



FY16 Executive Budget

Schedule 09 Department of Health and Hospitals



**Louisiana Senate
Finance Committee
April 20, 2015**

Audit Findings Regarding the Department of Health and Hospitals

Audit Findings

UTILIZATION, COST, AND QUALITY OF CARE IN MEDICAID NURSING FACILITIES • June 4, 2014

Louisiana's nursing home population is getting younger, and the average occupancy rate for nursing homes is lower than the national average. In addition, nursing facility rates have risen by 38% since June 2010, but still rank relatively low compared to other states. From fiscal year 2011 through fiscal year 2013, Louisiana nursing facilities were cited for more than 7,500 deficiencies and assessed approximately \$4.9 million in fines. In September 2011, a national report ranked the state at or near the bottom in the percent of high-risk residents with pressure sores, the percent of long-stay residents physically restrained, the percent of long-stay residents admitted to a hospital, and the percent of residents with low care needs.

MEDICAID PARTICIPANT FEES PAID FOR INCARCERATED INDIVIDUALS • July 2, 2014

Federal rules forbid the use of Medicaid funds to pay for medical services for incarcerated individuals except when the inmate is a patient in a medical institution. This data analysis report found that DHH paid nearly \$2.7 million in Medicaid participant fees for incarcerated individuals to the Louisiana Behavioral Health Partnership and Bayou Health between February 1, 2012, and December 31, 2013. In addition, the analysis found that approximately 27% of the payments were for individuals who were incarcerated before the programs began.

CONSIDERATION OF THE BAYOU HEALTH TRANSPARENCY REPORT • August 13, 2014

In response to Act 212 of the 2013 Regular Session, DHH submitted the Bayou Health Transparency Report on January 2, 2014. A review of the report noted numerous issues, including: comparable data for Bayou Health and legacy Medicaid were not provided as required by the Act, global assertions on Bayou Health savings and improved health outcomes were included but not supported, data provided were primarily self-reported from the private health plans with no validation or verification by DHH personnel, DHH only sanctioned one health plan one time for failure to provide the required percentage of general health plan claims data even though two plans were delinquent for numerous months, and the report included mathematical errors and inconsistencies between the various report sections and the supplemental data provided.

Audit Findings

UTILIZATION, COST, AND QUALITY OF CARE IN MEDICAID INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES • September 17, 2014

Louisiana ranks fifth-highest in the nation in the use of Intermediate Care Facilities for Individuals with Developmental Disabilities (ICFs/DD) and sixth highest in the total number of beds and residents as of October 2013. In addition, the state exceeds the national average for people with developmental and intellectual disabilities receiving residential services somewhere other than the family home and ranks behind the rest of the country in the use of home- and community-based services. Louisiana's ICFs/DD also had their daily payment rates cut between 2007 and 2014. In April 2014, the rates were increased slightly from \$14.30 to \$16.15. Finally, the state's ICFs/DD were cited for nearly 3,000 deficiencies between fiscal year 2011 and fiscal year 2013 including providers not paying for required services, problems with employee training, administration of medication, and provision of active treatment. In the same time period, the ICFs/DD also were assessed \$64,000 in fines for 39 violations involving health and safety issues.

OFFICE OF BEHAVIORAL HEALTH – LOUISIANA BEHAVIORAL HEALTH PARTNERSHIP • September 24, 2014

In a second-year report on implementation and transition issues for the Louisiana Behavioral Health Partnership (LBHP), management of five human services districts/authorities (districts) reported continuing problems with self-generated revenue, expired claims, and claims system flaws. The LBHP is a privatization of state behavioral health services using a contractor, Magellan Health Services, to manage all service delivery. The districts are not collecting the budgeted amounts for self-generated revenue for fee-for-service claims through the LBHP. Some districts are balancing the revenue shortfall by not filling vacant positions, resulting in larger caseloads, longer client waiting times, and decreases in the amount of services delivered. Because of claims system flaws, some districts were unable to file any claims to third-party payers for up to two years after the launch of the LBHP. Each month, more claims surpass the claims filing expiration date and become uncollectible. For the second year, the DHH Fiscal Section still does not have adequate processes and controls to ensure that claims payments to the districts are identified and classified timely so the districts have access to earned funds, potentially limiting the districts' ability to deliver future services. Also for the second year, the DHH Office of Behavioral Health is not adequately monitoring Magellan contract deliverables for significant technical requirements.

Audit Findings

BATON ROUGE MAIN OFFICE OPERATIONS – NON-COMPLIANCE WITH FEDERAL AND STATE REGULATIONS OVER CONTRACT FOR NEW MEDICAID DENTAL PROGRAM • November 26, 2014

On July 1, 2014, DHH launched the Medicaid Dental Benefits Program using a private contractor but did not submit the three-year, \$484 million contract for approval to the federal Centers for Medicare and Medicaid Services (CMS), as required by the waiver agreement with CMS. DHH also disclosed protected health information and personal identifiable information prior to having data-sharing agreements in place. In addition, DHH paid the contractor before the contract was approved by the state Office of Contractual Review (OCR). By not meeting waiver terms, DHH may have violated federal regulations and could owe funds to the federal grantor. By providing information before executing data-sharing agreements, DHH may have exposed itself and individuals to unnecessary risk by not protecting the confidentiality of the data.

BATON ROUGE MAIN OFFICE OPERATIONS – INADEQUATE CONTROLS TO MONITOR TIMELY FILING AND PROMPT PAYMENT OF MEDICAID CLAIMS • November 26, 2014

DHH failed to require the Louisiana Behavioral Health Partnership's State Managing Organization, Magellan, to submit details on claims that would allow DHH to monitor compliance with Medicaid requirements for the timely filing and prompt payment of Medicaid claims. As a result, DHH may be reimbursing Magellan for paid claims that do not meet federal regulations. The amount of claims possibly paid in error could not be determined because Magellan did not capture and report the actual date that the original claim was filed. The date of original claim submission is needed to determine whether the claim met Medicaid regulations.

BATON ROUGE MAIN OFFICE OPERATIONS – IMPROPER PAYMENTS OF MEDICAID CLAIMS • November 26, 2014

DHH paid claims totaling \$1,246,404 that did not meet federal regulations relating to the period of availability of federal funds that require filing of original claims within one year of the date of service. DHH's contractor, Molina, inappropriately applied system changes that allowed claims to bypass the edit controlling the one-year filing requirement. After discussing the audit's test results with DHH, DHH and Molina identified 18,171 claims paid to 1,595 providers for services delivered to 9,049 recipients that were paid in error.

Audit Findings

BATON ROUGE MAIN OFFICE OPERATIONS – IMPROPER PAYMENTS TO NON-EMERGENCY MEDICAL TRANSPORTATION SERVICES PROVIDERS • November 26, 2014

DHH paid claims totaling \$863,480 to providers of Non-Emergency Medical Transportation (NEMT) for services billed to the Medical Assistance Program (Medicaid) that were not provided in accordance with established policies, which the Legislative Auditor considers questioned costs for which the state may be liable. This is the seventh consecutive year the Legislative Auditor has reported improper NEMT payments. For one of the providers, the audit found that the provider entered into a contractual agreement with a medical services provider to be the exclusive transportation provider for the recipients of that medical provider. This agreement is a possible violation of Medicaid regulations requiring recipient freedom of choice. Further, the contracted state dispatcher for NEMT allowed this provider to circumvent the established process under which only the Medicaid recipient or family member/caregiver should request the transport.

Department of Health and Hospitals

Schedule 09 — Department of Health and Hospitals

An Overview

DHH's Mission

In its authorizing statute, DHH is charged with the responsibility for the development and provision of health and medical services for the prevention of disease for the citizens of Louisiana.

DHH also provides services for the mentally ill, for persons with developmental and adult-onset disabilities, the elderly, and for those suffering from addictive disorders; public health services; and health and medical services under the Medicaid program for the uninsured and medically indigent citizens of Louisiana.

Allocation of Financial Resources

Medical Vendor Payments is the vast majority of the department's budget.

SGF	TOTAL	
1.52%	0.98%	Office of the Secretary
2.46%	2.80%	Medical Vendor Administration
84.80%	86.41%	Medical Vendor Payments
4.48%	1.99%	Human Services Authorities and Districts
0.51%	0.51%	Aging and Adult Services
3.82%	2.36%	Behavioral Health Services
0.87%	1.53%	Developmental Disabilities Services
1.55%	3.43%	Public Health Services

