



Health and Human Services Interim Budget Committee

68th Montana Legislature

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SENATE MEMBERS

CARL GLIMM – Vice Chair
DENNIS LENZ
CHRISTOPHER POPE

HOUSE MEMBERS

BOB KEENAN – Chair
MARY CAFERRO
JANE GILLETTE

COMMITTEE STAFF

JOSH POULETTE, Senior Fiscal Analyst
JULIA HAMILTON, Fiscal Analyst
GRACE GIBNEY, Clerk

MINUTES LOG

September 13, 2023
Room 137
Helena, Montana

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MEMBERS PRESENT:

Rep. Bob Keenan (R) – Chair
Sen. Carl Glimm (R) – Vice Chair
Sen. Dennis Lenz (R)
Sen. Christopher Pope (D)
Rep. Jane Gillette (R)

MEMBERS EXCUSED:

Rep. Mary Caferro (D)

MEMBERS ABSENT:

STAFF PRESENT:

Josh Poulette, Senior Fiscal Analyst
Julia Hamilton, Fiscal Analyst
Grace Gibney, Secretary

AGENDA ([Attachment 1](#))

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

COMMITTEE ACTION

CALL TO ORDER/ROLL CALL

- 09:58:50 Rep. Bob Keenan called the meeting to order. Julia Hamilton, Fiscal Analyst, (LFD) took role.
- 10:00:40 Director Charlie Brereton, Department of Public Health and Human Services (DPHHS) greeted committee and explained a new presentation model will be utilized for their executive slide deck during the meeting. Briefly described agenda and an overview of planned talking points.

COMMITTEE DISCUSSION:

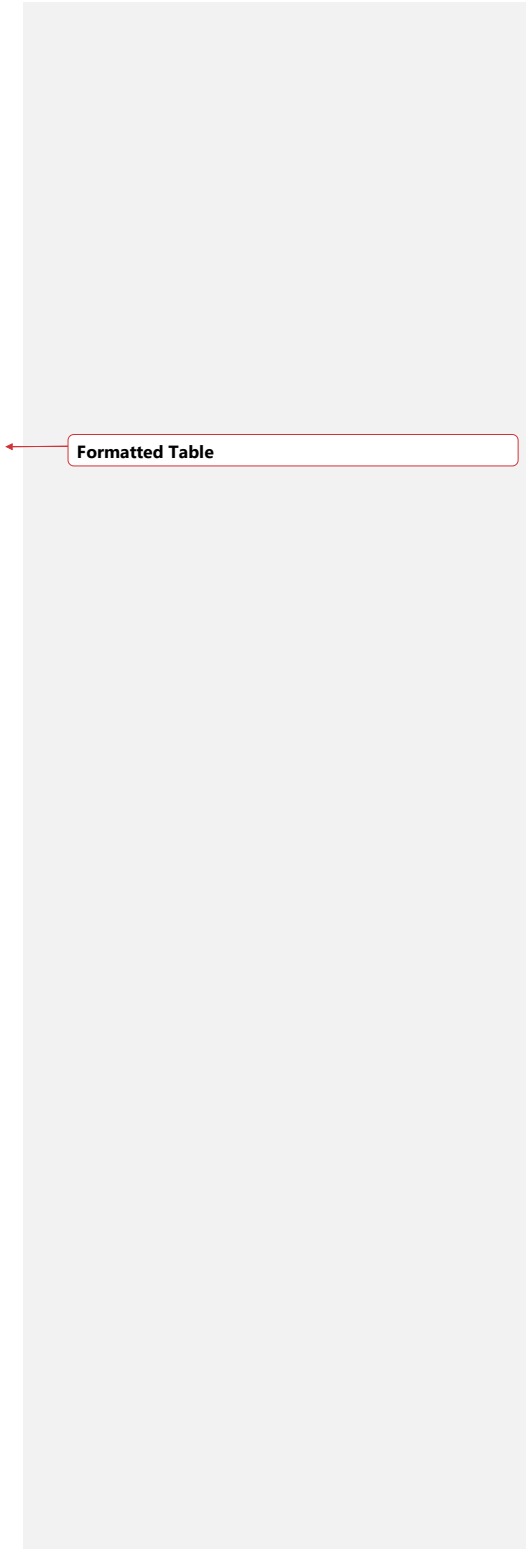
- 10:04:04 Rep. Jane Gillette asked if there would be a time for questions that are not on the committee agenda.
- 10:04:40 Rep. Bob Keenan explained that time for discussion would be made throughout the meeting.
- 10:05:36 Director Charlie Brereton, DPHHS suggested that before the committee breaks for lunch and after the department's presentation, he would ensure time for committee questions.
- 10:06:20 Rep. Mary Caferro asked if minutes will be taken for Section B committee.
- 10:06:33 Josh Poulette, Senior Fiscal Analyst, (LFD) confirmed that minutes would be taken and posted online after the meeting.

