

State of Rhode Island and Providence Plantations

Executive Summary



Fiscal Year 2019

Gina M. Raimondo, Governor

Health and Human Services

Health and Human Services

EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$911,535,815	\$944,892,151	\$964,299,956	\$978,479,417	\$935,907,193
Federal Funds	\$1,433,337,164	\$1,473,416,724	\$1,558,325,403	\$1,590,628,323	\$1,520,865,981
Restricted Receipts	\$15,428,158	\$15,031,968	\$19,216,537	\$25,810,380	\$20,495,988
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
Total Funding	\$2,360,301,137	\$2,433,340,843	\$2,541,841,896	\$2,594,918,120	\$2,477,269,162
FTE Authorization	187.0	178.0	285.0	285.0	295.0

FY 2018 Revised Budget

The Governor recommends a revised FY 2018 appropriation of \$2.595 billion for the Executive Office of Health and Human Services (EOHHS), including \$978.5 million in general revenue, federal funds of \$1.591 billion, and restricted receipts of \$25.8 million. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$14.2 million, federal financing increases by \$32.3 million and restricted receipts financing increases by \$6.6 million.

Central Management

Within Central Management, the Governor recommends revised FY 2018 appropriations of \$172.6 million, including \$27.2 million from general revenue, \$130.8 million from federal funds, and \$14.5 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$242,782 while federal funds financing and restricted receipts financing increases by \$39.4 million. The general revenue increase is attributable to the following adjustment:

- *Supplemental Appropriation Contract Services.* The Governor's recommendation includes a \$1.5 million increase in general revenue related to delays in contract spending from FY 2017.
- *IT Investment Fund.* The Governor's recommendation includes a \$2.5 million decrease in general revenue due to the use of the IT Investment fund for related IT projects.
- *Transfer from BHDDH to EOHHS* – Transfer of consultants/legal fees \$450,000 from BHDDH to EOHHS.
- Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$811,160 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

Medical Assistance

Within the Medical Assistance program, the Governor recommends revised FY 2018 appropriations of \$2.422 billion, including \$951.2 million from general revenue, \$1.460 billion from federal funds, and \$11.3 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$13.9 million, while federal funds financing and restricted receipts financing decreases by \$541,241 million, attributable to the following adjustments:

- *Caseload Estimating Conference Consensus Estimate - Change to the Enacted Appropriation.* The Governor's recommendation includes the Caseload Estimating Conference increase of \$28.5 million in general revenue related to an increase in enrollment trends, unachieved Medicaid savings, and higher risk share liability.
- *Perry-Sullivan and State Funded Only Savings* – The Governor's recommendation includes \$3.6 million in savings related to the Perry-Sullivan funding and state only funded programs related to cortical integrated therapy, recovery navigation, the community health team and housing stabilization.

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- *Children's Health Insurance Program (CHIP) Reauthorization* – The Governor's recommendation includes the federal reauthorization of CHIP for a general revenue savings of \$7.0 million.
- *Reduction of the funding pool for Graduate Medical Education* - The Governor recommends a reduction of the funding pool for Graduate Medical Education in FY18 of \$4.0 million.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriation of \$2.477 billion, including \$935.9 million from general revenue, \$1.521 billion from federal funds, \$20.5 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreased by \$28.4 million, and federal funds financing and restricted receipts financing decreases by \$36.2 million.

Central Management

Within Central Management, the Governor recommends FY 2019 appropriation of \$140.4 million, including \$30.2 million from general revenue, \$100.9 million from federal funds, and \$9.2 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$3.2 million, and federal funds financing and restricted receipts financing increases by \$4.3 million, attributable to the following adjustments:

- *Personnel, Grants and Other Operating Expenses*. The Governor's recommendation includes an increase of \$1.5 million in general revenue financing related to the FY 2018 enacted levels for personnel and other health innovation plans to support the EOHHS organization. The major increase in general revenue is related to additional personnel and consultants to help support many of the Medicaid cost savings initiatives.
- *Mental Health Parity Study* – The Governor recommends the appropriation of \$150,000 from general revenue for a study of commercial health insurance carriers' offerings of primary/preventative mental health care in comparison to primary/preventative medical care.
- Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$1.5 million is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

Medical Assistance

Within the Medical Assistance program, the Governor recommends FY 2019 appropriations of \$2.337 billion, including \$905.8 million from general revenue, \$1.420 billion from federal funds, and \$11.3 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$31.5 million, and federal funds financing and restricted receipts financing decreases by \$40.5 million, attributable to the following adjustments:

- *CEC Consensus Estimate -- Change to the Enacted Appropriation*. The Governor recommendation includes the Caseload Estimating Conference increase of \$66.4 million in general revenue financing and \$27.2 million in federal funds financing. The change is driven by enrollment/price increases, CHIP funding, and the lapse of 100% federal funding for the Medicaid expansion population (see Medicaid Expansion under the Affordable Care Act explanation below).

The Medicaid Expansion under the Affordable Care Act for FY 2019 includes a total appropriation of \$472.0 million which reflects general revenue financing of \$30.8 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

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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.

- *Governor's Savings Initiatives/Reform Proposals.* The Governor recommends a decrease of \$97.9 million in general revenue financing and \$67.7 million in federal funds financing related to a number of Initiatives/Reform Proposals listed below (with the general revenue impact):

1. Adult Co-Payments for Select Services - (\$3,246,719)

The Governor recommends implementation of co-pays for adults for inpatient hospital visits, non-emergency visits to the emergency room, non-preventive physician visits, and prescription drugs. These co-payments will be implemented both in fee-for-service and managed care. Many states have implemented co-payments for certain Medicaid services.

2. CHIP Reauthorization - (\$28,516,524)

The Governor recommends that federal reauthorization for CHIP at the current enhanced federal medical assistance percentage.

3. Dual Eligible and Long-Term Services and Supports (LTSS) Redesign - (\$10,297,970)

The Governor recommends the restructuring of the delivery system for individuals who have Medicare and Medicaid coverage or Medicaid coverage due to a disability, chronic condition or require an institutional level of care and receive LTSS. The redesign will achieve a more cost-effective transitional managed arrangement as a foundation for new innovative permanent arrangement to be developed for SFY 2020.

4. Reallocate GME - (\$3,284,350)

The Governor recommends a reduction of the funding pool for Graduate Medical Education to \$1.5 million and refocusing the program on improving mental health care and substance abuse treatment and training across all teaching hospitals in the state.

5. Eliminate State-Only Funded Contracts and Services - (\$1,641,120)

The Governor recommends eliminating state funding for various state-only funded contracts and services. These contracts and services are currently being funded as state-only because the state does not have federal authority to draw down federal funding for them. The following programs are included: Cortical Integrative Therapy, Community Health Teams-Rhode Island, Recovery Navigation Program, and the Housing Stabilization Program.

6. Freeze Hospital Rates - (\$5,360,808)

The Governor recommends holding rates constant at FY 2018 rates.

7. Inpatient Upper Payment Limit (UPL) Funding Elimination - (\$5,588,454)

The Governor recommends eliminating UPL payments based on inpatient services.

