

New Mexico Department of Health



**Legislative Finance Committee
Fiscal Year 2016 Appropriation Request Hearing**

December 10, 2014

Retta Ward, Cabinet Secretary

Brad McGrath, Chief Deputy Secretary

Lynn Gallagher, Deputy Secretary

Mission in Action

*Promote health and wellness,
improve health outcomes, and
assure safety net services for all
people in New Mexico*

FY16 Appropriation Request

Department of Health Roll-Up (Dollars in Thousands)

<u>Revenue</u>	FY15 Operating Budget	FY16 Appropriation Request	FY16 Rqst Over / (Under) FY15 OpBud
General Fund	\$ 307,971.0	\$ 314,621.0	\$ 6,650.0
Other Trans	\$ 28,451.2	\$ 28,626.2	\$ 175.0
Federal Funds	\$ 101,302.0	\$ 100,369.5	\$ (932.5)
Other Revenue	\$ 117,049.4	\$ 113,233.5	\$ (3,815.9)
<u>Fund Balance</u>	<u>\$ 250.0</u>	<u>\$ -</u>	<u>\$ (250.0)</u>
Total	\$ 555,023.6	\$ 556,850.2	\$ 1,826.6
 <u>Expenditures</u>			
Pers Svs / Emp Bens	\$ 207,958.6	\$ 209,486.6	\$ 1,528.0
Contracts	\$ 84,178.7	\$ 89,429.8	\$ 5,251.1
Other Costs	\$ 150,901.9	\$ 145,938.8	\$ (4,963.1)
<u>Other Finance Uses</u>	<u>\$ 111,984.4</u>	<u>\$ 111,995.0</u>	<u>\$ 10.6</u>
Total	\$ 555,023.6	\$ 556,850.2	\$ 1,826.6

FY16 Appropriation Request

Base Increase

- The Department of Health's FY16 Appropriation Request includes a General Fund base increase of \$6.65 million in General Fund.
- Requested increase is for the Facilities Management Program to:
 - ✓ Restore funding for DOH's six state hospitals and the Los Lunas Community Program to FY14 levels; and,
 - ✓ Develop a pilot system for automated dispensing of medications
- The DOH Facilities Management Program General Fund budget for FY15 was reduced by \$4.7 million from FY14 levels. DOH is also requesting a supplemental appropriation for FY15 for the Facilities.

FY16 Appropriation Request Base Increase

General Fund Reductions were due to:

- Reallocation of General Fund for the FIT program in DDSD (\$867.7)
- Reallocation of General Fund for the Jackson lawsuit costs in DDSD (\$1,052.0)
- A reduction in General Fund, and corresponding increase in Other Revenue, due to anticipated increases in Medicaid funding under the ACA, requested by the LFC and submitted as a revised request by DOH (\$1,500.0)
- Legislative reductions to the budget request and recommendation (\$2,235.8)

FY16 Appropriation Request

Base Increase

- The requested Facilities Management Program increase is for all categories: personal services / employee benefits (PS/EB), contractual services, and other costs:
 - ✓ An increase to the PS/EB category of \$2.8 million to adequately fund salary and benefits costs in the Facilities Program, including the annualized 3% raise from FY15 and increased GSD premiums;
 - ✓ An increase to the Contractual Services category of \$2.3 million to restore the budget to FY14 actual levels; and,
 - ✓ An increase to the Other Costs category of \$1.3 million to restore the budget to FY14 actual levels, as well as \$250.0 for a medication dispensing system.

FY16 Appropriation Request

Public Health Division (Dollars in Thousands)

	FY15 Operating Budget	FY16 Appropriation Request	FY16 Rqst Over / (Under) FY15 OpBud
Revenue			
General Fund	\$ 65,307.6	\$ 65,307.6	\$ -
Other Trans	\$ 13,002.5	\$ 12,882.5	\$ (120.0)
Federal Funds	\$ 74,907.0	\$ 72,883.5	\$ (2,023.5)
Other Revenue	\$ 32,321.2	\$ 31,167.5	\$ (1,153.7)
Fund Balance	\$ -	\$ -	\$ -
Total	\$ 185,538.3	\$ 182,241.1	\$ (3,297.2)
Expenditures			
Pers Svs / Emp Bens	\$ 51,078.8	\$ 52,340.1	\$ 1,261.3
Contracts	\$ 47,300.5	\$ 49,494.2	\$ 2,193.7
Other Costs	\$ 86,609.3	\$ 79,846.5	\$ (6,762.8)
Other Finance Uses	\$ 549.7	\$ 560.3	\$ 10.6
Total	\$ 185,538.3	\$ 182,241.1	\$ (3,297.2)