LEGISLATIVE BRANCH FTE AND IT REPORT:

- 10:06:00 Director Charlie Brereton, (DPHHS) gave an overview of DPHHS organizational highlights. Gave an update on HB190, passed during the 2023 session requiring each executive branch to post per HB190. This new plan will be updated no later than September 1, every year. This includes a description of the functions and divisions of the department, priorities, initiatives, and specific and measurable performance metrics for each initiative.
- 10:16:51 Director Charlie Brereton presented goals within DPHHS's Annual Plan. Strengthen and stabilize Montana's health care delivery system, drive independence and accountability through public assistance programs, increase data analytics capacity for performance measurement and decision making.

COMMITTEE DISCUSSION:

- 10:25:19 Rep. Jane Gillette asked how legislators will benefit from ORPA.
- 10:26:17 Director Charlie Brereton explained that the standardization of reporting, simplification and accessibility of dashboards and will support legislators in their research projects.
- 10:29:05 Rep. Jane Gillette expressed that she would like to see more information relating to budgetary impact to the department. Used the example of collection of overdue child support payments as a financial measure.
- 10:30:04 Director Charlie Brereton stated that each point in the Annual Plan does have a



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budgetary impact. Ensured committee that more detail on fiscal and budgetary impacts could be presented in the future.

- 10:34:19 Rep. Mary Caferro asked about businesses subcontracted with TANF and SNAP programs. Requested to know how these programs will specifically affect individuals in poverty.
- 10:39:41 Director Charlie Brereton, (DPHHS) explained the departments communication and expectations for valued Montana providers. Holding them accountable for outcomes. Explained that lack of data contributes to decision making.
- 10:41:55 Rep. Mary Caferro asked for confirmation that the sole contractor would be responsible for administration, subcontractors, pay for performance outcome measurements.
- 10:44:14 Director Charlie Brereton, (DPHHS) confirmed that the Statewide core contractor would be subject to the pay for performance outcomes for subcontractors.
- 10:45:04 Rep. Mary Caferro asked if the potential sole contractor would have a physical location in MT. Curious what the department considers a positive outcome for TANF families.
- 10:46:55 Director Charlie Brereton confirmed that the contractor would be responsible to leverage infrastructure within the state if they are an out of state provider. Explained that the agency has developed 5 desired outcomes that will be announced when the departments RFP is presented.
- 10:48:09 Erica Johnston, Executive Director, Department of Public Health and Human Services (DPHHS) explained that the agency has not released their RFP, but their goals and outcomes are to ensure the success of families in poverty.
- 10:50:40 Sen. Christopher Pope requested an update on the labor market concerning staff vacancies in Montana healthcare facilities.
- 10:52:20 Director Charlie Brereton, (DPHHS) responded that since session, roughly 100 positions have been filled but the department is continuing to experience staffing challenges in these specific positions.
- 10:55:26 Sen. Christopher Pope pointed out that the department plans to increase access to quality childcare by expanding the number of licensed providers in the state by 5%. Asked where the 5% came from.
- 10:56:10 Charlie Brereton, (DPHHS) explained that 5% was a resulted number decided by their leadership team. Statutorily changes were considered after the recent legislative session.
- 10:57:00 Sen. Christopher Pope asked if Best Beginnings program providers will have any effect on private childcare providers.
- 10:59:19 Director Charlie Brereton, (DPHHS) clarified that Best Beginnings providers are also private providers.

