

Department of Public Health and Human Services 2003 Biennium Budget Reductions			FY2010 Updated Status of Reductions Provided at Request of Joint Subcommittee - LFC and CFHHS				
	Description	Program Affected	FY 2002 General Fund	FY 2002 Total Funds	FY 2003 General Fund	FY 2003 Total Funds	FY2010 Updated Status of Reductions as of Fiscal Year End 2010
<b><u>Supplemental Mitigation - Dec 2001 through June 2002</u></b>							
	<b>Mental Health Medicaid:</b>						
1	All mental health services: Implement stricter documentation standards for medical necessity. This will provide an improved gatekeeping function and will have the result of reducing costs across the board.	AMDD	-82,571	-304,465	-165,142	-610,055	Implemented as proposed.
2	Clear scope of services for RTCs and reserve out-of-state placements to youth with specialized needs	AMDD	-27,000	-99,558	-54,000	-199,483	Implemented as proposed.
3	Require prior authorization for outpatient therapy sessions beyond 24 per person per year.	AMDD	-150,000	-553,097	-300,000	-1,108,238	Implemented as proposed. Cap on outpatient services for adults later limited to 16 per year. 2010 ARM change to allow 24 sessions for adults. CMHB maintains PA requirement for outpatient therapy beyond 24 sessions. In FY 08, first 24 sessions allowed for non-SED youth
4	This option will eliminate duplicative outpatient and rehab. services for youth in school-based service.	AMDD	-75,000	-276,549	-150,000	-554,119	Implemented as proposed.
5	This option reduces intensive case management for youth in therapeutic living	AMDD	-55,000	-202,802	-110,000	-406,354	Case management is provided to youth in therapeutic living services.
6	Reduce "care coordination" services by social workers, psychologists, and licensed professional counselors.	AMDD	-40,000	-147,493	-80,000	-295,530	Services permanently eliminated.
7	Reduce all reimbursement rates by 2.6 percent for Mental Health Professionals. This option would reduce rates for the 6 month period starting 1/1/02 and ending 6/30/02.	AMDD	-63,391	-233,743	0	0	Implemented as proposed - temporary and short-term rate reduction. Rates restored 7/1/2002 with provider rate increase.
8	Change the Medicaid client sharing of program costs from a co-payment basis to co-insurance at 5% with a total cap of \$500 annually. This will increase the client share of costs significantly but will put the program on a cost sharing basis.	AMDD	-50,000	-184,366	-150,000	-554,119	Not implemented for mental health services.

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9	Refinance School Based Services.	AMDD	0	0	-800,000	-2,955,301	Implemented as proposed. Public schools provide the state match for CSCT.
10	Eliminate "full day" day treatment for adults with serious mental	AMDD	0	0	-230,000	-849,649	Permanently eliminated.
	<b>Mental Health Medicaid Reductions:</b>		<b>-542,962</b>	<b>-2,002,072</b>	<b>-2,039,142</b>	<b>-7,532,848</b>	
	<b>Mental Health Services Plan:</b>						
1	Eliminate Frontier Rate Differential	AMDD	0	0	-165,423	-195,000	Permanently eliminated.
2	Eliminate all room and board payments	AMDD	0	0	-424,160	-500,000	CMHB supplemental service program (SSP) pays for some R&B costs of youth in therapeutic group homes to avoid higher levels of care. These costs are used for TANF MOE.
	<b>MHSP Reductions:</b>		<b>0</b>	<b>0</b>	<b>-589,583</b>	<b>-695,000</b>	
	<b>Medicaid Primary Care:</b>						
1	Pharmacy - Increase percentage off the AWP from 10% to 15%	HPSD	0	0	-965,753	-3,567,614	Increased pharmacy percentage of Average Wholesale Price (AWP) from 10% to 15%; savings from FY2002 - 2009 of \$26.63 million.
2	Dental - Limit Adult Dental coverage to Basic Services	HPSD	0	0	-425,078	-1,570,292	Not implemented.
3	This proposal is to reduce the percentage paid to each of two co-surgeons to the Medicare level and reduce reimbursement to ambulatory surgical centers to 55% percent of charges approximating the hospital cost to charge ratio.	HPSD	-31,641	-116,670	-94,923	-350,658	Reduced reimbursement to ASC to 55% of charges, approximating hospital cost to charge ratio - savings through FY2009 of \$650,000. By report percentage (procedures with no established fees) reduced from 77% of billed charges to

