Mr. Chair and Members of the Committee,

My name is Joshua Kendrick and I am the CEO for Opportunity Resources, Inc. (ORI) in Missoula, MT. ORI provides direct services for just over 500 individuals with disabilities in Western Montana. ORI receives funding for services through the Disability Services Division, Big Sky Waiver, and the Disability and Transition Services Division. Without these services a more expensive institutional level of care would be needed for many of the people with disabilities to survive.

We employ 300 staff in Western Montana to provide the care necessary to the individuals we serve. ORI has an annual payroll of $8,285,366.91 for staff as well as another $652,983.51 for the individuals we serve. The funding appropriate to community-based service provider rates has a huge impact on our local and State economies. It is extremely important that rates not be cut in any of the programs being discussed by this committee. Rate cuts of any kind would not only impact the individuals we serve but also the staff ORI employs. I would also encourage, what has been discussed by this committee in other programs, the review of rates and what they are based upon. The money appropriate to provider rates has a dramatic impact on care and lives of some of Montana's most vulnerable citizens. Provider reimbursed rates are incredibly effective and efficient in the form of wages and vendor payments which greatly contribute to a healthy Montana Economy.

As a board member for the Montana Association of Community Disability Services (MACDS), our association also encourages this committee to review and not cut rates to providers. MACDS is a professional organization comprised of thirty-three community-based organizations in Montana that provide residential, employment and day services to children and adults with disabilities. Collectively we serve children, adults, and families across the State. Our services are essential and vital for some people and families to live. The statewide impact of community-based services providers is over 115 Million dollars in wages, vendors, and insurances.

Thank you for your time and please feel free to reach out with any questions.

Joshua M. Kendrick
CEO

OPPORTUNITY RESOURCES, INC
Supporting Individuals with Disabilities Since 1955
2821 South Russell St | Missoula, MT 59801
P: 406.329.1754 | **F:** 406.721.8744| **TDD:** 1.800.253.4091

Donate | Website

Bill: HB-2: General Appropriations Act 2021-01-21 08:00 AM - (H) JAS on Health and Human Services
Position: Opponent
Representing an Entity/Another Person: Yes
Organization:
Name: Beth Timmins
Email: beth@colhca.net
Phone: (218) 766-0641
City, State: Walker, MN
Written Statement: Dear Appropriations Subcommittee members,

I work with Circle of Life home care, which serves more than 1300 individuals across seven western states, including citizens of Hardin and Lame Deer. We are a personal assistance provider organization, providing in-home care to people with disabilities and the elderly through Montana's Home and Community-Based Waiver program (Medicaid). These individuals are supported in their homes and the community through the effort of long term service and support (LTSS) caregivers.

I am writing to convey to you the importance of continued funding for these Home and Community-Based Service programs within the Department of Human Services budget for 2021. Throughout the COVID-19 emergency, our agency was successful in maintaining these individuals in their homes, and our continued care ensured that they avoided overburdening hospitals and nursing facilities.

We are counting on you to advocate for the constituents in your districts and for these programs in your role on the Department of Human Service's Appropriations Subcommittee. Without Home and Community-based programs, many of these individuals would end up in costlier settings such as hospitals or nursing facilities. It is important to support these valuable programs, as they are a fraction of costlier institutional alternatives and maintain your constituents where they want to be—in their homes and community.

Not only does our Home Care Agency serve clients, we also provide jobs for caregivers who choose to do this thankless work. The Montana economy will improve faster with greater employment. Our service is doubly important to the state in providing jobs in local communities and in saving Medicaid dollars by avoiding higher cost settings.

There are several ways for you to advocate for your constituents to ensure continued levels of funding for the most vulnerable and these programs in Montana's budget:

1) Promote and preserve the maximum amount of funding to Personal Assistance Services in budgets submitted by Montana's Department of Human Services, a. This funding also maximizes federal matching dollars.
2) Pursue opportunities for federal dollars to stabilize Montana's budget.
a. Redefining more flexibility from CARES Act funds for states to use their existing federal dollars to pay for lost revenues.
b. Advocating for increasing the Federal Medical Assistance Percentage (FMAP) to 12% above non-pandemic funding levels.

We very much appreciate your time and service for the citizens of Montana. We would be happy to discuss with you further.

Thank you

Bill: HB-2: General Appropriations Act 2021-01-21 08:00 AM - (H) JAS on Health and Human Services
Position: Opponent
Representing an Entity/Another Person: No
Organization: N/A
Name: Rebecca Dane
Email: rebeccadane@myabmp.com
Phone: (406) 207-2352
City, State: Hamilton, MT
Written Statement: I am against cutting the funding for this program. I am a service worker that works with the elderly and disabled thru Medicaid Waiver. I go to the homes and give massage therapy for pain relief.

It is helpful in not only using holistic treatments (rather than pharmaceutical) but in a social aspect, as many of these people rarely if ever get out of their homes. If anything, these people need more services to help them live lives in their own homes to keep them out of Asssisted or Long Term Care Facilities, which would cost the State of Montana many times more money each month than to provide these in home services.

