

PRESENTATION TO THE 2023 HEALTH AND HUMAN SERVICES JOINT APPROPRIATION SUBCOMMITTEE

Director's Office

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 2023 Biennium**
- **Efficiencies and Cost Savings**
- **Funding and FTE Information**
- **Change Packages**

OVERVIEW

The Director's Office (DO) – by providing leadership to, and management and oversight of the Department of Public Health and Human Services (DPHHS) – ensures a cohesive and strategic approach to improving and protecting the health, well-being, and self-sufficiency of all Montanans.

The DPHHS Executive Leadership Team is comprised of leaders who oversee the major organizational sections of the Department. The Department Director provides leadership, guidance, and direction to this team.

The Director oversees these major organizational sections of DPHHS, including the Deputy Director, Chief Financial Officer, Chief Information Officer, State Medical Officer, Tribal Relations Manager, Office of Health and Human Services Innovation, Office of Legal Affairs, Office of Human Resources, Office of Inspector General, External Affairs, and the Public Health and Safety Division. Two Executive Directors who manage the Department's Human Services and Medicaid and Health Services practices also report to the Director.

SUMMARY OF MAJOR FUNCTIONS

The DO is comprised of the Department Director, Deputy Director, Chief Financial Officer, Chief Information Officer, State Medical Officer, Tribal Relations Manager, Office of Health and Human Services Innovation, Office of Legal Affairs, and Office of Human Resources.

The DO also includes various external affairs functions and positions such as the Office of Communications, Office of Administrative Hearings, Refugee Resettlement Program, American Indian Health Director, Faith and Community Based Services Coordinator, Information and Regulatory Affairs Coordinator, Provider Relations Coordinator, and Chief Employment and Training Coordinator.

DEPUTY DIRECTOR

The Deputy Director is responsible for direct supervision of external affairs personnel and works alongside the Director to provide policy, operations, and management support across the Department.

OFFICE OF LEGAL AFFAIRS

The Office of Legal Affairs (OLA) serves as the legal team for the Department by providing representation of, and legal advice to, the Department and all of its components on a wide range of critical issues. OLA supports the development and implementation of the Department's programs by providing quality legal services that include: developing and negotiating contracts and other agreements; participating in beneficiary and provider hearings; representing the Department in litigation, negotiations and settlements; drafting or reviewing administrative rules, legislation, guidance, and policies and procedures; reviewing documents; providing internal and public-facing trainings; advising on compliance with state and federal laws and regulations; and assisting with policy development.

In addition to maintaining its traditional role advising Departmental clients, OLA has played an instrumental role in the State's COVID-19 response and related activities through negotiating and drafting contracts for critical supplies and services, interpreting and providing advice on federal waivers and emergency guidance, providing regulatory advice to local health departments and external stakeholders, and coordinating legal efforts with other agencies. OLA also plays a key role in the Department's Regulatory Reform Initiative (RRI).

OFFICE OF HUMAN RESOURCES

The Office of Human Resources (OHR) is comprised of 20 staff who serve approximately 2,900 employees stretched over 40 locations across the state of Montana. OHR develops the overall direction and utilization of human resources and related functional areas for the Department. Agency strategies and objectives for staffing, workforce planning and development, pay administration, labor relations, occupational health and safety, and HR risk management are guided and directed by the OHR through executive consultation and leadership to the Department.

STATE MEDICAL OFFICER

The State Medical Officer is responsible for: providing leadership for statewide public health policy, program planning, and administration; providing medical direction and oversight to Department and division programs to prevent and control disease, mitigate disease outbreak, and promote healthy behavior; and providing oversight for epidemiology and surveillance of public health-related issues.

OFFICE OF HEALTH AND HUMAN SERVICES INNOVATION

The goal of this office is to bring innovative policy development, support, and solutions to the enterprise level of the Department. This includes identifying national and state best practices, opportunities for braiding funding to maximize outcomes, improving collaboration across divisions and other Departments, and bridging clinical and non-clinical services and supports to create a more cohesive and holistic continuum of care in the health and human services ecosystem.

