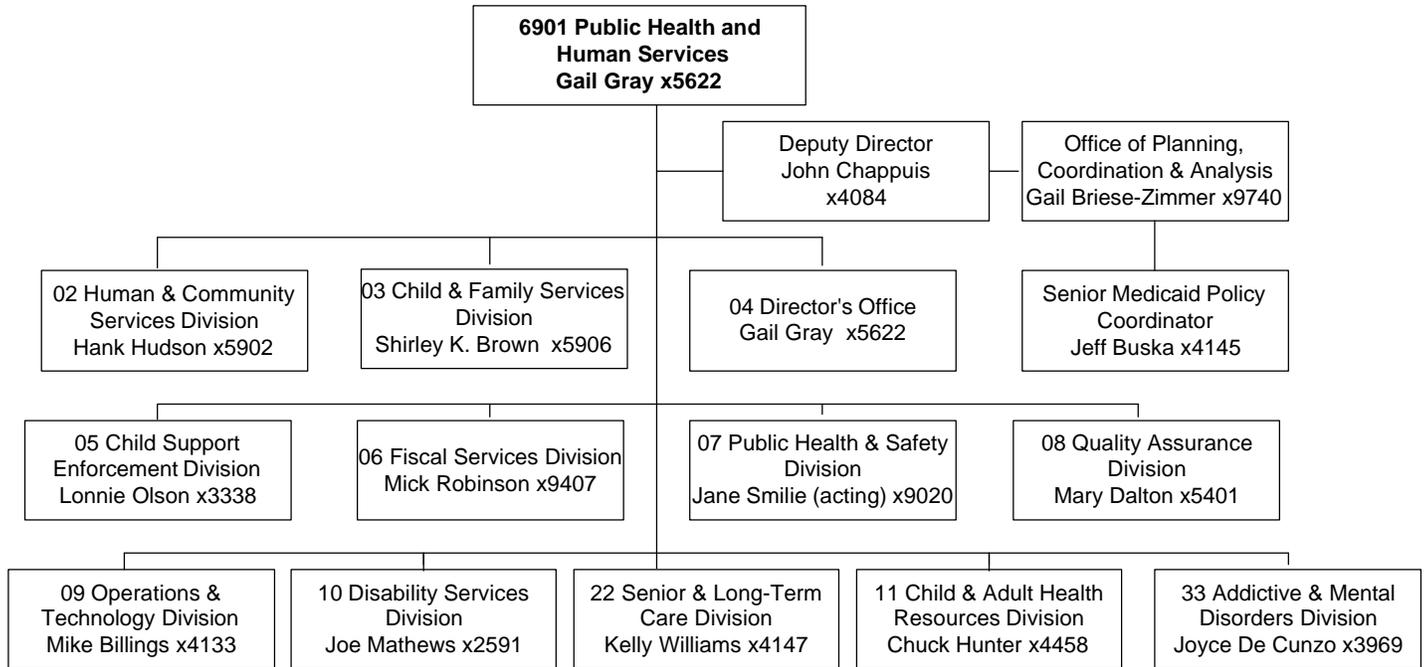


# Public Health and Human Services-6901



**Mission Statement** - Improving and Protecting the Health, Well-Being and Self-Reliance of All Montanans

**Statutory Authority** - 2-15-2201, MCA

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	2,755.01	(28.83)	3.00	2,729.18	(28.83)	13.00	2,739.18
Personal Services	114,038,582	6,294,251	298,262	120,631,095	6,331,035	748,465	121,118,082
Operating Expenses	88,621,395	7,621,094	7,121,364	103,363,853	7,982,391	9,433,669	106,037,455
Equipment	376,355	51,000	85,000	512,355	36,000	0	412,355
Grants	42,470,810	3,268,515	2,354,918	48,094,243	3,761,327	3,161,061	49,393,198
Benefits & Claims	821,366,107	109,768,588	46,809,921	977,944,616	155,528,088	63,405,314	1,040,299,509
Debt Service	598,806	0	0	598,806	0	0	598,806
<b>Total Costs</b>	<b>\$1,067,472,055</b>	<b>\$127,003,448</b>	<b>\$56,669,465</b>	<b>\$1,251,144,968</b>	<b>\$173,638,841</b>	<b>\$76,748,509</b>	<b>\$1,317,859,405</b>
General Fund	248,448,589	44,868,784	2,864,010	296,181,383	56,612,449	2,306,765	307,367,803
State/Other Special	36,553,605	7,310,064	17,590,210	61,453,879	9,140,977	15,825,333	61,519,915
Federal Special	782,469,861	74,824,600	36,215,245	893,509,706	107,885,415	58,616,411	948,971,687
<b>Total Funds</b>	<b>\$1,067,472,055</b>	<b>\$127,003,448</b>	<b>\$56,669,465</b>	<b>\$1,251,144,968</b>	<b>\$173,638,841</b>	<b>\$76,748,509</b>	<b>\$1,317,859,405</b>

## Medicaid Issues

The main factor in the Department of Health and Human Services budget is Medicaid costs. Medicaid is a shared federal / state program that provides health care to disabled and low income Montanans. Medicaid expenditures make up 57 percent of the department's budget and 47 percent of the department's state funds spent. Three factors are driving Medicaid growth in the 2007 biennium: FMAP enhancement adjustments, FMAP rate increases, and caseload growth.

## Public Health and Human Services-6901

The federal government changed the FMAP rate in FY 2004 to assist states in economic recovery. The Jobs and Growth Tax Reconciliation Act resulted in a base year increase of about three percent in the federal payment rate, and a corresponding decrease in the required state share. The total effect of this change was a \$14 million reduction in general fund expenditures in FY 2004. Because this savings artificially lowered expenditures in the base year, the FY 2007 biennium budget includes several decision packages to raise the base to the expected level. This is the level at which the FMAP would have been without the base year federal enhancement. These decision packages are marked as "FMAP Enhancement Adjustment."

FMAP is the Federal Medical Assistance Percentage, or the percentage of Medicaid costs that is paid by the federal government. The balance of these costs is paid by the state. The FMAP rate fluctuates from year to year. Recently the state's rate has been growing, from 27.15 percent in the base year (FY 2004) to 29.46 percent in FY 2006 and 30.00 percent in FY 2007. Increases in Medicaid costs due to these rate increases are accounted for in decision packages labeled "FMAP Adjustment."

The third item that affects Medicaid costs is caseload growth. Medicaid is an entitlement program, which means that all those eligible for the program receive benefits. The cost of Medicaid is determined by three factors: the number of eligible people served; the number of services provided; and the cost of the services. Demographic trends and the cost of health care continue to grow, with a resulting increase in Medicaid costs. Decision packages related to caseload growth have been labeled "Medicaid Caseload."

The following table contains a summary of Medicaid costs (in millions).

Medicaid Present Law General Fund Adjustments 2007 Biennium (in millions)	
Base Budget (FY 2004 Base x 2)	\$496.9
FMAP Enhancement Adjustments	28.0
Regular FMAP Adjustments	26.5
Caseload Growth	<u>33.2</u>
Subtotal	\$584.6
All Other Adjustments	<u>18.9</u>
<b>2007 Biennial General Fund Budget</b>	<b>\$603.5</b>

### Prevention and Stabilization Account

Another important facet of the DPHHS budget this biennium is the Prevention and Stabilization Account (PSA). This account was created and funding appropriated during the 2003 Legislative Session in SB 485. The majority of the account's funding comes from tobacco settlement funds; smaller amounts are collected through bed taxes at Montana Developmental Center and Montana Mental Health Nursing Care Center. The purpose of the PSA is to finance, administer, and provide health and human services. Programs funded through the PSA include tobacco disease prevention, matching funds for Medicaid, Children's Health Insurance Program (CHIP), mental health services, child care services, Montana Initiative for the Abatement of Mortality in Infants (MIAMI), child support enforcement, extended employment, independent living, hospice and home therapy, AIDS prevention, and poison control.

SB 485 sunsets on June 30, 2005 and these programs will lose this part of their funding on that date. Legislation to continue SB 485 and the programs it supports has been introduced by the department and is supported by the Governor. Decision packages that are contingent upon this legislation have been labeled "Continuation of PSA." In addition,

## **Public Health and Human Services-6901**

legislation has been introduced to increase the bed tax at Montana Developmental Center. Although the increase is small, the level of funding budgeted for PSA decision packages is contingent on this legislation, as well.

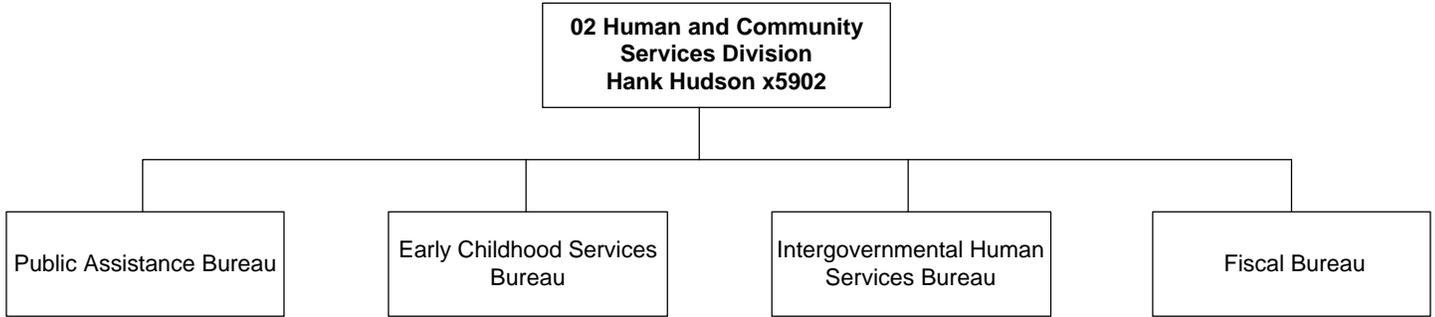
### **Medicaid Redesign**

On July 30, 2003 Governor Martz announced the members of an 18-person council formed to work with the Department of Public Health and Human Services and find long term solutions for several components of the Montana public health-care system. The council was assembled to assist the DPHHS to carry out the direction of legislation, HJR 13, from the 2003 Legislature. The Legislature directed the DPHHS to conduct a study regarding the health programs administered by the department and provide a report to the 59<sup>th</sup> Legislature outlining options that may be undertaken to redesign the health programs administered by the department.

The major focus of the council and the department was to look at “redesigning” the Medicaid program. This included a comprehensive review of the existing eligibility criteria and health benefits provided and the structure and values that are the fundamental underpinnings of the state’s Medicaid system.

The Public Health Care Advisory Council in its report came up with 18 recommendations. The recommendations include: those that have already been adopted by the department and are being integrated into the current operations of the department; those that involve adjustments or refocusing of existing programs; and recommendations that require action by the state legislature and/or federal government. The department has begun the process of submitting legislative language, has started preliminary negotiation with the federal agencies, and has included budget initiatives in this proposed budget.

## Public Health and Human Services-6901 Human and Community Services-02



**Program Description** - The Human and Community Services Division is comprised of four bureaus: 1) Public Assistance; 2) Early Childhood Services; 3) Intergovernmental Human Services; and 4) Fiscal.

The Public Assistance Bureau administers Montana's Temporary Assistance to Needy Families (TANF) program. The bureau also provides eligibility services for Medicaid and Food Stamps.

The Early Childhood Services Bureau:

1. Manages the funds which pay for child care for TANF participants and low-income working families;
2. Contracts with 12 resource and referral agencies to administer child care eligibility, provider recruitment, and technical assistance;
3. Administers the Child and Adult Care Food Program which provides reimbursement to child care providers for the cost of meals served to eligible children and adults; and
4. Administers the Head Start State Collaboration grant.

The Intergovernmental Human Services Bureau administers:

1. The Community Services block grant which is used by ten Human Resource Development Councils to provide a wide range of community-based human services;
2. The Low-Income Energy Assistance Program and Weatherization program;
3. The DOE Weatherization program including funding for weatherization from three other sources;
4. The Emergency Shelter grants program;
5. The Housing Opportunities for Persons with AIDS grant; and
6. Three USDA commodities programs. In addition, the bureau stores and distributes USDA commodity foods to elderly feeding sites, and stores USDA commodity foods for school lunch programs.

The Fiscal Bureau coordinates implementation and monitoring of the division's budget.

Statutory authority is in Title 53, Chapter 2, MCA, and 45 CFR.

### Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Pounds of food delivered to Indian Reservations, elderly feeding sites, charitable organizations, and soup kitchens (in millions)	9	9	9	9	8	8
Number of low-income homes weatherized	2,765	2,000	1,638	1,500	1,600	1,600
Number of households provided with energy assistance	16,977	18,000	19,125	20,000	20,000	20,800
Achieve the all family work participation rate to qualify for the 75% state maintenance of effort	50%	50%	50%	50%	50%	50%
Achieve the two-parent work participation rate to qualify for the 75% state maintenance of effort	90%	90%	90%	90%	90%	90%
Number of low-income working families receiving child care assistance	7,603	6,169	5,689	6,600	6,600	6,400
Number of meals served by the Child and Adult Care Food Program	8,544,870	8,228,739	8,457,786	8,600,000	8,750,000	8,750,000

## Public Health and Human Services-6901 Human and Community Services-02

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	450.61	(6.17)	0.00	444.44	(6.25)	0.00	444.36
Personal Services	17,507,187	634,734	0	18,141,921	624,193	0	18,131,380
Operating Expenses	5,580,843	365,471	0	5,946,314	436,856	0	6,017,699
Equipment	59,368	0	0	59,368	0	0	59,368
Grants	14,243,871	1,444,830	0	15,688,701	1,687,642	0	15,931,513
Benefits & Claims	141,358,984	27,716,858	6,027,084	175,102,926	37,545,935	4,493,268	183,398,187
Debt Service	552	0	0	552	0	0	552
<b>Total Costs</b>	<b>\$178,750,805</b>	<b>\$30,161,893</b>	<b>\$6,027,084</b>	<b>\$214,939,782</b>	<b>\$40,294,626</b>	<b>\$4,493,268</b>	<b>\$223,538,699</b>
General Fund	22,929,286	382,863	366,373	23,678,522	442,666	283,916	23,655,868
State/Other Special	159,542	100,000	350,711	610,253	100,000	349,352	608,894
Federal Special	155,661,977	29,679,030	5,310,000	190,651,007	39,751,960	3,860,000	199,273,937
<b>Total Funds</b>	<b>\$178,750,805</b>	<b>\$30,161,893</b>	<b>\$6,027,084</b>	<b>\$214,939,782</b>	<b>\$40,294,626</b>	<b>\$4,493,268</b>	<b>\$223,538,699</b>

### -----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$1,097,312)	(\$19,063)
FY07	(\$1,041,096)	\$37,153

#### PL- 41 - Child Care Match Reduction -

This \$2.1 million biennial reduction in federal funds and biennial increase in general fund of \$18,090 is the result of a reduction in the federal match grant and changes in the Federal Medical Assistance Percentage rates in FY 2006 and FY 2007.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$128,779	\$64,390
FY07	\$149,917	\$74,958

#### PL- 54 - Offices of Public Assistance Rent Increase -

The department requests \$278,696 in all funds for rent increases at Offices of Public Assistance across the state. Funding of rent expense is half general fund and half federal funds. Funding at this level will allow the department to maintain the leases that are currently under contract and relocate the Glacier County office to a more suitable site.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,194,671	\$0
FY07	\$1,244,671	\$0

#### PL- 100 - Energy Assistance Increases -

This request is for more than \$2.4 million over the biennium to augment the resources available to low-income people and bring the authority up to the expected funding for seven federal grants and state special revenue energy assistance fund. About \$2.2 million of this increase is federal funding and \$200,000 is state special revenue derived from the Universal Low-Income Energy Assistance fund.

**Public Health and Human Services-6901  
Human and Community Services-02**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$17,757,693	\$0
FY07	\$26,777,752	\$0

**PL- 119 - Food Stamp Benefit Increases -**

This present law adjustment requests approximately \$44.5 million in federal appropriation authority over the biennium to fund the historical caseload and poverty level adjustments in the food stamp program. Benefit cases have increased more than 23 percent in the last three years. Food stamp benefit expenditures are estimated to rise to \$95.3 million in FY 2006 and \$104.3 million in FY 2007.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$6,906,315	\$0
FY07	\$6,906,315	\$0

**PL- 120 - Child Care Discretionary Fund Increases -**

An increase in federal authority of \$6.9 million per year and 0.20 FTE are requested for the child care discretionary fund. These funds help pay for the child care costs of the Temporary Assistance for Needy Families (TANF) program and for low-income working families. A substantial portion of this request will be funded from transfers from the TANF block grant.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$3,690,464	\$0
FY07	\$4,443,244	\$0

**PL- 125 - TANF Benefits Assistance Increase -**

This present law adjustment requests more than \$8.1 million in federal appropriation authority for the biennium to fund a projected three percent increase per year in the caseload of the Temporary Assistance for Needy Families (TANF) program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$954,830	\$0
FY07	\$1,197,642	\$0

**PL- 127 - Child and Adult Care Food Program Increase -**

Federal appropriation authority is requested in the amount of \$955,000 for FY 2006 and \$1.2 million for FY 2007 for the Child and Adult Care Food Program. This amount reflects the anticipated 2.3 percent historical rate increase in program reimbursement rates and an anticipated recovery in Child Care activity.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$277,892)	(\$138,946)
FY07	(\$282,135)	(\$141,067)

**PL- 9999 - Statewide FTE Reduction -**

This decision package implements an FTE reduction based on the reductions taken in the 2003 legislative session. This \$280,000 general fund, \$280,000 federal funds, and 6.50 FTE are removed from the budget permanently.

