

State of Rhode Island and Providence Plantations

Budget



Fiscal Year 2016

Executive Summary

Gina M. Raimondo, Governor

Health and Human Services

Health and Human Services

Summary

The Health and Human Services function of state government engages in a broad spectrum of activities including, but not limited to, medical assistance, economic support, rehabilitation services, client subsidies, case management, residential supports, behavioral healthcare, services for at-risk children, advocacy, and medical provider regulation.

In FY 2016, despite a continually constrained budgetary environment, the Health and Human Services departments and agencies continue to leverage their resources so that both individuals and families achieve their maximum potential and self-sufficiency. The social and economic needs of clients continue to be provided by the Executive Office and Health and Human Services, which oversees the Departments of Children, Youth, and Families; Health; Human Services; Behavioral Healthcare, and Developmental Disabilities, and Hospitals. The Governor is a strong advocate of building a sustainable safety net in Rhode Island, with adequate programs of medical and cash assistance for the most vulnerable populations of the State, such as low-income children, parents, pregnant women, frail elders, veterans, the medically needy, and those with physical and developmental disabilities.

On February 26, 2015, Governor Raimondo established the Working Group to Reinvent Medicaid, charged with developing recommendations for large-scale reform within the State's Medicaid program. The Working Group will deliver its findings and recommendations in two separate reports, the first of which is due on or about April 30, 2015, containing recommendations pertaining to the FY 2016 budget. The first report will focus on innovations within six major categories: targeted interventions for the highest cost/highest need populations, value-based payment approaches in managed care, value-based payment in long term services and supports, value-based payment in hospitals, better coordinated care for individuals with behavioral health needs, and improved program oversight and efficiency. The second report, due no later than July 1, 2015, will address the long-term transformation of the Medicaid program and all state-financed modes of healthcare delivery.

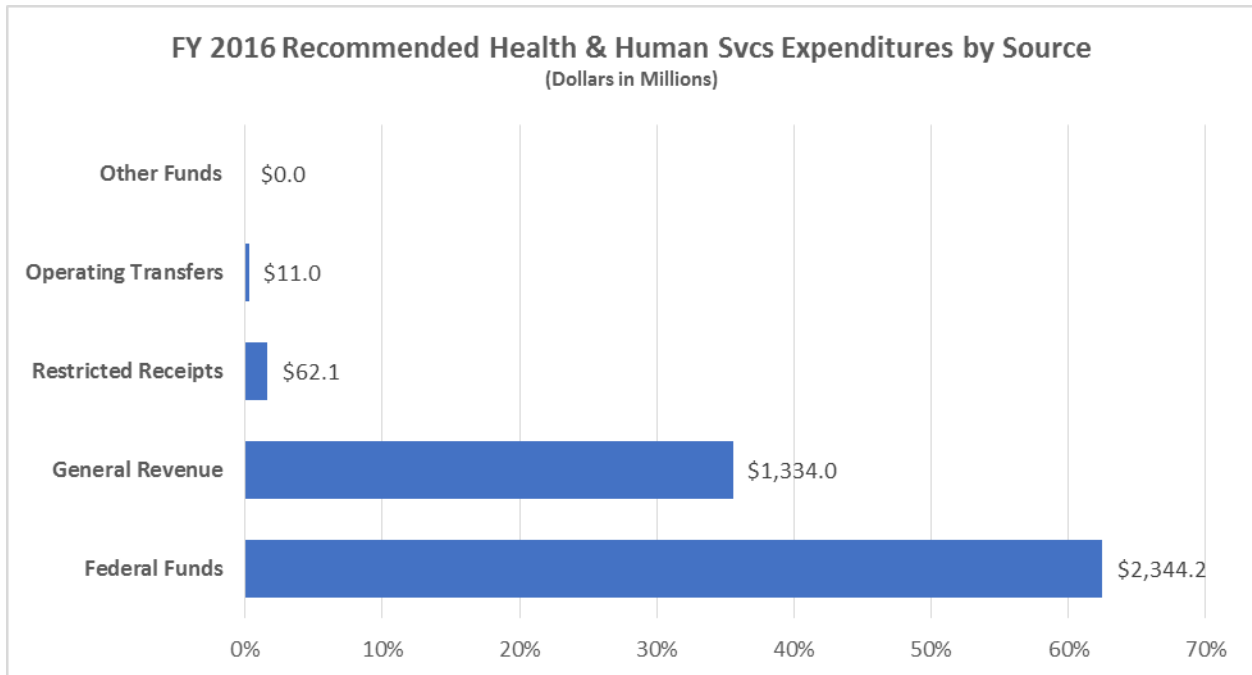
Now fully underway, the multi-phase Unified Health Infrastructure Project (UHIP) will result in a modern, fully integrated eligibility system covering multiple programs of public assistance and the state-based Health Benefits Exchange, HealthSource RI. The Integrated Care Initiative, which modernizes long term care service delivery for a significant portion of the Medicaid-eligible population, represents yet another reform aimed at providing the most effective care possible at reasonable cost.

The Governor is further committed to preventing child abuse and neglect by intervening for and on behalf of abused and neglected youth, and rehabilitating delinquent youth through education and training at DCYF. The dual role of advocacy and education continues to be provided by agencies including the Offices of the Child Advocate and Mental Health Advocate, the Governor's Commission on Disabilities, and the Commission on the Deaf and Hard of Hearing.

For FY 2015, the Governor recommends a revised all funds budget of \$3.867 billion for the Health and Human Services function. Of this total, there is \$1.388 billion in general revenue, \$2.397 billion in federal funds, \$66.7 million in restricted receipts, and \$14.6 million in other funds. This reflects a net increase of \$124.0 million, including an increase of \$46.4 million in general revenue, an increase of \$76.2 million in federal funds, an increase of \$2.2 million in restricted receipts, and a decrease of \$828,592 in other funds relative to the FY 2015 enacted budget. The Governor recommends 3,744.0 full-time equivalent positions in the FY 2015 revised budget, which is consistent with the FY 2015 enacted budget.

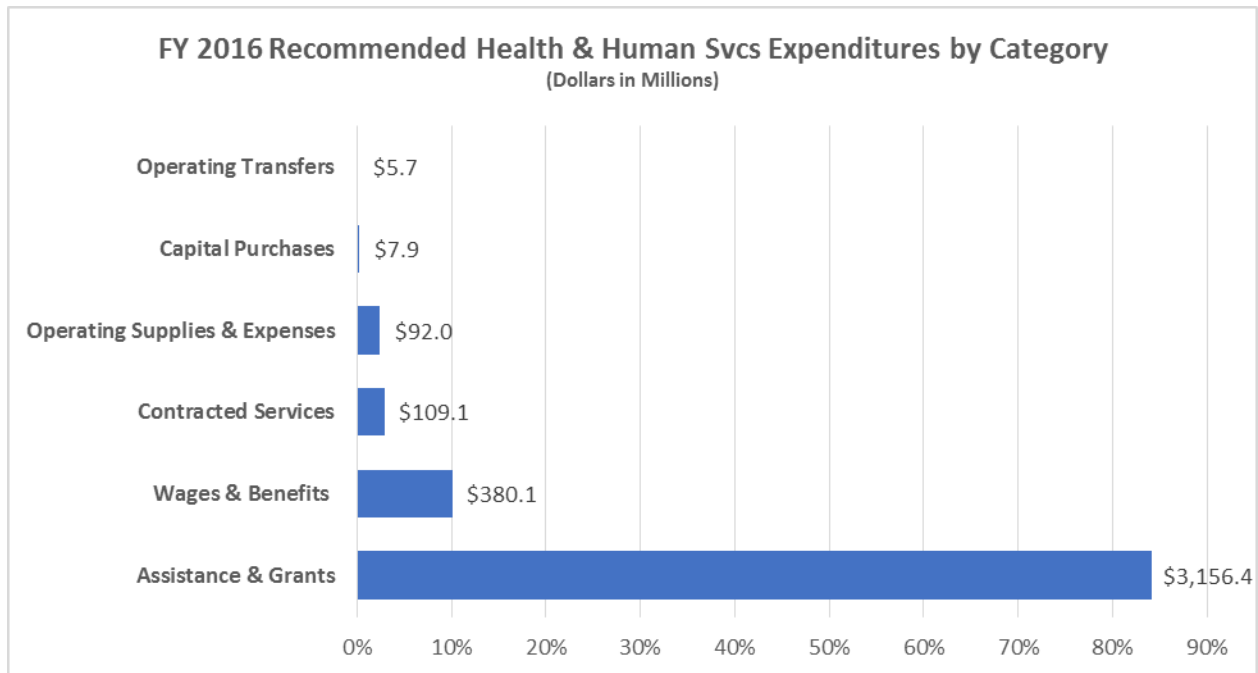
Health and Human Services

The Governor’s proposed funding level of \$3.751 billion for FY 2016 maintains services for the State’s most vulnerable populations. This proposal consists of \$1.334 billion in general revenue, \$2.344 billion in federal funds, \$62.1 million in restricted receipts, and \$11.0 million in other funds. This reflects a net increase of \$8.1 million, including a decrease of \$8.0 million in general revenue, an increase of \$22.9 million in federal funds, a decrease of \$2.4 million in restricted receipts, and a decrease of \$4.4 million in other funds relative to the FY 2015 enacted budget. The FY 2016 recommendation constitutes 43.48 percent of the total proposed expenditures for the state. Social services block grants and federal financial participation for medical assistance programs constitute the primary sources of federal funding. The chart below displays funding by source for the Governor’s FY 2015 recommendation for the Health and Human Service agencies and departments.



