

The Legislative Fiscal Division Presents an Agency Profile of: The Department of Health and Human Services

Contact: Lois Steinbeck, Senior Analyst, Rm. 118, State Capitol, Phone: 444-5391, E-mail: lsteinbeck@mt.gov

Marilyn Daumiller, Senior Analyst, Rm. 132, State Capitol, Phone: 444-5386, E-mail: mndaumiller@mt.gov

Rob Miller, Fiscal Analyst, Rm. 110 G State Capitol, Phone: 444-1795, E-mail: robertmiller@mt.gov

Updated December 2012

Agency Description

Definition of Terms

The Department of Public Health & Human Services (DPHHS) mission is: Improving and protecting the health, well-being and self-reliance of all Montanans.

The organizational structure of the department consists of three main branches, in addition to the Public Health and Safety Division, and the Director's Office. The branches and the related divisions are:

- Economic Security Services Branch consisting of:
 - ◇ Disability, Employment, and Transitions Program
 - ◇ Human and Community Services Division
 - ◇ Child and Family Services Division
 - ◇ Child Support Enforcement Division
- Operations Services Branch consisting of:
 - ◇ Business and Financial Services Division
 - ◇ Quality Assurance Division
 - ◇ Technology Services Division
 - ◇ Management and Fair Hearings Program
 - ◇ Medicaid and Health Services Branch:
- Developmental Services Division
 - ◇ Health Resources Division
 - ◇ Medicaid and Health Services Program
 - ◇ Senior and Long Term Care Division
 - ◇ Addictive and Mental Disorders Division

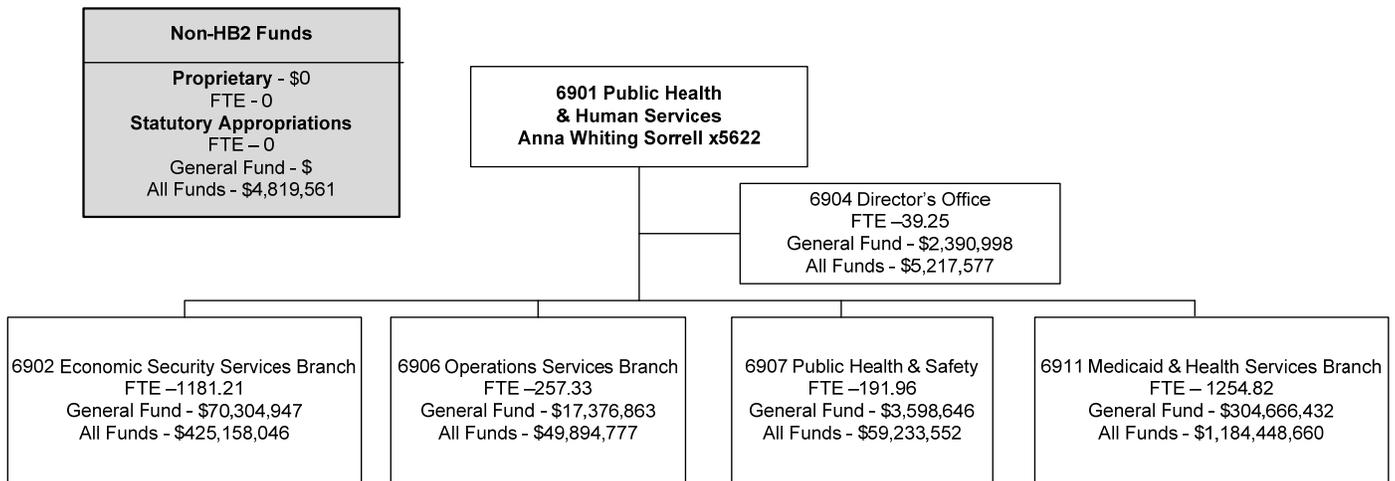
Agency Description Cont.

