

# Agency of Human Services

---

## FY 2019 Governor's Recommended Budget

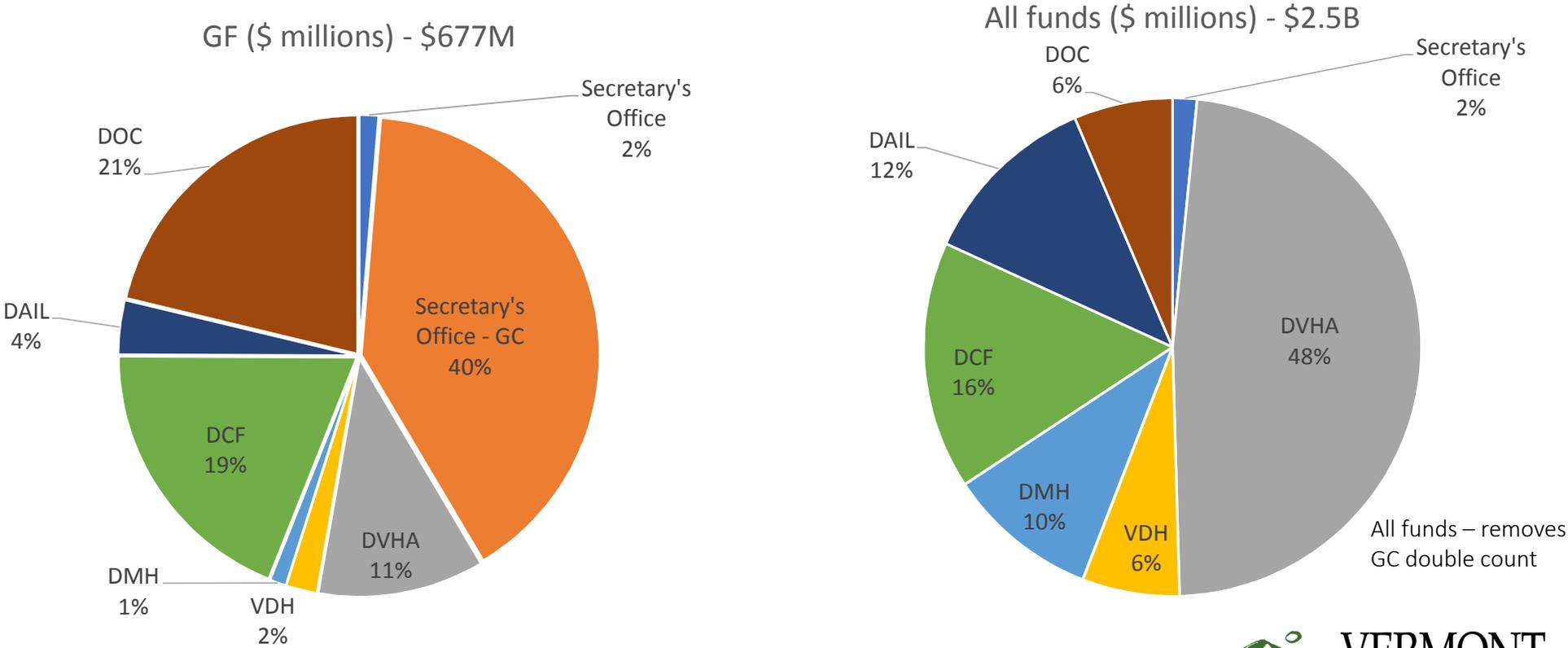
House Committee on Human Services  
February 1, 2018



# AHS – FY2019 Budget Picture

	\$672.8M	FY2018 General Fund
+	\$9.7M	Medicaid Revenue Shortfall
+	\$35.0M	} Includes 5% assumed average budget growth and priorities
<hr/>		
	\$717.6M	
-	\$672.8M	
<hr/>		
	\$44.8M	Need to reduce for level fund to FY2018
-	\$8.6M	Improving FMAP due to Vermont's economy
<hr/>		
	\$36.2M	
-	\$32.0M	Identified downs in FY2019
<hr/>		
	<b>+\$4.2M</b>	Proposed FY2019 Budget increase over FY2018

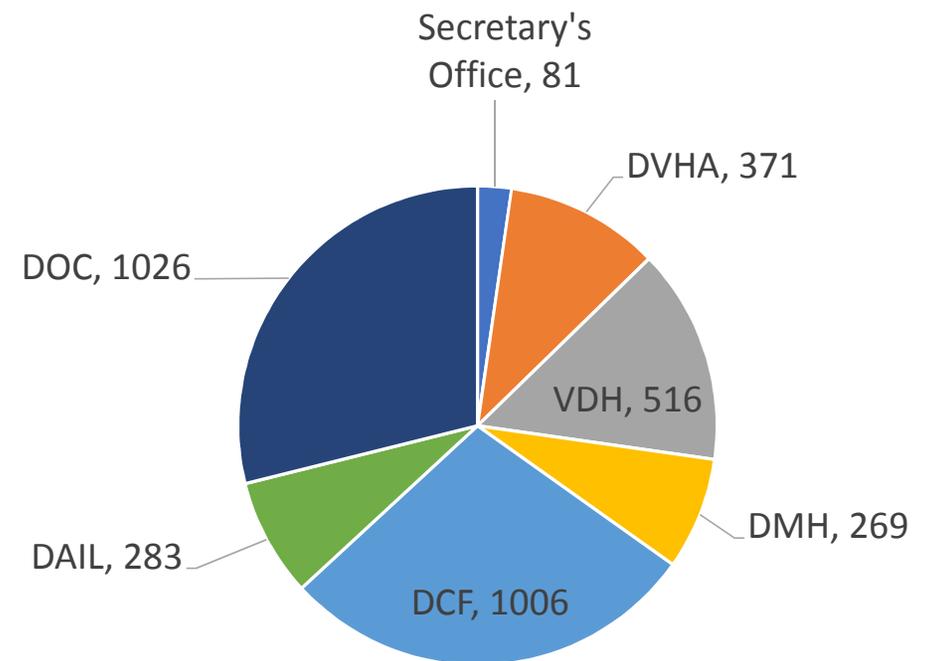
# AHS - FY19 Budget by Department



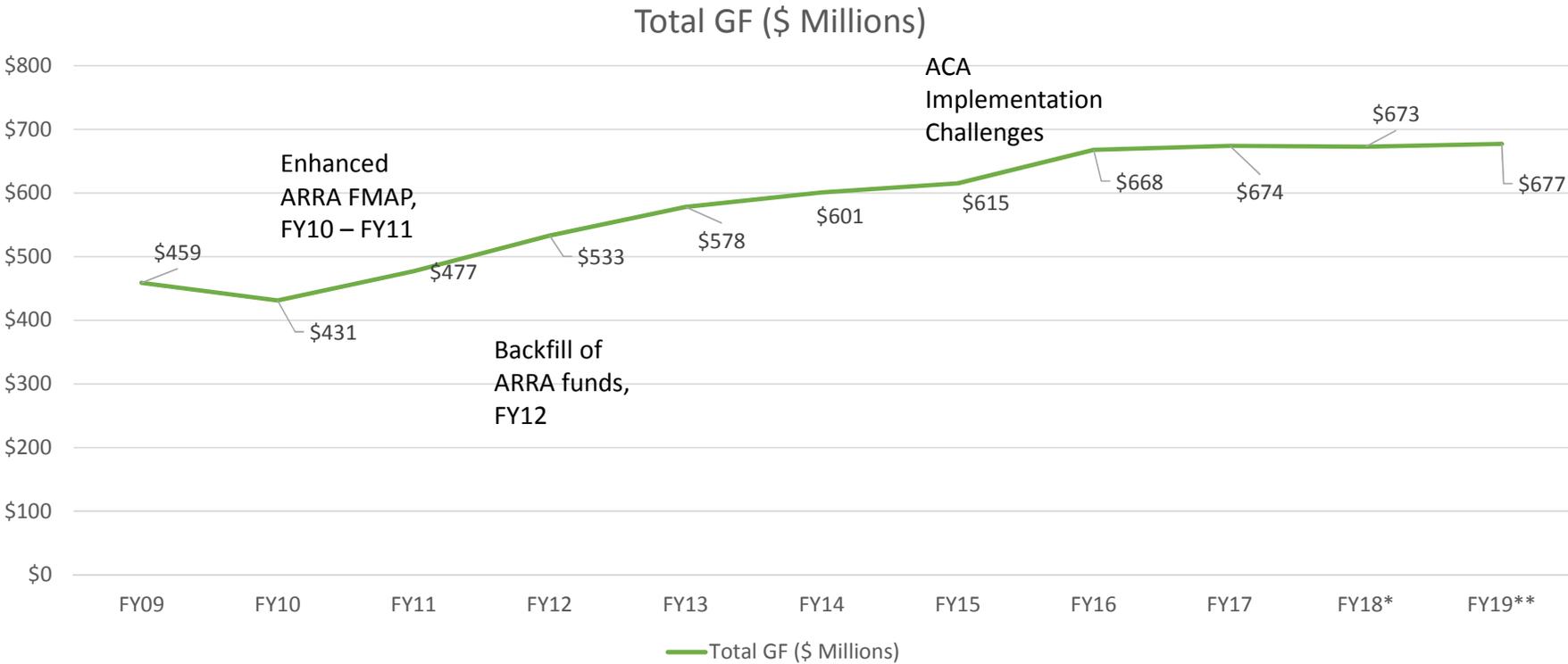
# AHS – Positions by Department – 3,552

## Vermonters Served by Department:

- DCF – 155,000
- DOC – 9,626 in the community and 1,784 in the facilities
- DAIL – 92,064
- DMH – 24,600
- DVHA – 206,955
- VDH – all Vermonters



