

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

Medicaid and Health Services Management Branch

Department of Public Health and Human Services

The following topics are covered in this report:

- Overview
- Summary of Major Functions
- Public Health Emergency Efforts and Supports
- Funding and FTE Information
- Change Packages

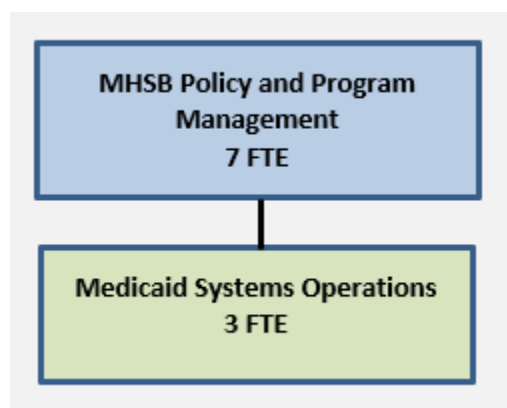
Overview

The **Medicaid and Health Services Management Branch** (MHSM) is one of three branches in the Department of Public Health and Human Services (DPHHS). MHSM serves as the umbrella for programs that provide physical health coverage, mental health and chemical dependency services, and specialized developmental disability services.

The branch is comprised of four divisions and one program:

- Addictive and Mental Disorders Division
- Developmental Services Division
- Health Resources Division, and
- Senior and Long Term Care Division
and
- Medicaid Systems Support Program

Summary of Major Functions



Policy and Program Management

The MHSB is responsible for developing, implementing and supporting health care policies that aim to:

- improve the experience of care,
- improve the health of populations, and
- reduce the growth in per capita costs of health care.

The State Medicaid Director, State Medical Officer and staff set policy direction, align funding sources for maximum impact and monitor program and initiative progress and results. Staff across the MHSB are actively engaged in the following strategic initiatives:

- Increase the availability and access to of substance abuse recovery services statewide,
- Increase and simplify the delivery of community-based services as an alternative to institutional care,
- Modernize the mental health benefit plans to promote evidenced based service delivery partnered with data measurement and evaluation,
- Promote care coordination to support the appropriate utilization of preventive and other necessary services,
- Improve access to services for underserved and vulnerable populations,
- Promote cost effectiveness in the delivery of health care services by maximizing the value of information technology investments.

Medicaid Systems Development and Operations

A Medicaid Management Information System (MMIS) is a mechanized claims processing and information retrieval system for the Montana Healthcare Programs including: Medicaid, Healthy Montana Kids, and other health care programs. The Medicaid Systems Support team is responsible for managing the operation of the existing MMIS and replacing the aging monolithic system with modern modular solutions. The core of our current MMIS is a thirty-five year old claims payment system and decision support system operated by Conduent. It processes over 14.4 million Medicaid and Healthy Montana Kids claims per year.

Future MMIS

The Medicaid Systems Support Program leadership and staff are providing expertise and management in the procurement, design, configuration, and implementation of a new modular MMIS. Several of the modules have been successfully implemented, including:

- **FlexibleRx** which processes pharmacy claims, was implemented on December 6, 2015.
- The **Premium Billing and Collections** module was implemented in January 2018 and supports the billing and collection of monthly premiums for the Medicaid Expansion program.
- The **Population Health Data Analytics** module was implemented in November 2019 and plays an essential role in supporting the Department's current and future data analytics and reporting needs.

The Medicaid Systems Support Program has a number of other projects in the planning, initiation, and design phases. Projects in active design and development include the provider services and care management modules.

- The **Provider Services module** will enable Montana Healthcare Programs providers to enroll and maintain their provider information online while ensuring compliance with federally required screening and monitoring of providers. A self-service portal will increase the administrative tools available to providers participating in the Montana Health Care programs.
- The **Care Management module** will utilize configurable business rules to identify members for specific programs, assign members where appropriate to providers, coordinate care for members enrolled in individual or multiple care management programs and collect and report on treatment outcomes.

Projects in the initiation phase include the Claims Management and Processing module procurement planned for project initiation in mid-2021 as well as finalizing requirements to release RFPs for a Fraud Waste and Abuse component and a system to manage Third Party Liabilities and initiate recoveries.

Public Health Emergency Efforts and Supports

In response to the COVID-19 crisis, DPHHS implemented Medicaid state policies and obtained federal approval for flexibilities to support access to Medicaid services, stabilize and bolster the provider workforce, and strengthen long-term services and supports for Montana's most vulnerable residents.

