

Department of Human Services

FY 2015 Revised, FY 2016 and Capital Budgets
House Finance Committee
May 6, 2015

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 and 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
- Child Support Enforcement
- Veterans' Affairs
- Elderly Affairs
- Central Management

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Governor's FY 2015 Revised Budget

<i>(in millions)</i>	Enacted	Governor	Change
General Revenues	\$96.3	\$94.8	(\$1.5)
Federal Funds	547.3	525.7	(21.6)
Restricted Receipts	1.8	3.0	1.2
Other Funds	4.3	4.3	-
Total	\$649.8	\$627.9	(\$21.9)

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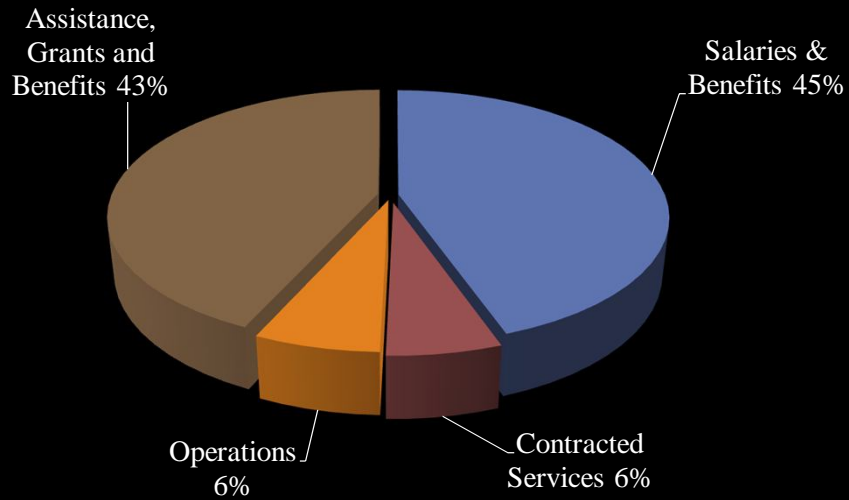
Governor's FY 2016 Budget

<i>(in millions)</i>	Enacted	Governor	Change
General Revenues	\$96.3	\$96.4	\$0.1
Federal Funds	547.3	517.6	(29.8)
Restricted Receipts	1.8	2.1	0.3
Other Funds	4.3	4.3	-
Total	\$649.8	\$620.4	(\$29.4)

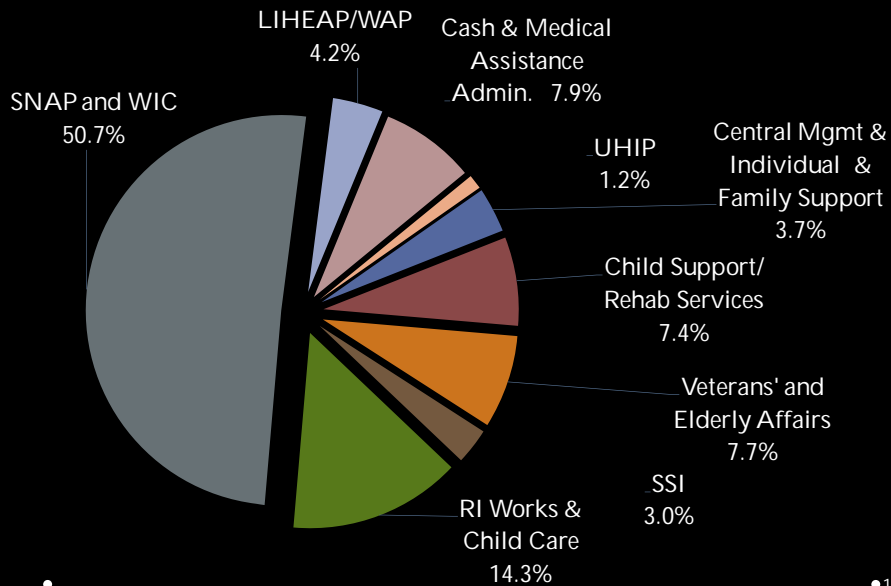
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FY 2016 Governor – General Revenues



