

**Governor's Budget
Recommendations for the
CT Department of Social Services**

**Presentation to the Legislative
Appropriations Committee**

Friday, February 17, 2012



**Connecticut Department
of Social Services**

Making a Difference

Summary of Presentation

- Overview of DSS Services
- Review of SFY 2012 Budget
- Governor's Recommended Budget SFY 2013
- Major Changes to SFY 2013
- Future Direction for DSS

Overview of DSS Services

DSS provides a wide array of services and supports:

- Over 90 programs that serve approximately 750,000 people annually:
 - Meet basic needs of food, shelter, economic support and health care.
 - Promote and support the choice to live with dignity in one's own home and community.
 - Promote and support the achievement of economic viability in the workforce.

What Types of Services

- Health Services
 - Medicaid, HUSKY B, Charter Oak
 - CT Home Care Program for Elders
- Income Support
 - Economic Viability
 - Child Support
 - Child Care
- Food and Nutrition
 - Elderly Nutrition Program
 - SNAP
- Shelter and Housing
 - Housing Assistance
- Support and Safety
 - Acquired Brain Injury
 - Teen Pregnancy Prevention
 - Elderly Nutrition Program
 - Community-Based Prevention Services
 - Fatherhood Initiative
 - Winter Heating Aid
 - Social Work
- Administrative

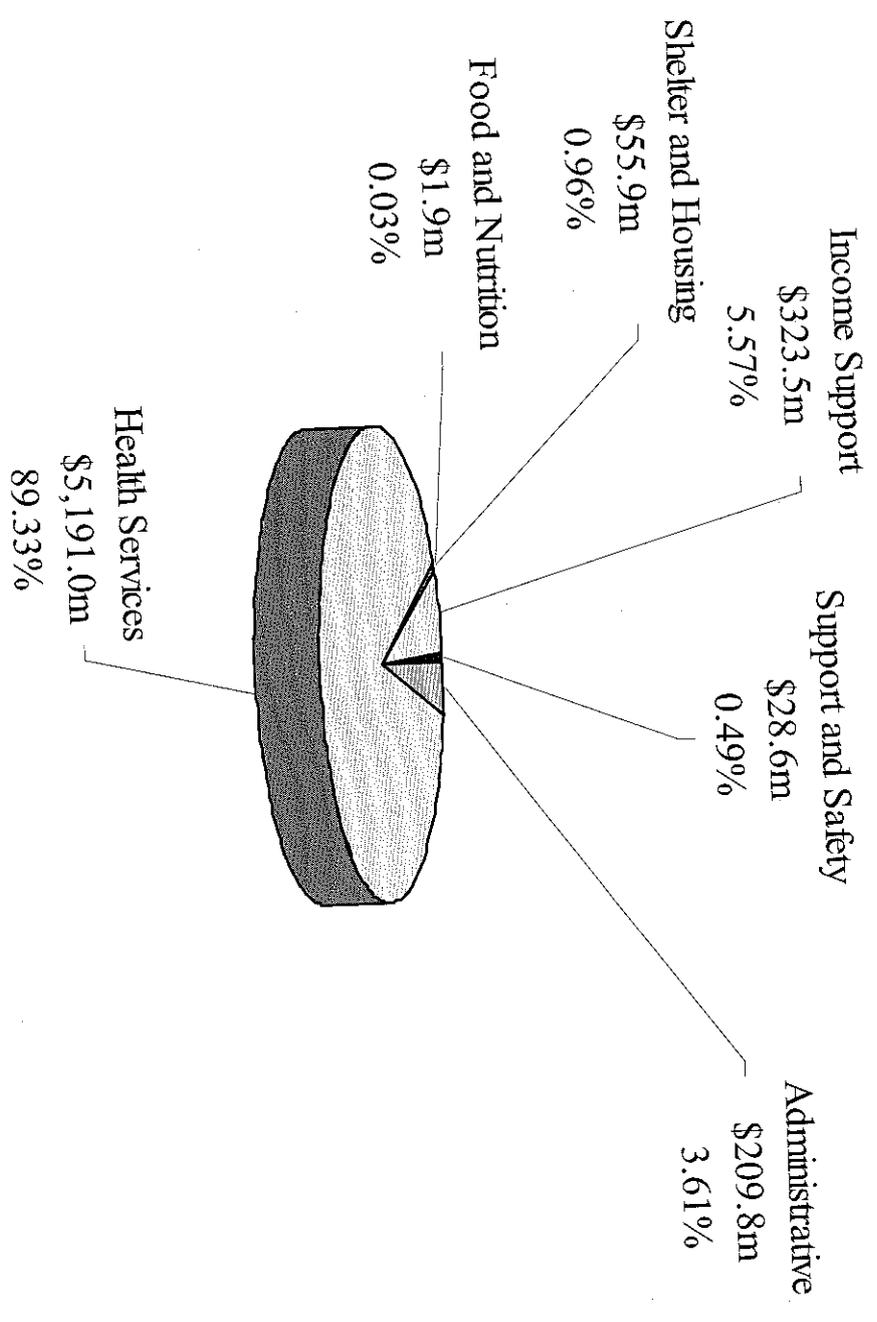
DSS Offices

- Services are available through the 12 offices located in the three regions, with central office support located in Hartford.
 - Northern Region has offices in Hartford, Manchester, New Britain and Willimantic.
 - Southern Region has offices in New Haven, Middletown and Norwich.
 - Western Region has offices in Bridgeport, Stamford, Waterbury, Danbury and Torrington.

SFY 2012 Update

- For SFY 2012, the Department of Social Services is currently forecasting a “break even” budget projection.
- The following graph shows the breakdown of DSS’ expenditures by their core program category.

