

***Presentation to the 2021 Health and Human Services
Joint Appropriation Subcommittee***

**Human and Community Services Division
Economic Security Services Branch
Department of Public Health and Human Services**

The following topics are covered in this report:

- **Overview**
- **Summary of Major Functions**
- **Highlights and Accomplishments during the 2021 Biennium**
- **Funding and FTE Information**
- **Change Packages**

Overview

The Human and Community Services Division (HCSO) provides economic safety net programs for eligible Montanans. In total, HCSO programs provide services to more than a quarter of Montanans. These programs are designed to help households with no or limited income meet basic human needs for food, shelter, heat, and healthcare. Many of the Division's programs include expectations to work or to engage in work training and education programs, with the goal of leading to economic self-sufficiency.

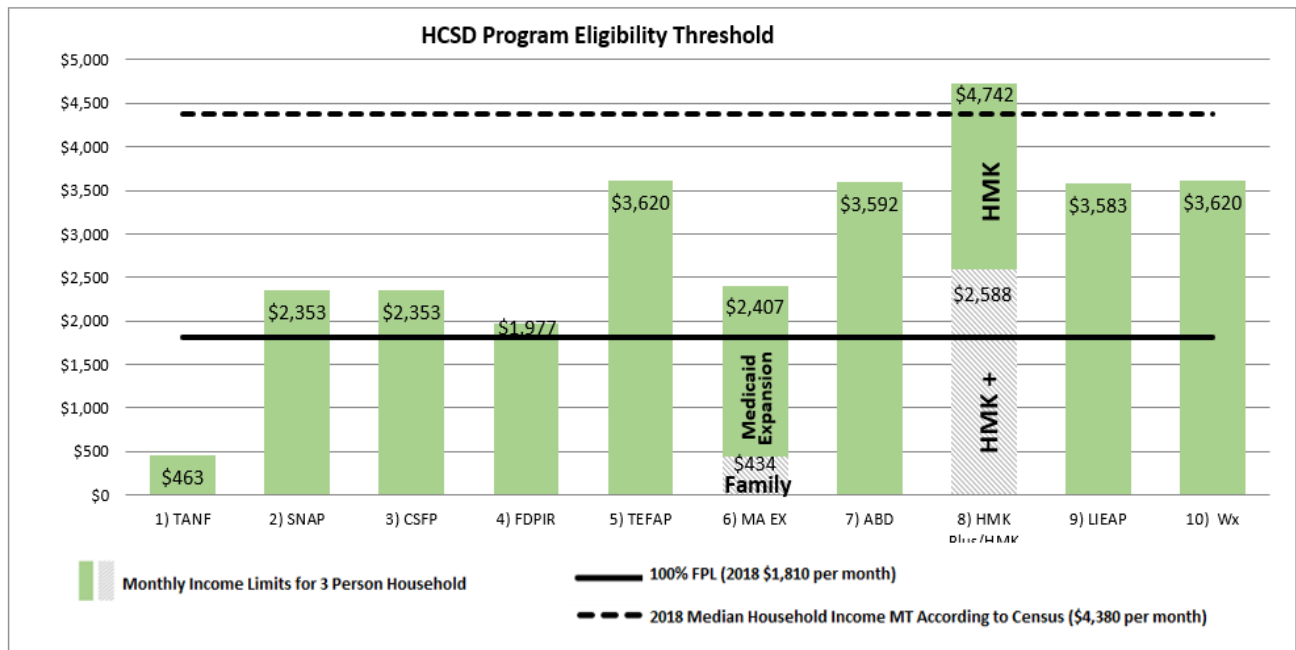
The Division manages eligibility for both block grant programs and entitlement programs. An entitlement program guarantees benefits to those who meet the federal eligibility requirements; therefore, expenditures vary depending on program enrollment. Examples of entitlement programs include Medicaid and SNAP. For block grant programs, states receive a set amount of funding and have greater flexibilities over program administration, including how funding will be allocated and the eligibility requirements for the program. TANF and LIEAP are examples of block grant programs.

In early 2020, early childhood programs administered by HCSO were moved to the newly created Early Childhood Family Support Division.

