

State of Rhode Island and Providence Plantations

Budget



Fiscal Year 2017

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, and services for at-risk children, advocacy, and medical provider regulation.

In FY 2017, despite a continuing 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. Services to meet 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.

Reinvent Medicaid, a large-scale reform initiative within the State's Medicaid program is currently underway. The innovations are summarized 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.

Now fully underway, Unified Health Infrastructure Project (UHIP) will result in a modern, fully integrated eligibility system covering multiple public assistance programs and the state-based Health Benefits Exchange, known as HealthSource RI.

The Department of Human Services is fully committed to assist low income families with child care and the back-to-work programs. The FY 2017 Budget includes new federal requirements outlined in the Child Care Development Block Grant Reauthorization Act of 2014. These new requirements include a variety of family-friendly eligibility policies, such as 12 months of uninterrupted child care benefits, 3 months of continued eligibility when families face a permanent job loss, as well as increases in the amount of funding allocated towards quality improvement activities.

The Department of Human Services has increased funding related to Senior Centers in an effort to strengthen programs and services that enable older Rhode Islanders to live an independent, healthy and dignified lifestyle while continuing to make meaningful contributions in the community.

The Department of Children, Youth, and Families is committed to ensuring that the safety, permanency and well-being of all children and youth is achieved through an integrated System of Care. Efforts are being made to reduce costs and improve efficiencies through new program initiatives that will ensure opportunities for children to reach their full potential.

The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals is transforming services provided to individuals with developmental disabilities by transitioning to a system that emphasizes integrated employment opportunities and shared living arrangements. This shift in services provides individuals with more integrated and less restrictive services for both employment and residential options. In addition to programmatic changes for individuals with developmental disabilities, the Eleanor Slater Hospital system is undergoing reorganization to enhance services provided to patients and achieve greater efficiencies.

Health and Human Services

The Department of Health reflects a new organizational structure for FY 2017 that is consistent with its strategic plan and emphasizes key areas such as customer services. In addition to the change in structure, the Governor also shifts the Women, Infants and Children (WIC) program and associated financing from the Department of Human Services to the Department of Health. The Governor also proposes several changes to the medical marijuana program, including bifurcating the responsibilities of licensing and regulation to both the Department of Health and the Department of Business Regulation. Under the proposed structure, the Department of Health will be responsible for licensing patients and authorized purchasers while the Department of Business Regulation will become the licensing agency of compassion centers, compassion center staff, cultivators, and caregivers as well as selling plant tracking tags and maintaining a tag tracking database.

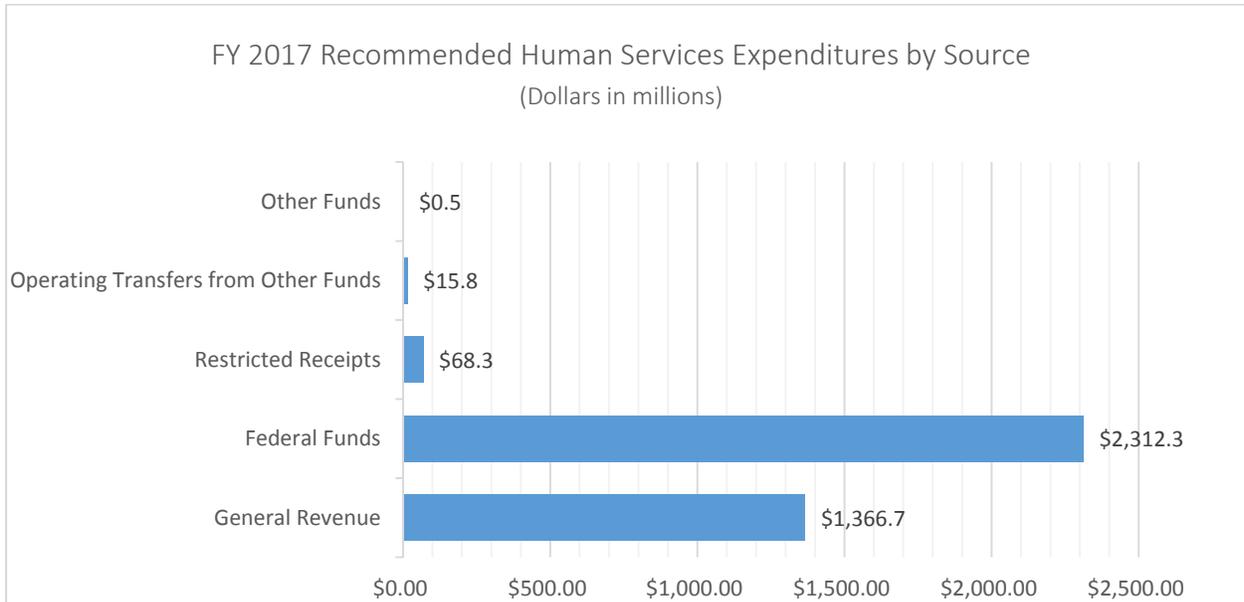
The dual role of advocacy and education continues to be provided by the Offices of the Child Advocate and Mental Health Advocate, the Governor's Commission on Disabilities, and the Commission on the Deaf and Hard of Hearing.

For FY 2016, the Governor recommends a revised all funds budget of \$3.854 billion for the Health and Human Services function, including \$1.381 billion from general revenue, \$2.393 billion from federal funds, \$64.2 million from restricted receipts, and \$15.3 million from other funds. Relative to the FY 2016 enacted budget, there is a net increase of \$132.2 million, including a \$19.6 million increase in general revenue financing, a \$106.3 million increase in federal funds financing, a \$4.4 million increase in restricted receipts financing, and a \$1.8 million increase in other financing funds. The Governor recommends 3,745.6 FTE positions in the FY 2016 revised budget, a reduction of 2.0 FTE positions compared to the FY 2016 enacted budget.

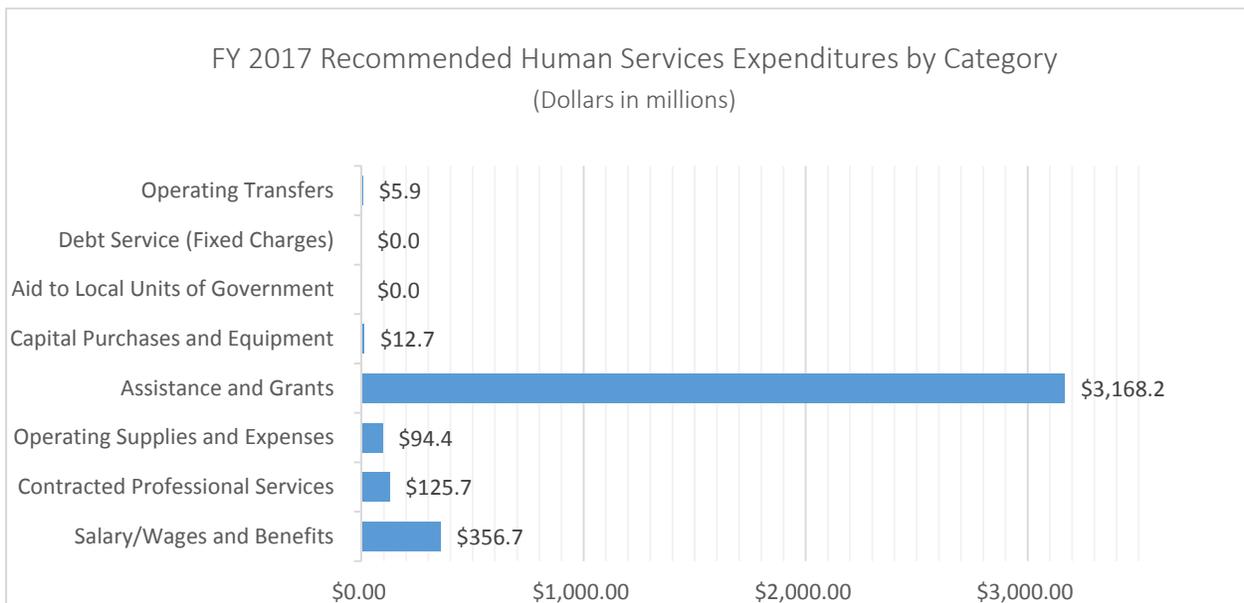
The Governor's proposed funding level of \$3.764 billion for FY 2017 maintains services for the State's most vulnerable populations. This proposal consists of \$1.367 billion from general revenue, \$2.312 billion from federal funds, \$68.3 million from restricted receipts, and \$16.3 million from other funds. This reflects a net increase of \$42.2 million, including an increase of \$5.6 million from general revenue, an increase of \$25.2 million from federal funds, an increase of \$8.6 million from restricted receipts, and an increase of \$2.8 million from other funds relative to the FY 2016 enacted budget. The Governor recommends 3,753.6 FTE positions in the FY 2017 Budget, a reduction of 6.0 FTE positions compared to the FY 2016 enacted budget.

The FY 2017 recommendation constitutes 41.99 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 2017 recommendation for the Health and Human Service agencies and departments.