Rebecca Dane

Bill: HB-2: General Appropriations Act 2021-01-21 08:00 AM - (H) JAS on Health and Human Services
Position: Proponent
Representing an Entity/Another Person: No
Organization: N/A
Name: Travis Hoffman
Email: thoffman@summitilc.org
Phone: (406) 396-8159
City, State: Missoula
Written Statement: Dear Mr. Chairman and members of the JAS on Health and Human Services,

My name is Travis Hoffman and I work as the advocacy coordinator at Summit Independent Living in Missoula and I am also a person with a disability who utilizes many services offered through the SLTC Division within DPHHS, including Community First Choice services and Big Sky Waiver services.

I grew up in a few small Southwest Montana towns, mainly Whitehall, Sheridan, and Twin Bridges. I graduated from high school from Twin Bridges in 1997 joining the US Army Reserves while still a junior in high school. After high school, while working on a cattle ranch, I was involved in a motor vehicle accident in 1999 in which I sustained a spinal cord injury at the C-5/6 level. Due to this accident, my life, and the lives of those in my immediate family, were turned upside down and in the blink of an eye I went from a healthy, independent 21-year-old to an individual with a major disability who requires daily assistance and pretty much every aspect of my life. These include help with bathing/showering, getting dressed, brushing my teeth, getting in and out of bed, positioning in my wheelchair, preparing meals, shopping, maintaining my household, and other activities that every person must perform throughout the day and that healthy, independent non-disabled individuals often don't think twice about performing.

Being a 21-year-old, healthy young adult I, of course, did not see the need for having health insurance. Fortunately for my family and I, being a 21-year-old also meant that I did not have many resources or income and, therefore, I was able to qualify for Medicaid services right away. Medicaid saved my life. Because I was able to qualify for Medicaid I was able to attend rehabilitation to learn how to live with my newly acquired spinal cord injury and once I was finished with that, I was able to move into the community and be able to receive in-home personal assistance services, acquire the DME I needed to move about independently, the equipment I needed to be able to independently turn lights on and off in my own home, assisted me with getting a service dog to help me be able to

independently retrieve things off of the floor or off of a store shelf (a low one), open doors, and perform some other tasks.

Because I was able to, and still to this day am able to, receive these services to help me with my most basic needs, I was able to work with Vocational Rehabilitation, which you will hear about on the 28th, to pursue and get my bachelors degree in social work, get a wheelchair accessible van that I am able to drive independently, become employed full-time and pay taxes, purchase my own home, and become less dependent on other government assistance programs such as SNAP, LIEAP, housing assistance, etc. If it weren't for the state plan and waiver services offered through the SLTC division, none of this would have been possible for me to achieve and none of it would be possible for me to maintain going forward.

While my story is my own, thousands of other Montanans with disabilities can tell similar stories. These services aren't just something that we used to make our lives just a little bit easier, they are a necessity that make our lives possible at all. Without adequate funding for these services many of us would be relegated to receiving services in a nursing home or other congregate care setting where the cost to Medicaid would be even greater. The starting point at which this subcommittee has chosen to start building the 2023 biennium budget, which places the SLTC division at nearly $97 million under current funding levels, puts many of these services at risk. During the 20 years that I have been receiving services through the SLTC division I have seen many different budget cycles and have seen many different legislatures cut the funding for these services, many that still have not been restored. In 2001 services were drastically cut to where individuals receiving in-home CFC/PAS are still only allowed to take up to three showers per week. We must plan out everywhere we would like to go six months in advance (very unrealistic). Service hours were slashed meaning individuals had to give up some tasks such as meal preparation or eating assistance. These aren't services people use just because they make things easier, they are services people use because they have no choice and they are not available anywhere else or through any other insurance coverage.

I ask and implore you not to cut the budget on these vital programs that allow people with significant disabilities, such as myself and thousands of other Montanans, to live in the community, to pursue their educational goals, to worship at their church, to socialize with their family and friends, and to pursue employment opportunities to become taxpaying citizens who are more self-sufficient and less dependent on other government-funded assistance programs as I mentioned previously.

Thank you,
Travis Hoffman

Bill: HB-2: General Appropriations Act 2021-01-21 08:00 AM - (H) JAS on Health and Human Services
Position: Opponent
Representing an Entity/Another Person: No
Organization: N/A
Name: Christina Taurman
Email: christina@colhca.net
Phone: (406) 665-4067
City, State: Hardin, MT
Written Statement: Written Statement: Dear Appropriations Subcommittee members, I work with Circle of Life home care, which serves more than 1300 individuals across seven western states, including citizens of Hardin and Lame Deer. We are a personal assistance provider organization, providing in-home care to people with disabilities and the elderly through Montana's Home and Community-Based Waiver program (Medicaid). These individuals are supported in their homes and the community through the effort of long-term service and support (LTSS) caregivers.

I am writing to convey to you the importance of continued funding for these Home and Community-Based Service programs within the Department of Human Services budget for 2021. Throughout the COVID-19 emergency, our agency was successful in maintaining these individuals in their homes, and our continued care ensured that they avoided overburdening hospitals and nursing facilities.

We are counting on you to advocate for the constituents in your districts and for these programs in your role on the Department of Human Service's Appropriations Subcommittee. Without Home and Community-based programs, many of these individuals would end up in costlier settings such as hospitals or nursing facilities. It is important to support these valuable programs, as they are a fraction of costlier institutional alternatives and maintain your constituents where they want to be—in their homes and community.

