

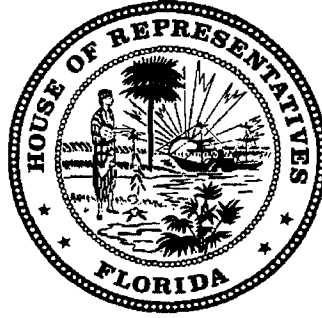


---

# **Health Care Appropriations Committee**

## **Meeting Packet**

**November 3, 2009  
1:00 p.m. – 5:00 p.m.  
Webster Hall  
(212 Knott)**



## AGENDA

Health Care Appropriations Committee

November 3, 2009

1:00 p.m. – 5:00 p.m.

Webster Hall

- I. Call to Order/Roll Call
- II. Opening Remarks
- III. Presentation by the Agency for Health Care Administration—  
Update on Federal Health Care Reform—Phil Williams, Interim  
Medicaid Director
- IV. Agencies' Schedule VIII B-Priority Listing of Agency Budget  
Issues for Possible Reduction for Legislative Budget Request Year  
2010-2011:
  - Agency for Health Care Administration—Phil Williams,  
Interim Medicaid Director
  - Department of Health—Kim Berfield, Deputy Secretary for  
Advocacy and Policy
  - Department of Children & Families—Nevin Smith, Budget  
Director
  - Department of Elder Affairs—Tonya Kidd, Chief Financial  
Officer
  - Agency for Persons with Disabilities—Jim DeBeaugrine,  
Director
  - Department of Veterans' Affairs—Christina Porter, Director  
of Administration
- V. Closing Remarks and Adjournment





# ***Agency for Health Care Administration***

## ***Overview of National Health Care Reform Proposals***

***Phil E. Williams, Interim Deputy Secretary for Medicaid***

***Presented to the***

***House Health Care Appropriations Committee***

***November 3, 2009***

## ***Proposals***

- Senate: S.1796 - America's Healthy Future Act of 2009 (10/19/2009).
- House: H.R. 3962 – The Affordable Health Care for America Act (10/29/2009).

## *Key Elements*

- Individual mandate for health insurance coverage.
- Requirements for business regarding employee coverage.
- Creation of health insurance exchanges or co-ops'.
- New regulations/ requirements for health insurers.
- Medicaid Expansion.
- CHIP Changes.
- Federal pharmacy pricing.
- Reduction in Disproportionate Share funding to states.

## ***Commonalities***

- Individual mandate for insurance coverage:
  - Exemptions for low income individuals.
    - House – for those exempt from filing tax returns due to income.
    - Senate – for those under 133% FPL.
  - Penalties for others who do not purchase insurance.
    - House – In the form of a fee equal to the lower of 2.5% of the amount of income above the minimum filing level or the cost of the average benefic package offered in the Exchange.
    - Senate – In the form of a phased in tax penalty equal to \$750 per adult per year by 2016.
  - Assistance for premium and cost sharing available:
    - Both House and Senate: For those up to 400% FPL.

## ***Commonalities***

- Employer mandates/ fees:
  - House: Employer mandates for provision of insurance coverage.
    - Exemptions for small businesses.
    - Penalties for others who do not provide insurance .
  - Senate: Fees assessed for employers who do not provide coverage for employees using subsidies to purchase insurance.
- New regulations/ requirements for health insurers:
  - Set minimum benefit packages.
  - Cannot exclude for pre-existing conditions.



## ***Commonalities***

- Creation of Health Insurance Exchanges:
  - Exchange is a centralized marketplace for the sale of individual and small group insurance policies.
  - The Exchange establishes premium and benefit levels, and standardizes insurance products and marketing at a national level.
  - Both individuals and small business can purchase policies through exchange.
  - House:
    - Loans to states for creation of co-ops.
    - Government Run Plan – available through Exchange.

## ***Commonalities***

- Increase in mandatory federal rebate on pharmaceuticals purchased by Medicaid programs by 8%.
- Reduction of Disproportionate share payments to states as uninsured population is reduced.
- Medicaid Maintenance of Effort requirement.

## ***Where Florida is Now?***

- According to 2008 Census Bureau statistics, there are 3,641,933 uninsured persons in Florida.
  - 1,259,378 of those people are under 133% of the Federal poverty level.
  - 1,467,337 of those people are under 150% of the Federal poverty level.
- Florida is expected to spend more than \$18 billion on Medicaid in 2009-10 and currently has nearly 2.7 million people enrolled in Medicaid.
- Florida offers coverage to most children up to 100 % FPL under the Medicaid program and the remainder of children up to 200% FPL under the CHIP program.
- Florida currently covers pregnant women up to 185% of the FPL.

## ***Where Florida is Now?***

- Currently, under the enhanced federal funding provided through the American Reinvestment and Recovery Act (ARRA), the federal government contributes 67.64% of every dollar spent on Medicaid services for FY 2009-2010.
- For FY 2010-11, the blended FMAP will be 60.71% with an FMAP of 66.44% for July – December 2010 and an FMAP of 54.98% for January-June 2011.
- The current House Affordable Health Care for America Act would extend the ARRA stimulus package for two additional quarters:
  - Currently, ARRA will end December 31, 2010.
  - Under the House Proposal, ARRA will end June 30, 2011.
  - Maintenance of Effort requirements under ARRA will remain in place if extended.



# Changes to Medicaid and CHIP

KEY ELEMENT	Senate America's Healthy Future Act (10/19/2009)	House Affordable Health Care for America Act (10/29/2009)
Medicaid Expansion	Expand eligibility to 133% Federal Poverty Level – beginning 1/1/2014 •133% FPL for a family of 4: \$29,334	Expand eligibility to 150% Federal Poverty Level – beginning 1/1/2013 •150% FPL for a family of 4: \$33,084
FMAP/ Expansion	Provides for enhanced FMAP for expansion population •92.3% CY 2014 •91.3% CY 2015 •89.3% CY 2016 •88.3% CY 2017	Provides for enhanced FMAP for expansion population •100% CY 2013 •100% CY 2014 •100% CY 2015 •91% CY 2016 •91% CY 2017
FMAP/ Current Eligibility Level	Regular FMAP	Regular FMAP
CHIP Transition	Children under 133% FPL move from Title XXI CHIP Program to Title XIX Medicaid program 1/1/2014.	Children under 150% FPL move from Title XXI CHIP Program to Title XIX Medicaid Program 1/1/2014.
FMAP/ CHIP	Enhanced FMAP for remaining CHIP Population (134% Federal Poverty Level and above)	CHIP Program ends 12/31/2013. Those below 150% FPL move to Medicaid and those above 150% FPL move to exchange and receive subsidies and tax credits to assist with cost of coverage.
Increased Rate for Practitioners	Not addressed.	Increases payments to Medicaid Primary Care Providers to the Medicare rate. Phased in over three years . Federal government to pay: •100% CY 2010-2014 •90% CY 2015 and beyond



# Key Elements of Fiscal Analysis

KEY ELEMENT	Senate America's Healthy Future Act (10/19/2009)	House Affordable Health Care for America Act (10/29/2009)
Cost of Expansion of the Title XIX Program to 133% FPL	Included	
Cost of Expansion of the Title XIX Program to 150% FPL		Included
Cost of those currently Eligible but not enrolled in the Title XIX Program	Included	Included
Cost of those under 133% FPL now in the CHIP program moving into the Title XIX Program	Included	
Cost of those under 150% FPL now in the CHIP program moving into the Title XIX Program		Included
Cost of those currently eligible but not enrolled in the Title XXI Program between 134-200% FPL	Included	
Impact of Enhanced FMAP Title XXI Population between 134-200% FPL	Included	
Cost of Increased Rates for Primary Care practitioners for the newly eligible (expanded ) Medicaid Population		Included
Cost of Increased Rates for Primary Care practitioners for the current Medicaid population		Included

## ***Impact of Proposals – Assumptions***

- Assumed 40% of new enrollees for the first year of expansion (beginning 1/1/2013 for the House and 1/1/2014 for the Senate).
- Assumed 90% of new enrollees for the second year of expansion (beginning 1/1/2014 for the House and 1/1/2015 for the Senate).
- Assumed 100% of new enrollees for the third year of expansion and beyond (beginning 1/1/2014 for the House and 1/1/2015 for the Senate).
- Assumed the Title XIX expansion population will receive the enhanced FMAP beginning 1/1/2013 for House and 1/1/2014 for Senate.
- Assumed that 20% of the uninsured population would be eligible for Medicaid under the current program and for those enrollees the state would receive the normal FMAP. A weighted average FMAP is then used to calculate the cost to the program of the total caseload, including that 20%.
- Based on analysis of those through 64 years of age.

## ***Impact of Proposals – Assumptions***

- For Senate Proposal: Title XXI Enhanced FMAP  $68.49+23.0=91.49\%$ .
- For House Proposal: Cost of increase reimbursement to primary care providers: 80% to Medicare rate in 2010, 90% to Medicare rate in 2011, 100% to Medicare rate in 2012.
- Expenditures are based on August 2009 SSEC estimate for SFY 09/10.
- The expansion caseload is based on 2008 census data regarding the uninsured.
- No assumptions have been made about enrollment or expenditure growth in the program. Program enrollment and price level have been held steady based on the August 2009 SSEC estimate for SFY09/10.
- The analysis makes projections from a January 1 start date for both bills (2013 for the House, 2014 for the Senate), and makes assumptions about caseload and cost growth based on a Calendar Year (CY) as the unit of analysis. This provides a better sense of the overall impact as well as providing a more direct comparison of the differences between the two bills.





# ***Preliminary Estimated Fiscal Impact for Coverage of Florida Medicaid and CHIP Population***

KEY ELEMENTS	Senate: America's Healthy Future Act (10/19/2009)		House Affordable Health Care for America Act (10/29/2009)	
	<i>Fiscal Impact</i>	<i>Additional Enrollment</i>	<i>Fiscal Impact</i>	<i>Additional Enrollment</i>
Total Cost CY 2013	N/A		\$3,617,814,925	
State Cost CY 2013	N/A		\$184,096,094	609,308
Total Cost CY 2014	\$ 1,871,059,069		\$6,772,486,182	
State Cost CY 2014	\$ 281,309,368	571,037	\$414,216,602	1,521,964
Total Cost CY 2015	\$ 4,209,883,754		\$7,383,194,671	
State Cost CY 2015	\$ 607,970,804	1,284,833	\$1,040,699,874	1,691,071
Total Cost CY 2016	\$ 4,677,649,374		\$7,383,194,671	
State Cost CY 2016	\$ 716,128,760	1,427,592	\$1,040,699,874	1,691,071

## ***House Affordable Health Care for America Act – Fiscal Impact of Increased Reimbursement for Primary Care Practitioners***

- House Affordable Healthy Future Act increase to reimbursement rates for Primary Care Providers begins in 2010 – Prior to the start date for the Medicaid program expansions contemplated in either the House or Senate proposal.
- The rate increase is 100% federally funded through 2014.
- The cost for the rate increase will be as follows for 2010 through 2012
  - 2010: \$1,020,897,195
  - 2011: \$1,148,509,345
  - 2012: \$1,276,121,494
- The cost for 2013 forward are captured in the comprehensive chart on slide 12.

## ***Federal Rebate on Pharmaceuticals***

- Both the House and Senate proposals increase the mandatory federal rebate on pharmaceuticals purchased by State Medicaid programs:
  - Increase Medicaid's flat rebate from 15.1% to as much as 23.1%. Medicaid best price unchanged.
  - Increase in basic Medicaid rebate for generics drugs from 11% to 13% of AMP
- Although Florida Medicaid has done a good job negotiating state supplemental rebates at a higher level than the minimum total of 29.1%, and overall rebate collections generate a 43% return, these new provisions will benefit Florida.
- Estimated Impact to Florida Medicaid:
  - \$2.9 million increase per quarter on Brand drugs with 8% increase

## ***Disproportionate Share (DSH)***

- House:
  - Requires the Secretary of Health and Human Services to report, by January 1, 2016, regarding the extent to which there is a continuing role for DSH.
  - Requires the Secretary to reduce payments to states:
    - \$1.5 billion for FY 2017
    - \$2.5 billion for FY 2018
    - \$6 billion for FY 2019
- Senate:
  - State DSH amounts to be reduce 50% when state uninsured rate decreases by 50% (of 25% for low DSH states)
- Florida's current DSH allotment is \$328,156,355.

