

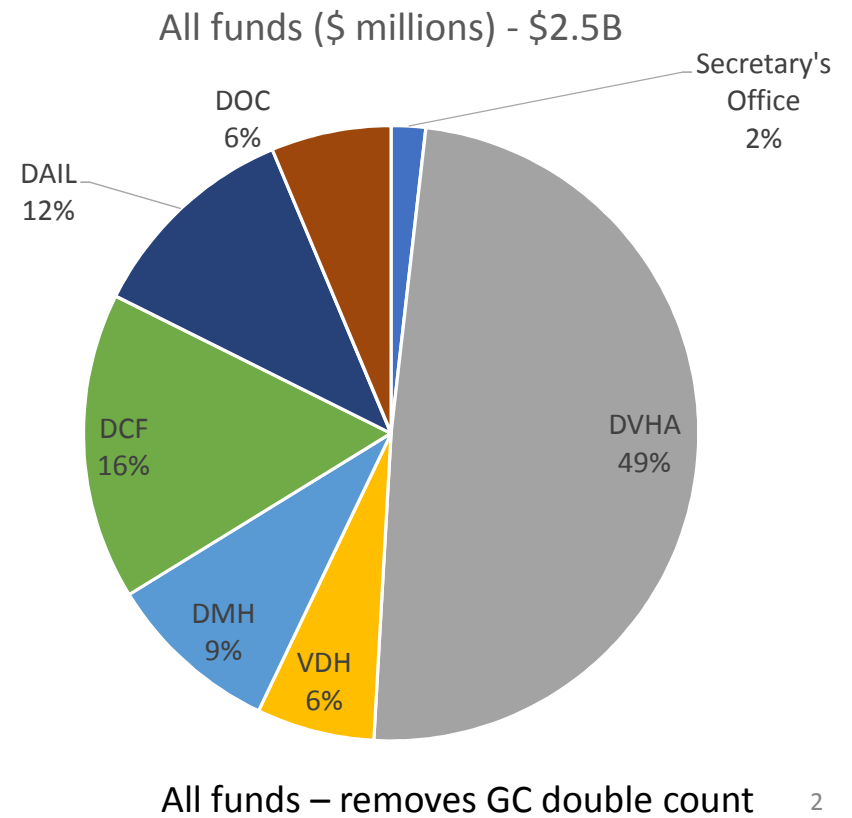
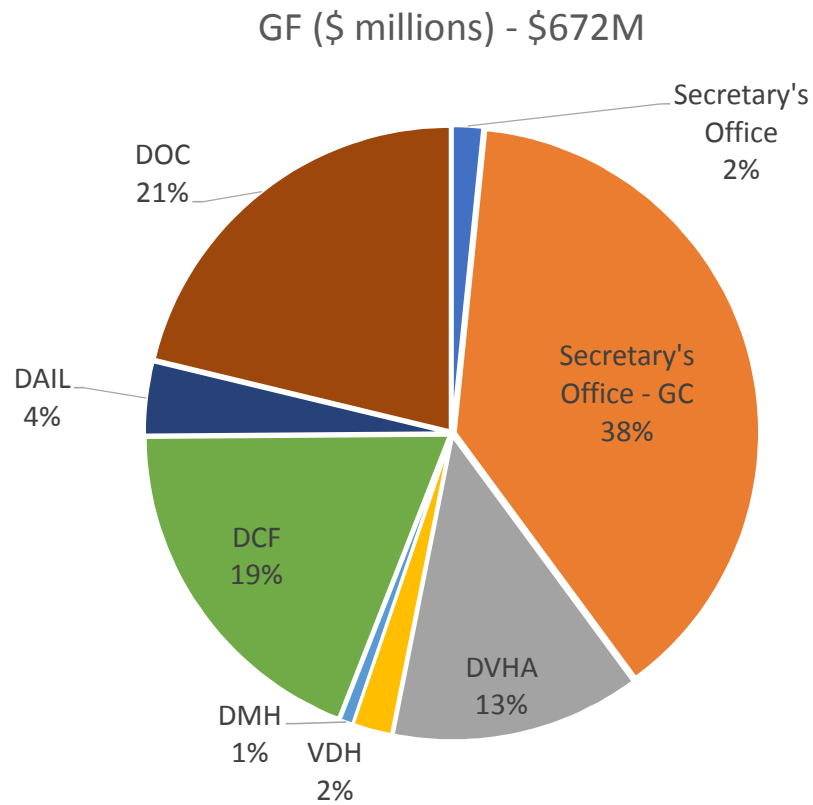
Agency of Human Services

