

Department of Human Services

FY 2014 Revised, FY 2015 and Capital Budgets

House Finance Committee

March 12, 2014

Department of Human Services

- 1 of 4 health and human service agencies under the umbrella of OHHS
 - Department of Human Services
 - Division of Elderly Affairs
 - Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
 - Department of Children, Youth and Families
 - Department of Health

Department of Human Services

- Governor appoints the directors of the 4 agencies under the OHHS umbrella
- OHHS is responsible for managing and providing strategic leadership and direction to the 4 departments
- Directors retain statutory authority

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Department of Human Services

- OHHS structure improves the efficiency coordination of health and human services policy, planning budgeting and financing functions
 - Centralized financial management & legal
- OHHS is State Medicaid Agency
 - Medicaid expenses appear in 4 agencies
 - Other Medicaid programs - BHDDH & DCYF

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Department of Human Services

- Provides programs and services to meet the needs of
 - Children and parents
 - Adults with disabilities
 - Elderly
 - Veterans

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Department Programs / Functions

- Cash Assistance
- Individual and Family Support
- Health Care Eligibility (formerly Health Care, Quality, Financing and Purchasing)
- Child Support Enforcement
- Veterans' Affairs
- Elderly Affairs
- Central Management

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Governor's FY 2014 Revised Budget

<i>(in millions)</i>	Enacted	Governor	Change
General Revenues	\$93.5	\$96.6	\$3.1
Federal Funds	554.4	562.7	8.4
Restricted Receipts	9.8	7.1	(2.6)
Other Funds	4.5	5.2	0.7
Total	\$662.1	\$671.7	\$9.6

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Unified Health Infrastructure Project

- Joint venture of DHS, OHHS, HealthSource RI
- System developed to assist individuals enroll in either Medicaid or health insurance exchange
- Individual enters information once
- One place for all information needed for individual's determination
- Will replace InRhodes eligibility system

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Unified Health Infrastructure Project

- Deloitte is the main vendor to build the new eligibility system
 - Has done similar projects in other states
- Enacted budget includes salaries and benefits and some operating expenses
- Requests additional funds in both years
 - Reflects allocations of new eligibility program and other additional expenses
 - Federal match at different rates for certain expenses

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Unified Health Infrastructure Project

<i>(All fund sources, in millions)</i>	FY 2014 Enacted	FY 2014 Gov. Rev.	FY 2015 Gov.
Salaries & Benefits	\$1.8	\$1.9	\$2.9
Contracted IT	-	4.2	4.5
Operations	0.01	0.1	0.1
Total DHS	\$1.8	\$6.1	\$7.5
FTEs	18.0	47.0	47.0

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Unified Health Infrastructure Project

<i>(in millions)</i>	FY 2014 Enacted	FY 2014 Gov. Rev.	Change	FY 2015 Gov.	Change to Revised
General	\$0.2	\$3.9	\$3.7	\$4.4	\$0.5
Federal	1.6	2.2	0.6	3.1	0.8
Total DHS	\$1.8	\$6.1	\$4.3	\$7.5	\$1.4
FTEs	18.0	47.0	29.0	47.0	-

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UHIP – Funding Details

- Medicaid will only pay costs for related programs
 - RI Works, child care, SSI and GPA are not covered
 - State can use other sources for these expenses
- Gov. adds general revenues for IT and miscellaneous expenses for these programs
 - \$2.6 million in FY 2014, \$2.8 million in FY 2015
 - Assumes no federal funds available to charge/match
 - Programs funded with block grants, or funding limited
- SNAP is charged 50/50 in budget
 - Entitlement - no limit to qualifying expenditures

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UHIP – Staffing

- As of Feb. 26: 26 filled positions
- 16.0 design, development, implementation: 90/10
- 10.0 existing eligibility techs shifted from Medicaid determinations program
 - 75/25 match instead of regular 50/50
- Plan to post remaining positions in March
- Gov. includes turnover, consistent with request
 - May be additional savings as hiring delays continue

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UHIP – Statewide Expenses

(millions)	General Revenues	Federal Funds	Total
<i>FY 2014 Enacted</i>	\$3.8	\$18.6	\$22.4
<i>FY 2014 Total</i>	\$8.6	\$27.5	\$36.1
OHHS	\$4.8	\$25.2	\$30.0
DHS	\$3.9	\$2.3	\$6.1
<i>FY 2015 Total</i>	\$10.1	\$29.0	\$39.1
OHHS	\$5.7	\$25.9	\$31.7
DHS	\$4.4	\$3.1	\$7.5

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FY 2014 Corrective Action Plan

- Increased UHIP expenditures are most of projected gen. rev. deficit in FY 2014 in DHS
 - \$5.1 million – Budget Office 1st Quarter Report
 - \$3.7 million related to UHIP
- DHS submitted a corrective action plan in Dec.
- Discussed in House Finance hearing Dec. 18th

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FY 2014 Corrective Action Plan

- 13 savings proposals, most to begin Feb
 - Eliminate optional programs matched by Medicaid
 - elderly affairs, rehab services, health centers
 - Eliminate state SSI payments, general public assistance
 - Reduce elderly transportation, Head Start grants
- Governor's revised recommendation is \$3.1 million above enacted budget
 - Does not include any corrective action items
 - Assumes turnover and other reductions instead

