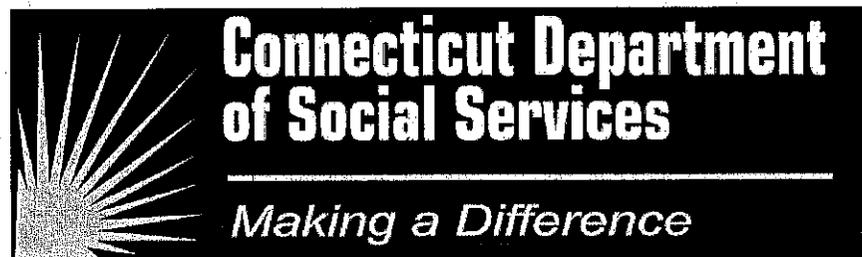


**Governor's Budget
Recommendations for the
CT Department of Social Services**

1

**PRESENTATION TO THE
LEGISLATIVE APPROPRIATIONS
COMMITTEE**

FRIDAY, FEBRUARY 22, 2013



Presentation Summary

2

- DSS Highlights
- DSS Budget Overview
- Overarching Budget Strategies
- Medicaid Overview
- Medicaid Budget Changes
- Infrastructure Investments
- Program Transfers
- Other Budget Adjustments

Overview – DSS Highlights

3

- **Serves nearly 750,000** state residents
- **Supports basic needs** of children, families, elders & other adults, including persons w/ disabilities, through economic aid, social work services, child support, energy aid, elderly protective services, and many other areas
- **Covers health care** for over 600,000 residents through HUSKY Health/Medicaid & other programs
- Helps over 400,000 residents with federal Supplemental **Nutrition Assistance** Program (food stamps) benefits

Overview – DSS Highlights

4

- **ConneCT modernization initiative** – changing service landscape at DSS through comprehensive upgrading of business model, emphasizing customer service & technology-supported processes
- **ConneCT launch** begins with new online options – ‘MyAccount’ benefit information & ‘Am I Eligible’ service eligibility pre-screening tool
- **2013 ConneCT upgrades** coming—single, toll-free hotline with interactive voice-response system; streamlined document intake/imaging; modernized service centers

Overview – DSS Highlights

5

- **Long-term care** – supporting Governor Malloy’s strategic rebalancing initiative for long-term services & supports
- **Mapping future of long-term care needs**, helping diversify nursing home industry
- **Money Follows the Person** program has moved over 1,450 people to community living; several thousand more in assessment/case management process
- **New federal revenue boost** -- \$72.8 million awarded through Balancing Incentive Program

Overview - DSS Budget

6

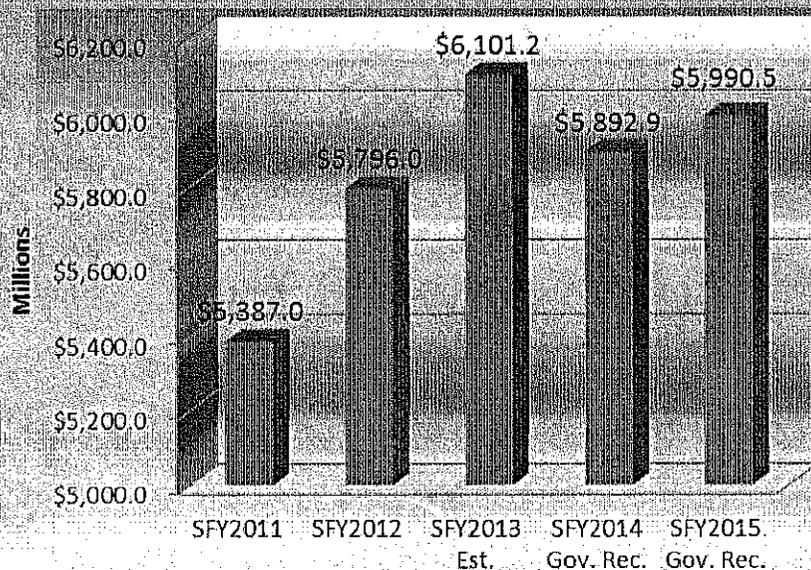
- The Governor's budget recommendation includes \$5.893 billion for DSS in SFY 2014 and \$5.990 billion in SFY 2015.
- When compared to current SFY 2013 projected expenditures, it represents a decrease of 3.4% in SFY 2014 and an increase of 1.7% in SFY 2015 after transfers and program reductions.

Overview - DSS Budget

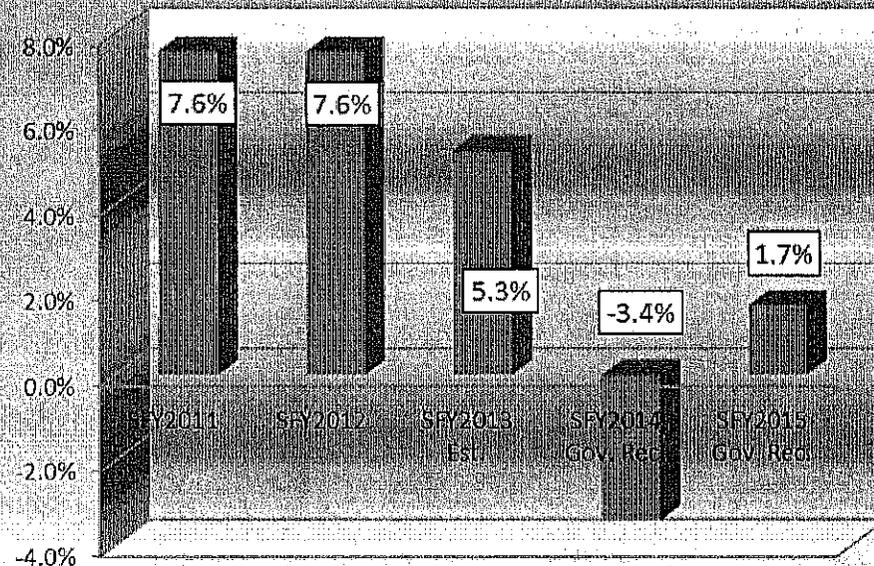
7

- The biennial budget recommendation, after transfers and program reductions, brings DSS budget growth to -3.4% and 1.7% in SFY 2014 and 2015 respectively.

DSS Budget Growth SFY 2011 - 2015
(Millions)



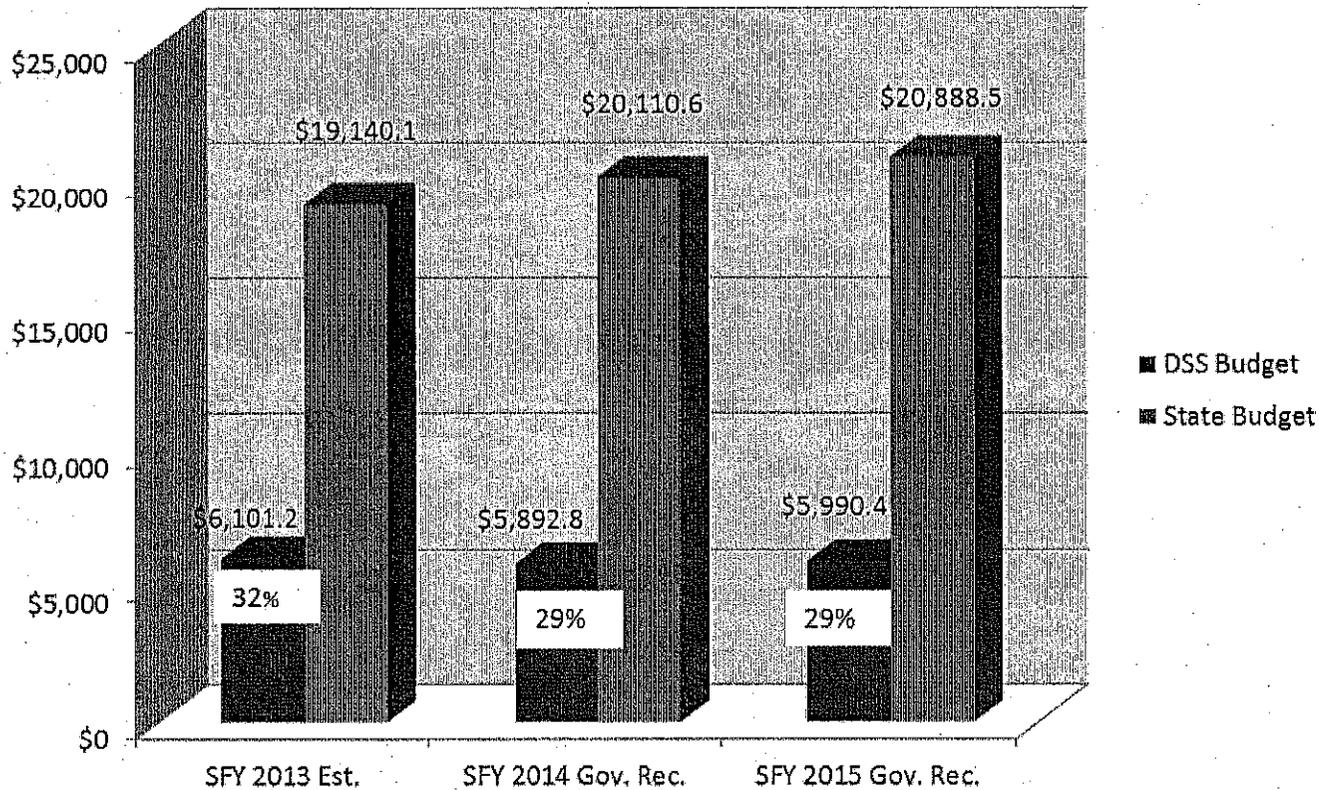
DSS Budget - Percent Change Over Previous Year



Overview - DSS Budget

8

DSS Budget Compared to State Budget
SFY 2014 - SFY 2015 (Millions)



After the changes recommended in the Governor's budget, our share of the State General Fund is 29%.

Overview – DSS Budget

9

- The proportion of the DSS budget directed to health services continues to grow, rising to 89.5% in the first year of the biennium.
- Administrative expenses remain a small portion of the DSS budget, accounting for 4.0% of total expenses in SFY 2014.
- With the proposed transfer of child care assistance programs, the share of the DSS budget targeted to income support has decreased from 10% in SFY 2013 to 5.8% in SFY 2014.

