

Program Budget Comparison

The following table compares the 2017 biennium appropriated budget to the 2019 biennium requested budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Requested Budget 18-19	Biennium Change	Biennium % Change
Personal Services	7,443,320	7,842,193	398,873	5.36 %
Operating Expenses	20,911,447	21,765,616	854,169	4.08 %
Benefits & Claims	1,512,874,822	1,625,356,188	112,481,366	7.43 %
Total Expenditures	\$1,541,229,589	\$1,654,963,997	\$113,734,408	7.38 %
General Fund	298,821,410	306,074,823	7,253,413	2.43 %
State/Other Special Rev. Funds	152,225,290	165,166,114	12,940,824	8.50 %
Federal Spec. Rev. Funds	1,090,182,889	1,183,723,060	93,540,171	8.58 %
Total Funds	\$1,541,229,589	\$1,654,963,997	\$113,734,408	7.38 %
Total Ongoing	\$1,541,229,589	\$1,654,963,997	\$113,734,408	7.38 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Health Resources Division (HRD) administers Medicaid primary care services, Healthy Montana Kids (Medicaid and Children’s Health Insurance Program services for children in low-income families), and Big Sky Rx. Additionally, a majority of the expenditures associated with the Montana Health and Economic Livelihood Partnership (HELP) Act happen within HRD, though these expenditures are statutorily appropriated and not reflected in HB 2.

The division reimburses private and public providers for a wide range of preventive, primary, and acute care services. The major service providers include: physicians, public health departments, clinics, hospitals, dentists, pharmacies, durable medical equipment providers, and mental health providers. The division develops tools, measurements, and reports necessary to allow division management to administer and control programs and expenditures in the division, and to report those results in an accurate and timely manner to others. The majority of services in the division are funded through Medicaid. Medicaid is a voluntary state/federal partnership that reimburses for medical services for the aged, blind, disabled, children, and low income adults and families.

The division administers Healthy Montana Kids (HMK) as a separate health insurance program and contracts with Blue Cross Blue Shield to provide third party administrator services. HMK dental and eyeglasses benefits are reimbursed directly by the department. HMK is a voluntary state/federal partnership that reimburses for medical services for children at or below 261% the federal poverty level.

The Montana Health and Economic Livelihood Partnership (HELP Act) Plan is administered by the division to provide Medicaid coverage to Montanans whose income is below 138% of the federal poverty level. Blue Cross and Blue Shield of Montana was selected as a third-party administrator for the program, and is responsible for the administration of approximately one-third of the participants. Big Sky Rx is a state funded program that helps Montanans at or below 200% of poverty and who are eligible for the Medicare Part D prescription drug program pay for their Medicare premium. Big Sky Rx eligibility is determined by division staff. A related program, PharmAssist, pays for prescription drug counseling by a pharmacist and provides drug information and technical assistance to all Montanans.

HRD has the largest budget of any DPHHS program. The total DPHHS budget request for the 2019 biennium is \$4,885 million, and HRD accounts for \$2,368 million of this request.

Program Highlights

DPHHS Health Resources Division Major Budget Highlights	
<ul style="list-style-type: none"> • The 2019 HRD HB 2 budget is \$113.7 million (and 7.4%) higher than the 2017 biennium budget and includes an increase of \$7.3 million general fund • Montana’s FMAP is expected to stay relatively stable over the next 2 fiscal years: the state will be financially responsible for just over one-third of most Medicaid benefit spending for non-expansion enrollees • A present law adjustment requests \$36.1 million over the 2019 biennium for Medicaid benefits, including \$16.5 million in general fund authority • A new proposal requests a funding switch: about \$21.3 million over the biennium, from general fund to state special revenue, contingent upon an increase in tobacco taxes 	

Program Actuals and Budget Comparison

The following table compares the program’s FY 2016 actual expenditures with FY 2016 and FY 2017 appropriations and with FY 2018 and FY 2019 requested appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Request Fiscal 2018	Request Fiscal 2019
FTE	51.62	51.62	51.62	51.62	51.62
Personal Services	3,154,837	3,525,526	3,917,794	3,914,739	3,927,454
Operating Expenses	9,862,364	10,557,678	10,353,769	10,770,884	10,994,732
Benefits & Claims	707,556,877	727,991,988	784,882,834	787,737,315	837,618,873
Total Expenditures	\$720,574,078	\$742,075,192	\$799,154,397	\$802,422,938	\$852,541,059
General Fund	138,195,928	145,104,488	153,716,922	147,780,588	158,294,235
State/Other Special Rev. Funds	74,211,676	74,781,146	77,444,144	82,519,660	82,646,454
Federal Spec. Rev. Funds	508,166,474	522,189,558	567,993,331	572,122,690	611,600,370
Total Funds	\$720,574,078	\$742,075,192	\$799,154,397	\$802,422,938	\$852,541,059
Total Ongoing	\$720,574,078	\$742,075,192	\$799,154,397	\$802,422,938	\$852,541,059
Total OTO	\$0	\$0	\$0	\$0	\$0