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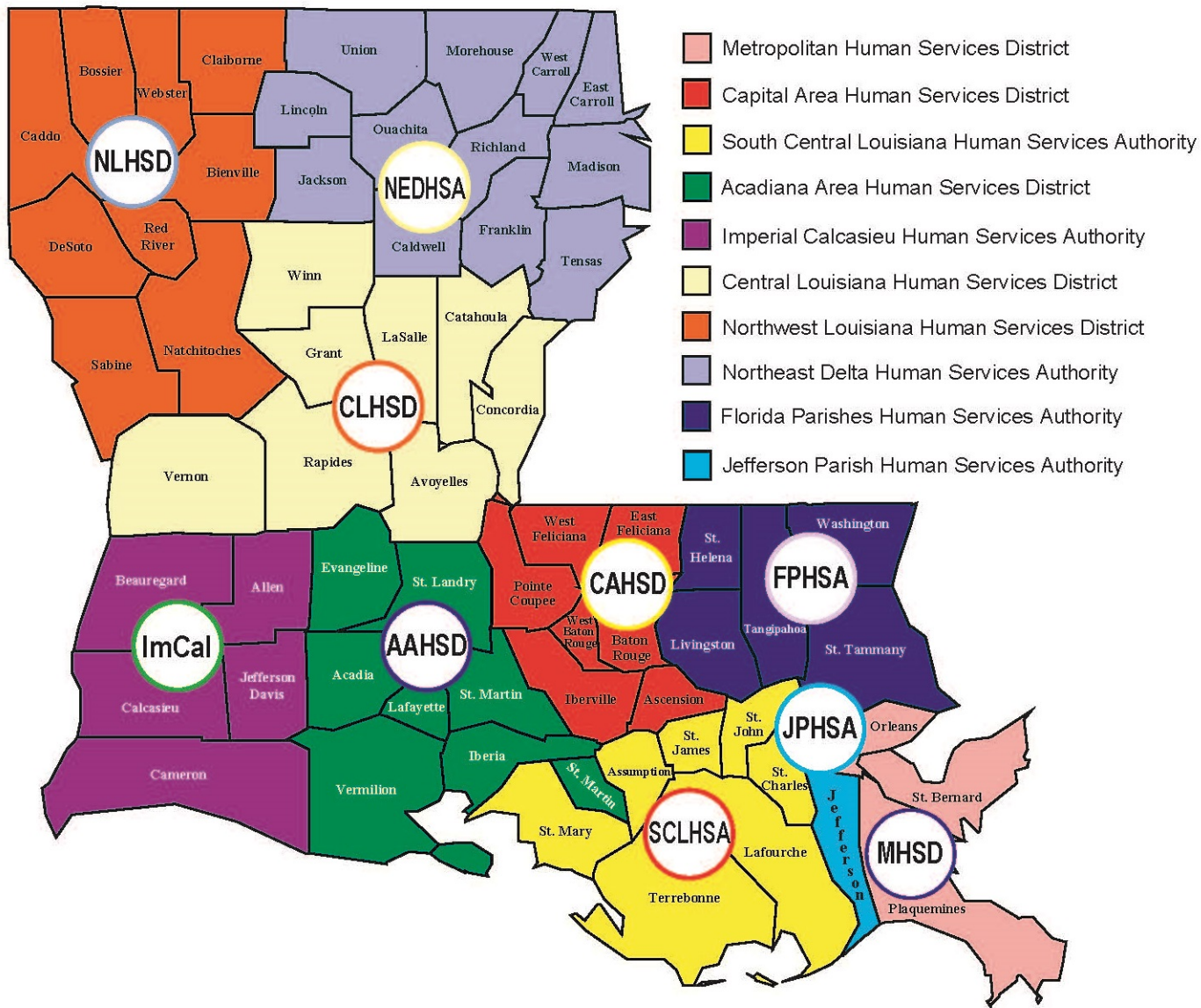
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- Human Services Authorities and Districts
 - Jefferson Parish Human Services Authority
 - Florida Parishes Human Services Authority
 - Capital Area Human Services District
 - Metropolitan Human Services District
 - South Central Louisiana Human Services Authority
 - Northeast Delta Human Services Authority
 - Acadiana Area Human Services District
 - Imperial Calcasieu Human Services Authority
 - Central Louisiana Human Services District
 - Northwest Louisiana Human Services District
- DHH Office of the Secretary
- Medicaid Program
 - Medical Vendor Administration
 - Medical Vendor Payments
- Office of Aging and Adult Services
- Office of Behavioral Health
- Office for Citizens with Developmental Disabilities
- Developmental Disabilities Council
- Office of Public Health
- Louisiana Emergency Response Network

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- **Human Services Authorities and Districts** – The human services authorities and districts are special entities created by the legislature to, through their governance boards, be responsible for the operation and management of behavioral health (mental health and addictive disorders) and developmental disabilities community-based programs and services in specific parishes.
- The state is divided regionally into ten authorities/districts:
 - **Jefferson Parish Human Services Authority** – Serving Jefferson Parish;
 - **Florida Parishes Human Services Authority** – Serving Livingston, St. Helena, St. Tammany, Tangipahoa, and Washington Parishes;
 - **Capital Area Human Services District** – Serving Ascension, East Baton Rouge, East Feliciana, Iberville, Pointe Coupee, West Baton Rouge, and West Feliciana Parishes;
 - **Metropolitan Human Services District** – Serving Orleans, Plaquemines, and St. Bernard Parishes;
 - **South Central Louisiana Human Services Authority** – Serving Assumption, Lafourche, St. Charles, St. James, St. John the Baptist, St. Mary, and Terrebonne Parishes;
 - **Northeast Delta Human Services Authority** – Serving Caldwell, East Carroll, Franklin, Jackson, Lincoln, Madison, Morehouse, Ouachita, Richland, Tensas, Union, and West Carroll Parishes;
 - **Acadiana Area Human Services District** – Serving Acadia, Evangeline, Iberia, Lafayette, St. Landry, St. Martin, and Vermillion Parishes;
 - **Imperial Calcasieu Human Services Authority** – Serving Allen, Beauregard, Calcasieu, Cameron, and Jefferson Davis Parishes;
 - **Central Louisiana Human Services District** – Serving Avoyelles, Catahoula, Concordia, Grant, LaSalle, Rapides, Vernon, and Winn Parishes; and,
 - **Northwest Louisiana Human Services District** – Serving Bienville, Bossier, Caddo, Claiborne, De Soto, Natchitoches, Red River, Sabine, and Webster Parishes.



Source: Department of Health and Hospitals

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Schedule 09 — DHH Agencies

- **DHH Office of the Secretary** – The Office of the Secretary (OS) houses DHH’s executive administration and provides general and financial management, supervision and support services for the department. DHH-OS also houses the department’s Health Standards Section, which licenses health care facilities to operate in the state of Louisiana and certifies these facilities for participation in Medicare and Medicaid.
- **Medicaid Program** – The Medicaid program is a state-administered federal program that finances the provision of health care services to low-income individuals and families, including pregnant women, children, the elderly, and disabled persons. There are approximately 1.3 million Medicaid-eligible individuals. Long-term care services for elderly and disabled individuals are also provided under the Medicaid program, including both institutional and community-based care. In addition, the Medicaid program finances health care services for the roughly 16.6 percent of Louisiana’s population that is uninsured.
 - **Medical Vendor Administration** – Medical Vendor Administration (MVA) is responsible for the development, implementation, and enforcement of the administrative and programmatic policies of the Medicaid program with respect to eligibility, reimbursement, and monitoring the provision of health care services, in concurrence with federal and state rules and regulations.
 - **Medical Vendor Payments** – Medical Vendor Payments (MVP) is the financial entity from which all health care providers serving Medicaid enrollees and the uninsured and the managed care plans are paid.

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- **Office of Aging and Adult Services** – The Office of Aging and Adult Services (OAAS) manages and oversees access to long-term care services and supports programs, including Medicaid Home and Community-based (HCBS) waiver programs, for the elderly and individuals with adult-onset disabilities. OAAS also provides protective services for vulnerable adults. The Traumatic Head and Spinal Cord Injury Trust Fund is located within OAAS. OAAS also operates the Villa Feliciana Medical Complex, which provides long-term care, rehabilitative services, and infectious disease services to medically complex residents.
- **Office of Behavioral Health** – The Office of the Behavioral Health (OBH) is responsible for the prevention and treatment of mental health and substance abuse disorders and serves as the safety-net provider of behavioral health services in the state, including the operation of the state's inpatient psychiatric hospitals, which include the Central Louisiana State Hospital, East Louisiana State Hospital, and Feliciana Forensic Facility.
- **Office for Citizens with Developmental Disabilities** – The Office for Citizens with Developmental Disabilities (OCDD) manages the delivery of individualized community-based supports and services, including four Medicaid Home and Community-based waiver programs, for individuals with developmental disabilities. OCDD also operates the Pinecrest Supports and Services Center.

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- **Developmental Disabilities Council** – The Developmental Disabilities Council is a 28-member, gubernatorial-appointed board whose function is to implement the federal Developmental Disabilities Assistance and Bill of Rights Act in Louisiana. The focus of the Council is to facilitate change in Louisiana's system of supports and services to individuals with disabilities and their families in order to enhance and improve their quality of life.
- **Office of Public Health** – The Office of Public Health (OPH) is responsible for protecting and promoting the health and well-being of Louisiana's residents and communities. Specifically, OPH provides health education services; performs infectious disease and food-and-water-borne illness response and surveillance activities; oversees and enforces the Sanitary Code for retail food, public buildings and safe drinking water; emergency preparedness and response; maintains vital records for the state and its residents; and serves as a safety net provider of preventative health care services for uninsured, underinsured and covered individuals and families.
- **Louisiana Emergency Response Network** – The Louisiana Emergency Response Network (LERN) is responsible for the development and maintenance of a statewide system of care coordination for patients suddenly stricken by serious traumatic injury or time-sensitive illness in accordance with the nationally recognized trauma system model created by the American College of Surgeons.

