

**Mission Statement** - The mission of the Montana Department of Public Health and Human Services is to improve and protect the health, well being, and self-reliance of all Montanans.

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

**Executive Budget Recommendation –**

- Increase funding and personnel resources for more intensive services in the foster care system
- Increase funding by over \$43 million during the biennium for payments to private providers of service for programs managed by DPHHS
- Provide over \$29 million TANF federal block grant funds over the biennium for the second phase of the welfare reform program, FAIM Phase II, designed to incorporate more extensive services for the working poor to keep them employed, provide more services to help families divert from the public assistance system altogether, and add more intensive services and assessments to help families identify and address barriers to employment earlier in the program
- Beginning in fiscal year 2003 increase eligibility for the Children's Health Insurance Program (CHIP) from 150 percent to 175 percent of the federal poverty level to serve an additional approximately 2,600 children
- Increase by \$36 million the funding and by 27 staff the personnel resources for supplemental costs of the Mental Health Medicaid Program, the Mental Health Services Plan, and the Montana State Hospital
- Benefits provided by the Medicaid Program are divided among the Health Policy and Services Division, the Disability Services Division, the Senior and Long Term Care Services Division, and the Addictive and Mental Disorders Division. The state and federal funding percentage rates for the program are determined using the Federal Medical Assistance Percentage (FMAP) formula, which compares the per capita income in Montana to the U.S. per capita income during a three year period.

The state share percentages for Medicaid during state fiscal years 1998 through 2003 are 29.83%, 28.56%, 27.84%, 27.15%, 27.12%, 26.98% (projected), respectively. Each percentage point decrease in state share reduces the state cost approximately \$4 million per year. The reductions in state cost share for the Medicaid Program during the 2003 biennium, over the state costs for the 2001 biennium, are proposed to be re-invested in supporting the growth in Medicaid expenditures and strengthening human services programs throughout the department

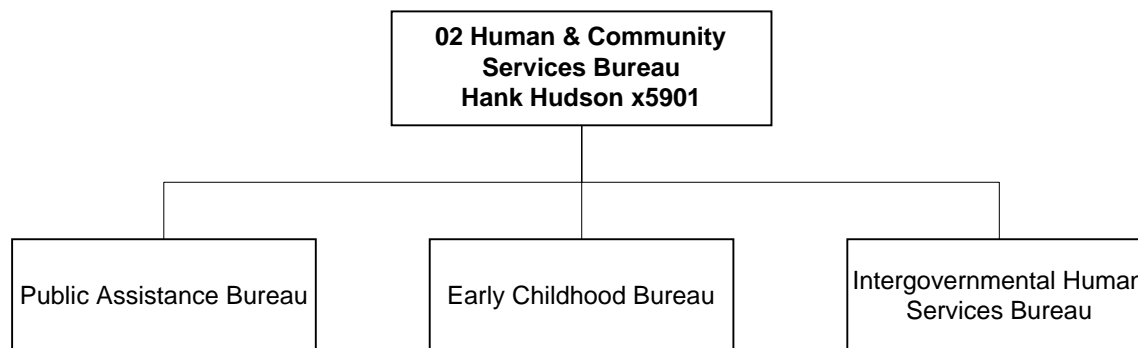
**Language** - The following language is recommended for HB2:

"The department may add FTE instead of contracting for services if it certifies to the office of budget and program planning that FTE are more cost effective than contracting. FTE added through this language will be modified and may not be included in the 2003 biennium base budget."

Agency Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	2,696.84	87.00	46.10	2,829.94	96.00	55.85	2,848.69
Personal Services	98,366,813	5,594,937	1,834,153	105,795,903	6,460,961	2,195,444	107,023,218
Operating Expenses	70,760,991	7,392,238	13,576,449	91,729,678	8,407,318	6,544,728	85,713,037
Equipment	793,242	122,483	222,157	1,137,882	45,483	107,157	945,882
Capital Outlay	6,356	0	0	6,356	0	0	6,356
Local Assistance	6,249	0	0	6,249	0	0	6,249
Grants	37,927,039	5,700,497	1,337,478	44,965,014	6,098,641	1,274,952	45,300,632
Benefits & Claims	558,364,221	95,030,673	101,215,399	754,610,293	116,059,651	104,662,541	779,086,413
Transfers	0	0	28,950	28,950	0	29,221	29,221
Debt Service	619,798	0	2,850	622,648	0	2,850	622,648
<b>Total Costs</b>	<b>\$766,844,709</b>	<b>\$113,840,828</b>	<b>\$118,217,436</b>	<b>\$998,902,973</b>	<b>\$137,072,054</b>	<b>\$114,816,893</b>	<b>\$1,018,733,656</b>
General Fund	228,813,863	22,898,313	9,298,163	261,010,339	27,817,175	14,282,538	270,913,576
State/Other Special	32,370,025	5,357,157	1,701,658	39,428,840	7,051,183	3,210,217	42,631,425
Federal Special	505,660,821	85,585,358	107,217,615	698,463,794	102,203,696	97,324,138	705,188,655
<b>Total Funds</b>	<b>\$766,844,709</b>	<b>\$113,840,828</b>	<b>\$118,217,436</b>	<b>\$998,902,973</b>	<b>\$137,072,054</b>	<b>\$114,816,893</b>	<b>\$1,018,733,656</b>

**PUBLIC HEALTH & HUMAN SERVICES  
HUMAN AND COMMUNITY SERVICES DIVISION**

**6901  
02**



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

The Public Assistance Bureau administers Montana's welfare reform initiative, known as FAIM (Families Achieving Independence in Montana). The bureau also provides eligibility services for Medicaid, CHIP (Children's Health Insurance Program), and food stamps.

The Early Childhood Bureau: 1) manages the funds which pay for child care for FAIM participants and low-income working families; 2) contracts with 12 resource and referral agencies to administer child care eligibility, provider recruitment, and technical assistance; and 3) administers the Child and Adult Care Food Program which provides reimbursement to providers for the cost of meals served to eligible children.

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) five other weatherization programs; 4) the Emergency Shelter Grants program; and 5) USDA commodities programs. The bureau stores and distributes USDA commodity foods to a wide range of recipients.

Statutory authority for the program is provided in Title 53, Chapter 2, MCA, and 45 CFR.

**Program Indicators -**

<b>Indicator</b>	<b>Actual FY1998</b>	<b>Actual FY1999</b>	<b>Actual FY2000</b>	<b>Estimated FY2001</b>	<b>Requested FY2002</b>	<b>Requested FY2003</b>
Pounds of food delivered to Indian Reservations, elderly feeding sites, charitable organizations, and soup kitchens (in millions)	8.3	7.4	9.3	9	9	9
Number of low-income homes weatherized	1,370	1,614	1,471	1,435	1,400	1,400
Number of households provided with energy assistance	15,198	14,334	14,717	15,500	15,500	15,500
Achieve the all family work participation rate to qualify for the 75% state maintenance of effort	30%	35%	40%	45%	50%	50%
Achieve the two-parent work participation rate to qualify for the 75% state maintenance of effort	75%	90%	90%	90%	90%	90%
Number of low-income working families receiving child care assistance	5,439	6,820	8,288	9,100	10,025	11,000

**PUBLIC HEALTH & HUMAN SERVICES  
HUMAN AND COMMUNITY SERVICES DIVISION**

**6901  
02**

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	435.95	12.00	4.00	451.95	12.00	4.00	451.95
Personal Services	16,488,993	156,965	137,725	16,783,683	259,164	138,202	16,886,359
Operating Expenses	8,185,024	(30,447)	8,012,602	16,167,179	(162,836)	155,478	8,177,666
Equipment	111,077	70,500	0	181,577	17,500	0	128,577
Capital Outlay	6,356	0	0	6,356	0	0	6,356
Grants	15,085,953	1,300,000	56,271	16,442,224	1,700,000	56,271	16,842,224
Benefits & Claims	55,908,900	3,857,415	78,013,106	137,779,421	3,757,415	59,455,027	119,121,342
Transfers	0	0	28,950	28,950	0	29,221	29,221
Debt Service	44,855	0	0	44,855	0	0	44,855
<b>Total Costs</b>	<b>\$95,831,158</b>	<b>\$5,354,433</b>	<b>\$86,248,654</b>	<b>\$187,434,245</b>	<b>\$5,571,243</b>	<b>\$59,834,199</b>	<b>\$161,236,600</b>
General Fund	19,601,819	(23,657)	0	19,578,162	(190,098)	0	19,411,721
State/Other Special	3,484,798	(86,734)	0	3,398,064	(66,946)	0	3,417,852
Federal Special	72,744,541	5,464,824	86,248,654	164,458,019	5,828,287	59,834,199	138,407,027
<b>Total Funds</b>	<b>\$95,831,158</b>	<b>\$5,354,433</b>	<b>\$86,248,654</b>	<b>\$187,434,245</b>	<b>\$5,571,243</b>	<b>\$59,834,199</b>	<b>\$161,236,600</b>