DPHHS is established in state statute Title 2, Chapter 15, Part 22 of Montana Code Annotated (MCA). The primary state statutory references defining its duties and responsibilities are:

- Titles 40, 41, and 42 for Family Law, Minors, and Adoption
- Titles 50, 52, and 53 for Health and Safety, Family Services, and Social Services and State Facilities

There is also a significant body of federal law, rules, and policies as well as state and federal court decisions that impact DPHHS administration of programs.

Below is an organizational chart of the agency including full-time equivalent (FTE) numbers, general fund appropriations, statutory appropriations, proprietary funds and total of all funds. Unless otherwise noted, all phone extensions are preceded by (406) 444.



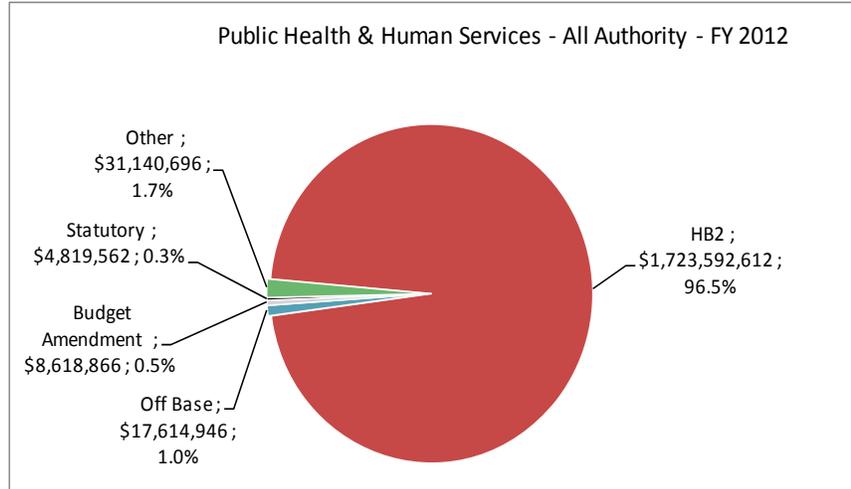
How Services are Provided

Services administered by the three branches and the Public Health and Safety Division include: public assistance, Medicaid, foster care and adoption, nursing home licensing, long term care, aging services, alcohol and drug abuse programs, mental health services, vocational rehabilitation, disability services, child support enforcement activities, and public health functions (such as communicable disease control and preservation of public health through chronic disease prevention).

The department is also responsible for all state facilities except correctional institutions. DPHHS facilities include: Montana State Hospital, Warm Springs; Montana Mental Health Nursing Care Center, Lewistown; Montana Chemical Dependency Center, Butte; Eastern Montana Veterans' Home, Glendive; Montana Veterans' Home, Columbia Falls; and the Montana Developmental Center, Boulder.

DPHHS also administers programs by contracting for and through direct provision of services. Most Medicaid, CHIP, childcare, and other services that directly benefit low-income individuals are delivered by contractors enrolled in provider networks with DPHHS. Other services, such as low-income energy assistance and out-of-home foster care, and development and maintenance of larger computer systems, are provided by businesses that contract with the department. A significant component of foster care services is provided by families who contract with DPHHS. A number