FY15 Existing Operating Budget vs. FY16 Executive Budget

Department of Health and Hospitals	Fiscal Year 2014-2015	Fiscal Year 2015-2016			Difference	
		Base Funding	Supplementary Funding	Total Funding	FY15 EOB to FY16 Base	FY15 EOB to FY16 Base + Supplementary
State General Fund (Direct)	\$2,305,324,137	\$2,654,824,331	\$153,826,672	\$2,808,651,003	\$349,500,194	\$503,326,866
Interagency Transfers	\$430,747,524	\$443,808,923	\$0	\$443,808,923	\$13,061,399	\$13,061,399
Fees & Self-generated Revenues	\$211,404,894	\$176,708,180	\$0	\$176,708,180	(\$34,696,714)	(\$34,696,714)
Statutory Dedications	\$880,342,076	\$320,977,294	\$0	\$320,977,294	(\$559,364,782)	(\$559,364,782)
Federal Funds	\$5,684,100,054	\$5,493,528,655	\$253,267,915	\$5,746,796,570	(\$190,571,399)	\$62,696,516
TOTAL MEANS OF FINANCING	\$9,511,918,685	\$9,089,847,383	\$407,094,587	\$9,496,941,970	(\$422,071,302)	(\$14,976,715)
Jefferson Parish Human Services Authority	\$20,222,396	\$19,521,117	\$0	\$19,521,117	(\$701,279)	(\$701,279)
Florida Parishes Human Services Authority	\$18,822,784	\$17,525,359	\$0	\$17,525,359	(\$1,297,425)	(\$1,297,425)
Capital Area Human Services District	\$28,266,209	\$26,912,777	\$0	\$26,912,777	(\$1,353,432)	(\$1,353,432)
Developmental Disabilities Council	\$2,081,142	\$1,812,316	\$0	\$1,812,316	(\$268,826)	(\$268,826)
Metropolitan Human Services District	\$29,081,503	\$27,184,637	\$0	\$27,184,637	(\$1,896,866)	(\$1,896,866)
Medical Vendor Administration	\$324,937,103	\$265,620,243	\$0	\$265,620,243	(\$59,316,860)	(\$59,316,860)
Medical Vendor Payments	\$8,111,626,149	\$7,798,940,725	\$407,094,587	\$8,206,035,312	(\$312,685,424)	\$94,409,163
Office of the Secretary	\$93,243,863	\$93,108,910	\$0	\$93,108,910	(\$134,953)	(\$134,953)
South Central Louisiana Human Services Authority	\$23,483,201	\$21,898,143	\$0	\$21,898,143	(\$1,585,058)	(\$1,585,058)
Northeast Delta Human Services Authority	\$16,500,156	\$15,585,357	\$0	\$15,585,357	(\$914,799)	(\$914,799)
Office of Aging and Adult Services	\$52,340,612	\$48,312,853	\$0	\$48,312,853	(\$4,027,759)	(\$4,027,759)
Louisiana Emergency Response Network	\$1,748,519	\$1,726,133	\$0	\$1,726,133	(\$22,386)	(\$22,386)
Acadiana Area Human Services District	\$18,107,180	\$17,174,451	\$0	\$17,174,451	(\$932,729)	(\$932,729)
Office of Public Health	\$346,563,320	\$324,024,222	\$0	\$324,024,222	(\$22,539,098)	(\$22,539,098)
Office of Behavioral Health	\$225,825,408	\$223,953,911	\$0	\$223,953,911	(\$1,871,497)	(\$1,871,497)
Office for Citizens with Developmental Disabilities	\$153,419,537	\$143,026,133	\$0	\$143,026,133	(\$10,393,404)	(\$10,393,404)
Imperial Calcasieu Human Services Authority	\$12,316,232	\$11,611,031	\$0	\$11,611,031	(\$705,201)	(\$705,201)
Central Louisiana Human Services District	\$16,510,905	\$16,392,200	\$0	\$16,392,200	(\$118,705)	(\$118,705)
Northwest Louisiana Human Services District	\$16,822,466	\$15,516,865	\$0	\$15,516,865	(\$1,305,601)	(\$1,305,601)
TOTAL EXPENDITURES	\$9,511,918,685	\$9,089,847,383	\$407,094,587	\$9,496,941,970	(\$422,071,302)	(\$14,976,715)
TOTAL TABLE OF ORGANIZATION (T.O.)	5,669	5,502	0	5,502	(167)	(167)

FY16 Supplementary Recommendations

Supplementary Funding Recommendations in the Medical Vendor Payments Budget

State General Fund	Federal Funds	Total	Description
\$6,582,420	\$10,817,580	\$17,400,000	Partial funding (ten points of the actuarial sound range) of the per-member-per-month payments to the Bayou Health plans.
\$4,606,298	\$7,570,011	\$12,176,309	Funding for supplemental payments for Graduate Medical Education costs at hospitals.
\$35,224,019	\$57,887,318	\$93,111,337	Approximately one-third (33%) of the funding for full-Medicaid pricing (FMP) payments to the former LSU hospitals now operating under the public-private partnership agreements.
\$3,028,108	\$4,976,407	\$8,004,515	Approximately one-third (33%) of the funding for upper payments limit (UPL) payments to the former LSU hospitals now operating under the public-private partnership agreements.
\$189,150	\$310,850	\$500,000	Ten percent of the funding for payments under Low-Income Needy Care Collaboration Agreements (LINCCA) for services provided at Lallie Kemp Regional Medical Center.
\$1,248,390	\$2,051,610	\$3,300,000	Ten percent of the funding for full-Medicaid pricing (FMP) payments to rural hospitals.
\$2,194,140	\$3,605,860	\$5,800,000	Two percent of the funding for the various home-and-community-based (HCBS) waiver programs, including the Children's Choice, Adult Day Health Center, Residential Options, Supports, Community Choices, and New Opportunity Waivers.
\$1,097,070	\$1,802,930	\$2,900,000	Two percent of the funding for the Program for All-Inclusive Care for the Elderly (PACE) and long-term care - personal care services.
\$794,430	\$1,305,570	\$2,100,000	Two percent of the funding for optional ambulatory surgical center, hemodialysis, and in-patient mental health services.
\$10,289,760	\$16,910,240	\$27,200,000	Two percent of the funding for federal-or-court-mandated hospital, physician, laboratory, x-ray, medical transportation, home health, adult dental, Early Steps therapy, Early and Periodic Screening, Diagnosis and Treatment (EPSDT), case management, physical therapy, occupational therapy, and specialized behavioral health services.
\$30,000	\$270,000	\$300,000	Two percent of the funding for federal-mandated Family Planning services.
\$65,283,785	\$107,508,376	\$172,792,161	<i>Subtotal Payments to Private Providers</i>
\$1,267,369	\$2,086,346	\$3,353,715	Approximately 12.5 percent of the funding for Uncompensated Care Costs (UCC) payments for uninsured health care services provided by Lallie Kemp Regional Medical Center.
\$87,275,518	\$143,673,193	\$230,948,711	Approximately one-third (33%) of the funding for UCC payments for uninsured health care services provided at the former LSU hospitals now operating under the public-private partnership agreements.
\$88,542,887	\$145,759,539	\$234,302,426	<i>Subtotal Uncompensated Care Costs Payments</i>
\$153,826,672	\$253,267,915	\$407,094,587	Total FY16 Supplementary Budget Recommendations for the Medicaid Program

These items are contingent upon the conversion of refundable tax credits to non-refundable tax credits.

DHH SGF Expenditures from Continuation to the EB

	Continuation	Executive Budget	Difference
FY15 Existing Operating Budget as of 12/01/14	\$2,305,324,137	\$2,305,324,137	\$0
Annualization of Fiscal Year 2015 Mid-Year Reduction Plan	\$0	(\$13,273,961)	(\$13,273,961)
Annualize Classified State Employees Performance Adjustment	\$2,957,436	\$2,848,393	(\$109,043)
Classified State Employees Performance Adjustment	\$5,716,318	\$0	(\$5,716,318)
Civil Service Training Series	\$3,151	\$3,151	\$0
Louisiana State Employees' Retirement System Adjustments	\$3,301,849	(\$632,178)	(\$3,934,027)
Teachers Retirement System of Louisiana Adjustments	\$137,243	(\$92,396)	(\$229,639)
Group Insurance Adjustments	\$908,703	\$3,839,353	\$2,930,650
Salary Base Adjustment	(\$3,102,223)	\$7,650,218	\$10,752,441
Attrition Adjustment	\$0	(\$6,953,496)	(\$6,953,496)
Personnel Reductions	\$0	(\$594,505)	(\$594,505)
Acquisitions & Major Repairs	\$0	\$0	\$0
Non-Recurring Acquisitions & Major Repairs	(\$1,500)	(\$1,500)	\$0
Non-Recurring Carryforwards	(\$186,334)	(\$186,334)	\$0
Inflation	\$8,065,784	\$0	(\$8,065,784)
Medical Inflation	\$77,018,021	\$0	(\$77,018,021)
Risk Management	\$706,443	\$706,443	\$0
Legislative Auditor Fees	\$398,605	\$398,605	\$0
Rent in State-Owned Buildings	\$597,592	\$597,592	\$0
Maintenance in State-Owned Buildings	(\$20,118)	(\$20,118)	\$0
Capitol Park Security	\$87,033	\$87,033	\$0
UPS Fees	\$5,779	\$5,779	\$0
Civil Service Fees	\$0	\$132,197	\$132,197
State Treasury Fees	\$15,101	\$15,101	\$0
Office of Technology Services (OTS)	\$5,091,867	\$5,091,867	\$0
Administrative Law Judges	\$0	\$16,949	\$16,949
GEMS Savings	\$0	(\$8,523,503)	(\$8,523,503)
Office of State Human Capital	\$0	(\$167,966)	(\$167,966)
Office of State Procurement	\$0	\$1,009,047	\$1,009,047
Means of Financing Substitutions	\$701,300,017	\$550,750,590	(\$150,549,427)
Non-Recurring Adjustments	(\$9,837,300)	(\$20,089,974)	(\$10,252,674)
Other Adjustments	\$62,672,462	\$8,440,133	(\$54,232,329)
Annualizations	(\$5,039,628)	(\$33,922,000)	(\$28,882,372)
Technical Adjustments	\$6,176,038	\$6,192,346	\$16,308
Workload Adjustments	\$25,418,792	\$0	(\$25,418,792)
TOTAL	\$3,187,715,268	\$2,808,651,003	(\$379,064,265)

DHH's FY 16 SGF Recommended Level vs. Projected SGF Need

	State General Fund
FY15 Existing Operating Budget as of 12/01/14	\$2,305,324,137
Annualization of Fiscal Year 2015 Mid-Year Reduction Plan	(\$13,273,961)
All Statewide Adjustments	\$5,229,732
All Agency-Specific Adjustments	\$511,371,095
Total SGF Recommended in the Executive Budget	\$2,808,651,003
Minus Supplementary SGF	(\$153,826,672)
	FY16 SGF Base \$2,654,824,331
<u>SGF Projected Needs Beyond What is Provided for in the FY16 Base Budget</u>	
Supplementary Recommendations	\$153,826,672
Medicaid Federally-Mandated Rate Increases	\$3,168,979
Medicaid Utilization and Cost Increases	\$146,123,068
UPL/FMP and UCC Payments to the Partnership Hospitals	\$53,683,120
Program or Service Reductions or Eliminations	\$26,671,960
Unavoidable Operational Expenses	\$5,825,687
	Total Projected SGF Need in FY16 \$3,044,123,817
	Difference Between FY16 Base and Projected Need (\$389,299,486)

Non-Discretionary vs. Discretionary Funding in FY16

FY16 Non-Discretionary Funding

Total Non-Disc.:	\$4,510,294,982
Percent Non-Disc:	47.5%
Total Non-Disc. SGF:	\$1,183,082,716
Non-Disc. T.O.:	1,002