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4	Change the Medicaid client sharing of program costs from a co-payment basis to co-insurance at 5% with a total cap of \$500 annually. This will increase the client share of costs significantly but will put the program on a cost sharing basis.	HPSD	-140,071	-516,486	-515,594	-1,904,669	Savings: approximately \$10.3 million total funds for hospital services. Not known if Medicaid patients pay more out-of-pocket or if increase in cost share acts to reduce provider reimbursement. Original proposal included 5% cost share on pharmacy, but was prohibitive for patients and was rescinded. Total costs sharing capped at \$500.
5	Eliminate second six-months of extended Medicaid coverage	HPSD	0	0	0	0	Not implemented. The current State Plan extends the initial period from six months to twelve.
6	Allow only bills for current and previous 3 months to be counted to meet the incurment. Currently allow any past bill for which they are obligated regardless of the age of the expense.	HPSD	0	0	-186,300	-688,216	Not implemented. Received information from CMS that we cannot limit the age of bills that are allowed to meet the incurment.
7	Freeze the Medically Needy Income Level for 2 years. Currently it is increased annually based on CPI increase.	HPSD	0	0	-160,779	-593,938	MNIL has not been increased since July 1, 2001. However, two \$50 income disregards are in place.
8	Drop the Extended Medicaid Waiver; return to the federal regulation which is more restrictive.	HPSD	0	0	-282,396	-1,043,207	Waiver was dropped and has not been restored; went back to requiring families to have received family group (1931) coverage for at least three of the six months immediately preceding qualifying event and also went back to requiring income increase to be only from earnings. Returned to allowing only four months of extended coverage for families whose family group coverage ended due to increased child support (under the waiver, 12 months of additional coverage)
9	Increase Third Party Liability (TPL) recoveries by enhancing recoveries in the area of prescription drugs and identify other insurance coverages. This will be accomplished by hiring a contractor that will bill pharmacy benefit managers (PBMs) electronic	HPSD	-134,817	-497,113	-269,634	-996,062	Pharmacy TPL recoveries—no contractor was hired. CMS changed cost avoidance requirements beginning in 2004, pharmacy claims system performed TPL calculations at point of sale reducing costs to pharmacy program.
10	Initial Estimate - Reduce all reimbursement rates by 2.6 percent for Health Professionals. This option would reduce rates for the 6 month period starting 1/1/02 and ending 6/30/02.	HPSD	-1,540,000	-5,678,466	0	0	One time mitigation reduction

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11	Implement waiver to reduce service package to able bodied persons aged 21 to 64.	HPSD	0	0	0	0	Implement waiver to reduce service package to able-bodied persons aged 21 to 64. OPCA has cost effectiveness information on this waiver. Dental, eyeglasses, and DME services were eliminated except when necessary for employment. This change resulted in increased hospital emergency department usage by patients with mouth pain.
	<b>Primary Care Reductions:</b>		<b>-1,846,529</b>	<b>-6,808,735</b>	<b>-2,900,457</b>	<b>-10,714,655</b>	
	<b>Medicaid Hospitals:</b>						
1	Reduce Out of State reimbursement from 61% to 50% of billed charges	HPSD	-76,840	-283,333	-230,520	-851,570	Reduce out of state hospital reimbursement from 61% to 50% of billed charges—change pays out of state hospitals more in line with in state hospitals as a percentage of cost. Recently, out of state hospital reimbursement changed from 50% of billed charges to APR DRG. Savings: \$6.5 million. Impact—some out of state hospitals stopped taking referrals from Montana hospitals. Out of state hospitals are only used when services are not available in Montana. Reduced access for some patients for some specialized procedures available only outside of Montana.
2	Change in CAH Reimbursement	HPSD	-112,241	-413,868	-507,330	-1,874,141	Subsequently revised
3	Hospital - Eliminate catastrophic case payments	HPSD	0	0	-344,763	-1,273,598	Eliminate catastrophic case payments to hospitals—savings through 2009: \$5.3 million total funds. Total biennial impact, including federal funds—\$1,273,598. Additional reimbursement for hospital cases where charges exceed \$144,000 were eliminated; hospitals are paid on a DRG basis with additional outlier payment. Reduced reimbursement for state's five largest hospitals that handle difficult cases. No patient impact.
	<b>Hospital Reductions:</b>		<b>-189,081</b>	<b>-697,201</b>	<b>-1,082,613</b>	<b>-3,999,309</b>	
	<b>Supplemental Mitigation - Dec 2001 through June 2002</b>	<b>Total</b>	<b>-2,578,572</b>	<b>-9,508,009</b>	<b>-6,611,795</b>	<b>-22,941,812</b>	

