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**PAGE: SECTION 1: ONE-TIME-ONLY ITEMS****1. Option: Eliminate the 2 percent Provider Rate Increase****DPHHS Program: Human and Community Services Division, Child and Family Division, Health Re Division, Senior and Long-term Care Division, Disability Services Division, and Addictive and Me Disorders Division****General Fund: \$ 9,301,660****State Special Revenue: \$ 39,658****Federal Special Revenue: \$16,687,466****For further information see [Reference Book](#) page 2**

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|---|---------------------------|
| 1. Our program would be greatly affected by this budget cup. We desparately need this increase. In the fiscal year 2010, our agency lost \$40,000 by providing services to developmentally disables children. We are projecting an \$80,000 loss for fiscal year 2011. In order for our program to survive, we will have to cut services to people we serve, as well as cut the number of children we serve. Balancing the state budget is crucial, however at this rate, there will be no prival non-profit organizations to provide this crucial service.   | Wed, Sep 8, 2010 8:32 AM  |
| 2. Mental health care providers throughout Montana have been forced to cut staff, services, and programs as a direct result of low reimbursement rates from the State. Eliminating provider rate increases will in effect, lower reimbursement rates even further. Non-profit organizations who provide mental health services will be forced to reduce staff and services even further and possibly be driven out of business.   | Tue, Sep 7, 2010 2:18 PM  |
| 3. I am writing in defense of the 2 percent Provider Rate Increase. As it stands, Children's Mental Health providers are reimbursed at substantially low rate compared to private pay insurance. Without the rate increase, children and families in need will not get the quality of care they deserve. When rates are low, so are salaries--a factor that impacts the quality of professionals who work in the public sector.   | Tue, Sep 7, 2010 1:23 PM  |
| 4. Extremely important that we keep the 2 percent provider rate increase.   | Tue, Sep 7, 2010 1:21 PM  |
| 5. Mental health providers are providing Medicaid services at 50% of the cost of care. Rates were drastically lowered by Magellan in 1998 and have never returned to an equitable amount. Providers cannot afford to get further behind in their reimbursement rates or they will be forced to close their doors. Instead of eliminating the provider rate increase, why doesn't DPHHS eliminate the 1.5 million dollar (per year) contract with Magellan? Didn't Magellan do enough damage the first time they were allowed to do business in Montana? The legislature forced that company out of the state then and you should do it again. | Tue, Sep 7, 2010 10:37 AM |

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**answered question****skipped question**

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- 6. Big Brothers Big Sisters is the ONLY Best Practice prevention program in Montana proven to impact a broad spectrum of risk factors, including delinquency, alcohol, tobacco and drug use, teen pregnancy, and school dropout. Big Brothers Big Sisters helps at-risk kids reach their highest potential and become productive adults. BBBS focuses less on specific problems after they occur and more on meeting the basic developmental needs of young people. Tue, Sep 7, 2010 8:53 AM

Big Brothers Big Sisters costs \$1000.00 per match per year and the return on the investment is higher across the board than dollars invested in single issue prevention programs. Residential treatment programs can cost over \$100,000.00 per year, correctional facilities cost between \$30,00.00 and \$100,00.00 per year, and family foster care for youth is over \$7000.00 per year. Big Brothers Big Sisters intervenes early and targets the youth that are most likely to end up in the system in their teenage and adult years. Early prevention has a small price tag compared to intervention once problem behaviors have started.

Big Brothers Big Sisters is a leading prevention program in Montana and as such a critical partner to the State. BBBS is accountable for the State funding we receive and submit reports detailing the number of children served and the outcomes achieved.

