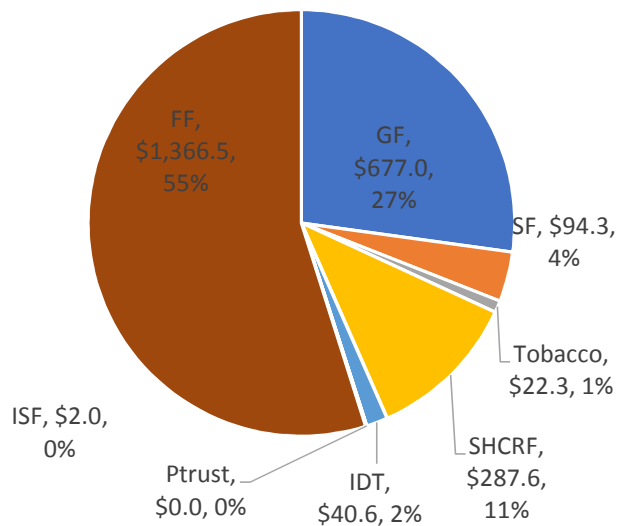


Agency of Human Services,
Secretary's Office
FY 2019 Governor's Recommend Budget

MISSION: AHS strives to improve the health and well-being of Vermonters today and tomorrow and to protect those among us who are unable to protect themselves.

**Governor's Recommend
Budget - \$2.5B**
FY 2019 (\$ millions)



Note: Removes GC double count.

