

PRESENTATION TO THE 2023 HEALTH AND HUMAN SERVICES JOINT APPROPRIATION SUBCOMMITTEE

Human and Community Services Division

Human Services Practice

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**

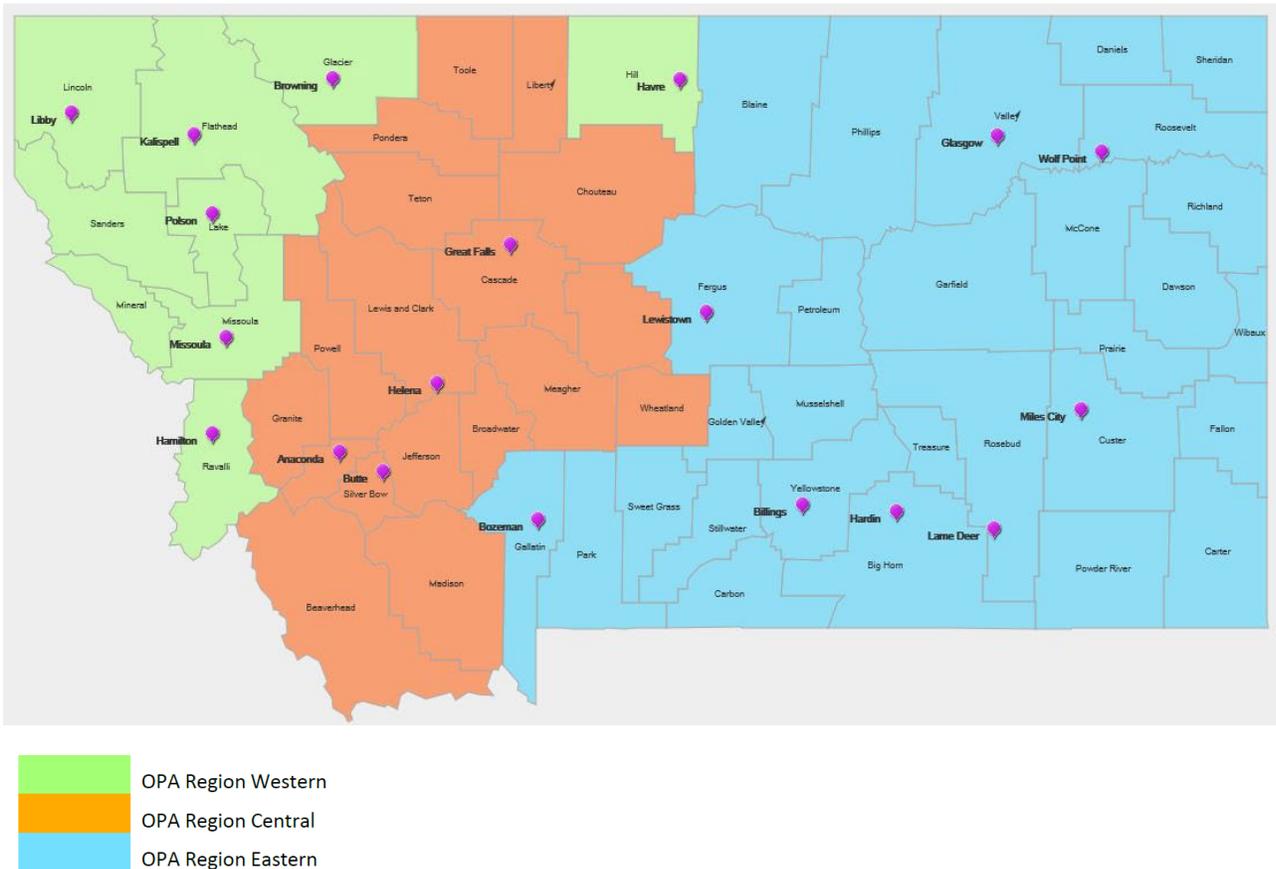
OVERVIEW

The Human and Community Services Division (HCSD) offers economic safety net programs for eligible Montanans. In total, HCSD programs provide services to more than a quarter of Montanans. These programs are designed to help households with no or limited income to meet basic human needs for food, shelter, water, 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 helping households to achieve 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 the Supplemental Nutrition Assistance Program (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. Temporary Assistance for Needy Families (TANF) and Low-Income Home Energy Assistance Program (LIHEAP) are examples of block grant programs.