Overview – DSS Budget

10

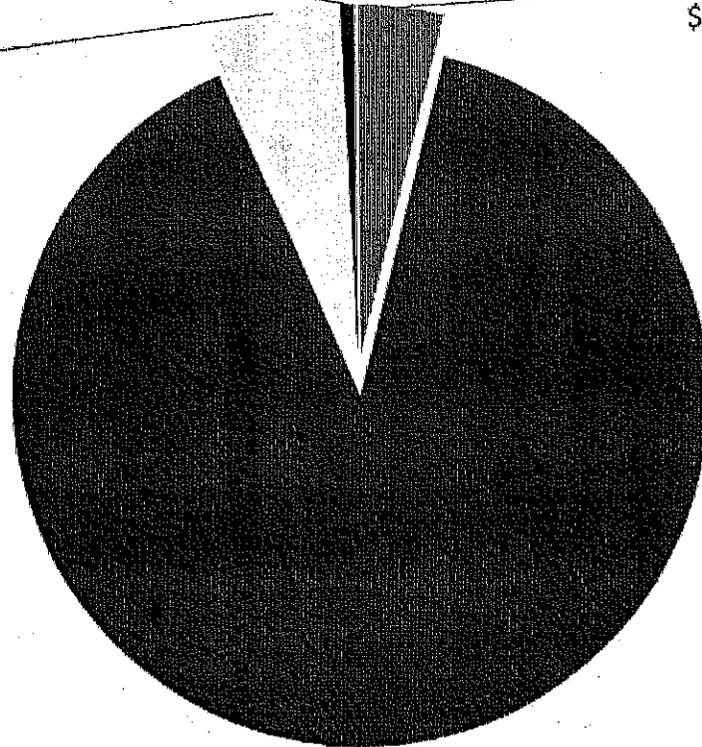
DSS Core Programs SFY 2014

Support and Safety,
\$43.1 m, 0.7%

Income Support,
\$340.7 m, 5.8%

Food and Nutritional,
\$1.1 m, 0.02%
(not shown)

Administrative,
\$234.5 m, 4.0%

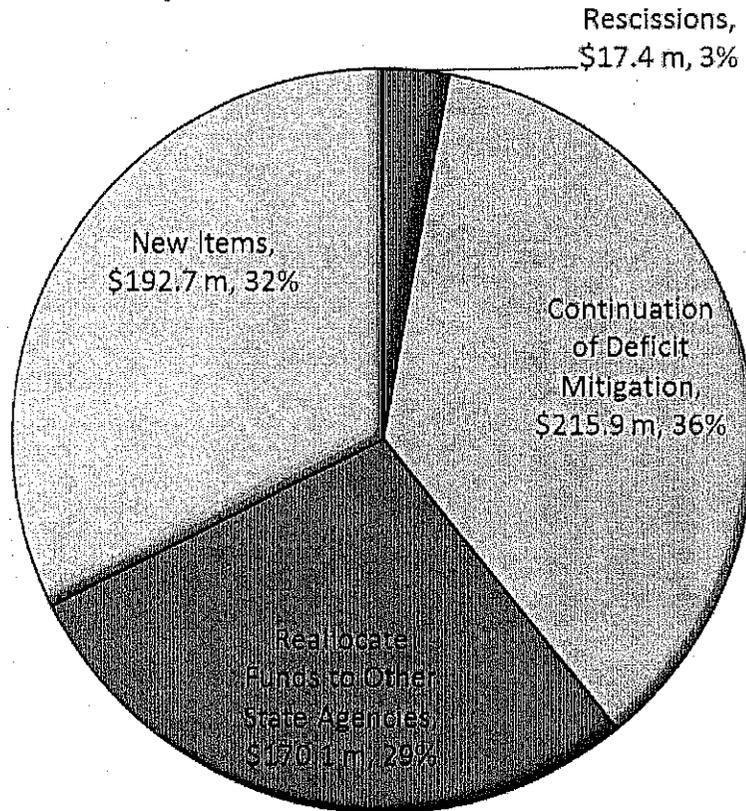


Health and Behavioral
Health,
\$5,271.3 m, 89.5%

Overview – DSS Budget

11

- Total DSS reductions, including transfers, total \$596 million in SFY 2014. After adjusting for transfers, programmatic reductions total \$426 million.

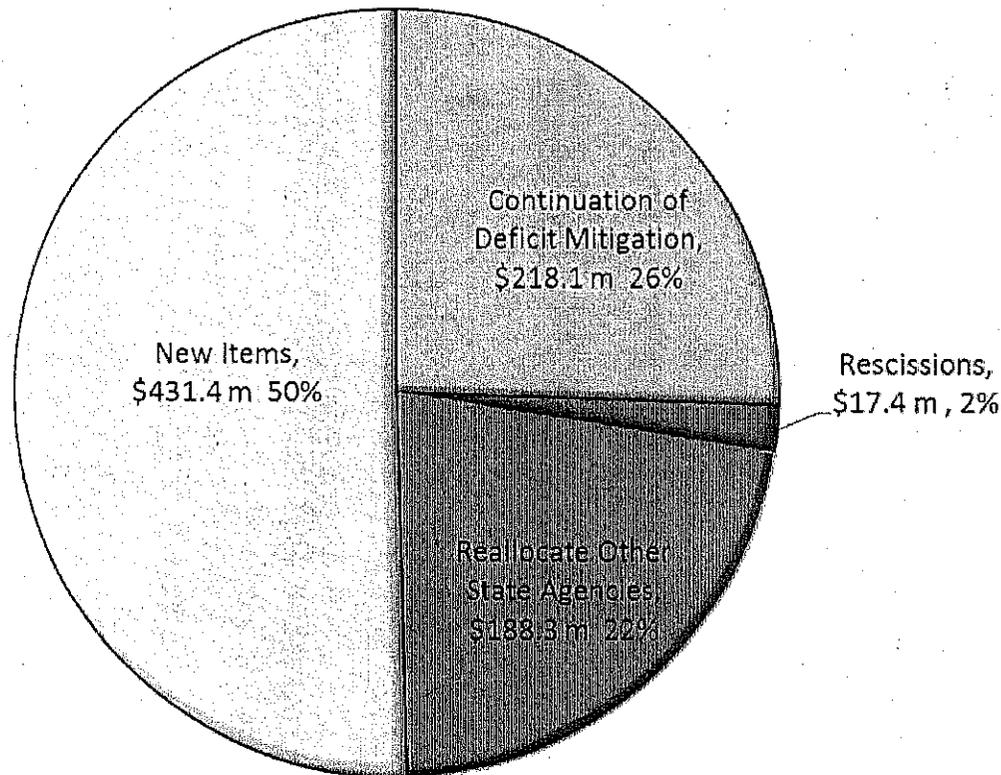


Of the \$426 million in program reductions in SFY 2014, \$233 million consists of either the annualization of rescissions or deficit mitigation items initiated in SFY 2013.

Overview – DSS Budget

12

- In SFY 2015, total DSS reductions, including transfers, total \$855 million. After adjusting for transfers, programmatic reductions total \$667 million.



Of the \$667 million in program reductions in SFY 2015, \$236 million consists of either the annualization of rescissions or deficit mitigation items initiated in SFY 2013.

Overarching Budget Strategies

13

The Governor's budget recommendations employ several strategies including:

- Continuing support for an Administrative Services Organization (ASO) structure to manage medical, behavioral health, dental, and non-emergency medical transportation (NEMT);
- A commitment to continuing the shift from institutional to home and community based services;
- Enhancements to utilization management and other cost savings efforts through our medical ASO;

Overarching Budget Strategies (cont.)

14

- Rate, fee schedule and other payment reforms designed to reflect the changing dynamics of service provision;
- Aligning program design and strategies with the Affordable Care Act (ACA);
- Investments in infrastructure associated with ConneCT , Health Information Technologies, Data Analytics, and the Integrated Eligibility Project (our new Eligibility Management System), as well as the state's Health Insurance Exchange; and
- Consolidation of programs under other agencies.

Overview - Medicaid

15

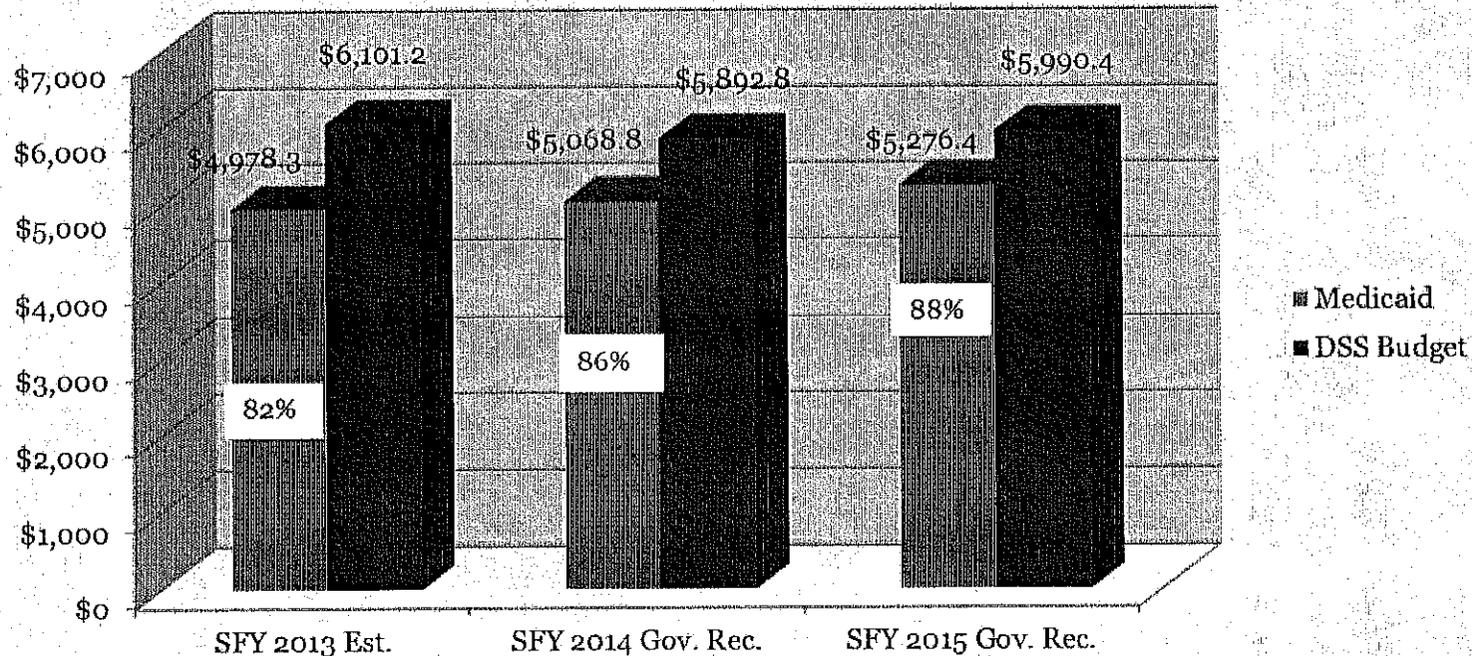
- The recommendations in this budget include many difficult decisions, along with many that represent better and more efficient means of delivering medical services to the growing number of individuals we serve.
- The following slides present a broader overview of our Medicaid program before we discuss the recommended changes in more detail.

Overview - Medicaid

16

- The budget for Medicaid represents more than 86% of the total DSS budget over the biennium, and approximately 25% of the total State General Fund budget.