Health and Human Services



The Governor’s FY 2017 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 \$482.4 million, or 12.8 percent, of all expenditures programmed for Health and Human Services. Grants and benefits expenditures of \$3.168 billion account for the largest outflow of identified resources, reflecting 84.2 percent of the total Health and Human Services function. The chart below shows the outflows of all resources by category of expenditure for the Health and Human Services function.



Health and Human Services

EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

Source Of Funds	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Enacted	FY 2016 Revised	FY 2017 Recommended
General Revenue	\$839,589,446	\$915,652,909	\$909,934,065	\$926,021,780	\$914,720,115
Federal Funds	\$1,093,456,235	\$1,402,816,157	\$1,462,232,758	\$1,522,294,853	\$1,476,096,972
Restricted Receipts	\$12,568,219	\$16,181,394	\$15,737,130	\$15,245,412	\$18,499,402
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
Total Funding	\$1,945,613,900	\$2,334,650,460	\$2,387,903,953	\$2,463,562,045	\$2,409,316,489
FTE Authorization	184.0	184.0	187.0	187.0	187.0

FY 2016 Revised Budget

The Governor recommends a revised FY 2016 appropriation of \$2.464 billion for the Executive Office of Health and Human Services (EOHHS), including \$926.0 million in general revenue, federal funds of \$1.523 billion, and restricted receipts of \$15.2 million. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$16.1 million, federal financing increases by \$60.1 million and restricted receipts financing decreases by \$491,718.

Central Management

Within Central Management, the Governor recommends revised FY 2016 appropriations of \$209.2 million, including \$36.6 million from general revenue, \$168.0 million from federal funds, and \$4.6 million from restricted receipts. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$10.8 million, while federal funds financing and restricted receipts financing increases by \$74.2 million, attributable to the following adjustments:

- *Supplemental Appropriation Contract Services.* The Governor's recommendation includes a \$637,605 increase in general revenue related to delays in contract spending from FY 2015.
- *Unified Health Infrastructure Project (UHIP) Additional Spending.* The Governor's recommendation includes an increase of \$10.0 million in general revenue and \$68.5 million in federal funds financing related to the UHIP project due to the following:
 1. Integrated Worker Portal.
 2. Improved Federal, State and cost savings requirements for Citizens portal.
 3. Improved Federal, State and cost savings requirements for RI Bridges worker portal.

Medical Assistance

Within the Medical Assistance program, the Governor recommends revised FY 2016 appropriations of \$2.254 billion, including \$889.4 million from general revenue, \$1.354 billion from federal funds, and \$10.6 million from restricted receipts. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$5.3 million, while federal funds financing and restricted receipts financing decreases by \$14.6 million, attributable to the following adjustments:

- *CEC Consensus Estimate- Change to the Enacted Appropriation.* The Governor's recommendation includes the Caseload Estimating Conference increase of \$7.3 million in general revenue related to an increase in enrollment trends, FY 2015 Graduate Medical Education payment, and federal changes to Medicare Part B.
- *Elimination of the Funding Pool for Graduate Medical Education.* The Governor's recommendation reduces general revenue by \$2.0 million and eliminates the state-only funding

Health and Human Services

pool in support of graduate medical education at Rhode Island's academic Level I trauma center hospital. This fund was established by the 2014 General Assembly.

FY 2017 Recommended Budget

The Governor recommends FY 2017 appropriations of \$2.409 billion, including \$914.7 million from general revenue, \$1.476 billion from federal funds, \$18.5 million from restricted receipts. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$11.3 million, while federal funds financing and restricted receipts financing decreases by \$42.9 million.

Central Management/UHIP

Within Central Management, the Governor recommends FY 2017 appropriations of \$149.3 million, including \$33.3 million from general revenue, \$112.0 million from federal funds, and \$3.9 million from restricted receipts. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$7.5 million, while federal funds financing and restricted receipts financing increases by \$17.5 million, attributable to the following adjustments:

- *Personnel and Other Operating Expenses.* The Governor's recommendation includes an increase of \$670,788 in general revenue and \$4.6 million in federal funds financing related to the personnel and other health innovation plans to support the EOHHS organization.
- *Unified Health Infrastructure Project (UHIP).* The Governor's recommendation includes an increase of \$6.8 million in general revenue financing (EOHHS only) and \$14.2 million in federal funds financing (EOHHS only) related to the UHIP project due to the integrated worker portal, improved federal, state and cost savings requirements for citizens portal, and improved federal, state and cost savings requirements for RI Bridges worker portal. The UHIP is a fully integrated system of eligibility determination spanning multiple public assistance programs, Medicaid and the health benefits exchange. UHIP is the successor system to the now-antiquated "InRhodes" eligibility system. UHIP requires considerable investments in contracted information technology services, project management, and IT equipment acquisition and maintenance. With an estimated total cost of \$364 million, UHIP represents the largest scale information technology project ever undertaken by the State of Rhode Island. The Governor's recommended FY 2016 and FY 2017 budget for the project is displayed the following table:

Health and Human Services

FY 2016 Revised and FY 2017 UHIP Budget			
	FY 2016 Enacted	FY 2016 Governor	FY 2017 Governor
Funding by Source/Agency			
<i>General Revenue:</i>			
EOHHS	3,148,481	13,154,022	9,990,495
DHS	2,579,078	2,573,475	984,921
Total General Revenue	5,727,559	15,727,497	10,975,416
<i>Federal Funding:</i>			
EOHHS	27,826,057	96,276,393	41,996,278
DHS	4,888,608	6,616,057	4,440,254
Total Federal Funding	32,714,665	102,892,450	46,436,532
Grand Total	38,442,224	118,619,947	57,411,948

* Does not include Health Source RI and Information Technology Investment Fund.

Medical Assistance

Within the Medical Assistance program, the Governor recommends FY 2017 appropriations of \$2.260 billion, including \$881.4 million from general revenue, \$1.364 billion from federal funds, and \$14.6 million from restricted receipts. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$2.7 million, while federal funds financing and restricted receipts financing decreases by \$911,401, attributable to the following adjustments:

- *CEC Consensus Estimate -- Change to the Enacted Appropriation.* The Governor recommendation includes the Caseload Estimating Conference increase of \$35.5 million in general revenue financing and \$42.3 million in federal funds financing. The change is driven by increases in enrolment trends, the lapse of 100% federal funding for the Medicaid expansion population (see Medicaid Expansion under the Affordable Care Act explanation below) and Medicaid Part B changes. The recommendation is \$8.0 million lower than the July 2015 Budget Office estimate.

The Medicaid Expansion under the Affordable Care Act for FY 2017 includes a total appropriation of \$485.5 million which reflects general revenue financing of \$12.1 million 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 the 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.

- *Overdose Task Force.* The Governor's recommendation includes a \$740,000 increase in general revenue and a \$770,821 increase in federal funds implementing the recommendations of the Overdose Task Force to address the opioid dependence problem, including the creation of substance abuse centers of excellence, and the expansion of the peer recovery coach model.

Health and Human Services

- *Hospital and Nursing Home Performance-Based Program.* The Governor recommends the creation of two general revenue neutral performance-based programs to continue to move Medicaid funding toward a value-based purchasing paradigm which rewards quality, efficiency, and health outcomes. The Governor recommends funding the Hospital and Nursing Home performance-based programs through identification of new opportunities for federal match on currently unmatched spending. EOHHS is working closely with CMS to identify which opportunities are most promising. In the event that additional federal funding cannot be found, the Governor recommends the utilization of part of the Disproportionate Share Hospitals (DSH) and Hospitals Supplemental Payments (UPL) funding as a potential source of program financing.
- *Governor's Savings Initiatives/Reform Proposals.* The Governor recommends a decrease of \$39.0 million in general revenue financing and \$44.0 million in federal funds financing related to a number of Initiatives/Reform Proposals listed below.

1. Nursing facility rate freeze - (\$2,005,978)

The Governor recommends the delay of the annual nursing facility rate increase. This initiative impacts both the Medicaid fee-for-service system and the managed long term care delivery system, also known as Rhody Health Options (RHO).

2. Enhanced and automation of patient share collection - (\$1,500,000)

The Governor recommends improvements to the patient liability collection process for the managed care delivery system and Rhody Health Options.

3. Elimination of the funding pool for Graduate Medical Education - (\$2,006,051)

The Governor recommends the elimination of the funding pool for Graduate Medical Education.

4. Increase attachment point of children's health account - (\$3,970,000)

The Governor recommends increasing the threshold amount for calculating the assessment from \$7,500 per service per child to \$12,500 per service per child.

5. Increase enrollment in Accountable / Coordinated Care Entities - (\$2,000,000)

The Governor recommends expanding enrollment of Medicaid participants in accountable entity care arrangements to improve coordination, improve health outcomes, and lower costs.

6. Reduce administrative rate to managed care organizations (MCO) and Conversion to Fixed per member per month (PMPM) Rate - (\$3,250,000)

The Governor recommends reducing the administration rate paid to MCO's given new efficiencies and economies of scale which should be achievable as a result of significantly increased enrollment as well as experience with the population.