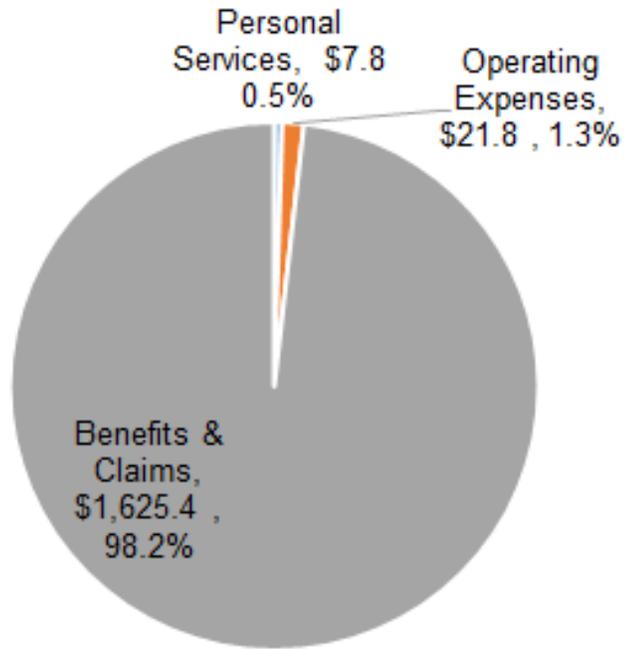
Program Discussion -

This section discusses the HRD budget and activities in some detail. Some general HRD budget discussion follows, with more detail provided on the 2019 biennium request in subsequent subsections, along with a discussion of major programs and services within HRD.

Program Budget Discussion

The Health Resources Division (HRD) 2019 biennium budget request is \$1,655.0 million. The figure below illustrates the HRD budget request by major type of expenditure.

Figure 1: HRD 2019 Biennium Budget by Type of Expenditure in Millions - \$1,655 Million Total



The vast majority (98.2%) of the HRD budget request supports benefits and claims, or payments for medical services. Operating costs are 1.3% and personal services are 0.5% of the total. Other DPHHS divisions include personal services and operating costs that support administration of some HRD programs. For instance, eligibility determination for Medicaid and Healthy Montana Kids (HMK) services is managed by the Human and Community Services Division, and funding for MMIS (Medicaid Management Information System) claims payment is budgeted in the Technology Services Division.

Figure 2 shows the HRD 2019 biennium HB2 budget request by major function. Medicaid services (including Medicaid administration) are 85.3% of the budget, while HMK services funded from the federal Children’s Health Insurance Program (CHIP grant) are 14.1% of the total. Big Sky Rx, a program which helps low-income Medicare eligible persons pay the premium cost for Medicare Part D drug coverage, is 0.6% of the total.