**Significant Present Law Adjustments -**

- Adjust the federal funding and add 1.00 FTE for management of the Refugee Resettlement Program
- Expand federal funding for the Child and Adult Care Food Program to reflect a projected increase in food subsidies and reimbursement rate
- Annualize federal spending for Temporary Assistance for Needy Families (TANF) benefits and fund 6.00 FTE for fiscal and contract monitoring, work participation validation, and implementation of the next stage of welfare reform
- Increase various federally-funded energy and food assistance programs and add general fund for the Montana Food Bank to purchase additional equipment and supplies
- Adjust federal and general fund for increased Food Stamp program requirements
- Enhance county eligibility outreach, case management, and resource coordination services for TANF, Food Stamps, and Medicaid
- Increase spending authority for Public Assistance program implementation, policy interpretation, and program management
- Correct an expenditure transaction error that was recorded in the state accounting system

**New Proposals -**

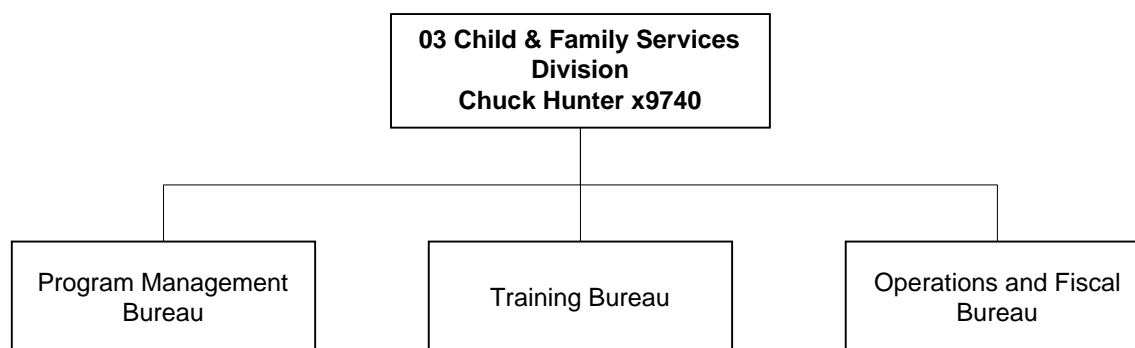
- Add federal spending authority and 3.00 FTE for caseload increases for the Child Care Program and for the supplemental Head Start grant
- Create new federal spending authority to provide commodities to 7,500 low-income elderly persons and children between the ages of five and six and include funding for 1.00 FTE
- Add new federal spending authority to provide home weatherization, client education, and cost effective retrofits or repairs to space or water heating devices in a minimum of 300 low-income households
- Provide \$89,000 new federal funds for the Elderly Refugee Grant that serves low-income elderly Hmong and Russian refugees
- Decrease state TANF federal funding by \$1.9 million to reflect the change of the Fort Belknap Indian Community from a state-administered to a Tribal-administered TANF plan
- Provide DOT Motor Pool lease vehicles for statewide travel of staff in the Public Assistance Bureau
- Provide \$29.3 million TANF federal block grant over the biennium for FAIM Phase II to fund program changes and additions, designed to ensure the success of welfare reform in Montana
- Contract with MSU Extension Service Housing Program (MSUES) to provide training and technical assistance for weatherization managers within the Denver federal Department of Energy (DOE) region
- Increase Low Income Energy Assistance (LIEAP) grant for federal energy contingency funds awarded in response to increases in heating fuel costs
- Provide additional federal authority over the biennium for child care matching funds.
- Increase biennial federal authority by \$103,304,322 to enable electronic benefit transfer cash assistance instead of food stamps

**PUBLIC HEALTH & HUMAN SERVICES  
HUMAN AND COMMUNITY SERVICES DIVISION**

**6901  
02**

**Language Recommendations** - The following language is recommended for HB2  
 "Benefits for TANF are set at 40.5% of the poverty rate for each year of the biennium."  
 "The provider rate increase provided for child care should reflect local markets."

**CHILD & FAMILY SERVICES DIVISION**



**Program Description** - The Child and Family Services (CFS) Division administers child welfare services, abuse prevention services, domestic violence grants, and other programs designed to keep children safe and families strong. CFS 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. CFS also provides the user liaison for the large statewide computer system application: CAPS (the Child and Adult Protective Services) system. Statutory authority for the program is provided in Titles 33, 40, 41, 42, 50, 52, and 72, MCA, and 45CFR, Parts 1355 and 1370.

**Program Indicators -**

Indicator	Actual FY1998	Actual FY1999	Actual FY2000	Estimated FY2001	Requested FY2002	Requested FY2003
Total Number of Children in Out of Home Care at some time throughout the year (unduplicated)	3,381	3,561	3,579	4,003	4,124	4,249
Finalized subsidized Adoption Caseload	673	820	970	1,198	1,378	1,584
Average Number of Placements per Child per year.	3.72	3.82	3.86	3.8	3.7	3.6
Total # of Families served by Prevention Programs	1,256	1,108	1,250 estimate	1,300	1,350	1,400
Average length of time (number of days) children remain in out of home placements	731	766	790	780	770	760
Permanent Placements	684	675	691	716	741	766
Use of extended families for kinship placement	459	717	908	1,100	1,200	1,300

**PUBLIC HEALTH & HUMAN SERVICES  
CHILD & FAMILY SERVICES DIV**

**6901  
03**

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	324.75	0.00	18.75	343.50	0.00	26.00	350.75
Personal Services	12,320,176	(169,737)	789,530	12,939,969	(102,980)	1,061,995	13,279,191
Operating Expenses	3,257,286	476,523	414,700	4,148,509	656,895	395,687	4,309,868
Equipment	10,558	0	110,000	120,558	0	0	10,558
Grants	4,412,608	84,992	750,000	5,247,600	84,992	1,000,000	5,497,600
Benefits & Claims	20,138,739	2,344,792	1,624,895	24,108,426	3,869,510	2,471,636	26,479,885
Debt Service	89,150	0	0	89,150	0	0	89,150
<b>Total Costs</b>	<b>\$40,228,517</b>	<b>\$2,736,570</b>	<b>\$3,689,125</b>	<b>\$46,654,212</b>	<b>\$4,508,417</b>	<b>\$4,929,318</b>	<b>\$49,666,252</b>
General Fund	18,116,310	1,263,115	3,593,930	22,973,355	2,064,303	4,369,808	24,550,421
State/Other Special	2,877,029	82,261	0	2,959,290	104,008	0	2,981,037
Federal Special	19,235,178	1,391,194	95,195	20,721,567	2,340,106	559,510	22,134,794
<b>Total Funds</b>	<b>\$40,228,517</b>	<b>\$2,736,570</b>	<b>\$3,689,125</b>	<b>\$46,654,212</b>	<b>\$4,508,417</b>	<b>\$4,929,318</b>	<b>\$49,666,252</b>

**Significant Present Law Adjustments -**

- Provide funding for projected caseload growth in the Subsidized Adoption program
- Increase funding for a projected caseload growth in the Foster Care program
- Replace existing department fleet vehicles with DOT Motor Pool lease units
- Provide funding for increased rent in regional offices and zero-based overtime for social worker staff
- Replace out-dated computer equipment with new leased computers
- Maintain current funding level for the Big Brothers/Big Sisters program
- Expand Title IV-E Case Management to the Sioux and Assiniboine Tribes of the Fort Peck Indian Reservation

**New Proposals -**

- Increase the daily rate of reimbursement for services in the Family Foster Care program
- Increase the daily rate of reimbursement for services in the Subsidized Adoption program
- Add to the rate of reimbursement for services provided by foster care facilities
- Replace Social Services Block Grant (Title XX) funds with general fund
- Increase funding and personnel resources to address workload and staffing issues associated with the foster care system
- Expand Child Protective Services (CPS) Day Care funding

04 Director's Office  
Laurie Ekanger x5622

**Program Description -** The Director's Office provides overall policy development and administrative guidance for the department. Included in the Director's Office are legal affairs, personnel services, public information, customer relations, the prevention resource center, and the Montana Telecommunications Access Program. The Department of Public Health and Human Services Statewide Advisory Council and the Native American Advisory Council are administratively attached. Statutory authority for the program is provided in 2-15-225, 2-15-2201, and 2-15-2212, MCA; 53-19-306, MCA; and ARM 37.1.101.

