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pennsylvania
DEPARTMENT OF HUMAN SERVICES

**GOVERNOR'S EXECUTIVE
BUDGET**

A P P R O P R I A T I O N S
C O M M I T T E E
H E A R I N G S

MARCH 2019



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 DEPARTMENT OF HUMAN SERVICES

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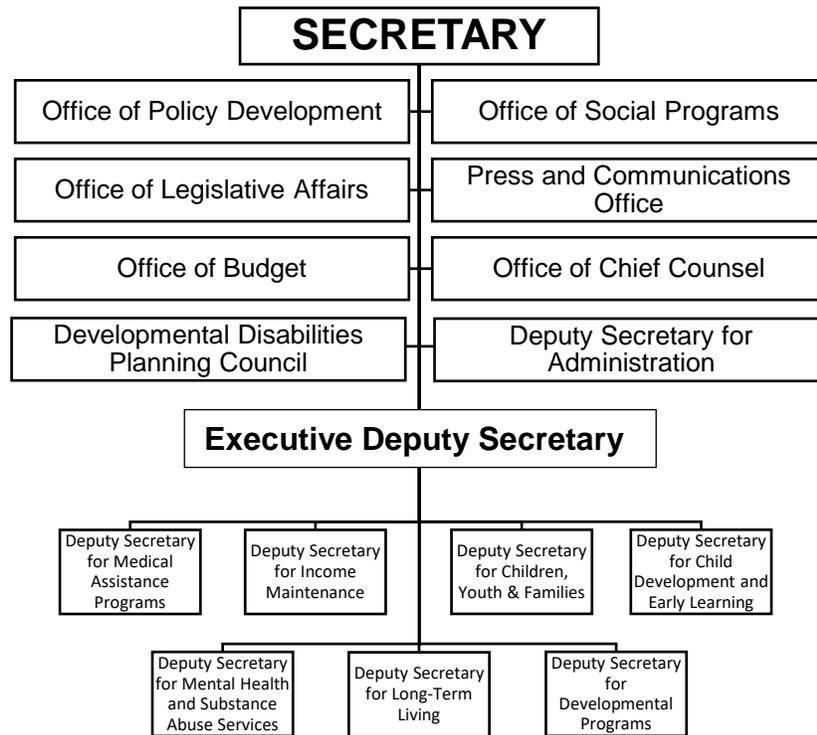
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DEPARTMENT OF HUMAN SERVICES

The mission of the Department of Human Services is to improve the quality of life and promote healthy lifestyles for all Pennsylvania's individuals and families. The department promotes opportunities for independence through services and supports and ensures the safe delivery of quality health care for all commonwealth citizens while demonstrating accountability for taxpayer resources.

Organization Overview



- **Deputy Secretary for Administration** oversees the bureaus of Financial Operations; Human Services Licensing; Administrative Services; Procurement and Contract Management; Program Integrity; Hearings and Appeals; and Equal Opportunity.
- **Deputy Secretary for Medical Assistance and Health Care Delivery Programs** administers the joint state/federal Medical Assistance (also known as Medicaid) program that purchases health care for nearly 2.5 million Pennsylvania residents.
- **Deputy Secretary for Income Maintenance** is responsible for the oversight of the Temporary Assistance for Needy Families program; Medical Assistance; Supplemental Nutrition Assistance Program; home heating assistance; family assistance; health services; employment and training services; and child support.
- **Deputy Secretary for Children, Youth and Families** oversees the bureaus of Policy, Programs and Operations; Children and Family Services; Juvenile Justice Services; and Budget and Fiscal Support.
- **Deputy Secretary for Child Development and Early Learning** oversees the bureaus of Subsidized Child Care Services; Certification Services; Early Learning Services; and Early Intervention Services.
- **Deputy Secretary for Mental Health and Substance Abuse Services** oversees the Office of the Medical Director and the bureaus of Community and Hospital Operations; Policy, Planning and Program Development; Financial Management and Administration; Children’s Behavioral Health; and Quality Management and Data Review.
- **Deputy Secretary for Long-Term Living** oversees the bureaus of Coordinated and Integrated Services; Provider and Participant Supports; Quality Assurance and Program Analytics; Policy Development and Communications Management; and Finance.
- **Deputy Secretary for Developmental Programs** oversees the bureaus of Financial Management and Budget; Supports for People with Intellectual Disabilities; Policy and Program Support; and Autism Services.

DEPARTMENT OF HUMAN SERVICES

(\$ Amounts in Thousands)

2018-2019 Available

2019-2020 Governor's Executive Budget

Program Area	State General/ Special	Federal/ Other	Total	State General/ Special	Federal/ Other	Total
Administration:						
General Government Operations	\$96,196	\$118,167	\$214,363	\$107,884	\$124,254	\$232,138
Information Systems	\$83,901	\$218,980	\$302,881	\$86,206	\$180,971	\$267,177
County Administration-Statewide	\$42,260	\$120,134	\$162,394	\$46,813	\$120,244	\$167,057
County Assistance Offices	\$255,350	\$435,936	\$691,286	\$255,350	\$447,892	\$703,242
Children's Health Insurance Administration	\$588	\$5,486	\$6,074	\$1,111	\$5,254	\$6,365
Child Support Enforcement	\$16,298	\$174,938	\$191,236	\$16,298	\$168,901	\$185,199
New Directions	\$15,682	\$140,583	\$156,265	\$15,682	\$140,851	\$156,533
Subtotal Administration	\$510,275	\$1,214,224	\$1,724,499	\$529,344	\$1,188,367	\$1,717,711
Institutional:						
Youth Development Institutions and Forestry Camps	\$63,008	\$10,660	\$73,668	\$63,699	\$10,660	\$74,359
Mental Health Services	\$776,853	\$281,988	\$1,058,841	\$805,121	\$309,262	\$1,114,383
Intellectual Disabilities-State Centers	\$117,324	\$187,742	\$305,066	\$117,136	\$189,269	\$306,405
Subtotal Institutional	\$957,185	\$480,390	\$1,437,575	\$985,956	\$509,191	\$1,495,147
Grants and Subsidies:						
Cash Grants	\$43,290	\$558,591	\$601,881	\$80,864	\$393,442	\$474,306
Supplemental Grants - Aged, Blind and Disabled	\$125,784	\$0	\$125,784	\$126,532	\$0	\$126,532
Medical Assistance-Capitation	\$3,193,036	\$12,725,274	\$15,918,310	\$2,676,609	\$11,722,597	\$14,399,206
Medical Assistance - Fee-for-Service	\$264,352	\$2,473,731	\$2,738,083	\$427,035	\$1,920,792	\$2,347,827
Payments to Federal Government - Medicare Drug Program	\$754,726	\$0	\$754,726	\$769,069	\$0	\$769,069
Medical Assistance-Workers with Disabilities	\$25,807	\$33,609	\$59,416	\$31,375	\$44,805	\$76,180
Medical Assistance-Physician Practice Plans	\$10,071	\$10,989	\$21,060	\$6,571	\$7,190	\$13,761
Hospital-Based Burn Centers	\$3,782	\$4,139	\$7,921	\$3,782	\$4,139	\$7,921
Medical Assistance-Critical Access Hospitals	\$10,400	\$18,082	\$28,482	\$10,400	\$18,082	\$28,482
Medical Assistance-Obstetric and Neonatal Services	\$3,681	\$10,311	\$13,992	\$3,681	\$10,311	\$13,992
Medical Assistance-Trauma Centers	\$8,656	\$9,472	\$18,128	\$8,656	\$9,472	\$18,128
Medical Assistance-Academic Medical Centers	\$24,681	\$27,007	\$51,688	\$17,431	\$19,074	\$36,505
Medical Assistance-Transportation	\$75,054	\$82,931	\$157,985	\$69,653	\$85,706	\$155,359
Expanded Medical Services for Women	\$6,263	\$1,000	\$7,263	\$6,263	\$1,000	\$7,263
Children's Health Insurance Program	\$12,725	\$471,711	\$484,436	\$48,240	\$430,192	\$478,432
Medical Assistance-Long-Term Care	\$850,149	\$1,843,552	\$2,693,701	\$465,795	\$831,483	\$1,297,278
Medical Assistance-Community HealthChoices	\$662,269	\$2,275,561	\$2,937,830	\$2,347,851	\$4,316,200	\$6,664,051
Home and Community - Based Services	\$499,363	\$675,912	\$1,175,275	\$173,729	\$197,589	\$371,318
Long-Term Care Managed Care	\$146,926	\$171,363	\$318,289	\$156,933	\$171,722	\$328,655
Services to Persons with Disabilities	\$353,358	\$383,000	\$736,358	\$116,561	\$129,436	\$245,997
Attendant Care	\$221,445	\$213,204	\$434,649	\$55,619	\$68,475	\$124,094
Intellectual Disabilities-Community Base Program	\$149,379	\$64,058	\$213,437	\$148,725	\$62,067	\$210,792
Intellectual Disabilities-Intermediate Care Facilities	\$143,003	\$184,717	\$327,720	\$148,148	\$201,518	\$349,666

DEPARTMENT OF HUMAN SERVICES

(\$ Amounts in Thousands)

2018-2019 Available

2019-2020 Governor's Executive Budget

Program Area	2018-2019 Available			2019-2020 Governor's Executive Budget		
	State General/ Special	Federal/ Other	Total	State General/ Special	Federal/ Other	Total
Intellectual Disabilities-Community Waiver Program	\$1,643,812	\$1,664,104	\$3,307,916	\$1,672,826	\$1,723,748	\$3,396,574
Intellectual Disabilities-Lansdowne Residential Services	\$340	\$0	\$340	\$340	\$0	\$340
Autism Intervention and Services	\$30,842	\$27,406	\$58,248	\$29,683	\$29,568	\$59,251
Behavioral Health Services	\$57,149	\$16,500	\$73,649	\$57,149	\$16,500	\$73,649
Special Pharmaceutical Services	\$1,008	\$0	\$1,008	\$952	\$0	\$952
County Child Welfare	\$1,225,354	\$450,700	\$1,676,054	\$1,259,322	\$460,699	\$1,720,021
Community Based Family Centers	\$13,558	\$25,342	\$38,900	\$18,558	\$25,342	\$43,900
Child Care Services	\$162,482	\$419,291	\$581,773	\$162,332	\$428,875	\$591,207
Child Care Assistance	\$139,885	\$200,876	\$340,761	\$139,885	\$236,571	\$376,456
Nurse Family Partnership	\$13,178	\$2,544	\$15,722	\$13,178	\$2,544	\$15,722
Early Intervention	\$168,003	\$77,197	\$245,200	\$152,596	\$79,124	\$231,720
Domestic Violence	\$17,357	\$10,377	\$27,734	\$17,357	\$10,377	\$27,734
Rape Crisis	\$9,928	\$1,721	\$11,649	\$9,928	\$1,721	\$11,649
Breast Cancer Screening	\$1,723	\$2,000	\$3,723	\$1,723	\$2,000	\$3,723
Human Services Development Fund	\$13,460	\$0	\$13,460	\$13,460	\$0	\$13,460
Legal Services	\$2,661	\$5,049	\$7,710	\$2,661	\$5,049	\$7,710
Homeless Assistance	\$18,496	\$6,166	\$24,662	\$18,496	\$6,166	\$24,662
211 Communications	\$750	\$0	\$750	\$750	\$0	\$750
Health Program Assistance and Services	\$4,100	\$1,086	\$5,186	\$0	\$0	\$0
Services for Visually Impaired	\$2,584	\$0	\$2,584	\$2,584	\$0	\$2,584
Subtotal Grants & Subsidies	\$11,114,870	\$25,148,573	\$36,263,443	\$11,473,302	\$23,673,576	\$35,146,878
Total General Funds	\$12,582,330	\$26,843,187	\$39,425,517	\$12,988,602	\$25,371,134	\$38,359,736
Special and Other Funds:						
Lottery Fund						
Medical Assistance - Transportation Services	\$3,500	\$0	\$3,500	\$3,500	\$0	\$3,500
Medical Assistance - Long-Term Care	\$81,381	\$0	\$81,381	\$0	\$0	\$0
Home and Community-Based Services	\$120,668	\$0	\$120,668	\$0	\$0	\$0
Medical Assistance-Community HealthChoices	\$166,806	\$0	\$166,806	\$397,013	\$0	\$397,013
Tobacco Settlement Fund						
Medical Assistance for Workers with Disabilities	\$114,795	\$125,614	\$240,409	\$113,165	\$123,830	\$236,995
Uncompensated Care	\$31,301	\$34,251	\$65,552	\$30,856	\$33,764	\$64,620
Home and Community-Based Services	\$0	\$0	\$0	\$0	\$0	\$0
Medical Assistance - Long-Term Care	\$20,908	\$0	\$20,908	\$0	\$0	\$0
Medical Assistance Community HealthChoices	\$149,201	\$0	\$149,201	\$0	\$161,920	\$161,920
Children's Trust Fund						
Children's Programs and Services	\$1,400	\$0	\$1,400	\$1,400	\$0	\$1,400
Total Special and Other Funds	\$689,960	\$159,865	\$849,825	\$545,934	\$319,514	\$865,448
DEPARTMENT TOTAL	\$13,272,290	\$27,003,052	\$40,275,342	\$13,534,536	\$25,690,648	\$39,225,184

Department of Human Services

Funding by Program Area for Fiscal Years 2017-2018 thru 2019-2020

Dollar Amounts in Thousands

Program Area		2017-2018	2018-2019	2019-2020
Human Services Support	S	\$175,132	\$180,847	\$194,840
	F	\$379,470	\$326,362	\$294,440
	O	\$8,275	\$10,785	\$10,785
		\$562,877	\$517,994	\$500,065
Medical Assistance and Health Care Delivery	S	\$4,405,636	\$4,393,822	\$4,079,876
	F	\$12,646,083	\$12,846,580	\$11,555,210
	O	\$2,058,740	\$3,027,162	\$2,723,404
	L	\$3,500	\$3,500	\$3,500
	T	\$287,281	\$305,961	\$301,615
	\$19,401,240	\$20,577,025	\$18,663,605	
Long-Term Living	S	\$2,494,509	\$2,733,510	\$3,316,488
	F	\$3,949,927	\$4,594,830	\$5,060,039
	O	\$631,274	\$967,762	\$654,866
	L	\$249,949	\$368,855	\$397,013
	T	\$230,042	\$170,109	\$161,920
	\$7,555,701	\$8,835,066	\$9,590,326	
Income Maintenance	S	\$522,275	\$498,664	\$541,539
	F	\$1,491,309	\$1,415,967	\$1,256,919
	O	\$10,945	\$14,215	\$14,411
	\$2,024,529	\$1,928,846	\$1,812,869	
Mental Health and Substance Abuse Services	S	\$819,964	\$835,010	\$863,222
	F	\$247,528	\$261,049	\$288,578
	O	\$38,680	\$37,439	\$37,184
	\$1,106,172	\$1,133,498	\$1,188,984	
Intellectual Disabilities	S	\$1,963,571	\$2,084,700	\$2,116,858
	F	\$2,009,837	\$2,083,578	\$2,161,911
	O	\$50,971	\$44,449	\$44,259
	\$4,024,379	\$4,212,727	\$4,323,028	
Human Services	S	\$1,310,387	\$1,358,671	\$1,389,230
	F	\$465,508	\$485,913	\$494,826
	O	\$2,828	\$1,846	\$1,846
	\$1,778,723	\$1,846,430	\$1,885,902	
Child Development	S	\$459,673	\$497,106	\$486,549
	F	\$622,481	\$723,545	\$770,751
	O	\$3,095	\$3,105	\$3,105
	\$1,085,249	\$1,223,756	\$1,260,405	
Grand Total	S	\$12,151,147	\$12,582,330	\$12,988,602
	F	\$21,812,143	\$22,737,824	\$21,882,674
	O	\$2,804,808	\$4,106,763	\$3,489,860
	L	\$253,449	\$372,355	\$400,513
	T	\$517,323	\$476,070	\$463,535
	\$37,538,870	\$40,275,342	\$39,225,184	

S = General Fund

F = Federal funds

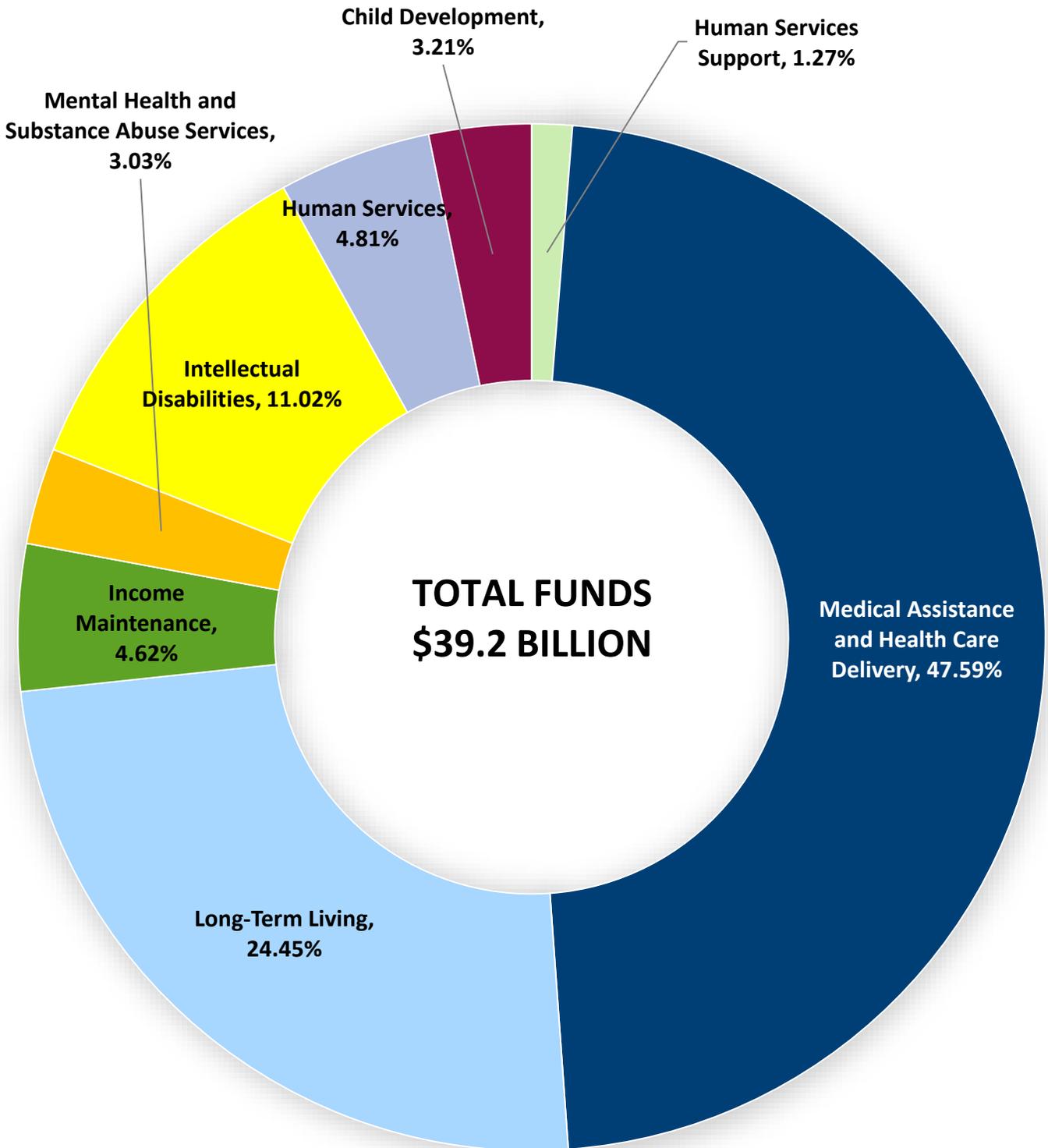
O = Other funds (Augmentations plus Other Funds)

L = Lottery Funds

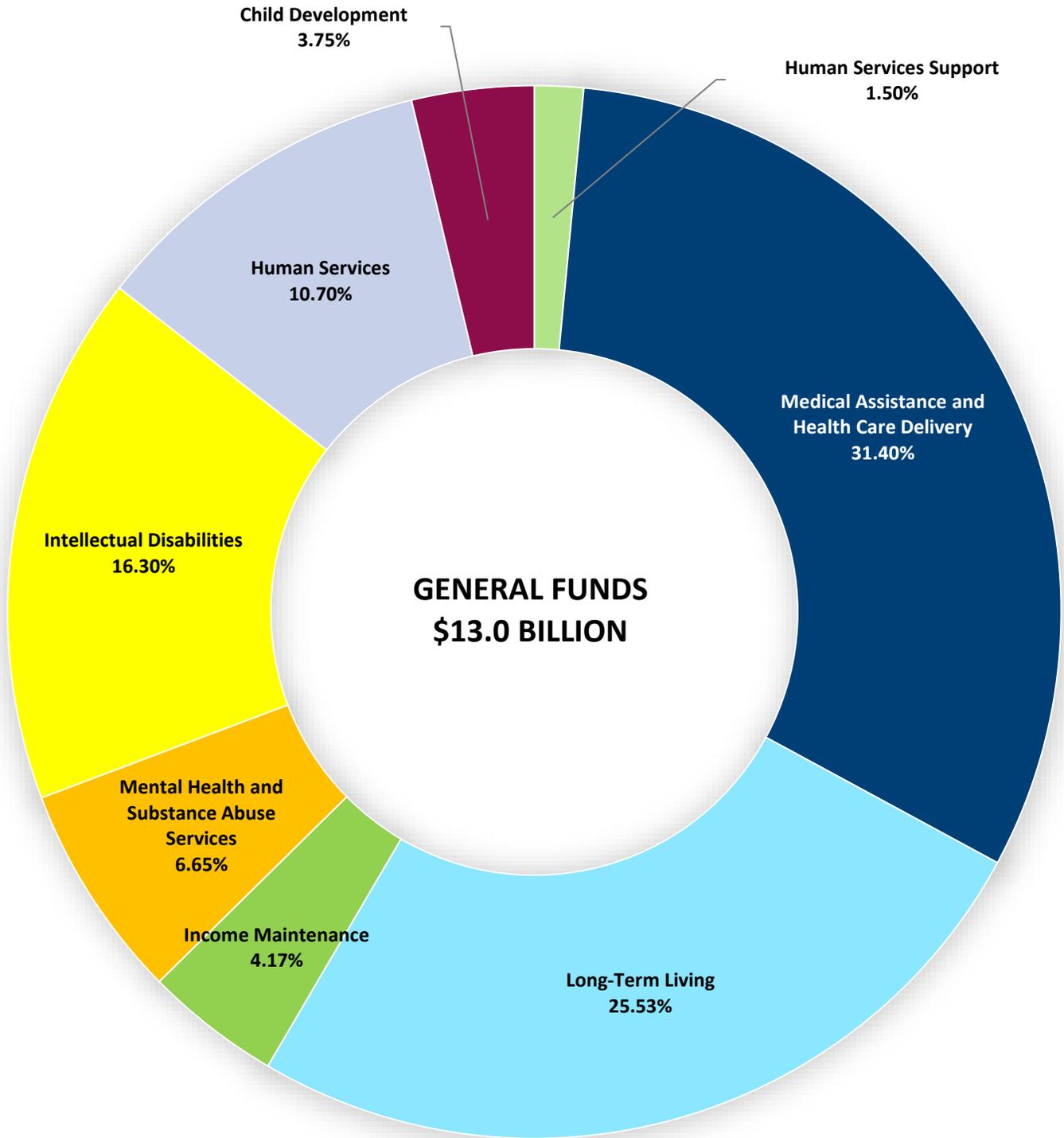
T = Tobacco Settlement Fund

DEPARTMENT OF HUMAN SERVICES

2019 - 2020 OPERATING BUDGET BY PROGRAM



**DEPARTMENT OF HUMAN SERVICES
2019 - 2020 OPERATING BUDGET BY PROGRAM**



Department of Human Services
Management Directive 310.3 (Act 146) Waivers for Fiscal Years prior to 2018-2019
Dollar Amounts in Thousands

Fund	Year Waived	Amount	Description
General Funds			
General Government Operations	2017	All Balances & Commitments	Funding for increased Adult Protective Service expenses.
Information Systems	2017	All Balances & Commitments	Provides for prior year outstanding obligations.
Medical Assistance-Information Systems	2017	All Balances & Commitments	Provides for prior year outstanding obligations.
SNAP-Information Systems	2017	All Balances & Commitments	Provides for prior year outstanding obligations.
TANFBG-Information Systems	2017	All Balances & Commitments	Provides for prior year outstanding obligations.
Youth Development Centers/Youth Forestry Camps	2017	All Balances & Commitments	Ensure uninterrupted Human Services operations from loss of revenue.
Mental Health Services	2013	All Balances & Commitments	Funding for Mental Health Hospitals non-recurring maintenance and ensure uninterrupted operations.
Mental Health Services	2014	All Balances & Commitments	Funding for Mental Health Hospitals non-recurring maintenance and ensure uninterrupted operations.
Mental Health Services	2015	All Balances & Commitments	Funding for Mental Health Hospitals non-recurring maintenance and ensure uninterrupted operations.
Mental Health Services	2016	All Balances & Commitments	Funding for Mental Health Hospitals non-recurring maintenance and ensure uninterrupted operations.
Mental Health Services	2017	All Balances & Commitments	Funding for Mental Health Hospitals non-recurring maintenance and ensure uninterrupted operations.
Intellectual Disabilities-State Centers	2014	All Balances & Commitments	Funding for state centers non-recurring maintenance projects and to ensure uninterrupted facility operations.
Intellectual Disabilities-State Centers	2016	All Balances & Commitments	Funding for state centers non-recurring maintenance projects and to ensure uninterrupted facility operations.
Intellectual Disabilities-State Centers	2017	All Balances & Commitments	Funding for state centers non-recurring maintenance projects and to ensure uninterrupted facility operations.
Medical Assistance-Fee-for-Service	2017	All Balances & Commitments	Provides for prior year outstanding obligations.
Medical Assistance-Fee-for-Service (F)	2017	All Balances & Commitments	Available Balance and Commitments - Encumber available balance after deadline.
Trauma Centers	2016	All Balances & Commitments	Ensure uninterrupted Human Services operations.

Department of Human Services
Management Directive 310.3 (Act 146) Waivers for Fiscal Years prior to 2018-2019
Dollar Amounts in Thousands

Fund	Year Waived	Amount	Description
Medical Assistance-Trauma Centers (F)	2016	All Balances & Commitments	Ensure uninterrupted Human Services operations.
County Child Welfare	20XX	All Balances & Commitments	Funding of reimbursement for Title IV-E Foster Care/Adoption Assistance reconciliations.
Child Welfare Title IV-E (F)	20XX	All Balances & Commitments	Provides for prior year outstanding obligations.
Medical Assistance-Child Welfare (F)	20XX	All Balances & Commitments	Provides for prior year outstanding obligations.
TANFBG-Child Welfare (F)	20XX	All Balances & Commitments	Provides for prior year outstanding obligations.
Children's Justice Act (F)	20XX	All Balances & Commitments	Provides for prior year outstanding obligations.
ARRA-Child Welfare Title IV-E (F)	2010	All Balances & Commitments	Provides for prior year outstanding obligations.
∞ Community-Based Family Centers	2017	All Balances & Commitments	Provides for prior year outstanding obligations.
Child Support Enforcement	2017	All Balances & Commitments	Provides for prior year outstanding obligations.
Child Support Enforcement Title IV-D (F)	2017	All Balances & Commitments	Provides for prior year outstanding obligations.
Intellectual Disabilities-Community Based Program	2015	All Balances & Commitments	Provides for prior year outstanding obligations.
Intellectual Disabilities-Community Based Program	2016	All Balances & Commitments	Provides for prior year outstanding obligations.
Medical Assistance-Community ID services (F)	2015	All Balances & Commitments	Provides for prior year outstanding obligations.
Medical Assistance-Community ID services (F)	2016	All Balances & Commitments	Provides for prior year outstanding obligations.
Children's Health Insurance Program-Administration	2017	All Balances & Commitments	Ensure uninterrupted Human Services operations.
Children's Health Insurance Program-Administration (F)	2017	All Balances & Commitments	Ensure uninterrupted Human Services operations.
Autism Intervention and Services	2017	All Balances & Commitments	Provides for prior year outstanding obligations.

Department of Human Services
Management Directive 310.3 (Act 146) Waivers for Fiscal Years prior to 2018-2019
Dollar Amounts in Thousands

Fund	Year Waived	Amount	Description
Autism Intervention and Services (F)	2017	All Balances & Commitments	Provides for prior year outstanding obligations.
Health Program Assistance & Services	2017	All Balances & Commitments	Provides for prior year outstanding obligations.
Tobacco Settlement Funds			
Uncompensated Care	2017	All Balances & Commitments	Retain available balance until completion of audits, regardless of period of services.
Medical Assistance-Uncompensated Care (F)	2017	All Balances & Commitments	Retain available balance until completion of audits, regardless of period of services.

**Department of Human Services
Supplemental Appropriations for Fiscal Year 2018-2019
(\$ Amounts in Thousands)**

Fiscal Year 2018-2019 Appropriation Title	Appropriation Amount	Supplemental Request	Revised Appropriation	Run Out Date
General Fund - State:				
Cash Grants	\$25,457	\$17,833	\$43,290	04/15/19
Medical Assistance - Capitation	\$2,952,738	\$240,298	\$3,193,036	06/01/19
Home and Community-Based Services	\$459,792	\$39,571	\$499,363	02/18/19
Services to Persons with Disabilities	\$331,377	\$21,981	\$353,358	05/13/19
Attendant Care	\$205,955	\$15,490	\$221,445	03/18/19
Intellectual Disabilities - Intermediate Care Facilities	\$121,534	\$21,469	\$143,003	04/08/19
Intellectual Disabilities - Community Waiver Program	\$1,588,812	\$55,000	\$1,643,812	06/24/19
Early Intervention	\$142,844	\$25,159	\$168,003	04/01/19
General Fund - Federal:				
Medical Assistance - Physician Practice Plans	\$10,973	\$16	\$10,989	06/30/19
Medical Assistance - Critical Access Hospitals	\$11,331	\$3,551	\$14,882	06/30/19
Medical Assistance - Academic Medical Centers	\$26,891	\$116	\$27,007	06/30/19
Medical Assistance - Home & Community-Based Services	\$581,002	\$94,910	\$675,912	02/25/19
Medical Assistance - Services to Persons with Disabilities	\$375,526	\$7,474	\$383,000	06/17/19
Medical Assistance - Attendant Care	\$196,252	\$16,415	\$212,667	02/18/19
Medical Assistance - Community ID Waiver Program	\$1,637,824	\$26,280	\$1,664,104	06/24/19
Lottery Fund - State:				
Home and Community-Based Services	\$70,390	\$50,278	\$120,668	06/01/19
Medical Assistance - Community HealthChoices	\$153,084	\$13,722	\$166,806	06/01/19
Tobacco Settlement Fund - State:				
Medical Care for Workers with Disabilities (EA)	\$103,594	\$11,201	\$114,795	06/30/19
Uncompensated Care (EA)	\$28,246	\$3,055	\$31,301	06/30/19
Medical Assistance - Community HealthChoices	\$132,878	\$16,323	\$149,201	06/01/19
Tobacco Settlement Fund - Federal:				
Medical Assistance - Workers with Disabilities (EA)	\$112,870	\$12,744	\$125,614	06/30/19
Medical Assistance - Uncompensated Care (EA)	\$30,908	\$3,343	\$34,251	06/30/19

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. A3.8, C1.16, E26.3, E26.13, I.5

APPROPRIATION:
General Government Operations

I. SUMMARY FINANCIAL DATA

	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$94,477	\$96,196	\$107,884
Federal Funds Total	\$107,950	\$108,032	\$114,119
Federal Sources Itemized			
<i>Medical Assistance-Administration</i>	\$29,782	\$28,319	\$31,392
<i>SNAP -Administration</i>	\$7,945	\$8,706	\$6,535
<i>SSBG-Administration</i>	\$325	\$325	\$325
<i>TANFBG-Administration</i>	\$11,898	\$13,898	\$13,898
<i>CCDFBG-Administration</i>	\$23,205	\$23,206	\$28,640
<i>Child Welfare-Title IV-E-Administration</i>	\$8,890	\$7,728	\$7,891
<i>Child Welfare Services-Administration</i>	\$1,042	\$951	\$941
<i>Community Based Family Resource and Support - Admin</i>	\$689	\$689	\$689
<i>Developmental Disabilities-Basic Support</i>	\$4,287	\$4,353	\$4,353
<i>Disabled Education-Administration</i>	\$757	\$753	\$714
<i>Early Head Start Expansion Program</i>	\$14,950	\$14,950	\$14,950
<i>Early Learning Challenge Grant - Administration</i>	\$510	\$510	\$131
<i>MCH-Administration</i>	\$196	\$196	\$196
<i>MHSBG - Administration</i>	\$539	\$563	\$579
<i>Refugees and Persons Seeking Asylum - Administration</i>	\$2,810	\$2,810	\$2,810
<i>Homeland Security</i>	\$125	\$75	\$75
Other Funds Total	\$7,748	\$10,135	\$10,135
Other Fund Sources Itemized			
<i>Training Reimbursement</i>	\$457	\$457	\$457
<i>Child Abuse Reviews</i>	\$4,899	\$7,846	\$7,846
<i>Miscellaneous Reimbursements</i>	\$1,442	\$0	\$0
<i>Adam Walsh Clearance</i>	\$950	\$1,832	\$1,832
Total	\$210,175	\$214,363	\$232,138

IA. REQUESTED SUPPLEMENTALS (Included above)

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

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: General Government Operations			
	2017-2018 Actual	2018-2019 Available	2019-2020 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$74,792	\$59,983	\$65,337	\$5,354	8.93%
<i>Federal Funds</i>	\$61,207	\$56,984	\$59,180	\$2,196	3.85%
<i>Other Funds</i>	\$4,735	\$8,348	\$8,348	\$0	0.00%
Total Personnel	\$140,734	\$125,315	\$132,865	\$7,550	6.02%
OPERATING					
<i>State Funds</i>	\$16,020	\$35,354	\$41,712	\$6,358	17.98%
<i>Federal Funds</i>	\$23,216	\$28,504	\$29,226	\$722	2.53%
<i>Other Funds</i>	\$3,013	\$1,787	\$1,787	\$0	0.00%
Total Operating	\$42,249	\$65,645	\$72,725	\$7,080	10.79%
FIXED ASSETS					
<i>State Funds</i>	\$901	\$59	\$0	(\$59)	-100.00%
<i>Federal Funds</i>	\$0	\$11	\$0	(\$11)	-100.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$901	\$70	\$0	(\$70)	-100.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$1,548	\$800	\$835	\$35	4.38%
<i>Federal Funds</i>	\$18,689	\$18,689	\$18,689	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$20,237	\$19,489	\$19,524	\$35	0.18%
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>	\$1,216	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$4,838	\$3,844	\$7,024	\$3,180	82.73%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$6,054	\$3,844	\$7,024	\$3,180	82.73%
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>	\$94,477	\$96,196	\$107,884	\$11,688	12.15%
<i>Federal Funds</i>	\$107,950	\$108,032	\$114,119	\$6,087	5.63%
<i>Other Funds</i>	\$7,748	\$10,135	\$10,135	\$0	0.00%
Total Funds	\$210,175	\$214,363	\$232,138	\$17,775	8.29%

APPROPRIATION: General Government Operations
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III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
Total State Funds	\$645	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 Budgeted</u>
State/Federally Funded			
<i>Total Authorized</i>	963	990	1,022
<i>Total Filled</i>	907	950	918
Federally Funded			
<i>Authorized</i>	175	174	174
<i>Filled</i>	150	146	145
Other Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Total			
<i>Authorized</i>	1,138	1,164	1,196
<i>Filled</i>	1,057	1,096	1,063
Benefit Rate	75.61%	73.51%	75.90%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2019-2020 Governor's Executive Budget authorizes 1,022 positions, consisting of 918 filled, 66 vacant, 32 new positions, and six leave-without-pay positions. The increase from Fiscal Year 2018-2019 reflects 30 new positions in the Office of Developmental Programs and seven new positions in the Bureau of Human Services Licensing less five positions that moved to the County Administration-Statewide Appropriation for Health Information Exchange (eHealth).

Federally funded complement authorizes 174 positions, consisting of 145 filled and 29 vacant positions.

The funding for operating and fixed asset expenses provides for the administrative and overhead systems that support the operation of programs in the Department of Human Services. Major provisions include rent of real estate, the Adult Protective Services contract, and human resources funding.

The funding for grant expenses provides for the Guardianship Grant.

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			
	State \$	Federal \$	Other \$	Total \$
PERSONNEL				
1. Net impact of changes in number of filled and vacant salary positions, average bi-weekly and funded pay periods from Fiscal Year 2018-2019:	\$165	\$60	\$0	\$225
2. Provides an increase for the impact of salary adjustment factor (without benefits), which includes the full year cost of a January 1, 2019 step increase offset by turnover:	\$719	\$261	\$0	\$980
3. Provides for an increase in the total cost of employee benefits primarily due to an increase in health insurance:	\$1,534	\$649	\$0	\$2,183
4. Reflects the move of five Health Information Exchange (eHealth) positions from the General Government Operations appropriation to the County Administration-Statewide Appropriation in order to consolidate eHealth funds:	(\$464)	(\$168)	\$0	(\$632)
5. Reflects wages and associated benefits for eight positions in the Bureau of Human Services Licensing, four Childline positions, and 49 annuitant positions:	\$587	\$213	\$0	\$800
6. Provides an increase in annuitant wage budget for eight additional Welfare Hearing Officers and four additional Legal Assistants. Due to complement losses and difficulty hiring, annuitants are required in order to maintain the current volume of cases:	\$110	\$40	\$0	\$150
7. Reflects an increase in personnel costs associated with administrative federal appropriations:	\$0	\$429	\$0	\$429
8. Reflects the change in federal participation rate in Fiscal Year 2019-2020:	\$414	(\$414)	\$0	\$0
Subtotal Personnel	\$3,065	\$1,070	\$0	\$4,135
OPERATING				
1. Reflects an increase in Human Resources Shared Services:	\$1,239	\$922	\$0	\$2,161
2. Reflects an increase in the Adult Protective Services contract based on the annualization of the cost of eight new caseworkers and one supervisor added in Fiscal Year 2018-2019, and a twelve percent increase in abuse reports in Fiscal Year 2017-2018:	\$883	\$593	\$0	\$1,476
3. Provides funding for the relocation of ChildLine, the Office of Children Youth and Family regional office, and the Bureau of Financial Operations from the Department of General Services Annex:	\$1,638	\$594	\$0	\$2,232
4. Reflects state match for the Early Headstart Expansion (EHS) grant of \$5.500 million. The EHS program provides services to low-income pregnant women, infants, toddlers, and their families, including home visits and access to child care:	\$350	\$0	\$0	\$350

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: General Government Operations			
	State \$	Federal \$	Other \$	Total \$
5. Reflects a decrease in other operating expenses:	(172)	(64)	\$0	(\$236)
6. Reflects an increase in operating costs associated with administrative federal appropriations:	\$0	\$638	\$0	\$638
7. Reflects the change in federal participation rate in Fiscal Year 2019-2020:	\$2,108	(\$2,108)	\$0	\$0
Subtotal Operating	\$6,046	\$575	\$0	\$6,621
FIXED ASSETS				
1. Reflects no planned fixed asset purchases in Fiscal Year 2019-2020:	(\$59)	(\$11)	\$0	(\$70)
Subtotal Fixed Assets	(\$59)	(\$11)	\$0	(\$70)
GRANTS AND SUBSIDIES				
1. Reflects increase in Guardianship Act payments to Counties for legal expenses associated with mandatory data collection:	\$35	\$0	\$0	\$35
Subtotal Grants and Subsidies	\$35	\$0	\$0	\$35
BUDGETARY RESERVE				
1. Reflects an increase in federal spending authority to cover potential changes in federal participation in Fiscal Year 2019-2020:	\$0	\$3,180	\$0	\$3,180
Subtotal Budgetary Reserve	\$0	\$3,180	\$0	\$3,180
FISCAL YEAR 2019-2020 INITIATIVES				
1. Office of Developmental Programs Licensing Positions				
A. Personnel - Additional 26 representatives and four supervisors to meet state and federal licensing requirements:	\$1,599	\$1,126	\$0	\$2,725
B. Operating - General operating costs associated with 30 new staff:	\$234	\$147	\$0	\$381
2. Bureau of Human Services Licensing Positions				
A. Personnel - Six additional representatives and one supervisor to meet statutory and regulatory requirements:	\$690	\$0	\$0	\$690
B. Operating - General operating costs associated with 7 new staff:	\$78	\$0	\$0	\$78
Subtotal Initiatives	\$2,601	\$1,273	\$0	\$3,874

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

APPROPRIATION:
 General Government Operations

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
Personnel Total	\$5,354	\$2,196	\$0	\$7,550
Operating Total	\$6,358	\$722	\$0	\$7,080
Fixed Assets Total	(\$59)	(\$11)	\$0	(\$70)
Grants and Subsidies Total	\$35	\$0	\$0	\$35
Budgetary Reserve Total	<u>\$0</u>	<u>\$3,180</u>	<u>\$0</u>	<u>\$3,180</u>
GRAND TOTAL	<u><u>\$11,688</u></u>	<u><u>\$6,087</u></u>	<u><u>\$0</u></u>	<u><u>\$17,775</u></u>

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 (Department). 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. 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 Department and establishes broad policy and management direction for all programs including Administration; Medical Assistance Programs; Children, Youth & Families; Child Development & Early Learning; Mental Health and Substance Abuse Services; Income Maintenance; Long Term Living; and Developmental Programs. In addition, the Office of the Secretary provides supervision and direction over the following functions: Policy; Budget and Finance; Legislative Affairs; Communications; and Chief Counsel.

OFFICE OF ADMINISTRATION

The Office of Administration administers support functions for each of the program offices within the Department. These support functions include: equal opportunity programs; hearings and appeals; financial operations; procurement and contract management; fraud and abuse recoveries; and administrative services. Administrative services include: printing; mailroom operations; records management; automotive fleet operations; guardianship program and Pennhurst Advocacy services; facilities and property management; surplus equipment; and emergency planning.

OFFICE OF MEDICAL ASSISTANCE PROGRAMS

The Office of Medical Assistance Programs assures that comprehensive medical and 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 Medical Assistance and the Children's Health Insurance Program and monitors providers for compliance with these rules.

The eHealth Partnership is responsible for operating the state's electronic health information exchange, known in Pennsylvania as the PA Patient & Provider Network. This Network improves and coordinates patient care by helping health care providers to find their patients' medical records in real time.

OFFICE OF INCOME MAINTENANCE

The Office of 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 Medical Assistance eligibility, supervises statewide child support collection, and manages the operations of 96 local county assistance offices.

OFFICE OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES

The Office of Mental Health and Substance Abuse Services (OMHSAS) directs the operation of six state mental hospitals and one restoration center and supervises behavioral 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. The office also manages, through county or direct contracts, the HealthChoices Behavioral Health Managed Care Program.

OFFICE OF CHILDREN, YOUTH & FAMILIES

The Office of Children, Youth & Families (OCYF) is responsible for establishing policies and standards for services to children and their families throughout the Commonwealth. OCYF issues regulations governing foster care and adoption services, group homes, part-day services, and 67 county children and youth agencies, and directly operates state facilities for delinquent youth. This office also conducts licensing for county and private children and youth social service agencies.

OFFICE OF LONG TERM LIVING

The Office of Long Term Living is responsible for the statewide administration of Pennsylvania's Medicaid funded long-term services and supports for older Pennsylvanians and adults with physical disabilities. Major program areas include Community HealthChoices, nursing facilities, home and community-based waiver services, and other programs such as Living Independence for the Elderly program, known nationally as PACE (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, assisting people who want to transition from nursing facilities back into the community, and monitoring fiscal and regulatory compliance.

OFFICE OF CHILD DEVELOPMENT & EARLY LEARNING

The Office of Child Development & Early Learning (OCDEL) 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 the office is to create the opportunity for all 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 necessary partners including: parents, schools, child care, Early Intervention, Head Start, libraries, and community organizations.

OFFICE OF DEVELOPMENTAL PROGRAMS

The Office of Developmental Programs (ODP) 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 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.

FISCAL YEAR 2019-2020 INITIATIVE – INTELLECTUAL DISABILITY LICENSING

ODP must conduct an on-site inspection of a facility at least once every 12 months to issue a license. Since 2015, ODP has seen an 11 percent increase in licensed facilities, for a total of 7,112 licensed locations. With current staffing levels, ODP is struggling to meet statutory and regulatory obligation for timely inspections of facilities. This puts individuals at risk and creates a liability to the Department. ODP is requesting 26 additional licensing representatives and four regional licensing supervisors to meet state and federal obligations.

FISCAL YEAR 2019-2020 INITIATIVE – HUMAN SERVICES LICENSING

Personal care homes and assisted living residences must receive annual license renewal inspections within the statutory and regulatory requirement of 365 days. Since 2015, Bureau of Human Services Licensing (BHSL) staffing levels have not kept pace with the increasing population of regulated facilities, putting individuals in these facilities at risk and creating a liability to the Department. To resolve the increasing backlog of past-due annual inspections, the BHSL is requesting six additional licensing representatives and one licensing supervisor.

FEDERAL ADMINISTRATIVE 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 2019-2020 provides for nine staff.

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 strengthens and supports leadership of parents through: program planning, implementation, and evaluation; peer review processes; state or community level funding mechanisms; services for families with children with disabilities; and involvement 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 2019-2020 provides for 139 staff to support licensing and monitoring activities within the child care program. Information technology funding for the Pennsylvania Enterprise to Link Information for Children Across Networks (PELICAN) system also supports the operation of the child care program serving Pennsylvania children and 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 2019-2020 provides for 23 staff, located primarily in counties with heavy concentrations of refugees. Operational funding provides mainly for travel expense associated with serving the target population.

Mental Health Services Block Grant – Administration

This grant funds four mental health program specialist positions which function as behavioral health service planners for OMHSAS. 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. All grant funded services are required to be tied to the state plan goals.

Early Head Start Expansion Program

Two federal grants provide funding for OCDEL to provide Early Head Start (EHS) Services. The first grant funds 128 EHS slots through an evidence-based home visiting service delivery option to pregnant women, infants, and toddlers from low-income families in Lawrence and Lebanon counties. Families receive support with child development and health, safety, and nutrition education. The program strives to build self-sufficiency and parenting abilities. The second grant funds 368 EHS Child Care Partnership slots in Lawrence, Huntingdon, Lebanon, Lancaster, Berks, Chester, Montgomery, Venango, Philadelphia, and Bucks Counties. It serves children of low-income working families enrolled in child care centers.

Maternal, Infant and Early Childhood Home Visiting Program – Administration

The Maternal, Infant, and Early Childhood Home Visiting Program gives pregnant women and families the resources and skills needed to raise children who are physically, socially, and emotionally healthy and ready to learn. In partnership with the Administration for Children and Families, the program funds the development and implementation of evidence-based, voluntary programs that improve maternal and child health, prevent child abuse and neglect, encourage positive parenting, and promote child development and school readiness. This includes four evidenced based home visiting models: Parents as Teachers, Nurse-Family Partnership, Healthy Families America, and Early Head Start Home Visiting. Pennsylvania serves up to 2,400 families a year with these funds.

Early Learning Challenge Grant – Administration

This grant provides funding for five wage positions and related administrative costs within OCDEL. 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.

Homeland Security – Administration

The US Department of Homeland Security provides funding to states for the purchase of specialized equipment for supporting emergency response services, and law enforcement. Funding also supports exercises, training, and planning activities. These funds will be used to enhance the capabilities of state and local units of government to respond to acts of terrorism involving chemical and biological agents, as well as radiological, nuclear, and explosive devices.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

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APPROPRIATION:
Information Systems

I. SUMMARY FINANCIAL DATA

	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$80,655	\$83,901	\$86,206
Federal Funds Total	\$271,520	\$218,330	\$180,321
Federal Sources Itemized			
<i>Medical Assistance - Information Systems</i>	\$199,736	\$136,225	\$108,784
<i>SNAP - Information Systems</i>	\$23,311	\$23,749	\$25,711
<i>TANFBG - Information Systems</i>	\$12,185	\$11,347	\$12,631
<i>Child Welfare - Title IV-E - Information Systems</i>	\$11,516	\$16,686	\$14,382
<i>Child Support Enforcement - Information Systems</i>	\$10,270	\$12,120	\$9,272
<i>CHIP - Information Systems</i>	\$14,502	\$18,203	\$9,541
Other Funds Total	\$527	\$650	\$650
Other Sources Itemized			
<i>Compass Support - CHIP</i>	\$520	\$613	\$613
<i>Medical Data Exchange</i>	\$7	\$37	\$37
Total	\$352,702	\$302,881	\$267,177

IA. REQUESTED SUPPLEMENTALS (Included above)

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

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Information Systems				
	2017-2018 Actual	2018-2019 Available	2019-2020 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$10,224	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$20,075	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$30,299	\$0	\$0	\$0	0.00%
OPERATING					
<i>State Funds</i>	\$68,703	\$81,829	\$84,602	\$2,773	3.39%
<i>Federal Funds</i>	\$212,507	\$169,718	\$155,384	(\$14,334)	-8.45%
<i>Other Funds</i>	\$650	\$650	\$650	\$0	0.00%
Total Operating	\$281,860	\$252,197	\$240,636	(\$11,561)	-4.58%
FIXED ASSETS					
<i>State Funds</i>	\$1,728	\$2,072	\$1,604	(\$468)	-22.59%
<i>Federal Funds</i>	\$2,713	\$2,369	\$2,837	\$468	19.76%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$4,441	\$4,441	\$4,441	\$0	0.00%
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>	\$2,100	\$2,100	\$2,100	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$2,100	\$2,100	\$2,100	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$34,125	\$44,143	\$20,000	(\$24,143)	-54.69%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$34,125	\$44,143	\$20,000	(\$24,143)	-54.69%
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>	\$80,655	\$83,901	\$86,206	\$2,305	2.75%
<i>Federal Funds</i>	\$271,520	\$218,330	\$180,321	(\$38,009)	-17.41%
<i>Other Funds</i>	\$527	\$650	\$650	\$0	0.00%
Total Funds	\$352,702	\$302,881	\$267,177	(\$35,704)	-11.79%

APPROPRIATION: Information Systems
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III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2016-2017	2017-2018	2018-2019 Estimated
State Funds	\$22,985	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2017	12/31/2018	2019-2020 Budgeted
State/Federally Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
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>	0	0	0
<i>Filled</i>	0	0	0
Benefit Rate	0.00%	0.00%	0.00%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

This appropriation provides funding for Human Services' 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, the Home and Community-Based Services Information System, 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:

Disbursements are made based on 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 \$
OPERATING				
1. Reflects an increase in operating costs associated with Information Technology Delivery Center (ITDC) shared services:	\$362	\$766	\$0	\$1,128
2. Reflects one-time cost to move the ITDC from the Department of General Services annex - Harrisburg campus:	\$2,551	\$3,189	\$0	\$5,740
3. Reflects a decrease in cost associated with multiple projects moving from design and development to production, the largest of which is related to Community HealthChoices implementation:	(\$5,645)	(\$29,360)	\$0	(\$35,005)
4. Reflects an increase in the costs associated with the implementation of the IT Support and Services contract:	\$2,188	\$5,369	\$0	\$7,557
5. Reflects an increase in costs associated with the procurement of enterprise solutions relating to program analytics, financial management, and departmental licensing systems:	\$83	\$635	\$0	\$718
6. Reflects a decrease in the costs associated with Electronic Data Center moving expenses:	(\$153)	(\$197)	\$0	(\$350)
7. Reflects an increase in non-recurring telecommunication costs associated with the Commonwealth-wide telecommunications upgrade:	\$1,091	\$1,409	\$0	\$2,500
8. Reflects a decrease in costs associated with the Pennsylvania Compute Services:	(\$829)	(\$173)	\$0	(\$1,002)
9. Reflects a decrease in the costs associated with the Department's Desktop help desk:	(\$176)	(\$224)	\$0	(\$400)
10. Reflects a net increase in costs associated with the purchase of software:	\$71	\$58	\$0	\$129
11. Reflects an increase in costs associated with contracted staff:	\$470	\$1,114	\$0	\$1,584
12. Reflects an increase in the costs associated with phase two procurement of the Child Welfare Information Solution:	\$2,480	\$3,360	\$0	\$5,840
13. Reflects a change in Federal Financial Participation in Fiscal Year 2019-2020:	\$280	(\$280)	\$0	\$0
Subtotal Operating	\$2,773	(\$14,334)	\$0	(\$11,561)
FIXED ASSESTS				
1. Reflects a change in Federal Financial Participation in Fiscal Year 2019-2020:	(\$468)	\$468	\$0	\$0
Subtotal Fixed Assets	(\$468)	\$468	\$0	\$0

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. Reflects a decrease in excess Federal spending authority:	<u>\$0</u>	<u>(\$24,143)</u>	<u>\$0</u>	<u>(\$24,143)</u>
Subtotal Budgetary Reserve	\$0	(\$24,143)	\$0	(\$24,143)
TOTAL	<u>\$2,305</u>	<u>(\$38,009)</u>	<u>\$0</u>	<u>(\$35,704)</u>

INFORMATION SYSTEMS

PROGRAM STATEMENT

The Department of Human Services' (Department) information systems appropriation provides operational support primarily for case management, eligibility determination, administrative, and enterprise level network and personal computer services. Most of the Department's information systems are partially funded by the federal government and must comply with federal guidelines and regulations. These systems are critical in providing benefits to approximately 3.2 million eligible recipients in the Commonwealth of Pennsylvania.

CLIENT INFORMATION SYSTEM

The function of the Client Information System (CIS) is to provide automated data processing for multiple eligibility programs including but not limited to: Cash Assistance, Medicaid, Low Income Home Energy Assistance Program (LIHEAP) and Supplemental Nutrition Assistance Program recipients. It supports over 6,600 County Assistance Office (CAO) staff statewide, with a total caseload of approximately 3.2 million clients. Over the past several years, the Department has incrementally modernized portions of CIS from legacy mainframe to an open systems solution.

In Fiscal Year 2019-2020, the Department will focus on continuation of system modernization (with a focus on moving the remaining eligibility rules as well as an initial set of batch processes from legacy mainframe to open systems) as well as initiatives that support state and federal priorities, increase CAO staff efficiencies and promote enhanced customer service. The Department will continue to conduct maintenance activities to support public assistance programs 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; eligibility determination; coordination management; provider management; financial management, including authorization of claims; quality management; and reporting.

Planned HCSIS project activities in Fiscal Year 2019-2020 include continued support of Community HealthChoices rollout, enhanced provider monitoring functionality, updates to the Enterprise Data Warehouse reporting, enhancements to the Early Intervention system and coordination of behavioral health activities.

CHILD WELFARE INFORMATION SOLUTION

The Child Welfare Information Solution (CWIS) supports the ChildLine application and maintains a self-service portal for obtaining child abuse clearances and reporting child abuse. This system also supports data exchanges with the 67 County Children and Youth Agencies and electronic exchanges of reports of children in need of protective services between the Department and counties.

In Fiscal Year 2019-2020, the Department will seek a solution for CWIS to allow the collection of child-specific data required for annual and semi-annual reports to the federal government. Outcome processing efficiencies will also be addressed, including the management of investigation outcomes, ability to merge and unmerge data related to persons, validation and expunction of data, and dashboard/alert

management. Further, this solution is planned to support the broader needs for case management across the Department's enterprise.

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. The system provides on-line information for citizens about quality early learning opportunities and providers. In addition, PELICAN provides the Commonwealth a means to assess and monitor program accountability and integrity across the entire early learning continuum.

Planned PELICAN activities for Fiscal Year 2019-2020 include continued Care Check updates for Child Care Works to ensure compliance with the Child Protective Services Law and Enhancements to Early Learning Resource Centers (ELRC). The ELRC's have been created as a single point of contact for families, early child care and education providers, and communities to find information and access services to support children and families with the goal of improving the quality, accessibility, and affordability of early childcare and education services in Pennsylvania.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

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Pp. A3.8, C1.16, E26.3, E26.25, E26.26, I5

APPROPRIATION:
County Administration-Statewide

I. SUMMARY FINANCIAL DATA

	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$46,865	\$42,260	\$46,813
Federal Funds Total	\$112,345	\$118,004	\$117,996
Federal Sources Itemized			
<i>Medical Assistance - Statewide</i>	\$61,559	\$65,227	\$65,227
<i>SNAP - Statewide</i>	\$38,238	\$39,414	\$39,406
<i>TANFBG - Statewide</i>	\$1,072	\$1,072	\$1,072
<i>ARRA - Health Information Technology</i>	\$11,476	\$12,291	\$12,291
Other Funds Total	\$2,794	\$2,130	\$2,248
Other Fund Sources Itemized			
<i>SNAP-Retained Collections</i>	\$2,482	\$1,780	\$1,780
<i>eHealth Fees</i>	\$312	\$350	\$468
Total	\$162,004	\$162,394	\$167,057

IA. REQUESTED SUPPLEMENTALS (Included above)

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

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: County Administration-Statewide				
	2017-2018 Actual	2018-2019 Available	2019-2020 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$37,086	\$33,210	\$36,678	\$3,468	10.44%
<i>Federal Funds</i>	\$52,727	\$57,758	\$57,961	\$203	0.35%
<i>Other Funds</i>	\$329	\$329	\$0	(\$329)	-100.00%
Total Personnel	\$90,142	\$91,297	\$94,639	\$3,342	3.66%
OPERATING					
<i>State Funds</i>	\$9,270	\$8,539	\$9,623	\$1,084	12.69%
<i>Federal Funds</i>	\$17,428	\$21,479	\$21,228	(\$251)	-1.17%
<i>Other Funds</i>	\$2,311	\$1,801	\$2,248	\$447	24.82%
Total Operating	\$29,009	\$31,819	\$33,099	\$1,280	4.02%
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>	\$503	\$503	\$503	\$0	0.00%
<i>Federal Funds</i>	\$36,209	\$35,941	\$35,582	(\$359)	-1.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$36,712	\$36,444	\$36,085	(\$359)	-0.99%
NONEXPENSE					
<i>State Funds</i>	\$6	\$8	\$9	\$1	12.50%
<i>Federal Funds</i>	\$714	\$1,000	\$1,010	\$10	1.00%
<i>Other Funds</i>	\$154	\$0	\$0	\$0	0.00%
Total Nonexpense	\$874	\$1,008	\$1,019	\$11	1.09%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$5,267	\$1,826	\$2,215	\$389	21.30%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$5,267	\$1,826	\$2,215	\$389	21.30%
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>	\$46,865	\$42,260	\$46,813	\$4,553	10.77%
<i>Federal Funds</i>	\$112,345	\$118,004	\$117,996	(\$8)	-0.01%
<i>Other Funds</i>	\$2,794	\$2,130	\$2,248	\$118	5.54%
Total Funds	\$162,004	\$162,394	\$167,057	\$4,663	2.87%

APPROPRIATION:
County Administration-Statewide

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$2,193	\$4,378	\$0

IV. COMPLEMENT INFORMATION	<u>12/29/2017</u>	<u>12/31/2018</u>	<u>2019-2020 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	869	875	880
<i>Filled</i>	828	824	831
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>	869	875	880
<i>Filled</i>	828	824	831
Benefit Rate	75.86%	77.45%	79.50%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2019-2020 Governor's Executive Budget reflects a complement of 880 positions, consisting of 831 filled, 48 vacant, and one leave-without-pay positions. The increase from Fiscal Year 2018-2019 reflects the move of five positions from the General Government Operations Appropriation for Health Information Exchange (eHealth).

The funding for operating expenses provides for leases, postage, printing, call center, consulting contracts and other operating expenses.

The funding for grant expenses provides for Supplemental Nutrition Assistance Program outreach and Health Information Technology projects.

Legislative Citations:

62 P.S. § 403

Disbursement Criteria:

This appropriation funds administrative costs for portions of the Office of Income Maintenance, Office of Medical Assistance Programs, Office of Administration, Office of Long-Term Living, and Office of Mental Health and Substance Abuse. 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 and vacant salary positions, average bi-weekly and funded pay periods from Fiscal Year 2018-2019:	\$124	\$196	\$0	\$320
2. Provides an increase for the impact of salary adjustment factor (without benefits), which includes the full year cost of a January 1, 2019 step increase offset by turnover:	\$329	\$521	\$0	\$850
3. Provides for an increase in the total cost of employee benefits primarily due to an increase in health insurance:	\$707	\$832	\$0	\$1,539
4. Reflects the move of five Health Information Exchange (eHealth) positions from the General Government Operations appropriation to the County Administration-Statewide Appropriation consolidating eHealth funds:	\$245	\$388	\$0	\$633
5. Reflects the move of offsetting augmentation revenue from Health Information Exchange (eHealth) fees from personnel to operating:	\$329	\$0	(\$329)	\$0
6. Reflects change in federal participation rate in Fiscal Year 2018-2019:	<u>\$1,734</u>	<u>(\$1,734)</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Personnel	\$3,468	\$203	(\$329)	\$3,342
OPERATING				
1. Provides for the relocation of the Office of Income Maintenance and the Office of Medical Assistance Programs from the Department of General Services (DGS) Annex:	\$327	\$518	\$0	\$845
2. Reflects other changes in operating expenses, primarily related to a data analytics contract to assist program offices to analyze existing programs and potential future initiatives:	\$562	\$369	\$0	\$931
3. Reflects the move of offsetting augmentation revenue from Health Information Exchange (eHealth) fees from personnel to operating:	(\$329)	\$0	\$329	\$0
4. Reflects an increase in eHealth fee revenue:	(\$118)	\$0	\$118	\$0
5. Reflects a decrease in HIT direct federal relating to IT Consulting:	(\$87)	(\$409)	\$0	(\$496)
6. Reflects change in use of prior year federal earnings:	(\$459)	\$459	\$0	\$0
7. Reflects change in federal participation rate in Fiscal Year 2019-2020:	<u>\$1,188</u>	<u>(\$1,188)</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Operating	\$1,084	(\$251)	\$447	\$1,280

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: County Administration-Statewide			
	State \$	Federal \$	Other \$	Total \$
GRANTS & SUBSIDIES				
1. Reflects an increase in the Supplemental Nutrition Assistance Program (SNAP) Grants:	\$0	\$180	\$0	\$180
2. Reflects a decrease in Health Information Exchange HIT grants:	<u>\$0</u>	<u>(\$539)</u>	<u>\$0</u>	<u>(\$539)</u>
Subtotal Grants & Subsidies	\$0	(\$359)	\$0	(\$359)
NONEXPENSE				
1. Reflects an increase in SNAP refunds of overpayments:	\$1	\$0	\$0	\$1
2. Reflects an increase in the memorandum of understanding with the Department of Health for HIT activity:	<u>\$0</u>	<u>\$10</u>	<u>\$0</u>	<u>\$10</u>
Subtotal Nonexpense	\$1	\$10	\$0	\$11
BUDGETARY RESERVE				
1. Reflects a decrease in the level of excess federal appropriation authority in Fiscal Year 2019-2020:	<u>\$0</u>	<u>\$389</u>	<u>\$0</u>	<u>\$389</u>
Subtotal Budgetary Reserve	\$0	\$389	\$0	\$389
TOTAL	<u><u>\$4,553</u></u>	<u><u>(\$8)</u></u>	<u><u>\$118</u></u>	<u><u>\$4,663</u></u>

COUNTY ADMINISTRATION - STATEWIDE

PROGRAM STATEMENT

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

OFFICE OF INCOME MAINTENANCE

The functions of the Office of Income Maintenance (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 monitors and evaluates the accuracy of eligibility decisions in County Assistance Offices (CAOs), analyzes problem areas, and prepares plans to correct deficiencies in CAOs 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 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, 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 offices. The bureau is responsible for budget and 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 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 Employment & Training services. The bureau also has the primary responsibility for training new employees through a network of staff development sites as well as CAOs and providing 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 public.

OFFICE OF MEDICAL ASSISTANCE PROGRAMS

The 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; and 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 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 physical health 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 development and issuance of administrative policy directives and the formal promulgation of regulations. The bureau is responsible for the development and maintenance of the Medicaid State Plan, and the HealthChoices Medicaid managed care waiver in accordance with federal requirements and state 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 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.

The Bureau of Managed Care Operations is responsible for the oversight, management, and support of the physical health managed care organizations that provide comprehensive physical health services to recipients. This includes contract procurement and development, as well as operational compliance monitoring. The bureau also provides oversight of the quality management and special needs programs of the managed care organizations. The bureau manages the Independent Enrollment Assistance contract for recipient enrollment in mandatory managed care and the External Quality Review contract. This bureau oversees non-emergency medical transportation services provided through the MA Transportation Program. The bureau also assists in procurement, development, and monitoring of a 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 adjudication and payment, managed care capitation and encounter processing, as well as all data interfaces to and from contracted Managed Care Organizations. The bureau is also responsible for control and oversight for the MA Provider Incentive Repository System used for the federally funded electronic health record incentive program.

The Bureau of Fiscal Management provides financial management for the capitated managed care delivery system. The bureau also manages the hospital assessments, supplemental hospital payments, the Managed Care Organization assessment, and the federal Qualified Health Center program. The bureau is responsible for inpatient and outpatient FFS rate setting and financial management of the MA Transportation Program. The Bureau supports the development of the capitation budget and manages OMAP's administrative, operating, and program budgets.

The Pennsylvania eHealth Partnership Program is responsible for establishing and operating the state's electronic health information exchange, known in Pennsylvania as the PA Patient & Provider Network (P3N). Regional networks, known as health information organizations (HIO), are certified by the eHealth Partnership and connect to, the P3N. Health care providers, community service organizations and payers, in turn, connect to HIOs. The eHealth Partnership Program improve patient care by helping

member organizations find their patients' medical information in real time, anywhere on the P3N. The network also enables better care coordination by alerting patient's care team when their patient encounters the health care system.

OFFICE OF LONG-TERM LIVING

The Office of Long-Term Living is responsible for administration of a full continuum of services for older residents 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 clinically eligible for a nursing facility can also receive services in the community through one of the federal Medicaid Home and Community-Based Waiver Programs or 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 Office of Long-Term Living is also responsible for developing and implementing policies and procedures for all providers of nursing facility; home and community-based 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 Office of Mental Health and Substance Abuse Services (OMHSAS) has 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 use disorder services. OMHSAS oversees the delivery of community mental health services administered by counties under the Pennsylvania Mental Health and Intellectual Disability Act of 1966 and the Mental Health Procedures Act of 1976. Direct mental health treatment services are also provided through the six state-operated hospitals and one restoration (long-term care) center. OMHSAS also manages, through county or direct contracts, the HealthChoices MA Behavioral Health Managed Care Program.

The Bureau of Policy and Program Development is responsible for performing a full range of planning and development functions. This includes managed care design and development, service system design and development, policy and program development, state and county planning and human resource development and training functions within the OMHSAS. The bureau also directs the development of new and revised OMHSAS regulations and policies, as well as new and revised nationally recognized service design and integrated behavioral systems models for county mental health systems. Along with other state agencies, OMHSAS directs the development of the Medicaid managed care waivers.

The Children's Behavioral Health Services Bureau is responsible for developing and implementing a comprehensive plan for servicing children and adolescents with behavioral health needs in the commonwealth. Functions include program development, policy development, service monitoring, and working with the OMHSAS Children's Advisory Committee, family and youth advocates, as well as state and local child serving systems.

The Division of Clinical Review and Consultation is 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, and the review of individual cases for billing and eligibility accuracy.

OFFICE OF ADMINISTRATION

The Office of Administration administers support functions for each of the program offices within Department of Human Services. These support functions include: equal opportunity programs; hearings and appeals; financial operations; procurement and contract management; fraud and abuse recoveries; and administrative services. This appropriation funds the Bureau of Program Integrity (BPI) and Third Party Liability (TPL).

The BPI has primary responsibility for monitoring providers, recipients and contracted managed care organizations for fraud, waste and abuse, and for adherence to federal and state program integrity regulations and policies. The bureau's staff review providers' medical and financial records to ensure that MA payments are valid, and the services rendered are medically necessary and appropriate. The bureau manages a Fraud and Abuse Detection 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. Recipients who are misusing or over-utilizing medical services are placed in the Recipient Restriction Program. 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 and coordinates and monitors multiple data exchanges, which result in additions and updates of resource information. The health resources gathered through the exchanges are utilized for all health insurance cost avoidance and recovery activities performed by the division.

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.

TPL's Health Insurance Premium Payment Program identifies cases in which enrollment of a Medicaid recipient in an employer group health plan 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 MA for Worker's with Disabilities Program to pay for their MA coverage.

Casualty recoveries occur when a MA recipient is injured, and liability is established through legal action or the recipient received a financial settlement from the liable party. TPL establishes its claim for any MA or cash benefits the recipient received because of the incident and recovers the funds. The estate recovery program enables the Commonwealth to recover from the estate of individuals who were 55 years of age or older at the time nursing facility services or home and community-based services were received.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

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APPROPRIATION:
County Assistance Offices

I. SUMMARY FINANCIAL DATA

	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$283,661	\$255,350	\$255,350
Federal Funds Total	\$438,904	\$435,936	\$447,892
Federal Sources Itemized			
<i>Medical Assistance-County Assistance Offices</i>	\$207,250	\$210,074	\$235,479
<i>SNAP-County Assistance Offices</i>	\$138,000	\$140,493	\$130,472
<i>TANFBG-County Assistance Offices</i>	\$48,654	\$51,369	\$51,941
<i>SSBG-County Assistance Offices</i>	\$3,000	\$3,000	\$3,000
<i>LIHEABG-Administration</i>	\$27,000	\$31,000	\$27,000
<i>CCDFBG - County Assistance Offices</i>	\$15,000	\$0	\$0
Other Funds	\$0	\$0	\$0
Total	<u>\$722,565</u>	<u>\$691,286</u>	<u>\$703,242</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: County Assistance Offices			
	2017-2018 Actual	2018-2019 Available	2019-2020 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	251,345	\$222,393	\$225,394	\$3,001	1.35%
Federal Funds	\$313,451	\$349,337	\$369,524	\$20,187	5.78%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$564,796	\$571,730	\$594,918	\$23,188	4.06%
OPERATING					
State Funds	\$32,316	\$32,957	\$29,956	(\$3,001)	-9.11%
Federal Funds	\$44,250	\$45,315	\$50,162	\$4,847	10.70%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$76,566	\$78,272	\$80,118	\$1,846	2.36%
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	\$206	\$206	\$206	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$206	\$206	\$206	\$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	\$80,997	\$41,078	\$28,000	(\$13,078)	-31.84%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$80,997	\$41,078	\$28,000	(\$13,078)	-31.84%
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	\$283,661	\$255,350	\$255,350	\$0	0.00%
Federal Funds	\$438,904	\$435,936	\$447,892	\$11,956	2.74%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$722,565	\$691,286	\$703,242	\$11,956	1.73%

APPROPRIATION: County Assistance Offices
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III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$12,743	\$11,077	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	6,633	6,633	6,633
<i>Filled</i>	6,239	6,282	6,168
Federally Funded			
<i>Authorized</i>	6	6	6
<i>Filled</i>	6	6	6
Other Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
Total			
<i>Authorized</i>	6,639	6,639	6,639
<i>Filled</i>	6,245	6,288	6,174
Benefit Rate	85.05%	85.26%	87.47%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2019-2020 Governor's Executive Budget reflects an authorized complement of 6,633 positions. Personnel costs reflect funding for 6,168 filled positions, 89 funded vacant positions, 298 unfunded vacant positions, and 78 leave-without-pay positions.

Also reflected are six federally funded positions assigned to the Low Income Home Energy Assistance Program. Personnel costs reflect funding for six filled positions and seasonal Energy Assistance Workers.

The funding for operating expenses provides for current leases and necessary materials, as well as Domestic Violence and Disability Advocacy training programs.

Legislative Citations:

62 P.S. § 401 et seq.

Disbursement Criteria:

This appropriation funds administrative costs for the Department's County Assistance Offices, processing centers, and call centers. 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 Assistance Offices			
	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
PERSONNEL				
1. Net impact of changes in number of filled and vacant salary positions, average bi-weekly and funded pay periods from Fiscal Year 2018-2019:	\$1,518	\$1,867	\$0	\$3,385
2. Provides an increase for the impact of salary adjustment factor (without benefits), which includes the full year cost of a January 1, 2019 step increase offset by turnover:	\$2,469	\$3,036	\$0	\$5,505
3. Provides for an increase in the total cost of employee benefits primarily due to an increase in health insurance:	\$6,413	\$7,885	\$0	\$14,298
4. Reflects an increase in the total cost of salary and benefits of the Low Income Home Energy Assistance Program (LIHEAP), primarily due to an increase in retirement contribution rate:	\$0	\$26	\$0	\$26
5. Reflects a decrease in personnel costs for seasonal LIHEAP Energy Assistance Workers:	\$0	(\$26)	\$0	(\$26)
6. Reflects a change in the use of prior year federal earnings in Fiscal Year 2019-2020:	<u>(\$7,399)</u>	<u>\$7,399</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Personnel	\$3,001	\$20,187	\$0	\$23,188
OPERATING				
1. Reflects an increase in the lease and renewal of real estate contracts in Fiscal Year 2019-2020:	\$282	\$345	\$0	\$627
2. Reflects an increase in general operating due to the one-time cost of purchasing and installing new telecommunications equipment in Fiscal Year 2019-2020 in conjunction with the implementation of a new statewide telecommunications contract:	\$548	\$671	\$0	\$1,219
3. Reflects a change in the federal participation rate in Fiscal Year 2019-2020:	<u>(\$3,831)</u>	<u>\$3,831</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Operating	(\$3,001)	\$4,847	\$0	\$1,846
BUDGETARY RESERVE				
1. Reflects a decrease in the level of excess federal appropriation authority in Fiscal Year 2019-2020:	<u>\$0</u>	<u>(\$13,078)</u>	<u>\$0</u>	<u>(\$13,078)</u>
Subtotal Budgetary Reserve	<u>\$0</u>	<u>(\$13,078)</u>	<u>\$0</u>	<u>(\$13,078)</u>
TOTAL	<u><u>\$0</u></u>	<u><u>\$11,956</u></u>	<u><u>\$0</u></u>	<u><u>\$11,956</u></u>

COUNTY ASSISTANCE OFFICES

PROGRAM STATEMENT

This appropriation provides funding for the operation of 96 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 in Pennsylvania's 67 counties provide access to critical services to approximately 3.25 million citizens every month. 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 has improved customer service, increased efficiency, and achieved stronger outcomes for our customers.

The CAOs are responsible for the eligibility determination of applicants for and redetermination of eligibility for recipients of Temporary Assistance for Needy Families (TANF) cash assistance, State Supplementary Payments, Special Allowances, State Blind Pensions, Low Income Home Energy Assistance Program (LIHEAP), Medical Assistance (MA), General Assistance, and Supplemental Nutrition Assistance Program (SNAP) benefits to residents of Pennsylvania. These benefits are distributed through such means as Electronic Benefit Transfer cards, managed care plans, and vendor payments.

The Income Maintenance Caseworker (IMCW) is responsible for reviewing categorical and financial eligibility requirements and then determining eligibility of applicants and recipients for benefits. They also conduct periodic redeterminations of client cases to ensure the client continues to meet eligibility requirements for the benefits they receive. In addition, caseworkers 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.

The Commonwealth of Pennsylvania Access to Social Services (COMPASS) is an 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. 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 online access. In Fiscal Year 2017-2018 enhancements were made to the mobile app which include clients being able to update personal information to their specific case records. Clients also are able to complete and submit Semi Annual Reporting forms via the mobile app which go directly to the Department's system for caseworkers to complete. In addition, clients can immediately view important Departmental broadcast messages, and clients now have extended features when utilizing the upload documents section of the mobile app.