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<b><u>FAIM II R Reductions</u></b>							
	<b>First Reduction - November 2001</b>						
1	Parents as Scholars	HCSD	0	-470,048	0	0	Permanent Reduction (\$470,048). Program ended 6/30/2003
2	Tribal Projects (restricted)	HCSD	0	-879,008	0	0	Permanent Reduction (879,008) Program ended 6/30/2003
3	Tribal NEW	HCSD	0	-796,452	0	0	Permanent Reduction (796,452) Program ended 6/30/2003
4	Montana Training Consortium	HCSD	0	-297,101	0	0	Permanent Reduction (\$297,101) Program ended 6/30/2003
5	Other Tribal Programs (restricted)	HCSD	0	-349,531	0	0	Permanent Reduction (\$349,531) Program ended 6/30/2003
6	Other Non-tribal Programs	HCSD	0	-174,765	0	0	Permanent Reduction (\$174,765) Program ended 6/30/2003
7	High Wage High Skill Training (restricted)	HCSD	0	-346,060	0	0	Permanent Reduction (\$346,060) Program ended 6/30/2003
8	Assessment Services - Intensive Case Management	HCSD	0	-764,206	0	0	Permanent Reduction (\$764,206) Program ended 6/30/2003
9	Chemical Dependency Graham Home Msla & Blgs	HCSD	0	-222,301	0	0	Permanent Reduction (\$222,301) Program ended 6/30/2003
10	Learning Disabilities through OPI or Tribal Colleges	HCSD	0	-209,718	0	0	Permanent Reduction (\$209,718) Program ended 6/30/2003
11	Mental Health Services (On-site Counselors)	HCSD	0	-174,765	0	0	Permanent Reduction (\$174,765) Program ended 6/30/2010
12	Family Drug Court	HCSD	0	-139,812	0	0	Permanent Reduction (\$139,812) Program ended 6/30/2003
13	Low-Income Housing	HCSD	0	-1,223,357	0	0	Permanent Reduction (\$1,223,357) Program ended 6/30/2006
14	Car purchase, loans, or community transportation	HCSD	0	-279,624	0	0	Permanent Reduction (\$279,624) Program ended 6/30/2003
15	Extra month grant for working families	HCSD	0	-859,300	0	0	Permanent Reduction (\$859,300) Program ended 6/30/2008

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16	Emergency Supportive Service for Working Family	HCSD	0	-458,938	0	0	Permanent Reduction (\$458,938) Program ended 6/30/2003
17	Individual Development Accounts	HCSD	0	-97,008	0	0	Permanent Reduction (\$97,008), a minor amount of funding is
18	Children as Scholars (Head Start Child Care)	HCSD	0	-699,105	0	0	Permanent Reduction (\$699,105) Program ended 6/30/2003
19	TEAMS Reprocurement/Enhancements	HCSD	0	-520,825	0	0	Permanent Reduction (\$520,825) Some funding continues at a
20	School Breakfast Startup Cost	HCSD	0	-62,916	0	0	Permanent Reduction (\$62,916) Program ended 6/30/2003
21	Children's Trust Fund	HCSD	0	-176,553	0	0	Permanent Reduction (\$176,553) Program ended 6/30/2003
	<b>First Reduction Total:</b>		<b>0</b>	<b>-9,201,393</b>	<b>0</b>	<b>0</b>	
	<b>Second Reduction - May 2002</b>						
1	Parents as Scholars	HCSD	0	0	0	-451,234	Permanent Reduction (\$451,234). Program ended 6/30/2003
2	Tribal Projects (restricted)	HCSD	0	0	0	-843,822	Permanent Reduction (843,822) Program ended 6/30/2003
3	Tribal NEW	HCSD	0	0	0	-764,571	Permanent Reduction (764,571) Program ended 6/30/2003
4	Montana Training Consortium	HCSD	0	0	0	-42,832	Permanent Reduction (\$285,209) Program ended 6/30/2003
5	Other Tribal Programs (restricted)	HCSD	0	0	0	-335,539	Permanent Reduction (\$335,539) Program ended 6/30/2003
6	Other Non-tribal Programs	HCSD	0	0	0	-167,770	Permanent Reduction (\$167,770) Program ended 6/30/2003
7	High Wage High Skill Training (restricted)	HCSD	0	0	0	-332,207	Permanent Reduction (\$332,207) Program ended 6/30/2003
8	Assessment Services - Intensive Case Management	HCSD	0	0	0	-733,617	Permanent Reduction (\$733,617) Program ended 6/30/2003
9	Chemical Dependency Graham Home Msla & Blgs	HCSD	0	0	0	-213,403	Permanent Reduction (\$213,403) Program ended 6/30/2003
10	Learning Disabilities through OPI or Tribal Colleges	HCSD	0	0	0	-201,323	Permanent Reduction (\$201,323) Program ended 6/30/2003