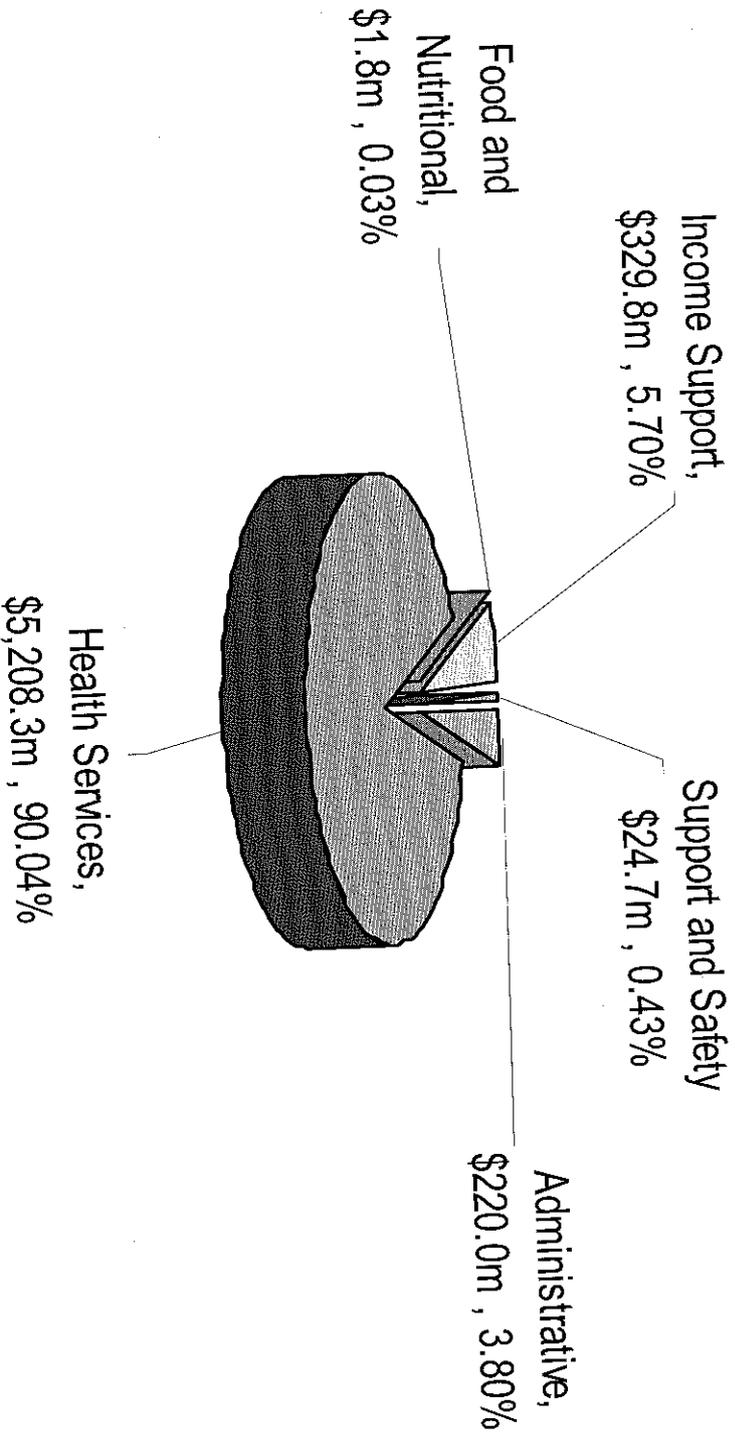
DSS Core Programs for SFY 2012



DSS SFY 2013 Governor's Recommended Budget

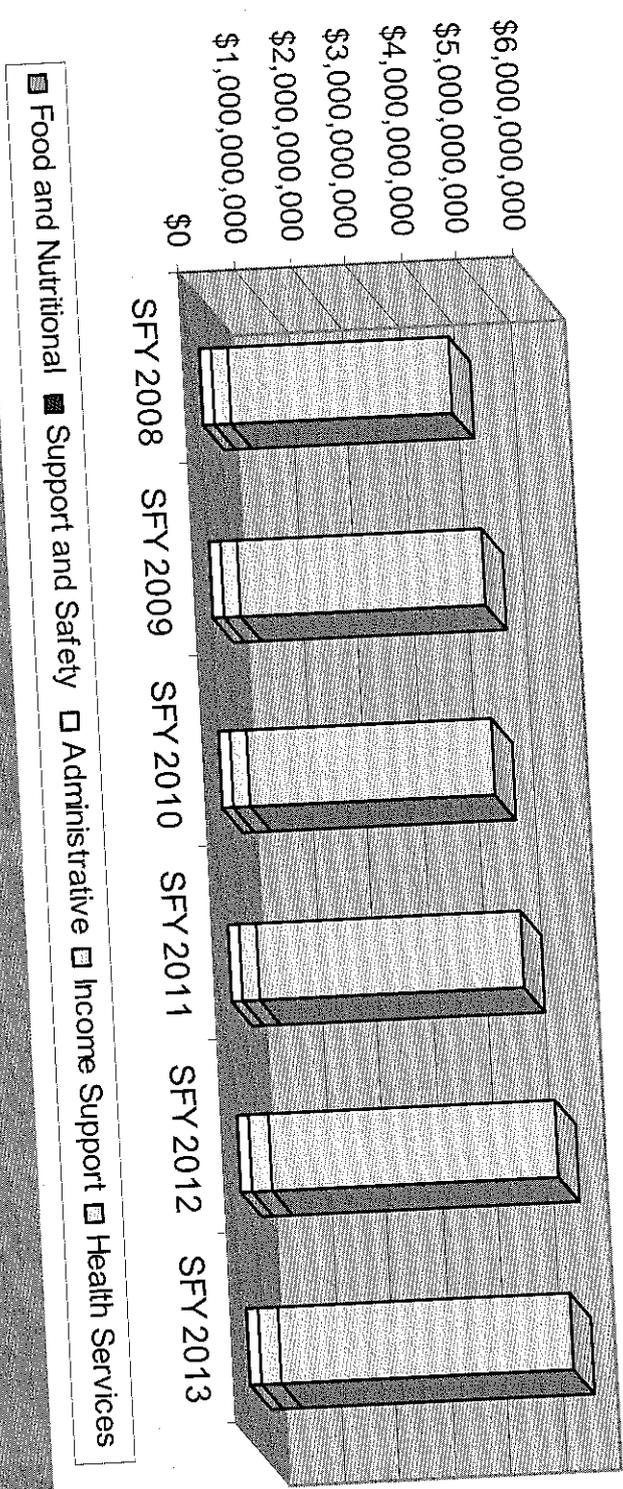
- The Governor's Recommended Budget for SFY 2013 represents a net reduction of \$119.2 million, or 2%, from the original SFY 2013 biennial appropriation.
- This represents an increase of \$20.5 million, or 0.4%, above current SFY 2012 estimated expenditures.
- The following slide illustrates the allocation of our budgeted funds by our core programs in SFY 2013.

DSS Core Programs SFY 2013



DSS Expenditures by Category SFY 2008 - 2013

DSS Expenditures SFY 2008-2013 estimated by Category

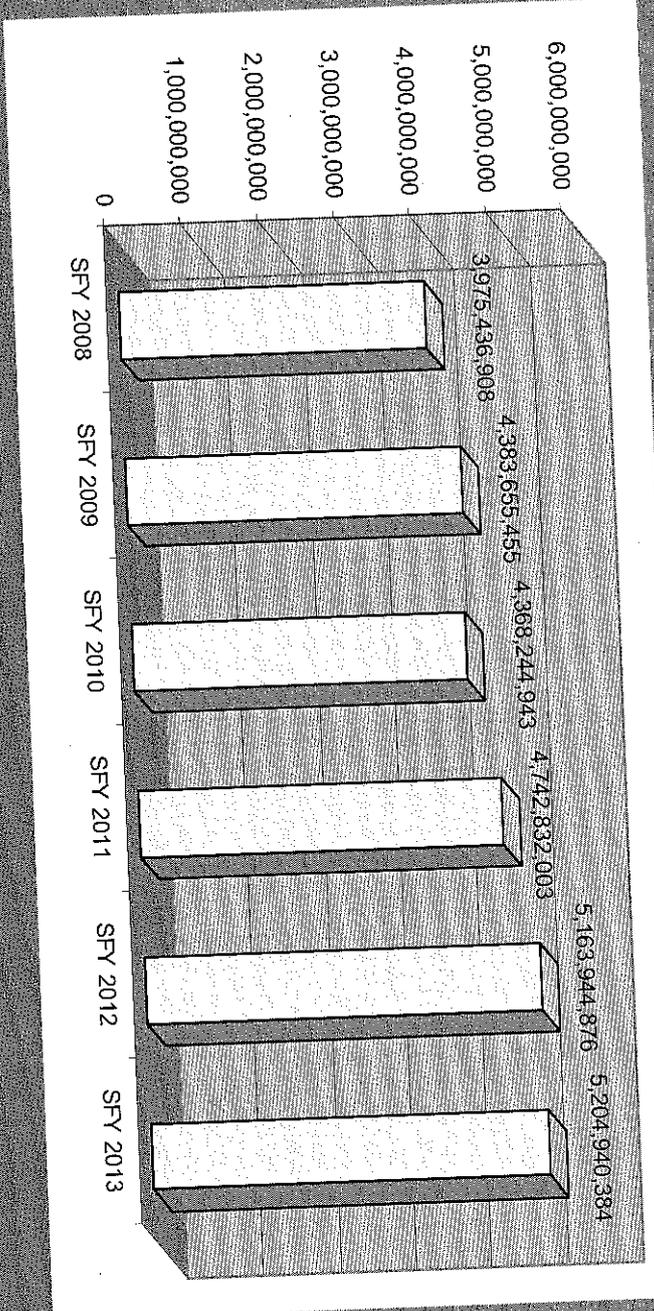


Please note that the following longitudinal graphs have had some program expenditures removed to give an "equivalent" picture of total expenditures where programs have been removed from the DSS budget.

Historical Core Program Expenditures

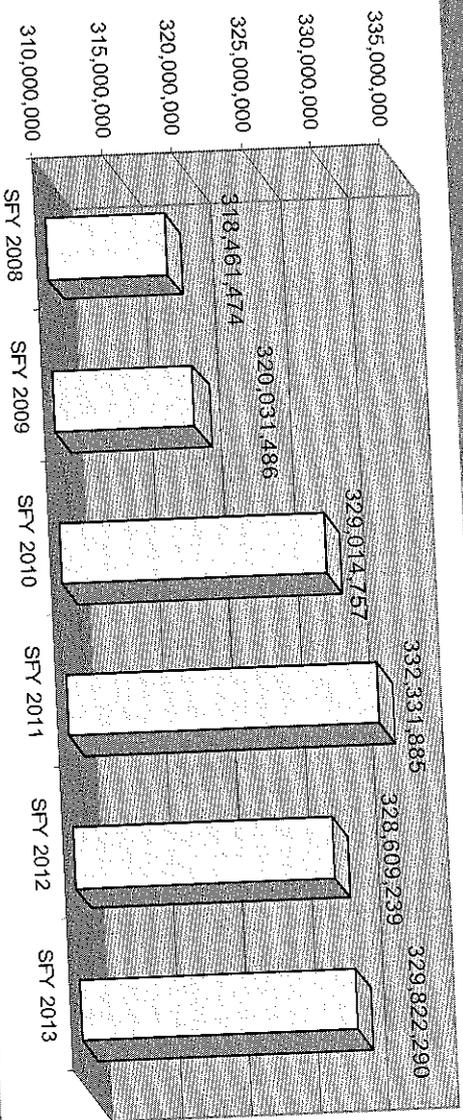
The graphs that follow provide historical perspective on the growth of our core program areas over the six year period from SFY 2008 through SFY 2013

Health Services SFY 2008-2013



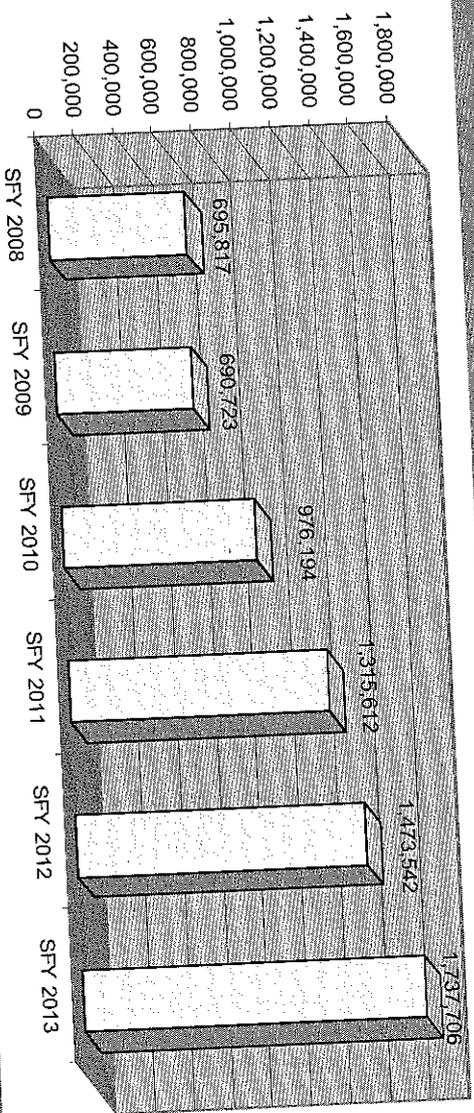
Includes
Medicaid,
HUSKY B,
Charter Oak,
Home Care,
CCMC and
DSH
programs