TRIBAL RELATIONS MANAGER

The Tribal Relations Manager serves as the formal lead communicator to tribal governments, the Indian Health Service, Urban Indian Organizations, and other tribal partners in support of our government-to-government relationship. The Tribal Relations Manager provides advice and guidance internally to educate, inform and support Department leadership as they integrate work with tribal communities and governments in a more formal manner within their practices, divisions, and bureaus. The Tribal Relations Manager provides leadership, guidance and assistance to Department staff as they create and change policy, build programs that are inclusive of Tribes and Indian people, and learn the protocols of working with our tribal partners. The position also assists in organizing and facilitating formal tribal consultations, managing tribal tours, and coordinating and finalizing the annual tribal relations report to Office of the Governor as required by law. This position plays a key role in negotiating the Master Agreements with each Tribal Government and works with all divisions to finalize task orders that fall under the Tribal Master Agreements.

EXTERNAL AFFAIRS

External Affairs includes positions in the DO that focus on bolstering agency communication efforts to improve overall customer service and stakeholder engagement.

OFFICE OF COMMUNICATIONS

The Office of Communications coordinates Departmental media inquiries; writes and issues news releases; organizes press events; oversees social media and media campaigns; prepares talking points, fact sheets and FAQs related to agency initiatives; manages public records requests with OLA and DOA; assists in managing the DPHHS website; and assists with legislator, constituent, and stakeholder inquiries.

OFFICE OF AMERICAN INDIAN HEALTH

The American Indian Health Director advocates for an “Indian Health in all Department policies” approach with health equity as a goal, and partners with Indian communities to create their own healthy futures. The American Indian Health Director provides input on strategic planning, guides efforts by DPHHS Divisions to incorporate health equity in all programs, coordinates with Tribal and Urban Health Centers, engages tribal stakeholders on clinical and other social determinant of health issues, and develops an action plan for the Department to improve tribal health outcomes.

OFFICE OF ADMINISTRATIVE HEARINGS

The Office of the Administrative Hearings (OAH) conducts impartial hearings whenever a party chooses to exercise their hearing rights pursuant to the rules and statutes governing the programs administered by DPHHS. OAH receives over 3,000 hearing requests annually which, unless otherwise specified, are conducted in accordance with the Montana Administrative Procedure Act. OAH resolves cases concerning a wide variety of topics, including: eligibility for public assistance programs; licensing and certification of entities, such as child care and health care facilities; decisions related to establishment and enforcement of child support; ability to pay for care at state facilities; provider reimbursements for services; 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.

REFUGEE RESETTLEMENT PROGRAM

The Refugee Resettlement Program ensures that all refugees and other eligible populations arriving in Montana receive all services they are entitled to and that are necessary for their health, wellbeing, and eventual self-sufficiency. The State Refugee Coordinator and Assistant Coordinator also ensure that those services are provided timely and in a culturally and linguistically appropriate manner. The Refugee Resettlement Program must adhere to strict federal regulations and guidelines from the U.S. Office of Refugee Resettlement, U.S. Department of State, U.S. Department of Homeland Security, U.S. Citizenship and Immigration Services, and the Centers for Disease Control and Prevention. The Program also develops and administers statewide refugee and refugee health programs in response to state needs, federal grants, and community interest and participation.

INFORMATION AND REGULATORY AFFAIRS

The Information and Regulatory Affairs Coordinator (Coordinator) works in coordination with OLA to manage the Department’s rulemaking process, particularly with regards to regulatory reform, while serving as an internal liaison to agency subject matter experts and external stakeholders. The Coordinator serves as the agency appointee to the Governor’s Office Red Tape Relief team and manages the Department’s implementation of red tape relief under DPHHS’s Regulatory

Reform Initiative (RRI) which includes both regulatory and statutory reform efforts. RRI has been implemented to simplify and lower the cost of compliance, improve efficiency, and ensure rules are more user-friendly and easier to understand. The Coordinator serves as the Department's liaison to the Legislature by coordinating data and information requests, establishing various internal policies, and assisting in coordinating materials for legislative committee hearings. The Coordinator also oversees the Department's ARPA-related work by coordinating policy memos, preparing statutorily required committee meetings, and working across the Department to ensure federal and state requirements are met.

OFFICE OF FAITH AND COMMUNITY BASED SERVICES

The Faith and Community Based Services Coordinator works to engage more community partners in DPHHS work. Local community organizations are pivotal in promoting the wide variety of resources and initiatives offered by DPHHS, including supports for aging Montanans, suicide prevention, foster parent recruitment, substance use prevention, and more. Faith and community organizations hold the trust of their communities, so they naturally play a fundamental role in sharing information locally. Faith communities often serve as informal social workers by providing support to people in their communities to enhance emotional, financial, social, occupational, physical, intellectual, and environmental health. The Office works to strengthen existing initiatives, establish public-private partnerships, and identify successful models that can be replicated within communities statewide.