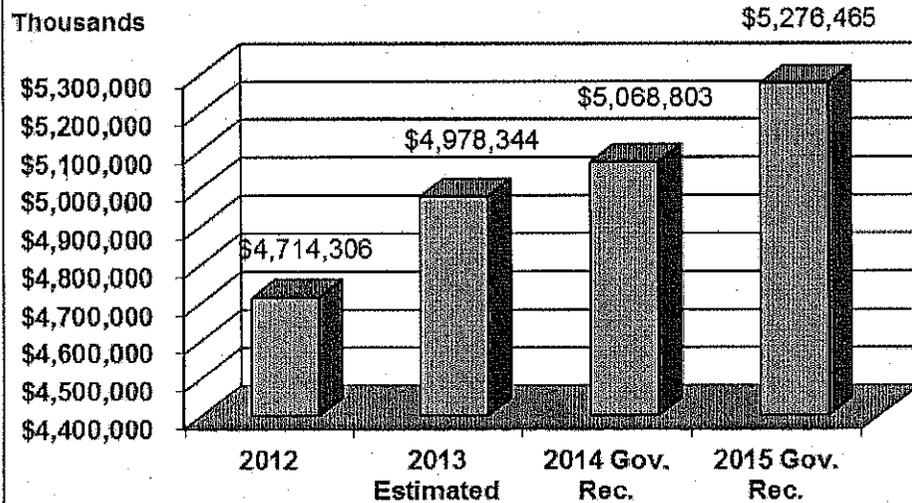
**Medicaid Compared to Total DSS Budget
SFY 2013- SFY 2015 (Millions)**



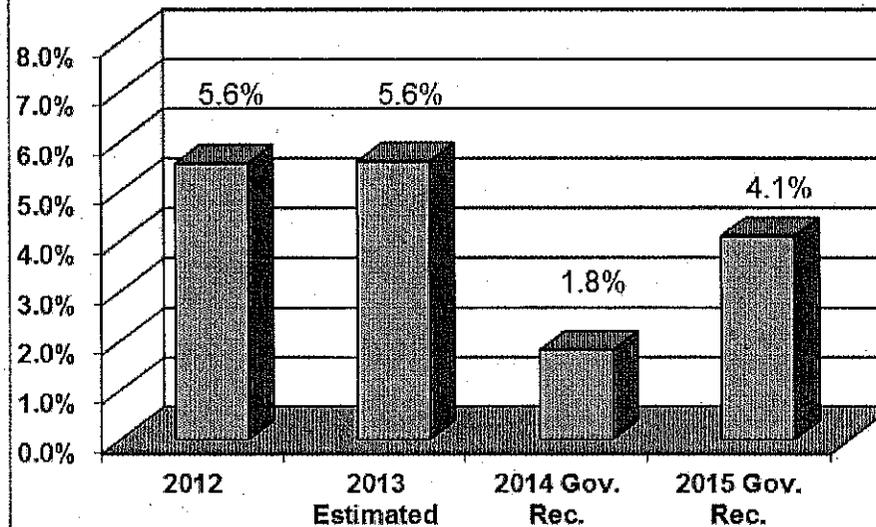
Overview – Medicaid Expenditure Growth

- Medicaid expenditure growth, after program reductions, has been significantly lessened under the Governor's proposals. Growth rates of 1.8% and 4.1% are included for SFY 2014 and 2015 respectively.

Medicaid Expenditures

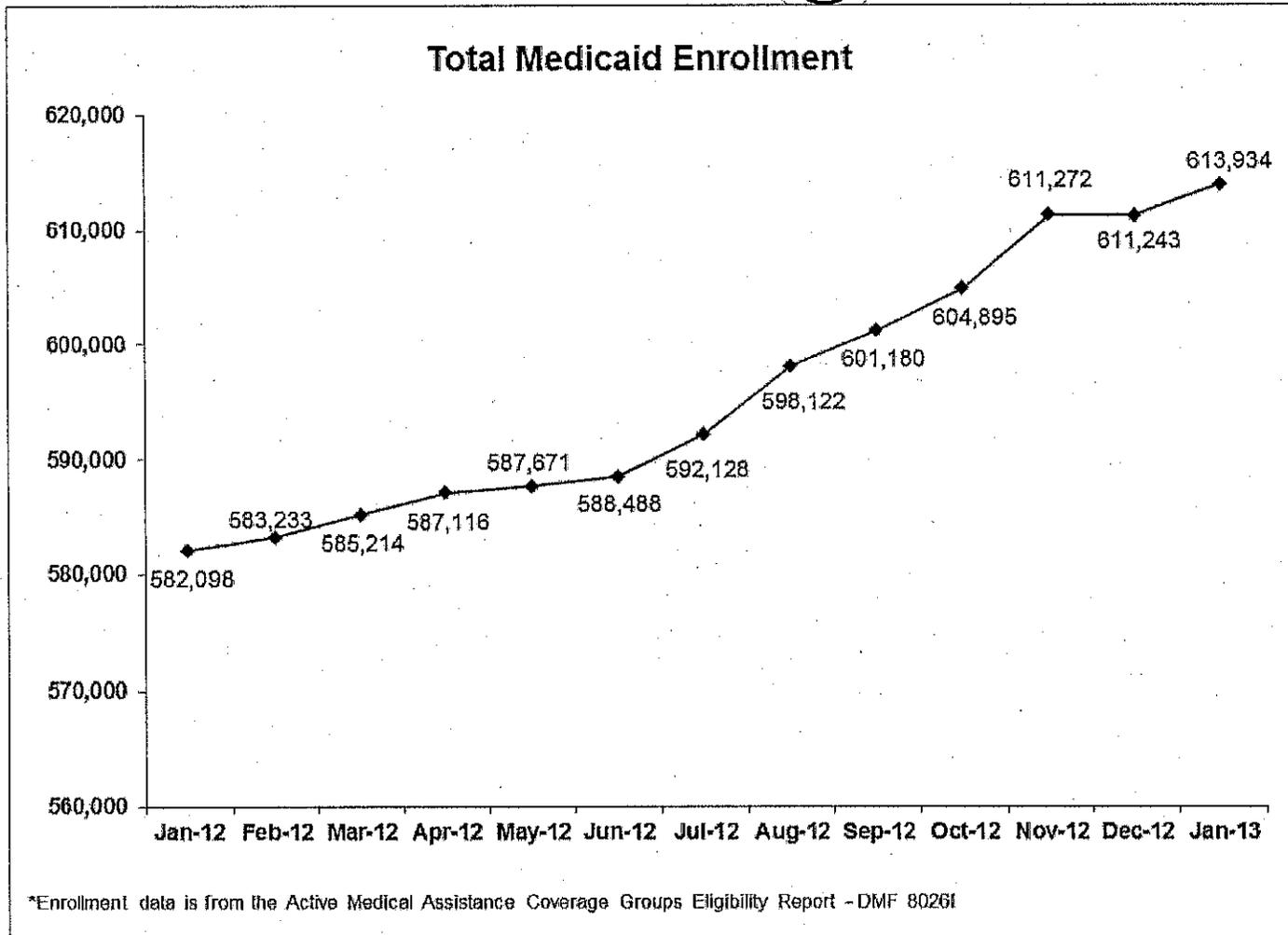


Percent Change in Medicaid Expenditures



Overview – Medicaid Caseload Growth

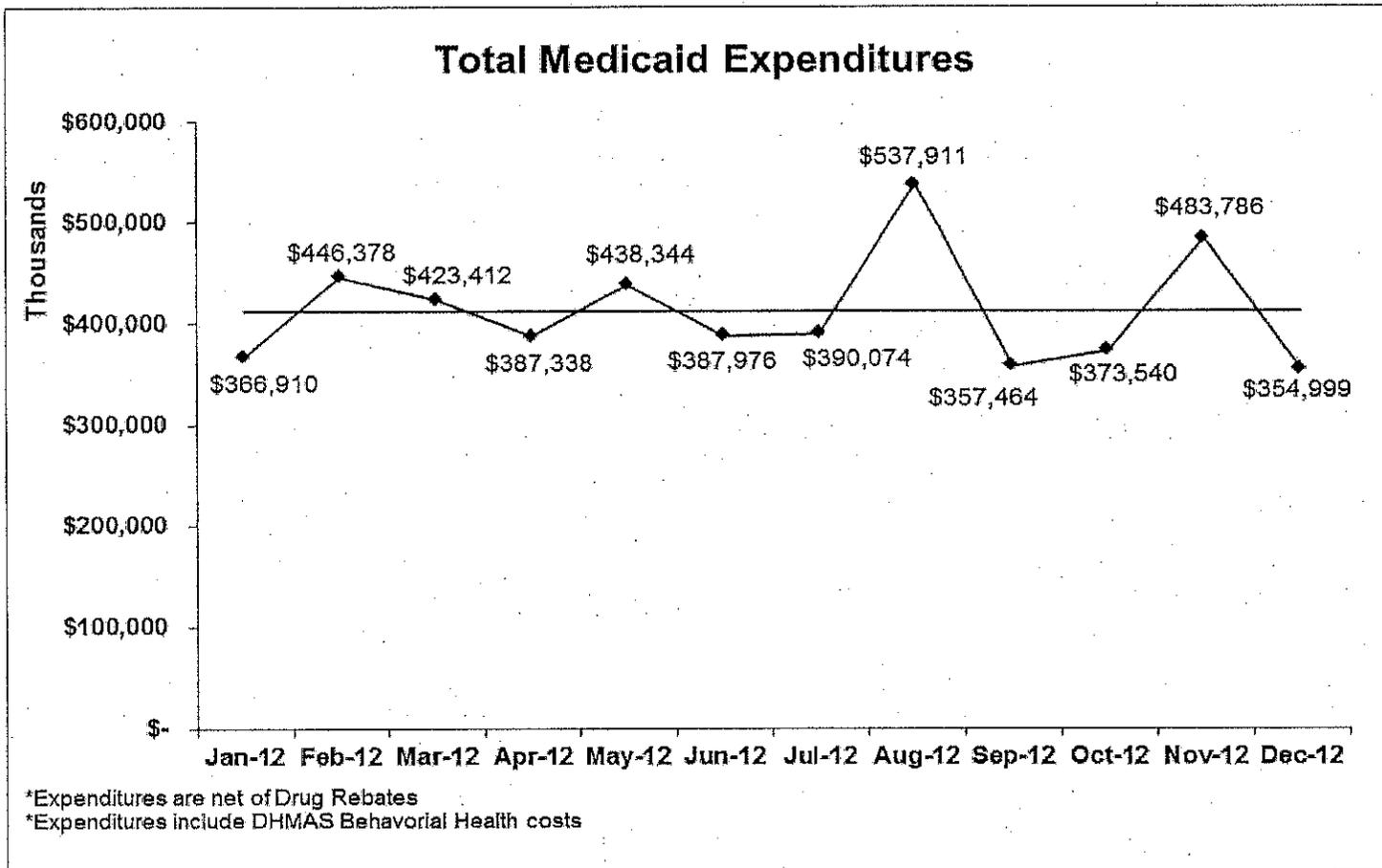
18



Medicaid caseloads continue to rise through SFY 2013, up 5.5 % over the past 13 months.

