

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

**Operations Services Branch
Department of Public Health and Human Services**

The following topics are covered in this report:

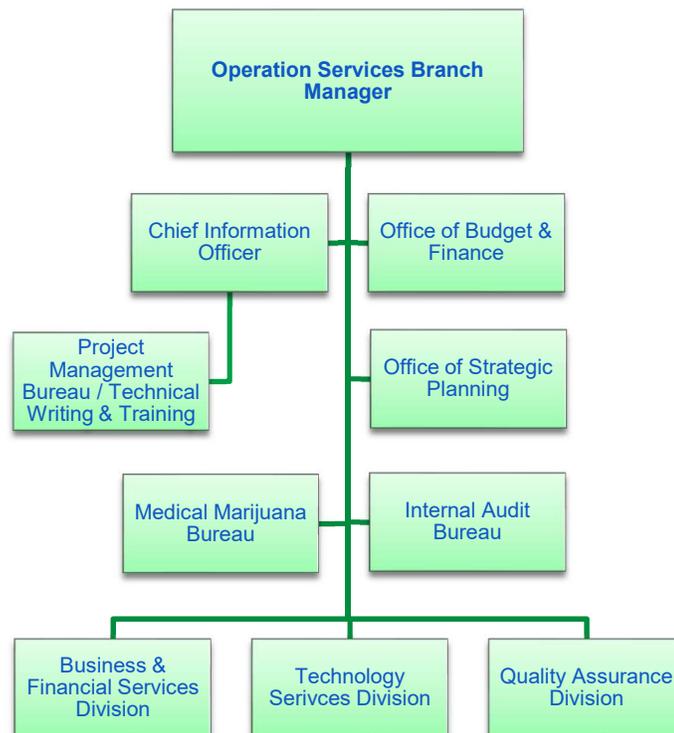
- Overview
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Overview

The **Operations Services Branch** provides leadership for the implementation and operation of the Department's programs and services for Montanans and provides guidance to the agency on budgetary and financial management. The programs within the Operations Services Branch support the activities of DPHHS in the areas of accounting, budgeting, data analysis and projections, technology services, quality assurance and auditing.

The Operations Services Division is comprised of three divisions and five programs:

- Chief Information Office
- Business & Financial Services Division
- Quality Assurance Division
- Technology Services Division
- Office of Strategic Planning and Analysis
- Office of Budget and Finance
- Internal Audit Bureau
- Medical Marijuana Bureau



Summary of Major Functions

The Operations Services Branch assists the department with best business practices to provide the right services to the right people at the right time. The Branch makes effective use of resources to determine program eligibility; make payments; offer budgeting, accounting and reporting on cost of services; conduct oversight; analyze participation in department programs within the context of state and national economic trends; and offer impartial review of Department decisions.

Operations Services Branch (OSB) offers the following services to the entire agency:

- The Operations Services Branch Manager provides leadership for the implementation and operation of the Department's programs and services.
- The Chief Information Officer supports agency-wide strategic visioning by developing and implementing information sharing solutions, external reporting strategies, and business process improvements.
- The Office of Strategic Planning, Research and Analysis establishes methodologies and dynamic models to accurately forecast expenditures that aid the department in monitoring and managing its budget, as well as planning for future budget and agency initiatives.
- The Office of Budget and Finance supports budget analysis, financial projections, and federal reporting and compliance.
- The Internal Audit Bureau assesses financial management, proper internal control, contract and regulatory compliance, and program performance.
- The Medical Marijuana Bureau provides inspections, licensing and regulatory oversight for the Montana medical marijuana program.

Strategic Information, Analysis, Project Management and Business Support

DPHHS strives to optimize business processes and enhance systems to ensure that its operations are streamlined and reflect 21st century innovations and standards. We accomplish this through several strategies:

Data-Driven Decision Making and Data Transparency

DPHHS made significant advances in the last biennium to increase data-driven decision making, particularly through cross-program collaborations among DPHHS programs and other state agencies and partners. The Department developed multidisciplinary workgroups to facilitate data sharing, coordinate analyses, and develop shared messaging to increase transparency and communication with partners.