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11	Mental Health Services (On-site Counselors)	HCSD	0	0	0	-167,770	Permanent Reduction (\$167,770) Program ended 6/30/2010
12	Family Drug Court	HCSD	0	0	0	-134,216	Permanent Reduction (\$134,216) Program ended 6/30/2003
13	Low-Income Housing	HCSD	0	0	0	-1,174,388	Permanent Reduction (\$1,174,388) Program ended 6/30/2006
14	Car purchase, loans, or community transportation	HCSD	0	0	0	-268,431	Permanent Reduction (\$268,431) Program ended 6/30/2003
15	Extra month grant for working families	HCSD	0	0	0	-824,904	Permanent Reduction (\$824,904) Program ended 6/30/2008
16	Emergency Supportive Service for Working Family	HCSD	0	0	0	-113,210	Permanent Reduction (\$440,568) Program ended 6/30/2003
17	Individual Development Accounts	HCSD	0	0	0	-93,125	Permanent Reduction (\$93,125), a minor amount of funding is
18	Children as Scholars (Head Start Child Care)	HCSD	0	0	0	-671,121	Permanent Reduction (\$671,121) Program ended 6/30/2003
19	TEAMS Reprocurement/Enhancements	HCSD	0	0	0	-499,977	Permanent Reduction (\$499,977) Some funding continues at a
20	School Breakfast Startup Cost	HCSD	0	0	0	-60,397	Permanent Reduction (\$60,397) Program ended 6/30/2003
21	Children's Trust Fund	HCSD	0	0	0	-169,486	Permanent Reduction (\$169,486) Program ended 6/30/2003
	Second Reduction Total:		0	0	0	-8,263,343	
	FAIM II R Reductions	Total	0	-9,201,393	0	-8,263,343	

<b>Governor's 3.5% FY2003 Reductions - June 2002</b>							
1	Public Health Affairs Officer salary reallocation	DO	0	0	-9,121	-7,000	Implemented; not restored.
2	Council Meeting Reductions	DO	0	0	-1,200	-4,000	Implemented; not restored.
3	Eliminate Department Employee Survey	DO	0	0	-2,600	-4,000	Implemented; not restored.

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4	Combine storage space in Cogswell basement.	QAD	0	0	-4,000	-4,000	Implemented. Rent costs were eliminated for storage space. Documents were moved to electronic storage; consequently the cut was not restored.
5	Move AMDD Bulletin to the web site	AMDD	0	0	-6,786	-13,572	Implemented as proposed - Bulletin eliminated
6	Eliminate Computer Hardware	CFSD	0	0	-61,752	-110,271	New Computers leased in SFY 2008 (3 year lease)
7	MMHNCC Wing Closure	AMDD	0	0	-116,000	-116,000	Implemented as proposed; not restored.
8	Contract w/ children's' coalition for placement prevention	AMDD	0	0	-480,000	-480,000	CMHB has implemented stricter documentation standards for medical necessity. This will provide an improved gatekeeping function and will have the result of reducing costs across the board.
9	CON Operational Costs	QAD	0	0	-12,000	-12,000	Changes were made in administration of the Certificate of Need (CON) program, including reduction of staff time devoted to the program. Funding was not restored.
10	Eliminate MHOAC facilitation contract /Consensus Council	AMDD	0	0	-13,710	-27,420	Permanent reduction; not restored.
11	Eliminate Community Collaboration Specialist	CFSD	0	0	-25,000	-45,455	Permanent reduction; not restored.
12	QAD Operational Reductions	QAD	0	0	-15,000	-15,000	Reduction of .5 FTE was achieved through vacancy savings; the .5 FTE was not eliminated.
13	QAD X-Ray Contracted Inspections	QAD	0	0	-6,218	-6,218	Contract for x-ray inspection was eliminated; the funding has not been restored. 1.00 FTE for the Radiological Health program was subsequently eliminated and has not been
14	Use Lien and Estate Recovery funds to offset Medicaid Expenses	SLTC	0	0	-161,880	-600,000	Lien and Estate recovery funding switch of \$161,880 gf and \$600,000 total funds was implemented. Lien and estate funds continue to be used to offset medicaid expenditures in nursing facility base.
15	Reduce donated dental services under DDPAC	DSD	0	0	-2,500	-2,500	Reduction was restored to previous level during 2003 Session. FY2010 contract is for \$30,971 general fund.
16	QAD Licensure Contracted Funds	QAD	0	0	-52,644	-52,644	This cut was identified as OTO for FY2003 and was restored.
17	Hold central office vacant positions open	AMDD	0	0	-84,784	-152,638	Implemented as proposed
18	Regional planning vacancies and contracted services	AMDD	0	0	-209,260	-348,767	Implemented as proposed