Income Support SFY 2008 - 2013



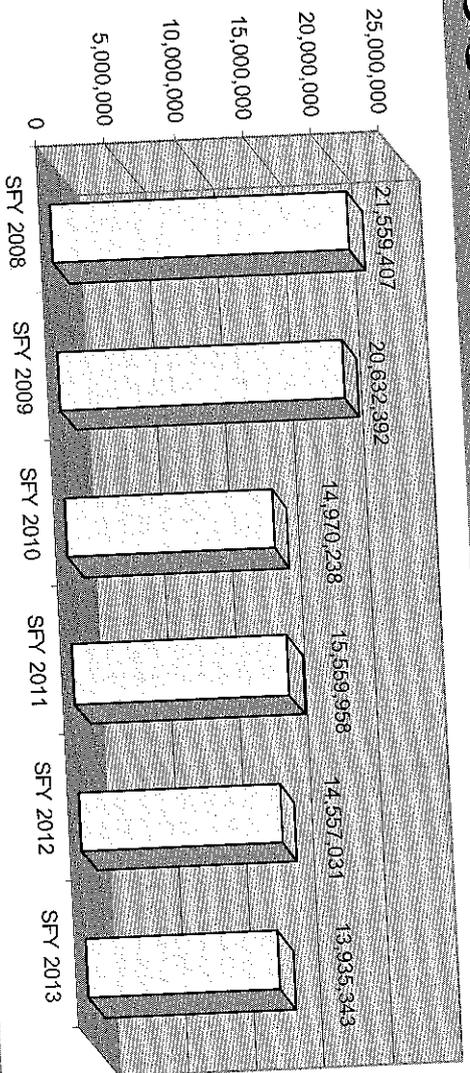
Includes TFA,
State
Supplement,
Child Care,
SAGA Cash

Food and Nutrition SFY 2008- 2013



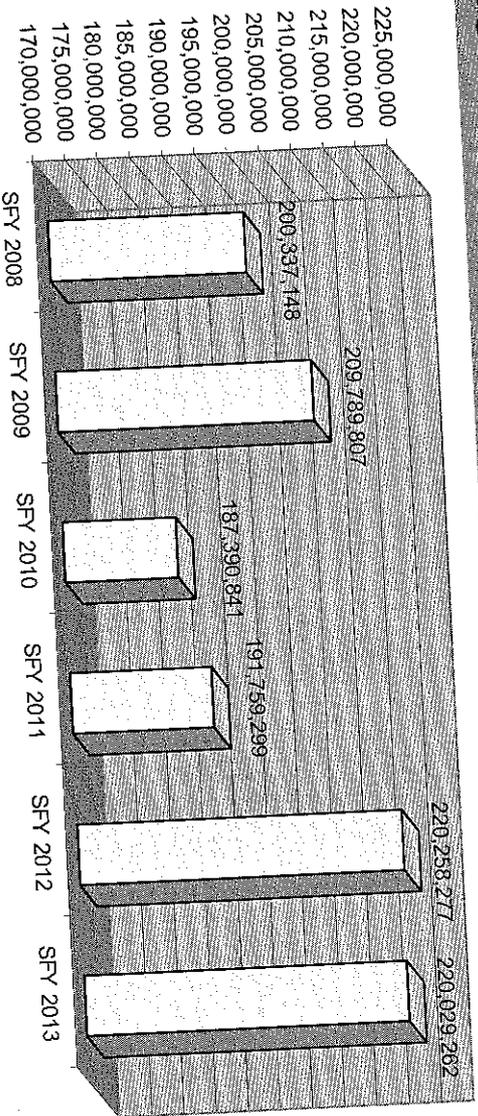
Includes State
Funded SNAP
and Nutrition
Assistance

Support and Safety SFY 2008 - 2013



Includes
Community
Services,
Safety Net, and
Teen
Pregnancy
Prevention

Administrative SFY 2008 - 2013

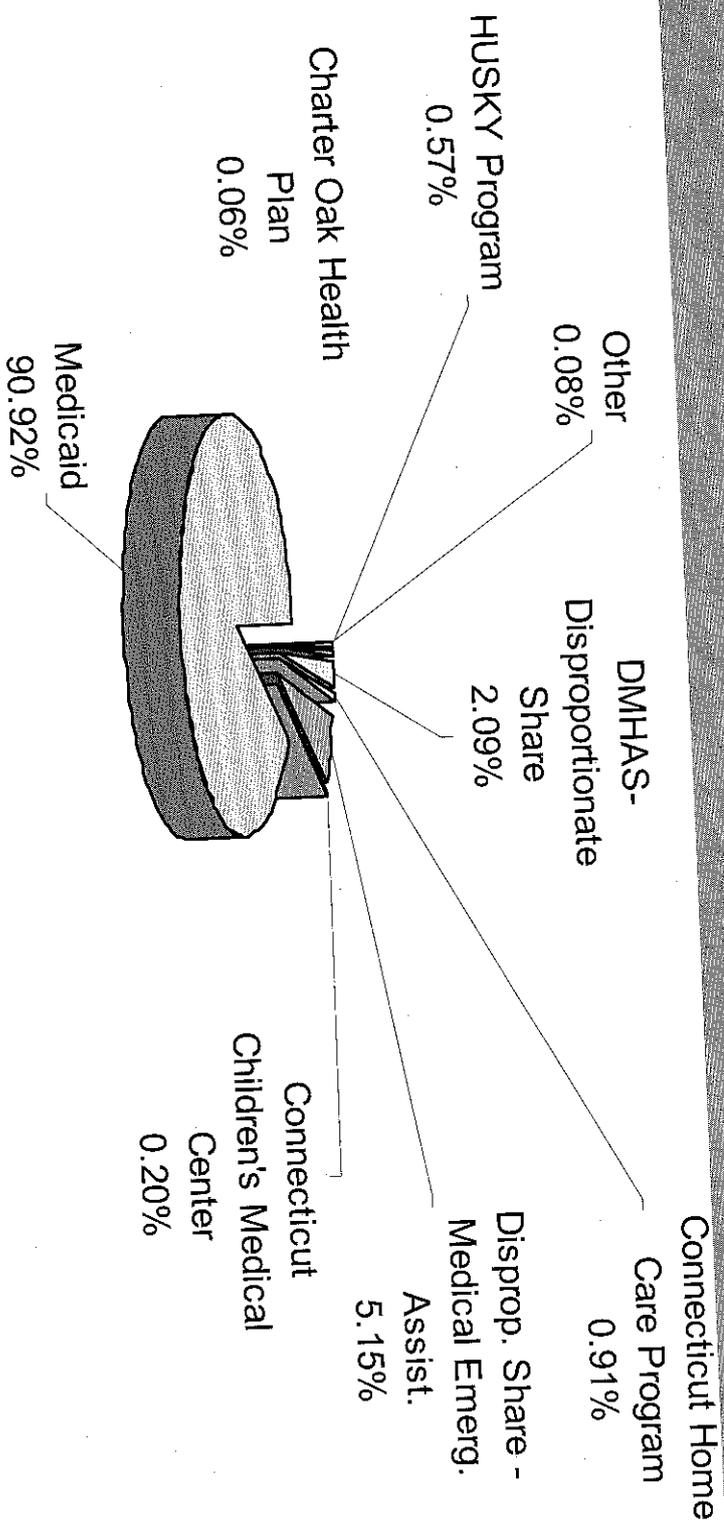


Includes
Personnel and
Other Expenses

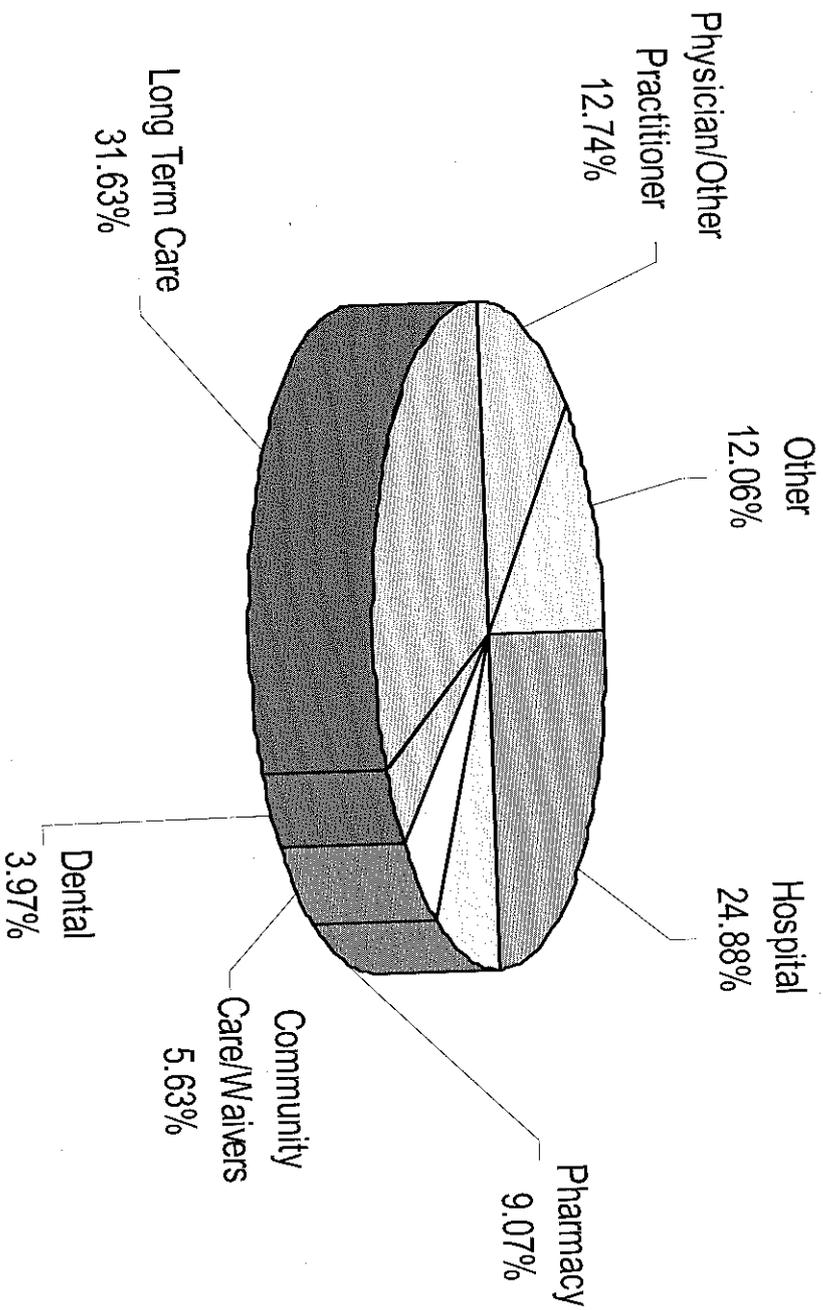
Health Services Programs

- The majority of DSS' program services support the medical needs of our citizens.
- This area comprises 90% of our overall recommended budget for SFY 2013.
- This category is further defined in the next slide where Medicaid represents 91% of the Health Services account.