The Governor’s FY 2016 recommendation includes direct and purchased services for residential care, medical care, and preventive health services, cash payments to individuals, and grant funding for non-governmental agencies. The operating costs associated with the administration of these social services programs are also included. Personnel, including purchased services, accounts for \$489.2 million, or 13.0 percent, of all expenditures programmed for Health and Human Services. Grants and benefits expenditures of \$3.156 billion account for the largest outflow of identified resources, reflecting 84.1 percent of the total Health and Human Services function. The Governor recommends 3,743.6 full-time equivalent positions in the FY 2016 budget, a decrease of 0.4 positions from the FY 2015 enacted budget. The chart below shows the outflows of all resources by category of expenditure for the Health and Human Services function.

Health and Human Services



Health and Human Services

Executive Office of Health and Human Services

The Governor recommends total expenditures of \$2.519 billion for the revised FY 2015 budget of the Executive Office of Health and Human Services (EOHHS). This is comprised of general revenue totaling \$941.8 million, federal funds of \$1.561 billion, and restricted receipts of \$15.8 million. Relative to FY 2015 enacted levels, recommended general revenue financing increases by \$37.1 million, or 4.1 percent, while federal financing increases by \$90.1 million, or 6.1 percent. Restricted receipts decrease by \$107,552, or 0.1 percent. Following the full reassignment of the State's Title XIX Medical Assistance (Medicaid) program from the Department of Human Services to the Executive Office of Health and Human Services in FY 2013, the Executive Office has consisted of two distinct budgetary programs: Central Management and Medical Assistance.

The increase in general revenue in the current year is driven primarily by revised appropriations for the Medical Assistance program, as adopted by the November 2014 Caseload Estimating Conference (CEC) and further modified by the Governor as follows:

Executive Office of Health and Human Services Medical Assistance Program: FY 2015 Revised Summary	General Revenue	All Funds
<i>FY 2015 Enacted Appropriation</i>	\$876,589,509	\$2,265,539,221
<i>CEC Consensus Estimate- Change to the Enacted Appropriation</i>	\$37,157,182	\$118,380,060
<i>Elimination of the Funding Pool for Graduate Medical Education</i>	\$(1,000,000)	\$(1,000,000)
<i>FY 2015 Revised Governor's Recommendation</i>	\$912,746,691	\$2,382,919,281
The Governor proposes eliminating the \$1.0 million state-only funding pool in support of graduate medical education at Rhode Island's academic Level I trauma center hospitals. This fund was established by the 2014 General Assembly.		

The Governor's revised FY 2015 budget is inclusive of enacted statewide medical benefit savings distributed to state agencies, which resulted in \$38,585 of general revenue savings being allocated to the Executive Office's Central Management program. Additional expenditure plan adjustments within Central Management total \$1.0 million in general revenue, and are detailed in the following table:

Executive Office of Health and Human Services Central Management: FY 2015 Revised Summary	General Revenue	All Funds
<i>FY 2015 Enacted Appropriation</i>	\$28,044,154	\$125,872,625
<i>Allocation of Enacted Statewide Medical Benefit Savings</i>	\$(38,585)	\$(96,778)
<i>Contracted Professional Services Adjustments</i>	\$369,563	\$1,936,720
<i>Unbudgeted COLAs/Other Personnel Financing</i>	\$798,842	\$(98,711)
<i>All Other (including adjustments to federal funds appropriations)</i>	\$(140,301)	\$8,059,011
<i>FY 2015 Revised Governor's Recommendation</i>	\$29,033,673	\$135,672,867
In FY 2015, the Governor allocates additional general revenue to personnel costs due to a delay in the procurement and approval of a new cost allocation plan, unbudgeted FY 2014 and FY 2015 COLAs, and a reduction in the federally-financed portion of the EOHHS staffing complement. The Governor also recommends increases to various contract services supporting the implementation of Electronic Visit Verification, Predictive Modeling and Analytics, and enhancements to the Medicaid Management Information System (MMIS).		

Health and Human Services

FY 2016

The Governor recommends total expenditures of \$2.430 billion for the FY 2016 budget of the Executive Office of Health and Human Services. This is comprised of general revenue totaling \$889.5 million, federal funds of \$1.524 billion, and restricted receipts of \$15.9 million. Relative to FY 2015 enacted levels, recommended general revenue financing decreases by \$15.1 million (1.7 percent), federal financing increases by \$53.6 million (3.6 percent), and restricted receipts decrease by \$53,407.

Central Management/UHIP

The Central Management program includes all financing for the operational activities of the Executive Office. These consist of the following core components: Office of the Secretary, Finance and Budget, Innovation and Policy, Program Integrity, Partner Engagement, Legal Services, and Medical Assistance Administration. The Governor recommends \$26.9 million in general revenue for Central Management in FY 2016, a decrease of \$1.1 million, or 4.0 percent, relative to the enacted base. Federal funding for this program increases by \$1.9 million, from \$92.5 million to \$94.4 million. The Governor's FY 2016 recommendation for Central Management is summarized as follows:

Executive Office of Health and Human Services Central Management: FY 2016 Summary	General Revenue	All Funds
<i>FY 2015 Enacted Appropriation</i>	\$28,044,154	\$125,872,625
<i>Unified Health Infrastructure Project (UHIP)</i>	\$(2,493,692)	\$(178,764)
<i>Contracted Professional Services Adjustments (non-UHIP)</i>	\$562,270	\$7,002,743
<i>Unbudgeted COLAs/Other Personnel Financing</i>	\$962,880	\$1,080,988
<i>All Other (including adjustments to federal funds appropriations)</i>	\$(140,947)	\$(7,308,619)
<i>FY 2016 Governor's Recommendation</i>	\$26,934,665	\$126,468,973
<p>In FY 2016, the Governor allocates additional general revenue to personnel costs due to unbudgeted FY 2014 and FY 2015 COLAs, the FY 2016 COLA, a reduction in the federally-financed portion of the EOHHS staffing complement, and statewide adjustments to fringe benefit rates. The Governor also recommends increases to various contract services supporting the implementation of Electronic Visit Verification, Predictive Modeling and Analytics, and enhancements to the Medicaid Management Information System (MMIS).</p>		

Unified Health Infrastructure Project (UHIP)

As shown above, the Governor's recommendations for FY 2016 contain revisions to enacted financing for the Unified Health Infrastructure Project (UHIP). In 2012, an interagency consortium comprised of the Executive Office of Health and Human Services, the Rhode Island Health Benefits Exchange (HealthSource RI), the Rhode Island Office of Digital Excellence, and the Department of Human Services, launched the Unified Health Infrastructure Project to build a fully integrated system of eligibility determination spanning multiple public assistance programs, Medicaid (including the 2014 expansion) and the Exchange. Spurred by the enactment of the Patient Protection and Affordable Care Act of 2010 (ACA), and supported largely through enhanced federal Medicaid matching funds and Exchange Establishment Grants, UHIP is the successor system to the now-antiquated "InRhodes" eligibility system for public assistance programs. A complex and multi-phase project, UHIP requires considerable investments in contracted information technology services, project management, and IT equipment acquisition and maintenance. With an estimated total cost now surpassing \$229.0 million, UHIP represents the largest scale information technology project ever undertaken by the State of Rhode Island.

Health and Human Services

Appropriation authority for UHIP is contained in the operating budgets of three distinct state entities: (1) The Rhode Island Health Benefits Exchange (HealthSource RI), a division of the Department of Administration, (2) The Executive Office of Health and Human Services (Central Management), and (3) The Department of Human Services (DHS). For the Executive Office and the Department of Human Services, the Governor recommends the enacted levels of general revenue, or \$5.6 million and \$2.8 million, respectively, for UHIP in FY 2015. For FY 2016, the Governor's general revenue recommendation for UHIP totals \$5.2 million, consisting of \$3.1 million within the Executive Office and \$2.1 million within the Department of Human Services. To supplement general revenue funds, the Governor further recommends an allocation of \$6.4 million from the Information Technology Investment Fund (ITIF), with planned allotments of \$4.4 million in FY 2015 and \$2.0 million in FY 2016. The year-over-year decrease in overall state funding is largely attributable to the completion of Phase II of the Design, Development, and Implementation stage of the project during the first half of FY 2016.

