MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON HEALTH & HUMAN SERVICES

Call to Order: By Chairman Bradley, on January 24, 1989, at 8 a.m.

ROLL CALL

Members Present: All members were present.

Members Excused: None

Members Absent: None

Staff Present: Peter Blouke, LFA
Lois Steinbeck, OBPP

Announcements/Discussion: Medical Assistance, EXECUTIVE ACTION: Personal Services, Operating costs, waiver services, DHES surveys, Indian health, state medical, Medicaid institutions, current level nursing homes, current level primary care. Developmentally Disabilities evening meeting in Senate Judiciary Committee room on January 26, 1989.

DISPOSITION OF SOCIAL AND REHABILITATIVE SERVICES

Rep. Boharski addressed the subcommittee on a pilot program and personal attendants in Medicaid waiver services. One of the services the Medicaid waiver furnishes which is more than half of community services provided is personal attendant care services. The state now has two separate programs that oversee personal care. About a year ago we developed a pilot program to determine if the services were duplicative on the administrative level. WestMont has a contract with Social & Rehabilitation Services (SRS) which states that they will cooperate with the program that SRS creates. Rep. Boharski stated that he had a great deal of faith in the pilot program approach rather than try to turn the whole state around to run a new program; a new pilot program tried on a small scale to see if it is going to work is cost saving.

The pilot program would consist of taking twenty (20) case

management slots from an existing case management team that is functioning quite well; give those 20 cases the personal care aspect as much as the other services, e.g., transportation, respite, habilitation. If we can work the personal care in there, then hopefully we can cut out an administrator and if we're lucky, one-half of a registered nurse (RN). We can then keep those administrative costs down.

The case management slots already exist and are allocated. The personal care is already allocated. It's just a matter of shifting and working the two together. Rep. Boharski reported that it's more a matter of intent and direction to SRS; the department will also have to prepare a supplemental amendment for the feds for approval to shift funds/programs.

A060

Mr. Tickell agreed that the department would have to do this and also modify our statewide contract with WestMont. For a viable program, consideration will have to maintain at least 40 slots. Mr. Tickell and Rep. Boharski agreed that it would be necessary to find a case management team who have a full complement of 40 slots and just pull 20 slots, with the same team running both and not lose economic advantage.

Rep. Boharski explored the need for cooperation between WestMont, SRS and one of the case management teams all working together to put this program in place.

A095

Discussion on abilities of WestMont and SRS to work out this pilot program is good. Administration of WestMont's case management services is centralized in Helena offices with a statewide structure; it would not be advisable for the state to drop WestMont to go with new contract provider, who, in turn, would have to establish a viable program to provide services through a pilot program.

A130

Subcommittee procedure to include Rep. Boharski's pilot program proposal would be to include language expressing intent, and the department would pursue the amendment procedure.

EXECUTIVE ACTION:

A145

Medical Assistance: Sen. Van Valkenburg made a motion to accept the LFA level, which includes .5 FTE that has already been filled.

Motion accepted with Rep. Cobb dissenting.

A160

Operating Expenses: Subcommittee members agreed that final sums would be adjusted to reflect motions made during this Executive Session.

A200

Contracted Services: Mr. Tickell reported the two areas that might be monitored for the federal sanction process was the eligibility process and claims processing; thus contracted services for computerization of processing enables the department to use these services as a cost containment measure.

Sen. Van Valkenburg made a motion to accept the executive level for the Medicaid Management Information Systems (MMIS) and MMIS enhancements budgets.

Motion carried UNANIMOUSLY.

Foundation, acute care: Sen. Van Valkenburg made a motion to accept the Montana/Wyoming Foundation for Medical Care (MYFMC) contract budget on acute care, long term care and level of screening.

A221

Discussion explored the costs and benefits of the MYFMC services. Mr. Tickell stated the surveys of care control costs on different levels of care and the appropriateness of each; inappropriate care could be more expensive and might not be reimbursed by Medicare/Medicaid. Anyone could do the surveys, but MYFMC are the peer review organization for the state with a contract with Health & Human Services Commission; by using professionals to do the review, the state receives a 75/25% federal/state funding. Mr. Tickell remarked with Rivendell, a psychiatrist was conducting the peer review at a cost of $1000 per case.

Consultant contracts: Sen. Van Valkenburg made a motion to accept the executive level on the consultant contracts (except audiology) until we establish the "medical necessity" factor.

Discussion followed on the necessity of consultants. Mr. Tickell advised necessity for consultants to advise if surgery is required. If not advised, Medicaid may not pay costs. Sen. Keating stated with a total expenditure of eight or nine million dollars in programs, it would be advisable to have consultants for professional expertise.

A328

Motion to accept executive level consultant contracts carried UNANIMOUSLY.

A482

Update of DRG Groupers: Rep. Cobb made a motion to accept executive level minus $25,000 which is already in MMIS budget.

Motion carried UNANIMOUSLY.

A570

Janitorial Service: Sen. Van Valkenburg made a motion to accept janitorial service budget.

Motion carried UNANIMOUSLY.

A584

Legal fees: Rep. Cobb made a motion to approve $10,000 per year for legal fees.

Motion carried with Rep. Cody dissenting.

A640

Physical Exams, DDB: Rep. Cody made a motion to accept LFA level.

Motion carried UNANIMOUSLY.

Nursing Home Audits: Sen. Keating made a motion to accept executive level budget.

Motion did not carry with Sen. Hofman, Reps. Cody, Cobb and Grinde dissenting.

A730

Discussion followed. Federal regulations require audits because expenses are cost based and the state must determine if costs are appropriate; department conducts 23 full scale audits per year on the 99 nursing homes in the state. In order to complete 23 audits, a budget of $114,000 is required; to complete one-third or 33, a budget of $160,000 is needed.

B050

Rose Hughes of Nursing Home Association stated audits are required for fiscal year to use in negotiating base costs.

B070

Motion by Rep. Cook to accept executive level on nursing home audits budget.

Motion carried UNANIMOUSLY.

Motion by Sen. Van Valkenburg to accept executive level of Legislative Audit.

Motion carried UNANIMOUSLY.

B080 Motion by Rep. Cook to accept executive level of Blue Cross audit budget.

Motion carried UNANIMOUSLY.

Difference in executive and LFA levels shows $8,415 in FY1988 and LFA budget brought forward as $10,000 while the executive used FY 1987 actual amount.

B106

Equipment: Rep. Cody made a motion to accept executive level of equipment budget.

Motion carried UNANIMOUSLY.
B140
Grants, DHES surveys: Sen. Keating made a motion to accept executive level on DHES surveys budget.

Motion carried UNANIMOUSLY.

B150
Discussion followed on Medicare Waiver budget. Rep. Bradley stated that the subcommittee would have to come up with language of intent for Rep. Boharski's case management team proposal. Senator Keating asked if this would cause an increase in FTE level. Rep. Bradley stated that the positions are already under waiver status and subcommittee would just combine with personal care services.

B157
Rep. Grinde made a motion for subcommittee to come up with a statement of intent.

Motion carried UNANIMOUSLY.

Rep. Cobb stated that any statement of intent might also cover the proposal to fund Butte-Silver Bow with a case management team, which would also service Anaconda, Deer Lodge.

Discussion explored the appropriate mix of senior and disabled clients to be assisted. Sen. Keating asked if we now have nine (9) case management teams in the state with 518 client slots. Dr. Blouke stated the last legislature changed from 448 slots (318 for seniors, 130 for disabled) to 424 slots (270, seniors; 154, disabled). Cost per slot varies but disabled is higher than for the senior. If the disabled or senior citizen is not covered by case management team services, their

other alternative is institutional or private nursing home care that are more costly alternatives.

Rep. Cobb asked the department if reimbursement is requested if they are cared for at home. Mr. Tickell reported that they can ask for reimbursement and put a claim against property, e.g., client passes away.

B314

Sen. Keating made a motion to accept executive level of Medicaid waiver budget. Sen. Van Valkenburg requested an amendment to this motion to have sufficient number of teams to handle 424 clients and also add forty slots for Butte.

Motion carried UNANIMOUSLY.

Sen. Van Valkenburg asked that Sen. Keating's motion be amended to provide that agency work with 424 (270, elderly and 154, disabled and they have flexibility of adjusting those figures 10% on demand for the biennium.

Motion carried with Sen. Hofman and Rep. Bradley dissenting. Rep. Bradley this motion to be a statement that the way the inflation rate is being handled is inconsistent with executive policy.

B600

Sen. Van Valkenburg made a motion to approve funding for an additional 40 Medicaid waiver slots in Butte-Silver Bow (30, elderly and 10, disabled) for the biennium.

Motion carried with Sen. Keating, Rep. Grinde and Sen. Hofman dissenting.

B660

Discussion on start up costs for 40 slots demonstrated a basic $35,000 general funds plus $200,000 general funds and $350,000 federal funds. Mr. Tickell reported that there is a good deal of private care going on but that the elderly population is growing where Butte-Silver Bow's elderly population is 17.2% in comparison to the statewide 12%

B060

Further motion by Sen. Van Valkenburg to adjust executive budget to reflect changes we have made.

Motion carried UNANIMOUSLY.

Grants, Indian health and state medical: Motion by Rep. Cobb to accept executive level budget on Indian health and state medical.

Motion carried UNANIMOUSLY.
B090
Medicare Buy-in: Rep. Cody made a motion to accept LFA budget on Medicare buy-in. Discussion followed.

Motion carried with Reps. Cobb and Grinde dissenting.
B165

Medicaid Institutions: Sen. Keating made a motion to accept executive level and accept Medicaid institutions budget, except for the Montana Developmental Center, Boulder.

Discussion followed on the necessity of placing 30 patients from the Montana Developmental Center at Boulder into community based care facilities. The subcommittee stated the cost of care in the community is a means of cost containment and that they should propose assistance to explore this alternative to Boulder with the Institutions subcommittee.

Motion carried with Reps. Grinde and Cobb dissenting.

B290
Medicaid Nursing Homes: Sen. Keating made a motion to accept the current projections for the Medicaid nursing homes budget.

B320
Motion carried with Rep. Cody dissenting.

Testimony from the public on retaining benefits and concern on new proposed legislation defining services being provided as a "medical necessity." Mr. Tickell stated this is now the status quo and voiced concern that deciding the "more or most medical necessity" would be hard to determine or legislate.

Testimony offered by the following:
(see attachments)
Steve Waldron, CMHC
Jane Fisher
Bill Collins
Mary Olson
Debbie Huigen
Dick Hruska
Rose Hughes
Mona Jamison

ADJOURNMENT

Adjournment At: 11 a.m.

Dorothy Bradley
REP. DOROTHY BRADLEY, Chairman

DB/dib

2023.min

DAILY ROLL CALL

HEALTH & HUMAN SERVICES SUBCOMMITTEE

DATE 1-24-89

NAME	PRESENT	ABSENT	EXCUSED
Rep. Bradley, Chairman	✓		
Sen. Keating, Vice Chairman	✓		
Sen. Van Valkenberg	✓		
Sen. Hofman	✓		
Rep. Cobb	✓		
Rep. Cody	✓		
Rep. Grinde	✓		

Form CS-30A
Rev. 1985

EXHIBIT 1
DATE 1-24-89
HB

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

MEDICAL ASSISTANCE

PERSONAL SERVICES	1990	1991
Executive FTE	31.49	31.49 - filled
LFA Current Level FTE	31.99	31.99
Difference	(0.50)	(0.50) no change in FTE level
Executive	$910,861	$912,371
LFA Current Level	$901,084	$902,565 - fix
Difference	$9,777	$9,806

- - - - - - - - Personal Services Issues - - - - - - - - - - - - - - - -

The difference in FTE level is due to elimination of a vacant .5 administrative position by the executive. This position has since been filled. Difference in personal service costs are due to the .5 FTE eliminated in the executive budget and the inclusion of a 2 percent vacancy savings factor in the executive and a 4 percent vacancy savings in the LFA budget.

no issue

Appropriations Committee Policy

A. Elimination of Vacant Positions
No positions identified.

B. Elimination of Vacancy Savings

	FY 90	FY 91
Vacancy Savings		
Executive	$18,589	$18,620
LFA	$37,545	$37,608
Adjusted Personal services		
Executive	$929,450	$930,991
LFA	$938,629	$940,173
Difference	($9,179)	($9,182)

2. Committee Issues/Committee Action

LFA Budget - Page B-96

Executive Budget - Page 356

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

MEDICAL ASSISTANCE

OPERATING EXPENSES	1990	1991
Executive	$2,280,105	$2,263,890
LFA Current Level	$1,949,991	$1,951,322
Difference	$330,114	$312,568

- - - - - - - - - - - -Operating Expenses Issues - - - - - - - - - -

The major differences in operating expenses occur in the Contract Service portion of the budget. Attached is an itemized listing of contracted services.

