

Department of Human Services

FY 2012 Revised, FY 2013 and Capital Budgets

House Finance Committee

April 4, 2012



Department of Human Services

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

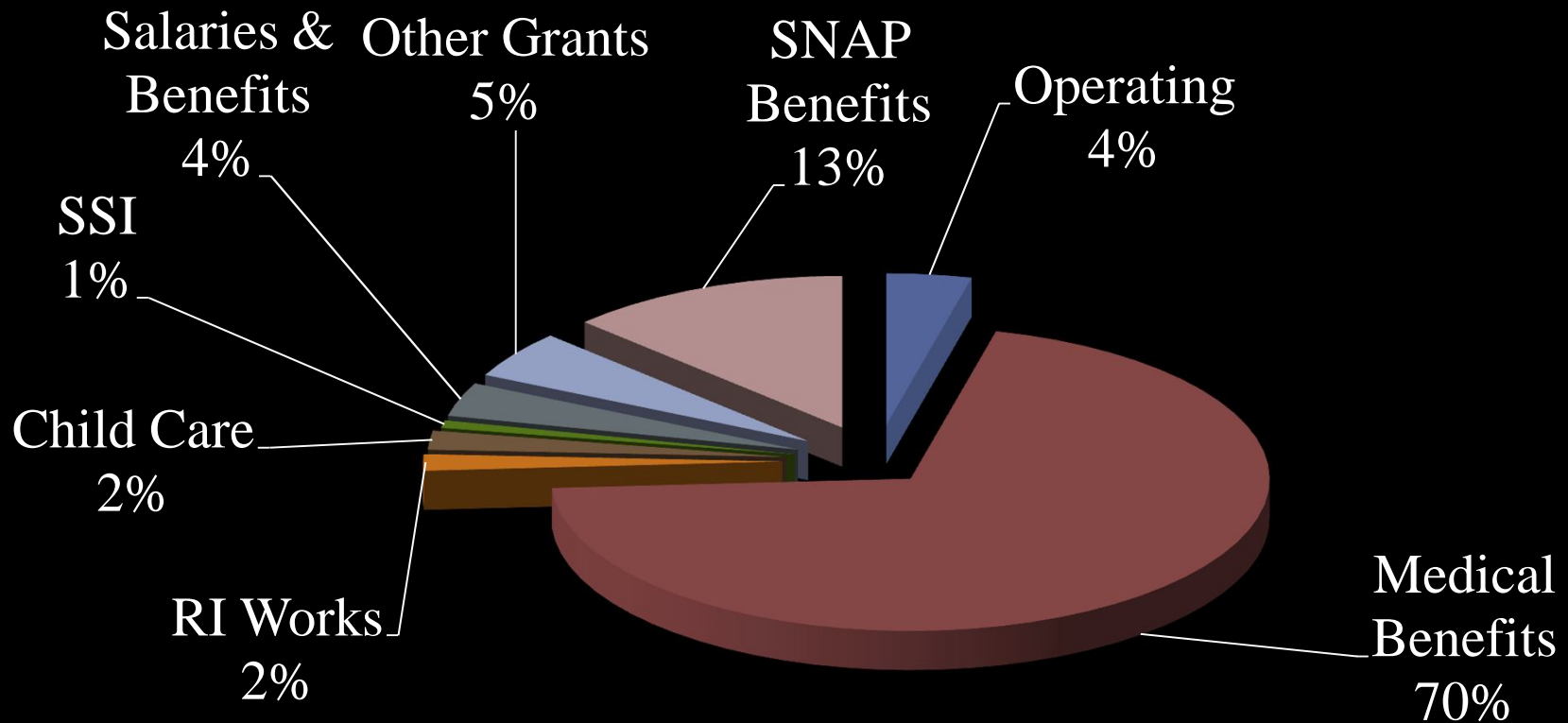
Department Programs / Functions

- Medical Benefits (Gov. moves to OHHS FY 2013)
- Cash Assistance
- Individual and Family Support
- Health Care Quality, Financing and Purchasing
- Child Support Enforcement
- Veterans' Affairs
- Elderly Affairs
- Central Management