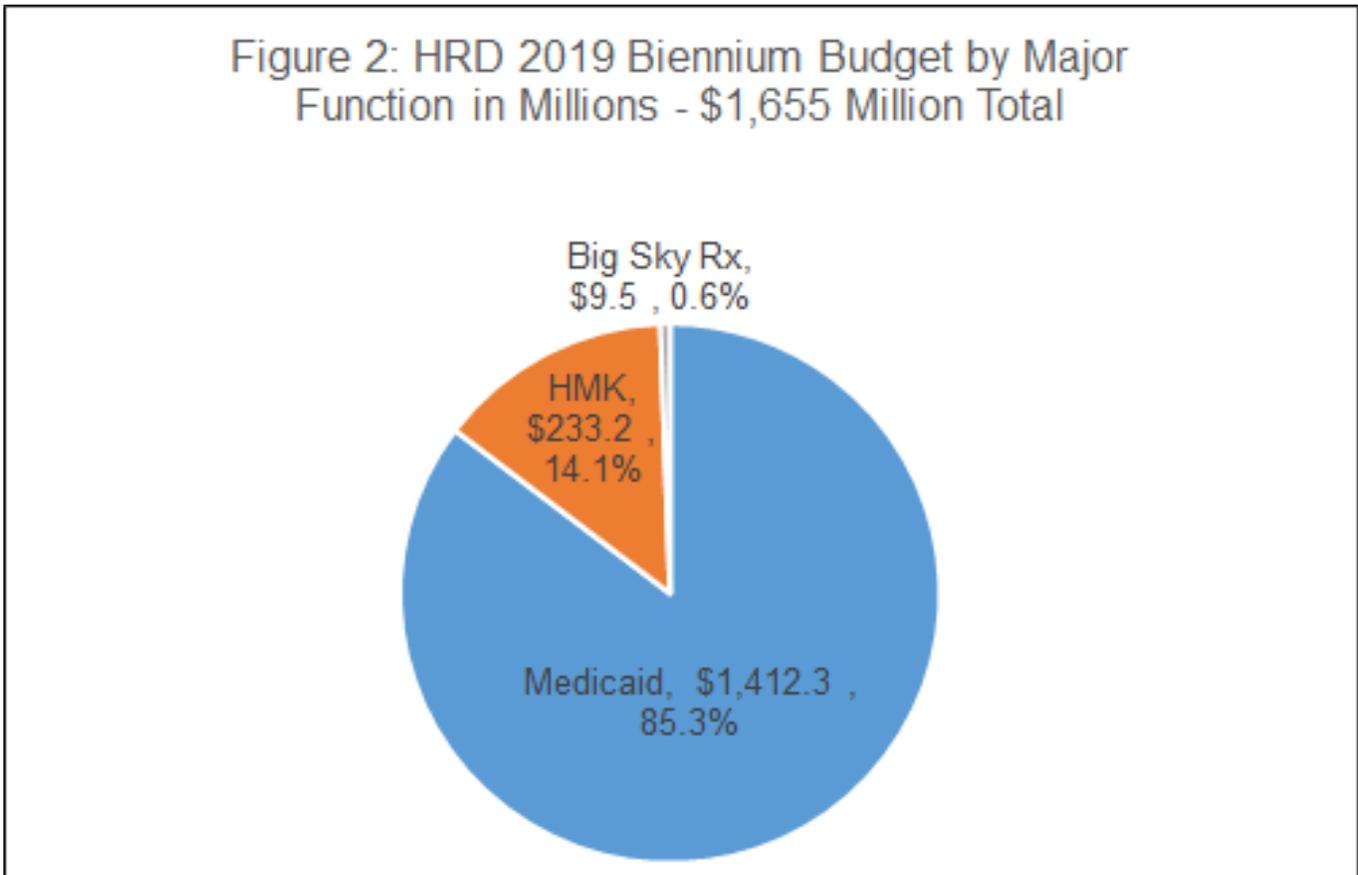
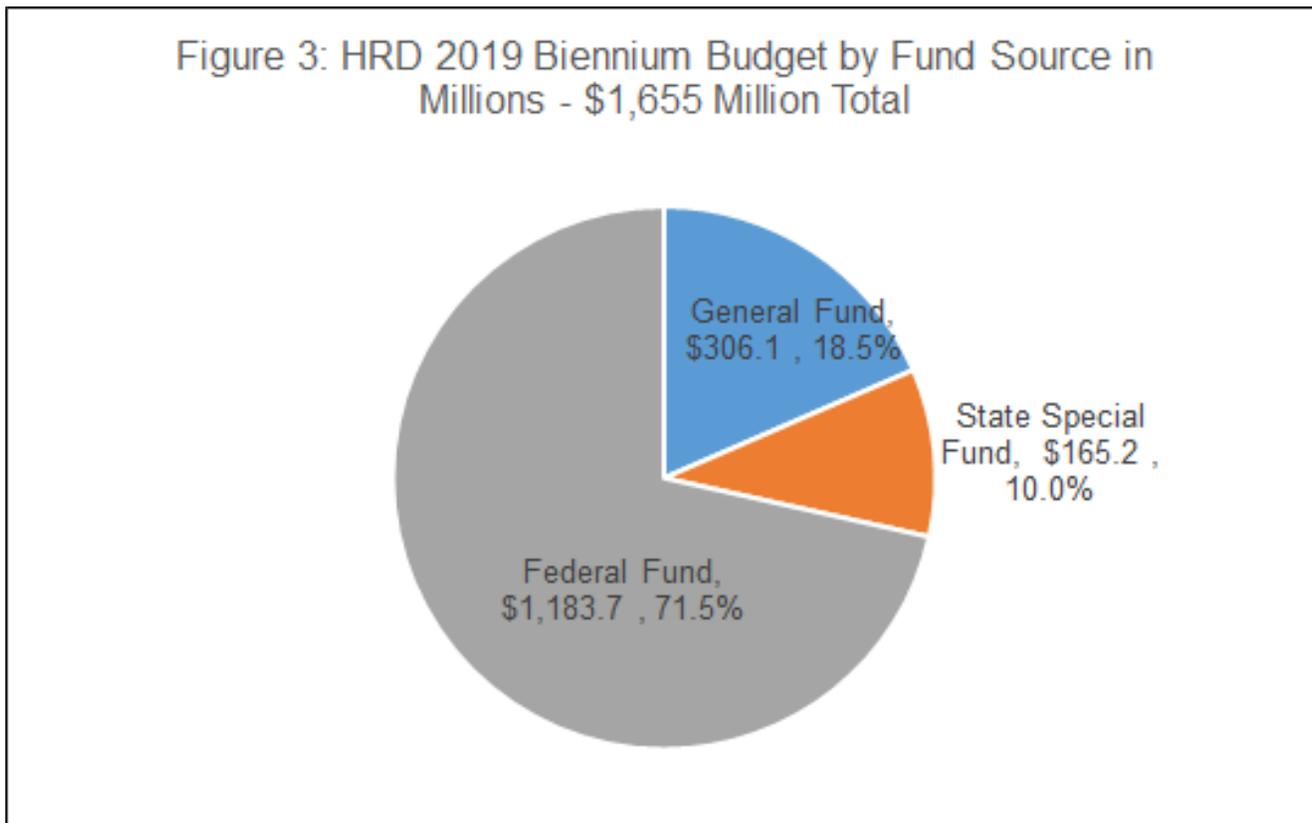


Figure 3 shows the 2019 biennium funding by major fund type. General fund is about 18.5% of the total and is used to pay the state Medicaid match, and some of the state match for the federal CHIP grant.



State special revenue is about 10.0% of the total and includes several sources of revenue. State special revenue is used towards the state match for Medicaid and CHIP, and it fully funds the Big Sky Rx program.