FY 2018 Governor's Recommended Budget

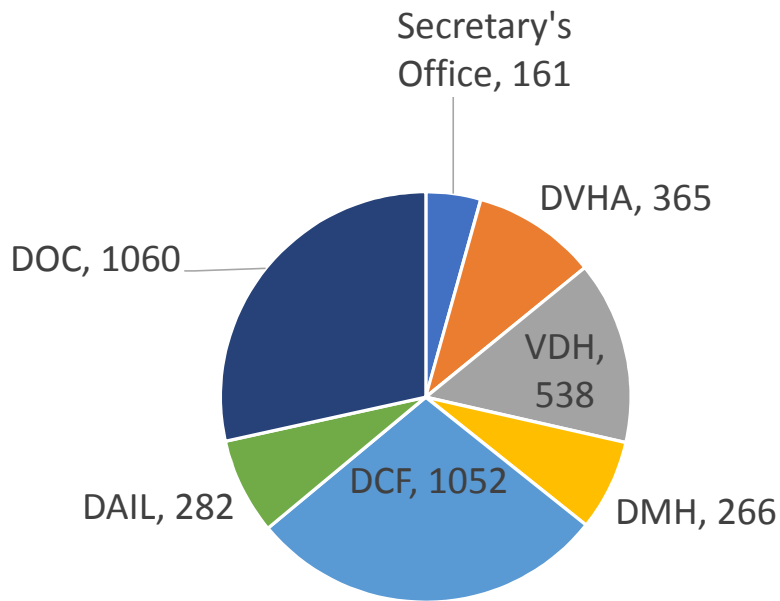
House Appropriations Committee

January 30, 2017

AHS - FY18 Budget by Department



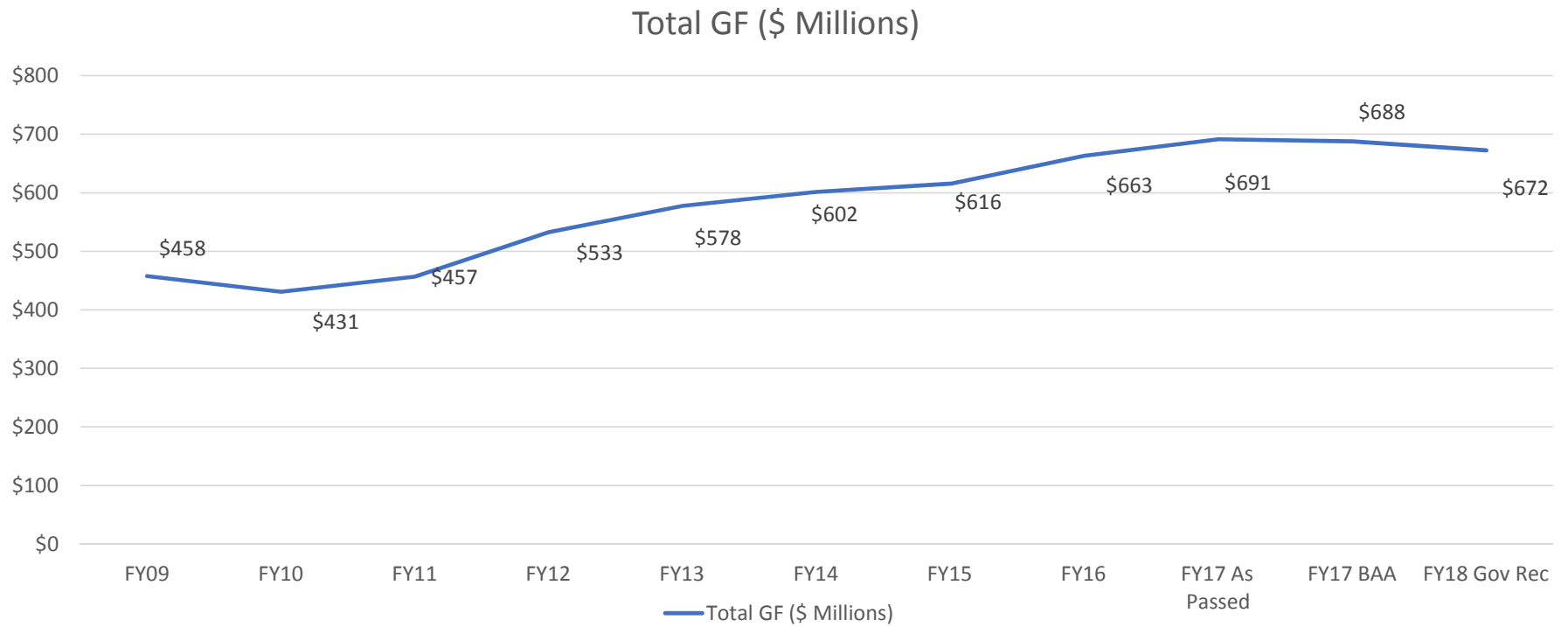
AHS – Positions by Department – 3,724



