Department Updates
Interim Budget Committee
Section B
December 13, 2023



Executive Updates

Charlie Brereton, DPHHS Director Kim Aiken, DPHHS CFOO



Agenda

DPHHS Update

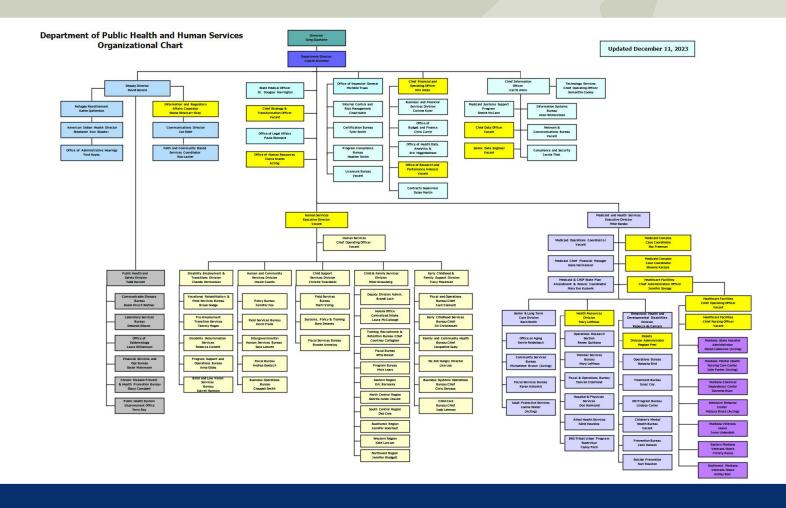
- Introduction / Organizational Overview
- Department Goals and Objectives: DPHHS Annual Plan
- Financial Status
 - SFY24 Initial Update
 - ARPA Funding
- Medicaid Redetermination
 - Overview
 - Forecast to Budget Comparison
- HB 2: Medicaid Provider Rate Adjustments
- Montana Milestones Part C / Family Education & Support Program Provider Rate Studies

LUNCH

- Healthcare Facilities Division Update
 - Reform Initiatives
 - Update on Contracting Expenditures
- HB 872 Behavioral Health System for Future Generations Update



Organizational Highlights



Goals and Objectives HB 190: DPHHS Annual Plan

As required under HB 190, DPHHS published an Annual Plan on September 1, 2023. The Plan will be updated no later than September 1 every year and includes:

- Description of the functions and divisions of the Department, including a discussion of its priorities;
- Initiatives of the Department that reflect the benefits and outcomes the Department expects to achieve; and
- Specific and measurable performance metrics for each initiative, including the preferred outcomes and outputs with respect to each initiative

The DPHHS Strategic Plan is publicly available at https://dphhs.mt.gov.

A dashboard to measure DPHHS's Annual Plan progress is in development (estimated completion Q1 2024)



HB 190: DPHHS Annual Plan (cont.)

#1: Strengthen and Stabilize Montana's Health Care Delivery System

Initiatives	Performance Metrics
Implement Medicaid provider rate adjustments to better align reimbursement rates with the true cost of providing physical and behavioral health care services to over 300,000 low-income Montanans. In coordination with the Behavioral Health System for Future Generations (BHSFG) Commission, develop strategic plans with implementation recommendations to reform Montana's behavioral health and developmental disabilities service delivery systems. Establish a pathway to U.S. Centers for Medicare and Medicaid Services (CMS) recertification of the Montana State Hospital. Develop a singular value-based payment Medicaid Primary Care Delivery Model. Continuously address Healthcare Facilities Division vacancies, including through the implementation of recruitment and retention strategies, with an emphasis on reducing contract staff utilization. Increase in-state access to services for children with high-acuity needs.	 100% approval of CMS State Plan and waiver amendments to implement provider rate adjustments by EOY 2023. Increase access by 5% for Behavioral Health, Primary Care, and Developmental Disabilities services. Launch BHSFG Commission and secure governor's approval of at least 2 Commission-recommended initiatives by CYE23. At least 8 BHSFG Commission meetings scheduled and held through end of SFY24. Complete 75% of HB 5 capital improvement projects for CMS recertification of MSH by end of SFY24. Achieve 75% of required MSH CMS recertification activities by September 2024, and 100% by December 2024. Reduce traveler costs by 10% for HFD and increase state HFD FTE by 5%. 100% completion of the Behavioral Health and Developmental Disabilities Alternative Settings Design Proposal and Implementation Plan, and presentation to the BHSFG Commission, by May 1, 2024. 5% reduction in out-of-state placement of children with complex physical and behavioral health needs.

HB 190: DPHHS Annual Plan (cont.)

#2: Drive Independence and Accountability through Public Assistance Programs

Performance Metrics
• 25% reduction in Public Assistance Helpline (PAHL) wait times.
• 100% completion of Medicaid and HMK eligibility redeterminations.
Execution of at least one new performance-based contract for statewide
SNAP and TANF employment and training services provision.
 25% increase in referrals of non-custodial parents engaged in child support services to employment and training services.
 5% increase in the number of licensed childcare providers participating in
the Best Beginnings Scholarship program.
50% increase in the number of foster youths aged 14 and older
participating in vocational rehabilitation services.

HB 190: DPHHS Annual Plan (cont.)

#3: Increase Data Analytics Capacity for Performance Measurement & Decision-making

Initiatives	Performance Metrics
	Complete data assets inventory and implement ongoing maintenance.
	o 100% of data cataloged by end of SFY24.
Establish and intermets on Office of	 50% of data elements assessed and documented by population/customer, program impact, limitation, and gap by end of SFY24.
Establish and integrate an Office of Research and Performance Analysis	Complete data methodology design.
(ORPA) to catalyze the strategic use of data and analytics, including for	 100% completion of detailed project timeline encompassing key milestones from the initial data collection phase to the final stages of analysis and reporting by end of SFY24.
resource allocation, program evaluation and performance measurement, and operational	 100% completion of data methodology design, including management tools and data analysis standards by end of SFY24.
decision-making.	• Develop data use strategy (i.e., development of a data collection and utilization plan).
	 100% identification of measures of key performance indicators by end of SFY24.
	 Develop use case modeling for metrics and outcomes related to self-sufficiency and population health.
	 Implement at least 4 use cases with outcome measures for success (at least 2 for independence and 2 for population health) by end of SFY24.
	Hold at least 2 meetings of the new Data Governance Committee by end of SFY24.



