



Health Care Appropriations Subcommittee

**Wednesday, January 25, 2017
1:00 PM - 3:00 PM
Sumner Hall (404 HOB)**

Meeting Packet

Committee Meeting Notice
HOUSE OF REPRESENTATIVES

Health Care Appropriations Subcommittee

Start Date and Time: Wednesday, January 25, 2017 01:00 pm
End Date and Time: Wednesday, January 25, 2017 03:00 pm
Location: Sumner Hall (404 HOB)
Duration: 2.00 hrs

Fiscal Year 2017-18 Priority Listing of Agency Budget Issues for Possible Reduction

Agency for Health Care Administration
Agency for Persons with Disabilities
Department of Elder Affairs
Department of Health
Department of Children and Families
Florida Department of Veterans' Affairs

NOTICE FINALIZED on 01/18/2017 4:13PM by SPB



The Florida House of Representatives
Appropriations Committee
Health Care Appropriations Subcommittee

Richard Corcoran
Speaker

Jason Brodeur
Chair

January 25, 2017

AGENDA

1:00 p.m. – 3:00 p.m.
Sumner Hall (404)

- I. Call to Order/Roll Call
- II. Opening Remarks
- III. Fiscal Year 2017-18 Priority Listing of Agency Budget Issues for Possible Reduction
 - Beth Kidder, Deputy Secretary for Medicaid
Agency for Health Care Administration
 - Kimberly McMurray, Chief Financial Officer
Department of Children and Families
 - Michelle Tallent, Deputy Secretary for Administration
Department of Health
 - Jon Manalo, Deputy Chief of Staff, Chief Financial Officer
Department of Elder Affairs

- David Dobbs, Deputy Director for Budget and Planning
Agency for Persons with Disabilities
- Leticia Nazario-Braddock
Florida Department of Veterans' Affairs

IV, Closing Remarks/Adjournment

Agency for Health Care Administration: Schedule VIII-B Reductions

Beth Kidder
Deputy Secretary for Medicaid
Agency for Health Care Administration

House Health Care Appropriations Subcommittee
January 25, 2017



Reduction Target and Proposals

- The Agency's target reduction is 10% in General Revenue and State Trust Fund:
 - General Revenue \$536,747,275
 - State Trust Fund \$266,288,969
 - Total **\$803,036,244**
- Agency proposes the following reductions:
 - Medically Needy Reduction Excluding Children and Pregnant Women
 - Hospital Inpatient Reduction (Includes health plan impact)
 - Hospital Outpatient Reduction (Includes health plan impact)
 - Prepaid Health Plan Capitation Rate Reduction



Reduction Detail

Issues	General Revenue	State Trust Funds	Federal Funds	Total All Funds
Medically Needy Reduction Excluding Children and Pregnant Women	(\$193,810,178)	(\$29,354,840)	(\$333,025,639)	(\$556,190,657)
Hospital Inpatient Rate Reduction (Includes health plan impact)	(\$260,738,526)	\$0	(\$421,760,602)	(\$682,499,128)
Hospital Outpatient Rate Reduction (Includes health plan impact)	(\$62,160,561)	\$0	(\$100,548,851)	(\$162,709,412)
Prepaid Health Plan Capitation Rate Reduction	(\$256,972,139)	\$0	(\$415,270,631)	(\$672,242,770)
Total Reductions	(\$773,681,404)	(\$29,354,840)	(\$1,270,605,723)	(\$2,073,641,967)



Medically Needy Background

- Available to families and pregnant women who have income or assets that exceed the normal limits for Medicaid.
- Individuals must incur a monthly share of cost for medical expenses before becoming Medicaid eligible for the month.
 - Share of cost is similar to an insurance deductible.
 - Share of cost amount varies depending on the family's size and income.
- Medically Needy is an optional program.



Medically Needy Reduction Excluding Children and Pregnant Women

- Proposes a total reduction in General Revenue of \$193,810,178.
- Limits eligibility for Medically Needy program to pregnant women and children.
- 27,521 individuals estimated for coverage in FY 2017-18.
 - Estimated 1,542 pregnant women and children would continue to receive services through the Medically Needy program.