FY16 Appropriation Request

Public Health Division

Major initiatives

On-going funding:

- Cancer Screening and Prevention totaling \$5.7 million
- Children's Medical Services totaling \$11.2 million
- Families First totaling \$1.9 million
- Family Planning totaling \$7.0 million
- New Mexico WIC Program totaling \$60.3 million

FY16 Appropriation Request

Public Health Division

Major initiatives

On-going funding:

- Rural and Primary Health Care totaling \$15.9 million
- HIV / AIDS Prevention and Treatment totaling \$11.1 million
- New Mexico Immunization Program totaling \$14.0 million
- School-Based Health Centers totaling \$4.2 million
- Public Health Offices totaling \$16.8 million
- \$34.1 million for other programs and program support.

FY16 Appropriation Request

Epidemiology and Response Division (Dollars in Thousands)

	FY15 Operating Budget	FY16 Appropriation Request	FY16 Rqst Over / (Under) FY15 OpBud
<u>Revenue</u>			
General Fund	\$ 8,517.0	\$ 15,087.2	\$ 6,570.2
Other Trans	\$ 439.8	\$ 424.6	\$ (15.2)
Federal Funds	\$ 12,747.3	\$ 13,337.9	\$ 590.6
Other Revenue	\$ 1,252.2	\$ 1,515.7	\$ 263.5
<u>Fund Balance</u>	<u>\$ 250.0</u>	<u>\$ -</u>	<u>\$ (250.0)</u>
Total	\$ 23,206.3	\$ 30,365.4	\$ 7,159.1
<u>Expenditures</u>			
Pers Svs / Emp Bens	\$ 12,490.5	\$ 13,036.8	\$ 546.3
Contracts	\$ 4,225.2	\$ 7,620.1	\$ 3,394.9
Other Costs	\$ 6,490.6	\$ 9,708.5	\$ 3,217.9
<u>Other Finance Uses</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total	\$ 23,206.3	\$ 30,365.4	\$ 7,159.1

FY16 Appropriation Request

Epidemiology and Response Division (ERD)

The FY16 request includes:

- The transfer in of the Trauma System Fund in the amount of \$3,935.4 in General Fund from the Administrative Services Division (ASD); and,
- The transfer in of funding for sexual assault prevention and treatment from the ASD totaling \$2,634.8 in General Fund and \$279.5 in Federal Funds.

FY16 Appropriation Request

Epidemiology and Response Division

On-going funding for:

- Infectious Disease Surveillance and Response totaling \$5.2 million; and,
- Injury Prevention and Behavioral Epidemiology totaling \$2.8 million

FY16 Appropriation Request

Epidemiology and Response Division

Major initiatives

On-going funding:

- Vital Records and Health Statistics totaling \$1.9 million
- Health Emergency Management totaling \$5.1 million
- Emergency Medical System totaling \$4.8 million
- Environmental Health Epidemiology for \$1.6 million

FY16 Appropriation Request

Scientific Laboratory Division (Dollars in Thousands)

<u>Revenue</u>	FY15 Operating Budget	FY16 Appropriation Request	FY16 Rqst Over / (Under) FY15 OpBud
General Fund	\$ 8,482.5	\$ 8,482.5	\$ -
Other Trans	\$ -	\$ -	\$ -
Federal Funds	\$ 2,138.7	\$ 2,138.7	\$ -
Other Revenue	\$ 2,531.3	\$ 2,531.3	\$ -
<u>Fund Balance</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total	\$ 13,152.5	\$ 13,152.5	\$ -
 <u>Expenditures</u>			
Pers Svs / Emp Bens	\$ 8,175.7	\$ 8,175.7	\$ -
Contracts	\$ 190.4	\$ 212.9	\$ 22.5
Other Costs	\$ 4,786.4	\$ 4,763.9	\$ (22.5)
<u>Other Finance Uses</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total	\$ 13,152.5	\$ 13,152.5	\$ -