8. Modernize LTSS Eligibility Integrity - (\$5,312,501)

The Governor recommends streamlining of current LTSS eligibility processes by: (1) automation of asset verifications, (2) elimination of retroactive coverage, and (3) elimination of loopholes in the LTSS resource test.

9. MCO Administrative Rate Reduction - (\$1,892,496)

The Governor recommends a reduction of the administrative component of the MCO rates by 2.5%. This reduction in administrative fees is an incentive to MCOs to improve their

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operational efficiency and to work closely with Medicaid to identify areas of potential improvement to administrative processes.

10. MCO Medical Rate Reduction – (\$14,853,957)

The Governor recommends the establishment of a quality withhold for improved health care outcomes and a reduction in the medical component of MCO rates to incentivize improved care management of high utilizers.

11. MCO Profit Margin Rate Reduction – (\$6,912,796)

The Governor recommends the elimination of the guaranteed profit margin component of MCO rates.

MCO rates include an allowance for MCOs to keep 1.5% of the combined administrative and medical premium amount as a profit margin, intended as an opportunity for MCOs to add to their reserves.

12. Non-Emergency Medical Transportation Reform – (\$3,844,021)

The Governor recommends the restructuring of the existing non-emergency transportation contract, followed by a re-procurement of the services, to incentivize cost-effective delivery of service and enhance consumer satisfaction with transportation services.

13. Increase Nursing Home Rates by 1.0% – (\$2,574,599)

The Governor recommends an increase of 1.0% to the separate price components of the nursing facility per diem effective October 1, 2018, effectively reducing the annual “cost-of-living adjustments” by approximately two-thirds.

14. Perry-Sullivan – (\$2,958,020)

The Governor recommends to re-allocate the Perry-Sullivan funds to continue to fund the mandated increase for the home care wage increase that was enacted in FY 2018. The state will remove the Perry Sullivan dollars to support maintenance of the home care wage increase in FY 2019.

15. Revenue Maximization – (\$1,586,085)

The Governor recommends the maximization of revenue by: (1) expansion of RIt Share to all populations instead of only the RIt Care population, (2) improvement in RIt Share take-up by promoting the existing state law allowing adult children with disabilities to stay on their parents’ commercial coverage beyond age 26, and (3) aid category optimization to ensure that beneficiaries can be claimed in the most favorable category for FFP.

The Governor recommends 285.0 FTE positions in the revised FY 2018 Budget which is consistent to the enacted FY 2018 level. The Governor recommends 295.0 FTE positions for the FY 2019 Budget, which is an addition of 10 FTE’s compared to the FY 2018 enacted level due the additional staffing required to effectively implement a number of the Medicaid initiatives listed above.

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DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$154,742,352	\$159,769,535	\$145,855,862	\$152,586,787	\$148,637,206
Federal Funds	\$57,416,767	\$60,315,375	\$59,015,159	\$57,710,193	\$56,190,651
Restricted Receipts	\$2,227,542	\$2,493,806	\$3,128,707	\$2,584,109	\$2,674,422
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$566,274	\$83,397	\$1,050,000	\$1,200,000	\$1,900,000
Total Funding	\$214,952,935	\$222,662,113	\$209,049,728	\$214,081,089	\$209,402,279
FTE Authorization	672.5	628.5	616.5	612.5	619.5

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$214.1 million for the Department of Children, Youth, and Families, including \$152.6 million from general revenue, \$57.7 million from federal funds, \$2.6 million from restricted receipts and \$1.2 million from the Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$6.7 million, federal financing decreases by \$1.3 million, restricted receipt financing decreases by \$544,598 and funding for capital improvements increased by \$150,000.

Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$3.4 million is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

Central Management

Within the Central Management program, the Governor recommends revised FY 2018 appropriations of \$12.1 million, including \$7.5 million from general revenue and \$4.6 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$379,869 and federal funds financing increases by \$1,761,597.

- *Personnel & Operating Supplies and Expenses.* The funding adjustments are largely attributable to decreases in expenditures in Central Management. The Department is reallocating these expenses to respective programs within the Department.

Child Welfare

Within the Child Welfare program, the Governor recommends revised FY 2018 appropriations of \$163.4 million, including \$113.7 million from general revenue, \$47.2 million from federal funds, and \$2.6 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$3.1 million, federal funds financing decreases by \$3.3 million, and restricted receipts financing decreases by \$0.5 million. Major changes to the enacted level include:

- *Personnel Costs.* The Department is increasing their efforts to consolidate staff where feasible. It is currently reviewing services that are similar and working to realign units assuring that necessary services are provided but not duplicated. This combined with the statewide Voluntary Retirement Incentive program, has resulted in personnel savings of approximately \$1.6 million within the Child Welfare program.
- *Institutional Care Placements.* The Department is working to improve services for children in a more appropriate and cost-effective manner through more thorough assessments of each child's level of treatment and service need. The Department has renegotiated rates with contracted service

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providers in exchange for an increase in evidence based treatments in the service array. DCYF is realigning provider rates for similar services and terminating contracts with providers for services that are underutilized or not meeting contracted standards. The Governor and Department are devoted to improving services for youth by focusing on the overuse of institutional care, recruiting, supporting and developing more appropriate needs based resources for families, and increasing provider accountability through active contract management. Changes in the use of institutional care has resulted in an increase of general revenue by \$1.5 million, which reflects the combination of increased investment in foster settings and offsetting savings in institutional and congregate care settings.

- *Increased IV-E Claiming.* The Department will continue efforts to increase the federal Title IV-E penetration rate through data sharing and program improvement initiatives. These efforts will address challenges the department has experienced in determining cases eligible on the basis of financial and legal determinations. The Governor's recommendation, includes savings of \$800,000.
- *Increased Medicaid Claiming.* In the FY 2018 Enacted budget, the Department was allocated \$4.0 million in general revenue savings for increased Medicaid claiming. The Governor's recommendation reduces that target to \$250,000 to reflect a level of savings consistent with expectations of feasible savings.

Children's Behavioral Health

Within the Children's Behavioral Health program, the Governor recommends revised FY 2018 appropriations of \$12.3 million, including \$6.6 million from general revenue and \$5.7 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.5 million and federal funds financing increases by \$200,000. Major changes to the enacted level include:

- *Personnel Costs.* The Governor recommends an increase of \$700,000 from general revenue for personnel expenditures in FY 2018, attributable largely to the Department's realignment of staff which resulted in the savings in the Central Management program described above.

Juvenile Corrections

Within the Juvenile Corrections program, the Governor recommends revised FY 2018 appropriations of \$26.0 million, including \$24.5 million from general revenue, \$285,288 from federal funds, and \$1.2 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.7 million, federal funds financing increases by \$5,006, and financing from the Rhode Island Capital Plan Fund increases by \$700,000. Major changes include:

- *Personnel.* The Governor recommends a decrease of \$0.6 million from general revenue for personnel expenditures in FY 2018, attributable to current turnover trends and the decreasing population of youth at the Rhode Island Training School.