Examples of Non-Discretionary Expenditures

Forensic Mental Health Services
Federally Mandated Medicaid Expenditures
Medicaid Services Offered In Avoidance of a Court Order
Federal Funding for Generator Installations in Hospitals and Other Health Care Facilities
Federal Funding for Permanent Supportive Housing Services
Safe Drinking Water Act Activities
Group Benefits for Retirees
Rent in State-owned Buildings
Maintenance of State-owned Buildings
Legislative Auditor Fees

FY16 Discretionary Funding

Total Discretionary:	\$4,986,646,988
Percent Discretionary:	52.5%
Total Disc. SGF:	\$1,625,568,287
Discretionary T.O.:	4,500

Examples of Discretionary Expenditures

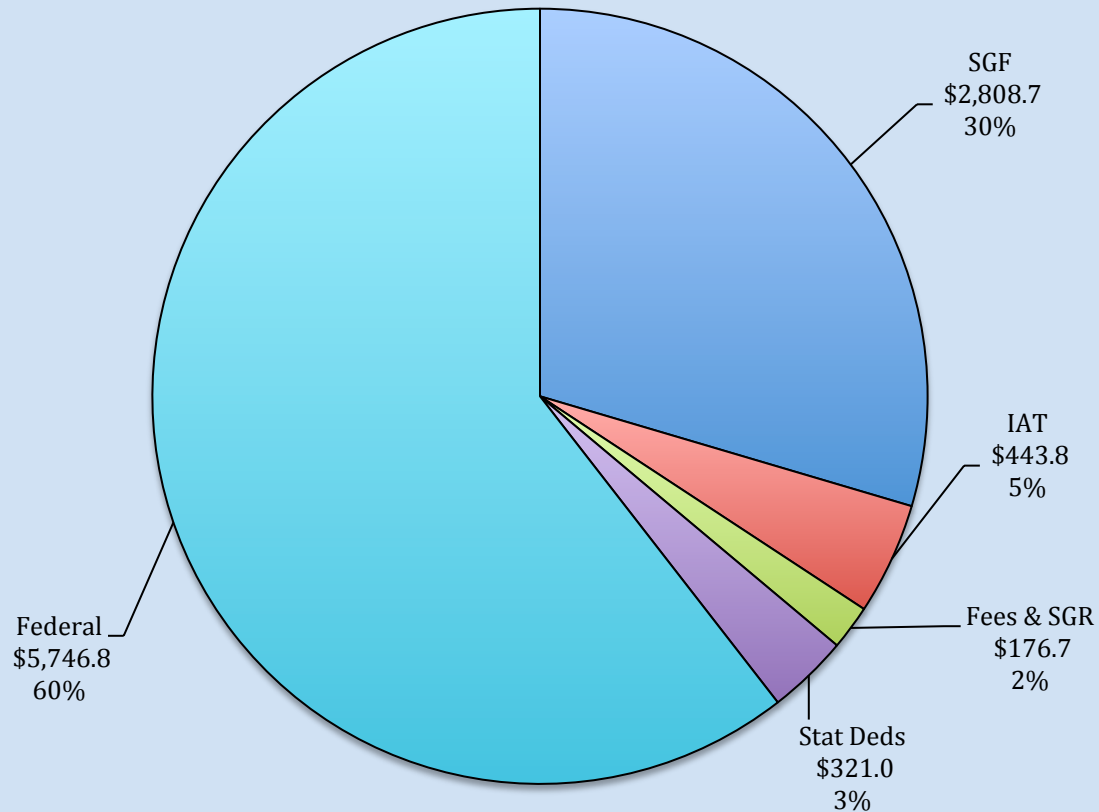
Optional Medicaid Services and Eligibility Categories
Addictive Disorders Services
Developmental Disabilities Council
Optional Services for the Elderly or Disabled
Villa Feliciana Medical Complex
Non-Forensic Mental Health Services,
 Inpatient and Outpatient
Public Health Services
Louisiana Emergency Response Network

Non-Discretionary/Discretionary Funding by Agency

DHH Agency	Non-Discretionary Funding	Discretionary Funding
Jefferson Parish Human Services Authority	\$499,023	\$19,022,094
Florida Parishes Human Services Authority	\$489,447	\$17,035,912
Capital Area Human Services District	\$1,572,198	\$25,340,579
Developmental Disabilities Council	\$14,112	\$1,798,204
Metropolitan Human Services District	\$639,782	\$26,544,855
Medical Vendor Administration	\$7,241,441	\$258,378,802
Medical Vendor Payments	\$4,318,145,715	\$3,887,889,597
Office of the Secretary	\$20,732,971	\$72,375,939
South Central Louisiana Human Services Authority	\$391,242	\$21,506,901
Northeast Delta Human Services Authority	\$92,640	\$15,492,717
Office of Aging and Adult Services	\$10,476,661	\$37,836,192
Louisiana Emergency Response Network	\$0	\$1,726,133
Acadiana Area Human Services District	\$717,699	\$16,456,752
Office of Public Health	\$20,037,030	\$303,987,192
Office of Behavioral Health	\$118,192,168	\$105,761,743
Office for Citizens with Developmental Disabilities	\$10,719,426	\$132,306,707
Imperial Calcasieu Human Services Authority	\$20,098	\$11,590,933
Central Louisiana Human Services District	\$100,240	\$16,291,960
Northwest Louisiana Human Services District	\$213,089	\$15,303,776

FY16 DHH Means of Finance

FY16 Total Means of Finance
(In Millions)



FY16 DHH Means of Finance

Major Non-SGF Sources of Funding:

The Interagency Transfers derive, for the most part, from transfers in and out the Medicaid program – \$192.6 million are Medicaid claims and uncompensated care costs payments to DHH agencies and \$157.4 million are the payments from other state agencies to DHH for use as state match in the Medicaid program. The distribution by OBH of \$36.3 million to the various human services authorities and districts to fund community-based behavioral health services across the state also comprises a significant portion of the IAT revenues in DHH.

The Fees and Self-generated Revenues are mainly intergovernmental transfers (IGT) from non-state public hospitals to provide the state match for upper payment limit and Low Income Needy Care Collaboration Agreements (LINCCA) payments and then refunds and recoveries due to the Medicaid program both of which total approximately \$119 million. Within the services offices and human services authorities and districts, the majority of their self-generated revenues derive from payments from patients or third-party reimbursements, including the Medicaid managed care plans, for health care services.

The following funds comprise the majority of the funding out of statutory dedications in DHH's FY16 budget:

- MVP – Louisiana Medical Assistance Trust Fund – \$164.9 million;
- MVP – Overcollections Fund – \$52.9 million;
- MVP – 2013 Amnesty Collections Fund – \$50 million;
- MVP – Health Excellence Fund – \$26.8 million;
- MVP & OPH – Louisiana Fund – \$11.8 million;
- OS – Medical Assistance Fraud Detection Fund - \$4 million;
- OBH – Tobacco Tax Health Care Fund – \$2.9 million;
- OBH – Compulsive and Problem Gaming Fund – \$2.6 million;
- OS – Telecommunications for the Deaf Fund – \$2.3 million; and,
- OAAS – Traumatic Head and Spinal Injury Fund – \$1.6 million.

The majority of the federal funding is the federal financial participation in the Medicaid program – both administration and payments – totaling \$5.4 billion. Other significant sources of federal funding include federal grants for public health services totaling \$236.5 million and for behavioral health services totaling \$38.2 million.

FY15 Existing Operating Budget vs. FY16 Recommended Budget

Schedule 09 DHH — Total Expenditures

Expenditure Category	FY15 Existing Operating Budget	FY16 Total Recommended	Difference
Personal Services	\$480,442,244	\$449,049,413	(\$31,392,831)
Operating Expenses	\$78,135,941	\$69,853,072	(\$8,282,869)
Professional Services	\$171,342,435	\$148,296,558	(\$23,045,877)
Other Charges	\$8,780,495,396	\$8,824,662,352	\$44,166,956
Acquisitions & Major Repairs	\$1,502,669	\$5,080,575	\$3,577,906
Total Expenditures	\$9,511,918,685	\$9,496,941,970	(\$14,976,715)

FY16 Total DHH

FY16 Significant Statewide Standard Adjustments in DHH

Annualization of FY15 Mid-Year Reductions: (\$13.3 million) SGF; (\$24.9 million) Total; (35) T.O.

Personnel Adjustments

Personnel Reductions: (\$594,505) SGF; (\$1.7 million) Total; (20) T.O.

Salaries Adjustments

Annualization of Classified State Employees Performance Adjustment: \$2.8 million SGF, \$4.5 million Total

Salary Base Adjustment: \$7.6 million SGF; \$9.5 million Total

Attrition Adjustment: (\$7 million) SGF; (\$16.6 million) Total

Related Benefits Adjustments

Group Insurance Base Adjustment: (\$930,509) SGF; (\$2.6 million) Total

Group Insurance Base Adjustment for Retirees: (\$6,627) SGF; (\$682,478) Total

Group Insurance Rate Adjustment for Active Employees: \$2.1 million SGF; \$3.8 million Total

Group Insurance Rate Adjustment for Retirees: \$2.7 million SGF; \$5.1 million Total

La. State Employees' Retirement System Base Adjustment: (\$1.1 million) SGF; (\$5.9 million) Total

La. State Employees' Retirement System Rate Adjustment: \$490,652 SGF; \$829,739 Total

Acquisitions and Major Repairs Adjustments

Non-recurring Adjustment for Acquisitions and Major Repairs: (\$1,500) SGF; (\$1.5 million) Total

Acquisitions and Major Repairs Adjustment: \$5.1 million Total

Statewide Activity Consolidations

Office of State Human Capital: (\$167,966) SGF; (\$209,958) Total; (99) T.O.

Office of State Procurement: \$1 million SGF; \$1.4 million Total; (9) T.O.

Office of Technology Services: \$5.1 million SGF; \$5.3 million Total

FY16 Total DHH

Government Efficiencies Management Support (GEMS) Initiatives

A total \$105.6 million, of which \$42.4 million is State General Fund, has been removed from DHH's budget for FY16 to capture the savings projected to be realized next fiscal year from the implementation of the GEMS initiatives.

