



BILL SUMMARY

Health & Human Services Budget HF 811

Status of Bill: House Calendar
 Committee: Appropriations (passed 14-10)
 Floor Manager: Rep. Lisa Heddens
 Research Analyst: Zeke Furlong 515-281-6972
 zeke.furlong@legis.state.ia.us

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Summary

HF 811 appropriates a total of \$1.25 billion from the general fund and 7,008.91 FTEs to the Departments of Elder Affairs, Public Health, Human Services, and Veterans Affairs, and the Iowa Veterans Home. Approximately \$110 million was cut from the budget, but due to moving various other funds into the general fund, there is an increase of \$25.1 million and a decrease of 118.64 FTE positions compared to the estimated FY 2009 appropriations. The FY 09 appropriations listed below include the administrative reductions and the 1.5% across the board cut the Governor implemented.

The bill provides a de-appropriation of \$52 million from the FY 2009 general fund from Medicaid. In last year's budget bill, the Healthy Iowans Tobacco Trust Fund (HITT) was eliminated for FY 2010. Those appropriations have been moved into the general fund.

Spending Summary General Fund, TANF, Health Care Trust Fund and Senior Living Trust Fund

	FY 09 Estimated	FY 10 Governor	FY 10 HF 811
General Fund			
Elder Affairs	\$5,274,444	\$4,931,605	\$4,958,230
Public Health	\$28,129,596	\$57,031,937	\$53,384,082
Human Services	\$1,174,970,932	\$1,301,608,506	\$1,177,899,658
Veterans Affairs	\$16,178,598	\$15,149,009	\$13,416,764
Total General Fund	\$1,224,553,570	\$1,378,721,057	\$1,249,658,734
Federal TANF block grant	\$142,707,953	\$142,707,953	\$142,707,953
Senior Living Trust Fund (SLTF)	\$122,279,420	\$27,310,708	\$27,310,708
Health Care Trust Fund	\$129,681,303	\$0	\$117,796,149
Total all FOUR Funds	\$1,619,222,246	\$1,548,739,718	\$1,537,473,544

HIGHLIGHTS

The budget subcommittee had the following priorities when determining this budget: protect the children and older Iowans, support court ordered services, maintain maintenance of effort, maximize federal match and defend direct services. Each department is required to develop a plan to maximize efficiencies to reduce their FY 09 and FY 10 budgets by 5% for FY 11. The report is due by December 15, 2009. For DHS, priority in filling full-time positions must be given to those positions related to child

protection services and determination for low-income families. In addition, the Director of DHS, in making staff reductions must, to the greatest extent possible, retain positions providing direct care services to the public.

Total FY 10 Funding

Medicaid	\$830,863,864
Tobacco Prevention & Cessation	\$10,625,870
Substance Abuse	\$18,897,289
Gambling Treatment	\$4,078,289
<i>hawk-i</i>	\$22,750,000

DEPARTMENT OF ELDER AFFAIRS (DEA)

The DEA is funded at \$4.958 million from the General Fund. This is a decrease of \$316,000 from the estimated net FY 2009 budget and an increase of \$26,000 from the Governor’s recommendations.

- Retired and Senior Volunteer Program funding is reduced by \$20,237, to \$179,961
- Substitute Decision Maker funding is reduced by \$30,000, to \$220,000

Implications of Budget Reductions

According to DEA, 1-3 positions will be effected by the budget reductions. This could be furloughs or the elimination of positions.

DEPARTMENT OF PUBLIC HEALTH (DPH)

The DPH is funded at \$53.4 million from the general fund. Due to the elimination of the HITT Fund \$25.2 million was transferred to the general fund. In addition, \$6.4 million in funding will come from the Health Care Trust Fund (HCTF). The HCTF is detailed later. Combining these two funds, the DPH budget is increased by \$24 million compared to the FY 09 budget. This is \$3.65 million less than the Governor’s recommendations.

