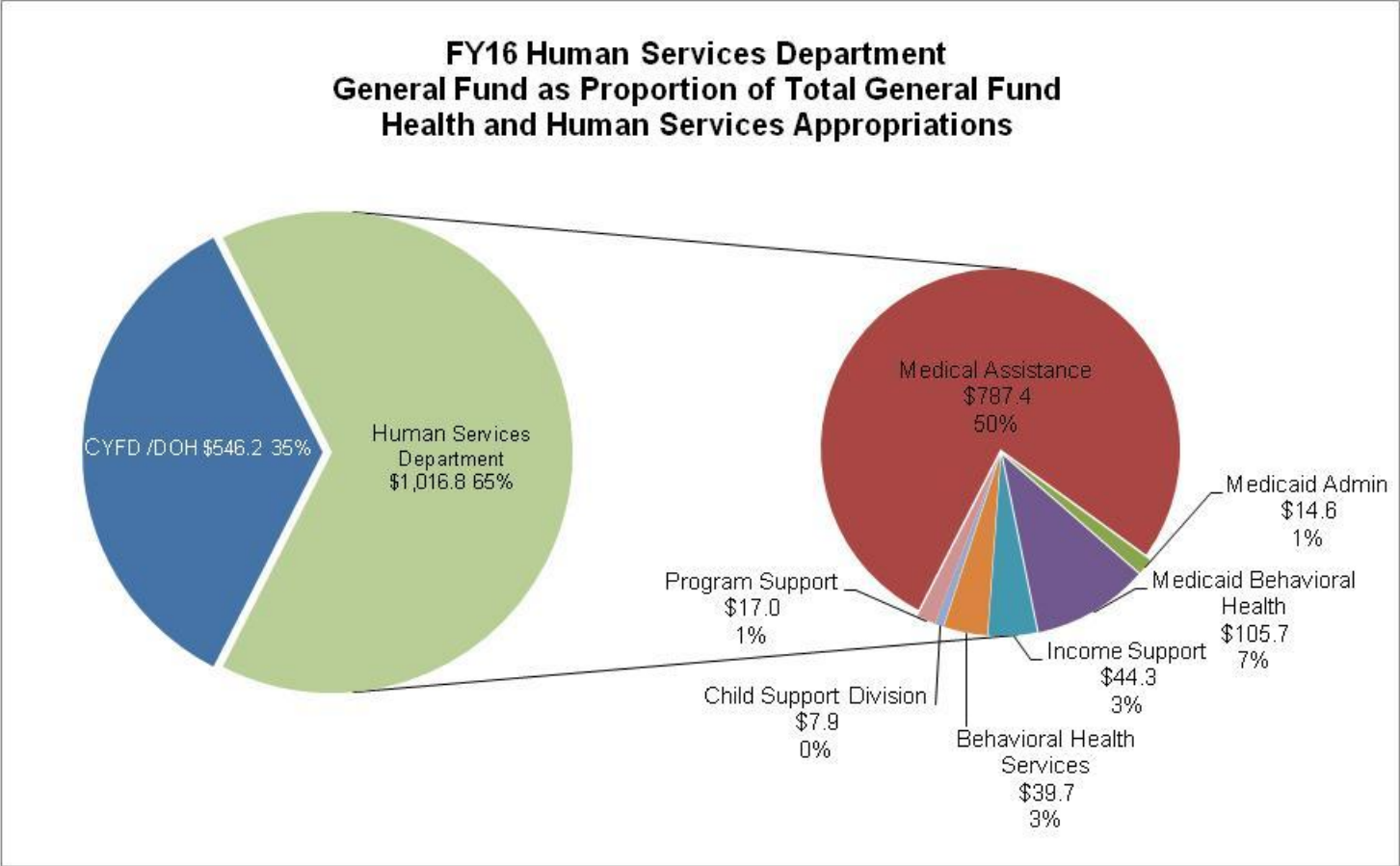


*Presentation to the Legislative Health and
Human Services Committee
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Health and Human Services FY16 Budgetary Update