IT Contract Management and Federal Advance Planning

DPHHS has made significant improvements in the management and oversight of IT Contracts over the last year. Currently, this area manages over 70 IT contracts and 20 software license agreements and is responsible for ensuring compliance with evolving IT procurement requirements and laws. The department has successfully established training for programs department-wide and implemented standardized business processes and modernization efforts surrounding IT procurements.

This area coordinates the Advance Planning Document, APD, process which is the primary mechanism to obtain federal funding match dollars for DPHHS IT systems tied to Federal cognizant agencies. These agencies include Centers for Medicare & Medicaid Services (CMS), Food & Nutrition Services (FNS), Office of Child Support Enforcement (OCSE) and Administration for Children & Families (ACF).

Project Management

The project management team oversees complex, statewide initiatives and applies best practice principles to all business delivery improvements, which are designed to facilitate access to services and improve health outcomes for all Montanans. The Department's robust project management services enhance the development and standardization of frameworks, the development of consistent shared messaging, and improved reporting and transparency. Project management staff also establish processes for decision making and implementing strategic department initiatives. The team of professional project managers successfully managed over 75 major projects ranging from full system implementations to ongoing operations all while ensuring business needs are met.

Technical Writing and Technical Training and Development

DPHHS continues to build business operation support that is provided to all DPHHS divisions. As part of the Office of Analysis, Planning, Programs and Learning, technical writers develop communications and outreach strategies to ensure consistent messaging across divisions and programs. Training and development specialists collaborate with department management to understand business performance gaps, as well as the State of Montana's technology landscape and strategic direction.

Budget and Finance Services

The Office of Budget and Finance (OBF) oversees the Department's \$6 billion biennial budget, which includes over 260 different funding streams. OBF directs the proper utilization, tracking, and management of DPHHS's appropriations in accordance with state statute and federal regulations.

Internal Audit

The internal audit staff aids DPHHS in the operation of efficient and effective programs by providing desk reviews of external audits, 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.

Medical Marijuana

The staff within the medical marijuana program inspect and license marijuana providers as well as issue cards to those seeking medical marijuana for debilitating medical conditions. Applications and required documents are received, reviewed and licenses are issued based on qualifications. Yearly renewals are processed for both cardholders and providers in order to continue to purchase and sell medical marijuana.

Highlights and Accomplishments During the 2021 Biennium

Improving Business Processes

DPHHS implemented several key initiatives to optimize business processes and enhance systems for financial management.

Interactive Data Dashboard Reporting

In response to the agency strategic planning initiative, a series of interactive dashboards were created and published. These reporting tools directly align to the outcome measures attached to the strategic goals and objectives of the department. In addition, several other more stagnant reports have been placed with modern and timely reporting tools available for all Montanans. The dashboard portfolio is located at <https://dphhs.mt.gov/interactivedashboards>

Evaluation and consolidation of leases

As part of an effort to reduce cost, footprint and co-locate division staff across the agency, the Operations Services Branch evaluated the Helena lease costs. As a result, the agency was able to co-locate two previously separate divisions and decrease the footprint by over 10,000 sq.ft, reducing the cost by over \$100,000 a year.

IT Procurement Process Improvement

DPHHS has streamlined and improved the IT procurement process by implementing reusable, accessible and standardized training content on IT procurement for program staff and end-users and implementing standardized business processes and modernization efforts. These improvements have generated efficiency, quicker approval turn-around times from internal and external entities, and increased transparency surrounding IT contracts.

Strengthening internal controls

Internal controls are processes for assuring an organization meets its objectives related to reliable financial reporting, compliance with laws, regulations and policies, and operational effectiveness and efficiency. The Operation Services Branch further strengthened the department’s internal control acumen by creating agency specific training related to internal control documentation, monitoring and controls.