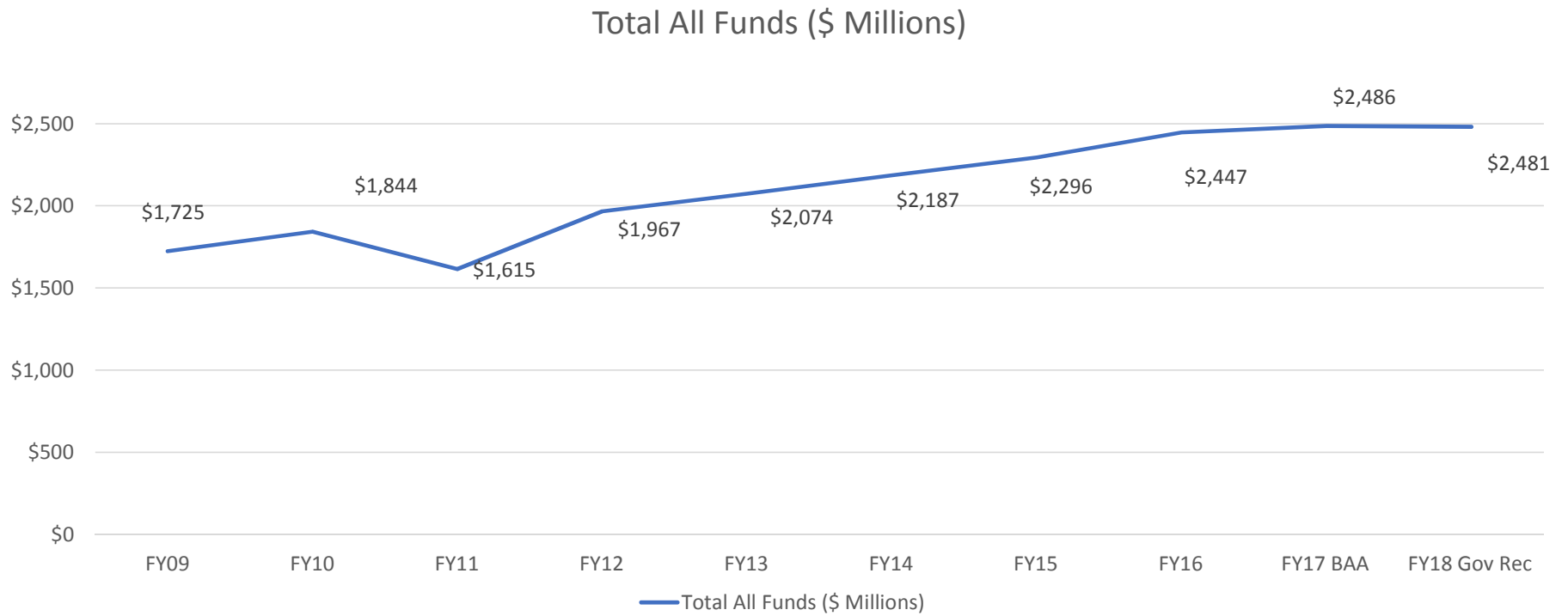
Vermonters Served by Department:

- DCF – 185,000
- DOC – 8,335 in the community and 1,775 in the facilities
- DAIL – 89,574
- DMH – 34,074
- DVHA - 230,602
- VDH – all Vermonters