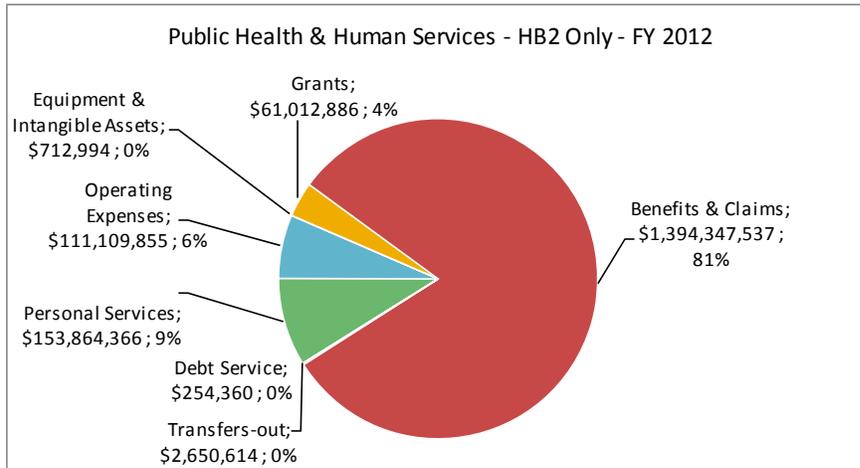
Sources of Spending Authority



The above chart shows the sources of authority for base year expenditures. The accounting term, off base, refers to one-time-only spending and non-budgeted items like inventory adjustments. Other legislative appropriations (sometimes called cat and dog bills) are included in the above categories as appropriate. For a more detailed description of accounting terminology, please refer to the definition of terms.

Expenditures

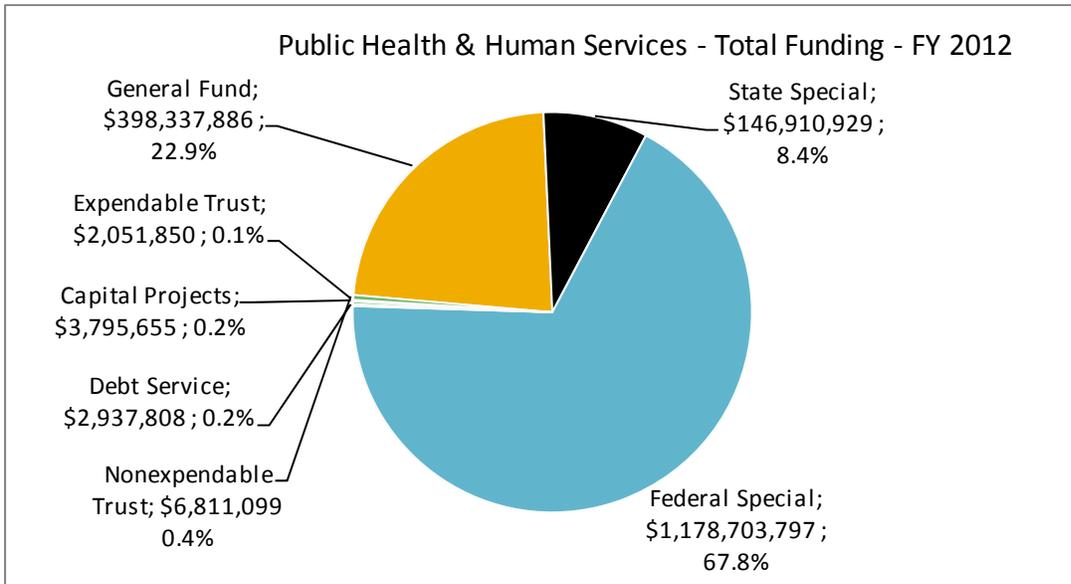
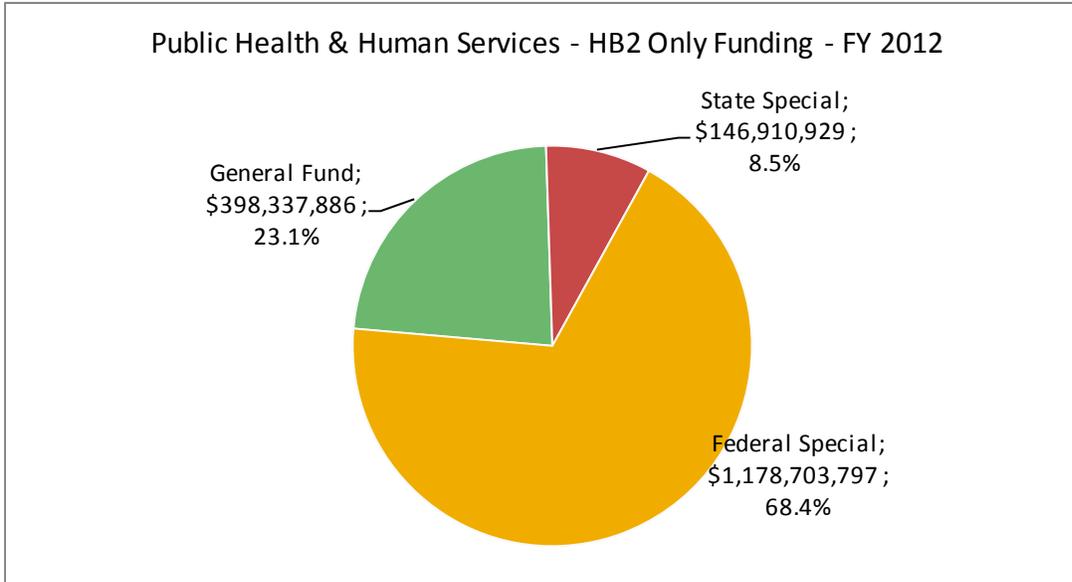
The next chart explains how the HB2 authority is spent.