- 7. Seems reasonable to me in these difficult financial times. Sat, Sep 4, 2010 11:32 AM

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- 8. keep the increase Fri, Sep 3, 2010 10:11 PM

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- 9. We would have used this money to give 'Direct Care' staff bonuses. This is important because we have not given raises in three years. Fri, Sep 3, 2010 4:35 PM

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- 10. This cannot be an option. As an agency that provides services in a county where oil production is creating an economic boom, most employers cannot compete against these wages. ROI relies on appropriated state and federal money and cannot hire staff to care for one of the most vulnerable populations, those with a developmental delay. Fri, Sep 3, 2010 3:54 PM

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- 11. Providers across the state are struggling to pay competitive wages to employees, and this provider rate increase (in our program) was used entirely to give wage increases. Even with the increase we gave, we still pay lower than fast food establishments here in Miles City. The loss of this provider increase would likely force us to reduce wages to our employees, rolling them back to the same levels they were some two years ago. This at the same time that the minimum wage in Montana is increasing. The services we provide are only as good as the direct care workers we employ, and if we can't pay competitive salaries, then we can't get quality employees. The end result is problems retaining good employees, Fri, Sep 3, 2010 3:48 PM

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problems maintaining staffing levels at critical levels for health and safety needs, and problems with providing quality care.

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| <p>12. I think it is important to note that we are private nonprofit corporations. We represent a cost savings for the state. One needs only compare the MDC budget to those of nonprofit providers. While it is true that it is not an apple to apple comparison, it is also true that there are agencies in the state serving populations not at all unlike many of the current MDC residents for far less. The State of Montana needs to be cautious in this matter. If a major provider fails, and the state is forced to pick up the pieces, they run the risk of being deemed penny wise and pound foolish.</p>  | <p>Fri, Sep 3, 2010 2:51 PM</p>  |
| <p>13. I would encourage looking at a small reduction as opposed to elimination.</p>   | <p>Fri, Sep 3, 2010 2:09 PM</p>  |
| <p>14. Providers are underpaid.<br/>They should receive the rate increase.</p>   | <p>Fri, Sep 3, 2010 1:47 PM</p>  |
| <p>15. General Statement on the Revenue Crisis from The Policy Institute: The Policy Institute, a progressive think-tank located in Helena, believes that legislators should take a balanced approach to the revenue crisis in Montana – raising revenue must be an option on the table, as the problem is too large to be solved with budget cuts alone.</p>  | <p>Fri, Sep 3, 2010 1:19 PM</p>  |
| <p>Molly Severtson<br/>Interim Director<br/>The Policy Institute</p>   |                                  |
| <p>16. Our agency desparately needs this increase. In fiscal 2010, our agency lost \$40,000 by providing services for Developmentally Disabled children. We are projecting an \$80,000 loss for 2011. It is nice that the state is balancing their budget, but at this rate you will have no private non-profits to provide care . In order to survive, we will have to cut people we serve.</p>   | <p>Fri, Sep 3, 2010 11:26 AM</p> |
| <p>17. The providers we represent - nursing homes, assisted living facilities, and personal care agencies - all received a 2% provider rate increase effective July 1, 2010, as appropriated by the Legislature. However, they did not receive the legislatively approved 2% increase that was to be effective July 1, 2011. So, after having rates "frozen" for the current fiscal year, this option would roll rates back to the FY 2009 level and freeze them there for two years. The effect of this for nursing homes would be a Medicaid rate of about \$158 per patient day while the actual cost of caring for a Medicaid beneficiary would be about \$186 per patient day - a \$28 per patient day gap. This is the largest gap by far I have seen in 30 years working with this program.</p> | <p>Fri, Sep 3, 2010 11:19 AM</p> |

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This proposal recognizes NO inflation from 2009 to 2013 even though inflation in the goods and services purchased by nursing homes will be at least 2-3% per

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year. When inflation isn't funded, the rate represents an actual cut in our ability to purchase the goods and services we must purchase and to maintain the quality of care at current levels. Our largest expense is wages and benefits but we can only go so far in cutting hours or staff because we won't be able to provide care according to the state and federal requirements which are very detailed about what we must provide. In reality, it would be hard to cut food costs because there are requirements about nutrition, etc. We can't turn down our lights or lower our thermostats in the winter (like many people do to save money) because there are requirements about how many foot candles of light we must provide and regulations about maintaining the indoor temperature at certain levels. This all makes sense, given the fragile condition of our residents, but it means we have little flexibility. We are told to "tighten our belts" like families have to do, but families can turn off lights, turn down the thermostat, eat lower quality food, and refrain from extra "activities" that cost money. The vast majority of what we provide and do is required by federal or state regulations.

