

Program Budget Comparison

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	93,107,069	96,454,124	3,347,055	3.59 %
Operating Expenses	35,500,818	34,894,610	(606,208)	(1.71)%
Equipment & Intangible Assets	203,920	284,920	81,000	39.72 %
Grants	10,977,746	7,597,746	(3,380,000)	(30.79)%
Benefits & Claims	179,360,633	158,642,392	(20,718,241)	(11.55)%
Transfers	31,000	45,000	14,000	45.16 %
Debt Service	242,446	235,246	(7,200)	(2.97)%
Total Expenditures	\$319,423,632	\$298,154,038	(\$21,269,594)	(6.66)%
General Fund	159,623,048	152,607,521	(7,015,527)	(4.40)%
State/Other Special Rev. Funds	32,776,842	38,203,944	5,427,102	16.56 %
Federal Spec. Rev. Funds	127,023,742	107,342,573	(19,681,169)	(15.49)%
Total Funds	\$319,423,632	\$298,154,038	(\$21,269,594)	(6.66)%
Total Ongoing	\$319,356,632	\$298,154,038	(\$21,202,594)	(6.64)%
Total OTO	\$67,000	\$0	(\$67,000)	(100.00)%

Program Description

The Addictive and Mental Disorders Division (AMDD) provides chemical dependency and mental health services through contracts with behavioral health providers across the state. People with substance abuse disorders who have family incomes below 200% of the federal poverty level (FPL) are eligible for public funding of treatment services. In addition, the Medicaid program funds outpatient and residential chemical dependency treatment services for adolescents and outpatient services for adults who are Medicaid eligible. The mental health program provides services to adults who are eligible for Medicaid as well as non-Medicaid adults up to 150% of FPL. The division also manages three inpatient facilities:

- The Montana State Hospital in Warm Springs
- The Montana Chemical Dependency Center in Butte
- Montana Mental Health Nursing Care Center in Lewistown

Program Highlights

Addictive and Mental Disorders Division Major Budget Highlights
<ul style="list-style-type: none"> • The legislature approved a \$298.2 million budget for the 2019 biennium, which is a decrease of approximately \$21.2 million, or 6.7%, compared to the previous biennium. This decrease is primarily due to changes in benefits and claims. Benefits and claims decreased significantly compared to the 2017 biennium due to the transition of Health Insurance Flexibility and Accountability (HIFA) enrollees from traditional Medicaid to Medicaid expansion, which is statutorily appropriated • A 6% vacancy savings rate and the appropriation rebase submitted by the executive were adopted, which decreased the budget by \$2.4 million • A fund switch was adopted, that increased state special revenue by \$5.5 million and decreased general fund by the same amount

Program Actuals and Budget Comparison

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	718.06	718.06	718.06	718.06	718.06
Personal Services	43,742,089	44,283,778	48,823,291	48,161,165	48,292,959
Operating Expenses	16,686,138	18,335,108	17,165,710	17,412,227	17,482,383
Equipment & Intangible Assets	60,299	61,460	142,460	142,460	142,460
Grants	5,781,522	5,978,873	4,998,873	3,798,873	3,798,873
Benefits & Claims	81,191,037	90,901,190	88,459,443	78,156,737	80,485,655
Transfers	8,500	8,500	22,500	22,500	22,500
Debt Service	124,792	124,823	117,623	117,623	117,623
Total Expenditures	\$147,594,377	\$159,693,732	\$159,729,900	\$147,811,585	\$150,342,453
General Fund	73,951,384	81,299,608	78,323,440	75,949,820	76,657,701
State/Other Special Rev. Funds	15,704,138	16,249,317	16,527,525	19,108,208	19,095,736
Federal Spec. Rev. Funds	57,938,855	62,144,807	64,878,935	52,753,557	54,589,016
Total Funds	\$147,594,377	\$159,693,732	\$159,729,900	\$147,811,585	\$150,342,453
Total Ongoing	\$147,527,378	\$159,626,732	\$159,729,900	\$147,811,585	\$150,342,453
Total OTO	\$66,999	\$67,000	\$0	\$0	\$0

Program Narrative

The legislature decreased the AMDD budget by about 6.7% compared to the previous biennium. This decrease is primarily due to changes in benefits and claims. Benefits and claims, which are funds that pay for services for individuals who meet specific programmatic eligibility criteria, have decreased significantly versus the previous biennium due to the transition of HIFA enrollees from traditional Medicaid to Medicaid expansion. Benefits and claims were further reduced by the adoption of the LFD general fund Medicaid caseload estimates and DPHHS state special revenue and federal Medicaid caseload estimates.

