

# Montana Department of Public Health and Human Services

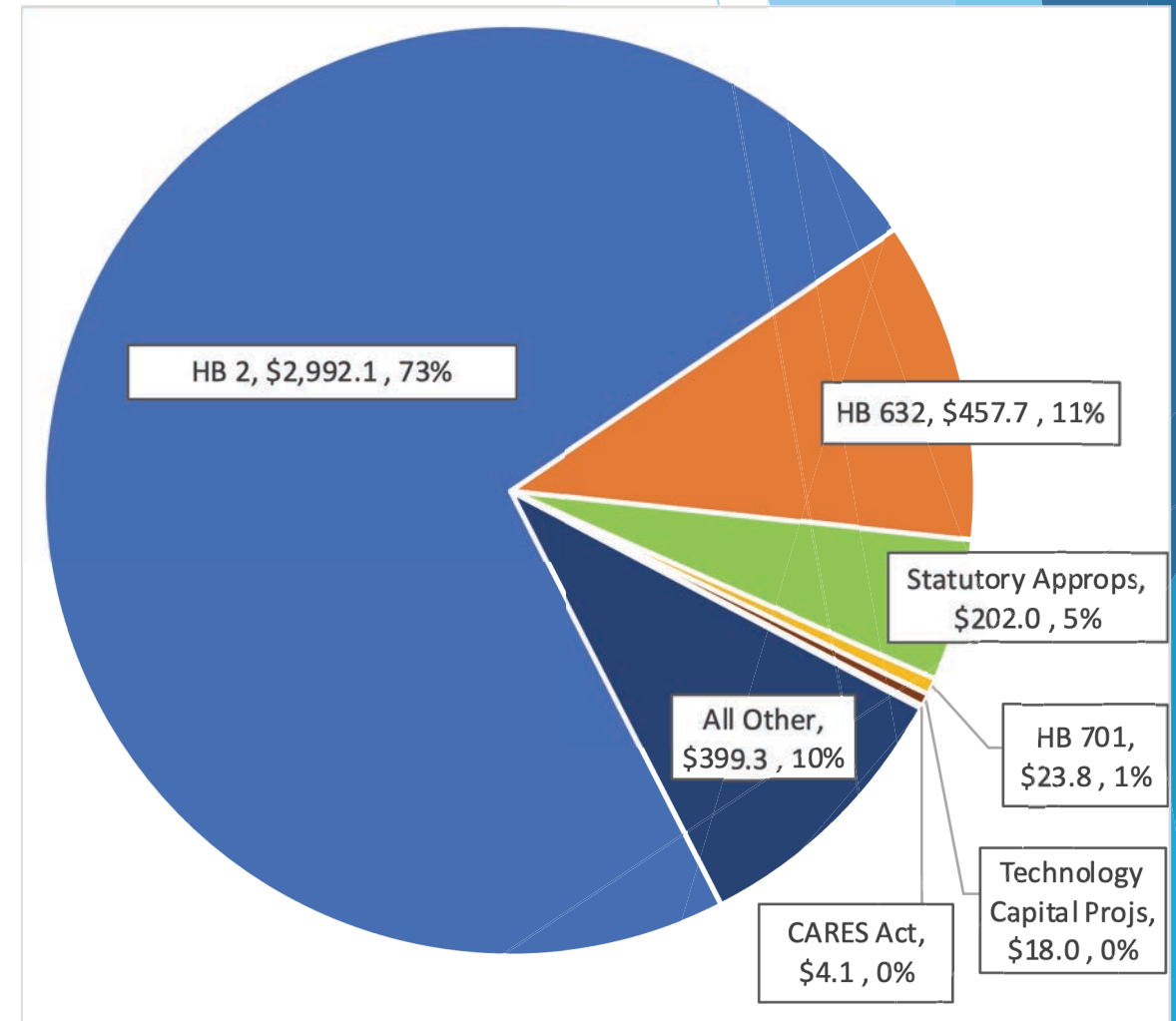
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June 2022