Hospital Inpatient Reduction

(Includes Health Plan Impact)

- Proposes a total reduction in General Revenue of \$260,738,526.
- Eliminates Diagnosis Related Group reimbursement rate enhancement for hospitals whose profit margin is greater than the statewide profit margin.
- Decreases Diagnosis Related Group base rate or policy adjustors for all hospital inpatient services by 15.9%.
- Overall impact:
 - 22.5% hospital inpatient fee-for-service rate reduction
 - 4.5% Medicaid health plan capitation rate reduction



Hospital Outpatient Reduction

(Includes Health Plan Impact)

- Proposes a total reduction in General Revenue of \$62,160,561.
- Eliminates the hospitals' outpatient reimbursement rate enhancement for hospitals whose profit margin is greater than the statewide profit margin.
- Decreases the reimbursement rates for hospital outpatient services by 17.3%.
- Overall impact:
 - 23.2% hospital outpatient fee-for-service rate reduction
 - 1.2% Medicaid health plan capitation rate reduction



Prepaid Health Plan Rate Reduction

- Proposes a total reduction in General Revenue of \$256,972,139.
- Decreases the capitation rate paid to the Medicaid health plans for providing Medicaid benefits to Medicaid recipients as a result of policy changes to the Medicaid program.
- Reduction can only occur if the capitation rates can achieve actuarial soundness.
- Overall impact:
 - 6.66% Medicaid health plan capitation rate reduction



Questions





Rick Scott, Governor
Mike Carroll, Secretary



Prepared for House Health Care Appropriations
Subcommittee

The Department of Children and Families
Fiscal Year 2017-2018
Budget Issues for Possible Reduction
January 25, 2017

Mission:

To work in partnership with local communities to protect the vulnerable, promote strong and economically self-sufficient families, and advance personal and family recovery and resiliency.

Florida Department of Children and Families Fiscal Year 2017-2018

Line Number	Program Activity	GR Reduction	State Trust Fund Reduction	Federal Reduction (SSBG, TANF, FGTF)	FY 2017-18 Total Reduction	FY 17-18 FTE Impact
1	EXECUTIVE DIRECTION AND SUPPORT SERVICES REDUCTION - OFFICE OF THE SECRETARY	(\$2,500,000)		(\$639,883)	(\$3,139,883)	(49)
2	EXECUTIVE DIRECTION AND SUPPORT SERVICES REDUCTION - ASSISTANT SECRETARY FOR ADMINISTRATION	(\$9,500,000)	(\$1,319,474)	(\$123,085)	(\$10,942,559)	(133)
3	INFORMATION TECHNOLOGY SERVICES REDUCTION		(\$2,000,000)		(\$2,000,000)	(28)
4	FAMILY SAFETY REDUCTION - OFFICE OF CHILD WELFARE	(\$4,437,361)		(\$1,712,242)	(\$6,149,603)	
5	CHILD CARE REGULATION REDUCTION			(\$2,591,549)	(\$2,591,549)	(19)
6	FAMILY SAFETY REDUCTION - ADULT PROTECTIVE SERVICES			(\$1,725,543)	(\$1,725,543)	(42)
7	CHILD PROTECTION ADMINISTRATION REDUCTION			(\$6,264,618)	(\$6,264,618)	
8	COMMUNITY BASED CARE LEAD AGENCY REDUCTION	(\$22,321,102)	(\$1,319,473)	(\$31,648,206)	(\$55,288,781)	
9	SHERIFF PROTECTIVE INVESTIGATION REDUCTION	(\$3,750,000)		(\$939,284)	(\$4,689,284)	
10	REDUCE DOMESTIC VIOLENCE	(\$1,000,000)			(\$1,000,000)	
11	MENTAL HEALTH SERVICES REDUCTION	(\$1,300,000)			(\$1,300,000)	
12	COMMUNITY SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES PROGRAM OFFICE REDUCTION	(\$1,000,000)		(\$154,037)	(\$1,154,037)	
13	MANAGING ENTITY REDUCTION	(\$35,384,580)		(\$1,352,996)	(\$36,737,576)	
14	REDUCE CHILDRENS BAKER ACT	(\$5,000,000)			(\$5,000,000)	
15	REDUCE CENTRAL RECEIVING FACILITIES	(\$5,000,000)			(\$5,000,000)	
16	BASE PROJECT REDUCTION	(\$5,968,100)			(\$5,968,100)	