The bottom line is that we will do a combination of cutting services including staffing hours and benefits, raise rates to those who pay for their own care, and in the case of county facilities ask county taxpayers to subsidize Medicaid.

When we raise rates, that represents a "tax" on people who pay for their own care, since they are paying their own care, plus covering what Medicaid doesn't pay for Medicaid patients; and the higher the rate we charge, the sooner these people will go on Medicaid. Private pay residents already pay an \$8.30 "bed tax" to help fund Medicaid since the tax is a cost of business that is passed along to everyone.

For county facilities, local property taxpayers will pay increased taxes to support their local nursing home.

All in all, it just isn't right when the state contracts with providers for services but refuses to pay a fair reimbursement for the services - knowing full well that we have to cut care or shift those costs to someone else. To do this while claiming that taxes are not being increased is disingenuous.

Of course, another part of the problem is that money is being pulled from the Montana economy at a time it is most needed to stimulate the poor economy. By not using the approximately \$6-\$7M in new FMAP funding provided by the federal government that it would take to restore the 2% provider rate increases for FY 2011, the state is giving up new federal funds - with an overall impact of about \$28M this fiscal year. This option to cut rates back to 2009 and not maintain rates at the levels appropriated by the legislature will take another \$40M in state and federal funding out of the Montana economy.

Already, many staff did not receive wage increases and/or had their portion of health insurance costs increased when facilities did not get a rate increase - or had

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their hours cut. These staff will be spending less in their communities, delaying purchases, etc., because many are struggling to make ends meet. How does this help the economy? And facilities are also making as few purchases as possible, delaying needed maintenance and projects, etc. Again, how does this help the economy?

Health care facilities are a key part of the Montana economy. We are private businesses providing private, permanent jobs in communities throughout the state. Jeopardizing the financial health of health care providers and facilities is bad for the people who need care, bad for the people who work in the health care field and bad for the economy.

A last thought... the State spends over \$200 per patient day to run the state nursing home in Columbia Falls... but under this option would pay private nursing homes about \$158 per day to care for residents with similar care needs and meet the same regulatory requirements. Are our residents less deserving of good care and our staff less deserving of fair wages and benefits?

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| <b>18.</b> | Please do not reduce provider rate funding . FMAP funds received from Feds. will cover nearly all of the needed increase.   | Fri, Sep 3, 2010 11:19 AM |
| <b>19.</b> | Please do not eliminate the 2% provider rate increase. This increase is needed for providers to continue to provide quality care for patients   | Fri, Sep 3, 2010 11:04 AM |
| <b>20.</b> | I thought the governer was not going to cut social programs ?   | Fri, Sep 3, 2010 11:01 AM |
| <b>21.</b> | The 2% provider rate increase is critical for providers. As healthcare needs increase and access is already stretched thin, stagnant provider rates hinder availability of services.  | Fri, Sep 3, 2010 10:04 AM |
| <b>22.</b> | Cutting these programs would only distant the people and children in our communities from the resources they need to function in everyday society. Providing these services allows these people to become productive citizens and gives them opportunities for a better life. Don't cut this funding. | Fri, Sep 3, 2010 9:49 AM  |
| <b>23.</b> | Elimination of the 2% provider rate increase should be the absolute LAST option! Providers must have an increase to stay in business! State agencies receive "present law" funding. The same needs to be applied to providers!  | Thu, Sep 2, 2010 8:25 PM  |
| <b>24.</b> | Reducing these rates will take money out of local economies by reducing wages. We shouldn't be diminishing the recovery by hurting working people's wages.  | Thu, Sep 2, 2010 4:22 PM  |
| <b>25.</b> | Provide an incentive for those community services that are cheaper and less restrictive (case management, outpatient therapy) and remove the 2% increase on those more expensive, less desirable out-of-home placements like Residential.   | Thu, Sep 2, 2010 4:07 PM  |