FY 2016 Governor – All Funds by Program



Statewide Salary & Benefit Changes

- For FY 2015 revised: the Governor reduces general revenues by \$178,239
 - Medical benefit savings – benefit holiday
- Cost-of-living adjustments add:
 - FY 2015: \$2.6 million, \$1.2 million gen. rev
 - FY 2016: \$4.3 million, \$2.0 million gen. rev.

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Current Services & Constrained Requests

- Agencies were given current services budget levels to adhere to in their FY 2016 request
 - \$98.7 million total, \$2.3 million above enacted
 - Request was \$0.6 million above current services
- Instructed to submit one with 7.5% reduction
 - \$7.1 million reduction to current services
 - DHS includes a series of proposals totaling \$7.6 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	(\$0.4)	(\$0.4)	No
Elim. GPA Bridge Program	(1.8)	(1.8)	No
Move GPA Staff to SNAP	0.5	1.1	No
Elim. Hardship Program	(0.2)	(0.2)	No
Elderly/Disabled Paratransit	(2.0)	(2.5)	No
Elderly Affairs Programs	(3.3)	(6.5)	No
Rehabilitation Services	(0.5)	(1.0)	No
Total	(\$7.6)	(\$11.3)	

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FY 2015 Corrective Action Plan

- Increased UHIP expenditures are most of projected gen. rev. deficit in FY 2015
- DHS submitted a corrective action plan in Nov.

Item	Amount	Gov.
Shift general revenue UHIP expenses to other sources	\$2,206,258	Yes *
Eliminate General Public Assistance Program, as of 3/1	\$292,380	No
Total	\$2,498,638	
* Gov. shifts \$4.4 million to IT Fund in FY 2015		

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Full-Time Equivalent Positions

FY 2015 Enacted	959.1
FY 2015 & FY 2016 Requests	995.6
FY 2015 Rev. & FY 2016 Governor	959.1
<i>Change to Enacted</i>	-
<i>Change to Requests</i>	(36.5)
Filled positions; 4-15-2015	863.1
Filled positions vs. enacted level	(96.0)
FY 2014 average filled	840.0
FY 2013 average filled	819.1

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Staffing Changes

Positions	FY 2015	FY 2016
Unified Health Infrastructure Project	(10.0)	(10.0)
SNAP Eligibility Technicians	5.0	5.0
Race to the Top	(1.0)	(1.0)
Rehabilitation Services	8.0	8.0
Medicaid & Cash Assistance Admin.	3.0	3.0
Child Support, All Other Changes	(3.5)	(3.5)
Unidentified Vacancy Reduction*	(1.5)	(1.5)
<i>Total FTE changes to enacted</i>	-	-

*35.0 unidentified vacancy reduction already in enacted budget

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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
- One place for all information needed for individual's determination
- Will replace InRhodes eligibility system
 - Expected to go live in early July 2015

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Unified Health Infrastructure Project

<i>(expenditures in millions)</i>	FY 2015 Enacted	FY 2015 Gov. Rev.	FY 2016 Gov.
Salaries & Benefits	\$2.9	\$2.9	\$3.0
Contracted IT	4.5	5.0	4.2
Operations	0.1	0.8	0.3
Total DHS	\$7.5	\$8.8	\$7.5
General Revenues	\$3.5	\$3.3	\$2.6
Federal Funds	4.0	5.5	4.9
Total DHS	\$7.5	\$8.8	\$7.5
FTEs	47.0	37.0	37.0

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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
 - Block grant funds are limited, general revenues
- SNAP is charged 50/50 in budget
 - Entitlement - no limit to qualifying expenditures
- As of April 30: 24 filled UHIP positions
- Request and recommendation eliminate 10.0 vacant positions