The Governor's recommended FY 2015 and FY 2016 budget for the project is displayed the following table:

FY 2015 Revised and FY 2016 UHIP Budget			
	FY 2015	FY 2015	FY 2016
Funding by Source/Agency	Enacted	Governor	Governor
<i>General Revenue:</i>			
EOHHS	\$5,583,585	\$5,583,585	\$3,089,893
DHS	\$2,798,538	\$2,798,538	\$2,061,509
EOHHS/DHS GR TOTAL	\$8,382,123	\$8,382,123	\$5,151,402
Information Technology Investment Fund		\$4,412,842	\$1,962,590
Subtotal- State Funds	\$8,382,123	\$12,794,965	\$7,113,992
<i>Federal Funding:</i>			
EOHHS	\$24,983,010	\$38,866,953	\$27,297,938
DHS	\$1,772,530	\$3,065,928	\$2,385,693
HealthSource RI (Federal Funds)	\$13,723,750	\$33,422,293	\$5,757,131
Subtotal- Federal Funding	\$40,479,290	\$75,355,174	\$35,440,762
HealthSource RI (Nonfederal Funds)			[\$6,381,477]
EOHHS/DHS/ITIF UHIP Total:	\$35,137,663	\$54,727,846	\$36,797,623
Grand Total	\$48,861,413	\$88,150,139	\$48,936,231

FY 2016 Medical Assistance

The November 2014 Caseload Estimating Conference (CEC) adopted total financing of \$2.458 billion for the Medical Assistance program in FY 2016, consisting of \$948.7 million in general revenue. This represents an 8.2 percent increase relative to FY 2015 enacted general revenue and a 3.8 percent increase relative to the FY 2015 CEC adopted level. Comparing expenditures as adopted by the November 2014 CEC, the increase to the Medical Assistance program's state funding requirement in FY 2016 was \$34.9 million. That this increase was mitigated by approximately \$5.5 million due to an increase in the Federal Medical Assistance Percentage (FMAP)¹ illustrates the considerable expenditure pressure generated by

¹ From 50.0 percent in FFY 2015 to 50.42 percent in FFY 2016.

Health and Human Services

caseload and price growth that has continually given rise to the upward trajectory in the total cost of the Medicaid program.

Of particular interest this year in the Medical Assistance program are high-cost specialty pharmaceuticals, specifically “direct acting antiviral” medications for treating persons afflicted with the Hepatitis C virus. Though potentially curative, these drug therapies are extremely expensive- averaging \$85,000 to \$95,000 per standard course of treatment. To control the potentially prohibitive cost of these drugs while ensuring clinically appropriate distribution, the Executive Office developed a comprehensive set of pre-authorization guidelines as well as a restricted prescriber network, both implemented in mid-2014. With these safeguards in place, the November 2014 Caseload Estimating Conference adopted total expenditures of \$53.3 million in FY 2015 and \$57.5 million in FY 2016 relating to the provision of these medications. As it is anticipated that 52 percent of all members receiving this treatment will be enrollees of the federally-financed Medicaid Expansion program, corresponding allocations of general revenue total \$12.8 million and \$13.7 million in FY 2015 and FY 2016, respectively. These figures are net of anticipated rebates received from pharmaceutical manufacturers. The Governor proposes no modifications to these funding levels, recommending financing as adopted by the November 2014 CEC.

Executive Office of Health and Human Services Medical Assistance Program: FY 2016 Summary	General Revenue	All Funds
<i>FY 2015 Enacted Appropriation</i>	\$876,589,509	\$2,265,539,221
<i>CEC Consensus Estimate- Change to the Enacted Appropriation</i>	\$72,099,354	\$211,118,533
<i>Governor’s Initiatives/Reform Proposals (listed below)</i>	\$(88,077,038)	\$(175,459,935)
<i>FY 2016 Governor’s Recommendation</i>	\$860,611,825	\$2,301,197,819

Inclusive of federal pass-through reimbursements to LEAs for Medicaid-eligible children in special education programs (which are not estimated at the CEC), the Governor recommends \$2.301 billion for Medical Assistance in FY 2016, consisting of \$860.6 million in general revenue. This represents a \$88.1 million reduction to the CEC adopted general revenue level, and is achieved through a myriad of retrenchment actions and programmatic reforms designed to restrain the program’s expenditure growth to a sustainable level in FY 2016 and beyond. These measures are itemized as follows:

Medical Assistance Program: FY 2016	General Revenue	All Funds
<i>Elimination of the Funding Pool for Graduate Medical Education</i>	\$(1,000,000)	\$(1,000,000)
The Governor proposes eliminating the \$1.0 million state-only funding pool in support of graduate medical education at Rhode Island’s academic Level I trauma center hospitals. This fund was established by the 2014 General Assembly.		

Medical Assistance Program: FY 2016	General Revenue	All Funds
<i>Managed Care Capitation Trend Rate Reduction</i>	\$(2,697,792)	\$(5,430,338)
The Governor recommends reductions to Medicaid managed care capitation (i.e. monthly cost per member) rates in RItE Care, Rhody Health Partners, and Rhody Health Options, effective July 1, 2015. Rates will be negotiated so as to reduce average annual growth in these rates by 0.9 percent relative to the increases assumed at the November 2014 CEC.		

Health and Human Services

Medical Assistance Program: FY 2016	General Revenue	All Funds
<i>Eliminate Nursing Home Rate Increase & Impose a 3 Percent Rate Reduction</i>	\$(8,928,221)	\$(17,971,458)
The Governor proposes the elimination of the nursing facility rate increase (“COLA”) scheduled for October 1, 2015, coupled with a 3 percent reduction to prevailing reimbursement rates, effective July 1, 2015.		

Medical Assistance Program: FY 2016	General Revenue	All Funds
<i>Eliminate Hospital Rate Increase(s) & Impose a 5 Percent Rate Reduction</i>	\$(15,718,693)	\$(31,639,883)
The Governor recommends eliminating scheduled FY 2016 hospital payment rate increase(s) and imposing a 5 percent rate reduction on inpatient and outpatient services within both the fee-for-service and managed care segments of the Medical Assistance program.		

Medical Assistance Program: FY 2016	General Revenue	All Funds
<i>Revise Personal Choice Program Payment Schedule</i>	\$(198,720)	\$(400,000)
The Governor recommends restructuring the payment schedule for the “service advisement agencies” operating the Personal Choice Program, a participant-directed program providing in-home services and supports to adults with disabilities and elders. The Executive Office will replace the current flat monthly fee schedule with a more cost-efficient, divisible hourly fee structure.		

Medical Assistance Program: FY 2016	General Revenue	All Funds
<i>Implementation of Electronic Visit Verification (EVV)</i>	\$(1,565,273)	\$(3,150,709)
The Governor proposes additional program savings stemming from the upcoming installation of an Electronic Visit Verification (EVV) system for home and community based services (HCBS). Under the guidance of the Office of Program Integrity, savings will be realized through the elimination of overpayments, recoveries of fraudulent charges, and the disaffiliation of chronically unscrupulous providers from the HCBS program.		

Medical Assistance Program: FY 2016	General Revenue	All Funds
<i>Strengthen Rhode Island Residency Confirmation Protocols</i>	\$(292,489)	\$(588,746)
The Governor proposes the implementation of more sophisticated, data-driven procedures leading to the removal of non-Rhode Island residents from the Medical Assistance caseload.		

