



GOVERNOR'S
**EXECUTIVE
BUDGET**
2016-2017

General Fund/Tobacco Settlement Fund prepared for Appropriations Committee Hearings
by the Department of Human Services

March 2016

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DEPARTMENT OF HUMAN SERVICES

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DEPARTMENT OF HUMAN SERVICES

(\$ Amounts in Thousands)

2015-2016 Available

2016-2017 Governor's Executive Budget

Program Area	2015-2016 Available			2016-2017 Governor's Executive Budget		
	State General/ Special	Federal/ Other \$	Total \$	State General/ Special	Federal/ Other \$	Total \$
Administration:						
General Government Operations	\$93,124	\$96,045	\$189,169	\$97,065	\$105,652	\$202,717
Information Systems	\$75,248	\$167,785	\$243,033	\$84,607	\$213,810	\$298,417
County Administration-Statewide	\$41,204	\$138,209	\$179,413	\$52,832	\$123,866	\$176,698
County Assistance Offices	\$334,900	\$341,308	\$676,208	\$346,864	\$380,070	\$726,934
Child Support Enforcement	\$11,703	\$164,662	\$176,365	\$12,714	\$181,373	\$194,087
New Directions	\$23,809	\$125,751	\$149,560	\$25,239	\$125,751	\$150,990
Children's Health Insurance Administration	\$2,244	\$17,138	\$19,382	\$1,234	\$10,575	\$11,809
Subtotal Administration	\$582,232	\$1,050,898	\$1,633,130	\$620,555	\$1,141,097	\$1,761,652
Institutional:						
Youth Development Institutions and Forestry Camps	\$65,732	\$10,838	\$76,570	\$66,777	\$10,810	\$77,587
Mental Health Services	\$790,663	\$255,058	\$1,045,721	\$846,777	\$232,117	\$1,078,894
Intellectual Disabilities-State Centers	\$138,496	\$203,226	\$341,722	\$141,769	\$202,110	\$343,879
Subtotal Institutional	\$994,891	\$469,122	\$1,464,013	\$1,055,323	\$445,037	\$1,500,360
Grants and Subsidies:						
Cash Grants	\$25,457	\$657,144	\$682,601	\$25,457	\$639,121	\$664,578
Supplemental Grants - Aged, Blind and Disabled	\$136,976	\$0	\$136,976	\$136,368	\$0	\$136,368
Payments to Federal Government - Medicare Drug Program	\$578,018	\$0	\$578,018	\$629,343	\$0	\$629,343
Medical Assistance - Fee-for-Service	\$392,918	\$2,665,473	\$3,058,391	\$489,972	\$2,484,037	\$2,974,009
Medical Assistance-Capitation	\$3,907,202	\$10,164,928	\$14,072,130	\$4,086,032	\$11,624,573	\$15,710,605
Medical Assistance-Obstetric and Neonatal Services	\$0	\$7,250	\$7,250	\$0	\$0	\$0
Long-Term Care	\$968,083	\$2,669,288	\$3,637,371	\$1,096,608	\$2,715,312	\$3,811,920
Home and Community - Based Services	\$255,441	\$410,575	\$666,016	\$312,160	\$452,472	\$764,632
Long-Term Care Managed Care	\$116,133	\$131,872	\$248,005	\$136,214	\$146,594	\$282,808
Hospital-Based Burn Centers	\$0	\$4,098	\$4,098	\$0	\$0	\$0
Medical Assistance-Critical Access Hospitals	\$0	\$9,620	\$9,620	\$0	\$0	\$0
Trauma Centers	\$8,656	\$9,385	\$18,041	\$8,656	\$9,296	\$17,952
Medical Assistance-Academic Medical Centers	\$19,681	\$23,904	\$43,585	\$17,431	\$18,718	\$36,149
Medical Assistance-Physician Practice Plans	\$12,071	\$13,083	\$25,154	\$12,071	\$12,993	\$25,064
Medical Assistance-Transportation	\$62,657	\$74,551	\$137,208	\$65,483	\$79,538	\$145,021
Expanded Medical Services for Women	\$6,263	\$1,000	\$7,263	\$6,263	\$1,000	\$7,263
Special Pharmaceutical Services	\$1,377	\$0	\$1,377	\$1,268	\$0	\$1,268
Behavioral Health Services	\$47,214	\$0	\$47,214	\$66,351	\$1,000	\$67,351
Intellectual Disabilities-Intermediate Care Facilities	\$139,110	\$212,705	\$351,815	\$142,621	\$197,652	\$340,273
Intellectual Disabilities-Community Base Program	\$153,561	\$59,801	\$213,362	\$158,914	\$59,659	\$218,573
Intellectual Disabilities-Community Waiver Program	\$1,211,993	\$1,279,651	\$2,491,644	\$1,283,376	\$1,335,919	\$2,619,295

DEPARTMENT OF HUMAN SERVICES

(\$ Amounts in Thousands)

2015-2016 Available

2016-2017 Governor's Executive Budget

Program Area	State General/ Special	Federal/ Other \$	Total \$	State General/ Special	Federal/ Other \$	Total \$
Early Intervention	\$127,974	\$74,225	\$202,199	\$129,211	\$75,698	\$204,909
Autism Intervention and Services	\$21,501	\$18,863	\$40,364	\$23,978	\$22,273	\$46,251
Intellectual Disabilities-Lansdowne Residential Services	\$340	\$0	\$340	\$340	\$0	\$340
County Child Welfare	\$949,726	\$425,761	\$1,375,487	\$1,149,523	\$428,713	\$1,578,236
Community Based Family Centers	\$3,258	\$23,342	\$26,600	\$13,258	\$23,342	\$36,600
Child Care Services	\$155,691	\$294,304	\$449,995	\$167,691	\$313,728	\$481,419
Child Care Assistance	\$152,609	\$165,564	\$318,173	\$152,609	\$172,256	\$324,865
Nurse Family Partnership	\$11,978	\$2,544	\$14,522	\$11,978	\$2,544	\$14,522
Domestic Violence	\$16,851	\$9,719	\$26,570	\$16,851	\$9,719	\$26,570
Rape Crisis	\$9,639	\$1,721	\$11,360	\$9,639	\$1,721	\$11,360
Breast Cancer Screening	\$1,623	\$2,000	\$3,623	\$1,785	\$2,000	\$3,785
Human Services Development Fund	\$13,959	\$0	\$13,959	\$14,458	\$0	\$14,458
Legal Services	\$2,461	\$5,049	\$7,510	\$2,707	\$5,049	\$7,756
Homeless Assistance	\$20,181	\$8,149	\$28,330	\$20,866	\$6,166	\$27,032
Services to Persons with Disabilities	\$334,036	\$371,922	\$705,958	\$378,177	\$409,797	\$787,974
Attendant Care	\$160,010	\$150,183	\$310,193	\$172,909	\$158,016	\$330,925
Medical Assistance-Workers with Disabilities	\$52,205	\$110,661	\$162,866	\$34,482	\$37,111	\$71,593
Children's Health Insurance Program	\$13,553	\$303,616	\$317,169	\$6,591	\$307,999	\$314,590
Subtotal Grants & Subsidies	\$10,090,406	\$20,361,951	\$30,452,357	\$10,981,641	\$21,754,016	\$32,735,657
Total General Funds	\$11,667,529	\$21,881,971	\$33,549,500	\$12,657,519	\$23,340,150	\$35,997,669
Special and Other Funds:						
Lottery Fund						
Medical Assistance - Long-Term Care	\$184,081	\$0	\$184,081	\$184,081	\$0	\$184,081
Home and Community-Based Services	\$105,668	\$0	\$105,668	\$105,668	\$0	\$105,668
Medical Assistance - Transportation Services	\$4,900	\$0	\$4,900	\$3,300	\$0	\$3,300
Cigarette Tax Fund						
Children's Health Insurance Program	\$39,104	\$0	\$39,104	\$30,730	\$0	\$30,730
Tobacco Settlement Fund						
Uncompensated Care	\$91,479	\$98,964	\$190,443	\$92,761	\$99,839	\$192,600
Medical Assistance for Workers with Disabilities	\$24,943	\$27,241	\$52,184	\$25,293	\$27,160	\$52,453
Home and Community-Based Services	\$39,641	\$42,962	\$82,603	\$40,197	\$43,165	\$83,362
Medical Assistance- Long-Term Care	\$111,386	\$0	\$111,386	\$112,940	\$0	\$112,940
Children's Trust Fund	\$0	\$1,400	\$1,400	\$0	\$1,400	\$1,400
Total Special and Other Funds	\$601,202	\$170,567	\$771,769	\$594,970	\$171,564	\$766,534
DEPARTMENT TOTAL	\$12,268,731	\$22,052,538	\$34,321,269	\$13,252,489	\$23,511,714	\$36,764,203

Department of Human Services

Funding by Program Area for Fiscal Years 2014-2015 thru 2016-2017

Dollar Amounts in Thousands

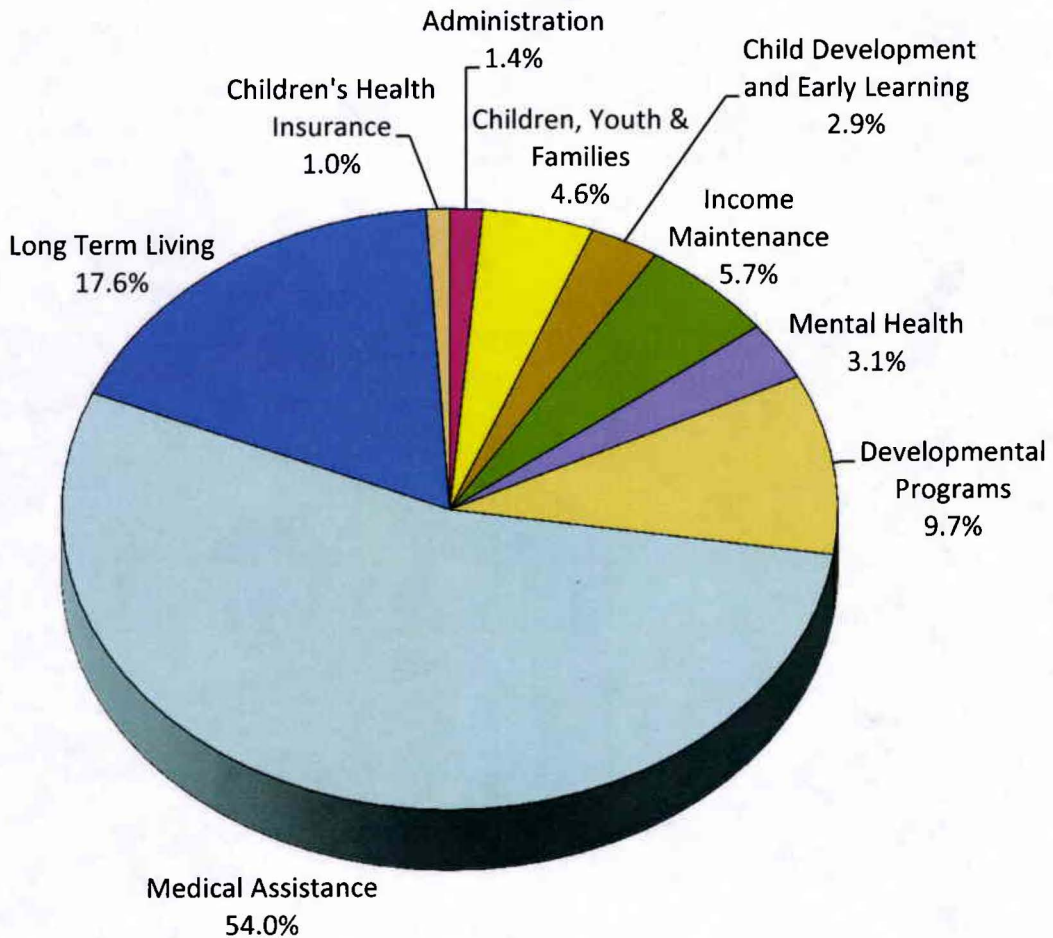
Program Area		2014-2015	2015-2016	2016-2017
Administration	S	\$151,354	\$168,372	\$181,672
	F	\$309,125	\$254,972	\$307,391
	O	\$11,858	\$8,858	\$12,071
		\$472,337	\$432,202	\$501,134
Children, Youth & Families	S	\$1,183,985	\$1,057,530	\$1,259,033
	F	\$447,784	\$448,193	\$451,117
	O	\$1,241	\$1,846	\$1,846
		\$1,633,010	\$1,507,569	\$1,711,996
Child Development and Early Learning	S	\$451,510	\$451,510	\$474,747
	F	\$538,470	\$558,333	\$585,922
	O	\$3,065	\$3,046	\$3,046
		\$993,045	\$1,012,889	\$1,063,715
Income Maintenance	S	\$586,328	\$596,691	\$623,047
	F	\$1,413,213	\$1,428,333	\$1,445,962
	O	\$10,682	\$11,939	\$15,434
		\$2,010,223	\$2,036,963	\$2,084,443
Mental Health	S	\$775,896	\$839,254	\$914,396
	F	\$249,832	\$245,358	\$224,417
	O	\$8,828	\$9,700	\$8,700
		\$1,034,556	\$1,094,312	\$1,147,513
Developmental Programs	S	\$1,529,359	\$1,665,001	\$1,750,998
	F	\$1,654,235	\$1,726,631	\$1,769,822
	O	\$45,126	\$47,615	\$47,791
		\$3,228,720	\$3,439,247	\$3,568,611
Medical Assistance	S	\$5,147,359	\$5,039,671	\$5,349,733
	F	\$10,260,666	\$11,490,989	\$12,530,072
	O	\$1,622,187	\$1,719,169	\$1,864,193
	T	\$76,901	\$121,322	\$121,354
		\$17,107,113	\$18,371,151	\$19,865,352
Long Term Living	S	\$1,454,131	\$1,833,703	\$2,096,068
	F	\$3,006,456	\$3,151,789	\$3,336,440
	O	\$481,674	\$625,013	\$588,916
	L	\$476,558	\$294,649	\$293,049
	T	\$274,201	\$146,127	\$149,837
		\$5,693,020	\$6,051,281	\$6,464,310
Children's Health Insurance	S	\$82,335	\$15,797	\$7,825
	F	\$321,891	\$320,754	\$318,574
	C	\$32,995	\$39,104	\$30,730
		\$437,221	\$375,655	\$357,129
Grand Total	S	\$11,362,257	\$11,667,529	\$12,657,519
	F	\$18,201,672	\$19,625,352	\$20,969,717
	O	\$2,184,661	\$2,427,186	\$2,541,997
	C	\$32,995	\$39,104	\$30,730
	L	\$476,558	\$294,649	\$293,049
	T	\$351,102	\$267,449	\$271,191
		\$32,609,245	\$34,321,269	\$36,764,203

S = General Fund
 F = Federal funds
 O = Other funds (Augmentations plus Other Funds)

C = Cigarette Tax Fund
 L = Lottery Funds
 T = Tobacco Settlement Fund

DEPARTMENT OF HUMAN SERVICES

2016-2017 OPERATING BUDGET BY PROGRAM

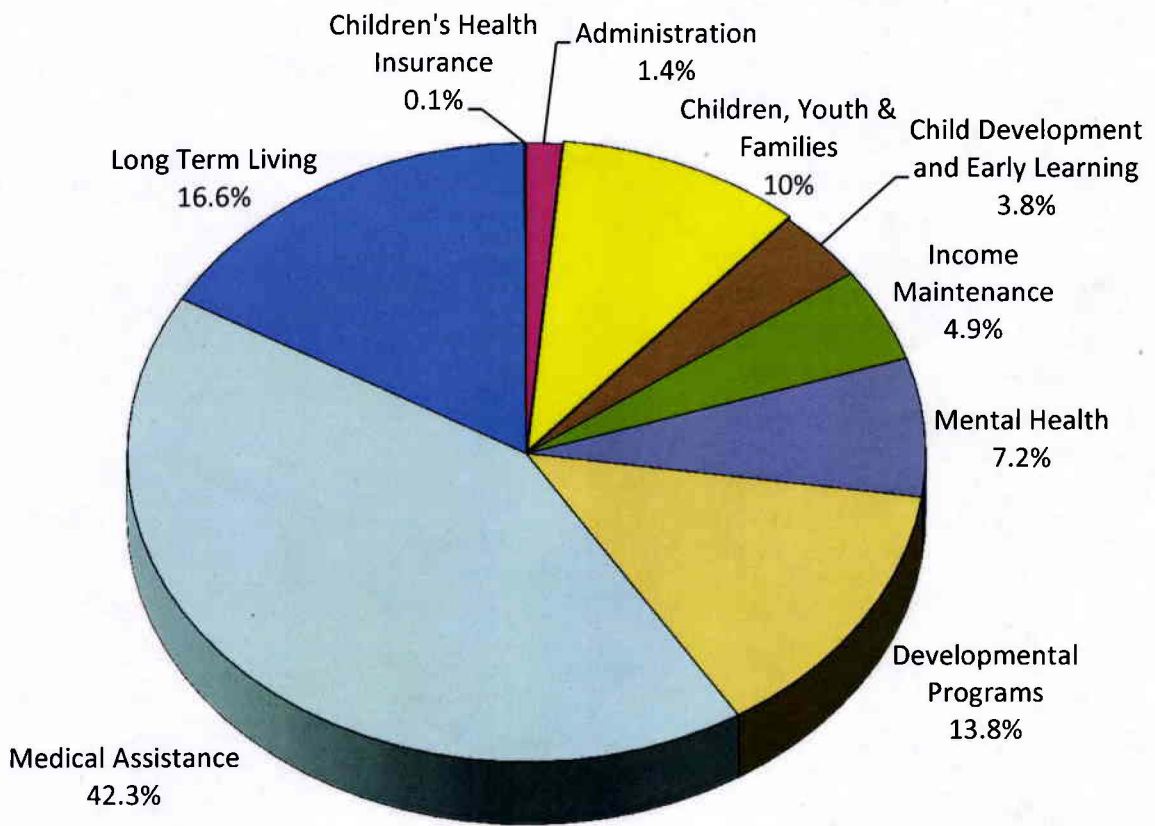


TOTAL FUNDS

\$36.8 Billion

DEPARTMENT OF HUMAN SERVICES

2016-2017 OPERATING BUDGET BY PROGRAM



GENERAL FUNDS

\$12.7 Billion

Department of Human Services
Management Directive 310.3 (Act 146) Waivers for Fiscal Years prior to 2015-2016
Dollar Amounts in Thousands

Fund	Year Waived	Amount	Description
General Funds			
General Government Operations	2014	All Balances & Commitments	Ensure uninterrupted Human Service operations.
County Administration-Statewide	2014	All Balances & Commitments	Ensure uninterrupted Human Service operations.
Child Support Enforcement	2014	\$415	Ensure uninterrupted Human Service operations.
County Child Welfare	2011	All Balances & Commitments	Funding of reimbursement of outstanding actual Act 148 payments.
County Child Welfare	2012	All Balances & Commitments	Funding of reimbursement of outstanding actual Act 148 payments.
County Child Welfare	2013	All Balances & Commitments	Funding of reimbursement of outstanding actual Act 148 payments.
County Child Welfare	2014	All Balances & Commitments	Funding of reimbursement of outstanding actual Act 148 payments.
Medical Assistance-Inpatient	2014	All Balances & Commitments	Funding for payments not made timely in Fiscal Year 2014-2015
MA - Trauma Centers	2013	All Balances & Commitments	Retention of funds pending the receipt of data from the Pennsylvania Trauma Systems Foundation to determine eligibility and payment distribution.
MA - Trauma Centers	2014	All Balances & Commitments	Retention of funds pending the receipt of data from the Pennsylvania Trauma Systems Foundation to determine eligibility and payment distribution.
MA - Obstetrical/Neonatal Services	2014	All Balances & Commitments	Retention of funds to resolve the Disproportionate Share Upper Payment Limit issues
Mental Health Services	2013	All Balances & Commitments	Funding for Mental Health Hospitals non-recurring maintenance and ensure uninterrupted operations
Intellectual Disabilities - State Centers	2013	All Balances & Commitments	Funding for State Centers non-recurring maintenance and ensure uninterrupted operations
Information Systems	2013	All Balances & Commitments	Retention of funding for design and development pertaining to Departmental systems.
Information Systems	2014	All Balances & Commitments	Retention of funding for design and development pertaining to Departmental systems.
County Assistance Offices	2014	All Balances & Commitments	Ensure uninterrupted Human Service operations.
Autism Intervention and Services	2014	All Balances & Commitments	Funding for payments that were not made timely in Fiscal Year 2014-2015.

Department of Human Services

Management Directive 310.3 (Act 146) Waivers for Fiscal Years prior to 2015-2016

Dollar Amounts in Thousands

Fund	Year Waived	Amount	Description
Intellectual Disabilities-Intermediate Care Facilities	2014	All Balances & Commitments	Provides for prior year settlements and other outstanding payments.
Children's Health Insurance Administration	2014	All Balances & Commitments	Funds to support technical requirements for IT programming, network updates and administrative operations
Tobacco Settlement Funds			
MA - Uncompensated Care	2009	All Balances & Commitments	Retention of funding pending the completion of audits in accordance with Act 77 of 2001, known as the Tobacco Settlement Act
MA - Uncompensated Care	2011	All Balances & Commitments	Retention of funding pending the completion of audits in accordance with Act 77 of 2001, known as the Tobacco Settlement Act
MA - Uncompensated Care	2013	All Balances & Commitments	Retention of funding pending the completion of audits in accordance with Act 77 of 2001, known as the Tobacco Settlement Act
MA - Uncompensated Care	2014	All Balances & Commitments	Retention of funding pending the completion of audits in accordance with Act 77 of 2001, known as the Tobacco Settlement Act.
Lottery Funds			
Medical Assistance-Transportation Services	2014	All Balances & Commitments	Retention of funding pending final transfer to the Lottery Fund.

**Department of Human Services
Supplemental Appropriations for Fiscal Year 2015-2016
(\$ Amounts in Thousands)**

Fiscal Year 2015-2016 Appropriation Title	Appropriation Amount	Supplemental Request	Revised Appropriation	Run Out Date
State:				
General Government Operations	\$89,450	\$3,674	\$93,124	06/30/16
Information Systems	\$74,083	\$1,165	\$75,248	06/30/16
County Administration-Statewide	\$35,593	\$5,611	\$41,204	06/30/16
County Assistance Offices	\$316,319	\$18,581	\$334,900	06/30/16
Mental Health Services	\$768,057	\$22,606	\$790,663	06/30/16
Intellectual Disabilities - State Centers	\$136,548	\$1,948	\$138,496	06/30/16
Medical Assistance - Capitation	\$1,959,601	\$1,947,601	\$3,907,202	01/15/16
Home and Community-Based Services	\$226,445	\$28,996	\$255,441	03/28/16
Medical Assistance - Physicians Practice Plans	\$9,571	\$2,500	\$12,071	06/30/16
Behavioral Health Services	\$43,117	\$4,097	\$47,214	04/01/16
Intellectual Disabilities - Community Base Program	\$148,229	\$5,332	\$153,561	04/01/16
Intellectual Disabilities - Community Waiver Program	\$1,202,683	\$9,310	\$1,211,993	06/20/16
Human Services Development Fund	\$13,460	\$499	\$13,959	04/01/16
Homeless Assistance	\$18,496	\$1,685	\$20,181	04/01/16
Services to Persons with Disabilities	\$313,716	\$20,320	\$334,036	06/06/16
Attendant Care	\$148,291	\$11,719	\$160,010	05/23/16
Federal:				
PA Certified Community Behavioral Health Clinics	\$877	\$10	\$887	06/30/16
Medical Assistance - Long-Term Care	\$2,035,872	\$9,152	\$2,045,024	06/27/16
Medical Assistance - Home and Community-Based Services	\$390,350	\$20,225	\$410,575	05/02/16
Medical Assistance - Physicians Practice Plans	\$10,373	\$2,710	\$13,083	06/30/16
Medical Assistance - Autism Intervention Services	\$18,538	\$325	\$18,863	06/30/16
Title IV-B - Family Centers	\$1,253	\$300	\$1,553	04/01/16
Medical Assistance - Services to Persons with Disabilities	\$350,329	\$21,593	\$371,922	06/06/16
Medical Assistance - Attendant Care	\$137,877	\$11,557	\$149,434	05/16/16

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

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A1.16, E19.1-3, E30.22, H50

APPROPRIATION:
General Government Operations

I. SUMMARY FINANCIAL DATA

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted
State Funds	\$76,513	\$93,124 ¹	\$97,065
Federal Funds Total	\$75,874	\$88,471	\$94,865
Federal Sources Itemized			
<i>Child Welfare Services-Administration</i>	\$1,039	\$1,042	\$1,042
<i>Child Welfare-Title IV-E-Administration</i>	\$5,567	\$5,679	\$5,319
<i>CCDFBG-Administration</i>	\$16,723	\$21,840	\$22,895
<i>Medical Assistance-Administration</i>	\$22,781	\$27,379	\$30,728
<i>TANFBG-Administration</i>	\$8,123	\$8,810	\$8,810
<i>Food Stamps-Administration</i>	\$5,864	\$7,437	\$9,443
<i>Development Disabilities-Basic Support</i>	\$4,121	\$4,253	\$4,258
<i>Refugees and Persons Seeking Asylum-Administration</i>	\$1,953	\$2,106	\$2,307
<i>Disabled Education-Administration</i>	\$600	\$708	\$817
<i>MHSBG-Administration</i>	\$461	\$539	\$539
<i>SSBG-Administration</i>	\$325	\$325	\$325
<i>Community Based Family Resource and Support-Admin</i>	\$689	\$689	\$689
<i>Early Head Start Expansion Program</i>	\$6,962	\$6,962	\$6,962
<i>MCH-Administration</i>	\$120	\$161	\$183
<i>Early Learning Challenge Grant-Administration</i>	\$546	\$541	\$548
Other Funds Total	\$11,224	\$7,574	\$10,787
Other Fund Sources Itemized			
<i>Training Reimbursement</i>	\$457	\$457	\$457
<i>Child Abuse Reviews</i>	\$9,962	\$6,574	\$9,526
<i>Miscellaneous Reimbursements</i>	\$230	\$44	\$229
<i>Adam Walsh Clearance</i>	\$575	\$499	\$575
Total	\$163,611	\$189,169	\$202,717

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$3,674
Federal Funds Total	\$0
Total	\$3,674

¹ Reflects a recommended supplemental appropriation of \$3.674 million. Appropriation Act 10-A of 2015 provided \$89.450 million for this program in Fiscal Year 2015-2016.

II. DETAIL BY MAJOR OBJECT
(\$ Amounts in Thousands)

APPROPRIATION:
General Government Operations

SUMMARY (General Government Operations, Direct Federal Grants and Restricted Revenue)

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$50,234	\$75,775	\$79,076	\$3,301	4.36%
Federal Funds	\$53,171	\$57,539	\$62,295	\$4,756	8.27%
Other Funds	\$9,737	\$6,999	\$9,732	\$2,733	39.05%
Total Personnel	\$113,142	\$140,313	\$151,103	\$10,790	7.69%
OPERATING					
State Funds	\$25,559	\$16,559	\$17,149	\$590	3.56%
Federal Funds	\$10,137	\$20,222	\$21,460	\$1,238	6.12%
Other Funds	\$1,487	\$575	\$1,055	\$480	83.48%
Total Operating	\$37,183	\$37,356	\$39,664	\$2,308	6.18%
FIXED ASSETS					
State Funds	\$25	\$45	\$45	\$0	0.00%
Federal Funds	\$0	\$9	\$9	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$25	\$54	\$54	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$695	\$745	\$795	\$50	6.71%
Federal Funds	\$10,701	\$10,701	\$10,701	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$11,396	\$11,446	\$11,496	\$50	0.44%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
EXCESS FEDERAL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$1,865	\$0	\$400	\$400	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$1,865	\$0	\$400	\$400	0.00%
TOTAL FUNDS					
State Funds	\$76,513	\$93,124	\$97,065	\$3,941	4.23%
Federal Funds	\$75,874	\$88,471	\$94,865	\$6,394	7.23%
Other Funds	\$11,224	\$7,574	\$10,787	\$3,213	42.42%
Total Funds	\$163,611	\$189,169	\$202,717	\$13,548	7.16%

II. DETAIL BY MAJOR OBJECT
(\$ Amounts in Thousands)

APPROPRIATION:
General Government Operations

General Government Operations (Excludes Direct Federal Grants and Restricted Revenue)

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$50,234	\$75,775	\$79,076	\$3,301	4.36%
Federal Funds	\$42,681	\$41,699	\$45,163	\$3,464	8.31%
Other Funds	\$9,737	\$6,999	\$9,732	\$2,733	39.05%
Total Personnel	\$102,652	\$124,473	\$133,971	\$9,498	7.63%
OPERATING					
State Funds	\$25,559	\$16,559	\$17,149	\$590	3.56%
Federal Funds	\$0	\$9,770	\$11,010	\$1,240	12.69%
Other Funds	\$1,487	\$575	\$1,055	\$480	83.48%
Total Operating	\$27,046	\$26,904	\$29,214	\$2,310	8.59%
FIXED ASSETS					
State Funds	\$25	\$45	\$45	\$0	0.00%
Federal Funds	\$0	\$9	\$9	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$25	\$54	\$54	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$695	\$745	\$795	\$50	6.71%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$695	\$745	\$795	\$50	6.71%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
EXCESS FEDERAL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$1,716	\$0	\$400	\$400	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$1,716	\$0	\$400	\$400	0.00%
TOTAL FUNDS					
State Funds	\$76,513	\$93,124	\$97,065	\$3,941	4.23%
Federal Funds	\$44,397	\$51,478	\$56,582	\$5,104	9.91%
Other Funds	\$11,224	\$7,574	\$10,787	\$3,213	42.42%
Total Funds	\$132,134	\$152,176	\$164,434	\$12,258	8.06%

II. DETAIL BY MAJOR OBJECT
(\$ Amounts in Thousands)

APPROPRIATION:
General Government Operations

Direct Federal Grants and Restricted Revenue (Excludes General Government Operations)

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$10,490	\$15,840	\$17,132	\$1,292	8.16%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$10,490	\$15,840	\$17,132	\$1,292	8.16%
OPERATING					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$10,137	\$10,452	\$10,450	(\$2)	-0.02%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$10,137	\$10,452	\$10,450	(\$2)	-0.02%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$10,701	\$10,701	\$10,701	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$10,701	\$10,701	\$10,701	\$0	0.00%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
EXCESS FEDERAL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$149	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$149	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$31,477	\$36,993	\$38,283	\$1,290	3.49%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$31,477	\$36,993	\$38,283	\$1,290	3.49%

APPROPRIATION: General Government Operations
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III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u> Estimated
State Funds	\$1,153	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>2016-2017</u> Budgeted
State/Federally Funded			
<i>Authorized</i>	1,054	1,237	1,288
<i>Filled</i>	949	979	979
Federally Funded			
<i>Authorized</i>	114	177	177
<i>Filled</i>	89	134	134
Other Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Total			
<i>Authorized</i>	1,168	1,414	1,465
<i>Filled</i>	1,038	1,113	1,113
Benefit Rate	65.60%	74.80%	83.15%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget authorizes 1,288 positions, an increase of 51 positions from Fiscal Year 2015-2016. This increase reflects 39 new positions in the Office of Children, Youth, and Family and 12 transferred positions from E-Health Partnership. The Federally funded complement authorizes 177 positions, unchanged from the Fiscal Year 2015-2016 Request.

Legislative Citations:

Title 62 P.S. § 101; 71 P.S. § 61

Disbursement Criteria:

This appropriation funds the administrative structure for all programs in the Department of Human Services. Supported functions include formulation of policies, planning, monitoring, analysis and evaluation of programs. Disbursements are made based on approved positions and established employee benefits and through invoices for operating expenses and fixed assets.

VI. EXPLANATION OF CHANGES

(\$ Amounts in Thousands)

APPROPRIATION:

General Government Operations

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
PERSONNEL				
1. Net impact of changes in number of filled salary positions, change in vacant and leave without pay positions, average bi-weekly, funded pay periods and other personnel costs from Fiscal Year 2015-2016:	\$670	\$343	\$0	\$1,013
2. Provides for a salary adjustment factor, which includes the annualization of a January 1, 2016 step increase (excludes associated benefit costs) offset by a turnover rate:	\$671	\$344	\$0	\$1,015
3. Provides for an increase in the total cost of employee benefits primarily due to an increase in retirement rates:	\$3,073	\$1,574	\$0	\$4,647
4. Reflects a decrease in wage and overtime expense:	(\$453)	(\$232)	\$0	(\$685)
5. Reflects an increase in available augmenting revenue:	(\$2,733)	\$0	\$2,733	\$0
6. Reflects an increase of 39 positions for the Office of Children, Youth, and Families' Division of Operations. These positions are for the Clearance Verification Unit to improve ChildLine processing. The volume of clearance applications received had increased by over 135 percent from January to June 2015. Replacing temporary staff with full-time staff creates a more stable and trained workforce:	\$1,416	\$192	\$0	\$1,608
7. Provides for the transfer of 12 positions from eHealth Partnership to the Department of Human Services:	\$950	\$950	\$0	\$1,900
8. Provides for an increase in personnel expense associated with the Federal Refugees and Persons Seeking Asylum-Administration grant, which reflects funding for two additional staff transferred from the Department of Health in Fiscal Year 2015-2016:	\$0	\$201	\$0	\$201
9. Provides for an increase in personnel expense associated with the Federal Developmental Disabilities Basic Support-Administration grant:	\$0	\$5	\$0	\$5
10. Provides for an increase in personnel expense associated with the Federal Mental Health Services Block Grant-Administration:	\$0	\$2	\$0	\$2
11. Provides for an increase in personnel expense associated with the Federal Early Childhood Home Visiting Program:	\$0	\$22	\$0	\$22
12. Provides for an increase in personnel expense associated with the Federal Early Learning Challenge Grant-Administration:	\$0	\$7	\$0	\$7
13. Provides for an increase in personnel expense associated with the Federal Child Care Development Fund Block Grant-Administration:	\$0	\$1,055	\$0	\$1,055
14. Reflects changes in the Federal earnings rate:	(\$293)	\$293	\$0	\$0
Subtotal Personnel	\$3,301	\$4,756	\$2,733	\$10,790

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: General Government Operations			
	State \$	Federal \$	Other \$	Total \$
OPERATING				
1. Provides for an increase in rent of real estate, partially due to the move of Department of General Services Annex Staff to new locations:	\$177	\$256	\$0	\$433
2. Provides for travel and training expenses mainly associated with training on the Office of Administration's human resources system:	\$303	\$0	\$0	\$303
3. Reflects an increase in specialized services primarily for Bureau of Hearings and Appeals contract staff:	\$772	\$395	\$0	\$1,167
4. Reflects an increase in legal services mainly in the Office of Children, Youth and Families for FBI clearances and Pennsylvania State Police clearances:	\$330	\$0	\$0	\$330
5. Reflects an increase in postage mainly in the Office of Children Youth and Families due to increased clearance check activity:	\$261	\$0	\$0	\$261
6. Reflects changes in other operating expenses:	(\$186)	\$0	\$0	(\$186)
7. Reflects an increase in available augmenting revenue:	(\$480)	\$0	\$480	\$0
8. Reflects changes in available Federal revenue to offset administrative costs in Fiscal Year 2016-2017:	(\$587)	\$587	\$0	\$0
Subtotal Operating	\$590	\$1,238	\$480	\$2,308
GRANTS AND SUBSIDIES				
1. Reflects increase in Guardianship Act payments to Counties for legal expenses associated with mandatory data collections:	\$50	\$0	\$0	\$50
Subtotal Grants and Subsidies	\$50	\$0	\$0	\$50
EXCESS FEDERAL				
1. Reflects excess Federal spending authority in Fiscal Year 2016-2017:	\$0	\$400	\$0	\$400
TOTAL	\$3,941	\$6,394	\$3,213	\$13,548

DETAIL OF DIRECT FEDERAL GRANTS

(\$ Amounts in Thousands)

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted
Direct Federal Grants			
Refugees and Persons Seeking Asylum-Administration	\$1,953	\$2,106	\$2,307
Development Disabilities-Basic Support	\$4,121	\$4,253	\$4,258
MHSBG-Administration	\$363	\$441	\$441
CCDFBG-Administration	\$16,723	\$21,840	\$22,895
Community Based Family Resource and Support-Administration	\$689	\$689	\$689
Early Head Start Expansion Program	\$6,962	\$6,962	\$6,962
MCH-Administration	\$120	\$161	\$183
Early Learning Challenge Grant-Administration	\$546	\$541	\$548
Direct Federal Funds Total	\$31,477	\$36,993	\$38,283

SUMMARY OF DIRECT FEDERAL GRANTS

(\$ Amounts in Thousands)

	2015-2016	2016-2017	Increase/ (Decrease)	Percent Change
Personnel	\$15,840	\$17,132	\$1,292	8.16%
Operating	\$10,452	\$10,450	(\$2)	(0.02%)
Fixed Assets	\$0	\$0	\$0	-
Grants & Subsidies	\$10,701	\$10,701	\$0	-
Other	\$0	\$0	\$0	0.00%
Excess Federal Authority	\$0	\$0	\$0	-
Total	\$36,993	\$38,283	\$1,290	3.49%

Direct Federal grants are appropriated for specific Federally funded projects. The data shown above represents the total of Direct Federal appropriations associated with the General Government Operations Appropriation.

GENERAL GOVERNMENT OPERATIONS

PROGRAM STATEMENT

The General Government Operations (GGO) appropriation provides funding for the administrative and overhead systems that support the operation of programs in the Department of Human Services (DHS). The appropriation provides an administrative structure for setting policy, planning and administration of direct services, State-operated facilities, services provided under contract, grants to counties, subsidies and vendor reimbursement. The responsibilities of the offices funded in GGO include: formulation of policies, overall direction of programs, planning and coordination among program areas, monitoring of programs, analysis of information, evaluation of programs, administrative support and the licensure of providers.

The Department has nine offices within GGO. Listed below is a brief description of each office.

OFFICE OF THE SECRETARY

The Office of the Secretary directs and supervises the overall administration of DHS and establishes broad policy and management direction for all programs including Mental Health and Substance Abuse Services; Developmental Programs; Children, Youth and Families; Child Development and Early Learning; Income Maintenance; Long Term Living; Medical Assistance (MA); and Administration. In addition, the Office of the Secretary provides supervision and direction over the following functions: Policy Development, Performance Management, Children's Health Insurance Program (CHIP), eHealth Partnership, Communications, Legislative Affairs, Legal Counsel and Budget.

OFFICE OF CHILDREN, YOUTH AND FAMILIES

The Deputy Secretary for Children, Youth and Families is responsible for establishing policies and standards for services to children and their families throughout the Commonwealth. This office issues regulations governing foster care and adoption services, group homes, institutions, part-day services and 67 county children and youth agencies. This office also directly operates State facilities for delinquent youth.

OFFICE OF INCOME MAINTENANCE

The Deputy Secretary for Income Maintenance develops policies and regulations which support cash assistance, the Supplemental Nutrition Assistance Program and the Low-Income Home Energy Assistance Program. In addition, this office establishes MA eligibility, supervises statewide child support collection and manages the operations of 95 local county assistance offices.

OFFICE OF MEDICAL ASSISTANCE PROGRAMS

The Deputy Secretary for Medical Assistance Programs assures that comprehensive medical and medically related services are reimbursed for low-income elderly and disabled recipients and low-income children and their families. This office develops regulations governing provider participation in the MA program and monitors providers for compliance with these rules.

OFFICE OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES

The Deputy Secretary for Mental Health and Substance Abuse Services directs the operation of six State mental hospitals and one restoration center and supervises mental health services for county programs. Treatment of the mentally ill is provided through a range of programs including community residential rehabilitation and support services, intensive case management, emergency outpatient and partial hospitalization programs, and short and long term inpatient treatment.

OFFICE OF DEVELOPMENTAL PROGRAMS

The Deputy Secretary for Developmental Programs is responsible for directing the activities of the statewide developmental disabilities system which includes State Centers, private Intermediate Care Facilities, community services for people with intellectual disabilities and community autism services. The Office of Developmental Programs plans and develops programs, regulations, policies, standards and guidelines, and competency based training for the statewide developmental disabilities system. This office administers Federal Medicaid program requirements and ensures compliance with Federal and State regulations and policies.

OFFICE OF ADMINISTRATION

The Deputy Secretary for Administration administers support functions for each of the program offices within DHS, including human resource services, equal opportunity policies and programs, hearings and appeals, financial audits and contract development, information systems, human services licensing, fraud and abuse recoveries, and various administrative services, including printing, mailroom operations, records management, automotive fleet operations, guardianship programs and Pennhurst Advocacy services, facilities and property management, surplus equipment, and emergency planning.

The Bureau of Human Services Licensing (BHSL) directs the licensing and regulatory enforcement of over 8,000 licensed settings including child residential facilities, personal care homes, assisted living residences and settings for persons with intellectual disabilities and mental illness. The BHSL also administers the Adult Protective Services Program, a new program that investigates reports of abuse, neglect and exploitation of adults with disabilities between the ages of 18 and 59 years.

OFFICE OF CHILD DEVELOPMENT AND EARLY LEARNING

The Deputy Secretary for Child Development and Early Learning promotes opportunities for all Pennsylvania children and families by building systems and providing supports that help ensure access to high quality early care and educational services. The goal of this office is to create the opportunity for all of the Commonwealth's youngest children to benefit from strong early childhood programs and to create an approach that unifies and recognizes the important contributions of all of the necessary partners including parents, schools, child care, Early Intervention, Head Start, libraries, and community organizations.

OFFICE OF LONG TERM LIVING

The Office of Long-term Living (OLTL) is responsible for the statewide administration of Pennsylvania's long-term living programs and services. Major program areas include nursing facilities, Medicaid-funded home and community-based services, the Act 150 Program and other programs such as the Living Independently for the Elderly (LIFE), known nationally as the Program for All-Inclusive Care for the Elderly. In addition, program responsibilities include assessing and improving the quality of services received by participants in various long-term living settings and monitoring fiscal and regulatory compliance.

DIRECT FEDERAL APPROPRIATIONS

Developmental Disabilities – Basic Support

This grant provides Federal funds to support programs designed to engage in advocacy, capacity building and systemic change activities that are consistent with the purpose of the Developmental Disabilities Act. The grant provides for a comprehensive system of community services, individualized supports and other forms of assistance that enable individuals with developmental disabilities to be productive, integrated and included in all facets of community life. Funding in Fiscal Year 2015-2016 provides for 10 staff and operational costs.

Community-Based Family Resource and Support – Administration

This appropriation supports community-based and prevention focused programs eligible for funding under the Federal Community-Based Child Abuse Prevention grant. This grant is designed to strengthen and support leadership of parents in the following: planning, implementation and evaluation of programs; peer review processes; innovative funding mechanisms at the State or community level; services for families with children with disabilities; and involvement of a diverse representation of families in the design and operation of each program.

Child Care Development Fund Block Grant – Administration

This grant provides funding to support early care and educational services. Personnel funding in Fiscal Year 2015-2016 provides for 79 staff to support licensing and monitoring activities within the child care program, primarily through the Pennsylvania Enterprise to Link Information for Children Across Networks (PELICAN) system. The PELICAN system supports the operation of the Child Care program to meet the demands of serving over 220,000 children and over 20,000 child care providers.

Refugees and Persons Seeking Asylum – Administration

This appropriation provides funding for the administrative costs associated with assisting refugees who resettle throughout the Commonwealth. Funding in Fiscal Year 2016-2017 provides for 24 staff and operational costs.

Mental Health Services Block Grant – Administration

This grant funds four mental health program specialist positions which function as Behavioral Health Service planners for the Office of Mental Health and Substance Abuse Services. The grant funds the development and coordination of all State planning requirements mandated by the Community Mental Health Block Grant. The positions provide staff support for the State Planning Council and have lead responsibility for continuing development of the Annual Behavioral Health State plan. The block grant regulations require all grant funded services to be tied to the goals of the State plan.

Early Head Start Expansion Program

This Federal grant provides funding for the Office of Child Development and Early Learning to provide 128 Early Head Start (EHS) slots through a home-based service delivery option to pregnant women and infants and toddlers from low-income families in Lawrence and Lebanon counties. Families receive family support, child development and health, safety and nutrition education. The program strives

to build families' self-sufficiency and parenting abilities. In Fiscal Year 2015-2016, it is anticipated through a companion grant that the EHS program will expand based on receipt of a \$5.5 million grant to serve children of low-income working families with similar support.

Maternal, Infant and Early Childhood Home Visiting Program – Administration

This grant supports development of a coordinated system of early childhood home visiting that has the capacity and commitment to provide infrastructure and supports to assure high-quality, evidence-based practices to improve outcomes for families who reside in high-risk communities.

Early Learning Challenge Grant – Administration

This grant provides funding for five positions and related administrative costs within the Office of Child Development and Early Learning. It supports the improvement of early learning and development programs for young children by increasing the number and percentage of low-income and disadvantaged children in each age group of infants, toddlers and preschoolers that are enrolled in high-quality early learning programs. The grant also ensures access to high-quality programs for children with high needs so that all children enter kindergarten ready to succeed.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

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APPROPRIATION:
Information Systems

I. SUMMARY FINANCIAL DATA

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted
State Funds	\$74,841	\$75,248 ¹	\$84,607
Federal Funds Total	\$233,251	\$166,501	\$212,526
Federal Sources Itemized			
<i>Medical Assistance - Information Systems</i>	\$194,359	\$121,625	\$168,595
<i>Child Welfare - Title IV-E - Information Systems</i>	\$6,804	\$11,288	\$5,265
<i>TANFBG - Information Systems</i>	\$9,327	\$9,339	\$14,417
<i>Food Stamps - Information Systems</i>	\$12,201	\$13,689	\$13,689
<i>Child Support Enforcement - Information Systems</i>	\$10,560	\$10,560	\$10,560
Other Funds Total	\$634	\$1,284	\$1,284
Other Sources Itemized			
<i>Medical Data Exchange</i>	\$41	\$37	\$37
<i>Compass Support - CHIP & Adult Basic</i>	\$593	\$597	\$597
<i>PDE - Early Intervention</i>	\$0	\$650	\$650
Total	\$308,726	\$243,033	\$298,417

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$1,165
Federal Funds	\$0
Total	\$1,165

¹ Includes a recommended supplemental appropriation of \$1.165 million. Appropriation Act 10-A of 2015 provided \$74.083 million for this program in Fiscal Year 2015-2016.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Information Systems				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$12,438	\$13,687	\$14,538	\$851	6.22%
<i>Federal Funds</i>	\$18,105	\$20,212	\$21,225	\$1,013	5.01%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$30,543	\$33,899	\$35,763	\$1,864	5.50%
OPERATING					
<i>State Funds</i>	\$62,270	\$58,524	\$69,936	\$11,412	19.50%
<i>Federal Funds</i>	\$212,161	\$136,283	\$162,473	\$26,190	19.22%
<i>Other Funds</i>	\$634	\$1,284	\$1,284	\$0	0.00%
Total Operating	\$275,065	\$196,091	\$233,693	\$37,602	19.18%
FIXED ASSETS					
<i>State Funds</i>	\$133	\$3,037	\$133	(\$2,904)	-95.62%
<i>Federal Funds</i>	\$217	\$217	\$217	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$350	\$3,254	\$350	(\$2,904)	-89.24%
GRANT & SUBSIDY					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$0	\$0	\$0	\$0	0.00%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$1,824	\$1,897	\$1,897	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$1,824	\$1,897	\$1,897	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$7,892	\$26,714	\$18,822	238.49%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$7,892	\$26,714	\$18,822	238.49%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
EXCESS FEDERAL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$944	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Excess Federal	\$944	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$74,841	\$75,248	\$84,607	\$9,359	12.44%
<i>Federal Funds</i>	\$233,251	\$166,501	\$212,526	\$46,025	27.64%
<i>Other Funds</i>	\$634	\$1,284	\$1,284	\$0	0.00%
Total Funds	\$308,726	\$243,033	\$298,417	\$55,384	22.79%

APPROPRIATION:
Information Systems

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$1,130	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	320	320	320
<i>Filled</i>	262	255	265
Federally Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Other Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Total			
<i>Authorized</i>	320	320	320
<i>Filled</i>	262	255	265
Benefit Rate	61.48%	72.30%	78.20%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget provides for an authorized complement of 320 positions, the same as Fiscal Year 2015-2016. The funding for operating expenses provides for on-going Information Technology (IT) support of the Department's benefit delivery systems, network infrastructure and enterprise data warehouse. In addition, operating funding provides for on-going operational maintenance and enhancements of specific IT projects, including the Client Information System - Medical Eligibility Determination Automation project, the Commonwealth of Pennsylvania Application for Social Services project, the Home and Community-Based Services Information System project, the Child Care Management Information System and Child Welfare Information Solution.

Detail on the appropriation request is outlined in Section IV, entitled "Explanation of Changes" on the following pages.

Legislative Citations:

62 P.S. § 101 et seq.; 71 P.S. § 61

Disbursement Criteria:

This appropriation funds the data processing services for the Department of Human Services. Disbursements are made based on approved positions and established employee benefits, and through invoices submitted for operating expenses incurred and fixed assets purchased in the operation of the program.

VI. EXPLANATION OF CHANGES

(\$ Amounts in Thousands)

APPROPRIATION:
Information Systems

	State \$	Federal \$	Other \$	Total \$
PERSONNEL				
1. Net impact of changes in the number of filled salary positions from Fiscal Year 2015-2016:	(\$32)	(\$46)	\$0	(\$78)
2. Provides an increase for the impact of salary adjustment factor (without benefits), which includes the full year cost of a January 1, 2016 step increase offset by turnover:	\$122	\$178	\$0	\$300
3. Provides for an increase in the total cost of employee benefits primarily due to an increase in retirement rates:	\$761	\$881	\$0	\$1,642
Subtotal Personnel	\$851	\$1,013	\$0	\$1,864
OPERATING				
1. Reflects annualized decrease in costs associated with transition to the Pennsylvania Compute Services from Data Power House in Fiscal Year 2015-2016. As part of the Commonwealth of Pennsylvania's Office of Administration initiative to establish an enterprise level datacenter, the Department of Human Services has migrated applications from the legacy Data Powerhouse infrastructure to the Pennsylvania Compute Services infrastructure:	(\$6,977)	(\$11,982)	\$0	(\$18,959)
2. Provides for hardware upgrades in order to increase bandwidth in select County Assistance Offices:	\$1,210	\$1,707	\$0	\$2,917
3. Provides for moving the Bureau of Information Systems headquarters staff from the Department of General Services Harrisburg Annex to the Commonwealth Towers:	\$872	\$1,228	\$0	\$2,100
4. Provides for the Bureau of Hearings and Appeals Software Licensing Maintenance:	\$830	\$1,170	\$0	\$2,000
5. Provides for contract staff to provide project management support:	\$26	\$74	\$0	\$100
6. Provides for maintenance and modifications costs associated with the Client Information System. The level of Federal participation is contingent on review and approval of Advance Planning documents submitted by the Department. Change is reflective of varying federal participation on individual projects:	\$4,051	(\$1,878)	\$0	\$2,173
7. Reflects a decrease in design and development costs associated with HealthChoices Expansion:	(\$178)	(\$5,351)	\$0	(\$5,529)

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Information Systems			
	State \$	Federal \$	Other \$	Total \$
OPERATING (cont'd)				
8. GoTIME initiative - Provides for the design and development of the Mobile Application for Eligibility Services. This initiative will include: on-line account management; ability to upload documents; check for application/case benefits; update personal information; and screen for benefits:	\$300	\$2,700	\$0	\$3,000
9. GoTIME initiative - Provides for the information systems changes to Commonwealth of Pennsylvania Application for Social Services to identify individuals eligible for Supplemental Nutrition Assistance Program benefits automatically eligible for the National School Lunch Program:	\$0	\$371	\$0	\$371
10. The Document Management Center provides a centralized imaging and scanning center in support of the County Assistance Offices:	\$723	\$6,506	\$0	\$7,229
11. Provides funding to Money Follows the Person:	\$0	\$2,300	\$0	\$2,300
12. Provides for maintenance and modifications costs associated with the Home and Community based Information System:	\$1,529	\$10,416	\$0	\$11,945
13. Reflects decrease in development costs associated with Child Welfare Information Solution. The Child Welfare Information Solution focuses on referral and screening functions. It includes system changes to expand State-level access to referrals, screenings and clearances by providing real-time data on Child Protective Services and General Protective Services reports:	(\$1,139)	(\$7,686)	\$0	(\$8,825)
14. Reflects a decrease in funding for modifications and maintenance to the Pennsylvania's Enterprise to Link Information for Children Access Networks:	(\$353)	\$183	\$0	(\$170)
15. Reflects change in the Federal participation rate for Fiscal Year 2016-2017:	\$2,098	(\$2,098)	\$0	\$0
Subtotal Operating	\$2,992	(\$2,340)	\$0	\$652
FIXED ASSETS				
1. Reflects a decrease for fixed assets:	(\$2,904)	\$0	\$0	(\$2,904)
Subtotal Fixed Assets	(\$2,904)	\$0	\$0	(\$2,904)

VI. EXPLANATION OF CHANGES

(\$ Amounts in Thousands)

APPROPRIATION:

Information Systems

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
BUDGETARY RESERVE				
1. Provides for potential changes in Federal participation rates due to enhanced funding in Fiscal Year 2016-2017:	<u>\$0</u>	<u>\$18,822</u>	<u>\$0</u>	<u>\$18,822</u>
Subtotal Budgetary Reserve	\$0	\$18,822	\$0	\$18,822
INITIATIVES				
1. Community HealthChoices Administration - Provides for the design and development of information systems in support of the implementation of Community HealthChoices in the Southwest Region beginning in January of 2017:	\$7,875	\$23,625	\$0	\$31,500
2. Express Lane Eligibility - This project will enable the Department to enroll eligible children in either Medicaid or the Children's Health Insurance Program using non-healthcare eligibility information:	\$545	\$4,905	\$0	\$5,450
Subtotal Initiatives	<u>\$8,420</u>	<u>\$28,530</u>	<u>\$0</u>	<u>\$36,950</u>
TOTAL	<u><u>\$9,359</u></u>	<u><u>\$46,025</u></u>	<u><u>\$0</u></u>	<u><u>\$55,384</u></u>

INFORMATION SYSTEMS

PROGRAM STATEMENT

The Department of Human Services' (Department) Information Technology (IT) services are funded through the Bureau of Information Systems (BIS) State and Federal appropriations. The BIS provides Department-wide direction and coordination of IT strategic plans, IT product research, engineering, standards, policy, applications development, infrastructure management, desktop and helpdesk support, program and project management, technical training and information technology asset management. In addition, BIS' personnel plan, analyze, design, implement, maintain and operate large, complex, integrated information systems in support of all the Department's program offices. The Department's automated systems provide for the determination of eligibility for human service programs, including but not limited to medical benefits, the disbursement of cash, food stamps, low income energy assistance and other benefits and the management of home and community-based services. A majority of the Department's information systems are partially funded by the Federal government and must comply with Federal guidelines, laws and regulations. These systems are critical in providing benefits to approximately 2.8 million eligible recipients in the Commonwealth of Pennsylvania.

In addition, BIS provides IT support and services for the Pennsylvania Insurance Department (PID) and the Pennsylvania Department of Aging (PDA). Funding for PID and PDA IT projects, equipment etc., is included in their respective budgets. Lastly, with the consolidation of Human Resources (HR) functions, BIS also provides services in support of the Department of Health's HR operations.

CLIENT INFORMATION SYSTEM

The function of the Client Information System (CIS) is to provide automated welfare data processing for cash assistance, Medicaid and the Supplemental Nutrition Assistance Programs' (SNAP) recipients. It supports over 6,000 County Assistance Office (CAO) workers statewide, with a total caseload of approximately 2.8 million clients. The CIS is a mainframe legacy system that was first implemented in 1978 and has had numerous additions and updates on various generations of technology over the last several years. The Department has updated portions of CIS to newer, web-enabled, technology-based solutions, which improves the overall productivity and efficiency of the workforce.

In Fiscal Year 2016-2017, the Department's IT initiatives will focus on continuation of system modernization (moving from legacy mainframe to open systems) as well as initiatives that increase CAO worker efficiencies and promote enhanced customer service, including self-service. The Department will continue to conduct maintenance activities to support public assistance programs such as the Low Income Home Energy Assistance Program and annual SNAP adjustments, as required by regulation or policy.

HOME AND COMMUNITY-BASED SERVICES INFORMATION SYSTEM

The Home and Community-Based Services Information System (HCSIS) is a centralized, web-enabled consumer case management system that provides data collection and State-level program management. It also functions as the daily operating system for the 49 County Intellectual Disability and Early Intervention Administrative Entities. Major functional areas within HCSIS include client management and eligibility determination, coordination management, provider management, financial management, authorization of claims payment, quality management and reporting.

Planned HCSIS project activities for Fiscal Year 2016-2017 include additional enhancements to the application for compliance with the Affordable Care Act requirements for Home and Community Based

Services (HCBS), migration of additional program offices to the Enterprise Incident Management system and support for amendments and renewals to existing HCBS Waivers. Ongoing system maintenance and support for claims processing activities with the Medical Assistance claims processing system and ongoing HCSIS helpdesk support for all users of the application.

CHILD WELFARE INFORMATION SOLUTION

In December 2014, the Department implemented the first phase of the Child Welfare Information Solution (CWIS). Phase I modernized the application used by ChildLine and created a self-service portal for reporting child abuse and obtaining child abuse clearances. This phase also established data exchanges with the 67 County Children and Youth Agencies and facilitated implementation of the electronic exchange of reports of child abuse and children in need of protective services between the Department and counties.

In Fiscal Year 2016-2017, the Department will begin the second phase of CWIS. Phase II will build on the functionality developed in Phase I and will focus on exchanging case-level data on children and families accepted for services by County Children and Youth Agencies. Phase II will allow the Department to streamline the collection of child-specific data required for annual and semi-annual reports to the Federal government.

Other activities planned for Fiscal Year 2016-2017 are any improvements needed to the Title IV-E Quality Assurance system to gain efficiencies or comply with Federal requirements; improving efficiencies regarding the tracking and collection of data for the Bureau of Juvenile Justice Services; and improving the use of the Self-Service portal via the use of a mobile solution.

PENNSYLVANIA'S ENTERPRISE TO LINK INFORMATION FOR CHILDREN ACROSS NETWORKS

The Pennsylvania Enterprise to Link Information for Children Across Networks (PELICAN) is an integrated management system that supports Child Care Works (the subsidized child care program), Early Intervention, Early Learning Services (Head Start, Pennsylvania Pre-K Counts, and Keystone STARS programs), Provider Certification and the Early Learning Network and provides on-line information for citizens about quality early learning opportunities and providers. The PELICAN system provides the Commonwealth a means to assess and monitor program accountability and integrity across the early learning continuum.

Planned PELICAN activities for Fiscal Year 2016-2017 include several Race to the Top – Early Learning Challenge (RTT-ELC) grant projects. The planned RTT-ELC grant projects include enhancements to support the Keystone STARS program, PELICAN Provider Self-Service enhancements for subsidized child care providers, public-facing early learning community dashboards and a data entry automation solution for the PELICAN Early Learning Network. Additional prospective initiatives include enhancements to enable PELICAN Provider Self-Service for Keystone STARS and other early learning programs; implementation of policy changes occurring as a result of the reauthorization of the Child Care and Development Block Grant for the subsidized Child Care Works and provider certification systems; Care Check updates for Child Care Works to ensure compliance with the Child Protection Service Law; and enhancements to support more efficient applications to and eligibility determinations for the Children's Health Insurance Program/Medicaid services.

FISCAL YEAR 2016-2017 INITIATIVE – EXPRESS LANE ELIGIBILITY

The Fiscal Year 2016-2017 "Express Lane Eligibility" initiative will improve the ability of the department to rapidly confer eligibility for either Medicaid or CHIP for uninsured children. Uninsured Eligible children will be enrolled into Medicaid or the Children's Health Insurance Program (CHIP) using

current eligibility information available from non-health care benefits, including SNAP and child care subsidy. This program is intended to positively affect health care outcomes for children and lower health care costs throughout the state.

FISCAL YEAR 2016-2017 INITIATIVE – COMMUNITY HEALTHCHOICES

The 2016 Fiscal Year budget provides for the implementation of Community HealthChoices (CHC) to improve health outcomes. The Department of Human Services and the Pennsylvania Department of Aging will continue the combined three-year implementation of a managed long-term care program for older Pennsylvanians and adults with physical disabilities - CHC. This program will ensure that one entity is responsible for coordinating the physical health and long-term service and support needs of participants to improve care coordination and health outcomes while allowing more individuals to live in their community. Community HealthChoices will be implemented in three phases. Phase one will be implemented January 2017, in the Southwest region. Phase two will be implemented January 2018 in the Southeast region. The final phase will be implemented January 2019 in the Northwest, Lehigh-Capital and Northeast regions. Information systems changes in support of this initiative include integrating systems of physical health and long-term Medicare and Medicaid services that support older adults and adults with physical disabilities.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A3.5, A3.7, A3.8, C1.9, E30.3, E30.11,
E30.21-23

APPROPRIATION:
County Assistance Offices

I. SUMMARY FINANCIAL DATA

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted
State Funds	\$312,579	\$334,900 ¹	\$346,864
Federal Funds Total	\$315,819	\$341,308	\$380,070
Federal Sources Itemized			
<i>TANFBG-County Assistance Offices</i>	\$46,490	\$53,033	\$48,654
<i>Medical Assistance-County Assistance Offices</i>	\$121,645	\$135,063	\$173,622
<i>Food Stamps-County Assistance Offices</i>	\$114,422	\$119,950	\$124,532
<i>SSBG-County Assistance Offices</i>	\$6,262	\$6,262	\$6,262
<i>LIHEABG-Administration</i>	\$27,000	\$27,000	\$27,000
Other Funds Total	\$16	\$0	\$0
Other Sources Itemized			
<i>Miscellaneous Reimbursements</i>	\$16	\$0	\$0
Total	\$628,414	\$676,208	\$726,934

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$18,581
Federal Funds	\$0
Total	\$18,581

¹ Includes a recommended supplemental appropriation of \$18.581 million. Appropriation Act 10-A of 2015 provided \$316.319 million for this program in Fiscal Year 2015-2016.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: County Assistance Offices				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	268,041	\$297,746	\$309,393	\$11,647	3.91%
<i>Federal Funds</i>	253,026	\$273,411	\$292,092	\$18,681	6.83%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$521,067	\$571,157	\$601,485	\$30,328	5.31%
OPERATING					
<i>State Funds</i>	44,538	\$37,154	\$37,471	\$317	0.85%
<i>Federal Funds</i>	46,170	\$35,951	\$53,436	\$17,485	48.64%
<i>Other Funds</i>	\$16	\$0	\$0	\$0	0.00%
Total Operating	\$90,724	\$73,105	\$90,907	\$17,802	24.35%
FIXED ASSETS					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$206	\$206	\$206	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$206	\$206	\$206	\$0	0.00%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$16,417	\$31,740	\$34,336	\$2,596	8.18%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$16,417	\$31,740	\$34,336	\$2,596	8.18%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
EXCESS FEDERAL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Excess Federal	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$312,579	\$334,900	\$346,864	\$11,964	3.57%
<i>Federal Funds</i>	\$315,819	\$341,308	\$380,070	\$38,762	11.36%
<i>Other Funds</i>	\$16	\$0	\$0	\$0	0.00%
Total Funds	\$628,414	\$676,208	\$726,934	\$50,726	7.50%

APPROPRIATION:
County Assistance Offices

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$3,523	\$1,917	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	6,773	6,773	6,704
<i>Filled</i>	6,296	6,442	6,291
Federally Funded			
<i>Authorized</i>	6	6	6
<i>Filled</i>	5	6	6
Other Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Total			
<i>Authorized</i>	6,779	6,779	6,710
<i>Filled</i>	6,301	6,448	6,297
Benefit Rate	76.17%	87.30%	92.70%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget reflects an authorized complement of 6,704 positions. Personnel costs reflect funding for 6,291 filled positions, 348 vacant positions and 65 leave-without-pay positions.

Also reflected are six federally funded positions assigned to the Low Income Home Energy Assistance Program.

Legislative Citations:

62 P.S. § 401 et. seq.

Disbursement Criteria:

This appropriation provides staff to operate 95 local County Assistance Offices. The County Assistance Offices manage the Cash Grants, Medical Assistance, Supplemental Nutrition Assistance Program, and Low Income Home Energy Assistance programs for the Department of Human Services. County Assistance Office staff are responsible for reviewing a client's circumstances, applying this information to eligibility criteria, and making a determination of eligibility for the benefit programs cited above. Redeterminations of client eligibility are conducted periodically to ensure that the client continues to meet eligibility requirements.

VI. EXPLANATION OF CHANGES
(\$ Amounts in Thousands)

APPROPRIATION:
County Assistance Offices

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
PERSONNEL				
1. Change in filled staffing level, average bi-weekly and funded pay periods from Fiscal Year 2015-2016 levels:	\$990	\$1,326	\$0	\$2,316
2. Provides an increase for the impact of salary adjustment factor (without benefits):	\$1,929	\$2,575	\$0	\$4,504
3. Reflects an increase in the total cost of employee benefits primarily due to an increase in retirement rates:	\$9,819	\$13,102	\$0	\$22,921
4. Reflects an increase in the total cost of the Low Income Home Energy Assistance Program (LIHEAP) employee benefits primarily due to an increase in retirement rates:	\$0	\$21	\$0	\$21
5. Reflects an increase in personnel costs for seasonal LIHEAP Energy Assistance Workers:	\$0	\$566	\$0	\$566
6. Reflects a change in the Federal participation rate in Fiscal Year 2016-2017:	<u>(\$1,091)</u>	<u>\$1,091</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Personnel	\$11,647	\$18,681	\$0	\$30,328
OPERATING				
1. Reflects an increase in the Consumer Price Index for lease contracts and renewals in Fiscal Year 2016-2017:	\$519	\$453	\$0	\$972
2. Reflects on-going operating expenses related to the Document Management Center:	\$8,058	\$7,077	\$0	\$15,135
3. Reflects one-time use of prior year Federal earnings in Fiscal Year 2016-2017:	(\$8,058)	\$8,058	\$0	\$0
4. Reflects an increase in general operating associated with furniture and fixtures to outfit County Assistance Office relocations:	\$1,568	\$718	\$0	\$2,286
5. Reflects a decrease in LIHEAP general operating:	\$0	(\$591)	\$0	(\$591)
6. Reflects a change in the Federal participation rate in Fiscal Year 2016-2017:	<u>(\$1,770)</u>	<u>\$1,770</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Operating	\$317	\$17,485	\$0	\$17,802
BUDGETARY RESERVE				
1. Reflects an increase in excess Federal spending authority in Fiscal Year 2016-2017:	<u>\$0</u>	<u>\$2,596</u>	<u>\$0</u>	<u>\$2,596</u>
Subtotal Budgetary Reserve	<u>\$0</u>	<u>\$2,596</u>	<u>\$0</u>	<u>\$2,596</u>
TOTAL	<u><u>\$11,964</u></u>	<u><u>\$38,762</u></u>	<u><u>\$0</u></u>	<u><u>\$50,726</u></u>

COUNTY ASSISTANCE OFFICES

PROGRAM STATEMENT

This appropriation provides funding for the operation of 95 local County Assistance Offices (CAOs), the primary point for the public to access both services that support transition to economic self-sufficiency and help with vital human services. The CAOs are responsible for the eligibility determination for applicants and redetermination of eligibility for recipients for Temporary Assistance for Needy Families (TANF) Cash Assistance, Low Income Home Energy Assistance Program (LIHEAP), Medical Assistance (MA) and Supplemental Nutrition Assistance Program (SNAP) benefits to residents of Pennsylvania. These benefits are distributed through Electronic Benefit Transfer (EBT) cards, managed care plans, or vendor payments.

TANF Cash Assistance is provided to eligible households through benefits deposited to EBT cards for clients to use to pay for everyday living expenses while the State Supplementary Payment is a cash payment to augment Federal Supplemental Security Income benefits eligible clients receive from the Social Security Administration. Additionally, cash payments are also made in the form of Special Allowances to support employment and training efforts to eligible clients. State Blind Pension benefits are paid to persons who are legally blind. Payments to help meet heating costs during the winter heating season are provided through LIHEAP. Pennsylvania's MA program provides payments for a comprehensive set of medical services, both for recipients of Cash Assistance and for persons whose income is sufficient to meet their basic living needs, but is not sufficient to cover additional medical care costs. Formerly known as Food Stamps, the SNAP program is administered under Federal regulations to help low-income individuals and families supplement their monthly food budget.

The Income Maintenance Case Worker is responsible for reviewing categorical and financial eligibility requirements and then determining eligibility for applicants and recipients for the benefit programs cited above. Redeterminations of client eligibility are conducted periodically as outlined by regulations to ensure the client continues to meet eligibility requirements. In addition, case workers review new and/or updated information provided by the clients or obtained through various data exchange sources to determine continued eligibility and to act on reported change requests for additional benefits and/or supportive services.

Implementation of the Federal and State welfare reform legislation (the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and Act 35 of 1996, respectively) led to a significant decrease in the number of families receiving Cash Assistance (from February 1997 to November 2014, the TANF rolls have decreased by 60.4 percent). Reauthorization of TANF in 2006 resulted in a more stringent work participation rate with the goal of encouraging self-sufficiency. Over the past five years, MA participation has increased by approximately 6.0 percent and SNAP benefits have increased by approximately 21.3 percent. In addition, the CAOs received 540,970 LIHEAP Cash applications and 149,921 LIHEAP Crisis requests during the Fiscal Year 2014-2015 LIHEAP heating season.

The Department of Human Services (Department) initiated the Disability Advocacy Program (DAP) in July 1985. Under this program, IMCWs across the Commonwealth identify assistance recipients having serious physical, mental or emotional disabilities that appear to preclude gainful employment. These individuals are referred to the Social Security Administration to apply for Federal Social Security/Supplemental Security Income benefits. The CAOs disability advocates assist with the applications for disability benefits, as needed. Each year the DAP program helps vulnerable citizens work with Social Security to obtain benefits while also providing MA benefits. For Fiscal Year 2014-2015, there were 20,334 DAP referrals completed with 5,364 approved for Social Security Benefits.

The CAOs in 67 counties provide access to critical services to approximately 2.8 million citizens every month across the Commonwealth. The overall goal is to deliver quality service in a timely and effective manner, while increasing our customers' ability to achieve economic self-sufficiency. In the past

year, the Office of Income Maintenance (OIM) has improved customer service, increased efficiency and achieved stronger outcomes for our customers.

The Commonwealth of Pennsylvania Access to Social Services (COMPASS) is the Commonwealth of Pennsylvania's online portal that allows individuals and community organizations to screen for, apply for, and renew a broad range of social services programs. Through COMPASS, clients have the ability to create a confidential account in order to monitor their benefits and report changes. Likewise, COMPASS also allows registered community organizations the ability to access and view applications submitted on behalf of citizens they serve through a community partner dashboard. Each year, an increasing number of individuals and community organizations are utilizing COMPASS' 24-hour internet access.

The OIM's Statewide Customer Service Centers brings an opportunity for more efficient operations and enhanced customer service through a statewide toll-free number. Philadelphia residents have access to a stand-alone toll-free number as well. The OIM Statewide Customer Service Centers align with our vision for effective management of our resources and allows our customers to receive the best customer service possible. The Statewide Customer Service Centers call volume in Fiscal Year 2014-2015 was 1,618,310 English calls and 183,728 Spanish calls. In Philadelphia alone, total call volume in Fiscal Year 2014-2015 was 907,856.

In addition, the OIM Processing Centers were established to assist CAOs in processing work to ensure that benefits are issued in a timely, accurate, and efficient manner. The OIM Processing Centers are located within CAOs across the Commonwealth with offices co-located in Blair, Butler, Cambria, Clearfield, Fayette, Lycoming, Columbia, Philadelphia, Danville and Somerset. Clerical support is located in Mercer County. The Processing Center locations were selected because of existing available space in CAOs, as well as the opportunity to provide significant employment prospects. Staff was trained using a practical hands-on approach, with on-site support from supervisors and trainers. The focus of the Processing Centers is to process back-office, ongoing eligibility in a timely manner and to reduce backlogs in CAO's. The PCs are capable of assisting any CAO with unusually high volumes of work, including Federally Facilitated Marketplace applications submitted through the Affordable Care Act website, LIHEAP, and benefit recertification. The centers are fully operational, fully staffed and making a positive impact for Pennsylvania's most vulnerable citizens.

Helpline and Correspondence staff respond to inquiries about public benefits in Pennsylvania. Inquiries come from applicants, recipients, public and private agency staff, legislative staff and the general public. Helpline numbers appear in various media such as: printed applications, COMPASS, published in telephone and internet directories and on the Department of Human Services website. In Calendar Year 2015, the Helpline received 316,857 calls and received 29,917 pieces of correspondence (emails and letters). The LIHEAP Helpline received 191,856 calls.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A3.8, E30.4, E30.22, E30.23, E30.38

APPROPRIATION:
New Directions

I. SUMMARY FINANCIAL DATA

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted
State Funds	\$22,497	\$23,809	\$25,239
Federal Funds Total	\$137,331	\$125,751	\$125,751
Federal Sources Itemized			
<i>TANFBG - New Directions</i>	\$121,893	\$109,522	\$109,522
<i>Medical Assistance - New Directions</i>	\$5,217	\$5,590	\$5,590
<i>Food Stamps - New Directions</i>	\$10,221	\$10,639	\$10,639
Other Funds	\$0	\$0	\$0
Total	\$159,828	\$149,560	\$150,990

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$0
Federal Funds	\$0
Total	\$0

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)			APPROPRIATION: New Directions		
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$17,407	\$18,719	\$20,149	\$1,430	7.64%
Federal Funds	\$15,345	\$16,005	\$16,807	\$802	5.01%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$32,752	\$34,724	\$36,956	\$2,232	6.43%
OPERATING					
State Funds	\$392	\$392	\$392	\$0	0.00%
Federal Funds	\$1,220	\$1,220	\$1,220	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$1,612	\$1,612	\$1,612	\$0	0.00%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$2,359	\$3,071	\$3,071	\$0	0.00%
Federal Funds	\$95,767	\$95,055	\$95,055	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$98,126	\$98,126	\$98,126	\$0	0.00%
NONEXPENSE					
State Funds	\$2,339	\$1,627	\$1,627	\$0	0.00%
Federal Funds	\$11,957	\$12,669	\$12,669	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$14,296	\$14,296	\$14,296	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$13,042	\$802	\$0	(\$802)	-100.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$13,042	\$802	\$0	(\$802)	-100.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
EXCESS FEDERAL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Excess Federal	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$22,497	\$23,809	\$25,239	\$1,430	6.01%
Federal Funds	\$137,331	\$125,751	\$125,751	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$159,828	\$149,560	\$150,990	\$1,430	0.96%

APPROPRIATION:
New Directions

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016 Estimated</u>
State Funds	\$938	\$2,285	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>2016-2017 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	375	375	375
<i>Filled</i>	370	368	366
Federally Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Other Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Total			
<i>Authorized</i>	375	375	375
<i>Filled</i>	370	368	366
Benefit Rate	74.3%	82.7%	88.0%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget reflects 375 authorized positions, the same as in Fiscal Year 2015-2016. Budget reflects an overall increase in Personnel and no change from Fiscal Year 2015-2016 for Operating, Grants and Subsidies and Non-expense funding.

Legislative Citations:

62 P.S. § 201 et seq.; 62 P.S. § 401 et seq.

Disbursement Criteria:

This appropriation funds the employment program activities of the County Assistance Offices, job training and educational services funded through the Employment Advancement Retention Network (EARN) and other contracts. The purpose of these activities is to obtain full-time permanent employment for Temporary Assistance for Needy Families recipients, thereby reducing their need for public assistance.

Disbursements are made on the basis of approved positions, established employee benefits and invoices submitted for operating expenses, fixed assets and contracted projects.

VI. EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 New Directions

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
PERSONNEL				
1. Provides an increase for the impact of salary adjustment factor (without benefits) which includes the full year cost of a January 1, 2016 step increase offset by turnover:	\$384	\$224	\$0	\$608
2. Provides for an increase in the total cost of employee benefits primarily due to an increase in the retirement rate:	<u>\$1,046</u>	<u>\$578</u>	<u>\$0</u>	<u>\$1,624</u>
Subtotal Personnel	\$1,430	\$802	\$0	\$2,232
BUDGETARY RESERVE				
1. Impact of non-recurring excess Federal spending authority from Fiscal Year 2015-2016:	<u>\$0</u>	<u>(\$802)</u>	<u>\$0</u>	<u>(\$802)</u>
Subtotal Budgetary Reserve	\$0	(\$802)	\$0	(\$802)
TOTAL	<u>\$1,430</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,430</u>

NEW DIRECTIONS

PROGRAM STATEMENT

The New Directions appropriation under the Department of Human Services (Department) and Office of Income Maintenance (OIM) provides employment, training and placement services to eligible welfare recipients to prepare for, secure and retain employment.

New Directions is supplemented by Federal funds available through the Temporary Assistance for Needy Families (TANF) and the Supplemental Nutrition Assistance Program. Job search, job placement services, job-related training and education are provided through the County Assistance Offices (CAOs) and approximately 124 employment and training contractors throughout the State. Contractors for New Directions include community, faith-based, profit, non-profit and government organizations.

Additionally, OIM coordinates: contractor procurement, program design and development, management information system design and support, policy and procedure development, contract management, research and reporting and coordination with CAOs.

In order to ensure program efficiencies, OIM also works closely with other offices within the Department and other State and local agencies to ensure that all possible resources are utilized to increase clients' likelihood of finding and keeping employment.

EMPLOYMENT ADVANCEMENT RETENTION NETWORK

The OIM has developed a system of Employment Advancement Retention Network (EARN) Centers as a way to provide comprehensive services to TANF clients. Programs under EARN offer a single point of contact providing work support for the clients in their efforts toward attaining self-sufficiency. Within the EARN Center, a full range of employment and training activities focusing on job placement and retention services is provided.

Utilizing EARN Centers allows for a uniform and standardized system to place and retain individuals in employment while tracking hours consistently and entering data on the Commonwealth Workforce Development System (CWDS). Hourly participation requirements are entered into CWDS verifying the Commonwealth of Pennsylvania has met mandatory Federal Work Participation Rates. Meeting the Work Participation Rates ensures that Pennsylvania will receive its full allotment of Federal TANF grant funds and not incur financial penalties.

The EARN budget is based on a 65 percent cost reimbursement and a 35 percent pay for performance model. The EARN programs must meet goals related to client placement into employment, retention of employment, and participation hours with the program to receive their full budgeted amount.

COUNTY ASSISTANCE OFFICES - DIRECTED EMPLOYMENT AND TRAINING ACTIVITIES

The CAOs are responsible for management of Road to Economic Self-Sufficiency through Employment and Training activities and helping clients engage in work or countable work activities in order to meet participation requirements until they can successfully become independent from TANF. The CAO evaluates whether clients will remain with the CAO or be referred to a contracted Employment and Training (E&T) program.

Clients are made aware of available opportunities to meet their work activity requirement, hourly participation requirements, reporting requirements and consequences, including: limitations on

enrollment, changes to special allowances, annual and lifetime limits on special allowances and sanctions. Additionally, all clients participating in CAO-directed activities are required to register with the local PA CareerLink® as a step in seeking employment. The E&T activities that may be approved include: employment, job search and job readiness, community service or vocational education.

EDUCATION LEADING TO EMPLOYMENT AND CAREER TRAINING

The Education Leading to Employment and Career Training (ELECT) provides comprehensive support services to help young parents complete their education and become self-sufficient adults. Expectant and parenting youth are encouraged to remain in school, maintain regular attendance and obtain a high school diploma or GED certificate. Programs under ELECT are evaluated based on outcomes such as: student retention, attendance, academic success and reduction of repeat pregnancies. The Department of Human Services and the Pennsylvania Department of Education jointly oversee the program.

EDUCATION LEADING TO EMPLOYMENT AND CAREER TRAINING - FATHERHOOD INITIATIVES

The ELECT Fatherhood Initiative provides case management centered services to custodial and non-custodial fathers under the age of 22 who are pursuing a high school education or GED. The purpose of these services is to assist young fathers to remain in school, obtain a high school diploma, learn parenting skills and become contributing members of their communities.

WORK READY

The Work Ready program uses a partnership between the Department and the Pennsylvania Community Action Agencies to provide employment and training services. Program participants have limited employability or temporary incapacity and require an individualized approach. The Work Ready program provides TANF recipients with education, skills training, work activities and job placement services designed to enable self-sufficiency. Work Ready is designed to serve individuals who have substantial barriers that interfere with full engagement in work activities in compliance with State and Federal requirements. Work Ready allows clients to gradually engage in work activities while maintaining required participation and while moving towards self-sufficiency.

The primary goal of Work Ready is to help clients transition to the EARN program and to secure and retain employment by providing services that will help the client stabilize barriers that may hinder them from achieving self-sufficiency. This is accomplished through appropriate assessment, evaluation, services and activities.

KEYSTONE EDUCATION YIELDS SUCCESS

Keystone Education Yields Success (KEYS) is a collaborative program between the Department of Human Services, the Pennsylvania State System of Higher Education, and the Pennsylvania Community Colleges. The KEYS program is designed to allow recipients of TANF and, as funding permits, the Supplemental Nutrition Assistance Program to attend Pennsylvania's community colleges, state system universities, and career and technical schools and to assist in the successful completion of the students' courses.

The KEYS program provides assistance and services to students who are enrolled at or who have been approved to attend any of the 14 community colleges, 14 state universities and 78 career and technical schools in Pennsylvania. The primary goal of KEYS is to provide the services and supports necessary to assist students in completing educational activities which lead to employment and self-sufficiency.

HOME HEALTH ASSESSMENT

The Department partners with the Public Health Management Corporation to operate the Home Health Assessment program. The Home Health Assessment program is designed to provide rapid, high-quality, cost-effective, home-based, medical and mental health screening for TANF clients. The focus of this program is to correctly identify and diagnose barriers to employment and provide a recommendation to the CAO on how to proceed with the TANF client.

PA WORK WEAR

PA WORK WEAR's goal is to promote and help ensure the economic independence of individuals who receive TANF by providing professional attire for job interviews and specific clothing necessary for employment or training in lieu of a special allowance for clothing from the CAO or E&T Contractor. To achieve that goal, various agencies across the Commonwealth have been contracted to provide clothing and other attire to TANF clients.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A1.14, A1.16, A1.20, A3.8, C1.9, E7.6, E19.1-3,
E30.3, E30.22-23, H50, I5

APPROPRIATION:
County Administration-Statewide

I. SUMMARY FINANCIAL DATA

	2014-2015 <u>Actual</u>	2015-2016 <u>Available</u>	2016-2017 <u>Budgeted</u>
State Funds	\$33,367	\$41,204 ¹	\$52,832
Federal Funds Total	\$125,896	\$136,270	\$121,932
Federal Sources Itemized			
<i>TANFBG - Statewide</i>	\$1,072	\$1,072	\$1,072
<i>Medical Assistance - Statewide</i>	\$56,198	\$60,027	\$59,603
<i>Food Stamp - Statewide</i>	\$50,462	\$51,143	\$40,318
<i>ARRA - Health Information Technology</i>	\$13,900	\$20,849	\$20,939
<i>CHIPRA - Statewide</i>	\$4,264	\$3,179	\$0
Other Funds Total	\$2,152	\$1,939	\$1,934
Other Fund Sources Itemized			
<i>Fee for Material from Outside Vendors</i>	\$1	\$5	\$0
<i>Food Stamps Retained Collections</i>	\$1,997	\$1,780	\$1,780
<i>County Administration-Statewide</i>	\$154	\$154	\$154
Total	\$161,415	\$179,413	\$176,698

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$5,611
Federal Funds Total	<u>\$0</u>
Total	\$5,611

¹ Reflects a recommended supplemental appropriation of \$5.611 million. Appropriation Act 10-A of 2015 provided \$35.593 million for this program in Fiscal Year 2015-2016.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: County Administration-Statewide				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$13,757	\$33,239	\$39,427	\$6,188	18.62%
<i>Federal Funds</i>	\$59,508	\$55,927	\$52,763	(\$3,164)	-5.66%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$73,265	\$89,166	\$92,190	\$3,024	3.39%
OPERATING					
<i>State Funds</i>	\$19,108	\$7,456	\$12,896	\$5,440	72.96%
<i>Federal Funds</i>	\$7,674	\$15,521	\$20,644	\$5,123	33.01%
<i>Other Funds</i>	\$1,998	\$1,785	\$1,780	(\$5)	-0.28%
Total Operating	\$28,780	\$24,762	\$35,320	\$10,558	42.64%
FIXED ASSETS					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$502	\$503	\$503	\$0	0.00%
<i>Federal Funds</i>	\$45,166	\$31,784	\$28,759	(\$3,025)	-9.52%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$45,668	\$32,287	\$29,262	(\$3,025)	-9.37%
NONEXPENSE					
<i>State Funds</i>	\$0	\$6	\$6	\$0	0.00%
<i>Federal Funds</i>	\$9,373	\$14,581	\$19,766	\$5,185	35.56%
<i>Other Funds</i>	\$154	\$154	\$154	\$0	0.00%
Total Nonexpense	\$9,527	\$14,741	\$19,926	\$5,185	35.17%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$4,175	\$18,457	\$0	(\$18,457)	-100.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$4,175	\$18,457	\$0	(\$18,457)	-100.00%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
EXCESS FEDERAL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Excess Federal	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$33,367	\$41,204	\$52,832	\$11,628	28.22%
<i>Federal Funds</i>	\$125,896	\$136,270	\$121,932	(\$14,338)	-10.52%
<i>Other Funds</i>	\$2,152	\$1,939	\$1,934	(\$5)	-0.26%
Total Funds	\$161,415	\$179,413	\$176,698	(\$2,715)	-1.51%

APPROPRIATION:
County Administration-Statewide

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016 Estimated</u>
State Funds	\$5,617	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>2016-2017 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	934	934	955
<i>Filled</i>	728	832	817
Federally Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Other Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Total			
<i>Authorized</i>	934	934	955
<i>Filled</i>	728	832	817
Benefit Rate	69.13%	78.69%	85.00%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget reflects an authorized complement of 955 positions, an increase of 21 from Fiscal Year 2015-2016. The increase provides for staff to support implementation of the Community Health Choices Initiative.