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19	Eliminate \$100,000 used for covering uninsured kids	HPSD	0	0	-100,000	-100,000	Implemented as proposed.
20	Montana Tobacco Use Prevention Program Reductions	DO	0	0	-115,538	-115,538	Implemented as proposed; not restored.
21	Reduce Level of Effort in the CAPS FM Contract	OTD	0	0	-102,041	-196,233	CAPS FM contract was reduced by .50 FTE in FY2003. Funding was temporarily restored during the 2009 biennium in an OTO appropriation, but was not continued into the 2011
22	Reduce Level of Effort in the TEAMS FM Contract	OTD	0	0	-146,476	-292,951	Reductions made to LOE in the TEAMS FM contract in FY2003 were carried forward and not restored.
23	Eliminate MHSP eligibility determination and reviews	AMDD	0	0	-375,000	-375,000	Responsibility transferred to Mental Health Centers
24	Reduce Domestic Violence Program	CFSD	0	0	-75,000	-75,000	Reduced and partially reinstated. FY2010 appropriation \$121,500; not restored to FY2003 level.
25	Personal Services Reductions	OTD	0	0	-17,139	-38,087	Reductions were made through vacancy savings. No permanent FTE were eliminated.
26	Eliminate Drop-In contracts	AMDD	0	0	-273,000	-273,000	Implemented as proposed; funding restored by 2007
27	Reduce ISD Mainframe processing SEARCHS	OTD	0	0	-33,113	-97,391	Reductions in ISD Mainframe processing charges were realized through the purchase of a software resource that allows the testing of program changes off of the mainframe. Savings realized by the purchase of this software were not
28	Reduce ISD Mainframe processing in CAPS	OTD	0	0	-24,505	-47,125	Reductions in ISD Mainframe processing charges were realized through the purchase of a software resource that allows the testing of program changes off of the mainframe. Savings realized by the purchase of this software were not
29	Reduce ISD Network Subscriptions by 50	OTD	0	0	-21,780	-43,560	Improvements made in Network Subscription charges continues through semi-annual and annual reviews of network
30	Reduce Level of Effort in the MMIS FM Contract	OTD	0	0	-19,573	-78,292	Reductions in LOE for MMIS were a one-time-only reduction. Services were re-established in 2004 to base year levels.
31	Reduce ISD Mainframe processing in TEAMS	OTD	0	0	-116,676	-233,352	Reductions in ISD Mainframe processing charges were realized through the purchase of a software resource that allows the testing of program changes off of the mainframe. Savings realized by the purchase of this software were not

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32	Reduce QAD Operations	QAD	0	0	-66,695	-119,097	Implemented; not restored.
33	Reduce CSED Operations	CSED	0	0	-22,500	-66,176	Cut customer service unit contract, staff, travel, equipment, vehicle leases, eliminated Title IV-D - IV-A liaison positions, eliminated modification unit, restructured agency, shrank office space for administrative law judges. Not restored.
34	Reduce Big Brothers Big Sisters	CFSD	0	0	-25,000	-25,000	BBBS eliminated in FY2003 reductions; restored at \$90,000 OTO by 2005 legislature and now permanently in base; FY2010 appropriation: \$90,006. Not restored to FY2003 level.
35	Reduce IT Consulting & Professional Services Budget	FSD	0	0	-32,536	-70,730	Not restored.
36	Delay Waiver and Personal Assistance Rate and Wage Increase	SLTC	0	0	-162,248	-599,365	Reduction of \$599,365 was implemented. Has been restored.
37	Cut Meals on Wheels and cut state admin budget	SLTC	0	0	-43,361	-43,361	Reduction of \$73,361 total funds was implemented. Has been restored.
38	Cut Adult Protective Services workers and funding	SLTC	0	0	-41,714	-41,714	Reduction implemented FTE reduction. Not restored.
39	Increase Pharmacy Co-pay	AMDD	0	0	-80,291	-80,291	MHSP Pharmacy co-pay increased by \$2.00
40	Limit children services to individuals that are SED	AMDD	0	0	-486,197	-1,796,076	Implemented as proposed. All CMHB services require SED except for outpatient therapies, inpatient psych hospital, and all group psychotherapy. For outpatient therapies, the first 24 sessions allowed for non-SED youth.
41	Eliminate CHIP/MHSP therapy & other non out-of-home services	AMDD	0	0	-75,336	-397,554	Implemented as proposed.
42	Limit adult services to individuals that are SDMI	AMDD	0	0	-200,000	-738,825	Implemented as proposed
43	Eliminate CHIP/MHSP out-of-home services	AMDD	0	0	-174,911	-923,013	Implemented as proposed.
44	Eliminate youth/adolescent day treatment	AMDD	0	0	-258,736	-955,805	Day treatment is a covered benefit in CMHB.
45	Reduce client services in VR	DSD	0	0	-117,832	-117,832	Reduction was restored to FY 2002 level.
46	Cut Adult Protective Services workers and funding	SLTC	0	0	-30,000	-30,000	Reduction implemented in contingency contract funds of \$30,000. Funding not restored.
47	Reduce Foster Care	CFSD	0	0	-639,417	-1,013,230	Foster care budget reduced by \$.73m in FY2003 and \$2.85m in FY2004 initially, but ended with increase due to loss of federal Title XX funding.