HIGHLIGHTS AND ACCOMPLISHMENTS DURING THE 2023 BIENNIUM

DEPARTMENTAL ACCOMPLISHMENTS

Comprehensive Departmental Reorganization

DPHHS underwent a significant organizational restructuring in 2021 to increase efficiencies, improve customer service, and support internal capacity to execute reforms and undertake key initiatives.

Provider Rate Study

The DO conducted a detailed provider rate methodology study for home and community-based services serving individuals that seek services to address behavioral health, developmental disabilities, and senior and long-term care issues. The review also included professional services, medical transportation, and home infusion therapy. The provider rate study focused on two outcomes. The first outcome, a provider cost and wage survey, along with other program and data analysis, sought to establish benchmark provider rates that would ensure reimbursements cover costs of services. The second outcome was the development of a cost reporting plan which would allow the Department to gather and maintain cost and reimbursement benchmark information, and make recommendations to methodologies to adjust provider rates, if necessary, to maintain services. The rate study focused on the significant impact COVID-19 had on service delivery, the costs to sustain high-quality services, and address workforce shortages. The Department hired a contractor, Guidehouse Inc., to perform the rate study. Throughout this process, Guidehouse and the DO coordinated stakeholder engagement in the following ways:

- Implemented a Provider Rate Steering Committee
- Implemented Three Population Focused Workgroups (Behavioral Health, Developmental Disabilities, Senior and Long-Term Care)
- Implemented several stakeholder engagement opportunities (providers, members, family, health care workers, etc.)
- Developed and implemented a Provider Cost and Wage Survey
- Provided analysis of the data submitted from the Provider Cost and Wage Survey
- Developed benchmark rate recommendations with transparent methodologies
- Developed a Provider Rate Cost Plan and rate methodologies for the Department to implement in future years to keep the benchmark information and reimbursement rates current. <https://dphhs.mt.gov/providerratestudy/index>

The provider cost rate survey was conducted in February and March of 2022. In total, sixty-nine percent of Medicaid expenditures for the identified programs were captured in the cost reports submitted by providers. According to leading experience management firm, Qualitrics, a typical survey response falls between twenty and thirty percent. Montana achieved twenty-three percent. Throughout the process there were thirty-five public meetings.

The final report was issued on July 22, 2022. A presentation to the Children, Families, Health, and Human Services Interim Committee occurred on June 27, 2022, to present the findings and recommendations of the cost report. A second presentation was made to this Interim Committee on August 26, 2022, where the cost reporting plan was presented per HB 155 requirements.

The findings from the study served as a key source of information for the Governor's request. The study also provided initial recommendations for the cost reporting required under HB155 (2021 legislative session).

Nursing Facility Rate Study

The DO contracted with Guidehouse Inc to conduct a rate study for nursing facilities in Montana. The nursing facilities were highly impacted by COVID and the inflationary costs of business affecting the economy. This rate study was designed to:

- Continue to address the needs of older, vulnerable, and disadvantaged populations disproportionately affected by COVID-19;
- Helping to ensure health equity and increase transparency;
- Addressing nursing facility providers' needs, especially as those providers were negatively affected by COVID-19;
- Developing reimbursement rates for nursing facility providers who serve the most vulnerable and disadvantaged populations;
- Support providers' ability to continue serving these vulnerable and disadvantaged populations while maintaining and improving access to the health care and human/social services these individuals need.

Guidehouse worked closely with DPHHS and the nursing facility community from April 2022 to September 2022 to conduct the rate study and develop proposed rates. Stakeholder involvement included three work group meetings held in May, July, and September.

Guidehouse gathered cost, occupancy, utilization, and wage data from Montana nursing facility providers, along with other State and national data sources, to establish a cost-based rate methodology. Guidehouse made additional adjustments, including the application of an occupancy standard and an efficiency standard to indirect costs. The adjusted cost-based methodology evaluated the costs of direct patient care and indirect overhead and capital cost components. The resulting adjusted costs were trended forward to January 1, 2024, the mid-point of State Fiscal Year (SFY) 2024, which begins July 1, 2023. The resulting proposed nursing facility rates were not modified to assume a predetermined budget impact.