# *Questions?*





# ***Agency for Health Care Administration***

## ***Overview of Schedule VIII B Reductions***

***Phil Williams, Interim Deputy Secretary for Medicaid***

***Presented to the***

***House Health Care Appropriations Committee***

***November 3, 2009***



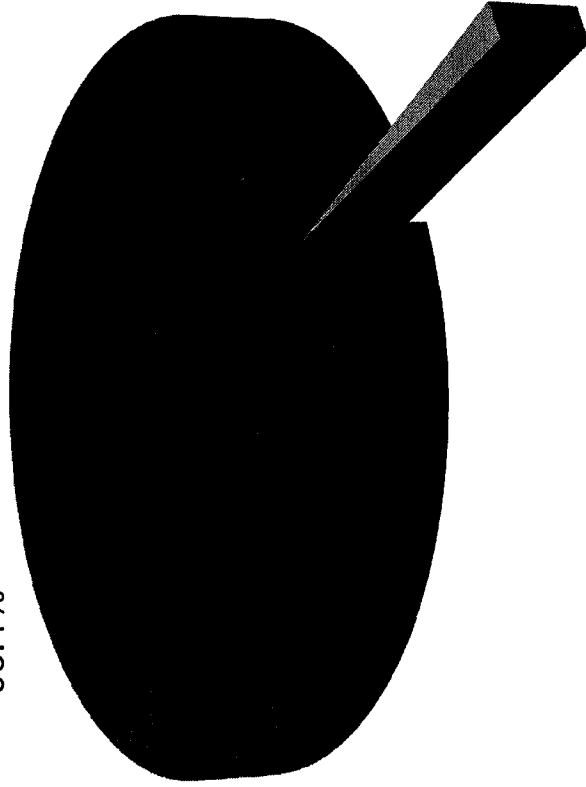
## ***Agency for Health Care Administration – Budget Overview***

<b>Total AHCA Budget FY 2009-2010</b>	<b>\$18,239,862,302</b>
Administration/ Support Services	\$28,622,163
Children’s Special Health Care	\$471,945,857
Executive Direction/ Support Services	\$142,465,545
Fiscal Agent Appropriations	\$78,274,844
Medicaid Services to Individuals	\$13,038,419,437
Medicaid Long Term Care	\$4,430,656,520
Health Facility Regulation	\$49,477,936
Non-Recurring General Revenue	\$273,726,574



# *Percentage of Agency Budget Spent on Administration ~ FY 2009-2010*

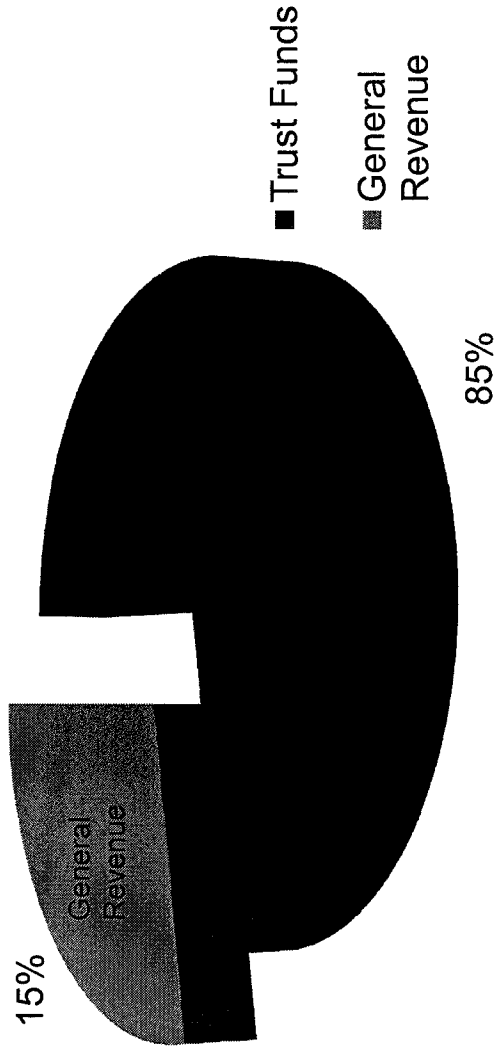
98.4%



■ Services to Recipients  
■ Administration

1.6%

# *General Revenue vs. Trust Funds Appropriations ~ FY 2009-2010*



## ***Agency's Guiding Principles for Identifying Schedule VIII B Reductions***

- Better manage utilization and find efficiencies.
- Attempt to minimize impacts on beneficiaries.
- Target most recent services and fee increases.
- Maintain integrity of mandatory Medicaid services to avoid Federal compliance issues.
- Examine optional Medicaid eligibility groups, consistent with Stimulus maintenance of eligibility requirements.

## ***Reality of Reductions***

- The federal government contributes 67.64% of every dollar spent on Medicaid services for FY 2009-2010.
- For FY 2010-11, the blended FMAP will be 60.71% with an FMAP of 66.44% for July – December 2010 and an FMAP of 54.98% for January-June 2011.
- Reductions of General Revenue result in a larger reduction to the providers or of services.
  - Based on an FMAP of 67.64%: If there is a \$1 million GR reduction, there is a total reduction of \$3.9 million.
  - Based on an FMAP of 60.71%: If there is a \$1 million GR reduction, there is a total reduction of \$2.5 million.

## ***Reality of Reductions***

- Within Medicaid, there are mandatory and optional services and mandatory and optional eligibility groups.
- There is less flexibility to make changes to the mandatory services and mandatory eligibility groups. In some cases, level of service can be reduced, but not eliminated.
- There are mandatory eligibility and services levels for Children and certain Pregnant Women – those mandatory groups **MUST** receive **ALL** medically necessary services.

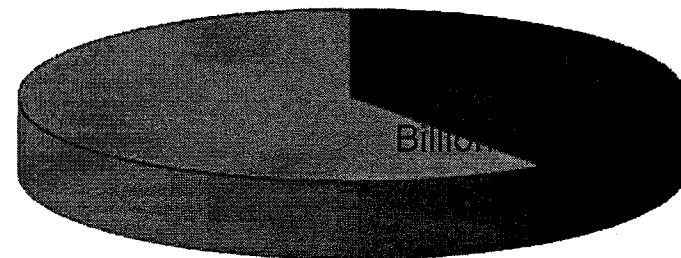
## ***Optional Medicaid Eligibility Groups***

- Medicaid for Aged/Disabled up to 88% FPL
- Institutional Care Program (ICP)
- Home and Community Based Services (HCBS)
- Medically Needy
- Family Planning Waiver
- Continuous Medicaid for children who become ineligible for Medicaid
- Breast and Cervical Cancer Program
- Children age 19-20 with income at the TANF eligibility level
- Former foster care children age 18-20
- Pregnant women with income between 150% and 185% FPL
- Presumptively Eligible Pregnant Women
- Children under age one with family income between 150% and 185% of the FPL

## ***Florida Medicaid Mandatory Services***

- Advanced Registered Nurse Practitioner Services
- Early & Periodic Screening, Diagnosis and Treatment of Children (EPSDT)/Child Health Check-Up
- Family Planning
- Home Health Care
- Hospital Inpatient
- Hospital Outpatient
- Independent Lab
- Nursing Facility
- Personal Care Services
- Physician Services
- Portable X-ray Services
- Private Duty Nursing
- Respiratory, Speech, Occupational Therapy
- Rural Health
- Therapeutic Services for Children
- Transportation

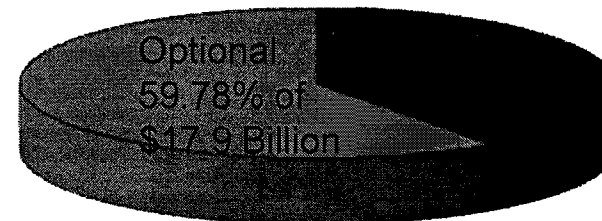
Florida Medicaid Mandatory Services for  
All Eligibles FY 2009-10



## ***Florida Medicaid Optional Services\****

- Adult Dental Services
- Adult Health Screening
- Ambulatory Surgical Centers
- Assistive Care Services
- Birth Center Services
- Children's Dental Services
- Hearing Services
- Vision Services
- Chiropractic Services
- Community Mental Health
- County Health Department Clinic Services
- Dialysis Facility Services
- Durable Medical Equipment
- Early Intervention Services
- Healthy Start Services
- Home and Community-Based Services
- Hospice Care
- Intermediate Care Facilities/  
Developmentally Disabled
- Intermediate Nursing Home Care
- Optometric Services
- Orthodontic Services
- Physician Assistant Services
- Podiatry Services
- Prescribed Drugs
- Primary Care Case Management (MediPass)
- Registered Nurse First Assistant Services
- School-Based Services
- State Mental Hospital Services
- Subacute Inpatient Psychiatric Program for Children
- Targeted Case Management)

Florida Medicaid Optional Services for All Eligibles FY 2009-10



\*States are required to provide any medically necessary care required by child eligibles.





## ***Summary of FY 2009-2010 Schedule VIII B Reductions (10% Exercise)***

Description	GR	Total Trust Fund	Total Reduction
HQA and Admin Reductions	(57,070)	(2,099,437)	(2,156,507)
Medicaid Rate Reductions	(371,911,631)	(455,293,703)	(827,205,334)
Medicaid Optional Services Reductions	(48,993,862)	(60,302,616)	(109,296,478)
Medicaid Optional Groups Reductions	(96,759,962)	(148,341,188)	(245,101,150)
Other Medicaid Reductions	(78,660,921)	(13,142,453)	(91,803,374)
<b>TOTAL</b>	<b>(596,383,446)</b>	<b>(679,179,397)</b>	<b>(1,275,562,843)</b>

Given the ARRA stimulus maintenance of effort eligibility requirements that are in effect through the recovery period, which ends December 31, 2010, the Medicaid proposals reflect an annualized amount of savings, but are not effective until January 1, 2011.

## ***Health Quality Assurance and Administrative Services FY 2009-2010 Schedule VIII B Reductions***

Div.	Description	GR	Total Trust Fund	Total Reduction
HQA	Bring the Call Center In-house		(354,273)	(354,273)
HQA	Delete the Quality of Long-Term Care Facility Improvement TF		(\$1,000,000)	(\$1,000,000)
HQA	Decrease the Emergency Alternative Placement Allocation		(\$470,091)	(\$470,091)
Admin	Eliminate 5 FTEs (from Administration and Support) & Cont Serv	(57,070)	(275,073)	(332,143)

## ***State Operation of Facilities Call Center***

- This issue proposes:
  - Reduction of \$354,273 from the Health Care Trust Fund.
  - Operation currently contracted to a private entity.
  - Current annual cost of contract \$1,050,482.
  - In house operation would increase quality of complaint intake, improve efficiency and reduce costs to the state.
  - Requires 10 new FTEs.
- **Total reduction: \$354,273**

<b>General Revenue:</b>	<b>(\$0)</b>
<b>Health Care Trust Fund:</b>	<b>(\$354,273)</b>

## ***Delete the Quality of Long-Term Care Facility Improvement Trust Fund***

- This issue proposes:
  - Delete authority for the Quality of Long-Term Care Facility Improvement Trust Fund.
  - Funds deposited are derived from federal civil monetary penalty receipts.
  - Funds used for projects related to care improvement in nursing homes.
  
- **Total reduction: \$1,000,000**

<b>General Revenue:</b>	<b>(\$0)</b>
<b>Quality of Long Term care Facility Improvement Trust Fund:</b>	<b>(\$1,000,000)</b>

## ***Decrease the Emergency Alternative Placement Allocation***

- This issue proposes:
  - Reduction of \$470,091 from the Emergency Alternative Placement Allocation of the Health Care Trust Fund.
  - These funds can be used to make alternative placements of nursing home residents when an existing nursing home is closed by the state for regulatory non-compliance reasons. The division has not spent all of the allocated budget in any year from the Resident Protection Trust Fund. The proposed cut in this trust fund allocation would not harm patients or the mission of the Agency.