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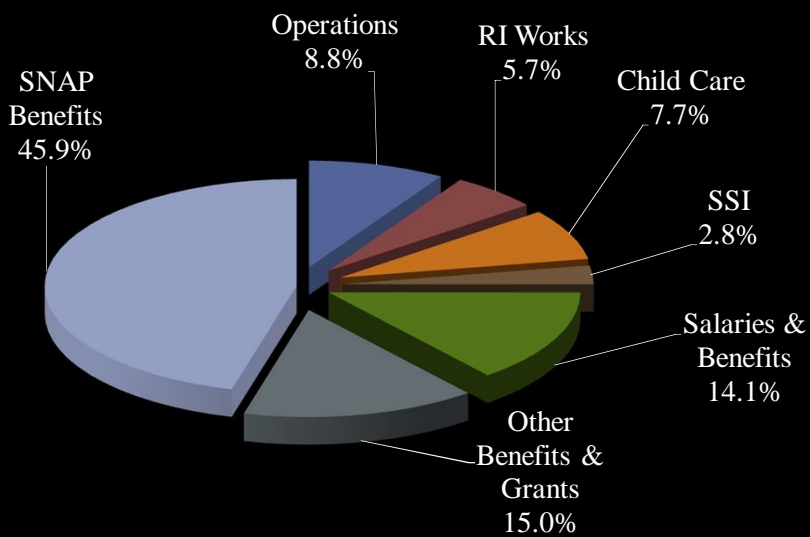
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Governor's FY 2015 Budget

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Total	\$662.1	\$655.5	(\$6.6)

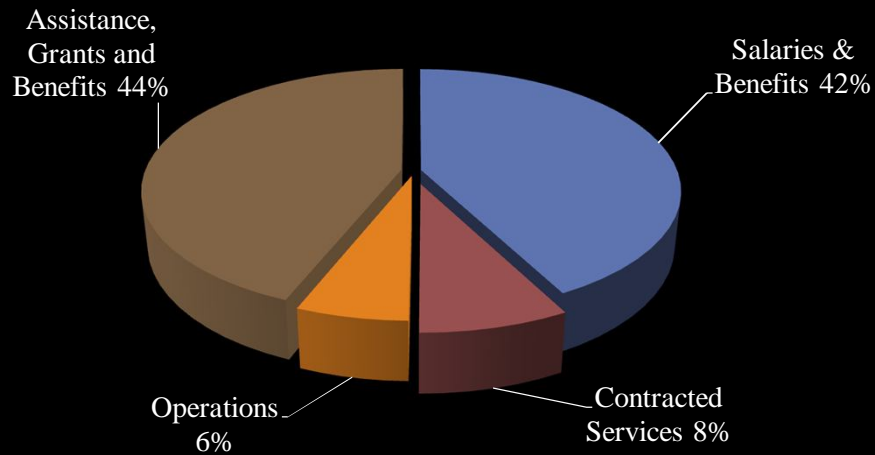
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FY 2015 Governor – All Funds



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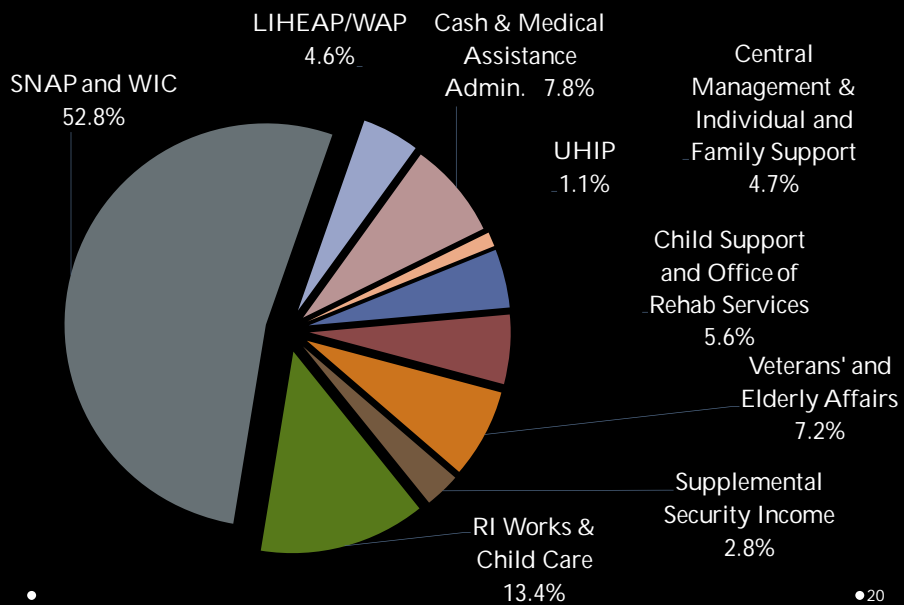
FY 2015 Governor – General Revenues



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FY 2015 Governor – All Funds by Program



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Statewide Savings

- FY 2014 Revised: \$176,918
 - Medical benefit savings – benefit holiday
- FY 2015: \$196,050
 - Medical benefit savings
 - Retiree health

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Current Services & Constrained Requests

- Agencies were given current services budget levels to adhere to in their FY 2015 request
 - \$93.9 million total, \$0.5 million above enacted
 - Request was \$5.0 million above current services
- Also instructed to submit one with 7% reduction
 - \$6.3 million reduction to current services
 - DHS includes a series of proposals totaling \$11.3 million to meet this “constrained” target
 - Discussed where appropriate

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Constrained Request Proposals

Proposal (<i>in millions</i>)	Gen. Rev.	Total	Gov.
Elim/Reduce SSI Program	(\$3.3)	(\$3.3)	No
GPA Bridge Program	(1.4)	(1.0)	No
Elderly/Disabled Paratransit	(2.0)	(2.2)	No
Elderly Affairs Programs	(3.4)	(6.8)	No
Rehabilitation Services	(0.5)	(0.9)	No
Head Start	(0.2)	(0.2)	No
Community Health Centers	(0.3)	(0.7)	Yes
URI SNAP outreach	(0.1)	(0.1)	Yes
Total	(\$11.3)	(\$15.3)	

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Full-Time Equivalent Positions