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 Office of the Postsecondary Commissioner to administer this program.

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FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$209.2 million for the Department of Children, Youth, and Families, including \$148.6 million from general revenue, \$55.9 million from federal funds, \$2.7 million from restricted receipts, and \$1.9 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$2.8 million, federal financing decreases by \$3.1 million, restricted receipt financing decreases by \$454,285, and financing from the Rhode Island Capital Plan Fund increases by \$850,000. The recommended FY 2019 Budget is inclusive of statewide medical benefit and other savings distributed to state agencies, which resulted in \$2.0 million 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 2019 appropriations of \$13.1 million, including \$8.7 million from general revenue and \$4.4 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.5 million and federal financing increases by \$1.6 million. For FY 2019 the Governor's recommendation includes investments in workforce development for all DCYF staff.

Child Welfare

Within the Child Welfare program, the Governor recommends FY 2019 appropriations of \$155.5 million, including \$107.2 million from general revenue, \$45.5 million from federal funds, and \$2.7 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$3.3 million, financing from federal funds decreases by \$4.9 million, and restricted receipt financing decreases by \$454,285. Major changes include:

- *Institutional Care Placements.* The Department will continue contract renegotiations with providers to ensure the correct placement capacity and types of service. The Department is shifting its service array of child placements from out-of-home settings to family and home-based settings, as appropriate. Family and home-based placements promote better outcomes for children in state custody; these placement types are also less costly. Anticipated savings are \$4.4 million relating to child care placements.
 - *Increasing Foster Care Reimbursement Rates.* To encourage and support foster families, the Governor recommends increasing efforts to reduce the financial responsibility that foster families have corresponding to the costs of care. The Governor's recommendation includes increasing rates by over \$1 million.
- *Voluntary Extension of Care Program.* The Governor recommends the creation of the Voluntary Extension of Care (VEC) program in FY 2019. This program will reform and replace the existing programs related to services and care provided to youth, 18 to 21 years old, formerly in the custody of the Department. The program will allow youth 18 to 21 to remain in the care of the Department. Prior to this program, if a youth at the age of 18 chose not to enroll in aftercare support services, they would not be able to reenroll. This will give youth the ability to come back into the Department's care, if they choose. The Governor's recommendation, includes continued funding of \$1.7 million from general revenue, for transition appropriate services for youth 18 to 21, who were formerly in the care of the Department.
- *Increased IV-E Claiming.* The Department will continue efforts to increase the federal Title IV-E penetration rate through FY 2019. The Department will carry forward the initiatives to modify foster care licensing requirements, review income eligibility through data sharing with DLT, and

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collaborate with family court judges to affect eligibility on the basis of legal determination. The Governor's recommendation includes savings of \$2.0 million dollars in general revenue.

- *Increased Medicaid Claiming.* The Department will increase engagement efforts with providers of community-based services to decouple potential Medicaid eligible activities from bundled rates. Community-based services are provided to families and children involved with DCYF, such as parenting education or peer support programs. These are services that may be delivered to a family while they and their children are still living at home, but have yet to be removed. The Governor's recommendation includes savings of \$500,000 in FY 2019.

Children's Behavioral Health

Within the Children's Behavioral Health program, the Governor recommends FY 2019 appropriations of \$12.6 million, including \$6.9 million from general revenue, and \$5.7 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.8 million, and federal financing increases by \$265,733. Major changes include:

- *Personnel Costs.* The Governor recommends an increase of \$615,240 from general revenue for personnel expenditures in FY 2019, attributable to the critical need to maintain frontline staffing levels. The Governor and the Department are committed to assuring that these positions have as few staffing vacancies as possible. The Governor's staff and the Department will continue making efforts to accelerate the posting process for vacant positions in order to maintain the ability of the Department to provide services to the youth in its care.
- *Third Grade Reading Level.* The Governor's recommendation includes increasing funding geared to increase reading levels for youths. Although this initiative is driven by the Department of Education, services to youth within the department's care will increase accordingly.

Juvenile Corrections

Within the Juvenile Corrections program, the Governor recommends FY 2019 appropriations of \$27.8 million, including \$25.6 million from general revenue, and \$275,099 from federal funds and \$1.9 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$2.8 million, financing from federal funds decreases by \$5,183, and financing from the Rhode Island Capital Plan Fund increases by \$1.4 million. Major changes include:

- *Personnel.* The Governor recommends an increase of \$144,762 from general revenue for personnel expenditures in FY 2019, attributable to the Governor and the Department's joint commitment to keep frontline staff positions filled. Within the Juvenile Corrections program, these positions are typically juvenile program workers, probation workers and school staff.
- *Capital Improvements.* The Governor's recommendation includes \$1.9 million devoted to facility improvements. Improvements include safety and security repairs, as well as the development of a residential treatment program for the female residents at the R.I. Training School.

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 Office of the Postsecondary Commissioner to administer this program.

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In the FY 2019 recommendation Act, increased funding totaling \$3.4 million is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

The Governor recommends 612.5 FTE positions in the revised FY 2018 Budget and in the FY 2019 Budget the Governor recommends 619.5 FTE positions. For the Revised FY 2018 budget, the Governor recommends the reduction of four FTE to support the Department's efforts to consolidate staff positions. For FY 2019, the Governor recommends an increase of 7 FTE, corresponding to the increased staffing needs to implement the Voluntary Extension of Care program.

DEPARTMENT OF HEALTH

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$25,468,221	\$25,499,235	\$24,893,123	\$26,419,356	\$28,009,223
Federal Funds	\$69,157,857	\$92,729,506	\$105,373,312	\$100,313,716	\$101,309,823
Restricted Receipts	\$34,255,991	\$36,147,654	\$39,378,986	\$43,311,614	\$43,972,486
Other Funds	\$0	\$0	\$0	\$0	\$0
Operating Transfers from Other Funds	\$0	\$0	\$0	\$0	\$0
Total Funding	\$128,882,069	\$154,376,396	\$169,645,421	\$170,044,686	\$173,291,532
FTE Authorization	490.6	503.6	493.6	506.6	504.6

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$170.0 million for the Department of Health including \$26.4 million from general revenue, \$100.3 million from federal funds, and \$43.3 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.5 million while federal financing decreases by \$5.1 million and restricted receipt financing increases by \$3.9 million. The Fiscal Year 2018 recommended budget includes a reduction of \$0.1 million to account for changes in the employee benefit and retirement rates. FY 2018 also includes an increase of \$2.2 million to account for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

Central Management

Within the Central Management program, the Governor recommends revised FY 2018 appropriations of \$12.2 million, including \$2.0 million from general revenue, \$4.0 million from federal funds, and \$6.1 million in restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.2 million, while federal financing increases by \$0.4 million, and restricted receipt financing increases by \$1.2 million.

Community Health and Equity

Within the Community Health and Equity program, the Governor recommends revised FY 2018 appropriations of \$101.7 million, including \$0.7 million from general revenue and \$67.0 million from federal funds, and \$34.0 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$18,981, federal financing decreases by \$4.8 million, and restricted receipt financing increases by \$1.8 million.

