



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2027 Biennium

Bill#/Title: **HB0885.02 (001): Generally revise Medicaid laws to improve customer service**

Primary Sponsor: **SJ Howell** Status: **As Amended in House Committee**

☐ Included in the Executive Budget ☒ Needs to be included in HB 2 ☐ Significant Local Gov Impact

☐ Significant Long-Term Impacts ☒ Technical Concerns ☐ Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>	<u>FY 2028</u> <u>Difference</u>	<u>FY 2029</u> <u>Difference</u>
<b>Expenditures</b>				
General Fund (01)	\$179,042	\$47,169	\$47,169	\$47,169
State Special Revenue (02)	\$25,360	\$6,681	\$6,681	\$6,681
Federal Special Revenue (03)	\$360,398	\$94,950	\$94,950	\$94,950
<b>Revenues</b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$360,398	\$94,950	\$94,950	\$94,950
<b>Net Impact</b>	<u>(\$179,042)</u>	<u>(\$47,169)</u>	<u>(\$47,169)</u>	<u>(\$47,169)</u>
<b>General Fund Balance</b>				

#### Description of fiscal impact

HB 885 requires improved customer service through opening streamlined correspondence through mobile technology and translation.

### FISCAL ANALYSIS

#### Assumptions

#### Department of Public Health and Human Services (department) Section 1

1. The Human and Community Services Division (HCSD) has a hotline with a callback option in place, but only has the capacity for 150 callback slots. To accomplish a callback option to each caller, HCSD needs to double its existing 300 callback slots for a cost of \$135,000 annually (\$450 x 300 additional slots).
2. HCSD estimates an annual cost of \$13,200 to produce hotline call statistics at the county level (5 hours/month x \$220/hour).
3. HCSD does not currently have the systematic ability to text or email due dates to clients. A one-time-only (OTO) cost to add this feature to the Combined Health Information and Montana Eligibility System (CHIMES) eligibility system would be \$62,500 (500 hours x \$125/hour). There is a maintenance fee cost of \$50/month or \$600/year.
4. There are approximately 70 application notices and related forms that can be sent to clients. These forms would need to be translated into five of the most commonly spoken languages. The cost to translate is

\$1,010/form for a total OTO cost of \$353,500 (70 forms \* 5 languages \* \$1,010). See technical note related to American Indian languages.

- These operating expenses would be at following Federal Medical Assistance Percentage (FMAP) percentages: 31.70% general fund, 4.49% state special revenue and 63.81% federal funds.

### Section 3

- The appropriated \$200,000 in general fund will be used to fund the customer service improvements in Section 1.

### Fiscal Analysis Table

#### Department of Public Health and Human Services

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<b><u>Fiscal Impact</u></b>				
<b><u>Expenditures</u></b>				
Operating Expenses	\$564,800	\$148,800	\$148,800	\$148,800
<b>TOTAL Expenditures</b>	<b>\$564,800</b>	<b>\$148,800</b>	<b>\$148,800</b>	<b>\$148,800</b>
<b><u>Funding of Expenditures</u></b>				
General Fund (01)	\$179,042	\$47,169	\$47,169	\$47,169
State Special Revenue (02)	\$25,360	\$6,681	\$6,681	\$6,681
Federal Special Revenue (03)	\$360,398	\$94,950	\$94,950	\$94,950
<b>TOTAL Funding of Expenditures</b>	<b>\$564,800</b>	<b>\$148,800</b>	<b>\$148,800</b>	<b>\$148,800</b>
<b><u>Revenues</u></b>				
Federal Special Revenue (03)	\$360,398	\$94,950	\$94,950	\$94,950
<b>TOTAL Revenues</b>	<b>\$360,398</b>	<b>\$94,950</b>	<b>\$94,950</b>	<b>\$94,950</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u></b>				
General Fund (01)	(\$179,042)	(\$47,169)	(\$47,169)	(\$47,169)
State Special Revenue (02)	(\$25,360)	(\$6,681)	(\$6,681)	(\$6,681)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

### Technical Concerns

#### Department of Public Health and Human Services

- The department's review of HB 885, in consultation with the current enrollment & eligibility system vendor, confirms that the CHIMES self-service application meets the mobile device criteria outlined in Sections 1.1 a, b and 1.2 a, b of the bill.
- The department assumes that client-facing technology provided to employees after the bill's effective date will be appropriately designed and compliant with mobile technology requirements. The department interprets "mobile-first technology" as *not* requiring a dedicated CHIMES mobile application. If the intent of HB 885 is to require a CHIMES mobile application, the department estimates \$1,500,000 - \$2,000,000 (minimum) will be needed to complete this work.
- The department is unable to estimate the cost to translate documents into American Indian languages.
- The department uses interfaces to receive external data to evaluate cases for auto renewal according to 42 2

CFR 435-.916(b)(1). The department cannot guarantee ex parte renewals completed according to 42 2 CFR 435.916(b)(1) will meet the proposed 60% threshold.

5. HB 855 does not have codification instructions.

  
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Sponsor's Initials

4/8/25  
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Date

  
\_\_\_\_\_  
Budget Director's Initials

4/7/2025  
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Date