# Montana Department of Public Health and Human Services - DPHHS

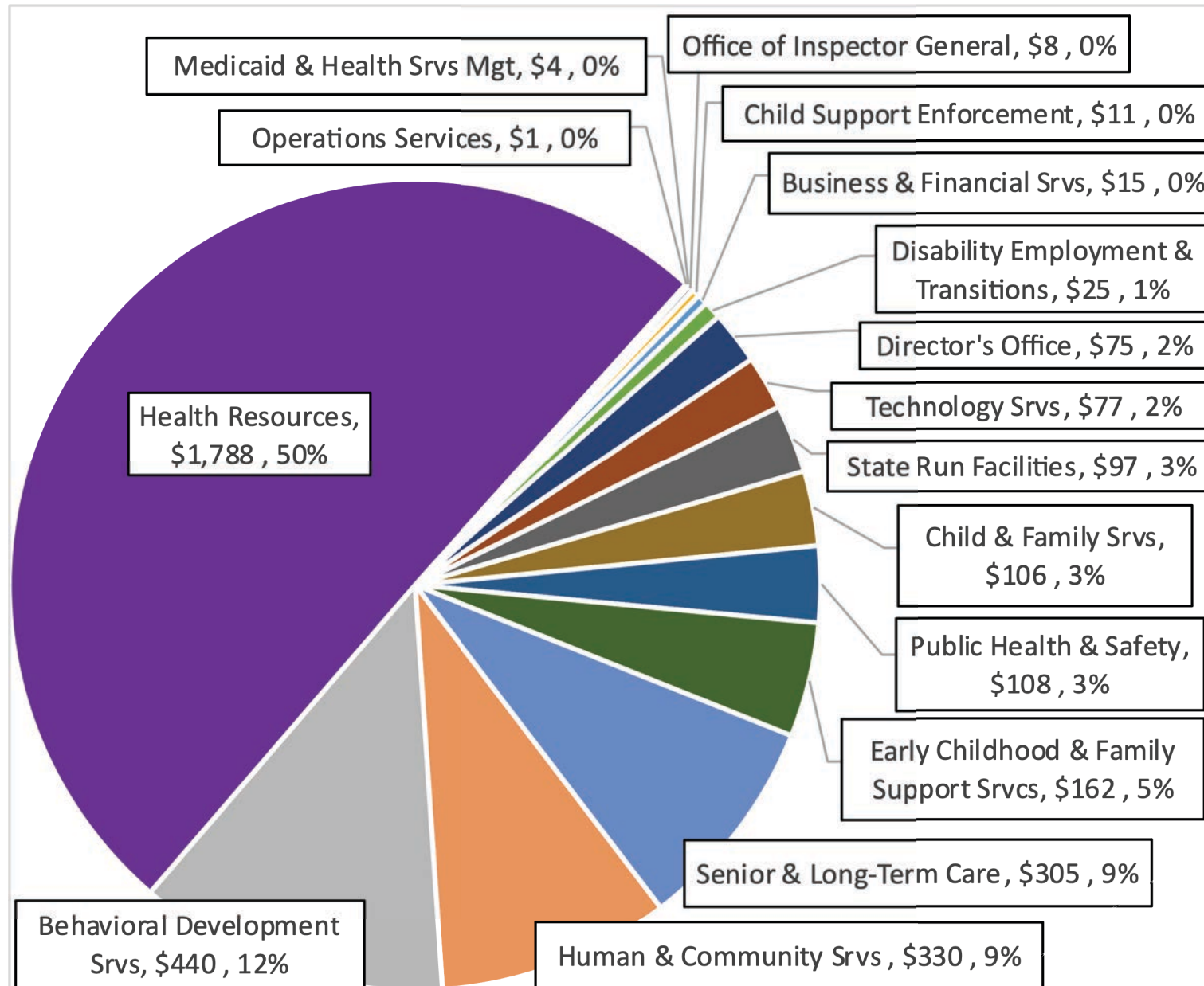
- ▶ Mega human services agency
- ▶ Combines many programs and services
  - ▶ Public safety net programs
  - ▶ Public health programs and services
  - ▶ Health care services for low-income and vulnerable populations
  - ▶ Child and adult protective services
  - ▶ Seven state health care facilities
- ▶ May be the only one or one of a very few in the U.S.
- ▶ DPHHS budget is 48% of total HB 2 funding and 27% of general fund appropriations in HB 2

## Total DPHHS FY22 Appropriation by Source of Authority in Millions - \$4.0B Total

- ▶ HB 2 - General Appropriations Act
- ▶ HB 632 - Appropriates funds from the federal American Rescue Plan of 2021
- ▶ Statutory appropriations established in statute for debt service, SNAP benefits, alcohol fund distribution counties
- ▶ HB 701 - Regulation and taxation of marijuana
- ▶ Technology capital projects funds support development and maintenance of significant applications such as eligibility determination
- ▶ CARES - federal Coronavirus Aid, Relief, and Economic Security Act of 2020 funds
- ▶ All other - includes appropriations such as budget amendments for federal funds received after the legislative session has ended, other COVID funds