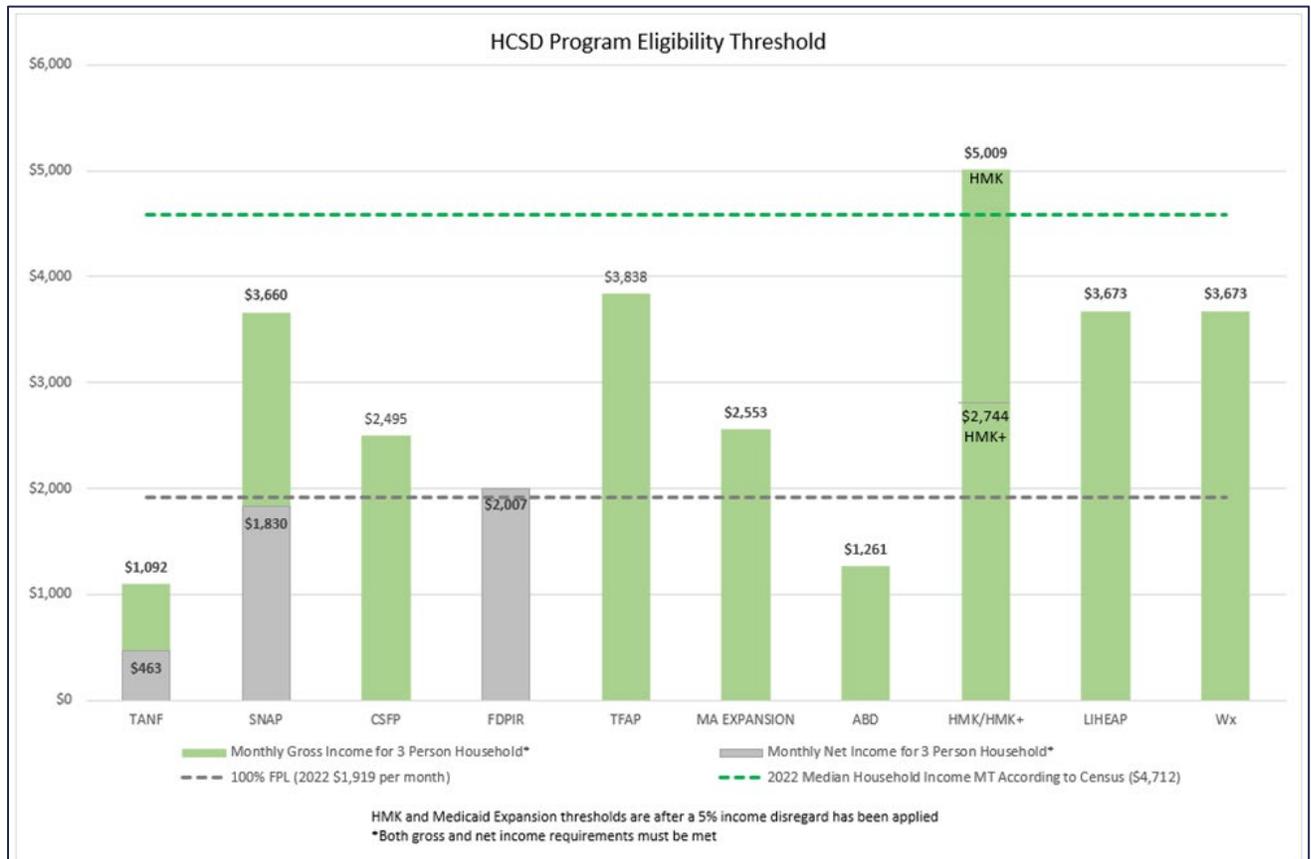
HCSD employs just under 500 FTE with expenditures for personnel, operation, and distributed benefits just below \$300,000,000. Approximately 85 percent of the division’s FTE are dedicated to local offices throughout the state.

There are 19 Offices of Public Assistance (OPA) across three regions.



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.