**Public Health and Human Services-6901  
Human and Community Services-02**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$51,031	\$51,031
FY07	\$51,031	\$51,031

**NP- 69 - Tribal TANF Maintenance of Effort -**

An annual general fund appropriation increase is requested in the amount of \$51,031. This appropriation is necessary to transfer Maintenance of Effort funds to Native American tribes that have moved from the state's Temporary Assistance for Needy Families (TANF) plan and now administer their own tribal TANF programs. The appropriation also allows the state to transfer an additional \$100,000 general fund for each of the fiscal years of the succeeding biennium for each of these tribes, as per MCA 53-4-210.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,850,000	\$0
FY07	\$1,850,000	\$0

**NP- 144 - Higher TANF Work Participation Rates – OTO -**

This decision package requests \$3.7 million of federal authority for the 2007 biennium to assist the department in meeting new work participation rate requirements in the Temporary Assistance for Needy Families (TANF) program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,450,000	\$0
FY07	\$0	\$0

**NP- 145 - Energy Conservation and Energy Assistance Biennial – OTO -**

A biennial one-time-only appropriation of \$1.45 million is requested to spend the existing Energy Conservation and Energy Assistance Account federal funds for low-income energy assistance and low-income home weatherization.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,000,000	\$0
FY07	\$1,000,000	\$0

**NP- 147 - TANF Incentive Awards -**

This new proposal requests \$2 million of federal spending authority for the 2007 biennium to provide achievement incentives to participants in the Temporary Assistance for Needy Families (TANF) program. These funds will be used to develop incentive awards for those TANF participants who achieve their General Educational Development High School Equivalency Diploma, maintain employment for specified time periods, or other achievements that help to move families toward self-support.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,000,000	\$0
FY07	\$1,000,000	\$0

**NP- 148 - TANF Diversionary Projects -**

This new proposal requests \$2 million of federal spending authority for the 2007 biennium to provide diversionary projects to help prevent families that are in a short-term crisis from becoming benefit recipients in the Temporary Assistance for Needy Families (TANF) program.

**Public Health and Human Services-6901  
Human and Community Services-02**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$10,000	\$0
FY07	\$10,000	\$0

**NP- 167 - Food Stamp Outreach -**

This new proposal requests \$20,000 federal appropriation authority for the biennium to fund the Food Stamp Outreach program. The funding will allow this successful program to expand from Missoula County into Lewis and Clark and Silver Bow counties.

-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$666,053	\$315,342
FY07	\$582,237	\$232,885

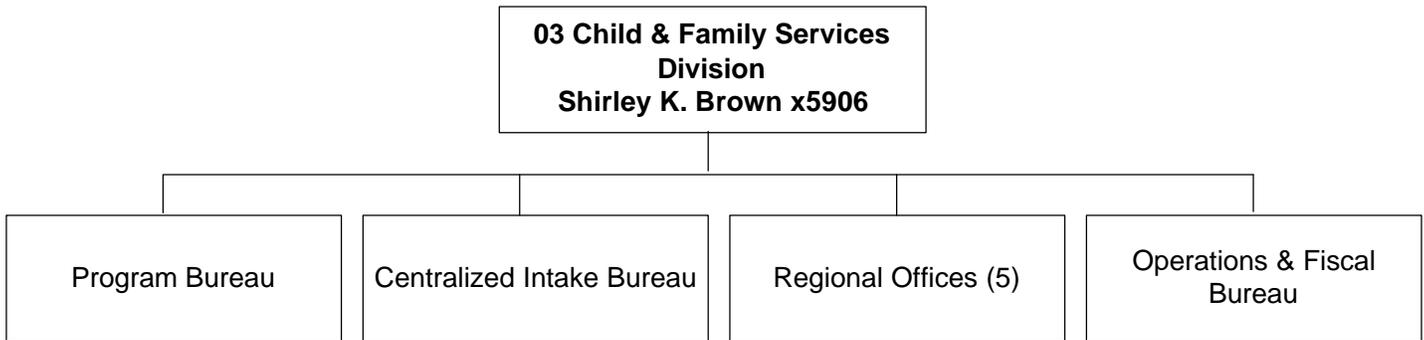
**NP- 5 - Continuation of PSA for Child Care -**

The Prevention and Stabilization Account (PSA) was created and funding appropriated during the 2003 Legislative Session in SB 485. The majority of the funding comes from the tobacco settlement funds. This decision package provides funding over the biennium of over \$700,000 in state special revenue through the Prevention and Stabilization Account and close to \$550,000 in general fund to continue child care services. These services are scheduled to terminate on June 30, 2005 due to one time only funding of SB 485. Please see page B-2 for more details on PSA funding.

**Language Recommendations –**

The President's current budget proposal intends "to adjust cost allocations as they relate to TANF, Medicaid, and the FSP. It will reduce the federal reimbursement for administrative costs of Medicaid by \$300 million to reflect the share assumed in the Temporary Assistance for Needy Families (TANF) block grant and will prohibit states from using TANF funds to pay these costs in FY 2005." Montana's share of the \$300 million is \$646,000 to be offset annually from the state's administrative costs for the Medicaid program. This amount is not included in the proposed budget for the Human and Community Services Division. Sometime during the 59th legislative session the department will know if the federal FY 2005 budget contains this Medicaid Offset requirement and, at that time, the budget may require modification based on the final determination of the cost to Montana.

**Public Health and Human Services-6901  
Child and Family Services-03**



**Program Description** - The Child and Family Services Division (CFSD) administers child protective services, child abuse and neglect services, prevention services, domestic violence grants, and other programs designed to keep children safe and families strong. CFSD oversees five regional offices that administer programs and are advised by Local Family Services Advisory Councils, which serve as the link between local communities and DPHHS. CFSD is the primary user of the statewide Child and Adult Protective Services (CAPS) computer system.

Statutory authority for the program is provided in Titles 41, 42, and 52, MCA, and 45 CFR, Parts 1355, 1356, 1357 and 1370.

**Program Indicators -**

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Total number of children in out of home care at some time throughout the year (unduplicated)	3,184	2,884	2,834	3,030	3,121	3,215
Total number of children entering care	1,559	1,456	1,383	1,424	1,467	1,511
Total number of children exiting care	1,724	1,492	1,194	1,230	1,267	1,305
Finalized subsidized adoption caseload	1,299	1,449	1,519	1,595	1,675	1,759
Average number of placements per child per year	3.93	4.02	3.95	3.8	3.7	3.6
Total number of families served by in-home services programs	1,381	1,409	1,437	1,466	1,495	1,525
Average length of time (number of days) children remain in out of home placements	827	839	845	835	825	815
Permanent placements	744	672	534	600	650	700
Use of extended families for kinship placement	446	371	489	500	515	530

**Public Health and Human Services-6901  
Child and Family Services-03**

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	340.45	(6.35)	0.00	334.10	(6.45)	0.00	334.00
Personal Services	13,413,633	1,674,415	0	15,088,048	1,681,002	0	15,094,635
Operating Expenses	3,595,357	131,727	0	3,727,084	164,048	0	3,759,405
Grants	5,445,386	0	1,500,000	6,945,386	0	1,600,000	7,045,386
Benefits & Claims	23,684,654	2,741,989	157,000	26,583,643	4,190,718	157,000	28,032,372
Debt Service	88,687	0	0	88,687	0	0	88,687
<b>Total Costs</b>	<b>\$46,227,717</b>	<b>\$4,548,131</b>	<b>\$1,657,000</b>	<b>\$52,432,848</b>	<b>\$6,035,768</b>	<b>\$1,757,000</b>	<b>\$54,020,485</b>
General Fund	20,903,608	2,924,071	0	23,827,679	3,802,688	0	24,706,296
State/Other Special	1,451,685	1,429	0	1,453,114	1,441	0	1,453,126
Federal Special	23,872,424	1,622,631	1,657,000	27,152,055	2,231,639	1,757,000	27,861,063
<b>Total Funds</b>	<b>\$46,227,717</b>	<b>\$4,548,131</b>	<b>\$1,657,000</b>	<b>\$52,432,848</b>	<b>\$6,035,768</b>	<b>\$1,757,000</b>	<b>\$54,020,485</b>

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,263,923	\$1,079,891
FY07	\$3,462,810	\$1,651,760

**PL- 15 - Subsidized Adoption Caseload Increase -**

The request is for over \$2.7 million in general fund and almost \$3 million in federal funds for the Subsidized Adoption program for the 2007 biennium. This program is increasing due to two factors: new adoptions exceed the number of children aging out of the program; and new adoption agreements are more expensive than those negotiated in the past.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$478,066	\$305,962
FY07	\$727,908	\$465,861

**PL- 18 - Foster Care Caseload Increase -**

This decision package requests \$434,000 federal funds and \$772,000 general fund over the biennium for caseload increases in the Foster Care program. Caseload is projected to grow at 1.5 percent per year. Although costs were down in FY 2003 and FY 2004, these decreases were due to cost savings measures implemented in those years, and this trend will not continue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$356,941	\$356,941
FY07	\$374,991	\$374,991

**PL- 35 - Annualize Medicaid Targeted Case Management Costs -**

This proposal is for over \$730,000 in general fund over the biennium to replace base year expenditures that were understated due to a one-time-only adjustment in FY 2004 for a new Medicaid Targeted Case Management program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$265,392
FY07	\$0	\$375,104

**PL- 36 - FMAP Adjustment -Foster Care and Subsidized Adoption -**

This request provides an increase in general fund of \$640,496 over the biennium, with an offsetting decrease in federal funds, due to the projected changes in the Federal Medical Assistance Percentage (FMAP) rates in FY 2006 and FY 2007 for the Foster Care and Subsidized Adoption programs. Please see page B-1 for further information on Medicaid changes.

**Public Health and Human Services-6901  
Child and Family Services-03**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$120,000	\$72,000
FY07	\$120,000	\$72,000

**PL- 49 - Overtime - Replace Base Budget -**

This request is for \$144,000 in general fund and \$96,000 in federal funds for the 2007 biennium for overtime pay. Overtime is not included in the personal services base budget. Overtime expenditures are required at times and average \$120,000 per year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$154,471	\$92,683
FY07	\$184,968	\$110,981

**PL- 53 - Rent Increases -**

This request is for \$203,664 general fund and \$135,775 in federal funds for the 2007 biennium to pay for increased rent costs. The division pays rent in 39 local offices across the state. Most of the rental agreements have been negotiated for several years into the future with annual inflationary increases ranging from 1.5 percent to 5 percent. In addition, new locations in Missoula and Great Falls will be more expensive and make up the majority of this request. The new locations will be safer and more accessible for clients and staff.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$270,239)	(\$126,401)
FY07	(\$276,114)	(\$129,101)

**PL- 9999 - Statewide FTE Reduction -**

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 6.45 FTE and \$256,000 general fund per biennium, plus \$291,000 in federal funds, are removed from the budget permanently.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$300,000	\$0
FY07	\$400,000	\$0

**NP- 152 - Increased Federal Grants -**

The agency is requesting \$700,000 of additional federal spending authority for the 2007 biennium for two grants. This request includes additional federal authority of \$500,000 for the biennium for the Safe and Stable Families grant. This grant also requires a 20 percent match and the division has adequate matching funds in the base budget. This request includes additional federal authority of \$200,000 for the biennium for the Independent Living Grant. This grant requires a 20 percent match that is met at the local level.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$157,000	\$0
FY07	\$157,000	\$0

**NP- 177 - Education and Training Vouchers for Foster Youth -**

The proposal adds federal spending authority of \$314,000 over the biennium for the Education and Training Voucher program which is a newly authorized purpose under the Chafee Foster Care Independence Program. This grant targets additional resources specifically to meet the education and training needs of youth aging out of foster care.

**Public Health and Human Services-6901  
Child and Family Services-03**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,200,000	\$0
FY07	\$1,200,000	\$0

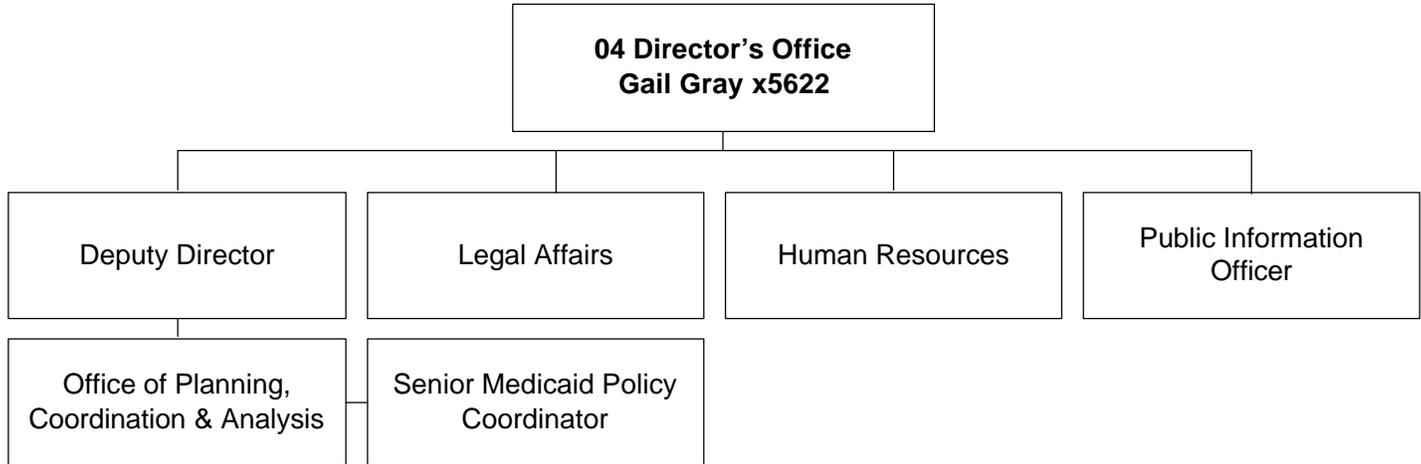
**NP- 178 - Social Services Stipend Program -**

This federal authority request is for \$1.2 million per year to provide stipends for existing and potential Child and Family Services and Tribal social workers to obtain their Bachelor or Masters of Social Work degrees. Programs are currently in place at the University of Montana and Salish Kootenai College. The schools provide the required Social Security Act Title IV Part E match.

**Language Recommendations –**

The Child and Family Services Division is authorized to pursue the hiring of five FTEs provided these actions do not require or commit the state to additional general fund expenditures beyond the amount appropriated for the 2007 biennium by the legislature for this division.

**Public Health and Human Services-6901  
Director's Office-04**



**Program Description** - Program Description - The Director's Office provides overall policy development and administrative guidance for the department. Included in the Director's Office are the Deputy Director, state Medicaid director, legal affairs, personnel services, public information, the prevention resource center, the AmeriCorps\*VISTA Program, and the Office of Planning, Coordination, and Analysis. The Department of Public Health and Human Services Statewide Advisory Council, the Native American Advisory Council, and the Montana Health Coalition are administratively attached and the director serves on the Interagency Coordinating Council for State Prevention Programs, which is attached to the Governor's Office.

The Office of Planning, Coordination, and Analysis was established to assist the department director and deputy director in enhancing DPHHS program services provided to Montanans. This office is a continuation and an extension of the duties performed by the refinancing unit initially established through HB 2 of the 2002 special legislative session. The office is projected to save approximately \$500,000 general fund per year.

Statutory authority is in Title 2, Chapter 15, part 22 and Title 53, Chapter 19, part 3, MCA.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	36.75	(0.75)	0.00	36.00	(0.75)	6.00	42.00
Personal Services	2,618,625	(572,292)	0	2,046,333	(572,143)	312,552	2,359,034
Operating Expenses	852,235	11,439	0	863,674	12,242	5,000,000	5,864,477
Benefits & Claims	0	0	0	0	0	14,787,448	14,787,448
Debt Service	8,282	0	0	8,282	0	0	8,282
<b>Total Costs</b>	<b>\$3,479,142</b>	<b>(\$560,853)</b>	<b>\$0</b>	<b>\$2,918,289</b>	<b>(\$559,901)</b>	<b>\$20,100,000</b>	<b>\$23,019,241</b>
General Fund	1,438,349	(247,056)	0	1,191,293	(244,066)	0	1,194,283
State/Other Special	290,435	(42,344)	0	248,091	(42,085)	100,000	348,350
Federal Special	1,750,358	(271,453)	0	1,478,905	(273,750)	20,000,000	21,476,608
<b>Total Funds</b>	<b>\$3,479,142</b>	<b>(\$560,853)</b>	<b>\$0</b>	<b>\$2,918,289</b>	<b>(\$559,901)</b>	<b>\$20,100,000</b>	<b>\$23,019,241</b>

**Public Health and Human Services-6901  
Director's Office-04**

**Program Indicators -**

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Number of Employees	3,084	2,983	2,896	2,896	2,831	2,831
Workers Comp Claims Processed	741	670	651	700	700	700
ERTW Coordinated Claims	72	59	36	30	30	30
Trainings (Safety, Policy, New Employee)	415	345	366	475	475	475

-----**Present Law Adjustments**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$39,877)	(\$19,532)
FY07	(\$39,997)	(\$19,591)

**PL- 9999 - Statewide FTE Reduction -**

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 0.75 FTE and \$39,000 general fund per biennium, along with \$431 in state special revenue and \$40,000 in federal funds, are removed from the budget permanently.