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UHIP – Statewide Expenses

(millions)	General Revenues	Federal Funds	IT Invest. Fund	Total
<i>FY 2015 Enacted</i>	\$9.3	\$29.9	\$-	\$39.1
<i>FY 2015 Total</i>	\$8.9	\$44.9	\$4.4	\$58.3
OHHS	\$5.6	\$39.5	-	\$45.1
DHS	\$3.3	\$5.5	-	\$8.8
<i>FY 2016 Total</i>	\$5.7	\$32.7	\$2.0	\$40.4
OHHS	\$3.1	\$27.8	-	\$31.0
DHS	\$2.6	\$4.9	-	\$7.5

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InRhodes Eligibility System

- UHIP will replace InRhodes eligibility system
 - For Medicaid, RI Works, child care, SNAP, SSI and General Public Assistance programs
 - Not for Child Support –
 - Used to verify eligibility or participation in these other programs
 - Not used to verify child support eligibility
- Child Support not included in the UHIP project
 - Primary reason: not used for eligibility

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InRhodes Eligibility System

- Currently all participating programs pay into the cost of InRhodes, \$4.8 million from all sources
 - Child support contributes 15.6 percent, \$0.8 million
- Once UHIP is fully operational, the other programs will no longer use InRhodes
 - Child Support will be only one supporting its costs
- Gov. includes \$4.1 million for FY 2016
 - Child Support is 46.5 percent of total, since phasing out other programs will begin
 - FY 2017 costs to maintain InRhodes not yet known

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Child Support Feasibility Study

- Interface is being developed so Child Support can access InRhodes/UHIP after it goes live
 - Short-term solution to long-term problem
- FY 2015 revised request includes \$1.0 million for feasibility study into an InRhodes alternative
 - \$340,000 gen. rev., \$660,000 federal funds
- Contract for feasibility study has been awarded
- Gov. includes \$1.0 million total
 - Replaces gen. rev. with other available funding that can still leverage the 66% federal match

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Cash Assistance

- Rhode Island Works
- Child Care
- SSI
- SSI Transition/Bridge
 - Also called General Public Assistance

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Caseload Estimating Conference

- 1991 Assembly established Conference to mirror the Revenue Estimating Conference
- Purpose to produce official estimates of anticipated medical assistance and public assistance caseloads
 - Entitlements based on income or other criteria
- Meets twice per year: Nov. and May
- Proceedings occur in open public meetings

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Caseload Estimating Conference

- Consists of House Fiscal Advisor, Senate Fiscal Advisor and Budget Officer
- Principals each develop estimates
 - Staffs use Dept. testimony, data and assumptions along with economic forecast and proven data trends to create estimates
- Consensus reached on each estimate
- Estimates form basis of Governor's budget (Nov.) and Enacted (May)

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Article 14

- Removes cash assistance from estimating purview of Caseload Estimating Conference
- Medical assistance would remain
 - Budgeted in OHHS
- Article hearing was March 31

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FY 2015 Federal Poverty Level

Family	100%	133%	180%	225%	250%
1	\$11,770	\$15,654	\$21,186	\$26,483	\$29,425
2	15,930	21,187	28,674	35,843	39,825
3	20,090	26,720	36,162	45,203	50,225
4	24,250	32,253	43,650	54,563	60,625
5	28,410	37,785	51,138	63,923	71,025
6	32,570	43,318	58,626	73,283	81,425
7	36,730	48,851	66,114	82,643	91,825
8	40,890	54,384	73,602	92,003	102,225

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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 employment plan
 - Training, job search, vocational education

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Rhode Island Works

	FY 2015 Enacted	FY 2015 Gov./CEC	Change to Enacted	FY 2016 Gov./CEC	Change to Revised
Persons	14,450	13,475	(975)	13,475	-
Monthly Cost per Person	\$182.00	\$183.00	\$1.00	\$183.00	-
Annual Cost*	\$35.6	\$33.3	(\$2.3)	\$33.3	0.0