# AHS General Fund Budget

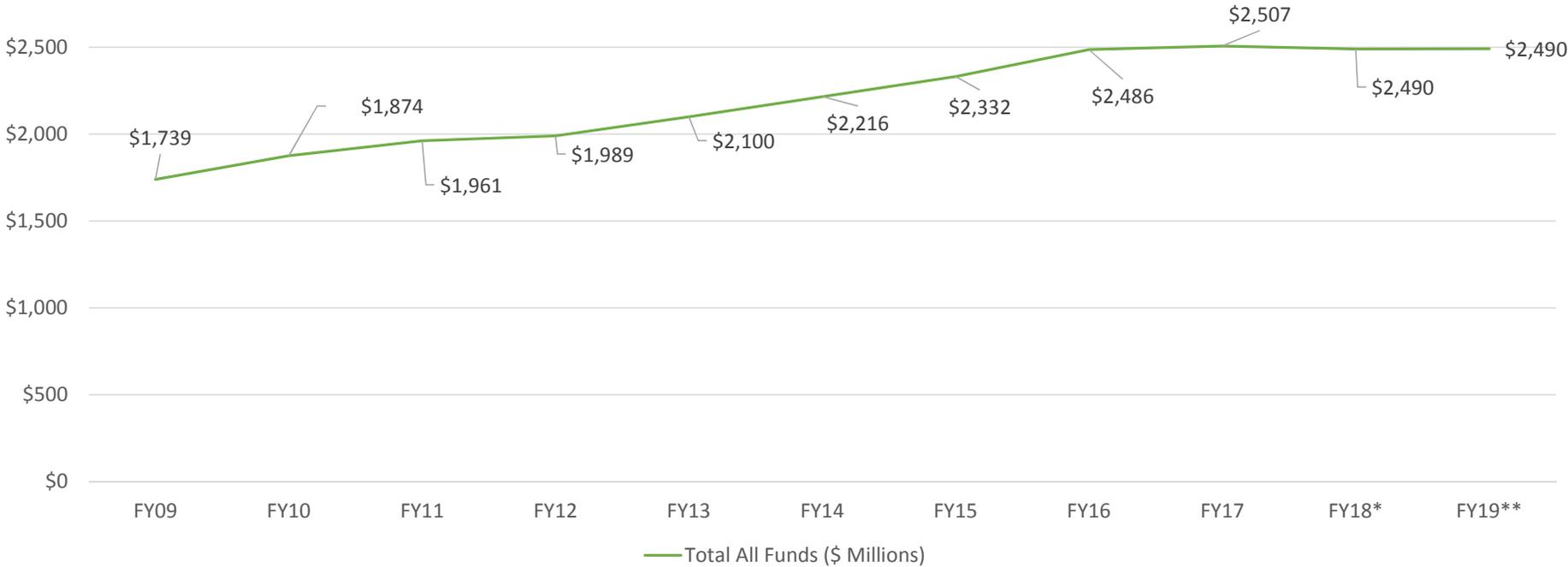


**Source:** AHS Ups & Downs documents thru BAA. \* FY18 amount reflects FY18 As Passed Post-rescission & management savings.  
 \*\*FY19 amount reflects current proposed AHS budget.



# AHS All Funds (Excluding GC) Budget

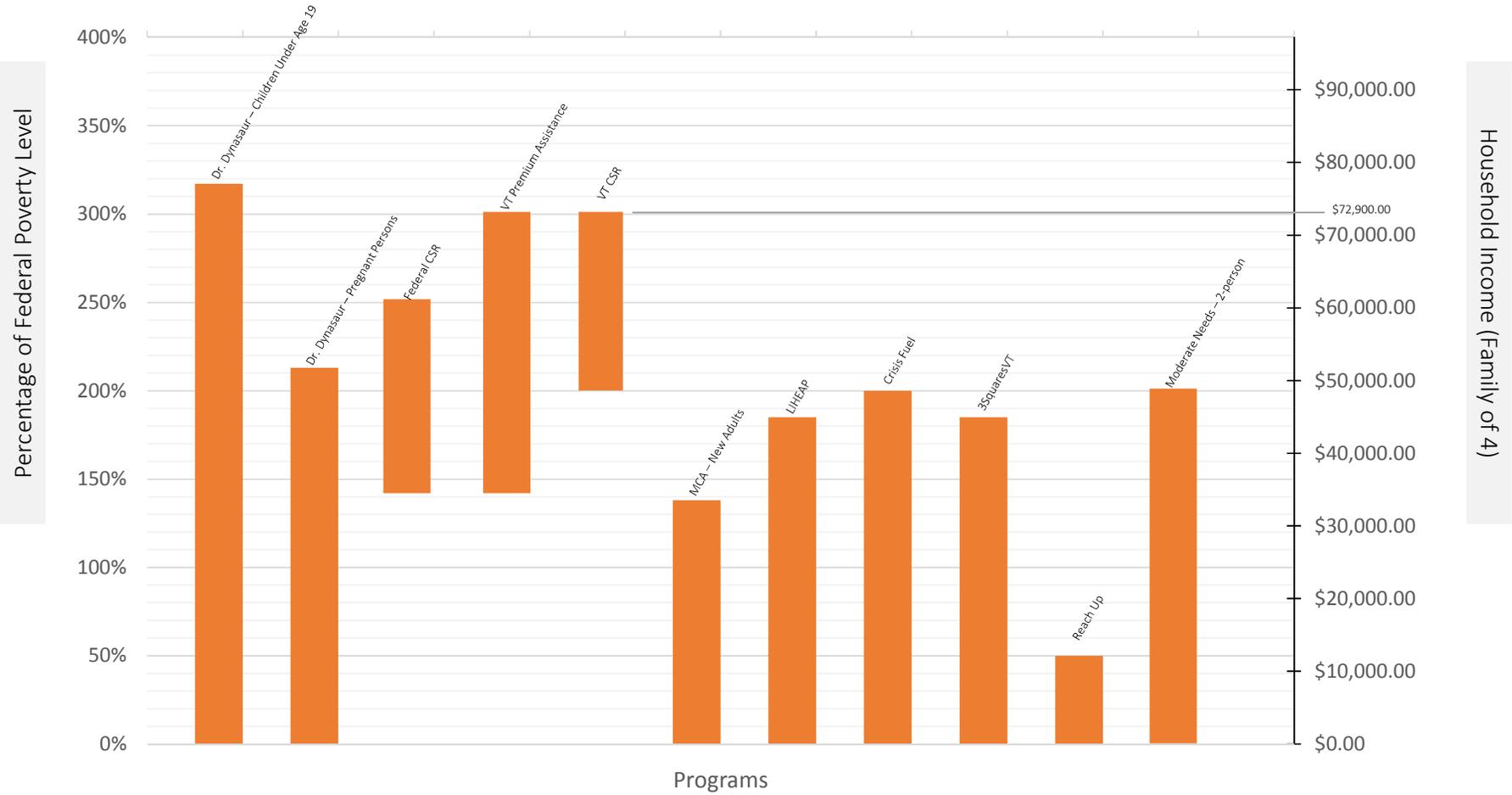
Total All Funds (\$ Millions)



Source: AHS Ups & Downs documents thru BAA. \* FY18 amount reflects FY18 Gov. Rec BAA.  
\*\*FY19 amount reflects current proposed AHS budget.

