

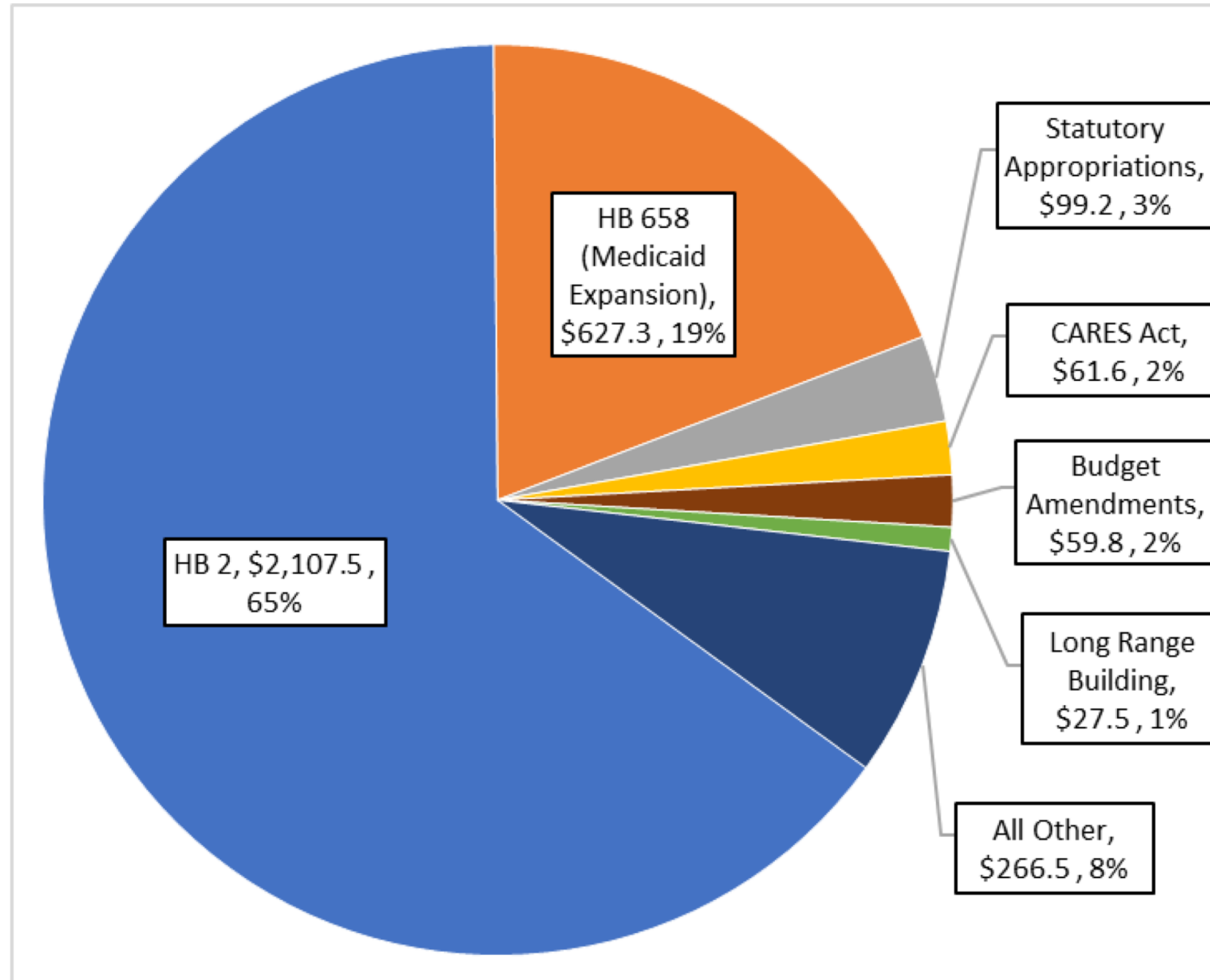
Funding for Montana Health and Human Services