HCSO employs just under 500 FTE with expenditures for personnel, operation, and distributed benefits just below \$300,000,000. Approximately 85% of the division's FTE are dedicated to local offices throughout the state.

General Program Eligibility

The following chart shows the various programs and maximum “countable” income for a family of three to qualify for assistance. Note: program eligibility is not based solely on countable income since other qualifying conditions may exist depending on the specific program.



- 1) Temporary Assistance for Needy Families (TANF)
- 2) Supplemental Nutrition Assistance Program (SNAP)
- 3) Commodity Supplemental Food Program (CSFP)
- 4) Food Distribution Program on Indian Reservations (FDPIR)
- 5) The Emergency Food Assistance Program (TEFAP)
- 6) Family and Medicaid Expansion (MA EX)
- 7) ABD (includes Aged, Blind, Disabled; Medically Needy; Long-term Care)
- 8) Healthy Montana Kids (CHIP) and Healthy Montana Kids Plus (Medicaid)
- 9) Low Income Energy Assistance Program (LIEAP)
- 10) Weatherization Program (Wx)

Summary of Major Functions

Eligibility and Community Services

The division's services are accessible to the public through a variety of channels depending on the programs and services they are seeking. The following programs are accessed through 19 Offices of Public Assistance (OPA):

- Supplemental Nutrition Assistance Program (SNAP),
- Temporary Assistance for Needy Families (TANF), and
- Health Coverage through Medicaid and CHIP covering children, adults, people with disabilities, and elderly.

In addition to visiting an OPA, individuals can apply and update their case online at apply.mt.gov, via mail or fax, and by phone.

The division contracts with Human Resource Development Councils (HRDCs) to assist applicants in applying for the Low-Income Energy Assistance Program (LIEAP) and the Weatherization Program. HRDCs also provide a variety of community-level services on the Division's behalf, such as homelessness prevention assistance to Montanans.

Food Security

Commodity Food Distribution Program (includes CSFP, FDPIR and TEFAP)

Through the state-owned warehouse for food commodities, HCSD houses and inventories meals for vulnerable populations across the state. Warehouse truck drivers delivered nearly 12 million pounds or 403,000 cases of food to hungry Montanans in state fiscal year 2020.

- 32% of the food supports food distribution on Indian Reservations
- 21% supports the school lunch commodity foods program through OPI
- 24% feeds low income seniors
- 23% supports emergency food needs through food banks, homeless shelters, soup kitchens, and group homes

Supplemental Nutrition Assistance Program (SNAP)

The SNAP Program provides food assistance to low-income Montanans. On average, 53,206 households receive SNAP benefits each month. The average monthly benefit amount is \$258 per household, and the average SNAP household receives SNAP benefits for 18 months. The federal government sets the eligibility criteria for this entitlement program. One in every ten Montanans

receives SNAP benefits, and nearly two-thirds of SNAP participants are children, elderly, or have disabilities.

Of those receiving SNAP in FY 2020:

- 42 % children
- 16 % disabled non-elderly adults
- 8 % seniors

The SNAP Employment and Training (SNAP E&T) Program helps SNAP participants enhance skills, training, or work experience to increase their ability to obtain regular employment that leads to economic self-sufficiency. Montana has SNAP E&T programs in Billings, Missoula, and Helena.

Energy Assistance

Energy assistance includes the Low-Income Energy Assistance Program (LIEAP) and the Weatherization Program. Both programs, funded through a block grant, help low-income households reduce their energy burden. During FY2020, 18,754 households received assistance with their seasonal heating bills. Based on financial eligibility, the average household subsidy through LIEAP for the 2019-2020 heating season equates to about \$126 per month.

Of those receiving LIEAP assistance in FY 2020:

- 45% disabled
- 45% elderly
- 18% households with small children

The Weatherization program benefits low-income recipients by investing in energy saving measures to reduce heating costs and lower energy consumption. Investing in weatherization dollars lowers the cost of heating bills for the household over time. Weatherization supports low-income families in maintaining safe, stable, and affordable housing.