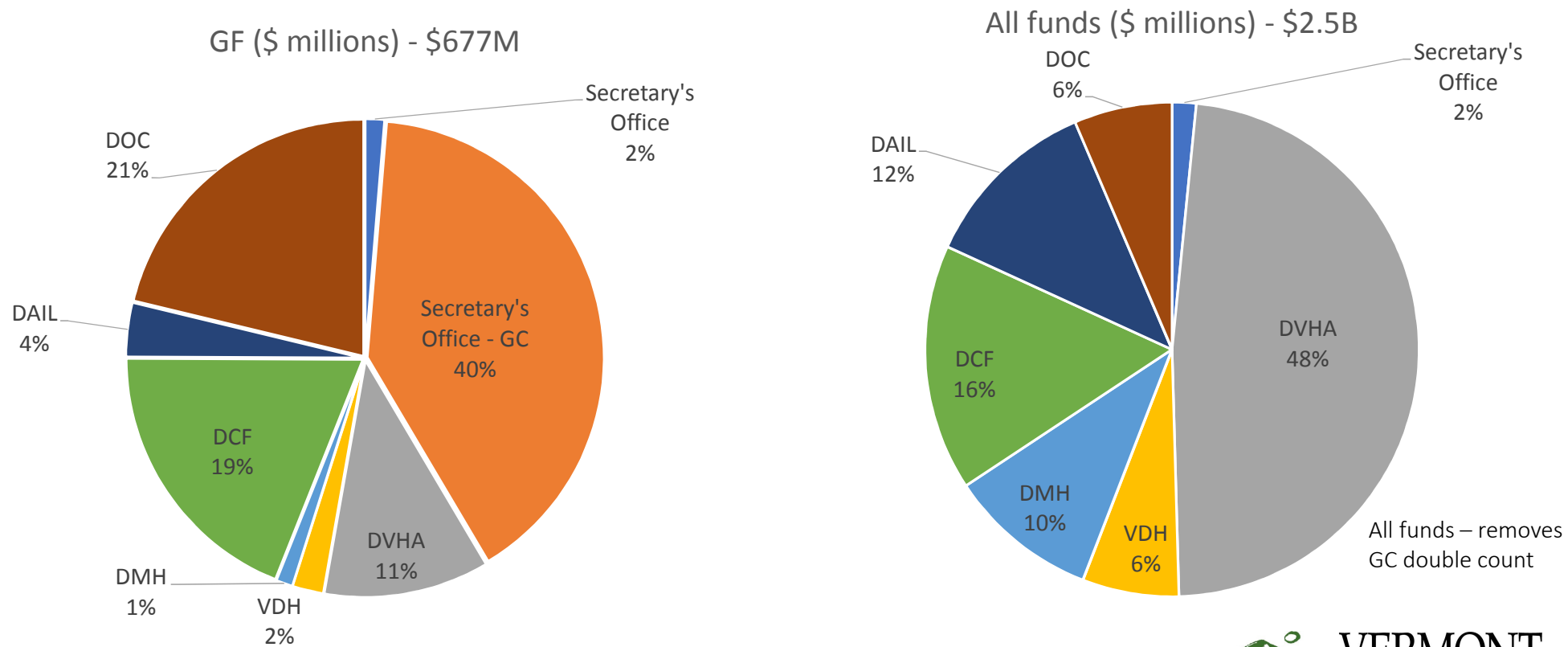
FY 2019 SUMMARY & HIGHLIGHTS

- 0.6% increase in General Fund budget;
- 102 Exempt, 3450 Classified positions;
- Given limited resources, tough decisions were necessary to develop this budget;
- Funds Caseload & Utilization pressures AHS-wide including Medicaid, DS, nursing homes, FSD and DOC out-of-state;
- Funds Initiatives AHS-wide including Prevention, Forensics Unit, Street Outreach & Family Services;
- Makes a variety of adjustments across AHS including administrative and programmatic reductions;

AHS – FY2019 Budget Picture

	\$672.8M	FY2018 General Fund
+	\$9.7M	Medicaid Revenue Shortfall
+	\$35.0M	} Includes 5% assumed average budget growth and priorities
<hr/>		
	\$717.6M	
-	\$672.8M	
<hr/>		
	\$44.8M	Need to reduce for level fund to FY2018
-	\$8.6M	Improving FMAP due to Vermont's economy
<hr/>		
	\$36.2M	
-	\$32.0M	Identified downs in FY2019
<hr/>		
	+\$4.2M	Proposed FY2019 Budget increase over FY2018