The Statewide Customer Service Centers (SCSC) bring 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 SCSC aligns with our vision of effective management of resources and allows customers to receive the best customer service possible. The SCSC call volume in Fiscal Year 2017-2018 was 2,059,946 English calls and 189,339 Spanish calls. In Philadelphia alone, total call volume in Fiscal Year 2017-2018 was 682,502. The SCSC maintains an answer rate of over 96%.

The processing centers were established to assist CAOs in processing work to ensure that benefits are issued in a timely, accurate, and efficient manner. Ten processing centers are located within CAOs across the commonwealth with offices co-located in Blair, Butler, Cambria, Clearfield, Fayette, Lycoming, Columbia, Philadelphia, Montour, and Somerset counties. One clerical support processing center 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 members were trained using a practical hands-on approach, with on-site support from supervisors and trainers. The focus of the processing centers is to process ongoing eligibility determinations in a timely manner and to reduce backlogs in CAOs. The processing centers 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 applications, and benefit recertification. The centers are fully operational, fully staffed, and are making a positive impact on 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 application forms, COMPASS, telephone and internet directories, and on the Department's website. In Calendar Year 2018, the helpline and correspondence staff received 312,605 calls and 33,069 pieces of correspondence (emails and letters). Their LIHEAP Helpline received 155,118 calls.

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 helps vulnerable citizens work with the Social Security Administration to obtain benefits while also providing Medical Assistance (MA) benefits. For Fiscal Year 2017-2018, there were 21,739 DAP referrals completed, with 12,349 approved for Social Security benefits.

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 2018 the TANF rolls have decreased by 75.1 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 (Fiscal Year 2013-2014 through Fiscal Year 2017-2018), MA participation has increased by approximately 30.1 percent and SNAP benefits have increased by approximately 1.3 percent. In addition, the CAOs approved 344,008 LIHEAP Cash applications and 109,112 LIHEAP Crisis requests during the 2017-2018 LIHEAP heating season.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

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APPROPRIATION:
Children's Health Insurance Administration

I. SUMMARY FINANCIAL DATA	2017-2018 Actual	2018-2019 Available	2019-2020 Budgeted
State Funds	\$592	\$588	\$1,111
Federal Funds Total	\$5,459	\$5,486	\$5,254
Federal Sources Itemized			
<i>Children's Health Insurance Program</i>	\$5,459	\$5,486	\$5,254
Total	\$6,051	\$6,074	\$6,365
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds		\$0	
Total		\$0	

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Children's Health Insurance Administration				
	2017-2018 Actual	2018-2019 Available	2019-2020 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$272	\$300	\$587	\$287	0.00%
<i>Federal Funds</i>	\$2,251	\$2,512	\$2,485	(\$27)	0.00%
<i>Other Funds</i>	\$0		\$0	\$0	0.00%
Total Personnel	\$2,523	\$2,812	\$3,072	\$260	0.00%
OPERATING					
<i>State Funds</i>	\$320	\$288	\$524	\$236	0.00%
<i>Federal Funds</i>	\$2,657	\$2,423	\$2,218	(\$205)	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$2,977	\$2,711	\$2,742	\$31	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>	\$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>	\$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>	\$551	\$551	\$551	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$551	\$551	\$551	\$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%
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 Other	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
<i>State Funds</i>	\$592	\$588	\$1,111	\$523	0.00%
<i>Federal Funds</i>	\$5,459	\$5,486	\$5,254	(\$232)	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$6,051	\$6,074	\$6,365	\$291	0.00%

APPROPRIATION:
Children's Health Insurance Administration

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2016-2017	2017-2018	2018-2019 Estimated
State Funds	\$109	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2017	12/31/2018	2019-2020 Budgeted
State/Federally Funded			
<i>Authorized</i>	25	30	30
<i>Filled</i>	18	22	23
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>	25	30	30
<i>Filled</i>	18	22	23
Benefit Rate	85.70%	82.90%	82.10%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2019-2020 Governor's Executive Budget authorizes 30 positions. The funding for operating covers supports required for the effective operation of the Children's Health Insurance Program.

Legislative Citations:

Article XXIII-A of the Insurance Company Law of 1921 (Act 2015-84); Title XXI of the Social Security Act, 42 U.S.C.A §§ 1397aa-1397mm

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			
	State \$	Federal \$	Other \$	Total \$
PERSONNEL				
1. To provide for general salary and benefits for personnel assigned to the CHIP Program:	\$28	\$232	\$0	\$260
2. Impact of the change in Enhanced Federal Medical Assistance Percentage (a decrease from 89.58 percent to 78.08 percent, effective October 1, 2019). Full-year blended rate decreases from 89.5025 percent to 80.9550 percent:	<u>\$259</u>	<u>(\$259)</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Personnel	\$287	(\$27)	\$0	\$260
OPERATING				
1. Provides for an increase in general operating costs in Fiscal Year 2019-2020:	\$3	\$28	\$0	\$31
2. Impact of the change in Enhanced Federal Medical Assistance Percentage (a decrease from 89.58 percent to 78.08 percent, effective October 1, 2019). Full-year blended rate decreases from 89.5025 percent to 80.9550 percent:	<u>\$233</u>	<u>(\$233)</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Operating	\$236	(\$205)	\$0	\$31
TOTAL	<u>\$523</u>	<u>(\$232)</u>	<u>\$0</u>	<u>\$291</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 30 positions and operating expenses associated with administrative support.

CHILDREN'S HEALTH INSURANCE PROGRAM

The Children's Health Insurance Program 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. Act 84 of 2015 transferred the administration of CHIP from the Pennsylvania Insurance Department to the Department of Human Services. The transfer of the program allows for more coordination of services across programs resulting in a holistic approach to services provided to CHIP members.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FY 2019-2020
(\$ Amounts in Thousands)**

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APPROPRIATION:
Child Support Enforcement

I. SUMMARY FINANCIAL DATA

	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$16,546	\$16,298	\$16,298
Federal Funds Total	\$162,628	\$162,853	\$156,738
Federal Sources Itemized			
<i>Child Support Enforcement - Title IV-D</i>	\$162,628	\$162,853	\$156,738
Other Funds Total	\$8,151	\$12,085	\$12,163
Other Fund Sources Itemized			
<i>Title IV-D Incentive Collections</i>	\$7,099	\$10,816	\$10,894
<i>State Retained Support Collections</i>	\$1,052	\$1,269	\$1,269
Total	\$187,325	\$191,236	\$185,199

IA. REQUESTED SUPPLEMENTALS (Included above)

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

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Child Support Enforcement				
	2017-2018 Actual	2018-2019 Available	2019-2020 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$1,807	\$1,870	\$1,880	\$10	0.53%
<i>Federal Funds</i>	\$7,608	\$7,824	\$7,866	\$42	0.54%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$9,415	\$9,694	\$9,746	\$52	0.54%
OPERATING					
<i>State Funds</i>	\$14,064	\$13,866	\$13,847	(\$19)	-0.14%
<i>Federal Funds</i>	\$26,644	\$26,916	\$26,857	(\$59)	-0.22%
<i>Other Funds</i>	\$4,625	\$8,516	\$8,594	\$78	0.92%
Total Operating	\$45,333	\$49,298	\$49,298	\$0	0.00%
FIXED ASSETS					
<i>State Funds</i>	\$368	\$255	\$264	\$9	3.53%
<i>Federal Funds</i>	\$715	\$495	\$512	\$17	3.43%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Fixed Assets	\$1,083	\$750	\$776	\$26	3.47%
GRANT & SUBSIDY					
<i>State Funds</i>	\$307	\$307	\$307	\$0	0.00%
<i>Federal Funds</i>	\$127,618	\$127,618	\$121,503	(\$6,115)	-4.79%
<i>Other Funds</i>	\$3,569	\$3,569	\$3,569	\$0	0.00%
Total Grant & Subsidy	\$131,494	\$131,494	\$125,379	(\$6,115)	-4.65%
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%
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>	\$16,546	\$16,298	\$16,298	\$0	0.00%
<i>Federal Funds</i>	\$162,585	\$162,853	\$156,738	(\$6,115)	-3.75%
<i>Other Funds</i>	\$8,194	\$12,085	\$12,163	\$78	0.65%
Total Funds	\$187,325	\$191,236	\$185,199	(\$6,037)	-3.16%

APPROPRIATION:
Child Support Enforcement

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2016-2017	2017-2018	2018-2019 Estimated
State Funds	\$557	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2017	12/31/2018	2019-2020 Budgeted
State/Federally Funded			
<i>Authorized</i>	98	95	95
<i>Filled</i>	93	89	89
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	95	95
<i>Filled</i>	93	89	89
Benefit Rate	80.33%	80.33%	79.90%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:
The Fiscal Year 2019-2020 Governor's Executive Budget provides for an authorized complement of 95 positions, the same as Fiscal Year 2018-2019. 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 number of filled and vacant salary positions, average bi-weekly and funded pay periods from Fiscal Year 2018-2019:	\$5	\$23	\$0	\$28
2. Provides an increase for the impact of salary adjustment factor (without benefits), which includes the full year cost of a January 1, 2019 step increase offset by turnover:	\$18	\$91	\$0	\$109
3. Provides for an increase in the total cost of employee benefits primarily due to an increase in health insurance:	\$0	\$85	\$0	\$85
4. Provides for other adjustments in Personnel in Fiscal Year 2019-2020:	(\$13)	(\$157)	\$0	(\$170)
Subtotal Personnel	\$10	\$42	\$0	\$52
OPERATING				
1. Reflects an increase in incentive funding for information systems operating and maintenance for Fiscal Year 2019-2020:	(\$19)	(\$59)	\$78	\$0
Subtotal Operating	(\$19)	(\$59)	\$78	\$0
FIXED ASSETS				
1. Provides for an increase in Fixed Assets for Fiscal Year 2019-2020. This provides for enhanced training to support the rollout of the PACSES Tech Refresh Project:	\$9	\$17	\$0	\$26
Subtotal Fixed Assets	\$9	\$17	\$0	\$26
GRANTS AND SUBSIDIES				
1. Reflects a reduction in the Retain Appropriation Authority and the Unreimbursed Assistance Federal Share for Fiscal Year 2019-2020:	\$0	(\$6,115)	\$0	(\$6,115)
Subtotal Grants and Subsidies	\$0	(\$6,115)	\$0	(\$6,115)
TOTAL	\$0	(\$6,115)	\$78	(\$6,037)

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 among the largest states in overall performance outcomes. Pennsylvania's Title IV-D Program exceeds federal performance standards, which include establishment of paternity and court orders for child support and collection of child support obligations.

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 (DRSs) 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 65 county DRSs; processing intergovernmental 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 \$1.382 billion from Noncustodial Parents (NCPs) in state fiscal year 2017-2018. Principal enforcement programs include: Income Withholding - \$1.021 billion; Federal Income Tax Refund Offset Program - \$32.296 million; State Tax Refund Offset Program - \$1.654 million; Out-of-state payment - \$69.397 million; International - \$0.209 million; Tribal - \$0.009 million; Unemployment Compensation Intercept Program - \$23.014 million; Financial Institution Data Match Program - \$3.233 million; Thrift Savings Plan - \$0.134 million; Child Support Lien Network (intercept of personal injury, workers' compensation and life insurance claims) - \$3.947 million; Federal Insurance Match - \$0.035 million; State Lottery Intercept Program - \$0.167 million; and, Monetary Award Settlements - \$0.062 million. The remaining \$226.938 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

The Pennsylvania Child Support Enforcement System (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. PACSES is used by all 65 Pennsylvania County DRSs to provide Title IV-D child support services. 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

PRWORA of 1996 required that Pennsylvania centrally collect and disburse all child and spousal support payments. The State Collection and Disbursement Unit 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 2017, 98 percent of child support payments are disbursed electronically to custodial parents and 100 percent of all disbursements are issued within 24 hours. Electronic collections account for 84 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, and Access and Visitation funding totaled \$0.328 million in federal funds in FFY 2017-2018.

PA CAREERLINK® PROGRAM

PA CareerLink® is a job search tool which assists job-seekers in finding family-sustaining jobs. Starting in February 2018, the Department partnered with the Department of Labor & Industry to utilize PA CareerLink® for court ordered work search activities. This partnership helps support multiple child support objectives, such as improved employment options for noncustodial parents (NCPs), improved collections for cases associated with unemployed NCPs, and a reduction in the number of days until new employment is found.

Progress attributed to the PA CareerLink® Program for the period of February 2018 through September 2018 includes collections in the amount of \$8.0 million; 7,938 cases with new employment added; 19,444 cases with PA CareerLink work search orders issued; average of 54 days until new employment was added; and an average of 50 days until the first payment was received.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FY 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. A3.8, C1.16, E26.25, E26.26

APPROPRIATION:
New Directions

I. SUMMARY FINANCIAL DATA

	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$21,799	\$15,682	\$15,682
Federal Funds Total	\$136,311	\$140,583	\$140,851
Federal Sources Itemized			
<i>TANFBG - New Directions</i>	\$111,275	\$109,249	\$111,346
<i>Medical Assistance - New Directions</i>	\$9,264	\$16,002	\$14,141
<i>SNAP - New Directions</i>	\$15,772	\$15,332	\$15,364
Other Funds	\$0	\$0	\$0
Total	<u>\$158,110</u>	<u>\$156,265</u>	<u>\$156,533</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: New Directions				
	2017-2018 Actual	2018-2019 Available	2019-2020 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$18,251	\$14,036	\$14,036	\$0	0.00%
<i>Federal Funds</i>	\$17,488	\$22,570	\$23,118	\$548	2.43%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$35,739	\$36,606	\$37,154	\$548	1.50%
OPERATING					
<i>State Funds</i>	\$324	\$413	\$413	\$0	0.00%
<i>Federal Funds</i>	\$1,310	\$1,223	\$1,223	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$1,634	\$1,636	\$1,636	\$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>	\$2,859	\$868	\$868	\$0	0.00%
<i>Federal Funds</i>	\$99,255	\$95,310	\$95,451	\$141	0.15%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$102,114	\$96,178	\$96,319	\$141	0.15%
NONEXPENSE					
<i>State Funds</i>	\$365	\$365	\$365	\$0	0.00%
<i>Federal Funds</i>	\$14,059	\$14,059	\$14,059	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$14,424	\$14,424	\$14,424	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$4,199	\$7,421	\$7,000	(\$421)	-5.67%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$4,199	\$7,421	\$7,000	(\$421)	-5.67%
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>	\$21,799	\$15,682	\$15,682	\$0	0.00%
<i>Federal Funds</i>	\$136,311	\$140,583	\$140,851	\$268	0.19%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$158,110	\$156,265	\$156,533	\$268	0.17%

**APPROPRIATION:
New Directions**

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$2,393	\$2,824	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	373	368	368
<i>Filled</i>	362	366	363
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>	373	368	368
<i>Filled</i>	362	366	363
Benefit Rate	82.1%	82.1%	88.0%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2019-2020 Governor's Executive Budget reflects 368 authorized positions, consisting of 363 filled, and five vacant positions. This is the same number of positions as Fiscal Year 2018-2019.

The funding for operating expenses provides for travel, general operating expenses and contracts in support of the Commonwealth Workforce Development System.

The funding for grant and non-expenses provides a number of employment contracts and inter-agency agreements like the Teen Parent program with the Department of Education and CareerLink with the Department of Labor and Industry.

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			
	State \$	Federal \$	Other \$	Total \$
PERSONNEL				
1. Net impact of changes in number of filled and vacant salary positions, average bi-weekly and funded pay periods from Fiscal Year 2018-2019:	\$66	\$39	\$0	\$105
2. Provides a full year impact of a 2.25 percent longevity increment on January 1, 2019:	\$221	\$130	\$0	\$351
3. Provides for an increase in the total cost of employee benefits primarily due to an increase in employee health insurance:	\$402	\$231	\$0	\$633
4. Reflects a decrease in other personnel costs:	(\$341)	(\$200)	\$0	(\$541)
5. Reflects change in federal financial participation from Fiscal Year 2018-2019:	\$632	(\$632)	\$0	\$0
6. Reflects increase in prior federal funds from Fiscal Year 2018-2019. Total prior year funds utilized in Fiscal Year 2019-2020 is \$6.000 million:	<u>(\$980)</u>	<u>\$980</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Personnel	\$0	\$548	\$0	\$548
OPERATING				
1. Reflects change in federal financial participation from Fiscal Year 2018-2019:	\$20	(\$20)	\$0	\$0
Reflects increase in prior federal funds from Fiscal Year 2018-2019. Total prior year funds utilized in Fiscal Year 2019-2020 is \$6.000 million:	<u>(\$20)</u>	<u>\$20</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Operating	\$0	\$0	\$0	\$0
GRANTS AND SUBSIDIES				
1. Reflects a decrease in Supplemental Nutrition Assistance Program (SNAP) grant award for Work Ready:	\$0	\$75	\$0	\$75
2. Reflects an increase in Supplemental Nutrition Assistance Program grant award for Keystone Education Yields Success:	<u>\$0</u>	<u>\$66</u>	<u>\$0</u>	<u>\$66</u>
Subtotal Grants and Subsidies	\$0	\$141	\$0	\$141
BUDGETARY RESERVE				
1. Provides for potential changes in federal participation rates due to enhanced funding in Fiscal Year 2019-2020:	<u>\$0</u>	<u>(\$421)</u>	<u>\$0</u>	<u>(\$421)</u>
Subtotal Budgetary Reserve	<u>\$0</u>	<u>(\$421)</u>	<u>\$0</u>	<u>(\$421)</u>
TOTAL	<u><u>\$0</u></u>	<u><u>\$268</u></u>	<u><u>\$0</u></u>	<u><u>\$268</u></u>

NEW DIRECTIONS

PROGRAM STATEMENT

The New Directions appropriation under the Department of Human Services (Department), Office of Income Maintenance (OIM) provides employment, training, and placement services to eligible 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 (SNAP). Job search, job placement services, job-related training, and education are provided through the County Assistance Offices (CAOs) and, employment and training (E&T) contractors throughout the state. Contractors for New Directions include community, faith-based, profit, non-profit, and local government organizations.

EMPLOYMENT ADVANCEMENT RETENTION NETWORK

The OIM has developed a system of Employment Advancement Retention Network (EARN) Centers 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 activities focusing on job placement and retention services are provided.

The EARN Centers allow 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 tracked to verify the Commonwealth of Pennsylvania has met mandatory federal work participation rates. Meeting the work participation rates is a key element in ensuring that Pennsylvania will not incur TANF maintenance of effort funding 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 credentialing with the program to receive their full budgeted payment.

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 program is jointly overseen with the Pennsylvania Department of Education.

WORK READY

The Work Ready program uses a partnership with the Pennsylvania Community Action Agencies to provide E&T 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 barrier remediation referral 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 moving towards self-sufficiency.

KEYSTONE EDUCATION YIELDS SUCCESS

Keystone Education Yields Success (KEYS) is a collaborative program with the Pennsylvania State System of Higher Education. The KEYS program is designed to allow recipients of TANF and the Supplemental Nutrition Assistance Program (SNAP) to attend Pennsylvania's community colleges and to

assist in the successful completion of the students' courses. The KEYS program provides assistance and services to students who are enrolled at, approved to attend, or interested in attending any of the 14 community colleges 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 OIM partners with the Public Health Management Corporation to operate the Home Health Assessment program in Philadelphia. 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, diagnose, and stabilize barriers to employment and provide a recommendation to the CAO income maintenance caseworker on how to proceed with the TANF client.

PA WORKWEAR

The goal of the PA WORKWEAR program 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.

SNAP 50/50

The OIM partners with several community-based organizations (CBOs) to offer short-term credentialing and work experience services to "SNAP only" customers in programs known as SNAP 50-50 partnerships. These programs are unique in that the provider itself pays for 100% of the costs of training, which is then leveraged by OIM to obtain 50 percent reimbursement through SNAP. Grant agreements with these CBOs thus use no state funds. Some partnerships focus on a specific population.

SNAP 50/50 serves a mixture of Able Bodied Adults Without Disabilities (ABAWD), who are required to work or participate in E&T to continue receiving SNAP and, non-ABAWD volunteers. Currently, there are ten 50/50 partners across the Commonwealth, with another four anticipated. OIM is working to expand this partnership model to a total of 30 sites statewide by 2020.

COUNTY ASSISTANCE OFFICES - DIRECTED EMPLOYMENT AND TRAINING ACTIVITIES

County Assistance Offices (CAOs) enroll certain TANF recipients into Road to Economic Self-Sufficiency through Employment and Training (RESET) to facilitate self-sufficiency by participating in work or work-related activities to meet TANF requirements. The CAOs determine if clients will be referred to E&T programming or have CAO tracked participation. The CAOs explain requirements associated with work or work-related activities, hours of participation, reporting rules, special allowance limitations, and consequences of non-compliance, including the potential for sanctions. Individuals may be enrolled in CAO-directed E&T if: an individual is under 22, pursuing a high school diploma or General Education Development certificate (GED), and if the county does not have an Education Leading to Employment and Career Training provider (ELECT); or individual is meeting hourly requirement in unsubsidized employment (including self-employment); or if there is no core activity available.

The CAOs are also responsible for enrolling individuals into the voluntary SNAP E&T program. This program serves those receiving SNAP, but not TANF. These "SNAP only" individuals are typically exempt from a work requirement, but volunteer. Volunteers are eligible to participate in a variety of activities, including some, but not all, of the same contracted programs that TANF participants can choose. Participants in SNAP E&T may also pursue a CAO-directed activity if no contracted program meets their needs.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FY 2019-2020
(\$ Amounts in Thousands)**

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Pp. C1.16, E26.4, E26.35-E26.37, F36, F65

APPROPRIATION:
Youth Development Institutions and Forestry Camps

I. SUMMARY FINANCIAL DATA

	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$58,302	\$63,008	\$63,699
Federal Funds Total	\$10,650	\$10,650	\$10,650
Federal Sources Itemized			
<i>SSBG-Basic Institutional Programs</i>	\$10,000	\$10,000	\$10,000
<i>Food Nutrition Services</i>	\$650	\$650	\$650
Other Funds Total	\$50	\$10	\$10
Other Fund Sources Itemized			
<i>Institutional Reimbursements</i>	\$50	\$10	\$10
Total	\$69,002	\$73,668	\$74,359

IA. REQUESTED SUPPLEMENTALS (Included above)

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

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Youth Development Institutions and Forestry Camps				
	2017-2018 Actual	2018-2019 Available	2019-2020 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$47,564	\$50,863	\$51,554	\$691	1.36%
<i>Federal Funds</i>	\$10,000	\$10,000	\$10,000	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$57,564	\$60,863	\$61,554	\$691	1.14%
OPERATING					
<i>State Funds</i>	\$8,894	\$10,301	\$10,301	\$0	0.00%
<i>Federal Funds</i>	\$500	\$492	\$492	\$0	0.00%
<i>Other Funds</i>	\$50	\$10	\$10	\$0	0.00%
Total Operating	\$9,444	\$10,803	\$10,803	\$0	0.00%
FIXED ASSETS					
<i>State Funds</i>	\$172	\$172	\$172	\$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	\$172	\$172	\$172	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$1,672	\$1,672	\$1,672	\$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	\$1,672	\$1,672	\$1,672	\$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>	\$150	\$158	\$158	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$150	\$158	\$158	\$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>	\$58,302	\$63,008	\$63,699	\$691	1.10%
<i>Federal Funds</i>	\$10,650	\$10,650	\$10,650	\$0	0.00%
<i>Other Funds</i>	\$50	\$10	\$10	\$0	0.00%
Total Funds	\$69,002	\$73,668	\$74,359	\$691	0.94%

APPROPRIATION:
Youth Development Institutions and Forestry Camps

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2016-2017	2017-2018	2018-2019 Estimated
State Funds	\$5,848	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2017	12/31/2018	2019-2020 Budgeted
State/Federally Funded			
<i>Authorized</i>	633	633	633
<i>Filled</i>	591	555	552
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>	633	633	633
<i>Filled</i>	591	555	552
Benefit Rate	85.79%	82.78%	85.10%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2019-2020 Governor's Executive Budget provides for an authorized complement of 633 positions, the same level as in Fiscal Year 2018-2019.

Detail on the appropriation request 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; 42 Pa.C.S. § 6352(a).

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 net change in the cost to carry forward 552 filled and 33 funded vacant positions for 26.2 pay periods, 41 unfunded vacant positions, and seven leave-without-pay positions funded for benefits only, including other personnel costs:	(\$118)	\$0	\$0	(\$118)
2. Provides for a net increase in total employee benefit costs primarily due to increases in health benefits:	\$503	\$0	\$0	\$503
3. Provides for the annualization of a January 1, 2019 longevity increment and turnover rate for union and management employees (excludes the effect of employee benefits):	\$306	\$0	\$0	\$306
Subtotal Personnel	\$691	\$0	\$0	\$691
OPERATING				
1. Provides funding for operating costs at the Fiscal Year 2018-2019 level of \$10.803 million (\$10.301 million in state funds):	\$0	\$0	\$0	\$0
Subtotal Operating	\$0	\$0	\$0	\$0
FIXED ASSETS				
1. Provides funding for fixed asset purchases at the Fiscal Year 2018-2019 level of \$0.172 million in state funds:	\$0	\$0	\$0	\$0
Subtotal Fixed Assets	\$0	\$0	\$0	\$0
GRANT & SUBSIDY				
1. Provides funding for grants and subsidies at the Fiscal Year 2018-2019 level of \$1.672 million in state funds:	\$0	\$0	\$0	\$0
Subtotal Grant & Subsidy	\$0	\$0	\$0	\$0
BUDGETARY RESERVE				
1. Provides for a federal Food Nutrition Services budgetary reserve at the Fiscal Year 2018-2019 level of \$0.158 million:	\$0	\$0	\$0	\$0
Subtotal Budgetary Reserve	\$0	\$0	\$0	\$0
TOTAL	\$691	\$0	\$0	\$691

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 and 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 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 use issues. The facility also has three 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 male and female youth located on the grounds of Danville State Hospital (Montour County). Specialized services include a 15-bed unit for violent/aggressive male youth, a 15-bed high-risk unit, a 15-bed unit for male youth with drug and alcohol use histories, and a 15-bed unit for male youth with mental health problems. The facility also has two 24-bed programs for female offenders specializing in trauma informed care, drug and alcohol use, and mental health treatment. The facility's capacity is 108 beds.

The South Mountain Secure Treatment Unit, located on the grounds of the South Mountain Restoration Center (Franklin County), is a 36-bed secure care facility for aggressive male delinquent youth. The facility also provides specialized treatment services for youth committed for both sexual offenses and mental health issues.

Youth Forestry Camp No. 2 is an open residential treatment facility located within Hickory Run State Park in northeast Pennsylvania (Carbon County) for adjudicated delinquent youth. Youth Forestry Camp No. 2 provides cognitive behavioral therapy evidenced-based treatment services, educational, and vocational services to youth ages 14 to 20, based on their individual criminogenic needs. Specialized services include drug and alcohol programming and short-term (60 days) programming for 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 use and general delinquency. The facility addresses a variety of criminogenic risk factors through evidence-based cognitive behavioral treatment, with an emphasis on delinquency, substance use, education, and vocational/job training. The facility's capacity is 50 beds.

The Pennsylvania Department of Education's (PDE) Bureau of Correction Education provides oversight, 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, PDE provides oversight and monitoring to ensure that each students' academic needs are being met. 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, 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.

Effective July 1, 2014, the Pennsylvania Academic and Career/Technical Training Alliance (PACTT) was established. The project provides on-site technical assistance to its affiliated members and works to ensure that delinquent youth receive academic and career training opportunities throughout the duration of their active involvement within Pennsylvania's Juvenile Justice System. The alliance includes secure and non-secure residential programs, community-based programs, and partnerships within the aftercare system.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

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E26.11, E26.27-E26.30, F35-F36, F65

APPROPRIATION:
Mental Health Services

I. SUMMARY FINANCIAL DATA	2017-2018 Actual	2018-2019 Available	2019-2020 Budgeted
State Funds	\$761,807	\$776,853	\$805,121
Federal Funds Total	\$245,528	\$244,549	\$272,078
Federal Sources Itemized			
<i>Medical Assistance-Mental Health</i>	\$182,146	\$173,542	\$203,542
<i>Medicare Services-State Mental Hospitals</i>	\$17,782	\$20,983	\$20,983
<i>Homeless Mentally Ill</i>	\$2,496	\$2,496	\$2,496
<i>MHSBG-Community Mental Health Services</i>	\$20,461	\$24,100	\$24,100
<i>SSBG-Community Mental Health Services</i>	\$10,366	\$10,366	\$10,366
<i>Suicide Prevention</i>	\$996	\$1,496	\$1,496
<i>Mental Health Data Infrastructure</i>	\$145	\$145	\$145
<i>System of Care Expansion</i>	\$3,000	\$3,500	\$3,500
<i>Mental Health-Safe Schools</i>	\$3,000	\$0	\$0
<i>Project LAUNCH</i>	\$800	\$815	\$0
<i>Youth Suicide Prevention</i>	\$736	\$756	\$0
<i>Transition Age Youth</i>	\$1,500	\$1,500	\$500
<i>Early Childhood Mental Health</i>	\$0	\$500	\$500
<i>Treatment for Individuals Experiencing Homelessness</i>	\$0	\$1,000	\$1,000
<i>Adolescents and Young Adults at High Risk for Psychosis</i>	\$0	\$400	\$400
<i>Promoting Integration of Health Care</i>	\$2,000	\$2,000	\$2,000
<i>Integrating Primary and Behavioral Health Care</i>	\$0	\$0	\$1,000
<i>Emergency Response - Hurricane 2017</i>	\$0	\$750	\$0
<i>Bioterrorism Hospital Preparedness</i>	\$100	\$200	\$50
Other Funds Total	\$38,680	\$37,439	\$37,184
Other Fund Sources Itemized			
<i>Intergovernmental Transfer</i>	\$28,621	\$28,621	\$28,366
<i>Institutional Collections</i>	\$8,628	\$7,711	\$7,711
<i>Miscellaneous Institutional Reimbursements</i>	\$1,431	\$1,107	\$1,107
Total	\$1,046,015	\$1,058,841	\$1,114,383
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds		\$0	
Total		\$0	

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Mental Health Services				
	2017-2018 Actual	2018-2019 Available	2019-2020 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$161,064	\$170,001	\$184,787	\$14,786	8.70%
<i>Federal Funds</i>	\$177,542	\$179,838	\$179,800	(\$38)	-0.02%
<i>Other Funds</i>	\$7,013	\$7,711	\$7,711	\$0	0.00%
Total Personnel	\$345,619	\$357,550	\$372,298	\$14,748	4.12%
OPERATING					
<i>State Funds</i>	\$69,256	\$70,044	\$49,788	(\$20,256)	-28.92%
<i>Federal Funds</i>	\$7,689	\$7,000	\$36,968	\$29,968	428.11%
<i>Other Funds</i>	\$3,046	\$1,107	\$1,107	\$0	0.00%
Total Operating	\$79,991	\$78,151	\$87,863	\$9,712	12.43%
FIXED ASSETS					
<i>State Funds</i>	\$1,238	\$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	\$1,238	\$1,260	\$1,260	\$0	0.00%
GRANT & SUBSIDY					
<i>State Funds</i>	\$528,953	\$534,968	\$569,286	\$34,318	6.41%
<i>Federal Funds</i>	\$52,305	\$56,711	\$54,310	(\$2,401)	-4.23%
<i>Other Funds</i>	\$28,621	\$28,621	\$28,366	(\$255)	-0.89%
Total Grant & Subsidy	\$609,879	\$620,300	\$651,962	\$31,662	5.10%
NONEXPENSE					
<i>State Funds</i>	\$166	\$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	\$166	\$0	\$0	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$1,130	\$580	\$0	(\$580)	-100.00%
<i>Federal Funds</i>	\$7,992	\$1,000	\$1,000	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$9,122	\$1,580	\$1,000	(\$580)	-36.71%
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>	\$761,807	\$776,853	\$805,121	\$28,268	3.64%
<i>Federal Funds</i>	\$245,528	\$244,549	\$272,078	\$27,529	11.26%
<i>Other Funds</i>	\$38,680	\$37,439	\$37,184	(\$255)	-0.68%
Total Funds	\$1,046,015	\$1,058,841	\$1,114,383	\$55,542	5.25%

**APPROPRIATION:
Mental Health Services**

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2019</u>	<u>2019-2020 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	3,449	3,449	3,449
<i>Filled</i>	3,237	3,217	3,228
Federally Funded			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	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>	3,449	3,449	3,449
<i>Filled</i>	3,237	3,217	3,228
Benefit Rate	78.40%	76.95%	79.03%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:

The Fiscal Year 2019-2020 Governor's Executive Budget provides funding for complement, operating expenses and fixed assets for state mental hospitals as well as community mental health services.

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

Legislative Citations:

62 P.S. §§ 201, 206, 301-317; 62 P.S. § 1401-B et seq.; 50 P.S. §§ 4201(7), 4202, 4507, 4509; 42 Pa.C.S. § 6406.

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 adjusted 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 an increase in the cost to carry forward 3,228 filled positions for 26.2 pay periods, 69 vacant positions for 13 pay periods, 77 unfunded vacancies, and 30 leave-without-pay positions funded for benefits only, including other personnel costs:	\$476	\$0	\$0	\$476
2. Provides funding for 45 vacant positions at Norristown State Hospital for 26.2 pay periods with benefits to open a new unit to satisfy a portion of the American Civil Liberties Union settlement:	\$4,708	\$0	\$0	\$4,708
3. Provides for an increase in employee health benefit costs:	\$1,998	\$0	\$0	\$1,998
4. Provides for an increase in workers' compensation insurance premium payments:	\$2,035	\$0	\$0	\$2,035
5. Provides for increased retirement benefit costs:	\$1,940	\$0	\$0	\$1,940
6. Provides for the annualization of the January 1, 2019 longevity increment and turnover rate for union and management employees (excludes the effect on employee benefits):	\$3,629	\$0	\$0	\$3,629
7. Reflects the conclusion of the Project Launch grant:	\$0	(\$38)	\$0	(\$38)
Subtotal Personnel	\$14,786	(\$38)	\$0	\$14,748
OPERATING				
1. Provides for one-time use of prior year federal funds:	(\$30,000)	\$30,000	\$0	\$0
2. Reflects the conclusion of maintenance at Allentown State Hospital:	(\$886)	\$0	\$0	(\$886)
3. Provides for an increase in utility and building costs associated with the creation of an additional unit at Norristown State Hospital:	\$935	\$0	\$0	\$935
4. Reflects the conclusion of the Project Launch grant:	\$0	(\$7)	\$0	(\$7)
5. Reflects the conclusion of the Youth Suicide Prevention grant:	\$0	(\$10)	\$0	(\$10)
6. Reflects a reduction in the MH Data Infrastructure grant:	\$0	(\$3)	\$0	(\$3)
7. Reflects a reduction in the Bioterrorism Hospital Preparedness subgrant:	\$0	(\$12)	\$0	(\$12)
8. Provides for additional contracted staffing:	\$3,695	\$0	\$0	\$3,695
9. Provides for facility improvements to address cited health and safety standards:	\$6,000	\$0	\$0	\$6,000
Subtotal Operating	(\$20,256)	\$29,968	\$0	\$9,712

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

APPROPRIATION:
Mental Health Services

	State \$	Federal \$	Other \$	Total \$
COMMUNITY MENTAL HEALTH				
GRANT & SUBSIDY				
1. Impact of providing additional community beds as a result of the American Civil Liberties Union legal settlement:	\$30,000	\$0	\$0	\$30,000
2. Reflects the conclusion of Transition Age Youth grant:	\$0	(\$1,000)	\$0	(\$1,000)
3. Reflects the conclusion of the Project Launch grant:	\$0	(\$770)	\$0	(\$770)
4. Reflects the conclusion of the Youth Suicide Prevention grant:	\$0	(\$746)	\$0	(\$746)
5. Provides for an increase in the MH Data Infrastructure grant:	\$0	\$3	\$0	\$3
6. Provides full year funding for ten Community Integration Projects Program slots:	\$1,250	\$0	\$0	\$1,250
7. Reflects a reduction in the Bioterrorism Hospital Preparedness subgrant:	\$0	(\$138)	\$0	(\$138)
8. Reflects a reduction in the Intergovernment Transfer:	\$255	\$0	(\$255)	\$0
9. Reflects the conclusion of the Emergency Response - Hurricane 2017 grant:	\$0	(\$750)	\$0	(\$750)
10. Provides for the Integrating Primary and Behavioral Health Care grant:	\$0	\$1,000	\$0	\$1,000
Subtotal Grant & Subsidy	\$31,505	(\$2,401)	(\$255)	\$28,849
BUDGETARY RESERVE				
1. Impact of Fiscal Year 2018-2019 budgetary reserve:	(\$580)	\$0	\$0	(\$580)
INITIATIVE				
GRANT & SUBSIDY				
1. Community Opportunities:				
To provide funding for home and community-based services for 45 individuals currently residing in the state hospitals:	\$2,813	\$0	\$0	\$2,813
Subtotal Initiative	\$2,813	\$0	\$0	\$2,813
TOTAL	\$28,268	\$27,529	(\$255)	\$55,542

MENTAL HEALTH SERVICES

PROGRAM STATEMENT

The Department of Human Services (DHS), Office of Mental Health and Substance Abuse Services has the primary responsibility of 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 as substance use 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 use services for individuals no longer eligible for Medical Assistance (MA); and, Act 152 funds to provide non-hospital residential substance use 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 the hospitals, including the South Mountain Restoration Center, are certified by Medicaid and Medicare. The South Mountain Restoration Center is also certified as a long-term care provider and is licensed by DHS.

On January 11, 2017, the department announced the plan to close the civil section of Norristown State Hospital in Montgomery County. The closure is part of the Wolf Administration's commitment to serve more people in the community, reduce reliance on institutional care, and improve access to home and community-based services for Pennsylvanians. As part of the initiative, DHS will, on a long-term basis, retain a minimum of 50 beds from the civil section for transitional services for forensically-involved individuals. For an unspecified timeframe, the total number of beds for the transitional services will be greater than 50 to help address the wait time for forensic treatment throughout our system as well as to comply with recent litigation settlements.

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 2017-2018, 1,967 people received services in the state mental hospitals and an estimated 2,100 will receive services in Fiscal Year 2018-2019.

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, 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 joiners, or through contracts with private, non-profit organizations. Services are funded with state, federal, and/or county matching funds.

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 2017-2018, 172,200 people were provided community mental health services and an estimated 172,200 will receive services in Fiscal Year 2018-2019 as well.

COMMUNITY HOSPITAL INTEGRATION PROJECTS PROGRAM AND SOUTHEAST INTEGRATION PROJECTS PROGRAM

Beginning in Fiscal Year 1991-1992, the Community Hospital Integration Projects Program (CHIPP) linked the county-operated community programs and the state mental hospitals by transferring individuals and resources from the hospital program to the community. This integration program discharges individuals with complex service needs, who no longer need inpatient psychiatric treatment, into integrated community programs from state mental hospitals. The county program develops the community resources and services needed for each person discharged through CHIPP. The CHIPP program is a mechanism for 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 allocation, 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 allows more predictable planning for future state mental hospital use and a reduction 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 Human Services Block Grant (HSBG) program was implemented to provide local governments with increased flexibility to address local needs. Beginning in Fiscal Year 2017-2018 the HSBG program was expanded to allow all counties statewide to request participation in the program on a voluntary basis. Currently, a total of 38 counties have submitted applications that were subsequently approved by the Department and are participating in the HSBG program.

FISCAL YEAR 2019-2020 INITIATIVE – COMMUNITY EXPANSION

The Governor's Executive Budget for Fiscal Year 2019-2020 provides funding to support the discharge of 45 eligible individuals from state hospitals throughout the commonwealth into CHIPP. It will expand home and community-based services for community placements through the Office of Behavioral Health and Substance Use Disorder Services' already established under CHIPP.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

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APPROPRIATION:
Intellectual Disabilities - State Centers

I. SUMMARY FINANCIAL DATA

	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$128,800	\$117,324	\$117,136
Federal Funds Total	\$173,672	\$161,812	\$163,429
Federal Sources Itemized			
<i>Medical Assistance - State Centers</i>	\$173,072	\$161,259	\$162,924
<i>Medicare Services - State Centers</i>	\$600	\$553	\$505
Other Funds Total	\$28,982	\$25,930	\$25,840
Other Fund Sources Itemized			
<i>Institutional Collections - State Centers</i>	\$8,997	\$7,914	\$8,089
<i>ID Assessment - State Centers</i>	\$19,985	\$18,016	\$17,751
Total	\$331,454	\$305,066	\$306,405

IA. REQUESTED SUPPLEMENTALS (Included above)

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

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Intellectual Disabilities - State Centers			
	2017-2018 Actual	2018-2019 Available	2019-2020 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
<i>State Funds</i>	\$118,424	\$109,307	\$109,023	(\$284)	-0.26%
<i>Federal Funds</i>	\$125,626	\$135,719	\$137,432	\$1,713	1.26%
<i>Other Funds</i>	\$7,267	\$6,215	\$6,419	\$204	3.28%
Total Personnel	\$251,317	\$251,241	\$252,874	\$1,633	0.65%
OPERATING					
<i>State Funds</i>	\$9,997	\$7,799	\$7,895	\$96	1.23%
<i>Federal Funds</i>	\$24,250	\$21,011	\$20,915	(\$96)	-0.46%
<i>Other Funds</i>	\$21,715	\$19,686	\$19,421	(\$265)	-1.35%
Total Operating	\$55,962	\$48,496	\$48,231	(\$265)	-0.55%
FIXED ASSETS					
<i>State Funds</i>	\$379	\$218	\$218	\$0	0.00%
<i>Federal Funds</i>	\$82	\$82	\$82	\$0	0.00%
<i>Other Funds</i>	\$0	\$29	\$0	(\$29)	-100.00%
Total Fixed Assets	\$461	\$329	\$300	(\$29)	-8.81%
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>	\$23,714	\$5,000	\$5,000	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$23,714	\$5,000	\$5,000	\$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>	\$128,800	\$117,324	\$117,136	(\$188)	-0.16%
<i>Federal Funds</i>	\$173,672	\$161,812	\$163,429	\$1,617	1.00%
<i>Other Funds</i>	\$28,982	\$25,930	\$25,840	(\$90)	-0.35%
Total Funds	\$331,454	\$305,066	\$306,405	\$1,339	0.44%

APPROPRIATION: Intellectual Disabilities - State Centers
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III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$5,495	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 Budgeted</u>
State/Federally Funded			
<i>Authorized</i>	3,128	2,814	2,814
<i>Filled</i>	2,788	2,594	2,604
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>	<u>0</u>	<u>0</u>	<u>0</u>
Total			
<i>Authorized</i>	3,128	2,814	2,814
<i>Filled</i>	2,788	2,594	2,604
Benefit Rate	87.21%	87.82%	91.01%

V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA

Derivation of Request:
 The Fiscal Year 2019-2020 Governor's Executive Budget provides for the annualization of Fiscal Year 2018-2019 program changes.

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. § 4202, 4507; 62 P.S. §§ 301-317; 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

	State \$	Federal \$	Other \$	Total \$
PERSONNEL				
1. Change in average bi-weekly and funded pay periods from Fiscal Year 2018-2019 levels:	(\$2,425)	(\$2,641)	\$0	(\$5,066)
2. Annualization of the filling of 61 vacancies during Fiscal Year 2018-2019 to maintain minimum staff-to-client ratios:	\$1,004	\$1,094	\$0	\$2,098
3. Provides for an authorized salary complement of 2,814 positions, which is the same level as Fiscal Year 2018-2019:	\$0	\$0	\$0	\$0
4. Provides for the impact of a salary adjustment factor (without benefits) of 1.22 percent for union-represented and management employees, which includes the annualized impact of a January 1, 2019, 2.25 percent longevity increase:	\$662	\$722	\$0	\$1,384
5. Provides for a decrease in wage costs associated with the funding of 155 wage positions for Fiscal Year 2019-2020:	(\$6)	(\$7)	\$0	(\$13)
6. Provides for the impact of a salary adjustment factor (without benefits) of 1.22 percent for wage employees, which includes the annualized impact of a January 1, 2019, 2.25 percent longevity increase:	\$20	\$22	\$0	\$42
7. Net change in total employee benefit costs:	\$1,273	\$1,388	\$0	\$2,661
8. Change in other personnel costs:	\$252	\$275	\$0	\$527
9. Assumes the Federal Medical Assistance Percentage (FMAP) rate will remain at 52.25 percent, effective October 1, 2019. The state fiscal year blended rate is increasing from 52.1425 percent in Fiscal Year 2018-2019 to 52.25 percent in Fiscal Year 2019-2020. That change results in an increase of \$0.280 million in federal medical assistance funding with an offsetting decrease of \$0.280 million in state fund requirements:	(\$280)	\$280	\$0	\$0
10. Provides for the net effect of changes in estimated client collections and other factors related to medical assistance eligible costs, including changes in estimated institutional expenditures, medical assistance allowable and unallowable costs, and other factors related to gross computable medical assistance reimbursements:	(\$832)	\$628	\$204	\$0
11. Assumes a decrease in federal medicare revenues:	\$48	(\$48)	\$0	\$0

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 (continued)				
12. Assumes the Fiscal Year 2019-2020 utilization of \$7.500 million in prior year federal medical assistance earnings which is the same level assumed in Fiscal Year 2018-2019:	\$0	\$0	\$0	\$0
Subtotal Personnel	(\$284)	\$1,713	\$204	\$1,633
OPERATING				
1. Assumes funding for centrally distributed charges at the Fiscal Year 2018-2019 level:	\$0	\$0	\$0	\$0
2. Assumes non-recurring maintenance costs at the Fiscal Year 2018-2019 level of \$0.855 million:	\$0	\$0	\$0	\$0
3. Provides for an increase in medical contracts and non-EDP contracts:	\$210	\$229	\$0	\$439
4. Provides for an increase in the cost of utilities:	\$14	\$16	\$0	\$30
5. Provides for a decrease in specialized services:	(\$136)	(\$149)	\$0	(\$285)
6. Provides for a decrease in food, furniture, housekeeping, office supplies, and other miscellaneous expenses:	(\$88)	(\$96)	\$0	(\$184)
7. Provides for a decrease in the Intellectual Disabilities (ID) assessment for Fiscal Year 2019-2020:	\$138	(\$138)	(\$265)	(\$265)
8. Assumes the Federal Medical Assistance Percentage (FMAP) rate will remain at 52.25 percent, effective October 1, 2019. The state fiscal year blended rate is increasing from 52.1425 percent in Fiscal Year 2018-2019 to 52.25 percent in Fiscal Year 2019-2020. That change results in an increase of \$0.042 million in federal medical assistance funding with an offsetting decrease of \$0.042 million in state fund requirements:	(\$42)	\$42	\$0	\$0
Subtotal Operating	\$96	(\$96)	(\$265)	(\$265)
FIXED ASSETS				
1. One-time only Fiscal Year 2018-2019 utilization of other augmenting revenue in support of fixed asset purchases:	\$0	\$0	(\$29)	(\$29)
Subtotal Fixed Assets	\$0	\$0	(\$29)	(\$29)

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

APPROPRIATION:
 Intellectual Disabilities - State Centers

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
BUDGETARY RESERVE				
1. Provides for a Fiscal Year 2019-2020 federal medical assistance reserve of \$5.000 million, which is the same amount assumed in Fiscal Year 2018-2019, to address potential changes in base revenues used to calculate assessment costs and net allowable medical assistance institutional expenditures:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Budgetary Reserve	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	<u><u>(\$188)</u></u>	<u><u>\$1,617</u></u>	<u><u>(\$90)</u></u>	<u><u>\$1,339</u></u>

INTELLECTUAL DISABILITIES - STATE CENTERS

PROGRAM STATEMENT

The Department of Human Services (DHS), through the Office of Developmental Programs (ODP), currently operates four state centers for individuals with intellectual and developmental disabilities. The Governor's Executive Budget for Fiscal Year 2019-2020 provides for the continuation of activities associated with these centers and property maintenance of the Hamburg State Center that officially closed in August 2018. The closure was consistent with DHS' commitment to serve more people in less restrictive community settings, reduce reliance on institutional care, and improve access to home and community-based services.

Each of the four state centers 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 2019-2020, state centers will provide service to approximately 716 people, which is about 1.2 percent of the more than 59,000 people expected to receive intellectual disability/autism services through ODP programs. By June 30, 2020, the state center population is expected to decrease to below 670 people. As of January 2019, the age range of the residents was between 18 and 93, and the average age was 62. 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 individuals with an intellectual disability. Following national trends, the population of these facilities has decreased steadily since the late 1960s as the availability of supportive services in the community has increased. During the ten-year period from January 1, 2009 to December 31, 2018, the census at the state centers declined 40 percent, from 1,251 people to 746 people.

The Fiscal Year 2019-2020 Governor's Executive Budget assumes the continuation of the ICF/ID provider assessment, which is applied against both public and private providers of ICF/ID services, and totals \$36.170 million for Fiscal Year 2019-2020. Of the \$36.170 million, \$17.751 million represents the assessment on services provided in the state centers for individuals with intellectual disabilities. The balance of \$18.419 million represents the assessment on private ICF/ID services and is reflected under the Intellectual Disabilities - Intermediate Care Facilities appropriation.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FY 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. A3.8, C1.7, C1.17, E26.5, E26.24, E26.25,
E26.26

APPROPRIATION:
Cash Grants

I. SUMMARY FINANCIAL DATA

	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$25,457	\$43,290 ¹	\$80,864
Federal Funds Total	\$641,121	\$558,591	\$393,442
Federal Sources Itemized			
<i>TANFBG - Cash Grants</i>	\$288,975	\$207,633	\$183,693
<i>Other Federal Support - Cash Grants</i>	\$17,388	\$16,200	\$6,428
<i>LIHEABG -Low Income Families & Individuals</i>	\$320,000	\$320,000	\$188,563
<i>Refugees and Persons Seeking Asylum- Social Services</i>	\$14,758	\$14,758	\$14,758
Other Funds Total	\$0	\$0	\$0
Total	\$666,578	\$601,881	\$474,306

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$17,833
Federal Funds	\$0
Total	\$17,833

¹ Includes a recommended supplemental appropriation of \$17.833 million for Fiscal Year 2018-2019. Act 1-A of 2018 provided \$25.457 million for this program in Fiscal Year 2018-2019.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Cash Grants				
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$3,621	\$3,621	\$3,621	\$0	0.00%
<i>Federal Funds</i>	\$3,224	\$3,224	\$3,324	\$100	3.10%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$6,845	\$6,845	\$6,945	\$100	1.46%
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>	\$21,836	\$39,669	\$77,243	\$37,574	94.72%
<i>Federal Funds</i>	\$366,487	\$336,806	\$342,457	\$5,651	1.68%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$388,323	\$376,475	\$419,700	\$43,225	11.48%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$1,875	\$1,875	\$424	(\$1,451)	-77.39%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$1,875	\$1,875	\$424	(\$1,451)	-77.39%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$269,535	\$216,686	\$47,237	(\$169,449)	-78.20%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$269,535	\$216,686	\$47,237	(\$169,449)	-78.20%
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>	\$25,457	\$43,290	\$80,864	\$37,574	86.80%
<i>Federal Funds</i>	\$641,121	\$558,591	\$393,442	(\$165,149)	-29.57%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$666,578	\$601,881	\$474,306	(\$127,575)	-21.20%

APPROPRIATION:
Cash Grants

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2016-2017	2017-2018	2018-2019 Estimated
State Funds	\$2,636	\$1,304	\$0

IV. COMPLEMENT INFORMATION	12/31/2017	12/31/2018	2019-2020 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 2019-2020 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 2019-2020. 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 BI (\$ Amounts in Thousands)	APPROPRIATION: Cash Grants			
	State \$	Federal \$	Other \$	Total \$
OPERATING				
1. Reflects a transfer from Non-Expense in Refugees and Persons Seeking Asylum program in Fiscal Year 2019-2020:	\$0	\$100	\$0	\$100
Subtotal Operating	\$0	\$100	\$0	\$100
GRANT & SUBSIDY				
1. Reflects a decrease of 2,706 (from 101,309 to 98,603) in the projected monthly average number of Temporary Assistance for Needy Families recipients in Fiscal Year 2019-2020:	\$0	(\$4,661)	\$0	(\$4,661)
2. Reflects a decrease of three (from 129 to 126) in the projected monthly average number of State Blind Pension recipients in Fiscal Year 2019-2020:	(\$4)	\$0	\$0	(\$4)
3. Reflects an increase in General Assistance funding based on the restoration of this program in Fiscal Year 2018-2019:	\$38,196	\$0	\$0	\$38,196
4. Reflects an increase in Support Services funding in Fiscal Year 2019-2020:	\$0	\$149	\$0	\$149
5. Reflects an increase in State funds to offset reductions in Child Support collections in Fiscal Year 2019-2020:	\$3,314	\$0	\$0	\$3,314
6. Reflects a transfer from Non-expense in Refugees and Persons Seeking Asylum program in Fiscal Year 2019-2020:	\$0	\$351	\$0	\$351
7. Reflects an increase in Low Income Home Energy Assistance Program Cash and Crisis program funding in Fiscal Year 2019-2020:	\$0	\$880	\$0	\$880
8. Reflects change in the available block grant funding in Fiscal Year 2019-2020:	(\$8,932)	\$8,932	\$0	\$0
Subtotal Grant & Subsidy	\$32,574	\$5,651	\$0	\$38,225
NONEXPENSE				
1. Reflects the elimination of the Integration Project in Fiscal Year 2019-2020:	\$0	(\$1,000)	\$0	(\$1,000)
2. Reflects a transfer from Non-expense to Operating and Grants from Refugees and Persons Seeking Asylum in Fiscal Year 2019-2020:	\$0	(\$451)	\$0	(\$451)
Subtotal Non-Expense	\$0	(\$1,451)	\$0	(\$1,451)
PROGRAM REVISION REQUEST				
1. Provides \$5.000 million to initiate the Parent Pathway Model in Fiscal Year 2019-2020. The Parent Pathway Model will provide supports to single parents to assist them in completing education programs with the goal of gaining employment with a family sustaining wage:	\$5,000	\$0	\$0	\$5,000
Subtotal Program Revision Request	\$5,000	\$0	\$0	\$5,000

VI EXPLANATION OF CHANGES

BI (\$ Amounts in Thousands)

APPROPRIATION:

Cash Grants

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
BUDGETARY RESERVE				
1. Reflects a decrease in TANF spending authority in Fiscal Year 2019-2020:	\$0	(\$37,132)	\$0	(\$37,132)
2. Reflects a decrease in LIHEAP spending authority in Fiscal Year 2019-2020:	<u>\$0</u>	<u>(\$132,317)</u>	<u>\$0</u>	<u>(\$132,317)</u>
Subtotal Budgetary Reserve	\$0	(\$169,449)	\$0	(\$169,449)
TOTAL	<u><u>\$37,574</u></u>	<u><u>(\$165,149)</u></u>	<u><u>\$0</u></u>	<u><u>(\$127,575)</u></u>

Cash Grants
Monthly Average Number of Recipients
Fiscal Year 2019-2020 Request

* Actuals

Fiscal Year 2018-2019

	Total	TANF	GA	SBP
July 2018	103,714	103,582 *	0	132 *
August	103,029	102,898 *	0	131 *
September	102,791	102,660 *	0	131 *
October	102,598	102,469 *	0	129 *
November	101,555	101,080 *	346	129 *
December	104,823	100,966	3,729	128
January 2019	106,351	100,852	5,371	128
February	107,667	100,624	6,915	128
March	109,686	100,425	9,134	127
April	110,274	100,318	9,829	127
May	110,331	100,058	10,147	126
June	111,885	99,779	11,980	126
Monthly Average	108,619	101,309	7,181	129
Change From FY 2017-2018	(9,741)	(10,149)	415	(7)
% Change		-10.02%	5.78%	-5.43%

Fiscal Year 2019-2020

	Total	TANF	GA	SBP
July 2019	113,392	99,666	13,600	126
August	114,769	99,412	15,230	127
September	116,276	99,287	16,860	129
October	117,651	99,033	18,490	128
November	119,027	98,779	20,120	128
December	120,582	98,704	21,750	128
January 2020	121,952	98,450	23,375	127
February	123,322	98,196	25,000	126
March	124,850	98,098	26,627	125
April	126,350	97,971	28,254	125
May	127,879	97,874	29,881	124
June	129,402	97,771	31,508	123
Monthly Average	121,287	98,603	22,558	126
Change From FY 2018-2019	12,668	(2,706)	15,377	(3)
% Change		-2.67%	214.13%	-2.33%

**Cash Grants
2018-2019 Available**

	<u>Caseload</u>	<u>Avg Pmt</u>	State	Federal	Other	Total
OPERATING						
EBT Contract			\$3,576	\$3,121	\$0	\$6,697
Bad Debt Expense - Pa. State Collection and Disbursement Unit			\$45	\$0	\$0	\$45
Refugees and Persons Seeking Asylum			\$0	\$103	\$0	\$103
Subtotal Operating			\$3,621	\$3,224	\$0	\$6,845
GRANTS & SUBSIDIES						
- Regular TANF Payment			\$8,697	\$91,537	\$0	\$100,234
- Work Support Phase Two (State Only)			\$11,955	\$0	\$0	\$11,955
- TANF Payment - (MOE)			\$677	\$0	\$0	\$677
- TANF Diversion			\$0	\$12,913	\$0	\$12,913
- Extended TANF100% Federal			\$0	\$44,049	\$0	\$44,049
- Transitional Cash Assistance Program (\$100 per month)			\$10	\$3,254	\$0	\$3,264
- Work Expense Reimbursement			\$96	\$1,132	\$0	\$1,228
SUBTOTAL TANF Payments	101,309	\$143.39	\$21,435	\$152,885	\$0	\$174,320
Support Services			\$482	\$6,119	\$0	\$6,601
General Assistance (GA)	7,181	\$207.00	\$17,838	\$0	\$0	\$17,838
State Blind Pension	129	\$98.60	\$153	\$0	\$0	\$153
County Disbursement Fund			\$0	\$0	\$0	\$0
Refugee Assistance Claims			\$0	\$770	\$0	\$770
Emergency Shelter			\$1,184	\$0	\$0	\$1,184
Medical Assistance Transportation			\$493	\$493	\$0	\$986
Child Support County Payment			\$7,900	\$0	\$0	\$7,900
Child Support Collections			(\$18,351)	\$0	\$0	(\$18,351)
Unreimbursed Assistance Payments (URA-Child Support Collections)			\$75	\$0	\$0	\$75
Support Pass Through			\$8,972	\$0	\$0	\$8,972
Restitution & Reimbursement Collections			(\$850)	(\$1,728)	\$0	(\$2,578)
Operation Warm			\$100	\$0	\$0	\$100
Refugees and Persons Seeking Asylum			\$3	\$13,780	\$0	\$13,783
E&T Special Needs - SNAP Support Services			\$235	\$235	\$0	\$470
Work Activities Experience - EARN			\$0	\$5,876	\$0	\$5,876
PA Workwear			\$0	\$2,861	\$0	\$2,861
Rapid Rehousing			\$0	\$90	\$0	\$90
LIHEAP						
- Cash Program (single payment)	345,974	\$311.00	\$0	\$107,598	\$0	\$107,598
- Crisis Program (single payment)	95,509	\$417.00	\$0	\$39,827	\$0	\$39,827
- Heat and Eat Initiative			\$0	\$8,000	\$0	\$8,000
Subtotal Grants & Subsidies			\$39,669	\$336,806	\$0	\$376,475
NONEXPENSE						
Integration Project			\$0	\$1,000	\$0	\$1,000
Refugees and Persons Seeking Asylum			\$0	\$875	\$0	\$875
Subtotal Nonexpense			\$0	\$1,875	\$0	\$1,875
Subtotal			\$43,290	\$341,905	\$0	\$385,195
<i>Budgetary Reserve/Excess Appropriation Authority</i>			\$0	\$216,686	\$0	\$216,686
Total Requirement			\$43,290	\$558,591	\$0	\$601,881

**Cash Grants
2019-2020 Governor's Request**

	<u>Caseload</u>	<u>Avg Pmt</u>	State	Federal	Other	Total
<u>OPERATING</u>						
EBT Contract			\$3,576	\$3,121	\$0	\$6,697
Bad Debt Expense - Pa. State Collection and Disbursement Unit			\$45	\$0	\$0	\$45
Refugees and Persons Seeking Asylum			\$0	\$203	\$0	\$203
Subtotal Operating			\$3,621	\$3,324	\$0	\$6,945
<u>GRANTS & SUBSIDIES</u>						
- Regular TANF Payment			\$2,336	\$100,260	\$0	\$102,596
- Work Support Phase Two (State Only)			\$9,492	\$0	\$0	\$9,492
- TANF Payment - (MOE)			\$620	\$0	\$0	\$620
- TANF Diversion			\$0	\$12,924	\$0	\$12,924
- Extended TANF100% Federal			\$0	\$40,029	\$0	\$40,029
- Transitional Cash Assistance Program (\$100 per month)			\$0	\$3,075	\$0	\$3,075
- Work Expense Reimbursement			\$55	\$868	\$0	\$923
SUBTOTAL TANF Payments	98,603	\$143.39	\$12,503	\$157,156	\$0	\$169,659
Support Services			\$482	\$6,268	\$0	\$6,750
General Assistance (GA)	22,558	\$207.00	\$56,034	\$0	\$0	\$56,034
State Blind Pension	126	\$98.60	\$149	\$0	\$0	\$149
Refugee Assistance Claims			\$0	\$770	\$0	\$770
Emergency Shelter			\$1,184	\$0	\$0	\$1,184
Medical Assistance Transportation			\$493	\$493	\$0	\$986
Child Support County Payment			\$7,900	\$0	\$0	\$7,900
Child Support Collections			(\$14,885)	\$0	\$0	(\$14,885)
Unreimbursed Assistance Payments (URA-Child Support Collections)			\$100	\$0	\$0	\$100
Support Pass Through			\$8,795	\$0	\$0	\$8,795
Restitution & Reimbursement Collections			(\$850)	(\$1,728)	\$0	(\$2,578)
Operation Warm			\$100	\$0	\$0	\$100
Refugees and Persons Seeking Asylum			\$3	\$14,131	\$0	\$14,134
E&T Special Needs - SNAP Support Services			\$235	\$235	\$0	\$470
Work Activities Experience - EARN			\$0	\$5,876	\$0	\$5,876
PA Workwear			\$0	\$2,861	\$0	\$2,861
Rapid Rehousing			\$0	\$90	\$0	\$90
LIHEAP						
- Cash Program (single payment)	346,221	\$311.00	\$0	\$107,675	\$0	\$107,675
- Crisis Program (single payment)	97,434	\$417.00	\$0	\$40,630	\$0	\$40,630
- Heat and Eat Initiative			\$0	\$8,000	\$0	\$8,000
Subtotal Grants & Subsidies			\$72,243	\$342,457	\$0	\$414,700
<u>NONEXPENSE</u>						
Refugees and Persons Seeking Asylum			\$0	\$424	\$0	\$424
Subtotal Nonexpense			\$0	\$424	\$0	\$424
Subtotal			\$75,864	\$346,205	\$0	\$422,069
<u>PROGRAM REVISION REQUEST</u>						
Parent Pathway Model			\$5,000	\$0	\$0	\$5,000
Budgetary Reserve/Excess Appropriation Authority			\$0	\$47,237	\$0	\$47,237
Total Requirement			\$80,864	\$393,442	\$0	\$474,306

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), General Assistance (GA), and State Blind Pension (SBP). The latter two programs are completely state-funded, while the TANF program is funded by a federal block grant, which the Department of Human Services (Department) supplements with state funds to partially meet federally mandated maintenance-of-effort requirements.

The following table shows the monthly average number of persons receiving cash grants by program since Fiscal Year 2016-2017:

	Actual Fiscal Year 2016-2017	Actual Fiscal Year 2017-2018	Estimated Fiscal Year 2018-2019	Estimated Fiscal Year 2019-2020
SBP	149	137	129	126
TANF	126,134	111,457	101,309	98,603
GA	0	0	7,181	22,558

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 this 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 GED; current enrollment and satisfactory attendance at a secondary school or course of study leading to a certificate of general equivalency; 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 benefit issuance is 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.

FISCAL YEAR 2019-2020 INITIATIVE – PARENT PATHWAY

Postsecondary training is noted as an important factor contributing to the increased likelihood of reaching family-sustaining wages. However, single parents often face significant challenges in accessing and completing education programs that could lift their family out of poverty. The Parent Pathway model will use a multigenerational, whole-family approach to provide wrap-around support to parents pursuing college or other postsecondary training options. Supports may include case management, housing assistance, family programming, high quality child care, tutoring, college system navigation, career counseling, and more. The models will bring together various community partners and resources to create a positive educational experience and an environment that leads to economic stability, which breaks intergenerational cycles of poverty. Individuals served will be low-income single parents either already receiving cash assistance through TANF or who are TANF-eligible.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. C1.17, E26-5, E26-25, E26-26

APPROPRIATION:
Supplemental Grants - Aged, Blind and Disabled

I. SUMMARY FINANCIAL DATA

	<u>2017-2018 Actual</u>	<u>2018-2019 Available</u>	<u>2019-2020 Budgeted</u>
State Funds	\$127,947	\$125,784	\$126,532
Federal Funds	\$0	\$0	\$0
Other Funds Total	\$0	\$0	\$0
Total	\$127,947	\$125,784	\$126,532

IA. REQUESTED SUPPLEMENTALS (Included above)

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

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Supplemental Grants - Aged, Blind and Disabled			
	2017-2018 Actual	2018-2019 Available	2019-2020 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	\$4,256	\$4,265	\$4,276	\$11	0.26%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$4,256	\$4,265	\$4,276	\$11	0.26%
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	\$123,691	\$121,519	\$122,256	\$737	0.61%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$123,691	\$121,519	\$122,256	\$737	0.61%
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	\$127,947	\$125,784	\$126,532	\$748	0.59%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$127,947	\$125,784	\$126,532	\$748	0.59%

APPROPRIATION:
Supplemental Grants - Aged, Blind and Disabled

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$2,438	\$737	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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 2019-2020 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 increase in administrative fees for payments issued by the Social Security Administration as a part of federal monthly issuance. The actual fees per check are projected to increase from \$11.87 per check to \$11.96 per check, effective October 1, 2019:	<u>\$11</u>	<u>\$0</u>	<u>\$0</u>	<u>\$11</u>
Subtotal Operating	<u>\$11</u>	<u>\$0</u>	<u>\$0</u>	<u>\$11</u>
GRANT & SUBSIDY				
1. Reflects an increase of 2,284 (from 362,223 to 364,507) in the monthly average number of recipients projected to utilize the program during Fiscal Year 2019-2020:	<u>\$737</u>	<u>\$0</u>	<u>\$0</u>	<u>\$737</u>
Subtotal Grant & Subsidy	<u>\$737</u>	<u>\$0</u>	<u>\$0</u>	<u>\$737</u>
TOTAL	<u><u>\$748</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$748</u></u>

SUPPLEMENTAL GRANTS AGED, BLIND AND DISABLED
2019-2020 Governor's Request
(Amounts in Thousands)

	2017-2018 Recipients	2018-2019 Recipients	2019-2020 Recipients	Change
July	369,576	366,627	365,414	(1,213)
August	371,857	363,385	365,394	2,009
September	368,139	362,608	365,373	2,766
October	370,641	362,605	365,134	2,529
November	366,995	362,793	364,894	2,101
December	367,630	361,096	364,363	3,267
January	368,115	361,384	364,750	3,365
February	367,375	361,600	364,487	2,888
March	365,478	360,677	363,077	2,401
April	368,166	361,091	364,629	3,538
May	365,760	361,560	363,660	2,100
June	364,559	361,251	362,905	1,654
Average Monthly	367,858	362,223	364,507	2,284

* Reflects Actuals

2018-2019 Available

Mo. Avg. Recipients	Avg. Pay't.	Mo.		
362,223	\$27.95	12	\$121,519	Base Program Cost
			\$244	Administration Fee \$11.87/check until Oct. 1, 2018
			\$732	Estimated Administration Fee \$11.96/check after Oct. 1, 2018
			<u>\$3,289</u>	Supplemental Security Income In-House Issuances
			\$125,784	Total Program
			<u>\$125,784</u>	State Enacted
			(\$0)	Change from Enacted

2019-2020 Request

Mo. Avg. Recipients	Avg. Pay't.	Mo.		
364,507	\$27.95	12	\$122,256	Base Program Cost
			\$246	Administration Fee \$11.96/check until Oct. 1, 2019
			\$741	Estimated Administration Fee \$12.02/check after Oct. 1, 2019
			<u>\$3,289</u>	Supplemental Security Income In-House Issuances
			\$126,532	Total Program
			<u>\$125,784</u>	FY 2018-2019 Available
			\$748	Change from FY 2018-2019 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 \$750 per individual and \$1,125 per couple (effective January 2018) 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 2016-2017	Actual Fiscal Year 2017-2018	Estimated Fiscal Year 2018-2019	Estimated Fiscal Year 2019-2020
SSI	372,080	367,858	362,223	364,507

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.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. A1.11, C1.7, C1.17, D37, E26.5, E26.10,
E26.15-E26.19, E26.27, E26.30

APPROPRIATION:
Medical Assistance - Capitation

I. SUMMARY FINANCIAL DATA	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$3,106,676	\$3,193,036 ¹	\$2,676,609
Federal Funds Total	\$10,122,225	\$10,486,702	\$9,430,494
Federal Sources Itemized			
<i>Medical Assistance - Capitation</i>	\$10,122,225	\$10,486,702	\$9,430,494
Other Funds Total	\$1,453,770	\$2,238,572	\$2,292,103
Other Fund Sources Itemized			
<i>MA - MCO Assessment</i>	\$1,180,518	\$1,563,049	\$1,497,972
<i>Medicaid Managed Care Gross Receipt Tax</i>	\$0	\$351,720	\$0
<i>Statewide Hospital Assessment</i>	\$273,252	\$323,803	\$781,631
<i>Ambulatory Surgical Center Assessment</i>	<u>\$0</u>	<u>\$0</u>	<u>\$12,500</u>
Total	\$14,682,671	\$15,918,310	\$14,399,206
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$240,298	
Federal Funds		<u>\$0</u>	
Total		\$240,298	
 ¹ Reflects a recommended supplemental appropriation of \$240.298 million. Act 1-A of 2018 provided \$2,952.738 million for this program in Fiscal Year 2018-2019.			

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Medical Assistance - Capitation				
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$26,921	\$27,599	\$40,720	\$13,121	47.54%
<i>Federal Funds</i>	\$39,676	\$48,072	\$99,883	\$51,811	107.78%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$66,597	\$75,671	\$140,603	\$64,932	85.81%
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>	\$3,069,989	\$3,155,671	\$2,631,006	(\$524,665)	-16.63%
<i>Federal Funds</i>	\$10,082,549	\$9,873,374	\$9,330,611	(\$542,763)	-5.50%
<i>Other Funds</i>	\$1,453,770	\$2,238,572	\$2,292,103	\$53,531	2.39%
Total Grant & Subsidy	\$14,606,308	\$15,267,617	\$14,253,720	(\$1,013,897)	-6.64%
NONEXPENSE					
<i>State Funds</i>	\$9,766	\$9,766	\$4,883	(\$4,883)	-50.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$9,766	\$9,766	\$4,883	(\$4,883)	-50.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$565,256	\$0	(\$565,256)	-100.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$565,256	\$0	(\$565,256)	-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>	\$3,106,676	\$3,193,036	\$2,676,609	(\$516,427)	-16.17%
<i>Federal Funds</i>	\$10,122,225	\$10,486,702	\$9,430,494	(\$1,056,208)	-10.07%
<i>Other Funds</i>	\$1,453,770	\$2,238,572	\$2,292,103	\$53,531	2.39%
Total Funds	\$14,682,671	\$15,918,310	\$14,399,206	(\$1,519,104)	-9.54%

APPROPRIATION:
Medical Assistance - Capitation

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$919	\$873	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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; 42 CFR Part 438; 42 U.S.C. § 1396 et seq.