* *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

- 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 DHS late Feb. 2014
 - Action plan has 3 phases; currently in phase 1
- Governor includes \$1.5 million in both years for RI Works portion, consistent with enacted level

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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
- Plans to enter into contract to create & manage a transportation assistance program for RI Works clients
 - Would begin in FY 2016, earlier if possible

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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 80 percent 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, 2016
- Gov. includes federal TANF funds in both years for these child care expenses
 - \$1.3 million in FY 2015, \$2.4 million in FY 2016
- In March, 252 families with 376 children maintained child care through this provision

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Child Care Expenditures

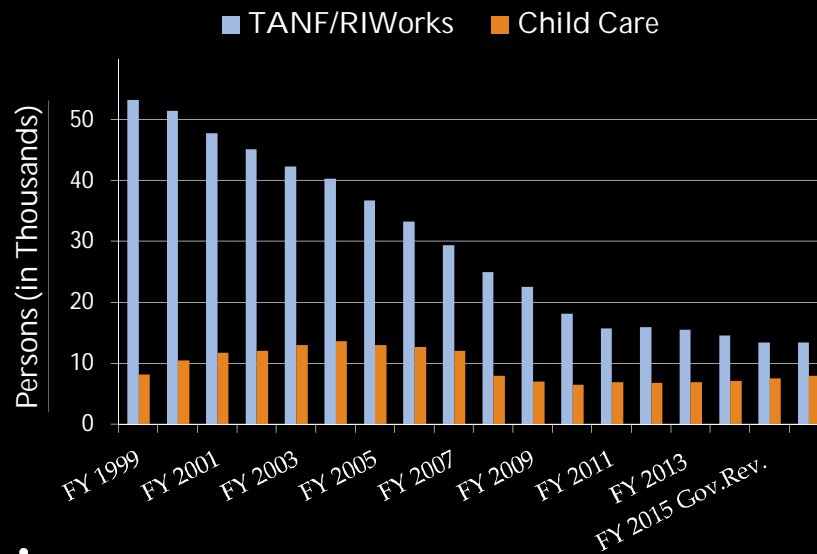
	Enacted	FY 2015 Gov. /CEC	Change	FY 2016 Gov. /CEC	Change to Revised
Subsidies	7,146	7,590	444	7,950	360
Annual cost per subsidy	\$7,000	\$6,950	(\$50)	\$6,950	-
Total Cost *	\$51.1	\$52.8	(\$1.6)	\$55.3	\$2.5

* *millions*

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Caseload History



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Supplemental Security Income

- Federal program for elderly and 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 2015 Enacted	FY 2015 Gov./CEC	Change to Enacted	FY 2016 Gov./CEC	Change to Revised
Persons	33,930	33,900	(30)	34,239	339
Monthly Cost	\$45.50	\$45.25	(\$0.25)	\$45.40	\$0.15
Total Costs*	\$18.5	\$18.4	(\$0.1)	\$18.7	\$0.2

*millions

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SSI – Proposed Reductions

Location	Proposal	Savings	FY	Gov. Rec.
Constrained Request	Not determined if reduce or eliminate	\$0.4 million	2016	No

- Proposed to reach target reduction and to make resources available 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 \$335,284 general revenues
 - Consistent with request and enacted level
 - Spent \$294,586 in FY 2013, \$270,761 in FY 2014
- \$206 monthly payment to individuals who
 - receive the state SSI payment and
 - reside in state licensed assisted living residences not eligible for Medicaid or
 - reside in 1 of 3 residences financed by RIH prior to Jan. 1, 2006

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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

SSI Transition/Bridge Program

	FY 2015 Enacted	FY 2015 Gov./CEC	Change to Enacted	FY 2016 Gov./CEC	Change to Revised
Persons	500	455	(45)	465	10
Monthly Cost	\$113.50	\$130.00	\$16.50	\$132.00	\$2.00
Total Costs*	\$1.4	\$1.4	\$0.0	\$1.4	0.0