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48	CFSD Operations Reductions	CFSD	0	0	-170,272	-309,585	Reduction in central office made as part of in-home services; not restored to FY2003 level. Reduction in tribal contracts not restored to FY2003 level.
49	Reduce appropriation for CHIP	HPSD	0	0	-89,222	-446,110	Not implemented.
50	Additional Cut Meals on Wheels and cut state admin budget	SLTC	0	0	-30,000	-30,000	Implemented as proposed.
51	Delay Medicaid HCBS Waiver Services	SLTC	0	0	-97,191	-359,036	Delay implemented \$97,191. Restored in Special Session.
52	Withhold provider rate increase in Program 7 for FY 2003	HPSD	0	0	-588,768	-2,174,983	Provider rate increase was restored by the legislature.
53	Reduce TANF WoRC Contracts and TANF Supportive Services	HCSD	0	0	-973,117	-973,117	Funding has been restored. WoRC supportive services expenditures in SFY 2010 were \$642,519 less than in FY 2002, but WoRC contract funding has increased.
54	Reduce Child Care Match Child Care Matching Funds	HCSD	0	0	-302,021	-1,115,704	Funding was restored. In SFY 2003 the implementation of this reduction removed available child care benefits for 1,480 low income working families creating a waiting list for child care. Many families could not afford to pay for child care without assistance and instead joined the TANF roles as they were no longer working. Partly because of this adverse affect, funding was restored in 2005 using Prevention & Stabilization funding and general fund.
55	Cut Medicaid LTC Benefits	SLTC	0	0	-673,931	-2,489,586	\$673,931 GF reduction implemented by holding provider rate increases, holding HCBS waiver expansion, tightening medical necessity for PAS services. Most items have been restored.
56	Reduce client services and operations at MDC	DSD	0	0	-377,217	-377,217	Implemented as proposed.
57	Reduce client services and operations at EHSC	DSD	0	0	-108,903	-108,903	Eastmont was closed by Dec 31, 2010. Most clients moved to community settings, some moved to MDC.
58	Reduce client services in Vocational Rehabilitation	DSD	0	0	-274,940	-274,940	Reduction was restored to FY 2002 level.
59	Extend Medicaid provider payment cuts	HPSD	0	0	-775,107	-2,863,343	Reduction was restored through caseload and provider rate increase appropriations.
	<b>Governor's 3.5% FY2003 Reductions - June 2002</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>-9,601,758</b>	<b>-22,507,607</b>	

Department of Public Health and Human Services 2003 Biennium Budget Reductions			FY2010 Updated Status of Reductions				
			Provided at Request of Joint Subcommittee - LFC and CFHHS				
	Description	Program Affected	FY 2002 General Fund	FY 2002 Total Funds	FY 2003 General Fund	FY 2003 Total Funds	FY2010 Updated Status of Reductions as of Fiscal Year End 2010
<b><u>Special Session Reductions - August 2002</u></b>							
1	Employment Security Account	DSD	0	0	-1,965,199	0	Funding of expenditures with ESA not sustained. Restored to FY2002 GF level.
2	County Alcohol Tax Distribution	AMDD	0	0	-1,000,000	0	Implemented as proposed
3	Supplies and Materials Reductions	ALL	0	0	-107,795	-107,795	Restored; however DPHHS reduced supplies and materials expense in FY2010 by \$412,000 compared with FY2009.
4	TANF Performance Bonus	HCSD	0	0	0	2,276,700	Permanent Reduction. These bonuses were eliminated by the Deficit Reduction Act in 2005 so the funding no longer exists.
5	Equipment Reduction	ALL	0	0	-257,261	-257,264	Restored; however DPHHS is managing equipment to continue cost savings through efforts such as increasing the replacement cycle of personal computers to 5 years instead of 4, and managing the IT servers as a fleet to maximize performance and minimize cost.
6	General Reduction	ALL	0	0	-2,000,000	-2,000,000	DPHHS continues to pursue cost saving strategies for operations and program administration, including managing cell phones, conducting staff and council meetings, conferences and training with webinar tools to save travel; and reducing out-of-state travel by 49% in FY2010 compared with FY2009.
7	Elderly and Disabled Waiver	SLTC	0	0	97,191	97,191	Took reduction of \$97,191 GF. Has been restored.
8	Mental Health Day Treatment	AMDD	0	0	0	258,736	Reduced to half-day program in January 2003
9	Medicaid Co-pay	HPSD	0	0	0	350,000	Implemented as proposed.

Department of Public Health and Human Services 2003 Biennium Budget Reductions				FY2010 Updated Status of Reductions Provided at Request of Joint Subcommittee - LFC and CFHHS			
	Description	Program Affected	FY 2002 General Fund	FY 2002 Total Funds	FY 2003 General Fund	FY 2003 Total Funds	FY2010 Updated Status of Reductions as of Fiscal Year End 2010
10	Pay Plan Reduction	ALL	0	0	-820,707	-820,707	DPHHS continues to follow the appropriated personal services budgets and meet the OBPP target for vacancy savings.
11	SB-19 Medicaid Increase	HPSD	0	0	550,000	550,000	The Medicaid caseload is included in the Governor's budget proposal and funded by the legislature based on caseload projections made up of eligible persons, use of covered services, and cost of the services. Medicaid is an entitlement program. DPHHS has provided the LFC a document listing optional Medicaid services, potential for cost shift, and possible savings by eliminating optional services.
12	Low-Income Housing	HCSD	0	0	0	-2,764,561	Permanent Reduction. This program with the Montana Board of Housing ended in June 2006
	<b>Special Session Reductions - August 2002</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>-5,503,771</b>	<b>-2,417,700</b>	