FY16 Appropriation Request

Scientific Laboratory Division (SLD)

Major initiatives

On-going funding:

- DWI and drug testing totaling \$2.3 million
- Air, water, and other environmental chemical testing totaling \$1.9 million
- Human, animal, food, and other biological testing totaling \$2.0 million
- Bio-terrorism response totaling \$1.3 million

FY16 Appropriation Request

Facilities Management Division (Dollars in Thousands)

	FY15 Operating Budget	FY16 Appropriation Request	FY16 Rqst Over / (Under) FY15 OpBud
<u>Revenue</u>			
General Fund	\$ 59,712.4	\$ 66,362.4	\$ 6,650.0
Other Trans	\$ 716.0	\$ 716.0	\$ -
Federal Funds	\$ -	\$ -	\$ -
Other Revenue	\$ 76,560.5	\$ 73,619.4	\$ (2,941.1)
<u>Fund Balance</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total	\$ 136,988.9	\$ 140,697.8	\$ 3,708.9
<u>Expenditures</u>			
Pers Svs / Emp Bens	\$ 103,346.6	\$ 103,044.4	\$ (302.2)
Contracts	\$ 10,679.0	\$ 13,006.7	\$ 2,327.7
Other Costs	\$ 22,963.3	\$ 24,646.7	\$ 1,683.4
<u>Other Finance Uses</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total	\$ 136,988.9	\$ 140,697.8	\$ 3,708.9

FY16 Appropriation Request

Facilities Management Division (FMD)

- The DOH Facilities Management Program is requesting an FY16 General Fund base increase to restore funding to FY14 actual levels and for increased salaries and benefits costs.
- The DOH Facilities Program is requesting a “cross-program” BAR authority authorizing transfers from other Program Areas to make it through FY15.
- Services supported exclusively by General Fund are provided at all DOH facilities: Turquoise Lodge Hospital, NMBHI, New Mexico Rehabilitation Center, Sequoyah Adolescent Treatment Center, New Mexico State Veterans Home, Fort Bayard Medical Center, and Los Lunas Community Program.

FY16 Appropriation Request

Facilities Management Division

Includes funding for:

- Turquoise Lodge Hospital totaling \$7.8 million
- New Mexico Behavioral Health Institute totaling \$57.2 million
- New Mexico Rehabilitation Center totaling \$7.2 million
- Sequoyah Adolescent Treatment Center totaling \$7.6 million
- New Mexico State Veteran's Home totaling \$14.4 million

FY16 Appropriation Request

Facilities Management Division

Includes funding for:

- Fort Bayard Medical Center totaling \$27.2 million
- Los Lunas Community Program totaling \$17.3 million
- Office of Facilities Management totaling \$2.0 million

FY16 Appropriation Request

Developmental Disabilities Supports Division (Dollars in Thousands)

	FY15 Operating Budget	FY16 Appropriation Request	FY16 Rqst Over / (Under) FY15 OpBud
<u>Revenue</u>			
General Fund	\$ 148,908.0	\$ 148,908.0	\$ -
Other Trans	\$ 10,030.3	\$ 10,214.6	\$ 184.3
Federal Funds	\$ 2,820.4	\$ 2,820.4	\$ -
Other Revenue	\$ 1,200.0	\$ 1,200.0	\$ -
<u>Fund Balance</u>	\$ -	\$ -	\$ -
Total	\$ 162,958.7	\$ 163,143.0	\$ 184.3
<u>Expenditures</u>			
Pers Svs / Emp Bens	\$ 12,080.6	\$ 12,080.6	\$ -
Contracts	\$ 16,875.6	\$ 16,576.6	\$ (299.0)
Other Costs	\$ 22,567.8	\$ 23,051.1	\$ 483.3
<u>Other Finance Uses</u>	\$ 111,434.7	\$ 111,434.7	\$ -
Total	\$ 162,958.7	\$ 163,143.0	\$ 184.3

FY16 Appropriation Request

Developmental Disabilities Supports Division (DDSD)

- DDSD provides community based services to approximately twenty thousand children with developmental delay, individuals with Intellectual/Developmental Disabilities (I/DD), and their families.