Highlights of the rate development methodology include:

- Multiple data sources to generate a robust view of provider costs;
- Independent analyses of two different cost report years, 2020 and 2021;
- Integration of current labor market costs; and
- Actuarially built trend model considering multiple inflation factors.

The final report was completed on November 30, 2022. A presentation to the Children, Families, Health, and Human Services Interim Committee occurred on December 8, 2022, to detail the findings and recommendations of the nursing facility rate study.

In addition to using the findings to inform its Executive Planning Process, the Department is continuing to develop cost benchmarks. Part of this process is to implement a new process to review and audit submitted cost reports.

State-Run Health Care Facilities Management and Reform

In January 2021, Montana's state-run health care facilities required significant reform to address longstanding, systemic issues. The DO has been intimately involved in our strategic priority to transform and improve these facilities.

The DO reorganized the seven state-run health care facilities into one new Division. This new Healthcare Facilities Division was created in the 2023 Biennium to provide more focused and centralized support to the facilities and is currently the newest Division within DPHHS.

As part of the State's competitive Request for Proposal (RFP) process, Alvarez & Marsal (A&M) was selected to provide a comprehensive assessment and establish long-term sustainable operational plans for DPHHS facilities. A&M works closely with DO and HFD Leadership, operates under the authority of DPHHS all while partnering with DPHHS facilities and key stakeholders, including labor unions, advocacy groups, patients, clients, and their families. A&M's primary focus has been on improving facility operations while aligning efforts with best practices and the Division's mission: to create a high quality, person-centered system of care in service of individuals living with mental illness, intellectual and developmental disabilities, and aging related health conditions, including veterans and substance use disorders.

The scope of A&M's assessment included the following: licensing reports; audits and other key reports and findings; key patient and client data, including critical incident reports; treatment and outcomes; assessing information on admissions and discharges, administration and management controls, staffing structure, ratios, scheduling, and job descriptions. During their assessment, A&M developed 29 recommendations to improve facility operations and patient/client outcomes. Their recommendations require significant investment to appropriately address the longstanding, systemic issues the facilities are facing.

Additionally, in partnership with HFD leadership, A&M reviews, refines, and supports the implementation of standards and policies for facility workforce that promote operational efficiency and positive patient outcomes. They are supporting the build out of the new Healthcare Facilities Division, including centralization of key back-office functions at the Division-level; working to reduce the facilities' reliance on expensive travel nursing staff; and leading clinical and environment of care improvements needed at Montana State Hospital to achieve Centers for Medicare & Medicaid Services (CMS) re-certification.

Office of Faith and Community Based Services

Through the establishment of this office, the DO has connected Department programs, resources, trainings, and services to faith and community organizations. Through the development of a monthly newsletter, website, regional summits, virtual monthly sessions, and other initiatives, faith and community organizations have a new two-way communication structure with the Department. In addition, this position has created opportunities to learn about nonprofit-sponsored programs and replicate them in other communities, including those related to the expansion of supports for adoptive and foster children. The Faith and Community Based Services Coordinator is dedicated

to advancing the health and self-sufficiency of Montanans through public-private partnerships with faith and community organizations.

HEART Fund

DPHHS has achieved several milestones related to Governor Gianforte's Healing and Ending Addiction through Recovery and Treatment (HEART) Fund. Once fully authorized and implemented this significant investment in behavioral health will provide \$25 million per year for a full continuum of behavioral health and treatment programs across Montana.

In July, the DO announced the state is significantly increasing access to substance use disorder (SUD) treatment for Montana Medicaid members through recent federal waiver approval. The approval allows larger licensed SUD treatment providers to receive Medicaid reimbursement for short-term acute inpatient and residential stays at facilities that meet the definition of an institution for mental disease (IMD).

Federal law prohibits Medicaid payment to any IMD facility with more than 16 beds that provide substance use or mental health treatment for services provided to individuals aged 21 to 64. However, DPHHS applied for and secured a waiver from this prohibition (commonly known as the "IMD exclusion") from the Centers for Medicare & Medicaid Services.

Additionally, the Department has received approval from the Centers for Medicare and Medicaid Services (CMS) to add two additional levels of substance use care to our existing continuum. This is a significant step towards aligning our substance use treatment system with the American Society of Addiction Medicine (ASAM) recommendations.