Legislative Citations:

62 P.S. § 403

Disbursement Criteria:

This appropriation continues to fund administrative costs for portions of the Office of Income Maintenance, Office of Medical Assistance Programs, Office of Administration, Office of Long-Term Living and the Office of Mental Health and Substance Abuse Services. Disbursements are made on the basis of approved positions, established employee benefits and invoices submitted for operating expenses and fixed assets.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: County Administration-Statewide			
	State \$	Federal \$	Other \$	Total \$
PERSONNEL				
1. Net impact of changes in number of filled salary positions, change in vacant and leave without pay positions, average bi-weekly, funded periods and other personnel costs from Fiscal Year 2015-2016:	(\$516)	(\$1,023)	\$0	(\$1,539)
2. Provides for a salary adjustment factor, which includes the annualization of a January 1, 2016 step increase (excludes associated benefit costs) offset by a turnover rate:	\$310	\$614	\$0	\$924
3. Provides for a decrease in wages and overtime expenses:	(\$23)	(\$45)	\$0	(\$68)
4. Reflects an increase in the total cost of employee benefits primarily due to an increase in the retirement rate:	\$814	\$1,610	\$0	\$2,424
5. Reflects non-recurring prior year Federal revenue utilized in Fiscal Year 2015-2016:	\$4,961	(\$4,961)	\$0	\$0
Subtotal Personnel	\$5,546	(\$3,805)	\$0	\$1,741
OPERATING				
1. Reflects new federal funding related to the Connecting Kids to Coverage Outreach and Enrollment:	\$0	\$1,000	\$0	\$1,000
2. Reflects mailing, postage and customer support costs associated with Affordable Care Act client notifications:	\$2,057	\$4,493	\$0	\$6,550
3. Reflects an increase in administrative costs in the Federal Health Information Technology appropriation:	\$0	\$77	\$0	\$77
4. Reflects a decrease in consulting expense related to the Federal Children's Health Insurance Program Reauthorization Act due to the grant expiring on 2/21/2015:	\$0	(\$104)	\$0	(\$104)
5. Reflects annualization of Fiscal Year 2015-2016 relocation costs:	\$280	\$334	\$0	\$614
6. Reflects administrative expenses transferred from the e-Health Partnership Authority:	\$1,291	\$750	\$0	\$2,041
7. Reflects change in available fee for material from outside vendors:	\$5	\$0	(\$5)	\$0

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: County Administration-Statewide			
	State \$	Federal \$	Other \$	Total \$
8. Reflects non-recurring prior year Federal revenue utilized in Fiscal Year 2015-2016:	\$1,617	(\$1,617)	\$0	\$0
Subtotal Operating	\$5,250	\$4,933	(\$5)	\$10,178
GRANTS & SUBSIDIES				
1. Reflects a decrease in consulting expense related to the Federal Children's Health Insurance Program Reauthorization Act due to the grant expiring on 2/21/2015:	\$0	(\$3,025)	\$0	(\$3,025)
Subtotal Grants & Subsidies	\$0	(\$3,025)	\$0	(\$3,025)
NONEXPENSE				
1. Reflects an increase in Health Information Exchange funding through the Federal Health Information Technology appropriation:	\$0	\$5,185	\$0	\$5,185
Subtotal Nonexpense	\$0	\$5,185	\$0	\$5,185
EXCESS FEDERAL				
1. Reflects non-recurring Fiscal Year 2015-2016 excess federal spending authority:	\$0	(\$18,457)	\$0	(\$18,457)
Subtotal Budgetary Reserve	\$0	(\$18,457)	\$0	(\$18,457)
FISCAL YEAR 2016-2015 INITIATIVES				
1. Community HealthChoices				
A. Personnel - Reflects funding increase for 21 new positions for 18 pay periods to support the Community HealthChoices Initiative (including benefits):	\$642	\$641	\$0	\$1,283
B. Operating - Reflects general operating expenses to support the Community HealthChoices Initiative:	\$190	\$190	\$0	\$380
Subtotal Fiscal Year 2015-2016 Initiatives	\$832	\$831	\$0	\$1,663
TOTAL	\$11,628	(\$14,338)	(\$5)	(\$2,715)

COUNTY ADMINISTRATION - STATEWIDE

PROGRAM STATEMENT

This appropriation funds certain headquarters and field staff in the Office of Income Maintenance (OIM), Office of Medical Assistance Programs (OMAP), Office of Long-Term Living (OLTL), Office of Mental Health and Substance Abuse Services (OMHSAS) and Office of Administration (OA).

OFFICE OF INCOME MAINTENANCE

The functions of OIM funded in the County Administration–Statewide appropriation are housed within the Bureau of Program Evaluation, the Bureau of Program Support, the Bureau of Policy and the Bureau of Operations.

The Bureau of Program Evaluation, through its Divisions of Quality Control, Corrective Action, and Program Implementation, monitors and evaluates the accuracy of eligibility decisions in County Assistance Offices (CAOs) as well as work performed by Employment and Training (E&T) vendors, analyzes problem areas and prepares plans to correct deficiencies in CAOs and E&T vendor performance. The Bureau is also responsible for satisfying major State and Federal reporting requirements and ensuring accurate quality control and monitoring procedures. In addition, the Bureau is responsible for the accurate and timely submission of Temporary Assistance for Needy Families (TANF) work participation data through the Federal TANF Data Report, which includes efforts to ensure maximum hours of participation are recorded in order to meet the Federal Work Participation Requirement.

The Bureau of Program Support provides administrative support to the other bureaus within OIM and serves as the liaison between those bureaus and other Department of Human Services (DHS) offices. The Bureau is responsible for budget preparation, fiscal analysis, personnel administration, acquisition planning, space and equipment management, contract and grant monitoring, resolution of audits, management of the Electronic Benefits Transfer (EBT) System and EBT risk management. The Bureau conducts detailed financial monitoring and analyses and produces statistical monthly reports needed to support program administration decisions. The Bureau is also responsible for the development, monitoring and maintenance of OIM's automated information systems.

The Bureau of Policy is responsible for the analysis, interpretation, development and maintenance of the regulatory base for Federal and State funded public assistance programs. The Bureau is responsible for assuring program consistency and monitoring interactive effects among the various OIM programs. The Bureau also develops procedures and provides policy clarifications to guide the application of regulations by staff in the CAOs.

The Bureau of Operations is responsible for the overall management of the CAOs whose staff members work to determine eligibility for programs designed to assist Pennsylvania's most vulnerable citizens. The programs that are managed by the CAOs include TANF Cash Assistance, Medical Assistance (MA), Supplemental Nutrition Assistance Program (SNAP), Low-Income Home Energy Assistance Program (LIHEAP) and E&T services. These services are delivered to eligible persons in Pennsylvania in an efficient, accurate and timely manner. The Bureau also has the primary responsibility for training new employees through a network of Staff Development sites as well as CAOs and providing updated and/or refresher training to all staff in the CAOs and district offices. The Bureau operates offices in all 67 counties so that Pennsylvania's vulnerable citizens have a place where they can apply for benefits, renew existing benefits and request supportive services. The Bureau also operates a network of Customer Service Centers that are designed to assist clients across the Commonwealth over the phone via a toll-free number. The Bureau resolves client problems and answers questions received on the telephone hotline, in person, or in letters and electronic mail from clients, legislators and the general public.

OFFICE OF MEDICAL ASSISTANCE PROGRAMS

OMAP administers the jointly funded State/Federal MA program. Funded health care services include hospital care and a large array of outpatient services, which are provided through a fee-for-service (FFS) or capitated managed care delivery system. OMAP is responsible for developing and maintaining the policy and regulatory framework that supports the operation of the program; enrolling providers for participation in the program; reviewing prior authorized service requests for pharmacy, medical, and dental services; establishing rates or fees; reviewing, approving and processing invoices submitted by providers; and contracting with managed care organizations. The Office of Clinical Quality Improvement assists in the planning, direction, coordination and evaluation of the clinical quality improvement goals and objectives defined by OMAP.

The Bureau of Policy, Analysis and Planning has overall administrative and management responsibility for policy development and planning for most MA program initiatives in both the FFS and capitated managed care delivery systems. The Bureau is responsible for policy-related activities impacting Pennsylvania's Medicaid program including analysis of proposed Federal and State statutes and regulations, the formal promulgation of regulations, and the development and issuance of administrative policy directives. In addition, the Bureau is responsible for maintenance of the Medicaid State Plan in conformance with Federal requirements, as well as the development and maintenance of Federal Medicaid Waivers in accordance with programmatic and budgetary initiatives.

The Bureau of Fee-for-Service Programs is responsible for functions that support the operation of the FFS delivery system. Operations include establishing payment fees and rates, provider enrollment, managing provider relations, responding to billing inquiries, provider credentialing, recipient case management and reviewing prior authorized service requests for pharmacy, inpatient/outpatient medical and dental services. Utilization review activities also include medical review of admissions to hospitals and continued hospital stays. In addition, the Bureau administers the process for paying hospitals under the uncompensated care program.

The Bureau of Managed Care Operations is responsible for the oversight, management and support of prepaid capitation programs that provide comprehensive physical health services to recipients. This includes contract procurement and development, as well as compliance monitoring. The Bureau also performs quality management monitoring, special needs oversight, rate-setting, financial analysis and monitoring for adherence to financial contract terms. Additionally, the Bureau oversees the Independent Enrollment Assistance contract(s) for recipient enrollment in mandatory managed care and manages special programs. This Bureau also oversees non-emergency medical transportation services provided through the MA Transportation Program. The Bureau also procures, develops and monitors the technical assistance and consultant services contract that serves multiple areas within OMAP.

The Bureau of Data and Claims Management is the gatekeeper for all OMAP information technology initiatives. This Bureau is responsible for control and oversight of the State Medicaid Management Information System known as PROMISe, which performs medical, dental, and pharmacy claims processing and payment as well as all data interfaces to and from contracted Managed Care Organizations.

OFFICE OF LONG TERM LIVING

The OLTL is responsible for administration of a full continuum of services for the elderly and persons with disabilities in the Commonwealth ranging from institutional care to independent living at home with the support of community services. The office works to integrate management of the Commonwealth's long-term living system.

Institutional services are provided to eligible persons by nursing facilities certified, in accordance with established standards, to participate in the MA program. Older Pennsylvanians who are in need of nursing home care can also receive services in the community through the Federal Medicaid Home and

Community-Based Waiver Program and through Living Independence for the Elderly. Younger Pennsylvanians with disabilities may receive services through the Attendant Care and the Services to Persons with Disabilities waiver programs.

The OLTL is also responsible for developing and implementing policies and procedures for all providers of nursing facility and home and community-based care waiver services; overseeing a system that offers a full range of cost-effective, quality services in the most appropriate setting; enrolling and certifying providers for MA participation; annually ensuring that nursing facilities continue to meet certification requirements established by State and Federal regulations; and assuring that payments made to providers for services are allowable, reasonable and promote the delivery of quality services.

OFFICE OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES

The OMHSAS has the primary responsibility for program development, policy and financial oversight of the delivery of behavioral health services in the Commonwealth which includes the operation of six State mental hospitals and one restoration center, the provision of mental health services through county programs and the provision of drug and alcohol services through single county authorities. The OMHSAS also manages, through county or direct contracts, the HealthChoices MA Behavioral Health Managed Care Program.

The OMHSAS is also responsible for the oversight, management and support of FFS programs that provide comprehensive behavioral health services to individuals. This includes prior authorizations for inpatient psychiatric services, inpatient drug and alcohol services, residential treatment for children and behavioral health rehabilitation services for children. This also includes the review of individual cases for billing and eligibility accuracy.

OFFICE OF ADMINISTRATION

The OA administers support functions for each of the program offices within DHS, including human resource services, equal opportunity policies and programs, hearings and appeals, financial audits and contract development, information systems, human services licensing, fraud and abuse recoveries, and various administrative services. This appropriation funds the Bureau of Program Integrity (BPI) and Third Party Liability (TPL).

The BPI has primary responsibility for monitoring provider and contracted managed care organizations for fraud, waste and abuse, and for adherence to Federal and State program integrity standards. The Bureau staff reviews providers' records and claims to ensure that MA payments are valid and the services rendered are effective. The Bureau manages a computerized system that is used to detect potential fraud, waste and abuse. Depending on the nature of the problem detected, the Bureau requests restitution from the provider, requests corrective action, terminates the provider's participation, or in cases of suspected provider fraud, refers the case to the Medicaid Fraud Control Section of the Office of Attorney General. Cases of suspected recipient fraud are referred to the Office of Inspector General.

The TPL Division is responsible for ensuring Medicaid is the payer of last resort. TPL maintains the integrity of the TPL data on the Client Information System (CIS) and coordinates and monitors multiple data exchanges, which result in additions and updates of TPL resource information. The health resources gathered through the exchanges are utilized for all health insurance cost avoidance and recovery activities performed by the division.

TPL's Health Insurance Premium Payment (HIPP) Program identifies cases in which enrollment of a Medicaid recipient in an employer group health plan as the recipient's primary source of health care

is more cost-effective than providing medical services through the MA Program. In addition, TPL collects premiums from MA clients who are required under the Medical Assistance for Worker's with Disabilities Program to pay for their MA coverage.

The TPL Division is also responsible for recovering cash benefits and MA expenditures against liable third parties, insurers, recipients and probate estates. The claim may be a result of a MA recipient being involved in a personal injury accident, medical malpractice suit, product liability suit, workers compensation claim or assault. The claim may also be against the probate estate of certain deceased MA recipients. A significant volume of recoveries are performed post payment where other health insurance is identified after Medicaid has paid for the service. These post payment recoveries are performed by both a vendor and in-house staff through ongoing recovery projects.

FISCAL YEAR 2016-2017 INITIATIVE – COMMUNITY HEALTHCHOICES

Community HealthChoices is the delivery of long-term services and supports through a capitated managed care program. It will ensure that one entity is responsible for coordinating the physical health and long-term services and supports needs of participants, which will improve care coordination and health outcomes while allowing more individuals to live in their community. The personnel budget provides for 21 new positions to support implementation, quality control, contract monitoring and compliance, performance management, health information reporting, rates design and forecasting.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. E30.3, E30.21, E30.22, E30.37

APPROPRIATION:
Child Support Enforcement

I. SUMMARY FINANCIAL DATA	2014-2015	2015-2016	2016-2017
	<u>Actual</u>	<u>Available</u>	<u>Budgeted</u>
State Funds	\$13,815	\$11,703	\$12,714
Federal Funds Total	\$153,155	\$154,662	\$167,873
Federal Sources Itemized			
<i>Child Support Enforcement - Title IV-D</i>	\$153,155	\$154,662	\$167,873
Other Funds Total	\$8,514	\$10,000	\$13,500
Other Fund Sources Itemized			
<i>Title IV-D Incentive Collections</i>	\$7,245	\$8,731	\$12,231
<i>State Retained Support Collections</i>	\$1,269	\$1,269	\$1,269
	<hr/>	<hr/>	<hr/>
Total	\$175,484	\$176,365	\$194,087
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds		\$0	
		<hr/>	
Total		\$0	

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Child Support Enforcement			
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$1,494	\$1,432	\$1,493	\$61	4.26%
Federal Funds	\$7,350	\$7,578	\$7,900	\$322	4.25%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$8,844	\$9,010	\$9,393	\$383	4.25%
OPERATING					
State Funds	\$11,514	\$9,844	\$10,355	\$511	5.19%
Federal Funds	\$21,811	\$19,926	\$32,046	\$12,120	60.83%
Other Funds	\$4,795	\$6,431	\$9,931	\$3,500	54.42%
Total Operating	\$38,120	\$36,201	\$52,332	\$16,131	44.56%
FIXED ASSETS					
State Funds	\$500	\$120	\$559	\$439	365.83%
Federal Funds	\$0	\$0	\$853	\$853	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$500	\$120	\$1,412	\$1,292	1076.67%
GRANT & SUBSIDY					
State Funds	\$307	\$307	\$307	\$0	0.00%
Federal Funds	\$123,994	\$127,158	\$127,074	(\$84)	-0.07%
Other Funds	\$3,719	\$3,569	\$3,569	\$0	0.00%
Total Grant & Subsidy	\$128,020	\$131,034	\$130,950	(\$84)	-0.06%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
EXCESS FEDERAL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$13,815	\$11,703	\$12,714	\$1,011	8.64%
Federal Funds	\$153,155	\$154,662	\$167,873	\$13,211	8.54%
Other Funds	\$8,514	\$10,000	\$13,500	\$3,500	35.00%
Total Funds	\$175,484	\$176,365	\$194,087	\$17,722	10.05%

APPROPRIATION:
Child Support Enforcement

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$2,021	\$1,028	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	98	98	98
<i>Filled</i>	91	95	94
Federally Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Other Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Total			
<i>Authorized</i>	98	98	98
<i>Filled</i>	91	95	94
Benefit Rate	72.56%	81.60%	87.20%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget provides for an authorized complement of 98 positions, the same as Fiscal Year 2015-2016. The funding for personnel is based on full year funding of filled positions and part year funding for vacant positions. The funding for operating expenses provides for on-going Information Technology (IT) support of Pennsylvania's Child Support Enforcement System and network infrastructure. In addition, operating funding provides for on-going maintenance and specific programmatic needs in the delivery of child support payments, as well as, programs to encourage timely submission of child support payments.

Legislative Citations:

23 Pa. C.S. § 4371 et seq.

Disbursement Criteria:

This appropriation funds administrative costs associated with the Department's Child Support Enforcement program. Disbursements are made on the basis of approved positions, established employee benefits, and invoices submitted for operating expenses and fixed assets.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Child Support Enforcement			
	State \$	Federal \$	Other \$	Total \$
PERSONNEL				
1. Net impact of changes in the number of filled salary positions from Fiscal Year 2015-2016:	(3)	(15)	\$0	(18)
2. Provides an increase for the impact of salary adjustment factor (without benefits) which includes the full year cost of a January 1, 2016 step increase offset by turnover:	\$11	\$60	\$0	\$71
3. Provides for an increase in the total cost of employee benefits primarily due to an increase in the retirement rate: retirement benefit rate:	\$53	\$277	\$0	\$330
Subtotal Personnel	\$61	\$322	\$0	\$383
OPERATING				
1. Reflects an increase in the Pennsylvania Child Support Enforcement System (PACES) for maintenance and modifications to remain compliant with Federal regulations and enhance customer service:	(\$439)	\$10,416	\$3,500	\$13,477
2. Reflects an increase in State Centralized Collections Disbursement Unit (SCDU) operation and administrative costs:	\$708	\$1,374	\$0	\$2,082
3. Provides for an increase in General Operating costs in Fiscal Year 2016-2017:	\$242	\$330	\$0	\$572
Subtotal Operating	\$511	\$12,120	\$3,500	\$16,131
FIXED ASSETS				
1. Reflects an increase in the purchase of telecommunications equipment and the replacement of file and print servers in all counties:	\$439	\$853	\$0	\$1,292
Subtotal Fixed Assets	\$439	\$853	\$0	\$1,292
GRANTS AND SUBSIDIES				
1. Reflects a decrease in retained Appropriation Authority for Child Support Collections:	\$0	(\$84)	\$0	(\$84)
Subtotal Grants and Subsidies	\$0	(\$84)	\$0	(\$84)
TOTAL	\$1,011	\$13,211	\$3,500	\$17,722

CHILD SUPPORT ENFORCEMENT

PROGRAM STATEMENT

The Bureau of Child Support Enforcement (BCSE) administers the Child Support Enforcement Program in Pennsylvania in accordance with Title IV-D of the Social Security Act, as amended. The Child Support Enforcement Program determines paternity when necessary and establishes and enforces child support obligations on behalf of custodial parents and their children, including those who receive cash assistance benefits from the Department of Human Services (Department). Federal and state law require that court-ordered child support be assigned to the Department up to the amount of assistance paid for custodial parents and their children if they are receiving cash assistance.

Pennsylvania's Child Support Enforcement Program is nationally recognized as a leader in program performance and ranks first in overall performance outcomes. Pennsylvania's Title IV-D Program exceeds all federal performance standards, the only program in the nation that meets or exceeds all measures, which include establishment of paternity and court orders for child support, collection of child support obligations, and effectiveness. No other large state posts measures of program effectiveness in parity with Pennsylvania. The program received federal performance bonus incentives of \$24.986 million in federal fiscal year Federal Fiscal Year 2014-2015.

The Department administers the Child Support Enforcement Program in all counties through a Cooperative Agreement signed by the County Commissioners and President Judges of the County Courts of Common Pleas. The Domestic Relations Sections (DRS) of the County Courts of Common Pleas manage the Pennsylvania Child Support Enforcement Program at the local level. Child support enforcement activities are federally reimbursed at a matching rate of 66 percent. Additionally, incentive bonus payments are received for achievement of positive program outcomes.

Child support enforcement activities include: ensuring that child support referrals and closing actions for cash assistance clients are processed accurately and timely; interpreting federal Title IV-D policy; developing and implementing projects to ensure Pennsylvania's Child Support Enforcement Program complies with federal Title IV-D Program requirements and meets federal performance standards; conducting operational and financial performance audits of the 66 county DRSs; processing inter-governmental Child Support Enforcement Program requests for establishment and enforcement; providing on-site support and technical assistance to county DRS operations; and, functioning as a customer service unit. BCSE assists the county DRSs to provide customer service, ensure avoidance of potential federal financial sanctions for failure to meet federal operational and performance requirements, and improve the performance of the DRSs for maximizing federal incentive payments to the state.

Several programs are used to establish child support obligations including the Voluntary Acknowledgement of Paternity Program, State Parent Locator System and the Intergovernmental Central Registry. Pennsylvania collected \$1.295 billion from Noncustodial Parents (NCP) in state fiscal year 2014-2015. Principal enforcement programs include: Income Withholding - \$959.109 million; Federal Income Tax Refund Offset Program - \$35.806 million; State Tax Refund Offset Program - \$2.115 million; Out-of-state payment - \$70.615 million; International - \$0.278 million; Unemployment Compensation Intercept Program - \$29.230 million; Financial Institution Data Match Program - \$4.325 million; Thrift Savings Plan - \$0.287 million; Child Support Lien Network (intercept of personal injury and workers' compensation insurance claims) - \$2.978 million; Federal Insurance Match - \$0.054 million; State Lottery Intercept Program - \$0.100 million; Monetary Award Settlements - \$0.151 million; and, the federally-administered Passport Denial Program - \$0.478 million. The remaining \$189.158 million was collected through county DRS collection programs, court actions, such as payments to avoid incarceration, and voluntary payments by NCPs.

PENNSYLVANIA CHILD SUPPORT ENFORCEMENT SYSTEM (PACSES)

The PACSES is a fully automated statewide child support enforcement system that complies with all state and federal enforcement and collection requirements mandated by the Family Support Act of 1988 and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). PACSES interfaces with state and federal agencies, as well as non-governmental entities, to gather information used to establish and enforce child support obligations. The PACSES is used by all 66 Pennsylvania County DRSs to provide Title IV-D child support services. Additionally, PACSES interfaces with various federal and state data systems providing information to the county DRSs to enhance the collection of child support.

STATE COLLECTION AND DISBURSEMENT UNIT (SCDU)

The PRWORA of 1996 required that Pennsylvania centrally collect and disburse all child and spousal support payments. The SCDU provides a single point of payment and disbursement for child and spousal support, as well as customer service for all payors and recipients. Pennsylvania enacted legislation in September 2006 to require employers to submit electronically wage-attached child support payments. As of December 2015, 98 percent of child support payments are disbursed electronically to custodial parents and 99 percent of all disbursements are issued within 24 hours. Electronic collections account for 81 percent of the total collected.

FATHERHOOD PROGRAMS

Several fatherhood programs are provided to promote self-sufficiency and personal responsibility among NCPs and enhance the family structure. The Department receives federal Access and Visitation Grant Program funding for fatherhood programs. The New Opportunities for Noncustodial Parents (NEON) Program facilitates unemployed and under-employed NCPs' attachment to the workforce, specifically job placement and retention initiatives, to increase the frequency of child support payments. NEON funding totals \$2.300 million in federal Title IV-D Incentive funds, Access and Visitation funding totals \$0.317 million in federal funds in Federal Fiscal Year 2014-15.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A1.19, E30.1, E30.4, E30.12-13, E30.35, E32.5

APPROPRIATION:
Children's Health Insurance Administration

I. SUMMARY FINANCIAL DATA

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted
State Funds	\$6,241	\$2,244 ¹	\$1,234
Federal Funds Total	\$14,355	\$17,138	\$10,575
Federal Sources Itemized			
<i>Children's Health Insurance Program</i>	\$14,355	\$17,138	\$10,575
Total	\$20,596	\$19,382	\$11,809

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$0
Federal Funds	\$0
Total	\$0

¹ Children's Health Insurance Administration moved to the Department of Human Services from The Pennsylvania Insurance Department in Fiscal Year 2015-2016. Fiscal Year 2014-2015 amounts reflect The Pennsylvania Insurance Department's appropriated amounts.

II. DETAIL BY MAJOR OBJECT
(\$ Amounts in Thousands)

APPROPRIATION:
Children's Health Insurance Administration

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$1,237	\$390	\$247	(\$143)	-36.67%
Federal Funds	\$2,445	\$1,991	\$2,246	\$255	12.81%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$3,682	\$2,381	\$2,493	\$112	4.70%
OPERATING					
State Funds	\$5,004	\$1,854	\$987	(\$867)	-46.76%
Federal Funds	\$10,338	\$9,457	\$8,329	(\$1,128)	-11.93%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$15,342	\$11,311	\$9,316	(\$1,995)	-17.64%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$0	\$0	\$0	\$0	0.00%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$1,572	\$5,690	\$0	(\$5,690)	-100.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$1,572	\$5,690	\$0	(\$5,690)	-100.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
EXCESS FEDERAL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$6,241	\$2,244	\$1,234	(\$1,010)	-45.01%
Federal Funds	\$14,355	\$17,138	\$10,575	(\$6,563)	-38.30%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$20,596	\$19,382	\$11,809	(\$7,573)	-39.07%

APPROPRIATION: Children's Health Insurance Administration

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$3,369	\$250	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	23	26	26
<i>Filled</i>	18	20	20
Federally Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Other Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Total			
<i>Authorized</i>	23	26	26
<i>Filled</i>	18	20	20
Benefit Rate	74.18%	76.00%	83.57%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget authorizes 26 positions. This increase reflects three new Medical Program Technician positions added in Fiscal Year 2015-2016.

Legislative Citations:

Article XXIII-A of the Insurance Company Law of 1921 (Act 2015-84)

Disbursement Criteria:

These appropriations fund the administrative and claims operations of the Children's Health Insurance Program. Disbursements are made based on approved positions and established employee benefits, invoices submitted for operating expenses and fixed assets in the operation of the program, and benefit claims.

VI. EXPLANATION OF CHANGES
(\$ Amounts in Thousands)

APPROPRIATION:
Children's Health Insurance Administration

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
PERSONNEL				
1. Provides for a salary adjustment factor and an increase in the total cost of employee benefits:	\$18	\$113	\$0	\$131
2. Provides for other changes in personnel:	<u>(\$19)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$19)</u>
Subtotal Personnel	(\$1)	\$113	\$0	\$112
OPERATING				
1. Reflects a decrease in information technology maintenance and projects:	(\$269)	(\$1,726)	\$0	(\$1,995)
2. Provides for a change in Enhanced Federal Medical Assistance Percentage rates:	<u>(\$740)</u>	<u>\$740</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Operating	(\$1,009)	(\$986)	\$0	(\$1,995)
BUDGETARY RESERVE				
1. Reflects non-recurring Fiscal Year 2015-2016 federal budgetary reserve:	<u>\$0</u>	<u>(\$5,690)</u>	<u>\$0</u>	<u>(\$5,690)</u>
Subtotal Budgetary Reserve	<u>\$0</u>	<u>(\$5,690)</u>	<u>\$0</u>	<u>(\$5,690)</u>
TOTAL	<u><u>(\$1,010)</u></u>	<u><u>(\$6,563)</u></u>	<u><u>\$0</u></u>	<u><u>(\$7,573)</u></u>

CHILDREN'S HEALTH INSURANCE ADMINISTRATION

PROGRAM STATEMENT

The Children's Health Insurance Administration appropriation provides funding for administrative and overhead systems that support the operation of the Children's Health Insurance Program (CHIP). The appropriation includes funding for 26 positions and operating expenses associated with administrative support.

OFFICE OF CHILDREN'S HEALTH INSURANCE PROGRAM

The Office of CHIP provides free or low-cost health insurance coverage to uninsured children under the age of 19 whose families earn too much to qualify for Medical Assistance, but who cannot afford to purchase private insurance. Per the Affordable Care Act, the commonwealth must now accept and process applications coming from the Federally-Facilitated Marketplace and incorporate data available from the Federal Data Services Hub. The new requirements necessitate enhancements to the CHIP Application Processing System (CAPS) and modification of the interaction of CAPS with other systems operated by DHS. The multitude of changes substantiates the need for the centralization of eligibility to provide quality assurance services and to ensure proper eligibility determinations. The centralization of eligibility improves program integrity, reduces fraud, waste and abuse, and simplifies the application process by reducing the need for verification information.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. E30.4, E30.30-32, E30.40, F37, F95

APPROPRIATION:
Youth Development Institutions and Forestry Camps

I. SUMMARY FINANCIAL DATA

	<u>2014-2015 Actual</u>	<u>2015-2016 Available</u>	<u>2016-2017 Budgeted</u>
State Funds	\$63,299	\$65,732	\$66,777
Federal Funds Total	\$10,800	\$10,828	\$10,800
Federal Sources Itemized			
<i>SSBG-Basic Institutional Programs</i>	\$10,000	\$10,000	\$10,000
<i>Food Nutrition Services</i>	\$800	\$800	\$800
<i>Juvenile Justice Rape Elimination</i>	\$0	\$28	\$0
Other Funds Total	\$3	\$10	\$10
Other Fund Sources Itemized			
<i>Institutional Reimbursements</i>	\$3	\$10	\$10
Total	\$74,102	\$76,570	\$77,587

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$0
Federal Funds Total	<u>\$0</u>
Total	\$0

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Youth Development Institutions and Forestry Camps				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$44,908	\$51,275	\$52,320	\$1,045	2.04%
Federal Funds	\$10,000	\$10,000	\$10,000	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$54,908	\$61,275	\$62,320	\$1,045	1.71%
OPERATING					
State Funds	\$17,250	\$12,644	\$12,644	\$0	0.00%
Federal Funds	\$800	\$678	\$650	(\$28)	-4.13%
Other Funds	\$3	\$10	\$10	\$0	0.00%
Total Operating	\$18,053	\$13,332	\$13,304	(\$28)	-0.21%
FIXED ASSETS					
State Funds	\$141	\$141	\$141	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$141	\$141	\$141	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$1,000	\$1,672	\$1,672	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$1,000	\$1,672	\$1,672	\$0	0.00%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$150	\$150	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$150	\$150	\$0	0.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$63,299	\$65,732	\$66,777	\$1,045	1.59%
Federal Funds	\$10,800	\$10,828	\$10,800	(\$28)	-0.26%
Other Funds	\$3	\$10	\$10	\$0	0.00%
Total Funds	\$74,102	\$76,570	\$77,587	\$1,017	1.33%

APPROPRIATION:
Youth Development Institutions and Forestry Camps

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2012-2013	2013-2014	2014-2015 Estimated
State Funds	\$11,126	\$1,259	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	652	648	648
<i>Filled</i>	595	621	628
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	652	648	648
<i>Filled</i>	595	621	628
Benefit Rate	73.63%	77.24%	88.58%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:
The Fiscal Year 2016-2017 Governor's Executive Budget maintains authorized complement at the Fiscal Year 2015-2016 level of 648 positions.

Detail on the appropriation is outlined in Section VI entitled "Explanation of Changes" on the next page.

Legislative Citations:
62 P.S. § 341 et seq.; 62 P.S. § 351 et seq.; 62 P.S. § 704.1

Disbursement Criteria:
This appropriation provides for personnel and operating costs for Youth Development Centers and Forestry Camps. Disbursements are made based on approved positions and established employee benefits and through invoices for operating expenses and fixed assets incurred in the operation of the program.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Youth Development Institutions and Forestry Camps			
	State \$	Federal \$	Other \$	Total
PERSONNEL				
1. Reflects the change in cost to carry forward 628 filled positions for 26.1 pay periods, 11 vacant positions for 13 pay periods and 9 LWOP positions funded for benefits only, including other personnel costs:	\$336	\$0	\$0	\$336
2. Maintains \$10.000 million in Federal Social Services Block Grant - Basic Institutional Programs at the Fiscal Year 2015-2016 funding level:	\$0	\$0	\$0	\$0
3. Adjustment for longevity increment and turnover rate for union and management employees, (excludes the effect of employee benefits):	\$428	\$0	\$0	\$428
4. Provides for an increase in the total cost of employee benefits primarily due to an increase in retirement rates:	\$1,182	\$0	\$0	\$1,182
5. Reflects a decrease in other personnel costs primarily due to a decrease in overtime costs:	(\$901)	\$0	\$0	(\$901)
Subtotal Personnel	\$1,045	\$0	\$0	\$1,045
OPERATING				
1. Maintains State operating costs at the Fiscal Year 2015-2016 level of \$12.644 million:	\$0	\$0	\$0	\$0
2. Maintains \$0.650 million in Federal Food & Nutrition funds at the Fiscal Year 2015-2016 funding level:	\$0	\$0	\$0	\$0
3. Reflects a decrease in one-time federal funding for the Juvenile Justice Rape Elimination fund:	\$0	(\$28)	\$0	(\$28)
4. Maintains \$0.010 million in Institutional Reimbursements at the Fiscal Year 2015-2016 appropriation level:	\$0	\$0	\$0	\$0
Subtotal Operating	\$0	(\$28)	\$0	(\$28)
FIXED ASSET				
1. Maintains fixed assets at the Fiscal Year 2015-2016 level of \$0.141 million:	\$0	\$0	\$0	\$0
Subtotal Fixed Assets	\$0	\$0	\$0	\$0
GRANT & SUBSIDY				
1. Maintains grants at the Fiscal Year 2015-2016 funding level of \$1.672 million for career and academic training:	\$0	\$0	\$0	\$0
Subtotal Grant & Subsidy	\$0	\$0	\$0	\$0
BUDGETARY RESERVE				
1. Budgetary Reserve is maintained at the Fiscal Year 2015-2016 funding level of \$0.150 million:	\$0	\$0	\$0	\$0
TOTAL	\$1,045	(\$28)	\$0	\$1,017

VII.	ITEMS INCLUDED IN FISCAL YEAR 2016-2017 CAPITAL BUDGET REQUEST (\$ Amounts in Thousands)	APPROPRIATION: Youth Development Institutions and Forestry Camps
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		Total
1.	The Capital Budget requests State Funds for the following Fiscal Year 2016-2017 Public Improvement Projects:	\$9,720
	A. North Central Secure Treatment Unit, Montour County	
	UPGRADE HVAC SYSTEMS ADDITIONAL FUNDING: This project will provide for the upgrade of HVAC systems in Reed and Green Buildings including synchronization with administration building	
	i. Base Project Cost:	\$4,800
	ii. Design and Contingencies:	\$960
	SUBTOTAL	\$5,760
	B. Loysville Youth Development Center, Perry County	
	UPDATE STREAM LINES: This project will provide for the update of existing stream and condensate lines which have exceeded their useful life.	
	i. Base Project Cost:	\$3,300
	ii. Design and Contingencies:	\$660
	SUBTOTAL	\$3,960
	TOTAL CAPITAL BUDGET PROJECTS	\$9,720

YOUTH DEVELOPMENT INSTITUTIONS AND FORESTRY CAMPS

PROGRAM STATEMENT

The Youth Development Center/Youth Forestry Camp (YDC/YFC) system provides residential programs for the treatment of Pennsylvania's most troubled delinquent population. The YDC/YFC system is presently comprised of five facilities located throughout the State. Consistent with the Balanced and Restorative Justice tenets of Pennsylvania's Juvenile Act, the YDC/YFC system provides juvenile delinquent youth with supervision, care and rehabilitation, while embracing victims' rights, community safety and protection, accountability and the development of competencies that promote responsibility and productivity. The YDC/YFC programs provide an array of treatment services for residents that are individualized, culturally sensitive and developmentally appropriate. Consistent with the Master Case Planning System process, services are delivered via individual counseling, family counseling, group counseling and skill-building services for each resident. Services are also aligned with the principles of effective interventions as outlined in Pennsylvania's Juvenile Justice System Enhancement Strategy:

The Loysville Youth Development Center in Central Pennsylvania (Perry County) provides a variety of services for delinquent males. Specialized services include a 20 bed secure treatment unit, a 14 bed unit providing services to male delinquents with mild developmental disabilities, a 14 bed unit for the care and treatment of younger youth, a 12 bed Specialized Treatment and Rehabilitation program which provides services to delinquent youth with mental health problems and a 16 bed unit for youth with substance abuse issues. The facility also has two other cottages serving delinquent youth who exhibit immature, impulsive and antisocial behaviors. The facility's capacity is 108 beds.

The North Central Secure Treatment Unit is a secure facility for delinquent youth located on the grounds of Danville State Hospital (Montour County). Specialized services include a 14 bed unit for violent/aggressive youth, a 14 bed unit for youth with drug and alcohol abuse histories and a 14 bed unit for youth with mental health problems. The facility also has a 30 bed program for female offenders with the remainder of the beds serving male youth who require services in a secure treatment environment. The facility's capacity is 115 beds.

The South Mountain Secure Treatment Unit, located on the grounds of the South Mountain Restoration Center (Franklin County), is a 48 bed secure care facility for aggressive male delinquent youth. The facility also provides specialized treatment services for youth having been committed for a sexual offense.

Youth Forestry Camp No. 2 is a residential facility located in Hickory Run State Park in Northeast Pennsylvania (Carbon County). The facility combines programming that addresses a variety of criminogenic risk factors with an added emphasis on substance abuse or vocational training. YFC #2 also offers a short-term (30-45 days) program for delinquent youth in need of brief treatment services to include criminogenic factors, family services and aftercare coordination. The facility's capacity is 49 beds.

Youth Forestry Camp No. 3 is a residential facility located in Trough Creek State Park in South Central Pennsylvania (Huntingdon County). The facility has two separate treatment tracks, substance abuse and general delinquency. The facility combines programming that addresses a variety of criminogenic risk factors with an added emphasis on delinquency, substance abuse or vocational/job training, depending on which program the youth is enrolled. The facility's capacity is 50 beds.

The Pennsylvania Department of Education (PDE), Bureau of Correction Education, provides oversight to and coordinates educational programming for all eligible school aged youth in the YDC/YFC system. Instruction for eligible school aged youth is accomplished through PDE contracts with local intermediate units. As part of these contracts and their monitoring process, PDE ensures that academic curriculums provide specific courses tailored to meet the individual needs of each student. In addition to the basic educational programming provided, a wide variety of other vocational and career training

opportunities are also available. These opportunities include, but are not limited to: employability skills, General Equivalency Diploma preparation, secondary education preparation, computer skills training, training in a variety of marketable building trades, maintenance and small engine repair, food service management and related certifications, as well as remedial and special education. Youth not of school age or who are determined to be ineligible for instruction through PDE's schools are provided other opportunities to participate in career, technical training and/or higher education instruction.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

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Pp. A1.26, A3.2, A3.6, A3.7, B10, C1.9, E30.1-2, E30.4,
E30.11, E30.24-26, E30.38-39, F37, F38, I5

APPROPRIATION:
Mental Health Services

I. SUMMARY FINANCIAL DATA

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted
State Funds	\$731,584	\$790,663 ¹	\$846,777
Federal Funds Total	\$249,832	\$245,358	\$223,417
Federal Sources Itemized			
<i>Medical Assistance-Mental Health</i>	\$188,934	\$183,560	\$162,034
<i>Medicare Services-State Mental Hospitals</i>	\$13,750	\$13,782	\$15,782
<i>Homeless Mentally Ill</i>	\$2,496	\$2,496	\$2,496
<i>MHSBG-Community Mental Health Services</i>	\$20,400	\$18,000	\$18,000
<i>SSBG-Community Mental Health Services</i>	\$10,366	\$10,366	\$10,366
<i>Suicide Prevention</i>	\$500	\$470	\$0
<i>Mental Health Data Infrastructure</i>	\$145	\$500	\$145
<i>Jail Diversion and Trauma Recovery</i>	\$400	\$205	\$0
<i>Child Mental Health Initiative</i>	\$3,000	\$1,500	\$1,500
<i>PA Certified Community Behavioral Health Clinics</i>	\$0	\$887 ²	\$833
<i>System of Care Expansion Implementation</i>	\$2,000	\$2,500	\$2,500
<i>Bioterrorism Hospital Preparedness</i>	\$205	\$216	\$250
<i>Mental Health-Safe Schools</i>	\$4,250	\$6,640	\$6,000
<i>Project LAUNCH</i>	\$850	\$800	\$800
<i>Youth Suicide Prevention through Physical</i>	\$736	\$736	\$736
<i>Supported Employment Program Grant</i>	\$800	\$800	\$0
<i>Transition Age Youth</i>	\$1,000	\$1,500	\$1,500
<i>Offender Re-Entry Program</i>	\$0	\$400	\$400
<i>Bringing Recovery Supports to Scale TACS Policy Academy</i>	\$0	\$0	\$75
Other Funds Total	\$8,828	\$9,700	\$8,700
Other Fund Sources Itemized			
<i>Institutional Collections</i>	\$7,610	\$8,711	\$7,711
<i>Miscellaneous Institutional Reimbursements</i>	\$1,218	\$989	\$989
Total	\$990,244	\$1,045,721	\$1,078,894

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$22,606
Federal Funds	\$10
Total	\$22,616

¹ Includes a recommended supplemental of \$22.606 million for Fiscal Year 2015-2016. Act 10-A of 2015 provided \$768.057 million in funding for Fiscal year 2015-2016.

² Includes a recommended supplemental of \$0.010 million for Fiscal Year 2015-2016. Act 10-A of 2015 provided \$0.877 million in funding for Fiscal year 2015-2016.

ii. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Mental Health Services			
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$134,387	\$154,945	\$183,282	\$28,337	18.29%
<i>Federal Funds</i>	\$174,352	\$174,065	\$165,442	(\$8,623)	-4.95%
<i>Other Funds</i>	\$8,460	\$8,711	\$7,711	(\$1,000)	-11.48%
Total Personnel	\$317,199	\$337,721	\$356,435	\$18,714	5.54%
OPERATING					
<i>State Funds</i>	\$73,774	\$74,323	\$73,207	(\$1,116)	-1.50%
<i>Federal Funds</i>	\$4,834	\$4,814	\$4,814	\$0	0.00%
<i>Other Funds</i>	\$368	\$989	\$989	\$0	0.00%
Total Operating	\$78,976	\$80,126	\$79,010	(\$1,116)	-1.39%
FIXED ASSETS					
<i>State Funds</i>	\$1,260	\$1,260	\$1,260	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$1,260	\$1,260	\$1,260	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$520,423	\$560,077	\$589,028	\$28,951	5.17%
<i>Federal Funds</i>	\$64,646	\$55,537	\$53,161	(\$2,376)	-4.28%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$585,069	\$615,614	\$642,189	\$26,575	4.32%
NONEXPENSE					
<i>State Funds</i>	\$165	\$58	\$0	(\$58)	-100.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$165	\$58	\$0	(\$58)	-100.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$1,575	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$6,000	\$10,942	\$0	(\$10,942)	-100.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$7,575	\$10,942	\$0	(\$10,942)	-100.00%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$731,584	\$790,663	\$846,777	\$56,114	7.10%
<i>Federal Funds</i>	\$249,832	\$245,358	\$223,417	(\$21,941)	-8.94%
<i>Other Funds</i>	\$8,828	\$9,700	\$8,700	(\$1,000)	-10.31%
Total Funds	\$990,244	\$1,045,721	\$1,078,894	\$33,173	3.17%

APPROPRIATION:
Mental Health Services

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$8,426	\$1,519	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	3,391	3,412	3,413
<i>Filled</i>	3,256	3,247	3,248
Federally Funded			
<i>Authorized</i>	1	1	0
<i>Filled</i>	1	1	0
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	3,392	3,413	3,413
<i>Filled</i>	3,257	3,248	3,248
Benefit Rate	61.06%	69.99%	78.60%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget provides funding for complement, operating expenses and fixed assets for State Mental Hospitals.

Legislative Citations:

62 P.S. §§ 201, 206; 62 P.S. § 1401-B et seq.

Disbursement Criteria:

State Mental Hospitals:

Disbursements are based on salary, wage and benefit requirements for authorized complement as well as invoices for facility operating expenses and fixed assets.

Community Mental Health Services:

Counties receive quarterly advance payments based on individual approved allocations. Allocations are based on prior year funding, with adjustments to maintain current levels of services, and to implement or expand programs.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)		APPROPRIATION: Mental Health Services			
		State \$	Federal \$	Other \$	Total \$
STATE MENTAL HOSPITALS					
PERSONNEL					
1.	Reflects the change in cost to carry forward 3,167 filled positions for 26.1 pay periods, 246 vacant positions for 13 pay periods and 58 LWOP positions funded for benefits only, including other personnel costs:	(\$110)	(\$91)	\$0	(\$201)
2.	Provides for an increase in employee benefits from 69.99 percent in Fiscal Year 2015-2016 to 78.60 percent in Fiscal Year 2016-2017 primarily due to an increase in retirement contributions:	\$16,020	\$0	\$0	\$16,020
3.	Provides for longevity increment and turnover rate for union and management employees, (excludes the effect of employee benefits):	\$2,895	\$0	\$0	\$2,895
4.	Reflects the Federal share of Homeless Mentally Ill Grant complement cost:	(\$94)	\$94	\$0	\$0
5.	Provides for an increase in available Medicare revenue:	(\$2,000)	\$2,000	\$0	\$0
6.	Reflects reduced Medical Assistance revenue:	\$10,626	(\$10,626)	\$0	\$0
7.	Reflects a decrease in projected augmenting revenue to support personnel:	\$1,000	\$0	(\$1,000)	\$0
Subtotal Personnel		\$28,337	(\$8,623)	(\$1,000)	\$18,714
OPERATING					
1.	Reflects one-time costs for the relocation of staff from the Department of General Services Annex to a new location in Fiscal Year 2015-2016:	(\$214)	\$0	\$0	(\$214)
2.	Reflects savings associated with Fiscal Year 2015-2016 Community Hospital Integration Projects Programs (CHIPP's):	(\$960)	\$0	\$0	(\$960)
3.	Reflects non-recurring funding of a Department of General Services maintenance project:	\$58	\$0	\$0	\$58
Subtotal Operating		(\$1,116)	\$0	\$0	(\$1,116)
BUDGETARY RESERVE					
1.	Reflects non-recurring Budgetary Reserve in Fiscal Year 2015-2016:	\$0	(\$10,942)	\$0	(\$10,942)
GRANT & SUBSIDY					
1.	Provides for the annualization of 90 Fiscal Year 2015-2016 CHIPP's:	\$4,725	\$0	\$0	\$4,725
2.	Provides for the annualization of the new sexual responsibility treatment program Unit at Torrance State Hospital:	\$1,175	\$0	\$0	\$1,175
3.	Reflects decreased funding for Medical Assistance Mental Health Grant in Fiscal Year 2016-2017:	\$0	(\$163)	\$0	(\$163)

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)		APPROPRIATION: Mental Health Services			
		State \$	Federal \$	Other \$	Total \$
4.	Reflects decreased funding for Mental Health Safe Schools Grant in Fiscal Year 2016-2017:	\$0	(\$640)	\$0	(\$640)
5.	Reflects decreased funding for Supported Employment Program Grant in Fiscal Year 2016-2017:	\$0	(\$800)	\$0	(\$800)
6.	Reflects decrease funding for Homeless Mentally Ill Grant in Fiscal Year 2016-2017:	\$0	(\$3)	\$0	(\$3)
7.	Reflects decrease funding for the Pa Certified Community Behavioral Health Clinics in Fiscal Year 2016-2017:	\$0	(\$54)	\$0	(\$54)
8.	Provides increased funding for Bioterrorism Hospital Preparedness Grant in Fiscal Year 2016-2017:	\$0	\$34	\$0	\$34
9.	Reflect a reduction in the Mental Health Data Infrastructure Grant in Fiscal Year 2016-2017:	\$0	(\$355)	\$0	(\$355)
10.	Reflects a reduction in the Suicide Prevention Grant in Fiscal Year 2016-2017:	\$0	(\$470)	\$0	(\$470)
11.	Provides funding for Bringing Recovery Supports to Scale Grant in Fiscal Year 2016-2017:	\$0	\$75	\$0	\$75
	Subtotal Grant & Subsidies	\$5,900	(\$2,376)	\$0	\$3,524
NON-EXPENSE/INTERAGENCY					
1.	Reflects non-recurring funding of a Department of General Services maintenance project:	(\$58)	\$0	\$0	(\$58)
INITIATIVES					
GRANT & SUBSIDY					
1.	Community Opportunities: To provide home and community-based services for 90 individuals currently residing in state hospitals:	\$4,725	\$0	\$0	\$4,725
2.	Human Services Funding Restoration: To restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-2013 funding cuts to programs:	\$18,326	\$0	\$0	\$18,326
TOTAL INITIATIVES		\$23,051	\$0	\$0	\$23,051
TOTAL MENTAL HEALTH SERVICES:		<u>\$56,114</u>	<u>(\$21,941)</u>	<u>(\$1,000)</u>	<u>\$33,173</u>

**VII. ITEMS INCLUDED IN FISCAL YEAR 2016-2017
CAPITAL BUDGET REQUEST
(\$ Amounts in Thousands)**

**APPROPRIATION:
Mental Health Services**

	<u>Total \$</u>
1. The Capital Budget requests State funds for the following Fiscal Year 2016-2017 Public Improvement Projects:	
A. Warren State Hospital	
Additional Funds for Project 514-27 to Upgrade Electrical System	
a. Base Project Cost:	<u>\$1,800</u>
Subtotal	\$1,800
B. Wernersville State Hospital	
Electrical Upgrades	
i. Base Project Cost:	\$1,500
ii. Design and Contingencies:	<u>\$300</u>
Subtotal	\$1,800
C. Torrance State Hospital	
Additional Funds to Upgrade Electrical	
Replace electrical distribution switch gear and existing feeder cables in all circuits; repairs to pull boxes, cable racks, grounding.	
i. Base Project Cost:	<u>\$5,000</u>
Subtotal	\$5,000
D. Danville State Hospital	
Roadway Resurfacing	
Repair deteriorated sections of roadways and resurface with asphalt wear layer.	
i. Base Project Cost:	\$2,000
ii. Design and Contingencies:	<u>\$400</u>
Subtotal	\$2,400
E. Torrance State Hospital	
Video Surveillance Upgrades	
Add cameras throughout Torrance campus; upgrade existing cameras.	
i. Base Project Cost:	\$2,000
ii. Design and Contingencies:	<u>\$400</u>
Subtotal	\$2,400

VII. ITEMS INCLUDED IN FISCAL YEAR 2016-2017
 CAPITAL BUDGET REQUEST
 (\$ Amounts in Thousands)

APPROPRIATION:
 Mental Health Services

	<u>Total \$</u>
F Wernersville State Hospital	
Replace Domestic Hot Water Steam Replace hot water steam generators in Building 33.	
i. Base Project Cost:	\$3,000
ii. Design and Contingencies:	<u>\$600</u>
Subtotal	\$3,600
G Warren State Hospital	
Replace Water Lines Replace domestic and fire protection water lines throughout campus.	
i. Base Project Cost:	\$6,000
ii. Design and Contingencies:	<u>\$1,200</u>
Subtotal	<u>\$7,200</u>
Total Capital Projects	<u><u>\$24,200</u></u>

MENTAL HEALTH SERVICES

PROGRAM STATEMENT

The Department of Human Services (Department), Office of Mental Health and Substance Abuse Services (OMHSAS) has the primary responsibility for program development, policy, and financial oversight of the delivery of behavioral health services in the Commonwealth, which includes mental health treatment services, and supports designated substance abuse services. The primary objective is to support individual movement toward recovery. The Department seeks to ensure that there is an integrated approach to both the delivery and financing of behavioral health services. The Department administers: community mental health funds; Behavioral Health Services (BHS) funds for both mental health and substance abuse services for individuals no longer eligible for Medical Assistance (MA); and, Act 152 funds to provide non-hospital residential substance abuse services. Direct mental health treatment services are also provided through six State-operated hospitals and one restoration (long-term care) center. Finally, the Department oversees the delivery of community mental health services administered by counties under the Pennsylvania Mental Health and Intellectual Disability (MH/ID) Act of 1966 and the Mental Health Procedures Act of 1976.

STATE MENTAL HOSPITALS

There are six State mental hospitals that provide general psychiatric inpatient treatment as well as specialty care for persons who require intensive treatment in a highly structured setting. A seventh facility, South Mountain Restoration Center, provides skilled nursing and intermediate care services for individuals who were formerly residents of mental hospitals and are now in need of nursing care. All of the hospitals, including the Restoration Center, are certified by Medicaid and Medicare. The South Mountain Restoration Center is also certified as an MA long-term care provider and is licensed by the Department of Health.

As a result of the development of integrated services, continued advances in medications and the building of a community-based care infrastructure, the hospitals' patient census continues to decline. In Fiscal Year 2015-2016 an estimated 2,205 people will receive services in the State mental hospitals and an estimated 2,110 will receive services in Fiscal Year 2016-2017.

COMMUNITY MENTAL HEALTH SERVICES

The MH/ID Act of 1966 requires county governments to provide an array of community-based mental health services including unified intake, community consultation and education, support for families caring for members with mental disorders, and community residential programs. Community services are targeted to adults with serious mental illnesses and children/adolescents with or at risk of serious emotional disturbances. Key provisions of service include recovery-oriented treatment, community care, and support services that enable individuals to return to the community and lead independent and productive lives. Non-residential services include family-based support, peer to peer support, outpatient care, partial hospitalization, emergency and crisis intervention, and after care. Community residential services consist of housing support, residential treatment, inpatient care, crisis services, and mobile therapy. Services are administered by single counties, county jointers, or through contracts with private, non-profit organizations. Services are funded with State, Federal, and/or county matching funds.

Funding was provided beginning in Fiscal Year 2007-2008 for specialized respite services for families that have children with serious emotional disturbance. Respite services increase the family's ability to provide home care, to prevent family disruption, and prevent out-of-home placement of the child/adolescent with serious emotional disturbances and behavioral difficulties. Providing respite

services to these families enables them to maintain their children at home and have a reduced need for expensive residential or other intensive behavioral health services. The Department estimates that 1,500 families will each receive an average of 30 hours of respite service during the fiscal year.

Since its inception, the Community Mental Health Program has dramatically increased its capacity to provide a more unified system of treatment and support services for persons with serious mental illness. As a result, an increasing number of people have been able to experience recovery and lead productive lives in their communities and avoid prolonged hospitalization. In Fiscal Year 2015-2016 an estimated 204,090 people will be provided community mental health services and an estimated 205,000 will receive services in Fiscal Year 2016-2017.

COMMUNITY HOSPITAL INTEGRATION PROJECTS PROGRAM AND SOUTHEAST INTEGRATION PROJECTS PROGRAM

Beginning in Fiscal Year 1991-1992, the Community Hospital Integration Projects Program (CHIPP) links the county-operated community programs and the State mental hospitals by transferring individuals and resources from the hospital program to community programs. This integration program discharges from State mental hospitals individuals with complex service needs, but who no longer need inpatient psychiatric treatment, to integrated community programs. The county program develops the community resources and services needed for each person discharged through CHIPP. The CHIPP is a mechanism of reallocating funds to the community for the development of new alternative community-based treatment services and supports.

The community services that are developed with CHIPP funds are not only available to persons discharged from State mental hospitals, but to other individuals with mental illness who would otherwise need hospitalization. For each CHIPP bed, it is estimated that an additional four to five individuals with mental illness may be served. The program supports community living by creating a community capacity for diversion services to avoid future unnecessary State Hospital admissions. The success of these diversion services allow more predictable planning for future State mental hospital use and reductions in hospital costs.

Counties receiving CHIPP funding have been successful in creating service systems that support people in the community while managing State mental hospital utilization. Involvement of individuals and families in the program design, implementation, and ongoing monitoring has proven critical to the success of the program. State mental hospitals have played a vital role in preparing people for discharge, coordinating with counties during the transition to the community, and assisting counties in managing future hospital use. The success of CHIPP was also greatly enhanced by the emergence of new, highly effective atypical psychotropic medications for the treatment of schizophrenia and other psychoses.

The Southeast Integration Projects Program was implemented in the five southeastern counties (Bucks, Chester, Delaware, Montgomery, and Philadelphia) in Fiscal Year 1997-1998. This program originated as a result of the closure of Haverford State Mental Hospital and the subsequent June 1998 court order to place people who were no longer in need of inpatient psychiatric treatment into community settings. It operates in a manner similar to the CHIPP program, but provides counties the capacity to provide more specialized services to persons with a broader range of service needs.

HUMAN SERVICES BLOCK GRANT

In Fiscal Year 2012-2013, a 20-county Human Services Block Grant pilot program was implemented to provide local governments with increased flexibility to address local needs. Under the pilot program, funding for the following seven programs was combined at the local level into a flexible Human Services Block Grant: Human Services Development Fund, Community Mental Health Services, Behavioral Health Services, Intellectual Disability Community Based Services, County Child Welfare Special Grants, Homeless Assistance Programs, and Act 152 Drug and Alcohol Services. The 20-county

pilot was expanded in Fiscal Year 2013-2014, allowing additional counties to participate on a voluntary basis. Ten counties were added in Fiscal Year 2013-2014 bringing the total number of Block Grant Counties to 30. No additional expansion is anticipated in Fiscal Year 2015-2016 or Fiscal Year 2016-2017 and funding will continue to be provided from the individual appropriations.

FISCAL YEAR 2016-2017 INITIATIVE – COMMUNITY OPPORTUNITIES

The Governor's Executive Budget for Fiscal Year 2016-2017 provides funding to support the discharge of 90 eligible individuals from State hospitals throughout the Commonwealth into CHIPP. This initiative supports the Olmstead Plan signed in January 2011, which is committed to requesting funding for 90 CHIPPs annually. It will expand home and community-based services for community placements through OMHSAS' already established CHIPP. A total of \$4.725 million will be available for six months during Fiscal Year 2016-2017.

FISCAL YEAR 2016-2017 INITIATIVE – HUMAN SERVICES FUNDING RESTORATION

The Fiscal Year 2016-2017 "Human Services Funding Restoration" initiative will restore one-third of the 10 percent reduction initially made to county programs during Fiscal Year 2012-2013. This is the second year of the planned three fiscal year initiative. Specifically, the Governor's Executive Budget for Fiscal Year 2016-2017 includes a total of \$18.326 million in State funds in the Mental Health Services Program for this purpose.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

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Pp. C1.9, E30.4, E30.9, E30.27 - E30.29,
E30.39 - E30.40, F37 - F38, F95

APPROPRIATION:
Intellectual Disabilities - State Centers

I. SUMMARY FINANCIAL DATA

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted
State Funds	\$132,984	\$138,496 ¹	\$141,769
Federal Funds Total	\$170,114	\$175,311	\$174,019
Federal Sources Itemized			
<i>Medical Assistance - State Centers</i>	\$169,559	\$174,818	\$173,511
<i>Medicare Services - State Centers</i>	\$555	\$493	\$508
Other Funds Total	\$28,298	\$27,915	\$28,091
Other Fund Sources Itemized			
<i>Institutional Collections - State Centers</i>	\$10,173	\$9,689	\$9,774
<i>ID Assessment - State Centers</i>	\$18,125	\$18,226	\$18,317
Total	\$331,396	\$341,722	\$343,879

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$1,948 ¹
Federal Funds	\$0
Total	\$1,948

¹ Act 10-A of 2015 included State appropriation authority of \$136.548 million for Fiscal Year 2015-2016. However, the Governor's Executive Budget for Fiscal Year 2016-2017 reflects an \$1.948 million supplemental request for a revised Fiscal Year 2015-2016 State appropriation of \$138.496 million.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Intellectual Disabilities - State Centers				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$121,991	\$129,581	\$132,873	\$3,292	2.54%
<i>Federal Funds</i>	\$130,640	\$136,596	\$144,480	\$7,884	5.77%
<i>Other Funds</i>	\$8,146	\$7,764	\$7,849	\$85	1.09%
Total Personnel	\$260,777	\$273,941	\$285,202	\$11,261	4.11%
OPERATING					
<i>State Funds</i>	\$10,722	\$8,643	\$8,624	(\$19)	-0.22%
<i>Federal Funds</i>	\$24,357	\$24,489	\$24,436	(\$53)	-0.22%
<i>Other Funds</i>	\$20,152	\$20,151	\$20,242	\$91	0.45%
Total Operating	\$55,231	\$53,283	\$53,302	\$19	0.04%
FIXED ASSETS					
<i>State Funds</i>	\$271	\$272	\$272	\$0	0.00%
<i>Federal Funds</i>	\$104	\$103	\$103	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$375	\$375	\$375	\$0	0.00%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
EXCESS FEDERAL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Excess Federal	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$15,013	\$14,123	\$5,000	(\$9,123)	-64.60%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$15,013	\$14,123	\$5,000	(\$9,123)	-64.60%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$132,984	\$138,496	\$141,769	\$3,273	2.36%
<i>Federal Funds</i>	\$170,114	\$175,311	\$174,019	(\$1,292)	-0.74%
<i>Other Funds</i>	\$28,298	\$27,915	\$28,091	\$176	0.63%
Total Funds	\$331,396	\$341,722	\$343,879	\$2,157	0.63%

APPROPRIATION:
Intellectual Disabilities - State Centers

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$6,036	\$1,649	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	3,314	3,236	3,236
<i>Filled</i>	3,094	3,013	3,039
Federally Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Other Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Total			
<i>Authorized</i>	3,314	3,236	3,236
<i>Filled</i>	3,094	3,013	3,039
Benefit Rate	79.99%	89.00%	94.46%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget provides for the annualization of Fiscal Year 2015-2016 program changes and the impact of the Fiscal Year 2016-2017 "Community Opportunities" initiative.

Detail on the appropriation request is outlined in Section VI entitled "Explanation of Changes" on subsequent pages.

Legislative Citations:

62 P.S. §§ 201, 206, 443.1 et seq.; MH/ID Act of 1966, 50 P.S. § 4101 et seq.; Title XIX of the Social Security Act, 42 U.S.C. § 1396 et seq.

Disbursement Criteria:

Disbursements are made on the basis of approved salary and wage positions and established employee benefits, and through invoices for operating expenses and fixed assets incurred in operating the facilities.

VI. EXPLANATION OF CHANGES

(\$ Amounts in Thousands)

APPROPRIATION:

Intellectual Disabilities - State Centers

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
PERSONNEL				
1. Change in average bi-weekly and funded pay periods from Fiscal Year 2015-2016 levels:	(\$276)	(\$298)	\$0	(\$574)
2. Annualization of the filling of 47 vacancies during Fiscal Year 2015-2016 to maintain minimum staff-to-patient ratios:	\$822	\$889	\$0	\$1,711
3. Provides for the reduction 17 filled and four vacant positions associated with the Fiscal Year 2015-2016 transfer of these positions from the State Center complement to General Government Operations:	(\$400)	(\$433)	\$0	(\$833)
4. Provides for the impact of a salary adjustment factor (without benefits) of 2.07 percent for union-represented and management employees, which includes the annualization of the part-year cost of a January 1, 2016 step increase:	\$875	\$946	\$0	\$1,821
5. Net change in total employee benefit costs; primarily due to an increase in retirement rates:	\$4,333	\$4,687	\$0	\$9,020
6. Provides for an increase of \$0.116 million in other personnel costs from the Fiscal Year 2015-2016 level of \$11.048 million to \$11.164 million in Fiscal Year 2016-2017:	<u>\$56</u>	<u>\$60</u>	<u>\$0</u>	<u>\$116</u>
Subtotal Personnel	\$5,410	\$5,851	\$0	\$11,261
OPERATING				
1. Assumes funding for Centrally Distributed Charges at the Fiscal Year 2015-2016 level:	\$0	\$0	\$0	\$0
2. Assumes non-recurring maintenance costs at the Fiscal Year 2015-2016 funding level of \$0.855 million:	\$0	\$0	\$0	\$0
3. Provides for an increase in the Intellectual Disabilities (ID) assessment for Fiscal Year 2016-2017:	<u>(\$47)</u>	<u>\$47</u>	<u>\$91</u>	<u>\$91</u>
Subtotal Operating	(\$47)	\$47	\$91	\$91
FIXED ASSETS				
1. Provides for fixed assets at the Fiscal Year 2015-2016 level of \$0.375 million:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Fixed Assets	\$0	\$0	\$0	\$0

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Intellectual Disabilities - State Centers			
	State \$	Federal \$	Other \$	Total \$
INITIATIVES				
OPERATING				
1. Community Opportunities:				
A. Anticipated savings associated with the transition of 75 State Center residents into home and community-based services under the Intellectual Disabilities - Community Waiver Program during Fiscal Year 2016-2017:	<u>(\$35)</u>	<u>(\$37)</u>	<u>\$0</u>	<u>(\$72)</u>
Subtotal Initiatives	<u>(\$35)</u>	<u>(\$37)</u>	<u>\$0</u>	<u>(\$72)</u>
MISCELLANEOUS CHANGES				
1. Provides for an increase in estimated Medicare billings:	<u>(\$15)</u>	<u>\$15</u>	<u>\$0</u>	<u>\$0</u>
2. Net effect of changes in other factors related to Medical Assistance computable costs:	<u>(\$2,466)</u>	<u>\$2,381</u>	<u>\$85</u>	<u>\$0</u>
3. Provides for the impact of a decrease in the Federal Medical Assistance Percentage (FMAP) rate from 52.01 percent to 51.78 percent, effective October 1, 2016 (full State fiscal year blended rate decreases from 51.9625 percent to 51.8375 percent):	<u>\$426</u>	<u>(\$426)</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Miscellaneous Changes	<u>(\$2,055)</u>	<u>\$1,970</u>	<u>\$85</u>	<u>\$0</u>
BUDGETARY RESERVE				
1. Impact of Fiscal Year 2015-2016 Federal Medical Assistance budgetary reserve:	<u>\$0</u>	<u>(\$14,123)</u>	<u>\$0</u>	<u>(\$14,123)</u>
2. Provides Medical Assistance reserve to address potential changes in base revenues used to calculate ID assessment costs and net allowable Medical Assistance institutional expenditures:	<u>\$0</u>	<u>\$5,000</u>	<u>\$0</u>	<u>\$5,000</u>
Subtotal Budgetary Reserve	<u>\$0</u>	<u>(\$9,123)</u>	<u>\$0</u>	<u>(\$9,123)</u>
TOTAL	<u><u>\$3,273</u></u>	<u><u>(\$1,292)</u></u>	<u><u>\$176</u></u>	<u><u>\$2,157</u></u>

**VII. ITEMS INCLUDED IN FISCAL YEAR 2016-2017
CAPITAL BUDGET REQUEST
(\$ Amounts in Thousands)**

**APPROPRIATION:
Intellectual Disabilities - State Centers**

Total \$

**1. The Capital Budget requests State funds for the following Fiscal Year 2016-2017
Public Improvement Projects:**

A. Ebensburg Center

i. **Install Control System:** This project will provide for the installation of an automated logic control system to allow complete control of HVAC systems. When completed, this project is not expected to increase operating costs.

a. Base Project Cost:	\$800
b. Design and Contingencies:	<u>\$160</u>
Subtotal	\$960

ii. **Upgrade Elevator:** This project will provide for the upgrade of an existing elevator, which has exceeded its useful life. When completed, this project is not expected to increase operating costs.

a. Base Project Cost:	\$1,000
b. Design and Contingencies:	<u>\$200</u>
Subtotal	<u>\$1,200</u>

Subtotal Ebensburg Center **\$2,160**

B. White Haven Center

i. **Replace HVAC:** This project will provide for the replacement of the current HVAC system with a modern, more efficient system. When completed, this project is not expected to increase operating costs.

a. Base Project Cost:	\$2,000
b. Design and Contingencies:	<u>\$400</u>
Subtotal	\$2,400

ii. **Upgrade Elevators:** This project will provide for the upgrade of existing elevators, which have exceeded their useful life. When completed, this project is not expected to increase operating costs.

a. Base Project Cost:	\$1,000
b. Design and Contingencies:	<u>\$200</u>
Subtotal	<u>\$1,200</u>

Subtotal White Haven Center **\$3,600**

**VII. ITEMS INCLUDED IN FISCAL YEAR 2016-2017
CAPITAL BUDGET REQUEST**
(\$ Amounts in Thousands)

APPROPRIATION:
Intellectual Disabilities - State Centers

	<u>Total \$</u>
<p>The Capital Budget requests State funds for the following Fiscal Year 2016-2017 Public Improvement Projects (Continued):</p>	
<p>C. Selinsgrove Center</p>	
<p>i. Refurbish Water Tanks - Additional Funding: This project will provide for additional funding for project 553-43 to sandblast, repair and paint water tanks. When completed, this project is not expected to increase operating costs.</p>	
a. Base Project Cost:	\$1,000
b. Design and Contingencies:	<u>\$0</u>
Subtotal	\$1,000
<p>ii. Install Gas Boilers: This project will provide for the installation of bag house or gas boilers to meet emissions requirements. When completed, this project is not expected to increase operating costs.</p>	
a. Base Project Cost:	\$5,000
b. Design and Contingencies:	<u>\$1,000</u>
Subtotal	<u>\$6,000</u>
Subtotal Selinsgrove Center	\$7,000
<p>D. Polk Center</p>	
<p>i. Reroof Buildings: This project will provide for the reroofing of residential buildings including repair of the structure as needed. When completed, this project is not expected to increase operating costs.</p>	
a. Base Project Cost:	\$500
b. Design and Contingencies:	<u>\$100</u>
Subtotal Polk Center	<u>\$600</u>
Total Capital Projects	<u><u>\$13,360</u></u>

INTELLECTUAL DISABILITIES - STATE CENTERS

PROGRAM STATEMENT

The Department of Human Services, through the Office of Developmental Programs (ODP), currently operates five State Centers for Individuals with Intellectual and Developmental Disabilities. Each of these facilities provides 24-hour residential and habilitative services to adults with an intellectual disability. All facilities meet federal Intermediate Care Facility for the Intellectually Disabled (ICF/ID) standards that pertain to health and program services, environment, and safety. Facilities also meet the certification requirements for participation in the Title XIX (Medical Assistance) program. The primary goal of these state-operated facilities is to provide the services and training needed to support individual development in a person-centered manner.

During Fiscal Year 2016-2017, State Centers will provide service to approximately 880 people, which is about 1.6 percent of the more than 55,000 people expected to receive intellectual disability services through ODP programs. By June 30, 2017, the State Center population is expected to decrease to below 800 people. As of January 2016, there was one resident under the age of 21 and 272 residents ages 65 and over. Individuals in the State Centers have a wide variation of disabilities, from those who are independent in their daily living activities to those who need complete assistance. Staff provide programs and services to enhance growth and development.

Historically, state-operated facilities were the primary providers of services to persons with an intellectual disability. Following national trends, the population of these facilities has decreased steadily since the late 1960's as the availability of supportive services in the community has increased. During the ten-year period from January 1, 2006 to December 31, 2015, the census at the State Centers declined 34.5 percent, from 1,418 people to 929 people.

Beginning in Fiscal Year 2004-2005, the Governor's Executive Budget provided for an assessment on all ICF/ID services provided in Pennsylvania. This assessment applies to both public and private providers of ICF/ID services and totals an estimated \$38.017 million for Fiscal Year 2016-2017. Of the \$38.017 million, \$18.317 million represents the assessment on services provided in the State Centers for Individuals with Intellectual Disabilities and the balance of \$19.700 million represents the assessment on Private ICF/ID services and is reflected under the Intellectual Disabilities - Intermediate Care Facilities appropriation.

FISCAL YEAR 2016-2017 INITIATIVE – COMMUNITY OPPORTUNITIES

Providing Community Placement Opportunities for State Center Residents

The Governor's Executive Budget for Fiscal Year 2016-2017 includes funding to transition 75 individuals from State Centers for Individuals with Intellectual Disabilities to the Intellectual Disabilities - Community Waiver Program. This request is necessary to achieve ODP's mission to support individuals in achieving the quality of life that each person desires and to comply with the settlement agreement between the Disabilities Rights Network and the Department. All 75 people will need an array of services, including residential services provided under the Home and Community-Based Consolidated Waiver. In addition to fulfilling the requirements of the settlement agreement, this funding initiative is a key piece of the ODP plan to meet the requirements of the United States Supreme Court's Olmstead Decision, which requires states to have a plan to provide community opportunities for people residing in institutional settings who do not oppose placement in the community.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

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APPROPRIATION:
Cash Grants

I. SUMMARY FINANCIAL DATA	2014-2015	2015-2016	2016-2017
	<u>Actual</u>	<u>Available</u>	<u>Budgeted</u>
State Funds	\$45,457	\$25,457	\$25,457
Federal Funds Total	\$669,797	\$657,144	\$639,121
Federal Sources Itemized			
<i>TANFBG - Cash Grants</i>	\$319,393	\$308,975	\$288,975
<i>Other Federal Support - Cash Grants</i>	\$20,619	\$17,388	\$17,388
<i>LIHEABG - Low Income Families & Individuals</i>	\$320,000	\$320,000	\$320,000
<i>Refugees and Persons Seeking Asylum- Social Services</i>	\$9,785	\$10,781	\$12,758
Other Funds Total	\$0	\$0	\$0
Other Sources Itemized			
Total	<u>\$715,254</u>	<u>\$682,601</u>	<u>\$664,578</u>
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds		\$0	
Total		<u>\$0</u>	

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Cash Grants				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
<i>State Funds</i>	\$4,922	\$4,851	\$4,851	\$0	0.00%
<i>Federal Funds</i>	\$2,956	\$4,966	\$4,966	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$7,878	\$9,817	\$9,817	\$0	0.00%
FIXED ASSETS					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$40,535	\$20,606	\$20,606	\$0	0.00%
<i>Federal Funds</i>	\$414,704	\$438,920	\$427,522	(\$11,398)	-2.60%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$455,239	\$459,526	\$448,128	(\$11,398)	-2.48%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$4,145	\$1,283	\$3,260	\$1,977	154.09%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$4,145	\$1,283	\$3,260	\$1,977	154.09%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$247,992	\$211,975	\$203,373	(\$8,602)	-4.06%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$247,992	\$211,975	\$203,373	(\$8,602)	-4.06%
EXCESS FEDERAL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$45,457	\$25,457	\$25,457	\$0	0.00%
<i>Federal Funds</i>	\$669,797	\$657,144	\$639,121	(\$18,023)	-2.74%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$715,254	\$682,601	\$664,578	(\$18,023)	-2.64%

APPROPRIATION:

Cash Grants

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$5,944	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	0.00%	0.00%	0.00%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA**Derivation of Request:**

The Governor's Executive Budget for Fiscal Year 2016-2017 is based on an estimate of the monthly average number of persons receiving Temporary Assistance For Needy Families (TANF) and State Blind Pension (SBP) during the fiscal year at the established allowance levels.

The Low Income Home Energy Assistance Program funding is based on final Federal allocations in Federal Year 2016-2017. Total Grant funding will be net 15 percent for the weatherization program and up to 10 percent for administrative costs.

Detail on the appropriation request is outlined in Section VI entitled "Explanation of Changes" on the next page.

Legislative Citations:

62 P.S. §§ 201, 403 for TANF.
62 P.S. § 501 et seq. for SBP.
62 P.S. §§ 201, 206; 42 U.S.C. §§ 8621-8629 for LIHEAP.

Disbursement Criteria:

This appropriation provides direct cash payments, supportive service allowances and employment and training services to eligible SBP and TANF recipients. Disbursements are made on the basis of allowance schedules.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Cash Grants			
	State \$	Federal \$	Other \$	Total \$
GRANT & SUBSIDY				
1. Reflects a decrease of 1,540 (from 148,650 to 147,110) in the projected monthly average number of Temporary Assistance for Needy Families recipients in Fiscal Year 2016-2017:	\$981	(\$9,882)	\$0	(\$8,901)
2. Reflects a decrease of nine (from 165 to 156) in the projected monthly average number of State Blind Pension recipients in Fiscal Year 2016-2017:	(\$12)	\$0	\$0	(\$12)
3. Reflects a decrease in Support Services in Fiscal Year 2016-2017:	(\$596)	(\$1,283)	\$0	(\$1,879)
4. Reflects a reduction in Emergency Shelter Services in Fiscal Year 2016-2017:	(\$141)	\$0	\$0	(\$141)
5. Reflects a reduction in Medical Assistance Transportation Services in Fiscal Year 2016-2017:	(\$99)	(\$100)	\$0	(\$199)
6. Reflects a reduction in expenditures in Employment and Training - Supplemental Nutrition Assistance Program (SNAP) Support Services in Fiscal Year 2016-2017:	(\$133)	(\$133)	\$0	(\$266)
Subtotal Grant & Subsidy	\$0	(\$11,398)	\$0	(\$11,398)
NON-EXPENSE				
1. Reflects an increase in Refugees and Persons Seeking Asylum in Fiscal Year 2016-2017:	\$0	\$1,977	\$0	\$1,977
Subtotal Non-Expense	\$0	\$1,977	\$0	\$1,977
BUDGETARY RESERVE				
1. Impact of reduction in excess Federal spending authority in Fiscal Year 2015-2016:	\$0	(\$8,602)	\$0	(\$8,602)
Subtotal Budgetary Reserve	\$0	(\$8,602)	\$0	(\$8,602)
TOTAL	\$0	(\$18,023)	\$0	(\$18,023)

**Cash Grants
2015-2016 Available**

	<u>Caseload</u>	<u>Avg Pmt</u>	State	Federal	Other	Total
<u>OPERATING</u>						
8 EBT Contract			\$4,406	\$4,234	\$0	\$8,640
9 Bad Debt Expense - Pa. State Collection and Disbursement Unit			\$445	\$0	\$0	\$445
10 Refugees and Persons Seeking Asylum			\$0	\$732	\$0	\$732
Subtotal Operating			\$4,851	\$4,966	\$0	\$9,817
<u>GRANTS & SUBSIDIES</u>						
- Regular TANF Payment			\$568	\$169,421	\$0	\$169,518
- Work Support Phase Two (State Only)			\$17,308	\$0	\$0	\$17,308
- TANF Payment - (MOE)			\$1,022	\$0	\$0	\$1,022
- TANF Diversion			\$0	\$11,675	\$0	\$11,675
- Extended TANF 100% Federal			\$0	\$50,893	\$0	\$50,893
- Transitional Cash Assistance Program (\$100 per month)			\$3,334	\$0	\$0	\$3,334
- Work Expense Reimbursement			\$215	\$1,539	\$0	\$1,754
22 SUBTOTAL TANF Payments	148,650	\$143.50	\$22,447	\$233,528	\$0	\$255,975
24 Support Services			\$1,278	\$9,171	\$0	\$10,449
26 State Blind Pension	165	\$98.38	\$195	\$0	\$0	\$195
28 County Disbursement Fund			\$0	\$9,772	\$0	\$9,772
29 Refugee Assistance Claims			\$0	\$770	\$0	\$770
30 Emergency Shelter			\$1,390	\$0	\$0	\$1,390
31 Medical Assistance Transportation			\$417	\$418	\$0	\$835
32 Child Support County Payment			\$7,900	\$0	\$0	\$7,900
34 Child Support Collections			(\$23,639)	\$0	\$0	-\$23,639
35 Unreimbursed Assistance Payments (URA-Child Support Collections)			\$112	\$0	\$0	\$112
36 Support Pass Through			\$11,588	\$0	\$0	\$11,588
38 Restitution & Reimbursement Collections			(\$1,850)	(\$1,638)	\$0	-\$3,488
40 Operation Warm			\$200	\$0	\$0	\$200
42 Refugees and Persons Seeking Asylum			\$183	\$9,766	\$0	\$9,949
44 E&T Special Needs - SNAP Support Services			\$385	\$385	\$0	\$770
45 Work Activities Experience - EARN			\$0	\$23,503	\$0	\$23,503
46 PA Workwear			\$0	\$2,861	\$0	\$2,861
47 Rapid Rehousing Pilot			\$0	\$0	\$0	\$0
LIHEAP						
50 - Cash Program (single payment)	378,080	\$241.00	\$0	\$91,117	\$0	\$91,117
51 - Crisis Program (single payment)	122,355	\$419.00	\$0	\$51,267	\$0	\$51,267
52 - Heat and Eat Initiative			\$0	\$8,000	\$0	\$8,000
Subtotal Grants & Subsidies			\$20,606	\$438,920	\$0	\$459,526
<u>NONEXPENSE</u>						
58 Integration Project			\$0	\$1,000	\$0	\$1,000
59 Refugees and Persons Seeking Asylum			\$0	\$283	\$0	\$283
Subtotal Nonexpense			\$0	\$1,283	\$0	\$1,283
Subtotal			\$25,457	\$445,169	\$0	\$470,626
65 <i>Budgetary Reserve/Excess Appropriation Authority</i>			\$0	\$211,975	\$0	\$211,975
Total Requirement			\$25,457	\$657,144	\$0	\$682,601

Cash Grants
2016-2017 Governor's Executive Budget

	<u>Caseload</u>	<u>Avg Pmt</u>	State	Federal	Other	Total
OPERATING						
8 EBT Contract			\$4,406	\$4,234	\$0	\$8,640
9 Bad Debt Expense - Pa. State Collection and Disbursement Unit			\$445	\$0	\$0	\$445
10 Refugees and Persons Seeking Asylum			\$0	\$732	\$0	\$732
Subtotal Operating			\$4,851	\$4,966	\$0	\$9,817
GRANTS & SUBSIDIES						
- Regular TANF Payment			\$806	\$159,539	\$0	\$160,345
- Work Support Phase Two (State Only)			\$18,000	\$0	\$0	\$18,000
- TANF Payment - (MOE)			\$1,073	\$0	\$0	\$1,073
- TANF Diversion			\$0	\$11,675	\$0	\$11,675
- Extended TANF100% Federal			\$0	\$50,893	\$0	\$50,893
- Transitional Cash Assistance Program (\$100 per month)			\$3,334	\$0	\$0	\$3,334
- Work Expense Reimbursement			\$215	\$1,539	\$0	\$1,754
22 SUBTOTAL TANF Payments	147,110	\$139.96	\$23,428	\$223,646	\$0	\$247,074
24 Support Services			\$682	\$7,888	\$0	\$8,570
26 State Blind Pension	156	\$97.72	\$183	\$0	\$0	\$183
28 County Disbursement Fund			\$0	\$9,772	\$0	\$9,772
29 Refugee Assistance Claims			\$0	\$770	\$0	\$770
30 Emergency Shelter			\$1,249	\$0	\$0	\$1,249
31 Medical Assistance Transportation			\$318	\$318	\$0	\$636
32 Child Support County Payment			\$7,900	\$0	\$0	\$7,900
34 Child Support Collections			(\$23,639)	\$0	\$0	(\$23,639)
35 Unreimbursed Assistance Payments (URA-Child Support Collections)			\$112	\$0	\$0	\$112
36 Support Pass Through			\$11,588	\$0	\$0	\$11,588
38 Restitution & Reimbursement Collections			(\$1,850)	(\$1,638)	\$0	(\$3,488)
40 Operation Warm			\$200	\$0	\$0	\$200
42 Refugees and Persons Seeking Asylum			\$183	\$9,766	\$0	\$9,949
44 E&T Special Needs - SNAP Support Services			\$252	\$252	\$0	\$504
45 Work Activities Experience - EARN			\$0	\$23,503	\$0	\$23,503
46 PA Workwear			\$0	\$2,861	\$0	\$2,861
47 Rapid Rehousing Pilot			\$0	\$0	\$0	\$0
LIHEAP						
50 - Cash Program (single payment)	378,080	\$241.00	\$0	\$91,117	\$0	\$91,117
51 - Crisis Program (single payment)	122,355	\$419.00	\$0	\$51,267	\$0	\$51,267
52 - Heat and Eat Initiative			\$0	\$8,000	\$0	\$8,000
Subtotal Grants & Subsidies			\$20,606	\$427,522	\$0	\$448,128
NONEXPENSE						
58 Integration Project			\$0	\$1,000	\$0	\$1,000
59 Refugees and Persons Seeking Asylum			\$0	\$2,260	\$0	\$2,260
Subtotal Nonexpense			\$0	\$3,260	\$0	\$3,260
Subtotal			\$25,457	\$435,748	\$0	\$461,205
65 Budgetary Reserve/Excess Appropriation Authority			\$0	\$203,373	\$0	\$203,373
Total Requirement			\$25,457	\$639,121	\$0	\$664,578

Cash Grants
Monthly Average Number of Recipients
Fiscal Year 2016-2017 Governor's Executive Budget

Fiscal Year 2015-2016

	Total	TANF	SBP
July 2015	151,236	151,066 *	170 *
August	151,870	151,702 *	168 *
September	151,334	151,167 *	167 *
October	149,902	149,739 *	163 *
November	147,703	147,540 *	163 *
December	146,495	146,335 *	160 *
January 2016	147,372	147,206	166
February	147,573	147,407	166
March	147,773	147,608	165
April	147,974	147,809	165
May	148,174	148,010	164
June	148,374	148,210	164
Monthly Average	148,815	148,650	165
Change From FY 2014-2015	(11,675)	(11,661)	(14)
% Change		-7.27%	-7.82%

Fiscal Year 2016-2017

	Total	TANF	SBP
July 2015	148,199	148,037	162
August	148,026	147,865	161
September	147,854	147,694	160
October	147,683	147,525	158
November	147,513	147,356	157
December	147,344	147,188	156
January 2016	147,176	147,021	155
February	147,010	146,855	155
March	146,844	146,690	154
April	146,680	146,526	154
May	146,515	146,363	152
June	146,352	146,201	151
Monthly Average	147,266	147,110	156
Change From FY 2015-2016	158,941	(1,540)	(9)
% Change		-1.04%	-5.45%

CASH GRANTS

PROGRAM STATEMENT

The Cash Grants appropriation funds direct money payments and supportive services to eligible individuals enabling them to meet the expenses of everyday living. Cash Grants include Temporary Assistance for Needy Families (TANF) and State Blind Pension (SBP). The TANF program is funded by a Federal block grant, which the Department of Human Services (Department) supplements with State funds to meet federally mandated maintenance-of-effort requirements. The SBP is completely State-funded.