Overview – Medicaid Expenditure Growth

19

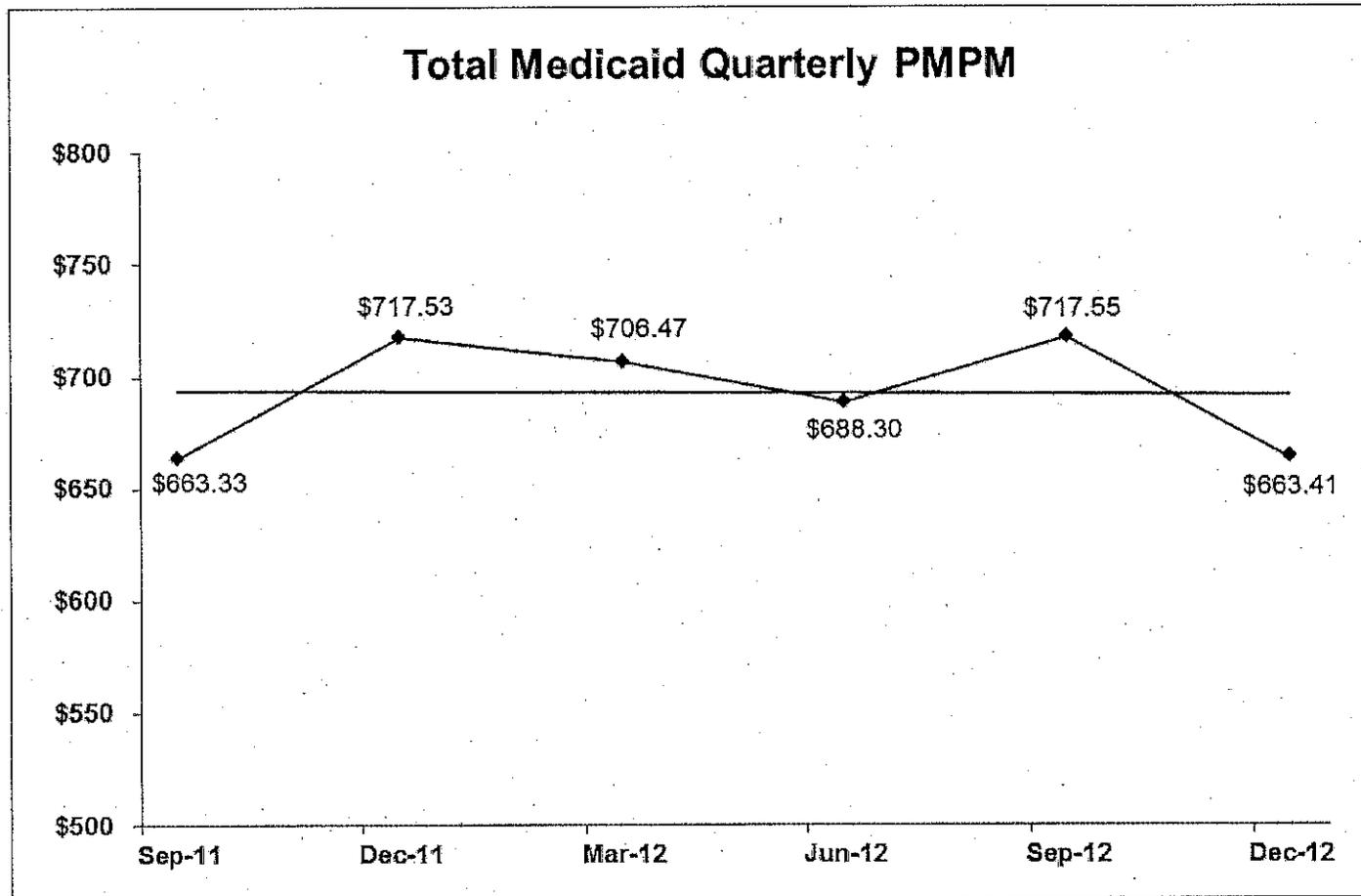


While caseloads have continued to rise, overall Medicaid expenditures were relatively stable in calendar year 2012.

NOTE: Monthly variations in expenditures can be attributed to differences in the number of claims processing days in a given month, as well as payment adjustments.

Overview – Medicaid PMPM Growth

20

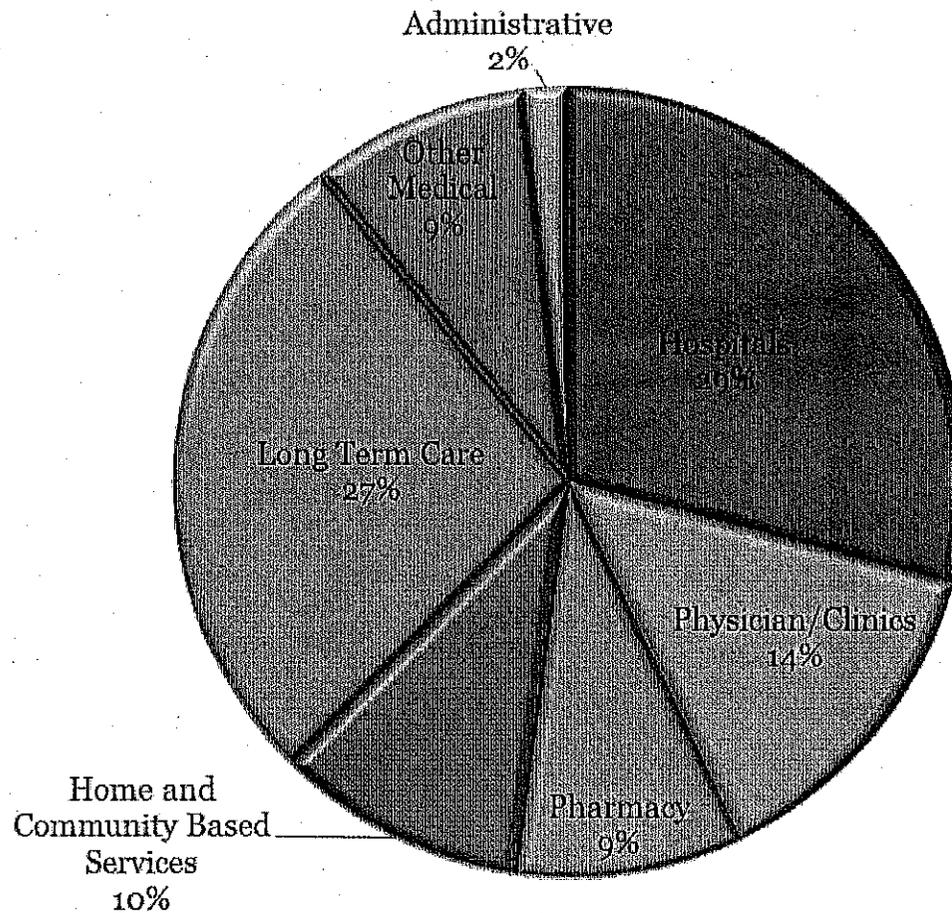


While caseloads have continued to rise, the overall Medicaid PMPM has been relatively stable, rising just over 1.8% during the past six quarters.

Overview – Medicaid by Type of Service

21

SFY 2014 Governor's Recommended Medicaid Appropriation By Category of Service

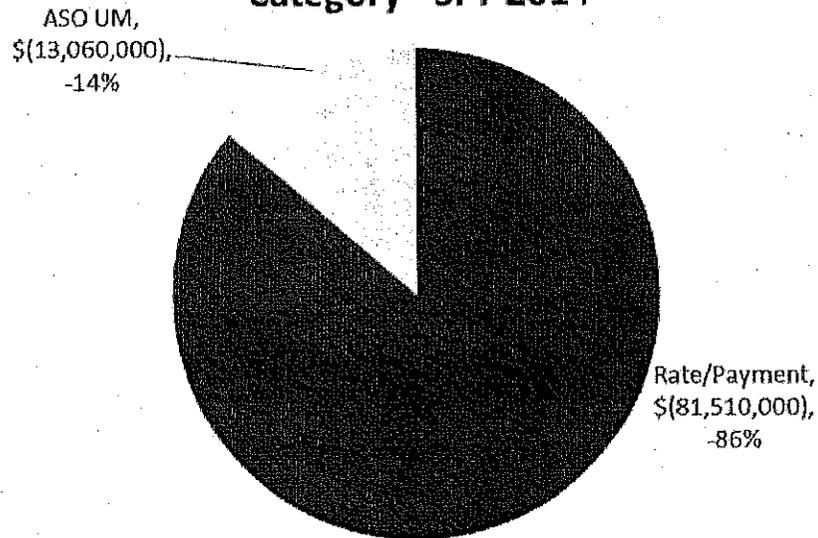


Medicaid Budget Changes

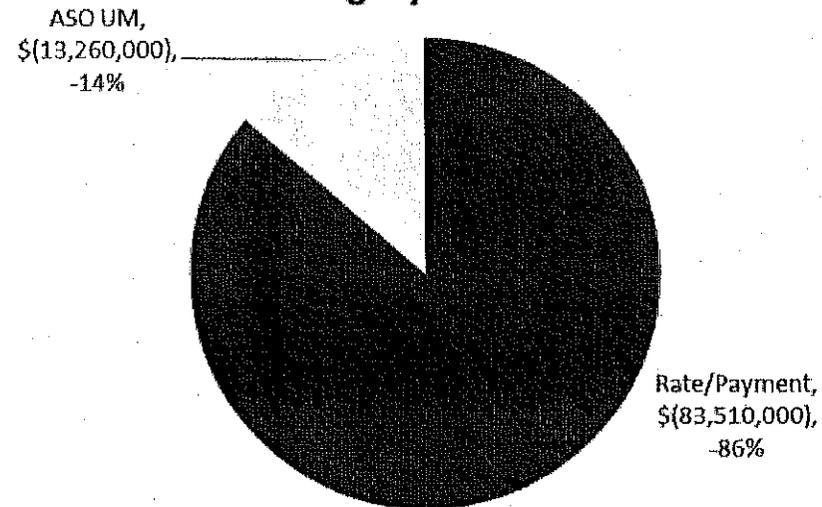
22

- Many of the Medicaid savings included in the Governor's budget continue SFY 2013 Deficit Mitigation actions.

**Deficit Mitigation in Medicaid by
Category - SFY 2014**



**Deficit Mitigation in Medicaid by
Category - SFY 2015**



*The Governor's budget proposes to extend many of the deficit mitigation strategies that were enacted in December. This presentation does not separately detail the deficit mitigation package.

Medicaid Budget Strategies

23

As noted, the Governor's budget illustrates several important medical program strategies. These include:

1. **Continuing support for an Administrative Services Organization (ASO) approach in managing medical, behavioral health, dental, and non-emergency medical transportation (NEMT)**
2. **Continuing the shift from institutional to home and community based services;**
3. **Enhancing utilization management and other service efficiency efforts through our medical ASO;**
4. **Reforming our rate, fee schedule and related payment systems; and**
5. **Aligning program design and strategies with the Affordable Care Act.**

Medicaid – ASO Support

24

Strategy 1: Continuing support for an Administrative Services Organization (ASO) approach in managing medical, behavioral health, dental, and non-emergency medical transportation (NEMT)

- Member Services
- Provider Services
- Predictive Modeling/Intensive Care Management

Medicaid – ASO Member & Provider Services

25

- Centralization of member services with CHN-CT has enabled streamlined support with:
 - Referral to primary care physicians
 - Referral to specialists
 - Assistance with prior authorization requirements and coverage questions

- Centralization of provider services with CHN-CT has improved support with:
 - Prior authorization requirements
 - Coverage questions
 - Referrals

Medicaid – ASO Predictive Modeling/ICM

26

- Predictive modeling tools and other referral means (e.g. self-report, provider referrals) enable CHN-CT to identify those beneficiaries most in need of care management support
- Through Intensive Care Management (ICM), CHN-CT nurse care managers use a specially developed care coordination tool to work with beneficiaries to set goals and address needs

Intensive Care Management (ICM) Outreach

Members Outreached for ICM in 2012	44,048
Members Who Enrolled in ICM in 2012	13,499
% Members Outreached Who Enrolled in ICM*	30.6%

*Medical literature typically cites enrollment rates in care management and disease management programs that range between 7% and 13%

Members Outreached Who Did Not Enroll in ICM

Members Outreached Who Did Not Enroll in ICM Reasons	Number	Per cent
Member Not Located (Phone or Address)	13,934	32%
No Need Identified After Assessment Done	8,794	20%
Member Refused ICM	3,344	8%
Member Did Not Respond To Ongoing ICM Outreach	3,127	7%
HUSKY/Charter Oak Coverage Termed	1,306	3%
Member Deceased	43	0%
Physician Refusal for ICM	1	0%

ICM Care Plans

29

**# Members who actively
completed Care Plans with
ICM Nurse in 2012**

9,503

Referral Sources for Members Identified for ICM

30

Referral Sources	Number	Percent
Predictive Modeling and Data Analytics	34,964	79%
Hospital Discharge Planning & ED Utilization	4,445	10%
Members	2,655	6%
Provider, Agencies and Other ASOs	1,868	4%
Welcome Health Risk Screening Calls	116	1%

ICM Impacts for Member Needs

31

The ASO assesses all members for depression, as part of the ICM engage/enrollment process

- **3,062 members were screened as positive for depression and received interventions to effectively manage it.**

ICM Impacts for Member Needs

32

Members are assessed for adequacy of basic human needs (food, housing, safety, utilities) and the care manager will immediately address any unmet needs.