7. Managed care re-procurement savings (9 Months) - (\$2,000,000)

The Governor recommends that EOHHS reduce spending by \$2.0 million as a result of the re-procurement of the state's \$1 billion contracts for RItE Care, RHP, and expansion.

8. Re-negotiate transportation contract - (\$1,000,000)

The Governor recommends that EOHHS re-negotiate its transportation contract. EOHHS' transportation vendor has a risk-based contract. Rates for the three-year contract were

Health and Human Services

established in May of 2014. The vendor is currently showing an 8 percent profit margin (before taxes) on total capitation revenue – in FY 2016, revenues are estimated to be \$34.5 million. EOHHS believes rates are too high as a result of a policy change made after the contract was established that reduced utilization of Rhody Ten bus passes and improved administrative efficiencies of the vendor.

9. Utilize pharmacy utilization management protocols through the MCOs - (\$2,006,051)

The Governor recommends that EOHHS work with the Pharmacy Committee to ensure all Utilization management tools were being utilized by the MCOs. EOHHS will meet with the MCO Medical Directors and Chief Pharmacists monthly to review Utilization Review and Utilization Management methods to ensure appropriate utilization.

10. Improve Medicaid expansion claiming for Rite Share participants - (\$200,000)

The Governor recommends moving current Rite Share participants who qualify under Medicaid expansion in order to take advantage of 100% match under Medicaid Expansion.

11. Enhance opportunity of pharmaceutical rebates through formulary management- (\$500,000)

The Governor recommends enhancing the opportunity to claim pharmaceutical rebates through formulary management. EOHHS is eligible to receive rebates from pharmaceutical manufacturers based on the type of drugs utilized by members. EOHHS will work with the MCOs to maximize the rebates provided to the State by managing the MCOs formularies to ensure that the highest rebate drugs are available to members and prescribers.

12. Increase payment rates for home care services - \$2,006,051

The Governor recommends increasing payment rates for personal care attendants and home health aides by approximately 7 percent. The additional reimbursement will flow directly to increase wages of front-line staff.

13. Maximize federal Early Intervention grant - (\$500,000)

The Governor recommends the maximization of the federal Early Intervention Grant to assist in the support of services to non-Medicaid eligible children.

14. UHIP operational savings - (\$19,050,000)

The Governor recommends UHIP operational savings by maximization of federal funds for Medicaid Coverage and Compliance to Federal and State Policies & Regulations (Program Integrity).

15. Negotiate NICU bundled payment - (\$1,000,000)

The Governor recommends establishing a NICU bundled payment. As Medicaid drives toward value based purchasing, EOHHS will work with the hospital to reimburse NICU services as part of the Labor and Delivery (SOBRA) bundled payment.

The Governor recommends 187.0 FTE positions in the revised FY 2016 Budget and the recommended FY 2017 Budget, consistent with the enacted FY 2016 level.

Health and Human Services

DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES

Source Of Funds	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Enacted	FY 2016 Revised	FY 2017 Recommended
General Revenue	\$154,719,224	\$158,285,858	\$152,587,731	\$154,782,322	\$151,984,020
Federal Funds	\$61,602,917	\$59,824,300	\$58,927,126	\$61,708,997	\$60,409,483
Restricted Receipts	\$2,762,996	\$3,043,630	\$2,838,967	\$3,700,363	\$3,466,576
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$600,784	\$416,591	\$2,238,586	\$2,572,357	\$250,000
Total Funding	\$219,685,921	\$221,570,379	\$216,592,410	\$222,764,039	\$216,110,079
FTE Authorization	670.5	672.5	672.5	672.5	672.5

FY 2016 Revised Budget

The Governor recommends revised FY 2016 appropriations of \$222.8 million for the Department of Children, Youth, and Families, including \$154.8 million from general revenue, \$61.7 million from federal funds, \$3.7 million from restricted receipts, and \$2.6 million from the Rhode Island Capital Plan Fund. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$2.2 million, federal financing increases by \$2.8 million, restricted receipt financing increases by \$861,396, and financing from the Rhode Island Capital Plan Fund increases by \$333,771. The revised FY 2016 budget is inclusive of enacted statewide medical benefit and other savings distributed to state agencies, which resulted in \$296,515 of general revenue savings being allocated to the Department of Children, Youth, and Families.

Central Management

Within the Central Management program, the Governor recommends revised FY 2016 appropriations of \$8.8 million, including \$6.2 million from general revenue and \$2.6 million from federal funds. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$613,269 and federal funds financing increases by \$289,871.

- *Personnel.* The increase in general revenue is largely attributable to a realignment of personnel across several programs that resulted in a greater number of FTE positions being allocated to Central Management.

Child Welfare

Within the Child Welfare program, the Governor recommends revised FY 2016 appropriations of \$176.3 million, including \$118.3 million from general revenue, \$53.7 million from federal funds, \$3.7 million from restricted receipts, and \$590,000 from the Rhode Island Capital Plan Fund. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$1.7 million, federal funds financing increases by \$3.0 million, restricted receipts financing increases by \$861,396, and financing from the Rhode Island Capital Fund is unchanged. Major changes to the enacted level include:

- *System of Care.* The Governor recommends \$79.5 million for the System of Care in the revised FY 2016 Budget, an increase of \$4.9 million from all sources of funds, of which \$1.0 million is from general revenue. Services provided through the System of Care include residential services (residential treatment centers, emergency shelters, group homes, and independent and semi-independent living services) as well as private agency foster care and various community-based services. Based on current caseload trends and the continuation of network administrative services through March 31, 2016, the Budget Office estimates that the Department will require an

Health and Human Services

additional \$5.5 million from general revenue above the enacted level in FY 2016 to finance services provided through the System of Care. In order to minimize this additional general revenue requirement, the Governor recommends the following actions in FY 2016:

- A shift of \$3.4 million from general revenue to federal funds, attributable to Medicaid-eligible community based services within the System of Care which had not been previously claimed.
 - A shift of \$700,000 in general revenue to restricted receipt funds.
 - The enacted FY 2016 Budget contains \$800,000 from general revenue for a utilization management contract. The Governor recommends a reduction of \$500,000 from general revenue attributable to delays in awarding this contract.
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- *Foster Care & Adoption Assistance Subsidies.* The Governor recommends \$27.1 million from all sources of funds for foster care and adoption assistance subsidies in the revised FY 2016 Budget, of which \$20.4 million is from general revenue. This represents a decrease of \$331,473 from all funds, or an increase of \$897,469 from enacted general revenue, primarily attributable to overestimated Title IV-E matching funds contained in the enacted base. The recommendation assumes a caseload equivalent to FY 2015 or 3,930 average monthly subsidies, of which 1,081 are foster subsidies, 2,371 are adoption subsidies, and 478 are guardianship subsidies. Included in the recommendation is \$1.0 million from general revenue to provide a rate increase for foster subsidies, which will bring the average daily rate for foster subsidies from \$16.05/day to \$18.59/day.
 - *Day Care.* The Governor recommends \$5.4 million from all sources of funds in the revised FY 2016 Budget, of which \$4.7 million is from general revenue, for daycare subsidies provided to children in DCYF care. This represents an increase of \$1.1 million from all sources of funds, of which an increase of \$1.2 million is from general revenue. The recommendation assumes a caseload equivalent to FY 2015, but incorporates the 3 percent provider rate increase negotiated by the Department of Human Services with Day Care providers.
 - *Community Based and Other Services Outside the System of Care.* The Governor recommends \$15.2 million from all sources of funds for community based and other services outside of the System of Care, of which \$10.8 million is from general revenue. This represents an increase of \$1.1 million from all sources of funds, of which an increase of \$1.3 million is from general revenue.
 - *Personnel.* The Governor recommends a decrease of \$2.6 million from general revenue for personnel expenditures in the revised FY 2016 Budget, attributable to additional turnover savings due to a significant decline in the number of filled FTE positions compared to filled positions at the time of enactment of the FY 2016 Budget.

Children's Behavioral Health

Within the Children's Behavioral Health program, the Governor recommends revised FY 2016 appropriations of \$11.2 million, including \$5.0 million from general revenue, \$5.2 million from federal funds, and \$1.0 million from the Rhode Island Capital Plan Fund. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$406,560, federal funds financing decreases by \$512,013, and financing from the Rhode Island Capital Plan Fund decreases by \$93,229. Major changes to the enacted level include:

Health and Human Services

- *Personnel Costs.* The Governor recommends a decrease of \$337,815 from general revenue for personnel expenditures in FY 2016, attributable to additional turnover savings combined with a realignment of personnel that resulted in fewer FTE positions being allocated to this program.
- *Unachieved Contract Savings.* The Governor restores \$933,452 in the revised FY 2016 Budget, attributable to unachieved contract savings (for various community based services as well as data analysis services provided by Yale University) included in the enacted FY 2016 Budget.
- *Medicaid Direct Bills/Bradley Hospital Group Homes.* The Governor recommends \$4.6 million from all sources of funds for services billed directly through Medicaid, largely for group homes run by Bradley Hospital attributable to current caseload trends. This represents a reduction of \$278,634 from all sources of funds, of which \$138,425 is from general revenue.