Agency Financial Update

Agency HB 2 Summary – All HB 2 funding sources by type through 11/30/2023

Funding		FY 2024 Budget	FY 2024 Expense	FY 2024 Projection	FY 2024 Remaing
General Fund		730,685,500	257,033,966	745,520,798	(14,835,298)
Enhanced FMAP Return		13,426,513			13,426,513
	TOTAL	744,112,013	257,033,966	745,520,798	(1,408,785)
State Special		254,981,721	32,220,546	239,780,987	15,200,734
Enhanced FMAP Return		2,870,227			2,870,227
	TOTAL	257,851,948	32,220,546	239,780,987	18,070,961
Federal		2,501,849,426	786,455,684	2,399,485,913	102,363,513
Enhanced FMAP Increase		0		16,296,740	(16,296,740)
	TOTAL	2,501,849,426	786,455,684	2,415,782,653	86,066,773
	TOTAL	\$ 3,503,813,387	\$ 1,075,710,196	\$ 3,401,084,438	\$ 102,728,949

- 1. Enhanced FMAP is +2.5% for QE 9/30/23 and +1.5% for QE 12/31/23 Enhanced FMAP ends 01/01/24
- 2. Expenses are thru 11/30/2023
- 3. Projection from published BSR



Medicaid Projections - 11/15/2023 Budget Status Report

Summary – Medicaid Traditional

							CO	/ID FMAP	Nev	v Projected
Fund Type	Appı	opriation	Proj	jection	Sur	plus/Deficit	(De	crease)/Increase	Ren	nain
General Fund	\$	396,490,391	\$	384,304,703	\$	12,185,688	\$	(13,426,516)	\$	(1,240,828)
State Special Revenue	\$	118,878,369	\$	114,711,881	\$	4,166,488	\$	(2,870,227)	\$	1,296,261
Federal Funds	\$	979,915,635	\$	990,358,008	\$	(10,442,373)	\$	16,296,743	\$	5,854,370
TOTAL	\$	1,495,284,395	\$	1,489,374,592	\$	5,909,803	\$	-	\$	5,909,803

Summary – Medicaid Expansion

Fund Type	Appropriation		Projection		Surplus/Deficit		
General Fund	\$	40,310,798	\$	38,495,429	\$	1,815,369	
State Special Revenue	\$	58,254,563	\$	55,817,605	\$	2,436,958	
Federal Funds	\$	971,014,326	\$	932,158,853	\$	38,855,473	
TOTAL	\$	1,069,579,687	\$	1,026,471,888	\$	43,107,799	

Medicaid Projections from 11/15/2023 BSR

- Projections currently indicate a very small surplus at the end of SFY 2024.
- Projections are based on early data claims processed through 9/30/2023.
- Current disenrollment is happening at a faster pace than originally anticipated creating a small projected surplus as compared to budget request.
- Larger impact of provider rates on service provision is yet to be determined but is being monitored closely.



Facilities Summary and Projected Shortfall

Montana State Hospital continues its heavy dependence on contracted staffing to ensure patient safety. Efforts to mitigate cost overruns will be discussed during the Healthcare Facilities Division presentation.

 Projections include \$30 million in contingency. The contingency appropriation was allocated to MSH, IBC and MMHNCC.

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Facility	Fund Type	ppropriation		urrent Projection		(thru 11/30)		rplus / (Deficit)
IBC	General Fund	\$ 8,362,411	\$	8,607,059	\$	2,736,218	\$	(244,648)
	State Special	\$ 1,276	\$	-	\$	-	\$	1,276
	Federal Fund	\$ -	\$	=	\$	-	\$	-
	Total	\$ 8,363,687	\$	8,607,059	\$	2,736,218	\$	(243,372)
MCDC	General Fund	\$ -	\$	810,846	\$	-	\$	(810,846)
	State Special	\$ 6,552,511	\$	5,319,428	\$	2,178,560	\$	1,233,083
	Federal Fund	\$ -	\$	-	\$	-	\$	-
	Total	\$ 6,552,511	\$	6,130,274	\$	2,178,560	\$	422,237
MMHNCC	General Fund	\$ 14,607,954	\$	15,572,641	\$	4,848,200	\$	(964,687)
	State Special	\$ -	\$	-			\$	-
	Federal Fund	\$ -	\$	-			\$	-
	Total	\$ 14,607,954	\$	15,572,641	\$	4,848,200	\$	(964,687)
MSH	General Fund	\$ 80,042,261	\$	88,145,668	\$	24,401,026	\$	(8,103,407)
	State Special	\$ 3,161,405	\$	1,408,905			\$	1,752,500
	Federal Fund	\$ -					\$	-
	Total	\$ 83,203,666	\$	89,554,573	\$	24,401,026	\$	(6,350,907)
MVH	General Fund	\$ -	\$	2,795,322	\$	-	\$	(2,795,322)
	State Special	\$ 10,615,633	\$	8,296,064	\$	4,428,159	\$	2,319,569
	Federal Fund	\$ 6,286,349	\$	4,846,757	\$	1,361,637	\$	1,439,592
	Total	\$ 16,901,982	\$	15,938,143	\$	5,789,796	\$	963,839
EMVH	General Fund	\$ -	\$	476,950	\$	-	\$	(476,950)
	State Special	\$ 554,963	\$	574,073	\$	13,160	\$	(19,110)
	Federal Fund	\$ 4,296,210	\$	3,414,592	\$	1,214,242	\$	881,618
	Total	\$ 4,851,173	\$	4,465,615	\$	1,227,402	\$	385,558
SWMVH	General Fund	\$ -	\$	-	\$	-	\$	-
	State Special	\$ 1,406,665	\$	739,879	\$	13,160	\$	666,786
	Federal Fund	\$ 6,257,638	\$	3,435,323	\$	1,214,242	\$	2,822,315
	Total	\$ 7,664,303	\$	4,175,202	\$	1,227,402	\$	3,489,101
TOTAL	General Fund	\$ 103,012,626	\$	116,408,486	\$	31,985,444	\$	(13,395,860)
	State Special	\$ 22,292,453	\$	16,338,349	\$	6,633,039	\$	5,954,104
	Federal Fund	\$ 16,840,197	\$	11,696,672	\$	3,790,121	\$	5,143,525
	Total	\$ 142,145,276	\$	144,443,507	\$	42,408,604	\$	(2,298,231)



Child and Family Services Summary and Projected Shortfall

- Foster Care total projection is higher than budgeted. In addition, the federal reimbursement continues to decline:
 - IV-E eligibility is based on 1996 federal poverty levels. Through time fewer children meet financial eligibility requirements.
 - Federal passage of Families First shifted IV-E eligibility from certain placements to support services. Group home and congregate care services are no longer eligible for reimbursement.
- Administrative projections are higher than budgeted for general funds.
 - Declines in IV-E eligibility impact reimbursement for personal services. As the saturation rate for IV-E continues to drop – dependence on general fund grows.