Not only does our Home Care Agency serve clients, we also provide jobs for caregivers who choose to do this thankless work. The Montana economy will improve faster with greater employment. Our service is doubly important to the state in providing jobs in local communities and in saving Medicaid dollars by avoiding higher cost settings.

There are several ways for you to advocate for your constituents to ensure continued levels of funding for the most vulnerable and these programs in Montana's budget:

1) Promote and preserve the maximum amount of funding to Personal Assistance Services in budgets submitted by Montana's Department of Human Services, a. This funding also maximizes federal matching dollars.
2) Pursue opportunities for federal dollars to stabilize Montana's budget.
a. Redefining more flexibility from CARES Act funds for states to use their existing federal dollars to pay for lost revenues.
b. Advocating for increasing the Federal Medical Assistance Percentage (FMAP) to 12% above non-pandemic funding levels.

We very much appreciate your time and service for the citizens of Montana. We would be happy to discuss with you further.

Bill: HB-2: General Appropriations Act 2021-01-21 08:00 AM - (H) JAS on Health and Human Services
Position: Opponent
Representing an Entity/Another Person: Yes
Organization: Circle of Life Home Care
Name: Marina PlainBull
Email: marina@colhca.net
Phone: (406) 561-5531
City, State: Wyola, MT
Written Statement: Written Statement: Dear Appropriations Subcommittee members, I work with Circle of Life home care, which serves more than 1300 individuals across seven western states, including citizens of Hardin and Lame Deer. We are a personal assistance provider organization, providing in-home care to people with disabilities and the elderly through Montana's Home and Community-Based Waiver program (Medicaid). These individuals are supported in their homes and the community through the effort of long term service and support (LTSS) caregivers.

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Bill: HB-2: General Appropriations Act 2021-01-21 08:00 AM - (H) JAS on Health and Human Services
Position: Opponent
Representing an Entity/Another Person: Yes
Organization: Circle of Life Home Care
Name: Pamela Garza
Email: Pamela@colhca.net
Phone: (406) 665-4067
City, State: Hardin, MT
Written Statement: Written Statement: Dear Appropriations Subcommittee members, I work with Circle of Life home care, which serves more than 1300 individuals across seven western states, including citizens of Hardin and Lame Deer. We are a personal assistance provider organization, providing in-home care to people with disabilities and the elderly through Montana's Home and Community-Based Waiver program (Medicaid). These individuals are supported in their homes and the community through the effort of long-term service and support (LTSS) caregivers.

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We very much appreciate your time and service for the citizens of Montana. We would be happy to discuss with you further.

Bill: HB-2: General Appropriations Act 2021-01-21 08:00 AM - (H) JAS on Health and Human Services
Position: Opponent
Representing an Entity/Another Person: No
Organization: N/A
Name: Melissa Richards
Email: richardsm@partnersinhomecare.org
Phone: (406) 327-3611
City, State: Missoula, MT
Written Statement: January 20, 2021

To: Joint Appropriations Subcommittee on Health and Human Services

From: Partners In Home Care, Big Sky Waiver Provider

Thank you for the opportunity to provide this testimony.

Partners in Home Care has been providing Big Sky Waiver services for 35 years. We are currently serving 470 members over three counties in Western Montana and have 91 individuals on our waiting list. This program allows people, who would otherwise be institutionalized, to live in their own home and community.

The Big Sky Waiver Home & Community Based Services Program provides supportive care that allows elderly and physically disabled individuals to remain in a community setting when they otherwise would need institutional care. The elderly populations served by this program are frail, often suffer from multiple chronic diseases (such as heart failure, dementia, or diabetes), and are impoverished. Other beneficiaries have extreme physical disabilities requiring long-term services for routine daily activities such as bathing and eating. These individuals all prefer to remain in their homes and communities rather than receive care in nursing homes or other institutions.

Cuts to the Senior & Long Budget, including Big Sky Waiver Services, would ultimately reduce services that these beneficiaries receive. These service reductions would result in increased risks for institutionalization and/or hospitalization, both of which could end up costing the State considerably more than the savings realized from SLTC budget cuts. For example, cuts to the number of caregiving hours for a frail elderly member could increase this individual's risk for falls, fractures, and lengthy hospitalization. The ultimate result could be long-term nursing home placement. The cost of a single hospitalization could be tens of thousands of dollars. Nursing home care per year expends approximately $77,000 per year. Alternatively, providing care under the Big Sky Waiver Program averages less than half of that cost -- $30,000 per year. Any cuts to SLTC could jeopardize a member's ability to remain in the community, with significant detrimental effects to Medicaid costs.

During the COVID-19 crisis, the safest place to receive care was outside of institutional settings. At a time when congregate living and institutional care settings have seen the highest death rates from COVID-19 infections, cuts to the SLTC budget would be devastating to the health and well-being of our seniors and disabled residents of Montana. Now more than ever, we need to preserve community services for our vulnerable senior and disabled populations. I would like to share two examples of how SLTC funds are saving Medicaid funds in the State of Montana:

A current Big Sky Waiver member in his 20s, who grew up, graduated, and worked in a small Montana community. In his early 20s he was in a motor vehicle accident that changed his life. Due to his injuries from the accident he became paraplegic and had to be sent to an out of state hospital for two months. He faced the challenge of being able to return home to his rural community with a disability. He was at great risk to be institutionalized in a nursing home, in his 20s, for the rest of his life. Through the support of the BSW program (caregivers and medical equipment) he was able to return to his rural community. His outlook and quality of life has been greatly improved. His budget is $13,127/year vs $77,000 in an institutional setting.