This chart matches the agency chart found in the 2015 Budget Analysis. Please note that benefits and claims represent payment for services provided to individuals who meet specific eligibilities criteria. Medicaid services are the largest share of these expenditures.

Funding

The following charts show the agency's HB2 funding authority by fund type and all sources of its total funding authority.



How the 2013 Legislature Can Effect Change

DPHHS expenditures are driven by the number of persons receiving or eligible to receive services, the cost of those services, and in some cases the availability of federal grant funds to address specific issues. In order to change expenditure levels and/or DPHHS activity, the legislature must address one or more of the following policies that drive costs:

- Who will receive services
- The level of services that will be provided
- Program management of DPHHS

The following table in the Major Cost Drivers section illustrates the major service areas.

Major Cost Drivers

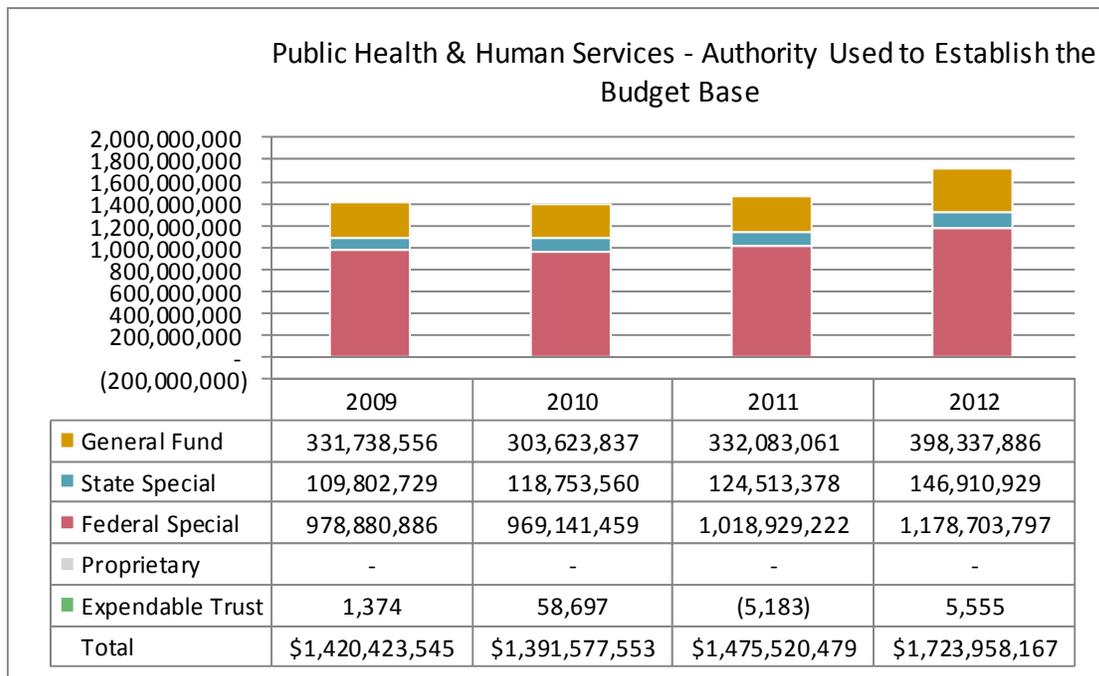
	2009		2012	
<i>Program</i>	<i>Total Cost/Number Eligible</i>	<i>Cost Per Eligible</i>	<i>Total Cost/Number Eligible</i>	<i>Cost Per Eligible</i>
Medicaid Services*				
Total Cost of Services* Number Eligible	\$836,864,075 81,597	\$10,256	\$983,453,413 105,251	\$9,344
Adults Number Eligible	33,645		35,894	
Children Number Eligible	47,953		69,357	
TANF—Cash assistance Average Monthly Cases	\$18,984,544 3,711	\$5,116	\$16,777,518 3,282	\$5,112
SNAP (formerly Food Stamps) Number of Households	\$170,224,019 48,968	\$3,476	\$195,440,926 58,919	\$3,317
Childcare Subsidy No. of Children	\$22,558,255 10,338	\$2,182	\$24,684,190 10,352	\$2,384
Low Income Energy Asst. Number of Households	\$19,488,244 22,448	\$868	\$12,819,519 22,793	\$562
Subsidized Adoption Number of Subsidies	\$11,745,597 2,263	\$5,190	\$14,017,799 2,504	\$5,598
Foster Care Number of Clients	\$17,245,335 4,269	\$4,039	\$15,448,896 3,939	\$3,922
Vocational Rehabilitation**	\$12,523,122 7,959	\$1,573	\$12,626,983 8,300	\$1,521
Child Support Enforcement	\$63,846,114 38,969 cases		\$70,035,872 40,019 cases	