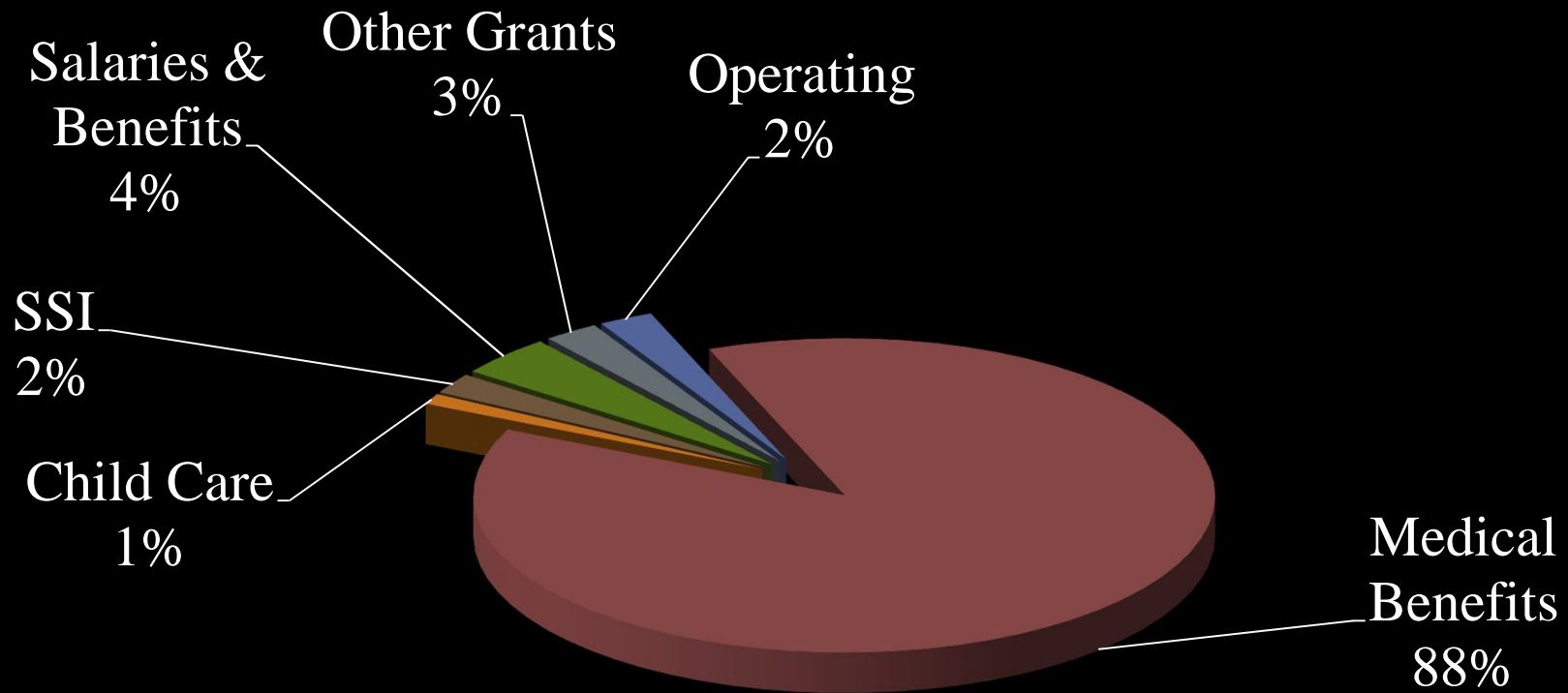
Governor's FY 2012 Revised Budget

	Enacted	Governor	Change
General Revenues	\$893.1	\$892.6	(\$0.5)
Federal Funds	1,419.6	1,423.7	4.1
Restricted Receipts	14.1	17.1	3.0
Other Funds	4.4	4.4	-
Total (<i>in millions</i>)	\$2,331.3	\$2,337.8	\$6.6

FY 2012 Gov. Revised - All Funds



FY 2012 Gov. Revised - Gen. Rev.