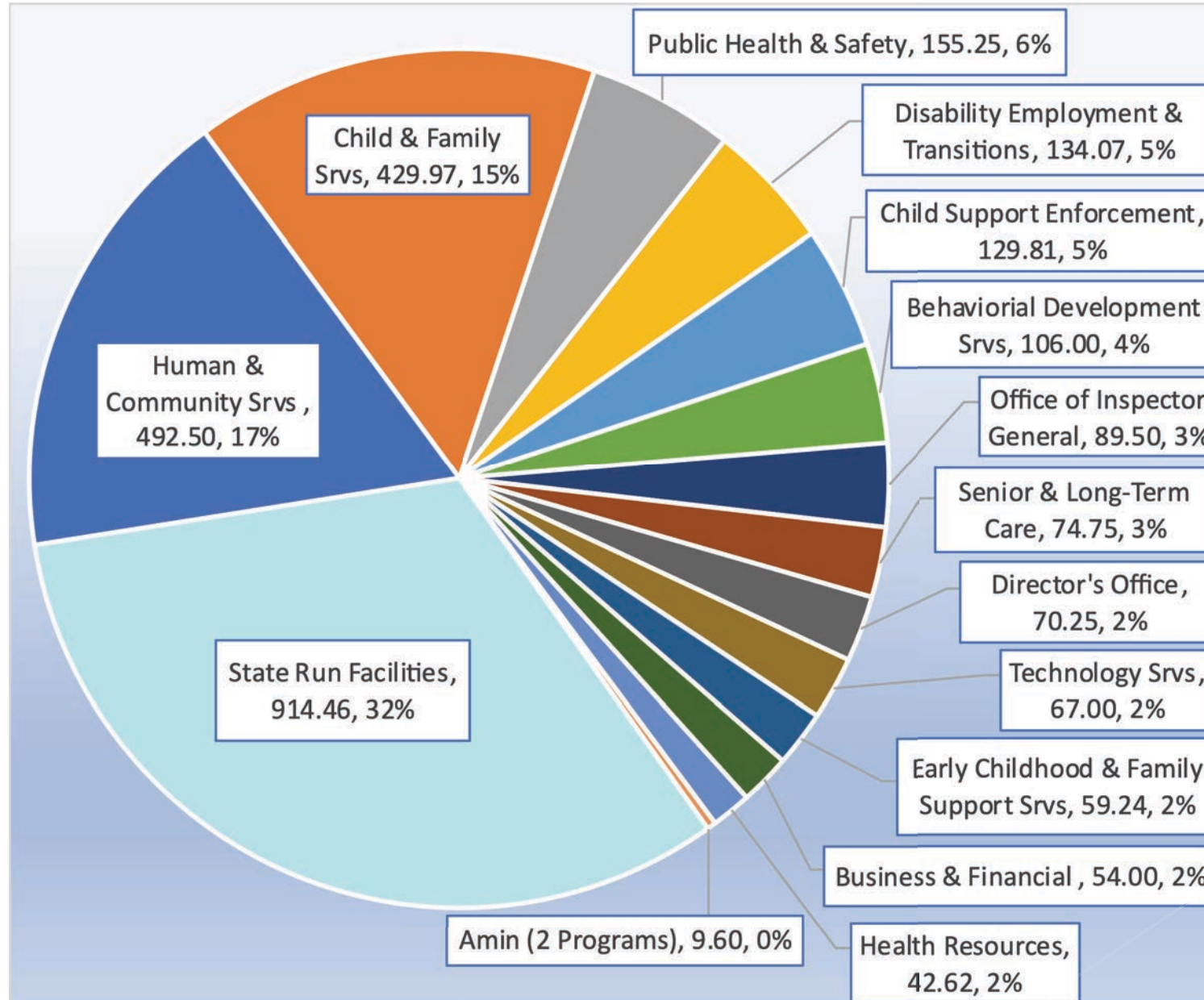


# DPPHS Total FY22 Estimated Expenditures by Division in Millions - \$3.6B Total Funds



# HB 2 Funded FTE by Program - 2,830.02 Annual Total

(DPHHS has 24% of FTE funded in HB 2 for the 2023 biennium.)



# Program Services

- ▶ **Disability Employment and Transitions (0.7% of Estimated Expenditures 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 Estimated Expenditures 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 2022 was 5,195

# Program Services

- ▶ **Human and Community Services Division continued -**
  - ▶ Supplemental Nutrition Assistance Program (SNAP - formerly Food Stamps)
    - ▶ Number of persons receiving assistance in March 2022 was 90,370 individuals in 45,515 households
    - ▶ Average SNAP benefit - \$299.51 per household March 2022
  - ▶ Low Income Energy Assistance Program (LIEAP) and Weatherization
    - ▶ About 18,500 Montanan households are enrolled in LIEAP statewide, and 460 homes are weatherized each year
  - ▶ 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 Estimated Expenditures 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 March 2022 - 2,942
    - ▶ Domestic violence grants
- ▶ **Early Childhood and Family Support Services (4.5% of Estimated Expenditures and 2% of FTE)**
  - ▶ Childcare assistance
    - ▶ Average number of households receiving assistance in FY21 - 2,409
  - ▶ Women, Infants, and Children Special Nutrition Program (WIC)
    - ▶ Total number of women and children participating in March 2022 - 13,865
  - ▶ Maternal child health
  - ▶ Part C early intervention for toddlers with a developmental disability <sup>8</sup>



## Program Services

- ▶ **Behavior Development Services Division (12% of Estimated Expenditures and 4% 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
  - ▶ Mental health 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
    - ▶ Adult Mental Health Medicaid
      - ▶ Physician, psychiatric, social work, outpatient counseling
      - ▶ Community services such as PACT
  - ▶ Chemical dependency services
    - ▶ Medicaid community services
    - ▶ Federal block grant services

## Program Services

- ▶ **Senior & Long-Term Care Division (8.5% of Estimated Expenditures and 3% of FTE) -**
  - ▶ Medicaid services for the elderly and physically disabled
    - ▶ Nursing home (about 65% of nursing home residents' care was funded by Medicaid in FY21) - 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
- ▶ **Child Support Enforcement Division (0.3% of Estimated Expenditures 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

# Program Services

- ▶ **Health Resources Division (50% of Estimated Expenditures and 2% 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, prescription drugs, laboratory, and testing
    - ▶ 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

- ▶ **Public Health & Safety Division (3% of Estimated Expenditures 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
- ▶ **Administrative/Management Functions**
  - ▶ **Director's Office (2% of Estimated Expenditures and 2% of FTE)**
    - ▶ Overall agency administration, including personnel and legal services, public information; administration of AmeriCorps\*VISTA Program