- Temporary Assistance for Needy Families (TANF)
- Supplemental Nutrition Assistance Program (SNAP)
- Commodity Supplemental Food Program (CSFP)
- Food Distribution Program on Indian Reservations (FDPIR)
- The Emergency Food Assistance Program (TEFAP)
- Medicaid Expansion (MA EXPANSION)
- ABD (includes Aged, Blind, Disabled; Medically Needy; Long-term Care)
- Healthy Montana Kids (HMK/CHIP) and Healthy Montana Kids Plus (Medicaid)
- Low Income Home Energy Assistance Program (LIHEAP)
- 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 the 19 Offices of Public Assistance (OPA):

- Supplemental Nutrition Assistance Program (SNAP)
- Temporary Assistance for Needy Families (TANF)
- Medicaid and CHIP

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 LIHEAP, LIHWAP, 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 Montana. DPHHS warehouse truck drivers delivered just over eight million pounds (nearly 300,000 cases) of food to hungry Montanans in state fiscal year 2022.

- 19% supports food distribution on Indian Reservations
- 26% supports the school lunch program through OPI
- 22% feeds low-income seniors
- 32% supports emergency food needs through food banks, homeless shelters, soup kitchens, and group homes

Supplemental Nutrition Assistance Program (SNAP)

SNAP provides food assistance to low-income Montanans. On average, 53,964 households receive SNAP benefits each month. The average monthly benefit amount is \$390 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 eleven Montanans receives SNAP benefits, and nearly two-thirds of SNAP participants are children, elderly, or have disabilities.

Of those receiving SNAP in FY 2022:

- 40% children
- 17% disabled non-elderly adults
- 9% seniors

ENERGY ASSISTANCE

Energy assistance includes the LIHEAP and weatherization programs. Both programs, funded through a block grant, help low-income households reduce their energy burden. During state fiscal year 2022 (FY2022), 17,607 households received assistance with their seasonal heating bills. Based on financial eligibility, the average household subsidy through LIHEAP for the 2021-2022 heating season equates to about \$245 per month. This amount was higher than previous years due to additional one-time-only American Rescue Plan Act (ARPA) funds.

Of those receiving LIHEAP assistance in FY 2022 (recipients may be included in multiple designations):

- 44% disabled
- 48% elderly
- 15% households with children aged 0-5

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

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 FY2022, 648 households received weatherization assistance resulting in a reduction of annual energy costs by an average of approximately 23 percent. Seventy-six percent of the supported households own their home.

Of those receiving weatherization support in FY2022:

- 17% disabled
- 18% elderly
- 7% households with children aged 0-5

POVERTY REDUCTION EFFORTS THROUGH COMMUNITY INVESTMENT

The Community Services Block Grant (CSBG) and local human resource development councils (HRDCs) support community-specific efforts to address poverty through youth employment, job counseling and skills training, money management classes, transportation, and emergency assistance. In FY2022, approximately 62,972 individuals benefited from community services provided through the HRDCs. Through the efforts of the homeless assistance program in FY2022, 1,285 Montanans received rapid rehousing and homeless prevention assistance.

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 who help build the systems, services, and/or programs necessary for nonprofit organizations and government agencies to effectively reach their target demographics. During FY2022, 17,859 low-income youth and 3,070 veterans and military families were served by VISTA programs in Montana.

HEALTHCARE COVERAGE

Each month, approximately 310,000 Montanans receive healthcare coverage benefits. Eligibility for healthcare coverage, which is determined by the Offices of Public Assistance, covers a wide range of the state's population, from infants to senior citizens, to children and adults with disabilities in need of community services and long-term care. Eligibility and enrollment in Indian Country are supported through partnerships with four tribal governments: Confederated Salish and Kootenai Tribes, the Chippewa Cree Tribe, the Blackfeet Tribe, and Fort Belknap Tribes.

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 third 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.

Clients eligible for TANF services may be eligible to receive cash assistance and/or other supports to meet goals such as family stability, employability, and financial security. An average of 4,321 Montanans in 1,931 households receive TANF in the form of cash assistance each month. On average, a TANF client receives assistance for nine months. In FY2022, 83% of TANF participants were children.

The TANF program uses a model called the Montana Family Bridge (the Bridge), which allows advocates to work with clients to assess needs, set goals, and evaluate outcomes. 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. Common categories of barriers for TANF clients include physical health, childcare, child education, housing, and caring for a family member.

