



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

Room 110 Capitol Building * P.O. Box 201711 * Helena, MT 59620-1711 * (406) 444-2986 * FAX (406) 444-3036

Director
AMY CARLSON

MEDICAID EXPANSION IN MONTANA

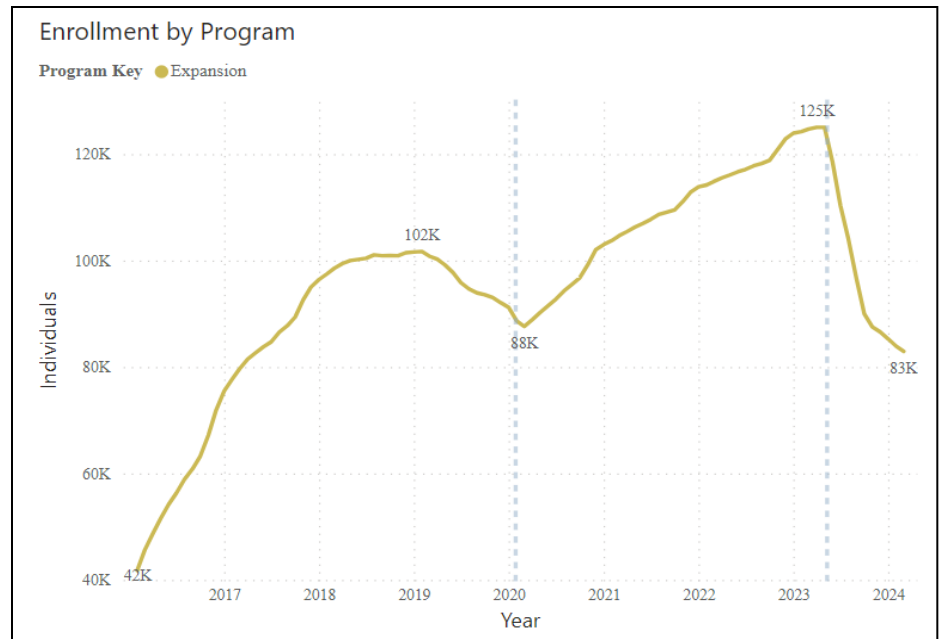
INTRODUCTION

The Montana Medicaid expansion program (“Expansion”) was implemented by the 64th Montana Legislature when it passed the Health and Economic Livelihood Partnership (HELP) Act. Program enrollment and service offerings began in the second half of Fiscal Year 2016 (January through June). Expansion was later renewed by the 66th Montana Legislature, which established a program sunset of fiscal year end (FYE) 2025.

ENROLLMENT

Medicaid expansion is specifically targeted toward individuals between the ages of 19-64 who earn less than 138.0% of the federal poverty level (FPL), which for 2024 is \$15,060 for a single person and \$31,200 for a family of four. Prior to Expansion, the only Medicaid-eligible adults in this age range were pregnant women under 157.0% of the FPL, parents earning less than 54.0% of the FPL, and blind or disabled individuals who meet income and asset tests.

The adjacent chart shows program enrollment changes since implementation in FY 2016. After peaking in February 2019, enrollment steadily decreased over the subsequent 12-month period until the COVID-19 public health emergency was declared. Due to pandemic-era federal stipulations, no participant could be removed from the program until April 2023, when the eligibility redetermination process began. As of March 2024, enrollment had returned to pre-pandemic levels.



APPROPRIATIONS

Expansion is funded by three primary sources: general fund, state special revenue funds, and federal funds. These appropriations are primarily used to pay for participants’ medical benefits and claims.