Not only does the Weatherization Program help low-income families and individuals lower their home energy costs and increase their health and safety, the Weatherization Program creates jobs. Whenever possible, materials are purchased locally. Houses are prioritized based on eligibility of the dwelling and high energy burden with preference provided to those households with elderly, persons with a disability, or children. Through FY 2020, 877 households received weatherization assistance resulting in a reduction of annual energy costs by an average of approximately 35%. Seventy-one percent (71%) of the supported households own their home.

Of those receiving weatherization support in FY 2020:

- 42% disabled
- 36% elderly
- 19% households with small children

Poverty Reduction Efforts through Community Investment

Community-specific efforts to address poverty are supported through the Community Services Block Grant (CSBG) and through local Human Resource Development Councils (HRDCs). Examples of this work include youth employment, job counseling and skills training, money management classes, transportation, and emergency assistance. Approximately 70,000 individuals benefited from community services provided through the HRDCs.

Through the efforts of the homeless assistance program in FY 2020, 789 people (including 288 children) received Rapid Rehousing and Homeless prevention assistance.

The AmeriCorps VISTA projects focus on building permanent infrastructure in organizations and programs to help them more effectively bring individuals and communities out of poverty. VISTAs are the “behind the scenes” capacity builders and do not provide direct service or supplant paid staff, but rather build the systems, services, and/or programs necessary for nonprofit organizations and government agencies to effectively reach their target demographics. During FY 2020, over 2850 low-income youth, and 626 veterans and military families were served by VISTA programs in Montana

Healthcare Coverage

Each month, approximately 264,000 Montanans receive healthcare coverage benefits. The Offices of Public Assistance primarily determine eligibility for our healthcare programs. Eligibility and enrollment in Indian Country is supported through partnerships with four tribal governments: Confederated Salish and Kootenai Tribes, the Chippewa Cree Tribe, the Blackfoot Tribe, and Fort Belknap Tribes. Eligibility for healthcare coverage includes a wide range of the state’s population, from infants to senior citizens, children and adults with disabilities in need of community services and long-term care.

Employment and Family Support

Temporary Assistance for Needy Families (TANF)

The Montana TANF Program is temporary assistance designed to help families become stable, able to work, and financially secure. To be eligible for TANF, the household must have a child or include a pregnant woman in her 3rd trimester. The federal limitation on temporary assistance is 60 months in a lifetime. In addition to the state-run TANF program, four tribes manage their own TANF programs: the Blackfeet Tribe, Chippewa Cree Tribe, Fort Belknap Tribes, and Confederated Salish and Kootenai Tribes (CSKT).

Clients eligible for TANF services may be eligible to receive cash assistance and/or other supports to assist in meeting the goals of family stability, employability, and financial security. Approximately 7,500 Montanans in 3,169 households receive TANF in the form of cash assistance each month. On average, a TANF client receives assistance for nine months. In 2020, 78% of TANF participants were children.

The TANF Program uses a model called the Bridge Model. The Bridge Model allows client advocates to work with clients to assess needs, set goals, and evaluate outcomes. The Bridge is designed to assess client's unique needs, including their strengths, and to work toward reducing barriers and achieving success. The Bridge addresses three primary areas: Family Stability, Employability, and Financial Security.

TANF families often have barriers to employment that can impede their ability to complete training or go to work. The five most common barriers for TANF clients relate to the following categories: physical health, child care, child education, housing, and caring for a family member.

When a client identifies a barrier to employment, a client advocate works with the client to set goals and provide support through referrals or services designed to address the barrier. For example, if a client needs child care to go to work, the client advocate will refer the family to the Best Beginnings Scholarship Program for financial assistance and help in finding child care.

Highlights and Accomplishments During the 2021 Biennium

Providing Essential Services to Families in Need During the Pandemic

The COVID-19 pandemic has had a significant economic impact on Montana families. The loss of jobs and income has led to a significant increase in Montanans seeking assistance. Since March, 20,082 newly eligible Montanans began receiving SNAP benefits, and 24,991 newly eligible Montanans are now receiving health care coverage. In this context, “new” means the individual had not received benefits in the prior twelve months. Approximately 5,000 of the newly eligible SNAP participants had never received SNAP benefits in the past. In addition to helping these newly eligible individuals, we have provided support to Montana families during the pandemic by implementing multiple short-term programs and policy flexibilities to ensure eligible Montanans have access to basic needs.