Juvenile Corrections

Within the Juvenile Corrections program, the Governor recommends revised FY 2016 appropriations of \$26.3 million, including \$25.1 million from general revenue, \$277,485 from federal funds, and \$962,000 from the Rhode Island Capital Plan Fund. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$494,712, federal funds financing increases by \$1,387, and financing from the Rhode Island Capital Plan Fund increases by \$427,000. Major changes include:

- *Personnel.* The Governor recommends a decrease of \$620,724 from general revenue for personnel expenditures in FY 2016, attributable to additional turnover savings combined with a realignment of personnel that resulted in fewer FTE positions being allocated to this program.
- *Rhode Island Hospital Contract – Prior Year Expenditures.* The Governor recommends \$1.6 million from general revenue for the contract with Rhode Island Hospital for medical services at the Rhode Island Training School. This is \$140,843 greater than enacted, attributable to FY 2015 expenditures which were not paid prior to the close of the fiscal year.
- *All Other Services.* The Governor recommends \$1.2 million from general revenue for all other services contracts for youth at the Rhode Island Training School as well as juvenile offenders on probation and parole. This represents an increase of \$29,544 from general revenue.

Higher Education Incentive Grants

Funding for this program is set by statute (R.I.G.L. Section 42-72.8-4) in the amount of \$200,000 annually. The purpose is to provide grants to youth currently in DCYF legal custody or were in the Department's custody on their eighteenth (18th) birthday for the purpose of pursuing post-secondary education. DCYF has partnered with the Rhode Island Higher Education Assistance Authority to administer this program.

FY 2017 Recommended Budget

The Governor recommends FY 2017 appropriations of \$216.1 million for the Department of Children, Youth, and Families, including \$152.0 million from general revenue, \$60.4 million from federal funds, \$3.5 million from restricted receipts, and \$250,000 from the Rhode Island Capital Plan Fund. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$603,711, federal financing increases by \$1.5 million, restricted receipt financing increases by \$627,609, and financing from the Rhode Island Capital Plan Fund decreases by \$2.0 million. The recommended FY 2017 Budget is inclusive of statewide medical benefit

Health and Human Services

and other savings distributed to state agencies, which resulted in \$140,330 of general revenue savings being allocated to the Department of Children, Youth, and Families.

Central Management

Within the Central Management program, the Governor recommends FY 2017 appropriations of \$10.1 million, including \$7.1 million from general revenue and \$2.8 million from federal funds. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$1.5 million and federal financing increases by \$519,782. The increase in general revenue is largely attributable to a realignment of personnel across several programs that resulted in a greater number of FTE positions being allocated to Central Management.

Child Welfare

Within the Child Welfare program, the Governor recommends FY 2017 appropriations of \$170.7 million, including \$114.8 million from general revenue, and \$52.5 million from federal funds, and \$3.5 million from restricted receipts. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$1.8 million, financing from federal funds increases by \$1.8 million, restricted receipt financing increases by \$627,609, and financing from the Rhode Island Capital Plan Fund decreases by \$590,000. Major changes include:

- *System of Care.* Based on FY 2016 caseload trends and assuming the elimination of network administrative services, the Budget Office estimates that the Department will require an additional \$1.2 million from general revenue above the enacted level in FY 2016 to finance services provided through the System of Care. In order to minimize this additional general revenue requirement, the Governor recommends the following actions in FY 2017:
 - A shift of \$2.1 million from general revenue to federal funds, attributable to Medicaid-eligible community based services within the System of Care which had not been previously claimed.
 - A shift of \$550,000 in general revenue to restricted receipt funds.
- *Foster Care & Adoption Assistance Subsidies.* The Governor recommends \$27.1 million from all sources of funds for foster care and adoption assistance subsidies in the FY 2017 Budget, of which \$20.3 million is from general revenue. This represents a decrease of \$331,473 from all funds, or an increase of \$824,383 from enacted general revenue, primarily attributable to overestimated Title IV-E matching funds contained in the enacted base. The recommendation assumes a caseload equivalent to FY 2015 or 3,930 average monthly subsidies, of which 1,081 are foster subsidies, 2,371 are adoption subsidies, and 478 are guardianship subsidies. In addition, the recommendation adjusts allocations to state and federal matching accounts consistent with changes in the Federal Medical Assistance Percentage (FMAP). Included in the recommendation is \$1.0 million from general revenue in order to provide a rate increase for foster subsidies, which will bring the average daily rate for foster subsidies from \$16.05/day to \$18.59/day.
- *Day Care.* The Governor recommends \$5.4 million from all sources of funds in the FY 2017 Budget, of which \$4.7 million is from general revenue, for daycare subsidies provided to children in DCYF care. This represents an increase of \$1.1 million from all sources of funds, of which an increase of \$1.2 million is from general revenue. The recommendation assumes a caseload equivalent to FY 2015, but incorporates the 3 percent provider rate increase negotiated by the Department of Human Services with Day Care providers and also adjusts allocations to state and

Health and Human Services

federal matching accounts consistent with changes in the Federal Medical Assistance Percentage (FMAP).

- *Community Based and Other Services Outside the System of Care.* The Governor recommends \$13.2 million from all sources of funds for community based and other services outside of the System of Care, of which \$9.0 million is from general revenue. This represents a reduction of \$515,358 in general revenue from the FY 2016 enacted level, or a reduction of \$1.8 million in general revenue from the revised FY 2016 Budget. As part of the effort to ensure the most efficient delivery of services, the Department is in the process of re-procuring all service contracts and anticipates significant general revenue savings as a result.
- *Personnel.* The Governor recommends a decrease of \$2.0 million from general revenue for personnel expenditures in FY 2017, attributable to additional turnover savings.

Children's Behavioral Health

Within the Children's Behavioral Health program, the Governor recommends FY 2017 appropriations of \$10.1 million, including \$5.0 million from general revenue, \$4.8 million from federal funds, and \$250,000 from the Rhode Island Capital Plan Fund. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$410,897, federal financing decreases by \$871,721, and financing from the Rhode Island Capital Plan Fund decreases by \$863,586. Major changes include:

- *Personnel Costs.* The Governor recommends a decrease of \$308,776 from general revenue for personnel expenditures in FY 2017, attributable to additional turnover savings combined with a realignment of personnel that resulted in fewer FTE positions being allocated to this program.
- *Unachieved Contract Savings.* The Governor restores \$933,452 in the recommended FY 2017 Budget, attributable to unachieved contract savings included in the enacted FY 2016 Budget.
- *Medicaid Direct Bills/Bradley Hospital Group Homes.* The Governor recommends \$4.6 million from all sources of funds for services billed directly through Medicaid, largely for group homes run by Bradley Hospital attributable to current caseload trends. This represents a reduction of \$278,634 from all sources of funds, of which \$163,622 is from general revenue. General revenue savings in FY 2017 is greater than FY 2016 due to the adjustments to state and federal matching accounts consistent with changes in the Federal Medical Assistance Percentage (FMAP).

Juvenile Corrections

Within the Juvenile Corrections program, the Governor recommends FY 2017 appropriations of \$25.2 million, including \$25.0 million from general revenue, and \$281,367 from federal funds. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$664,504, financing from federal funds increases by \$5,269, and financing from the Rhode Island Capital Plan Fund decreases by \$535,000. Major changes include:

- *Personnel.* The Governor recommends a decrease of \$159,127 from general revenue for personnel expenditures in FY 2017, attributable to additional turnover savings combined with a realignment of personnel that resulted fewer FTE positions being allocated to this program.

Health and Human Services

- *Renegotiate Rhode Island Hospital Contract.* The Governor recommends a reduction to the Rhode Island Hospital contract of \$485,617 from the FY 2016 enacted level, bringing budgeted financing for this contract to \$1.0 million in FY 2017. The value of this contract has not been reduced, despite a significant decline in the number of youth at the Rhode Island Training School in recent years.
- *All Other Services.* The Governor recommends \$1.2 million from general revenue for all other services contracts for youth at the Rhode Island Training School as well as juvenile offenders on probation and parole. This represents an increase of \$23,900 from general revenue compared to the FY 2016 enacted budget.

Higher Education Incentive Grants

Funding for this program is set by statute (R.I.G.L. Section 42-72.8-4) in the amount of \$200,000 annually. The purpose is to provide grants to youth currently in DCYF legal custody or were in the Department's custody on their eighteenth (18th) birthday for the purpose of pursuing post-secondary

The Governor recommends 672.5 FTE positions in the revised FY 2016 Budget and FY 2017 Budget, consistent with the enacted level.