**Program Indicators –**

Indicator	Actual FY1998	Actual FY1999	Actual FY2000	Estimated FY2001	Requested FY2002	Requested FY2003
MTAP Relay Service total minutes per year	338,818	394,518	329,404	362,345	395,579	438,437
MTAP Relay Service total costs per year	423,523	493,148	395,285	543,518	593,369	657,656
Average calls per year	52,940	61,643	51,469	56,616	61,809	68,506

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	31.50	0.00	2.50	34.00	0.00	2.50	34.00
Personal Services	1,269,796	111,159	98,175	1,479,130	119,065	98,511	1,487,372
Operating Expenses	935,812	215,279	74,913	1,226,004	278,613	75,816	1,290,241
Debt Service	11,897	0	1,650	13,547	0	1,650	13,547
<b>Total Costs</b>	<b>\$2,217,505</b>	<b>\$326,438</b>	<b>\$174,738</b>	<b>\$2,718,681</b>	<b>\$397,678</b>	<b>\$175,977</b>	<b>\$2,791,160</b>
General Fund	550,778	45,837	30,054	626,669	49,774	29,975	630,527
State/Other Special	966,273	220,957	117,006	1,304,236	283,244	118,395	1,367,912
Federal Special	700,454	59,644	27,678	787,776	64,660	27,607	792,721
<b>Total Funds</b>	<b>\$2,217,505</b>	<b>\$326,438</b>	<b>\$174,738</b>	<b>\$2,718,681</b>	<b>\$397,678</b>	<b>\$175,977</b>	<b>\$2,791,160</b>

**Significant Present Law Adjustments -**

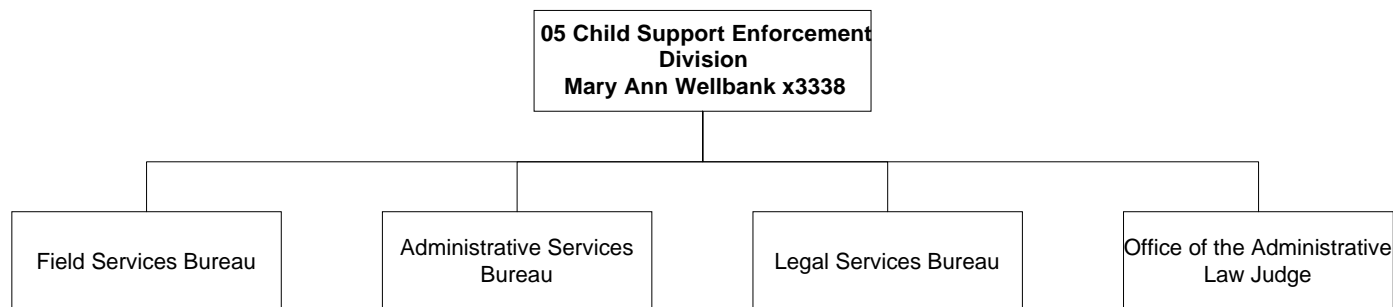
- Fund increased contract costs for relay services for telecommunications access

**New Proposals -**

- Support increased community contributions to the AmeriCorps VISTA program
- Establish 1.00 FTE human services specialist for Montana Telecommunications Access Program (MTAP)
- Lease two vehicles from DOT Motor Pool for Montana Telecommunications Access Program (MTAP)
- Provide 1.50 FTE to help the Interagency Coordinating Council on State Prevention (ICC) and Prevention Resource Center programs

**PUBLIC HEALTH & HUMAN SERVICES  
CHILD SUPPORT ENFORCEMENT**

**6901  
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 FY1998	Actual FY1999	Actual FY2000	Estimated FY2001	Requested FY2002	Requested FY2003
Percent of cases in enforcement	72%	73%	76%	78%	80%	80%

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	189.75	0.00	2.00	191.75	0.00	2.00	191.75
Personal Services	6,071,450	778,337	80,374	6,930,161	814,543	80,657	6,966,650
Operating Expenses	2,278,971	177,415	1,012,414	3,468,800	155,408	890,000	3,324,379
Local Assistance	6,249	0	0	6,249	0	0	6,249
Debt Service	12,458	0	0	12,458	0	0	12,458
<b>Total Costs</b>	<b>\$8,369,128</b>	<b>\$955,752</b>	<b>\$1,092,788</b>	<b>\$10,417,668</b>	<b>\$969,951</b>	<b>\$970,657</b>	<b>\$10,309,736</b>
General Fund	211	(211)	0	0	(211)	0	0
State/Other Special	2,327,013	710,199	338,548	3,375,760	714,735	330,023	3,371,771
Federal Special	6,041,904	245,764	754,240	7,041,908	255,427	640,634	6,937,965
<b>Total Funds</b>	<b>\$8,369,128</b>	<b>\$955,752</b>	<b>\$1,092,788</b>	<b>\$10,417,668</b>	<b>\$969,951</b>	<b>\$970,657</b>	<b>\$10,309,736</b>

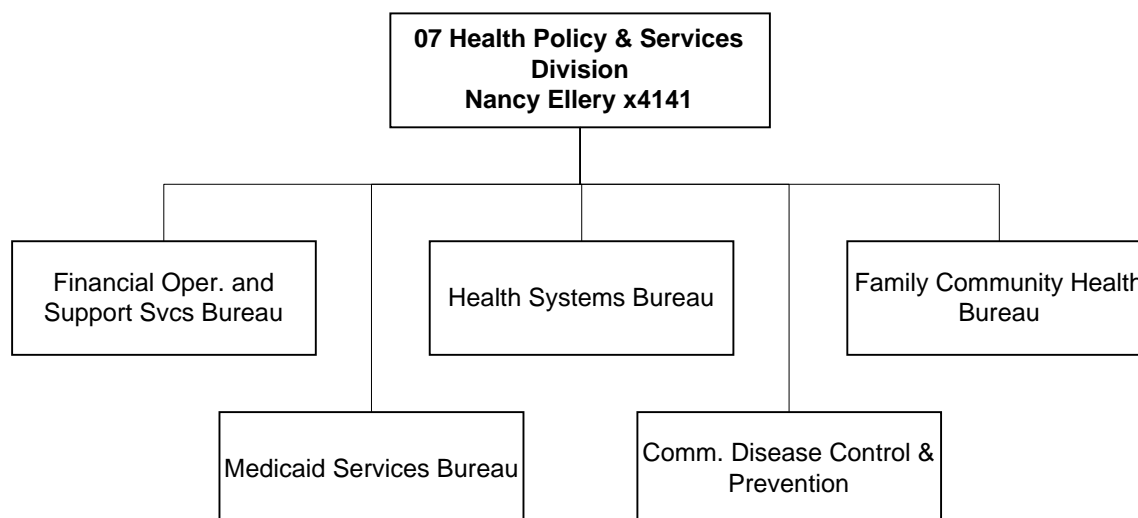
**Significant Present Law Adjustments -**

- Upgrade the Voice Response Unit with enhancements to expand services to customers
- Increase costs for the Customer Service Unit New Hire Reporting contracts
- Budget for office lease cost increase
- Maintain Families First, Access and Visitation Grant

**New Proposals -**

- Add 1.00 FTE paralegal and 1.00 FTE obligor liaison
- Increase the SEARCHS information management system contract by \$1.08 million
- Implement mandated Facilitate Financial Institutions Data Match (FIDM) to increase child support collections
- Conduct criminal non-support prosecutions for obligated parents who have the ability to pay
- Administer a study of the cost of raising a child in the State of Montana





**Program Description -** The Health Policy and Services Division is responsible for the planning and implementation of statewide health policy. The purpose of the division is to improve and protect the health and safety of Montanans. The division provides a wide range of preventive, primary, acute care, and public health 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. The division administers public health programs including, but not limited to Women's Infants and Children's Special Nutrition Program (WIC), Maternal and Child Public Health Services, Immunization Programs, STD/HIV prevention, Emergency Medical Services, Family Planning, Abstinence Education, acute and primary care components of the Medicaid Program, and the Children's Health Insurance Program (CHIP). 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 contracts with over 500 non-profit providers for the delivery of health care services. The Medicaid Program is a voluntary state/federal partnership to provide and finance these services to the aged, blind, disabled, or low-income families. To be eligible for Medicaid, an individual must meet income and resource guidelines and be included in a family with dependent children or be determined by SSI to be elderly or disabled. The division administers the CHIP Program through a contract with an insurance plan. The division also manages the functions of the tumor registry and the environmental laboratory.