Addictive Disorders

- Tobacco prevention funding is reduced by nearly \$84,000
- Reduction in carryforward of \$1 million
- Gambling Treatment Fund is moved to the general fund, \$6.2 million
- HITT funding is moved to general fund, \$20.5 million
- Total Addictive Disorders funding increased by \$25.6 million, to \$28.6 million

Healthy Children & Families

- Oral Health program funded at FY 09 level, \$221,000
- Child Health funded at FY 09 level, \$431,000
- Maternal Health funded at FY 09 level, \$286,000
- Early Periodic Screening, Diagnosis, & Treatment funded at FY 09 level, \$193,000
- Perinatal Program funded at FY 09 level, \$52,000
- Mothers Milk Bank funding eliminated, -\$98,500
- Child Death Review funding eliminated, but policy moved to Iowa State Medical Examiners duties, -\$36,928
- Sudden Infant Death Syndrome Autopsies funding eliminated, -\$3,546
- Total Healthy Children & Families funding reduced by -\$335,669, to \$2.25 million

Chronic Conditions

- Child Specialty Clinics funded at FY 09 level, \$461,000
- Birth Defects funded at FY 09 level, \$529,000
- Obesity prevention funding eliminated, -\$59,131
- Hepatitis C awareness funding eliminated, but program moved to Infectious Diseases, -\$19,700
- HITT funding is moved to general fund for AIDS Drug Assistance Program, \$244,000
- HITT funding is moved to general fund for Epilepsy Education, \$88,000
- Health Care Reform funding consolidated, \$324,000
- Total Chronic Conditions increased by \$593,584, to \$2.7 million

Community Capacity

- Primecarre funded at FY 09 level, \$147,000
- Health Delivery System \$384,000
- Child Vision Screening (KidSight Program) funded at \$90,000
- Local Public Health Liaison funded at FY 09 level, \$517,000
- HITT funding moved to general fund for Home Health & Health Nursing, \$1 million
- Health Care Reform funding consolidated, \$1.267 million
- Public Health Modernization, \$100,000
- Total Community Capacity increased by \$2.4 million to, \$4.1 million

Elderly Awareness

- Local Public Health Nursing funded at FY 09 level, \$2.3 million
- Total Elderly Wellness reduced funding by -\$749,696, to \$8.3 million

Environmental Hazards

- HITT funding moved to general fund for Environmental Epidemiology, \$262,000
- HITT funding moved to general fund for Childhood Lead Poisoning Prevention, \$69,000
- Total Environmental Hazards funding increased by \$248,654, to \$1 million

Infectious Diseases

- Vaccine Supplemental funding eliminated, -\$992,000
- Total Infectious Diseases funding reduced by -\$1.16 million, to \$1.63 million

Public Protection

- HITT funding moved to general fund for Medical Services, \$348,000
- HITT funding moved to general fund for State Poison Control Center, \$539,000
- Total Public Protection funding increased by \$454,771, to \$3.57 million

Health Reform

- The health reform initiatives started last year were consolidated into appropriate categories above.

Implications of Budget Reductions

According to IDPH, around 20 positions will be effected by the budget reductions. This could be furloughs or the elimination of positions.

DEPARTMENT OF HUMAN SERVICES (DHS)

The DHS is funded at \$1.178 billion from the general fund. In addition, \$111.41 million is funded from the Health Care Trust Fund (HCTF). The HCTF is detailed below. Combining these two

funds, the DHS budget is decreased by \$7.56 million compared to the FY 09 budget. This is \$123.7 million less than the Governor's recommendations.

Economic Assistance

- Reduced funding for Family Investment Program/Promise Jobs due to declining caseload, -\$2.6 million
- Eliminate Electronic Benefits Transfer (EBT) Retail Fee, -\$690,000
- FIP/Promise Jobs funding reduced by -\$7.7 million, to \$34.3 million
- Child Support Recoveries funding reduced by -\$1.66 million, to \$13.4 million
- Total Economic Assistance Funding reduced by -\$9.38 million

Medical Services

- Nursing Home Rebasing – not funded
- Annualization of Hospital Rebase – not funded
- 5% Medicaid Family Planning rate increase, \$102,000
- Iowa Health Care Collaborative funding eliminated, -\$500,000
- Restore Medicaid carryforward funds from FY 08, \$3.8 million
- Medicaid funding increased by \$32 million, to \$678 million
- Medical Contracts funding reduced by -\$301,564, to \$13.65 million
- Increase funding for *hawk-i* enrollment, \$277,000
- Increase funding for *hawk-i* outreach, \$219,000
- *hawk-i* funding increased by \$986,978, to \$14.6 million
- Medicaid, *hawk-i*, & *hawk-i* expansion funding decreased by -\$520,999, to \$4.2 million
- Increase funding for State Supplemental Assistance (SSA) maintenance of effort, \$2.4 million
- HITT funding moved to general fund for SSA, \$182,000
- SSA funding increased by \$80,000, to \$18.4 million
- Family planning funding reduced by -\$740,000, to \$10,000
- Pregnancy Counseling reduced by \$100,000, to \$100,000
- Total Medical Services funding increased by \$32 million, to \$729.56 million