Another current member was initially moved from an assisted living facility in another community in 2013. The cost of his assisted living care was $26,443. Our program was eventually able to help him move to his own apartment with services and his current cost is $17,146/yr. Which is savings of almost $10,000/yr.

Thank you for your time,

Melissa Richards
HCBS Program Manager

Dianne Hansen
CEO

Bill: HB-2: General Appropriations Act 2021-01-22 08:00 AM - (H) JAS on Health and Human Services
Position: Proponent
Representing an Entity/Another Person: Yes
Organization: Behavioral Health Alliance of Montana
Name: Mary Windecker
Email: mwindecker@montanabehavioralhealth.org
Phone: (406) 546-4793
City, State: Missoula
Written Statement: Committee members: many of you are new to this committee and are not aware of the hardships caused by the budget cuts of 2017-2018 to some of Montana's most vulnerable. I'm attaching documents so you can understand how devastating the cuts were to mental health and substance use disorder providers and their clients. With addiction and suicide at all time highs in Montana, we really need to work with you and DPHHS to help streamline the department and not cut again community-based programs.
In summary for our current state: Mental health and substance use treatment providers were just starting to dig out of the very deep hole dug for them by the 2017-2018 budget cuts. Working with DPHHS, the providers had managed to start building sustainable community-based programs again that save the state millions of dollars by keeping people out of high-cost care like hospitals, group homes, out-of-state programs, etc. At the onset of COVID-19, behavioral health providers had no reserves left. The stimulus funding from the state and federal government were essential in keeping our doors open but not in any ability to expand programming. At this point if there are any budget cuts at all to community-based programs, many of the agencies will need to, at best, lay off staff and, at worst, close our doors completely.
Files: DPHHS Cost-Saving Suggestions 2021.pdf Policy Statement - BH in MT.pdf

BEHAVIORAL HEALTH ALLIANCE OF MONTANA

BEHAVIORAL HEALTH ALLIANCE OF MONTANA SUGGESTIONS FOR DPHHS COST SAVINGS
November 16, 2020

The Behavioral Health Alliance of Montana is comprised of 35 adult, children, Tribal and substance use provider agencies across the state of Montana. We believe that by working with the new administration, we can create transformative change across Montana and begin to address the serious mental health and substance use challenges in the state.

The Montana Department of Public Health and Human Services (DPHHS) is considered a mega-department. This is due to the varied and vast services and programs that it administers.[i] As you can see by the organizational chart referenced, there are several different services in a number of different divisions. There are many siloed approaches to regulatory oversight from one division to another and from one program to another even within the same division. There is much duplication of oversight efforts in DPHHS fiscal departments, licensing, facility audits, rules, and manuals. Behavioral Health providers collaborated with the executive and Legislative branches in 1999 to develop a children's system of care that has the child and family as the center and the state provides services in a wraparound model for that child and family. Over the years since then, the children's system of care has been legislatively diluted to the point where it now exists in name only.

The Alliance has identified several ways to create savings in the current system that will allow for investing in a higher quality of care being delivered and saving the state money at the same time.

I. Streamline DPHHS and develop economies of scale:

DPHHS employees are by and large competent and truly work to improve Montanans lives. They are forced to change direction typically every four years with a new Director who generally knows little about healthcare and social services or managing complex funding streams and systems.

Streamlining the department under the leadership of a Director and a few competent DPHHS leaders could save a considerable amount of money. If the Director empowers those experienced leaders to make effective and efficient changes to the system, the system would be vastly improved. For the past several years, Directors have tried to "manage" the varied and complex funding streams, regulations and rules rather than putting competent and experienced DPHHS staff in charge and helping them make the changes that will transform the department. For example, currently Addictive and Mental Disorders Division (AMDD) administers programs for substance use and adult mental illness, Children's Mental Health Bureau administers programs for children's mental health, Children's and Family Services (CFS) administers programs for children and families in the children's welfare systems, and a new division for Early Childhood was developed last year. Our clients are left trying to navigate an incredibly complex siloed system generally while they are in crisis.

Each division has separate fiscal services, auditing, etc. and the lack of economies of scale make absolutely no business sense. The Gianforte DPHHS Transition Taskforce is in an excellent position to put in place some of these economies of scale to reduce the siloes and improve processes. The Behavioral Health Alliance was offered $50,000 by the Montana Healthcare Foundation to have an

objective consultant develop a plan for creating a System of Care[ii] around children's programs. The grant was contingent on DPHHS agreeing to work with the Alliance on this project, and DPHHS declined due of time constraints. Working with providers to help streamline DPHHS could produce enormous savings as this department represents almost half of the state budget annually.

II. Provide deemed status for accredited behavioral health agencies:

Currently, Behavioral Health providers are subjected to multiple state audits annually.

1. There are Surveillance and Utilization Review (SURS) audits[iii] which are "intended [for] program-integrity activities to recover improper payments when fraud is not suspected."
2. Quality Assurance Audits for:
    i. certifying healthcare facilities,[iv]
    ii. Facility audits,[v]
3. Program compliance audits,[vi] which include program integrity, quality control, surveillance and utilization review (above), and third-party liability audits.