The following table shows the monthly average number of persons receiving cash grants by program since Fiscal Year 2013-2014:

	Actual Fiscal Year 2013-2014	Actual Fiscal Year 2014-2015	Estimated Fiscal Year 2015-2016	Estimated Fiscal Year 2016-2017
SBP	199	179	165	156
TANF	165,595	160,311	148,650	147,110
TOTAL	165,794	160,490	148,815	147,266

All TANF recipients meeting certain criteria are required to participate in work activities. A single parent with a child or children age six or over must participate for at least 30 hours per week. Single parents with a child or children under age six must participate for at least 20 hours per week. A two parent household not receiving child care must participate for a combined total of 35 hours per week and a two parent household receiving child care must participate for a combined total of 55 hours per week. All TANF adult recipients meeting certain criteria are required to participate in one or more of the following work activities: unsubsidized employment, subsidized private sector employment, subsidized public sector employment, work experience, on-the-job training, job search and job readiness assistance, community service programs, vocational education training, job skills training directly related to employment, education directly related to employment in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency, satisfactory attendance at a secondary school or in a course of study leading to a certificate of general equivalence in the case of a recipient who has not completed secondary school or received such a certificate, or the provision of child care services to an individual who is participating in a community service program.

ELECTRONIC BENEFITS TRANSFER

The Electronic Benefits Transfer (EBT) system is mandated by the Federal Food and Nutrition Service to provide debit card access to all Supplemental Nutrition Assistance Programs and most cash benefits through point-of-sale terminals and automatic teller machines at thousands of locations throughout the Commonwealth. This EBT method of benefit issuance is universally well received by clients and advocates alike. Services include: a centralized card issuance function augmenting County Assistance Office card production; a call-in Personal Identification Number selection capability; a browser-based system access application for EBT staff, clients and retailers; and data warehouse functionality. The EBT system has proven to be both an effective and efficient method of delivering benefits while providing improved documentation used for audit controls and fraud detection.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. E30.21, E30.23, E30.38

APPROPRIATION:
Supplemental Grants - Aged, Blind and Disabled

I. SUMMARY FINANCIAL DATA

	<u>2014-2015 Actual</u>	<u>2015-2016 Available</u>	<u>2016-2017 Budgeted</u>
State Funds	\$137,656	\$136,976	\$136,368
Federal Funds	\$0	\$0	\$0
Other Funds Total	\$0	\$0	\$0
Total	<u>\$137,656</u>	<u>\$136,976</u>	<u>\$136,368</u>

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$0
Federal Funds	\$0
Total	<u>\$0</u>

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Supplemental Grants - Aged, Blind and Disabled			
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$4,640	\$4,587	\$4,540	(\$47)	-1.02%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$4,640	\$4,587	\$4,540	(\$47)	-1.02%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$133,016	\$130,333	\$131,828	\$1,495	1.15%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$133,016	\$130,333	\$131,828	\$1,495	1.15%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$2,056	\$0	(\$2,056)	-100.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$2,056	\$0	(\$2,056)	-100.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$137,656	\$136,976	\$136,368	(\$608)	-0.44%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$137,656	\$136,976	\$136,368	(\$608)	-0.44%

APPROPRIATION:
Supplemental Grants - Aged, Blind and Disabled

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016 Estimated</u>
State Funds	\$5,383	\$3,387	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>2016-2017 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	0.00%	0.00%	0.00%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Budget is based on monthly projections of the number of persons who will receive supplemental grants in Fiscal Year 2016-2017 multiplied by the Commonwealth's supplemental cash payment supporting the basic Federal monthly grant payment.

Detail on the appropriation request is outlined in Section VI entitled "Explanation of Changes" on the next page.

Legislative Citations:

62 P.S. §§ 201, 206

Disbursement Criteria:

Payments to recipients are dispersed by the Department for all clients except those in the Domiciliary Care and Personal Care Homes programs. Those payments are made through the Social Security Administration.

VI. EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 Supplemental Grants - Aged, Blind and Disabled

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
OPERATING				
1. Reflects an overall decrease in administrative fees for payments issued by the Social Security Administration as a part of Federal monthly issuance. The percent of recipients using these fees to total recipients is greatly reduced. The actual fees per check are projected to increase from \$11.55 per check to \$11.56 per check effective October 1, 2015:	<u>(\$47)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$47)</u>
Subtotal Operating	(\$47)	\$0	\$0	(\$47)
GRANT & SUBSIDY				
1. Reflects an increase of 4,332 (from 377,284 to 381,616) in the monthly average number of recipients projected to utilize the program during Fiscal Year 2016-2017:	<u>\$1,495</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,495</u>
Subtotal Grant & Subsidy	\$1,495	\$0	\$0	\$1,495
BUDGETARY RESERVE				
1. Reflects Excess State funding in Fiscal Year 2015-2016:	<u>(\$2,056)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$2,056)</u>
Subtotal Budgetary Reserve	(\$2,056)	\$0	\$0	(\$2,056)
TOTAL	<u><u>(\$608)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>(\$608)</u></u>

**SUPPLEMENTAL GRANTS AGED, BLIND AND DISABLED
2016-2017 Governor's Recommended Request
(Amounts in Thousands)**

	2014-2015 Recipients	2015-2016 Recipients	2016-2017 Recipients	Change
July	383,102	* 375,655	* 380,091	4,436
August	382,420	* 377,219	* 380,469	3,250
September	384,459	* 378,787	* 380,269	1,482
October	380,918	* 375,341	* 382,162	6,821
November	382,337	* 377,439	* 382,542	5,103
December	381,217	* 376,952	382,923	5,971
January	378,293	* 377,140	382,885	5,745
February	370,911	* 377,357	382,847	5,490
March	381,847	* 377,574	382,809	5,235
April	380,145	* 377,791	380,903	3,112
May	378,452	* 377,980	380,765	2,785
June	380,160	* 378,169	380,727	2,559
Average Monthly	380,355	377,284	381,616	4,332

* Reflects Actuals

2015-2016 Available

<u>Mo. Avg. Recipients</u>	<u>Avg. Pay't.</u>	<u>Mo.</u>		
377,284	\$28.76	12	\$130,208	Base Program Cost
			\$324	Administration Fee \$11.55/check until Oct. 1, 2015
			\$974	Estimated Administration Fee \$11.56/check after Oct. 1, 2015
			\$125	Personal Care Home Program
			<u>\$3,289</u>	Supplemental Security Income In-House Issuances
			\$134,920	Total Program
			<u>\$136,976</u>	State Enacted
			(\$2,056)	Decrease from Enacted

2016-2017 Request

<u>Mo. Avg. Recipients</u>	<u>Avg. Pay't.</u>	<u>Mo.</u>		
381,616	\$28.76	12	\$131,703	Base Program Cost
			\$310	Administration Fee \$11.56/check until Oct. 1, 2016
			\$941	Estimated Administration Fee \$11.65/check after Oct. 1, 2016
			\$125	Personal Care Home Program
			<u>\$3,289</u>	Supplemental Security Income In-House Issuances
			\$136,368	Total Program
			<u>\$136,976</u>	State Enacted
			(\$608)	Change from 2015-2016 Available

SUPPLEMENTAL GRANTS – AGED, BLIND AND DISABLED

PROGRAM STATEMENT

The Social Security Administration established the Supplemental Security Income (SSI) Program in 1974 to provide support to aged, blind and disabled persons. The Federal government administers the SSI program and provides monthly grants of \$733 per individual and \$1,100 per couple (effective January 2015) while Pennsylvania augments these grants. The Commonwealth issues monthly supplementary payments (SSP) of \$22.10 per individual and a maximum of \$33.30 (\$16.65 per person) for couples. For an individual living with someone other than a spouse, and who does not pay a fair share of the household expenses such as food or rent, the maximum SSP is \$25.53 for an individual and \$38.44 for a couple in which both are eligible for SSI (\$19.22 per person). These benefit amounts were effective beginning February 2010.

	Actual Fiscal Year 2013-2014	Actual Fiscal Year 2014-2015	Estimated Fiscal Year 2015-2016	Estimated Fiscal Year 2016-2017
SSI	387,265	380,355	377,284	381,616

The Domiciliary Care Program, administered by the Department of Aging, provides an opportunity for SSI recipients age 18 and over who have functional limitations to live in homes approved by a State-certified placement agency as domiciliary care homes. The primary goal is to provide an appropriate level of care for disabled persons whose needs can be met in the community rather than in nursing homes or other institutional care facilities. The monthly State supplement for this program is \$434.30 for individuals and \$947.40 per couple.

The Personal Care Home Supplemental Program provides monthly grants to help meet the cost of personal care services for functionally disabled SSI recipients in personal care homes. The primary goals are to strengthen both informal and formal community support systems and decrease emphasis on the use of nursing homes and institutional care. The monthly State supplement for this program is \$439.30 for individuals and \$957.40 per couple.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A1.20, C1.9, E30.5, E30.9, E30.14-E30.16,
E30.36, E30.37, E30.38

APPROPRIATION:
Medical Assistance - Fee-for-Service

I. SUMMARY FINANCIAL DATA

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted
State Funds Total	\$564,772	\$392,918	\$489,972
State Sources Itemized			
<i>Medical Assistance - Fee-for-Service</i>	\$0	\$392,918 ¹	\$489,972
<i>Medical Assistance - Outpatient</i>	\$351,391	\$0	\$0
<i>Medical Assistance - Inpatient</i>	\$213,381	\$0	\$0
Federal Funds Total	\$1,780,240	\$2,061,904	\$1,873,560
Federal Sources Itemized			
<i>Medical Assistance - Fee-for-Service</i>	\$0	\$1,981,904	\$1,793,560
<i>Medical Assistance - Outpatient</i>	\$874,179	\$0	\$0
<i>Medical Assistance - Inpatient</i>	\$813,301	\$0	\$0
<i>ARRA - MA- Health Information Technology</i>	\$92,760	\$80,000	\$80,000
Other Funds Total	\$598,614	\$609,769	\$616,676
Other Fund Sources Itemized			
<i>Statewide Hospital Assessment</i>	\$395,302	\$469,517 ²	\$476,424 ³
<i>Hospital Assessment</i>	\$203,312	\$140,252	\$140,252
Total	\$2,943,626	\$3,064,591	\$2,980,208

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds Total	(\$35,117)
State Sources Itemized	
<i>Medical Assistance - Fee-for-Service</i>	(\$35,117)
Federal Funds Total	\$0
Total	(\$35,117)

¹ Reflects a recommended appropriation reduction of \$35.117 million. Appropriation Act 10-A of 2015 provided \$428.035 million for this program in Fiscal Year 2015-2016.

² The amount shown is more than the \$463.317 million shown in the Governor's Executive Budget to reflect an updated estimate of the Statewide Hospital Assessment for Fiscal Year 2015-2016.

³ The amount shown is more than the \$470.225 million shown in the Governor's Executive Budget to reflect an updated estimate of the Statewide Hospital Assessment for Fiscal Year 2016-2017.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Medical Assistance - Fee-for-Service			
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$16,603	\$18,339	\$18,339	\$0	0.00%
Federal Funds	\$24,463	\$28,252	\$28,252	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$41,066	\$46,591	\$46,591	\$0	0.00%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$548,169	\$374,579	\$471,633	\$97,054	25.91%
Federal Funds	\$1,641,552	\$1,558,125	\$1,730,058	\$171,933	11.03%
Other Funds	\$598,614	\$609,769	\$616,676	\$6,907	1.13%
Total Grant & Subsidy	\$2,788,335	\$2,542,473	\$2,818,367	\$275,894	10.85%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$114,225	\$88,290	\$115,250	\$26,960	30.54%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$114,225	\$88,290	\$115,250	\$26,960	30.54%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$387,237	\$0	(\$387,237)	-100.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$387,237	\$0	(\$387,237)	-100.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$564,772	\$392,918	\$489,972	\$97,054	24.70%
Federal Funds	\$1,780,240	\$2,061,904	\$1,873,560	(\$188,344)	-9.13%
Other Funds	\$598,614	\$609,769	\$616,676	\$6,907	1.13%
Total Funds	\$2,943,626	\$3,064,591	\$2,980,208	(\$84,383)	-2.75%

APPROPRIATION:
Medical Assistance - Fee-for-Service

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016 Estimated</u>
State Funds	\$799	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>2016-2017 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

Funding projections are derived from actuarial forecasting models developed on the basis of persons estimated to be eligible for Medical Assistance by recipient aid category, incidence of service utilization and cost per service by recipient aid category, and adjustments to service unit costs to reflect inflation and/or technical adjustments to reimbursements. Estimates also include impacts of changes in program policies, cash flow adjustments, estimates of refunds and contracts.

Detail on the appropriation request is outlined in Section VI entitled "Explanation of Changes" on the following pages.

Legislative Citations:

62 P.S. § 443.1 (1) and (4)

Disbursement Criteria:

The provider of service must be enrolled in the Medical Assistance program; the recipient of service must be deemed eligible for Medical Assistance benefits; and the service provided must be a covered Medical Assistance benefit. Reimbursement of covered services must be in accordance with promulgated fee schedules and rates of reimbursement. Payments are disbursed upon successful completion of prepayment screens and edits, and availability of funding.

VI. EXPLANATION OF CHANGES
(\$ Amounts in Thousands)

APPROPRIATION:
Medical Assistance - Fee-for-Service

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
OPERATING				
1. Contracted Services				
A. Provides for the continuation of contracts for claims validation and processing, case management, clinical consultants, maintenance of Interqual, revenue maximization and radiology management:	\$0	\$0	\$0	\$0
Subtotal Operating/Contracted Services	\$0	\$0	\$0	\$0
GRANT & SUBSIDY				
1. Unit Cost				
A. Provides for a projected increase of 4.51 percent in the average cost per claim for prescription drugs:	\$4,921	\$685	\$0	\$5,606
2. Utilization/Caseload				
A. Impact of changes in utilization and eligibility resulting from an anticipated 2.53 percent increase in Medical Assistance (MA) eligibility including the annualization of newly eligible clients under Medicaid Expansion:	\$20,110	\$96,980	\$0	\$117,090
B. Impact of the change in the enhanced Federal Medical Assistance Percentage (FMAP) from 100 percent to 95 percent, effective January 1, 2017:	\$5,016	(\$5,016)	\$0	\$0
3. Other PROMISe Program Expenditures				
A. Impact of nonrecurring Fiscal Year 2014-2015 payments made in Fiscal Year 2015-2016:	(\$3,320)	(\$3,558)	\$0	(\$6,878)
B. Net impact of changes in assessment related MA Dependency and Rehabilitation payments and revenue:	\$0	\$10,284	\$6,118	\$16,402
C. Impact of the loss of enhanced Federal funding associated with the Balancing Incentive Program which expired on September 30, 2015:	\$619	(\$619)	\$0	\$0
D. Impact of the Critical Access Hospitals and Obstetric and Neonatal Services disproportionate share hospital payments to be paid directly out of the Medical Assistance - Fee-for-Service appropriation beginning in Fiscal Year 2015-2016. The State portion of these payments will be funded by the Statewide Hospital Assessment:	\$0	\$0	\$0	\$0
Subtotal Other PROMISe Program Expenditures	(\$2,701)	\$6,107	\$6,118	\$9,524
4. Non-PROMISe Program Expenditures				
A. Provides for a projected increase in monthly Medicare Part A premium payments. The monthly rate is estimated to increase from an average rate of \$401.01 to an average rate of \$407.00; the number of average monthly premiums is expected to increase by 418 (from 29,070 to 29,488):	\$1,984	\$2,146	\$0	\$4,130

VI. EXPLANATION OF CHANGES

(\$ Amounts in Thousands)

APPROPRIATION:

Medical Assistance - Fee-for-Service

	State \$	Federal \$	Other \$	Total \$
B. Provides for a projected increase in monthly Medicare Part B premium payments. The monthly rate is estimated to increase from an average rate of \$117.50 to an average rate of \$127.89; the number of average monthly premiums is expected to increase by 5,251 (from 332,847 to 338,098):	\$23,808	\$25,754	\$0	\$49,562
C. Impact of the increase in the premium for the Medicare Part B payments for Qualifying Individuals (QI) who apply for MA under the Healthy Horizons Categorically Needy eligibility requirements:	\$0	\$3,700	\$0	\$3,700
D. Impact of the change in the Federal Medical Assistance Percentage (a decrease from 52.01 percent to 51.78 percent, effective October 1, 2016):	\$2,303	(\$2,303)	\$0	\$0
E. Administrative Cash/Flow Impacts				
1) Impact of the projected decrease in the transfer of expenditures to the MA for Workers with Disabilities program:	\$281	\$265	\$0	\$546
2) Impact of an estimated increase in Health Insurance Premium Payments (HIPP):	\$2,164	\$2,341	\$0	\$4,505
3) Provides for an increase in the expenditure adjustment to claim federal funding for recipients in Institutions for Mental Diseases:	(\$120)	\$120	\$0	\$0
4) Net impact of a rollback of funds from Fiscal Year 2015-2016 to Fiscal Year 2014-2015:	\$39,333	\$42,627	\$0	\$81,960
5) Impact of miscellaneous adjustments:	\$0	(\$891)	\$789	(\$102)
Subtotal Administrative Cash/Flow Impacts	\$41,658	\$44,462	\$789	\$86,909
F. Impact of the anticipated increases in provider recoveries and refunds:	(\$536)	(\$582)	\$0	(\$1,118)
Subtotal Non-PROMISe Program Expenditures	\$69,217	\$73,177	\$789	\$143,183

NONEXPENSE

1. Provides for an increase in the claims related to the Memorandum of Understanding with the Department of Education for reimbursement of Title XIX claims for School Based Health Services for MA eligible children:	\$0	\$26,960	\$0	\$26,960
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BUDGETARY RESERVE

1. Impact of excess Federal appropriation authority in Fiscal Year 2015-2016:	\$0	(\$387,237)	\$0	(\$387,237)
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VI. EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 Medical Assistance - Fee-for-Service

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
FISCAL YEAR 2016-2017 INITIATIVES				
GRANT & SUBSIDY				
1. Human Services Funding Restoration				
A. Provides funding to restore one-third of the cut to seven human services appropriations to offset Fiscal Year 2012-2013 funding cuts:				
	<u>\$491</u>	<u>\$0</u>	<u>\$0</u>	<u>\$491</u>
Operating Total	\$0	\$0	\$0	\$0
Grant & Subsidy Total	\$97,054	\$171,933	\$6,907	\$275,894
Nonexpense Total	\$0	\$26,960	\$0	\$26,960
Budgetary Reserve Total	<u>\$0</u>	<u>(\$387,237)</u>	<u>\$0</u>	<u>(\$387,237)</u>
GRAND TOTAL	<u><u>\$97,054</u></u>	<u><u>(\$188,344)</u></u>	<u><u>\$6,907</u></u>	<u><u>(\$84,383)</u></u>

Medical Assistance - Fee-for-Service
Fiscal Year 2016-2017 Governor's Executive Budget
Fiscal Year 2016-2017

	Total	Federal	State	Avg Monthly Eligibles	Avg \$ Per Eligible Per Month
<u>ADMINISTRATIVE/CASH FLOW IMPACTS</u>					
Medicare Part A Premium Payments	\$144,018,578	\$74,655,630	\$69,362,948	29,488	\$407.00
Medicare Part B Buy-In	\$518,891,055	\$268,980,151	\$249,910,904	338,098	\$127.89
Medicare Part B Buy-In - Special MA Eligibility Provisions	\$43,994,714	\$43,994,714	\$0		
HIPP Premium Payments	\$48,842,124	\$25,318,536	\$23,523,588		
Expenditures Transferred to MA for Workers with Disabilities	(\$13,357,577)	(\$6,923,995)	(\$6,433,582)		
Claim of Federal Funds for recipients in IMDs	\$0	\$11,127,709	(\$11,127,709)		
Project Access - Department of Education Administrative MOU					
- Subgrant reimbursement for LEA's of costs	\$23,986,066	\$23,986,066	\$0		
- Operational expense to PDE for admin. costs and contractor billing	\$2,266,000	\$2,266,000	\$0		
- Medical Assistance Expenditure Adjustment (Project Access/PDE)	\$0	\$28,861,459	(\$28,861,459)		
-Medicaid Cost Settlement (Fiscal Year 2015-2016)	\$13,968,039	\$13,968,039	\$0		
Select Plan for Women Family Planning Council Grants	\$1,500,000	\$0	\$1,500,000		
Act 152/D & A Treatment Services (Grant & Subsidies Item)	\$13,254,000	\$0	\$13,254,000		
Act 22 Inmate Reimbursement (Corrections MOU)	(\$10,387,679)	\$0	(\$10,387,679)		
Total Administrative Cash/Flow Impacts	\$786,975,320	\$486,234,309	\$300,741,011		
<u>OPERATING</u>					
Claim Validation and Recoupment	\$750,000	\$375,000	\$375,000		
Claims Processing and PROMiSe Contract Costs	\$10,316,464	\$7,776,117	\$2,540,347		
MMIS Reprourement	\$87,799	\$79,019	\$8,780		
TruCare License Fees	\$193,163	\$144,872	\$48,291		
Clinical Consultant	\$17,525,466	\$12,111,411	\$5,414,055		
Health Information Technology (State Funds Only)	\$2,404,460	\$0	\$2,404,460		
InterQual Criteria	\$626,642	\$313,321	\$313,321		
Legal Support/Rate Setting	\$600,000	\$300,000	\$300,000		
Medicaid Information Technology Architecture (MITA)	\$57,000	\$51,300	\$5,700		
Medical Review Team/SSI/Disability Advocacy Program (DAP)	\$1,849,900	\$924,950	\$924,950		
Pennsylvania Automated Cost Reporting System (PACRS)	\$67,000	\$33,500	\$33,500		
Revenue Maximization	\$1,433,962	\$0	\$1,433,962		
Program, Policy and Resource Review and Maximization (P2R2M)	\$659,443	\$0	\$659,443		
Medicare Eligibility Identification	\$1,000,000	\$500,000	\$500,000		
Preferred Drug List	\$1,787,496	\$893,748	\$893,748		
Provider Prior Authorization Portal (Clear Coverage)	\$250,000	\$125,000	\$125,000		
TPL Data Exchange	\$2,000,000	\$1,000,000	\$1,000,000		
Health Policy Research Grants	\$2,000,000	\$1,000,000	\$1,000,000		
Enrollment Revalidation Support	\$450,000	\$225,000	\$225,000		
Independent Examination Cost	\$266,000	\$133,000	\$133,000		
Total Operating	\$44,324,795	\$25,986,238	\$18,338,557		
<u>MANDATED FEDERAL/OTHER REQUIREMENTS</u>					
Refunds	(\$18,374,268)	(\$9,524,761)	(\$8,849,507)		
Third Party Liability Recoveries	(\$62,563,338)	(\$32,431,270)	(\$30,132,068)		
Provider Recoveries / Provider Refunds	(\$18,575,909)	(\$9,629,287)	(\$8,946,622)		
Pharmaceutical Company Rebates	(\$37,915,092)	(\$19,653,558)	(\$18,261,534)		
Total Mandated Federal/Other Requirements	(\$137,428,607)	(\$71,238,876)	(\$66,189,731)		
<u>FISCAL YEAR 2015-2016 INITIATIVES/PRRs</u>					
Initiative--Human Services Funding Restoration	\$491,000	\$0	\$491,000		
Subtotal Fiscal Year 2015-2016 Initiatives/PRRs	\$491,000	\$0	\$491,000		
<u>FISCAL YEAR 2016-2017 INITIATIVES/PRRs</u>					
Initiative--Human Services Funding Restoration	\$491,000	\$0	\$491,000		
Subtotal Fiscal Year 2016-2017 Initiatives/PRRs	\$491,000	\$0	\$491,000		
FY 2016-2017 Cash Requirement	\$2,980,208,164	\$1,873,560,026	\$1,106,648,138		
Statewide Hospital Assessment	\$476,424,143	\$0	\$476,424,143		
Hospital Assessment (Philadelphia)	\$140,251,710	\$0	\$140,251,710		
Total FY 2016-2017 Program Requirement	\$2,363,532,311	\$1,873,560,026	\$489,972,285		
Medical Assistance Federal		\$1,793,560,026			
ARRA HIT Federal		\$80,000,000			

MEDICAL ASSISTANCE – FEE-FOR-SERVICE

PROGRAM STATEMENT

This appropriation funds all services provided to Medical Assistance (MA) recipients, including primary health care, preventive services, and essential care in an inpatient and outpatient setting when the recipient or service is not covered in Managed Care. The MA program covers a wide array of service providers including physicians, acute care hospitals, pharmacies, dentists, psychiatric and rehabilitation units of acute care hospitals, outpatient departments/clinics, private psychiatric hospitals, rehabilitation hospitals, residential treatment facilities, certified registered nurse practitioners, certified nurse midwives, independent medical clinics, federally qualified health centers, rural health clinics, drug and alcohol, psychiatric and family planning clinics, home health agencies and medical and equipment suppliers. Currently, there are 230 private inpatient hospitals and 72 certified residential treatment facilities in-state that participate in the MA program. There are over 90,000 individual providers enrolled in MA.

CHILDREN'S HEALTH CARE

Access to comprehensive health care and early intervention services for children has been shown to be effective medically, economically and socially over the long term. The Early Periodic Screening, Diagnosis and Treatment (EPSDT) program, which supports prevention, early intervention and treatment, is available to all MA recipients under the age of 21. Following the Omnibus Budget Reconciliation Act of 1989, the EPSDT provisions of the Federal Medicaid statute and associated regulations have required all states to provide MA eligible persons under 21 years of age scheduled, periodic preventive screenings including vision, dental and hearing screens, as well as all medically necessary health care services, even if the benefits are not specifically identified as covered under the State's Medicaid State Plan.

PRIOR AUTHORIZATION AND UTILIZATION REVIEW

Through its Prior Authorization and Utilization Review (UR) processes, the Department reviews the medical necessity and compensability of advanced radiology diagnostic services, home health, durable medical equipment, select pharmacy and dental services, shift nursing, hospital admissions and continued stays of MA recipients in acute care general hospitals, specialty hospitals and units, short procedure units, ambulatory surgical centers and residential treatment facilities for children and adolescents under the age of 21. Admissions must be certified through the UR program in order to be eligible for payment. Payments are denied if care requested is inappropriate, unnecessary or non-compensable. In addition to the money saved through admission denials, significant costs are avoided by the sentinel effect of this utilization review program.

INPATIENT HOSPITAL RETROSPECTIVE REVIEW PROCESS

The Bureau of Program Integrity (BPI) is responsible for detecting, deterring and correcting provider noncompliance and potential fraud and abuse by providers of MA services. BPI applies administrative sanctions and refers cases of potential fraud to the appropriate enforcement agency. This responsibility includes evaluating services rendered via paid claims history reviews, sampling reviews of medical and fiscal records, and on-site visits to facilities to interview staff regarding medical record and billing practices.

PHARMACY PROGRAM MANAGEMENT

By the early 2000's, MA program expenditures for pharmacy services had risen faster than any other single service expenditure. Costs related to prescription drugs comprised an average of 25 percent of total MA expenditures. The Department responded to this unprecedented escalation in costs by implementing the following program changes in payment and utilization management that resulted in significant cost savings without compromising access, while actually enhancing quality:

- Established a Pharmacy Division in the Bureau of Fee-for-Service (FFS) programs centralizing responsibility for pharmacy program development and operations
- Updated the pricing methodology for pharmacy claims
- Appointed a Pharmacy and Therapeutics Committee
- Revamped the structure of the Drug Utilization Review Board
- Developed a Preferred Drug List
- Collected supplemental rebates
- Collected market share rebates for diabetic supplies
- Maximized Federal rebate collection
- Required clinical prior authorization for consumer health and safety
- Established quantity limits and dose optimization, and limits on early refills
- Implemented a DHS pharmacy call center
- Automated prior authorization
- Implemented the first State Medicaid Specialty Pharmacy Drug Program in the nation
- Re-designed the Retrospective Drug Utilization Review program
- Implemented the Managed Care Organization Federal Drug Rebates

With the expansion of HealthChoices (the physical health mandatory managed care program) to all 67 counties, the Pharmacy Division will focus on administrative oversight of pharmacy services in managed care to maximize Federal drug rebates and ensure access to quality pharmacy services. In FFS, the focus will continue on maintaining access to quality pharmacy services.

ACUTE CARE GENERAL HOSPITAL PROSPECTIVE PAYMENT SYSTEM/STATEWIDE QUALITY CARE ASSESSMENT

Within the FFS program, the Department pays for inpatient hospital services provided by acute care general hospitals using a prospective payment system utilizing All Patients Refined Diagnosis Related Group (APR-DRG) software. The calculation of hospital-specific APR-DRG base rates is based upon a statewide average cost which is adjusted to account for a hospital's regional labor costs, teaching status, capital, and MA patient levels. The prospective payment rate for each recipient discharged from the hospital is established by multiplying the relative value of the APR-DRG into which the patient has been classified by the hospital-specific payment rate. Special payment provisions for transfers, readmissions, high-cost outliers, low-cost outliers and services in non-distinct part psychiatric and drug and alcohol units may also apply.

The Department received CMS approval of the State Plan Amendments which authorized the Statewide Quality Care Assessment for inpatient hospitals. The revenue that is generated from the Statewide Quality Care Assessment, along with the related Federal matching funds, has enabled the Department to update and improve its inpatient acute care hospital reimbursement system. Since Fiscal Year 2011-2012, the assessment percentage has been 3.22 percent of an eligible hospital's net inpatient revenue. The Statewide Quality Care Assessment has been reauthorized for three years beginning July 1, 2015. The assessment percentage for Fiscal Year 2015-2016 is 3.71%.

PHILADELPHIA HOSPITAL ASSESSMENT

The Philadelphia Hospital Assessment is a local healthcare related provider assessment that is imposed by the City of Philadelphia on general acute care hospitals located within the City of Philadelphia. This assessment was initially authorized by CMS beginning January 1, 2009; it was subsequently reauthorized through June 30, 2016. An additional reauthorization would be needed to continue the assessment into Fiscal Year 2016 - 2017. The assessment rate is 3.45 percent of a hospital's net inpatient revenue for high-volume Medicaid hospitals and 3.93 percent for non-high volume Medicaid hospitals. A portion of the revenue from the assessment is used to fund payments designed to ensure access to emergency and outpatient services for MA recipients in the City of Philadelphia. The funds generated from the assessment are used by the Commonwealth to assist in funding the Medicaid program.

DISPROPORTIONATE SHARE

For acute care general hospitals, rehabilitation facilities and psychiatric hospitals, eligibility for disproportionate share payments is based on the minimum Federal requirements. Three additional State-defined eligibility provisions for general acute care hospitals encompass a rural sole community hospital method, a volume method and a high MA for the county method. Hospitals are ranked based on their individual Medicaid utilization. There is a separate ranking for rural hospitals. Each qualifying hospital receives a pro-rated share of an agreed upon aggregate amount based on the hospital's weighted disproportionate share percentage applied to the hospital's projected MA revenue. The disproportionate share payment calculation takes into consideration both the FFS and managed care utilization incurred by the facility. A similar ranking and payment calculation process is followed for rehabilitation and psychiatric providers. Federal matching funds are available for this program.

PROVIDER ENROLLMENT AND SCREENING

The FFS Program enrolls and manages a network of over 90,000 individual providers and 230 hospitals. The number of providers is steadily increasing. In recent years, many Federal mandates have emerged that are provider-enrollment centric in nature. Most of the mandates incur additional enrollment actions, checks and indicators. In 2010, the Provider Enrollment and Screening Requirements of the Affordable Care Act imposed full database checks for provider board members, collection of an application fee, revalidation/re-enrollment/re-application of all provider service locations, site visits, enrollment of all ordering, referring and prescribing providers, and more. Many of these requirements required system changes that were implemented in Fiscal Year 2015-2016.

PREVENTING FRAUD AND ABUSE

The Department is committed to protecting the integrity of the MA Program from abuse and waste, ensuring that recipients receive quality medical services and that those recipients do not abuse their medical benefits.

BPI identifies and investigates fraud, abuse and wasteful practices conducted against the MA Program. Among other things, BPI reviews pharmacy services, inpatient/outpatient behavioral health services, physical health services (e.g., physicians, chiropractors, dentists, home health, hospice, durable medical equipment) and inpatient/outpatient hospital services. Cases of suspected provider fraud are referred to the Office of Attorney General's Medicaid Fraud Control Section and cases of suspected recipient fraud are referred to the Pennsylvania Office of Inspector General or the Attorney General's Drug Diversion Unit. The Recipient Restriction/Centralized Lock-In Program is also managed by BPI. Under this program, recipients who are identified as overusing or misusing MA are restricted to obtaining services from a single provider of the recipient's choice.

THIRD PARTY LIABILITY

As a condition of receiving MA benefits, recipients are required to allow the Department to seek payment from available third party healthcare resources on their behalf. All other third party resources must be used before MA dollars are spent. These resources, such as health and casualty insurance and Medicare, are an important means of keeping MA costs as low as possible. Approximately 43 percent of recipients have third party resources that can be used to cover at least some of their health care costs. Over 26 percent have commercial insurance and over 17 percent have Medicare coverage.

FISCAL YEAR 2016-2017 INITIATIVE – HUMAN SERVICES FUNDING RESTORATION

The Fiscal Year 2016-2017 “Human Services Funding Restoration” initiative will restore an additional one-third of the 10 percent reduction initially made to county programs during Fiscal Year 2012-2013 when the Human Services Block Grant was established. This represents the second year in the effort to fully restore the 10 percent cut over a three-year period. The Governor’s Executive Budget for Fiscal Year 2016-2017 includes a total of \$0.491 million in State funds in the Medical Assistance - Fee-for-Services appropriation.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. C1.9, D36, E30.5, E30.9, E30.14, E30.16,
E30.36, E30.37

APPROPRIATION:
Medical Assistance - Capitation

I. SUMMARY FINANCIAL DATA

	<u>2014-2015</u> Actual	<u>2015-2016</u> Available	<u>2016-2017</u> Budgeted
State Funds	\$3,823,434	\$3,907,202 ¹	\$4,086,032
Federal Funds Total	\$8,143,585	\$9,049,328	\$10,370,857
Federal Sources Itemized			
<i>Medical Assistance - Capitation</i>	\$6,115,288	\$9,049,328	\$10,370,857
<i>Healthy PA</i>	\$2,028,297	\$0	\$0
Other Funds Total	\$1,017,373	\$1,115,600	\$1,295,643
Other Fund Sources Itemized			
<i>Medicaid Managed Care Gross Receipt Tax</i>	\$761,704	\$860,118	\$111,927 ²
<i>MA - MCO Assessment</i>	\$0	\$0	\$918,840
<i>Statewide Quality Care Assessment</i>	\$255,669	\$255,482	\$264,876
Total	\$12,984,392	\$14,072,130	\$15,752,532

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds Total	\$1,947,601
State Sources Itemized	
<i>Medical Assistance - Capitation</i>	\$1,947,601
Federal Funds Total	\$0
Federal Sources Itemized	
<i>Medical Assistance - Capitation</i>	\$0
Total	\$1,947,601

¹ Reflects a recommended supplemental appropriation of \$1,947.601 million. Appropriation Act 10-A of 2015 provided \$1,959.601 million for this program in Fiscal Year 2015-2016.

² The amount shown is more than the \$70.000 million shown in the Governor's Executive Budget to reflect an updated estimate of assessment revenue for Fiscal Year 2016-2017.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Medical Assistance - Capitation			
		2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$28,676	\$32,172	\$34,984	\$2,812	8.74%
Federal Funds	\$53,343	\$53,103	\$48,207	(\$4,896)	-9.22%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$82,019	\$85,275	\$83,191	(\$2,084)	-2.44%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$3,792,317	\$3,865,264	\$4,041,282	\$176,018	4.55%
Federal Funds	\$8,015,711	\$8,416,613	\$10,248,806	\$1,832,193	21.77%
Other Funds	\$1,017,373	\$1,115,600	\$1,295,643	\$180,043	16.14%
Total Grant & Subsidy	\$12,825,401	\$13,397,477	\$15,585,731	\$2,188,254	16.33%
NONEXPENSE					
State Funds	\$2,441	\$9,766	\$9,766	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$2,441	\$9,766	\$9,766	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$74,531	\$579,612	\$73,844	(\$505,768)	-87.26%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$74,531	\$579,612	\$73,844	(\$505,768)	-87.26%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$3,823,434	\$3,907,202	\$4,086,032	\$178,830	4.58%
Federal Funds	\$8,143,585	\$9,049,328	\$10,370,857	\$1,321,529	14.60%
Other Funds	\$1,017,373	\$1,115,600	\$1,295,643	\$180,043	16.14%
Total Funds	\$12,984,392	\$14,072,130	\$15,752,532	\$1,680,402	11.94%

APPROPRIATION:
Medical Assistance - Capitation

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016 Estimated</u>
State Funds	\$1,422	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>2016-2017 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

Funding projections are derived from actuarial forecasting models developed on the basis of persons estimated to be eligible for Medical Assistance by recipient aid category and monthly managed care per capita rates adjusted to reflect inflation and/or technical adjustments to reimbursements. Estimates also include impacts of changes in program policies, cash flow adjustments and contracts.

Detail on the appropriation request is outlined in Section VI entitled "Explanation of Changes" on the following pages.

Legislative Citations:

62 P.S. § 443.5

Disbursement Criteria:

The capitation Managed Care Organization (MCO) must be a Medical Assistance Program contractor; the recipient of the services must be deemed eligible for Medical Assistance benefits, and must be enrolled in the capitation MCO; and the billed monthly premium must be in accordance with the negotiated rate. Payments are disbursed upon successful completion of pre-payment reviews and availability of funding.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Medical Assistance - Capitation			
	State \$	Federal \$	Other \$	Total \$
OPERATING				
1. Reflects a decrease in the Maximus enrollment broker contract to provide assistance to new and existing enrollees in selecting and changing their Managed Care Organization (MCO):	(150)	(150)	\$0	(\$300)
2. Reflects a decrease in the contract with Hewlett-Packard Enterprise Services as a result of costs relating to non-recurring projects in Fiscal Year 2015-2016 not anticipated to continue in Fiscal Year 2016-2017:	(930)	(\$4,046)	\$0	(\$4,976)
3. Reflects a decrease in the Physical Health and Behavioral Health actuarial contracts with Mercer:	(495)	(495)	\$0	(\$990)
4. Provides for an increase in technical assistance contracts with Deloitte for Behavioral Health and Physical Health:	\$130	\$120	\$0	\$250
5. Provides for an increase in contracts with Health Management Systems, Inc. relating to Third Party Liability (TPL) Data Exchange:	\$400	\$400	\$0	\$800
6. Provides for an increase in contracted clinical consultant services with InGenesis, Inc. and MHM Solutions, Inc.:	\$271	\$263	\$0	\$534
7. Reflects the decrease in contracts with Deloitte for Medicaid Management Information Systems (MMIS) Reprourement based on revised estimates:	(\$3)	(\$25)	\$0	(\$28)
8. Provides for an increase in contracts for the Medicaid Outreach program:	\$650	\$650	\$0	\$1,300
9. Provides for a contract with Sellers Dorsey to provide technical assistance related to the managed care assessment proposal:	\$3,977	\$0	\$0	\$3,977
10. Reflects non-recurring operating costs relating to the implementation of several Affordable Care Act (ACA) provisions:	<u>(\$1,038)</u>	<u>(\$1,613)</u>	<u>\$0</u>	<u>(\$2,651)</u>
Subtotal Operating	\$2,812	(\$4,896)	\$0	(\$2,084)

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Medical Assistance - Capitation			
	State \$	Federal \$	Other \$	Total \$
GRANT & SUBSIDY				
1. Physical Health Program				
A. Provides for the annualization of a rate increase effective January 1, 2016, in addition to a proposed rate increase effective January 1, 2017:	\$58,928	\$364,493	\$0	\$423,421
B. Provides for projected enrollment increases in Fiscal Year 2016-2017:	\$156,474	\$953,571	\$0	\$1,110,045
2. Behavioral Health Program				
A. Provides for the net change in rates offset by the removal of the Gross Receipts Tax adjustment:	(\$7,637)	(\$124,105)	\$0	(\$131,742)
B. Provides for projected enrollment increases in Fiscal Year 2016-2017:	\$14,022	\$227,883	\$0	\$241,905
3. Maternity Care				
A. Provides for a projected increase in the average per capita rate from \$9,130.53 in Fiscal Year 2015-2016 to \$9,138.83 in Fiscal Year 2016-2017:	\$887	\$952	\$0	\$1,839
B. Provides for an increase in projected utilization from 51,543 in Fiscal Year 2015-2016 to 51,716 in Fiscal Year 2016-2017:	\$762	\$818	\$0	\$1,580
Subtotal Physical Health, Behavioral Health and Maternity Care Cost and Utilization	\$223,436	\$1,423,612	\$0	\$1,647,048
OTHER PROVIDER PAYMENTS				
1. Reflects a reduction in the collection of unexpended Behavioral Health reinvestment funds:	\$6,028	\$13,169	\$0	\$19,197
2. Provides for an increase in the Physician and MCO Pay-for-Performance (P4P) program funding as a result of more providers and MCOs exceeding Health Effectiveness Data and Information Set (HEDIS) performance measures:	\$4,944	\$5,574	\$0	\$10,518
3. Impact of increased Health Insurance Provider Fee reimbursements for Behavioral Health and Physical Health as required by contractual agreements with the MCOs:	\$1,230	\$1,302	\$0	\$2,532

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Medical Assistance - Capitation			
	State \$	Federal \$	Other \$	Total \$
4. Impact of decreased risk corridor payments to Behavioral Health and Physical Health MCOs:	<u>(\$4,390)</u>	<u>(\$6,210)</u>	<u>\$0</u>	<u>(\$10,600)</u>
Subtotal Other Provider Payments	\$7,812	\$13,835	\$0	\$21,647
ADMINISTRATIVE/CASH FLOW IMPACTS				
1. Provides for a projected increase in the transfer to the Medical Assistance for Workers with Disabilities program:	(\$3,869)	(\$4,187)	\$0	(\$8,056)
2. Provides for projected increases in pharmacy rebates in Fiscal Year 2016-2017 due to increased drug costs and utilization:	(\$11,220)	(\$8,817)	\$0	(\$20,037)
3. Impact of the one-time recovery of ACA Primary Care Physician Fee Increases in Fiscal Year 2015-2016 not anticipated in Fiscal Year 2016-2017:	\$3,033	\$102,869	\$0	\$105,902
4. Impact of non-recurring Fiscal Year 2015-2016 Behavioral Health rate adjustments primarily due to the conversion from Healthy PA to Medicaid Expansion:	(\$5,202)	(\$7,375)	\$0	(\$12,577)
5. Annualized impact of a program beginning January 1, 2016 that will transition individuals from forensic units at state hospitals into community placements:	\$1,339	\$1,451	\$0	\$2,790
6. Net impact of a non-recurring rollback of expenditures from Fiscal Year 2015-2016 to Fiscal Year 2014-2015:	\$61,306	\$66,382	\$0	\$127,688
7. Impact of an application for a new Federal Children's Health Insurance Program (CHIP) grant in Fiscal Year 2016-2017:	\$0	\$1,000	\$0	\$1,000
8. Savings from increased Federal funds for Fiscal Year 2015-2016 applicable to additional populations according to CMS guidance:	(\$28,783)	\$28,783	\$0	\$0
9. Savings from increased Federal funds for Fiscal Year 2016-2017 applicable to additional populations according to CMS guidance:	(\$65,556)	\$65,556	\$0	\$0
10. Reflects the net impact of the discontinuation of Gross Receipts Tax related managed care payments and recoupments effective December 31, 2016:	(\$244,851)	(\$402,832)	\$0	(\$647,683)

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Medical Assistance - Capitation			
	State \$	Federal \$	Other \$	Total \$
11. Impact of assessment payments related to the new MCO assessment effective July 1, 2016:	\$318,840	\$572,882	\$0	\$891,722
12. Impact of implementing the MCO assessment:	(\$918,839)	\$0	\$918,839	\$0
13. Impact of an increase in Statewide Quality Care Assessment Revenue:	(\$9,394)	\$0	\$9,394	\$0
14. Impact of phasing out the Gross Receipts Tax payments relating to MCO actual receipts:	\$748,190	\$0	(\$748,190)	\$0
15. Impact of the change in the Federal Medical Assistance Percentage (a decrease from 52.01 percent to 51.78 percent, effective October 1, 2016). Full-year blended rate decreases from 51.9625 percent to 51.8375 percent:	\$6,702	(\$6,702)	\$0	\$0
16. Impact of the change in the Federal Medical Assistance Percentage for recipients paid at an enhanced rate as per the Affordable Care Act (a decrease from 100 percent to 95 percent effective January 1, 2017):	\$55,173	(\$55,173)	\$0	\$0
Subtotal Administrative/Cash Flow Impacts	(\$93,131)	\$353,837	\$180,043	\$440,749
BUDGETARY RESERVE				
1. Impact of excess Federal appropriation authority in Fiscal Year 2015-2016 and Fiscal Year 2016-2017:	\$0	(\$505,768)	\$0	(\$505,768)
FISCAL YEAR 2016-2017 INITIATIVES				
1. Express Lane Eligibility				
A. Provides funding to support a strategy that uses income and household information gathered through the eligibility process from other child-serving, means-tested programs to confer eligibility for Medicaid or CHIP for uninsured children:				
	\$21,240	\$22,860	\$0	\$44,100
2. Combatting the Heroin Epidemic				
A. Provides funding for 50 Substance Use Disorder Health Homes for Medication Assisted methadone and Suboxone providers, 25 of which will be implemented in the managed care program:				
	\$16,661	\$18,049	\$0	\$34,710
Subtotal Fiscal Year 2016-2017 Initiatives	\$37,901	\$40,909	\$0	\$78,810

VI. EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 Medical Assistance - Capitation

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
Total Operating	\$2,812	(\$4,896)	\$0	(\$2,084)
Total Grant and Subsidy	\$176,018	\$1,832,193	\$180,043	\$2,188,254
Total Budgetary Reserve	<u>\$0</u>	<u>(\$505,768)</u>	<u>\$0</u>	<u>(\$505,768)</u>
GRAND TOTAL	<u><u>\$178,830</u></u>	<u><u>\$1,321,529</u></u>	<u><u>\$180,043</u></u>	<u><u>\$1,680,402</u></u>

Capitation
Fiscal Year 2016-2017 Governor's Executive Budget
Fiscal Year 2015-2016

Month of Payment	Total	Federal	State	Total Enrollment	Average Per Capita
<u>PHYSICAL HEALTH</u>					
July 2015	\$2,247,278,536	\$1,329,234,901	\$918,043,635	4,778,242	\$470.31
August	\$940,011,807	\$608,128,411	\$331,883,396	1,972,784	\$476.49
September	\$813,142,716	\$485,499,664	\$327,643,052	1,995,139	\$407.56
October	\$935,421,422	\$609,026,643	\$326,394,779	1,962,663	\$476.61
November	\$943,904,317	\$619,721,151	\$324,183,166	2,114,516	\$446.39
December	\$918,015,777	\$595,451,272	\$322,564,505	2,054,091	\$446.92
January 2016	\$787,114,478	\$469,235,163	\$317,879,315	2,070,156	\$380.22
February	\$988,832,565	\$640,688,544	\$348,144,021	2,089,735	\$473.19
March	\$995,667,836	\$648,522,274	\$347,145,562	2,106,590	\$472.64
April	\$998,528,167	\$651,896,130	\$346,632,037	2,116,060	\$471.88
May	\$211,688,898	\$139,312,965	\$72,375,933	535,383	\$395.40
Subtotal Physical Health	\$10,779,606,519	\$6,796,717,118	\$3,982,889,401	23,795,359	\$453.01
<u>BEHAVIORAL HEALTH</u>					
July 2015	\$674,580,307	\$383,799,943	\$290,780,364	5,453,118	\$123.71
August	\$262,605,747	\$157,748,299	\$104,857,448	2,217,654	\$118.42
September	\$260,337,935	\$153,792,656	\$106,545,279	2,304,966	\$112.95
October	\$263,525,836	\$157,475,299	\$106,050,537	2,342,611	\$112.49
November	\$263,954,750	\$157,661,029	\$106,293,721	2,376,950	\$111.05
December	\$264,018,490	\$157,794,509	\$106,223,981	2,383,192	\$110.78
January 2016	\$275,380,724	\$168,063,529	\$107,317,195	2,433,163	\$113.18
February	\$275,204,139	\$167,971,687	\$107,232,452	2,436,418	\$112.95
March	\$276,112,041	\$168,882,268	\$107,229,773	2,453,820	\$112.52
April	\$275,954,684	\$168,800,427	\$107,154,257	2,457,295	\$112.30
May	\$50,513,231	\$30,338,551	\$20,174,680	501,475	\$100.73
June	\$50,437,421	\$30,299,124	\$20,138,297	501,734	\$100.53
Subtotal Behavioral Health	\$3,192,625,305	\$1,902,627,321	\$1,289,997,984	27,862,396	\$114.59
<u>MATERNITY</u>					
July 2015	\$30,557,290	\$15,989,995	\$14,567,295	3,368	\$9,072.83
August	\$38,348,630	\$20,352,904	\$17,995,726	4,339	\$8,838.13
September	\$32,837,770	\$17,528,237	\$15,309,533	3,672	\$8,942.75
October	\$41,013,682	\$22,502,163	\$18,511,519	4,413	\$9,293.83
November	\$45,134,949	\$24,307,094	\$20,827,855	4,951	\$9,116.33
December	\$40,269,206	\$20,944,015	\$19,325,191	4,430	\$9,090.11
January 2016	\$41,196,171	\$21,426,129	\$19,770,042	4,527	\$9,100.10
February	\$39,206,181	\$20,391,135	\$18,815,046	4,307	\$9,102.90
March	\$40,738,212	\$21,187,944	\$19,550,268	4,481	\$9,091.32
April	\$41,422,593	\$21,543,891	\$19,878,702	4,452	\$9,304.27
May	\$38,449,413	\$19,997,540	\$18,451,873	4,147	\$9,271.62
June	\$41,440,777	\$21,553,348	\$19,887,429	4,456	\$9,299.99
Subtotal Maternity	\$470,614,874	\$247,724,395	\$222,890,479	51,543	\$9,130.53

Capitation
Fiscal Year 2016-2017 Governor's Executive Budget
Fiscal Year 2015-2016

	Total	Federal	State
<u>OTHER PROVIDER PAYMENTS</u>			
PH Rate Adjustments - Home Nursing Risk Sharing	\$43,281,276	\$27,145,189	\$16,136,087
BH Reinvestment Sharing	(\$24,197,633)	(\$16,599,372)	(\$7,598,261)
GRT Advance	\$660,829,608	\$409,914,459	\$250,915,149
GRT Recoupment	(\$594,557,019)	(\$320,301,123)	(\$274,255,896)
PH MCO Pay-for-Performance Program (P4P)	\$47,692,707	\$23,841,303	\$23,851,404
Physician Pay-for-Performance Program (P4P)	\$23,962,493	\$15,028,818	\$8,933,675
Health Insurance Provider Fee PH & BH	\$178,968,062	\$91,995,972	\$86,972,090
Risk Corridor PH	\$17,271,885	\$9,094,613	\$8,177,272
Risk Corridor BH	\$11,327,854	\$11,327,854	\$0
Subtotal Other Provider Payments	\$364,579,233	\$251,447,713	\$113,131,520
TOTAL PROVIDER PAYMENTS	\$14,807,425,931	\$9,198,516,547	\$5,608,909,384
<u>ADMINISTRATIVE/CASH FLOW IMPACTS</u>			
Expenditure Adj for Workers with Disabilities	(\$257,054,253)	(\$133,603,202)	(\$123,451,051)
Expenditure Adj for Family Planning Svcs (4/15-3/16)	\$0	\$22,195,243	(\$22,195,243)
Third Party Liability Recoveries	(\$28,432,713)	(\$14,774,348)	(\$13,658,365)
Pharmacy Rebates	(\$888,659,662)	(\$461,769,777)	(\$426,889,885)
Quarterly Rebate Offset Amount (QROA)	(\$54,735,703)	(\$54,735,703)	\$0
Transfer to Physician Practice Plans	(\$25,063,067)	(\$12,992,067)	(\$12,071,000)
ACA Primary Care Physician Fee	(\$105,902,322)	(\$102,902,322)	(\$3,000,000)
Mid Year Adjustments (BH)	\$10,000,000	\$5,201,000	\$4,799,000
State Hospital CHIPPs	\$9,720,000	\$5,055,372	\$4,664,628
Jail Diversion Program	\$25,000,000	\$13,002,500	\$11,997,500
Department of Justice Settlement	\$9,765,598	\$0	\$9,765,598
Phase 0 Rate Adjustments	\$12,577,149	\$7,375,082	\$5,202,067
Care Management Program	\$17,500,000	\$10,975,666	\$6,524,334
Hospital Bed Transitions	\$2,790,000	\$1,451,079	\$1,338,921
Rollback of Expenditures to Fiscal Year 2014-2015	(\$127,687,463)	(\$66,381,888)	(\$61,305,575)
Subtotal Administrative/Cash Flow Impacts	(\$1,400,182,436)	(\$781,903,365)	(\$618,279,071)
<u>CONTRACTS</u>			
External Quality Review	\$2,000,000	\$1,500,000	\$500,000
Enrollment Assistance Program	\$16,300,000	\$8,150,000	\$8,150,000
Contracted Legal Support	\$600,000	\$0	\$600,000
Claims Processing and PROMISE contract costs	\$38,757,766	\$28,969,985	\$9,787,781
MITA	\$240,000	\$216,000	\$24,000
Actuarial Contract (PH and BH)	\$11,850,000	\$5,925,000	\$5,925,000
Technical Assistance Contract (PH)	\$3,937,984	\$1,902,046	\$2,035,938
Technical Assistance Contract (BH)	\$1,816,569	\$871,953	\$944,616
TPL Data Exchange	\$2,000,000	\$1,000,000	\$1,000,000
Clinical Consultants	\$1,471,710	\$837,310	\$634,400
MMIS Reprocurement	\$369,680	\$332,712	\$36,968
Dell Marketing LP Casenet Case Management	\$579,488	\$434,616	\$144,872
Medicaid Outreach	\$2,700,000	\$1,350,000	\$1,350,000
Subtotal Operating	\$82,623,197	\$51,489,622	\$31,133,575
<u>FISCAL YEAR 2014-2015 PRRs / INITIATIVES</u>			
ACA and Medicaid Expansion Administration - Operating Cost	\$2,651,000	\$1,613,000	\$1,038,000
Uncommitted Federal	\$579,612,196	\$579,612,196	\$0
FY 2015-2016 Cash Requirement Before Adjustments	\$14,072,129,888	\$9,049,328,000	\$5,022,801,888
LESS Other Revenue:			
Quality Care Assessment Revenue	\$255,482,020	\$0	\$255,482,020
Statewide MCO Gross Receipts Tax Assessment	\$860,117,868	\$0	\$860,117,868
Total FY 2015-2016 Program Requirement	\$12,956,530,000	\$9,049,328,000	\$3,907,202,000
Act 10-A of 2015		\$9,049,328,000	\$1,959,601,000
Surplus/(Deficit)		\$0	(\$1,947,601,000)

Capitation
Fiscal Year 2016-2017 Governor's Executive Budget
Fiscal Year 2016-2017

Month of Payment	Total	Federal	State	Total Enrollment	Average Per Capita
<u>PHYSICAL HEALTH</u>					
July 2016	\$2,838,427,776	\$1,867,027,969	\$971,399,807	5,956,892	\$476.49
August	\$1,039,747,711	\$685,061,407	\$354,686,304	2,187,418	\$475.33
September	\$1,039,826,574	\$685,372,667	\$354,453,907	2,189,288	\$474.96
October	\$1,039,616,870	\$684,575,560	\$355,041,310	2,190,898	\$474.52
November	\$1,038,937,696	\$684,422,714	\$354,514,982	2,192,665	\$473.82
December	\$2,053,399,377	\$1,353,776,369	\$699,623,008	4,344,807	\$472.61
January 2017	\$20,734,469	\$13,672,720	\$7,061,749	43,906	\$472.25
February	\$1,011,589,102	\$654,382,058	\$357,207,044	2,195,864	\$460.68
March	\$1,009,937,242	\$653,611,278	\$356,325,964	2,195,800	\$459.94
April	\$1,009,838,942	\$653,916,025	\$355,922,917	2,197,947	\$459.45
May	\$212,427,828	\$138,698,899	\$73,728,929	550,236	\$386.07
Subtotal Physical Health	\$12,314,483,587	\$8,074,517,666	\$4,239,965,921	26,245,721	\$469.20
<u>BEHAVIORAL HEALTH</u>					
July 2016	\$732,227,222	\$449,095,348	\$283,131,874	6,434,323	\$113.80
August	\$278,424,503	\$170,355,636	\$108,068,867	2,488,522	\$111.88
September	\$279,277,674	\$170,881,273	\$108,396,401	2,492,021	\$112.07
October	\$279,118,077	\$170,279,126	\$108,838,951	2,495,521	\$111.85
November	\$278,958,480	\$170,196,487	\$108,761,993	2,499,021	\$111.63
December	\$278,798,884	\$170,113,848	\$108,685,036	2,502,521	\$111.41
January 2017	\$269,137,629	\$161,648,447	\$107,489,182	2,506,021	\$107.40
February	\$272,284,675	\$163,517,157	\$108,767,518	2,509,521	\$108.50
March	\$269,281,365	\$161,752,460	\$107,528,905	2,513,021	\$107.15
April	\$269,129,658	\$161,673,906	\$107,455,752	2,516,521	\$106.95
May	\$48,111,696	\$28,464,504	\$19,647,192	508,123	\$94.69
June	\$48,038,168	\$28,426,431	\$19,611,737	508,385	\$94.49
Subtotal Behavioral Health	\$3,302,788,031	\$2,006,404,623	\$1,296,383,408	29,973,521	\$110.19
<u>MATERNITY</u>					
July 2016	\$40,002,794	\$20,805,454	\$19,197,340	4,315	\$9,270.64
August	\$40,549,407	\$21,089,747	\$19,459,660	4,389	\$9,238.87
September	\$39,476,000	\$20,531,468	\$18,944,532	4,278	\$9,227.68
October	\$40,559,053	\$21,001,477	\$19,557,576	4,421	\$9,174.18
November	\$40,554,947	\$20,999,352	\$19,555,595	4,424	\$9,167.03
December	\$39,365,604	\$20,383,509	\$18,982,095	4,297	\$9,161.18
January 2017	\$40,221,709	\$20,826,801	\$19,394,908	4,388	\$9,166.30
February	\$38,445,756	\$19,907,212	\$18,538,544	4,192	\$9,171.22
March	\$39,956,849	\$20,689,657	\$19,267,192	4,360	\$9,164.41
April	\$38,746,905	\$20,063,148	\$18,683,757	4,318	\$8,973.35
May	\$35,919,372	\$18,599,051	\$17,320,321	4,001	\$8,977.60
June	\$38,825,436	\$20,103,811	\$18,721,625	4,333	\$8,960.41
Subtotal Maternity	\$472,623,832	\$245,000,687	\$227,623,145	51,716	\$9,138.83

MEDICAL ASSISTANCE – CAPITATION

PROGRAM STATEMENT

HealthChoices is Pennsylvania's comprehensive, mandatory managed care Medical Assistance (MA) program. Managed Care Organizations (MCOs) provide MA benefits and ensure access to necessary health care services and limit waste and abuse through comprehensive management of services to meet the needs of their members. The MCOs provide each recipient with a Primary Care Provider, or "medical home," to promote continuity of medical care and encourage early detection and preventive medicine. HealthChoices serves more than two million MA consumers across the State.

HEALTHCHOICES – PHYSICAL HEALTH

The Physical Health managed care program is managed by the Office of Medical Assistance Programs. Enrollment in the HealthChoices Physical Health program is mandatory for most MA recipients. The program is administered through grant agreements with MCOs in five distinct zones:

- The HealthChoices Southeast Zone (five counties, implemented 1997): Aetna Better Health, Health Partners of Philadelphia, Inc., United Healthcare Community Plan of PA and Vista Health Plan (KeystoneFirst)
- The HealthChoices Southwest Zone (14 counties, implemented 1999): Aetna Better Health, Gateway Health Plan, United Healthcare Community Plan of PA and UPMC for You, Inc.
- The HealthChoices Lehigh/Capital Zone (13 counties, implemented 2001): Vista Health Plan (AmeriHealth Caritas), Gateway Health Plan, United Healthcare Community Plan of PA, Aetna Better Health and UPMC for You, Inc.
- The HealthChoices New West Zone (13 counties, implemented 2012): Aetna Better Health, Vista Health Plan (AmeriHealth Caritas), Gateway Health Plan, and UPMC for You, Inc.
- The HealthChoices New East Zone (22 counties, implemented 2013): Aetna Better Health, Amerihealth Northeast, and Geisinger Health Plan/GHP Family.

The Department is reprocurring HealthChoices agreements in all five zones. The new agreements will be effective January 1, 2017.

HEALTHCHOICES – BEHAVIORAL HEALTH

The Behavioral Health managed care program is currently managed by the Office of Mental Health and Substance Abuse Services. The HealthChoices Behavioral Health program has been mandatory for most recipients across the State since 2007. The statewide HealthChoices Behavioral Health program is provided through contracts with counties that use independent Behavioral Health MCOs or, in some cases, through direct contracts with Behavioral Health MCOs.

- In the Southeast zone, the behavioral health component is managed under separate contracts between the Department and each of the five county governments. Philadelphia uses its own behavioral health managed care organization known as Community Behavioral Health. Chester County contracts with Community Care Behavioral Healthcare Organization. The remaining three counties contract with Magellan Behavioral Health of PA, Inc.
- In the Southwest zone, Allegheny County contracts with the Community Care Behavioral Health Organization. Other counties and, in some cases, the Department contract with Value Behavioral Health of Pennsylvania, Inc.

- For Lehigh/Capital zone, counties contract with Community Care Behavioral Healthcare Organization, Magellan Behavioral Health, and Community Behavioral HealthCare Network of Pennsylvania.
- For the Northeast zone, the Department contracts directly with the Northeast Behavioral Health Care Consortium (NBHCC). The NBHCC is a county-sponsored, non-profit agency that contracts with Community Care Behavioral Health Organization.
- In the North Central zone, the Department contracts directly with Community Care Behavioral Health Organization to provide services in these counties and manages the program in partnership with the 23 counties in this region.
- For the remaining 15 counties (Bedford, Blair, Cambria, Carbon, Clinton, Crawford, Erie, Franklin, Fulton, Lycoming, Mercer, Monroe, Pike, Somerset and Venango), services are provided through contracts with individual counties.

AFFORDABLE CARE ACT – HEALTH INSURANCE PROVIDERS FEE/INSURER FEE

The Affordable Care Act includes a Health Insurance Providers Fee (HIPF) to help finance the law. The provider fees impose a new cost on health insurance premiums that were assessed annually since 2014. Due to actuarial soundness requirements, MCOs will need to pass this tax along to the State in the form of higher rates. The State and the Federal government will share in the additional costs. This tax does not apply to non-profit MCOs whose revenue is at least 80 percent derived from Medicaid, Medicare and the Children's Health Insurance Program.

MCO ASSESSMENT

A new Commonwealth MCO Assessment on HealthChoices and some commercial health insurance products will be effective July 1, 2016. This is intended to replace the existing Gross Receipts Tax on HealthChoices revenue.

JAIL DIVERSION PROGRAM

The Jail Diversion Program has been created to develop policy and procedures for expedited processing of MA applications for inmates being released from county prisons and immediately being transferred to a Residential Drug and Alcohol Treatment Facility.

FISCAL YEAR 2016-2017 INITIATIVE – EXPRESS LANE ELIGIBILITY

The Fiscal Year 2016-2017 "Express Lane Eligibility" initiative will improve the ability of the department to rapidly confer eligibility for either Medicaid or CHIP for uninsured children. Uninsured eligible children will be enrolled into Medicaid or the Children's Health Insurance Program (CHIP) using current eligibility information available from non-health care benefits, including Supplemental Nutrition Assistance Program (SNAP) and child care subsidy. This program is intended to positively affect health care outcomes for children and lower health care costs throughout the state.

FISCAL YEAR 2016-2017 INITIATIVE – COMBATting THE HEROIN EPIDEMIC

The Fiscal Year 2016-2017 "Combatting the Heroin Epidemic" initiative will implement 50 Health Homes for persons living with Substance Use Disorder (SUD). This initiative will fund the expansion of narcotic treatment programs to include Suboxone treatment at facilities and will increase the capacity to care for those seeking treatment for SUD, as well as increase the quality of care. Each SUD Health Home will be given funding to: deploy a community-based care management team, track/report aggregate consumer outcomes, meet defined referral standards for drug and alcohol as well as mental

health counseling, report on standard quality outcomes, and participate in a learning network. DHS' Office of Mental Health and Substance Abuse Services will work with the Single County Authorities in selecting the Health Homes based on factors such as meeting the common set of DHS requirements for becoming a SUD Health Home, volume of Medical Assistance consumers already treated for SUD, number of opiate overdoses/deaths in a geographic region, and willingness of the current provider network to expand capacity to see more patients. A total of \$34.710 million is provided for this initiative.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

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Pp. E30.5, E30.16

APPROPRIATION:
Medical Assistance - Obstetric and Neonatal Services

I. SUMMARY FINANCIAL DATA	2014-2015 <u>Actual</u>	2015-2016 <u>Available</u>	2016-2017 <u>Budgeted</u>
State Funds	\$3,681	\$0	\$0
Federal Funds Total	\$7,186	\$7,250	\$0
Federal Sources Itemized			
<i>Medical Assistance - Obstetric and Neonatal Services</i>	\$7,186	\$7,250	\$0
Other Funds Total	\$3,000	\$0	\$0
Other Fund Sources Itemized			
<i>Statewide Quality Care Assessment</i>	<u>\$3,000</u>	<u>\$0</u>	<u>\$0</u>
Total	\$13,867	\$7,250	\$0
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds		<u>\$0</u>	
Total		\$0	

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Medical Assistance - Obstetric and Neonatal Services			
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$6,681	\$0	\$0	\$0	0.00%
Federal Funds	\$7,186	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$13,867	\$0	\$0	\$0	0.00%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$7,250	\$0	(\$7,250)	-100.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$7,250	\$0	(\$7,250)	-100.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$6,681	\$0	\$0	\$0	0.00%
Federal Funds	\$7,186	\$7,250	\$0	(\$7,250)	-100.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$13,867	\$7,250	\$0	(\$7,250)	-100.00%

APPROPRIATION:

Medical Assistance - Obstetric and Neonatal Services

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016 Estimated</u>
State Funds	\$58	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>2016-2017 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA**Derivation of Request:**

The Fiscal Year 2016-2017 Governor's Executive budget does not provide funding for the Medical Assistance - Obstetric and Neonatal Services appropriation.

Legislative Citations:

62 P.S. § 443.1(1) and (1.6)

Disbursement Criteria:

This appropriation was created to provide financial assistance to qualifying hospitals to assure access to quality obstetric and neonatal health care services for MA recipients. In order to receive payment, MA enrolled acute care hospitals must meet the detailed criteria for rural and non-rural hospitals as specified in the Medicaid State Plan. Fifteen percent of the annual available funding is allocated to qualifying rural hospitals and the remaining 85 percent is allocated to qualifying non-rural hospitals. The methods for disbursement of these allocations is detailed in the State Plan.

VI. EXPLANATION OF CHANGES

(\$ Amounts in Thousands)

APPROPRIATION:

Medical Assistance - Obstetric and Neonatal Services

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
BUDGETARY RESERVE				
1. Impact of excess Federal funding authority in Fiscal Year 2015-2016:		(\$7,250)		(\$7,250)
TOTAL	<u>\$0</u>	<u>(\$7,250)</u>	<u>\$0</u>	<u>(\$7,250)</u>

MEDICAL ASSISTANCE - OBSTETRIC AND NEONATAL SERVICES

PROGRAM STATEMENT

The Fiscal Year 2016 – 2017 Governor's Executive Budget does not provide funding for the Medical Assistance – Obstetric and Neonatal Services appropriation.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. E30.5, E30.17

APPROPRIATION:
Medical Assistance - Critical Access Hospitals

I. SUMMARY FINANCIAL DATA

	2014-2015 <u>Actual</u>	2015-2016 <u>Available</u>	2016-2017 <u>Budgeted</u>
State Funds	\$3,876	\$0	\$0
Federal Funds Total	\$7,611	\$9,620	\$0
Federal Sources Itemized			
<i>Medical Assistance - Critical Access Hospitals</i>	\$7,611	\$9,620	\$0
Other Funds Total	\$3,200	\$0	\$0
Other Fund Sources Itemized			
<i>Statewide Quality Care Assessment</i>	<u>\$3,200</u>	<u>\$0</u>	<u>\$0</u>
Total	\$14,687	\$9,620	\$0

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$0
Federal Funds Total	\$0
Total	\$0

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Medical Assistance - Critical Access Hospitals				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$3,876	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$7,611	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$3,200	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$14,687	\$0	\$0	\$0	0.00%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$9,620	\$0	(\$9,620)	-100.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$9,620	\$0	(\$9,620)	-100.00%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$3,876	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$7,611	\$9,620	\$0	(\$9,620)	-100.00%
<i>Other Funds</i>	\$3,200	\$0	\$0	\$0	0.00%
Total Funds	\$14,687	\$9,620	\$0	(\$9,620)	-100.00%

APPROPRIATION:

Medical Assistance - Critical Access Hospitals

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA**Derivation of Request:**

The Fiscal Year 2016-2017 Governor's Executive Budget does not provide funding for the Medical Assistance - Critical Access Hospitals appropriation.

Legislative Citations:

62 P.S. § 443.1

Disbursement Criteria:

Hospitals that meet Medicare's definition for "critical access" hospitals are eligible to receive 101 percent of their allowable MA costs. The critical access payment covers services provided to eligible MA recipients and is paid after consideration of all other MA payments. Any remaining program funds are distributed to qualifying rural hospitals that meet the criteria specified in the State Plan.

VI. EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 Medical Assistance - Critical Access Hospitals

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
BUDGETARY RESERVE				
1. Impace of excess Federal funding authority in Fiscal Year 2015-2016:	<u>\$0</u>	<u>(\$9,620)</u>	<u>\$0</u>	<u>(\$9,620)</u>
TOTAL	<u><u>\$0</u></u>	<u><u>(\$9,620)</u></u>	<u><u>\$0</u></u>	<u><u>(\$9,620)</u></u>

MEDICAL ASSISTANCE - CRITICAL ACCESS HOSPITALS

PROGRAM STATEMENT

The Fiscal Year 2016 – 2017 Governor's Executive Budget does not provide funding for the Medical Assistance – Critical Access Hospitals appropriation.

DHS BUDGET REQUEST FOR FY 2016-2017
 (\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
 Pp. E30.5, E30.16

APPROPRIATION:
 Payment to Federal Govt. - Medicare Drug Program

I. SUMMARY FINANCIAL DATA

	<u>2014-2015 Actual</u>	<u>2015-2016 Available</u>	<u>2016-2017 Budgeted</u>
State Funds	\$535,074	\$578,018	\$629,343
Federal Funds	\$0	\$0	\$0
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$535,074	\$578,018	\$629,343

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$0
Federal Funds	<u>\$0</u>
Total	\$0

ii. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Payment to Federal Govt. - Medicare Drug Program			
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$535,074	\$578,018	\$629,343	\$51,325	8.88%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$535,074	\$578,018	\$629,343	\$51,325	8.88%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$535,074	\$578,018	\$629,343	\$51,325	8.88%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$535,074	\$578,018	\$629,343	\$51,325	8.88%

APPROPRIATION:

Payment to Federal Govt. - Medicare Drug Program

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA**Derivation of Request:**

The recommended appropriation is based on the projected number of individuals per month who are dually-eligible for both Medicaid and Medicare multiplied by the State share of the State specific per capita, per month expenditure for covered drugs for dual-eligible persons.

Legislative Citations:

Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA, Pub.L. 108-173)

Disbursement Criteria:

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 created the Medicare Part D prescription drug benefit effective, January 1, 2006. The Federal government is requiring states to help fund this Federal program.

This payment is made monthly to the Federal government to reduce the Part D costs. The State payment for each month is the product of the State's per capita expenditure (PCE), the phase down percentage and the number of dual-eligibles who are enrolled in the Part D program. The PCE is based on historical State specific Medicaid data increased for growth in prescription drug spending nationally and adjusted for the State's Federal Medical Assistance Percentage. The phase down percentage was set at 90 percent in Calendar Year 2006 and decreased annually by 1.67 percent until the phase down reached 75 percent in Calendar Year 2015. The Federal government annually notifies the States of their PCE for the forthcoming year.

VI. EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 Payment to Federal Govt. - Medicare Drug Program

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
GRANT & SUBSIDY				
1. Provides for the increase in the average per capita payment from \$137.76 in Fiscal Year 2015-2016 to \$148.20 in Fiscal Year 2016-2017:	\$44,326	\$0	\$0	\$44,326
2. Impact of the increase in utilization from projected average monthly eligibles of 349,650 in Fiscal Year 2015-2016 to 353,884 in Fiscal Year 2016-2017:	<u>\$6,999</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,999</u>
TOTAL	<u><u>\$51,325</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$51,325</u></u>

**Payment to Federal Government - Medicare Drug Program
Fiscal Year 2016-2017 Governor's Executive Budget
Fiscal Year 2015-2016**

Service Month		Dual eligibles	Per Capita	Premium Payment	Payment Month
May-15	actual	347,815	\$132.92	\$46,233,246	Jul-15
Jun-15	actual	347,341	\$132.93	\$46,171,921	Jul-15
Jul-15	actual	348,768	\$132.93	\$46,361,556	Aug-15
Aug-15	actual	349,624	\$132.93	\$46,476,625	Sep-15
Sep-15	actual	349,382	\$132.93	\$46,444,316	Oct-15
Oct-15	actual	350,649	\$132.42	\$46,432,387	Nov-15
Nov-15	projected	351,774	\$132.41	\$46,579,588	Dec-15
Dec-15	projected	349,966	\$132.41	\$46,338,042	Jan-16
Jan-16	projected	349,670	\$147.79	\$51,678,234	Feb-16
Feb-16	projected	349,702	\$147.79	\$51,683,040	Mar-16
Mar-16	projected	350,072	\$147.79	\$51,737,660	Apr-16
Apr-16	projected	351,042	\$147.79	\$51,881,112	May-16
FY15-16 Funds		4,195,805	\$137.76	\$578,017,725	
FY 15-16 Funds Rolled Back to FY 14-15				(\$275)	
Total FY 15-16 Program Requirement				\$578,018,000	
Act 10-A of 2015				\$578,018,000	
Surplus/(Deficit)				\$0	

**Payment to Federal Government - Medicare Drug Program
Fiscal Year 2016-2017 Governor's Executive Budget
Fiscal Year 2016-2017**

Service Month		Dual eligibles	Per Capita	Premium Payment	Payment Month
May-16	projected	351,814	\$147.79	\$51,995,162	Jul-14
Jun-16	projected	352,187	\$147.79	\$52,050,253	Jul-14
Jul-16	projected	352,561	\$147.79	\$52,105,503	Aug-14
Aug-16	projected	352,936	\$147.79	\$52,160,911	Sep-14
Sep-16	projected	353,312	\$147.79	\$52,216,479	Oct-14
Oct-16	projected	353,689	\$148.49	\$52,518,529	Nov-14
Nov-16	projected	354,067	\$148.49	\$52,574,681	Dec-14
Dec-16	projected	354,446	\$148.49	\$52,630,995	Jan-15
Jan-17	projected	354,826	\$148.49	\$52,687,471	Feb-15
Feb-17	projected	355,208	\$148.49	\$52,744,111	Mar-15
Mar-17	projected	355,590	\$148.49	\$52,800,915	Apr-15
Apr-17	projected	355,974	\$148.49	\$52,857,884	May-15
Total FY16-17 Program Requirement		4,246,610	\$148.20	\$629,342,894	

PAYMENT TO FEDERAL GOVERNMENT - MEDICARE DRUG PROGRAM

PROGRAM STATEMENT

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA, Public Law 108-173) created the Medicare Part D prescription drug benefit, effective January 1, 2006. A number of the Part D beneficiaries are eligible for both Medicare and Medicaid. Prior to implementation of Part D, persons in Pennsylvania eligible for both Medicaid and Medicare had their drug benefit covered by Medical Assistance, Pennsylvania's Medicaid program. Thus, when Part D was developed, a provision was included in the MMA requiring the states to continue making payments for prescription drug coverage for dual eligibles, and continue providing direct coverage of drugs excluded from coverage under Medicare Part D, but covered under the state Medicaid program.

The State payment is made on a monthly basis and was designed to reflect 90 percent of the estimated State savings to the Medical Assistance Program for calendar year 2006. This percentage was phased down by 1.67 percent annually until reaching 75 percent in 2015. The Centers for Medicare and Medicaid Services (CMS) worked with the states to collect historical prescription drug payment data to develop a state-specific Per Capita Expenditure (PCE). Annually, the PCE is adjusted for growth in national per capita drug spending and adjusted for the annual change in the state-specific Federal Medical Assistance Percentage, to reflect the State share of the per capita costs. The CMS notifies the States annually of the PCE for the forthcoming calendar year. The Commonwealth's monthly Part D payment is the product of the PCE, the phase-down percentage and the number of individuals who were eligible for both Medicare and Medicaid in the month for which the payment is being made.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. C1.9, C1.10, E30.6, E30.9, E30.17

APPROPRIATION:
Medical Assistance - Physician Practice Plans

I. SUMMARY FINANCIAL DATA	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted
State Funds	\$9,071	\$12,071 ¹	\$12,071
Federal Funds Total	\$11,535	\$13,083	\$12,993
Federal Sources Itemized			
<i>Medical Assistance - Physician Practice Plans</i>	\$11,535	\$13,083 ²	\$12,993
Other Funds	\$0	\$0	\$0
Total	\$20,606	\$25,154	\$25,064
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$2,500	
Federal Funds Total		\$2,709	
Federal Sources Itemized			
<i>Medical Assistance - Physician Practice Plans</i>		\$2,709	
Total		\$5,209	
¹ Includes a recommended supplemental appropriation of \$2.500 million. Act 10-A of 2015 provided \$9.571 million for this program in Fiscal Year 2015-2016.			
² Includes a recommended supplemental appropriation of \$2.709 million. Act 10-A of 2015 provided \$10.373 million for this program in Fiscal Year 2015-2016.			

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Medical Assistance - Physician Practice Plans			
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$9,071	\$12,071	\$12,071	\$0	0.00%
Federal Funds	\$9,924	\$13,083	\$12,993	(\$90)	-0.69%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$18,995	\$25,154	\$25,064	(\$90)	-0.36%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$1,611	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$1,611	\$0	\$0	\$0	0.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$9,071	\$12,071	\$12,071	\$0	0.00%
Federal Funds	\$11,535	\$13,083	\$12,993	(\$90)	-0.69%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$20,606	\$25,154	\$25,064	(\$90)	-0.36%

APPROPRIATION:
Medical Assistance - Physician Practice Plans

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>2016-2017 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

This initiative, implemented January 1, 2009, is based on Federalizing the Commonwealth's payments to university-affiliated physician practice plans to enable Federal participation under the Medicaid Program.

Legislative Citations: 62 P.S. § 443.5

Disbursement Criteria:

The recommended appropriation provides for payments to university-affiliated physician practice plans to assure the continuation of the critical services they provide to the Medical Assistance (MA) population.

VI. EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 Medical Assistance - Physician Practice Plans

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
GRANT & SUBSIDY				
1. Impact of the change in the Federal Medical Assistance Percentage (a decrease from 52.01 percent to 51.78 percent, effective October 1, 2016). Full-year blended rate decreases from 51.9625 percent to 51.8375 percent:	\$0	(\$90)	\$0	(\$90)
Subtotal Grant & Subsidy	\$0	(\$90)	\$0	(\$90)
TOTAL	<u>\$0</u>	<u>(\$90)</u>	<u>\$0</u>	<u>(\$90)</u>

MEDICAL ASSISTANCE - PHYSICIAN PRACTICE PLANS

PROGRAM STATEMENT

The Department provides enhanced funding to certain physician practice plans to help ensure the critical services they provide to Medical Assistance clients will continue. State funding is coupled with matching Federal dollars to allow the physician practice plans to earn additional funds through higher payments from Medical Assistance Managed Care Organizations. The physician practice plans are associated with Drexel University, the University of Pennsylvania and Thomas Jefferson University. The Department makes payments to Philadelphia area Managed Care Organizations (Keystone First, Health Partners Plans, United Healthcare and Aetna Better Health). The Managed Care Organizations pass the payments on to the qualifying facilities.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. E30.6, E30.16, E30.17

APPROPRIATION:
Medical Assistance - Academic Medical Centers

I. SUMMARY FINANCIAL DATA

	<u>2014-2015 Actual</u>	<u>2015-2016 Available</u>	<u>2016-2017 Budgeted</u>
State Funds	\$17,431	\$19,681	\$17,431
Federal Funds Total	\$18,799	\$23,904	\$18,718
Federal Sources Itemized			
<i>MA - Academic Medical Centers</i>	\$18,799	\$23,904	\$18,718
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$36,230	\$43,585	\$36,149

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$0
Federal Funds	<u>\$0</u>
Total	\$0

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Medical Assistance - Academic Medical Centers			
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$17,431	\$19,681	\$17,431	(\$2,250)	-11.43%
Federal Funds	\$18,799	\$21,330	\$18,718	(\$2,612)	-12.25%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$36,230	\$41,011	\$36,149	(\$4,862)	-11.86%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$2,574	\$0	(\$2,574)	-100.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$2,574	\$0	(\$2,574)	-100.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$17,431	\$19,681	\$17,431	(\$2,250)	-11.43%
Federal Funds	\$18,799	\$23,904	\$18,718	(\$5,186)	-21.70%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$36,230	\$43,585	\$36,149	(\$7,436)	-17.06%

APPROPRIATION:
Medical Assistance - Academic Medical Centers

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The recommended appropriation is based on a continuation of the current program for Academic Medical Centers.

Legislative Citations:

62 P.S. § 201(2)

Disbursement Criteria:

This appropriation provides for monthly payments to certain academic medical centers to assure the continuation of the critical services they provide to the Medical Assistance (MA) population. These payments are intended to offset the MA share of the medical education costs incurred by these hospitals to assure the continued availability of professional medical services to the MA population.

Payments are based on Fiscal Year 2002-2003 MA cost report data with 47.2 percent of funding distributed to a large hospital with 750 setup and staffed beds; and 26.4 percent distributed to each other qualifying hospital.

VI. EXPLANATION OF CHANGES
(\$ Amounts in Thousands)

APPROPRIATION:
Medical Assistance - Academic Medical Centers

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
GRANT & SUBSIDY				
1. Impact of a decrease in payments due to the change in the Federal Medical Assistance Percentage from 52.01 percent to 51.78 percent effective October 1, 2016:	\$0	(\$174)	\$0	(\$174)
2. Impact of nonrecurring payments in Fiscal Year 2015-2016:	(\$2,250)	(\$2,438)	\$0	(\$4,688)
UNCOMMITTED				
1. Impact of excess Federal appropriation authority in Fiscal Year 2015-2016:	<u>\$0</u>	<u>(\$2,574)</u>	<u>\$0</u>	<u>(\$2,574)</u>
TOTAL	<u>(\$2,250)</u>	<u>(\$5,186)</u>	<u>\$0</u>	<u>(\$7,436)</u>

MEDICAL ASSISTANCE – ACADEMIC MEDICAL CENTERS

PROGRAM STATEMENT

Effective July 1, 2005, the Department implemented payments to certain academic medical centers to assure the critical services they provide to the Medical Assistance (MA) population can continue. These payments also help to offset the MA share of the medical education costs incurred by these hospitals to assure the continued availability of professional medical services for the MA population.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. E30.6, E30.16, E30.17

APPROPRIATION:
Special Pharmaceutical Services

I. SUMMARY FINANCIAL DATA	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted
State Funds	\$1,195	\$1,377	\$1,268
Federal Funds Total	\$0	\$0	\$0
Federal Sources Itemized			
Other Funds Total	\$0	\$0	\$0
Total	\$1,195	\$1,377	\$1,268
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds Total		\$0	
Total		\$0	

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Special Pharmaceutical Services			
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
<i>State Funds</i>	\$11	\$11	\$11	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$11	\$11	\$11	\$0	0.00%
FIXED ASSETS					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$1,184	\$1,178	\$1,257	\$79	6.71%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$1,184	\$1,178	\$1,257	\$79	6.71%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$188	\$0	(\$188)	-100.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$188	\$0	(\$188)	-100.00%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$1,195	\$1,377	\$1,268	(\$109)	-7.92%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$1,195	\$1,377	\$1,268	(\$109)	-7.92%

APPROPRIATION: Special Pharmaceutical Services
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III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$143	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:
The Governor's Executive Budget for Fiscal Year 2016-2017 recommends funding based on projected levels of utilization, increases in pharmaceutical costs, mandatory manufacturer rebates and additional third party liability recoveries.