Services provided:

- ✓ Three (3) Medicaid Waivers
- ✓ The Family Infant Toddler Program
- ✓ Five (5) specialized State General Fund (SGF) programs

DDSD assures statewide access:

- ✓ Employs 183 FTE
- ✓ Maintains seven offices in five regions
- ✓ Establishes 350 provider agreements/contracts

- DOH is requesting language changes to the budget bill (HB 2) to support effective use of all available funds in FY16

DD Waiver Enrollments

Developmental Disabilities Supports Division

Number of individuals in service (HSD/DOH enrollment data as of 10/31/14)

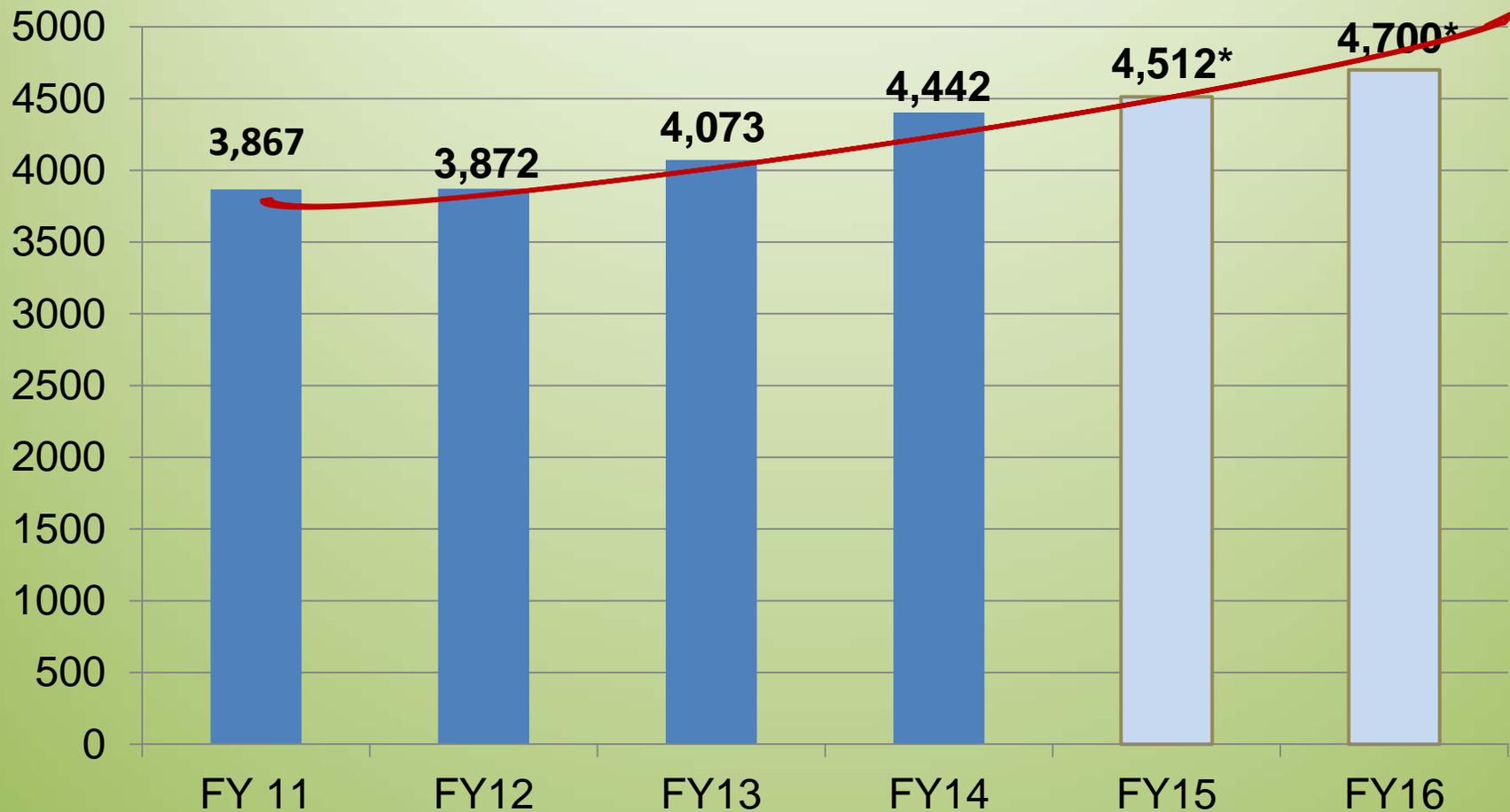
- FY13: 4,073
- FY14: 4,452

Waiting List (Central Registry)

- List as of 10/1/14: 6,035
- DDSD continues aggressive efforts to reduce the DD Waiver waiting list.
- To reduce the waiting list, more than 300 people must be enrolled in DD Waiver services each fiscal year.
- For FY15, the DDSD target is to enroll 355 additional people.

Turning the Curve on Numbers Served ~ DD Waivers

- Enrollment in DDW grew by 613 individuals in FY14
- The waiting list has been reduced - instead of growing each year as in the past



*Projected

FY16 Appropriation Request

Division of Health Improvement (Dollars in Thousands)
(Health Certification, Licensing & Oversight)

	FY15 Operating Budget	FY16 Appropriation Request	FY16 Rqst Over / (Under) FY15 OpBud
<u>Revenue</u>			
General Fund	\$ 4,676.5	\$ 4,676.5	\$ -
Other Trans	\$ 3,659.1	\$ 3,820.6	\$ 161.5
Federal Funds	\$ 2,428.1	\$ 2,649.8	\$ 221.7
Other Revenue	\$ 2,350.8	\$ 1,710.8	\$ (640.0)
<u>Fund Balance</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total	\$ 13,114.5	\$ 12,857.7	\$ (256.8)