2. Committee Issues

Committee Action

LFA Budget - Page B-97
Executive Budget - Page 356

MEDICAL ASSISTANCE
Contracted Services

	Fiscal 1988	Fiscal 1990	Fiscal 1991
MMIS Operations: The Medicaid Management Information System is the computerized system used by SRS to account for and process medicaid claims. Approximately 110,000 medicaid claims are processed each month. The computer programming is under contract with Consultec Inc. Both the Executive and LFA funded the contract at the current contract amount of $94,000 per month.	$1,054,949	$1,128,096	$1,128,096
MMIS Enhancements: These costs reflect projected changes in the MMIS system due to changes in state or federal regulations and changes made to increase the efficiency or accuracy of the system. Both the Executive and LFA funded the projected increases at the fiscal 1988 actual.	$205,000	$205,000	$205,000
Foundation - acute care: SRS contracts with the Montana/Wyoming Foundation For Medical Care to provide utilization/review of inpatient/outpatient acute care medical services reimbursed under the medicaid program. The LFA included the fiscal 1989 contract amount for each year of the 1991 biennium which represents a 3.2 percent increase. The Executive includes a 26 percent increase over the fiscal 1989 contracted amount. The Executive increase is based on the federal Medicare contract with the Foundation.	$175,173		
Executive		$228,418	$228,418
LFA		$180,746	$180,746
Difference		$47,672	$47,672

required by Medicaid Regs

Private Nonprofit Corp. professional staff review for appropriateness (DH - certif. different process)

Foundation - Long Term Care:
SRS also contracts with the Montana/Wyoming Foundation to provide utilization/review of nursing home care. Includes annual inspection of care of patients and review of nursing home records to ensure appropriateness of placement and services. The LFA included the 1989 contract amount which reflects a 22.8 percent increase over fiscal 1988 actual expenditures. The Executive includes a 4.8 percent increase over the fiscal 1989 contract amount.

To assure in need of that level of care.

	Fiscal 1988	Fiscal 1990	Fiscal 1991
	$82,423		
Executive		$106,115	$106,115
LFA		$101,243	$101,243
Difference		$4,872	$4,872

Foundation - Level of care/prescreening:
SRS contracts with the Montana/Wyoming Foundation for prescreening and reevaluations of potential and current nursing home and waiver clients. The LFA included a 20 percent increase over the fiscal 1988 actual. The Executive includes increase for increase for waiver screens, increased nursing home evaluations, and increases associated with increased costs in the Foundation contract.

100

Insure they need level of care provided.

	Fiscal 1988	Fiscal 1990	Fiscal 1991
	$66,338		
Executive		$125,000	$125,000
LFA		$79,605	$79,605
Difference		$45,395	$45,395

Piggyback on Fed. C.
Fed decreased
Took 10 + 15% cuts
Feds back up

Price per case reviewed for those in field.

SRS contracts with a number of different professional consultants to provide expertise in development of regulations for medicaid and to assist in monitoring utilization.

		Fiscal 1988	Fiscal 1990	Fiscal 1991
Dental Consultant:		$12,805		
	Executive		$13,500	$13,500
	LFA		$13,500	$14,000
	Difference		$0	($500)
Orthodontic consultant:		$2,563	$2,500	$2,500
Oral Surgery Consultant:		$0		
	Executive		$1,000	$1,000
	LFA		$2,000	$2,500
	Difference		($1,000)	($1,500)
Pharmacy Consultant:		$0	$5,000	$5,000
Audiology Consultant:				
	Executive		$4,970	$4,970
	LFA		$2,000	$2,000
	Difference		$2,970	$2,970
Augmentive Speech Device Consultant **Occupational Therapy Consultant** **Physical Therapy Consultant** **Speech Therapy Consultant**		$0	$4,750	$4,750

		Fiscal 1988	Fiscal 1990	Fiscal 1991
Oxygen Utilization Control: discontinuing? not cost effective?		$13,543	$10,000	$10,000
Update of DRG Groupers: This contract would be for technical assistance to update computer program for hospital prospective payment system. Software				
Diagnos. Related Gp - determine rate	Executive		$75,000	$75,000
Computer package plugged into Consultech reimbursmt. Need updating.	LFA - didn't + include is in MMIS - $25,000		$ 0	$ 0
	Difference		$75,000	$75,000
Janitorial Service: Kalispell - long term		$568	$568	$568
Legal Fees: The Executive included $25,000 per year for fair hearings to include funds to hire expert witnesses. LFA increased fiscal 1988 to $2,000.		$1,386		
	Executive		$26,386	$26,386
	LFA		$ 2,000	$ 2,000
	Difference		$24,386	$24,386
Physical Exams - DDB: These funds are for medical examinations to determine levels of disability as part of the determination of eligibility for medicaid. The Executive used the fiscal 1986 expenditure level and the LFA used the fiscal 1988 expenditure level and inflated by 5 percent.		$47,331		
	Executive		$65,045	$65,045
	LFA		$52,000	$54,600
	Difference		$13,045	$10,445

3 Teams in Nursing Homes
1) DHES - treatment / safety issues
2) Auditors - financial records
3) Foundation

	Fiscal 1988	Fiscal 1990	Fiscal 1991
Nursing Home Audits: SRS has contracted with a CPA firm to conduct audits of nursing home records. These audits are used to ensure compliance with state and federal regulations. The executive included the fiscal 1986 expenditure level. Because there were no expenditures in fiscal 1988, the LFA did not include any funds for audits.			
Executive	$0	$98,000	$98,000
LFA		$ 0	$ 0
Difference		$98,000	$98,000
Waiver Audit: The Executive has included funds to conduct an audit of the Home and Community Based Waiver program by the Legislative Auditors. No funds were included in the LFA.			
Executive	$0	$13,000	$0
LFA		$ 0	$0
Difference		$13,000	$0
Blue Cross audits: SRS contracts with Blue Cross/Blue shield to conduct audits of hospital costs. These audits are used to ensure fiscal compliance with state and federal regulations and are used to determine settlement amounts. The executive used the fiscal 1987 actual amount. The LFA increased the fiscal 1988 actual.			
Executive	$8,415	$50,000	$50,000
LFA		$10,000	$10,000
Difference		$40,000	$40,000

good deal.
audit. law last yr.)
Piggy back - Medicare Audits Per Red

	Fiscal 1988	Fiscal 1990	Fiscal 1991
Computer Processing D of A: Both the executive and LFA used the fiscal 1988 actual which includes a deflation factor. 1) patient assessment score - patient abstracts in nursing homes 2) paid claims tape	$58,491	$48,332	$44,206
Miscellaneous Other contracts include honorariums, microfilming, graphic arts, and printing and graphics. Both the LFA and Executive used fiscal 1988 actual expenditures.		$20,711	$20,711

Total Contracted Services

Total Contacted services: includes deflation factors.

Executive	$2,211,312	$2,198,312
LFA	$1,868,073	$1,872,673
Difference	$343,239	$325,639

main spending cost differences

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

MEDICAL ASSISTANCE

EQUIPMENT	1990	1991
Executive	$2,700	$2,700
LFA Current Level	$4,605	$3,503
Difference	($1,905)	($803)

- - - - - - - - - - - - - - - -Equipment Issues - - - - - - - - - - - - - -

Both the executive and LFA funded miscellaneous office equipment. The LFA funded more of it.

2. Committee Issues

Committee Action

LFA Budget - Page B-97

Executive Budget - Page 356

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

MEDICAL ASSISTANCE

GRANTS designated Medicaid Agent

DHES SURVEYS	1990	1991
Executive	$261,876	$261,524
LFA Current Level	$261,876	$261,524
Difference	$0	$0

- - - - - - - - - - - - - - - - -Grants Issues- - - - - - - - - - - - - - -

These funds are 100 percent federal funds that are passed through to the Department of Health to conduct certification of nursing homes for medicaid reimbursement. Medicaid -

1. Committee Issues

2. Committee Action

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

MEDICAL ASSISTANCE

began in '85 original intent. reduce nursing home costs Hosp't. (may slow increase)

GRANTS

MEDICAID WAIVER	1990	1991
Executive	$3,339,628	$3,445,871
LFA Current Level	$2,894,711	$2,894,711
Difference	$444,917	$551,160

- - - - - - - - - - - - - - - - -Grants Issues- - - - - - - - - - - - - - -

This medicaid program is funded approximately 28 percent general fund and 72 percent federal funds. The LFA used the fiscal 1989 appropriated level for both fiscal years of the 1991 biennium and continued the same proportion of elderly to disabled. The Executive increased the number of disabled served under the waiver and inflated 3 percent for increased costs of services. *

disabled · 10,500
elderly 7,791 } separate approp. last bien. Mr. need for disabled. Increases average cost.

1. Committee Issues

Waiver for statewideness. (6-7 teams in state)

Exec- mr. services to disabled. Inflated Cost ⟹ increase

Waiver Teams - C w/Dpt; subcontract services.

Young Head injured in Kizzou - otherwise would be in nursing home
Small children - inhome services for tracheotomy

2. Committee Action

'87 - didn't go w/expansion in Butte + Havre
Intent has been to keep in present areas.

Keep out of nursing homes + acute hospital care

Vote - mix
slots (10)

no case management there to coordinate services

Screened - must meet level of care.

July '88 [illegible] 270 elder 104 disab

current "

increased cost/case [illegible]
reason: C w/ [illegible]

LFA Budget - Page B-98
Executive Budget - Page 357, 358

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

MEDICAL ASSISTANCE

GRANTS

INDIAN HEALTH	1990	1991
Executive	$1,735,235	$1,908,758
LFA Current Level	$1,735,235	$1,908,758
Difference	$0	$0

- - - - - - - - - - - - - - - - -Grants Issues- - - - - - - - - - - - - - -

These are 100 percent federal funds used for Indian health services on Indian reservations. Both the executive and LFA include the most current estimate of available funds.

1. Committee Issues

2. Committee Action

LFA Budget - Page B-99
Executive Budget - Page 357

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

MEDICAL ASSISTANCE

Why increase? Hospitals mr. aggressive Mr. utilization

Leg - 6m/yr thru Actual - 4m

GRANTS

STATE MEDICAL	1990	1991
Executive	$4,823,686	$5,035,713
LFA Current Level	$4,500,000	$4,500,000
Difference	$323,686	$535,713

- - - - - - - - - - - - - - - - -Grants Issues- - - - - - - - - - - - - - -

The Executive increased funding for the State Medical Program commensurate with the Executive projection of growth in the general assistance caseload. The LFA funding assumes that expenditures for the State Medical program will not continue to increase during the 1991 biennium.

1. Committee Issues

If reverted counties would have grants in aid anyway!

60% on GA

2. Committee Action

LFA Budget - Page B-100, 101
Executive Budget - Page 357

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

MEDICAL ASSISTANCE

GRANTS

MEDICARE BUY-IN	1990	1991
Executive	$2,781,817	$2,893,090
LFA Current Level	$3,576,524	$4,451,599
Difference	($ 794,707)	($1,558,509)
Current Projection	$3,661,390	$3,807,845

- - - - - - - - - - - - - - - - -Grants Issues- - - - - - - - - - - - - - -

Neither the Executive budget or the LFA include any funds for additional cases mandated by the Catastrophic Coverage Act of 1988.

The executive budget includes a 4 percent increase in the Buy-in caseload from fiscal 1989 and holds the premium rate at $24.80 which was the rate in effect for calendar year 1988. The LFA also increased the caseload by 4 percent but adjusted the premium to reflect projected increases associated with changes in the law.