Health Services Programs

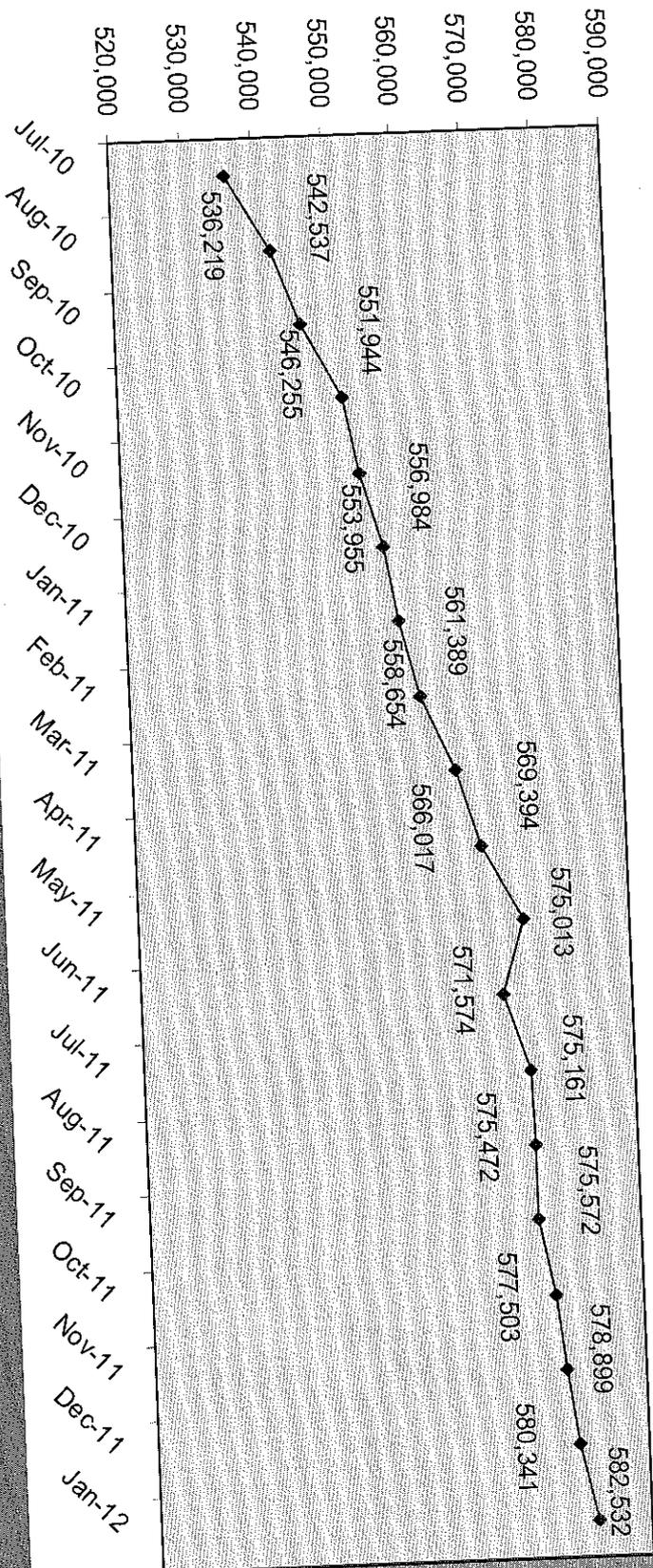


Medicaid SFY 2013 Governor's Recommended Budget



Medicaid Enrollment

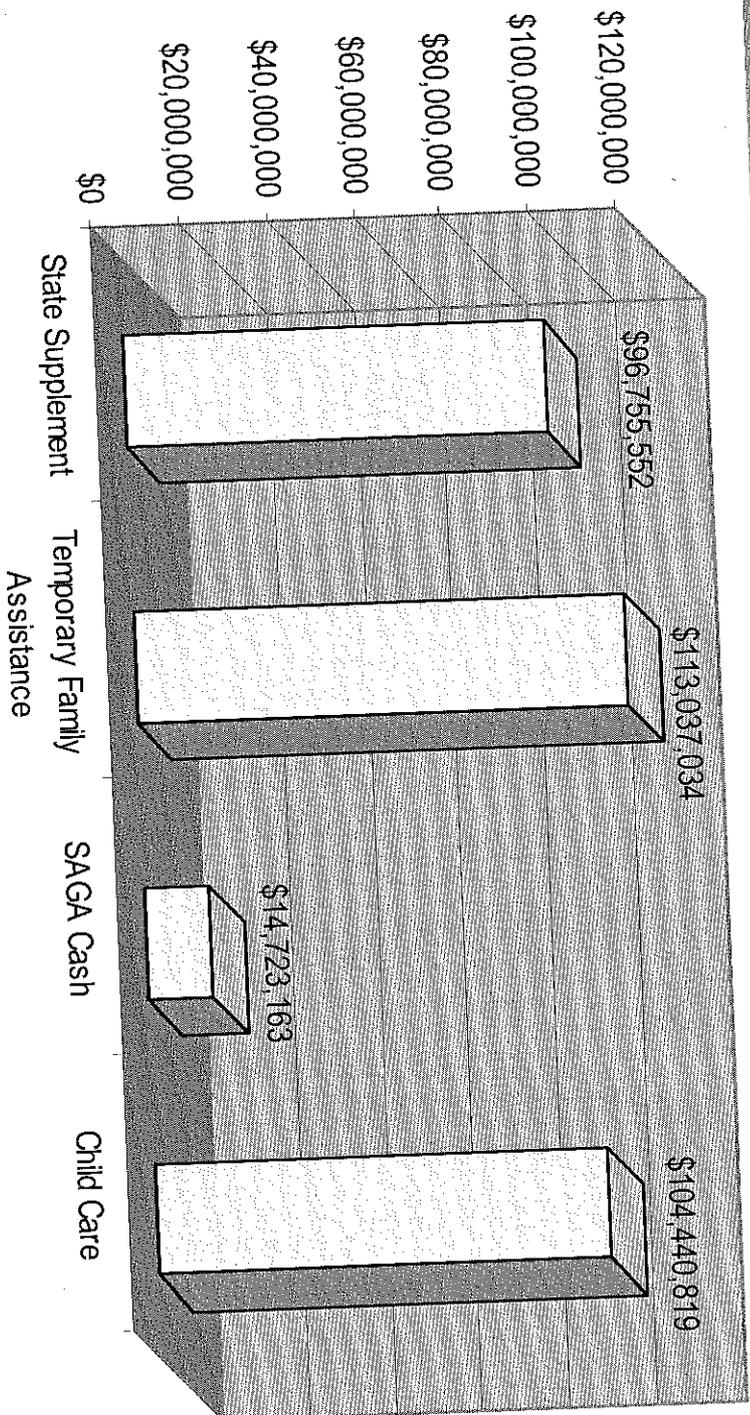
July 2010 – January 2012



Income Support Programs

- The Department provides assistance to Connecticut's poorest residents through a variety of income support programs.
- In SFY 2013:
 - over 19,000 TFA families will receive assistance and other supports to help them work toward self-sufficiency.
 - over 13,000 families will receive child care subsidies (Care4Kids).
 - over 15,000 people will receive assistance through our State Supplement program.
 - over 5,000 will receive cash assistance through SAGA.

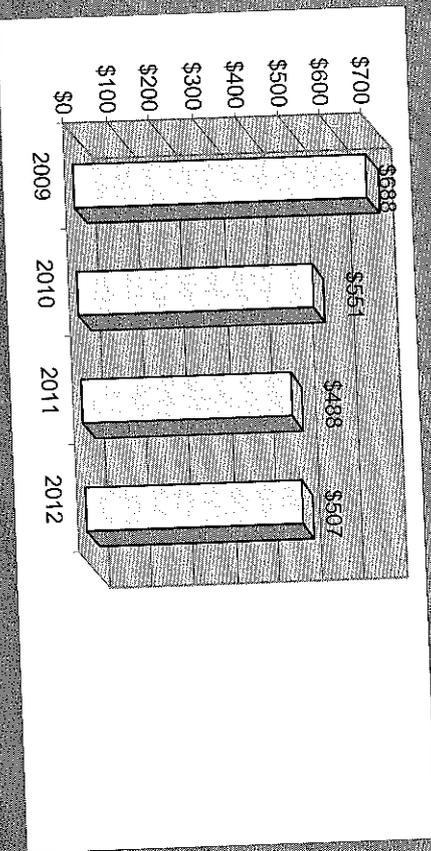
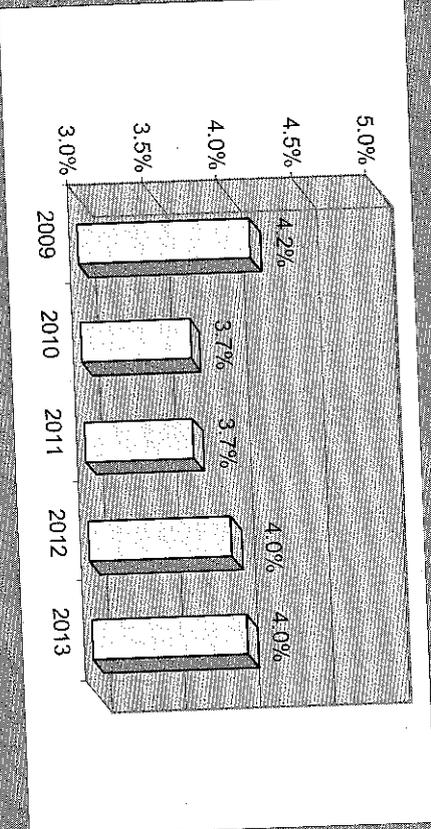
Income Support Programs SFY 2013



Administrative & Field Operations

- 4% of the overall DSS budget is used for administrative purposes, which includes our field operations.
- Of this amount, 48% is used for Personnel costs and 52% is for Other Expenses, the majority of which supports our contracts that provide services to the Department including processing medical claims and fraud prevention.
- The 48% is available to support our authorized position count of 1,792 in SFY 2013.