Lois Steinbeck
June 2020

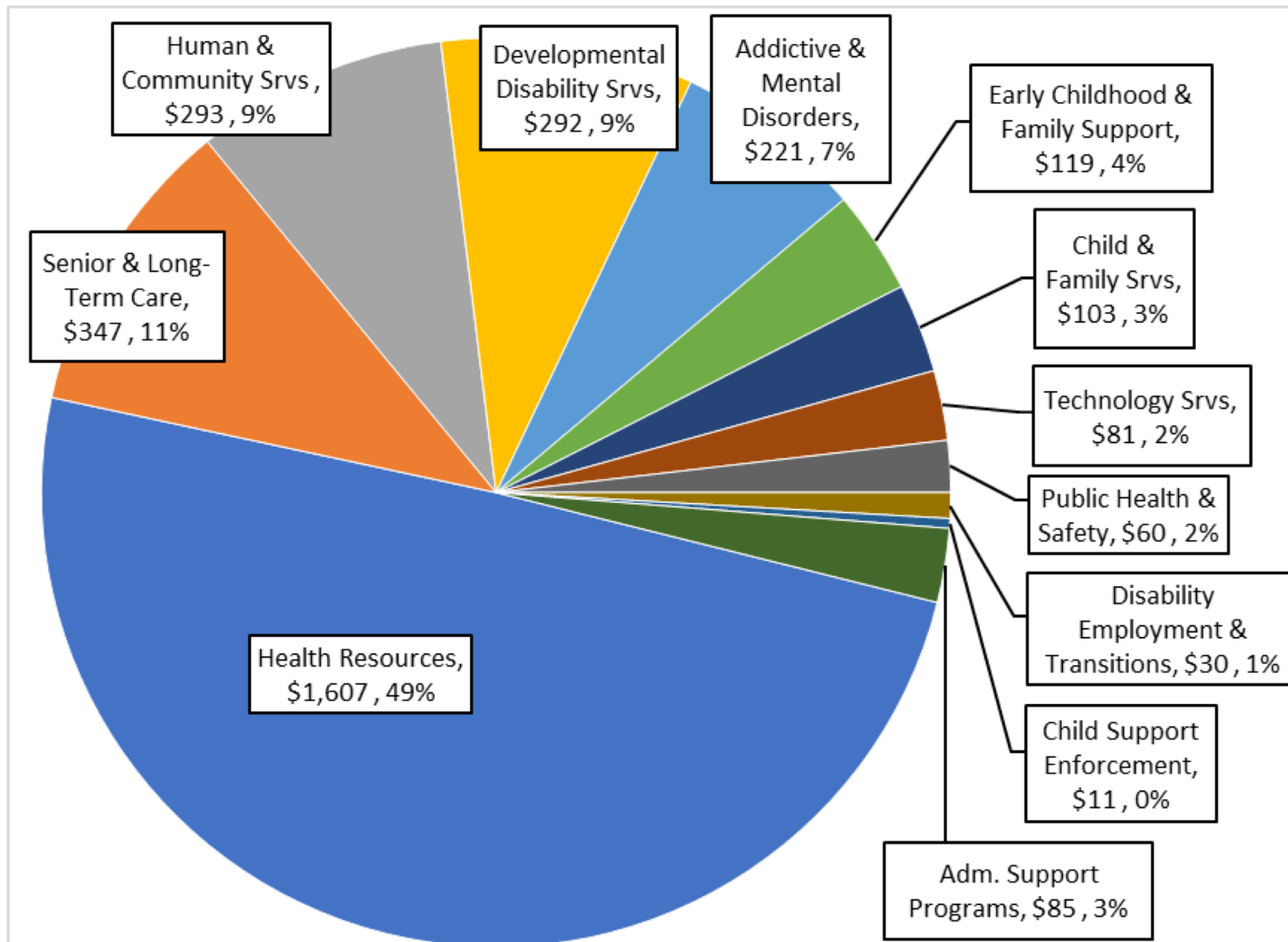
Montana Department of Public Health and Human Services - DPHHS

- ▶ Mega human services agency
- ▶ Combines many programs and services
 - ▶ Public safety net programs
 - ▶ Public health programs and services
 - ▶ Health care services for low-income and vulnerable populations
 - ▶ Child and adult protective services
 - ▶ Seven state health care facilities
- ▶ May be the only one or one of a very few in the U.S.
- ▶ DPHHS budget is 42% of total HB 2 funding and 26.5% of general fund appropriations in HB 2

Total DPHHS FY 20 Appropriation by Source of Authority in Millions - \$3.2B Total

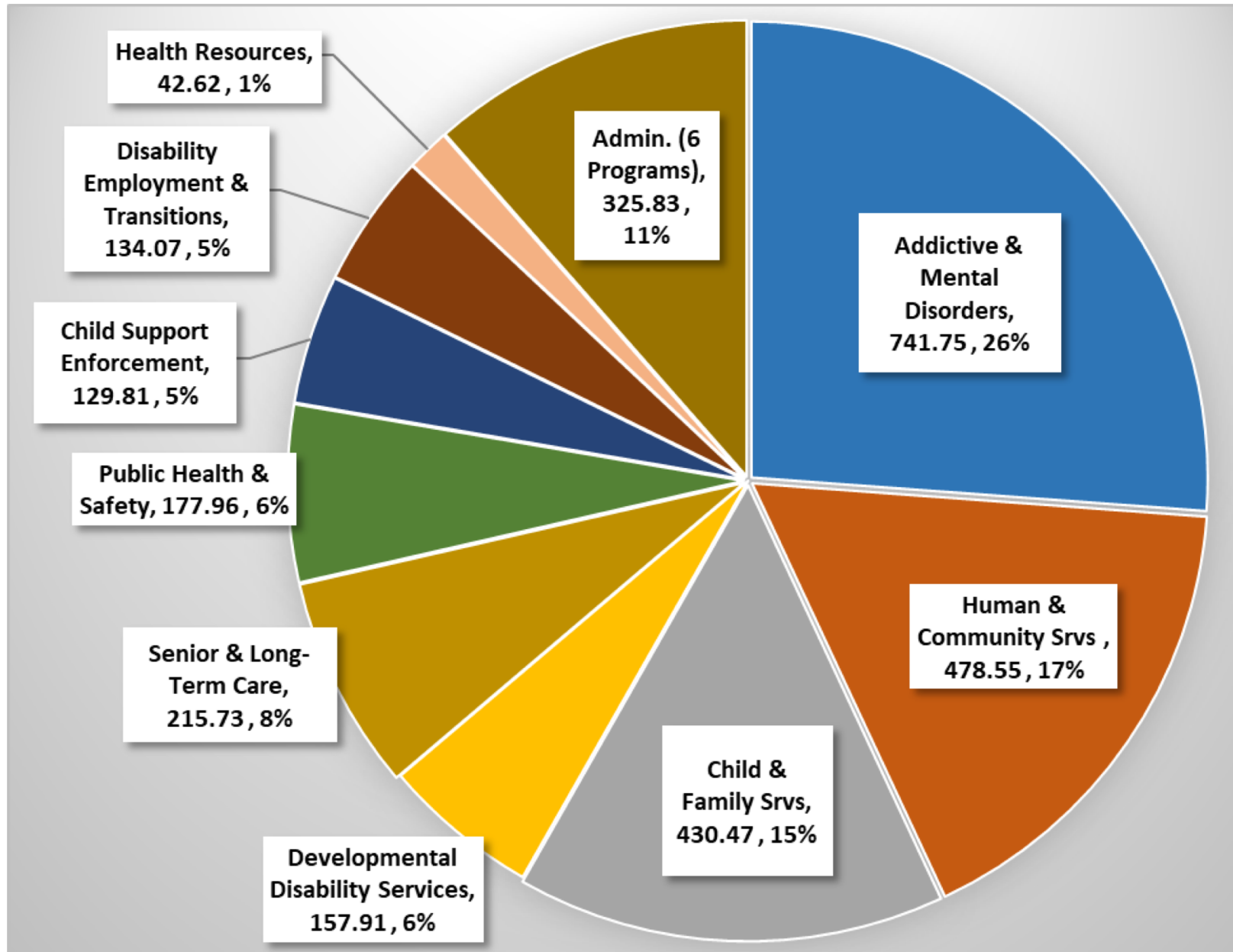


DPPHS Total F20 Appropriations by Division in Millions - \$3.2B Total Funds



HB 2 Funded FTE by Program - 2,834.70 Annual Total

(DPHHS has about 1/4 of FTE funded in HB 2 for the 2021 biennium.)



