



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0835 - Create Medicaid and 24/7 contingency fund (Keenan, Bob)

Status: As Amended in House Committee

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
Expenditures:					
General Fund - Transfer	\$56,500,000	\$0	\$0	\$0	\$0
State Special Revenue	\$56,500,000	\$0	\$0	\$0	\$0
Revenue:					
General Fund		\$0	\$0	\$0	\$0
State Special Revenue - Transfer	\$56,500,000	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$56,500,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 835 as amended limits the Department of Public Health and Human Services (DPHHS) (department) contingency funding to mitigate supplemental request to the FY 2023 deficit. This bill removes the statutory fund designation as well as providing for a termination date of October 1, 2023.

FISCAL ANALYSIS

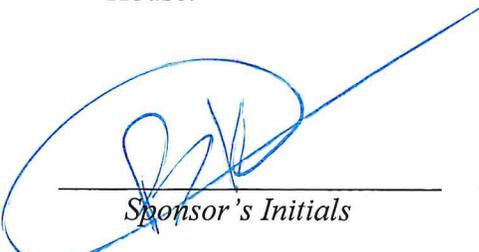
Assumptions:

- The department's current published budget status report for February depicts a general fund shortfall of \$49,620,500 for the Montana State Hospital, Montana Mental Health Nursing Care Center and the Intensive Behavior Center. In addition, Medicaid Expansion is projected to be short \$13,575,316 and traditional Medicaid short \$164,964. The total shortfall is projected at \$63,360,780 (\$49,620,500 + \$13,575,316 + \$164,964).
- The department has \$6,800,000 in remaining contingency funds created by first quarter FMAP savings.
- Total projected shortfall for facilities and Medicaid programs after utilizing the remaining contingency funds for FY 2023 is \$56,560,780 (\$63,360,780 - \$6,800,000).
- The amount appropriated in this amendment is \$56,500,000 to DPHHS and will be spent in FY 2023.
- There is \$56.5 million to be transferred from the general fund to the Medicaid and 24/7 facility contingency fund no later than June 30, 2023.

	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>					
FTE	0.00	0.00	0.00	0.00	0.00
<u>Expenditures:</u>					
Benefits	\$56,500,000	\$0	\$0	\$0	\$0
Transfers	\$56,500,000	\$0	\$0	\$0	\$0
TOTAL Expenditures	\$113,000,000	\$0	\$0	\$0	\$0
<u>Funding of Expenditures:</u>					
General Fund (01) - Transfer	\$0	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$56,500,000	\$0	\$0	\$0	\$0
State Special Revenue (02) - Transfer	\$56,500,000	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	\$113,000,000	\$0	\$0	\$0	\$0
<u>Revenues:</u>					
General Fund (01) - Transfer	\$0	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0	\$0
State Special Revenue (02) - Transfer	\$56,500,000	\$0	\$0	\$0	\$0
TOTAL Revenues	\$56,500,000	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>					
General Fund (01) - Transfer	\$0	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$56,500,000)	\$0	\$0	\$0	\$0
State Special Revenue (02) - Transfer	\$0	\$0	\$0	\$0	\$0

Technical Notes:

1. HB 835 strikes the repealer language in Section 4. Should the department experience expenses less than projected in Medicaid programs the remaining appropriation is unavailable to cover potential shortfalls in other non-Medicaid budget areas. This can put the department in a potential situation of needing supplemental funding while reverting funding.
2. HB 835 does not contain the federal dollars associated with the shortfall in general fund. The department is projecting a related \$165 million in shortfall in federal dollars for Medicaid.
3. It is unknown if the amount of state funds appropriated in HB 835, as amended, will be sufficient to cover the current projected state fund deficit at DPHHS. Should the appropriation not cover the deficit, a special session of the legislature would be necessary to fix the lack of insufficient legislative appropriation amended-in in the House.



 Sponsor's Initials

 Date



 Budget Director's Initials

3-30-23

 Date