Administration & Field Operations



- DSS administrative and field operations expenses are a low proportion of our overall costs at 4%.
- Given the rapid rise in caseloads over the past few years, the admin/field operations expenses per case are down by 26%.

Changes Included in the Governor's Recommended Budget for SFY 2013

- The Governor's Recommended Budget for SFY 2013 represents a 2% decrease from the appropriated budget.
- These changes include both updates for changes in expenditure trends, as well as policy changes.

Updates to Current Services Expenditure Trends

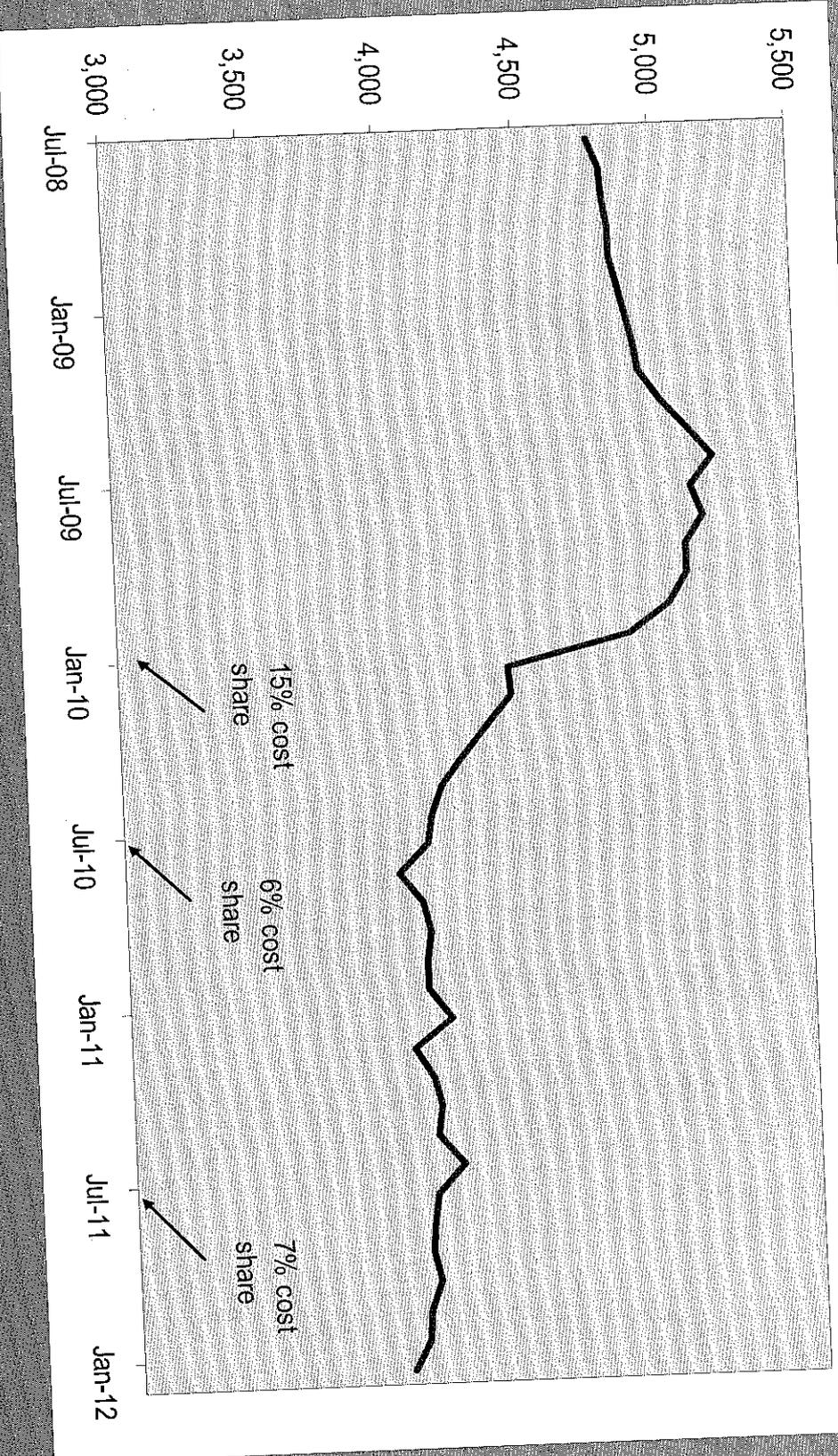
Some of the major changes in the Governor's Recommended Budget are expenditure updates for caseloads and costs to reflect current trends. These types of adjustments include:

- CT Home Care (\$18.4 million)
- HUSKY B (12.3 million)
- Temporary Family Assistance (\$8.9 million)

CT Home Care

- Enrollment in State Funded Home Care has decreased since the implementation of a 15% cost share in January 2010 for the recipient.
- Many clients shifted over to Medicaid as the result of this change.
- The Department has not seen an upward trend in caseload subsequent to the change made to the cost share in July 2010 when it was decreased from 15% to 6%. In July 2010, the cost share was increased to 7%.

CT Home Care Enrollment

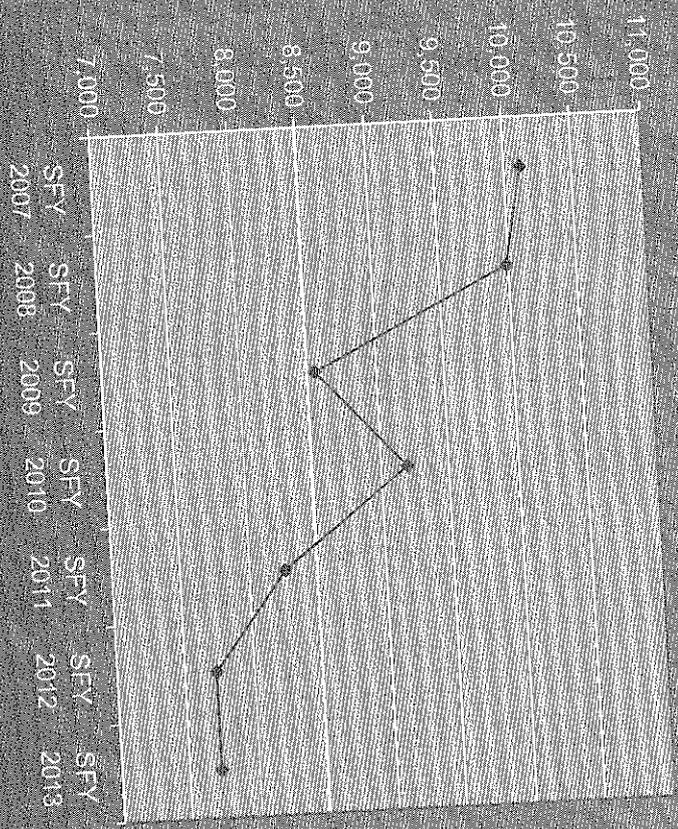


HUSKY B

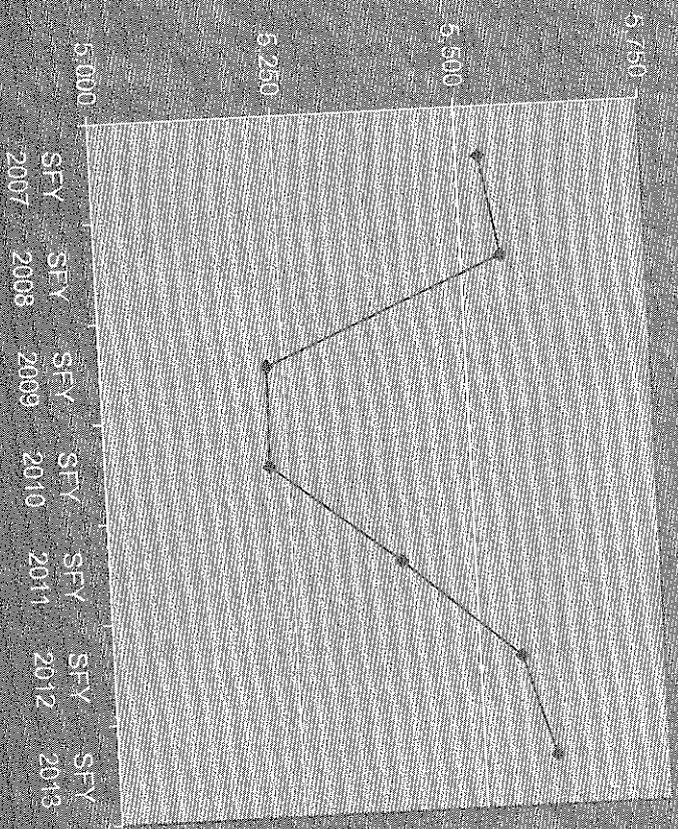
- The HUSKY B program is projected to have a surplus compared to the appropriation as a result of a combination of factors, including changes in projected enrollments, retroactive rate activity, and new rates.
- HUSKY B enrollment has fluctuated significantly within the past twelve months.
- The appropriation assumed higher enrollments. For SFY 2012, the originally projected client level of 15,056 was 1,780 higher than the more recent estimate of approximately 13,276.