Child & Family Services

- Increase funding for Child Care Assistance (CCA) caseload growth, \$1.1 million
- Reduce CCA quality rating system costs, -\$161,000
- Child Care Tax Credit Fund moved to general fund, \$2.6 million
- Child Care Assistance funding decreased by -\$2.68 million, to \$37.8 million
- Toledo Juvenile Home funding reduced by -\$836,515, to \$6.75 million
- Eldora Training School funding reduced by -\$1.327 million, to \$10.72 million
- Child Abuse Protection funded at FY 09 level, \$227,000
- Waterloo Child Protection Center, funding eliminated, -\$98,500
- Family Safety, Risk and Permanent Services funded at FY 09 level, \$7.4 million
- Court Ordered Services funded at FY 09 level, \$3 million
- Elimination of Technical Assistance & Quality Assurance, -\$375,000
- Replacement of 6.5% across the board cut to Child Welfare, \$2.2 million
- Child Welfare funding increased by \$1.62 million, to \$90.6 million
- Increase funding for growth of Adoption Subsidy, \$2 million
- Adoption Subsidy funding increased by \$1.23 million, to \$34.9 million
- Family Support Subsidy funding reduced by -\$210,175, to \$1.7 million
- Total Child & Family Services funding decreased by -\$2.2million, to \$182.4 million

MH/MR/DD/BI

- Increase funding for additional Civil Commitment Unit for Sex Offender clients, \$662,000
- Civil Commitment Unit for Sex Offender funding increased by \$158,000, to \$6.9 million
- Cherokee Mental Health Institute (MHI) funding reduced by -\$673,209, to \$5.4 million
- Clarinda MHI funding reduced by -\$1.1 million, to \$6.23 million
- Independence MHI funding reduced by \$1.2 million, to \$9.5 million
- Mt. Pleasant MHI funding reduced by -\$227,456, to \$1.795 million
- Replacement of 6.5% across the board cut to Glenwood Resource Center, \$1.2 million
- Glenwood Resource Center funding decreased by -\$1.28 million, to \$17.6 million
- Woodward Resource Center funding reduced by -\$1.6 million, to \$10.9 million
- Conners Training funding reduced by -\$4,626, to \$37,358
- MI/MH/DD State Cases funding reduced by -\$1.62 million, to \$11.4 million
- HITT funding moved to general fund for Purchase of Service providers for MH/DD Growth Factor, \$146,000
- MH/DD Community Services funding reduced by -\$2.23 million, to \$15.79 million
- Health Care Trust funding move to general fund for MH/DD Growth Factor, \$7 million
- Total MH/MR/DD/BI funding reduced by -\$9.745 million, to \$139.755 million

Managing and Delivering Services

- HITT funding moved to general fund for General Administration, \$274,000
- General Administration cut by -\$1.6 million, to \$15.2 million
- Field Operations cut by -\$6.2 million, to \$63 million
- Volunteers cut by -\$11,000, to \$94,000
- Total Managing and Delivering Services cut by -\$7.8 million to \$78.379 million

Implications of Budget Reductions

According to DHS, up to 523 positions will be eliminated due to the reduction in funding. The majority of this will come from field staff. As a result of the reduction in positions, quality of work, and the timeliness of work will be negatively impacted.

VETERANS AFFAIRS (VA)

The VA is funded at \$16.18 million from the general fund. This is a decrease of \$2.76 million from the estimated FY 2009 budget. This is a decrease of \$1.7 million from the Governor's recommendations. These figures include the budgets for the Iowa Veterans Home, the Veterans Injured Grant Program, the Veterans Trust Fund and the Veterans County Grants.