Healthcare Coverage

As part of the Families First Coronavirus Response Act, states receive additional federal medical assistance percentage (FMAP) for Medicaid expenditures during the public health emergency. One of the conditions to receive this enhanced funding is continuous Medicaid coverage for individuals during the public health emergency. As a result, in most instances Montanans receiving Medicaid in March 2020 and forward remain covered. This allows Montanans to continue their healthcare coverage without worrying they might lose it during the pandemic.

Food Assistance

The USDA approved Montana and many other states for emergency allotments to all SNAP households, which means all eligible households receive the maximum SNAP benefit based on household size. Emergency allotments result in additional monthly benefits of approximately \$5.8 million to families in Montana. Emergency allotments have been issued every month since April. Furthermore, HCSD reimbursed families of school-aged children (5-18) who lost access to free or reduced-price school meals due to school closures. This program, known as Pandemic-EBT (P-EBT), resembles SNAP benefits and was available to all children who are eligible for free or reduced-price school meals. During the spring and fall of 2020, HCSD distributed \$22 million in P-EBT benefits to more than 72,000 children.

During the pandemic, staff have worked tirelessly to distribute food across the state and to each of the reservations. Through various programs, including TEFAP, FDPIR and Farmers to Families, HCSD facilitated or distributed over 5.5 million pounds of food to Montanans facing food insecurity.

Energy Assistance

Finally, through the CARES Act, Congress appropriated \$5 million dollars to Montana for home energy needs. This money provided a COVID-19 supplemental benefit to approximately 18,000 current LIEAP clients during the summer of 2020, when LIEAP benefits are not normally available. In addition, newly eligible families were able to receive help through the LIEAP Emergency COVID-19 Energy Assistance Program.

Improving and Enhancing Customer Service

Montanans that apply for benefits have busy lives; most are working or seeking work, raising small children, caring for a family member, or have a disability. It is important to provide these families with easy and efficient access to apply for services and to keep compliant with program rules once enrolled. HCSD has implemented several strategies to provide better customer service to Montanans, including enhancing our Public Assistance Hotline, utilizing technology to provide business process automation, and establishing outreach to several communities without a local OPA.

Public Assistance Hotline

In August 2019, the Offices of Public Assistance went live with a new call center. This call center gave clients the ability to schedule a callback at a specific day and time instead of waiting on hold. This improvement has led to less wait times, increased customer satisfaction, faster service, and greater organization of work. Prior to this change, Montanans would wait on average 1-2 days to speak with a representative. Currently, our average wait time is under 10 minutes for a requested callback and 20 minutes for anyone choosing to wait on hold. Additionally, in December, HCSD added Interactive Voice Response (IVR) features into the Public Assistance Hotline. Similar to the virtual assistant, the IVR features allow Montanans to receive a status of their application, status of benefits, and request a replacement Medicaid card 24 hours a day.

Self-Service Portal and Virtual Online Assistant

In addition, Montanans are encouraged to create an online account through our Self-Services Portal. The online portal has been critical during the pandemic, allowing those who want to apply for coverage from home instead of travelling to one of our offices. Since March 25, 184 new clients have created an online account that will allow them to apply for benefits, upload documents, renew benefits, report changes, and view notices online. Montanans can use this service 24/7.

In early summer of 2020, a virtual assistant named Sophie was added on the apply.mt.gov website to assist those seeking services. Sophie provides answers to common questions about the application process and provides an initial pre-screen for eligibility. The virtual assistant also allows Montanans to receive 24/7 support to check application status, benefit status, and order a

replacement Medicaid card. On average 5,000 Montanans interact with our virtual assistant per month.