69010 - Department of Public Health & Human Services33-Addictive & Mental Disorders Division

Although general fund is down approximately \$7.0 million and federal authority is down almost \$19.7 million, state special revenue is up. This is due to the legislature adopting a realignment of funding for substance abuse treatment programs that reduced one state special revenue fund (alcohol tax) and increased another state special revenue fund (facility reimbursement) in FY 2018 and FY 2019 due to the facility being made eligible for federal reimbursements. At the community service level for residential treatment contracts and at the Montana Chemical Dependency Center this also reduced general fund and increased state special revenue (alcohol tax) in FY 2018 and in FY 2019. The total costs for these programs did not change.

Funding

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

Department of Public Health & Human Services, 33-Addictive & Mental Disorders Division						
Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	152,607,521	0	1,147,028	153,754,549	43.63 %	
02034 Earmarked Alcohol Funds	13,456,357	0	4,860,884	18,317,241	39.33 %	
02247 MMHNCC DOC INFIRMARY	0	0	0	0	0.00 %	
02384 02 Indirect Activity Prog 33	650,249	0	0	650,249	1.40 %	
02394 Montana State Hospital Rev Acc	0	0	3,505,000	3,505,000	7.53 %	
02598 MDCDC COST RECOVERY	5,772,132	0	0	5,772,132	12.39 %	
02691 6901-MSH/DOC Maint Agreement	280,162	0	0	280,162	0.60 %	
02772 Tobacco Hlth and Medicaid Init	16,657,860	0	0	16,657,860	35.77 %	
02987 Tobacco Interest	1,387,184	0	0	1,387,184	2.98 %	
State Special Total	\$38,203,944	\$0	\$8,365,884	\$46,569,828	13.22 %	
03171 Data Infrastructure Developmnt	203,124	0	0	203,124	0.13 %	
03580 6901-93.778 - Med Adm 50%	2,002,402	0	0	2,002,402	1.32 %	
03583 93.778 - Med Ben Fmap	89,515,611	0	0	89,515,611	58.86 %	
03601 03 Indirect Activity Prog 33	351,690	0	0	351,690	0.23 %	
03491 Tobacco Retail Inspctn Program	0	0	0	0	0.00 %	
03504 Strategic Prevention Framework	0	0	0	0	0.00 %	
03505 93.150 - Mntal Hlth - Homeless	606,034	0	0	606,034	0.40 %	
03506 93.279 - ADAD - Data Contract	0	0	0	0	0.00 %	
03507 93.958 - Mntal Hlth - Blk Grt	1,913,102	0	0	1,913,102	1.26 %	
03508 93.959 - ADAD - Blk Grt 100%	12,750,610	0	0	12,750,610	8.38 %	
03513 CHIPRA Bonus	0	0	0	0	0.00 %	
03902 HRSA Flex Rural Hlth Access Pg	0	0	0	0	0.00 %	
03974 Medicaid Exp HELP Act Admin	0	0	0	0	0.00 %	
03975 Medicaid Exp HELP Act Benefit	0	0	44,734,128	44,734,128	29.42 %	
Federal Special Total	\$107,342,573	\$0	\$44,734,128	\$152,076,701	43.15 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$298,154,038	\$0	\$54,247,040	\$352,401,078		

The Addictive and Mental Disorders Division (AMDD) is funded by general fund, state special revenue, and federal funds. General fund supports adult mental health facility costs, various adult mental health community services and state Medicaid match services. State special revenue primarily comes from earmarked alcohol taxes, which are used for treatment, rehabilitation, and prevention of alcoholism and chemical dependency. The majority of federal funding for AMDD is made up of federal Medicaid funds.

In addition to HB 2 appropriations there are three statutory appropriations surrounding earmarked alcohol taxes:

1. 20% is distributed as grants to state-approved alcoholism programs
2. 6.6% is distributed as grants to state-approved alcoholism programs that provide services for treatment and rehabilitation for persons with co-occurring serious mental illness and chemical dependency
3. Any funds remaining from earmarked alcohol taxes after legislative appropriations are distributed via grants to state-approved alcoholism programs