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. Contracted Services				
A. Provides for an increase in contracts relating to Medicaid Management Information Systems reprocurement:	\$4,640	\$41,760	\$0	\$46,400
B. Provides for an increase in the enrollment broker contract due to the assumed physical health HealthChoices reprocurement:	\$5,707	\$5,707	\$0	\$11,414
C. The Governor's Executive Budget includes \$62.426 million (\$23.952 million in state funds) for the continuation of other contracted services for this appropriation:	\$2,774	\$4,344	\$0	\$7,118
Subtotal Contracted Services	\$13,121	\$51,811	\$0	\$64,932
GRANT & SUBSIDY				
1. Physical Health Program				
A. Provides for a projected increase in the average per capita rate from \$467.77 in Fiscal Year 2018-2019 to \$476.37 in Fiscal Year 2019-2020:	\$72,432	\$104,740	\$0	\$177,172
B. Reflects a projected decrease in member months from 27.438 million in Fiscal Year 2018-2019 to 26.470 million in Fiscal Year 2019-2020 primarily due to the alignment of physical health and behavioral health payment schedules and the implementation of Community HealthChoices:	(\$77,939)	(\$112,682)	\$0	(\$190,621)
C. Impact of new outpatient hospital payments, beginning January 1, 2019:	\$0	\$154,760	\$107,057	\$261,817
2. Behavioral Health Program				
A. Provides for a projected increase in the average per capita rate from \$126.46 in Fiscal Year 2018-2019 to \$127.85 in Fiscal Year 2019-2020:	\$12,158	\$33,330	\$0	\$45,488

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Medical Assistance - Capitation			
	State \$	Federal \$	Other \$	Total \$
B. Reflects a projected decrease in member months from 31.183 million in Fiscal Year 2018-2019 to 27.864 million in Fiscal Year 2019-2020 primarily due to the net of the alignment of physical health and behavioral health payment schedules and the implementation of Community HealthChoices:	(\$27,646)	(\$75,787)	\$0	(\$103,433)
3. Maternity Care				
A. Reflects a projected decrease in the average per capita rate from \$8,345.23 in Fiscal Year 2018-2019 to \$8,087.27 in Fiscal Year 2019-2020:	(\$5,571)	(\$7,525)	\$0	(\$13,096)
B. Reflects a decrease in projected utilization from 52,359 in Fiscal Year 2018-2019 to 50,770 in Fiscal Year 2019-2020:	(\$5,641)	(\$7,620)	\$0	(\$13,261)
Subtotal Physical Health, Behavioral Health and Maternity Care Cost and Utilization	(\$32,207)	\$89,216	\$107,057	\$164,066
4. Other Provider Payments				
A. Provides for a contractually required increase in the Physician and Managed Care Organization (MCO) Pay-for-Performance program funding as a result of more providers and MCOs exceeding the Health Effectiveness Data and Information Set (HEDIS) performance measures:	\$16,300	\$31,385	\$0	\$47,685
B. Impact of the suspension of the Health Insurance Provider Fee for Fiscal Year 2019-2020:	(\$69,640)	(\$138,409)	\$0	(\$208,049)
C. Reflects the expiration of Behavioral Health risk corridor payments in effect through Fiscal Year 2018-2019:	\$0	(\$10,000)	\$0	(\$10,000)
D. Reflects the expiration of the Healthy PA and Newly Eligible Rating Groups risk corridor recoupments in effect through Fiscal Year 2018-2019:	\$0	\$399,699	\$0	\$399,699
E. Provides for Hospital Quality Incentive Program payments, funded by Statewide Hospital Assessment Revenue:	\$0	\$19,722	\$10,278	\$30,000

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Medical Assistance - Capitation			
	State \$	Federal \$	Other \$	Total \$
F. Provides funding for the Integrated Care Plan Program which provides incentive payments to Behavioral and Physical Health MCOs that meet or exceed HEDIS and select Pennsylvania Performance Measures:	\$3,770	\$4,054	\$0	\$7,824
G. Impact of the Fiscal Year 2019-2020 payment alignment:	(\$216,630)	(\$370,491)	\$0	(\$587,121)
Subtotal Other Provider Payments	(\$266,200)	(\$64,040)	\$10,278	(\$319,962)
5. Administrative/Cash Flow Impacts				
A. Impact of a projected increase in the transfer to the Medical Assistance for Workers with Disabilities program:	(\$3,076)	(\$3,342)	\$0	(\$6,418)
B. Provides for projected increase in pharmacy rebates in Fiscal Year 2019-2020 due to increased drug costs and utilization:	(\$37,665)	(\$16,692)	\$0	(\$54,357)
C. Impact of cash flow adjustments relating to the MCO Assessment portion of the delayed capitation payments:	(\$21,747)	(\$62,255)	\$0	(\$84,002)
D. Net impact of a non-recurring rollback of expenditures from Fiscal Year 2018-2019 to Fiscal Year 2017-2018:	\$3,221	\$2,490	\$0	\$5,711
E. Impact of Fiscal Year 2017-2018 retroactive physical health rate adjustments processed in Fiscal Year 2018-2019:	(\$41,898)	(\$83,170)	\$0	(\$125,068)
F. One-time impact of the use of prior year Federal funds in Fiscal Year 2019-2020:	(\$100,000)	\$100,000	\$0	\$0
G. Reflects the rollback of Fiscal Year 2019-2020 expenses to Fiscal Year 2018-2019:	\$0	(\$200,000)	\$0	(\$200,000)
H. Impact of non-recurring revenue used in Fiscal Year 2018-2019:	\$200,000	\$0	(\$200,000)	\$0
I. Impact of an increase in MCO Assessment Revenue:	(\$134,924)	\$0	\$134,924	\$0
J. Impact of an increase in Statewide Hospital Assessment Revenue:	(\$45,492)	\$0	\$45,492	\$0

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Medical Assistance - Capitation			
	State \$	Federal \$	Other \$	Total \$
K. Impact of a transfer of Statewide Hospital Assessment Revenue from the Medical Assistance – Fee-for-Service appropriation in Fiscal Year 2019-2020 to offset inpatient costs:	(\$295,000)	\$0	\$295,000	\$0
L. Impact from one-time offset from available Gross Receipt Tax Revenue in Fiscal Year 2018-2019:	\$351,720	\$0	(\$351,720)	\$0
M. Impact of the new Ambulatory Surgical Center Assessment Revenue:	(\$12,500)	\$0	\$12,500	\$0
N. Impact of the revision of the FMAP under the Affordable Care Act from 94 percent to 93 percent effective January 1, 2019, and from 93 percent to 90 percent effective January 1, 2020:	\$90,531	(\$90,531)	\$0	\$0
O. The Federal Medical Assistance Percentage will remain at 52.25 percent, effective October 1, 2019. Impact of the full-year blended rate (an increase from 52.1425 percent to 52.2500 percent):	(\$16,337)	\$16,337	\$0	\$0
Subtotal Administrative/Cash Flow Impacts	(\$63,167)	(\$337,163)	(\$63,804)	(\$464,134)
6. Community HealthChoices				
A. To implement Community HealthChoices in the remaining zones beginning January 1, 2020, including annualization of the southeast implementation which began January 2019:	(\$99,595)	(\$108,683)	\$0	(\$208,278)
NONEXPENSE				
1. Reflects the completion of the Department of Justice settlement payments which end on December 31, 2019:	(\$4,883)	\$0	\$0	(\$4,883)
BUDGETARY RESERVE				
1. Impact of excess federal appropriation authority:	\$0	(\$565,256)	\$0	(\$565,256)

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Medical Assistance - Capitation			
	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
FISCAL YEAR 2019-2020 INITIATIVES				
GRANT & SUBSIDY				
1. Minimum Wage Increase				
A. Reflects decreased HealthChoices enrollment related to the change in minimum wage to \$12.00 an hour, effective July 1, 2019:	<u>(\$63,496)</u>	<u>(\$122,093)</u>	<u>\$0</u>	<u>(\$185,589)</u>
TOTAL OPERATING	\$13,121	\$51,811	\$0	\$64,932
TOTAL GRANT AND SUBSIDY	(\$524,665)	(\$542,763)	\$53,531	(\$1,013,897)
TOTAL NONEXPENSE	(\$4,883)	\$0	\$0	(\$4,883)
TOTAL BUDGETARY RESERVE	<u>\$0</u>	<u>(\$565,256)</u>	<u>\$0</u>	<u>(\$565,256)</u>
TOTAL	<u><u>(\$516,427)</u></u>	<u><u>(\$1,056,208)</u></u>	<u><u>\$53,531</u></u>	<u><u>(\$1,519,104)</u></u>

Capitation
Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2018-2019

Month of Payment	Total	Federal	State	Total Enrollment	Average Per Capita
<u>PHYSICAL HEALTH</u>					
July 2018	\$2,999,120,226	\$1,970,030,748	\$1,029,089,478	6,352,666	\$472.10
August	\$1,074,807,393	\$705,817,387	\$368,990,006	2,304,166	\$466.46
September	\$1,069,764,668	\$702,335,877	\$367,428,791	2,293,784	\$466.38
October	\$1,064,550,551	\$701,949,950	\$362,600,601	2,281,771	\$466.55
November	\$1,061,514,838	\$699,996,118	\$361,518,720	2,274,859	\$466.63
December	\$2,108,656,602	\$1,386,450,934	\$722,205,668	4,522,257	\$466.28
January 2019	\$10,592,996	\$6,928,663	\$3,664,333	22,720	\$466.24
February	\$1,095,135,358	\$719,676,323	\$375,459,035	2,270,809	\$482.27
March	\$1,094,159,760	\$718,800,547	\$375,359,213	2,269,534	\$482.11
April	\$1,093,575,376	\$718,135,918	\$375,439,458	2,268,430	\$482.08
May	\$259,744,950	\$171,326,364	\$88,418,586	576,874	\$450.26
Total Physical Health	\$12,931,622,718	\$8,501,448,829	\$4,430,173,889	27,437,870	\$471.31
<u>BEHAVIORAL HEALTH</u>					
July 2018	\$873,212,311	\$551,101,693	\$322,110,618	6,827,403	\$127.90
August	\$332,884,023	\$209,819,737	\$123,064,286	2,620,626	\$127.02
September	\$328,042,696	\$206,885,393	\$121,157,303	2,606,496	\$125.86
October	\$327,448,763	\$207,498,724	\$119,950,039	2,601,487	\$125.87
November	\$326,694,318	\$206,950,368	\$119,743,950	2,594,949	\$125.90
December	\$326,059,632	\$206,461,981	\$119,597,651	2,589,579	\$125.91
January 2019	\$326,731,520	\$206,759,031	\$119,972,489	2,584,209	\$126.43
February	\$326,087,023	\$206,263,641	\$119,823,382	2,578,840	\$126.45
March	\$325,442,526	\$205,768,252	\$119,674,274	2,573,470	\$126.46
April	\$324,798,030	\$205,272,862	\$119,525,168	2,568,100	\$126.47
May	\$63,056,150	\$39,534,521	\$23,521,629	519,714	\$121.33
June	\$62,903,229	\$39,423,169	\$23,480,060	518,336	\$121.36
Total Behavioral Health	\$3,943,360,221	\$2,491,739,372	\$1,451,620,849	31,183,209	\$126.46
<u>MATERNITY</u>					
July 2018	\$47,552,522	\$28,105,792	\$19,446,730	5,480	\$8,677.47
August	\$33,413,546	\$19,677,030	\$13,736,516	3,825	\$8,735.57
September	\$31,451,043	\$18,465,393	\$12,985,650	3,613	\$8,704.97
October	\$47,027,760	\$27,804,413	\$19,223,347	5,368	\$8,760.76
November	\$35,945,131	\$21,311,868	\$14,633,263	4,370	\$8,225.43
December	\$34,628,521	\$20,531,250	\$14,097,271	4,207	\$8,231.17
January 2019	\$35,778,788	\$21,213,243	\$14,565,545	4,347	\$8,230.69
February	\$34,618,583	\$20,525,358	\$14,093,225	4,207	\$8,228.81
March	\$35,757,366	\$21,200,542	\$14,556,824	4,345	\$8,229.54
April	\$34,738,313	\$20,596,346	\$14,141,967	4,342	\$8,000.53
May	\$31,350,251	\$18,587,564	\$12,762,687	3,919	\$7,999.55
June	\$34,686,072	\$20,565,372	\$14,120,700	4,336	\$7,999.56
Total Maternity	\$436,947,896	\$258,584,171	\$178,363,725	52,359	\$8,345.23

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Fiscal Year 2018-2019

	Total	Federal	State
<u>OTHER PROVIDER PAYMENTS</u>			
BH Reinvestment Sharing	(\$12,000,000)	(\$6,270,000)	(\$5,730,000)
PH MCO Pay-for-Performance Program (P4P)	\$117,913,150	\$77,611,065	\$40,302,085
Physician Pay-for-Performance Program (P4P)	\$27,733,154	\$18,280,669	\$9,452,485
Health Insurance Provider Fee	\$208,049,984	\$138,409,485	\$69,640,499
Risk Corridor BH	\$10,000,000	\$10,000,000	\$0
Healthy PA Risk Corridor	(\$357,984)	(\$357,984)	\$0
Newly Eligible Risk Corridor	(\$399,341,157)	(\$399,341,157)	\$0
Hospital Quality Incentive Program	\$45,000,000	\$29,583,696	\$15,416,304
CCBHC Quality Bonus Payment	\$3,500,000	\$1,828,750	\$1,671,250
Integrated Care Plan Program	\$12,175,888	\$6,309,545	\$5,866,343
IMD Recoupments	(\$1,032,000)	(\$856,560)	(\$175,440)
Total Other Provider Payments	\$11,641,035	(\$124,802,491)	\$136,443,526
Total Provider Payments	\$17,323,571,870	\$11,126,969,881	\$6,196,601,989
<u>ADMINISTRATIVE/CASH FLOW IMPACTS</u>			
EA for Workers with Disabilities (4/18-3/19)	(\$287,283,164)	(\$149,589,147)	(\$137,694,017)
EA for Family Planning Svcs (4/18-3/19)	\$0	\$20,525,000	(\$20,525,000)
Third Party Liability Recoveries	(\$43,480,000)	(\$22,671,559)	(\$20,808,441)
Pharmacy Rebates	(\$1,810,837,977)	(\$1,177,044,685)	(\$633,793,292)
Quarterly Rebate Offset Amount (QROA)	(\$73,741,971)	(\$73,741,971)	\$0
Transfer to Physician Practice Plans	(\$13,730,347)	(\$7,159,347)	(\$6,571,000)
Department of Justice Settlement	\$9,765,598	\$0	\$9,765,598
MCO Assessment (PH/BH)	\$2,483,499	\$810,868	\$1,672,631
Third Party Liability Estate/Casualty Recoveries	(\$1,121,967)	(\$585,022)	(\$536,945)
Rollback of Expenditures to FY 2017-2018	(\$5,710,229)	(\$2,489,544)	(\$3,220,685)
Retro Rate Adjustments (PH)	\$125,067,679	\$83,170,006	\$41,897,673
Rollback of Expenditures from Fiscal Year 2019-2020	\$100,000,000	\$100,000,000	\$0
Total Administrative/Cash Flow Impacts	(\$1,998,588,879)	(\$1,228,775,401)	(\$769,813,478)
<u>OPERATING</u>			
External Quality Review	\$1,176,686	\$733,605	\$443,081
Enrollment Assistance Program	\$10,963,600	\$5,481,800	\$5,481,800
Contracted Legal Support	\$600,000	\$0	\$600,000
Claims Processing and PROMISe contract costs	\$30,253,563	\$23,269,692	\$6,983,871
Actuarial Contract (PH and BH)	\$9,000,000	\$4,500,000	\$4,500,000
Technical Assistance Contract (PH)	\$3,000,000	\$1,449,000	\$1,551,000
Technical Assistance Contract (BH)	\$1,669,800	\$801,504	\$868,296
TPL Data Exchange	\$2,800,000	\$1,400,000	\$1,400,000
Clinical Consultants	\$2,868,145	\$1,716,313	\$1,151,832
MA Fast Track Initiative	\$324,765	\$243,574	\$81,191
MMIS Reprourement	\$9,400,000	\$8,460,000	\$940,000
Revenue Maximization	\$3,000,000	\$0	\$3,000,000
COE Learning Network	\$581,690	\$0	\$581,690
Technical Assistance (OSTA)	\$33,400	\$16,700	\$16,700
Total Operating	\$75,671,649	\$48,072,188	\$27,599,461
<u>FISCAL YEAR 2017-2018 PRRs / INITIATIVES</u>			
Community HealthChoices (CHC)	(\$47,599,803)	(\$24,820,917)	(\$22,778,886)
Total 2017-2018 PRRs/Initiatives	(\$47,599,803)	(\$24,820,917)	(\$22,778,886)
Uncommitted Federal	\$565,256,249	\$565,256,249	\$0
Total Program Cost	\$15,918,311,086	\$10,486,702,000	\$5,431,609,086
<u>REVENUE</u>			
Medical Assistance - Assessment	\$1,563,049,233	\$0	\$1,563,049,233
Statewide Hospital Assessment	\$323,803,496	\$0	\$323,803,496
Managed Care Gross Receipt Tax	\$351,720,013	\$0	\$351,720,013
Total Revenue	\$2,238,572,742	\$0	\$2,238,572,742
Total General Fund Requirement	\$13,679,738,344	\$10,486,702,000	\$3,193,036,344
Act 1-A of 2018	\$13,439,440,000	\$10,486,702,000	\$2,952,738,000
Surplus/(Deficit)	(\$240,298,344)	\$0	(\$240,298,344)

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Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2019-2020

Month of Payment	Total	Federal	State	Total Enrollment	Average Per Capita
<u>PHYSICAL HEALTH</u>					
July 2019	\$3,014,672,835	\$1,977,835,690	\$1,036,837,145	6,211,535	\$485.33
August	\$1,089,587,828	\$714,691,930	\$374,895,898	2,258,768	\$482.38
September	\$1,088,700,730	\$713,883,428	\$374,817,302	2,257,080	\$482.35
October	\$1,087,703,965	\$710,828,397	\$376,875,568	2,254,973	\$482.36
November	\$1,086,763,134	\$709,993,125	\$376,770,009	2,252,884	\$482.39
December	\$2,159,926,079	\$1,410,449,638	\$749,476,441	4,477,720	\$482.37
January 2020	\$10,849,592	\$7,055,414	\$3,794,178	22,491	\$482.40
February	\$1,126,918,182	\$725,108,431	\$401,809,751	2,246,958	\$501.53
March	\$1,125,827,784	\$724,220,428	\$401,607,356	2,244,918	\$501.50
April	\$1,125,013,471	\$723,479,718	\$401,533,753	2,242,978	\$501.57
Total Physical Health	\$12,915,963,600	\$8,417,546,199	\$4,498,417,401	26,470,305	\$487.94
<u>BEHAVIORAL HEALTH</u>					
July 2019	\$846,058,919	\$534,825,403	\$311,233,516	6,634,031	\$127.53
August	\$323,709,111	\$204,226,464	\$119,482,647	2,546,621	\$127.11
September	\$324,311,384	\$204,511,173	\$119,800,211	2,541,251	\$127.62
October	\$323,661,708	\$203,077,161	\$120,584,547	2,535,882	\$127.63
November	\$323,012,032	\$202,578,993	\$120,433,039	2,530,512	\$127.65
December	\$322,362,357	\$202,080,825	\$120,281,532	2,525,142	\$127.66
January 2020	\$325,377,510	\$201,551,756	\$123,825,754	2,519,772	\$129.13
February	\$324,720,123	\$201,059,248	\$123,660,875	2,514,403	\$129.14
March	\$324,062,736	\$200,566,739	\$123,495,997	2,509,033	\$129.16
April	\$62,601,493	\$38,433,972	\$24,167,521	504,556	\$124.07
May	\$62,445,513	\$38,322,768	\$24,122,745	503,178	\$124.10
Total Behavioral Health	\$3,562,322,886	\$2,231,234,502	\$1,331,088,384	27,864,381	\$127.85
<u>MATERNITY</u>					
July 2019	\$33,507,028	\$19,866,317	\$13,640,711	4,188	\$8,000.72
August	\$34,580,953	\$20,503,047	\$14,077,906	4,323	\$7,999.30
September	\$33,431,168	\$19,821,340	\$13,609,828	4,179	\$7,999.80
October	\$34,513,046	\$20,462,785	\$14,050,261	4,315	\$7,998.39
November	\$34,467,174	\$20,435,587	\$14,031,587	4,309	\$7,998.88
December	\$33,317,061	\$19,753,685	\$13,563,376	4,165	\$7,999.29
January 2020	\$34,388,011	\$20,388,652	\$13,999,359	4,300	\$7,997.21
February	\$33,248,642	\$19,713,120	\$13,535,522	4,157	\$7,998.23
March	\$34,302,741	\$20,338,095	\$13,964,646	4,290	\$7,995.98
April	\$35,798,018	\$21,224,645	\$14,573,373	4,284	\$8,356.21
May	\$33,324,392	\$19,758,032	\$13,566,360	3,985	\$8,362.46
June	\$35,712,628	\$21,174,017	\$14,538,611	4,275	\$8,353.83
Total Maternity	\$410,590,862	\$243,439,322	\$167,151,540	50,770	\$8,087.27

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Fiscal Year 2019-2020

	Total	Federal	State
<u>OTHER PROVIDER PAYMENTS</u>			
BH Reinvestment Sharing	(\$12,000,000)	(\$6,270,000)	(\$5,730,000)
PH MCO Pay-for-Performance Program (P4P)	\$166,760,995	\$108,675,986	\$58,085,009
Physician Pay-for-Performance Program (P4P)	\$26,569,482	\$17,314,988	\$9,254,494
Hospital Quality Incentive Program	\$75,000,000	\$48,878,735	\$26,121,265
CCBHC Quality Bonus Payment	\$3,500,000	\$1,828,750	\$1,671,250
Integrated Care Plan Program	\$20,000,000	\$10,450,000	\$9,550,000
IMD Recoupments	(\$1,032,000)	(\$856,560)	(\$175,440)
Total Other Provider Payments	\$278,798,477	\$180,021,899	\$98,776,578
Total Provider Payments	\$17,167,675,825	\$11,072,241,922	\$6,095,433,903
<u>ADMINISTRATIVE/CASH FLOW IMPACTS</u>			
EA for Workers with Disabilities (4/19-3/20)	(\$293,701,934)	(\$153,461,686)	(\$140,240,248)
EA for Family Planning Svcs (4/19-3/20)	\$0	\$20,525,000	(\$20,525,000)
Third Party Liability Recoveries	(\$43,480,000)	(\$22,718,300)	(\$20,761,700)
Pharmacy Rebates	(\$1,865,163,116)	(\$1,193,704,394)	(\$671,458,722)
Quarterly Rebate Offset Amount (QROA)	(\$73,741,971)	(\$73,741,971)	\$0
Transfer to Physician Practice Plans	(\$13,761,258)	(\$7,190,258)	(\$6,571,000)
Department of Justice Settlement	\$4,882,799	\$0	\$4,882,799
MCO Assessment (PH/BH)	(\$81,518,743)	(\$55,155,925)	(\$26,362,818)
Third Party Liability Estate/Casualty Recoveries	(\$1,121,967)	(\$586,228)	(\$535,739)
Prior Year Federal Funds	\$0	\$100,000,000	(\$100,000,000)
Rollback of Expenditures to Fiscal Year 2018-2019	(\$100,000,000)	(\$100,000,000)	\$0
Total Administrative/Cash Flow Impacts	(\$2,467,606,190)	(\$1,486,033,762)	(\$981,572,428)
<u>OPERATING</u>			
External Quality Review	\$1,328,886	\$821,665	\$507,221
Enrollment Assistance Program	\$22,376,800	\$11,188,400	\$11,188,400
Contracted Legal Support	\$600,000	\$0	\$600,000
Claims Processing and PROMISe contract costs	\$34,356,278	\$26,950,620	\$7,405,658
Actuarial Contract (PH and BH)	\$9,000,000	\$4,500,000	\$4,500,000
Technical Assistance Contract (PH)	\$3,550,000	\$1,714,650	\$1,835,350
Technical Assistance Contract (BH)	\$1,669,800	\$801,504	\$868,296
TPL Data Exchange	\$2,800,000	\$1,400,000	\$1,400,000
Clinical Consultants	\$3,656,800	\$2,012,845	\$1,643,955
MA Fast Track Initiative	\$324,765	\$243,574	\$81,191
MMIS Reprocurement	\$55,800,000	\$50,220,000	\$5,580,000
Revenue Maximization	\$4,000,000	\$0	\$4,000,000
Consumer Education	\$500,000	\$0	\$500,000
COE Learning Network	\$579,923	\$0	\$579,923
MCO Assessment Audits	\$60,000	\$30,000	\$30,000
Total Operating	\$140,603,252	\$99,883,258	\$40,719,994
<u>FISCAL YEAR 2017-2018 PRRs / INITIATIVES</u>			
Community HealthChoices (CHC)	(\$255,877,659)	(\$133,504,169)	(\$122,373,490)
Total 2017-2018 PRRs/Initiatives	(\$255,877,659)	(\$133,504,169)	(\$122,373,490)
<u>FISCAL YEAR 2019-2020 PRRs / INITIATIVES</u>			
Minimum Wage Increase	(\$185,589,000)	(\$122,093,000)	(\$63,496,000)
Total 2019-2020 PRRs/Initiatives	(\$185,589,000)	(\$122,093,000)	(\$63,496,000)
Total Program Cost	\$14,399,206,228	\$9,430,494,249	\$4,968,711,979
<u>REVENUE</u>			
Medical Assistance - Assessment	\$1,497,971,750	\$0	\$1,497,971,750
Statewide Hospital Assessment	\$781,630,794	\$0	\$781,630,794
Ambulatory Surgical Center Assessment	\$12,500,000	\$0	\$12,500,000
Total Revenue	\$2,292,102,544	\$0	\$2,292,102,544
Total General Fund Requirement	\$12,107,103,684	\$9,430,494,249	\$2,676,609,435

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 2.3 million MA consumers across the state.

HEALTHCHOICES – PHYSICAL HEALTH

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

- The PH HealthChoices Southeast Zone (five counties, implemented 1997).
- The PH HealthChoices Southwest Zone (14 counties, implemented 1999).
- The PH HealthChoices Lehigh/Capital Zone (13 counties, implemented 2001).
- The PH HealthChoices Northwest Zone (13 counties, implemented 2012).
- The PH HealthChoices Northeast Zone (22 counties, implemented 2013).

HEALTHCHOICES – BEHAVIORAL HEALTH

The Behavioral Health (BH) managed care program is currently managed by the Office of Mental Health and Substance Abuse Services. The HealthChoices BH program has been mandatory for most recipients across the state, beginning in the Southeast Zone in 1997, with statewide expansion completed in 2007. The statewide HealthChoices BH program is provided through contracts with counties that use independent BH MCOs or, in some cases, through direct contracts with BH MCOs.

- The BH HealthChoices Southeast Zone (five counties, implemented 1997).
- The BH HealthChoices Southwest Zone (10 counties, implemented 1999).
- The BH HealthChoices Lehigh/Capital Zone (10 counties, implemented 2001).
- The BH HealthChoices Northeast Zone (four counties, implemented 2006).
- The BH HealthChoices North/Central State Option Zone (23 counties, implemented 2007).
- The BH HealthChoices North/Central County Option Zone (15 counties, implemented 2007).

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. Congress has again suspended the HIPF for one year, which means no cost to the Commonwealth in Fiscal Year 2019-2020.

COMMUNITY HEALTHCHOICES

The Fiscal Year 2017-2018 budget provided for the implementation of Community HealthChoices (CHC) to improve health outcomes. The DHS will continue the combined three-year implementation of a managed long-term care program for older Pennsylvanians and adults with physical disabilities – Community HealthChoices. 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. Costs related to older Pennsylvanians and individuals with physical disabilities were transferred into CHC beginning with implementation in the Southwest zone on January 1, 2018 and in the Southeast zone on January 1, 2019. Costs for the Lehigh/Capital, Northeast and Northwest zones will transfer into CHC on January 1, 2020. For detailed program information please see the CHC narrative.

FISCAL YEAR 2019-2020 INITIATIVE – MINIMUM WAGE INCREASE

The Fiscal Year 2019-2020 “Minimum Wage Increase” initiative will increase the minimum wage for all Pennsylvania workers to \$12.00 per hour. This initiative is expected to decrease HealthChoices enrollment as more adults will be able to transition off Medical Assistance as their income increases. Additionally, children will transition to CHIP coverage as their family income increases.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. C1.17, E26.5, E26.15 - E26.19, E26.30

APPROPRIATION:
Medical Assistance - Fee-for-Service

I. SUMMARY FINANCIAL DATA

	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$477,690	\$264,352	\$427,035
Federal Funds Total	\$1,934,028	\$1,724,050	\$1,539,231
Federal Sources Itemized			
<i>Medical Assistance - Fee-for-Service</i>	\$1,874,028	\$1,679,050	\$1,494,231
<i>ARRA - MA- Health Information Technology</i>	\$60,000	\$45,000	\$45,000
Other Funds Total	\$562,925	\$749,681	\$381,561
Other Sources Itemized			
<i>Hospital Assessment</i>	\$118,433	\$218,046	\$151,546
<i>Statewide Hospital Assessment</i>	\$444,492	\$531,635	\$225,015
<i>Emergency Ambulance Service Intergovernmental Transfer</i>	\$0	\$0	\$5,000
Total	\$2,974,643	\$2,738,083	\$2,347,827

IA. REQUESTED SUPPLEMENTALS (Included above)

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

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Medical Assistance - Fee-for-Service				
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$16,844	\$18,986	\$24,590	\$5,604	29.52%
<i>Federal Funds</i>	\$26,425	\$30,301	\$46,032	\$15,731	51.92%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$43,269	\$49,287	\$70,622	\$21,335	43.29%
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>	\$460,762	\$245,366	\$402,445	\$157,079	64.02%
<i>Federal Funds</i>	\$1,731,210	\$1,481,147	\$1,320,407	(\$160,740)	-10.85%
<i>Other Funds</i>	\$562,925	\$749,681	\$381,561	(\$368,120)	-49.10%
Total Grant & Subsidy	\$2,754,897	\$2,476,194	\$2,104,413	(\$371,781)	-15.01%
NONEXPENSE					
<i>State Funds</i>	\$84	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$176,393	\$157,782	\$172,792	\$15,010	9.51%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Nonexpense	\$176,477	\$157,782	\$172,792	\$15,010	9.51%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$54,820	\$0	(\$54,820)	-100.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$54,820	\$0	(\$54,820)	-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>	\$477,690	\$264,352	\$427,035	\$162,683	61.54%
<i>Federal Funds</i>	\$1,934,028	\$1,724,050	\$1,539,231	(\$184,819)	-10.72%
<i>Other Funds</i>	\$562,925	\$749,681	\$381,561	(\$368,120)	-49.10%
Total Funds	\$2,974,643	\$2,738,083	\$2,347,827	(\$390,256)	-14.25%

APPROPRIATION:
Medical Assistance - Fee-for-Service

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$1,190	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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), (1.1), and (1.4); 42 U.S.C. § 1396 et seq.

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:				
	<u>\$3,604</u>	<u>\$15,731</u>	<u>\$0</u>	<u>\$19,335</u>
GRANT & SUBSIDY				
1. Unit Cost				
A. Provides for a projected increase of 6.9 percent in the average cost per claim for prescription drugs:				
	\$9,213	\$9,579	\$0	\$18,792
2. Utilization/Caseload				
A. Impact of changes in utilization and eligibility resulting from an anticipated 1.26 percent increase in Medical Assistance (MA) eligibility including the annualization of newly eligible clients under Medicaid Expansion:				
	\$6,978	\$10,914	\$0	\$17,892
3. Other PROMISe Program Expenditures				
A. Impact of non-recurring Fiscal Year 2017-2018 payments made in Fiscal Year 2018-2019:				
	(\$27,223)	(\$29,280)	\$0	(\$56,503)
B. Impact of non-recurring Fiscal Year 2018-2019 payments:				
	(\$8,350)	(\$9,190)	\$0	(\$17,540)
C. Impact of a non-recurring Fiscal Year 2018-2019 supplemental payment:				
	(\$3,000)	(\$3,283)	\$0	(\$6,283)
D. Impact of the annualization of ambulance rate changes effective January 1, 2019:				
	\$590	\$1,492	\$0	\$2,082
E. Net impact of the annualization of the pharmacy dispensing fee adjustment, and the non-recurring adjustment of prior period claims:				
	<u>(\$5,998)</u>	<u>(\$7,105)</u>	<u>\$0</u>	<u>(\$13,103)</u>
Subtotal Other PROMISe Program Expenditures				
	(\$43,981)	(\$47,366)	\$0	(\$91,347)
4. Non-PROMISe Program Expenditures				
A. Provides for a projected net increase in monthly Medicare Part A premium payments. The monthly rate is estimated to increase from an average rate of \$419.32 to an average rate of \$443.27; the number of average monthly premiums is expected to decrease from 28,725 to 28,698:				
	\$3,880	\$4,228	\$0	\$8,108

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Medical Assistance - Fee-for-Service			
	State \$	Federal \$	Other \$	Total \$
B. Provides for a projected net increase in monthly Medicare Part B premium payments. The monthly rate is estimated to decrease from an average rate of \$142.98 to an average rate of \$142.97; the number of average monthly premiums is expected to increase from 352,709 to 357,555:	\$3,954	\$4,308	\$0	\$8,262
C. Impact of the increase in the premium for the Medicare Part B payments for Qualifying Individuals who apply for MA under the Healthy Horizons Categorically Needy eligibility requirements:	\$0	\$385	\$0	\$385
D. The Federal Medical Assistance Percentage (FMAP) will remain at 52.25 percent, effective October 1, 2019. Impact of the full year blended rate (an increase from 52.1425 percent to 52.2500 percent). The newly eligible FMAP will change from 93 percent to 90 percent, effective January 1, 2020:	\$4,348	(\$4,348)	\$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:	\$1,577	\$1,541	\$0	\$3,118
2) Impact of an estimated increase in Health Insurance Premium Payments (HIPP). The decrease in the federal portion is related to newly eligible FMAP adjustments for prior periods:	\$1,840	(\$994)	\$0	\$846
3) Net impact of the FMAP adjustment for newly eligible individuals in the Medicaid supplemental payments:	(\$11,312)	\$11,312	\$0	\$0
4) Impact of a non-recurring Federally Qualified Healthcare Center (FQHC) cost settlement:	(\$7,848)	\$0	\$0	(\$7,848)
5) Reflects the non-recurring rollback of costs from Fiscal Year 2019-2020 to Fiscal Year 2018-2019:	(\$40,948)	\$0	\$0	(\$40,948)
6) Net impact of a change in Statewide Hospital Assessment revenues:	\$10,754	\$0	(\$10,754)	\$0
7) Reflects the transfer of a portion of the Statewide Hospital Assessment revenue to the Medical Assistance - Capitation appropriation:	\$295,000	\$0	(\$295,000)	\$0
8) Impact of a one-time use of revenue:	\$79,000	\$0	(\$79,000)	\$0

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Medical Assistance - Fee-for-Service			
	State \$	Federal \$	Other \$	Total \$
9) Impact of an increase to Philadelphia Hospital revenues related to the reauthorization, effective July 1, 2019:	(\$12,500)	\$0	\$12,500	\$0
10) Impact of a new Emergency Ambulance Service Intergovernmental Transfer:	(\$5,000)	\$0	\$5,000	\$0
11) Impact of miscellaneous adjustments:	(\$18)	\$884	(\$866)	\$0
Subtotal Administrative Cash/Flow Impacts	\$310,545	\$12,743	(\$368,120)	(\$44,832)
F. Impact of the anticipated increases in pharmaceutical rebates:	(\$5,700)	(\$6,165)	\$0	(\$11,865)
Subtotal Non-PROMISE Program Expenditures	\$317,027	\$11,151	(\$368,120)	(\$39,942)
5. Community HealthChoices				
A. To reflect the annualization of Community HealthChoices (CHC) in the southwest region, which began January 1, 2018, the implementation in the southeast region which began January 1, 2019, and the implementation in the remainder of the state which will begin January 1, 2020. This amount represents the net impact of expenditures that will transition to the CHC and Capitation appropriations:				
	(\$132,158)	(\$145,018)	\$0	(\$277,176)
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	\$15,010	\$0	\$15,010
BUDGETARY RESERVE				
1. Impact of excess federal appropriation authority in Fiscal Year 2018-2019:				
	\$0	(\$54,820)	\$0	(\$54,820)
FISCAL YEAR 2019-2020 INITIATIVES				
OPERATING				
1. Disability Advocacy				
A. Provides support for the disability advocacy program:				
	\$2,000	\$0	\$0	\$2,000
TOTAL OPERATING	\$5,604	\$15,731	\$0	\$21,335
TOTAL GRANT & SUBSIDY	\$157,079	(\$160,740)	(\$368,120)	(\$371,781)
TOTAL NONEXPENSE	\$0	\$15,010	\$0	\$15,010
TOTAL BUDGETARY RESERVE	\$0	(\$54,820)	\$0	(\$54,820)
TOTAL	\$162,683	(\$184,819)	(\$368,120)	(\$390,256)

**Medical Assistance - Fee-for-Service
Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2018-2019**

<u>PROVIDER TYPE</u>	<u>Total</u>	<u>Federal</u>	<u>State</u>	<u>Claims</u>	<u>Cost Per Claim</u>
<u>INPATIENT PROVIDERS</u>					
Acute Care Hospital	\$508,389,502	\$348,898,319	\$159,491,183	106,831	\$4,758.82
Private Psychiatric Hospital	\$12,600,574	\$1,645,464	\$10,955,110	2,996	\$4,205.35
Inpatient Facility; Medical Rehab Hospital	\$6,476,588	\$4,994,116	\$1,482,472	780	\$8,298.45
Residential Treatment Facility (JCAHO Certified)	\$824,180	\$429,744	\$394,436	207	\$3,978.48
Inpatient Medical Rehab Unit	\$8,093,963	\$6,157,626	\$1,936,337	764	\$10,593.42
Inpatient Drug & Alcohol Hospital	\$176,604	\$162,150	\$14,454	92	\$1,910.62
Private Psychiatric Unit	\$14,369,157	\$11,407,559	\$2,961,598	4,243	\$3,386.62
Drug & Alcohol Rehab Unit	\$152,441	\$137,853	\$14,588	53	\$2,868.98
Subtotal Inpatient Providers	\$551,083,009	\$373,832,831	\$177,250,178	115,968	\$4,752.04
<u>OUTPATIENT PROVIDERS</u>					
Prescription Drugs	\$135,254,567	\$75,239,581	\$60,014,986	2,645,964	\$51.12
Public Schools	\$157,782,351	\$157,782,351	\$0	2,639,330	\$59.78
Inpatient Facility	\$41,837,043	\$28,233,772	\$13,603,271	1,933,096	\$21.64
Ambulatory Surgical Center	\$2,233,577	\$1,179,526	\$1,054,051	26,424	\$84.53
Home Health	\$13,940,219	\$7,550,840	\$6,389,379	41,227	\$338.13
Hospice	\$6,443,304	\$3,562,814	\$2,880,490	20,064	\$321.14
Clinic	\$21,338,664	\$12,199,026	\$9,139,638	294,917	\$72.35
Mental Health/Substance Abuse	\$1,662,658	\$918,848	\$743,810	35,008	\$47.49
Pharmacy Non-Drug	\$9,295,759	\$4,898,106	\$4,397,653	213,024	\$43.64
DME/Medical Supplies	\$44,517,388	\$23,399,555	\$21,117,833	1,241,231	\$35.87
Transportation	\$5,801,784	\$3,901,231	\$1,900,553	52,722	\$110.04
Dentist	\$27,823,619	\$14,818,212	\$13,005,407	457,078	\$60.87
Laboratory	\$4,134,370	\$2,701,456	\$1,432,914	253,757	\$16.29
Renal Dialysis Center	\$7,398,197	\$4,645,958	\$2,752,239	576,974	\$12.82
Physician	\$66,814,026	\$41,680,001	\$25,134,025	4,010,680	\$16.66
Medically Fragile Foster Care	\$3,340,273	\$1,742,000	\$1,598,273	30,723	\$108.72
Miscellaneous Providers	\$6,046,689	\$3,092,601	\$2,954,088	804,274	\$7.52
Subtotal Outpatient Providers	\$555,664,488	\$387,545,878	\$168,118,610	15,276,493	\$36.37
Total Fee-For-Service Providers	\$1,106,747,497	\$761,378,709	\$345,368,788		
<u>OTHER PROVIDER PAYMENTS</u>					
FQHC Wraparound/Cost Settlements	\$19,846,045	\$10,348,224	\$9,497,821		
HCPCs Coding Changes	(\$26,246)	(\$13,685)	(\$12,561)		
Disproportionate Share Payments (OP "DSH")	\$57,748,821	\$30,111,679	\$27,637,142		
Disproportionate Share Payments (Statewide)	\$73,994,308	\$38,582,482	\$35,411,826		
Disproportionate Share Payments (Philadelphia)	\$141,220,324	\$73,635,807	\$67,584,517		
Supplemental ER Access Payment	\$18,051,386	\$9,412,444	\$8,638,942		
Community Access Fund (CAF) Payments	\$33,015,561	\$17,049,547	\$15,966,014		
Temple Access to Care Payment	\$15,313,089	\$8,001,089	\$7,312,000		
Mercy Catholic Access to Care Payment	\$1,659,382	\$867,027	\$792,355		
Med Ed/Passsthroughs	\$82,885,935	\$43,218,799	\$39,667,136		
Graduate Medical Education to Train Psychiatrists	\$500,000	\$261,250	\$238,750		
MA Reliant	\$300,000	\$156,750	\$143,250		
Health Enterprise Zone (HEZ)	\$14,120,287	\$7,377,850	\$6,742,437		
Lancaster Cleft Palate	\$523,560	\$273,560	\$250,000		
Crozer Chester Medical Center (former CAF)	\$14,636,469	\$7,647,555	\$6,988,914		
UPMC Altoona (former CAF)	\$730,052	\$381,452	\$348,600		
Rehabilitation Adjustment	\$23,618,816	\$12,340,831	\$11,277,985		
MA Dependency Payment	\$36,543,930	\$19,094,203	\$17,449,727		
Medical Education Payment	\$35,012,098	\$18,256,183	\$16,755,915		
Medicaid Stability Payment	\$150,047,735	\$78,399,942	\$71,647,793		
High Medical Assistance GME Payment	\$23,669,475	\$12,367,301	\$11,302,174		
Enhanced Payment	\$25,648,220	\$13,401,195	\$12,247,025		
Inpatient DSH Adjustment	\$6,922,529	\$3,609,580	\$3,312,949		
Sole and Community Hospital DSH	\$58,821,349	\$30,734,155	\$28,087,194		
Wills Eye	\$1,675,393	\$875,393	\$800,000		
Nazareth Hospital	\$628,272	\$328,272	\$300,000		
Temple - Jeanes	\$4,188,482	\$2,188,482	\$2,000,000		
St. Luke's Hospital	\$250,000	\$0	\$250,000		
Ambulance Rate Changes	\$3,671,851	\$2,321,167	\$1,350,684		
Pharmacy Dispensing Fee Adjustment	\$13,513,380	\$7,332,413	\$6,180,967		
Good Samaritan	\$328,272	\$328,272	\$0		
Albert Einstein Medical Center	\$6,282,723	\$3,282,723	\$3,000,000		
Penn State - HMC - Centre County (FY 17-18)	\$7,293,861	\$3,779,679	\$3,514,182		
UPMC Presbyterian Shadyside (FY 17-18)	\$49,208,800	\$25,500,000	\$23,708,800		
HIT - Provider and Hospital Incentives	\$45,000,000	\$45,000,000	\$0		
Total Other Provider Payments	\$966,844,159	\$526,451,621	\$440,392,538		

**Medical Assistance - Fee-for-Service
Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2018-2019**

	Total	Federal	State	Avg Monthly Eligibles	Avg \$ Per Eligible Per Month
<u>ADMINISTRATIVE/CASH FLOW IMPACTS</u>					
Medicare Part A Premium Payments	\$144,540,024	\$75,366,782	\$69,173,242	28,725	\$419.32
Medicare Part B Buy-In	\$605,163,453	\$315,547,353	\$289,616,100	352,709	\$142.98
Medicare Part B Buy-In - Special MA Eligibility Provisions	\$52,583,269	\$52,583,269	\$0		
HIPP Premium Payments	\$49,903,666	\$31,171,826	\$18,731,840		
Expenditures Transferred to MA for Workers with Disabilities (4/17-3/18)	(\$16,483,227)	(\$8,526,486)	(\$7,956,741)		
Claim of Federal Funds for recipients in IMDs	\$0	\$6,542,240	(\$6,542,240)		
Project Access - Department of Education Administrative MOU					
- Subgrant reimbursement for LEA's of costs	\$23,986,066	\$23,986,066	\$0		
- Medical Assistance Expenditure Adjustment (Project Access/PDE)	\$0	\$28,861,459	(\$28,861,459)		
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)	(\$11,258,057)	\$0	(\$11,258,057)		
Health Information Technology (HIT) Grant Payments	\$850,000	\$0	\$850,000		
Health Information Technology (HIT) MOU with Department of Health	\$108,941	\$0	\$108,941		
FQHC Settlement	\$7,848,122	\$0	\$7,848,122		
Rollback of Expenditures from Fiscal Year 2019-2020	\$20,473,786	\$0	\$20,473,786		
Total Administrative Cash/Flow Impacts	\$892,470,043	\$525,532,509	\$366,937,534		
<u>OPERATING</u>					
School-Based Access Program Operational Costs	\$1,893,256	\$1,893,256	\$0		
Claim Validation and Recoupment	\$398,800	\$199,400	\$199,400		
Claims Processing and PROMISe Contract Costs	\$8,294,616	\$6,420,263	\$1,874,353		
MMIS Procurement	\$2,705,000	\$2,434,500	\$270,500		
TruCare License Fees	\$772,433	\$579,325	\$193,108		
Technical Assistance Contract	\$490,314	\$245,157	\$245,157		
Clinical Consultant	\$17,894,221	\$12,378,987	\$5,515,234		
Health Information Technology (State Funds Only - Subfund)	\$221,392	\$0	\$221,392		
InterQual Criteria	\$552,013	\$276,007	\$276,007		
Legal Support/Rate Setting	\$315,000	\$157,500	\$157,500		
Medical Review Team/SSI/Disability Advocacy Program (DAP)	\$3,120,000	\$1,560,000	\$1,560,000		
Pennsylvania Automated Cost Reporting System (PACRS)	\$100,000	\$50,000	\$50,000		
Revenue Maximization	\$4,000,000	\$0	\$4,000,000		
Outside Counsel (P2R2M)	\$1,500,000	\$0	\$1,500,000		
Medicare Eligibility Identification	\$770,000	\$385,000	\$385,000		
Preferred Drug List	\$2,365,458	\$1,774,094	\$591,365		
TPL Data Exchange	\$1,261,000	\$630,500	\$630,500		
Health Policy Research Grants	\$2,000,000	\$1,000,000	\$1,000,000		
Enrollment Revalidation Support	\$100,000	\$50,000	\$50,000		
DSH/FQHC Audits and Litigation	\$390,700	\$195,350	\$195,350		
Medicaid RMTS	\$142,329	\$71,165	\$71,165		
Total Operating	\$49,286,532	\$30,300,502	\$18,986,030		
<u>MANDATED FEDERAL/OTHER REQUIREMENTS</u>					
Third Party Liability Recoveries	(\$68,329,361)	(\$35,628,637)	(\$32,700,724)		
Provider/Medical Support Recoveries	(\$8,921,083)	(\$4,651,676)	(\$4,269,407)		
Refunds	(\$8,200,489)	(\$4,275,940)	(\$3,924,549)		
Pharmaceutical Company Rebates	(\$63,779,442)	(\$35,488,982)	(\$28,290,460)		
Third Party Liability Estate/Casualty Recoveries	(\$4,879,000)	(\$2,544,033)	(\$2,334,967)		
Total Mandated Federal/Other Requirements	(\$154,109,375)	(\$82,589,268)	(\$71,520,107)		
<u>FISCAL YEAR 2017-2018 PRRs / INITIATIVES</u>					
Community HealthChoices	(\$179,976,105)	(\$93,844,041)	(\$86,132,064)		
Total Fiscal Year 2017-2018 PRRs / Initiatives	(\$179,976,105)	(\$93,844,041)	(\$86,132,064)		
Uncommitted	\$56,819,968	\$56,819,968	\$0		
Total Program Cost	\$2,738,082,719	\$1,724,050,000	\$1,014,032,719		
<u>REVENUE</u>					
Statewide Hospital Assessment	\$877,181,117	\$0	\$877,181,117		
Transfer Statewide Hospital Assessment to Capitation	(\$323,803,496)	\$0	(\$323,803,496)		
Transfer Statewide Hospital Assessment to Community HealthChoices	(\$15,542,402)	\$0	(\$15,542,402)		
Transfer Statewide Hospital Assessment to OB/NICU	(\$3,000,000)	\$0	(\$3,000,000)		
Transfer Statewide Hospital Assessment to Critical Access Hospitals	(\$3,200,000)	\$0	(\$3,200,000)		
Subtotal Statewide Hospital Assessment	\$531,635,218	\$0	\$531,635,218		
Hospital Assessment (Philadelphia)	\$218,045,501	\$0	\$218,045,501		
Total Revenue	\$749,680,719	\$0	\$749,680,719		
Total FY 2018-2019 Program Requirement	\$1,988,402,000	\$1,724,050,000	\$264,352,000		
Medical Assistance Federal		\$1,679,050,000			
Act 1-A of 2018		\$1,679,050,000	\$264,352,000		
Surplus/(Deficit)		\$0	\$0		
ARRA HIT Federal		\$45,000,000			
Act 1-A of 2018		\$45,000,000			
Surplus/(Deficit)		\$0			

Medical Assistance - Fee-for-Service
Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2019-2020

PROVIDER TYPE	Total	Federal	State	Claims	Cost Per Claim
<u>INPATIENT PROVIDERS</u>					
Acute Care Hospital	\$515,844,648	\$349,533,793	\$166,310,855	112,573	\$4,582.30
Private Psychiatric Hospital	\$12,552,807	\$1,729,360	\$10,823,447	2,949	\$4,256.97
Inpatient Facility; Medical Rehab Hospital	\$6,612,390	\$5,099,502	\$1,512,888	814	\$8,124.91
Residential Treatment Facility (JCAHO Certified)	\$774,950	\$404,911	\$370,039	208	\$3,727.30
Inpatient Medical Rehab Unit	\$8,228,503	\$6,093,730	\$2,134,773	768	\$10,720.23
Inpatient Drug & Alcohol Hospital	\$175,200	\$156,021	\$19,179	91	\$1,929.98
Private Psychiatric Unit	\$15,174,019	\$11,693,398	\$3,480,621	4,458	\$3,403.42
Drug & Alcohol Rehab Unit	\$163,177	\$148,274	\$14,903	54	\$3,007.67
Subtotal Inpatient Providers	\$559,525,694	\$374,858,989	\$184,666,705	121,915	\$4,589.48
<u>OUTPATIENT PROVIDERS</u>					
Prescription Drugs	\$154,046,339	\$84,985,082	\$69,061,257	2,818,557	\$54.65
Public Schools	\$172,792,270	\$172,792,270	\$0	3,083,231	\$56.04
Inpatient Facility	\$42,466,244	\$28,552,859	\$13,913,385	1,984,134	\$21.40
Ambulatory Surgical Center	\$2,376,766	\$1,301,951	\$1,074,815	27,591	\$86.14
Home Health	\$14,655,465	\$7,931,453	\$6,724,012	42,708	\$343.16
Hospice	\$7,072,923	\$3,931,413	\$3,141,510	21,096	\$335.27
Clinic	\$21,088,831	\$12,131,067	\$8,957,764	296,397	\$71.15
Mental Health/Substance Abuse	\$1,826,533	\$983,951	\$842,582	38,064	\$47.99
Pharmacy Non-Drug	\$9,552,322	\$5,044,012	\$4,508,310	217,972	\$43.82
DME/Medical Supplies	\$46,411,294	\$24,469,112	\$21,942,182	1,252,221	\$37.06
Transportation	\$6,371,172	\$4,172,278	\$2,198,894	59,326	\$107.39
Dentist	\$29,043,187	\$15,501,020	\$13,542,167	487,250	\$59.61
Laboratory	\$4,103,917	\$2,706,046	\$1,397,871	254,771	\$16.11
Renal Dialysis Center	\$7,247,808	\$4,596,023	\$2,651,785	594,541	\$12.19
Physician	\$70,141,489	\$43,366,386	\$26,775,103	4,178,515	\$16.79
Medically Fragile Foster Care	\$3,434,175	\$1,794,357	\$1,639,818	28,507	\$120.47
Miscellaneous Providers	\$5,777,957	\$2,898,678	\$2,879,279	754,343	\$7.66
Subtotal Outpatient Providers	\$598,408,692	\$417,157,958	\$181,250,734	16,139,224	\$37.08
Total Fee-For-Service Providers	\$1,157,934,386	\$792,016,947	\$365,917,439		
<u>OTHER PROVIDER PAYMENTS</u>					
FQHC Wraparound/Cost Settlements	\$19,846,045	\$10,369,559	\$9,476,486		
HPCPs Coding Changes	\$479,143	\$250,352	\$228,791		
Disproportionate Share Payments (OP "DSH")	\$57,748,821	\$30,173,759	\$27,575,062		
Disproportionate Share Payments (Statewide)	\$73,994,308	\$38,662,026	\$35,332,282		
Disproportionate Share Payments (Philadelphia)	\$141,220,324	\$73,787,619	\$67,432,705		
Supplemental ER Access Payment	\$18,051,386	\$9,431,849	\$8,619,537		
Community Access Fund (CAF) Payments	\$33,015,561	\$17,049,547	\$15,966,014		
Temple Access to Care Payment	\$15,313,089	\$8,001,089	\$7,312,000		
Mercy Catholic Access to Care Payment	\$1,659,382	\$867,027	\$792,355		
Med Ed/Passthroughs	\$82,885,935	\$43,307,901	\$39,578,034		
Graduate Medical Education to Train Psychiatrists	\$500,000	\$261,250	\$238,750		
MA Reliant	\$300,000	\$156,750	\$143,250		
Health Enterprise Zone (HEZ)	\$14,120,287	\$7,377,850	\$6,742,437		
Lancaster Cleft Palate	\$523,560	\$273,560	\$250,000		
Crozer Chester Medical Center (former CAF)	\$4,165,265	\$2,176,351	\$1,988,914		
UPMC Altoona (former CAF)	\$730,052	\$381,452	\$348,600		
Rehabilitation Adjustment	\$23,618,816	\$12,340,831	\$11,277,985		
MA Dependency Payment	\$36,543,930	\$19,094,203	\$17,449,727		
Medical Education Payment	\$35,012,098	\$18,293,821	\$16,718,277		
Medicaid Stability Payment	\$150,047,735	\$78,399,942	\$71,647,793		
High Medical Assistance GME Payment	\$23,669,475	\$12,367,301	\$11,302,174		
Enhanced Payment	\$25,648,220	\$13,401,195	\$12,247,025		
Inpatient DSH Adjustment	\$6,922,529	\$3,617,021	\$3,305,508		
Sole and Community Hospital DSH	\$58,821,349	\$30,734,155	\$28,087,194		
Ambulance Rate Changes	\$5,752,994	\$3,812,780	\$1,940,214		
Pharmacy Dispensing Fee Adjustment	\$410,265	\$227,738	\$182,527		
HIT - Provider and Hospital Incentives	\$45,000,000	\$45,000,000	\$0		
Total Other Provider Payments	\$876,000,569	\$479,816,928	\$396,183,641		

Medical Assistance - Fee-for-Service
Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2019-2020

	Total	Federal	State	Avg Monthly Eligibles	Avg \$ Per Eligible Per Month
<u>ADMINISTRATIVE/CASH FLOW IMPACTS</u>					
Medicare Part A Premium Payments	\$152,648,046	\$79,758,604	\$72,889,442	28,698	\$443.27
Medicare Part B Buy-In	\$613,425,800	\$320,514,981	\$292,910,819	357,555	\$142.97
Medicare Part B Buy-In - Special MA Eligibility Provisions	\$52,968,166	\$52,968,166	\$0		
HIPP Premium Payments	\$50,749,491	\$30,177,677	\$20,571,814		
Expenditures Transferred to MA for Workers with Disabilities (4/18-3/19)	(\$13,365,245)	(\$6,985,968)	(\$6,379,277)		
Claim of Federal Funds for recipients in IMDs	\$0	\$6,562,985	(\$6,562,985)		
Project Access - Department of Education Administrative MOU					
- Subgrant reimbursement for LEA's of costs	\$23,986,066	\$23,986,066	\$0		
- Medical Assistance Expenditure Adjustment (Project Access/PDE)	\$0	\$28,861,459	(\$28,861,459)		
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)	(\$11,258,057)	\$0	(\$11,258,057)		
Adjusted FMAP for Medicaid Supplemental Payments	\$0	\$11,311,898	(\$11,311,898)		
Health Information Technology (HIT) Grant Payments	\$850,000	\$0	\$850,000		
Health Information Technology (HIT) MOU with Department of Health	\$110,924	\$0	\$110,924		
Rollback of Expenditures to Fiscal Year 2018-2019	(\$20,473,786)	\$0	(\$20,473,786)		
Total Administrative/Cash Flow Impacts	\$864,395,405	\$547,155,868	\$317,239,536		
<u>OPERATING</u>					
School-Based Access Program Operational Costs	\$1,893,256	\$1,893,256	\$0		
Claim Validation and Recoupment	\$398,000	\$199,000	\$199,000		
Claims Processing and PROMISE Contract Costs	\$9,269,009	\$7,294,482	\$1,974,527		
MMIS Procurement	\$18,725,000	\$16,852,500	\$1,872,500		
TruCare License Fees	\$800,000	\$600,000	\$200,000		
Technical Assistance Contract	\$648,000	\$324,000	\$324,000		
Clinical Consultant	\$18,465,366	\$12,683,558	\$5,781,808		
Health Information Technology (State Funds Only - Subfund)	\$338,403	\$0	\$338,403		
InterQual Criteria	\$552,013	\$276,007	\$276,007		
Legal Support/Rate Setting	\$315,000	\$157,500	\$157,500		
Medical Review Team/SSI/Disability Advocacy Program (DAP)	\$3,120,000	\$1,560,000	\$1,560,000		
Revenue Maximization	\$5,400,000	\$0	\$5,400,000		
Outside Counsel (P2R2M)	\$1,500,000	\$0	\$1,500,000		
Medicare Eligibility Identification	\$770,000	\$385,000	\$385,000		
Preferred Drug List	\$2,370,751	\$1,778,063	\$592,688		
TPL Data Exchange	\$1,261,000	\$630,500	\$630,500		
Health Policy Research Grants	\$2,000,000	\$1,000,000	\$1,000,000		
Enrollment Revalidation Support	\$53,835	\$26,918	\$26,918		
DSH/FQHC Audits and Litigation	\$463,800	\$231,900	\$231,900		
Medicaid RMTS	\$133,600	\$66,800	\$66,800		
OMAP Technology Assessment	\$67,122	\$33,561	\$33,561		
Hospital Cost Settlement Audit Review	\$78,300	\$39,150	\$39,150		
Total Operating	\$68,622,455	\$46,032,194	\$22,590,261		
<u>MANDATED FEDERAL/OTHER REQUIREMENTS</u>					
Third Party Liability Recoveries	(\$68,329,361)	(\$35,702,091)	(\$32,627,270)		
Provider/Medical Support Recoveries	(\$8,921,083)	(\$4,661,266)	(\$4,259,817)		
Refunds	(\$8,200,489)	(\$4,284,756)	(\$3,915,733)		
Pharmaceutical Company Rebates	(\$75,644,236)	(\$41,731,836)	(\$33,912,400)		
Third Party Liability Estate/Casualty Recoveries	(\$4,879,000)	(\$2,549,278)	(\$2,329,722)		
Total Mandated Federal/Other Requirements	(\$165,974,169)	(\$88,929,227)	(\$77,044,942)		
<u>FISCAL YEAR 2017-2018 PRRs / INITIATIVES</u>					
Community HealthChoices	(\$457,151,517)	(\$238,861,668)	(\$218,289,849)		
Total Fiscal Year 2017-2018 PRRs / Initiatives	(\$457,151,517)	(\$238,861,668)	(\$218,289,849)		
<u>FISCAL YEAR 2019-2020 PRRs / INITIATIVES</u>					
Disability Advocacy	\$2,000,000	\$0	\$2,000,000		
Total Fiscal Year 2017-2018 PRRs / Initiatives	\$2,000,000	\$0	\$2,000,000		
Uncommitted	\$2,000,000	\$2,000,000	\$0		
Total Program Cost	\$2,347,827,129	\$1,539,231,042	\$808,596,087		
<u>REVENUE</u>					
Statewide Hospital Assessment	\$1,046,786,145	\$0	\$1,046,786,145		
Transfer Statewide Hospital Assessment to Capitation	(\$781,630,794)	\$0	(\$781,630,794)		
Transfer Statewide Hospital Assessment to Community HealthChoices	(\$33,940,223)	\$0	(\$33,940,223)		
Transfer Statewide Hospital Assessment to OB/NICU	(\$3,000,000)	\$0	(\$3,000,000)		
Transfer Statewide Hospital Assessment to Critical Access Hospitals	(\$3,200,000)	\$0	(\$3,200,000)		
Subtotal Statewide Hospital Assessment	\$225,015,128	\$0	\$225,015,128		
Hospital Assessment (Philadelphia)	\$151,545,501	\$0	\$151,545,501		
Emergency Ambulance Service Intergovernmental Transfer	\$5,000,000	\$0	\$5,000,000		
Total Revenue	\$381,560,629	\$0	\$381,560,629		
Total FY 2019-2020 Program Requirement	\$1,966,266,499	\$1,539,231,042	\$427,035,457		
Medical Assistance Federal		\$1,494,231,042			
ARRA HIT Federal		\$45,000,000			

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 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 and 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 hospitals, psychiatric hospitals and family planning clinics, home health agencies, and medical and equipment suppliers.

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 processes, the Department of Human Services (DHS) 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 utilization review process 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 MA-enrolled providers. BPI applies administrative sanctions and refers potential fraud cases 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 2000s, 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 DHS 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 enhancing quality:

- Established a Pharmacy Division in the Bureau of Fee-for-Service 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, dose optimization, and limits on early refills
- Implemented a 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; and
- Implemented the Managed Care Organization Federal Drug Rebates

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

Within the Fee-for-Service (FFS) program, the DHS 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 DHS received Centers for Medicare & Medicaid Services (CMS) approval of the State Plan Amendments (SPAs) 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 DHS to update and improve its inpatient acute care hospital reimbursement system. The Statewide Quality Care Assessment has been reauthorized for five years beginning July 1, 2018. The current assessment percentage for Fiscal Year 2018-2019 is 2.98 percent of a covered hospital's Net Inpatient Revenue and 1.55 percent of a covered hospital's Net Outpatient Revenue. In FY 2019-2020 these rates increase to 3.32 percent and 1.73 percent, respectively

PHILADELPHIA HOSPITAL ASSESSMENT

The Philadelphia Hospital Assessment is a local health care 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, and was recently reauthorized again through June 30, 2019. 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 MA 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.

PREVENTING FRAUD AND ABUSE

The DHS 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 DHS to seek payment from available third party health care 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.

COMMUNITY HEALTHCHOICES

The Fiscal Year 2017-2018 budget provided for the implementation of Community HealthChoices (CHC) to improve health outcomes. The DHS will continue the combined three-year implementation of a managed long-term care program for older Pennsylvanians and adults with physical disabilities – Community HealthChoices. 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. Costs related to older Pennsylvanians and individuals with physical disabilities were transferred into CHC beginning with implementation in the Southwest zone in Fiscal Year 2017-2018 and in the Southeast zone in Fiscal Year 2018-2019. Costs for the Lehigh/Capital, Northeast and Northwest zones will transfer into CHC in Fiscal Year 2019-2020. For detailed program information please see the CHC narrative.

FISCAL YEAR 2019-2020 INITIATIVE – SUPPORT PENNSYLVANIANS WITH DISABILITIES

The Fiscal Year 2019-2020 “Supporting Pennsylvanians With Disabilities” initiative will invest \$2 million to provide support for the MA Disability Advocacy Program. This program will help Pennsylvanians with disabilities as they apply for Supplemental Security Income for Social Security Disability Insurance benefits or go through the appeal process.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. C1.17, E26.5, E26.15, E26.18

APPROPRIATION:
Payment to Federal Govt. - Medicare Drug Program

I. SUMMARY FINANCIAL DATA	<u>2017-2018 Actual</u>	<u>2018-2019 Available</u>	<u>2019-2020 Budgeted</u>
State Funds	\$658,174	\$754,726	\$769,069
Federal Funds	\$0	\$0	\$0
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$658,174	\$754,726	\$769,069
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			
	2017-2018 Actual	2018-2019 Available	2019-2020 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	\$658,174	\$754,726	\$769,069	\$14,343	1.90%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$658,174	\$754,726	\$769,069	\$14,343	1.90%
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	\$658,174	\$754,726	\$769,069	\$14,343	1.90%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$658,174	\$754,726	\$769,069	\$14,343	1.90%

APPROPRIATION:
Payment to Federal Govt. - Medicare Drug Program

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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 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); 42 U.S.C. § 1395w-104

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			
	State \$	Federal \$	Other \$	Total \$
GRANT & SUBSIDY				
1. Provides for the increase in the average per capita payment from \$168.30 in Fiscal Year 2018-2019 to \$170.75 in Fiscal Year 2019-2020:	\$11,018	\$0	\$0	\$11,018
2. Impact of the increase in utilization from projected average monthly eligibles of 373,641 in Fiscal Year 2018-2019 to 375,522 in Fiscal Year 2019-2020:	\$3,799	\$0	\$0	\$3,799
3. Reflects the non-recurring rollback of costs from Fiscal Year 2018-2019 to Fiscal Year 2017-2018:	\$264	\$0	\$0	\$264
4. Reflects the non-recurring rollback of costs from Fiscal Year 2019-2020 to Fiscal Year 2018-2019:	<u>(\$738)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$738)</u>
TOTAL	<u>\$14,343</u>	<u>\$0</u>	<u>\$0</u>	<u>\$14,343</u>

**Payment to Federal Government - Medicare Drug Program
Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2018-2019**

Service Month		Dual eligibles	Per Capita	Premium Payment	Payment Month
May-18	actual	368,817	\$168.10	\$61,996,991	Jul-17
Jun-18	actual	369,814	\$168.10	\$62,165,106	Jul-17
Jul-18	actual	370,980	\$168.10	\$62,360,765	Aug-17
Aug-18	actual	371,711	\$168.10	\$62,485,816	Sep-17
Sep-18	actual	372,943	\$168.10	\$62,692,988	Oct-17
Oct-18	actual	383,530	\$166.59	\$63,894,114	Nov-17
Nov-18	actual	375,355	\$166.62	\$62,542,974	Dec-17
Dec-18	projected	373,776	\$166.61	\$62,273,159	Jan-18
Jan-19	projected	373,941	\$169.84	\$63,509,979	Feb-18
Feb-19	projected	374,107	\$169.84	\$63,538,103	Mar-18
Mar-19	projected	374,273	\$169.84	\$63,566,252	Apr-18
Apr-19	projected	374,439	\$169.84	\$63,594,427	May-18
FY 18-19 Funds		4,483,686	\$168.30	\$754,620,675	
FY 18-19 Funds Rolled Back to FY 17-18				(\$263,684)	
FY 19-20 Funds Rolled Back to FY 18-19				\$369,009	
Total FY 18-19 Program Requirement				\$754,726,000	
Act 1-A of 2018				\$754,726,000	
Surplus/(Deficit)				\$0	

**Payment to Federal Government - Medicare Drug Program
Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2019-2020**

Service Month		Dual eligibles	Per Capita	Premium Payment	Payment Month
May-19	projected	374,605	\$169.84	\$63,622,627	Jul-18
Jun-19	projected	374,771	\$169.84	\$63,650,852	Jul-18
Jul-19	projected	374,937	\$169.84	\$63,679,103	Aug-18
Aug-19	projected	375,104	\$169.84	\$63,707,379	Sep-18
Sep-19	projected	375,270	\$169.84	\$63,735,680	Oct-18
Oct-19	projected	375,437	\$169.84	\$63,764,007	Nov-18
Nov-19	projected	375,604	\$169.84	\$63,792,360	Dec-18
Dec-19	projected	375,771	\$169.84	\$63,820,738	Jan-19
Jan-20	projected	375,938	\$172.39	\$64,806,879	Feb-19
Feb-20	projected	376,106	\$172.39	\$64,835,735	Mar-19
Mar-20	projected	376,273	\$172.39	\$64,864,617	Apr-19
Apr-20	projected	376,441	\$172.39	\$65,157,535	May-19
FY 19-20 Funds		4,506,257	\$170.75	\$769,437,512	
FY 19-20 Funds Rolled Back to FY 18-19				(\$369,009)	
Total FY 19-20 Program Requirement				\$769,068,503	

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 Pennsylvania's Medicaid program. 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, while continuing to provide 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.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. C1.7, C1.17, E26.5, E26.9, E26.10, E26.15,
E26.18, E26.19, H84

APPROPRIATION:
Medical Assistance - Workers with Disabilities

I. SUMMARY FINANCIAL DATA

	2017-2018 Actual	2018-2019 Available	2019-2020 Budgeted
State Funds Total	\$130,998	\$140,602	\$144,540
State Sources Itemized			
<i>MA-Workers With Disabilities (General Fund)</i>	\$26,188	\$25,807 ¹	\$31,375
<i>MA-Workers With Disabilities (Tobacco Settlement Fund)</i>	\$104,810	\$114,795 ²	\$113,165
Federal Funds Total	\$145,070	\$159,223	\$168,635
Federal Sources Itemized			
<i>MA-Workers With Disabilities (General Fund)</i>	\$28,113	\$33,609	\$44,805
<i>MA-Workers With Disabilities (Tobacco Settlement Fund)</i>	\$116,957	\$125,614 ³	\$123,830
Total	<u>\$276,068</u>	<u>\$299,825</u>	<u>\$313,175</u>

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds Total	\$6,168
State Sources Itemized	
<i>MA-Workers With Disabilities (General Fund)</i>	(\$5,033)
<i>MA-Workers With Disabilities (Tobacco Settlement Fund)</i>	\$11,201
Federal Funds Total	\$12,744
Federal Sources Itemized	
<i>MA-Workers With Disabilities (Tobacco Settlement Fund)</i>	<u>\$12,744</u>
Total	<u>\$18,912</u>

¹ Reflects a recommended appropriation reduction of \$5.033 million in Fiscal Year 2018-2019. Act 1-A of 2018 provided \$30.840 million for this program in Fiscal Year 2018-2019.

² Includes a recommended supplemental appropriation of \$11.201 million. Expenditure Symbol Notification Number 18-036 provided \$103.594 million for this program in Fiscal Year 2018-2019.

³ Includes a recommended supplemental appropriation of \$12.744 million. Expenditure Symbol Notification Number 18-036 provided \$112.870 million for this program in Fiscal Year 2018-2019.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Medical Assistance - Workers with Disabilities				
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$130,998	\$140,602	\$144,540	\$3,938	2.80%	
<i>Federal Funds</i>	\$142,683	\$153,355	\$158,162	\$4,807	3.13%	
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%	
Total Grant & Subsidy	\$273,681	\$293,957	\$302,702	\$8,745	2.97%	
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>	\$2,387	\$5,868	\$10,473	\$4,605	78.48%	
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%	
Total Budgetary Reserve	\$2,387	\$5,868	\$10,473	\$4,605	78.48%	
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>	\$130,998	\$140,602	\$144,540	\$3,938	2.80%	
<i>Federal Funds</i>	\$145,070	\$159,223	\$168,635	\$9,412	5.91%	
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%	
Total Funds	\$276,068	\$299,825	\$313,175	\$13,350	4.45%	

APPROPRIATION:
Medical Assistance - Workers with Disabilities

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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.

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

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 Medical Services for Workers with Disabilities appropriations.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Medical Assistance - Workers with Disabilities			
	State \$	Federal \$	Other \$	Total \$
GENERAL FUND				
GRANT & SUBSIDY				
1. Impact of increased premium payments for the Medical Assistance for Workers with Disabilities (MAWD) program in Fiscal Year 2019-2020:	(\$169)	(\$186)	\$0	(\$355)
2. Provides for a projected increase of \$8.52 in the Medical Assistance Program monthly service cost per enrollee in Fiscal Year 2019-2020:	\$1,598	\$1,685	\$0	\$3,283
3. Impact of a projected increase of 586 average monthly enrollees in the MAWD program in Fiscal Year 2019-2020:	\$2,831	\$2,986	\$0	\$5,817
4. The Federal Medical Assistance Percentage will remain at 52.25 percent, effective October 1, 2019. Impact of the full-year blended rate (an increase from 52.1425 percent to 52.2500 percent):	(\$322)	\$322	\$0	\$0
5. Change in the Fiscal Year 2019-2020 Tobacco Settlement Fund state and federal amounts:	\$1,630	\$1,784	\$0	\$3,414
Subtotal Grant & Subsidy	\$5,568	\$6,591	\$0	\$12,159
BUDGETARY RESERVE				
1. Impact of the change in excess federal appropriation authority from Fiscal Year 2018-2019 to Fiscal Year 2019-2020:	\$0	\$4,605	\$0	\$4,605
TOTAL GENERAL FUND	<u>\$5,568</u>	<u>\$11,196</u>	<u>\$0</u>	<u>\$16,764</u>
TOBACCO SETTLEMENT FUND				
GRANT & SUBSIDY				
1. Change in the Fiscal Year 2019-2020 Tobacco Settlement Fund state and federal amounts:	(\$1,630)	(\$1,784)	\$0	(\$3,414)
TOTAL TOBACCO SETTLEMENT FUND	<u>(\$1,630)</u>	<u>(\$1,784)</u>	<u>\$0</u>	<u>(\$3,414)</u>
TOTAL	<u>\$3,938</u>	<u>\$9,412</u>	<u>\$0</u>	<u>\$13,350</u>

**MEDICAL ASSISTANCE - WORKERS WITH DISABILITIES
FISCAL YEAR 2019-2020 GOVERNOR'S EXECUTIVE BUDGET
FISCAL YEAR 2018-2019**

	Total	Federal	State	Enrollees	Cost Per Enrollee
Jul-18	\$26,137,386	\$13,542,043	\$12,595,343	31,052	\$841.73
Aug-18	\$25,861,236	\$13,402,735	\$12,458,501	31,302	\$826.18
Sep-18	\$25,371,083	\$13,236,562	\$12,134,521	31,295	\$810.71
Oct-18	\$25,887,945	\$13,512,336	\$12,375,609	31,366	\$825.35
Nov-18	\$25,952,704	\$13,560,288	\$12,392,416	31,413	\$826.18
Dec-18	\$26,017,625	\$13,594,209	\$12,423,416	31,460	\$827.00
Jan-19	\$26,082,708	\$13,628,215	\$12,454,493	31,507	\$827.83
Feb-19	\$26,147,954	\$13,662,306	\$12,485,648	31,555	\$828.66
Mar-19	\$26,213,363	\$13,696,482	\$12,516,881	31,602	\$829.49
Apr-19	\$26,278,935	\$13,730,744	\$12,548,192	31,649	\$830.32
May-19	\$26,344,672	\$13,765,091	\$12,579,581	31,697	\$831.15
Jun-19	\$26,410,573	\$13,799,525	\$12,611,049	31,744	\$831.98
	\$312,706,184	\$163,130,535	\$149,575,649	31,470	\$828.05
Premiums	(\$18,748,990)	(\$9,775,495)	(\$8,973,495)		
Total Requirements	\$293,957,194	\$153,355,040	\$140,602,154		
Uncommitted		\$5,867,960	\$0		
FY 2018-19 Tobacco Funds	\$240,409,000	\$125,614,000	\$114,795,000		
FY 2018-19 General Fund Requirement		\$33,609,000	\$25,807,154		
Act 1-A of 2018		\$33,609,000	\$30,840,000		
Surplus/(Deficit)		\$0	\$5,032,846		

**MEDICAL ASSISTANCE - WORKERS WITH DISABILITIES
FISCAL YEAR 2019-2020 GOVERNOR'S EXECUTIVE BUDGET
FISCAL YEAR 2019-2020**

	Total	Federal	State	Enrollees	Cost Per Enrollee
Jul-19	\$26,450,189	\$13,820,224	\$12,629,965	31,792	\$831.98
Aug-19	\$26,516,354	\$13,854,795	\$12,661,559	31,840	\$832.81
Sep-19	\$26,582,685	\$13,889,453	\$12,693,232	31,887	\$833.64
Oct-19	\$26,649,182	\$13,924,197	\$12,724,984	31,935	\$834.47
Nov-19	\$26,715,845	\$13,959,029	\$12,756,816	31,983	\$835.31
Dec-19	\$26,782,674	\$13,993,947	\$12,788,727	32,031	\$836.14
Jan-20	\$26,849,671	\$14,028,953	\$12,820,718	32,079	\$836.98
Feb-20	\$26,916,836	\$14,064,047	\$12,852,789	32,127	\$837.82
Mar-20	\$26,984,168	\$14,099,228	\$12,884,940	32,176	\$838.66
Apr-20	\$27,051,669	\$14,134,497	\$12,917,172	32,224	\$839.49
May-20	\$27,119,339	\$14,169,854	\$12,949,484	32,272	\$840.33
Jun-20	\$27,187,178	\$14,205,300	\$12,981,877	32,321	\$841.17
	\$321,805,789	\$168,143,525	\$153,662,264	32,056	\$836.57
Premiums	(\$19,104,014)	(\$9,981,847)	(\$9,122,167)		
Total Requirements	\$302,701,775	\$158,161,677	\$144,540,097		
Uncommitted		\$10,473,087	\$0		
FY 2019-20 Tobacco Funds	\$236,994,764	\$123,829,764	\$113,165,000		
FY 2019-20 General Fund Requirement		\$44,805,000	\$31,375,097		

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 the Medical Assistance for Workers with Disabilities (MAWD) program in Pennsylvania.

The MAWD program consists of two eligibility groups, workers with a disability and workers with a medically-improved disability. 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. Individuals in both groups receive the Pennsylvania ACCESS card and receive full Medicaid benefits. Individuals are enrolled in the HealthChoices program, except for those who also receive Medicare. Individuals; dually eligible for Medicaid and Medicare, obtain Medicaid services through the Fee-for-Service Program or through the Community HealthChoices (CHC) program depending on where they reside. MAWD recipients covered under Medicare/Medicaid will be enrolled in CHC as this program is implemented in their county of residence. Most prescriptions for Medicare/Medicaid recipients are covered by the Medicare Prescription Drug Plan.