HUSKY B Enrollment

HUSKY B - Band 1 Enrollment
Actual Enrollment



HUSKY B - Band 2 Enrollment
Actual Enrollment

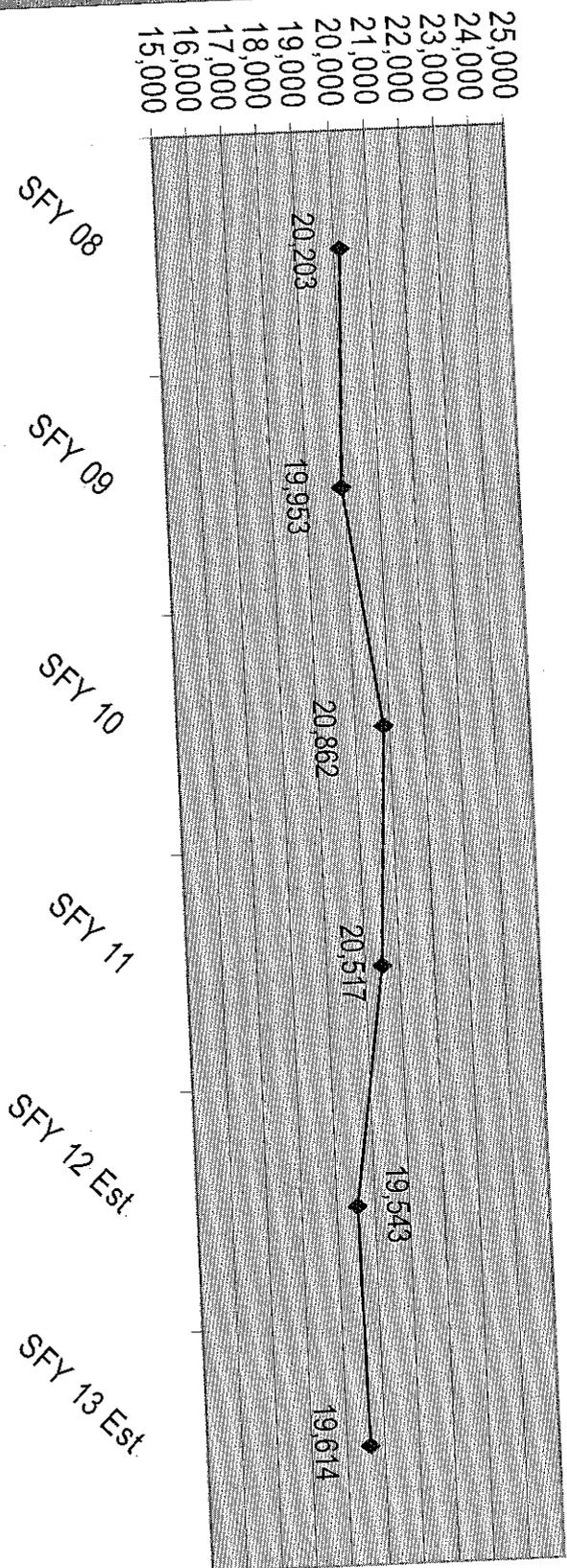


Band 1 = From 185% up to 235% of FPL
 Band 2 = From 235% up to 300% of FPL

Temporary Family Assistance

The appropriation assumed higher caseloads. For SFY 2013, the originally projected average monthly caseload was 21,263. Our most recent estimate shows the average monthly caseload to be 19,614, or a 8% decrease.

Temporary Family Assistance Caseload SFY 2008 - 2013



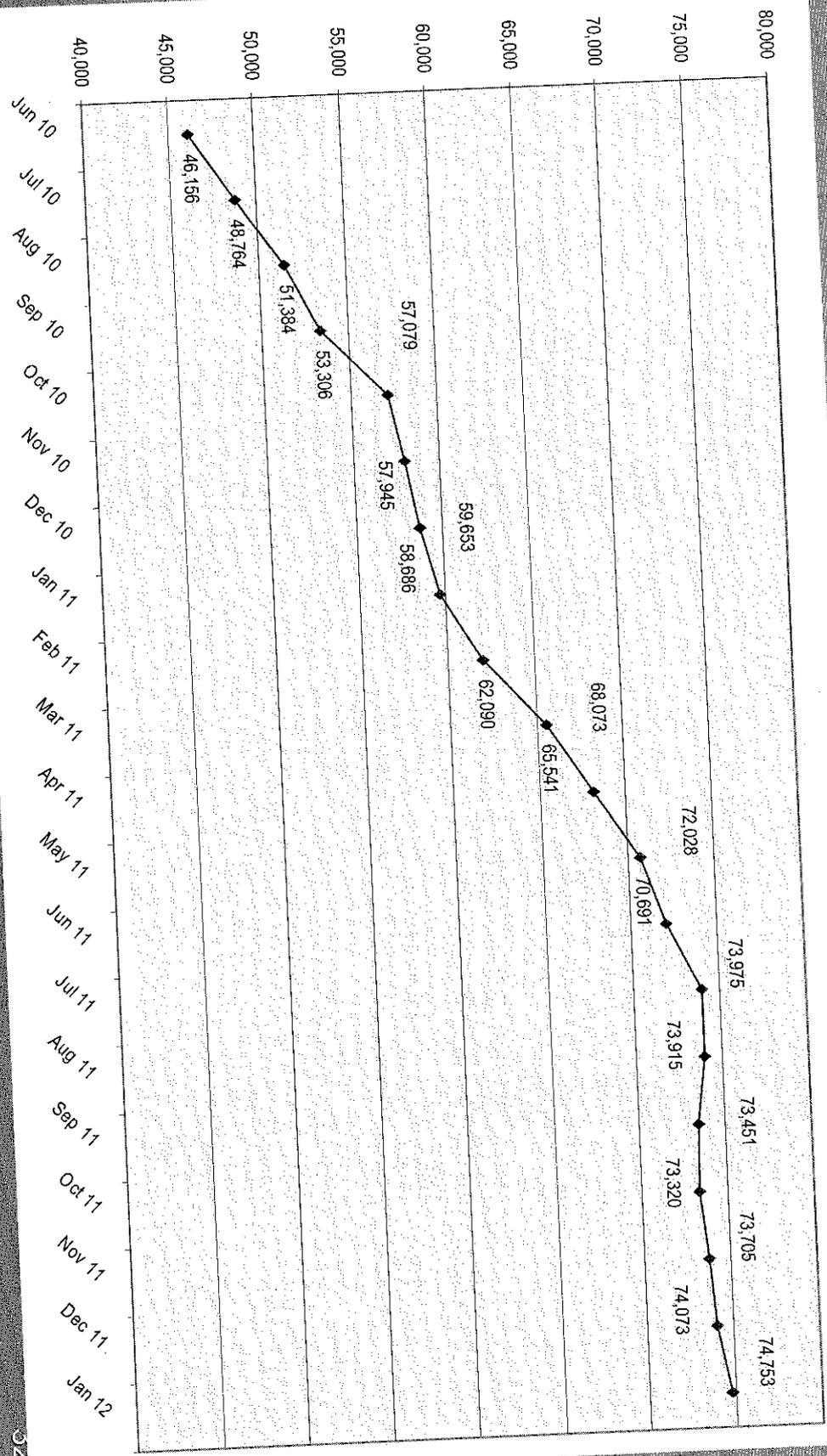
Governor's Proposed Changes to our Medical Programs in SFY 2013

- Restructure Medicaid for Low-Income Adults (LIA) Under a Waiver
- Money Follows the Person (MFP)
- Medication Administration
- Dental Restructuring

Medicaid for Low-Income Adults (MLIA)

- The Medicaid expansion for low-income adults has achieved the intent of expanding coverage but exceeded fiscal projections and available resources.
- Current eligibility:
 - Income is below 56% of the Federal Poverty Limit (FPL)
 - No asset test
- Caseload has increased 60%, from 46,156 in June 2010 to 74,073 in December 2011

MLIA Caseload June 2010 - January 2012



MLIA

- Under the Governor's budget proposal, DSS will seek a waiver to:
 - impose an asset limit of \$25,000, excludes family home and one vehicle;
 - count family income and assets when determining LIA eligibility for an individual who is under age 26 and either living with a parent or claimed as a dependent for tax purposes; and
 - impose limits on certain medical services.
- An estimated \$16.9 million in savings for DSS would result from this option. Additional savings (\$5.6 million) are reflected in the Department of Mental Health and Addiction Services budget.