Program Services

- ▶ **Disability Employment and Transitions (1% of Total Appropriation and 5% of FTE) -**
 - ▶ Vocational rehabilitation and blind services
 - ▶ 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 determination services
- ▶ **Human and Community Services Division (9% of Total Appropriation and 17% of FTE) -**
 - ▶ Financial eligibility determination for DPHHS programs
 - ▶ Field staff in most counties
 - ▶ Eligibility determination for Medicaid, Healthy Montana Kids, and benefits administered by the division
 - ▶ Temporary Assistance for Needy Families (temporary cash assistance for low-income families with children)
 - ▶ Number of households receiving cash assistance May 2020 was 2,911, which included 6,985 individuals

Program Services

- ▶ **Human and Community Services Division continued -**
 - ▶ Supplemental Nutrition Assistance Program (SNAP - formerly Food Stamps)
 - ▶ Number of persons receiving assistance in May 2020 was 110,178 individuals in 55,565 households
 - ▶ In federal FY17 - 57,589 households with a total of 120,889 individuals
 - ▶ Average SNAP benefit in FY18 - \$239.00 per month per household
 - ▶ \$250.43 per month per household in FY16
 - ▶ Low Income Energy Assistance Program (LIEAP) and Weatherization
 - ▶ Average number of households receiving LIEAP in FY18 - about 20,000 with \$85 average monthly assistance during heating season
 - ▶ Child and Adult Food Care Program - reimbursements for meals provided to children and adults
 - ▶ 7.4 million meals were reimbursed in 722 facilities in FY18
 - ▶ Commodities distribution

Program Services

- ▶ **Child and Family Services Division (3% of Total Appropriation and 15% of FTE) -**
 - ▶ Child protective services - field staff in most counties
 - ▶ Administration of services and grants
 - ▶ Foster care - number of children in foster care in June 2018 - 3,951
 - ▶ Domestic violence grants
- ▶ **Child Support Enforcement Division (0.3% of Total Appropriation and 5% of FTE) -**
 - ▶ Services to locate absent parents, identify assets, establish paternity, and ensures obligated parents maintain medical health insurance coverage for their dependent children
- ▶ **Public Health & Safety Division (2% of Total Appropriation and 6% of FTE) -**
 - ▶ Administration of public health and safety programs, some in cooperation with local offices of public health
 - ▶ Tobacco prevention and cessation
 - ▶ Public health emergency preparedness and emergency disaster assistance
 - ▶ State public health laboratory services

Program Services

- ▶ **Developmental Services Division (9% of Total Appropriation and 6% of FTE) -**
 - ▶ Developmental disability services
 - ▶ Medicaid services - transportation, residential and work, habilitation, adaptive equipment, some specialized medical services
 - ▶ Early intervention services for children with severe autism
 - ▶ Montana Development Center (Boulder) - behavioral treatment services
 - ▶ Children's Medicaid mental health services for youth with a serious emotional disturbance
 - ▶ Residential psychiatric treatment, group home, outpatient counseling and therapeutic services, school-based services, crisis services
- ▶ **Senior & Long-Term Care Division (11% of Total Appropriation and 8% of FTE) -**
 - ▶ Medicaid services for the elderly and physically disabled
 - ▶ Nursing home (about 60% of nursing home residents' care is funded by Medicaid) - average number of Medicaid funded residents in FY15 - 2,563
 - ▶ Community based services for elderly and physically disabled (Community First Choice) - personal assistance, home health
 - ▶ Adult protective services
 - ▶ Aging services, including grants for senior centers, meals, and other services
 - ▶ Montana Veterans' Homes in Columbia Falls and Glendive; funding to construct a new home in Butte

Program Services

- ▶ **Health Resources Division (49% of Total Appropriation and 1% of FTE) -**
 - ▶ Administration of Medicaid program and Healthy Montana Kids (HMK)
 - ▶ Medicaid services generally comparable to those covered by private health insurance such as:
 - ▶ Inpatient, outpatient, and critical access hospital
 - ▶ Physician and prescription drugs
 - ▶ Occupational, speech and physical therapies
 - ▶ Dental and vision
 - ▶ Durable medical equipment
 - ▶ Healthy Montana Kids Program (HMK)
 - ▶ Health and medical services for children in families with incomes up to 261% of the federal poverty level
 - ▶ Big Sky Rx
 - ▶ Premium assistance to help low-income persons purchase Medicare Part D prescription drug coverage

Program Services

- ▶ **Addictive & Mental Disorders Division (7% of Total Appropriation and 26% of FTE) -**
 - ▶ Mental health services
 - ▶ Adult Mental Health Medicaid
 - ▶ Physician, psychiatric, social work, outpatient counseling
 - ▶ Community services
 - ▶ Montana State Hospital - Warm Springs
 - ▶ Inpatient psychiatric care - average daily population in FY18 - 231
 - ▶ Montana Mental Health Nursing Care Center - Lewistown
 - ▶ Skilled nursing care
 - ▶ Chemical dependency services
 - ▶ Medicaid
 - ▶ Community and inpatient treatment
 - ▶ Montana Chemical Dependency Center - Butte
 - ▶ Inpatient treatment for chemical dependency - average daily population in FY18 - 35