Grants to Tribal Nations

On April 21, Governor Gianforte and Director Brereton announced \$500,000 in funding to Tribal Nations through the HEART Fund. The Fund allocates \$500,000 in grants directly to Tribal Nations each year for substance use disorder prevention; mental health promotion; and mental health crisis, treatment, and recovery services. A report of how these funds were utilized will be available soon.

Contingency Management

Contingency Management aims to treat individuals with stimulant use disorders by offering incentives for adherence to target behaviors. The expected positive outcomes of this evidence-based treatment model include reduction in stimulant use, risky behaviors, and mental health symptoms. Contingency Management pilot sites were launched in September 2021. Since the launch, over 120 clients have received treatment in the programs and up to 400 additional clients may receive treatment throughout the next year. Approval of the HEART Waiver will further expand the availability of Contingency Management services throughout Montana.

Comprehensive Behavioral Health Services in Local Detention Centers

On October 25, Governor Gianforte and the Director Brereton announced a \$2.7 million investment in comprehensive behavioral health services in local detention centers through the HEART Fund.

According to Substance Abuse and Mental Health Services Administration, an estimated 16% of the U.S. jail population has a serious mental illness and 68% has a substance use disorder. Detention centers remain one of the primary locations where individuals can receive critical and preventive behavioral health care services.

DPHHS awarded grants to Yellowstone, Missoula, Lewis and Clark, Gallatin, Butte Silver-Bow, Cascade and Custer counties. It is estimated that the program will have capacity to serve 1,000 individuals over the next two years.

All seven awardees demonstrated a readiness and capacity to effectively implement the services, and were required to demonstrate the ability to identify and partner with local key stakeholders of behavioral health and criminal justice systems.

All sites are required to coordinate discharge planning for individuals to ensure continuity of care. Several communities are utilizing care coordinators that will provide follow-up services to individuals for up to six months after their release to ensure they have continued support.

All services are voluntary. Individuals will be enrolled in services through a variety of means, including initial screening when entering the jail that will indicate need for behavioral health services; referral from correctional staff that believe an individual will benefit from behavioral health services; and self-referral from an individual seeking services. All services will be based on a clinical assessment to ensure services meet the needs of individuals.

American Rescue Plan Act Implementation

The DO provided oversight to the implementation of American Rescue Plan Act funding allocated to DPHHS. The ongoing and labor-intensive ARPA project spans across multiple agency divisions. To date, this coordinated effort has successfully distributed \$145 million in ARPA funding to support various public health and human services programs statewide. Over the past year, agency staff worked diligently with the Health Advisory Commission (HAC) under HB 632 to prepare detailed memoranda with funding proposals.

Upon HAC recommendation and Governor Gianforte's approval, the DO worked to ensure these dollars were allocated in a timely fashion across Montana to support childcare; food, water and energy assistance; COVID-19 testing and vaccine distribution/administration; support to K-12 schools; individuals with disabilities; congregate and home delivered meals for older Montanans; adult protection; suicide prevention; the prevention of child abuse and neglect; substance use disorder prevention, treatment, and recovery services; Veterans; and other services.

Angel Initiative

The Angel Initiative is a collaborative effort between Governor Gianforte, DPHHS, participating local law enforcement agencies, and treatment providers. The Angel Initiative allows an individual struggling with a substance use disorder to go into any participating law enforcement office and receive assistance getting connected to treatment.

To date, twenty-three Montana sheriffs have committed to join the effort. Cascade County, Lewis and Clark County and Yellowstone County have been on-boarded and are considered in active status. DPHHS has partnered with the Police Assisted Addiction and Recovery Initiative (PAARI), national experts in supporting the development of county specific non-arrest pathways to treatment.

A toll-free number, the Angel Line, connects law enforcement to a treatment provider within the closest proximity to assess the level of care a participant may need. If the participant meets criteria

for residential treatment, the Angel Initiative will assist in evaluating transportation needs with the goal of getting the participant to treatment as soon as possible.

To date, there are ten providers who have agreed to participate who collectively serve thirty-three counties. Rimrock and the Montana Chemical Dependency Center are considered in active status and have admitted several participants to treatment through this initiative.