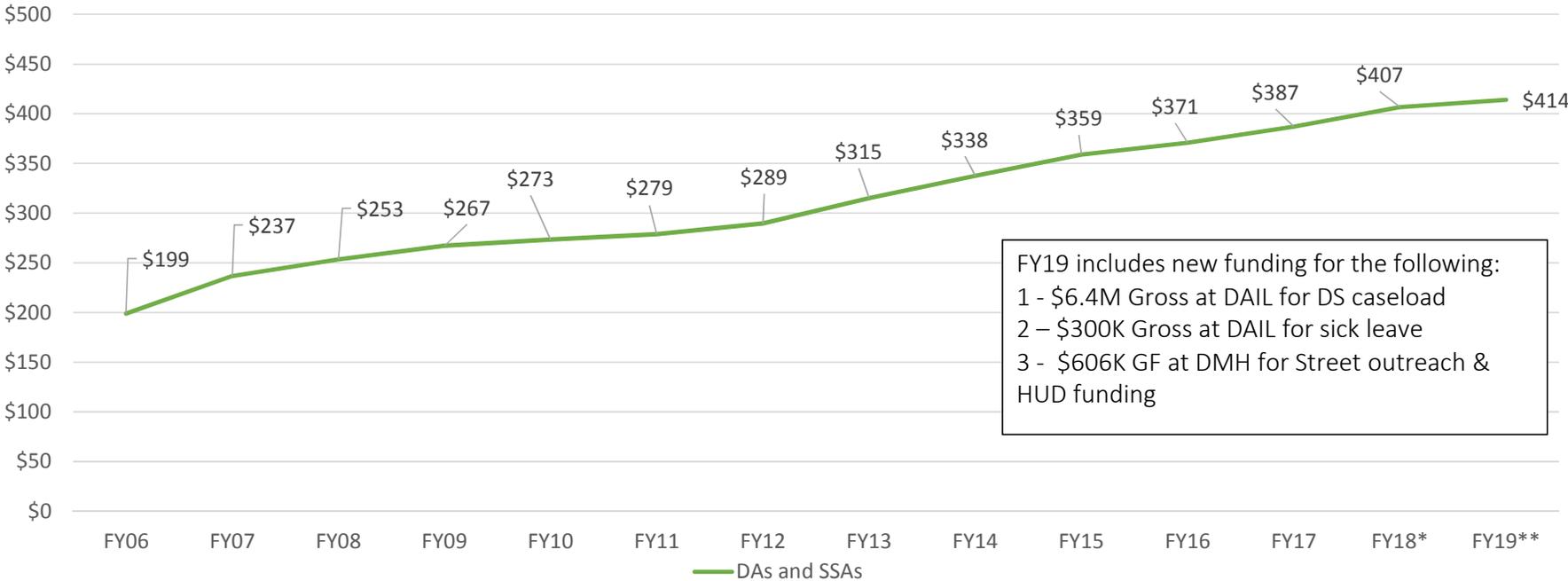


## Eligibility for Programs as Percentage of FPL and Income Threshold



# AHS Funding for Designated Agencies and Specialized Services Agencies

All funds (\$ Millions)



Data Source: E-fins and AHS ups & downs. \* FY18 amount reflects FY18 Gov. Rec BAA.

\*\*FY19 amount reflects current proposed AHS budget.



# AHS Budget Highlights: Initiatives

- Invests \$500,000 in General funds for Prevention
  - Universal Home Visiting
  - School based dental health sealant program
- Invests \$1.5M in General funds for Forensics Unit operating costs in SFY 2019 at Northwest State Correctional Facility
  - Funding for approximately three months of operating costs during SFY 2019 after the completion of capital improvements to prepare the intermediate facility
- Provides \$400,000 in General funds for Street Outreach Workers
- Provides \$500,000 in General funds for DCF Family Services to support increased parent child contact

# AHS Budget Highlights: AHS-wide Proposals

- \$2M GF in grant/contract savings – over the next three months, AHS will conduct a systematic review of grants and contracts and identify areas for savings.
- Global Commitment investment phasedown:
  - Continues HIT investment phase down - DVHA
  - Starts to phasedown Room & Board investments – DMH & DCF
  - Starts to phasedown UVM Physician Training investment
- Positions Transfers:
  - Agency of Digital Services (AHS-wide to ADS)
  - Medicaid Policy (AHS to DVHA)
  - Integrated Family Services (AHS to DMH)
  - AHS General Counsel (AHS to DVHA)

# FY19 Budget - AHS Secretary's Office

## UPS (\$836K GF):

- Salary & Fringe
- Vacancy Savings Adjustment
- Prevention Initiatives

## DOWNS (\$2.4M GF):

- AHS-wide Contract/Grant reduction
- Eliminate VISTA Volunteers
- Reduce Vermont Legal Aid Contract by 15%
- Lease Savings
- Single Audit
- Reduce Direct Service Dollars

# FY19 Budget - AHS Secretary's Office Global Commitment

## UPS (\$15.3M GF):

- New Adult Caseload & Utilization Pressure
- Loss of Tobacco Revenue
- CHIP Qualifying Claims Shortfall
- SHCRF Revenue
- Loss of Dept of Finance Regulation Revenue
- HIT Fund Rebase
- VHC Alignment

## DOWNS (\$10.4M GF):

- Change in Base FMAP
  - FY18 – 53.72%
  - FY19 – 53.79%
- Change in base enhanced FMAP for childless new adults
  - FY18 – 88.37%
  - FY19 – 91.48%
- Increase GF Carryforward
- Remove VVH Investment

## FY19 Budget - VDH

### UPS (\$711K GF):

- Salary & Fringe

### DOWNS (\$932K GF):

- Eliminate Health Professional Loan Repayment Program
- WIC Program Savings
- Epi/Lab/Stats Savings
- Other Savings VDH-wide

# FY19 Budget - DCF

## UPS (\$5.2M GF):

- Salary & Fringe – including Class RFRs
- Room & Board Investment Phasedown
- Family Services Initiative
- Sub adopt caseload & CPC
- PNMI Rate Increase
- Federal & Special Fund Adjustments
- Reach Up Caseload Correction

## DOWNS (\$6.3M GF):

- ESD Management Reorg
- Federal & Special Fund Adjustments
- LIHEAP State Median Income
- Sub care Caseload & CPC
- Early Intervention Evaluation & Treatment Overbudgeting
- Child Care Transportation Contracts
- Reach Up Caseload Savings
- Reach Up Grant Reductions

# FY19 Budget - DAIL

## UPS (\$9.1M GF):

- Salary & Fringe
- Nursing Home Inflationary Increase
- Home & Community Base Caseload Increase
- VT Veterans' Home Rate Increase - UPL
- DS Caseload
- TBI Caseload
- Sick Leave Legislation

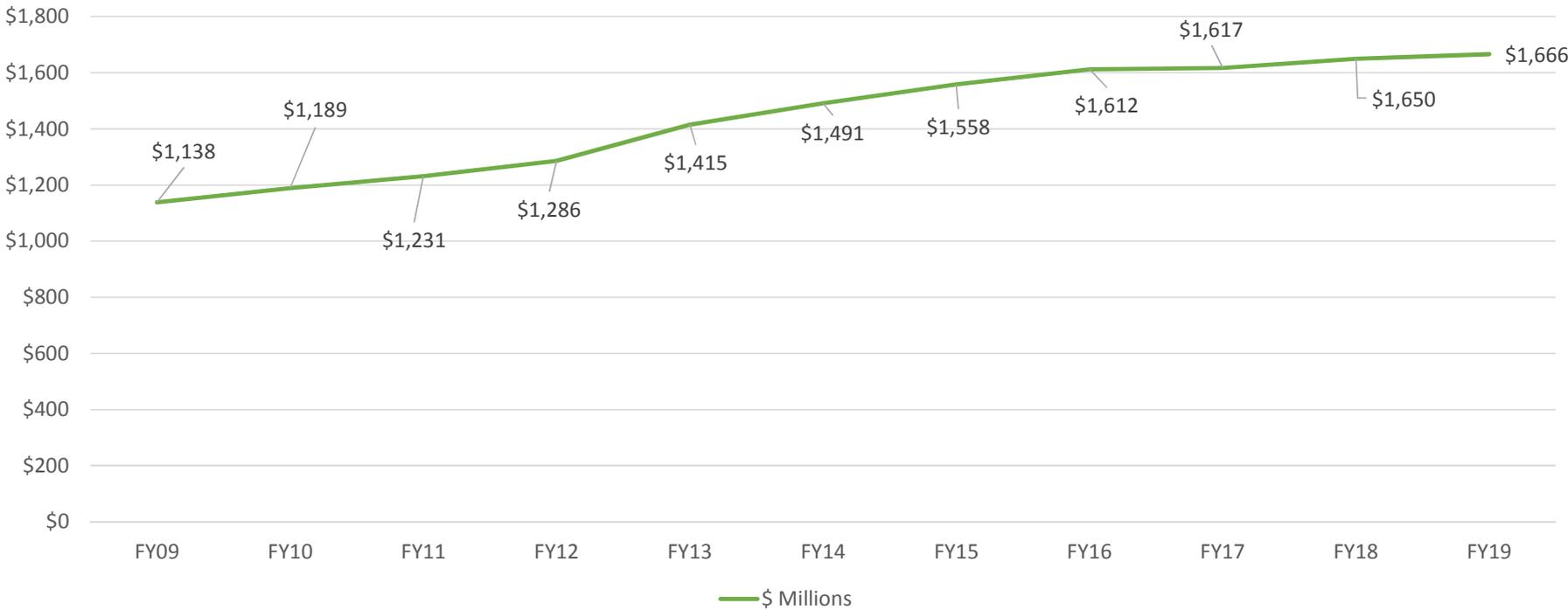
## DOWNS: (\$4.0M GF)