				Current		
Fund Type	Fund	Budget Begin	Current Budget	Expenditures	Projection	Remain
General Fund	01100	\$66,190,525	\$65,207,335	\$20,119,893	\$69,978,929	(\$4,771,594)
TOTAL		\$66,190,525	\$65,207,335	\$20,119,893	\$69,978,929	(\$4,771,594)
State Special	02209	\$1,450,000	\$1,412,000	\$348,533	\$1,463,205	(\$51,205)
	02376	\$0	\$17,000	\$0	\$17,000	\$0
	02473	\$84,501	\$105,501	\$13,257	\$105,501	\$0
	02496	\$7,083	\$7,083	\$0	\$20,000	(\$12,917)
TOTAL		\$1,541,584	\$1,541,584	\$361,790	\$1,605,706	(\$64,122)
Federal Funds	03109	\$1,976,440	\$1,976,440	\$414,671	\$1,740,862	\$235,578
	03185	\$16,426	\$0	\$0	\$0	\$0
	03224	\$99,372	\$99,372	\$98,553	\$98,556	\$816
	03458	\$392,242	\$392,242	\$136,909	\$485,000	(\$92,758)
	03522	\$925,544	\$575,544	\$530,376	\$733,142	(\$157,598)
	03526	\$99,901	\$99,901	\$3,108	\$70,035	\$29,866
	03529	\$4,155,822	\$4,155,822	\$1,111,689	\$4,292,510	(\$136,688)
	03530	\$11,028,233	\$10,350,659	\$1,324,070	\$7,825,022	\$2,525,637
	03531	\$14,593,576	\$14,593,576	\$4,804,908	\$14,802,077	(\$208,501)
	03532	\$368,069	\$428,069	\$4,634	\$246,763	\$181,306
	03533	\$789,945	\$789,945	\$111,152	\$960,516	(\$170,571)
	03536	\$1,289,249	\$1,289,249	\$158,408	\$1,043,730	\$245,519
	03593	\$11,706,279	\$12,084,328	\$2,225,009	\$9,057,029	\$3,027,299
	03088	\$0	\$10,000	\$0	\$10,000	\$0
TOTAL		\$47,441,098	\$46,845,147	\$10,923,489	\$41,365,242	\$5,479,905
Grand Total		\$115,173,207	\$113,594,066	\$31,405,172	\$112,949,877	\$644,189



Agency Financial Update (cont.)Contracted Staffing and Overtime

	Contracted Staffing Report - 07/01/2023 - 10/31/2023								
					Due to Vacancy	Calculated	FTE		
Division	Division Acronym	Contractor	Staffing Type	Purpose	Y/N	Hours	Equivalent		
01	DETD	RANDSTAD NORTH AMERICA LP	VR Counseling, etc	Staff difficult to fill vacancy	Yes	258	0.38		
01	DETD	Multiple	Interpreter's	Work is adhoc	No	57	0.08		
01	DETD	WESTAFF WORKFORCE SOLUTIONS LLC	Administrative	Digitizing/Paperless	No	1,133	1.65		
02	HCSD	Public Consulting Group	Redetermination	Staff Augmentation	No	5,655	8.22		
04	DO Legal	WESTAFF WORKFORCE SOLUTIONS LLC	Administrative	Administrative Assistant	Yes	460	0.67		
05	CSSD	WESTAFF WORKFORCE SOLUTIONS LLC	Administrative	Digitizing/Paperless	No	1,886	2.74		
06	BFSD	WESTAFF WORKFORCE SOLUTIONS LLC	Administrative	Food and Consumer - ad hoc	No	341	0.50		
07	PHSD	BRADY CO INC	Administrative	Intern/Data Entry & Cleanup	No	1,175	1.71		
07	PHSD	WESTAFF WORKFORCE SOLUTIONS LLC	Administrative	Fill vacancy/catch up work fro	Yes	732	1.06		
10	BHDD	BRADY CO INC	Admin Assistant	Vacation fill	Yes	150	0.22		
11	HRD	Multiple	Interpreter's	Work is adhoc	No	20	0.03		
22	SLTC	BRADY CO INC	Staff Augmentation	Program Management	Yes	510	0.74		
25	ECFSD	WESTAFF WORKFORCE SOLUTIONS LLC	Admin Assistant	Vacation fill	Yes	377	0.55		
25	ECFSD	Multiple	Interpreter's	Work is adhoc	No	17	0.03		
33	HFD	AYA HEALTHCARE INC	Direct Care	Staff 24/7 facilities	Yes	26,380	12.71		
33	HFD	MAXIM HEALTHCARE STAFFING SERVICES II	Direct Care	Staff 24/7 facilities	Yes	24,123	11.62		
33	HFD	MONTANA HEALTH NETWORK INC	Direct Care	Staff 24/7 facilities	Yes	418	0.20		
33	HFD	PRAIRIE TRAVELERS INC	Direct Care	Staff 24/7 facilities	Yes	1,193	0.57		
33	HFD	PRIME TIME HEALTHCARE LLC	Direct Care	Staff 24/7 facilities	Yes	109,454	52.72		
33	HFD	SHC SERVICES INC	Direct Care	Staff 24/7 facilities	Yes	10,608	5.11		
33	HFD	SUNBELT STAFFING LLC	Direct Care	Staff 24/7 facilities	Yes	19,317	9.30		
33	HFD	WESTAFF WORKFORCE SOLUTIONS LLC	Direct Care	Staff 24/7 facilities	Yes	104	0.05		
33	HFD	WORLDWIDE TRAVEL STAFFING LIMITED	Direct Care	Staff 24/7 facilities	Yes	17,944	8.64		
33	HFD	MSH Leadership Contract	Direct Care	Staff 24/7 facilities	Yes	422	0.61		
33	HFD	IBC Leadership Contract	Direct Care	Staff 24/7 facilities	Yes	692	1.00		
33	HFD	WESTAFF WORKFORCE SOLUTIONS LLC	Administrative	Vacation fill	Yes	436	0.63		
33	HFD	Kirby Bates - Behavior Health Clinical Leaders	Direct Care	Staff 24/7 facilities	Yes	968	2.00		
TOTAL						224,829	123.74		

^{*}Hours are calculated based on average compensation. Actual hours may deviate from calculation



Agency Financial Update (cont.)Contracted Staffing and Overtime

HB 2 Overtime Hours by Division 07/01/2023-10/31/2023							
Division Name	Hours	FTE Equivalent					
DETD	694.50	1.00					
HCSD	9,247.50	13.36					
CFSD	2,630.00	3.80					
DO	276.00	0.40					
CSSD	77.00	0.11					
BFSD	310.50	0.45					
PHSD	318.00	0.46					
OIG	64.00	0.09					
TSD	1,287.00	1.86					
BHDD	185.00	0.27					
HRD	41.50	0.06					
OSD	43.50	0.06					
SLTC	133.50	0.19					
ECFSD	75.50	0.11					
HFD	14,031.30	20.28					
TOTAL	29,414.80	42.51					

Overtime Utilization

Overtime hours are concentrated in the following divisions:

- HCSD: Overtime hours due to workload associated with redetermination efforts. Primary staff type accruing overtime are Eligibility Interviewers.
- CFSD: Overtime hours due to workload associated with on-call duties. Primary staff type accruing overtime are Social Workers.
- TSD: Overtime hours due to workload associated with on-call duties. Primary staff accruing overtime are IT Systems Administrators.
- **HFD:** Overtime hours due to vacancies. Approx. half of HFD's overtime hours are for Psych Techs and Nursing Aides. The other half is divided amongst 67 discreet occupations.



ARPA/Other COVID Funding

- Approximately \$420 million was appropriated via HB 632.
- Of the \$420 million appropriated, the Department has recorded \$132 million as excess appropriation (the federal award did not match the anticipated appropriation provided in HB 632).

ARPA

- As of 11/30/23, the Department has expended 89% of its ARPA allocations.
- 73% of the appropriations have a Period of Performance (PoP) of 09/30/2023 or later and in some cases SFY 2026.