## Program Services

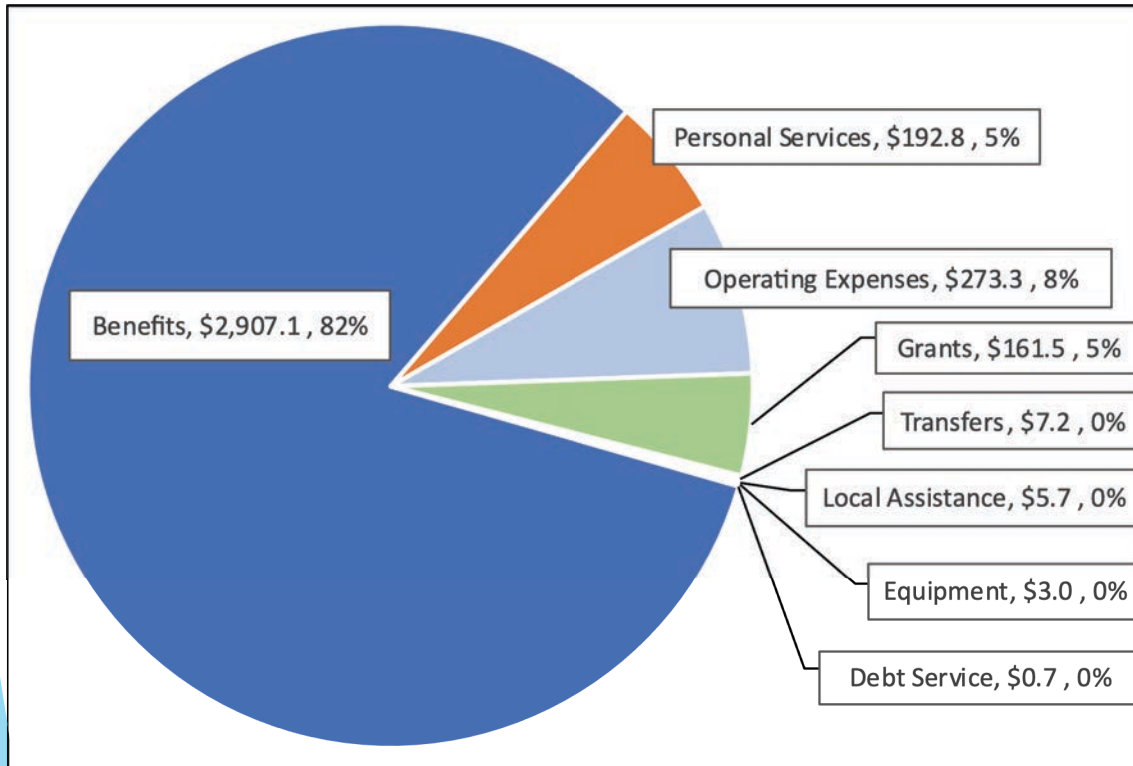
- ▶ **Administrative/Management Functions**
  - ▶ **Business & Financial Services (0.4% of Total Appropriation and 2% of FTE) and Technology Services (2% of Total Appropriation and 2% of FTE) -**
    - ▶ Agency wide accounting and financial management services and information technology services
  - ▶ **Office of Inspector General (0.2% of Estimated Expenditures and 3% 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 (0.1% of Total Appropriation and 0.1% of FTE) and Operations Services Program (less than 0.1% of Total Appropriation and 0.3% of FTE) -**
    - ▶ Administration of Medicaid and health services programs
    - ▶ Provision of fair hearings for many DPHHS programs

## Program Services

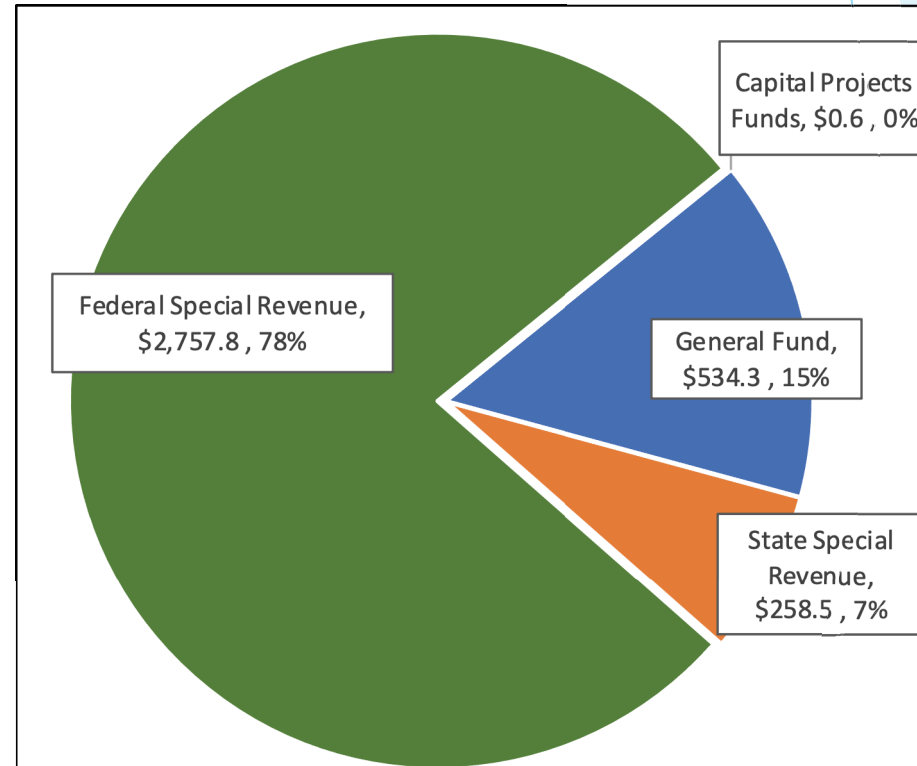
- ▶ **State Run Facilities Division Created After Session - (3% of Estimated Expenditures and 32% of FTE)**
  - ▶ 914.46 FTE and appropriation authority transferred from three other divisions (Addictive and Mental Disorders, Senior and Long-Term Care, and Disability Services)
  - ▶ Montana State Hospital, Warm Springs
    - ▶ Inpatient psychiatric care
  - ▶ Montana Mental Health Nursing Care Center, Lewistown
    - ▶ Skilled nursing care
  - ▶ Montana Chemical Dependency Center, Butte
    - ▶ Inpatient treatment for chemical dependency
  - ▶ Montana Development Center, Boulder - behavioral treatment services
  - ▶ Three veterans' homes - Montana Veterans' Home, Columbia Falls; Eastern Montana Veterans' Home, Glendive; Southwestern Montana Veterans' Home, Butte