FY 2014 Enacted	959.1
FY 2014 & FY 2015 Requests	994.1
FY 2014 Rev. & FY 2015 Governor	959.1
<i>Change to Enacted</i>	-
<i>Change to Requests</i>	(35.0)
Filled positions; 2-22-2014	837.6
Filled positions vs. enacted level	(121.5)
FY 2013 average filled	819.1

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Staffing Changes

Positions	FY 2014	FY 2015
Unified Health Infrastructure Project	29.0	29.0
SNAP Eligibility Technicians	6.0	6.0
Race to the Top	5.0	5.0
Women, Infants & Children Nutrition	3.0	3.0
Medicaid & Cash Assistance Admin.	(9.0)	(9.0)
Child Support, All Other Changes	1.0	1.0
Unidentified Vacancy Reduction	(35.0)	(35.0)
<i>Total FTE changes to enacted</i>	-	-

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Cash Assistance

- Rhode Island Works
- Child Care
- SSI
- SSI Transition/Bridge

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FY 2014 Federal Poverty Level

Family	133%	175%	180%	225%	250%
1	\$15,521	\$20,423	\$21,006	\$26,258	\$29,175
2	20,921	27,528	28,314	35,393	39,325
3	26,321	34,633	35,622	44,528	49,475
4	31,721	41,738	42,930	53,663	59,625
5	37,120	48,843	50,238	62,798	69,775
6	42,520	55,948	57,546	71,933	79,925
7	47,920	63,053	64,854	81,068	90,075
8	53,320	70,158	72,162	90,028	100,225

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TANF Federal Block Grant

- Used primarily for RI Works and child care benefits and administration
- State must spend \$60.4 million general revenues to receive the \$95.0 million grant
 - Assuming work participation rates are met
 - Separate rates for 1 and 2 parent families
- States held to higher maintenance of effort standard if either rate is not met

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TANF Federal Block Grant

- RI must spend \$64.4 million general revenues to receive the \$95.0 million grant
- \$4.0 million more general revenue maintenance of effort needed because RI has not met two-parent work participation rate

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Rhode Island Works

- Cash assistance program for families
- Receive a maximum of 24 months of assistance in any 60 month period
 - Lifetime limit of 48 months
- Parents must develop an employment plan
 - Training, job search, vocational education, etc.

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Rhode Island Works

	FY 2014 Enacted	FY 2014 Gov./CEC	Change to Enacted	FY 2015 Gov./CEC	Change to Revised
Persons	15,500	15,125	(375)	15,125	-
Monthly Cost per Person	\$187.00	\$183.00	(\$4.00)	\$182.50	(\$0.50)
Annual Cost*	\$38.9	\$37.3	(\$1.6)	\$37.2	(\$0.1)

* *millions*

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Rhode Island Works – Pilot

- 2013 Assembly created pilot program: Article 18
- Purpose: promote innovation in TANF supported programs and test new ways of delivering services to low income individuals and families
- Included \$3.0 million from federal TANF block grant funds
 - Allocated \$1.5 million for RI Works portion
 - Also included \$1.5 million for child care expansion portion of pilot, discussed separately

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Rhode Island Works – Pilot

- DHS *shall*:
 - Draft an innovative proposal to test new approaches
 - Award a contract on a competitive basis with a job development vendor(s) to increase work participation rates
- DHS *may*:
 - increase case management of RI Works participants to ensure greater levels of success

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Rhode Island Works – Pilot

- Finished extensions to existing contracts; still working on creating RFP for new ones
- Made existing contracts with job readiness providers more outcome focused
 - added target benchmarks and increased incentives for increased performance
- A consultant evaluated current benefit delivery system; report presented to Director late Feb.
 - Will review recommendations, develop action plan

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Rhode Island Works – Pilot

- DHS expanding the number of options for RI Works participants, such as:
 - on-the-job training and other work experiences
 - job readiness
 - programs DLT promotes for the unemployed
- Governor includes \$1.5 million in both years
 - However, appears to have encumbered \$1.1 million, but no funds spent yet

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Rhode Island Works Pilot - Reporting

- Monthly to Governor: status of implementation
 - performance measurements and progress made to increase work participation rates
 - 1 submitted in Sept.
- By April 1, 2014 to Governor and Assembly: Findings of the pilot program
 - Program changes tested; vendor performance; benchmarks achieved; recommendations for continued successes; and number of individuals and families that participated and their successes

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Rhode Island Works – EBT Cards

- RI Works cash assistance is typically paid through electronic benefit cards (EBT)
 - Contains family's cash benefits for the month
 - Acts like a debit card, requires user to enter a PIN
- 4 in-network ATM withdrawals at no charge
 - \$0.85 each additional ATM withdrawal in a month
 - No charge for point-of-sale withdrawals (purchase with cash back) or credit/debit style transactions
- No charge for replacement card
 - If 4+ issued in 1 year period, referred to fraud unit

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Rhode Island Works – EBT Cards

- Currently, only limitation is that cardholder is not allowed to access cash benefits in casinos
 - However, not strictly enforced
- New federal guidelines require no RI Works EBT transactions at casinos, liquor stores or certain adult entertainment sites
- EBT transaction = cash withdrawal, purchase, or purchase with cash back

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Rhode Island Works – EBT Cards

- No deadline for compliance, but states must be working towards compliance by Feb 22, 2014
- DHS submitted state plan amendment by deadline to address these changes
- Hearing on Rules and Regulations changes was held today at 11 am
 - Adds definitions, penalties, and appeals process
- DHS preparing to mail notification letters to store owners and card holders about changes

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EBT Card Transactions

	RI Works	SNAP
Require PIN	Yes	Yes
Get Cash/ATM	Yes	No
Purchases	No limitations	Limited to food
Functionality	Withdraw cash, use as credit/debit; no item limitations	Must use card to purchase food; no cash access
Benefits Issued	1 st and 16 th	1 st

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Rhode Island Works – EBT Cards