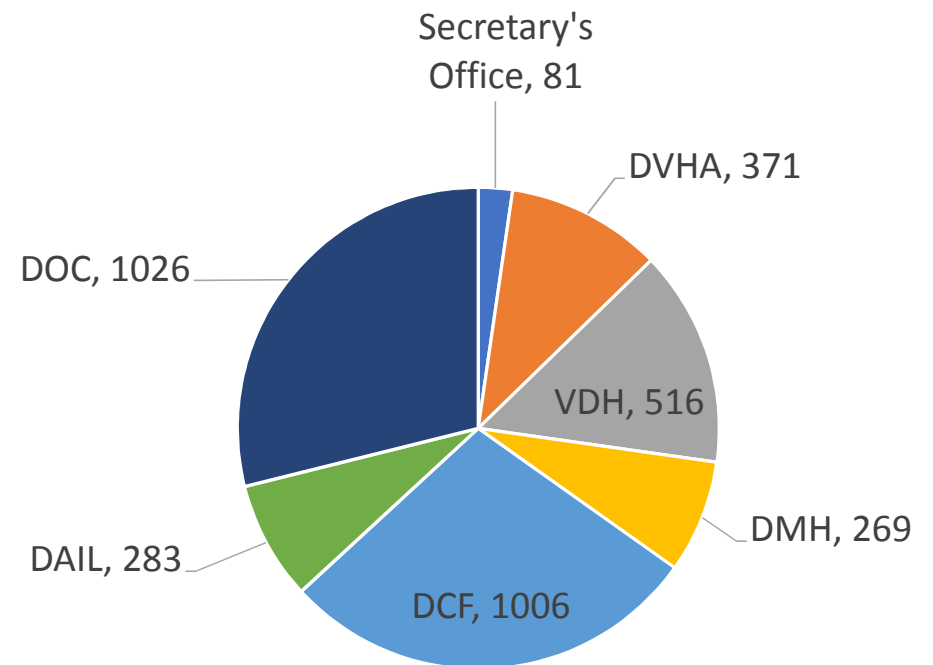
AHS - FY19 Budget by Department



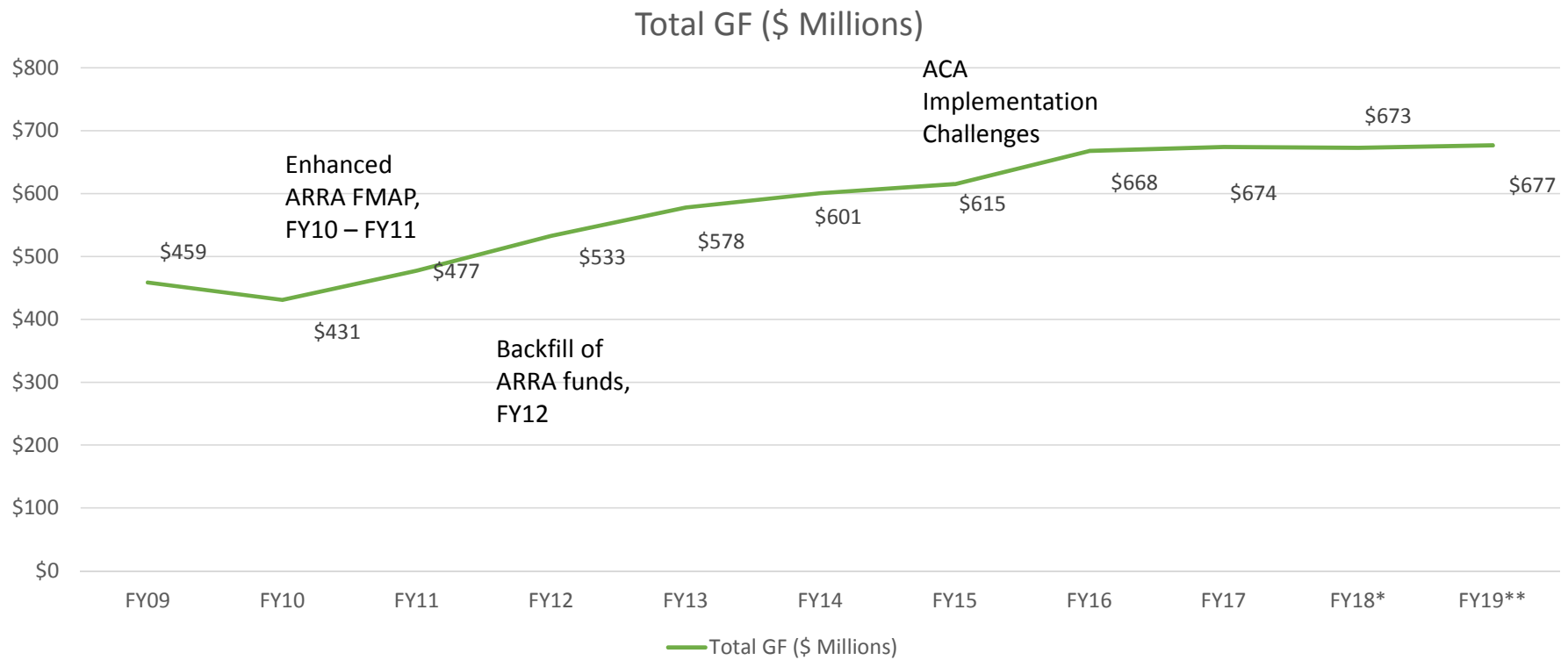
AHS – Positions by Department – 3,552

Vermonters Served by Department:

- DCF – 155,000
- DOC – 9,626 in the community and 1,784 in the facilities
- DAIL – 92,064
- DMH – 24,600
- DVHA – 206,955
- VDH – all Vermonters



