

**Unofficial Draft Copy**

As of: April 30, 2012 (1:21pm)

LCCF01

\*\*\*\* Bill No. \*\*\*\*

Introduced By \*\*\*\*\*

By Request of the \*\*\*\*\*

A Bill for an Act entitled: "An Act appropriating funds for provider rate payments; directing the department of public health and human services to seek federal funds for provider rate payments; providing a contingency appropriation; and providing an effective date."

WHEREAS, the 2009 Legislature appropriated money to pay for a 2% increase in the reimbursement rates paid to non-physician Medicaid providers, as well as foster care, subsidized adoption and in-home services providers, and child care providers, in both fiscal year 2010 and fiscal year 2011;

WHEREAS, physicians participating in the Medicaid program were scheduled to receive a 6% rate increase in fiscal year 2011 under 53-6-125, MCA; and

WHEREAS, the forecast for state revenues and the state budget in early 2010 triggered a statutory requirement for the governor to reduce state general fund spending; and

WHEREAS, the governor eliminated the provider rate increases scheduled for fiscal year 2011 as part of the reductions made to comply with state law; and

WHEREAS, the reduction in expected reimbursement payments had financial repercussions for individuals and organizations that provide services to Montanans in need of medical care,

mental health care, foster care, child care, long-term care, and assistance with activities of daily living; and

WHEREAS, the ending fund balance for the 2013 biennium is expected to be higher than originally predicted.

Be it enacted by the Legislature of the State of Montana:

NEW SECTION. **Section 1. Appropriations for medicaid provider reimbursements.** (1) There is appropriated \$6,481,952 from the general fund to the department of public health and human services for fiscal year 2013 to be allocated as follows:

- (a) \$660,757 to the addictive and mental disorders division;
- (b) \$292,013 to the child and family services division;
- (c) \$1,133,820 to the developmental services division;
- (d) \$2,337,400 to the health resources division, with \$374,113 of that amount to be disbursed to the children's mental health bureau and \$817,751 to be used for reimbursements to physicians as authorized under Chapter 414, Laws of 2007;
- (e) \$230,358 to the human and community services division for child care provider increases; and
- (f) \$1,827,604 to the senior and long-term care division.

(2) There is appropriated \$9.6 million from the federal special revenue fund to the department of public health and human services for fiscal year 2013 or fiscal year 2014, subject to the department's application for and receipt of the funds. The department shall allocate the appropriation among the divisions in a manner that reflects as accurately as possible the

allocation of federal funds each division would have received in fiscal year 2011 from a provider rate increase of 2% and the physician rate increase authorized in Chapter 414, Laws of 2007.

(3) (a) Each division shall disburse the appropriations provided for in subsections (1) and (2) to providers who are enrolled with the state at the time the appropriation is made. The disbursements to providers must be made according to a formula devised by the department to estimate the amount of general fund and federal special revenue fund money that a provider would have received if the fiscal year 2011 provider rate increases had gone into effect. The formula must take into account the provider's caseload.

(b) The appropriations may not be disbursed to provider groups that received an increase in reimbursement rates in fiscal year 2011.

(4) The department shall apply by June 30, 2013, to the U.S. department of health and human services for federal funds to provide for the federal special revenue fund appropriation authorized in this section.

**NEW SECTION. Section 2. Additional general fund appropriated on occurrence of contingency.** (1) If the U.S. department of health and human services denies the department of public health and human service's request for federal funds to be used as provided in [section 1], the general fund appropriation to the department is increased by \$9.6 million and allocated as provided in [section 1(2)].

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(2) If the U.S. department of health and human services provides a lower amount of federal funds than the department requests, the general fund appropriation to the department is increased by the difference between the amount of federal funds requested and the amount provided. The general fund appropriation must be allocated as provided in [section 1(2)].

(3) The department shall provide a copy of the denial or proof of the reduced funding to the legislative fiscal division and the office of budget and program planning within 14 calendar days of receipt to document the occurrence of the contingency.

NEW SECTION. **Section 3. {standard} Effective date.** [This act] is effective on passage and approval.

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