Detail on the appropriation request is outlined in section VI entitled "Explanation of Changes" on the following pages.

Legislative Citations:
62 P.S. § 201

Disbursement Criteria:
The provider of a service must be enrolled in the Medical Assistance program; the service recipient must be deemed eligible for Special Pharmaceutical Services and not eligible for the Medical Assistance program; and the service provided must be a covered Special Pharmaceutical Services Program benefit. The claims processing functions for the Special Pharmaceutical Services Program, which include provider enrollment, on-line claims processing, and provider remittance, are performed by the Department of Aging's contractor for the Pharmaceutical Assistance Contract for the Elderly (PACE) Program. Funding is advanced to the Department of Aging via a Memorandum of Understanding for reimbursing the contractor for program expenses.

VI. EXPLANATION OF CHANGES

(\$ Amounts in Thousands)

APPROPRIATION:

Special Pharmaceutical Services

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
GRANT & SUBSIDY				
1. Provides for an increase in provider payments for Baseline Formulary drugs in Fiscal Year 2016-2017:	\$22	\$0	\$0	\$22
2. Provides for a decrease in refunds/rebates due to a large non-recurring Third Party Liability recovery in Fiscal Year 2015-2016:	<u>\$57</u>	<u>\$0</u>	<u>\$0</u>	<u>\$57</u>
Subtotal Grant & Subsidy	\$79	\$0	\$0	\$79
BUDGETARY RESERVE				
1. Impact of excess State appropriation authority in Fiscal Year 2015-2016:	<u>(\$188)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$188)</u>
TOTAL	<u><u>(\$109)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>(\$109)</u></u>

Special Pharmaceutical Services
Fiscal Year 2016-2017 Governor's Executive Budget
Fiscal Year 2015-2016

	<u>Number of Claims</u>	<u>Cost/Claim</u>	<u>Total Cost</u>
Total Baseline Formulary	11,424	\$104.11	\$1,189,299
Pharmaceutical Rebates			(\$141,501)
Third Party Liability Refunds			(\$107,940)
Medicare Part D Premiums			\$237,707
Total Current Program			<u>\$1,177,565</u>
Claims Processing Automation:			
Regular Claims Processing			\$10,421
AdHoc reporting services			\$579
Total Operating			<u>\$11,000</u>
Budgetary Reserve			\$188,435
Total Program Requirement			\$1,377,000
Act 10-A of 2015			\$1,377,000
Surplus/(Deficit)			<u>\$0</u>

Special Pharmaceutical Services
Fiscal Year 2016-2017 Governor's Executive Budget
Fiscal Year 2016-2017

	<u>Number of Claims</u>	<u>Cost/Claim</u>	<u>Total Cost</u>
Total Baseline Formulary	11,644	\$104.10	\$1,212,174
Pharmaceutical Rebates			(\$176,986)
Third Party Liability Refunds			(\$16,132)
Medicare Part D Premiums			\$237,707
Total Current Program			<u>\$1,256,763</u>
Claims Processing Automation:			
Regular Claims Processing			\$10,421
AdHoc reporting services			\$579
Total Operating			<u>\$11,000</u>
Total Program Requirement			\$1,267,763

SPECIAL PHARMACEUTICAL SERVICES

PROGRAM STATEMENT

The Special Pharmaceutical Services program for Mental Health is administered by the Pennsylvania Department of Human Services and provides payment for specific atypical antipsychotic medications for eligible participants with behavioral health needs.

The Special Pharmaceutical Services program is for individuals residing in the community who are not eligible for pharmaceutical coverage under the Medical Assistance Program. The income limit for an individual is \$35,000 with an increase of \$2,893 for each additional family member. Funding up to the amount of the State appropriation is available; this is not an entitlement program. During Fiscal Year 2014-2015, a total of 11,891 claims were paid supporting 1,452 mental health clients in Pennsylvania.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A1.27, C3.4, E30.6, E30.8, E30.15-E30.17, E30.37

APPROPRIATION:
Medical Assistance - Transportation

I. SUMMARY FINANCIAL DATA

	<u>2014-2015 Actual</u>	<u>2015-2016 Available</u>	<u>2016-2017 Budgeted</u>
State Funds Total	\$61,338	\$67,557	\$68,783
State Sources Itemized			
<i>Medical Assistance - Transportation</i>	\$56,438	\$62,657	\$65,483
<i>Medical Assistance - Transportation Services (Lottery Fund)</i>	\$4,900	\$4,900	\$3,300
Federal Funds Total	\$67,427	\$74,551	\$79,538
Federal Sources Itemized			
<i>Medical Assistance - Transportation</i>	\$67,427	\$74,551	\$79,538
Other Funds	\$0	\$0	\$0
Total	<u>\$128,765</u>	<u>\$142,108</u>	<u>\$148,321</u>

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$0
Federal Funds	<u>\$0</u>
Total	\$0

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Medical Assistance - Transportation				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change	
PERSONNEL						
State Funds	\$0	\$0	\$0	\$0	0.00%	
Federal Funds	\$0	\$0	\$0	\$0	0.00%	
Other Funds	\$0	\$0	\$0	\$0	0.00%	
Total Personnel	\$0	\$0	\$0	\$0	0.00%	
OPERATING						
State Funds	\$0	\$0	\$0	\$0	0.00%	
Federal Funds	\$0	\$0	\$0	\$0	0.00%	
Other Funds	\$0	\$0	\$0	\$0	0.00%	
Total Operating	\$0	\$0	\$0	\$0	0.00%	
FIXED ASSETS						
State Funds	\$0	\$0	\$0	\$0	0.00%	
Federal Funds	\$0	\$0	\$0	\$0	0.00%	
Other Funds	\$0	\$0	\$0	\$0	0.00%	
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%	
GRANT & SUBSIDY						
State Funds	\$61,338	\$65,757	\$68,783	\$3,026	4.60%	
Federal Funds	\$67,427	\$73,784	\$79,538	\$5,754	7.80%	
Other Funds	\$0	\$0	\$0	\$0	0.00%	
Total Grant & Subsidy	\$128,765	\$139,541	\$148,321	\$8,780	6.29%	
NONEXPENSE						
State Funds	\$0	\$0	\$0	\$0	0.00%	
Federal Funds	\$0	\$0	\$0	\$0	0.00%	
Other Funds	\$0	\$0	\$0	\$0	0.00%	
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%	
BUDGETARY RESERVE						
State Funds	\$0	\$1,800	\$0	(\$1,800)	-100.00%	
Federal Funds	\$0	\$767	\$0	(\$767)	-100.00%	
Other Funds	\$0	\$0	\$0	\$0	0.00%	
Total Budgetary Reserve	\$0	\$2,567	\$0	(\$2,567)	-100.00%	
UNCOMMITTED						
State Funds	\$0	\$0	\$0	\$0	0.00%	
Federal Funds	\$0	\$0	\$0	\$0	0.00%	
Other Funds	\$0	\$0	\$0	\$0	0.00%	
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%	
OTHER						
State Funds	\$0	\$0	\$0	\$0	0.00%	
Federal Funds	\$0	\$0	\$0	\$0	0.00%	
Other Funds	\$0	\$0	\$0	\$0	0.00%	
Total Other	\$0	\$0	\$0	\$0	0.00%	
TOTAL FUNDS						
State Funds	\$61,338	\$67,557	\$68,783	\$1,226	1.81%	
Federal Funds	\$67,427	\$74,551	\$79,538	\$4,987	6.69%	
Other Funds	\$0	\$0	\$0	\$0	0.00%	
Total Funds	\$128,765	\$142,108	\$148,321	\$6,213	4.37%	

APPROPRIATION:
Medical Assistance - Transportation

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Budget increases State funding by \$2.826 million above the Fiscal Year 2015-2016 appropriation level, from \$62.657 million to \$65.483 million. The Fiscal Year 2016-2017 Budget increases Federal Medical Assistance - Transportation funding by \$4.987 million from the Fiscal Year 2015-2016 appropriation level, from \$74.551 million to \$79.538 million.

Detail on the appropriation is outlined in Section VI entitled "Explanation of Changes" on the next page.

Legislative Citations:

62 P.S. §§ 201, 206 (General Fund and Lottery Fund)

Disbursement Criteria:

County allocations are based on actual county prior year expenditure trends.

VI. EXPLANATION OF CHANGES

(\$ Amounts in Thousands)

APPROPRIATION:

Medical Assistance - Transportation

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total</u>
GRANT & SUBSIDY				
1. The Fiscal Year 2016-2017 Governor's Executive Budget provides an increase in State funds and Federal Medical Assistance - Transportation funds for a projected increase of 259,267 trips:	\$1,539	\$1,595	\$0	\$3,134
2. The Fiscal Year 2016-2017 Governor's Executive Budget provides an increase in State funds and Federal Medical Assistance - Transportation funds for a \$1.19 increase in the cost per trip:	\$2,730	\$2,841	\$0	\$5,571
3. The Fiscal Year 2016-2017 Governor's Executive Budget provides an increase in State funds and Federal Medical Assistance - Transportation funds for Medicaid Expansion:	\$953	\$1,613	\$0	\$2,566
4. Impact of the decrease in the enhanced Federal Medical Assistance Percentage from 100 percent to 95 percent on January 1, 2017:	\$242	(\$242)	\$0	\$0
5. Impact of the decrease in the Federal Medical Assistance Percentage (a decrease from 52.01 percent to 51.78 percent, effective October 1, 2016):	\$53	(\$53)	\$0	\$0
6. Reflects the nonrecurring roll forward of costs from Fiscal Year 2014-2015 to Fiscal Year 2015-2016:	(\$2,491)	\$0	\$0	(\$2,491)
7. Reflects an increase in Lottery funding in Fiscal Year 2016-2017:	(\$200)	\$0	\$0	(\$200)
Subtotal Grant & Subsidy	\$2,826	\$5,754	\$0	\$8,580
BUDGETARY RESERVE				
1. Reflects excess Federal spending authority in Fiscal Year 2015-2016:	\$0	(\$767)	\$0	(\$767)
TOTAL GENERAL FUND	<u>\$2,826</u>	<u>\$4,987</u>	<u>\$0</u>	<u>\$7,813</u>

VI. EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 Medical Assistance - Transportation

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total</u>
LOTTERY FUND				
GRANT & SUBSIDY				
1. The Fiscal Year 2016-2017 Governor's Executive Budget recommends that \$3.300 million be allocated from the Lottery Fund to provide supplemental funding to the Medical Assistance - Transportation appropriation, an increase of \$0.200 million from the Fiscal Year 2015-2016 amount:	\$200	\$0	\$0	\$200
BUDGETARY RESERVE				
1. Impact of excess Lottery Funds in Fiscal Year 2015-2016:	<u>(\$1,800)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$1,800)</u>
TOTAL LOTTERY FUND	<u>(\$1,600)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$1,600)</u>
TOTAL	<u>\$1,226</u>	<u>\$4,987</u>	<u>\$0</u>	<u>\$6,213</u>

Medical Assistance - Transportation
Fiscal Year 2016-2017 Governor's Executive Budget
Fiscal Year 2015-2016

	Total	Federal	State	Services	Clients	Cost per Service
Counties	\$85,300,576	\$42,650,288	\$42,650,288	4,743,118	97,189	\$17.98
Philadelphia Contract	\$38,099,064	\$19,797,226	\$18,301,838	4,384,151	52,397	\$8.69
Subtotal	\$123,399,640	\$62,447,514	\$60,952,126	9,127,269	149,586	
Medicaid Expansion - Counties	\$4,626,807	\$2,313,404	\$2,313,403	257,272	5,272	\$17.98
Medicaid Expansion - Philadelphia	\$9,022,929	\$9,022,929	\$0	1,038,290	12,409	\$8.69
Subtotal	\$13,649,736	\$11,336,333	\$2,313,403	1,295,563	17,681	
Total Program Requirements	\$137,049,376	\$73,783,847	\$63,265,529			
Roll Forward from Fiscal Year 2014-2015	\$2,491,471	\$0	\$2,491,471			
Transfer to Lottery Fund	(\$3,100,000)	\$0	(\$3,100,000)			
Total Program Requirements	\$136,440,847	\$73,783,847	\$62,657,000			
Uncommitted	\$767,153	\$767,153	\$0			
Act 10-A of 2015	\$137,208,000	\$74,551,000	\$62,657,000			
Surplus/(Deficit)	\$0	\$0	\$0			

¹ Act 10-A of 2015 provided \$4.900 million in Lottery Fund appropriation authority, of which \$1.800 million is in Budgetary Reserve.

Medical Assistance - Transportation
Fiscal Year 2016-2017 Governor's Executive Budget
Fiscal Year 2016-2017

	Total	Federal	State	Services	Clients	Cost per Service
Counties	\$89,764,238	\$44,882,119	\$44,882,119	4,837,980	99,133	\$18.55
Philadelphia Contract	\$42,341,142	\$21,948,589	\$20,392,553	4,548,557	53,445	\$9.31
Subtotal	\$132,105,380	\$66,830,708	\$65,274,672	9,386,536	152,577	
Medicaid Expansion - Counties	\$6,532,531	\$3,266,266	\$3,266,265	352,081	7,214	\$18.55
Medicaid Expansion - Philadelphia	\$9,683,079	\$9,441,002	\$242,077	1,040,218	12,222	\$9.31
Subtotal	\$16,215,610	\$12,707,268	\$3,508,342	1,392,299	19,437	
Total Program Requirements	\$148,320,990	\$79,537,976	\$68,783,014			
Transfer to Lottery Fund	(\$3,300,000)	\$0	(\$3,300,000)			
Total General Fund Requirements	\$145,020,990	\$79,537,976	\$65,483,014			

MEDICAL ASSISTANCE - TRANSPORTATION

PROGRAM STATEMENT

Federal regulations require that transportation is available for Medical Assistance (MA) recipients both to and from medical providers through the MA Program. The Department of Human Services carries out this mandate by providing both emergency and non-emergency medical transportation services. Emergency medical transportation services are funded separately through the Medical Assistance Fee-For-Service appropriation and are reimbursed as a vendor payment. Non-emergency medical transportation services are provided through the Medical Assistance - Transportation Program (MATP).

The MATP is a county based program that provides non-emergency medical transportation services to MA recipients who cannot meet their own transportation needs. In Fiscal Year 2015-2016, funds were allocated to 56 Grantees who have considerable flexibility in selecting the administrative methods and modes of transportation provided. The models include direct provision of service by county governments or making payments to agencies that provide these services as part of a total human services delivery system. These services can utilize private means as well as existing public transportation systems.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. E30.5, E30.17

APPROPRIATION:
Trauma Centers

I. SUMMARY FINANCIAL DATA

	<u>2014-2015</u> Actual	<u>2015-2016</u> Available	<u>2016-2017</u> Budgeted
State Funds	\$8,656	\$8,656	\$8,656
Federal Funds Total	\$9,310	\$9,385	\$9,296
Federal Sources Itemized			
<i>Medical Assistance -Trauma Centers</i>	\$9,310	\$9,385	\$9,296
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$17,966	\$18,041	\$17,952

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$0
Federal Funds	<u>\$0</u>
Total	\$0

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Trauma Centers			
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$8,656	\$8,656	\$8,656	\$0	0.00%
Federal Funds	\$9,310	\$9,382	\$9,296	(\$86)	-0.92%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$17,966	\$18,038	\$17,952	(\$86)	-0.48%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$3	\$0	(\$3)	-100.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$3	\$0	(\$3)	-100.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$8,656	\$8,656	\$8,656	\$0	0.00%
Federal Funds	\$9,310	\$9,385	\$9,296	(\$89)	-0.95%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$17,966	\$18,041	\$17,952	(\$89)	-0.49%

APPROPRIATION:
Trauma Centers

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

Request is based on continued State funding at the Fiscal Year 2015-2016 enacted level.

Legislative Citations:

35 P.S. § 6943.1 et seq.

Disbursement Criteria:

The Department will allocate 90 percent of the available funding to hospitals accredited as Level I and Level II Trauma Centers using data provided by the Trauma Systems Foundation.

The Department will allocate the remaining 10 percent of the available funds to hospitals accredited as Level III Trauma Centers.

VI. EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 Trauma Centers

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
GRANT & SUBSIDY				
1. Impact of a decrease in payments due to the change in the Federal Medical Assistance Percentage from 52.01 percent to 51.78 percent, effective October 1, 2016:	\$0	(\$86)	\$0	(\$86)
UNCOMMITTED				
1. Impact of excess Federal funding authority in Fiscal Year 2015-2016:	<u>\$0</u>	<u>(\$3)</u>	<u>\$0</u>	<u>(\$3)</u>
TOTAL	<u><u>\$0</u></u>	<u><u>(\$89)</u></u>	<u><u>\$0</u></u>	<u><u>(\$89)</u></u>

TRAUMA CENTERS

PROGRAM STATEMENT

The Trauma Systems Stabilization Act (Act 15 of 2004) established a program to assure readily available and coordinated trauma care of the highest quality to the citizens of Pennsylvania. Act 84 of 2010 made a number of technical changes in the Human Services Code and codified the Pennsylvania Trauma Systems Stabilization Act. Act 84 revised the definition of "Trauma Center" to allow out-of-state hospitals with trauma centers to qualify for trauma stabilization funds and modified the criteria for Level III Trauma Centers. Act 84 did not make any changes to the methodology for the distribution of funds.

Act 84 also requires that hospitals commit to spending the funds on Trauma Services and provide the Department with a report reflecting expenditures.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. E30.5, E30.16

APPROPRIATION:
Hospital-Based Burn Centers

I. SUMMARY FINANCIAL DATA

	<u>2014-2015 Actual</u>	<u>2015-2016 Available</u>	<u>2016-2017 Budgeted</u>
State Funds	\$3,782	\$0	\$0
Federal Funds Total	\$4,068	\$4,099	\$0
Federal Sources Itemized			
<i>Medical Assistance - Hospital-Based Burn Centers</i>	\$4,068	\$4,099	\$0
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$7,850	\$4,099	\$0

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$0
Federal Funds	<u>\$0</u>
Total	\$0

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Hospital-Based Burn Centers				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0		\$0	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$3,782	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$4,068	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$7,850	\$0	\$0	\$0	0.00%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$4,099	\$0	(\$4,099)	-100.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$4,099	\$0	(\$4,099)	-100.00%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$3,782	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$4,068	\$4,099	\$0	(\$4,099)	-100.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$7,850	\$4,099	\$0	(\$4,099)	-100.00%

APPROPRIATION:
Hospital-Based Burn Centers

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget does not provide funding for the Hospital-Based Burn Centers appropriation.

Legislative Citations:

62 P.S. § 443.1

Disbursement Criteria:

To qualify for payment the burn center must be recognized by the American Burn Association and participate in the Burn Center Verification Program or be certified and accredited as a Level I or Level II Trauma Center with a minimum of 70 annual burn care admissions in calendar year 2005.

Fifty percent of the annual available funding is allocated equally among the qualifying burn centers. The remaining fifty percent is allocated on the basis of each center's percentage of MA and uninsured burn cases and patient days compared to the statewide number of MA and uninsured burn cases and days for all qualified burn centers.

VI. EXPLANATION OF CHANGES

(\$ Amounts in Thousands)

APPROPRIATION:

Hospital-Based Burn Centers

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
BUDGETARY RESERVE				
1. Impact of excess Federal funding authority in Fiscal Year 2015-2016:	<u>\$0</u>	<u>(\$4,099)</u>	<u>\$0</u>	<u>(\$4,099)</u>
TOTAL	<u>\$0</u>	<u>(\$4,099)</u>	<u>\$0</u>	<u>(\$4,099)</u>

HOSPITAL-BASED BURN CENTERS

PROGRAM STATEMENT

The Fiscal Year 2016 – 2017 Governor's Executive Budget does not provide funding for the Hospital-Based Burn Centers appropriation.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. C1.10, E30.8, E30.9, E30.15 E30.16, E30.17,
E30.37, H80

APPROPRIATION:
Medical Assistance - Workers with Disabilities

I. SUMMARY FINANCIAL DATA

	<u>2014-2015</u> Actual	<u>2015-2016</u> Available	<u>2016-2017</u> Budgeted
State Funds Total	\$162,173	\$143,684	\$127,243
State Sources Itemized			
<i>MA-Workers With Disabilities (General Fund)</i>	\$115,450	\$52,205 ¹	\$34,482
<i>MA-Workers With Disabilities (Tobacco Settlement Fund)</i>	\$46,723	\$91,479	\$92,761
Federal Funds Total	\$182,717	\$209,625	\$136,950
Federal Sources Itemized			
<i>MA-Workers With Disabilities (General Fund)</i>	\$131,366	\$110,661	\$37,111
<i>MA-Workers With Disabilities (Tobacco Settlement Fund)</i>	\$51,351	\$98,964	\$99,839
Total	\$344,890	\$353,309	\$264,193

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds Total	(\$10,186)
State Sources Itemized	
<i>MA-Workers With Disabilities (General Fund)</i>	(\$10,186)
Federal Funds Total	\$0
Federal Sources Itemized	
<i>MA-Workers With Disabilities (General Fund)</i>	\$0
Total	(\$10,186)

¹ Includes a recommended appropriation reduction of \$10.186 million. Act 10-A provided \$62.391 million for this program in Fiscal Year 2015-2016.

II. DETAIL BY MAJOR OBJECT
(\$ Amounts in Thousands)

APPROPRIATION:
Medical Assistance - Workers with Disabilities

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$162,173	\$127,925	\$127,243	(\$682)	-0.53%
Federal Funds	\$182,717	\$138,380	\$136,950	(\$1,430)	-1.03%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$344,890	\$266,305	\$264,193	(\$2,112)	-0.79%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
State Funds	\$0	\$15,759	\$0	(\$15,759)	-100.00%
Federal Funds	\$0	\$71,245	\$0	(\$71,245)	-100.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$87,004	\$0	(\$87,004)	-100.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$162,173	\$143,684	\$127,243	(\$16,441)	-11.44%
Federal Funds	\$182,717	\$209,625	\$136,950	(\$72,675)	-34.67%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$344,890	\$353,309	\$264,193	(\$89,116)	-25.22%

APPROPRIATION:

Medical Assistance - Workers with Disabilities

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>2016-2017 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA**Derivation of Request:**

Estimated expenditures are based on projected enrollees in the Medical Assistance for Workers with Disabilities (MAWD) program, average Medical Assistance payments per enrollee and estimated co-payments.

The MAWD program is funded with both the Tobacco Settlement Fund and the General Fund.

Legislative Citations:

35 P.S. § 5701.303 et seq. (General Fund)

35 P.S. § 5701.101 et seq. (Tobacco Settlement Fund)

Disbursement Criteria:

The provider of service must be enrolled in the Medical Assistance program and the service must be a covered Medical Assistance benefit. The recipient of the service must be deemed eligible to receive Medical Assistance benefits under the MAWD Program.

Individuals deemed eligible under the criteria specified in Act 77 may buy into the Medicaid program by paying a monthly premium based on five percent of their monthly income after allowable deductions.

Provider payments are initially made from the Medical Assistance Program. Periodically, expenditures are identified for services rendered to recipients of the MAWD program, and expenditures are then transferred from the Medical Assistance Program to the Tobacco Settlement Fund - Medical Services for Workers with Disabilities appropriation.

VI. EXPLANATION OF CHANGES

(\$ Amounts in Thousands)

APPROPRIATION:

Medical Assistance - Workers with Disabilities

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
GENERAL FUND				
GRANT & SUBSIDY				
1. Impact of a projected decrease of 548 average monthly enrollees in the Medical Assistance for Workers with Disabilities (MAWD) program in Fiscal Year 2016-2017:	(\$2,364)	(\$2,557)	\$0	(\$4,921)
2. Impact of decreased premium payments for the 548 less average monthly enrollees in the MAWD program in Fiscal Year 2016-2017:	\$292	\$315	\$0	\$607
3. Provides for a projected increase of \$5.96 in the Medical Assistance Program monthly service cost per enrollee in Fiscal Year 2016-2017:	\$1,058	\$1,144	\$0	\$2,202
4. Impact of the change in the Federal Medical Assistance Percentage (a decrease from 52.01 percent to 51.78 percent, effective October 1, 2016). Full-year blended rate decreases from 51.9625 percent to 51.8375 percent:	\$332	(\$332)	\$0	\$0
5. Increase in the Fiscal Year 2016-2017 Tobacco Settlement Fund State and Federal amounts:	(\$1,282)	(\$875)	\$0	(\$2,157)
Subtotal Grant & Subsidy	<u>(\$1,964)</u>	<u>(\$2,305)</u>	<u>\$0</u>	<u>(\$4,269)</u>
UNCOMMITTED				
1. Impact of excess State and Federal appropriation authority in Fiscal Year 2015-2016:	(\$15,759)	(\$71,245)	\$0	(\$87,004)
Subtotal Uncommitted	<u>(\$15,759)</u>	<u>(\$71,245)</u>	<u>\$0</u>	<u>(\$87,004)</u>
TOTAL GENERAL FUND	<u>(\$17,723)</u>	<u>(\$73,550)</u>	<u>\$0</u>	<u>(\$91,273)</u>
TOBACCO SETTLEMENT FUND				
GRANT & SUBSIDY				
1. Increase in the Fiscal Year 2016-2017 Tobacco Settlement Fund State and Federal amounts:	\$1,282	\$875	\$0	\$2,157
Subtotal Grant & Subsidy	<u>\$1,282</u>	<u>\$875</u>	<u>\$0</u>	<u>\$2,157</u>
TOTAL TOBACCO SETTLEMENT FUND	<u>\$1,282</u>	<u>\$875</u>	<u>\$0</u>	<u>\$2,157</u>
TOTAL	<u>(\$16,441)</u>	<u>(\$72,675)</u>	<u>\$0</u>	<u>(\$89,116)</u>

**MEDICAL ASSISTANCE - WORKERS WITH DISABILITIES
FISCAL YEAR 2016-2017 GOVERNOR'S EXECUTIVE BUDGET
FISCAL YEAR 2015-2016**

	Total	Federal	State	Enrollees	Cost Per Enrollee
Jul-15	\$25,317,352	\$13,104,930	\$12,212,421	33,663	\$752.08
Aug-15	\$24,806,761	\$12,854,939	\$11,951,822	32,705	\$758.50
Sep-15	\$23,601,900	\$12,265,659	\$11,336,241	32,011	\$737.31
Oct-15	\$23,515,309	\$12,228,869	\$11,286,440	31,390	\$749.13
Nov-15	\$23,004,917	\$11,952,683	\$11,052,234	30,797	\$746.99
Dec-15	\$23,004,917	\$11,964,857	\$11,040,059	30,797	\$746.99
Jan-16	\$23,004,917	\$11,964,857	\$11,040,059	30,797	\$746.99
Feb-16	\$23,004,917	\$11,964,857	\$11,040,059	30,797	\$746.99
Mar-16	\$23,004,917	\$11,964,857	\$11,040,059	30,797	\$746.99
Apr-16	\$23,004,917	\$11,964,857	\$11,040,059	30,797	\$746.99
May-16	\$23,004,917	\$11,964,857	\$11,040,059	30,797	\$746.99
Jun-16	\$23,004,917	\$11,964,857	\$11,040,059	30,797	\$746.99
Premiums	<u>\$281,280,654</u> (\$14,975,503)	<u>\$146,181,080</u> (\$7,781,125)	<u>\$135,119,575</u> (\$7,194,378)	31,345	\$8,973.58
Total Requirements	\$266,305,151	\$138,379,955	\$127,925,197		
FY 2015-16 Tobacco Funds	<u>\$190,443,000</u>	<u>\$98,964,000</u>	<u>\$91,479,000</u>		
Uncommitted	\$87,003,848	\$71,245,045	\$15,758,803		
FY 2015-16 General Fund Requirement		\$110,661,000	\$52,205,000		
Act 10-A of 2015		<u>\$110,661,000</u>	<u>\$62,391,000</u>		
Surplus/(Deficit)		\$0	\$10,186,000		

**MEDICAL ASSISTANCE - WORKERS WITH DISABILITIES
FISCAL YEAR 2016-2017 GOVERNOR'S EXECUTIVE BUDGET
FISCAL YEAR 2016-2017**

	Total	Federal	State	Enrollees	Cost Per Enrollee
Jul-16	\$23,028,220	\$11,976,977	\$11,051,243	30,797	\$747.74
Aug-16	\$23,062,417	\$11,994,763	\$11,067,654	30,797	\$748.85
Sep-16	\$23,095,858	\$12,012,155	\$11,083,702	30,797	\$749.94
Oct-16	\$23,129,347	\$11,976,376	\$11,152,971	30,797	\$751.03
Nov-16	\$23,162,884	\$11,993,741	\$11,169,143	30,797	\$752.11
Dec-16	\$23,196,470	\$12,011,132	\$11,185,338	30,797	\$753.21
Jan-17	\$23,230,105	\$12,028,548	\$11,201,557	30,797	\$754.30
Feb-17	\$23,263,789	\$12,045,990	\$11,217,799	30,797	\$755.39
Mar-17	\$23,297,521	\$12,063,457	\$11,234,065	30,797	\$756.49
Apr-17	\$23,331,303	\$12,080,949	\$11,250,354	30,797	\$757.58
May-17	\$23,365,133	\$12,098,466	\$11,266,667	30,797	\$758.68
Jun-17	\$23,399,013	\$12,116,009	\$11,283,004	30,797	\$759.78
Premiums	<u>\$278,562,059</u> (\$14,369,045)	<u>\$144,398,563</u> (\$7,448,554)	<u>\$134,163,496</u> (\$6,920,491)	30,797	\$9,045.10
Total Requirements	\$264,193,014	\$136,950,009	\$127,243,004		
FY 2016-17 Tobacco Funds	<u>\$192,600,052</u>	<u>\$99,839,052</u>	<u>\$92,761,000</u>		
FY 2016-17 General Fund Requirement		\$37,110,957	\$34,482,004		

MEDICAL ASSISTANCE - WORKERS WITH DISABILITIES

PROGRAM STATEMENT

The Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-170) gave states the option of providing Medicaid benefits to workers with disabilities who have higher income and resources than current Medicaid standards. Pennsylvania exercised this option through the passage of Act 77 of 2001, also known as the Tobacco Settlement Act. This Act provided the State share of funds necessary to implement Medical Assistance for Workers with Disabilities (MAWD) in Pennsylvania.

The MAWD program consists of two eligibility groups, Workers with a Disability and Workers with a Medically Improved Disability. Individuals in both groups receive the Pennsylvania ACCESS card and receive full Categorically Needy Medicaid benefits. Individuals are enrolled in the HealthChoices program, except for those who also receive Medicare. Medicare/Medicaid covered individuals obtain Medicaid services through the Fee-for-Service Program and most prescriptions are covered by the Medicare Prescription Drug Plan. An individual must have been a member of the Workers with a Disability Group in order to qualify as a Worker with a Medically Improved Disability.

To qualify for the Worker with a Disability Group, a person must be at least age 16, but less than age 65, be disabled according to the Social Security Administration's (SSA) or Department's Disability Review criteria, be employed and receiving compensation (no minimum monthly hours or earnings required), with countable monthly income (after allowable deductions) below 250 percent of the Federal Poverty Income Guidelines and have countable resources equal to or less than \$10,000.

To qualify for the Worker with a Medically Improved Disability Group, in addition to having been a member of the previous group, a person must be employed at least 40 hours per month and earning at least the minimum wage, have a medically improved disability that no longer qualifies under SSA's or the Department's Disability Review criteria, and meet the same age resource and income requirements of the Worker with a Disability Group.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

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Pp. E30.8, H80

APPROPRIATION:
Tobacco Settlement Fund - Uncompensated Care

I. SUMMARY FINANCIAL DATA

	<u>2014-2015 Actual</u>	<u>2015-2016 Available</u>	<u>2016-2017 Budgeted</u>
State Funds	\$25,278	\$24,943	\$25,293
Federal Funds Total	\$27,188	\$27,241	\$27,160
Federal Sources Itemized			
<i>Medical Assistance - Uncompensated Care</i>	\$27,188	\$27,241	\$27,160
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$52,466	\$52,184	\$52,453

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$0
Federal Funds	<u>\$0</u>
Total	\$0

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Tobacco Settlement Fund - Uncompensated Care			
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$25,278	\$24,943	\$25,293	\$350	1.40%
Federal Funds	\$27,188	\$27,241	\$27,160	(\$81)	-0.30%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$52,466	\$52,184	\$52,453	\$269	0.52%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$25,278	\$24,943	\$25,293	\$350	1.40%
Federal Funds	\$27,188	\$27,241	\$27,160	(\$81)	-0.30%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$52,466	\$52,184	\$52,453	\$269	0.52%

APPROPRIATION:

Tobacco Settlement Fund - Uncompensated Care

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$25,835	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2014	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA**Derivation of Request:**

The Fiscal Year 2016-2017 Governor's Executive Budget recommends that \$25.293 million be allocated from the Tobacco Settlement Fund for payments under the Uncompensated Care Payment Program.

Legislative Citations:

35 P.S. § 5701.101 et seq.

Disbursement Criteria:

This appropriation provides for annual payments to qualifying hospitals for a portion of the hospitals' uncompensated costs for services provided to uninsured individuals. It also provides for payment of qualifying extraordinary expenses for services rendered to uninsured patients. Disbursement is administered by the Office of Medical Assistance Programs. Of the total appropriation, 85 percent is allocated for uncompensated care and 15 percent is allocated for extraordinary expenses.

Hospitals must have a plan in place to treat the uninsured. Eligibility for payment is based on criteria specified in Act 77. Qualifying hospitals receive a pro rata share of the uncompensated care allocation based on the methodology specified in the Act. For a hospital to receive payment for extraordinary expenses, specified criteria must be met as outlined in the Act. Although a hospital may qualify for both the uncompensated care payment and the extraordinary expense payment, they are required to choose which payment they wish to receive.

VI. EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 Tobacco Settlement Fund - Uncompensated Care

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
GRANT & SUBSIDY				
1. Reflects an increase in available Uncompensated Care funds in Fiscal Year 2016-2017:	\$350	\$170	\$0	\$520
2. Impact of the decrease in the Federal Medical Assistance Percentage from 52.01 percent to 51.78 percent effective October 1, 2016:	\$0	(\$251)	\$0	(\$251)
TOTAL	<u>\$350</u>	<u>(\$81)</u>	<u>\$0</u>	<u>\$269</u>

TOBACCO SETTLEMENT FUND - UNCOMPENSATED CARE

PROGRAM STATEMENT

The Tobacco Settlement Act of 2001 (Act 77) established the Uncompensated Care program to provide funding to hospitals in Pennsylvania for the cost of care provided to uninsured patients or those who are unable to pay for services rendered by the hospital. The payments are made annually to qualified acute, psychiatric and rehabilitative care hospitals.

DHS BUDGET REQUEST FOR FY 2016-2017

(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A1.18-19, C1.10, E30.6, E30.24, E30.26,
E30.31

APPROPRIATION:
Behavioral Health Services

I. SUMMARY FINANCIAL DATA

	2014-2015 <u>Actual</u>	2015-2016 <u>Available</u>	2016-2017 <u>Budgeted</u>
State Funds	\$43,117	\$47,214 ¹	\$66,351
Federal Funds Total	\$0	\$0	\$1,000
Federal Sources Itemized			
<i>Increasing Access to Medication-Assisted Treatment</i>	\$0	\$0	\$1,000
	<u>\$43,117</u>	<u>\$47,214</u>	<u>\$67,351</u>
Total			\$0

IA. REQUESTED SUPPLEMENTALS (Included above)

	<u>2015-2016 Available</u>
State Funds	\$4,097
Federal Funds	<u>\$0</u>
Total	\$4,097

¹ Includes a recommended supplemental of \$4.097 million for Fiscal Year 2015-2016. Act 10-A of 2015 provided \$43.117 million in funding for Fiscal year 2015-2016.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Behavioral Health Services			
		2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$43,117	\$47,214	\$66,351	\$19,137	40.53%
Federal Funds	\$0	\$0	\$1,000	\$1,000	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$43,117	\$47,214	\$67,351	\$20,137	42.65%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$43,117	\$47,214	\$66,351	\$19,137	40.53%
Federal Funds	\$0	\$0	\$1,000	\$1,000	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$43,117	\$47,214	\$67,351	\$20,137	42.65%

**APPROPRIATION:
Behavioral Health Services**

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016 Estimated</u>
State Funds	\$3	\$10	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>2016-2017 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

These county programs provide alternative substance abuse and mental health services to avert more costly psychiatric inpatient and hospital detoxification for individuals who do not have insurance that covers services needed and cannot obtain Medical Assistance benefits.

Legislative Citations:

62 P.S. §§ 201, 206, 443.1, 443.3, 443.5

Disbursement Criteria:

Quarterly payments are disbursed to County Mental Health Programs and Single County Authorities based upon an approved allocation plan. The allocation plan is finalized following a review of annual expenditure reports.

VI. EXPLANATION OF CHANGES
(\$ Amounts in Thousands)

APPROPRIATION:
Behavioral Health Services

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
GRANT & SUBSIDY				
1. Provides funding for Increasing Access to Medication-Assisted Treatment in Rural Primary Care Practices Grant. This is a research demonstration project to support implementation of medication-assisted treatment for opioid use disorder in rural primary care practices:	\$0	\$1,000	\$0	\$1,000
INITIATIVES				
1. Combating the Heroin Epidemic:				
A. Provides funding for 25 Substance Use Disorder Health Homes for Medication Assisted Disorder Methadone and Suboxone providers:	<u>\$17,540</u>	<u>\$0</u>	<u>\$0</u>	<u>\$17,540</u>
	\$17,540	\$0	\$0	\$17,540
2. Human Services Funding Restoration:				
A. Provides funding to restore one-third of the cut to seven human services appropriations to offset Fiscal Year 2012-2013 funding cuts:	<u>\$1,597</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,597</u>
TOTAL	<u><u>\$19,137</u></u>	<u><u>\$1,000</u></u>	<u><u>\$0</u></u>	<u><u>\$20,137</u></u>

The following table provides a comparison of fiscal year State funding for the Behavioral Health Services appropriation by program component.

	<u>Fiscal Year 2014-2015 Actual</u>	<u>Fiscal Year 2015-2016 Available</u>	<u>Fiscal Year 2016-2017 Budgeted</u>	<u>FY 2015-2016 vs. FY 2016-2017</u>
Mental Health	\$17,247	\$17,886	\$18,525	\$639
Drug and Alcohol				
County Drug and Alcohol agencies:	\$25,870	\$26,828	\$27,786	\$958
Health Homes:	\$0	\$0	\$17,540	\$17,540
Vivitrol Pilot:	\$0	\$750	\$750	\$0
Naloxone Partnership:	<u>\$0</u>	<u>\$1,750</u>	<u>\$1,750</u>	<u>\$0</u>
Subtotal Drug and Alcohol	\$25,870	\$29,328	\$47,826	\$18,498
Total State Funds	<u><u>\$43,117</u></u>	<u><u>\$47,214</u></u>	<u><u>\$66,351</u></u>	<u><u>\$19,137</u></u>

BEHAVIORAL HEALTH SERVICES

PROGRAM STATEMENT

The Department of Human Services (DHS) provides funding for drug and alcohol treatment services, as well as mental health treatment services, through the Behavioral Health Services appropriation. This appropriation was created in response to Act 35 of 1996, which revised eligibility criteria for General Assistance Medically Needy Only (GA-MNO) benefits under the Medical Assistance (MA) Program and led to approximately 18,800 individuals in need of drug and alcohol treatment services or mental health treatment services losing GA-MNO eligibility. The Behavioral Health Services appropriation ensured that these non-MA eligibles continued to receive necessary mental health and drug and alcohol treatment services.

HUMAN SERVICES BLOCK GRANT

In Fiscal Year 2012-2013, a 20-county Human Services Block Grant pilot program was implemented to provide local governments with increased flexibility to address local needs. Under the pilot program, funding for the following seven programs was combined at the local level into a flexible Human Services Block Grant: Human Services Development Fund, Community Mental Health Services, Behavioral Health Services, Intellectual Disability Community Based Services, County Child Welfare Special Grants, Homeless Assistance Programs, and Act 152 Drug and Alcohol Services. The 20-county pilot was expanded in Fiscal Year 2013-2014, allowing additional counties to participate on a voluntary basis. Ten counties were added in Fiscal Year 2013-2014 bringing the total number of Block Grant Counties to 30. No additional expansion is currently anticipated in Fiscal Year 2015-2016 or Fiscal Year 2016-2017 and funding will continue to be provided from the individual appropriations.

FISCAL YEAR 2016-2017 INITIATIVE – HUMAN SERVICES FUNDING RESTORATION

The Fiscal Year 2016-2017 “Human Services Funding Restoration” initiative will restore one-third of the 10 percent reduction initially made to county programs during Fiscal Year 2012-2013. This is the second year of the planned three fiscal year initiative. In addition to the Fiscal Year 2016-2017 restoration of one-third of the prior reduction, the Governor’s Executive Budget for Fiscal Year 2016-2017 proposes that the remaining one-third will be restored over the subsequent fiscal year to fully offset the initial funding cuts. Specifically, the Governor’s Executive Budget for Fiscal Year 2016-2017 includes a total of \$1.597 million in State funds in the Behavioral Health Services Program for this purpose. The balance of the Fiscal Year 2016-2017 funding proposed under this initiative is reflected under the other affected programs as identified above.

FISCAL YEAR 2016-2017 INITIATIVE – COMBATting THE HEROIN EPIDEMIC

The Fiscal Year 2016-2017 “Combatting the Heroin Epidemic” initiative will implement 50 Health Homes for persons living with Substance Use Disorder (SUD). This initiative will fund the expansion of narcotic treatment programs to include Suboxone treatment at facilities and will increase the capacity to care for those seeking treatment for SUD, as well as increase the quality of care. Each SUD Health Home will be given funding to: deploy a community-based care management team, track/report aggregate consumer outcomes, meet defined referral standards for drug and alcohol as well as mental health counseling, report on standard quality outcomes, and participate in a learning network. DHS’ Office of Mental Health and Substance Abuse Services will work with the Single County Authorities in selecting the Health Homes based on factors such as meeting the common set of DHS requirements for becoming a SUD Health Home, volume of Medical Assistance consumers already treated for SUD, number of opiate overdoses/deaths in a geographic region, and willingness of the current provider network to expand capacity to see more patients. A total of \$17.540 million is provided for this initiative.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

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Pp. A3.8, E30.6, E30.15, E30.17

APPROPRIATION:
Expanded Medical Services for Women

I. SUMMARY FINANCIAL DATA	2014-2015 <u>Actual</u>	2015-2016 <u>Available</u>	2016-2017 <u>Budgeted</u>
State Funds	\$5,694	\$6,263	\$6,263
Federal Funds Total	\$1,000	\$1,000	\$1,000
Federal Sources Itemized			
<i>TANFBG - Alternatives to Abortion</i>	\$1,000	\$1,000	\$1,000
Other Funds Total	\$0	\$0	\$0
Total	\$6,694	\$7,263	\$7,263
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds Total		<u>\$0</u>	
Total		\$0	

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Expanded Medical Services for Women				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$5,694	\$6,263	\$6,263	\$0	0.00%
<i>Federal Funds</i>	\$1,000	\$1,000	\$1,000	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$6,694	\$7,263	\$7,263	\$0	0.00%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$5,694	\$6,263	\$6,263	\$0	0.00%
<i>Federal Funds</i>	\$1,000	\$1,000	\$1,000	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$6,694	\$7,263	\$7,263	\$0	0.00%

APPROPRIATION:
Expanded Medical Services for Women

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>2016-2017 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:
The Fiscal Year 2016-2017 Governor's Executive Budget maintains State funding for Expanded Medical Services for Women at the Fiscal Year 2015-2016 State funding level of \$6.263 million. The Fiscal Year 2016-2017 Governor's Executive Budget maintains Federal funding for the Temporary Assistance for Needy Families Block Grant (TANFGB) program at the Fiscal Year 2015-2016 appropriation level of \$1.000 million.

Detail on the appropriation is outlined in Section VI entitled "Explanation of Changes" on the next page.

Legislative Citations:
62 P.S. §§ 201, 206

Disbursement Criteria:
The Department of Human Services contracts with Real Alternatives, a non-profit organization that administers the Alternatives to Abortion Service Program. In Fiscal Year 2016-2017, \$6.263 million in State funds will be allocated for grants to nonprofit agencies whose primary function is to assist pregnant women seeking alternatives to abortion. The proposed budget maintains \$1.000 million in Federal TANFGB money allocated to agencies to assist pregnant women seeking alternatives to abortion whose gross family income is below 185 percent of the Federal Poverty Income Guidelines.

VI. EXPLANATION OF CHANGES

(\$ Amounts in Thousands)

APPROPRIATION:

Expanded Medical Services for Women

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total</u>
GRANT & SUBSIDY				
1. The Fiscal Year 2016-2017 Governor's Executive Budget maintains State Funding at the Fiscal Year 2015-2016 State funding level of \$6.263 million:	\$0	\$0	\$0	\$0
2. The Fiscal Year 2016-2017 Governor's Executive Budget maintains Temporary Assistance to Needy Families Block Grant Federal funding of \$1.000 million to support programs to assist pregnant women whose gross income is below 185 percent of the Federal Poverty Income Guidelines in seeking alternatives to abortion:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Grant & Subsidy	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

EXPANDED MEDICAL SERVICES FOR WOMEN

PROGRAM STATEMENT

The Expanded Medical Services for Women appropriation represents funding for the Alternatives to Abortion Service Program (AASP). The Fiscal Year 2016-2017 Governor's Executive Budget provides State funding of \$6.263 million. The Fiscal Year 2016-2017 Governor's Executive Budget also contains \$1.000 million in Temporary Assistance for Needy Families Federal funding support.

The AASP began in Fiscal Year 1991-1992 to assist women experiencing a crisis pregnancy with information and referrals for needed services, at the time when a decision regarding the outcome of the pregnancy is being made, to encourage maintenance of the pregnancy and offer alternatives to abortion. The AASP assists women throughout the pregnancy and during the first twelve months following birth. The program provides social and educational services such as training/counseling regarding childbirth, parenting, chastity, food and clothing pantries and housing assistance.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A1.19, C1.19, D69, E30.8, E30.10, E30.16, E30.35,
E30.42

APPROPRIATION:
Children's Health Insurance Program

I. SUMMARY FINANCIAL DATA	2014-2015 <u>Actual</u>	2015-2016 <u>Available</u>	2016-2017 <u>Budgeted</u>
State Funds Total	\$76,094	\$13,553	\$6,591
State Sources Itemized			
<i>Children's Health Insurance Program</i>	\$76,094 ¹	\$13,553	\$6,591
Federal Funds Total	\$307,536	\$303,616	\$307,999
Federal Sources Itemized			
<i>Children's Health Insurance Program</i>	\$307,536 ¹	\$303,616	\$307,999
Other Funds Total	\$32,995	\$39,104	\$30,730
Other Fund Sources Itemized			
<i>Cigarette Tax</i>	<u>\$32,995</u> ¹	<u>\$39,104</u>	<u>\$30,730</u>
Total	\$416,625	\$356,273	\$345,320
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds		<u>\$0</u>	
Total		\$0	
 ¹ Fiscal Year 2014-2015 allocations were appropriated to the Department of Insurance. Act 10-A of 2015 transferred the Children's Health Insurance Program to the Department of Human Services in Fiscal Year 2015-2016.			

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Children's Health Insurance Program				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$2,084	\$2,629	\$2,817	\$188	7.15%
<i>Other Funds</i>	\$947	\$526	\$338	(\$188)	-35.74%
Total Operating	\$3,031	\$3,155	\$3,155	\$0	0.00%
FIXED ASSETS					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$76,094	\$13,553	\$6,591	(\$6,962)	-51.37%
<i>Federal Funds</i>	\$300,564	\$261,749	\$305,182	\$43,433	16.59%
<i>Other Funds</i>	\$32,048	\$37,206	\$30,392	(\$6,814)	-18.31%
Total Grant & Subsidy	\$408,706	\$312,508	\$342,165	\$29,657	9.49%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$4,888	\$39,238	\$0	(\$39,238)	-100.00%
<i>Other Funds</i>	\$0	\$1,372	\$0	(\$1,372)	-100.00%
Total Budgetary Reserve	\$4,888	\$40,610	\$0	(\$40,610)	-100.00%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$76,094	\$13,553	\$6,591	(\$6,962)	-51.37%
<i>Federal Funds</i>	\$307,536	\$303,616	\$307,999	\$4,383	1.44%
<i>Other Funds</i>	\$32,995	\$39,104	\$30,730	(\$8,374)	-21.41%
Total Funds	\$416,625	\$356,273	\$345,320	(\$10,953)	-3.07%

APPROPRIATION:
Children's Health Insurance Program

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016 Estimated</u>
State Funds	\$1,607	\$35,000	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>2016-2017 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

Funding projections are derived from actuarial forecasting models developed on the basis of persons estimated to be eligible for the three components of coverage for children and teens up to age 19. The free component covers individuals in families with a net income no greater than 208 percent of the Federal Poverty Level (FPL). The second, low-cost component covers children in families with a net income greater than 208 percent but no greater than 314 percent of the FPL. The third component covers children in households with a net family income greater than 314 percent, in which the families pay the entire monthly premium.

Detail on the appropriation is outlined in Section VI entitled "Explanation of Changes" on the next page.

Legislative Citations:

Article XXIII-A of the Insurance Company Law of 1921 (Act 2015-84)

Disbursement Criteria:

These appropriations fund the claims operations of the Children's Health Insurance Program (CHIP), which is administered by contracted insurance companies to provide Managed Care coverage to children. Disbursements are made based on invoices submitted for operating expenses for outreach costs and benefit claims to contractors.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Children's Health Insurance Program			
	State \$	Federal \$	Other \$	Total
OPERATING				
1. Impact of the change in the enhanced Federal Medical Assistance Percentage (a decrease from 89.41 percent to 89.25 percent, effective October 1, 2016):	\$0	\$188	(\$188)	\$0
GRANT & SUBSIDY				
1. Monthly Payments for the Free Component				
A. Provides for an average monthly increase of 3,949 children during Fiscal Year 2016-2017 from 108,765 to 112,714:	\$1,446	\$7,520	\$0	\$8,966
B. Provides for an increase in the average monthly cost per user of \$10.68, from \$189.15 in Fiscal Year 2015-2016 to \$199.83 in Fiscal Year 2016-2017:	\$2,070	\$12,388	\$0	\$14,458
2. Monthly Subsidized Payments for Children from 208 to 262 Percent of the Federal Poverty Income Guidelines (FPIG)				
A. Provides for an average monthly increase of 1,494 children during Fiscal Year 2016-2017 from 26,030 to 27,524:	\$426	\$2,212	\$0	\$2,638
B. Provides for an increase in the average monthly cost per user of \$7.83, from \$147.12 in Fiscal Year 2015-2016 to \$154.95 in Fiscal Year 2016-2017:	\$374	\$2,220	\$0	\$2,594
3. Monthly Subsidized Payments for Children from 262 to 288 Percent of the FPIG				
A. Provides for an average monthly increase of 931 children during Fiscal Year 2016-2017 from 6,853 to 7,784:	\$228	\$1,200	\$0	\$1,428
B. Provides for an increase in the average monthly cost per user of \$6.74, from \$127.73 in Fiscal Year 2015-2016 to \$134.47 in Fiscal Year 2016-2017:	\$95	\$538	\$0	\$633
4. Monthly Subsidized Payments for Children from 288 to 314 Percent of the FPIG				
A. Provides for an average monthly decrease of 47 children during Fiscal Year 2016-2017 from 4,915 to 4,868:	(\$11)	(\$55)	\$0	(\$66)
B. Provides for an increase in the average monthly cost per user of \$6.24, from \$117.14 in Fiscal Year 2015-2016 to \$123.38 in Fiscal Year 2016-2017:	\$45	\$321	\$0	\$366

VI. EXPLANATION OF CHANGES

(\$ Amounts in Thousands)

APPROPRIATION:

Children's Health Insurance Program

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total</u>
5. Reflects a decrease in payments for the Federally Qualified Health Centers/Rural Health Clinics prospective payment system and dental benefits. This will now be included in the per member per month rates:	(\$701)	(\$1,500)	\$0	(\$2,201)
6. Impact of the change in the enhanced Federal Medical Assistance Percentage (a decrease from 89.41 percent to 89.25 percent, effective October 1, 2016). Full-year blended rate increases from 83.625 percent to 89.29 percent due to the annualization of the 23 percent increase effective October 1, 2015:	(\$18,589)	\$18,589	\$0	\$0
7. The Fiscal Year 2016-2017 Governor's Executive Budget recommends that \$30.730 million be allocated from the Cigarette Tax to provide supplemental funding to the CHIP appropriation, a decrease of \$7.002 million from the Fiscal Year 2015-2016 amount:	<u>\$6,814</u>	<u>\$0</u>	<u>(\$6,814)</u>	<u>\$0</u>
Subtotal Grant & Subsidy	(\$7,803)	\$43,433	(\$6,814)	\$28,816
BUDGETARY RESERVE				
1. Reflects excess spending authority in Fiscal Year 2015-2016:	<u>\$0</u>	<u>(\$39,238)</u>	<u>(\$1,372)</u>	<u>(\$40,610)</u>
FISCAL YEAR 2016-2017 INITIATIVES				
1. Express Lane Eligibility:				
A. Provides funding to support a strategy that uses income and household information gathered through the eligibility process from other child-serving, means-tested programs to confer eligibility for Medicaid or CHIP for uninsured children:	<u>\$841</u>	<u>\$0</u>	<u>\$0</u>	<u>\$841</u>
Operating Total	\$0	\$188	(\$188)	\$0
Grant & Subsidy Total	(\$6,962)	\$43,433	(\$6,814)	\$29,657
Budgetary Reserve Total	<u>\$0</u>	<u>(\$39,238)</u>	<u>(\$1,372)</u>	<u>(\$40,610)</u>
GRAND TOTAL	<u>(\$6,962)</u>	<u>\$4,383</u>	<u>(\$8,374)</u>	<u>(\$10,953)</u>

Children's Health Insurance Program
Fiscal Year 2016-2017 Governor's Executive Budget
Fiscal Year 2015-2016

Month of Payment	Total	Federal	State	Total Enrollment	Average Per Capita
<u>Free Component</u>					
July 2015	\$20,095,606	\$13,317,358	\$6,778,248	107,414	\$187.09
August	\$19,429,753	\$12,876,097	\$6,553,656	107,517	\$180.71
September	\$19,577,508	\$12,974,015	\$6,603,493	107,671	\$181.83
October	\$20,052,733	\$17,929,148	\$2,123,584	107,498	\$186.54
November	\$19,715,187	\$17,627,349	\$2,087,838	108,241	\$182.14
December	\$20,960,610	\$18,740,882	\$2,219,729	108,566	\$193.07
January 2016	\$21,023,492	\$18,797,104	\$2,226,388	108,891	\$193.07
February	\$21,086,563	\$18,853,496	\$2,233,067	109,218	\$193.07
March	\$21,149,822	\$18,910,056	\$2,239,766	109,546	\$193.07
April	\$21,213,272	\$18,966,786	\$2,246,485	109,874	\$193.07
May	\$21,276,912	\$19,023,687	\$2,253,225	110,204	\$193.07
June	\$21,340,742	\$19,080,758	\$2,259,985	110,535	\$193.07
Subtotal Free Component	\$246,922,201	\$207,096,736	\$39,825,465	108,765	\$189.15
<u>Subsidized - 208-262%</u>					
July 2015	\$3,676,227	\$2,436,236	\$1,239,991	25,505	\$144.14
August	\$3,682,340	\$2,440,287	\$1,242,053	25,494	\$144.44
September	\$3,682,615	\$2,440,469	\$1,242,146	25,536	\$144.21
October	\$3,691,455	\$3,300,530	\$390,925	25,734	\$143.45
November	\$3,648,632	\$3,262,242	\$386,390	25,832	\$141.24
December	\$3,885,599	\$3,474,114	\$411,485	25,953	\$149.71
January 2016	\$3,903,862	\$3,490,443	\$413,419	26,075	\$149.71
February	\$3,922,210	\$3,506,848	\$415,362	26,198	\$149.71
March	\$3,940,644	\$3,523,330	\$417,314	26,321	\$149.71
April	\$3,959,165	\$3,539,890	\$419,276	26,445	\$149.71
May	\$3,977,773	\$3,556,527	\$421,246	26,569	\$149.71
June	\$3,996,469	\$3,573,243	\$423,226	26,694	\$149.71
Subtotal Subsidized - 208-262%	\$45,966,991	\$38,544,157	\$7,422,834	26,030	\$147.12
<u>Subsidized - 262-288%</u>					
July 2015	\$803,758	\$532,650	\$271,108	6,447	\$124.67
August	\$817,747	\$541,921	\$275,826	6,523	\$125.36
September	\$820,001	\$543,415	\$276,586	6,553	\$125.13
October	\$836,612	\$748,015	\$88,597	6,663	\$125.56
November	\$827,593	\$739,951	\$87,642	6,752	\$122.57
December	\$886,494	\$792,615	\$93,880	6,823	\$129.92
January 2016	\$895,838	\$800,969	\$94,869	6,895	\$129.92
February	\$905,280	\$809,411	\$95,869	6,968	\$129.92
March	\$914,822	\$817,942	\$96,880	7,041	\$129.92
April	\$924,464	\$826,563	\$97,901	7,115	\$129.92
May	\$934,208	\$835,275	\$98,933	7,190	\$129.92
June	\$944,054	\$844,079	\$99,975	7,266	\$129.92
Subtotal Subsidized - 262-288%	\$10,510,872	\$8,832,806	\$1,678,066	6,853	\$127.73

Children's Health Insurance Program
Fiscal Year 2016-2017 Governor's Executive Budget
Fiscal Year 2015-2016

Month of Payment	Total	Federal	State	Total Enrollment	Average Per Capita
<u>Subsidized - 288-314%</u>					
July 2015	\$572,526	\$379,413	\$193,113	5,004	\$114.41
August	\$585,761	\$388,184	\$197,577	5,067	\$115.60
September	\$571,766	\$378,910	\$192,857	5,009	\$114.15
October	\$567,471	\$507,376	\$60,095	4,951	\$114.62
November	\$547,459	\$489,483	\$57,976	4,868	\$112.46
December	\$580,303	\$518,849	\$61,454	4,868	\$119.21
January 2016	\$580,303	\$518,849	\$61,454	4,868	\$119.21
February	\$580,303	\$518,849	\$61,454	4,868	\$119.21
March	\$580,303	\$518,849	\$61,454	4,868	\$119.21
April	\$580,303	\$518,849	\$61,454	4,868	\$119.21
May	\$580,303	\$518,849	\$61,454	4,868	\$119.21
June	\$580,303	\$518,849	\$61,454	4,868	\$119.21
Subtotal Subsidized - 288-314%	\$6,907,102	\$5,775,306	\$1,131,796	4,915	\$117.14
<hr/>					
TOTAL PREMIUM PAYMENTS	\$310,307,166	\$260,249,005	\$50,058,161		
<hr/>					
Federally Qualified Health Centers/Rural Health Clinics Prospective Payment System & Dental Benefits	\$2,200,834	\$1,499,995	\$700,839		
<hr/>					
<u>OPERATING</u>					
Outreach	\$3,155,000	\$2,629,000	\$526,000		
Uncommitted	\$39,238,000	\$39,238,000	\$0		
<hr/>					
FY 2015-2016 Cash Requirement	\$354,901,000	\$303,616,000	\$51,285,000		
Cigarette Tax	\$37,732,000	\$0	\$37,732,000		
Total FY 2015-2016 Program Requirement	\$317,169,000	\$303,616,000	\$13,553,000		
<hr/>					
Act 10-A of 2015 Surplus/(Deficit)		\$303,616,000	\$13,553,000		
		\$0	\$0		

Children's Health Insurance Program
Fiscal Year 2016-2017 Governor's Executive Budget
Fiscal Year 2016-2017

Month of Payment	Total	Federal	State	Total Enrollment	Average Per Capita
<u>Free Component</u>					
July 2016	\$21,404,765	\$19,138,000	\$2,266,765	110,866	\$193.07
August	\$21,468,979	\$19,195,414	\$2,273,565	111,199	\$193.07
September	\$21,533,386	\$19,253,000	\$2,280,386	111,532	\$193.07
October	\$21,597,986	\$19,276,203	\$2,321,784	111,867	\$193.07
November	\$21,662,780	\$19,334,031	\$2,328,749	112,203	\$193.07
December	\$23,031,434	\$20,975,978	\$2,055,456	112,539	\$204.65
January 2017	\$23,100,529	\$20,617,222	\$2,483,307	112,877	\$204.65
February	\$23,169,830	\$20,679,074	\$2,490,757	113,215	\$204.65
March	\$23,239,340	\$20,741,111	\$2,498,229	113,555	\$204.65
April	\$23,309,058	\$20,803,334	\$2,505,724	113,896	\$204.65
May	\$23,378,985	\$20,865,744	\$2,513,241	114,237	\$204.65
June	\$23,449,122	\$20,928,341	\$2,520,781	114,580	\$204.65
Subtotal Free Component	\$270,346,194	\$241,807,453	\$28,538,741	112,714	\$199.83
<u>Subsidized - 208-262%</u>					
July 2016	\$4,015,252	\$3,590,037	\$425,215	26,819	\$149.71
August	\$4,034,124	\$3,606,910	\$427,214	26,945	\$149.71
September	\$4,053,084	\$3,623,863	\$429,222	27,072	\$149.71
October	\$4,072,134	\$3,634,379	\$437,754	27,199	\$149.71
November	\$4,091,273	\$3,651,461	\$439,812	27,327	\$149.71
December	\$4,357,132	\$3,888,740	\$468,392	27,456	\$158.70
January 2017	\$4,377,610	\$3,907,017	\$470,593	27,585	\$158.70
February	\$4,398,185	\$3,925,380	\$472,805	27,714	\$158.70
March	\$4,418,857	\$3,943,830	\$475,027	27,845	\$158.70
April	\$4,439,625	\$3,962,366	\$477,260	27,975	\$158.70
May	\$4,460,491	\$3,980,989	\$479,503	28,107	\$158.70
June	\$4,481,456	\$3,999,699	\$481,756	28,239	\$158.70
Subtotal Subsidized - 208-262%	\$51,199,223	\$45,714,671	\$5,484,553	27,524	\$154.95
<u>Subsidized - 262-288%</u>					
July 2016	\$954,005	\$852,976	\$101,029	7,343	\$129.92
August	\$964,060	\$861,966	\$102,094	7,420	\$129.92
September	\$974,221	\$871,051	\$103,170	7,498	\$129.92
October	\$984,489	\$878,657	\$105,833	7,577	\$129.92
November	\$994,866	\$887,918	\$106,948	7,657	\$129.92
December	\$1,065,673	\$951,113	\$114,560	7,738	\$137.72
January 2017	\$1,076,905	\$961,138	\$115,767	7,820	\$137.72
February	\$1,088,256	\$971,268	\$116,987	7,902	\$137.72
March	\$1,099,726	\$981,505	\$118,221	7,985	\$137.72
April	\$1,111,317	\$991,851	\$119,467	8,069	\$137.72
May	\$1,123,030	\$1,002,305	\$120,726	8,154	\$137.72
June	\$1,134,867	\$1,012,869	\$121,998	8,240	\$137.72
Subtotal Subsidized - 262-288%	\$12,571,416	\$11,224,617	\$1,346,800	7,784	\$134.47

Children's Health Insurance Program
Fiscal Year 2016-2017 Governor's Executive Budget
Fiscal Year 2016-2017

Month of Payment	Total	Federal	State	Total Enrollment	Average Per Capita
<u>Subsidized - 288-314%</u>					
July 2016	\$580,303	\$518,849	\$61,454	4,868	\$119.21
August	\$580,303	\$518,849	\$61,454	4,868	\$119.21
September	\$580,303	\$518,849	\$61,454	4,868	\$119.21
October	\$580,303	\$517,920	\$62,383	4,868	\$119.21
November	\$580,303	\$517,920	\$62,383	4,868	\$119.21
December	\$615,121	\$548,995	\$66,125	4,868	\$126.36
January 2017	\$615,121	\$548,995	\$66,125	4,868	\$126.36
February	\$615,121	\$548,995	\$66,125	4,868	\$126.36
March	\$615,121	\$548,995	\$66,125	4,868	\$126.36
April	\$615,121	\$548,995	\$66,125	4,868	\$126.36
May	\$615,121	\$548,995	\$66,125	4,868	\$126.36
June	\$615,121	\$548,995	\$66,125	4,868	\$126.36
Subtotal Subsidized - 288-314%	\$7,207,358	\$6,435,353	\$772,006	4,868	\$123.38
<hr/>					
TOTAL PREMIUM PAYMENTS	\$341,324,191	\$305,182,092	\$36,142,099		
<hr/>					
<u>OPERATING</u>					
Outreach	\$3,155,000	\$2,817,100	\$337,901		
<hr/>					
<u>FISCAL YEAR 2016-2017 INITIATIVES/PRRs</u>					
Initiative--Express Lane Eligibility	\$841,000	\$0	\$841,000		
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FY 2016-2017 Cash Requirement	\$345,320,191	\$307,999,192	\$37,321,000		
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Cigarette Tax	\$30,730,000	\$0	\$30,730,000		
<hr/>					
Total FY 2016-2017 Program Requirement	\$314,590,191	\$307,999,192	\$6,591,000		

CHILDREN'S HEALTH INSURANCE PROGRAM

Pennsylvania's Children's Health Insurance Program (CHIP) is acknowledged as a national model, receiving specific recognition in the Federal Balanced Budget Act of 1997 as one of only three child health insurance programs that met congressional specifications. In early 2007, Pennsylvania received approval from the federal government to expand eligibility for CHIP as part of the "Cover All Kids" initiative, and in March 2007 the new eligibility guidelines were implemented.

In 2016-2017, CHIP anticipates enrolling an average of 152,890 children, an increase of approximately 6,327 children over 2015-2016, at a total cost of \$345 million in state and federal funds. CHIP will continue to coordinate applications for children who may be eligible for Medical Assistance (MA) through the health care handshake process. These activities will be achieved through outreach efforts, the automated transfer of applicants between CHIP and MA, and the Federally Facilitated Marketplace (FFM), and the opportunity for qualifying families to purchase full cost or subsidized health care coverage at the amount negotiated by the commonwealth. Income limits were changed so that previously eligible CHIP children are now eligible for Medical Assistance. Governor Wolf and Insurance Commissioner Miller partnered with insurers to find solutions that guaranteed the full cost CHIP program meets minimum essential coverage requirements set by the federal government.

The continued implementation of the Affordable Care Act (ACA) imposes significant modification to CHIP's operations. The ACA changed the calculation of eligibility income and household composition, and increased requirements to streamline eligibility determinations and improve information security. Per the ACA, the commonwealth must now accept and process applications coming from the FFM and incorporate data available from the Federal Data Services Hub. The new requirements necessitate sizable enhancements to the CHIP Application Processing System (CAPS) as well as modification of the interaction of CAPS with other systems operated by DHS. The multitude of changes substantiates the need for centralization of eligibility to provide quality assurance services and ensure proper eligibility determinations at initial intake and at redetermination. The continued efforts to centralize eligibility tasks will improve program integrity, reduce fraud, waste, and abuse, and simplify the application process by reducing the need for verification information from applicants.

PROGRAM COMPONENTS

CHIP has three components that cover children and teens up to age 19 with identical, comprehensive benefits.

- The free component covers children in families with a net household income no greater than 208% of federal poverty guidelines. Federal financial participation (FFP) is received toward the cost of this coverage. There are no premiums and no co-payments collected for enrollees in this group.
- The low-cost component covers children in families with a net income greater than 208% but no greater than 314% of the federal poverty guidelines. FFP is received toward the cost of this low-cost coverage. The parent or guardian is required to pay a modest monthly premium on a sliding scale based upon household income and is responsible for modest co-payments on certain services and prescriptions. Enrollment in low-cost CHIP is divided into three increments with progressively increasing premiums.
- The full-cost component covers children in households with a net family income greater than 314% of the federal poverty guidelines. The families pay the entire monthly premium, as negotiated by the state. There is no state or federal financial participation. This expanded group pays an average of approximately \$217 per child per month for the premium. Comparable insurance must either be unavailable or unaffordable for a child to qualify.

FISCAL YEAR 2016-2017 INITIATIVE – EXPRESS LANE ELIGIBILITY

The Fiscal Year 2016-2017 “Express Lane Eligibility” initiative will improve the ability of the department to rapidly confer eligibility for either Medicaid or CHIP for uninsured children. Uninsured eligible children will be enrolled into Medicaid or the Children’s Health Insurance Program (CHIP) using current eligibility information available from non-health care benefits, including SNAP and child care subsidy. This program is intended to positively affect health care outcomes for children and lower health care costs throughout the state.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A1.20, A1.27, A2.6, C1.10, C3.3-C3.5, E7.6,
E30.5, E30.8-E30.10, E30.13, E30.18-E30.20,
E30.23, E30.37, E30.38, H80

APPROPRIATION:
Long-Term Care

I. SUMMARY FINANCIAL DATA

	<u>2014-2015 Actual</u>	<u>2015-2016 Available</u>	<u>2016-2017 Budgeted</u>
State Funds Total	\$1,358,555	\$1,263,550	\$1,393,629
State Sources Itemized			
<i>Long-Term Care (General Fund)</i>	\$810,545	\$968,083	\$1,096,608
<i>MA - Long-Term Care (Tobacco Settlement Fund)</i>	\$238,929	\$111,386 ¹	\$112,940
<i>MA - Long-Term Care (Lottery Fund)</i>	\$309,081	\$184,081	\$184,081
Federal Funds Total	\$2,039,066	\$2,045,024	\$2,127,145
Federal Sources Itemized			
<i>MA - Long-Term Care (General Fund)</i>	\$2,039,066	\$2,045,024 ²	\$2,127,145
Other Funds Total	\$480,925	\$624,264	\$588,167
Other Fund Sources Itemized			
<i>Intergovernmental Transfer</i>	\$0	\$86,749	\$98,283
<i>Nursing Home Assessment</i>	\$480,925	\$537,515	\$489,884
Total	<u>\$3,878,546</u>	<u>\$3,932,838</u>	<u>\$4,108,941</u>

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	(\$5,223)
State Sources Itemized	
<i>MA - Long-Term Care (Tobacco Settlement Fund)</i>	(\$5,223)
Federal Funds Total	\$9,152
Federal Sources Itemized	
<i>MA - Long-Term Care (General Fund)</i>	<u>\$9,152</u>
Total	<u>\$3,929</u>

¹ Reflects a recommended appropriation reduction of \$5.223 million. Act 10-A of 2015 provided \$116.609 million for this program in Fiscal Year 2015-2016.

² Includes a recommended supplemental appropriation of \$9.152 million. Act 10-A of 2015 provided \$2,035.872 million for this program in Fiscal Year 2015-2016.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Long-Term Care				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
<i>State Funds</i>	\$11,632	\$21,425	\$24,530	\$3,105	14.49%
<i>Federal Funds</i>	\$10,328	\$18,538	\$31,463	\$12,925	69.72%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$21,960	\$39,963	\$55,993	\$16,030	40.11%
FIXED ASSETS					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$1,346,923	\$1,242,125	\$1,369,099	\$126,974	10.22%
<i>Federal Funds</i>	\$2,028,488	\$2,026,486	\$2,095,682	\$69,196	3.41%
<i>Other Funds</i>	\$480,925	\$624,264	\$588,167	(\$36,097)	-5.78%
Total Grant & Subsidy	\$3,856,336	\$3,892,875	\$4,052,948	\$160,073	4.11%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$250	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$250	\$0	\$0	\$0	0.00%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$1,358,555	\$1,263,550	\$1,393,629	\$130,079	10.29%
<i>Federal Funds</i>	\$2,039,066	\$2,045,024	\$2,127,145	\$82,121	4.02%
<i>Other Funds</i>	\$480,925	\$624,264	\$588,167	(\$36,097)	-5.78%
Total Funds	\$3,878,546	\$3,932,838	\$4,108,941	\$176,103	4.48%

APPROPRIATION:
Long-Term Care

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$321	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

Funding projections are derived from forecasting models developed on the basis of facilities certified for participation in the Medical Assistance (MA) Program, their MA case-mix index, projected estimates of patient pay funds and adjustments in net operating costs to reflect changes in resident care cost, and other resident related care and administrative expenses. Capital costs are also included as a component of nursing home payments.

Detail on the appropriation request is outlined in Section VI entitled "Explanation of Changes" on the following pages.

Legislative Citations:

62 P.S. § 443.1(5) and (6)

Disbursement Criteria:

The service provider must be enrolled in the Medical Assistance Program, the service recipient must be deemed eligible for Medical Assistance benefits and the service provided must be a covered Medical Assistance benefit. Reimbursement of covered services must be in accordance with promulgated fee schedules/rates of reimbursement. Payments are disbursed upon successful completion of prepayment screens and edits and availability of funding.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Long-Term Care			
	State \$	Federal \$	Other \$	Total \$
OPERATING				
1. The Governor's Executive Budget includes \$32.864 million (\$17.179 million in State funds) for the continuation of the major contracts for this appropriation:	<u>(\$4,246)</u>	<u>(\$2,853)</u>	<u>\$0</u>	<u>(\$7,099)</u>
Subtotal Operating	(\$4,246)	(\$2,853)	\$0	(\$7,099)
GRANT & SUBSIDY				
1. Nonpublic Nursing Facility				
A. Provides for an increase of 444,283 days of care during Fiscal Year 2016-2017 from 16,186,533 to 16,630,816:	\$36,202	\$37,414	\$0	\$73,616
B. Provides for an increase in average cost per day of \$1.96 for nonpublic nursing facilities from \$162.91 per day in Fiscal Year 2015-2016 to \$164.87 per day in Fiscal Year 2016-2017:	\$15,028	\$16,322	\$0	\$31,350
2. County Nursing Facility				
A. Reflects a decrease of 53,488 days of care during Fiscal Year 2016-2017 from 2,192,908 to 2,139,420:	(\$4,553)	(\$5,135)	\$0	(\$9,688)
B. Provides for an increase in average cost per day of \$2.16 for county nursing facilities from \$186.97 per day in Fiscal Year 2015-2016 to \$189.13 per day in Fiscal Year 2016-2017:	\$2,163	\$2,341	\$0	\$4,504
3. Certified Rehabilitation Agencies				
A. Reflects a decrease of 318 days of care during Fiscal Year 2016-2017 from 265,461 to 265,143:	(\$53)	(\$58)	\$0	(\$111)
B. Provides for an increase in average cost per day of \$4.29 for certified rehabilitation agencies from \$352.92 per day in Fiscal Year 2015-2016 to \$357.21 per day in Fiscal Year 2016-2017:	\$452	\$489	\$0	\$941
4. Inpatient Facility Based LTC Extended Care Facility				
A. Reflects a decrease of 2,284 days of care during Fiscal Year 2016-2017 from 199,427 to 197,143:	(\$198)	(\$230)	\$0	(\$428)
B. Provides for an increase in average cost per day of \$1.78 for inpatient facility based long-term care extended care facilities from \$172.04 per day in Fiscal Year 2015-2016 to \$173.82 per day in Fiscal Year 2016-2017:	<u>\$185</u>	<u>\$200</u>	<u>\$0</u>	<u>\$385</u>
Subtotal	\$49,226	\$51,343	\$0	\$100,569

VI. EXPLANATION OF CHANGES

(\$ Amounts in Thousands)

**APPROPRIATION:
Long-Term Care**

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
OTHER PROVIDER PAYMENTS				
1. Provides for the increase in Nursing Facilities Allowable Cost and Direct Care Supplemental Payments:	\$5,431	\$0	\$0	\$5,431
2. Reflects the non-recurring Fiscal Year 2015-2016 Medical Assistance (MA) Day One Incentive Payments to nonpublic facilities who maintain an overall occupancy rate of at least eighty-five percent and an MA occupancy rate of at least sixty-five percent:	(\$6,000)	(\$6,503)	\$0	(\$12,503)
3. Reflects the non-recurring prior year obligation of Pay-for-Performance Payments (P4P) to qualified county nursing facilities:	(\$755)	(\$812)	\$0	(\$1,567)
Subtotal Other Provider Payments	(\$1,324)	(\$7,315)	\$0	(\$8,639)
ADMINISTRATIVE/CASH FLOW IMPACTS				
1. Reflects the non-recurring rollback of costs from Fiscal Year 2015-2016 to Fiscal Year 2014-2015:	\$12,085	\$13,097	\$0	\$25,182
2. Provides for an increase in Tobacco Settlement funding available in Fiscal Year 2016-2017:	(\$1,554)	\$0	\$0	(\$1,554)
3. Reflects the discontinuation of the Certified Public Expenditure process:	\$4,341	(\$4,341)	\$0	\$0
4. Impact of increase in Nursing Home Assessment revenue:	(\$5,500)	\$0	\$5,500	\$0
5. Impact of increase in Intergovernmental Transfer Funding:	(\$11,534)	\$0	\$11,534	\$0
6. Impact of a one-time use of Nursing Home Assessment revenue collected in prior years in Fiscal Year 2015-2016:	\$53,131	\$0	(\$53,131)	\$0
Subtotal Administrative/Cash Flow Impacts	\$50,969	\$8,756	(\$36,097)	\$23,628
7. Impact of the change in the Federal Medical Assistance Percentage (a decrease from 52.01 percent to 51.78 percent, effective October 1, 2016). Full-year blended rate decreases from 51.9625 percent to 51.8375 percent:	\$5,833	(\$5,833)	\$0	\$0
Subtotal Grant & Subsidy - General Fund	\$104,704	\$46,951	(\$36,097)	\$115,558

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Long-Term Care			
	State \$	Federal \$	Other \$	Total \$
FISCAL YEAR 2016-2017 INITIATIVES				
OPERATING				
1. Community HealthChoices Administration				
A. Provides funding for the administration of Community HealthChoices in the Southwest Region beginning in January of 2017:	\$7,351	\$15,778	\$0	\$23,129
GRANT & SUBSIDY				
2. Community HealthChoices				
A. Impact of the transition from multiple fee-for-service delivery systems to a consolidated, capitated, managed long-term services and supports system called Community HealthChoices. This system will be implemented in the Southwest Region of the Commonwealth beginning January 2017:	\$20,716	\$22,245	\$0	\$42,961
Subtotal Fiscal Year 2016-2017 Initiatives	\$28,067	\$38,023	\$0	\$66,090
TOBACCO FUND				
GRANT & SUBSIDY				
1. The Fiscal Year 2016-2017 Governor's Executive Budget recommends that \$112.940 million be allocated from the Tobacco Settlement Fund to provide supplemental funding to the Long-Term Care appropriation, an increase of \$1.554 million from the Fiscal Year 2015-2016 amount:	\$1,554	\$0	\$0	\$1,554
Subtotal Grant & Subsidy - Tobacco Settlement Fund	\$1,554	\$0	\$0	\$1,554
GENERAL FUND				
Total Operating	\$3,105	\$12,925	\$0	\$16,030
Total Grant & Subsidy	\$125,420	\$69,196	(\$36,097)	\$158,519
Total General Fund	\$128,525	\$82,121	(\$36,097)	\$174,549
TOBACCO FUND				
Total Grant & Subsidy	\$1,554	\$0	\$0	\$1,554
Total Tobacco Fund	\$1,554	\$0	\$0	\$1,554
TOTAL	\$130,079	\$82,121	(\$36,097)	\$176,103

Long-Term Care
Fiscal Year 2016-2017 Governor's Executive Budget
Fiscal Year 2015-2016

	Total	Federal	State	Leave and Facility Days	Hospital Days	Cost Per Day
<u>LONG-TERM CARE FACILITIES</u>						
July 2015	\$249,241,826	\$129,201,259	\$120,040,367	1,475,510	17,383	\$168.26
August	\$283,235,527	\$146,906,424	\$136,329,103	1,676,720	19,490	\$168.27
September	\$263,488,417	\$136,746,282	\$126,742,135	1,555,407	16,921	\$168.79
October	\$257,412,283	\$134,109,212	\$123,303,071	1,521,876	15,416	\$168.57
November	\$290,662,880	\$151,508,260	\$139,154,620	1,718,599	20,439	\$168.46
December	\$254,007,860	\$132,109,488	\$121,898,372	1,501,366	18,021	\$168.51
January 2016	\$254,007,860	\$132,109,488	\$121,898,372	1,501,366	18,021	\$168.51
February	\$280,471,907	\$145,873,439	\$134,598,468	1,658,112	19,867	\$168.48
March	\$254,007,860	\$132,109,488	\$121,898,372	1,501,366	18,021	\$168.51
April	\$254,007,860	\$132,109,488	\$121,898,372	1,501,366	18,021	\$168.51
May	\$280,471,907	\$145,873,439	\$134,598,468	1,658,112	19,867	\$168.48
June	\$254,007,860	\$132,109,488	\$121,898,372	1,501,366	18,021	\$168.51
Subtotal Long-Term Care Facilities Expenditures	\$3,175,023,847	\$1,650,765,755	\$1,524,258,092	18,771,166	219,488	\$168.49
<u>OTHER PROVIDER PAYMENTS</u>						
Case-Mix Regulation Disproportionate Share Payments	\$6,495,689	\$3,375,322	\$3,120,367			
MDOI-MA Day One Incentive Payments-County (Assessment)	\$23,661,944	\$12,306,577	\$11,355,367			
MDOI-MA Day One Incentive Payments-County (Special Revenue)	\$132,057,928	\$68,683,328	\$63,374,600			
MDOI- MA Day One Incentive Payments - Non Public (State Funds)	\$12,502,605	\$6,502,605	\$6,000,000			
Non Public MDOI Prior Year Obligation (Apr-Jun 2015 qtr)	\$4,151,100	\$2,151,100	\$2,000,000			
Supplemental Ventilator Care Payments	\$4,420,127	\$2,296,808	\$2,123,319			
Pay-for-Performance (P4P) Payments Prior Year (Apr-Jun 2015 qtr)	\$1,567,663	\$812,363	\$755,300			
Nursing Facilities Allowable Costs Supplemental Payments	\$334,785,423	\$174,121,899	\$160,663,524			
Nursing Facilities Direct Care Supplemental Payments	\$268,231,250	\$139,507,073	\$128,724,177			
Gross Adjustments/Cost Settlements	\$3,736,215	\$1,941,431	\$1,794,784			
Subtotal Other Provider Payments	\$791,609,944	\$411,698,506	\$379,911,438			
TOTAL PROVIDER PAYMENTS	\$3,966,633,791	\$2,062,464,261	\$1,904,169,530			
<u>ADMINISTRATIVE/CASH FLOW IMPACTS</u>						
Refunds	(\$53,854,869)	(\$27,984,336)	(\$25,870,533)			
Transfer Expenditures to LTC Lottery Fund	(\$184,081,000)	\$0	(\$184,081,000)			
Transfer Expenditures to LTC Tobacco Settlement Fund	(\$111,386,000)	\$0	(\$111,386,000)			
Reimbursement for Certified Public Expenditures	\$0	\$4,341,332	(\$4,341,332)			
Civil Monetary Penalty Fund	(\$1,433,783)	\$0	(\$1,433,783)			
Nursing Home Transition	\$5,000,557	\$761,574	\$4,238,983			
Rollback of Expenditures to Fiscal Year 2014-2015	(\$25,181,496)	(\$13,096,896)	(\$12,084,600)			
Subtotal Administrative/Cash Flow Impacts	(\$370,936,591)	(\$35,978,326)	(\$334,958,265)			
<u>OPERATING</u>						
Alvarez & Marsal	\$2,343,731	\$1,171,866	\$1,171,865			
Cognosante LLC	\$3,000	\$2,700	\$300			
Computer Aid Inc	\$415,913	\$207,957	\$207,956			
Dell Marketing	\$32,193	\$24,377	\$7,816			
Deloitte	\$3,488,849	\$2,816,637	\$872,212			
Dering Consulting Group	\$250,000	\$0	\$250,000			
Dilworth Paxson	\$600,000	\$0	\$600,000			
Harmony	\$10,000	\$0	\$10,000			
HP Enterprise	\$750,000	\$552,225	\$197,775			
Independent Enrollment Broker - A	\$614,757	\$278,731	\$336,026			
Independent Enrollment Broker - B	\$2,366,694	\$1,073,059	\$1,293,635			
InGenesis	\$7,352,258	\$3,815,087	\$3,537,171			
Kendal Outreach LLC	\$933,783	\$0	\$933,783			
Maximus	\$4,464,972	\$2,024,418	\$2,440,554			
Mercer	\$5,000,000	\$2,500,000	\$2,500,000			
MHM Solutions	\$339,760	\$169,880	\$169,880			
Money Follows the Person	\$200,015	\$200,015	\$0			
Myers & Stauffer	\$2,469,166	\$1,234,583	\$1,234,583			
National Core Indicators	\$13,500	\$6,750	\$6,750			
PHFA MOU	\$2,487,580	\$161,941	\$2,325,639			
PPL Consultant Provider	\$1,271,198	\$1,016,958	\$254,240			
Raffaele & Puppio	\$200,000	\$0	\$200,000			
Revenue Maximization	\$1,393,750	\$0	\$1,393,750			
Sellers Dorsey	\$2,500,000	\$1,250,000	\$1,250,000			
University of Massachusetts	\$462,000	\$231,000	\$231,000			
Subtotal Operating Expenditures	\$39,963,119	\$18,538,184	\$21,424,935			

Long-Term Care
 Fiscal Year 2016-2017 Governor's Executive Budget
 Fiscal Year 2015-2016

<u>GRANT PAYMENTS</u>	Total	Federal	State
Center for Independent Living	\$1,085,369	\$0	\$1,085,369
Pennsylvania Legal Aid Network	\$125,000	\$0	\$125,000
Pennsylvania Long-Term Grant Program (CMP)	<u>\$500,000</u>	<u>\$0</u>	<u>\$500,000</u>
Subtotal Grant Payments	\$1,710,369	\$0	\$1,710,369
Total	\$3,637,370,688	\$2,045,024,119	\$1,592,346,569
Nursing Home Assessment	\$484,384,120	\$0	\$484,384,120
Available Intergovernmental Transfer Funding	\$86,748,853	\$0	\$86,748,853
Other Revenue	<u>\$53,130,596</u>	<u>\$0</u>	<u>\$53,130,596</u>
Total FY 2015-2016 Program Requirement		<u>\$2,045,024,119</u>	<u>\$968,083,000</u>
Act 10-A of 2015		<u>\$2,035,872,000</u>	<u>\$968,083,000</u>
Surplus / (Deficit)		(\$9,152,119)	\$0

**Long-Term Care
Fiscal Year 2016-2017 Governor's Executive Budget
Fiscal Year 2016-2017**

<u>LONG-TERM CARE FACILITIES</u>	Total	Federal	State	Leave and Facility Days	Hospital Days	Cost Per Day
July 2016	\$259,041,101	\$134,727,277	\$124,313,824	1,531,876	18,390	\$168.43
August	\$291,728,434	\$151,727,959	\$140,000,475	1,704,616	20,430	\$170.46
September	\$264,228,115	\$137,425,043	\$126,803,072	1,543,652	18,534	\$170.49
October	\$291,728,434	\$151,056,983	\$140,671,451	1,704,616	20,430	\$170.46
November	\$264,228,115	\$136,817,318	\$127,410,797	1,543,652	18,534	\$170.49
December	\$264,228,115	\$136,817,318	\$127,410,797	1,543,652	18,534	\$170.49
January 2017	\$291,728,434	\$151,056,983	\$140,671,451	1,704,616	20,430	\$170.46
February	\$264,228,115	\$136,817,318	\$127,410,797	1,543,652	18,534	\$170.49
March	\$264,228,115	\$136,817,318	\$127,410,797	1,543,652	18,534	\$170.49
April	\$264,228,115	\$136,817,318	\$127,410,797	1,543,652	18,534	\$170.49
May	\$291,728,434	\$151,056,983	\$140,671,451	1,704,616	20,430	\$170.46
June	\$264,228,115	\$136,817,318	\$127,410,797	1,543,652	18,534	\$170.49
Subtotal Long-Term Care Facilities Expenditures	\$3,275,551,642	\$1,697,955,136	\$1,577,596,506	19,155,904	229,848	\$170.31
<u>OTHER PROVIDER PAYMENTS</u>						
Case-Mix Regulation Disproportionate Share Payments	\$6,495,689	\$3,367,203	\$3,128,486			
MDOI-MA Day One Incentive Payments-County (Assessment)	\$23,661,944	\$12,252,155	\$11,409,789			
MDOI-MA Day One Incentive Payments-County (Special Revenue)	\$132,057,928	\$68,379,595	\$63,678,333			
Non Public MDOI Prior Year Obligation (Apr-Jun 2016 qtr)	\$4,167,535	\$2,167,535	\$2,000,000			
Supplemental Ventilator Care Payments	\$4,420,127	\$2,291,283	\$2,128,844			
Nursing Facilities Allowable Costs Supplemental Payments	\$337,513,923	\$173,351,892	\$164,162,031			
Nursing Facilities Direct Care Supplemental Payments	\$270,959,750	\$138,890,141	\$132,069,609			
Gross Adjustments/Cost Settlements	\$3,736,215	\$1,936,760	\$1,799,455			
Subtotal Other Provider Payments	\$783,013,111	\$402,636,564	\$380,376,547			
TOTAL PROVIDER PAYMENTS	\$4,058,564,753	\$2,100,591,700	\$1,957,973,053			
<u>ADMINISTRATIVE/CASH FLOW IMPACTS</u>						
Refunds	(\$53,854,869)	(\$27,917,018)	(\$25,937,851)			
Transfer Expenditures to LTC Lottery Fund	(\$184,081,000)	\$0	(\$184,081,000)			
Transfer Expenditures to LTC Tobacco Settlement Fund	(\$112,940,000)	\$0	(\$112,940,000)			
Civil Monetary Penalty Fund	(\$1,433,783)	\$0	(\$1,433,783)			
Nursing Home Transition	\$5,000,557	\$761,574	\$4,238,983			
Subtotal Administrative/Cash Flow Impacts	(\$347,309,095)	(\$27,155,444)	(\$320,153,651)			
<u>OPERATING</u>						
Alvarez & Marsal	\$540,861	\$270,431	\$270,430			
Cognosante LLC	\$3,000	\$2,700	\$300			
Computer Aid Inc.	\$424,230	\$212,115	\$212,115			
Dell Marketing	\$32,193	\$24,377	\$7,816			
Deloitte	\$2,625,000	\$1,968,750	\$656,250			
Dering Consulting Group	\$250,000	\$0	\$250,000			
Dilworth Paxson	\$600,000	\$0	\$600,000			
HP Enterprise	\$500,000	\$368,150	\$131,850			
Independent Enrollment Broker - A	\$2,459,030	\$1,114,924	\$1,344,106			
Independent Enrollment Broker - B	\$4,733,396	\$2,146,122	\$2,587,274			
InGenesis	\$7,500,000	\$3,891,750	\$3,608,250			
Mercer	\$1,000,000	\$500,000	\$500,000			
MHM Solutions	\$353,350	\$176,675	\$176,675			
Money Follows the Person	\$2,255,322	\$2,255,322	\$0			
Myers & Stauffer	\$1,500,000	\$750,000	\$750,000			
Nursing Facility Training (CMP)	\$933,783	\$0	\$933,783			
PHFA MOU	\$2,487,580	\$161,941	\$2,325,639			
PPL Consultant Provider	\$1,271,198	\$1,016,958	\$254,240			
Raffaele & Puppio	\$200,000	\$0	\$200,000			
Revenue Maximization	\$1,545,000	\$0	\$1,545,000			
Sellers Dorsey	\$1,250,000	\$625,000	\$625,000			
University of Massachusetts	\$400,000	\$200,000	\$200,000			
Subtotal Operating Expenditures	\$32,863,943	\$15,685,215	\$17,178,728			
<u>GRANT PAYMENTS</u>						
Center for Independent Living	\$1,085,369	\$0	\$1,085,369			
Pennsylvania Legal Aid Network	\$125,000	\$0	\$125,000			
Pennsylvania Long-Term Grant Program (CMP)	\$500,000	\$0	\$500,000			
Subtotal Grant Payments	\$1,710,369	\$0	\$1,710,369			
<u>FY 2016-2017 PRR/Initiatives</u>						
Community HealthChoices	\$42,960,983	\$22,245,197	\$20,715,786			
Community HealthChoices Administration	\$23,129,114	\$15,778,307	\$7,350,807			
Subtotal FY 2016-2017 PRR/Initiatives	\$66,090,097	\$38,023,504	\$28,066,593			
Total	\$3,811,920,067	\$2,127,144,975	\$1,684,775,092			
Nursing Home Assessment	\$489,884,120	\$0	\$489,884,120			
Available Intergovernmental Transfer Funding	\$98,282,659	\$0	\$98,282,659			
Total FY 2016-2017 Program Requirement		\$2,127,144,975	\$1,096,608,313			

LONG-TERM CARE

PROGRAM STATEMENT

The Long-Term Care appropriation provides for care to individuals needing nursing facility services. Recipients are assessed to determine if they are both medically and financially eligible for Medical Assistance (MA) nursing facility benefits before they can be admitted to or have payment for nursing facility services. As the number of people needing long-term care services has grown, the need to realign both the supply of services and the funding that supports them has become increasingly evident.