➤ **Total reduction: \$470,091**

<b>General Revenue:</b>	<b>(\$0)</b>
<b>Health Care Trust Fund:</b>	<b>(\$470,091)</b>

## ***Eliminate 5 FTEs from Administration and Support***

- This issue proposes:
  - Elimination of 5 FTEs from Administration and Support
  
- **Total reduction: \$332,143**

<b>General Revenue:</b>	<b>(\$57,070)</b>
<b>Administrative Trust Fund:</b>	<b>(\$275,073)</b>

## ***FY 20010-2011 Schedule VIII B Medicaid Provider Rate Reductions***

Description	GR	Total Trust Fund	Total Reduction
Reduce Clinic Services by 10%	(\$7,018,614)	(\$8,623,360)	(\$15,641,974)
Hospital Inpatient Rate Reduction of 10%	(\$168,758,071)	(\$206,751,732)	(\$375,509,803)
Hospital Outpatient Rate Reduction of 10%	(\$47,151,147)	(\$57,971,336)	(\$105,122,483)
Nursing Home Rate Reduction of 10%	(\$138,174,809)	(\$168,746,959)	(\$306,921,768)
ICF/DD Rate Reduction of 10%	(\$10,808,990)	(\$13,200,316)	(\$24,009,306)

All reductions are based on data from the August 2009 Social Services Estimating Conference

## ***FY 2010-2011 Schedule VIII B Reductions to Medicaid Optional Services***

Description	GR	Total Trust Fund	Total Reduction
Elimination of the Podiatrist Program	(\$1,391,209)	(\$1,721,638)	(\$3,112,847)
Elimination of the Chiropractic Program	(\$521,123)	(\$644,897)	(\$1,166,020)
Elimination of Adult Vision & Hearing Services	(\$6,067,218)	(\$7,696,851)	(\$13,764,069)
Discontinue Cov of Adult Dental Ser for Partial Dentures	(\$368,703)	(\$457,148)	(\$825,851)
Elimination of Adult Dental Services	(\$7,261,269)	(\$9,003,102)	(\$16,264,371)
Elimination of Hospice Services	(\$33,384,340)	(\$40,778,980)	(\$74,163,320)

All reductions are based on data from the August 2009 Social Services Estimating Conference



## ***Elimination of Podiatric Services***

- This issue eliminates podiatric services as a covered Medicaid service.
  - Services include routine foot care for persons with metabolic disease or circulatory impairment and surgical procedures.
  - Currently Medicaid beneficiaries can receive up to 2 podiatric visits per month.
  - Estimated 21,990 individuals would use this service in FY 2010-2011.
- **Total reduction: \$3,112,847**

<b>General Revenue:</b>	<b>(\$1,391,209)</b>
<b>Medical Care Trust Fund:</b>	<b>(\$1,711,443)</b>
<b>Other Trust Fund:</b>	<b>(\$10,195)</b>

## ***Elimination of Chiropractic Services***

- This issue eliminates chiropractic services as a covered Medicaid benefit.
  - Services include new patient visit, manipulation of the spine and spinal x-rays.
  - Currently Medicaid beneficiaries can receive up to 10 Chiropractic visits without prior authorization.
  - Estimated 8,777 individuals would use this service in FY 2010-2011.
- **Total reduction: \$1,166,020**

<b>General Revenue:</b>	<b>(\$521,123)</b>
<b>Medical Care Trust Fund:</b>	<b>(\$641,078)</b>
<b>Other Trust Fund:</b>	<b>(\$3,819)</b>



# ***Elimination of Adult Vision & Hearing Services***

- This issue eliminates the Adult Vision and Hearing Services program:
  - Adult Vision:
    - Services include eyeglasses, eyeglass repairs as required, prosthetic eyes and medically necessary contact lenses.
    - Currently Medicaid beneficiaries can receive one pair of eyeglasses per recipient every two years, except a second pair may be provided during that period after prior authorization. Eyeglass lenses for adult recipients are limited to one pair of lenses per year.
  - Adult Hearing:
    - Services include diagnostic testing, cochlear implant services, hearing aid evaluation, repair and accessories and hearing aids.
    - Currently Medicaid beneficiaries can receive hearing aids one per ear per beneficiary every three years and cochlear implants are limited to one in either ear, but not both.
  - Estimated 753,545 individuals would use these services in FY 2010-2011
- **Total reduction: \$13,764,069**

<b>General Revenue:</b>	<b>(\$6,067,218)</b>
<b>Medical Care Trust Fund:</b>	<b>(\$7,409,500)</b>
<b>Other Trust Fund:</b>	<b>(\$287,351)</b>



## ***Elimination of Coverage of Partial Dentures for Adults***

- This issue eliminates coverage for partial dentures for Adults as part of the Medicaid covered adult dental program.
- Estimated 1,987 individuals would use this service in FY 2010-2011.
- **Total reduction: \$825,851**

<b>General Revenue:</b>	<b>(\$368,703)</b>
<b>Medical Care Trust Fund:</b>	<b>(\$450,273)</b>
<b>Other Trust Fund:</b>	<b>(\$6,875)</b>

## ***Elimination of Adult Dental Services***

- This issue eliminates Adult Dental Services as a covered Medicaid Service.
  - Services include partial dentures, comprehensive oral evaluations, full dentures and other diagnostic and surgical procedures.
  - Currently Medicaid beneficiaries can receive oral evaluations only for determining the need for dentures or acute emergency services.
  - Estimated 753,545 individuals would use this service in FY 2010-2011.
- **Total reduction: \$16,264,371**

<b>General Revenue:</b>	<b>(\$7,261,269)</b>
<b>Medical Care Trust Fund:</b>	<b>(\$8,867,713)</b>
<b>Other Trust Fund:</b>	<b>(\$135,389)</b>



## ***Elimination of Hospice Services***

- This issue eliminates coverage of hospice services under the Medicaid program.
  - Services include hospice care provided by a designated hospice, direct care services of a hospice physician and nursing facility room and board.
  - Currently once Medicaid beneficiaries elect hospice care, Medicaid will not reimburse for other Medicaid Services that treat the terminal condition.
  - Estimated 2,159 individuals would use this service in FY 2010-2011.
  - This reduction reflects savings from elimination of hospice service and an offset for costs incurred by these recipients in other/ institutional settings.
- **Total reduction: \$74,163,320**

<b>General Revenue:</b>	<b>(\$33,384,340)</b>
<b>Medical Care Trust Fund:</b>	<b>(\$40,770,125)</b>
<b>Other Trust Fund:</b>	<b>(\$8,855)</b>



# ***FY 2009-2010 Schedule VIII B Other Medicaid Reductions***

Description	GR	Total Trust Funds	Total Reduction
NH County Billing Increase, Fund Shift	(\$66,557,484)	\$0	(\$66,557,484)
CMS Primary Care Center TCM Fee Reduction	(\$1,128,526)	(\$1,378,196)	(\$2,506,722)
Cost Reduction for Behavioral Health Overlay Services	(\$1,535,251)	(\$1,874,902)	(\$3,410,153)
Collection of Manufacturer Rebates on J-code	(\$762,860)	\$762,860	\$0
Eliminate MediPass	(\$8,676,800)	(\$10,652,215)	(\$19,329,015)

All reductions are based on data from the August 2009 Social Services Estimating Conference

## ***Increase County Contributions for Medicaid Nursing Home Care***

- Section 409.915, Florida Statutes, requires counties to reimburse the State a portion of the cost of county resident care in nursing homes.
- Increase amount paid by counties from \$55 per month to \$202 per month for their Medicaid residents who are in nursing homes.
  - \$202 represents approximately 3.7% of monthly Medicaid costs.
  - Proportionally the same as the county contribution in late 1980's.
- **Total Reduction:                                  \$0 million**

<b>General Revenue:</b>	<b>(\$66,557,484)</b>
<b>Medical Care Trust Fund:</b>	<b>(\$66,557,484)</b>





## ***Primary Care Center Targeted Case Management Reduction***

- ▶ Proposes to eliminate the Children’s Medical Services (CMS) Primary Care Center Targeted Case Management Program.
  - Eliminates duplication in payment of case management fees for those enrolled in MediPass and in CMS.
  - Eliminates duplication in provision of case management services and payments of case management services funded through CMS administrative claiming.
- ▶ **Total Reduction:   \$2,506,722**

<b>General Revenue:</b>	<b>(\$1,128,526)</b>
<b>Medical Care Trust Fund:</b>	<b>(\$1,378,196)</b>

## ***Cost Reduction for Behavioral Health Overlay Services (BHOS)***

- BHOS Services are mental health and substance abuse services for children and adolescents:
  - In low to moderate risk Juvenile Justice commitment programs; or
  - Abused or neglected and placed in group child care residential settings.
  - Services: Individual, family and group therapy, substance abuse treatment and individualized interventions by mental health technician staff.
- Reduction is a result of:
  - Limiting services to 6-days a week instead of 7-days a week.
- **Total Reduction: \$3,410,153 million**

<b>General Revenue:</b>	<b>(\$1,535,251)</b>
<b>Medical Care Trust Fund:</b>	<b>(\$1,874,902)</b>

## ***Collection of Manufacturer Rebates on J-codes***

- Claims systems enhancement will capture specific validated National Drug Code (NDC) information for each claim paid through Physician Services for injectable drugs.
- This will allow for rebate invoicing to bill manufacturers for rebates for all claims of this type.
- **Total Reduction: \$1,694,490 million**

<b>General Revenue:</b>	<b>(\$762,860)</b>
<b>Medical Care Trust Fund:</b>	<b>(\$931,630)</b>

## ***Eliminate MediPass Case Management Fee***

- MediPass providers currently receive a \$2.00 monthly management fee for each enrollee who selects or is assigned to them in addition to regular fee-for-service reimbursement for health care services rendered.
- This proposes the elimination of the MediPass \$2.00 per member per month management fee.
- Estimated 962,740 individuals would use this service in FY 2010-2011.
  
- **Total Reduction: \$19,329,015 million**

<b>General Revenue:</b>	<b>(\$8,676,800)</b>
<b>Medical Care Trust Fund:</b>	<b>(\$10,598,351)</b>
<b>Other Trust Fund:</b>	<b>(\$53,864)</b>



# ***FY 2009-2010 Schedule VIII B Reductions to Medicaid Optional Eligibility Groups***

Description	GR	Total Trust Fund	Total Reduction
Elimination of Eligibility for 19 and 20 year old Kids	(\$11,303,289)	(\$13,803,972)	(\$25,107,261)
Elimination of Family Planning Waiver	(\$2,688,201)	(\$5,241,818)	(\$7,930,019)
Elimination of Medically Needy Preg Women & Kids	(\$62,192,200)	(\$84,791,846)	(\$146,984,046)
Elimination of Breast & Cervical Cancer Treatment	(\$3,555,482)	(\$4,752,886)	(\$8,308,368)
Elimination of Eligibility for PW with 150-185% FPL	(\$17,020,789)	(\$39,750,666)	(\$56,771,455)

All reductions are based on data from the August 2009 Social Services Estimating Conference

## ***Eliminate Eligibility for 19 and 20 year old Beneficiaries***

- This issue eliminates optional coverage for children aged 19 and 20. These individuals use a wide range of services in many different appropriation categories.
  - Optional eligibility group; 10,169 individuals
- **Total Reduction: \$25,107,261**

<b>General Revenue:</b>	<b>(\$11,303,289)</b>
<b>Medical Care Trust Fund:</b>	<b>(\$13,808,972)</b>

## ***Eliminate Family Planning Waiver***

- This issue eliminates optional coverage for the family planning waiver.
  - This program extends contraceptive products and limited medical services to women who have lost Medicaid eligibility for up to two years. The women must be:
    - ages 14-55;
    - at or under 185% of the federal poverty level;
    - not eligible for Medicare, Medicaid, State Children's Health Insurance Program or commercial coverage; and still able to have children.
  - These individuals use services in many different appropriation categories.
    - Optional eligibility group; 60,940 individuals
- **Total Reduction: \$7,930,019**

<b>General Revenue:</b>	<b>(\$2,688,201)</b>
<b>Grants and Donations:</b>	<b>(\$842,014)</b>
<b>Medical Care Trust Fund:</b>	<b>(\$4,399,804)</b>

## ***Elimination of Medically Needy Program for Children and Pregnant Women***

- This issue eliminates optional coverage for Medically Needy children and pregnant women.
- Under statute, this program is currently reduced to coverage of women and children as of January 1, 2011. This proposal would eliminate that coverage.
  - Optional eligibility group; 4,572 individuals.
  - Of these, 37 are children and 4,535 are pregnant women.
- **Total Reduction: \$146,984,046 million**

<b>General Revenue:</b>	<b>(\$62,192,200)</b>
<b>Medical Care Trust Fund:</b>	<b>(\$75,952,178)</b>
<b>Grants and Donations Trust Fund:</b>	<b>(\$8,839,668)</b>



## ***Eliminate the Breast and Cervical Cancer Treatment Program***

- This issue eliminates optional coverage for women currently eligible for services due to a diagnosis of breast or cervical cancer through the Department of Health's early detection program.
- For fiscal year 2010-2011, there are an estimated 472 individuals who will use these services.
- **Total Reduction: \$8,308,368 million**

<b>General Revenue:</b>	<b>(\$3,555,482)</b>
<b>Medical Care Trust Fund:</b>	<b>(\$4,392,848)</b>
<b>Grants and Donations Trust Fund:</b>	<b>(\$360,038)</b>

## ***Eliminate Eligibility for Pregnant Women Between 150-185 percent of the Federal Poverty Level***

- This issue eliminates optional coverage for pregnant women with income of 150 percent up to 185 percent of the federal poverty level. These individuals use a wide range of services in many different appropriation categories.
  - Optional eligibility group; 5,846 individuals
- **Total Reduction: \$56,771,456**

<b>General Revenue:</b>	<b>(\$17,020,789)</b>
<b>Grants and Donations:</b>	<b>(\$480,555)</b>
<b>Medical Care Trust Fund:</b>	<b>(\$31,034,569)</b>
<b>Other Trust Fund:</b>	<b>(\$8,235,542)</b>

# *Questions?*



**Department of Health  
Schedule VIII B  
Priority Listing for Possible Reduction**

	<b>Program</b>	<b>Description</b>	<b>Reduction Amount</b>	<b>% of Reduction</b>
1	<b>Member Projects</b>	Member projects are part of the Department's base budget and recommend annual review by the Legislature. There is no proviso language in the General Appropriations Act to identify these specific projects. See Attachment A	\$8,419,217	100.00%
2	<b>Administrative Reductions</b>	This is a 3% reduction in appropriation in administrative appropriation categories across budget entities. These categories include Salaries & Benefits, Other Personal Services, Expenses, and Contracted Services.	\$2,715,265	3.00%
3	<b>Area Health Education Centers (AHEC)</b>	Charges medical schools to organize an area health education center network to serve as the catalyst for the primary care training of health professionals through increased opportunities for training in medically under-served areas. Requires DOH to assist in funding the network which links the provision of primary care services to low-income persons with the education of medical students, interns, and residents; and that the department contract with state-approved medical schools to be responsible for the clinical training and supervision which will be done using community resources such as county health departments, federally funded primary care centers, and other community based primary care sites. AHEC Network consists of five universities with State-approved medical schools and community resources.	\$1,000,000	10.23%
4	<b>Healthy Start</b>	Assists pregnant women, interconceptional women, infants, and children up to age three to obtain the health care and social support needed to reduce the risks for poor maternal and child health outcomes including infant mortality, and to promote good health and developmental outcomes.	\$6,434,775	15.53%
<b>Total General Revenue Reductions</b>			<b>\$18,569,257</b>	