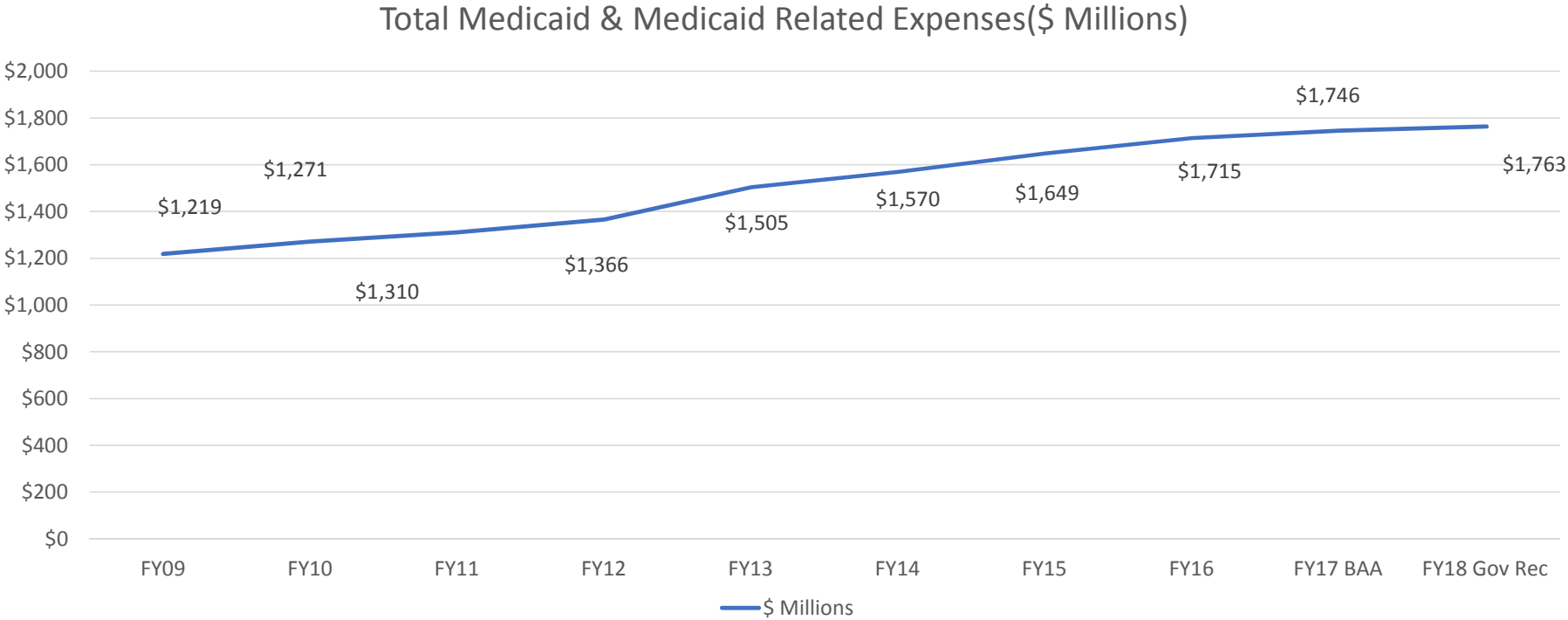
AHS General Fund Budget



AHS All Funds (Unduplicated) Budget



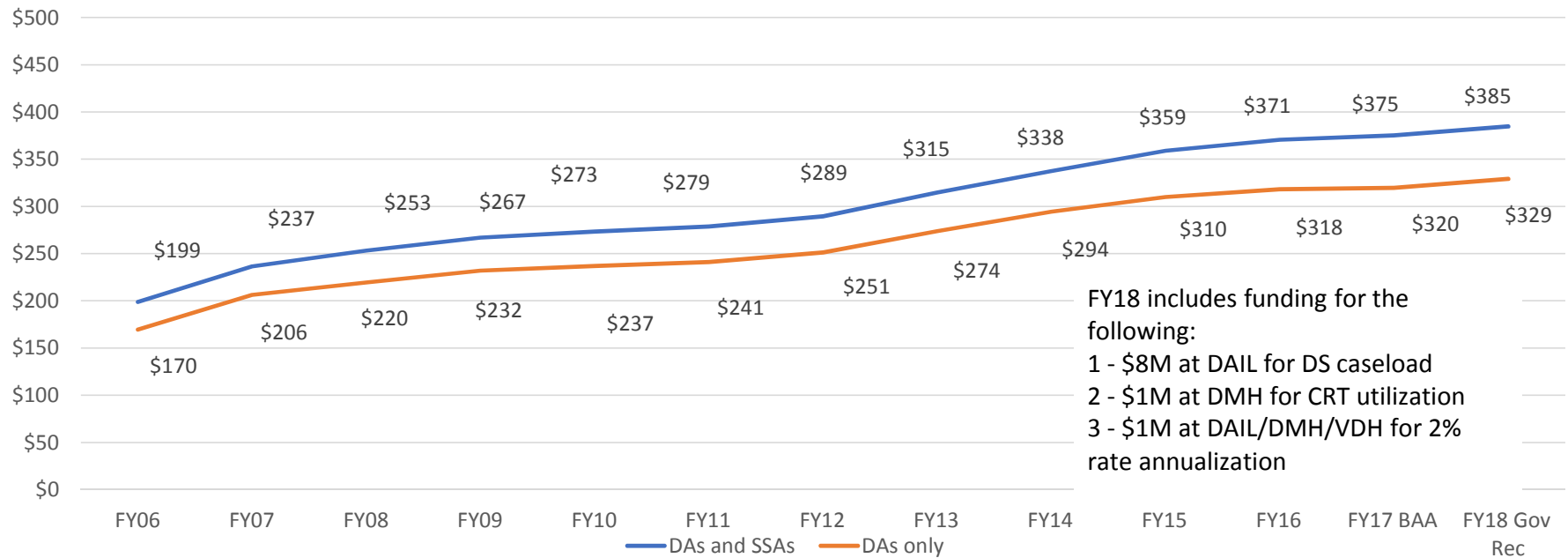
Medicaid (& Medicaid-Related) Spending



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