CARES II

- As of 11/30/2023, the Department has expended 66% of CARES II funds.
- 87% of CARES II funds have a PoP of 09/30/23 or later in some cases SFY 2026.

ARPA Funding Summary Table									
Period of Performance End	Sum of Received	Sum of Awarded	Sum of Paid	Sum of Remain					
Excess	\$132,751,705								
8/30/2021	\$28,100,000	\$24,790,875	\$24,790,875	\$3,309,125					
9/30/2021	\$1,176,997	\$1,200,488	\$641,942	\$535,055					
9/29/2022	\$585,069	\$585,069	\$278,352	\$306,717					
9/30/2022	\$3,280,624	\$3,236,948	\$3,236,948	\$43,676					
7/31/2023	\$32,191,069	\$31,032,683	\$31,032,683	\$1,158,386					
9/30/2023	\$4,986,813	\$4,590,373	\$4,590,373	\$396,440					
5/11/2024	\$1,373,292	\$1,373,292	\$151,332	\$1,221,960					
6/30/2024	\$58,383,912	\$29,236,128	\$27,968,340	\$30,415,572					
7/31/2024	\$5,151,645	\$5,151,645	\$840,058	\$4,311,587					
9/30/2024	\$104,507,741	\$98,659,876	\$98,659,505	\$5,848,236					
6/30/2025	\$8,402,115	\$6,851,162	\$6,851,162	\$1,550,953					
9/30/2025	\$13,724,907	\$3,505,005	\$2,606,303	\$11,118,604					
1/31/2026	\$4,000,000	\$2,295,716	\$1,395,669	\$2,604,331					
7/31/2026	\$5,491,842	\$4,704,677	\$2,509,647	\$2,982,195					
12/31/2026	\$21,750,000	\$20,514,945	\$19,302,620	\$2,447,380					
Grand Total	\$425,857,731	\$237,728,882	\$224,855,809	\$68,250,217					

CARES II Funding Summary Table									
Period of	Sum of								
Performance End 🖃	Received	Sum of Awarded	Sum of Paid	Sum of Remain					
Excess	\$105,226,707								
9/30/2021	\$13,399,427	\$13,379,591	\$13,379,591	\$19,836					
5/31/2022	\$2,859,649	\$2,859,649	\$683,334	\$2,176,315					
9/30/2022	\$1,444,148	\$1,444,148	\$1,444,148	\$0					
7/31/2023	\$60,000	\$60,000	\$60,000	\$0					
9/30/2023	\$29,353,359	\$29,195,295	\$29,182,631	\$170,728					
3/14/2024	\$9,062,134	\$9,062,134	\$8,883,614	\$178,520					
5/31/2024	\$32,865,516	\$32,865,516	\$18,266,951	\$14,598,565					
9/30/2024	\$3,818,840	\$2,560,115	\$2,421,056	\$1,397,784					
6/30/2025	\$30,430,644	\$30,430,644	\$15,303,034	\$15,127,610					
7/31/2026	\$61,517,133	\$61,517,133	\$32,097,178	\$29,419,955					
Grand Total	\$290,037,557	\$183,374,225	\$121,721,537	\$63,089,313					

Medicaid Redeterminations

- In April 2023, DPHHS began the federally-directed Medicaid redetermination process for over 330k Montanans enrolled in Medicaid. **As of December 2023, the redetermination process has initiated for over 90% of individuals covered by Medicaid.** The progress is being tracked on a public-facing dashboard.
- Cases were distributed over a 10-month period using a population-based approach.
- Data trends are supporting this approach. In general, cases less likely to be eligible were scheduled earlier in the redetermination process. Ex parte (auto renewal) rate has increased; procedural disenrollment rate has decreased, in accordance with Department predictions.
 - Monthly renewal/ex parte rates have increased from May determinations to November determinations (21% to 33%).
 - Monthly terminations for procedural reasons have decreased from May determinations to November determinations (36% to 25%).



Medicaid Redeterminations (cont.)

- Customer service system improvements to the Public Assistance Help Line (PAHL) were fully implemented in October.
- Results of system improvements are beginning to be demonstrated in the Department's metrics:
 - Current wait times on the PAHL to talk to a representative about a Medicaid case (Tier 1) is under 5 minutes.
 - Wait times for all call center lines decreased 13% from September to October.
 - Call abandonment rates decreased 23% from September to October.