ASO provided interventions to meet unmet needs for:

- **530** members who indicated they were **hungry and without enough food**
- **4,805** members who indicated they had **concerns about their safety**

ICM Impacts on Utilization and Savings

1st half 2012

33

	6 months Pre ICM		6 months Post ICM		ICM Savings		% Savings	
	Utilization	Paid	Utilization	Paid	Utilization Savings	Cost Savings	% Utilization Saved	% Cost Saved
ED Visits	4,757	\$2,220,380	4,468	\$2,109,888	-289	-\$110,492	-6.08%	-4.98%
Inpatient Admissions	2,597	\$17,648,956	1,524	\$10,976,371	-1,073	-\$6,672,586	-41.32%	-37.81%

While these results are encouraging, they reflect a very short period of activity targeting the most medically and socially complex of our members; future activity may not sustain this higher level of savings.

Medicaid – Community Based Services

34

Strategy 2: Continuing the shift from institutional care to home and community based services

- Over the past few years, Connecticut has endeavored to shift its focus on services for individuals with the need for long term service and supports.
- The Money Follows the Person (MFP) program and the Strategic Rebalancing initiative are among the most significant of those efforts.
- This budget continues and enhances that investment, and also moves the state further in this direction with new initiatives such as the Balancing Incentive Program (BIP)

Medicaid – Rebalancing

35

Key Attributes of the Strategic Rebalancing and Nursing Facility Diversification and Modernization Efforts

- Developing town level projections of need for long term services and supports (LTSS)
- Connecting the public to information about LTSS
- Increasing the number of transitions of long term nursing home residents to the community
- Closing service gaps, improving existing services, and identifying new services

Medicaid – Rebalancing

36

Key Attributes of the Rebalancing Effort (continued)

- Ensuring quality of care
- Building capacity in the community workforce to sustain rebalancing goals
- Focusing on housing and transportation supports
- Helping transform nursing facilities into community-based continuing care providers serving a range of needs

Medicaid – Rebalancing

37

The Governor's recommendations include funding under the Department of Economic & Community Development to coordinate with the DSS rebalancing effort:

- \$10 million in bond funds in each year of the biennium for right-sizing through diversification of nursing facility business models
- \$2 million in bond funds in each year for home accessibility modifications and to support financing of adult family living homes that provide 24-hour supervision and assistance with activities of daily living.

Medicaid – Balancing Incentive

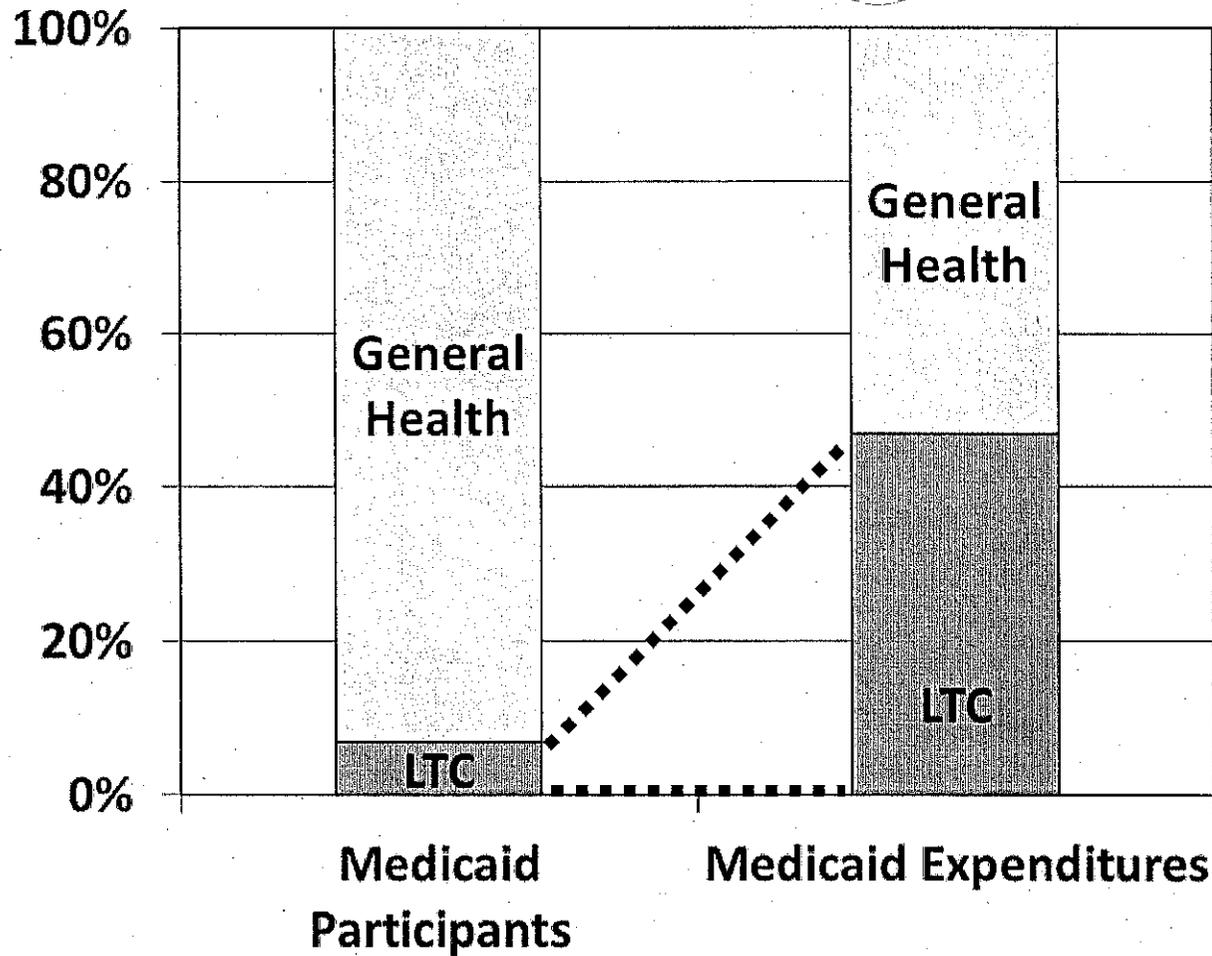
38

Through the **Balancing Incentive Program (BIP)** the Department will:

- Access additional federal revenue for efforts already underway to transition individuals from more costly nursing home placements to the community.
- Qualify for a 2% federal reimbursement increase by targeting 50% of our spending on community-based long term care services and supports by October 1, 2015.
- Expect to receive at least an additional \$72.8 million in revenue through SFY 2016.

Percentage of Medicaid Long Term Care Participants Compared to Overall Medicaid Expenditures

39

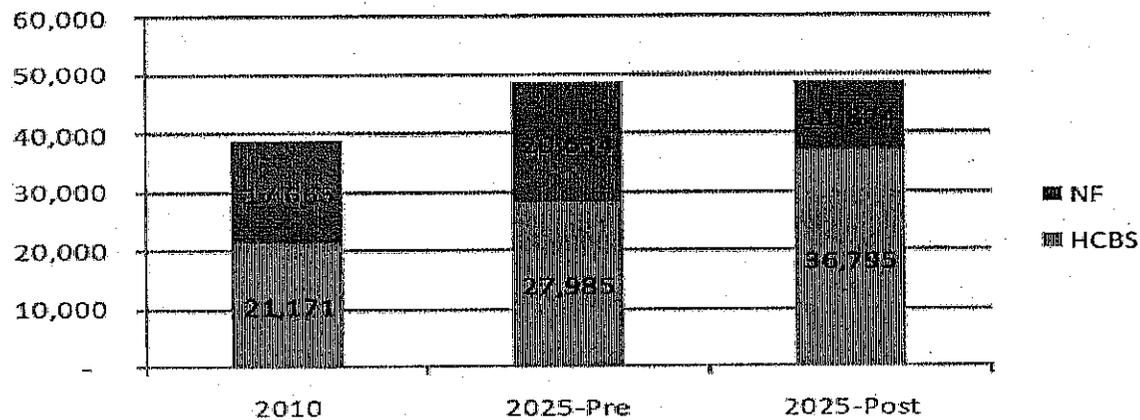


While LTC participants comprise close to 7% of the total population served, they utilize more than 40% of the resources.