Quality Assurance and Fraud Prevention

While it is critical that eligible Montanans can obtain benefits for their basic daily needs, it is also essential that eligibility staff make accurate determinations and detect potential fraud to ensure benefits are given only to those who meet all program qualifications. While the Department has always had established and maintained internal controls to timely verify client eligibility factors for applicants and redeterminations, the Department continues to improve processes to make the most accurate determinations possible. HCSD has taken several measures to further strengthen our quality assurance processes and prevent possible fraud, including adding data sources to verify eligibility and improve accuracy through staff training and business process improvements.

Income Verification

Effective January 1, 2020, the Department implemented a pre-eligibility verification process, where income is verified through electronic sources prior to Medicaid being authorized. In addition, early last year HCSD began receiving Montana state tax return data from the Department of Revenue and incorporated this data as another source among several existing data sources to verify an applicant's income, household composition, and other eligibility factors.

Fraud Prevention

The Department is currently engaged in a project with Lexis Nexis to provide additional validations within the eligibility determination process to prevent fraud and abuse. This includes identity verification, criminal background checks, and check for receipt of benefits in other states.

Accuracy

In Federal Fiscal Year 2019, the Department saw an improvement of 25% in the SNAP error rate (7.29% versus the FFY 2018 rate of 9.68%). The success in decreasing errors can be attributed to the following activities:

- Continuous improvement in the rigorous 3-month training program for new hires, as well as frequent refresher trainings based on identified needs for all experienced staff.
- Work done through a collaborative Business Process Re-Engineering group. This group consists of staff from all areas of the Division, including management, policy staff, and field staff. It also includes participation from the Department's Quality Assurance Division and our SNAP federal partner, FNS. This group focuses on areas of improvement through system enhancements, changes in business processes and policy clarifications.

- Supervisory case reviews conducted on an average of 800 total cases per month. Of the cases reviewed, approximately 20% are on closures or denials.

While this was a significant improvement, and was praised by the USDA, HCSD is committed to future continuous improvement in the SNAP error rate and for error rates for all programs administered by the division.

Families achieving steps toward economic self- sufficiency in the TANF Program

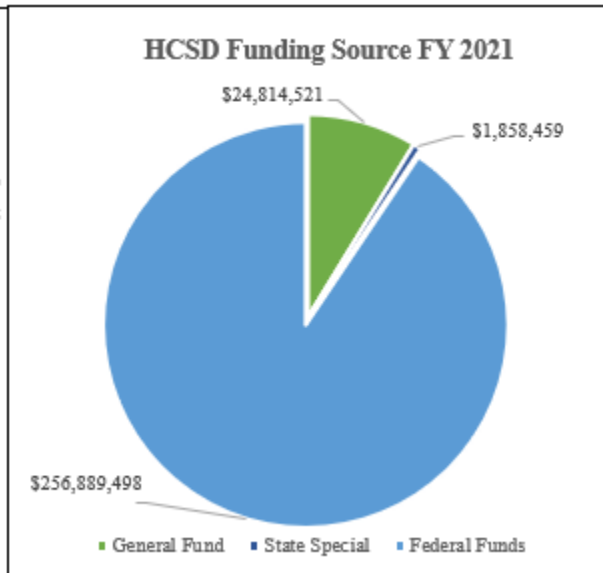
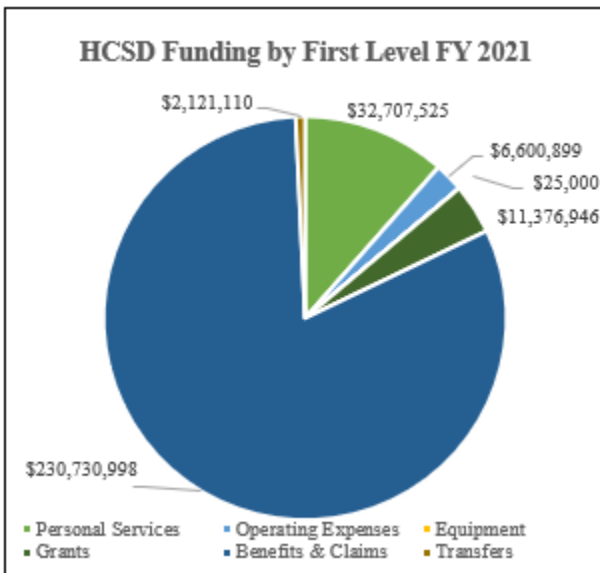
The TANF Program has assisted clients in successfully finding employment so that they are able to work toward becoming self-sufficient.