FY 2012 data for Medicaid expenditures is not final. The average cost per Medicaid eligible declines from FY 2009 to FY 2012 due to the increase in the number of children enrolled. The average cost to serve a child is lower than the average cost for adult medical services.

Funding/Expenditure History

Reasons for changes in the following chart include:

- A voter initiative passed in 2008 established the Healthy Montana Kids (HMK) program and raised financial eligibility for children resulting in increased enrollment in CHIP and Medicaid and raised state special revenue to fund the expansion
- The American Recovery and Reinvestment Act of 2009 (ARRA) provided substantial federal funding that replaced general fund, particularly through a temporary 10% increase in federal support for the Medicaid program beginning in the later part of 2010 and extending through 2011
- The Great Recession that caused general fund revenues to decline to the point that the Governor ordered spending reductions in 2010 and 2011, which lowered general fund expenditures in DPHHS
- The loss of the ARRA enhanced federal Medicaid match in 2012 resulting in higher general fund and state special revenue to support base level Medicaid services



Major Legislative Changes in the Last Four Years

2007 Legislature

- Appropriated funds to implement Healthy Montana Kids, which:
 - Raised eligibility to 250% of the federal poverty level for CHIP services
 - Eliminated consideration of household assets
 - Created a state special revenue account to fund expanded enrollment by diverting 16.5% of the insurance premium tax proceeds from the general fund to the account
- Implemented a 2.5% annual provider rate increase
- Appropriated funds for a provider rate increase targeted to raise wages of workers providing direct care
- Appropriated funds for a provider rate increase to support healthcare for direct care workers providing in-home Medicaid services

2009 Legislature

- Used general fund freed up due to the enhanced federal Medicaid match per the American Recovery and Reinvestment Act (ARRA) of 2009 for:
 - One-time provider rate increases
 - Additional community aging services
- Increased benefit levels for TANF to 33% of the 2009 federal poverty level
- Raised the TANF eligibility standard to 30% of the 2009 FPL through September 30, 2010, when ARRA funds terminated

2011 Legislature

- Provided funding for the Health Insurance Flexibility and Accountability (HIFA) waiver to move up to 800 low income persons with a severe and disabling mental illness from a limited state funded services to a Medicaid funded mental health and physical health services
- Revised the medical marijuana laws with the passage of SB 423

For further information, you may wish to contact the agency at:

Department of Health and Human Services

111 North Sanders Street

Helena MT, 59602-1408

(406) 444-0936

web: <http://www.dphhs.mt.gov>