NURSING FACILITY SERVICES

Nursing facilities provide care to recipients whose medical needs do not require acute hospital care, but need a more intense level of care or supervision than provided in a non-nursing facility setting. According to the Department of Health, there were 695 licensed county and general nursing facilities with approximately 86,815 beds in the Commonwealth as of January 31, 2015. Of these, 619 facilities and approximately 82,818 beds were certified to participate in the MA Program, representing 95.4 percent of the beds in the State. Nursing facilities are paid for the services provided to MA eligible recipients through a case-mix prospective payment system that recognizes net operating and capital costs and is based on the resources needed to meet their residents' care requirements.

Nursing facility cost reports are audited to ensure that the costs incurred by nursing facilities are reasonable and appropriate prior to developing payment rates. The Department of Human Services uses a Utilization Management Review (UMR) process to ensure rates paid to nursing facilities are based on correct Minimum Data Set (MDS) information and that overpayments are avoided. The UMR activities include monitoring facility MDS submissions, performing reviews of nursing facility billing processes and providing technical assistance for nursing facility staff.

The MA Participation Review – This review process objectively analyzes and determines the demand for additional MA-certified nursing facility beds, assuring compliance with Federal requirements to safeguard against unnecessary utilization of Medicaid services. In order for providers to receive approval for MA participation of new bed construction, they must successfully demonstrate demand for additional nursing facility beds in their geographical area. Requests are denied when this cannot be demonstrated or when alternatives to nursing facility care exist to meet demand.

FISCAL YEAR 2016-2017 INITIATIVE – COMMUNITY HEALTHCHOICES

The 2016 Fiscal Year budget provides for the implementation of Community HealthChoices (CHC) to improve health outcomes. The Department of Human Services and the Pennsylvania Department of Aging will continue the combined three-year implementation of a managed long-term services and supports program for older Pennsylvanians and adults with physical disabilities - (CHC). This program will ensure that one entity is responsible for coordinating the physical health and long-term service and support needs of participants to improve care coordination and health outcomes while allowing more individuals to live in their community. CHC will be implemented in three phases. Phase one will be implemented January 2017, in the Southwest region. Phase two will be implemented January 2018 in the Southeast region. The final phase three will be implemented January 2019 in the Northwest, Lehigh-Capital, and Northeast regions.

Benefits of implementing the CHC program include the following:

- **Enhanced opportunities for community-based living.** Managed long-term services and supports will improve person-centered service planning and, as more community-based living options become available, the ability to honor participant preferences to live and work in the community will expand. Performance incentives built into the program's quality oversight and payment policies will stimulate a wider and deeper array of home and community-based services options.
- **Strengthened coordination of long-term services and supports and other types of health care, including all Medicare and Medicaid services for dual eligible individuals.** Better coordination of Medicare and Medicaid health services and long-term service and supports will make the system easier to use and will result in better quality of life, health, safety, and well-being.
- **Enhanced quality and accountability.** CHC – Managed care organizations will be accountable for outcomes for the target population and responsible for the overall health and long-term support for the whole person. Quality of life and care will be measured and published, giving participants the information they need to make informed decisions.
- **Advance program innovation.** Greater creativity and innovation afforded in the program will help to increase community housing options, enhance the long-term services and supports direct care workforce, expand the use of technology, and expand employment among participants who have employment goals.
- **Increase efficiency and effectiveness.** The program will increase the efficiency of health care and long-term service and supports by reducing preventable admissions to hospitals, emergency departments, nursing facilities and other high-cost services and by increasing the use of health promotion, primary care and home and community-based services.

When fully implemented, CHC will serve an estimated 450,000 individuals, including 130,000 older persons and adults with physical disabilities who are currently receiving long-term service and supports in the community and in nursing facilities. CHC - Managed Care Organizations will be accountable for most Medicaid-covered services, including preventive services, primary and acute care, long-term services and supports (home and community-based services and nursing facilities), prescription drugs, and dental services. Participants who have Medicaid and Medicare coverage (dual eligible participants) will have the option to have their Medicaid and Medicare services coordinated by the same Managed Care Organization.

This initiative builds on the Commonwealth's past success in implementing the country's most extensive network of Programs of All-inclusive Care for the Elderly (called LIFE, Living Independence for the Elderly, in Pennsylvania), which will continue to be an option for eligible persons, and its home and community-based services waiver programs. It also builds on the Commonwealth's experience with HealthChoices, a statewide managed care delivery system for children and adults. Behavioral health services will continue to be provided through the Behavioral Health Services HealthChoices (Behavioral Health - Managed Care Organizations). CHC - Managed Care Organizations and Behavioral Health - Managed Care Organizations will be required to coordinate services for individuals who participate in both programs.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

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H80

APPROPRIATION:
Home and Community-Based Services

I. SUMMARY FINANCIAL DATA	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted
State Funds Total	\$335,700	\$400,750	\$458,025
State Sources Itemized			
<i>Home and Community-Based Services (General Fund)</i>	\$132,951	\$255,441 ¹	\$312,160
<i>Home and Community-Based Services (Tobacco Settlement Fund)</i>	\$40,172	\$39,641	\$40,197
<i>Home and Community-Based Services (Lottery Fund)</i>	\$162,577	\$105,668 ²	\$105,668
Federal Funds Total	\$393,544	\$453,537	\$495,637
Federal Sources Itemized			
<i>MA - Home and Community-Based Services (General Fund)</i>	\$345,906	\$410,575 ³	\$452,472
<i>MA - Community Services (Tobacco Settlement Fund)</i>	\$47,638	\$42,962	\$43,165
Total	\$729,244	\$854,287	\$953,662
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$13,996	
State Sources Itemized			
<i>Home and Community-Based Services (General Fund)</i>		\$28,996	
<i>Home and Community-Based Services (Lottery Fund)</i>		(\$15,000)	
Federal Funds Total		\$20,225	
Federal Sources Itemized			
<i>MA - Home and Community-Based Services (General Fund)</i>		\$20,225	
Total		\$34,221	
¹ Includes a recommended supplemental appropriation of \$28.996 million. Act 10-A of 2015 provided \$226.445 million for this program in Fiscal Year 2015-2016.			
² Reflects a recommended appropriation reduction of \$15.000 million. Act 10-A of 2015 provided \$120.668 million for this program in Fiscal Year 2015-2016.			
³ Includes a recommended supplemental appropriation of \$20.225 million. Act 10-A of 2015 provided \$390.350 million for this program in Fiscal Year 2015-2016.			

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Home and Community-Based Services			
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$335,700	\$400,750	\$458,025	\$57,275	14.29%
Federal Funds	\$393,544	\$453,537	\$495,637	\$42,100	9.28%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$729,244	\$854,287	\$953,662	\$99,375	11.63%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$335,700	\$400,750	\$458,025	\$57,275	14.29%
Federal Funds	\$393,544	\$453,537	\$495,637	\$42,100	9.28%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$729,244	\$854,287	\$953,662	\$99,375	11.63%

APPROPRIATION:
Home and Community-Based Services

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$124	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

Estimated expenditures are based on the projected number of recipients in the Pennsylvania Department of Aging (PDA) 60+ Waiver program, the length of care for those recipients and the cost per month of Waiver services.

Detail on the appropriation is outlined in Section VI entitled "Explanation of Changes" on the following pages.

Legislative Citations:

- 62 P.S. § 201 (General Fund)
- 35 P.S. § 5701.101 et seq. (Tobacco Settlement Fund)
- 35 P.S. § 5701.503 (Lottery Fund)

Disbursement Criteria:

The provider of service must be enrolled in the Medical Assistance program and the service must be a covered Medical Assistance benefit. The recipient of the service must be deemed eligible to receive Medical Assistance benefits and the reimbursement of the covered services must be in accordance with promulgated fee schedules/ rates of reimbursement established for the service.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Home and Community-Based Services			
	State \$	Federal \$	Other \$	Total \$
GENERAL FUND				
GRANT & SUBSIDY				
1. Provides for the annualization of Home and Community-Based Waiver recipients entering the program in Fiscal Year 2015-2016:	\$16,686	\$18,095	\$0	\$34,781
2. Provides for an increase in Home and Community-Based Waiver monthly cost per consumer from \$2,408.22 in Fiscal Year 2015-2016 to \$2,514.11 in Fiscal Year 2016-2017:	\$19,531	\$20,247	\$0	\$39,778
3. Provides for the annualization of the addition of Personal Assistant Services and Respite Care Overtime Rates, effective January 1, 2016:	\$1,013	\$1,094	\$0	\$2,107
4. Impact of the loss of enhanced Federal funding associated with the Balancing Incentive Program which expired on September 30, 2015:	\$8,212	(\$8,212)	\$0	\$0
5. Provides for an increase in Tobacco Settlement funding available in Fiscal Year 2016-2017:	(\$556)	(\$603)	\$0	(\$1,159)
6. Impact of the change in the Federal Medical Assistance Percentage (a decrease from 52.01 percent to 51.78 percent, effective October 1, 2016). Full-year blended rate decreases from 51.9625 percent to 51.8375 percent:	\$1,213	(\$1,213)	\$0	\$0
7. Reflects the non-recurring Enrollment Fee disallowance in Fiscal Year 2015-2016. The one-time enrollment fee was duplicative of the costs claimed under Service Coordination. The Department of Human Services is currently in the process of revising the enrollment intake process which includes moving to an Independent Enrollment Broker to standardize the process:	(\$657)	\$0	\$0	(\$657)
8. Reflects the non-recurring roll forward of costs from Fiscal Year 2014-2015 to Fiscal Year 2015-2016:	(\$9,105)	(\$9,965)	\$0	(\$19,070)
Subtotal Grant & Subsidy	\$36,337	\$19,443	\$0	\$55,780
FISCAL YEAR 2016-2017 INITIATIVES				
GRANT & SUBSIDY				
1. Community Opportunities				
A. To provide home and community-based services to 2,304 additional older Pennsylvanians in Fiscal Year 2016-2017:	\$17,930	\$19,420	\$0	\$37,350
2. Community HealthChoices				
A. Impact of the transition from multiple fee-for-service delivery systems to a consolidated, capitated, managed long-term services and supports system called Community HealthChoices. This system will be implemented in the Southwest Region of the Commonwealth beginning January 2017:	\$2,452	\$2,634	\$0	\$5,086
Subtotal Fiscal Year 2016-2017 Initiatives	\$20,382	\$22,054	\$0	\$42,436
TOTAL GENERAL FUND	\$56,719	\$41,497	\$0	\$98,216

VI. EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 Home and Community-Based Services

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
TOBACCO SETTLEMENT FUND				
GRANT & SUBSIDY				
1. The Fiscal Year 2016-2017 Governor's Executive Budget recommends that \$40.197 million be allocated from the Tobacco Settlement Fund to provide supplemental funding to the Home and Community-Based Services appropriation, an increase of \$0.556 million from the Fiscal Year 2015-2016 amount:	<u>\$556</u>	<u>\$603</u>	<u>\$0</u>	<u>\$1,159</u>
TOTAL TOBACCO SETTLEMENT FUND	<u>\$556</u>	<u>\$603</u>	<u>\$0</u>	<u>\$1,159</u>
TOTAL	<u>\$57,275</u>	<u>\$42,100</u>	<u>\$0</u>	<u>\$99,375</u>

Home and Community-Based Services
Fiscal Year 2016-2017 Governor's Executive Budget
Fiscal Year 2015-2016

	Total \$	Federal \$	State \$	Unduplicated Users	Expansion Users	Total Users	Cost Per User
JULY 2015	\$74,764,191	\$38,824,238	\$35,939,953			27,789	\$2,690.42
AUGUST	\$75,334,702	\$39,118,878	\$36,215,824			27,762	\$2,713.59
SEPTEMBER	\$52,551,394	\$27,312,154	\$25,239,240			27,502	\$1,910.82
OCTOBER	\$74,589,186	\$38,859,294	\$35,729,892			28,710	\$2,598.02
NOVEMBER	\$70,217,831	\$36,602,699	\$33,615,132			27,564	\$2,547.45
DECEMBER	\$63,008,672	\$32,770,810	\$30,237,862	28,710	192	28,902	\$2,180.08
JANUARY 2016	\$63,427,248	\$32,988,512	\$30,438,736	28,710	384	29,094	\$2,180.08
FEBRUARY	\$81,247,271	\$42,256,706	\$38,990,565	28,710	576	29,286	\$2,774.27
MARCH	\$64,264,398	\$33,423,913	\$30,840,485	28,710	768	29,478	\$2,180.08
APRIL	\$64,682,974	\$33,641,615	\$31,041,359	28,710	960	29,670	\$2,180.08
MAY	\$82,845,251	\$43,087,815	\$39,757,436	28,710	1,152	29,862	\$2,774.27
JUNE	\$65,519,546	\$34,076,716	\$31,442,830	28,710	1,344	30,054	\$2,180.06
Subtotal PROMISe Program Expenditures	\$832,452,664	\$432,963,350	\$399,489,314			28,806	\$2,408.22
Roll Forward from FY 2014-2015	\$19,069,438	\$9,964,919	\$9,104,519				
Enrollment Fee Disallowance	\$657,157	\$0	\$657,157				
Money Follows the Person	\$0	\$1,300,000	(\$1,300,000)				
Personal Assistant Services / Respite Care Overtime Rate	\$2,107,445	\$1,096,082	\$1,011,363				
Subtotal	\$854,286,704	\$445,324,351	\$408,962,353				
<i>FY 2014-2015 PRR/Initiatives</i>							
Balancing Incentive Program	\$0	\$8,212,078	(\$8,212,078)				
Subtotal	\$854,286,704	\$453,536,429	\$400,750,275				
Transfer to Tobacco Settlement Fund	(\$82,602,626)	(\$42,961,626)	(\$39,641,000)				
Transfer to Lottery Fund	(\$105,668,000)	\$0	(\$105,668,000)				
Total Program Requirement	\$666,016,078	\$410,574,803	\$255,441,275				
Act 10-A of 2015		\$390,350,000	\$226,445,000				
Surplus/(Deficit)		(\$20,224,803)	(\$28,996,275)				

Home and Community-Based Services
Fiscal Year 2016-2017 Governor's Executive Budget
Fiscal Year 2016-2017

	Total \$	Federal \$	State \$	Unduplicated Users	Expansion Users	Total Users	Cost Per User
JULY 2016	\$67,842,080	\$35,284,666	\$32,557,414	30,054	192	30,246	\$2,243.01
AUGUST	\$93,098,580	\$48,420,571	\$44,678,009	30,054	384	30,438	\$3,058.63
SEPTEMBER	\$68,703,396	\$35,732,636	\$32,970,760	30,054	576	30,630	\$2,243.01
OCTOBER	\$94,273,094	\$48,814,608	\$45,458,486	30,054	768	30,822	\$3,058.63
NOVEMBER	\$69,564,712	\$36,020,608	\$33,544,104	30,054	960	31,014	\$2,243.01
DECEMBER	\$69,995,370	\$36,243,603	\$33,751,767	30,054	1,152	31,206	\$2,243.01
JANUARY 2017	\$96,034,865	\$49,726,853	\$46,308,012	30,054	1,344	31,398	\$3,058.63
FEBRUARY	\$70,856,686	\$36,689,592	\$34,167,094	30,054	1,536	31,590	\$2,243.01
MARCH	\$71,287,344	\$36,912,587	\$34,374,757	30,054	1,728	31,782	\$2,243.01
APRIL	\$71,718,002	\$37,135,581	\$34,582,421	30,054	1,920	31,974	\$2,243.01
MAY	\$98,383,893	\$50,943,180	\$47,440,713	30,054	2,112	32,166	\$3,058.63
JUNE	\$72,603,435	\$37,594,059	\$35,009,376	30,054	2,304	32,358	\$2,243.76
Subtotal PROMISe Program Expenditures	\$944,361,457	\$489,518,544	\$454,842,913			31,302	\$2,514.11
Money Follows the Person	\$0	\$1,300,000	(\$1,300,000)				
Personal Assistant Services / Respite Care Overtime Rate	\$4,214,889	\$2,184,893	\$2,029,996				
Subtotal	\$948,576,346	\$493,003,437	\$455,572,909				
<i>FY 2016-2017 PRR/Initiatives</i>							
Community HealthChoices	\$5,085,573	\$2,633,310	\$2,452,263				
Transfer to Tobacco Settlement Fund	(\$83,361,676)	(\$43,164,676)	(\$40,197,000)				
Transfer to Lottery Fund	(\$105,668,000)	\$0	(\$105,668,000)				
Total Program Requirement	\$764,632,243	\$452,472,071	\$312,160,172				

HOME AND COMMUNITY-BASED SERVICES

PROGRAM STATEMENT

The Home and Community-Based Services (HCBS) appropriation provides alternative services to individuals, who are otherwise medically and financially eligible for nursing facility services, when they choose this alternative over institutionalization. Individuals are assessed to determine if they are both medically and financially eligible for Medical Assistance (MA) nursing facility benefits before they can enroll in HCBS.

As the number of people needing both HCBS and nursing homes has grown, the need to realign both the supply of services and the funding that supports them has become increasingly evident. The goal is to offer participants a choice in where they receive long-term living services while providing high-quality care to individuals in a clinically appropriate and cost-effective environment. The following are key components of rebalancing: assist and transition nursing home residents wishing to leave a facility-based care setting in returning to their home or community, align the supply of nursing home beds with need, ensure consumers currently enrolled or qualified for long-term living services meet the established eligibility criteria, and ensure that resources are optimized to serve the maximum number of consumers with high-quality care.

The Office of Long-Term Living will continue to consider nursing facility alternatives to enable MA recipients to obtain services in the least restrictive environment. These alternatives are designed to strengthen both informal and formal community support systems and to attempt to decrease the emphasis on the use of nursing facility services by providing access to home and community-based services.

FISCAL YEAR 2016-2017 INITIATIVE – COMMUNITY OPPORTUNITIES

Pennsylvania citizens overwhelmingly state that they would prefer to receive long-term services and supports in a home and community-based setting rather than an institutional setting. Toward that end, a significant investment has been made in home and community-based services, greatly expanding the number of people who can be served in their home. This initiative proposes to provide home and community-based services to an additional 2,304 older Pennsylvanians in Fiscal Year 2016 – 2017.

FISCAL YEAR 2016-2017 INITIATIVE – COMMUNITY HEALTHCHOICES

The 2016 Fiscal Year budget provides for the implementation of Community HealthChoices (CHC) to improve health outcomes. The Department of Human Services and the Pennsylvania Department of Aging will continue the combined three-year implementation of a managed long-term services and supports program for older Pennsylvanians and adults with physical disabilities - CHC. This program will ensure that one entity is responsible for coordinating the physical health and long-term services and support needs of participants to improve care coordination and health outcomes while allowing more individuals to live in their community. Community HealthChoices will be implemented in three phases. Phase one will be implemented January 2017, in the Southwest region. Phase two will be implemented January 2018 in the Southeast region. The final phase three will be implemented January 2019 in the Northwest, Lehigh-Capital, and Northeast regions.

Benefits of implementing the CHC program include the following:

- **Enhanced opportunities for community-based living.** Managed long-term services and supports will improve person-centered service planning and, as more community-based living options become available, the ability to honor participant preferences to live and work in the community will expand. Performance incentives built into the program's quality oversight and

payment policies will stimulate a wider and deeper array of home and community-based services options.

- **Strengthened coordination of long-term services and supports and other types of health care, including all Medicare and Medicaid services for dual eligible individuals.** Better coordination of Medicare and Medicaid health services and long-term services and supports will make the system easier to use and will result in better quality of life, health, safety, and well-being.
- **Enhanced quality and accountability.** CHC – managed care organizations will be accountable for outcomes for the target population and responsible for the overall health and long-term support for the whole person. Quality of life and care will be measured and published, giving participants the information they need to make informed decisions.
- **Advance program innovation.** Greater creativity and innovation afforded in the program will help to increase community housing options, enhance the long-term services and supports direct care workforce, expand the use of technology and expand employment among participants who have employment goals.
- **Increase efficiency and effectiveness.** The program will increase the efficiency of health care and long-term services and supports by reducing preventable admissions to hospitals, emergency departments, nursing facilities and other high-cost services and by increasing the use of health promotion, primary care and home and community-based services.

When fully implemented, the CHC will serve an estimated 450,000 individuals, including 130,000 older persons and adults with physical disabilities who are currently receiving long-term services and supports in the community and in nursing facilities. CHC - Managed Care Organizations will be accountable for most Medicaid-covered services, including preventive services, primary and acute care, long-term services and supports (home and community-based services and nursing facilities), prescription drugs, and dental services. Participants who have Medicaid and Medicare coverage (dual eligible participants) will have the option to have their Medicaid and Medicare services coordinated by the same Managed Care Organization.

This initiative builds on the Commonwealth's past success in implementing the country's most extensive network of Programs of All-inclusive Care for the Elderly (called LIFE, Living Independence for the Elderly, in Pennsylvania), which will continue to be an option for eligible persons, and its Home and Community-Based Services waiver programs. It also builds on the Commonwealth's experience with HealthChoices, a statewide managed care delivery system for children and adults. Behavioral health services will continue to be provided through the Behavioral Health Services HealthChoices (Behavioral Health - Managed Care Organizations). CHC - Managed Care Organizations and Behavioral Health - Managed Care Organizations will be required to coordinate services for individuals who participate in both programs.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

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APPROPRIATION:
Long-Term Care Managed Care

I. SUMMARY FINANCIAL DATA

	<u>2014-2015 Actual</u>	<u>2015-2016 Available</u>	<u>2016-2017 Budgeted</u>
State Funds	\$99,868	\$116,133	\$136,214
Federal Funds Total	\$125,242	\$131,872	\$146,594
Federal Sources Itemized			
<i>Medical Assistance - Long-Term Care Managed Care</i>	<u>\$125,242</u>	<u>\$131,872</u>	<u>\$146,594</u>
Total	\$225,110	\$248,005	\$282,808

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$0
Federal Funds	<u>\$0</u>
Total	\$0

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Long-Term Care Managed Care			
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$99,868	\$116,133	\$136,214	\$20,081	17.29%
Federal Funds	\$117,756	\$129,879	\$146,594	\$16,715	12.87%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$217,624	\$246,012	\$282,808	\$36,796	14.96%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$7,486	\$1,993	\$0	(\$1,993)	-100.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$7,486	\$1,993	\$0	(\$1,993)	-100.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$99,868	\$116,133	\$136,214	\$20,081	17.29%
Federal Funds	\$125,242	\$131,872	\$146,594	\$14,722	11.16%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$225,110	\$248,005	\$282,808	\$34,803	14.03%

APPROPRIATION:
Long-Term Care Managed Care

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>2016-2017 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

Estimated expenditures are based on the projected number of recipients in the Living Independence for the Elderly (LIFE) program, the length of care for those recipients and the average cost per month of their services.

Detail on the appropriation is outlined in Section VI entitled "Explanation of Changes" on the next page.

Legislative Citations:

62 P.S. § 201; 42 U.S.C. §§ 1395eee and 1396u-4; 42 CFR Part 460

Disbursement Criteria:

The provider of service must be enrolled in the Medical Assistance program and the service must be a covered Medical Assistance benefit. The recipient of the service must be deemed eligible to receive Medical Assistance benefits and the reimbursement of the covered services must be in accordance with promulgated fee schedules/ rates of reimbursement established for the service.

VI. EXPLANATION OF CHANGES
(\$ Amounts in Thousands)

APPROPRIATION:
Long-Term Care Managed Care

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
GRANT & SUBSIDY				
1. Provides for the annualization of users entering the program in Fiscal Year 2015-2016:	\$5,896	\$6,442	\$0	\$12,338
2. Provides for the two percent increase in rates from \$3,717.08 for Dual Eligible and \$4,905.08 for Medical Assistance (MA) Only in Fiscal Year 2015-2016 to \$3,791.42 for Dual Eligible and \$5,003.18 for MA Only in Fiscal Year 2016-2017:	\$3,694	\$3,279	\$0	\$6,973
3. Impact of the loss of enhanced Federal funding associated with the Balancing Incentive Program which expired on September 30, 2015:	\$2,265	(\$2,265)	\$0	\$0
4. Provides for the impact of the change in the Federal Medical Assistance Percentage (a decrease from 52.01 percent to 51.78 percent, effective October 1, 2016). Full-year blended rate decreases from 51.9625 percent to 51.8375 percent:	\$361	(\$361)	\$0	\$0
5. Reflects the non-recurring roll forward of costs from Fiscal Year 2014-2015 to Fiscal Year 2015-2016:	(\$1,030)	\$0	\$0	(\$1,030)
Subtotal Grant and Subsidy:	<u>\$11,186</u>	<u>\$7,095</u>	<u>\$0</u>	<u>\$18,281</u>
FISCAL YEAR 2016-2017 INITIATIVES				
GRANT & SUBSIDY				
1. Community Opportunities				
A. To provide home and community-based services to 600 additional older Pennsylvanians in Fiscal Year 2016-2017:	\$7,376	\$7,989	\$0	\$15,365
2. Community Expansion				
A. To provide Living Independence for the Elderly (LIFE) program services in five additional counties:	<u>\$1,519</u>	<u>\$1,631</u>	<u>\$0</u>	<u>\$3,150</u>
Subtotal Fiscal Year 2016-2017 Initiatives	<u>\$8,895</u>	<u>\$9,620</u>	<u>\$0</u>	<u>\$18,515</u>
BUDGETARY RESERVE				
1. Impact of excess Federal appropriation authority in Fiscal Year 2015-2016:	<u>\$0</u>	<u>(\$1,993)</u>	<u>\$0</u>	<u>(\$1,993)</u>
TOTAL	<u><u>\$20,081</u></u>	<u><u>\$14,722</u></u>	<u><u>\$0</u></u>	<u><u>\$34,803</u></u>

**Long-Term Care Managed Care
Fiscal Year 2016-2017 Governor's Executive Budget
Fiscal Year 2015-2016**

	Total \$	Federal \$	State \$	Unduplicated Users	Expansion Users	Total Users	Cost Per User
JULY 2015	\$19,093,357	\$9,895,835	\$9,197,522			5,036	\$3,791.37
AUGUST	\$19,246,487	\$9,962,178	\$9,284,309			5,085	\$3,784.95
SEPTEMBER	\$19,115,376	\$9,905,567	\$9,209,809			5,098	\$3,749.58
OCTOBER	\$19,508,738	\$10,146,502	\$9,362,236			5,167	\$3,775.64
NOVEMBER	\$19,948,595	\$10,375,885	\$9,572,710			5,201	\$3,835.53
DECEMBER	\$19,977,693	\$10,371,530	\$9,606,163			5,279	\$3,784.37
JANUARY 2016	\$20,584,056	\$10,705,768	\$9,878,288	5,279	50	5,329	\$3,862.65
FEBRUARY	\$20,777,188	\$10,806,216	\$9,970,972	5,279	100	5,379	\$3,862.65
MARCH	\$20,970,321	\$10,906,664	\$10,063,657	5,279	150	5,429	\$3,862.65
APRIL	\$21,163,453	\$11,007,112	\$10,156,341	5,279	200	5,479	\$3,862.65
MAY	\$21,356,586	\$11,107,560	\$10,249,026	5,279	250	5,529	\$3,862.65
JUNE	\$20,902,922	\$11,208,008	\$9,694,914	5,279	300	5,579	\$3,862.65
Total PROMISe Expenditures	\$242,644,772	\$126,398,825	\$116,245,947			5,299	\$3,815.89
Roll Forward from FY 2014-2015	\$1,029,850	\$0	\$1,029,850				
Retroactive Rate Adjustment	\$2,337,805	\$1,215,892	\$1,121,913				
Subtotal	\$246,012,427	\$127,614,717	\$118,397,710				
<u>FY 2014-2015 PRR/Initiatives</u>							
Balancing Incentive Program	\$0	\$2,264,710	(\$2,264,710)				
Uncommitted	\$1,992,573	\$1,992,573	\$0				
TOTAL PROGRAM REQUIREMENT	\$248,005,000	\$131,872,000	\$116,133,000				
Act 10-A of 2015		\$131,872,000	\$116,133,000				
Surplus / (Deficit)		\$0	\$0				

**Long-Term Care Managed Care
Fiscal Year 2016-2017 Governor's Executive Budget
Fiscal Year 2016-2017**

	Total \$	Federal \$	State \$	Unduplicated Users	Expansion Users	Total Users	Cost Per User
JULY 2016	\$22,177,713	\$11,534,629	\$10,643,084	5,579	50	5,629	\$3,939.90
AUGUST	\$22,374,708	\$11,637,086	\$10,737,622	5,579	100	5,679	\$3,939.90
SEPTEMBER	\$22,571,704	\$11,739,543	\$10,832,161	5,579	150	5,729	\$3,939.90
OCTOBER	\$22,768,699	\$11,789,632	\$10,979,067	5,579	200	5,779	\$3,939.90
NOVEMBER	\$22,965,694	\$11,891,636	\$11,074,058	5,579	250	5,829	\$3,939.90
DECEMBER	\$23,162,689	\$11,993,640	\$11,169,049	5,579	300	5,879	\$3,939.90
JANUARY 2017	\$23,359,684	\$12,095,644	\$11,264,040	5,579	350	5,929	\$3,939.90
FEBRUARY	\$23,556,679	\$12,197,649	\$11,359,030	5,579	400	5,979	\$3,939.90
MARCH	\$23,753,674	\$12,299,653	\$11,454,021	5,579	450	6,029	\$3,939.90
APRIL	\$23,950,670	\$12,401,657	\$11,549,013	5,579	500	6,079	\$3,939.90
MAY	\$24,147,665	\$12,503,661	\$11,644,004	5,579	550	6,129	\$3,939.90
JUNE	\$24,869,075	\$12,879,245	\$11,989,830	5,579	600	6,179	\$3,939.90
Total PROMISe Expenditures	\$279,658,654	\$144,963,675	\$134,694,979			5,904	\$3,939.90
<u>FY 2016-2017 PRR/Initiatives</u>							
Community Expansion	\$3,149,264	\$1,630,689	\$1,518,575				
TOTAL PROGRAM REQUIREMENT	\$282,807,918	\$146,594,364	\$136,213,554				

LONG-TERM CARE MANAGED CARE

PROGRAM STATEMENT

The Long-Term Care Managed Care program appropriation provides comprehensive care and integrated care management for acute, behavioral health, and long-term services and supports to older Pennsylvanians. The program in Pennsylvania is referred to as Living Independently for the Elderly (LIFE), formerly known as the Long-Term Care Capitated Assistance Program and nationally known as the Program of All Inclusive Care for the Elderly (PACE). Participants are assessed to determine if they are both medically and financially eligible for Medical Assistance (MA) nursing facility benefits and to determine if they can be safely served in the community before they can enroll in LIFE.

As the number of Pennsylvanians needing both home and community-based services and nursing facilities is increasing, the necessity to realign the supply of services and funding has become increasingly evident. The goal of the LIFE program is to offer residents a choice in where they receive long-term living services, while providing high-quality care in a clinically appropriate and cost-effective environment. The following are key components of rebalancing: assist and transition nursing facility residents wishing to leave a facility-based care setting in returning to their home or community, align the supply of nursing facility beds with demand, ensure consumers currently enrolled or who qualify for long-term living services meet the defined eligibility criteria, and ensure that resources are optimized to serve the maximum number of consumers with high-quality care.

The Office of Long-Term Living will continue to implement a number of nursing facility alternatives to enable MA recipients to obtain services in the least restrictive environment. These alternatives are designed to strengthen both informal and formal community support systems and to attempt to decrease the emphasis on the use of nursing facility services by providing access to home and community-based services.

The LIFE program is uniquely designed to provide elderly participants, who would otherwise have few alternatives to nursing facility placement, a comprehensive array of services administered through an interdisciplinary care team. The LIFE program supports the ongoing community residence of the participants. Service integration through an interdisciplinary care team, along with funding integration through Medicare and Medicaid, allows the care team to directly manage delivery of services and funds. The LIFE program uses person-centered plan of care, in which the member has an active role in planning services. There are currently 19 LIFE providers within Pennsylvania operating 35 sites and providing services to nearly 5,900 participants. This is not including alternative care sites.

FISCAL YEAR 2016-2017 INITIATIVE – COMMUNITY OPPORTUNITIES

Pennsylvania citizens overwhelmingly state that they would prefer to receive long-term services and supports in a home and community-based setting rather than an institutional setting. Toward that end, a significant investment has been made in home and community-based services, greatly expanding the number of people who can be served in their home. This initiative proposes to provide home and community-based services to an additional 600 older Pennsylvanians in Fiscal Year 2016 – 2017.

FISCAL YEAR 2016-2017 INITIATIVE – COMMUNITY EXPANSION

Provides for expansion of the LIFE program for an additional 173 new program participants in Montgomery, Perry, and the Northwest service area which includes Crawford, Warren, and Mercer Counties.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A1.20, C1.10, E7.6, E30.7, E30.9, E30.15
E30.18, E30.19, E30.37, E30.38

APPROPRIATION:
Services to Persons with Disabilities

I. SUMMARY FINANCIAL DATA

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted
State Funds	\$273,538	\$334,036 ¹	\$378,177
Federal Funds Total	\$324,202	\$371,922 ²	\$409,797
Federal Sources Itemized			
<i>Medical Assistance - Services to Persons with Disabilities</i>	\$324,202	\$371,922	\$409,797
Other Funds	\$0	\$0	\$0
Total	\$597,740	\$705,958	\$787,974

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$20,320
Federal Funds	\$21,593
Federal Sources Itemized	
<i>Medical Assistance - Services to Persons with Disabilities</i>	\$21,593
Total	\$41,913

¹ Includes a recommended supplemental appropriation of \$20.320 million. Act 10-A of 2015 provided \$313.716 million for this program in Fiscal Year 2015-2016.

² Includes a recommended supplemental appropriation of \$21.593 million. Act 10-A of 2015 provided \$350.329 million for this program in Fiscal Year 2015-2016.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Services to Persons with Disabilities				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$273,538	\$334,036	\$378,177	\$44,141	13.21%
<i>Federal Funds</i>	\$324,202	\$371,922	\$409,797	\$37,875	10.18%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$597,740	\$705,958	\$787,974	\$82,016	11.62%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$273,538	\$334,036	\$378,177	\$44,141	13.21%
<i>Federal Funds</i>	\$324,202	\$371,922	\$409,797	\$37,875	10.18%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$597,740	\$705,958	\$787,974	\$82,016	11.62%

APPROPRIATION:
Services to Persons with Disabilities

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016 Estimated</u>
State Funds	\$3	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>2016-2017 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget reflects an increase in State funds of \$44.141 million from the Fiscal Year 2015-2016 funding level of \$334.036 million to \$378.177 million. It also reflects an increase of \$37.875 million in Federal Medical Assistance funds from the Fiscal Year 2015-2016 funding level of \$371.922 million to \$409.797 million.

Detail on the appropriation is outlined in Section VI entitled "Explanation of Changes" on the following pages.

Legislative Citations:

62 P.S. § 201 et seq.

Disbursement Criteria:

The provider of service must be enrolled in the Medical Assistance program and the service must be a covered Medical Assistance benefit. The recipient of the service must be deemed eligible to receive Medical Assistance benefits and the reimbursement of the covered services must be in accordance with promulgated fee schedules/rates of reimbursement established for the service.

VI EXPLANATION OF CHANGES

(\$ Amounts in Thousands)

APPROPRIATION:

Services to Persons with Disabilities

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total</u>
GENERAL FUND				
GRANT & SUBSIDY				
1. Reflects a decrease in consumers in the OBRA Waiver for Fiscal Year 2016-2017:	(\$31)	(\$33)	\$0	(\$64)
2. Provides for an increase in OBRA Waiver monthly cost per consumer from \$5,366.86 in Fiscal Year 2015-2016 to \$5,441.60 in Fiscal Year 2016-2017:	\$596	\$621	\$0	\$1,217
3. Provides for the annualization of new Independence consumers entering the program in Fiscal Year 2015-2016:	\$17,195	\$17,251	\$0	\$34,446
4. Provides for an increase in Independence Waiver monthly cost per consumer from \$3,941.64 in Fiscal Year 2015-2016 to \$3,955.24 in Fiscal Year 2016-2017:	\$1,022	\$1,070	\$0	\$2,092
5. Provides for the annualization of new COMMCARE consumers entering the program in Fiscal Year 2015-2016:	\$1,489	\$1,556	\$0	\$3,045
6. Provides for an increase in COMMCARE Waiver monthly cost per consumer from \$7,064.78 in Fiscal Year 2015-2016 to \$7,177.08 in Fiscal Year 2016-2017:	\$581	\$605	\$0	\$1,186
7. Provides for the annualization of the addition of Personal Assistant Services and Respite Care Overtime Rates, effective January 1, 2016:	\$1,148	\$1,240	\$0	\$2,388
8. Impact of the loss of enhanced Federal funding associated with the Balancing Incentive Program which expired on September 30, 2015:	\$6,788	(\$6,788)	\$0	\$0
9. Impact of the change in the Federal Medical Assistance Percentage (a decrease from 52.01 percent to 51.78 percent, effective October 1, 2016). Full-year blended rate decreases from 51.9625 percent to 51.8375 percent:	\$1,004	(\$1,004)	\$0	\$0
10. Reflects the non-recurring roll forward of costs from Fiscal Year 2014-2015 to Fiscal Year 2015-2016:	(\$7,243)	\$0	\$0	(\$7,243)
Subtotal Grant & Subsidy	\$22,549	\$14,518	\$0	\$37,067
FISCAL YEAR 2016-2017 INITIATIVE				
GRANT & SUBSIDY				
1. Community Opportunities				
A. To provide home and community-based services to 1,440 additional individuals with disabilities in Fiscal Year 2016-2017:				
	\$18,353	\$19,878	\$0	\$38,231

VI EXPLANATION OF CHANGES

(\$ Amounts in Thousands)

APPROPRIATION:

Services to Persons with Disabilities

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total</u>
2. Community HealthChoices				
A. Impact of the transition from multiple fee-for-service delivery systems to a consolidated, capitated, managed long-term services and supports system called Community HealthChoices. This system will be implemented in the Southwest Region of the Commonwealth beginning January 2017:	<u>\$3,239</u>	<u>\$3,479</u>	<u>\$0</u>	<u>\$6,718</u>
Subtotal Fiscal Year 2016-2017 Initiatives	<u>\$21,592</u>	<u>\$23,357</u>	<u>\$0</u>	<u>\$44,949</u>
TOTAL GENERAL FUND	<u><u>\$44,141</u></u>	<u><u>\$37,875</u></u>	<u><u>\$0</u></u>	<u><u>\$82,016</u></u>

SERVICES TO PERSONS WITH DISABILITIES

PROGRAM STATEMENT

This home and community-based program supports people with a developmental disability who may have limitations in performing daily activities, understanding or using language, learning, mobility, self-direction, or capacity for independent living. In past years, many of these consumers would have been served in a nursing facility, but through this and other Departmental programs are able to reside in the community.

The following home and community-based waiver services are provided in the Services to Persons with Disabilities program:

- The OBRA Waiver is provided to individuals who have a severe developmental physical disability requiring an Intermediate Care Facility/Other Related Conditions level of care and need a high level of habilitation services to avoid institutionalization. Other related conditions include physical, sensory, or neurological disabilities which manifested before age 22 and are likely to continue indefinitely. A Preadmission Screening Resident Review of all nursing facility applicants with other related conditions is completed to determine if those persons who meet the other related conditions diagnoses require nursing facility care and specialized services.
- The COMMCARE Waiver is provided to individuals with a medically determinable diagnosis of traumatic brain injury and requires a nursing facility level of care, but who choose services in community settings.
- The Independence Waiver is provided to individuals who have physical disabilities that have been assessed to require services at the level of nursing facility level of care, but choose services in community settings. Independence Waiver services must be cost effective when compared to the cost of nursing facility services.

FISCAL YEAR 2016-2017 INITIATIVE – COMMUNITY OPPORTUNITIES

Pennsylvania citizens overwhelmingly state that they would prefer to receive long-term services and supports in a home and community-based setting rather than an institutional setting. Toward that end, a significant investment has been made in home and community-based services, greatly expanding the number of people who can be served in their home. This initiative proposes to provide home and community-based services to an additional 1,440 individuals with disabilities in Fiscal Year 2016 – 2017.

FISCAL YEAR 2016-2017 INITIATIVE – COMMUNITY HEALTHCHOICES

The 2016 Fiscal Year budget provides for the implementation of Community HealthChoices (CHC) to improve health outcomes. The Department of Human Services and the Pennsylvania Department of Aging will continue the combined three-year implementation of a managed long-term services and supports program for older Pennsylvanians and adults with physical disabilities - CHC. This program will ensure that one entity is responsible for coordinating the physical health and long-term services and support needs of participants to improve care coordination and health outcomes while allowing more individuals to live in their community. Community HealthChoices will be implemented in three phases. Phase one will be implemented January 2017, in the Southwest region. Phase two will be implemented January 2018 in the Southeast region. The final phase three will be implemented January 2019 in the Northwest, Lehigh-Capital, and Northeast regions.

Benefits of implementing the CHC program include the following:

- **Enhanced opportunities for community-based living.** Managed long-term services and supports will improve person-centered service planning and, as more community-based living options become available, the ability to honor participant preferences to live and work in the community will expand. Performance incentives built into the program's quality oversight and payment policies will stimulate a wider and deeper array of home and community-based services options.
- **Strengthened coordination of long-term services and supports and other types of health care, including all Medicare and Medicaid services for dual eligible individuals.** Better coordination of Medicare and Medicaid health services and long-term services and supports will make the system easier to use and will result in better quality of life, health, safety, and well-being.
- **Enhanced quality and accountability.** CHC – Managed care organizations will be accountable for outcomes for the target population and responsible for the overall health and long-term support for the whole person. Quality of life and care will be measured and published, giving participants the information they need to make informed decisions.
- **Advance program innovation.** Greater creativity and innovation afforded in the program will help to increase community housing options, enhance the long-term services and supports direct care workforce, expand the use of technology and expand employment among participants who have employment goals.
- **Increase efficiency and effectiveness.** The program will increase the efficiency of health care and long-term services and supports by reducing preventable admissions to hospitals, emergency departments, nursing facilities and other high-cost services and by increasing the use of health promotion, primary care and home and community-based services.

When fully implemented, the CHC will serve an estimated 450,000 individuals, including 130,000 older persons and adults with physical disabilities who are currently receiving long-term services and supports in the community and in nursing facilities. CHC - managed care organizations will be accountable for most Medicaid-covered services, including preventive services, primary and acute care, long-term services and supports (home and community-based services and nursing facilities), prescription drugs, and dental services. Participants who have Medicaid and Medicare coverage (dual eligible participants) will have the option to have their Medicaid and Medicare services coordinated by the same Managed Care Organization.

This initiative builds on the Commonwealth's past success in implementing the country's most extensive network of Programs of All-inclusive Care for the Elderly (called LIFE, Living Independence for the Elderly, in Pennsylvania), which will continue to be an option for eligible persons, and its Home and Community-Based Services waiver programs,. It also builds on the Commonwealth's experience with HealthChoices, a statewide managed care delivery system for children and adults. Behavioral health services will continue to be provided through the Behavioral Health Services HealthChoices (Behavioral Health - Managed Care Organizations). CHC - Managed Care Organizations and Behavioral Health - Managed Care Organizations will be required to coordinate services for individuals who participate in both programs.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A1.20, C1.10, E7.6, E30.7-E30.9, E30.15
E30.18, E30.19, E30.37, E30.38

APPROPRIATION:
Attendant Care

I. SUMMARY FINANCIAL DATA

	<u>2014-2015 Actual</u>	<u>2015-2016 Available</u>	<u>2016-2017 Budgeted</u>
State Funds	\$137,229	\$160,010 ¹	\$172,909
Federal Funds Total	\$124,402	\$149,434	\$157,267
Federal Sources Itemized			
<i>Medical Assistance-Attendant Care</i>	\$124,402	\$149,434 ²	\$157,267
Other Funds Total	\$749	\$749	\$749
Other Fund Sources Itemized			
<i>Attendant Care-Parking Fines</i>	\$59	\$59	\$59
<i>Attendant Care-Patient Fees</i>	\$690	\$690	\$690
Total	\$262,380	\$310,193	\$330,925

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$11,719
Federal Funds Total	\$11,557
Federal Sources Itemized	
<i>Medical Assistance-Attendant Care</i>	<u>\$11,557</u>
Total	\$23,276

¹ Includes a recommended supplemental appropriation of \$11.719 million. Act 10-A of 2015 provided \$148.291 million for this program in Fiscal Year 2015-2016.

² Includes a recommended supplemental appropriation of \$11.557 million. Act 10-A of 2015 provided \$137.877 million for this program in Fiscal Year 2015-2016.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Attendant Care				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$137,229	\$160,010	\$172,909	\$12,899	8.06%
<i>Federal Funds</i>	\$124,402	\$149,434	\$157,267	\$7,833	5.24%
<i>Other Funds</i>	\$749	\$749	\$749	\$0	0.00%
Total Grant & Subsidy	\$262,380	\$310,193	\$330,925	\$20,732	6.68%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$137,229	\$160,010	\$172,909	\$12,899	8.06%
<i>Federal Funds</i>	\$124,402	\$149,434	\$157,267	\$7,833	5.24%
<i>Other Funds</i>	\$749	\$749	\$749	\$0	0.00%
Total Funds	\$262,380	\$310,193	\$330,925	\$20,732	6.68%

APPROPRIATION:
Attendant Care

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016 Estimated</u>
State Funds	\$1	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>2016-2017 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget reflects an increase of \$12.899 million in State funds from the Fiscal Year 2015-2016 funding level of \$160.010 million to \$172.909 million. It also reflects an increase of \$7.833 million in Federal Medical Assistance funds from the Fiscal Year 2015-2016 funding level of \$149.434 million to \$157.267 million. The budget maintains the Attendant Care Parking Fine revenues as well as the Patient Fees at the Fiscal Year 2015-2016 level.

Detail on the appropriation is outlined in Section VI entitled "Explanation of Changes" on the next page.

Legislative Citations:

62 P.S. §§ 201, 206, 3051 et seq.

Disbursement Criteria:

The provider of service must be enrolled in the Medical Assistance program and the service must be a covered Medical Assistance benefit. The recipient of the service must be deemed eligible to receive Medical Assistance benefits and the reimbursement of the covered services must be in accordance with promulgated fee schedules/ rates of reimbursement established for the service.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Attendant Care			
	State \$	Federal \$	Other \$	Total
GENERAL FUND				
GRANT & SUBSIDY				
1. Provides for the annualization of Attendant Care Waiver users entering the program in Fiscal Year 2015-2016:	\$5,476	\$5,943	\$0	\$11,419
2. Reflects a decrease in Attendant Care Waiver monthly cost per consumer from \$2,571.26 in Fiscal Year 2015-2016 to \$2,547.75 in Fiscal Year 2016-2017:	(\$1,154)	(\$1,601)	\$0	(\$2,755)
3. Provides for an increase in Act 150 monthly cost per consumer from \$2,583.31 in Fiscal Year 2015-2016 to \$2,601.45 in Fiscal Year 2016-2017:	\$192	\$0	\$0	\$192
4. Reflects the net impact of costs and expenditure adjustments related to the Pennsylvania Department of Aging's over 60 Act 150 program:	\$4,478	\$0	\$0	\$4,478
5. Provides for the annualization of the addition of Personal Assistant Services and Respite Care Overtime Rates, effective January 1, 2016:	\$934	\$772	\$0	\$1,706
6. Impact of the loss of enhanced Federal funding associated with the Balancing Incentive Program which expired on September 30, 2015:	\$2,766	(\$2,766)	\$0	\$0
7. Impact of the change in the Federal Medical Assistance Percentage (a decrease from 52.01 percent to 51.78 percent, effective October 1, 2016). Full-year blended rate decreases from 51.9625 percent to 51.8375 percent:	\$380	(\$380)	\$0	\$0
8. Reflects the non-recurring roll forward of costs from Fiscal Year 2014-2015 to Fiscal Year 2015-2016:	(\$5,594)	\$0	\$0	(\$5,594)
Subtotal Grant & Subsidy	\$7,478	\$1,968	\$0	\$9,446
FISCAL YEAR 2016-2017 INITIATIVE				
1. Community Opportunities				
A. To provide home and community-based services to 600 additional individuals with disabilities in Fiscal Year 2016-2017:	\$4,739	\$5,133	\$0	\$9,872
2. Community HealthChoices				
A. Impact of the transition from multiple fee-for-service delivery systems to a consolidated, capitated, managed long-term services and supports system called Community HealthChoices. This system will be implemented in the Southwest Region of the Commonwealth beginning January 2017:	\$682	\$732	\$0	\$1,414
Subtotal Fiscal Year 2016-2017 Initiatives	\$5,421	\$5,865	\$0	\$11,286
TOTAL GENERAL FUND	\$12,899	\$7,833	\$0	\$20,732

Attendant Care
Fiscal Year 2016-2017 Governor's Executive Budget
Fiscal Year 2015-2016

Attendant Care	Total	Federal	State	Unduplicated Users	Expansion Users	Total Users	Cost Per User
JULY 2015	\$20,024,038	\$10,403,085	\$9,620,953			8,566	\$2,337.62
AUGUST	\$27,877,321	\$14,484,314	\$13,393,007			8,822	\$3,159.98
SEPTEMBER	\$15,905,672	\$8,268,491	\$7,637,181			8,417	\$1,889.71
OCTOBER	\$29,607,338	\$15,415,096	\$14,192,242			8,984	\$3,295.56
NOVEMBER	\$26,688,521	\$13,922,069	\$12,766,452			9,093	\$2,935.06
DECEMBER	\$20,855,366	\$10,846,876	\$10,008,490	9,093	50	9,143	\$2,281.02
JANUARY 2016	\$20,969,417	\$10,906,194	\$10,063,223	9,093	100	9,193	\$2,281.02
FEBRUARY	\$26,845,277	\$13,962,229	\$12,883,048	9,093	150	9,243	\$2,904.39
MARCH	\$21,197,519	\$11,024,830	\$10,172,689	9,093	200	9,293	\$2,281.02
APRIL	\$21,311,570	\$11,084,148	\$10,227,422	9,093	250	9,343	\$2,281.02
MAY	\$27,280,935	\$14,188,814	\$13,092,121	9,093	300	9,393	\$2,904.39
JUNE	\$21,539,672	\$11,202,783	\$10,336,889	9,093	350	9,443	\$2,281.02
Subtotal	\$280,102,646	\$145,708,929	\$134,393,717			9,078	\$2,571.26

Act 150	Total	Federal	State	Unduplicated Users	Expansion Users	Total Users	Cost Per User
JULY 2015	\$2,118,946	\$0	\$2,118,946			895	\$2,367.54
AUGUST	\$2,608,319	\$0	\$2,608,319			895	\$2,914.32
SEPTEMBER	\$2,050,147	\$0	\$2,050,147			879	\$2,332.36
OCTOBER	\$1,975,597	\$0	\$1,975,597			851	\$2,321.50
NOVEMBER	\$2,910,703	\$0	\$2,910,703			879	\$3,311.38
DECEMBER	\$2,053,529	\$0	\$2,053,529	879	0	879	\$2,336.21
JANUARY 2016	\$2,053,529	\$0	\$2,053,529	879	0	879	\$2,336.21
FEBRUARY	\$2,658,720	\$0	\$2,658,720	879	0	879	\$3,024.71
MARCH	\$2,053,529	\$0	\$2,053,529	879	0	879	\$2,336.21
APRIL	\$2,053,529	\$0	\$2,053,529	879	0	879	\$2,336.21
MAY	\$2,658,720	\$0	\$2,658,720	879	0	879	\$3,024.71
JUNE	\$2,053,529	\$0	\$2,053,529	879	0	879	\$2,336.21
Subtotal	\$27,248,797	\$0	\$27,248,797			879	\$2,583.31

Pennsylvania Department of Aging Act 150	Total	Federal	State	Unduplicated Users	Expansion Users	Total Users	Cost Per User
JULY 2015	\$2,013,763	\$0	\$2,013,763			817	\$2,464.83
AUGUST	\$2,530,263	\$0	\$2,530,263			811	\$3,119.93
SEPTEMBER	\$1,954,554	\$0	\$1,954,554			817	\$2,392.35
OCTOBER	\$1,944,303	\$0	\$1,944,303			792	\$2,454.93
NOVEMBER	\$2,712,072	\$0	\$2,712,072			819	\$3,311.44
DECEMBER	\$2,027,213	\$0	\$2,027,213	819	0	819	\$2,475.23
JANUARY 2016	\$2,027,213	\$0	\$2,027,213	819	0	819	\$2,475.23
FEBRUARY	\$2,599,236	\$0	\$2,599,236	819	0	819	\$3,173.67
MARCH	\$2,027,213	\$0	\$2,027,213	819	0	819	\$2,475.23
APRIL	\$2,027,213	\$0	\$2,027,213	819	0	819	\$2,475.23
MAY	\$2,599,236	\$0	\$2,599,236	819	0	819	\$3,173.67
JUNE	\$2,027,213	\$0	\$2,027,213	819	0	819	\$2,475.23
Subtotal	\$26,489,492	\$0	\$26,489,492			816	\$2,705.22

Subtotal PROMISe Program Expenditures	\$333,840,935	\$145,708,929	\$188,132,006				
Roll Forward from Fiscal Year 2014-2015	\$5,593,962	\$0	\$5,593,962				
Act 150 not Transferred in FY 2014-2015	(\$6,485,339)	\$0	(\$6,485,339)				
PDA Reimbursement June 2015 - May 2016	(\$24,462,279)	\$0	(\$24,462,279)				
Money Follows the Person	\$0	\$182,650	(\$182,650)				
Personal Assistant Services / Respite Care Overtime Rate	\$1,706,077	\$777,217	\$928,860				
Subtotal	\$310,193,356	\$146,668,796	\$163,524,560				

FY 2014-2015 PRR/Initiatives

Balancing Incentive Program	\$0	\$2,765,669	(\$2,765,669)				
Subtotal	\$310,193,356	\$149,434,465	\$160,758,891				
Parking Fines	(\$59,000)	\$0	(\$59,000)				
Patient Fees	(\$690,000)	\$0	(\$690,000)				
Total Program Requirement	\$309,444,356	\$149,434,465	\$160,009,891				

Act 10-A of 2015		\$137,877,000	\$148,291,000				
Surplus/(Deficit)		(\$11,557,465)	(\$11,718,891)				

Attendant Care
Fiscal Year 2016-2017 Governor's Executive Budget
Fiscal Year 2016-2017

Attendant Care	Total	Federal	State	Unduplicated Users	Expansion Users	Total Users	Cost Per User
JULY 2016	\$22,086,794	\$11,487,342	\$10,599,452	9,443	50	9,493	\$2,326.64
AUGUST	\$28,548,171	\$14,847,904	\$13,700,267	9,443	100	9,543	\$2,991.53
SEPTEMBER	\$22,319,458	\$11,608,350	\$10,711,108	9,443	150	9,593	\$2,326.64
OCTOBER	\$28,847,324	\$14,937,144	\$13,910,180	9,443	200	9,643	\$2,991.53
NOVEMBER	\$22,552,122	\$11,677,489	\$10,874,633	9,443	250	9,693	\$2,326.64
DECEMBER	\$22,668,454	\$11,737,725	\$10,930,729	9,443	300	9,743	\$2,326.64
JANUARY 2017	\$29,296,053	\$15,169,496	\$14,126,557	9,443	350	9,793	\$2,991.53
FEBRUARY	\$22,901,118	\$11,858,199	\$11,042,919	9,443	400	9,843	\$2,326.64
MARCH	\$23,017,450	\$11,918,436	\$11,099,014	9,443	450	9,893	\$2,326.64
APRIL	\$23,133,782	\$11,978,672	\$11,155,110	9,443	500	9,943	\$2,326.64
MAY	\$29,894,359	\$15,479,299	\$14,415,060	9,443	550	9,993	\$2,991.53
JUNE	\$23,372,446	\$12,102,253	\$11,270,193	9,443	600	10,043	\$2,327.24
Subtotal	\$298,637,531	\$154,802,309	\$143,835,222			9,768	\$2,547.75

Act 150	Total	Federal	State	Unduplicated Users	Expansion Users	Total Users	Cost Per User
JULY 2016	\$2,074,062	\$0	\$2,074,062	879	0	879	\$2,359.57
AUGUST	\$2,711,891	\$0	\$2,711,891	879	0	879	\$3,085.20
SEPTEMBER	\$2,074,062	\$0	\$2,074,062	879	0	879	\$2,359.57
OCTOBER	\$2,711,891	\$0	\$2,711,891	879	0	879	\$3,085.20
NOVEMBER	\$2,074,062	\$0	\$2,074,062	879	0	879	\$2,359.57
DECEMBER	\$2,074,062	\$0	\$2,074,062	879	0	879	\$2,359.57
JANUARY 2017	\$2,711,891	\$0	\$2,711,891	879	0	879	\$3,085.20
FEBRUARY	\$2,074,062	\$0	\$2,074,062	879	0	879	\$2,359.57
MARCH	\$2,074,062	\$0	\$2,074,062	879	0	879	\$2,359.57
APRIL	\$2,074,062	\$0	\$2,074,062	879	0	879	\$2,359.57
MAY	\$2,711,891	\$0	\$2,711,891	879	0	879	\$3,085.20
JUNE	\$2,074,062	\$0	\$2,074,062	879	0	879	\$2,359.57
Subtotal	\$27,440,060	\$0	\$27,440,060			879	\$2,601.45

Pennsylvania Department of Aging Act 150	Total	Federal	State	Unduplicated Users	Expansion Users	Total Users	Cost Per User
JULY 2016	\$2,047,484	\$0	\$2,047,484	819	0	819	\$2,499.98
AUGUST	\$2,651,218	\$0	\$2,651,218	819	0	819	\$3,237.14
SEPTEMBER	\$2,047,484	\$0	\$2,047,484	819	0	819	\$2,499.98
OCTOBER	\$2,651,218	\$0	\$2,651,218	819	0	819	\$3,237.14
NOVEMBER	\$2,047,484	\$0	\$2,047,484	819	0	819	\$2,499.98
DECEMBER	\$2,047,484	\$0	\$2,047,484	819	0	819	\$2,499.98
JANUARY 2017	\$2,651,218	\$0	\$2,651,218	819	0	819	\$3,237.14
FEBRUARY	\$2,047,484	\$0	\$2,047,484	819	0	819	\$2,499.98
MARCH	\$2,047,484	\$0	\$2,047,484	819	0	819	\$2,499.98
APRIL	\$2,047,484	\$0	\$2,047,484	819	0	819	\$2,499.98
MAY	\$2,651,218	\$0	\$2,651,218	819	0	819	\$3,237.14
JUNE	\$2,047,484	\$0	\$2,047,484	819	0	819	\$2,499.98
Subtotal	\$26,984,744	\$0	\$26,984,744			819	\$2,745.70

Subtotal PROMISE Program Expenditures	\$353,062,335	\$154,802,309	\$198,260,026				
PDA Reimbursement June 2016 - May 2017	(\$26,964,473)	\$0	(\$26,964,473)				
Money Follows the Person	\$0	\$182,650	(\$182,650)				
Personal Assistant Services / Respite Care Overtime Rate	\$3,412,154	\$1,549,278	\$1,862,876				
Subtotal	\$329,510,016	\$156,534,237	\$172,975,779				

FY 2016-2017 PRR/Initiatives

Community HealthChoices	\$1,414,585	\$732,472	\$682,113				
Parking Fines	(\$59,000)	\$0	(\$59,000)				
Patient Fees	(\$690,000)	\$0	(\$690,000)				
Total Program Requirement	\$330,175,601	\$157,266,709	\$172,908,892				

ATTENDANT CARE

PROGRAM STATEMENT

The Attendant Care Program provides assistance and support to individuals enabling them to live in their own homes and communities rather than in institutions. To be eligible for the program, an individual aged 18-59 must have a physical disability, be mentally alert and able to direct their own services, and need assistance with activities of daily living. The program provides assistance with bathing, dressing, meal preparation, mobility, housekeeping and other self-care and daily living functions.

The Attendant Care Program allows consumers to choose the model of service delivery they prefer. Under the agency model of service, services are performed by attendants employed by an agency. Under the consumer employer model, consumers recruit, hire, train and manage their own attendants. Under the Services My Way model, consumers have budget authority and are given a personalized budget, providing them with more choice and control over management of their services.

Services for the Attendant Care Program are provided under the Act 150-Attendant Care Program and the Attendant Care Home and Community-Based Waiver. Medicaid eligible individuals who meet all program criteria are served in the Waiver Program. Individuals who are not Medicaid financially eligible may be served in the Act 150-Attendant Care Program.

FISCAL YEAR 2016-2017 INITIATIVE – COMMUNITY OPPORTUNITIES

Pennsylvania citizens overwhelmingly state that they would prefer to receive long-term services and supports in a home and community-based setting rather than an institutional setting. Toward that end, a significant investment has been made in home and community-based services, greatly expanding the number of people who can be served in their home. This initiative proposes to provide home and community-based services to an additional 600 individuals with disabilities in Fiscal Year 2016 – 2017.

FISCAL YEAR 2016-2017 INITIATIVE – COMMUNITY HEALTHCHOICES

The 2016 Fiscal Year budget provides for the implementation of Community HealthChoices (CHC) to improve health outcomes. The Department of Human Services and the Pennsylvania Department of Aging will continue the combined three-year implementation of a managed long-term services and supports program for older Pennsylvanians and adults with physical disabilities - CHC. This program will ensure that one entity is responsible for coordinating the physical health and long-term services and support needs of participants to improve care coordination and health outcomes while allowing more individuals to live in their community. Community HealthChoices will be implemented in three phases. Phase one will be implemented January 2017, in the Southwest region. Phase two will be implemented January 2018 in the Southeast region. The final phase three will be implemented January 2019 in the Northwest, Lehigh-Capital and Northeast regions.

Benefits of implementing the CHC program include the following:

- **Enhanced opportunities for community-based living.** Managed long-term services and supports will improve person-centered service planning and, as more community-based living options become available, the ability to honor participant preferences to live and work in the community will expand. Performance incentives built into the program's quality oversight and payment policies will stimulate a wider and deeper array of home and community-based services options.
- **Strengthened coordination of long-term services and supports and other types of health care, including all Medicare and Medicaid services for dual eligible individuals.** Better

coordination of Medicare and Medicaid health services and long-term services and supports will make the system easier to use and will result in better quality of life, health, safety, and well-being.

- **Enhanced quality and accountability.** CHC – Managed care organizations will be accountable for outcomes for the target population and responsible for the overall health and long-term support for the whole person. Quality of life and care will be measured and published, giving participants the information they need to make informed decisions.
- **Advance program innovation.** Greater creativity and innovation afforded in the program will help to increase community housing options, enhance the long-term services and supports direct care workforce, expand the use of technology and expand employment among participants who have employment goals.
- **Increase efficiency and effectiveness.** The program will increase the efficiency of health care and long-term services and supports by reducing preventable admissions to hospitals, emergency departments, nursing facilities and other high-cost services and by increasing the use of health promotion, primary care and home and community-based services.

When fully implemented, the CHC will serve an estimated 450,000 individuals, including 130,000 older persons and adults with physical disabilities who are currently receiving long-term services and supports in the community and in nursing facilities. CHC - Managed Care Organizations will be accountable for most Medicaid-covered services, including preventive services, primary and acute care, long-term services and supports (home and community-based services and nursing facilities), prescription drugs, and dental services. Participants who have Medicaid and Medicare coverage (dual eligible participants) will have the option to have their Medicaid and Medicare services coordinated by the same managed care organization.

This initiative builds on the Commonwealth's past success in implementing the country's most extensive network of Programs of All-inclusive Care for the Elderly (called LIFE, Living Independence for the Elderly, in Pennsylvania), which will continue to be an option for eligible persons, and its Home and Community-Based Services waiver programs. It also builds on the Commonwealth's experience with HealthChoices, a statewide managed care delivery system for children and adults. Behavioral health services will continue to be provided through the Behavioral Health Services HealthChoices (Behavioral Health - Managed Care Organizations). CHC - Managed Care Organizations and Behavioral Health - Managed Care Organizations will be required to coordinate services for individuals who participate in both programs.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A1.20, A3.7, C1.10, E30.6, E30.9, E30.27,
E30.29, E30.31, E30.39

APPROPRIATION:
Intellectual Disabilities - Community Base Program

I. SUMMARY FINANCIAL DATA

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted
State Funds	\$149,681	\$153,561 ¹	\$158,914
Federal Funds Total	\$61,409	\$59,801	\$59,659
Federal Sources Itemized			
<i>Medical Assistance - Community ID Services</i>	\$53,958	\$52,350	\$52,208
<i>SSBG - Community ID Services</i>	\$7,451	\$7,451	\$7,451
Other Funds	\$0	\$0	\$0
Total	\$211,090	\$213,362	\$218,573

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$5,332 ¹
Federal Funds	\$0
Total	\$5,332

¹ Act 10-A of 2015 included State appropriation authority of \$148.229 million for Fiscal Year 2015-2016. However, the Governor's Executive Budget for Fiscal Year 2016-2017 reflects a \$5.332 million supplemental request for a revised Fiscal Year 2015-2016 State appropriation of \$153.561 million.

II. DETAIL BY MAJOR OBJECT
(\$ Amounts in Thousands)

APPROPRIATION:
Intellectual Disabilities - Community Base Program

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$10,961	\$11,461	\$8,676	(\$2,785)	-24.30%
Federal Funds	\$15,769	\$12,443	\$8,155	(\$4,288)	-34.46%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$26,730	\$23,904	\$16,831	(\$7,073)	-29.59%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$138,720	\$142,100	\$150,238	\$8,138	5.73%
Federal Funds	\$45,140	\$46,098	\$50,008	\$3,910	8.48%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$183,860	\$188,198	\$200,246	\$12,048	6.40%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$500	\$1,260	\$1,496	\$236	18.73%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$500	\$1,260	\$1,496	\$236	18.73%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
EXCESS FEDERAL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Excess Federal	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$149,681	\$153,561	\$158,914	\$5,353	3.49%
Federal Funds	\$61,409	\$59,801	\$59,659	(\$142)	-0.24%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$211,090	\$213,362	\$218,573	\$5,211	2.44%

APPROPRIATION:
Intellectual Disabilities - Community Base Program

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget provides for maintenance of the current program. It provides continued funding for the Fiscal Year 2015-2016 "Human Services Enhancement" Initiative to provide additional supports to promote competitive employment opportunities for individuals with intellectual disabilities. It provides continued funding for the Fiscal Year 2015-2016 "Human Services Funding Restoration" Initiative which began to restore Fiscal Year 2012-2013 funding cuts. It also provides for the Fiscal Year 2016-2017 "Human Services Funding Restoration" Initiative which provides funding to restore one-third of Fiscal Year 2012-2013 funding cuts. Detail on the appropriation request is outlined in Section VI entitled "Explanation of Changes" on subsequent pages.

Legislative Citations:

62 P.S. §§ 201, 206; MH/ID Act of 1966, 50 P.S. § 4101 et seq.; Title XIX of the Social Security Act, 42 U.S.C. § 1396 et seq.; 62 P.S. § 441.1 et seq.; 62 P.S. § 1401-B et seq.

Disbursement Criteria:

Disbursements are based on allocations developed by the Department and are advanced on a quarterly basis to administrative entities. Payments for Medicaid eligible supports coordination are based on invoices submitted by providers through the Provider Reimbursement and Operations Management Information System (PROMISe). Additionally, services provided under the terms of various administrative contracts are reimbursed as invoices are submitted to the Department and approved for payment.