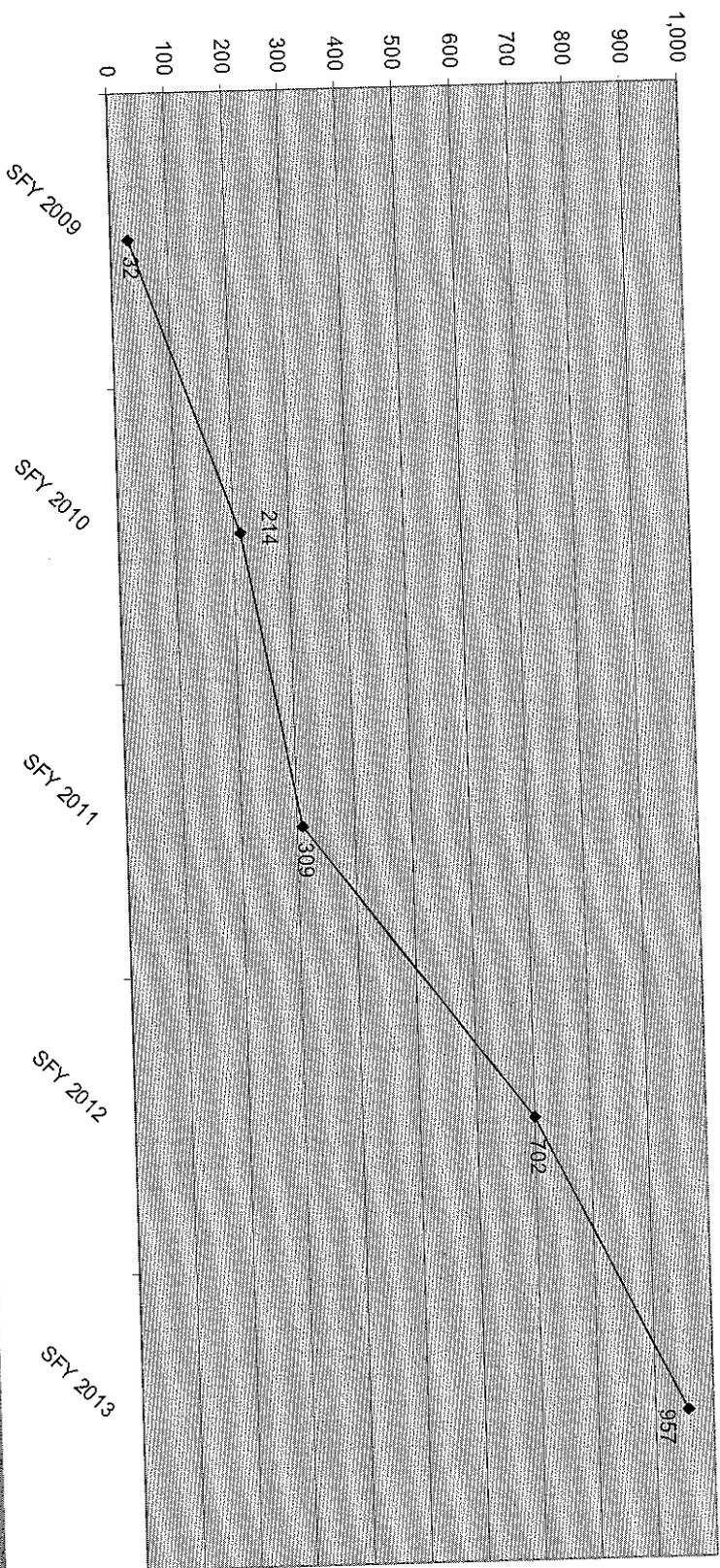
Money Follows the Person

- The Department is engaged in the development of a strategic long term care rebalancing plan.
- Working with staff from state agencies, nursing facilities, home care providers, legislators and community representatives, recommendations to increase the supply of long-term supports and services have been developed.

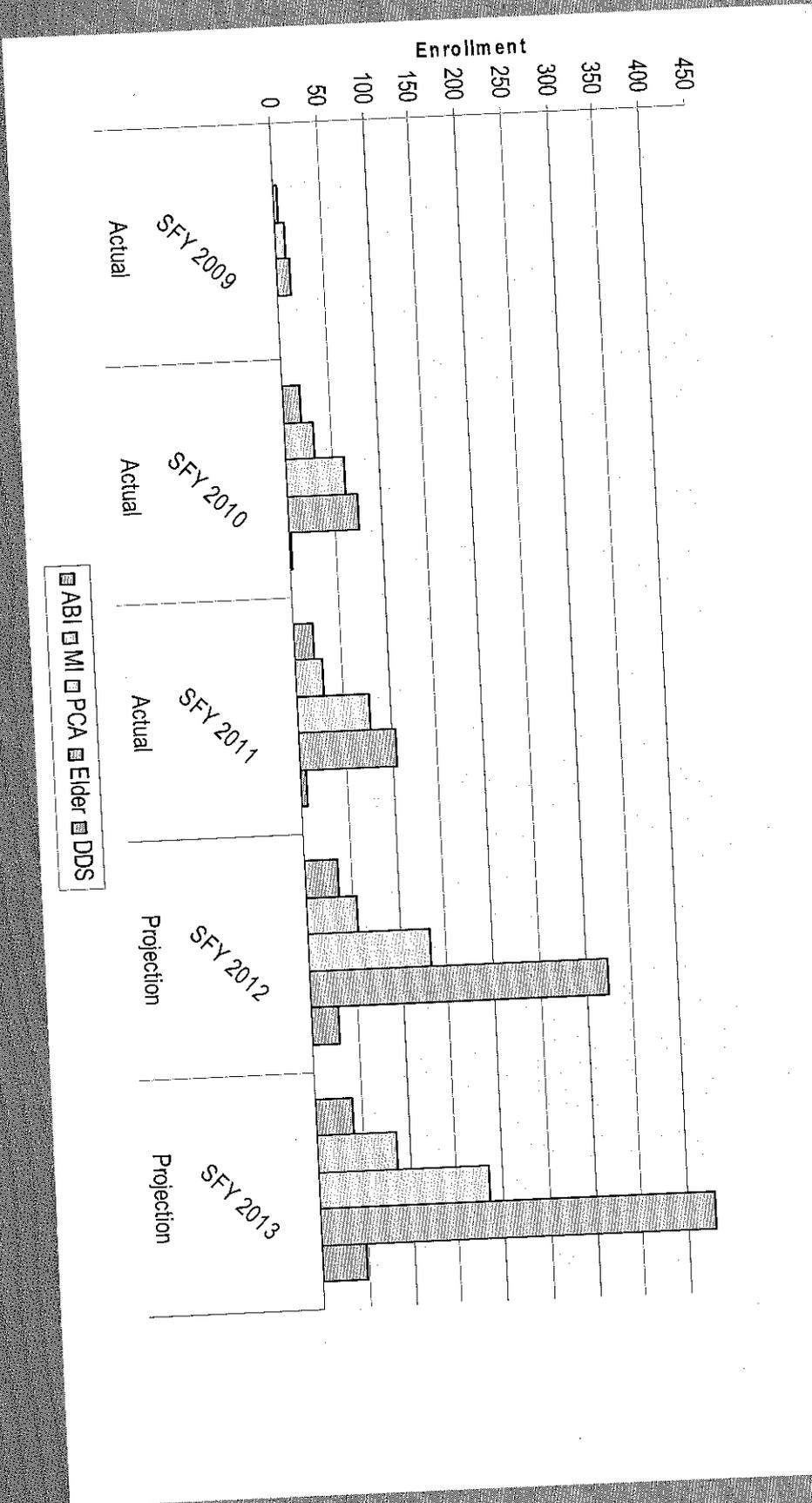
Money Follows the Person

- The Governor's midterm budget adjustments include the following recommendations:
 - \$950,000 for direct care workforce development, the development of a new cross agency assessment tool and the development of a new web-based tool to support hospital discharge planners;
 - New services were funded to address gaps including adult family living and independent support broker services added to certain programs;
 - \$1 million to bond funds for accessibility modifications to family homes;
 - \$13 million for nursing homes interested in diversifying their business model aligned with projected demand;
 - Savings from Medication Administration changes and increased ability to transition individuals to the community under MFP.