This is by no means an exhaustive list of what providers must undergo. In addition, agencies spend considerable money and staff time on defending against incorrect audit findings. In only one recent case (there have been many), Rimrock was found to have been overpaid $1.1M on an audit and after compiling six binders full of information and sending staff to Helena to contest the findings, it was found that they had only been overpaid $8,000. The SURS audits need to be seriously curtailed until they can be done with some assurance of accurate findings.

On the medical side of healthcare, Centers for Medicare/Medicaid (CMS) has allowed hospitals and medical providers who have undergone the expense and time to become accredited by a national organization to receive "deemed" status whereby they no longer have to undergo the exhaustive state audits because they undergo more comprehensive accreditation audits every three years. Considerable amount of money could be saved by the state by allowing deemed status for accredited behavioral health audits as well.

III. Create a uniform assessment tool for children and adults:

Currently, Medicaid requires a new assessment from every provider as a child and family or adult moves through the system. For example, if a child is being discharged from a Psychiatric Residential Treatment Facility (PRTF, e.g., Yellowstone Boys & Girls Ranch), the child has to undergo a new assessment by the outpatient clinician who is taking over the care of the child at home or in a shelter. This increases the time between discharge and outpatient care provided to the child and the state pays for each assessment regardless of time between assessments. The same is true in adult care. Yellowstone Boys & Girls Ranch has done considerable work around trying to reduce this time without care as this is the time the child is at most risk and may require being readmitted to the PRTF. Currently, providers who do not have their agency's assessment in the client's record receive a finding in an audit.

IV. Outsource case management to providers:

Case management is essentially the primary care of behavioral health. Case managers help the client or family navigate a very convoluted system and ensure that comprehensive care is being delivered. In 2017-2018, case management reimbursement was drastically cut, and the provider organizations

were decimated. Most case management programs were closed completely, especially those operating in rural areas. A very few agencies continued to do case management at a loss and supplemented the programs with the small reserves they may have had at that time. The cuts to case management were akin to cutting all primary medical care and telling patients to only be seen in the emergency department. Without the community-based care, the state saw a huge increase in the cost of care being provided in emergency departments, Montana State Hospital, inpatient behavioral health settings, etc. In Missoula County alone, people left without support were involuntarily committed at a rate of 30% more in 2018 over 2017. The Alliance has worked with Children's Mental Health Bureau to reestablish a Case Management reimbursement rate that is improved but still not where it was prior to the budget cuts. In addition, case management is provided by state employees in several of the divisions at a much higher cost to the state. We proposed outsourcing all case management to private providers at the current rate being paid for state case management because our case managers can provide case management to double the number of people as a state case manager. It is quite simply what we do best. Let us do it. It will save the state a considerable amount of money and improve the quality of care.

These are just a few of our ideas to get you started. We look forward to working with the Gianforte Administration and offer our expertise and services to improve the care of all Montanans.

Contacts:
Mary Windecker
Executive Director, Behavioral Health Alliance of Montana
406-546-4793
mwindecker@montanabehavioralhealth.org

Jim FitzGerald
CEO, Intermountain
406-439-3050
jim@intermountain.org

Lenette Kosovich
CEO, Rimrock
406-860-7250
lkosovich@rimrock.org

[i] https://dphhs.mt.gov/Portals/85/Documents/DPHHSOrganizationalChart.pdf

[ii] https://www.childwelfare.gov/topics/management/reform/soc/history/principles/#:~:text=%20Guiding%20Principles%20of%20Systems%20of%20Care%20,organizational%20values%20and%20principles%2C%20as%20well...%20More%20

[iii] http://www.mtrules.org/gateway/ShowNoticeFile.asp?TID=7628#:~:text=SURS%20only%20performs%20follow-up%20audits%20of%20a%20provider,activity.%20This%20is%20necessary%20to%20perform%20accurate%20reviews.

[iv] https://dphhs.mt.gov/qad/Certification

[v] https://dphhs.mt.gov/qad/Licensure/HealthCareFacilityLicensure/LBFacilityApplications

[vi] https://dphhs.mt.gov/qad/PC

BEHAVIORAL HEALTH ALLIANCE OF MONTANA

BEHAVIORAL HEALTH IN MONTANA
January 2020

Current State:

1. Montana is number four in the nation for suicides.[i]
2. Montana is first in the nation per capita for children placed in foster care, currently with 3,900 children in foster care.[ii]
3. Native Americans in Montana die one full generation ahead of the rest of the population for both male and female. [iii]
4. The number of Montana children in foster care has more than doubled since 2011.[iv]
5. In 2016, 64 percent were removed from the home for reasons related to parental substance use.[v]
6. Substance Use Treatment is reimbursed by Medicaid at the lowest rate in the four contiguous states to Montana and those rates have been stagnant for a decade.[vi]
7. Among Medicaid patients, the percentage of infants with perinatal drug exposure increased from 3.7 percent (2010) to 12.3 percent (2016) and has continued to increase since 2016.[vii]
8. An estimated 64,000 Montanans have a substance use disorder. There has been a 427% increase in meth violations from 2011-2015. 90% of Montanans with Substance Use Disorder are not receiving treatment.[viii]

Budget Cuts from 2017 Special Session and Reallocation from July 2018:

The budget cuts from the 2017 special session of the legislature decimated the behavioral health system in Montana. Since that time, multiple behavioral health providers have closed their rural offices and five behavioral health providers have closed their doors completely. The impact across the state to the decimation of prevention programs in behavioral health, such as Home Support Services, Case Management for Adults and Children, Substance Use Assessment Rates, etc., have limited the care available to Montanans.