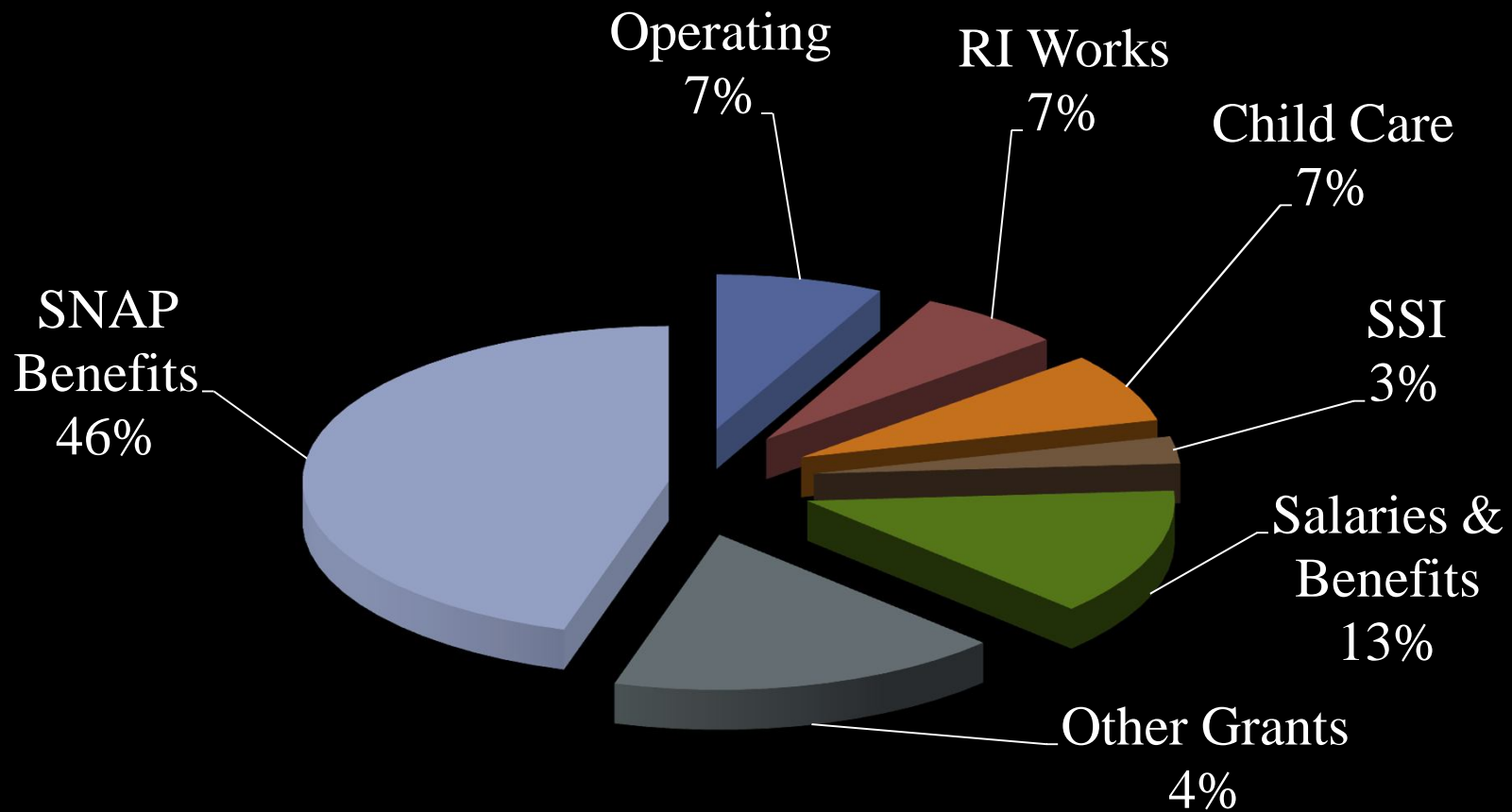


Governor's FY 2013 Budget

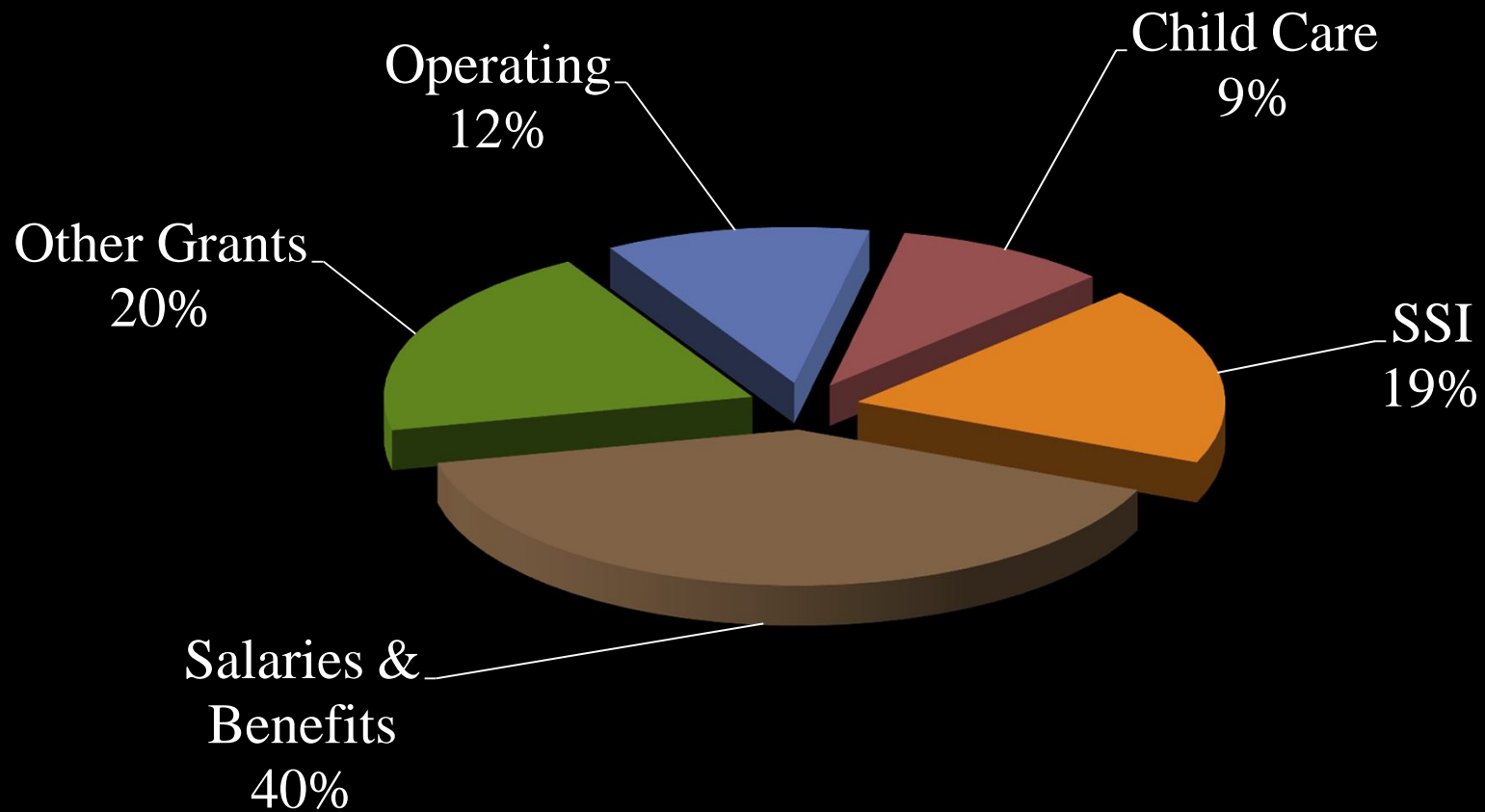
	Enacted	Governor*	Change
General Revenues	\$893.1	\$99.8	(\$793.3)
Federal Funds	1,419.6	550.6	(869.0)
Restricted Receipts	14.1	2.3	(11.8)
Other Funds	4.4	4.4	-
Total (<i>in millions</i>)	\$2,331.3	\$657.1	(\$1,674.2)

**excludes Medical Assistance*

FY 2013 Governor – All Funds



FY 2013 Governor – General Revenues



Full-Time Equivalent Positions

- Governor includes 949.2 positions for FY 2012
 - Eliminates 35.0 positions, compared to enacted
- Governor includes 947.7 positions for FY 2013
 - 36.5 positions less than enacted, 1.5 less than revised