DEPARTMENT OF HEALTH

Source Of Funds	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Enacted	FY 2016 Revised	FY 2017 Recommended
General Revenue	\$23,469,936	\$22,821,939	\$25,835,956	\$25,719,200	\$26,501,994
Federal Funds	\$55,777,861	\$57,741,431	\$65,752,434	\$70,070,913	\$100,365,021
Restricted Receipts	\$29,272,149	\$30,856,883	\$29,813,515	\$35,317,888	\$36,465,514
Other Funds	\$56,184	\$2,331	\$0	\$0	\$0
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
Total Funding	\$108,576,130	\$111,422,584	\$121,401,905	\$131,108,001	\$163,332,529
FTE Authorization	491.1	491.3	490.6	490.6	503.6

FY 2016 Revised Budget

The Governor recommends revised FY 2016 appropriations of \$131.1 million for the Department of Health including \$25.7 million from general revenue, \$70.1 million from federal funds, and \$35.3 million from restricted receipts. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$116,756, while federal financing increases by \$4.3 million and restricted receipt financing increases by \$5.5 million. The revised FY 2016 budget is inclusive of enacted statewide medical benefit and other savings distributed to state agencies, which resulted in \$116,756 of general revenue savings being allocated to the Department of Health.

Central Management

Within the Central Management program, the Governor recommends revised FY 2016 appropriations of \$12.5 million, including \$319,445 from general revenue, \$7.9 million from federal funds, and \$4.2 million in restricted receipts. Relative to FY 2016 enacted levels, recommended general revenue financing is unchanged, while federal financing increases by \$1.4 million and restricted receipt financing decreases by \$225,017.

Health and Human Services

State Medical Examiner

Within the State Medical Examiner program, the Governor recommends revised FY 2016 appropriations of \$2.9 million, including \$2.8 million from general revenue and \$148,424 from federal funds. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$19,312, while federal financing increases by \$9,783.

Environmental Health Services Regulation

Within the Environmental Health Services Regulation program, the Governor recommends revised FY 2016 appropriations of \$17.8 million, including \$10.0 million from general revenue, \$6.7 million from federal funds, and \$1.1 million from restricted receipts. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$458,150, while federal financing decreases by \$1.5 million, and restricted receipt financing increases by \$288,547.

Health Laboratories

Within the Health Laboratories program, the Governor recommends revised FY 2016 appropriations of \$9.2 million, including \$7.1 million from general revenue and \$2.1 million from federal funds. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$284,941, while federal financing increases by \$172,550.

Public Health Information

Within the Public Health Information program, the Governor recommends revised FY 2016 appropriations of \$3.7 million, including \$1.5 million from general revenue and \$2.3 million from federal funds. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$25,877 and federal financing decreases by \$58,338.

Community, Family Health, and Equity

Within the Community, Family Health, and Equity program, the Governor recommends revised FY 2016 appropriations of \$79.4 million, including \$2.5 million from general revenue, \$46.9 million from federal funds, and \$30.0 million in restricted receipts. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$25,877, while federal financing increases by \$5.4 million and restricted receipt financing increases by \$5.4 million.

Infectious Disease and Epidemiology

Within the Infectious Disease and Epidemiology program, the Governor recommends revised FY 2016 appropriations of \$5.5 million, including \$1.6 million from general revenue and \$4.0 million from federal funds. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$156,541 and federal financing decreases by \$1.1 million.

FY 2017 Recommended Budget

The Governor recommends FY 2017 appropriations of \$163.3 million for the Department of Health, including \$26.5 million from general revenue, \$100.4 million from federal funds, and \$36.5 million from restricted receipts. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$666,038, federal financing increases by \$34.6 million, and restricted receipts financing increases by \$6.7 million.

- *Department Reorganization* – The Department’s FY 2017 budget reflects a new organization structure designed to maximize effectiveness and better respond to the Governor’s priorities. The reorganization creates new programs, realigning existing subprograms under these new programs. New FY 2017 programs include: Community Health and Equity; Environmental Health; Customer

Health and Human Services

Service; Policy, Information and Communications; and Preparedness, Response, Infectious Disease, and Emergency Services. The Department merges the State Medical Examiner program with the Health Laboratories program, renaming the program State Laboratories and Medical Examiner program. The Central Management program remains; however, two subprograms are realigned under the newly created programs.

Central Management

Within the Central Management program, the Governor recommends FY 2017 appropriations of \$5.2 million, including \$319,445 from general revenue, \$808,064 from federal funds, and \$4.0 from restricted receipts.

Community Health and Equity

Within the Community Health and Equity program, the Governor recommends FY 2017 appropriations of \$106.0 million, including \$1.5 million from general revenue, \$74.0 million from federal funds, and \$30.4 million from restricted receipt funds.

- *Women, Infants, and Children (WIC) Program.* The Governor includes an increase of \$26.1 million in federal funds for the WIC Program. The program is transferred from the Department of Human Services to comply with federal statute (42 USC 1786(b)(3)(13)) and the Code of Federal Regulations which require the WIC Program to be administered by the state agency with direct responsibility for maternal and child health, immunization, and other public health programs. The addition of the WIC Program includes an increase of 13.0 FTE positions relative to the FY 2016 enacted FTE position authorization.

Environmental Health

Within the Environmental Health program, the Governor recommends FY 2017 appropriations of \$11.7 million, including \$5.2 million from general revenue, \$6.1 million from federal funds, and \$386,415 from restricted receipts.

- *Lead Poisoning Prevention Program.* The Governor includes \$187,000 for the Lead Poisoning Prevention Program including support for certified lead centers to provide non-medical case management to lead poisoned children, Lead Elimination Surveillance System, and contracted data analysis and GIS services.

State Laboratories and Medical Examiner

Within the State Laboratories and Medical Examiner program, the Governor recommends FY 2017 appropriations of \$12.3 million, including \$10.1 million from general revenue and \$2.1 million from federal funds.

Customer Services

Within the Customer Services program, the Governor recommends FY 2017 appropriations of \$11.1 million, including \$6.5 million from general revenue, \$3.5 million from federal funds, and \$1.0 million from restricted receipt funds.

- *Medical Marijuana.* The Governor includes \$379,080 from restricted receipt funds for the Medical Marijuana program. The Governor proposes several changes to the Medical Marijuana program. The Department of Health will continue to license medical marijuana patients, including the new category of authorized purchasers, while the responsibility for licensing of caregivers and

Health and Human Services

compassion centers shifts to the Department of Business Regulation. Patient and authorized purchaser licensing fees will be deposited into a new Department of Health restricted receipt account to support personnel costs associated with program operations.

Policy, Information and Communications

Within the Policy, Information and Communication program, the Governor recommends FY 2017 appropriations of \$3.2 million, including \$940,204 from general revenue, \$1.6 million from federal funds, and \$581,225 from restricted receipt funds.

Preparedness, Response, Infectious Disease, and Emergency Services

Within the Preparedness, Response, Infectious Disease, and Emergency Services program, the Governor recommends FY 2017 appropriations of \$14.0 million, including \$1.9 million from general revenue and \$12.1 million from federal funds.

The Governor recommends 490.6 FTE positions in the revised FY 2016 Budget which is consistent with the enacted FY 2016 level. In FY 2017, the Governor recommends 503.6 FTE positions, an increase of 13.0 FTE positions relative to the FY 2016 enacted authorization. This increase reflects the transfer of personnel associated with the WIC Program transfer.

DEPARTMENT OF HUMAN SERVICES

Source Of Funds	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Enacted	FY 2016 Revised	FY 2017 Recommended
General Revenue	\$92,107,740	\$94,560,297	\$98,271,683	\$97,728,070	\$103,282,109
Federal Funds	\$513,984,570	\$520,276,560	\$517,462,308	\$549,854,594	\$487,860,220
Restricted Receipts	\$2,355,044	\$2,396,897	\$2,076,036	\$1,368,481	\$1,282,218
Other Funds	\$4,710,374	\$4,372,635	\$4,428,478	\$4,928,478	\$4,928,478
RI Capital Plan Fund	\$183,083	\$36,810	\$165,000	\$200,000	\$165,000
Total Funding	\$613,340,811	\$621,643,199	\$622,403,505	\$654,079,623	\$597,518,025
FTE Authorization	959.1	959.1	959.1	959.1	955.1

FY 2016 Revised Budget

The Governor recommends revised FY 2016 appropriation of \$654.1 million for the Department of Human Services (DHS), including \$97.7 million from general revenue, \$549.9 million from federal funds, and \$6.5 million from restricted receipts, the Rhode Island Capital Plan Fund, and other funds. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$543,613; federal funds financing increases by \$32.4 million; and restricted receipts, Rhode Island Capital Plan Fund, and other funds financing decreases by \$172,555.

Central Management

Within the Central Management program, the Governor recommends revised FY 2016 appropriations of \$9.6 million, including \$5.1 million from general revenue, \$4.0 million from federal funds, and \$523,075 from restricted receipts. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$336,243, federal funds financing decreases by \$167,615, and restricted receipts increases by \$2,844.

Child Support Enforcement

Within the Child Support Enforcement program, the Governor recommends revised FY 2016

Health and Human Services

appropriations of \$9.8 million, including \$3.0 million from general revenue and \$6.8 million from federal funds. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$45,901, while federal financing increases by \$199,014.