In addition, the increase of higher paying jobs at community health centers and hospitals, which are reimbursed at substantially higher rates, has limited the number of licensed professionals available to serve the Severely Mentally Ill (SMI) adults and the Severely Emotionally Disabled (SED) children of Montana.

When Home Support Services and children's case management were cut, many families were left without any resources and were unable to keep their kids at home. Too often, these children go into a higher acuity of care such as a psychiatric residential treatment facility (PRTF) or out of state to a home that has an open bed. Both of these options are considerably more costly and less effective care for the child and families.

When adults with SMI lost their case management, counties saw much higher involuntary commitment rates and higher acuity treatment in more expensive facilities such as hospital behavioral health units (average $2800/day[ix]) and Montana State Hospital (average $550/day). In Missoula County alone, there was a 30% increase in voluntary commitments.[x]

BEHAVIORAL HEALTH ALLIANCE OF MONTANA

$49.5M Cuts to DPHHS in January 2018	$30M Reinstated Funds to DPHHS in July 2018
2.99% cut to all Medicaid Providers	2.99% Reinstated to Medicaid Providers July 2018.
50% cut to Children's Targeted Case Management	Funding reinstated at $15.90 per unit for urban counties and 80% of the population. Down from $19.45/unit.
58% cut to Adult Targeted Case Management	New rules to go into effect on July 1, 2020 with enhanced rates that will provide an Adult Continuum of Care. No new rates for Adult TCM.
Intensive Outpatient SUD Treatment Cuts	New rates implemented July 2019.
SUD Assessment Rate Cuts	No funding reinstated yet.
SUD Outpatient Rates Cuts	No funding reinstated yet.
Children's Home Support Services Cut	No funding reinstated yet.
Room and Board for Therapeutic Children's Homes Cut	No funding reinstated yet.
Numerous cuts to Developmentally Disabled Programs	No funding reinstated yet.

Conclusion:

Until the State of Montana provides strong leadership to address the many challenges to the behavioral health and developmentally delayed individuals and their families in Montana, we will continue to be number one in everything that holds us back as a state.

With only a million people in Montana, behavioral health providers with strong state leadership should be able to implement well-known best practices, preventive programs, wrap-around services, and systems of care for both our children and adults. As long as we continue to fund the "status quo" in Montana, we will continue to be one of the lowest ranked states in the nation for the health and well-being of Montanans.

Respectfully submitted, Mary Windecker, Executive Director,
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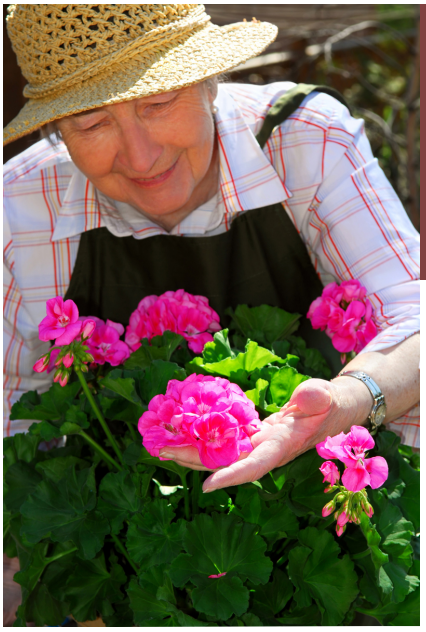
[i] Centers for Disease Control.
[ii] MT DPHHS Montana Vital Statistics
[iii] MT DPHHS Montana Vital Statistics
[iv] MT DPHHS Montana Vital Statistics
[v] MT DPHHS Montana Vital Statistics
[vi] Rimrock Comparison Spreadsheet 2019
[vii] MT Health Care Foundation Grant 2016 Wrapped in Hope Project – KRMC, St. Joe's, THS, St. Luke
[viii] MT DPHHS Strategic Plan: Interim Draft Report 2017-2019 "Addressing Substance Use Disorder in Montana."
[ix] Montana State Hospital website.
[x] Missoula County Attorney's Office – involuntary admission data.

ADULT RESIDENTIAL - ASSISTED LIVING

MEDICAID HOME AND COMMUNITY BASED SERVICES (HCBS) WAIVER



Assisted Living Facilities. There are about 200 licensed assisted living facilities (ALFs) in Montana, serving elderly and disabled individuals who need assistance and are unable to stay in their own homes. Assisted living clients typically don't require the more medically complex services offered in nursing homes. Some ALFs offer specialized services for those with Alzheimer's Disease and Related Dementias in memory care units.

Medicaid Waiver

Most individuals in assisted living facilities pay for their own care. However, assisted living facilities serve about 700 clients under the Medicaid HCBS waiver program. DPHHS and the legislature have stressed the importance of serving individuals in settings other than nursing homes through the home and community based waiver program - when the more intense services of a nursing home are not required. These services are well-liked by clients and are cost effective.