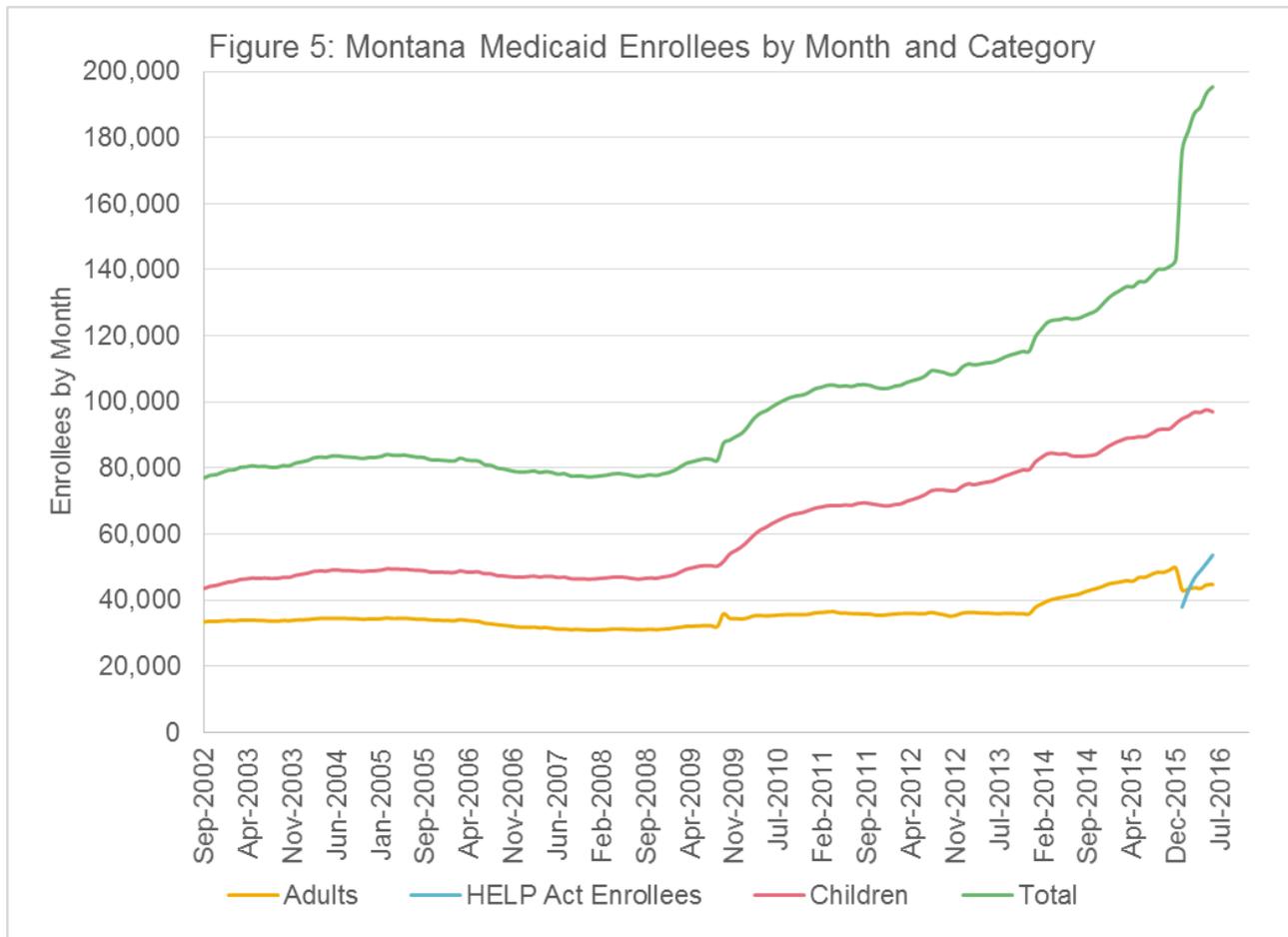
Federal funds include Medicaid and CHIP funds. Medicaid is an entitlement fund source, meaning that the federal government will match all eligible expenditures at a certain rate. This rate, known as the Federal Medical Assistance Percentage (FMAP), is determined by comparing the average per capita income of a state to the national average per capita income. Figure 4 presents recent and near-future Montana FMAPs by federal fiscal year (FFY). CHIP is funded with an enhanced federal FMAP. See Figure 4 for additional detail. The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) extended the CHIP program through FFY 2017. Without action by the U.S. Congress states will not receive any new federal funds for CHIP beyond September 2017. Without federal action the enhanced FMAP for CHIP will expire in FFY 2019.

	FFY 2014	FFY 2015	FFY 2016	FFY 2017	FFY 2018
Montana Standard FMAP	66.33%	65.90%	65.24%	65.56%	65.38%
Montana E- FMAP for CHIP	76.43%	76.13%	98.67%	98.89%	

Source: FFIS

Enrollment in Medicaid

An important cost driver in Medicaid services is the number of enrollees. Figure 5 shows total enrollment in Medicaid from 2002 to June 2016. Enrollment over that time period has grown from 77,000 to about 195,500 persons. Medicaid enrollees fit into one or more eligibility categories: children, adults, blind/disabled, or elderly/aged.



Enrollment levels have been influenced by several factors, including macroeconomic conditions and state and national policy changes. Implementation of eligibility changes included in the Affordable Care Act (ACA) effective January 1, 2014 coincided with an increase in both the number of low-income adults and children enrolled in Medicaid. ACA prohibited consideration of assets (checking and savings account balances) when determining eligibility for low-income parents.

In addition, persons who applied for insurance coverage through the federal health insurance marketplace established by ACA could be determined eligible for Medicaid. In some instances, these families were eligible for Medicaid prior to the changes implemented by ACA but either did not know or chose not to apply for Medicaid.