Over half of the TANF households are single parents with children. Many of these families face homelessness, are victims of domestic violence, may not have high school diplomas, and have difficulty in finding and securing employment. Through contracted community partners, the TANF program supports these families through client advocacy, skill building, and employment training.

During each of the last two years, the TANF program has achieved improvements in its work participation rates for TANF recipients. During the same time, there has also been a decline in the number of Montanans that come back on to the TANF program within 12 months after successfully leaving the program due to higher income.

Funding & FTE Information

Human and Community Services			
	FY 2021 Budget	FY 2022 Request	FY 2023 Request
FTE	492.50	492.50	492.50
Personal Services	\$ 32,707,525	\$ 31,901,799	\$ 32,347,915
Operating Expenses	\$ 6,600,899	\$ 6,598,361	\$ 6,599,307
Equipment	\$ 25,000	\$ 25,000	\$ 25,000
Grants	\$ 11,376,946	\$ 11,623,199	\$ 11,623,199
Benefits & Claims	\$ 230,730,998	\$ 231,307,869	\$ 231,307,869
Transfers	\$ 2,121,110	\$ 2,121,110	\$ 2,121,110
TOTAL COSTS	\$ 283,562,478	\$ 283,577,338	\$ 284,024,400
	FY 2021 Budget	FY 2022 Request	FY 2023 Request
General Fund	\$ 24,814,521	\$ 24,412,958	\$ 24,803,776
State Special	\$ 1,858,459	\$ 1,896,102	\$ 1,899,201
Federal Funds	\$ 256,889,498	\$ 257,268,278	\$ 257,321,423
TOTAL Funds	\$ 283,562,478	\$ 283,577,338	\$ 284,024,400



Change Packages

Present Law Adjustments:

SWPL 1 – Personal Services

The budget includes a decrease of \$445,105 total funds in FY 2022 and \$359,610 total funds in FY 2023 to annualize various personal services costs including FY 2021 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	General Fund	State Special	Federal Funds	Total Request
FY 2022	(\$40,551)	\$37,699	(\$442,253)	(\$445,105)
FY 2023	(\$10,499)	\$40,777	(\$389,888)	(\$359,610)
Biennium Total	(\$51,050)	\$78,476	(\$832,141)	(\$804,715)

SPWL 3 – Inflation Deflation

The executive requests adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline, and others.

	General Fund	State Special	Federal Funds	Total Request
FY 2022	(\$391)	(\$56)	(\$2,091)	(\$2,538)
FY 2023	(\$246)	(\$35)	(\$1,311)	(\$1,592)
Biennium Total	(\$637)	(\$91)	(\$3,402)	(\$4,130)

PL – 2002 - IHSB Federal Authority

This present law adjustment requests an increase in federal funds of \$1,646,248 for the biennium. This change package maintains existing services for the Low Income Energy Assistance Program (LIEAP) and The Emergency Food Assistance Program (TEFAP) in the Human and Community Services Division.

	General Fund	State Special	Federal Funds	Total Request
FY 2022	\$0	\$0	\$823,124	\$823,124
FY 2023	\$0	\$0	\$823,124	\$823,124
Biennium Total	\$0	\$0	\$1,646,248	\$1,646,248

New Proposals:

NP- 5555 – Reduce GF Budget for State Share Holiday

Governor Gianforte has proposed legislation to impose a two-month state share holiday for employer contributions into the state health insurance fund. This change package removes the general fund portion of the savings generate by the contribution holiday. Savings from other funding sources will remain in the agency to be able to address ongoing functions of the agency. This change package is contingent on passage and approval of the proposed legislation.

	General Fund	State Special	Federal Funds	Total Request
FY 2022	(\$360,621)	\$0	\$0	(\$360,621)
FY 2023	\$0	\$0	\$0	\$0
Biennium Total	(\$360,621)	\$0	\$0	(\$360,621)