

OFFICE OF THE GOVERNOR
STATE OF MONTANA

STEVE BULLOCK
GOVERNOR



MIKE COONEY
LT. GOVERNOR

May 8, 2017

The Honorable Corey Stapleton
Secretary of State
State Capitol
Helena, MT 59620

Dear Secretary Stapleton:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby veto Senate Bill 208 (SB 208) "AN ACT ESTABLISHING REQUIREMENTS FOR THE USE OF MONEY APPROPRIATED FOR MEDICAID HOME AND COMMUNITY-BASED WAIVER SLOTS; PROVIDING DIRECTION TO THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES ON THE 0208 WAIVER FOR INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES; AND PROVIDING AN EFFECTIVE DATE."

SB 208 restricts how the Department of Public Health and Human Services (DPHHS) may use funding for home and community-based nursing care and other services. The bill would prohibit the transfer of unencumbered funding for these services between DPHHS divisions, and further requires that the Department address workforce shortages and other barriers to the full utilization of the funding set aside by the legislature for home and community-based services. Unfortunately, SB 208 would prevent the full use of DPHHS resources and harm the very people that need these services.

Home and community-based "waivers" are Medicaid services that assist in keeping people in their home or community, rather than a nursing home or the Montana Developmental Center. The cost of home and community care can vary widely from less than \$10,000 to over \$400,000 annually per person. The DPHHS operates home and community-based waivers in three different divisions: (1) Senior and Long term care (serving the elderly and physically disabled); (2) Addictive and Mental Disorders (serving people with serious mental health issues who need a nursing-home level of care); and (3) Developmental Services (serving people with developmental disorders). Under SB 208, if the DPHHS is unable to find a community placement for a client with serious mental illness but *can* find a community placement for an older Montanan, the Department would be prohibited from using the available funding between divisions to allow the older Montanan to be served. In this scenario, rather than just one person going without services, two would not be served.

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SB 208 also instructs the DPHHS to solve workforce shortages and other barriers to providing in-home health services. One way to address these issues would be to raise the hourly wage for direct care providers. However, the funding for home and community-based waiver slots is a fixed amount. Using limited waiver dollars to subsidize employer wages would mean that fewer dollars would be available to pay for services for those who need them. In this scenario, each person's services cost more so that fewer people can be served.

Current state law provides the DPHHS with the flexibility to manage the Medicaid program in a manner that can address an unforeseen health care crisis and/or rapidly respond to an opportunity for improved services, improved payment strategies or cost containment. The restrictions proposed by SB 208 are not an efficient or fiscally responsible way to manage government. Further, these restrictions would be detrimental to the very people these programs serve.

For these reasons, I veto SB 208.

Sincerely,



STEVE BULLOCK
Governor

cc: Legislative Services Division
Scott Sales, President of the Senate
Austin Knudsen, Speaker of the House