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Human Services Department



Human Services Department

- ▶ FY16 general fund appropriation is \$3.8M (0.4 percent) over FY15 for a total of \$1.017B, \$893M of which is for Medicaid services.
- ▶ Medicaid budget includes \$20.8M in tobacco fund settlement revenue.
- ▶ Increased enrollment and utilization drive increased total Medicaid costs and general fund support.
- ▶ May 2015 Medicaid projection includes a \$37M general fund shortfall and assumes 85M (\$25M general fund) in costs pushed from FY15 to FY16.
- ▶ Step down of federal support for newly-eligible Medicaid clients begins CY17; total projected increase in general fund for SFY17 is estimated at \$40M.

Human Services Department

- ▶ HSD appropriation also includes:
 - \$2.5M in general fund for Medicaid nursing facilities
 - \$500 thousand for MCO financial auditing and nursing facility rate-setting
 - \$1M Medicaid hospital rates
- ▶ TANF caseloads remain low despite slow economic recovery
- ▶ GAA includes language indicating cash assistance grants will be at least 5 percent greater in FY16
- ▶ Language notes funding is sufficient to return the clothing allowance to two distributions annually

Behavioral Health Initiatives

- ▶ HSD FY16 budget includes:
 - \$1.3M for regional crisis stabilization units for individuals experiencing a behavioral health crisis
 - \$1.5M for transitional and supportive housing, rental assistance vouchers and support services for households and families with severe mental illness
 - \$1.2M for health homes to coordinate physical and mental health treatment for the state's sickest patients

Behavioral Health Initiatives

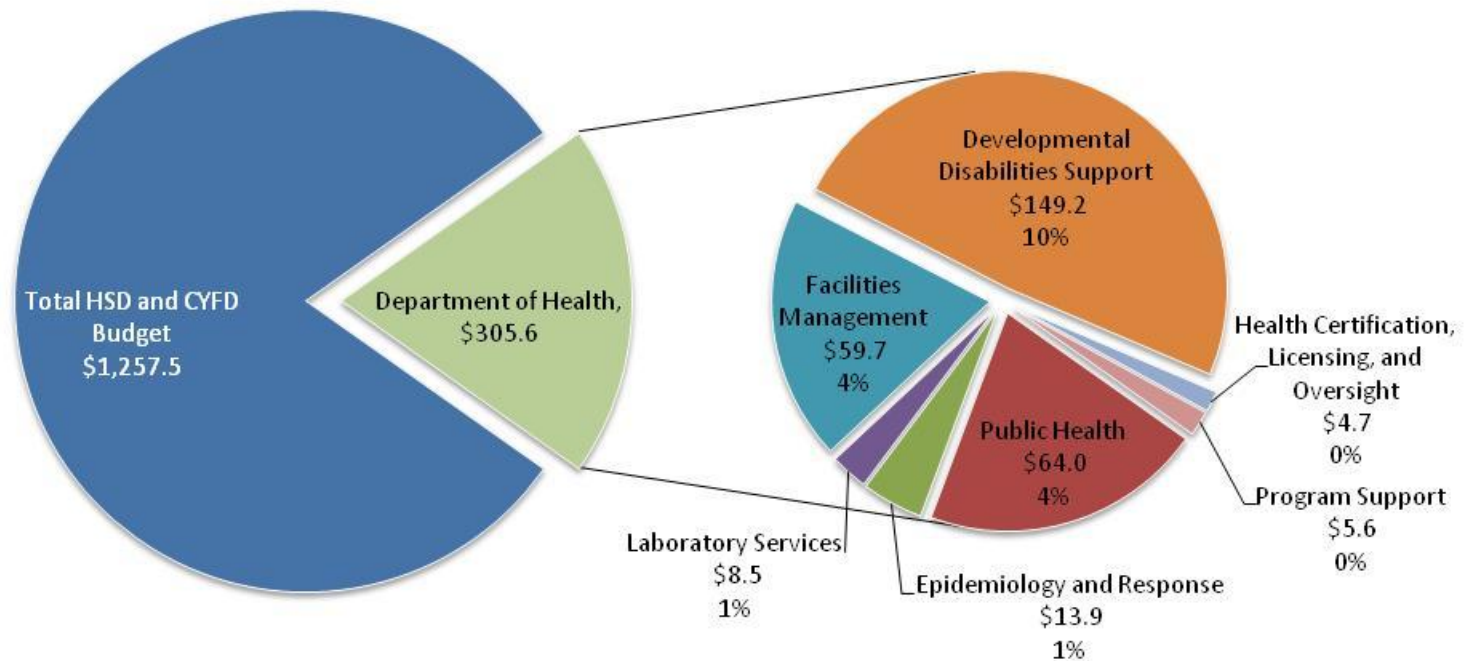
- ▶ Appropriations contingent on revenue from state-tribal class III gaming compact include:
 - \$500 thousand for drug courts statewide
 - \$200 thousand for personnel and training for court-ordered mental health treatment
 - \$950 thousand for regional crisis stabilization centers
 - \$350 thousand for behavioral health transitional and supportive housing
 - \$1M for evidence-based behavioral health investment zones