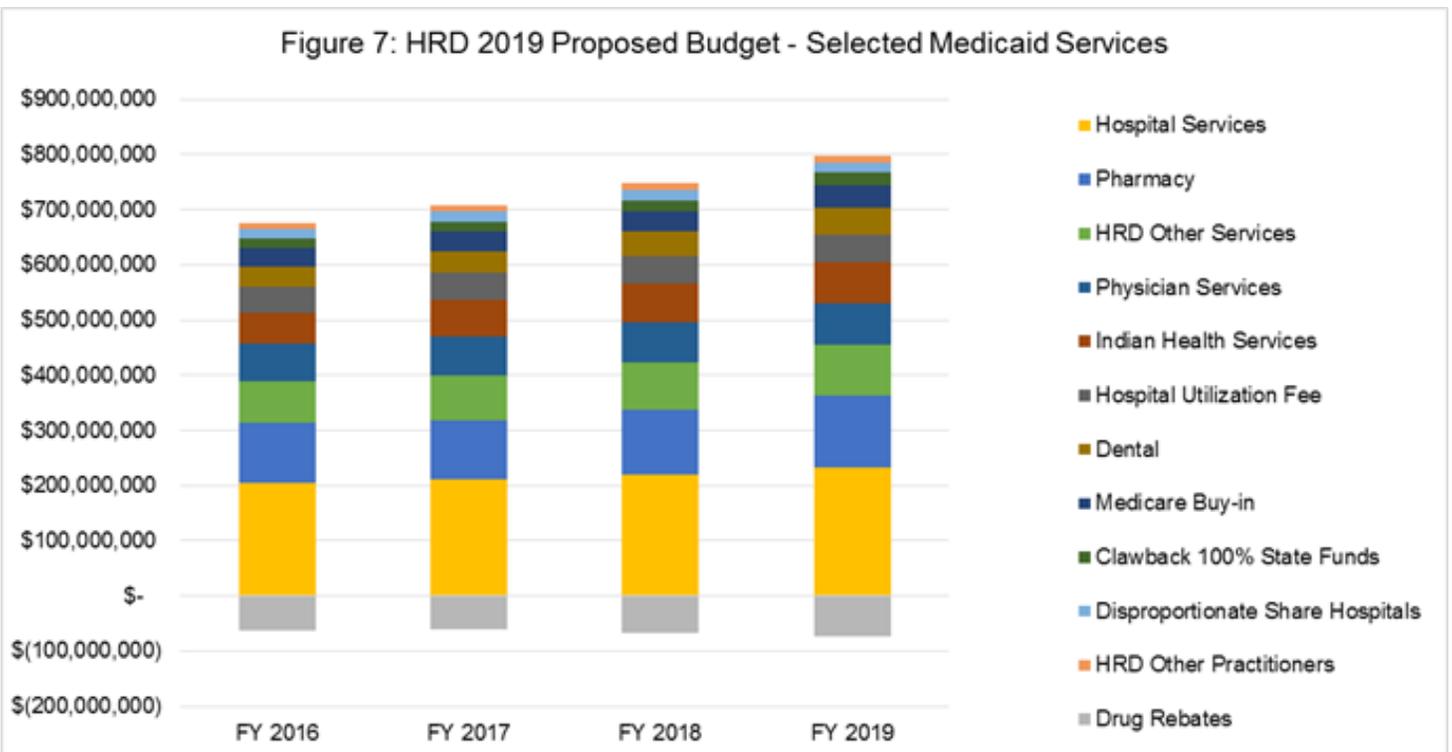
The HELP Act of the 2015 Montana Legislature (effective January 1, 2016) expanded Medicaid eligibility in Montana to adults ages 19-64 with incomes less than 138% of the federal poverty level for Montana. As of September 1, 2016 the HELP Act accounted for 52,817 new Medicaid enrollees.

Note that the average per-enrollee annual cost varies significantly by eligibility category. See Figure 6 for detail. Elderly/aged Medicaid enrollees have especially high per-user costs in Montana as compared to other states. For additional detail on this dynamic see the LFD Comment on per user costs for the elderly in the Program 12 (Medicaid and Health Services Management) section of this document.

Figure 6: Montana Medicaid Expenditures				
	FY 2008		FY 2012	
	Totals	Annual Cost per Unit or User	Totals	Annual Cost per Unit or User
Medicaid Services: Total	\$768,093,083	\$9,611	\$933,731,545	\$9,236
Avg. Users/Month	79,914		101,095	
Medicaid Services: Children	\$159,773,031	\$3,649	\$216,206,988	\$3,529
Avg. Users/Month	43,785		61,264	
Medicaid Services: Adults	\$79,282,820	\$6,905	\$97,603,024	\$7,571
Avg. Users/Month	11,482		12,891	
Medicaid Services: Disabled	\$354,968,219	\$19,122	\$417,491,132	\$20,856
Avg. Users/Month	18,563		20,018	
Medicaid Services: Aged	\$174,069,013	\$28,611	\$202,430,401	\$29,244
Avg. Users/Month	6,084		6,922	

Medicaid Services

Figure 7 below shows the HRD Medicaid projections by selected Medicaid major service type from FY 2014 to FY 2019. These projections are made by DPHHS and do not include costs associated with services provided under the Medicaid expansion. Figure 7 is not an exhaustive list of HRD Medicaid services, but focuses on the larger service categories. The largest budgetary components are hospital services and pharmacy services.



Hospital Services

The DPHHS estimate for hospital services for the 2019 biennium is \$452.0 million. This amount includes inpatient hospital, outpatient hospital, and critical access hospital services.

Physician Services

Physician services are expected to be \$148.9 million over the 2019 biennium. Physician services were estimated to be \$136.6 million over the 2017 biennium by DPHHS. New proposal DP 11997 (below) proposes a change in the calculation of reimbursement rates for physicians.

Other Major Medicaid Services

The hospital utilization fee – a \$50 assessment for each day of inpatient hospital care – is expected to remain constant. The fee income is used as state Medicaid match and then the total is redistributed to hospitals.