- Reduces current DS waivers.
- Eliminates Attendant Services General Fund program
- Nursing Home Bed Day Utilization
- Other operating expense reductions

# Relevant Slides Presented to Other Committees

# Medicaid (& Medicaid-Related) Spending

Total Medicaid & Medicaid Related Expenses (\$ Millions)

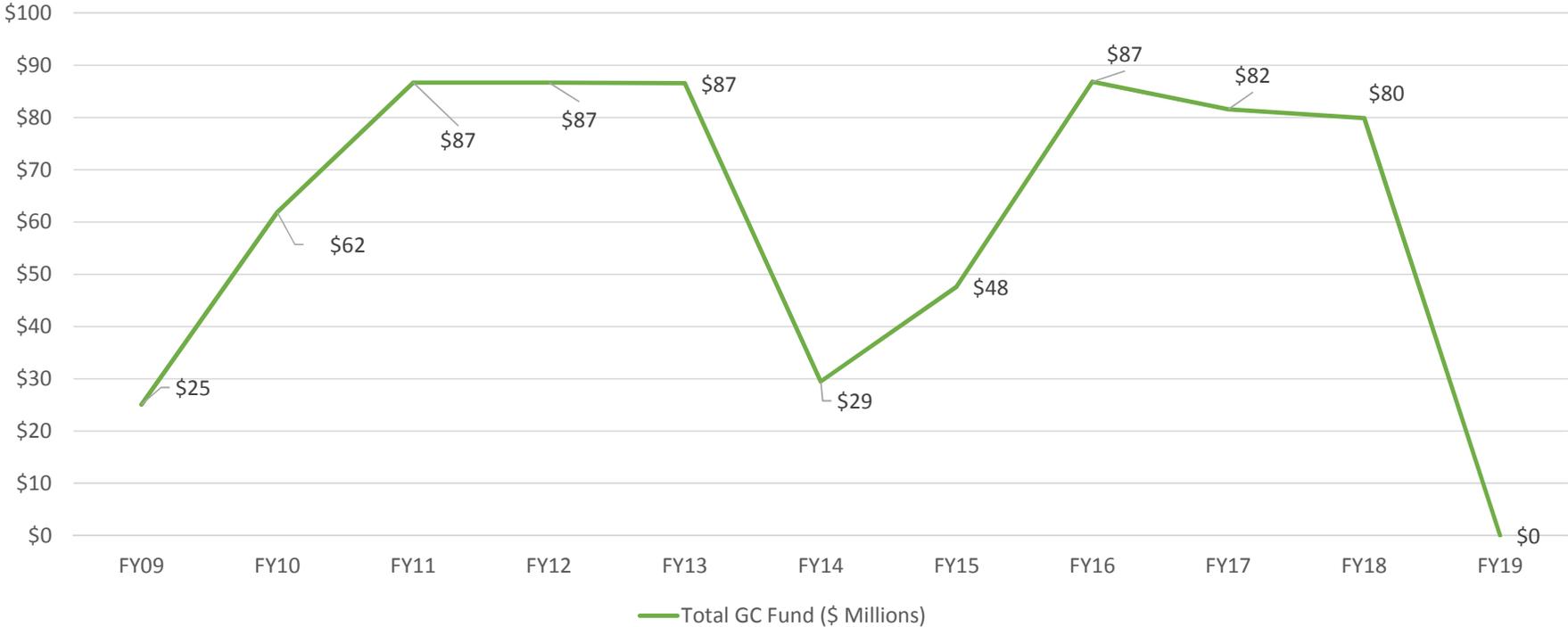


Includes Global Commitment, State Only Programs, DSH, Clawback and SCHIP.



# Medicaid - Global Commitment – Balance Sheet

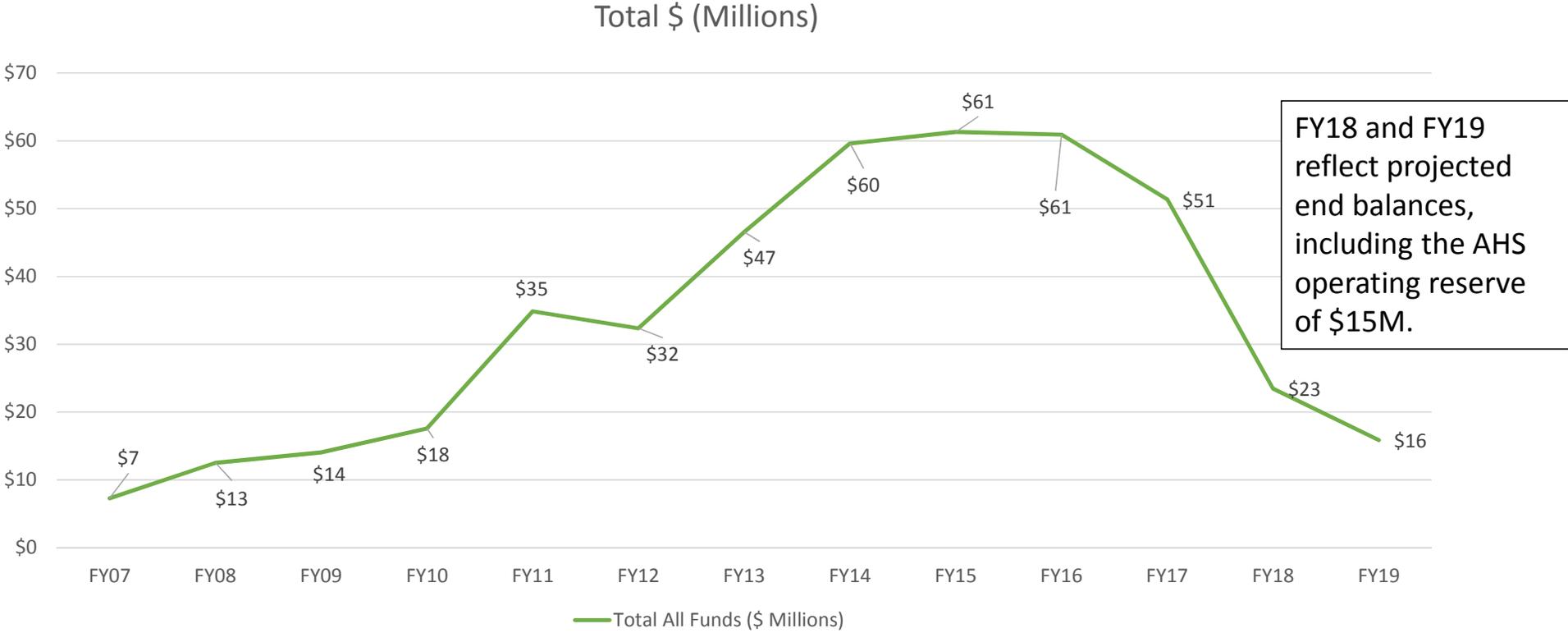
Total GC Fund Balance(\$ Millions)



FY18 and FY19 reflect projected end balances. In the FY19 budget, the balance of the GC fund is transferred to the human services caseload reserve.



# Non-budgeted Revenue Balance



FY18 and FY19 reflect projected end balances





# FY19 Budget - DVHA

## UPS (\$6.8M GF):

- Salary & Fringe
- Increase in M&O Contracts – MMIS, PBM
- Align Vermont Health Connect funding
- Delivery System Reform (DSR) Investment
- Updated Medicaid Consensus
- Dartmouth Hitchcock Rate Increase
- Clawback Rate Increase

## DOWNS (\$14.1M GF):

- Delay Hiring Actions
- Realignment of Care Coordination
- Swap in match on OAPD Contracts
- Right sizes contracts for Design, Development & Implementation (DDI) for IT
- End Premium Processing Contract
- Eliminate Cost Sharing Reductions
- Eliminate Primary Care Case Mgmt (PCCM) Fee
- Durable Medical Equipment (DME) Rate Adjustment
- Increase COB & PI Activities
- DSH Reduction

# FY19 Budget - DMH

## UPS (\$3.3M GF):

- Salary & Fringe
- Forensics Unit
- Street Outreach
- VPCH Operating
- Hill House Emergency Bed Funding
- PNMI Rate Increase & Extraordinary Relief
- HUD Funding
- Room & Board Investment Phasedown

## DOWNS (\$70K GF):

- Lease Savings

# FY19 Budget - DOC

## UPS (\$3.5M GF):

- Salary & Fringe
- Parole Board Position
- Out-of-State Caseload

## DOWNS (\$2.2M GF):

- Contract & Grant Reductions
- Increase Vacancy Savings
- Reduce Education Positions (2)
- Removes Remaining Base SESCOF Funding
- Other Operating Reductions