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Environmental Health

Within the Environmental Health program, the Governor recommends revised FY 2018 appropriations of \$12.7 million, including \$5.2 million from general revenue, \$7.2 million from federal funds, and \$0.3 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$65,114, while federal financing decreases by \$0.1 million, and restricted receipt financing increases by \$0.1 million.

Health Laboratories and Medical Examiner

Within the Health Laboratories and Medical Examiner program, the Governor recommends revised FY 2018 appropriations of \$12.0 million, including \$10.1 million from general revenue and \$1.9 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$0.6 million, while federal financing decreases by \$0.1 million.

Customer Services

Within the Customer Services program, the Governor recommends revised FY 2018 appropriations of \$11.3 million, including \$6.0 million from general revenue, \$4.0 million from federal funds, and \$1.3 million in restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$0.3 million, federal financing decreases by \$0.2 million, and restricted receipts financing increases by \$0.2 million.

Policy, Information, and Communications

Within the Policy, Information, and Communications program, the Governor recommends revised FY 2018 appropriations of \$5.2 million, including \$1.0 million from general revenue, \$2.7 million from federal funds, and \$1.5 million in restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$0.1 million, while federal financing increases by \$0.4 million, and restricted receipt financing increases by \$0.6 million.

Preparedness, Response, Infectious Disease, and Emergency Services

Within the Preparedness, Response, Infectious Disease, and Emergency Services program, the Governor recommends revised FY 2018 appropriations of \$14.9 million, including \$1.5 million from general revenue and \$13.4 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$0.1 million, and federal financing decreases by \$0.7 million.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$169.0 million for the Department of Health, including \$25.7 million from general revenue, \$100.8 million from federal funds, and \$42.5 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$0.8 million, federal financing decreases by \$4.6 million, and restricted receipts financing increases by \$3.2 million. The Fiscal Year 2019 recommended budget includes an increase of \$0.1 million to account for changes in the employee benefit and retirement rates. FY 2018 also includes an increase of \$2.8 million to account for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

Central Management

Within the Central Management program, the Governor recommends FY 2019 appropriations of \$12.3 million, including \$2.1 million from general revenue, \$4.0 million from federal funds, and \$6.2 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.3 million, while federal financing increases by \$0.4 million and restricted receipt financing increases by \$1.2 million.

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Community Health and Equity

Within the Community Health and Equity program, the Governor recommends FY 2019 appropriations of \$103.8 million, including \$0.6 million from general revenue, \$68.0 million from federal funds, and \$35.0 million from restricted receipt funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$0.1 million, while federal financing decreases by \$3.8 million and restricted receipt financing increases by \$2.9 million.

Environmental Health

Within the Environmental Health program, the Governor recommends FY 2019 appropriations of \$13.2 million, including \$5.6 million from general revenue, \$7.3 million from federal funds, and \$0.4 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$0.5 million, while federal financing decreases by \$46,376, and restricted receipt financing increases by \$0.1 million.

Health Laboratories and Medical Examiner

Within the Health Laboratories and Medical Examiner program, the Governor recommends FY 2019 appropriations of \$12.4 million, including \$10.3 million from general revenue and \$2.1 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$0.7 million, while federal financing increases by \$0.1 million.

Customer Services

Within the Customer Services program, the Governor recommends FY 2019 appropriations of \$11.5 million, including \$6.4 million from general revenue, \$3.8 million from federal funds, and \$1.3 million from restricted receipt funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$0.1 million, while federal financing decreases by \$0.4 million, and restricted receipt financing increases by \$0.2 million.

- The Governor recommends utilizing \$1.6 million of the IT investment fund to upgrade to an electronic vital records system. An electronic vital records system with rapid reporting capabilities can also decrease fraudulent claims against Medicaid/Medicare, Social Security, other benefit payers and the voter registration rolls generating savings beginning in FY 2020. The following fee increases will help to offset the costs of the project:
 - Walk-in certified records request \$20 to \$22
 - Mail-in certified records request \$20 to \$25
 - Increased cost allocation to municipalities for certified copies \$6 to \$8
 - Duplicate records \$15 to \$18

Policy, Information and Communications

Within the Policy, Information and Communication program, the Governor recommends FY 2019 appropriations of \$4.7 million, including \$1.0 million from general revenue, \$2.7 million from federal funds, and \$0.9 million from restricted receipt funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$0.2 million, while federal financing increases by \$0.3 million, and restricted receipt financing increases by \$0.1 million.

Preparedness, Response, Infectious Disease, and Emergency Services

Within the Preparedness, Response, Infectious Disease, and Emergency Services program, the Governor recommends FY 2019 appropriations of \$15.4 million, including \$1.9 million from general revenue and \$13.4 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$0.3 million, while federal financing decreases by \$0.7 million.

Health and Human Services

The Governor recommends 506.6 FTE positions in the revised FY 2018 and 504.6 FTE in the FY 2019 Budget which is 13 and 11 above the enacted FY 2018 level respectively. The FTE changes are as follows:

FTE Additions:

- 13 additional positions that are 100% financed by either federal or restricted receipts funds. Most of these positions are related to drug overdose prevention and intervention.

FTE Reductions:

- Transfer of two FTE positions to the Department of Business Regulation. These positions are include a Beauty Shop Inspector and a Health Services Licensing Aide II that will be more appropriately placed within the Commercial Licensing, Racing, and Athletics division under DBR.

DEPARTMENT OF HUMAN SERVICES					
Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$96,094,578	\$90,573,454	\$91,113,618	\$100,592,486	\$103,702,154
Federal Funds	\$511,615,020	\$529,124,400	\$515,584,197	\$521,799,119	\$516,362,218
Restricted Receipts	\$2,659,361	\$2,447,930	\$3,390,929	\$2,415,422	\$8,996,552
Other Funds	\$4,741,448	\$4,495,449	\$4,428,478	\$4,598,478	\$4,598,478
RI Capital Plan Fund	\$194,714	\$86,617	\$165,000	\$165,000	\$165,000
Total Funding	\$615,305,121	\$626,727,849	\$614,682,222	\$629,570,505	\$633,824,402
FTE Authorization	959.1	937.1	981.1	981.1	981.1

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriation of \$629.6 million for the Department of Human Services (DHS), including \$100.6 million from general revenue, \$521.8 million from federal funds, and \$7.1 million from restricted receipts, the Rhode Island Capital Plan Fund, and other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$9.4 million; federal funds financing increases by \$6.2 million; and restricted receipts, Rhode Island Capital Plan Fund, and other funds financing decreases by \$0.8 million. The Fiscal Year 2018 recommended budget includes a reduction of \$0.2 million to account for changes in the employee benefit and retirement rates. FY 2018 also includes an increase of \$4.7 million to account for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration’s Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology. The Department submitted a corrective action plan to balance the FY 2018 budget by utilizing \$2.5 million in the IT investment fund (this item will appear in the EOHHS budget) and reversing a FY 2017 Deloitte accrual worth \$2.2 million. The accrual is a statewide item that will not show in the DHS budget.