AHS General Fund Budget

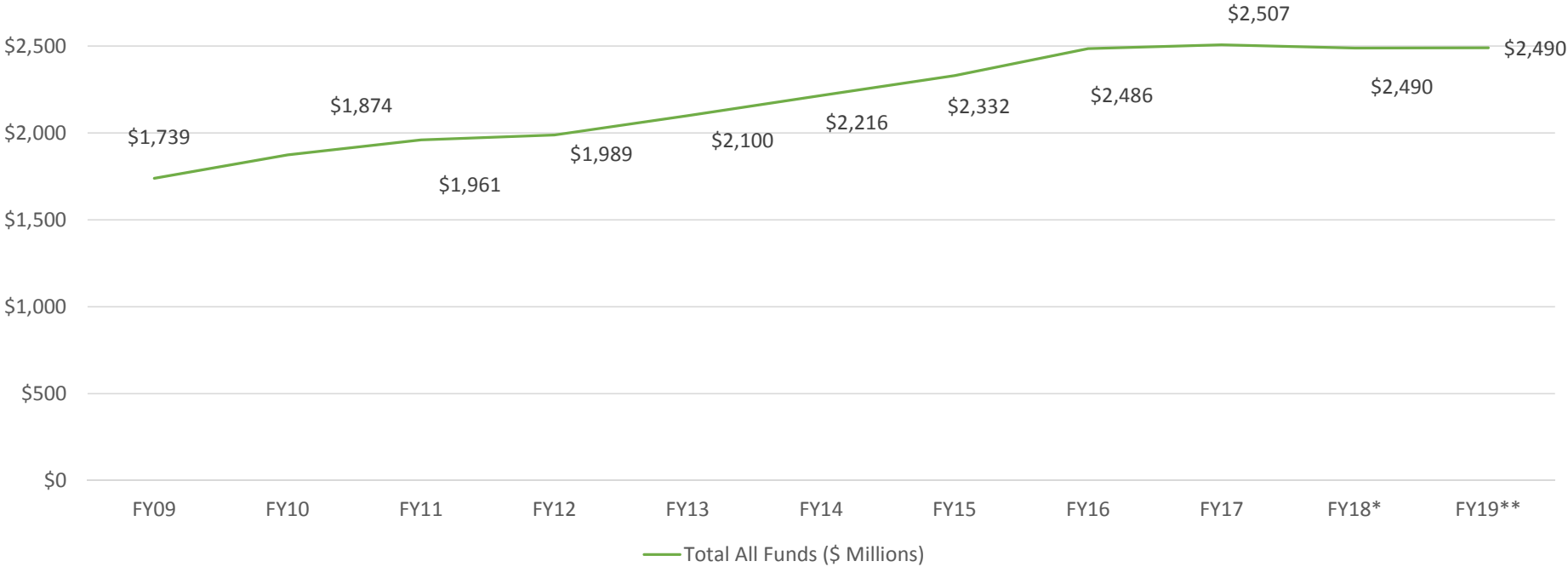


Source: AHS Ups & Downs documents thru BAA. * FY18 amount reflects FY18 As Passed Post-rescission & management savings.