AGENCY FINANCIAL UPDATE

- 11:00:14 Kim Aiken, Chief Financial Officer, Department of Public Health and Human Services, (DPHHS) gave an overview of the agencies financial update. State fiscal year 2023 end summary – all HB2 and a summary of all Medicaid

(traditional and expansion), summary of facilities, HB 2 contingency, ARPA/ COVID funding.

COMMITTEE DISCUSSION:

- 11:12:11 Rep. Jane Gillette asked if \$132 million ARPA funding will be addressed in staff presentation.
- 11:12:30 Julia Hamilton, (LFD) replied that it would be discussed.
- 11:13:00 Rep. Mary Caferro gave comments on impact of state workers on TANF program.
- 11:14:06 Director Charlie Brereton, (DPHHS) spoke about total of \$339 million in approved funding from legislature. Most funding is being allocated toward rate increases for services that were studied by the Provider Rate Study 2021-22.
- 11:17:45 Sen. Christopher Pope asked about a gap analysis for each provider concerning the recent rate increase.
- 11:19:00 Director Charlie Brereton, (DPHHS) providers are required to submit claims for the adjustments. Introduced Gene Hermanson.
- 11:19:19 Gene Hermanson, Medicaid Chief Financial Manager, Department of Public Health and Human Services (DPHHS) explained that for the major of claims the department will be able to adjust the rates. Due to system workload, it will take a couple months to complete processing.
- 11:20:54 Sen Christopher Pope asked if a provider is getting paid new rates in a timely manner.
- 11:21:26 Gene Hermanson, (DPHHS) explained that although claims need to be adjusted, they are being completed in a systematic scheduled manner.
- 11:21:58 Sen. Christopher Pope asked if improvements are being made in the department to modernize technology with new funding.
- 11:22:49 Gene Hermanson, (DPHHS) responded that although their system is dated, the Impact program is the department's efforts to modernize their claims system.
- 11:00:00 Rep. Jane Gillette asked why some providers will need to rebill.
- 11:28:25 Gene Hermanson, (DPHHS) explained the process in which some providers would need to rebill to receive the increased rate adjustment.
- 11:28:36 Director Charlie Brereton, (DPHHS) spoke about Medicaid Redeterminations. AS of August 2023, the redetermination process has begun for about 45% of individuals covered by Medicaid. Discussed the process to improve the public assistance helpline.
- 11:48:10 Sen. Dennis Lenz asked for clarification about auto renewal concerning

Medicaid.

- 11:49:20 Director Charlie Brereton introduced Jessie Counts, Chief Financial Officer, Department of Public Health and Human Services.
- 11:49:17 Jessie Counts, Administrator, Department of Public Health and Human Services, (DPHHS) Auto renewal process is used for all Medicaid members when it comes time for redetermination. Electronic verification helps determine and filter information.
- 11:51:35 Sen. Dennis Lenz asked what is creating an uptick in auto renewals.
- 11:51:48 Jessie Counts, (DPHHS) Explained how the recent Medicaid redeterminations effect the auto renewal process.
- 11:52:57 Rep. Jane Gillette asked about application process for social programs and how it can be consolidated by an eligibility process.
- 11:54:03 Jessie Counts, (DPHHS) explained the case redistribution plan was to ensure cases were aligned with correct dates. Integrated eligibility program uses income is used as basis. Information that is used for one program can help the agency redetermine the eligibility for another program.