Central Management

Within the Central Management program, the Governor recommends revised FY 2018 appropriations of \$8.3 million, including \$3.5 million from general revenue, \$4.8 million from federal funds, and \$0.1 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$0.1 million. Federal funds financing increases by \$0.8 million, and restricted receipts decreases by \$0.4 million.

Child Support Enforcement

Within the Child Support Enforcement program, the Governor recommends revised FY 2018 appropriations of \$11.2 million, including \$3.3 million from general revenue and \$7.9 million from federal

Health and Human Services

funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$0.2 million. Federal financing increases by \$49,172.

Individual and Family Support

Within the Individual and Family Support program, the Governor recommends revised FY 2018 appropriations of \$131.8 million, including \$25.0 million from general revenue, \$101.6 million from federal funds, \$5.1 million from restricted receipts, Rhode Island Capital Plan Fund, and other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$4.4 million due primarily to an increase in staffing and operating expenditures related to casework demand. The Department Director has requested resources to maintain staffing levels from FY 2018 to FY 2019. Federal financing increases by \$2.6 million mostly related to the federal match associated with eligibility techs, and other funds financing increases by \$0.2 million.

Veterans' Affairs

Within the Veterans' Affairs program, the Governor recommends revised FY 2018 appropriations of \$44.6 million, including \$22.8 million from general revenue, \$20.2 million from federal funds, and \$1.7 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$2.2 million, federal funds financing increases by \$1.0 million, and restricted receipts financing decreases by \$0.5 million.

Health Care Eligibility

Within the Health Care Eligibility program, the Governor recommends revised FY 2018 appropriations of \$15.7 million, including \$7.2 million from general revenue and \$8.5 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.1 million primarily in increased staffing related to ongoing UHIP backlog and system issues. Federal funds financing increases by \$0.5 million.

Supplemental Security Income

Within the Supplemental Security Income program, the Governor recommends revised FY 2018 appropriations of \$19.5 million, consisting entirely of general revenue and reflecting caseloads as adopted by the November 2017 Caseload Estimating Conference (CEC). Relative to FY 2018 enacted levels recommended general revenue financing increases by \$0.9 million.

Rhode Island Works

Within the Rhode Island Works program, the Governor recommends revised FY 2018 appropriations of \$94.1 million, including \$10.7 million from general revenue and \$83.4 million from federal funds, consistent with the estimates adopted at the November 2017 Caseload Estimating Conference. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$0.1 million while federal funds financing increases by \$0.7 million.

State Funded Programs

Within the State Funded programs, the Governor recommends FY 2018 appropriations of \$283.4 million, including \$1.4 million from general revenue and \$282.1 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$0.2 million, while federal funds financing decreases by \$69,325.

- *General Public Assistance.* The Governor includes \$1.2 million in general revenue (hardship payments are not counted as a caseload item, but are part of the State Funded Programs funded at \$0.1 million). Relative to FY 2018 enacted levels recommended general revenue financing for General Public Assistance increases by \$0.1 million.

Health and Human Services

- *Supplemental Nutrition Assistance Program.* The Governor's recommendation of \$282.1 million, consisting entirely of federal funds. Relative to FY 2018 enacted levels recommended federal financing increases by \$10,569.

Elderly Affairs

Within the Elderly Affairs program, the Governor recommends revised FY 2018 appropriations of \$20.8 million, including \$7.2 million from general revenue, \$13.4 million from federal funds, and \$0.2 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$0.7 million, federal funds financing increases by \$0.6 million, and restricted receipts financing decreases by \$0.1 million.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriation of \$633.8 million for the Department of Human Services, including \$103.7 million from general revenue; \$516.4 million from federal funds; and \$13.8 million from restricted receipts, the Rhode Island Capital Plan Fund, and other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$12.6 million; federal funds financing increases by \$0.8 million; and restricted receipts, Rhode Island Capital Plan Fund, and other funds financing increases by \$5.8 million. The Fiscal Year 2019 recommended budget includes an increase of \$0.1 million to account for changes in the employee benefit and retirement rates. FY 2018 also includes an increase of \$4.8 million to account for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

Central Management

Within the Central Management program, the Governor recommends FY 2019 appropriations of \$8.9 million, including \$3.9 million from general revenue, \$4.8 million from federal funds, and \$0.1 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$0.5, federal funds financing increases by \$0.9 million, and restricted receipts financing decreases by \$0.4 million.

Child Support Enforcement

Within the Child Support Enforcement program, the Governor recommends FY 2019 appropriations of \$10.0 million, including \$1.9 million from general revenue and \$8.0 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$1.1 million, while federal funds financing increases by \$0.2 million.

- The Governor recommends a net general revenue savings of \$1 million in the Child Support program. This reduction represents a \$0.6 million investment in the establishment of paternity subsequent to Medicaid enrollment. The investment will yield approximately \$1.6 million in savings from increased Medicaid match by transitioning families with available cash resources from regular FMAP to enhanced FMAP.

Individual and Family Support

Within the Individual and Family Support program, the Governor recommends FY 2019 appropriations of \$140.1 million, including \$22.2 million from general revenue; \$105.7 million from federal funds; and \$12.2 million from restricted receipts, the Rhode Island Capital Plan Fund, and other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.6 million. Federal funds financing increases by \$6.7 million. Restricted receipts and other funds increase by \$7.2 million due to the anticipation of credit and/or settlement funds to offset the increased expenditures in general revenue. The following savings initiative is recommended for FY 2019:

Health and Human Services

- The FY 2019 recommendation includes \$263,500 in facilities savings.

Veterans' Affairs

Within the Veterans' Affairs Program, the Governor recommends FY 2019 appropriations of \$34.0 million, including \$23.1 million from general revenue, \$9.5 million from federal funds, and \$1.3 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$2.5 million, federal financing increases by decreases by \$9.7 million as construction of the new veterans' home is complete in early FY 2018, and restricted receipts decrease by \$0.9 million.

Health Care Eligibility

Within the Health Care Eligibility Program, the Governor recommends FY 2019 appropriations of \$15.4 million, including \$6.0 million from general revenue and \$9.4 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$0.1 million, while federal funds financing increases by \$1.4 million.

Supplemental Security Income

The Governor recommends appropriations of \$19.6 million, consisting entirely of general revenue. Relative to FY 2018 enacted levels recommended general revenue financing increases by \$1.0 million. Recommended financing reflects caseloads as adopted by the November 2017 Caseload Estimating Conference.