Statutory authority for many public health functions is included in Title 50, MCA and local public health activities are in Title 16, MCA. 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 Ch 11 part 246; Medicaid Title 53, Chapter 6, MCA, and Title XIX of the Social Security Act (42 USC. 1396, et seq.); and CHIP Title 53, Chapter 4, MCA, and Title XXI of the Social Security Act.

**Program Indicators -**

Indicator	Actual FY1998	Actual FY1999	Actual FY2000	Estimated FY2001	Requested FY2002	Requested FY2003
Increase in the number of Medicaid recipients enrolled in the Managed Care program	2,018	2200	2000	2447	2500	2600
Number of clients served by WIC Program	21,428	21,366	21,229	21,441	21,655	21,872
Net Food Costs for WIC	\$7,659,667	\$8,377,566	\$7,946,395	\$8,025,859	\$8,106,117	\$8,187,179

**PUBLIC HEALTH & HUMAN SERVICES  
HEALTH POLICY & SERVICES DIVISION**

**6901  
07**

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	146.52	7.00	10.35	163.87	7.00	10.35	163.87
Personal Services	6,226,859	281,028	393,648	6,901,535	322,214	395,010	6,944,083
Operating Expenses	15,603,433	1,489,154	3,160,953	20,253,540	1,484,454	4,501,372	21,589,259
Equipment	336,877	24,000	99,657	460,534	0	99,657	436,534
Grants	6,527,225	50,000	0	6,577,225	50,000	0	6,577,225
Benefits & Claims	209,802,306	49,662,329	4,250,113	263,714,748	63,236,641	10,196,207	283,235,154
Debt Service	2,576	0	0	2,576	0	0	2,576
<b>Total Costs</b>	<b>\$238,499,276</b>	<b>\$51,506,511</b>	<b>\$7,904,371</b>	<b>\$297,910,158</b>	<b>\$65,093,309</b>	<b>\$15,192,246</b>	<b>\$318,784,831</b>
General Fund	48,619,148	7,697,421	1,303,043	57,619,612	9,857,291	2,301,433	60,777,872
State/Other Special	11,561,315	2,772,610	481,844	14,815,769	4,027,973	880,253	16,469,541
Federal Special	178,318,813	41,036,480	6,119,484	225,474,777	51,208,045	12,010,560	241,537,418
<b>Total Funds</b>	<b>\$238,499,276</b>	<b>\$51,506,511</b>	<b>\$7,904,371</b>	<b>\$297,910,158</b>	<b>\$65,093,309</b>	<b>\$15,192,246</b>	<b>\$318,784,831</b>

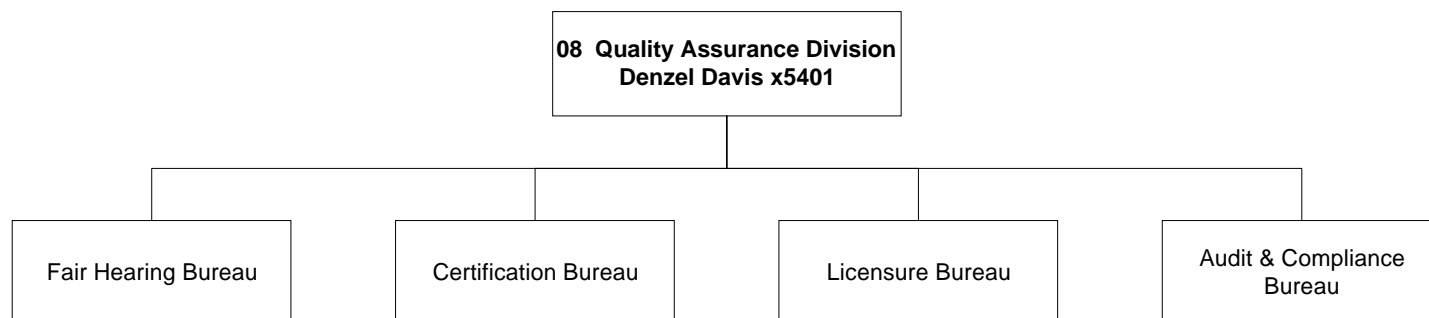
**Significant Present Law Adjustments -**

- Expand by five percent the funding for the Medicaid Indian Health Services (IHS) program
- Increase a federal grant from the Centers for Disease Control and Prevention and add 1.00 FTE for tobacco program evaluation
- Improve epidemiology and laboratory capacity in Montana using federal funds
- Increase funding for Emergency Medical Technician certification and licensure
- Enhance authority to release funds to local health departments for inspection services
- Continue the Montana Birth Outcomes Monitoring System with a Center for Disease Control and Prevention grant
- Budget federal grant to support Fetal, Infant and Child Mortality Review in Montana
- Fund increased premiums for the Medicare Buy-In, thereby allowing state Medicaid programs to purchase Medicare coverage through premium payments for Medicaid recipients who are dually eligible for Medicare and Medicaid
- Add \$51 million for the estimated Medicaid caseload increase for primary care and hospital programs including the number of eligibles, utilization, and patient acuity levels
- Annualize the Children's Health Insurance Program (CHIP) at a total cost of \$19.9 million for projected benefit and administrative costs of a fully-implemented program for children with family incomes up to 150 percent of the federal poverty level and convert the modified 6.00 FTE to permanent positions
- Support the development of the Montana Public Health Training Institute
- Fund contract to increase efficiency of the billing and collections functions of the drug rebate program
- Implement a legislative audit recommendation to account for Medicaid drug cost rebates as revenue
- Change the accounting method for Women, Infants, and Children (WIC) infant formula rebates
- Interagency agreement with the OPI for school-related tobacco use prevention services

**New Proposals -**

- Add 0.85 FTE for additional food and consumer safety duties mandated by recent statutory change
- Provide 2.00 FTE claims adjudicators for the Medicaid Primary Care and Hospital programs
- Increase federal Highway Traffic Safety funds to improve Emergency Medical Services data collection and analysis and to enhance injury prevention activities
- Develop a plan to address Fetal Alcohol Syndrome and Fetal Alcohol Effect using federal funds
- Make the federally-mandated health educator position in the Women's Health Section permanent
- Convert the modified Maternal and Child Health data analyst position to a permanent FTE
- Use federal funds to conduct medical screening on Montana residents exposed to high levels of lead
- Revise the existing Women, Infants, and Children (WIC) automated system
- Convert 2.00 FTE modified positions in the public health laboratory to permanent positions
- Prepare to respond to a bioterrorist incident using 1.00 FTE and federal funding
- Increase funding 35 percent for Medicaid ambulance services
- Increase funding 19.50 percent for Medicaid dental services
- Increase reimbursement rates 2.5 percent for physicians, nurse practitioners, physician assistants, podiatrists, chiropractors, physical/occupational/and speech therapists, and audiologists for Medicaid services
- Provide a 1.85 percent rate increase for Medicaid hospital providers
- Elimination of the resource test for pregnant women and children in the poverty level programs
- Increase eligibility for the CHIP from 150 percent to 175 percent of the federal poverty level
- Prevent communicable and environmental diseases by responding to emergent situations
- Fund the Certificate of Need program
- Provide outreach services funded by the TANF-Medicaid "delinking" fund
- Expand the Cardiovascular Health Program with Centers for Disease Control and Prevention funds
- Fund the state trauma care system with increased state special revenue

**DIVISION OF QUALITY ASSURANCE**



**Program Description -** The Quality Assurance Division (QAD) certifies provider and recipient compliance with state and federal regulations; monitors Medicaid provider payments and recovers over-paid benefits; provides independent audits, process reviews and fair hearings for all DPHHS programs. The Process Review Unit is responsible for facilities management, Managed Care network adequacy and quality assurance, and department fair hearings. The Audit Unit conducts program, contract and grant financial audits to determine allowable expenditures, compliance with contract terms, accounts due the department, and adequacy of internal controls. The Surveillance/Utilization Review Section recovers Medicaid money that is billed and paid erroneously and also conducts ongoing reviews to monitor the appropriate use of the Medicaid program by both recipients and providers.