Indian Health Services (IHS) reimbursements are 100% funded with federal special revenue funds. The payments are for Medicaid services. With limited exceptions, expenditures for IHS services have generally been lower than appropriations.

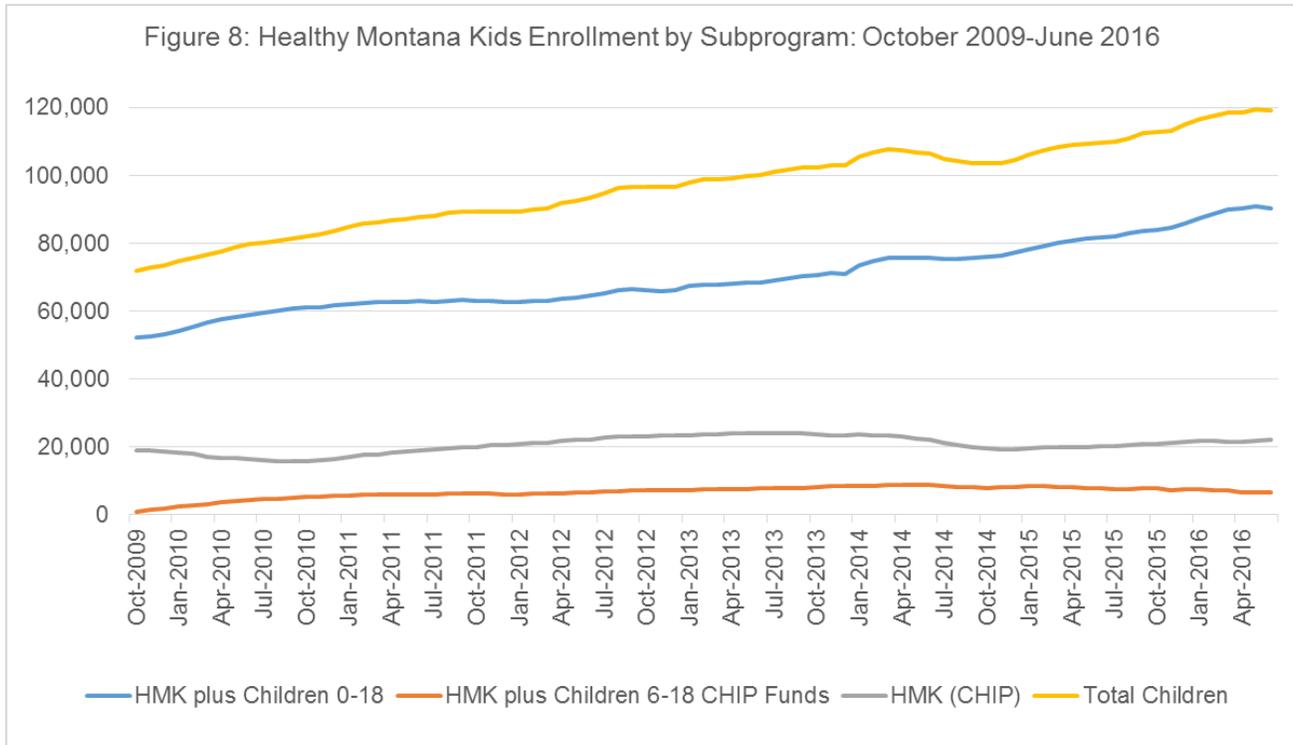
Pharmacy costs total \$249.8 million for the biennial Medicaid services request, but are offset by drug rebates of \$138.6 million. The amount included in HB 2 is net of rebates paid by drug manufacturers as a federal condition of participating in the Medicaid program. Rebates have ranged from a low of 30% of the total cost in FY 2007 to a high of 61% of the cost in FY 2012. In FY 2016 rebates made up about 54% of total drug costs: total drug costs were \$124.7 million and rebates were \$68.1 million.

The Medicare buy-in is \$77.1 million in the 2019 biennium request. Some low-income persons are eligible for both Medicaid and Medicare. If it is cost effective, DPHHS pays the Medicare premiums and co-payments for these individuals, making Medicare the first payer for many services. Medicaid then only pays for services that are not covered by Medicare.

The 'clawback' is the state's payment to the federal government for a portion of the savings to the state Medicaid program resulting from the Medicare Part D drug benefit (effective January 1, 2006). The clawback is funded entirely with general fund revenue. Prior to Part D, Medicaid paid the drug costs for persons who were eligible for both Medicare and Medicaid. The clawback represents state savings due to Medicare assuming those costs. The clawback is \$43.4 million in the 2019 biennium budget request.

Healthy Montana Kids Enrollment

Figure 8 below shows enrollment in Healthy Montana Kids (HMK) from 2009 to 2016. Total enrollment has grown from about 71,000 children in October 2009 to about 119,000 children in June 2016. The majority of the total enrollment and enrollment growth in HMK has occurred in the HMK Plus group funded through Medicaid.



5% Reduction Plan

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. A summary of the entire 2019 biennium 5% plan submitted for this agency is in the appendix.

The HRD 5% plan includes a reduction of \$7.6 million in general fund and \$14.4 million in federal funds. Most of these savings are achieved by eliminating optional Medicaid services, reducing the Health Improvement Program (HIP) and reducing provider rates for Medicaid Durable Medical Equipment (DME).

Personal Services

The LFD calculated an expected personal services budget as a comparison to the executive personal services request. The LFD calculation uses the 2017 base as a starting point, and calculates expected incremental increases based on legislatively approved increases such as the pay plan, workers compensation, longevity increases, health benefit increase, and other expected changes. An illustration of this calculation is included in the Budget Analysis appendix.

