



Presentation to the 2017 Health and Human Services
Joint Appropriation Subcommittee

MANAGEMENT AND FAIR HEARINGS

Department of Public Health and Human Services (DPHHS)



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Reference:
Legislative Fiscal Division Budget Analysis, Pages B107-B111

1. Where are we now?

1a. Mission:

The Management and Fair Hearings program (MFH) is responsible for oversight, management and support of the Operations Services Branch of the Department.

1b. Contact Information:

Title	Name	Phone Number	E-mail address
Branch Manager	Marie Matthews	406-444-2754	mmatthews@mt.gov
Operations Management Officer	Erica Johnston	406-444-9773	erica.johnston@mt.gov
Bureau Chief, Office of Fair Hearings	Joseph Sternhagen	406-444-9088	josternhagen@mt.gov
Bureau Chief, Office of Budget and Finance	Kim Moog	406-444-1762	kimoog@mt.gov
Bureau Chief, Audit	Chad Hultin	406-444-5908	ChadHultin@mt.gov

1c. Overview:

The Management and Fair Hearings program (MFH) is responsible for oversight, management and support of the Operations Services Branch of the Department.

The Branch Manager, located in the Management and Fair Hearings Program, manages and directs the activities of the Operations Services Branch, which provides leadership for the department's implementation and operation of programs and services for Montanans, and provides overall guidance to the agency on budgetary and financial management. The Divisions within the Operations Services Branch support the activities of the department in the areas of accounting, budgeting, economic analysis and projections, technology services, quality assurance and auditing, and fair hearings for clients.

Management and Fair Hearings is led by the Operations Management Officer, with staff devoted to the provision of quality leadership, analysis, financial management, internal audit and provision of fair hearings.

1d. Major Bureau Functions:

Management and Fair Hearings (MFH) is made up of:

- The Operations Management Officer, who provides leadership for the Department's implementation and operation of programs and services for Montanans;
- The Office of Fair Hearings that provides impartial administrative hearings for individuals or entities who may have been adversely impacted by a program administered by the Department;
- The Office of Budget and Finance that supports budget analysis, financial projections, and federal reporting and compliance for the Department; and,
- The Audit Bureau that assesses financial management, proper internal control, contract and regulatory compliance, and program performance for the Department.

Office of Fair Hearings

The Office of Fair Hearings provides an avenue for citizens served by the department to appeal adverse decisions for services by giving them an opportunity to tell their side of the story. This is accomplished through the provision of impartial administrative hearings. Hearings officers adjudicate a wide range of department-related issues; however, the Office of Fair Hearings does not have jurisdiction over issues determined by the Child Support Enforcement Division (CSED); CSED has its own administrative law judges who perform hearings for adverse decisions relating to child support cases. Written decisions are binding unless appealed to the state Board of Public Assistance, the Department Director, or a District Court. Some of the types of issues that are addressed include:

- Eligibility and service for public assistance programs;
- Licensing and certification for such entities as child care and day care facilities and nursing homes;
- Ability to pay for care in state facilities;
- Denial of admission to or discharge from state facilities and long-term care facilities;
- Substantiation of child abuse and neglect; and
- Eligibility for vocational rehabilitation services.

Office of Budget and Finance

The Office of Budget and Finance oversees the Department budget, which includes over 224 different funding streams. OBF directs the proper utilization, tracking and management of the department's appropriations in accordance with HB 2, state statute and federal regulations.

Audit Bureau

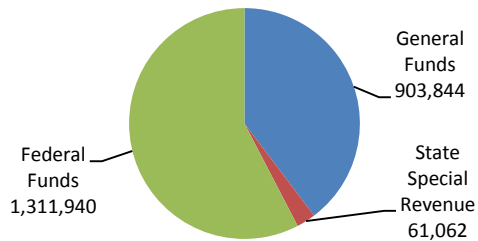
The Audit Bureau performs services for department programs and management to assist the department in operating efficient and effective programs. Services include desk reviews of external audits, agreed upon procedure reviews, internal control testing, and contract and regulatory oversight. The unit's work is a valuable tool to ensure that agency service providers manage State and Federal funding appropriately. Audit proposals are developed by audit staff, and presented to the Internal Audit Committee for consideration and selection.