The statewide GEMS adjustment reducing the budget to capture the savings associated with the changes in the State's procurement processes totals \$15.1 million, \$8.5 million SGF, in DHH.

- Human Services Authorities and Districts – (\$3.2 million)
- Medical Vendor Administration – (\$984,706)
- Medical Vendor Payments – (\$3.8 million)
- Office of the Secretary – (\$657,193)
- Office of Aging and Adult Services – (\$519,249)
- Office of Behavioral Health – (\$1.7 million)
- Office for Citizens with Developmental Disabilities – (\$2.9 million)
- Office of Public Health – (\$1.2 million)
- Louisiana Emergency Response Network - (\$42,776)

In the Medical Vendor Payments, the FY15 GEMS savings were annualized and the budget was reduced by a total of \$89.7 million (\$33.9 million SGF) to balance the FY16 budget to savings projections delineated in the GEMS report by Alvarez and Marsal.

The Medical Vendor Payments budget was also reduced by a total of \$3.2 million (\$1.2 million SGF) to finance companion administrative functions necessary to implement certain GEMS recommendations.

- In Medical Vendor Administration, a total of \$2.3 million (\$1.2 million SGF) was added for the implementation of electronic visit verification (EVV) activities for Medicaid home-and-community-based services to improve long-term care integrity and client care as recommended in the GEMS report.
- In OAAS, \$47,000 SGF has been transferred from MVP to support the goal of improving the process and transition of individuals with age-related and developmental disabilities from nursing facilities to hospitals.

DHH

Human Services Authorities and Districts

Budget Overview

Authority/District	FY15 Existing Operating Budget		FY16 Recommended Budget		Difference	
	SGF	Total	SGF	Total	SGF	Total
Jefferson Parish Human Services Authority	\$14,857,427	\$20,222,396	\$14,661,266	\$19,521,117	(\$196,161)	(\$701,279)
Florida Parishes Human Services Authority	\$11,593,943	\$18,822,784	\$10,526,518	\$17,525,359	(\$1,067,425)	(\$1,297,425)
Capital Area Human Services District	\$18,264,027	\$28,266,209	\$16,910,595	\$26,912,777	(\$1,353,432)	(\$1,353,432)
Metropolitan Human Services District	\$21,414,383	\$29,081,503	\$19,729,161	\$27,184,637	(\$1,685,222)	(\$1,896,866)
South Central Louisiana Human Services Authority	\$16,257,521	\$23,483,201	\$14,589,463	\$21,898,143	(\$1,668,058)	(\$1,585,058)
Northeast Delta Human Services Authority	\$10,552,807	\$16,500,156	\$9,559,107	\$15,585,357	(\$993,700)	(\$914,799)
Acadiana Area Human Services District	\$14,043,800	\$18,107,180	\$13,009,601	\$17,174,451	(\$1,034,199)	(\$932,729)
Imperial Calcasieu Human Services Authority	\$8,250,159	\$12,316,232	\$7,994,763	\$11,611,031	(\$255,396)	(\$705,201)
Central Louisiana Human Services District	\$10,635,813	\$16,510,905	\$10,374,946	\$16,392,200	(\$260,867)	(\$118,705)
Northwest Louisiana Human Services District	\$9,619,813	\$16,822,466	\$8,364,190	\$15,516,865	(\$1,255,623)	(\$1,305,601)
STATEWIDE	\$135,489,693	\$200,133,032	\$125,719,610	\$189,321,937	(\$9,770,083)	(\$10,811,095)

Authorized Other Charges Positions

Authority/ District	FY15	FY16	Difference
JPHSA	200	190	(10)
FPHSA	184	181	(3)
CAHSD	233	227	(6)
MHSD	147	144	(3)
SCLHSA	144	144	0
NEDHSA	111	111	0
AAHSD	133	133	0
ICHSA	82	82	0
CLHSD	86	86	0
NWLHSD	106	102	(4)
STATEWIDE	1,426	1,400	(26)

FY16 Non-Discretionary and Discretionary Funding

Authority/ District	FY16 Recommended Funding	
	Non-discretionary	Discretionary
JPHSA	\$499,023	\$19,022,094
FPHSA	\$489,447	\$17,035,912
CAHSD	\$1,572,198	\$25,340,579
MHSD	\$639,782	\$26,544,855
SCLHSA	\$391,242	\$21,506,901
NEDHSA	\$92,640	\$15,492,717
AAHSD	\$717,699	\$16,456,752
ICHSA	\$20,098	\$11,590,933
CLHSD	\$100,240	\$16,291,960
NWLHSD	\$213,089	\$15,303,776
STATEWIDE	\$4,735,458	\$184,586,479

DHH

Human Services Authorities and Districts

Significant FY16 Budget Issues

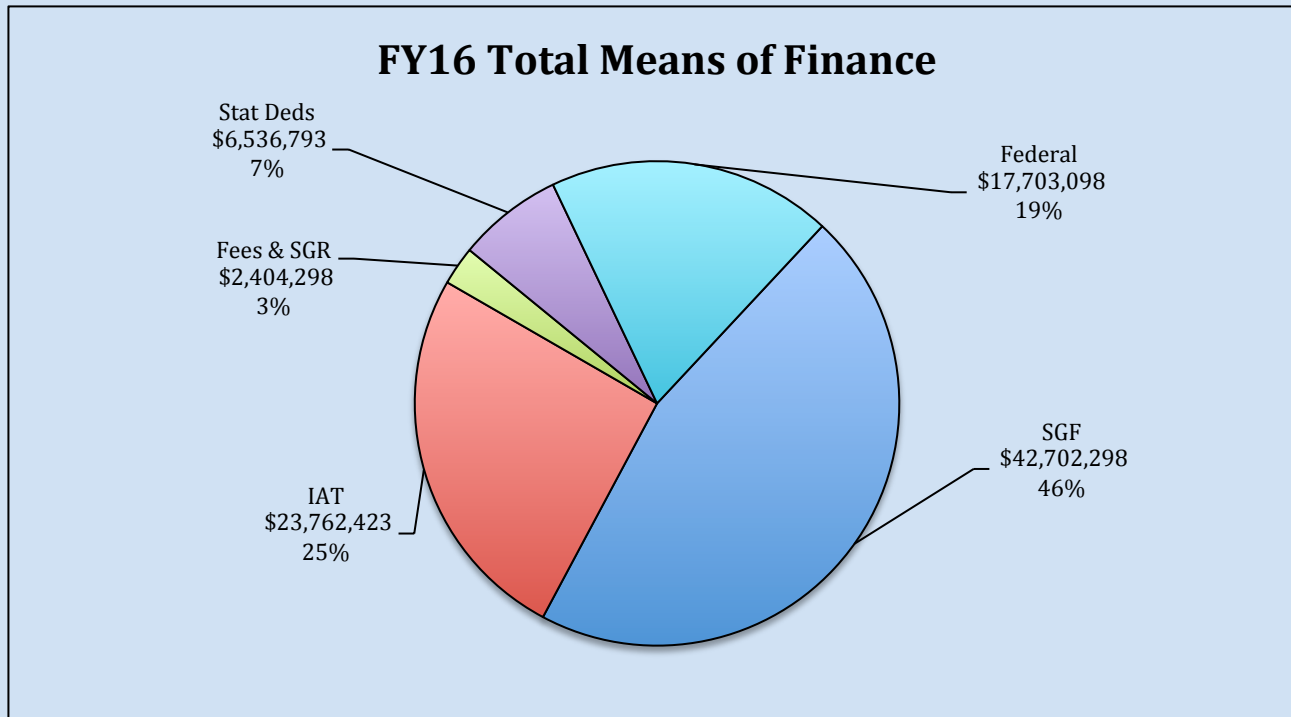
- A total of \$884,200 was added for the Louisiana Partnership for Success grant from OBH to reduce underage drinking and prescription drug use and abuse.
- The nearly \$1.1 million added to the FY15 budget for the Individual and Family Support programs operated by the various authorities and districts was removed from the budget for FY16.
- A total of \$1.4 million is being reduced from the human services authorities and districts to balance the budget to projected revenue collections by these agencies in FY16, of which \$93,957 is a decline in Interagency Transfers and \$1.3 million in Fees and Self-generated Revenues.
- The recommended reductions in contracts and discretionary expenditures across the various authorities and districts total \$3 million.

DHH

Office of the Secretary

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	Difference
DHH - OS	\$ 93,243,863	\$ 93,108,910	\$ (134,953)

Total Positions	446	386	(60)
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FY16 Non-Discretionary	FY16 Discretionary
\$20,732,971	\$72,375,939