RECESS:

- 11:54:40 Reconvened at 12:02:30

COMMITTEE DISCUSSION:

- 12:03:03 Sen. Christopher Pope asked about the long-term impact of Medicaid redetermination. Asked about specific expectations for department.
- 12:04:14 Director Charlie Brereton, (DPHHS) explained that the answer to this question would be answered in the coming presentation.
- 12:08:35 Kim Aiken, Chief Financial Officer, (DPHHS) spoke about Medicaid refermentation and the impact on forecasting. Traditional Medicaid carry forward and redetermination projection.
- 12:12:39 Rep. Mary Caferro asked if the department is keeping track of data from individuals who have disenrolled from Medicaid.
- 12:13:13 Jessie Counts, Administrator, (DPHHS) responded that their presented dashboard shows the closure reasons of disenrolled individuals.
- 12:15:37 Rep. Mary Caferro asked about the 55,000 disenrollment number. 23 specific strategies to minimize procedural disenrollment. Medicaid disenrollment numbers have exceeded what that have in many years.
- 12:16:58 Director Charlie Brereton, (DPHHS) explained that the State of Montana is leveraging 10 of the 23 federal flexibilities. 6 do not apply to Montana's Medicaid program because they are 'managed care' oriented. Montana is a fee for service state. 7 flexibilities that MT is not leveraging are due to system changes that would be required by federal regulation. Ensured that MT team works closely with other state counterparts to review these federal strategies.
- 12:18:23 Rep. Mary Caferro asked if the department would provide the list of leveraged federal strategies.

12:19:20 Director Charlie Brereton, (DPHHS) responded that an internal report can be presented to the committee concerning the federal strategies being utilized and those requiring a federal waiver.

COMPREHENSIVE SCHOOL AND COMMUNITY TREATMENT (CSCT) UPDATE:

12:20:03 Megan Peel, Children's Mental Health Bureau Chief, Department of Public Health, and Human Services, (DPHHS) update on transition of fiscal administration of CSTC from OPI to DPHHS as directed through HB872 and HB2. Strong collaboration between OPI and DPHHS.

LUNCH

12:27:17 Reconvened at 01:28:56

PRELIMINARY UPDATE ON HB 5 AND 10 PROJECTS:

01:29:55 Gene Hermanson, Chief Medicaid Financial Manager, (DPHHS) gave an overview and update on HB 5 and 10 Projects. DPHHS received a total of \$35,245,039 in HB5 funding during the 2023 Legislative Session. HB 5 projects included maintenance of the Montana State Hospital, Montana Mental Health Nursing Care Center, Montana State Lab, and Montana Veterans Home.

01:36:31 Director Charlie Brereton, (DPHHS) spoke about Architecture and Engineering Division with Department of Administration and their contributions to HB 5 projects. Specific focus on Montana State Hospital.

01:37:51 Kari Albro, Chief Information Officer, Department of Public Health, and Human Services, (DPHHS) spoke about recent Procurement Symposium geared to train and educate on state procurement rules, policies, and tools. Spoke about HB 10 update- Long Range Information Technology (LRIT) Project Portfolio Management and Comprehensive Child Welfare Information System.

01:56:09 Director Charlie Brereton introduced Dr. Douglas Herrington as State Medical Officer.

01:57:04 Dr Douglas Harrington introduced himself and spoke about his new role as State Medical Officer

COMMITTEE DISCUSSION:

01:59:29 Rep. Jane Gillette asked where in statute state special revenue originate.

02:00:39 Josh Poulette, Senior Fiscal Analyst, (LFD) responded that he would retrieve this

information.