Access issues and Medicaid Rates

In the past, low Medicaid reimbursement and insufficient HCBS slots have resulted in these services not being available to those who would benefit from them. Typically, half of the people on the waiting list for HCBS and most of those who move to community based settings through the nursing home transition program need assisted living services.

At the start of the Covid-19 pandemic, Medicaid rates were increased to levels designed to make services more readily available to those on Medicaid. This allowed more individuals to receive the care they needed at a time when it was particularly important. The new rates reflected rates previously recommended by the Children and Families Health and Human Services Interim Committee, supported by the Legislature by wide margins, and signed into law by Governor Bullock (but not implemented because of the state's budget shortfall shortly after the session).

The new Medicaid rates are still considerably below the average rates charged by facilities to those who pay privately but have still served to increase access to these services. The number of facilities accepting Medicaid clients has increased and some facilities were able to increase the number of Medicaid clients they are willing to serve.

Need for waiver slots to address waiting list. According to DPHHS, the wait lists for both adult residential and basic slots under the waiver have been reduced. However, it is important that the legislature approve additional slots to serve the waiting list.

When there is a lack of access to assisted living under the waiver, elderly Montanans needing assisted living services are told there are no slots available and nursing home placement is the most likely alternative. When that happens, those needing assisted living are not being given the choice they are supposed to have under the terms of the approved waiver—and the state is not benefitting from having this cost effective alternative available for those who can use it.

Covid-19 state and federal health emergency. Assisted living facilities, along with nursing homes, have unfortunately been ground zero during the covid-19 pandemic. Workforce issues and financial issues associated with serving seniors on Medicaid that have plagued senior care facilities over a long period of time were greatly exacerbated by covid-19. In some ways, Covid put the spotlight on these ongoing issues. There was no way to be prepared for the increased costs related to PPE and staff that was simply unavailable and the costs associated with infection control, quarantine, and isolation. The federal government was slow to recognize the need for financial relief for assisted living facilities and they were among the last to receive provider relief funds. Fortunately, the state recognized the dire situation and made long overdue improvements to Medicaid payments that helped those facilities who serve Medicaid residents be in a position to continue to provide care and also be available to serve additional residents. Much later the state also provided covid relief specifically to address the costs of isolation and quarantine in congregate settings. Early on, and even later, assisted living facilities and nursing homes were not a priority for PPE and other support. Testing was not available when needed. Sixty-five percent of assisted living facilities cared for residents who had covid-19 and there have been 160 deaths associated with our assisted living facilities. There are many lessons to be learned from the covid experience and we need to learn them. For sure, one of them is that we need our health system and facilities to be healthy in order to stand a chance of meeting this type of challenge. Also we need to be aware that despite the availability of vaccines, Covid will remain a challenge for senior care facilities. It is unlikely that things will go back to "normal" in these facilities for quite some time, if ever. We need to consider dealing with the lasting effects of Covid when considering Medicaid rates for these facilities.

Recommendations and Considerations

In setting rates and approving slots for assisted living, the goal should always be to allow each individual to choose the setting and services that are most appropriate for them given their individual needs and situation and to assure that the most cost effective alternatives are available. Going forward the lessons from Covid-19 and the ongoing challenges related to Covid-19 must be taken into account.

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NURSING HOME FACTS

Who we serve – the most frail and needy older Montanans. Montana's nursing homes provide care to our most vulnerable elderly - people who can no longer care for themselves. When even the most loving families find it impossible to deal with the extreme physical and mental disabilities of their loved ones, they come to us for help. Because of their many needs, these individuals require 24-hour care and are not candidates for other less intense services. Normally, these individuals have used all of their savings paying for their care, have sold their homes and have otherwise impoverished themselves. Any income, including their social security checks, are applied to the cost of their care. They get to keep $50 per month to meet any personal needs they may have such as shoes, clothing, hair cuts and the like. These are people who have worked hard all their lives, paid taxes and contributed to their communities, but now they are old and sick and need our help.

The role of Medicaid in nursing homes - nearly 70% of our customers are on Medicaid. The state of Montana - through the Medicaid program - has taken on the responsibility of paying for the care of those who cannot afford their own care. About 68% of the people in our nursing homes are on Medicaid and the percent has been increasing in recent years. Because so many of our residents are on Medicaid, the Medicaid rates have a major impact on our ability to hire enough staff, to pay them a living wage, and to meet other necessary expenses.

Impact of inflation - what happens when Medicaid fails to recognize our cost increases? Facilities experience regular increases in the cost of food, medical supplies, utilities, health insurance, liability insurance, labor and basic every day necessities. When rates don't account for these cost increases, facilities take other steps to reduce costs including reducing hours and staff, limiting wage increases, and other steps that also affect the quality of care. On the revenue side, those who pay for their own care see significant rate increases and county facilities go to local taxpayers for more support. Government agencies receive inflationary increases as part of "current level" - to account for cost increases they know are coming - while nursing homes have nothing for inflation built into our current level appropriations. Failure to recognize inflation means that the state is not appropriating sufficient funds to maintain the current level of service.

Cost of regulations. Nursing homes recently completed the final phase of a three-phase implementation of extensive new federal regulations. The new regulations require new staff positions, more training and more paperwork, which is very costly. When the federal government imposed the regulations, their estimate was they would cost every facility about $60,000 a year. Industry estimates were much higher. Either way, these regulations cost Montana facilities millions of dollars. Also, Covid-19 brought many challenges including additional new regulations.