Medical Assistance Program: FY 2016	General Revenue	All Funds
<i>Eliminate Inpatient and Outpatient UPL Payments</i>	\$(11,243,254)	\$(22,631,349)
The Governor proposes the elimination of all FY 2016 Upper Payment Limit (UPL) payments to community hospitals, effective July 1, 2015. These include all non-Disproportionate Share supplemental payments related to both inpatient and outpatient services, which are neither federally mandated nor explicitly tied to a hospital’s actual cost of services.		
Medical Assistance Program: FY 2016	General	All Funds

Health and Human Services

	Revenue	
<i>Predictive Modeling and Analytics- Program Integrity</i>	\$(993,600)	\$(2,000,000)
<p>The Governor proposes savings totaling \$2.0 million related to the ongoing installation of modern predictive modeling and analytics technologies within the Medicaid Management Information System (MMIS). These MMIS upgrades will facilitate real-time risk analysis of Medicaid claims to forestall provider overpayments, enhance program recoveries, and eliminate fraudulent and/or inappropriate activity on the part of both providers and beneficiaries.</p>		

Medical Assistance Program: FY 2016	General Revenue	All Funds
<i>Enhance Identification of Medicare-Covered Expenses</i>	\$(993,600)	\$(2,000,000)
<p>The Executive Office will aggressively pursue recoupment and/or payment opportunities for certain expenses that may be covered by Medicare but erroneously billed to Medicaid. These include the recovery of “crossover” overpayments for Medicare coinsurance and deductibles, certain drug expenses rightly covered under Medicare Part B, and the identification of individuals who are Medicare-enrolled but without sufficient evidence of coverage.</p>		

Medical Assistance Program: FY 2016	General Revenue	All Funds
<i>Modify FQHC Reporting to Maximize Enhanced FMAP (CHIP Claiming)</i>	\$(405,342)	\$0
<p>The Governor proposes a zero-sum substitution of federal funds for general revenue resulting from planned advances in the reporting procedures of Federally Qualified Health Centers (FQHCs). As of July 1, 2015, FQHC reporting will allow the Executive Office to discern those services eligible for the enhanced federal matching rate available through the Children’s Health Insurance Program (CHIP).</p>		

Medical Assistance Program: FY 2016	General Revenue	All Funds
<i>Review Out-of-Plan Services for Children with Special Health Needs</i>	\$(1,040,054)	\$(2,093,507)
<p>The Governor recommends a comprehensive review and overhaul of the delivery system for out-of-plan services provided to Children with Special Healthcare Needs. Services such as Home-based Therapeutic Services, Personal Assistance Services and Supports, Private Duty Nursing, and Certified Nursing Assistants will be reassessed and modified to ensure more evidence-based, clinically appropriate, and lower cost outcomes for children and adolescents.</p>		

Medical Assistance Program: FY 2016	General Revenue	All Funds
<i>Program Innovation: Working Group to Reinvent Medicaid</i>	\$(43,000,000)*	\$(86,553,945)*
<p>The Governor proposes significant cost reductions in the Medicaid program in FY 2016 in six major categories: targeted interventions for the highest cost/highest need populations, value-based payment approaches in managed care, value-based payment in long term services and supports, value-based payment in hospitals, better coordinated care for individuals with behavioral health needs, and improved program oversight and efficiency. The Working Group to Reinvent Medicaid will provide additional details on savings initiatives in these areas, which will align with the long-term vision for the transformation of Rhode Island's Medicaid program.</p> <p><i>*Additional program innovation savings totaling \$6.0 million, or \$3.0 million in general revenue, are apportioned among BHDDH, DCYF, and DHS (DEA).</i></p>		

Health and Human Services

The Executive Office currently envisions the savings emanating from the implementation of the Working Group's recommendations being dispersed among the six major strategies as detailed below. Note that the specifics outlined within each strategy represent **potential** initiatives that may be pursued by the Secretary of Health and Human Services following publication of the Working Group's findings.

Medical Assistance Program: FY 2016	General Revenue	All Funds
<i>Program Innovation: Working Group to Reinvent Medicaid</i>	\$(13,000,000)*	\$(26,167,472)*
<i>Strategy: Targeted Interventions for the Highest Cost/Highest Need Populations</i>		
This strategy involves the promotion and use of community health teams, community health workers, housing supports, and appropriate institutional care settings to reduce over-utilization of high-intensity, high-cost services. This strategy may also include the piloting of an Accountable Care Organization (ACO) model for this focused population in FY 2016.		
*Additional savings related to this strategy of \$4.0 million, or \$2.0 million in general revenue, are apportioned between BHDDH and DCYF.		

Medical Assistance Program: FY 2016	General Revenue	All Funds
<i>Program Innovation: Working Group to Reinvent Medicaid</i>	\$(8,000,000)	\$(16,103,060)
<i>Strategy: Value-based Payment Approaches in Managed Care</i>		
The Executive Office may seek to modify current risk-sharing arrangements with Medicaid managed care organizations, tie MCO administrative rates to value-based payment standards, refine the Federally Qualified Health Center Incentive Program, and institute selective contracting for certain services.		

Medical Assistance Program: FY 2016	General Revenue	All Funds
<i>Program Innovation: Working Group to Reinvent Medicaid</i>	\$(2,500,000)*	\$(5,032,206)*
<i>Strategy: Value-based Payment in Long-term Services and Supports</i>		
In concert with the Financial Alignment Demonstration (Phase II of the Integrated Care Initiative), the Executive Office may institute a "quality withhold" for long-stay nursing facility patients.		
*Additional savings related to this strategy of \$1.0 million, or \$0.5 million in general revenue, are attributed to the BHDDH budget.		

Medical Assistance Program: FY 2016	General Revenue	All Funds
<i>Program Innovation: Working Group to Reinvent Medicaid</i>	\$(15,000,000)	\$(30,193,237)
<i>Strategy: Value-based Payment in Hospitals</i>		
The Executive Office may institute re-admission penalties in alignment with Medicare, eliminate or adjust the DRG "policy adjuster" for neonatal intensive care services, develop a bundled payment mechanism for childbirth services, and institute a Delivery System Reform Incentive Program (DSRIP).		

Medical Assistance Program: FY 2016	General Revenue	All Funds
<i>Program Innovation: Working Group to Reinvent Medicaid</i>	\$(3,000,000)	\$(6,038,647)
<i>Strategy: Better Coordinated Care for Individuals with Behavioral Healthcare Needs</i>		
The Executive Office may pursue shared savings agreements with Community Mental Health Centers for and eliminate or adjust the DRG "policy adjuster" for inpatient behavioral health services.		

Health and Human Services

Medical Assistance Program: FY 2016	General Revenue	All Funds
<i>Program Innovation: Working Group to Reinvent Medicaid</i>	\$(1,500,000)*	\$(3,019,324)*
<i>Strategy: Improved Program Oversight and Efficiency</i>		
<p>The Executive Office will focus resources on strengthening verification processes and controls and ensuring agency-wide consistency in eligibility determination and payment rates for high-cost services. The Executive Office may also look to re-design the Connect Care Choice primary care case management program and increase the commercial insurance mandate for Early Intervention services.</p> <p><i>*Additional savings related to this strategy of \$1.0 million, or \$0.5 million in general revenue, are apportioned between DCYF and DHS (DEA).</i></p>		

Medicaid Expansion under the Affordable Care Act

Unmatched FY 2016 federal appropriations of \$547.1 million reflect recommended financing for the expansion of Medicaid coverage to non-pregnant adults without dependent children up to 138 percent of FPL, per RIGL 40-8.11 and the Patient Protection and Affordable Care Act (ACA). Under ACA, full federal financing of Medicaid services for the expanded eligibility population lapses on December 31, 2016, after which the federal matching rate declines incrementally until reaching 90 percent for 2020 and thereafter. As in prior years, the resulting out-year general revenue exposure is captured in the Governor’s Five Year Financial Projection, contained in Appendix F of this document.

Division of Advocacy

Executive Office of Health and Human Services Division of Advocacy Program- New for FY 2016	General Revenue	All Funds	FTE
<i>Creation of the Division of Advocacy</i>	\$1,973,138	\$2,143,606	17.0
<p>The Governor recommends consolidating the Governor’s Commission on Disabilities, the Commission on the Deaf and Hard of Hearing, the Office of the Child Advocate, and the Office of the Mental Advocate into a newly created Division of Advocacy within the Executive Office of Health and Human Services. Consolidation of these agencies is for budgetary and administrative purposes only, and is expected to result in operational efficiencies over time.</p>			

FTE Positions

The Governor recommends staffing authorizations of 184.0 FTE positions in FY 2015, commensurate with the enacted level. The Governor recommends 202.0 FTE positions in FY 2016, reflecting the addition of 1.0 FTE position in support of the federally-financed State Innovation Models (SIM) Initiative and 17.0 FTE positions attached to the Division of Advocacy.

Department of Children, Youth and Families

FY 2015 Revised Budget

The Governor recommends revised FY 2015 appropriations of \$226.7 million for the Department of Children, Youth and Families, including \$158.3 million from general revenue, \$62.2 million from federal funds, \$2.8 million from restricted receipts, and \$3.2 million from the Rhode Island Capital Plan Fund. Relative to FY 2015 enacted levels, recommended general revenue financing increases by \$9.6 million, or 6.5 percent, while federal financing increases by \$5.7 million, or 10.0 percent. The revised FY 2015 Budget is inclusive of enacted statewide medical benefit savings distributed to state agencies, which resulted in

Health and Human Services

\$183,448 of general revenue savings being allocated to the Department of Children, Youth and Families. The FY 2015 general revenue recommendation also includes additional statewide medical benefit savings of \$186,903.