<u>Expenditures</u>			
Pers Svs / Emp Bens	\$ 10,193.1	\$ 9,779.5	\$ (413.6)
Contracts	\$ 486.3	\$ 1,062.6	\$ 576.3
Other Costs	\$ 2,435.1	\$ 2,015.6	\$ (419.5)
<u>Other Finance Uses</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total	\$ 13,114.5	\$ 12,857.7	\$ (256.8)

FY16 Appropriation Request

Division of Health Improvement (DHI)

(Health Certification, Licensing & Oversight)

Includes funding for:

- Personal Services / Employee Benefits decrease is in part due to reallocating budget to 300 category for several new contracts that are required to complete DHI survey tasks.
- Includes funding totaling \$6.1 million for the Licensing and Certification of New Mexico's health care facilities.
- Includes funding totaling \$1.9 million for investigating complaints of Abuse, Neglect, and Exploitation involving DD Waiver clients.

FY16 Appropriation Request

Division of Health Improvement (Health Certification, Licensing & Oversight)

Includes funding for:

- Funding totaling \$1.8 million for Regulatory Oversight of Community-Based DD and related Programs.
- Funding totaling \$1.2 million to complete federal and state background checks on New Mexico Caregivers.

FY16 Appropriation Request

Division of Health Improvement

(Health Certification, Licensing & Oversight)

- Caregivers Criminal History Screening Program (CCHSP) successfully reduced turnaround time for processing fingerprints. **Turnaround time has been reduced from an average 6 months to 3 – 5 days.**
- The new *RapBack* program alerts us when a previously cleared person is identified with a new disqualifying conviction.