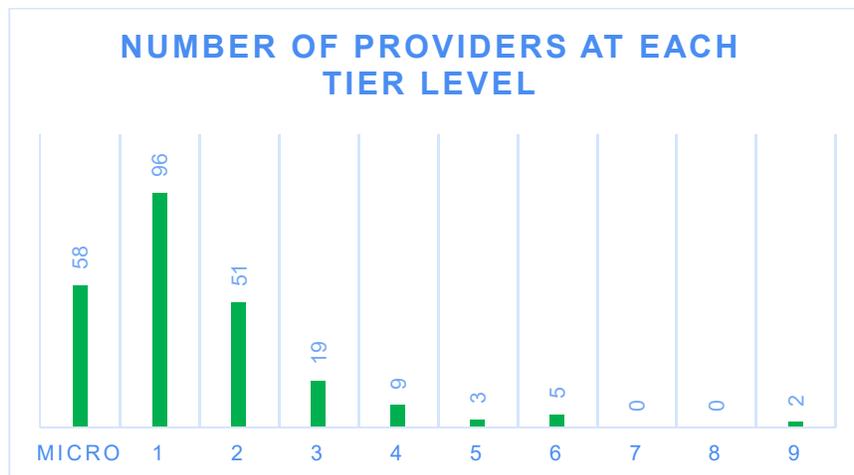
Documented Decision Making and Transparency

DPHHS implemented a business process improvement for requesting approval for business decisions and Administrative Rules of Montana (ARM). This business process improvement focuses on collaborating across department divisions, gathering important information for department leadership to make an informed decision, and archiving this decision for reference.

Medical Marijuana

As Montana’s Medical Marijuana industry continues to evolve, Senate Bill 265 provided additional requirements for the overall framework of the program.

The major provisions of SB265 included tier-level licensing requirements, untethering of patients to providers, lab oversight moving to state labs within DPHHS, and the implementation of monthly and daily limits on marijuana purchases and sales. These provisions required system and procedural changes within the program.



In parallel to SB265, the program updated and published rules in May of 2020. These updated rules helped to clarify and implement requirements in a more consistent manner. The program added a data and system analyst position and an inspector supervisor position to address the continued need for consistent implementation of requirements and structure. These positions enhanced the program’s ability to be more dependable and efficient in its processes.

In April 2020, the program adjusted due the Coronavirus pandemic. The governor’s directive allowed for exemptions to the daily limits, exemptions for physician certifications requirements,

telemedicine allowances, limited the number of provider inspections, halted the issuing of new provider licenses, and allowed for curbside delivery of marijuana products. These provisions allowed for reduced travel and exposure for cardholders, providers, and program staff. In August 2020, the program was back to operating under usual circumstances except for allowances in telemedicine and curbside delivery.