The Current Projection is based on fiscal 1989 cases through January, 1989; includes a 3.5 percent increase in the caseload; and holds the premium at $31.90 which was the premium in effect during January.

1. The Committee may adjust the assumptions used to project the caseload.

2. The committee may adjust the premium according to available information on changes in rates related to the Catastrophic Coverage Act.

1. Committee Issues

2. Committee Action

LFA Budget - Page B-99, 100
Executive Budget - Page 357

19-Jan-89

CALCULATION OF BUY-IN COST

	FISCAL 1988	FISCAL 1989	FISCAL 1990	FISCAL 1991	1989 BIENNIUM	1991 BIENNIUM	% INCREAS BIENNIUM
ASSIST							
CASES	5,435	4,493	4,673	4,860	9,929	9,533	-3.98%
PREMIUM	$21.35	$28.35	$31.90	$31.90	$24.85	$31.90	28.37%
PAYMENT	$20.58	$29.18	$32.84	$32.84	$24.88	$32.84	31.97%
TOTAL COST	$1,342,269	$1,573,565	$1,841,431	$1,915,089	$2,915,833	$3,756,520	28.83%
NON-ASSIST							
CASES	3,465	4,099	4,263	4,433	7,564	8,696	14.97%
PREMIUM	$21.35	$28.35	$31.90	$31.90	$24.85	$31.90	28.37%
PAYMENT	$21.00	$31.62	$35.58	$35.58	$26.31	$35.58	35.23%
TOTAL COST	$873,243	$1,555,215	$1,819,958	$1,892,756	$2,428,458	$3,712,715	52.88%
TOTAL							
CASES	8,900	8,592	8,936	9,293	17,493	18,230	4.21%
PREMIUM	$21.35	$28.35	$31.90	$31.90	$24.85	$31.90	28.37%
PAYMENT	20.79	30.4	34.21	34.21	25.6	$34.21	33.63%
TOTAL COST	$2,215,512	$3,128,780	$3,661,390	$3,807,845	$5,344,291	$7,469,235	39.76%
FUNDS							
GENERAL FUND	$1,290,554	$2,012,808	$2,350,843	$2,442,770	$3,303,362	$4,793,613	45.11%
FEDERAL FUND	$924,957	$1,115,972	$1,310,547	$1,365,075	$2,040,929	$2,675,622	31.10%
TOTAL FUNDS	$2,215,512	$3,128,780	$3,661,390	$3,807,845	$5,344,291	$7,469,235	39.76%

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

MEDICAL ASSISTANCE

GRANTS

MEDICAID INSTITUTIONS	1990	1991
Executive	$9,862,402	$9,877,645
LFA Current Level	$14,194,020	$14,636,004
Difference	($4,092,136)	($4,758,359)

Did not [illegible] GF in Agency Medicaid in SRS

GF portion included in Institution budgets for Exec.

- - - - - - - - - - - - - - - - -Grants Issues- - - - no issue - - - - -

will GF be in SRS or Institutions?

The major difference between the Executive budget and the LFA current level is that the Executive has included the general fund portion of the medicaid reimbursement to institutions in the state institution budgets. The LFA has included both the general fund and federal funds in the SRS budget. Projected medicaid bed days and reimbursement rates are similar.

1. Should the general fund match be included in the institutional budgets or included in the SRS budget.

2. The Committee may consider language to be included indicateing the committee's intent that SRS should seek a budget amendment for increased federal fund should there be justification for increased rates or if there are increases in the bed days provided.

1. Committee Issues

no diff

2. Committee Action

LFA Budget - Page B-101
Executive Budget - Page 357

Legal History
82 - different reimb. system
Opt. had less inflation than leg.
H. rates didn't reflect reas. - projected inflation

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

MEDICAL ASSISTANCE

approx. to SRS
Private homes reimbursed for medicaid elig. clients

GRANTS 3 Kinds counts Nonprofit Proprietary 99 homes 66 hosp.

MEDICAID NURSING HOMES	1990	1991
Executive	$51,712,032	$51,972,788
LFA Current Level	$51,664,273	$52,961,047
Difference	$ 47,759	($988,259)
Current Projection base Medicaid can do inflation	$51,117,882	$51,245,843

- - - - - - - - - - - - - - - - - - -Grants Issues- - - - - - - - - - - - - - - -

The Executive projection of nursing home costs was based on a reimbursement rate of $37.60 for both years of the 1991 biennium and projected bed days of 1,375,320 in fiscal 1990 and 1,382,255 in fiscal 1991.

The LFA projection was based on a reimbursement rate of $37.93 in fiscal 1990 and $38.69 in fiscal 1991. Projected bed days included in the LFA are 1,361,988 in fiscal 1990 and 1,368,798 in fiscal 1991. The increased reimbursement rate reflects a 2 percent increase in rates.

The Current Projection is based on fiscal 1989 expenditures through December, 1988. The projected increase in medicaid bed days is based on Department of Health information regarding approved new nursing home beds during the 1991 biennium. The Current Projection includes a reimbursement rate of $37.35 per day for each year of the 1991 biennium. This is the same reimbursement that was paid during December 1988.

I - reimbursement rate Medicaid beds not rising as fast as anticipated

Projected inflation rates - nursing facilities - 5% /yr.

1. Committee Issues

2. Committee Action

base

LFA Budget - Page B-103, 104
Executive Budget - Page 357

MEDICAL ASSISTANCE

PRIMARY CARE OPTIONS

The following are various options the Committee may consider regarding the impact of inflation and increase for fee based providers under the medicaid primary care budget.

Option 1.
With no inflation allowed for any of the various services but including a 3.5 percent increase in the caseload:

FY 88	FY 89	FY 90	FY 91
$78,031,128	$86,663,962	$89,469,102	$92,372,422

Percent Increase 1989-1991 biennium: 10.4%

Annual Increase 1989-1991: 3.3%

Option 2.
Includes medical care component of Consumer Price Index for hospital based services; no increase for fee based providers; and a 3.5 percent caseload growth:

FY 88	FY 89	FY 90	FY 91
$78,031,128	$86,663,962	$92,318,462	$98,510,607

Percent Increase 1989-1991 biennium: 15.7%

Annual Increase 1989-1991: 6.5%

Option 3.
Includes medical care component of Consumer Price Index for hospital based services; a 2 percent increase for fee based providers; and a 3.5 percent caseload growth:

FY 88	FY 89	FY 90	FY 91
$78,031,128	$86,663,962	$93,100,776	$100,128,729

Percent Increase 1989-1991 biennium: 17.3%

Annual Increase 1989-1991: 7.5%

Option 4.

Includes medical care component of Consumer Price Index for hospital based services; a 3 percent increase for fee based providers; and a 3.5 percent caseload growth:

FY 88	FY 89	FY 90	FY 91
$78,031,128	$86,663,962	$93,491,933	$100,958,667

Percent Increase 1989-1991 biennium: 18.1%

Annual Increase 1989-1991: 7.9%

Option 5.

Includes medical care component of Consumer Price Index for hospital based services and all fee based providers; includes a 3.5 percent increase in caseload growth.

FY 88	FY 89	FY 90	FY 91
$78,031,128	$86,663,962	$94,860,983	$103,970,327

Percent Increase 1989-1991 biennium: 20.7%

Annual Increase 1989-1991: 9.5%

The incremental cost for each 1 percent increse for fee based providers is $1,221,000 of which $346,000 is general fund.

2 groups served by Medicaid
AFDC
SSI

OPTION 1

	Fiscal 1988			Fiscal 1989		Fiscal 1990		Fiscal 1991	
AFDC RELATED									
Type of Service	PROJECTED	%Increase	PROJECTED COST	%Increase	PROJECTED COST	%Increase	PROJECTED COST	%Increase	PROJECTED COST
Inpatient Hospital	$18,875,139	10.227%	$20,805,594	3.500%	$21,533,790	3.500%	$22,287,472		
Number of Services	NA	1.035	NA	1.035	NA	1.035	NA		
Cost per Service	NA	1.065	NA	1.000	NA	1.000	NA		
Outpatient Hospital	$3,437,415	10.228%	$3,788,977	3.500%	$3,921,591	3.500%	$4,058,846		
Number of Services	198,323	1.035	205,264	1.035	212,449	1.035	219,884		
Cost per Service	$17.33	1.065	$18.46	1.000	$18.46	1.000	$18.46		
Physician	$8,970,003	5.052%	$9,423,212	3.500%	$9,753,025	3.500%	$10,094,381		
Number of Services	335,094	1.035	346,822	1.035	358,961	1.035	371,525		
Cost per Service	$26.77	1.015	$27.17	1.000	$27.17	1.000	$27.17		
Other Pratitioners	$1,577,294	3.500%	$1,632,499	3.500%	$1,689,637	3.500%	$1,748,774		
Number of Services	134,269	1.035	138,968	1.035	143,832	1.035	148,866		
Cost per Service	$11.75	1.000	$11.75	1.000	$11.75	1.000	$11.75		
Drugs	$2,082,205	3.500%	$2,155,082	3.500%	$2,230,510	3.500%	$2,308,578		
Number of Services	209,353	1.035	216,680	1.035	224,264	1.035	232,113		
Cost per Service	$9.95	1.000	$9.95	1.000	$9.95	1.000	$9.95		
Dental	$2,284,300	3.501%	$2,364,279	3.500%	$2,447,029	3.500%	$2,532,675		
Number of Services	100,102	1.035	103,606	1.035	107,232	1.035	110,985		
Cost per Service	$22.82	1.000	$22.82	1.000	$22.82	1.000	$22.82		
Other	$1,740,395	3.500%	$1,801,309	3.500%	$1,864,355	3.500%	$1,929,607		
Number of Services	333,455	1.035	345,126	1.035	357,205	1.035	369,708		
Cost per Service	$5.22	1.000	$5.22	1.000	$5.22	1.000	$5.22		
TOTAL AFDC	$38,966,751	7.710%	$41,970,952	0.03	$43,439,936	0.03	$44,960,333		
TOTAL MEDICAID									

OPTION 1

SSI RELATED	Fiscal 1988	Fiscal 1989		Fiscal 1990		Fiscal 1991	
Type of Service	PROJECTED	%Increase	PROJECTED COST	%Increase	PROJECTED COST	%Increase	PROJECTED COST
Inpatient Hospital	$13,885,741	10.227%	$15,305,905	3.500%	$15,841,612	3.500%	$16,396,068
Number of Services	1,323,288	1.035	NA	1.035	NA	1.035	NA
Cost per Service	$10.49	1.065	NA	1.000	NA	1.000	NA
Outpatient Hospital	$2,225,794	10.227%	$2,453,437	3.500%	$2,539,307	3.500%	$2,628,183
Number of Services	190,417	1.035	197,082	1.035	203,979	1.035	211,119
Cost per Service	$11.69	1.065	$12.45	1.000	$12.45	1.000	$12.45
Physician	$3,466,426	5.052%	$3,641,567	3.500%	$3,769,022	3.500%	$3,900,938
Number of Services	220,812	1.035	228,540	1.035	236,539	1.035	244,818
Cost per Service	$15.70	1.015	$15.93	1.000	$15.93	1.000	$15.93
Other Pratitioners	$809,479	3.500%	$837,811	3.500%	$867,134	3.500%	$897,484
Number of Services	63,202	1.035	65,414	1.035	67,704	1.035	70,073
Cost per Service	$12.81	1.000	$12.81	1.000	$12.81	1.000	$12.81
Drugs	$7,193,191	3.500%	$7,444,953	3.500%	$7,705,526	3.500%	$7,975,219
Number of Services	539,188	1.035	558,060	1.035	577,592	1.035	597,807
Cost per Service	$13.34	1.000	$13.34	1.000	$13.34	1.000	$13.34
Dental	$712,149	3.500%	$737,074	3.500%	$762,872	3.500%	$789,572
Number of Services	22,432	1.035	23,217	1.035	24,030	1.035	24,871
Cost per Service	$31.75	1.000	$31.75	1.000	$31.75	1.000	$31.75
Other	$7,492,911	3.500%	$7,755,163	3.500%	$8,026,594	3.500%	$8,307,524
Number of Services	2,271,746	1.035	2,351,257	1.035	2,433,551	1.035	2,518,725
Cost per Service	$3.30	1.000	$3.30	1.000	$3.30	1.000	$3.30
TOTAL SSI	$35,785,691	6.679%	$38,175,910	0.03	$39,512,067	0.03	$40,894,989