<b><u>FY2003 Cost Containment Actions - December 2002</u></b>							
	<b>Mental Health Services Reductions</b>						
1	Increase Intergovernmental Transfers	AMDD	0	0	-658,600	0	Implemented as proposed.
2	Comprehensive School & Community Treatment Services to OPI	AMDD	0	0	-135,350	-500,000	Implemented as proposed.
3	5% Provider Rate Reduction	AMDD	0	0	-269,002	-993,728	Provider rates have been restored by the legislature.
4	Therapeutic Foster Care Intensive Level of Care Compression	AMDD	0	0	-231,623	-855,646	Intensive Level of Foster Care was eliminated.
5	Therapeutic Group Home Rate Reduction Intensive Level of Care	AMDD	0	0	-185,816	-686,428	Implemented as proposed.

Department of Public Health and Human Services 2003 Biennium Budget Reductions				FY2010 Updated Status of Reductions Provided at Request of Joint Subcommittee - LFC and CFHHS			
	Description	Program Affected	FY 2002 General Fund	FY 2002 Total Funds	FY 2003 General Fund	FY 2003 Total Funds	FY2010 Updated Status of Reductions as of Fiscal Year End 2010
6	Reduce Psychiatric Rehabilitation & Support by 10%	AMDD	0	0	-39,893	-147,368	Not implemented
7	Eliminate Adult TCM and Replace with capped number units	AMDD	0	0	-216,434	-799,533	Not implemented
8	Eliminate Child TCM and Replace with capped number units	AMDD	0	0	-336,336	-1,242,469	CMHB manages TCM through prior authorizations, as of FY 2008.
9	Limit Outpatient Therapy to 12 sessions annually	AMDD	0	0	-147,243	-543,933	Adult session limited to 16; Limit increased to 24 in July 2008
	<b>Mental Health Reductions:</b>		<b>0</b>	<b>0</b>	<b>-2,220,297</b>	<b>-5,769,105</b>	
	<b>HPSD Medicaid Reductions</b>						
1	DME - Prepayment review of all Miscellaneous codes	HPSD	0	0	-1,800	-6,649	Savings: \$13,196 total funds.
2	Change coverage criteria for Essential for Employment	HPSD	0	0	-10,800	-39,897	No data available.
3	Reimbursement for Subsequent Procedures for Surgical services	HPSD	0	0	-11,369	-41,999	No data available.
4	DME - Prior Authorization of rental for Wheelchairs, Hospital Beds, Shower Commode Chairs	HPSD	0	0	-11,750	-43,406	Savings: \$398,052 total funds.
5	PASSPORT - Change PCP ID's	HPSD	0	0	-135,350	-500,000	This change was made due to providers routinely using Passport numbers without first receiving referrals. In new MMIS, looking at eliminating static ID numbers and developing system generated referral numbers for each referral.
6	Change Limits on Therapies (70 to 40)	HPSD	0	0	-4,583	-16,930	Implemented as proposed.
7	Reduce DME By-Report Reimbursement (90% to 80%)	HPSD	0	0	-20,000	-73,883	Implemented as proposed.
8	Transportation Program Changes - Reduce Transportation Reimbursement (\$0.34 to \$0.13) and modify reimbursement for lodging and meals. (NP - 257)	HPSD	0	0	-34,537	-127,584	Institute aggressive prior authorization. Savings FY2003 - 2009: \$3,175,111 total funds.

Department of Public Health and Human Services 2003 Biennium Budget Reductions				FY2010 Updated Status of Reductions Provided at Request of Joint Subcommittee - LFC and CFHHS			
	Description	Program Affected	FY 2002 General Fund	FY 2002 Total Funds	FY 2003 General Fund	FY 2003 Total Funds	FY2010 Updated Status of Reductions as of Fiscal Year End 2010
9	Restrict Coverage for prescription drug Claritin - OTC	HPSD	0	0	-45,000	-166,236	Restrict coverage for Claritin OTC—Changed policy back to covered status on January 1, 2004, because the exclusion caused a market shift to more expensive prescription products. Changed required patients to fail first on the less expensive but equally effective OTC product before going with an expensive brand product, most stayed with OTC product.
10	Reduce IP Hosp DRG Reimbursement 5% *	HPSD	0	0	-228,516	-844,167	Reduced.
11	Eliminate Optional Services - Audiology, Eyeglasses, Optometric, Hearing Aids, Podiatry, DME O&P *	HPSD	0	0	-193,750	-715,737	Not implemented.
12	Cut Adult Dental/Denturist - Except Emergencies (Includes eliminating dental coverage in FQHC & RHC) *	HPSD	0	0	-291,531	-1,076,952	Not implemented.
13	Eligibility Changes - HCSD (Stop excluding non-home real property listed for sale; Contract for Deed change; Life Estate change; Limit exclusion of home property under "intent to return" policy) (NP - 260)	HPSD	0	0	-291,941	-1,078,467	All proposed changes have been implemented and remain in place.
14	Restrict coverage criteria for Mamoplasty	HPSD	0	0	-5,640	-20,835	Savings FY2003 -2008: approximately \$125,000 total funds.
15	Eliminate coverage of Gastric Bypass Surgeries	HPSD	0	0	-16,355	-60,417	Savings FY2003 -2008: approximately \$362,502 total funds.
16	Restrict coverage criteria for Circumcisions	HPSD	0	0	-25,378	-93,750	Savings FY2003 -2008: approximately \$562,500 total funds.
17	Change reimbursement for Inpatient Hospital Rehabilitation Units from cost based as a percent of charges to DRG reimbursement.	HPSD	0	0	-56,250	-207,795	Implemented.