# Agency of Human Services

---

## FY 2019 Governor's Recommended Budget

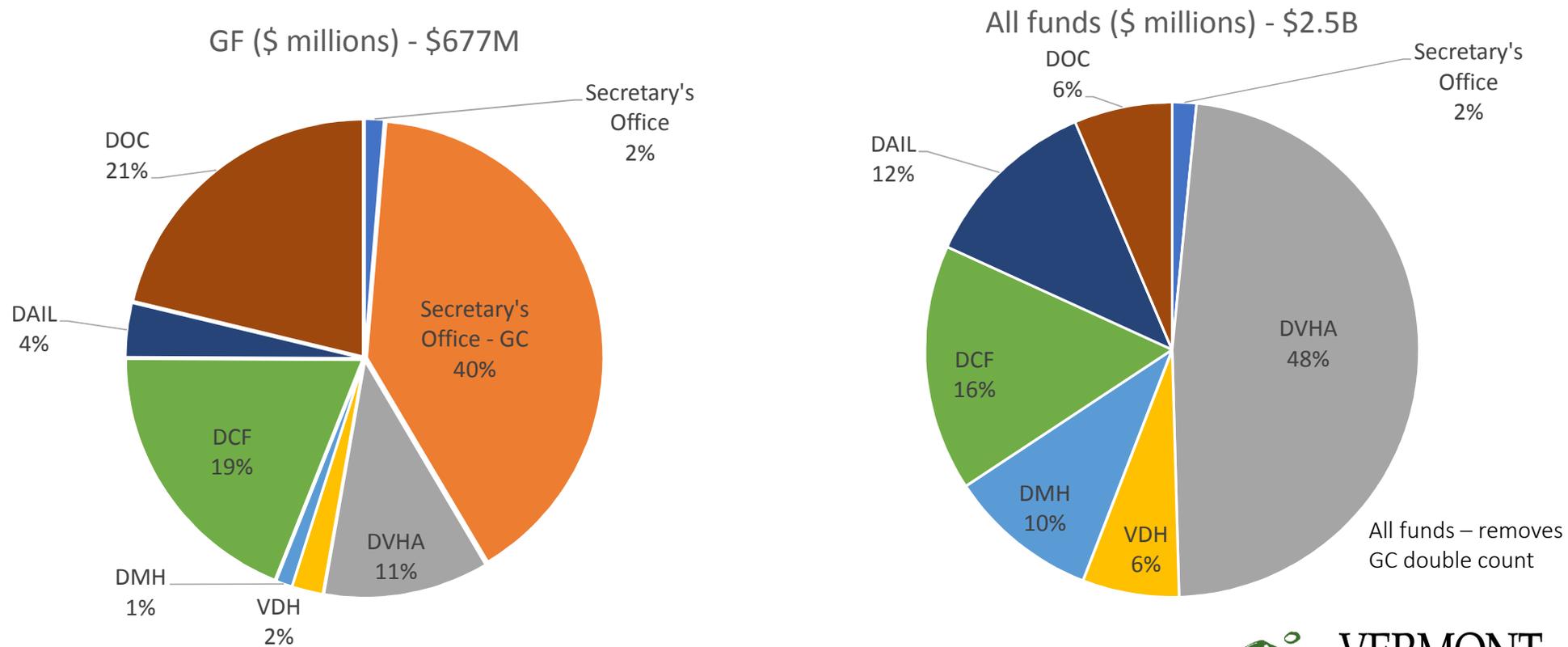
House Committee on Human Services  
February 1, 2018



# AHS – FY2019 Budget Picture

	\$672.8M	FY2018 General Fund
+	\$9.7M	Medicaid Revenue Shortfall
+	\$35.0M	} Includes 5% assumed average budget growth and priorities
<hr/>		
	\$717.6M	
-	\$672.8M	
<hr/>		
	\$44.8M	Need to reduce for level fund to FY2018
-	\$8.6M	Improving FMAP due to Vermont's economy
<hr/>		
	\$36.2M	
-	\$32.0M	Identified downs in FY2019
<hr/>		
	<b>+\$4.2M</b>	Proposed FY2019 Budget increase over FY2018

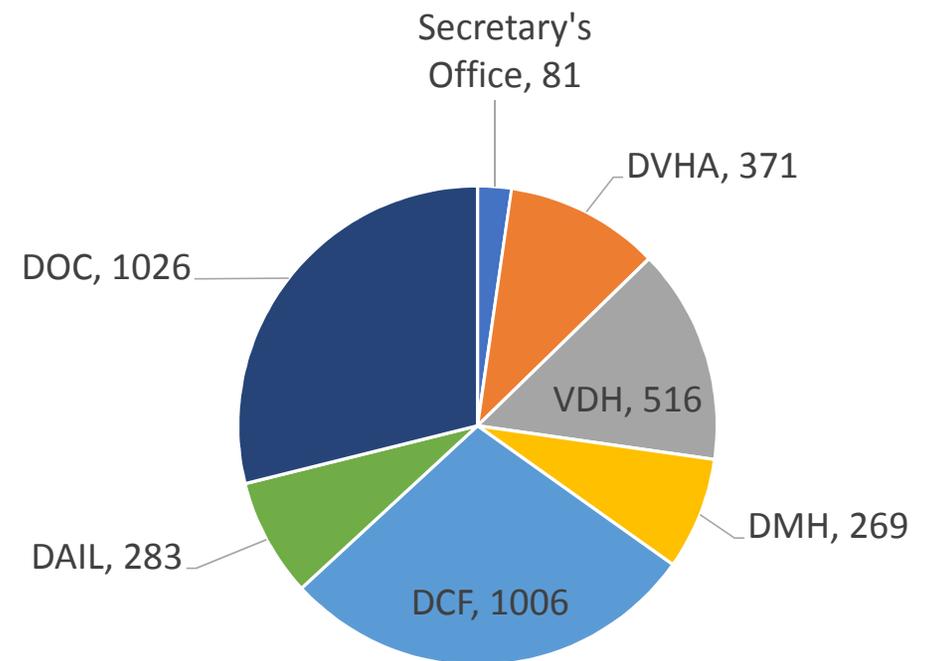
# AHS - FY19 Budget by Department



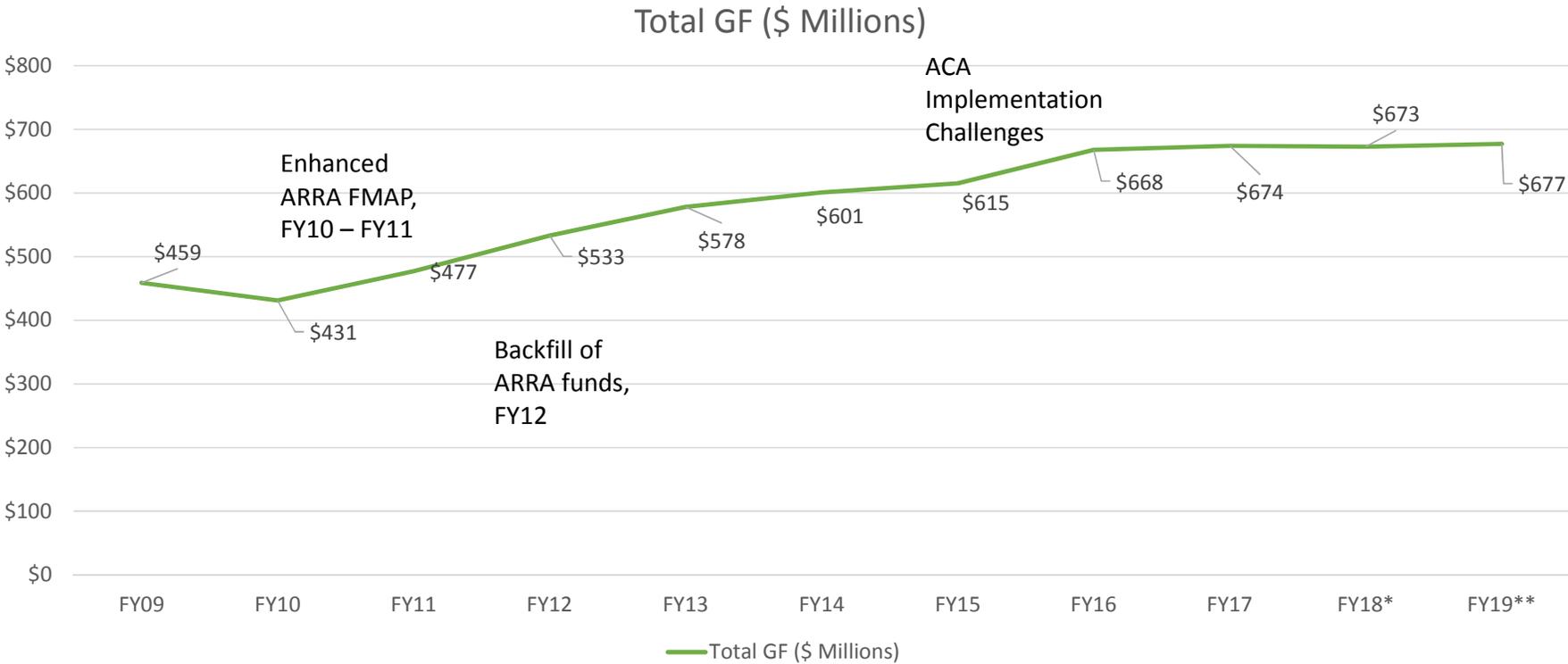
## AHS – Positions by Department – 3,552