-----**Other Legislation Required to Implement HB2**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$0
FY07	\$20,000,000	\$0

**NP- 188 - HIFA Waiver – Medicaid Redesign -**

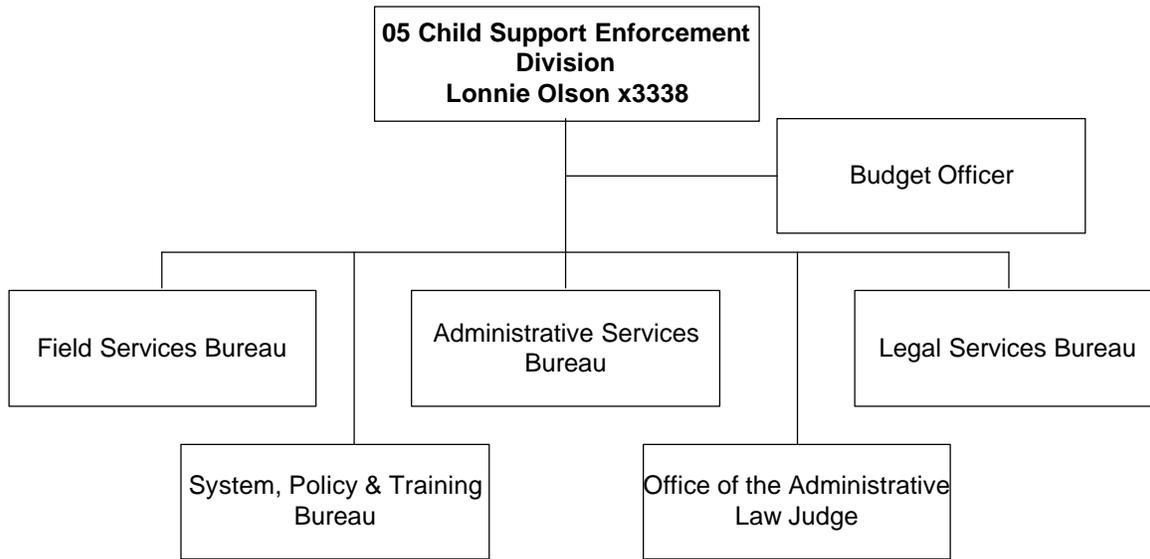
This proposal requests \$20 million over the biennium in federal authority required for the Health Insurance Flexibility and Accountability (HIFA) waiver. Federal funds will be used to finance the Mental Health Services Plan (MHSP), which is currently a 100 percent state funded program, and will be distributed to the Addictive and Mental Disorders Division, Health Resources Division, and Operations and Technology Division. The state match for the federal funds will be moved from the MHSP and be used as match for expanded health care coverage. An additional 6.00 FTE are included for program administration.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$0
FY07	\$100,000	\$0

**NP- 189 - Waiver of Deeming -**

The Waiver of Deeming currently allows the medical expenses of developmentally disabled individuals to be covered by Medicaid regardless of the income level of the family. This proposal will provide state special revenue of \$100,000 of additional staff resources to determine the personal family assets of developmentally disabled persons and allows the department to recover co-payment or enrollment fees from those families able to pay for a part of the care.

## Public Health and Human Services-6901 Child Support Enforcement-05



**Program Description** - The purpose of the Child Support Enforcement Division (CSED) is to pursue and obtain financial and medical support for children by establishing, enforcing, and collecting financial support owed by obligated parents. Program staff locates absent parents, identifies assets, establishes paternity, and ensures obligated parents maintain medical health insurance coverage for their dependent children. Child support payments are collected for families receiving public assistance, Families Achieving Independence in Montana (FAIM), and those not on assistance. Services are available to any applicant regardless of income level.

Activities carried out by program staff are authorized in Title 40, Chapter 5, MCA, and are mandated by the federal government in accordance with Title IV-D of the Social Security Act, 42 USC 651 et seq., and 45 CFR, Chapter 3.

### Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Percent of cases in enforcement	84%	84%	84%	84%	84%	84%
Child Support Collections	51,423,420	53,002,074	54,322,737	55,000,000	56,000,000	57,000,000

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	168.25	(0.04)	0.00	168.21	(0.18)	0.00	168.07
Personal Services	6,737,069	652,045	0	7,389,114	637,211	0	7,374,280
Operating Expenses	1,617,217	52,974	1,263,678	2,933,869	52,978	0	1,670,195
Equipment	24,400	0	0	24,400	0	0	24,400
<b>Total Costs</b>	<b>\$8,378,686</b>	<b>\$705,019</b>	<b>\$1,263,678</b>	<b>10,347,383</b>	<b>\$690,189</b>	<b>0</b>	<b>\$9,068,875</b>
General Fund	271,275	(1,482)	396,345	666,138	(6,706)	392,078	656,647
State/Other Special	2,056,466	240,808	867,333	3,164,607	237,541	(392,078)	1,901,929
Federal Special	6,050,945	465,693	0	6,516,638	459,354	0	6,510,299
<b>Total Funds</b>	<b>\$8,378,686</b>	<b>\$705,019</b>	<b>\$1,263,678</b>	<b>\$10,347,383</b>	<b>\$690,189</b>	<b>\$0</b>	<b>\$9,068,875</b>

**Public Health and Human Services-6901  
Child Support Enforcement-05**

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$1,482)	(\$1,482)
FY07	(\$6,706)	(\$6,706)

**PL- 9999 - Statewide FTE Reduction -**

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 0.18 FTE and \$8,000 general fund per biennium are removed from the budget permanently.

-----New Proposals-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$396,345
FY07	\$0	\$392,078

**NP- 191 - Child Support Maintenance Funding -**

This decision package requests general fund of less than \$790,000 over the biennium to replace federal incentive funding that has decreased due to a change in the federal calculation method. This is necessary to maintain Child Support Enforcement Division operations at the current level and enable the division to meet federal performance standards required to obtain federal funding.

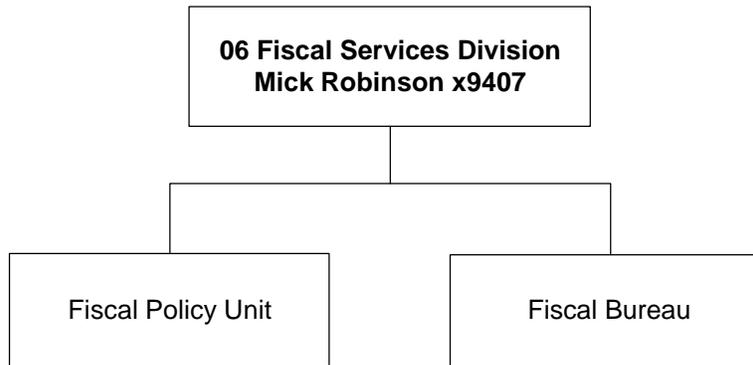
-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,263,678	\$0
FY07	\$0	\$0

**NP- 6 - Continuation of PSA for Child Support Enforcement -**

The Prevention and Stabilization Account (PSA) was created and funding appropriated during the 2003 Legislative Session in SB 485. The majority of the funding comes from the tobacco settlement funds. This decision package provides funding over the biennium of close to \$1.3 million in state special revenue through the Prevention and Stabilization Account to continue services at the level of the 2005 biennium. These services are scheduled to terminate on June 30, 2005 due to one-time-only funding of SB 485. Please see page B-2 for further information on PSA funding.

## Public Health and Human Services-6901 Fiscal Services-06



**Program Description** - Fiscal Services Division (FSD) provides support including financial and accounting services; agency cash management; preparation and filing of federal financial reports; payroll services; and purchasing of supplies and equipment for the department. The division provides leadership and guidance in the development and implementation of accounting policies and procedures, as well as innovative, effective and efficient business processes that represent best practices.

The division's funding is a complex mixture of state and federal money determined by ratios associated with total departmental funding. Approximately 60 percent of the funding comes from federal sources.

Statutory authority is in Title 17, Chapter 1, part 1, and Chapter 2, MCA, and 45 CFR Subtitle A, Part 92 and Subpart C92.2.

### Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Total number of payments processed *	650,419	630,799	530,273	520,000	520,000	520,000
Reimbursement Collections	\$23,839,437	\$23,367,510	\$23,496,513	\$19,516,092	\$19,516,092	\$19,516,092
Reimbursement Claims Processed **	19,747	18,636	15,493	12,868	12,868	12,868
Number of Accountable Grants/Funds	152	166	166	167	169	170

\*Total number of payments processed – The department has implemented the electronic processing of TANF and Child Support payments and implemented the PERQS, Travel and Contracts Subsystems that consolidate vendor payments, reducing the number of client warrants issued.

\*\*Reimbursement claims processed – the reduction reflects the closure of Eastmont and a population reduction at Montana Mental Health Nursing Care Center.

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	54.00	(0.60)	0.00	53.40	(0.60)	0.00	53.40
Personal Services	2,188,515	125,426	0	2,313,941	123,105	0	2,311,620
Operating Expenses	2,765,704	907,435	0	3,673,139	593,934	0	3,359,638
Debt Service	32,631	0	0	32,631	0	0	32,631
<b>Total Costs</b>	<b>\$4,986,850</b>	<b>\$1,032,861</b>	<b>\$0</b>	<b>\$6,019,711</b>	<b>\$717,039</b>	<b>\$0</b>	<b>\$5,703,889</b>
General Fund	1,913,526	331,896	0	2,245,422	193,074	0	2,106,600
State/Other Special	281,425	74,787	0	356,212	68,369	0	349,794
Federal Special	2,791,899	626,178	0	3,418,077	455,596	0	3,247,495
<b>Total Funds</b>	<b>\$4,986,850</b>	<b>\$1,032,861</b>	<b>\$0</b>	<b>\$6,019,711</b>	<b>\$717,039</b>	<b>\$0</b>	<b>\$5,703,889</b>

**Public Health and Human Services-6901  
Fiscal Services-06**

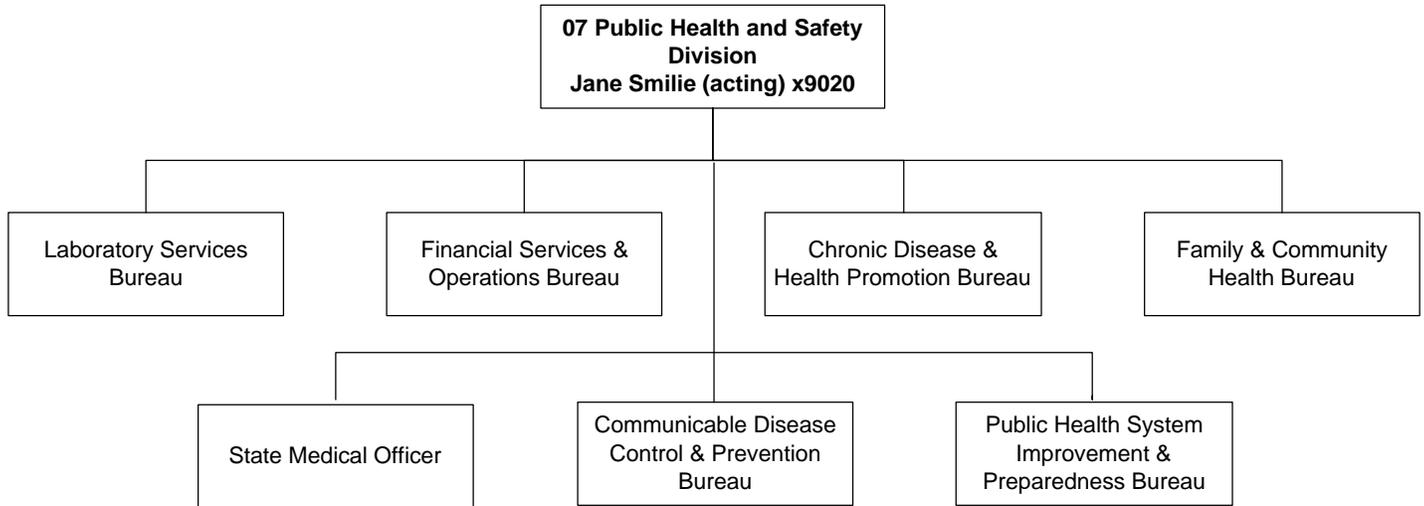
-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$20,501)	(\$20,501)
FY07	(\$20,638)	(\$20,638)

**PL- 9999 - Statewide FTE Reduction -**

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 0.60 FTE and \$41,000 general fund per biennium are removed from the budget permanently.

## Public Health and Human Services-6901 Public Health and Safety-07



**Program Description** - Program Description - The purpose of the Public Health and Safety Division (PHSD) is to improve and protect the health and safety of Montanans. The division provides a wide range of preventive, emergency preparedness, and other public health services to individuals and communities. Services are provided through a broad range of private and public providers, including public health departments, clinics, and hospitals. The division administers public health programs including, but not limited to:

1. Clinical and environmental laboratory services;
2. Women's, Infants and Children's Special Nutrition Program (WIC);
3. Maternal and Child Public Health Services;
4. Immunization programs;
5. STD/HIV prevention;
6. Food and Consumer Safety;
7. Emergency Medical Services;
8. Family Planning;
9. Chronic and communicable disease prevention; and
10. Public health emergency preparedness.

Public health is administered at both the state level and at the local level through contract arrangements with local public health and other health service agencies. The division provides public health services through over 700 contracts with local providers.

Statutory authority for public health functions is in Title 50, MCA, including local public health activities. Rules concerning public health programs are in Title 37 of the Administrative Rules of Montana. Specific citations include: Maternal and Child Health Title 50, Chapter 1 and Chapter 19, MCA, and Title V of the Social Security Act; Family Planning Title X of the federal Public Health Service Act and 42 CFR, Subpart A, Part 59; WIC P. L. 95-627, Child Nutrition Act of 1966, and 7CFR part 246

Program Indicators -

Indicator	Actual FY2002	Actual 2003	Actual 2004	Estimated FY2005	Requested FY2006	Requested FY2007
Number of clients served by WIC Program	21,121	21,332	21,545	21,760	21,640	21,748
Net Food Costs for WIC	\$8,798,845	\$9,241,022	\$9,708,177	\$10,197,258	\$10,444,385	\$10,757,717

**Public Health and Human Services-6901  
Public Health and Safety-07**

Program Proposed Budget	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	157.03	(0.24)	12.00	168.79	(0.29)	12.00	168.74
Personal Services	6,747,304	713,572	507,196	7,968,072	707,437	505,799	7,960,540
Operating Expenses	20,269,621	5,285,799	2,506,908	28,062,328	5,286,066	1,245,000	26,800,687
Equipment	132,349	0	0	132,349	0	0	132,349
Grants	6,664,753	632,000	0	7,296,753	632,000	0	7,296,753
Benefits & Claims	9,112,972	0	0	9,112,972	0	0	9,112,972
Debt Service	37,587	0	0	37,587	0	0	37,587
<b>Total Costs</b>	<b>\$42,964,586</b>	<b>\$6,631,371</b>	<b>\$3,014,104</b>	<b>\$52,610,061</b>	<b>\$6,625,503</b>	<b>\$1,750,799</b>	<b>\$51,340,888</b>
General Fund	1,852,039	74,855	183,992	2,110,886	71,407	183,991	2,107,437
State/Other Special	5,320,797	516,372	1,223,796	7,060,965	518,572	(38,239)	5,801,130
Federal Special	35,791,750	6,040,144	1,606,316	43,438,210	6,035,524	1,605,047	43,432,321
<b>Total Funds</b>	<b>\$42,964,586</b>	<b>\$6,631,371</b>	<b>\$3,014,104</b>	<b>\$52,610,061</b>	<b>\$6,625,503</b>	<b>\$1,750,799</b>	<b>\$51,340,888</b>

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$159,000	\$0
FY07	\$159,000	\$0

**PL- 96 - Increase Funding for Local Board Inspection Funds -**

This request is for an additional \$159,000 each year of the biennium for increased state special revenue spending authority for Food and Consumer Safety Section Local Board Inspection Funds license fees. These fees were increased by the 2003 Legislature and implemented in FY 2005, so are not reflected in the base.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$72,000	\$0
FY07	\$72,000	\$0

**PL- 102 - Additional Authority for Lab Supplies -**

This request adds \$72,000 each year of the biennium of state special spending authority to meet projected increases in the public health laboratory supply budget for increased test volumes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,026,038	\$0
FY07	\$1,022,238	\$0

**PL- 124 - Fully Implement Emergency Preparedness -**

This request is for additional federal spending authority of \$2,048,000 over the biennium for increased funding for Public Health Emergency Preparedness (Centers for Disease Control and Prevention). Expenditures for public health preparedness activities continue to increase as this program becomes fully implemented.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,166,050	\$0
FY07	\$1,165,852	\$0

**PL- 128 - Fully Implement Hospital Emergency Preparedness -**

This decision package requests an additional \$1,166,000 each year of the biennium in federal spending authority for increased funding for Hospital Emergency Preparedness funded by the Health Resources and Services Administration to fully implement hospital preparedness activities.

**Public Health and Human Services-6901  
Public Health and Safety-07**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$445,000	\$0
FY07	\$445,000	\$0

**PL- 129 - Expanded West Nile Activities -**

This request is for an additional \$445,000 each year of the biennium for increased federal spending authority, due to expanded West Nile activities in Montana through the Epidemiology and Lab Capacity Cooperative agreement.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$300,000	\$0
FY07	\$300,000	\$0

**PL- 130 - Increase Funding for Breast and Cervical Cancer -**

This request adds \$300,000 each year of the biennium for increased federal spending authority for the Montana Breast and Cervical Health Program. This funding will support performance based contracts and provider reimbursement for breast and cervical cancer screening for 3,000 women.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$274,971	\$0
FY07	\$274,971	\$0

**PL- 131 - Increase Funding for Obesity Prevention Grant -**

This request is for an additional \$274,971 each year of the biennium for federal spending authority for the Centers for Disease Control Obesity Prevention Grant. This funding will fund interventions within Montana communities, work sites, and schools to promote healthy nutrition and regular physical activity.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$175,000	\$0
FY07	\$175,000	\$0

**PL- 133 - Increase Funding for Biomonitoring -**

This request is for an additional \$175,000 federal funds each year of the biennium for increased funding for the Biomonitoring grant. This grant is provided by Centers for Disease Control to investigate human exposure to chemical contaminants in the environment.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$168,000	\$0
FY07	\$168,000	\$0

**PL- 134 - Increase Funding for Ryan White AIDS Grant -**

This request is for an additional \$168,000 each year of the biennium for increased federal spending authority for Ryan White Title II. This funding will allow the state to take advantage of expanded available treatment funding by matching with AIDS - Prevention and Stabilization Account funding and increase available treatment funding.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$100,000	\$0
FY07	\$100,000	\$0

**PL- 136 - Increase Funding for Tuberculosis Grant -**

This request adds \$200,000 over the biennium in federal funds for increased funding for the Tuberculosis Elimination Cooperative Agreement.