Only cost (no inflation)

TOTAL MEDICAID Service	Fiscal 1988 PROJECTED	Fiscal 1989 %Increase	Fiscal 1989 COST	Fiscal 1990 %Increase	Fiscal 1990 COST	Fiscal 1991 %Increase	Fiscal 1991 COST
Inpatient Hospital	$32,760,880	10.227%	$36,111,499	3.500%	$37,375,401	3.500%	$38,683,541
Number of Services	NA	NA	NA	NA	NA	NA	NA
Cost per Service	NA	NA	NA	NA	NA	NA	NA
Outpatient Hospital	$5,663,209	10.227%	$6,242,414	3.500%	$6,460,898	3.500%	$6,687,030
Number of Services	388,740	0.035	402,346	0.035	416,428	0.035	431,003
Cost per Service	$14.57	0.065	$15.52	0.000	$15.52	0.000	$15.52
Physician	$12,436,429	5.052%	$13,064,780	3.500%	$13,522,047	3.500%	$13,995,319
Number of Services	555,906	0.035	575,363	0.035	595,500	0.035	616,343
Cost per Service	$22.37	0.015	$22.71	0.000	$22.71	0.000	$22.71
Other Pratitioners	$2,386,773	3.500%	$2,470,310	3.500%	$2,556,771	3.500%	$2,646,258
Number of Services	197,471	0.035	204,382	0.035	211,536	0.035	218,940
Cost per Service	$12.09	0.000	$12.09	0.000	$12.09	0.000	$12.09
Drugs	$9,275,396	3.500%	$9,600,035	3.500%	$9,936,036	3.500%	$10,283,797
Number of Services	748,541	0.035	774,740	0.035	801,856	0.035	829,921
Cost per Service	$12.39	0.000	$12.39	0.000	$12.39	0.000	$12.39
Dental	$2,996,449	3.501%	$3,101,353	3.500%	$3,209,901	3.500%	$3,322,247
Number of Services	122,534	0.035	126,823	0.035	131,261	0.035	135,856
Cost per Service	$24.45	0.000	$24.45	0.000	$24.45	0.000	$24.45
Other	$9,233,306	3.500%	$9,556,472	3.500%	$9,890,948	3.500%	$10,237,131
Number of Services	2,605,201	0.035	2,696,383	0.035	2,790,756	0.035	2,888,433
Cost per Service	$3.54	0.000	$3.54	0.000	$3.54	0.000	$3.54
TOTAL MEDICAID	$74,752,442	7.216%	$80,146,862	3.500%	$82,952,002	3.500%	$85,855,322
ADJUSTMENTS:							
ADD: RIVENDELL - BILLINGS 48 BEDS FY 89-91 @ $300.00/			$2,628,000		$2,628,000		$2,628,000
RIVENDELL - BUTTE 48 BEDS FY 89-91 @ $300.00/DAY			$1,839,600		$1,839,600		$1,839,600
SHODAIR - HELENA 20 BEDS FY 89-91 @ $420.00/DAY			$2,299,500		$2,299,500		$2,299,500
STATE MEDICAL TO MEDICAID TRANSFERS			$450,000		$450,000		$450,000
LESS: REFUNDS			($700,000)		($700,000)		($700,000)
FY 88 ADJUSTMENTS	$3,278,686						
ADJUSTED TOTAL MEDICIAD	$78,031,128		$86,663,962		$89,469,102		$92,372,422

22-Jan-89

OPTION 2

AFDC RELATED	Fiscal 1988	Fiscal 1989		Fiscal 1990		Fiscal 1991	
Type of Service	PROJECTED	%Increase	PROJECTED COST	%Increase	PROJECTED COST	%Increase	PROJECTED COST
Inpatient Hospital	$18,875,139	10.227%	$20,805,594	10.227%	$22,933,486	10.331%	$25,302,744
Number of Services	NA	1.035	NA	1.035	NA	1.035	NA
Cost per Service	NA	1.065	NA	1.065	NA	1.066	NA
Outpatient Hospital	$3,437,415	10.228%	$3,788,977	10.227%	$4,176,494	10.331%	$4,607,968
Number of Services	198,323	1.035	205,264	1.035	212,449	1.035	219,884
Cost per Service	$17.33	1.065	$18.46	1.065	$19.66	1.066	$20.96
Physician	$8,970,003	5.052%	$9,423,212	3.500%	$9,753,025	3.500%	$10,094,381
Number of Services	335,094	1.035	346,822	1.035	358,961	1.035	371,525
Cost per Service	$26.77	1.015	$27.17	1.000	$27.17	1.000	$27.17
Other Pratitioners	$1,577,294	3.500%	$1,632,499	3.500%	$1,689,637	3.500%	$1,748,774
Number of Services	134,269	1.035	138,968	1.035	143,832	1.035	148,866
Cost per Service	$11.75	1.000	$11.75	1.000	$11.75	1.000	$11.75
Drugs	$2,082,205	3.500%	$2,155,082	3.500%	$2,230,510	3.500%	$2,308,578
Number of Services	209,353	1.035	216,680	1.035	224,264	1.035	232,113
Cost per Service	$9.95	1.000	$9.95	1.000	$9.95	1.000	$9.95
Dental	$2,284,300	3.501%	$2,364,279	3.500%	$2,447,029	3.500%	$2,532,675
Number of Services	100,102	1.035	103,606	1.035	107,232	1.035	110,985
Cost per Service	$22.82	1.000	$22.82	1.000	$22.82	1.000	$22.82
Other	$1,740,395	3.500%	$1,801,309	3.500%	$1,864,355	3.500%	$1,929,607
Number of Services	333,455	1.035	345,126	1.035	357,205	1.035	369,708
Cost per Service	$5.22	1.000	$5.22	1.000	$5.22	1.000	$5.22
TOTAL AFDC	$38,966,751	7.710%	$41,970,952	7.442%	$45,094,535	7.607%	$48,524,727

OPTION 2

SSI RELATED Type of Service	PROJECTED	%Increase	PROJECTED COST	%Increase	PROJECTED COST	%Increase	PROJECTED COST
Inpatient Hospital	$13,885,741	10.227%	$15,305,905	10.227%	$16,871,317	10.331%	$18,614,292
Number of Services	1,323,288	1.035	NA	1.035	NA	1.035	NA
Cost per Service	$10.49	1.065	NA	1.065	NA	1.066	NA
Outpatient Hospital	$2,225,794	10.227%	$2,453,437	10.227%	$2,704,362	10.331%	$2,983,750
Number of Services	190,417	1.035	197,082	1.035	203,979	1.035	211,119
Cost per Service	$11.69	1.065	$12.45	1.065	$13.26	1.066	$14.13
Physician	$3,466,426	5.052%	$3,641,567	3.500%	$3,769,022	3.500%	$3,900,938
Number of Services	220,812	1.035	228,540	1.035	236,539	1.035	244,818
Cost per Service	$15.70	1.015	$15.93	1.000	$15.93	1.000	$15.93
Other Pratitioners	$809,479	3.500%	$837,811	3.500%	$867,134	3.500%	$897,484
Number of Services	63,202	1.035	65,414	1.035	67,704	1.035	70,073
Cost per Service	$12.81	1.000	$12.81	1.000	$12.81	1.000	$12.81
Drugs	$7,193,191	3.500%	$7,444,953	3.500%	$7,705,526	3.500%	$7,975,219
Number of Services	539,188	1.035	558,060	1.035	577,592	1.035	597,807
Cost per Service	$13.34	1.000	$13.34	1.000	$13.34	1.000	$13.34
Dental	$712,149	3.500%	$737,074	3.500%	$762,872	3.500%	$789,572
Number of Services	22,432	1.035	23,217	1.035	24,030	1.035	24,871
Cost per Service	$31.75	1.000	$31.75	1.000	$31.75	1.000	$31.75
Other	$7,492,911	3.500%	$7,755,163	3.500%	$8,026,594	3.500%	$8,307,524
Number of Services	2,271,746	1.035	2,351,257	1.035	2,433,551	1.035	2,518,725
Cost per Service	$3.30	1.000	$3.30	1.000	$3.30	1.000	$3.30
TOTAL SSI	$35,785,691	6.679%	$38,175,910	6.630%	$40,706,827	6.785%	$43,468,780

22-Jan-89

OPTION 2

TOTAL MEDICAID Service	Fiscal 1988 PROJECTED	Fiscal 1989 %Increase	Fiscal 1989 COST	Fiscal 1990 %Increase	Fiscal 1990 COST	Fiscal 1991 %Increase	Fiscal 1991 COST
Inpatient Hospital	$32,760,880	10.227%	$36,111,499	10.228%	$39,804,803	10.331%	$43,917,037
Number of Services	NA	NA	NA	NA	NA	NA	NA
Cost per Service	NA	NA	NA	NA	NA	NA	NA
Outpatient Hospital	$5,663,209	10.227%	$6,242,414	10.227%	$6,880,857	10.331%	$7,591,718
Number of Services	388,740	0.035	402,346	0.035	416,428	0.035	431,003
Cost per Service	$14.57	0.065	$15.52	0.065	$16.52	0.066	$17.61
Physician	$12,436,429	5.052%	$13,064,780	3.500%	$13,522,047	3.500%	$13,995,319
Number of Services	555,906	0.035	575,363	0.035	595,500	0.035	616,343
Cost per Service - average	$22.37	0.015	$22.71	0.000	$22.71	0.000	$22.71
Other Pratitioners	$2,386,773	3.500%	$2,470,310	3.500%	$2,556,771	3.500%	$2,646,258
Number of Services	197,471	0.035	204,382	0.035	211,536	0.035	218,940
Cost per Service	$12.09	0.000	$12.09	0.000	$12.09	0.000	$12.09
Drugs	$9,275,396	3.500%	$9,600,035	3.500%	$9,936,036	3.500%	$10,283,797
Number of Services	748,541	0.035	774,740	0.035	801,856	0.035	829,921
Cost per Service	$12.39	0.000	$12.39	0.000	$12.39	0.000	$12.39
Dental	$2,996,449	3.501%	$3,101,353	3.500%	$3,209,901	3.500%	$3,322,247
Number of Services	122,534	0.035	126,823	0.035	131,261	0.035	135,856
Cost per Service	$24.45	0.000	$24.45	0.000	$24.45	0.000	$24.45
Other	$9,233,306	3.500%	$9,556,472	3.500%	$9,890,948	3.500%	$10,237,131
Number of Services	2,605,201	0.035	2,696,383	0.035	2,790,756	0.035	2,888,433
Cost per Service	$3.54	0.000	$3.54	0.000	$3.54	0.000	$3.54
TOTAL MEDICAID	$74,752,442	7.216%	$80,146,862	7.055%	$85,801,362	7.217%	$91,993,507
ADJUSTMENTS:							
ADD: RIVENDELL - BILLINGS 48 BEDS FY 89-91 @ $300.00/			$2,628,000		$2,628,000		$2,628,000
RIVENDELL - BUTTE 48 BEDS FY 89-91 @ $300.00/DAY			$1,839,600		$1,839,600		$1,839,600
SHODAIR - HELENA 20 BEDS FY 89-91 @ $420.00/DAY			$2,299,500		$2,299,500		$2,299,500
STATE MEDICAL TO MEDICAID TRANSFERS			$450,000		$450,000		$450,000
LESS: REFUNDS			($700,000)		($700,000)		($700,000)
FY 88 ADJUSTMENTS	$3,278,686						
ADJUSTED TOTAL MEDICIAD	$78,031,128		$86,663,962		$92,318,462		$98,510,607