**Department of Health  
Schedule VIII B  
Priority Listing for Possible Reduction**

	<b>Program</b>	<b>Description</b>	<b>Reduction Amount</b>	<b>% of Reduction</b>
5	<b>County Health Department Tobacco</b>	Funding is distributed to all 67 county health departments to augment current resources. Each county expends their portion of these funds to provide various client services that are not fully funded from other direct sources of revenue.	\$3,919,999	100.00%
6	<b>Rape Crisis Program</b>	Revenue is generated from \$150 court cost assessed to persons who are found guilty of an act of sexual assault. Provides funding for the 31 rape crisis centers throughout the state. Services include, but are not limited to: 24-hour hotlines, information and referral, crisis intervention, counseling, case management, legal/medical advocacy and accompaniment, community awareness initiatives, system coordination (among partnering agencies), therapy, support groups, medical/forensic examinations and medical evaluation. There are approximately 36,000 services provided annually. F.S. 794.056.	\$2,064,417	100.00%
7	<b>Epilepsy Program</b>	Revenue is collected from \$5 civil penalties associated with seat belt and child restraint violations. Educational presentations are provided to public groups to promote prevention and understand the needs and potential of people with epilepsy. Public groups include schools, civic groups, and day care centers. Professional groups include nurses, law enforcement officers, first responders and human services professionals. Client education is provided to maximize treatment plans and encourage normal lifestyles. There are approximately 1,000 presentations annually. F.S. 385.207	\$1,522,767	100.00%
8	<b>Nursing Student Loan Forgiveness</b>	Revenue source is a \$5 surcharge on nursing licenses and renewals in addition to any other private donations. Funding provides loans to eligible applicants. The main function of the program is to increase employment and retention of registered nurses and licenses practical nurses in nursing homes and hospitals in the state and in state-operated medical and health care facilities, public schools, birth centers, federally sponsored community health centers, family practice teaching hospitals, and specialty children's hospitals by making repayments toward loans received by student from federal or state programs or commercial lending institutions for the support of post-secondary study in accredited or approved nursing programs. Currently there are approximately 550 enrolled in the program. F.S. 1009.66.	\$1,165,757	100.00%
9	<b>Brain and Spinal Cord Research</b>	The University of Florida and the University of Miami annually receive up to \$500,000 each for spinal core and brain injury research. F.S. 381.79. Funding does not provide direct medical services.	\$1,000,000	100.00%
<b>Total Trust Fund Reductions</b>			<b>\$9,672,940</b>	

**Total Proposed Reduction**

**\$28,242,197**

Department of Health  
Member Projects  
(Attachment A)

Line Item	PROJECT TITLE	Amount	Description
1	Statewide Dentistry Network - Escambia County	112,892	Provides dental services, outreach and education to low-income children. 2003/2004 proviso appropriation
2	Nova University Nursing Assistance Program	194,159	Provides funding for the Nova Southeastern University, College of Nursing undergraduate nursing student tuition assistance program. In 2008-2009 the program provided tuition assistance to 105 undergraduate nursing students. These students are obligated to provide services (i.e. internships) in areas where there is a critical nursing shortage. 2002/2003 proviso appropriation
3	County Specific Dental Projects - Charlotte, Lee-Collier	453,834	Provides funding for a contract with the Family Health Centers of Southwest Florida to provide direct client dental services for Charlotte and Lee counties. No contracted services with Collier county. 2003/2004 proviso appropriation
3a	County Specific Dental Project - Escambia	136,149	Provides for preventive and restorative dental services for uninsured and low-income adult residents of Escambia county. 2003/2004 proviso appropriation
4	Reducing Oral Health Disparities	346,678	Provides for the expansion of county health department safety-net dental programs that are a vital component in an integrated, coordinated oral health system between public and private sectors. 2003/2004 proviso appropriation
5	VisionQuest	660,868	VisionQuest is a non-profit organization that provides statewide follow-up eye examinations and eyeglasses to visually impaired economically disadvantaged public school students identified through vision screening programs at the local school level. 1998/1999 proviso appropriation
6	Deerfield Beach School Health Clinic	367,149	This is a school-based health center contracted to the North Broward Hospital District. The center provides primary health care, dental and school health services to students, their families and the communities surrounding Deerfield Beach. 1998/1999 proviso appropriation
7	Economic Opportunity-Dade	52,422	Provides outreach services to clients. Contract with Jessie Trice Community Health Center provides cardiovascular risk assessments, referrals and education to the at risk population of racial and ethnic minorities of Dade county utilizing a mobile van. 2002/2003 proviso appropriation

Department of Health  
Member Projects  
(Attachment A)

Line Item	PROJECT TITLE	Amount	Description
8	Haitian American Association Against Cancer-Miami/Dade County	163,839	Provides outreach and education in Dade County for breast and cervical cancer. Also provides mammograms, clinical breast exams, Pap tests and needed diagnostic tests. Treatment is found for any women in their program diagnosed with cancer. 2001/2002 proviso appropriation
9	UF Dental Clinics Statewide	714,519	Provides direct client dental care for indigent persons through 6 University of Florida College of Dentistry clinics and 9 community based clinics using students and residents. 1998/1999 proviso appropriation
10	Community Smiles (Dade)	283,643	Implements a Pediatric Dental Residency program with the Miami Children's Hospital. 2007/2008 proviso appropriation
<b>Family Health</b>		<b>3,486,152</b>	
11	HIV/AIDS Outreach Prog-Haitian & Hispanic Comm. -SW	239,996	Provides funding to two projects: Youth Expressions in Miami and Farm workers in Orlando. Youth Expressions enrolls youth in its HIV prevention project. These youth deliver prevention messages to peers, reaching many more youth than just those enrolled. Farm workers enrolls youth and parents in its program. The organization also provides HIV counseling, testing and linkage to community members and posts digital stories with prevention messages on a number of websites, extending its reach well beyond those enrolled in the program. 2004/2005 proviso appropriation
12	South Fla AIDS Network-Jackson Memorial (Dade)	719,989	Provides health care services to people living with AIDS. Also has the lead role in coordinating the planning, development and delivery of HIV/AIDS services. 2004/2005 proviso appropriation
<b>Disease Control</b>		<b>959,985</b>	
13	Community Environmental Health Projects (CEHAB)	86,399	Provides funding for projects which include outreach, public health education, air, water and soil sampling, community meetings and workshops to educate the public in affected areas. 1999/2000 proviso appropriation
<b>Environmental Health</b>		<b>86,399</b>	



Department of Health  
Member Projects  
(Attachment A)

Line Item	PROJECT TITLE	Amount	Description
14	Minority Outreach-Penalver Clinic-Dade	349,481	Provides community outreach services to the Little Havana area of Miami-Dade county to facilitate access to comprehensive primary health care services provided at the clinic and the Jackson Hospital health system. 2000/2001 proviso appropriation
15	La Liga-League Against Cancer	900,000	Provides free personal health care services to uninsured, low-income cancer victims. Services may include doctors appointments, chemotherapy, laboratory services, medications, nursing services and transportation. 1999/2000 proviso appropriation
16	CATE (Citizens Against Toxic Exposure)	245,758	This project provides preventative and educational services to 1500 individuals who may have been affected by contamination from two EPA Superfund sites (Escambia Treating Company and Agrico Chemical Company) in Pensacola. The focus is on behavior modification for a healthier lifestyle through awareness of causes and preventive measures relating to racial and ethnic health disparities. 2000/2001 proviso appropriation
17	Manatee County Rural Health Services	99,408	Provides primary care and laboratory services to the indigent and underserved population in Manatee and DeSoto counties. This is a federally qualified community health center. 2001/2002 proviso appropriation
<b>County Health Department</b>		<b>1,594,647</b>	
18	Fetal Alcohol Spectrum Disorder (FASD)-(Sarasota)	380,000	Provides access to evaluation, diagnosis, counseling and developmental services counseling for infants and children and their families. Provides funding to support the diagnostic and intervention services, statewide training on FASD and the administrative oversight and infrastructure of this program. 2005/2006 proviso appropriation
19	Injury Prevention Initiative	100,000	\$36,400 is used to prevent injuries resulting from Shaken Baby Syndrome and \$63,600 is used to prevent injuries such as drowning, falls and motor vehicle crashes. 2003/2004 proviso appropriation
20	Islet Cell Transplantation to Cure Diabetes	213,332	This is a contract with the Diabetes Research Institute (DRI) Foundation for staff to follow up with transplantation patients after surgery and for anti-rejection agents. The foundation conducts research to further islet cell transplantation as a method for reversing diabetes in humans. 2000/2001 proviso appropriation
21	Alpha One Program-Alachua County	345,169	Provides statewide screening, detection and research for a rare genetic disorder "alpha 1-antitrypsin (ATT) deficiency" This disorder manifests most commonly as lung disease in adults as well as liver disease in both children and adults. 2000/2001 proviso appropriation
<b>Children's Special Health Care</b>		<b>1,038,501</b>	

Department of Health  
Member Projects  
(Attachment A)

Line Item	PROJECT TITLE	Amount	Description
22	Jessie Trice Cancer Center/Health Choice-Dade	209,689	Provides smokers with prevention education, risk assessments and community-based screenings for minority inner city residents of Miami-Dade and provides education and screenings for breast and cervical cancer in Broward county. 2000/2001 proviso appropriation
23	SW Alachua County Primary & Community Health Care Clinic	132,544	The Archer Family Health Care Clinic is operated by the University of Florida College of Nursing and provides comprehensive primary care services to indigent/uninsured clients in Southwest Alachua County. Services are for children and adults and may include community health activities, health screenings and health promotion. 2000/2001 proviso appropriation
24	Traumatic Brain Injury Association/Brain Injury Association of Florida	911,330	Provides prevention, education, and long term care services and support through the Family and Community Support Program for brain and spinal cord injured individuals. Also provides resources to individuals, family members, advocates and professionals who serve individuals with traumatic brain injury. 2000/2001 and 2004/2005 proviso appropriations
	<b>Community Health Resources</b>	<b>1,253,563</b>	

**Total**      8,419,247





**Charlie Crist, Governor**  
**George Sheldon, Secretary**

**Department of Children and Families**  
**Policy Level Identification of Budget Reduction**  
**Impacts**  
**SCHEDULE VIII B**

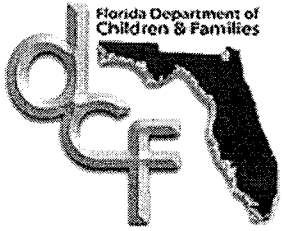
*Presented by*  
*Nevin Smith, PhD*  
*Budget Director*  
*November, 2009*

**Mission: Protect the Vulnerable, Promote Strong and Economically Self-Sufficient Families,  
and Advance Personal and Family Recovery and Resiliency.**



# DCF Mission

*Protect the Vulnerable, Promote Strong and Economically Self-sufficient Families, and Advance Personal and Family Recovery and Resiliency*



# DCF In Brief

- **6,000,000 Persons Served** (includes duplicate contacts in some instances)
- **\$2.991 Billion Budget**  
**(\$1.443 Billion GR)**
- **13,268.5 FTE Employees**
- **805 Provider Contracts**



# DCF STATE EMPLOYEES

- 11,944 FTE Dispersed to Regions and Circuits Around the State

## EXAMPLES OF THEIR WORK

- 240 FTE Answering the Hotline
- 2,648 FTE Protecting Children and Adults
- 4,017 FTE Determining Eligibility



# FOUR SERVICE BUDGET ENTITIES

- FAMILY SAFETY = \$1.146 B (\$400.3 M GR)
- MENTAL HEALTH = \$770.4 M (\$608.9 M GR)
- SUBSTANCE ABUSE = \$212.7 M (\$75.4 M GR)
- ECONOMIC SELF SUFFICIENCY = \$626.5 M (\$291.9 M GR)





# THE 10% Reduction TARGET

## Total Reduction

\$191,584,467

- \$140,523,332 = General Revenue
- \$ 19,513,956 = State Trust Fund
- \$ 22,710,360 = Temporary Assistance to Needy Families
- \$ 8,836,819 = Social Services Block Grant



# FY 2009 – 2010 Non Recurring Funds = \$98.2 M

- Mental Health Services = \$11.2M of \$770M
- Substance Abuse Service= \$ 4.6M of \$213M
- Homeless Housing Services = \$ 5.9M of \$ 25M
- Provider Projects = \$15.2M of \$15.2M
- Maintenance Adoption Subsidy = \$13.2M of \$125M
- Community Based Care Core Service = \$ 3.5 M of \$591M

*Plus Non Recurring Cash Assistance Payments*



# Prior Year Targeted Reduction History

- Fiscal Year 2004-2005 = \$10.9 Million / 278 FTE
- Fiscal Years 2005-2006 and 2006-2007 No Change
- Fiscal Year 2007-2008 = \$11.1 Million / 26 FTE
- Fiscal Year 2008-2009 = \$23.7 Million / 221.5 FTE
- Fiscal Year 2009-2010 = \$ 5 Million / 54.5 FTE
  
- TOTAL REDUCTIONS FOR THE SIX YEAR PERIOD =  
\$50.7 Million / 580 FTE

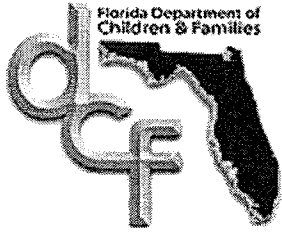


# COOPERATIVE IMPACT MINIMIZATION APPROACH

Prior year agency reductions have been targeted at administration and areas of improved efficiency...