**Public Health and Human Services-6901  
Public Health and Safety-07**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$78,000	\$0
FY07	\$78,000	\$0

**PL- 137 - Increase Funding for Immunization Grant -**

This request is for an additional \$78,000 each year of the biennium for increased federal spending authority for immunizations.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$61,000	\$0
FY07	\$61,000	\$0

**PL- 138 - Increase Funding for Rape Prevention and Sexual Assault -**

This request is for an additional \$61,000 each year of the biennium for increased federal spending authority for the Rape Prevention and Sexual Assault grant.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$44,000	\$0
FY07	\$44,000	\$0

**PL- 139 - Increase Funding for STD Prevention -**

This request is for an additional \$44,000 each year of the biennium for increased federal spending authority for the Sexually Transmitted Diseases Prevention program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$35,000	\$0
FY07	\$35,000	\$0

**PL- 140 - Increase Funding for Health Trend Monitoring -**

This request is for an additional \$70,000 federal funds over the biennium for the Behavioral Risk Factor Surveillance System. This survey is a key source of information on health trends, risks for disease, access to health care and health-related practices of Montanans. The increased funding will allow the information from the survey to be more widely disseminated and better utilized for health improvements.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$18,000	\$0
FY07	\$18,000	\$0

**PL- 141 - Increase Funding for Diabetes Control Program -**

This request adds \$18,000 federal funds each year of the biennium for the Diabetes Control Program. These additional funds will be used to support the existing primary care practices in the state's quality improvement network and to work with new primary care practices over the biennium

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$591,000	\$0
FY07	\$591,000	\$0

**PL- 169 - Montana Cardiovascular Health Program -**

This request is for \$1,182,000 over the biennium in federal spending authority for the Montana Cardiovascular Health Program. This funding will enhance program efforts statewide targeting improved care for Montanans with heart disease, stroke, hypertension, and high cholesterol.

**Public Health and Human Services-6901  
Public Health and Safety-07**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$356,024	\$0
FY07	\$356,024	\$0

**PL- 170 - Montana Tobacco Use Prevention Quit Line -**

This request is for an additional \$356,024 each year of the biennium for federal spending authority for the Montana Tobacco Use Prevention Program to increase access to tobacco use cessation services.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$30,715	\$0
FY07	\$30,715	\$0

**PL- 171 - Montana Tobacco Use Prevention Base Funding -**

This request is for an additional \$30,715 each year of the biennium for increased federal spending authority for Montana Tobacco Use Prevention Program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$167,000	\$0
FY07	\$167,000	\$0

**PL- 176 - Increase Funding - Preventative Health Block Grant -**

This request is for an additional \$167,000 each year of the biennium for increased federal spending authority for the Preventative Health Block grant.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$632,000	\$0
FY07	\$632,000	\$0

**PL- 185 - Increase Funding for Women, Infants and Children -**

This request is for an additional \$632,000 each year of the biennium for increased federal spending authority for the Women, Infants and Children (WIC) grant. This grant is projected to be \$14 million each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$12,675)	(\$12,675)
FY07	(\$15,271)	(\$15,271)

**PL- 9999 - Statewide FTE Reduction -**

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 0.29 FTE and \$28,000 general fund for the biennium are removed from the budget permanently.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$100,000	\$0
FY07	\$100,000	\$0

**NP- 101 - Prior Year Authority- Local Board Inspection Funds -**

This request is for an additional \$100,000 each year of the biennium for state special spending authority for prior year local board inspection funds. These funds, a portion of the Food and Consumer Safety license fee, were collected in prior years and not distributed. Authority is needed to distribute these funds for activities related to improving performance in this area.

**Public Health and Human Services-6901  
Public Health and Safety-07**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$45,880	\$0
FY07	\$45,752	\$0

**NP- 117 - Clinical Laboratory Specialist -**

This request is for \$91,632 over the biennium for state special revenue spending authority for a Clinical Laboratory Specialist to work in the Public Health Laboratory. This position is needed to keep up with workloads, which have increased 21.6 percent over the last five years, while staffing has remained constant.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$275,000	\$0
FY07	\$275,000	\$0

**NP- 155 - Rural Access to Emergency Devices Grant -**

This request is for continuation of the Automatic External Defibrillator grant of \$275,000 federal spending authority each year of the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$150,000	\$0
FY07	\$150,000	\$0

**NP- 156 - Comprehensive Cancer Control Program -**

This request is for \$150,000 each year of the biennium for federal spending authority for the Comprehensive Cancer Control Program. This effort will increase cancer awareness and preventive screening among Montanans.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$145,000	\$0
FY07	\$145,000	\$0

**NP- 158 - Smoke Detector and Fall Prevention Grant -**

This request is for \$145,000 federal funds each year of the biennium for the Centers for Disease Control Smoke Detector and Fall Prevention grant.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$135,818	\$0
FY07	\$135,440	\$0

**NP- 159 - Statewide Emergency Preparedness Staff -**

This request is for 3.00 FTE and over \$270,000 in federal spending authority over the biennium to make permanent three current modified positions in the Public Health Emergency Preparedness area. The request includes a Food Safety Laboratory Scientist, Chemical Terrorism Laboratory Coordinator, and Administrative Support for Public Health Emergency Communications and Training.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$100,000	\$0
FY07	\$100,000	\$0

**NP- 160 - Early Childhood Comprehensive System Grant -**

This request is for \$100,000 each year of the biennium for increased federal spending authority for the Early Childhood Comprehensive System Grant. This program supports states in collaborative early childhood system development, with the ultimate goal of supporting families and children who are healthy and ready to learn at school entry. This grant will allow the department to design a plan for an Early Childhood Comprehensive System in Montana.

**Public Health and Human Services-6901  
Public Health and Safety-07**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$74,997	\$0
FY07	\$74,794	\$0

**NP- 161 - Libby Asbestos Program Staffing -**

This is a request for 2.00 FTE and \$75,000 each year of the biennium for federal spending authority to make permanent the current modified positions of program manager and administrative assistant for the Libby Asbestos Program in Libby, Montana.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$43,580	\$0
FY07	\$43,461	\$0

**NP- 163 - Public Health Planner -**

This is a request for 1.00 FTE and \$87,041 over the biennium for federal spending authority to make permanent the current modified position of Public Health Planner. This position is responsible for public health planning activities including providing data and support for state and local health assessment and health improvement planning. Work products include county health profiles, reports on the state of the state's health, and a Public Health and Safety Division strategic plan.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$40,207	\$0
FY07	\$40,098	\$0

**NP- 164 - Communicable Disease Monitoring Staffing -**

This is a request for 1.00 FTE and \$40,000 each year of the biennium for federal spending authority to make permanent the current modified position of Health Program Specialist for Communicable Disease Monitoring.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$37,188	\$0
FY07	\$37,090	\$0

**NP- 165 - Environmental Public Health Tracking Staff -**

This is a request for 1.00 FTE and \$37,000 each year of the biennium for federal spending authority to make permanent the current modified position of Environmental Public Health Tracking Program Specialist. This position's duties include addressing environmental health concerns and developing a public health tracking network.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$25,000	\$0
FY07	\$25,000	\$0

**NP- 166 - Adult Lead Reporting -**

This request is for \$25,000 each year of the biennium for federal spending authority to fund the Adult Lead Reporting program.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$450,000	\$0
FY07	\$450,000	\$0

**NP- 172 - Increase Funding for Montana Disability and Health Program -**

This request is for \$450,000 each year of the biennium in federal spending authority for the Montana Disability and Health Program. This program, funded through the Centers for Disease Control and Prevention, coordinates and provides services to prevent secondary conditions and improve the health of Montanans with disabilities. Secondary conditions are health conditions that are acquired after the onset of a primary disability. Examples of common secondary conditions in adults with developmental disabilities include weight problems, dental problems, and bladder dysfunction.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$45,880	\$0
FY07	\$45,752	\$0

**NP- 187 - Environmental Laboratory Chemist -**

This request is for \$91,632 over the biennium in federal authority for a Chemist to work in the Environmental Laboratory. This Chemist will validate, implement and perform the new laboratory tests for Chemical Terrorism. These tests have been developed by Centers for Disease Control and Prevention but have not yet been available in Montana.

-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,100,000	\$0
FY07	\$0	\$0

**NP- 7 - Continuation of PSA for MIAMI -**

The Prevention and Stabilization Account (PSA) was created and funding appropriated during the 2003 Legislative Session in SB 485. The majority of the funding comes from the tobacco settlement funds. This decision package provides funding over the biennium of \$1.1 million in state special revenue through the Prevention and Stabilization Account to continue services in the Montana Initiative for the Abatement of Mortality in Infants (MIAMI) at the level of the 2005 biennium. These services are scheduled to terminate on June 30, 2005 due to one-time-only funding of SB 485. Please see page B-2 for further information on PSA funding.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$84,000	\$0
FY07	\$0	\$0

**NP- 11 - Continuation of PSA for AIDS Prevention -**

The Prevention and Stabilization Account (PSA) was created and funding appropriated during the 2003 Legislative Session in SB 485. The majority of the funding comes from the tobacco settlement funds. This decision package provides funding over the biennium of \$84,000 in state special revenue through the Prevention and Stabilization Account to continue services at the level of the 2005 biennium. These services are scheduled to terminate on June 30, 2005 due to one-time-only funding of SB 485. Please see page B-2 for further information on PSA funding.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$77,908	\$0
FY07	\$0	\$0

**NP- 12 - Continuation of PSA for Poison Control -**

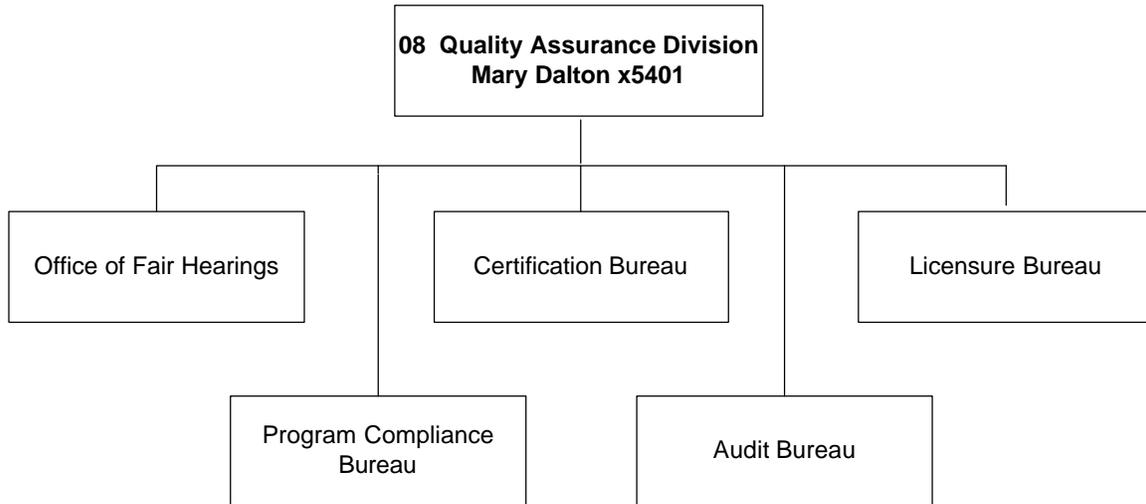
The Prevention and Stabilization Account (PSA) was created and funding appropriated during the 2003 Legislative Session in SB 485. The majority of the funding comes from the tobacco settlement funds. This decision package provides funding over the biennium of \$77,908 in state special revenue through the Prevention and Stabilization Account to continue services at the level of the 2005 biennium. These services are scheduled to terminate on June 30, 2005 due to one-time-only funding of SB 485. Please see page B-2 for further information on PSA funding.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$83,646	\$183,992
FY07	\$83,412	\$183,991

**NP- 111 - Montana Tobacco Use Prevention Fund Switch and Reduction -**

This decision package includes a biennial increase of \$167,058 in federal funds, along with a reduction of \$367,983 in state special spending authority from the Prevention and Stabilization Account (PSA) and an offsetting increase of \$367,983 in general fund. This will fund the Montana Tobacco Use Prevention Program at the FY 2004 base level. This decision package also requests to make permanent 2.00 modified FTE funded with federal tobacco prevention funds. This reduction in PSA funds is a reflection of projected decreasing revenues from tobacco settlement payments.

## Public Health and Human Services-6901 Quality Assurance-08



**Program Description** - The Quality Assurance Division (QAD) provides comprehensive services that:

1. Protect the safety of clients utilizing Montana's health care, day care, and residential providers through licensure of 2,234 facilities; 397 of these facilities are certified by the Division for Medicare and Medicaid participation;
2. Detect and investigate abusive or fraudulent practices affecting the Medicaid, TANF and Food Stamp programs and initiate recovery efforts;
3. Reduce Medicaid costs by identifying other insurers or parties responsible for paying a client's medical expenses;
4. Provide both internal and external independent audits for DPHHS programs;
5. Provide independent fair hearings for clients and providers participating in DPHHS programs;
6. Monitor and evaluate health maintenance organizations for quality assurance and network adequacy;
7. Maintain the Certified Nurse Aide Registry;
8. Approve and monitor Nurse Aide Training programs;
9. Operate the Certificate of Need (CON) Program; and
10. Operate the internal HIPAA function for the Department.

QAD accomplishments for FY 2004 include:

- Saving Medicaid \$86 million by identifying other insurance resources for beneficiaries, including Medicare, health insurance, and casualty settlements;
- Recovering \$2.7 million through the Medicaid Lien and Estate Recovery program;
- Recovering \$790,000 in overpayments to clients for TANF and Food Stamps; and
- Recovering \$979,000 in Medicaid overpayments to providers.

**Program Reorganization** - The department's internal Health Insurance Portability and Accountability Act of 1996 (HIPAA) function was moved to the Quality Assurance Division from the Health Resources Division in FY 2004. The reorganization involved the transfer of 1.00 FTE.

Statutory authority is in 42 U.S.C. 1818 and 42 U.S.C. 1919; 45 U.S.C.; Title 50, Chapter 5, parts 1 and 2; Title 50, Chapter 5, part 11; Title 52, Chapter 2, part 7; and Title 53, Chapter 2, section 501, MCA; CFR 21, CFR 49, CFR 10; P.L. 102-359 (10-27-92).

### Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
State Health Care Licensure Visits	284	354	454	495	522	571
Medicaid TPL Cost Avoidance, Cash Recoveries and Lien and Estate	85,052,346	93,037,698	92,729,091	101,378,960	110,835,697	121,174,570

**Public Health and Human Services-6901  
Quality Assurance-08**

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	109.71	(0.60)	6.00	115.11	(0.65)	8.00	117.06
Personal Services	5,028,451	345,100	220,408	5,593,959	344,837	278,992	5,652,280
Operating Expenses	2,202,460	(4,619)	48,528	2,246,369	(4,283)	31,680	2,229,857
Equipment	8,759	0	0	8,759	0	0	8,759
Grants	291,663	0	0	291,663	0	0	291,663
<b>Total Costs</b>	<b>\$7,531,333</b>	<b>\$340,481</b>	<b>\$268,936</b>	<b>\$8,140,750</b>	<b>\$340,554</b>	<b>\$310,672</b>	<b>\$8,182,559</b>
General Fund	1,910,520	158,728	56,551	2,125,799	158,420	(170,464)	1,898,476
State/Other Special	255,057	942	77,917	333,916	927	325,800	581,784
Federal Special	5,365,756	180,811	134,468	5,681,035	181,207	155,336	5,702,299
<b>Total Funds</b>	<b>\$7,531,333</b>	<b>\$340,481</b>	<b>\$268,936</b>	<b>\$8,140,750</b>	<b>\$340,554</b>	<b>\$310,672</b>	<b>\$8,182,559</b>

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$32,108)	(\$32,108)
FY07	(\$34,604)	(\$34,604)

**PL- 9999 - Statewide FTE Reduction -**

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 0.65 FTE and \$67,000 general fund per biennium are removed from the budget permanently.

-----New Proposals-----

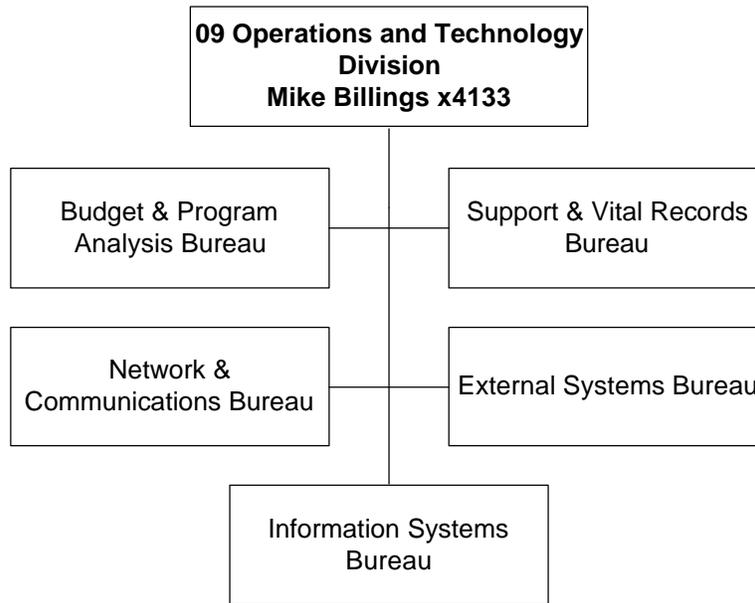
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$268,936	\$56,551
FY07	\$310,672	(\$170,464)

**NP- 190 - Medicaid Payment Error Rate Measurement -**

This decision package adds \$403,717 in state special authority and \$289,804 in federal funds over the biennium, with a \$113,913 biennial reduction in general fund. The proposal seeks to create the new Medicaid Payment Error Rate Program and establish 8.00 FTE to perform Medicaid eligibility and medical reviews. This program is anticipated to be self-supporting through the savings generated by the reviews.

# Public Health and Human Services-6901

## Operations and Technology-09



**Program Description** - The Operations and Technology Division (OTD) provides operational support services for the agency. Services include planning, preparation, and management of the executive budget, and cost analysis and projections for large-scale welfare benefit programs such as Medicaid. The division is responsible for technology planning, design, development, implementation, and operation of information technology systems, and for management and planning of other electronic government applications. Internal computer systems include ISERV (time recording), PERQS (purchasing and accounts payable system), AWACS (payment data base), and MICRS (institutional reimbursement tracking system). In addition, the division services include telecommunications network management and security, computer support, communications services, videoconference center management, computer training, vital records management, and internal support services such as lease management, fleet management, and mailroom services.