OPTION 3

AFDC RELATED	Fiscal 1988			Fiscal 1989			Fiscal 1990			Fiscal 1991		
Type of Service	PROJECTED	%Increase	PROJECTED COST		%Increase	PROJECTED COST		%Increase	PROJECTED COST			
Inpatient Hospital	$18,875,139	10.227%	$20,805,594		10.227%	$22,933,486		10.331%	$25,302,744			
Number of Services	NA	1.035	NA		1.035	NA		1.035	NA			
Cost per Service	NA	1.065	NA		1.065	NA		1.066	NA			
Outpatient Hospital	$3,437,415	10.228%	$3,788,977		10.227%	$4,176,494		10.331%	$4,607,968			
Number of Services	198,323	1.035	205,264		1.035	212,449		1.035	219,884			
Cost per Service	$17.33	1.065	$18.46		1.065	$19.66		1.066	$20.96			
Physician	$8,970,003	5.052%	$9,423,212		5.570%	$9,948,085		5.570%	$10,502,194			
Number of Services	335,094	1.035	346,822		1.035	358,961		1.035	371,525			
Cost per Service	$26.77	1.015	$27.17		1.020	$27.71		1.020	$28.27			
Other Pratitioners	$1,577,294	3.500%	$1,632,499		5.570%	$1,723,430		5.570%	$1,819,425			
Number of Services	134,269	1.035	138,968		1.035	143,832		1.035	148,866			
Cost per Service	$11.75	1.000	$11.75		1.020	$11.98		1.020	$12.22			
Drugs	$2,082,205	3.500%	$2,155,082		5.570%	$2,275,120		5.570%	$2,401,844			
Number of Services	209,353	1.035	216,680		1.035	224,264		1.035	232,113			
Cost per Service	$9.95	1.000	$9.95		1.020	$10.14		1.020	$10.35			
Dental	$2,284,300	3.501%	$2,364,279		5.570%	$2,495,969		5.570%	$2,634,995			
Number of Services	100,102	1.035	103,606		1.035	107,232		1.035	110,985			
Cost per Service	$22.82	1.000	$22.82		1.020	$23.28		1.020	$23.74			
Other	$1,740,395	3.500%	$1,801,309		5.570%	$1,901,642		5.570%	$2,007,563			
Number of Services	333,455	1.035	345,126		1.035	357,205		1.035	369,708			
Cost per Service	$5.22	1.000	$5.22		1.020	$5.32		1.020	$5.43			
TOTAL AFDC	$38,966,751	7.710%	$41,970,952		8.299%	$45,454,226		8.410%	$49,276,733			

OPTION 3

SSI RELATED Type of Service	PROJECTED	%Increase	PROJECTED COST	%Increase	PROJECTED COST	%Increase	PROJECTED COST
Inpatient Hospital	$13,885,741	10.227%	$15,305,905	10.227%	$16,871,317	10.227%	$18,596,831
Number of Services	1,323,288	1.035	NA	1.035	NA	1.035	NA
Cost per Service	$10.49	1.065	NA	1.065	NA	1.065	NA
Outpatient Hospital	$2,225,794	10.227%	$2,453,437	10.227%	$2,704,362	10.331%	$2,983,750
Number of Services	190,417	1.035	197,082	1.035	203,979	1.035	211,119
Cost per Service	$11.69	1.065	$12.45	1.065	$13.26	1.066	$14.13
Physician	$3,466,426	5.052%	$3,641,567	5.570%	$3,844,402	5.570%	$4,058,536
Number of Services	220,812	1.035	228,540	1.035	236,539	1.035	244,818
Cost per Service	$15.70	1.015	$15.93	1.020	$16.25	1.020	$16.58
Other Pratitioners	$809,479	3.500%	$837,811	5.570%	$884,477	5.570%	$933,742
Number of Services	63,202	1.035	65,414	1.035	67,704	1.035	70,073
Cost per Service	$12.81	1.000	$12.81	1.020	$13.06	1.020	$13.33
Drugs	$7,193,191	3.500%	$7,444,953	5.570%	$7,859,637	5.570%	$8,297,418
Number of Services	539,188	1.035	558,060	1.035	577,592	1.035	597,807
Cost per Service	$13.34	1.000	$13.34	1.020	$13.61	1.020	$13.88
Dental	$712,149	3.500%	$737,074	5.570%	$778,129	5.570%	$821,471
Number of Services	22,432	1.035	23,217	1.035	24,030	1.035	24,871
Cost per Service	$31.75	1.000	$31.75	1.020	$32.38	1.020	$33.03
Other	$7,492,911	3.500%	$7,755,163	5.570%	$8,187,125	5.570%	$8,643,148
Number of Services	2,271,746	1.035	2,351,257	1.035	2,433,551	1.035	2,518,725
Cost per Service	$3.30	1.000	$3.30	1.020	$3.36	1.020	$3.43
TOTAL SSI	$35,785,691	6.679%	$38,175,910	7.737%	$41,129,450	7.794%	$44,334,896

OPTION 3

TOTAL MEDICAID Service	Fiscal 1988 PROJECTED	Fiscal 1989 %Increase	Fiscal 1989 COST	Fiscal 1990 %Increase	Fiscal 1990 COST	Fiscal 1991 %Increase	Fiscal 1991 COST
Inpatient Hospital	$32,760,880	10.227%	$36,111,499	10.228%	$39,804,803	10.287%	$43,899,575
Number of Services	NA	NA	NA	NA	NA	NA	NA
Cost per Service	NA	NA	NA	NA	NA	NA	NA
Outpatient Hospital	$5,663,209	10.227%	$6,242,414	10.227%	$6,880,857	10.331%	$7,591,718
Number of Services	388,740	0.022	397,471	0.048	416,428	0.035	431,003
Cost per Service	$14.57	0.078	$15.71	0.052	$16.52	0.066	$17.61
Physician	$12,436,429	5.052%	$13,064,780	5.570%	$13,792,488	5.570%	$14,560,729
Number of Services	555,906	0.035	575,363	0.035	595,500	0.035	616,343
Cost per Service	$22.37	0.015	$22.71	0.020	$23.16	0.020	$23.62
Other Pratitioners	$2,386,773	3.500%	$2,470,310	5.570%	$2,607,906	5.570%	$2,753,167
Number of Services	197,471	0.035	204,382	0.035	211,536	0.035	218,940
Cost per Service	$12.09	0.000	$12.09	0.020	$12.33	0.020	$12.58
Drugs	$9,275,396	3.500%	$9,600,035	5.570%	$10,134,757	5.570%	$10,699,263
Number of Services	748,541	0.035	774,740	0.035	801,856	0.035	829,921
Cost per Service	$12.39	0.000	$12.39	0.020	$12.64	0.020	$12.89
Dental	$2,996,449	3.501%	$3,101,353	5.570%	$3,274,099	5.570%	$3,456,466
Number of Services	122,534	0.035	126,823	0.035	131,261	0.035	135,856
Cost per Service	$24.45	0.000	$24.45	0.020	$24.94	0.020	$25.44
Other	$9,233,306	3.500%	$9,556,472	5.570%	$10,088,767	5.570%	$10,650,712
Number of Services	2,605,201	0.035	2,696,383	0.035	2,790,756	0.035	2,888,433
Cost per Service	$3.54	0.000	$3.54	0.020	$3.62	0.020	$3.69
TOTAL MEDICAID	$74,752,442	7.216%	$80,146,862	8.031%	$86,583,676	8.117%	$93,611,629

ADJUSTMENTS:				
ADD: RIVENDELL - BILLINGS 48 BEDS FY 89-91 @ $300.00/		$2,628,000	$2,628,000	$2,628,000
RIVENDELL - BUTTE 48 BEDS FY 89-91 @ $300.00/DAY		$1,839,600	$1,839,600	$1,839,600
SHODAIR - HELENA 20 BEDS FY 89-91 @ $420.00/DAY		$2,299,500	$2,299,500	$2,299,500
STATE MEDICAL TO MEDICAID TRANSFERS		$450,000	$450,000	$450,000
LESS: REFUNDS		($700,000)	($700,000)	($700,000)
FY 88 ADJUSTMENTS	$3,278,686			
ADJUSTED TOTAL MEDICIAD	$78,031,128	$86,663,962	$93,100,776	$100,128,729

22-Jan-89

OPTION 4

AFDC RELATED Type of Service	Fiscal 1988 PROJECTED	Fiscal 1989 %Increase	Fiscal 1989 PROJECTED COST	Fiscal 1990 %Increase	Fiscal 1990 PROJECTED COST	Fiscal 1991 %Increase	Fiscal 1991 PROJECTED COST
Inpatient Hospital	$18,875,139	10.227%	$20,805,594	10.227%	$22,933,486	10.331%	$25,302,744
Number of Services	NA	1.035	NA	1.035	NA	1.035	NA
Cost per Service	NA	1.065	NA	1.065	NA	1.066	NA
Outpatient Hospital	$3,437,415	10.228%	$3,788,977	10.227%	$4,176,494	10.331%	$4,607,968
Number of Services	198,323	1.035	205,264	1.035	212,449	1.035	219,884
Cost per Service	$17.33	1.065	$18.46	1.065	$19.66	1.066	$20.96
Physician	$8,970,003	5.052%	$9,423,212	6.605%	$10,045,616	6.605%	$10,709,128
Number of Services	335,094	1.035	346,822	1.035	358,961	1.035	371,525
Cost per Service	$26.77	1.015	$27.17	1.030	$27.99	1.030	$28.82
Other Pratitioners	$1,577,294	3.500%	$1,632,499	6.605%	$1,740,326	6.605%	$1,855,274
Number of Services	134,269	1.035	138,968	1.035	143,832	1.035	148,866
Cost per Service	$11.75	1.000	$11.75	1.030	$12.10	1.030	$12.46
Drugs	$2,082,205	3.500%	$2,155,082	6.605%	$2,297,425	6.605%	$2,449,170
Number of Services	209,353	1.035	216,680	1.035	224,264	1.035	232,113
Cost per Service	$9.95	1.000	$9.95	1.030	$10.24	1.030	$10.55
Dental	$2,284,300	3.501%	$2,364,279	6.605%	$2,520,440	6.605%	$2,686,915
Number of Services	100,102	1.035	103,606	1.035	107,232	1.035	110,985
Cost per Service	$22.82	1.000	$22.82	1.030	$23.50	1.030	$24.21
Other	$1,740,395	3.500%	$1,801,309	6.605%	$1,920,285	6.605%	$2,047,120
Number of Services	333,455	1.035	345,126	1.035	357,205	1.035	369,708
Cost per Service	$5.22	1.000	$5.22	1.030	$5.38	1.030	$5.54
TOTAL AFDC	$38,966,751	7.710%	$41,970,952	8.728%	$45,634,072	8.819%	$49,658,320

OPTION 7

SSI RELATED Type of Service	PROJECTED	%Increase	PROJECTED COST	%Increase	PROJECTED COST	%Increase	PROJECTED COST
Inpatient Hospital	$13,885,741	10.227%	$15,305,905	10.227%	$16,871,317	10.227%	$18,596,831
Number of Services	1,323,288	1.035	NA	1.035	NA	1.035	NA
Cost per Service	$10.49	1.065	NA	1.065	NA	1.065	NA
Outpatient Hospital	$2,225,794	10.227%	$2,453,437	10.227%	$2,704,362	10.331%	$2,983,750
Number of Services	190,417	1.035	197,082	1.035	203,979	1.035	211,119
Cost per Service	$11.69	1.065	$12.45	1.065	$13.26	1.066	$14.13
Physician	$3,466,426	5.052%	$3,641,567	6.605%	$3,882,093	6.605%	$4,138,505
Number of Services	220,812	1.035	228,540	1.035	236,539	1.035	244,818
Cost per Service	$15.70	1.015	$15.93	1.030	$16.41	1.030	$16.90
Other Pratitioners	$809,479	3.500%	$837,811	6.605%	$893,148	6.605%	$952,141
Number of Services	63,202	1.035	65,414	1.035	67,704	1.035	70,073
Cost per Service	$12.81	1.000	$12.81	1.030	$13.19	1.030	$13.59
Drugs	$7,193,191	3.500%	$7,444,953	6.605%	$7,936,692	6.605%	$8,460,910
Number of Services	539,188	1.035	558,060	1.035	577,592	1.035	597,807
Cost per Service	$13.34	1.000	$13.34	1.030	$13.74	1.030	$14.15
Dental	$712,149	3.500%	$737,074	6.605%	$785,758	6.605%	$837,657
Number of Services	22,432	1.035	23,217	1.035	24,030	1.035	24,871
Cost per Service	$31.75	1.000	$31.75	1.030	$32.70	1.030	$33.68
Other	$7,492,911	3.500%	$7,755,163	6.605%	$8,267,391	6.605%	$8,813,453
Number of Services	2,271,746	1.035	2,351,257	1.035	2,433,551	1.035	2,518,725
Cost per Service	$3.30	1.000	$3.30	1.030	$3.40	1.030	$3.50
TOTAL SSI	$35,785,691	6.679%	$38,175,910	8.290%	$41,340,761	8.327%	$44,783,246