Rhode Island Works

Within the Rhode Island Works program, the Governor recommends FY 2019 appropriations of \$102.0 million, including \$18.0 million from general revenue and \$83.6 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$7.3 million while federal funds financing decreases by \$1.4 million. The variances in Rhode Island Works are primarily attributable to the following:

- The Governor includes an additional \$1.5 million in Child Care incentive funding to encourage child care providers to increase the quality of their child care. The initiative would tie Child Care funding to the Bright Stars quality system. Those providers with higher Bright Stars ranking will receive additional funding compared with those in the lower tiers.
- The Governor recommends \$200,000 from general revenue for a pilot program for eligible low-income parents to receive child care assistance while they are enrolled in a qualified Rhode Island public institution of postsecondary education or in workforce training programs that lead to employment.
- The November Caseload Estimating Conference adopted a federal funds increase of \$2.0 million compared to the enacted budget in Rhode Island Works. In Child Care, the conferees adopted a general revenue increase of \$5.6 million in general revenue. Both programs continue to grow, but the majority of the increased costs are associated with the Child Development Block Grant reauthorization, which adds additional federal requirements for the funding including 12-month continuous eligibility, services to homeless children and families, prioritization of infants and toddlers, and a graduated phase out.

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State Funded Programs

Within the State Funded programs, the Governor recommends FY 2019 appropriations of \$283.5 million, including \$1.3 million from general revenue, and \$282.1 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$0.2 million, while federal funds financing increases by \$0.1 million.

- *General Public Assistance.* The Governor includes \$1.3 million in general revenue consistent with the November Caseload Estimating Conference. Relative to FY 2018 enacted levels recommended general revenue financing for General Public Assistance decreases by \$0.1 million.
- *Supplemental Nutrition Assistance Program.* The Governor’s recommendation of \$282.1 million, consisting entirely of federal funds. Relative to FY 2018 enacted, the recommended budget increases by \$10,569.

Elderly Affairs

Within the Elderly Affairs Program, the Governor recommends FY 2019 appropriations of \$20.5 million, including \$12.7 million from general revenue, \$12.7 million from federal funds, and \$0.2 million in restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.0 million, federal funds financing decreases by \$0.1 million, and restricted receipts financing decreases by \$0.1 million.

- The Governor includes an additional investment in senior support services of \$400,000. This investment will double prior year funding levels, and fund programs that increase senior independence and engagement in the community.

DEPARTMENT OF BEHAVIORAL HEALTHCARE, DEVELOPMENTAL DISABILITIES AND HOSPITALS

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$176,268,226	\$182,335,174	\$176,448,622	\$191,626,281	\$179,401,491
Federal Funds	\$189,591,271	\$204,677,098	\$204,267,459	\$223,190,524	\$212,970,014
Restricted Receipts	\$7,497,635	\$5,369,048	\$8,509,155	\$5,178,956	\$5,072,422
Other Funds	\$0	\$0	\$0	\$0	\$0
Operating Transfers from Other Funds	\$5,217,765	\$6,506,129	\$7,865,000	\$7,183,453	\$3,300,000
Total Funding	\$378,574,897	\$398,887,449	\$397,090,236	\$427,179,214	\$400,743,927
FTE Authorization	1419.4	1352.4	1319.4	1319.4	1319.4

FY 2018 Revised Budget

The Governor recommends revised appropriations of \$427.2 million for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, including \$191.6 million from general revenue funds, \$223.2 million from federal funds, \$5.2 million from restricted receipt funds, and \$7.2 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$15.2 million, federal funds financing increases by \$18.9 million, restricted receipt financing decreases by \$3.3 million, and Rhode Island Capital Plan Fund financing decreases by \$681,547. The revised FY 2018 Budget is inclusive of enacted statewide medical benefit rate reduction, which resulted in \$217,869 of general revenue savings being allocated to the Commission. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$8.2 million is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the

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Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

Central Management

Within the Central Management program, the Governor recommends revised FY 2018 appropriations of \$1.9 million from general revenue funds and \$725,000 from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$270,594 and federal funds financing increases by \$725,000. The increase in general revenue funding is based upon the current projected costs for the Division. The increase in federal financing is attributable to maximization of funding for administrative costs.

Hospital and Community System Support

Within the Hospital and Community System Support program, the Governor recommends revised FY 2018 appropriations of \$2.6 million, including \$2.6 million from general revenue funds and \$474,784 from Rhode Island Capital Plan Fund resources. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$647,839 and Rhode Island Capital Plan Fund financing increases by \$224,784. The increase in general revenue funding is based upon the current projected costs for the Division.

Services for the Developmentally Disabled

Within the Services for the Developmentally Disabled program, the Governor recommends revised FY 2018 appropriations of \$272.2 million, including \$129.2 million from general revenue funds, \$139.8 million from federal funds, \$1.5 million from restricted receipts, and \$1.7 million from Rhode Island Capital Plan Fund resources. Relative to FY 2018 enacted levels, recommended general revenue financing increases \$5.6 million, federal fund financing increases by \$9.3 million, restricted receipts financing increases by \$439,365 and Rhode Island Capital Plan Fund financing remains consistent. Major changes include:

- *Caseload and Service Utilization - \$8.0 million general revenue increase:* The Governor includes an increase of \$8.0 million related to a projected increase in costs for direct services within the Private Developmentally Disabled Services Program. This projected increase is reflective of caseload trends, specifically related to increased acuity levels. These trends began during FY 2017. BHDDH is in the process of validating the approach to determining funding levels to ensure acuity levels are accurate.
- *Private Developmentally Disabled Services – \$1.7 million general revenue increase:* The Governor includes an increase of \$1.7 million related to revised projections regarding Residential Service Rebalancing and Supplemental Authorizations.
- *Rhode Island Community Living and Supports (RICLAS) Consolidation - \$204,078 general revenue increase:* The Governor includes an increase of \$204,078 due to a revised projection for anticipated savings expected for the consolidation RICLAS group homes.
- *RICLAS Worker's Compensation Reduction - \$225,343 general revenue decrease:* The Governor's recommendation includes an overtime reduction through management of Worker's Compensation claims.
- *Caseload Update - \$370,217 general revenue decrease:* The Governor includes a revised caseload projection due to more favorable caseload numbers than previously projected compared to the Department's request.
- *Person Centered Supported Employment Performance Program - \$2.0 million general revenue decrease:* The Governor includes a reduction of \$2.0 million projected due to program utilization. Based on projected utilization, there is expected to be a balance of unencumbered funds for the current year.
- *Court Monitor for Consent Decree and Interim Settlement Agreement - \$450,000 general revenue decrease:* The Governor's recommendation includes the budget for the Court Monitor contract which is required by the U.S. Department of Justice's Consent Decree. This expense is now being allocated to the Executive Office of Health and Human Services.

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Behavioral Healthcare Services

Within the Behavioral Healthcare Services program, the Governor recommends revised FY 2018 appropriations of \$28.7 million, including \$2.8 million from general revenue funds, \$24.6 million from federal funds, \$100,000 from restricted receipts, and \$1.2 million from Rhode Island Capital Plan Fund resources. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$303,651, federal funds financing increases by \$210,214, and Rhode Island Capital Plan Fund financing remains consistent. The general revenue increase is mainly related to establishing a Behavioral Healthcare Link, a state-wide resource aimed at providing a 24-hour community-based assessment, triage and treatment for opioid substance abuse disorder and behavioral health crises.