Program Services

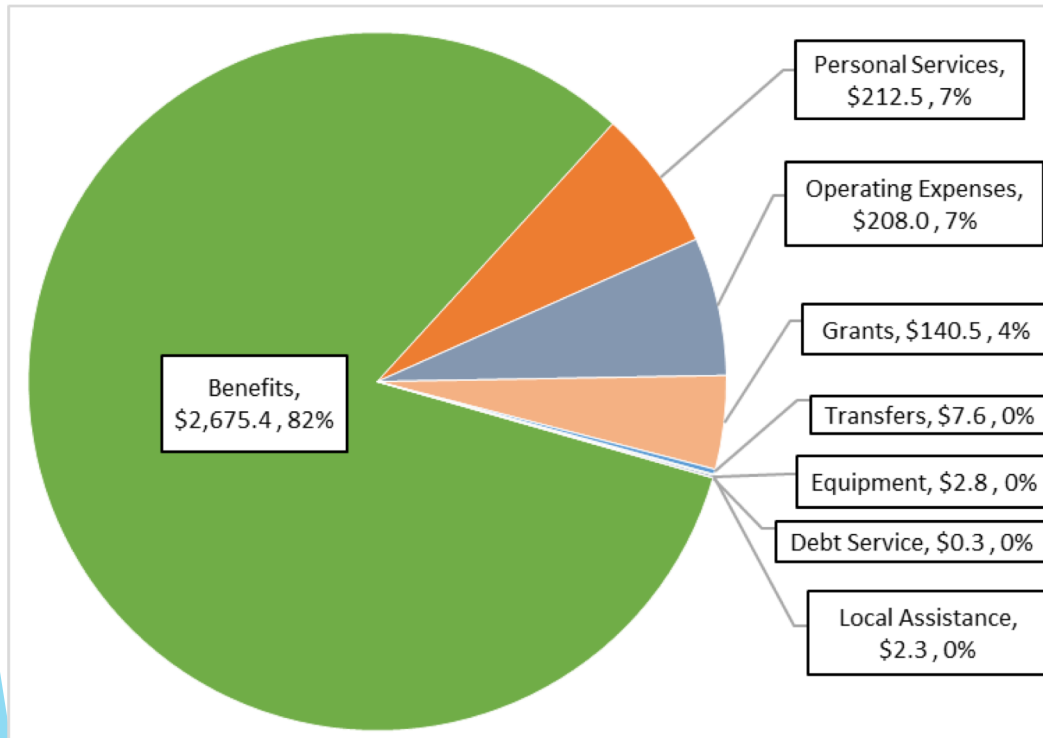
- ▶ **Administrative/Management Functions**
 - ▶ **Director's Office (0.1% of Total Appropriation and 2% of FTE)**
 - ▶ Overall agency administration, including personnel and legal services, public information; administration of AmeriCorps*VISTA Program
 - ▶ **Business & Financial Services (0.4% of Total Appropriation and 2% of FTE) and Technology Services (2% of Total Appropriation and 2% of FTE) -**
 - ▶ Agency wide accounting and financial management services and information technology services
 - ▶ **Quality Assurance Division (0.2% of Total Appropriation and 4% of FTE) -**
 - ▶ Licensing of facilities that receive Medicare and Medicaid
 - ▶ Fraud investigations and program compliance audits
 - ▶ Administration of medical marijuana registry
 - ▶ **Medicaid and Health Services Management (1% of Total Appropriation and 0.3% of FTE) and Operations Services Program (0.2% of Total Appropriation and 1% of FTE) -**
 - ▶ Administration of Medicaid and health services programs
 - ▶ Provision of fair hearings for many DPHHS program

Program Services

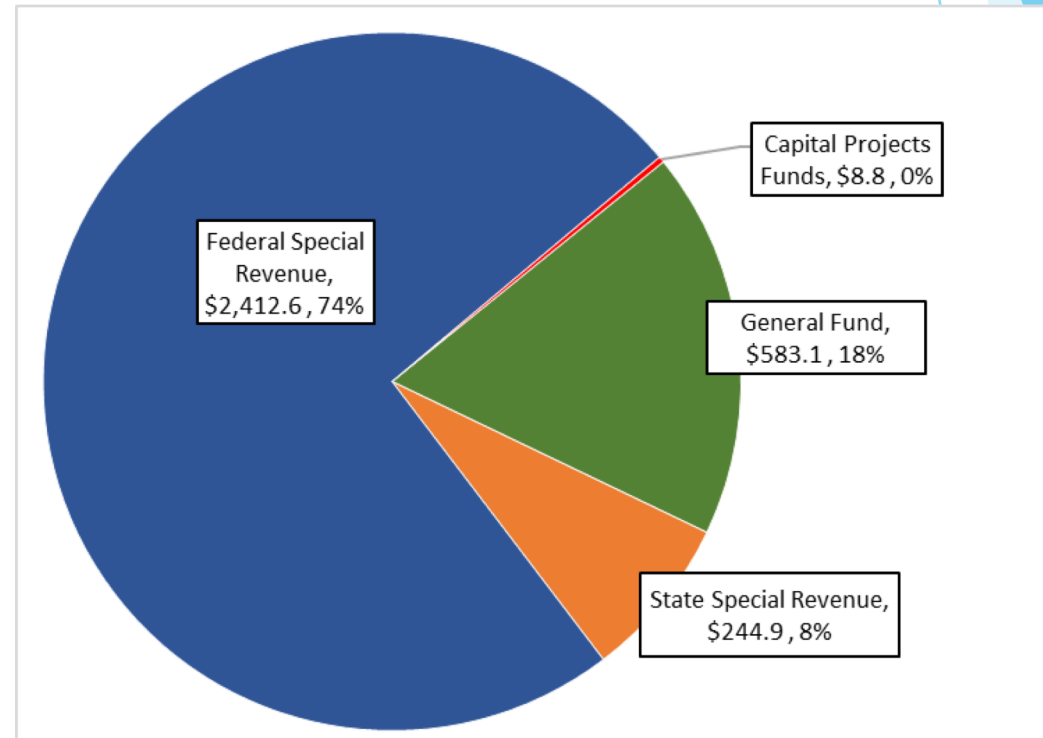
- ▶ **Early Childhood and Family Support - (4% of Total Appropriation)**
 - ▶ New division created from a reorganization
 - ▶ 96.11 FTE and appropriation authority transferred from four other divisions
 - ▶ Childcare assistance
 - ▶ Average number of households receiving assistance in FY18 - 5,944
 - ▶ Best Beginnings scholarships
 - ▶ Women, Infants, and Children Special Nutrition Program (WIC)
 - ▶ Average number of women participating in federal FY19 - 3,429
 - ▶ Maternal child health
 - ▶ Family planning services
 - ▶ Part C early intervention for toddlers with a developmental disability