Current year budget includes \$98 million in non-recurring funds for recurring activities...

Reductions to achieve the target provided must evolve from a policy process that includes all stakeholders...



# COOPERATIVE IMPACT MINIMIZATION APPROACH

This Presentation Focuses on Policy Level Impacts...

In the event of Decisions on Policy Area Reductions and Reduction Size...DCF will work with legislative staff to minimize service impacts...

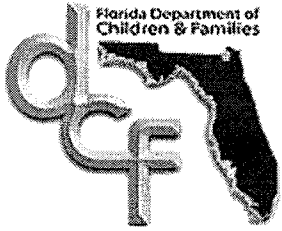
Some reduction alternatives could necessitate substantive law change...

Maintenance of Effort and Federal Fund Flexibility or Eligibility could be impacted....



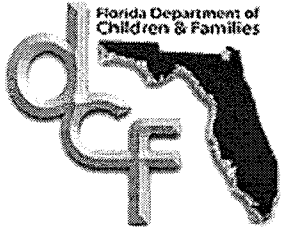
# **FAMILY SAFETY BUDGET PROGRAM HIGHLIGHTS**

- Florida Abuse Hotline = \$15.5 M (\$3.9 GR)
- Child Care Regulation, Child Abuse Prevention, Child Protection and Permanency = \$1.0 B (\$345 GR)
- Adult Protection = \$54.6 M (\$36.8 GR)
- Domestic Violence = \$33.4 M (\$167 K GR)



# **FAMILY SAFETY BUDGET PROGRAM HIGHLIGHTS**

- 7 County Sheriffs = \$47.5 M (\$20.6 GR)
  
- 20 Local Community Based Care Organizations = \$751 M (\$252.2 GR)
  
- FY 2008-09 Direct Payments:
  - Independent Living = \$38.5 M
  - Maintenance Adoption Services = \$112.8 M



# **FAMILY SAFETY BUDGET REDUCTION IMPACTS**

## **\$740 K Reduction in Child Care Regulation**

- ✓ Reduce staff = reduced inspection time or frequency (6 FTE).
- ✓ Eliminate county local licensing services for: Brevard, Broward, Hillsborough, Palm Beach, Pinellas, and Sarasota

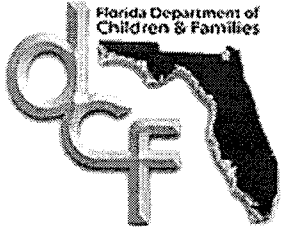




# FAMILY SAFETY BUDGET REDUCTION IMPACTS

## \$1.5 M Reduction at the Abuse Hotline

- ✓ Staff Reductions = increased wait times, delayed response, and quality of response issues related to staff stress and turnover (25 FTE).



# FAMILY SAFETY BUDGET REDUCTION IMPACTS

## \$67.2 M Reduction in Child Protection

- ✓ In home services, out-of-home care services, children's legal services, foster care, adoption subsidies, independent living and abuse investigations may all be impacted.



# FAMILY SAFETY BUDGET REDUCTION IMPACTS

## \$5.5 M Reduction in Adult Protection

- ✓ Homecare and community care for disabled adults, domestic violence programs, and abuse and neglect investigations would be impacted.



# MENTAL HEALTH BUDGET HIGHLIGHTS

➤ **Institutional Care = \$369.4 M (\$290 GR )**

VIOLENT SEXUAL PREDATORS = \$34.4 M (\$34.4 GR)

FORENSIC PATIENTS = \$152.7 M (\$152 GR)

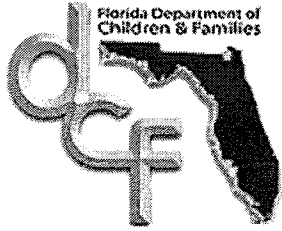
CIVIL COMMITMENTS = \$182.3 M (\$104.5 GR)

➤ **Community Care = \$338.8 M (\$309 GR)**



# MENTAL HEALTH BUDGET HIGHLIGHTS

- Services to Children = \$85.8 M (\$65.5 GR)
  
- Services to Adults = \$302.8 M (\$243.5 GR)



# MENTAL HEALTH REDUCTION IMPACTS

## \$11 M Reduction in state operated Civil Commitment Facilities.

✓ Capacity will have to be reduced:

85 placements at an average annual cost of  
\$119,654 will be closed.

The current wait list = 51



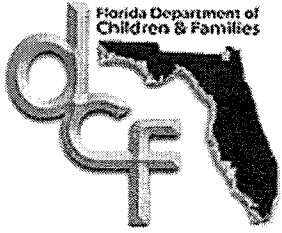
# MENTAL HEALTH REDUCTION IMPACTS

## \$15 M Reduction to the Forensic Facilities

✓ Capacity will need to be reduced:

120 Forensic Placements at an average cost of \$125,084 per year will be eliminated.

The 15 Day court ordered admit waiting schedule is likely to be exceeded.

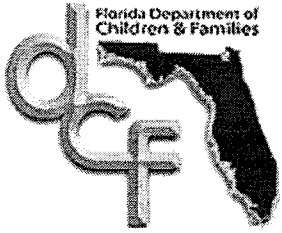


# MENTAL HEALTH REDUCTION IMPACTS

## \$3.4 M Reduction to the Violent Sexual Predator Facilities

- ✓ Capacity will have to be reduced:
  - 93 placements at an average annual cost of \$36,891 will be required.
  - Current capacity 720 persons.
  - Current use 666 persons.





# MENTAL HEALTH REDUCTION IMPACTS

## \$24.3 M Reduction in Adult Community Mental Health Services

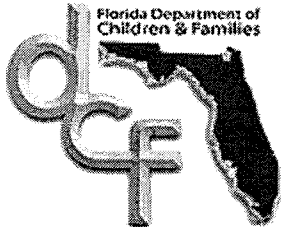
- ✓ Service capacity will be reduced:
  - At the average service cost - \$1,461
  - 16,265 adults will not be served.



# MENTAL HEALTH REDUCTION IMPACTS

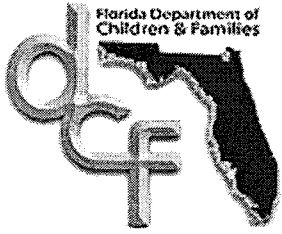
## \$6.4 M Reduction in Children's Community Mental Health Services

- ✓ Capacity will be reduced:
  - 6,925 children at an average cost of \$935 will not receive services.



# SUBSTANCE ABUSE BUDGET HIGHLIGHTS

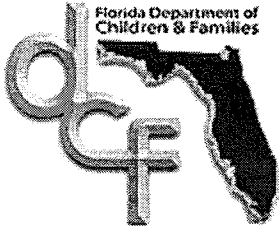
- Adult Substance Abuse Programs = \$128.2 M  
(\$32.1 GR)
- Children and Adolescent Substance Abuse  
Programs = \$73.6 M (\$40.2 GR)



# SUBSTANCE ABUSE REDUCTION IMPACTS

## \$4.2 M Reduction to Children's Substance Abuse Services

- ✓ Service Capacity would be reduced:
  - 2,100 fewer children would be served.
  - 31 residential beds would be eliminated.
  - 27,000 instances of service activity would not occur.



# SUBSTANCE ABUSE REDUCTION IMPACTS

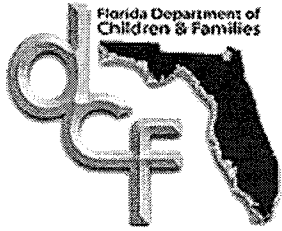
## \$4.3 M Reduction in Adult Substance Abuse Services

- ✓ Service capacity would be reduced:
  - 2,500 fewer adults would be served.
  - 39 residential beds would be lost.
  - 36,500 instances of service would not take place.



# ECONOMIC SELF SUFFICIENCY BUDGET HIGHLIGHTS

- Eligibility Determination = \$242.3 M (\$121.8 GR)
- Homelessness = \$24.8 M (\$3.1 GR)
- Temporary Cash Assistance = \$215.6 M (\$125.1 GR)
  - ✓ FY 2008-09 Payments = \$177.9 M
- Refugee Assistance = \$80 M (\$0 GR)



# ECONOMIC SELF SUFFICIENCY REDUCTION IMPACTS

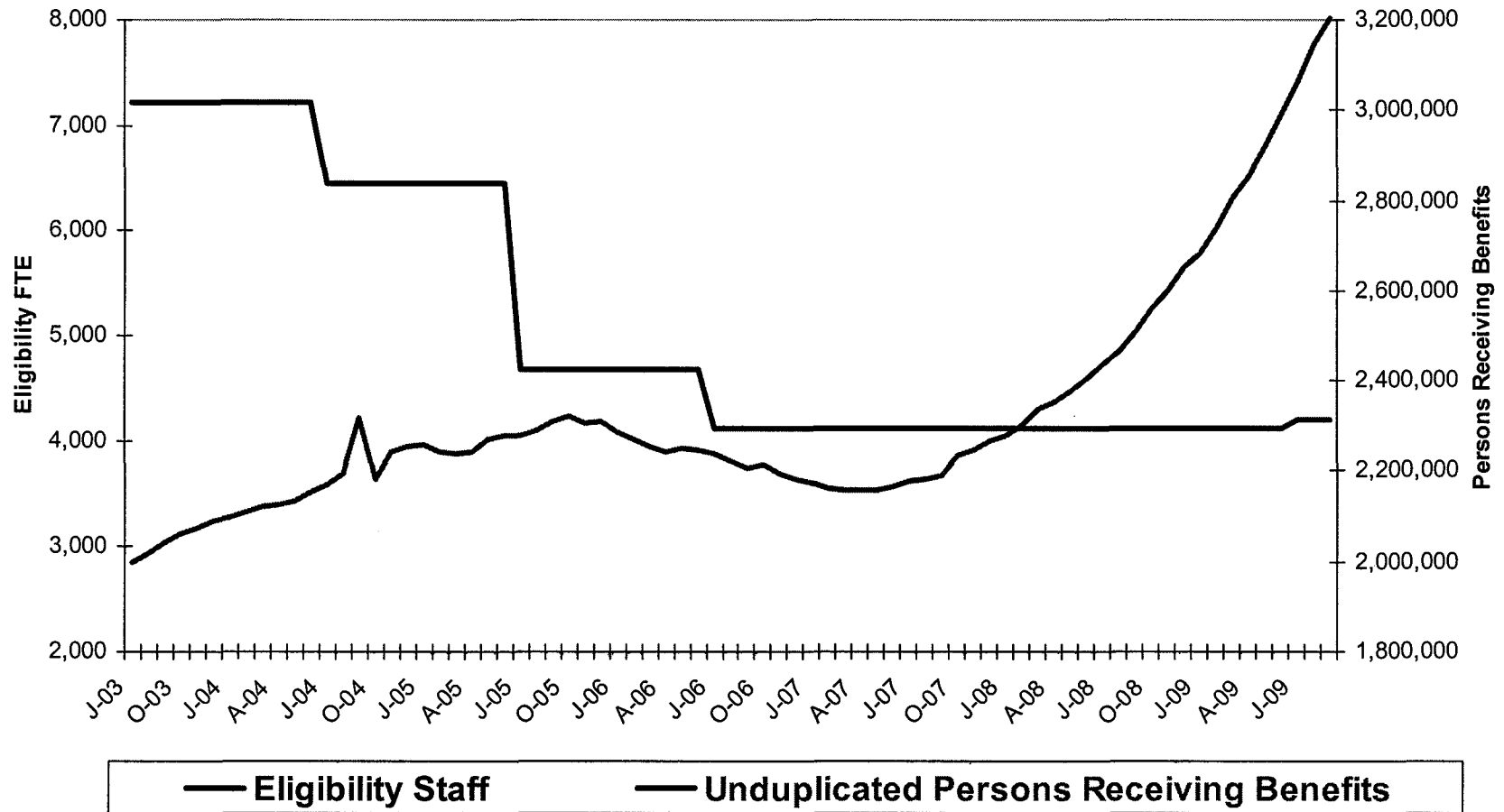
## \$13.1 M Reduction in Comprehensive Eligibility Determination

- ✓ Staff Reductions = Service Capacity Reductions  
500 eligibility staff would be eliminated.
- ✓ Floridians seeking eligibility decisions for food stamps, temporary cash assistance and Medicaid would have to wait and go without.