# DPHHS FY22 Estimated Expenditures and Funding by Major Category - HB 2 and All Other Appropriations - \$3.6B Total

## Category of Expenditure



## Funding



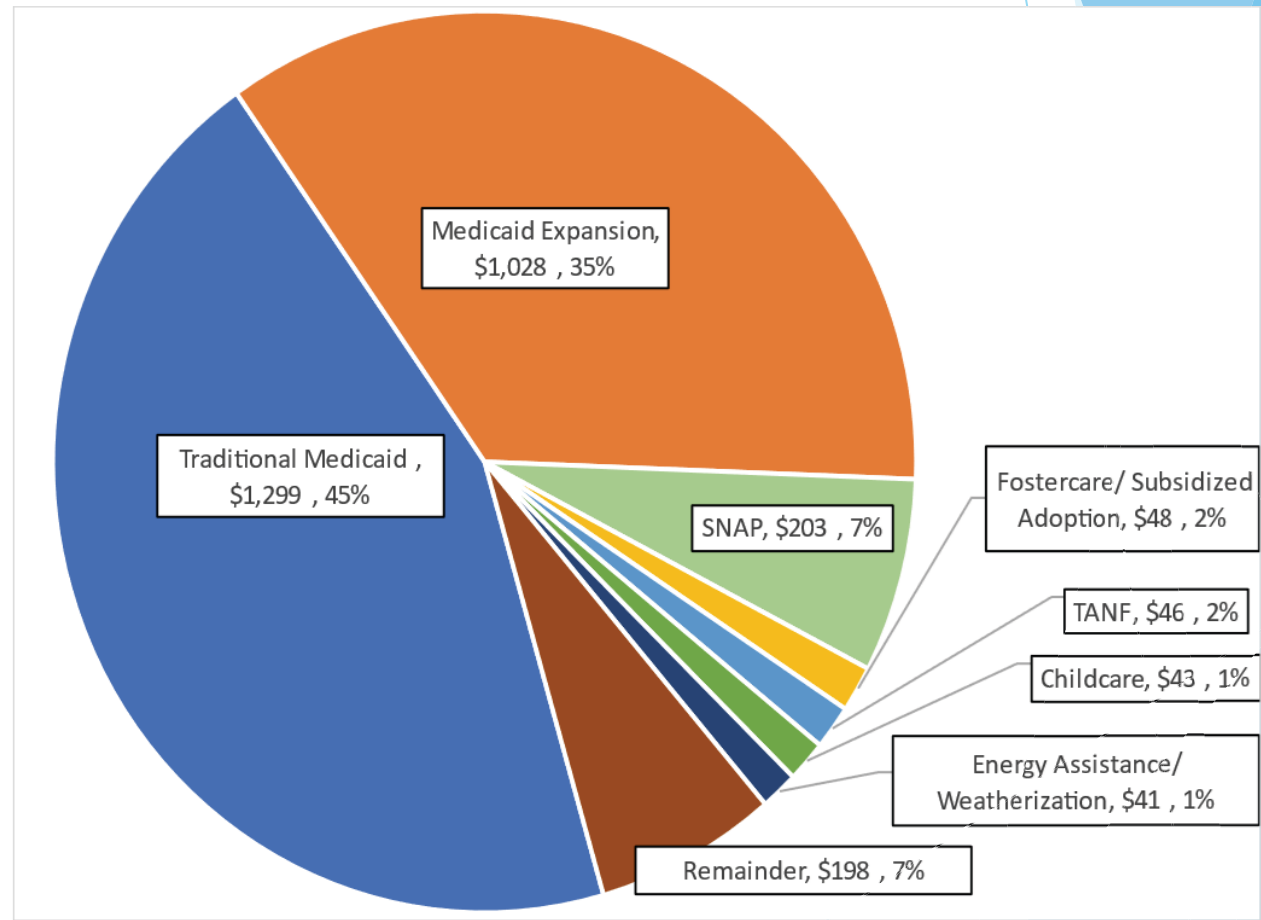


# FY22 Estimated Expenditures for Major Benefits in Millions

## HB 2 Plus All Other Appropriations - \$2.9B

### Major Service/Benefit

- ▶ Traditional (non expansion) Medicaid services expenditures - \$1.3 billion
- ▶ Medicaid expansion - \$1.0 billion
- ▶ SNAP (food stamps) - \$203 million
- ▶ Foster care/subsidized adoption - \$48 million
- ▶ TANF (cash assistance) - \$46 million
- ▶ Childcare services - \$43 million
- ▶ Energy assistance & weatherization - \$41 million
- ▶ *All benefit expenditures are made on behalf of eligible persons who meet financial and certain categorical criteria, with foster care being 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 66% of DPHHS expenditures in FY22 and about 35% of total HB 2 appropriations for FY22
- ▶ 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, not pregnant, and may not have children)
    - ▶ 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 include age, disability, and asset tests as well