Hospital and Community Rehabilitation Services

Within the Hospital and Community Rehabilitation Services program, the Governor recommends revised FY 2018 appropriations of \$120.4 million, including \$60.0 million from general revenue funds, \$58.1 million from federal funds, \$3.5 million from restricted receipt funds, and \$3.9 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$8.4 million, federal funds financing increases by \$8.4 million, restricted receipt funds financing increases by \$3.5 million, and Rhode Island Capital Plan Fund financing decreases by \$1.4. The increase in general revenue is mainly related to a plan to reduce hospital spending which was included in the FY 2018 enacted budget of \$3.8 million to reduce overtime and through the hospital renovation, move to larger more efficient patient care units. This was not achieved due to the delay in the completion of the capital budget. The capital projects are now underway, with expected savings reflected in FY 2019. The general revenue changes are attributable to the following adjustments:

- *Eleanor Slater Hospital Expense Reduction - \$1.6 million general revenue decrease:* The Governor's recommendation includes consolidating a unit at Zambarano Hospital and transitioning Eleanor Slater Hospital (ESH) patients to less restrictive settings. The Governor also includes an overtime reduction through management of Worker's Compensation claims.
- *Joint Commission: Accreditation, Health Care, Certification (JCAHO) Mitigation Plan - \$350,000 general revenue increase:* The Governor includes additional funds to increase staffing levels consistent with JCAHO standards.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$400.7 million for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, including \$179.4 million from general revenue funds, \$213.0 million from federal funds, \$5.1 million from restricted receipt funds, and \$3.3 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$3.0 million, federal fund financing increases by \$8.7 million, restricted receipt financing decreases by \$3.4 million, and Rhode Island Capital Plan Fund financing decreases by \$4.6 million. The Governor's FY 2019 recommendation is inclusive of enacted statewide medical benefit and dental rate reductions, as well as an increase to the retirement rate and assessed fringe benefits which resulted in a \$153,917 increase of general revenue being allocated to the Commission. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$8.4 million is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

Central Management

Within the Central Management program, the Governor recommends FY 2019 appropriations of \$1.9 million from general revenue funds and \$734,643 from federal funds. Relative to FY 2018 enacted levels, recommended

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general revenue financing increases by \$284,762 and federal funds financing increases by \$734,643. The increase in general revenue funding is based upon the current projected costs for the Division. The increase in federal financing is attributable to maximization of funding for administrative costs.

Hospital and Community System Support

Within the Hospital and Community System Support program, the Governor recommends FY 2019 appropriations of \$2.9 million, including \$2.6 million from general revenue funds and \$300,000 from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$501,895 and the Rhode Island Capital Plan Fund financing increases by \$50,000. The decrease in general revenue is due to an expense reduction related to computer and software upgrades. The increase in general revenue funding is based upon the current projected costs for the Division.

Services for the Developmentally Disabled

Within the Services for the Developmentally Disabled program, the Governor recommends FY 2019 appropriations of \$250.8 million, including \$116.7 million from general revenue funds, \$131.4 million from federal funds, \$1.4 million from restricted receipt funds, and \$1.3 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$6.7 million, federal fund financing increases by \$1.2 million, restricted receipt financing decreases by \$452,810, and Rhode Island Capital Plan Fund financing remains constant. The general revenue changes are attributable to the following adjustments:

- *Private Developmentally Disabled Services - \$2.4 general revenue increase:* The Governor includes an increase of \$2.4 million related to revised projections regarding Residential Service Rebalancing and Supplemental Authorizations. BHDDH is reviewing its assessment model and also committed to exploring alternative payment model, including the implementation of Health Homes, consisting of a comprehensive care management, care coordination social support services, transitional services, and individual and family support.
- *Caseload Projection - \$593,823 general revenue decrease:* The Governor includes a revised caseload projection which indicates a decline compared to the Department's request.
- *Court Monitor for Consent Decree and Interim Settlement Agreement - \$450,000 general revenue decrease:* The Governor's recommendation includes the transfer of the budget for the Court Monitor contract which is required by the U.S. Department of Justice's Consent Decree. This expense is now being allocated to the Executive Office of Health and Human Services.
- *RICLAS Consolidation - \$1.7 million decrease:* The Governor's recommendation includes an overtime reduction as well as the closure of facilities to reflect current patient needs and staffing levels.
- *Federal Medical Assistance Program - \$1.9 million general revenue decrease:* The final state FMAP rate published on September 27, 2017 increased the rate to 47.71% (SFY). The increase in federal match result in a savings of \$1.9 million versus the budget submission.
- *Enhanced Medicaid Match - \$530,000 general revenue decrease:* The Governor's recommendation includes an enhanced Medicaid match for administrative costs within the Department.

Behavioral Healthcare Services

Within the Behavioral Healthcare Services program, the Governor recommends FY 2019 appropriations of \$27.5 million, including \$1.0 million from general revenue funds, \$23.5 million from federal funds, \$100,000 from restricted receipt funds, and \$400,000 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.0 million, federal funds financing increases by \$875,398 million and Rhode Island Capital Plan Fund financing decreases by \$750,000. The general revenue increase is mainly related to establishing a Behavioral Healthcare Link, a state-wide resource aimed at providing a 24-hour community-based assessment, triage and treatment for behavioral health crisis.

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Hospital and Community Rehabilitation Services

Within the Hospital and Community Rehabilitation Services program, the Governor recommends FY 2019 appropriations of \$116.8 million, including \$54.6 million from general revenue funds, \$57.4 million from federal funds, \$3.5 million from restricted receipt funds, and \$1.3 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$8.0 million, federal funds financing increases by \$7.6 million, restricted receipt funds financing decreases by \$3.0 million, and Rhode Island Capital Plan Fund financing decreases by \$3.9. The general revenue change is attributable to a delay in the Eleanor Slater Hospital Reorganization project. When this capital project is complete, efficiencies and savings will be achieved due to the increase in the size and redesigned layout of the new units. The general revenue changes are attributable to the following adjustments:

- *Eleanor Slater Hospital Expense Reduction - \$2.6 million general revenue decrease:* The Governor's recommendation includes a reduction to reflect current staffing levels and patient needs.
- *Eleanor Slater Hospital Worker's Compensation Reduction - \$491,693 million general revenue decrease:* The Governor includes an overtime reduction through management of Worker's Compensation claims.

The Governor recommends 1,319.4 FTE positions in the revised FY 2018 budget which is consistent with the FY 2018 enacted budget. For FY 2019 the Governor recommends 1,319.4 FTE positions, which is also consistent with the FY 2018 enacted budget.