### Vermonters Served by Department:

- DCF – 155,000
- DOC – 9,626 in the community and 1,784 in the facilities
- DAIL – 92,064
- DMH – 24,600
- DVHA – 206,955
- VDH – all Vermonters



# AHS General Fund Budget

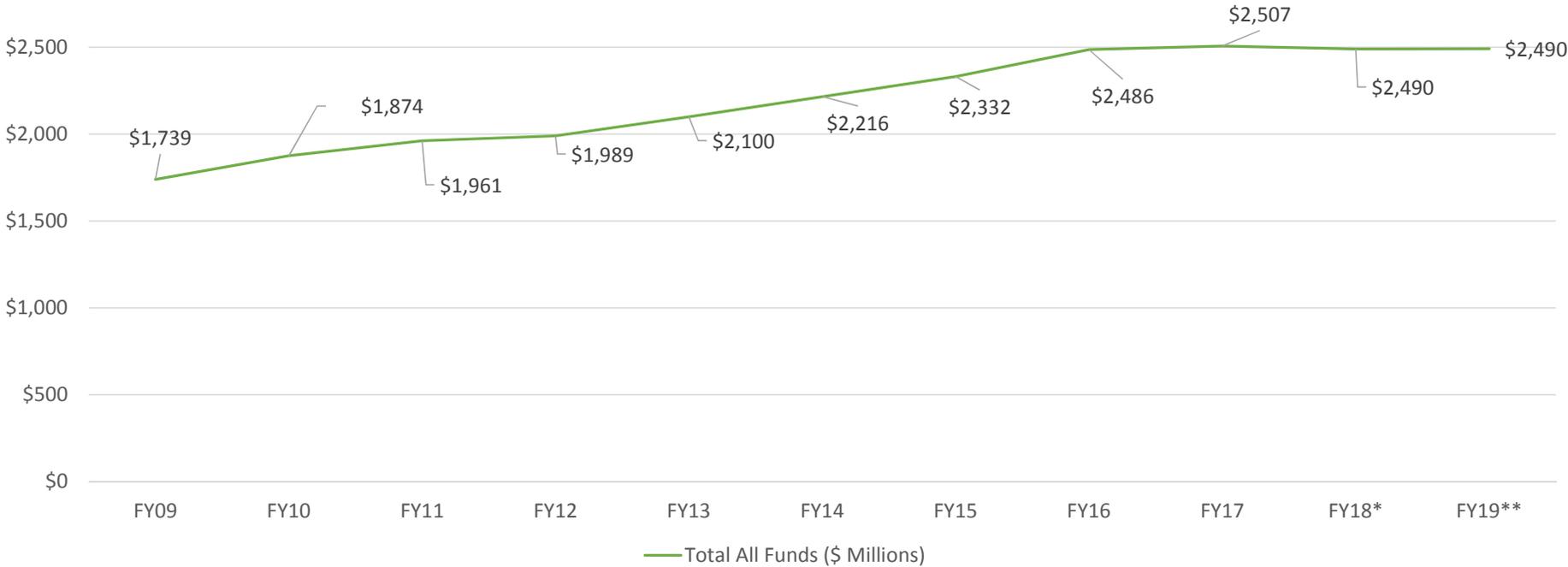


**Source:** AHS Ups & Downs documents thru BAA. \* FY18 amount reflects FY18 As Passed Post-rescission & management savings.  
 \*\*FY19 amount reflects current proposed AHS budget.



# AHS All Funds (Excluding GC) Budget

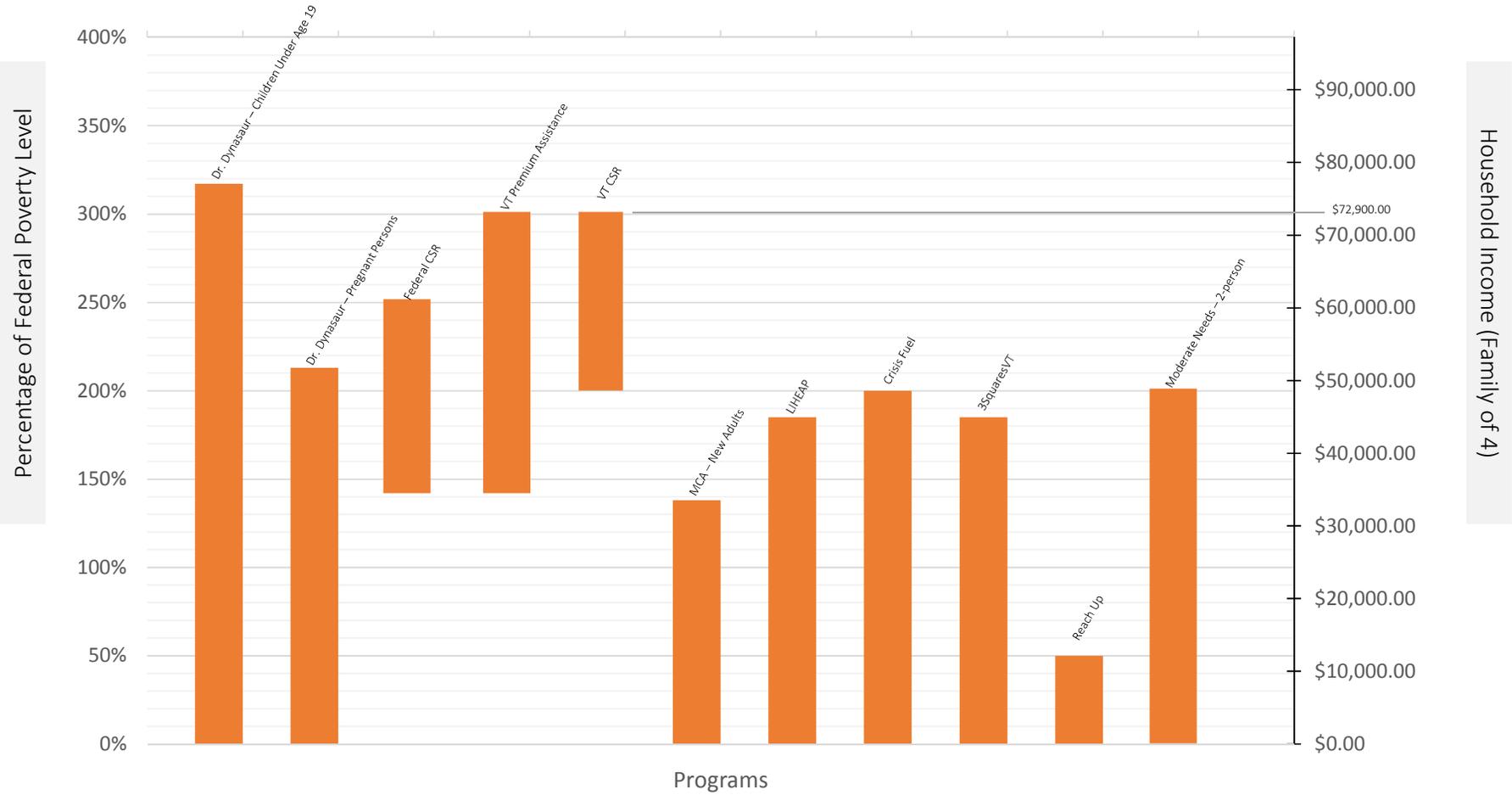
Total All Funds (\$ Millions)



Source: AHS Ups & Downs documents thru BAA. \* FY18 amount reflects FY18 Gov. Rec BAA.  
\*\*FY19 amount reflects current proposed AHS budget.