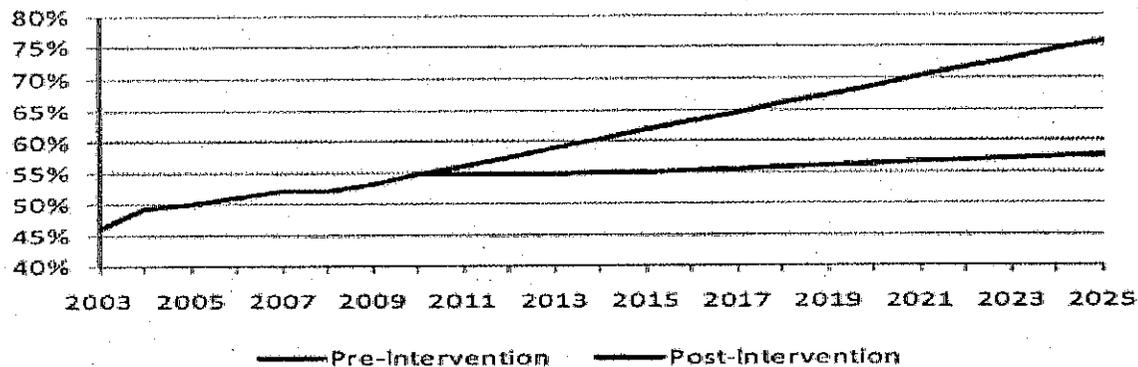
Medicaid – Community Based Services

40

Current & Projected LTC Demand



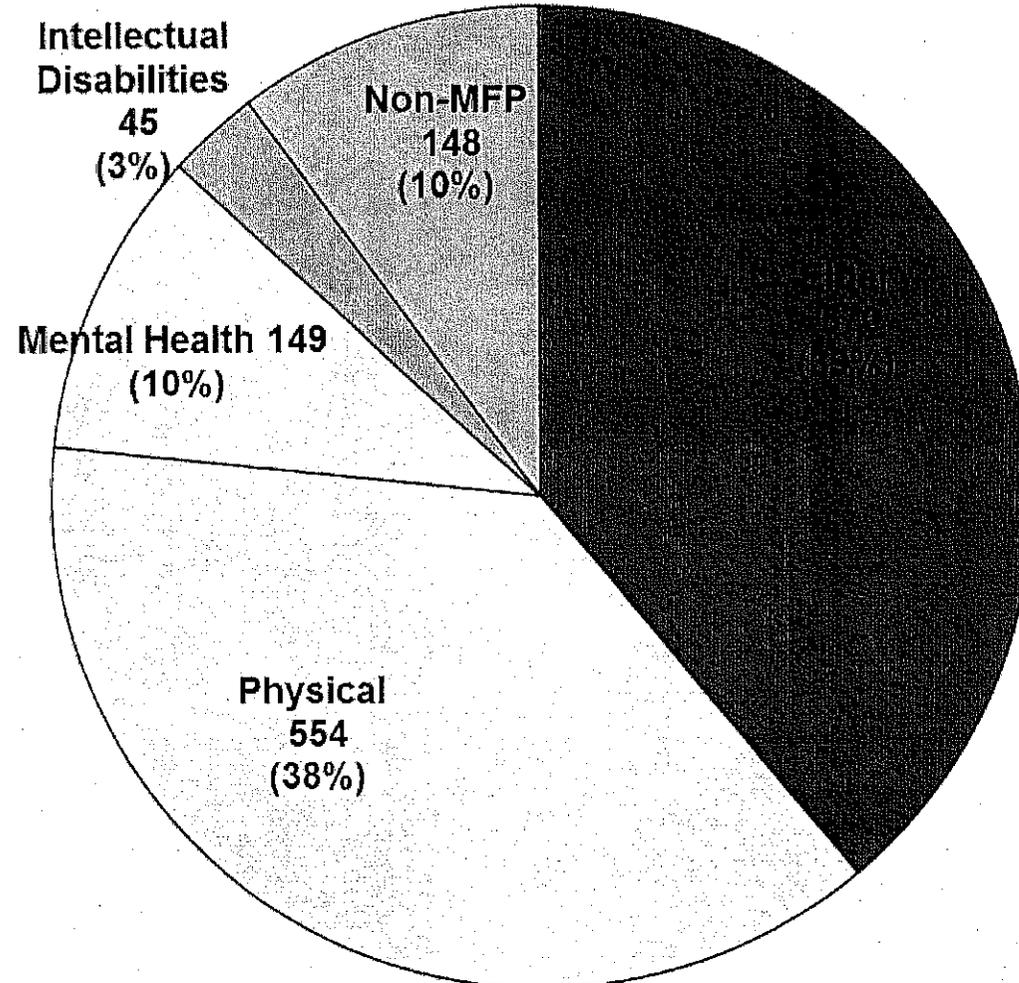
Projected HCBS/NF Mix Line



As our population ages, opening up home and community based options for those who wish to live in the community will result in a significant shift in the demand for HCBS services.

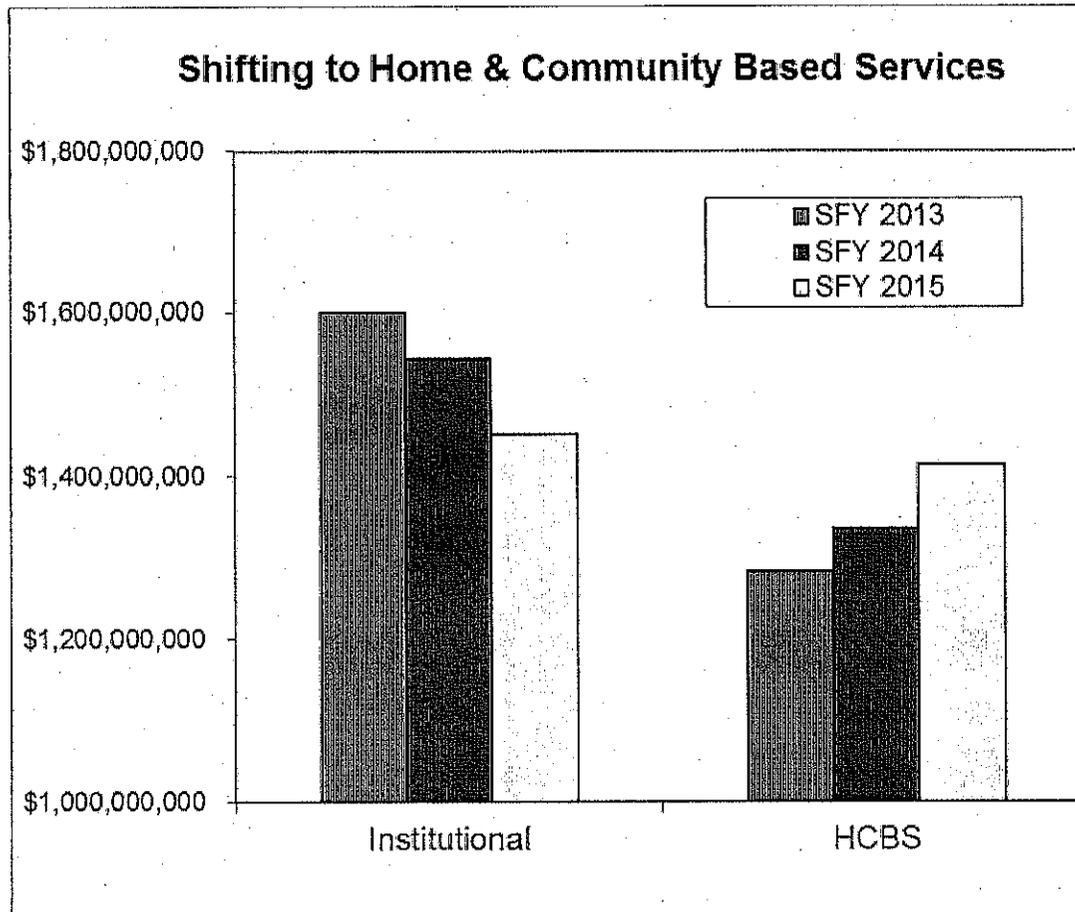
1,466 Transitions from Nursing Homes

41



Medicaid – Shifting the Focus

42

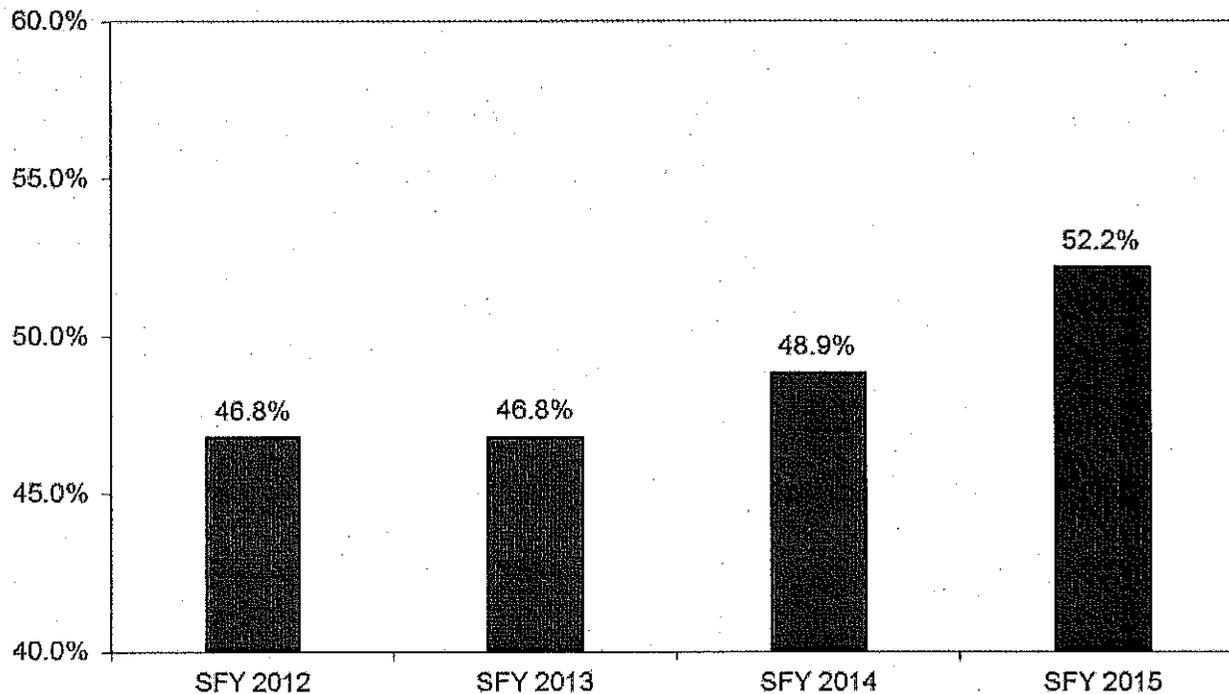


The Governor's recommended investments will help shift the balance toward home and community based long term care services and supports in recognition of our BIP targets.

Medicaid – Shifting the Focus

43

HCBS Expenditures as a Percentage of Long Term Care Expenditures*



The BIP grant requires states to meet a 50% target for the proportion of long term care service and support expenditures that are met through home and community based services and supports.

*Expenditures as included in the BIP application

Medicaid – Service Efficiencies

44

Strategy 3: Enhancing utilization management and other service efficiency efforts through our medical ASO

- The Governor's recommended budget seeks to build on existing quality management strategies that are included in the ASO contract for medical services by requiring prior authorization and refining utilization management standards for various services.
- Themes that carry through these strategies include alignment with other payers (notably, Medicare) and the modernization of outdated practices.

Medicaid – Service Efficiencies

45

The budget continues several Deficit Mitigation initiatives involving an active partnership with our ASO to better manage our services. Examples of these are listed below :

- Adopt Medicare Guidelines for Approval of Machines for Support of Sleep Apnea
[SFY 2014 (\$1,900,000), SFY 2015 (\$2,000,000)]
- Remove Threshold for Prior Authorization of Home Health Services
[SFY 2014 (\$1,700,000), SFY 2015 (\$1,700,000)]
- Reduce Threshold for Prior Authorization for Therapies
[SFY 2014 (\$500,000), SFY 2015 (\$500,000)]

Medicaid – Service Efficiencies

46

- Implement Medical Necessity Review for Approval of Customized Wheelchairs and Authorize Use of Refurbished Chairs
[SFY 2014 (\$4,500,000), SFY 2015 (\$4,500,000)]
- Eliminate Adult Chiropractic Coverage and Maintain Chiropractic Coverage for Children Only as Medical Necessary
[SFY 2014 (\$360,000), SFY 2015 (\$360,000)]

Medicaid – Maximize State Resources

47

In addition to the Deficit Mitigation items, two new budget proposals were put forward to maximize State resources:

- Provide Medical Interpreter Services through the ASO
 - This proposal eliminates the requirement that foreign language interpreter services be included as a covered service under the Medicaid program. The medical ASO now provides the service, which is claimable as an administrative expense at 75%, rather than the 50% reimbursement allowed under the current statutory requirement.