VI. EXPLANATION OF CHANGES
(\$ Amounts in Thousands)

APPROPRIATION:
Intellectual Disabilities - Community Base Program

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
OPERATING				
1. Provides for a decrease in funding for a contract with Mercer Health & Benefits, LLC for cost reporting and auditing service, which includes rate development and budget analysis; stakeholder communication and training; and administrative oversight:	(\$279)	(\$279)	\$0	(\$558)
2. Provides for a decrease in funding resulting from the expiration of a fiscal governance process contract with Alvarez & Marsal Holdings, LLC on September 30, 2016:	(\$1,688)	(\$1,688)	\$0	(\$3,376)
3. Provides for a decrease in funding for a contract with Deloitte Consulting, LLP that included transferring server information to the cloud:	(\$36)	(\$1,150)	\$0	(\$1,186)
4. Provides for a decrease in funding for a contract with Public Consulting Group, Inc. for gathering requirements and the preparation of a written business plan of Home and Community Services Information System enhancements to meet Centers for Medicare and Medicaid Services (CMS) assurances and to test the completed system for compliance:	(\$24)	(\$15)	\$0	(\$39)
5. Provides for a decrease in funding for three contracts and a Memorandum of Understanding with Temple University for the management of the certified investigation training program; the management and operation of the medication administration train-the-trainer program; to provide communication assessments of deaf Consolidated Waiver participants and individuals on the waiting list in the emergency category, as well as assessment support and quality control; and for the collection of quality initiative information from individuals receiving supports through the Office of Developmental Programs and the analysis and reporting of findings:	(\$3)	(\$604)	\$0	(\$607)
6. Provides for a decrease in funding for a contract with Ingenesis, Inc. for contracted staff:	(\$51)	(\$192)	\$0	(\$243)
7. Provides for an increase in funding for a contract with Ascend Management Innovations, LLC for Supports Intensity Scale (SIS) & Prioritization of Urgency of Need for Services (PUNS) Plus standardized statewide assessments of all current and future Waiver participants:	\$4	\$4	\$0	\$8
8. Provides for a decrease in funding for contracts with Columbus Medical Services, LLC to develop, conduct, and maintain standardized training; and provide support for developmental disabilities training programs for professionals within the statewide developmental disabilities service system:	(\$496)	(\$307)	\$0	(\$803)

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Intellectual Disabilities - Community Base Program			
	State \$	Federal \$	Other \$	Total \$
OPERATING (Continued)				
9. Provides a decrease in funding for a contract with Tuscarora Intermediate Unit #11 for training courses, general communication and information, outreach, and mentorship to individuals with developmental disabilities and their families regarding the programs and services available, how to access and navigate the system, non-service related supports available, and policy and regulation changes that affect the developmental disabilities service system, and for the Pennsylvania Disability Employment and Empowerment Summit:	(\$229)	(\$207)	\$0	(\$436)
10. Provides an increase in funding for a contract with the University of Massachusetts for a web-based learning management system (LMS) that supports all of ODP's training. The LMS houses web-based training and certification courses, provides a vehicle for registration for courses and conferences, etc.:	\$225	\$228	\$0	\$453
11. Impact of a one-time-only Fiscal Year 2015-2016 contract with Chorus Call, Inc. for video conferencing services between central, regional, and State Center staff as well as for State Center residents to contact family:	(\$21)	(\$21)	\$0	(\$42)
12. Impact of committed/unallocated Fiscal Year 2015-2016 funding:	(\$187)	(\$57)	\$0	(\$244)
Subtotal Operating	(\$2,785)	(\$4,288)	\$0	(\$7,073)
GRANT & SUBSIDY				
1. Impact of a transfer of \$0.010 million in State funds from ongoing base maintenance to county administration independent monitoring teams with resultant increase in matching Federal funds:	\$0	\$10	\$0	\$10
2. Impact of the transfer of financial management services, agency with choice services, and organized health care delivery system administrative costs from the Waiver program to the Community Base program in Fiscal Year 2016-2017:	\$3,281	\$2,913	\$0	\$6,194
3. Provides for the impact of a decrease in the Federal Medical Assistance Percentage (FMAP) rate from 52.01 percent to 51.78 percent, effective October 1, 2016, for Medicaid eligible supports coordination services billed through the Provider Reimbursement and Operations Management Information System (PROMISe). The full-year blended State fiscal year rate decreases from 51.9625 percent in Fiscal Year 2015-2016 to 51.8375 percent in Fiscal Year 2016-2017:	\$25	(\$25)	\$0	\$0
Subtotal Grant & Subsidy	\$3,306	\$2,898	\$0	\$6,204

VI. EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 Intellectual Disabilities - Community Base Program

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
BUDGETARY RESERVE				
1. Change in Budgetary Reserve:	<u>\$0</u>	<u>\$236</u>	<u>\$0</u>	<u>\$236</u>
Subtotal Budgetary Reserve	\$0	\$236	\$0	\$236
INITIATIVES				
GRANT & SUBSIDY				
1. Human Services Funding Restoration:				
A. Provides funding to restore one-third of the cut to seven human services appropriations to offset Fiscal Year 2012-2013 funding cuts:				
	<u>\$4,832</u>	<u>\$1,012</u>	<u>\$0</u>	<u>\$5,844</u>
Subtotal Initiatives	<u>\$4,832</u>	<u>\$1,012</u>	<u>\$0</u>	<u>\$5,844</u>
TOTAL	<u><u>\$5,353</u></u>	<u><u>(\$142)</u></u>	<u><u>\$0</u></u>	<u><u>\$5,211</u></u>

Appropriation: Intellectual Disabilities - Community Base Program

\$ Amounts in Thousands	2014-2015 Actual	2015-2016 Available	2016-2017 Governor's Recommended	2016-2017 Gov's Recomm vs 2015-2016 Available	Percent Change	Notes
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COMMUNITY BASE SERVICES (Non-Block Grant):

MAINTENANCE

State/Carryover	\$37,090	\$37,090	\$37,080	(\$10)	-0.03%	This funding is non-block grant and cannot be commingled with other funds
State/Carryover FY 11-12 O-T-O Reallocation	\$0	\$0	\$0	\$0	—	
State/Carryover Conversions to Waiver	(\$214)	(\$428)	(\$428)	\$0	0.00%	Provides a decrease in funding for annualization of costs for 11 individuals that converted from the Base Program to the Waiver Program during Fiscal Year 2014-2015
State/Carryover SSBG Backfill	\$0	\$0	\$0	\$0	—	
Fed - SSBG	\$2,813	\$2,813	\$2,813	\$0	0.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Subtotal	\$39,689	\$39,475	\$39,465	(\$10)	-0.03%	

PENNHURST DISPERSAL

State/Carryover (Ineligible)	\$163	\$163	\$163	\$0	0.00%	Provides Base Program funding which was merged from the Pennhurst Dispersal appropriation into the Community ID program beginning in Fiscal Year 2009-2010
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Subtotal	\$163	\$163	\$163	\$0	0.00%	

TARGETED CASE MANAGEMENT (FORMERLY SUPPORTS COORDINATION)

State/Carryover	\$2,947	\$2,947	\$2,947	\$0	0.00%	Provides case management services for individuals who are not Medicaid eligible
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Subtotal	\$2,947	\$2,947	\$2,947	\$0	0.00%	

MEDICAID-ELIGIBLE SUPPORTS COORDINATION (FORMERLY TARGETED SERVICE MANAGEMENT (TSM))

State/Carryover	\$9,780	\$9,838	\$9,838	\$0	0.00%	Provides supports coordination for Medicaid-eligible individuals not enrolled in the Waiver program
State Backfill - MA	\$0	\$0	\$25	\$25	—	
Fed - MA	\$10,699	\$10,641	\$10,616	(\$25)	-0.23%	COMMITMENT ITEM # 6602000 - Grants & Pay to Indiv
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Subtotal	\$20,479	\$20,479	\$20,479	\$0	0.00%	

TARGETED SERVICE MANAGEMENT - ADMINISTRATION

State/Carryover	\$838	\$838	\$838	\$0	0.00%	COMMITMENT ITEM # 6602000 - Grants & Pay to Indiv
Fed - MA	\$838	\$838	\$838	\$0	0.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Subtotal	\$1,676	\$1,676	\$1,676	\$0	0.00%	

ADMINISTRATIVE COSTS FOR FINANCIAL MANAGEMENT SERVICES, AGENCY WITH CHOICE AND ORGANIZED HEALTH CARE DELIVERY SYSTEM

State/Carryover	\$0	\$0	\$3,281	\$3,281	—	Provides for a transfer of costs from the Waiver Program for the administration of financial management services and Agency-With-Choice services for consumers that self-direct all or some of their services, and for Organized Health Care Delivery System administrative per transaction fee
Fed - MA	\$0	\$0	\$2,913	\$2,913	—	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Subtotal	\$0	\$0	\$6,194	\$6,194	—	

COUNTY ADMINISTRATION (Non-Block Grant):

COUNTY ADMINISTRATION

ON-GOING						
State/Carryover	\$10,057	\$10,057	\$10,057	\$0	0.00%	
Fed - MA	\$10,057	\$10,057	\$10,057	\$0	0.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Subtotal	\$20,114	\$20,114	\$20,114	\$0	0.00%	

HEALTH CARE QUALITY UNITS (HCQU)

State/Carryover	\$1,819	\$1,819	\$1,819	\$0	0.00%	Provides for the health care management of people living in licensed residential programs by medical professionals experienced in providing medical care to people with intellectual disabilities
Fed - MA	\$1,593	\$1,593	\$1,593	\$0	0.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Subtotal	\$3,412	\$3,412	\$3,412	\$0	0.00%	

INDEPENDENT MONITORING TEAMS

State/Carryover	\$596	\$596	\$606	\$10	1.68%	Independent Monitoring Teams (IMTs) in the counties/joiners to conduct quality of life and family and consumer satisfaction reviews of contracted services in the counties
Fed - MA	\$596	\$596	\$606	\$10	1.68%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Subtotal	\$1,192	\$1,192	\$1,212	\$20	1.68%	

TOTAL COUNTY ADMINISTRATION (NON-BLOCK GRANT)

State/Carryover	\$12,472	\$12,472	\$12,482	\$10	0.08%	
Fed - MA	\$12,246	\$12,246	\$12,256	\$10	0.08%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Total County Administration	\$24,718	\$24,718	\$24,738	\$20	0.08%	

\$ Amounts in Thousands	2014-2015 Actual	2015-2016 Available	2016-2017 Governor's Recommended	2016-2017 Gov's Reconnim vs 2015-2016 Available	Percent Change	Notes
TOTAL COMMUNITY BASED SERVICES (NON-BLOCK GRANT)						
State/Carryover	\$63,076	\$62,920	\$66,201	\$3,281	5.21%	
State Backfill - MA	\$0	\$0	\$25	\$25	---	
Fed - SSBG	\$2,813	\$2,813	\$2,813	\$0	0.00%	
Fed - MA	\$23,783	\$23,725	\$26,623	\$2,898	12.21%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Total Community Based Services	\$89,672	\$89,458	\$95,662	\$6,204	6.94%	
HUMAN SERVICES BLOCK GRANT PILOT						
State/Carryover	\$80,466	\$80,466	\$80,466	\$0	0.00%	This pilot increased from 20 counties in Fiscal Year 2012-2013 to 30 counties in Fiscal Year 2013-2014
State/Carryover Conversions to Waiver FY 14-15	(\$822)	(\$1,572)	(\$1,572)	\$0	0.00%	
State/Carryover Conversions to Waiver FY 15-16	\$0	(\$546)	(\$546)	\$0	0.00%	
Fed - MA	\$13,910	\$13,910	\$13,910	\$0	0.00%	Provides a decrease in funding for the annualization of 18 individuals that converted from the Base Program to the Waiver Program during Fiscal Year 2014-2015
Fed - SSBG	\$4,638	\$4,638	\$4,638	\$0	0.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$98,192	\$96,896	\$96,896	\$0	0.00%	Provides a decrease in funding for the conversion of five individuals from the Base Program to the Waiver Program, effective July 1, 2015
OPERATING						
VENDOR: DISABILITY RIGHTS NETWORK OF PENNSYLVANIA CONTRACT: ADVOCACY SERVICES CONTRACT						
State	\$139	\$139	\$139	\$0	0.00%	Provides for statewide advocacy services to individuals receiving home and community-based services
Federal MA	\$134	\$134	\$134	\$0	0.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$273	\$273	\$273	\$0	0.00%	COMMITMENT ITEM # 6343100 - Specialized Services
CIVIL SERVICE BILLING:						
State	\$150	\$150	\$150	\$0	0.00%	
Federal MA	\$150	\$150	\$150	\$0	0.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$300	\$300	\$300	\$0	0.00%	COMMITMENT ITEM # 6399999 - Other Operating Expenses
VENDOR: MERCER HEALTH & BENEFITS, LLC CONTRACT: COST REPORTING AND AUDITING CONTRACT						
State	\$1,310	\$1,039	\$760	(\$279)	-26.85%	Provides for rate development and budget analysis, stakeholder communication and training, and administrative oversight.
Federal MA	\$1,310	\$1,039	\$760	(\$279)	-26.85%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$2,620	\$2,078	\$1,520	(\$558)	-26.85%	COMMITMENT ITEM # 6343100 - Specialized Services
VENDOR: ALVAREZ & MARSAL HOLDINGS, LLC CONTRACT: FISCAL GOVERNANCE PROCESS CONTRACT						
State	\$1,449	\$2,090	\$402	(\$1,688)	-80.77%	Provides funding for the establishment of an overarching DHS fiscal governance process, perform analytics and develop internal resources to better understand Departmental cost drivers, improve budgetary controls and achieve cost containment targets Expires October 2016
Federal MA	\$1,449	\$2,090	\$402	(\$1,688)	-80.77%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$2,898	\$4,180	\$804	(\$3,376)	-80.77%	COMMITMENT ITEM # 6343100 - Specialized Services
VENDOR: DELOITTE CONSULTING, LLP CONTRACT IMPLEMENTATION AND MANAGEMENT SUPPORT (HCSIS & PELICAN) CONTRACT						
State	\$1,030	\$950	\$914	(\$36)	-3.79%	Provides funding for HCSIS and PELICAN system enhancements to meet CMS assurances, and for server information to be transferred to the cloud
Federal MA	\$3,109	\$2,850	\$1,700	(\$1,150)	-40.35%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$4,145	\$3,800	\$2,614	(\$1,186)	-31.21%	COMMITMENT ITEM # 6341214 - IT Consulting and Application Development
VENDOR: PUBLIC CONSULTING GROUP, INC CONTRACT IMPLEMENTATION AND MANAGEMENT SUPPORT (HCSIS) CONTRACT						
State	\$271	\$295	\$271	(\$24)	-8.14%	Provided funding for gathering requirements and the preparation of a written business plan of HCSIS enhancements to meet CMS assurances and to test the completed system for compliance
Federal MA	\$814	\$829	\$814	(\$15)	-1.81%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$1,085	\$1,124	\$1,085	(\$39)	-3.47%	COMMITMENT ITEM # 6341215 - IT Con App Main Sup

\$ Amounts in Thousands			2016-2017		Percent Change	Notes
	2014-2015 Actual	2015-2016 Available	2016-2017 Governor's Recommended	Gov's Recommen vs 2015-2016 Available		
OPERATING (Continued)						
VENDOR: TEMPLE UNIVERSITY						
CONTRACTS: CERTIFIED INVESTIGATOR TRAINING CONTRACT ¹						
MEDICATION ADMINISTRATION TRAIN THE TRAINER CONTRACT ²						
HARRY M V DPW LITIGATION SETTLEMENT WITH DISABILITY RIGHTS NETWORK (DRN) - COMMUNICATION ASSESSMENTS ³						
MEMORANDUM OF UNDERSTANDING FOR IM4Q QUALITY INITIATIVE INFORMATION COLLECTION ⁴						
State	\$894	\$1,315	\$1,312	(\$3)	-0.23%	*Provides for the management of the certified investigation training program, which includes implementation, maintenance, support, and ongoing content review and updates
Federal MA	\$894	\$1,263	\$659	(\$604)	-47.82%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Subtotal	\$1,788	\$2,578	\$1,971	(\$607)	-23.56%	¹ Provides for the management and operation of the medication administration train-the-trainer program. Vendor is responsible for maintaining all online course materials, tests, and resources, delivery of training, tests, and materials to training candidates, implementation of the medication administration recertification course plan, manage training related logistics, user support, technical assistance, and track, analyze, and report on training related metrics
INTERAGENCY AGREEMENT WITH DEPARTMENT OF AGING:						
State	\$20	\$21	\$21	\$0	0.00%	*Provides for a joint project with the Department of Aging (DOA) to ensure that seniors with intellectual disabilities have access to services provided by DOA
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Subtotal	\$20	\$21	\$21	\$0	0.00%	COMMITMENT ITEM # 6343100 - Specialized Services
LITIGATION COSTS:						
State	\$50	\$50	\$50	\$0	0.00%	
Federal MA	\$50	\$50	\$50	\$0	0.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Subtotal	\$100	\$100	\$100	\$0	0.00%	COMMITMENT ITEM # 6342100 - Legal Services/Fees
VENDOR: NATIONAL ASSOCIATION FOR THE DUALY DIAGNOSED						
CONTRACT/S: NADD CONTRACT						
State	\$51	\$66	\$66	\$0	0.00%	*Provides for independent monitoring, quarterly, written reports, site visits and consultations, and the evaluation of efficacy of services to individuals in response to the Jimmie v DPW litigation
Federal MA	\$0	\$0	\$0	\$0	—	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Subtotal	\$51	\$66	\$66	\$0	0.00%	COMMITMENT ITEM # 6343100 - Specialized Services
VENDOR: INGENESIS, INC.						
CONTRACT: OFFICE OF DEVELOPMENTAL PROGRAMS CONTRACTED STAFF CONTRACT						
State	\$1,175	\$1,239	\$1,188	(\$51)	-4.12%	*Provides for contracted staff to perform quality management, administrative entity oversight, risk management, clinical, and fiscal duties
Federal MA	\$1,175	\$1,360	\$1,188	(\$192)	-13.91%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Subtotal	\$2,350	\$2,619	\$2,376	(\$243)	-9.28%	COMMITMENT ITEM # 6343100 - Specialized Services
VENDOR: ASCEND MANAGEMENT INNOVATIONS, LLC						
CONTRACT: SIS & PUNS PLUS CONTRACT						
State	\$1,550	\$1,550	\$1,554	\$4	0.26%	*Provides for standardized statewide assessments of all current and future Waiver participants
Federal MA	\$1,550	\$1,550	\$1,554	\$4	0.26%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Subtotal	\$3,100	\$3,100	\$3,108	\$8	0.26%	COMMITMENT ITEM # 6343100 - Specialized Services
VENDOR: AMERICAN ASSOCIATION ON INTELLECTUAL AND DEVELOPMENTAL DISABILITIES						
CONTRACT: SIS ASSESSMENT COPYRIGHTED TOOL USE CONTRACT						
State	\$58	\$58	\$58	\$0	0.00%	*Provides for the use of the copyrighted software materials for standardized assessments of all current and future Waiver participants
Federal MA	\$58	\$58	\$58	\$0	0.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Subtotal	\$116	\$116	\$116	\$0	0.00%	COMMITMENT ITEM # 6344302 - Software Lic Maint

	2014-2015 Actual	2015-2016 Available	2016-2017		Percent Change	Notes
			2016-2017 Governor's Recommended	2016-2017 Gov's Recomm vs 2015-2016 Available		
OPERATING (Continued)						
VENDOR: COLUMBUS MEDICAL SERVICES, LLC						
CONTRACTS. CERTIFIED INVESTIGATION TRAINING PROGRAM WEBSITE HOST CONTRACT TRAINING AND SUPPORT FOR DEVELOPMENTAL DISABILITIES SYSTEM PROFESSIONALS CONTRACT ¹						
State	\$611	\$1,070	\$574	(\$496)	-46.36%	Provides for the hosting of the Certified Investigation training website until the new IT Platform is in place Contract expired during Fiscal Year 2014-2015
Federal MA	\$53	\$307	\$0	(\$307)	-100.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Subtotal	\$664	\$1,377	\$574	(\$803)	-58.32%	¹ Provides for developing, conducting, and maintaining standardized training, and providing support for DD training programs for professionals within the statewide DD service system COMMITMENT ITEM # 6343100 - Specialized Services
VENDOR: TUSCARORA INTERMEDIATE UNIT #11						
CONTRACT TRAINING AND CERTIFICATION CONTRACT ¹ TRAINING AND SUPPORT FOR DEVELOPMENTAL DISABILITIES (DD) SYSTEM PARTICIPANTS AND FAMILIES CONTRACT ² PENNSYLVANIA DISABILITY EMPLOYMENT AND EMPOWERMENT SUMMIT CONTRACT ³						
State	\$1,551	\$597	\$368	(\$229)	-38.36%	¹ Provides for certification training of 2,500 State, county and provider staff in the area of investigation of serious incidents in ODP licensed facilities and the development of an instrument to assess the quality of investigations conducted, development of a training curriculum for service managers, and training of 1,000 county service managers Contract expired during Fiscal Year 2014-2015 ² Provides for training courses, general communication and information, outreach, and mentorship to individuals with DD and their families regarding the programs and services available, how to access and navigate the system, non-service related supports available, and policy and regulation changes that affect the DD service system ³ Provides for a disability employment and empowerment summit the Office of Developmental Programs will be hosting on behalf of the Governor's Cabinet for People with Disabilities COMMITMENT ITEM # 6343100 - Specialized Services
Federal MA	\$1,340	\$575	\$368	(\$207)	-36.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Subtotal	\$2,891	\$1,172	\$736	(\$436)	-37.20%	
VENDOR: TRUVEN HEALTH ANALYTICS						
CONTRACT FUTURES PLANNING CONTRACT						
State	\$25	\$0	\$0	\$0	—	Provides for project management functions to support the Office of Developmental Programs futures planning initiative as set forth by former Secretary Mackereith COMMITMENT ITEM # 6343100 - Specialized Services
Federal MA	\$25	\$0	\$0	\$0	—	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Subtotal	\$50	\$0	\$0	\$0	—	
VENDOR: G. DAVID SMITH, Ph.D.						
CONTRACT. LITIGATION SETTLEMENT FOR SPARROW AND TOMESVILLE						
State	\$5	\$7	\$7	\$0	0.00%	Provides in-home behavioral therapy services as required by a litigation settlement agreement. Agreement states that these services, which are not included under the Waiver, are to continue as long as they are in the appellant's service plans. COMMITMENT ITEM # 6343100 - Specialized Services
Federal MA	\$0	\$0	\$0	\$0	—	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Subtotal	\$5	\$7	\$7	\$0	0.00%	
VENDOR: UNIVERSITY OF MASSACHUSETTS						
CONTRACT INFORMATION TECHNOLOGY PLATFORM/LEARNING MANAGEMENT SYSTEM CONTRACT						
State	\$500	\$93	\$318	\$225	241.94%	Provides for a web-based learning management system (LMS) that will support all of ODP's training including certified investigation, medication administration, DD Participants' and Families' training and support, DD Professionals' training and support, Employment Summit, etc. The LMS will house web-based training and certification courses, provide a vehicle for registration for courses and conferences, etc. COMMITMENT ITEM # 6341214 - IT Consulting and Application Development
Federal MA	\$500	\$90	\$318	\$228	253.33%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Subtotal	\$1,000	\$183	\$636	\$453	247.54%	
VENDOR: CHORUS CALL, INC						
CONTRACT VIDEO CONFERENCING CONTRACT						
State	\$0	\$21	\$0	(\$21)	-100.00%	Provides for video conferencing services between central, regional, and State Center staff as well as for State Center residents to contact family. The monthly service fee is for assisted video conferencing services, site testing and certification, bridging services, joining of video from different bandwidth transmissions, and technical support COMMITMENT ITEM # 6343100 - Specialized Services
Federal MA	\$0	\$21	\$0	(\$21)	-100.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	—	
Subtotal	\$0	\$42	\$0	(\$42)	-100.00%	

\$ Amounts in Thousands	2014-2015 Actual	2015-2016 Available	2016-2017	2016-2017	Percent Change	Notes
			Governor's Recommended	Gov's Recomm vs 2015-2016 Available		
OPERATING (Continued)						
VENDOR: ROBERT DAY, Ph.D.						
CONTRACT: LITIGATION SETTLEMENT FOR CONFLICT RESOLUTION BETWEEN BENJAMIN CLASS MEMBERS AND DHS CONTRACT						
State	\$0	\$24	\$24	\$0	0.00%	Provides for conflict resolution services as required by a litigation settlement. Vendor will provide services to DHS on an as needed basis.
Federal MA	\$0	\$0	\$0	\$0	--	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	--	
Subtotal	\$0	\$24	\$24	\$0	0.00%	COMMITMENT ITEM # 6343100 - Specialized Services
FISCAL YEAR 2015-2016 INITIATIVE: HUMAN SERVICES ENHANCEMENT						
INTERAGENCY AGREEMENT WITH THE DEPARTMENT OF LABOR & INDUSTRY						
State	\$0	\$500	\$500	\$0	0.00%	Provides funding, in collaboration with OVR in the Department of L & I, to provide additional supports to promote competitive employment opportunities for individuals with ID.
Federal MA	\$0	\$0	\$0	\$0	--	
Subtotal	\$0	\$500	\$500	\$0	0.00%	COMMITMENT ITEM # 6343100 - Specialized Services
COMMITTED/UNALLOCATED OPERATING						
State	\$116	\$187	\$0	(\$187)	-100.00%	
Federal MA	\$3,158	\$57	\$0	(\$57)	-100.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	--	
Subtotal	\$3,274	\$244	\$0	(\$244)	-100.00%	COMMITMENT ITEM # 6343100 - Specialized Services
TOTAL OPERATING						
Subtotal Operating - State	\$10,961	\$11,461	\$8,676	(\$2,785)	-24.30%	
Subtotal Operating - Federal	\$15,769	\$12,443	\$8,155	(\$4,288)	-34.46%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	--	
Total Current Operating	\$26,730	\$23,904	\$16,831	(\$7,073)	-29.59%	
COMMITTED/UNALLOCATED						
Committed/Unallocated - State/Carryover						
Fed - MA	\$0	\$0	\$0	\$0	--	
Subtotal	\$0	\$0	\$0	\$0	--	
Committed/Unallocated - State/Carryover						
Fed - MA	\$0	\$0	\$0	\$0	--	
Subtotal	\$0	\$0	\$0	\$0	--	
Committed/Unallocated - State/Carryover						
Fed - MA	\$0	\$0	\$0	\$0	--	
Subtotal	\$0	\$0	\$0	\$0	--	
Committed/Unallocated - State/Carryover						
Fed - MA	\$0	\$0	\$0	\$0	--	
Subtotal	\$0	\$0	\$0	\$0	--	
Subtotal Commit./Unalloc. - State	\$0	\$0	\$0	\$0	--	
Subtotal Commit./Unalloc. - Fed MA	\$0	\$0	\$0	\$0	--	
Subtotal	\$0	\$0	\$0	\$0	--	
FISCAL YEAR 2016-2017 INITIATIVE: HUMAN SERVICES FUNDING RESTORATION						
State	\$0	\$0	\$4,832	\$4,832	--	Provides funding to restore one-third of the cut to seven human services appropriations to offset Fiscal Year 2012-2013 funding cuts.
Federal MA	\$0	\$0	\$1,012	\$1,012	--	
Subtotal	\$0	\$0	\$5,844	\$5,844	--	

\$ Amounts in Thousands	2014-2015 Actual	2015-2016 Available	2016-2017 Governor's Recommended	2016-2017 Gov's Recomm vs 2015-2016 Available	Percent Change	Notes
FISCAL YEAR 2015-2016 INITIATIVE: HUMAN SERVICES FUNDING RESTORATION						
State	\$0	\$4,832	\$4,832	\$0	0.00%	Represents 1/3 of the 10 percent cut that was made in Fiscal Year 2012-2013 when the Human Services Block Grant was established
Federal MA	\$0	\$1,012	\$1,012	\$0	0.00%	
Subtotal	\$0	\$5,844	\$5,844	\$0	0.00%	
FEDERAL FUNDS ADJUSTMENT						
Fed - MA	(\$4)	\$0	\$0	\$0	--	
COMMITTED/UNALLOCATED FEDERAL						
Fed - MA	\$0	\$0	\$0	\$0	--	Unallocated Federal Medical Assistance appropriation authority
BUDGETARY RESERVE						
State	\$0	\$0	\$0	\$0	--	
Federal MA	\$500	\$1,260	\$1,496	\$236	18.73%	
Subtotal	\$500	\$1,260	\$1,496	\$236	18.73%	
EXCESS FEDERAL						
State	\$0	\$0	\$0	\$0	--	
Federal MA	\$0	\$0	\$0	\$0	--	
Subtotal	\$0	\$0	\$0	\$0	--	
GRAND TOTALS						
Total State/Carryover	\$153,681	\$157,561	\$162,889	\$5,328	3.38%	
Total State Backfill - MA	\$0	\$0	\$25	\$25	--	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	--	
Total Federal	\$61,409	\$59,801	\$59,659	(\$142)	-0.24%	
TOTAL	\$215,090	\$217,362	\$222,573	\$5,211	2.40%	
State	\$149,681	\$153,561	\$158,914	\$5,353	3.49%	
Fed - MA	\$53,958	\$52,350	\$52,208	(\$142)	-0.27%	
Fed - SSBG	\$7,451	\$7,451	\$7,451	\$0	0.00%	
Subtotal Fed	\$61,409	\$59,801	\$59,659	(\$142)	-0.24%	
Total State/Fed/Other	\$211,090	\$213,362	\$218,573	\$5,211	2.44%	
Carryover - State	\$4,000	\$4,000	\$4,000	\$0	0.00%	
Total	\$215,090	\$217,362	\$222,573	\$5,211	2.40%	

INTELLECTUAL DISABILITIES - COMMUNITY BASE PROGRAM

PROGRAM STATEMENT

The Mental Health and Intellectual Disability Act of 1966 mandated the availability of community services for citizens with an intellectual disability and their families. The statute created county administered community programs in Pennsylvania for individuals with an intellectual disability.

In 1966, all services were provided in state institutions which cared for over 13,000 people with an intellectual disability. At the end of Fiscal Year 2014-2015, there were 948 people remaining in State Centers while more than 52,000 people received services in the community. This change has followed the national trend to provide community services as an alternative to institutional care. Changes in federal and state laws, as well as new funding initiatives, have created education programs, family support services, employment training, and home and community-based services for people with disabilities. These trends are built on the recognized values of family relationships and participation in community life.

The Intellectual Disabilities – Community Base Program provides funding for services to individuals of all ages with an intellectual disability diagnosis who are not eligible for the Intellectual Disabilities - Community Waiver Program and to Medicaid-eligible individuals not yet enrolled in the Waiver program. About 16,000 people received Community Base Program services in Fiscal Year 2014-2015. Some of the services provided include supports coordination, family aide, family respite care, education training, recreational therapy and recreation/leisure time activities, vocational therapy, dental hygienic, employment training, and home modifications. The services available for individuals enrolled in the Community Base Program are comparable to the services received by individuals enrolled in the Waivers.

In order to assure that people with intellectual disabilities receive the best physical and behavioral health services, there are eight Health Care Quality Units (HCQUs) that together serve all counties in the Commonwealth. The HCQUs serve as the entities responsible to County/Joinder Mental Health/Intellectual Disabilities programs for the overall health status of individuals (Waiver and non-Waiver) receiving services in the county/joinder programs. The physical and behavioral health knowledge and competencies of service providers and supports coordinators, other county personnel, families, consumers, and community medical providers are enhanced through training and technical assistance on physical and behavioral health related issues as identified by the HCQUs through monitoring.

The Independent Monitoring for Quality (IM4Q) process measures the quality of supports and services within the intellectual disabilities system using nationally recognized methods. The IM4Q surveys are administered under contract with individual County/Joinder Mental Health/Intellectual Disabilities programs. As part of the IM4Q process, independent monitoring teams, which are free of conflict of interest, conduct interviews with individuals (Waiver and non-Waiver) receiving services and families, and report back to the County/Joinder Mental Health/Intellectual Disabilities program for purposes of continuous quality improvement. The IM4Q information is entered directly by independent monitoring programs into the Home and Community Services Information System with assurance that the information remains confidential and secure. The IM4Q monitoring fulfills the federal requirement to have a quality management program for Medicaid waivers.

In Fiscal Year 2012-2013, a 20 county Human Services Block Grant pilot program was implemented to provide local governments with increased flexibility to address local needs. Under the pilot program, funding for the following seven programs was combined at the local level into a flexible Human Services Block Grant: Human Services Development Fund, Community Mental Health Services, Behavioral Health Services, Intellectual Disability Community Base Services, County Child Welfare Special Grants, Homeless Assistance Programs, and Act 152 Drug and Alcohol Services. The 20 county pilot was expanded in Fiscal Year 2013-2014, allowing additional counties to participate on a voluntary

basis. Ten counties were added in Fiscal Year 2013-2014 bringing the total number of Block Grant Counties to 30. No additional expansion occurred in Fiscal Year 2014-2015 or Fiscal Year 2015-2016.

FISCAL YEAR 2016-2017 INITIATIVE – HUMAN SERVICES FUNDING RESTORATION

The Fiscal Year 2016-2017 “Human Services Funding Restoration” initiative will restore an additional one-third of the 10 percent reduction initially made to county programs during Fiscal Year 2012-2013 when the Human Services Block Grant was established. This represents the second year in the effort to fully restore the 10 percent cut over a three-year period. The Governor’s Executive Budget for Fiscal Year 2016-2017 includes a total of \$5.844 million (\$4.832 million in State funds) in the Intellectual Disabilities – Community Base Program for this purpose.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A1.20, C1.10, E30.6, E30.9, E30.15, E30.27,
E30.29, E30.39 - E30.40

APPROPRIATION:
Intellectual Disabilities - Community Waiver Program

I. SUMMARY FINANCIAL DATA

	<u>2014-2015 Actual</u>	<u>2015-2016 Available</u>	<u>2016-2017 Budgeted</u>
State Funds	\$1,074,887	\$1,211,993 ¹	\$1,283,376
Federal Funds Total	\$1,214,992	\$1,279,651	\$1,335,919
Federal Sources Itemized			
<i>Medical Assistance - Community ID Waiver Program</i>	\$1,214,992	\$1,279,651	\$1,335,919
Other Funds	\$0	\$0	\$0
Total	\$2,289,879	\$2,491,644	\$2,619,295

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$9,310 ¹
Federal Funds	\$0
Total	\$9,310

¹ Act 10-A of 2015 included State appropriation authority of \$1,202.683 million for Fiscal Year 2015-2016. However, the Governor's Executive Budget for Fiscal Year 2016-2017 reflects a \$9.310 million supplemental request for a revised Fiscal Year 2015-2016 State appropriation of \$1,211.993 million.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Intellectual Disabilities - Community Waiver Program				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$1,074,887	\$1,211,993	\$1,283,376	\$71,383	5.89%
<i>Federal Funds</i>	\$1,149,942	\$1,211,465	\$1,270,111	\$58,646	4.84%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$2,224,829	\$2,423,458	\$2,553,487	\$130,029	5.37%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$65,050	\$68,186	\$65,808	(\$2,378)	-3.49%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$65,050	\$68,186	\$65,808	(\$2,378)	-3.49%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
EXCESS FEDERAL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Excess Federal	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$1,074,887	\$1,211,993	\$1,283,376	\$71,383	5.89%
<i>Federal Funds</i>	\$1,214,992	\$1,279,651	\$1,335,919	\$56,268	4.40%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$2,289,879	\$2,491,644	\$2,619,295	\$127,651	5.12%

APPROPRIATION:
Intellectual Disabilities - Community Waiver Program

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$232	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget provides for maintenance of the current program, including annualization of the Fiscal Year 2015-2016 transfer of 75 individuals from the State Centers for the Intellectually Disabled program to the Waiver program, the transfer of 77 individuals from the Private ICF/ID program to the Waiver program, the community placement of 400 individuals from the emergency waiting list and day programs for 600 special education graduates.

It provides for the Fiscal Year 2016-2017 conversion of 13 beds from the ICF/ID program to the Waiver program.

It also provides for a Fiscal Year 2016-2017 initiative entitled "Community Opportunities" which includes funding for the community placement of 75 individuals from State Centers for the Intellectually Disabled and a Fiscal Year 2016-2017 initiative entitled "Expanded Services for Individuals with Disabilities" which provides home and community-based services for 250 individuals on the waiting list and 500 special education graduates.

Detail on the appropriation request is outlined in Section VI entitled "Explanation of Changes" on subsequent pages.

Legislative Citations:

62 P.S. §§ 201, 206; Title XIX of the Social Security Act, 42 U.S.C. § 1396 et seq.; 62 P.S. § 441.1 et seq.

Disbursement Criteria:

Disbursements are based on invoices for Waiver services rendered that providers submit for payment through the Provider Reimbursement and Operations Management Information System (PROMISE).

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Intellectual Disabilities - Community Waiver Program			
	State \$	Federal \$	Other \$	Total \$
GRANT & SUBSIDY				
1. Provides for the Fiscal Year 2016-2017 conversion of 13 individuals from the Private Intermediate Care Facility/Intellectual Disabilities (ICF/ID) program to Waiver Program:				
A. Seven individuals from the Indian Creek Private ICF/ID, effective July 1, 2016:	\$360	\$342	\$0	\$702
B. Six individuals from the Old Skippack Private ICF/ID, effective July 1, 2016:	<u>\$363</u>	<u>\$351</u>	<u>\$0</u>	<u>\$714</u>
Subtotal	\$723	\$693	\$0	\$1,416
2. Provides for the annualization of the Fiscal Year 2015-2016 conversion of 77 individuals from the Private Intermediate Care Facility/Intellectual Disabilities (ICF/ID) program to the Waiver program:				
A. Forty-six individuals from the Elwyn/Main Private ICF/ID, effective November 1, 2015:	\$920	\$998	\$0	\$1,918
B. Twenty-four individuals from the Barber Private ICF/ID, effective July 1, 2015:	\$0	\$0	\$0	\$0
C. Four individuals from the CSS/Center Road Private ICF/ID, effective July 1, 2015:	\$0	\$0	\$0	\$0
D. Three individuals from the CSS/Broadview Private ICF/ID, effective September 1, 2015:	<u>\$60</u>	<u>\$59</u>	<u>\$0</u>	<u>\$119</u>
Subtotal	\$980	\$1,057	\$0	\$2,037
3. Provides for the annualization of the Fiscal Year 2015-2016 "Human Services Waiting List Reductions" Initiative:				
A. Provides funding for the community placement of 75 individuals from State Centers for the Intellectually Disabled into the Consolidated Waiver program:	\$2,312	\$5,782	\$0	\$8,094
B. Provides funding for the community placement of 400 individuals from the emergency waiting list:	\$2,363	\$5,215	\$0	\$7,578
C. Provides funding for day program services for 600 special education graduates:	<u>\$40</u>	<u>\$43</u>	<u>\$0</u>	<u>\$83</u>
Subtotal	\$4,715	\$11,040	\$0	\$15,755
4. Provides continued funding for the Fiscal Year 2014-2015 "Expanded Services for Older Pennsylvanians and Individuals with Disabilities" Initiative:				

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Intellectual Disabilities - Community Waiver Program			
	State \$	Federal \$	Other \$	Total \$
GRANT & SUBSIDY (Continued)				
A. Provides for a funding shift for the community placement of 50 individuals from State Centers for the Intellectually Disabled from a separate line item to the various service category lines:	(\$2,685)	(\$4,695)	\$0	(\$7,380)
B. Provides an increase in funding for the community placement of 400 individuals from the emergency waiting list:	\$1,068	\$872	\$0	\$1,940
C. Provides an increase in funding for day program services for 700 special education graduates:	153	166	\$0	319
Subtotal	(\$1,464)	(\$3,657)	\$0	(\$5,121)
5. Provides continued funding for the Fiscal Year 2013-2014 "Expanded Services for Individuals with Disabilities" Initiative:				
A. Funding for the Community placement of 100 individuals from State Centers for the Intellectually Disabled is included in the various service category lines:	\$0	\$0	\$0	\$0
B. Provides an increase in funding for the community placement of 373 individuals from the emergency waiting list:	\$994	\$929	\$0	\$1,923
C. Provides an increase in funding for day program services for 518 special education graduates:	16	17	\$0	33
Subtotal	\$1,010	\$946	\$0	\$1,956
6. Provides for a funding shift for the Fiscal Year 2012-2013 Community placement of 430 individuals from the emergency waiting list from a separate line item to the various service category lines:	(\$15,631)	(\$15,636)	\$0	(\$31,267)
7. Provides for a funding shift for the Fiscal Year 2012-2013 day program services for 700 special education graduates from a separate line item to the various service category lines:	(\$5,621)	(\$6,080)	\$0	(\$11,701)
8. Provides funding for an increase in on-going residential service costs based on various group home sizes, as follows:				
A. Provides funding for residential - 5 or more person homes, which includes funding for the impact of a change in utilization and an increase in the rates paid to providers:	(\$12,109)	(\$11,184)	\$0	(\$23,293)
B. Provides funding for residential - 4 person homes, which includes funding for the impact of a change in utilization and an increase in the rates paid to providers:	(\$31,360)	(\$28,822)	\$0	(\$60,182)

VI. EXPLANATION OF CHANGES
(\$ Amounts in Thousands)

APPROPRIATION:
Intellectual Disabilities - Community Waiver Program

	State \$	Federal \$	Other \$	Total \$
GRANT & SUBSIDY (Continued)				
C. Provides funding for residential - 3 person homes, which includes funding for the impact of a change in utilization and an increase in the rates paid to providers:	\$26,229	\$25,019	\$0	\$51,248
D. Provides funding for residential - 2 person homes, which includes funding for the impact of a change in utilization and an increase in the rates paid to providers:	\$35,323	\$33,040	\$0	\$68,363
E. Provides funding for residential - 1 person homes, which includes funding for the impact of a change in utilization and an increase in the rates paid to providers:	\$16,330	\$15,370	\$0	\$31,700
Subtotal	\$34,413	\$33,423	\$0	\$67,836
9. Provides for the estimated impact of an anticipated change in utilization of the following services:				
A. Provides for an increase in utilization of behavioral support services:	\$935	\$1,010	\$0	\$1,945
B. Provides for an increase in utilization of companion services:	\$3,211	\$3,473	\$0	\$6,684
C. Provides for an increase in utilization of employment services:	\$692	\$748	\$0	\$1,440
D. Provides for an increase in utilization of home and community habilitation unlicensed services:	\$4,766	\$5,155	\$0	\$9,921
E. Provides for a decrease in utilization of homemaker/chore services:	(\$10)	(\$12)	\$0	(\$22)
F. Provides for an increase in utilization of licensed day habilitation services:	\$10,825	\$11,710	\$0	\$22,535
G. Provides for an increase in utilization of nursing services:	\$10,707	\$11,581	\$0	\$22,288
H. Provides for an increase in utilization of prevocational services:	\$604	\$654	\$0	\$1,258
I. Provides for an increase in utilization of residential habilitation - other services:	\$15,296	\$16,547	\$0	\$31,843
J. Provides for a decrease in utilization of supports coordination:	(\$3)	(\$3)	\$0	(\$6)
K. Provides for a decrease in utilization of outcome-based vendor services:	(\$237)	(\$256)	\$0	(\$493)
L. Provides for an increase in utilization of respite services:	\$392	\$425	\$0	\$817

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Intellectual Disabilities - Community Waiver Program			
	State \$	Federal \$	Other \$	Total \$
GRANT & SUBSIDY (Continued)				
M. Provides for an increase in utilization of transportation services:	\$973	\$1,053	\$0	\$2,026
Subtotal	\$48,151	\$52,085	\$0	\$100,236
10. Provides for a decrease related to exceptions to the medical and therapeutic vacancy factor:	(\$10,500)	\$0	\$0	(\$10,500)
11. Provides for an increase for the on-going costs of day and support services for individuals enrolled in the Person/Family Directed Supports Waiver:	\$6,564	\$7,100	\$0	\$13,664
12. Provides for the impact of shifting funding related to the fiscal workgroup litigation reserve for the settlement agreement with stakeholders regarding the vacancy and retention factors and the suspension of a rate adjustment factor from a separate line to including the costs in the residential service categories listed above:	(\$15,701)	(\$16,989)	\$0	(\$32,690)
13. Provides for a decrease in funding for potential settlement costs associated with provider appeals:	(\$3,026)	(\$3,274)	\$0	(\$6,300)
14. Provides for the impact of a decrease in the Federal Medical Assistance Percentage (FMAP) rate from 52.01 percent to 51.78 percent, effective October 1, 2016 (full State fiscal year blended rate decreases from 51.9625 percent to 51.8375 percent):	\$3,773	(\$3,773)	\$0	\$0
15. Impact of the loss of enhanced Federal funding associated with the Fiscal Year 2014-2015 "Balancing Incentive Program" Initiative, which expired on September 30, 2015:	\$10,544	(\$10,544)	\$0	\$0
Subtotal Grant & Subsidy	\$58,930	\$46,391	\$0	\$105,321
BUDGETARY RESERVE				
1. Change in budgetary reserve:	\$0	(\$2,378)	\$0	(\$2,378)
Subtotal Budgetary Reserve	\$0	(\$2,378)	\$0	(\$2,378)
INITIATIVES				
GRANT & SUBSIDY				
1. Community Opportunities:				
A. Provides funding for the community placement of 75 individuals from State Centers for the Intellectually Disabled into the Consolidated Waiver program:	\$955	\$2,378	\$0	\$3,333

VI. EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 Intellectual Disabilities - Community Waiver Program

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
INITIATIVES (Continued)				
2. Expanded Services for Individuals with Disabilities:				
A. Provides funding for home and community-based services for an additional 250 individuals who are on the waiting list:	\$8,725	\$6,900	\$0	\$15,625
B. Provides funding for home and community-based services for an additional 500 students graduating from special education:	<u>\$2,773</u>	<u>\$2,977</u>	<u>\$0</u>	<u>\$5,750</u>
Subtotal	<u>\$11,498</u>	<u>\$9,877</u>	<u>\$0</u>	<u>\$21,375</u>
Subtotal Initiatives	<u>\$12,453</u>	<u>\$12,255</u>	<u>\$0</u>	<u>\$24,708</u>
TOTAL	<u><u>\$71,383</u></u>	<u><u>\$56,268</u></u>	<u><u>\$0</u></u>	<u><u>\$127,651</u></u>

\$ Amounts in Thousands	2014-2015 Actual	2015-2016 Available	2016-2017 Governor's Recommended	2016-2017 Gov's Recomm vs 2015-2016 Available	Percent Change	Notes
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CONSOLIDATED WAIVER

RESIDENTIAL - 5 OR MORE PERSON HOMES						
Individuals Served	1,029	1,029	876	(153)	-14.87%	
State (Ineligible)	\$6,306	\$6,304	\$4,534	(\$1,770)	-28.08%	
State (Eligible)	\$37,759	\$38,388	\$28,049	(\$10,339)	-26.93%	
State Backfill - MA	\$0	\$0	\$73	\$73	---	
Fed - MA	\$41,309	\$41,524	\$30,267	(\$11,257)	-27.11%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$85,374	\$86,216	\$62,923	(\$23,293)	-27.02%	

RESIDENTIAL - 4 PERSON HOMES						
Individuals Served	3,443	3,443	3,359	(84)	-2.44%	
State (Ineligible)	\$24,754	\$24,744	\$20,029	(\$4,715)	-19.06%	
State (Eligible)	\$148,083	\$150,550	\$123,905	(\$26,645)	-17.70%	
State Backfill - MA	\$0	\$0	\$322	\$322	---	
Fed - MA	\$162,007	\$162,851	\$133,707	(\$29,144)	-17.90%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$334,844	\$338,145	\$277,963	(\$60,182)	-17.80%	

RESIDENTIAL - 3 PERSON HOMES						
Individuals Served	5,327	5,327	5,717	390	7.32%	
State (Ineligible)	\$38,218	\$38,203	\$41,309	\$3,106	8.13%	
State (Eligible)	\$228,616	\$233,426	\$256,549	\$23,123	9.91%	
State Backfill - MA	\$0	\$0	\$667	\$667	---	
Fed - MA	\$250,111	\$254,580	\$278,932	\$24,352	9.57%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$516,945	\$526,209	\$577,457	\$51,248	9.74%	

RESIDENTIAL - 2 PERSON HOMES						
Individuals Served	2,404	2,404	3,168	764	31.78%	
State (Ineligible)	\$17,202	\$17,195	\$21,973	\$4,778	27.79%	
State (Eligible)	\$103,661	\$105,368	\$135,933	\$30,545	28.98%	
State Backfill - MA	\$0	\$0	\$353	\$353	---	
Fed - MA	\$113,408	\$113,999	\$146,686	\$32,687	28.67%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$234,271	\$236,582	\$304,945	\$68,363	28.90%	

RESIDENTIAL - 1 PERSON HOMES						
Individuals Served	1,851	1,851	1,888	37	2.00%	
State (Ineligible)	\$11,603	\$11,599	\$13,719	\$2,120	18.28%	
State (Eligible)	\$69,503	\$70,660	\$84,870	\$14,210	20.11%	
State Backfill - MA	\$0	\$0	\$221	\$221	---	
Fed - MA	\$76,037	\$76,434	\$91,583	\$15,149	19.82%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$157,143	\$158,693	\$190,393	\$31,700	19.98%	

BEHAVIORAL SUPPORT						
Individuals Served	5,537	5,537	5,892	355	6.41%	
State (Ineligible)	\$0	\$0	\$0	\$0	---	
State (Eligible)	\$7,027	\$9,008	\$9,943	\$935	10.38%	
State Backfill - MA	\$0	\$0	\$26	\$26	---	
Fed - MA	\$7,687	\$9,745	\$10,729	\$984	10.10%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$14,714	\$18,753	\$20,698	\$1,945	10.37%	

COMPANION SERVICES						
Individuals Served	1,416	1,416	1,647	231	16.31%	
State (Ineligible)	\$0	\$0	\$0	\$0	---	
State (Eligible)	\$11,047	\$17,326	\$20,537	\$3,211	18.53%	
State Backfill - MA	\$0	\$0	\$53	\$53	---	
Fed - MA	\$12,085	\$18,742	\$22,162	\$3,420	18.25%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$23,132	\$36,068	\$42,752	\$6,684	18.53%	

\$ Amounts in Thousands	2014-2015 Actual	2015-2016 Available	2016-2017 Governor's Recommended	2016-2017 Gov's Recomm vs 2015-2016 Available	Percent Change	Notes
EMPLOYMENT SERVICES						
Individuals Served	1,786	1,786	1,756	(30)	-1.68%	
State (Ineligible)	\$0	\$0	\$0	\$0	---	
State (Eligible)	\$7,444	\$7,206	\$7,958	\$692	9.52%	
State Backfill - MA	\$0	\$0	\$21	\$21	---	
Fed - MA	\$8,144	\$7,800	\$8,587	\$727	9.25%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$15,588	\$15,126	\$16,566	\$1,440	9.52%	
HOME AND COMMUNITY HABILITATION UNLICENSED SERVICES						
Individuals Served	5,094	5,094	4,991	(103)	-2.02%	
State (Ineligible)	\$0	\$0	\$0	\$0	---	
State (Eligible)	\$63,873	\$62,735	\$67,501	\$4,766	7.60%	
State Backfill - MA	\$0	\$0	\$176	\$176	---	
Fed - MA	\$69,878	\$67,861	\$72,840	\$4,979	7.34%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$133,751	\$130,596	\$140,517	\$9,921	7.60%	
HOMEMAKER/CHORE						
Individuals Served	78	78	69	(9)	-11.54%	
State (Ineligible)	\$0	\$0	\$0	\$0	---	
State (Eligible)	\$64	\$119	\$109	(\$10)	-8.40%	
State Backfill - MA	\$0	\$0	\$0	\$0	---	
Fed - MA	\$69	\$129	\$117	(\$12)	-9.30%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$133	\$248	\$226	(\$22)	-8.87%	
LICENSED DAY HABILITATION						
Individuals Served	7,577	7,577	8,094	517	6.82%	
State (Ineligible)	\$0	\$0	\$0	\$0	---	
State (Eligible)	\$63,386	\$62,289	\$73,114	\$10,825	17.38%	
State Backfill - MA	\$0	\$0	\$190	\$190	---	
Fed - MA	\$69,345	\$67,378	\$78,898	\$11,520	17.10%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$132,731	\$129,667	\$152,202	\$22,535	17.38%	
NURSING SERVICES						
Individuals Served	346	346	537	191	55.20%	
State (Ineligible)	\$0	\$0	\$0	\$0	---	
State (Eligible)	\$23,417	\$26,094	\$36,801	\$10,707	41.03%	
State Backfill - MA	\$0	\$0	\$95	\$95	---	
Fed - MA	\$25,619	\$28,226	\$39,712	\$11,486	40.69%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$49,036	\$54,320	\$76,608	\$22,288	41.03%	
PREVOCATIONAL SERVICES						
Individuals Served	4,333	4,333	4,229	(104)	-2.40%	
State (Ineligible)	\$0	\$0	\$0	\$0	---	
State (Eligible)	\$22,709	\$20,582	\$21,186	\$604	2.93%	
State Backfill - MA	\$0	\$0	\$55	\$55	---	
Fed - MA	\$24,845	\$22,263	\$22,862	\$599	2.69%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$47,554	\$42,845	\$44,103	\$1,258	2.94%	
RESIDENTIAL HABILITATION - OTHER SUPPORTS						
Individuals Served	1,937	1,937	2,393	456	23.54%	
State (Ineligible)	\$0	\$0	\$0	\$0	---	
State (Eligible)	\$32,314	\$53,989	\$69,285	\$15,296	28.33%	
State Backfill - MA	\$0	\$0	\$181	\$181	---	
Fed - MA	\$35,353	\$58,400	\$74,768	\$16,368	28.02%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$67,667	\$112,389	\$144,232	\$31,843	28.33%	

\$ Amounts in Thousands	2014-2015 Actual	2015-2016 Available	2016-2017 Governor's Recommended	2016-2017 Gov's Recomm vs 2015-2016 Available	Percent Change	Notes
SUPPORTS COORDINATION						
Individuals Served	16,593	16,593	17,481	888	5.35%	
State (Ineligible)	\$0	\$0	\$0	\$0	---	
State (Eligible)	\$24,040	\$25,099	\$25,096	(\$3)	-0.01%	
State Backfill - MA	\$0	\$0	\$65	\$65	---	
Fed - MA	\$26,301	\$27,149	\$27,081	(\$68)	-0.25%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$50,341	\$52,248	\$52,242	(\$6)	-0.01%	
OUTCOMES-BASED VENDOR SERVICES						
Individuals Served	246	246	310	64	20.02%	
State (Ineligible)	\$0	\$0	\$0	\$0	---	
State (Eligible)	\$408	\$716	\$479	(\$237)	-33.10%	
State Backfill - MA	\$0	\$0	\$1	\$1	---	
Fed - MA	\$446	\$774	\$517	(\$257)	-33.20%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$854	\$1,490	\$997	(\$493)	-33.09%	
RESPIRE SERVICES						
Individuals Served	1,915	1,915	2,041	126	6.58%	
State (Ineligible)	\$0	\$0	\$0	\$0	---	
State (Eligible)	\$2,046	\$2,119	\$2,511	\$392	18.50%	
State Backfill - MA	\$0	\$0	\$7	\$7	---	
Fed - MA	\$2,238	\$2,292	\$2,710	\$418	18.24%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$4,284	\$4,411	\$5,228	\$817	18.52%	
TRANSPORTATION						
Individuals Served	2,761	2,761	2,692	(69)	-2.50%	
State (Ineligible)	\$0	\$0	\$0	\$0	---	
State (Eligible)	\$5,074	\$5,044	\$6,017	\$973	19.29%	
State Backfill - MA	\$0	\$0	\$16	\$16	---	
Fed - MA	\$5,552	\$5,456	\$6,493	\$1,037	19.01%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$10,626	\$10,500	\$12,526	\$2,026	19.30%	
FISCAL YEAR 2016-2017 ICF/ID CONVERSION - INDIAN CREEK						
Individuals Served	0	0	7	7	---	
State (Ineligible)	\$0	\$0	\$43	\$43	---	Provides funding for the conversion of a seven-person home from the ICF/ID program to the Community Intellectual Disabilities Waiver program, effective July 1, 2016.
State (Eligible)	\$0	\$0	\$317	\$317	---	
State Backfill - MA	\$0	\$0	\$0	\$0	---	
Fed - MA	\$0	\$0	\$342	\$342	---	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$0	\$0	\$702	\$702	---	
FISCAL YEAR 2016-2017 ICF/ID CONVERSION - OLD SKIPPACK						
Individuals Served	0	0	6	6	---	
State (Ineligible)	\$0	\$0	\$37	\$37	---	Provides funding for the conversion of a six-person home from the ICF/ID program to the Community Intellectual Disabilities Waiver program, effective July 1, 2016.
State (Eligible)	\$0	\$0	\$326	\$326	---	
State Backfill - MA	\$0	\$0	\$0	\$0	---	
Fed - MA	\$0	\$0	\$351	\$351	---	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$0	\$0	\$714	\$714	---	
TOTAL FISCAL YEAR 2016-2017 ICF/ID CONVERSIONS						
Individuals Served	0	0	13	13	---	
State (Ineligible)	\$0	\$0	\$80	\$80	---	
State (Eligible)	\$0	\$0	\$643	\$643	---	
State Backfill - MA	\$0	\$0	\$0	\$0	---	
Fed - MA	\$0	\$0	\$693	\$693	---	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal Waiver Services	\$0	\$0	\$1,416	\$1,416	---	

\$ Amounts in Thousands	2014-2015 Actual	2015-2016 Available	2016-2017 Governor's Recommended	2016-2017 Gov's Recomm vs 2015-2016 Available	Percent Change	Notes
FISCAL YEAR 2015-2016 ICF/ID CONVERSION - ELWYN/MAIN						
Individuals Served	0	46	46	0	0.00%	
State (Ineligible)	\$0	\$0	\$0	\$0	---	Provides funding for the conversion of 46 Beds from the ICF/ID program to the Community Intellectual Disabilities Waiver program, effective November 1, 2015.
State (Eligible)	\$0	\$1,841	\$2,761	\$920	49.97%	
State Backfill - MA	\$0	\$0	\$10	\$10	---	
Fed - MA	\$0	\$1,995	\$2,983	\$988	49.52%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$0	\$3,836	\$5,754	\$1,918	50.00%	
FISCAL YEAR 2015-2016 ICF/ID CONVERSION - BARBER						
Individuals Served	0	24	24	0	0.00%	
State (Ineligible)	\$0	\$0	\$0	\$0	---	Provides funding for the conversion of six four-person homes from the ICF/ID program to the Community Intellectual Disabilities Waiver program, effective July 1, 2015.
State (Eligible)	\$0	\$1,501	\$1,501	\$0	0.00%	
State Backfill - MA	\$0	\$0	\$4	\$4	---	
Fed - MA	\$0	\$1,624	\$1,620	(\$4)	-0.25%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$0	\$3,125	\$3,125	\$0	0.00%	
FISCAL YEAR 2015-2016 ICF/ID CONVERSION - CSS/CENTER ROAD						
Individuals Served	0	4	4	0	0.00%	
State (Ineligible)	\$0	\$30	\$30	\$0	0.00%	Provides funding for the conversion of a four-person home from the ICF/ID program to the Community Intellectual Disabilities Waiver program, effective July 1, 2015.
State (Eligible)	\$0	\$269	\$269	\$0	0.00%	
State Backfill - MA	\$0	\$0	\$0	\$0	---	
Fed - MA	\$0	\$290	\$290	\$0	0.00%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$0	\$589	\$589	\$0	0.00%	
FISCAL YEAR 2015-2016 ICF/ID CONVERSION - CSS/BROADVIEW						
Individuals Served	0	3	3	0	0.00%	
State (Ineligible)	\$0	\$30	\$36	\$6	20.00%	Provides funding for the conversion of three individuals from the ICF/ID program to the Community Intellectual Disabilities Waiver program, effective September 1, 2015.
State (Eligible)	\$0	\$271	\$325	\$54	19.93%	
State Backfill - MA	\$0	\$0	\$1	\$1	---	
Fed - MA	\$0	\$293	\$351	\$58	19.80%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$0	\$594	\$713	\$119	20.03%	
TOTAL FISCAL YEAR 2015-2016 ICF/ID CONVERSIONS						
Individuals Served	0	77	77	0	0.00%	
State (Ineligible)	\$0	\$60	\$66	\$6	10.00%	
State (Eligible)	\$0	\$3,882	\$4,856	\$974	25.09%	
State Backfill - MA	\$0	\$0	\$15	\$15	---	
Fed - MA	\$0	\$4,202	\$5,244	\$1,042	24.80%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal Waiver Services	\$0	\$8,144	\$10,181	\$2,037	25.01%	
FISCAL YEAR 2013-2014 ICF/ID CONVERSION - SKILLS/NEW BLOOMFIELD						
Individuals Served	4	0	0	0	---	Provides funding for the conversion of a four-person home from the ICF/ID program to the Community Intellectual Disabilities Waiver program, effective July 1, 2013.
State (Ineligible)	\$100	\$0	\$0	\$0	---	
State (Eligible)	\$293	\$0	\$0	\$0	---	
State Backfill - MA	\$0	\$0	\$0	\$0	---	
Fed - MA	\$321	\$0	\$0	\$0	---	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$714	\$0	\$0	\$0	---	
FISCAL YEAR 2013-2014 ICF/ID CONVERSION - SKILLS/SHELLBARK						
Individuals Served	4	0	0	0	---	Provides funding for the conversion of a four-person home from the ICF/ID program to the Community Intellectual Disabilities Waiver program, effective July 1, 2013.
State (Ineligible)	\$93	\$0	\$0	\$0	---	
State (Eligible)	\$268	\$0	\$0	\$0	---	
State Backfill - MA	\$0	\$0	\$0	\$0	---	
Fed - MA	\$293	\$0	\$0	\$0	---	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$654	\$0	\$0	\$0	---	
TOTAL FISCAL YEAR 2013-2014 ICF/ID CONVERSIONS						
Individuals Served	8	0	0	0	---	
State (Ineligible)	\$193	\$0	\$0	\$0	---	
State (Eligible)	\$561	\$0	\$0	\$0	---	
State Backfill - MA	\$0	\$0	\$0	\$0	---	
Fed - MA	\$614	\$0	\$0	\$0	---	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal Waiver Services	\$1,368	\$0	\$0	\$0	---	

\$ Amounts in Thousands	2016-2017					Notes
	2014-2015 Actual	2015-2016 Available	2016-2017 Governor's Recommended	Gov's Recomm vs 2015-2016 Available	Percent Change	
TOTAL FISCAL YEARS 2013-2014, 2015-2016 AND 2016-2017 ICF/ID CONVERSIONS						
Individuals Served	8	77	90	13	16.88%	
State (Ineligible)	\$193	\$60	\$146	\$86	143.33%	
State (Eligible)	\$561	\$3,882	\$5,499	\$1,617	41.65%	
State Backfill - MA	\$0	\$0	\$15	\$15	---	
Fed - MA	\$614	\$4,202	\$5,937	\$1,735	-11.29%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal Waiver Services	\$1,368	\$8,144	\$11,597	\$3,453	42.40%	
FISCAL YEAR 2015-2016 TRANSFER OF INDIVIDUALS FROM THE BASE PROGRAM TO THE WAIVER PROGRAM						
Individuals Served	0	8	8	0	0.00%	
State (Ineligible)	\$0	\$29	\$29	\$0	0.00%	Provides funding for the transfer of eight individuals from the Base Program to the Waiver Program, effective July 1, 2015.
State (Eligible)	\$0	\$517	\$517	\$0	0.00%	
State Backfill - MA	\$0	\$0	\$2	\$2	---	
Fed - MA	\$0	\$560	\$558	(\$2)	-0.36%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$0	\$1,106	\$1,106	\$0	0.00%	
FISCAL YEAR 2014-2015 TRANSFER OF INDIVIDUALS FROM THE BASE PROGRAM TO THE WAIVER PROGRAM						
Individuals Served	29	28	28	0	0.00%	
State (Ineligible)	\$0	\$0	\$0	\$0	---	Provides funding for the transfer of 28 individuals from the Base Program to the Waiver Program, effective January 1, 2015.
State (Eligible)	\$1,069	\$2,060	\$2,060	\$0	0.00%	
State Backfill - MA	\$0	\$0	(\$3)	(\$3)	---	
Fed - MA	\$1,150	\$2,228	\$2,231	\$3	0.13%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$2,219	\$4,288	\$4,288	\$0	0.00%	
FISCAL YEAR 2016-2017 INITIATIVE: COMMUNITY OPPORTUNITIES - DISABILITIES RIGHTS NETWORK (DRN) SETTLEMENT/OLMSTEAD						
Individuals Served	0	0	75	75	---	
State (Ineligible)	\$0	\$0	\$200	\$200	---	Provides funding for 75 individuals to transfer from State Centers for the Intellectually Disabled to the Community Waiver Program. Funding assumes transfers during and throughout Fiscal Year 2016-2017. Individuals will be eligible for enhanced Federal earnings through the Money Follows Person grant for one year from the date of their transfer.
State (Eligible)	\$0	\$0	\$755	\$755	---	
State Backfill - MA	\$0	\$0	\$0	\$0	---	
Fed - MA	\$0	\$0	\$2,378	\$2,378	---	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$0	\$0	\$3,333	\$3,333	---	
FISCAL YEAR 2015-2016 INITIATIVE: HUMAN SERVICES WAITING LIST REDUCTIONS - DISABILITIES RIGHTS NETWORK (DRN) SETTLEMENT/OLMSTEAD						
Individuals Served	0	75	75	0	0.00%	
State (Ineligible)	\$0	\$200	\$686	\$486	243.00%	Provides funding for 75 individuals to transfer from State Centers for the Intellectually Disabled to the Community Waiver Program. Funding assumes transfers during and throughout Fiscal Year 2015-2016. Individuals will be eligible for enhanced Federal earnings through the Money Follows Person grant for one year from the date of their transfer.
State (Eligible)	\$0	\$752	\$2,578	\$1,826	242.82%	
State Backfill - MA	\$0	\$0	\$752	\$752	---	
Fed - MA	\$0	\$2,381	\$7,411	\$5,030	211.26%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$0	\$3,333	\$11,427	\$8,094	242.84%	
FISCAL YEAR 2014-2015 INITIATIVE: EXPANDED SERVICES FOR OLDER PENNSYLVANIANS AND INDIVIDUALS WITH DISABILITIES - DRN SETTLEMENT/OLMSTEAD						
Individuals Served	50	50	0	(50)	-100.00%	
State (Ineligible)	\$151	\$443	\$0	(\$443)	-100.00%	Provides funding for 50 individuals to transfer from State Centers for the Intellectually Disabled to the Community Waiver Program. Individuals will be eligible for enhanced Federal earnings through the Money Follows Person grant for one year from the date of their transfer.
State (Eligible)	\$571	\$2,242	\$0	(\$2,242)	-100.00%	
State Backfill - MA	\$0	\$0	\$0	\$0	---	
Fed - MA	\$1,799	\$4,695	\$0	(\$4,695)	-100.00%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$2,521	\$7,380	\$0	(\$7,380)	-100.00%	
FISCAL YEAR 2013-2014 INITIATIVE: EXPANDED SERVICES FOR INDIVIDUALS WITH DISABILITIES - DRN SETTLEMENT/OLMSTEAD						
Individuals Served	100	0	0	0	---	
State (Ineligible)	\$2,019	\$0	\$0	\$0	---	Provides funding for 100 individuals to transfer from State Centers for the Intellectually Disabled to the Community Waiver Program. Individuals will be eligible for enhanced Federal earnings through the Money Follows Person grant for one year from the date of their transfer.
State (Eligible)	\$5,076	\$0	\$0	\$0	---	
State Backfill - MA	\$0	\$0	\$0	\$0	---	
Fed - MA	\$12,392	\$0	\$0	\$0	---	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$19,487	\$0	\$0	\$0	---	
TOTAL ICF/ID FACILITY AND STATE CENTER CONVERSIONS/TRANSFERS						
Individuals Served	187	238	276	38	15.97%	
State (Ineligible)	\$2,363	\$732	\$1,061	\$329	44.95%	
State (Eligible)	\$7,277	\$9,453	\$11,409	\$1,956	20.69%	
State Backfill - MA	\$0	\$0	\$766	\$766	---	
Fed - MA	\$15,955	\$14,066	\$18,515	\$4,449	31.63%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal Waiver Services	\$25,595	\$24,251	\$31,751	\$7,500	30.93%	

\$ Amounts in Thousands	2014-2015 Actual	2015-2016 Available	2016-2017 Governor's Recommended	2016-2017 Gov's Recomm vs 2015-2016 Available	Percent Change	Notes
FISCAL YEAR 2014-2015 EXTENDED STATE PLAN SERVICES IN ODP AND OLTL WAIVERS						
Individuals Served	0	0	0	0	---	
State (Ineligible)	\$0	\$0	\$0	\$0	---	Provides for the prior authorization of extended State Plan services begun in Fiscal Year 2014-2015 for Office of Developmental Programs and Office of Long-Term Living Waivers
State (Eligible)	(\$334)	(\$334)	(\$334)	\$0	0.00%	
State Backfill - MA	\$0	\$0	\$0	\$0	---	
Fed - MA	(\$397)	(\$397)	(\$397)	\$0	0.00%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	(\$731)	(\$731)	(\$731)	\$0	0.00%	
FISCAL YEAR 2016-2017 INITIATIVE: EXPANDED SERVICES FOR INDIVIDUALS WITH DISABILITIES - WAITING LIST						
Individuals Served	0	0	250	250	---	
State (Ineligible)	\$0	\$0	\$2,300	\$2,300	---	Provides an average of 6-month funding for home and community-based services for an additional 250 individuals from the waiting list who will be enrolled in the Waiver during Fiscal Year 2016-2017
State (Eligible)	\$0	\$0	\$6,425	\$6,425	---	
State Backfill - MA	\$0	\$0	\$0	\$0	---	
Fed - MA	\$0	\$0	\$6,900	\$6,900	---	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$0	\$0	\$15,625	\$15,625	---	
FISCAL YEAR 2015-2016 INITIATIVE: HUMAN SERVICES WAITING LIST REDUCTIONS - WAITING LIST						
Individuals Served	0	400	400	0	0.00%	
State (Ineligible)	\$0	\$3,680	\$1,230	(\$2,450)	-66.58%	Provides annualized funding for the additional 400 individuals from the emergency waiting list being enrolled in the Waiver during Fiscal Year 2015-2016.
State (Eligible)	\$0	\$10,231	\$15,044	\$4,813	47.04%	
State Backfill - MA	\$0	\$0	\$54	\$54	---	
Fed - MA	\$0	\$11,089	\$16,250	\$5,161	46.54%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$0	\$25,000	\$32,578	\$7,578	30.31%	
FISCAL YEAR 2014-2015 INITIATIVE: EXPANDED SERVICES FOR OLDER PENNSYLVANIANS AND INDIVIDUALS WITH DISABILITIES - WAITING LIST						
Individuals Served	400	400	400	0	0.00%	
State (Ineligible)	\$3,126	\$1,260	\$1,521	\$261	20.71%	Provides annualized funding for 400 individuals from the emergency waiting list.
State (Eligible)	\$4,303	\$16,309	\$17,116	\$807	4.95%	
State Backfill - MA	\$0	\$0	\$44	\$44	---	
Fed - MA	\$5,015	\$17,642	\$18,470	\$829	4.69%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$12,444	\$35,211	\$37,151	\$1,940	5.51%	
FISCAL YEAR 2013-2014 INITIATIVE: EXPANDED SERVICES FOR INDIVIDUALS WITH DISABILITIES - WAITING LIST						
Individuals Served	380	380	373	(7)	-1.84%	
State (Ineligible)	\$707	\$928	\$1,062	\$134	14.44%	Provides continued funding for 373 individuals that were enrolled in the Waiver program from the emergency waiting list
State (Eligible)	\$10,326	\$12,799	\$13,659	\$860	6.72%	
State Backfill - MA	\$0	\$0	\$35	\$35	---	
Fed - MA	\$11,296	\$13,845	\$14,739	\$894	6.46%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$22,329	\$27,572	\$29,495	\$1,923	6.97%	
WAITING LIST - FISCAL YEAR 2012-2013						
Individuals Served	430	430	0	(430)	-100.00%	
State (Ineligible)	\$1,056	\$1,177	\$0	(\$1,177)	-100.00%	Fiscal Year 2016-2017 projected expenditures associated with these individuals are included in service costs listed above.
State (Eligible)	\$14,940	\$14,454	\$0	(\$14,454)	-100.00%	
State Backfill - MA	\$0	\$0	\$0	\$0	---	
Fed - MA	\$16,344	\$15,636	\$0	(\$15,636)	-100.00%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$32,340	\$31,267	\$0	(\$31,267)	-100.00%	
MEDICAL AND THERAPEUTIC VACANCY FACTOR EXCEPTION						
State (Ineligible)	\$10,500	\$10,500	\$0	(\$10,500)	-100.00%	Provides funding for provider requests for exceptions to the statewide vacancy factor, which was incorporated into the Waiver-funded residential habilitation rates, effective July 1, 2012.
State (Eligible)	\$0	\$0	\$0	\$0	---	
State Backfill - MA	\$0	\$0	\$0	\$0	---	
Fed - MA	\$0	\$0	\$0	\$0	---	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$10,500	\$10,500	\$0	(\$10,500)	-100.00%	Providers who filed for exceptions did not meet the exception standard necessary to receive compensatory rate adjustments.
TOTAL CONSOLIDATED WAIVER SERVICES						
Unduplicated Individuals Served	17,593	18,153	18,491	338	1.86%	
State (Ineligible)	\$115,835	\$116,322	\$108,738	(\$7,584)	-6.52%	
State (Eligible)	\$886,983	\$963,710	\$1,033,162	\$79,452	8.33%	
State Backfill - MA	\$0	\$0	\$3,421	\$3,421	---	
Fed - MA	\$978,647	\$1,037,544	\$1,123,126	\$85,582	8.25%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal Waiver Services	\$1,981,465	\$2,107,576	\$2,268,447	\$160,871	7.63%	

\$ Amounts in Thousands	2014-2015 Actual	2015-2016 Available	2016-2017 Governor's Recommended	2016-2017 Gov's Recomm vs 2015-2016 Available	Percent Change	Notes
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PERSON/FAMILY DIRECTED SUPPORTS WAIVER

DAY AND SUPPORT SERVICES - P/FDS WAIVER MAINTENANCE

Individuals Served	11,195	11,195	12,248	1,053	9.41%	
State (Ineligible)	\$0	\$0	\$0	\$0	--	
State (Eligible)	\$102,076	\$101,468	\$108,032	\$6,564	6.47%	
State Backfill - MA	\$0	\$0	\$281	\$281	--	
Fed - MA	\$111,674	\$109,758	\$116,577	\$6,819	6.21%	
State 0.00% COLA	\$0	\$0	\$0	\$0	--	
Subtotal	\$213,750	\$211,226	\$224,890	\$13,664	6.47%	

FISCAL YEAR 2016-2017 INITIATIVE: EXPANDED SERVICES FOR INDIVIDUALS WITH DISABILITIES - SPECIAL EDUCATION GRADUATES

Individuals Served	0	0	500	500	--	
State (Ineligible)	\$0	\$0	\$0	\$0	--	Provides an average of 6-month funding for home and community-based services for an additional 500 special education graduates who will be enrolled in the Waiver during Fiscal Year 2016-2017.
State (Eligible)	\$0	\$0	\$2,773	\$2,773	--	
State Backfill - MA	\$0	\$0	\$0	\$0	--	
Fed - MA	\$0	\$0	\$2,977	\$2,977	--	
State 0.00% COLA	\$0	\$0	\$0	\$0	--	
Subtotal	\$0	\$0	\$5,750	\$5,750	--	

FISCAL YEAR 2015-2016 INITIATIVE: HUMAN SERVICES WAITING LIST REDUCTIONS - SPECIAL EDUCATION GRADUATES

Individuals Served	0	600	600	0	0.00%	
State (Ineligible)	\$0	\$0	\$0	\$0	--	Provides annualized funding for an additional 600 special education graduates being enrolled in the Waiver during Fiscal Year 2015-2016.
State (Eligible)	\$0	\$4,967	\$5,007	\$40	0.81%	
State Backfill - MA	\$0	\$0	\$18	\$18	--	
Fed - MA	\$0	\$5,383	\$5,408	\$25	0.46%	
State 0.00% COLA	\$0	\$0	\$0	\$0	--	
Subtotal	\$0	\$10,350	\$10,433	\$83	0.80%	

FISCAL YEAR 2014-2015 INITIATIVE: EXPANDED SERVICES FOR OLDER PENNSYLVANIANS AND INDIVIDUALS WITH DISABILITIES - SPECIAL EDUCATION GRADUATES

Individuals Served	700	700	700	0	0.00%	
State (Ineligible)	\$0	\$0	\$0	\$0	--	Provides annualized funding for an additional 700 special education graduates.
State (Eligible)	\$4,849	\$6,330	\$6,483	\$153	2.42%	
State Backfill - MA	\$0	\$0	\$17	\$17	--	
Fed - MA	\$5,651	\$6,847	\$6,996	\$149	2.18%	
State 0.00% COLA	\$0	\$0	\$0	\$0	--	
Subtotal	\$10,500	\$13,177	\$13,496	\$319	2.42%	

FISCAL YEAR 2013-2014 INITIATIVE: EXPANDED SERVICES FOR INDIVIDUALS WITH DISABILITIES - SPECIAL EDUCATION GRADUATES

Individuals Served	700	700	518	(182)	-26.00%	
State (Ineligible)	\$0	\$0	\$0	\$0	--	Provides continued funding for special education graduates who began receiving services under the initiative.
State (Eligible)	\$4,417	\$4,800	\$4,816	\$16	0.33%	
State Backfill - MA	\$0	\$0	\$12	\$12	--	
Fed - MA	\$4,833	\$5,192	\$5,197	\$5	0.10%	
State 0.00% COLA	\$0	\$0	\$0	\$0	--	
Subtotal	\$9,250	\$9,992	\$10,025	\$33	0.33%	

SPECIAL EDUCATION GRADUATES - FISCAL YEAR 2012-2013

Individuals Served	700	700	0	(700)	-100.00%	
State (Ineligible)	\$0	\$0	\$0	\$0	--	Fiscal Year 2016-2017 projected expenditures associated with these individuals are included in service costs listed above.
State (Eligible)	\$5,867	\$5,621	\$0	(\$5,621)	-100.00%	
State Backfill - MA	\$0	\$0	\$0	\$0	--	
Fed - MA	\$6,419	\$6,080	\$0	(\$6,080)	-100.00%	
State 0.00% COLA	\$0	\$0	\$0	\$0	--	
Subtotal	\$12,286	\$11,701	\$0	(\$11,701)	-100.00%	

TOTAL PERSON/FAMILY DIRECTED SUPPORT WAIVER SERVICES

Individuals Served	13,040	13,640	14,140	500	3.67%	
State (Ineligible)	\$0	\$0	\$0	\$0	--	
State (Eligible)	\$117,209	\$123,186	\$127,111	\$3,925	3.19%	
State Backfill - MA	\$0	\$0	\$328	\$328	--	
Fed - MA	\$128,577	\$133,260	\$137,155	\$3,895	2.92%	
State 0.00% COLA	\$0	\$0	\$0	\$0	--	
Subtotal Waiver Services	\$245,786	\$256,446	\$264,594	\$8,148	3.18%	

TOTAL GRANT & SUBSIDY

Individuals Served	30,633	31,793	32,631	838	2.64%	
Subtotal State	\$1,120,027	\$1,193,218	\$1,269,011	\$75,793	6.35%	
Subtotal State Backfill - MA	\$0	\$0	\$3,749	\$3,749	--	
Subtotal Federal - MA	\$1,107,224	\$1,170,804	\$1,260,281	\$89,477	7.64%	
State 0.00% COLA	\$0	\$0	\$0	\$0	--	
Subtotal Grant & Subsidy	\$2,227,251	\$2,364,022	\$2,533,041	\$169,019	7.15%	

\$ Amounts in Thousands	2014-2015 Actual	2015-2016 Available	2016-2017 Governor's Recommended	2016-2017 Gov's Recomm vs 2015-2016 Available	Percent Change	Notes
FISCAL YEAR 2014-2015 INITIATIVE: BALANCING INCENTIVE PROGRAM						
State (Eligible)	(\$42,176)	(\$10,544)	\$0	\$10,544	-100.00%	
Fed - MA	\$42,176	\$10,544	\$0	(\$10,544)	-100.00%	
Subtotal	\$0	\$0	\$0	\$0	---	
FISCAL YEAR 2012-2013 INITIATIVE: ADULT PROTECTIVE SERVICES LEGISLATION						
State (Ineligible)	\$1,481	\$1,481	\$1,481	\$0	0.00%	Provides funding for the implementation of provisions under adult protective services legislation.
State (Eligible)	\$725	\$730	\$730	\$0	0.00%	
State Backfill - MA	\$0	\$0	\$2	\$2	---	
Fed - MA	\$794	\$789	\$787	(\$2)	-0.25%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$3,000	\$3,000	\$3,000	\$0	0.00%	
LITIGATION SETTLEMENT COSTS RELATED TO PROVIDER APPEALS						
State (Ineligible)	\$0	\$0	\$0	\$0	---	
State (Eligible)	\$5,995	\$9,046	\$6,020	(\$3,026)	-33.45%	
State Backfill - MA	\$0	\$0	\$16	\$16	---	
Federal MA	\$6,559	\$9,786	\$6,496	(\$3,290)	-33.62%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$12,554	\$18,832	\$12,532	(\$6,300)	-33.45%	
FISCAL WORKGROUP LITIGATION RESERVE						
State (Ineligible)	\$0	\$0	\$0	\$0	---	Provides funding for a litigation reserve for the potential settlement agreement with stakeholders regarding the vacancy and retention factors and the suspension of a rate adjustment factor. Fiscal Year 2016-2017 projected expenditures associated with this settlement agreement are included with service costs listed above.
State (Eligible)	\$0	\$15,701	\$0	(\$15,701)	-100.00%	
State Backfill - MA	\$0	\$0	\$0	\$0	---	
Federal MA	\$0	\$16,989	\$0	(\$16,989)	-100.00%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$0	\$32,690	\$0	(\$32,690)	-100.00%	
SIGN LANGUAGE INTERPRETER SERVICES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES						
Individuals Served	0	0	0	0	---	
State (Ineligible)	\$0	\$0	\$0	\$0	---	Provides funding for sign language interpreter services for deaf individuals with intellectual disabilities as a result of the Harry M v DPW litigation settlement agreement
State (Eligible)	\$2,347	\$2,361	\$2,361	\$0	0.00%	
State Backfill - MA	\$0	\$0	\$6	\$6	---	
Federal MA	\$2,567	\$2,553	\$2,547	(\$6)	-0.24%	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$4,914	\$4,914	\$4,914	\$0	0.00%	
ROLL BACK ADJUSTMENT FOR CYCLE 53 OF FISCAL YEAR 2013-2014						
State	(\$11,771)	\$0	\$0	\$0	---	Represents partial rollback of cycle 53 costs to utilize available Fiscal Year 2013-2014 State funds.
Federal MA	(\$13,554)	\$0	\$0	\$0	---	
Subtotal	(\$25,325)	\$0	\$0	\$0	---	
STATE FUNDS ADJUSTMENT						
State	\$0	\$0	\$0	\$0	---	
EXCESS FEDERAL						
Fed - MA	\$2,435	\$0	\$0	\$0	---	
PRUDENT PAY ADJUSTMENT						
State	(\$1,741)	\$0	\$0	\$0	---	Provides for the payment of three additional cycles during September 2014, resulting from the suspension of prudent pay to maximize Federal earnings that can be achieved prior to FMAP change October 1, 2014.
Federal MA	\$1,741	\$0	\$0	\$0	---	
Subtotal	\$0	\$0	\$0	\$0	---	
BUDGETARY RESERVE						
State	\$0	\$0	\$0	\$0	---	
Federal MA	\$65,050	\$68,186	\$65,808	(\$2,378)	-3.49%	
Subtotal	\$65,050	\$68,186	\$65,808	(\$2,378)	-3.49%	
GRAND TOTALS						
Unduplicated Individuals Served	30,633	31,793	32,631	838	2.64%	
Total State	\$1,074,887	\$1,211,993	\$1,279,603	\$67,610	5.58%	
Total State Backfill - MA	\$0	\$0	\$3,773	\$3,773	---	
State 0.00% COLA	\$0	\$0	\$0	\$0	---	
Total Federal	\$1,214,992	\$1,279,651	\$1,335,919	\$56,268	4.40%	
TOTAL	\$2,289,879	\$2,491,644	\$2,619,295	\$127,651	5.12%	
State	\$1,074,887	\$1,211,993	\$1,283,376	\$71,383	5.89%	
Fed - MA	\$1,214,992	\$1,279,651	\$1,335,919	\$56,268	4.40%	
Total State/Fed/Other	\$2,289,879	\$2,491,644	\$2,619,295	\$127,651	5.12%	

INTELLECTUAL DISABILITIES – COMMUNITY WAIVER PROGRAM

PROGRAM STATEMENT

The Mental Health and Intellectual Disability Act of 1966 mandated the availability of community services for citizens with an intellectual disability and their families. The statute created county administered community programs in Pennsylvania for individuals with an intellectual disability.

In 1966, all services were provided in state institutions which cared for over 13,000 people with an intellectual disability. At the end of Fiscal Year 2014-2015, there were 948 people remaining in State Centers while more than 52,000 people received services in the community. This change has followed the national trend to provide community services as an alternative to institutional care. Changes in federal and state laws, as well as new funding initiatives, have created education programs, family support services, employment training and home and community-based services for people with disabilities. These trends are built on the recognized values of family relationships and participation in community life.

The Secretary of the United States Department of Health and Human Services is authorized, under Section 1915(c) of the Social Security Act, to waive certain Medicaid statutory requirements. These waivers allow Pennsylvania to provide home and community-based services for individuals with an intellectual disability diagnosis as an alternative to institutional care.

The first Home and Community-Based Services Waiver for individuals with an intellectual disability in Pennsylvania began in the Philadelphia area in 1983. This was followed by two additional Waivers that covered other areas of the state. In 1987, the three earlier Waivers were combined into the statewide Consolidated Waiver. The Person/Family Directed Supports (P/FDS) Waiver began in 1999.

The Intellectual Disability - Community Waiver Program provides funding for Consolidated Waiver and P/FDS Waiver enrolled individuals age three and older who would otherwise require the level of care provided in an Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/ID).

Examples of services available through the Community Waiver Program include community residential programs provided in licensed or unlicensed homes across the Commonwealth, as well as the option of family living which is available to people who choose to live as part of another family. In family living, one or two people receive services in a licensed or unlicensed family home of an unrelated adult. Additional eligible services provided include: habilitation (residential, in-home, day, prevocational and supported employment), respite, transportation, environmental accessibility adaptations, homemaker/chore, adaptive appliances and equipment, specialized therapies (physical, occupational, speech, hearing, language, visual/mobility, and behavioral), nursing services, and supports coordination.

Beginning July 1, 2009, payments for services provided to individuals enrolled in the Waiver program are made directly from the State Treasury to providers based on established fee-for-service rates utilizing the Provider Reimbursement and Operations Management Information System.

The Intellectual Disabilities - Community Waiver Program's budget provides more than \$2.6 billion in annual funding for Consolidated Waiver and P/FDS Waiver enrolled individuals. During Fiscal Year 2014-2015, 17,593 persons received Consolidated Waiver services and 13,040 persons received P/FDS Waiver services.

FISCAL YEAR 2016-2017 INITIATIVE – EXPANDED SERVICES FOR INDIVIDUALS

The Governor's Executive Budget for Fiscal Year 2016-2017 provides a total of \$24.708 million (\$11.498 million in state funds) in the Intellectual Disabilities – Community Waiver Program for an initiative entitled "Expanded Services for Individuals." This initiative supports the Department's mission to help individuals with intellectual disabilities achieve "Everyday Lives." There are two major components to this initiative, as follows:

Providing Services to Individuals on County Waiting Lists

This initiative includes a total of \$15.625 million (\$8.725 million in state funds) for an average of six-months funding for 250 individuals on the emergency waiting list to enroll in the Waiver program during Fiscal Year 2016-2017. The term "Emergency Waiting List" refers to individuals who are classified as "Emergency" on the Prioritization of Urgency of Needs list, which means they require supports immediately or within six months. As of December 31, 2015, there were 4,723 individuals with this emergency classification. Absent the provision of community residential services to these individuals, they would otherwise typically be served in a State Center for the Intellectually Disabled.

Special Education Graduates

This initiative also includes a total of \$5.750 million (\$2.773 million in state funds) for an average of six-months funding for day and support services for an additional 500 special education graduates during Fiscal Year 2016-2017. This will enable them to retain the valuable skills learned in school and thereby reduce the potential for more expensive, lengthy services over time as well as assist in their transition from school to work.

FISCAL YEAR 2016-2017 INITIATIVE – COMMUNITY OPPORTUNITIES

Providing Community Placement Opportunities for State Center Residents

This initiative includes funding totaling \$3.333 million (\$0.955 million in state funds) for home and community-based services for 75 individuals currently residing in State Centers for the Intellectually Disabled who do not oppose placement in the community. It is a key piece of the Department's plan to meet the requirements of the United States Supreme Court's Olmstead Decision, which requires states to have comprehensive, effectively working plans ensuring that individuals with disabilities receive services in the most integrated setting appropriate to their needs. It also fulfills the requirements necessary to comply with a settlement agreement between the Disabilities Rights Network, on behalf of individuals residing in State Centers for the Intellectually Disabled, and the Department of Human Services.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

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APPROPRIATION:
Intellectual Disabilities - Intermediate Care Facilities

I. SUMMARY FINANCIAL DATA

	<u>2014-2015 Actual</u>	<u>2015-2016 Available</u>	<u>2016-2017 Budgeted</u>
State Funds	\$152,298	\$139,110	\$142,621
Federal Funds Total	\$190,253	\$193,005	\$177,952
Federal Sources Itemized			
<i>Medical Assistance - ID/ICF</i>	\$190,253	\$193,005	\$177,952
Other Funds Total	\$16,828	\$19,700	\$19,700
Other Fund Sources Itemized			
<i>ID Assessment - ID/ICF</i>	\$16,828	\$19,700	\$19,700
Total	\$359,379	\$351,815	\$340,273

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$0
Federal Funds	\$0
Total	\$0

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Intellectual Disabilities - Intermediate Care Facilities				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$152,298	\$139,110	\$142,621	\$3,511	2.52%
<i>Federal Funds</i>	\$190,253	\$174,934	\$177,952	\$3,018	1.73%
<i>Other Funds</i>	\$16,828	\$19,700	\$19,700	\$0	0.00%
Total Grant & Subsidy	\$359,379	\$333,744	\$340,273	\$6,529	1.96%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$18,071	\$0	(\$18,071)	-100.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$18,071	\$0	(\$18,071)	-100.00%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
EXCESS FEDERAL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Excess Federal	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$152,298	\$139,110	\$142,621	\$3,511	2.52%
<i>Federal Funds</i>	\$190,253	\$193,005	\$177,952	(\$15,053)	-7.80%
<i>Other Funds</i>	\$16,828	\$19,700	\$19,700	\$0	0.00%
Total Funds	\$359,379	\$351,815	\$340,273	(\$11,542)	-3.28%

APPROPRIATION:
Intellectual Disabilities - Intermediate Care Facilities

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$8,673	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The recommended appropriation provides for the annualization of program changes for Fiscal Year 2015-2016, changes in patient income, settlement of Hearings and Appeals cases, cost settlements, additional funding for waiver costs and an assessment on ICF/ID services.