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 the department's disability review criteria, be employed and receiving compensation (no minimum monthly hours or earnings required), with countable monthly income (after allowable deductions) equal to or less than 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.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. C1.7, C1.17, E26.5, E26.10, E26.18

APPROPRIATION:
Medical Assistance - Physician Practice Plans

I. SUMMARY FINANCIAL DATA

	<u>2017-2018 Actual</u>	<u>2018-2019 Available</u>	<u>2019-2020 Budgeted</u>
State Funds	\$10,071	\$10,071	\$6,571
Federal Funds Total	\$10,830	\$10,989 ¹	\$7,190
Federal Sources Itemized			
<i>Medical Assistance - Physician Practice Plans</i>	\$10,830	\$10,989	\$7,190
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$20,901	\$21,060	\$13,761

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$0
Federal Funds Total	\$16
Federal Sources Itemized	
<i>Medical Assistance - Physician Practice Plans</i>	<u>\$16</u>
Total	\$16

¹ Includes a recommended supplemental appropriation of \$0.016 million. Act 1-A of 2018 provided \$10.973 million for this program in Fiscal Year 2018-2019.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Medical Assistance - Physician Practice Plans			
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$10,071	\$10,071	\$6,571	(\$3,500)	-34.75%
<i>Federal Funds</i>	\$10,830	\$10,989	\$7,190	(\$3,799)	-34.57%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$20,901	\$21,060	\$13,761	(\$7,299)	-34.66%
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>	\$10,071	\$10,071	\$6,571	(\$3,500)	-34.75%
<i>Federal Funds</i>	\$10,830	\$10,989	\$7,190	(\$3,799)	-34.57%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$20,901	\$21,060	\$13,761	(\$7,299)	-34.66%

APPROPRIATION: Medical Assistance - Physician Practice Plans

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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 2019-2020 Governor's Executive Budget assumes a decrease of \$3.500 million in state funds related to non-recurring grant payments.

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 population.

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

APPROPRIATION:
Medical Assistance - Physician Practice Plans

	State \$	Federal \$	Other \$	Total \$
GRANT & SUBSIDY				
1. Impact of the change in the standard FMAP full year blended rate (an increase from 52.1425 percent to 52.25 percent). The standard FMAP will remain at 52.25 percent, effective October 1, 2019:	\$0	\$30	\$0	\$30
2. Impact of non-recurring Fiscal Year 2018-2019 payments:	<u>(\$3,500)</u>	<u>(\$3,829)</u>	<u>\$0</u>	<u>(\$7,329)</u>
TOTAL	<u><u>(\$3,500)</u></u>	<u><u>(\$3,799)</u></u>	<u><u>\$0</u></u>	<u><u>(\$7,299)</u></u>

Fiscal Year 2018-2019 Projected Payments	State \$	Federal \$	Other \$	Total \$
Drexel University	\$2,750	\$2,997	\$0	\$5,747
University of Pennsylvania	\$1,554	\$1,693	\$0	\$3,247
Thomas Jefferson University	\$2,267	\$2,470	\$0	\$4,737
Mercy Philadelphia	\$1,500	\$1,641	\$0	\$3,141
Mercy Hospital Pittsburgh	\$1,500	\$1,641	\$0	\$3,141
Albert Einstein Medical Center	<u>\$500</u>	<u>\$547</u>	<u>\$0</u>	<u>\$1,047</u>
Total Fiscal Year 2018-2019	<u><u>\$10,071</u></u>	<u><u>\$10,989</u></u>	<u><u>\$0</u></u>	<u><u>\$21,060</u></u>

Fiscal Year 2019-2020 Projected Payments	State \$	Federal \$	Other \$	Total \$
Drexel University	\$2,750	\$3,010	\$0	\$5,760
University of Pennsylvania	\$1,554	\$1,700	\$0	\$3,254
Thomas Jefferson University	<u>\$2,267</u>	<u>\$2,480</u>	<u>\$0</u>	<u>\$4,747</u>
Total Fiscal Year 2019-2020	<u><u>\$6,571</u></u>	<u><u>\$7,190</u></u>	<u><u>\$0</u></u>	<u><u>\$13,761</u></u>

MEDICAL ASSISTANCE - PHYSICIAN PRACTICE PLANS

PROGRAM STATEMENT

The Department of Human Services 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 physical health HealthChoices Managed Care Organizations (MCOs). The physician practice plans are associated with Drexel University, the University of Pennsylvania, and Thomas Jefferson University. Payments are made to Philadelphia area MCOs, which pass the payments on to the qualifying facilities.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. C1.17, E26.5, E26.18

APPROPRIATION:
MA - Hospital-Based Burn Centers

I. SUMMARY FINANCIAL DATA	<u>2017-2018 Actual</u>	<u>2018-2019 Available</u>	<u>2019-2020 Budgeted</u>
State Funds	\$3,782	\$3,782	\$3,782
Federal Funds Total	\$4,068	\$4,139	\$4,139
Federal Sources Itemized			
<i>Medical Assistance - Hospital-Based Burn Centers</i>	\$4,068	\$4,139	\$4,139
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$7,850	\$7,921	\$7,921
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds		<u>\$0</u>	
Total		\$0	

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: MA - Hospital-Based Burn Centers				
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$3,782	\$3,782	\$3,782	\$0	0.00%
<i>Federal Funds</i>	\$4,068	\$4,139	\$4,139	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$7,850	\$7,921	\$7,921	\$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>	\$3,782	\$3,782	\$3,782	\$0	0.00%
<i>Federal Funds</i>	\$4,068	\$4,139	\$4,139	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$7,850	\$7,921	\$7,921	\$0	0.00%

APPROPRIATION: MA - Hospital-Based Burn Centers

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$1	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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:

Effective December 31, 2006, the Department implemented a disproportionate share payment program for qualifying Medical Assistance (MA) enrolled burn centers to assure readily available and coordinated burn care to the MA population.

Legislative Citations:
62 P.S. § 443.1; 42 U.S.C. § 1396a(a)(13)

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:

MA - Hospital-Based Burn Centers

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
GRANTS & SUBSIDY				
1. The Fiscal Year 2019-2020 Governor's Executive Budget maintains state and federal funding at Fiscal Year 2018-2019 funding levels:	<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>

Fiscal Year 2018-2019 Projected Payments	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
Crozer-Chester Medical Center	\$798	\$874	\$0	\$1,672
Lehigh Valley Hospital	\$454	\$496	\$0	\$950
Mercy Hospital of Pittsburgh	\$795	\$870	\$0	\$1,665
St. Christopher's Hospital	\$566	\$619	\$0	\$1,185
Temple University Hospital	\$584	\$639	\$0	\$1,223
West Penn Hospital	<u>\$585</u>	<u>\$641</u>	<u>\$0</u>	<u>\$1,226</u>
Total Fiscal Year 2018-2019	<u><u>\$3,782</u></u>	<u><u>\$4,139</u></u>	<u><u>\$0</u></u>	<u><u>\$7,921</u></u>

Fiscal Year 2019-2020 Projected Payments	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
Crozer-Chester Medical Center	\$798	\$874	\$0	\$1,672
Lehigh Valley Hospital	\$454	\$496	\$0	\$950
Mercy Hospital of Pittsburgh	\$795	\$870	\$0	\$1,665
St. Christopher's Hospital	\$566	\$619	\$0	\$1,185
Temple University Hospital	\$584	\$639	\$0	\$1,223
West Penn Hospital	<u>\$585</u>	<u>\$641</u>	<u>\$0</u>	<u>\$1,226</u>
Total Fiscal Year 2019-2020	<u><u>\$3,782</u></u>	<u><u>\$4,139</u></u>	<u><u>\$0</u></u>	<u><u>\$7,921</u></u>

HOSPITAL-BASED BURN CENTERS

PROGRAM STATEMENT

Effective December 31, 2006, the Department of Human Services implemented a Disproportionate Share Payment program for certain qualifying Medical Assistance (MA) enrolled acute care general hospital burn centers to assure readily available and coordinated burn care of the highest quality for the MA population.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. C1.7, C1.17, E26.5, E26.10, E26.18

APPROPRIATION:
Medical Assistance - Critical Access Hospitals

I. SUMMARY FINANCIAL DATA

	<u>2017-2018 Actual</u>	<u>2018-2019 Available</u>	<u>2019-2020 Budgeted</u>
State Funds	\$6,997	\$10,400	\$10,400
Federal Funds Total	\$10,968	\$14,882	\$14,882
Federal Sources Itemized			
<i>Medical Assistance - Critical Access Hospitals</i>	\$10,968	\$14,882 ¹	\$14,882
Other Funds Total	\$3,200	\$3,200	\$3,200
Other Fund Sources Itemized			
<i>Statewide Hospital Assessment</i>	<u>\$3,200</u>	<u>\$3,200</u>	<u>\$3,200</u>
Total	\$21,165	\$28,482	\$28,482

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$0
Federal Funds Total	\$3,551
Federal Sources Itemized	
<i>Medical Assistance - Critical Access Hospitals</i>	<u>\$3,551</u>
Total	\$3,551

¹ Includes a recommended supplemental appropriation of \$3.551 million. Act 1-A of 2018 provided \$11.331 million for this program in Fiscal Year 2018-2019.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Medical Assistance - Critical Access Hospitals			
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$6,997	\$10,400	\$10,400	\$0	0.00%
<i>Federal Funds</i>	\$10,968	\$14,882	\$14,882	\$0	0.00%
<i>Other Funds</i>	\$3,200	\$3,200	\$3,200	\$0	0.00%
Total Grant & Subsidy	\$21,165	\$28,482	\$28,482	\$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>	\$6,997	\$10,400	\$10,400	\$0	0.00%
<i>Federal Funds</i>	\$10,968	\$14,882	\$14,882	\$0	0.00%
<i>Other Funds</i>	\$3,200	\$3,200	\$3,200	\$0	0.00%
Total Funds	\$21,165	\$28,482	\$28,482	\$0	0.00%

APPROPRIATION:
Medical Assistance - Critical Access Hospitals

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$634	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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:

Effective in Fiscal Year 2008-2009, the Department implemented a disproportionate share payment program for qualifying Medical Assistance (MA) enrolled acute care hospitals designated as Critical Access Hospitals or qualifying rural hospitals, to ensure available, quality care to MA recipients in rural areas of the Commonwealth.

Legislative Citations:

62 P.S. § 443.1; 42 U.S.C. § 1396a(a)(13)

Disbursement Criteria:

Hospitals that meet Medicare's definition for "critical access" hospitals are eligible to receive up to 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>
GRANT & SUBSIDY				
1. The Fiscal Year 2019-2020 Governor's Executive Budget maintains state and federal funding at Fiscal Year 2018-2019 funding levels:	<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>

MEDICAL ASSISTANCE - CRITICAL ACCESS HOSPITALS

PROGRAM STATEMENT

This appropriation provides payments to hospitals that meet Medicare's definition for "critical access" hospitals. The payment covers services provided to eligible Medical Assistance (MA) recipients and is paid after consideration of all other MA payments to ensure quality care is available for recipients in rural areas of the commonwealth.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. C1.17, E26.5, E26.18

APPROPRIATION:
MA - Obstetric and Neonatal Services

I. SUMMARY FINANCIAL DATA

	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$3,681	\$3,681	\$3,681
Federal Funds Total	\$7,186	\$7,311	\$7,311
Federal Sources Itemized			
<i>Medical Assistance - Obstetric and Neonatal Services</i>	\$7,186	\$7,311	\$7,311
Other Funds Total	\$3,000	\$3,000	\$3,000
Other Fund Sources Itemized			
<i>Statewide Hospital Assessment</i>	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$3,000</u>
Total	\$13,867	\$13,992	\$13,992

IA. REQUESTED SUPPLEMENTALS (Included above)

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

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: MA - Obstetric and Neonatal Services			
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$3,681	\$3,681	\$3,681	\$0	0.00%
<i>Federal Funds</i>	\$7,177	\$7,311	\$7,311	\$0	0.00%
<i>Other Funds</i>	\$3,000	\$3,000	\$3,000	\$0	0.00%
Total Grant & Subsidy	\$13,858	\$13,992	\$13,992	\$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>	\$9	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$9	\$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>	\$3,681	\$3,681	\$3,681	\$0	0.00%
<i>Federal Funds</i>	\$7,186	\$7,311	\$7,311	\$0	0.00%
<i>Other Funds</i>	\$3,000	\$3,000	\$3,000	\$0	0.00%
Total Funds	\$13,867	\$13,992	\$13,992	\$0	0.00%

APPROPRIATION: MA - Obstetric and Neonatal Services

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$140	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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:

Effective in Fiscal Year 2007-2008, the Department implemented a disproportionate share payment program for qualifying Medical Assistance (MA) enrolled acute care hospitals that provide obstetrical and neonatal care services. This payment ensures the availability of quality care to low income pregnant women and children.

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:
 MA - Obstetric and Neonatal Services

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
GRANT & SUBSIDY				
1. The Fiscal Year 2019-2020 Governor's Executive Budget maintains state and federal funding at Fiscal Year 2018-2019 funding levels:	<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>

MEDICAL ASSISTANCE - OBSTETRIC AND NEONATAL SERVICES

PROGRAM STATEMENT

This appropriation provides funding to qualified obstetric and neonatal providers. Payments are for certain qualifying hospitals that provide obstetrical and neonatal intensive care (OB/NICU) services to Medical Assistance recipients. To receive the payments, hospitals must meet specific eligibility criteria and commit to: spend the funds on OB/NICU services, continue to provide OB/NICU services, return the funds should they discontinue OB/NICU, and provide the department financial reporting of how the funds were spent.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. C1.17, E26.5, E26.18

APPROPRIATION:
Medical Assistance - Trauma Centers

I. SUMMARY FINANCIAL DATA	<u>2017-2018 Actual</u>	<u>2018-2019 Available</u>	<u>2019-2020 Budgeted</u>
State Funds	\$8,656	\$8,656	\$8,656
Federal Funds Total	\$9,310	\$9,472	\$9,472
Federal Sources Itemized			
<i>Medical Assistance -Trauma Centers</i>	\$9,310	\$9,472	\$9,472
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$17,966	\$18,128	\$18,128
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 - Trauma Centers			
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$8,656	\$8,656	\$8,656	\$0	0.00%
<i>Federal Funds</i>	\$9,310	\$9,472	\$9,472	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$17,966	\$18,128	\$18,128	\$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>	\$8,656	\$8,656	\$8,656	\$0	0.00%
<i>Federal Funds</i>	\$9,310	\$9,472	\$9,472	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$17,966	\$18,128	\$18,128	\$0	0.00%

APPROPRIATION:
Medical Assistance - Trauma Centers

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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:

Request is based on continued state funding at the Fiscal Year 2018-2019 enacted level.

Legislative Citations:

42 U.S.C. § 1396a(a)(13)

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:
 Medical Assistance - Trauma Centers

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
GRANT & SUBSIDY				
1. The Fiscal Year 2019-2020 Governor's Executive Budget maintains state and federal funding at Fiscal Year 2018-2019 funding levels:	<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>

MEDICAL ASSISTANCE - 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; and also requires that hospitals commit to spending the funds on Trauma Services and provide the Department of Human Services with a report reflecting expenditures.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. C1.7, C1.17, E26.5, E26.10, E26.18

APPROPRIATION:
Medical Assistance - Academic Medical Centers

I. SUMMARY FINANCIAL DATA	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$24,681	\$24,681	\$17,431
Federal Funds Total	\$26,546	\$27,007	\$19,074
Federal Sources Itemized			
<i>MA - Academic Medical Centers</i>	\$26,546	\$27,007 ¹	\$19,074
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$51,227	\$51,688	\$36,505
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds		\$116	
Federal Sources Itemized			
<i>MA - Academic Medical Centers</i>		<u>\$116</u>	
Total		\$116	
¹ Includes a recommended supplemental appropriation of \$0.116 million. Act 1-A of 2018 provided \$26.891 million for this program in Fiscal Year 2018-2019.			

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Medical Assistance - Academic Medical Centers			
	2017-2018 Actual	2018-2019 Available	2019-2020 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	\$24,681	\$24,681	\$17,431	(\$7,250)	-29.37%
Federal Funds	\$26,546	\$27,007	\$19,074	(\$7,933)	-29.37%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$51,227	\$51,688	\$36,505	(\$15,183)	-29.37%
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	\$24,681	\$24,681	\$17,431	(\$7,250)	-29.37%
Federal Funds	\$26,546	\$27,007	\$19,074	(\$7,933)	-29.37%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$51,227	\$51,688	\$36,505	(\$15,183)	-29.37%

APPROPRIATION:
Medical Assistance - Academic Medical Centers

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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 2019-2020 Governor's Executive Budget assumes a decrease of \$7.250 million in state funds related to non-recurring grant payments.

Legislative Citations:

62 P.S. § 201(2)

Disbursement Criteria:

This appropriation provides for 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.

MEDICAL ASSISTANCE – ACADEMIC MEDICAL CENTERS

PROGRAM STATEMENT

Effective July 1, 2005, the Department of Human Services 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.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. C1.17, C3.4, E26.5, E26.8, E26.51, E26.16,
E26.18, E26.19

APPROPRIATION:
Medical Assistance - Transportation

I. SUMMARY FINANCIAL DATA

	<u>2017-2018 Actual</u>	<u>2018-2019 Available</u>	<u>2019-2020 Budgeted</u>
State Funds	\$65,011	\$78,554	\$73,153
State Sources Itemized			
<i>MA - Transportation</i>	\$61,511	\$75,054	\$69,653
<i>MA - Transportation Services (Lottery Fund)</i>	\$3,500	\$3,500	\$3,500
Federal Funds Total	\$80,895	\$82,931	\$85,706
Federal Sources Itemized			
<i>MA - Transportation</i>	\$80,895	\$82,931	\$85,706
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$145,906	\$161,485	\$158,859

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			
	2017-2018 Actual	2018-2019 Available	2019-2020 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	\$65,011	\$78,554	\$73,153	(\$5,401)	-6.88%
Federal Funds	\$80,895	\$82,931	\$85,706	\$2,775	3.35%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$145,906	\$161,485	\$158,859	(\$2,626)	-1.63%
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	\$65,011	\$78,554	\$73,153	(\$5,401)	-6.88%
Federal Funds	\$80,895	\$82,931	\$85,706	\$2,775	3.35%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$145,906	\$161,485	\$158,859	(\$2,626)	-1.63%

APPROPRIATION:
Medical Assistance - Transportation

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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 county trip statistics, contracted rates, and county adjustments based on service utilization.

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:

County allocations are based on actual county prior year expenditures. The Department contracts with Logisticare Solutions, LLC to coordinate the Medical Assistance - Transportation Program (MATP) for Philadelphia county based on a per individual rate. Due to updates to the State Plan that allow counties to elect to use brokers to coordinate the MATP, the Department will contract with York County Transportation (Rabbit Transit) to coordinate the MATP for Columbia, Cumberland, Franklin, Montour, Northumberland, Snyder, and Union counties based on a per trip rate developed from historical costs. The Department also contracts with the South Central Transit Authority (SCTA) to coordinate the MATP for Berks and Lancaster counties. The department will solicit a regional broker model to administer MATP across the state in Fiscal Year 2019-2020.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Medical Assistance - Transportation			
	State \$	Federal \$	Other \$	Total
GRANT & SUBSIDY				
1. Provides for an increase of 752,471 trips consisting of:				
A. An increase of 365,269 Medical Assistance (MA) trips in Philadelphia county:	\$1,398	\$2,534	\$0	\$3,932
B. An increase of 23,121 MA trips in direct contract counties:	\$291	\$291	\$0	\$582
C. An increase of 364,081 MA trips in all other counties:	\$4,315	\$4,315	\$0	\$8,630
2. Provides for a net decrease in cost per trip consisting of:				
A. A decrease of \$1.12 in the cost per trip in Philadelphia county:	(\$1,714)	(\$3,691)	\$0	(\$5,405)
B. An increase of \$0.73 in the cost per trip in direct contract counties:	\$175	\$175	\$0	\$350
C. A decrease of \$0.29 in the cost per trip in all other counties:	(\$618)	(\$618)	\$0	(\$1,236)
Subtotal Cost & Utilization	\$3,847	\$3,006	\$0	\$6,853
3. Reflects a non-recurring disallowance related to the county cost allocation plan methodology:	(\$9,479)	\$0	\$0	(\$9,479)
4. Impact of the change in the enhanced Federal Medical Assistance Percentage (FMAP) (a decrease from 93.00 percent to 90.00 percent on January 1, 2020). Full-year blended rate decreases from 93.5 percent to 91.5 percent:	\$267	(\$267)	\$0	\$0
5. Impact of the change in the standard FMAP full year blended rate (an increase from 52.1425 percent to 52.2500 percent) The standard FMAP will remain at 52.25 percent, effective October 1, 2019:	(\$36)	\$36	\$0	\$0
Subtotal Grant & Subsidy	(\$5,401)	\$2,775	\$0	(\$2,626)
LOTTERY FUND				
GRANT & SUBSIDY				
1. Maintains Lottery Fund at the Fiscal Year 2018-2019 level of \$3.500 million:	\$0	\$0	\$0	\$0
TOTAL LOTTERY FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	<u>(\$5,401)</u>	<u>\$2,775</u>	<u>\$0</u>	<u>(\$2,626)</u>

Medical Assistance - Transportation
Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2018-2019

	Total	Federal	State	Services	Clients	Cost per Service
Counties Philadelphia	\$92,424,435	\$46,212,218	\$46,212,217	3,898,913	90,836	\$23.71
Contract Direct	\$47,926,705	\$30,891,150	\$17,035,555	4,452,632	26,780	\$10.76
Contracts Subtotal	\$11,655,263	\$5,827,632	\$5,827,631	462,419	5,372	\$25.20
	<u>\$152,006,403</u>	<u>\$82,931,000</u>	<u>\$69,075,403</u>	<u>8,813,964</u>	<u>122,988</u>	
Federal Disallowance	\$9,478,597	\$0	\$9,478,597			
Total Program Requirements	<u>\$161,485,000</u>	<u>\$82,931,000</u>	<u>\$78,554,000</u>			
Transfer to Lottery Fund	<u>(\$3,500,000)</u>	<u>\$0</u>	<u>(\$3,500,000)</u>			
Total General Fund Requirements	\$157,985,000	\$82,931,000	\$75,054,000			
Act 1-A of 2018	\$157,985,000	\$82,931,000	\$75,054,000			
Surplus/(Deficit)	\$0	\$0	\$0			

Medical Assistance - Transportation
Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2019-2020

	Total	Federal	State	Services	Clients	Cost per Service
Counties	\$99,818,390	\$49,909,195	\$49,909,195	4,262,994	98,087	\$23.42
Philadelphia Contract Direct	\$46,453,359	\$29,503,261	\$16,950,098	4,817,901	26,684	\$9.64
Contracts	\$12,587,684	\$6,293,842	\$6,293,842	485,540	5,641	\$25.93
Total Program Requirements	<u>\$158,859,433</u>	<u>\$85,706,298</u>	<u>\$73,153,135</u>	<u>9,566,435</u>	<u>130,412</u>	
Transfer to Lottery Fund	<u>(\$3,500,000)</u>	<u>\$0</u>	<u>(\$3,500,000)</u>			
Total General Fund Requirements	\$155,359,433	\$85,706,298	\$69,653,135			

MEDICAL ASSISTANCE - TRANSPORTATION

PROGRAM STATEMENT

Federal regulations require the State Medicaid Agency assure that non-emergency medical transportation is available for eligible Medical Assistance (MA) recipients to and from MA enrolled medical providers. The Department of Human Services (DHS) carries out this mandate by providing such services through the Medical Assistance Transportation Program (MATP). Emergency medical transportation services are funded separately through the MA Fee-for-Service and Capitation appropriations.

The MATP operates in every county by either the county government, sub-contracted entities of county government, local transit agencies or a transportation brokerage agency. In Fiscal Year 2018-2019, funds were allocated to 54 county grantees who either provide services directly or contract with a local human services or transit agency, two direct vendor contracts (funded on a per trip rate basis) who provide services in 12 counties and one broker (funded on a "per member per month" fee basis) who provides services in one county. The department will solicit a regional broker model to administer MATP across the state in Fiscal Year 2019-2020.

Lottery funding continues to be available in Fiscal Year 2019-2020 to offset MATP costs for seniors 65 years and older utilizing PennDOT's Senior Shared Ride Program.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. C1.17, E26.6, E26.16, E26.18

APPROPRIATION:
Expanded Medical Services for Women

I. SUMMARY FINANCIAL DATA	<u>2017-2018 Actual</u>	<u>2018-2019 Available</u>	<u>2019-2020 Budgeted</u>
State Funds	\$6,263	\$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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$7,263	\$7,263	\$7,263
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds		<u>\$0</u>	
Total		\$0	

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Expanded Medical Services for Women			
	2017-2018 Actual	2018-2019 Available	2019-2020 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	\$6,263	\$6,263	\$6,263	\$0	0.00%
Federal Funds	\$1,000	\$1,000	\$1,000	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$7,263	\$7,263	\$7,263	\$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	\$6,263	\$6,263	\$6,263	\$0	0.00%
Federal Funds	\$1,000	\$1,000	\$1,000	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$7,263	\$7,263	\$7,263	\$0	0.00%

APPROPRIATION:
Expanded Medical Services for Women

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$1,497	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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 2019-2020 Governor's Executive Budget maintains state funding for Expanded Medical Services for Women at the Fiscal Year 2018-2019 state funding level of \$6.263 million. The Fiscal Year 2019-2020 Governor's Executive Budget maintains federal funding for the Temporary Assistance for Needy Families Block Grant (TANFBG) program at the Fiscal Year 2018-2019 appropriation level of \$1.000 million.

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. State funds are allocated for grants to nonprofit agencies whose primary function is to assist pregnant women who are seeking alternatives to abortion. Federal TANFBG funding is 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>
GRANTS & SUBSIDY				
1. The Fiscal Year 2019-2020 Governor's Executive Budget maintains state and federal funding at Fiscal Year 2018-2019 funding levels:	<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 2019-2020 Governor's Executive Budget provides state funding of \$6.623 million. The Fiscal Year 2019-2020 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 and counseling regarding childbirth, parenting, chastity, food and clothing pantries, and housing assistance.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. E26.6, E26.16, E26.17, E26.18, E26.19

APPROPRIATION:
Children's Health Insurance Program

I. SUMMARY FINANCIAL DATA	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$10,674	\$12,725	\$48,240
Federal Funds Total	\$405,455	\$439,002	\$386,652
Federal Sources Itemized			
<i>Children's Health Insurance Program</i>	\$405,455	\$439,002	\$386,652
Other Funds Total	\$35,845	\$32,709	\$43,540
Other Fund Sources Itemized			
<i>Cigarette Tax</i>	\$32,087	\$28,427	\$35,670
<i>Medical Assistance - Assesments</i>	<u>\$3,758</u>	<u>\$4,282</u>	<u>\$7,870</u>
Total	\$451,974	\$484,436	\$478,432
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds		<u>\$0</u>	
Total		\$0	

DE DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Children's Health Insurance Program			
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$339	\$381	\$601	\$220	0.00%
<i>Federal Funds</i>	\$2,816	\$3,246	\$2,554	(\$692)	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$3,155	\$3,627	\$3,155	(\$472)	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>	\$10,335	\$12,344	\$47,639	\$35,295	0.00%
<i>Federal Funds</i>	\$388,438	\$384,084	\$384,098	\$14	0.00%
<i>Other Funds</i>	\$35,845	\$32,709	\$43,540	\$10,831	0.00%
Total Grant & Subsidy	\$434,618	\$429,137	\$475,277	\$46,140	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>	\$14,201	\$51,672	\$0	(\$51,672)	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$14,201	\$51,672	\$0	(\$51,672)	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>	\$10,674	\$12,725	\$48,240	\$35,515	0.00%
<i>Federal Funds</i>	\$405,455	\$439,002	\$386,652	(\$52,350)	0.00%
<i>Other Funds</i>	\$35,845	\$32,709	\$43,540	\$10,831	0.00%
Total Funds	\$451,974	\$484,436	\$478,432	(\$6,004)	0.00%

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2016-2017	2017-2018	2018-2019 Estimated
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2017	12/31/2018	2019-2020 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 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); Title XXI of the Social Security Act, 42 U.S.C.A §§ 1397aa-1397mm

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.

DE EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Children's Health Insurance Program			
	State \$	Federal \$	Other \$	Total
OPERATING				
1. Reflects a decrease in outreach and marketing: in Fiscal Year 2019-2020:	(\$49)	(\$423)	\$0	(\$472)
2. Impact of the change in Enhanced Federal Medical Assistance Percentage (a decrease from 89.58 percent to 78.08 percent, effective October 1, 2019). Full-year blended rate decreases from 89.5025 percent to 80.9550 percent:	\$269	(\$269)	\$0	\$0
Subtotal Operating	\$220	(\$692)	\$0	(\$472)
GRANT & SUBSIDY				
1. Monthly Payments for the Free Component:				
A. Provides for an a increase of 1,858 children during Fiscal Year 2019-2020 from 123,312 to 125,170:	\$550	\$4,555	\$0	\$5,105
B. Provides for an increase in the average monthly cost per user of \$3.56, from \$228.25 in Fiscal Year 2018-2019 to \$231.81 in Fiscal Year 2019-2020:	\$1,523	\$4,440	\$0	\$5,963
2. Monthly Subsidized Payments for Children from 208 to 262 Percent of the Federal Poverty Income Guidelines (FPIG):				
A. Provides for an increase of 1,209 children during Fiscal Year 2019-2020 from 31,684 to 32,893:	\$263	\$2,243	\$0	\$2,506
B. Provides for an increase in the average monthly cost per user of \$1.87, from \$172.60 in Fiscal Year 2018-2019 to \$174.47 in Fiscal Year 2019-2020:	\$258	\$480	\$0	\$738
3. Monthly Subsidized Payments for Children from 262 to 288 Percent of the FPIG:				
A. Provides for an increase of 386 children during Fiscal Year 2019-2020 from 8,822 to 9,208:	\$72	\$616	\$0	\$688
B. Provides for an increase in the average monthly cost per user of \$2.16, from \$148.57 in Fiscal Year 2018-2019 to \$150.73 in Fiscal Year 2019-2020:	\$69	\$170	\$0	\$239
4. Monthly Subsidized Payments for Children from 288 to 314 Percent of the FPIG:				
A. Provides for an increase of 608 children during Fiscal Year 2019-2020 from 6,529 to 7,137:	\$104	\$889	\$0	\$993
B. Provides for an increase in the average monthly cost per user of \$0.72, from \$136.15 in Fiscal Year 2018-2019 to \$136.87 in Fiscal Year 2019-2020:	\$37	\$24	\$0	\$61
5. Impact of the change in Enhanced Federal Medical Assistance Percentage (a decrease from 89.58 percent to 78.08 percent, effective October 1, 2019). Full-year blended rate decreases from 89.5025 percent to 80.9550 percent:	\$37,550	(\$37,550)	\$0	\$0

DE EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Children's Health Insurance Program			
	State \$	Federal \$	Other \$	Total
6. The Fiscal Year 2019-2020 Governor's Executive Budget recommends that \$35.670 million be allocated from the Cigarette Tax to provide supplemental funding to the CHIP appropriation:	(\$7,243)	\$0	\$7,243	\$0
7. Increase in MCO Assessment in Fiscal Year 2019-2020:	(\$3,588)	\$0	\$3,588	\$0
Subtotal Grant & Subsidy	\$29,595	(\$24,133)	\$10,831	\$16,293
BUGETARY RESERVE				
1. Impact of excess Federal appropriation authority in Fiscal Year 2018-2019:	\$0	(\$51,672)	\$0	(\$51,672)
FISCAL YEAR 2019-2020 INITIATIVES				
GRANT & SUBSIDY				
1. Minimum Wage Increase				
A. Reflects transfer of children from Medicaid to CHIP related to the change in minimum wage to \$12.00 an hour, effective July 1, 2019:	\$5,700	\$24,147	\$0	\$29,847
Operating Total	\$220	(\$692)	\$0	(\$472)
Grant & Subsidy Total	\$35,295	\$14	\$10,831	\$46,140
Budgetary Reserve Total	\$0	(\$51,672)	\$0	(\$51,672)
GRAND TOTAL	\$35,515	(\$52,350)	\$10,831	(\$6,004)

Children's Health Insurance Program
Fiscal Year 2018-2019
Governors' Executive Budget

Month of Payment	Total	Federal	State	Total Enrollment	Average Per Capita
<u>Free Component</u>					
July 2018	\$28,533,966	\$25,472,271	\$3,061,695	122,940	\$232.10
August	\$28,105,211	\$25,089,522	\$3,015,689	122,663	\$229.13
September	\$28,146,747	\$25,126,601	\$3,020,146	122,694	\$229.41
October	\$28,420,916	\$25,459,456	\$2,961,459	122,591	\$231.84
November	\$28,613,579	\$25,632,044	\$2,981,535	123,550	\$231.60
December	\$27,954,323	\$25,041,482	\$2,912,840	123,688	\$226.01
January 2019	\$27,898,757	\$24,991,707	\$2,907,051	123,171	\$226.50
February	\$27,937,816	\$25,026,695	\$2,911,120	123,343	\$226.50
March	\$27,976,929	\$25,061,733	\$2,915,196	123,516	\$226.50
April	\$28,016,096	\$25,096,819	\$2,919,277	123,689	\$226.50
May	\$28,055,319	\$25,131,955	\$2,923,364	123,862	\$226.50
June	\$28,094,596	\$25,167,139	\$2,927,457	124,036	\$226.50
Subtotal Free Component	\$337,754,254	\$302,297,424	\$35,456,830	123,312	\$228.25
<u>Subsidized - 208-262%</u>					
July 2018	\$5,547,844	\$4,952,560	\$595,284	31,398	\$176.69
August	\$5,525,650	\$4,932,748	\$592,902	31,477	\$175.55
September	\$5,529,621	\$4,936,293	\$593,328	31,523	\$175.42
October	\$5,492,288	\$4,919,991	\$572,296	31,434	\$174.72
November	\$5,533,040	\$4,956,497	\$576,543	31,730	\$174.38
December	\$5,469,038	\$4,899,164	\$569,874	31,829	\$171.83
January 2019	\$5,370,353	\$4,810,763	\$559,591	31,506	\$170.45
February	\$5,390,475	\$4,828,788	\$561,688	31,624	\$170.45
March	\$5,410,673	\$4,846,881	\$563,792	31,743	\$170.45
April	\$5,430,946	\$4,865,041	\$565,905	31,861	\$170.45
May	\$5,451,295	\$4,883,270	\$568,025	31,981	\$170.45
June	\$5,471,720	\$4,901,567	\$570,153	32,101	\$170.45
Subtotal Subsidized - 208-262%	\$65,622,942	\$58,733,562	\$6,889,380	31,684	\$172.60
<u>Subsidized - 262-288%</u>					
July 2018	\$1,353,874	\$1,208,604	\$145,271	8,911	\$151.93
August	\$1,323,637	\$1,181,611	\$142,026	8,863	\$149.34
September	\$1,337,336	\$1,193,840	\$143,496	8,883	\$150.55
October	\$1,327,457	\$1,189,136	\$138,321	8,813	\$150.62
November	\$1,322,470	\$1,184,669	\$137,801	8,847	\$149.48
December	\$1,300,280	\$1,164,791	\$135,489	8,823	\$147.37
January 2019	\$1,277,253	\$1,144,163	\$133,090	8,674	\$147.25
February	\$1,283,886	\$1,150,105	\$133,781	8,719	\$147.25
March	\$1,290,554	\$1,156,078	\$134,476	8,764	\$147.25
April	\$1,297,256	\$1,162,082	\$135,174	8,810	\$147.25
May	\$1,303,993	\$1,168,117	\$135,876	8,856	\$147.25
June	\$1,310,765	\$1,174,183	\$136,582	8,902	\$147.25
Subtotal Subsidized - 262-288%	\$15,728,761	\$14,077,378	\$1,651,383	8,822	\$148.57
<u>Subsidized - 288-314%</u>					
July 2018	\$899,829	\$803,278	\$96,552	6,358	\$141.53
August	\$887,817	\$792,554	\$95,263	6,391	\$138.92
September	\$888,215	\$792,909	\$95,305	6,398	\$138.83
October	\$888,342	\$795,776	\$92,565	6,453	\$137.66
November	\$895,660	\$802,332	\$93,328	6,464	\$138.56
December	\$885,790	\$793,491	\$92,299	6,481	\$136.67
January 2019	\$869,104	\$778,543	\$90,561	6,501	\$133.69
February	\$876,158	\$784,862	\$91,296	6,554	\$133.69
March	\$883,269	\$791,232	\$92,037	6,607	\$133.69
April	\$890,437	\$797,654	\$92,784	6,661	\$133.69
May	\$897,664	\$804,128	\$93,537	6,715	\$133.69
June	\$904,950	\$810,816	\$94,134	6,769	\$133.69
Subtotal Subsidized - 288-314%	\$10,667,235	\$9,547,576	\$1,119,659	6,529	\$136.15
TOTAL PREMIUM PAYMENTS	\$429,773,192	\$384,655,940	\$45,117,252	170,347	
<u>OPERATING</u>					
Outreach	\$3,626,349	\$3,245,673	\$380,676		
Uncommitted	\$51,672,337	\$51,672,337	\$0		
FY 2018-2019 Cash Requirement	\$485,071,878	\$439,573,950	\$45,497,928		
MCO Assessment	\$4,282,000	\$0	\$4,282,000		
Cigarette Tax	\$28,427,370	\$0	\$28,427,378		
Total FY 2018-2019 Program Requirement	\$452,362,508	\$439,573,950	\$12,788,550		
GO TIME SAVINGS	(\$635,500)	(\$571,950)	(\$63,550)		
	\$451,727,008	\$439,002,000	\$12,725,000		
Act 1-A of 2018	\$ 451,727,008	\$ 439,002,000	\$		
Surplus/(Deficit)	\$0	\$0	\$ 12,725,000		

Children's Health Insurance Program
Fiscal year 2019-2020 Projection
Governor's Executive Budget

Month of Payment	Total	Federal	State	Total Enrollment	Average Per Capita
<u>Free Component</u>					
July 2019	\$ 28,133,929	\$25,202,373	\$2,931,555	124,209	\$226.50
August	\$ 28,173,316	\$25,237,657	\$2,935,660	124,383	\$226.50
September	\$ 28,212,759	\$25,272,989	\$2,939,769	124,557	\$226.50
October	\$ 28,252,257	\$22,039,585	\$6,212,671	124,732	\$226.50
November	\$ 28,291,810	\$22,070,441	\$6,221,369	124,906	\$226.50
December	\$ 29,464,675	\$22,985,393	\$6,479,282	125,081	\$235.56
January 2020	\$ 29,505,926	\$23,017,573	\$6,488,353	125,256	\$235.56
February	\$ 29,547,234	\$23,049,797	\$6,497,437	125,432	\$235.56
March	\$ 29,588,600	\$23,082,067	\$6,506,533	125,607	\$235.56
April	\$ 29,630,024	\$23,114,382	\$6,515,642	125,783	\$235.56
May	\$ 29,671,506	\$23,146,742	\$6,524,764	125,959	\$235.56
June	\$29,713,046	\$23,179,147	\$6,533,899	126,136	\$235.56
Subtotal Free Component	\$348,185,081	\$281,398,146	\$66,786,935	125,170	\$231.81
<u>Subsidized - 208-262%</u>					
July 2019	\$ 5,492,221	\$4,919,932	\$572,289	32,221	\$170.45
August	\$ 5,512,800	\$4,938,366	\$574,434	32,342	\$170.45
September	\$ 5,533,456	\$4,956,869	\$576,586	32,463	\$170.45
October	\$ 5,554,189	\$4,332,822	\$1,221,366	32,584	\$170.45
November	\$ 5,574,999	\$4,349,057	\$1,225,942	32,707	\$170.45
December	\$ 5,819,723	\$4,539,966	\$1,279,757	32,829	\$177.27
January 2020	\$ 5,841,529	\$4,556,977	\$1,284,552	32,952	\$177.27
February	\$ 5,863,416	\$4,574,051	\$1,289,365	33,076	\$177.27
March	\$ 5,885,386	\$4,591,189	\$1,294,196	33,200	\$177.27
April	\$ 5,907,437	\$4,608,392	\$1,299,045	33,324	\$177.27
May	\$ 5,929,572	\$4,625,659	\$1,303,913	33,449	\$177.27
June	\$ 5,951,789	\$4,642,990	\$1,308,798	33,574	\$177.27
Subtotal Subsidized - 208-262%	\$68,866,517	\$55,636,272	\$13,230,245	32,893	\$174.47
<u>Subsidized - 262-288%</u>					
July 2019	\$ 1,317,572	\$1,180,281	\$137,291	8,948	\$147.25
August	\$ 1,324,414	\$1,186,410	\$138,004	8,994	\$147.25
September	\$ 1,331,292	\$1,192,572	\$138,721	9,041	\$147.25
October	\$ 1,338,206	\$1,043,935	\$294,272	9,088	\$147.25
November	\$ 1,345,156	\$1,049,356	\$295,800	9,135	\$147.25
December	\$ 1,406,227	\$1,096,998	\$309,229	9,183	\$153.14
January 2020	\$ 1,413,530	\$1,102,695	\$310,835	9,230	\$153.14
February	\$ 1,420,871	\$1,108,421	\$312,450	9,278	\$153.14
March	\$ 1,428,250	\$1,114,178	\$314,072	9,326	\$153.14
April	\$ 1,435,667	\$1,119,964	\$315,703	9,375	\$153.14
May	\$ 1,443,123	\$1,125,780	\$317,343	9,424	\$153.14
June	\$ 1,450,617	\$1,131,627	\$318,991	9,472	\$153.14
Subtotal Subsidized - 262-288%	\$16,654,926	\$13,452,216	\$3,202,710	9,208	\$150.73
<u>Subsidized - 288-314%</u>					
July 2019	\$ 912,294	\$817,233	\$95,061	6,824	\$133.69
August	\$ 919,698	\$823,866	\$95,833	6,879	\$133.69
September	\$ 927,163	\$830,552	\$96,610	6,935	\$133.69
October	\$ 934,688	\$729,150	\$205,538	6,992	\$133.69
November	\$ 942,273	\$735,068	\$207,206	7,048	\$133.69
December	\$ 987,918	\$770,675	\$217,243	7,106	\$139.04
January 2020	\$ 995,936	\$776,929	\$219,006	7,163	\$139.04
February	\$ 1,004,019	\$783,235	\$220,784	7,221	\$139.04
March	\$ 1,012,167	\$789,592	\$222,576	7,280	\$139.04
April	\$ 1,020,382	\$796,000	\$224,382	7,339	\$139.04
May	\$ 1,028,664	\$802,461	\$226,203	7,399	\$139.04
June	\$ 1,037,012	\$808,973	\$228,039	7,459	\$139.04
Subtotal Subsidized - 288-314%	\$11,722,214	\$9,463,733	\$2,258,481	7,137	\$136.87
TOTAL PREMIUM PAYMENTS	\$445,428,738	\$359,950,367	\$85,478,371	174,408	
<u>OPERATING</u>					
Outreach	\$3,155,000	\$2,554,130	\$600,870		
Uncommitted	\$0	\$0	\$0		
<u>FY 2019-2020 PRR/INITIATIVES</u>					
Minimum Wage Increase	\$29,847,000	\$24,147,000	\$5,700,000		
FY Cash Requirement	\$478,430,738	\$386,651,497	\$91,779,241		
MCO Assessment	\$7,869,718	\$0	\$7,869,718		
Cigarette Tax	\$35,669,696	\$0	\$35,669,696		
Total FY Program Requirement	\$434,891,324	\$386,651,497	\$48,239,828		

CHILDREN'S HEALTH INSURANCE PROGRAM

PROGRAM STATEMENT

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 2019-2020, CHIP anticipates enrolling an average of 185,930 children, an increase of approximately 6,107 children over 2018-2019, at a total cost of \$478 million in state and federal funds. CHIP continues to coordinate applications for children who may be eligible for Medical Assistance (MA) through the health care handshake process.

Act 84 of 2015 transferred the administration of CHIP from the Pennsylvania Department of Insurance to the Department of Human Services effective December 20, 2015. The transfer of the program allows for more coordination of services across programs resulting in a holistic approach to services provided to CHIP members.

PROGRAM COMPONENTS

CHIP has three components that cover children and teens up to age 19 with identical, comprehensive benefits. Children under 133% of the Federal Poverty Guidelines are eligible for Medical Assistance.

- The free component covers children in families with a net household income from 133% to 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% to 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 \$233 per child per month for the premium. Comparable insurance must either be unavailable or unaffordable for a child to qualify.

FISCAL YEAR 2019-2020 INITIATIVE – MINIMUM WAGE INCREASE

The Fiscal Year 2019-2020 "Minimum Wage Increase" initiative will increase the minimum wage for all Pennsylvania workers to \$12.00 per hour. This initiative is expected to decrease HealthChoices enrollment as more adults will be able to transition off Medical Assistance as their income increases. Additionally, children will transition to CHIP coverage as their family income increases.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

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Pp. E26.9, H84

APPROPRIATION:
Tobacco Settlement Fund
Uncompensated Care

I. SUMMARY FINANCIAL DATA	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$28,578	\$31,301 ¹	\$30,856
Federal Funds Total	\$36,936	\$34,251	\$33,764
Federal Sources Itemized			
<i>Medical Assistance - Uncompensated Care</i>	\$36,936	\$34,251 ²	\$33,764
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$65,514	\$65,552	\$64,620
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$3,055	
Federal Funds		\$3,343	
Federal Sources Itemized			
<i>Medical Assistance - Uncompensated Care</i>		<u>\$3,343</u>	
Total		\$6,398	
 ¹ Includes a recommended supplemental appropriation of \$3.055 million. ESN 18-036 provided \$28.246 million for this program in Fiscal Year 2018-2019.			
 ² Includes a recommended supplemental appropriation of \$3.343 million. ESN 18-036 provided \$30.908 million for this program in Fiscal Year 2018-2019.			

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)			APPROPRIATION: Tobacco Settlement Fund Uncompensated Care		
	2017-2018 Actual	2018-2019 Available	2019-2020 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	\$28,578	\$31,301	\$30,856	(\$445)	-1.42%
Federal Funds	\$36,936	\$34,251	\$33,764	(\$487)	-1.42%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$65,514	\$65,552	\$64,620	(\$932)	-1.42%
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	\$28,578	\$31,301	\$30,856	(\$445)	-1.42%
Federal Funds	\$36,936	\$34,251	\$33,764	(\$487)	-1.42%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$65,514	\$65,552	\$64,620	(\$932)	-1.42%

APPROPRIATION:
Tobacco Settlement Fund
Uncompensated Care

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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 2019-2020 Governor's Executive Budget recommends that \$30.856 million be allocated from the Tobacco Settlement Fund for payments under the Uncompensated Care Payment Program.

Legislative Citations:

35 P.S. §§ 5701.1101-1108

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 a decrease in available Uncompensated Care funds in Fiscal Year 2019-2020:	<u>(\$445)</u>	<u>(\$487)</u>	<u>\$0</u>	<u>(\$932)</u>
TOTAL	<u><u>(\$445)</u></u>	<u><u>(\$487)</u></u>	<u><u>\$0</u></u>	<u><u>(\$932)</u></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.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

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E26.15, E26.21-E26.23, H84

APPROPRIATION:
Medical Assistance - Long-Term Care

I. SUMMARY FINANCIAL DATA	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds Total	\$1,362,287	\$952,438	\$465,795
State Sources Itemized			
<i>MA - Long-Term Care (General Fund)</i>	\$1,099,084	\$850,149	\$465,795
<i>MA - Long-Term Care (Tobacco Settlement Fund)</i>	\$133,922	\$20,908	\$0
<i>MA - Long-Term Care (Lottery Fund)</i>	\$129,281	\$81,381	\$0
Federal Funds Total	\$2,289,103	\$1,479,793	\$692,338
Federal Sources Itemized			
<i>MA - Long-Term Care (General Fund)</i>	\$2,289,103	\$1,479,793	\$692,338
Other Funds Total	\$630,737	\$363,759	\$139,145
Other Fund Sources Itemized			
<i>Intergovernmental Transfer</i>	\$94,969	\$52,031	\$19,885
<i>Nursing Home Assessment</i>	\$528,487	\$311,728	\$119,260
<i>MCO - Assessment</i>	\$4,600	\$0	\$0
<i>Statewide Hospital Assessment</i>	\$2,681	\$0	\$0
Total	<u>\$4,282,127</u>	<u>\$2,795,990</u>	<u>\$1,297,278</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 - Long-Term Care				
	2017-2018 Actual	2018-2019 Available	2019-2020 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	\$23,387	\$32,902	\$31,646	(\$1,256)	-3.82%
Federal Funds	\$23,094	\$30,523	\$31,510	\$987	3.23%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$46,481	\$63,425	\$63,156	(\$269)	-0.42%
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	\$1,338,900	\$919,536	\$434,149	(\$485,387)	-52.79%
Federal Funds	\$2,266,009	\$1,400,420	\$657,777	(\$742,643)	-53.03%
Other Funds	\$630,737	\$363,759	\$139,145	(\$224,614)	-61.75%
Total Grant & Subsidy	\$4,235,646	\$2,683,715	\$1,231,071	(\$1,452,644)	-54.13%
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	\$48,850	\$3,051	(\$45,799)	-93.75%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$48,850	\$3,051	(\$45,799)	-93.75%
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	\$1,362,287	\$952,438	\$465,795	(\$486,643)	-51.09%
Federal Funds	\$2,289,103	\$1,479,793	\$692,338	(\$787,455)	-53.21%
Other Funds	\$630,737	\$363,759	\$139,145	(\$224,614)	-61.75%
Total Funds	\$4,282,127	\$2,795,990	\$1,297,278	(\$1,498,712)	-53.60%

APPROPRIATION:
Medical Assistance - Long-Term Care

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2016-2017	2017-2018	2018-2019 Estimated
State Funds	\$1,407	\$372	\$0

IV. COMPLEMENT INFORMATION	12/31/2017	12/31/2018	2019-2020 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 Program, their Medical Assistance 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: Medical Assistance - Long-Term Care			
	State \$	Federal \$	Other \$	Total \$
GENERAL FUND				
OPERATING				
1. The Governor's Executive Budget includes \$63.155 million (\$31.646 million in state funds) for the continuation of the major contracts for this appropriation:	(\$1,256)	\$987	\$0	(\$269)
Subtotal Operating	(\$1,256)	\$987	\$0	(\$269)
GRANT & SUBSIDY				
PROVIDER PAYMENTS				
1. Impact of a one percent increase in fee-for-service per diem rates, effective January 1, 2019:	\$9,155	\$9,964	\$0	\$19,119
2. Provides for an increase of 35,701 days of care during Fiscal Year 2019-2020 from 14,938,126 to 14,973,827:	\$2,820	\$3,079	\$0	\$5,899
Subtotal Provider Payments	\$11,975	\$13,043	\$0	\$25,018
OTHER PROVIDER PAYMENTS				
1. Reflects the shift of other provider payments to Community HealthChoices:	(\$156,832)	(\$174,596)	\$0	(\$331,428)
2. Reflects the non-recurring Fiscal Year 2018-2019 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:	(\$8,000)	(\$8,754)	\$0	(\$16,754)
3. Reflects the non-recurring additional Fiscal Year 2018-2019 Supplemental Ventilator Care and Tracheostomy Care payments:	(\$750)	(\$821)	\$0	(\$1,571)
4. Reflects the non-recurring Fiscal Year 2018-2019 Access to Nursing Care payments to qualified nonpublic nursing facilities:	(\$6,000)	(\$6,565)	\$0	(\$12,565)
5. Reflects the non-recurring Fiscal Year 2018-2019 85 Percent Occupancy Rate payment to qualified county nursing facilities:	(\$2,000)	(\$2,188)	\$0	(\$4,188)
6. Reflects the non-recurring Fiscal Year 2018-2019 Supplemental Special Rehabilitation Facility payment to qualified facilities:	(\$850)	(\$930)	\$0	(\$1,780)
Subtotal Other Provider Payments	(\$174,432)	(\$193,854)	\$0	(\$368,286)
ADMINISTRATIVE/CASH FLOW IMPACTS				
1. Reflects the non-recurring rollback of expenditures from Fiscal Year 2019-2020 to Fiscal Year 2018-2019:	(\$31,648)	\$0	\$0	(\$31,648)

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Medical Assistance - Long-Term Care			
	State \$	Federal \$	Other \$	Total \$
2. The Federal Medical Assistance Percentage will remain at 52.25 percent, effective October 1, 2019. Impact of the full-year blended rate (an increase from 52.1425 percent to 52.2500 percent):	(\$2,671)	\$2,671	\$0	\$0
Subtotal Administrative/Cash Flow Impacts	(\$34,319)	\$2,671	\$0	(\$31,648)
GRANT PAYMENTS				
1. Reflects a decrease in clinical eligibility assessments:	(\$819)	(\$3,461)	\$0	(\$4,280)
2. Reflects a decrease in Community HealthChoices outreach:	\$0	(\$78)	\$0	(\$78)
3. Reflects a decrease in Money Follows the Person:	\$0	(\$295)	\$0	(\$295)
Subtotal Grant Payments	(\$819)	(\$3,834)	\$0	(\$4,653)
COMMUNITY HEALTHCHOICES				
1. Impact of implementing Community HealthChoices in the remaining zones beginning January 1, 2020, including annualization of the southeast implementation, which will improve care coordination and health outcomes while allowing more individuals to live in their community:	(\$512,406)	(\$560,669)	\$0	(\$1,073,075)
Subtotal Community HealthChoices	(\$512,406)	(\$560,669)	\$0	(\$1,073,075)
REVENUE				
1. Revenues will shift to the Community HealthChoices appropriation to offset General funds for individuals who have transitioned.				
A. Nursing Home Assessment:	\$192,468	\$0	(\$192,468)	\$0
B. Intergovernmental Transfer:	\$32,146	\$0	(\$32,146)	\$0
Subtotal Revenue	\$224,614	\$0	(\$224,614)	\$0
SPECIAL FUNDS				
1. Impact of the shift to Community HealthChoices appropriation to offset Tobacco Settlement Funds:	\$20,908	\$0	\$0	\$20,908
2. Impact of the shift to Community HealthChoices appropriation to offset Lottery Funds:	\$81,381	\$0	\$0	\$81,381
Subtotal Special Funds	\$102,289	\$0	\$0	\$102,289
BUDGETARY RESERVE				
1. Impact of the change in excess federal appropriation authority from Fiscal Year 2018-2019 to Fiscal Year 2019-2020:	\$0	(\$45,799)	\$0	(\$45,799)

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Medical Assistance - Long-Term Care			
	State \$	Federal \$	Other \$	Total \$
TOTAL OPERATING	(\$1,256)	\$987	\$0	(\$269)
TOTAL GRANT & SUBSIDY	(\$383,098)	(\$742,643)	(\$224,614)	(\$1,350,355)
TOTAL BUDGETARY RESERVE	\$0	(\$45,799)	\$0	(\$45,799)
TOTAL GENERAL FUND	<u>(\$384,354)</u>	<u>(\$787,455)</u>	<u>(\$224,614)</u>	<u>(\$1,396,423)</u>
TOBACCO SETTLEMENT FUND				
GRANT & SUBSIDY				
1. Tobacco Settlement funds will shift to the Community HealthChoices appropriation to offset General funds for individuals who have transitioned:	<u>(\$20,908)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$20,908)</u>
TOTAL TOBACCO SETTLEMENT FUND	<u>(\$20,908)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$20,908)</u>
LOTTERY FUND				
GRANT & SUBSIDY				
1. Lottery funds will shift to the Community HealthChoices appropriation to offset General funds for individuals who have transitioned:	<u>(\$81,381)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$81,381)</u>
TOTAL LOTTERY FUND	<u>(\$81,381)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$81,381)</u>
TOTAL	<u>(\$486,643)</u>	<u>(\$787,455)</u>	<u>(\$224,614)</u>	<u>(\$1,498,712)</u>

Long-Term Care
Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2018-2019

<u>Long-Term Care Facilities</u>	Total	Federal	State	Leave and Facility Days	Hospital Days	Cost Per Day
July 2018	\$212,506,000	\$110,369,738	\$102,136,262	1,280,126	12,306	\$165.47
August	\$210,801,646	\$109,466,769	\$101,334,877	1,281,028	12,261	\$164.03
September	\$135,798,828	\$70,588,609	\$65,210,219	821,263	8,679	\$164.77
October	\$284,045,143	\$148,839,997	\$135,205,146	1,723,190	14,135	\$164.39
November	\$196,448,565	\$102,644,375	\$93,804,190	1,191,962	12,109	\$164.25
December	\$216,779,297	\$113,267,183	\$103,512,114	1,315,923	13,334	\$164.18
January 2019	\$196,448,565	\$102,644,375	\$93,804,190	1,191,962	12,109	\$164.25
February	\$198,928,728	\$103,940,260	\$94,988,468	1,191,962	12,109	\$166.33
March	\$198,928,728	\$103,940,260	\$94,988,468	1,191,962	12,109	\$166.33
April	\$219,516,135	\$114,697,181	\$104,818,954	1,315,923	13,334	\$166.25
May	\$198,928,728	\$103,940,260	\$94,988,468	1,191,962	12,109	\$166.33
June	\$198,928,728	\$103,940,260	\$94,988,468	1,191,962	12,109	\$166.33
Subtotal Long-Term Care Facilities Expenditures	\$2,468,059,091	\$1,288,279,267	\$1,179,779,824	14,889,225	146,703	\$165.22
<u>OTHER PROVIDER PAYMENTS</u>						
Case-Mix Regulation Disproportionate Share Payments	\$6,721,895	\$3,504,964	\$3,216,931			
MDOI - MA Day One Incentive Payments - County	\$13,461,258	\$7,033,507	\$6,427,751			
County Safety Net Payment	\$108,965,975	\$56,934,722	\$52,031,253			
Supplemental Ventilator Care Payments	\$3,150,498	\$1,642,748	\$1,507,750			
Nursing Facilities Allowable Costs Supplemental Payments	\$226,976,356	\$118,595,146	\$108,381,210			
Nursing Facilities Direct Care Supplemental Payments	\$170,632,589	\$89,155,528	\$81,477,061			
Dependency Payment	\$1,000,000	\$522,500	\$477,500			
MDOI - MA Day One Incentive Payments - Non Public	\$16,753,927	\$8,753,927	\$8,000,000			
Supplemental Ventilator and Tracheostomy Care Payments	\$1,570,681	\$820,681	\$750,000			
Access to Nursing Care	\$12,565,445	\$6,565,445	\$6,000,000			
85% Occupancy Rate County Nursing Facility Payment	\$4,188,482	\$2,188,482	\$2,000,000			
Supplemental Special Rehabilitation Facility Payment	\$1,780,105	\$930,105	\$850,000			
Gross Adjustments/Cost Settlements	\$2,581,746	\$1,346,187	\$1,235,559			
Subtotal Other Provider Payments	\$570,348,957	\$297,993,942	\$272,355,015			
<u>ADMINISTRATIVE/CASH FLOW IMPACTS</u>						
Refunds	(\$72,630,076)	(\$37,871,137)	(\$34,758,939)			
Rollback from Fiscal Year 2019-2020	\$15,824,476	\$0	\$15,824,476			
Civil Monetary Penalty Fund (CMP)	(\$500,000)	\$0	(\$500,000)			
Pennsylvania Long-Term Grant Program (CMP)	\$500,000	\$0	\$500,000			
Total Administrative/Cash Flow Impacts	(\$56,805,600)	(\$37,871,137)	(\$18,934,463)			
<u>OPERATING</u>						
Actuarial Contract	\$3,000,000	\$1,500,000	\$1,500,000			
Beneficiary Support System	\$1,000,000	\$500,000	\$500,000			
Claims Processing and PROMISe Contract Costs	\$1,400,000	\$1,050,000	\$350,000			
Enrollment	\$30,000,000	\$14,700,000	\$15,300,000			
Enterprise Incident Management System	\$150,000	\$0	\$150,000			
External Quality Review Organization	\$650,000	\$325,000	\$325,000			
Information Technology	\$4,461,000	\$3,795,000	\$666,000			
interRAi Software and Training Support	\$500,000	\$375,000	\$125,000			
Legal Support	\$443,000	\$0	\$443,000			
NIS/Case-Mix Reimbursement System Services	\$2,800,000	\$1,400,000	\$1,400,000			
Provider Training	\$65,000	\$0	\$65,000			
Professional Consulting	\$4,000,000	\$2,000,000	\$2,000,000			
Professional Staffing	\$7,751,342	\$3,952,671	\$3,798,671			
Provider Services	\$3,050,000	\$900,000	\$2,150,000			
Revenue Maximization	\$4,121,169	\$0	\$4,121,169			
TruCare Case Management	\$33,000	\$25,000	\$8,000			
Total Operating Expenditures	\$63,424,511	\$30,522,671	\$32,901,840			
<u>GRANT PAYMENTS</u>						
Center for Independent Living	\$1,200,000	\$0	\$1,200,000			
Pennsylvania Legal Aid Network	\$650,000	\$0	\$650,000			
Clinical Eligibility Assessments	\$40,000,000	\$31,600,000	\$8,400,000			
Pre-Service Orientation Training	\$2,800,000	\$0	\$2,800,000			
Nursing Home Transition	\$2,000,000	\$0	\$2,000,000			
Community HealthChoices Outreach	\$455,000	\$455,000	\$0			
Money Follows the Person	\$490,840	\$490,840	\$0			
Total Grant Payments	\$47,595,840	\$32,545,840	\$15,050,000			
<u>FY 2017-2018 PRR/INITIATIVES</u>						
Community HealthChoices - Program Shift	(\$385,917,827)	(\$201,655,002)	(\$184,262,825)			
Community HealthChoices - Claims Runout	\$40,435,738	\$21,127,673	\$19,308,065			
Total FY 2017-2018 PRR/Initiatives	(\$345,482,089)	(\$180,527,329)	(\$164,954,760)			
Uncommitted	\$48,849,746	\$48,849,746	\$0			
Total Program Cost	\$2,795,990,456	\$1,479,793,000	\$1,316,197,456			

Long-Term Care
Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2018-2019

REVENUE	Total	Federal	State
Nursing Home Assessment	\$311,728,203	\$0	\$311,728,203
Intergovernmental Transfer	<u>\$52,031,253</u>	<u>\$0</u>	<u>\$52,031,253</u>
Total Revenue	\$363,759,456	\$0	\$363,759,456
SPECIAL FUNDS			
Transfer Expenditures to LTC Lottery Fund	\$81,381,000	\$0	\$81,381,000
Transfer Expenditures to LTC Tobacco Settlement Fund	<u>\$20,908,000</u>	<u>\$0</u>	<u>\$20,908,000</u>
Total Special Funds	<u>\$102,289,000</u>	<u>\$0</u>	<u>\$102,289,000</u>
Total General Fund Requirement		<u>\$1,479,793,000</u>	<u>\$850,149,000</u>
Act 1-A of 2018		<u>\$1,479,793,000</u>	<u>\$850,149,000</u>
Surplus/(Deficit)		\$0	\$0

Long-Term Care
Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2019-2020

<u>Long-Term Care Facilities</u>	Total	Federal	State	Leave and Facility Days	Hospital Days	Cost Per Day
July 2019	\$219,516,010	\$114,697,115	\$104,818,895	1,315,923	13,334	\$166.25
August	\$198,928,176	\$103,939,972	\$94,988,204	1,191,962	12,109	\$166.33
September	\$219,516,010	\$114,697,115	\$104,818,895	1,315,923	13,334	\$166.25
October	\$198,928,176	\$103,939,972	\$94,988,204	1,191,962	12,109	\$166.33
November	\$198,928,176	\$103,939,972	\$94,988,204	1,191,962	12,109	\$166.33
December	\$219,516,010	\$114,697,115	\$104,818,895	1,315,923	13,334	\$166.25
January 2020	\$198,928,176	\$103,939,972	\$94,988,204	1,191,962	12,109	\$166.33
February	\$198,928,176	\$103,939,972	\$94,988,204	1,191,962	12,109	\$166.33
March	\$219,516,010	\$114,697,115	\$104,818,895	1,315,923	13,334	\$166.25
April	\$198,928,176	\$103,939,972	\$94,988,204	1,191,962	12,109	\$166.33
May	\$198,928,176	\$103,939,972	\$94,988,204	1,191,962	12,109	\$166.33
June	\$219,516,260	\$114,697,246	\$104,819,014	1,315,923	13,334	\$166.25
Subtotal Long-Term Care Facilities Expenditures	\$2,490,077,532	\$1,301,065,510	\$1,189,012,022	14,923,349	151,433	\$166.30
<u>OTHER PROVIDER PAYMENTS</u>						
Case-Mix Regulation Disproportionate Share Payments	\$2,267,132	\$1,184,576	\$1,082,556			
MDOI - MA Day One Incentive Payments - County	\$5,257,796	\$2,747,198	\$2,510,598			
County Safety Net Payment	\$41,644,009	\$21,758,995	\$19,885,014			
Supplemental Ventilator Care Payments	\$640,331	\$334,573	\$305,758			
Nursing Facilities Allowable Costs Supplemental Payments	\$85,801,098	\$44,831,074	\$40,970,024			
Nursing Facilities Direct Care Supplemental Payments	\$65,870,865	\$34,417,527	\$31,453,338			
Dependency Payment	\$1,000,000	\$522,500	\$477,500			
Gross Adjustments/Cost Settlements	\$2,581,746	\$1,348,962	\$1,232,784			
Subtotal Other Provider Payments	\$205,062,977	\$107,145,405	\$97,917,572			
<u>ADMINISTRATIVE/CASH FLOW IMPACTS</u>						
Refunds	(\$72,630,076)	(\$37,949,215)	(\$34,680,861)			
Rollback to Fiscal Year 2018-2019	(\$15,824,476)	\$0	(\$15,824,476)			
Civil Monetary Penalty Fund (CMP)	(\$500,000)	\$0	(\$500,000)			
Pennsylvania Long-Term Grant Program (CMP)	\$500,000	\$0	\$500,000			
Total Administrative/Cash Flow Impacts	(\$88,454,552)	(\$37,949,215)	(\$50,505,337)			
<u>OPERATING</u>						
Actuarial Contract	\$3,000,000	\$1,500,000	\$1,500,000			
Beneficiary Support System	\$2,625,000	\$1,312,500	\$1,312,500			
Claims Processing and PROMISe Contract Costs	\$1,500,000	\$1,125,000	\$375,000			
Enrollment	\$30,000,000	\$14,700,000	\$15,300,000			
Enterprise Incident Management System	\$150,000	\$0	\$150,000			
External Quality Review Organization	\$650,000	\$325,000	\$325,000			
Information Technology	\$4,941,000	\$4,245,000	\$696,000			
interRAi Software and Training Support	\$500,000	\$375,000	\$125,000			
Legal Support	\$443,000	\$0	\$443,000			
NIS/Case-Mix Reimbursement System Services	\$2,800,000	\$1,400,000	\$1,400,000			
Provider Training	\$65,000	\$0	\$65,000			
Professional Consulting	\$3,400,000	\$1,700,000	\$1,700,000			
Professional Staffing	\$7,700,000	\$3,927,000	\$3,773,000			
Provider Services	\$3,000,000	\$875,000	\$2,125,000			
Revenue Maximization	\$2,347,920	\$0	\$2,347,920			
TruCare Case Management	\$33,000	\$25,000	\$8,000			
Total Operating Expenditures	\$63,154,920	\$31,509,500	\$31,645,420			
<u>GRANT PAYMENTS</u>						
Center for Independent Living	\$1,200,000	\$0	\$1,200,000			
Pennsylvania Legal Aid Network	\$650,000	\$0	\$650,000			
Clinical Eligibility Assessments	\$35,720,000	\$28,139,095	\$7,580,905			
Pre-Service Orientation Training	\$2,800,000	\$0	\$2,800,000			
Nursing Home Transition	\$2,000,000	\$0	\$2,000,000			
Community HealthChoices Outreach	\$376,950	\$376,950	\$0			
Money Follows the Person	\$195,624	\$195,624	\$0			
Total Grant Payments	\$42,942,574	\$28,711,669	\$14,230,905			
<u>FY 2017-2018 PRR/INITIATIVES</u>						
Community HealthChoices - Program Shift	(\$1,480,685,026)	(\$773,657,926)	(\$707,027,100)			
Community HealthChoices - Claims Runout	\$62,127,777	\$32,461,763	\$29,666,014			
Total FY 2017-2018 PRR/Initiatives	(\$1,418,557,249)	(\$741,196,163)	(\$677,361,086)			
Uncommitted	\$3,051,294	\$3,051,294	\$0			
Total Program Cost	\$1,297,277,496	\$692,338,000	\$604,939,496			
<u>REVENUE</u>						
Nursing Home Assessment	\$119,259,960	\$0	\$119,259,960			
Intergovernmental Transfer	\$19,885,014	\$0	\$19,885,014			
Total Revenue	\$139,144,974	\$0	\$139,144,974			
Total General Fund Requirement		\$692,338,000	\$465,794,522			

MEDICAL ASSISTANCE - 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 have MA payments made 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. As of January 11, 2019, there were 693 licensed county and general nursing facilities with approximately 86,820 beds in the Commonwealth. Of these, 621 facilities and approximately 82,902 beds were certified to participate in the MA Program, representing 95.49 percent of the beds in the state. Nursing facilities providing services to individuals, not enrolled in Community HealthChoices zones, 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 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 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.

COMMUNITY HEALTHCHOICES

The Fiscal Year 2017-2018 budget provided for the implementation of Community HealthChoices (CHC) to improve health outcomes. The DHS will continue the combined three-year implementation of a managed long-term care program for older Pennsylvanians and adults with physical disabilities – Community HealthChoices. 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. Costs related to older Pennsylvanians and individuals with disabilities were transferred into CHC beginning with implementation in the Southwest zone on January 1, 2018 and in the Southeast zone on January 1, 2019. Costs for the Lehigh/Capital, Northeast and Northwest zones will transfer into CHC on January 1, 2020. For detailed program information please see the CHC narrative.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

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E26.8-E26.10, E26.15, E26.21-E26.23, H84

APPROPRIATION:
Medical Assistance - Community HealthChoices

I. SUMMARY FINANCIAL DATA

	2017-2018 Actual	2018-2019 Available	2019-2020 Budgeted
State Funds Total	\$0	\$978,276	\$2,906,784
State Sources Itemized			
<i>MA - Community HealthChoices (General Fund)</i>	\$0	\$662,269	\$2,347,851
<i>MA - Community HealthChoices (Tobacco Settlement Fund)</i>	\$0	\$149,201 ¹	\$161,920
<i>MA - Community HealthChoices (Lottery Fund)</i>	\$0	\$166,806 ²	\$397,013
Federal Funds Total	\$0	\$1,672,095	\$3,801,016
Federal Sources Itemized			
<i>MA - Community HealthChoices (General Fund)</i>	\$0	\$1,672,095	\$3,801,016
Other Funds Total	\$0	\$603,466	\$515,184
Other Fund Sources Itemized			
<i>Intergovernmental Transfer</i>	\$0	\$30,640	\$62,786
<i>Nursing Home Assessment</i>	\$0	\$196,678	\$387,065
<i>Statewide Hospital Assessment</i>	\$0	\$15,541	\$33,940
<i>MCO - Assessment</i>	\$0	\$16,538	\$31,393
<i>NPM Adjustment Settlement Agreement</i>	\$0	\$344,069	\$0
Total	\$0	\$3,253,837	\$7,222,984

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds Total	\$30,045
State Sources Itemized	
<i>MA - Community HealthChoices (Tobacco Settlement Fund)</i>	\$16,323
<i>MA - Community HealthChoices (Lottery Fund)</i>	\$13,722
Federal Funds	\$0
Total	\$30,045

¹ Includes a recommended supplemental appropriation of \$16.323 million. Act 1-A of 2018 provided \$132.878 million for this program in Fiscal Year 2018-2019.

² Includes a recommended supplemental appropriation of \$13.722 million. Act 1-A of 2018 provided \$153.084 million for this program in Fiscal Year 2018-2019.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Medical Assistance - Community HealthChoices			
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$0	\$978,276	\$2,906,784	\$1,928,508	197.13%
<i>Federal Funds</i>	\$0	\$1,672,095	\$3,801,016	\$2,128,921	127.32%
<i>Other Funds</i>	\$0	\$603,466	\$515,184	(\$88,282)	-14.63%
Total Grant & Subsidy	\$0	\$3,253,837	\$7,222,984	\$3,969,147	121.98%
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>	\$0	\$978,276	\$2,906,784	\$1,928,508	197.13%
<i>Federal Funds</i>	\$0	\$1,672,095	\$3,801,016	\$2,128,921	127.32%
<i>Other Funds</i>	\$0	\$603,466	\$515,184	(\$88,282)	-14.63%
Total Funds	\$0	\$3,253,837	\$7,222,984	\$3,969,147	121.98%

APPROPRIATION:
Medical Assistance - Community HealthChoices

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2016-2017	2017-2018	2018-2019 Estimated
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2017	12/31/2018	2019-2020 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 member months and the average cost per member per month for individuals in the Community HealthChoices program.