Department of Veterans Affairs

- General Administration cut by \$132,000, to \$1.067 million
- War Orphans Educational Assistance cut by \$2,841, to \$22,944
- Increased funding by \$479,000 for Veterans County Grants, to a total of \$1 million
- Total Department of Veterans Affairs increased by \$302,951

Iowa Veterans Home

- Reduced carryforward by -\$1.479 million
- Total Iowa Veterans Home funding reduced by -\$3 million

Implications of Budget Reductions

According to the IDVA, 3-4 positions will be eliminated, on top of the current position that is not filled at the Cemetery. There will be a decrease in process time for state benefits (Vietnam Bonus, Trust

Fund, Home Ownership Program, Injured Veteran Grant, and War Orphan Tuition Assistance) and a decrease in the amount of outreach that the department is available to provide.

HEALTH CARE TRUST FUND

In 2007, the Legislature passed SF 128, the tobacco tax increase bill. Within SF 128, the Health Care Trust Fund (HCTF) was established. The monies in the HCTF must only be used for purposes related to health care; substance abuse treatment and prevention; and tobacco use prevention, cessation, and control. A standing appropriation began July 1, 2007, that the first \$127.6 million of tobacco tax generated revenue will be transferred to the HCTF. Due to the budget cuts and the lowered interest rates, the total revenue for FY 10 is \$117.8 million. Below is a chart detailing how the HCTF will be spent.

	FY 09 with 1.5% ATB	FY 2010 Committee
Revenues		
Balance Forward	\$ 2,995,303	\$ 0
General Fund Appropriation	127,600,000	127,600,000
Less 1.5% ATB	-1,914,000	-1,914,000
Less 6.5% ATB	0	-8,169,590
Less additional reduction to meet target		-720,410
Interest	1,000,000	1,000,149
Total Revenues	\$ 129,681,303	\$ 117,796,149
Appropriations		
<u>Department of Public Health</u>		
Addictive Disorders		
Substance Abuse Treatment	\$ 917,253	\$ 793,166
Cult. Competent Substance Ab. Treatment	413,858	357,871
Tobacco Use Prevention and Treatment	1,847,602	1,597,656
Total Addictive Disorders	\$ 3,178,713	\$ 2,748,692
Healthy Children and Families		
Audiological Services	\$ 237,272	\$ 190,328
Assuring Better Child Health and Development II	198,970	159,603
Children's Vision Initiatives	9,949	0
Children's Dental Screening	38,799	0
Tissue Bank	199	0
Childhood Obesity Prevention	179,073	143,643
Total Healthy Children and Families	\$ 664,262	\$ 493,574
Chronic Conditions		
Child Health Specialty Clinics	\$ 471,540	\$ 383,271
ICCCC (Consortium for Comprehensive Cancer Control)	487,477	346,224
Hemophilia Advisory Council	199	0
Cervical or Colon Cancer Screening	198,970	161,724
Total Chronic Conditions	\$ 1,158,187	\$ 891,219
Community Capacity		
Local Public Health Redesign	\$ 74,614	\$ 61,349
Direct Care Worker Assoc	139,279	114,520
Direct Care Worker Task Force	74,614	61,350
Mental Health Professional Shortage – HF 146	248,713	204,500
Collaborative Iowa/Nebraska	99,485	81,800
Collaborative Family Planning	99,485	82,796
Collaborative Local 3-County Pilot	99,485	82,796
Collaborative Maternal 3-County Pilot	99,485	82,796
Collaborative Free Clinics	248,713	204,500
Collaborative Rural Clinics	149,228	122,700
Collaborative Specialty Care	397,940	327,200

Collaborative Pharmacy Infrastructure	397,940	327,200
Iowa Collaborative Safety Net Provider Network	646,654	500,000
Total Community Capacity	<u>\$ 2,775,635</u>	<u>\$ 2,253,507</u>
Total Department of Public Health	<u>\$ 7,776,797</u>	<u>\$ 6,386,993</u>
<u>Department of Human Services</u>		
Medical Assistance	\$ 114,351,496	\$ 111,409,156
MH/DD Growth Factor	<u>\$ 7,553,010</u>	<u>\$ 0</u>
Total Department of Human Services	<u>\$ 121,904,506</u>	<u>\$ 111,409,156</u>
Total Appropriations	<u>\$ 129,681,303</u>	<u>\$ 117,796,149</u>
Ending Balance	<u>\$ 0</u>	<u>\$ 0</u>

SENIOR LIVING TRUST FUND (SLTF)

Revenue

Total Revenue \$27,310,708

Expenditures

IFA – Rent Subsidy \$700,000

Medicaid \$16,784,483

Elder Affairs \$8,486,698

Inspection & Appeals \$1,339,527

Ending Balance \$0

FY 2009 CARRYFORWARD OR SUPPLEMENTAL

Department of Elder Affairs

- Permits the carryforward of \$216,242 from the FY 2009 Senior Living Trust Fund appropriation to FY 2010 and FY 2011 for matching available federal nutrition funding from the American Reinvestment and Recovery Act of 2009.