Department of Public Health and Human Services 2003 Biennium Budget Reductions				FY2010 Updated Status of Reductions Provided at Request of Joint Subcommittee - LFC and CFHHS			
	Description	Program Affected	FY 2002 General Fund	FY 2002 Total Funds	FY 2003 General Fund	FY 2003 Total Funds	FY2010 Updated Status of Reductions as of Fiscal Year End 2010
18	Pharmacy Program Changes - Change Dispensing Limit - 34 Day Supply. (NP - 258)	HPSD	0	0	-20,593	-76,073	Change pharmacy dispensing limit to 34 day supply—partially rescinded in 2008 to allow a 90 day supply for maintenance medications to facilitate patient compliance, facilitate TPL collections, and save on dispensing fees. In SFY 2007, 67,271 prescriptions were reimbursed for the identified maintenance drugs totaling over \$1.19 million. \$300,000 of this prescription expense was for dispensing fees. By decreasing the total amount of claims for these medications, the Department may save \$200,000 in dispensing fees (\$89,107 state share).
19	Change policy on early refill for Prescriptions	HPSD	0	0	-37,500	-138,530	Change policy on early refill for prescriptions—Clients must use up 75% of prescription before refill is authorized. Expanded policy in 2005 to 90% for narcotics. Savings 2003 to 2009: \$66,882,257 total funds.
20	Increase Percentage off AWP for Generic Drugs (15% to 25%)	HPSD	0	0	-100,000	-369,413	Implemented 7/2002
21	Enhance SURS	HPSD	0	0	-97,614	-360,598	SURS is located in QAD since reorganization - FY2010 collections of Medicaid overpayments were \$808,000 compared with \$557,000 collected in FY2006, an increase of almost 1 1/2 times. QAD has collected \$736,000 a year on average over the past five years due to revamped efforts in SURS and increased focus on completing case reviews. In FY2010, 534 case reviews were completed, compared with
22	7% Provider Rate Reductions	HPSD	0	0	-1,412,971	-5,219,693	One time
	<b>HPSD Reductions:</b>		<b>0</b>	<b>0</b>	<b>-3,053,228</b>	<b>-11,279,010</b>	
	<b>FY2003 Cost Containment Actions - December 2002</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>-5,273,525</b>	<b>-17,048,115</b>	



Department of Public Health and Human Services 2003 Biennium Budget Reductions			FY2010 Updated Status of Reductions				
			Provided at Request of Joint Subcommittee - LFC and CFHHS				
	Description	Program Affected	FY 2002 General Fund	FY 2002 Total Funds	FY 2003 General Fund	FY 2003 Total Funds	FY2010 Updated Status of Reductions as of Fiscal Year End 2010
Reduction Summary - January 8, 2003							
Supplemental Mitigation - Dec 2001 through June 2002			Total (1)	-2,578,572	-9,508,009	-6,611,795	-22,941,812
FAIM II R Reductions			Total (2)	0	-9,201,393	0	-8,263,343
Governor's 3.5% FY2003 Reductions - June 2002			Total (4)	0	0	-9,601,758	-22,507,607
Special Session Reductions - August 2002			Total (5)	0	0	-5,503,771	-2,417,700
FY2003 Cost Containment Actions - December 2002			Total (1)	0	0	-5,273,525	-17,048,115
				-2,578,572	-18,709,402	-26,990,849	-73,178,577
				Total Biennial General Fund		-29,569,421	
				Total Biennial Funds		-91,887,979	
Notes:							
1) Budget mitigation actions necessary to reduce program expenditures to the budget level.							
2) The TANF FAIM II R program was reduced and the TANF funds were reallocated to the TANF Cash Assistance payments program.							
3) CSED state special revenue funded actions related to the federal incentive grant cash shortfall are not included in this reduction summary.							
4) Reduction to the FY2003 budgeted amount, does not include the additional 25% vacancies savings reductions as positions become vacant.							
5) Reduction to the FY2003 budgeted amount.							