**FY19 amount reflects current proposed AHS budget.

AHS All Funds (Excluding GC) Budget

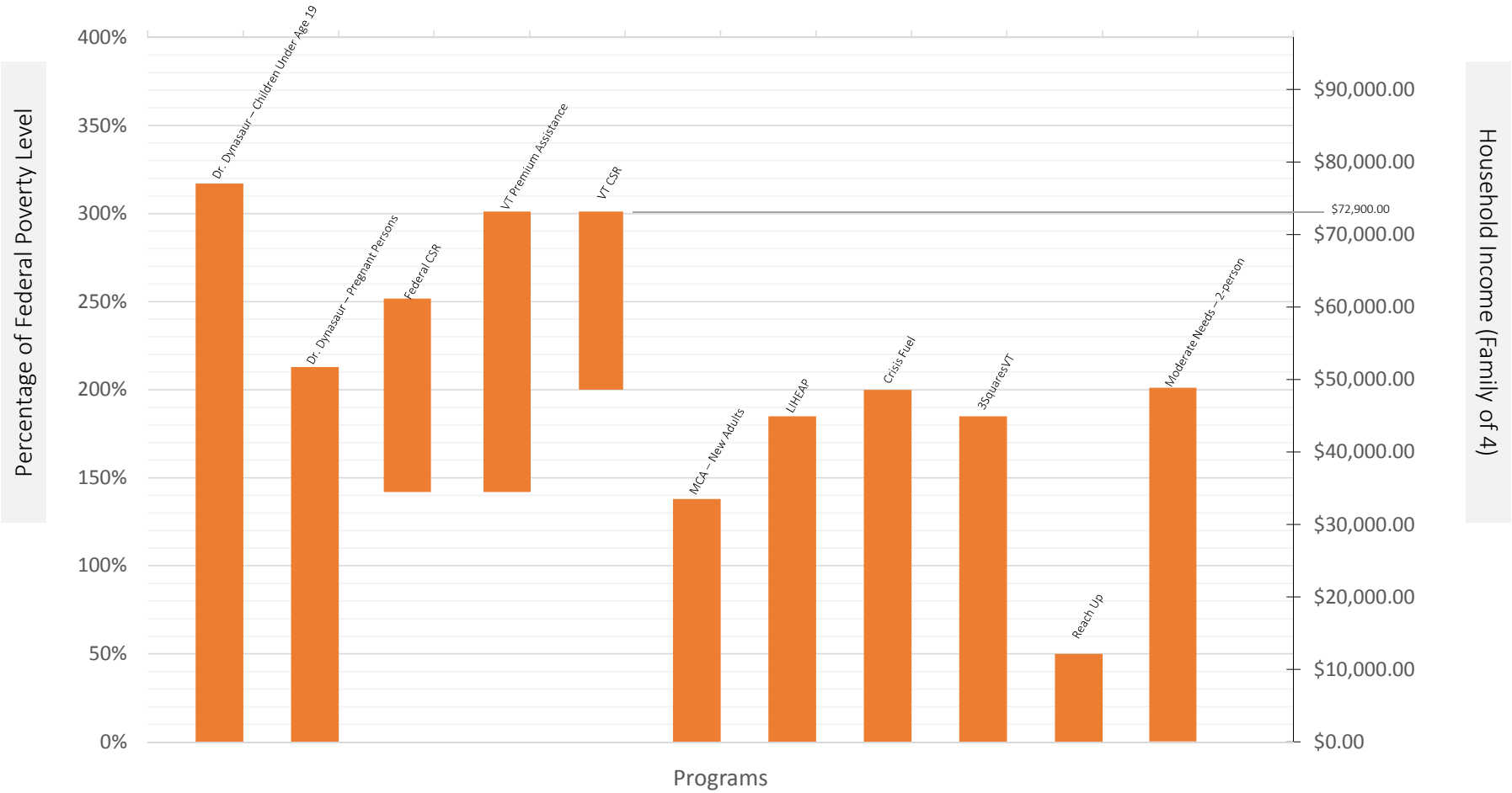
Total All Funds (\$ Millions)



Source: AHS Ups & Downs documents thru BAA. * FY18 amount reflects FY18 Gov. Rec BAA.
 **FY19 amount reflects current proposed AHS budget.