- 02:00:54 Rep. Jane Gillette asked for more information on state special funds and how they operate.
- 02:01:33 Josh Poulette, Fiscal Analyst, (LFD) spoke about resources of education for legislators concerning state special revenue.
- 02:02:09 Rep. Jane Gillette asked for an update on drawing down Families First funding.
- 02:02:27 Director Charlie Brereton, (DPHHS) responded that the department has been working toward several manual processes to try and leverage Title IV-E funding. Introduced Erica Johnston to expound on question.
- 02:02:50 Erica Johnston, Executive Director, (DPHHS) spoke about manual draw down process for Prevention Services.
- 02:04:16 Rep. Jane Gillette asked how the TANF excess funds will be used for.
- 02:06:46 Director Charlie Brereton, (DPHHS) referred to Erica Johnston, Executive Director, (DPHHS) to answer question.
- 02:09:11 Erica Johnston, Human Services Executive Director, (DPHHS) primary use of TANF is to support clients, significant amount goes to TANF Pathways program, childcare expenditures.
- 02:09:56 Rep. Jane Gillette asked staff for updated TANF accounts. Rep. Gillette continued and asked for an update on opioid funds and how they are being used by the department.
- 02:10:38 Director Charlie Brereton, (DPHHS) explained that the state received two settlements. One from distributor and one from the manufacturer. \$73 million dollars. 15% of funding goes to state- DPHHS is continuing conversations with Attorney General's Office and the Department of Justice. An MOU is in the works on how to split funding between DOJ and DPHHS. Goal is to prevent duplication of effort.
- 02:13:52 Rep. Jane Gillette asked for an update on rules for payments to Crisis Mobile Response services. Would like to know when guidelines will be set.
- 02:14:57 Rebecca de Camara, Administrator (DPHHS) spoke about the drafting of mobile crisis rules. The purpose of the rules is to move what is a grant funding service to a Medicaid refundable service. The department has had to make edits to drafts and is in the process of releasing them.

PUBLIC COMMENT:

- 02:16:15 Jasyn Harrington Executive Director, Career Training Institute spoke about involvement in Pathways and SNAP services. Concerns with TANF state plan.

- 02:24:08 Jackie Semmens, Montana Budget, and Policy Center, spoke about concerns around Medicaid unwinding and the loss of coverage to many Montanans.
- 02:28:55 Matt Kuntz, Executive Director, NAMI Montana (National Alliance on Mental Illness) spoke about work with department on HB 872 Commission.
- 02:30:19 Sarah De Money, Executive Director, Career Futures. Provide SNAP, employment, and training to communities. Expressed concerns around urban and rural locations in Montana.
- 02:39:39 Rose Hughes, Executive Director, Montana Healthcare Association expressed concerns around Medicaid rates and process delays with providers.
- 02:45:06 Jeremy Hoscheid, Executive Director, Mental Disabilities Board of Visitors spoke about the board's takeaways from the Montana State Hospital survey visit.

HEALTHCARE FACILITIES DIVISION UPDATE:

- 02:48:03 Will Evo, Chief Healthcare Facilities Officer, (DPHHS) gave a division overview of Montana's Regional Health System and an update on facilities.
- 02:52:40 Laura Coyer, (DPHHS) spoke about staff turnover rates and efforts by the department to increase employment rates.
- 02:55:42 Will Evo, Chief Healthcare Facilities, Officer, (DPHHS) spoke about DPHHS Recruitment and Retention Task Force and workforce development progress to date. Continued to give a background and overview of Montana State Hospital, its personnel, and organizational highlights.
- 03:05:15 Director Charlie Brereton, (DPHHS) explained the MHS recertification project plan being used by the department.
- 03:06:25 Will Evo, Chief Healthcare Facilities Officer, (DPHHS) described recertifying efforts at MSH in leadership and governance, workforce and personnel, clinical and general operations, tools, regulatory and administrative. Gave an update on site visits.
- 03:15:01 Gene Hermanson, Chief Medicaid Financial Manager, (DPHHS) gave a summary of contracting expenditures concerning HB 424.
- 03:16:26 Director Charlie Brereton, (DPHHS) spoke about the challenges Montana is facing in the healthcare workforce and efforts made by the department to utilize contract staff.

COMMITTEE DISCUSSION:

- 03:18:47 Rep. Jane Gillette asked about streams of funding and gathering a comprehensive view of how funds are revived and distributed by DPHHS.
- 03:22:03 Josh Poulette, Fiscal Analyst, (LFD) described resources available.

