aiken.

13:03:43 Kim Aiken, Chief Financial Officer explained the handout and the information provided on the spreadsheets.  
[Exhibit 4](#)

13:06:11 Sen. Keenan referred to program name on spreadsheet and asked what the asterisk referred to.

13:07:43 Ms. Aiken continued with presentation explaining charts on spreadsheets.

13:09:09 Chairman Regier asked Ms. Aiken if the department had an overall vacancy.

13:09:26 Ms. Aiken responded that the effective vacancy for the Department was at 424 and on the LFD chart the effective vacancy was showing 448.

13:09:35 Chairman Regier asked why the difference

13:09:55 Ms. Aiken responded that it was timing. Continued with presentation on Agency Budget Status.  
[Exhibit 5](#)

13:12:56 Chairman Regier asked if \$5.5 million was at end of Q3.

13:13:24 Ms. Aiken responded that it was at the end of the fiscal year.

13:13:37 Sen. Keenan commented on the shortfall and that its not enough money to take care of the obligations.

13:14:41 Director Meier responded.

13:16:28 Sen. Keenan asked if that can impact the black box.

13:17:02 Director Meier responded.

13:17:30 Greg Sawyer, Office of Budget & Program Planning, explained the process.

13:18:09 Chairman Regier asked if the black box has been spent.

13:18:34 Ms. Aiken responded that it has not been spent and explained it is an end of the year projection.

13:18:58 Chairman Regier asked where the \$15 million shortfall was.

13:19:05 Ms. Aiken explained the largest areas of the shortfall.

13:19:30 Sen. Keenan spoke about IBC and the removal of CSCT from this committee.

13:22:49 Director Meier commented that the need doesn't go away.

13:23:34 Sen. McNally commented that she was concerned about CSCT. She said she understands that there was a request for a sit down with OPI and DPHHS.

13:24:48 Director Meier responded that there are ongoing forums scheduled.

13:26:13 Sen. McNally asked what happens when the money runs out.

13:26:36 Director Meier responded to Sen. McNally that reimbursement would be retroactive.

13:27:32 Sen. Glimm asked Ms. Aiken if FMAP was through fiscal year.

13:27:59 Ms. Aiken responded the numbers are through the end of the fiscal year.

13:28:14 Sen. Glimm asked if that was an indication the department has gotten.

13:28:22 Ms. Aiken responded that the indication was through March 31 of 2022.

13:28:31 Sen. Glimm asked Director Meier if rolls would stay the same, if FMAP was a quarter to quarter process and if Montana can drop out.

13:29:14 Director Meier responded that once FMAP is accepted it would be better to stay with it.

13:29:34 Sen. Glimm asked that once FMAP stops are we no longer bound.

13:29:53 Director Meier explained the provisions.

13:30:51 Mr. Poulette explained the impact document is online.

13:31:07 Sen. Glimm asked if they were forcing Montana on the rolls, and is the state being penalized on the 90/10 match.

13:31:58 Director Meier confirmed Sen. Glimm's question.

13:32:05 Chairman Regier commented that it was an interesting point.

13:32:17 Rep. Caferro thanked Director Meier and team for how they have handled CSCT.

13:34:44 Sen. Glimm asked Director Meier about out of state placement and if we pay more.

13:35:12 Director Meier explained that the department pays an out of state rate. He explained the process and said the first choice is to keep them in state.

13:37:36 Chairman Regier asked if the department is hoping that for 2023 the Medicaid rolls will equal out the overspend.

13:38:14 Director Meier spoke that it is more than just eligibility.

13:40:55 Rep. Moore commented on impact of inflation.

13:41:48 Director Meier responded.

13:43:20 Brian Hannan, Office of Budget & Program Planning, commented on the plan to track inflation.

13:44:00 Rep. Moore asked for an idea on contracts and payments.

13:44:31 Director Meier responded that is a task at hand.

13:44:46 Rep. Caferro asked Director Meier if there is going to be a problem with Medicaid.

13:45:46 Director Meier responded.

13:46:09 Rep. Caferro asked if everything evens out, would there be no shortfall for Medicaid.

13:46:31 Mr. Poulette responded that Mr. Harnett will be speaking on Medicaid.

13:47:20 Rep. Caferro asked about the Medicaid Expansion summary and Medicaid summary by LFD.