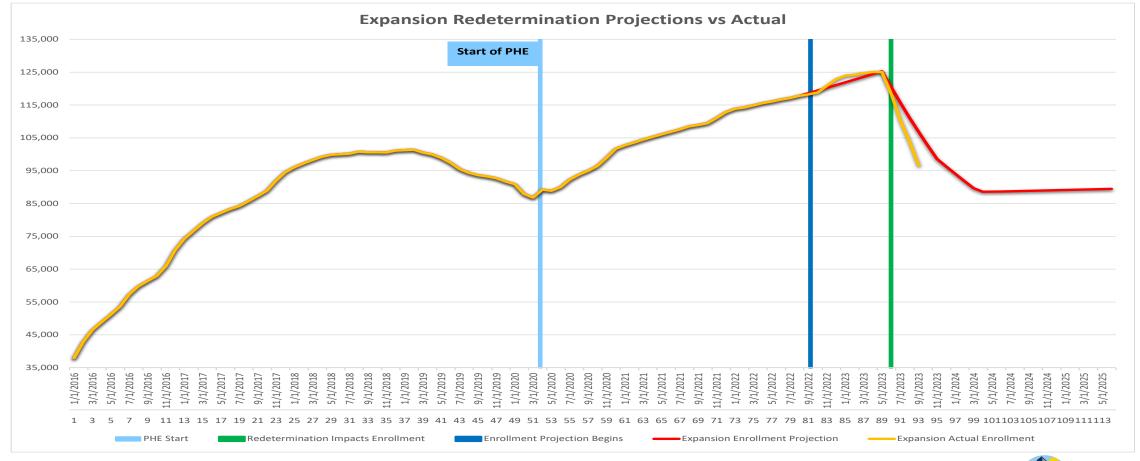


Impact of Redeterminations on Forecasting

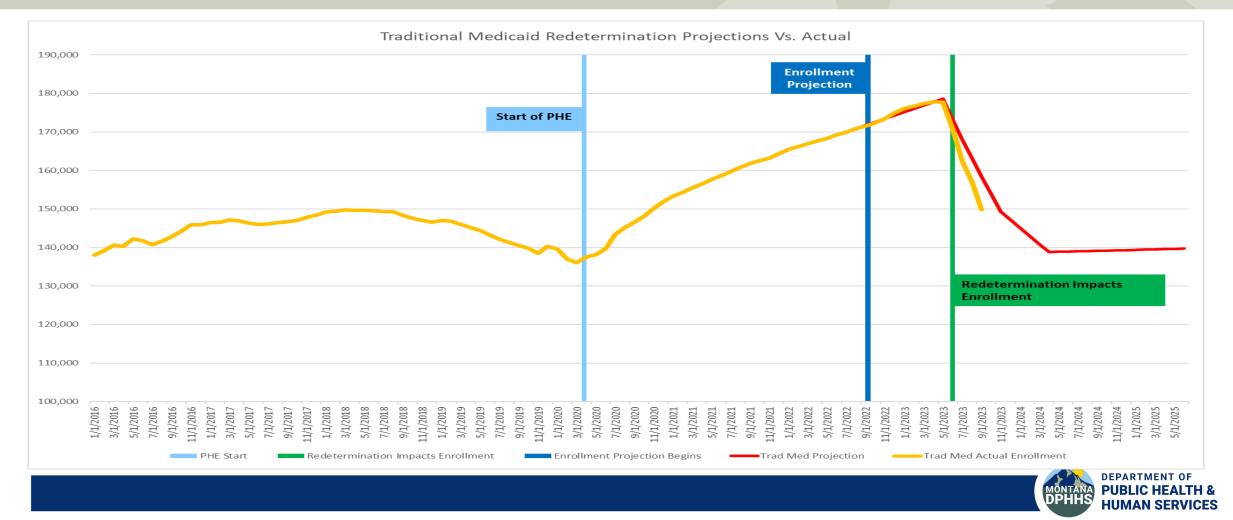
The Department utilized the following assumptions regarding redetermination when building the Medicaid budget for the 2025 biennium:

- Assumed 70% of ineligible members would be disenrolled in the first 6 months of the redetermination process (by December 2023), with the remaining ineligible members disenrolled within 12 months (by June 2024).
 - As of September 2023, traditional Medicaid had 149,900 enrollees; this is 8,503 (5.4%) less enrollees than originally projected.
 - As of September 2023, Medicaid expansion had 96,659 enrollees; this is 10,254 (9.6%) less enrollees than originally projected.
 - Because enrollment figures are not final for 90-days, the comparison of actual enrollment to our projection at 6 months post-PHE (December enrollment) will not be known until March 2024.
- The projected enrollment utilized for 2025 biennial budget projections assumed a drop in member months of 14.6% for Traditional Medicaid and a drop of 19.3% for Expansion Medicaid in SFY 2024.

Impact of Redeterminations on Forecasting (cont.)



Impact of Redeterminations on Forecasting (cont.)



HB 2: Medicaid Provider Rate Adjustments

The Legislature approved rate increases of \$135 million for FY2024

- Final administrative rules were published on September 8, the soonest date based upon the signing of HB 2.
 - Rate updates were implemented in MMIS on the same date with a retro-effective date of July 1 (excluding inpatient hospital rate increases).
- Most of this funding is allocated to rate increases for providers that were part of the Guidehouse rate study.
 - On average, these base rates received an increase of 17.8% in FY24.
 - Non-studied providers received a 4% rate increase in FY24.
- The process of claim adjustments started the week of September 18.
- As of this week, approximately 86% of claims have been adjusted and paid, amounting to 311,643 claims and additional payments of approximately \$7M to providers.
 - o All nursing home claims have been adjusted.
 - The Department is assisting providers that are required to re-bill as needed.



HB 2: Medicaid Provider Rate Adjustments (cont.)

The provider rate increase for Non-Critical Access Inpatient Hospital Services was contingent upon DPHHS:

Evaluating the Upper Payment Limit (UPL) payment methodology, including:

- How Medicaid rate increases impact the UPL
- Integrity of the cost-to-charge ratio (CCR) calculation
- Allowable reportable hospital costs
- Alternative Upper Payment Limit calculation methods

Requiring hospitals to report annually on how the UPL payments impact efficiency, economy, quality of care, and access

 The Department is developing the template that hospitals will be required to submit annually, beginning on March 31, 2024

HB 2 language also gives DPHHS the discretion to assess graduated penalties to hospitals with high outlier cost-to-charge ratios.



Enhanced Medicaid Rates for Complex Care

Using some of the Medicaid provider rate adjustment appropriations, the Department is designing enhanced rates that will allow for community placements for individuals with complex care needs. This work will also support HB 29 efforts.

- To be eligible for the enhanced rate, individuals must currently be in one of the following settings:
 - Montana State Hospital
 - Intensive Behavior Center
 - Inpatient Hospitals
 - Out-of-State Facility
- Examples of individuals with complex care needs may include:
 - Traumatic brain injury
 - Dementia
 - Alzheimer's Disease
 - Bariatric patients

The Department is designing and will implement complex care enhanced rates for:

- Nursing Homes
- Developmental Disabilities Program Congregate Living



Summer EBT

The federal Consolidated Appropriations Act, 2023 authorized a permanent, nationwide Summer Electronic Benefit Transfer (Summer EBT) Program beginning in 2024. The intent of this program is to provide additional nutrition assistance to low-income children during the summer when school is closed.

- The program requires collaboration between DPHHS and OPI. DPHHS will be the lead agency.
- Benefits paid to families are 100% Federal funds; administration is 50% Federal/50% State.
- Summer 2024 Benefit Amount: \$40 per child per month
- This is a separate program from SNAP, WIC, and National School Lunch Program (NSLP).
 Administrative funding cannot be used across programs.
- DPHHS and OPI have a history of working together to implement similar programs (for example, direct certification for NSLP children).

Summer EBT (cont.)

Operational Roles and DPHHS/OPI Collaboration

- OPI will be responsible for eligibility and client communications.
- DPHHS will be responsible for benefits issuance, card management and vendor communication.
- DPHHS will manage federal reporting and financial requirements as the lead agency for the state.

Next Steps/Milestones

- Summer EBT will begin in Summer 2024.
- Notice of Intent submitted to FNS/USDA on November 9, 2023.
- Management and Administration Plan for Summer EBT to be submitted by February 15, 2024 (and annually thereafter).



Montana Milestones is DPHHS's program for early intervention

- Part C of the Individuals with Disabilities Education Act (ages 0-3) instructs that entities must serve all children eligible for the program
 - FFY23: \$2,587,723 federal block grant; \$2,272,000 GF MOE; \$600,000 SSR = \$5,459,723
 - SFY23 (SSR) contracts amended to add up to 10% for reimbursement of copays and deductibles
 - ARPA (no supplanting): \$120,000 per provider to offer additional Child Find from 7/1/21 to 9/30/23
 - Total expended as of 12/1/23: \$512,635
- Family Education Support (ages 3-21) funding is limited to 546 slots
 - \$3,100,000 SSBG
- 5 current provider contracts competitively procured in 2017 (under one RFP) expire 6/30/24

In November 2021, DPHHS retained Guidehouse to study a variety of Human Services program rates, including Part C and FES. **The Human Services rate study was completed mid-way through CY2023 following the 2023 Legislative Session.**

Rationale for Human Services Rate Study

- Current contracts expire 6/30/24 and need to be competitively re-procured.
- Currently we pay the same rate for FES and Part C services with slots capped for FES.
- Department recognized rates were locked under the 2017 RFP and cannot be adjusted without a new RFP.
- Current tiered rates are obsolete, and rates have not been significantly readjusted since 2017.
 - Montana Milestones providers did not receive a provider rate increase for the 2025 biennium, as this would have required a new RFP in advance of the 7-year contract cycle.