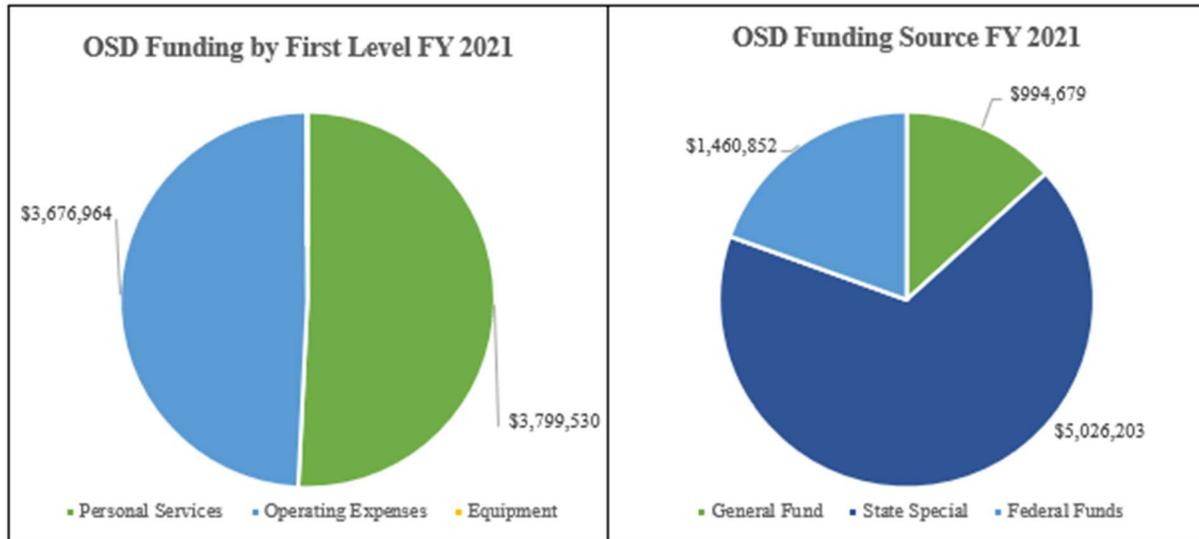
Additionally, the program has accomplished the following:

- Licensing all providers and issuing all medical marijuana cards within the Complaia system.
- Inspecting 100% of the licensed providers and getting all providers to track within the Metrc system.
- Establishing and refining an inspector training program
- Tracking and managing phone and application wait times
- Refining job duties and filling needed vacancies

The objective of Montana's Medical Marijuana Program is to develop a well-regulated program so that people with a debilitating medical condition can continue to safely access the medicine they need. The progress over the last biennium helped to achieve this objective.

Funding & FTE Information

Operations Services FTE	FY 2021 Budget 45.60	FY 2022 Request 45.60	FY 2023 Request 45.60
Personal Services	\$ 3,799,530	\$ 3,778,308	\$ 3,805,287
Operating Expenses	\$ 3,676,964	\$ 2,676,925	\$ 2,676,939
Equipment	\$ 5,240	\$ 5,240	\$ 5,240
TOTAL COSTS	\$ 7,481,734	\$ 6,460,473	\$ 6,487,466
	FY 2021 Budget	FY 2022 Request	FY 2023 Request
General Fund	\$ 994,679	\$ 957,388	\$ 980,895
State Special	\$ 5,026,203	\$ 4,066,317	\$ 4,067,975
Federal Funds	\$ 1,460,852	\$ 1,436,768	\$ 1,438,596
TOTAL Funds	\$ 7,481,734	\$ 6,460,473	\$ 6,487,466



Change Packages

Present Law Adjustments:

SWPL – 1 – Personal Services

The budget includes an increase of \$1,117 total funds in FY 2022 and \$5,757 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	(\$14,937)	\$40,117	(\$24,063)	\$1,117
FY 2023	(\$13,774)	\$41,774	(\$22,243)	\$5,757
Biennium Total	(\$28,711)	\$81,891	(\$46,306)	\$6,874

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	(\$15)	(\$3)	(\$21)	(\$39)
FY 2023	(\$10)	(\$2)	(\$13)	(\$25)
Biennium Total	(\$25)	(\$5)	(\$34)	(\$64)

PL – 11001 – Inflation/Deflation

This present law adjustment is necessary to fund the costs of alternative pain management treatments in the Health Resource Division. This change package requests a biennial decrease in state special revenue funds of \$2,000,000.

	General Fund	State Special	Federal Funds	Total Request
FY 2022	\$0	(\$1,000,000)	\$0	(\$1,000,000)
FY 2023	\$0	(\$1,000,000)	\$0	(\$1,000,000)
Biennium Total	\$0	(\$2,000,000)	\$0	(\$2,000,000)

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	(\$22,339)	\$0	\$0	(\$22,339)
FY 2023	\$0	\$0	\$0	\$0
Biennium Total	(\$22,339)	\$0	\$0	(\$22,339)