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; 42 U.S.C. § 1396n(b); 42 CFR Part 438 and Part 441

Disbursement Criteria:

The Community HealthChoices 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 with a Community HealthChoices MCO; and the billed monthly premium must be in accordance with the negotiated rate.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Medical Assistance - Community HealthChoices			
	State \$	Federal \$	Other \$	Total \$
GENERAL FUND				
GRANT & SUBSIDY				
1. Provides for an increase in the southwest per member per month cost from \$1,638.92 in Fiscal Year 2018-2019 to \$1,709.82 in Fiscal Year 2019-2020:	\$33,509	\$35,623	\$0	\$69,132
2. Provides for an increase in southwest member months from 965,818 in Fiscal Year 2018-2019 to 975,137 in Fiscal Year 2019-2020:	\$7,304	\$7,969	\$0	\$15,273
3. Provides for the annualization of Community HealthChoices in the southeast region, effective January 1, 2019:	\$1,205,578	\$1,319,193	\$0	\$2,524,771
4. Provides for the implementation of Community HealthChoices in the northwest, northeast and Lehigh-Capital regions, effective January 1, 2020:	\$698,474	\$764,299	\$0	\$1,462,773
Subtotal Grant & Subsidy	\$1,944,865	\$2,127,084	\$0	\$4,071,949
ADMINISTRATIVE/CASH FLOW IMPACTS				
1. Impact of the projected increase in the transfer of expenditures to the Medical Assistance for Workers with Disabilities program:	(\$3,184)	(\$3,489)	\$0	(\$6,673)
2. Impact of the projected increase of Pharmacy Rebates to the Community HealthChoices appropriation:	(\$14,635)	(\$15,705)	\$0	(\$30,340)
3. Reflects the non-recurring rollback of costs from Fiscal Year 2019-2020 to Fiscal Year 2018-2019:	(\$102,790)	\$0	\$0	(\$102,790)
4. Provides for an increase in ambulance transportation rates, effective January 1, 2020:	\$1,157	\$1,266	\$0	\$2,423
5. The Federal Medical Assistance Percentage will remain at 52.25 percent, effective October 1, 2019. Impact of the full-year blended rate (an increase from 52.1425 percent to 52.2500 percent):	(\$1,698)	\$1,698	\$0	\$0
Subtotal Administrative/Cash Flow Impacts	(\$121,150)	(\$16,230)	\$0	(\$137,380)
REVENUE				
1. Impact of the transfer of Nursing Home Assessment revenue to the Community HealthChoices appropriation:	(\$190,387)	\$0	\$190,387	\$0
2. Impact of the transfer of Intergovernmental Transfer revenue to the Community HealthChoices appropriation:	(\$32,146)	\$0	\$32,146	\$0
3. Impact of the transfer of MCO Assessment revenue to the Community HealthChoices appropriation:	(\$14,855)	\$0	\$14,855	\$0
4. Impact of the transfer of Statewide Hospital Assessment revenue to the Community HealthChoices appropriation:	(\$18,399)	\$0	\$18,399	\$0
5. Impact of non-recurring NPM settlement revenue:	\$344,069	\$0	(\$344,069)	\$0
Subtotal Revenue	\$88,282	\$0	(\$88,282)	\$0

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Medical Assistance - Community HealthChoices			
	State \$	Federal \$	Other \$	Total \$
SPECIAL FUNDS				
1. Impact of available Tobacco Settlement Funds:	(\$12,719)	\$0	\$0	(\$12,719)
2. Impact of available Lottery Funds:	(\$230,207)	\$0	\$0	(\$230,207)
Subtotal Special Funds	(\$242,926)	\$0	\$0	(\$242,926)
FISCAL YEAR 2019-2020 INITIATIVE				
GRANT & SUBSIDY				
1. Minimum Wage Increase				
A. Provides for an increase in rates effective January 1, 2020, to support the change in minimum wage to \$12.00 an hour, effective July 1, 2019:				
	\$16,511	\$18,067	\$0	\$34,578
TOTAL GENERAL FUND	<u>\$1,685,582</u>	<u>\$2,128,921</u>	<u>(\$88,282)</u>	<u>\$3,726,221</u>
TOBACCO SETTLEMENT FUND				
GRANT & SUBSIDY				
1. Tobacco Settlement funds will shift to Community HealthChoices to offset General funds for individuals who have transitioned:				
	\$12,719	\$0	\$0	\$12,719
TOTAL TOBACCO SETTLEMENT FUND	<u>\$12,719</u>	<u>\$0</u>	<u>\$0</u>	<u>\$12,719</u>
LOTTERY FUND				
GRANT & SUBSIDY				
1. Lottery funds will shift to Community HealthChoices to offset General funds for individuals who have transitioned:				
	\$230,207	\$0	\$0	\$230,207
TOTAL LOTTERY FUND	<u>\$230,207</u>	<u>\$0</u>	<u>\$0</u>	<u>\$230,207</u>
TOTAL	<u>\$1,928,508</u>	<u>\$2,128,921</u>	<u>(\$88,282)</u>	<u>\$3,969,147</u>

Community HealthChoices
Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2018-2019

<u>Community HealthChoices</u>	Total	Federal	State	Member Months	Per Member Per Month
July 2018	\$110,633,462	\$57,413,294	\$53,220,168	79,455	\$1,392.40
August	\$130,624,624	\$67,769,827	\$62,854,797	79,298	\$1,647.26
September	\$132,008,326	\$68,473,614	\$63,534,712	80,268	\$1,644.59
October	\$128,664,912	\$67,317,934	\$61,346,978	80,274	\$1,602.82
November	\$133,844,723	\$70,030,263	\$63,814,460	80,474	\$1,663.20
December	\$129,956,335	\$67,902,185	\$62,054,150	80,527	\$1,613.82
January 2019	\$134,733,788	\$70,398,404	\$64,335,384	80,581	\$1,672.03
February	\$467,114,690	\$244,067,426	\$223,047,264	209,858	\$2,225.86
March	\$423,910,876	\$221,493,433	\$202,417,443	209,894	\$2,019.64
April	\$576,914,271	\$301,437,707	\$275,476,564	209,930	\$2,748.13
May	\$419,135,439	\$218,998,267	\$200,137,172	209,967	\$1,996.20
June	\$434,655,664	\$227,107,584	\$207,548,080	210,004	\$2,069.75
Subtotal Community HealthChoices	\$3,222,197,110	\$1,682,409,938	\$1,539,787,172	1,610,530	\$2,000.71
<u>ADMINISTRATIVE/CASH FLOW IMPACTS</u>					
EA for Workers with Disabilities (4/18-3/19)	(\$5,741,292)	(\$2,992,411)	(\$2,748,881)		
Pharmacy Rebates	(\$14,014,406)	(\$7,322,527)	(\$6,691,879)		
Rollback from Fiscal Year 2019-2020	\$51,394,983	\$0	\$51,394,983		
Total Administrative/Cash Flow Impacts	\$31,639,285	(\$10,314,938)	\$41,954,223		
<u>REVENUE</u>					
Nursing Home Assessment	\$186,623,625	\$0	\$186,623,625		
Other Revenue	\$10,054,000	\$0	\$10,054,000		
Intergovernmental Transfer	\$30,639,988	\$0	\$30,639,988		
MCO Assessment	\$16,537,769	\$0	\$16,537,769		
Statewide Hospital Assessment	\$15,541,402	\$0	\$15,541,402		
NPM Adjustment Settlement Agreement	\$344,068,611	\$0	\$344,068,611		
Total Revenue	\$603,465,395	\$0	\$603,465,395		
<u>SPECIAL FUNDS</u>					
Transfer Expenditures to Lottery Fund	\$153,084,000	\$0	\$166,806,000		
Transfer Expenditures to Tobacco Settlement Fund	\$132,878,000	\$0	\$149,201,000		
Total Special Funds	\$285,962,000	\$0	\$316,007,000		
Total General Fund Requirement		\$1,672,095,000	\$662,269,000		
Act 1-A of 2018		\$1,672,095,000	\$662,269,000		
Surplus/(Deficit)		\$0	\$0		

Community HealthChoices
Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2019-2020

<u>Community HealthChoices</u>	Total	Federal	State	Member Months	Per Member Per Month
July 2019	\$419,828,854	\$219,360,576	\$200,468,278	210,041	\$1,998.79
August	\$471,117,957	\$246,159,133	\$224,958,824	210,079	\$2,242.58
September	\$471,479,529	\$246,348,054	\$225,131,475	210,117	\$2,243.89
October	\$456,621,710	\$238,584,843	\$218,036,867	210,155	\$2,172.79
November	\$472,206,678	\$246,727,989	\$225,478,689	210,194	\$2,246.53
December	\$457,328,000	\$238,953,880	\$218,374,120	210,232	\$2,175.35
January 2020	\$472,939,207	\$247,110,736	\$225,828,471	210,271	\$2,249.19
February	\$813,577,020	\$425,093,993	\$388,483,027	366,910	\$2,217.37
March	\$762,848,156	\$398,588,162	\$364,259,994	366,949	\$2,078.89
April	\$1,021,737,475	\$533,857,831	\$487,879,644	366,988	\$2,784.12
May	\$728,511,801	\$380,647,416	\$347,864,385	367,027	\$1,984.90
June	\$745,950,307	\$389,759,035	\$356,191,272	367,066	\$2,032.20
Subtotal Community HealthChoices	\$7,294,146,694	\$3,811,191,648	\$3,482,955,046	3,306,029	\$2,206.32
<u>ADMINISTRATIVE/CASH FLOW IMPACTS</u>					
EA for Workers with Disabilities (4/19-3/20)	(\$12,414,607)	(\$6,481,579)	(\$5,933,028)		
Pharmacy Rebates	(\$44,354,763)	(\$23,027,884)	(\$21,326,879)		
Rollback to Fiscal Year 2018-2019	(\$51,394,983)	\$0	(\$51,394,983)		
Ambulance Fee Schedule Change	\$2,423,804	\$1,266,438	\$1,157,366		
Total Administrative/Cash Flow Impacts	(\$105,740,549)	(\$28,243,025)	(\$77,497,524)		
<u>FY 2019-2020 PRR/INITIATIVES</u>					
Minimum Wage Increase	\$34,578,000	\$18,067,000	\$16,511,000		
<u>REVENUE</u>					
Nursing Home Assessment	\$379,091,868	\$0	\$379,091,868		
Other Revenue	\$7,973,000	\$0	\$7,973,000		
Intergovernmental Transfer	\$62,786,226	\$0	\$62,786,226		
MCO Assessment	\$31,393,123	\$0	\$31,393,123		
Statewide Hospital Assessment	\$33,940,223	\$0	\$33,940,223		
Total Revenue	\$515,184,440	\$0	\$515,184,440		
<u>SPECIAL FUNDS</u>					
Transfer Expenditures to Lottery Fund	\$397,013,000	\$0	\$397,013,000		
Transfer Expenditures to Tobacco Settlement Fund	\$161,920,000	\$0	\$161,920,000		
Total Special Funds	\$558,933,000	\$0	\$558,933,000		
Total General Fund Requirement		\$3,801,015,623	\$2,347,851,082		

COMMUNITY HEALTHCHOICES

PROGRAM STATEMENT

The Fiscal Year 2019-2020 budget provides for the continued implementation of Community HealthChoices (CHC) to improve health outcomes. The Department of Human Services (Department) is implementing CHC, a managed long-term care program, for older Pennsylvanians and adults with physical disabilities. 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. Costs related to older Pennsylvanians and individuals with disabilities were transferred into CHC beginning with implementation in the Southwest zone on January 1, 2018 and in the Southeast zone on January 1, 2019. Costs for the Lehigh/Capital, Northeast and Northwest zones will transfer into CHC in Fiscal Year 2019-2020.

Benefits of implementing CHC include the following:

- **Enhanced opportunities for community-based living.** Community HealthChoices 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 (HCBS) options.
- **Strengthened coordination of Long-Term Service and Supports (LTSS) and health care, including all Medicare and Medicaid services for dual eligible individuals.** Better coordination of Medicare and Medicaid health services and LTSS will make the system easier to use and will result in better quality of life, health, safety, and well-being for participants. CHC – Managed Care Organizations (MCOs) will also coordinate with Behavioral Health (BH) MCOs to strengthen behavioral health services for participants.
- **Enhanced quality and accountability.** Community HealthChoices MCOs will be accountable for outcomes for participants, responsible for the overall health and long-term support for the whole person. Quality of life and quality of care will be measured and published, giving participants the information they need, to make informed decisions.
- **Advanced program innovation.** Greater creativity and innovation afforded in the program will help to increase community housing options, enhance the LTSS direct care workforce, expand the use of technology and expand employment among participants who have employment goals.
- **Increased efficiency and effectiveness.** The program will increase the efficiency of health care and LTSS 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 HCBS.

Community HealthChoices will affect more than 420,000 individuals. CHC-MCOs will be accountable for most Medicaid-covered services, including preventive services, primary and acute care, LTSS (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 MCO.

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 (Living Independence for the Elderly (LIFE)), which will continue to be an option for eligible persons. It also builds on the Commonwealth's experience with Physical Health HealthChoices, a statewide managed care delivery system for children and adults. Behavioral health services will continue to be provided through the BH-MCOs. CHC-MCOs and BH-MCOs will be required to coordinate services for individuals who participate in both programs.

FISCAL YEAR 2019-2020 INITIATIVE – MINIMUM WAGE INCREASE

The Fiscal Year 2019-2020 “Minimum Wage Increase” initiative will increase the minimum wage for all Pennsylvania workers to \$12.00 per hour, effective July 1, 2019. Workers earning the minimum must have the ability to afford basic, family-sustaining necessities that help avoid poverty, be productive workers, and reduce the use of assistance programs. Increasing the minimum wage will allow the Department’s providers to recruit and retain child care and direct care workers that are essential to the provision of services in the Department’s programs. This initiative is expected to decrease HealthChoices enrollment as more adults will be able to transition off Medical Assistance as their income increases. Additionally, children will transition to CHIP coverage as their family income increases.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

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E26.9, E26.10, E26.15, E26.21-E26.23, H84

APPROPRIATION:
Home and Community-Based Services

I. SUMMARY FINANCIAL DATA

	2017-2018 Actual	2018-2019 Available	2019-2020 Budgeted
State Funds Total	\$700,966	\$620,031	\$173,729
State Sources Itemized			
<i>Home and Community-Based Services (General Fund)</i>	\$534,880	\$499,363 ¹	\$173,729
<i>Home and Community-Based Services (Tobacco Settlement Fund)</i>	\$45,418	\$0	\$0
<i>Home and Community-Based Services (Lottery Fund)</i>	\$120,668	\$120,668 ²	\$0
Federal Funds Total	\$774,121	\$675,912	\$197,589
Federal Sources Itemized			
<i>MA - Home and Community-Based Services</i>	\$723,419	\$675,912 ³	\$197,589
<i>MA - Community Services (Tobacco Settlement Fund)</i>	\$50,702	\$0	\$0
Total	\$1,475,087	\$1,295,943	\$371,318

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds Total	\$89,849
State Sources Itemized	
<i>Home and Community-Based Services (General Fund)</i>	\$39,571
<i>Home and Community-Based Services (Lottery Fund)</i>	\$50,278
Federal Funds Total	\$94,910
Federal Sources Itemized	
<i>MA - Home and Community-Based Services (General Fund)</i>	\$94,910
Total	\$184,759

¹ Includes a recommended supplemental appropriation of \$39.571 million. Act 1-A of 2018 provided \$459.792 million for this program in Fiscal Year 2018-2019.

² Includes a recommended supplemental appropriation of \$50.278 million. Act 1-A of 2018 provided \$70.390 million for this program in Fiscal Year 2018-2019.

³ Includes a recommended supplemental appropriation of \$94.910 million. Act 1-A of 2018 provided \$581.002 million for this program in Fiscal Year 2018-2019.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Home and Community-Based Services				
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$700,966	\$620,031	\$173,729	(\$446,302)	-71.98%
<i>Federal Funds</i>	\$774,121	\$675,912	\$192,192	(\$483,720)	-71.57%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$1,475,087	\$1,295,943	\$365,921	(\$930,022)	-71.76%
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	\$5,397	\$5,397	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$5,397	\$5,397	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>	\$700,966	\$620,031	\$173,729	(\$446,302)	-71.98%
<i>Federal Funds</i>	\$774,121	\$675,912	\$197,589	(\$478,323)	-70.77%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$1,475,087	\$1,295,943	\$371,318	(\$924,625)	-71.35%

APPROPRIATION:
Home and Community-Based Services

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$7	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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 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 2018-2019:	\$22,427	\$24,451	\$0	\$46,878
2. Provides for an increase in the Home and Community-Based Waiver monthly cost per consumer from \$4,232.47 in Fiscal Year 2018-2019 to \$4,527.04 in Fiscal Year 2019-2020:	\$60,075	\$64,604	\$0	\$124,679
3. Provides home and community-based services to an additional 1,860 older Pennsylvanians in Fiscal Year 2019-2020:	\$26,226	\$28,652	\$0	\$54,878
4. Impact of implementing Community HealthChoices in the remaining zones beginning January 1, 2020, including annualization of the southeast implementation, which will improve care coordination and health outcomes while allowing more individuals to live in their community:	(\$544,742)	(\$596,079)	\$0	(\$1,140,821)
5. Money Follows the Person (MFP) program stopped transitioning individuals, effective January 1, 2019. Reflects a decrease in enhanced federal funding:	\$999	(\$999)	\$0	\$0
6. Impact of the shift to Community HealthChoices appropriation to offset Lottery Funds:	\$120,668	\$0	\$0	\$120,668
7. The Federal Medical Assistance Percentage will remain at 52.25 percent, effective October 1, 2019. Impact of the full-year blended rate (an increase from 52.1425 percent to 52.2500 percent):	(\$2,197)	\$2,197	\$0	\$0
8. Reflects the non-recurring roll forward of costs from Fiscal Year 2017-2018 to Fiscal Year 2018-2019:	(\$11,663)	(\$9,361)	\$0	(\$21,024)
Subtotal Grant & Subsidy	(\$328,207)	(\$486,535)	\$0	(\$814,742)
BUDGETARY RESERVE				
1. Impact of the change in excess Federal appropriation authority from Fiscal Year 2018-2019 to Fiscal Year 2019-2020:	\$0	\$5,397	\$0	\$5,397
FISCAL YEAR 2019-2020 INITIATIVE				
GRANT & SUBSIDY				
1. Minimum Wage Increase				
A. Provides for an increase in rates to support the change in minimum wage to \$12.00 an hour, effective July 1, 2019:	\$2,573	\$2,815	\$0	\$5,388
TOTAL GENERAL FUND	<u>(\$325,634)</u>	<u>(\$478,323)</u>	<u>\$0</u>	<u>(\$803,957)</u>

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>
LOTTERY FUND				
GRANT & SUBSIDY				
1. Lottery Funds will transition in conjunction with Community HealthChoices to a new appropriation to offset General funds in the Community HealthChoices Program for individuals who have transitioned. As a result, the Home and Community-Based Services Lottery Fund appropriation reflects a decrease of \$120.668 million in Lottery funds:	<u>(\$120,668)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$120,668)</u>
TOTAL LOTTERY FUND	<u>(\$120,668)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$120,668)</u>
TOTAL	<u>(\$446,302)</u>	<u>(\$478,323)</u>	<u>\$0</u>	<u>(\$924,625)</u>

**Home and Community-Based Services
Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2018-2019**

	Total \$	Federal \$	State \$	Unduplicated Users	Expansion Users	Total Users	Cost Per User
JULY 2018	\$151,468,365	\$78,549,832	\$72,918,533			32,938	\$4,598.59
AUGUST	\$130,650,649	\$67,733,992	\$62,916,657			33,420	\$3,909.36
SEPTEMBER	\$130,198,137	\$67,501,719	\$62,696,418			33,192	\$3,922.58
OCTOBER	\$167,124,041	\$87,381,192	\$79,742,849			34,938	\$4,783.45
NOVEMBER	\$134,901,742	\$70,486,160	\$64,415,582	34,065	155	34,220	\$3,942.19
DECEMBER	\$167,719,750	\$87,633,569	\$80,086,181	34,065	310	34,375	\$4,879.12
JANUARY 2019	\$136,260,214	\$71,195,962	\$65,064,252	34,065	465	34,530	\$3,946.14
FEBRUARY	\$137,008,525	\$71,586,954	\$65,421,571	34,065	620	34,685	\$3,950.08
MARCH	\$137,758,405	\$71,978,767	\$65,779,638	34,065	775	34,840	\$3,954.03
APRIL	\$174,159,617	\$90,998,400	\$83,161,217	34,065	930	34,995	\$4,976.70
MAY	\$139,123,349	\$72,691,950	\$66,431,399	34,065	1,085	35,150	\$3,957.99
JUNE	\$139,876,292	\$73,085,363	\$66,790,929	34,065	1,240	35,305	\$3,961.94
Total PROMISe Program Expenditures	\$1,746,249,086	\$910,823,860	\$835,425,226			34,382	\$4,232.47
<u>ADMINISTRATIVE/CASH FLOW IMPACTS</u>							
Roll Forward from Fiscal Year 2017-2018	\$21,024,020	\$9,361,145	\$11,662,875				
Money Follows the Person	\$0	\$1,997,000	(\$1,997,000)				
Total Administrative/Cash Flow Impacts	\$21,024,020	\$11,358,145	\$9,665,875				
<u>FY 2017-2018 PRR/INITIATIVES</u>							
Community HealthChoices - Program Shift	(\$509,548,332)	(\$266,239,003)	(\$243,309,329)				
Community HealthChoices - Claims Runout	\$38,218,219	\$19,969,019	\$18,249,200				
Total FY 2017-2018 PRR/Initiatives	(\$471,330,113)	(\$246,269,984)	(\$225,060,129)				
Total Program Cost	\$1,295,942,993	\$675,912,021	\$620,030,972				
<u>SPECIAL FUNDS</u>							
Transfer to Lottery Fund	\$120,668,000	\$0	\$120,668,000				
Total Special Funds	\$120,668,000	\$0	\$120,668,000				
Total General Fund Requirement		\$675,912,021	\$499,362,972				
Act 1-A of 2018		\$581,002,000	\$459,792,000				
Surplus/(Deficit)		(\$94,910,021)	(\$39,570,972)				

**Home and Community-Based Services
Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2019-2020**

	Total \$	Federal \$	State \$	Unduplicated Users	Expansion Users	Total Users	Cost Per User
JULY 2019	\$179,120,871	\$93,590,655	\$85,530,216	35,305	155	35,460	\$5,051.35
AUGUST	\$141,810,026	\$74,095,739	\$67,714,287	35,305	310	35,615	\$3,981.75
SEPTEMBER	\$183,397,082	\$95,824,975	\$87,572,107	35,305	465	35,770	\$5,127.12
OCTOBER	\$143,759,636	\$75,114,410	\$68,645,226	35,305	620	35,925	\$4,001.66
NOVEMBER	\$145,101,854	\$75,815,719	\$69,286,135	35,305	775	36,080	\$4,021.67
DECEMBER	\$188,568,027	\$98,526,794	\$90,041,233	35,305	930	36,235	\$5,204.03
JANUARY 2020	\$147,080,374	\$76,849,495	\$70,230,879	35,305	1,085	36,390	\$4,041.78
FEBRUARY	\$148,445,425	\$77,562,735	\$70,882,690	35,305	1,240	36,545	\$4,061.99
MARCH	\$193,852,703	\$101,288,037	\$92,564,666	35,305	1,395	36,700	\$5,282.09
APRIL	\$150,453,167	\$78,611,780	\$71,841,387	35,305	1,550	36,855	\$4,082.30
MAY	\$151,841,297	\$79,337,078	\$72,504,219	35,305	1,705	37,010	\$4,102.71
JUNE	\$199,253,458	\$104,109,932	\$95,143,526	35,305	1,860	37,165	\$5,361.32
Total PROMISe Program Expenditures	\$1,972,683,920	\$1,030,727,349	\$941,956,571			36,313	\$4,527.04

ADMINISTRATIVE/CASH FLOW IMPACTS

Money Follows the Person	\$0	\$998,500	(\$998,500)
Total Administrative/Cash Flow Impacts	\$0	\$998,500	(\$998,500)

FY 2017-2018 PRR/INITIATIVES

Community HealthChoices - Program Shift	(\$1,634,032,559)	(\$853,782,012)	(\$780,250,547)
Community HealthChoices - Claims Runout	\$21,881,548	\$11,433,109	\$10,448,439
Total FY 2017-2018 PRR/Initiatives	(\$1,612,151,011)	(\$842,348,903)	(\$769,802,108)

FY 2019-2020 PRR/INITIATIVES

Minimum Wage Increase	\$5,388,000	\$2,815,000	\$2,573,000
Uncommitted	\$5,397,054	\$5,397,054	\$0
Total General Fund Requirement		\$197,589,000	\$173,728,963

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 facilities 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 services to individuals in an appropriate and cost-effective environment.

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. The Fiscal Year 2019-2020 budget proposes to provide home and community-based services to an additional 1,860 people as an alternative to institutional care.

COMMUNITY HEALTHCHOICES

The Fiscal Year 2017-2018 budget provided for the implementation of Community HealthChoices (CHC) to improve health outcomes. The DHS will continue the combined three-year implementation of a managed long-term care program for older Pennsylvanians and adults with physical disabilities – Community HealthChoices. 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. Costs related to older Pennsylvanians and individuals with disabilities were transferred into CHC beginning with implementation in the Southwest zone on January 1, 2018 and in the Southeast zone on January 1, 2019. Costs for the Lehigh/Capital, Northeast and Northwest zones will transfer into CHC on January 1, 2020. For detailed program information please see the CHC narrative.

FISCAL YEAR 2019-2020 INITIATIVE – MINIMUM WAGE INCREASE

The Fiscal Year 2019-2020 “Minimum Wage Increase” initiative will increase the minimum wage for all Pennsylvania workers to \$12.00 per hour, effective July 1, 2019. Workers earning the minimum must have the ability to afford basic, family-sustaining necessities that help avoid poverty, be productive workers, and reduce the use of assistance programs. Increasing the minimum wage will allow the Department of Human Services (Department) providers to recruit and retain child care and direct care workers that are essential to the provision of services in the Department’s programs. This initiative is expected to decrease HealthChoices enrollment as more adults will be able to transition off Medical Assistance as their income increases. Additionally, children will transition to CHIP coverage as their family income increases.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

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Pp. C1.17, E26.6, E26.15, E26.21-E26.23

APPROPRIATION:
Long-Term Care Managed Care

I. SUMMARY FINANCIAL DATA	2017-2018 Actual	2018-2019 Available	2019-2020 Budgeted
State Funds	\$138,294	\$146,926	\$156,933
Federal Funds Total	\$164,347	\$171,363	\$171,722
Federal Sources Itemized			
<i>Medical Assistance - Long-Term Care Managed Care</i>	<u>\$164,347</u>	<u>\$171,363</u>	<u>\$171,722</u>
Total	\$302,641	\$318,289	\$328,655
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				
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$138,294	\$146,926	\$156,933	\$10,007	6.81%
<i>Federal Funds</i>	\$164,347	\$159,682	\$171,722	\$12,040	7.54%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$302,641	\$306,608	\$328,655	\$22,047	7.19%
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	\$11,681	\$0	(\$11,681)	-100.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$11,681	\$0	(\$11,681)	-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>	\$138,294	\$146,926	\$156,933	\$10,007	6.81%
<i>Federal Funds</i>	\$164,347	\$171,363	\$171,722	\$359	0.21%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$302,641	\$318,289	\$328,655	\$10,366	3.26%

APPROPRIATION:
Long-Term Care Managed Care

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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. §§ 443.5; 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 members entering the program in Fiscal Year 2018-2019:	\$2,536	\$2,704	\$0	\$5,240
2. Provides for the annualization of a one percent rate increase effective January 1, 2019:	\$870	\$911	\$0	\$1,781
3. Provides for home and community-based services to 300 additional older Pennsylvanians in Fiscal Year 2019-2020:	\$3,499	\$3,826	\$0	\$7,325
4. Provides for the implementation of Community HealthChoices in the Northeast, Northwest and Lehigh/Capital regions on January 1, 2020. As Community HealthChoices (CHC) is implemented, individuals who are eligible for LIFE services will have a choice between CHC and LIFE. As a result, it is anticipated that LIFE enrollment will increase in these zones:	\$3,947	\$4,259	\$0	\$8,206
5. The Federal Medical Assistance Percentage will remain at 52.25 percent, effective October 1, 2019. Impact of the full-year blended rate (an increase from 52.1425 percent to 52.2500 percent):	(\$340)	\$340	\$0	\$0
6. Reflects the non-recurring roll forward of costs from Fiscal Year 2017-2018 to Fiscal Year 2018-2019:	<u>(\$505)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$505)</u>
Subtotal Grant & Subsidy	\$10,007	\$12,040	\$0	\$22,047
BUDGETARY RESERVE				
1. Impact of the change in excess federal appropriation authority from Fiscal Year 2018-2019 to Fiscal Year 2019-2020:	<u>\$0</u>	<u>(\$11,681)</u>	<u>\$0</u>	<u>(\$11,681)</u>
TOTAL	<u><u>\$10,007</u></u>	<u><u>\$359</u></u>	<u><u>\$0</u></u>	<u><u>\$10,366</u></u>

**Long-Term Care Managed Care
Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2018-2019**

	Total \$	Federal \$	State \$	Member Months	Expansion Member Months	Total Member Months	Per Member Per Month
JULY 2018	\$25,088,742	\$12,992,660	\$12,096,082			6,771	\$3,705.32
AUGUST	\$24,487,222	\$12,673,863	\$11,813,359			6,580	\$3,721.46
SEPTEMBER	\$25,098,276	\$13,112,320	\$11,985,956			6,749	\$3,718.81
OCTOBER	\$25,225,459	\$13,167,579	\$12,057,880			6,767	\$3,727.72
NOVEMBER	\$25,922,434	\$13,538,617	\$12,383,817			6,952	\$3,728.77
DECEMBER	\$25,269,093	\$13,203,101	\$12,065,992	6,767	25	6,792	\$3,720.42
JANUARY 2019	\$25,615,696	\$13,384,201	\$12,231,495	6,767	50	6,817	\$3,757.62
FEBRUARY	\$25,709,636	\$13,433,285	\$12,276,351	6,767	75	6,842	\$3,757.62
MARCH	\$25,803,577	\$13,482,369	\$12,321,208	6,767	100	6,867	\$3,757.62
APRIL	\$25,897,517	\$13,531,453	\$12,366,064	6,767	125	6,892	\$3,757.62
MAY	\$25,991,458	\$13,580,537	\$12,410,921	6,767	150	6,917	\$3,757.62
JUNE	\$25,994,448	\$13,582,099	\$12,412,349	6,767	175	6,942	\$3,757.62
Total PROMISe Expenditures	\$306,103,558	\$159,682,084	\$146,421,474			81,888	\$3,738.08

ADMINISTRATIVE/CASH FLOW IMPACTS

Roll Forward from FY 2017-2018	\$504,526	\$0	\$504,526
Total Administrative/Cash Flow Impacts	\$504,526	\$0	\$504,526
Uncommitted	\$11,680,916	\$11,680,916	\$0
Total General Fund Requirement		\$171,363,000	\$146,926,000
Act 1-A of 2018		\$171,363,000	\$146,926,000
Surplus / (Deficit)		\$0	\$0

**Long-Term Care Managed Care
Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2019-2020**

	Total \$	Federal \$	State \$	Member Months	Expansion Member Months	Total Member Months	Per Member Per Month
JULY 2019	\$26,179,339	\$13,678,705	\$12,500,634	6,942	25	6,967	\$3,757.62
AUGUST	\$26,273,279	\$13,727,788	\$12,545,491	6,942	50	6,992	\$3,757.62
SEPTEMBER	\$26,367,220	\$13,776,872	\$12,590,348	6,942	75	7,017	\$3,757.62
OCTOBER	\$26,461,160	\$13,825,956	\$12,635,204	6,942	100	7,042	\$3,757.62
NOVEMBER	\$26,555,101	\$13,875,040	\$12,680,061	6,942	125	7,067	\$3,757.62
DECEMBER	\$26,649,041	\$13,924,124	\$12,724,917	6,942	150	7,092	\$3,757.62
JANUARY 2020	\$26,742,982	\$13,973,208	\$12,769,774	6,942	175	7,117	\$3,757.62
FEBRUARY	\$26,836,922	\$14,022,292	\$12,814,630	6,942	200	7,142	\$3,757.62
MARCH	\$26,930,863	\$14,071,376	\$12,859,487	6,942	225	7,167	\$3,757.62
APRIL	\$27,024,803	\$14,120,460	\$12,904,343	6,942	250	7,192	\$3,757.62
MAY	\$27,118,744	\$14,169,544	\$12,949,200	6,942	275	7,217	\$3,757.62
JUNE	\$27,249,279	\$14,237,748	\$13,011,531	6,942	300	7,242	\$3,757.62
Total PROMISe Expenditures	\$320,388,733	\$167,403,113	\$152,985,620			85,254	\$3,758.05

FY 2017-2018 PRR/INITIATIVES

Community HealthChoices	\$8,266,764	\$4,319,384	\$3,947,380
Total General Fund Requirement		\$171,722,497	\$156,933,000

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 the elderly in Pennsylvania. The program in Pennsylvania is referred to as Living Independence 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 individuals 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 participants 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 provide 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 age 55 and older, 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 plans of care, in which the member has an active role in planning services. There are currently 19 LIFE providers within Pennsylvania operating 48 LIFE centers, providing services to more than 6,700 participants. This does not include alternative care sites. In addition, the Department intends to expand LIFE services into all remaining unserved counties in the Commonwealth.

LIFE 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 the LIFE program, greatly expanding the number of people who can be served in their home. The Fiscal Year 2019-2020 budget proposes to provide home and community-based services to an additional 300 older Pennsylvanians through the LIFE program.

COMMUNITY HEALTHCHOICES

The Fiscal Year 2017-2018 budget provided for the implementation of Community HealthChoices (CHC) to improve health outcomes. The DHS will continue the combined three-year implementation of a managed long-term care program for older Pennsylvanians and adults with physical disabilities – Community HealthChoices. 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. Costs related to older Pennsylvanians and individuals with disabilities were transferred into CHC beginning with implementation in the Southwest zone on January 1, 2018 and in the Southeast zone on January 1, 2019. Costs for the Lehigh/Capital, Northeast and Northwest zones will transfer into CHC on January 1, 2020. For detailed program information please see the CHC narrative.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. A1.11, C1.7, C1.17, E26.6, E26.8, E26.10,
E26.15, E26.22, E26.23

APPROPRIATION:
Services to Persons with Disabilities

I. SUMMARY FINANCIAL DATA

	<u>2017-2018 Actual</u>	<u>2018-2019 Available</u>	<u>2019-2020 Budgeted</u>
State Funds	\$462,436	\$353,358 ¹	\$116,561
Federal Funds Total	\$519,217	\$383,000	\$129,436
Federal Sources Itemized			
<i>Medical Assistance - Services to Persons with Disabilities</i>	\$519,217	\$383,000 ²	\$129,436
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$981,653	\$736,358	\$245,997

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$21,981
Federal Funds Total	\$7,474
Federal Sources Itemized	
<i>Medical Assistance - Services to Persons with Disabilities</i>	<u>\$7,474</u>
Total	\$29,455

¹ Includes a recommended supplemental appropriation of \$21.981 million. Act 1-A of 2018 provided \$331.377 million for this program in Fiscal Year 2018-2019.

² Includes a recommended supplemental appropriation of \$7.474 million. Act 1-A of 2018 provided \$375.526 million for this program in Fiscal Year 2018-2019.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Services to Persons with Disabilities				
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$462,436	\$353,358	\$116,561	(\$236,797)	-67.01%
<i>Federal Funds</i>	\$519,217	\$383,000	\$129,436	(\$253,564)	-66.20%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$981,653	\$736,358	\$245,997	(\$490,361)	-66.59%
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>	\$462,436	\$353,358	\$116,561	(\$236,797)	-67.01%
<i>Federal Funds</i>	\$519,217	\$383,000	\$129,436	(\$253,564)	-66.20%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$981,653	\$736,358	\$245,997	(\$490,361)	-66.59%

APPROPRIATION:
Services to Persons with Disabilities

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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 Independence and OBRA Waiver programs, 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 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			
	State \$	Federal \$	Other \$	Total
GRANT & SUBSIDY				
1. Provides for the annualization of new OBRA recipients entering the program in Fiscal Year 2018-2019:	\$394	\$430	\$0	\$824
2. Provides for an increase in the OBRA Waiver monthly cost per consumer from \$6,246.81 in Fiscal Year 2018-2019 to \$6,458.89 in Fiscal Year 2019-2020:	\$1,389	\$1,480	\$0	\$2,869
3. Provides for the annualization of new Independence recipients entering the program in Fiscal Year 2018-2019:	\$16,169	\$16,775	\$0	\$32,944
4. Provides for an increase in the Independence Waiver monthly cost per consumer from \$5,203.52 in Fiscal Year 2018-2019 to \$5,385.10 in Fiscal Year 2019-2020:	\$16,321	\$16,969	\$0	\$33,290
5. Provides home and community-based services to an additional 1,380 individuals with disabilities in Fiscal Year 2019-2020:	\$23,015	\$25,167	\$0	\$48,182
6. Impact of implementing Community HealthChoices in the remaining zones beginning January 1, 2020, including annualization of the southeast implementation, which will improve care coordination and health outcomes while allowing more individuals to live in their community:	(\$289,183)	(\$316,436)	\$0	(\$605,619)
7. Money Follows the Person (MFP) program stopped transitioning individuals, effective January 1, 2019. Reflects a decrease in enhanced federal funding:	\$903	(\$903)	\$0	\$0
8. The Federal Medical Assistance Percentage will remain at 52.25 percent, effective October 1, 2019. Impact of the full-year blended rate (an increase from 52.1425 percent to 52.2500 percent):	(\$1,191)	\$1,191	\$0	\$0
9. Reflects the non-recurring roll forward of costs from Fiscal Year 2017-2018 to Fiscal Year 2018-2019:	<u>(\$6,225)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$6,225)</u>
Subtotal Grant & Subsidy	<u>(\$238,408)</u>	<u>(\$255,327)</u>	<u>\$0</u>	<u>(\$493,735)</u>
FISCAL YEAR 2019-2020 INITIATIVE				
GRANT & SUBSIDY				
1. Minimum Wage Increase				
A. Provides for an increase in rates to support the change in minimum wage to \$12.00 an hour, effective July 1, 2019:	<u>\$1,611</u>	<u>\$1,763</u>	<u>\$0</u>	<u>\$3,374</u>
TOTAL	<u><u>(\$236,797)</u></u>	<u><u>(\$253,564)</u></u>	<u><u>\$0</u></u>	<u><u>(\$490,361)</u></u>

Services to Persons with Disabilities
Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2018-2019

OBRA	Total	Federal	State	OBRA Users	Expansion		Cost Per User
					Users	Total Users	
JULY 2018	\$7,339,134	\$3,804,435	\$3,534,699			1,078	\$6,808.10
AUGUST	\$6,489,760	\$3,367,203	\$3,122,557			1,093	\$5,937.57
SEPTEMBER	\$6,287,206	\$3,259,833	\$3,027,373			1,076	\$5,843.13
OCTOBER	\$7,738,780	\$4,045,735	\$3,693,045			1,127	\$6,866.71
NOVEMBER	\$6,618,138	\$3,457,977	\$3,160,161	1,127	0	1,127	\$5,872.35
DECEMBER	\$7,777,472	\$4,063,729	\$3,713,743	1,127	0	1,127	\$6,901.04
JANUARY 2019	\$6,651,227	\$3,475,266	\$3,175,961	1,127	0	1,127	\$5,901.71
FEBRUARY	\$6,684,485	\$3,492,643	\$3,191,842	1,127	0	1,127	\$5,931.22
MARCH	\$6,717,900	\$3,510,103	\$3,207,797	1,127	0	1,127	\$5,960.87
APRIL	\$7,816,365	\$4,084,051	\$3,732,314	1,127	0	1,127	\$6,935.55
MAY	\$6,751,496	\$3,527,657	\$3,223,839	1,127	0	1,127	\$5,990.68
JUNE	\$6,785,250	\$3,545,293	\$3,239,957	1,127	0	1,127	\$6,020.63
Subtotal	\$83,657,213	\$43,633,925	\$40,023,288			1,116	\$6,246.81

INDEPENDENCE	Total	Federal	State	INDEPENDENCE Users	Expansion		Cost Per User
					Users	Total Users	
JULY 2018	\$80,293,044	\$41,800,687	\$38,492,357			13,889	\$5,781.05
AUGUST	\$64,966,972	\$33,822,422	\$31,144,550			13,888	\$4,677.92
SEPTEMBER	\$67,117,573	\$34,939,371	\$32,178,202			13,874	\$4,837.65
OCTOBER	\$85,079,984	\$44,637,015	\$40,442,969			14,237	\$5,975.98
NOVEMBER	\$67,775,446	\$35,412,671	\$32,362,775	13,874	115	13,989	\$4,844.91
DECEMBER	\$84,495,936	\$44,149,127	\$40,346,809	13,874	230	14,104	\$5,990.92
JANUARY 2019	\$68,993,005	\$36,048,845	\$32,944,160	13,874	345	14,219	\$4,852.17
FEBRUARY	\$69,655,356	\$36,394,924	\$33,260,432	13,874	460	14,334	\$4,859.45
MARCH	\$70,319,526	\$36,741,952	\$33,577,574	13,874	575	14,449	\$4,866.74
APRIL	\$87,469,928	\$45,703,037	\$41,766,891	13,874	690	14,564	\$6,005.90
MAY	\$71,546,033	\$37,382,802	\$34,163,231	13,874	805	14,679	\$4,874.04
JUNE	\$72,214,692	\$37,732,177	\$34,482,515	13,874	920	14,794	\$4,881.35
Subtotal	\$889,927,495	\$464,765,030	\$425,162,465			14,252	\$5,203.52
Total PROMISe Program Expenditures	\$973,584,708	\$508,398,955	\$465,185,753				

ADMINISTRATIVE/CASH FLOW IMPACTS

Roll Forward from FY 2017-2018	\$6,225,177	\$0	\$6,225,177
Money Follows the Person	\$0	\$1,805,000	(\$1,805,000)
Total Administrative/Cash Flow Impacts	\$6,225,177	\$1,805,000	\$4,420,177

FY 2017-2018 PRR/INITIATIVES

Community HealthChoices - Program Shift	(\$264,133,268)	(\$138,009,632)	(\$126,123,636)
Community HealthChoices - Claims Runout	\$20,681,635	\$10,806,154	\$9,875,481
Total FY 2017-2018 PRR/Initiatives	(\$243,451,633)	(\$127,203,478)	(\$116,248,155)
Total General Fund Requirement		\$383,000,477	\$353,357,775

Act 1-A of 2018	\$375,526,000	\$331,377,000
Surplus/(Deficit)	(\$7,474,477)	(\$21,980,775)

Services to Persons with Disabilities
Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2019-2020

OBRA	Total	Federal	State	OBRA Users	Expansion Users	Total Users	Cost Per User
JULY 2019	\$7,835,907	\$4,094,261	\$3,741,646	1,127	0	1,127	\$6,952.89
AUGUST	\$6,802,211	\$3,554,155	\$3,248,056	1,127	0	1,127	\$6,035.68
SEPTEMBER	\$7,855,494	\$4,104,496	\$3,750,998	1,127	0	1,127	\$6,970.27
OCTOBER	\$6,819,218	\$3,563,041	\$3,256,177	1,127	0	1,127	\$6,050.77
NOVEMBER	\$6,836,269	\$3,571,951	\$3,264,318	1,127	0	1,127	\$6,065.90
DECEMBER	\$7,875,138	\$4,114,760	\$3,760,378	1,127	0	1,127	\$6,987.70
JANUARY 2020	\$6,853,355	\$3,580,878	\$3,272,477	1,127	0	1,127	\$6,081.06
FEBRUARY	\$6,870,485	\$3,589,828	\$3,280,657	1,127	0	1,127	\$6,096.26
MARCH	\$7,894,815	\$4,125,041	\$3,769,774	1,127	0	1,127	\$7,005.16
APRIL	\$6,887,672	\$3,598,809	\$3,288,863	1,127	0	1,127	\$6,111.51
MAY	\$6,904,881	\$3,607,800	\$3,297,081	1,127	0	1,127	\$6,126.78
JUNE	\$7,914,560	\$4,135,358	\$3,779,202	1,127	0	1,127	\$7,022.68
Subtotal	\$87,350,005	\$45,640,378	\$41,709,627			1,127	\$6,458.89

INDEPENDENCE	Total	Federal	State	INDEPENDENCE Users	Expansion Users	Total Users	Cost Per User
JULY 2019	\$89,765,747	\$46,902,603	\$42,863,144	14,794	115	14,909	\$6,020.91
AUGUST	\$73,447,378	\$38,376,255	\$35,071,123	14,794	230	15,024	\$4,888.67
SEPTEMBER	\$91,378,398	\$47,745,213	\$43,633,185	14,794	345	15,139	\$6,035.96
OCTOBER	\$74,683,737	\$39,022,253	\$35,661,484	14,794	460	15,254	\$4,896.01
NOVEMBER	\$75,359,586	\$39,375,384	\$35,984,202	14,794	575	15,369	\$4,903.35
DECEMBER	\$93,694,458	\$48,955,354	\$44,739,104	14,794	690	15,484	\$6,051.05
JANUARY 2020	\$76,602,165	\$40,024,631	\$36,577,534	14,794	805	15,599	\$4,910.71
FEBRUARY	\$77,282,552	\$40,380,133	\$36,902,419	14,794	920	15,714	\$4,918.07
MARCH	\$96,021,563	\$50,171,267	\$45,850,296	14,794	1,035	15,829	\$6,066.18
APRIL	\$78,531,375	\$41,032,643	\$37,498,732	14,794	1,150	15,944	\$4,925.45
MAY	\$79,216,478	\$41,390,610	\$37,825,868	14,794	1,265	16,059	\$4,932.84
JUNE	\$98,359,755	\$51,392,972	\$46,966,783	14,794	1,380	16,174	\$6,081.35
Subtotal	\$1,004,343,192	\$524,769,318	\$479,573,874			15,542	\$5,385.10

Total PROMISe Program Expenditures **\$1,091,693,197** **\$570,409,696** **\$521,283,501**

ADMINISTRATIVE/CASH FLOW IMPACTS

Money Follows the Person	\$0	\$902,500	(\$902,500)
Total Administrative/Cash Flow Impacts	\$0	\$902,500	(\$902,500)

FY 2017-2018 PRR/INITIATIVES

Community HealthChoices - Program Shift	(\$860,840,688)	(\$449,789,260)	(\$411,051,428)
Community HealthChoices - Claims Runout	\$11,770,396	\$6,150,032	\$5,620,364
Total FY 2017-2018 PRR/Initiatives	(\$849,070,292)	(\$443,639,228)	(\$405,431,064)

FY 2019-2020 PRR/INITIATIVES

Minimum Wage Increase	\$3,374,000	\$1,763,000	\$1,611,000
Total General Fund Requirement		\$129,435,968	\$116,560,937

SERVICES TO PERSONS WITH DISABILITIES

PROGRAM STATEMENT

The home and community-based Services to Persons with Disabilities program supports people with developmental disabilities 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 participants would have been served in a nursing facility, but through this and other departmental programs, these individuals are able to reside in the community.

The Services to Persons with Disabilities appropriation provides home and community-based services with supports to the following populations:

- 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 residents 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 Independence Waiver is provided to individuals who have physical disabilities, including traumatic brain injuries, that have been assessed to require services at the nursing facility level of care, but choose services in community settings. The Independence Waiver will serve individuals until January 1, 2020, when all individuals will have transitioned to Community HealthChoices.

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. The Fiscal Year 2019-2020 budget proposes to provide home and community-based services to an additional 1,380 individuals with disabilities.

COMMUNITY HEALTHCHOICES

The Fiscal Year 2017-2018 budget provided for the implementation of Community HealthChoices (CHC) to improve health outcomes. The Department of Human Services (Department) will continue the combined three-year implementation of a managed long-term care program for older Pennsylvanians and adults with physical disabilities – Community HealthChoices. 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. Costs related to older Pennsylvanians and individuals with disabilities were transferred into CHC beginning with implementation in the Southwest zone on January and in the Southeast zone in Fiscal Year 2018-2019. Costs for the Lehigh/Capital, Northeast and Northwest zones will transfer into CHC in Fiscal Year 2019-2020. For detailed program information please see the CHC narrative.

FISCAL YEAR 2019-2020 INITIATIVE – MINIMUM WAGE INCREASE

The Fiscal Year 2019-2020 “Minimum Wage Increase” initiative will increase the minimum wage for all Pennsylvania workers to \$12.00 per hour, effective July 1, 2019. Workers earning the minimum must have the ability to afford basic, family-sustaining necessities that help avoid poverty, be productive workers, and reduce the use of assistance programs. Increasing the minimum wage will allow the Department’s providers to recruit and retain child care and direct care workers that are essential to the provision of services in the Department’s programs. This initiative is expected to decrease HealthChoices enrollment as more adults will be able to transition off Medical Assistance as their income increases. Additionally, children will transition to CHIP coverage as their family income increases.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

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E26.22, E26.23

APPROPRIATION:
Attendant Care

I. SUMMARY FINANCIAL DATA

	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$259,815	\$221,445 ¹	\$55,619
Federal Funds Total	\$253,841	\$212,667	\$67,938
Federal Sources Itemized			
<i>Medical Assistance - Attendant Care</i>	\$253,841	\$212,667 ²	\$67,938
Other Funds Total	\$537	\$537	\$537
Other Fund Sources Itemized			
<i>Attendant Care Parking Fines</i>	\$51	\$51	\$51
<i>Attendant Care Patient Fees</i>	\$486	\$486	\$486
Total	\$514,193	\$434,649	\$124,094

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$15,490
Federal Funds Total	\$16,415
Federal Sources Itemized	
<i>Medical Assistance - Attendant Care</i>	\$16,415
Total	\$31,905

¹ Includes a recommended supplemental appropriation of \$15.490 million. Act 1-A of 2018 provided \$205.955 million for this program in Fiscal Year 2018-2019.

² Includes a recommended supplemental appropriation of \$16.415 million. Act 1-A of 2018 provided \$196.252 million for this program in Fiscal Year 2018-2019.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)			APPROPRIATION: Attendant Care		
	2017-2018 Actual	2018-2019 Available	2019-2020 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	\$259,815	\$221,445	\$55,619	(\$165,826)	-74.88%
Federal Funds	\$253,841	\$212,667	\$30,776	(\$181,891)	-85.53%
Other Funds	\$537	\$537	\$537	\$0	0.00%
Total Grant & Subsidy	\$514,193	\$434,649	\$86,932	(\$347,717)	-80.00%
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	\$37,162	\$37,162	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$0	\$37,162	\$37,162	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	\$259,815	\$221,445	\$55,619	(\$165,826)	-74.88%
Federal Funds	\$253,841	\$212,667	\$67,938	(\$144,729)	-68.05%
Other Funds	\$537	\$537	\$537	\$0	0.00%
Total Funds	\$514,193	\$434,649	\$124,094	(\$310,555)	-71.45%

APPROPRIATION:
Attendant Care

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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 Attendant Care Under 60 Waiver and Act 150 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 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
GRANT & SUBSIDY				
1. Provides for the annualization of Attendant Care Waiver recipients entering the program in Fiscal Year 2018-2019:	\$7,972	\$8,271	\$0	\$16,243
2. Provides for an increase in the Attendant Care Waiver monthly cost per consumer from \$3,963.18 in Fiscal Year 2018-2019 to \$4,200.15 in Fiscal Year 2019-2020:	\$18,217	\$18,900	\$0	\$37,117
3. Provides for an increase in the Act 150 monthly cost per consumer from \$3,443.29 in Fiscal Year 2018-2019 to \$3,506.20 in Fiscal Year 2019-2020:	\$588	\$0	\$0	\$588
4. Provides home and community-based services to an additional 840 individuals with disabilities in Fiscal Year 2019-2020:	\$10,947	\$11,971	\$0	\$22,918
5. Impact of implementing Community HealthChoices in the remaining zones beginning January 1, 2020, including annualization of the southeast implementation, which will improve care coordination and health outcomes while allowing more individuals to live in their community:	(\$197,552)	(\$216,169)	\$0	(\$413,721)
6. Money Follows the Person (MFP) program stopped transitioning individuals, effective January 1, 2019. Reflects a decrease in enhanced federal funding:	\$84	(\$84)	\$0	\$0
7. The Federal Medical Assistance Percentage will remain at 52.25 percent, effective October 1, 2019. Impact of the full-year blended rate (an increase from 52.1425 percent to 52.2500 percent):	(\$748)	\$748	\$0	\$0
8. Reflects the non-recurring roll forward of costs from Fiscal Year 2017-2018 to Fiscal Year 2018-2019:	(\$5,877)	(\$6,122)	\$0	(\$11,999)
Subtotal Grant & Subsidy	(\$166,369)	(\$182,485)	\$0	(\$348,854)
FISCAL YEAR 2019-2020 INITIATIVE				
GRANT & SUBSIDY				
1. Minimum Wage Increase				
A. Provides for an increase in rates to support the change in minimum wage to \$12.00 an hour, effective July 1, 2019:	\$543	\$594	\$0	\$1,137
Subtotal Fiscal Year 2019-2020 Initiative	\$543	\$594	\$0	\$1,137
BUDGETARY RESERVE				
1. Impact of the change in excess Federal appropriation authority from Fiscal Year 2018-2019 to Fiscal Year 2019-2020:	\$0	\$37,162	\$0	\$37,162
TOTAL	<u>(\$165,826)</u>	<u>(\$144,729)</u>	<u>\$0</u>	<u>(\$310,555)</u>

Attendant Care
Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2018-2019

Attendant Care	Total	Federal	State	Unduplicated Users	Expansion Users	Total Users	Cost Per User
JULY 2018	\$54,151,814	\$28,218,733	\$25,933,081			12,114	\$4,470.18
AUGUST	\$43,012,749	\$22,419,835	\$20,592,914			12,143	\$3,542.18
SEPTEMBER	\$44,330,967	\$23,089,781	\$21,241,186			12,329	\$3,595.67
OCTOBER	\$59,538,595	\$31,277,246	\$28,261,349			12,722	\$4,679.97
NOVEMBER	\$44,694,179	\$23,352,709	\$21,341,470	12,329	70	12,399	\$3,604.66
DECEMBER	\$58,938,095	\$30,795,155	\$28,142,940	12,329	140	12,469	\$4,726.77
JANUARY 2019	\$45,311,808	\$23,675,420	\$21,636,388	12,329	210	12,539	\$3,613.67
FEBRUARY	\$45,678,624	\$23,867,081	\$21,811,543	12,329	280	12,609	\$3,622.70
MARCH	\$46,047,085	\$24,059,602	\$21,987,483	12,329	350	12,679	\$3,631.76
APRIL	\$60,864,236	\$31,801,563	\$29,062,673	12,329	420	12,749	\$4,774.04
MAY	\$46,671,928	\$24,386,082	\$22,285,846	12,329	490	12,819	\$3,640.84
JUNE	\$47,044,077	\$24,580,530	\$22,463,547	12,329	560	12,889	\$3,649.94
Subtotal	\$596,284,157	\$311,523,737	\$284,760,420			12,538	\$3,963.18

Act 150	Total	Federal	State	Unduplicated Users	Expansion Users	Total Users	Cost Per User
JULY 2018	\$2,527,993	\$0	\$2,527,993			671	\$3,767.50
AUGUST	\$2,086,740	\$0	\$2,086,740			659	\$3,166.53
SEPTEMBER	\$2,147,936	\$0	\$2,147,936			660	\$3,254.45
OCTOBER	\$2,585,288	\$0	\$2,585,288			670	\$3,858.64
NOVEMBER	\$2,180,482	\$0	\$2,180,482	670	0	670	\$3,254.45
DECEMBER	\$2,585,289	\$0	\$2,585,289	670	0	670	\$3,858.64
JANUARY 2019	\$2,180,482	\$0	\$2,180,482	670	0	670	\$3,254.45
FEBRUARY	\$2,180,482	\$0	\$2,180,482	670	0	670	\$3,254.45
MARCH	\$2,180,482	\$0	\$2,180,482	670	0	670	\$3,254.45
APRIL	\$2,585,289	\$0	\$2,585,289	670	0	670	\$3,858.64
MAY	\$2,180,482	\$0	\$2,180,482	670	0	670	\$3,254.45
JUNE	\$2,180,482	\$0	\$2,180,482	670	0	670	\$3,254.45
Subtotal	\$27,601,427	\$0	\$27,601,427			668	\$3,443.29
Total PROMISe Program Expenditures	\$623,885,584	\$311,523,737	\$312,361,847				

ADMINISTRATIVE/CASH FLOW IMPACTS

Roll Forward from FY 2017-2018	\$11,999,557	\$6,122,296	\$5,877,261
Money Follows the Person	\$0	\$167,000	(\$167,000)
Total Administrative/Cash Flow Impacts	\$11,999,557	\$6,289,296	\$5,710,261

FY 2017-2018 PRR/INITIATIVES

Community HealthChoices - Program Shift	(\$214,286,177)	(\$111,964,527)	(\$102,321,650)
Community HealthChoices - Claims Runout	\$13,050,211	\$6,818,735	\$6,231,476
Total FY 2017-2018 PRR/Initiatives	(\$201,235,966)	(\$105,145,792)	(\$96,090,174)
Total Program Cost	\$434,649,175	\$212,667,241	\$221,981,934

REVENUE

Parking Fines	\$51,000	\$0	\$51,000
Patient Fees	\$486,000	\$0	\$486,000
Total Revenue	\$537,000	\$0	\$537,000

Total General Fund Requirement **\$212,667,241** **\$221,444,934**

Act 1-A of 2018	\$196,252,000	\$205,955,000
Surplus/(Deficit)	(\$16,415,241)	(\$15,489,934)

Attendant Care
Fiscal Year 2019-2020 Governor's Executive Budget
Fiscal Year 2019-2020

Attendant Care	Total	Federal	State	Unduplicated Users	Expansion Users	Total Users	Cost Per User
JULY 2019	\$62,485,447	\$32,648,646	\$29,836,801	12,889	70	12,959	\$4,821.78
AUGUST	\$47,674,023	\$24,909,677	\$22,764,346	12,889	140	13,029	\$3,659.07
SEPTEMBER	\$63,792,130	\$33,331,388	\$30,460,742	12,889	210	13,099	\$4,870.00
OCTOBER	\$48,306,789	\$25,240,297	\$23,066,492	12,889	280	13,169	\$3,668.22
NOVEMBER	\$48,684,966	\$25,437,895	\$23,247,071	12,889	350	13,239	\$3,677.39
DECEMBER	\$65,462,978	\$34,204,406	\$31,258,572	12,889	420	13,309	\$4,918.70
JANUARY 2020	\$49,322,754	\$25,771,139	\$23,551,615	12,889	490	13,379	\$3,686.58
FEBRUARY	\$49,704,814	\$25,970,765	\$23,734,049	12,889	560	13,449	\$3,695.80
MARCH	\$67,160,770	\$35,091,502	\$32,069,268	12,889	630	13,519	\$4,967.88
APRIL	\$50,347,789	\$26,306,720	\$24,041,069	12,889	700	13,589	\$3,705.04
MAY	\$50,733,624	\$26,508,319	\$24,225,305	12,889	770	13,659	\$3,714.30
JUNE	\$68,886,081	\$35,992,977	\$32,893,104	12,889	840	13,729	\$5,017.56
Subtotal	\$672,562,165	\$351,413,731	\$321,148,434			13,344	\$4,200.15

Act 150	Total	Federal	State	Unduplicated Users	Expansion Users	Total Users	Cost Per User
JULY 2019	\$2,585,289	\$0	\$2,585,289	670	0	670	\$3,858.64
AUGUST	\$2,180,482	\$0	\$2,180,482	670	0	670	\$3,254.45
SEPTEMBER	\$2,585,289	\$0	\$2,585,289	670	0	670	\$3,858.64
OCTOBER	\$2,180,482	\$0	\$2,180,482	670	0	670	\$3,254.45
NOVEMBER	\$2,180,482	\$0	\$2,180,482	670	0	670	\$3,254.45
DECEMBER	\$2,585,289	\$0	\$2,585,289	670	0	670	\$3,858.64
JANUARY 2020	\$2,180,482	\$0	\$2,180,482	670	0	670	\$3,254.45
FEBRUARY	\$2,180,482	\$0	\$2,180,482	670	0	670	\$3,254.45
MARCH	\$2,585,289	\$0	\$2,585,289	670	0	670	\$3,858.64
APRIL	\$2,180,482	\$0	\$2,180,482	670	0	670	\$3,254.45
MAY	\$2,180,482	\$0	\$2,180,482	670	0	670	\$3,254.45
JUNE	\$2,585,289	\$0	\$2,585,289	670	0	670	\$3,858.64
Subtotal	\$28,189,819	\$0	\$28,189,819			670	\$3,506.20

Total PROMISe Program Expenditures \$700,751,984 \$351,413,731 \$349,338,253

ADMINISTRATIVE/CASH FLOW IMPACTS

Money Follows the Person	\$0	\$83,500	(\$83,500)
Total Administrative/Cash Flow Impacts	\$0	\$83,500	(\$83,500)

FY 2017-2018 PRR/INITIATIVES

Community HealthChoices - Program Shift	(\$622,417,384)	(\$325,213,083)	(\$297,204,301)
Community HealthChoices - Claims Runout	\$7,460,243	\$3,897,977	\$3,562,266
Total FY 2017-2018 PRR/Initiatives	(\$614,957,141)	(\$321,315,106)	(\$293,642,035)

FY 2019-2020 PRR/INITIATIVES

Minimum Wage Increase	\$1,137,000	\$594,000	\$543,000
Uncommitted	\$37,161,875	\$37,161,875	\$0
Total Program Cost	\$124,093,718	\$67,938,000	\$56,155,718

REVENUE

Parking Fines	\$51,000	\$0	\$51,000
Patient Fees	\$486,000	\$0	\$486,000
Total Revenue	\$537,000	\$0	\$537,000
Total General Fund Requirement		\$67,938,000	\$55,618,718

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 participants 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 participant employer model, participants recruit, hire, train, and manage their own attendants. Under the Services My Way model, participants 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 Medicaid 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.

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. The Fiscal Year 2019-2020 budget proposes to provide home and community-based services to an additional 840 individuals with disabilities. The Attendant Care Medicaid Waiver will serve individuals until January 1, 2020, when all individuals will have transitioned to Community HealthChoices.

COMMUNITY HEALTHCHOICES

The Fiscal Year 2017-2018 budget provided for the implementation of Community HealthChoices (CHC) to improve health outcomes. The DHS will continue the combined three-year implementation of a managed long-term care program for older Pennsylvanians and adults with physical disabilities – Community HealthChoices. 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. Costs related to older Pennsylvanians and individuals with physical disabilities were transferred into CHC beginning with implementation in the Southwest zone on January 1, 2018 and in the Southeast zone on January 1, 2019. Costs for the Lehigh/Capital, Northeast and Northwest zones will transfer into CHC on January 1, 2020. For detailed program information please see the CHC narrative.

FISCAL YEAR 2019-2020 INITIATIVE – MINIMUM WAGE INCREASE

The Fiscal Year 2019-2020 “Minimum Wage Increase” initiative will increase the minimum wage for all Pennsylvania workers to \$12.00 per hour, effective July 1, 2019. Workers earning the minimum must have the ability to afford basic, family-sustaining necessities that help avoid poverty, be productive workers, and reduce the use of assistance programs. Increasing the minimum wage will allow DHS providers to recruit and retain child care and direct care workers that are essential to the provision of services in DHS programs. This initiative is expected to decrease HealthChoices enrollment as more adults will be able to transition off Medical Assistance as their income increases. Additionally, children will transition to CHIP coverage as their family income increases.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

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E26.31, E26.33-E26.34

APPROPRIATION:
Intellectual Disabilities - Community Waiver Program

I. SUMMARY FINANCIAL DATA

	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$1,527,602	\$1,643,812 ¹	\$1,672,826
Federal Funds Total	\$1,565,324	\$1,664,104 ²	\$1,723,748
Federal Sources Itemized			
<i>Medical Assistance - Community ID Waiver Program</i>	\$1,565,324	\$1,664,104	\$1,723,748
Other Funds	\$0	\$0	\$0
Total	\$3,092,926	\$3,307,916	\$3,396,574

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$55,000 ¹
Federal Funds Total	
Federal Sources Itemized	
<i>Medical Assistance - Community ID Waiver Program</i>	<u>\$26,280</u> ²
Total	\$81,280

¹ Act 1-A of 2018 included state fund appropriation authority of \$1,588.812 million for Fiscal Year 2018-2019. However, the Governor's Executive Budget for Fiscal Year 2019-2020 reflects a \$55.000 million supplemental request for a revised Fiscal Year 2018-2019 state appropriation of \$1,643.812 million.

² Act 1-A of 2018 included federal fund appropriation authority of \$1,637.824 million for Fiscal Year 2018-2019. However, the Governor's Executive Budget for Fiscal Year 2019-2020 reflects a \$26.280 million supplemental request for a revised Fiscal Year 2018-2019 federal appropriation of \$1,664.104 million.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Intellectual Disabilities - Community Waiver Program			
	2017-2018 Actual	2018-2019 Available	2019-2020 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	\$1,527,602	\$1,643,812	\$1,672,826	\$29,014	1.77%
Federal Funds	\$1,535,085	\$1,644,861	\$1,673,748	\$28,887	1.76%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$3,062,687	\$3,288,673	\$3,346,574	\$57,901	1.76%
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	\$30,239	\$19,243	\$50,000	\$30,757	159.83%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$30,239	\$19,243	\$50,000	\$30,757	159.83%
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	\$1,527,602	\$1,643,812	\$1,672,826	\$29,014	1.77%
Federal Funds	\$1,565,324	\$1,664,104	\$1,723,748	\$59,644	3.58%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$3,092,926	\$3,307,916	\$3,396,574	\$88,658	2.68%

APPROPRIATION: Intellectual Disabilities - Community Waiver Program

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$51	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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 2019-2020 Governor's Executive Budget provides for maintenance of the current program. Annualization of prior year initiatives is also included.

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 annualized funding for the Fiscal Year 2018-2019 transfer of 69 individuals from the Private Intermediate Care Facility/Intellectual Disabilities (ICF/ID) program and a corresponding increase in capacity in the Waiver program:	\$1,130	\$1,061	\$0	\$2,191
2. Provides for the annualization of the Fiscal Year 2018-2019 "Community Opportunities - Disabilities Rights Network Settlement/Olmstead" Initiative for the transfer of 25 individuals from State Centers for the Intellectually Disabled to the Consolidated Waiver program. Transfers occur throughout the fiscal year and individuals are eligible for enhanced federal earnings through the Money Follows Person (MFP) grant for one year from the date of their transfer for individuals transitioned to the community prior to January 1, 2019:	\$73	\$2,065	\$0	\$2,138
3. Provides annualized funding for the Fiscal Year 2018-2019 "Waiting List" Initiative for the placement of 100 individuals from the emergency waiting list into the Consolidated Waiver:	\$3,468	\$3,993	\$0	\$7,461
4. Provides annualized funding for the regional residential habilitation ineligible rate increase that was effective January 1, 2019:	\$2,650	\$0	\$0	\$2,650
5. Provides funding for on-going residential service costs including changes in utilization:	(\$40,289)	(\$45,213)	\$0	(\$85,502)
6. Provides for the annualization of the Fiscal Year 2018-2019 Initiative: "Waiting List" for home and community-based services for 800 students graduating from special education in June 2018, and 800 students graduating in June 2019:	\$17,094	\$18,706	\$0	\$35,800
7. Provides for maintenance of services including the impact of changes in utilization:	\$2,002	\$2,542	\$0	\$4,544
8. Provides for the impact of the one-time-only Fiscal Year 2018-2019 transfer of funds from the Waiver program to the Autism program:	\$450	\$0	\$0	\$450
9. Provides for the impact of a 53rd payment cycle in Fiscal Year 2019-2020:	\$33,980	\$33,985	\$0	\$67,965

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>
GRANT & SUBSIDY (Continued)				
10. Assumes the Federal Medical Assistance Percentage (FMAP) rate will remain at 52.25 percent, effective October 1, 2019. The state fiscal year blended rate is increasing from 52.1425 percent in Fiscal Year 2018-2019 to 52.25 percent in Fiscal Year 2019-2020. That change results in an increase of \$1.553 million in federal Medical Assistance funding with an offsetting decrease of \$1.553 million in state fund requirements:	(\$1,553)	\$1,553	\$0	\$0
11. Other changes:	<u>(\$4,994)</u>	<u>(\$5,214)</u>	<u>\$0</u>	<u>(\$10,208)</u>
Subtotal Grant & Subsidy	\$14,011	\$13,478	\$0	\$27,489
BUDGETARY RESERVE				
1. Change in excess federal Medical Assistance appropriation authority:	<u>\$0</u>	<u>\$30,757</u>	<u>\$0</u>	<u>\$30,757</u>
Subtotal Budgetary Reserve	\$0	\$30,757	\$0	\$30,757
INITIATIVES				
GRANT & SUBSIDY				
1. Waiting List:				
A. Provides six-month funding for the placement of 100 individuals on the emergency waiting list into the Consolidated Waiver:	\$4,044	\$3,418	\$0	\$7,462
B. Provides six-month funding for the placement of 765 individuals on the emergency waiting list into the Community Living Waiver:	<u>\$10,959</u>	<u>\$11,991</u>	<u>\$0</u>	<u>\$22,950</u>
Subtotal Initiatives	<u>\$15,003</u>	<u>\$15,409</u>	<u>\$0</u>	<u>\$30,412</u>
TOTAL	<u><u>\$29,014</u></u>	<u><u>\$59,644</u></u>	<u><u>\$0</u></u>	<u><u>\$88,658</u></u>

**Fiscal Year 2019-2020 Governor's Executive Budget
Intellectual Disabilities - Community Waiver Program**
\$ Amounts in Thousands

		FISCAL YEAR 2019-2020			
		Total	State Inelig	State Elig	Federal
CONSOLIDATED WAIVER:					
Residential - 5 or More Person Homes		\$60,950	\$2,385	\$27,965	\$30,600
Residential - 4 Person Homes		\$367,736	\$18,663	\$166,682	\$182,391
Residential - 3 Person Homes		\$767,445	\$65,617	\$334,943	\$366,885
Residential - 2 Person Homes		\$421,743	\$24,211	\$189,822	\$207,710
Residential - 1 Person Homes		\$162,677	\$20,106	\$68,078	\$74,493
FY 18-19 Regional Residential Habilitation Ineligible Rate Increase (effect. 1/1/19)		\$5,300	\$5,300	\$0	\$0
	Subtotal Residential Services	\$1,785,851	\$136,282	\$787,490	\$862,079
Behavioral Support		\$10,291	\$0	\$4,914	\$5,377
Benefits Counseling		\$167	\$0	\$80	\$87
Communications Specialist		\$368	\$0	\$176	\$192
Community Participation Support		\$365,827	\$0	\$174,682	\$191,145
Companion Services		\$38,538	\$0	\$18,402	\$20,136
Consultative Nutritional Services		\$167	\$0	\$80	\$87
Employment Services		\$30,249	\$0	\$14,444	\$15,805
Family/Caregiver Training and Support		\$167	\$0	\$80	\$87
Homemaker/Chore		\$167	\$0	\$80	\$87
Housing Transition and Tenancy Sustaining Service		\$219	\$0	\$105	\$114
In-Home and Community Support		\$190,985	\$0	\$91,195	\$99,790
Life-sharing		\$80,003	\$0	\$38,201	\$41,802
Music, Art, and Equine Therapy		\$167	\$0	\$80	\$87
Residential Habilitation-Other Support Services		\$8,946	\$0	\$4,272	\$4,674
Respite Services		\$10,201	\$0	\$4,871	\$5,330
Shift Nursing		\$4,573	\$0	\$2,184	\$2,389
Support Broker Services		\$2,532	\$0	\$1,209	\$1,323
Supports Coordination		\$74,802	\$0	\$35,718	\$39,084
Therapy Services		\$734	\$0	\$350	\$384
Transitional Work Services		\$167	\$0	\$80	\$87
Transportation		\$12,255	\$0	\$5,852	\$6,403
	Subtotal Non-Residential	\$831,525	\$0	\$397,055	\$434,470
Outcomes-Based Vendor Services		\$1,102	\$0	\$526	\$576
	Subtotal Cost Based Services	\$1,102	\$0	\$526	\$576
FY 18-19 ICF-ID Conversions (Add'l 69 beds)		\$10,984	\$761	\$4,881	\$5,342
FY 17-18 ICF-ID Conversions		\$2,391	\$180	\$1,056	\$1,155
FY 16-17 ICF-ID Conversions		\$0	\$0	\$0	\$0
FY 18-19 Transfer from Base to Waiver (61 Individs. effect. 7/1/18)		\$5,751	\$293	\$2,606	\$2,852
FY 17-18 Transfer from Base to Waiver		\$254	\$0	\$121	\$133
FY 17-18 Unified Systems		\$19,440	\$780	\$8,910	\$9,750
FY 18-19 Initiative - DRN/Olmstead		\$3,809	\$229	\$1,823	\$1,757
FY 17-18 Initiative - DRN/Olmstead		\$6,095	\$366	\$2,736	\$2,993
FY 19-20 Initiative - Emergency Waiting List		\$7,462	\$920	\$3,124	\$3,418
FY 18-19 Initiative - Emergency Waiting List		\$14,923	\$740	\$6,772	\$7,411
	TOTAL CONSOLIDATED WAIVER	\$2,689,587	\$140,551	\$1,217,100	\$1,331,936
PERSON/FAMILY DIRECTED SUPPORTS WAIVER:					
Behavioral Support		\$4,054	\$0	\$1,936	\$2,118
Benefits Counseling		\$18	\$0	\$9	\$9
Communications Specialist		\$367	\$0	\$175	\$192
Community Participation Support		\$129,699	\$0	\$61,931	\$67,768
Companion Services		\$25,016	\$0	\$11,945	\$13,071
Consultative Nutritional Services		\$12	\$0	\$6	\$6
Employment Services		\$17,089	\$0	\$8,160	\$8,929
Homemaker/Chore		\$99	\$0	\$47	\$52
Housing Transition and Tenancy Sustaining Service		\$218	\$0	\$104	\$114
In-Home and Community Support		\$109,732	\$0	\$52,397	\$57,335
Outcomes-Based Vendor Services		\$281	\$0	\$134	\$147
Participant-Directed Goods and Services		\$250	\$0	\$119	\$131
Respite Services		\$5,729	\$0	\$2,736	\$2,993
Shift Nursing		\$269	\$0	\$128	\$141
Support Broker Services		\$126	\$0	\$60	\$66
Supports Coordination		\$34,900	\$0	\$16,665	\$18,235
Therapy Services		\$427	\$0	\$204	\$223
Transportation		\$23,408	\$0	\$11,177	\$12,231
FY 17-18 Initiative - Special Education Graduates		\$21,320	\$0	\$10,180	\$11,140
	TOTAL P/FDS WAIVER	\$373,014	\$0	\$178,113	\$194,901

**Fiscal Year 2019-2020 Governor's Executive Budget
Intellectual Disabilities - Community Waiver Program**

\$ Amounts in Thousands

	FISCAL YEAR 2019-2020			
	Total	State Inelig	State Elig	Federal
COMMUNITY LIVING WAIVER:				
Behavioral Support	\$4,218	\$0	\$2,014	\$2,204
Benefits Counseling	\$125	\$0	\$60	\$65
Communications Specialist	\$125	\$0	\$60	\$65
Community Participation Support	\$25,171	\$0	\$12,019	\$13,152
Companion Services	\$12,234	\$0	\$5,842	\$6,392
Consultative Nutritional Services	\$5,463	\$0	\$2,609	\$2,854
Employment Services	\$14,445	\$0	\$6,897	\$7,548
Homemaker/Chore	\$125	\$0	\$60	\$65
Housing Transition and Tenancy Sustaining Service	\$125	\$0	\$60	\$65
In-Home and Community Support	\$32,107	\$0	\$15,331	\$16,776
Life-sharing	\$8,702	\$0	\$4,155	\$4,547
Outcomes-Based Vendor Services	\$125	\$0	\$60	\$65
Participant-Directed Goods and Services	\$125	\$0	\$60	\$65
Respite Services	\$2,438	\$0	\$1,164	\$1,274
Shift Nursing	\$119	\$0	\$57	\$62
Supported Living	\$7,250	\$0	\$3,462	\$3,788
Support Broker Services	\$125	\$0	\$60	\$65
Supports Coordination	\$7,826	\$0	\$3,737	\$4,089
Therapy Services	\$135	\$0	\$64	\$71
Transportation	\$4,795	\$0	\$2,290	\$2,505
FY 19-20 Initiative - Emergency Waiting List	\$22,950	\$0	\$10,959	\$11,991
FY 18-19 Initiative - Spec Education Grads/Community Living	\$57,280	\$0	\$27,351	\$29,929
TOTAL COMMUNITY LIVING WAIVER	\$206,008	\$0	\$98,371	\$107,637
Litigation Settlement Costs Related to Provider Appeals	\$10,000	\$0	\$4,775	\$5,225
Adjustment for 53rd Payment Cycle in FY 19-20	\$67,965	\$2,800	\$31,116	\$34,049
Budgetary Reserve	\$50,000	\$0	\$0	\$50,000
TOTAL BELOW THE LINE ADJUSTMENTS	\$127,965	\$2,800	\$35,891	\$89,274
<u>GRAND TOTAL ID - COMMUNITY WAIVER PROGRAM</u>	\$3,396,574	\$143,351	\$1,529,475	\$1,723,748
		Total State	\$1,672,826	

**Fiscal Year 2019-2020 Governor's Executive Budget
Intellectual Disabilities - Community Waiver Program
\$ Amounts in Thousands**

