



TO: Interim Budget Committee Section B
 FROM: Kim Aiken, DPHHS CFO
 RE: Report on appropriations for operation of state-run health care facilities
 DATE: September 1, 2023

Summary

Pursuant to Section 13 of HB 424, the Department of Public of Health and Human Services (DPHHS) is required to report on any appropriations in HB 835 or HB 2 that provide funding for the operation of DPHHS’s state-run health care facilities beyond those budgeted for the fiscal year beginning July 1, 2022. In addition to the report on appropriations, the department has included the initial mitigation cost plan for Montana’s state-run health care facilities.

Report on Appropriations

HB 2 appropriation for the Healthcare Facilities Division (HFD) was increased through budget transfers from both the Director’s Office contingency established in the 2021 Legislative Session and other appropriations from programs in the department. Total increase in HB 2 authority is \$10,429,724. Most of the increase is from the general fund at \$10,057,298.

HB 835, passed during the 2023 Legislative Session, provided \$43,000,000 in contingency funding to address cost overruns for certain 24/7 facilities for the fiscal year ending June 30, 2023.

The tables below provide the details on how these appropriations were spent:

TOTAL	Fund TYPE	FY 2023 HB2 Begin	Contingency Addition	Other Program Transfer	FY 2023 HB 2 End	HB 835	Facility End Budget
ALL	General Fund	\$ 62,675,864	\$ 7,004,204	\$ 3,447,810	\$ 73,127,878	\$ 43,000,000	\$ 116,127,878
ALL	State Special	\$ 18,314,749	\$ -	\$ (506,745)	\$ 17,808,004		\$ 17,808,004
ALL	Federal Fund	\$ 10,397,705	\$ -	\$ 879,171	\$ 11,276,876		\$ 11,276,876
TOTAL		\$ 91,388,318	\$ 7,004,204	\$ 3,820,236	\$102,212,758	\$43,000,000	\$145,212,758



FY 2023 Expenses as change from HB2 begin				
Bill	Facility	Type	Fund Type	Amount
HB 2	EASTERN MT VETERANS HOME	Shift from MVH	02260	\$ 649,462
HB 2	EASTERN MT VETERANS HOME	Revenue Replacement	03005	\$ 466,975
HB 2	Intensive Behavior Center	Contracted Staffing	01100	\$ 3,866,369
HB 835	Intensive Behavior Center	Contracted Staffing	01100	\$ 1,900,000
HB 2	Montana Mental Health Nursing Care Center	Transfer to IBC	01100	\$ (435,980)
HB 835	Montana Mental Health Nursing Care Center	Contracted Staffing	01100	\$ 1,900,000
HB 2	Montana Chemical Dependency Center	State Employee Compensation	01100	\$ 700,000
HB 2	Montana Chemical Dependency Center	Contracted Staffing	01100	\$ 595,000
HB 2	Montana Chemical Dependency Center	Revenue Replacement	02034	\$ 1,253,495
HB 2	Montana Chemical Dependency Center	Revenue Reduction	02598	\$ (1,708,383)
HB 2	Montana State Hospital	Contracted Staffing	01100	\$ 3,687,700
HB 2	Montana State Hospital	WATCH Program	02691	\$ 6,000
HB 835	Montana State Hospital	Contracted Staffing	01100	\$ 39,200,000
HB 2	Montana Veteran's Home	Contracted Staffing	01100	\$ 1,937,200
HB 2	Montana Veteran's Home	Revenue Reduction	02023	\$ (36,973)
HB 2	Montana Veteran's Home	Shift to EMVH	02260	\$ (669,621)
HB 2	Montana Veteran's Home	Revenue Reduction	03112	\$ (1,839,302)
HB 2	Montana Veteran's Home	Revenue Reduction	03051	\$ (88,502)
HB 2	SOUTHWEST MT VETERANS HOME	Revenue Replacement	01100	\$ 101,725
HB 2	SOUTHWEST MT VETERANS HOME	Appropriation Increase to Revenue	03976	\$ 2,340,000
HB 2	SOUTHWEST MT VETERANS HOME	Revenue Reduction	02260	\$ (725)
TOTAL				\$ 53,824,440

Cost Mitigation Plan

DPHHS continues to mitigate facility contract staffing costs through efforts to increase recruitment of new direct care staff and retention of current direct care staff. With increased recruitment and retention, the reliance on more costly contracted staffing is anticipated to decrease over time. Ongoing activities related to this effort are listed below:

- Evaluating and updating staffing plans so that facilities are staffed most efficiently to acuity and need, as appropriate.
- Implementing a Hiring and Referral Incentive Program (using American Rescue Plan Act funds as recommended by the Economic Transformation, Stabilization, and Workforce Advisory Commission and approved by Governor Gianforte).
- Launching a paid media campaign over the next year to target audiences most likely to be interested in positions within the facilities.
- Exploring a staffing partnership with HireMilitary to become a licensed job placement site for exiting service members.
- Establishing partnerships with nursing programs to have students conduct rotations at facilities.



- Partnering with Montana Department of Labor and Industry to use facilities as sites for CNA apprenticeships.
- Driving employee retention by expanding learning and development opportunities for existing staff.
- Continuing to facilitate and refine employee recognition programs as part of overall cultural transformations across the facilities, starting with leadership.
- Exploring cross-divisional, workforce-oriented partnerships within the agency between HFD and Disability Employment and Transitions Division (vocational rehabilitation) and Human and Community Services Division (SNAP Employment & Training and TANF Pathways).
- Supporting employee recruitment and retention through both OTO and ongoing pay adjustments made in HB 13 to support during the 2023 Legislative Session.

Additional details on each of these initiatives will be provided during the Interim Budget Committee Section B meeting on September 13, 2023.