

1 HOUSE BILL NO. 155

2 INTRODUCED BY D. LENZ

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS RELATING TO
5 REIMBURSEMENT FOR CERTAIN MEDICAID SERVICES; REQUIRING DEVELOPMENT OF A PLAN TO
6 COLLECT DATA AND ANALYZE REIMBURSEMENT RATES FOR CERTAIN MEDICAID PROVIDERS;
7 REQUIRING REPORTS; ESTABLISHING REQUIREMENTS FOR BUDGET SUBMISSIONS BY THE
8 DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES; PROVIDING EQUITY IN INFLATIONARY
9 ADJUSTMENTS FOR CERTAIN STATE INSTITUTIONS AND THE PRIVATE SECTOR; AMENDING
10 SECTION 17-7-111, MCA; AND PROVIDING AN EFFECTIVE DATE."

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12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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14 NEW SECTION. **Section 1. Rate adequacy -- plan for collection of data -- reports.** (1) The
15 department of public health and human services, in collaboration with providers, consumers, and other
16 stakeholders, shall develop a plan for collecting expenditure data from medicaid-dependent providers of
17 services that:

18 (a) assist and support the elderly and persons with mental illness, physical disabilities, and
19 developmental disabilities; and

20 (b) are administered by the department divisions responsible for overseeing services for the elderly
21 and persons with mental illness, physical disabilities, or developmental disabilities.

22 (2) The purpose of the plan is to enable the department and the legislature to:

23 (a) analyze the data;

24 (b) determine the cost of providing services;

25 (c) make sound judgments about whether the rates being paid for each service are too high, too low,
26 or appropriate; and

27 (d) make decisions about rates that are based on sound data and analysis.

28 (3) The plan must:

- 1 (a) identify medicaid-dependent providers;
- 2 (b) identify high-volume services based on the units of service and costs;
- 3 (c) identify smaller providers who should be exempt from data reporting requirements;
- 4 (d) determine a base year for data collection and identify the types of expenditures and the providers
- 5 who are required to report data in order to make it possible to analyze data and make determinations about rate
- 6 adequacy;
- 7 (e) ensure that expenditure data reporting requirements are consistent across divisions of the
- 8 department to the extent possible;
- 9 (f) identify how often data should be collected for purposes of updating the base year expenditures;
- 10 and
- 11 (g) create a schedule prioritizing the order in which data is collected from various providers in order to
- 12 transition to a point at which the information will be available regarding all applicable providers and will be
- 13 updated on a regular basis.
- 14 (4) (a) The plan must be completed no later than July 1, 2022, and be provided to the 2023
- 15 legislature in accordance with 5-11-210.
- 16 (b) Beginning no later than September 1, 2021, the department shall provide quarterly updates to the
- 17 2021-2022 children, families, health, and human services interim committee regarding the progress being made
- 18 in developing the plan.
- 19 (5) For the purposes of this section, "medicaid-dependent providers" means providers with more than
- 20 half of their clients receiving services through the medicaid program.

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22 **Section 2.** Section 17-7-111, MCA, is amended to read:

23 **"17-7-111. Preparation of state budget -- agency program budgets -- form distribution and**

24 **contents.** (1) (a) To prepare a state budget, the executive branch, the legislature, and the citizens of the state

25 need information that is consistent and accurate. Necessary information includes detailed disbursements by

26 fund type for each agency and program for the appropriate time period, recommendations for creating a

27 balanced budget, and recommended disbursements and estimated receipts by fund type and fund category.

28 (b) Subject to the requirements of this chapter, the budget director and the legislative fiscal analyst

1 shall by agreement:

2 (i) establish necessary standards, formats, and other matters necessary to share information between
3 the agencies and to ensure that information is consistent and accurate for the preparation of the state's budget;
4 and

5 (ii) provide for the collection and provision of budgetary and financial information that is in addition to or
6 different from the information otherwise required to be provided pursuant to this section.

7 (2) In the preparation of a state budget, the budget director shall, not later than the date specified in
8 17-7-112(1), distribute to all agencies the proper forms and instructions necessary for the preparation of budget
9 estimates by the budget director. These forms must be prescribed by the budget director to procure the
10 information required by subsection (3). The forms must be submitted to the budget director by the date provided
11 in 17-7-112(2), or the agency's budget is subject to preparation based upon estimates as provided in 17-7-
12 112(5). The budget director may refuse to accept forms that do not comply with the provisions of this section or
13 the instructions given for completing the forms.

14 (3) The agency budget request must set forth a balanced financial plan for the agency completing the
15 forms for each fiscal year of the ensuing biennium. The plan must consist of:

16 (a) a consolidated agency budget summary of funds subject to appropriation, as provided in 17-8-101,
17 for the current base budget expenditures, including statutory appropriations, and for each present law
18 adjustment and new proposal request setting forth the aggregate figures of the full-time equivalent personnel
19 positions (FTE) and the budget, showing a balance between the total proposed disbursements and the total
20 anticipated receipts, together with the other means of financing the budget for each fiscal year of the ensuing
21 biennium, contrasted with the corresponding figures for the last-completed fiscal year and the fiscal year in
22 progress;

23 (b) a schedule of the actual and projected receipts, disbursements, and solvency of each fund for the
24 current biennium and estimated for the subsequent biennium;

25 (c) a statement of the agency mission and a statement of goals and objectives for each program of
26 the agency. The goals and objectives must include, in a concise form, sufficient specific information and
27 quantifiable information to enable the legislature to formulate an appropriations policy regarding the agency and
28 its programs and to allow a determination, at some future date, on whether the agency has succeeded in

1 attaining its goals and objectives.