Launch of Montana 988

The DO worked internally and with various stakeholders, including mental health and crisis lifeline experts and Montana State University (MSU) officials, to launch the Montana 988 Suicide Prevention and Mental Health Crisis Lifeline. Montana 988 is part of the National 988 Suicide & Crisis Lifeline network of over two-hundred local, independent crisis centers equipped to help people in mental health related distress or experiencing a suicidal crisis 24 hours a day, 7 days a week, across the U.S. Calls made to 988 in Montana are routed to one of three independent crisis call centers: Voices of Hope in Great Falls, The Help Center in Bozeman, and the Western Montana Mental Health Lifeline Call Center in Missoula.

Over the past three years the Montana crisis call centers have averaged about ten-thousand calls per year. More than ninety percent of the calls made in Montana are answered in Montana, with fewer than ten percent sent to another call center in the national network backup system. To help further bolster call center capacity, DPHHS will use a nearly \$400,000 grant to maintain staffing levels to manage call capacity at more than 90 percent with the transition to 988. Montana 988 promotion efforts are ongoing.

Since the official launch of 988, Montana call centers have been number one in the US for call answering and handling rates despite receiving a call volume increase of 30 percent over pre-launch levels.

Regulatory Reform

DPHHS's Regulatory Reform Initiative (RRI) is the Department's implementation of Governor Gianforte's EO No. 1-2021 which created the Red Tape Relief Advisory Council to Implement Regulatory Reform. The RRI was designed by the DO and presented to Department leadership in September 2021.

Phase One of the RRI was the initial planning phase during which the project plan and project charters were created by the DO. A website for RRI was established to provide stakeholders with information regarding the RRI as well as portals through which the public can submit questions about the initiative and feedback regarding rules and laws which may need to be altered. This website is linked through the DPHHS home page.

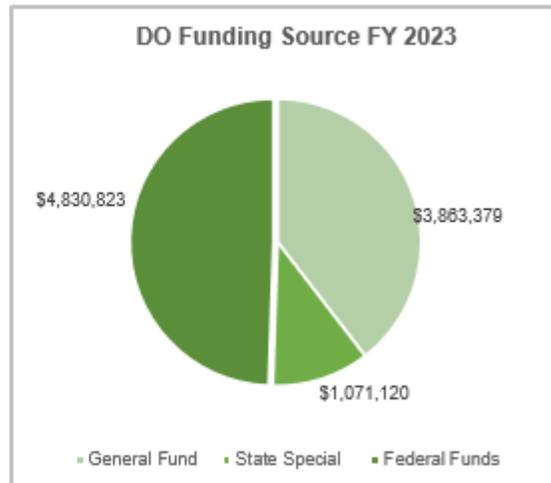
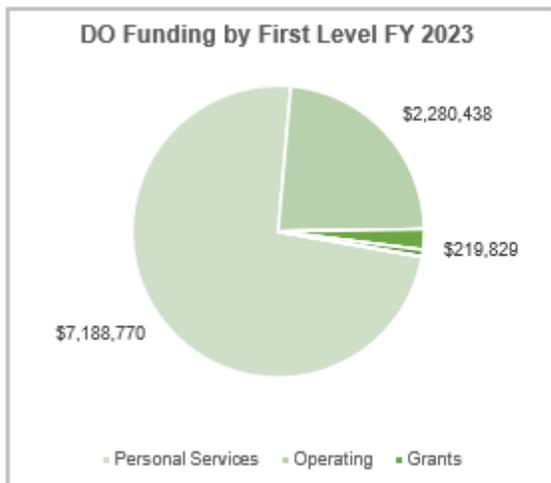
During Phase Two, each division of DPHHS with regulations under their purview performed inventories of their associated ARMs. The DO coordinated each division assessing their rules to determine which rules would be priorities for regulatory reform and which would not. Finally, the prioritized ARMs were assigned high, medium, and low priorities for reform based on balancing impact with the effort required to institute the reforms.

Phase Three, which is the current phase of the RRI, consists of the rule work planned by the first two phases. Each division has begun working on reforming their high priority rules with the goal of completing, or preparing for final notice, all high priority rule work projects prior to the 2023 legislative session. During Phase Three, Esper – an enterprise-wide regulatory reform software program – was implemented across DPHHS. Esper was fully launched on May 16th, 2022, and has allowed for increased collaboration and tracking of rule changes during the rule work processes while also providing improved data analytics for assessing the current state of Departmental rules.