**millions*

GPA Bridge – Proposed Reductions

- Constrained request eliminates the cash assistance portion of the program
 - Maintain only the burial provisions
- \$1.8 million savings from general revenues
 - \$0.7 million for cash assistance and medical benefits
 - \$1.1 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

- Department requests \$180,000 from general revenues for this program in both years
 - \$30,00 less than enacted
 - Reduced utilization in recent years
- Eliminates program in constrained request
- Payment of up to \$100 per month for individuals not eligible for any other assistance
- Governor includes \$210,000 for both years
 - Consistent with enacted level

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Benefits Administration

* <i>in millions</i>	FY 2015 Gov. Rev.*		FY 2016 Gov.		
	General Revenues	Total	General* Revenues	Total*	FTEs
RI Works	\$4.2	\$23.3	\$4.1	\$23.6	116.0
Child Care	1.0	\$4.2	1.2	\$4.1	18.0
SSI	0.4	\$0.4	0.5	\$0.5	4.0
Total	\$5.7	\$27.9	\$5.8	\$28.3	138.0

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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 2015 Enacted	FY 2015 Gov. Rev.	FY 2016 Gov.
SNAP	\$300.6	\$268.0	\$268.0
WIC	19.5	18.2	18.9
LIHEAP/WAP	24.9	24.7	25.1
Total	\$345.0	\$310.9	\$312.0

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Other Benefits Administration

	FY 2015 Gov. Rev.*		FY 2016 Gov.		
<i>*in millions</i>	General Revenues	Total	General* Revenues	Total*	FTEs
SNAP	\$8.0	\$20.6	\$8.2	\$21.0	119.0
WIC	\$-	\$6.5	\$-	\$6.5	15.0
LIHEAP/WAP	\$-	\$1.1	\$-	\$0.8	6.0

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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

	FY 2015 Enacted	FY 2015 Gov. Rev.	FY 2016 Gov. Rec.	FY 2016 to Enacted
General Revenues	\$20.3	\$19.8	\$20.5	\$0.2
Federal Funds	7.5	8.6	8.2	0.7
Restricted Receipts	0.6	1.6	0.7	0.0
Total (in millions)	\$28.4	\$29.9	\$29.4	\$1.0
FTEs	239.6	239.6	239.6	-

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Veterans' Affairs - Summary

<i>(in millions)</i>	FY 2015 Enacted	FY 2015 Rev. Req.	FY 2015 Gov. Rev.	FY 2016 Request	FY 2016 Gov. Rec.
Sal & Ben	\$23.2	\$23.8	\$23.3	\$24.5	\$24.1
Contracted	2.4	2.3	2.3	2.3	2.3
Operating	2.6	2.8	2.9	2.8	2.8
Capital	0.1	1.4	1.4	0.1	0.1
Total	\$28.4	\$30.4	\$29.9	\$30.5	\$29.4

- Governor reduces salaries and benefits
 - Assumes increased turnover, reflects continued delays in hiring, despite some successes

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Veterans' Home – Staffing

- Requests assume more hiring, filled positions
- As of March 31: 26 vacancies and 19 people out on leave; 18.8% vacancy rate
- Gov. assumes average 12% vacancy FY 2015
 - Average of 29 vacancies for full year
- Gov. assumes average 11% vacancy FY 2016
 - Average of 27 vacancies for full year
 - Filling 18 positions would leave 27 vacancies

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Veterans' Home – Staffing

- Governor includes funding for 1.0 Division Director and 2.0 Chiefs of Veterans' Affairs
- Positions exist in enacted budget, vacant
- Positions require public hearing
 - Job descriptions changed to better reflect duties
 - 2 VA positions were approved by Gov. Chafee
- Hearing not scheduled yet

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Veterans' Affairs - Capital Projects