2 (d) actual FTE and disbursements for the completed fiscal year of the current biennium, estimated
3 FTE and disbursements for the current fiscal year, and the agency's request for the ensuing biennium, by
4 program;

5 (e) actual disbursements for the completed fiscal year of the current biennium, estimated
6 disbursements for the current fiscal year, and the agency's recommendations for the ensuing biennium, by
7 disbursement category;

8 (f) for agencies with more than 20 FTE, a plan to reduce the proposed base budget for the general
9 appropriations act and the proposed state pay plan to 95% of the current base budget or lower if directed by the
10 budget director. Each agency plan must include base budget reductions that reflect the required percentage
11 reduction by fund type for the general fund and state special revenue fund types. Exempt from the calculations
12 of the 5% target amounts are legislative audit costs, administratively attached entities that hire their own staff
13 under 2-15-121, and state special revenue accounts that do not transfer their investment earnings or fund
14 balances to the general fund. The plan must include:

15 (i) a prioritized list of services that would be eliminated or reduced;

16 (ii) for each service included in the prioritized list, the savings that would result from the elimination or
17 reduction; and

18 (iii) the consequences or impacts of the proposed elimination or reduction of each service.

19 (g) a reference for each new information technology proposal stating whether the new proposal is
20 included in the approved agency information technology plan as required in 2-17-523;

21 (h) energy cost saving information as required by 90-4-616; and

22 (i) other information the budget director feels is necessary for the preparation of a budget.

23 (4) The budget director shall prepare and submit to the legislative fiscal analyst in accordance with
24 17-7-112:

25 (a) detailed recommendations for capital developments for:

26 (i) local infrastructure projects;

27 (ii) funding for energy development-impacted areas; and

28 (iii) the state long-range building program. Each recommendation for the capital developments long-

1 range building program must be presented by institution, agency, or branch, by funding source, with a
2 description of each proposed project.

3 (b) a statewide project budget summary as provided in 2-17-526;

4 (c) the proposed pay plan schedule for all executive branch employees at the program level by fund,
5 with the specific cost and funding recommendations for each agency. Submission of a pay plan schedule under
6 this subsection is not an unfair labor practice under 39-31-401.

7 (d) agency proposals for the use of cultural and aesthetic project grants under Title 22, chapter 2, part
8 3, the renewable resource grant and loan program under Title 85, chapter 1, part 6, the reclamation and
9 development grants program under Title 90, chapter 2, part 11, and the treasure state endowment program
10 under Title 90, chapter 6, part 7.

11 (5) The board of regents shall submit, with its budget request for each university unit in accordance
12 with 17-7-112, a report on the university system bonded indebtedness and related finances as provided in this
13 subsection (5). The report must include the following information for each year of the biennium, contrasted with
14 the same information for the last-completed fiscal year and the fiscal year in progress:

15 (a) a schedule of estimated total bonded indebtedness for each university unit by bond indenture;

16 (b) a schedule of estimated revenue, expenditures, and fund balances by fiscal year for each
17 outstanding bond indenture, clearly delineating the accounts relating to each indenture and the minimum legal
18 funding requirements for each bond indenture; and

19 (c) a schedule showing the total funds available from each bond indenture and its associated
20 accounts, with a list of commitments and planned expenditures from the accounts, itemized by revenue source
21 and project for each year of the current and ensuing bienniums.

22 (6) (a) The department of revenue shall make Montana individual income tax information available by
23 removing names, addresses, and social security numbers and substituting in their place a state accounting
24 record identifier number. Except for the purposes of complying with federal law, the department may not alter
25 the data in any other way.

26 (b) The department of revenue shall provide the name and address of a taxpayer on written request
27 of the budget director when the values on the requested return, including estimated payments, are considered
28 necessary by the budget director to properly analyze state revenue and are of a sufficient magnitude to

1 materially affect the analysis and when the identity of the taxpayer is necessary to evaluate the effect of the
2 return or payments on the analysis being performed.

3 (7) The following provisions apply to the development of the budget request for the department of
4 public health and human services:

5 (a) Adjustments to the present law base must be separated by each category described in 17-7-
6 102(10) in order for the legislature to determine the changes that are attributable to legally mandated workload,
7 caseload, or enrollment increases or decreases, constitutional or statutory schedules or formulas, inflationary or
8 deflationary adjustments, and elimination of nonrecurring appropriations.

9 (b) Inflation adjustments to the present law base for the institutions or services described in
10 subsection (7)(c) must be based on a reliable national index for the particular service or a similar service or the
11 consumer price index for urban wage earners and workers. An inflation adjustment that is greater than the
12 applicable national index or consumer price index must be presented as a new proposal.

13 (c) Subsection (7)(b) applies to inflation adjustments for:

14 (i) the department-operated institutions described in 53-1-602; and

15 (ii) services provided by private sector businesses and other entities that provide direct services to
16 beneficiaries in medicaid programs that are administered by the department divisions responsible for
17 overseeing services for the elderly and for persons with mental illness, physical disabilities, or developmental
18 disabilities."

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20 NEW SECTION. Section 3. Effective date. [This act] is effective July 1, 2021.

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