**PUBLIC HEALTH & HUMAN SERVICES  
DIVISION OF QUALITY ASSURANCE**

**6901  
08**

Third Party Liability is responsible for estate recovery and cost avoidance recovery for Medicaid recipients. The Fraud and Recovery program collects money from client abuse and overpayment of Medicaid and state welfare programs. The Quality Control program samples Food Stamp and Medicaid cases for compliance with federal and state eligibility rules. The Certification Bureau is responsible for the certification of health care facilities and CLIA laboratories enrolled in the Medicare and Medicaid programs. The State Licensure program inspects and issues facility/service licenses to health care facilities and residential and community residential facilities. It also registers/licenses day care facilities.

Statutory References include 42 U.S.C. 1818 and 42 U.S.C. 1919; 45 U.S.C; Title 50, Chapter 5, parts 1 and 2, MCA; Title 50, Chapter 5, part 11, MCA; Title 53, Chapter 2, section 501, MCA; CFR 21, CFR 49, CFR 10; P.L. 102-539 (10-27-92); Title 52, Chapter 2, part 7, MCA.

**Program Indicators –**

<b>Indicator</b>	<b>Actual FY1998</b>	<b>Actual FY1999</b>	<b>Actual FY2000</b>	<b>Estimated FY2001</b>	<b>Requested FY2002</b>	<b>Requested FY2003</b>
State Health Care Licensure Visits	702	927	864	853	933	943
Medicaid Overpayment Recoveries/Cost Avoidance (in millions)	55,198,914	55,420,566	65,885,681	67,176,039	68,518,961	69,883,640

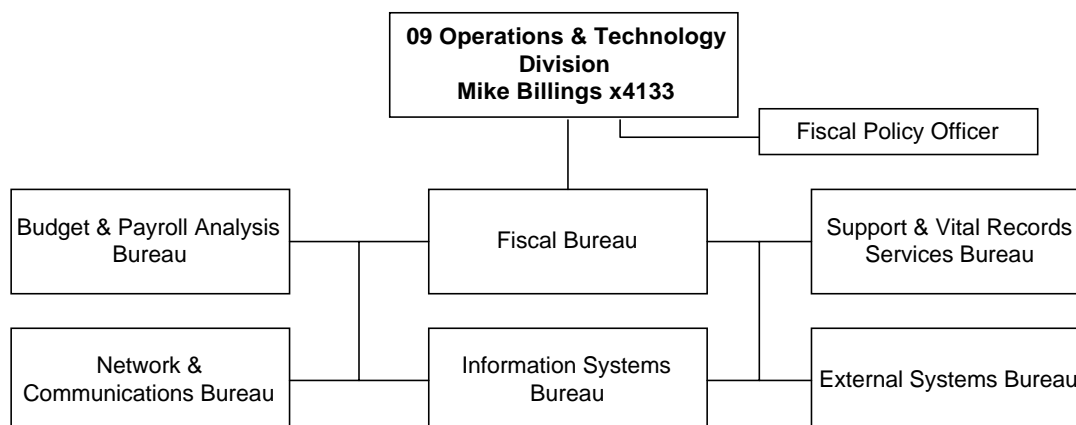
Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	113.71	1.00	0.00	114.71	1.00	0.00	114.71
Personal Services	4,335,905	312,670	0	4,648,575	339,024	0	4,674,929
Operating Expenses	1,765,600	85,161	428,800	2,279,561	94,994	428,800	2,289,394
Equipment	37,773	0	0	37,773	0	0	37,773
Grants	0	0	370,000	370,000	0	370,000	370,000
<b>Total Costs</b>	<b>\$6,139,278</b>	<b>\$397,831</b>	<b>\$798,800</b>	<b>\$7,335,909</b>	<b>\$434,018</b>	<b>\$798,800</b>	<b>\$7,372,096</b>
General Fund	1,658,639	274,349	(375)	1,932,613	285,537	(375)	1,943,801
State/Other Special	386,883	19,828	0	406,711	21,240	0	408,123
Federal Special	4,093,756	103,654	799,175	4,996,585	127,241	799,175	5,020,172
<b>Total Funds</b>	<b>\$6,139,278</b>	<b>\$397,831</b>	<b>\$798,800</b>	<b>\$7,335,909</b>	<b>\$434,018</b>	<b>\$798,800</b>	<b>\$7,372,096</b>

**Significant Present Law Adjustments -**

- Add 1.00 FTE radiological health inspector and contract residential health care inspection services

**New Proposals -**

- Add two additional motor pool lease cars for use by personnel assigned in Billings and Miles City
- Sustain, strengthen, and preserve the Rural Hospital Critical Access Program



**Program Description -** Operations and Technology Division (OTD) provides support services for the Department of Public Health and Human Services. Services include preparation and management of the executive budget and budget planning, financial and accounting services, and cost projections for benefit programs such as Medicaid. The division is responsible for the development and operation of internal computer systems, technical planning of electronic government applications, telecommunications, security, and internal support services such as purchasing, leasing and mailroom.

The division manages contracts for major state computer systems: The Economic Assistance Management System (TEAMS), the Montana Automated Child Care System (MACCS), the System for Enforcement and Recovery of Child Support (SEARCHS), the Montana Medicaid Information System (MMIS), the Child & Adult Protective Services System (CAPS), and the Montana Medicaid Management Information Reporting System (MMIRS). The division also manages the Virtual Human Services Pavilion, designed and developed to provide citizens with easy access to a wide range of government services and information. OTD also manages vital records and statistics.

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

**Program Indicators -**

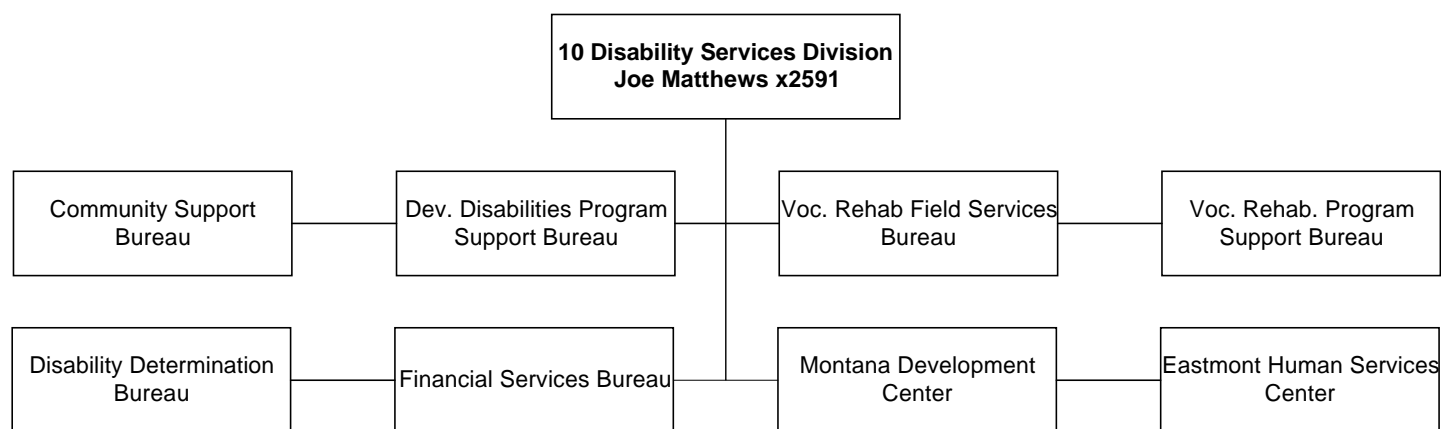
Indicator	Actual FY1998	Actual FY1999	Actual FY2000	Estimated FY2001	Requested FY2002	Requested FY2003
Birth Certificates Issued	12,230	23,467	30,767	43,221	46,679	50,413
On-Line Networks Managed	85	85	90	95	100	105
External Systems – Transactions TEAMS SEARCHS CAPS	68,701,010	74,983,754	87,026,230	95,728,853	105,301,738	115,831,912
Leases Managed	61	75	79	76	80	83
Medicaid Warrants Issued	78,920	83,758	94,954	104,449	109,671	115,155