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26.	Instead of elimination, reduce it.	Thu, Sep 2, 2010 3:36 PM
27.	Cutting the rates of human service providers is no different than raising taxes on other montana businesses. It takes money that is being spent in communities across montana out of the economy at the worst possible time. Human service providers are independent businesses that deliver a service that government wants to buy and should be treated no differently than other montana businesses.	Thu, Sep 2, 2010 12:31 PM
28.	It is so difficult to attract psychiatrists to MT. I am in favor of keeping the Rate Increase.	Thu, Sep 2, 2010 11:38 AM
29.	Rate increases prevent cuts in services, reductions in service quality and other erosion of the safety net for our most vulnerable citizens.	Wed, Sep 1, 2010 9:13 PM
30.	By eliminating the 2% Provider Rate increase, you will force my facility to lower the number of Medicaid beds we are able to accept. We cannot continue to let Medicaid Residents move into our facility when the provider rate doesn't rise as the cost of living does. We already limit the number of Medicaid Residents we are able to allow residency - with the elimination of the 2% increase, we will be forced to lower that number of residents even further. Our costs (supplies, repairs and maintenance, wages, payroll and other taxes) continue to rise and we cannot conduct business if we are losing money. Allowing more and more Medicaid residents to move into our facility when our reimbursement is such a low percentage of private pay causes our loss of revenue. Not being able to pay good wages or give raises effects the quality of care we are able to provide to our residents. We are not the only facility limiting Medicaid Residents - where are they going to go??	Tue, Aug 31, 2010 5:20 PM
31.	The agencies I work with already take a loss by providing services to my disabled clients on services.	Tue, Aug 31, 2010 7:35 AM
32.	This is a very needed increase	Thu, Aug 26, 2010 3:37 PM
33.	There is already a shortage in caregivers-if Providing agencies cannot pay a competitive wage then how are they to obtain and retain caregivers when there is such a high need?	Thu, Aug 26, 2010 10:50 AM
34.	Yeah, the providers don't need any pay. They enjoy doing things at half price or free! Come on guys! The providers make life worth living for some of these people. Don't cut this! Don't punish the people who are helping other people.	Thu, Aug 26, 2010 10:37 AM
35.	The 2% provider rate increase should not be eliminated due to the expense required for training, recruiting, and hiring qualified individuals.	Thu, Aug 26, 2010 9:44 AM

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<p><b>36.</b> Medicaid providers in the State of Montana, whether they be foster parents, therapists, caregivers, etc. already do not make enough money. The increases over the past two years, in the form of bonuses, have done nothing to increase the hourly wage of caregivers. The cuts to the State budget in 2003 were made on the back of our programs. To make the cuts once again on the backs of the poor and disabled is unconscionable.</p>	Wed, Aug 25, 2010 1:10 PM
<p><b>37.</b> Provider rate decrease is not the answer to balance the budget. Invite the Providers to "share the risk" by approaching serves in a "care management" philosophy.</p>	Sun, Aug 22, 2010 4:57 PM
<p><b>38.</b> I sincerely hope that the Medicaid reimbursement rates are not decreased. In regard to HCBS and Medicaid Waiver - there are approximately 80 individuals currently waiting for services in Missoula, Ravalli and Mineral Co. and approximately 700 individuals waiting for services state wide. The additional slots that were allotted to the Waiver program were later revoked which resulted in people not referred for services due to the lack of available "slots" for case management. At a time when people are struggling EVEN more than usual in a state where the income certainly does not match the cost of living, decreasing this type of public service will result in very negative consequences which will likely cost the state of MT more money in the long run. When people are unable to access the supports they need there is evidence of increased domestic violence, crime and drug and alcohol use.</p>	Thu, Aug 12, 2010 3:32 PM
<p><b>39.</b> No costs for providers increase by about 3% per year so they are already behind. It is difficult to get providers to do Medicaid because of the low reimbursement.</p>	Tue, Aug 10, 2010 12:50 PM
<p><b>40.</b> With inflation our agency is just keeping on track with the provider rate increase that we did receive. This would mean cutting back on training, safety resources, and possibly staff.</p>	Tue, Aug 3, 2010 9:54 AM

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