## Deeper Dive - Medicaid Services

- ▶ Some services are mandatory and some are optional
  - ▶ States must cover mandatory services - hospital, doctor, nursing home, well child
  - ▶ 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
- ▶ 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

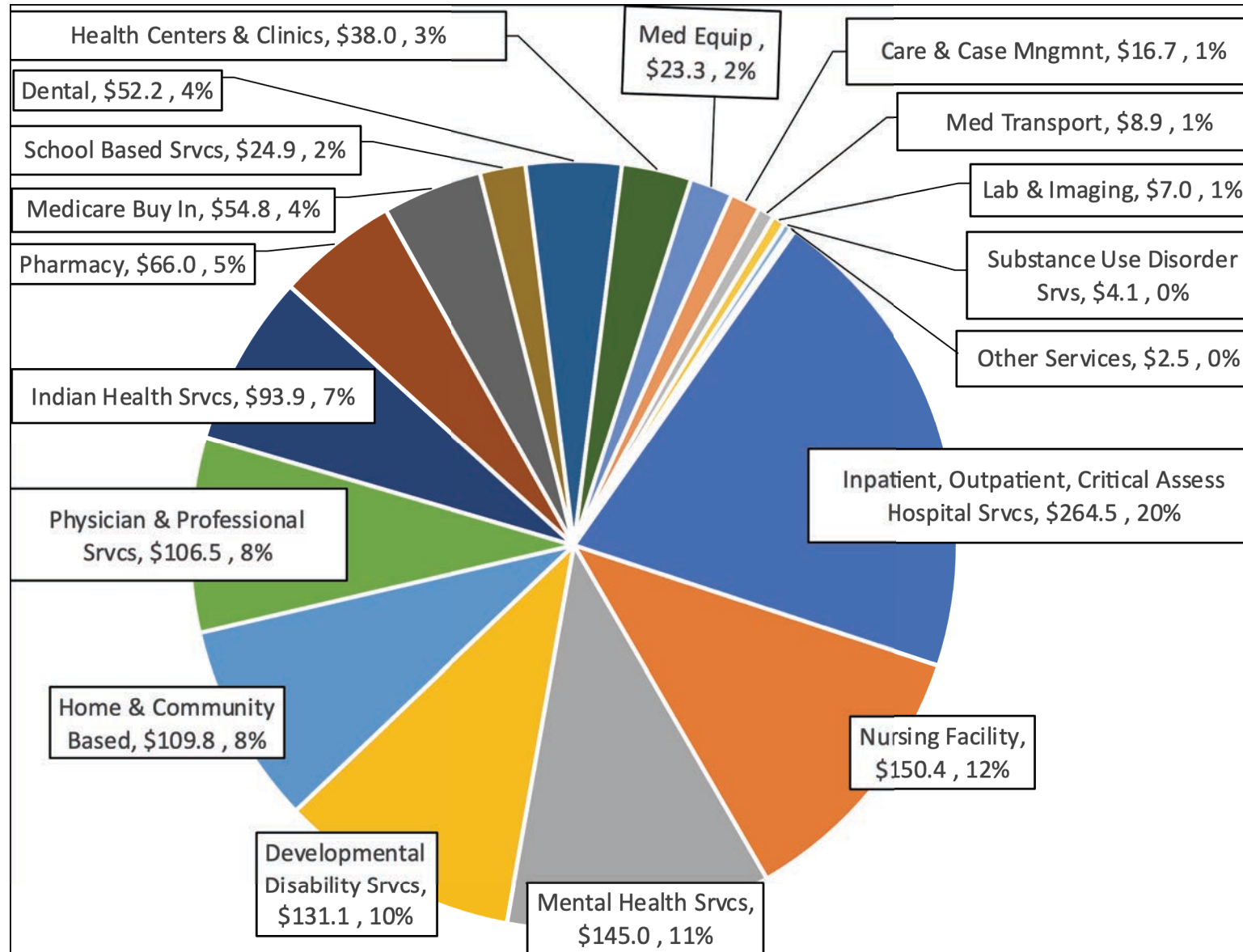
## Deeper Dive - Medicaid Services

- ▶ 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 = \$16 to \$17 million change in state funding (regular Medicaid program, non expansion population)
    - ▶ Enhanced match for Covid 19 response - 6.2% increase in federal share
      - ▶ Began January 1, 2020; ends when Secretary of Health and Human Services finds the public health emergency has ended
  - ▶ Medicaid expansion administrative and services costs require a 10% state match that does change
  - ▶ Indian Health Services - 100% federally funded