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	140.00	0.00	0.00	140.00	0.00	0.00	140.00
Personal Services	4,962,930	430,818	0	5,393,748	461,563	0	5,424,493
Operating Expenses	22,711,118	2,123,515	0	24,834,633	2,584,855	0	25,295,973
Equipment	41,352	0	0	41,352	0	0	41,352
Debt Service	317,198	0	0	317,198	0	0	317,198
<b>Total Costs</b>	<b>\$28,032,598</b>	<b>\$2,554,333</b>	<b>\$0</b>	<b>\$30,586,931</b>	<b>\$3,046,418</b>	<b>\$0</b>	<b>\$31,079,016</b>
General Fund	10,767,331	1,553,181	0	12,320,512	1,713,763	0	12,481,094
State/Other Special	2,062,464	218,808	0	2,281,272	235,047	0	2,297,511
Federal Special	15,202,803	782,344	0	15,985,147	1,097,608	0	16,300,411
<b>Total Funds</b>	<b>\$28,032,598</b>	<b>\$2,554,333</b>	<b>\$0</b>	<b>\$30,586,931</b>	<b>\$3,046,418</b>	<b>\$0</b>	<b>\$31,079,016</b>

**Significant Present Law Adjustments -**

- Extend the existing contract for The Economic Assistance Management System (TEAMS) for two years
- Extend the existing contract for the Montana Medicaid Management Information System (MMIS)
- Request increased funding for the Child and Adult Protective Systems (CAPS) contract
- Extend the System for Enforcement and Recovery of Child Support (SEARCHS) contract for two years
- Prepare a new public assistance cost allocation plan
- Provide funding for increased mainframe usage for the Child and Adult Protective Systems (CAPS)
- Fund increased mainframe usage by System for Enforcement and Recovery of Child Support (SEARCHS)
- Support increased mainframe usage for The Economic Assistance Management System (TEAMS)
- Lease vehicles from the Montana Department of Transportation Motor Pool

**DISABILITY SERVICES DIVISION**



**Program Description -** Disability Services Division 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. Disability Services Division is responsible for medical adjudication of all claims for Social Security Disability and Supplemental Security Income. The division is responsible for the state institutions in Glendive, the Eastmont Human Services Center, and Boulder, the Montana Developmental Center.

**PUBLIC HEALTH & HUMAN SERVICES  
DISABILITY SERVICES DIVISION**

**6901  
10**

The Developmental Disabilities Planning and Advisory Council (DDPAC) is administratively attached.

Vocational rehabilitation serves individuals with orthopedic, mental, visual, hearing, brain, and other disabilities. Developmentally disabled include 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 for the program is provided in Title 53, MCA , 2-15-2204, 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 -**

<b>Indicator</b>	<b>Actual FY1998</b>	<b>Actual FY1999</b>	<b>Actual FY2000</b>	<b>Estimated FY2001</b>	<b>Requested FY2002</b>	<b>Requested FY2003</b>
Vocational Rehabilitation number rehabilitated	936	925	985	950	950	950
Vocational Rehabilitation percentage severely disabled	74.2%	73.6%	75.7%	74%	74%	74%
Developmental Disabilities waiting for service and receiving no other DDP services	412	422	509	585	652	729
Developmental Disabilities waiting for additional services and receiving some DDP	597	560	625	719	826	950

<b>Program Proposed Budget</b>							
<b>Budget Item</b>	<b>Base Budget Fiscal 2000</b>	<b>PL Base Adjustment Fiscal 2002</b>	<b>New Proposals Fiscal 2002</b>	<b>Total Exec. Budget Fiscal 2002</b>	<b>PL Base Adjustment Fiscal 2003</b>	<b>New Proposals Fiscal 2003</b>	<b>Total Exec. Budget Fiscal 2003</b>
FTE	607.20	20.00	2.00	629.20	20.00	2.00	629.20
Personal Services	21,426,688	437,017	79,201	21,942,906	560,462	79,481	22,066,631
Operating Expenses	5,067,882	545,850	0	5,613,732	688,056	0	5,755,938
Equipment	35,047	0	0	35,047	0	0	35,047
Benefits & Claims	65,476,036	3,605,479	5,075,061	74,156,576	3,750,581	8,537,698	77,764,315
Debt Service	55,797	0	0	55,797	0	0	55,797
<b>Total Costs</b>	<b>\$92,061,450</b>	<b>\$4,588,346</b>	<b>\$5,154,262</b>	<b>\$101,804,058</b>	<b>\$4,999,099</b>	<b>\$8,617,179</b>	<b>\$105,677,728</b>
General Fund	41,387,750	1,536,719	1,957,886	44,882,355	1,746,061	3,683,743	46,817,554
State/Other Special	97,368	0	0	97,368	0	0	97,368
Federal Special	50,576,332	3,051,627	3,196,376	56,824,335	3,253,038	4,933,436	58,762,806
<b>Total Funds</b>	<b>\$92,061,450</b>	<b>\$4,588,346</b>	<b>\$5,154,262</b>	<b>\$101,804,058</b>	<b>\$4,999,099</b>	<b>\$8,617,179</b>	<b>\$105,677,728</b>

**Significant Present Law Adjustments -**

- Reflect reduced FTE and operations of 12 individuals moving from Eastmont into community services
- Increase federal funds to reflect a ten percent increase in Disability Determination Services
- Add state special revenue to meet the payment schedule to retire the Montana Developmental Center construction bonds
- Annualize the four percent tuition increase for FY 2001 authorized by the 1999 Legislature and fund an additional four percent tuition increase each year of the 2003 biennium to maintain current level educational services to individuals with disabilities
- Provide the FY 2001 direct care salary increase authorized by the 1999 Legislature in the base budget
- Annualize the FY 2001 one percent provider rate increase authorized by the 1999 Legislature for the private providers of vocational rehabilitation (VR) and developmental disability (DDP) services
- Pay the service costs for individuals placed in the community from Montana Developmental Center at various times during FY 2000 and the individuals from Eastmont Human Services Center scheduled for placement in FY 2001
- Recognize administrative costs for staff who began midway through the FY 2000 and annualize the increase in benefits in FY 2001 authorized by the 1999 Legislature
- Continue the 20.00 FTE and operational costs at the Montana Developmental Center that were previously slated to be reduced
- Fund the rent increases in field offices
- Adjust the general fund base state match amount for the Independent Living Older Blind grant