- Federal rules do allow blocking certain types of businesses from all EBT transactions
 - Cannot ban if only ATM in a reasonable area and would cause hardship to access the next nearest ATM
- However, current vendor for EBT does not have capability to block by store type or location
- New vendor will likely have this capability
 - May be fully on-board by January 1, 2015

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Rhode Island Works – EBT Cards

- DHS indicates RI Works EBT transaction bans at these new sites will likely be difficult to enforce
- Example:
 - Person can use SNAP benefits to buy a bag of pretzels at a liquor store
 - Person cannot use RI Works benefits to buy the same bag of pretzels at the same liquor store

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Child Care

- Provides child care to Rhode Island Works recipients and low income families at or below 180 percent of poverty
 - families in approved training or employment programs who need child care to participate
- Over three-quarters of participants are low income families who do not receive cash assistance payments

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Child Care – Pilot Program

- Pilot program underway to allow families to maintain eligibility if income increases to 225%
 - Must first be eligible at 180 percent of poverty
- Pilot period: Oct. 1, 2013 through Sept. 30, 2014
- Gov. includes enacted level of \$1.5 million federal TANF funds in both years for these child care expenses
- As of Feb. 13, approx. 30 parents have maintained child care through this provision
 - Approximately \$80,500 has been spent

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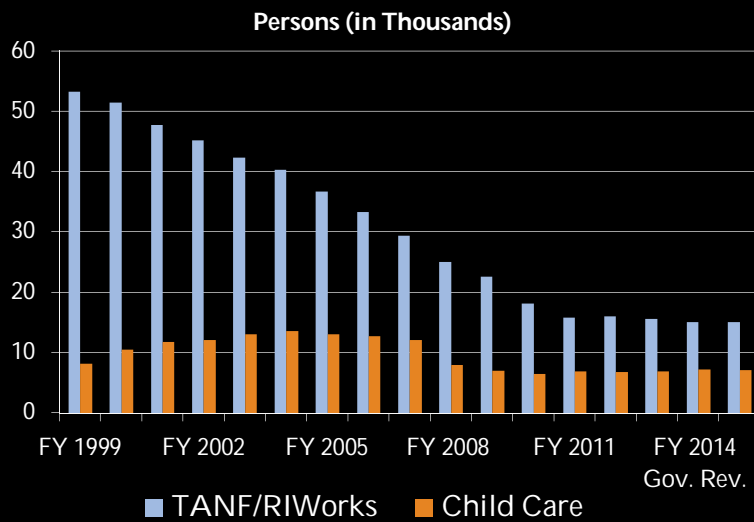
Child Care Expenditures

	Enacted	FY 2014 Gov. /CEC	Change	FY 2015 Gov. /CEC	Change to Revised
Subsidies	7,025	7,170	145	7,145	(25)
Annual cost per subsidy	\$7,060	\$7,060	-	\$7,100	\$40
Total Cost *	\$51.1	\$50.6	(\$0.5)	\$50.7	\$0.1

* *millions*

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Caseload History



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Supplemental Security Income

- Federal program for disabled individuals
- Physical or mental condition resulting in severe functional limitations that can be expected to last for a continuous period of not less than 12 months
- State provides a supplement to the federal payment

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Supplemental Security Income

	FY 2014 Enacted	FY 2014 Gov./CEC	Change to Enacted	FY 2015 Gov./CEC	Change to Revised
Persons	33,515	33,590	75	33,951	361
Monthly Cost	\$44.19	\$45.62	\$0.43	\$45.62	-
Total Costs*	\$18.2	\$18.4	\$0.2	\$18.6	\$0.2

*millions

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SSI – Proposed Reductions

Location	Proposal	Savings	FY	Gov. Rec.
Corrective Action Plan	Eliminate state payments in May 2014	\$2.1 million	2014	No
Constrained Request	Not determined	\$3.3 million	2015	No

- Proposed to make resources avail. for UHIP
- Changes can be made with 90 days notice to SSA, but must start at beginning of a quarter

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SSI – Additional State Supplement

- Gov. includes requested, enacted level of \$250,000 general revenues for additional state supplement
 - Spent \$44,586 more in FY 2013
- \$206 monthly payment to individuals who
 - receive the state SSI payment and
 - reside in state licensed assisted living residences not eligible for Medicaid

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SSI Transition/Bridge Program

- Disabled individuals who have applied to Supplemental Security Income program
 - Also called General Public Assistance/Bridge program
- State is reimbursed a portion of expenses if a person's application is accepted

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SSI Transition/Bridge Program

	FY 2014 Enacted	FY 2014 Gov./CEC	Change to Enacted	FY 2015 Gov./CEC	Change to Revised
Persons	550	524	(26)	550	26
Monthly Cost	\$105.00	\$105.00	\$-	\$105.13	\$0.13
Total Costs*	\$2.0	\$2.2	\$0.2	\$1.5	(0.7)

*millions

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GPA Bridge – Proposed Reductions

- Corrective action plan and constrained request propose to reduce and/or eliminate the program
 - Maintain only the burial provisions
- \$1.4 million savings, mostly gen. rev.
 - \$1.0 million for cash assistance and medical benefits
 - \$0.4 million for personnel; also proposes to shift people to SNAP admin. program for 50/50 match
- Governor does not include these reductions

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Hardship Payments

- Governor includes \$210,000 from general revenues for general public assistance hardship payments
 - Consistent with enacted level
- Payment of up to \$100 per month for individuals not eligible for any other assistance

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Benefits Administration

* <i>in millions</i>	FY 2014 Gov. Rev.*		FY 2015 Gov.		
	General Revenues	Total	General* Revenues	Total*	FTEs
RI Works	\$4.3	\$25.5	\$4.4	\$25.5	101.0
Child Care	1.2	\$4.3	1.1	\$4.2	16.0
SSI	0.6	\$0.6	0.6	\$0.6	4.0
Total	\$6.0	\$30.3	\$6.0	\$30.3	121.0