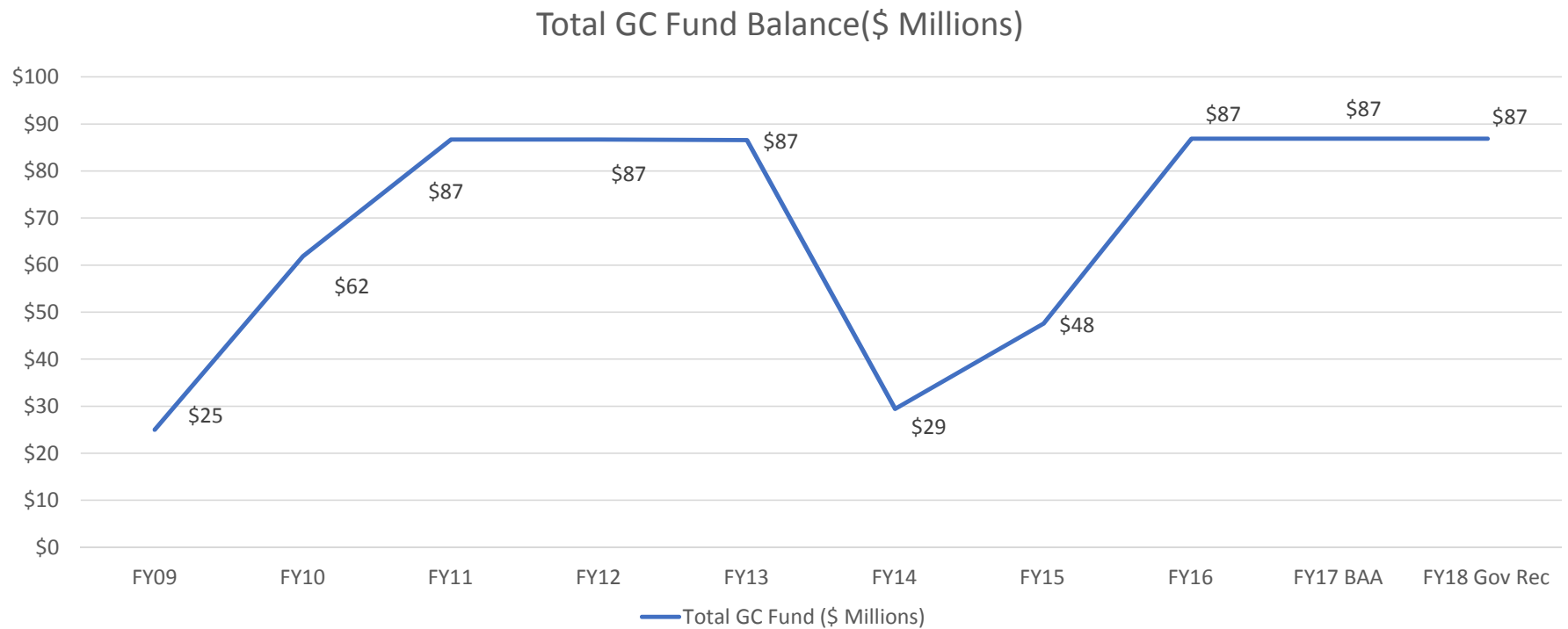
AHS Funding for Designated Agencies and Specialized Services Agencies

All funds (\$ Millions)



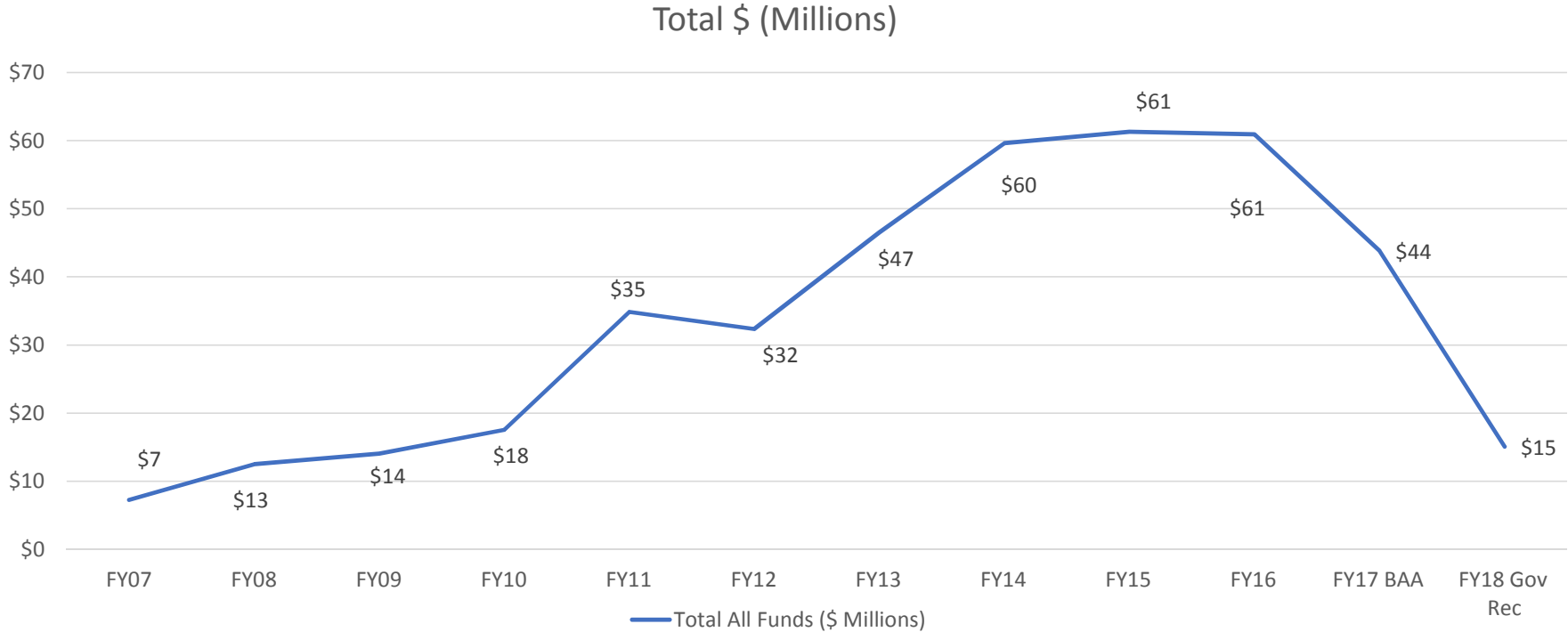
Data Source: E-fins.