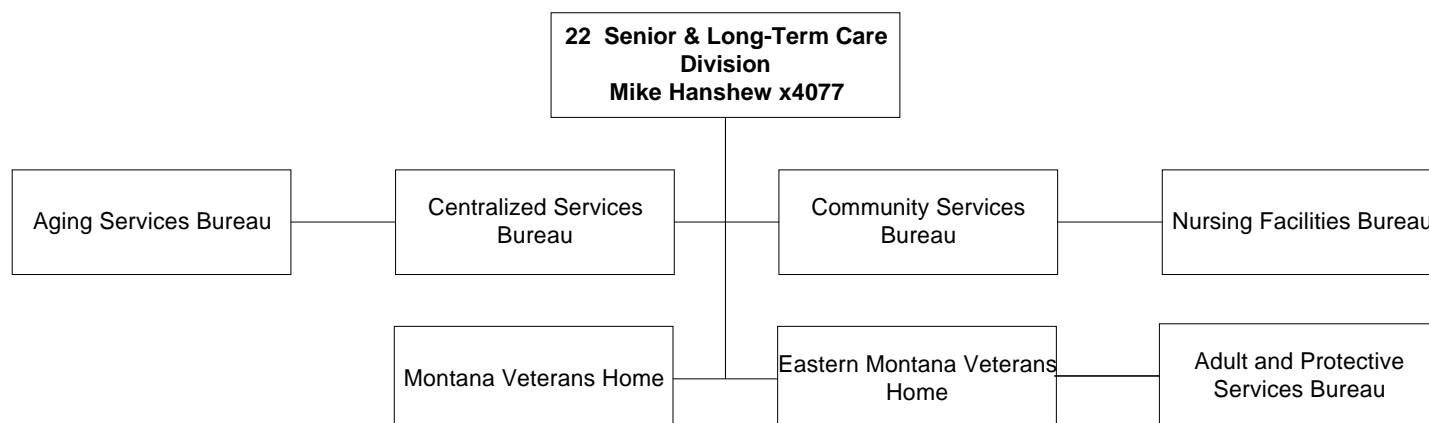
**New Proposals -**

- Provide federal authority for increases in grants used to fund services to individuals with disabilities
- Add 2.00 FTE disability claims manager to meet federal determination and review requirements
- Add funding for community nonprofit providers direct care staff wages to reduce disparity
- Approve a 2.70 percent provider rate increase each year to Vocational Rehabilitation service providers
- Total FY 2001 base funding for Section 110 is \$8,357,089; of which 61 percent represents the portion for providers (excludes amount for tuition).
- Expand services to 42 people with developmental disabilities on the community waiting list, with five coming from the two institutions (Montana Developmental Center & Eastmont Human Services Center)
- Fund the crisis capacity project to serve individuals who have emergencies while waiting for services

**Language Recommendations -** The following language is recommended for HB2:

"The disability services division is authorized to pursue up to \$2.0 million in federal funding over the biennium to enhance and improve services to persons with developmental disabilities. These additional federal funds may be expended by the division for services as long as those actions do not require or commit the state to additional general fund expenditures beyond the amount appropriated for the 2003 biennium by the legislature for the developmental disabilities community."





**Program Description -** The Senior and Long Term Care Division 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, 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 98 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 90-bed Montana Veterans Home (MVH) in Columbia Falls and the 80-bed Eastern Montana Veterans Home 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 References: 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 (authorizes and establishes Montana Veteran's Homes), 53-1-202 (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 FY1998	Actual FY1999	Actual FY2000	Estimated FY2001	Requested FY2002	Requested FY2003
Persons receiving Personal Assistance	2,643	2,773	2,808	2,864	2,950	3,039
Persons receiving HCBS Waiver	1,384	1,497	1,607	1,662	1,739	1,827
Persons receiving Nursing Home	5,250	5,277	5,257	5,257	5,270	5,296

Personal Assistance: FY 2001 – Assumes 2 percent growth in people served  
FY 2002 – Assumes 3 percent growth in people served  
FY 2003 – Assumes 3 percent growth in people served

HCBS Waiver: FY 2001 - Assumes 50 additional slots and a 10 percent turnover rate of new slots  
FY 2001 - Assumes 70 additional slots and a 10 percent turnover rate of new slots  
FY 2001 - Assumes 80 additional slots and a 10 percent turnover rate of new slots

Nursing homes: FY 2001 – Assumes no growth in people served  
FY 2001 – Assumes .25 percent growth in people served  
FY 2001 – Assumes .50 percent growth in people served

**PUBLIC HEALTH & HUMAN SERVICES  
SENIOR & LONG-TERM CARE SVCS**

**6901  
22**

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	160.04	9.00	4.50	173.54	18.00	7.00	185.04
Personal Services	5,481,572	383,624	161,398	6,026,594	663,633	247,150	6,392,355
Operating Expenses	2,745,808	117,188	97,500	2,960,496	192,982	71,250	3,010,040
Equipment	39,141	27,983	12,500	79,624	27,983	7,500	74,624
Grants	6,243,240	223,752	1,066,141	7,533,133	223,752	1,083,575	7,550,567
Benefits & Claims	145,636,617	12,005,722	7,567,359	165,209,698	14,292,428	14,800,812	174,729,857
Debt Service	4,403	0	0	4,403	0	0	4,403
<b>Total Costs</b>	<b>\$160,150,781</b>	<b>\$12,758,269</b>	<b>\$8,904,898</b>	<b>\$181,813,948</b>	<b>\$15,400,778</b>	<b>\$16,210,287</b>	<b>\$191,761,846</b>
General Fund	41,427,657	3,079,173	1,558,161	46,064,991	3,482,356	2,722,517	47,632,530
State/Other Special	2,790,322	288,331	667,793	3,746,446	476,222	1,547,437	4,813,981
Federal Special	115,932,802	9,390,765	6,678,944	132,002,511	11,442,200	11,940,333	139,315,335
<b>Total Funds</b>	<b>\$160,150,781</b>	<b>\$12,758,269</b>	<b>\$8,904,898</b>	<b>\$181,813,948</b>	<b>\$15,400,778</b>	<b>\$16,210,287</b>	<b>\$191,761,846</b>

**Significant Present Law Adjustments -**

- Adjust for one-time, zero-based, and projected expenditure increases at the Montana Veterans Home
- Provide 18.00 FTE and support for the new Special Care Unit at the Montana Veterans Home approved by the 1999 Legislature
- Annualize the legislatively-appropriated FY 2001 provider rate and direct care wage increases and fund projected caseload growth in the Medicaid Home Health, Personal Assistance, and Hospice programs
- Add funds to annualize the legislatively-appropriated FY 2001 provider rate and direct care wage increases to the Aging Services programs
- Sustain the appropriated FY 2001 provider rate and direct care wage increases and fund projected caseload growth in the Medicaid Nursing Home program
- Add funding for a provider rate increase, direct care wage increase, and service expansion appropriated to the Medicaid Home and Community Waiver Program in FY 2001
- Annualize services to individuals at risk of abuse, neglect, and exploitation to appropriated levels
- Increase general fund due to projected caseload growth in the State Supplement program for persons in designated residential care facilities
- Purchase equipment at the Montana Veterans Home
- Fund the purchase of equipment at the Eastern Montana Veterans Home
- Pay the cost of increases in rent for Adult Protective Services Bureau field staff offices
- Lease four vehicles from the DOT Motor Pool for Adult Protective Service workers
- Budget the cost of increases in rent for Community Services Bureau field staff offices
- Reflect the federal share of projected Medicaid payments to Montana Developmental Center, Eastmont Human Services Center, and the Montana Veterans Home
- Restore a portion of the funds reverted in FY 2000 to resolve fiscal year end accounting transactions

**New Proposals -**

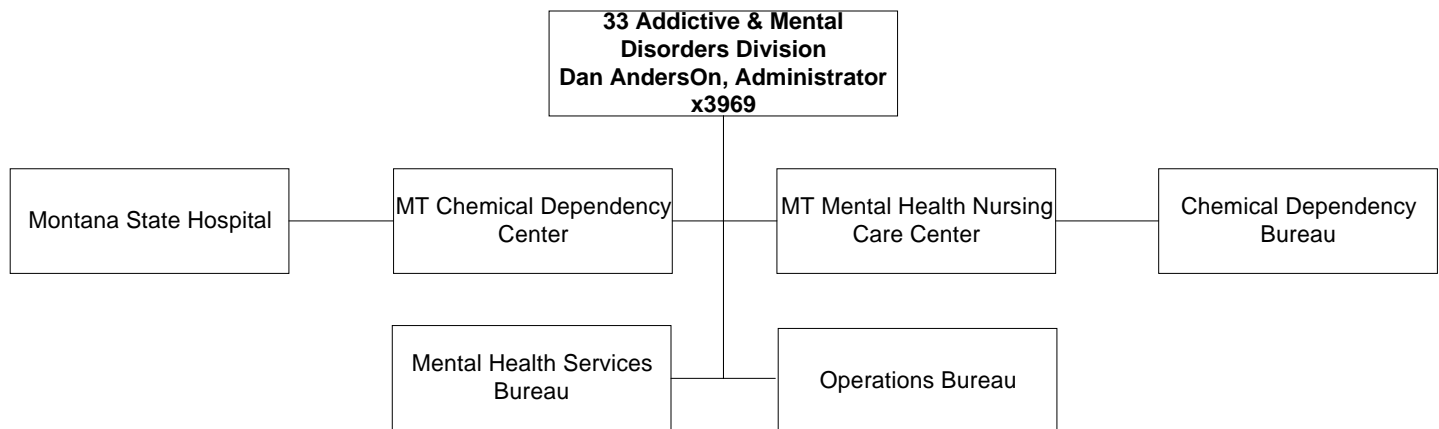
- Use the state share of proceeds from the Lien and Estate Recovery program to add 5.50 FTE adult protective service workers
- Increase the wages of direct care staff working as attendants in the Medicaid Personal Assistance and Waiver programs by approximately 25 cents per hour each year of the biennium
- Provide a 4.5 percent per year funding increase to stabilize Medicaid Nursing Home rates
- Provide a 1.5 percent per year rate increase to the Aging Services, Waiver, Home Health, and Hospice programs
- Provide Medicaid Home and Community Services to an additional 150 persons from the waiting list
- Authorize the division to pursue methods to increase Medicaid reimbursement to county affiliated nursing homes through the use of local matching funds
- Pursue opportunities to access federal funds to increase services at no cost to the state general fund
- Fund an increase in the federal Older Americans Act grant

**Language Recommendations -** The following language is recommended for HB2:

"The senior and long-term care division is authorized to pursue up to \$14.4 million in state special and federal funding over the biennium sufficient to increase the Medicaid rates of county affiliated nursing facilities through the intergovernmental transfers of state matching funds from counties. The additional federal funds may be expended by the division as long as those actions do not require or commit the state to additional general fund expenditures beyond the amount appropriated for the 2002 biennium by the legislature to the senior and long-term care division."