DPHHS FY20 Estimated Expenditures and Funding by Major Category - HB 2 and All Other Appropriations - \$3.2B Total

Category of Expenditure



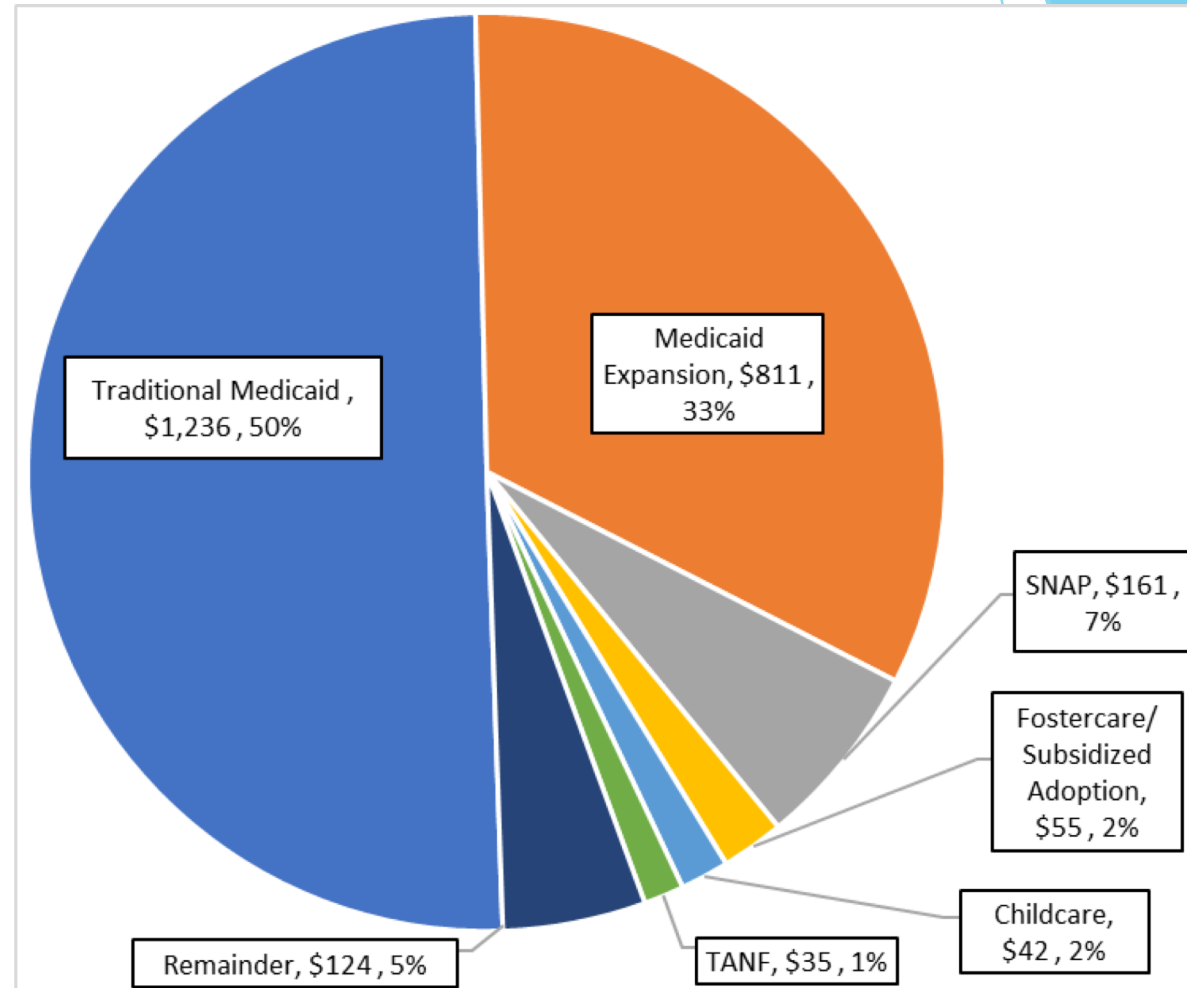
Funding



FY20 Estimated Expenditures for Major Benefits in Millions HB 2 Plus All Other Appropriations - \$2.5B

Major Service/Benefit

- ▶ Traditional (non expansion) Medicaid services expenditures - \$1.2 billion
- ▶ Medicaid expansion - \$811 million
- ▶ SNAP (food stamps) - \$161 million
- ▶ Foster care/subsidized adoption - \$55 million
- ▶ Childcare services - \$42 million
- ▶ TANF (cash assistance) - \$35 million
- ▶ *Note: All benefit expenditures are made on behalf of eligible persons who meet financial and certain categorical criteria. Foster care is the exception in that financial criteria is not considered. Benefits (services) expenditures are payments made on behalf of eligible individuals or payments provided through contracts with entities that provide the service.*