Behavioral Health – Provider Audit Update

- AGO reports three cases completed; no fraud found for Easter Seals El Mirador or the Counseling Center
- Criminal complaint filed against one therapist employed by SOY for four counts of Medicaid fraud
- Of remaining twelve cases, AGO is actively investigating (20 percent to 80 percent complete)
- \$1.8M special appropriation to AGO for provider investigations:
 - RFP is in process with target issuance in June
 - Contractor will work on eight pending investigations and any others not completed
 - All investigations complete within eight months of contract award

Department of Health

FY16 Department of Health General Fund as Proportion of Total General Fund Health and Human Services Appropriations(Millions)



Department of Health

- ▶ \$2.4 million reduction in general fund revenue from FY15
- ▶ \$6.8 million appropriated from the tobacco settlement program fund
- ▶ \$200 thousand to identify local community health needs
- ▶ \$50 thousand for coordinated cancer prevention, research, and education
- ▶ \$50 thousand for school-based health services

Department of Health

- ▶ Developmental Disabilities Medicaid Waiver (All General Fund)
 - \$103.3 million general fund match for Medicaid waiver
 - Non-reverting language to carry over from FY15
 - \$400 thousand increase to add more beneficiaries
 - \$450 thousand for provider rate increases
 - \$10 thousand for Special Olympics
 - \$500 thousand to continue the DD flexible supports pilot model
 - About 4,500 clients are served under the DD waiver program

Department of Health

- ▶ Family, Infant, Toddler Program (FIT)
 - \$20.5 million general fund revenues
 - \$450 thousand general fund rate increase for 32 providers
 - 13 thousand children served