The division manages contracts for major computer systems:

1. The Economic Assistance Management System (TEAMS) provides on-line eligibility determination for Food Stamps, TANF, and Medicaid programs;
2. Child Care Under the Big Sky (CCUBS) automates eligibility determination, case maintenance, payment, and reporting of day care benefits;
3. The System for Enforcement and Recovery of Child Support (SEARCHS) automates financial management of child support collections, absent parent location, paternity establishment, and order modifications;
4. The Montana Medicaid Information System (MMIS) is a medical provider claims processing, payment, and information retrieval system;
5. The Child and Adult Protective Services System (CAPS) is an automated social services information system covering all major program areas of child protection, adult services, and juvenile corrections;
6. The Montana Accesss Program is an electronic benefit transfer (EBT) system that provides on-line distribution of Food Stamp and Temporary Assistance for Needy Families (TANF), and Child Support collections;
7. The Electronic Birth Certificate (EBCS) and Death Registration (EDRS) systems for automated registration, issuance, and maintenance of vital events (birth and death);
8. TESS (The Eligibility Screening System) is an eligibility system serving the following two benefit programs: TESS-KIDS (Kids Insurance Determination System), an automated eligibility system for the Children's Health Insurance Plan (CHIP); and TESS-MHSP, an automated eligibility system for the Mental Health Service Plan (MHSP); and
9. The Virtual Human Services Pavilion, designed and developed to provide citizens with easy access to a wide range of government services and information.

Statutory authority is in Title 17 and Title 40, MCA, and Title IV of the Social Security Act, Section 06, P.L. 96-265.

## Public Health and Human Services-6901 Operations and Technology-09

### Program Indicators -

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Birth / Death Certificates Issued On-Line Note: On-Line Death Certificates started in FY 2004	54,455	63,840	75,290	85,000	100,000	130,000
Information Systems Work Orders Completed	100	116	61	120	120	120
External Systems – Transactions TEAMS, SEARCHS, CAPS	95,186,249	92,446,991	98,102,853	100,555,424	103,069,310	103,069,310
Leases Managed	76	78	77	78	78	78
# of Medicaid Payments Issued	111,493	124,369	120,612	126,643	132,975	139,623
Medicaid Claims Processed	5,220,075	5,705,460	6,667,205	7,667,286	8,817,379	10,139,985
Computers Supported	2,950	3,000	3,100	3,150	3,170	3,200
Servers Managed	100	104	106	110	115	120
Montana Access Program (EBT)						
Food Stamps # of Pmts	65,716*	367,110	402,479	416,448	447,460	480,778
\$ Amt	\$10,773,898	\$64,877,254	\$77,476,237	\$87,041,796	\$95,313,455	\$104,333,634
TANF # of Pmts	18*	4,609	17,285	31,415	44,787	58,159
\$ Amt	\$6,310	\$1,964,258	\$5,787,885	\$10,524,025	\$15,003,645	\$19,483,265
Child Support # of Pmts	N/A*	21,110	104,455	119,400	133,800	148,200
Child Support \$ Amt	N/A*	\$2,245,700	\$11,394,714	\$13,014,600	\$14,584,200	\$16,153,800
*Food Stamp EBT Statewide Implementation June 2002						
*TANF EBT Statewide Implementation Oct 2002						
*Child Support EBT Statewide Implementation May 2003						

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	83.60	(1.88)	0.00	81.72	(1.96)	0.00	81.64
Personal Services	4,091,204	64,876	0	4,156,080	58,891	0	4,150,095
Operating Expenses	23,459,177	(377,257)	0	23,081,920	(346,474)	0	23,112,703
Equipment	6,800	0	0	6,800	0	0	6,800
Debt Service	322,092	0	0	322,092	0	0	322,092
<b>Total Costs</b>	<b>\$27,879,273</b>	<b>(\$312,381)</b>	<b>\$0</b>	<b>\$27,566,892</b>	<b>(\$287,583)</b>	<b>\$0</b>	<b>\$27,591,690</b>
General Fund	9,136,214	(101,850)	0	9,034,364	(93,201)	0	9,043,013
State/Other Special	1,133,114	(18,110)	0	1,115,004	(15,383)	0	1,117,731
Federal Special	17,609,945	(192,421)	0	17,417,524	(178,999)	0	17,430,946
<b>Total Funds</b>	<b>\$27,879,273</b>	<b>(\$312,381)</b>	<b>\$0</b>	<b>\$27,566,892</b>	<b>(\$287,583)</b>	<b>\$0</b>	<b>\$27,591,690</b>

### -----Present Law Adjustments-----

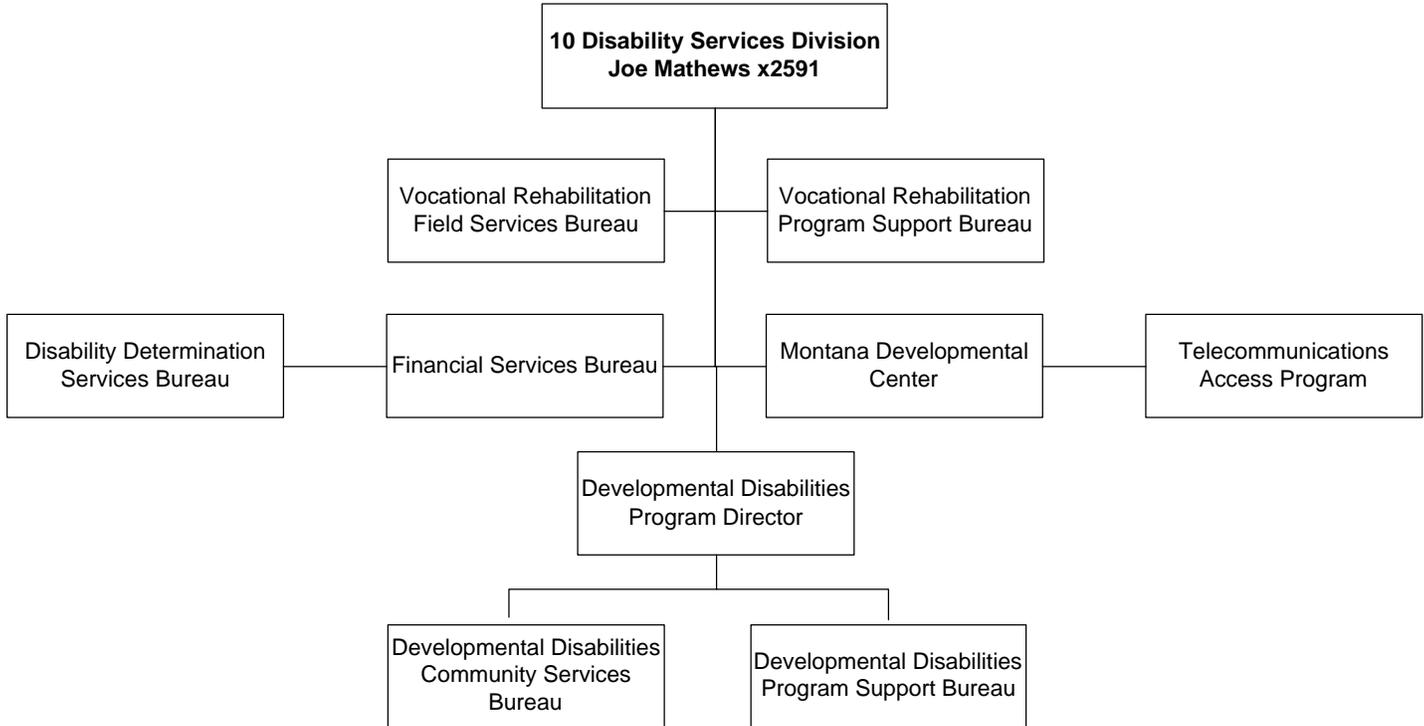
	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$105,762)	(\$36,077)
FY07	(\$109,496)	(\$37,351)

### PL- 9999 - Statewide FTE Reduction -

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 1.96 FTE and \$73,000 general fund per biennium, along with \$19,000 in state special revenue and \$123,000 in federal funds, are removed from the budget permanently.

# Public Health and Human Services-6901

## Disability Services-10



**Program Description** - Disability Services Division (DSD) assists Montanans with disabilities in living, working, and participating in their communities. The division provides or contracts for institutional care, residential services, home-based services to families, case management, and a variety of employment outcome-related services. These services include counseling and guidance, career training, transportation, adaptive equipment, orientation and mobility services to the blind, vocational rehabilitation training, independent living services, medical services, job placement, and supported employment. DSD is responsible for medical adjudication of all claims for Social Security Disability and Supplemental Security Income. The division is responsible for the state institution at the Montana Developmental Center (MDC) in Boulder.

Vocational Rehabilitation (VR) serves individuals with orthopedic, mental, visual, hearing, brain injury, and other disabilities. Developmentally disabled includes individuals with mental retardation, epilepsy, autism, or other neurological conditions that require treatment similar to those required by someone with mental retardation. The developmental disability must have originated before age 18 and have resulted in a substantial handicap for indefinite duration.

Statutory authority is in Title 53, MCA, 29 U.S.C. 721 et. seq., 29 U.S.C. 796, et. seq., 29 U.S.C. 774, 29 U.S.C. 777b, 29 U.S.C. 2201 et. seq., 42 U.S.C. 75, 6602, 72 U.S.C. 1300, 42 CFR 441.302(b), 42 CFR 441.302(g), 45 CFR 74.62, and 34 CRF Part 303

**Program Indicators -**

Indicator	Actual FY2002	Actual FY2003	Estimated FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Vocational Rehabilitation number rehabilitated	942	925	930	942	942	942
Vocational Rehabilitation percentage severely disabled	79.5%	79.1%	78%	78%	78%	78%
Developmental Disabilities waiting for service and receiving no other DDP services	283	342	457	477	485	492
Developmental Disabilities waiting for additional services and receiving some DDP	751	695	828	894	940	988
MTAP Relay Service total minutes per year*	420,536	342,752	370,310	473,313	548,904	624,044

\*MTAP relay service total minutes decreased between FY 2002 and FY 2003 because of the introduction of IP relay and Turbo technology, which is much faster and requires fewer minutes.

## Public Health and Human Services-6901 Disability Services-10

Program Proposed Budget	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	541.42	(4.95)	(35.00)	501.47	(4.65)	(35.00)	501.77
Personal Services	22,762,646	(616,237)	(1,365,674)	20,780,735	(634,956)	(1,377,187)	20,750,503
Operating Expenses	8,190,987	(43,231)	852,699	9,000,455	142,356	652,699	8,986,042
Equipment	34,633	51,000	0	85,633	36,000	0	70,633
Benefits & Claims	92,694,789	322,762	5,370,406	98,387,957	658,703	4,870,405	98,223,897
Debt Service	10,688	0	0	10,688	0	0	10,688
<b>Total Costs</b>	<b>\$123,693,743</b>	<b>(\$285,706)</b>	<b>\$4,857,431</b>	<b>\$128,265,468</b>	<b>\$202,103</b>	<b>\$4,145,917</b>	<b>\$128,041,763</b>
General Fund	42,369,565	1,596,506	954,292	44,920,363	2,075,865	348,969	44,794,399
State/Other Special	1,150,030	139,964	499,405	1,789,399	249,538	499,405	1,898,973
Federal Special	80,174,148	(2,022,176)	3,403,734	81,555,706	(2,123,300)	3,297,543	81,348,391
<b>Total Funds</b>	<b>\$123,693,743</b>	<b>(\$285,706)</b>	<b>\$4,857,431</b>	<b>\$128,265,468</b>	<b>\$202,103</b>	<b>\$4,145,917</b>	<b>\$128,041,763</b>

### -----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$1,726,793
FY07	\$0	\$1,726,793

#### PL- 25 - FMAP Enhancement Adjustment -

The federal Jobs and Growth Tax Relief Reconciliation Act law resulted in a base year federal increase and state decrease of about three percent in the payment for Medicaid costs. This request provides an increase of approximately \$3.5 million general fund and an offsetting decrease of federal funds for the biennium to reflect the removal of the enhanced Federal Medical Assistance Percentage (FMAP) rates in FY 2006 and FY 2007. See page B-1 for further information on Medicaid changes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$1,140,119
FY07	\$0	\$1,561,844

#### PL- 31 - FMAP Adjustment - Developmental Disabilities -

This request provides an increase in general fund of more than \$2.7 million over the biennium, with an offsetting decrease in federal funds, due to a projected change in Federal Medical Assistance Percentage (FMAP) rates for FY 2006 and FY 2007. Please see page B-1 for further information on Medicaid changes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$284,530)	(\$284,530)
FY07	(\$284,362)	(\$284,362)

#### PL- 40 - Closure of Eastmont Human Services Center -

This decision package provides a general fund reduction of \$568,892 over the biennium to reflect the closure of the Eastmont Human Services Center. No FTE reductions are reflected, as the personal services snapshot will use FY 2005 FTE as the base, and no FTE were budgeted for Eastmont in that fiscal year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$593,130	\$593,130
FY07	\$524,330	\$524,330

## Public Health and Human Services-6901 Disability Services-10

**PL- 47 - Montana Developmental Center Base Adjustments -**

This request provides close to \$1.2 million in general fund over the biennium for current level service requirements for holiday worked, overtime and differential pay. This request is necessary to maintain minimum Montana Developmental Center staffing requirements at this 24-hour day, seven day a week facility and to maintain Medicaid certification. These items are zero based and must be requested each biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$45,000	\$13,420
FY07	\$59,012	\$17,488

**PL- 52 - Rent Increases -**

This request provides \$30,908 of general fund and \$73,104 of federal funds over the biennium for rent increases for the Developmental Disabilities and Vocational Rehabilitation programs. The increases are built into the lease agreements for ten field offices.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$318,284	\$67,794
FY07	\$649,299	\$138,301

**PL- 59 - Vocational Rehabilitation Tuition Increases -**

This decision package provides \$206,095 of general fund and \$761,488 of federal funds over the biennium to provide for a four percent tuition increase each year from FY 2005 through FY 2007 from the base budget. The funds, which are a portion of the Vocational Rehabilitation benefits, will offset increases in tuition costs and maintain current level services that assist individuals with disabilities in returning to work.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$51,000	\$51,000
FY07	\$36,000	\$36,000

**PL- 64 - Montana Developmental Center Replacement Equipment -**

This request provides \$87,000 in general fund over the biennium to replace equipment used in providing services to individuals who reside at the Montana Developmental Center.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$244,448	\$0
FY07	\$353,470	\$0

**PL- 92 - Montana Telecommunications Access Program Increase -**

This request provides for an increase of close to \$600,000 in state special revenue expenses in the Montana Telecommunications Access Program operating budget over the biennium. The increase is a result of expanded usage of the Captioned Telephone service by Montanans who are hearing and speech-impaired.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$100,000)	\$0
FY07	(\$100,000)	\$0

**PL- 109 - Montana Telecommunications Access Program Decrease -**

The Montana Telecommunications Access Program is reducing operating expenses by \$200,000 in state special revenue over the biennium through the cancellation of a contract for public relations and advertising.

**Public Health and Human Services-6901  
Disability Services-10**

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$102,816	\$0
FY07	\$153,569	\$0

**PL- 135 - Disability Determination Services Base Adjustment -**

This request provides a \$256,385 increase of federal funds over the biennium for Disability Determination Services workload increase.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$120,677)	(\$120,677)
FY07	(\$115,076)	(\$115,076)

**PL- 9999 - Statewide FTE Reduction -**

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 4.65 FTE and \$236,000 general fund per biennium are removed from the budget permanently.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,433,025	(\$171,846)
FY07	\$721,512	(\$786,731)

**NP- 39 - Movement to Community Services -**

This decision package provides a reduction of \$958,577 in general fund expenditures and an increase of \$3,113,114 in federal fund expenditures for the biennium to serve 26 individuals from the Montana Developmental Center in community services as a result of the Travis D. lawsuit that was settled in February 2004. Included is \$500,000 of general fund one-time-only funding in FY 2006 for start-up costs to construct five group homes. There is a projected Medicaid reimbursement decrease of \$915,182 in FY 2006 and \$940,099 in FY 2007. This makes the total general fund impact of this request a loss of \$896,704 for the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,125,001	\$326,138
FY07	\$1,125,000	\$335,700

**NP- 83 - Wait List Reduction -**

This request is for approximately \$660,000 of general fund and \$1.6 million of federal fund for the biennium to move 15 individuals off the developmental disabilities waiting list.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,000,000	\$0
FY07	\$1,000,000	\$0

**NP- 149 - Developmental Disabilities Program - Fed Authority -**

This request is for \$2 million of additional federal authority for the biennium necessary to capture increases in federal grants or maximize general funds under the Home and Community Based Waiver. This waiver is used to fund services to individuals with developmental disabilities. The federal authority would not require any future commitment of general fund dollars.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$800,000	\$800,000
FY07	\$800,000	\$800,000

**NP- 168 - Bed Tax Funding -**

This request is to provide \$1.6 million in general fund for the biennium for the Montana Developmental Center to pay the bed tax enacted by HB 722 of the 2003 Session. This proposal is revenue neutral as a like amount will be deposited in the general fund.