Legislative Citations:

MH/ID Act 1966, 50 P.S. § 4101 et seq.; Title XIX of the Social Security Act, 42 U.S.C. § 1396 et seq.;
62 P.S. § 443.1(2)

Disbursement Criteria:

Providers are paid via established rates per 55 PA Code Chapter 1181, Subchapter C, Section 1181.336. The total projected operating cost is established by rolling forward prior year costs. The waiver of the standard interim rate methodology, as defined in Section 1181.351, allows for exceptions to be made when the standard methodology is not appropriate or adequate. The approved funding level is then divided by 98 percent of estimated Medical Assistance days to establish the interim per diem rate by which the provider may invoice. Reimbursement is limited to allowable costs and is further limited by the total projected operating cost or budget level. Differences between the payment made via the interim per diem rate and actual, allowable, audited costs are reconciled at the time of final cost settlement.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Intellectual Disabilities - Intermediate Care Facilities			
	State \$	Federal \$	Other \$	Total \$
GRANT & SUBSIDY				
1. Provides for the Fiscal Year 2016-2017 conversion of 13 beds (one six-bed and one seven-bed home) to the Community Intellectual Disabilities (ID) Waiver program, effective July 1, 2016:	(\$723)	(\$693)	\$0	(\$1,416)
2. Provides for a decrease in State-only payments made into a special trust account:	(\$21)	\$0	\$0	(\$21)
3. Provides for additional waivers of interim per diem rates based on historical data. Chapter 6211 Regulations require the review and approval of appropriately documented requests for additional funding based on program costs:	\$4,816	\$5,184	\$0	\$10,000
4. Provides for carryforward and annualized savings associated with the Fiscal Year 2015-2016 conversion of 77 beds to the Community ID Waiver program, as follows:				
A. Elwyn/Main downsizing and conversion of 46 beds to the Community ID Waiver Program, effective November 1, 2015:	(\$920)	(\$998)	\$0	(\$1,918)
B. Barber conversion of six four-bed homes to the Community ID Waiver Program, effective July 1, 2015:	\$0	\$0	\$0	\$0
C. CSS/Center Road conversion of a four-bed home to the Community ID Waiver Program, effective July 1, 2015:	\$0	\$0	\$0	\$0
D. CSS/Broadview downsizing of an eight-bed ICF home to a five-bed home and the conversion of three beds to the Community ID Waiver Program, effective September 1, 2015:	(\$56)	(\$60)	\$0	(\$116)
Subtotal	(\$976)	(\$1,058)	\$0	(\$2,034)
5. Provides for the continuation of a provider assessment for Fiscal Year 2016-2017 in accordance with Act 69 of 2003, as amended, and is based upon six percent of the revenues reported on the most recent MR-46 cost report, using only Medical Assistance income, client liability income and private pay income. The assessment payments are estimated at \$9.488 million in State funds while the revenue is projected at \$19.700 million for Fiscal Year 2016-2017:	\$0	\$0	\$0	\$0
6. Provides for the impact of a decrease in the Federal Medical Assistance Percentage (FMAP) rate from 52.01 percent to 51.78 percent, effective October 1, 2016. The State fiscal year blended rate is decreasing from 51.9625 percent in Fiscal Year 2015-2016 to 51.8375 percent in Fiscal Year 2016-2017:	\$415	(\$415)	\$0	\$0
Subtotal Grant & Subsidy	\$3,511	\$3,018	\$0	\$6,529

VI. EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 Intellectual Disabilities - Intermediate Care Facilities

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
BUDGETARY RESERVE				
1. Impact of excess Fiscal Year 2015-2016 Federal Medical Assistance appropriation authority due to an adjustment to the anticipated on-going costs of maintaining the current facilities based on actual cost and utilization trends:	<u>\$0</u>	<u>(\$18,071)</u>	<u>\$0</u>	<u>(\$18,071)</u>
Subtotal Budgetary Reserve	<u>\$0</u>	<u>(\$18,071)</u>	<u>\$0</u>	<u>(\$18,071)</u>
TOTAL	<u><u>\$3,511</u></u>	<u><u>(\$15,053)</u></u>	<u><u>\$0</u></u>	<u><u>(\$11,542)</u></u>

Fiscal Year 2016-2017 Governor's Executive Budget
Appropriation: Intellectual Disabilities - Intermediate Care Facilities

Category	2015-2016 Available	2016-2017 Gov's Recomm.	2016-2017 Gov's Recomm. vs. 2015-2016 Available		Notes
			2016-2017 Gov's Recomm.	% Change	
\$ Amounts in Thousands					
Current Facilities					
Beds	2,295	2,295	0	0.00%	
State Funds	\$155,407	\$155,407	\$0	0.00%	
State Backfill - MA	\$0	\$412	\$412	---	
Federal - Medical Assistance	\$171,329	\$170,917	(\$412)	-0.24%	
State Funds - COLA:	0.00%	\$0	\$0	---	
Subtotal Current Facilities	\$326,736	\$326,736	\$0	0.00%	
Cost/Utilization Adjustment					
State Funds	(\$15,746)	(\$15,746)	\$0	0.00%	Provides for an adjustment to the anticipated on-going cost of maintaining the current facilities based on actual cost and utilization trends over the past several fiscal years.
State Backfill - MA	\$0	(\$41)	(\$41)	---	
Federal - Medical Assistance	(\$17,033)	(\$16,992)	\$41	-0.24%	
State Funds - COLA:	0.00%	\$0	\$0	---	
Subtotal Cost/Utilization Adjustment	(\$32,779)	(\$32,779)	\$0	0.00%	
Fiscal Year 2014-2015 Divine Providence Village Expansion					
Beds	0	0	0	---	In conjunction with the downsizing of the Cardinal Krol Center, this provider expanded its bed capacity by opening a new four-bed home, effective July 15, 2014. The home converted to the Community ID Waiver program, effective July 1, 2015.
State Funds	\$0	\$0	\$0	---	
State Backfill - MA	\$0	\$0	\$0	---	
Federal - Medical Assistance	\$0	\$0	\$0	---	
State Funds - COLA:	0.00%	\$0	\$0	---	
Subtotal Divine Providence Expansion	\$0	\$0	\$0	---	
Downsizing of Cardinal Krol Center (Phase 2)					
State Funds	\$1,696	\$1,696	\$0	0.00%	Costs associated with the Fiscal Year 2014-2015 downsizing of the Cardinal Krol Center (four eight-bed homes, one five-bed home and one 32-bed facility) It is not possible for large programs such as Cardinal Krol to reduce overall costs sufficiently to completely offset the costs of downsizing.
State Backfill - MA	\$0	\$5	\$5	---	
Federal - Medical Assistance	\$1,835	\$1,830	(\$5)	-0.27%	
State Funds - COLA:	0.00%	\$0	\$0	---	
Subtotal Cardinal Krol Ph. 2 Downsizing	\$3,531	\$3,531	\$0	0.00%	
Fiscal Year 2016-2017 Conversions to Community ID Waiver Program:					
Old Skippack/Indian Creek					
Beds	0	(13)	(13)	---	Provides for the conversion of a six-bed home (Old Skippack) and a seven-bed home (Indian Creek) to the Community ID Waiver, effective July 1, 2016.
State Funds (Waiver Ineligible Costs)	\$0	(\$80)	(\$80)	---	
State Funds	\$0	(\$643)	(\$643)	---	
State Backfill - MA	\$0	\$0	\$0	---	
Federal - Medical Assistance	\$0	(\$693)	(\$693)	---	
State Funds - COLA:	0.00%	\$0	\$0	---	
Subtotal Old Skippack/Indian Creek	\$0	(\$1,416)	(\$1,416)	---	

Fiscal Year 2016-2017 Governor's Executive Budget
Appropriation: Intellectual Disabilities - Intermediate Care Facilities

Category	2015-2016 Available	2016-2017 Gov's Recomm.	2016-2017 Gov's Recomm. vs. 2015-2016 Available		Notes
			2016-2017 Gov's Recomm.	% Change	
\$ Amounts in Thousands					
Fiscal Year 2015-2016 Conversions to Community ID Waiver Program:					
Elwyn/Main					
Beds	(46)	(46)	0	0.00%	
State Funds (Waiver Ineligible Costs)	\$0	\$0	\$0	---	
State Funds	(\$1,841)	(\$2,761)	(\$920)	49.97%	Provides for the downsizing and conversion of 46 beds to the Community ID Waiver, effective November 1, 2015.
State Backfill - MA	\$0	(\$10)	(\$10)	---	
Federal - Medical Assistance	(\$1,995)	(\$2,983)	(\$988)	49.52%	
State Funds - COLA:	0.00%	\$0	\$0	---	
Subtotal Elwyn/Main	(\$3,836)	(\$5,754)	(\$1,918)	50.00%	
Barber					
Beds	(24)	(24)	0	0.00%	
State Funds (Waiver Ineligible Costs)	\$0	\$0	\$0	---	
State Funds	(\$1,501)	(\$1,501)	\$0	0.00%	Provides for the conversion of six four-bed homes to the Community ID Waiver, effective July 1, 2015.
State Backfill - MA	\$0	(\$4)	(\$4)	---	
Federal - Medical Assistance	(\$1,624)	(\$1,620)	\$4	-0.25%	
State Funds - COLA:	0.00%	\$0	\$0	---	
Subtotal Barber	(\$3,125)	(\$3,125)	\$0	0.00%	
CSS/Center Road					
Beds	(4)	(4)	0	0.00%	
State Funds (Waiver Ineligible Costs)	\$0	\$0	\$0	---	
State Funds	(\$323)	(\$323)	\$0	0.00%	Provides for the conversion of a four-bed home to the Community ID Waiver, effective July 1, 2015.
State Backfill - MA	\$0	(\$1)	(\$1)	---	
Federal - Medical Assistance	(\$349)	(\$348)	\$1	-0.29%	
State Funds - COLA:	0.00%	\$0	\$0	---	
Subtotal CSS/Center Road	(\$672)	(\$672)	\$0	0.00%	
CSS/Broadview					
Beds	(3)	(3)	0	0.00%	
State Funds (Waiver Ineligible Costs)	\$0	\$0	\$0	---	
State Funds	(\$277)	(\$333)	(\$56)	20.22%	Provides for the downsizing of an eight-bed ICF home to a five-bed ICF home and the conversion of three beds to the Community ID Waiver, effective September 1, 2015.
State Backfill - MA	\$0	(\$1)	(\$1)	---	
Federal - Medical Assistance	(\$300)	(\$359)	(\$59)	19.67%	
State Funds - COLA:	0.00%	\$0	\$0	---	
Subtotal CSS/Broadview	(\$577)	(\$693)	(\$116)	20.10%	

Fiscal Year 2016-2017 Governor's Executive Budget
Appropriation: Intellectual Disabilities - Intermediate Care Facilities

Category	2015-2016 Available	2016-2017 Gov's Recomm.	2016-2017 Gov's Recomm. vs. 2015-2016 Available		Notes
			2015-2016 Available	% Change	
Subtotal FY 15-16 Conversions to Waiver					
Beds	(77)	(77)	0	0.00%	
State Funds (Waiver Ineligible Costs)	\$0	\$0	\$0	---	
State Funds	(\$3,942)	(\$4,918)	(\$976)	24.76%	
State Backfill - MA	\$0	(\$16)	(\$16)	---	
Federal - Medical Assistance	(\$4,268)	(\$5,310)	(\$1,042)	24.41%	
State Funds - COLA:	0.00%	\$0	\$0	---	
Subtotal FY 15-16 Conversion to Waiver	(\$8,210)	(\$10,244)	(\$2,034)	24.77%	
Special Trust Payments					
Beds	0	0	0	---	
State Funds	\$66	\$45	(\$21)	-31.82%	Represents State-only payments into special trust account.
State Backfill - MA	\$0	\$0	\$0	---	
Federal - Medical Assistance	\$0	\$0	\$0	---	
State Funds - COLA:	0.00%	\$0	\$0	---	
Subtotal Special Trust Payments	\$66	\$45	(\$21)	-31.82%	
FY 16-17 Waivers of Interim Per Diems					
State Funds	\$0	\$4,816	\$4,816	---	Represents additional waivers of interim per diem rates based on historical data. Chapter 6211 Regulations require the review and approval of appropriately documented requests for additional funding based on program costs.
State Backfill - MA	\$0	\$0	\$0	---	
Federal - Medical Assistance	\$0	\$5,184	\$5,184	---	
State Funds - COLA:	0.00%	\$0	\$0	---	
Subtotal FY 16-17 Waiver Costs	\$0	\$10,000	\$10,000	---	
FY 15-16 Waivers of Interim Per Diems					
State Funds	\$4,804	\$4,804	\$0	0.00%	Represents additional waivers of interim per diem rates based on historical data. Chapter 6211 Regulations require the review and approval of appropriately documented requests for additional funding based on program costs.
State Backfill - MA	\$0	\$12	\$12	---	
Federal - Medical Assistance	\$5,196	\$5,184	(\$12)	-0.23%	
State Funds - COLA:	0.00%	\$0	\$0	---	
Subtotal FY 15-16 Waiver Costs	\$10,000	\$10,000	\$0	0.00%	
FY 14-15 Waivers of Interim Per Diems					
State Funds	\$3,843	\$3,843	\$0	0.00%	Represents waivers of interim per diem rates. Chapter 6211 Regulations require the review and approval of appropriately documented requests for additional funding based on program costs.
State Backfill - MA	\$0	\$10	\$10	---	
Federal - Medical Assistance	\$4,157	\$4,147	(\$10)	-0.24%	
State Funds - COLA:	0.00%	\$0	\$0	---	
Subtotal FY 14-15 Waiver Costs	\$8,000	\$8,000	\$0	0.00%	

Fiscal Year 2016-2017 Governor's Executive Budget
Appropriation: Intellectual Disabilities - Intermediate Care Facilities

Category	2015-2016 Available	2016-2017 Gov's Recomm.	2016-2017 Gov's Recomm. vs. 2015-2016		Notes
			Available	% Change	
Outstanding AVS Appeals					
					\$ Amounts in Thousands
State Funds	\$2,018	\$2,018	\$0	0.00%	Represents appeals by Allegheny Valley Schools for Fiscal Years 2004-2005 through 2008-2009 and Fiscal Year 2010-2011, including management fees related to the takeover of AVS by Northwestern Human Resources. These appeals have not yet been completely resolved.
State Backfill - MA	\$0	\$5	\$5	---	
Federal - Medical Assistance	\$2,182	\$2,177	(\$5)	-0.23%	
State Funds - COLA:	0.00%	\$0	\$0	---	
Subtotal Outstanding AVS Appeals	\$4,200	\$4,200	\$0	0.00%	
Hearings and Appeals					
State Funds	\$1,201	\$1,201	\$0	0.00%	Represents estimated funding needed to resolve outstanding provider rate and audit appeals that will be settled during the year. The amount does not represent the total of all outstanding appeals, only those anticipated to be resolved during the fiscal year.
State Backfill - MA	\$0	\$3	\$3	---	
Federal - Medical Assistance	\$1,299	\$1,296	(\$3)	-0.23%	
State Funds - COLA:	0.00%	\$0	\$0	---	
Subtotal Hearings and Appeals	\$2,500	\$2,500	\$0	0.00%	
ICF/ID Assessment					
State Funds	(\$10,237)	(\$10,237)	\$0	0.00%	Represents an assessment on provider revenues as reported on the provider's most recent MR-46 cost report, using only MA income, client liability and private pay income, and adjusted for any pertinent inflationary factor. The assessment is applied in accordance with Act 69 of 2003, as amended. A 6.0 percent assessment is assumed.
State Backfill - MA	\$0	\$25	\$25	---	
Federal - Medical Assistance	\$10,237	\$10,212	(\$25)	-0.24%	
Other (Assessment)	\$19,700	\$19,700	\$0	0.00%	
State Funds - COLA:	0.00%	\$0	\$0	---	
Subtotal ICF/MR Assessment	\$19,700	\$19,700	\$0	0.00%	
Subtotals - Grant & Subsidy					
Total Beds	2,218	2,205	(13)	-0.59%	
Total State Funds	\$139,110	\$142,206	\$3,096	2.23%	
Total State Backfill - MA	\$0	\$415	\$415	---	
Total State COLA:	0.00%	\$0	\$0	---	
Total Federal - Medical Assistance	\$174,934	\$177,952	\$3,018	1.73%	
Total Other (Assessment)	\$19,700	\$19,700	\$0	0.00%	
Subtotal Grant & Subsidy	\$333,744	\$340,273	\$6,529	1.96%	
Budgetary Reserve					
State Funds	\$0	\$0	\$0	---	
Federal - MA	\$18,071	\$0	(\$18,071)	-100.00%	
Total Budgetary Reserve	\$18,071	\$0	(\$18,071)	-100.00%	

**Fiscal Year 2016-2017 Governor's Executive Budget
 Appropriation: Intellectual Disabilities - Intermediate Care Facilities**

Category	2015-2016 Available	2016-2017 Gov's Recomm.	2016-2017 Gov's Recomm. vs. 2015-2016		Notes
			Available	% Change	
Grand Totals					
Total Beds	2,218	2,205	(13)	-0.59%	
Total State Funds	\$139,110	\$142,621	\$3,511	2.52%	
Total Federal - Medical Assistance	\$193,005	\$177,952	(\$15,053)	-7.80%	
Total Other (Assessment)	\$19,700	\$19,700	\$0	0.00%	
Total	\$351,815	\$340,273	(\$11,542)	-3.28%	

INTELLECTUAL DISABILITIES - INTERMEDIATE CARE FACILITIES

PROGRAM STATEMENT

Non-state operated (private) Intermediate Care Facilities for the Intellectually Disabled (ICFs/ID) provide residential and habilitation services to persons with an intellectual disability under Title XIX of the Social Security Act (Medicaid). Participating facilities are required to meet federal standards for licensure and certification related to program services, health, environment, and safety of the persons served. The primary goal of these facilities is to develop each individual's ability to function more independently.

In Pennsylvania, private ICFs/ID serve a diverse population providing a range of habilitative and health services to persons with an intellectual disability. There are 170 certified facilities varying in size; 155 facilities are homes serving four to eight people, while 20 facilities serve more than eight people (with the largest serving 184 people). For Fiscal Year 2016-2017, it is anticipated that approximately 2,205 persons will be served in private ICFs/ID.

The downsizing of large private ICF/ID programs into smaller community programs under the Community ID Waiver is also encouraged by the Department. In Fiscal Year 2016-2017, the Department is planning the conversion of 13 private ICF/ID beds to the Community ID Waiver, as follows: seven beds at Indian Creek and six beds at Old Skippack. The home and community-based services funding associated with the conversions is reflected under the Intellectual Disabilities - Community Waiver Program appropriation.

The on-going conversion of private ICF/ID programs to the Home and Community-Based Services Waiver program will affect a shift in services from a "medical" model, on which the private ICF/ID program is predominantly based, to a less restrictive and more community-oriented model under the Community ID program. Services under the Waiver are enhanced through an individual support plan designed to meet a person's unique needs and preferences.

Beginning in Fiscal Year 2004-2005, and being applied retroactively for Fiscal Year 2003-2004 for private ICF/ID programs only, the Governor's Executive Budget provided for the levying of an assessment on all ICF/ID services provided in Pennsylvania. This assessment is applied against both public and private providers of ICF/ID services and totals \$38.017 million for Fiscal Year 2016-2017. Of the \$38.017 million, \$19.700 million represents the assessment on services provided in private ICFs/ID and the balance of \$18.317 million represents the assessment on services provided in public facilities and is reflected under the Intellectual Disabilities - State Centers appropriation.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. E30.6, E30.27, E30.29, E30.39

APPROPRIATION:
Intellectual Disabilities - Lansdowne Residential
Services (Elwyn Institute)

I. SUMMARY FINANCIAL DATA	2014-2015	2015-2016	2016-2017
	<u>Actual</u>	<u>Available</u>	<u>Budgeted</u>
State Funds	\$340	\$340	\$340
Federal Funds	\$0	\$0	\$0
Other Funds	\$0	\$0	\$0
Total	\$340	\$340	\$340
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds		\$0	
Total		\$0	

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Intellectual Disabilities - Lansdowne Residential Services (Elwyn Institute)				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$340	\$340	\$340	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$340	\$340	\$340	\$0	0.00%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$340	\$340	\$340	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$340	\$340	\$340	\$0	0.00%

APPROPRIATION: Intellectual Disabilities - Lansdowne Residential Services (Elwyn Institute)
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III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:
 The level of funding proposed for Fiscal Year 2016-2017 is based on the Fiscal Year 2015-2016 allocation level.

Legislative Citations:
 62 P.S. §§ 201, 206; MH/ID Act of 1966, 50 P.S. § 4101, et seq.

Disbursement Criteria:
 The Department allocates funding to Delaware County for contracted services provided by Elwyn Institute. Disbursements are based on that allocation.

VI. EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 Intellectual Disabilities - Lansdowne Residential
 Services (Elwyn Institute)

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
GRANT & SUBSIDY				
1. Provides base grant and subsidy funding at the Fiscal Year 2015-2016 allocation level of \$0.340 million in State funds:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Grant & Subsidy	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

INTELLECTUAL DISABILITIES - LANSDOWNE RESIDENTIAL SERVICES

PROGRAM STATEMENT

This appropriation provides funds through the Delaware County Mental Health and Intellectual Disabilities Program for the operating costs of a sheltered workshop providing pre-vocational services. A sheltered workshop building was constructed by the Department of General Services a number of years ago for this purpose. A total of 39 people receive services through the sheltered workshop. The Governor's Executive Budget for Fiscal Year 2016-2017 includes a total of \$0.340 million in state funds for this appropriation.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A1.6, A1.20, C1.10, E30.2, E30.6,
E30.15, E30.27, E30.29, E30.39-40

APPROPRIATION:
Autism Intervention and Services

I. SUMMARY FINANCIAL DATA	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted
State Funds	\$19,169	\$21,501	\$23,978
Federal Funds Total	\$17,467	\$18,863 ¹	\$22,273
Federal Sources Itemized			
<i>Medical Assistance - Autism Intervention Services</i>	\$17,467	\$18,863	\$22,273
Other Funds Total	\$0	\$0	\$0
Total	\$36,636	\$40,364	\$46,251
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds Total		\$325	
Federal Sources Itemized			
<i>Medical Assistance - Autism Intervention Services</i>		\$325	
Total		\$325	
 ¹ Includes a recommended supplemental appropriation of \$0.325 million. Appropriation Act 10-A of 2015 provided \$18.538 million for this program in Fiscal Year 2015-2016.			

II. DETAIL BY MAJOR OBJECT
(\$ Amounts in Thousands)

APPROPRIATION:
Autism Intervention and Services

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$1,065	\$1,319	\$1,319	\$0	0.00%
Federal Funds	\$1,110	\$1,143	\$1,143	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$2,175	\$2,462	\$2,462	\$0	0.00%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$18,104	\$19,052	\$22,659	\$3,607	18.93%
Federal Funds	(\$1,585)	(\$1,143)	(\$1,206)	(\$63)	5.51%
Other Funds	\$17,467	\$18,863	\$22,273	\$3,410	18.08%
Total Grant & Subsidy	\$33,986	\$36,772	\$43,726	\$6,954	18.91%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$1,130	\$0	(\$1,130)	-100.00%
Federal Funds	\$475	\$0	\$63	\$63	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$475	\$1,130	\$63	(\$1,067)	-94.42%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$19,169	\$21,501	\$23,978	\$2,477	11.52%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$17,467	\$18,863	\$22,273	\$3,410	18.08%
Total Funds	\$36,636	\$40,364	\$46,251	\$5,887	14.58%

APPROPRIATION:
Autism Intervention and Services

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
	State Funds	\$137	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
	State/Federally Funded		
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget provides \$23.978 million in State funds; an increase of \$2.477 million over the Fiscal Year 2015-2016 appropriation level of \$21.501 million. The Fiscal Year 2016-2017 Governor's Executive Budget provides \$22.273 million in Federal funding for Medical Assistance - Autism Intervention and Services; an increase of \$3.410 million over the Fiscal Year 2015-2016 appropriation level of \$18.863 million.

Detail on the appropriation is outlined in Section VI entitled "Explanation of Changes" on the next page.

Legislative Citations:

62 P.S. § 201

Disbursement Criteria:

Payments are disbursed upon successful completion of prepayment screens and edits, and available funding.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Autism Intervention and Services			
	State \$	Federal \$	Other \$	Total
GRANT & SUBSIDY				
1. The Fiscal Year 2016-2017 Governor's Executive Budget provides an increase for the Autism Waiver program average cost per consumer from \$3,805.91 in Fiscal Year 2015-2016 to \$4,287.71 in Fiscal Year 2016-2017:	\$1,405	\$1,520	\$0	\$2,925
2. The Fiscal Year 2016-2017 Governor's Executive Budget provides an increase in the Autism Waiver monthly average consumers from 506 in Fiscal Year 2015-2016 to 518 in Fiscal Year 2016-2017:	\$300	\$325	\$0	\$625
3. The Fiscal Year 2016-2017 Governor's Executive Budget maintains the Autism Waiver residential room and board monthly average consumers at 23 in Fiscal Year 2016-2017:	\$0	\$0	\$0	\$0
4. The Fiscal Year 2016-2017 Governor's Executive Budget provides an increase in the monthly average Autism Waiver Room and Board rates from \$958.03 in Fiscal Year 2015-2016 to \$998.75 in Fiscal Year 2016-2017:	\$5	\$6	\$0	\$11
5. The Fiscal Year 2016-2017 Governor's Executive Budget provides an increase in the Adult Community Autism Program (ACAP) monthly average consumers from 147 in Fiscal Year 2015-2016 to 152 in Fiscal Year 2016-2017:	\$139	\$151	\$0	\$290
6. The Fiscal Year 2016-2017 Governor's Executive Budget reflects a decrease in ACAP monthly average rates from \$5,348.43 in Fiscal Year 2015-2016 to \$5,264.00 in Fiscal Year 2016-2017:	(\$72)	(\$78)	\$0	(\$150)
7. Impact of the change in the Federal Medical Assistance Percentage from 52.01 percent to 51.78 percent, effective October 1, 2016. Full-year blended rate decreases from 51.9625 percent to 51.8375 percent:	\$31	(\$31)	\$0	\$0
8. Impact of the 50 new autism waiver consumers for the annualization of the Fiscal Year 2015-2016 Human Services Waiting List Reduction Initiative:	\$794	\$852	\$0	\$1,646
9. Impact of the loss of enhanced Federal funding associated with the Balancing Incentive Program which expired on September 30, 2015:	\$230	(\$230)	\$0	\$0
Subtotal Grants & Subsidy	\$2,832	\$2,515	\$0	\$5,347
BUDGETARY RESERVE				
1. Impact of excess Fiscal Year 2016-2017 Federal spending authority and impact of reduced Fiscal Year 2016-2017 State spending authority:	(\$1,130)	\$63	\$0	(\$1,067)
Subtotal Budgetary Reserve	(\$1,130)	\$63	\$0	(\$1,067)

VI. EXPLANATION OF CHANGES CONTINUED

(\$ Amounts in Thousands)

APPROPRIATION:

Autism Intervention and Services

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total</u>
FISCAL YEAR 2016-2017 INITIATIVES				
GRANT & SUBSIDY				
1. Expanded Services for Individuals with Disabilities				
A. To provide home and community-based services for 100 additional adults with autism spectrum disorders through the Autism waiver:				
	\$775	\$832	\$0	\$1,607
TOTAL	<u>\$2,477</u>	<u>\$3,410</u>	<u>\$0</u>	<u>\$5,887</u>

**Autism Services
Fiscal Year 2015-2016 Available**

	<u>State</u>	<u>Fed</u>	<u>Total</u>
CONSUMERS			
Autism Waiver Consumers	\$11,118,000	\$11,983,000	\$23,101,000
Residential Room and Board	\$263,000	\$0	\$263,000
ACAP Consumers	\$4,545,000	\$4,917,000	\$9,462,000
Subtotal - Consumers	\$15,926,000	\$16,900,000	\$32,826,000
OPERATING			
ADULT SYSTEMS DEVELOPMENT			
Consulting - Autism Program Development (Truhaven)	\$100,000	\$100,000	\$200,000
Consulting - Rate Setting (Mercer)	\$75,000	\$75,000	\$150,000
Island Peer Review Organization	\$22,000	\$68,000	\$90,000
Subtotal - Adult System Development	\$197,000	\$243,000	\$440,000
Contract Staff	\$900,000	\$900,000	\$1,800,000
Training and Technical Assistance (Tuscarora)	\$222,000	\$0	\$222,000
Subtotal - Operating	\$1,319,000	\$1,143,000	\$2,462,000
Special Initiatives/pilots (ineligible for Fed match)			
Drexel University	\$960,000	\$0	\$960,000
University of Pittsburgh Medical Center Shadyside	\$960,000	\$0	\$960,000
Penn State/Hershey	\$960,000	\$0	\$960,000
Subtotal - Special Initiatives/Pilots	\$2,880,000	\$0	\$2,880,000
Balance Incentive Program	(\$230,000)	\$230,000	\$0
2015 Initiatives			
Human Services Waiting List Reduction (Impact of adding 50 additional consumers to the Autism Waiver)	\$445,000	\$482,000	\$927,000
Rollbacks	\$0	\$0	\$0
Miscellaneous			
Tuscarora (Supplies, Audit Fee, and Copier Lease)	\$14,000	\$91,000	\$105,000
Tuscarora Administration Fee	\$17,000	\$17,000	\$34,000
Total Miscellaneous	\$31,000	\$108,000	\$139,000
Budgetary Reserve	\$1,130,000	\$0	\$1,130,000
Total Program Need	\$21,501,000	\$18,863,000	\$40,364,000
Supplemental needed	\$0	\$325,000	\$325,000
	Average Monthly No of Consumers	Average Cost/Consumer	
ACAP	147	\$5,348	
Autism Waiver	506	\$3,806	
Autism Waiver Additional Consumers FY 15-16	50	\$3,786	
Total	703	\$4,314	

**Autism Services
Fiscal Year 2016-2017 Governor's Executive Budget**

	State	Fed	Total
CONSUMERS			
Autism Waiver Consumers	\$12,836,000	\$13,816,000	\$26,652,000
Residential Room and Board	\$274,000	\$0	\$274,000
ACAP Consumers	\$4,624,000	\$4,977,000	\$9,601,000
Subtotal - Consumers	\$17,734,000	\$18,793,000	\$36,527,000
OPERATING			
ADULT SYSTEMS DEVELOPMENT			
Consulting - Autism Program Development (Truhaven)	\$100,000	\$100,000	\$200,000
Consulting - Rate Setting (Mercer)	\$75,000	\$75,000	\$150,000
Island Peer Review Organization	\$22,000	\$68,000	\$90,000
Subtotal - Adult System Development	\$197,000	\$243,000	\$440,000
Contract Staff	\$900,000	\$900,000	\$1,800,000
Training and Technical Assistance (Tuscarora)	\$222,000	-	\$222,000
Subtotal - Operating	\$1,319,000	\$1,143,000	\$2,462,000
Special Initiatives/pilots (ineligible for Fed match)			
Drexel University	\$960,000	\$0	\$960,000
University of Pittsburgh Medical Center Shadyside	\$960,000	\$0	\$960,000
Penn State/Hershey	\$960,000	\$0	\$960,000
Subtotal - Special Initiatives/Pilots	\$2,880,000	\$0	\$2,880,000
2015-2016 Initiatives Annualized			
Human Services Waiting List Reduction			
Impact of adding 50 additional consumers to the Autism Waiver	\$1,239,000	\$1,334,000	\$2,573,000
2016-2017 Initiatives			
Expanded Services for Individuals with Disabilities			
To provide home and community-based services for 100 additional adults with autism spectrum disorders	\$775,000	\$832,000	\$1,607,000
Miscellaneous			
Tuscarora (Supplies, Audit Fee, and Copier Lease)	\$14,000	\$91,000	\$105,000
Tuscarora Administration Fee	\$17,000	\$17,000	\$34,000
Total Miscellaneous	\$31,000	\$108,000	\$139,000
Budgetary Reserve	\$0	\$63,000	\$63,000
Total Program Need	\$23,978,000	\$22,273,000	\$46,251,000

	Average Monthly No of Consumers	Average Cost/Consumer
ACAP	152	\$5,264
Autism Waiver	518	\$4,288
Autism Waiver Additional Consumers FY 15-16	50	\$4,288
Autism Waiver Additional Consumers FY 16-17	100	\$3,333
Total	820	\$4,293

**FISCAL YEAR 2016-2017 Governor's Executive Budget
Autism Waiver**

FISCAL YEAR 2015-2016 CONSUMER SERVICE COSTS

	Total \$	Federal \$	State \$	Users	Total \$ per User
JULY 2015	\$1,591,941	\$821,815	\$770,126	490	\$3,248.86
AUGUST	\$2,115,321	\$1,091,723	\$1,023,598	496	\$4,264.76
SEPTEMBER	\$1,391,884	\$719,623	\$672,261	472	\$2,948.91
OCTOBER	\$2,633,642	\$1,360,162	\$1,273,479	500	\$5,267.28
NOVEMBER	\$1,684,723	\$872,826	\$811,896	498	\$3,382.98
DECEMBER	\$1,923,532	\$1,000,429	\$923,103	508	\$3,786.48
JANUARY 2016	\$1,953,823	\$1,016,184	\$937,640	516	\$3,786.48
FEBRUARY	\$1,961,396	\$1,020,122	\$941,274	518	\$3,786.48
MARCH	\$1,961,396	\$1,020,122	\$941,274	518	\$3,786.48
APRIL	\$1,961,396	\$1,020,122	\$941,274	518	\$3,786.48
MAY	\$1,961,396	\$1,020,122	\$941,274	518	\$3,786.48
JUNE	\$1,961,396	\$1,020,122	\$941,274	518	\$3,786.48
Subtotal	\$23,101,847	\$11,983,374	\$11,118,474	506	\$3,805.91
				6,070	\$45,670.87

FISCAL YEAR 2015-2016 RESIDENTIAL ROOM AND BOARD

	Total \$	Federal \$	State \$	Users	Total \$ per User
JULY 2015	\$16,456	\$0	\$16,456	22	\$748.01
AUGUST	\$21,065	\$0	\$21,065	23	\$915.89
SEPTEMBER	\$19,454	\$0	\$19,454	24	\$810.56
OCTOBER	\$31,465	\$0	\$31,465	27	\$1,165.37
NOVEMBER	\$31,688	\$0	\$31,688	21	\$1,508.93
DECEMBER	\$20,407	\$0	\$20,407	23	\$906.99
JANUARY 2016	\$20,407	\$0	\$20,407	23	\$906.99
FEBRUARY	\$20,407	\$0	\$20,407	23	\$906.99
MARCH	\$20,407	\$0	\$20,407	23	\$906.99
APRIL	\$20,407	\$0	\$20,407	23	\$906.99
MAY	\$20,407	\$0	\$20,407	23	\$906.99
JUNE	\$20,407	\$0	\$20,407	23	\$906.99
TOTAL	\$262,979	\$0	\$262,979	23	\$958.03

FISCAL YEAR 2016-2017 CONSUMER SERVICE COSTS

	Total \$	Federal \$	State \$	Users	Total \$ per User
JULY 2016	\$2,221,034	\$1,155,160	\$1,065,874	518	\$4,287.71
AUGUST	\$2,221,034	\$1,155,160	\$1,065,874	518	\$4,287.71
SEPTEMBER	\$2,221,034	\$1,155,160	\$1,065,874	518	\$4,287.71
OCTOBER	\$2,221,034	\$1,150,051	\$1,070,982	518	\$4,287.71
NOVEMBER	\$2,221,034	\$1,150,051	\$1,070,982	518	\$4,287.71
DECEMBER	\$2,221,034	\$1,150,051	\$1,070,982	518	\$4,287.71
JANUARY 2017	\$2,221,034	\$1,150,051	\$1,070,982	518	\$4,287.71
FEBRUARY	\$2,221,034	\$1,150,051	\$1,070,982	518	\$4,287.71
MARCH	\$2,221,034	\$1,150,051	\$1,070,982	518	\$4,287.71
APRIL	\$2,221,034	\$1,150,051	\$1,070,982	518	\$4,287.71
MAY	\$2,221,034	\$1,150,051	\$1,070,982	518	\$4,287.71
JUNE	\$2,221,034	\$1,150,051	\$1,070,982	518	\$4,287.71
Subtotal	\$26,652,404	\$13,815,940	\$12,836,464	518	\$4,287.71
				6,216	\$51,452.52

FISCAL YEAR 2016-2017 RESIDENTIAL ROOM AND BOARD

	Total \$	Federal \$	State \$	Users	Total \$ per User
JULY 2016	\$22,846	\$0	\$22,846	23	\$998.75
AUGUST	\$22,846	\$0	\$22,846	23	\$998.75
SEPTEMBER	\$22,846	\$0	\$22,846	23	\$998.75
OCTOBER	\$22,846	\$0	\$22,846	23	\$998.75
NOVEMBER	\$22,846	\$0	\$22,846	23	\$998.75
DECEMBER	\$22,846	\$0	\$22,846	23	\$998.75
JANUARY 2017	\$22,846	\$0	\$22,846	23	\$998.75
FEBRUARY	\$22,846	\$0	\$22,846	23	\$998.75
MARCH	\$22,846	\$0	\$22,846	23	\$998.75
APRIL	\$22,846	\$0	\$22,846	23	\$998.75
MAY	\$22,846	\$0	\$22,846	23	\$998.75
JUNE	\$22,846	\$0	\$22,846	23	\$998.75
TOTAL	\$274,157	\$0	\$274,157	23	\$998.75

**FISCAL YEAR 2016-2017 Governor's Executive Budget
ACAP**

FISCAL YEAR 2014-2015 CONSUMER SERVICE COSTS

	Total \$	Federal \$	State \$	Users	Total \$ per User
JULY 2014	\$762,137	\$407,896	\$354,242	139	\$5,483.00
AUGUST	\$767,620	\$410,830	\$356,790	140	\$5,483.00
SEPTEMBER	\$773,103	\$413,485	\$359,618	141	\$5,483.00
OCTOBER	\$767,620	\$397,781	\$369,839	142	\$5,405.77
NOVEMBER	\$767,620	\$397,781	\$369,839	142	\$5,405.77
DECEMBER	\$762,137	\$394,939	\$367,198	141	\$5,405.23
JANUARY 2015	\$767,620	\$397,781	\$369,839	141	\$5,444.11
FEBRUARY	\$767,620	\$397,781	\$369,839	142	\$5,405.77
MARCH	\$767,620	\$397,781	\$369,839	141	\$5,444.11
APRIL	\$762,137	\$394,939	\$367,198	141	\$5,405.23
MAY	\$767,620	\$397,781	\$369,839	140	\$5,483.00
JUNE	\$762,137	\$394,939	\$367,198	141	\$5,405.23
Subtotal	\$9,194,991	\$4,803,712	\$4,391,279	141	\$5,437.61
				1,691	\$65,251.27

FISCAL YEAR 2015-2016 CONSUMER SERVICE COSTS

	Total \$	Federal \$	State \$	Users	Total \$ per User
JULY 2015	\$767,620	\$397,801	\$369,819	140	\$5,483.00
AUGUST	\$767,620	\$397,791	\$369,829	141	\$5,444.11
SEPTEMBER	\$778,586	\$403,494	\$375,092	142	\$5,483.00
OCTOBER	\$778,586	\$404,943	\$373,643	142	\$5,483.00
NOVEMBER	\$778,586	\$404,943	\$373,643	142	\$5,483.00
DECEMBER	\$789,600	\$410,671	\$378,929	150	\$5,264.00
JANUARY 2016	\$800,128	\$416,147	\$383,981	152	\$5,264.00
FEBRUARY	\$800,128	\$416,147	\$383,981	152	\$5,264.00
MARCH	\$800,128	\$416,147	\$383,981	152	\$5,264.00
APRIL	\$800,128	\$416,147	\$383,981	152	\$5,264.00
MAY	\$800,128	\$416,147	\$383,981	152	\$5,264.00
JUNE	\$800,128	\$416,147	\$383,981	152	\$5,264.00
Subtotal	\$9,461,366	\$4,916,523	\$4,544,843	147	\$5,348.43
				1,769	\$64,181.11

FISCAL YEAR 2016-2017 CONSUMER SERVICE COSTS

	Total \$	Federal \$	State \$	Users	Total \$ per User
JULY 2016	\$800,128	\$416,147	\$383,981	152	\$5,264.00
AUGUST	\$800,128	\$416,147	\$383,981	152	\$5,264.00
SEPTEMBER	\$800,128	\$416,147	\$383,981	152	\$5,264.00
OCTOBER	\$800,128	\$414,306	\$385,822	152	\$5,264.00
NOVEMBER	\$800,128	\$414,306	\$385,822	152	\$5,264.00
DECEMBER	\$800,128	\$414,306	\$385,822	152	\$5,264.00
JANUARY 2017	\$800,128	\$414,306	\$385,822	152	\$5,264.00
FEBRUARY	\$800,128	\$414,306	\$385,822	152	\$5,264.00
MARCH	\$800,128	\$414,306	\$385,822	152	\$5,264.00
APRIL	\$800,128	\$414,306	\$385,822	152	\$5,264.00
MAY	\$800,128	\$414,306	\$385,822	152	\$5,264.00
JUNE	\$800,128	\$414,306	\$385,822	152	\$5,264.00
Subtotal	\$9,601,536	\$4,977,196	\$4,624,340	152	\$5,264.00
				1,824	\$63,168.00

AUTISM INTERVENTION AND SERVICES

PROGRAM STATEMENT

Autism Spectrum Disorder (ASD), commonly referred to as autism, is a developmental disability that can cause significant social, communication, and behavioral challenges. The need for adult autism services is demonstrated by the rapidly growing numbers of Pennsylvanians living with autism. According to the Pennsylvania Autism Census, there are more than 55,000 children and adults with autism living in Pennsylvania, an increase of over 180 percent from 2005. The estimated number of adults with autism in Pennsylvania is currently 17,075, and the number of adults with autism that may need services is expected to reach over 46,000 by 2020.

Based on the results of the Pennsylvania Autism Needs Assessment, 85 percent of individuals with autism also have another diagnosis such as an intellectual disability, physical health challenges, or mental health issues. Individuals with autism and their families need a range of services to live as independently as possible, participate in their communities, and enrich their quality of life.

The mission of the Office of Developmental Programs, Bureau of Autism Services (BAS) is to develop and manage services and supports to enhance the quality of life of Pennsylvanians with autism and to support their families and caregivers. BAS primarily carries out its mission through the creation and administration of adult service delivery models. In addition, BAS supports people with autism of all ages through three additional means: the development of family support programs and training programs to increase provider capacity; by providing technical assistance and autism expertise to other Department of Human Services' offices and government agencies; and through the statewide Autism Services, Education, Resources and Training (ASERT) Collaborative.

The ASERT Collaborative, established in 2009, serves as the Commonwealth's resource for individuals with autism and their families. The purpose of the ASERT Collaborative is to improve access to quality services and interventions, provide information and support to families, train professionals in best practices, and facilitate program development. ASERT supports BAS's efforts to continually improve the quality of its programs and connects existing resources and pockets of expertise to address regional gaps in effective services and supports. Additionally, ASERT serves as a valuable resource to the BAS staff and BAS provider networks supporting its program participants. ASERT collects and analyzes information about BAS programs in order to help inform change. Each year, ASERT supports an estimated 40,000 individuals, families, and professionals through their clinical services, training and outreach efforts, and their reach continues to expand significantly each year. This includes providing support through calls, emails, and newsletter distribution, as well as through the provision of information, resources, or services through online and face-to-face outreach initiatives. Since its launch in 2013, the ASERT Statewide Resource Center has had a significant impact supporting thousands of individuals, families, and professionals through the provision of information and resources.

Pennsylvania has emerged as a national leader in developing autism policy and services. At the forefront has been the development of two innovative service delivery models designed specifically for adults with a diagnosis of ASD: the Adult Autism Waiver (AAW) and the Adult Community Autism Program (ACAP). These programs are outcome-based and have been designed to assist participants in gaining the greatest level of independence possible, encourage involvement in community life, improve social skills, and provide support to caregivers. These two programs are uniquely different from other Pennsylvania direct service models in that they are specifically designed to meet the needs of people with autism, are administered at the state level, and do not use IQ as an eligibility factor. Providers of services under the programs are required to complete autism-specific training and to demonstrate competency.

The AAW received approval from the Centers for Medicare and Medicaid Services (CMS) in May 2008 and became effective on July 1st of that year. It is a fee-for-service Home and Community Based Services program which is administered at the state level. Priority for enrollment is given to individuals not

receiving ongoing services. It is available statewide and has the current capacity to support 568 adults with autism.

The ACAP model was approved by CMS in January 2009. ACAP is a managed care model with one rate paid to one provider for integrated physical health, behavioral health, and community services. The program is currently available only in Lancaster, Cumberland, Dauphin, and Chester counties and has the current capacity to support 152 individuals.

BAS is also responsible for the provision and approval of autism-specific trainings within the Pennsylvania Autism Insurance Act (Act 62) Behavior Specialist License requirements. One component of the law is that professional behavior specialists who provide services to children with autism under the age of 21 must have a Behavior Specialist license or a license whose scope of practice includes the diagnostic assessment or treatment of ASD. Additional components of the law remain outside of the BAS purview to implement and administer; however, BAS is leading the cross-agency implementation of Act 62.

FISCAL YEAR 2016-2017 INITIATIVE - EXPANDED SERVICES FOR INDIVIDUALS WITH DISABILITIES

The Fiscal Year 2016-2017 Governor's Executive Budget provides \$0.775 million in state funds to provide home and community-based services for 100 additional adults with autism spectrum disorders. The Adult Autism Waiver currently has a capacity to serve 568 individuals and this initiative will increase the capacity to 668.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A1.20, A1.25, A3.7-8, C1.8, E30.7, E30.30-32,
E30.40

APPROPRIATION:
County Child Welfare

I. SUMMARY FINANCIAL DATA

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted
State Funds	\$1,081,521	\$949,726	\$1,149,523
Federal Funds Total	\$424,377	\$424,758	\$427,710
Federal Sources Itemized			
<i>Child Welfare Services</i>	\$13,759	\$13,640	\$13,640
<i>Child Welfare - Title IV-E</i>	\$318,241	\$318,741	\$321,693
<i>Medical Assistance - Child Welfare</i>	\$1,411	\$1,411	\$1,411
<i>TANFBG - Child Welfare</i>	\$58,508	\$58,508	\$58,508
<i>SSBG - Child Welfare</i>	\$12,021	\$12,021	\$12,021
<i>Child Welfare Training and Certification</i>	\$15,688	\$15,688	\$15,688
<i>Community Based Family Resource and Support</i>	\$134	\$134	\$134
<i>Child Abuse Prevention and Treatment</i>	\$2,100	\$2,100	\$2,100
<i>Title IV-B - Caseworker Visits</i>	\$1,365	\$1,365	\$1,365
<i>Children Justice Act</i>	\$1,150	\$1,150	\$1,150
Other Funds Total	\$305	\$1,003	\$1,003
<i>Casey Family Project</i>	\$25	\$50	\$50
<i>Birth Certificate - Mandated Reporter Training</i>	\$280	\$953	\$953
Total	\$1,506,203	\$1,375,487	\$1,578,236

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$0
Federal Funds Total	\$0
Total	\$0

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: County Child Welfare				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
<i>State Funds</i>	\$6,499	\$6,499	\$6,499	\$0	0.00%
<i>Federal Funds</i>	\$5,079	\$5,079	\$5,079	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$11,578	\$11,578	\$11,578	\$0	0.00%
FIXED ASSETS					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$1,075,022	\$943,227	\$1,143,024	\$199,797	21.18%
<i>Federal Funds</i>	\$419,298	\$419,358	\$422,310	\$2,952	0.70%
<i>Other Funds</i>	\$305	\$1,003	\$1,003	\$0	0.00%
Total Grant & Subsidy	\$1,494,625	\$1,363,588	\$1,566,337	\$202,749	14.87%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$266	\$266	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$266	\$266	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$55	\$55	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$55	\$55	\$0	0.00%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$1,081,521	\$949,726	\$1,149,523	\$199,797	21.04%
<i>Federal Funds</i>	\$424,377	\$424,758	\$427,710	\$2,952	0.69%
<i>Other Funds</i>	\$305	\$1,003	\$1,003	\$0	0.00%
Total Funds	\$1,506,203	\$1,375,487	\$1,578,236	\$202,749	14.74%

APPROPRIATION:
County Child Welfare

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget provides the following State funds:

	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Increase/ (Decrease)
Needs-Based Allocations	\$991,425	\$1,008,571	\$17,146
Less: Adjustments YDC/YFC Billings	(\$21,238)	(\$21,307)	(\$69)
Roll Forward 2016-2017	(\$172,739)	\$172,739	\$345,478
Roll Forward 2017-2018	\$0	(\$179,126)	(\$179,126)
Plus: Special Grants	\$152,278	\$168,646	\$16,368
Total State Funds	\$949,726	\$1,149,523	\$199,797

The Fiscal Year 2016-2017 Governor's Executive Budget provides a \$199.797 million increase in State funds over the Fiscal Year 2015-2016 level of \$949.726 million. The Fiscal Year 2016-2017 Governor's Executive Budget provides \$321.693 million in Federal funding for Child Welfare - Title IV-E; an increase of \$2.952 million over the Fiscal Year 2015-2016 funding level. The Fiscal Year 2016-2017 Governor's Executive Budget maintains Federal funding at the Fiscal Year 2015-2016 level for the following appropriations: Child Welfare Services - Title IV-B, Medical Assistance, Temporary Assistance to Needy Family Block Grant, Social Services Block Grant (Title XX), Community Based Family Resources and Support, Child Welfare Training and Certification, Child Abuse Prevention and Treatment Act, Title IV-B Caseworker Visits and Children's Justice Act Award.

Detail on the appropriation is outlined in Section VI entitled "Explanation of Changes" on the next page.

Legislative Citations:

62 P.S. § 704.1 et seq. ; 62 P.S. §1401-B et seq., 62 P.S. § 704.1

Disbursement Criteria:

Program allocations are developed based on Act 30 of 1991. Child Welfare needs-based budgets are submitted by counties and reviewed and approved by the Department. Funds are also disbursed to counties for special grants and for other child welfare-related costs.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: County Child Welfare			
	State \$	Federal \$	Other \$	Total
OPERATING				
1. The Fiscal Year 2016-2017 Governor's Executive Budget maintains \$6.499 million in State funds and \$5.079 million in Federal funds for operating expenditures at the Fiscal Year 2015-2016 level:	\$0	\$0	\$0	\$0
Subtotal Operating	\$0	\$0	\$0	\$0
GRANT & SUBSIDY				
1. Provides a net increase in State funds relating to the needs-based budget requirements mandated by Act 30 of 1991 including additional State needs-based budget requirements. Provides an increase of \$17.146 million over the Fiscal Year 2015-2016 funding level of \$991.425 million. Maintains the Fiscal Year 2015-2016 funding level of \$8.802 million for Federal Title IV-B Needs-Based Budget. Maintains the Fiscal Year 2015-2016 funding level of \$270.401 million for Federal Title IV-E Needs-Based Budget:	\$17,146	\$0	\$0	\$17,146
2. Impact of change in the county share of Youth Development Center/Youth Forestry Camp billings:	(\$69)	\$0	\$0	(\$69)
3. Provides an increase of \$2.936 million in State funds over the Fiscal Year 2015-2016 funding level of \$36.880 million for the Adoption Initiative Agreement. Provides an increase of \$2.170 million in Federal funding over the Fiscal Year 2015-2016 funding level of \$25.994 million for Child Welfare Title IV-E Statewide Adoptions and Permanency Network Grant (SWAN):	\$2,936	\$2,170	\$0	\$5,106
4. Maintains \$0.850 million in State funds for the Administrative Offices - PA Courts, \$1.400 million in State funds for Evidence-Based Evaluations, \$0.135 million in State funds for Child Abuse Prevention Education and \$6.146 million in State funds for the County - Wide Training (CWT) agreements, Child Welfare Education for Leadership (CWEL) and Child Welfare Education for Baccalaureate (CWEB) programs:	\$0	\$0	\$0	\$0
5. Provides an increase of \$2.426 million in State funds over the Fiscal Year 2015-2016 funding level of \$21.607 million for Independent Living grants for individuals ages 18 to 21 years. The increased funding provides services to discharged youths. Provides an increase of \$0.630 million in Federal funds over the Fiscal Year 2015-2016 funding level of \$1.780 million for Child Welfare Title IV-E Independent Living Educational Vouchers:	\$2,426	\$630	\$0	\$3,056

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: County Child Welfare			
	State \$	Federal \$	Other \$	Total
GRANT & SUBSIDY (Continued)				
6. Provides an increase of \$2.836 million in State funds over the Fiscal Year 2015-2016 funding level of \$23.738 million for Information Technology grants to the counties. Provides an increase of \$0.152 million in Federal funding over the Fiscal Year 2016-2016 level of \$4.317 million for Child Welfare Title IV-E Information Technology Grants:	\$2,836	\$152	\$0	\$2,988
7. Provides an increase of \$4.948 million in State funds over the Fiscal Year 2015-2016 funding level of \$13.167 million for Evidence-Based Practices grants:	\$4,948	\$0	\$0	\$4,948
8. Provides an increase of \$1.146 million in State funds over the Fiscal Year 2015-2016 funding level of \$2.880 million for Pennsylvania Promising Practices grants:	\$1,146	\$0	\$0	\$1,146
9. Provides an increase of \$0.011 million in State funds over the Fiscal Year 2015-2016 funding level of \$3.982 million for Housing Initiative grants:	\$11	\$0	\$0	\$11
10. Provides an increase of \$0.599 million in State funds over the Fiscal Year 2015-2016 funding level of \$2.892 million for Truancy grants:	\$599	\$0	\$0	\$599
11. Impact of payment shift to fund County Child Welfare on a cash basis:	\$166,352	\$0	\$0	\$166,352
Subtotal Grant & Subsidy	\$198,331	\$2,952	\$0	\$201,283
NONEXPENSE				
1. Maintains \$0.266 million sub-grant to Pennsylvania Commission on Crime and Delinquency:	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0
BUDGETARY RESERVE				
1. Maintains \$0.055 million in Federal Budgetary Reserve:	\$0	\$0	\$0	\$0
Subtotal Budgetary Reserve	\$0	\$0	\$0	\$0
FISCAL YEAR 2016-2017 INITIATIVES				
GRANT & SUBSIDY				
1. Human Services Funding Restoration				
A. Provides funding to restore one-third of the cuts to seven human services appropriations to offset Fiscal Year 2012-2013 funding cuts:	\$1,466	\$0	\$0	\$1,466
Subtotal Initiatives	\$1,466	\$0	\$0	\$1,466
TOTAL	\$199,797	\$2,952	\$0	\$202,749

DEPARTMENT OF HUMAN SERVICES
 FY 2016-2017 GOVERNOR'S EXECUTIVE BUDGET
 County Child Welfare Model (State Funds)
 (\$ Amounts in Thousands)

State Funds - Appropriation 102660000	FY 2015-2016 Available	2016-2017 December Update	2016-2017 PRRS/ Initiatives	2016-2017 Budgeted	Change from FY 2016-2017 Budgeted vs. FY 2015-2016 Available
Tentative Needs-Based Allocations					
Carry forward Needs-Based Requirement	\$991,425	\$1,008,571	\$0	\$1,008,571	\$17,146
Roll Forward FY 2016-2017	(\$172,739)	\$172,739	\$0	\$172,739	\$345,478
Roll Forward FY 2017-2018	\$0	(\$179,126)	\$0	(\$179,126)	(\$179,126)
Subtotal	\$818,686	\$1,002,184	\$0	\$1,002,184	\$183,498
Less: Interim YDC/YFC Billings (County Share)	(\$21,238)	(\$21,307)	\$0	(\$21,307)	(\$69)
Plus: Special Grants (See Below)	\$152,278	\$167,180	\$1,466	\$168,646	\$16,368
TOTAL STATE FUNDS	\$949,726	\$1,148,057	\$1,466	\$1,149,523	\$199,797

Special Grants	FY 2015-2016 Available	2016-2017 December Update	2016-2017 PRRS/ Initiatives	2016-2017 Budgeted	Change from FY 2016-2017 Budgeted vs. FY 2015-2016 Available
Operating:					
Adoptions Public Relations Campaign	\$542	\$542	\$0	\$542	\$0
Data Analysis CFSR	\$460	\$460	\$0	\$460	\$0
Title IV-E Compliance	\$4,149	\$4,149	\$0	\$4,149	\$0
Mandated Reporter Training (CAPTA) *	\$283	\$283	\$0	\$283	\$0
Civil Service Billings	\$1,065	\$1,065	\$0	\$1,065	\$0
Total Operating	\$6,499	\$6,499	\$0	\$6,499	\$0
Grants:					
Adoption Initiative Agreement	\$36,880	\$39,816	\$0	\$39,816	\$2,936
Administrative Offices - PA Courts	\$850	\$850	\$0	\$850	\$0
Evidence Based Evaluations	\$1,400	\$1,400	\$0	\$1,400	\$0
Independent Living Grants	\$21,607	\$24,033	\$0	\$24,033	\$2,426
Information Tech. Grants to Counties	\$23,738	\$26,574	\$0	\$26,574	\$2,836
Child Abuse Prevention Education	\$135	\$135	\$0	\$135	\$0
Training (CWT, CWEL, & CWEB)	\$6,146	\$6,146	\$0	\$6,146	\$0
Evidence Based Practices	\$13,167	\$18,115	\$0	\$18,115	\$4,948
Pennsylvania Promising Practices	\$2,880	\$4,026	\$0	\$4,026	\$1,146
Housing Initiatives	\$3,982	\$3,993	\$0	\$3,993	\$11
Truancy	\$2,892	\$3,491	\$0	\$3,491	\$599
Subtotal Grants	\$113,677	\$128,579	\$0	\$128,579	\$14,902
HSBG Block Grant Initiative Pilot:					
Thirty counties in the HSBG Pilot	\$32,102	\$32,102	\$1,466	\$33,568	\$1,466
Total Human Services Block Grant	\$32,102	\$32,102	\$1,466	\$33,568	\$1,466
Total Grants & HSBG	\$145,779	\$160,681	\$1,466	\$162,147	\$16,368
Total Special Grants	\$152,278	\$167,180	\$1,466	\$168,646	\$16,368

**COUNTY CHILD WELFARE
FY 2016-2017 GOVERNOR'S EXECUTIVE BUDGET
FEDERAL FUNDS MODEL
(\$ Amounts in Thousands)**

<u>Detail listing of Federal Funds:</u>	FY 2015-2016 Available	2016-2017 December Update	2016-2017 PRRS/ Initiatives	2016-2017 Budgeted	Change fro FY 2016-2017 Budgeted vs. FY 2015-2016 Available
Child Welfare Services - Title IV-B					
Needs-Based requirements Part 1	\$8,802	\$8,802	\$0	\$8,802	\$0
SWAN Part 2	\$2,505	\$2,505	\$0	\$2,505	\$0
Special Grants Part 2	\$2,299	\$2,299	\$0	\$2,299	\$0
Grant Total	\$13,606	\$13,606	\$0	\$13,606	\$0
Operating: Safe Haven Advertisements	\$34	\$34	\$0	\$34	\$0
Total - Operating & Grants	\$13,640	\$13,640	\$0	\$13,640	\$0
Title IV-E					
Needs-Based	\$270,401	\$270,401	\$0	\$270,401	\$0
Independent Living Grant	\$5,129	\$5,129	\$0	\$5,129	\$0
IL Educational Vouchers	\$1,780	\$2,410	\$0	\$2,410	\$630
Information Technology Grants	\$4,317	\$4,469	\$0	\$4,469	\$152
SWAN	\$25,994	\$28,164	\$0	\$28,164	\$2,170
Child Family Service Review/Data Analysis	\$275	\$275	\$0	\$275	\$0
Juvenile Probation Administrative Claiming	\$4,398	\$4,398	\$0	\$4,398	\$0
Child Welfare Training and Technical Assist.	\$52	\$52	\$0	\$52	\$0
Federal Match of Title IV-E compliance(PCG)	\$2,000	\$2,000	\$0	\$2,000	\$0
Grant Total	\$314,346	\$317,298	\$0	\$317,298	\$2,952
Operating:					
IV-E Compliance Review	\$1,606	\$1,606	\$0	\$1,606	\$0
Adoption Public Relations Campaign	\$289	\$289	\$0	\$289	\$0
Adoption Incentive Bonus	\$2,500	\$2,500	\$0	\$2,500	\$0
Operating Total	\$4,395	\$4,395	\$0	\$4,395	\$0
Total - Operating & Grants	\$318,741	\$321,693	\$0	\$321,693	\$2,952
Medical Assistance Needs-Based	\$1,356	\$1,356	\$0	\$1,356	\$0
TANF Needs-Based	\$58,508	\$58,508	\$0	\$58,508	\$0
SSBG (Title XX) Needs-Based	\$12,021	\$12,021	\$0	\$12,021	\$0
CBFRS Parent Anonymous	\$134	\$134	\$0	\$134	\$0
CW Training & Certification					
CWT, CWEL & CWEB	\$15,688	\$15,688	\$0	\$15,688	\$0
Child Abuse Prevention and Training Act					
Operating: Child Abuse Prevention & Treatment Act	\$650	\$650	\$0	\$650	\$0
Child Abuse Prevention & Treatment Act	\$1,050	\$1,050	\$0	\$1,050	\$0
Recruitment of Foster and Adoptive Families	\$400	\$400	\$0	\$400	\$0
Grants Sub Total	\$1,450	\$1,450	\$0	\$1,450	\$0
Total - Operating & Grants	\$2,100	\$2,100	\$0	\$2,100	\$0
Title IV-B - Caseworker Visits	\$1,365	\$1,365	\$0	\$1,365	\$0
Children's Justice Act	\$1,150	\$1,150	\$0	\$1,150	\$0
Total Operating	\$5,079	\$5,079	\$0	\$5,079	\$0
Budgetary Reserve	\$55	\$55	\$0	\$55	\$0
Total Grants	\$419,624	\$422,576	\$0	\$422,576	\$2,952
TOTAL FEDERAL FUNDS	\$424,758	\$427,710	\$0	\$427,710	\$2,952

COUNTY CHILD WELFARE

PROGRAM STATEMENT

The child welfare appropriation provides State and Federal funds to support the county-administered social services program for children and youth in each of the Commonwealth's 67 counties, as required in the County Code and the Human Services Code. Services are provided to dependent and delinquent children, as well as those needing prevention and/or intervention services, and their families. Eligibility for service is based on each child's need for service as determined by the county Children and Youth Agency and the Juvenile Probation Office. While services are provided without regard to income, the county children and youth agencies may establish fee scales based on a family's ability to pay to offset program costs. Services are provided to children in their own homes and, if necessary, in out-of-home placements.

Federal funds for child welfare services are available through Title IV-E, Title XX, Title XIX and Title IV-B of the Social Security Act. In addition, Temporary Assistance for Needy Families (TANF) funds are used to support these services.

- Title IV-E provides funding for children in placement, for independent living services, for adoption of eligible children, for permanent legal custodianship and certain administrative and training costs. Pennsylvania has been accepted by the Administration for Children and Families to be part of a Demonstration Project or IV-E waiver. Six Pennsylvania counties have chosen to be part of the Demonstration Project to produce better outcomes for those children served by the child welfare system.
- Title XX funds are used for preventing or remedying neglect, abuse or exploitation of children.
- Title XIX funds are earned for administrative activities related to Medical Assistance eligibility.
- Title IV-B provides funds to states to establish and strengthen in-home services.
- TANF funds are used for preventing or remedying neglect, abuse or exploitation of children.

Services provided by county children and youth programs under these appropriations include, but are not limited to: family reunification; adoption assistance; subsidized permanent legal custodianship; emergency and planned temporary placement; child protective services; and other services ordered by the court. Costs of these services are paid with blended Federal, State and county funds.

The Department provides reimbursement for expenditures that the county incurs in serving children and youth. Based on the type of services delivered, varying levels of State reimbursement are provided. Adoption services are reimbursed at 100 percent; Emergency Shelter services are reimbursed at 90 percent; foster family care, adoption subsidies, permanent legal custodianship subsidies, community-based placement and in-home services are reimbursed at 80 percent; institutional placement services, other than detention services, are reimbursed at 60 percent; administrative activities of county children and youth agencies are reimbursed at 60 percent; and detention costs are reimbursed at 50 percent. Act 30 of 1991 requires that the Department submit to the Governor its determination of the statewide child welfare funding needs based on a review of the needs-based plans and budgets submitted by counties.

In Fiscal Year 2012-2013, a 20 Human Services Block Grant pilot program was implemented to provide local governments with increased flexibility to address local needs. Under the pilot program, funding for the following seven programs was combined at the local level into a flexible Human Services Block Grant: Human Services Development Fund, Community Mental Health Services, Behavioral Health Services, Intellectual Disability Community Base Services, County Child Welfare Special Grants,

Homeless Assistance Programs, and Act 152 Drug and Alcohol Services. The 20 county pilot was expanded in Fiscal Year 2013-2014, allowing additional counties to participate on a voluntary basis. Ten counties were added in Fiscal Year 2013-2014 bringing the total number of Block Grant Counties to 30.

No additional expansion is currently anticipated and funding will continue to be provided from the individual appropriations.

The Promoting Safe and Stable Families program provides funds for family preservation, family support, time-limited family reunification, adoption promotion and support services. The Commonwealth's five-year plan was submitted to and approved by the Federal Department of Health and Human Services. This plan identifies the long and short term goals of the Child Welfare System with tasks and benchmarks for achieving the goals of safety, permanency and well-being. Funding is being used to promote community-wide collaborative efforts to address locally identified child and family needs including the Family Center Initiative, Integration of Children and Family Services, Time-Limited Family Reunification Services and the Child Welfare Training Program. To improve the Department's success in achieving permanence for children in placement who cannot be reunited with their birth families, and to assure the well-being of children in foster care, the Department is continuing the Statewide Adoption and Permanency Network (SWAN) and the Youth Independent Living Program.

Many children awaiting adoption have special needs that make it difficult to find adoptive homes. In Fiscal Year 1992-1993, the SWAN Program was established to place children with special needs in permanent homes. SWAN serves children in the custody of a county children and youth agency that may or may not have a goal of adoption in order to help them achieve permanency, whether that permanency is reunification, adoption, permanent legal custodianship or placement with a fit and willing relative. Funds are provided in the Governor's Executive Budget for Fiscal Year 2016-2017 to provide family recruitment services, adoptive placement services, post-adoption services, legal services and adoption training. As of September 30, 2015, Pennsylvania has 2,187 children in foster care with a court-ordered goal of adoption.

Pennsylvania's Independent Living Services Program is a State-supervised, county-administered grant program funded with Federal Title IV-E Chafee Foster Care Independence Program monies. Sixty-six counties are expected to request and receive grant funding to support a wide range of services including life skills training, counseling, education, vocational training, job placement and others to reduce teen pregnancies, drug use and violence. This program provides these services, as well as post-secondary education/supports and aftercare services, to youth under 21 years of age who have been discharged from placement. A portion of the funding may be made available to provide room and board for youth discharged from placement after age 18. As a result of the Foster Care Independence Act of 1999, states were provided with flexible funding that would enable them to design and conduct education and training voucher programs for youth who transition from foster care, and to assist youth in developing skills necessary to lead independent and productive lives. Pennsylvania has implemented a grant program for youth who have transitioned from foster care. This program offers vouchers for education and training, including postsecondary training and education.

The Department provides incentives through higher State reimbursement for the following special grants:

- Evidence-Based Practices have provided proven outcomes for the improvement of safety, permanency and well-being of children. These practices have and continue to play a crucial role in keeping children safely in their own homes.
- Pennsylvania Promising Practices, while not supported by evidence yet, also provide meaningful outcomes.
- Housing Grants provide funding to assist with securing housing and averting evictions/utility shut-offs, which are a useful means in maintaining family unity while the family may be in crisis. Children should not be removed from their family based solely on lack of adequate housing and

the availability of these funds to assist and supplement other housing funds that have been used to that end. Maintaining family stability through these grants is cost effective when compared with the costs of out-of-home placements.

- Truancy Grants provide funding to tackle the problem of truancy by supporting interventions with the family to identify the root cause of the problem.

FISCAL YEAR 2016-2017 INITIATIVE – HUMAN SERVICES FUNDING RESTORATION

The Fiscal Year 2016-2017 Human Services Funding Restoration initiative will restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-2013 funding cuts when the human services block grant pilot program was implemented. Specifically, the Governor's Executive Budget for Fiscal Year 2016-2017 includes a total of \$1.466 million in State funds in the County Child Welfare for this purpose. The balance of the Fiscal Year 2016-2017 funding proposed under this initiative is reflected under the other affected programs as identified above.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A1.19, C1.10, E30.7, E30.9, E30.33-34

APPROPRIATION:
Family Centers and Home Visiting

I. SUMMARY FINANCIAL DATA

	<u>2014-2015 Actual</u>	<u>2015-2016 Available</u>	<u>2016-2017 Budgeted</u>
State Funds	\$3,258	\$3,258	\$13,258
Federal Funds Total	\$8,742	\$9,042	\$23,342
Federal Sources Itemized			
<i>Family Preservation - Family Centers</i>	\$7,009	\$7,009	\$7,009
<i>Family Resource & Support - Family Centers</i>	\$480	\$480	\$480
<i>Title IV-B - Family Centers</i>	\$1,253	\$1,553 ¹	\$1,553
<i>MCH - Early Childhood Home Visiting</i>	\$0	\$0	\$14,300
Other Funds Total	\$0	\$0	\$0
Total	\$12,000	\$12,300	\$36,600

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$0
Federal Funds Total	\$300
Federal Sources Itemized	
<i>Title IV-B Family Centers</i>	<u>\$300</u>
Total	\$300

¹ Includes a recommended supplemental appropriation of \$0.300 million. Appropriation Act 10-A of 2015 provided \$1.253 million for this program in Fiscal Year 2015-2016.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)			APPROPRIATION: Family Centers and Home Visiting		
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0		0.00%
OPERATING					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$10	\$10	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$10	\$10	0.00%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$3,258	\$3,258	\$13,258	\$10,000	306.94%
Federal Funds	\$8,742	\$9,042	\$23,332	\$14,290	163.46%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$12,000	\$12,300	\$36,590	\$24,290	202.42%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$3,258	\$3,258	\$13,258	\$10,000	306.94%
Federal Funds	\$8,742	\$9,042	\$23,342	\$14,300	158.15%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$12,000	\$12,300	\$36,600	\$24,300	197.56%

APPROPRIATION: Family Centers and Home Visiting

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget provides \$13.258 million in State funds; an increase of \$10.000 million over the Fiscal Year 2015-2016 appropriation level of \$3.258 million. The Fiscal Year 2016-2017 Governor's Executive Budget maintains Federal Family Resource and Support - Family Centers at the Fiscal Year 2015-2016 funding level of \$0.480 million, Federal Family Preservation - Family Centers at the Fiscal Year 2015-2016 funding level of \$7.009 million and Federal Title IV-B - Family Centers at the Fiscal Year 2015-2016 level of \$1.553 million. The Fiscal Year 2016-2017 Governor's Executive Budget provides for the transfer of \$14.300 million in Federal funds for the Maternal and Child Health - Early Home Visiting fund from the Nurse Family Partnership State fund.

Legislative Citations:

62 P.S. §§ 201, 206

Disbursement Criteria:

Funds are expended through contracts with service providers.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Family Centers and Home Visiting			
	State \$	Federal \$	Other \$	Total
GRANT & SUBSIDY				
1. The Fiscal Year 2016-2017 Governor's Executive Budget maintains Federal Family Preservation - Family Centers at the Fiscal Year 2015-2016 funding level of \$7.009 million:	\$0	\$0	\$0	\$0
2. The Fiscal Year 2016-2017 Governor's Executive Budget maintains Federal Family Resource and Support - Family Centers funding at the Fiscal Year 2015-2016 funding level of \$0.480 million:	\$0	\$0	\$0	\$0
3. The Fiscal Year 2016-2017 Governor's Executive Budget maintains Federal Title IV-B - Family Centers funding at the Fiscal Year 2015-2016 level of \$1.553 million:	\$0	\$0	\$0	\$0
Subtotal Grant and Subsidy	\$0	\$0	\$0	\$0
FISCAL YEAR 2016-2017 INITIATIVES				
OPERATING				
1. Expand Evidence-Based Home Visiting:				
A. The Maternal and Child Health - Early Childhood Home Visiting Federal fund of \$0.010 million will be transferred from Nurse Family Partnership:	\$0	\$10	\$0	\$10
GRANT & SUBSIDY				
1. Expand Evidence-Based Home Visiting:				
A. Provides \$10.000 million in additional State funds to expand Evidence-Based Home Visiting services to more families. The four models funded in Pennsylvania through the current Federal program will be eligible for additional State funds. The Maternal and Child Health - Early Childhood Home Visiting Federal fund of \$14.290 million will be transferred from Nurse Family Partnership:	\$10,000	\$14,290	\$0	\$24,290
Subtotal Fiscal Year 2016-2016 Initiatives	\$10,000	\$14,300	\$0	\$24,300
TOTAL	\$10,000	\$14,300	\$0	\$24,300

FAMILY CENTERS AND HOME VISITING

PROGRAM STATEMENT

This appropriation supports 62 Family Centers in 28 Pennsylvania counties. Family Centers are designed to offer a variety of community services to assist parents in improving their child rearing skills. They allow families to choose from a variety of services including: parental support and education programs, the evidence-based Parents as Teachers home visitation/home-based early childhood education model, health care information, assistance in accessing health care services, child development activities, toy and resource libraries, and comprehensive information about services available in the community. Family Center services are provided on-site to families in their homes or through a referral to other agencies in the community. Collectively, Family Centers serve over 12,000 participating families. Each Family Center requires community planning, collaboration and commitment from key community members including: parents, local government representatives, educators, health providers and social service directors. This collaboration ensures that the community's strengths, needs and priorities are represented in the services provided by the Family Center. Program reviews of Family Centers have demonstrated measurable improvements in the lives of families who participate in the program.

FISCAL YEAR 2016-2017 INITIATIVE – EXPAND EVIDENCE-BASED HOME VISITING

The Fiscal Year 2016-2017 Governor's Executive Budget provides \$10.000 million in state funds to support the enrollment of children and reduce the average number of days an eligible family must wait for evidence-based home visiting services. This initiative also transfers the MCH - Early Childhood Home Visiting Federal fund to the new Family Centers and Home Visiting State fund from the Nurse Family Partnership State fund.

The Department of Human Services, Office of Child Development and Early Learning has been administering Maternal, Infant, and Early Childhood Home Visiting (MIECHV) grants since 2011. The MIECHV program was established by the Affordable Care Act to continue the delivery of voluntary, early childhood home visiting program services in response to a statewide needs assessment. This program is a shared commitment to comprehensive family services, coordinated and comprehensive voluntary statewide home visiting programs and effective implementation of high-quality evidence-based practices by the Health Resources and Services Administration and the Administration for Children and Families.

The MIECHV Formula Funded program is designed to:

- Strengthen and improve the programs and activities carried out under Title V of the Social Security Act;
- Improve coordination of services for at-risk communities;
- Identify and provide comprehensive services to improve outcomes for families who reside in at-risk communities.

MIECHV currently provides funding for programs including Early Head Start, Healthy Families America, Nurse-Family Partnership and Parents as Teachers.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A1.19, A1.25-26, A3.4, A3.7, E30.2, E30.7,
E30.33-34, E30.41

APPROPRIATION:
Child Care Services

I. SUMMARY FINANCIAL DATA

	<u>2014-2015 Actual</u>	<u>2015-2016 Available</u>	<u>2016-2017 Budgeted</u>
State Funds	\$155,691	\$155,691	\$167,691
Federal Funds Total	\$258,572	\$294,304	\$313,728
Federal Sources Itemized			
<i>CCDFBG - Child Care</i>	\$210,889	\$244,856	\$265,268
<i>CCDFBG - School Age</i>	\$1,260	\$1,260	\$1,260
<i>SSBG - Child Care</i>	\$30,977	\$30,977	\$30,977
<i>Head Start Collaboration Project</i>	\$225	\$258	\$258
<i>Early Learning Challenge Grant - Child Care</i>	\$15,221	\$16,953	\$15,965
Other Funds Total	\$0	\$0	\$0
Total	<u>\$414,263</u>	<u>\$449,995</u>	<u>\$481,419</u>

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$0
Federal Funds Total	\$0
Total	<u>\$0</u>

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Child Care Services				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$3,157	\$5,379	\$3,160	(\$2,219)	-41.25%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$3,157	\$5,379	\$3,160	(\$2,219)	-41.25%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$155,691	\$155,691	\$167,691	\$12,000	7.71%
Federal Funds	\$251,807	\$278,454	\$288,114	\$9,660	3.47%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$407,498	\$434,145	\$455,805	\$21,660	4.99%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$3,608	\$10,471	\$22,454	\$11,983	114.44%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$3,608	\$10,471	\$22,454	\$11,983	114.44%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$155,691	\$155,691	\$167,691	\$12,000	7.71%
Federal Funds	\$258,572	\$294,304	\$313,728	\$19,424	6.60%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$414,263	\$449,995	\$481,419	\$31,424	6.98%

APPROPRIATION:
Child Care Services

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$635	\$266	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget provides \$167.691 million in State funds; an increase of \$12.000 million over the Fiscal Year 2015-2016 funding level of \$155.691 million. The Fiscal Year 2016-2017 Governor's Executive Budget provides \$265.268 million in Federal funds for CCDFBG - Child Care; an increase of \$20.412 million over the Fiscal Year 2015-2016 funding levels of \$244.856 million. The Fiscal Year 2016-2017 Governor's Executive Budget reflects a decrease of \$0.988 million under the Fiscal Year 2015-2016 funding level of \$16.953 million for the Early Learning Challenge Grant - Child Care Services. The Fiscal Year 2016-2017 Governor's Executive Budget maintains the Federal CCDFBG - School Age and Federal SSBG - Child Care Services at the Fiscal Year 2015-2016 funding level of \$1.260 million and \$30.977 million. The Fiscal Year 2016-2017 Governor's Executive Budget maintains \$0.258 million for the Head Start Collaboration Project.

Details for the appropriation request are outlined in Section VI entitled "Explanation of Changes" on the next page.

Legislative Citations:

62 P.S. § 201 et seq.; 62 P.S. § 401 et seq.

Disbursement Criteria:

These funds are expended through contracts with service providers. Payments to contractors are based on a fee-for-service unit cost for child care services.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Child Care Services			
	State \$	Federal \$	Other \$	Total
OPERATING				
1. The Fiscal Year 2016-2017 Governor's Executive Budget reflects a decrease of \$2.219 million for the Early Learning Challenge Grant:	\$0	(\$2,219)	\$0	(\$2,219)
Subtotal Operating	\$0	(\$2,219)	\$0	(\$2,219)
GRANT & SUBSIDY				
1. The Fiscal Year 2016-2017 Governor's Executive Budget provides an increase of \$6.456 million for Low-Income Child Care Service funding. The average consumers increase from 63,187 average monthly slots in Fiscal Year 2015-2016 to 64,498 in Fiscal Year 2016-2017 and the average cost per slot is maintained at \$410:	\$0	\$6,456	\$0	\$6,456
2. The Fiscal Year 2016-2017 Governor's Executive Budget provides an increase of \$0.548 million for Family Support Services Administration and the average cost per slot is maintained at \$35:	\$0	\$548	\$0	\$548
3. The Fiscal Year 2016-2017 Governor's Executive Budget provides an increase of \$1.231 million in funding for Race to the Top - Early Learning Challenge Grants:	\$0	\$1,231	\$0	\$1,231
4. Impact of the annualization of Fiscal Year 2015-2016 Child Care Works Waiting List initiative:	\$0	\$1,425	\$0	\$1,425
Subtotal Grant & Subsidy	\$0	\$9,660	\$0	\$9,660
FISCAL YEAR 2016-2017 INITIATIVES				
GRANT & SUBSIDY				
1. Child Care Works Wait List				
A. The Fiscal Year 2016-2017 Governor's Executive Budget provides State funding of \$12.000 million for subsidized child care services to serve an additional 2,247 children from the low-income Child Care waiting list:	\$12,000	\$0	\$0	\$12,000
Subtotal Initiatives	\$12,000	\$0	\$0	\$12,000
BUDGETARY RESERVE				
1. Impact of excess Federal spending authority:	\$0	\$11,983	\$0	\$11,983
TOTAL	\$12,000	\$19,424	\$0	\$31,424

Child Care Services
FISCAL YEAR 2015-2016 Available

	TOTAL	STATE	SSBG	CCDFBG-Child Care	CCDFB - School Age	Headstart	RTT Early Learning Challenge
CONSUMERS (63,187)							
Low Income Child Care	\$ 311,104,000	\$ 131,706,000	\$ 30,977,000	\$ 148,421,000	\$ -	\$ -	\$ -
FSS/Admin	\$ 26,410,000	\$ -	\$ -	\$ 26,410,000	\$ -	\$ -	\$ -
SUBTOTAL CONSUMERS:	\$ 337,514,000	\$ 131,706,000	\$ 30,977,000	\$ 174,831,000	\$ -	\$ -	\$ -
Early Keys to Quality - PA Key							
Program Operations	\$ 3,584,000	\$ -	\$ -	\$ 3,346,000	\$ -	\$ 238,000	\$ -
Early Learning Quality Initiative	\$ 3,500,000	\$ 3,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
Professional Development	\$ 3,143,000	\$ 544,000	\$ -	\$ 2,579,000	\$ -	\$ 20,000	\$ -
Quality Support Initiatives	\$ 1,862,000	\$ -	\$ -	\$ 602,000	\$ 1,260,000	\$ -	\$ -
Subtotal PA Key	\$ 12,089,000	\$ 4,044,000	\$ -	\$ 6,527,000	\$ 1,260,000	\$ 258,000	\$ -
Early Keys to Quality - Regional							
Keystone Stars Support/Prof Dev	\$ 16,962,000	\$ 10,024,000	\$ -	\$ 6,938,000	\$ -	\$ -	\$ -
Keystone STARS awards	\$ 30,811,000	\$ 9,897,000	\$ -	\$ 20,914,000	\$ -	\$ -	\$ -
Subtotal Regional Keys	\$ 47,773,000	\$ 19,921,000	\$ -	\$ 27,852,000	\$ -	\$ -	\$ -
Operations							
Care Check	\$ 86,000	\$ -	\$ -	\$ 86,000	\$ -	\$ -	\$ -
ELC Grant Operations	\$ 5,293,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,293,000
Subtotal Operations	\$ 5,379,000	\$ -	\$ -	\$ 86,000	\$ -	\$ -	\$ 5,293,000
Audit Settlements	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -
Helpline	\$ 48,000	\$ -	\$ -	\$ 48,000	\$ -	\$ -	\$ -
	\$ -						
Expanded Services for Children (Early Learning Challenge Grant - Race to the Top)	\$ 11,660,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,660,000
FY 15-16 Initiatives							
Improving the Quality of Child Care Programs							
Rising STAR Initiative - Incentives to provide higher quality care (STAR 3 and 4 providers)	\$ 6,156,000	\$ -	\$ -	\$ 6,156,000	\$ -	\$ -	\$ -
Improve Services for Infant/Toddler (STAR 2, 3 and 4 Providers)	\$ 1,080,000	\$ -	\$ -	\$ 1,080,000	\$ -	\$ -	\$ -
Child Care Waiting List (Serving additional 3,600 children from Low Income Waiting List)	\$ 17,805,000	\$ -	\$ -	\$ 17,805,000	\$ -	\$ -	\$ -
	\$ -						
Budgetary Reserve	\$ 10,471,000	\$ -	\$ -	\$ 10,471,000	\$ -	\$ -	\$ -
PROGRAM Total	\$ 449,995,000	\$ 155,691,000	\$ 30,977,000	\$ 244,856,000	\$ 1,260,000	\$ 258,000	\$ 16,953,000

Child Care Services
FISCAL YEAR 2016-2017 Governor's Executive Budget

	TOTAL	STATE	SSBG	CCDFBG-Child Care	CCDFB - School Age	Headstart	RTT Early Learning Challenge
CONSUMERS (64,498)							
Low Income Child Care	\$317,560,000	\$ 131,706,000	\$ 30,977,000	\$ 154,877,000	\$ -	\$ -	\$ -
FSS/Admin	\$26,958,000	\$ -	\$ -	\$ 26,958,000	\$ -	\$ -	\$ -
Subtotal Consumers:	\$ 344,518,000	\$ 131,706,000	\$ 30,977,000	\$ 181,835,000	\$ -	\$ -	\$ -
Early Keys to Quality - PA Key							
Program Operations	\$ 3,584,000	\$ -	\$ -	\$ 3,346,000	\$ -	\$ 238,000	\$ -
Early Learning Quality Initiative	\$ 3,500,000	\$ 3,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
Professional Development	\$ 3,143,000	\$ 544,000	\$ -	\$ 2,579,000	\$ -	\$ 20,000	\$ -
Quality Support Initiatives	\$ 1,862,000	\$ -	\$ -	\$ 602,000	\$ 1,260,000	\$ -	\$ -
Subtotal PA Key:	\$ 12,089,000	\$ 4,044,000	\$ -	\$ 6,527,000	\$ 1,260,000	\$ 258,000	\$ -
Early Keys to Quality - Regional							
Keystone Stars Support/Prof Dev	\$ 16,962,000	\$ 10,024,000	\$ -	\$ 6,938,000	\$ -	\$ -	\$ -
Keystone STARS awards	\$ 30,811,000	\$ 9,897,000	\$ -	\$ 20,914,000	\$ -	\$ -	\$ -
Subtotal Regional Keys:	\$ 47,773,000	\$ 19,921,000	\$ -	\$ 27,852,000	\$ -	\$ -	\$ -
Operations							
Care Check	\$ 86,000	\$ -	\$ -	\$ 86,000	\$ -	\$ -	\$ -
ELC Grant Operations	\$ 3,074,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,074,000
Subtotal Operations:	\$ 3,160,000	\$ -	\$ -	\$ 86,000	\$ -	\$ -	\$ 3,074,000
Audit Settlements	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -
Helpline	\$ 48,000	\$ -	\$ -	\$ 48,000	\$ -	\$ -	\$ -
Expanded Services for Children (Early Learning Challenge Grant - Race to the Top)	\$ 12,891,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,891,000
FY 15-16 Initiatives Annualized							
Improving the Quality of Child Care Programs							
Rising STAR Initiative - Incentives to provide higher quality care (STAR 3 and 4 providers)	\$ 6,156,000	\$ -	\$ -	\$ 6,156,000	\$ -	\$ -	\$ -
Improve Services for Infant/Toddler (STAR 2, 3 and 4 Providers)	\$ 1,080,000	\$ -	\$ -	\$ 1,080,000	\$ -	\$ -	\$ -
Child Care Waiting List (Serving additional 3,600 children from Low Income Waiting List)	\$ 19,230,000	\$ -	\$ -	\$ 19,230,000	\$ -	\$ -	\$ -
FY 16-17 Initiatives							
Child Care Works Wait List (To serve an additional 2,247 children from the low income waiting list)	\$ 12,000,000	\$ 12,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Budgetary Reserve	\$ 22,454,000	\$ -	\$ -	\$ 22,454,000	\$ -	\$ -	\$ -
PROGRAM Total	\$ 481,419,000	\$ 167,691,000	\$ 30,977,000	\$ 265,268,000	\$ 1,260,000	\$ 258,000	\$ 15,965,000

CHILD CARE SERVICES

PROGRAM STATEMENT

The Child Care Services appropriation helps support Child Care Works, Pennsylvania's subsidized child care program, and Pennsylvania's continuous quality rating improvement system, Keystone STARS.

To be eligible for a low-income child care subsidy, the parent(s) must meet the minimum work requirement and the family's annual income must fall within the program's income guidelines for eligibility which are currently 200 percent of the Federal Poverty Income Guidelines at entry into the program. Each family is assigned a weekly co-payment based on the family's size and income. Co-payments provide low-income working families an affordable way to contribute to the cost of their children's care.

The need for low-income child care assistance exceeds the Department's resources, resulting in a waiting list for low-income child care. In Fiscal Year 2016-2017, this program is estimated to serve approximately 69,905 children of low-income working families per month. As of January 2016 there were 4,345 children on the waiting list.

Local Child Care Information Services agencies administer Child Care Works. They receive a combination of federal and state funds to pay child care providers along with administrative funds to conduct their daily tasks such as eligibility determination, waiting list management, provider payments, case management, resource and referral, provider management and funds management, along with other associated family and provider services.

Pennsylvania's response to the national research on early learning and to the federal quality earmark requirements is the Keystone STARS program; a comprehensive, voluntary, early learning quality improvement initiative. Early learning programs participating in Keystone STARS at higher levels provide the kind of quality environments that research has shown relates to improved child outcomes. The Office of Child Development and Early Learning projects that by the close of Fiscal Year 2016-2017, this program will be serving over 171,500 children.

EARLY LEARNING CHALLENGE GRANT

The Fiscal Year 2016-2017 Governor's Executive Budget provides \$15.965 million in federal funds for the Early Learning Challenge Grant – Child Care Services. This federal grant provides funding within the Office of Child Development and Early Learning to support the improvement of early learning and development programs for young children by increasing the number and percentage of low-income and disadvantaged children in each age group of infants, toddlers and preschoolers who are enrolled in high-quality early learning programs and ensuring access to high-quality programs for children with high needs so that all children enter kindergarten ready to succeed.

FISCAL YEAR 2016-17 INITIATIVE – CHILD CARE WORKS WAIT LIST INITIATIVE

The Fiscal Year 2016-2017 Governor's Executive Budget provides \$12.000 million in state funds to serve an additional 2,247 children from the low income waiting list. This waiting list initiative will be crucial as Pennsylvania moves to comply with the federal Child Care and Development Block Grant reauthorization mandate to extend eligibility redeterminations from six to 12 months, as it could result in children remaining on the waiting list for longer periods of time.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A3.4, A3.8, E30.7, E30.33-34, E30.41

APPROPRIATION:
Child Care Assistance

I. SUMMARY FINANCIAL DATA	2014-2015	2015-2016	2016-2017
	<u>Actual</u>	<u>Available</u>	<u>Budgeted</u>
State Funds	\$152,609	\$152,609	\$152,609
Federal Funds Total	\$175,814	\$163,918	\$170,610
<i>TANFBG - Child Care Assistance</i>	\$27,557	\$29,357	\$36,139
<i>CCDFBG - Child Care Assistance</i>	\$143,630	\$130,985	\$131,866
<i>Food Stamps - Child Care Assistance</i>	\$4,627	\$3,576	\$2,605
Other Funds Total	\$1,665	\$1,646	\$1,646
<i>Early Childhood Education Revenue</i>	<u>\$1,665</u>	<u>\$1,646</u>	<u>\$1,646</u>
Total	\$330,088	\$318,173	\$324,865
IA. REQUESTED SUPPLEMENTALS AND TRANSFERS (Included above)			
State Funds		\$0	
Federal Funds		\$0	
Total		<u>\$0</u>	

II. DETAIL BY MAJOR OBJECT
(\$ Amounts in Thousands)

APPROPRIATION:
Child Care Assistance

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$3,800	\$3,800	\$3,800	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$1,665	\$1,646	\$1,646	\$0	0.00%
Total Operating	\$5,465	\$5,446	\$5,446	\$0	0.00%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$148,809	\$148,809	\$148,809	\$0	0.00%
Federal Funds	\$158,505	\$154,874	\$156,966	\$2,092	1.35%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$307,314	\$303,683	\$305,775	\$2,092	0.69%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$17,309	\$9,044	\$13,644	\$4,600	50.86%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$17,309	\$9,044	\$13,644	\$4,600	50.86%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$152,609	\$152,609	\$152,609	\$0	0.00%
Federal Funds	\$175,814	\$163,918	\$170,610	\$6,692	4.08%
Other Funds	\$1,665	\$1,646	\$1,646	\$0	0.00%
Total Funds	\$330,088	\$318,173	\$324,865	\$6,692	2.10%

APPROPRIATION:
Child Care Assistance

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$1,646	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget maintains funding at the Fiscal Year 2015-2016 level of \$152.609 million in State funds. The Fiscal Year 2016-2017 Governor's Executive Budget reflects a decrease of \$0.971 million under the Fiscal Year 2015-2016 funding level of \$3.576 million in Federal Food Stamp - Child Care Assistance Funding. The Fiscal Year 2016-2017 Governor's Executive Budget provides an increase of \$0.881 million in Child Care Development Block Grant (CCDFBG) - Child Care Assistance over the Fiscal Year 2015-2016 funding level of \$130.985 million and provides an increase of \$6.782 million in Federal Temporary Assistance for Needy Families Block Grant (TANFBG) - Child Care Assistance funds over the Fiscal Year 2015-2016 funding level of \$29.357 million.