Department of Health

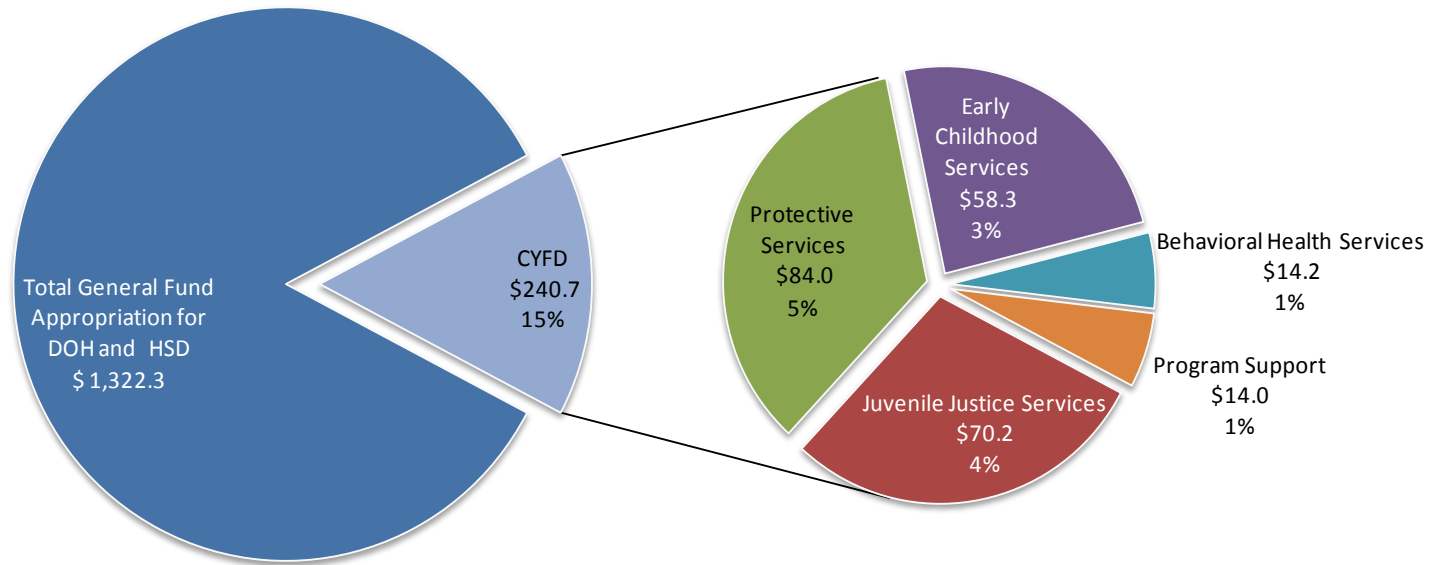
- ▶ Office of Facilities Management budget issues
 - March 2015 projection showing \$7.5 million FY15 deficit – proposed \$4 million for the special session
 - Vacancies increased agency spending on staff overtime as well as contracted nursing services
 - Nursing service contracts increased from \$1.3 million to an estimated \$6 million from FY12 to FY15

Department of Health

- ▶ Initiatives to increase number of nurses
 - Salary increase – 3 percent (vetoed)
 - Increased nursing residencies
 - Scholarships & NMSU staff support for nurse practitioners

Children, Youth and Families Department

FY16 CYFD General Fund as Proportion of Total General Fund Health and Human Services Appropriations (Millions)



Children, Youth and Families Department

- ▶ \$8.3 million increase in general fund revenues over FY15 operating budget
- ▶ \$10 million increase Temporary Assistance for Needy Families (TANF) block grant for early childhood programs
- ▶ \$700 thousand TANF to pilot a supportive housing program

Children, Youth and Families Department

- ▶ Protective Services– General Fund Increase 8 Percent
 - Additional \$2.2 million general fund for the care and support of children in custody
 - \$2.2 million general fund and 45 FTE to reduce caseloads
 - \$2.2 million general fund to pilot family support service and child advocacy centers
 - \$700 thousand TANF to pilot a supportive housing program
 - Additional \$50 thousand general fund for domestic violence services
 - Additional \$50 thousand general fund for teen parent support services

- ▶ Juvenile Justice Services– General Fund Increase 3 Percent
 - \$850 thousand general fund to reduce vacancies

Children, Youth and Families Department

- ▶ Early Childhood Services
 - Additional \$2.5 million TANF for home visiting
 - Additional \$300 thousand federal funds for professional development
 - Additional \$5.5 million TANF for extended day PreK
 - \$2 Million TANF to pilot 3-year-old PreK
 - \$100 thousand general fund for early literacy
 - \$50 thousand general fund for home visiting

Children, Youth and Families Department

- ▶ Behavioral Health Services
 - Additional \$848.8 thousand general fund for safe house interviews and shelter care provider rate increases
- ▶ Program Support
 - \$500 thousand general fund and 7 FTE for a virtual desktop to allow law enforcement access to CYFD case history
 - \$136 thousand general fund and 2 FTE for legal assistance for families