FY 2015 Gov. Revised	Restricted Rec.
Renovate Nursing Wings 5,6,7	\$600,000
Electrical System Upgrade	127,735
Main Entrance Renovation	10,764
Cemetery Survey*	50,000
Total	\$788,499

* Supporting info indicates funded, but inadvertently omitted

- All projects anticipated to be completed in FY 2015
- No projects recommended in FY 2016

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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
- Request included bond funds only since federal award letter had not yet been received
 - Gov. includes federal funding based on anticipated award, subject to change
- Obligated \$8.0 million through April 1, 2015

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New Veterans' Home Funding

<i>(in millions)</i>	Fund Source	Pre-FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	Total
Request	G.O. Bonds	\$2.0	\$21.8	\$38.2	\$24.1	\$8.0	\$94.0
Governor	G.O. Bonds	2.0	8.1	13.4	13.0	-	\$36.5
	Federal	-	-	34.2	18.0	5.4	\$57.5
	<i>Total</i>	<i>\$2.0</i>	<i>\$8.1</i>	<i>\$47.5</i>	<i>\$31.0</i>	<i>\$5.4</i>	<i>\$94.0</i>

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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>(expenditures in millions)</i>	FY 2015 Enacted	FY 2015 Gov. Rev.	FY 2016 Gov. Rec.	Change to Enacted
General Revenues	\$6.2	\$6.1	\$6.4	\$0.1
Federal Funds	12.2	12.0	11.9	(0.3)
Restricted Receipts	0.3	0.1	0.1	(0.2)
Total	\$18.7	\$18.1	\$18.4	(\$0.4)
FTEs	31.0	31.0	31.0	-

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Elderly Affairs – Summary

<i>(expenditures in millions)</i>	FY 2015 Enacted	FY 2015 Gov. Rev.	FY 2016 Gov. Rec.	Change to Enacted
Salaries & Benefits	\$3.3	\$3.1	\$3.2	(\$0.0)
Contracted Services	0.1	0.1	0.1	(0.1)
Operating & Capital	0.4	0.3	0.3	(0.1)
Assistance & Grants	15.0	14.7	14.8	(0.2)
Total	\$18.7	\$18.1	\$18.4	(\$0.4)
FTEs	31.0	31.0	31.0	-

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Pharmaceutical Assistance Program

	Gen. Rev.	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 Spent	-	127,012	127,012
FY 2015 Enacted	24,484	299,336	323,820
FY 2015 Gov. Rev.	-	91,012	91,012
Spent through 4-30	-	58,421	58,421
FY 2016 Gov.	-	137,026	137,026
Gov. to Enacted	(24,484)	(162,310)	(186,794)

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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

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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 2015 Gov. Rev.	FY 2016 Gov. Rec.	Change to Enacted
Adult Day Total	\$2.8	\$1.8	\$1.9	(\$0.9)
Home Care Total	\$3.4	\$3.8	\$4.1	\$0.7
Case Mgmt Total	\$0.6	\$0.5	\$0.5	(\$0.0)

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Department's Constrained Proposals

<i>Changes to FY 2016 Request</i>	Gen. Rev.	All Funds
Home Care	(\$2,062,562)	(\$4,125,124)
Adult Day Care	(941,740)	(1,883,480)
Case Management	(262,752)	(531,504)
Total	(\$3,270,054)	(\$6,540,108)

- The Department proposed to eliminate these programs in its constrained request; have been proposed in the past
- Gov. does not eliminate these programs
- Gov. propose unidentified reduction of \$250,000 from general revenues connected to Reinventing Medicaid
 - Would come from these programs

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Working Group to Reinvent Medicaid

- Gov. signed Executive Order 15-08, Establishing the Working Group to Reinvent Medicaid on 2/26/2015
- Medicaid stakeholders to conduct a comprehensive review of the Medicaid program & make recommendations for short & long-term plans to transform the program
- Gov. includes savings of \$92.6 million tied to report
 - \$46.0 million from general revenues
 - \$0.5 million from Elderly Affairs: \$250,000 gen. rev.
- Report released May 1