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-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$228,766	\$0
FY07	\$228,766	\$0

**NP- 3 - Continuation of PSA for Independent Living -**

The Prevention and Stabilization Account (PSA) was created and funding appropriated during the 2003 Legislative Session in SB 485. The majority of the funding comes from the tobacco settlement funds. This decision package provides funding over the biennium of \$457,532 in state special revenue through the Prevention and Stabilization Account to continue services at the level of the 2005 biennium. These services are scheduled to terminate on June 30, 2005 due to one-time-only funding of SB 485. Please see page B-2 for further information on PSA funding.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$270,639	\$0
FY07	\$270,639	\$0

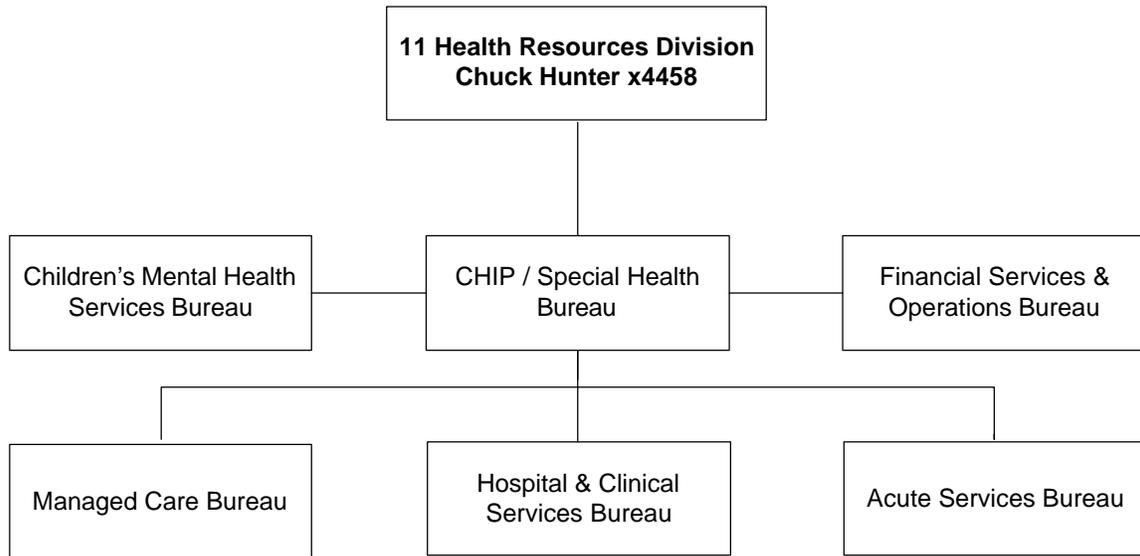
**NP- 10 - Continuation of PSA for Extended Employment -**

The Prevention and Stabilization Account (PSA) was created and funding appropriated during the 2003 Legislative Session in SB 485. The majority of the funding comes from the tobacco settlement funds. This decision package provides funding over the biennium of \$541,278 in state special revenue through the Prevention and Stabilization Account to continue services at the level of the 2005 biennium. These services are scheduled to terminate on June 30, 2005 due to one-time-only funding of SB 485. Please see page B-2 for further information on PSA funding.

**Language Recommendations –**

The Travis D. lawsuit was settled on February 5, 2004 through mediation. The terms of the settlement agreement between the executive branch and the plaintiffs require the department to move at least 45 individuals from the Montana Developmental Center (MDC) into community services by December 2007. The Disability Services Division FY 2006 budget includes \$500,000 of general fund one-time-only funding to construct five group homes. The \$500,000 will allow for start-up costs for the group home construction to implement the movement in FY 2008 of the last 20 individuals who have intensive medical needs from MDC to community services. The department will provide one-time-only grants for providers to use in the construction of the new group homes for the care of these individuals.

## Public Health and Human Services-6901 Health Resources-11



**Program Description** - The Health Resources Division (HRD) administers Medicaid primary and acute care services, Indian Health Services, children's mental health services, the Children's Health Insurance Program (CHIP), and children's special health services. The purpose of the division is to improve and protect the health of Montanans. The division provides a wide range of preventive, primary, and acute care services to individuals and communities. Services are provided through a broad range of private and public providers, including physicians, public health departments, clinics, and hospitals.

Acute and primary care services are provided through the Medicaid Program and the Children's Health Insurance Program (CHIP) and services for children with special health care needs. The division contracts with providers for the delivery of health care services. Medicaid is a voluntary state/federal partnership to provide and finance these services to the aged, blind, disabled, or low-income families.

The division administers CHIP as a separate health insurance program and contracts with an insurance plan to provide medical services. CHIP dental and eyeglasses benefits are provided by the department.

### Program Indicators -

Indicator	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Children's Mental Health, Percentage SED Clients Served in Community	77.5%	79.8%	80.3%	80.8%	81.3%
CHIP and Special Health, Percentage of Clients Served Receiving Preventive Health Care	38.0%			41.0%	44.0%
Managed Care, Percentage of participation in the Nurse First Care Management Programs*				20.0%	10.0%

\*The Nurse First program began on January 1, 2004, and as of August 24, 2004 has 13,761 clients actively participating.

**Public Health and Human Services-6901  
Health Resources-11**

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	52.00	(0.75)	17.00	68.25	(0.75)	17.00	68.25
Personal Services	2,291,742	210,123	794,042	3,295,907	208,855	791,854	3,292,451
Operating Expenses	5,809,215	188,641	1,939,314	7,937,170	189,632	1,995,330	7,994,177
Grants	19	0	597,918	597,937	0	1,304,061	1,304,080
Benefits & Claims	347,662,820	62,855,451	29,582,279	440,100,550	91,436,630	32,752,853	471,852,303
Debt Service	2,282	0	0	2,282	0	0	2,282
<b>Total Costs</b>	<b>\$355,766,078</b>	<b>\$63,254,215</b>	<b>\$32,913,553</b>	<b>\$451,933,846</b>	<b>\$91,835,117</b>	<b>\$36,844,098</b>	<b>\$484,445,293</b>
General Fund	71,665,419	26,095,143	(316,873)	97,443,689	34,406,536	(137,313)	105,934,642
State/Other Special	5,428,379	2,213,254	10,721,994	18,363,627	2,726,406	11,202,797	19,357,582
Federal Special	278,672,280	34,945,818	22,508,432	336,126,530	54,702,175	25,778,614	359,153,069
<b>Total Funds</b>	<b>\$355,766,078</b>	<b>\$63,254,215</b>	<b>\$32,913,553</b>	<b>\$451,933,846</b>	<b>\$91,835,117</b>	<b>\$36,844,098</b>	<b>\$484,445,293</b>

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,358,806	\$35,596
FY07	\$1,504,197	\$157,465

**PL- 1 - Tobacco Portion of 17% for Medicaid -**

This decision package requests \$2.9 million in state funds over the biennium. This amount was funded from the tobacco settlement proceeds by the 2003 legislature under SB 485. This funding will terminate on June 30, 2005. These funds are currently used as a Medicaid match in place of general fund. There is included in this request \$193,000 of general fund to add to the decreased available tobacco settlement revenue and maintain the total match to the amount appropriated for the 2005 biennium. This request has accompanying legislation.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$39,204,812	\$10,473,480
FY07	\$58,515,462	\$16,098,575

**PL- 13 - Medicaid Caseload – Child and Adult Medicaid -**

This request adds \$71.1 million in federal funds and \$26.6 million in general fund over the biennium for Medicaid caseload growth. Caseloads are anticipated to grow by six percent per year due to normal demographic trends. Please see page B-1 for further information on Medicaid changes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,779,179	\$805,128
FY07	\$3,764,873	\$1,124,191

**PL- 14 - Medicaid Caseload - Medicare Buy-In Program -**

This request adds approximately \$4.6 million in federal funds and \$1.9 million in general fund over the biennium for Medicaid caseload growth in the Medicare Buy-In program. This is a cost effective program that allows the state to purchase Medicare coverage for Medicaid recipients that are dually eligible for Medicare and Medicaid. Medicare then covers the cost of most services for the individual with no further Medicaid liability. Caseloads are expected to grow by two percent per year due to normal demographic trends, and Medicare premiums are projected to grow by eight percent per year.

**Public Health and Human Services-6901  
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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,469,120	\$425,604
FY07	\$2,123,530	\$634,086

**PL- 17 - Medicaid Caseload - Children's Mental Health -**

This request adds close to \$3.6 million in all funds, including \$1.1 million in general fund and \$2.5 million in federal funds, over the biennium for Medicaid caseload growth in the Children's Mental Health program. Caseloads are anticipated to grow by 1.34 percent per year due to demographic trends. Please see page B-1 for further information on Medicaid changes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$768,205	\$166,700
FY07	\$1,283,657	\$267,514

**PL- 20 - Medicaid Caseload - Breast and Cervical Cancer -**

This request adds over \$1.6 million in federal funds and \$434,000 in general fund over the biennium for Medicaid caseload growth in the Breast and Cervical Cancer Treatment Program. Caseloads are anticipated to grow by 22 percent due to demographic trends. Please see page B-1 for further information on Medicaid changes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$7,504,153
FY07	\$0	\$7,504,153

**PL- 23 - FMAP Enhancement Adjustment – Child and Adult Medicaid -**

The federal Jobs and Growth Tax Relief Reconciliation Act law resulted in a base year federal increase and state decrease of about three percent in the payment for Medicaid costs. This request provides an increase of more than \$15 million general fund and an offsetting decrease of federal funds for the biennium to reflect the removal of the enhanced Federal Medical Assistance Percent (FMAP) rates in FY 2006 and FY 2007. See page B-1 for further information on Medicaid changes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$6,189,028
FY07	\$0	\$8,045,737

**PL- 29 - FMAP Adjustment -**

This request provides an increase in general fund of over \$14.2 million over the biennium, with an offsetting decrease in federal funds, due to the projected changes in the Federal Medical Assistance Percentage (FMAP) rates in FY 2006 and FY 2007. Please see page B-1 for further information on Medicaid changes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$195,245
FY07	\$0	\$269,383

**PL- 37 - CHIP FMAP Adjustment – Child and Adult Medicaid -**

This request provides an increase in general fund of \$464,628 over the biennium, with an offsetting decrease in federal funds, due to a projected change in the Children's Health Insurance Program (CHIP) Federal Medical Assistance Percentage (FMAP).

## Public Health and Human Services-6901 Health Resources-11

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$150,000	\$150,000
FY07	\$150,000	\$150,000

### PL- 57 - Transportation Contract Federal Rate Change -

This proposal requests \$150,000 per year in general fund due to a recent rule change made by the Centers for Medicare and Medicaid Services. This change reduced the federal matching rate for the transportation utilization contract from 75/25 to 50/50. The contract controls costs in the Transportation program by ensuring that clients are utilizing medical services closest to their home and that the client made the medical appointment.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$187,500	\$54,319
FY07	\$193,125	\$57,667

### PL- 60 - Rural Health Clinics / Qualified Health Centers -

This proposal requests \$111,986 general fund and \$268,639 in federal funds over the biennium for Rural Health Clinics and Federally Qualified Health Centers. These centers provide services required by Medicaid. These facilities are paid an all-inclusive prospective payment amount per patient visit.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$28,000	\$8,112
FY07	\$28,000	\$8,361

### PL- 67 - Foundation Contract / Acute Care -

The proposal requests an additional \$39,527 federal funds and \$16,473 general fund for the biennium to reissue a contract for utilization review of Medicaid services. The additional amount covers an increase in the number of non-emergent Emergency Department claims reviewed and an increase in the number of cases sent to peer review. The cost savings generated by these reviews more than covers the additional costs to the contract.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$9,580,561	\$0
FY07	\$15,593,793	\$0

### PL- 121 - Indian Health Services -

This decision packages requests almost \$25.2 million over the biennium in federal funding for Indian Health Services caseload and federal rate increases for the Medicaid Indian Health Services program. These increases are projected at 15 percent per year.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$7,507,268	\$0
FY07	\$8,457,993	\$0

### PL- 122 - School Based Services -

This decision package requests close to \$16 million over the biennium in federal authority for the Medicaid school based services contract. Montana schools are providing services that are eligible for federal Medicaid reimbursement and have a potential for receiving a reimbursement of \$7 to \$10 million in covered Medicaid services.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$17,263)	(\$17,263)
FY07	(\$17,224)	(\$17,224)

### PL- 9999 - Statewide FTE Reduction -

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 0.75 FTE and \$34,000 general fund per biennium are removed from the budget permanently.

**Public Health and Human Services-6901  
Health Resources-11**

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$4,518,472)	(\$1,165,170)
FY07	(\$3,328,597)	(\$834,359)

**NP- 38 - Manage Medicaid Pharmacy Program -**

This decision package requests 1.00 FTE and provides savings of nearly \$2 million in general fund and \$7.8 million in total funds. This proposal will provide for the implementation, monitoring, and management of the Medicare "clawback" provision; the utilization of prescription drugs; the Preferred Drug List program; and the pharmacy audit review.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$474,342)	(\$55,958)
FY07	(\$450,068)	(\$54,354)

**NP- 42 - Enhance Efficiency of Children's Mental Health Services -**

This decision package requests an additional 5.00 FTE for Children's Mental Health. The additional FTE will improve contracted service monitoring and problem identification and resolution. They will also enhance efficiency of services to Severely Emotionally Disturbed youth and families through coordination and development of Kids Management Authorities, improve treatment coordination planning among multiple agencies, and facilitate problem resolution at the local level. This request is projected to generate savings of \$110,312 in general fund and \$924,410 in total funds over the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$142,438)	(\$19,573)
FY07	(\$148,757)	(\$24,179)

**NP- 43 - Medicaid Cost Analysis -**

This decision package requests 2.00 FTE to perform Medicaid analysis. This analysis will provide cost-saving measures to the Medicaid program by recognizing problems such as over-payments, over-utilization of physician services, enrollment concerns, and multiple drug prescription information. This request is projected to generate savings of \$43,752 in general fund and \$291,195 in total funds over the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$27,851)	(\$13,425)
FY07	(\$28,079)	(\$13,520)

**NP- 44 - Medicaid Passport Services -**

This request is to make permanent 2.00 FTE that are currently modified positions. These positions are responsible for quality assurance and utilization review activities designed to maintain and improve medical access and quality of care through the Medicaid Passport program. Biennial savings of \$26,945 general fund and \$55,930 total funds is projected to be realized by this change.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,478,929	\$0
FY07	\$2,399,232	\$0

**NP- 90 - CHIP Donations -**

The decision package requests \$1 million state special and close to \$3.9 million federal authority for Children's Health Insurance Program (CHIP) donations over the biennium. This would provide authority for CHIP grant funds to be used if the Department of Public Health and Human Services receives private donations, grants, bequests, or gifts. If the department were to receive matching funds, an additional number of children could be insured annually during the 2007 biennium.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,000,000	\$0
FY07	\$1,000,000	\$0

**NP- 112 - Expand Nurse First to Non-Medicaid Native Americans -**

This proposal establishes state special authority of \$1 million per year to provide Nurse First care management services to Native Americans in Montana who are not enrolled in Medicaid. Medicaid currently provides nurse advice line and disease management services to Medicaid clients, including Native Americans on Medicaid. These services help clients determine when and where to seek appropriate medical care when they're sick or injured. The Medicaid Nurse First program is expected to result in net savings of millions of dollars in averted medical expenses, while providing a service that improves the daily lives and the overall health of clients. Native Americans are often the most in need of these services, both because they suffer disproportionately from some of the diseases managed by Nurse First and because often they are the most isolated and have the least access to transportation.

The funding for these expanded services to non-Medicaid Native Americans will come from the health care payers who will save the cost of averted medical services. This spending authority allows the department to add the services to the existing contract with McKesson Health Solutions and to disburse the additional \$1 million in annual payments to McKesson.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,116,289	\$0
FY07	\$1,865,615	\$0

**NP- 146 - Develop System of Care for Children -**

The almost \$3.0 million federal funds and 7.00 FTE requested in this decision package are for the Substance Abuse and Mental Health Services Administration (SAMSHA) grant. This grant is intended to assist Montana in the development of a system of care for children with Serious Emotional Disturbance, and to implement and expand local Kids Management Authorities.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$722,970	\$0
FY07	\$722,970	\$0

**NP- 150 - Restore Children's Therapeutic Services -**

This decision package requests \$722,970 per year in federal funding for therapeutic services that were eliminated in the Mental Health Services Plan / Children's Health Insurance Program benefit package in August, 2002. Restoring the supplemental MHSP benefits is a way to provide children access to a comprehensive package of community-based mental health services and is more cost-effective than expanding the CHIP benefit.

-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$601,571	\$0
FY07	\$0	\$0

**NP- 9 - Continuation of PSA for Medicaid -**

The Prevention and Stabilization Account (PSA) was created and funding appropriated during the 2003 Legislative Session in SB 485. The majority of the funding comes from the tobacco settlement funds. This decision package and the accompanying legislation provides funding over the biennium of \$601,571 in state special revenue through the Prevention and Stabilization Account to continue to fund Medicaid at the funding level of the 2005 biennium. These services are scheduled to terminate on June 30, 2005 due to one time only funding of SB 485. These funds are currently used as a Medicaid match instead of general fund and are being requested as a biennial appropriation. Please see page B-2 for further information on PSA funding.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$29,500,000	\$0
FY07	\$30,342,000	\$0

**NP- 110 - Continuation of Hospital Provider Tax -**

This proposal and accompanying legislation requests \$17.7 million state special and \$42.1 million federal authority over the biennium to continue the Hospital Utilization fee program. The 2003 Legislature initiated and funded this program through HB 481, which terminates on June 30, 2005. This tax is a method for hospitals to be assessed a fee per inpatient. The state in turn uses the utilization fee to match with federal allotments to increase hospital Medicaid reimbursements.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$200,000	\$0
FY07	\$200,000	\$0

**NP- 115 - Specialty Clinic Cost Recovery -**

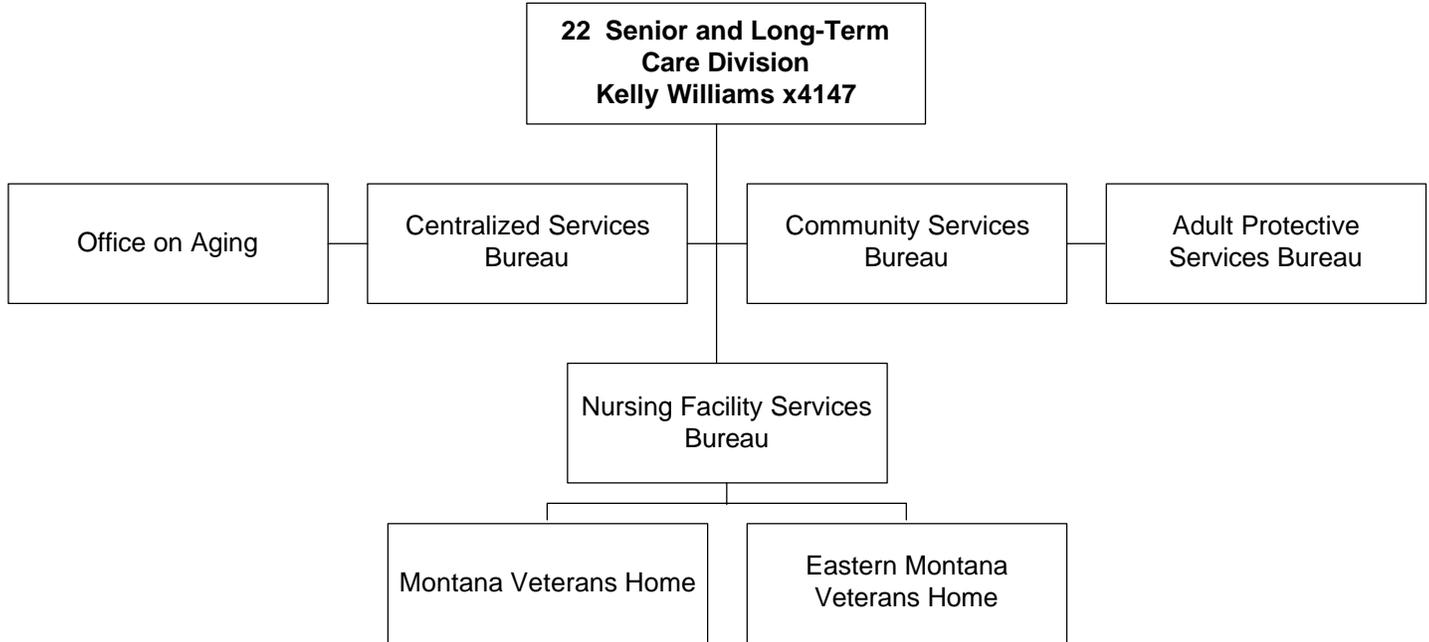
This decision package requests \$200,000 per year in state special authority for the Children's Special Health Services (CSHS) specialty clinics to recover costs of services from patients and their insurance. These clinics provide comprehensive, multi-disciplinary care for children with cleft, craniofacial, or metabolic disorders. Currently, children who attend these clinics are not charged. The additional funding will allow CSHS to recover the costs of this activity, freeing up block grant funds to attend to other issues pressing families of children with special health care needs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,456,897	\$937,253
FY07	\$4,269,782	\$789,099

**NP- 192 - CHIP Enrollment to 10,900 Children -**

This decision package requests total funds of over \$6.7 million over the biennium to increase the state match for the Children's Health Insurance Program (CHIP). This includes an increase of \$1.7 million in general fund and a decrease of \$3.6 million in state special PSA revenue, along with increases of \$3.8 million in donations and \$4.8 million in matching federal funds. This funding will pay for health care coverage for 10,900 children and will allow for stable monthly enrollment in the program. This also includes the change needed in general fund to maintain the base expenditures in light of an anticipated decline in tobacco settlement revenues.