Medicaid - Global Commitment – Balance Sheet



It is critical to maintain a 5% reserve for Global Commitment because of the claims tail and to cover unforeseen challenges. 5% equates to \$78,699,319 in FY18

Non-budgeted Revenue Balance

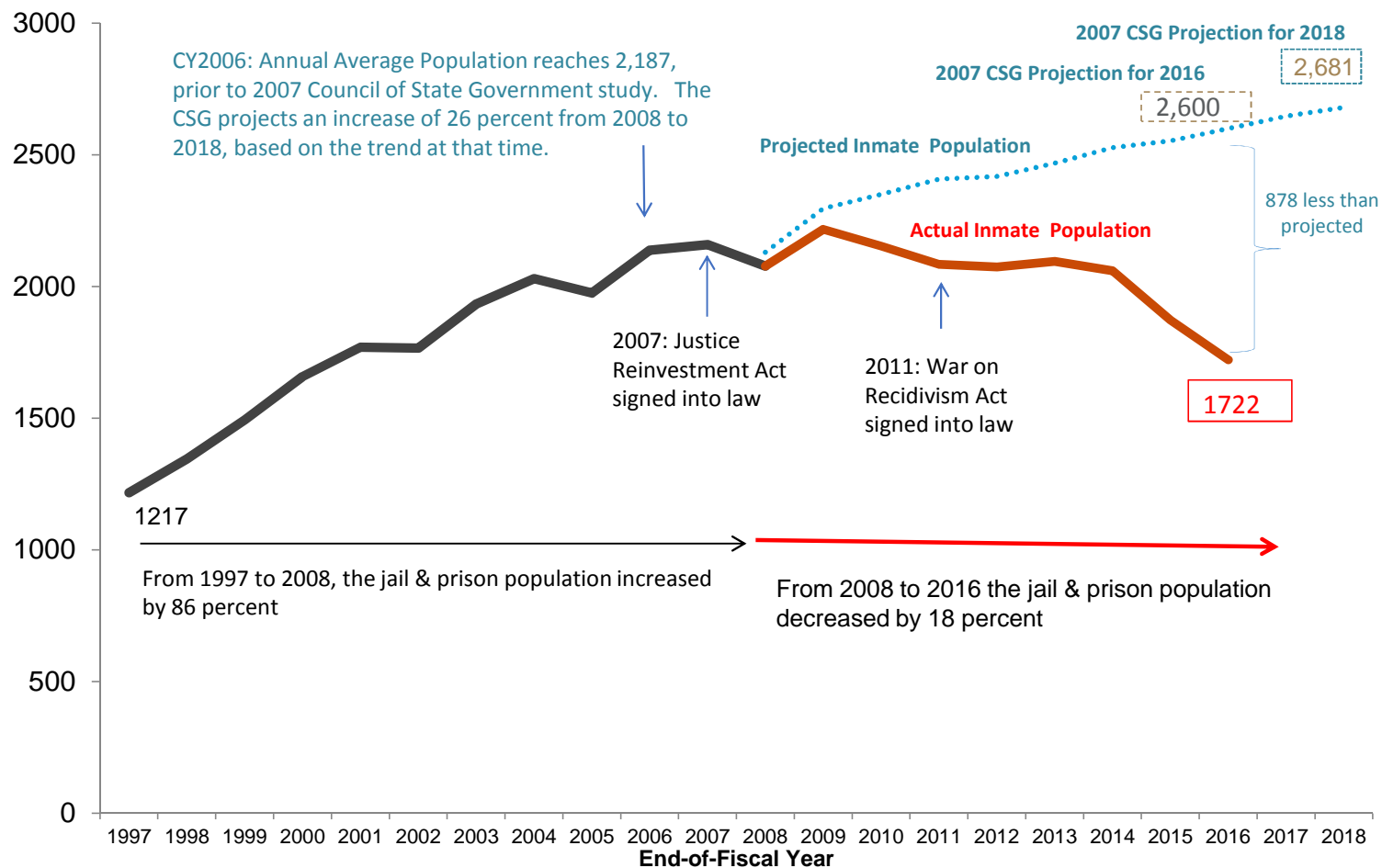


FY17 BAA and FY18 Gov Rec reflect projected end balances, including the AHS operating reserve.