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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 Summary by Category								
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	78,323,440	78,323,440	156,646,880	102.65 %	159,729,900	159,729,900	319,459,800	107.15 %
SWPL Adjustments	319,004	506,389	825,393	0.54 %	62,316	265,531	327,847	0.11 %
PL Adjustments	1,710,635	2,228,605	3,939,240	2.58 %	(10,193,568)	(7,816,438)	(18,010,006)	(6.04)%
New Proposals	(4,403,259)	(4,400,733)	(8,803,992)	(5.77)%	(1,787,063)	(1,836,540)	(3,623,603)	(1.22)%
Total Budget	\$75,949,820	\$76,657,701	\$152,607,521		\$147,811,585	\$150,342,453	\$298,154,038	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide 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	108,359	(163,180)	(129,380)	(184,201)	0.00	226,485	(151,302)	(126,325)	(51,142)
DP 2 - Fixed Costs	0.00	247,271	34,390	0	281,661	0.00	245,839	34,245	0	280,084
DP 3 - Inflation Deflation	0.00	(36,626)	454	1,028	(35,144)	0.00	34,065	1,080	1,444	36,589
DP 53 - SWPL Fixed Costs Reductions	0.00	0	0	0	0	0.00	0	0	0	0
DP 3301 - MED CORE AMDD B SUBCOMMITTEE	0.00	2,627,522	1,968,897	(1,321,187)	3,275,232	0.00	3,145,492	2,033,986	300,001	5,479,479
DP 3302 - MED WAIVER AMDD B SUBCOMMITTEE	0.00	(916,887)	(1,968,897)	(12,361,881)	(15,247,665)	0.00	(916,887)	(2,033,986)	(12,304,346)	(15,255,219)
DP 3303 - MED FED AMDD B SUBCOMMITTEE	0.00	0	0	1,778,865	1,778,865	0.00	0	0	1,959,302	1,959,302
Grand Total All Present Law Adjustments	0.00	\$2,029,639	(\$128,336)	(\$12,032,555)	(\$10,131,252)	0.00	\$2,734,994	(\$115,977)	(\$10,169,924)	(\$7,550,907)

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

DP 1 - Personal Services -

The legislature adopted 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 -

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The legislature adopted 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 legislature adopted 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 53 - SWPL Fixed Costs Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 3301 - MED CORE AMDD B SUBCOMMITTEE -

The legislature adopted changes to Medicaid services appropriations based on anticipated caseload. The legislature adopted LFD general fund Medicaid caseload estimates and DPHHS state special revenue and federal Medicaid caseload estimates.

DP 3302 - MED WAIVER AMDD B SUBCOMMITTEE -

The legislature adopted changes to Medicaid services appropriations based on anticipated caseload. The legislature adopted LFD general fund Medicaid caseload estimates and DPHHS state special revenue and federal Medicaid caseload estimates.

DP 3303 - MED FED AMDD B SUBCOMMITTEE -

The legislature adopted changes to Medicaid services appropriations based on anticipated caseload. The legislature adopted DPHHS federal Medicaid caseload estimates.

New Proposals

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

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 51 - Additional 2% Vacancy Savings	0.00	(406,741)	(55,135)	(16,049)	(477,925)	0.00	(407,822)	(55,256)	(16,112)	(479,190)
DP 555 - Appropriation Rebase	0.00	(1,200,000)	0	0	(1,200,000)	0.00	(1,200,000)	0	0	(1,200,000)
DP 11997 - Physician CPI Adjustment - Medicaid	0.00	(20,175)	0	(47,859)	(68,034)	0.00	(47,083)	0	(91,479)	(138,562)
DP 33300 - Substance Abuse Treatment Refinance	0.00	(2,764,154)	2,764,154	0	0	0.00	(2,739,444)	2,739,444	0	0
DP 119972 - Physician CPI Additional Adjustment - Section E Inflation	0.00	(12,189)	0	(28,915)	(41,104)	0.00	(6,384)	0	(12,404)	(18,788)
Total	0.00	(\$4,403,259)	\$2,709,019	(\$92,823)	(\$1,787,063)	0.00	(\$4,400,733)	\$2,684,188	(\$119,995)	(\$1,836,540)

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

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

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 legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

DP 11997 - Physician CPI Adjustment - Medicaid -

The legislature adopted a reduction in 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.

DP 33300 - Substance Abuse Treatment Refinance -

The legislature adopted a realignment of funding for substance abuse treatment programs in the Addictive and Mental Disorders division. At the Montana Chemical Dependency Center, this change package is a reduction in one state special revenue fund (alcohol tax) and an offsetting increase in another state special revenue fund (facility reimbursement) of \$2.8 million in FY 2018 and \$2.7 million in FY 2019. Additionally, at the community service level for residential treatment contracts and at the Montana State Hospital, this change package is a reduction in general fund and a like increase in state special revenue (alcohol tax) of \$2.8 million in FY 2018 and \$2.7 million in FY 2019. The total appropriation for these programs does not change.

DP 119972 - Physician CPI Additional Adjustment - Section E Inflation -

The legislature adopted an adjustment to the Medicaid physician provider rate increase based on the inflation figures applied in Section E. This change will require companion legislation to HB 2 for implementation, and will be included in HB 639.