Montana Milestones Provider Rate Study Results:

- Target population rates
 - Part C
 - Currently operating at 1.74%, but state goal is 2.36%. Projected increase target to 2.86% for FFY 2025, yet Montana has a declining population. ECFSD epidemiology staff are currently assessing what the target population will be.
 - o FES
 - Estimated 70% of the Part C population
- Costs
 - Part C costs more to administer than FES

Current Rate Structure

	Pai	rt C							
								Top	of Tier
Region 1						Entr	y of Tier	Rate	
Tiers	# Served	Mon	thly Amount pe	r tie	r				
117% plus	92+	\$	43,172.81		518,073.72	\$	469.27		
110% - 116%	87-91	\$	41,004.00		492,048.00	\$	471.31	\$	450.59
100% - 109%	79-86	\$	37,652.89			\$	476.62	\$	437.82
95% - 99%	75-78	\$	35,770.25			\$	476.94	\$	458.59
80% - 94%	63-74	\$	29,519.87			\$	468.57	\$	398.92
70% - 79%	55-62	\$	25,302.74			\$	460.05	\$	408.11
Region 2	# Served	Mon	thly Amount pe	r tie	r				
117% plus	161+	\$	75,415.79	\$	904,989.48	\$	468.42		
110% - 116%	152-160	\$	71,627.24			\$	471.23	\$	447.67
100% - 109%	138-151	\$	65,773.41			\$	476.62	\$	435.59
95% - 99%	131-137	\$	62,484.74	\$	749,816.88	\$	476.98	\$	456.09
80% - 94%	110-130	\$	51,566.35			\$	468.79	\$	396.66
70% - 79%	97-109	\$	44,199.73			\$	455.67	\$	405.50
Region 3	# Served	Monthly Amount per tier							
117% plus	209+	\$	97,821.93	\$	1,173,863.16	\$	468.05	\$	450.79
110% - 116%	197-208	\$	92,907.80			\$	471.61	\$	446.67
100% - 109%	179-196	\$	85,314.78			\$	476.62	\$	435.28
95% - 99%	170-178	\$	81,049.04			\$	476.76	\$	455.33
80% - 94%	143-169	\$	66,886.79			\$	467.74	\$	395.78
70% - 79%	125-142	\$	57,331.53	_		\$	458.65	\$	403.74
Region 4	# Served	Mon	thly Amount pe	r tie	r				
117% plus	227+	\$	106,565.79		,278,789.48	\$	469.45		
110% - 116%	214-226	\$	101,212.41	Ť	, -, -,	\$	472.96	\$	447.84
100% - 109%	195-213	\$	92,940.69			\$	476.62	Ś	436.34
95% - 99%	185-194	\$	88,293.65	\$	1,059,523.80	\$	477.26	\$	455.12
80% - 94%	156-184	\$	72,865.50			\$	467.09	\$	396.0
70% - 79%	136-155	\$	62,456.14			\$	459.24	\$	402.94
Region 5	# Served		thly Amount pe	r tie	r				
117% plus	266+	\$	124,600.00	\$1	,495,200.00	\$	468.42		
110% - 116%	250-265	\$	118,340.66			\$	473.36	\$	446.57
100% - 109%	228-249	\$	108,669.11			\$	476.62	\$	436.42
95% - 99%	217-227	\$	103,235.65			\$	475.74	\$	454.78
80% - 94%	182-216	\$	85,196.58	\$1	,022,358.96	\$	468.11	\$	394.43
70% - 79%	160-181	\$	73,025.64			\$	456.41	\$	403.46

Proposed Rate

Structure	SFY 25 Cost
Program	PMPM
Part C (Part C Only)	555.83
Part C (Combined)	546.32
FES ("Top-Down")	532.46
FES ("Bottom-UP")	475.59

Next Steps:

- Department is analyzing the population projections from the study to determine service population for the new RFPs.
- Department will assess the potential for a budget request for 2025 legislative session. EPP is the only mechanism to increase long-term enhanced funding for the program.
- Department will release two RFPs (Part C and FES) in early 2024 for new contracts to begin July 1, 2024 (SFY25).

Reforming our State-run Healthcare Facilities

Charlie Brereton, DPHHS Director
Mike Randol, Executive Director, Medicaid and Health Services
Jennifer Savage, Administrator, Healthcare Facilities Division



Division Overview - MT Regional Health System

The Healthcare Facility Division's "north star" is a regional health system approach to support Montana's most vulnerable populations. Additional background context on the Healthcare Facilities Division (HFD) is provided below.

Background

HFD was created in the 2023 Biennium to allow for more focus and centralized support to the facilities and is currently the newest Division within DPHHS. HFD manages seven healthcare facilities across the Montana region, each serving populations with unique needs and challenges. HFD has 817 FTEs working across Montana.

Our Vision

A high quality, person-centered "system of care" in service of individuals living with mental illness, intellectual and developmental disabilities, aging related health conditions, and substance use disorders.

What We're Doing

These facilities are Montana's safety net and play a critical role for all healthcare providers statewide. We are reforming the facilities to establish a regional health system, restructuring performance consistent with modern quality standards, and better meeting the needs of vulnerable Montanans.



- MT State Hospital | Inpatient Psychiatric Hospital | Warm Springs
- 2 MT Mental Health Nursing Care Center | Long-Term Care (BH) | Lewistown
- 3 Intensive Behavior Center | I/DD Intermediate Care Facility | Boulder
- 4 MT Chemical Dependency Center | SUD Treatment Center | Butte
- 6 MT Veterans Home | Long-Term Care | Columbia Falls
- 6 Southwestern MT Veterans Home | Long-Term Care | Butte
- Eastern MT Veterans Home | Long-Term Care | Glendive



Facility Updates | Noted Key Accomplishments

We have seen improvements across all facilities. Noted improvements are listed below by facility.

Healthcare Facilities Division (HFD)

- The Healthcare Facilities Division has hired a new Chief Administrative Officer, Jennifer Savage, and Chief Medical Officer, Dr. Doug Harrington.
- The Healthcare Facilities Division is actively recruiting a Chief Operating Officer and Chief Nursing Officer.

Montana Chemical Dependency Center (MCDC)

- Facility is fully staffed across direct patient care positions; travel staff spend remained \$0 since July 2023
- Continued collaboration with Office of American Indian Health to increase supports with native population. Exploring program and facility additions that would increase utilization of the facility
- Actively educating referents on our requirements of the admission process as to make the process smoother and decrease wait time for admissions.

Montana State Hospital (MSH)

- Partnered with Traditions Behavioral Health to hire Dr. Hoffman as the new Medical Director.
- Continuous efforts have been initiated to transform the cultural foundation at the Montana State Hospital
- Architecture & Engineering (A&E) is currently reviewing Spectrum's assessment for physical infrastructure compliance requirements needed for the facility.
- Continuous creation and revision of required policies and procedures to meet federal and state regulations.

Eastern Montana Veterans Home (EMVH)

- Eduro Healthcare assumed operations in March 2023
- Secured \$48,000 in funding from the EMVH Foundation to complete court yard improvements for residents.
- Completed phase 1 of the interior and exteriors remodeling projects.