DVHA - Medicaid Year-Over-Year Caseload and Utilization Comparison



DOC - Vermont Inmate Population

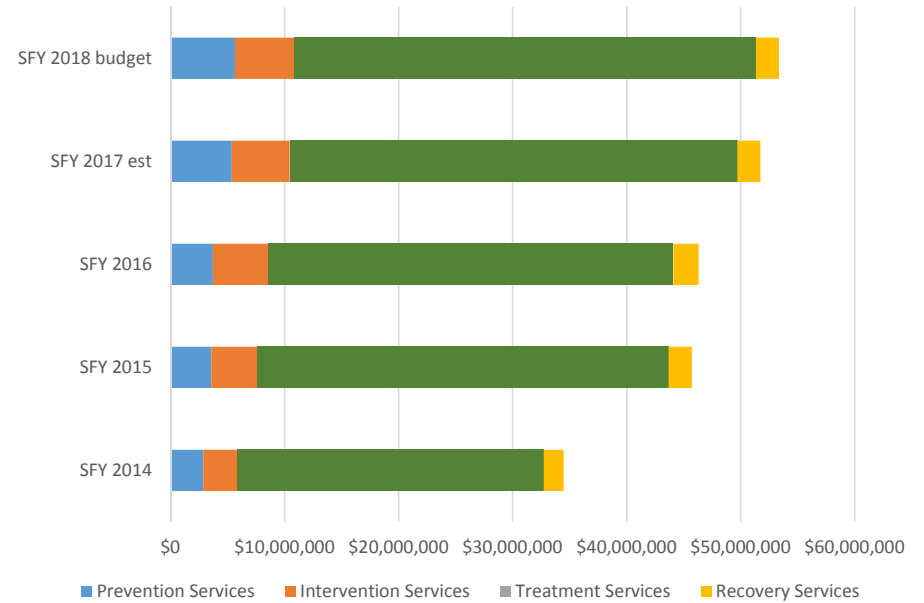


All years are census counts from June 30th at end of each fiscal year.

VDH - Substance Use Disorder Spending

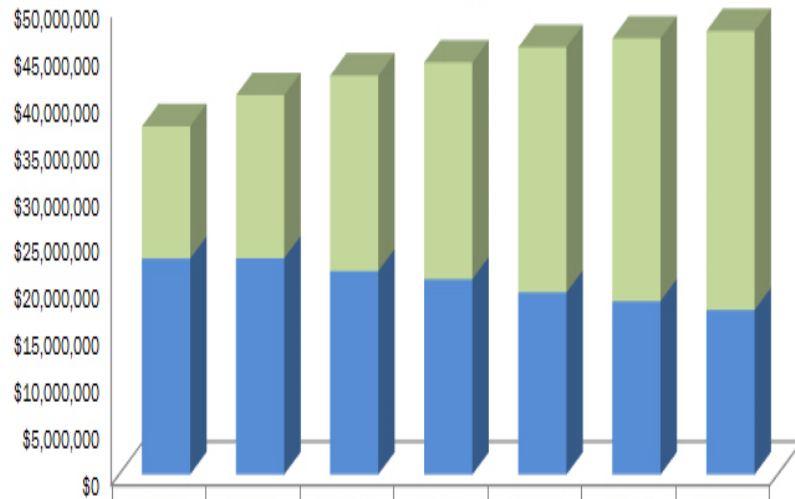
Substance Use Disorder Spending - Health Department					
Service Area	SFY 2014	SFY 2015	SFY 2016	SFY 2017 est	SFY 2018 budget
Prevention Services	\$2,859,504	\$3,549,893	\$3,692,468	\$5,366,185	\$5,642,449
Intervention Services	\$2,971,892	\$4,043,957	\$4,881,863	\$5,068,703	\$5,171,231
Treatment Services	\$26,880,267	\$36,059,656	\$35,495,351	\$39,248,064	\$40,494,791
Recovery Services	\$1,746,553	\$2,064,089	\$2,220,190	\$2,017,048	\$2,027,450
Total	\$34,458,216	\$45,717,595	\$46,289,873	\$51,700,000	\$53,335,922

Substance Use Disorder Spending by Type of Service



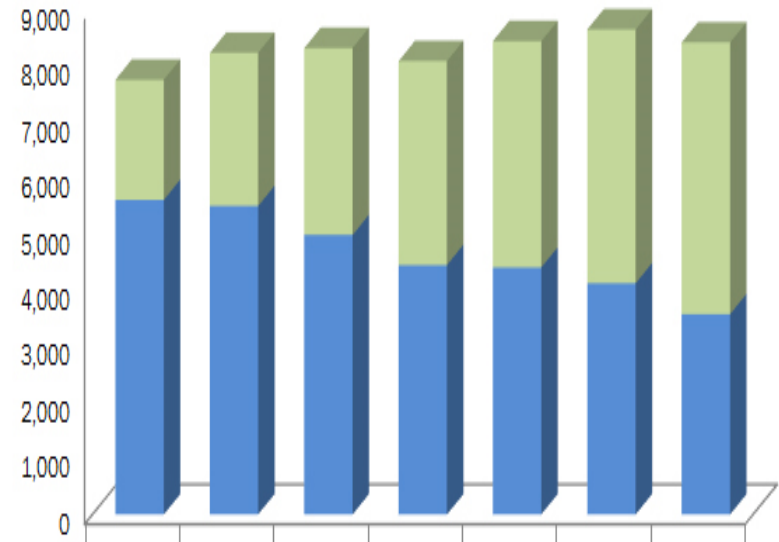
DCF – Child Care Financial Assistance (CCFAP)

