



Medicaid Provider Rates

The 2% rate increases that were approved by the 2009 Legislature were designed to assure that the businesses who partner with the state to provide services are able to maintain their services and pay their workers given the inflationary pressures of health, liability and workers comp insurance, medical supplies and equipment, consultant services, utilities, food, wages and other products and services, which all continue to cost more, at the same time as the economic downturn.

If provider rates are reduced back to 2009 levels, as will happen if the Legislature takes no action, there will be a negative impact on Montana's economy as these businesses cut jobs, freeze wages, and make fewer purchases in an attempt to live with Medicaid rates that fail to take into account the cost increases they are experiencing. The cost to the economy in lost wages, lost tax revenues and increased use of government services clearly offsets at least some potential savings.

Maintaining the 2010 levels of funding at this time, while still not keeping pace with the increasing costs of conducting business, will help maintain and stabilize important services over the next biennium. It will help businesses, employees, and those receiving services all over the state and will put millions of dollars directly into the Montana economy.

Without at least maintaining 2010 provider rates, there is the potential for some providers to discontinue operating or providing some services, which would decrease people's access to services.