FY16 Appropriation Request

Medical Cannabis Program (Dollars in Thousands)

	FY15 Operating Budget	FY16 Appropriation Request	FY16 Rqst Over / (Under) FY15 OpBud
<u>Revenue</u>			
General Fund	\$ -	\$ -	\$ -
Other Trans	\$ -	\$ -	\$ -
Federal Funds	\$ -	\$ -	\$ -
Other Revenue	\$ 777.3	\$ 1,426.2	\$ 648.9
<u>Fund Balance</u>	\$ -	\$ -	\$ -
Total	\$ 777.3	\$ 1,426.2	\$ 648.9
<u>Expenditures</u>			
Pers Svs / Emp Bens	\$ 603.7	\$ 607.1	\$ 3.4
Contracts	\$ 90.1	\$ 242.9	\$ 152.8
Other Costs	\$ 83.5	\$ 576.2	\$ 492.7
<u>Other Finance Uses</u>	\$ -	\$ -	\$ -
Total	\$ 777.3	\$ 1,426.2	\$ 648.9

FY16 Appropriation Request

Medical Cannabis Program

Includes projected revenue to support:

- Five (5) additional staff to improve accountability and administration of the Program in accordance with the statute and DOH regulations.
- Implement a new software system that will enable the Program to better serve qualified patients while improving accountability and reporting processes.
- Provide enhanced education and training opportunities through increased travel and outreach to medical providers, patient groups, community stakeholders and law enforcement.
- Cover operating costs, including attorney fees, office rent, education services, monitoring visits and staff development.

FY16 Appropriation Request

Administrative Services Division (Dollars in Thousands)

	FY15 Operating Budget	FY16 Appropriation Request	FY16 Rqst Over / (Under) FY15 OpBud
<u>Revenue</u>			
General Fund	\$ 12,367.0	\$ 5,796.8	\$ (6,570.2)
Other Trans	\$ 603.5	\$ 567.9	\$ (35.6)
Federal Funds	\$ 6,260.5	\$ 6,539.2	\$ 278.7
Other Revenue	\$ 56.1	\$ 62.6	\$ 6.5
<u>Fund Balance</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total	\$ 19,287.1	\$ 12,966.5	\$ (6,320.6)
<u>Expenditures</u>			
Pers Svs / Emp Bens	\$ 9,989.6	\$ 10,422.4	\$ 432.8
Contracts	\$ 4,331.6	\$ 1,213.8	\$ (3,117.8)
Other Costs	\$ 4,965.9	\$ 1,330.3	\$ (3,635.6)
<u>Other Finance Uses</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total	\$ 19,287.1	\$ 12,966.5	\$ (6,320.6)

FY16 Appropriation Request

Administrative Services Division (ASD)

Includes funding for:

- Operations for Office of the Secretary, Office of General Counsel, Office of Policy and Accountability (Health Equity and Border Health), Information Technology Services Division, Human Resources Bureau, Training Unit, Financial Accounting, General Accounting, Internal Audit, Copy Center, and the Mailroom.
- The request includes the transfer out of the Trauma System Fund to the Epidemiology and Response Division totaling \$3,935.4 in General Fund.
- The request also includes the transfer out of funding for sexual assault prevention and treatment services to the Epidemiology and Response Division totaling \$2,634.8 in General Fund and \$279.5 in Federal Funds.