Deeper Dive - Medicaid Services

- ▶ Medicaid services expenditures are significant
 - ▶ About 62% of DPHHS expenditures in FY20
 - ▶ About 26% of total HB 2 appropriations for FY20
- ▶ States must opt in; all states participate
- ▶ Medicaid eligibility described by groups
 - ▶ Mandatory groups - aged, blind, disabled; children; low-income parents
 - ▶ Some optional groups - eg Medicaid expansion (adults age 21 to 64 who are not disabled and not pregnant)
 - ▶ Medicaid expansion first authorized in the HELP Act - 2015 legislative session
 - ▶ Reauthorized in HB 658 in 2017 legislative session
 - ▶ All persons must meet financial eligibility criteria
 - ▶ Some eligibility criteria includes age, disability, and asset tests as well
- ▶ Some services are mandatory and some are optional
 - ▶ States must cover mandatory services
 - ▶ Optional services sometimes the same as mandatory, but provided in an outpatient setting
 - ▶ Prescription drugs are optional service if provided by a pharmacy; mandatory service in a hospital setting

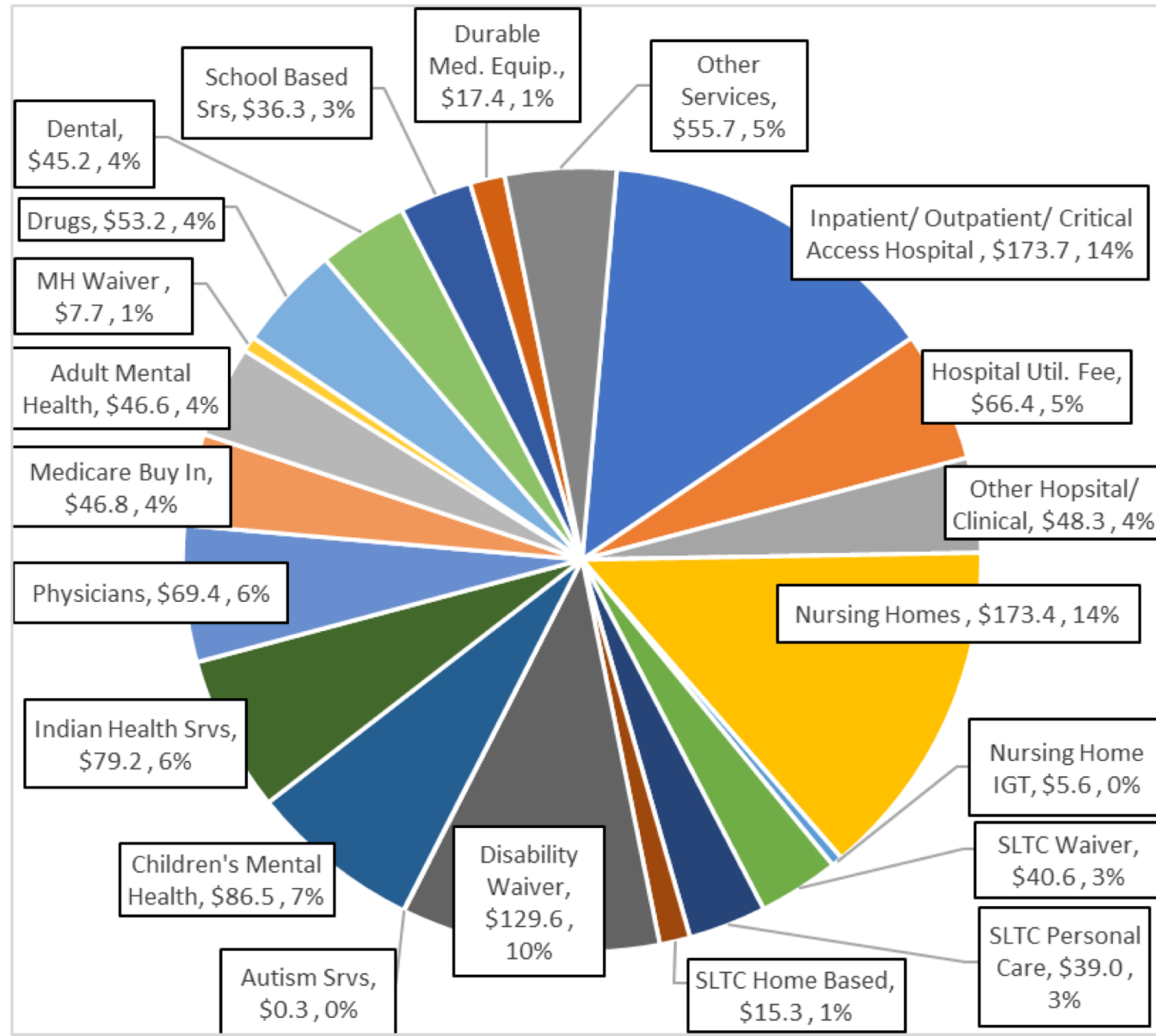
Deeper Dive - Medicaid Services

- ▶ States must provide matching funds for most Medicaid program costs
 - ▶ Most administrative costs in traditional Medicaid program are matched 50% state/50% federal
 - ▶ Most service costs in traditional Medicaid require about a 35% state match
 - ▶ Changes October 1 each year; based on a 3-year average of state per capita income compared to 3-year average of national per capita income
 - ▶ 1% change = \$15 to \$16 million change in state funding (regular Medicaid program, non expansion population)
 - ▶ Enhanced match for Covid 19 response - 6.2% increase in federal share - estimated \$38 million in state savings
 - ▶ Begins January 1, 2020; ends when Secretary of Health and Human Services finds the public health emergency has ended
 - ▶ State match rate falls from 35.22% to 29.02%
 - ▶ Medicaid expansion administrative and services costs require a 10% state match that does change
- ▶ Medicaid is an entitlement
 - ▶ The state must pay for the service if:
 - ▶ A person is eligible
 - ▶ The service is covered in the state plan and the service is medically necessary
 - ▶ If appropriations are inadequate to cover all entitlement costs:
 - ▶ DPHHS can reduce the amount, scope or duration of services (within federal limits)
 - ▶ Lower reimbursement rates to providers
 - ▶ Request a supplemental appropriation from the next legislature