DHH

Office of the Secretary

Significant FY16 Budget Issues

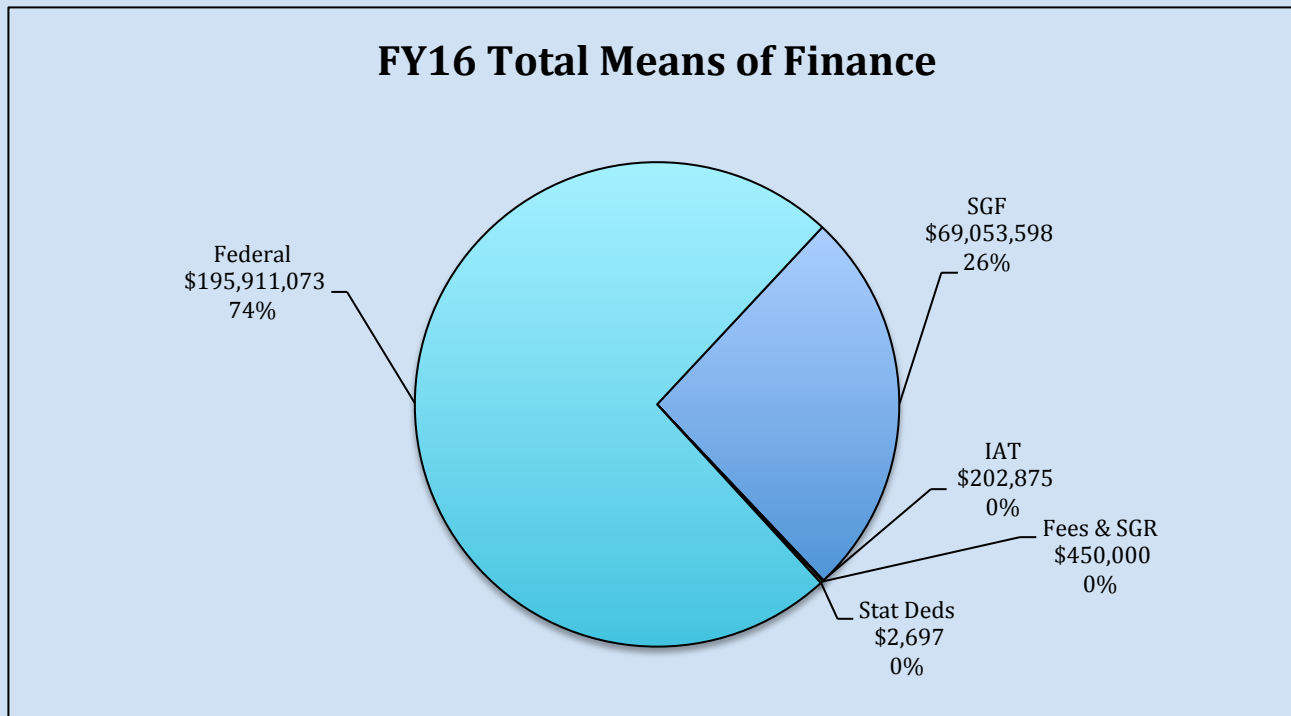
- The recommended reductions in contracts and discretionary expenditures total \$529,602 State General Fund.
- The \$250,000 State General Fund appropriation for the Louisiana Rural Health Information Exchange (LaRHIX) was non-recurred from the budget for FY16.

DHH

Medical Vendor Administration

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	Difference
Medical Vendor Administration	\$ 324,937,103	\$ 265,620,243	\$ (59,316,860)

Total Positions	880	874	(6)
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FY16 Non-Discretionary	FY16 Discretionary
\$7,241,441	\$258,378,802

DHH

Medical Vendor Administration

Significant FY16 Budget Issues

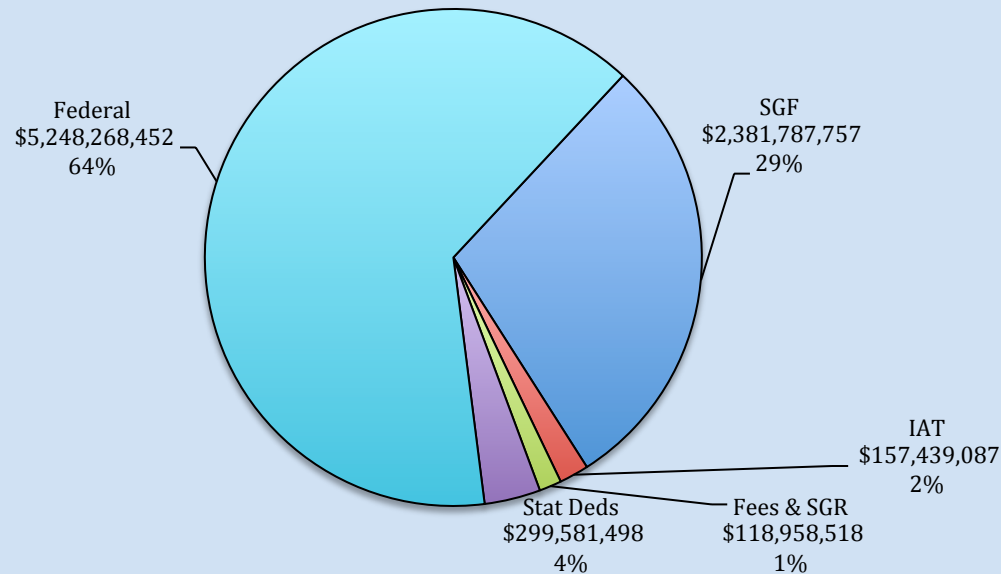
- Approximately \$30.8 million in federal funding is being added for Targeted Case Management services. This is being undertaken in conjunction with the Department of Children and Family Services. The required state match of \$6.5 million State General Fund was added to the DCFS budget.
- The recommended reductions in contracts and discretionary expenditures total \$6.8 million, of which \$1.2 million is State General Fund.
- A total of \$31.9 million in excess budget authority is being removed to balance the budget to projected revenues and expenditures in FY16. The majority, \$31 million, is excess federal funds authority.
- A total of \$50.1 million (\$10.4 million SGF) is being transferred from MVA to MVP to properly align funding for the Louisiana Behavioral Health Partnership between the two agencies.

DHH

Medical Vendor Payments

Total Funding – with Supplementary Recommendations	FY15 EOB as of 12-1-14	FY16 Total Recommended	<i>Difference</i>
Medical Vendor Payments	\$ 8,111,626,149	\$ 8,206,035,312	\$ 94,409,163
Total Positions	-	-	-

FY16 Total Means of Finance



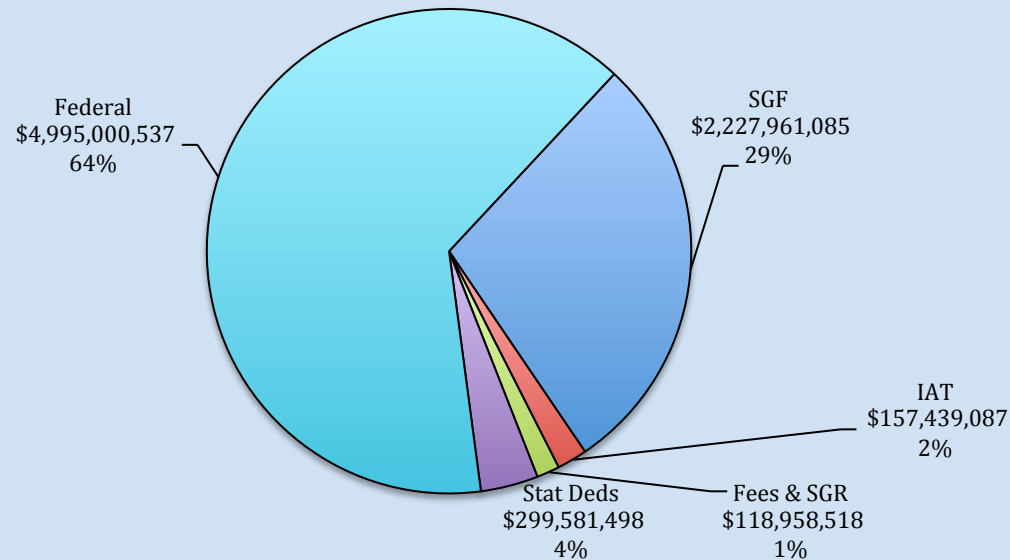
FY16 Non-Discretionary	FY16 Discretionary
\$4,318,145,715	\$3,887,889,597

DHH

Medical Vendor Payments

Total Funding – without Supplementary Recommendations	FY15 EOB as of 12-1-14	FY16 Recommended	<i>Difference</i>
Medical Vendor Payments	\$ 8,111,626,149	\$ 7,798,940,725	<i>\$(312,685,424)</i>
Total Positions	-	-	-

FY16 Total Means of Finance



DHH

Medical Vendor Payments

Significant FY16 Budget Issues

Means of Financing Substitutions

- Approximately \$565.6 million of additional State General Fund has been added to the budget for FY16 to adjust for corresponding decreases in statutory dedications used to finance the Medicaid program in FY15.
- Funding out of the Louisiana Medical Assistance Trust Fund is increasing next fiscal year by \$6.2 million and thereby decreasing SGF by a like amount.
- An additional \$18.1 million SGF and \$533,150 FF will be required next fiscal year to fund the Low Income Needy Care Collaboration Agreements (LINCCA) in response to a projected decline in IAT (\$323,179) and self-generated revenues (\$18.3 million) that financed these agreements in FY15.
- The ACA CHIP FMAP increase of 23% resulted in SGF savings of \$36.7 million as federal CHIP funding is increasing for FY16.
- Changes in the regular FMAP and a decline in the availability of certified public expenditures resulted in a net increased need for SGF in FY16 of \$9.7 million and a decline in self-generated revenues of \$144,907 and federal funds of \$9.6 million.

DHH

Medical Vendor Payments

Significant FY16 Budget Issues

Reductions in Services or Reimbursement Rates

The FY16 budget does include a series of specific reductions to the Medicaid program:

- \$26.2 million for the Greater New Orleans Health Connection waiver providing community-based primary care services to the uninsured in Orleans, Jefferson, Plaquemines and St. Bernard parishes;
- \$7.1 million for the outlier pool for hospitals to pay for the costs of extraordinarily expensive and complex medical services not compensated for in the regular reimbursement rate structure;
- \$6.5 million for the Louisiana Health Insurance Premium Payment program that pays some or all of the health insurance premiums for an employee and their family if they have insurance available through their jobs and someone in the family has Medicaid, provided that it would cost less for the Medicaid program to pay for the health insurance premium than it would be for Medicaid to pay the medical expenses of the person who gets Medicaid; and,
- \$5.3 million added by the legislature to the FY15 budget to reverse the implementation of triage and sub-acute reimbursement rates for hospitals.

DHH

Medical Vendor Payments

Significant FY16 Budget Issues

Unfunded Utilization and Other Costs

- The FY16 budget does not include funding for federally-mandated rate increases for rural health clinics, federally qualified health clinics, durable medical equipment or hospice services totaling approximately \$8.4 million (\$3.2 million state funding).
- The FY16 Executive Budget also does not contain adjustments to compensate for the projected increases in the utilization of services or general costs in medical expenses for Medicaid or dual Medicaid/Medicare eligibles totaling approximately \$354.9 million (\$146.1 million state funding) that was included in the department's budget request for FY16.
- The additional funding requested for the hospitals/services operated under the partnership arrangements totals nearly \$142 million, of which \$53.7 million is state funding.
- The FY16 budget also continues the freeze of the filling of slots in the various home-and-community-based waiver programs for the elderly or disabled and does not contain any additional funding for these programs.