		FISCAL YEAR 2018-2019			
		Total	State Inelig	State Elig	Federal
CONSOLIDATED WAIVER:					
Residential - 5 or More Person Homes		\$93,263	\$3,648	\$42,815	\$46,800
Residential - 4 Person Homes		\$395,976	\$20,074	\$179,503	\$196,399
Residential - 3 Person Homes		\$795,072	\$67,819	\$346,588	\$380,665
Residential - 2 Person Homes		\$432,562	\$24,799	\$194,662	\$213,101
Residential - 1 Person Homes		\$149,180	\$18,368	\$62,267	\$68,545
FY 18-19 Regional Residential Habilitation Ineligible Rate Increase (effect. 1/1/19)		\$2,650	\$2,650	\$0	\$0
	Subtotal Residential Services	\$1,868,703	\$137,358	\$825,835	\$905,510
Behavioral Support		\$16,344	\$0	\$7,822	\$8,522
Benefits Counseling		\$21	\$0	\$10	\$11
Communications Specialist		\$417	\$0	\$199	\$218
Community Participation Support		\$391,803	\$0	\$187,507	\$204,296
Companion Services		\$53,340	\$0	\$25,527	\$27,813
Consultative Nutritional Services		\$13	\$0	\$6	\$7
Employment Services		\$23,431	\$0	\$11,213	\$12,218
Family/Caregiver Training and Support		\$93	\$0	\$45	\$48
Homemaker/Chore		\$249	\$0	\$119	\$130
Housing Transition and Tenancy Sustaining Service		\$241	\$0	\$116	\$125
In-Home and Community Support		\$123,341	\$0	\$59,028	\$64,313
Life-sharing		\$86,092	\$0	\$41,202	\$44,890
Music, Art, and Equine Therapy		\$588	\$0	\$281	\$307
Residential Habilitation-Other Support Services		\$45,287	\$0	\$21,673	\$23,614
Respite Services		\$9,648	\$0	\$4,617	\$5,031
Shift Nursing		\$24,598	\$0	\$11,772	\$12,826
Support Broker Services		\$2,887	\$0	\$1,382	\$1,505
Supports Coordination		\$84,722	\$0	\$40,546	\$44,176
Therapy Services		\$160	\$0	\$77	\$83
Transitional Work Services		\$10,640	\$0	\$5,092	\$5,548
Transportation		\$11,788	\$0	\$5,641	\$6,147
	Subtotal Non-Residential	\$885,703	\$0	\$423,875	\$461,828
Outcomes-Based Vendor Services		\$8,003	\$0	\$3,830	\$4,173
	Subtotal Cost Based Services	\$8,003	\$0	\$3,830	\$4,173
FY 18-19 ICF-ID Conversions (Add'l 69 beds)		\$8,793	\$601	\$3,911	\$4,281
FY 17-18 ICF-ID Conversions		\$2,391	\$180	\$1,058	\$1,153
FY 16-17 ICF-ID Conversions		\$1,523	\$150	\$657	\$716
FY 18-19 Transfer from Base to Waiver (61 Individs. effect. 7/1/18)		\$5,751	\$293	\$2,612	\$2,846
FY 17-18 Transfer from Base to Waiver		\$254	\$0	\$122	\$132
FY 17-18 Unified Systems		\$19,440	\$780	\$8,930	\$9,730
FY 18-19 Initiative - DRN/Olmstead		\$1,671	\$805	\$321	\$545
FY 17-18 Initiative - DRN/Olmstead		\$6,095	\$366	\$1,826	\$3,903
FY 16-17 Initiative - DRN/Olmstead		\$3,047	\$183	\$1,371	\$1,493
FY 19-20 Initiative - Emergency Waiting List		\$0	\$0	\$0	\$0
FY 18-19 Initiative - Emergency Waiting List		\$7,462	\$920	\$3,124	\$3,418
Medical and Therapeutic Vacancy Factor Exception		\$0	\$0	\$0	\$0
	TOTAL CONSOLIDATED WAIVER	\$2,818,836	\$141,636	\$1,277,472	\$1,399,728
PERSON/FAMILY DIRECTED SUPPORTS WAIVER:					
Day and Support Services - Maintenance		\$343,279	\$0	\$164,285	\$178,994
FY 17-18 Initiative - Special Education Graduates		\$21,320	\$0	\$10,203	\$11,117
	TOTAL P/FDS WAIVER	\$364,599	\$0	\$174,488	\$190,111
COMMUNITY LIVING WAIVER:					
FY 18-19 Initiative - Spec Education Grads/Community Living		\$21,480	\$0	\$10,257	\$11,223
FY 17-18 Initiative - New Community Support Waiver		\$64,000	\$0	\$30,629	\$33,371
	TOTAL COMMUNITY LIVING WAIVER	\$85,480	\$0	\$40,886	\$44,594
Funding Transfer to Autism Intervention and Services Program		(\$450)	(\$450)	\$0	\$0
Litigation Settlement Costs Related to Provider Appeals		\$10,000	\$0	\$4,786	\$5,214
Admin Costs for FMS, AWC & OHC Incorrectly Charged to Waiver		\$0	\$0	\$0	\$0
Adjustment for 53rd Payment Cycle in FY 19-20		\$0	\$0	\$0	\$0
State Funds Adjustment		\$4,994	\$193	\$4,801	\$0
Federal Funds Adjustment		\$5,214	\$0	\$0	\$5,214
Budgetary Reserve		\$19,243	\$0	\$0	\$19,243
	TOTAL BELOW THE LINE ADJUSTMENTS	\$39,001	(\$257)	\$9,587	\$29,671
	GRAND TOTAL ID - COMMUNITY WAIVER PROGRAM	\$3,307,916	\$141,379	\$1,502,433	\$1,664,104
				Total State	\$1,643,812

**Fiscal Year 2019-2020 Governor's Executive Budget
Intellectual Disabilities - Community Waiver Program**
\$ Amounts in Thousands

		FISCAL YEAR 2017-2018			
		Total	State Inelig	State Elig	Federal
CONSOLIDATED WAIVER:					
Residential - 5 or More Person Homes		\$88,988	\$3,486	\$41,204	\$44,298
Residential - 4 Person Homes		\$377,826	\$19,194	\$172,824	\$185,808
Residential - 3 Person Homes		\$758,579	\$64,929	\$334,124	\$359,526
Residential - 2 Person Homes		\$412,735	\$23,718	\$187,466	\$201,551
Residential - 1 Person Homes		\$142,342	\$17,609	\$60,108	\$64,625
FY 18-19 Regional Residential Habilitation Ineligible Rate Increase (effect. 1/1/19)		\$0	\$0	\$0	\$0
	Subtotal Residential Services	\$1,780,470	\$128,936	\$795,726	\$855,808
Behavioral Support		\$13,392	\$0	\$6,454	\$6,938
Benefits Counseling		\$19	\$0	\$9	\$10
Communications Specialist		\$371	\$0	\$179	\$192
Community Participation Support		\$348,919	\$0	\$168,146	\$180,773
Companion Services		\$39,286	\$0	\$18,932	\$20,354
Consultative Nutritional Services		\$13	\$0	\$6	\$7
Employment Services		\$20,154	\$0	\$9,712	\$10,442
Family/Caregiver Training and Support		\$82	\$0	\$39	\$43
Homemaker/Chore		\$168	\$0	\$81	\$87
Housing Transition and Tenancy Sustaining Service		\$214	\$0	\$103	\$111
In-Home and Community Support		\$109,840	\$0	\$52,931	\$56,909
Life-sharing		\$76,669	\$0	\$36,946	\$39,723
Music, Art, and Equine Therapy		\$524	\$0	\$252	\$272
Residential Habilitation-Other Support Services		\$44,357	\$0	\$21,375	\$22,982
Respite Services		\$9,891	\$0	\$4,766	\$5,125
Shift Nursing		\$21,906	\$0	\$10,556	\$11,350
Support Broker Services		\$2,570	\$0	\$1,238	\$1,332
Supports Coordination		\$75,449	\$0	\$36,358	\$39,091
Therapy Services		\$163	\$0	\$79	\$84
Transitional Work Services		\$9,313	\$0	\$4,488	\$4,825
Transportation		\$10,689	\$0	\$5,151	\$5,538
	Subtotal Non-Residential	\$783,989	\$0	\$377,801	\$406,188
Outcomes-Based Vendor Services		\$7,126	\$0	\$3,434	\$3,692
	Subtotal Cost Based Services	\$7,126	\$0	\$3,434	\$3,692
FY 18-19 ICF-ID Conversions (Add'l 69 beds)		\$0	\$0	\$0	\$0
FY 17-18 ICF-ID Conversions		\$2,391	\$180	\$1,065	\$1,146
FY 16-17 ICF-ID Conversions		\$1,523	\$150	\$662	\$711
FY 18-19 Transfer from Base to Waiver (61 Individs. effect. 7/1/18)		\$0	\$0	\$0	\$0
FY 17-18 Transfer from Base to Waiver		\$254	\$0	\$122	\$132
FY 17-18 Unified Systems		\$16,710	\$780	\$5,174	\$10,756
FY 18-19 Initiative - DRN/Olmstead		\$0	\$0	\$0	\$0
FY 17-18 Initiative - DRN/Olmstead		\$1,968	\$118	\$446	\$1,404
FY 16-17 Initiative - DRN/Olmstead		\$10,514	\$631	\$3,078	\$6,805
FY 19-20 Initiative - Emergency Waiting List		\$0	\$0	\$0	\$0
FY 18-19 Initiative - Emergency Waiting List		\$0	\$0	\$0	\$0
Medical and Therapeutic Vacancy Factor Exception		\$10,500	\$10,500	\$0	\$0
	TOTAL CONSOLIDATED WAIVER	\$2,615,445	\$141,295	\$1,187,508	\$1,286,642
PERSON/FAMILY DIRECTED SUPPORTS WAIVER:					
Day and Support Services - Maintenance		\$319,448	\$0	\$153,940	\$165,508
FY 17-18 Initiative - Special Education Graduates		\$17,787	\$0	\$8,570	\$9,217
	TOTAL P/FDS WAIVER	\$337,235	\$0	\$162,510	\$174,725
COMMUNITY LIVING WAIVER:					
FY 17-18 Initiative - New Community Support Waiver		\$32,000	\$0	\$15,418	\$16,582
	TOTAL COMMUNITY LIVING WAIVER	\$32,000	\$0	\$15,418	\$16,582
Funding Transfer to Autism Intervention and Services Program		\$0	\$0	\$0	\$0
Litigation Settlement Costs Related to Provider Appeals		\$35,000	\$0	\$16,866	\$18,134
Admin Costs for FMS, AWC & OHC Incorrectly Charged to Waiver		\$8,010	\$0	\$4,005	\$4,005
Adjustment for 53rd Payment Cycle in FY 19-20		\$0	\$0	\$0	\$0
State Funds Adjustment		\$0	\$0	\$0	\$0
Federal Funds Adjustment		\$34,997	\$0	\$0	\$34,997
Budgetary Reserve		\$30,239	\$0	\$0	\$30,239
	TOTAL BELOW THE LINE ADJUSTMENTS	\$108,246	\$0	\$20,871	\$87,375
	GRAND TOTAL ID - COMMUNITY WAIVER PROGRAM	\$3,092,926	\$141,295	\$1,386,307	\$1,565,324
				Total State	\$1,527,602

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 2017-2018, there were 779 people remaining in state centers while approximately 53,457 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 or autism 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 and the Community Living Waiver, which targets individuals in the emergency or critical waiting list categories that have aging caregivers and families who desire to keep them at home, began on January 1, 2018. These three waivers are fee-for-service programs which are administered by the Office of Developmental Programs and County Administrative Entities. Priority is established through the Priority of Urgency of Need (PUNS) process and is available statewide.

The mission of the Office of Developmental Programs (ODP) is to support Pennsylvanians with developmental disabilities and their families to achieve greater independence, choice, and opportunity as outlined in *“Everyday Lives, Values in Action.”*

The Intellectual Disabilities - Community Waiver Program provides funding for Consolidated Waiver, Community Living Waiver, and P/FDS Waiver enrolled individuals from birth and older, who would otherwise require the level of care provided in an Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/ID) or Intermediate Care Facility for Individuals with Other Related Conditions (ICF/ORC).

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 life-sharing, which is available to people who choose to live as part of another family. In life-sharing, one or two people receive services in a licensed or unlicensed family home. Additional eligible services include: community participation support; in-home and community support; respite; transportation; accessibility adaptations; homemaker/chore; assistive technology; specialized therapies (physical, occupational, speech/language, and orientation/visual/mobility), shift nursing; behavioral supports; education support; small group employment; supported employment; and supports coordination. New services included in the waiver renewal for Fiscal Year 2017-2018 were: advanced supported employment, benefits counseling, communications specialist, consultative nutritional services, family/caregiver training and support, housing transition and tenancy sustaining services, additional therapy services, and supported living.

Since July 1, 2009, payments for services provided to individuals enrolled in the waiver program have been made directly from the Department to providers based on established fee schedule or cost-based reimbursement rates utilizing the Provider Reimbursement and Operations Management Information System (PROMISe). Beginning on January 1, 2018, reimbursement for residential services transitioned from cost-based rates to fee schedule rates.

The Intellectual Disabilities - Community Waiver Program's budget provides more than \$3 billion in total annual funding for Consolidated Waiver, P/FDS Waiver and Community Living Waiver enrolled individuals. During Fiscal Year 2017-2018, 18,396 persons received Consolidated Waiver services, 14,658 persons received P/FDS Waiver services and 1,006 persons received Community Living Waiver services.

Within the current Community Waiver Program systems' capacity; all individuals with an intellectual disability or autism, who are eligible for services, will receive Targeted Supports Management. ODP will plan for and be able to serve the public high school graduates in 2020, through normal turnover in the waivers so that no young adult faces a service cliff after graduation.

FISCAL YEAR 2019-2020 INITIATIVE – WAITING LIST

The Governor's Executive Budget for Fiscal Year 2019-2020 provides a total of \$30.412 million (\$15.003 million in state funds) to expand service capacity for a total of 865 people on the waiting list, which includes 765 individuals in need of emergency services in the Community Living Waiver and 100 individuals with emergency needs in the Consolidated Waiver.

Specifically, through the expansion of the Community Living Waiver, which provides supports to people with intellectual disabilities or autism who are living with family members, 765 individuals from the waiting list who are currently in the emergency need category will begin receiving services. The Community Living Waiver supports individuals to live more independently in their homes and participate more fully in their communities through services that support independent living, employment in a competitive job, and full engagement in community activities. It provides a more cost-effective and higher-quality alternative to living in a community group home in the Consolidated Waiver, and reduces and delays the demand for 24-hour residential long-term services. Those who are able to live at home can continue to do so without disruption, and available capacity in the Consolidated Waiver can be reserved for those who need a residential placement.

Additionally, this initiative provides home and community-based funding for the provision of Consolidated Waiver services to 100 individuals from the emergency waiting list. The term "emergency waiting list" refers to individuals who are classified on the ODP Priority of Urgency of Needs (PUNS) list as requiring supports immediately or within six months.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. C1.7, C1.17, E26.6, E26.10, E26.31,
E26.33-E26.34

APPROPRIATION:
Intellectual Disabilities - Intermediate Care Facilities

I. SUMMARY FINANCIAL DATA

	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$128,426	\$143,003 ¹	\$148,148
Federal Funds Total	\$181,420	\$166,198	\$183,099
Federal Sources Itemized			
<i>Medical Assistance - ID/ICF</i>	\$181,420	\$166,198	\$183,099
Other Funds Total	\$21,989	\$18,519	\$18,419
Other Fund Sources Itemized			
<i>ID Assessment - ID/ICF</i>	\$21,989	\$18,519	\$18,419
Total	\$331,835	\$327,720	\$349,666

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$21,469 ¹
Federal Funds	\$0
Total	\$21,469

¹ Act 1-A of 2018 included state fund appropriation authority of \$121.534 million for Fiscal Year 2018-2019. However, the Governor's Executive Budget for Fiscal Year 2019-2020 reflects a \$21.469 million supplemental request for a revised Fiscal Year 2018-2019 state appropriation of \$143.003 million.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Intellectual Disabilities - Intermediate Care Facilities			
	2017-2018 Actual	2018-2019 Available	2019-2020 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	\$128,426	\$143,003	\$148,148	\$5,145	3.60%
Federal Funds	\$172,128	\$166,065	\$183,099	\$17,034	10.26%
Other Funds	\$21,989	\$18,519	\$18,419	(\$100)	-0.54%
Total Grant & Subsidy	\$322,543	\$327,587	\$349,666	\$22,079	6.74%
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	\$9,292	\$133	\$0	(\$133)	-100.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Excess Federal	\$9,292	\$133	\$0	(\$133)	-100.00%
TOTAL FUNDS					
State Funds	\$128,426	\$143,003	\$148,148	\$5,145	3.60%
Federal Funds	\$181,420	\$166,198	\$183,099	\$16,901	10.17%
Other Funds	\$21,989	\$18,519	\$18,419	(\$100)	-0.54%
Total Funds	\$331,835	\$327,720	\$349,666	\$21,946	6.70%

APPROPRIATION:
Intellectual Disabilities - Intermediate Care Facilities

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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 recommended appropriation provides for the annualization of program changes for Fiscal Year 2018-2019, changes in patient income, settlement of Hearings and Appeals cases, cost settlements, additional funding for waiver costs and an assessment on ICF/ID services.

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

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

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
GRANT & SUBSIDY				
1. Provides for the Fiscal Year 2018-2019 conversion of 69 beds from the Private Intermediate Care Facilities/Intellectual Disabilities (ICF/ID) program to the Community Waiver program:				
A. Four beds from Elwyn/Private Road Private ICF/ID, effective July 1, 2018:	\$0	\$0	\$0	\$0
B. Eight beds from Lifepath Private ICF/ID, effective September 1, 2018:	(\$97)	(\$104)	\$0	(\$201)
C. Seven beds from Cambria Private ICF/ID, effective October 1, 2018:	(\$145)	(\$157)	\$0	(\$302)
D. Twenty-eight beds from AVS-Merakey Private ICF/ID, effective October 1, 2018:	(\$723)	(\$602)	\$0	(\$1,325)
E. Six beds from Friendship Community Private ICF/ID, effective October 1, 2018:	(\$107)	(\$115)	\$0	(\$222)
F. Sixteen beds from RedCO Private ICF/ID, effective August 1, 2018:	<u>(\$69)</u>	<u>(\$72)</u>	<u>\$0</u>	<u>(\$141)</u>
Subtotal	(\$1,141)	(\$1,050)	\$0	(\$2,191)
2. Provides for the impact of 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:	\$16,298	\$17,760	\$0	\$34,058
3. Provides for the non-recurring roll forward of expenditures from Fiscal Year 2017-2018 to Fiscal Year 2018-2019:	(\$9,688)	\$0	\$0	(\$9,688)
4. Assumes the continuation of a provider assessment for Fiscal Year 2019-2020 which 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 \$8.795 million in state funds while the revenue is projected at \$18.419 million for Fiscal Year 2019-2020, which is \$0.100 million less than the Fiscal Year 2018-2019 level of \$18.519 million:	\$52	(\$52)	(\$100)	(\$100)

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>
GRANT & SUBSIDY (continued)				
5. Assumes the Federal Medical Assistance Percentage (FMAP) rate will remain at 52.25 percent, effective October 1, 2019. The state fiscal year blended rate is increasing from 52.1425 percent in Fiscal Year 2018-2019 to 52.25 percent in Fiscal Year 2019-2020 and results in an increase of \$0.376 million in federal medical assistance funding with an offsetting decrease of \$0.376 million in state fund requirements:	<u>(\$376)</u>	<u>\$376</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Grant & Subsidy	\$5,145	\$17,034	(\$100)	\$22,079
EXCESS FEDERAL				
1. Change in uncommitted federal medical assistance funding:	<u>\$0</u>	<u>(\$133)</u>	<u>\$0</u>	<u>(\$133)</u>
Subtotal Excess Federal	<u>\$0</u>	<u>(\$133)</u>	<u>\$0</u>	<u>(\$133)</u>
TOTAL	<u><u>\$5,145</u></u>	<u><u>\$16,901</u></u>	<u><u>(\$100)</u></u>	<u><u>\$21,946</u></u>

Fiscal Year 2019-2020 Governor's Executive Budget
Appropriation: Intellectual Disabilities - Intermediate Care Facilities

Category	2017-2018 Actual	2018-2019 Available	2019-2020 Gov's Recomm.	2019-2020 Gov's Recomm. vs. 2018-2019		Notes
				Available	% Change	
\$ Amounts in Thousands						
Current Facilities						
Beds	2,049	2,049	2,049	0	0.00%	
State Funds	\$140,897	\$139,348	\$139,348	0	0.00%	
State Backfill - MA	\$0	\$0	(\$313)	(313)	----	
Federal - Medical Assistance	\$151,488	\$151,825	\$152,138	313	0.21%	
Subtotal Current Facilities	\$292,385	\$291,173	\$291,173	\$0	0.00%	
One-time Only Payments Related to Fiscal Year 2015-2016 Rate Increases Paid in Fiscal Year 2017-2018						
State Funds	\$10,497	\$0	\$0	\$0	----	
State Backfill - MA	\$0	\$0	\$0	\$0	----	
Federal - Medical Assistance	\$11,285	\$0	\$0	\$0	----	
Subtotal One-time Only Payments	\$21,782	\$0	\$0	\$0	----	
Fiscal Year 2018-2019 Conversions to to Community ID Waiver Program:						
Elwyn/Private Road						
Beds	0	(4)	(4)	0	0.00%	Provides for the closure of a 4-bed home and an associated increase of 4 slots in the Community ID Waiver, effective July 1, 2018.
State Funds	\$0	(\$283)	(\$283)	\$0	0.00%	
State Backfill - MA	\$0	\$0	\$1	\$1	----	
Federal - Medical Assistance	\$0	(\$308)	(\$309)	(\$1)	0.32%	
Subtotal FY 18-19 Elwyn Closure	\$0	(\$591)	(\$591)	\$0	0.00%	
Lifepath						
Beds	0	(8)	(8)	0	0.00%	Provides for the conversion of an 8-bed home to the Community ID Waiver, effective September 1, 2018
State Funds	\$0	(\$470)	(\$567)	(\$97)	20.64%	
State Backfill - MA	\$0	\$0	\$1	\$1	----	
Federal - Medical Assistance	\$0	(\$514)	(\$619)	(\$105)	20.43%	
Subtotal FY 18-19 Lifepath Conversion	\$0	(\$984)	(\$1,185)	(\$201)	20.43%	
Cambria						
Beds	0	(7)	(7)	0	0.00%	Provides for the conversion of a 7-bed home to the Community ID Waiver, effective October 1, 2018.
State Funds	\$0	(\$433)	(\$578)	(\$145)	33.49%	
State Backfill - MA	\$0	\$0	\$1	\$1	----	
Federal - Medical Assistance	\$0	(\$474)	(\$632)	(\$158)	33.33%	
Subtotal FY 18-19 Cambria Conversion	\$0	(\$907)	(\$1,209)	(\$302)	33.30%	
AVS-Merakey						
Beds	0	(28)	(28)	0	0.00%	Provides for the conversion of 28 beds to the Community ID Waiver, beginning October 1, 2018 based on average rates of homes that are considering conversion.
State Funds	\$0	(\$2,266)	(\$2,989)	(\$723)	31.91%	
State Backfill - MA	\$0	\$0	\$6	\$6	----	
Federal - Medical Assistance	\$0	(\$1,824)	(\$2,432)	(\$608)	33.33%	
Subtotal FY 18-19 AVS Conversion	\$0	(\$4,090)	(\$5,415)	(\$1,325)	32.40%	

Fiscal Year 2019-2020 Governor's Executive Budget
Appropriation: Intellectual Disabilities - Intermediate Care Facilities

Category	2017-2018 Actual	2018-2019 Available	2019-2020 Gov's Recomm.	2019-2020 Gov's Recomm. vs. 2018-2019		Notes
				Available	% Change	
\$ Amounts in Thousands						
Friendship Community (New Holland)						
Beds	0	(6)	(6)	0	0.00%	Provides for the conversion of a 6-bed home to the Community ID Waiver, effective October 1, 2018.
State Funds	\$0	(\$318)	(\$425)	(\$107)	33.65%	
State Backfill - MA	\$0	\$0	\$1	\$1	----	
Federal - Medical Assistance	\$0	(\$348)	(\$464)	(\$116)	33.33%	
Subtotal FY 18-19 Friendship Conversion	\$0	(\$666)	(\$888)	(\$222)	33.33%	
RedCO						
Beds	0	(16)	(16)	0	0.00%	Provides for the conversion of two 8-bed homes to the Community ID Waiver, effective August 1, 2018.
State Funds	\$0	(\$743)	(\$812)	(\$69)	9.29%	
State Backfill - MA	\$0	\$0	\$2	\$2	----	
Federal - Medical Assistance	\$0	(\$812)	(\$886)	(\$74)	9.11%	
Subtotal FY 18-19 RedCO Conversion	\$0	(\$1,555)	(\$1,696)	(\$141)	9.07%	
Subtotal Fiscal Year 2018-2019 Conversions to Community ID Waiver Program:						
Beds	0	(69)	(69)	0	0.00%	
State Funds	\$0	(\$4,513)	(\$5,654)	(\$1,141)	25.28%	
State Backfill - MA	\$0	\$0	\$12	\$12	----	
Federal - Medical Assistance	\$0	(\$4,280)	(\$5,342)	(\$1,062)	24.81%	
Subtotal FY 18-19 Conversions	\$0	(\$8,793)	(\$10,984)	(\$2,191)	24.92%	
FY 19-20 Waivers of Interim Per Diems						
State Funds	\$0	\$0	\$6,700	\$6,700	----	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	(\$15)	(\$15)	----	
Federal - Medical Assistance	\$0	\$0	\$7,315	\$7,315	----	
Subtotal FY 19-20 Waiver Costs	\$0	\$0	\$14,000	\$14,000	----	
FY 18-19 Waivers of Interim Per Diems						
State Funds	\$0	\$1,675	\$6,221	\$4,546	271.40%	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	(\$14)	(\$14)	----	
Federal - Medical Assistance	\$0	\$1,825	\$6,793	\$4,968	272.22%	
Subtotal FY 18-19 Waiver Costs	\$0	\$3,500	\$13,000	\$9,500	271.43%	
FY 17-18 Waivers of Interim Per Diems						
State Funds	\$2,386	\$2,632	\$6,221	\$3,589	136.36%	Represents additional waivers of interim per diem rates based on historical data. Approval of Fiscal Year 2017-2018 waivers will not occur until Fiscal Year 2018-2019.
State Backfill - MA	\$0	\$0	(\$14)	(\$14)	----	
Federal - Medical Assistance	\$2,565	\$2,868	\$6,793	\$3,925	136.85%	
Subtotal FY 17-18 Waiver Costs	\$4,951	\$5,500	\$13,000	\$7,500	136.36%	
FY 16-17 Waivers of Interim Per Diems						
State Funds	\$2,410	\$2,393	\$3,856	\$1,463	61.14%	Represents waivers of interim per diem rates. The Fiscal Year 2016-2017 waivers of per diem rates were not processed in PROMISE until July 2018.
State Backfill - MA	\$0	\$0	(\$8)	(\$8)	----	
Federal - Medical Assistance	\$2,590	\$2,607	\$4,210	\$1,603	61.49%	
Subtotal FY 16-17 Waiver Costs	\$5,000	\$5,000	\$8,058	\$3,058	61.16%	

Fiscal Year 2019-2020 Governor's Executive Budget
Appropriation: Intellectual Disabilities - Intermediate Care Facilities

Category	2017-2018 Actual	2018-2019 Available	2019-2020 Gov's Recomm.	2019-2020 Gov's Recomm. vs. 2018-2019		Notes
				Available	% Change	
\$ Amounts in Thousands						
Hearings and Appeals						
State Funds	\$5,212	\$1,436	\$1,436	\$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	\$0	(\$4)	(\$4)	----	
Federal - Medical Assistance	\$5,604	\$1,564	\$1,568	\$4	0.26%	
Subtotal Hearings and Appeals	\$10,816	\$3,000	\$3,000	\$0	0.00%	
FY 17-18 Roll Forward Adjustment						
State Funds	(\$9,688)	\$9,688	\$0	(\$9,688)	-100.00%	Represents one-time-only roll forward of Fiscal Year 2017-2018 deficit to Fiscal Year 2018-2019.
State Backfill - MA	\$0	\$0	\$0	\$0	----	
Federal - Medical Assistance	\$0	\$0	\$0	\$0	----	
Subtotal FY17-18 Roll Forward Adj.	(\$9,688)	\$9,688	\$0	(\$9,688)	-100.00%	
FY 17-18 Roll Back Adjustment						
State Funds	(\$11,895)	\$0	\$0	\$0	----	Represents one-time-only roll back of Fiscal Year 2017-2018 costs to prior year ledgers.
State Backfill - MA	\$0	\$0	\$0	\$0	----	
Federal - Medical Assistance	(\$12,797)	\$0	\$0	\$0	----	
Subtotal FY 17-18 Roll Back Adj.	(\$24,692)	\$0	\$0	\$0	----	
ICF/ID Assessment						
State Funds	(\$11,393)	(\$9,656)	(\$9,604)	\$52	-0.54%	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.
State Backfill - MA	\$0	\$0	(\$20)	(\$20)	----	
Federal - Medical Assistance	\$11,393	\$9,656	\$9,624	(\$32)	-0.33%	
Other (Assessment)	\$21,989	\$18,519	\$18,419	(\$100)	-0.54%	
Subtotal ICF/ID Assessment	\$21,989	\$18,519	\$18,419	(\$100)	-0.54%	
Subtotals - Grant & Subsidy						
Total Beds	2,049	1,980	1,980	0	0.00%	
Total State Funds	\$128,426	\$143,003	\$148,524	\$5,521	3.86%	
Total State Backfill - MA	\$0	\$0	(\$376)	(\$376)	----	
Total Federal - Medical Assistance	\$172,128	\$166,065	\$183,099	\$17,034	10.26%	
Total Other (Assessment)	\$21,989	\$18,519	\$18,419	(\$100)	-0.54%	
Subtotal Grant & Subsidy	\$322,543	\$327,587	\$349,666	\$22,079	6.74%	
Excess Funding						
State Funds	\$0	\$0	\$0	\$0	----	
Federal - MA	\$9,292	\$133	\$0	(\$133)	-100.00%	
Total Excess Funding	\$9,292	\$133	\$0	(\$133)	-100.00%	
Grand Totals						
Total Beds	2,049	1,980	1,980	0	0.00%	
Total State Funds	\$128,426	\$143,003	\$148,148	\$5,145	3.60%	
Total Federal - Medical Assistance	\$181,420	\$166,198	\$183,099	\$16,901	10.17%	
Total Other (Assessment)	\$21,989	\$18,519	\$18,419	(\$100)	-0.54%	
Total	\$331,835	\$327,720	\$349,666	\$21,946	6.70%	

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 individuals with an intellectual disability. There are 166 certified facilities varying in size; 144 facilities are homes serving four to eight people, while 22 facilities serve more than eight people (with the largest serving 167 people). For Fiscal Year 2019-2020, it is anticipated that approximately 1,950 individuals will be served in private ICFs/ID.

The downsizing of large private ICF/ID programs into smaller community programs funded through the Community Intellectual Disabilities/Autism (ID/A) Waiver program is encouraged by the Department of Human Services. The Fiscal Year 2019-2020 Governor's Executive Budget provides funding to annualize the conversion of 69 private ICF/ID beds to the Community ID/A Waiver program that will occur during Fiscal Year 2018-2019. 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/A Waiver program. Services under the Waiver are enhanced through an individual support plan designed to meet a person's unique needs and preferences.

The Fiscal Year 2019-2020 Governor's Executive Budget assumes the continuation of the ICF/ID provider assessment, which is applied against both public and private providers of ICF/ID services, and totals \$36.170 million for Fiscal Year 2019-2020. Of the \$36.170 million, \$18.419 million represents the assessment on services provided in private ICFs/ID. The balance of \$17.751 million represents the assessment on services provided in public facilities and is reflected under the Intellectual Disabilities - State Centers appropriation.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. A3.7, C1.17, E26.6, E26.31, E26.33-E26.34

APPROPRIATION:
Intellectual Disabilities - Community Base Program

I. SUMMARY FINANCIAL DATA

	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$150,734	\$149,379	\$148,725
Federal Funds Total	\$62,836	\$64,058	\$62,067
Federal Sources Itemized			
<i>Medical Assistance - Community ID Services</i>	\$55,385	\$56,607	\$54,616
<i>SSBG - Community ID Services</i>	\$7,451	\$7,451	\$7,451
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$213,570	\$213,437	\$210,792

IA. REQUESTED SUPPLEMENTALS (Included above)

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

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Intellectual Disabilities - Community Base Program			
	2017-2018 Actual	2018-2019 Available	2019-2020 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	\$8,566	\$10,005	\$9,299	(\$706)	-7.06%
Federal Funds	\$12,840	\$13,926	\$11,792	(\$2,134)	-15.32%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$21,406	\$23,931	\$21,091	(\$2,840)	-11.87%
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	\$142,168	\$139,374	\$139,426	\$52	0.04%
Federal Funds	\$48,426	\$48,539	\$48,682	\$143	0.29%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$190,594	\$187,913	\$188,108	\$195	0.10%
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	\$1,570	\$1,593	\$1,593	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$1,570	\$1,593	\$1,593	\$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 Excess Federal	\$0	\$0	\$0	\$0	0.00%
TOTAL FUNDS					
State Funds	\$150,734	\$149,379	\$148,725	(\$654)	-0.44%
Federal Funds	\$62,836	\$64,058	\$62,067	(\$1,991)	-3.11%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$213,570	\$213,437	\$210,792	(\$2,645)	-1.24%

APPROPRIATION:
Intellectual Disabilities - Community Base Program

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2016-2017	2017-2018	2018-2019 Estimated
State Funds	\$4,931	\$1,857	\$0

IV. COMPLEMENT INFORMATION	12/31/2017	12/31/2018	2019-2020 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 2019-2020 Governor's Executive Budget provides for maintenance of the current program.

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. §§ 4201(7), 4509; 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. Impact of the expiration of a contract with Bossy Girl Leadership for Office of Developmental Programs (ODP) culture and management development. The work includes administering and gathering 360 assessment feedback and two-hour individual coaching sessions for each participant:	(\$10)	(\$10)	\$0	(\$20)
2. Provides a decrease in funding for a contract with Deloitte Consulting, LLP for Home and Community Services Information System (HCSIS) and Pennsylvania's Enterprise to Link Information for Children Across Networks (PELICAN) system enhancements to meet Centers for Medicare and Medicaid Services' (CMS) assurances, and for server information to be transferred to the cloud:	(\$689)	(\$1,275)	\$0	(\$1,964)
3. Provides an increase in funding for a contract with Columbus Medical Services, LLC for developing, conducting, and maintaining standardized training, and providing support for Developmental Disabilities (DD) training programs for providers within the statewide DD service system in an effort to meet the CMS Home and Community-Based Services (HCBS) final rule which requires that individuals have full access to the benefits of community living and are able to receive services in the most integrated setting:	\$160	\$160	\$0	\$320
4. Provides for a decrease in funding for a contract to transition individuals with Intellectual Disabilities and Autism (ID/Autism) out of mental health institutions and intermediate care facilities and to build capacity in both the community mental health and ID/Autism systems to prevent the institutionalization of those at risk:	\$0	(\$115)	\$0	(\$115)
5. Provides for a decrease in funding for a contract to conduct a high-level strategy review of the ODP and Office of Long-Term Living (OLTL) assessment planning processes. Activities include extensive interviews with consumers, families, and support coordinators to determine what experiences and outcomes would be most beneficial to them; interviews with ODP and other Departmental staff to determine necessary factors to meet HCBS regulatory requirements and data needs:	\$0	(\$300)	\$0	(\$300)

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 (Continued)				
6. Does not provide continued funding for a contract to gather information from stakeholders regarding business strategy and processes; to prepare a report of considerations and options regarding future policy and operational implications which will address business options across intake, planning, financials, supports, and quality; and, along with program staff, to create a work plan:	\$0	(\$323)	\$0	(\$323)
7. Impact of the expiration of a contract with KPMG to document existing policies and procedures for identified areas, to provide documentation to ODP stakeholders for review and feedback, and to provide a finalized copy to ODP for review and acceptance:	(\$6)	(\$6)	\$0	(\$12)
8. Impact of the expiration of a contract with Tableau to provide licenses, training and technical assistance for data analysis software that creates interactive data visualization products focused on business intelligence and reporting:	(\$10)	(\$10)	\$0	(\$20)
9. Provides for changes in funding for contracts related to the Autism Intervention and Services program:				
A. Provides for a decrease in funding for a contract with Columbus Medical Services, LLC for the Pennsylvania Autism Training Conference, an autism seminar, support for the MyODP website, and functional behavioral analysis training:	(\$243)	\$0	\$0	(\$243)
B. Provides for an increase in funding for staffing contracts with InGenesis, Inc. for autism program staff and with MHM Solutions, Inc. for autism clinical staff:	\$75	\$75	\$0	\$150
C. Provides for an increase in funding for a contract with Thrifty, Inc. (Eden Hotel in Lancaster) to provide the venue, audio, video, and food for the Pennsylvania Autism Training Conference. The conference provides professional benefit counselors with the basic skills and knowledge they need to perform their jobs. It is based on a set of knowledge and skill competencies approved by the Social Security Administration for community work incentive coordinators:	\$19	\$19	\$0	\$38
Subtotal	(\$149)	\$94	\$0	(\$55)
10. Provides for a decrease in funding for other miscellaneous operating costs:	(\$2)	(\$349)	\$0	(\$351)
Subtotal Operating	(\$706)	(\$2,134)	\$0	(\$2,840)

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>
GRANT & SUBSIDY				
1. Provides funding for two Family Facilitators to provide support for children who are medically complex to avoid the use of congregate care and, for those already in congregate care, to provide the support needed to allow the child to live at home:	\$75	\$75	\$0	\$150
2. Assumes the Federal Medical Assistance Percentage (FMAP) rate will remain at 52.25 percent, effective October 1, 2019. The state fiscal year blended rate is increasing from 52.1425 percent in Fiscal Year 2018-2019 to 52.25 percent in Fiscal Year 2019-2020. That change results in an increase of \$0.023 million in federal Medical Assistance funding with an offsetting decrease of \$0.023 million in state fund requirements:	(\$23)	\$23	\$0	\$0
3. Impact of the expiration of the Supporting Families Regional Collaborative which provided funds for 25 regional county collaborations committed to encouraging families and individuals with intellectual disabilities or autism to have high expectations of full and purposeful lives:	(\$125)	\$0	\$0	(\$125)
4. Provides for an increase in funding for the Independent Monitoring Teams in the counties/joinders to conduct quality of life and family and consumer satisfaction reviews of contracted services in the counties:	\$125	\$125	\$0	\$250
5. Provides for a decrease in committed/unallocated federal Medical Assistance funds:	\$0	(\$80)	\$0	(\$80)
Subtotal Grant & Subsidy	<u>\$52</u>	<u>\$143</u>	<u>\$0</u>	<u>\$195</u>
TOTAL	<u><u>(\$654)</u></u>	<u><u>(\$1,991)</u></u>	<u><u>\$0</u></u>	<u><u>(\$2,645)</u></u>

\$ Amounts in Thousands	2017-2018 Actual	2018-2019 Available	2019-2020 Governor's Recommended	2019-2020 Gov's Recomm vs. 2018-2019 Available	Percent Change	Notes
COMMUNITY BASE SERVICES (Non-Block Grant):						
MAINTENANCE						
State/Carryover	\$30,153	\$28,881	\$28,881	\$0	0.00%	This funding is non-block grant and cannot be comingled with other funds. Provides a decrease in funding for the conversion of 4 individuals transferring from the non-block grant Base Program to the Waiver Program, effective July 1, 2018.
State/Carryover SSBG Backfill	\$0	\$0	\$0	\$0	---	
Fed - SSBG	\$2,461	\$2,378	\$2,378	\$0	0.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$32,614	\$31,259	\$31,259	\$0	0.00%	
PENNHURST DISPERSAL						
State/Carryover (Ineligible)	\$63	\$63	\$63	\$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	\$63	\$63	\$63	\$0	0.00%	
TARGETED CASE MANAGEMENT (FORMERLY SUPPORTS COORDINATION)						
State/Carryover	\$2,137	\$1,945	\$1,945	\$0	0.00%	Provides case management services for individuals who are not Medicaid eligible.
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$2,137	\$1,945	\$1,945	\$0	0.00%	
FISCAL YEAR 2019-2020 - SUPPORTING FAMILIES OF CHILDREN WITH COMPLEX MEDICAL NEEDS						
State/Carryover	\$0	\$0	\$75	\$75	---	Provides two Family Facilitators to provide support for children who are medically complex to avoid the use of congregate care and, for those already in congregate care, to provide the support needed to allow the child to live at home.
Fed - MA	\$0	\$0	\$75	\$75	---	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$0	\$0	\$150	\$150	---	
FISCAL YEAR 2017-2018 - EXPANDED SERVICES FOR INDIVIDUALS WITH DISABILITIES						
State/Carryover	\$230	\$229	\$229	\$0	0.00%	Provides targeted service management state plan services to 455 individuals on the waiting list.
State Backfill - MA	\$0	\$0	(\$1)	(\$1)	---	
Fed - MA	\$248	\$249	\$250	\$1	0.40%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$478	\$478	\$478	\$0	0.00%	COMMITMENT ITEM #: 6602000 - Grants & Pay to Indiv
MEDICAID-ELIGIBLE SUPPORTS COORDINATION [FORMERLY TARGETED SERVICE MANAGEMENT (TSM)]						
State/Carryover	\$9,869	\$9,801	\$9,801	\$0	0.00%	Provides supports coordination for Medicaid-eligible individuals not enrolled in the Waiver program.
State Backfill - MA	\$0	\$0	(\$22)	(\$22)	---	
Fed - MA	\$10,610	\$10,678	\$10,700	\$22	0.21%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$20,479	\$20,479	\$20,479	\$0	0.00%	COMMITMENT ITEM #: 6602000 - Grants & Pay to Indiv
TARGETED SERVICE MANAGEMENT - ADMINISTRATION						
State/Carryover	\$762	\$761	\$761	\$0	0.00%	
Fed - MA	\$762	\$761	\$761	\$0	0.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$1,524	\$1,522	\$1,522	\$0	0.00%	
ADMINISTRATIVE COSTS FOR FINANCIAL MANAGEMENT SERVICES, AGENCY WITH CHOICE AND ORGANIZED HEALTH CARE DELIVERY SYSTEM						
State/Carryover	\$3,281	\$3,281	\$3,281	\$0	0.00%	Provides funding 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	\$2,913	\$2,913	\$2,913	\$0	0.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$6,194	\$6,194	\$6,194	\$0	0.00%	COMMITMENT ITEM #: 6602000 - Grants & Pay to Indiv
SUPPORTING FAMILIES REGIONAL COLLABORATIVE						
State/Carryover	\$157	\$125	\$0	(\$125)	-100.00%	Provides funding for Office of Developmental Programs' participation in the Department's Supporting Families Initiative by providing funds for 25 regional county collaborations committed to encouraging families and individuals with intellectual disabilities or autism to have high expectations of full and purposeful lives.
Fed - MA	\$0	\$0	\$0	\$0	---	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$157	\$125	\$0	(\$125)	-100.00%	
MONEY FOLLOWS PERSON - DUAL DIAGNOSIS TRAINING						
State/Carryover	\$0	\$0	\$0	\$0	---	Provides funding for the creation and design of a dual diagnosis training curriculum, to upload the completed training curriculum to the ODP training site, and to perform the dual diagnosis curriculum training.
Fed - MA	\$0	\$80	\$80	\$0	0.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$0	\$80	\$80	\$0	0.00%	

\$ Amounts in Thousands	2017-2018 Actual	2018-2019 Available	2019-2020 Governor's Recommended	2019-2020	Percent Change	Notes
				Gov's Recomm vs. 2018-2019 Available		

COUNTY ADMINISTRATION (Non-Block Grant):

COUNTY ADMINISTRATION						
ON-GOING						
State/Carryover	\$9,419	\$9,292	\$9,292	\$0	0.00%	
Fed - MA	\$9,419	\$9,292	\$9,292	\$0	0.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$18,838	\$18,584	\$18,584	\$0	0.00%	
HEALTH CARE QUALITY UNITS (HCQU)						
State/Carryover	\$967	\$1,113	\$1,113	\$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	\$837	\$983	\$983	\$0	0.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$1,804	\$2,096	\$2,096	\$0	0.00%	
INDEPENDENT MONITORING TEAMS (IM4Q)						
State/Carryover	\$364	\$364	\$489	\$125	34.34%	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	\$364	\$364	\$489	\$125	34.34%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$728	\$728	\$978	\$250	34.34%	
TOTAL COUNTY ADMINISTRATION (NON-BLOCK GRANT)						
State/Carryover	\$10,750	\$10,769	\$10,894	\$125	1.16%	
Fed - MA	\$10,620	\$10,639	\$10,764	\$125	1.17%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Total County Administration	\$21,370	\$21,408	\$21,658	\$250	1.17%	

TOTAL COMMUNITY BASED SERVICES (NON-BLOCK GRANT)						
State/Carryover	\$57,402	\$55,855	\$55,930	\$75	0.13%	
State Backfill - MA	\$0	\$0	(\$23)	(\$23)	---	
Fed - SSBG	\$2,461	\$2,378	\$2,378	\$0	0.00%	
Fed - MA	\$25,153	\$25,320	\$25,543	\$223	0.88%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Total Community Based Services	\$85,016	\$83,553	\$83,828	\$275	0.33%	

HUMAN SERVICES BLOCK GRANT						
State/Carryover	\$87,597	\$86,319	\$86,319	\$0	0.00%	This program increased from 20 counties in Fiscal Year 2012-2013 to 30 counties in Fiscal Year 2013-2014, to 36 counties in Fiscal Year 2017-2018, and to 38 counties in Fiscal Year 2018-2019. Each county participates voluntarily.
Fed - MA	\$15,698	\$15,688	\$15,688	\$0	0.00%	
Fed - SSBG	\$4,990	\$5,073	\$5,073	\$0	0.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	Provides a decrease in funding for the conversion of 57 individuals transferring from the block grant Base Program to the Waiver Program, effective July 1, 2018.
Subtotal	\$108,285	\$107,080	\$107,080	\$0	0.00%	

OPERATING						
VENDOR: DISABILITY RIGHTS NETWORK OF PENNSYLVANIA						
CONTRACT: PAYMENT OF LEGAL FEES AS PART OF LITIGATION SETTLEMENT						
State	\$25	\$0	\$0	\$0	---	Provided for the one-time payment of legal fees for a Harry M. litigation settlement in Fiscal Year 2017-2018.
Federal MA	\$0	\$0	\$0	\$0	---	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$25	\$0	\$0	\$0	---	COMMITMENT ITEM #: 6343100 - Specialized Services

	2017-2018 Actual	2018-2019 Available	2019-2020		Percent Change	Notes
			Gov's Recomm vs. 2018-2019 Recommended	Gov's Recomm vs. 2018-2019 Available		
OPERATING (Continued)						
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: RATE DEVELOPMENT AND BUDGET ANALYSIS						
State	\$255	\$686	\$686	\$0	0.00%	Provides for rate development and budget analysis;
Federal MA	\$255	\$686	\$686	\$0	0.00%	stakeholder communication and training; and
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	administrative oversight.
Subtotal	\$510	\$1,372	\$1,372	\$0	0.00%	COMMITMENT ITEM #: 6343100 - Specialized Services
VENDOR: BOSSY GIRL LEADERSHIP CONTRACT: STRATEGIC PLANNING						
State	\$17	\$10	\$0	(\$10)	-100.00%	Provides funding for ODP culture and management
Federal MA	\$17	\$10	\$0	(\$10)	-100.00%	development. The work includes administering and
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	gathering 360 assessment feedback and two-hour
Subtotal	\$34	\$20	\$0	(\$20)	-100.00%	individual coaching sessions for each participant. COMMITMENT ITEM #: 6343100 - Specialized Services
VENDOR: DELOITTE CONSULTING, LLP CONTRACT: IMPLEMENTATION AND MANAGEMENT SUPPORT (HCSIS & PELICAN) CONTRACT						
State	\$501	\$914	\$225	(\$689)	-75.38%	Provides funding for HCSIS and PELICAN system
Federal MA	\$2,931	\$2,850	\$1,575	(\$1,275)	-44.74%	enhancements to meet CMS assurances, and for
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	server information to be transferred to the cloud.
Subtotal	\$3,432	\$3,764	\$1,800	(\$1,964)	-52.18%	COMMITMENT ITEM #: 6341214 - IT Consulting and Application Development
VENDOR: PUBLIC CONSULTING GROUP, INC CONTRACT: IMPLEMENTATION AND MANAGEMENT SUPPORT (HCSIS) CONTRACT						
State	\$250	\$250	\$250	\$0	0.00%	Provides funding for gathering requirements and the
Federal MA	\$750	\$750	\$750	\$0	0.00%	preparation of a written business plan of HCSIS
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	enhancements to meet CMS assurances and to
Subtotal	\$1,000	\$1,000	\$1,000	\$0	0.00%	test the completed system for compliance. COMMITMENT ITEM #: 6341215 - IT Con App Main Sup
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 CHAPTER 51 REGULATIONS REVIEW AND IMPLEMENTATION PLAN DEVELOPMENT ⁵						
State	\$1,211	\$1,208	\$1,208	\$0	0.00%	¹ Provides for the management of the certified
Federal MA	\$1,167	\$1,167	\$1,167	\$0	0.00%	investigation training program, which includes
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	implementation, maintenance, support, and ongoing
Subtotal	\$2,378	\$2,375	\$2,375	\$0	0.00%	content review and updates. ² 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; managing training related logistics; providing user support and technical assistance; and tracking, analyzing, and reporting on training-related metrics. ³ Provides for communication assessments of deaf Consolidated Waiver participants and individuals on the waiting list in the emergency category and for communication assessment support and quality control.

\$ Amounts in Thousands	2017-2018 Actual	2018-2019 Available	2019-2020		Percent Change	Notes
			Governor's Recommended	Gov's Recomm vs. 2018-2019 Available		
OPERATING (Continued)						
						⁴ Provides for the collection of quality initiative information from individuals receiving supports through the Office of Developmental Programs, analyzing and reporting findings; and training for supports coordinators, individuals, families, school personnel, businesses, and other interested individuals to promote a climate that is hospitable to the hiring and successful retention of workers with intellectual disabilities.
						⁵ Provides for a contract for the review of operational, programmatic, and payment policies set forth in Chapter 51 regulations, and the development of implementation plans to operationalize any changes needed and approved by DHS. COMMITMENT ITEM #: 6343100 - Specialized Services
INTERAGENCY AGREEMENT WITH DEPARTMENT OF AGING:						
State	\$21	\$0	\$0	\$0	---	Provided 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	\$21	\$0	\$0	\$0	---	COMMITMENT ITEM #: 6343100 - Specialized Services
LITIGATION COSTS:						
State	\$50	\$50	\$50	\$0	0.00%	COMMITMENT ITEM #: 6342100 - Legal Services/Fees
Federal MA	\$50	\$50	\$50	\$0	0.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$100	\$100	\$100	\$0	0.00%	
VENDOR: INGENESIS, INC.						
CONTRACT: OFFICE OF DEVELOPMENTAL PROGRAMS CONTRACTED STAFF CONTRACT						
State	\$1,610	\$1,610	\$1,610	\$0	0.00%	Provides for contracted staff to perform quality management, administrative entity oversight, risk management, clinical, and fiscal duties.
Federal MA	\$1,831	\$1,831	\$1,831	\$0	0.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$3,441	\$3,441	\$3,441	\$0	0.00%	COMMITMENT ITEM #: 6343100 - Specialized Services
VENDOR: ASCEND MANAGEMENT INNOVATIONS, LLC						
CONTRACT: SIS & PUNS PLUS CONTRACT						
State	\$1,475	\$1,210	\$1,210	\$0	0.00%	Provides for standardized statewide assessments of all current and future Waiver participants.
Federal MA	\$1,475	\$1,732	\$1,732	\$0	0.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$2,950	\$2,942	\$2,942	\$0	0.00%	COMMITMENT ITEM #: 6343100 - Specialized Services
VENDOR: AMERICAN ASSOCIATION ON INTELLECTUAL AND DEVELOPMENTAL DISABILITIES						
CONTRACT: SIS ASSESSMENT COPYRIGHTED TOOL USE CONTRACT						
State	\$47	\$58	\$58	\$0	0.00%	Provides for the use of copyrighted software materials for standardized assessments of all current and future Waiver participants.
Federal MA	\$47	\$58	\$58	\$0	0.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$94	\$116	\$116	\$0	0.00%	COMMITMENT ITEM #: 6344302 - Software Lic Maint
VENDOR: COLUMBUS MEDICAL SERVICES, LLC						
CONTRACTS: TRAINING AND SUPPORT FOR DEVELOPMENTAL DISABILITIES SYSTEM PROVIDERS TO MEET FEDERAL HCBS FINAL RULE REQUIREMENTS						
State	\$548	\$215	\$375	\$160	74.42%	Provides for developing, conducting, and maintaining standardized training, and providing support for DD training programs for providers within the statewide DD service system in an effort to meet the CMS HCBS final rule requirements that individuals have full access to the benefits of community living and are able to receive services in the most integrated setting.
Federal MA	\$233	\$215	\$375	\$160	74.42%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$781	\$430	\$750	\$320	74.42%	COMMITMENT ITEM #: 6343100 - Specialized Services

\$ Amounts in Thousands	2017-2018 Actual	2018-2019 Available	2019-2020		Percent Change	Notes
			2019-2020 Governor's Recommended	Gov's Recomm vs. 2018-2019 Available		
OPERATING (Continued)						
VENDOR: TUSCARORA INTERMEDIATE UNIT #11						
CONTRACT: TRAINING AND SUPPORT FOR DEVELOPMENTAL DISABILITIES (DD) SYSTEM PARTICIPANTS AND FAMILIES CONTRACT						
State	\$544	\$500	\$500	\$0	0.00%	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. COMMITMENT ITEM #: 6343100 - Specialized Services
Federal MA	\$509	\$500	\$500	\$0	0.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$1,053	\$1,000	\$1,000	\$0	0.00%	
VENDOR: G. DAVID SMITH, Ph.D.						
CONTRACT: LITIGATION SETTLEMENT FOR SPARROW AND TOMESVILLE						
State	\$1	\$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 plan. COMMITMENT ITEM #: 6343100 - Specialized Services
Federal MA	\$0	\$0	\$0	\$0	---	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$1	\$7	\$7	\$0	0.00%	
VENDOR: UNIVERSITY OF MASSACHUSETTS						
CONTRACT: INFORMATION TECHNOLOGY PLATFORM/LEARNING MANAGEMENT SYSTEM CONTRACT						
State	\$211	\$360	\$360	\$0	0.00%	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	\$203	\$360	\$360	\$0	0.00%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$414	\$720	\$720	\$0	0.00%	
VENDOR: ROBERT DAY, Ph.D.						
CONTRACT: LITIGATION SETTLEMENT FOR CONFLICT RESOLUTION BETWEEN BENJAMIN CLASS MEMBERS AND DHS CONTRACT						
State	\$24	\$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. COMMITMENT ITEM #: 6343100 - Specialized Services
Federal MA	\$0	\$0	\$0	\$0	---	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Subtotal	\$24	\$24	\$24	\$0	0.00%	
INTERAGENCY AGREEMENT WITH THE DEPARTMENT OF LABOR & INDUSTRY						
State	\$500	\$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. COMMITMENT ITEM #: 6343100 - Specialized Services
Federal MA	\$0	\$0	\$0	\$0	---	
Subtotal	\$500	\$500	\$500	\$0	0.00%	
VENDOR: TO BE DETERMINED						
CONTRACT: MONEY FOLLOWS PERSON - BUILDING CAPACITY TO SERVE INDIVIDUALS WITH INTELLECTUAL DISABILITIES/AUTISM AND MENTAL ILLNESS						
State	\$0	\$0	\$0	\$0	---	Transition individuals with ID/Autism out of mental health institutions and ICF/ID facilities and build capacity in both the community MH and ID/Autism systems to prevent the institutionalization of those at risk (100 percent MFP). COMMITMENT ITEM #: 6343100 - Specialized Services
Federal MA	\$512	\$433	\$318	(\$115)	-26.56%	
Subtotal	\$512	\$433	\$318	(\$115)	-26.56%	
VENDOR: JENNIFER BANKARD (FISCAL YEAR 2017-2018) / COMMUNITY SERVICES GROUP, INC. (BEGINNING FISCAL YEAR 2018-2019)						
CONTRACT: MONEY FOLLOWS PERSON - BUILDING CAPACITY TO SERVE INDIVIDUALS WITH INTELLECTUAL DISABILITIES/AUTISM AND MENTAL ILLNESS						
DUAL DIAGNOSIS - MENTAL HEALTH FIRST AID TRAINING						
State	\$0	\$0	\$0	\$0	---	Provides a Mental Health First Aid Training course to teach professionals and natural supports of individuals with intellectual and developmental disabilities how to identify, understand, and respond to signs of mental illness (100 percent MFP). COMMITMENT ITEM #: 6343100 - Specialized Services
Federal MA	\$31	\$52	\$52	\$0	0.00%	
Subtotal	\$31	\$52	\$52	\$0	0.00%	

Appropriation: Intellectual Disabilities - Community Base Program

\$ Amounts in Thousands	2017-2018 Actual	2018-2019 Available	2019-2020 Governor's Recommended	2019-2020 Gov's Recomm vs. 2018-2019 Available	Percent Change	Notes		
OPERATING (Continued)								
VENDOR: TOFTREES RESORT & CONFERENCE CENTER								
CONTRACT: MONEY FOLLOWS PERSON - BUILDING CAPACITY TO SERVE INDIVIDUALS WITH INTELLECTUAL DISABILITIES/AUTISM AND MENTAL ILLNESS CAPACITY BUILDING INSTITUTE (CBI) VENUE								
State	\$20	\$20	\$20	\$0	0.00%	The Capacity Building Institute is a two-day per month, for nine months, institute to provide a high level education to approximately 70 participants from internal and external partners (community providers, state facilities, residential treatment facilities, and managed care organizations) that will be engaged in clinical best practices and therapeutic state-of-the-art knowledge, such as eye movement desensitization and reprocessing, trauma, and waiver approved therapeutic services. COMMITMENT ITEM #: 6343100 - Specialized Services		
Federal MA	\$20	\$20	\$20	\$0	0.00%			
Subtotal	\$40	\$40	\$40	\$0	0.00%			
VENDOR: TO BE DETERMINED								
CONTRACT: ASSESSMENT AND MONITORING DESIGN								
State	\$0	\$0	\$0	\$0	---		OLTL assessment planning processes. Includes extensive interviews with consumers, families, and support coordinators to determine what experiences and outcomes would be most beneficial to them; interviews with ODP and other Departmental staff to determine necessary factors to meet the Home and Community-Based Services regulatory requirements and data needs (100 percent MFP). COMMITMENT ITEM #: 6343100 - Specialized Services	
Federal MA	\$577	\$568	\$268	(\$300)	-52.82%			
Subtotal	\$577	\$568	\$268	(\$300)	-52.82%			
VENDOR: OST GLOBAL PENNSYLVANIA IT STAFF AUGMENTATION CONTRACT - (GARY ROSSMAN SUBCONTRACTED VIA AKESO)								
CONTRACT: MONEY FOLLOWS PERSON - ASSESSMENT AND MONITORING DESIGN								
State	\$0	\$0	\$0	\$0	---	Information gathering from stakeholders regarding business strategy and processes; report of considerations and options regarding future policy and operational implications which will address business options across intake, planning, financials, supports, and quality; and, along with program staff, creation of a workplan (100 percent MFP). COMMITMENT ITEM #: 6343100 - Specialized Services		
Federal MA	\$323	\$323	\$0	(\$323)	-100.00%			
Subtotal	\$323	\$323	\$0	(\$323)	-100.00%			
VENDOR: SUASION								
CONTRACT: PENNSYLVANIA DISABILITY EMPLOYMENT AND EMPOWERMENT SUMMIT								
State	\$186	\$66	\$66	\$0	0.00%		Provides for a disability employment and empowerment summit that the Office of Developmental Programs hosts on behalf of the Governor's Cabinet for People with Disabilities. COMMITMENT ITEM #: 6343100 - Specialized Services	
Federal MA	\$234	\$66	\$66	\$0	0.00%			
Subtotal	\$420	\$132	\$132	\$0	0.00%			
VENDOR: KPMG								
CONTRACT: ODP'S PORTION OF GREEN BOOK COSTS								
State	\$6	\$6	\$0	(\$6)	-100.00%	Provided DHS with assistance in completing an internal controls assessment in accordance with the Green Book and identified internal control gaps for Fiscal Year 2017-2018. For Fiscal Year 2018-2019, provides ODP with assistance by documenting existing policies and procedures for identified areas, provides documentation to ODP stakeholders for review and feedback, and provides finalized copy to ODP for review and acceptance. COMMITMENT ITEM #: 6343100 - Specialized Services		
Federal MA	\$6	\$6	\$0	(\$6)	-100.00%			
Subtotal	\$12	\$12	\$0	(\$12)	-100.00%			
VENDOR: HERSHEY ENTERTAINMENT AND RESORTS								
CONTRACT: EVERYDAY LIVES REGIONAL CONFERENCES								
State	\$140	\$150	\$150	\$0	0.00%		Provides the venues for the Everyday Lives regional conferences. COMMITMENT ITEM #: 6343100 - Specialized Services	
Federal MA	\$205	\$150	\$150	\$0	0.00%			
Subtotal	\$345	\$300	\$300	\$0	0.00%			

\$ Amounts in Thousands	2017-2018 Actual	2018-2019 Available	2019-2020 Governor's Recommended	2019-2020 Gov's Recomm vs. 2018-2019 Available	Percent Change	Notes
OPERATING (Continued)						
VENDOR: 2012 HARRISBURG INVESTMENT LLC (HILTON HOTEL)						
CONTRACT: INDEPENDENT MONITORING FOR QUALITY TRAINING CONFERENCE AND COMPETENCE AND CONFIDENCE: PARTNERS IN POLICYMAKING TRAINING SESSIONS						
State	\$29	\$25	\$25	\$0	0.00%	Provides the venue, audio, video, and meals for the Independent Monitoring for Quality training conference and the Competence and Confidence: Partners in Policymaking (C2P2) training sessions. C2P2 is a leadership development training program designed for individuals with disabilities and parents of young children with disabilities. COMMITMENT ITEM #: 6343100 - Specialized Services
Federal MA	\$29	\$25	\$25	\$0	0.00%	
Subtotal	\$58	\$50	\$50	\$0	0.00%	
VENDOR: ANNIE C. HARDWAY						
CONTRACT: SIGN LANGUAGE INTERPRETER						
State	\$2	\$10	\$10	\$0	0.00%	Provides for a professional sign language interpreter on an as-needed basis. COMMITMENT ITEM #: 6343100 - Specialized Services
Federal MA	\$0	\$0	\$0	\$0	---	
Subtotal	\$2	\$10	\$10	\$0	0.00%	
VENDOR: PENNSYLVANIA COALITION AGAINST RAPE						
CONTRACT: SEXUAL ABUSE PREVENTION TRAINING						
State	\$3	\$5	\$5	\$0	0.00%	Provides sexual abuse prevention training for supports coordinators on the dynamics of sexual violence and people with developmental disabilities. COMMITMENT ITEM #: 6343100 - Specialized Services
Federal MA	\$3	\$5	\$5	\$0	0.00%	
Subtotal	\$6	\$10	\$10	\$0	0.00%	
VENDOR: TABLEAU						
CONTRACT: SOFTWARE FOR CREATION OF DASHBOARDS						
State	\$0	\$10	\$0	(\$10)	-100.00%	Provides for licenses, training and technical assistance for data analysis software that creates interactive data visualization products focused on business intelligence and reporting. COMMITMENT ITEM #: 6343100 - Specialized Services
Federal MA	\$0	\$10	\$0	(\$10)	-100.00%	
Subtotal	\$0	\$20	\$0	(\$20)	-100.00%	
VENDOR: VIRGINIA COMMONWEALTH UNIVERSITY						
CONTRACT: WORKERS INCENTIVE PLANNING AND ASSISTANCE TRAINING						
State	\$0	\$75	\$75	\$0	0.00%	Provides work incentive counseling training to a group of 50 individuals over a 12-month period. Virginia Commonwealth University is the only trainer certified by the Social Security Administration to provide this training. COMMITMENT ITEM #: 6343100 - Specialized Services
Federal MA	\$0	\$75	\$75	\$0	0.00%	
Subtotal	\$0	\$150	\$150	\$0	0.00%	
VENDOR: COLUMBUS MEDICAL SERVICES, LLC						
CONTRACT: TRAINING AND TECHNICAL ASSISTANCE FOR THE AUTISM PROGRAM						
State	\$0	\$443	\$200	(\$243)	-54.85%	Provides for the transfer of a contract for the Pennsylvania Autism Training Conference, an autism seminar, support for the MyODP website, and functional behavioral analysis training from the Autism Intervention and Services appropriation to the Base Program appropriation beginning Fiscal Year 2018-2019. COMMITMENT ITEM #: 6343100 - Specialized Services
Federal MA	\$0	\$0	\$0	\$0	---	
Subtotal	\$0	\$443	\$200	(\$243)	-54.85%	
VENDOR: INGENESIS, INC. and MHM SOLUTIONS, INC.						
CONTRACT: AUTISM SERVICES PROGRAM CONTRACTED STAFF CONTRACT						
State	\$0	\$1,100	\$1,175	\$75	6.82%	Provides for the transfer of autism services contracted staff through Ingenuity, Inc. from the Autism Services appropriation to the Base Program appropriation. Provides for the transfer of autism services contracted clinical staff through MHM Solutions, Inc. from the Autism Intervention and Services appropriation to the Base Program appropriation beginning Fiscal Year 2018-2019. COMMITMENT ITEM #: 6343100 - Specialized Services
Federal MA	\$0	\$1,100	\$1,175	\$75	6.82%	
Subtotal	\$0	\$2,200	\$2,350	\$150	6.82%	

\$ Amounts in Thousands	2017-2018 Actual	2018-2019 Available	2019-2020 Governor's Recommended	2019-2020 Gov's Recomm vs. 2018-2019 Available	Percent Change	Notes
OPERATING (Continued)						
VENDOR: TO BE DETERMINED						
CONTRACT: EXTERNAL MANAGED CARE QUALITY REVIEW						
State	\$0	\$21	\$21	\$0	0.00%	Provides for the transfer of an autism services contract to provide an external quality review of the Adult Community Autism Program (ACAP) managed care program, as required by managed care regulations, from the Autism Intervention and Services appropriation to the Base Program appropriation beginning Fiscal Year 2018-2019. COMMITMENT ITEM #: 6343100 - Specialized Services
Federal MA	\$0	\$65	\$65	\$0	0.00%	
Subtotal	\$0	\$86	\$86	\$0	0.00%	
VENDOR: MERCER HEALTH & BENEFITS, LLC						
CONTRACT: AUTISM SERVICES PROGRAM CONSULTING AND RATE SETTING						
State	\$0	\$118	\$118	\$0	0.00%	Provides for the transfer of an autism services contract for the review and analysis of program data and development of Adult Community Autism Program (ACAP) capitated rates; support in the development of service reimbursement rates for the Adult Autism Waiver (AAW); and collaboration with ACAP on financial reports that are more comprehensive and offer more transparency from the Autism Services appropriation to the Base Program appropriations. COMMITMENT ITEM #: 6343100 - Specialized Services
Federal MA	\$0	\$118	\$118	\$0	0.00%	
Subtotal	\$0	\$236	\$236	\$0	0.00%	
VENDOR: IBM WATSON HEALTH (TRUVEN HEALTH ANALYTICS, INC.)						
CONTRACT: AUTISM PROGRAM DEVELOPMENT CONSULTING						
State	\$0	\$97	\$97	\$0	0.00%	Provides for the transfer of an autism services contract to support policy and administrative development, including review of amendments submitted to the Centers for Medicare and Medicaid Services for both ACAP and AAW, from the Autism Services appropriation to the Base Program appropriation. COMMITMENT ITEM #: 6343100 - Specialized Services
Federal MA	\$0	\$97	\$97	\$0	0.00%	
Subtotal	\$0	\$194	\$194	\$0	0.00%	
VENDOR: THRIFTY, INC. (EDEN HOTEL IN LANCASTER)						
CONTRACT: PENNSYLVANIA AUTISM TRAINING CONFERENCE						
State	\$0	\$30	\$49	\$19	63.33%	Provides the venue, audio, video, and food for this conference, which provides professional benefit counselors with the basic skills and knowledge they need to perform their jobs. It is based on a set of knowledge and skill competencies approved by the Social Security Administration for Community Work Incentive Coordinators. COMMITMENT ITEM #: 6343100 - Specialized Services
Federal MA	\$0	\$30	\$49	\$19	63.33%	
Subtotal	\$0	\$60	\$98	\$38	63.33%	
VENDOR: PENNSYLVANIA STATE UNIVERSITY						
CONTRACT: MASTER AGREEMENT THROUGH THE DEPARTMENT OF GENERAL SERVICES FOR THE PERSON CENTERED ASSESSMENT AND MONITORING SYSTEM						
State	\$0	\$75	\$75	\$0	0.00%	Provides for an assessment for adults with autism spectrum disorder in the ACAP Program and the measurement of four domains related to personal well-being and community participation: mental health, physical health, social health, and quality of life. COMMITMENT ITEM #: 6343100 - Specialized Services
Federal MA	\$0	\$75	\$75	\$0	0.00%	
Subtotal	\$0	\$150	\$150	\$0	0.00%	
OPERATING ADJUSTMENTS						
State	\$740	\$2	\$0	(\$2)	-100.00%	COMMITMENT ITEM #: 6343100 - Specialized Services
Federal MA	\$1,282	\$349	\$0	(\$349)	-100.00%	
State/Carryover 0% COLA		\$0	\$0	\$0	---	
Subtotal	\$2,022	\$351	\$0	(\$351)	-100.00%	
TOTAL OPERATING						
Subtotal Operating - State	\$8,566	\$10,005	\$9,299	(\$706)	-7.06%	
Subtotal Operating - Federal	\$12,840	\$13,926	\$11,792	(\$2,134)	-15.32%	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Total Current Operating	\$21,406	\$23,931	\$21,091	(\$2,840)	-11.87%	

Fiscal Year 2019-2020 Blue Book Model
Appropriation: Intellectual Disabilities - Community Base Program

\$ Amounts in Thousands	2017-2018 Actual	2018-2019 Available	2019-2020 Governor's Recommended	2019-2020 Gov's Recomm vs. 2018-2019 Available	Percent Change	Notes
COMMITTED/UNALLOCATED						
Committed/Unallocated - State/Carryover	\$0	\$0	\$0	\$0	---	
Fed - MA	\$0	\$0	\$0	\$0	---	
Subtotal	\$0	\$0	\$0	\$0	---	
Committed/Unallocated - State/Carryover	\$0	\$0	\$0	\$0	---	
Fed - MA	\$0	\$0	\$0	\$0	---	
Subtotal	\$0	\$0	\$0	\$0	---	
Committed/Unallocated - State/Carryover	\$0	\$0	\$0	\$0	---	
Fed - MA	\$0	\$0	\$0	\$0	---	
Subtotal	\$0	\$0	\$0	\$0	---	
Committed/Unallocated - State/Carryover	\$0	\$0	\$0	\$0	---	
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	---	
STATE FUNDS ADJUSTMENT						
State	\$188	\$0	\$0	\$0	---	Excess Fiscal Year 2016-2017 State fund carryover.
COMMITTED/UNALLOCATED FEDERAL						
Fed - MA	\$124	\$80	\$0	(\$80)	-100.00%	
BUDGETARY RESERVE						
State	\$0	\$0	\$0	\$0	---	Excess Federal Medical Assistance appropriation
Federal MA	\$1,570	\$1,593	\$1,593	\$0	0.00%	authority.
Subtotal	\$1,570	\$1,593	\$1,593	\$0	0.00%	
GRAND TOTALS						
Total State/Carryover	\$153,753	\$152,179	\$151,548	(\$631)	-0.41%	
Total State Backfill - MA	\$0	\$0	(\$23)	(\$23)	---	
State/Carryover 0% COLA	\$0	\$0	\$0	\$0	---	
Total Federal	\$62,836	\$64,058	\$62,067	(\$1,991)	-3.11%	
TOTAL	\$216,589	\$216,237	\$213,592	(\$2,645)	-1.22%	
State	\$150,734	\$149,379	\$148,725	(\$654)	-0.44%	
Fed - MA	\$55,385	\$56,607	\$54,616	(\$1,991)	-3.52%	
Fed - SSBG	\$7,451	\$7,451	\$7,451	\$0	0.00%	
Subtotal Fed	\$62,836	\$64,058	\$62,067	(\$1,991)	-3.11%	
Total State/Fed/Other	\$213,570	\$213,437	\$210,792	(\$2,645)	-1.24%	
Carryover - State	\$3,019	\$2,800	\$2,800	\$0	0.00%	
Total	\$216,589	\$216,237	\$213,592	(\$2,645)	-1.22%	

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 2017-2018, there were 779 people remaining in state centers while approximately 53,457 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 or autism who are not eligible for the Intellectual Disabilities/Autism - Community Waiver Program and to Medicaid-eligible individuals not yet enrolled in the Waiver program. About 23,600 people received Community Base Program services in Fiscal Year 2017-2018. 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 services, 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 and autism 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 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/autism 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 into the Home and Community Services Information System by independent monitoring programs 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 2017-2018, the Quality Assessment and Improvement project was initiated. It is designed to follow an individual's experience through the system, measure progress toward implementation of "Everyday Lives, Values in Action," gather data to manage system performance, and to use that data to manage the service delivery system. Additionally, the assessment is to be used to demonstrate Administrative Entity (AE) outcomes in the operating agreement, collect data for Waiver performance measures, and verify that providers comply with 55 Pa. Code Chapter 51 or 55 Pa. Code Chapter 6100 regulations and their provider agreement. Through the Quality Assessment and Improvement process, all Administrative Entities, Supports Coordination Entities and providers of Office of Developmental Programs' (ODP) services are assessed over a three year cycle.

In Fiscal Year 2012-2013, a Human Services Block Grant (HSBG) program was implemented to provide local governments with increased flexibility to address local needs. Beginning in Fiscal Year 2017-2018 the HSBG program was expanded to allow all counties statewide to request participation in the program on a voluntary basis. Currently, a total of 38 counties have submitted applications that were subsequently approved by the Department and are participating in the HSBG program.

In Fiscal Year 2018-2019, ODP began the process of designing a system to address the unique needs of children who are medically complex. Six-month funding associated with a position at Philadelphia Coordinated Health Care is budgeted in Fiscal Year 2018-2019 to initiate that process, which includes the development of a team of family facilitators. That funding is annualized in Fiscal Year 2019-2020. In addition, the Governor's Executive Budget for Fiscal Year 2019-2020 specifically includes full-year funding for two family facilitators.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. C1.17, E26.7, E26.33

APPROPRIATION:
Intellectual Disabilities - Lansdowne Residential
Services (Elwyn Institute)

I. SUMMARY FINANCIAL DATA

	2017-2018 Actual	2018-2019 Available	2019-2020 Budgeted
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)			
	2017-2018 Actual	2018-2019 Available	2019-2020 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	\$340	\$340	\$340	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$340	\$340	\$340	\$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	\$340	\$340	\$340	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$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)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$61	\$89	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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 level of funding proposed for Fiscal Year 2019-2020 is based on the Fiscal Year 2018-2019 allocation level.