Individual and Family Support

Within the Individual and Family Support program, the Governor recommends revised FY 2016 appropriations of \$172.8 million, including \$21.9 million from general revenue, \$145.2 million from federal funds, \$5.7 million from restricted receipts, Rhode Island Capital Plan Fund, and other funds. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$1.1 million; federal financing increases by \$17.5 million; and restricted receipts, Rhode Island Capital Plan Fund, and other funds financing increases by \$350,483.

Veterans' Affairs

Within the Veterans' Affairs program, the Governor recommends revised FY 2016 appropriations of \$29.4 million, including \$20.3 million from general revenue, \$8.8 million from federal funds, and \$246,282 from restricted receipts. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$234,985, federal funds financing increases by \$628,064, and restricted receipts financing decreases by \$435,218.

Health Care Eligibility

Within the Health Care Eligibility program, the Governor recommends revised FY 2016 appropriations of \$22.3 million, including \$9.9 million from general revenue and \$12.4 million from federal funds. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$1.8 million and federal funds financing increases by \$974,068.

Supplemental Security Income

Within the Supplemental Security Income program, the Governor recommends revised FY 2016 appropriations of \$18.4 million, consisting entirely of general revenue and reflecting caseloads as adopted by the November 2015 Caseload Estimating Conference (CEC). Relative to FY 2016 enacted levels recommended general revenue financing decreases by \$347,478.

Rhode Island Works

Within the Rhode Island Works program, the Governor recommends revised FY 2016 appropriations of \$90.0 million, including \$11.4 million from general revenue and \$78.7 million from federal funds, consistent with the estimates adopted at the November 2015 Caseload Estimating Conference. Relative to FY 2016 enacted levels, recommended general revenue financing remains consistent with enacted levels, while federal funds financing decreases by \$402,339.

State Funded Programs

Within the State Funded programs, the Governor recommends FY 2016 appropriations of \$283.7 million, including \$1.6 million from general revenue and \$282.1 million from federal funds. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$88,980, while federal funds financing increases by \$14.0 million.

- *General Public Assistance.* The Governor includes \$1.6 million in general revenue, \$1.4 million of which reflects caseloads as adopted by the November 2015 Caseload Estimating Conference. The recommendation also includes \$210,000 in general revenue financing for the Hardship Contingency Fund, as authorized in Article 1 of the FY 2016 Appropriations Act. Relative to FY 2016 enacted levels recommended general revenue financing for General Public Assistance decreases by \$88,980.

Health and Human Services

- *Supplemental Nutrition Assistance Program.* The Governor's recommendation of \$282.1 million, consisting entirely of federal funds. Relative to FY 2016 enacted levels recommended federal financing increases by \$14.0 million.

Elderly Affairs

Within the Elderly Affairs program, the Governor recommends revised FY 2016 appropriations of \$18.3 million, including \$6.4 million from general revenue, \$11.8 million from federal funds, and \$46,362 from restricted receipts. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$184,561, federal funds financing decreases by \$321,087, and restricted receipts financing decreases by \$90,664.

FY 2017 Recommended Budget

The Governor recommends revised FY 2017 appropriation of \$597.5 million for the Department of Human Services, including \$103.3 million from general revenue; \$487.9 million from federal funds; and \$6.4 million from restricted receipts, the Rhode Island Capital Plan Fund, and other funds. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$5.0 million; federal funds financing decreases by \$29.6 million; and restricted receipts, Rhode Island Capital Plan Fund, and other funds financing decreases by \$293,818.

Central Management

Within the Central Management program, the Governor recommends FY 2017 appropriations of \$10.3 million, including \$5.6 million from general revenue, \$4.2 million from federal funds, and \$520,844 from restricted receipts. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$192,879, federal funds financing decreases by \$25,764, restricted receipts financing increases by \$613.

Child Support Enforcement

Within the Child Support Enforcement program, the Governor recommends FY 2017 appropriations of \$9.5 million, including \$3.3 million from general revenue and \$6.2 million from federal funds. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$318,039, while federal funds financing decreases by \$438,660.

- *Technology Cost.* The Governor includes general revenue financing of \$131,231 for technology costs no longer supported by federal funds.

Individual and Family Support

Within the Individual and Family Support program, the Governor recommends FY 2017 appropriations of \$107.1 million, including \$18.6 million from general revenue; \$83.0 million from federal funds; and \$5.5 million from restricted receipts, the Rhode Island Capital Plan Fund, and other funds. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$4.3 million; federal funds financing decreases by \$44.7 million; and restricted receipts, the Rhode Island Capital Plan Fund, and other funds financing increases by \$157,120, attributable to the following:

- *Personnel.* The Governor includes \$2.3 million in general revenue savings and a \$2.3 million decrease in federal funds financing related to UHIP workforce savings secondary to improved automation associated with implementation.
- *Contracted Professional Services & Other Operating.* The Governor includes \$214,466 in general revenue savings and a \$3.5 million decrease in federal funds financing for contracted professional services and other operating related to a paperless office initiative associated with the UHIP project.

Health and Human Services

- *Transfer of WIC Program.* The Governor includes \$283,161 in general revenue savings and a \$40.1 million decrease in federal funds financing for assistance and grants related to the transfer of the WIC Program to the Department of Health.

Veterans' Affairs

Within the Veterans' Affairs Program, the Governor recommends FY 2017 appropriations of \$30.1 million, including \$20.6 million from general revenue, \$9.3 million from federal funds, and \$246,282 from restricted receipts. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$88,255, federal financing increases by \$1.1 million, and restricted receipts decrease by \$435,218.

- **Personnel.** The Governor increases general revenue by \$250,597 to support 3.0 new FTE positions for the Veterans Home. The positions are supported in part with federal per diem funds.

Health Care Eligibility

Within the Health Care Eligibility Program, the Governor recommends FY 2017 appropriations of \$19.7 million, including \$8.8 million from general revenue and \$10.9 million from federal funds. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$705,844, while federal funds financing decreases by \$537,547.

Supplemental Security Income

The Governor recommends appropriations of \$18.5 million, consisting entirely of general revenue. Relative to FY 2016 enacted levels recommended general revenue financing decreases by \$204,378. Recommended financing reflects caseloads as adopted by the November 2015 Caseload Estimating Conference.

Rhode Island Works

Within the Rhode Island Works program, the Governor recommends FY 2017 appropriations of \$99.6 million, including \$19.3 million from general revenue and \$80.3 million from federal funds. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$7.9 million, while federal funds financing increases by \$1.2 million. The reconciliation to the November 2015 Caseload Estimating Conference is as follows:

Rhode Island Works & Child Care Assistance	General Revenue*
<i>FY 2016 Enacted Appropriation</i>	\$11.4
<i>CEC Consensus Estimate – Change to the Enacted Appropriation</i>	\$4.6
<i>TANF 30% cap & shift of non-child funds from general revenue to TANF</i>	\$2.2
<i>Race to the Top Early Childhood Learning Challenge</i>	\$1.1
<i>FY 2017 Governor's Recommendation</i>	\$19.3
<i>Change</i>	\$7.9

* In Millions

State Funded Programs

Within the State Funded programs, the Governor recommends FY 2017 appropriations of \$283.7 million, including \$1.6 million from general revenue, and \$282.1 million from federal funds. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$88,980, while federal funds financing increases by \$14.0 million.

Health and Human Services

- *General Public Assistance.* The Governor includes \$1.6 million in general revenue, \$1.4 million of which reflects the November 2015 Caseload Estimating Conference. The recommendation also includes \$210,000 in general revenue financing for the Hardship Contingency Fund, as authorized in Article 1 of the FY 2016 Appropriations Act and recommended in Article 1 of the FY 2017 Appropriations Act. Relative to FY 2016 enacted levels recommended general revenue financing for General Public Assistance decreases by \$88,980.
- *Supplemental Nutrition Assistance Program.* The Governor's recommendation of \$282.1 million, consisting entirely of federal funds. Relative to FY 2016 enacted levels recommended federal financing increases by \$14.0 million.

Elderly Affairs

Within the Elderly Affairs Program, the Governor recommends FY 2017 appropriations of \$19.1 million, including \$7.0 million from general revenue, \$11.9 million from federal funds, and \$120,693 from restricted receipts. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$425,420, federal funds financing decreases by \$212,380, and restricted receipts financing decreases by \$16,333, attributable to the following:

- *Senior Center Funding.* The Governor includes a \$600,000 increase in general revenue financing to strengthen programs and services that enable older Rhode Islanders to live an independent, healthy, and dignified lifestyle while continuing to make meaningful contributions in the community.

The Governor recommends 959.1 FTE positions in the revised FY 2016 Budget and 955.1 FTE positions in the recommended FY 2017 Budget. Relative to the FY 2016 enacted level, the revised FY 2016 level is unchanged and the recommended FY 2017 level reflects a net reduction of 4.0 FTE positions. In FY 2017 7.0 FTE positions are transferred to the Department of Administration as part of the consolidation of the audit function and 3.0 FTE positions are added in Veterans Affairs.