The increase in general revenue financing in the revised FY 2015 Budget is largely attributable to a shift in the caseload makeup within the Department's System of Care that has resulted in more youth being placed in higher-end (and more expensive) settings, coupled with the restoration of unachieved turnover savings within Juvenile Corrections. The Governor recommends revised FY 2015 appropriations totaling \$81.9 million for the System of Care. This is \$10.1 million greater than the enacted level from all sources of funds, including \$8.8 million from general revenue.

FY 2016 Recommended Budget

The Governor recommends FY 2016 appropriations of \$212.8 million for the Department of Children, Youth and Families, including \$151.8 million from general revenue, \$58.2 million from federal funds, and \$2.8 million from restricted receipts. Relative to FY 2015 enacted levels, recommended general revenue financing increases by \$3.1 million, or 2.1 percent, while federal financing increases by \$1.6 million, or 2.8 percent. Relative to the revised FY 2015 recommendation, general revenue financing decreases by \$6.5 million, or 4.1 percent, and federal financing decreases by \$4.1 million, or 6.5 percent.

Central Management

Within the Central Management program, the Governor recommends FY 2016 appropriations of \$7.9 million, including \$5.6 million from general revenue and \$2.3 million from federal funds. Relative to FY 2015 enacted levels, recommended general revenue financing increases by \$966,607, while federal financing increases by \$18,756, attributable to the following adjustments:

Central Management	General Revenue	All Funds	FTE
<i>Technology Upgrades</i>	\$450,000	\$450,000	0.0
The Governor recommends additional financing in FY 2016 for technology upgrades across the Department including the acquisition of tablets for social caseworkers, permitting caseworkers to remotely access and enter case information from the field.			
<i>Personnel and Other Operating</i>	\$516,607	\$535,363	0.0
The Governor recommends additional financing for cost of living adjustments which were unbudgeted in the FY 2015 Enacted Budget, combined with statewide benefit changes and other expenditure plan adjustments.			

Child Welfare

Within the Child Welfare program, the Governor recommends FY 2016 appropriations of \$168.6 million, including \$115.9 million from general revenue, \$49.9 million from federal funds, and \$2.8 million from restricted receipts. Relative to FY 2015 enacted levels, recommended general revenue financing increases by \$1.3 million, while federal financing increases by \$1.7 million, attributable to the following adjustments:

Health and Human Services

Child Welfare	General Revenue	All Funds	FTE
<i>System of Care</i>	(\$1,053,695)	\$62,781	0.0
In FY 2016, the Governor recommends financing for the System of Care of \$71.7 million from all sources of funds. This represents a reduction of \$1.1 million from general revenue relative to the enacted level and \$9.8 million from general revenue relative to the FY 2015 revised recommendation. The Governor achieves these savings through more coordinated management and network contract oversight, placement cost savings attributable to aggressive utilization management, coupled with an increase in support for the foster care program.			
<i>Utilization Management Contract</i>	\$800,000	\$800,000	0.0
The Governor recommends additional financing for the procurement of utilization management services in order to drive placement cost savings within the System of Care.			
<i>Foster Care Program Investment</i>	\$1,000,000	\$1,000,000	0.0
The Governor recommends an additional \$1,000,000 to increase support for foster care, augmenting the Department's efforts at reducing the cost of residential services within the System of Care.			
<i>Foster Care Support and Referral</i>	(\$632,472)	(\$632,472)	0.0
The Governor recommends that DCYF Intake and Family Service Unit staff subsume foster care support and referral functions previously contracted to private providers for savings of \$632,472 from general revenue.			
<i>Reduce DCYF Support For RI Hospital Contract</i>	(\$100,000)	(\$100,000)	0.0
The Governor recommends a reduction in DCYF support for the PANDA Clinic at RI Hospital, reducing financing in FY 2016 to \$310,545 per annum.			
<i>Program Innovation: Working Group to Reinvent Medicaid</i>	(\$750,000)	(\$1,509,662)	0.0
The Governor proposes significant cost reductions in the Medicaid program in FY 2016 in six major categories: targeted interventions for the highest cost/highest need populations, value-based payment approaches in managed care, value-based payment in long term services and supports, value-based payment in hospitals, better coordinated care for individuals with behavioral health needs, and improved program oversight and efficiency. The Working Group to Reinvent Medicaid will propose detailed savings initiatives in these areas, which will align with the long-term vision for the transformation of Rhode Island's Medicaid program.			
<i>Personnel and Other Operating</i>	\$2,010,639	\$2,897,822	0.0
The Governor recommends additional financing for cost of living adjustments which were unbudgeted in the FY 2015 Enacted Budget, combined with statewide benefit changes and other expenditure plan adjustments.			

Children's Behavioral Health

Within the Children's Behavioral Health program, the Governor recommends FY 2016 appropriations of \$10.3 million, including \$4.6 million from general revenue and \$5.7 million from federal funds. Relative to FY 2015 enacted levels, recommended general revenue financing decreases by \$1.3 million, or 22.1 percent, while federal financing decreases by \$128,246, or 2.2 percent, attributable to the following adjustments:

Health and Human Services

<i>Children's Behavioral Health</i>	<i>General Revenue</i>	<i>All Funds</i>	<i>FTE</i>
<i>Contract Services Reduction</i>	(\$1,568,905)	(\$1,568,905)	0.0
The Governor recommends a reduction to contract services for savings of \$1.6 million from general revenue.			
<i>Personnel and Other Operating</i>	\$267,420	(\$1,173,820)	0.0
The Governor recommends additional financing for cost of living adjustments which were unbudgeted in the FY 2015 Enacted Budget, combined with statewide benefit changes and other expenditure plan adjustments.			

Juvenile Corrections

Within the Juvenile Corrections program, the Governor recommends FY 2016 appropriations of \$25.9 million, including \$25.6 million from general revenue and \$276,098 from federal funds. Relative to FY 2015 enacted levels, recommended general revenue financing increases by \$2.2 million, or 9.3 percent, largely attributable to the restoration of unachieved turnover savings coupled with the cost of living adjustment and other personnel planning value changes, while federal financing increases by \$4,510.

<i>Juvenile Corrections</i>	<i>General Revenue</i>	<i>All Funds</i>	<i>FTE</i>
<i>Personnel and Other Operating</i>	\$2,190,991	\$1,446,664	0.0
The Governor recommends additional financing for cost of living adjustments which were unbudgeted in the FY 2015 Enacted Budget, combined with statewide benefit changes and other expenditure plan adjustments. The recommendation also reflects the restoration of unachieved turnover savings in the FY 2015 Enacted Budget.			

The Governor recommends 672.5 FTE positions in the revised FY 2015 Budget and the recommended FY 2016 Budget, 2.0 FTE positions greater than the enacted FY 2015 level, attributable to an additional 2.0 FTE positions associated with two federal grants.

Department of Health

FY 2015 Revised Budget

The Governor recommends revised expenditures of \$126.0 million for the Department of Health's FY 2015 revised budget, including \$22.8 million from general revenue, \$67.0 million from federal funds, \$36.1 million from restricted receipts, and \$69,050 from operating transfers. The revised FY 2015 budget is inclusive of enacted statewide medical benefit savings distributed to state agencies, which resulted in \$76,693 in general revenue savings being allocated to the Department of Health. The FY 2015 revised budget represents a net increase of \$3.3 million from all sources of funds, of which a decrease of \$116,390 is attributable to general revenue, an increase of \$1.9 million in federal funds, an increase of \$1.5 million in restricted receipts, and an increase of \$69,050 in operating transfers.

The recommended net decrease in general revenue expenditures of \$116,390 from the FY 2015 enacted amount is mostly attributable to statewide savings, including \$71,469 for additional statewide medical benefit savings. Although the Governor recommends funding of \$736,304 to fully finance cost of living adjustments, these increases are offset by increased turnover and shifting certain expenditures to restricted receipt funds. By

Health and Human Services

category of expenditure within general revenue, personnel costs decrease by \$647,041; contracted professional services expenditures decrease by \$152,611; operating expenditures increase by \$234,075; assistance and grants increase by \$453,695; and capital purchases and equipment decrease by \$4,508.

The recommended increase of \$1.5 million in restricted receipt funds, relative to the enacted level, is primarily attributable to increased expenditures from federal indirect cost recoveries. The Governor's recommendation expends the large carryforward balance that the Department has maintained from year-to-year. Expenditure of these funds will assist the Department in limiting general revenue expenditures for FY 2015.