Medicaid rates are significantly less than the cost of providing care. The current average rate paid to a nursing facility is $211.42 for each day of care while the current average cost is about $249 for each day of care. On average, nursing homes currently lose about $38 per day of care provided to Medicaid beneficiaries. The nursing home bed tax was raised significantly during the 2019 biennium to fund significant rate increases, yet there is still this large difference between costs and Medicaid rates.

Direct care wage increases have been specifically funded by the legislature. Nursing homes have worked hard, with help from the legislature, to improve wages to our direct care workers and to distance their wage rates from the minimum wage. This is necessary to attract and retain needed staff, particularly CNA's. Our workers provide the most basic and intimate types of care to residents no longer able to care for themselves—providing personal hygiene needs as well as other physical, emotional and spiritual needs, often taking the place of absent family. This work is both physically and emotionally draining. To attract well-qualified people to this work we must place value on it through the wages we pay.

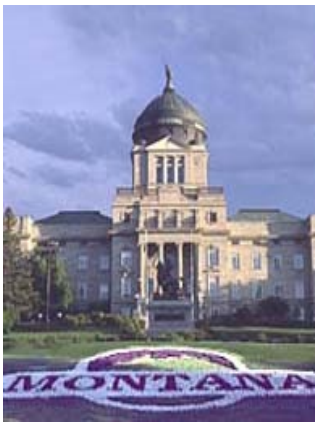
Nursing homes as well as all human services providers who employ direct care workers are experiencing a critical shortage of workers. Low Medicaid rates that do not cover costs and fail to keep up with inflation contribute to this crisis. Unfortunately, we still find ourselves competing for workers with fast food chains and retail outlets like Costco.

The state of Montana General Fund (not attributable to the bed tax paid by nursing homes) pays less than 20% of the cost of nursing home care. For most Medicaid services, the state pays about 34% of the cost. For nursing homes, it is substantially less because of two factors: (1) the patient pays a considerable portion because all but $50 per month of their income is used to pay for their own care; and (2) nursing homes pay a utilization fee (or bed tax) of $15.30 per day on all patient days (not just Medicaid) which raises over $20M to use as state match instead of using state general funds.

TOTAL AVERAGE RATE*	***$211.00***	
Paid by patient	*32.26*	*(15.3%)*
Paid by nursing home bed tax in state special revenue fund and by bed tax deposited in general fund	*22.00*	*(10.4%)*
Paid by State General Fund (non-bed tax)	*39.48*	*(18.7%)*
Paid by Federal government	*117.26*	*(55.6%)*

Nursing homes pay a "bed tax" to help fund nursing home care. Nursing homes pay a provider tax to help fund Medicaid rates. Total provider tax paid by nursing homes amounts to about $22 M annually. This money is used - instead of other state general funds or special funds - to match federal funds used to reimburse nursing homes. Nursing homes have paid this tax since 1992 to help assure the adequacy of Medicaid rates. The 2017 legislative session approved an increase in the bed tax from $8.30 per day to $15.30 per day over the biennium. The funds were to be used only to increase nursing home rates above prior levels in order to get the rates closer to actual costs, to pay the costs associated with the new regulations and to reduce the cost shift to other payers. While the increase helped, there is still a large gap between the Medicaid rate and actual costs.

Counties with nursing homes also help fund Medicaid rates for nursing homes through the intergovernmental transfer (IGT) program. Counties provide funding to the state and the funds are used to match with federal funds to enhance Medicaid payments to nursing homes. About $600,000 from the IGT program are diverted from the lump sum payments to nursing homes and are used instead to support the base rates in the nursing home and community services programs. The funds available through this program have fluctuated wildly and generally have been decreasing. For FY 20, non county facilities received $3.18 per Medicaid day and county facilities received $8.87 per day. IGT funding is paid as a lump sum payment at the end of the fiscal year and are not part of the rate. These payments use one time only (OTO) funds and are not a reliable funding source for ongoing expenses.



Covid-19 state and federal health emergency. Nursing homes have unfortunately been ground zero during the covid-19 pandemic. Workforce issues and financial struggles that have plagued nursing homes over a long period of time were greatly exacerbated by covid-19. In some ways, covid put the spotlight on these ongoing issues. There was no way to be prepared for the increased costs, increased regulations and need for additional PPE and staff that was simply unavailable. The federal government was slow to recognize the need for financial relief for providers who serve mostly those on Medicaid, and the state did not act as quickly as we had hoped to provide the Covid add on rate for nursing homes. Much later the state also provided covid relief specifically to address the costs of isolation and quarantine in congregate settings. Early on, and even later, nursing homes were not a priority for PPE and other support. Testing was not available when needed. Seventy of seventy-one nursing homes cared for individuals who had covid-19 and there were 285 deaths associated with our nursing homes. There are many lessons to be learned from the covid experience and we will need to learn them. For sure, one of them is that we need our health system and facilities to be healthy in order to stand a chance of meeting this type of challenge. Also we need to be aware that despite the availability of vaccines, covid will remain a challenge for senior care facilities. It is unlikely that things will go back to "normal" in these facilities for quite some time, if ever. We need to consider dealing with the lasting effects of covid when considering Medicaid rates for these facilities.

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