# The Challenge Ahead

*Unduplicated Persons Receiving Benefits  
July 2003 through September 2009  
[Cash Assistance, Food Stamps and Medicaid (not SSI)]  
Compared to Eligibility Staff Authorized*



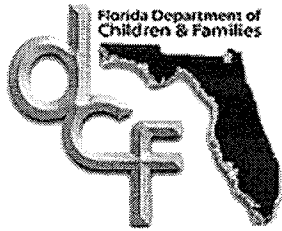




# **ECONOMIC SELF SUFFICIENCY REDUCTION IMPACTS**

## **\$18.8 M Reduction in Services to Most Vulnerable.**

- ✓ Assistance to local Homelessness coalitions would be reduced (\$233.9 K).
- ✓ Optional State Supplementation payments to elderly and disabled persons in assisted living facilities would be cut back (\$1.5 M).
- ✓ Temporary cash assistance to families with children would be reduced (\$16.8 M).



## MANAGEMENT AND INFORMATION TECHNOLOGY BUDGET HIGHLIGHTS

- Information Systems Budget = \$23.7 M (\$14.9 GR)
- District Administration Budget = \$39.5 M (\$15 GR)
- Headquarters Program Management, Administration and Executive Direction Budget = \$174 M (\$60.5 GR)



# Prior Year Reduction History

- Fiscal Year 2004-2005 = \$10.9 Million / 278 FTE
- Fiscal Years 2005-2006 and 2006-2007 No Change
- Fiscal Year 2007-2008 = \$11.1 Million / 26 FTE
- Fiscal Year 2008-2009 = \$23.7 Million / 221.5 FTE
- Fiscal Year 2009-2010 = \$5.0 Million / 54.5 FTE
  
- TOTAL REDUCTIONS FOR THE SIX YEAR PERIOD = \$50.7 Million / 580 FTE



# AGENCY MANAGEMENT, PROGRAM AND CONTRACT OVERSIGHT, INFORMATION TECHNOLGY AND SERVICES CONTROL

## ADDED TOGETHER TO ENSURE YOU ARE ADEQUATELY INFORMED

- ✓ **\$16.1 M Reduction** in District Management, Information Technology, Program Services Management, as well as Executive and Administrative Services. (90 FTE)
- ✓ Based on prior year cuts and current workload – DCF could no longer ensure it was meeting it statutory mandates related to public stewardship.
- ✓ Federal and State requirements related to financial reporting, bill paying, receipt of federal funds could not be maintained.
- ✓ Monitoring of provider services and those assigned to DCF care could not be assured.
- ✓ Quality Assurance related to services paid for by taxpayers could not be assured.



# Maintenance of Effort Issues

Changes in state funding levels and earnings related to federal funds are complex.

State funding impacts the federal contribution and may impact the flexibility to spend funds or even the eligibility for funds.

The Department has 4 area where maintenance of effort is of critical importance.

- Substance Abuse
- Mental Health
- TANF
- Title IV-E Waiver



# DCF SERVICE HISTORY

## Service Growth Over the Last Four Years

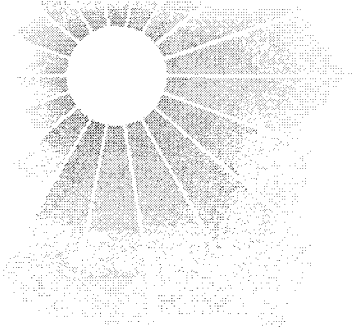
	<u>FY 05-06</u>	<u>FY 08-09</u>
Food Stamp Recipients	1,994,254	2,833,816
Hot Line Calls	368,994	436,745
Refugees Served	66,907	67,793
Forensic Patients	2,523	2,866
Violent Sexual Predator	592	767



# House Health Care Appropriations Committee

Schedule VIII B Reduction Exercise – Fiscal Year 2010-2011

DEPARTMENT OF



**ELDER  
AFFAIRS**  
**STATE OF FLORIDA**

Charlie Crist  
Governor

Doug Beach  
Secretary



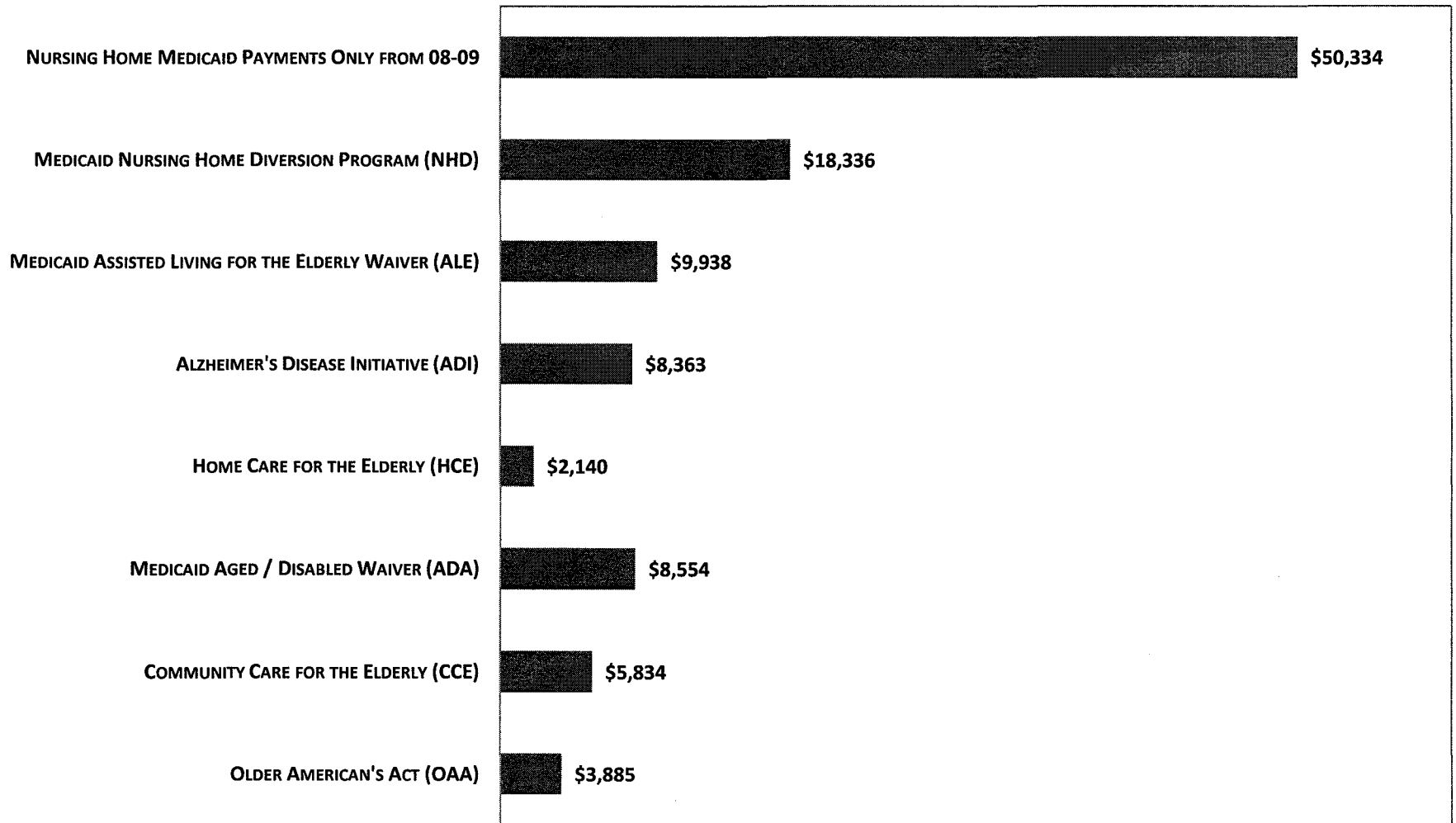
# Recent Reductions for Elder Affairs

Over the last two fiscal years, the Department of Elder Affairs has seen reductions totaling \$6.5 million in General Revenue for home and community based services to Florida's vulnerable seniors.

- Community Care for the Elderly - (\$1,994,087)
- Home Care for the Elderly - (\$1,626,104)
- Alzheimer's Disease Initiative – (\$1,738,871)
- Local Services Program - (\$638,704)
- Osteoporosis – (\$192,000)
- Sunshine for Seniors – (\$158,000)
- Administrative Reductions -(\$1,137,707) 10 FTE