When a client identifies a barrier to employment, the 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 childcare to go to work, the client advocate will refer the family to the Best Beginnings Scholarship program for financial assistance and help finding childcare.

HIGHLIGHTS AND ACCOMPLISHMENTS DURING THE 2023 BIENNIUM

SNAP EMPLOYMENT & TRAINING EXPANSION

The SNAP Employment and Training (SNAP E&T) program helps SNAP participants enhance skills, training, or work experience to obtain regular employment that leads to economic self-sufficiency. Montana currently has SNAP E&T programs in a total of nine counties. Programs in Big Horn, Deer Lodge, Flathead, Gallatin, Lincoln, and Silver Bow counties were added in September 2022, joining existing programs in Yellowstone, Missoula, and Lewis and Clark counties. HCSD utilizes ARPA funding to expand the SNAP E&T program. In spring 2022, HCSD procured an intermediary to assist with this expansion and has awarded this contract to Easterseals-Goodwill Northern Rocky Mountain. The intermediary provides support to the state SNAP E&T program by centralizing operational functions and leveraging established leadership roles, key partnerships, and expertise within the workforce.

SNAP administrative funds under ARPA fund the initial expansion of the SNAP E&T program. The SNAP E&T 50/50 funding mechanism will sustain the program long-term. DPHHS will work with Easterseals-Goodwill to secure non-federal funding from private and non-profit entities for E&T services that will be reimbursed at a 50% rate by the federal government. DPHHS will continue to work with Easterseals-Goodwill to establish partnerships with community-based organizations, institutions, and non-profit organizations to provide SNAP E&T services to clients in all counties by the end of federal fiscal year 2027 (9/30/2027).

PADNEMIC EBT

Since March 2020, HCSD has administered the Pandemic EBT (P-EBT) program. P-EBT ensured access to the equivalent of school meals for those who were eligible and lost access to free or reduced-price school meals due to COVID-19 school closures or remote attendance. This program resembles SNAP benefits and can be used for food purchases at any retailer who accepts SNAP. From March 2020 to November 2022, DPHHS issued more than \$80 million in P-EBT benefits.

NEW LOW-INCOME HOME WATER ASSISTANCE PROGRAM

Montana was one of the first states to implement the Low-Income Home Water Assistance Program (LHWAP) funded by the Consolidated Appropriations Act and American Rescue Plan Act. As of September 30, 2022, HCSD has issued \$1.3 million to support nearly 3,900 eligible households to aid with paying water and wastewater expenses. This program will continue through September 2023 per federal program limitations.

INCREASE IN LOW-INCOME HOME ENERGY ASSISTANCE

Additional funding for the Low-Income Home Energy Assistance (LIHEAP) and weatherization programs was made available through the American Rescue Plan Act (ARPA) and allocated based on the recommendations from Montana's ARPA Health Advisory Commission.

For the 2021-2022 heating season, over \$16 million in funding provided increased heat assistance payments directly to energy providers for the lowest income households with the highest energy

burden, as well as special populations such as the elderly, disabled, or households with young children.

A temporary one-time benefit to pay for utility arrearages and emergency payments for reconnection fees or to stop service disconnects provided nearly \$1 million in assistance to just over 2,000 eligible households, with over 60% of these households below the federal poverty line.

IMPROVING AND ENHANCING CUSTOMER SERVICE

HCSD implemented several strategies to provide better customer service to Montanans, including utilizing technology to enhance business processes, implementing new communication methods, and providing additional online services.

Text Messaging

HCSD employed text messaging to engage with Montanans, increasing the timeliness of communication and response rates. Last year, HCSD automated its returned mail process, including automatically sending text messages to clients requesting they update their address with DPHHS. HCSD also used text messaging to communicate to clients about the pandemic emergency assistance funds and directed them to a short survey, offering a quick and easy way to determine potential eligibility. As part of its public health emergency (PHE) unwind outreach efforts, HCSD began sending text messages to households where HCSD data sources indicate their address is no longer current. Once HCSD resumes Medicaid renewals at the end of the PHE, text messaging will be an important tool to remind households about renewal deadlines. Montana is regarded as a national leader in communication strategies for its public assistance eligibility programs and HCSD has presented its methods to multiple organizations and states over the past year.