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Other Benefit Programs

- Supplemental Nutrition Assistance Program
 - Benefits are federally funded, administration is both general revenues and federal sources
- Woman, Infants and Children Nutrition
 - Benefits and administration are federally funded
- Low Income Home Energy Assistance and Weatherization Assistance Programs
 - Benefits and administration are federally funded

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Other Benefits

Federal Funds (in millions)	FY 2014 Enacted	FY 2014 Gov. Rev.	FY 2015 Gov.
SNAP	\$298.2	\$300.6	\$300.6
WIC	19.4	19.4	19.4
LIHEAP/WAP	39.1	41.5	29.3
Total	\$356.7	\$361.5	\$349.3

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Other Benefits Administration

	FY 2014 Gov. Rev.*		FY 2015 Gov.		
<i>*in millions</i>	General Revenues	Total	General* Revenues	Total*	FTEs
SNAP	\$8.3	\$19.2	\$8.0	\$18.8	114.0
WIC	\$-	\$6.5	\$-	\$6.6	15.0
LIHEAP/WAP	\$-	\$1.3	\$-	\$1.0	10.0

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SNAP Outreach Program

- URI students visit soup kitchens, housing sites, senior centers, food pantries & shelters informing those in need of nutritional assistance how to access benefits
 - Used to leverage like amount of federal sources
- Enacted budget includes \$100,000 general rev.
- Governor excludes the funding in FY 2015
 - Consistent with DHS's constrained request

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SNAP Penalty

- Because of claims error rates above the national average benchmark for two fiscal years, the state received a penalty of \$519,251
 - For FFY 2010 and FFY 2011
- Originally only assessed half of penalty
 - \$259,625.50
 - Must reinvest this half into improving system to lower the error rate issues
 - If satisfactory improvements made, would not be assessed the other half

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SNAP Penalty

- Must spend non-federal sources for penalty
- Bonus funding saved from prior years qualifies
 - \$0.4 million available in this fund
 - Used \$259,625.50 to reinvest into system
- However, because of a 2nd penalty, remainder of 1st penalty is required to be paid
- When DHS's collections unit uncovers client error or fraud, it keeps a portion of recoveries
 - Generates about \$60,000 annually
 - DHS exhausted this account to pay the 1st penalty

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SNAP Penalty

- DHS was assessed a 2nd penalty: \$394,538
 - From error rates related to FFY 2012
 - Jan. 2014 agreement reduced penalty to \$304,431
- Must reinvest half into improving system to lower the errors; other half as potential penalty payment
- Will use remaining bonus funding
 - Sufficient funding for reinvestment only; no funding identified at this time for penalty payment if assessed
 - Penalty payment would not be required until FY 2015

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SNAP Penalty

- Governor includes bonus funding for penalty
 - \$260,000 in FY 2014
 - \$150,000 in FY 2015, balance of account
- Governor does not include the payment from the collections unit fund
 - Consent agreement signed after budget submitted
- Status of potential third penalty unknown
 - At risk because have not implemented fixes

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Division of Veterans' Affairs

- Provides programs and services through
 - Veterans' Affairs / Veterans' Assistance Office
 - Veterans' Home
 - Veterans' Cemetery

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Veterans' Affairs - Summary

<i>(in millions)</i>	FY 2014 Enacted	FY 2014 Gov. Rev.	FY 2015 Gov. Rec.	FY 2015 to Enacted
General Revenues	\$21.0	\$19.8	\$20.3	(\$0.7)
Federal Funds	7.7	9.1	7.5	(0.2)
Restricted Receipts	1.5	1.7	0.6	(0.8)
Total	\$30.1	\$30.7	\$28.4	(\$1.8)
FTEs	238.6	239.6	239.6	1.0

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Veterans' Affairs - Summary

<i>(in millions)</i>	FY 2014 Enacted	FY 2014 Rev. Req.	FY 2014 Gov. Rev.	FY 2015 Request	FY 2015 Gov. Rec.
Sal & Ben	\$23.9	\$23.4	\$22.3	\$24.6	\$23.2
Contracted	1.9	2.3	2.3	2.1	2.4
Operating	2.3	2.8	2.8	2.6	2.6
Capital	2.0	2.3	3.2	1.2	0.1
Total	\$30.1	\$30.9	\$30.7	\$30.5	\$28.4

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Veterans' Home – Staffing

- Governor reduces expenses for salaries and benefits offset by contracted nurses increase
 - Assumes increased turnover, reflects continued delays in hiring, despite some successes
- He includes \$24.7 million in FY 2014
 - \$1.1 million less than enacted, primarily gen. rev.
- He includes \$25.6 million in FY 2015
 - \$0.2 million less than enacted
 - \$0.5 million less gen. rev. for FTEs and \$0.6 million additional funds for contracted nurses

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Veterans' Home - Capital Projects

FY 2014 Gov. Revised	Restricted Receipts
Renovate Nursing Wings 5,6,7	\$600,000
Electrical System Upgrade	100,000
Sprinkler System Water Connection	350,000
Main Entrance Renovation	49,140
Total	\$1,099,140

- All projects anticipated to be completed in FY 2014
- No renovation projects recommended in FY 2015

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New Veterans' Home

- In Nov. 2012, voters approved a referendum to issue general obligation bonds to build a new Veterans' Home, adjacent to existing one
 - Up to \$94.0 million may be issued
 - Will be reduced if federal funds become available
- Gov. does not include potential federal funds

<i>(in millions)</i>	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Total
New Home GO Bonds	\$0.2	\$5.3	\$15.5	\$37.5	\$25.0	\$10.5	\$94.0

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Articles in Governor's Budget