1e. Current Budget/Expenditures:

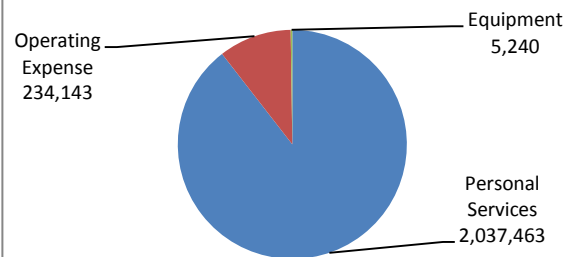
	2017 Budget	FY 2018 Request	FY 2019 Request
Management and Fair Hearing			
FTE	22.00	22.00	22.00
Personal Services	2,037,463	2,042,133	2,047,347
Operating	234,143	171,861	172,038
Equipment	5,240	5,240	5,240
Grants	0	0	0
Benefits & Claims	0	0	0
Debt Services	0	0	0
Total Request	2,276,846	2,219,234	2,224,625

General Fund	903,844	874,550	876,690
State Special Fund	61,062	61,189	61,333
Federal Fund	1,311,940	1,283,495	1,286,602
Total Request	2,276,846	2,219,234	2,224,625

**MFH Funding Source
FY2017**



**MFH Funding by First
Level FY2017**



2. MFH: Where do we want to be in two years?

2a. 2019 Biennium Goals and Objectives:

(Break out objectives by which Bureau they affect, if possible)

Department of Public Health and Human Services Management and Fair Hearings Division	
Goals and Objectives for the 2017 Biennium	
Goal: Manage the Operations Branch of the Department by providing, maintaining and supporting systems and processes of the Department in the areas of financial, budget, and technology management; quality assurance; internal audit; and fair hearings.	
Objective(s) (by Division)	Measures
Continuously improve systems and processes of the Department through the work of the divisions in the Operations Branch.	The objective is measured by achieving the goals and objectives of the divisions within the Operations Branch: Business and Financial Services Division, Technology Services Division, and Quality Assurance Division.

3. MFH How are we going to get there?

3a. Present Law Adjustments:

SWPL - 1 - Personal Services -

The budget includes \$4,670 in FY 2018 and \$9,884 in FY 2019 to annualize various personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2018	\$ 1,854	\$ 125	\$ 2,691	\$ 4,670
FY 2019	\$ 3,924	\$ 265	\$ 5,695	\$ 9,884
Biennium Total	\$ 5,778	\$ 390	\$ 8,386	\$ 14,554

SWPL - 2 - Fixed Costs -

The request includes \$58 in FY 2018 and \$229 in FY 2019 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative

audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2018	\$ 23	\$ 2	\$ 33	\$ 58
FY 2019	\$ 91	\$ 6	\$ 132	\$ 229
Biennium Total	\$ 114	\$ 8	\$ 165	\$ 287

SWPL - 3 - Inflation Deflation -

This change package includes an increase of \$16 in FY 2018 and \$22 in FY 2019 to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, natural gas, electricity, gasoline, and others.

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2018	\$ 7	\$ 0	\$ 9	\$ 16
FY 2019	\$ 9	\$ 0	\$ 13	\$ 22
Biennium Total	\$ 16	\$ 0	\$ 22	\$ 38

3b. New Proposals:

NP - 555 - Appropriation Rebase

The Executive Budget includes targeted budget reductions across most agencies. The Executive proposes Business and Financial Service Division Appropriation Rebase totaling \$399,876 per year was included in the agency reduction plan submitted in compliance with 17-7-111, MCA.

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2018	\$ (31,178)	\$ 0	\$ (31,178)	\$ (62,356)
FY 2019	\$ (31,178)	\$ 0	\$ (31,178)	\$ (62,356)
Biennium Total	\$ (62,356)	\$ 0	\$ (62,356)	\$ (124,712)