Full-Time Equivalent Positions

FY 2012 Enacted	984.2
FY 2012 Revised Governor	949.2
FY 2013 Governor	947.7
Filled positions; 3-24-12	801.2
Filled positions vs. enacted level	(183.0)
FY 2011 average filled	895.1

Staffing Changes

Positions	FY 2012	FY 2013
Veterans' Home	(35.0)	9.0
HIV/AIDS transfer from DOH	1.0	1.0
Transportation transfer to OHHS	(1.0)	(1.0)
SNAP time-limited (9-30-2011)	-	(22.0)
LIHEAP/WAP transfer from DOA	-	9.0
Race to the Top	-	2.5

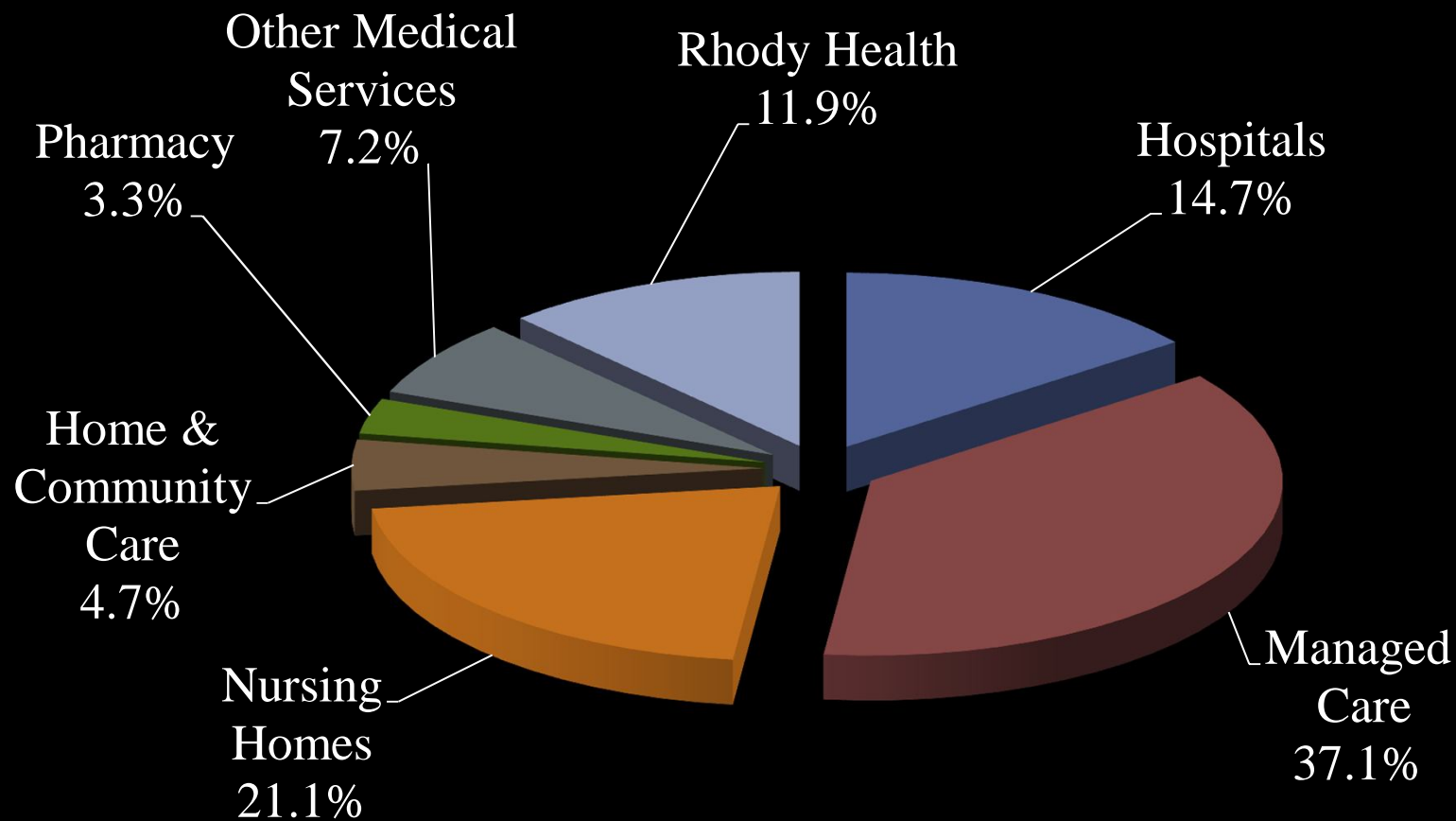
Retirement Rates

- Agencies used pre-reform retirement rates when preparing their budgets
 - Governor's budget adjusts rates to reflect new, lower costs and reduces general revenue expenses
 - Savings from other sources shifted to unidentified operating expenses
 - For DHS these total approx. \$1.6 million
 - Some may be available to offset state costs

Governor's Major Changes to the Enacted Budget

<i>(all fund sources, in millions)</i>	FY 2012 Gov. Rev.	FY 2013 Gov.
Medical Assistance & Admin	\$0.3	(\$1,704.0)
Cash Assistance & Admin	2.6	5.6
Other Benefits & Admin	0.2	18.2
Veterans' Affairs	1.8	0.4
Elderly Affairs	1.9	1.1
Child Support Enforcement	(0.1)	0.2
Office of Rehab. Services	(2.3)	(2.7)
Other Programs and Capital	2.4	7.0
Total	\$6.6	(\$1,674.2)