DHH

Medical Vendor Payments

Significant FY16 Budget Issues

Potential Excess Budget Authority

- The FY16 budget contains a total of \$177.8 million for a LSU Physician full-Medicaid pricing (FMP) payment mechanism to pay legacy costs of the privatized LSU hospitals and LSU physicians' costs that is currently under review. Adjustments will be necessary to balance the funding for these payments to what may actually be reimbursed under this mechanism in FY16.
- A total of \$105.7 million (\$40 million SGF) has been budgeted for additional UPL/FMP payments to Children's Hospital, outside of the partnership payments, in FY16. At the current time, it appears that these payments may not be necessary next fiscal year.

DHH

Medical Vendor Payments

Supplementary Budget Recommendations

A total of \$407.1 million of the budget for the Medicaid program (\$153.8 million in state funding) in FY16 is contingent upon the amending of various refundable tax credits into non-refundable tax credits.

If the legislature does not enact the proposed changes or find other revenue sources, most Medicaid providers will feel the impact of the reductions that would occur:

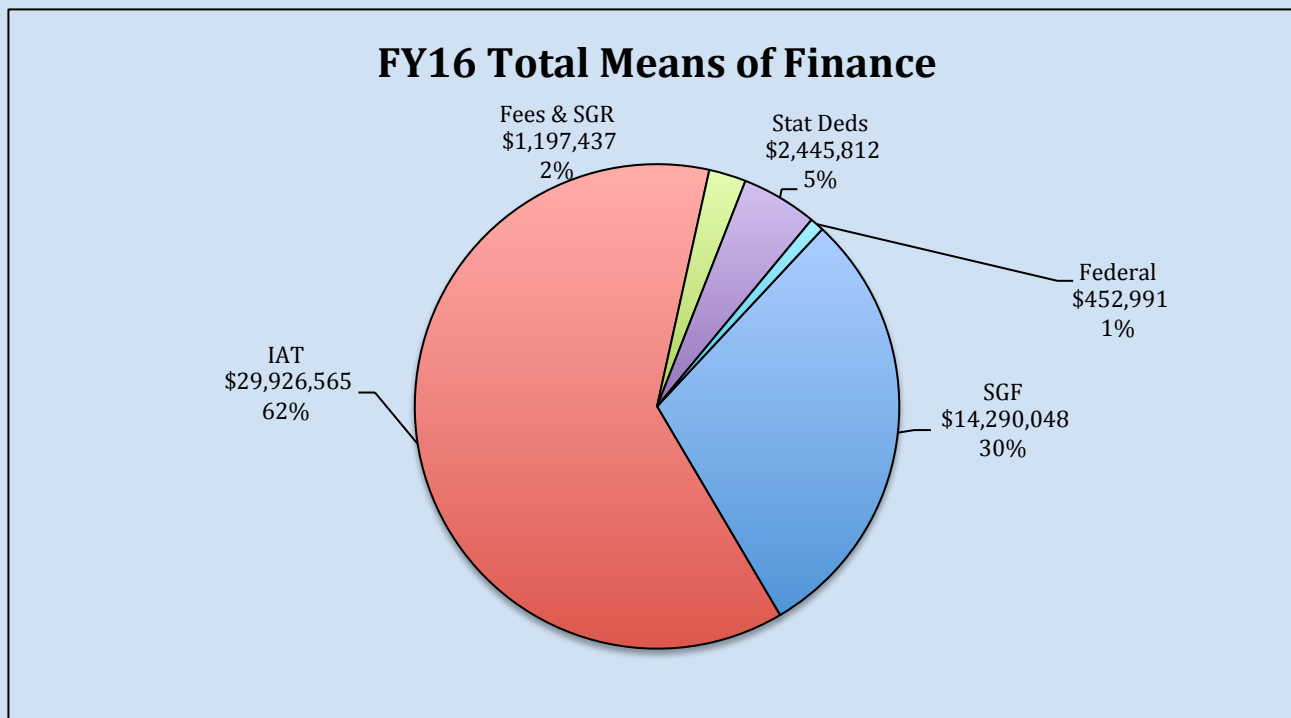
- \$335.9 million in funding for the current and former LSU hospitals will be impacted as well as \$12.2 million in payments for graduate medical education costs at hospitals;
- \$38.3 million, or roughly 2%, for payments to various private providers of primary, acute or long-term care Medicaid services, including home-and-community-based waiver programs;
- \$17.4 million of the funding for per-member-per-month payment to the Bayou Health plans; and,
- \$3.3 million in funding for rural hospitals across the state.

DHH

Office of Aging and Adult Services

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	Difference
Office of Aging and Adult Services	\$ 52,340,612	\$ 48,312,853	\$ (4,027,759)

Total Positions	388	382	(6)
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FY16 Non-Discretionary	FY16 Discretionary
\$10,476,661	\$37,836,192

DHH

Office of Aging and Adult Services

Significant FY16 Budget Issues

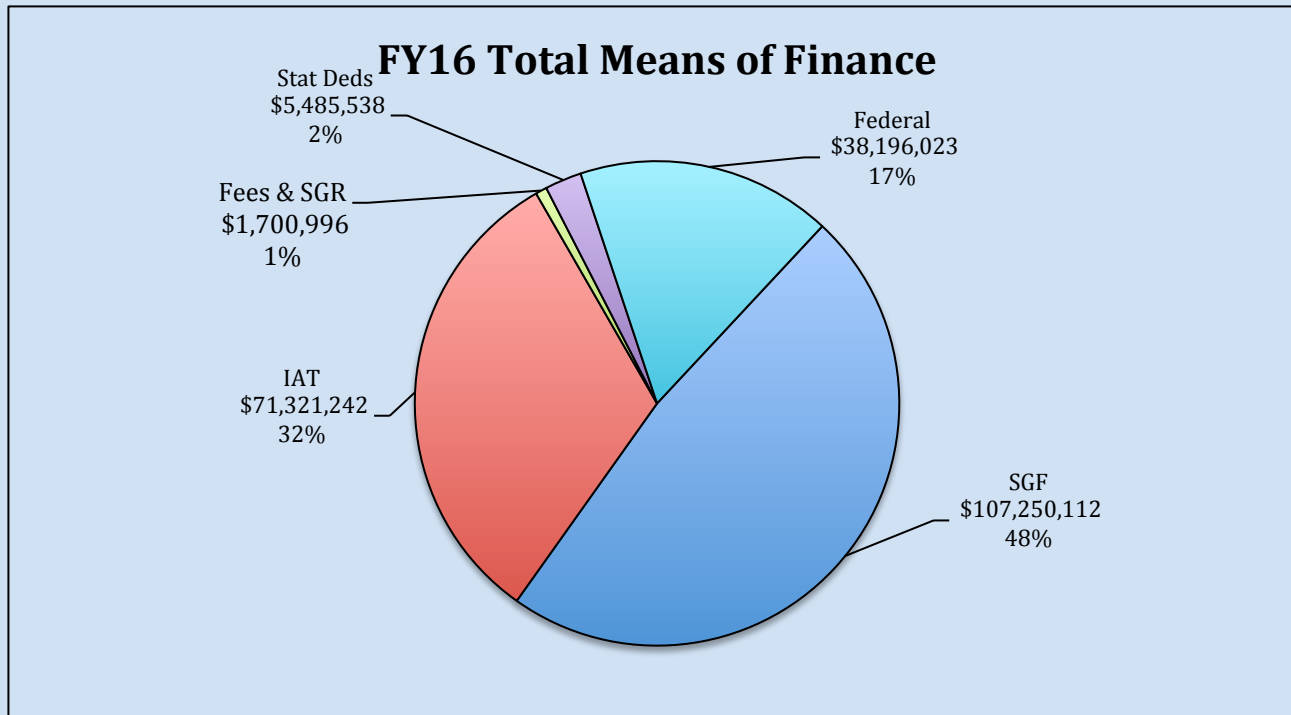
- Funding out of the Nursing Home Residents Trust Fund will increase by \$400,000 in FY16 for demonstration projects to improve the quality of care of Louisiana's nursing home facilities.
- Funding for Villa Feliciana Medical Complex is increasing by \$340,515 due to an increase in the facility's census by 5 beds.
- The recommended reductions in contracts and discretionary expenditures total \$10,000 State General Fund.
- Approximately \$3.4 million in funding for the Permanent Supportive Housing Program will be moved to the Medicaid program as support for this program out of Community Development Block Grant funds declines.