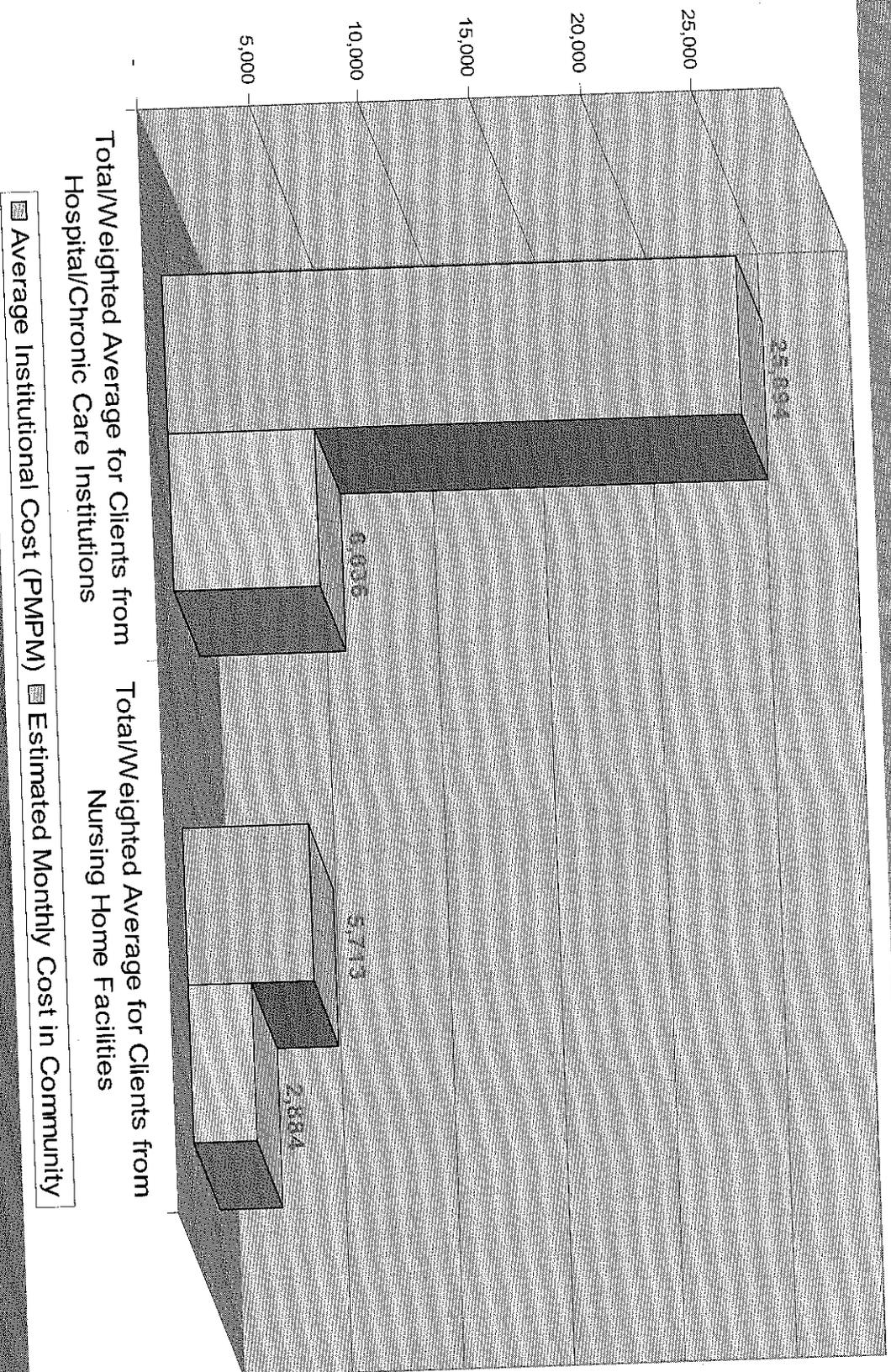
Money Follows the Person Enrollment



Money Follows the Person Enrollment



Institutional Vs. Community Cost under MFP



Medication Administration

- The Governor's Recommended Budget includes several changes in medication administration to strengthen the State's rebalancing efforts (\$20.5 million savings):
 - Reduce the high cost of medication administration (\$10.3 million), by reducing rates for medication administration.
 - Align the state's medication administration policy with the principles of person-centered planning and consumer choice (\$10.2 million), by:
 - Expanding Nurse Delegation for Medication Administration
 - Allowing Agency-Based Personal Care Assistants to Administer Medications
 - Utilizing Assistive Technology for Medication Administration.

Medication Administration

- In SFY 2011, DSS spent \$128.3 million on medication administration for approximately 8,500 Medicaid clients at an average cost per visit of \$54.
- The top 100 medication administration users had costs that averaged over \$75,000 each, with expenditures totaling \$7.6 million in SFY 2011.
- The top 10 medication administration users had costs that totaled \$1.2 million.
- Currently, with the exception of staff that are hired or self-directed by waiver participants (e.g., personal care assistants under the PCA waiver), only nurses may administer medication in community settings. Home health aides may be part of the care team in an individual's home, but they are not permitted to administer medication.

Changes to the Dental Program

- The Governor's Recommended Budget proposes to shift dental benefits from the provider-centered benefit model to a client-centered benefit model.
 - Outcomes:
 - Eliminates duplication of unnecessary services
 - Goal - Continuity of care at a single location and professional standards of care
 - Result - an estimated \$10 million in dental budget savings.

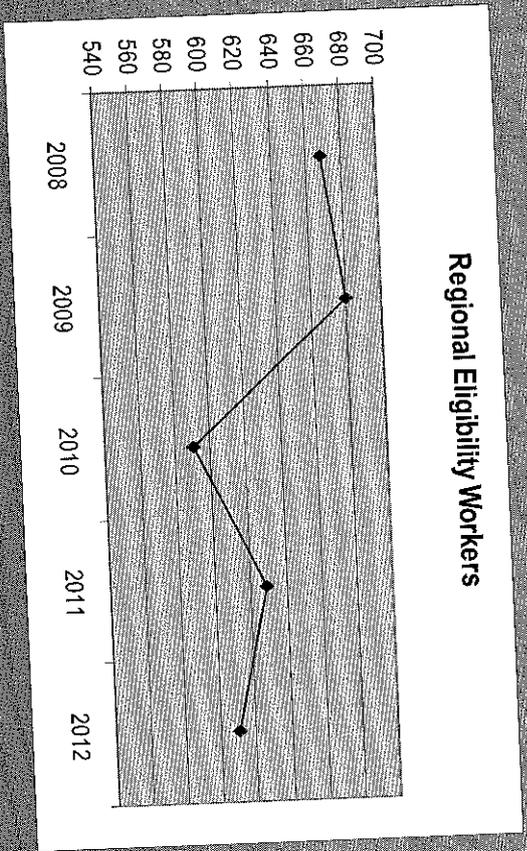
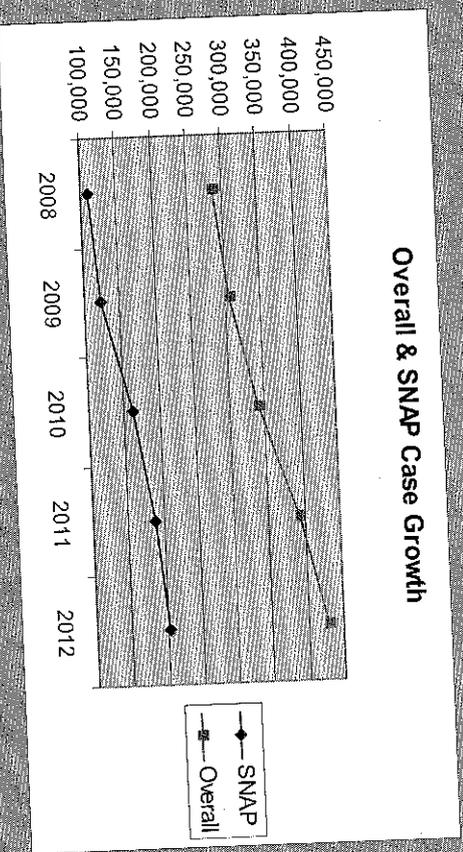
Significant Changes -- Program Consolidations/Efficiencies

- As part of the Governor's efforts to consolidate and streamline government services, several program consolidations are proposed:
 - Recognizing the Governor's Early Child Education Initiative, funding for several child care initiatives are moving to the State Department of Education.
 - The Transportation to Work account is being transferred to the Department of Transportation.
 - Housing and Shelter programs are moving to the Department of Economic and Community Development.
 - Wrap-around services for families in supportive housing are transferred to DMHAS.
 - The Bureau of Rehabilitative Services is fully established as a stand-alone department.

Where We Are Headed – Turning the Tide

- Personnel and organizational investments
 - Working with OPM on both SNAP and Medicaid regional staff enhancements
 - Administrative enhancements
- Modernization efforts - Connect
- Eligibility Management System (EMS) upgrade
- Child Support System enhancements

Cases & Staffing - 2008 vs. 2012



- Overall caseloads are up 50% since 2008, from 286,958 to 429,839 (Jan. 2008 to Jan. 2012)
- SNAP cases are up 86% since 2008, from 110,070 to 204,478 (Jan. 2008 to Jan. 2012).

- Regional staffing levels for eligibility workers have dropped 9% since 2008 from 669 to 610 as of November 2011.

Personnel & Organizational Investments

- SNAP & Medicaid regional staff enhancements
 - Granted approval to hire regional SNAP and Medicaid eligibility workers to begin to meet additional demands.
 - Hiring for these staff have begun. We anticipate staff to be on board prior to June 30, 2012 .
- Administrative enhancements
 - Regional staffing enhancements are coupled with changes in our central office structure to most effectively serve the overall agency mission.

Connect

(Modernization of Client Service Delivery)

Major initiative to:

- Improve client access
- Achieve better quality outcomes
- Enhance customer service
- Reduce costs
- Provide a technological framework for the future

Project components:

- Web-based gateway services, including pre-screening, on-line application/redetermination/change reporting, & 'My Account' access
- Telephone access upgrade (interactive voice response system)
- Document management and workflow
- Benefit centers, Processing Centers, Service Centers

Connect

(continued)

- Handling major programs, including SNAP/food stamps, Medicaid (HUSKY A/B/C/D) & CHIP (HUSKY B); Temporary Assistance for Needy Families (TANF), State Supplement for Aged/Blind/Disabled; and State-Administered General Assistance.
- Aggressive implementation schedule by March 2013.
- Potential for expansion with new eligibility system utilizing federal financial participation, in conjunction with state health & human service agencies and Health Insurance Exchange.

Eligibility Management System (EMS)

- One of the primary functions of DSS is the determination of eligibility for the programs it administers.
- DSS manages eligibility determination, applications and ongoing eligibility, through an outdated mainframe system (EMS) that has not kept pace with the advances in technology available today.
- DSS plans to take advantage of new technologies and maximize federal dollars by replacing the EMS. It is clear that new technologies will prove cost effective, flexible and more efficient in the long run. The greatest obstacle has been the ability to fund that replacement.

Other Budget Initiatives

- **Children's Trust Fund** - Retain Nurturing Families Network and Help Me Grow
- **HUSKY Outreach (HUSKY Infoline/United Way of CT, Information & referral)** - Reduce by 10% (Non-entitlement accounts)
- **HUSKY Performance Monitoring (formerly Children's Health Council)** - Reduce HUSKY Performance Monitoring
- **Medicaid**
 - Remove Rate Increase for LifeStar
 - Reflect Decreased Costs for ICF/MR for Developmentally Disabled
 - Add Adult Family Services
 - Delay Implementation of HIV/AIDS Waiver
 - Reallocate Inmate Medical Savings
 - Expand Private Pay Assisted Living Pilot
 - Expand PCA Services
 - Establish Nursing Home for Difficult to Place

Other Budget Initiatives

- **Old Age Assistance, Aid to the Blind and Aid to the Disabled**
 - Reflect Decreased Cost of Community Living Arrangements
- **Healthy Start** - Reduce by 10% (Non-entitlement accounts)
- **DMHAS/DSH** - Realign Psychiatric DSH Funding
- **Safety Net Services** - Reduce by 10% (Non-entitlement accounts)
- **Refunds of Collections** - Annualize FY 2012 Holdback
- **Services to Persons with Disabilities**
 - Remove Services of Advocacy Agency
- **Community Services** - Annualize FY 2012 Holdbacks
- **Alzheimer Respite Care** - Reduce by 10% (Non-entitlement accounts)

Conclusion

- In closing, we would like to express my gratitude to Governor Malloy for proposing a budget that supports our ability to continue providing critical services to higher numbers of individuals in critical areas, while providing the supports needed to update the technological base for moving forward.
- At this time, we would appreciate the opportunity to respond to any questions you may have. Thank you.