FY 2016 Recommended Budget

The Governor recommends total expenditures of \$121.4 million for the Department of Health's FY 2016 budget, including \$25.8 million in general revenue, \$63.4 million in federal funds, and \$32.1 million in restricted receipt funds. The FY 2016 recommendation represents an all-funds net decrease of \$1.3 million from the FY 2015 enacted budget, of which general revenue increases by \$2.9 million, federal funds decrease by \$1.7 million, and restricted receipt funds decrease by \$2.5 million.

The FY 2016 recommendation includes two programmatic reductions:

Environmental and Health Services Regulation:	General Revenue	All Funds	FTE
<i>Decrease in Clerical Support</i>	(\$84,308)	(\$84,308)	(1.0)
The Governor recommends the elimination of a clerical support position. The Department is able to fulfill the duties of this position with existing staff and a reduction would not reduce administrative capacity of the program.			
<i>Consolidate Non-Prescribing Health Professional Boards</i>	(\$207,662)	(\$207,662)	(2.0)
The Governor recommends consolidation of the Non-Prescribing Health Professional Boards. This consolidation effects 25 non-prescribing boards and over 27,700 licensed professionals. The new consolidated board will support each of these professions and allow for a more standardized board. The new board will also have a primary focus of reviewing and adjudicating complaints.			

The net increase of \$2.9 million in general revenue funds in FY 2016 is primarily attributable to a shift of certain expenses from the Department's federal indirect cost recoveries to general revenue funds due to the use of these restricted receipts in FY 2015 and increased financing for Medical Examiner and Health Laboratory activities. The Governor also recommends less turnover, compared to the FY 2015 recommendation, primarily to aid the Department in reducing backlogs in laboratory testing for law enforcement cases. By category of expenditure within general revenue, personnel costs increase by \$1.7 million; contracted professional services increase by \$37,009; operating expenses increase by \$658,801; assistance and grants increase by \$509,713; and capital purchases and equipment decrease by \$4,508.

The Governor recommends 491.3 FTE positions in FY 2015, unchanged from the FY 2015 enacted authorization. In FY 2016, the Governor recommends 488.6 FTE positions, a decrease of 2.7 from the FY 2015 enacted authorization. The programmatic reductions recommended by the Governor include a decrease of 3.0 FTE positions, which is offset by a slight increase in 0.3 FTE positions to upgrade a vacant 0.7 FTE position to full-time status.

Health and Human Services

Department of Human Services

FY 2015 Revised Budget

The Governor recommends revised FY 2015 appropriations of \$627.9 million for the Department of Human Services, including \$94.8 million from general revenue, \$525.7 million from federal funds, and \$7.4 million from other funds. Relative to FY 2015 enacted levels, recommended general revenue financing decreases by \$1.5 million, or 1.6 percent, while federal financing decreases by \$21.6 million, or 3.9 percent. The revised FY 2015 Budget is inclusive of enacted statewide medical benefit savings distributed to state agencies, which resulted in \$179,131 of general revenue savings being allocated to the Department of Human Services. The FY 2015 general revenue recommendation also includes additional statewide medical benefit savings of \$178,239.

FY 2016 Recommended Budget

The Governor recommends FY 2016 appropriations of \$620.4 million for the Department of Human Services, including \$96.4 million from general revenue, \$517.6 million from federal funds and \$6.4 million from other funds. Relative to FY 2015 enacted levels, recommended general revenue financing increases by \$96,308, or 0.1 percent, while federal financing decreases by \$29.8 million, or 5.4 percent. Relative to the revised FY 2015 recommendation, general revenue financing increases by \$1.6 million, or 1.7 percent and federal financing decreases by \$8.2 million, or 1.6 percent.

Central Management

Within the Central Management program, the Governor recommends FY 2016 appropriations of \$9.7 million, including \$5.0 million from general revenue, \$4.2 million from federal funds, and \$520,231 from restricted receipts. Relative to FY 2015 enacted levels, recommended general revenue financing increases by \$65,694, federal financing increases by \$403,892, and other funds decrease by \$2,311 attributable to the following adjustments:

Central Management	General Revenue	All Funds	FTE
<i>Personnel and Other Operating</i>	\$65,694	\$467,275	0.0
The Governor recommends additional financing for cost of living adjustments which were unbudgeted in the FY 2015 Enacted Budget, combined with statewide benefit changes and other expenditure plan adjustments.			

Child Support Enforcement

Within the Child Support Enforcement program, the Governor recommends FY 2016 appropriations of \$9.6 million, including \$3.0 million from general revenue and \$6.6 million from federal funds. Relative to FY 2015 enacted levels, recommended general revenue financing increases by \$633,744 or 26.8 percent, while federal financing increases by \$768,232 or 13.1 percent, attributable to the following adjustments:

Child Support Enforcement	General Revenue	All Funds	FTE
<i>Internal Revenue Service Adjustment Reserve Account</i>	\$300,000	\$300,000	0.0
Consistent with a recent audit finding by the State Bureau of Audits, the Governor recommends the creation of a general revenue reserve account to defray intercepts of certain federal income tax refunds of			

Health and Human Services

non-custodial parents that are ultimately recaptured by the Internal Revenue Service for a variety of administrative reasons.			
<i>Additional Financing for InRhodes Maintenance Contract</i>	\$408,000	\$1,200,000	0.0
The Governor recommends \$1.9 million from all sources of funds to support the InRhodes maintenance contract, or \$1.2 million greater than the enacted level. Beginning in FY 2016, the Office of Child Support Enforcement will be the only remaining program utilizing InRhodes, the legacy eligibility and case management system, thus increasing licensing and maintenance fee costs borne by this program.			
Child Support Enforcement	General Revenue	All Funds	FTE
<i>Personnel and Other Operating</i>	(\$74,256)	(\$98,024)	0.0
The Governor recommends additional financing for cost of living adjustments which were unbudgeted in the FY 2015 Enacted Budget, combined with statewide benefit changes and other expenditure plan adjustments.			

Individual and Family Support

Within the Individual and Family Support program, the Governor recommends FY 2016 appropriations of \$155.7 million, including \$22.9 million from general revenue, \$127.7 million from federal funds, \$737,279 from restricted receipts, and \$4.3 million from other funds. Relative to FY 2015 enacted levels, recommended general revenue financing decreases by \$1.5 million or 6.0 percent, federal financing decreases by \$786,760 or 0.6 percent, and other funds increase by \$396,848, attributable to the following adjustments:

Individual and Family Support	General Revenue	All Funds	FTE
<i>Work Support Strategies Grant</i>	(\$495,177)	(\$152,297)	0.0
The Governor recommends \$342,880 and shifts these resources to a restricted receipt account to better monitor receipts and expenditures related to the grant. The Governor proposes a reduction of \$408,183 to the adopted departmental revenue estimate in FY 2016 to reflect this shift.			
<i>Unified Health Infrastructure Project (UHIP)</i>	(\$737,029)	(\$123,866)	0.0
The Governor recommends \$4.4 million from all sources of funds for the DHS allocable UHIP costs in FY 2016. This includes financing budgeted within the Individual and Family Support program and the Health Care Eligibility program. See the EOHHS Executive Summary for an overview of this project.			
<i>Non-Emergency Medical Transportation Contract</i>	(\$522,469)	(\$522,469)	0.0
The Governor recommends \$2.4 million from all sources of funds to finance the Non-Emergency Medical Transportation contract in FY 2016, consistent with the value of the contract. Relative to the FY 2015 enacted level, this represents a reduction of \$522,469 from general revenue.			
<i>Personnel and Other Operating</i>	\$336,606	(\$585,668)	0.0
The Governor recommends additional financing for cost of living adjustments which were unbudgeted in the FY 2015 Enacted Budget, combined with statewide benefit changes and other expenditure plan adjustments.			

Health and Human Services

Health Care Eligibility

Within the Health Care Eligibility program, the Governor recommends FY 2016 appropriations of \$20.5 million, including \$8.6 million from general revenue and \$11.9 million from federal funds. Relative to FY 2015 enacted levels, recommended general revenue financing increases by \$345,170, or 4.2 percent, while federal financing increases by \$163,170, or 1.4 percent, attributable to the following adjustments:

Health Care Eligibility	General Revenue	All Funds	FTE
<i>Personnel and Other Operating</i>	\$297,146	\$36,635	0.0
The Governor recommends additional financing for cost of living adjustments which were unbudgeted in the FY 2015 Enacted Budget, combined with statewide benefit changes and other expenditure plan adjustments. Amounts exclude changes to financing for the Unified Health Infrastructure Project, which are shown under the Individual and Family Support program above.			