- Article 3 creates a new restricted receipt account for donations related to the new Veterans' Home
 - Exempts new fund from 10% indirect cost recovery
 - Effective January 1, 2014 , has received \$800 so far
 - Heard March 4th in House Finance
- Article 4 includes issuing debt for an automated pharmacy service system at the Veterans' Home
 - Appears to include \$0.2 million
 - Heard Feb. 26th in House Finance

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Veterans' Cemetery

- Located on 338 acres in Exeter
 - Former Ladd School property
- About 30,620 people laid to rest in cemetery
 - maximum 43,000; master plan increases to 72,500
- Averages over 1,200 burials per year
- 1,223 burials in FY 2013
 - 733 for veterans, 490 for spouses & certain children

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Veterans' Cemetery - Capital

<i>(in millions)</i>	FY 2014 Enacted	FY 2014 Rev. Req.	FY 2014 Gov.	FY 2015 Request	FY 2015 Gov.
Maintenance vehicles	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
Burial Fields	0.8	0.8	1.3	-	-
New Columbarium	0.4	0.7	0.7	-	-
Total	\$1.3	\$1.6	\$2.1	\$0.1	\$0.1

Both the columbarium & burial fields restoration projects will end in FY 2014. The Governor inadvertently includes \$0.7 million too much for burial fields.

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Division of Elderly Affairs

- Primary Functions of Elderly Affairs
 - Information and Referral, “The Point”
 - Home and Community Care Services
 - Elder Safety and Justice
 - Health Promotion
 - Nutrition
 - Pharmaceutical Assistance

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Elderly Affairs – Summary

<i>(in millions)</i>	FY 2014 Enacted	FY 2014 Gov. Rev.	FY 2015 Gov. Rec.	Change to Enacted
General Revenues	\$5.7	\$6.1	\$6.4	\$0.7
Federal Funds	11.8	12.0	12.2	0.5
Restricted Receipts	0.5	0.1	0.1	(0.4)
Total	\$18.0	\$18.2	\$18.7	\$0.8
FTEs	30.0	31.0	31.0	1.0

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Elderly Affairs – Summary

<i>(in millions)</i>	FY 2014 Enacted	FY 2014 Gov. Rev.	FY 2015 Gov. Rec.	Change to Enacted
Salaries & Benefits	\$3.2	\$3.2	\$3.3	\$0.1
Contracted Services	0.2	0.1	0.1	(0.1)
Operating	0.4	0.4	0.4	(0.1)
Assistance & Grants	14.2	14.5	15.0	3.0
Capital Expenses	0.01	0.01	0.01	-
Total	\$18.0	\$18.2	\$18.7	\$0.2
FTEs	30.0	31.0	31.0	1.0

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Pharmaceutical Assistance Program

	General Revenues	Rebates	Total
FY 2011 Spent	\$987,781	\$100,000	\$1,087,781
FY 2012 Spent	\$-	\$454,335	\$454,335
FY 2013 Spent	\$-	\$315,222	\$315,222
FY 2014 Enacted	\$174,484	\$130,000	\$304,484
FY 2014 Gov. Rev.	\$174,484	\$149,168	\$323,652
Spent through 2-28	\$-	\$46,583	\$46,583
FY 2015 Gov.	\$174,484	\$149,336	\$323,820
Gov. to Enacted	\$-	\$19,336	\$19,336

• 76

Home & Adult Day Care, Case Management

- Provides eligible seniors with options to help them remain in the community
- Home Care: dressing, bathing, meal preparation, light housekeeping
- Adult Day: therapeutic, recreation, health services, respite for caregivers
- Case Management: develop and monitor a plan of care, assist in securing needed services, training and support for family caregivers

• 77

Home & Adult Day Care, Case Management

- Low income elders pay a portion of the costs for these services
- State leverages Medicaid funds for these services through the global waiver

<i>(all sources, in millions)</i>	Enacted	FY 2014 Gov. Rev.	FY 2015 Gov. Rec.	Change to Enacted
Adult Day Total	\$2.6	\$2.6	\$2.8	\$0.2
Home Care Total	\$3.1	\$3.1	\$3.4	\$0.3
Case Mgmt Total	\$0.5	\$0.5	\$0.6	\$0.0

• 78

Department's Constrained Proposals

<i>Changes to FY 2015 Request</i>	Gen. Rev.	All Funds
Home Care	(\$1,690,954)	(\$3,383,938)
Adult Day Care	(1,383,947)	(2,769,556)
Case Management	(276,049)	(552,429)
Volunteer Guardianship	(81,512)	(81,512)
Total	(\$3,432,462)	(\$6,787,435)

- The Department proposed to eliminate these programs in its constrained request; have been proposed in the past
- Gov. does not eliminate these programs in his budget
 - Funds at current services level, \$0.5 million above enacted level

• 79

Other Elderly Affairs Services

<i>(in millions)</i>	Enacted	FY 2014 Gov. Rev.	FY 2015 Gov. Rec.
Nutrition and Meals on Wheels	\$2.7	\$2.4	\$2.4
Older Americans Act - Other	3.3	3.3	3.3
Aging & Disability Resource Ctr	0.2	0.6	0.6
Medicaid Administration	0.7	0.7	0.7
Family Caregiver Support	0.7	0.8	0.8
All Other Services	2.1	2.5	2.5
Total	\$9.7	\$10.3	\$10.3

• 80

Indirect Cost Recovery

- Enacted budget assumes Elderly Affairs will coordinate with OHHS to negotiate a federal indirect cost recovery rate
 - Assumes \$0.4 million will be recovered
 - Used to offset state funded operating costs
- Gov. restores general revenues, reduces restricted receipts since the funds not likely to be recovered
 - Consistent with request in both years
- Div. indicates it can recover closer to \$50,000 if a rate is approved; uses limit of admin. funds on some grants

• 81

Indirect Cost Recovery

- Gov. includes funding in OHHS to develop a cost allocation plan
 - \$250,000 in FY 2014; \$100,000 in FY 2015
 - Includes Elderly Affairs, Health and BHDDH
- Tentative award with PCG, will include indirect cost recovery for Elderly Affairs
 - Still negotiating, expected to be signed by March 18
 - Not yet determined the percentage, amount that may be recovered or tentative start date

• 82

Other Programs and Services

- Health Care Determination Administration
- Child Support Enforcement
- Office of Rehabilitation Services
 - Statewide Blind Vending Facilities
- Race to the Top
- Paratransit Services for the Elderly
- All Other Programs and Services

• 83

Health Care Determination Admin.