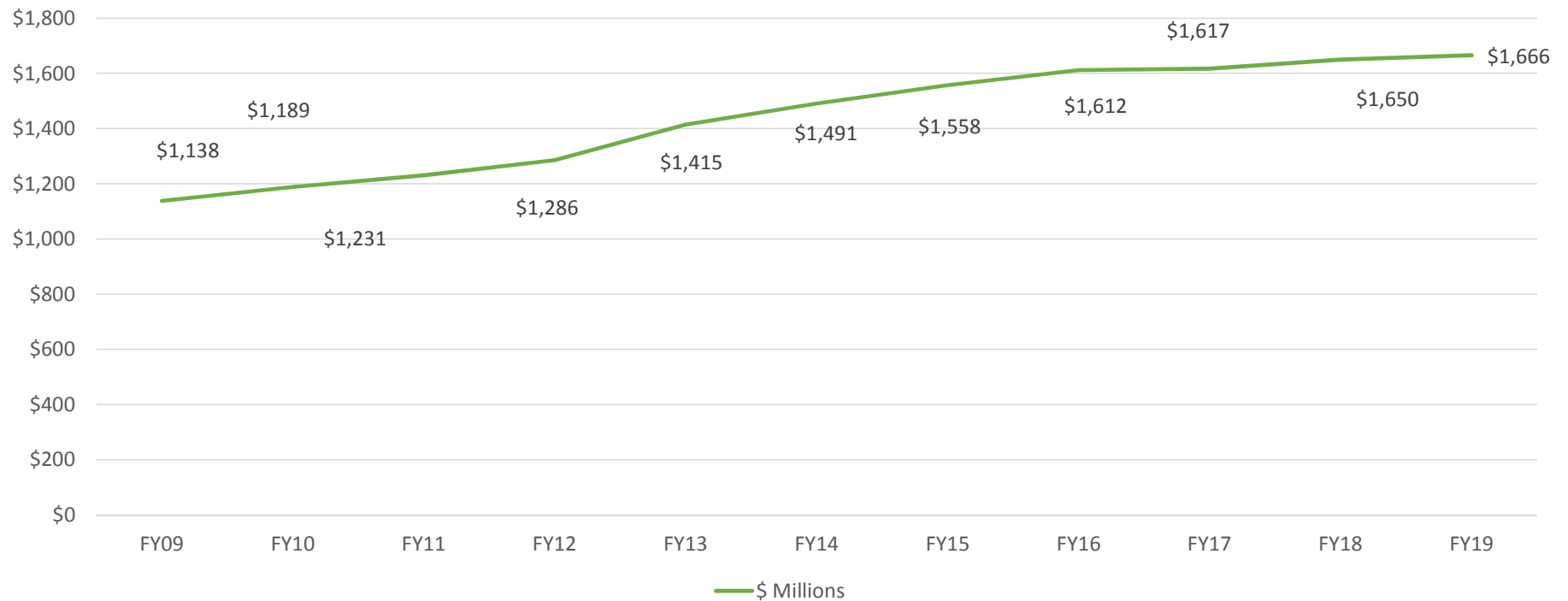


Eligibility for Programs as Percentage of FPL and Income Threshold



Medicaid (& Medicaid-Related) Spending

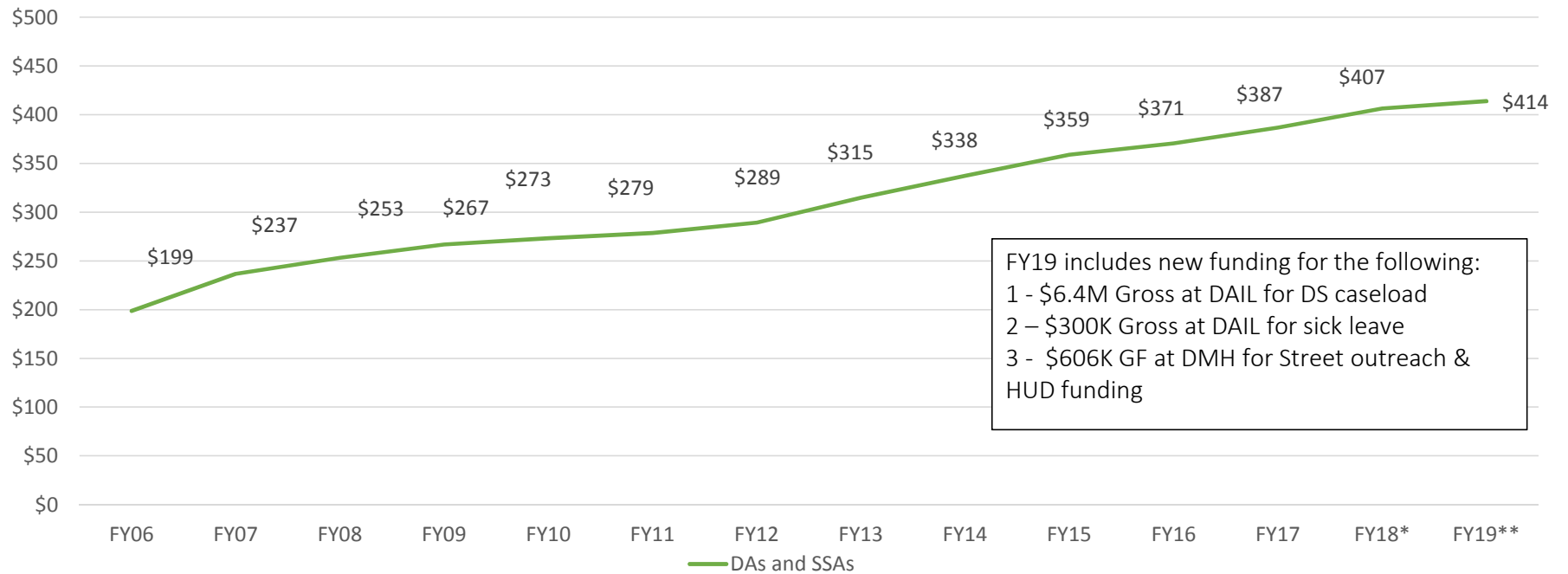
Total Medicaid & Medicaid Related Expenses (\$ Millions)