# Estimated Medicaid Services Expenditures by Major Service - FY22

## Traditional Medicaid Program - \$1.3B Total

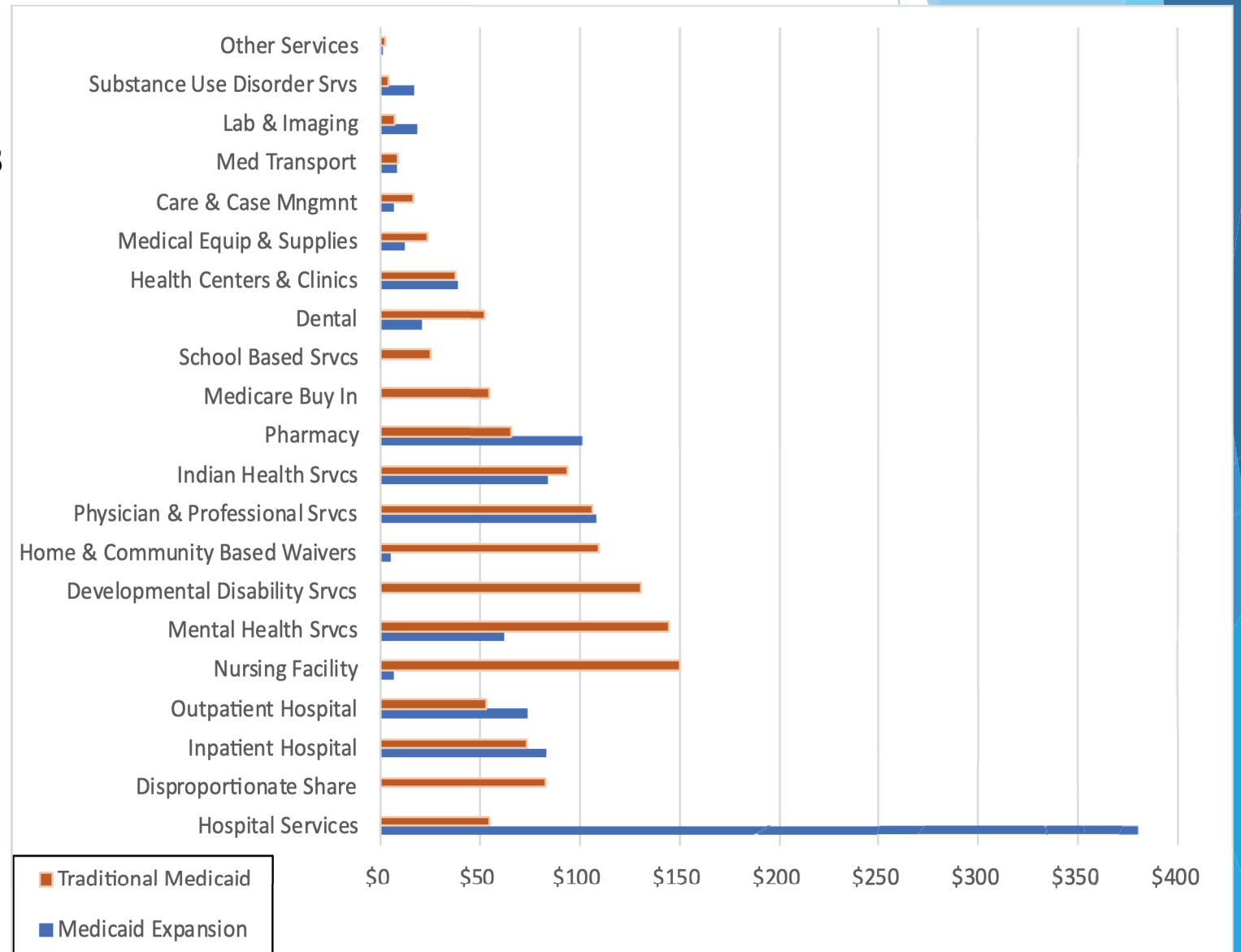
(in Millions)