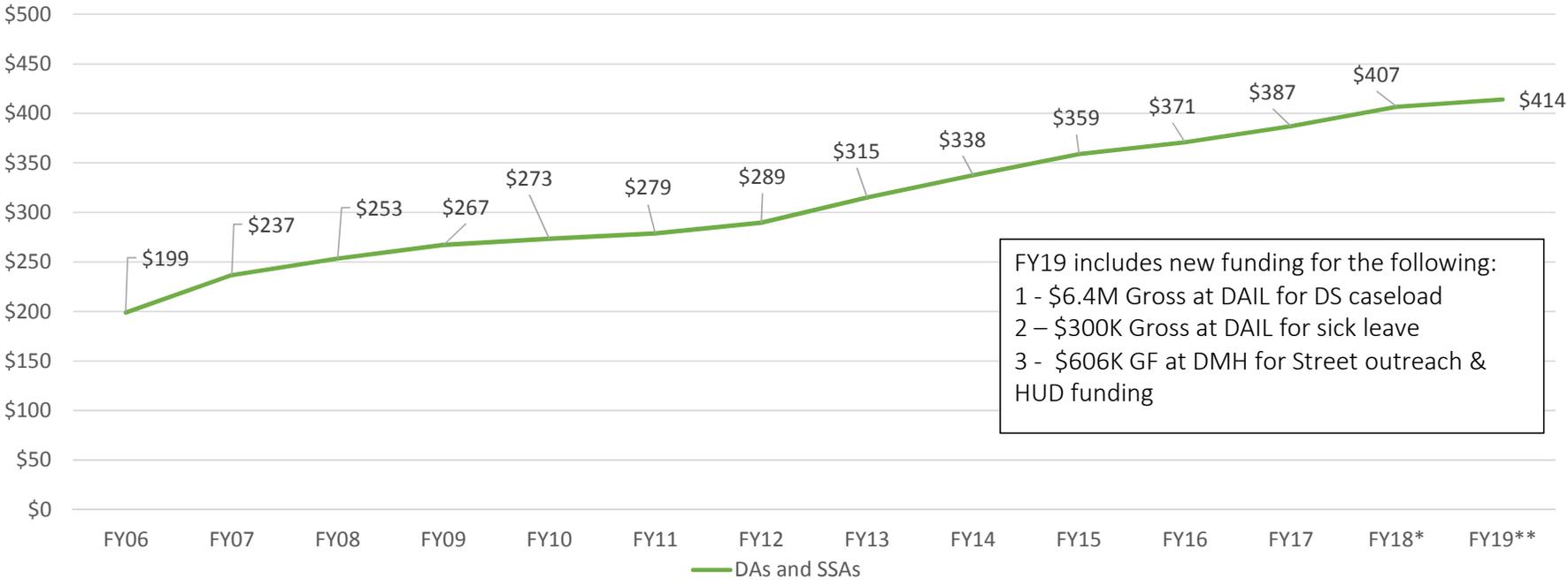


## Eligibility for Programs as Percentage of FPL and Income Threshold



# AHS Funding for Designated Agencies and Specialized Services Agencies

All funds (\$ Millions)



Data Source: E-fins and AHS ups & downs. \* FY18 amount reflects FY18 Gov. Rec BAA.

\*\*FY19 amount reflects current proposed AHS budget.



# AHS Budget Highlights: Initiatives

- Invests \$500,000 in General funds for Prevention
  - Universal Home Visiting
  - School based dental health sealant program
- Invests \$1.5M in General funds for Forensics Unit operating costs in SFY 2019 at Northwest State Correctional Facility
  - Funding for approximately three months of operating costs during SFY 2019 after the completion of capital improvements to prepare the intermediate facility
- Provides \$400,000 in General funds for Street Outreach Workers
- Provides \$500,000 in General funds for DCF Family Services to support increased parent child contact

# AHS Budget Highlights: AHS-wide Proposals

- \$2M GF in grant/contract savings – over the next three months, AHS will conduct a systematic review of grants and contracts and identify areas for savings.
- Global Commitment investment phasedown:
  - Continues HIT investment phase down - DVHA
  - Starts to phasedown Room & Board investments – DMH & DCF
  - Starts to phasedown UVM Physician Training investment
- Positions Transfers:
  - Agency of Digital Services (AHS-wide to ADS)
  - Medicaid Policy (AHS to DVHA)
  - Integrated Family Services (AHS to DMH)
  - AHS General Counsel (AHS to DVHA)

# FY19 Budget - AHS Secretary's Office

## UPS (\$836K GF):

- Salary & Fringe
- Vacancy Savings Adjustment
- Prevention Initiatives

## DOWNS (\$2.4M GF):

- AHS-wide Contract/Grant reduction
- Eliminate VISTA Volunteers
- Reduce Vermont Legal Aid Contract by 15%
- Lease Savings
- Single Audit
- Reduce Direct Service Dollars

# FY19 Budget - AHS Secretary's Office Global Commitment

## UPS (\$15.3M GF):

- New Adult Caseload & Utilization Pressure
- Loss of Tobacco Revenue
- CHIP Qualifying Claims Shortfall
- SHCRF Revenue
- Loss of Dept of Finance Regulation Revenue
- HIT Fund Rebase
- VHC Alignment

## DOWNS (\$10.4M GF):

- Change in Base FMAP
  - FY18 – 53.72%
  - FY19 – 53.79%
- Change in base enhanced FMAP for childless new adults
  - FY18 – 88.37%
  - FY19 – 91.48%
- Increase GF Carryforward
- Remove VVH Investment

## FY19 Budget - VDH

### UPS (\$711K GF):

- Salary & Fringe

### DOWNS (\$932K GF):

- Eliminate Health Professional Loan Repayment Program
- WIC Program Savings
- Epi/Lab/Stats Savings
- Other Savings VDH-wide

# FY19 Budget - DCF

## UPS (\$5.2M GF):

- Salary & Fringe – including Class RFRs
- Room & Board Investment Phasedown
- Family Services Initiative
- Sub adopt caseload & CPC
- PNMI Rate Increase
- Federal & Special Fund Adjustments
- Reach Up Caseload Correction

## DOWNS (\$6.3M GF):

- ESD Management Reorg
- Federal & Special Fund Adjustments
- LIHEAP State Median Income
- Sub care Caseload & CPC
- Early Intervention Evaluation & Treatment Overbudgeting
- Child Care Transportation Contracts
- Reach Up Caseload Savings
- Reach Up Grant Reductions

# FY19 Budget - DAIL

## UPS (\$9.1M GF):

- Salary & Fringe
- Nursing Home Inflationary Increase
- Home & Community Base Caseload Increase
- VT Veterans' Home Rate Increase - UPL
- DS Caseload
- TBI Caseload
- Sick Leave Legislation

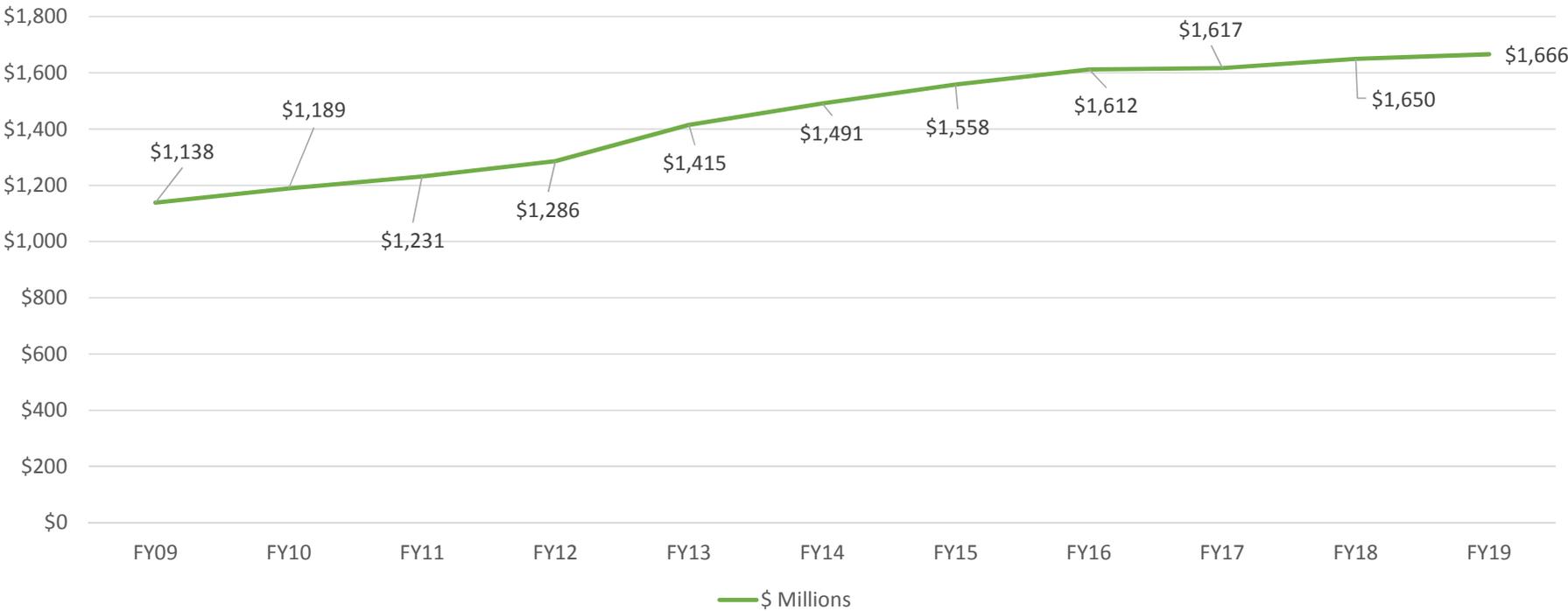
## DOWNS: (\$4.0M GF)

- Reduces current DS waivers.
- Eliminates Attendant Services General Fund program
- Nursing Home Bed Day Utilization
- Other operating expense reductions