- About 45% general revenues, rest is federal funds

	FY 2014 Enacted	FY 2014 Gov. Rev.	FY 2015 Gov.	2015 to Enacted
Salaries & Benefits	\$12.8	\$12.7	\$13.3	\$0.4
Contracted Services	1.8	1.4	1.2	(0.6)
Operating Expenses	2.7	2.5	2.6	(0.2)
Assistance & Grants	0.01	-	-	(0.01)
Total (in millions)	\$17.4	\$16.6	\$17.0	(\$0.4)
FTEs	149.3	143.3	143.3	(6.0)

• 84

Health Care Determination Admin. - Staffing

- Gov. assumes higher match rate for 29 existing eligibility staff for Medicaid determinations
 - Must do Medicaid only, no other aid programs
- 75/25 match instead of 50/50: starting Jan. 2014
- Shifts gen. rev. expenses to federal funds
 - \$0.3 million in FY 2014, \$0.6 million in FY 2015
- Remaining eligibility techs that process Medicaid and other assistance programs remain at 50/50

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•85

Health Care Determination Admin. - Staffing

- Must meet certain conditions and standards and get approval from CMS
 - DHS still preparing application for approval
- In order to get 75/25 match for eligibility staff:
 - Must use new UHIP eligibility system, not InRhodes
 - Must document time differently than done now
 - DHS must discount time spent on non-Medicaid tasks
 - DHS not certain it can meet all CMS requirements
- Failure to do so will create a funding shortfall

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•86

Child Support Services

- About 29% general revenues, rest is federal funds

	Enacted	FY 2014	FY 2015
Salaries & Benefits	\$4,955,636	\$4,875,524	\$4,850,146
Contracted Services	2,165,005	2,125,311	2,078,195
Operating Expenses	1,334,929	1,294,909	1,301,709
Capital	10,000	10,385	10,385
Total	\$8,465,570	\$8,306,129	\$8,240,435
Number of FTEs	61.2	58.2	58.2

• 87

Office of Rehabilitation Services

- About 15% general revenues, rest is federal funds

<i>(in millions)</i>	FY 2014 Enacted	FY 2014 Gov. Rev.	FY 2015 Gov. Rec.	2015 to Enacted
Salaries & Benefits	\$12.1	\$12.6	\$12.5	\$0.4
Contracted Services	5.5	5.2	5.0	(0.4)
Operating Expenses	3.9	2.9	2.9	(1.0)
Assistance & Grants	7.5	7.3	7.4	(0.2)
Capital Expenses	0.2	0.04	0.04	(0.2)
Total	\$29.2	\$28.0	\$27.9	(\$1.3)

• 88

ORS Medicaid CNOMs - FY 2014

- ORS leverages Medicaid for certain services to help individuals maintain independence
- Revised request ends these programs April 1
 - Services still available, client would have to pay
- Gov. does not include the elimination, funds as enacted

CNOM programs	FY 2014 Enacted	FY 2014 Rev. Req.	FY 2014 Gov. Rev.
Home Modification	\$215,608	\$161,706	\$215,608
Personal Care Attendant	382,816	287,112	382,816
Social Services for Blind	297,877	223,419	297,877
Total (all sources)	\$896,301	\$672,237	\$896,301

• 89

ORS Medicaid CNOMs - FY 2015

- Request assumes slight increase in 2 of 3 programs
- Constrained request eliminates programs
- Gov. does not include the elimination
 - Includes funds consistent with unconstrained request

CNOM Programs	Enacted	FY 2015 Request	FY 2015 Constr.	FY 2015 Gov.
Home Modification	\$215,608	\$215,608	\$-	\$215,608
Personal Care Attendant	382,816	400,249	-	400,249
Social Services for Blind	297,877	322,832	-	322,832
Total (all sources)	\$896,301	\$938,689	\$-	\$938,689

• 90

Statewide Blind Vending Facilities

- 15 stores in state-occupied buildings, operated by blind and visually-impaired individuals
- Typically funded by RICAP funds
 - Renovations, refurbishment and facility maintenance
- Gov. includes \$165,000 per year from FY 2015 through FY 2019
 - Consistent with enacted level and request

• 91

Statewide Blind Vending Facilities

- FY 2014: Gov. includes \$229,000
 - \$183,083 RICAP: usual \$165,000, plus carry forward
 - \$36,137 federal funds, \$9,780 general revenues
- Renovations at Licht and Garrahy complexes cost more than anticipated; were completed in summer
- Gov. shifts existing funding from ORS for the non-RICAP capital expenses
 - Required to find savings in its budget at its discretion

• 92

Race to the Top

- State awarded \$50 million Dec. 2011; ends Dec. 2015
 - DHS to receive \$25.5 million; nothing spent in FY 2012; \$0.2 million spent in FY 2013
- Developed program plans thru FY 2013 with intent to implement plans in FY 2014 & FY 2015
 - Expand Bright Stars quality rating & improvement system
 - Professional center for community based technical support for providers to improve programs
 - Contract w/ CCRI to award experience credits for early childhood education workers to obtain relevant degree
 - Awards to providers: improve & maintain high care quality