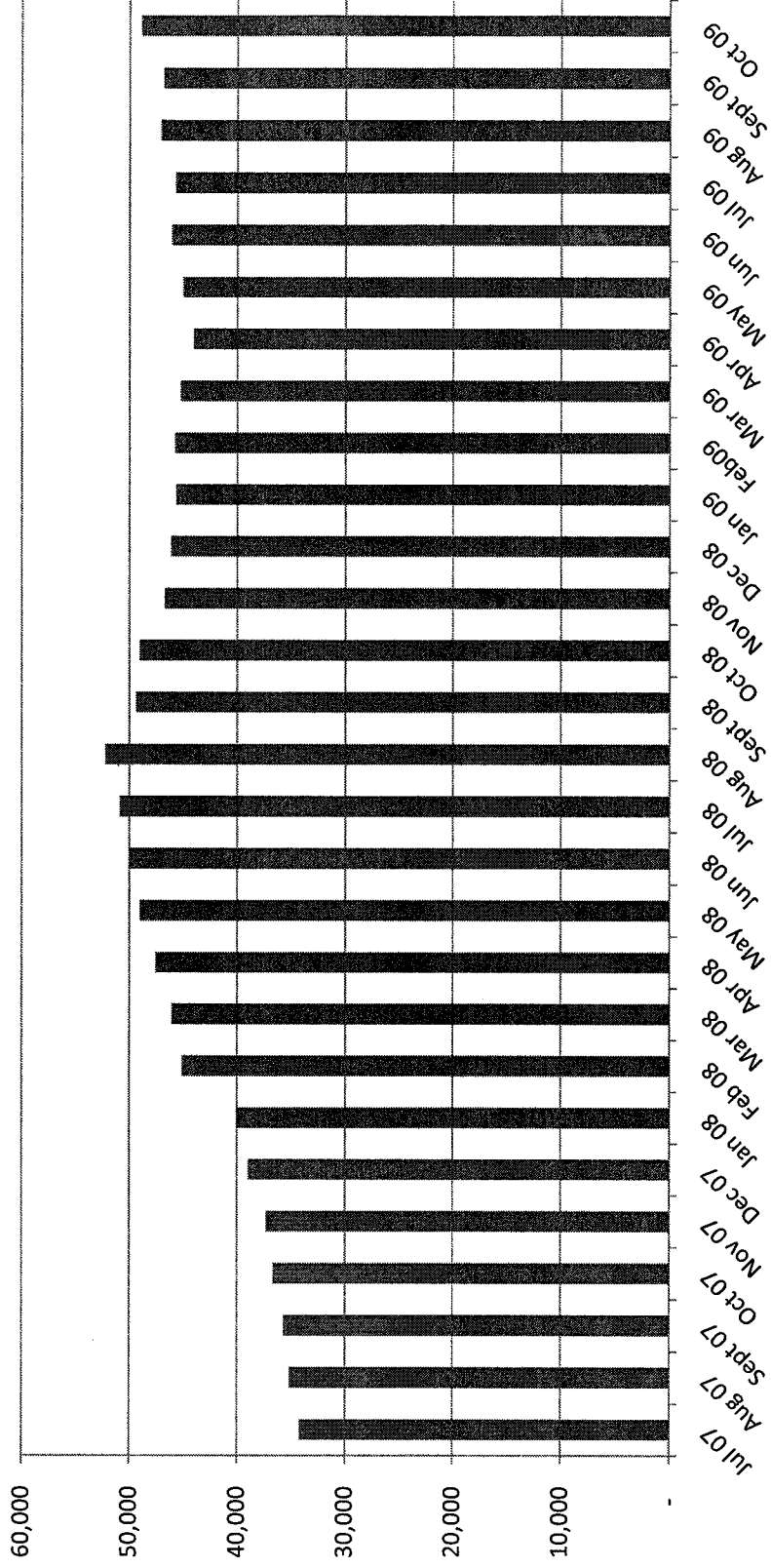
# Cost Avoidance of DOEA Programs

## Annual Cost per Client for 08-09



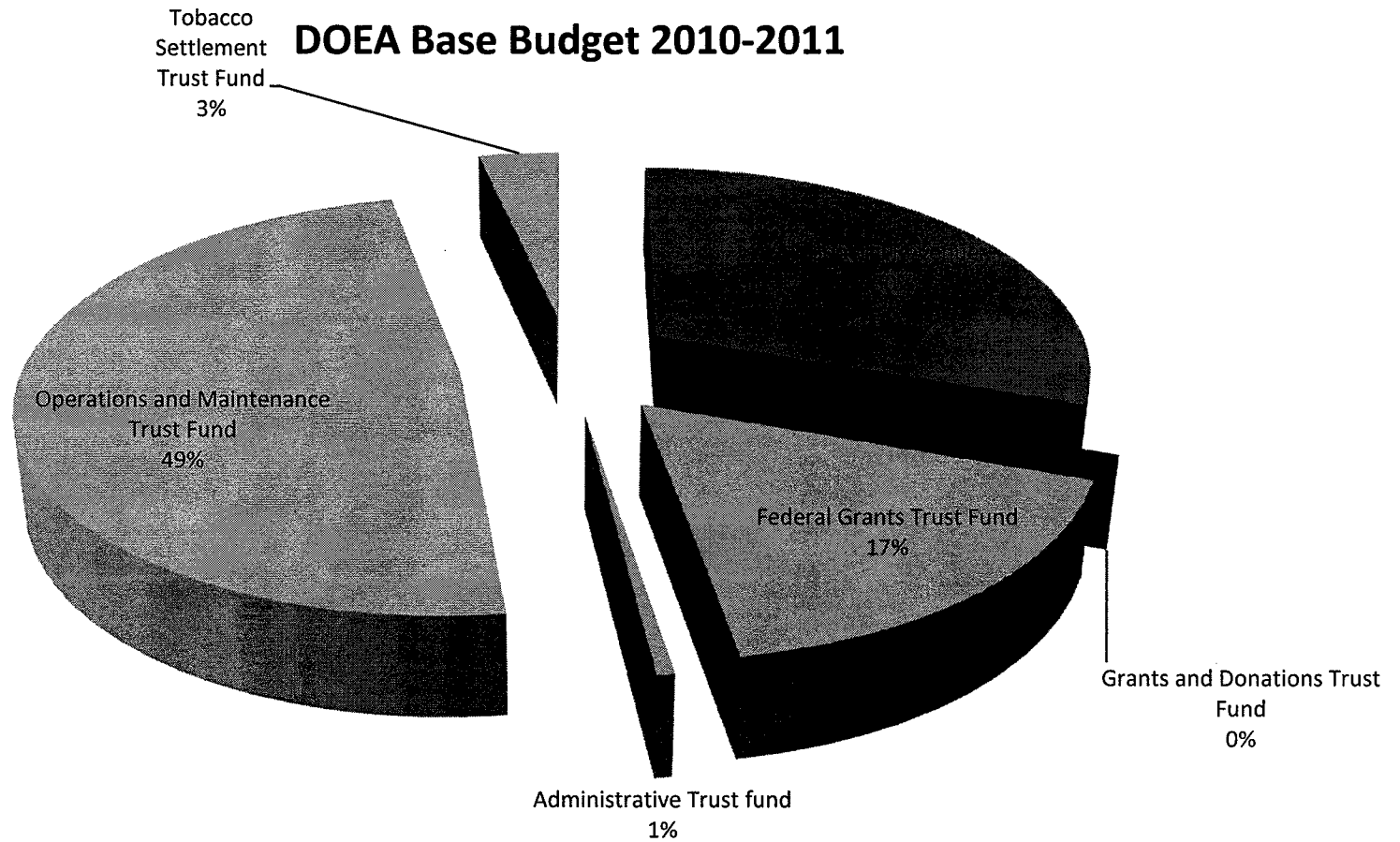
# DOEA Waiting List History

DOEA Waitlist Numbers Since Reductions



P  
e  
o  
p  
l  
e

# Base Budget for 2010-2011



# Target Reductions for 2010-2011

**General Revenue = \$21,474,710**

**Trust Funds = \$2,535,255**

## **Reduction Proposals for 10% Exercise**

**1. (\$7,903,357 - GR)**

**This issue proposes to eliminate the Home Care for the Elderly Program. The reduction of this program would impact approximately 3,693 seniors.**

**2. (\$909,034 - GR)**

**This issue proposes to eliminate the Respite for Elders Living in Every Day Families Program. This reduction would impact 512 seniors.**

# Target Reductions for 2010-2011

## Reduction Proposals for 10% Exercise

### 3. (\$2,000,000 – GR)

This issue proposes to reduce the Local Services Programs by 28.5 percent. Most of these programs have been specifically named through proviso. There are 31 projects that would be impacted by this proposed reduction.

### 4. (\$10,662,319 - GR, \$23,199,496 - TF)

This issue proposes reducing all remaining home and community based programs by 6.34%. This reduction would impact a total of 2,668 elders. All of these programs provide valuable and cost effective services to Florida's elders, therefore each program was weighted equally when considering reductions and their impacts.

### ● Community Care for the Elderly - \$2,537,914 (GR), \$26,609 (TSTF)

This reduction will mean 440 clients will not receive services during fiscal year 2010-2011.

### ● Alzheimer's Disease Initiative - \$746,965 (GR)

This reduction will impact Memory Disorder Clinics and will mean 89 clients will not receive respite services during 2010-2011.

# Target Reductions for 2010-2011

## Reduction Proposals for 10% Exercise

4. Continued
  - **Aged and Disabled Waiver - \$1,787,692 (TSTF), \$3,736,696 (OMTF)**  
**This reduction will impact 646 clients during fiscal year 2010-2011.**
  - **Assisted Living for the Frail Elderly - \$720,954 (TSTF), \$1,506,963 (OMTF)**  
**This reduction will impact 224 clients during fiscal year 2010-2011.**
  - **Capitated Nursing Home Diversion Program - \$6,722,483 (GR), \$14,051,568 (OMTF)**  
**This reduction will impact 1,133 clients during fiscal year 2010-2011.**
  - **Adult Day Care Waiver - \$39,914 (GR), \$83,430 (OMTF)**  
**This reduction will impact 7 clients during fiscal year 2010-2011.**
  - **Alzheimer's Disease Waiver - \$102,923 (GR), \$215,133 (OMTF)**  
**This reduction will impact 18 clients during fiscal year 2010-2011.**

# Target Reductions for 2010-2011

## Reduction Proposals for 10% Exercise

4. **Continued**
  - **Channeling Waiver - \$301,390 (GR), \$629,976 (OMTF)**  
**This issue will impact 81 clients during fiscal year 2010-2011.**
  - **Program for All Inclusive Care (PACE) - \$210,730 (GR), \$440,475 (OMTF)**  
**This issue will impact 30 clients during fiscal year 2010-2011.**



# Schedule 8 B Reduction Impacts

## **In Summary:**

### **Reductions of this magnitude will result in:**

- **Approximately 6,900 fewer Florida frail elders being served with home based services (i.e. Meals, personal care, assistance with daily living activities)**
- **Nursing home costs will increase**





agency for persons with disabilities  
*State of Florida*

**Overview of APD's Schedule VIIIIB  
for FY 2010-11**

**House Health Care Appropriations Committee  
November 3, 2009**

**Jim DeBeaugrine, Agency Director  
Charlie Crist, Governor**



## **APD's Schedule VIIIIB for FY 2010-11**

### **How Services are Funded**

- Services provided by APD are funded mostly through the Medicaid program.
- The Federal Stimulus Package included a temporary increase to the federal share of the Federal Medicaid Assistance Program (FMAP) from 10/1/2008 to 12/31/2010.
- The temporary increase in the FMAP currently provides approximately 67.64% federal match to 32.36% state general revenue dollars. This funding is in both the Medicaid waiver programs and the public and private institutional care programs.
- For FY 2010-2011, the FMAP is projected to be approximately 60.71% federal match to 39.29% state general revenue dollars.



**APD's Schedule VIIIIB for FY 2010-11**

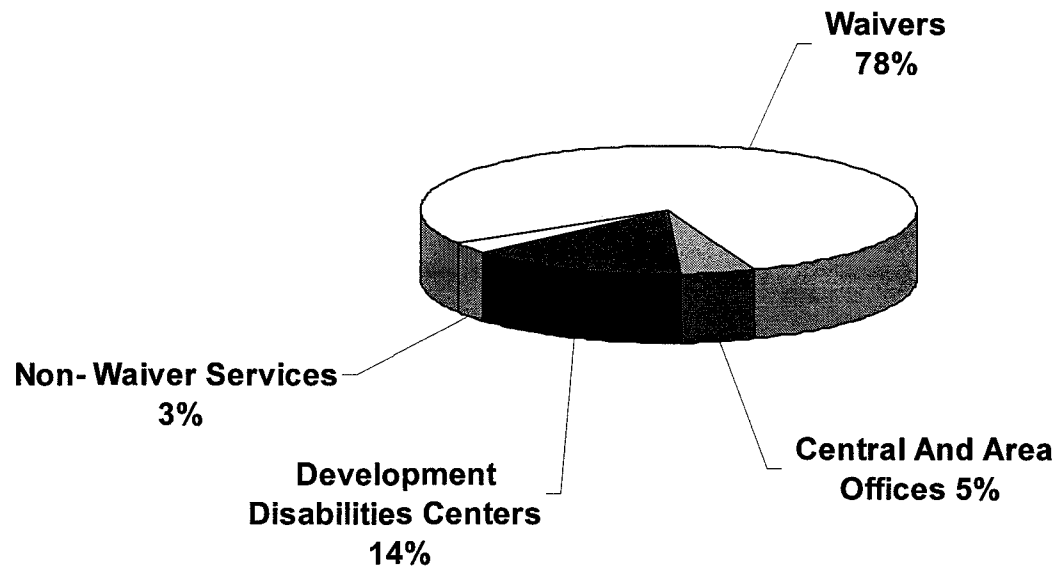
**Major Funding Sources for FY 2009-2010**

- Medicaid Home and Community Based Waiver – \$849,699,685
- General Revenue and Federal Block Grant funds for people in the community, the majority of whom are currently not enrolled in a waiver – \$21,836,771
- Developmental Disability Centers (DDC) - \$153,788,900
- Forensic Programs (including the Mentally Retarded Defendant Program (MRDP), Sunland Marianna and Tacachale) - \$26,081,696



**APD's Schedule VIIIIB for FY 2010-11**

**APD FY 2009-10 Appropriations by Major Function  
(Total Budget \$1,085,118,117)**





## **APD's Schedule VIIIIB for FY 2010-11**

### **Summary Overview**

- The Schedule VIIIIB-2 is based on a target reduction amount of ten percent.
- Given the previous administrative reductions from the 2009 Special Session A, as well as reductions in the Home and Community Services and Program Management and Compliance budget entities in the FY 2009-10 General Appropriations Act (GAA), APD determined that further reductions to these budget entities could impair the agency's ability to effectively manage services to clients.
- Since the Home and Community Based waivers represent 78.3 percent of the APD's budget, it was impossible to meet the target without presenting options that would result in reductions to these programs.



## **APD's Schedule VIIIIB for FY 2010-11**

### **Summary Overview continued**

- Provider rate reductions were also considered but rejected because of substantial rate cuts adopted in the FY 2008-09 GAA.
- The options include service reductions in areas that APD has determined are least likely to adversely impact consumer health and safety.
- It should be noted, however, that adoption of the options to reduce the waiver, especially the option to limit Tier 1 expenditures to \$120,000 per year, could force individuals to seek institutional care.
- Finally, the agency has proposed allowing greater consumer flexibility over how funds are spent if options to reduce waiver services are adopted.





**APD's Schedule VIII B for FY 2010-11**

**Annualization- Eliminate Medication Review**

- This service involves a pharmacy review of medications to identify potential drug interactions and is generally provided at no cost to pharmacy clients.
- Existing APD area office nurse review of medications, in addition to physician and pharmacy access through support coordinators, makes this service a duplication of services and unnecessary.
- Medication review is a component of the Medicaid payment to physicians.
- This issue annualizes the FY 2009-10 reductions for medication reviews that represented a nine month reduction.

<b>General Revenue:</b>	<b>(\$ 32,566)</b>
<b>Trust Fund:</b>	<b>(\$ 68,070)</b>
<b>TOTAL REDUCTION:</b>	<b>(\$ 100,636)</b>



**APD's Schedule VIIIIB for FY 2010-11**

**Annualization- Consolidate Durable and Consumable Medical Equipment Purchasing to Realize Savings**

- Durable and consumable medical equipment is currently purchased at retail market rates.
- This issue proposes to consolidate the purchase of durable and consumable medical equipment through statewide and regional contracts that would be competitively procured.
- The agency estimates that savings can be achieved by taking advantage of bulk purchasing and the resulting economies of scale.
- This issue annualizes the FY 2009-10 reductions for durable and consumable medical equipment that represented a six month reduction.

**General Revenue: (\$ 301,625)**  
**Trust Fund: (\$ 630,468)**  
**TOTAL REDUCTION: (\$ 932,093)**



**APD's Schedule VIIIIB for FY 2010-11**

**Operating Budget in the Operations and Maintenance Trust Fund**

- This issue proposes to reduce \$243,495 in the Operations and Maintenance Trust Fund (OMTF) from the Developmental Disabilities Public Facilities budget entity for the Long Term Program Component in order to meet the current target reduction amount for OMTF.
- This reduction represents budget that has been identified as unfunded authority in the Operations and Maintenance Trust Fund for Fiscal Year 2009-10.