DHH

Office of Behavioral Health

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	Difference
Office of Behavioral Health	\$ 225,825,408	\$ 223,953,911	\$ (1,871,497)

Total Positions	1,361	1,330	(31)
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FY16 Non-Discretionary	FY16 Discretionary
\$118,192,168	\$105,761,743

DHH

Office of Behavioral Health

Significant FY16 Budget Issues

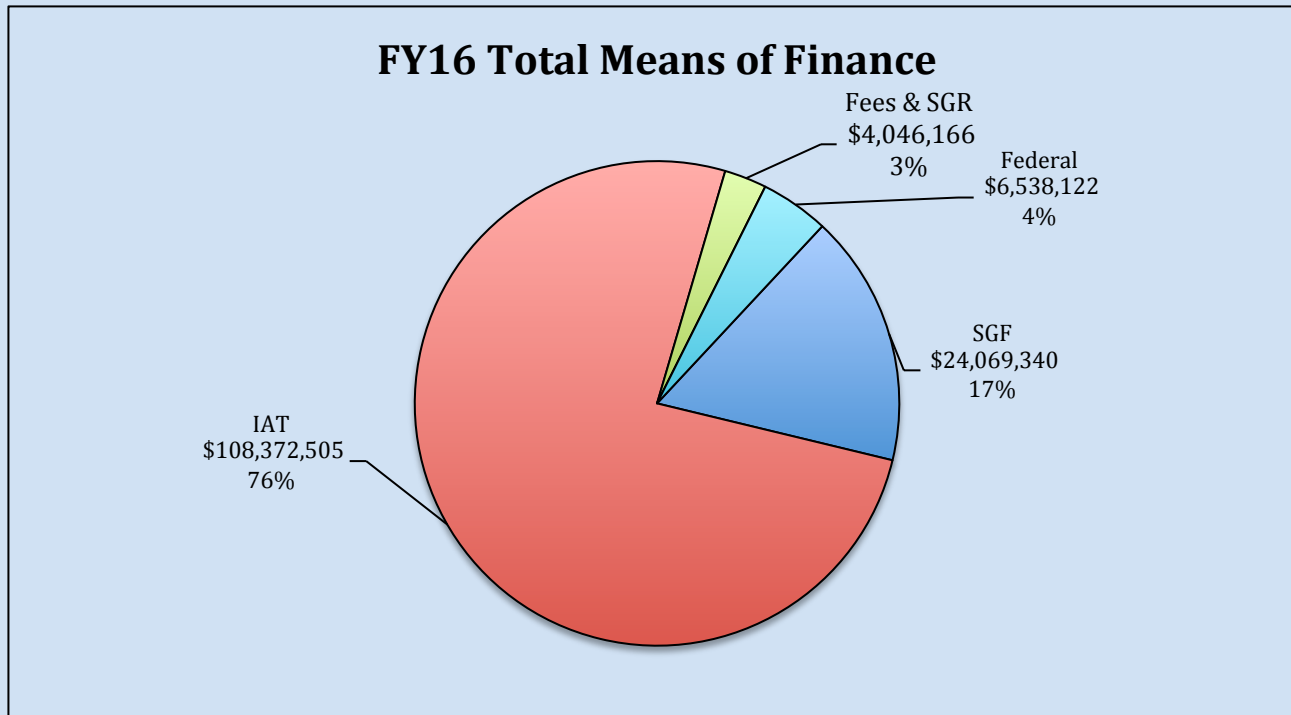
- The recommended reductions in contracts and discretionary expenditures total \$991,864. The reductions include \$40,959 for psychiatry contracts and \$338,107 for the Developmental Neuropsychiatric Program that is being eliminated in FY16.
- Temporary Assistance for Needy Families (TANF) funding for the substance abuse initiative is being reduced by \$305,946 in the FY16 budget due to a projected decline in TANF funding available for this purpose.
- A total of \$181,668 in funding out of the Tobacco Tax Health Fund is being reduced to balance the budget to projected revenues in FY16.

DHH

Office for Citizens with Developmental Disabilities

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	Difference
OCDD	\$ 153,419,537	\$ 143,026,133	\$ (10,393,404)

Total Positions	1,399	1,351	(48)
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FY16 Non-Discretionary	FY16 Discretionary
\$10,719,426	\$132,306,707

DHH

Office for Citizens with Developmental Disabilities

Significant FY16 Budget Issues

- Adjustments to the funding of the Early Steps Program –
 - Federal Individuals with Disabilities Education Act (IDEA) Part C funding is increasing by \$161,330 to maintain service provision of prevention and intervention services to children from the ages 0-3 years old in FY16.
 - A means of financing substitution of \$850,000 increasing State General Fund and decreasing Fees and Self-generated Revenues is necessary for FY16 to maintain services while balancing the budget to projected revenue collection next fiscal year.
- The recommended reductions in contracts and discretionary expenditures total \$2.3 million, of which \$855,371 is State General Fund. Approximately \$1.4 million of these reductions will impact the Resource Centers.
- The \$250,000 in funding for LATAN has been non-recurred for FY16.

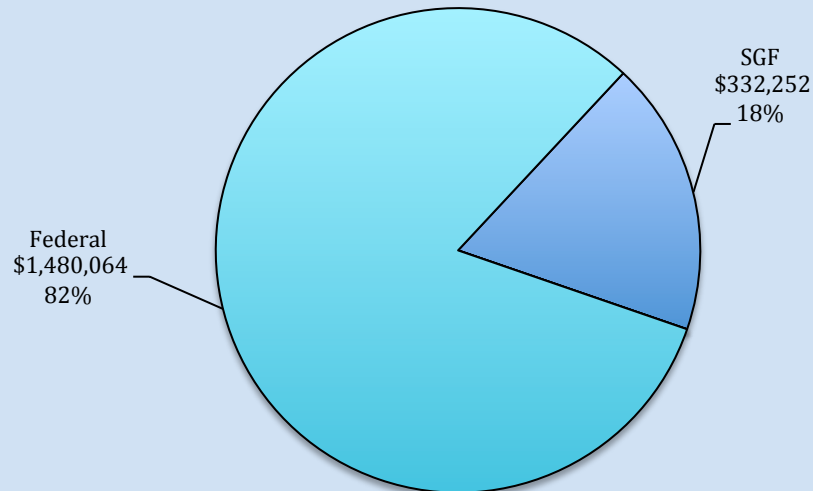
DHH

Developmental Disabilities Council

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	Difference
DD Council	\$ 2,081,142	\$ 1,812,316	\$ (268,826)

Total Positions	8	8	-
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FY16 Total Means of Finance



FY16 Non-Discretionary	FY16 Discretionary
\$14,112	\$1,798,204

DHH

Developmental Disabilities Council

Significant FY16 Budget Issues

- Non-recurs the \$170,000 in enhanced funding for Families Helping Families centers added by the legislature in FY15 from the budget for FY16.
- Reduces \$166,330 in funding from the federal Developmental Disabilities grant to reflect projected grant revenues and expenditures in FY16.

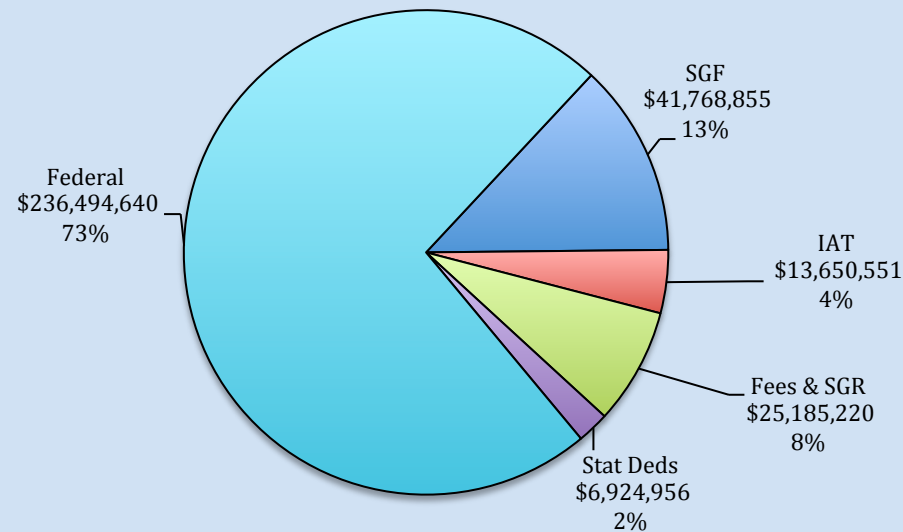
DHH

Office of Public Health

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	Difference
Office of Public Health	\$ 346,563,320	\$ 324,024,222	\$ (22,539,098)

Total Positions	1,180	1,164	(16)
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FY16 Total Means of Finance



FY16 Non-Discretionary	FY16 Discretionary
\$20,037,030	\$303,987,192

DHH

Office of Public Health

Significant FY16 Budget Issues

- A total of \$14.9 million is being reduced to balance the budget to projected revenues in FY16:
 - \$11 million in fees and self-generated revenues that are projected to not be collected in FY16;
 - \$3.6 million in Medicaid claims payments for services provided to clientele that are shifting from shared-savings to pre-paid Bayou Health plans; and,
 - \$319,675 in Temporary Assistance to Needy Families (TANF) funding for the Nurse Family Partnership program.
- The funding added to the FY15 budget by the legislature for the provision of health care services to the uninsured by federally qualified health centers (FQHCs) totaling \$6.1 million State General Fund was eliminated for FY16.

DHH

Office of Public Health

Significant FY16 Budget Issues

- Funding for contracts and discretionary expenditures has been reduced by a total \$1 million, \$904,234 State General Fund, for FY16. These reductions will affect multiple programs. Some of the areas being impacted include:
 - Contracts for hospital-based services for uninsured and underinsured clients of the Children's Special Health Services program are being reduced by \$97,500;
 - Contracts for clinical STD and unplanned pregnancy reductions services, by \$134,004; and,
 - Contracts for regulatory inspections of commercial body art facilities, by \$54,225.

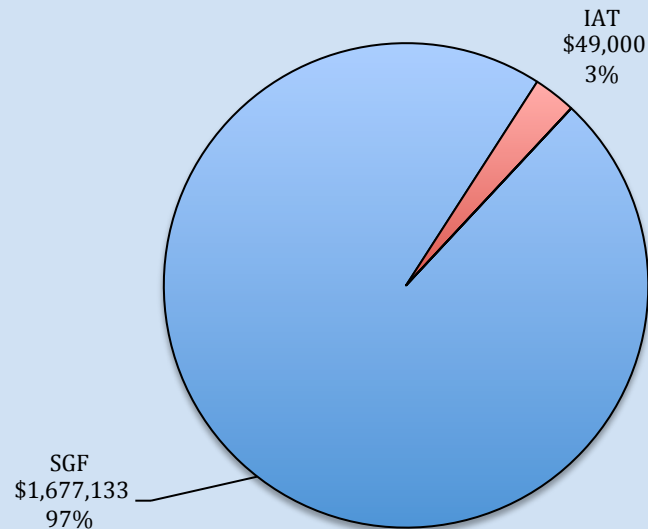
DHH

Louisiana Emergency Response Network

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	Difference
LERN	\$ 1,748,519	\$ 1,726,133	\$ (22,386)

Total Positions	7	7	-
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FY16 Total Means of Finance



FY16 Non-Discretionary	FY16 Discretionary
\$0	\$1,726,133

DHH

Louisiana Emergency Response Network

Significant FY16 Budget Issues

- A reduction of \$20,400 is being applied to contracts and other expenditures.