Child Care Financial Assistance,
Dollars spent



	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
On high quality care (3-5 stars)	\$14,160,564	\$17,460,614	\$20,925,490	\$23,196,177	\$26,241,239	\$28,117,773	\$29,839,105
On all other care (0-2 stars)	\$23,104,078	\$23,145,464	\$21,779,591	\$20,907,413	\$19,489,031	\$18,553,952	\$17,619,445

Child Care Financial Assistance,
Average number of children



	SFY2010	SFY2011	SFY2012	SFY2013	SFY2014	SFY2015	SFY2016
In high quality care (3-5 stars)	2,142	2,732	3,334	3,639	4,039	4,527	4,849
In all other care (0-2 stars)	5,613	5,504	4,986	4,449	4,405	4,126	3,571

AHS Budget Highlights

Funds Caseload & Utilization Pressures

- Funds the Medicaid Consensus Forecast (\$15.2M all funds) while simultaneously adding funds to the Human Services Caseload reserve to protect against future risk (\$10M GF).
- Provides funding to the Designated Agencies (DAs) and Specialized Service Agencies (SSAs) for caseload and utilization pressures at DAIL (\$8.1M gross) and DMH (\$1.1M gross).
- Funds Nursing Home inflationary pressures (\$4.7M gross), offset by Nursing Home bed day utilization decrease (\$2.0M gross).
- Funds Home & Community Based caseloads (\$1.3M gross).
- Supports increased sub adoption caseload and cost-per-case (\$830K all funds) in the DCF Family Services Division.

AHS Budget Highlights – Investments

- Invests \$7.5M in the Child Care Financial Assistance Program
 - Directly increases assistance to families;
 - DCF plans to discuss options with key stakeholders to determine best path for maximum benefit for families.
- Provides funding for the annualization of the new Hub in St. Albans (\$2.0M gross).
- Expansion of Family Supportive Housing (\$340K all funds).

AHS Budget Highlights

AHS-wide Administrative Savings

- \$1M GF in efficiency savings – over the next three months, AHS will assess staffing levels and administrative contracts and focus on streamlining to maximize administrative efficiency
- Eliminates 17 positions across AHS:
 - DAIL – 7 positions in the Vocational Rehabilitation Program due to the loss of federal re-allotment funds;
 - DOC – 9 positions in the Central Office;
 - Secretary’s Office – 1 position – Tobacco Board.
- \$1.1M GF in savings thru miscellaneous administrative reductions across AHS.

AHS Budget Highlights – Secretary’s Office

- Eliminate Tobacco Board Position – VDH will support the Board (-\$42.5K) ;
- Leverage additional federal earnings from indirects (-\$103K GF);
- Support for the Institute of Mental Disease (IMD) Evaluation Contract (\$50K GF);
- Moves Health Care Advocate Contract from AoA and DVHA (net neutral);

AHS Budget Highlights – Secretary’s Office Global Commitment

- Change in base FMAP (\$9.7M GF);
 - FY17 – 54.32%
 - FY18 – 53.72%
- Change in base enhance FMAP for childless new adults (\$-7.7M GF)
 - FY17 – 86.57%
 - FY18 – 88.37%
 - Caseload & utilization
- Family Planning 90/10 (-\$1.1M GF)
- Loss of Tobacco Revenue (\$6.9M GF);
- CHIP Qualifying Claims (-\$18M GF);
- SHCRF Revenue per E-Board forecast (-\$5.8M GF)

AHS Budget Highlights – DVHA

- Reduces Disproportionate Share Hospital (DSH) payments by 10%.
 - DSH was established to compensate hospitals for charity care.
 - Given Vermont's low rate of uninsured, as result of investments made in Vermont health care system, the time is right to reduce DSH payments.
- Reduces spending (\$2.8M GF) at Vermont Health Connect by allowing for direct enrollment at the Commercial Insurers for individuals with a qualified health plan without subsidy.

AHS Budget Highlights – VDH, DMH & DAIL

- VDH - leverages Global Commitment to support tobacco cessation programs due to loss of tobacco funding.
- DMH – funds increased adult inpatient hospital costs
- DAIL – reflects the loss of one-time federal Voc Rehab re-allotment funds
- All – annualization of the 2% DA and HCBP increases

AHS Budget Highlights – DOC

- Restores funding for Caledonia County Work Camp (\$2.5M GF).
- Close the Southeast State Correctional Facility (SESCF/Windsor) – (\$3.5M GF)
 - Deferred maintenance challenge;
 - Highest per-capita cost of male facilities;
- Expand 24/7 home detention/electronic monitoring statewide by repurposing existing DOC resources (-\$500K GF);
- Reduce transitional housing grants (-\$300K GF);
- Position Pilot – 29 positions funded by reductions in OT and temps.