<b>General Revenue:</b>	<b>(\$ 0)</b>
<b>Trust Fund:</b>	<b>(\$ 243,495)</b>
<b>TOTAL REDUCTION:</b>	<b>(\$ 243,495)</b>



**APD's Schedule VIIIIB for FY 2010-11**

**Eliminate Behavior Assistance Services in Standard & Behavior Focus Group Homes**

- Currently behavior assistant services are approved in conjunction with behavior analysts services to provide direct support in implementing behavior programs and training others in how to appropriately intervene when behavioral incidents occur.
- Standard and Behavior Focus Residential Habilitation services (group home services) fund direct support staff to work with individuals in the home.
- This option would end the use of behavior assistant services in a licensed group or foster home setting and directs the behavior analyst to train direct care staff funded through Residential Habilitation.

**General Revenue: (\$ 1,571,600)**

**Trust Fund: (\$ 2,428,400)**

**TOTAL REDUCTION: (\$ 4,000,000)**



**APD's Schedule VIIIIB for FY 2010-11**

**Reduce Consumer Directed Care (CDC+) Accounts by 10%**

- This option reduces accounts for Consumer Directed Care (CDC+) Program enrollees by ten percent consistent with the target set in the instructions for completing the Schedule VIIIIB-2.
- There are approximately 960 consumers in the CDC+ Program.
- These consumers already agree to accept funding at 92 percent of their cost plans and are charged another four percent for administrative processing.
- An additional reduction to their budgets could result in some consumers asking to be enrolled back into the traditional waiver program. In these instances, the state would lose the eight percent discount the state receives when these individuals enroll in CDC+.

**General Revenue: (\$ 1,304,280)**

**Trust Fund: (\$ 2,015,343)**

**TOTAL REDUCTION: (\$ 3,319,623)**



**APD's Schedule VIIIIB for FY 2010-11**

**Cap the Tier 1 Waiver at \$120,000**

- This option would impose an annual expenditure limit of \$120,000 per year for individuals who receive services through the Tier 1 waiver.
- The Tier 1 waiver is currently the only one of the four waivers that has no expenditure limit. The agency has identified 354 individuals who currently are projected to spend in excess of \$120,000 per year. The imposition of a \$120,000 expenditure cap on these 354 individuals will result in projected savings of \$12.6 million per year. Three consumers would realize a reduction to their services of over \$200,000 per year; 13 consumers would experience a reduction to their services of over \$100,000 per year; and 163 consumers would have their services reduced by 20 percent or more.
- The agency expects that institutional care would be necessary for some individuals.

<b>General Revenue:</b>	<b>(\$ 4,950,540)</b>
<b>Trust Fund:</b>	<b>(\$ 7,649,460)</b>
<b>TOTAL REDUCTION:</b>	<b>(\$ 12,600,000)</b>



**APD's Schedule VIIIIB for FY 2010-11**

**10% Reduction in the Social Services Block Grant Trust Fund**

- This reduction equals 10 percent in Social Services Block Grant Trust Fund from the Home and Community Services budget entity.
- This reduction would cause client services to be cut, including but not limited to supported living coaching, day training, therapy, supported employment, community inclusion, residential habilitation, transportation, respite care, behavior analysis services, parent education and training, evaluations, diagnostic testing, adaptive equipment, environmental modifications to residences, and temporary employment services.
- Generally, these services are provided on a short-term basis to individuals not enrolled in a Home and Community-Based Services (HCBS) Waiver. However, some ongoing services are provided to individuals on the wait list for the HCBS to avoid crisis situations.

<b>General Revenue:</b>	<b>(\$ 0)</b>
<b>Trust Fund:</b>	<b>(\$ 1,474,296)</b>
<b>TOTAL REDUCTION:</b>	<b>(\$ 1,474,296)</b>



## **APD's Schedule VIIIIB for FY 2010-11**

### **Consolidate & Reduce Meaningful Day Activity Services**

- This option would consolidate and reduce a number of service categories generally regarded as meaningful day activities and in-home maintenance supported in the HCBS Waiver. They include adult day treatment, supported employment, supported living, in-home support services, companion, and respite care.
- This option would require considerable flexibility in how these funds would be utilized. Families and consumers could use their flexibility to direct funds to those services most important to them and hopefully minimize the negative impact of the funding reduction.
- This option represents nearly an 25.6 percent reduction of current expenditures in order to fulfill the total target reduction amount for the agency.





**APD's Schedule VIIIIB for FY 2010-11**

**Consolidate & Reduce Meaningful Day Activity Services continued**

- This option is not recommended by the agency and would likely result in increased utilization of institutional and other congregate care settings at increased cost to the state.
- If this option is chosen, the agency will attempt to minimize the impact of the reduction through consolidation of service categories as described.
- This reduction would potentially impact approximately 24,144 consumers receiving these services.

<b>General Revenue:</b>	<b>(\$ 28,920,335)</b>
<b>Trust Fund:</b>	<b>(\$ 44,687,033)</b>
<b>TOTAL REDUCTION:</b>	<b>(\$ 73,607,368)</b>



**APD's Schedule VIII-B for FY 2010-11**

**Total Reductions**

- **Total General Revenue Reduction: \$37,080,946**
- **Total Trust Fund Reduction: \$59,196,565**
- **TOTAL AGENCY ALL FUNDS REDUCTION: \$96,277,511**

# **QUESTIONS?**





# **Florida Department of Veterans' Affairs**



## **House Health Care Appropriations Committee November 3, 2009**

Schedule VIII B-2

Priority Listing for Possible Reduction for  
Request Year



## **Mission**



# **Veterans' Advocacy**

Help Florida veterans, their families and survivors to improve their health and economic well-being through quality advocacy regarding benefit information, education and long-term health care services.



# Statutory Responsibilities

- **Provide Information and Advocacy**  
*(Benefits and Assistance)*

The Division of Benefits and Assistance (B&A) provides professional assistance to all Florida's veterans and their dependents in their efforts in preparing claims for and securing financial benefits, medical treatment, career training, and other benefits or privileges to which they are entitled under federal or state law or regulation by reason of their military service. All services provided by B&A are without charge to the claimant. (Chapter 292, Florida Statutes)

- **Quality Long-Term Health Care Services to Florida Veterans**  
*(Homes Program)*

The State Veterans' Homes Program provides comprehensive, high-quality health care on a cost-effective basis to eligible veterans who are in need of assisted living or long-term care in a skilled nursing facility. (Chapter 296, Florida Statutes)







# FY 2009-2010 Base Budget



<b><i>Budget Entity</i></b>	<b><i>Base Budget</i></b>
<b>State Veterans' Homes Program</b>	<b>\$ 5,902,685 GR</b>
<b>Benefits &amp; Assistance</b>	<b>\$ 52,304,560 TF</b>
<b>Executive Direction &amp; Support Services</b>	<b>\$ 3,958,239 GR</b> <b>\$ 100,458 TF</b>
<b><u>TOTAL</u> All Divisions</b>	<b>\$ 65,536,339</b>



# Reductions to Recurring Base Budget



**FDVA Does Not Recommend Any of the Identified Reductions**

<b><i>Budget Entity</i></b>	<b><i>Target Reductions</i></b>
<b>State Veterans' Homes Program</b>	<b>(\$ 573,002) GR</b>
<b>Benefits &amp; Assistance</b>	<b>(\$ 3,649,458) TF</b>
<b>Executive Direction &amp; Support Services</b>	<b>(\$ 391,858) GR</b>
<b><u>TOTAL BY FUND TYPE</u></b>	<b>(\$ 1,278,715) GR</b>
<b>All Divisions</b>	<b>(\$ 3,649,458) TF</b>
	<b>(\$ 4,928,173)</b>



# Reductions to Recurring Base Budget



**FDVA Does Not Recommend Any of the Identified Reductions**

## **State Veterans' Homes Program**

**General Revenue (\$ 573,002)**

**Trust Funds (\$ 3,649,458)**

The Homes Program provides one service: high-quality health care on a cost effective basis to eligible Florida veterans in need of assisted living or long-term skilled nursing care. In order to realize the proposed budget cuts, the Veterans' Homes Program would have to decrease the number of nursing positions to a level that would require a drastic reduction in resident census. Salary and Benefits is the only category in the General Revenue Fund that would accommodate such a large reduction. This reduction would equate to a reduction in force by approximately 121.5 Certified Nursing Assistant positions and the remaining portion would reduce the resident recreational equipment and supplies category.



# Reductions to Recurring Base Budget



**FDVA Does Not Recommend Any of the Identified Reductions**

## **State Veterans' Homes Program**

### General Revenue

**Senior Certified Nursing Assistants - 16.5 FTE** (\$ 573,002)

### Operations and Maintenance Trust Fund

**Senior Certified Nursing Assistants - 105 FTE** (\$ 3,645,810)

### Grants and Donations Trust Fund

**Reduction in items purchased for resident activities** (\$ 3,648)

-----  
**(\$4,222,460)**



# Reductions to Recurring Base Budget



**FDVA Does Not Recommend Any of the Identified Reductions**

## **Benefits and Assistance**

### **General Revenue (\$ 391,858)**

This level of reduction from GR would require a reduction in force as the appropriations for other personal services (OPS), expense and contracted services categories total \$211,636. The Division must maintain minimum appropriations in these categories in order to function and meet state mandates. This Division operates the Claims and Field Services Bureaus as well as the Federal funded State Approving Agency for veterans education (SAA). All bureaus are currently meeting and exceeding their expected level of performance measures.

A reduction in the salaries and benefits category would reduce the Veterans' Claims Examiners (VCE) staffing by 7 FTE (\$381,864 or 15%). This would reduce the number of hours by 14,560 (7 FTE x 2,080 hours) that are currently used to serve and represent Florida's veterans. The remaining \$9,994 would reduce the expense category and thus further limit outreach conducted by VCE's. One VCE was lost during the prior year's budget reductions.



# Return on Investment Benefits and Assistance



## ROI Through First Quarter

*(July 2009 - September 2009)*

VA Benefits:	\$ 81,368,079
Retroactive Benefits:	\$ 27,332,915
Debt Waiver:	\$ 207,003
<u>Issue Resolution:</u>	<u>\$ 10,833,021</u>
Total	\$119,741,018
B&A Total Expenses:	\$ 809,402
ROI = \$ 148 : \$1	

Every federal dollar that B&A staff garners from advocacy on behalf of Florida's veterans is a dollar added to Florida's economy. Every health care or educational dollar provided by the federal VA potentially frees up a state dollar that can be used to assist other citizens.



# Reductions to Recurring Base Budget



**FDVA Does Not Recommend Any of the Identified Reductions**

## **Executive Direction**

**(\$ 313,855) GR**

A 10% reduction of \$313,855 would require a reduction in expense, other personal services, and salaries and benefits categories (reduction in force). Executive Direction provides leadership and centralized support for Division of Benefits and Assistance (B&A) and the Veterans' Homes Program (Homes). With no fiscal redundancy or excess, exacerbated by a 10% reduction (3 FTE) during the two prior years budget reductions, any additional reductions will severely impact the service support function of this Department, its ability to meet statutory compliance requirements and to support our Veterans' Advocacy statutory mandates. A budget reduction of this magnitude would necessitate a significant decrease in the level of support provided to the Veterans' Homes Program, Benefits and Assistance Division and Information Technology Program. Accounting, Auditing, Budget, Personnel, Planning, Purchasing, Training and Information Technology support would be limited by insufficient expense funding to support office costs, travel, training, equipment and computer and software upgrades and replacements. FDVA could not support the Homes and B&A's unique operating systems and associated software.



# Reductions to Recurring Base Budget



**FDVA Does Not Recommend Any of the Identified Reductions**

## Executive Direction

<b>Reduction in Salaries and Benefits</b> (approximately 3.5 FTE - Chief of Staff, Internal Auditor, Administrative Assistant III and Administrative Assistant II (.5 FTE); 11% decrease in FTE)	(\$ 280,492)
<b>Reduction in Travel Expenses</b>	(\$ 10,000)
<b>Reduction in Training Costs</b>	(\$ 13,598)
<b>Reduction in OPS</b>	(\$ 9,765)
<b>Total - 10% Reduction in Executive Direction</b>	<b>(\$ 313,855)</b>





# **Florida Department of Veterans' Affairs**



## **House Health Care Appropriations Committee November 3, 2009**

Schedule VIII B-2

Priority Listing for Possible Reduction for  
Request Year

**Schedule VIII B—Target Reductions**

Schedule VIII B Target Reductions

Agency	Final Target			Welfare Transition Trust Fund	Social Services Block Grant Trust Fund
	General Revenue	Trust Fund	Total		
Agency for Health Care Administration	240,988,456	355,526,797	596,515,254		
Agency for Persons with Disabilities	37,080,946	243,495	37,324,441		1,474,296
Children and Families (excluding Northwood Shared Resource Center)	140,523,332	19,513,956	160,037,288	22,710,360	8,836,819
Northwood Shared Resource Center	-	2,301,568	2,301,568		
Elder Affairs	21,474,710	2,535,255	24,009,965		
Health	46,467,516	102,735,223	149,202,738		737,656
Veterans Affairs	1,279,013	3,648,188	4,927,201		
<b>Total</b>	<b>487,813,973</b>	<b>486,504,481</b>	<b>974,318,454</b>	<b>22,710,360</b>	<b>11,048,771</b>