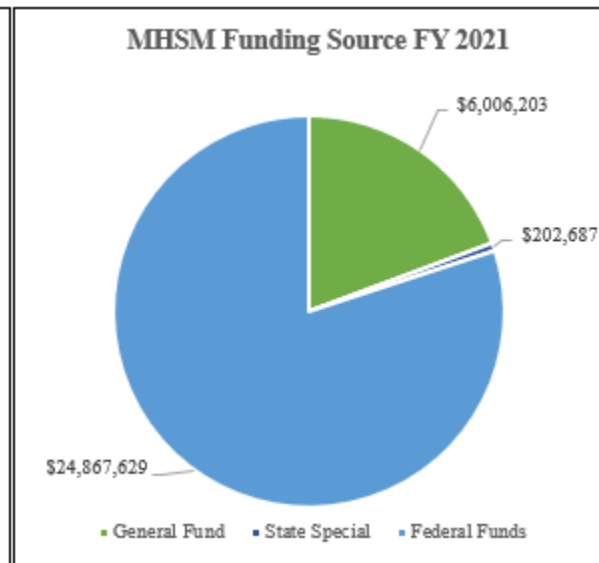
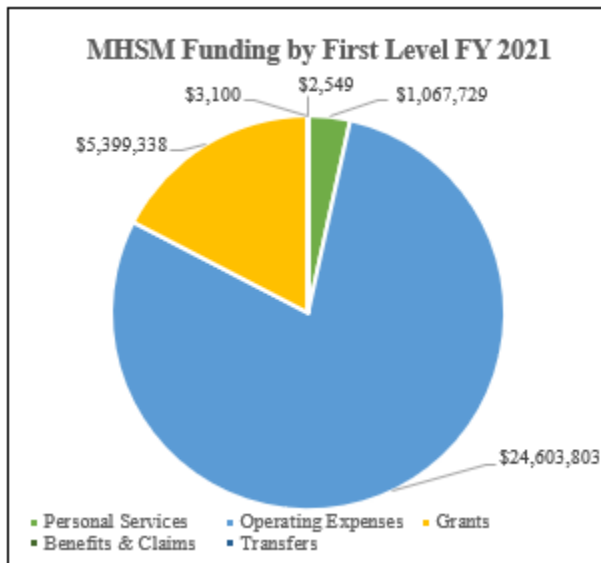
MHSB public health supports focused on:

- Promoting the health and safety of our most vulnerable Montanans
- Supporting Access to Medicaid Services via Telehealth
- Stabilizing and Bolstering the Provider Workforce
- Strengthening Long Term Services and Supports (LTSS)

DPHHS received over 70 specific flexibilities across various federal authorities to respond to the COVID-19 crisis.

Funding & FTE Information

Medicaid & Health Services Management			
	FY 2021 Budget	FY 2022 Request	FY 2023 Request
FTE	10.00	10.00	10.00
Personal Services	\$ 1,067,729	\$ 1,349,829	\$ 1,356,479
Operating Expenses	\$ 24,603,803	\$ 28,547,458	\$ 36,530,448
Grants	\$ 5,399,338	\$ 1,621,415	\$ 1,621,415
Benefits & Claims	\$ 2,549	\$ 2,549	\$ 2,549
Transfers	\$ 3,100	\$ 3,100	\$ 3,100
TOTAL COSTS	\$ 31,076,519	\$ 31,524,351	\$ 39,513,991
	FY 2021 Budget	FY 2022 Request	FY 2023 Request
General Fund	\$ 6,006,203	\$ 8,190,180	\$ 10,380,259
State Special	\$ 202,687	\$ 37,483	\$ 39,865
Federal Funds	\$ 24,867,629	\$ 23,296,688	\$ 29,093,867
TOTAL FUNDS	\$ 31,076,519	\$ 31,524,351	\$ 39,513,991



Change Packages

Present Law Adjustments:

SWPL - 1 - Personal Services

The budget includes an increase of \$286,409 total funds in FY 2022 and \$288,750 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	\$87,369	\$10,472	\$188,568	\$286,409
FY 2023	\$88,083	\$10,558	\$190,109	\$288,750
Biennium Total	\$175,452	\$21,030	\$378,677	\$575,159

SWPL - 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	(\$16)	\$0	(\$17)	(\$33)
FY 2023	(\$10)	\$0	(\$11)	(\$21)
Biennium Total	(\$26)	\$0	(\$28)	(\$54)

PL - 12001 - MMIS/MPATH/SLR Operations

The executive requests a present law adjustment to maintain existing services for Medicaid administration in the Medicaid Health Services Branch. The change package requests total funds of \$8,314,507 for the biennium. This biennial funding includes an increase in general fund of \$6,386,915, a reduction in state special revenue of \$349,056 and an increase of federal funds of \$2,276,648.

	General Fund	State Special	Federal Funds	Total Request
FY 2022	\$2,100,933	(\$175,676)	(\$1,759,492)	\$165,765
FY 2023	\$4,285,983	(\$173,380)	\$4,036,140	\$8,148,743
Biennium Total	\$6,386,916	(\$349,056)	\$2,276,648	\$8,314,508

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	(\$4,309)	\$0	\$0	(\$4,309)
FY 2023	\$0	\$0	\$0	\$0
Biennium Total	(\$4,309)	\$0	\$0	(\$4,309)