The Department of Health
Fiscal Year 2017-2018
Schedule VII-B

House Health Care Appropriations Subcommittee
January 25, 2017

Department of Health

Fiscal Year 2017-2018 Schedule VIII-B



- 10% Target
 - General Revenue \$ 49,655,675
 - Trust Fund \$ 90,862,615
 - Total \$140,518,290

- Projects Identified for Reduction
 - County/Community Specific
 - Did not provide statewide access

Department of Health

Fiscal Year 2017-2018 Schedule VIII-B



DESCRIPTION	2017-2018 GR AMOUNT	2017-2018 TRUST FUND AMOUNT
Ounce of Prevention	\$ 1,900,000	
Andrews Institute Foundation - Eagle Fund	\$ 500,000	
Fla Association of Free and Charitable Clinics (50%)	\$ 4,750,000	
FIU - Neighborhood HELP Program	\$ 2,453,632	
Jessie Trice Community Health Center (Economic Opportunity-Dade)	\$ 52,422	
Family Planning Services	\$ 885,451	
County Specific Dental Projects- Charlotte	\$ 226,917	
County Specific Dental Projects- Lee-Collier	\$ 226,917	
Community Smiles (Dade)	\$ 283,643	
UF Dental Clinics Statewide	\$ 714,519	
Palm Beach County Rape Crisis Treatment Center	\$ 282,039	
HIV/AIDS Outreach Prog-Haitian & Hispanic Comm. -SW	\$ 239,996	
South Fla AIDS Network-Jackson Memorial (Dade)	\$ 719,989	
Center for AIDS Research (CFAR)	\$ 1,000,000	
Minority Outreach-Penalver Clinic-Dade	\$ 319,514	
La Liga-League Against Cancer	\$ 1,150,000	
Manatee County Rural Health Services	\$ 82,283	
SW Alachua County Primary & Community Health Care Clinic	\$ 94,867	
Traumatic Brain Injury Association/Brain Injury Assoc of FL	\$ 1,000,000	
St Joseph's Children's Hospital	\$ 98,000	

Department of Health

Fiscal Year 2017-2018 Schedule VIII-B



DESCRIPTION	2017-2018 GR AMOUNT	2017-2018 TRUST FUND AMOUNT
Fetal Alcohol Spectrum Disorder(FASD)-(Sarasota)	\$ 280,000	
Islet Cell Transplantation to Cure Diabetes	\$ 213,332	
Diaphragmatic Pacing Demonstration Project at Broward Children's Center	\$ 500,000	
Statewide Marketing Campaign	\$ 250,000	
Safe Haven for Newborns	\$ 300,000	
CMS Specialty Contracts	\$ 6,692,590	
Spinal Cord Research		\$ 1,000,000
Healthy Start Coalitions	\$ 19,975,176	
Trauma Care		\$ 12,093,747
Deerfield Beach School Health Clinic	\$ 367,149	
Jessie Trice Cancer Center/Health Choice-Dade	\$ 150,669	
Alpha One Program-Miami-Dade	\$ 345,169	
Waiver Transfers to AHCA	\$ 1,204,723	
Miami-Dade - Heiken Children's Vision Program	\$ 750,000	
VisionQuest	\$ 1,000,000	
Reducing Oral Health Disparities	\$ 346,678	
Mary Brogan Breast and Cervical Cancer	\$ 300,000	
Social Services Block Grant (required)		\$ 737,656
County Health Departments Local Funds		\$ 37,420,680
CMS Network		\$ 39,610,532
TOTAL	\$ 49,655,675	\$ 90,862,615



Questions



House Health Care Appropriations Subcommittee

Schedule VIII-B Reductions

Fiscal Year 2017-2018

Jeffrey S. Bragg, Secretary

DOEA Mission and Vision

- **MISSION:** To help Florida's elders remain healthy, safe, and independent.
- **VISION:** All Floridians aging with dignity, purpose, and independence.