• 93

Race to the Top

Federal Funds	FY 2013 Spent*	FY 2014 Enacted	FY 2014 Gov. Rev.	FY 2015 Gov. Rec.
Salaries & Benefits	\$156,072	\$170,159	\$598,243	\$693,707
Contracted Services	3,061	227,960	2,208,935	1,942,335
Operating Expenses	6,753	55,234	16,532	16,532
Assistance / Grants	-	9,182,431	8,921,460	7,916,031
Capital	2,993	-	2,993	2,993
Total	\$168,879	\$ 9,635,784	\$11,748,163	\$10,571,598
FTEs	2.0	2.5	7.5	7.5

* \$5.8 million had been budgeted in FY 2013 and \$1.9 million in FY 2012

• 94

Paratransit Services for the Elderly

- DHS provides transportation services for both Medicaid & non-Medicaid eligible elderly and disabled persons to:
 - Doctor visits, dialysis, cancer treatment, adult day care centers, senior meal sites, services for visually impaired

<i>(in millions)</i>	FY 2014 Enacted	FY 2014 Gov. Rev.	Change to Enacted	FY 2015 Gov. Rec.
General Revenues	\$2.0	\$1.4	(\$0.6)	\$2.0
Federal Funds	0.5	0.5	-	0.5
Gas Tax Funds	4.2	4.7	0.6	4.2
Total	\$6.6	\$6.6	\$-	\$6.6

• 95

Paratransit Services – FY 2014

- Request eliminates Medicaid matched CNOM services on April 1 for \$0.1 million total savings
 - Assumes people will have Medicaid or insurance through Exchange; use savings towards UHIP
 - Medicaid expansion does not affect this population
 - Gov. does not include this reduction
- Governor shifts \$0.6 million general revenue expenses to available gas tax funds
 - One-time savings

• 96

Paratransit Services – FY 2015

- Request is essentially same as enacted budget
- Constrained request eliminates services for:
 - Medicaid eligible seniors – use other avail. services
 - Non-Medicaid eligible elderly and disabled persons to non-Medicaid covered sites
 - \$2.2 million in savings, incl. \$2.0 million gen. rev.
- Included in constrained request in prior years
- Gov. does not include the constrained proposal
 - Recommends funding essentially at enacted level

• 97

All Other Programs and Services

- Work Support Strategies
- Workforce Innovation Fund
- Head Start
- Community Health Centers
- Community Service Grants
- Housing and Shelter Services

• 98

Work Support Strategies

- 1st award was for \$250,000 in FY 2012
 - Assess current operations, develop new and better ways to deliver services and benefits to families
- 2nd award is a 3-year, \$1.3 million grant
 - Implementation of action plan for improvement of child care, RI Works, SNAP and Medicaid admin.
 - Award period: March 2012 thru February 2015
- Gov. includes \$0.6 million in FY 2014 and \$0.5 million in FY 2015 from general revenues
 - 1.0 position, 1.0 fewer than enacted

• 99

Workforce Innovation Fund

- Gov. includes \$0.1 million from federal funds for 1.0 new Program Services Officer
- “On-Ramps to Career Pathways”
 - Work with DLT’s Governor’s Workforce Board
 - 1) Establish 3-4 career pathways; align/integrate a range of public funding streams and programs along these pathways
 - 2) Create on-ramps system to enable low-skilled, low-literacy and long-term unemployed workers to successfully gain access to these pathways

• 100

Head Start

- Head Start serves about 2,500 children ages 3 to 5 at eight locations across the state
- Federally funded program and the state provides additional funding
- Governor includes enacted level of \$800,000 from general revenues for Head Start
- Department's constrained request proposed a 25 percent reduction = \$200,000
 - The Governor did not concur with the reduction

• 101

Community Health Centers

- Enacted budget assumes a portion of the people receiving services at community health centers will be covered 100 percent by Medicaid in Jan. 2014
 - Covered at Medicaid rate otherwise, about 50/50
- Governor's revised budget equals enacted level

<i>(in millions)</i>	FY 2013 Spent	FY 2014 Enacted	FY 2014 Gov. Rev.	FY 2015 Request	FY 2015 Gov. Rec.
Gen. Rev.	\$0.6	\$0.5	\$0.5	\$0.3	\$-
Federal	0.6	0.5	0.5	0.3	-
Total	\$1.2	\$1.0	\$1.0	\$0.6	\$-

• 102

Community Health Centers

- FY 2015 request is a 34% reduction to enacted
 - Assumes a portion of individuals will get insurance through Exchange or Medicaid from ACA expansion
 - Consistent with Budget Office current services
- Governor eliminates funding in FY 2015
- Health centers must continue to see individuals even if they have no access to health insurance
 - The state will no longer pay for the treatment costs if the individual cannot afford it; health centers pay

• 103

Community Service Grants

- Governor recommends funding consistent with enacted level
- Grants to over 100 social service agencies and community organizations

	FY 2015 Gov. Rec.
Division of Elderly Affairs	\$933,673
Other Human Services	2,259,066
Total	\$3,192,739

• 104

Housing and Shelter Services

- Governor includes \$1.4 million for housing and shelter services in both years
 - \$0.6 million gen. rev. and \$0.8 million federal
 - Excluding any community service grants
- Includes: \$0.2 million for linen and laundry services, \$1.2 million for aid to shelter programs
- \$45,394 less federal funds than enacted level
 - Enacted level of general revenues

• 105

Statutory Reporting Requirements

- Office of Management and Budget assembled a list of required reports by agencies
- DHS has 4 reports required by statute
 - 2 on-going: CEC monthly, RI Works annual
 - 1 time-limited: RI Works Pilot from Art. 18
 - 1 obsolete: Admin. of state institutions

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Department of Human Services

FY 2014 Revised, FY 2015 and Capital Budgets

House Finance Committee

March 12, 2014

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