HB 872 UPDATE:

- 03:29:17 Director Charlie Brereton (DPHHS) gave an overview and update of HB872: Behavioral Health System for Future Generations. Introduced commission members, covered commission milestones. Discussed priorities: comprehensive statewide crisis system, clinically appropriate state-run health care settings and functional commitment system, capacity of adult behavior health services delivery system, children's mental health, developmental disability services and co-occurring and family and caretaker supports. Explained strategic coordination and alignment of BH/DD activities.
- 03:36:49 Jason Gerling, Director, GuideHouse gave a recap of DPHHS's Theory of Change: efforts of advance and modernize behavioral health and developmental disabilities settings. Shared guiding principles with committee to provide quality patient care. Explained DPHHS is extensively engaging stakeholders throughout the Alternative Settings design and strategic planning process.
- 03:49:40 Chair Bob Keenan, shared concerns around alternative settings. Thoughts and takeaways on site visits to the Montana State Hospital.
- 03:56:07 Director Charlie Brereton, (DPHHS) spoke about two RFIs sent through eMACs and futuregenerationsmt.gov
- 04:04:10

RECESS:

- 04:05:51 Reconvened at 04:15:14

HB 872 UPDATE:

- 04:15:23 Brendan Stallard, Contract Manager, Alvarez and Marsal, discussed project goals. DPHHS seeks and experienced contractor qualified to support the Department in designing and implementing a cohesive behavioral health system and developmental disability service strategy that meets the needs of Montana. The contractor will ensure that BHDD, HFD, other contracted support, other DPHHS programs and divisions and community stakeholders and aligned in their efforts to improve component pieces of the behavioral health and developmental disability systems.
- 04:17:57 Tyler Stone, Project Manager, Alvarez and Marsal, introduced himself, the core team, composition, roles and responsibilities and how their team foresees to assist Montana in the realm of behavioral health.
- 04:19:47 Danielle Collett, Senior Consultant, Alvarez and Marsal introduced herself and discussed her background in behavioral health nationwide.
- 04:21:34 Mathew Smith, Director, Alvarez and Marsal spoke about his background in care management, children's residential services and behavioral health.
- 04:27:37 Drew Smith, Director, Alvarez Marsal introduced himself to committee explained background in developmental disability services and statewide service planning.

04:30:56 Brendan Stallard explained their approach, engagement capacity, commitments, multiple teams, initiatives, and contracts in Montana.

04:32:57 Tyler Stone, Project Manager, Alvarez and Marsal discussed Hub-and-Spoke" model. integration with other workstreams.

COMMITTEE QUESTION:

04:37:50 Sen. Christopher Pope requested a progress sheet on reimbursement rates.

04:39:11 Director Charlie Brereton, (DPHHS) ensured the committee that this information would be returned to them.

LFD QUARTERLY FINANCIAL REPORT AND MEDICAID MONITORING REPORT:

04:40:50 Julia Hamilton, Fiscal Analyst, (LFD) described quarterly financial report concerning the Department of Public Health and Human Services.

04:54:30 Josh Poulette, Fiscal Analyst, (LFD) discussed contingency funding HB 835, provider rates and DPHHS expansion graph.

NEXT STEPS AND FUTURE IBC AGENDAS:

05:05:14 Chair Bob Keenan discussed requests committee has made of department, Medicaid monitoring report, public health emergency unwind update, general fund in health facilities, provider rate updates.

COMMITTEE DISCUSSION:

05:05:50 Rep. Jane Gillette asked how the committee will continue to progress as the December meeting approaches.

05:06:29 Josh Poulette, Fiscal Analyst, (LFD) explained the role of LFD staff in keeping legislators up to date as committee meetings progress.

05:14:42 Sen. Dennis Lenz expressed comments on HB 872. Suggested a joint committee with Children and Families committee meetings.

ADJOURNMENT:

05:23:44 Chair Bob Keenan adjourned the meeting.