[SFY 2014 (\$7,500,000), SFY 2015 (\$8,200,000)]

Medicaid – Service Efficiencies

48

- Implement Step Therapy
 - This proposal maximizes supplemental rebates through the use of preferred products, and increases the use of generics, when appropriate.
 - Similar to practices in commercial insurance products, providers will be required to document that a client has tried a preferred product before they can prescribe a non-preferred product.
 - Mental health drugs will be excluded from this requirement.

[SFY 2014 (\$11,800,000), SFY 2015 (\$15,800,000)]

Medicaid – Payment Reforms

49

Strategy 4: Reforming our rate, fee schedule and related payment systems

- In addition to the continuation of Deficit Mitigation initiatives, several new payment reform changes are included in the Governor's recommended budget.
- These initiatives are briefly summarized in the following slides.

Medicaid – Payment Reforms

50

- Remove Statutory/Regulatory Inflation Adjustments

This recommendation eliminates the statutory rate increase for the 4.7% rebasing of costs for nursing homes for SFY 2014, and eliminates a 2.0% inflationary adjustment in SFY 2015.

[SFY 2014 (\$54.8M), SFY 2015 (\$83.8M)]

- Eliminate Enhanced Hospital Funding

This recommendation eliminates the \$12 million balance of enhanced funding that remains after annualizing deficit mitigation plan changes adopted in the December special session.

[SFY 2014 (\$12.0M), SFY 2015 (\$12.0M)]

Medicaid – Payment Reforms

51

- Restructure Behavioral Health Reimbursement

DMHAS and DSS are working cooperatively to restructure reimbursement for certain behavioral health services, including methadone maintenance. The initiative targets areas where the Medicaid reimbursement for services exceeds the Medicare rate.

[SFY 2014 (\$4.1M), SFY 2015 (\$5.1M)]

Eliminate Enhanced Reimbursement for Independent Pharmacies

This recommendation eliminates enhanced reimbursement for independent pharmacies by returning to the earlier levels of AWP minus 16%, consistent with reimbursement to chain pharmacies.

[SFY 2014 (\$500,000), SFY 2015 (\$550,000)]

Medicaid – Payment Reforms

52

- Align Pharmacy Dispensing Fee with State Employee Plan

The December special session reduced the pharmacy dispensing fee from \$2.00 to \$1.70 as part of deficit mitigation, and the Governor's budget annualizes the savings. This proposal further reduces the pharmacy dispensing fee from the \$1.70 to align with current levels under the state employee and retiree programs.

[SFY 2014 (\$2.4M), SFY 2015 (\$2.6M)]

Medicaid – Payment Reforms

53

- In addition to these new initiatives, the Department is also embarking on a project to update and modernize its payment methodologies.
- A necessary first step for the Department, however, is updating its current payment mechanisms so that they are consistent with other major payers.
- Two key elements of updating and modernizing payment mechanisms include:
 - reforming the means of making hospital payments
 - conversion of medical codes from ICD-9 to ICD-10

Medicaid – Payment Reforms

54

- Hospital payment reform will:
 - align payments to the services that are provided
 - incent efficiency
 - enhance predictability and transparency of method
 - accommodate value-based payment mechanisms (pay-for-performance, shared savings, episode bundling)
 - better align with methods used by private payers

Medicaid – Payment Reforms

55

- Hospital payment reform will involve two elements:
 - conversion of inpatient method from the current Target Payment/Discharge approach to use of Diagnosis Related Groups (DRGs)
 - conversion of the outpatient method from the current mix of fixed fees and cost-to-charge ratios to Ambulatory Payment Classifications (APC)

Medicaid – Payment Reforms

56

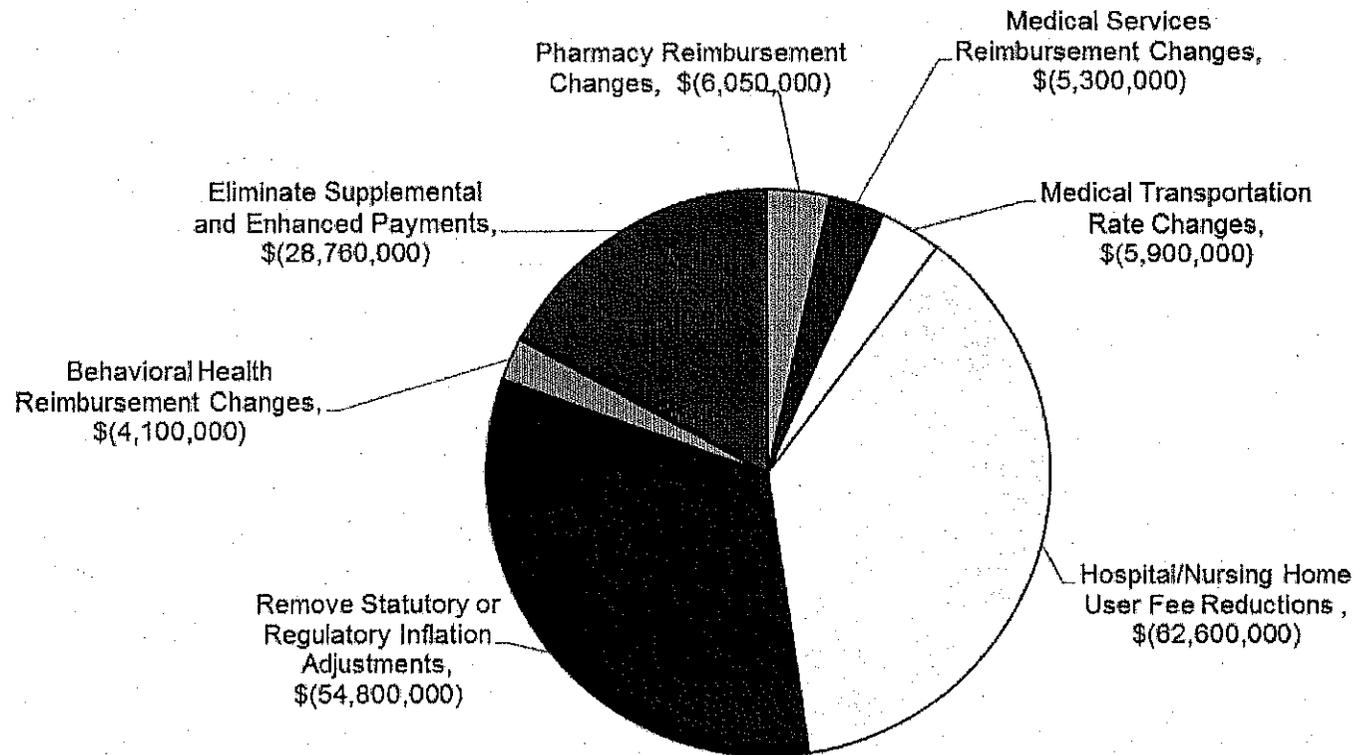
Payment Reform - Future Directions

- Following reform of hospital payments and conversion of medical codes, the Department will evaluate use of payment mechanisms including pay-for-performance (P4P), episodes of care and shared savings.

Medicaid – Payment Reforms

57

Medicaid Payment Reforms by Category SFY 2014



Medicaid – Future Directions

58

Strategy 5: Establishing future program design and direction through ACA changes

ACA will expand health coverage to more of Connecticut's residents.

- As of January 1, 2014, Connecticut will provide Medicaid coverage to all childless adults up to 133% FPL with full federal reimbursement.
- The extension of Medicaid benefits to single adults with income between 55% FPL and 133% FPL is projected to result in increased costs of \$52 million in FY2014, \$301 million in FY 2015 and \$398 million in FY 2016.
- The costs of the Medicaid expansion will be 100% reimbursed by the federal government through 2016, and will then be adjusted incrementally downward to a 90% reimbursement rate by 2020.

Medicaid – Future Directions

59

- Under ACA, the State's Health Insurance Exchange (HIX) will qualify for significant federal subsidies to lower the costs associated with obtaining and maintaining comprehensive health insurance coverage beginning January 1, 2014.
- Federal subsidies will include advanced premium tax credits to reduce the monthly cost of health insurance premiums as well as additional cost sharing reductions.
- The Governor's budget proposes to shift HUSKY A adults above 133% FPL and Charter Oak clients (not eligible under the single adult expansion) to the HIX to help build a more robust exchange.

Medicaid – Future Directions

60

- Under ACA, the Governor's budget increases Medicaid rates to Medicare levels for services provided by primary care physicians in calendar years 2013 and 2014.
- The budget includes \$104 million in FY 2014 and \$47 million in FY 2015 to fund the rate increases.
- These costs will be 100% reimbursed by the federal government.
- DSS expects to implement this provision on or after July 1, 2013, retroactive to January 1, 2013.

Medicaid – Future Directions

61

Affordable Care Act
Areas of Significant Fiscal Impact to DSS / DMHAS
(in millions)

	<u>FY 2014</u>	<u>FY 2015</u>
<u>Expenditures</u>		
Primary Care Physician Increase - Medicaid	\$103.9	\$46.6
Medicaid Expansion for Single Adults (Increase in income eligibility from 55% to 133% FPL)	51.6	301.0
Existing Single Adults program (Income up to 55% FPL)	789.3	834.8
Health Homes	10.0	10.0
Expenditure Total	\$954.7	\$1,192.4
<u>Revenue</u>		
Revenue From Above Expenditures	\$764.6	\$1,195.5
Balancing Incentive Program	25.9	27.4
DSH Reduction	(7.1)	(10.9)
Revenue Total	\$783.4	\$1,212.0
Net State Cost	\$171.3	(\$19.6)

Medicaid – Other Significant Items

62

The Governor's recommended budget includes an aggressive fraud detection initiative.

- This initiative will employ predictive analytics to better identify patterns of waste, fraud, and abuse, and allow the state to conduct additional investigations to recover funds expended on fraudulent claims.
- The budget assumes \$60 million in savings for each year of the biennium from these efforts.