SNAP/TANF Online Purchasing

In spring 2022, DPHHS launched online purchasing for SNAP/TANF households. Montanans eligible for food and cash assistance can now make purchases online through Walmart.com, Amazon, and other online retailers as part of a federal nationwide initiative to increase food access.

Individuals simply select EBT as a payment method and enter their EBT card pin. Any items that aren't eligible for the SNAP or TANF cash EBT payment (including delivery fees) must be made with an alternate form of payment.

A current list of online retailers accepting Montana EBT cards can be found here: <https://www.fns.usda.gov/snap/online-purchasing-pilot>.

QUALITY ASSURANCE AND FRAUD PREVENTION

While it is critical that eligible Montanans can obtain benefits for their basic daily needs, eligibility staff must make accurate determinations and detect potential fraud to ensure only those who meet all program qualifications receive benefits. The department has always had established and maintained internal controls to timely verify client eligibility factors for applicants and

redeterminations; however, HCSD continued to strengthen quality assurance and fraud prevention processes.

Fraud Prevention

In 2021, the department implemented a solution from Lexis Nexis to provide additional validations within the eligibility determination process to prevent fraud and abuse, including identity verification and criminal background checks. The department is also working with the USDA on integrating with the National Accuracy Clearinghouse (NAC) to identify concurrent SNAP enrollment in multiple states. If dual enrollment is identified, the state will take action that could change benefit amounts. Montana was selected as one of the first four states to connect to the NAC. The goals of the NAC are to reduce waste and inefficiencies, save money, reduce the number of overpayments, and discourage fraud.

Accuracy

The SNAP quality control process continuously evaluates Montana on the accuracy of SNAP determinations. HCSD achieved a significant reduction in the error rate in the past 12 months, which USDA regional team praised. HCSD is committed to future continuous improvement in the SNAP error rate and for error rates for all programs administered by HCSD. Several new initiatives improved accuracy and reduced errors:

- A new quality assurance program manager targets error prone areas and works with other program managers and the training team to develop higher quality and more targeted trainings.
- The collaborative business process re-engineering group focuses on system enhancements, changes in business processes, and policy clarifications. This group consists of staff from all areas of the division, including management, policy staff, and field staff. It also includes participation from the DPHHS Office of Inspector General and SNAP federal partner Food and Nutrition Services (FNS).

EFFICIENCIES AND COST SAVINGS

BOT AUTOMATION AND SYSTEM ENHANCEMENTS

In 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 offers 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. Thousands of Montanans interact with Sophie monthly, and DPHHS will continue to enhance the online assistant to provide better customer service to those seeking assistance.

Last year, HCSD deployed two additional intelligent digital workers (or “bots”) to free case workers from repetitive work. First, the returned mail (REMI) bot automates the processing of returned mail tasks within the CHIMES eligibility system when correspondence was undeliverable to a client. The bot updates the respective screens in CHIMES, and automatically contacts the client via email and text message. Second, the notice of missed interview (NOMI) bot automates the processing within CHIMES where an interview has not been conducted and the associated task is due or past due. The bot solution updates the respective screens in the CHIMES system, sends out the notice, enters case notes, and closes the associated tasks.

Bots increase automation, reducing manual workload on staff; increase communication to our clients (and subsequent action from clients), and receive positive feedback from both staff and clients.