13:48:42 Mr. Poulette responded that Mr. Harnett will speak on Medicaid and agreed that the services are statutory.

13:49:31 Rep. Caferro asked if it is 100% federally funded, does that impact the state budget.

13:49:59 Mr. Poulette recommended to wait for Mr. Harnett's presentation.

13:50:16 Ms. Aiken spoke on Rep Caferro's question regarding the state hospital shortfall. She continued with her presentation on the contingency fund.

13:53:30 Director Meier spoke about the use of the "black box" and said the IBC shortfalls was included.

### **LFD Financial Report Process and Power BI tools**

13:55:40 Mr. Poulette gave overview of 2022 financial report.  
[Exhibit 6](#)

13:57:11 Chairman Regier asked about HB 2 and HB 13.

13:57:59 Ms. Aiken said although it is five months of data, that July expenses are still being calculated.

13:58:18 Chairman Regier said it was close to HB 2 data.

13:58:25 Mr. Poulette continued with the report.



14:00:56 Chairman Reiger asked if the figure was from marijuana money.  
14:01:06 Mr. Poulette responded it might be from the marijuana bill.  
14:01:20 Mr. Hannon responded that funding was special revenue tax and federal authority matching.  
14:01:37 Mr. Poulette continued with presentation.  
14:06:13 Chairman Regier asked Director Meier about laboratory capacity.  
14:06:26 Director Meier responded that the grants are handed down and given a preview.  
14:07:20 Chairman Regier asked about the stipulations of quarantine isolation relief payments.  
14:07:34 Ms. Aiken responded that they were payments made to assisted living centers and nursing facilities to enhance quarantine.  
14:07:54 Mr. Poulette continued.  
14:22:35 Sen. Glimm asked about Heart funding money that didn't seem to have a bill.  
14:23:19 Mr. Hannon responded that they are working on developing program requirements.  
14:24:24 Rep. Garner asked for an outline of what the potential budget would look like and what services would be offered.  
14:25:04 Ms. Aiken responded that department will provide outline to committee.

### **Medicaid Monitoring Report**

14:26:06 Matt Hartnett, Legal Fiscal Division spoke on Medicaid Monitoring report.  
14:29:27 Mr. Poulette stated that rate of growth is positive.  
14:30:29 Chairman Regier commented on the projections of the graph.  
14:31:05 Mr. Hartnett responded that it only covers traditional Medicaid. He stated that enrollment of expansion is flattening.  
14:32:36 Sen. Glimm asked if it qualifies everyone.  
14:32:52 Ms. Aiken responded that she will get that information.  
14:33:01 Mr. Poulette responded that it applies to all kinds of Medicaid.  
14:33:14 Sen. Glimm commented on the negative numbers.  
14:34:11 Mr. Poulette responded that the categories are divided up.  
14:35:49 Ms. Aiken agreed with Mr. Poulette.  
14:36:22 Sen. Glimm asked if it would be a budget amendment.  
14:36:40 Sen. Keenan spoke on major service categories.  
14:38:26 Mr. Poulette explained that the process may have changed somewhat from turnover in staffing.  
14:39:47 Sen. Keenan recapped that there was a change in the major service categories format and stated that he is concerned about the change.  
14:39:58 Ms. Aiken spoke that there was a change in format. She said it came about last session to add additional transparency in areas and it created more reporting levels.  
14:41:33 Mr. Hartnett concluded.  
14:42:02 Mr. Poulette spoke briefly about how the quarterly financial report and Medicaid report was created.

### **Committee discussion & future agenda items**

- 14:44:27 Sen. McNally requested to continue to track CARES and ARPA funding. She requested a consistent format going forward and to get information on agenda items prior to the meeting.
- 14:45:28 Mr. Sawyer commented on the spreadsheet supplied.
- 14:46:14 Sen. McNally agreed that spreadsheets are informative.
- 14:46:27 Rep. Moore requested the department engage more with the budget office with projected items.
- 14:49:32 Chairman Regier asked Mr. Hannon about inflation work that the budget office will be looking into.
- 14:49:49 Mr. Hannon said the goal is to look at all the sections of government.
- 14:50:59 Rep. Caferro asked to hear about the low income energy assistance program.

### **ADJOURNMENT**

Adjournment: 14:53:07