Legislative Citations:
 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 2018-2019 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 cost of providing community participation services for a total of 38 people. The Governor's Executive Budget for Fiscal Year 2019-2020 includes a total of \$0.340 million in state funds for this appropriation.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. A1.15, C1.7, C1.17, E26.7, E26.10, E26.31,
E26.33-E26.34

APPROPRIATION:
Autism Intervention and Services

I. SUMMARY FINANCIAL DATA

	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$27,669	\$30,842 ¹	\$29,683
Federal Funds Total	\$26,585	\$27,406	\$29,568
Federal Sources Itemized			
<i>Medical Assistance - Autism Intervention Services</i>	\$26,585	\$27,406	\$29,568
Other Funds	\$0	\$0	\$0
Total	\$54,254	\$58,248	\$59,251

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	(\$500) ¹
Federal Funds	\$0
Total	(\$500)

¹ Act 1-A of 2018 included state fund appropriation authority of \$31.342 million for Fiscal Year 2018-2019. However, the Governor's Executive Budget for Fiscal Year 2019-2020 reflects a \$0.500 million decreasing adjustment for a revised Fiscal Year 2018-2019 state appropriation of \$30.842 million.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Autism Intervention and Services			
	2017-2018 Actual	2018-2019 Available	2019-2020 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	\$1,541	\$0	\$0	\$0	0.00%
Federal Funds	\$1,219	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$2,760	\$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	\$26,128	\$30,842	\$29,683	(\$1,159)	-3.76%
Federal Funds	\$22,587	\$27,016	\$28,678	\$1,662	6.15%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$48,715	\$57,858	\$58,361	\$503	0.87%
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	\$2,779	\$390	\$890	\$500	128.21%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$2,779	\$390	\$890	\$500	128.21%
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	\$27,669	\$30,842	\$29,683	(\$1,159)	-3.76%
Federal Funds	\$26,585	\$27,406	\$29,568	\$2,162	7.89%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$54,254	\$58,248	\$59,251	\$1,003	1.72%

APPROPRIATION:
Autism Intervention and Services

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$362	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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 2019-2020 Governor's Executive Budget provides for maintenance of the current program. Annualization of prior year initiatives is also included. Funding requirements are projected utilizing actual monthly paid claims data from the Provider Reimbursement and Operations Management Information System (PROMISE).

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

Legislative Citations:

62 P.S. § 201

Disbursement Criteria:

Disbursements are based on invoices for Waiver services rendered that providers submit for payment through PROMISE. Disbursements for the Adult Community Autism Program are made to the provider on a monthly basis based on the number of individuals enrolled on the first day of each month.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Autism Intervention and Services			
	State \$	Federal \$	Other \$	Total
GRANT & SUBSIDY				
1. Provides increased funding for the Adult Autism Waiver (AAW) program associated with changes in cost and utilization:	\$964	\$1,050	\$0	\$2,014
2. Provides increased funding for room and board costs in the AAW program associated with changes in cost and utilization:	\$83	\$0	\$0	\$83
3. Impact of estimated change in the provider reimbursement rate for the Adult Community Autism Program (ACAP):	\$271	\$295	\$0	\$566
4. Provides for the impact of non-recurring Fiscal Year 2018-2019 legislative additions:				
A. Wellspan (formerly Philhaven):	(\$450)	(\$500)	\$0	(\$950)
B. University of Pittsburgh:	(\$260)	\$0	\$0	(\$260)
C. St. Joseph's University:	(\$260)	\$0	\$0	(\$260)
D. Citizens Acting Together Can Help:	(\$200)	\$0	\$0	(\$200)
E. Keystone Autism Services:	(\$500)	\$0	\$0	(\$500)
F. The Janus School:	(\$500)	\$0	\$0	(\$500)
Subtotal	(\$2,170)	(\$500)	\$0	(\$2,670)
5. Does not provide continued funding for the Fiscal Year 2017-2018 "Bio-Behavioral Unit" Initiative:	(\$500)	\$0	\$0	(\$500)
6. Provides for the annualization of the Fiscal Year 2018-2019 "Expanded Services for Individuals with Disabilities" Initiative for home and community-based services for 40 additional individuals in the ACAP program:	\$700	\$760	\$0	\$1,460
7. Provides for the impact of non-recurring Fiscal Year 2018-2019 costs associated with the placement of five Benjamin Class individuals from the State Centers for the Intellectually Disabled program into the ACAP program:	(\$450)	\$0	\$0	(\$450)
8. Assumes the Federal Medical Assistance Percentage (FMAP) rate will remain at 52.25 percent, effective October 1, 2019. The state fiscal year blended rate is increasing from 52.1425 percent in Fiscal Year 2018-2019 to 52.25 percent in Fiscal Year 2019-2020. That change results in an increase of \$0.057 million in federal Medical Assistance funding with an offsetting decrease of \$0.057 million in state fund requirements:	(\$57)	\$57	\$0	\$0
Subtotal Grant & Subsidy	(\$1,159)	\$1,662	\$0	\$503

VI. EXPLANATION OF CHANGES

(\$ Amounts in Thousands)

APPROPRIATION:

Autism Intervention and Services

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total</u>
BUDGETARY RESERVE				
1. Change in excess federal Medical Assistance appropriation authority:	<u>\$0</u>	<u>\$500</u>	<u>\$0</u>	<u>\$500</u>
TOTAL	<u><u>(\$1,159)</u></u>	<u><u>\$2,162</u></u>	<u><u>\$0</u></u>	<u><u>\$1,003</u></u>

**Fiscal Year 2019-2020 Governor's Executive Budget
Autism Intervention and Services
Fiscal Year 2019-2020 Request
(\$ Amounts in Thousands)**

	<u>State</u>	<u>Federal - MA</u>	<u>Total</u>
ON-GOING PROGRAM COSTS			
Adult Autism Waiver (AAW)	\$16,987	\$18,587	\$35,574
AAW Residential Room and Board	\$595	\$0	\$595
Adult Community Autism Program	\$5,672	\$6,207	\$11,879
Subtotal - On-Going Program Costs	\$23,254	\$24,794	\$48,048
SPECIAL INITIATIVES			
Autism Services, Education, Resources, and Training (ASERT) Collaboratives			
Drexel University	\$960	\$0	\$960
University of Pittsburgh Medical Center Presbyterian Shadyside	\$960	\$0	\$960
Penn State Milton S. Hershey Medical Center	\$960	\$0	\$960
Subtotal - ASERTS	\$2,880	\$0	\$2,880
Legislative Initiatives			
Wellspring (formerly Philhaven)	\$0	\$0	\$0
University of Pittsburgh	\$0	\$0	\$0
St. Joseph's University	\$0	\$0	\$0
Citizens Acting Together Can Help	\$0	\$0	\$0
Keystone Autism Services	\$0	\$0	\$0
The Janus School	\$0	\$0	\$0
Subtotal - Legislative Initiatives	\$0	\$0	\$0
Subtotal - Special Initiatives	\$2,880	\$0	\$2,880
Fiscal Year 2017-2018 "Expanded Services for Inds. with Disabilities" Initiative (Provide services to 50 additional individuals on the Adult Autism Waiver Interest List)	\$1,227	\$1,343	\$2,570
Fiscal Year 2017-2018 "Bio-Behavioral Unit" Initiative	\$0	\$0	\$0
Fiscal Year 2017-2018 "Expanded Services for Inds. with Disabilities" Initiative (Provide Targeted Support Management State Plan Services to 1,850 individuals)	\$928	\$1,015	\$1,943
Fiscal Year 2018-2019 "Expanded ACAP" Initiative (Expansion of Home and Community-Based Services to 40 Individuals)	\$1,394	\$1,526	\$2,920
Placement of 5 Benjamin Class Individuals from State Centers into ACAP	\$0	\$0	\$0
Budgetary Reserve	\$0	\$890	\$890
GRAND TOTAL	\$29,683	\$29,568	\$59,251

	<u>Unduplicated Recipients</u>	<u>Average Annual Cost Per Individual</u>
Adult Autism Waiver	709	\$54,639
Adult Community Autism Program	200	\$71,165
Total	909	\$62,902

Fiscal Year 2019-2020 Governor's Executive Budget
Autism Intervention and Services
Fiscal Year 2018-2019 Available
(\$ Amounts in Thousands)

	State	Federal - MA	Total
ON-GOING PROGRAM COSTS			
Adult Autism Waiver (AAW)	\$16,061	\$17,499	\$33,560
AAW Residential Room and Board	\$512	\$0	\$512
Adult Community Autism Program	\$5,060	\$5,584	\$10,644
Subtotal - On-Going Program Costs	\$21,633	\$23,083	\$44,716
OPERATING			
Operating Contracts			
Autism Program Development (Truven Health Analytics, Inc.)	\$97	\$97	\$194
Rate Setting (Mercer Health and Benefits, LLC)	\$118	\$118	\$236
Quality Review of ACAP Program (Island Peer Review Organization)	\$21	\$65	\$86
Staffing (Ingensis, Inc. and MHM Solutions, Inc.)	\$1,100	\$1,100	\$2,200
Training and Technical Assistance (Columbus Medical Services, Inc.)	\$443	\$0	\$443
Subtotal - Operating Contracts	\$1,779	\$1,380	\$3,159
Transfer of Operating Contracts to ID - Community Base Program	(\$1,779)	(\$1,380)	(\$3,159)
Miscellaneous Operating Expenses			
Supplies, Audit Fees, and Copier Lease	\$14	\$91	\$105
Administration Fee	\$17	\$17	\$34
Subtotal Miscellaneous Operating Expenses	\$31	\$108	\$139
Transfer of Miscellaneous Operating Expenses to General Government Operations	(\$31)	(\$108)	(\$139)
Subtotal - Operating	\$0	\$0	\$0
SPECIAL INITIATIVES			
Autism Services, Education, Resources, and Training (ASERT) Collaboratives			
Drexel University	\$960	\$0	\$960
University of Pittsburgh Medical Center Presbyterian Shadyside	\$960	\$0	\$960
Penn State Milton S. Hershey Medical Center	\$960	\$0	\$960
Subtotal - ASERTS	\$2,880	\$0	\$2,880
Legislative Initiatives			
Wellspring (formerly Philhaven)	\$450	\$500	\$950
University of Pittsburgh	\$260	\$0	\$260
St. Joseph's University	\$260	\$0	\$260
Citizens Acting Together Can Help	\$200	\$0	\$200
Keystone Autism Services	\$500	\$0	\$500
The Janus School	\$500	\$0	\$500
Subtotal - Legislative Initiatives	\$2,170	\$500	\$2,670
Subtotal - Special Initiatives	\$5,050	\$500	\$5,550
Anticipated ACAP Retroactive Rate Increase	\$354	\$315	\$669
Fiscal Year 2017-2018 "Bio-Behavioral Unit" Initiative	\$500	\$0	\$500
Fiscal Year 2017-2018 "Expanded Services for Inds. with Disabilities" Initiative (Provide Targeted Support Management State Plan Services to 1,850 individuals)	\$928	\$1,015	\$1,943
Fiscal Year 2017-2018 "Expanded Services for Inds. with Disabilities" Initiative (Provide services to 50 additional individuals on the Adult Autism Waiver Interest List)	\$1,230	\$1,340	\$2,570
Fiscal Year 2018-2019 "Expanded ACAP" Initiative (Expansion of Home and Community-Based Services to 40 Individuals)	\$697	\$763	\$1,460
Placement of 5 Benjamin Class Individuals from State Centers into ACAP	\$450	\$0	\$450
Budgetary Reserve	\$0	\$390	\$390
GRAND TOTAL	\$30,842	\$27,406	\$58,248
	Unduplicated Recipients	Average Annual Cost Per Individual	
Adult Autism Waiver	709	\$51,682	
Adult Community Autism Program	200	\$60,395	
Total	909	\$56,039	

Fiscal Year 2019-2020 Governor's Executive Budget
Autism Intervention and Services
Fiscal Year 2017-2018 Actual
(\$ Amounts in Thousands)

	<u>State</u>	<u>Federal - MA</u>	<u>Total</u>
ON-GOING PROGRAM COSTS			
Adult Autism Waiver (AAW)	\$15,251	\$16,365	\$31,616
AAW Residential Room and Board	\$410	\$0	\$410
Adult Community Autism Program (ACAP)	\$5,098	\$5,578	\$10,676
Subtotal - On-going Program Costs	\$20,759	\$21,943	\$42,702
OPERATING			
Operating Contracts			
Autism Program Development (Truven Health Analytics, Inc.)	\$97	\$97	\$194
Rate Setting (Mercer Health and Benefits, LLC)	\$73	\$73	\$146
Quality Review of ACAP Program (Island Peer Review Organization)	\$21	\$65	\$86
Staffing (Ingenesis, Inc. and MHM Solutions, Inc.)	\$876	\$876	\$1,752
Training and Technical Assistance (Columbus Medical Services, Inc.)	\$443	\$0	\$443
Subtotal - Operating Contracts	\$1,510	\$1,111	\$2,621
Miscellaneous Operating Expenses			
Supplies, Audit Fee, and Copier Lease	\$14	\$91	\$105
Administration Fee	\$17	\$17	\$34
Subtotal Miscellaneous Operating Expenses	\$31	\$108	\$139
Subtotal - Operating	\$1,541	\$1,219	\$2,760
SPECIAL INITIATIVES			
Autism Services, Education, Resources, and Training (ASERT) Collaboratives			
Drexel University	\$960	\$0	\$960
University of Pittsburgh Medical Center Presbyterian Shadyside	\$960	\$0	\$960
Penn State Milton S. Hershey Medical Center	\$960	\$0	\$960
Subtotal - ASERTS	\$2,880	\$0	\$2,880
Legislative Initiatives			
Philhaven	\$450	\$484	\$934
University of Pittsburgh	\$240	\$0	\$240
St. Joseph's University	\$240	\$0	\$240
Citizens Acting Together Can Help	\$200	\$0	\$200
Keystone Autism Services	\$500	\$0	\$500
Subtotal - Legislative Initiatives	\$1,630	\$484	\$2,114
Subtotal - Special Initiatives	\$4,510	\$484	\$4,994
Anticipated ACAP Retroactive Rate Increase	\$192	\$182	\$374
Fiscal Year 2017-2018 "Bio-Behavioral Unit" Initiative	\$250	\$0	\$250
Fiscal Year 2017-2018 "Expanded Services for Inds. with Disabilities" Initiative (Provide Targeted Support Management State Plan Services to 1,545 individuals)	\$781	\$841	\$1,622
Fiscal Year 2017-2018 "Expanded Services for Inds. with Disabilities" Initiative (Provide services to 50 additional individuals on the Adult Autism Waiver Interest List)	\$244	\$263	\$507
Fiscal Year 2017-2018 Estimated Rollback to Fiscal Year 2016-2017	(\$608)	(\$1,126)	(\$1,734)
Budgetary Reserve	\$0	\$2,779	\$2,779
Excess State/Federal	\$0	\$0	\$0
GRAND TOTAL	\$27,669	\$26,585	\$54,254

	<u>Unduplicated Recipients</u>	<u>Average Annual Cost Per Individual</u>
Adult Autism Waiver	715	\$44,730
Adult Community Autism Program	160	\$60,955
Total	875	\$52,842

**Fiscal Year 2019-2020 Governor's Executive Budget
Autism Intervention and Services
Differences Fiscal Year 2019-2020 Vs. Fiscal Year 2018-2019
(\$ Amounts in Thousands)**

	<u>State</u>	<u>Federal - MA</u>	<u>Total</u>
ON-GOING PROGRAM COSTS			
Adult Autism Waiver (AAW)	\$926	\$1,088	\$2,014
AAW Residential Room and Board	\$83	\$0	\$83
Adult Community Autism Program	\$612	\$623	\$1,235
Subtotal - On-Going Program Costs	\$1,621	\$1,711	\$3,332
SPECIAL INITIATIVES			
Autism Services, Education, Resources, and Training (ASERT) Collaboratives			
Drexel University	\$0	\$0	\$0
University of Pittsburgh Medical Center Presbyterian Shadyside	\$0	\$0	\$0
Penn State Milton S. Hershey Medical Center	\$0	\$0	\$0
Subtotal - ASERTS	\$0	\$0	\$0
Legislative Initiatives			
Wellspring (formerly Philhaven)	(\$450)	(\$500)	(\$950)
University of Pittsburgh	(\$260)	\$0	(\$260)
St. Joseph's University	(\$260)	\$0	(\$260)
Citizens Acting Together Can Help	(\$200)	\$0	(\$200)
Keystone Autism Services	(\$500)	\$0	(\$500)
The Janus School	(\$500)	\$0	(\$500)
Subtotal - Legislative Initiatives	(\$2,170)	(\$500)	(\$2,670)
Subtotal - Special Initiatives	(\$2,170)	(\$500)	(\$2,670)
Fiscal Year 2017-2018 "Expanded Services for Inds. with Disabilities" Initiative (Provide Targeted Support Management State Plan Services to 1,850 individuals)	\$0	\$0	\$0
Fiscal Year 2017-2018 "Bio-Behavioral Unit" Initiative	(\$500)	\$0	(\$500)
Fiscal Year 2017-2018 "Expanded Services for Inds. with Disabilities" Initiative (Provides services to 50 additional individuals on the Adult Autism Waiver Interest List)	(\$3)	\$3	\$0
Fiscal Year 2018-2019 "Expanded ACAP" Initiative (Expansion of Home and Community-Based Services to 40 Individuals)	\$697	\$763	\$1,460
Anticipated ACAP Retroactive Rate Increase	(\$354)	(\$315)	(\$669)
Placement of 5 Benjamin Class Individuals from State Centers into ACAP	(\$450)	\$0	(\$450)
Budgetary Reserve	\$0	\$500	\$500
GRAND TOTAL	(\$1,159)	\$2,162	\$1,003

Adult Community Autism Program

FISCAL YEAR 2017-2018 SERVICE COSTS

	Total \$	Federal \$	State \$	Base Users	Expansion Users	Total Users	Total \$ Per User
JULY 2017	\$812,833	\$432,520	\$380,313	151	0	151	\$5,383.00
AUGUST	\$812,833	\$432,520	\$380,313	151	0	151	\$5,383.00
SEPTEMBER	\$818,216	\$435,307	\$382,909	152	0	152	\$5,383.00
OCTOBER	\$818,216	\$435,621	\$382,595	152	0	152	\$5,383.00
NOVEMBER	\$818,216	\$435,621	\$382,595	152	0	152	\$5,383.00
DECEMBER	\$812,833	\$432,832	\$380,001	152	0	152	\$5,347.59
JANUARY 2018	\$807,450	\$427,503	\$379,947	150	0	150	\$5,383.00
FEBRUARY	\$812,079	\$429,902	\$382,178	151	0	151	\$5,378.01
MARCH	\$807,450	\$427,503	\$379,947	151	0	151	\$5,347.35
APRIL	\$812,833	\$430,292	\$382,541	151	0	151	\$5,383.00
MAY	\$812,370	\$430,052	\$382,318	151	0	151	\$5,379.93
JUNE	\$807,450	\$425,232	\$382,218	150	0	150	\$5,383.00
Total	\$9,752,779	\$5,174,906	\$4,577,873				
Average	\$812,732	\$431,242	\$381,489	151	0	151	\$5,376.39

The above actual data is not reflective of an anticipated retroactive rate increase for Fiscal Year 2017-2018 which is pending CMS approval.

FISCAL YEAR 2018-2019 SERVICE COSTS *

	Total \$	Federal \$	State \$	Base Users	Expansion Users	Total Users	Total \$ Per User
JULY 2018	\$828,982	\$438,684	\$390,298	154	0	154	\$5,383.00
AUGUST	\$828,982	\$436,413	\$392,569	155	0	155	\$5,348.27
SEPTEMBER	\$828,982	\$436,390	\$392,592	155	0	155	\$5,348.27
OCTOBER	\$828,982	\$439,886	\$389,096	155	0	155	\$5,348.27
NOVEMBER	\$823,599	\$437,073	\$386,526	154	0	154	\$5,348.05
DECEMBER *	\$823,599	\$439,320	\$384,279	153	0	153	\$5,383.00
JANUARY 2019	\$1,185,990	\$619,680	\$566,310	155	40	195	\$6,082.00
FEBRUARY	\$1,185,990	\$619,680	\$566,310	155	40	195	\$6,082.00
MARCH	\$1,185,990	\$619,680	\$566,310	155	40	195	\$6,082.00
APRIL	\$1,185,990	\$619,680	\$566,310	155	40	195	\$6,082.00
MAY	\$1,185,990	\$619,680	\$566,310	155	40	195	\$6,082.00
JUNE	\$1,185,990	\$619,680	\$566,310	155	40	195	\$6,082.00
Total	\$12,079,066	\$6,345,845	\$5,733,221				
Average	\$1,006,589	\$528,820	\$477,768	155	20	175	\$5,762.91

* 2018-2019 estimate includes actuals through December 2018.

The above actual data is not reflective of an anticipated retroactive rate increase for Fiscal Year 2018-2019 which is pending CMS approval.

FISCAL YEAR 2019-2020 SERVICE COSTS

	Total \$	Federal \$	State \$	Base Users	Expansion Users	Total Users	Total \$ Per User
JULY 2019	\$1,185,990	\$619,680	\$566,310	195	0	195	\$6,082.00
AUGUST	\$1,185,990	\$619,680	\$566,310	195	0	195	\$6,082.00
SEPTEMBER	\$1,185,990	\$619,680	\$566,310	195	0	195	\$6,082.00
OCTOBER	\$1,185,990	\$619,680	\$566,310	195	0	195	\$6,082.00
NOVEMBER	\$1,185,990	\$619,680	\$566,310	195	0	195	\$6,082.00
DECEMBER	\$1,185,990	\$619,680	\$566,310	195	0	195	\$6,082.00
JANUARY 2020	\$1,185,990	\$619,680	\$566,310	195	0	195	\$6,082.00
FEBRUARY	\$1,185,990	\$619,680	\$566,310	195	0	195	\$6,082.00
MARCH	\$1,185,990	\$619,680	\$566,310	195	0	195	\$6,082.00
APRIL	\$1,185,990	\$619,680	\$566,310	195	0	195	\$6,082.00
MAY	\$1,185,990	\$619,680	\$566,310	195	0	195	\$6,082.00
JUNE	\$1,187,206	\$620,315	\$566,891	195	0	195	\$6,082.00
Total	\$14,233,096	\$7,436,793	\$6,796,304				
Average	\$1,186,091	\$619,733	\$566,359	195	0	195	\$6,082.00

Autism Waiver

FISCAL YEAR 2018-2019 SERVICE COSTS

	Total \$	Federal \$	State \$	Users	Total \$ Per User
JULY 2018	\$2,979,666	\$1,544,875	\$1,434,790	674	\$4,420.87
AUGUST	\$2,638,129	\$1,367,307	\$1,270,822	677	\$3,896.79
SEPTEMBER	\$2,722,801	\$1,411,058	\$1,311,743	670	\$4,063.88
OCTOBER	\$3,559,600	\$1,860,340	\$1,699,260	687	\$5,181.37
NOVEMBER	\$2,628,910	\$1,373,941	\$1,254,969	679	\$3,871.74
DECEMBER *	\$3,266,772	\$1,707,118	\$1,559,654	679	\$4,811.15
JANUARY 2019	\$2,915,038	\$1,523,107	\$1,391,931	692	\$4,212.48
FEBRUARY	\$2,944,525	\$1,538,514	\$1,406,011	699	\$4,212.48
MARCH	\$2,952,950	\$1,542,917	\$1,410,034	701	\$4,212.48
APRIL	\$3,556,044	\$1,858,033	\$1,698,011	703	\$5,058.38
MAY	\$2,978,225	\$1,556,123	\$1,422,103	707	\$4,212.48
JUNE	\$2,986,650	\$1,560,525	\$1,426,125	709	\$4,212.48
TOTAL	\$36,129,311	\$18,843,858	\$17,285,453		
Average	\$3,010,776	\$1,570,321	\$1,440,454	690	\$4,365.02

* 2018-2019 estimate includes actuals through December 2018.

FISCAL YEAR 2018-2019 RESIDENTIAL ROOM AND BOARD *

	Total \$	Federal \$	State \$	Users	Total \$ Per User
JULY 2018	\$40,421	\$0	\$40,421	41	\$985.87
AUGUST	\$32,755	\$0	\$32,755	37	\$885.27
SEPTEMBER	\$25,143	\$0	\$25,143	32	\$785.71
OCTOBER	\$64,099	\$0	\$64,099	43	\$1,490.67
NOVEMBER	\$30,597	\$0	\$30,597	38	\$805.18
DECEMBER *	\$40,719	\$0	\$40,719	44	\$925.43
JANUARY 2019	\$43,956	\$0	\$43,956	49	\$897.06
FEBRUARY	\$44,853	\$0	\$44,853	50	\$897.06
MARCH	\$44,853	\$0	\$44,853	50	\$897.06
APRIL	\$55,311	\$0	\$55,311	50	\$1,106.21
MAY	\$44,853	\$0	\$44,853	50	\$897.06
JUNE	\$44,853	\$0	\$44,853	50	\$897.06
TOTAL	\$512,412	\$0	\$512,412		
Average	\$42,701	\$0	\$42,701	45	\$959.57

* 2018-2019 estimate includes actuals through December 2018.

FISCAL YEAR 2019-2020 SERVICE COSTS

	Total \$	Federal \$	State \$	Users	Total \$ Per User
JULY 2019	\$3,522,275	\$1,840,389	\$1,681,887	709	\$4,967.95
AUGUST	\$2,933,253	\$1,532,625	\$1,400,628	709	\$4,137.17
SEPTEMBER	\$3,522,275	\$1,840,389	\$1,681,887	709	\$4,967.95
OCTOBER	\$2,933,253	\$1,532,625	\$1,400,628	709	\$4,137.17
NOVEMBER	\$2,933,253	\$1,532,625	\$1,400,628	709	\$4,137.17
DECEMBER	\$3,522,275	\$1,840,389	\$1,681,887	709	\$4,967.95
JANUARY 2020	\$2,933,253	\$1,532,625	\$1,400,628	709	\$4,137.17
FEBRUARY	\$2,933,253	\$1,532,625	\$1,400,628	709	\$4,137.17
MARCH	\$2,933,253	\$1,532,625	\$1,400,628	709	\$4,137.17
APRIL	\$3,522,275	\$1,840,389	\$1,681,887	709	\$4,967.95
MAY	\$3,522,275	\$1,840,389	\$1,681,887	709	\$4,967.95
JUNE	\$2,933,253	\$1,532,625	\$1,400,628	709	\$4,137.17
TOTAL	\$38,144,150	\$19,930,318	\$18,213,832		
Average	\$3,178,679	\$1,660,860	\$1,517,819	709	\$4,483.33

FISCAL YEAR 2019-2020 RESIDENTIAL ROOM AND BOARD

	Total \$	Federal \$	State \$	Users	Total \$ Per User
JULY 2019	\$55,720	\$0	\$55,720	50	\$1,114.41
AUGUST	\$45,185	\$0	\$45,185	50	\$903.71
SEPTEMBER	\$55,720	\$0	\$55,720	50	\$1,114.41
OCTOBER	\$45,185	\$0	\$45,185	50	\$903.71
NOVEMBER	\$45,185	\$0	\$45,185	50	\$903.71
DECEMBER	\$55,720	\$0	\$55,720	50	\$1,114.41
JANUARY 2020	\$45,185	\$0	\$45,185	50	\$903.71
FEBRUARY	\$45,185	\$0	\$45,185	50	\$903.71
MARCH	\$45,185	\$0	\$45,185	50	\$903.71
APRIL	\$55,720	\$0	\$55,720	50	\$1,114.41
MAY	\$55,720	\$0	\$55,720	50	\$1,114.41
JUNE	\$45,185	\$0	\$45,185	50	\$903.71
TOTAL	\$594,900	\$0	\$594,900		
Average	\$49,575	\$0	\$49,575	50	\$991.50

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 in 2018 was 28,587.

The results of the Pennsylvania Autism Needs Assessment show that 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 (ODP) is to support Pennsylvanians with developmental disabilities and their families to achieve greater independence, choice, and opportunity as outlined in *“Everyday Lives, Values in Action.”* The Office of Developmental Programs supports people with autism through the development of family support and training programs; the provision of technical assistance and autism expertise across state programs and through other government agencies; and the ingenuity of the Autism Services, Education, Resources, and Training collaborative (ASERT).

The ASERT Collaborative, established in 2009, serves as the Commonwealth’s primary 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. The ASERT Collaborative supports the Department’s efforts to continually improve the quality of programs and connect existing resources to address regional gaps in effective services and supports, serves as a valuable resource to staff and provider networks supporting program participants, and collects and analyzes information about autism services and programs in order to help inform change. The ASERT Collaborative’s reach continues to expand significantly each year. In 2018, ASERT supported an estimated 101,000 individuals, families and professionals through their clinical services, training, and outreach efforts. This is an increase of approximately 36,000 people from the previous year.

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, encouraging involvement in community life, improving social skills, and providing 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, they are administered at the state level, and do not use IQ as an eligibility factor. Service providers under the programs are required to complete autism-specific training and to demonstrate competency.

The Department of Human Services received approval from the Centers for Medicare and Medicaid Services (CMS) to begin administering services through the AAW, effective July 1, 2008. The AAW 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 718 adults with autism.

The Department of Human Services received approval from CMS in January 2009 to begin administering services through the ACAP. The ACAP is a managed care model with one rate paid per person per month to one provider for integrated physical health, behavioral health, and community services. The program is currently available in Lancaster, Cumberland, Dauphin, and Chester counties and has the capacity to support 200 individuals.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. C1.17, E26.2, E26.7, E26.29

APPROPRIATION:
Behavioral Health Services

I. SUMMARY FINANCIAL DATA

	<u>2017-2018 Actual</u>	<u>2018-2019 Available</u>	<u>2019-2020 Budgeted</u>
State Funds	\$57,149	\$57,149	\$57,149
Federal Funds Total	\$2,000	\$16,500	\$16,500
Federal Sources Itemized			
<i>Access to Medication-Assisted Treatment</i>	\$2,000	\$1,500	\$1,500
<i>State Opioid Response</i>	\$0	\$15,000 ¹	\$15,000
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$59,149	\$73,649	\$73,649

IA. REQUESTED SUPPLEMENTALS (Included above)

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

¹ Expenditure Symbol Notification Number 18-105 was signed by the Governor on January 15, 2019.

II. DETAIL BY MAJOR OBJECT Bl (\$ Amounts in Thousands)		APPROPRIATION: Behavioral Health Services			
	2017-2018 Actual	2018-2019 Available	2019-2020 Budgeted	Change Budgeted vs. Available	Percent Change
PERSONNEL					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$49	\$51	\$0	(\$51)	-100.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Personnel	\$49	\$51	\$0	(\$51)	-100.00%
OPERATING					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$1,250	\$2,650	\$1,400	(\$1,250)	-47.17%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$1,250	\$2,650	\$1,400	(\$1,250)	-47.17%
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	\$57,149	\$57,149	\$57,149	\$0	0.00%
Federal Funds	\$701	\$13,799	\$15,100	\$1,301	9.43%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$57,850	\$72,348	\$73,649	\$1,301	1.80%
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	\$57,149	\$57,149	\$57,149	\$0	0.00%
Federal Funds	\$2,000	\$16,500	\$16,500	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$59,149	\$73,649	\$73,649	\$0	0.00%

APPROPRIATION: Behavioral Health Services

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$155	\$829	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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.

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, 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

BUI(\$ Amounts in Thousands)

APPROPRIATION:

Behavioral Health Services

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
PERSONNEL				
1. Reflects a decrease in funding from the Access to Medication-Assisted Treatment (MAT) grant supporting personnel costs in Fiscal Year 2019-2020:	\$0	(\$51)	\$0	(\$51)
OPERATING				
1. Reflects a decrease in funding from the MAT grant supporting operating costs in Fiscal Year 2019-2020:	\$0	(\$1,250)	\$0	(\$1,250)
GRANT & SUBSIDY				
1. Provides increased funding for the MAT grant supporting grant and subsidy costs in Fiscal Year 2019-2020:	<u>\$0</u>	<u>\$1,301</u>	<u>\$0</u>	<u>\$1,301</u>
TOTAL	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</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 2017-2018 Actual</u>	<u>Fiscal Year 2018-2019 Available</u>	<u>Fiscal Year 2019-2020 Budgeted</u>	<u>2019-2020 vs. 2018-2019</u>
Mental Health	\$17,247	\$17,247	\$17,247	\$0
Drug and Alcohol	<u>\$39,902</u>	<u>\$39,902</u>	<u>\$39,902</u>	<u>\$0</u>
Total State Funds	<u><u>\$57,149</u></u>	<u><u>\$57,149</u></u>	<u><u>\$57,149</u></u>	<u><u>\$0</u></u>

BEHAVIORAL HEALTH SERVICES

PROGRAM STATEMENT

The Department of Human Services (DHHS) 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 Human Services Block Grant (HSBG) program was implemented to provide local governments with increased flexibility to address local needs. Beginning in Fiscal Year 2017-2018 the HSBG program was expanded to allow all counties statewide to request participation in the program on a voluntary basis. Currently, a total of 38 counties have submitted applications that were subsequently approved by the Department and are participating in the HSBG program.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. C1.17, E26.7, E26.29, H60

APPROPRIATION:
Special Pharmaceutical Services

I. SUMMARY FINANCIAL DATA

	<u>2017-2018 Actual</u>	<u>2018-2019 Available</u>	<u>2019-2020 Budgeted</u>
State Funds	\$1,008	\$1,008	\$952
Federal Funds	\$0	\$0	\$0
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$1,008	\$1,008	\$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: Special Pharmaceutical Services				
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$12	\$12	\$13	\$1	8.33%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$12	\$12	\$13	\$1	8.33%
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>	\$996	\$996	\$939	(\$57)	-5.72%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$996	\$996	\$939	(\$57)	-5.72%
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>	\$1,008	\$1,008	\$952	(\$56)	-5.56%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$1,008	\$1,008	\$952	(\$56)	-5.56%

APPROPRIATION: Special Pharmaceutical Services
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III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$86	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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 Governor's Executive Budget for Fiscal Year 2019-2020 recommends funding based on projected levels of utilization, 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 next page.

Legislative Citations:

62 P.S. § 201; 72 P.S. §§ 1761-702-3761-709.

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 a contractor under the Pharmaceutical Assistance Contract for the Elderly (PACE) Program.

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

APPROPRIATION:
 Special Pharmaceutical Services

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
OPERATING				
1. Provides for an increase in claims processing costs in Fiscal Year 2019-2020:	<u>\$1</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1</u>
Subtotal Operating	\$1	\$0	\$0	\$1
GRANT & SUBSIDY				
1. Reflects a decrease in provider payments for Baseline Formulary drugs in Fiscal Year 2019-2020:	(\$48)	\$0	\$0	(\$48)
2. Provides for a net increase in pharmaceutical rebates and third party liability refunds in Fiscal Year 2019-2020:	<u>(\$9)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$9)</u>
Subtotal Grant & Subsidy	<u>(\$57)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$57)</u>
TOTAL	<u><u>(\$56)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>(\$56)</u></u>

Special Pharmaceutical Services
 Fiscal Year 2019-2020 Governor's Executive Budget
 Fiscal Year 2018-2019

	<u>Number of Claims</u>	<u>Cost/Claim</u>	<u>Total Cost</u>
Total Baseline Formulary	9,416	\$96.40	\$907,708
Pharmaceutical Rebates			(\$57,585)
Third Party Liability Refunds			(\$21,176)
Medicare Part D Premiums			\$166,167
Total Current Program			<u>\$995,114</u>
Claims Processing Automation:			
Regular Claims Processing			\$11,881
AdHoc reporting services			\$350
Total Operating			<u>\$12,231</u>
Total Program Requirement			\$1,007,345
Act 1-A of 2018			\$1,008,000
Surplus/(Deficit)			<u>\$655</u>

Special Pharmaceutical Services
 Fiscal Year 2019-2020 Governor's Executive Budget
 Fiscal Year 2019-2020

	<u>Number of Claims</u>	<u>Cost/Claim</u>	<u>Total Cost</u>
Total Baseline Formulary	8,167	\$105.29	\$859,905
Pharmaceutical Rebates			(\$67,393)
Third Party Liability Refunds			(\$19,314)
Medicare Part D Premiums			\$166,167
Total Current Program			<u>\$939,365</u>
Claims Processing Automation:			
Regular Claims Processing			\$12,240
AdHoc reporting services			\$350
Total Operating			<u>\$12,590</u>
Total Program Requirement			\$951,955

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. During Fiscal Year 2017-2018, a total of 8,123 claims were paid supporting 564 mental health clients in Pennsylvania.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FY 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. A3.7-A3.8, C1.17, E26.7, E26.36-E26.37

APPROPRIATION:
County Child Welfare

I. SUMMARY FINANCIAL DATA

	2017-2018 Actual	2018-2019 Available	2019-2020 Budgeted
State Funds	\$1,180,876	\$1,225,354	\$1,259,322
Federal Funds Total	\$430,378	\$449,697	\$459,696
Federal Sources Itemized			
<i>Child Welfare Services</i>	\$13,674	\$13,674	\$13,735
<i>Child Welfare - Title IV-E</i>	\$323,812	\$342,857	\$352,598
<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>	\$16,200	\$16,468	\$16,665
<i>Community-Based Family Resource and Support</i>	\$137	\$143	\$143
<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's Justice Act</i>	\$1,150	\$1,150	\$1,150
Other Funds Total	\$1,945	\$1,003	\$1,003
Other Fund Sources Itemized			
<i>Casey Family Project</i>	\$5	\$50	\$50
<i>Birth Certificate - Mandated Reporter Training</i>	\$1,940	\$953	\$953
Total	\$1,613,199	\$1,676,054	\$1,720,021

IA. REQUESTED SUPPLEMENTALS (Included above)

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

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: County Child Welfare				
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$8,228	\$8,549	\$8,599	\$50	0.58%
<i>Federal Funds</i>	\$5,855	\$5,855	\$5,905	\$50	0.85%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$14,083	\$14,404	\$14,504	\$100	0.69%
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>	\$1,172,648	\$1,216,805	\$1,250,723	\$33,918	2.79%
<i>Federal Funds</i>	\$424,202	\$443,501	\$453,450	\$9,949	2.24%
<i>Other Funds</i>	\$1,945	\$1,003	\$1,003	\$0	0.00%
Total Grant & Subsidy	\$1,598,795	\$1,661,309	\$1,705,176	\$43,867	2.64%
NONEXPENSE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$16	\$286	\$286	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total NonExpense	\$16	\$286	\$286	\$0	0.00%
BUDGETARY RESERVE					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$305	\$55	\$55	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$305	\$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>	\$1,180,876	\$1,225,354	\$1,259,322	\$33,968	2.77%
<i>Federal Funds</i>	\$430,378	\$449,697	\$459,696	\$9,999	2.22%
<i>Other Funds</i>	\$1,945	\$1,003	\$1,003	\$0	0.00%
Total Funds	\$1,613,199	\$1,676,054	\$1,720,021	\$43,967	2.62%

APPROPRIATION: County Child Welfare

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2016-2017	2017-2018	2018-2019 Estimated
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2017	12/31/2018	2019-2020 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 2019-2020 Governor's Executive Budget provides funding for operating expenses and state and federal grants that support the county-administered social services program for children and youth in each of the Commonwealth's 67 counties.

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

Legislative Citations:

62 P.S. § 704.1 et seq.

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. Provides for an increase in projected spending for Title IV-E Compliance:	\$50	\$0	\$0	\$50
2. Provides for an increase in projected spending for Child Welfare Services-Title IV-B funds for Safe Haven advertisements:	\$0	\$50	\$0	\$50
Subtotal Operating	\$50	\$50	\$0	\$100
GRANT & SUBSIDY				
1. Provides for a net increase in funding associated with the needs-based budget requirements mandated by Act 30 of 1991:	\$43,448	\$6,046	\$0	\$49,494
2. Reflects a one-time use of prior year funds:	(\$15,000)	\$0	\$0	(\$15,000)
3. Reflects a change in the timing of expenditures in County Child Welfare:	\$1,552	\$0	\$0	\$1,552
4. Assumes state funding at the Fiscal Year 2018-2019 level of \$42.553 million for the Adoption Initiative Agreement and provides for an increase of \$2.038 million in federal funding for the Child Welfare Title IV-E Statewide Adoptions and Permanency Network (SWAN) grant:	\$0	\$2,038	\$0	\$2,038
5. Provides funding for the Kinship Caregiver Navigator Program:	\$1,000	\$0	\$0	\$1,000
6. Provides for an increase in Independent Living grants:	\$2,918	\$39	\$0	\$2,957
7. Assumes the Fiscal Year 2018-2019 state funding level of \$30.638 million for Information Technology grants to the counties and provides an increase of \$1.671 million in federal funds for federal Child Welfare Title IV-E Information Technology Grants:	\$0	\$1,671	\$0	\$1,671
8. Assumes the Fiscal Year 2018-2019 state funding level of \$6.628 million for the Child Welfare Training, Child Welfare Education for Leadership, and Child Welfare of Baccalaureates (CWT, CWEL & CWEB) grant. Provides for a net increase of \$0.144 million in federal funds for County Welfare Training and Certification, including a transfer of \$0.053 million from the Child Welfare Training and Technical Assistance Title IV-E grant. The contract for this grant is serviced by the University of Pittsburgh:	\$0	\$144	\$0	\$144
9. Provides an increase of \$0.011 million in federal Child Welfare Services-Title IV-B grant funds associated with a newly mandated reporter training series for providers to assure the safety of children in placement:	\$0	\$11	\$0	\$11
Subtotal Grant & Subsidy	\$33,918	\$9,949	\$0	\$43,867

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

APPROPRIATION:
 County Child Welfare

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total</u>
NONEXPENSE				
1. Provides federal Children's Justice Act funding at the Fiscal Year 2018-2019 level of \$0.286 million for a sub-grant to the Pennsylvania Commission on Crime and Delinquency:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Nonexpense	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	<u><u>\$33,968</u></u>	<u><u>\$9,999</u></u>	<u><u>\$0</u></u>	<u><u>\$43,967</u></u>

DEPARTMENT OF HUMAN SERVICES
FY 2019-2020 GOVERNOR'S EXECUTIVE BUDGET
County Child Welfare Model (State Funds)
(\$ Amounts in Thousands)

State Funds - Appropriation 1026600000	2017-2018 Actual	2018-2019 Available	FY 19-20 Budgeted	2019-2020 Budgeted vs 2018-2019 Available
Tentative Needs-Based Allocations				
Carry forward Needs-Based Requirement	\$1,030,497	\$1,067,933	\$1,111,381	\$43,448
One-time use of prior year funds			(\$15,000)	(\$15,000)
Roll Forward FY 2017-2018	\$149,660	\$0	\$0	\$0
Roll Forward FY 2018-2019	(\$157,875)	\$157,875	\$0	(\$157,875)
Roll Forward FY 2019-2020		(\$168,064)	\$168,064	\$336,128
Roll Forward FY 2020-2021			(\$176,701)	(\$176,701)
Subtotal	\$1,022,282	\$1,057,744	\$1,087,744	\$30,000
Less: Interim YDC/YFC Billings (County Share)	(\$20,244)	(\$22,805)	(\$22,805)	\$0
Plus: Special Grants (See Below)	\$178,838	\$190,415	\$194,383	\$3,968
TOTAL STATE FUNDS	\$1,180,876	\$1,225,354	\$1,259,322	\$33,968

Special Grants	2017-2018 Actual	2018-2019 Available	FY 19-20 Budgeted	2019-2020 Budgeted vs 2018-2019 Available
Operating:				
Adoptions Public Relations Campaign	\$526	\$526	\$526	\$0
Data Analysis CFSR	\$446	\$617	\$617	\$0
Title IV-E Compliance	\$4,548	\$4,548	\$4,598	\$50
Keep Kids Safe Public Relations Campaign	\$1,400	\$1,400	\$1,400	\$0
Mandated Reporter Training (CAPTA)	\$275	\$275	\$275	\$0
Child Abuse Research	\$0	\$150	\$150	\$0
Civil Service Billings	\$1,033	\$1,033	\$1,033	\$0
Total Operating	\$8,228	\$8,549	\$8,599	\$50
Grants:				
Adoption Initiative Agreement	\$41,137	\$42,553	\$42,553	\$0
Administrative Offices - PA Courts	\$850	\$850	\$850	\$0
Kinship Caregiver Navigator Program	\$0	\$0	\$1,000	\$1,000
Independent Living Grants	\$26,655	\$29,179	\$32,097	\$2,918
Information Tech. Grants to Counties	\$30,102	\$30,638	\$30,638	\$0
Child Abuse Prevention Education	\$135	\$135	\$135	\$0
Training (CWT, CWEL, & CWEB)	\$6,389	\$6,628	\$6,628	\$0
Evidence Based Practices	\$36,020	\$38,869	\$38,869	\$0
Pennsylvania Promising Practices	\$10,739	\$7,448	\$7,448	\$0
Housing Initiatives	\$8,134	\$11,808	\$11,808	\$0
Truancy	\$10,449	\$13,758	\$13,758	\$0
Subtotal Grants	\$170,610	\$181,866	\$185,784	\$3,918
Total Special Grants	\$178,838	\$190,415	\$194,383	\$3,968

**COUNTY CHILD WELFARE
FY 2019-2020 GOVERNOR'S EXECUTIVE BUDGET
FEDERAL FUNDS MODEL
(\$ Amounts in Thousands)**

Appropriation	2017-2018 Actual	2018-2019 Available	FY 19-20 Budgeted	2019-2020 Budgeted vs 2018-2019 Available
Federal Funds:				
Child Welfare Services-Title IV-B (70155)	\$13,674	\$13,674	\$13,735	\$61
Child Welfare - Title IV-E (70157)	\$323,812	\$342,857	\$352,598	\$9,741
Medical Assistance - Child Welfare (70169)	\$1,356	\$1,356	\$1,356	\$0
TANFBG - Child Welfare (70197)	\$58,508	\$58,508	\$58,508	\$0
SSBG - Child Welfare (70159)	\$12,021	\$12,021	\$12,021	\$0
CBFRS - (70204)	\$137	\$143	\$143	\$0
Child Welfare Training & Certification (70171)	\$16,200	\$16,468	\$16,665	\$197
Child Abuse Prevention & Treatment Act (70707)	\$2,100	\$2,100	\$2,100	\$0
Title IV-B - Caseworker Visits (70718)	\$1,365	\$1,365	\$1,365	\$0
Children's Justice Act Award (70977)	\$884	\$864	\$864	\$0
NON-Expenses (70977)	\$16	\$286	\$286	\$0
Budgetary Reserve (70169)	\$55	\$55	\$55	\$0
Budgetary Reserve (70977)	\$250	\$0	\$0	\$0
Total Budget Request	\$430,378	\$449,697	\$459,696	\$9,999

**COUNTY CHILD WELFARE
FY 2019-2020 GOVERNOR'S EXECUTIVE BUDGET
FEDERAL FUNDS MODEL
(\$ Amounts in Thousands)**

<u>Detail listing of Federal Funds:</u>	2017-2018 Actual	2018-2019 Available	FY 19-20 Budgeted	2019-2020 Budgeted vs 2018-2019 Available
<u>Child Welfare Services - Title IV-B (70155)</u>				
Needs-Based requirements	\$8,802	\$8,802	\$8,802	\$0
SWAN	\$2,505	\$2,505	\$2,516	\$11
Special Grants	\$2,299	\$2,299	\$2,299	\$0
Grant Total	\$13,606	\$13,606	\$13,617	\$11
Operating: Safe Haven Advertisements	\$68	\$68	\$118	\$50
Total - Operating & Grants	\$13,674	\$13,674	\$13,735	\$61
<u>Title IV-E (70157)</u>				
Needs-Based	\$270,401	\$285,401	\$291,447	\$6,046
Independent Living Grant	\$5,169	\$5,195	\$5,234	\$39
Independent Living Educational Vouchers	\$2,410	\$2,410	\$2,410	\$0
Information Technology Grants	\$4,469	\$4,469	\$6,140	\$1,671
SWAN	\$30,225	\$34,244	\$36,282	\$2,038
Child Family Service Review/Data Analysis	\$292	\$292	\$292	\$0
Juvenile Probation Administrative Claiming	\$4,398	\$4,398	\$4,398	\$0
Child Welfare Training and Technical Assist.	\$53	\$53	\$0	(\$53)
Federal Match of Title IV-E compliance(PCG)	\$2,000	\$2,000	\$2,000	\$0
Grant Total	\$319,417	\$338,462	\$348,203	\$9,741
<u>Operating:</u>				
IV-E Compliance Review	\$1,606	\$1,606	\$1,606	\$0
Adoption Public Relations Campaign	\$289	\$289	\$289	\$0
Adoption Incentive Bonus	\$2,500	\$2,500	\$2,500	\$0
Operating Total	\$4,395	\$4,395	\$4,395	\$0
Total - Operating & Grants	\$323,812	\$342,857	\$352,598	\$9,741
<u>Medical Assistance Needs-Based (70169)</u>	\$1,356	\$1,356	\$1,356	\$0
<u>TANF Needs-Based (70197)</u>	\$58,508	\$58,508	\$58,508	\$0
<u>SSBG (Title XX) Needs-Based (70159)</u>	\$12,021	\$12,021	\$12,021	\$0
<u>CBFRS Parent Anonymous (70204)</u>	\$137	\$143	\$143	\$0
<u>CW Training & Certification (70171)</u>				
CWT, CWEL & CWEB	\$16,200	\$16,468	\$16,665	\$197
<u>Child Abuse Prevention and Treatment Act (70707)</u>				
Operating: Child Abuse Prevention & Treatment Act	\$1,392	\$1,392	\$1,392	\$0
Child Abuse Prevention & Treatment Act	\$308	\$308	\$308	\$0
Recruitment of Foster and Adoptive Families	\$400	\$400	\$400	\$0
Grants Sub Total	\$708	\$708	\$708	\$0
Total - Operating & Grants	\$2,100	\$2,100	\$2,100	\$0
<u>Title IV-B - Caseworker Visits (70718)</u>	\$1,365	\$1,365	\$1,365	\$0
<u>Children's Justice Act (70977)</u>	\$884	\$864	\$864	\$0
Total Operating	\$5,855	\$5,855	\$5,905	\$50
NON-EXPENSES (70977)	\$16	\$286	\$286	\$0
Budgetary Reserve (70169)	\$55	\$55	\$55	\$0
Budgetary Reserve (70977)	\$250	\$0	\$0	\$0
Total Grants	\$424,202	\$443,501	\$453,450	\$9,949
TOTAL FEDERAL FUNDS	\$430,378	\$449,697	\$459,696	\$9,999

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 or 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. 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 subsidies for eligible children, permanent legal custodianship subsidies for eligible children, and certain administrative and training costs. Pennsylvania was accepted by the Administration for Children and Families (ACF) to be part of a five-year Demonstration Project or IV-E waiver beginning July 1, 2013. A temporary extension of the Demonstration Project was issued through March 31, 2018 and Pennsylvania anticipates that ACF will approve another extension through September 30, 2019. Five counties are participating in 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 received 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, general protective services, and other services ordered by the court. Costs of these services are paid with blended federal, state, and county funds.

The Department of Human Services (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 plan and budgets submitted by counties.

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 Child and Family Services 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 to administer and integrate programs and services to promote the safety, permanency, and well-being of children and families. Funding is being used to facilitate integration of the programs that serve children and families funded under Title IV-B into a continuum of services for children and their families, which include, but are not limited to, family preservation, family support, time-limited family reunification, and services through 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. The SWAN program serves children in the custody of a county children and youth agency that may or may not have a goal of adoption 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 2019-2020 to provide family recruitment services, adoptive placement services, post-adoption services, legal services and adoption training. As of September 30, 2018, Pennsylvania had 3,381 children in foster care with a court-ordered goal of adoption which is 20.79% of the 16,261 children in care statewide on that date.

Pennsylvania's Independent Living Services Program is a state-supervised, county-administered grant program funded with state and federal Title IV-E Chafee Foster Care Independence Program monies. Counties are expected to request and receive grant funding to support youth in a wide variety of areas designed to support a successful transition to adulthood. Activities and programs are grouped into six service areas: life skills training, housing, support, employment, education and training, and prevention and wellness. 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. Because of the Foster Care Independence Act of 1999, Pennsylvania implemented a grant program for youth who have transitioned from foster care which offers vouchers for education and training, including postsecondary training and education, to assist them in leading independent and productive lives.

The Department provides incentives through higher state reimbursement for the following special grants:

- Evidence-Based Practices: These grants provide 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: These grants, while not yet supported by evidence, provide meaningful outcomes.
- Housing Grants: These 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 placement.
- Truancy Grants: These grants provide funding to support services to the family to identify the causes of poor school attendance.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

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Pp. E26.7, E26.38-39

APPROPRIATION:
Community-Based Family Centers

I. SUMMARY FINANCIAL DATA

	2017-2018 Actual	2018-2019 Available	2019-2020 Budgeted
State Funds	\$8,023	\$13,558	\$18,558
Federal Funds Total	\$25,342	\$25,342	\$25,342
Federal Sources Itemized			
<i>Family Preservation - Family Centers</i>	\$2,691	\$2,691	\$2,691
<i>Family Resource & Support - Family Centers</i>	\$480	\$480	\$480
<i>Title IV-B - Family Centers</i>	\$5,871	\$5,871	\$5,871
<i>MCH - Early Childhood Home Visiting</i>	\$16,300	\$16,300	\$16,300
Other Funds Total	\$0	\$0	\$0
Total	\$33,365	\$38,900	\$43,900

IA. REQUESTED SUPPLEMENTALS (Included above)

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

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Community-Based Family Centers				
	2017-2018 Actual	2018-2019 Available	2019-2020 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		0.00%
OPERATING					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$10	\$10	\$10	\$0	100.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$10	\$10	\$10	\$0	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>	\$8,023	\$13,323	\$18,323	\$5,000	62.32%
<i>Federal Funds</i>	\$25,332	\$25,332	\$25,332	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$33,355	\$38,655	\$43,655	\$5,000	14.99%
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	\$235	\$235	\$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	\$235	\$235	\$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>	\$8,023	\$13,558	\$18,558	\$5,000	36.88%
<i>Federal Funds</i>	\$25,342	\$25,342	\$25,342	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$33,365	\$38,900	\$43,900	\$5,000	12.85%

APPROPRIATION: Community-Based Family Centers

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2016-2017	2017-2018	2018-2019 Estimated
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2017	12/31/2018	2019-2020 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:
 Budget information is based on estimated program needs.

Details for the appropriation request are outlined in Section VI entitled "Explanation of Changes" on subsequent pages.

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:

Community-Based Family Centers

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total</u>
FISCAL YEAR 2019-2020 INITIATIVES				
GRANT & SUBSIDY				
1. Home Visiting Expansion				
A. Provides for an additional \$5.000 million in state funds to expand evidence-based home visiting services to an additional 800 families:				
	\$5,000	\$0	\$0	\$5,000
TOTAL	<u>\$5,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,000</u>

COMMUNITY-BASED FAMILY CENTERS

PROGRAM STATEMENT

This appropriation supports the implementation of the evidence-based home visiting in 42 Family Centers serving 31 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, 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. 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.

This appropriation also includes the federally funded Maternal, Infant, and Early Childhood Home Visiting (MIECHV) program. The MIECHV Program gives pregnant women and families the resources and skills needed to raise children who are physically, socially, and emotionally healthy and ready to learn. In partnership with the Health Resources and Services Administration, the program funds the development and implementation of evidence-based, voluntary home visiting programs that improve maternal and child health, prevent child abuse and neglect, encourage positive parenting, and promote child development and school readiness. This includes four evidenced based home visiting models: Parents as Teachers; Nurse-Family Partnership, Healthy Families America, and Early Head Start-Home Based Option.

For Fiscal Year 2018-2019, Pennsylvania has six evidence-based home visiting models operating throughout the commonwealth in 66 out of 67 counties utilizing the funding listed above they are: Parents as Teachers; Nurse-Family Partnership, Healthy Families America, Early Head Start-Home Based Option; Safe Care Augmented; and Family Check-Up® For Children. The total family capacity across all evidence-based home visiting programs is approximately 8,900 families.

FISCAL YEAR 2019-2020 INITIATIVE – EVIDENCE-BASED HOME VISITING EXPANSION

The Fiscal Year 2019-2020 Governor's Executive Budget provides for evidence-based home visiting services supporting vulnerable pregnant women, infants and toddlers. Evidence-based home visiting provides comprehensive support services based on the selected model. Services include parenting, healthy growth and child development, support of social systems, and strengthening families. The Community-Based Family Centers appropriation will be expanded to include an additional \$5.000 million in state funds to provide evidence-based home visiting services to 800 additional families. Services will be provided by the models currently recognized by the Health Resource and Services Administration (HRSA) as evidence-based models. Community-based providers may compete for the expansion of services at existing sites or establish new sites.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. A1.21-22, A3.4, A3.7, E26.7, E26.38-39

APPROPRIATION:
Child Care Services

I. SUMMARY FINANCIAL DATA	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$155,691	\$162,482	\$162,332
Federal Funds Total	\$335,647	\$419,291	\$428,875
Federal Sources Itemized			
CCDFBG - Child Care	\$284,966	\$376,829	\$396,396
CCDFBG - School Age	\$1,260	\$1,260	\$1,260
SSBG - Child Care	\$30,977	\$30,977	\$30,977
Head Start Collaboration Project	\$225	\$225	\$242
Early Learning Challenge Grant - Child Care	\$18,219	\$10,000	\$0
Other Funds Total	\$0	\$0	\$0
Total	\$491,338	\$581,773	\$591,207
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds		\$0	
Total		\$0	

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)			APPROPRIATION: Child Care Services		
	2017-2018 Actual	2018-2019 Available	2019-2020 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	\$464	\$165	\$115	(\$50)	-30.30%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$464	\$165	\$115	(\$50)	-30.30%
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	\$162,482	\$162,332	(\$150)	-0.09%
Federal Funds	\$301,087	\$352,251	\$422,881	\$70,630	20.05%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$456,778	\$514,733	\$585,213	\$70,480	13.69%
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	\$0	\$66,875	\$5,879	(\$60,996)	-91.21%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$66,875	\$5,879	(\$60,996)	-91.21%
UNCOMMITTED					
State Funds	\$0	\$0	\$0	\$0	0.00%
Federal Funds	\$34,096	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$34,096	\$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	\$162,482	\$162,332	(\$150)	-0.09%
Federal Funds	\$335,647	\$419,291	\$428,875	\$9,584	2.29%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$491,338	\$581,773	\$591,207	\$9,434	1.62%

APPROPRIATION:
Child Care Services

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2016-2017	2017-2018	2018-2019 Estimated
State Funds	\$23	\$116	\$0

IV. COMPLEMENT INFORMATION	12/31/2017	12/31/2018	2019-2020 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:
Budget information is projected on actual monthly data provided by the Pennsylvania's Enterprise to Link Information for Children Across Networks (PELICAN) system. PELICAN data is reflected in the Low Income - Child Care Services.

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. Reflects a non-recurring Race to the Top Early Learning Challenge Grant which expires on December 31, 2018:	\$0	(\$50)	\$0	(\$50)
Subtotal Operating	\$0	(\$50)	\$0	(\$50)
GRANT & SUBSIDY				
1. Provides for an increase for the low-income Child Care Service average monthly cost per slot from \$463.56 in Fiscal Year 2018-2019 to \$490.10 in Fiscal Year 2019-2020:	\$6,164	\$15,907	\$0	\$22,071
2. Provides for an increase in the low-income Child Care Service average monthly slots from 69,292 in Fiscal Year 2018-2019 to 70,179 in Fiscal Year 2019-2020 to support continuous eligibility:	\$1,655	\$3,761	\$0	\$5,416
3. Impact of change in administrative costs for Early Learning Resource Centers and for Early Keys to Quality - PA Key administrative Support:	\$0	(\$4,681)	\$0	(\$4,681)
4. Reflects a decrease in Early Keys to Quality - PA Key Early Professional Development:	(\$2,850)	(\$8,017)	\$0	(\$10,867)
5. Reflects a non-recurring Race to the Top Early Learning Challenge Grant which expires on December 31, 2018:	\$0	(\$9,950)	\$0	(\$9,950)
6. Provides for an increase for Early Childhood Education Professional Development:	\$0	\$5,000	\$0	\$5,000
7. Reflects a decrease for the one-time Fiscal Year 2018-2019 Infant/Toddler Pilot Initiative:	\$0	(\$2,000)	\$0	(\$2,000)
8. Impact of change in available federal block grant funding:	(\$5,119)	\$5,119	\$0	\$0
Subtotal Grant & Subsidy	(\$150)	\$5,139	\$0	\$4,989
BUDGETARY RESERVE				
1. Reflects a decrease in excess federal spending authority in Fiscal Year 2019-2020:	\$0	(\$60,996)	\$0	(\$60,996)
Subtotal Budgetary Reserve	\$0	(\$60,996)	\$0	(\$60,996)

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Child Care Services			
	State \$	Federal \$	Other \$	Total
FISCAL YEAR 2019-2020 INITIATIVES				
GRANT & SUBSIDY				
1. Child Care Waiting List for Infants and Toddlers				
A. Provides funds to allow an additional 970 infants and toddlers to be served in FY 2019-2020:	\$0	\$15,000	\$0	\$15,000
2. Keystone STARS Reimbursement Rates				
A. Provides for growth in STAR 2, 3, and 4 programs. Provides for an estimated 28% increase for infants, young toddlers, and older toddlers:	\$0	\$5,759	\$0	\$5,759
3. Early Childhood Career Pathways				
A. Provides for an additional \$2.000 million in federal funds for the Early Childhood Career Pathways Initiative:	\$0	\$2,000	\$0	\$2,000
4. Minimum Wage Increase				
A. Provides for an increase in rates to support the change in minimum wage to \$12.00 an hour, effective July 1, 2019:	\$0	\$42,732	\$0	\$42,732
Subtotal Initiatives	\$0	\$65,491	\$0	\$65,491
TOTAL	(\$150)	\$9,584	\$0	\$9,434

Child Care Services
Fiscal Year 2018-2019 Available

	TOTAL	STATE	SSBG	CCDFBG-Child Care	CCDFB - School Age	Headstart	RTT Early Learning Challenge
Early Learning Resource Centers							
Low Income Child Care (69,292)	\$ 385,450,000	\$ 129,354,000	\$ 30,977,000	\$ 225,119,000	\$ -	\$ -	\$ -
Administrative Support	\$ 39,265,000	\$ 9,897,000	\$ -	\$ 29,368,000	\$ -	\$ -	\$ -
STARS Merit/ERA Awards/Rising STARS	\$ 22,646,000	\$ 10,024,000	\$ -	\$ 12,622,000	\$ -	\$ -	\$ -
Professional Development	\$ 36,000	\$ -	\$ -	\$ 36,000	\$ -	\$ -	\$ -
Subtotal Consumers:	\$ 447,397,000	\$ 149,275,000	\$ 30,977,000	\$ 267,145,000	\$ -	\$ -	\$ -
Early Keys to Quality - PA Key							
Administrative Support	\$ 4,084,000	\$ 374,000	\$ -	\$ 2,245,000	\$ 1,260,000	\$ 205,000	\$ -
Professional Development	\$ 13,717,000	\$ 5,700,000	\$ -	\$ 8,017,000	\$ -	\$ -	\$ -
Quality Program Initiatives	\$ 2,425,000	\$ 170,000	\$ -	\$ 2,235,000	\$ -	\$ 20,000	\$ -
Subtotal PA Key:	\$ 20,226,000	\$ 6,244,000	\$ -	\$ 12,497,000	\$ 1,260,000	\$ 225,000	\$ -
Operations							
Care Check	\$ 86,000	\$ -	\$ -	\$ 86,000	\$ -	\$ -	\$ -
Research and Evaluation	\$ 29,000	\$ -	\$ -	\$ 29,000	\$ -	\$ -	\$ -
Subtotal Operating:	\$ 115,000	\$ -	\$ -	\$ 115,000	\$ -	\$ -	\$ -
Race to the Top							
ELC Grant Operating	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Expanded Services for Children	\$ 9,950,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,950,000
Subtotal RTT:	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000
Early Education Center grant	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -
FY 18-19 Initiative: Child Care Wait List	\$ 6,813,000	\$ 6,813,000	\$ -	\$ -	\$ -	\$ -	\$ -
FY 18-19 Initiative: Infant/Toddler Pilot	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -
FY 18-19 Initiative: Increased Reimbursement Rates	\$ 23,197,000	\$ -	\$ -	\$ 23,197,000	\$ -	\$ -	\$ -
Professional Development	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -
Budgetary Reserve	\$ 66,875,000	\$ -	\$ -	\$ 66,875,000	\$ -	\$ -	\$ -
Program Total	\$ 581,773,000	\$ 162,482,000	\$ 30,977,000	\$ 376,829,000	\$ 1,260,000	\$ 225,000	\$ 10,000,000

Child Care Services
Fiscal Year 2019-2020 Governor's Executive Budget

	TOTAL	STATE	SSBG	CCDFBG-Child Care	CCDFB - School Age	Headstart	RTT Early Learning Challenge
Early Learning Resource Centers							
Low Income Child Care (70,179)	\$ 412,738,000	\$ 131,856,000	\$ 30,977,000	\$ 249,905,000	\$ -	\$ -	\$ -
Administrative Support	\$ 34,568,000	\$ 9,897,000	\$ -	\$ 24,671,000	\$ -	\$ -	\$ -
STARS Merit/ERA Awards/Rising STARS	\$ 22,646,000	\$ 10,024,000	\$ -	\$ 12,622,000	\$ -	\$ -	\$ -
Professional Development	\$ 36,000	\$ -	\$ -	\$ 36,000	\$ -	\$ -	\$ -
Subtotal Consumers:	\$ 469,988,000	\$ 151,777,000	\$ 30,977,000	\$ 287,234,000	\$ -	\$ -	\$ -
Early Keys to Quality - PA Key							
Administrative Support	\$ 4,101,000	\$ 374,000	\$ -	\$ 2,245,000	\$ 1,260,000	\$ 222,000	\$ -
Professional Development	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Quality Program Initiatives	\$ 2,425,000	\$ 170,000	\$ -	\$ 2,235,000	\$ -	\$ 20,000	\$ -
Subtotal PA Key:	\$ 9,526,000	\$ 3,544,000	\$ -	\$ 4,480,000	\$ 1,260,000	\$ 242,000	\$ -
Early Childhood Education							
Professional Development Organization	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ -	\$ -	\$ -
Operations							
Care Check	\$ 86,000	\$ -	\$ -	\$ 86,000	\$ -	\$ -	\$ -
Research and Evaluation	\$ 29,000	\$ -	\$ -	\$ 29,000	\$ -	\$ -	\$ -
Subtotal Operating:	\$ 115,000	\$ -	\$ -	\$ 115,000	\$ -	\$ -	\$ -
Race to the Top							
ELC Grant Operating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expanded Services for Children	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal RTT:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 18-19 Initiative: Child Care Wait List	\$ 7,011,000	\$ 7,011,000	\$ -	\$ -	\$ -	\$ -	\$ -
FY 18-19 Initiative: Increased Reimbursement Rates	\$ 23,197,000	\$ -	\$ -	\$ 23,197,000	\$ -	\$ -	\$ -
FY 19-20 Initiative: Child Care Waiting List for Infants and Toddlers	\$ 15,000,000	\$ -	\$ -	\$ 15,000,000	\$ -	\$ -	\$ -
FY 19-20 Initiative: Keystone STARS Reimbursement Rates	\$ 5,759,000	\$ -	\$ -	\$ 5,759,000	\$ -	\$ -	\$ -
FY 19-20 Initiative: Early Childhood Career Pathways	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -
FY 19-20 Initiative: Minimum Wage Increase	\$ 42,732,000	\$ -	\$ -	\$ 42,732,000	\$ -	\$ -	\$ -
Budgetary Reserve	\$ 5,879,000	\$ -	\$ -	\$ 5,879,000	\$ -	\$ -	\$ -
Program Total	\$ 591,207,000	\$ 162,332,000	\$ 30,977,000	\$ 396,396,000	\$ 1,260,000	\$ 242,000	\$ -

**FISCAL YEAR 2019-2020 Governor's Executive Budget
Low Income - Child Care Services**

FISCAL YEAR 2017-2018 CONSUMER SERVICE COSTS

	Total \$	Service	FSS/Admin		Total \$ Per Slot
JULY 2017	\$31,127,597	\$27,843,381	\$3,284,216	62,356	\$499.19
AUGUST	\$36,439,593	\$33,155,377	\$3,284,216	64,324	\$566.50
SEPTEMBER	\$29,555,852	\$26,271,637	\$3,284,216	64,563	\$457.78
OCTOBER	\$29,630,978	\$28,075,063	\$1,555,915	66,585	\$445.01
NOVEMBER	\$31,530,516	\$29,785,698	\$1,744,818	69,009	\$456.90
DECEMBER	\$31,704,590	\$30,034,999	\$1,669,591	70,545	\$449.42
JANUARY 2018	\$36,303,848	\$33,889,698	\$2,414,150	72,168	\$503.05
FEBRUARY	\$33,000,436	\$30,785,321	\$2,215,115	72,165	\$457.29
MARCH	\$36,360,116	\$33,867,797	\$2,492,319	71,421	\$509.10
APRIL	\$32,766,648	\$30,121,289	\$2,645,359	70,581	\$464.24
MAY	\$36,846,373	\$34,546,714	\$2,299,659	69,890	\$527.21
JUNE	\$35,491,630	\$33,149,265	\$2,342,365	69,384	\$511.52
TOTAL	\$400,758,176	\$371,526,239	\$29,231,936	822,991	\$486.95
Average	\$33,396,515	\$30,960,520	\$2,435,995	68,583	\$486.95
Service					\$451.43
Family Support Services					\$35.52

FISCAL YEAR 2018-2019 CONSUMER SERVICE COSTS

	Total \$	Service	FSS/Admin	Users	Total \$ Per Slot
JULY 2018	\$33,559,778	\$30,287,695	\$3,272,083	65,703	\$510.78
AUGUST	\$33,924,986	\$30,652,903	\$3,272,083	66,418	\$510.78
SEPTEMBER	\$34,982,301	\$31,710,217	\$3,272,083	68,488	\$510.78
OCTOBER	\$35,733,147	\$32,461,064	\$3,272,083	69,958	\$510.78
NOVEMBER	\$35,779,117	\$32,507,034	\$3,272,083	70,048	\$510.78
DECEMBER	\$35,789,333	\$32,517,250	\$3,272,083	70,068	\$510.78
JANUARY 2019	\$35,799,549	\$32,527,465	\$3,272,083	70,088	\$510.78
FEBRUARY	\$35,809,764	\$32,537,681	\$3,272,083	70,108	\$510.78
MARCH	\$35,819,980	\$32,547,897	\$3,272,083	70,128	\$510.78
APRIL	\$35,830,195	\$32,558,112	\$3,272,083	70,148	\$510.78
MAY	\$35,840,411	\$32,568,328	\$3,272,083	70,168	\$510.78
JUNE	\$35,846,030	\$32,573,946	\$3,272,083	70,179	\$510.78
TOTAL	\$424,714,592	\$385,449,592	\$39,265,000	831,502	\$510.78
Average	\$35,392,883	\$32,120,799	\$3,272,083	69,292	\$510.78
Service					\$463.56
Family Support Services					\$47.22

FISCAL YEAR 2019-2020 CONSUMER SERVICE COSTS

	Total \$	Service	FSS/Admin	Users	Total \$ Per Slot
JULY 2019	\$37,275,576	\$34,394,872	\$2,880,704	70,179	\$531.15
AUGUST	\$37,275,576	\$34,394,872	\$2,880,704	70,179	\$531.15
SEPTEMBER	\$37,275,576	\$34,394,872	\$2,880,704	70,179	\$531.15
OCTOBER	\$37,275,576	\$34,394,872	\$2,880,704	70,179	\$531.15
NOVEMBER	\$37,275,576	\$34,394,872	\$2,880,704	70,179	\$531.15
DECEMBER	\$37,275,576	\$34,394,872	\$2,880,704	70,179	\$531.15
JANUARY 2020	\$37,275,576	\$34,394,872	\$2,880,704	70,179	\$531.15
FEBRUARY	\$37,275,576	\$34,394,872	\$2,880,704	70,179	\$531.15
MARCH	\$37,275,576	\$34,394,872	\$2,880,704	70,179	\$531.15
APRIL	\$37,275,576	\$34,394,872	\$2,880,704	70,179	\$531.15
MAY	\$37,275,576	\$34,394,872	\$2,880,704	70,179	\$531.15
JUNE	\$37,275,576	\$34,394,872	\$2,880,704	70,179	\$531.15
TOTAL	\$447,306,910	\$412,738,465	\$34,568,445	842,148	\$531.15
Average	\$37,275,576	\$34,394,872	\$2,880,704	70,179	\$531.15
Service					\$490.10
Family Support Services					\$41.05

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 of Human Services (Department) resources, resulting in a waiting list for low-income child care. In Fiscal Year 2018 - 2019, this program is estimated to serve up to 69,292 children of low-income working families per month. As of January 2019, there were 4,700 children on the waiting list.

Local agencies comprised of county governments and non-profit organizations administer Child Care Works. They receive a combination of federal and state funds to pay child care providers for services rendered to eligible families along with administrative funds to conduct their daily tasks such as eligibility determination, waiting list management, case management, resource and referral, provider payments and provider management, funds management, and other associated family and provider services.

Pennsylvania's response to the national research on early care and education and to the federal quality earmark requirements is the Keystone STARS program; a comprehensive early learning quality improvement initiative. Early care and education programs participating in Keystone STARS at higher levels provide the kind of quality environments that research has shown relates to improved child outcomes.

FISCAL YEAR 2019-2020 INITIATIVE – KEYSTONE STARS REIMBURSEMENT RATES

Accounting for growth in STAR 2, 3, and 4 programs, OCDEL estimates that a \$10.000 million investment (\$5.759 million in federal Child Care Development Block Grant funds for the Child Care Services appropriation) in child care subsidy would provide a 28 percent increase for infant, young toddler, and older toddler daily tiered add-ons for STAR 2, 3, and 4 programs. Increasing the STAR 2, 3, and 4-tiered reimbursement rate will allow providers to recalibrate the balance of private-pay and subsidized children receiving subsidy in their enrollment profiles thereby improving equity and access to high-quality for Pennsylvania's youngest children.

FISCAL YEAR 2019-2020 INITIATIVE – CHILD CARE WAITING LIST FOR INFANTS AND TODDLERS

The Fiscal Year 2019 – 2020 Governor's Executive Budget provides \$15.000 million in federal Child Care Development Block Grant funds to serve an additional 970 infants and/or toddlers from the low income waiting list. Funding the child care waiting list for infants and toddlers in high quality settings supports the Governor's priority of quality early learning environments and enables families to work and go to school. Additionally, this initiative is responsive to the discrepancy between slots for infants, toddlers, and preschool age children discussed at the Ready to Start Task Force meetings.

This initiative also reflects the Fiscal Year 2019-2020 Keystone STARS Reimbursement Rates Initiative.

FISCAL YEAR 2019-2020 INITIATIVE – EARLY CHILDHOOD CAREER PATHWAYS

The Fiscal Year 2019-2020 Governor’s Executive Budget provides an additional \$2.000 million in federal funds for the Early Childhood Career Pathways Initiative. This Initiative will be used to provide education, training, and professional supports for apprenticeships and work-based learning (“earn while you learn”) for professionals serving infants and toddlers in early child care and education programs. The funding is intended to provide for skills improvements and career advancement and will be implemented through six regional entities.