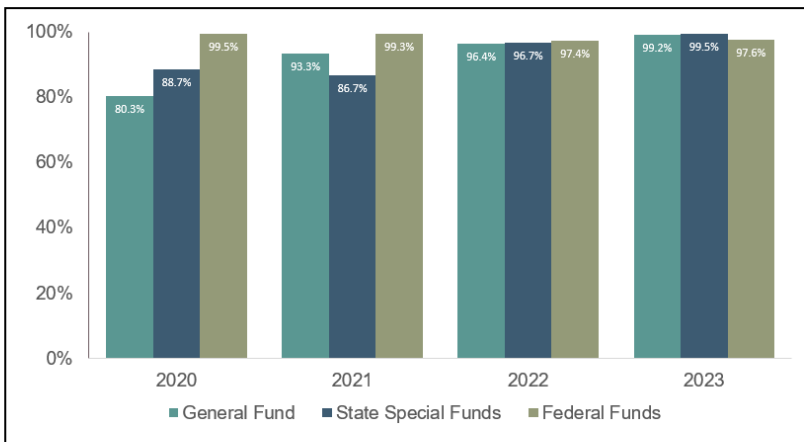
Prior to the renewal of Expansion during the 66th Montana Legislative Session, program funding sources were solely the general fund and federal funds. These initial appropriations were uncapped, per statute. Appropriations were then capped upon renewal in 2019.

Medicaid Expansion Appropriations						
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
General Fund	\$ 26,729,320	\$ 35,559,490	\$ 40,168,981	\$ 39,116,016	\$ 38,885,303	\$ 41,634,724
State Special	42,900,529	59,684,697	54,239,286	54,952,872	56,610,256	57,754,744
Federal Funds	741,549,536	836,806,777	943,790,700	950,546,751	971,014,326	987,647,663
Total	\$ 811,179,385	\$ 932,050,964	\$ 1,038,198,967	\$ 1,044,615,639	\$ 1,066,509,885	\$ 1,087,037,131

Along with the 2019 renewal, Expansion’s state special revenue funds were created and put into use beginning in Fiscal Year 2020. These funds come from two primary sources, with 51.9% provided by hospital utilization fees and 45.0% from specially allocated HELP Act funds, including health service corporation fees and taxpayer integrity fees. The Montana Healing and Ending Addiction Through Recovery and Treatment (HEART) program, which receives its funding from marijuana tax revenue, contributes 3.1% of Expansion’s state special revenue appropriation.

EXPENDITURES

The federal medical assistance percentage (FMAP) is calculated by the federal government and used to determine federal reimbursement to states for eligible Medicaid expenditures. Expansion FMAP works differently than traditional Medicaid FMAP and is higher in all states. Montana’s Medicaid expansion FMAP was phased in over the first five years of the program, with the expected FMAP starting at 100.0% in FY 2016, eventually stepping down to 90.0% for FY 2020 and beyond.



The chart to the left illustrates the percentage of appropriations expended in the Medicaid expansion program for the four most recently completed fiscal years (2020-2023). General Fund spending for the program peaked in FY 2019 as the FMAP stepdown (from 94.0% in FY 2018 to 93.0% in FY 2019) coincided with enrollment of over 100,000 individuals. General fund spending then declined sharply in FY 2020 due to the introduction of new state special revenue funds. It was at this time that a large portion of the state’s share of expansion administrative

expenditures was shifted from the general fund to the state special revenue funds. This spending trend has continued through the subsequent fiscal years, as special revenue funds provide more to the program than the general fund does; however, due to the 90.0% FMAP, federal fund expenditures far outweigh both the general fund and state special revenue fund expenditures.

	FY 2016	FY 2017	FY 2018	FY 2019
General Fund	\$ 1,300,127	\$ 15,866,290	\$ 32,090,168	\$ 37,008,062
Federal Funds	145,536,382	541,312,171	663,346,424	668,734,390
Total	\$ 146,836,509	\$ 557,178,461	\$ 695,436,592	\$ 705,742,452

	FY 2020	FY 2021	FY 2022	FY 2023
General Fund	\$ 21,464,175	\$ 33,165,422	\$ 38,702,975	\$ 38,802,077
State Special	38,032,721	51,751,151	52,458,327	54,685,891
Federal Funds	737,954,556	830,886,882	918,993,752	927,672,930
Total	\$ 797,451,452	\$ 915,803,455	\$ 1,010,155,054	\$ 1,021,160,898