Statutory reform is another key component of RRI. Many regulations are statutorily required thus necessitating statutory reforms to allow for cuts in red tape. The Department put forth nineteen statutory reform proposals to the Governor’s office, of which eighteen were approved by the Governor’s Office and fifteen were approved for pre-drafting by the Children, Families, Health, and Human Services Interim Committee. Ultimately, 12 agency bills were successfully introduced for the 2023 legislative session.

FUNDING AND FTE INFORMATION

DIRECTOR'S OFFICE	FY 2023 Budget	FY 2024 Request	FY 2025 Request
FTE	72.25	76.25	76.25
Personal Services	\$7,188,770	\$7,855,739	\$7,905,693
Operating	\$2,280,438	\$2,433,246	\$2,460,849
Grants	\$219,829	\$219,829	\$219,829
Benefits and Claims	\$2,549	\$35,471,985	\$35,471,986
Transfers	\$68,100	\$68,100	\$68,100
Debt Services	\$5,636	\$5,636	\$5,636
TOTAL COSTS	\$9,765,322	\$46,054,535	\$46,132,093
	FY 2023 Budget	FY 2024 Request	FY 2025 Request
General Fund	\$3,863,379	\$16,659,317	\$16,704,721
State Special Fund	\$1,071,120	\$1,159,951	\$1,161,616
Federal Fund	\$4,830,823	\$28,235,267	\$28,265,756
TOTAL FUNDS	\$9,765,322	\$46,054,535	\$46,132,093



CHANGE PACKAGES

PRESENT LAW ADJUSTMENTS

SWPL 1 – Personal Services

The request includes \$259,631 in FY 2024 and \$310,498 in FY 2025 to annualize various personal services costs including FY 2023 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 2024	\$63,925	\$36,408	\$159,298	\$259,631
FY 2025	\$94,667	\$39,341	\$176,490	\$310,498
Biennium Total	\$158,592	\$75,749	\$335,788	\$570,129

SWPL 2 – Fixed Costs

The request includes \$1,105 in FY 2024 and a reduction of \$2,534 in FY 2025 to provide the funding required in the budget to pay 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.

	General Fund	State Special	Federal Funds	Total Request
FY 2024	\$1,105	\$0	\$0	\$1,105
FY 2025	(\$2,534)	\$0	\$0	(\$2,534)
Biennium Total	(\$1,429)	\$0	\$0	(\$1,429)

SWPL 3 – Inflation Deflation

The request includes an increase of \$151,703 in FY 2024 and \$182,945 in FY 2025 to reflect budgetary changes generated from the application of inflation to specific expenditure accounts. Affected accounts include those associated with supplies & materials, communications, repair & maintenance, state motor pool, and other services.

	General Fund	State Special	Federal Funds	Total Request
FY 2024	\$75,630	\$12,274	\$63,799	\$151,703
FY 2025	\$90,740	\$14,916	\$77,289	\$182,945
Biennium Total	\$166,370	\$27,190	\$141,088	\$334,648

NEW PROPOSALS

NP 4001 – FTE Request for HR and Legal

This new proposal requests the transfer of 4.00 FTE from the Healthcare Facilities Division to the DO Division to help address agencywide legal needs and to address staffing ratios, recruitment, retention, and turnover throughout the department. This change package requests \$813,764 in total funds over the biennium including \$313,748 in general fund, \$76,388 in state special, and \$423,628 in federal funds.

	General Fund	State Special	Federal Funds	Total Request
FY 2024	\$155,278	\$40,149	\$211,911	\$407,338
FY 2025	\$158,469	\$36,239	\$211,717	\$406,425
Biennium Total	\$313,747	\$76,388	\$423,628	\$813,763

NP 4444 – Provider Rate Adjustment Pool OTO/Bien

This new proposal is for biennial, one-time-only (OTO) funding for supplemental provider rate adjustments for both Medicaid and Non-Medicaid providers. OTO funding is to support a portion of provider rates and subsequent indexed rates as studied during the 2023 Biennium. The biennial request \$70,938,873 in total funds over the biennium, including \$25,000,000 in general funds and \$45,938,873 in federal matching funds.

	General Fund	State Special	Federal Funds	Total Request
FY 2024	\$12,500,000	\$0	\$22,969,436	\$35,469,436
FY 2025	\$12,500,000	\$0	\$22,969,437	\$35,469,437
Biennium Total	\$25,000,000	\$0	\$45,938,873	\$70,938,873