The 2017 base included a 2% vacancy savings as stated in HB 2 from the 2015 legislative session. The 2019 biennium executive request for personal services (SWPL 1) includes a 4% vacancy savings, with some exceptions.

Figure 9 Department Of Public Health & Human Services: 11 Health Resources Division Personal Services Present Law Calculations			
PS Base: \$3,917,794		FY 2018	FY 2019
Executive	DP 1: SWPL Personal Services	(\$3,055)	\$9,660
Legislative	Statutory Personal Service Change	<u>26,735</u>	<u>40,155</u>
	Difference	(29,790)	(30,495)
Management Choices Explaining the Difference			
	Additional 2% Vacancy Savings	(81,545)	(81,809)
	Broadband Pay Adjustments	18,751	18,751
	Benefits and Taxes on Pay Adjustment	3,886	3,886
	Other	<u>29,118</u>	<u>28,677</u>
	Total	(\$29,790)	(\$30,495)

Figure 9 indicates that the legislative estimate for the 2019 biennium personal services increment exceeds the executive request for HRD personal services by roughly \$60,000. HRD's broadband pay adjustments (not including longevity or statutory increases) included about \$6000 in competency adjustments for 2 employees, \$2000 in performance adjustment for 1 employee, and \$9600 in reclassification adjustments for 2 employees.

Funding

The following table shows proposed program funding by source of authority.

Department of Public Health & Human Services, 11-Health Resource Division						
Funding by Source of Authority						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	306,074,823	0	0	52,714,326	358,789,149	15.14 %
02043 Med Provider Revalidation Fees	0	0	0	0	0	0.00 %
02053 Medicaid IGT's	288,110	0	0	0	288,110	0.17 %
02142 Medicaid Third Party Revenue	1,604,792	0	0	0	1,604,792	0.97 %
02164 MT Univ System Grad Med Ed	0	0	0	0	0	0.00 %
02311 02 Indirect Activity Prog 11	102,367	0	0	0	102,367	0.06 %
02585 Recovery Audit Contract	1,000,000	0	0	0	1,000,000	0.61 %
02597 Healthy Montana Kids Plan	56,080,884	0	0	0	56,080,884	33.95 %
02772 Tobacco Hlth and Medicaid Init	50,612,459	0	0	0	50,612,459	30.64 %
02789 6901-CHIP/MCHA Tobacco Sett Fd	2,380,418	0	0	0	2,380,418	1.44 %
02987 Tobacco Interest	5,974,450	0	0	0	5,974,450	3.62 %
02989 69010-Hospital Utilization Fee	47,122,634	0	0	0	47,122,634	28.53 %
State Special Total	\$165,166,114	\$0	\$0	\$0	\$165,166,114	6.97 %
03580 6901-93.778 - Med Adm 50%	14,404,598	0	0	0	14,404,598	0.78 %
03582 93.778 - Med Ben 100%	143,460,260	0	0	0	143,460,260	7.77 %
03583 93.778 - Med Ben Fmap	793,776,296	0	0	(1,635,526)	792,140,770	42.92 %
03611 03 Indirect Activity Prog 11	1,289,439	0	0	11,438,847	12,728,286	0.69 %
03426 CHIP Program Fed	230,792,467	0	0	0	230,792,467	12.50 %
03127 Adult Quality Grant	0	0	0	0	0	0.00 %
03974 Medicaid Exp HELP Act Admin	0	0	0	0	0	0.00 %
03975 Medicaid Exp HELP Act Benefit	0	0	0	635,612,009	635,612,009	34.44 %
03977 Med Exp HELP Act Indian Health	0	0	0	16,495,060	16,495,060	0.89 %
Federal Special Total	\$1,183,723,060	\$0	\$0	\$661,910,390	\$1,845,633,450	77.89 %
Proprietary Total	\$0	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$1,654,963,997	\$0	\$0	\$714,624,716	\$2,369,588,713	

The 2019 biennium HRD HB2 budget request is funded by general fund (15.1% of HB2 funding authority), state special revenue (7.0% of HB2 funding authority), and federal funds (77.9% of HB2 funding authority). General fund pays for the state Medicaid match, state CHIP match, and Medicare buy-in. Functions supported by state special revenue sources and the major source of funds are:

State Medicaid match

- Hospital utilization fee (\$50 per day assessed for each day of an inpatient stay)
- Tobacco revenue from the health and Medicaid initiatives account
- Insurance tax proceeds allocated to the HMK account
- Tobacco settlement trust fund interest

State CHIP match

- Insurance tax proceeds allocated to the HMK account
- Tobacco state special revenue from the health and Medicaid initiatives account
- Tobacco settlement funds
- Tobacco settlement trust fund interest

Big Sky Rx (premium assistance for low-income persons to purchase Medicare Part D drug coverage)

- Tobacco revenue from the health and Medicaid initiatives account

Federal funds support 77.9% of the 2019 biennium budget request. Federal funding sources include:

- Federal Medicaid matching funds: some at a 50% match (Medicaid program administration), some at 100% (IHS), and some at the FMAP rate discussed above (about 65% depending on the year)
- Federal CHIP matching funds (98.9% in FY 2017)

HELP Act expenditures in HRD are funded with statutory appropriations in the 2019 biennium and are not reflected in the funding percentages discussed above, though they are reflected in the "Statutory Appropriation" column in the above table.

