

January 12, 2016

To: Chairperson Ann Pugh and House Human Services Committee Members  
From: Monica Caserta Hutt, Commissioner  
Re: Choices for Care Carry Forward

Thank you for the opportunity to provide some written information regarding your recent query about the Choice for Care carryforward, detailed in DAIL's Budget Adjustment. In addition to this brief explanation, I have also attached the recent presentation we offered to the House Appropriations Committee in hopes that it may assist in answering any further questions you may have.

As detailed in the DAIL Budget Adjustment request, we identified a carry forward of \$2,104,197 (gross) from SFY 2015 to SFY 2016. This amount has been confirmed with the Joint Fiscal Office and equals approximately 1% of the total Choices for Care budget. Carryforward is defined in the SFY 2016 Budget Bill as any unexpected or unobligated state general fund or special service fund appropriation remaining at the close of the fiscal year, barring the acute services allocation.

The SFY 2016 Budget Bill also requires that we maintain a reserve of 1% of the SFY 2015 total Choices for Care expenditure to avoid the need to freeze the Moderate Needs Group (MNG) enrollment. The 1% for this fiscal year was identified as \$1,826,118.

DAIL reinvested approximately \$3 million dollars over state fiscal years 2014 and 2015 of one time dollars into the Moderate Needs Group in order to increase the enrollment in the program. Those funds were distributed among the Home Health Agencies, AAA's and the Adult Day Programs. In order to ensure that no individuals brought onto the MNG programs through that one time reinvestment were cut, DAIL allocated \$1,241,748 of the 2016 reserve dollars to those three networks in late summer, immediately after the SFY'15 carryforward was calculated.

With that reinvestment, Choices for Care has a remaining current balance of reserve/carryforward funds of \$862,449, which equals only 1/2 of 1% of the total Choices for Care budget, to address any extreme needs in the High/Highest or Moderate Needs Group for this fiscal year. DAIL is concerned about the limited buffer that this amount provides to address any unexpected or complex needs among a large and potentially fragile population. Additionally, thru November the Moderate Needs Group is currently over expended by approximately \$377,000 (\$900k annualized cash basis) which can be covered by the reserve/carryforward balance of \$862,449 mentioned earlier.

Currently, Choices for Care has no waiting list for our High/Highest Needs Group. Our most recent information regarding the waiting list for our Moderate Needs programs is about 630 people; 527 of those individuals are waiting for the homemaker program which has a very inclusive standard for eligibility. We have some concerns that our waitlist standards need to be better defined. It appears that our partner agencies may be listing *both* current CFC participants who may have an increased service need and those individuals waiting to be enrolled

on the current waitlist. Although it is important to be aware of the need for increased services, it is crucial that we can separately identify increased need from those individuals waiting to enroll in the program in order to better manage necessary resources.

I hope that this brief response adequately addressed your questions. Please do not hesitate to let me know if you have any additional questions related to Choices for Care.

Thank you.