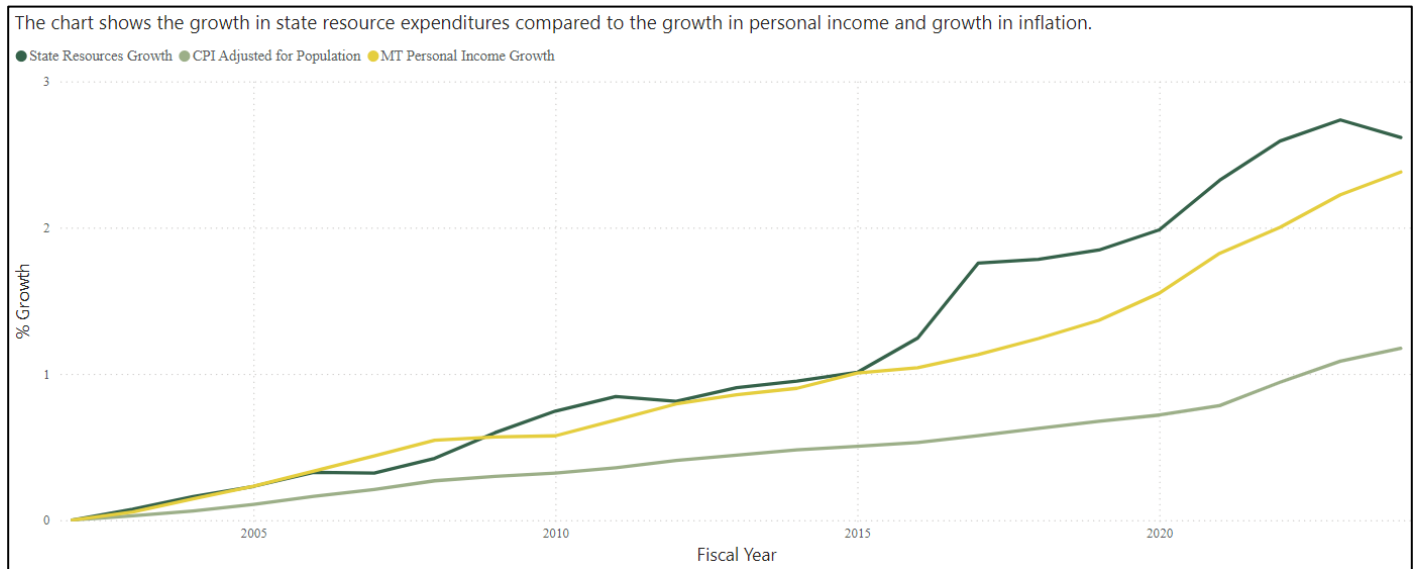


Department of Public Health and Human Services



This report includes a series of charts that compare state resource expenditure growth to the growth in personal services and growth in inflation adjusted for population. Montana statute, 17-8-106, MCA, recommends using growth in personal income for comparison purposes. Personal income is a measure for growth in the economy. Comparing growth allows financial planners to consider past and future demands in services or changes in revenues.

The following policy actions and caseload shifts contributed to significant changes in DPHHS expenditures in the 1999-2024 period:

1999: The Children's Health Insurance Program (CHIP) is adopted in Montana, leading to increased HB 2 spending which becomes especially noticeable beginning in 2004

2004: I-149, or the Tobacco Sales Tax Initiative passes. This policy change contributes to state special revenue growth and expanded programming in DPHHS

2006: HB 2 includes provider rate and direct care worker wage increases

2008: Medicaid caseload increases while the state's FMAP decreases. CHIP continues to expand, along with Big Sky Rx, which adds to the state special revenue growth. SNAP spending increases with the onset of the Great Recession

2009: The American Recovery and Reinvestment Act of 2009 (ARRA) dramatically enhances FMAP. Enhanced federal funding continues through 2011

2011: Caseload in the Child and Family Services Division (CFSD) for foster care and related programs starts to climb

2012: ARRA funding ends and the state share of Medicaid increases. Growth in state special revenue expenditures due to children's mental health services



2013: Medicaid exhibits increased spending on hospital and pharmacy services. Caseload in CFSD continues to rise.

2016: The HELP act increases federal expenditures in the second half of 2016

2017: The vocational rehabilitation program entitlement, HELP expenditures, and CFSD caseload drive higher general fund spending. HELP enrollment exceeds estimates, leading to elevated federal fund expenditures

2018: Special session reductions reduce general fund expenditures, but HELP enrollment continues to drive higher federal fund spending. Enrollment in HELP begins to stabilize in the 95,000 range.

2020-2021: Higher state special revenue expenditures are anticipated due to changes to the Medicaid expansion program.

2020-2022: The COVID pandemic leads to increased federal funding in DPHHS for pandemic response efforts as well as additional funding for programs like the Supplemental Nutrition Assistance Program (SNAP) and federally subsidized childcare.

2020-2022: Increased enrollments in Medicaid due to the prohibitions on disenrollment contained in the Families First Coronavirus Response Act (FFCRA, 2020) drive higher expenditures in Medicaid and especially Medicaid expansion.

2023-2024: Medicaid redetermination begins in April 2023 and goes through January 2024. As a result, enrollment in the Medicaid program declines, and Medicaid spending is lower than budgeted.

2024-2025: Significant provider rate increases (approved by the 2023 Legislature) for both Medicaid and non-Medicaid providers go into effect starting in FY 2024.

State Special Revenue Funds Only