FISCAL YEAR 2019-2020 INITIATIVE – MINIMUM WAGE INCREASE

The Fiscal Year 2019-2020 “Minimum Wage Increase” initiative will increase the minimum wage for all Pennsylvania workers to \$12.00 per hour, effective July 1, 2019. Workers earning the minimum must have the ability to afford basic, family-sustaining necessities that help avoid poverty, be productive workers, and reduce the use of assistance programs. Increasing the minimum wage will allow the Department’s providers to recruit and retain child care and direct care workers that are essential to the provision of services in the Department’s programs. This initiative is expected to decrease HealthChoices enrollment as more adults will be able to transition off Medical Assistance as their income increases. Additionally, children will transition to CHIP coverage as their family income increases.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

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Pp. A3.4, A3.8, E26.7, E26.38-39

APPROPRIATION:
Child Care Assistance

I. SUMMARY FINANCIAL DATA

	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$139,885	\$139,885	\$139,885
Federal Funds Total	\$179,496	\$199,171	\$234,866
<i>TANFBG - Child Care Assistance</i>	\$84,590	\$115,092	\$147,832
<i>CCDFBG - Child Care Assistance</i>	\$93,722	\$82,415	\$85,356
<i>SNAP - Child Care Assistance</i>	\$1,184	\$1,664	\$1,678
Other Funds Total	\$1,695	\$1,705	\$1,705
<i>Early Childhood Education Revenue</i>	<u>\$1,695</u>	<u>\$1,705</u>	<u>\$1,705</u>
Total	\$321,076	\$340,761	\$376,456

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			
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$3,686	\$3,686	\$3,686	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$1,695	\$1,705	\$1,705	\$0	0.00%
Total Operating	\$5,381	\$5,391	\$5,391	\$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>	\$136,199	\$136,199	\$136,199	\$0	0.00%
<i>Federal Funds</i>	\$164,749	\$193,338	\$231,773	\$38,435	19.88%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$300,948	\$329,537	\$367,972	\$38,435	11.66%
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>	\$14,747	\$5,833	\$3,093	(\$2,740)	-46.97%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$14,747	\$5,833	\$3,093	(\$2,740)	-46.97%
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>	\$139,885	\$139,885	\$139,885	\$0	0.00%
<i>Federal Funds</i>	\$179,496	\$199,171	\$234,866	\$35,695	17.92%
<i>Other Funds</i>	\$1,695	\$1,705	\$1,705	\$0	0.00%
Total Funds	\$321,076	\$340,761	\$376,456	\$35,695	10.48%

APPROPRIATION:
Child Care Assistance

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$7,243	\$2,976	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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:

Budget information is projected on actual monthly data provided by the Pennsylvania's Enterprise to Link Information for Children Across Networks (PELICAN) system. PELICAN data is reflected in the Temporary Assistance for Needy Families, Former Temporary Assistance for Needy Families, and Supplemental Nutrition Assistance Program eligible program consumers.

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. Provides for an increase in the Temporary Assistance for Needy Families (TANF) program average monthly service cost per consumer from \$431.77 in Fiscal Year 2018-2019 to \$432.63 in Fiscal Year 2019-2020:	\$66	\$92	\$0	\$158
2. Provides for an increase in the TANF program average monthly number of consumers from 15,230 in Fiscal Year 2018-2019 to 15,500 in Fiscal Year 2019-2020:	\$582	\$818	\$0	\$1,400
3. Provides for an increase in the Former Temporary Assistance for Needy Families (Former TANF) average monthly cost from \$487.56 in Fiscal Year 2018-2018 to \$487.74 in Fiscal Year 2019-2020:	\$31	\$43	\$0	\$74
4. Provides for an increase in the Former TANF program average monthly number of consumers from 35,675 in Fiscal Year 2018-2019 to 35,840 in Fiscal Year 2019-2020:	\$401	\$565	\$0	\$966
5. Provides for an increase in Supplemental Nutrition Assistance Program (SNAP) average monthly service cost per consumer from \$449.68 in Fiscal Year 2018-2019 to \$455.04 in Fiscal Year 2019-2020:	\$9	\$12	\$0	\$21
6. Provides for an increase in SNAP average monthly number of consumers for services from 330 in Fiscal Year 2018-2019 to 350 in Fiscal Year 2019-2020:	\$44	\$63	\$0	\$107
7. Impact of the change in available block grant funds:	<u>(\$1,147)</u>	<u>\$1,147</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Grant & Subsidy	(\$14)	\$2,740	\$0	\$2,726
BUDGETARY RESERVE				
1. Reflects a decrease in federal spending authority under the Fiscal Year 2018-2019 funding level:	<u>\$0</u>	<u>(\$2,740)</u>	<u>\$0</u>	<u>(\$2,740)</u>
Subtotal Budgetary Reserve	\$0	(\$2,740)	\$0	(\$2,740)

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

APPROPRIATION:
Child Care Assistance

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total</u>
FISCAL YEAR 2019-2020 INITIATIVES				
GRANT & SUBSIDY				
1. Keystone STARS Reimbursement Rates				
A. Provides for growth in STAR 2, 3, and 4 programs. Provides for an estimated 28% increase for infants, young toddlers, and older toddlers:				
	\$14	\$4,227	\$0	\$4,241
2. Minimum Wage Increase				
A. Provides for an increase in rates to support the change in minimum wage to \$12.00 an hour, effective July 1, 2019:				
	<u>\$0</u>	<u>\$31,468</u>	<u>\$0</u>	<u>\$31,468</u>
Subtotal Initiatives	\$14	\$35,695	\$0	\$35,709
TOTAL	<u>\$0</u>	<u>\$35,695</u>	<u>\$0</u>	<u>\$35,695</u>

Child Care Assistance
Fiscal Year 2018-2019 Available

	TOTAL	STATE	CCDFBG TANF Transfer	TANFBG	SNAP	ECE Revenue
Early Learning Resource Centers						
TANF Eligible	\$ 78,912,000	\$ 59,628,000	\$ -	\$ 19,284,000	\$ -	\$ -
Former TANF Eligible	\$ 208,725,000	\$ 50,417,000	\$ 81,415,000	\$ 76,893,000	\$ -	\$ -
SNAP Eligible	\$ 1,783,000	\$ 891,000	\$ -	\$ -	\$ 892,000	\$ -
Admin Costs	\$ 25,410,000	\$ 25,220,000	\$ -	\$ -	\$ 190,000	\$ -
Subtotal ELRC	\$ 314,830,000	\$ 136,156,000	\$ 81,415,000	\$ 96,177,000	\$ 1,082,000	\$ -
I/T Support						
PELICAN Early Learning Network Support	\$ 3,686,000	\$ 3,686,000	\$ -	\$ -	\$ -	\$ -
PELICAN Support from PDE	\$ 1,705,000	\$ -	\$ -	\$ -	\$ -	\$ 1,705,000
FY 18-19 Initiative: Increased Reimbursement Rates						
SNAP	\$ 86,000	\$ 43,000	\$ -	\$ -	\$ 43,000	\$ -
TANF	\$ 3,773,000	\$ -	\$ -	\$ 3,773,000	\$ -	\$ -
FTANF	\$ 10,848,000	\$ -	\$ -	\$ 10,848,000	\$ -	\$ -
Subtotal	\$ 14,707,000	\$ 43,000	\$ -	\$ 14,621,000	\$ 43,000	\$ -
Budgetary Reserve Unallocated	\$ 5,833,000	\$ -	\$ 1,000,000	\$ 4,294,000	\$ 539,000	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Program Total	\$ 340,761,000	\$ 139,885,000	\$ 82,415,000	\$ 115,092,000	\$ 1,664,000	\$ 1,705,000

	Average Consumers	Average Cost/Consumer
TANF Child Care	15,230	\$ 481
Former TANF Child Care	35,675	\$ 525
SNAP Child Care	330	\$ 545
Total CCA Consumers	51,236	\$ 512

Child Care Assistance
Fiscal Year 2019-2020 Governor's Executive Budget

	<u>TOTAL</u>	<u>STATE</u>	<u>CCDFBG TANF Transfer</u>	<u>TANFBG</u>	<u>SNAP</u>	<u>ECE Revenue</u>
Early Learning Resource Centers						
TANF Eligible	\$80,470,000	\$ 59,789,000	\$ -	\$ 20,681,000	\$ -	\$ -
Former TANF Eligible	\$209,765,000	\$ 50,178,000	\$ 81,415,000	\$ 78,172,000	\$ -	\$ -
SNAP Eligible	\$1,911,000	\$ 955,000	\$ -	\$ -	\$ 956,000	\$ -
Admin Costs	\$25,410,000	\$ 25,220,000	\$ -	\$ -	\$ 190,000	\$ -
Subtotal ELRC	\$ 317,556,000	\$ 136,142,000	\$ 81,415,000	\$ 98,853,000	\$ 1,146,000	\$ -
I/T Support						
PELICAN Early Learning Network Support	\$ 3,686,000	\$ 3,686,000	\$ -	\$ -	\$ -	\$ -
PELICAN Support from PDE	\$ 1,705,000	\$ -	\$ -	\$ -	\$ -	\$ 1,705,000
FY 18-19 Initiative: Increased Reimbursement Rates						
SNAP	\$ 86,000	\$ 43,000	\$ -	\$ -	\$ 43,000	\$ -
TANF	\$ 3,773,000	\$ -	\$ -	\$ 3,773,000	\$ -	\$ -
FTANF	\$ 10,848,000	\$ -	\$ -	\$ 10,848,000	\$ -	\$ -
Subtotal	\$ 14,707,000	\$ 43,000	\$ -	\$ 14,621,000	\$ 43,000	\$ -
FY 19-20 Initiative: Keystone STARS Reimbursement Rates						
	\$ 4,241,000	\$ 14,000	\$ 2,941,000	\$ 1,272,000	\$ 14,000	\$ -
FY 19-20 Initiative: Minimum Wage Increase						
	\$ 31,468,000	\$ -	\$ -	\$ 31,468,000	\$ -	\$ -
Budgetary Reserve Unallocated						
	\$ 3,093,000	\$ -	\$ 1,000,000	\$ 1,618,000	\$ 475,000	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Program Total	\$ 376,456,000	\$ 139,885,000	\$ 85,356,000	\$ 147,832,000	\$ 1,678,000	\$ 1,705,000

	<u>Average Consumers</u>	<u>Average Cost/Consumer</u>
TANF Child Care	15,500	\$ 481
Former TANF Child Care	35,840	\$ 525
SNAP Child Care	350	\$ 545
Total CCA Consumers	51,690	\$ 512

**FISCAL YEAR 2019-2020 Governor's Executive Budget
TANF Eligible - Child Care Assistance**

FISCAL YEAR 2017-2018 CONSUMER SERVICE COSTS

	Total \$	Service	FSS/Admin	Users	Total \$ Per Slot	
JULY 2017	\$8,105,548	\$7,290,657	\$814,891	16,224	\$499.60	
AUGUST	\$8,813,442	\$7,998,551	\$814,891	16,920	\$520.89	
SEPTEMBER	\$7,476,415	\$6,661,524	\$814,891	16,665	\$448.63	
OCTOBER	\$7,728,673	\$7,411,587	\$317,085	16,725	\$462.10	
NOVEMBER	\$7,367,366	\$6,866,816	\$500,550	15,801	\$466.26	
DECEMBER	\$6,950,157	\$6,494,236	\$455,921	14,840	\$468.34	
JANUARY 2018	\$7,543,358	\$6,903,732	\$639,626	14,301	\$527.47	
FEBRUARY	\$5,683,883	\$5,213,301	\$470,582	13,077	\$434.65	
MARCH	\$5,888,951	\$5,324,558	\$564,393	12,970	\$454.04	
APRIL	\$6,257,500	\$5,399,981	\$857,520	13,155	\$475.67	
MAY	\$6,726,476	\$6,181,879	\$544,597	13,800	\$487.43	
JUNE	\$6,708,882	\$6,206,800	\$502,082	14,296	\$469.28	
TOTAL	\$85,250,650	\$77,953,621	\$7,297,029	178,774	\$476.86	
	Average	\$7,104,221	\$6,496,135	\$608,086	14,898	\$476.86
Service					\$436.05	
Family Support Services					\$40.82	

FISCAL YEAR 2018-2019 CONSUMER SERVICE COSTS

	Total \$	Service	FSS/Admin	Users	Total \$ Per Slot	
JULY 2018	\$6,963,114	\$6,207,062	\$756,052	14,464	\$481.41	
AUGUST	\$7,052,657	\$6,296,604	\$756,052	14,650	\$481.41	
SEPTEMBER	\$7,148,939	\$6,392,886	\$756,052	14,850	\$481.41	
OCTOBER	\$7,245,221	\$6,489,168	\$756,052	15,050	\$481.41	
NOVEMBER	\$7,341,503	\$6,585,450	\$756,052	15,250	\$481.41	
DECEMBER	\$7,461,855	\$6,705,803	\$756,052	15,500	\$481.41	
JANUARY 2019	\$7,461,855	\$6,705,803	\$756,052	15,500	\$481.41	
FEBRUARY	\$7,461,855	\$6,705,803	\$756,052	15,500	\$481.41	
MARCH	\$7,461,855	\$6,705,803	\$756,052	15,500	\$481.41	
APRIL	\$7,461,855	\$6,705,803	\$756,052	15,500	\$481.41	
MAY	\$7,461,855	\$6,705,803	\$756,052	15,500	\$481.41	
JUNE	\$7,461,855	\$6,705,803	\$756,052	15,500	\$481.41	
TOTAL	\$87,984,417	\$78,911,790	\$9,072,627	182,764	\$481.41	
	Average	\$7,332,035	\$6,575,983	\$756,052	15,230	\$481.41
Service					\$431.77	
Family Support Services					\$49.64	

FISCAL YEAR 2019-2020 CONSUMER SERVICE COSTS

	Total \$	Service	FSS/Admin	Users	Total \$ Per Slot	
JULY 2019	\$7,461,855	\$6,705,803	\$756,052	15,500	\$481.41	
AUGUST	\$7,461,855	\$6,705,803	\$756,052	15,500	\$481.41	
SEPTEMBER	\$7,461,855	\$6,705,803	\$756,052	15,500	\$481.41	
OCTOBER	\$7,461,855	\$6,705,803	\$756,052	15,500	\$481.41	
NOVEMBER	\$7,461,855	\$6,705,803	\$756,052	15,500	\$481.41	
DECEMBER	\$7,461,855	\$6,705,803	\$756,052	15,500	\$481.41	
JANUARY 2020	\$7,461,855	\$6,705,803	\$756,052	15,500	\$481.41	
FEBRUARY	\$7,461,855	\$6,705,803	\$756,052	15,500	\$481.41	
MARCH	\$7,461,855	\$6,705,803	\$756,052	15,500	\$481.41	
APRIL	\$7,461,855	\$6,705,803	\$756,052	15,500	\$481.41	
MAY	\$7,461,855	\$6,705,803	\$756,052	15,500	\$481.41	
JUNE	\$7,461,855	\$6,705,803	\$756,052	15,500	\$481.41	
TOTAL	\$89,542,260	\$80,469,633	\$9,072,627	\$186,000	\$481.41	
	Average	\$7,461,855	\$6,705,803	\$756,052	15,500	\$481.41
Service					\$432.63	
Family Support Services					\$48.78	

**FISCAL YEAR 2019-2020 Governor's Executive Budget
Former TANF Eligible - Child Care Assistance**

FISCAL YEAR 2017-2018 CONSUMER SERVICE COSTS

	Total \$	Service	FSS/Admin	Users	Total \$ Per Slot
JULY 2017	\$18,617,390	\$16,963,042	\$1,654,348	34,208	\$544.24
AUGUST	\$20,926,220	\$19,271,871	\$1,654,348	34,502	\$606.52
SEPTEMBER	\$16,950,232	\$15,295,883	\$1,654,348	33,887	\$500.20
OCTOBER	\$16,398,496	\$15,750,793	\$647,703	33,849	\$484.46
NOVEMBER	\$16,587,766	\$15,694,426	\$893,340	34,060	\$487.02
DECEMBER	\$16,512,008	\$15,717,461	\$794,547	34,295	\$481.47
JANUARY 2018	\$18,433,550	\$17,246,344	\$1,187,207	34,916	\$527.94
FEBRUARY	\$16,304,697	\$15,199,604	\$1,105,093	34,919	\$466.93
MARCH	\$17,914,688	\$16,824,353	\$1,090,335	35,030	\$511.41
APRIL	\$17,338,657	\$15,925,044	\$1,413,613	35,128	\$493.59
MAY	\$19,224,023	\$18,100,962	\$1,123,062	35,206	\$546.04
JUNE	\$18,763,489	\$17,577,997	\$1,185,492	35,843	\$523.49
TOTAL	\$213,971,215	\$199,567,779	\$14,403,436	415,843	\$514.55
Average	\$17,830,935	\$16,630,648	\$1,200,286	34,654	\$514.55
Service					\$479.91
Family Support Services					\$34.64

FISCAL YEAR 2018-2019 CONSUMER SERVICE COSTS

	Total \$	Service	FSS/Admin	Users	Total \$ Per Slot
JULY 2018	\$18,354,180	\$17,024,349	\$1,329,830	34,971	\$524.84
AUGUST	\$18,484,340	\$17,154,510	\$1,329,830	35,219	\$524.84
SEPTEMBER	\$18,615,550	\$17,285,720	\$1,329,830	35,469	\$524.84
OCTOBER	\$18,746,760	\$17,416,930	\$1,329,830	35,719	\$524.84
NOVEMBER	\$18,810,266	\$17,480,435	\$1,329,830	35,840	\$524.84
DECEMBER	\$18,810,266	\$17,480,435	\$1,329,830	35,840	\$524.84
JANUARY 2019	\$18,810,266	\$17,480,435	\$1,329,830	35,840	\$524.84
FEBRUARY	\$18,810,266	\$17,480,435	\$1,329,830	35,840	\$524.84
MARCH	\$18,810,266	\$17,480,435	\$1,329,830	35,840	\$524.84
APRIL	\$18,810,266	\$17,480,435	\$1,329,830	35,840	\$524.84
MAY	\$18,810,266	\$17,480,435	\$1,329,830	35,840	\$524.84
JUNE	\$18,810,266	\$17,480,435	\$1,329,830	35,840	\$524.84
TOTAL	\$224,682,954	\$208,724,989	\$15,957,965	428,098	\$524.84
Average	\$18,723,580	\$17,393,749	\$1,329,830	35,675	\$524.84
Service					\$487.56
Family Support Services					\$37.28

FISCAL YEAR 2019-2020 CONSUMER SERVICE COSTS

	Total \$	Service	FSS/Admin	Users	Total \$ Per Slot
JULY 2019	\$18,810,266	\$17,480,435	\$1,329,830	35,840	\$524.84
AUGUST	\$18,810,266	\$17,480,435	\$1,329,830	35,840	\$524.84
SEPTEMBER	\$18,810,266	\$17,480,435	\$1,329,830	35,840	\$524.84
OCTOBER	\$18,810,266	\$17,480,435	\$1,329,830	35,840	\$524.84
NOVEMBER	\$18,810,266	\$17,480,435	\$1,329,830	35,840	\$524.84
DECEMBER	\$18,810,266	\$17,480,435	\$1,329,830	35,840	\$524.84
JANUARY 2020	\$18,810,266	\$17,480,435	\$1,329,830	35,840	\$524.84
FEBRUARY	\$18,810,266	\$17,480,435	\$1,329,830	35,840	\$524.84
MARCH	\$18,810,266	\$17,480,435	\$1,329,830	35,840	\$524.84
APRIL	\$18,810,266	\$17,480,435	\$1,329,830	35,840	\$524.84
MAY	\$18,810,266	\$17,480,435	\$1,329,830	35,840	\$524.84
JUNE	\$18,810,266	\$17,480,435	\$1,329,830	35,840	\$524.84
TOTAL	\$225,723,187	\$209,765,222	\$15,957,965	430,080	\$524.84
Average	\$18,810,266	\$17,480,435	\$1,329,830	35,840	\$524.84
Service					\$487.74
Family Support Services					\$37.10

**FISCAL YEAR 2019-2020 Governor's Executive Budget
SNAP Eligible - Child Care Assistance**

FISCAL YEAR 2017-2018 CONSUMER SERVICE COSTS

	Total \$	Service	FSS/Admin	Users	Total \$ Per Slot
JULY 2017	\$135,203	\$125,038	\$10,164	242	\$558.69
AUGUST	\$127,682	\$117,544	\$10,138	263	\$485.48
SEPTEMBER	\$130,773	\$120,583	\$10,190	291	\$449.39
OCTOBER	\$176,672	\$169,488	\$7,184	279	\$633.23
NOVEMBER	\$182,254	\$173,284	\$8,970	298	\$611.59
DECEMBER	\$145,348	\$136,837	\$8,511	269	\$540.33
JANUARY 2018	\$152,368	\$143,899	\$8,469	283	\$538.40
FEBRUARY	\$125,970	\$120,065	\$5,905	263	\$478.98
MARCH	\$142,762	\$136,242	\$6,520	248	\$575.65
APRIL	\$138,015	\$134,261	\$3,754	245	\$563.33
MAY	\$141,638	\$138,256	\$3,382	243	\$582.87
JUNE	\$127,177	\$125,600	\$1,577	240	\$529.90
TOTAL	\$1,725,862	\$1,641,097	\$84,765	3,164	\$545.47
Average	\$143,822	\$136,758	\$7,064	264	\$545.47
Service					\$518.68
Family Support Services					\$26.79

FISCAL YEAR 2018-2019 CONSUMER SERVICE COSTS

	Total \$	Service	FSS/Admin	Users	Total \$ Per Slot
JULY 2018	\$134,731	\$103,080	\$31,651	247	\$545.47
AUGUST	\$152,732	\$121,081	\$31,651	280	\$545.47
SEPTEMBER	\$166,914	\$135,263	\$31,651	306	\$545.47
OCTOBER	\$181,096	\$149,445	\$31,651	332	\$545.47
NOVEMBER	\$190,915	\$159,264	\$31,651	350	\$545.47
DECEMBER	\$190,915	\$159,264	\$31,651	350	\$545.47
JANUARY 2019	\$190,915	\$159,264	\$31,651	350	\$545.47
FEBRUARY	\$190,915	\$159,264	\$31,651	350	\$545.47
MARCH	\$190,915	\$159,264	\$31,651	350	\$545.47
APRIL	\$190,915	\$159,264	\$31,651	350	\$545.47
MAY	\$190,915	\$159,264	\$31,651	350	\$545.47
JUNE	\$190,915	\$159,264	\$31,651	350	\$545.47
TOTAL	\$2,162,789	\$1,782,981	\$379,808	3,965	\$545.47
Average	\$180,232	\$148,582	\$31,651	330	\$545.47
Service					\$449.68
Family Support Services					\$95.79

FISCAL YEAR 2019-2020 CONSUMER SERVICE COSTS

	Total \$	Service	FSS/Admin	Users	Total \$ Per Slot
JULY 2019	\$190,915	\$159,264	\$31,651	350	\$545.47
AUGUST	\$190,915	\$159,264	\$31,651	350	\$545.47
SEPTEMBER	\$190,915	\$159,264	\$31,651	350	\$545.47
OCTOBER	\$190,915	\$159,264	\$31,651	350	\$545.47
NOVEMBER	\$190,915	\$159,264	\$31,651	350	\$545.47
DECEMBER	\$190,915	\$159,264	\$31,651	350	\$545.47
JANUARY 2020	\$190,915	\$159,264	\$31,651	350	\$545.47
FEBRUARY	\$190,915	\$159,264	\$31,651	350	\$545.47
MARCH	\$190,915	\$159,264	\$31,651	350	\$545.47
APRIL	\$190,915	\$159,264	\$31,651	350	\$545.47
MAY	\$190,915	\$159,264	\$31,651	350	\$545.47
JUNE	\$190,915	\$159,264	\$31,651	350	\$545.47
TOTAL	\$2,290,974	\$1,911,166	\$379,808	4,200	\$545.47
Average	\$190,915	\$159,264	\$31,651	350	\$545.47
Service					\$455.04
Family Support Services					\$90.43

CHILD CARE ASSISTANCE

PROGRAM STATEMENT

The Child Care Assistance appropriation helps support Child Care Works, Pennsylvania's subsidized child care program. Child care subsidies are provided to the following Pennsylvanians through this appropriation: 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 2019 – 2020 Governor's Executive Budget is estimated to serve approximately 51,340 children from TANF and Former TANF families and 350 children from SNAP families each month.

Local agencies comprised of county governments and non-profit organizations administer Child Care Works. They receive a combination of federal and state funds to pay child care providers for services rendered to eligible families along with administrative funds to conduct their daily tasks such as eligibility determination, waiting list management, case management, resource and referral, provider payments and provider management, funds management, and other associated family and provider services.

Research has demonstrated the benefits of child care subsidies 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.

FISCAL YEAR 2019-2020 INITIAITVE – KEYSTONE STARS REIMBURSEMENT RATES

Accounting for growth in STAR 2, 3, and 4 programs, OCDEL estimates that a \$10.000 million investment (\$1.272 million in TANFBG funds, \$2.941 million in CCDFBG funds, and \$0.028 million for SNAP, in the Child Care Assistance Appropriation) in child care subsidy would provide a 28 percent increase for infant, young toddler, and older toddler daily tiered add-ons for STAR 2, 3, and 4 programs. Increasing the STAR 2, 3, and 4-tiered reimbursement rate will allow providers to recalibrate the balance of private-pay and subsidized children receiving subsidy in their enrollment profiles thereby improving equity and access to high-quality for Pennsylvania's youngest children.

FISCAL YEAR 2019-2020 INITIATIVE – MINIMUM WAGE INCREASE

The Fiscal Year 2019-2020 "Minimum Wage Increase" initiative will increase the minimum wage for all Pennsylvania workers to \$12.00 per hour, effective July 1, 2019. Workers earning the minimum must have the ability to afford basic, family-sustaining necessities that help avoid poverty, be productive workers, and reduce the use of assistance programs. Increasing the minimum wage will allow Department of Human Services providers to recruit and retain child care and direct care workers that are essential to the provision of services in the Department's programs. This initiative is expected to decrease HealthChoices enrollment as more adults will be able to transition off Medical Assistance as their income increases. Additionally, children will transition to CHIP coverage as their family income increases.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. E26.7, E26.38-39

APPROPRIATION:
Nurse Family Partnership

I. SUMMARY FINANCIAL DATA

	<u>2017-2018 Actual</u>	<u>2018-2019 Available</u>	<u>2019-2020 Budgeted</u>
State Funds	\$11,978	\$13,178	\$13,178
Federal Funds Total	\$2,544	\$2,544	\$2,544
Federal Sources Itemized			
<i>Medical Assistance - Nurse Family Partnership</i>	\$2,544	\$2,544	\$2,544
Other Funds Total	\$0	\$0	\$0
Total	\$14,522	\$15,722	\$15,722

IA. REQUESTED SUPPLEMENTALS (Included above)

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

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Nurse Family Partnership			
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$11,978	\$13,178	\$13,178	\$0	0.00%
<i>Federal Funds</i>	\$2,544	\$2,544	\$2,544	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$14,522	\$15,722	\$15,722	\$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>	\$11,978	\$13,178	\$13,178	\$0	0.00%
<i>Federal Funds</i>	\$2,544	\$2,544	\$2,544	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$14,522	\$15,722	\$15,722	\$0	0.00%

APPROPRIATION:
Nurse Family Partnership

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2016-2017	2017-2018	2018-2019 Estimated
State Funds	\$239	\$135	\$0

IV. COMPLEMENT INFORMATION	12/31/2017	12/31/2018	2019-2020 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:
 Budget information for state funding is based on estimated program needs. Federal data for Medical Assistance is provided by the Provider Reimbursement and Operations Management Information System (PROMISE).
 Details for the appropriation request are outlined in Section VI entitled "Explanation of Changes" on subsequent pages.

Legislative Citations:
 62 P.S. § 201(2)

Disbursement Criteria:
 Quarterly payments are expended through contracts with service providers.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Nurse Family Partnership			
	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total</u>
GRANT & SUBSIDY				
1. Maintains Grant and Subsidy funding at the Fiscal Year 2018-2019 level of \$13.178 million in state funds and \$2.544 million in Medical Assistance funds:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Grants and Subsidies	<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>

NURSE-FAMILY PARTNERSHIP

PROGRAM STATEMENT

The Nurse-Family Partnership (NFP) is an intensive and comprehensive evidence-based home visitation program that gives 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 specially educated bachelor level nurse early in her pregnancy and receives ongoing nurse home visits that continue through the child's second birthday. Home visits by NFP nurses promote the physical, cognitive and emotional development of the children, and also support mothers and their families through the provision of instructive parenting and life skills education to help ensure success. NFP goals include:

- Improved pregnancy outcomes by helping women engage in preventive health practices: thorough prenatal care from their healthcare providers; improving diets; and striving to reduce the 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.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

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APPROPRIATION:
Early Intervention

I. SUMMARY FINANCIAL DATA

	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$144,096	\$168,003 ¹	\$152,596
Federal Funds Total	\$79,452	\$77,197	\$79,124
Federal Sources Itemized			
<i>Education for Children with Disabilities</i>	\$16,446	\$15,009	\$15,136
<i>Medical Assistance-Early Intervention</i>	\$63,006	\$62,188	\$63,988
Other Funds	\$0	\$0	\$0
Total	\$223,548	\$245,200	\$231,720

IA. REQUESTED SUPPLEMENTALS (Included above)

State Funds	\$25,159
Federal Funds	<u>\$0</u>
Total	\$25,159

¹ Includes a recommended supplemental appropriation of \$25.159 million for Fiscal Year 2018-2019. Act 1-A of 2018 provided \$142.844 million for this program in Fiscal Year 2018-2019.

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Early Intervention				
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$2,020	\$2,020	\$2,020	\$0	0.00%
<i>Federal Funds</i>	\$1,253	\$1,253	\$1,253	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Operating	\$3,273	\$3,273	\$3,273	\$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>	\$142,076	\$165,983	\$150,576	(\$15,407)	-9.28%
<i>Federal Funds</i>	\$71,268	\$72,225	\$74,951	\$2,726	3.77%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$213,344	\$238,208	\$225,527	(\$12,681)	-5.32%
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	\$3,719	\$2,920	(\$799)	-21.48%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Budgetary Reserve	\$0	\$3,719	\$2,920	(\$799)	-21.48%
UNCOMMITTED					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$6,931	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Uncommitted	\$6,931	\$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>	\$144,096	\$168,003	\$152,596	(\$15,407)	-9.17%
<i>Federal Funds</i>	\$79,452	\$77,197	\$79,124	\$1,927	2.50%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$223,548	\$245,200	\$231,720	(\$13,480)	-5.50%

APPROPRIATION:
Early Intervention

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$12	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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:
 Budget information is projected on actual monthly data provided by the Provider Reimbursement and Operations Management Information System. (PROMISE). PROMISE data is reflected in the Early Periodic Screening, Diagnosis, and Treatment program and the Infant, Toddlers, and Families Medicaid Waiver program.

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. § 1400-1482; 42 U.S.C. § 1396 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. 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.

Early Periodic Screening, Diagnosis, and Treatment (EPSDT) and Infant, Toddler, and Families Waiver providers submit invoices for payment of eligible services rendered through the Provider Reimbursement and Operations Management Information System.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Early Intervention			
	State \$	Federal \$	Other \$	Total \$
GRANT & SUBSIDY				
1. Provides for an increase in the Maintenance and Coordination of services:	\$5,542	\$0	\$0	\$5,542
2. Impact of a change in available federal funding for Education for Children with Disabilities program:	(\$71)	\$71	\$0	\$0
3. Provides for an increase in the Early Periodic Screening, Diagnosis, and Treatment program average monthly cost per user from \$564.35 in Fiscal Year 2018-2019 to \$572.21 in Fiscal Year 2019-2020:	\$584	\$807	\$0	\$1,391
4. Provides for an increase in the Infant, Toddler, and Families Waiver program average monthly cost per user program from \$465.73 in Fiscal Year 2018-2019 to \$466.38 in Fiscal Year 2019-2020:	\$6	\$6	\$0	\$12
5. The Federal Medical Assistance Percentage will remain at 52.25 percent, effective October 1, 2019. Impact of the full-year blended rate (an increase from 52.1425 percent to 52.2500 percent):	(\$42)	\$42	\$0	\$0
6. Impact of the non-recurring roll forward of Fiscal Year 2017-2018 expenditures into Fiscal Year 2018-2019:	(\$8,836)	\$0	\$0	(\$8,836)
7. Impact of non-recurring roll back of Fiscal Year 2019-2020 maintenance expenditures into Fiscal Year 2018-2019:	(\$17,590)	\$0	\$0	(\$17,590)
Subtotal Grant & Subsidy	(\$20,407)	\$926	\$0	(\$19,481)
BUDGETARY RESERVE				
1. Reflects a change in excess federal spending authority in Fiscal Year 2018-2019:	\$0	(\$799)	\$0	(\$799)
FISCAL YEAR 2019-2020 INITIATIVES				
1. Increase in Infant Toddler Service Rates				
A. Provides for a three percent increase in early intervention service rates for Fiscal Year 2019-2020:	\$5,000	\$1,800	\$0	\$6,800
TOTAL	<u>(\$15,407)</u>	<u>\$1,927</u>	<u>\$0</u>	<u>(\$13,480)</u>

Early Intervention
Fiscal Year 2018-2019 Available

	<u>TOTAL</u>	<u>STATE</u>	<u>MA Early Intervention</u>	<u>Ed for Children w/Disabilities</u>
CARRY FORWARD BUDGET:				
Maintenance and Coordination	\$ 100,211,000	\$ 86,455,000	\$ -	\$ 13,756,000
Early Periodic Screening, Diagnosis, and Treatment (EPSDT)	\$ 99,862,000	\$ 47,795,000	\$ 52,067,000	\$ -
On-Going County EI Administration	\$ 8,926,000	\$ 8,926,000	\$ -	\$ -
Infant, Toddlers & Families Medicaid Waiver Program	\$ 9,289,000	\$ 4,446,000	\$ 4,843,000	\$ -
County Waiver Administration	\$ 3,118,000	\$ 1,559,000	\$ 1,559,000	\$ -
County Training	\$ 630,000	\$ 630,000	\$ -	\$ -
SUBTOTAL CARRYFORWARD	\$ 222,036,000	\$ 149,811,000	\$ 58,469,000	\$ 13,756,000
Tuscarora Intermediate Unit 11 Contract (Oper)	\$ 3,273,000	\$ 2,020,000	\$ -	\$ 1,253,000
Carryforward (Estimate)	\$ (1,500,000)	\$ (1,500,000)	\$ -	\$ -
Roll forward FY 2017-2018 Expenditures	\$ 8,836,000	\$ 8,836,000	\$ -	\$ -
Roll Back of FY 2019-2020 Exp to FY 2018-2019	\$ 8,836,000	\$ 8,836,000	\$ -	\$ -
Budgetary Reserve	\$ 3,719,000	\$ -	\$ 3,719,000	\$ -
Program Total	\$ 245,200,000	\$ 168,003,000	\$ 62,188,000	\$ 15,009,000
Requested Supplemental	\$ 25,159,000	\$ 25,159,000	\$ -	\$ -

Early Intervention
Fiscal Year 2019-2020 Governor's Executive Budget

	<u>TOTAL</u>	<u>STATE</u>	<u>MA Early Intervention</u>	<u>Ed for Children w/Disabilities</u>
CARRY FORWARD BUDGET:				
Maintenance and Coordination	\$ 105,753,000	\$ 91,926,000	\$ -	\$ 13,827,000
Early Periodic Screening, Diagnosis, and Treatment (EPSDT)	\$ 101,253,000	\$ 48,348,000	\$ 52,905,000	\$ -
On-Going County EI Administration	\$ 8,926,000	\$ 8,926,000	\$ -	\$ -
Infant, Toddlers & Families Medicaid Waiver Program	\$ 9,301,000	\$ 4,441,000	\$ 4,860,000	\$ -
County Waiver Administration	\$ 3,118,000	\$ 1,559,000	\$ 1,559,000	\$ -
County Training	\$ 630,000	\$ 630,000	\$ -	\$ -
SUBTOTAL CARRYFORWARD	<u>\$ 228,981,000</u>	<u>\$ 155,830,000</u>	<u>\$59,324,000</u>	<u>\$ 13,827,000</u>
Tuscarora Intermediate Unit 11 Contract (Oper)	\$ 3,273,000	\$ 2,020,000	\$ -	\$ 1,253,000
Carryforward (Estimate)	\$ (1,418,000)	\$ (1,418,000)	\$ -	\$ -
Roll Back of FY 2019-2020 Exp to FY 2018-2019	\$ (8,836,000)	\$ (8,836,000)	\$ -	\$ -
Budgetary Reserve	\$ 2,920,000	\$ -	\$ 2,864,000	\$ 56,000
FY 19-20 Initiative: Increase in Infant Toddler Service Rates	\$ 6,800,000	\$ 5,000,000	\$ 1,800,000	\$ -
Program Total	<u>\$ 231,720,000</u>	<u>\$ 152,596,000</u>	<u>\$ 63,988,000</u>	<u>\$ 15,136,000</u>

**FISCAL YEAR 2019-2020 Governor's Executive Budget
Early Periodic Screening, Diagnosis, and Treatment**

FISCAL YEAR 2017-2018 CONSUMER SERVICE COSTS

	Total \$	Federal \$	State \$	Users	Total \$ Per User
JULY 2017	\$10,034,472	\$5,195,801	\$4,838,671	15,790	\$635.50
AUGUST	\$6,975,293	\$3,611,766	\$3,363,527	14,045	\$496.64
SEPTEMBER	\$6,717,990	\$3,478,537	\$3,239,453	13,753	\$488.47
OCTOBER	\$9,429,232	\$4,886,086	\$4,543,146	15,777	\$597.66
NOVEMBER	\$7,567,815	\$3,921,524	\$3,646,290	14,095	\$536.91
DECEMBER	\$7,326,886	\$3,796,679	\$3,530,207	13,969	\$524.51
JANUARY 2018	\$8,404,412	\$4,355,043	\$4,049,369	14,950	\$562.17
FEBRUARY	\$7,302,194	\$3,783,888	\$3,518,306	14,217	\$513.62
MARCH	\$7,670,710	\$3,974,844	\$3,695,866	14,362	\$534.10
APRIL	\$9,335,422	\$4,837,470	\$4,497,952	15,779	\$591.64
MAY	\$8,029,001	\$4,160,509	\$3,868,491	15,418	\$520.76
JUNE	\$6,902,748	\$3,576,903	\$3,325,844	14,136	\$488.31
Total	\$95,696,174	\$49,579,051	\$46,117,122	176,291	\$6,490.28
Average	\$7,974,681	\$4,131,588	\$3,843,094	14,691	\$542.83

FISCAL YEAR 2018-2019 CONSUMER SERVICE COSTS

	Total \$	Federal \$	State \$	Users	Total \$ Per User
JULY 2018	\$10,083,166	\$5,224,946	\$4,858,219	15,562	\$647.94
AUGUST	\$7,801,133	\$4,042,547	\$3,758,586	14,672	\$531.71
SEPTEMBER	\$7,801,133	\$4,042,547	\$3,758,586	14,672	\$531.71
OCTOBER	\$9,123,335	\$4,766,943	\$4,356,392	14,672	\$621.82
NOVEMBER	\$7,801,133	\$4,076,092	\$3,725,041	14,672	\$531.71
DECEMBER	\$9,123,335	\$4,766,943	\$4,356,392	14,672	\$621.82
JANUARY 2019	\$7,801,133	\$4,076,092	\$3,725,041	14,672	\$531.71
FEBRUARY	\$7,801,133	\$4,076,092	\$3,725,041	14,672	\$531.71
MARCH	\$7,801,133	\$4,076,092	\$3,725,041	14,672	\$531.71
APRIL	\$9,123,335	\$4,766,943	\$4,356,392	14,672	\$621.82
MAY	\$7,801,133	\$4,076,092	\$3,725,041	14,672	\$531.71
JUNE	\$7,801,133	\$4,076,092	\$3,725,041	14,672	\$531.71
Total	\$99,862,234	\$52,067,421	\$47,794,813	176,953	\$6,767.04
Average	\$8,321,853	\$4,338,952	\$3,982,901	14,746	\$564.35

FISCAL YEAR 2019-2020 CONSUMER SERVICE COSTS

	Total \$	Federal \$	State \$	Users	Total \$ Per User
JULY 2019	\$9,216,981	\$4,815,873	\$4,401,108	14,746	\$625.05
AUGUST	\$7,881,207	\$4,117,931	\$3,763,276	14,746	\$534.46
SEPTEMBER	\$9,216,981	\$4,815,873	\$4,401,108	14,746	\$625.05
OCTOBER	\$7,881,207	\$4,117,931	\$3,763,276	14,746	\$534.46
NOVEMBER	\$7,881,207	\$4,117,931	\$3,763,276	14,746	\$534.46
DECEMBER	\$9,216,981	\$4,815,873	\$4,401,108	14,746	\$625.05
JANUARY 2020	\$7,881,207	\$4,117,931	\$3,763,276	14,746	\$534.46
FEBRUARY	\$7,881,207	\$4,117,931	\$3,763,276	14,746	\$534.46
MARCH	\$9,216,981	\$4,815,873	\$4,401,108	14,746	\$625.05
APRIL	\$7,881,207	\$4,117,931	\$3,763,276	14,746	\$534.46
MAY	\$7,881,207	\$4,117,931	\$3,763,276	14,746	\$534.46
JUNE	\$9,216,981	\$4,815,873	\$4,401,108	14,746	\$625.05
Total	\$101,253,357	\$52,904,882	\$48,348,475	176,952	\$6,866.50
Average	\$8,437,780	\$4,408,740	\$4,029,040	14,746	\$572.21

**FISCAL YEAR 2019-2020 Governor's Executive Budget
Infant, Toddlers, and Families Waiver**

FISCAL YEAR 2017-2018 CONSUMER SERVICE COSTS

	Total \$	Federal \$	State \$	Users	Total \$ Per User
JULY 2017	\$913,822	\$473,164	\$440,658	1,674	\$545.89
AUGUST	\$584,480	\$302,635	\$281,845	1,396	\$418.68
SEPTEMBER	\$530,172	\$274,515	\$255,657	1,320	\$401.65
OCTOBER	\$860,989	\$446,177	\$414,812	1,696	\$507.66
NOVEMBER	\$680,825	\$352,814	\$328,011	1,502	\$453.28
DECEMBER	\$695,826	\$360,587	\$335,239	1,517	\$458.69
JANUARY 2018	\$759,773	\$393,726	\$366,047	1,660	\$457.69
FEBRUARY	\$727,557	\$377,030	\$350,527	1,619	\$449.39
MARCH	\$742,129	\$384,583	\$357,547	1,660	\$447.07
APRIL	\$886,618	\$459,459	\$427,160	1,799	\$492.84
MAY	\$777,431	\$402,877	\$374,554	1,737	\$447.57
JUNE	\$831,407	\$430,847	\$400,560	1,708	\$486.77
Total	\$8,991,031	\$4,658,413	\$4,332,618	19,288	\$5,567.17
Average	\$749,253	\$388,201	\$361,051	1,607	\$466.24

FISCAL YEAR 2018-2019 CONSUMER SERVICE COSTS

	Total \$	Federal \$	State \$	Users	Total \$ Per User
JULY 2018	\$1,040,849	\$539,384	\$501,465	1,983	\$524.89
AUGUST	\$727,352	\$376,914	\$350,438	1,633	\$445.39
SEPTEMBER	\$727,352	\$376,914	\$350,438	1,633	\$445.39
OCTOBER	\$809,633	\$423,033	\$386,600	1,633	\$495.77
NOVEMBER	\$727,352	\$380,042	\$347,310	1,633	\$445.39
DECEMBER	\$809,633	\$423,033	\$386,600	1,633	\$495.77
JANUARY 2019	\$727,352	\$380,042	\$347,310	1,633	\$445.39
FEBRUARY	\$727,352	\$380,042	\$347,310	1,633	\$445.39
MARCH	\$727,352	\$380,042	\$347,310	1,633	\$445.39
APRIL	\$809,633	\$423,033	\$386,600	1,633	\$495.77
MAY	\$727,352	\$380,042	\$347,310	1,633	\$445.39
JUNE	\$727,352	\$380,042	\$347,310	1,633	\$445.39
Total	\$9,288,569	\$4,842,563	\$4,446,007	19,947	\$5,575.28
Average	\$774,047	\$403,547	\$370,501	1,662	\$465.73

FISCAL YEAR 2019-2020 CONSUMER SERVICE COSTS

	Total \$	Federal \$	State \$	Users	Total \$ Per User
JULY 2019	\$823,969	\$430,524	\$393,445	1,662	\$495.77
AUGUST	\$740,232	\$386,771	\$353,461	1,662	\$445.39
SEPTEMBER	\$823,969	\$430,524	\$393,445	1,662	\$495.77
OCTOBER	\$740,232	\$386,771	\$353,461	1,662	\$445.39
NOVEMBER	\$740,232	\$386,771	\$353,461	1,662	\$445.39
DECEMBER	\$823,969	\$430,524	\$393,445	1,662	\$495.77
JANUARY 2020	\$740,232	\$386,771	\$353,461	1,662	\$445.39
FEBRUARY	\$740,232	\$386,771	\$353,461	1,662	\$445.39
MARCH	\$823,969	\$430,524	\$393,445	1,662	\$495.77
APRIL	\$740,232	\$386,771	\$353,461	1,662	\$445.39
MAY	\$740,232	\$386,771	\$353,461	1,662	\$445.39
JUNE	\$823,969	\$430,524	\$393,445	1,662	\$495.77
Total	\$9,301,468	\$4,860,017	\$4,441,451	19,944	\$5,596.55
Average	\$775,122	\$405,001	\$370,121	1,662	\$466.38

EARLY INTERVENTION

PROGRAM STATEMENT

The Pennsylvania Early Intervention Infant and Toddler service system assures supports and services for children from birth to age three with developmental delays and disabilities. Early Intervention (EI) programs are provided in close collaboration with the family to address the developmental, physical, communication, cognitive, social, and adaptive needs of eligible children. EI is administered at a local level through 48 county or joinder operated programs.

Children who may need EI 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, 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 EI 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 EI 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 and periodic monitoring to ensure that EI services are provided in a timely fashion, should developmental delays emerge.

State statute requires two to four 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, EI 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.

EI funding comes from multiple sources. The Commonwealth of Pennsylvania provides state funding to ensure the availability of EI services and supports. Counties are required to contribute a ten percent match on state funding in EI. 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 augment the EI program as well.

FISCAL YEAR 2019-2020 INITIATIVE – INCREASE INFANT TODDLER SERVICE RATES

The Fiscal Year 2019-2020 Governor's Executive Budget provides for an increase of \$5.000 million in state funds and \$1.800 million in federal funds for a three percent increase in Infant Toddler service rates for Fiscal Year 2019-2020.

The Infant Toddler Early Intervention program has grown significantly over the past three years, due to increased use of child developmental screenings and increases in risk factors such as the use of opioids and other substances that impact children's development. In addition, providers are struggling to recruit and retain qualified staff members to serve at-risk children and their families.

Service rates paid to providers have not increased in ten years. Considering the growth in the number of children served and staffing issues, the current rates are not adequate to enable providers to meet the needs of eligible children and their families.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FY 2019-2020
(\$ Amounts in Thousands)**

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APPROPRIATION:
Domestic Violence

I. SUMMARY FINANCIAL DATA

	2017-2018 Actual	2018-2019 Available	2019-2020 Budgeted
State Funds	\$17,357	\$17,357	\$17,357
Federal Funds Total	\$9,544	\$9,544	\$9,544
Federal Sources Itemized			
<i>SSBG - Domestic Violence Programs</i>	\$5,705	\$5,705	\$5,705
<i>Family Violence Prevention Services</i>	\$3,739	\$3,739	\$3,739
<i>PHHSBG - Domestic Violence (EA)</i>	\$100	\$100	\$100
Other Funds Total	\$833	\$833	\$833
Other Fund Sources Itemized			
<i>Marriage Law Fees</i>	\$833	\$833	\$833
Total	\$27,734	\$27,734	\$27,734

IA. REQUESTED SUPPLEMENTALS (Included above)

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

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Domestic Violence				
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$17,357	\$17,357	\$17,357	\$0	0.00%
<i>Federal Funds</i>	\$9,544	\$9,544	\$9,544	\$0	0.00%
<i>Other Funds</i>	\$833	\$833	\$833	\$0	0.00%
Total Grant & Subsidy	\$27,734	\$27,734	\$27,734	\$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>	\$17,357	\$17,357	\$17,357	\$0	0.00%
<i>Federal Funds</i>	\$9,544	\$9,544	\$9,544	\$0	0.00%
<i>Other Funds</i>	\$833	\$833	\$833	\$0	0.00%
Total Funds	\$27,734	\$27,734	\$27,734	\$0	0.00%

APPROPRIATION:
Domestic Violence

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2016-2017	2017-2018	2018-2019 Estimated
State Funds	\$759	\$908	\$0

IV. COMPLEMENT INFORMATION	12/31/2017	12/31/2018	2019-2020 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 2019-2020 Governor's Executive Budget assumes state funding at the Fiscal Year 2018-2019 level of \$17.357 million. The Fiscal Year 2019-2020 Governor's Executive Budget assumes federal funding at the Fiscal Year 2018-2019 level of \$3.739 million for the Family Violence Prevention Services and \$5.705 million for the Social Services Block Grant - Domestic Violence Programs. The Fiscal Year 2019-2020 Governor's Executive Budget assumes \$0.100 million in federal funding for the Preventive Health and Health Services Block Grant - Domestic Violence. The Fiscal Year 2019-2020 Governor's Executive Budget assumes funding at the Fiscal Year 2018-2019 level of \$0.833 million for Marriage Law Fees.

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; 71 P.S. § 611.13

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 2019-2020 Governor's Executive Budget assumes state funding at the Fiscal Year 2018-2019 level of \$17.357 million. Of this, \$15.633 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 \$1.724 million in state funds will be used for administrative costs:	\$0	\$0	\$0	\$0
2. Assumes federal Social Services Block Grant funding at the Fiscal Year 2018-2019 allocation level of \$5.705 million to support the following programs:				
A. Assumes \$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 services to victims of domestic violence. The program services are administered at the county level as intervention in crisis situations:	\$0	\$0	\$0	\$0
B. Assumes \$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. Assumes \$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. Assumes \$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. Assumes \$3.739 million in federal funding for Family Violence Prevention Services:	\$0	\$0	\$0	\$0
4. Assumes \$0.100 million in federal funding for the Preventive Health and Health Services Block Grant:	\$0	\$0	\$0	\$0
5. Assumes \$0.833 million for Marriage Law fees (Other funds) at the Fiscal Year 2018-2019 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 into 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 and Human Services has a grant with the Pennsylvania Coalition Against Domestic Violence, which sub-grants with 60 local domestic violence programs, serving all 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, local domestic violence programs provide ongoing supportive counseling and referral to other community services. 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 2019-2020 Governor's Executive Budget provides 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.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FY 2019-2020
(\$ Amounts in Thousands)**

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Pp. A3.7, C1.17, E26.8, E26.35-E26.37

APPROPRIATION:
Rape Crisis

I. SUMMARY FINANCIAL DATA

	<u>2017-2018 Actual</u>	<u>2018-2019 Available</u>	<u>2019-2020 Budgeted</u>
State Funds	\$9,928	\$9,928	\$9,928
Federal Funds Total	\$1,721	\$1,721	\$1,721
Federal Sources Itemized			
SSBG - Rape Crisis	\$1,721	\$1,721	\$1,721
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$11,649	\$11,649	\$11,649

IA. REQUESTED SUPPLEMENTALS (Included above)

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

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Rape Crisis				
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$9,928	\$9,928	\$9,928	\$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	\$11,649	\$11,649	\$11,649	\$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>	\$9,928	\$9,928	\$9,928	\$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	\$11,649	\$11,649	\$11,649	\$0	0.00%

APPROPRIATION: Rape Crisis

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$16	\$14	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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 2019-2020 Governor's Executive Budget assumes state funds at the Fiscal Year 2018-2019 level of \$9.928 million. The Fiscal Year 2019-2020 Governor's Executive Budget assumes federal Social Services Block Grant funds at the Fiscal Year 2018-2019 level of \$1.721 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; 71 P.S. § 611.13.

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 2019-2020 Governor's Executive Budget assumes state and federal funding for Rape Crisis at the Fiscal Year 2018-2019 levels of \$9.928 million and \$1.721 million, respectively:	<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 has a grant with the Pennsylvania Coalition Against Rape (PCAR), which sub-grants with 50 local nonprofit rape crisis programs covering all 67 counties. Rape crisis programs provide a continuum of direct services that includes a 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 is also provided to a broad scope of professionals to enhance their responsiveness to victims of sexual violence and significant others.

The Fiscal Year 2019-2020 Governor's Executive Budget provides for rape crisis services for approximately 31,500 victims of sexual violence and their significant others, including approximately 150,000 hours of service from PCAR sub-grantees.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FY 2019-2020
(\$ Amounts in Thousands)**

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Pp. C1.17, E26.8, E26.35-E26.37

APPROPRIATION:
Breast Cancer Screening

I. SUMMARY FINANCIAL DATA	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$1,723	\$1,723	\$1,723
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$3,723	\$3,723	\$3,723
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds		<u>\$0</u>	
Total		\$0	

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Breast Cancer Screening				
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$1,723	\$1,723	\$1,723	\$0	0.00%
<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	\$3,723	\$3,723	\$3,723	\$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>	\$1,723	\$1,723	\$1,723	\$0	0.00%
<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	\$3,723	\$3,723	\$3,723	\$0	0.00%

APPROPRIATION:
Breast Cancer Screening

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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 2019-2020 Governor's Executive Budget assumes state funds at the Fiscal Year 2018-2019 funding level of \$1.723 million which includes \$0.406 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 assumed at the Fiscal Year 2018-2019 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(aa)

Disbursement Criteria:
The allocation of Breast Cancer Screening funds is based on the percentage distribution of Title XX Family Planning funds. Based on an agreement between the Department of Human Services and the Family Planning Councils, county allocations for Family Planning Services are determined using each of the four Family Planning Council's proportional share of the overall population receiving services.

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 2019-2020 Governor's Executive Budget assumes state funding at the Fiscal Year 2018-2019 appropriation level of \$1.723 million and assumes federal Social Services Block Grant funding at the Fiscal Year 2018-2019 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>
TOTAL	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</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 250 clinic sites. The grants are integrated with the Department of Human Services - Office of Medical Assistance Programs and the Department of Health - Bureau of Family Health. 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 educates women about the importance of routine screening such as mammograms and 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 2017-2018, 66,898 women with incomes less than 185 percent of the Federal Poverty Income Guidelines were screened for breast cancer through this program. It is anticipated that the number of individuals receiving Breast Cancer Screening services in Fiscal Year 2018-2019 and Fiscal Year 2019-2020 will be maintained at approximately 55,000.

Family planning services address contraceptive and health screening 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 at or below 215 percent of the Federal Poverty Income Guidelines.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FY 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. C1.17, E26.8, E26.36

APPROPRIATION:
Human Services Development Fund

I. SUMMARY FINANCIAL DATA

	<u>2017-2018 Actual</u>	<u>2018-2019 Available</u>	<u>2019-2020 Budgeted</u>
State Funds	\$13,460	\$13,460	\$13,460
Federal Funds	\$0	\$0	\$0
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$13,460	\$13,460	\$13,460

IA. REQUESTED SUPPLEMENTALS (Included above)

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

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)			APPROPRIATION: Human Services Development Fund		
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$13,460	\$13,460	\$13,460	\$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	\$13,460	\$13,460	\$13,460	\$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>Other 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>Other 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>	\$13,460	\$13,460	\$13,460	\$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	\$13,460	\$13,460	\$13,460	\$0	0.00%

APPROPRIATION:
Human Services Development Fund

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$0	\$1	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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 2019-2020 Governor's Executive Budget assumes state funds at the Fiscal Year 2018-2019 level of \$13.460 million for the Human Services Development Fund.

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.

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

APPROPRIATION:
 Human Services Development Fund

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total</u>
GRANT & SUBSIDY				
1. The Fiscal Year 2019-2020 Governor's Executive Budget assumes state funding for the Human Services Development Fund at the Fiscal Year 2018-2019 level of \$13.460 million for payments to the counties:	<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>

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 program 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 Human Services Block Grant (HSBG) program was implemented to provide local governments with increased flexibility to address local needs. Beginning in Fiscal Year 2017-2018 the HSBG program was expanded to allow all counties statewide to request participation in the program on a voluntary basis. Currently, a total of 38 counties have submitted applications that were subsequently approved by the Department and are participating in the HSBG program.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FY 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. A3.7, C1.17, E26.8, E26.35-E26.37

APPROPRIATION:
Legal Services

I. SUMMARY FINANCIAL DATA	2017-2018 Actual	2018-2019 Available	2019-2020 Budgeted
State Funds	\$2,661	\$2,661	\$2,661
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$7,710	\$7,710	\$7,710
IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds		<u>\$0</u>	
Total		\$0	

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Legal Services				
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$2,661	\$2,661	\$2,661	\$0	0.00%
<i>Federal Funds</i>	\$5,049	\$5,049	\$5,049	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$7,710	\$7,710	\$7,710	\$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>	\$2,661	\$2,661	\$2,661	\$0	0.00%
<i>Federal Funds</i>	\$5,049	\$5,049	\$5,049	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$7,710	\$7,710	\$7,710	\$0	0.00%

APPROPRIATION: Legal Services

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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 2019-2020 Governor's Executive Budget assumes state funding for Legal Services at the Fiscal Year 2018-2019 level of \$2.661 million. The Fiscal Year 2019-2020 Governor's Executive Budget assumes federal Social Services Block Grant funds at the Fiscal Year 2018-2019 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:
 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 the 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 2019-2020 Governor's Executive Budget assumes state funding at the Fiscal Year 2018-2019 level of \$2.661 million and assumes federal Social Services Block Grant funding for Legal Services at the Fiscal Year 2018-2019 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>
TOTAL	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</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 which include eight regional and five specialty programs. A sixth specialty project, the PA Utility Law Project, is housed within Regional Housing Legal Services. The 13 programs have 65 permanent staffed offices throughout PA.

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 Years 2018-2019 and 2019-2020, an estimated 16,800 cases will be handled on behalf of 16,125 unique clients. Services provided through the statewide contractor do not include legal assistance regarding political activities or representation in criminal matters.

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 2019-2020 Governor's Executive Budget provides \$2.661 million in state funds and \$5.049 million in federal funds for Legal Services.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FY 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. A3.7, C1.17, E26.8, E26.36-E26.37

APPROPRIATION:
Homeless Assistance

I. SUMMARY FINANCIAL DATA

	<u>2017-2018 Actual</u>	<u>2018-2019 Available</u>	<u>2019-2020 Budgeted</u>
State Funds	\$18,496	\$18,496	\$18,496
Federal Funds Total	\$6,166	\$6,166	\$6,166
Federal Sources Itemized			
<i>SSBG - Homeless Services</i>	\$4,183	\$4,183	\$4,183
<i>SABG - Homeless Services (EA)</i>	\$1,983	\$1,983	\$1,983
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$24,662	\$24,662	\$24,662

IA. REQUESTED SUPPLEMENTALS (Included above)

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

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Homeless Assistance				
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$18,496	\$18,496	\$18,496	\$0	0.00%
<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	\$24,662	\$24,662	\$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>	\$18,496	\$18,496	\$18,496	\$0	0.00%
<i>Federal Funds</i>	\$6,166	\$6,166	\$6,166	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$24,662	\$24,662	\$24,662	\$0	0.00%

APPROPRIATION: Homeless Assistance
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III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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 2019-2020 Governor's Executive Budget assumes state funding at the Fiscal Year 2018-2019 level of \$18.496 million. The Fiscal Year 2019-2020 Governor's Executive Budget assumes federal Substance Abuse Block Grant funding at the Fiscal Year 2018-2019 level of \$1.983 million and Social Services Block Grant (Title XX) funding at the Fiscal Year 2018-2019 level of \$4.183 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; 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 2019-2020 Governor's Executive Budget assumes state funding at the Fiscal Year 2018-2019 level of \$18.496 million and federal funding at the Fiscal Year 2018-2019 level of \$6.166 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>
TOTAL	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

HOMELESS ASSISTANCE

PROGRAM STATEMENT

The Homeless Assistance Program (HAP) makes a continuum of services available to individuals and families experiencing and/or near homelessness. Funding is provided to county governments by the Department of Human Services. In Fiscal Year 2016-2017, a total of 78,348 clients received Case Management, Rental Assistance, Bridge Housing, Emergency Shelter Assistance, and Innovative Supportive Housing services. In Fiscal Year 2017-2018, 82,700 clients received services and in Fiscal Year 2018-2019 and 2019-2020, an estimated 83,000 clients are expected to 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 2017-2018, a total of 43,143 clients were served.

RENTAL ASSISTANCE

This component provides assistance in the form of payments for rent, utilities, mortgage arrearages, and security deposits for individuals and families experiencing and/or near homelessness. 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 2017-2018, a total of 18,068 clients were served in the Rental Assistance component.

BRIDGE HOUSING

Realizing that emergency shelter is not the answer to homelessness, Bridge Housing helps homeless individuals and families experiencing homelessness to attain the most independent, self-sufficient life situation possible by providing temporary housing and case management. In Fiscal Year 2017-2018, a total of 4,210 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 2017-2018, a total of 14,177 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 2017-2018, a total of 3,102 clients were served in Innovative Supportive Housing Services.

HUMAN SERVICES BLOCK GRANT

In Fiscal Year 2012-2013, a Human Services Block Grant (HSBG) program was implemented to provide local governments with increased flexibility to address local needs. Beginning in Fiscal Year 2017-2018 the HSBG program was expanded to allow all counties statewide to request participation in the program on a voluntary basis. Currently, a total of 38 counties have submitted applications that were subsequently approved by the Department and are participating in the HSBG program.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. E26.8, E26.36

APPROPRIATION:
Health Program Assistance and Services

I. SUMMARY FINANCIAL DATA

	<u>2017-2018 Actual</u>	<u>2018-2019 Available</u>	<u>2019-2020 Budgeted</u>
State Funds	\$5,000	\$4,100	\$0
Federal Funds	\$0	\$0	\$0
Other Funds Total	\$0	\$1,086	\$0
Other Fund Sources Itemized			
DMVA interagency Agreement	\$0	\$1,086	\$0
Total	\$5,000	\$5,186	\$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: Health Program Assistance and Services			
	2017-2018 Actual	2018-2019 Available	2019-2020 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	\$5,000	\$4,100	\$0	(\$4,100)	-100.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$1,086	\$0	(\$1,086)	-100.00%
Total Grant & Subsidy	\$5,000	\$5,186	\$0	(\$5,186)	-100.00%
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	\$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	\$5,000	\$4,100	\$0	(\$4,100)	-100.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$1,086	\$0	(\$1,086)	-100.00%
Total Funds	\$5,000	\$5,186	\$0	(\$5,186)	-100.00%

APPROPRIATION: Health Program Assistance and Services

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
Total State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 Budgeted</u>
State/Federally Funded			
<i>Total Authorized</i>	N/A	N/A	N/A
<i>Total 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:

No funding is requested for the Health Program Assistance and Services program in Fiscal Year 2019-2020.

Legislative Citations:

Title 62 P.S. §§ 443.1

Disbursement Criteria:

The Health Program Assistance and Services appropriation provides funding to coordinate a variety of specialized medical services for commonwealth patients and to support specialty care programs.

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

APPROPRIATION:
 Health Program Assistance and Services

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
GRANTS AND SUBSIDIES				
1. Reflects the elimination of the Health Program Assistance and Services in the Department of Human Services:	<u>(\$4,100)</u>	<u>\$0</u>	<u>(\$1,086)</u>	<u>(\$5,186)</u>
Subtotal Grants and Subsidies	<u>(\$4,100)</u>	<u>\$0</u>	<u>(\$1,086)</u>	<u>(\$5,186)</u>
TOTAL	<u><u>(\$4,100)</u></u>	<u><u>\$0</u></u>	<u><u>(\$1,086)</u></u>	<u><u>(\$5,186)</u></u>

HEALTH PROGRAM ASSISTANCE AND SERVICES

PROGRAM STATEMENT

The Health Program Assistance and Services appropriation provides funding to coordinate a variety of specialized medical services for commonwealth patients and to support specialty care programs. No funding is requested for this program in Fiscal Year 2019-2020.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. E26.8, E26.36

APPROPRIATION:
Services for the Visually Impaired

I. SUMMARY FINANCIAL DATA	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$2,584	\$2,584	\$2,584
Federal Funds	\$0	\$0	\$0
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$2,584	\$2,584	\$2,584
 IA. REQUESTED SUPPLEMENTALS (Included above)			
State Funds		\$0	
Federal Funds		<u>\$0</u>	
Total		\$0	

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: Services for the Visually Impaired			
	2017-2018 Actual	2018-2019 Available	2019-2020 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	\$2,584	\$2,584	\$2,584	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$2,584	\$2,584	\$2,584	\$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	\$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	\$2,584	\$2,584	\$2,584	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$2,584	\$2,584	\$2,584	\$0	0.00%

APPROPRIATION:
Services for the Visually Impaired

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
Total State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 Budgeted</u>
State/Federally Funded			
<i>Total Authorized</i>	N/A	N/A	N/A
<i>Total 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 2019-2020 Governor's Executive Budget is maintained at the Fiscal Year 2018-2019 appropriation level of \$2.584 million.

Legislative Citations:

Title 62 P.S. §§ 443.1

Disbursement Criteria:

The Services for the Visually Impaired appropriation provides funding for grants to support the visually impaired, including a grant to the Pennsylvania Association for the Blind (PAB). The PAB is the nation's only statewide private non-profit organization providing services for people who are blind or visually impaired, as well as prevention of blindness programs to the general population. The PAB assists people who have an adverse visual impairment to obtain the skills and tools they need to lead productive, independent lives.

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

APPROPRIATION:
 Services for the Visually Impaired

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
GRANTS AND SUBSIDIES				
1. The Fiscal Year 2019-2020 Governor's Executive Budget is maintained at the Fiscal Year 2018-2019 appropriation level of \$2.584 million.	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Grants and Subsidies	<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>

SERVICES FOR THE VISUALLY IMPAIRED

PROGRAM STATEMENT

The Services for the Visually Impaired appropriation provides funding for grants to support the visually impaired. Grantees assist people who have an adverse visual impairment to obtain the skills and tools they need to lead productive, independent lives. Services include: instruction in daily living activities, orientation and mobility instruction, summer instructional programs for children, counseling and case management, access to technology instruction, low vision examinations, in-home supportive services, and adjustment to blindness support groups.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FISCAL YEAR 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. E26.8, E26.36

APPROPRIATION:
211 Communications

I. SUMMARY FINANCIAL DATA

	2017-2018 <u>Actual</u>	2018-2019 <u>Available</u>	2019-2020 <u>Budgeted</u>
State Funds	\$0	\$750	\$750
Federal Funds	\$0	\$0	\$0
Other Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	\$0	\$750	\$750

IA. REQUESTED SUPPLEMENTALS (Included above)

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

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)		APPROPRIATION: 211 Communications			
	2017-2018 Actual	2018-2019 Available	2019-2020 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	\$0	\$750	\$750	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Grant & Subsidy	\$0	\$750	\$750	\$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	\$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	\$750	\$750	\$0	0.00%
Federal Funds	\$0	\$0	\$0	\$0	0.00%
Other Funds	\$0	\$0	\$0	\$0	0.00%
Total Funds	\$0	\$750	\$750	\$0	0.00%

APPROPRIATION: 211 Communications

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
Total State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 Budgeted</u>
State/Federally Funded			
<i>Total Authorized</i>	N/A	N/A	N/A
<i>Total 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:

State funding of \$0.750 million was provided for this program in Act 1A of 2018. The Fiscal Year 2019-2020 Governor's Executive Budget maintains funding at the Fiscal Year 2018-2019 appropriation level.

Legislative Citations:

62 P.S. § 403.1

Disbursement Criteria:

The 211 Communications appropriation provides challenge grants to communities which do not have fully operational 2-1-1 service so that 100% of the state's population is covered with phone access 24 hours per day, 7 days per week, with access to resource data specific to their county.

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

APPROPRIATION:
 211 Communications

	<u>State \$</u>	<u>Federal \$</u>	<u>Other \$</u>	<u>Total \$</u>
GRANTS AND SUBSIDIES				
1. The Fiscal Year 2019-2020 Governor's Executive Budget is maintained at the Fiscal Year 2018-2019 appropriation level of \$0.750 million:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Grants and Subsidies	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	\$0	\$0	\$0	\$0

211 COMMUNICATIONS

PROGRAM STATEMENT

The 211 Communications appropriation provides grants to communities which do not have fully operational 2-1-1 service, to ensure 100 percent of the state's population is covered with 24-hour phone access, 7 days per week, and are able to access resource data specific to their county.

**DEPARTMENT OF HUMAN SERVICES
BUDGET REQUEST FOR FY 2019-2020
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:
Pp. E26.9,H4, H14

APPROPRIATION:
Children's Trust Fund

I. SUMMARY FINANCIAL DATA

	<u>2017-2018 Actual</u>	<u>2018-2019 Available</u>	<u>2019-2020 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		
	2017-2018 Actual	2018-2019 Available	2019-2020 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>	\$5	\$5	\$5	\$0	0.00%
Total Operating	\$5	\$5	\$5	\$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>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$1,395	\$1,395	\$1,395	\$0	0.00%
Total Grant & Subsidy	\$1,395	\$1,395	\$1,395	\$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>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$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)	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019 Estimated</u>
State Funds	\$0	\$0	\$0

IV. COMPLEMENT INFORMATION	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>2019-2020 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 Children's Trust Fund request is derived from the anticipated expenditures needed in relation to the available Children's Trust Fund revenue from marriage/divorce surcharges, Children's Trust Fund donations, and interest.

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 2019-2020 Governor's Executive Budget maintains funding for operating expenses at the Fiscal Year 2018-2019 level of \$0.005 million:	\$0	\$0	\$0	\$0
GRANT & SUBSIDY				
1. The Fiscal 2019-2020 Year Governor's Executive Budget maintains Grant & Subsidy funding at the Fiscal Year 2018-2019 level of \$1.395 million:	<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>

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 prevention programs. Funds for the CTF are generated from a \$10 surcharge on all applications for marriage licenses and divorce complaints, interest, and tax return donations. 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 CTF'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

Grantees are required to use evidence, research-based, and/or promising practice methods to provide comprehensive family 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)

<u>Department/Appropriation</u>	<u>Fiscal Year 2017-2018 Actual</u>	<u>Fiscal Year 2018-2019 Available</u>	<u>Fiscal Year 2019-2020 Request</u>
Human Services			
Administration:			
SSBG - Administration	\$325	\$325	\$325
Services:			
SSBG - County Assistance Offices	\$3,000	\$3,000	\$3,000
SSBG - Basic Institutional Program	\$10,000	\$10,000	\$10,000
SSBG - Community Mental Health Services	\$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>\$92,798</u>	<u>\$92,798</u>	<u>\$92,798</u>

Title: Mental Health Services

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)

Department/Appropriation	Fiscal Year 2017-2018 Actual	Fiscal Year 2018-2019 Available	Fiscal Year 2019-2020 Request
Department of Human Services			
MHSBG			
Administration	\$539	\$563	\$579
MHSBG-Community Mental Health Services	\$20,461	\$24,100	\$24,100
Block Grant Total	\$21,000	\$24,663	\$24,679

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 assistance.

(Dollar Amounts in Thousands)

<u>Department/Appropriation</u>	<u>Fiscal Year 2017-2018 Actual</u>	<u>Fiscal Year 2018-2019 Available</u>	<u>Fiscal Year 2019-2020 Request</u>
Human Services			
Administration:			
Low Income Home Energy Assistance Administration	\$27,000	\$31,000	\$27,000
Services:			
Low Income Families and Individuals	\$154,273	\$155,425	\$156,305
Excess Federal Appropriation Authority (1)	<u>\$165,727</u>	<u>\$164,575</u>	<u>\$32,258</u>
Sub Total	\$347,000	\$351,000	\$215,563
Community and Economic Development			
Administration:			
Administration	\$1,500	\$1,500	\$1,500
Services:			
Weatherization Program (2)	<u>\$48,000</u>	<u>\$48,000</u>	<u>\$48,000</u>
Sub Total	\$49,500	\$49,500	\$49,500
Total Appropriated	<u>\$396,500</u>	<u>\$400,500</u>	<u>\$265,063</u>

- 1) The excess federal appropriation authority is requested to allow for any Energy Contingency Fund allocation or increased allocations in FFY 2019 and FFY 2020.
- 2) Allocation for the Weatherization Program reflects 15% of total awarded allocation as of January 31, 2019.

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 low income working parents and 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 2017-2018 Actual</u>	<u>Fiscal Year 2018-2019 Available</u>	<u>Fiscal Year 2019-2020 Request</u>
Executive Offices			
Inspector General - Welfare Fraud			
CCDFBG - Subsidized Day Care Fraud	\$905	\$905	\$905
Health and Human Services			
CCDFBG - Administration	\$23,205	\$23,206	\$28,640
CCDFBG - Child Care Services	\$284,966	\$376,829	\$396,396
CCDFBG - School Age	\$1,260	\$1,260	\$1,260
CCDFBG - Child Care Assistance	\$93,722	\$82,415	\$85,356
Subtotal	<u>\$403,153</u>	<u>\$483,710</u>	<u>\$511,652</u>
TOTAL APPROPRIATED	<u>\$404,058</u>	<u>\$484,615</u>	<u>\$512,557</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 and the Social Services Block Grant (SSBG). The SSBG is limited to a maximum 10 percent transfer.

<u>Department/Appropriation</u>	(Dollar Amounts in Thousands)		
	<u>Fiscal Year 2017-2018 Actual</u>	<u>Fiscal Year 2018-2019 Available</u>	<u>Fiscal Year 2019-2020 Request</u>
Executive Offices			
Office of Inspector General			
TANFBG - Program Accountability	\$1,500	\$1,500	\$1,500
Education			
TANFBG - Teenage Parenting Ed. (EA)	\$13,863 ¹	\$13,784 ¹	\$13,784 ¹
Labor and Industry			
TANFBG - Youth Employment & Training	\$25,000	\$25,000	\$25,000
Human Services			
TANFBG - Administration	\$11,898	\$13,898	\$13,898
TANFBG - Information Systems	\$12,185	\$11,347	\$12,631
TANFBG - County Administration-Statewide	\$1,072	\$1,072	\$1,072
TANFBG - County Assistance Offices	\$48,654	\$51,369	\$51,941
TANFBG - New Directions	\$97,412 ¹	\$95,465 ¹	\$97,562 ¹
TANFBG - Cash Grants	\$288,975	\$207,633	\$183,693
TANFBG - Alternatives to Abortion	\$1,000	\$1,000	\$1,000
TANFBG - Child Welfare	\$58,508	\$58,508	\$58,508
TANFBG - Child Care Assistance	\$84,590	\$115,092	\$116,364
Subtotal	<u>\$604,294</u>	<u>\$555,384</u>	<u>\$536,669</u>
Total Appropriated	<u><u>\$630,794</u></u>	<u><u>\$581,884</u></u>	<u><u>\$563,169</u></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



2019 - 2020