Governor's Recommendation for FY 2012 Medical Benefits - All Funds



Medical Assistance

	FY 2012 Enacted	FY 2012 Gov. Rev.	Change to Enacted
Hospitals	\$240.4	\$239.1	(\$1.3)
Nursing Homes	341.2	342.5	1.3
Home & Comm. Care	74.1	76.4	2.3
Managed Care	620.3	602.0	(18.3)
Rhody Health	191.2	193.0	1.8
Pharmacy & Clawback	56.1	53.3	(2.8)
Other Medical Services	118.0	116.5	(1.5)
Total (<i>in millions</i>)	\$1,641.4	\$1,622.8	(\$18.6)

RItE Care Co-share Increase

- Enacted budget assumed increasing monthly co-share to 5 percent of family income

Poverty level	Ending 9-30	Starting 10-1	Increase
Up to 150	-	-	-
150 up to 185	\$61	\$91	\$30
185 up to 200	\$77	\$113	\$36
200 up to 250	\$92	\$122	\$30

- CMS did not allow the state to do this
- DHS indicated it would find savings elsewhere

Medical Assistance Administration

	FY 2012 Enacted	FY 2012 Gov. Rec.	Change to Enacted
Salaries & Benefits	\$13.4	\$13.3	(\$0.1)
Contracted Services	37.6	40.0	2.4
Assistance & Grants	5.4	24.6	19.1
Operating Expenses	3.0	2.9	(0.1)
Total (<i>in millions</i>)	\$59.4	\$80.7	\$21.3
FTEs	151.3	150.3	(1.0)

Medical Assistance Administration

- Gov. transfers most of the administrative expenses and functions to OHHS for FY 2013
 - Keeps eligibility and application functions in DHS
- Maintains 150.3 positions in DHS
- Includes \$17.8 million from all funds
 - Staff and operating expenses

Cash Assistance

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

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.

Rhode Island Works

	FY 2012 Enacted	FY 2012 Gov. Rec.	Change to Enacted	FY 2013 Gov. Rec.	Change to Revised
Persons	15,000	16,160	1,160	16,650	500
Monthly Cost per Person	\$189.00	\$192.00	\$3.00	\$194.00	2.00
Annual Cost*	\$37.2	\$40.8	\$3.6	\$42.5	\$1.7

* *millions*

Child Care

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

Child Care Expenditures

	FY 2012 Enacted	FY 2012 Gov. / CEC	Change	FY 2013 CEC	FY 2013 Gov.	Change to CEC
Subsidies	6,900	6,615	(285)	6,708	6,708	-
Annual cost per subsidy	\$7,090	\$7,115	\$25	\$7,200	\$7,115	(\$85)
Total Cost *	\$48.9	\$47.1	(\$1.8)	\$48.3	\$47.7	(\$0.6)