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Other Elderly Affairs Services

<i>(in millions)</i>	Enacted	FY 2015 Gov. Rev.	FY 2016 Gov. Rec.
Nutrition and Meals on Wheels	\$2.4	\$3.1	\$3.1
Older Americans Act - Other	3.4	3.3	3.3
Aging & Disability Resource Ctr	0.6	0.1	-
Medicaid Administration	0.7	0.9	0.9
Family Caregiver, Respite Support	1.0	0.9	0.9
Senior Companion Program	0.5	0.5	0.5
All Other Services	1.0	1.1	1.4
Total	\$7.6	\$8.0	\$8.2

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Indirect Cost Recovery / Cost Allocation

- Prior budgets assumed Elderly Affairs would coordinate with OHHS to negotiate a federal indirect cost recovery rate
 - Used to offset state funded operating costs
- Enacted budget includes funding in OHHS to develop a cost allocation plan instead
 - \$250,000 in FY 2014; \$100,000 in FY 2015
 - Includes Elderly Affairs, Health and BHDDH

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Cost Allocation Plan

- OHHS entered into a contract with PCG
 - May 1, 2014 through April 30, 2015
- FY 2015 costs split among agencies involved
 - \$60,005 for Elderly Affairs
 - Governor includes general revenues in FY 2015
- No funding included in the enacted or request for Elderly Affairs
- Elderly Affairs never integrated into DHS's cost allocation model when it became a Division

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Other Programs and Services

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

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Health Care Determination Admin.

- About 45% general revenues, rest is federal funds

	FY 2015 Enacted	FY 2015 Gov. Rev.	FY 2016 Gov.	2016 to Enacted
Salaries & Benefits	\$13.3	\$13.3	\$13.6	\$0.3
Contracted Services	1.2	1.2	0.7	(0.5)
Operating Expenses	2.6	2.7	2.7	0.1
Assistance & Grants	-	0.0	0.0	0.0
Total (in millions)	\$17.0	\$17.2	\$17.0	(0.1)
FTEs	87.0	104.0	104.0	17.0

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Health Care Determination Admin.

- Field office staff that process eligibility claims for Medicaid, long-term or nursing home care
- Request shifts 17.0 positions from other programs, mostly eligibility technicians
- Increased demand in determinations from HealthSource RI and UHIP programs
- Governor recommends funding as requested

• 74

Child Support Services

- About 29% general revenues, rest is federal funds

	Enacted	FY 2015	FY 2016
Salaries & Benefits	\$4,850,146	\$4,745,302	\$4,883,381
Contracted Services	2,078,195	2,750,039	3,163,859
Operating Expenses	1,301,709	1,279,671	1,284,171
Capital	10,385	11,000	11,000
Total	\$8,240,435	\$8,786,012	\$9,342,411
Number of FTEs	58.0	60.0	60.0

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•75

Child Support IRS Reserve Account

- FY 2016 request includes creating reserve account for when IRS recalls child support payments, but the payments have already been made to custodial parents and cannot be recovered
 - \$0.3 million from general revenues, annual average
 - Occur each year, but fluctuates in timing and totals
- Had been sufficient funds in an account, but funding has been exhausted
- Governor includes the funding

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•76

Office of Rehabilitation Services

- About 15% general revenues, rest is federal funds

<i>(in millions)</i>	FY 2015 Enacted	FY 2015 Gov. Rev.	FY 2016 Gov. Rec.	2016 to Enacted
Salaries & Benefits	\$12.5	\$12.6	\$13.5	\$1.0
Contracted Services	5.0	3.6	3.6	(1.5)
Operating Expenses	3.1	2.7	2.7	(0.4)
Assistance & Grants	6.4	11.3	11.1	4.7
Capital Expenses	0.04	0.1	0.1	0.0
Total	\$27.1	\$20.3	\$30.9	\$3.8