GOVERNOR'S COMMISSION ON DISABILITIES

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$380,615	\$418,544	\$454,938	\$478,907	\$492,557
Federal Funds	\$29,456	\$211,435	\$343,542	\$335,167	\$335,167
Restricted Receipts	\$19,927	\$39,140	\$43,710	\$53,598	\$49,571
Other Funds	\$0	\$0	\$0	\$0	\$0
Operating Transfers from Other Funds	\$0	\$0	\$0	\$0	\$0
Total Funding	\$429,998	\$669,120	\$842,190	\$867,672	\$877,295
FTE Authorization	4.0	4.0	4.0	4.0	4.0

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$867,672 for the Governor's Commission on Disabilities, including \$478,907 from general revenue, \$335,167 from federal funds, and \$53,598 from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$23,969, federal funds financing decreases by \$8,375, and restricted receipts financing increases by \$9,888. On an all-funds basis, the increase is primarily attributed to additional federal funding for habilitative and rehabilitative services. The revised FY 2018 Budget is inclusive of enacted statewide medical benefit rate reduction, which resulted in \$1,121 of general revenue savings being allocated to the Commission. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$25,090 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Division of Human Resources and Information Technology.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$877,295, including \$492,557 from general revenue, \$335,167 from federal funds, and \$49,571 from restricted receipts. Relative to FY 2018 enacted levels, the

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FY 2019 recommended general revenue financing increases by \$37,619, federal funds financings decreases by \$8,375, and restricted receipt financing increases by \$5,861. The increase in general revenue is primarily attributed to an adjustment of \$10,819 in advertising and transportation. The increase in all funds is due to additional federal funding for habilitative and rehabilitative services. The FY 2019 Budget is inclusive of enacted statewide medical benefit and dental rate reductions, as well as increase to the retirement rate and assessed fringe benefits which resulted in \$1,485 of general revenue being allocated to the Commission. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$25,315 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Division of Human Resources and Information Technology.

The Governor recommends 4.0 FTE positions in the revised FY 2018 budget and FY 2019 Budget, consistent with the enacted FY 2018 level.

COMMISSION ON THE DEAF & HARD OF HEARING					
Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$406,634	\$421,449	\$498,710	\$436,682	\$511,467
Federal Funds	\$0	\$0	\$0	\$0	\$0
Restricted Reciepts	\$49,316	\$72,126	\$129,200	\$129,200	\$80,000
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
Total Funding	\$455,950	\$493,575	\$627,910	\$549,432	\$591,467
FTE Authorization	3.0	3.0	4.0	4.0	4.0

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$565,882 for the Commission on the Deaf and Hard of Hearing, including \$436,682 from general revenue funds and \$129,200 from restricted receipt funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$62,028, while restricted receipt funding remains the same. The changes to the Commission's budget are attributable to the following adjustments:

- *Personnel Savings:* The Governor includes a reduction of approximately \$83,000 from the enacted level. This is the result of turnover and benefit savings.
- *Non-personnel Adjustments:* The Governor includes an increase of \$4,354 in non-personnel expenses to allow for contracted service and equipment adjustments.

Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$18,686 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$591,467 for the Commission on the Deaf and Hard of

Health and Human Services

Hearing, including \$511,467 from general revenue funds and \$80,000 from restricted receipt funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$12,757, and restricted receipt financing decreases by \$49,200. The changes to the Commission’s budget are attributable to the following adjustments:

- *Assistive Listening Systems:* The Governor includes a reduction of \$49,200 in restricted receipt funds to reflect the completion of the installation project to install assistive listening devices in the State House. The project began in FY 2016 and is to be completed in FY 2018. This will restore the restricted receipt account to the statutory minimum of \$80,000.
- *Personnel Savings:* The Governor includes a reduction of \$19,120 in general revenue funding for benefit savings. A staff member chose to discontinue their benefits in FY 18, the savings are reflected in FY 2019.

In the FY 2019 recommendation Act, increased funding totaling \$18,830 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration’s Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

The Governor recommends 4.0 FTE positions in the revised FY 2018 and FY 2019 budget.

OFFICE OF THE CHILD ADVOCATE					
Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$643,280	\$470,980	\$781,499	\$697,056	\$825,140
Federal Funds	\$11,559	\$141,126	\$144,621	\$259,138	\$147,366
Restricted Reciepts	\$0	\$0	\$0	\$0	\$0
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
Total Funding	\$654,839	\$612,106	\$926,120	\$956,194	\$972,506
FTE Authorization	6.0	7.0	8.0	8.0	8.6

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$956,194 for the Office of the Child Advocate, including \$697,056 from general revenue and \$259,138 from federal funds. Relative to the FY 2018 enacted levels, recommended general revenue financing decreases by \$84,443, while federal funds financing increases by \$114,517. This recommendation is largely the result of an increase in available federal funding. The increase in federal funding was the result of unspent funds for the state FY 2017 that were carried forward into the first quarter of the state FY 2018. The Governor’s recommendation also includes an increase in contracted professional services of \$30,000. This increase is geared to assist the Office with their increasing workload, to the extent that they can use a temporary employment agency to complete their statutory requirements.

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FY 2019 Recommended Budget

For FY 2019, the Governor recommends total expenditures of \$972,506, including \$825,140 from general revenue and \$147,366 from federal funds. Compared to the FY 2018 enacted level, FY 2019 recommended general revenue financing increases by \$43,641 and federal funds financing increases by \$2,745. The Governor’s recommendation will allow the Office to hire a part-time permanent employee. This position will assist the Office with administration of the Office’s monitoring responsibilities under the Children’s Rights settlement agreement, as well as many of their statutory mandated services including DCYF oversight, review of DCYF licensed facilities, family court ordered investigations, and child fatality and near fatality investigations.

The Governor recommends 8.0 FTE positions in the revised FY 2018 budget and in FY 2019 recommend 8.6 FTE positions.

OFFICE OF MENTAL HEALTH ADVOCATE

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$545,220	\$540,899	\$549,563	\$628,771	\$639,764
Federal Funds	\$0	\$0	\$0	\$0	\$0
Restricted Receipts	\$0	\$0	\$0	\$0	\$0
Other Funds	\$0	\$0	\$0	\$0	\$0
Operating Transfers from Other Funds	\$0	\$0	\$0	\$0	\$0
Total Funding	\$545,220	\$540,899	\$549,563	\$628,771	\$639,764
FTE Authorization	4.0	4.0	4.0	4.0	4.0

FY 2018 Revised Budget

The Governor recommends revised general revenue appropriations of \$628,771 for the Office of the Mental Health Advocate. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$79,208. The revised FY 2018 Budget is inclusive of enacted statewide medical benefit rate reduction, which resulted in \$1,841 of general revenue savings being allocated to the Commission. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$81,049 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration’s Division of Capital Asset Management and Maintenance and Information Technology.

FY 2019 Recommended Budget

The Governor recommends FY 2019 general revenue appropriations of \$639,764 for the Office of the Mental Health Advocate. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$90,201. The net increase is primarily attributable to the following adjustment:

- *Adjustment of Personnel Financing:* The FY 2018 recommended budget includes an increase of \$4,636 in personnel expenditures over FY 2018 enacted levels which fully finances the current staff.

The Governor’s FY 2019 recommendation is inclusive of enacted statewide medical benefit and dental rate reductions, as well as an increase to the retirement rate and assessed fringe benefits which resulted in a \$1,936 increase of general revenue being allocated to the Commission. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$83,629 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by

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the Department of Administration's Division of Capital Asset Management and Maintenance and Information Technology.

The Governor recommends 4.0 FTE positions in the revised FY 2018 Budget and the recommended FY 2019 Budget, consistent with the enacted FY 2018 level.