* *millions*

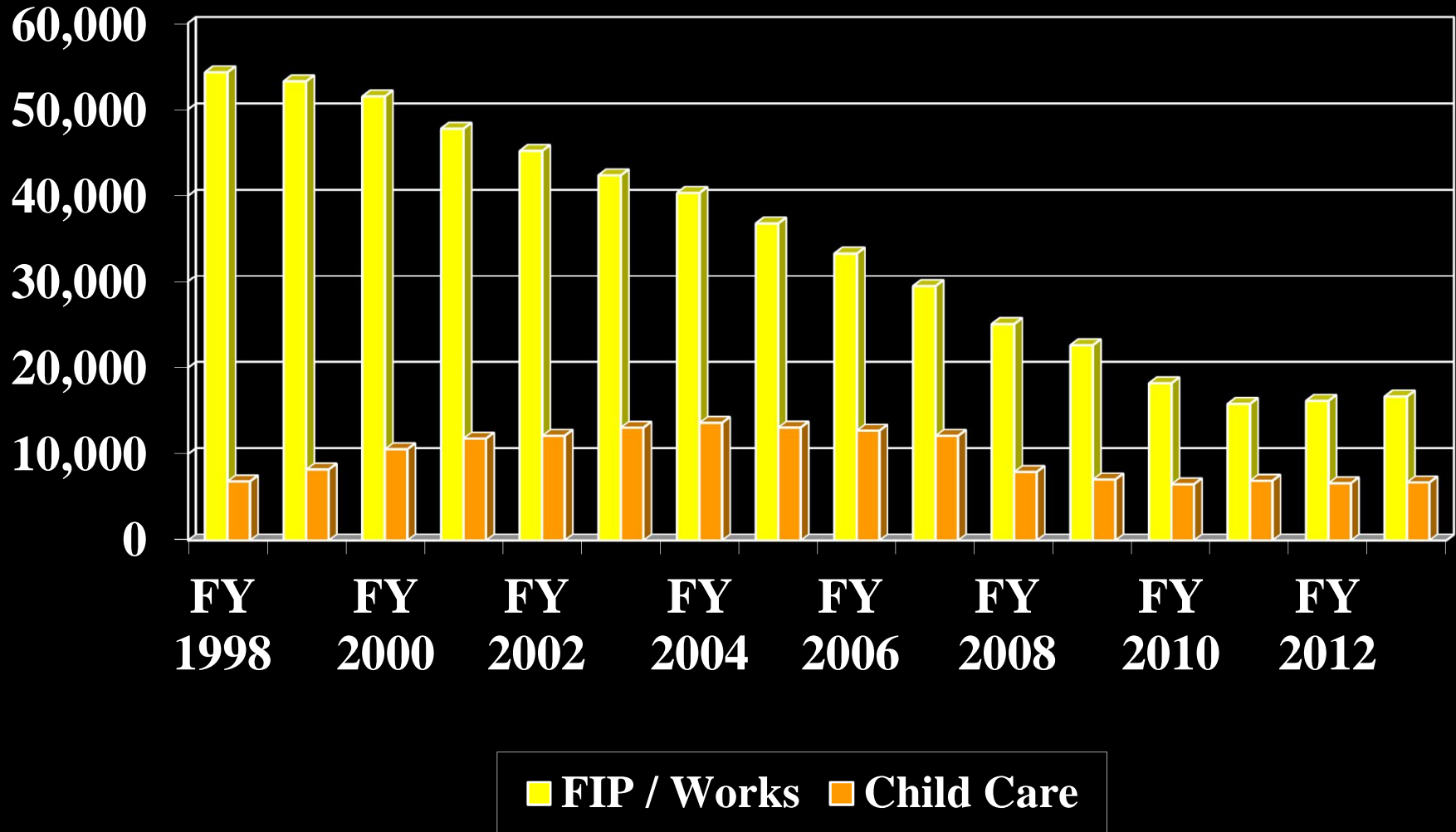
Child Care Co-pay Increase

- Gov. proposes to increase co-pays by 1%
 - Assumes to be effective July 1, 2012
- No article; rules and regulations
 - Requires filing prior to May 10 for a July 1 start
 - Families also need advanced notice
- Budget assumes savings of \$0.6 million,
 - \$0.3 million from general revenues
- Approx. 2,300 families will be impacted

Child Care Co-pay Increase

Federal Poverty	Weekly income (family of 3)	Current %	Current average co-pay	Proposed %	Proposed average co-pay
Up to 100%	Up to \$356	None	-	None	-
100% up to 125%	\$357 - \$445	2%	\$8	3%	\$12
125% up to 150%	\$446 - \$535	5%	\$24	6%	\$29
150% up to 180%	\$536 - \$641	8%	\$47	9%	\$53

Caseload History



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

Supplemental Security Income

	FY 2012 Enacted	FY 2012 Gov. Rec	Change to Enacted	FY 2013 Gov. Rec.	Change to Revised
Persons	33,495	33,800	305	34,300	500
Monthly Cost	\$44.60	\$46.00	\$1.40	\$45.00	(\$1.00)
Total Costs*	\$18.0	\$18.8	\$0.8	\$18.6	(\$0.2)

**millions*

SSI Transition/Bridge Program

- Disabled individuals who have applied to Supplemental Security Income program
- State is reimbursed if a person's application is accepted

SSI Transition/Bridge Program

	FY 2012 Enacted	FY 2012 CEC	FY 2012 Gov.	Change to CEC	FY 2013 Gov./CEC
Persons	606	640	640	-	640
Monthly Cost	\$114.76	\$109.00	\$109.00	-	\$109.00
Total Costs*	\$3.2	\$3.2	\$3.6	\$0.4	\$3.2

**millions*

Hardship Payments

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

Benefits Administration

	FY 2012 Gov. Rev.*		FY 2013 Gov.		
<i>* millions</i>	General Revenues	Total	General* Revenues	Total*	FTEs
RI Works	\$3.9	\$22.3	\$4.6	\$23.5	105.6
Child Care	0.9	\$4.0	1.0	\$4.1	16.6
SSI	0.6	\$0.6	0.6	\$0.6	3.0
Total	\$5.4	\$26.9	\$6.2	\$28.2	125.2

TANF Federal Block Grant

- Used primarily for RI Works and child care benefits and administration
- State must spend \$64.4 million general revenues to receive the \$95.0 million grant
- State has higher MOE requirement because not meeting work participation rates
 - 80 percent vs. 75 percent if met

TANF Federal Block Grant

- At Nov. CEC, approx. \$16.3 million avail.
 - Approx. \$4.4 million from FY 2012 grant
 - Also \$11.9 million carried forward from FY 2011
- DHS requested additional \$2.4 million in FY 2012 revised and \$3.5 million in FY 2013
 - Not included in Gov. budgets; no plan provided

TANF New Initiative

- 2011 Assembly added \$0.4 million for 6 new positions
 - To provide intensive case management services
 - Access job training services
 - Address obstacles to participation in work activities
- 4 positions have been filled, still in training
 - 1 more to start in May

Other Benefit Programs

- Supplemental Nutrition Assistance Program
- Woman, Infants and Children Nutrition
- HIV / AIDS
- Low Income Home Energy Assistance and Weatherization Assistance Programs

Other Benefits

	FY 2012 Gov. Rev.		FY 2013 Gov.	
<i>(in millions)</i>	General Revenues	All Funds	General Revenues	All Funds
SNAP	-	\$298.3	-	\$298.3
WIC	-	\$19.4	-	\$19.4
HIV/AIDS	\$2.6	\$7.3	\$2.6	\$7.2
LIHEAP/WAP	-	-	-	\$18.2
Total	\$2.6	\$325.0	\$2.6	\$343.0

Other Benefits Administration

	FY 2012 Gov. Rev.		FY 2013 Gov.		
	General Revenues	All Funds	General Revenues	All Funds	FTEs
<i>(millions)</i>					
SNAP	\$7.3	\$16.1	\$7.5	\$15.4	125.8
WIC	-	\$6.7	-	\$6.7	12.0
HIV / AIDS	-	\$5.5	-	\$5.1	5.0
LIHEAP/WAP	-	-	-	\$1.0	9.0