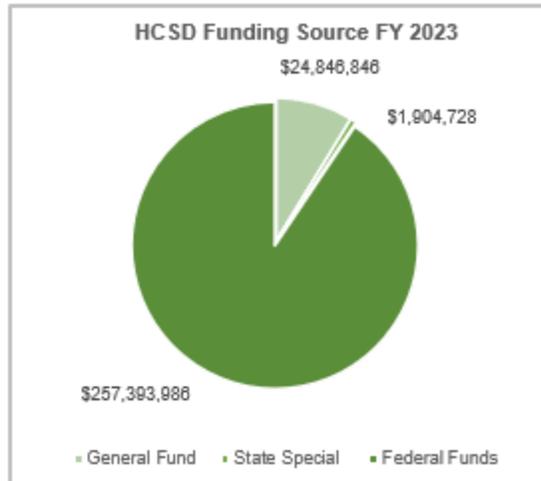
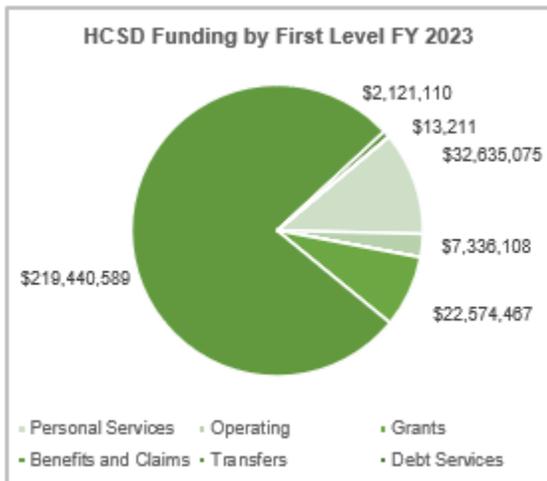
In addition, several enhancements have been added to the CHIMES system to increase efficiencies and accuracy. These enhancements include consolidating three notices into one, and modifications to multiple screens and processes to reduce common errors and improve the efficiency and use of the system for staff.

INTERNAL PROCESSES

Over the past 18 months, HCSD prioritized documenting internal policies, procedures, and controls across the division. To date, approximately 100 previously undocumented processes have been written. While developing these written processes, HCSD identified and implemented several efficiencies and improvements in the process. The documentation of processes also improved consistency within our teams and positively impacted productivity of team members.

FUNDING & FTE INFORMATION

HUMAN AND COMMUNITY SERVICES DIVISION	FY 2023 Budget	FY 2024 Request	FY 2025 Request
FTE	492.5	492.5	492.5
Personal Services	\$32,635,075	\$35,774,522	\$35,975,777
Operating	\$7,336,108	\$7,583,194	\$7,653,806
Equipment	\$25,000	\$25,000	\$25,000
Grants	\$22,574,467	\$22,574,467	\$22,574,467
Benefits and Claims	\$219,440,589	\$219,440,589	\$219,440,589
Transfers	\$2,121,110	\$2,121,110	\$2,121,110
Debt Services	\$13,211	\$13,211	\$13,211
TOTAL COSTS	\$284,145,560	\$287,532,093	\$287,803,960
	FY 2023 Budget	FY 2024 Request	FY 2025 Request
General Fund	\$24,846,846	\$25,765,040	\$25,853,733
State Special Fund	\$1,904,728	\$2,051,226	\$2,058,871
Federal Fund	\$257,393,986	\$259,715,827	\$259,891,356
TOTAL FUNDS	\$284,145,560	\$287,532,093	\$287,803,960



CHANGE PACKAGES

PRESENT LAW ADJUSTMENTS

SWPL 1 – Personal Services

The request includes \$2,688,991 in FY 2024 and \$2,890,246 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	\$696,737	\$125,637	\$1,866,617	\$2,688,991
FY 2025	\$768,162	\$132,366	\$1,989,718	\$2,890,246
Biennium Total	\$1,464,899	\$258,003	\$3,856,335	\$5,579,237

SWPL 3 – Inflation Deflation

The request includes an increase of \$247,086 in FY 2024 and \$317,698 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	\$57,761	\$3,879	\$185,446	\$247,086
FY 2025	\$75,029	\$4,795	\$237,874	\$317,698
Biennium Total	\$132,790	\$8,674	\$423,320	\$564,784

PL 2001 – Fund Overtime Public Assistance

This present law adjustment is necessary to restore zero-based authority for overtime for the Office of Public Assistance in the Human and Community Services Division. The increase is necessary to fully fund overtime to maintain the client case load in addition to what is funded in SWPL 1. This change package requests \$900,912 in total funds for the biennium, including \$327,392 in general fund, \$33,964 of state special, and \$539,556 in federal funds.

	General Fund	State Special	Federal Funds	Total Request
FY 2024	\$163,696	\$16,982	\$269,778	\$450,456
FY 2025	\$163,696	\$16,982	\$269,778	\$450,456
Biennium Total	\$327,392	\$33,964	\$539,556	\$900,912