Intensive Behavior Center (IBC)

- One discharge to a group home after being here for one year. We had one client discharged to self-directed care after being at IBC for 7years.
- Actively building relationships with community providers and hosted four providers visits with more scheduled.
- Facility had 4 out of 8 clients attend outings to visit their family over Thanksgiving, 2 additional clients have family visit them often.
- Successful Family Day hosted in summer of 2023 and first holiday part for clients and families will take place December 2023.

Southwestern Montana Veteran Home (SWMVH)

- New Director of Nursing was hired in September.
- Submitted a complete grant application for VA funding for Cottage 6

Montana Mental Health Nursing Care Center (MMHNCC)

- Hired a Director of Support Services and a Director of Nursing in November
- Completed this year's phase of the reroofing project with A&E
- · Completed flooring project on G wing
- Secured grant funding to conduct a full-scale HVAC assessment and cover necessary filter costs for the year.

Columbia Falls Montana Veterans Home (CFMVH)

- Montana Veterans Home is among the elite 19% of SNFs that earned a "High Performing" rating, the highest possible achievement, from U.S. News & World Report for 2024.
- Multiple HB5 projects in progress: HVAC system upgrade, flooring replacement, roofing replacement and improvements to the dementia care unit courtyard.

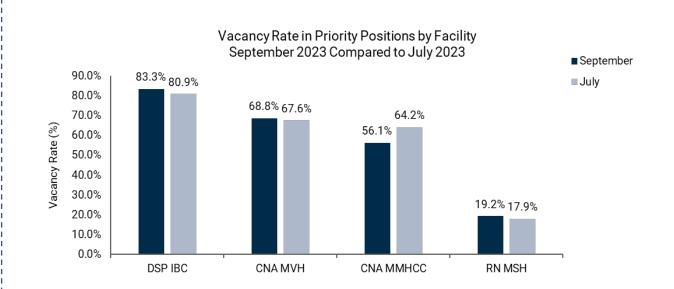


DPHHS's Recruitment and Retention Initiatives

HFD is launching a recruitment and retention workgroup that is focused on expanding outreach to target colleges and universities, increasing its digital footprint to market open job positions to online job boards, exploring options for nursing teaching site partnerships, improving the efficiency of the interview process, and improving employee retention through coordinated efforts.

Key Updates and Initiatives

- Initiated contract for paid media campaign in collaboration with Asher Agency to advertise hiring and referral incentives program for direct-patient care positions
- Expanding resources within Office of Human Resources to include a Healthcare Facilities Division Supervisor and recruiter. For consistency, all facility HR staff will report to new HR supervisor.
- Developing a process flow for the existing recruitment process and identifying gaps that can be addressed for streamlining the resources needed.
- DPHHS is expanding its online outreach and recruitment presence to additional professional organizations' career sites. Leveraging relationships with relevant unions, professional associations and recruitment firms to identify & refer qualified candidates to be able to attract highly qualified applicates.
- Expanded learning and development, specifically Crisis Prevention Institute training, for staff at state-run healthcare facilities to assist with deescalation techniques
- Montana State University is building a new nursing teaching facility to increase enrollment at its Great Falls campus by 50% to help offset the shortage of health care professionals in the Great Falls area and throughout the state.¹

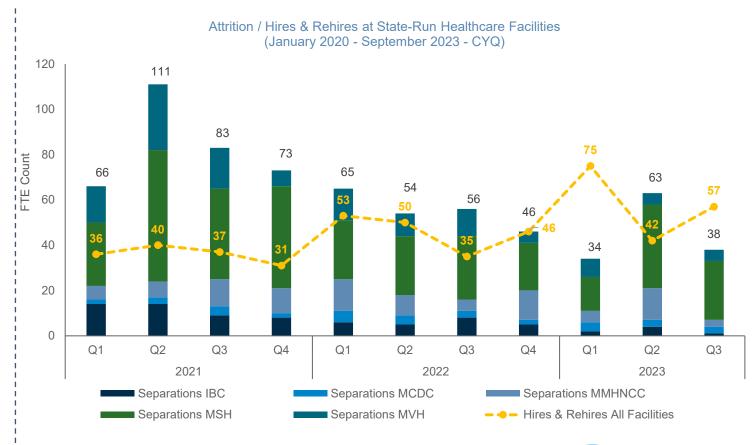




Hires & Rehires | Structure and Constraints

Top 5 Vacancies at State-Run Healthcare Facilities (September 30 th)						
Position	# of Vacancies	% of Total Vacancies				
Psychiatric Technicians	86	24.8%				
Registered Nurse 2	57	16.4%				
Certified Nurse Aide	54	15.6%				
Direct Support Professional	36	9.9%				
Custodian	1	3.5%				

The Division is working actively on **facility- and organization-wide cultural change and transformation** as a key component of increasing employee satisfaction, moral, and—ultimately—retention.



MSH Recertification Project Plan (July 2023 – December 2024)

62% Implemented Average of CMS Initiatives

CMS Workstream/Initiative	7/23	8/23	9/23	10/23	11/23	12/23	1/24	2/24	3/24	4/24	5/24	6/24	7/24	8/24	9/24	10/24	11/24	12/24
1. Governing Body																		
2. Patient Rights							_											
3. Emergency Preparedness							_											
4. QA and PI Program							_	-										
5. Medical Staff								i -										
6. Nursing								i -										
7. Medical Records							-											
8. Food and Dietetic Services																		
9. Utilization Review										_								
10. Physical Environment																		
11. Infection Prevention & Control							_											
12. Special Med Record Require.							-											

Overview | Key Recertification Efforts at MSH

Key Updates Since September 2023

- Governing Body: Continued efforts to create and update policies and procedures for ongoing discussion with Governing Body board members and Medical Executive Committee
- Patient Rights / Utilization Review: Onboarded a new psychiatrist, Medical Director, for Montana State Hospital
- 3. Emergency Preparedness: Radios and related equipment for Montana State Hospital's emergency communication system were ordered. The hospital plans to implement upon arrival of the equipment.
- 4. Quality Assurance and Performance Improvement: The Department and hospital continued to review and update quality metrics for opportunities to monitor opportunities for improvement at the hospital
- Medical Staff: The hospital filled two Nurse Educator positions to support the development of skilled competencies and facilitate ongoing training / programming
- Medical Staff: Montana State Hospital is in the process of hiring a new Chief Operating Officer

- 7. Nursing: New Chief Nursing Officer for Healthcare Facilities Division and Montana State Hospital were created to improve leadership and the quality of patient care; the hospital has started recruitment initiatives for this position
- 8. Medical Records: Health Information Management (HIM) phaseone assessment completed by Savista, third-party consultant facilitated by Mountain-Pacific Quality Health
- Physical Environment: Architecture and Engineering retained a third-party consultant, Spectrum, to contract the capital improvements for Montana State Hospital's infrastructure
- **10. Physical Environment:** Spectrum is in the process of finalizing the project plans with the Department and Montana State Hospital
- 11. Discharge Planning: The Department and hospital are reviewing the potential reorganization of clinical services support (e.g., recreational therapists) to identify opportunities to improve patient care of current operations
- 12. Discharge Planning: Onboarded a new Director of Social Services to align with Conditions of Participation competency requirements of Centers for Medicare and Medicaid Services (CMS)