22-Jan-89

OPTION 4

TOTAL MEDICAID Service	Fiscal 1988 PROJECTED	Fiscal 1989 %Increase	Fiscal 1989 COST	Fiscal 1990 %Increase	Fiscal 1990 COST	Fiscal 1991 %Increase	Fiscal 1991 COST
Inpatient Hospital	$32,760,880	10.227%	$36,111,499	10.228%	$39,804,803	10.287%	$43,899,575
Number of Services	NA	NA	NA	NA	NA	NA	NA
Cost per Service	NA	NA	NA	NA	NA	NA	NA
Outpatient Hospital	$5,663,209	10.227%	$6,242,414	10.227%	$6,880,857	10.331%	$7,591,718
Number of Services	388,740	0.022	397,471	0.048	416,428	0.035	431,003
Cost per Service	$14.57	0.078	$15.71	0.062	$16.52	0.066	$17.61
Physician	$12,436,429	5.052%	$13,064,780	6.605%	$13,927,708	6.605%	$14,847,633
Number of Services	555,906	0.035	575,363	0.035	595,500	0.035	616,343
Cost per Service	$22.37	0.015	$22.71	0.030	$23.39	0.030	$24.09
Other Pratitioners	$2,386,773	3.500%	$2,470,310	6.605%	$2,633,474	6.605%	$2,807,415
Number of Services	197,471	0.035	204,382	0.035	211,536	0.035	218,940
Cost per Service	$12.09	0.000	$12.09	0.030	$12.45	0.030	$12.82
Drugs	$9,275,396	3.500%	$9,600,035	6.605%	$10,234,117	6.605%	$10,910,081
Number of Services	748,541	0.035	774,740	0.035	801,856	0.035	829,921
Cost per Service	$12.39	0.000	$12.39	0.030	$12.76	0.030	$13.15
Dental	$2,996,449	3.501%	$3,101,353	6.605%	$3,306,198	6.605%	$3,524,572
Number of Services	122,534	0.035	126,823	0.035	131,261	0.035	135,856
Cost per Service	$24.45	0.000	$24.45	0.030	$25.19	0.030	$25.94
Other	$9,233,306	3.500%	$9,556,472	6.605%	$10,187,677	6.605%	$10,860,573
Number of Services	2,605,201	0.035	2,696,383	0.035	2,790,756	0.035	2,888,433
Cost per Service	$3.54	0.000	$3.54	0.030	$3.65	0.030	$3.76
TOTAL MEDICAID	$74,752,442	7.216%	$80,146,862	8.519%	$86,974,833	8.585%	$94,441,567
ADJUSTMENTS:							
ADD: RIVENDELL - BILLINGS 48 BEDS FY 89-91 @ $300.00/			$2,628,000		$2,628,000		$2,628,000
RIVENDELL - BUTTE 48 BEDS FY 89-91 @ $300.00/DAY			$1,839,600		$1,839,600		$1,839,600
SHODAIR - HELENA 20 BEDS FY 89-91 @ $420.00/DAY			$2,299,500		$2,299,500		$2,299,500
STATE MEDICAL TO MEDICAID TRANSFERS			$450,000		$450,000		$450,000
LESS: REFUNDS			($700,000)		($700,000)		($700,000)
FY 88 ADJUSTMENTS	$3,278,686						
ADJUSTED TOTAL MEDICIAD	$78,031,128		$86,663,962		$93,491,933		$100,958,667

AFDC RELATED Type of Service	Fiscal 1988 PROJECTED	Fiscal 1989 %Increase	PROJECTED COST	Fiscal 1990 %Increase	PROJECTED COST	Fiscal 1991 %Increase	PROJECTED COST
Inpatient Hospital	$18,875,139	10.227%	$20,805,594	10.227%	$22,933,486	10.331%	$25,302,744
Number of Services	NA	1.035	NA	1.035	NA	1.035	NA
Cost per Service	NA	1.065	NA	1.065	NA	1.066	NA
Outpatient Hospital	$3,437,415	10.228%	$3,788,977	10.227%	$4,176,494	10.331%	$4,607,968
Number of Services	198,323	1.035	205,264	1.035	212,449	1.035	219,884
Cost per Service	$17.33	1.065	$18.46	1.065	$19.66	1.066	$20.96
Physician	$8,970,003	5.052%	$9,423,212	10.227%	$10,386,971	10.331%	$11,460,049
Number of Services	335,094	1.035	346,822	1.035	358,961	1.035	371,525
Cost per Service	$26.77	1.015	$27.17	1.065	$28.94	1.066	$30.85
Other Pratitioners	$1,577,294	3.500%	$1,632,499	10.227%	$1,799,463	10.331%	$1,985,366
Number of Services	134,269	1.035	138,968	1.035	143,832	1.035	148,866
Cost per Service	$11.75	1.000	$11.75	1.065	$12.51	1.066	$13.34
Drugs	$2,082,205	3.500%	$2,155,082	10.227%	$2,375,493	10.331%	$2,620,905
Number of Services	209,353	1.035	216,680	1.035	224,264	1.035	232,113
Cost per Service	$9.95	1.000	$9.95	1.065	$10.59	1.066	$11.29
Dental	$2,284,300	3.501%	$2,364,279	10.227%	$2,606,086	10.331%	$2,875,320
Number of Services	100,102	1.035	103,606	1.035	107,232	1.035	110,985
Cost per Service	$22.82	1.000	$22.82	1.065	$24.30	1.066	$25.91
Other	$1,740,395	3.500%	$1,801,309	10.227%	$1,985,538	10.331%	$2,190,664
Number of Services	333,455	1.035	345,126	1.035	357,205	1.035	369,708
Cost per Service	$5.22	1.000	$5.22	1.065	$5.56	1.066	$5.93
TOTAL AFDC	$38,966,751	7.710%	$41,970,952	10.227%	$46,263,531	10.331%	$51,043,017

OPTION 5

SSI RELATED Type of Service	PROJECTED	%Increase	PROJECTED COST	%Increase	PROJECTED COST	%Increase	PROJECTED COST
Inpatient Hospital	$13,885,741	10.227%	$15,305,905	10.227%	$16,871,317	10.227%	$18,596,831
Number of Services	1,323,288	1.035	NA	1.035	NA	1.035	NA
Cost per Service	$10.49	1.065	NA	1.065	NA	1.065	NA
Outpatient Hospital	$2,225,794	10.227%	$2,453,437	10.227%	$2,704,362	10.331%	$2,983,750
Number of Services	190,417	1.035	197,082	1.035	203,979	1.035	211,119
Cost per Service	$11.69	1.065	$12.45	1.065	$13.26	1.066	$14.13
Physician	$3,466,426	5.052%	$3,641,567	10.227%	$4,014,008	10.331%	$4,428,696
Number of Services	220,812	1.035	228,540	1.035	236,539	1.035	244,818
Cost per Service	$15.70	1.015	$15.93	1.065	$16.97	1.066	$18.09
Other Pratitioners	$809,479	3.500%	$837,811	10.227%	$923,498	10.331%	$1,018,904
Number of Services	63,202	1.035	65,414	1.035	67,704	1.035	70,073
Cost per Service	$12.81	1.000	$12.81	1.065	$13.64	1.066	$14.54
Drugs	$7,193,191	3.500%	$7,444,953	10.227%	$8,206,385	10.331%	$9,054,187
Number of Services	539,188	1.035	558,060	1.035	577,592	1.035	597,807
Cost per Service	$13.34	1.000	$13.34	1.065	$14.21	1.066	$15.15
Dental	$712,149	3.500%	$737,074	10.227%	$812,458	10.331%	$896,394
Number of Services	22,432	1.035	23,217	1.035	24,030	1.035	24,871
Cost per Service	$31.75	1.000	$31.75	1.065	$33.81	1.066	$36.04
Other	$7,492,911	3.500%	$7,755,163	10.227%	$8,548,322	10.331%	$9,431,449
Number of Services	2,271,746	1.035	2,351,257	1.035	2,433,551	1.035	2,518,725
Cost per Service	$3.30	1.000	$3.30	1.065	$3.51	1.066	$3.74
TOTAL SSI	$35,785,691	6.679%	$38,175,910	10.227%	$42,080,351	10.290%	$46,410,210

TOTAL MEDICAID Service	Fiscal 1988 PROJECTED	Fiscal 1989 %Increase	Fiscal 1989 COST	Fiscal 1990 %Increase	Fiscal 1990 COST	Fiscal 1991 %Increase	Fiscal 1991 COST
Inpatient Hospital	$32,760,880	10.227%	$36,111,499	10.228%	$39,804,803	10.287%	$43,899,575
Number of Services	NA	NA	NA	NA	NA	NA	NA
Cost per Service	NA	NA	NA	NA	NA	NA	NA
Outpatient Hospital	$5,663,209	10.227%	$6,242,414	10.227%	$6,880,857	10.331%	$7,591,718
Number of Services	388,740	0.022	397,471	0.048	416,428	0.035	431,003
Cost per Service	$14.57	0.078	$15.71	0.052	$16.52	0.066	$17.61
Physician	$12,436,429	5.052%	$13,064,780	10.227%	$14,400,980	10.331%	$15,888,745
Number of Services	555,906	0.035	575,363	0.035	595,500	0.035	616,343
Cost per Service	$22.37	0.015	$22.71	0.065	$24.18	0.066	$25.78
Other Pratitioners	$2,386,773	3.500%	$2,470,310	10.227%	$2,722,961	10.331%	$3,004,270
Number of Services	197,471	0.035	204,382	0.035	211,536	0.035	218,940
Cost per Service	$12.09	0.000	$12.09	0.065	$12.87	0.066	$13.72
Drugs	$9,275,396	3.500%	$9,600,035	10.227%	$10,581,878	10.331%	$11,675,092
Number of Services	748,541	0.035	774,740	0.035	801,856	0.035	829,921
Cost per Service	$12.39	0.000	$12.39	0.065	$13.20	0.066	$14.07
Dental	$2,996,449	3.501%	$3,101,353	10.227%	$3,418,544	10.331%	$3,771,714
Number of Services	122,534	0.035	126,823	0.035	131,261	0.035	135,856
Cost per Service	$24.45	0.000	$24.45	0.065	$26.04	0.066	$27.76
Other	$9,233,306	3.500%	$9,556,472	10.227%	$10,533,860	10.331%	$11,622,113
Number of Services	2,605,201	0.035	2,696,383	0.035	2,790,756	0.035	2,888,433
Cost per Service	$3.54	0.000	$3.54	0.065	$3.77	0.066	$4.02
TOTAL MEDICAID	$74,752,442	7.216%	$80,146,862	10.227%	$88,343,883	10.311%	$97,453,227
ADJUSTMENTS:							
ADD: RIVENDELL - BILLINGS 48 BEDS FY 89-91 @ $300.00/			$2,628,000		$2,628,000		$2,628,000
RIVENDELL - BUTTE 48 BEDS FY 89-91 @ $300.00/DAY			$1,839,600		$1,839,600		$1,839,600
SHODAIR - HELENA 20 BEDS FY 89-91 @ $420.00/DAY			$2,299,500		$2,299,500		$2,299,500
STATE MEDICAL TO MEDICAID TRANSFERS			$450,000		$450,000		$450,000
LESS: REFUNDS			($700,000)		($700,000)		($700,000)
FY 88 ADJUSTMENTS	$3,278,686						
ADJUSTED TOTAL MEDICIAD	$78,031,128		$86,663,962		$94,860,983		$103,970,327

(b) The requirements and limits of this subpart apply for all services defined in Subpart A of this part.

[46 FR 48528, Oct. 1, 1981]

§ 440.210 Required services for the categorically needy.