"The senior and long- term care division is authorized to pursue up to \$2.0 million in federal funding over the biennium to enhance or improve division services or programs. These additional federal funds may be expended by the division on services as long as those actions do not require or commit the state to additional general fund expenditures beyond the amount appropriated for the 2003 biennium by the legislature to the division."

**ADDICTIVE & MENTAL DISORDERS**



**Program Description -** The Addictive and Mental Disorders Division (AMDD) is responsible for providing alcohol and drug prevention, 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 (190 beds) and the Montana Mental Health Nursing Care Center (MMHNCC) at Lewistown (165 beds) 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.

**PUBLIC HEALTH & HUMAN SERVICES  
ADDICTIVE & MENTAL DISORDERS**

**6901  
33**

The mental health system is authorized in Title 53, Chapter 21, parts 1 through 5 and part 64, MCA, and P. L. 102-321, CFR. The chemical dependency program is authorized in Title 53, Chapters 1, 24 and 26, MCA, and Part C, Title XIX of the Social Security Act.

**Program indicators -**

<b>Indicator</b>	<b>Actual FY1998</b>	<b>Actual FY1999</b>	<b>Actual FY2000</b>	<b>Estimated FY2001</b>	<b>Requested FY2002</b>	<b>Requested FY2003</b>
Chemical Dependency Program unduplicated number of people served	5,585	5,648	5,935	6,286	6,660	7,058

Program Proposed Budget							
Budget Item	Base Budget Fiscal 2000	PL Base Adjustment Fiscal 2002	New Proposals Fiscal 2002	Total Exec. Budget Fiscal 2002	PL Base Adjustment Fiscal 2003	New Proposals Fiscal 2003	Total Exec. Budget Fiscal 2003
FTE	547.42	38.00	2.00	587.42	38.00	2.00	587.42
Personal Services	19,782,444	2,873,056	94,102	22,749,602	3,024,273	94,438	22,901,155
Operating Expenses	8,210,057	2,192,600	374,567	10,777,224	2,433,897	26,325	10,670,279
Equipment	181,417	0	0	181,417	0	0	181,417
Grants	5,658,013	4,041,753	(904,934)	8,794,832	4,039,897	(1,234,894)	8,463,016
Benefits & Claims	61,401,623	23,554,936	4,684,865	89,641,424	27,153,076	9,201,161	97,755,860
Debt Service	81,464	0	1,200	82,664	0	1,200	82,664
<b>Total Costs</b>	<b>\$95,315,018</b>	<b>\$32,662,345</b>	<b>\$4,249,800</b>	<b>\$132,227,163</b>	<b>\$36,651,143</b>	<b>\$8,088,230</b>	<b>\$140,054,391</b>
General Fund	46,684,220	7,472,386	855,464	55,012,070	8,808,399	1,175,437	56,668,056
State/Other Special	5,816,560	1,130,897	96,467	7,043,924	1,255,660	334,109	7,406,329
Federal Special	42,814,238	24,059,062	3,297,869	70,171,169	26,587,084	6,578,684	75,980,006
<b>Total Funds</b>	<b>\$95,315,018</b>	<b>\$32,662,345</b>	<b>\$4,249,800</b>	<b>\$132,227,163</b>	<b>\$36,651,143</b>	<b>\$8,088,230</b>	<b>\$140,054,391</b>

**Significant Present Law Adjustments -**

- Increase funding and personnel resources for supplemental costs of the Mental Health Medicaid Program, the Mental Health Services Plan, and the Montana State Hospital
- Annualize the FY 2001 one percent provider rate increase authorized by the 1999 Legislature for service providers in the Preadmission Screening and Annual Resident Review program
- Budget the FY 2001 one percent provider rate increase authorized by the 1999 Legislature for the inpatient youth chemical dependency service providers
- Recognize the FY 2001 one percent provider rate increase authorized by the 1999 Legislature for the providers of mental health services that are covered by Medicaid
- Continue the FY 2001 one percent provider rate increase authorized by the 1999 Legislature for the service providers of mental health services to persons not eligible for Medicaid
- Maintain the FY 2001 increase in Community Mental Health Block Grant funding into FY 2002 and FY 2003
- Annualize FY 2001 increases for Montana Chemical Dependency Center contract food and rent inflation
- Restore zero-based overtime, holiday pay and differential PAY at MCDC
- Increase costs for FY 2002 and 2003 for MCDC contract food and rent
- Provide a rural rate increase to community mental health centers to ensure access to services
- Fund caseload increases in the Mental Health Services Plan (MHSP) Pharmacy program
- Reflect the Mental Health Services Plan benefit caseload increase
- Adjust FY 2000 Medicaid mental health base benefit expenditures to FY 2002 and FY 2003 due to changes in the Federal Medical Assistance Percentage (FMAP) rates

- Support a Medicaid mental health caseload increase of four percent per year
- Enhance funding for growth in pharmaceutical costs in the Mental Health Services Plan program
- Fund zero-based overtime, holiday pay and differential PAY at Montana Mental Health Nursing Care Center
- Provide zero-based overtime, holiday pay and differential for the Montana State Hospital
- Sustain training and education of mental health consumers, their families, and mental health providers
- Implement a legislative audit recommendation to account for Medicaid drug cost rebates as revenue
- Add 6.00 FTE and funding authority for Mental Health Services eligibility determination
- Annualize increased cost of utilization review and management contract for mental health benefits
- Correct an expenditure transaction error that was recorded in the state accounting system
- Reduction to reflect that the Underage Drinking Grant is discontinued for the 2003 biennium
- Collect Montana Mental Health Nursing Care Center pharmacy rebates to help pay drug costs
- Increase funding for the Substance Abuse Prevention and Treatment grant
- Assist communities with alcohol prevention planning and programming using the State Incentive Grant
- Provide for the debt service payments on the new Montana State Hospital building
- Enhance funding for pharmacy costs at Montana Chemical Dependency Center
- Expand funding for pharmacy costs at Montana Mental Health Nursing Care Center
- Increase funding for pharmacy costs the Montana State Hospital

**New Proposals -**

- Refinance the public chemical dependency program by creating a Medicaid benefit for a full range of CD services for both adolescents and adults
- Establish a 1.50 percent FY 2002 and 3.00 percent FY 2003 provider rate increase for Medicaid mental health providers
- Increase by 25 percent the rate of reimbursement for psychiatrists providing mental health services
- Raise by 1.50 percent in FY 2002 and 3.00 percent in FY 2003 the service provider rate for the Preadmission Screening and Annual Resident Review
- Add a provider rate increase for Mental Health Service Plan providers of 1.50 percent in FY 2002 and 3.00 percent in FY 2003
- Increase the provider rate for the Indigent Youth Alcohol Treatment program by 1.50 percent in FY 2002 and 3.00 percent in FY 2003
- Fund Requests for Proposals for start-up and initial operation of Behavioral Health Facilities in two Montana communities
- Train law enforcement and criminal justice personnel on appropriate response procedures in emergency situations involving severe mental disturbance or chemical dependency
- Increase eligibility for the Children's Health Insurance Program (CHIP) from 150 percent to 175 percent