## Public Health and Human Services-6901 Senior and Long-Term Care-22



**Program Description** - The Senior and Long Term Care Division (SLTC) plans, administers, and provides publicly-funded long-term care services for Montana's senior citizens and persons with physical disabilities. In addition, the division provides education and support regarding aging and long-term care issues to Montanans of all ages. The division makes services available through six major programs:

1. The Office on Aging provides meals, transportation, public education, information and assistance, long-term care ombudsman, and other services;
2. Medicaid Community Services Program pays for in-home, assisted living, and other community-based services to Medicaid-eligible individuals as an alternative to nursing home care;
3. Medicaid Nursing Facility Program pays for care to Medicaid-eligible individuals in 94 Montana nursing homes;
4. Protective services, including the investigation of abuse neglect and exploitation, are provided by adult protective services social workers;
5. Skilled nursing facility care is provided to veterans at the 105-bed Montana Veterans Home (MVH) in Columbia Falls and the 80-bed Eastern Montana Veterans Home (EMVH) in Glendive; and
6. The State Supplemental Payments Program pays for a portion of the room and board costs for SSI eligible individuals residing in designated residential care facilities.

Statutory Authority is provided in the following: Aging Services, 52-3-201 et seq., MCA, (Protection Services Act for Aged Persons or Disabled Adults), 52-3-501 et seq., MCA, (Montana Older Americans Act), 52-3-801 et seq., MCA, (Montana Elder and Developmentally Disabled Abuse Prevention Act); P.L.89-75 (Federal Older Americans Act), P.L. 93-66 Section 212, P.L. 93-233 (authorizes states to supplement the Supplemental Security Income Amendments to the (SSI) Payments Program Social Security Act); Veteran's Homes, 10-2-401, MCA (authorizes and establishes Montana Veteran's Homes); 53-1-602, MCA (Eastern Montana Veteran's Home); Medicaid, Title 53, Chapter 6, MCA; Title 19, Social Security Act 42 USC 1396 et. seq. (establishes and authorizes Medicaid Program).

**Program Indicators -**

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Persons receiving Personal Assistance	2,856	2,707	2,801	2,808	2,830	2,907
Persons receiving HCBS Waiver	1,692	1,703	1,784	1,784	1,834	1,864
Persons receiving Nursing Home	5,295	5,254	5,118	5,126	5,142	5,158

## Public Health and Human Services-6901 Senior and Long-Term Care-22

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	193.44	(0.65)	0.00	192.79	(0.65)	0.00	192.79
Personal Services	6,878,677	938,994	0	7,817,671	952,592	0	7,831,269
Operating Expenses	5,100,488	350,126	287,112	5,737,726	339,097	250,000	5,689,585
Equipment	69,036	0	85,000	154,036	0	0	69,036
Grants	7,226,930	137,721	257,000	7,621,651	137,721	257,000	7,621,651
Benefits & Claims	175,529,268	10,463,589	2,093,521	188,086,378	15,122,648	2,829,709	193,481,625
Debt Service	15,912	0	0	15,912	0	0	15,912
<b>Total Costs</b>	<b>\$194,820,311</b>	<b>\$11,890,430</b>	<b>\$2,722,633</b>	<b>\$209,433,374</b>	<b>\$16,552,058</b>	<b>\$3,336,709</b>	<b>\$214,709,078</b>
General Fund	37,464,018	8,177,313	810,441	46,451,772	9,507,394	1,042,612	48,014,024
State/Other Special	14,355,230	3,612,457	576,112	18,543,799	4,748,598	454,000	19,557,828
Federal Special	143,001,063	100,660	1,336,080	144,437,803	2,296,066	1,840,097	147,137,226
<b>Total Funds</b>	<b>\$194,820,311</b>	<b>\$11,890,430</b>	<b>\$2,722,633</b>	<b>\$209,433,374</b>	<b>\$16,552,058</b>	<b>\$3,336,709</b>	<b>\$214,709,078</b>

### -----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,309,356	\$385,510
FY07	\$2,127,311	\$636,491

#### PL- 16 - Medicaid Caseload - Home Based Services -

This request adds \$2.4 million in federal funds and more than \$1.0 million in general fund over the biennium for Medicaid caseload growth in the Home Based Services program. This includes the Hospice, Home Health, and Personal Assistance programs. Caseloads are expected to grow by approximately three percent per year due to demographic trends and increased utilization of these services. Please see page B-1 for further information on Medicaid changes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$583,566	\$170,926
FY07	\$886,239	\$265,163

#### PL- 21 - Medicaid Caseload - Nursing Homes -

This request adds over \$1 million in federal funds and approximately \$436,000 in general fund over the biennium for Medicaid caseload growth in Nursing Homes. Caseloads are expected to grow by one-quarter of one percent per year due to normal demographic trends. Please see page B-1 for further information on Medicaid changes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$32,448	\$32,448
FY07	\$32,448	\$32,448

#### PL- 22 - State Social Security Supplement Caseload Increase -

This request reflects the anticipated increase of 26 developmentally disabled persons who will be moving from institutional settings to the community during FY 2005. This proposal represents the cost of paying the state social security supplemental payment for Medicaid eligible persons residing in the community. This request totals \$64,896 over the biennium, all general fund.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$2,972,470
FY07	\$0	\$2,972,470

**PL- 24 - FMAP Enhancement Adjustment - Nursing Homes -**

The federal Jobs and Growth Tax Relief Reconciliation Act law resulted in a base year federal increase and state decrease of about three percent in the payment for Medicaid costs. This request provides an increase in general fund of nearly \$5.9 million over the biennium, with an offsetting decrease in federal funds, to reflect the removal of the enhanced Federal Medical Assistance Percentage (FMAP) rates in FY 2006 and FY 2007 for Nursing Homes. Please see page B-1 for further information on Medicaid changes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$569,730
FY07	\$0	\$569,730

**PL- 27 - FMAP Enhancement Adjustment - Home Based Services -**

The federal Jobs and Growth Tax Relief Reconciliation Act law resulted in a base year federal increase and state decrease of about three percent in the payment for Medicaid costs. This request provides an increase in general fund of \$1.1 million over the biennium, with an offsetting decrease in federal funds, to reflect the removal of the enhanced Federal Medical Assistance Percentage (FMAP) rates in FY 2006 and FY 2007 for Home Based Services. Please see page B-1 for further information on Medicaid changes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$507,274
FY07	\$0	\$507,274

**PL- 28 - FMAP Enhancement Adjustment - Waiver Services -**

The federal Jobs and Growth Tax Relief Reconciliation Act law resulted in a base year federal increase and state decrease of about three percent in the payment for Medicaid costs. This request provides an increase in general fund of \$1.01 million over the biennium, with an offsetting decrease in federal funds, to reflect the removal of the enhanced Federal Medical Assistance Percentage (FMAP) rates in FY 2006 and FY 2007 in Waiver Services. Please see page B-1 for further information on Medicaid changes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$2,447,917
FY07	\$0	\$3,182,292

**PL- 30 - FMAP Adjustment - Nursing Homes -**

This request provides an increase in general fund of close to \$5.6 million over the biennium, with an offsetting decrease in federal funds, due to projected changes in the Federal Medical Assistance Percentage (FMAP) rates for FY 2006 and FY 2007 for Nursing Homes. Please see page B-1 for further information on Medicaid changes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$490,189
FY07	\$0	\$615,730

**PL- 33 - FMAP Adjustment - Home Based Services -**

This request provides an increase in general fund of \$1.1 million over the biennium, with an offsetting decrease in federal funds, due to projected changes in the Federal Medical Assistance Percentage (FMAP) rates for FY 2006 and FY 2007 for Home Based Services. Please see page B-1 for further information on Medicaid changes.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$417,755
FY07	\$0	\$543,081

**PL- 34 - FMAP Adjustment - Waiver Services -**

This request provides an increase in general fund of \$960,836 over the biennium, with an offsetting decrease in federal funds, due to projected changes in the Federal Medical Assistance Percentage (FMAP) rates for FY 2006 and FY 2007 for Waiver Services. Please see page B-1 for further information on Medicaid changes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$3,918,468	\$0
FY07	\$3,918,468	\$0

**PL- 88 - Annualize HB 705 Nursing Home Fee -**

This request adjusts the spending level for Nursing Home utilization fees to reflect the FY 2005 appropriated level and totals \$7.8 million over the biennium, of which \$2.3 million is derived from state special revenue, with the remainder coming from the federal portion of the Medicaid match.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$4,619,751	\$0
FY07	\$8,158,182	\$0

**PL- 89 - County Nursing Home IGT Increase -**

This request adopts the increase between FY 2004 and FY 2005 in Intergovernmental Transfer Payments for nursing homes that was authorized by the 2003 Legislature, and includes an anticipated increase in FY 2007. This request totals close to \$12.8 million over the biennium. Of this total, \$3.8 million is derived from state special revenue from local governments that support county nursing homes and participate in the IGT program, with the remainder from federal funding.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$0
FY07	\$0	\$0

**PL- 91 - FMAP Enhancement Adjustment - Nursing Home IGTs -**

The federal Jobs and Growth Tax Relief Reconciliation Act law resulted in a base year federal increase and state decrease of about three percent in the payment for Medicaid costs. This request provides an increase in state special revenue of \$724,326 over the biennium, with an offsetting decrease in federal funds, to reflect the removal of the enhanced Federal Medical Assistance Percentage (FMAP) rates in FY 2006 and FY 2007 for Nursing Homes. Please see page B-1 for further information on Medicaid changes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$295,821	\$0
FY07	\$295,821	\$0

**PL- 93 - Montana Veterans' Home Adjustments -**

This request provides \$591,642 in cigarette tax state special revenue over the biennium for current level services at Montana Veterans' Home (MVH). These services include holiday worked, overtime, and differential necessary to maintain minimum staffing requirements at a 24 hour day, seven day a week facility. These items are zero based and must be requested each biennium. The request also includes items in the MVH budget that will exceed the base budget in FY 2006 and FY 2007, and the increased nursing home bed fee.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$0
FY07	\$0	\$0

### PL- 94 - FMAP Adjustment - County Nursing Home IGTs -

This request provides an increase in state special revenue of \$685,978 million over the biennium, with an offsetting decrease in federal funds, due to projected changes in the Federal Medical Assistance Percentage (FMAP) rates in FY 2006 and FY 2007 for Nursing Home Intergovernmental Transfers. Please see page B-1 for further information on Medicaid changes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$8,117	\$0
FY07	\$8,117	\$0

### PL- 106 - Annualize Traumatic Brain Injury Funds -

This request annualizes revenue and expenditures from HB 698, which was passed in the 2003 Legislative session and became effective on January 1, 2004. Revenue is received from a check off on license plate renewals and is used to support activities related to Traumatic Brain Injured persons. The request totals \$16,000 over the biennium, all of which comes from the state special revenue derived from the check off option.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$137,721	\$0
FY07	\$137,721	\$0

### PL- 173 - Increased Funding For Caregiver Program -

This request adds \$275,442 in federal spending authority over the biennium for increased funding of the Caregiver Program. This program provides information, assistance, education, and support for family caregivers, which includes grandparents raising grandchildren. It also provides for respite care and some limited short-term support services.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$148,236	\$0
FY07	\$172,254	\$0

### PL- 175 - Additional Funding - Eastern Montana Veterans Home -

This request reflects anticipated increases in the reimbursement received for nursing services from the Veterans' Administration for services at the Eastern Montana Veterans' Home. The additional federal reimbursement will total \$320,490 over the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$36,959)	(\$36,959)
FY07	(\$37,183)	(\$37,183)

### PL- 9999 - Statewide FTE Reduction -

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 0.65 FTE and \$74,000 general fund per biennium are removed from the budget permanently.

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-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$257,000	\$257,000
FY07	\$257,000	\$257,000

**NP- 68 - Restore Meals on Wheels Funding -**

This proposal restores funding that was removed by the 2003 Legislature and was later temporarily restored by the Governor during FY 2004 with federal funds from Jobs and Growth Tax Relief Reconciliation Act. The cost of this proposal totals \$514,000 from the general fund over the biennium, and is used to support programs administered by locally based Area Agencies on Aging such as Meals on Wheels.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,127,500	\$330,245
FY07	\$1,863,688	\$557,615

**NP- 81 - Additional Clients in Community Based Waiver -**

This request expands the Medicaid program that allows persons who meet nursing home level of care standards to remain in the community setting by providing an array of services that meet their individual needs. This proposal provides funding for 50 persons in FY 2006 and approximately 30 additional persons in FY 2007. The cost of this proposal totals approximately \$3 million over the biennium, including \$887,860 from the general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$250,000	\$0
FY07	\$250,000	\$0

**NP- 95 - Montana Veterans' Home Contingency Fund Line Item -**

This request continues the current restricted contingency line item in HB 2 of \$250,000 state special revenue each year. This initiative was line-itemed into the HB 2 budget by the 2003 Legislature to allow for operation of the Montana Veterans' Home at a capacity to maximize the collection of federal revenue and private payments. The funds were fully expended in FY 2004.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$762,021	\$223,196
FY07	\$762,021	\$227,997

**NP- 114 - Personal Assistance Base Restoration -**

This request provides general fund to continue to support a portion of the base budget for personal care providers at the FY 2005 funding level and, to a lesser extent, funding for direct care wages for caregivers. This funding was provided by state special revenue by the 2003 legislature through HB 721. In future biennia, this state special revenue will be deposited to the general fund. The cost of this proposal is approximately \$1.5 million over the biennium, including about \$450,000 from the general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$85,000	\$0
FY07	\$0	\$0

**NP- 116 - Montana Veterans' Home Replacement Vehicles -**

This request provides funding for the Montana Veterans' Home in Columbia Falls to replace four vehicles: two vans that provide transportation for staff and clients, and two trucks used on the facility grounds. The cost of this request is \$85,000 in FY 2006, funded from cigarette tax state special revenue that supports the costs of this facility.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$37,112	\$0
FY07	\$0	\$0

**NP- 118 - Eastern Montana Veterans' Home Flooring -**

This request represents the cost of a proposal to replace several areas of flooring at the Eastern Montana Veterans' Home in Glendive. The anticipated cost of these repairs totals \$37,112 in FY 2006 and comes from the cigarette tax state special revenue that supports the costs of the facility.