Division of Veterans' Affairs

Within the Division of Veterans' Affairs, the Governor recommends FY 2016 appropriations of \$29.4 million, including \$20.5 million from general revenue, \$8.2 million from federal funds, and \$681,500 from restricted receipts. Relative to FY 2015 enacted levels, recommended general revenue financing increases by \$222,304, or 1.1 percent, federal financing increases by \$733,817, or 9.8 percent, and restricted receipts increase by \$46,500, or 7.3 percent.

For the first time since the position was created in 2011, the Governor recommends funding for the position of Director of the Division of Veterans' Affairs. The Governor is committed to doing everything within her authority to elevate the profile of veterans, and funding this position is an important step in that direction.

Division of Veterans' Affairs	General Revenue	All Funds	FTE
<i>Personnel and Other Operating</i>	\$222,304	\$1,002,621	0.0
The Governor recommends additional financing for cost of living adjustments which were unbudgeted in the FY 2015 Enacted Budget, combined with statewide benefit changes and other expenditure plan adjustments.			

Division of Elderly Affairs

Within the Division of Elderly Affairs, the Governor recommends FY 2016 appropriations of \$18.4 million, including \$6.4 million from general revenue, \$11.9 million from federal funds, and \$137,029 from restricted receipts. Relative to FY 2015 enacted levels, recommended general revenue financing increases by \$129,802, or 2.1 percent, federal financing decreases by \$323,723, or 2.6 percent, and restricted receipts decrease by \$162,310, or 54.2 percent, attributable to the following adjustments:

Division of Elderly Affairs	General Revenue	All Funds	FTE
<i>Program Innovation: Working Group to Reinvent Medicaid</i>	(\$250,000)	(\$503,221)	0.0
The Governor proposes significant cost reductions in the Medicaid program in FY 2016 in six major categories: targeted interventions for the highest cost/highest need populations, value-based payment approaches in managed care, value-based payment in long term services and supports, value-based payment			

Health and Human Services

in hospitals, better coordinated care for individuals with behavioral health needs, and improved program oversight and efficiency. The Working Group to Reinvent Medicaid will propose detailed savings initiatives in these areas, which will align with the long-term vision for the transformation of Rhode Island's Medicaid program.			
<i>RI Meals on Wheels</i>	\$330,000	\$330,000	0.0
The Governor recommends an administrative grant totaling \$330,000 to Meals on Wheels of Rhode Island, bringing Rhode Island's support for this organization to \$530,000 per annum in FY 2016, inclusive of a \$200,000 community service grant awarded by the legislature.			
Division of Elderly Affairs	General Revenue	All Funds	FTE
<i>Personnel and Other Operating</i>	\$49,802	(\$183,010)	0.0
The Governor recommends additional financing for cost of living adjustments which were unbudgeted in the FY 2015 Enacted Budget, combined with statewide benefit changes and other expenditure plan adjustments.			

Rhode Island Works & Child Care Assistance

The Governor recommends appropriations of \$88.6 million from all sources of funds, including \$9.7 million from general revenue for the Rhode Island Works and Child Care Assistance programs, consistent with the estimates adopted at the November 2014 Consensus Caseload Estimating Conference. Relative to FY 2015 enacted levels recommended general revenue financing remains unchanged, while federal financing increases by \$1.9 million, attributable to growth in the pilot program that allows a family whose income increases above 180 percent of the federal poverty level (FPL) up to 225 percent of the FPL to continue to receive child care subsidies.

Supplemental Security Income

The Governor recommends appropriations of \$18.7 million, consisting entirely of general revenue and reflecting caseloads as adopted by the November 2014 Consensus Caseload Estimating Conference. Relative to FY 2015 enacted levels recommended general revenue financing increases by \$126,127.

General Public Assistance

The Governor recommends appropriations of \$1.7 million, consisting entirely of general revenue and reflecting caseloads as adopted by the November 2014 Consensus Caseload Estimating Conference. Recommended general revenue for GPA also includes a \$210,000 allotment for the Hardship Contingency Fund, as authorized in Article 1 of the Governor's FY 2016 Appropriations Act. Relative to FY 2015 enacted levels recommended general revenue financing increases by \$39,560.

Supplemental Nutrition Assistance Program

The Governor recommends appropriations of \$268.0 million, consisting entirely of federal funds. Relative to FY 2015 enacted levels recommended federal financing decreases by \$32.6 million. Recommended financing in FY 2016 is consistent with the revised recommendation in FY 2015.

Health and Human Services

The Governor recommends 959.1 FTE positions in the revised FY 2015 Budget and the recommended FY 2016 Budget, which is unchanged from the enacted FY 2015 level.

Department of Behavioral Healthcare, Developmental Disabilities, and Hospital

FY 2015 Revised Budget

The Governor recommends a revised FY 2015 Budget for the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals of \$362.8 million, including \$168.8 million in general revenue, \$181.2 million in federal funds, \$8.8 million in restricted receipts, and \$6.1 million in other funds. This represents an all funds decrease of \$691,985 from the enacted FY 2015 Budget of \$365.5 million, or an increase of \$1.3 million from general revenue. The revised FY 2015 budget is inclusive of enacted statewide medical benefit savings distributed to state agencies, which resulted in \$302,905 of general revenue savings being allocated to the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals.

The FY 2015 revised Budget encompasses a general revenue increase of \$1.3 million. Of this increase, approximately \$430,695 is related to personnel expenditures mostly due to a delay with the implementation of a federal cost allocation plan for personnel expenditures. The revised FY 2015 Budget also includes additional financing of \$875,000 to fund expenses associated with the Consent Decree with the Department of Justice that requires the State of Rhode Island to provide services in less restrictive settings for individuals with developmental disabilities.

The revised FY 2015 Budget contains a decrease of \$5,030 from federal funds from the enacted FY 2015 Budget. Restricted receipts decrease by \$817,687, which is partially related to the shift of funds to general revenues due to the delay in the implementation of the cost allocation plan for personnel expenses. There is a reduction of \$1.1 million in other funds, which is associated with reductions in capital projects funded through the Rhode Island Capital Plan Fund based on updated estimated expenditures.

The Governor's revised FY 2015 Budget includes funding for 1,420.4 full-time equivalent positions.

FY 2016 Recommended Budget

For the FY 2016 Budget, the Governor recommends a total of \$366.9 million, including \$170.4 million in general revenue, \$178.6 million in federal funds, \$9.2 million in restricted receipts, and \$6.7 million in other funds. From the enacted FY 2015 Budget, the Governor's recommendation for the FY 2016 Budget includes a total increase of \$1.4 million, or \$2.9 million from general revenue, and funding for 1,421.4 full-time equivalent positions.

Central Management

The Central Management program provides administrative and managerial support for Developmentally Disabled and Behavioral Healthcare programs. The Governor's FY 2016 Budget recommendation includes a total of \$1.6 million, including \$1.0 million from general revenue and \$600,382 from federal funds. This recommendation represents a total increase of \$105,867 from the enacted FY 2015 Budget, which is mostly attributed to statewide changes for personnel expenditures.

Health and Human Services

Hospital and Community System Support

The Hospital and Community System Support program provides administrative and managerial support for Eleanor Slater Hospital. The Governor's FY 2016 Budget recommendation includes a total of \$2.8 million, including \$1.5 million from general revenue, \$762,813 from restricted receipts, and \$550,000 from the Rhode Island Capital Plan Fund. This recommendation represents a total decrease of \$1.1 million, or \$126,230 from general revenue, from the enacted FY 2015 Budget.

The FY 2016 Recommendation includes the following programmatic change:

Hospital and Community System Support:	General Revenue	All Funds	FTE
<i>Consolidation of capital</i>	\$(170,614)	\$(291,325)	2.0
The Governor's budget proposes consolidating construction, property and asset management functions from numerous departments to the Department of Administration. The consolidation supports efforts to provide greater oversight of capital projects, as well as to develop a more strategic approach to project planning and management, as well as asset management.			

Service for the Developmentally Disabled

The Services for the Developmentally Disabled program provides residential and day programming services to individuals with developmental disabilities. These services are delivered by the state run Rhode Island Community Living and Supports (RICLAS) system and private providers. The Governor's FY 2016 Budget recommendation for this program includes a total of \$226.8 million, which includes \$112.1 million from general revenue. From the enacted FY 2015 Budget, there is a total decrease of \$540,812, or an increase of \$1.1 million from general revenue. This recommendation also reflects decreases of \$1.2 million from federal funds, \$218,318 from restricted receipts, and \$207,286 from other funds.