Schedule VIII-B

Target Reductions for 2017-2018:

- General Revenue - \$12,715,232
- Trust Fund - \$72,149

Reductions are focused in the budget entity where the significant percentage of GR is appropriated – Home and Community Services.

FY 2017-2018 Base Budget

Budget Entity	GR Funding	Trust Funds	Total Budget
Comprehensive Eligibility Services (CARES)	4,567,727	14,057,974	18,625,701
Home & Community Services	113,502,895	151,542,389	265,045,284
Executive Direction & Support Services	2,306,970	6,293,707	8,600,677
Consumer Advocate Services	7,199,441	3,236,244	10,435,685
Total Agency Budget	127,577,033	175,130,314	302,707,347

Schedule VIII-B

	Program Activity	Capped Enrollment	GR Reduction	Trust Fund Reduction
1	Alzheimer's Disease Initiative	890	(\$4,197,772)	
2	Community Care for the Elderly	5,770	(\$6,010,362)	
3	Home Care for the Elderly	1,478	(\$2,510,512)	
4	Office Supplies and Travel			(\$72,149)
Total Agency Reductions 1/18/2017			(\$12,718,646)	(\$72,149)



agency for persons with disabilities
State of Florida

Agency for Persons with Disabilities Legislative Budget Request (LBR)

House Health Care Appropriations Subcommittee

January 25, 2017

Rick Scott
Governor

Barbara Palmer
Director



Schedule VIII B – Reduction Targets

- **\$281,499 – Operations and Maintenance Trust Fund**
- **\$1,220,667 – Social Services Block Grant Trust Fund**
- **\$52,071,608 – General Revenue**



Reduce \$281,499 – Operations and Maintenance Trust Fund

This reduction would be taken in the Other Personal Services category and would reduce the temporary staffing available for the Developmental Disability Centers – Civil Program. This reduction would place more responsibility on the remaining staff to meet the needs of the facility residents.

Note for Consideration

The target reduction in this trust fund is based upon the amount of recurring budget authority funded by sources other than federal Medicaid.

The primary non-federal funding source in this trust fund is from facility resident contributions for their care as required by federal rule. Residents receiving funds from SSI, Veterans Affairs, railroad pensions or some other private entity are allowed to retain a \$105 monthly allowance and the remaining amount is deposited in the trust fund.

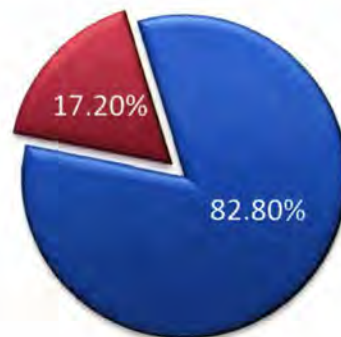
Reducing this budget authority will not result in cost savings to the State.



Reduce \$1,220,667– Social Services Block Grant Trust Fund

This reduction would be taken in the Individual and Family Supports category and would result in reduced services for individuals not enrolled in the Medicaid Waiver program. The services provided are generally temporary, short-term or one-time emergency services that are intended to keep families together and enable the individuals to remain in their current living settings.

**Recurring Social Services Block Grant
Fiscal Year 2017-18 Base Budget Summary**



- Individual and Family Supports (IFS)
\$10,106,771 (82.80%)
- Agency Operations/Administration
(Regions and DDCs)
\$2,099,894 (17.20%)