Includes Global Commitment, State Only Programs, DSH, Clawback and SCHIP.

AHS Funding for Designated Agencies and Specialized Services Agencies

All funds (\$ Millions)

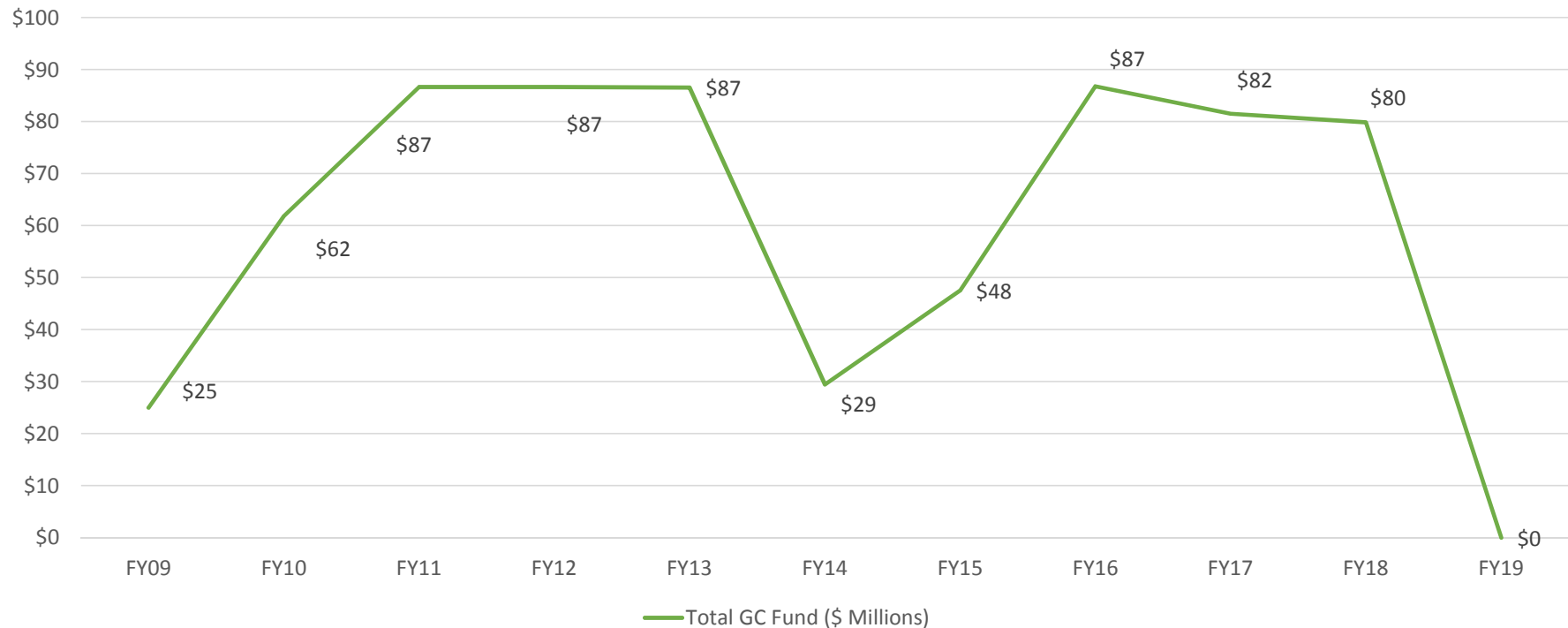


Data Source: E-fins and AHS ups & downs. * FY18 amount reflects FY18 Gov. Rec BAA.