The FY 2016 Recommendation includes the following programmatic changes:

Service for the Developmentally Disabled:	General Revenue	All Funds	FTE
<i>Cost of Care Automation</i>	\$(450,000)	\$(900,540)	NA
For the FY 2016 Budget, the Governor recommends streamlining and improving its billing system to prevent multiple bills and subsequent modifications based on participant co-pay amounts. This initiative saves \$900,540, or \$450,000 from general revenue.			
<i>Electronic Visit Verification</i>	\$(1,361,604)	\$(2,724,842)	NA
For the FY 2016 Budget, the Governor recommends a total decrease of \$2.7 million, or \$1.3 million from general revenues, for savings associated with the implementation of the electronic visit verification system. This will enable BHDDH to verify the accuracy of services provided to individual with developmental disabilities through home- and community-based services.			

Health and Human Services

<i>Consent Decree- Trust Fund, Monitor, Sherlock Center</i>	\$725,000	\$725,000	NA
The Governor recommends an additional \$725,000 to fund the Monitor, Trust Fund, and Sherlock Center as mandated by the Consent Decree with the Department of Justice.			
<i>Consent Decree- Provider Services</i>	\$2,000,000	\$4,025,765	NA
The Governor recommends an additional \$4.0 million to fund mandated services required for compliance with the Department of Justice for the Consent Decree.			

Behavioral Healthcare Services

Behavioral Healthcare Services largely consists of federally funded block grants utilized for behavioral healthcare promotion, prevention, early intervention, community support, and treatment programs. For the FY 2016 Budget, the Governor recommends a total of \$19.3 million, or \$2.3 million from general revenue, for the Behavioral Healthcare Services program. This represents an increase of \$279,393, or \$313,137 from general revenue, from the enacted FY 2015 Budget. The majority of this increase is attributed to statewide changes for personnel expenditures.

Hospital and Community Rehabilitation Services

For the FY 2016 Budget, the Governor recommends a total of \$116.3 million, or \$53.5 million from general revenue, to provide medical and psychiatric services to individuals through the Eleanor Slater Hospital and community based settings. This recommendation represents a total of \$2.7 million, or \$1.6 million from general revenue, above the enacted FY 2015 Budget. The majority of the general revenue increase is related to statewide changes for personnel expenditures.

The FY 2016 Recommendation includes the following programmatic changes:

Hospital and Community Rehabilitation Services	General Revenue	All Funds	FTE
<i>Consolidation of Food Services</i>	\$(150,000)	\$(300,000)	NA
The Governor recommends a total savings of \$300,000 for Eleanor Slater Hospital by transferring food purchases to the Department of Corrections. DOC currently operates a food purchasing and warehousing operation that supplies food to the prisons and the state's school lunch program. DOC has reviewed BHDDH's menu and operations and expects to attain a 20% reduction in food costs for BHDDH.			
<i>Close Southwick and Rogler Group Homes</i>	\$(449,742)	\$(898,047)	NA
For the FY 2016 Budget, the Governor recommends closing the Southwick and Rogler Group Homes. The populations within these particular facilities are decreasing, thereby presenting the opportunity to close two group homes. Southwick closed in October, 2014, which attributed to general revenue savings of \$67,397 in FY 2015.			
<i>Program Innovation: Working Group to Reinvent Medicaid</i>	\$(2,000,000)	\$(4,025,765)	NA
The Governor proposes significant cost reductions in the Medicaid program in FY 2016 in six major categories: targeted interventions for the highest cost/highest need populations, value-based payment approaches in managed care, value-based payment in long term services and supports, value-based payment			

Health and Human Services

in hospitals, better coordinated care for individuals with behavioral health needs, and improved program oversight and efficiency. The Working Group to Reinvent Medicaid will propose detailed savings initiatives in these areas, which will align with the long-term vision for the transformation of Rhode Island's Medicaid program.

Governor's Commission on Disabilities

FY 2015 Revised Budget

The Governor recommends revised expenditures of \$1.5 million for FY 2015 for the Governor's Commission on Disabilities. This consists of \$357,141 in general revenue, \$305,524 in federal funds, \$9,931 in restricted receipts, and \$900,000 in Rhode Island Capital Plan Fund resources. The revised FY 2015 budget is inclusive of enacted statewide medical benefit savings distributed to state agencies, which resulted in \$380 of general revenue savings being allocated to the Governor's Commission on Disabilities.

Of the all funds increase of \$63,794 above the FY 2015 enacted level, general revenue decreases by \$1,134, federal funds increase by \$164,174, restricted receipts increase by \$754, and Rhode Island Capital Plan Fund resources decrease by \$100,000. The Governor recommends additional statewide medical benefit savings totaling \$754 in general revenue funds.

FY 2016 Recommended Budget

The Governor recommends consolidation of the Governor's Commission on Disabilities into a newly created Division of Advocacy within the Executive Office of Health and Human Services in FY 2016. Consolidation of the Commission, along with the Commission on the Deaf and Hard of Hearing, the Office of the Child Advocate, and the Office of the Mental Health Advocate, will result in administrative efficiencies and generate budgetary savings. Financing in support of the Commission for FY 2016 is detailed within the Executive Summary for the Executive Office of Health and Human Services.

The recommended FTE position authorization for the revised FY 2015 budget is 4.0 FTE positions, consistent with the FY 2015 enacted level.

Commission on the Deaf and Hard of Hearing

FY 2015 Revised Budget

The Governor recommends revised expenditures of \$478,741 for FY 2015 for the Commission on the Deaf and Hard of Hearing. This consists of \$398,741 in general revenue and \$80,000 in restricted receipt funds. The revised FY 2015 budget is inclusive of enacted statewide medical benefit savings distributed to state agencies, which resulted in \$1,907 in general revenue savings being allocated to the Commission on the Deaf and Hard of Hearing. The all funds increase of \$4,462 from the FY 2015 enacted budget is composed solely of general revenue funds and includes additional statewide medical benefit savings of \$1,845.

FY 2016 Recommended Budget

The Governor recommends consolidation of the Commission on the Deaf and Hard of Hearing into a newly created Division of Advocacy within the Executive Office of Health and Human Services in FY 2016.

Health and Human Services

Consolidation of the Commission, along with the Governor's Commission on Disabilities, the Office of the Child Advocate, and the Office of the Mental Health Advocate, will result in administrative efficiencies and generate budgetary savings. Financing in support of the Commission for FY 2016 is detailed within the Executive Summary for the Executive Office of Health and Human Services.

The recommended FTE position authorization for the revised FY 2015 budget is 3.0 FTE positions, consistent with the FY 2015 enacted level.

Office of the Child Advocate

FY 2015 Revised Budget

The Governor recommends revised expenditures of \$683,154 for FY 2015 for the Office of the Child Advocate. This consists of \$633,154 in general revenue and \$50,000 in federal funds. The all funds increase of \$21,337 is composed solely of general revenue funds. The revised FY 2015 budget is inclusive of enacted statewide medical benefit savings distributed to state agencies, which resulted in \$2,476 of general revenue savings being allocated to the Office of the Child Advocate. The Governor also includes additional statewide medical benefit savings of \$1,761 for the Office in FY 2015.

FY 2016 Recommended Budget

The Governor recommends consolidation of the Office of the Child Advocate into a newly created Division of Advocacy within the Executive Office of Health and Human Services in FY 2016. Consolidation of the Office, along with the Governor's Commission on Disabilities, the Commission on the Deaf and Hard of Hearing, and the Office of the Mental Health Advocate, will result in administrative efficiencies and generate budgetary savings. Financing in support of the Office for FY 2016 is detailed within the Executive Summary for the Executive Office of Health and Human Services.

The recommended FTE position authorization for the revised FY 2015 budget is 6.0 FTE positions, consistent with the FY 2015 enacted level.

Office of the Mental Health Advocate

FY 2015 Revised Budget

The Governor recommends revised expenditures of \$506,078 for FY 2015 for the Office of the Mental Health Advocate, an increase of \$11,068 from the enacted level. The revised FY 2015 budget is inclusive of enacted statewide medical benefit savings distributed to state agencies, which resulted in \$2,442 of general revenue savings being allocated to the Office of the Mental Health Advocate. The Governor also includes additional statewide medical benefit savings of \$2,421 for the Office in FY 2015.

FY 2016 Recommended Budget

The Governor recommends consolidation of the Office of the Mental Health Advocate into a newly created Division of Advocacy within the Executive Office of Health and Human Services in FY 2016. Consolidation of the Office, along with the Governor's Commission on Disabilities, the Commission on the

Health and Human Services

Deaf and Hard of Hearing, and the Office of the Child Advocate, will result in administrative efficiencies and generate budgetary savings. Financing in support of the Office for FY 2016 is detailed within the Executive Summary for the Executive Office of Health and Human Services.

The recommended FTE position authorization for the revised FY 2015 budget is 3.7 FTE positions, consistent with the FY 2015 enacted level.