# Relevant Slides Presented to Other Committees

# Medicaid (& Medicaid-Related) Spending

Total Medicaid & Medicaid Related Expenses (\$ Millions)

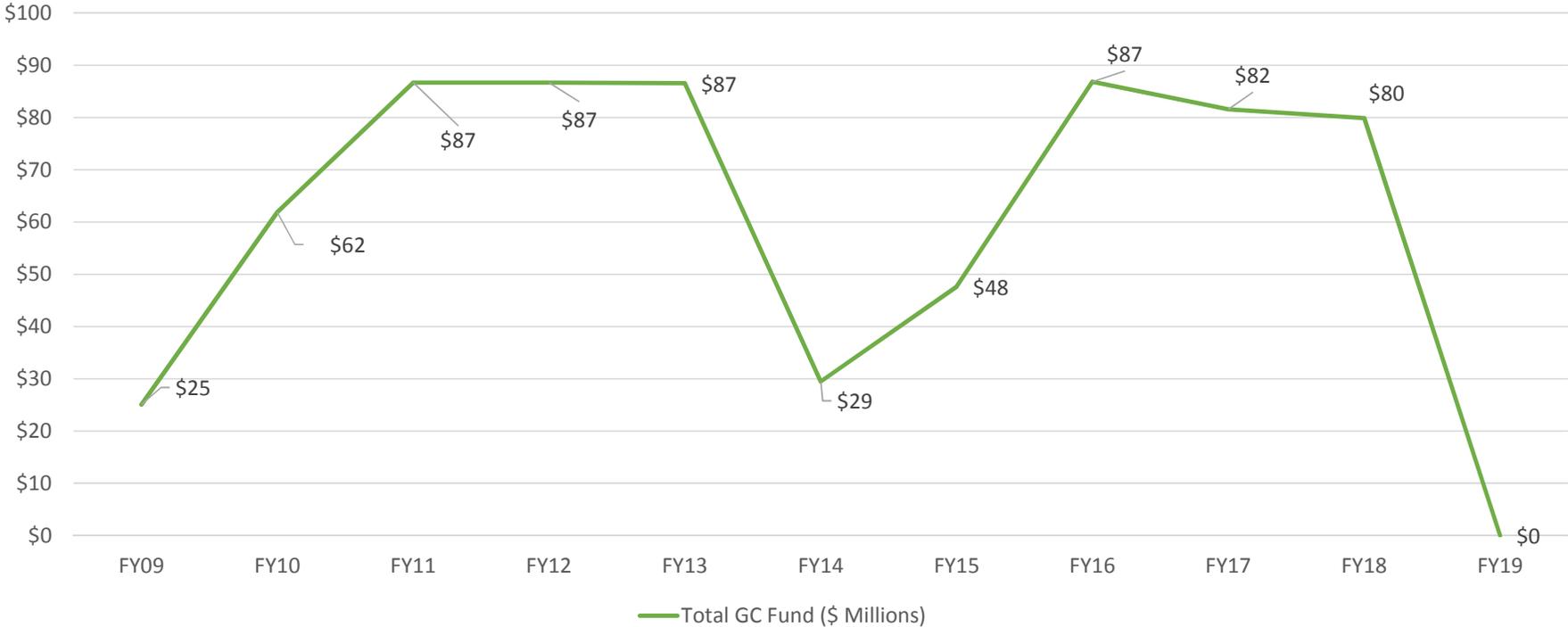


Includes Global Commitment, State Only Programs, DSH, Clawback and SCHIP.



# Medicaid - Global Commitment – Balance Sheet

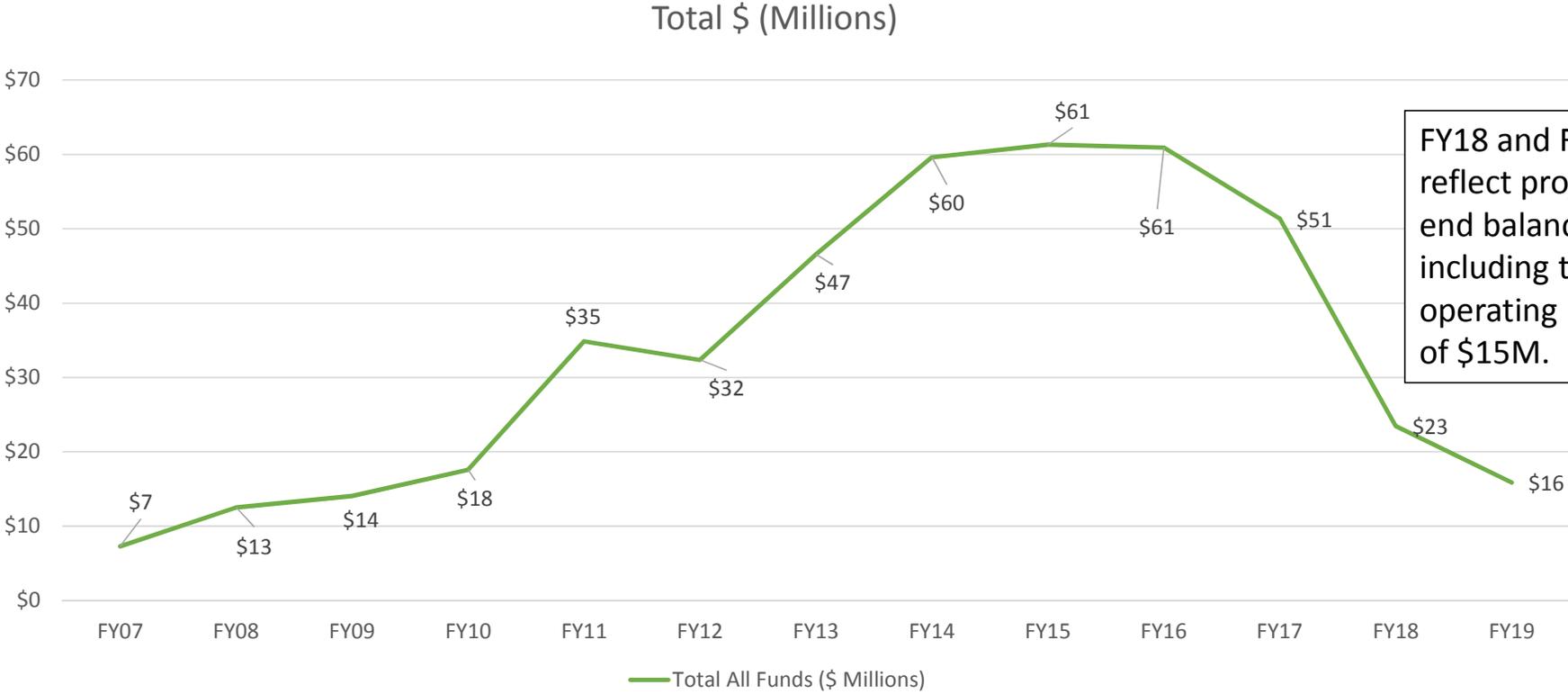
Total GC Fund Balance(\$ Millions)



FY18 and FY19 reflect projected end balances. In the FY19 budget, the balance of the GC fund is transferred to the human services caseload reserve.



# Non-budgeted Revenue Balance



FY18 and FY19 reflect projected end balances, including the AHS operating reserve of \$15M.

FY18 and FY19 reflect projected end balances





# FY19 Budget - DVHA

## UPS (\$6.8M GF):

- Salary & Fringe
- Increase in M&O Contracts – MMIS, PBM
- Align Vermont Health Connect funding
- Delivery System Reform (DSR) Investment
- Updated Medicaid Consensus
- Dartmouth Hitchcock Rate Increase
- Clawback Rate Increase

## DOWNS (\$14.1M GF):

- Delay Hiring Actions
- Realignment of Care Coordination
- Swap in match on OAPD Contracts
- Right sizes contracts for Design, Development & Implementation (DDI) for IT
- End Premium Processing Contract
- Eliminate Cost Sharing Reductions
- Eliminate Primary Care Case Mgmt (PCCM) Fee
- Durable Medical Equipment (DME) Rate Adjustment
- Increase COB & PI Activities
- DSH Reduction

# FY19 Budget - DMH

## UPS (\$3.3M GF):

- Salary & Fringe
- Forensics Unit
- Street Outreach
- VPCH Operating
- Hill House Emergency Bed Funding
- PNMI Rate Increase & Extraordinary Relief
- HUD Funding
- Room & Board Investment Phasedown

## DOWNS (\$70K GF):

- Lease Savings

# FY19 Budget - DOC

## UPS (\$3.5M GF):

- Salary & Fringe
- Parole Board Position
- Out-of-State Caseload

## DOWNS (\$2.2M GF):

- Contract & Grant Reductions
- Increase Vacancy Savings
- Reduce Education Positions (2)
- Removes Remaining Base SESCOF Funding
- Other Operating Reductions