A State plan must specify that, as a minimum, categorically needy recipients are provided the services as specified in §§ 440.10 through 440.50, 440.70, and (to the extent nurse-midwives are authorized to practice under State law or regulation) 440.165.

[47 FR 21050, May 17, 1982]

§ 440.220 Required services for the medically needy.

A State plan that includes the medically needy must specify that the medically needy are provided, as a minimum, the following services:

(a) Prenatal care and delivery services for pregnant women.

(b) Ambulatory services, as defined in the State plan, for—

(1) Individuals under age 18; and

(2) Individuals entitled to institutional services.

(c) Home health services (§ 440.70) to any individual entitled to skilled nursing facility services.

(d) If the State plan includes services in an institution for mental diseases (§ 440.140 or § 440.160) or in an intermediate care facility for the mentally retarded (§ 440.150(c)) for any group of medically needy, either of the following sets of services to each of the medically needy groups:

(1) The services contained in §§ 440.10 through 440.50 and (to the extent nurse-midwives are authorized to practice under State law or regulation) 440.165; or

(2) The services contained in any seven of the sections in §§ 440.10 through 440.165.

[46 FR 47992, Sept. 30, 1981; 46 FR 54744, Nov. 4, 1981, as amended at 47 FR 21050, May 17, 1982]

§ 440.230 Sufficiency of amount, duration, and scope.

(a) The plan must specify the amount, duration, and scope of each service that it provides for—

(1) The categorically needy; and

(2) Each covered group of medically needy.

(b) Each service must be sufficient in amount, duration, and scope to reasonably achieve its purpose.

(c) The Medicaid agency may not arbitrarily deny or reduce the amount, duration, or scope of a required service under §§ 440.210 and 440.220 to an otherwise eligible recipient solely because of the diagnosis, type of illness, or condition.

(d) The agency may place appropriate limits on a service based on such criteria as medical necessity or on utilization control procedures.

[46 FR 47993, Sept. 30, 1981]

§ 440.240 Comparability of services for groups.

Except as limited in § 440.250—

(a) The plan must provide that the services available to any categorically needy recipient under the plan are not less in amount, duration, and scope than those services available to a medically needy recipient; and

(b) The plan must provide that the services available to any individual in the following groups are equal in amount, duration, and scope for all recipients within the group:

(1) The categorically needy.

(2) A covered medically needy group.

[46 FR 47993, Sept. 30, 1981]

§ 440.250 Limits on comparability of services.

(a) Skilled nursing facility services (§ 440.40(a)) may be limited to recipients age 21 or older.

(b) Early and periodic screening, diagnosis, and treatment (§ 440.40(b)) must be limited to recipients under age 21.

(c) Family planning services and supplies must be limited to recipients of childbearing age, including minors who can be considered sexually active and who desire the services and supplies.

(d) If covered under the plan, services to recipients in institutions for mental diseases (§ 440.140) must be limited to those age 65 or older.

(e) If covered under the plan, inpatient psychiatric services (§ 440.160)

19-Jan-89

AFDC RELATED	Fiscal 1988	Fiscal 1989		Fiscal 1990		Fiscal 1991	
	Caseload: 9,916	Caseload: 9,916		Caseload: 10,247		Caseload: 10,575	
Type of Service	PROJECTED	%Increase	PROJECTED COST	%Increase	PROJECTED COST	%Increase	PROJECTED COST
Inpatient Hospital	$19,020,080	10.227%	$20,965,359	5.570%	$22,133,129	5.570%	$23,365,944
Number of Services	NA	NA	NA	NA	NA	NA	NA
Cost per Service	NA	NA	NA	NA	NA	NA	NA
Outpatient Hospital	$3,432,470	10.227%	$3,783,526	5.570%	$3,994,268	5.570%	$4,216,749
Number of Services	197,854	1.035	204,779	1.035	211,946	1.035	219,364
Cost per Service	$17.35	1.07	$18.48	1.02	$18.85	1.02	$19.22
Physician	$8,993,685	10.227%	$9,913,514	5.570%	$10,465,697	5.570%	$11,048,636
Number of Services	337,086	1.04	348,884	1.04	361,095	1.04	373,733
Cost per Service	$26.68	1.07	$28.41	1.02	$28.98	1.02	$29.56
Other Pratitioners	$1,576,188	10.227%	$1,737,393	5.570%	$1,834,165	5.570%	$1,936,328
Number of Services	134,088	1.04	138,781	1.04	143,638	1.04	148,666
Cost per Service	$11.75	1.065	$12.52	1.02	$12.77	1.02	$13.02
Drugs	$2,083,800	10.227%	$2,296,921	5.570%	$2,424,859	5.570%	$2,559,924
Number of Services	208,923	1.04	216,235	1.04	223,804	1.04	231,637
Cost per Service	$9.97	1.07	$10.62	1.02	$10.83	1.02	$11.05
Dental	$2,281,981	10.227%	$2,515,371	5.570%	$2,655,477	5.570%	$2,803,387
Number of Services	100,161	1.04	103,667	1.04	107,295	1.04	111,050
Cost per Service	$22.78	1.07	$24.26	1.02	$24.75	1.02	$25.24
Other	$1,755,534	10.228%	$1,935,081	5.570%	$2,042,865	5.570%	$2,156,653
Number of Services	327,959	1.04	339,438	1.04	351,318	1.04	363,614
Cost per Service	$5.35	1.07	$5.70	1.02	$5.81	1.02	$5.93
TOTAL AFDC	$39,143,738	10.227%	$43,147,164	0.06	$45,550,461	0.06	$48,087,621

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

MEDICAL ASSISTANCE

GRANTS

MEDICAID PRIMARY CARE	1990	1991
Executive	$97,724,031	$100,919,108
LFA Current Level	$94,012,258	$98,885,738
Difference	$3,711,773	$2,033,370

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A. The Committee will need to consider what, if any, inflation factors to apply to non fee based services.

B. The Committee will need to consider increases for fee based providers such as physicians, the various therapist, dentists.

C. The Committee will need to consider the optional versus mandatory service.

D. The Committee will need to consider what, if any, limitations to place on the amount, scope, and duration of services currently provided.

E. The Committe will need to consider requests for expansion of services.

1. Committee Issues

1) [illegible] results - Med. Necessity

Med. Necessity - ① 3% ② [illegible] ③ better policy [illegible] underlining

④ [illegible]

2. Committee Action

LFA Budget - Page B-105 through B-116
Executive Budget - Page 357

19-Jan-89

SSI RELATED	Fiscal 1988	Fiscal 1989		Fiscal 1990		Fiscal 1991	
	Caseload: 9,916	Caseload: 9,916		Caseload: 10,247		Caseload: 10,575	
Type of Service	PROJECTED	%Increase	PROJECTED COST	%Increase	PROJECTED COST	%Increase	PROJECTED COST
Inpatient Hospital	$14,133,988	10.227%	$15,579,542	5.570%	$16,447,322	5.570%	$17,363,438
Number of Services	1,321,190	NA	NA	NA	NA	NA	NA
Cost per Service	$10.70	NA	NA	NA	NA	NA	NA
Outpatient Hospital	$2,234,256	10.227%	$2,462,765	5.570%	$2,599,941	5.570%	$2,744,757
Number of Services	186,176	1.04	192,692	1.04	199,436	1.04	206,417
Cost per Service	$12.00	1.07	$12.78	1.02	$13.04	1.02	$13.30
Physician	$3,488,273	10.227%	$3,845,036	5.570%	$4,059,205	5.570%	$4,285,302
Number of Services	221,701	1.04	229,461	1.04	237,492	1.04	245,804
Cost per Service	$15.73	1.07	$16.76	1.02	$17.09	1.02	$17.43
Other Pratitioners	$806,026	10.227%	$888,462	5.570%	$937,950	5.570%	$990,193
Number of Services	63,271	1.04	65,485	1.04	67,777	1.04	70,150
Cost per Service	$12.74	1.07	$13.57	1.02	$13.84	1.02	$14.12
Drugs	$7,185,378	10.227%	$7,920,263	5.570%	$8,361,421	5.570%	$8,827,152
Number of Services	538,330	1.04	557,172	1.04	576,673	1.04	596,856
Cost per Service	$13.35	1.07	$14.22	1.02	$14.50	1.02	$14.79
Dental	$707,579	10.227%	$779,947	5.570%	$823,390	5.570%	$869,252
Number of Services	22,392	1.04	23,176	1.04	23,987	1.04	24,826
Cost per Service	$31.60	1.07	$33.65	1.02	$34.33	1.02	$35.01
Other	$7,489,629	10.227%	$8,255,631	5.570%	$8,715,469	5.570%	$9,200,921
Number of Services	2,269,236	1.04	2,348,659	1.04	2,430,862	1.04	2,515,943
Cost per Service	$3.30	1.07	$3.52	1.02	$3.59	1.02	$3.66
TOTAL SSI	$36,045,129	10.227%	$39,731,645	0.06	$41,944,697	0.06	$44,281,017

19-Jan-89

TOTAL MEDICAID Service	Fiscal 1988 Caseload: 9,916 PROJECTED	Fiscal 1989 Caseload: 9,916 %Increase	COST	Fiscal 1990 Caseload: 10,247 %Increase	COST	Fiscal 1991 Caseload: 10,575 %Increase	COST
Inpatient Hospital	$33,154,068	10.227%	$36,544,900	5.570%	$38,580,451	5.570%	$40,729,382
Number of Services	NA	NA	NA	NA	NA	NA	NA
Cost per Service	NA	NA	NA	NA	NA	NA	NA
Outpatient Hospital	$5,666,726	10.23%	$6,246,290	5.57%	$6,594,209	5.57%	$6,961,506
Number of Services	384,030	3.50%	397,471	3.50%	411,383	3.50%	425,781
Cost per Service	$14.76	6.50%	$15.72	2.00%	$16.03	2.00%	$16.35
Physician	$12,481,958	10.23%	$13,758,550	5.57%	$14,524,902	5.57%	$15,333,939
Number of Services	558,787	3.50%	578,345	3.50%	598,587	3.50%	619,537
Cost per Service	$22.34	6.50%	$23.79	2.00%	$24.27	2.00%	$24.75
Other Pratitioners	$2,382,214	10.23%	$2,625,855	5.57%	$2,772,115	5.57%	$2,926,522
Number of Services	197,359	3.50%	204,267	3.50%	211,416	3.50%	218,815
Cost per Service	$12.07	6.50%	$12.86	2.00%	$13.11	2.00%	$13.37
Drugs	$9,269,178	10.23%	$10,217,183	5.57%	$10,786,280	5.57%	$11,387,076
Number of Services	747,253	3.50%	773,407	3.50%	800,476	3.50%	828,493
Cost per Service	$12.40	6.50%	$13.21	2.00%	$13.47	2.00%	$13.74
Dental	$2,989,560	10.23%	$3,295,317	5.57%	$3,478,866	5.57%	$3,672,639
Number of Services	122,553	3.50%	126,842	3.50%	131,282	3.50%	135,877
Cost per Service	$24.39	6.50%	$25.98	2.00%	$26.50	2.00%	$27.03
Other	$9,245,163	10.23%	$10,190,712	5.57%	$10,758,335	5.57%	$11,357,574
Number of Services	2,597,195	3.50%	2,688,097	3.50%	2,782,180	3.50%	2,879,557
Cost per Service	$3.56	6.50%	$3.79	2.00%	$3.87	2.00%	$3.94
TOTAL MEDICAID	$75,188,867	10.227%	$82,878,808	0.06	$87,495,158	0.06	$92,368,638
ADJUSTMENTS:							
ADD: RIVENDELL - BILLINGS 48 BEDS FY 89-91 @ $300.00/			$2,628,000		$2,628,000		$2,628,000
RIVENDELL - BUTTE 48 BEDS FY 89-91 @ $300.00/DAY			$1,839,600		$1,839,600		$1,839,600
SHODAIR - HELENA 20 BEDS FY 89-91 @ $420.00/DAY			$2,299,500		$2,299,500		$2,299,500
STATE MEDICAL TO MEDICAID TRANSFERS			$450,000 - may or is a bed w/ facility		$450,000		$450,000
LESS: REFUNDS			($700,000)		($700,000)		($700,000)
FY 88 ADJUSTMENTS	$3,278,686						
ADJUSTED TOTAL MEDICIAD	$78,467,553		$89,395,908		$94,012,258		$98,885,738