Infrastructure Investments

63

The Governor's budget recommendation includes infrastructure support in several key areas:

- Staffing
- ConneCT
- Health Information Technologies
- Integrated Eligibility Management
- Health Insurance Exchange
- Medicaid Data Analytics/Informatics

Infrastructure – Staff Enhancements

64

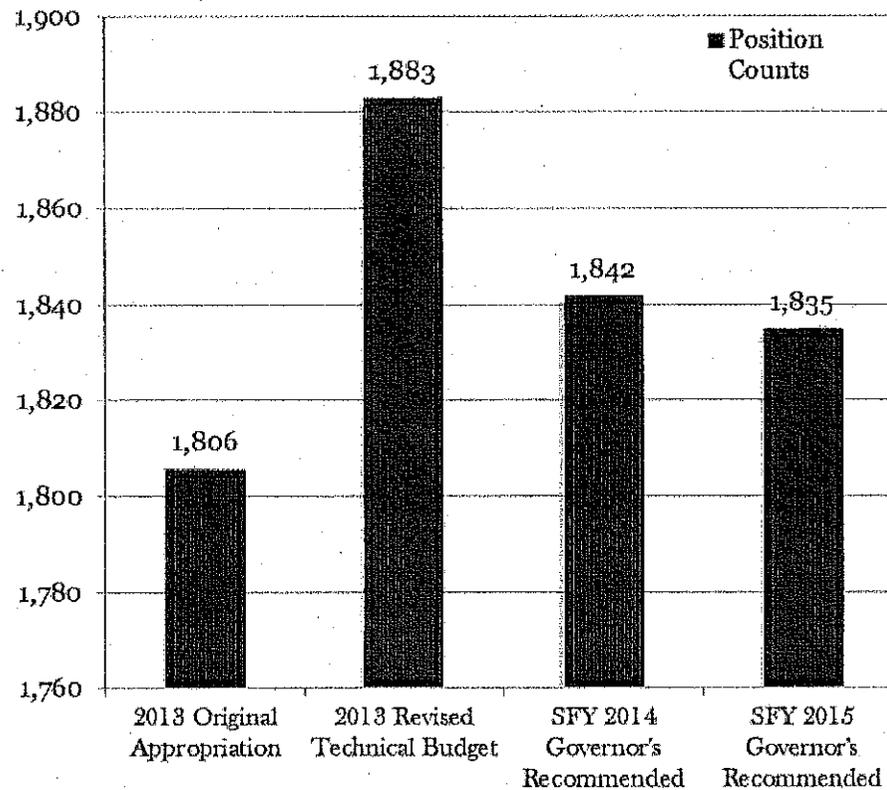
- Recent investments in staff have improved our ability to meet the demands of increasing caseloads.
- When the technical and infrastructure improvements are fully implemented and staff trained, the department will be better positioned to manage its caseloads.
- The Governor's recommended budget maintains recent staffing investments. Reductions to our position count are primarily related to program transfers.

Infrastructure – Staff Enhancements

65

Personal Services

Governor's Recommended



Current Services

Positions 1,883

- Transfer Positions to Department on Aging (26)
- Transfer Positions to Department of Housing (5)
- Realign Contracting Functions under DMHAS (6)
- Transfer Positions to the Office of Early Childhood (10)
- Centralize Affirmative Action Planning in CHRO (1)

Governor's Recommended

SFY 2015 Budget Total

1,835

Information Technology Investments

66

- The Department is working with OPM to establish funding mechanisms to support our IT investments through a variety of methods including:
 - Use of the IT Capital Investment Fund
 - Utilizing the Federal Share of Project Expenses
 - Capital Equipment Purchasing Fund Allocations
 - General Fund Other Expense Allocations

IT Investments By Project

67

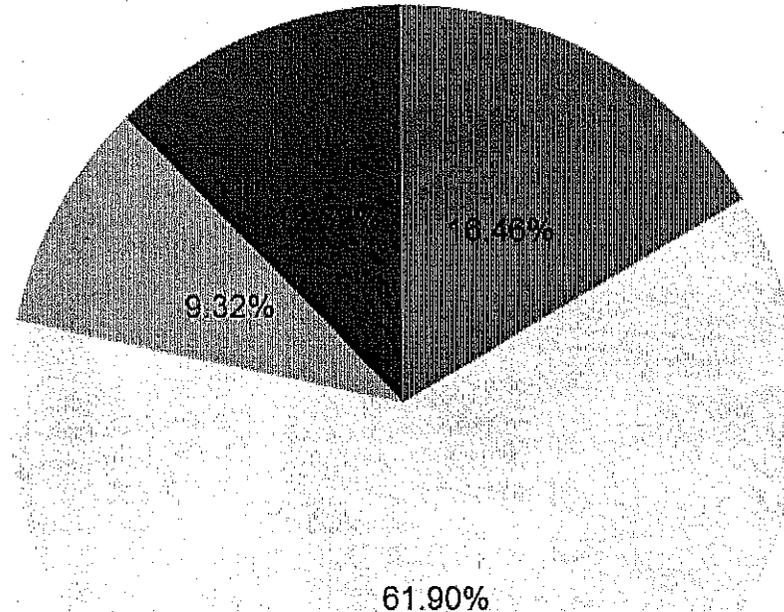
Anticipated IT Investment Projects Overall Summary by Project SFY 2012 - SFY 2015

■ ConneCT

■ Health Insurance Exchange / Integrated Eligibility (HIX / IE)

■ Health Information Exchange / Health Information Technology (HIE / HIT)

■ Analytic Infrastructure



Overall Expenditures:

ConneCT: \$ 26,195,334

HIX / IE: \$ 98,485,737

HIE / HIT: \$ 14,836,928

Analytic Infrastructure: \$ 19,595,000

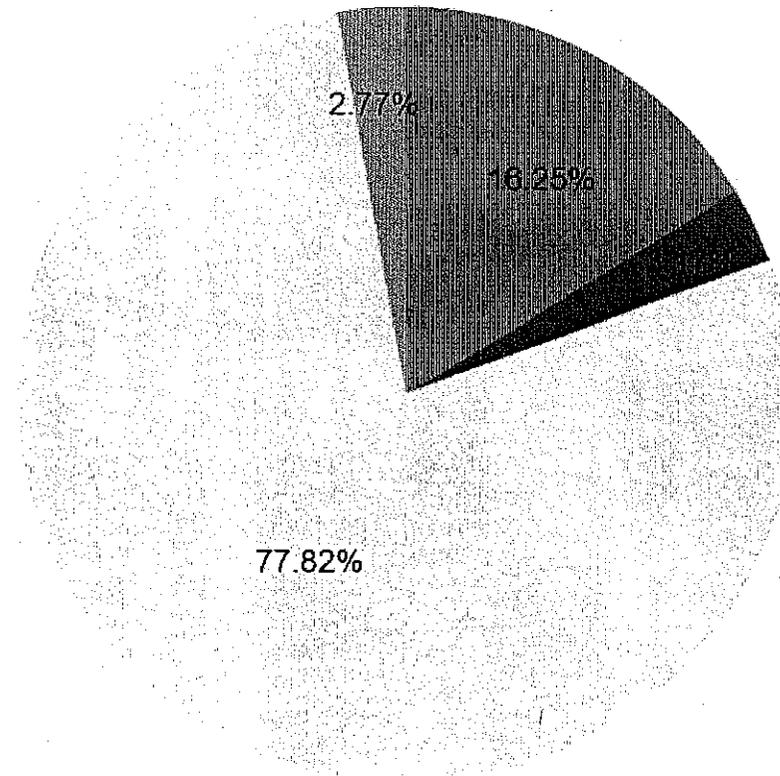
Grand Total: \$159,112,999

IT Investments by Anticipated Funding Source

68

IT Investment Projects Overall Summary by Anticipated Funding Source SFY 2012 - SFY 2015

- IT Capital Investment Fund
- Capital Equipment Purchase Fund (CEPF)
- Federal Share
- Other Expenses



Overall Expenditures:

IT Invest: \$ 25,852,961
CEPF: \$ 5,042,413
Federal Share: \$ 123,813,889
OE: \$ 4,403,736
Grand Total: \$ 159,112,999

Infrastructure - ConneCT

69

ConneCT Major components include:

- Web Services – client access to information
- Telephony – client access to help
- Document Management and Workflow – staff access to case information and e-documents

Funding included over the biennium:

- Remaining development costs - \$3.1 million
- Operational costs - \$9.2 million

Infrastructure – Health Information

70

The Health Information Exchange will support use of health information technology and electronic health record (EHR) systems to provide coordinated and efficient service delivery.

- The EHR program provides incentive payments to providers demonstrating meaningful use of certified electronic health record technologies. This program is 100% federally funded.
- Through our efforts, \$42 million has been passed through to providers to establish EHR systems to date. Eligible providers include hospitals, physicians, physicians assistants, nurse practitioners, nurse midwives, dentists.
- Costs are projected at \$6.2 million and \$ 2.8 million in SFY 2014 and 2015 respectively, for the administrative costs associated with this effort which qualify for 90% federal reimbursement.

Infrastructure – Integrated Eligibility

71

The Integrated Eligibility Project (IEP) will replace a number of difficult to maintain legacy systems collectively known as EMS, streamline eligibility determinations and case management, while allowing the department to meet the requirements of the Affordable Care Act (ACA).

- The benefits of the Integrated Eligibility initiative include cost containment and reduction, enhanced quality, improved health outcomes, and increased access to benefits for eligible populations.
- Costs are projected at \$37.6 million and \$33.7 million in SFY 2014 and 2015 respectively for the Integrated Eligibility/Health Insurance Exchange projects, which qualify for approximately 90% federal reimbursement.

Infrastructure – Health Insurance Exchange

72

The CT Health Insurance Exchange (CT HIX) supports health reform efforts that will provide the residents of Connecticut with an enhanced and more coordinated health care experience.

- The Exchange and DSS will use a single shared eligibility service.
- The planned result of the CT HIX is to improve health care quality at lower costs and to reduce health disparities through this innovative, competitive marketplace.
- Due to the close relationship of this effort with our Integrated Eligibility (IE) project, total combined costs are shown in the previous IE slide.

Infrastructure – Data Analytics/ Informatics

73

The Data Analytics/Informatics initiative provides an infrastructure that will support a wide range of financial and non-financial research and analytics.

- By providing a reliable and efficient source of Medicaid data, ensuring data quality and integrity, this initiative is essential to many of the medical program changes.
- Costs are projected at \$8.7 million and \$9.9 million in SFY 2014 and 2015 respectively, which qualify for 90% federal reimbursement.

Transfers of Programs

74

Proposed transfers to consolidate program service areas under agency umbrellas to coordinate services include new initiatives noted below:

- DSS' Child Care programs to the new Office of Early Childhood.
- Children's Trust Fund to the Office of Early Childhood in SFY 2015.
- Employment Success Program to the Department of Labor.

Transfers of Programs

75

Funding associated with the various program transfers is included below:

Transfers of DSS Programs to Other State Agencies			
		SFY 2014	SFY 2015
Department on Aging		\$ 8,914,378	\$ 9,017,540
Department of Housing		\$ 57,515,797	\$ 61,779,529
Office of Early Childhood			
	Child Care	\$ 102,458,214	\$ 105,680,637
	Children's Trust Fund	\$ 0	\$ 10,563,768
	Subtotal	\$ 102,458,214	\$ 116,244,405
Department of Labor		\$ 642,260	\$ 642,260
Secretary of State-Citizenship Training		\$ 50,000	\$ 50,000
Total		\$ 170,093,403	\$ 188,260,396

Other Budget Changes

76

Programs Eliminated

- Transportation to Work
- Before and After School Programs
- Fatherhood Initiative
- HUSKY Performance Monitoring

Programs with Reductions

- Teen Pregnancy Prevention
- Children's Trust Fund
- Healthy Start
- HUSKY Outreach
(Eliminated in SFY 2015)

Other Budget Changes

77

Accounts Consolidated

- Aid to the Aged, Blind and Disabled
- Child Support Functions
- Nutrition Assistance
- Medicaid
- Several Accounts Combined into Community Services

Conclusion

78

- In closing, I would like to express my gratitude to Governor Malloy for proposing a budget that supports our ability to continue providing critical services, while also providing support for our infrastructure updates.
- I recognize the challenges we all face in this process and am committed to providing the highest level of support for our clients with the resources that can be made available.
- At this time, we are available to respond to any questions you may have.

Thank you.