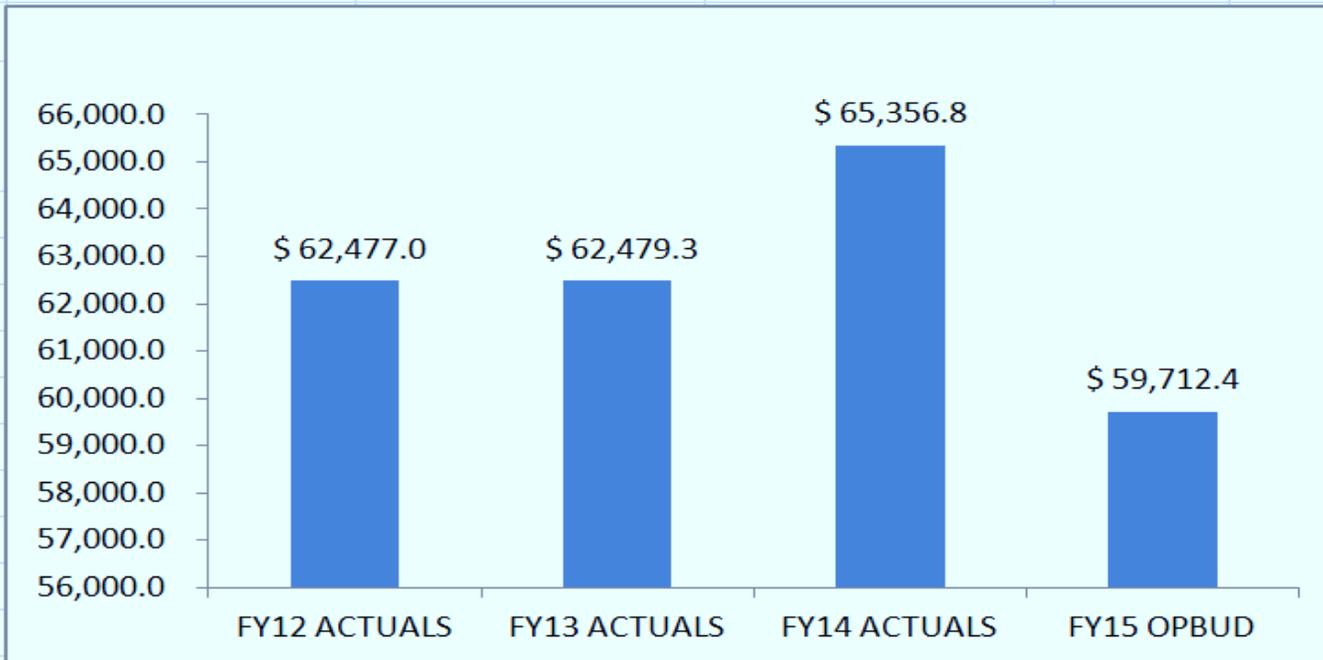
FY15 Supplemental Appropriation Request

- DOH is requesting a FY15 Supplemental Appropriation to restore the Facilities Management Program (6 state facilities and the Los Lunas Community Program) budget to FY14 levels to provide sufficient funding for salary and benefits costs
- Similar to the Base Increase request for FY16, the Supplemental Appropriation Request for FY15 of \$6.4 million is needed to restore the Facilities Management Program budget to FY14 levels and adequately fund personnel costs, specifically:
 - ✓ **An increase to the Personal Services / Employee Benefits category of \$2.1 million, to adequately fund salary and benefits costs in the Facilities Program and cover the 3% raise and increased GSD premiums;**
 - ✓ **An increase to the Contractual Services category of \$2.1 million to restore the budget for this category to FY14 actual levels; and**
 - ✓ **An increase to the Other Costs category of \$1.0 million to restore the budget for this category to FY14 actual levels.**