Total: \$12,206,665

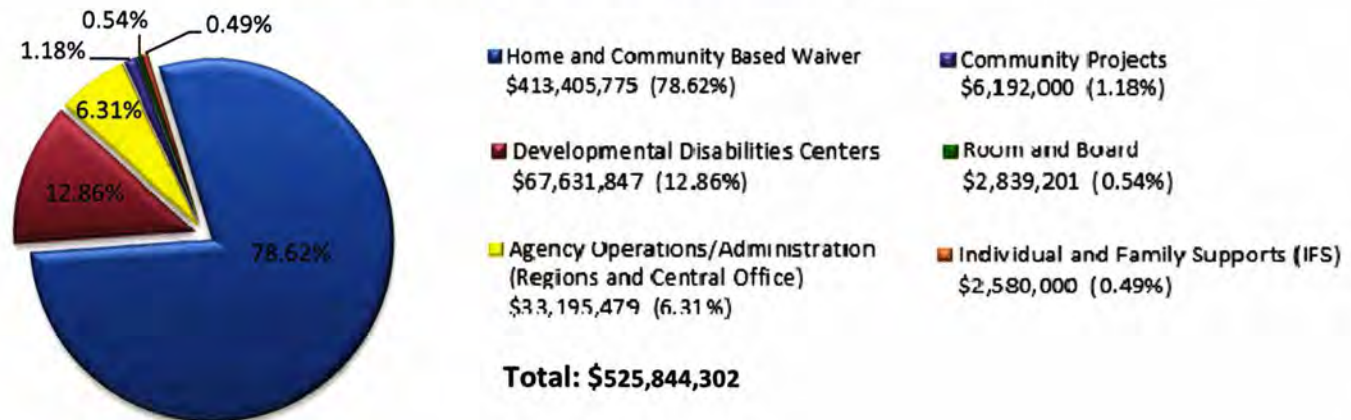


Reduce \$52.1 million – General Revenue

This reduction would be taken in the Home and Community Based Services (HCBS) Waiver category. The reduction would reduce the State’s ability to draw down \$82.3 million of federal Medicaid funds for a total reduction of \$134.4 million.

The reduction could result in: Agency Waiver clients being disenrolled; reduced service rates for providers; discontinued services and Waiver clients moving into more costly institutions. All changes to the Waiver must be implemented within federal regulations which are intended to preserve the health and safety of the individual.

**Recurring General Revenue
Fiscal Year 2017-18 Base Budget Summary**





agency for persons with disabilities
State of Florida

Thank you

David Dobbs

Deputy Director of Budget and Planning

David.Dobbs@apdcares.org

www.apdcares.org



FLORIDA DEPARTMENT OF VETERANS' AFFAIRS

Honoring those who served U.S.

Florida House of Representatives – Health Care Appropriations Subcommittee – January 25, 2017

FY 2017-18 Schedule V-IIIB

Priority Listing For Possible Reductions For Request Year

Leticia Nazario-Braddock, Director of Administration

www.FloridaVets.org

Agency Mission and Vision

- **Mission:** To advocate with purpose and passion for Florida veterans and link them to superior services, benefits and support.



- **Vision:** FDVA is the premier point of entry for Florida veterans to access earned services, benefits and support.



FDVA Mission Goals

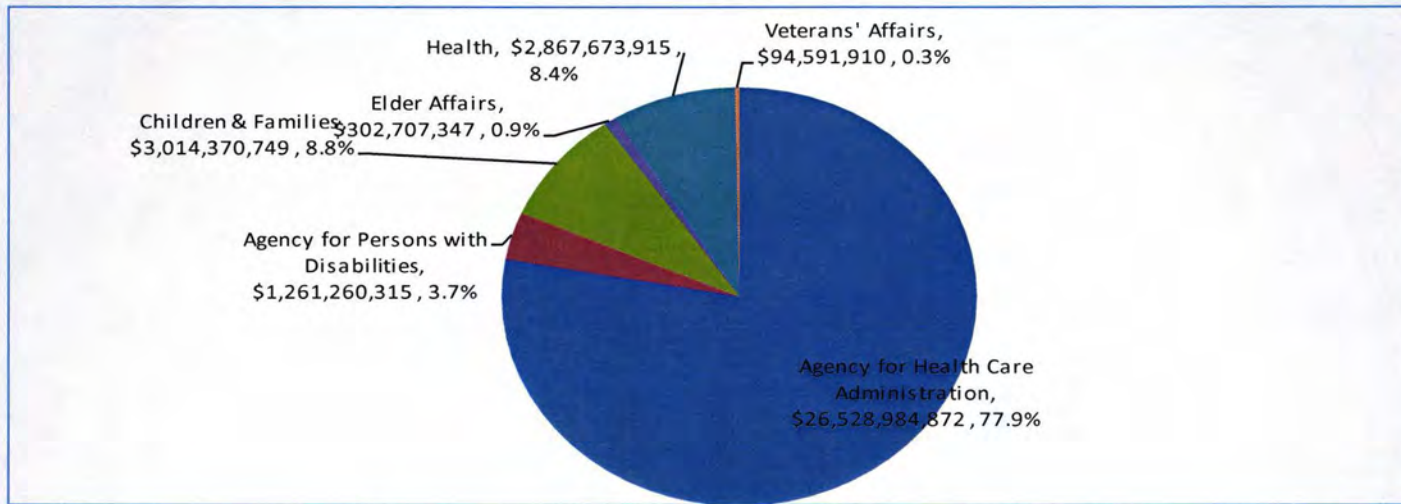
Department-wide goals for next five years:

- (1) Provide information and advocacy to Florida veterans, their families, and survivors, and assist them in obtaining all federal and state benefits due to them;
- (2) Provide quality long-term healthcare services to eligible Florida veterans; and
- (3) Provide effective and responsive management to support divisions and programs serving veterans.



Health Care Appropriations Fiscal Year 2017-18 Base Budget - \$34.07 Billion

Health and Human Services Agencies
FY 2017-18 Base Budget



Human Services Agencies	FY 2017-18 Base Budget			Total	% of Total	FTE	% of Total
	General Revenue	State Trust Funds	Federal Funds				
Agency for Health Care Administration	\$ 6,529,712,252	\$ 4,147,939,328	\$ 15,851,333,292	\$ 26,528,984,872	77.9%	1,547.50	4.9%
Agency for Persons with Disabilities	\$ 525,844,302	\$ 3,163,542	\$ 732,252,471	\$ 1,261,260,315	3.7%	2,711.50	8.5%
Children & Families	\$ 1,688,296,299	\$ 46,540,098	\$ 1,279,534,352	\$ 3,014,370,749	8.8%	11,909.50	37.5%
Elder Affairs	\$ 127,577,033	\$ 722,268	\$ 174,408,046	\$ 302,707,347	0.9%	439.50	1.4%
Health	\$ 502,311,031	\$ 990,799,440	\$ 1,374,563,444	\$ 2,867,673,915	8.4%	14,065.57	44.3%
Veterans' Affairs	\$ 8,194,087	\$ 61,332,187	\$ 25,065,636	\$ 94,591,910	0.3%	1,106.50	3.5%
Total	\$ 9,381,935,004	\$ 5,250,496,863	\$ 19,437,157,241	\$ 34,069,589,108	100.0%	31,780.07	100.1%

FDVA FY 2017-18

Schedule VIII B-2 – Priority Listing of Possible Reductions For Request Year

- **Priority 1: State Veterans' Homes Program**
Operations & Maintenance Trust Fund: -\$5,926,361
- **Priority 2 – Division of Veterans' Benefits & Assistance**
General Revenue: -\$576,228
- **Priority 3 – Executive Direction & Support Services**
General Revenue: -\$201,262
- **Priority 4 – Veterans Employment & Training Services**
General Revenue: -\$34,411

Florida Department of Veterans' Affairs

Priority 1 – State Veterans' Homes Program

Operations & Maintenance Trust Fund (O&M TF): -\$5,926,361

- Provides quality long term health care services to eligible Florida Veterans.
- Operates six State Veterans' Nursing Homes (720 beds), and one State Veterans' Domiciliary Home (150 beds). Occupancy rates are higher than 98%.
- Impact of adoption of Issues:
 - Would negatively impact the ability of the State Veterans' Homes to operate in compliance with state and federal mandates.
 - Other Personal Services (OPS), Expense, Operating Capital Outlay (OCO), Food
 - Ensures compliance with State Mandates, including but not limited to, Sections 400.23 (minimum staffing requirements) and 409.9082 (Quality assessment), F.S.
 - Funding for Medical and Non-Medical supplies
 - Payment of utilities, rental of equipment and others
 - Purchase of equipment
 - Food for required nourishment of veteran residents

Homes Program (50100100)	
Appr Title	O&M TF Reduction
OPS	\$ 715,168
Expense	\$ 3,013,488
OCO	\$ 37,595
Food	\$ 1,211,262
Contracted Services	\$ 948,848
	\$ 5,926,361

- The Department would seek legislative guidance on how to operate the facilities with insufficient funds.