Details for the appropriation request are outlined in Section VI entitled "Explanation of Changes" on the next page.

Legislative Citations:

62 P.S. § 201 et seq.; § 401 et seq.

Disbursement Criteria:

These funds are expended through contracts with service providers. Payments to contractors are based on a fee-for-service unit cost for child care services.

VI. EXPLANATION OF CHANGES
(\$ Amounts in Thousands)

APPROPRIATION:
Child Care Assistance

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total</u>
GRANT & SUBSIDY				
1. The Fiscal Year 2016-2017 Governor's Executive Budget increases total funding by \$0.134 million for Temporary Assistance for Needy Families (TANF) over the Fiscal Year 2015-2016 level. State funding is reduced by \$1.882 million and Federal funding is increased by \$2.016 million. The average number of consumers is 21,895 and the average service cost per consumer is \$466:	(\$1,882)	\$2,016	\$0	\$134
2. The Fiscal Year 2016-2017 Governor's Executive Budget increases total funding for Former Temporary Assistance for Needy Families over the Fiscal Year 2015-2016 level. State funding is increased by \$1.807 million and Federal funding is maintained at \$129.866 million. The average number of consumers is 30,558 and the average service cost per consumer is \$474:	\$1,807	\$0	\$0	\$1,807
3. The Fiscal Year 2016-2017 Governor's Executive Budget increases funding for Supplemental Nutrition Assistance Program (SNAP) services over the Fiscal Year 2015-2016 level of \$3.235 million. State funding is increased by \$0.075 million and Federal funding is increased by \$0.076 million. The average number of consumers is 472 and the average service cost per consumer is \$598:	\$75	\$76	\$0	\$151
Subtotal Grant & Subsidy	\$0	\$2,092	\$0	\$2,092
BUDGETARY RESERVE				
1. Reflects a change in additional Federal spending authority in Fiscal Year 2016-2017:	\$0	\$4,600	\$0	\$4,600
TOTAL	\$0	\$6,692	\$0	\$6,692

Child Care Assistance
FISCAL YEAR 2015-2016 Available

	<u>TOTAL</u>	<u>STATE</u>	<u>CCDFBG</u>	<u>TANFBG</u>	<u>SNAP</u>	<u>ECE Revenue</u>
CONSUMERS						
TANF Eligible	\$ 112,789,000	\$ 95,562,000	\$ -	\$ 17,227,000	\$ -	\$ -
Admin Costs - TANF Eligible	\$ 9,421,000	\$ 9,421,000	\$ -	\$ -	\$ -	\$ -
Subtotal TANF	<u>\$ 122,210,000</u>	<u>\$ 104,983,000</u>	<u>\$ -</u>	<u>\$ 17,227,000</u>		<u>\$ -</u>
Former TANF Eligible	\$ 158,885,000	\$ 29,019,000	\$ 129,866,000	\$ -	\$ -	\$ -
Admin Costs -Former TANF Eligible	\$ 13,189,000	\$ 13,189,000	\$ -	\$ -	\$ -	\$ -
Subtotal Former TANF	<u>\$ 172,074,000</u>	<u>\$ 42,208,000</u>	<u>\$ 129,866,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
SNAP Eligible	\$ 2,693,000	\$ 1,346,000	\$ -	\$ -	\$ 1,347,000	\$ -
Admin Costs -Food Stamp Eligible	\$ 542,000	\$ 272,000	\$ -	\$ -	\$ 270,000	\$ -
Subtotal Food Stamp	<u>\$ 3,235,000</u>	<u>\$ 1,618,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,617,000</u>	<u>\$ -</u>
Total Consumer Costs	\$ 297,519,000	\$ 148,809,000	\$ 129,866,000	\$ 17,227,000	\$ 1,617,000	\$ -
Program Monitoring/Accountability	\$ 3,800,000	\$ 3,800,000	\$ -	\$ -	\$ -	\$ -
Pre-K Counts Funding	\$ 1,646,000	\$ -	\$ -	\$ -	\$ -	\$ 1,646,000
FY 15-16 Initiatives						
Rising STAR Initiative - Incentives to provide higher quality care (STAR 3 and 4 providers)	\$ 5,244,000	\$ -	\$ -	\$ 5,244,000	\$ -	\$ -
Improve services for Infant/Toddler (STAR 2, 3 and 4 Providers)	\$ 920,000	\$ -	\$ -	\$ 920,000	\$ -	\$ -
Budgetary Reserve	\$ 9,044,000	\$ -	\$ 1,119,000	\$ 5,966,000	\$ 1,959,000	\$ -
PROGRAM Total	<u><u>\$ 318,173,000</u></u>	<u><u>\$ 152,609,000</u></u>	<u><u>\$ 130,985,000</u></u>	<u><u>\$ 29,357,000</u></u>	<u><u>\$ 3,576,000</u></u>	<u><u>\$ 1,646,000</u></u>
	<u>Average Consumers</u>	<u>Average Cost/Consumer</u>				
TANF Child Care	21,895	\$ 465				
Former TANF Child Care	30,558	\$ 469				
Food Stamps Child Care	472	\$ 572				
<u>Total CCA Consumers</u>	<u>52,924</u>	<u>\$ 468</u>				

Child Care Assistance
FISCAL YEAR 2016-2017 Governor's Executive Budget

	<u>TOTAL</u>	<u>STATE</u>	<u>CCDFBG</u>	<u>TANFBG</u>	<u>SNAP</u>	<u>ECE Revenue</u>
CONSUMERS						
TANF Eligible	\$ 112,880,000	\$ 93,637,000	\$ -	\$ 19,243,000	\$ -	\$ -
Admin Costs - TANF Eligible	\$ 9,464,000	\$ 9,464,000	\$ -	\$ -	\$ -	\$ -
Subtotal TANF	<u>\$ 122,344,000</u>	<u>\$ 103,101,000</u>	<u>\$ -</u>	<u>\$ 19,243,000</u>	<u>\$ -</u>	<u>\$ -</u>
Former TANF Eligible	\$ 160,692,000	\$ 30,826,000	\$ 129,866,000	\$ -	\$ -	\$ -
Admin Costs -Former TANF Eligible	\$ 13,189,000	\$ 13,189,000	\$ -	\$ -	\$ -	\$ -
Subtotal Former TANF	<u>\$ 173,881,000</u>	<u>\$ 44,015,000</u>	<u>\$ 129,866,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
SNAP Eligible	\$ 2,819,000	\$ 1,409,000	\$ -	\$ -	\$ 1,410,000	\$ -
Admin Costs -Food Stamp Eligible	\$ 567,000	\$ 284,000	\$ -	\$ -	\$ 283,000	\$ -
Subtotal Food Stamp	<u>\$ 3,386,000</u>	<u>\$ 1,693,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,693,000</u>	<u>\$ -</u>
Total Consumer Costs	\$ 299,611,000	\$ 148,809,000	\$ 129,866,000	\$ 19,243,000	\$ 1,693,000	\$ -
Program Monitoring/Accountability	\$ 3,800,000	\$ 3,800,000	\$ -	\$ -	\$ -	\$ -
Pre-K Counts Funding	\$ 1,646,000	\$ -	\$ -	\$ -	\$ -	\$ 1,646,000
Annualized FY 15-16 Initiatives						
Rising STAR Initiative - Incentives to provide higher quality care (STAR 3 and 4 providers)	\$ 5,244,000	\$ -	\$ -	\$ 5,244,000	\$ -	\$ -
Improve services for Infant/Toddler (STAR 2, 3 and 4 Providers)	\$ 920,000	\$ -	\$ -	\$ 920,000	\$ -	\$ -
Budgetary Reserve	\$ 13,644,000	\$ -	\$ 2,000,000	\$ 10,732,000	\$ 912,000	\$ -
PROGRAM Total	<u><u>\$ 324,865,000</u></u>	<u><u>\$ 152,609,000</u></u>	<u><u>\$ 131,866,000</u></u>	<u><u>\$ 36,139,000</u></u>	<u><u>\$ 2,605,000</u></u>	<u><u>\$ 1,646,000</u></u>
	<u>Average Consumers</u>	<u>Average Cost/Consumer</u>				
TANF Child Care	21,895	\$ 466				
Former TANF Child Care	30,558	\$ 474				
Food Stamps Child Care	472	\$ 598				
Total CCA Consumers	<u>52,924</u>	<u>\$ 472</u>				

**FISCAL YEAR 2016-2017 Governor's Executive Budget
TANF Eligible - Child Care Assistance**

FISCAL YEAR 2014-2015 CONSUMER SERVICE COSTS

	Total \$	Service	FSS/Admin	Users	Total \$ per slot
JULY 2014	\$12,399,754	\$11,622,849	\$776,905	25,248	\$491.12
AUGUST	\$11,492,503	\$10,651,348	\$841,155	25,129	\$457.34
SEPTEMBER	\$11,032,387	\$10,247,508	\$784,879	25,081	\$439.87
OCTOBER	\$11,861,962	\$10,985,058	\$876,905	25,079	\$472.98
NOVEMBER	\$10,256,508	\$9,440,969	\$815,539	23,756	\$431.74
DECEMBER	\$11,023,188	\$10,206,049	\$817,139	22,756	\$484.41
JANUARY 2015	\$10,076,451	\$9,214,521	\$861,930	21,678	\$464.82
FEBRUARY	\$8,944,368	\$8,171,473	\$772,896	20,310	\$440.39
MARCH	\$9,569,302	\$8,731,220	\$838,082	20,324	\$470.84
APRIL	\$9,767,424	\$8,893,522	\$873,902	20,525	\$475.88
MAY	\$9,404,168	\$8,712,749	\$691,419	20,574	\$457.09
JUNE	\$10,555,476	\$9,729,840	\$825,636	22,888	\$461.19
TOTAL	\$126,383,491	\$116,607,107	\$9,776,385	273,348	\$5,547.68
Average	\$10,531,958	\$9,717,259	\$814,699	22,779	\$462.35

FISCAL YEAR 2015-2016 CONSUMER SERVICE COSTS

	Total \$	Service	FSS/Admin	Users	Total \$ per slot
JULY 2015	\$11,140,585	\$10,312,747	\$827,838	22,156	\$502.82
AUGUST	\$10,039,776	\$9,276,115	\$763,660	21,932	\$457.77
SEPTEMBER	\$9,654,446	\$8,825,442	\$829,004	21,239	\$454.56
OCTOBER	\$10,152,771	\$9,374,975	\$777,795	21,935	\$462.86
NOVEMBER	\$10,152,771	\$9,374,975	\$777,795	21,935	\$462.86
DECEMBER	\$10,152,771	\$9,374,975	\$777,795	21,935	\$462.86
JANUARY 2016	\$10,152,771	\$9,374,975	\$777,795	21,935	\$462.86
FEBRUARY	\$10,152,771	\$9,374,975	\$777,795	21,935	\$462.86
MARCH	\$10,152,771	\$9,374,975	\$777,795	21,935	\$462.86
APRIL	\$10,152,771	\$9,374,975	\$777,795	21,935	\$462.86
MAY	\$10,152,771	\$9,374,975	\$777,795	21,935	\$462.86
JUNE	\$10,152,771	\$9,374,975	\$777,795	21,935	\$462.86
TOTAL	\$122,209,742	\$112,789,083	\$9,420,659	262,739	\$5,580.92
Average	\$10,184,145	\$9,399,090	\$785,055	21,895	\$465.14

FISCAL YEAR 2016-2017 CONSUMER SERVICE COSTS

	Total \$	Service	FSS/Admin	Users	Total \$ per slot
JULY 2016	\$10,195,348	\$9,406,687	\$788,660	21,895	\$465.65
AUGUST	\$10,195,348	\$9,406,687	\$788,660	21,895	\$465.65
SEPTEMBER	\$10,195,348	\$9,406,687	\$788,660	21,895	\$465.65
OCTOBER	\$10,195,348	\$9,406,687	\$788,660	21,895	\$465.65
NOVEMBER	\$10,195,348	\$9,406,687	\$788,660	21,895	\$465.65
DECEMBER	\$10,195,348	\$9,406,687	\$788,660	21,895	\$465.65
JANUARY 2017	\$10,195,348	\$9,406,687	\$788,660	21,895	\$465.65
FEBRUARY	\$10,195,348	\$9,406,687	\$788,660	21,895	\$465.65
MARCH	\$10,195,348	\$9,406,687	\$788,660	21,895	\$465.65
APRIL	\$10,195,348	\$9,406,687	\$788,660	21,895	\$465.65
MAY	\$10,195,348	\$9,406,687	\$788,660	21,895	\$465.65
JUNE	\$10,195,348	\$9,406,687	\$788,660	21,895	\$465.65
TOTAL	\$122,344,172	\$112,880,249	\$9,463,924	262,739	\$5,587.78
Average	\$10,195,348	\$9,406,687	\$788,660	21,895	\$465.65

**FISCAL YEAR 2016-2017 Governor's Executive Budget
Former TANF Eligible - Child Care Assistance**

FISCAL YEAR 2014-2015 CONSUMER SERVICE COSTS

	Total \$	Service	FSS/Admin	Users	Total \$ per User
JULY 2014	\$16,697,573	\$15,691,379	\$1,006,194	32,139	\$519.54
AUGUST	\$14,725,233	\$13,575,996	\$1,149,237	30,804	\$478.03
SEPTEMBER	\$12,863,484	\$11,859,386	\$1,004,098	30,203	\$425.90
OCTOBER	\$14,259,535	\$13,092,805	\$1,166,730	29,787	\$478.72
NOVEMBER	\$12,605,421	\$11,558,412	\$1,047,009	30,037	\$419.66
DECEMBER	\$13,950,723	\$12,886,712	\$1,064,011	30,221	\$461.62
JANUARY 2015	\$13,961,499	\$12,818,341	\$1,143,158	30,321	\$460.46
FEBRUARY	\$12,743,783	\$11,716,552	\$1,027,231	30,436	\$418.71
MARCH	\$13,847,836	\$12,764,985	\$1,082,851	30,815	\$449.39
APRIL	\$14,434,598	\$13,331,912	\$1,102,686	30,757	\$469.31
MAY	\$13,832,817	\$12,857,858	\$974,959	30,532	\$453.06
JUNE	\$13,973,361	\$12,885,338	\$1,088,022	30,578	\$456.97
TOTAL	\$167,895,863	\$155,039,676	\$12,856,187	366,630	\$5,491.37
Average	\$13,991,322	\$12,919,973	\$1,071,349	30,553	\$457.94

FISCAL YEAR 2015-2016 CONSUMER SERVICE COSTS

	Total \$	Service	FSS/Admin	Users	Total \$ per User
JULY 2015	\$16,539,101	\$15,480,169	\$1,058,932	30,747	\$537.91
AUGUST	\$14,652,150	\$13,664,774	\$987,376	31,059	\$471.75
SEPTEMBER	\$13,920,914	\$12,826,773	\$1,094,141	30,526	\$456.03
OCTOBER	\$14,106,852	\$12,990,386	\$1,116,466	30,485	\$462.75
NOVEMBER	\$14,106,852	\$12,990,386	\$1,116,466	30,485	\$462.75
DECEMBER	\$14,106,852	\$12,990,386	\$1,116,466	30,485	\$462.75
JAUNUARY 2016	\$14,106,852	\$12,990,386	\$1,116,466	30,485	\$462.75
FEBRUARY	\$14,106,852	\$12,990,386	\$1,116,466	30,485	\$462.75
MARCH	\$14,106,852	\$12,990,386	\$1,116,466	30,485	\$462.75
APRIL	\$14,106,852	\$12,990,386	\$1,116,466	30,485	\$462.75
MAY	\$14,106,852	\$12,990,386	\$1,116,466	30,485	\$462.75
JUNE	\$14,106,852	\$12,990,386	\$1,116,466	30,485	\$462.75
TOTAL	\$172,073,831	\$158,885,190	\$13,188,641	366,694	\$5,630.46
Average	\$14,339,486	\$13,240,432	\$1,099,053	30,558	\$469.26

FISCAL YEAR 2016-2017 CONSUMER SERVICE COSTS

	Total \$	Service	FSS/Admin	Users	Total \$ per User
JULY 2016	\$14,490,062	\$13,391,008	\$1,099,053	30,558	\$474.18
AUGUST	\$14,490,062	\$13,391,008	\$1,099,053	30,558	\$474.18
SEPTEMBER	\$14,490,062	\$13,391,008	\$1,099,053	30,558	\$474.18
OCTOBER	\$14,490,062	\$13,391,008	\$1,099,053	30,558	\$474.18
NOVEMBER	\$14,490,062	\$13,391,008	\$1,099,053	30,558	\$474.18
DECEMBER	\$14,490,062	\$13,391,008	\$1,099,053	30,558	\$474.18
JANUARY 2017	\$14,490,062	\$13,391,008	\$1,099,053	30,558	\$474.18
FEBRUARY	\$14,490,062	\$13,391,008	\$1,099,053	30,558	\$474.18
MARCH	\$14,490,062	\$13,391,008	\$1,099,053	30,558	\$474.18
APRIL	\$14,490,062	\$13,391,008	\$1,099,053	30,558	\$474.18
MAY	\$14,490,062	\$13,391,008	\$1,099,053	30,558	\$474.18
JUNE	\$14,490,062	\$13,391,008	\$1,099,053	30,558	\$474.18
TOTAL	\$173,880,742	\$160,692,101	\$13,188,641	366,694	\$5,690.21
Average	\$14,490,062	\$13,391,008	\$1,099,053	30,558	\$474.18

**FISCAL YEAR 2016-2017 Governor's Executive Budget
SNAP Eligible - Child Care Assistance**

FISCAL YEAR 2014-2015 CONSUMER SERVICE COSTS

	Total \$	Service	FSS/Admin	Users	Total \$ per slot
JULY 2014	\$432,323	\$391,175	\$41,148	739	\$585.01
AUGUST	\$361,013	\$316,462	\$44,551	678	\$532.47
SEPTEMBER	\$341,594	\$300,024	\$41,570	678	\$503.83
OCTOBER	\$374,524	\$328,080	\$46,444	667	\$561.51
NOVEMBER	\$315,186	\$271,992	\$43,194	608	\$518.40
DECEMBER	\$334,129	\$290,850	\$43,279	573	\$583.12
JANUARY 2015	\$312,113	\$266,461	\$45,651	555	\$562.36
FEBRUARY	\$285,594	\$244,658	\$40,936	527	\$541.92
MARCH	\$292,178	\$247,789	\$44,388	519	\$562.96
APRIL	\$292,050	\$245,764	\$46,285	496	\$588.81
MAY	\$240,632	\$204,130	\$36,502	468	\$514.17
JUNE	\$334,275	\$286,377	\$47,897	599	\$557.90
TOTAL	\$3,915,610	\$3,393,763	\$521,847	7,107	\$6,612.46
Average	\$326,301	\$282,814	\$43,487	592	\$550.94

FISCAL YEAR 2015-2016 CONSUMER SERVICE COSTS

	Total \$	Service	FSS/Admin	Users	Total \$ per slot
JULY 2015	\$213,445	\$185,699	\$27,746	362	\$589.63
AUGUST	\$189,249	\$163,654	\$25,595	353	\$536.12
SEPTEMBER	\$194,770	\$166,985	\$27,785	371	\$524.99
OCTOBER	\$293,078	\$241,870	\$51,208	508	\$576.72
NOVEMBER	\$293,078	\$241,870	\$51,208	508	\$576.72
DECEMBER	\$293,078	\$241,870	\$51,208	508	\$576.72
JANUARY 2016	\$293,078	\$241,870	\$51,208	508	\$576.72
FEBRUARY	\$293,078	\$241,870	\$51,208	508	\$576.72
MARCH	\$293,078	\$241,870	\$51,208	508	\$576.72
APRIL	\$293,078	\$241,870	\$51,208	508	\$576.72
MAY	\$293,078	\$241,870	\$51,208	508	\$576.72
JUNE	\$293,078	\$241,870	\$51,208	508	\$576.72
TOTAL	\$3,235,163	\$2,693,167	\$541,996	5,660	\$6,841.21
Average	\$269,597	\$224,431	\$45,166	472	\$571.62

FISCAL YEAR 2016-2017 CONSUMER SERVICE COSTS

	Total \$	Service	FSS/Admin	Users	Total \$ per slot
JULY 2016	\$282,213	\$234,933	\$47,280	472	\$598.37
AUGUST	\$282,213	\$234,933	\$47,280	472	\$598.37
SEPTEMBER	\$282,213	\$234,933	\$47,280	472	\$598.37
OCTOBER	\$282,213	\$234,933	\$47,280	472	\$598.37
NOVEMBER	\$282,213	\$234,933	\$47,280	472	\$598.37
DECEMBER	\$282,213	\$234,933	\$47,280	472	\$598.37
JANUARY 2017	\$282,213	\$234,933	\$47,280	472	\$598.37
FEBRUARY	\$282,213	\$234,933	\$47,280	472	\$598.37
MARCH	\$282,213	\$234,933	\$47,280	472	\$598.37
APRIL	\$282,213	\$234,933	\$47,280	472	\$598.37
MAY	\$282,213	\$234,933	\$47,280	472	\$598.37
JUNE	\$282,213	\$234,933	\$47,280	472	\$598.37
TOTAL	\$3,386,553	\$2,819,194	\$567,359	5,660	\$7,180.45
Average	\$282,213	\$234,933	\$47,280	472	\$598.37

CHILD CARE ASSISTANCE

PROGRAM STATEMENT

The Child Care Assistance appropriation helps support Child Care Works, Pennsylvania's subsidized child care program. Child Care Assistance provides child care financial assistance to the following Pennsylvanians: families in approved employment and training activities that receive Temporary Assistance for Needy Families (TANF), working families that have transitioned off of TANF (Former TANF) and families that participate in unpaid employment and training activities through the Supplemental Nutrition Assistance Program (SNAP).

Quality child care programs aid Pennsylvania's efforts to reach and maintain the 50 percent federal work participation rate for TANF clients. These programs also promote and support the development of vulnerable and at-risk children and help them prepare for school and life success. The Fiscal Year 2016-2017 budget is estimated to serve an average of approximately 55,000 children from TANF, Former TANF and SNAP families per month.

Local Child Care Information Services agencies administer Child Care Works. They receive a combination of federal and state funds to pay child care providers along with administrative funds to conduct their daily tasks, such as eligibility determination, provider payments, case management, resource and referral, provider management and funds management, along with other associated family and provider services.

Research has demonstrated the benefits of the child care assistance program and stresses the importance of this program to families receiving benefits. When families are not able to access child care assistance they may go into debt, return to TANF benefits, choose lower quality and less stable child care, or face difficult choices in their household budgets. Studies have shown that receiving a subsidy for child care promotes longer employment durations among women, regardless of marital status or educational attainment. Studies have also found that single mothers of young children and former TANF recipients who received child care assistance were more likely to still be employed after two years.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

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Pp. E30.7, E30.9, E30.33-34

APPROPRIATION:
Nurse Family Partnership

I. SUMMARY FINANCIAL DATA	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted
State Funds	\$11,978	\$11,978	\$11,978
Federal Funds Total	\$16,275	\$16,844	\$2,544
Federal Sources Itemized			
<i>Medical Assistance - Nurse Family Partnership</i>	\$2,544	\$2,544	\$2,544
<i>MCH - Early Childhood Home Visiting</i>	\$13,731	\$14,300	\$0
Other Funds Total	\$0	\$0	\$0
Total	\$28,253	\$28,822	\$14,522
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds Total		\$0	
Total		\$0	

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Nurse Family Partnership				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$10	\$10	\$0	(\$10)	-100.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$10	\$10	\$0	(\$10)	-100.00%
FIXED ASSETS					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$11,978	\$11,978	\$11,978	\$0	0.00%
<i>Federal Funds</i>	\$16,265	\$16,834	\$2,544	(\$14,290)	-84.89%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$28,243	\$28,812	\$14,522	(\$14,290)	-49.60%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$11,978	\$11,978	\$11,978	\$0	0.00%
<i>Federal Funds</i>	\$16,275	\$16,844	\$2,544	(\$14,300)	-84.90%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$28,253	\$28,822	\$14,522	(\$14,300)	-49.61%

APPROPRIATION:
Nurse Family Partnership

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$350	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget maintains State funding at the Fiscal Year 2015-2016 funding level of \$11.978 million. Federal Medical Assistance - Nurse Family Partnership funding is maintained at the Fiscal Year 2015-2016 funding level of \$2.544 million. These funds support nurse home visitation services designed to improve the health outcomes of at-risk pregnancies. Federal funding for Maternal and Child Health - Early Childhood Home Visiting is maintained at the Fiscal Year 2015-2016 funding level of \$14.300 million, but is transferred to the Family Centers and Home Visiting State fund.

Legislative Citations:

62 P.S. § 201(2)

Disbursement Criteria:

Quarterly payments are provided as stipulated in Management Directive 310.11.

VI. EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 Nurse Family Partnership

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total</u>
OPERATING				
1. The Fiscal Year 2016-2017 Governor's Executive Budget reflects the transfer of the Maternal and Child Health Services - Early Childhood Home Visiting to the Family Centers and Home Visiting program:	\$0	(\$10)	\$0	(\$10)
GRANT & SUBSIDY				
1. The Fiscal Year 2016-2017 Governor's Executive Budget maintains State funds at the Fiscal Year 2015-2016 funding level of \$11.978 million:	\$0	\$0	\$0	\$0
2. The Fiscal Year 2016-2017 Governor's Executive Budget maintains Federal Medical Assistance funds at the Fiscal Year 2015-2016 funding level of \$2.534 million:	\$0	\$0	\$0	\$0
3. The Fiscal Year 2016-2017 Governor's Executive Budget reflects the transfer of the Maternal and Child Health Services - Early Childhood Home Visiting to the Family Centers and Home Visiting program:	\$0	(\$14,290)	\$0	(\$14,290)
Subtotal Grants and Subsidies	<u>\$0</u>	<u>(\$14,290)</u>	<u>\$0</u>	<u>(\$14,290)</u>
TOTAL	<u><u>\$0</u></u>	<u><u>(\$14,300)</u></u>	<u><u>\$0</u></u>	<u><u>(\$14,300)</u></u>

NURSE FAMILY PARTNERSHIP

PROGRAM STATEMENT

The Nurse-Family Partnership (NFP) is an intensive and comprehensive evidence-based home visitation program that gives more vulnerable low-income, first-time mothers, the supports necessary to provide an excellent start for their children. Each mother served by NFP is partnered with a registered nurse early in her pregnancy and receives ongoing nurse home visits that continue through the child's second birthday. Home visits by registered nurses promote the physical, cognitive and social emotional development of the children and provide general support as well as instructive parenting skills to the parents.

Nurse-Family Partnership goals include:

- Improved pregnancy outcomes by helping women engage in good preventive health practices, including thorough prenatal care from their healthcare providers, improving their diets and reducing their use of cigarettes, alcohol and illegal substances.
- Improved child health and development by helping parents provide responsible and competent care.
- Improved economic self-sufficiency of the family by helping parents develop a vision for their own future, plan future pregnancies, continue their education and find employment.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. E30.2, E30.6, E30.33-34, E30.42

APPROPRIATION:
Early Intervention

I. SUMMARY FINANCIAL DATA	2014-2015	2015-2016	2016-2017
	<u>Actual</u>	<u>Available</u>	<u>Budgeted</u>
State Funds	\$127,974	\$127,974	\$129,211
Federal Funds Total	\$79,067	\$74,225	\$75,698
Federal Sources Itemized			
<i>Education for Children with Disabilities</i>	\$19,953	\$19,953	\$22,057
<i>Medical Assistance-Early Intervention</i>	\$59,114	\$54,272	\$53,641
Other Funds	\$0	\$0	\$0
Total	\$207,041	\$202,199	\$204,909
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds		\$0	
Total		\$0	

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Early Intervention				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$2,020	\$2,020	\$2,020	\$0	0.00%
Federal Funds	\$1,253	\$1,253	\$1,253	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$3,273	\$3,273	\$3,273	\$0	0.00%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$125,954	\$125,954	\$127,191	\$1,237	0.98%
Federal Funds	\$67,542	\$68,319	\$69,995	\$1,676	2.45%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$193,496	\$194,273	\$197,186	\$2,913	1.50%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$10,272	\$4,653	\$4,450	(\$203)	-4.36%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$10,272	\$4,653	\$4,450	(\$203)	-4.36%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$127,974	\$127,974	\$129,211	\$1,237	0.97%
Federal Funds	\$79,067	\$74,225	\$75,698	\$1,473	1.98%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$207,041	\$202,199	\$204,909	\$2,710	1.34%

APPROPRIATION:
Early Intervention

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$7,428	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget provides an increase of \$1.237 million over the Fiscal Year 2015-2016 State funding level of \$127.974 million. The Fiscal Year 2016-2017 Governor's Executive Budget provides an increase of \$2.104 million over the Fiscal Year 2015-2016 Federal funding level of \$19.953 million for Education for Children with Disabilities. The Fiscal Year 2016-2017 Governor's Executive Budget reflects a decrease of \$0.631 million in Federal funds under the Fiscal Year 2015-2016 Federal funding level of \$54.272 million for Medical Assistance - Early Intervention.

Details for the appropriation request are outlined in Section VI entitled "Explanation of Changes" on subsequent pages.

Legislative Citations:

62 P.S. §§ 201, 206; Early Intervention Services System Act of 1990, 11 P.S. § 875-101 et seq.
Individuals with Disabilities Education Act (IDEA), 20 U.S.C. § 1400 et seq.

Disbursement Criteria:

Disbursements are made based on allocations developed by the Office of Child Development and Early Learning. Counties receive quarterly advance payments based on their individual allocations in accordance with the Early Intervention Services System Act of 1990. Early and Periodic Screening, Diagnosis and Treatment (EPSDT) providers submit invoices for payment of eligible services rendered through the Provider Reimbursement and Operations Management Information System. The allocations are based on the prior year's program and special needs identified by counties during a rebudget process. Counties also receive funding for new or expanded programs or to annualize programs initiated in the prior year.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Early Intervention			
	State \$	Federal \$	Other \$	Total \$
GRANT & SUBSIDY				
1. The Fiscal Year 2016-2017 Governor's Executive Budget provides an increase of \$2.694 million for Maintenance and Coordination over the Fiscal Year 2015-2016 funding level of \$88.128 million:	\$618	\$2,076	\$0	\$2,694
2. The Fiscal Year 2016-2017 Governor's Executive Budget maintains the average number of children using services in the Early and Periodic Screening, Diagnosis and Treatment program at 5,890:	\$0	\$0	\$0	\$0
3. The Fiscal Year 2016-2017 Governor's Executive Budget maintains the average weekly cost per user of services in the Early and Periodic Screening, Diagnosis and Treatment program at \$283:	\$0	\$0	\$0	\$0
4. The Fiscal Year 2016-2017 Governor's Executive Budget maintains the average number of children using services in the Infant, Toddler and Family Waiver program at 543:	\$0	\$0	\$0	\$0
5. The Fiscal Year 2016-2017 Governor's Executive Budget maintains the average weekly cost per user in the Infant, Toddler and Family Waiver program at \$298:	\$0	\$0	\$0	\$0
6. The Fiscal Year 2016-2017 Governor's Executive Budget provides an increase of \$0.152 million over the Fiscal Year 2015-2016 State funding level of \$8.718 million for on-going county Early Intervention administration:	\$152	\$0	\$0	\$152
7. The Fiscal Year 2016-2017 Governor's Executive Budget provides an increase of \$.033 million in State funding and an increase of \$0.034 million in Federal funding for County Waiver Administration over the Fiscal Year 2015-2016 funding level of \$3.093 million:	\$33	\$34	\$0	\$67
8. The Fiscal Year 2016-2017 Governor's Executive Budget maintains State funding for County Training at the Fiscal Year 2015-2016 funding level of \$0.641 million:	\$0	\$0	\$0	\$0
9. Impact of the change in the Federal Medical Assistance Percentage from 52.01 percent to 51.78 percent, effective October 1, 2016. Full-year blended rate decreases from 51.9625 percent in Fiscal Year 2015-2016 to 51.8375 percent in Fiscal Year 2016-2017:	\$117	(\$117)	\$0	\$0
10. Impact of the loss of enhanced Federal funding associated with the Balancing Incentive Program which expired on September 30, 2015:	\$317	(\$317)	\$0	\$0
Subtotal Grant & Subsidy	\$1,237	\$1,676	\$0	\$2,913
BUDGETARY RESERVE				
1. Reflects a change in excess Federal spending authority in Fiscal Year 2016-2017:	\$0	(\$203)	\$0	(\$203)
TOTAL	\$1,237	\$1,473	\$0	\$2,710

Early Intervention
Fiscal Year 2015-2016 Available

	<u>TOTAL</u>	<u>STATE</u>	<u>MA Early Intervention</u>	<u>Ed for Children w/Disabilities</u>
Maintenance and Coordination	88,128,000	71,135,000	-	16,993,000
Early & Periodic Screening, Diagnosis and Treatment (EPSDT)	86,788,000	41,692,000	45,096,000	-
On-Going County EI Administration	8,718,000	8,718,000	-	-
Infant, Toddlers & Families Medicaid Waiver Program	8,405,000	4,038,000	4,367,000	-
County Waiver Administration	3,093,000	1,547,000	1,546,000	-
County Training	641,000	641,000	-	-
SUBTOTAL CARRYFORWARD	<u>195,773,000</u>	<u>127,771,000</u>	<u>51,009,000</u>	<u>16,993,000</u>
Tuscarora Intermediate Unit 11 Contract (Oper)	3,273,000	2,020,000	-	1,253,000
Carryforward	(1,500,000)	(1,500,000)	-	-
Annualized Fiscal Year 2015-2016 Initiative				
Balance Incentive Program	-	(317,000)	317,000	-
Budgetary Reserve	4,653,000	-	2,946,000	1,707,000
Surplus/Deficit	-	-	-	-
PROGRAM Total	<u><u>202,199,000</u></u>	<u><u>127,974,000</u></u>	<u><u>54,272,000</u></u>	<u><u>19,953,000</u></u>

Early Intervention
Fiscal Year 2016-2017 Governor's Executive Budget

	<u>TOTAL</u>	<u>STATE</u>	<u>MA Early Intervention</u>	<u>Ed for Children w/Disabilities</u>
Maintenance and Coordination	90,822,000	71,753,000	-	19,069,000
Early & Periodic Screening, Diagnosis and Treatment (EPSDT)	86,788,000	41,799,000	44,989,000	-
On-Going County EI Administration	8,870,000	8,870,000	-	-
Infant, Toddlers & Families Medicaid Waiver Program	8,405,000	4,048,000	4,357,000	-
County Waiver Administration	3,160,000	1,580,000	1,580,000	-
County Training	641,000	641,000	-	-
SUBTOTAL CARRYFORWARD	<u>198,686,000</u>	<u>128,691,000</u>	<u>50,926,000</u>	<u>19,069,000</u>
Tuscarora Intermediate Unit 11 Contract (Oper)	3,273,000	2,020,000	-	1,253,000
Carryforward	(1,500,000)	(1,500,000)	-	-
Budgetary Reserve	4,450,000	-	2,715,000	1,735,000
PROGRAM Total	<u><u>204,909,000</u></u>	<u><u>129,211,000</u></u>	<u><u>53,641,000</u></u>	<u><u>22,057,000</u></u>

EARLY INTERVENTION

PROGRAM STATEMENT

The Pennsylvania early intervention service system assures supports and services for infants and toddlers with developmental delays and disabilities. Early intervention programs are provided in close collaboration with the family to address the developmental, physical, communication, cognitive, social and adaptive needs of eligible children. Early Intervention is administered at a local level through 48 county or jointer operated programs.

Children who may need early intervention receive a screening and comprehensive evaluation to determine if they are eligible. The evaluation also provides information about the family's priorities for the child, important developmental needs, and family routines. The evaluation is followed by the development of an Individual Family Service Plan (IFSP), which identifies important goals and describes the services and strategies needed to meet them. The family is a key member of the evaluation and planning process.

Children receiving early intervention may be provided special instruction, developmental therapies and other services, usually provided in "natural environments," such as the home, child care or other community locations. All early intervention services are intended to address the child's individual needs, promote family independence, build on the child's and family's strengths and help families create enhanced learning opportunities within their daily routines.

Children exposed to certain risks, including lead exposure, treatment in a neonatal intensive care unit, low birth weight, birth to a chemically dependent mother, serious abuse and homelessness are eligible for tracking—periodic monitoring to insure that early intervention is provided in a timely fashion if developmental delays emerge.

State statute requires 2 to 4 percent of State funds be used for professional development and technical assistance. To meet this requirement, a portion of State funding is distributed to the statewide professional development system, Early Intervention Technical Assistance, which provides statewide training and technical assistance at the direction of the Office of Child Development and Early Learning. The remainder of the required training funding is allocated to the local county programs to permit them to meet community needs directly.

Early intervention funding comes from multiple sources. The Commonwealth of Pennsylvania provides State funding to assure the availability of early intervention services and supports. Counties are required to contribute a 10 percent match on State funding in Early Intervention. The Infant Toddlers and Families Waiver, and Early Periodic Screening Diagnosis and Treatment programs are supported through Federal Medical Assistance funds. Federal funds allocated through the Individuals with Disabilities Act augments the Early Intervention program as well.

Counties receive quarterly payments based on the most recently approved allocation and reconciled at the end of the year and child counts for maintenance and coordination of early intervention services. Since July 1, 2010, Medicaid Waiver and other Medicaid eligible costs have been paid through direct provider billing through the Department's Provider Reimbursement and Operations Management Information System at established rates.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

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E30.41

APPROPRIATION:
Homeless Assistance

I. SUMMARY FINANCIAL DATA

	<u>2014-2015 Actual</u>	<u>2015-2016 Available</u>	<u>2016-2017 Budgeted</u>
State Funds	\$18,496	\$20,181 ¹	\$20,866
Federal Funds Total	\$6,166	\$8,149	\$6,166
Federal Sources Itemized			
<i>SSBG - Homeless Services</i>	\$4,183	\$4,183	\$4,183
<i>SABG - Homeless Services</i>	\$1,983	\$1,983	\$0
<i>SABG - Homeless Services (EA)</i>	\$0	\$1,983	\$1,983
Other Funds Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$24,662	\$28,330	\$27,032

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$1,685
State Sources Itemized	
<i>Homeless Assistance (General Fund)</i>	\$1,685
Federal Funds Total	<u>\$0</u>
Total	\$1,685

¹ Includes a recommended supplemental appropriation of \$1.685 million. Appropriation Act 10-A of 2015 provided \$18.496 million in funding for Fiscal Year 2015-2016.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Homeless Assistance				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
OPERATING					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$18,496	\$20,181	\$20,866	\$685	3.39%
<i>Federal Funds</i>	\$6,166	\$6,166	\$6,166	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$24,662	\$26,347	\$27,032	\$685	2.60%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$1,983	\$0	(\$1,983)	-100.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$1,983	\$0	(\$1,983)	-100.00%
OTHER					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$18,496	\$20,181	\$20,866	\$685	3.39%
<i>Federal Funds</i>	\$6,166	\$8,149	\$6,166	(\$1,983)	-24.33%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$24,662	\$28,330	\$27,032	(\$1,298)	-4.58%

APPROPRIATION:
Homeless Assistance

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$30	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget provides \$20.866 million in State funds; an increase of \$0.685 million over the Fiscal Year 2015-2016 funding level of \$20.181 million. The Fiscal Year 2016-2017 Governor's Executive Budget maintains Federal Substance Abuse Block Grant funding at the Fiscal Year 2015-2016 level of \$1.983 million and Social Services Block Grant (Title XX) funding at the Fiscal Year 2015-2016 level of \$4.183 million.

Detail on the appropriation is outlined in Section VI entitled "Explanation of Changes" on the next page.

Legislative Citations:

62 P.S. §§ 201, 206; 62 P.S. §1401-B et seq.

Disbursement Criteria:

Grants awarded to counties are based on proposals reviewed and approved by the Department of Human Services. The Homeless Assistance Program includes case management, rental assistance, bridge housing, emergency shelter assistance and innovative supportive housing services. The Department of Human Services funds services for all 67 counties in the Commonwealth.

VI. EXPLANATION OF CHANGES

(\$ Amounts in Thousands)

**APPROPRIATION:
Homeless Assistance**

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total</u>
GRANT & SUBSIDY				
1. The Fiscal Year 2016-2017 Governor's Executive Budget maintains Federal funding for the Social Services Block Grant at the Fiscal Year 2015-2016 funding level of \$4.183 million:	\$0	\$0	\$0	\$0
2. The Fiscal Year 2016-2017 Governor's Executive Budget maintains Federal funding for the Substance Abuse Block Grant (SABG) at the Fiscal Year 2015-2016 funding level of \$1.983 million:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Grants & Subsidy	\$0	\$0	\$0	\$0
UNCOMMITTED				
1. Reflects excess Federal Spending authority in Fiscal Year 2015-2016:	\$0	(\$1,983)	\$0	(\$1,983)
FISCAL YEAR 2016-2017 INITIATIVES				
GRANT & SUBSIDY				
1. Human Services Funding Restoration.				
A. Provides funding to restore one-third of the cuts to seven human services appropriations to offset Fiscal Year 2012-2013 funding cuts:	<u>\$685</u>	<u>\$0</u>	<u>\$0</u>	<u>\$685</u>
TOTAL	<u><u>\$685</u></u>	<u><u>(\$1,983)</u></u>	<u><u>\$0</u></u>	<u><u>(\$1,298)</u></u>

HOMELESS ASSISTANCE

PROGRAM STATEMENT

The Homeless Assistance Program (HAP) makes available a continuum of services to homeless and near homeless individuals and families. Funding is provided to county governments by the Department of Human Services. In Fiscal Year 2014-2015, a total of 75,914 clients received services for Case Management, Rental Assistance, Bridge Housing, Emergency Shelter Assistance and Innovative Supportive Housing Service. In Fiscal Year 2015-2016, an estimated 81,775 clients will receive services through this program and in Fiscal Year 2016-2017 an estimated 81,775 clients will receive services.

CASE MANAGEMENT

This component is designed to provide a series of coordinated activities to determine, with the client, what services are needed to prevent the reoccurrence of homelessness and to coordinate their timely provision by administering agency and community resources. In Fiscal Year 2014-2015, a total of 40,963 clients were served.

RENTAL ASSISTANCE

This component provides assistance in the form of payments for rent, utilities, mortgage arrearages and security deposits to homeless and near-homeless people. It is designed to prevent homelessness by intervening when eviction is imminent and to expedite the movement of people out of shelters and into available housing. In Fiscal Year 2014-2015, a total of 18,137 clients were served in the Rental Assistance component.

BRIDGE HOUSING

In this component, realizing that emergency shelter is not the answer to homelessness, Bridge Housing helps homeless individuals and families to attain the most independent, self-sufficient life situation possible by providing temporary housing and case management. In Fiscal Year 2014-2015, a total of 3,738 clients were served in the Bridge Housing component.

EMERGENCY SHELTER ASSISTANCE

This component provides funds for congregate shelter, shelter supplies and individual shelter services. The target groups are individuals and families who are in immediate need of shelter. In Fiscal Year 2014-2015, a total of 11,003 clients were served in the Emergency Shelter Assistance component.

INNOVATIVE SUPPORTIVE HOUSING SERVICES

This component allows counties the flexibility to design innovative supportive housing services that address unique county needs that may not be met within conventional HAP service components. An example of this is the establishment of a clothes closet, making clothing available to assist those clients who need appropriate attire for a scheduled job interview. In Fiscal Year 2014-2015, a total of 2,073 clients were served in the Innovative Supportive Housing Services component.

HUMAN SERVICES BLOCK GRANT PILOT

In Fiscal Year 2012-2013, a 20 county Human Services Block Grant pilot program was implemented to provide local governments with increased flexibility to address local needs. Under the pilot program, funding for the following seven programs was combined at the local level into a flexible Human Services Block Grant: The Human Services Development Fund, Community Mental Health Services, Behavioral Health Services, Intellectual Disability Community Base Services, County Child Welfare Special Grants, Homeless Assistance Programs, and Act 152 Drug and Alcohol Services. The 20 county pilot was expanded in Fiscal Year 2013-2014, allowing additional counties to participate on a voluntary basis. Ten counties were added in Fiscal Year 2013-2014 bringing the total number of Block Grant Counties to 30. No additional expansion is currently anticipated in Fiscal Year 2015-2016 or Fiscal Year 2016-2017 and funding will continue to be provided from the individual appropriations.

HUMAN SERVICES ENHANCEMENT

The Governor's Executive Budget for Fiscal Year 2015-2016 provided \$1.000 million in State funds to assist veterans who are considered at-risk of homelessness due to poverty, lack of support networks and living in overcrowded or substandard housing. This program will allow local veterans service and non-profit organizations, with a mission of serving Pennsylvania veterans, to apply for grants to develop programs that address homelessness and behavioral health services for veterans. The goal would be to develop programs or services which address newly identified, unmet or emerging needs of veterans specific to homelessness, and to incorporate these programs into their local housing and human services teams to take a holistic approach to treating the Commonwealth veterans.

FISCAL YEAR 2016-2017 INITIATIVE – HUMAN SERVICES FUNDING RESTORATION

The Fiscal Year 2016-2017 Human Services Funding Restoration initiative will restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-2013 funding cuts when the human services block grant pilot program was implemented. Specifically, the Governor's Executive Budget for Fiscal Year 2016-2017 includes a total of \$0.685 million in State funds in the Homeless Assistance Program for this purpose. The balance of the Fiscal Year 2016-2017 funding proposed under this initiative is reflected under the other affected programs as identified above.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

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APPROPRIATION:
Human Services Development Fund

I. SUMMARY FINANCIAL DATA	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted
State Funds	\$13,460	\$13,959 ¹	\$14,458
Other Funds Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$13,460	\$13,959	\$14,458
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$499	
State Sources Itemized			
<i>Human Services Development Fund (General Fund)</i>		\$499	
Federal Funds Total		<u>\$0</u>	
Total		\$499	

¹ Includes a recommended supplemental appropriation of \$0.499 million. Appropriation Act 10-A of 2015 provided \$13.460 million in funding for Fiscal Year 2015-2016.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Human Services Development Fund				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change	
PERSONNEL						
State Funds	\$0	\$0	\$0	\$0	0.00%	
Federal Funds	\$0	\$0	\$0	\$0	0.00%	
Other Funds	\$0	\$0	\$0	\$0	0.00%	
Total Personnel	\$0	\$0	\$0	\$0	0.00%	
OPERATING						
State Funds	\$0	\$0	\$0	\$0	0.00%	
Federal Funds	\$0	\$0	\$0	\$0	0.00%	
Other Funds	\$0	\$0	\$0	\$0	0.00%	
Total Operating	\$0	\$0	\$0	\$0	0.00%	
FIXED ASSETS						
State Funds	\$0	\$0	\$0	\$0	0.00%	
Federal Funds	\$0	\$0	\$0	\$0	0.00%	
Other Funds	\$0	\$0	\$0	\$0	0.00%	
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%	
GRANT & SUBSIDY						
State Funds	\$13,460	\$13,959	\$14,458	\$499	3.57%	
Federal Funds	\$0	\$0	\$0	\$0	0.00%	
Other Funds	\$0	\$0	\$0	\$0	0.00%	
Total Grant & Subsidy	\$13,460	\$13,959	\$14,458	\$499	3.57%	
NONEXPENSE						
State Funds	\$0	\$0	\$0	\$0	0.00%	
Federal Funds	\$0	\$0	\$0	\$0	0.00%	
Other Funds	\$0	\$0	\$0	\$0	0.00%	
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%	
BUDGETARY RESERVE						
State Funds	\$0	\$0	\$0	\$0	0.00%	
Federal Funds	\$0	\$0	\$0	\$0	0.00%	
Other Funds	\$0	\$0	\$0	\$0	0.00%	
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%	
UNCOMMITTED						
State Funds	\$0	\$0	\$0	\$0	0.00%	
Federal Funds	\$0	\$0	\$0	\$0	0.00%	
Other Funds	\$0	\$0	\$0	\$0	0.00%	
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%	
OTHER						
State Funds	\$0	\$0	\$0	\$0	0.00%	
Federal Funds	\$0	\$0	\$0	\$0	0.00%	
Other Funds	\$0	\$0	\$0	\$0	0.00%	
Total Other	\$0	\$0	\$0	\$0	0.00%	
TOTAL FUNDS						
State Funds	\$13,460	\$13,959	\$14,458	\$499	3.57%	
Federal Funds	\$0	\$0	\$0	\$0	0.00%	
Other Funds	\$0	\$0	\$0	\$0	0.00%	
Total Funds	\$13,460	\$13,959	\$14,458	\$499	3.57%	

APPROPRIATION:
Human Services Development Fund

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$6	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget provides \$14.458 million in State funds; an increase of \$0.499 million over the Fiscal Year 2015-2016 appropriation level of \$13.959 million.

Detail on the appropriation request is outlined in Section VI entitled "Explanation of Changes" on the next page.

Legislative Citations:

62 P.S. §§ 201, 206, 3101 et seq.; 62 P.S. §1401-B et seq.

Disbursement Criteria:

The Human Services Development Fund (HSDF) payments are disbursed to counties quarterly as advance payments. Each quarterly payment represents 25 percent of the counties' annual HSDF allocation. Each county submits an annual expenditure report at the end of the fiscal year so that the Department of Human Services has a record on file of how the quarterly payments were expended. For the 30 counties participating in the Human Services Block Grant (HSBG), the HSDF advance payment is a portion of the county's HSBG advance payment.

VI. EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 Human Services Development Fund

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total</u>
FISCAL YEAR 2016-2017 INITIATIVES				
GRANT & SUBSIDY				
1. Human Services Funding Restoration				
A. Provides funding to restore one-third of the cuts to seven human services appropriations to offset Fiscal Year 2012-2013 funding cuts:				
	<u>\$499</u>	<u>\$0</u>	<u>\$0</u>	<u>\$499</u>
TOTAL	<u><u>\$499</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$499</u></u>

HUMAN SERVICES DEVELOPMENT FUND

PROGRAM STATEMENT

The Human Services Development Fund (HSDF) is a powerful tool for Pennsylvania county governments to combat isolation, poverty and dependence among their neediest populations. Created by a statute through the HSDF Act (Act 78 of 1994), funding is allocated annually to each county to provide a wide range of social services. Human services plans approved annually by the Department of Human Services describe individual HSDF funded programs and human services available in each county. However, county governments have ultimate discretion over which services will be available and the amount of HSDF funding each will receive. This local control is one of the hallmarks of the HSDF that allows counties to focus human service funding where it is most needed and adapt funding to meet unforeseen changes in human service needs.

The HSDF funding can be used to extend services, enhance services or reach multi-system clients within seven categories of human service populations for which counties are responsible by statute. The populations served by these categorical county-based programs are as follows: low-income adults, the aged and aging, dependent and delinquent children and youth, individuals with substance use disorder, individuals experiencing homelessness, individuals experiencing mental health challenges and individuals with intellectual disabilities.

Specialized services empower local officials, communities and human service planners to develop unique services designed to address purely local needs. Specialized services enable individuals to remain or become integrated members of their families as well as vital participants in their communities. For example, case management programs based in schools or satellite locations provide critical support and guidance to families where they live, and parenting training helps lower-income single parents experiencing the unique challenges of living in economically depressed rural communities.

Certain supports within the adult generic services category are frequently needed by clients in other categories of need. The ten adult services categories are as follows: Adult Day Care, Adult Placement, Chore/Home Support, Counseling, Employment, Homemaker, Centralized Information and Referral, Life Skills Education, Service Planning/Case Management and Transportation Services. The HSDF improves the cost efficiency of county contracting operations for purchasing these services by permitting the negotiation of only one contract with a service provider instead of the multiple individual contracts normally used.

Use of the HSDF for service coordination must conform to Act 78 of 1994. These activities are limited to "Planning and management activities designed to improve the effectiveness of county human services." Examples of appropriate service coordination activities include the following: the coordination of a needs assessment process to identify gaps or duplications in service, the provision of overhead costs for human services committees or councils which serve in an advisory capacity, and central recruitment and training of volunteers assigned to social services agencies.

In Fiscal Year 2012-2013, a 20 county Human Services Block Grant pilot program was implemented to provide local governments with increased flexibility to address local needs. Under the pilot program, funding for the following seven programs was combined at the local level into a flexible Human Services Block Grant: Human Services Development Fund, Community Mental Health Services, Behavioral Health Services, Intellectual Disability Community Base Services, County Child Welfare Special Grants, Homeless Assistance Programs, and Act 152 Drug and Alcohol Services. The 20 county pilot was expanded in Fiscal Year 2013-2014, allowing additional counties to participate on a voluntary basis. Ten counties were added in Fiscal Year 2013-2014 bringing the total number of Block Grant Counties to 30. No additional expansion is currently anticipated in Fiscal Year 2015-2016 or Fiscal Year 2016-2017 and funding will continue to be provided from the individual appropriations.

The Governor's Executive Budget for Fiscal Year 2016-2017 provides \$14.458 million in State funding for the Human Services Development Fund.

FISCAL YEAR 2016-2017 INITIATIVE – HUMAN SERVICES FUNDING RESTORATION

The Fiscal Year 2016-2017 "Human Services Funding Restoration" initiative will restore one-third of the ten percent reduction initially made to county programs during Fiscal Year 2012-2013. In addition to the Fiscal Year 2016-2017 restoration of one-third of the prior reduction, the Governor's Executive Budget for Fiscal Year 2016-2017 proposes that the remaining two-thirds will be restored over the subsequent two fiscal years to fully offset the initial funding cuts. Specifically, the Governor's Executive Budget for Fiscal Year 2016-2017 includes a total of \$0.499 million in State funds in the Human Services Development Fund for this purpose. The balance of the Fiscal Year 2016-2017 funding proposed under this initiative is reflected under the other affected programs as identified above.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

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Pp. A3.7, E30.7, E30.31-32, E30.41

APPROPRIATION:
Legal Services

I. SUMMARY FINANCIAL DATA	<u>2014-2015 Actual</u>	<u>2015-2016 Available</u>	<u>2016-2017 Budgeted</u>
State Funds	\$2,461	\$2,461	\$2,707
Federal Funds Total	\$5,049	\$5,049	\$5,049
Federal Sources Itemized			
<i>SSBG - Legal Services</i>	\$5,049	\$5,049	\$5,049
Other Funds Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$7,510	\$7,510	\$7,756
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds Total		<u>\$0</u>	
Total		\$0	

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Legal Services			
		2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$2,461	\$2,461	\$2,707	\$246	10.00%
Federal Funds	\$5,049	\$5,049	\$5,049	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$7,510	\$7,510	\$7,756	\$246	3.28%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$2,461	\$2,461	\$2,707	\$246	10.00%
Federal Funds	\$5,049	\$5,049	\$5,049	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$7,510	\$7,510	\$7,756	\$246	3.28%

APPROPRIATION:
Legal Services

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>2016-2017 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget provides an increase of \$0.246 million in State funds for legal services over the Fiscal Year 2015-2016 appropriation level of \$2.461 million. The Fiscal Year 2016-2017 Governor's Executive Budget maintains Federal Social Services Block Grant funds at the Fiscal Year 2015-2016 allocation level of \$5.049 million for ongoing program support.

Detail on the appropriation request is outlined in Section VI entitled "Explanation of Changes" on the next page.

Legislative Citations:

62 P.S. §§ 201, 206

Disbursement Criteria:

In Fiscal Year 2015-2016, funds are distributed to 13 local legal service providers. Funding distributions are based on a formula which includes the factors of poverty population, local monies available and special institutional populations. Funds are expended through a contract with Pennsylvania Legal Aid Network (PLAN).

VI. EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 Legal Services

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total</u>
GRANT & SUBSIDY				
1. The Fiscal Year 2016-2017 Federal Social Services Block Grant funding for ongoing support is maintained at the Fiscal Year 2015-2016 funding level of \$5.049 million:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Grants & Subsidy	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FISCAL YEAR 2016-2017 INITIATIVES				
GRANT & SUBSIDY				
1. Human Services Enhancement				
A. Provides \$0.246 million to expand Legal Services to low income individuals and families:	<u>\$246</u>	<u>\$0</u>	<u>\$0</u>	<u>\$246</u>
TOTAL	<u><u>\$246</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$246</u></u>

LEGAL SERVICES

PROGRAM STATEMENT

This program provides legal assistance to low-income individuals and families who are unable to afford these services from the private sector. These services are provided through a statewide grantee, Pennsylvania Legal Aid Network, Inc., that uses 13 local and/or specialized legal service providers.

Services are provided to resolve the civil legal problems of persons with a family income of less than 125 percent of the Federal poverty level. Emergency legal services are provided without consideration of family income to victims of abuse who need immediate protective services. Lawyers and their aides provide consultation, advice, assessment, negotiation and representation to eligible clients. During Fiscal Year 2015-2016, an estimated 17,500 clients will receive legal services. It is anticipated that approximately 17,700 clients will be served during Fiscal Year 2016-2017. Services provided through the statewide contractor do not include legal assistance regarding political activities or representation in criminal matters. In Fiscal Year 1995-1996, the State and the contractor reached an agreement regarding when a class action lawsuit may be undertaken.

Funds provided by the Department of Human Services supplement Federal funding received by local providers directly from the Pennsylvania Legal Aid Network, Inc. and private funding from the community at large. The Fiscal Year 2016-2017 Governor's Executive Budget provides \$5.049 million in Federal funds for Legal Services.

FISCAL YEAR 2016-2017 INITIATIVE – HUMAN SERVICES ENHANCEMENT

The Governor's Executive Budget for Fiscal Year 2016-2017 provides \$0.246 million in State funds to expand programs and services.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A3.6-7, C1.29, E30.7, E30.31-32, E30.41

APPROPRIATION:
Domestic Violence

I. SUMMARY FINANCIAL DATA	2014-2015	2015-2016	2016-2017
	<u>Actual</u>	<u>Available</u>	<u>Budgeted</u>
State Funds	\$15,319	\$16,851	\$16,851
Federal Funds Total	\$8,886	\$8,886	\$8,886
Federal Sources Itemized			
<i>SSBG - Domestic Violence Programs</i>	\$5,705	\$5,705	\$5,705
<i>Family Violence Prevention Services</i>	\$3,081	\$3,081	\$3,081
<i>PHHSBG - Domestic Violence (EA)</i>	\$100	\$100	\$100
Other Funds Total	\$933	\$833	\$833
Other Fund Sources Itemized			
<i>Marriage Law Fees</i>	\$933	\$833	\$833
Total	<u>\$25,138</u>	<u>\$26,570</u>	<u>\$26,570</u>
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds		\$0	
Total		<u>\$0</u>	

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Domestic Violence				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$15,319	\$16,851	\$16,851	\$0	0.00%
<i>Federal Funds</i>	\$8,886	\$8,886	\$8,886	\$0	0.00%
<i>Other Funds</i>	\$933	\$833	\$833	\$0	0.00%
Total Grant & Subsidy	\$25,138	\$26,570	\$26,570	\$0	0.00%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$15,319	\$16,851	\$16,851	\$0	0.00%
<i>Federal Funds</i>	\$8,886	\$8,886	\$8,886	\$0	0.00%
<i>Other Funds</i>	\$933	\$833	\$833	\$0	0.00%
Total Funds	\$25,138	\$26,570	\$26,570	\$0	0.00%

APPROPRIATION:
Domestic Violence

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$0	\$5	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget maintains State funding at the Fiscal Year 2015-2016 funding level of \$16.851 million. The Fiscal Year 2016-2017 Governor's Executive Budget maintains Federal funding at the Fiscal Year 2015-2016 level for the Family Violence Prevention Services at \$3.081 million and for the Social Services Block Grant - Domestic Violence Programs at \$5.705 million. The Fiscal Year 2016-2017 Governor's Executive Budget maintains \$0.100 million in Federal funding for the Preventive Health and Health Services Block Grant - Domestic Violence. The Fiscal Year 2016-2017 Governor's Executive Budget maintains funding at the Fiscal Year 2015-2016 level for the Marriage Law Fees augmentation.

Detail on the appropriation is outlined in Section VI entitled "Explanation of Changes" on the next page.

Legislative Citations:

62 P.S. §§ 201, 206

Disbursement Criteria:

These funds are distributed to various subcontractors across the State based on population, need for service or increased service demand and types of services offered. An Independent Review Panel makes recommendations on local provider allocations, however, the Department makes final allocation decisions.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Domestic Violence			
	State \$	Federal \$	Other \$	Total
GRANT & SUBSIDY				
1. The Fiscal Year 2016-2017 Governor's Executive Budget maintains \$16.851 million in State funding for Domestic Violence Services. \$15.166 million in State funding will be used for payments to counties to provide funding to nonprofit centers to serve clients in communities statewide. The remaining \$1.685 million in State funds will be used for administrative costs:	\$0	\$0	\$0	\$0
2. Maintains Federal Social Services Block Grant funding at the Fiscal Year 2015-2016 allocation level of \$5.705 million to support the following programs:				
A. Maintains \$0.500 million for expanded services as a result of the training of County Assistance Office staff to recognize and refer cases of domestic violence and maintains \$1.205 million for protective service to victims of domestic violence. The program services are administered at the county level as intervention in crisis situations:	\$0	\$0	\$0	\$0
B. Maintains \$2.000 million in Federal funding to provide legal assistance to victims of domestic violence through local domestic violence programs and enhanced training to County Domestic Relations staff, legal staff and legal advocates related to domestic violence legal issues:	\$0	\$0	\$0	\$0
C. Maintains \$1.000 million for the availability of medical advocacy services through community-based domestic violence programs, local hospitals and health care facilities:	\$0	\$0	\$0	\$0
D. Maintains \$1.000 million for relocation expenses of domestic violence victims. This funding is for moving expenses and related costs of up to \$1,500 in a 24-month period to qualifying victims of domestic violence (under 235 percent of Federal Poverty Income Guidelines) to relocate for safety reasons:	\$0	\$0	\$0	\$0
SUBTOTAL	\$0	\$0	\$0	\$0
3. Maintains \$0.100 million in Federal funding for Preventive Health and Health Services Block Grant-Domestic Violence:	\$0	\$0	\$0	\$0
4. Maintains \$0.833 million for Marriage Law Fees (Other funds) at the Fiscal Year 2015-2016 funding level. Marriage Law fees are from the collection of a \$10 surcharge on marriage licenses as stipulated in Act 222 of 1990. Protection from Abuse fees are from the collection of a \$25 surcharge on protection orders as stipulated in Act 66 of 2005. Funds are deposited to a restricted revenue account and transferred as augmenting revenue to the Domestic Violence appropriation:	\$0	\$0	\$0	\$0
SUBTOTAL GRANT & SUBSIDY	\$0	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0	\$0

DOMESTIC VIOLENCE

PROGRAM STATEMENT

Domestic Violence services are provided to persons who have been abused in their own homes and are in need of a variety of emergency and ongoing social services. The Department has a grant with the Pennsylvania Coalition Against Domestic Violence, which in turn sub-grants with 60 local domestic violence programs, serving 67 counties.

Domestic Violence programs provide emergency crisis intervention services to those persons who have left their homes or are considering leaving their homes because of abuse by a family or household member. These emergency services include counseling for the victim and temporary shelter for the victim and the victim's family. After the emergency has eased, the local domestic violence programs provide ongoing supportive counseling and referral to other community services. The local programs provide prevention and community education services to identify persons needing assistance, reduce the incidence and lessen the risk of domestic violence in the community at large. All services are provided without consideration of the client's family income.

The Fiscal Year 2016-2017 Governor's Executive Budget provides \$16.851 million in State funds for domestic violence services for approximately 45,000 clients (victims, children and significant others), including approximately 125,000 days of shelter and an estimated 175,000 hours of counseling.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. A3.7, C1.29, E30.7, E30.31-32, E30.41

APPROPRIATION:
Rape Crisis

I. SUMMARY FINANCIAL DATA	<u>2014-2015 Actual</u>	<u>2015-2016 Available</u>	<u>2016-2017 Budgeted</u>
State Funds	\$8,763	\$9,639	\$9,639
Federal Funds Total	\$1,721	\$1,721	\$1,721
Federal Sources Itemized			
<i>SSBG - Rape Crisis</i>	\$1,721	\$1,721	\$1,721
Other Funds Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$10,484	\$11,360	\$11,360
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds Total		<u>\$0</u>	
Total		\$0	

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Rape Crisis				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$8,763	\$9,639	\$9,639	\$0	0.00%
<i>Federal Funds</i>	\$1,721	\$1,721	\$1,721	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$10,484	\$11,360	\$11,360	\$0	0.00%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$8,763	\$9,639	\$9,639	\$0	0.00%
<i>Federal Funds</i>	\$1,721	\$1,721	\$1,721	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$10,484	\$11,360	\$11,360	\$0	0.00%

APPROPRIATION:
Rape Crisis

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>2016-2017 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:
The Fiscal Year 2016-2017 Governor's Executive Budget maintains State funds at the Fiscal Year 2015-2016 funding level of \$9.639 million. The Fiscal Year 2016-2017 Governor's Executive Budget maintains Federal Social Services Block Grant funds at the Fiscal Year 2015-2016 allocation level of \$1.721 million for ongoing program support.

Detail on the appropriation is outlined in Section VI entitled "Explanation of Changes" on the next page.

Legislative Citations:
62 P.S. §§ 201, 206

Disbursement Criteria:
The Department of Human Services contracts with an administrative agency, Pennsylvania Coalition Against Rape (PCAR), which in turn contracts with local nonprofit centers to serve clients in communities statewide. These funds are distributed to various subcontractors across the State based on population, need for service or increased service demand and types of services offered. An Independent Review Panel makes recommendations on local provider allocations. However, the Department of Human Services makes final allocation decisions.

VI. EXPLANATION OF CHANGES

(\$ Amounts in Thousands)

APPROPRIATION:

Rape Crisis

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total</u>
GRANT & SUBSIDY				
1. The Fiscal Year 2016-2017 Governor's Executive Budget maintains State funding for Rape Crisis Programs and Services at the Fiscal Year 2015-2016 funding level of \$9.639 million:	\$0	\$0	\$0	\$0
2. The Fiscal Year 2016-2017 Governor's Executive Budget maintains Federal funding for the Social Services Block Grant at the Fiscal Year 2015-2016 funding level of \$1.721 million:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Grant & Subsidy	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

RAPE CRISIS

PROGRAM STATEMENT

Rape crisis services are provided to victims of sexual violence and non-offending significant others who are in need of a variety of emergency crisis intervention services and ongoing support in dealing with emotional and physical trauma resulting from sexual violence. The Department of Human Services (Department) has a grant with the Pennsylvania Coalition Against Rape (PCAR), which in turn sub-grants with 50 local nonprofit rape crisis programs covering all 67 counties. Rape crisis programs provide a continuum of direct services that includes 24-hour hotline, crisis counseling and accompaniment through the medical and criminal justice systems. Rape crisis programs also provide services to their communities at-large through the provision of prevention education activities to schools and community groups. Training and systems advocacy are also provided to a broad scope of professionals to enhance their responsiveness to victims of sexual violence and significant others.

The Fiscal Year 2016-2017 Governor's Executive Budget provides \$9.639 million to fund rape crisis services for approximately 32,000 victims of sexual violence and their significant others, including approximately 150,000 hours of service from PCAR sub-grantees.

DHS BUDGET REQUEST FOR FY 2016-2017
 (\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
 Pp. A3.7, E30.7, E30.30-32, E30.41

APPROPRIATION:
 Breast Cancer Screening

I. SUMMARY FINANCIAL DATA	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted
State Funds	\$1,623	\$1,623	\$1,785
Federal Funds Total	\$2,000	\$2,000	\$2,000
Federal Sources Itemized			
<i>SSBG - Family Planning</i>	\$2,000	\$2,000	\$2,000
Other Funds Total	\$0	\$0	\$0
Total	\$3,623	\$3,623	\$3,785
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds Total		\$0	
Total		\$0	

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Breast Cancer Screening				
	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$0	\$0	\$0	\$0	0.00%
FIXED ASSETS					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$1,623	\$1,623	\$1,785	\$162	9.98%
<i>Federal Funds</i>	\$2,000	\$2,000	\$2,000	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$3,623	\$3,623	\$3,785	\$162	4.47%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$1,623	\$1,623	\$1,785	\$162	9.98%
<i>Federal Funds</i>	\$2,000	\$2,000	\$2,000	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$3,623	\$3,623	\$3,785	\$162	4.47%

APPROPRIATION:
Breast Cancer Screening

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>2016-2017 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget provides an increase of \$0.162 million in State funds over the Fiscal Year 2015-2016 funding level of \$1.623 million which provides \$0.306 million in State funds to continue the funding of specialized education and outreach services provided by the Pennsylvania Breast Cancer Coalition. Funding for the Title XX Family Planning program is maintained at the Fiscal Year 2015-2016 appropriation level of \$2.000 million.

Detail on the appropriation request is outlined in Section VI entitled "Explanation of Changes" on the next page.

Legislative Citations:

62 P.S. §§ 201, 206; Title XIX of the Social Security Act, 42 U.S.C. § 1396a

Disbursement Criteria:

The allocation of Breast Cancer Screening funds is based on the percentage distribution of Title XX Family Planning funds. Family Planning Services county allocations are based on each of the four Family Planning Council's proportion of the population served with a formula agreed by the Department of Human Services and Family Planning Councils.

VI. EXPLANATION OF CHANGES
 (\$ Amounts in Thousands)

APPROPRIATION:
 Breast Cancer Screening

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total</u>
GRANT & SUBSIDY				
1. The Fiscal Year 2016-2017 Governor's Executive Budget maintains Federal Social Services Block Grant funding at the Fiscal Year 2015-2016 appropriation level of \$2.000 million:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Grant & Subsidy	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FISCAL YEAR 2016-2017 INITIATIVES				
GRANT & SUBSIDY				
1. Human Services Enhancement				
A. Provides for an increase of \$0.162 million in State funds to expand Breast Cancer Screening programs and services:	<u>\$162</u>	<u>\$0</u>	<u>\$0</u>	<u>\$162</u>
TOTAL	<u><u>\$162</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$162</u></u>

BREAST CANCER SCREENING

PROGRAM STATEMENT

A variety of health care services are provided through grants with four private, nonprofit corporations called Family Planning Councils, which sub-grant with approximately 240 clinic sites. The grants are integrated with the Department's Medical Assistance Program and the Department of Health's Maternal and Child Health Program. This integration of service prevents duplication and assures that the Commonwealth provides the greatest number of quality services possible for its investment.

Breast cancer is the leading type of cancer for women in Pennsylvania (28 percent) and accounts for a slightly larger percentage of all cancer deaths for women in Pennsylvania than in the United States. In Pennsylvania, cancer is the second leading cause of death. This program leads to early detection that reduces the mortality rate. It is focused on low-income women who do not usually see a clinician for medical care other than for family planning services. The program has been expanded to provide mammograms and echograms to low-income women who are not eligible to participate in the Medical Assistance Program and are not covered by private health insurance, but are at increased risk of developing breast cancer due to family, economic or health factors.

During Fiscal Year 2014-2015, 93,723 women with incomes less than 185 percent of the Federal Poverty Income Guidelines (FPIG) were screened for breast cancer. It is anticipated the number of individuals to receive Breast Cancer Screening services in Fiscal Year 2015-2016 will be approximately 94,000 and in Fiscal Year 2016-2017 will be approximately 97,000.

Family planning services address contraceptive needs through the provision of educational, medical and social services. Family planning enables individuals to determine family size, determine intervals between children and to prevent unplanned pregnancies. Free family planning services are provided to individuals whose family income is less than 100 percent of the FPIG.

FISCAL YEAR 2016-2017 INITIATIVE – HUMAN SERVICES ENHANCEMENT

The Governor's Executive Budget for Fiscal Year 2016-2017 provides \$0.162 million in State funds to expand programs and services.

DHS BUDGET REQUEST FOR FY 2016-2017
(\$ Amounts in Thousands)

Page # of Governor's Executive Budget:
Pp. E30.8, H4, H14

APPROPRIATION:
Children's Trust Fund

I. SUMMARY FINANCIAL DATA

	<u>2014-2015 Actual</u>	<u>2015-2016 Available</u>	<u>2016-2017 Budgeted</u>
State Funds	\$0	\$0	\$0
Federal Funds Total	\$0	\$0	\$0
Other Funds Total	\$1,400	\$1,400	\$1,400
Other Fund Sources Itemized			
<i>Children's Trust Fund (EA)</i>	\$1,400	\$1,400	\$1,400
Total	\$1,400	\$1,400	\$1,400

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$0
Federal Funds Total	\$0
Total	\$0

II. DETAIL BY MAJOR OBJECT
(\$ Amounts in Thousands)

APPROPRIATION:
Children's Trust Fund

	2014-2015 Actual	2015-2016 Available	2016-2017 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$0	\$0	\$0	\$0	0.00%
OPERATING					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$10	\$10	\$10	\$0	0.00%
Total Operating	\$10	\$10	\$10	\$0	0.00%
FIXED ASSETS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$0	\$0	\$0	\$0	0.00%
GRANT & SUBSIDY					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$1,390	\$1,390	\$1,390	\$0	0.00%
Total Grant & Subsidy	\$1,390	\$1,390	\$1,390	\$0	0.00%
NONEXPENSE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$0	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$0	\$0	0.00%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$0	\$0	\$0	\$0	0.00%
OTHER					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$1,400	\$1,400	\$1,400	\$0	0.00%
Total Funds	\$1,400	\$1,400	\$1,400	\$0	0.00%

APPROPRIATION:
Children's Trust Fund

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2013-2014	2014-2015	2015-2016 Estimated
State Funds	\$46	\$51	\$0

IV. COMPLEMENT INFORMATION	12/31/2014	12/31/2015	2016-2017 Budgeted
State/Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Federally Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Other Funded			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Total			
<i>Authorized</i>	N/A	N/A	N/A
<i>Filled</i>	N/A	N/A	N/A
Benefit Rate	N/A	N/A	N/A

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2016-2017 Governor's Executive Budget maintains the Fiscal Year 2015-2016 funding level of \$1.400 million.

Detail on the appropriation is outlined in Section VI entitled "Explanation of Changes" on the next page.

Legislative Citations:

11 P.S. §§ 2231-2238

Disbursement Criteria:

Disbursements are made based on grant applications approved by the Office of Child Development and Early Learning to establish community-based children's programs and services for child abuse and neglect prevention.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Children's Trust Fund			
	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total</u>
OPERATING				
1. The Fiscal Year 2016-2017 Governor's Executive Budget maintains funding for operating expenses at the Fiscal Year 2015-2016 level of \$0.010 million:	\$0	\$0	\$0	\$0
GRANT & SUBSIDY				
1. The Fiscal 2016-2017 Year Governor's Executive Budget maintains Grant & Subsidy funding at the Fiscal Year 2015-2016 level of \$1.390 million:	\$0	\$0	\$0	\$0
TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

CHILDREN'S TRUST FUND

PROGRAM STATEMENT

Pennsylvania's Children's Trust Fund (CTF) was established by Act 151 of 1988. The CTF funds innovative and community-based programs that help to reduce the incidence of child abuse and neglect by promoting programs of prevention. Funds for the CTF are generated from a \$10 surcharge on all applications for marriage licenses and divorce complaints, interest, private donations and gifts. Specific emphasis for funding is placed on primary and secondary prevention programs that focus on the prevention of abuse before it occurs for the first time.

Recent research indicates that efforts to reduce child abuse and neglect are most successful when services and supports embody a strength-based, family support approach that builds on assets and protective factors to strengthen families and promote resiliency. This is the basis for the Children's Trust Fund's ongoing support of strategies that focus on strengthening families and building protective factors and resiliency within parents, caregivers and children in order to prevent child abuse and neglect.

Ongoing research conducted by the Center for the Study of Social Policy has shown that the presence and prominence of five protective factors in families reduces the likelihood of child abuse and neglect and contributes to excellent outcomes for young children.

Strengthening Families Protective Factors include:

- **Parental resilience** – parents maintain a positive attitude and have the ability to cope with, creatively solve and bounce back from all types of life challenges
- **Social connections** – parents have a network of people, agencies and organizations that provide emotional support and concrete assistance
- **Knowledge of parenting and child development** – parents understand what to expect at different stages of child development, effective parenting skills and ways of finding help with specific developmental and behavioral problems
- **Concrete support in times of need** – parents have access to formal and informal services and support from social networks in times of family crisis
- **Social and emotional competence of children** – parents work with children to help them learn to interact positively with others, communicate their emotions and feel good about themselves

For Fiscal Year 2016-2017, grantees are required to use evidence or research-based methods to provide comprehensive support services that will strengthen families and build protective factors to prevent child abuse and neglect.

Title	Social Services Block Grant
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Description This block grant provides funding to help individuals achieve or maintain self-sufficiency, to prevent, reduce or eliminate dependency, to prevent or remedy abuse and neglect of children and adults; and to prevent or reduce Institutional care. Most services are delivered by local entities that receive grants or contract with the Department of Human Services. These Federal allocations serve to augment State appropriations thereby increasing the total level of services provided.

In addition to funds received directly through the Social Services Block Grant, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 authorized transfers from the Temporary Assistance to Needy Families Block Grant.

(Dollar Amounts in Thousands)

Department/Appropriation	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-2016 Available	Fiscal Year 2016-2017 Request
Human Services			
Administration:			
SSBG - Administration	\$325	\$325	\$325
Services:			
SSBG - County Assistance Offices	\$6,262	\$6,262	\$6,262
SSBG - Basic Institutional Program	\$10,000	\$10,000	\$10,000
SSBG - Community Mental Health	\$10,366	\$10,366	\$10,366
SSBG - Community ID Services	\$7,451	\$7,451	\$7,451
SSBG - Child Welfare	\$12,021	\$12,021	\$12,021
SSBG - Child Care Services	\$30,977	\$30,977	\$30,977
SSBG - Domestic Violence Programs	\$5,705	\$5,705	\$5,705
SSBG - Rape Crisis	\$1,721	\$1,721	\$1,721
SSBG - Family Planning	\$2,000	\$2,000	\$2,000
SSBG - Legal Services	\$5,049	\$5,049	\$5,049
SSBG - Homeless Services	\$4,183	\$4,183	\$4,183
Total Appropriated	<u>\$96,060</u>	<u>\$96,060</u>	<u>\$96,060</u>

Title: Community Mental Health Block Grant

Description: This block grant provides funds for the provision of services to individuals who are either adults with a serious mental illness or children with a serious emotional disturbance. Services may be provided by a variety of community-based programs including community mental health centers, child mental health programs, psychosocial rehabilitation programs, mental health peer support programs and mental health primary consumer directed programs.

(Dollar Amounts in Thousands)

<u>Department/Appropriation</u>	<u>Fiscal Year 2014-2015 Actual</u>	<u>Fiscal Year 2015-2016 Available</u>	<u>Fiscal Year 2016-2017 Request</u>
Department of Human Services			
<i>Community Mental Health Services-Administration</i>	\$461	\$539	\$539
<i>Community Mental Health Services</i>	<u>\$20,400</u>	<u>\$18,000</u>	<u>\$18,000</u>
Block Grant Total	<u>\$20,861</u>	<u>\$18,539</u>	<u>\$18,539</u>

Title	Low-Income Home Energy Assistance
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Description: This block grant provides funds to assist eligible households in meeting the costs of home energy through cash assistance and to alleviate crisis situations. The amount of benefit to an eligible household varies according to income, fuel type, family size, and weather region. Benefits are provided through direct payments to fuel suppliers or to households which pay for heat in their rents. Weatherization services are also provided for eligible clients. Outreach activities are conducted to ensure that eligible households are aware of available energy

(Dollar Amounts in Thousands)

<u>Department/Appropriation</u>	<u>Fiscal Year 2014-2015 Actual</u>	<u>Fiscal Year 2015-2016 Available</u>	<u>Fiscal Year 2016-2017 Request</u>
Human Services			
Administration:			
Low-Income Energy Assistance Administration	\$21,688	\$27,000	\$27,000
Services:			
Low-Income Families and Individuals	\$147,300	\$150,384	\$150,384
Excess Federal Appropriation Authority (1)	<u>\$178,012</u>	<u>\$169,616</u>	<u>\$169,616</u>
Sub Total	\$347,000	\$347,000	\$347,000
Community and Economic Development			
Administration:			
Administration	\$905	\$1,000	\$1,000
Services:			
Weatherization Program (2)	\$29,667	\$29,953	\$27,680
Excess Federal Appropriation Authority (1)	<u>\$10,428</u>	<u>\$18,547</u>	<u>\$20,820</u>
Sub Total	\$41,000	\$49,500	\$49,500
Total Appropriated	<u>\$388,000</u>	<u>\$396,500</u>	<u>\$396,500</u>

- 1) The excess Federal appropriation authority is requested to allow for any Energy Contingency Fund allocation or increased allocations in FFY 2016 and FFY 2017.
- 2) Allocation for the Weatherization Program reflects 15% of total awarded allocation as of January 31, 2015.

Title Child Care and Development Fund

Description The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 created this new block grant which provides funds to states for an integrated child care program. This program allows states flexibility in developing programs to provide child care to children of parents trying to become independent of public assistance, to provide consumer education information to parents, to promote parental choice, and to implement state health, safety, licensing and registration standards. States are not required to match discretionary funds, however, there are some maintenance of effort and state matching requirements.

(Dollar Amounts in Thousands)

<u>Department/Appropriation</u>	<u>Fiscal Year 2014-2015 Actual</u>	<u>Fiscal Year 2015-2016 Available</u>	<u>Fiscal Year 2016-2017 Request</u>
Executive Offices			
Inspector General - Welfare Fraud			
CCDFBG - Subsidized Day Care Fraud	\$905	\$905	\$905
Human Services			
CCDFBG - Administration	\$16,723	\$21,840	\$22,895
CCDFBG - Child Care Services	\$210,889	\$244,856	\$265,268
CCDFBG - School Age	\$1,260	\$1,260	\$1,260
CCDFBG - Child Care Assistance	<u>\$143,630</u>	<u>\$130,985</u>	<u>\$131,866</u>
Subtotal	<u>\$372,502</u>	<u>\$398,941</u>	<u>\$421,289</u>
TOTAL APPROPRIATED	<u>\$373,407</u>	<u>\$399,846</u>	<u>\$422,194</u>

Title	Temporary Assistance for Needy Families
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Description The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 created a block grant which made funds available to the states to operate the Temporary Assistance for Needy Families (TANF) Program. Pennsylvania implemented TANF effective March 3, 1997. Funds are available to provide temporary cash and other benefits to help needy families participating in activities designed to end the dependence on government benefits and to provide services for dependent and abused children. This block grant requires a state maintenance of effort and establishes mandatory work participation rates. States are allowed to transfer up to a total of 30 percent of their TANF funds to the Child Care and Development Fund (CCDF) and the Social Services Block Grant (SSBG). The SSBG is limited to a maximum 10 percent transfer.

(Dollar Amounts in Thousands)

Department/Appropriation	Fiscal Year 2014-2015 Actual	Fiscal Year 2015-2016 Available	Fiscal Year 2016-2017 Request
Executive Offices			
Office of Inspector General			
TANFBG - Program Accountability	\$1,500	\$1,500	\$1,500
Education			
TANFBG - Teenage Parenting Ed (EA)	\$11,094 ¹	\$11,094 ¹	\$11,094 ¹
Labor and Industry			
TANFBG - Youth Employment & Training	\$15,000	\$25,000	\$25,000
Human Services			
TANFBG - Administration	\$8,123	\$8,810	\$8,810
TANFBG - Information Systems	\$9,327	\$9,339	\$14,417
TANFBG - County Administration-Statewide	\$1,072	\$1,072	\$1,072
TANFBG - County Assistance Offices	\$46,490	\$53,033	\$48,654
TANFBG - New Directions	\$110,799 ¹	\$98,428 ¹	\$98,428 ¹
TANFBG - Cash Grants	\$319,393	\$308,975	\$288,975
TANFBG - Alternatives to Abortion	\$1,000	\$1,000	\$1,000
TANFBG - Child Welfare	\$58,508	\$58,508	\$58,508
TANFBG - Child Care Assistance	\$27,557	\$29,357	\$36,139
Subtotal	<u>\$582,269</u>	<u>\$568,522</u>	<u>\$556,003</u>
Total Appropriated	<u>\$609,863</u>	<u>\$606,116</u>	<u>\$593,597</u>

¹ Teen Parenting is a subgrant of the New Directions appropriation. Amount shown in New Directions is net the Teen Parenting program to avoid double counting.



pennsylvania
DEPARTMENT OF HUMAN SERVICES