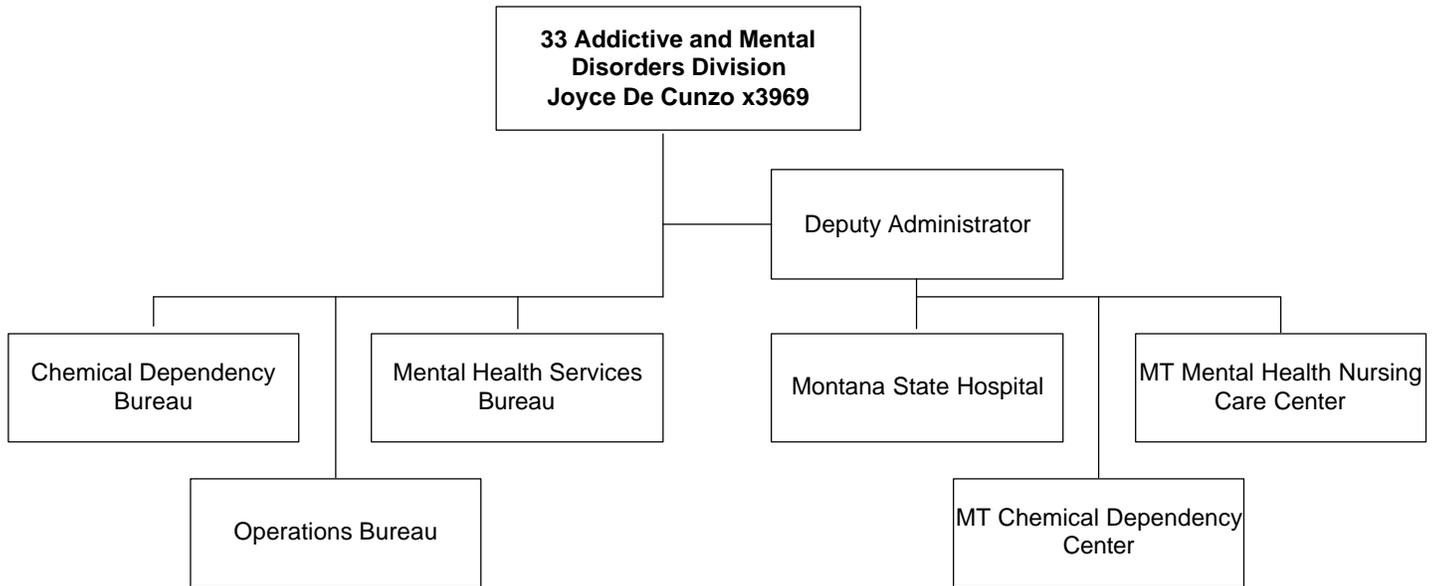
-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$204,000	\$0
FY07	\$204,000	\$0

**NP- 4 - Continuation of PSA for Hospice and Home Therapy -**

The Prevention and Stabilization Account (PSA) was created and funding appropriated during the 2003 Legislative Session in SB 485. The majority of the funding comes from the tobacco settlement funds. This decision package and accompanying legislation provides funding over the biennium of \$408,000 in state special revenue through the Prevention and Stabilization Account to continue services at the level of the 2005 biennium to continue to support a portion of the hospice program and home health therapies for Medicaid clients. These services would be impacted as of June 30, 2005 due to one time only funding of SB 485. Please see page B-2 for further information on PSA funding.

## Public Health and Human Services-6901 Addictive and Mental Disorders-33



**Program Description** - The Addictive and Mental Disorders Division (AMDD) is responsible for providing alcohol and drug prevention services, treatment and aftercare services, and mental health treatment services. Alcohol and drug services are provided through inpatient and outpatient settings. Direct inpatient services are provided at the 76-bed Montana Chemical Dependency Center (MCDC) in Butte. Other inpatient, outpatient, and prevention services are provided through contracts with community-based programs around the state.

Community-based mental health services are delivered to eligible Medicaid and non-Medicaid individuals through a network of providers around the state. Non-Medicaid services are delivered through the Mental Health Services Plan (MHSP) and provide services to individuals earning up to 150 percent of the federal poverty level. Montana State Hospital (MSH) at Warm Springs (189 licensed beds) and the Montana Mental Health Nursing Care Center (MMHNCC) at Lewistown (165 beds available / 75 beds budgeted) provide institutional services to individuals with mental illness. The services at MSH are typically of a short duration while services for residents at the MMHNCC are considered to be long term.

Statutory authority is from the following: Mental health is in Title 53, Chapter 21, parts 1 through 7 and part 10, MCA, and P. L. 102-321, CFR. Chemical dependency is in Title 53, Chapters 1 and 24, MCA, and Part C, Title XIX of the Social Security Act.

**Program Indicators -**

Indicator	Actual FY2002	Actual FY2003	Actual FY2004	Estimated FY2005	Requested FY2006	Requested FY2007
Chemical Dependency Program unduplicated individuals in treatment	5,640	6,112	6,449	6,771	7,110	7,465
Adult Mental Health Medicaid Program Unduplicated number of people served *	12,739	12,996	12,920	13,049	13,180	13,311

\*Numbers from new Decision Support Software and subject to change.

**Public Health and Human Services-6901  
Addictive and Mental Disorders-33**

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007
FTE	567.75	(5.85)	3.00	564.90	(5.65)	5.00	567.10
Personal Services	23,773,529	2,123,495	142,290	26,039,314	2,200,011	236,455	26,209,995
Operating Expenses	9,178,091	752,589	223,125	10,153,805	1,115,939	258,960	10,552,990
Equipment	41,010	0	0	41,010	0	0	41,010
Grants	8,598,188	1,053,964	0	9,652,152	1,303,964	0	9,902,152
Benefits & Claims	31,322,620	5,667,939	3,579,631	40,570,190	6,573,454	3,514,631	41,410,705
Debt Service	80,093	0	0	80,093	0	0	80,093
<b>Total Costs</b>	<b>\$72,993,531</b>	<b>\$9,597,987</b>	<b>\$3,945,046</b>	<b>\$86,536,564</b>	<b>\$11,193,368</b>	<b>\$4,010,046</b>	<b>\$88,196,945</b>
General Fund	36,594,770	5,477,797	412,889	42,485,456	6,298,372	362,976	43,256,118
State/Other Special	4,671,445	470,505	3,272,942	8,414,892	547,053	3,324,296	8,542,794
Federal Special	31,727,316	3,649,685	259,215	35,636,216	4,347,943	322,774	36,398,033
<b>Total Funds</b>	<b>\$72,993,531</b>	<b>\$9,597,987</b>	<b>\$3,945,046</b>	<b>\$86,536,564</b>	<b>\$11,193,368</b>	<b>\$4,010,046</b>	<b>\$88,196,945</b>

-----Present Law Adjustments-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,694,706	\$789,279
FY07	\$3,243,614	\$970,489

**PL- 19 - Medicaid Caseload - Mental Health -**

This request is for approximately \$4.2 million in federal funds and \$1.8 million in general fund over the biennium for Medicaid caseload growth in the Mental Health program. The request also includes the annualization of the intensive community-based rehabilitation group homes that were started in mid-2004. Caseloads are expected to grow by 2.2 percent per year due to demographic trends. Please see page B1 for further information on Medicaid changes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$725,924
FY07	\$0	\$725,924

**PL- 26 - FMAP Enhancement Adjustment - Mental Health -**

The federal Jobs and Growth Tax Relief Reconciliation Act law resulted in a base year federal increase and state decrease of about three percent in the payment for Medicaid costs. This request provides an increase of close to \$1.5 million general fund and an offsetting decrease of federal funds for the biennium to reflect the removal of the enhanced Federal Medical Assistance Percentage (FMAP) rates in FY 2006 and FY 2007 for Mental Health services. Please see page B1 for further information on Medicaid changes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$547,120
FY07	\$0	\$711,256

**PL- 32 - FMAP Adjustment - Mental Health -**

This request provides an increase in general fund of close to \$1.3 million over the biennium, with an offsetting decrease in federal funds, due to projected changes in the Federal Medical Assistance Percentage (FMAP) rates for FY 2006 and FY 2007. Please see page B1 for further information in Medicaid changes.

**Public Health and Human Services-6901  
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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$1,324,307	\$1,324,307
FY07	\$1,324,307	\$1,324,307

**PL- 46 - Montana State Hospital Base Funding Adjustments -**

This request provides approximately \$2.7 million in general fund over the biennium for current level services at Montana State Hospital. These services include holiday worked, overtime, differential, and physician on-call necessary to maintain minimum staffing requirements at a 24 hour day, seven day a week facility. These items are zero based and must be requested each biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$291,238	\$291,238
FY07	\$291,238	\$291,238

**PL- 48 - Montana Mental Health Nursing Care Center Base Adjustment -**

This request provides \$582,476 in general fund over the biennium for current level services at Montana Mental Health Nursing Care Center. These services include holiday worked, overtime, and differential necessary to maintain minimum staffing requirements at a 24-hour day, seven day a week facility. These items are zero based and must be requested each biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$2,476,830	\$745,152
FY07	\$2,706,944	\$861,684

**PL- 51 - PACT Caseload -**

This present law adjustment anticipates the annualization of Program for Assertive Treatment (PACT) services during FY 2005 from the existing 140 slots to 290 slots and expands to 350 slots by FY 2007. The PACT programs will be the foremost community service to alleviate system dependency on the Montana State Hospital. This request adds about \$1.6 million in general fund and close to \$3.6 million in federal funds over the biennium.

PACT is a relatively new program in the array of community mental health services. It is a covered rehabilitation service in Montana's state Medicaid plan. The state first implemented this program in FY 2000 in two Montana communities – Billings and Helena. The Montana PACT is based on the nationally recognized PACT model that is designed to be a "hospital without walls."

The individuals enrolled in this program are those with the most severe symptoms and impairments not remedied by other available community treatments or individuals that resist or avoid mental health services due to their mental illnesses. The Billings and Helena programs each serve approximately 70 clients per month. By all accounts, these programs have been hugely successful in meeting the needs of their challenging caseloads. Most individuals served in the two programs have enhanced their recovery by living independently in the community without the need of high-end services or further criminal system involvement. Many program recipients have recovered to the point of returning to educational and employment opportunities. In addition, the division believes that the addition of these new PACT slots will decrease admissions at the Montana State Hospital.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$4,638	\$2,783
FY07	\$7,028	\$4,217

**PL- 55 - Division Central Office Rent -**

This decision package adds \$7,000 general fund, \$350 state special revenue and \$4,316 federal funds over the biennium to maintain contracted rent increases for the central office. The building lease rate increases two percent annually.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$523,818	\$523,818
FY07	\$746,455	\$746,455

**PL- 62 - Montana State Hospital Present Law Adjustments -**

This request combines essential present law adjustments for the Montana State Hospital. Included in this request is an increase for outside medical services to cover outside hospital inflation, pharmacy costs, contract with the Montana State Prison for Cook-Chill meals, and other replacement equipment and leases. The request totals nearly \$1.3 million over the biennium, all of which is general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$161,066	\$161,066
FY07	\$190,087	\$190,087

**PL- 63 - Montana Mental Health Nursing Care Center Present Law Adjustment -**

This request combines essential present law adjustments for the Montana Mental Health Nursing Care Center. Included in this request is an increase for outside medical services to cover any outside hospital inflation, pharmacy costs, and other replacement equipment and leases. The request totals \$351,153 over the biennium, all of which is general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$100,084	\$0
FY07	\$160,049	\$0

**PL- 97 - Montana Chemical Dependency Center Present Law Adjustment -**

This request combines essential present law adjustments for the Montana Chemical Dependency Center. Included in this request is an increase for outside medical services to cover any outside hospital inflation, pharmacy costs, and other replacement equipment and leases. Also included in this request is non-state building rent and food contract increases. The request totals \$260,133 over the biennium, all of which is alcohol tax state special revenue.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$227,126	\$0
FY07	\$353,619	\$0

**PL- 99 - Medicaid Caseload - Chemical Dependency -**

This request adds \$580,745 in all funds, with \$172,328 in state special revenue, over the biennium for Medicaid caseload growth in the Chemical Dependency program. Caseloads are anticipated to grow by 7.5 percent per year as this new program becomes established. Please see page B1 for further information on Medicaid changes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$0
FY07	\$0	\$0

**PL- 103 - FMAP Enhancement Adjustment - Chemical Dependency -**

The federal Jobs and Growth Tax Relief Reconciliation Act law resulted in a base year federal increase and state decrease of about three percent in the payment for Medicaid costs. This request provides an increase in state special revenue of \$37,712 each year of the biennium, with an offsetting decrease in federal funds, to reflect the removal of the enhanced Federal Medical Assistance Percentage (FMAP) rates in FY 2006 and FY 2007 for Chemical Dependency services. Please see page B1 for further information on Medicaid changes.

**Public Health and Human Services-6901  
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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$0
FY07	\$0	\$0

**PL- 104 - FMAP Adjustment - Chemical Dependency -**

This request provides an increase in state special revenue of \$70,491 over the biennium, with an offsetting decrease in federal funds, due to projected changes in the Federal Medical Assistance Percentage (FMAP) rates in FY 2006 and FY 2007. Please see page B1 for further information on Medicaid changes.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$31,424	\$0
FY07	\$31,424	\$0

**PL- 105 - Montana Chemical Dependency Center Base Adjustments -**

This request provides \$42,591 in state special revenue and \$20,257 in federal funds over the biennium for current level services at the Montana Chemical Dependency Center. These services include holiday worked, overtime, differential, and physician on-call necessary to maintain minimum staffing requirements at a 24 hour day, seven day a week facility. These items are zero based and must be requested each biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$75,000	\$0
FY07	\$75,000	\$0

**PL- 107 - Continue Data Infrastructure and Integration Grant -**

This request is for \$150,000 in federal funds over the biennium. This funding will enable the department to develop a uniform management information system.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$960,525	\$0
FY07	\$960,525	\$0

**PL- 126 - Mental Health Block Grant -**

This decision package adds \$960,525 federal funds for the Community Services Block Grant in each year of the biennium. The division uses this grant to augment the Mental Health Services Plan (MHSP) and the funds are currently included in the MHSP contracts with mental health centers.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$250,000	\$0
FY07	\$500,000	\$0

**PL- 132 - Substance Abuse Prevention Treatment Increase -**

This proposal requests \$750,000 in additional federal authority over the biennium from the Substance Abuse and Prevention Treatment Block Grant. This funding will help the state to expand existing services and develop a more effective system of chemical, alcohol, and drug treatment and prevention programs.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$165,097)	\$0
FY07	(\$165,097)	\$0

**PL- 179 - Discontinue State Incentive Grant Authority -**

This decision package discontinues the authority for the original State Incentive Grant, which was completed in FY 2004. This grant was for \$165,097 in federal funds each year of the biennium.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$8,536	\$2,134
FY07	\$8,536	\$2,134

**PL- 180 - Authority to Maximize PATH Grant -**

The federal Projects for Assistance in Transition from Homelessness (PATH) grant is annually \$300,000. The grant requires a 25 percent state match. In FY 2004, the federal grant was under spent by \$6,402. This present law adjustment requests full biennial restoration of the authority for the federal grant of \$12,804 and the required general fund match of \$4,268.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$269,277	\$0
FY07	\$269,277	\$0

**PL- 181 - Correct Accounting Error -**

This present law adjustment corrects an accounting error made at 2004 fiscal year end. The original offset was in personal services and cannot be remedied in MBARS without this decision package. The correction is for \$538,554 state special revenue over the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	(\$262,140)	(\$241,164)
FY07	(\$257,210)	(\$235,974)

**PL- 9999 - Statewide FTE Reduction -**

This decision package implements an FTE reduction equivalent to the reductions taken in the 2003 legislative session. This 5.65 FTE and \$477,000 general fund per biennium, along with an additional \$35,000 in federal funds and \$7,000 in state special revenue, are removed from the budget permanently.

-----**New Proposals**-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$135,415	\$135,415
FY07	\$135,415	\$135,415

**NP- 50 - Montana Mental Health Nursing Care Center Bed Tax -**

This proposal reinstates the funds to pay the bed tax charged for Montana Mental Health Nursing Care Center residents at the budgeted FY 2005 level. The proposal adds \$270,830 of general funds costs for the biennium. These funds were originally appropriated by the 2003 Legislature in HB 743. The proposal is revenue neutral, as a like amount will be deposited in the general fund.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$228,702	\$66,987
FY07	\$228,702	\$68,428

**NP- 58 - Enhance Community Psychiatric Access -**

This new proposal seeks to increase the rate paid for community psychiatric services by 20 percent. Lack of psychiatrists statewide has a negative effect on community care for individuals suffering from mental illness. Further, lack of appropriate community psychiatry unnecessarily impacts the Montana State Hospital. This request adds \$135,415 in general fund and \$457,404 in total funds during the biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$97,500	\$0
FY07	\$162,500	\$0

**NP- 70 - Regional Staffing and Operating -**

This new proposal adds 3.00 FTE in FY 2006 and 2.00 in FY 2007 (for a total of 5.00) to the mental health program. The regional staff are proposed to give the division the needed community presence necessary to improve regional and institutional service delivery. The proposal adds \$260,000 of federal funds for the biennium.

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	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$35,000	\$35,000
FY07	\$35,000	\$35,000

**NP- 86 - Staff Training to Reduce Violence and Improve Communications -**

This new proposal requests \$70,000 in general fund over the 2007 biennium for Montana State Hospital staff training. This training will reduce violence and improve communications between hospital staff and patients.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$0	\$76,273
FY07	\$0	\$24,919

**NP- 193 - Chemical Dependency Admin Fund Switch -**

The decision package requests a fund shift of \$76,273 in FY 2006 and \$24,919 in FY 2007 from state special alcohol tax to general fund. The chemical dependency program has, historically, been funded with Substance Abuse Prevention and Treatment (SAPT) block grant funds and alcohol tax revenues. The amount of revenue collected on beer, wine, and alcohol is insufficient to keep pace with the expenditure needs of the programs historically funded from this source. The option that remains is to begin funding the administration of chemical dependency with general fund.

-----Other Legislation Required to Implement HB2-----

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$3,250,000	\$0
FY07	\$3,250,000	\$0

**NP- 2 - Continuation of PSA for Mental Health Services -**

The Prevention and Stabilization Account (PSA) was created and funding appropriated during the 2003 Legislative Session in SB 485. The majority of the funding comes from the tobacco settlement funds. This decision package and the accompanying legislation provides funding over the biennium of \$6.5 million in state special revenue through the Prevention and Stabilization Account to continue the Mental Health Services Plan pharmacy and re-establish other community services at the funding level of the 2005 biennium. These services are scheduled to terminate on June 30, 2005 due to one time only funding of SB 485. These funds will be used in financing the Health Insurance Flexibility and Accountability (HIFA) waiver in FY 2007. Please see page B-2 for further information on PSA funding.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY06	\$198,429	\$99,214
FY07	\$198,429	\$99,214

**NP- 8 - Continuation of PSA for Adult Mental Health -**

The Prevention and Stabilization Account (PSA) was created and funding appropriated during the 2003 Legislative Session in SB 485. The majority of the funding comes from the tobacco settlement funds. This decision package and the accompanying legislation provides funding over the biennium of \$198,430 in state special revenue through the Prevention and Stabilization Account and \$198,428 in general fund to continue to fund Adult Mental Health services at the funding level of the 2005 biennium. These services are scheduled to terminate on June 30, 2005 due to one time only funding of SB 485. Please see page B-2 for further information on PSA funding.

**Language Recommendations –**

The Addictive and Mental Disorders Division is requesting legislative approval to begin, during the 2007 biennium, the process of working toward a Home and Community Based Services waiver for presentation to the 2007 Legislature.