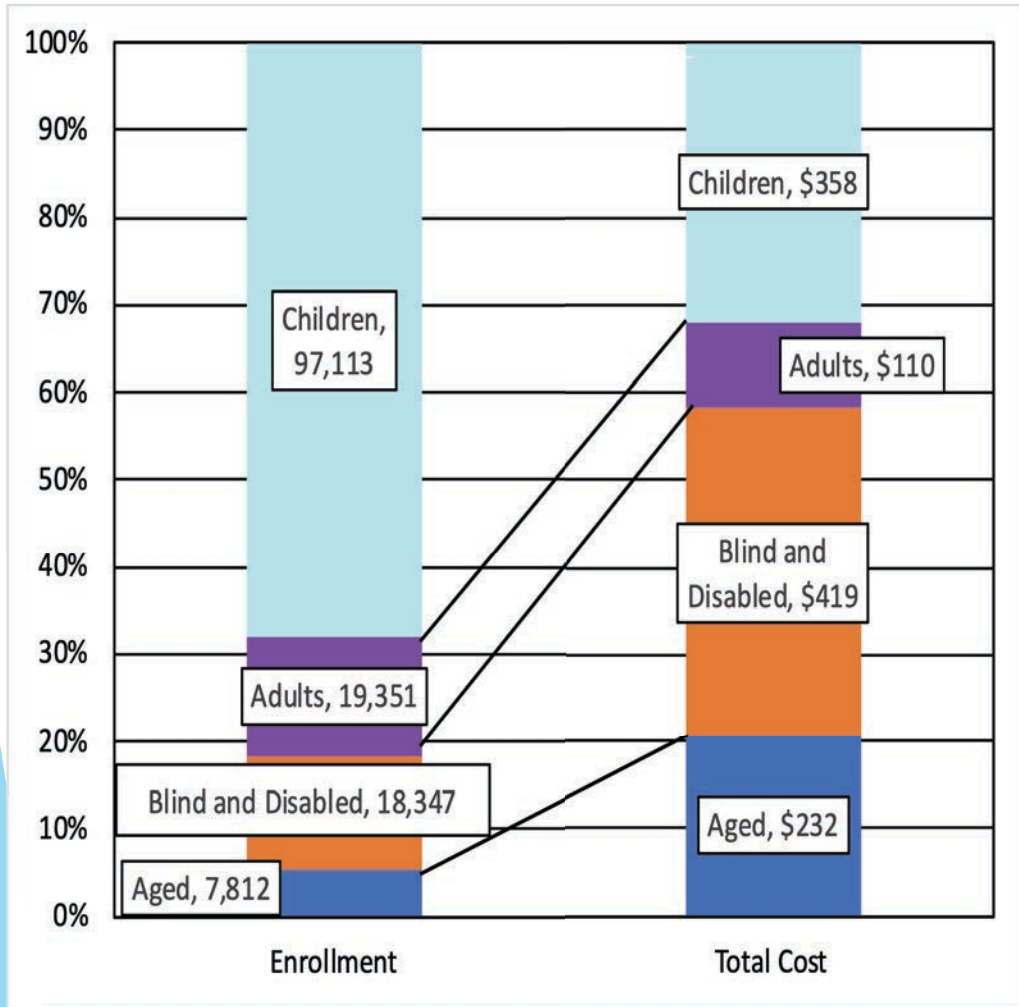
# Comparison of FY22 Estimated Cost of Traditional Medicaid Program Services to Expansion Services by Major Service

(in Millions)

- ▶ Total Medicaid services costs estimated for FY22 - \$2.3 billion
  - ▶ Traditional Medicaid program - \$1.3 billion
  - ▶ Medicaid expansion program - \$1.0 billion
- ▶ Total enrollees in Medicaid as of March 2022 - 281,821
  - ▶ 41% of total Medicaid expansion enrollees - 114,873
  - ▶ 38% of total enrollees are children - 107,203
  - ▶ Balance (21%) of enrollees are mostly adults who are aged, blind, disabled or low-income parents - 59,745



## FY19 Traditional Medicaid Program Eligibility (142,623 Total) Compared to Cost in Millions (\$1.1B Total) by Major Eligibility Group



- ▶ Based on FY19 data
  - ▶ Does not include Medicaid expansion, Medicare Savings Plan, or Plan First Waiver programs
- ▶ Relationship between eligibility and cost has remained constant
- ▶ Largest number eligible are children - 69%
  - ▶ Account for 30% of cost
- ▶ Aged, blind, and disabled have the lowest number of eligibles, but have relatively higher costs
  - ▶ Blind & disabled - 13% of total eligibles and 36% of total cost
  - ▶ Some disabled are children
  - ▶ Aged - 6% of total eligible and 20% of total cost
- ▶ 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 percent of adult eligible and percent of total cost



## 2022 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% - traditional Medicaid eligibility for pregnant women and infants
  - ▶ 261% - Healthy Montana Kids eligibility for children

2022 Federal Poverty Level by Family Size					
Family Size	50%	100%	138%	157%	261%
1	\$6,795	\$13,590	\$18,754	\$21,336	\$35,470
2	9,155	18,310	25,268	28,747	47,789
3	11,515	23,030	31,781	36,157	60,108
4	13,875	27,750	38,295	43,568	72,428
5	16,235	32,470	44,809	50,978	84,747
6	18,595	37,190	51,322	58,388	97,066
7	20,955	41,910	57,836	65,799	109,385
8	23,315	46,630	64,349	73,209	121,704
Additional Person Add:	\$2,360	\$4,720	\$6,514	\$7,410	\$12,319

## Sources Used for Report

- ▶ Slides 3 and 4: DPHHS May 2022 Budget Status Report
- ▶ Slide 5: Legislative Fiscal Division, 2023 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 2019 and 2021 Joint Appropriations Subcommittees
- ▶ Slide 7: DPHHS Public Assistance Dashboard, DPHHS Website; DPHHS Presentations to 2021 Joint Appropriation Subcommittee; USDA Food and Nutrition Services, SNAP and WIC Data Tables
- ▶ Slide 8: DPHHS Child Care Managerial Reports State Fiscal Year 2021, DPHHS Website
- ▶ Slide 9: Kaiser Health Foundation, “Medicaid’s Role in Nursing Home Care”, June 20, 2017
- ▶ Slides 11 and 13: DPHHS Presentations to 2021 Joint Appropriations Subcommittee
- ▶ Slides 14,15, 18, and 19: DPHHS May 2022 Budget Status Report; DPHHS Medicaid Dashboard, DPHHS Website
- ▶ Slide 20: DPHHS Biennial Medicaid Report to the 2021 Legislature; DPHHS Medicaid Dashboard and DPHHS Medicaid Expansion Dashboard, DPHHS Website

# Questions?