Estimated Medicaid Services Expenditures by Major Service - FY 20

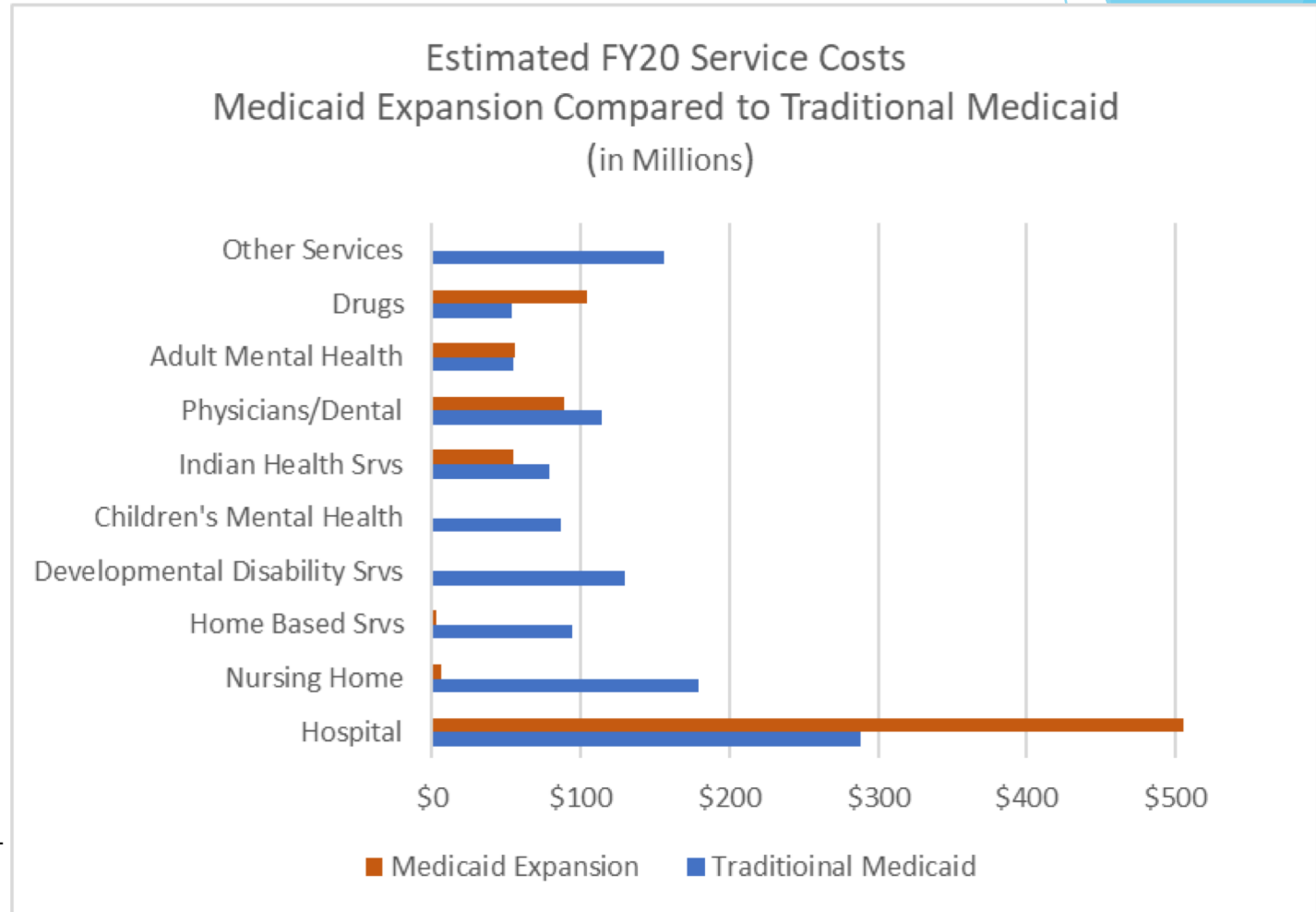
Traditional Medicaid Program - \$1.2B Total

(in Millions)



