



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 Senate

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> 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	\$56,500,000	\$0	\$0	\$0	\$0
State Special Revenue	\$4,000,000	\$0	\$0	\$0	\$0
Federal Special Revenue	\$165,000,000	\$0	\$0	\$0	\$0
Revenue:					
General Fund	\$0	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0	\$0
Federal Special Revenue	\$165,000,000	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	(\$56,500,000)	\$0	\$0	\$0	\$0

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:

1. 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. Medicaid Expansion is projected to be short \$13,575,316 and traditional Medicaid short \$164,964. The total General Fund shortfall is projected at \$63,360,780 (\$49,620,500 + \$13,575,316 + \$164,964.)
2. The department is projecting a related \$165 million shortfall in federal dollars associated with the shortfall in general fund for Medicaid, and an additional \$4 million state special revenue for unanticipated Medicaid expenses.
3. The department has \$6,800,000 in remaining contingency funds created by first quarter FMAP savings.

Fiscal Note Request – As Amended in the Senate

(continued)

4. DPHHS’s 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).
5. The amount appropriated in this amendment is \$56,600,000 from the Medicaid and 24/7 contingency fund, \$165,000,000 in federal special revenue, and \$4 million in state special revenue and will be spent in FY 2023.
6. 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 30th, 2023.

	FY 2023 Difference	FY 2024 Difference	FY 2025 Difference	FY 2026 Difference	FY 2027 Difference
<u>Fiscal Impact:</u>					
FTE	0.00	0.00	0.00	0.00	0.00
<u>Expenditures:</u>					
Benefits	\$225,500,000	\$0	\$0	\$0	\$0
TOTAL Expenditures	<u>\$225,500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>					
General Fund (01)	\$56,500,000	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$4,000,000	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$165,000,000	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	<u>\$225,500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>					
General Fund (01)	\$0	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$165,000,000	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$165,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>					
General Fund (01)	(\$56,500,000)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$4,000,000)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0	\$0



4-28-23
Sponsor's Initials
Date
Budget Director's Initials
Date