Florida Department of Veterans' Affairs

Priority 2 – Division of Veterans' Benefits & Assistance

General Revenue (GR): -\$576,228

- This function supports Florida veterans in the preparation of claims to secure compensation and benefits earned by our veterans for their service in the Armed Forces.
- Impact of adoption of Issues:
 - Reduction in workforce of approximately 9.5 positions and in Expense funding for veterans' outreach.
 - Reduction would decrease the number of services provided to veterans (claims, compensation, appeals, and others) and the number of veterans (and veterans' families) served by approximately 4,200 veterans' claims and services.
 - Decrease ability to garner federal dollars, which would potentially be added to Florida's economy. Every health care or educational dollar provided by the United States Department of Veterans' Affairs potentially frees a dollar from state expenditure.
 - Reduction would negatively impact the Department's ability to comply with its statutory mandates (s. 292.05, F.S.)

Appr Title	GR Reduction
Salaries & Benefits	\$ 482,767
OPS	\$ 10,000
Expense	\$ 83,461
	\$ 576,228



Florida Department of Veterans' Affairs

Priority 3 – Executive Direction & Support Services

General Revenue: -\$201,262

- Executive Direction and Support Services (EDSS) function provides oversight to the Agency functions to include: State Veterans Homes Program, the Division of Veterans Benefits and Assistance, Administrative and logistics functions, and provides advocacy for and outreach to Florida veterans.

- Impact of adoption of Issues:
 - Reduction would decrease the support and oversight provided to the State Veterans' Homes Program and Division of Veterans' Benefits and Assistance and the ability of the Department to advocate for Florida veterans and to conduct veterans outreach.

 - A reduction in the Expense category will result in the inability of the Department to support agency's needs for Information Technology (communications, software, etc.).

Appr Title	GR Reduction
OPS	\$ 2,132
Expense	\$ 175,991
OCO	\$ 12,051
Contracted Services	\$ 11,088
	\$ 201,262

Florida Department of Veterans' Affairs

Priority 4 – Veterans Employment & Training Services

General Revenue: -\$34,411

- Florida Is For Veterans, Inc. (FIFV) was created, as a non-profit corporation under Florida Department of Veterans' Affairs, on July 1, 2014 to promote Florida as a veteran-friendly state and to promote the hiring of veterans by the business community.
- Impact of adoption of Issues:
 - A reduction in the funding of the Operations would negatively impact the ability of FIFV to support its mandated responsibilities pursuant to section 295.21, Florida Statutes.
 - Section 295.21(2), F.S. "PURPOSE.—The purpose of the corporation is to promote Florida as a veteran-friendly state that seeks to provide veterans with employment opportunities and that promotes the hiring of veterans by the business community. The corporation shall encourage retired and recently separated military personnel to remain in the state or to make the state their permanent residence. The corporation shall promote the value of military skill sets to businesses in the state, assist in tailoring the training of veterans to match the needs of the employment marketplace, and enhance the entrepreneurial skills of veterans."
- A reduction would have a negative impact to the veterans served by FIFV.

Veterans Employment & Training Services (50100800)	
Appr Title	GR Reduction
Operations	\$ 34,411
	\$ 34,411

A Veteran Is

A **veteran** is a person who, at some point in his or her life wrote a blank check made payable to the United States of America for an amount up to and including their life. We humbly embrace our mission of advocating with purpose and passion for **Florida's Veterans** as an expression of our thanks for their selfless service and sacrifice.



End of Presentation

Questions and Answers

www.FloridaVets.org