

Office of the Healthcare Advocate

MCO39400

Permanent Full-Time Positions

Fund	Actual FY 15	Actual FY 16	Appropriation FY 17	Governor Recommended		Legislative	
				FY 18	FY 19	FY 18	FY 19
Insurance Fund	29	29	29	29	22	27	22

Budget Summary

Account	Actual FY 15	Actual FY 16	Appropriation FY 17	Governor Recommended		Legislative	
				FY 18	FY 19	FY 18	FY 19
Personal Services	1,557,297	1,874,765	2,488,457	2,263,457	1,683,355	2,097,714	1,683,355
Other Expenses	2,113,527	1,342,541	2,691,767	2,691,767	164,500	2,691,767	305,000
Equipment	14,770	14,883	15,000	15,000	15,000	15,000	15,000
Other Current Expenses							
Fringe Benefits	1,150,671	1,548,749	2,256,227	1,788,131	1,329,851	1,644,481	1,329,851
Indirect Overhead	142,055	142,055	142,055	106,630	106,630	106,630	106,630
Nonfunctional - Change to Accruals	46,651	-	-	-	-	-	-
Agency Total - Insurance Fund	5,024,971	4,922,993	7,593,506	6,864,985	3,299,336	6,555,592	3,439,836
Additional Funds Available							
Federal Funds	-	3,839,769	2,770,501	2,915,750	225,750	2,915,750	225,750
Private Contributions	-	133,870	86,480	86,480	-	86,480	-
Agency Grand Total	5,024,971	8,896,632	10,450,487	9,867,215	3,525,086	9,557,822	3,665,586

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19

Policy Revisions

Eliminate Vacant Positions

Personal Services	-	-	(165,743)	(165,743)	(165,743)	(165,743)
Fringe Benefits	-	-	(143,650)	(143,650)	(143,650)	(143,650)
Total - Insurance Fund	-	-	(309,393)	(309,393)	(309,393)	(309,393)
Positions - Insurance Fund	-	-	(2)	(2)	(2)	(2)

Legislative

Eliminate funding of \$309,393 for two vacant positions in both FY 18 and FY 19.

Transfer SIM Program to Office of Health Strategy

Personal Services	-	(580,102)	-	(414,359)	-	165,743
Other Expenses	-	(2,527,267)	-	(2,386,767)	-	140,500
Fringe Benefits	-	(458,280)	-	(314,630)	-	143,650
Total - Insurance Fund	-	(3,565,649)	-	(3,115,756)	-	449,893
Positions - Insurance Fund	-	(7)	-	(5)	-	2

Background

The Office of Health Strategy is a new agency starting in FY 19 which combines programs from three agencies: the Department of Public Health, Department of Insurance and the Office of the Healthcare Advocate.

The State Innovation Model (SIM) Program was initiated under the federal Affordable Care Act, through the Center for Medicare and Medicaid Innovation (CMMI). The state received a planning grant in March of 2013 to develop SIM. SIM's purpose is to align all

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19

health care payers in the state (e.g. Medicaid, the state employee and retiree health plan, Medicare, commercial and self-funded plans) around a value-based payment methodology, which focuses reimbursement on quality metrics, as opposed to simply volume and cost reduction measures, through various means.

Governor

Transfer funding of \$3,565,649 and seven positions in FY 19 to the new Office of Health Strategy for the SIM program.

Legislative

Transfer funding of \$3,115,756 and five positions in FY 19 to the new Office of Health Strategy for the SIM program.

Current Services

Reduce Personal Services Account

Personal Services	(225,000)	(225,000)	(225,000)	(225,000)	-	-
Total - Insurance Fund	(225,000)	(225,000)	(225,000)	(225,000)	-	-

Governor

Reduce the Personal Services account by \$225,000 in both FY 18 and FY 19 to align payroll funding with current requirements.

Legislative

Same as Governor

Adjust Fringe Benefits and Indirect Overhead

Fringe Benefits	(468,096)	(468,096)	(468,096)	(468,096)	-	-
Indirect Overhead	(35,425)	(35,425)	(35,425)	(35,425)	-	-
Total - Insurance Fund	(503,521)	(503,521)	(503,521)	(503,521)	-	-

Background

The fringe benefit costs for employees supported by funds other than the General Fund are budgeted for within their respective agencies, as opposed to the fringe benefit accounts within the Office of the State Comptroller. In addition, this agency is charged indirect overhead costs by the State Comptroller for utilizing certain centralized state agency services.

Governor

Reduce funding by \$503,521 in both FY 18 and FY 19 to reflect required funding for fringe benefits and indirect overhead.

Legislative

Same as Governor

Totals

Budget Components	Governor Recommended		Legislative		Difference from Governor	
	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19
FY 17 Appropriation - IF	7,593,506	7,593,506	7,593,506	7,593,506	-	-
Policy Revisions	-	(3,565,649)	(309,393)	(3,425,149)	(309,393)	140,500
Current Services	(728,521)	(728,521)	(728,521)	(728,521)	-	-
Total Recommended - IF	6,864,985	3,299,336	6,555,592	3,439,836	(309,393)	140,500

Positions	Governor Recommended		Legislative		Difference from Governor	
	FY 18	FY 19	FY 18	FY 19	FY 18	FY 19
FY 17 Appropriation - IF	29	29	29	29	-	-
Policy Revisions	-	(7)	(2)	(7)	(2)	-
Total Recommended - IF	29	22	27	22	(2)	-

PA 17-2 JSS, An Act Concerning the State Budget for the Biennium Ending June 30, 2019

Sections 12 - 16 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 18 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 17-2 JSS and amended in PA 17-4 JSS. This includes a Labor Concessions Savings of \$18,704. See the FY 18 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

Account	Appropriation \$	Reduction Amount \$	Net Remaining \$	% Reduction
Personal Services	2,097,714	(18,704)	2,079,010	0.9%