

Budget Detail Request - Fiscal Year 2016-17

Your request will not be officially submitted unless all questions and applicable sub parts are answered.

1. Title of Project: ICF/IID Funding & Inflationary Factor
2. Date of Submission: 12/16/2015
3. House Member Sponsor(s): W. Cummings

4. DETAILS OF AMOUNT REQUESTED:

- a. Has funding been provided in a previous state budget for this activity? Yes
If answer to 4a is ?NO? skip 4b and 4c and proceed to 4d
- b. What is the most recent fiscal year the project was funded? 2015-16
- c. Were the funds provided in the most recent fiscal year subsequently vetoed? Yes
- d. Complete the following Project Request Worksheet to develop your request (Note that Column E will be the total of Recurring funds requested and Column F will be the total Nonrecurring funds requested, the sum of which is the Total of the Funds you are requesting in Column G):

FY:	Input Prior Year Appropriation for this project for FY 2015-16 (If appropriated in FY 2015-16 enter the appropriated amount, even if vetoed.)			Develop New Funds Request for FY 2016-17 (If no new Recurring or Nonrecurring funding is requested, enter zeros.)			
	Column: A	B	C	D	E	F	G
Funds Description:	Prior Year Recurring Funds	Prior Year Nonrecurring Funds	Total Funds Appropriated (Recurring plus Nonrecurring: Column A + Column B)	Recurring Base Budget (Will equal non-vetoed amounts provided in Column A)	INCREASED or NEW Recurring Requested	TOTAL Nonrecurring Requested (Nonrecurring is one time funding & must be re-requested every year)	Total Funds Requested Over Base Funding (Recurring plus Nonrecurring: Column E + Column F)
Input Amounts:	3,925,940	0	3,925,940	3,925,940	7,915,252	0	7,915,252

- e. New Nonrecurring Funding Requested for FY 16-17 will be used for:
 Operating Expenses Fixed Capital Construction Other one-time costs
- f. New Recurring Funding Requested for FY 16-17 will be used for:
 Operating Expenses Fixed Capital Construction Other one-time costs

5. Requester:

- a. Name: Suzanne Sewell
- b. Organization: Florida Association of Rehabilitation Facilities
- c. Email: ssewell@floridaarf.org
- d. Phone #: (850)942-3500

6. Organization or Name of Entity Receiving Funds:

- a. Name: Private ICF/IID across Florida - 89 in Total
- b. County (County where funds are to be expended) Statewide
- c. Service Area (Counties being served by the service(s) provided with funding) Statewide

7. Write a project description that will serve as a stand-alone summary of the project for legislative review. The description should summarize the entire project's intended purpose, the purpose of the funds requested (if request is a sub-part of the entire project), and most importantly the detail on how the funds requested will be spent - for example how much will be spent on positions and associated salaries, specifics on capital costs, and detail of operational expenses. The summary must list what local, regional or statewide interests or areas are served. It should also document the need for the funds, the community support and expected results when applicable. Be sure to include the type and amount of services as well as the number of the specific target population that will be served (such as number of home health visits to X, # of elderly, # of school aged children to receive mentoring, # of violent crime victims to receive once a week counseling etc.)

Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) Rate Issue: ICF/IIDs provide comprehensive, quality care for individuals with severe intellectual disabilities who cannot live independently. Many residents are non-ambulatory and have multiple health diagnoses such as seizure disorders, behavior problems, and visual or hearing impairments. ICF/IIDs are 100% Medicaid funded, with no ability to serve individuals through other funding sources. The program is highly regulated by the federal government. The number of community ICF/IID beds is frozen at 2,071 and has not changed significantly for many years, with an average occupancy rate of 96%. There are 89 licensed, private ICF/IIDs in Florida that are located across the State of Florida. Since 2008, ICF/IID providers have undergone multiple rate cuts. In FY 11-12, the program was funded at \$274.8 million. Today, it is funded at \$243,101,814 and serves the same number of individuals. Some relief has been realized through the Quality Assessment Fee (QAF) provision but this mechanism has been maxed out. ICF/IIDs are faced with continuing increased operational costs such as minimum wage increases, insurance costs, and enhanced federal compliance requirements; even so, their rates are being ratcheted downward on a regular basis.

Until July 2015, Section 409.908(23)(a)(c), F.S., language perpetuated recurring cuts and prohibited increases in statewide expenditures based on 2011 average unit costs. The statutory language resulted in continuing annual rate cuts for providers. Last year, the Florida Legislature struck the referenced rate freeze language thereby eliminating mandatory recurring cuts tied to 2011 average unit costs. The Legislature also provided funding for an anticipated inflationary factor that was vetoed by the Governor. A Quality Assessment Fee has reduced the impact of the cuts to some extent.

The above described problems can be alleviated if the Legislature appropriates \$251,017,066 for ICF/IID funding for FY 16-17. This recommended funding level is based on the following assumptions.

? Continuation of the base funding of \$243,101,814 million for current fiscal year since workload and occupancy rates have not varied as calculated for FY

15-16.

? Reinstatement of the 0.016149365 inflationary factor for FY 15-16 that was recognized by the legislature as a result of removal of rate freeze language (\$3,925,940) which generated an appropriation of \$247,027,754 before the Governor's veto.

? Funding of an inflationary factor of 0.016149365 for FY 16-17 at \$3,989,341 to cover workload changes and inflationary costs including minimum wage increases, increases in client personal funds, and health care coverage costs which will generate an appropriation of \$251,017,066.

? Remove references to mandatory rate reductions based on average unit costs.

Or, the Legislature could fund the program at a level that allows coverage of ICF/IID expenditures as reported and used by AHCA for the July 2015 rate cycle at \$254,261,174.

8. Provide the total cost of the project for FY 2016-17 from all sources of funding:

Federal: 141,610,240

State: 94,406,826 (Excluding the requested Total Amount in #4d, Column G)

Local: 0

Other: 15,000,000

9. Is this a multi-year project requiring funding from the state for more than one year?

Yes