DEPARTMENT OF BEHAVIORAL HEALTHCARE, DEVELOPMENTAL DISABILITIES AND HOSPITALS

Source Of Funds	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Enacted	FY 2016 Revised	FY 2017 Recommended
General Revenue	\$200,160,407	\$173,264,827	\$172,488,711	\$174,461,291	\$168,143,778
Federal Funds	\$228,621,075	\$187,771,526	\$182,605,186	\$189,408,411	\$187,490,274
Restricted Receipts	\$8,459,502	\$9,873,915	\$9,180,797	\$8,365,757	\$8,435,824
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$8,473,476	\$4,303,746	\$6,671,000	\$7,607,528	\$10,936,000
Total Funding	\$445,714,460	\$375,214,014	\$370,945,694	\$379,842,987	\$375,005,876
FTE Authorization	1422.4	1420.4	1421.4	1419.4	1417.4

FY 2016 Revised Budget

The Governor recommends revised appropriations of \$379.8 million for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, including \$174.5 million from general revenue funds, \$189.4 million from federal funds, \$8.4 million from restricted receipt funds, and \$7.6 million from the Rhode Island Capital Plan Fund. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$2.0 million, federal funds financing increases by \$6.8 million, restricted receipt financing decreases by \$815,040, and Rhode Island Capital Plan Fund financing increases by \$936,528. The revised FY 2016 budget is inclusive of enacted statewide medical benefit and other savings distributed to state agencies,

Health and Human Services

which resulted in \$414,859 of general revenue savings being allocated to the Department.

Central Management

Within the Central Management program, the Governor recommends revised FY 2016 appropriations of \$1.6 million, including \$1.0 million from general revenue funds and \$599,774 million from federal funds. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$29,584 and federal funds financing decreases by \$608.

Hospital and Community System Support

Within the Hospital and Community System Support program, the Governor recommends revised FY 2016 appropriations of \$2.7 million, including \$1.3 million from general revenue funds, \$763,155 from federal funds, and \$626,140 from Rhode Island Capital Plan Fund resources. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$191,468, federal funds financing increases by \$763,155, restricted receipt financing decreases by \$762,813, and Rhode Island Capital Plan Fund financing increases by \$76,140.

Services for the Developmentally Disabled

Within the Services for the Developmentally Disabled program, the Governor recommends revised FY 2016 appropriations of \$237.7 million, including \$116.6 million from general revenue funds, \$117.9 million from federal funds, \$1.8 million from restricted receipts, and \$1.4 from Rhode Island Capital Plan Fund resources. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$2.5 million, federal fund financing increases by \$4.1 million, and Rhode Island Capital Plan Fund financing increases by \$229,972, attributable to the following adjustments:

- *Reduction of Group Home Placements:* The Governor includes a reduction of \$3.1 million, including \$1.5 million in general revenue funds, from the decrease in utilization of group home placements and transitions residents to shared living arrangements. Shared living arrangements are a less restrictive and more integrated residential setting and is an appropriate placement for many of the individuals utilizing the services of the Department. In addition, this transition is aligned with the Department's strategic plan which aims to increase the number of shared living arrangements.
- *Utilization of Appropriate Supports Intensity Scale (SIS) Tiers:* The Governor includes a reduction \$709,909, including \$352,683 in general revenue funds, from the utilization of appropriate resource allocation tiers for program participants.
- *Reallocation of Professional Supports:* The Governor includes a reduction of \$2.2 million, including \$1.1 million in general revenue funds, from the reallocation of professional supports to Medicaid Managed Care.
- *Payments for Provider Services:* The Governor includes an increase of \$11.3 million, including \$5.2 million in general revenue funds, to finance payments to providers of services for the developmentally disabled. The enacted FY 2016 budget does not contain sufficient resources to finance the various services provided to participants in the program.

Behavioral Healthcare Services

Within the Behavioral Healthcare Services program, the Governor recommends revised FY 2016 appropriations of \$21.0 million, including \$2.5 million from general revenue funds, \$17.1 million from federal funds, \$100,000 from restricted receipts, and \$1.4 million from Rhode Island Capital Plan Fund resources. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$92,619, federal funds financing increases by \$1.5 million, and Rhode Island Capital Plan Fund financing increases by \$69,359.

Hospital and Community Rehabilitation Services

Within the Hospital and Community Rehabilitation Services program, the Governor recommends revised FY

Health and Human Services

2016 appropriations of \$116.8 million, including \$53.0 million from general revenue funds, \$53.0 million from federal funds, \$6.5 million from restricted receipt funds, and \$4.2 million from the Rhode Island Capital Plan Fund. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$471,054, federal funds financing increases by \$418,191, restricted receipt funds financing decreases by \$52,195, and Rhode Island Capital Plan Fund financing increases by \$561,057.

FY 2017 Recommended Budget

The Governor recommends FY 2017 appropriations of \$375.0 million for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, including \$168.1 million from general revenue funds, \$187.5 million from federal funds, \$8.4 million from restricted receipt funds, and \$10.9 million from the Rhode Island Capital Plan Fund. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$4.3 million, federal fund financing increases by \$4.9 million, restricted receipt financing decreases by \$744,973, and Rhode Island Capital Plan Fund financing increases by \$4.3 million.

Central Management

Within the Central Management program, the Governor recommends FY 2017 appropriations of \$1.7 million, including \$1.1 million from general revenue funds and \$597,685 from federal funds. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$82,173 and federal funds financing decreases by \$2,697.

Hospital and Community System Support

Within the Hospital and Community System Support program, the Governor recommends FY 2017 appropriations of \$2.9 million, including \$1.5 million from general revenue funds, \$789,226 from federal funds, and \$650,000 from the Rhode Island Capital Plan Fund. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$6,914, federal funds financing increases by \$789,226, restricted receipt financing decreases by \$762,813, and Rhode Island Capital Plan Fund financing increases by \$100,000.

Services for the Developmentally Disabled

Within the Services for the Developmentally Disabled program, the Governor recommends FY 2017 appropriations of \$235.2 million, including \$114.3 million from general revenue funds, \$118.5 million from federal funds, \$1.8 million from restricted receipt funds, and \$700,000 from the Rhode Island Capital Plan Fund. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$136,038, federal fund financing increases by \$4.7 million, restricted receipt financing decreases by \$4,032, and Rhode Island Capital Plan Fund financing decreases by \$500,000, attributable to the following adjustments:

- *Reduction of Group Home Placements:* The Governor includes a reduction of \$16.2 million, including \$7.6 million in general revenue funds, from the decrease in utilization of group home placements and transitions residents to shared living arrangements. Shared living arrangements are a more economical and appropriate residential placement for many of the individuals utilizing the services of the Department. In addition, this transition is aligned with the Department's strategic plan which aims to increase the number of shared living arrangements.
- *Utilization of Appropriate Supports Intensity Scale (SIS) Tiers:* The Governor includes a reduction \$1.4 million, including \$697,556 in general revenue funds, from the utilization of appropriate resource allocation tiers for program participants.
- *Reallocation of Professional Supports:* The Governor includes a reduction of \$4.4 million, including \$2.2 million in general revenue funds, from the reallocation of professional supports to Medicaid Managed Care.
- *Payments for Provider Services:* The Governor includes an increase of \$12.2 million, including \$4.5 million in general revenue funds, to finance payments to providers of services for the developmentally

Health and Human Services

disabled. The enacted FY 2016 budget did not contain sufficient resources to finance the various services provided to participants in the program, and similar costs are expected in FY 2017.

- *Consent Decree Targets:* The Governor includes an increase of \$1.9 million, including \$918,964 from general revenue funds to finance the costs of transitioning the target groups identified in the Consent Decree with the Department of Justice to integrated employment settings and other requisite transitions.
- *Caseload Growth:* The Governor includes an increase of \$5.8 million, including \$2.9 million in general revenue funds, to finance projected caseload growth.
- *Increase in Hourly Wage for Direct Service Professionals:* The Governor includes an increase of \$5.1 million, including \$2.5 million in general revenue funds, to finance an approximate raise of \$0.45 per hour for Direct Service Professionals that are employed by the developmentally disabled service providers.

Behavioral Healthcare Services

Within the Behavioral Healthcare Services program, the Governor recommends FY 2017 appropriations of \$20.9 million, including \$2.3 million from general revenue funds, \$17.2 million from federal funds, \$100,000 from restricted receipt funds, and \$1.3 million from the Rhode Island Capital Plan Fund. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$92,534 and federal funds financing increases by \$1.6 million.

Hospital and Community Rehabilitation Services

Within the Hospital and Community Rehabilitation Services program, the Governor recommends FY 2017 appropriations of \$114.3 million, including \$49.0 million from general revenue funds, \$50.4 million from federal funds, \$6.6 million from restricted receipt funds, and \$8.3 million from the Rhode Island Capital Plan Fund. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$4.5 million, federal funds financing decreases by \$2.3 million, restricted receipt funds financing increases by \$21,872, and Rhode Island Capital Plan Fund financing increases by \$4.7 million, attributable to the following adjustments:

- *Eleanor Slater Hospital Reorganization:* The Governor includes a reduction of \$8.4 million, including \$4.1 million in general revenue funds, to reflect anticipated savings from a reorganization of the Eleanor Slater Hospital. The Department plans to reconfigure low volume, high cost services, consolidate services where appropriate, and achieve other efficiencies, particularly within staffing costs.