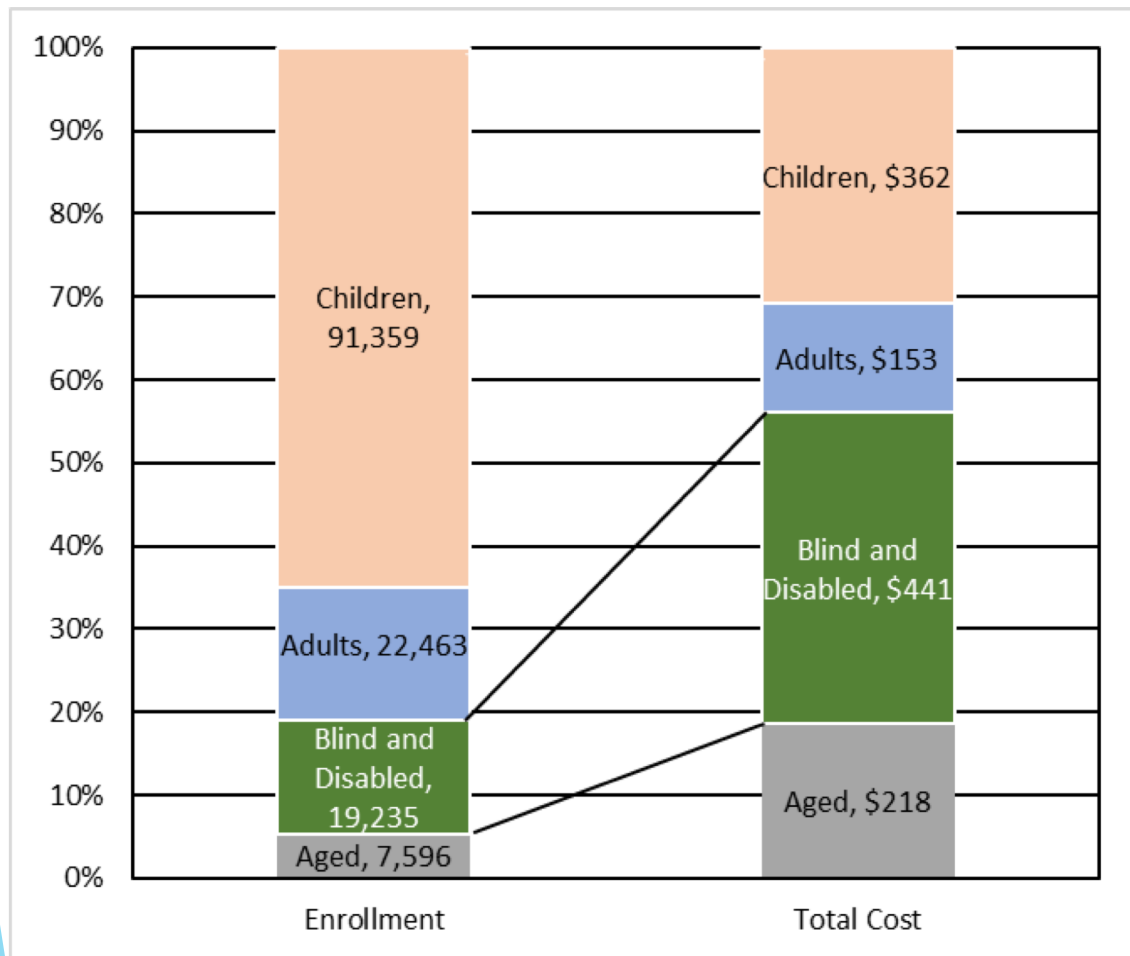
Comparison of FY20 Estimated Cost of Traditional Medicaid Program Services to Expansion Services by Major Service

- ▶ Total Medicaid services costs estimated for FY20 - \$2.0 billion
 - ▶ Regular Medicaid program - \$1.2 billion
 - ▶ Medicaid expansion program - \$819.8 million
- ▶ Total enrollees in Medicaid as of May 2020 - 233,345
 - ▶ 40% of total enrollees are children - 93,563
 - ▶ 35% of total Medicaid expansion enrollees - 82,174
 - ▶ Balance (25%) of enrollees are adults who are aged, blind, disabled or low-income parents - 57,608



FY17 Regular Medicaid Program Eligibility (140,653 Total) Compared to Cost in Millions (\$1.2B Total) by Major Eligibility Group

(Cost in Millions)



- ▶ Based on FY17 data
 - ▶ Most recent data available
 - ▶ Does not include Medicaid expansion population
- ▶ Relationship between eligibility and cost has remained fairly constant
- ▶ Largest number eligible are children - 65%
 - ▶ Account for 31% of cost
- ▶ Aged, blind, and disabled are the lowest number of eligibles, but have relatively higher costs
 - ▶ 19% of total eligibles and 56% of total cost
 - ▶ Some disabled are children
- ▶ Expansion group (not included) are low-income adults between the ages of 21 and 65 who are not disabled nor pregnant
 - ▶ If included, cost/eligibility comparison would raise the percentage of adult eligible and percent of total cost

2020 Federal Poverty Level

- ▶ The federal poverty level is updated annually - usually in February
- ▶ Examples of poverty levels that coordinate with some DPHHS programs are shown
 - ▶ 138% - income level for eligibility for Medicaid expansion for nondisabled, non pregnant adults aged 21 to 64
 - ▶ 157% - Medicaid eligibility for pregnant women and infants
 - ▶ 261% - Healthy Montana Kids eligibility for children

2020 Federal Poverty Level by Family Size					
Family Size	50%	100%	138%	157%	261%
1	\$6,380	\$12,760	\$17,609	\$20,033	\$33,304
2	8,620	17,240	23,791	27,067	44,996
3	10,860	21,720	29,974	34,100	56,689
4	13,100	26,200	36,156	41,134	68,382
5	15,340	30,680	42,338	48,168	80,075
6	17,580	35,160	48,521	55,201	91,768
7	19,820	39,640	54,703	62,235	103,460
8	22,060	44,120	60,886	69,268	115,153
9	23,350	46,700	64,446	73,319	121,887
10	25,510	51,020	70,408	80,101	133,162
Additional Person Add:	2,240	4,480	\$6,182	7,034	\$11,693

Sources Used for Report

- ▶ Slides 3 and 4: DPHHS June 2020 Budget Status Report
- ▶ Slide 5: Legislative Fiscal Division, 2021 Biennium Fiscal Report
- ▶ Slides 6, 7, and 8: DPHHS Public Assistance Dashboard, DPHHS Website; United States Department of Health and Human Services, Office of Family Assistance; DPHHS Presentations to 2017 and 2019 Joint Appropriations Subcommittees
- ▶ Slide 7: DPHHS Public Assistance Dashboard, DPHHS Website; DPHHS Presentations to 2019 Joint Appropriation Subcommittee; USDA Food and Nutrition Services, WIC Data Tables
- ▶ Slide 9: Kaiser Health Foundation, “Medicaid’s Role in Nursing Home Care”, June 20, 2017
- ▶ Slides 11 and 13: DPHHS Presentations to 2019 Joint Appropriations Subcommittee
- ▶ Slides 14 and 15: DPHHS June 2020 Budget Status Report; DPHHS Medicaid Dashboard, DPHHS Website
- ▶ Slides 18 and 19: DPHHS June 2020 Budget Status Report
- ▶ Slide 20: DPHHS Biennial Medicaid Report to the 2019 Legislature; DPHHS Medicaid Dashboard and DPHHS Medicaid Expansion Dashboard, DPHHS Website

Questions?