TABLE 12.3: CONSUMER PRICE INDEXES

	III 88	IV 88	I 89	II 89	III 89	IV 89	I 90	II 90	III 90	IV 90	1988	1989	1990	1991
LEVELS, 1982-84 = 100.0, SA														
All Items, Urban Wage Earners	117.7	119.0	120.5	122.2	123.6	125.4	126.9	128.4	130.0	131.6	117.0	122.9	129.3	136.2
All Items, Urban Consumers	119.0	120.3	121.9	123.5	125.0	126.8	128.4	129.9	131.6	133.2	118.3	124.3	130.8	137.8
By Expenditure Category:														
Food and Beverages	119.5	120.6	122.4	124.0	125.3	126.2	127.4	128.6	130.0	131.2	118.2	124.5	129.3	134.8
Housing	118.9	120.2	121.6	123.2	124.9	126.8	128.7	130.6	132.5	134.4	118.4	124.1	131.6	139.4
Rent	128.4	129.4	130.7	132.0	133.3	134.7	136.1	137.6	139.1	140.6	127.8	132.7	138.3	144.5
Apparel and Upkeep	114.9	117.9	119.2	120.5	121.8	123.2	124.6	126.1	127.5	129.0	115.5	121.2	126.8	132.8
Transportation	109.5	110.4	112.0	113.6	114.2	116.6	117.6	118.3	119.4	120.4	108.8	114.1	118.9	124.4
Medical Care	140.0	142.0	144.3	146.6	149.0	151.3	153.8	156.2	158.8	161.3	138.7	147.8	157.5	168.0
Entertainment	120.8	122.2	123.4	124.6	125.9	127.1	128.4	129.7	131.0	132.4	120.3	125.3	130.4	135.9
Other Goods and Services	139.0	140.2	142.6	145.0	147.6	150.2	152.7	155.1	157.6	160.1	137.5	146.4	156.4	167.2
Special Indexes:														
Commodities	112.3	113.6	115.2	116.8	117.6	119.5	120.5	121.4	122.4	123.4	111.6	117.3	121.9	126.7
Services	126.4	127.9	129.5	131.2	133.2	135.0	137.2	139.4	141.7	143.9	125.8	132.2	140.5	149.8
Energy	89.4	89.6	92.1	94.5	94.6	99.2	100.0	100.2	101.1	102.0	88.9	95.1	100.9	107.3
All Items less Energy	123.1	124.6	126.0	127.7	129.2	130.7	132.5	134.2	135.9	137.7	122.4	128.4	135.1	142.2
Food	119.7	120.8	122.6	124.4	125.6	126.5	127.7	129.0	130.4	131.7	118.3	124.8	129.7	135.3
All Items less Food	118.8	120.2	121.7	123.4	124.8	126.8	128.5	130.1	131.8	133.5	118.3	124.2	131.0	138.3
All Items less Food & Energy	124.1	125.6	127.0	128.6	130.2	131.9	133.7	135.5	137.4	139.2	123.5	129.4	136.4	144.0
All Items less Medical Care	117.7	119.0	120.5	122.1	123.5	125.3	126.9	128.4	130.0	131.5	117.0	122.9	129.2	136.0
PERCENT CHANGE, ANNUAL RATE														
All Items, Urban Wage Earners	4.9	4.5	5.4	5.6	4.6	5.9	5.1	4.8	5.1	5.0	4.0	5.1	5.2	5.3
All Items, Urban Consumers	4.7	4.5	5.3	5.6	4.7	5.9	5.2	4.9	5.2	5.0	4.1	5.1	5.2	5.4
By Expenditure Category:													6.55	6.65
Food and Beverages	8.6	3.7	6.0	5.6	4.0	3.0	3.7	4.1	4.1	4.0	4.1	5.3	3.9	4.3
Housing	3.7	4.4	4.8	5.5	5.6	6.1	6.4	6.0	6.0	5.7	3.8	4.8	6.0	6.0
Rent	4.3	3.1	3.9	4.1	4.1	4.2	4.3	4.3	4.5	4.4	3.8	3.8	4.3	4.5
Apparel and Upkeep	-4.9	10.9	4.3	4.5	4.6	4.6	4.7	4.6	4.8	4.6	4.4	4.9	4.6	4.7
Transportation	5.5	3.3	5.8	5.8	2.1	8.8	3.4	2.4	3.7	3.5	3.1	4.9	4.2	4.6
Medical Care	7.1	6.1	6.6	6.5	6.5	6.5	6.6	6.6	6.6	6.6	6.5	6.5	6.6	6.7
Entertainment	3.5	4.7	4.0	4.0	4.0	4.0	4.1	4.1	4.2	4.2	4.4	4.1	4.1	4.2
Other Goods and Services	7.8	3.5	7.0	7.0	7.2	7.3	6.8	6.5	6.5	6.7	6.6	6.4	6.8	6.9
Special Indexes:														
Commodities	5.0	4.5	5.8	5.7	2.8	6.7	3.4	3.0	3.3	3.4	3.6	5.1	4.0	3.9
Services	4.6	4.7	5.0	5.5	6.3	5.3	6.7	6.6	6.7	6.4	4.6	5.1	6.3	6.6
Energy	3.0	0.9	12.0	10.6	0.3	21.2	3.2	0.8	3.7	3.6	0.8	7.0	6.0	6.4
All Items Less Energy	4.9	4.7	4.8	5.2	5.1	4.7	5.4	5.3	5.3	5.1	4.4	4.9	5.2	5.3
Food	9.2	3.7	6.3	5.9	4.0	3.0	3.8	4.2	4.2	4.1	4.1	5.5	3.9	4.3
All Items less Food	3.9	4.7	5.2	5.5	4.8	6.5	5.5	5.1	5.4	5.2	4.1	5.0	5.5	5.6
All Items less Food & Energy	4.0	5.0	4.5	5.1	5.3	5.1	5.7	5.5	5.5	5.4	4.4	4.8	5.4	5.5
All Items less Medical Care	4.7	4.4	5.3	5.5	4.6	5.9	5.1	4.8	5.1	4.9	3.9	5.0	5.2	5.3
PERCENT CHANGE, YEAR AGO														
All Items, Urban Wage Earners	4.0	4.2	4.8	5.1	5.0	5.4	5.3	5.1	5.2	5.0				
All Items, Urban Consumers	4.1	4.3	4.8	5.0	5.0	5.4	5.4	5.2	5.3	5.1				
Commodities	3.6	4.0	5.1	5.2	4.7	5.2	4.6	4.0	4.1	3.3				
Services	4.6	4.7	4.7	4.9	5.4	5.5	6.0	6.2	6.3	6.6				
Energy	-0.2	0.3	4.8	6.5	5.8	10.8	8.5	6.1	6.9	2.8				
All Items less Energy	4.5	4.7	4.8	4.9	5.0	5.0	5.1	5.1	5.2	5.3				
Food	4.9	5.1	6.1	6.2	5.0	4.8	4.2	3.7	3.8	4.1				
All Items less Food	4.0	4.2	4.6	4.8	5.1	5.5	5.6	5.5	5.6	5.3				
All Items less Food & Energy	4.4	4.6	4.6	4.6	5.0	5.0	5.3	5.4	5.5	5.5				
All Items less Medical Care	4.0	4.2	4.8	5.0	5.0	5.3	5.3	5.1	5.2	5.0				

EXHIBIT 2
DATE 1-24-89
HB

PILOT PROJECT PROPOSAL

We urge this committee to direct the Department of S.R.S. to begin a pilot project that would combine the Medicaid Waiver (Case Management) and Personal Care programs under one administrative unit. Instead of two separate programs with separate administrative costs, there would be one team of professionals delivering the same services that are now available to the same population.

An additional cost benefit to this pilot would be that the savings in administrative costs would be used to raise the wage of personal care attendants to a level where J.T.P.A. monies would be available.

An appropriation of approximately $200,000 to $250,000 out of the existing Personal Care and Medicaid Waiver budgets would fund a one-year pilot handling 20 clients. WestMont now has an exclusive contract with S.R.S. to provide personal care. There is, however, a clause in this contract which requires WestMont's cooperation with any pilot developed by S.R.S.

We strongly urge the Human Services Sub-committee to consider this proposal.

Diane Sock

Diane E. Sock
Northwest Montana Human Resources, Inc.

EXHIBIT 3
DATE 1-24-89
HB

Amendment to LC430 (1st draft)
(RE: medicaid services)

1. Page 4, following line 6
Insert: "(7) Medicaid services are limited to those services that are medically necessary to prevent significant illness, to alleviate severe pain, to protect life, or to prevent significant disability."
Renumber: subsequent subsections

N.B. The above language will also be incorporated into the "statement of intent" on page 2 (at the end of the first full paragraph).

Submitted by
Department of Social and
Rehabilitation Services

1 services provided to recipients of medicaid and may enter
2 into contracts for delivery of services to individual
3 recipients or groups of recipients.
4 (6) The services provided under this part may be only
5 those that are medically necessary and that are the most
6 efficient and cost effective.
7 (7) The amount, scope, and duration of services
8 provided under this part must be determined by the
9 department in accordance with Title XIX of the federal
10 Social Security Act (42 U.S.C. 1396, et seq.), as amended.
11 (8) Services, procedures, and items of an experimental
12 or cosmetic nature may not be provided.
13 (9) If available funds are not sufficient to provide
14 medical assistance for all eligible persons, the department
15 may set priorities to limit, reduce, or otherwise curtail
16 the amount, scope, or duration of the medical services made
17 available under the Montana medicaid program.
18 (10) Community-based medicaid services, as provided for
19 in part 4 of this chapter, must be provided in accordance
20 with the provisions of this chapter and the rules adopted
21 thereunder."
22 **Section 2.** Section 53-6-103, MCA, is amended to read:
23 "53-6-103. State plan and operation of medical
24 assistance to be in effect and uniform throughout [illegible]
25 [illegible]

medicaid program. The department should also consider the need to provide for services in an efficient and cost-effective manner.

In adopting rules governing the provision of medicaid services, the department of social and rehabilitation services shall take particular care to provide only those services that are medically necessary and to ensure that such services are provided in the least costly setting and by the most efficient and cost-effective means. For example, hospital treatment should not be provided if adequate but less costly nursing home or physician's office services are available.

INSERT

Under [section 4], the department of social and rehabilitation services and the department of health and environmental sciences are given authority to establish standards for the health, safety, and care provided in a health care facility. This authority is intended to be in addition to existing authority of the department of health and environmental sciences under Title 50 of the Montana Code Annotated.

Pursuant to [section 4], the department of social and rehabilitation services shall adopt rules establishing appropriate sanctions or action that may be taken against a health care facility that does not meet the minimum standards for certification as a medicaid provider. Such sanctions or action may include civil monetary penalties with interest, the suspension and termination of medicaid certification, and the appointment of management personnel to oversee the operation of a health care facility on a temporary basis in the case of an emergency or when necessary for the orderly closure of a facility or to bring a facility into compliance with minimum standards. This authority is in addition to the authority provided to the department under section 53-6-111, MCA.

The bill also provides the department of social

VISITORS' REGISTER

Human Svcs COMMITTEE

BILL NO. SRS Exec Action Medicaid Waiver DATE 1/24/89

SPONSOR

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Karen Landers MD	MCMCH		
Kay Foster	Council on Availability of OB Care		
Linnea Wang	SW Adolescent Treatment		
Bill Collins	Mt Public Welfare Assoc.		
Mary Olson	Foster mother		
Judith Carlson	NASW		
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Rose Hughes	MHCA		
Diane Sock	Kalispell - Waiver		
Jane Fish PhD	Clin Psyc MHS, Inc.		
Dick Hruska	Dustin Reg II Mental Health		
Debby Huigen	NASW.		
Brenda Nordlund	MT Women's Lobby		
Wilson Curlee	Lic. Soc. Wkr - Private Practice		
Mary Grace Black	Lic. Soc. Wkr. Priv. Prac.		

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PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

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