The Governor recommends 1,419.4 FTE positions in the revised FY 2016 budget, 2.0 FTE positions less than the enacted FY 2016 level to reflect the shift of positions to the Department of Administration's Division of Capital Asset Management and Maintenance. For FY 2017, the Governor recommends 1,417.4 FTE positions, a decrease of 4.0 FTE positions from the enacted FY 2016 level. In addition to the positions transferring to the Department of Administration, 2.0 FTE positions within the Behavioral Healthcare program are reduced.

GOVERNOR'S COMMISSION ON DISABILITIES

Source Of Funds	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Enacted	FY 2016 Revised	FY 2017 Recommended
General Revenue	\$339,529	\$355,439	\$383,056	\$381,890	\$386,147
Federal Funds	\$50,799	\$263,931	\$35,459	\$21,181	\$10,297
Restricted Receipts	\$6,898	\$6,633	\$10,009	\$32,890	\$44,126
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$474,320	\$589,099	\$0	\$0	\$0
Total Funding	\$871,546	\$1,215,102	\$428,524	\$435,961	\$440,570
FTE Authorization	4.0	4.0	4.0	4.0	4.0

Health and Human Services

FY 2016 Revised Budget

The Governor recommends revised FY 2016 appropriations of \$435,961 for the Governor’s Commission on Disabilities, including \$381,890 from general revenue, \$21,181 from federal funds, and \$32,890 from restricted receipts. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$1,166, federal funds financing decreases by \$14,278, and restricted receipts financing increases by \$22,881. The revised FY 2016 Budget is inclusive of enacted statewide medical benefit and other savings distributed to state agencies, which resulted in \$1,166 of general revenue savings being allocated to the Commission.

FY 2017 Recommended Budget

The Governor recommends FY 2017 appropriations of \$440,570, including \$386,147 from general revenue, \$10,297 from federal funds, and \$44,126 in restricted receipts. Relative to FY 2016 enacted levels, the FY 2017 recommended general revenue financing increases by \$3,091, federal funds financings decreases by \$25,162, and restricted receipt financing increases by \$34,117. The FY 2017 Budget is inclusive of enacted statewide medical benefit and other savings distributed to state agencies, which resulted in \$1,176 of general revenue savings being allocated to the Commission.

The Governor recommends 4.0 FTE positions in the revised FY 2016 budget and FY 2017 Budget, consistent with the enacted FY 2016 level.

COMMISSION ON THE DEAF & HARD OF HEARING

Source Of Funds	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Enacted	FY 2016 Revised	FY 2017 Recommended
General Revenue	\$375,549	\$387,625	\$411,883	\$409,040	\$477,746
Federal Funds	\$0	\$0	\$0	\$0	\$0
Restricted Receipts	\$23,956	\$43,167	\$80,000	\$130,000	\$110,000
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
Total Funding	\$399,505	\$430,792	\$491,883	\$539,040	\$587,746
FTE Authorization	3.0	3.0	3.0	3.0	4.0

FY 2016 Revised Budget

The Governor recommends revised FY 2016 appropriations of \$539,040 for the Commission on the Deaf and Hard of Hearing, including \$409,040 from general revenue funds and \$130,000 from restricted receipt funds. Relative to FY 2016 enacted levels, recommended general revenue financing decreases by \$2,843, while restricted receipt funding increases by \$50,000. The revised FY 2016 budget is inclusive of enacted statewide medical benefit and other savings distributed to state agencies, which resulted in \$2,843 of general revenue savings being allocated to the Commission on the Deaf and Hard of Hearing. The increase in restricted receipt funds for the Commission is attributable to the following adjustment:

- *Assistive Listening Systems*: The Governor includes \$50,000 from restricted receipt funds to install assistive listening systems in the Governor’s State Reception Room and all public hearing rooms at the State House.

Health and Human Services

FY 2017 Recommended Budget

The Governor recommends FY 2017 appropriations of \$587,746 for the Commission on the Deaf and Hard of Hearing, including \$477,746 from general revenue funds and \$110,000 from restricted receipt funds. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$65,863, while restricted receipt financing increases by \$30,000.

- *Assistive Listening Systems:* The Governor includes \$30,000 from restricted receipt funds to continue the installation of assistive listening systems in the Governor’s State Reception Room and all public hearing rooms at the State House.
- *Staff Interpreter:* The Governor includes \$60,310 from general revenue funds to add an American Sign Language Interpreter position to the Commission’s staff. A staff interpreter would support the Commission’s interpreting needs as well as those of other state agencies as needed. The addition of a staff interpreter to the Commission will allow for reductions in expenditures for contracted interpreters, which is reflected in the Governor’s recommendation.

The Governor recommends 3.0 FTE positions in the revised FY 2016 budget, consistent with the enacted FY 2016 level. For FY 2017, the Governor recommends 4.0 FTE positions, an increase of 1.0 FTE position from the enacted FY 2016 level.

OFFICE OF THE CHILD ADVOCATE

Source Of Funds	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Enacted	FY 2016 Revised	FY 2017 Recommended
General Revenue	\$544,231	\$613,552	\$672,273	\$669,417	\$650,582
Federal Funds	\$39,471	\$47,089	\$45,000	\$45,000	\$45,000
Restricted Receipts	\$0	\$0	\$0	\$0	\$0
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
Total Funding	\$583,702	\$660,641	\$717,273	\$714,417	\$695,582
FTE Authorization	6.0	6.0	6.0	6.0	6.0

FY 2016 Revised Budget

The Governor recommends revised FY 2016 appropriations of \$714,417 for the Office of the Child Advocate, including \$669,417 from general revenue and \$45,000 from federal funds. Relative to the FY 2016 enacted levels, recommended general revenue financing decreases by \$2,856, while federal funds financing is unchanged. The revised FY 2016 Budget is inclusive of enacted statewide medical benefit and other savings distributed to state agencies, which resulted in \$2,856 of general revenue savings being allocated to the Office.

FY 2017 Recommended Budget

For FY 2017, the Governor recommends total expenditures of \$695,582, including \$650,582 from general revenue and \$45,000 from federal funds. Compared to the FY 2016 enacted level, FY 2017 recommended general revenue financing decreases by \$21,691, primarily attributed to expected savings relating to the hiring of a new Child Advocate near the end of FY 2016. The FY 2017 Budget is inclusive of enacted statewide medical benefit and other savings distributed to state agencies, which resulted in \$2,846 of general revenue savings being allocated to the Office.

Health and Human Services

The Governor recommends 6.0 FTE positions in the revised FY 2016 budget and the recommended FY 2017 Budget, consistent with the enacted FY 2016 level.

OFFICE OF THE MENTAL HEALTH ADVOCATE

Source Of Funds	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Enacted	FY 2016 Revised	FY 2017 Recommended
General Revenue	\$485,005	\$504,149	\$508,251	\$549,419	\$542,009
Federal Funds	\$0	\$0	\$0	\$0	\$0
Restricted Receipts	\$0	\$0	\$0	\$0	\$0
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
Total Funding	\$485,005	\$504,149	\$508,251	\$549,419	\$542,009
FTE Authorization	3.7	3.7	4.0	4.0	4.0

FY 2016 Revised Budget

The Governor recommends revised general revenue appropriations of \$549,419 for the Office of the Mental Health Advocate. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$41,168. The revised FY 2016 budget is inclusive of enacted statewide medical benefit and other savings distributed to state agencies, which resulted in \$3,371 of general revenue savings being allocated to the Office of the Mental Health Advocate. The net increase of \$41,168 in general revenue funds for the Office's budget is primarily attributable to the following adjustment:

- *Restoration of Personnel Financing:* The FY 2016 Enacted budget did not contain sufficient resources to support the Office's staff of 4.0 FTE positions. Although the FY 2016 Enacted budget did not consolidate the Office of the Mental Health Advocate and three other advocacy agencies as initially proposed, savings attributable to the elimination of an Administrative Assistant position were not restored once the budget was enacted. The Governor recommends an increase of \$44,662 in personnel expenditures to fully finance the current staff.

FY 2017 Recommended Budget

The Governor recommends FY 2017 general revenue appropriations of \$542,009 for the Office of the Mental Health Advocate. Relative to FY 2016 enacted levels, recommended general revenue financing increases by \$33,758. The net increase of \$33,758 is primarily attributable to the following adjustment:

- *Restoration of Personnel Financing:* The FY 2017 recommended budget includes an increase of \$39,924 in personnel expenditures to fully finance the current staff. As with the FY 2016 Governor's recommendation, financing will support an Administrative Assistant position that did not receive full-year financing in the FY 2016 Enacted budget.

The Governor recommends 4.0 FTE positions in the revised FY 2016 Budget and the recommended FY 2017 Budget, consistent with the enacted FY 2016 level.