HFD Contracting Expenditures

HFD continues to rely heavily on contract staffing due to necessity. Below are the SFY23 spend and the current SFY24 projected spend on contract traveler by facility:

Contractor Traveler SFY 2024 Projected Spend								
	SF	Y 23 Total	% of Total	SF	/ 24	% of Total		
Facility	Sp	end	Spend	Pro	jected Spend	Spend		
Montana State Hospital	\$	46,501,053	81%	\$	42,381,932	77%		
Intensive Behavior Center	\$	4,683,522	8%	\$	4,690,446	9%		
Montana Veteran's Home	\$	3,027,930	5%	\$	4,282,515	8%		
Montana Mental Health Nursing Care Center	\$	2,862,765	5%	\$	3,477,417	6%		
Total	\$	57,075,270	100%	\$	54,832,310	100%		

• Current projections show a 4% reduction in costs compared to last year after utilizing the \$30 million in contingency. The lower than anticipated reduction in contracted services creates a projected cost overrun in general fund in the amount of just over \$13 million.

HFD Contract Staffing Utilization - Mitigation

DPHHS has several cost mitigation strategies underway to reduce expenses further. In addition to the previously discussed activities on recruitment and retention, DPHHS is developing data dashboards so that facility and Department leadership have real-time information on actual staffing levels versus facility staffing benchmarks so immediate action can be taken as appropriate to address variances.

- Proposed Pay Reform
- Benchmarking and staffing plans; utilize new reporting strategies to monitor and adjust contract staffing needs
- Recruitment Strategies
 - Dedicated FTE for facilities recruitment, including a new OHR/HFD Supervisor
 - Digital, radio, and billboard advertising
 - Comprehensive review of job titles and classifications (as needed)
 - o Recruitment tracking status updates weekly review with executive leadership team
 - All facility HR offices formally report to HQ OHR
- HB 819 Housing Plan



HB 872 Update

Behavioral Health System for Future Generations (BHSFG) Commission

Rep. Bob Keenan, Commission Chair Director Charlie Brereton, Commission Vice-Chair

Commission Priorities

- Comprehensive Statewide Crisis System
- Clinically Appropriate State-run Health Care Settings and Functional Commitment System
- Capacity of Adult Behavioral Health Service Delivery System
- Capacity of Children's Mental Health Service Delivery System
- Capacity of Developmental Disability Service Delivery System
- Capacity of Co-occurring Populations Service Delivery System
- Family and Caretaker Supports



Commission Milestones

Past	Key Milestones
July 20, 2023	Meeting #1 Focus: Commission establishment, public comment, priorities, focus areas, and meeting cadence.
September 8, 2023	Meeting #2 Focus: Civil and forensic commitments with panels consisting of Judges, County Attorneys, Sheriffs, Jail Commanders, and family member.
October 13, 2023	Meeting #3 Focus: Comprehensive statewide crisis system with panels consisting of elements of the crisis now model including someone to call, someone to respond, and somewhere to go in crisis situations.
November 30 & December 1, 2023	Meeting #4 Focus: Developmental disabilities and co-occurring populations systems with panels consisting of providers of early childhood services, adult DD and behavioral health services, and crisis/acute services for both children and adults.

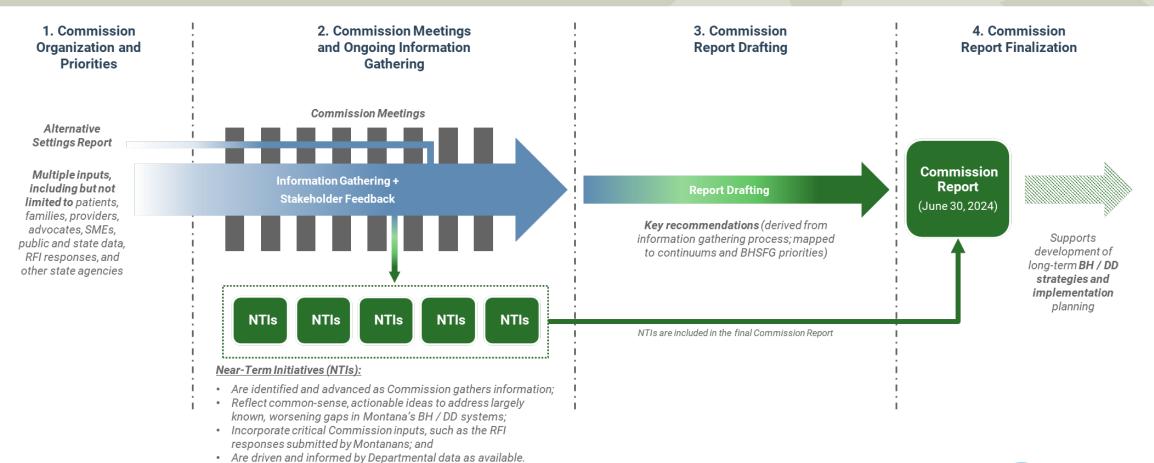
Commission Milestones

Future		Upcoming Commission Meetings
July 1, 2024	Commission submits a report on its final recommendations to OBPP and LFD; within 60 days, the Commission will present to the following legislative committees who shall meet jointly: • Legislative Finance Committee; • Health and Human Services Interim Budget Committee • Children, Families, Health, and Human Services Interim Committee	 Thursday/Friday, January 11 and 12, 2024 Thursday, February 22, 2024 Thursday/Friday, March 21 and 22, 2024 Thursday/Friday, April 18 and 19, 2024 Thursday, May 23, 2024 Thursday, June 27, 2024
Fall 2024 (estimated)	Governor approves and finalizes all Commission recommendations with changes, as required.	

The Commission identified and recommended four Near-Term Initiatives (NTIs) aligned with the overarching BHSFG priorities

October 13th BHSFG Meeting NTIs	November 30 th /December 1 st BHSFG Meeting NTIs
 Incentivize community-based court-ordered evaluations Problem: Waitlist for evaluations at Montana State Hospital and few local options Recommendation: Provide pilot grants to counties to catalyze local evaluations Cost: No greater than \$7,500,000 	Support mobile crisis response and crisis receiving and stabilization services O Problem: Insufficient funding for mobile crisis response and receiving/stabilization services O Recommendation: Provide grants to stabilize and/or increase crisis services O Cost: No greater than \$7,500,000
Increase residential bed capacity for BH and/or DD service providers O Problem: Insufficient access to residential care (in part due to closed settings) O Recommendation: Provide grants to stabilize and/or increase residential services O Cost: No greater than \$10,000,000	Develop and deploy comprehensive crisis worker curriculum and certification course O Problem: There is a gap in availability of standardized training for crisis response staff O Recommendation: Develop/host a certification course for providers delivering crisis services O Cost: No greater than \$500,000







For more information on the initiative, visit:

www.futuregenerations.mt.gov



Conclusion