Program Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	153,716,922	153,716,922	307,433,844	100.44 %	799,154,397	799,154,397	1,598,308,794	96.58 %
SWPL Adjustments	73,918	80,840	154,758	0.05 %	(4,479)	12,473	7,994	0.00 %
PL Adjustments	7,550,917	19,109,741	26,660,658	8.71 %	12,523,699	64,165,019	76,688,718	4.63 %
New Proposals	(13,561,169)	(14,613,268)	(28,174,437)	(9.21)%	(9,250,679)	(10,790,830)	(20,041,509)	(1.21)%
Total Budget	\$147,780,588	\$158,294,235	\$306,074,823		\$802,422,938	\$852,541,059	\$1,654,963,997	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2018-----				-----Fiscal 2019-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	73,335	(65,029)	(11,361)	(3,055)	0.00	78,570	(64,643)	(4,267)	9,660
DP 2 - Fixed Costs	0.00	562	170	682	1,414	0.00	2,236	675	2,711	5,622
DP 3 - Inflation Deflation	0.00	21	(2,885)	26	(2,838)	0.00	34	(2,885)	42	(2,809)
DP 11004 - HMK Caseload HRD	0.00	(35,000)	(3,395,782)	3,278,818	(151,964)	0.00	(35,000)	(3,742,603)	11,154,851	7,377,248
DP 11991 - Medicaid Services HRD	0.00	3,518,330	(1,904,545)	(2,153,214)	(539,429)	0.00	12,942,992	(1,904,545)	25,693,037	36,731,484
DP 11993 - Medicaid Federal Services HRD	0.00	0	0	8,987,774	8,987,774	0.00	0	0	13,577,731	13,577,731
DP 11994 - Medicaid Other Services HRD	0.00	3,976,262	0	0	3,976,262	0.00	6,054,926	0	0	6,054,926
DP 11995 - Medicaid Administration HRD	0.00	91,325	4,587	155,144	251,056	0.00	146,823	9,311	267,496	423,630
Grand Total All Present Law Adjustments	0.00	\$7,624,835	(\$5,363,484)	\$10,257,869	\$12,519,220	0.00	\$19,190,581	(\$5,704,690)	\$50,691,601	\$64,177,492

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The executive requests adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The executive requests adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline and others.

DP 11004 - HMK Caseload HRD -

This present law adjustment for Healthy Montana Kids caseload growth in the Health Resources Division covers the increase in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care. This change package requests \$7,225,284 in total funds. The biennial funding is a reduction of \$70,000 in general fund, \$7,138,385 in state special revenue, as well as an increase of \$14,433,669 in federal funds.

DP 11991 - Medicaid Services HRD -

This present law adjustment for caseload growth in the Health Resources Division covers the increase in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care. This change package requests \$36,192,054 in total funds. The biennial funding is an increase of \$16,461,323 in general fund, a reduction in state special revenue funds of \$3,809,092, and an increase of \$23,539,823 in federal funds.

DP 11993 - Medicaid Federal Services HRD -

This present law adjustment requests federal funds of \$8,987,774 in FY 2018 and \$13,577,731 in FY 2019 to fund growth for federally funded Medicaid services within the Health Resources Division. Funding is 100% federal funds.

DP 11994 - Medicaid Other Services HRD -

This present law adjustment is an increase necessary to maintain existing services for the Medicaid Phased-down State Contribution program in the Health Resources Division. The change package requests \$10,031,189 in general fund for the biennium with \$3,976,262 in FY 2018 and \$6,054,926 in FY 2019.

DP 11995 - Medicaid Administration HRD -

This present law adjustment is an increase necessary to maintain existing services for Medicaid administration in the Health Resources Division. The change package requests total funds of \$674,686 for the biennium, with a general fund amount of \$91,325 in FY 2018 and \$146,823 in FY 2019.

New Proposals -

The "New Proposals" table shows new changes to spending.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 555 - Appropriation Rebase	0.00	(2,674,292)	0	(5,079,526)	(7,753,818)	0.00	(2,674,292)	0	(5,079,526)	(7,753,818)
DP 11996 - Medicaid Caseload Refinance	0.00	(10,439,000)	10,439,000	0	0	0.00	(10,907,000)	10,907,000	0	0
DP 11997 - Physician CPI Adjustment - Medicaid	0.00	(447,877)	0	(1,048,984)	(1,496,861)	0.00	(1,031,976)	0	(2,005,036)	(3,037,012)
Total	0.00	(\$13,561,169)	\$10,439,000	(\$6,128,510)	(\$9,250,679)	0.00	(\$14,613,268)	\$10,907,000	(\$7,084,562)	(\$10,790,830)

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 555 - Appropriation Rebase -

Under 17-7-111, MCA state agencies are required to submit plans to reduce general fund and certain state special revenue funds by 5%. The executive proposes reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

DP 11996 - Medicaid Caseload Refinance -

The executive proposes a refinance for Medicaid caseload in the Health Resources Division. This fund switch will increase state special revenue funds (I-149) and decrease general fund by \$10,439,000 in FY 2018 and \$10,907,000 in FY 2019. The total cost for the program does not change. This change package is contingent upon the passage and approval of LC 1084.

DP 11997 - Physician CPI Adjustment - Medicaid -

The executive proposes a reduction of \$5,033,975 total funds over the biennium for physicians and other practitioners in the Medicaid program, whose current reimbursement rates are tied to the consumer price index for medical care for the previous year as calculated by the Bureau of Labor Statistics of the United States department of labor. This proposal is contingent upon the passage and approval of LC 907.