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•77

ORS Medicaid CNOMs

- ORS leverages Medicaid for certain services to help individuals maintain independence
- Request assumes slight increase in 2 of 3 programs
- Constrained request eliminates programs
- Gov. does not include the elimination

CNOM Programs	Enacted	FY 2015 Gov. Rev.	FY 2016 Gov.
Home Modification	\$215,608	\$215,608	\$223,542
Personal Care Attendant	400,249	400,249	414,977
Social Services for Blind	322,832	322,832	334,712
Total (all sources)	\$938,689	\$938,689	\$973,231

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•78

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 2020
 - Consistent with enacted level and request

• 79

Race to the Top

- State awarded \$50 million Dec. 2011; ends Dec. 2015
 - DHS to receive \$25.5 million; nothing spent in FY 2012; spent \$3.8 million through FY 2014
- 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

• 80

Race to the Top

Federal Funds	FY 2014 Spent	FY 2015 Enacted	FY 2015 Gov. Rev.	FY 2016 Gov. Rec.
Salaries & Benefits	\$0.5	\$0.7	\$0.7	\$0.7
Contracted Services	-	1.9	-	-
Operating Expenses	0.03	0.02	0.04	0.02
Assistance / Grants	3.1	7.9	14.8	5.4
Capital	0.0	0.0	-	-
Total (in millions)	\$3.6	\$10.6	\$15.5	\$6.2
FTEs	7.5	7.5	6.5	6.5

- Program ends Dec. 31, 2015
 - However, positions funded for the full FY 2016

•81

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
- Services now provided through broker
 - \$2.4 million per year, \$0.2 million per month
- Request is \$0.1 million more than enacted
 - Use of some unspent gas tax funds carried forward

•82

Paratransit Services for the Elderly

- Request includes \$0.5 million above required costs for RIPTA and broker
- Gov. reduces gen. rev. to reflect needed expenditures
 - Inadvertently removes about \$45,000 too much

<i>(in millions)</i>	FY 2015 Enacted	FY 2015 Gov. Rev.	Change to Enacted	FY 2016 Gov. Rec.
General Revenues	\$2.0	\$1.5	(\$0.5)	\$1.5
Federal Funds	0.5	0.5	-	0.5
Gas Tax Funds	4.2	4.2	-	4.2
Total	\$6.6	\$6.1	(\$0.5)	\$6.1

• 83

Paratransit Services for the Elderly

- Constrained request eliminates services for:
 - Medicaid eligible seniors – use other avail. services
 - Non-Medicaid eligible elderly and disabled persons to non-Medicaid covered sites
 - \$2.5 million in savings, incl. \$2.0 million gen. rev.
- Included in constrained request in prior years
- Gov. does not include the constrained proposal

• 84

All Other Programs and Services

- Work Support Strategies
- Community Service Grants
- Meals on Wheels

• 85

Work Support Strategies Grant

- 3-year award for \$1.3 million
 - Implementation of action plan for improvement of child care, RI Works, SNAP and Medicaid admin.
 - Award period: March 2012 thru February 2015
 - DHS received an extension through 9/30/2016
- Deposited as gen. rev. in enacted, prior budgets
 - Difficult to track revenues, expenditures each year
- Gov. shifts the funds to restricted receipts
 - Gov. includes \$0.4 million in both years
 - No legislation included; but may be required

• 86

Community Service Grants

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

	FY 2016 Gov. Rec.
Division of Elderly Affairs	\$933,673
Other Human Services	2,259,066
Total	\$3,192,739

• 87

Meals on Wheels

- Governor adds \$330,000 from general revenues
 - Stand alone award, not included as a community service grant
- Meals on Wheels receives community service grant of \$200,000

	FY 2016 Gov. Rec.
Existing Community Service Grant	\$200,000
Governor's Additional Award	\$330,000
Total	\$530,000

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Department of Human Services

FY 2015 Revised, FY 2016 and Capital Budgets

House Finance Committee

May 6, 2015

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