**Additional
Department of Health
Financial and Human Resource
Information**

NMDOH Facilities General Fund Appropriations: FY12-FY15

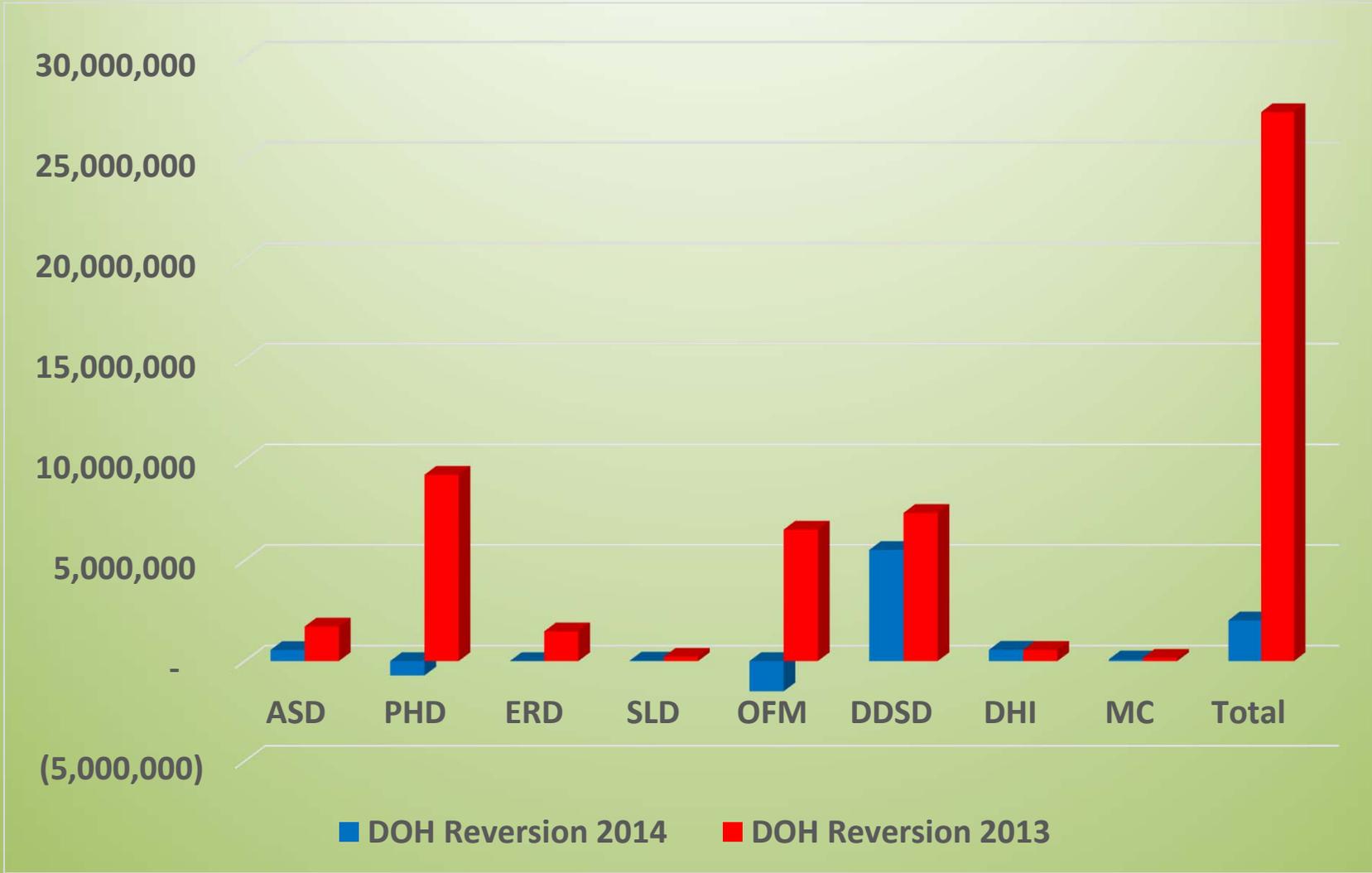
**New Mexico Department of Health
Facilities Program
General Fund Trends FY12-FY15**



NMDOH Reversions by Fiscal Year: FY09-FY14



NMDOH Reversions: FY14 v. FY13



DOH Workforce

- Since Fiscal Year 2011, DOH has reduced its workforce by 417.5 FTE
- DOH currently employs 3,270 New Mexicans

Fiscal Year	Authorized FTE	FTE Reduction
FY10	4,194.0	
FY11	4,107.0	87.0
FY12	3,941.0	166.0
FY13	3,939.0	2.0
FY14	3,791.0	148.0
FY15	3,775.5	15.5
Total Reduction		418.5

DOH Workforce

Program	Authorized FTE	Vacant	Vacancy Rate
P001-ADMIN	138.0	7.0	5.1%
P002-PHD	894.0	112.0	12.5%
P003-EPI	176.0	17.0	9.7%
P004-SLD	135.0	14.0	10.4%
P006-Roll-Up	2,080.5	269.5	13.0%
P006-60-OFM	12.0	2.0	16.7%
P006-62-TURQ	98.0	19.5	19.9%
P006-63-NMBHI	916.5	131.5	14.3%
P006-64-NMRC	93.0	10.0	10.8%
P006-65-SEQU	120.0	14.0	11.7%
P006-66-NMVets	218.0	41.0	18.8%
P006-67-FBMC	318.0	33.5	10.5%
P006-69-LLCP	305.0	18.0	5.9%
P007-DDSD	183.0	24.0	13.1%
P008-DHI	162.0	28.0	17.3%
P787-MEDCAN	7.0	1.0	14.3%
Grand Total	3,775.5	472.5	12.5%

Thank you!

We are available for questions.