Department of Veterans Affairs

- Funds remaining from the Vietnam Veteran Bonus and the Injured Veterans Grant Program appropriations are carried forward into FY 10.

STUDIES AND INTENT LANGUAGE

Department of Public Health

- The Bureau of Substance Abuse Prevention and Treatment, the Division of Tobacco Use Prevention and Control, and the Office of Gambling Treatment and Prevention are required to develop a strategy to coordinate activities to maximize efficiencies and reduce expenditures, while meeting the needs of Iowans. The strategy is to be completed by December 15, 2009.

Department of Human Services

- The Iowa Autism Council must work with DHS to review the option of implementing a Medicaid Home and Community Based Services waiver for individuals up to age 21 with autism. The Council is required to report their recommendations to the Legislature by January 15, 2010.
- DHS is required to request a Medicaid state plan amendment, effective July 1, 2010, that specifies the coverage criteria for applied behavioral analysis therapy in the remedial services program for individuals with autism. The coverage criteria must be based on best practices.
- DHS is required to submit a proposal for closing one state MHI and consolidating the services provided at the other state MHI. The plan is due by December 15, 2009.
- If necessary to address funding reductions in General Administration and Field Operations, DHS may propose and implement reorganization of the department's administration and field opera-

tions. At least 30 days prior to the implementation of any reorganization, DHS must submit a detailed proposal to the Chairs and Ranking Members of the Health and Human Services budget subcommittee and the Department of Management.

- Legislature intends that DHS will apply for a renewal of the IowaCare demonstration waiver under Medicaid. The extension should be for an additional 5 years.

POLICY CHANGES

Department of Elder Affairs

- Senior Living Coordinating Unit is eliminated. The duties are then charged to the Commission of Elder Affairs.

Department of Public Health

- Gambling Treatment Fund is eliminated at the start of FY 2010, July 1, 2009. The funding is moved into the general fund.
- Hepatitis Awareness Program for veterans is combined into the Viral Hepatitis Program.
- Iowa Child Death Review Team will become part of the Office of the State Medical Examiner.

Department of Human Services

- DHS is required to adopt administrative rules relating to establishing standards for Children's Centers. In addition, DHS must also apply criminal and abuse registry background check requirements similar to those applied for a child foster care facility provider. All individuals who own, operate, staff, participate in, or have contact with children receiving services from a Children's Center are subject to the background checks.
- For FY 2009, reimbursement rates for inpatient hospital services will be reduced by 2.3%. (*This is due to not implementing hospital rebasing.*)
- DHS is required to design and implant a program to establish benchmarks and to collect data to evaluate nursing home performances, and to adjust the program and benchmarks to recognize improvement. The program will include procedures to provide a pay-for-performance payment system based up on a nursing home's achievement of multiple favorable outcomes. The Legislature intends that any pay-for-performance payments to nursing homes be used to support direct care staff through increased wages, enhanced benefits, and expanded training opportunities.
- DHS must notify the Legislature at least 30 days prior to submitting administrative rules, if the rules will increase appropriations that was not addressed in the budget bill.
- An Adult MH/DD Services System Task Force is appointed by the Co-Chairs of the Health and Human Services budget subcommittee during the 2009 legislative interim. The task force will address funding and services issues. A final report with recommendations will be submitted to the Legislature and the Governor prior to the 2010 session.
- Broadlawns Hospital will receive an increase in guaranteed payments of \$4 million to \$41 million due to the increase in clients served. In addition, if necessary, Broadlawns could get up to a maximum of \$46 million, this is an increase of \$6 million, if claims increase above the guaranteed \$41 million.
- Funding for the Emergency and Children's Mental Health Service programs will be allowed to carryforward into FY 2010. These programs were established in last year.

Department of Veterans Affairs

- Vietnam Conflict Veterans Bonus Fund is eliminated at the end of FY 10.
- Revise the payment and exemption amounts for residents participating in the incentive therapy program so that the incentive payment amount for domiciliary level of care residents will be \$150 per month and for nursing level of care residents will be \$75 per month.