- 22.0 Stimulus SNAP Positions ended on Sept. 30, 2011
- 1.0 HIV / AIDS position transferred from Health

Veterans' Affairs

- Provides programs and services through
 - Veterans' Affairs / Veterans' Assistance Office
 - Veterans' Home
 - Veterans' Cemetery
- Gov. includes Article 19; resolution to consider placing a referendum on next ballot to build a new Home with general obligation bonds
 - Article hearing was March 20

Veterans' Home - Governor's Budget

	FY 2012 Enacted	FY 2012 Gov. Rev.	FY 2013 Gov. Rec.	Change
General Revenues	\$17.2	\$17.0	\$18.5	\$1.2
Federal Funds	7.3	6.6	7.3	-
Restricted Receipts	1.6	4.5	1.0	(0.6)
Total (in millions)	\$26.1	\$28.1	\$26.7	\$0.6

Veterans' Home - Governor's Budget

	FY 2012 Enacted	FY 2012 Gov. Rev.	FY 2013 Gov. Rec.	% of Total
Salaries & Benefits	\$20.7	\$20.4	\$21.6	81
Contracted Services	0.8	1.5	1.4	5
Capital	1.4	3.2	0.3	1
Operating Expenses	3.1	3.0	3.4	13
Total (in millions)	\$26.1	\$28.1	\$26.7	100

Veterans Home - Enacted

Assumptions and Current Status

	Enacted / Planned	Status
Staffing	216.2 positions; new 35.0 in March 2012	217.2 positions; 9 new & 26 temp. staff April 2013
Overtime & Contracted Nurses	Higher need until staff increase, then minimal	Filling some vacant positions; still need more overtime and nurses
Census	190 for FY 2012, increase in July 2012	175 - 190; no major increase until July 2013
Renovate Wings 5, 6 & 7	Finish by July 2012	Finish before July 2013

Veterans' Home - Management Staff

- Enacted: Added 1.0 director
 - eliminated 1.0 associate director
- FY 2012 revised request & Gov. include director, restore associate director
 - Not filled, no hearing scheduled for director
 - Associate director has been advertised
- Vacant asst. administrator: request at DOA
- Administrator still in acting capacity

Veterans' Home - Capital Projects

- Enacted budget assumes one capital project
 - Finish sprinkler system connection; in progress
 - \$650,000 from restricted receipt account
- Renovations of nursing wings 5, 6 & 7 were anticipated to be completed in FY 2011
 - \$760,000 each wing, \$2.3 million total from restricted account

Veterans' Home - Wings Renovations

- As of March 22, construction contract has not been put out to bid
 - Expected to go out for bid mid-April
- Construction not likely to begin before June
- Once completed, can increase census
 - closed wings to residents during renovations
 - Census increase estimated to start July 2014

Veterans' Cemetery

- Located on 338 acres in Exeter
 - Former Ladd School property
- About 28,000 people laid to rest in cemetery
 - maximum 43,000; master plan increases to 72,500
- Averages over 1,200 burials per year
 - Over 720 for veterans, 480 for spouses and children

Veterans' Cemetery - Operations

	FY 2012 Enacted	FY 2012 Gov. Rev.	FY 2013 Gov.
Salaries & Benefits	\$1,061,119	\$1,052,823	\$1,127,223
Contracted Services	17,100	17,100	17,100
Capital	780,000	595,000	525,000
Operating Expenses	278,319	278,319	278,319
Total	\$2,136,538	\$1,943,242	\$1,947,642
FTEs	13.0	13.0	13.0

Veterans' Cemetery - Capital

<i>(in millions)</i>	FY 2012 Enacted	FY 2012 Rev. Req.	FY 2012 Gov.	FY 2013 Request	FY 2013 Gov.
Maintenance vehicles	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
Federal Grant	0.7	0.7	-	0.7	-
New Columbarium	-	0.5	0.5	0.4	0.4
Total	\$0.8	\$1.3	\$0.6	\$1.2	\$0.5

Elderly Affairs

- Primary Functions of Elderly Affairs
 - Pharmaceutical Assistance
 - Home and Community Care
 - Adult Day Care
 - Home Care
 - “The Point”

Elderly Affairs – Governor’s Budgets

<i>(in millions)</i>	FY 2012 Enacted	FY 2012 Revised	FY 2013 Gov.	Change
General Revenues	\$9.5	\$9.6	\$10.3	\$0.9
Federal Funds	17.8	19.6	18.0	0.3
Restricted Receipts	0.6	0.6	0.6	-
Total	\$27.8	\$29.7	\$28.9	\$1.1
Positions	30.0	30.0	30.0	-

Elderly Affairs – Governor’s Budgets

<i>(in millions)</i>	FY 2012 Enacted	FY 2012 Revised	FY 2013 Gov.	Change
Salaries & Benefits	\$2.9	\$2.9	\$3.0	\$0.1
Capital Expenses	0.1	0.1	0.1	-
Assistance & Grants	24.0	26.0	24.9	0.9
Operating	0.8	0.8	0.9	0.1
Total	\$27.8	\$29.7	\$28.9	\$1.1

Pharmaceutical Assistance Program

	General Revenues	Rebates	Total
FY 2011 Spent	\$857,778	\$100,000	\$957,778
FY 2012 Enacted	374,000	175,000	\$549,000
FY 2012 Gov. Rev.	374,000	175,000	\$549,000
Spent through 3-28	164,416	-	\$164,416
FY 2013 Gov.	174,000	175,000	\$349,000
Gov. to Enacted	(200,000)	-	(\$200,000)

- \$0.6 million in rebate funds carried into FY 2012 that have not been spent

Home and Community Care

- Provides eligible seniors with options to help them remain in the community
- Includes home care services and assisted living

	FY 2012 Enacted	FY 2012 Gov. Rev.	FY 2013 Gov.
General Revenues	\$4.2	\$4.2	\$4.6
Federal Funds (Medicaid)	4.6	4.6	5.0
Total (<i>in millions</i>)	\$8.8	\$8.8	\$9.6

Home and Community Care

- Gov.'s FY 2013 budget for OHHS includes savings from a clinical review of certain community based services
 - OHHS and DEA will use a new guide when authorizing services
 - No savings in Elderly Affairs' budget
- Gov. transfers Medicaid benefits to OHHS, but maintains these services in Elderly Affairs

Adult Day and Home Care

<i>(in millions)</i>	Enacted	FY 2012 Gov. Rev.	FY 2013 Gov.
Adult Day			
General Revenues	\$1.1	\$1.1	\$1.2
Federal Funds	1.2	1.2	1.2
Adult Day Total	\$2.3	\$2.3	\$2.4
Home Care			
General Revenues	1.3	1.3	1.4
Federal Funds	1.4	1.4	1.5
Home Care Total	\$2.7	\$2.7	\$2.9

Other Services

<i>(in millions)</i>	Enacted	FY 2012 Gov. Rev.	FY 2013 Gov.
Case Management	\$1.0	\$1.0	\$1.0
Older Americans Act	1.9	2.3	1.9
Medicare Outreach & Enrollment	0.2	0.2	0.2
Aging & Disability Resource Ctr	0.4	0.6	0.4
Meals on Wheels	0.8	1.3	0.8
Other Nutrition Services	2.3	3.0	2.3
All Other Services	2.4	2.5	2.4
Total	\$9.0	\$10.9	\$9.0

Child Support Enforcement

- About 27% general revenues, rest is federal funds

	Enacted	FY 2012	FY 2013
Salaries & Benefits	\$4,694,410	\$4,554,039	\$4,910,394
Contracted Services	2,181,718	2,183,339	2,122,065
Assistance & Grants	182,771	182,771	182,771
Operating Expenses	1,296,993	1,308,026	1,315,825
Total	\$8,355,622	\$8,228,175	\$8,531,055

Child Support Enforcement

- 61.2 positions in both years, but with turnover
 - 10 FTEs for FY 2012, approx. 5 FTEs for FY 2013
- Both years: assumes filling vacancies at lower pay grades and less overtime
- Gov. assumes 6 months of constable savings from using mail when possible in FY 2012, full year in FY 2013.

Office of Rehabilitative Services

- About 14% general revenues, rest is federal funds

<i>(millions)</i>	FY 2012 Enacted	FY 2012 Gov. Rev.	FY 2013 Gov.	Change
Salaries & Benefits	\$13.1	\$13.2	\$13.1	-
Contracted Services	4.9	5.0	5.0	0.1
Assistance & Grants	10.8	8.1	8.1	(2.7)
Operating Expenses	3.5	3.5	3.4	(0.1)
Total	\$32.3	\$29.7	\$29.6	(\$2.7)

Office of Rehabilitative Services

- FY 2012: Assumes filling some vacancies at 80% federal funding
- FY 2013: Assumes fewer filled positions
 - Has seen high attrition in past several years
- Both years: reduction in federal vocational rehabilitation grants
 - Loss of stimulus and bonus funding
 - No direct impacts to clients

Paratransit Services for the Elderly

<i>(in millions)</i>	FY 2012 Enacted	FY 2012 Gov. Rev.	FY 2013 Gov.	Change to Enacted
General Revenues	\$1,496,792	\$2,096,809	\$1,949,969	\$453,177
Federal Funds	449,701	449,701	446,541	(3,160)
Gas Tax Funds	4,252,279	4,224,184	4,224,184	(28,095)
Total	\$6,198,772	\$6,770,694	\$6,620,694	\$421,922

Paratransit Services for the Elderly

- Gov. adds general revenues in both years
 - Increased non-Medicaid utilization
 - \$600,000 in FY 2012, \$450,000 in FY 2013
- FY 2013: Gov. proposes \$2 co-pay for each one-way trip for RIde transportation to or from adult day care centers
 - Effective July 1, 2012
 - Assumes \$150,000 from this co-pay

Race to the Top

	FY 2012 Gov. Rev.	FY 2013 Gov. Rec.
Salaries and Benefits	-	\$172,983
Contracted Services	123,460	127,960
Assistance and Grants	1,747,395	6,712,709
Operating Expenses	75,477	52,410
Total (<i>federal funds</i>)	\$1,946,332	\$7,066,062
FTE Positions	-	2.5

Community Service Grants

- Governor assumes 25% reduction for FY 2013
- Reduction of \$845,020 for approx. 150 grants

	FY 2012 Gov. Rev.	FY 2013 Gov. Rec.
Division of Elderly Affairs	\$977,005	\$732,754
Other Human Services	2,403,075	1,802,306
Total	\$3,380,080	\$2,535,060

Statewide Blind Vending Facilities

- Stores in state-occupied buildings, operated by blind and visually-impaired individuals
- Funding supports renovations, refurbishment and facility maintenance
- Supported by RICAP funds
- Includes \$165,000 per year FY 2012 - FY 2017
 - Consistent with enacted level and Department's requests

Department of Human Services

FY 2012 Revised, FY 2013 and Capital Budgets

House Finance Committee

April 4, 2012