**FY19 amount reflects current proposed AHS budget.

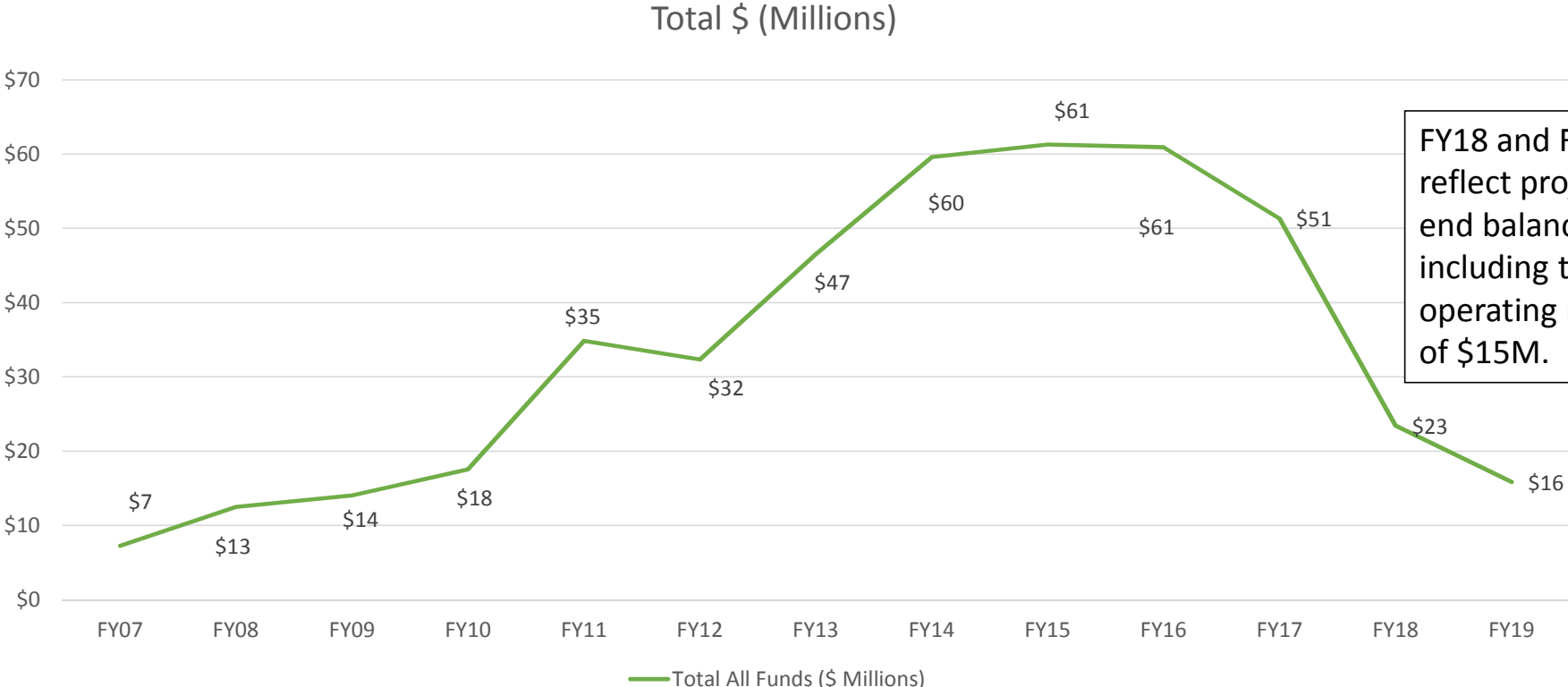
Medicaid - Global Commitment – Balance Sheet

Total GC Fund Balance(\$ Millions)



FY18 and FY19 reflect projected end balances. In the FY19 budget, the balance of the GC fund is transferred to the human services caseload reserve.

Non-budgeted Revenue Balance

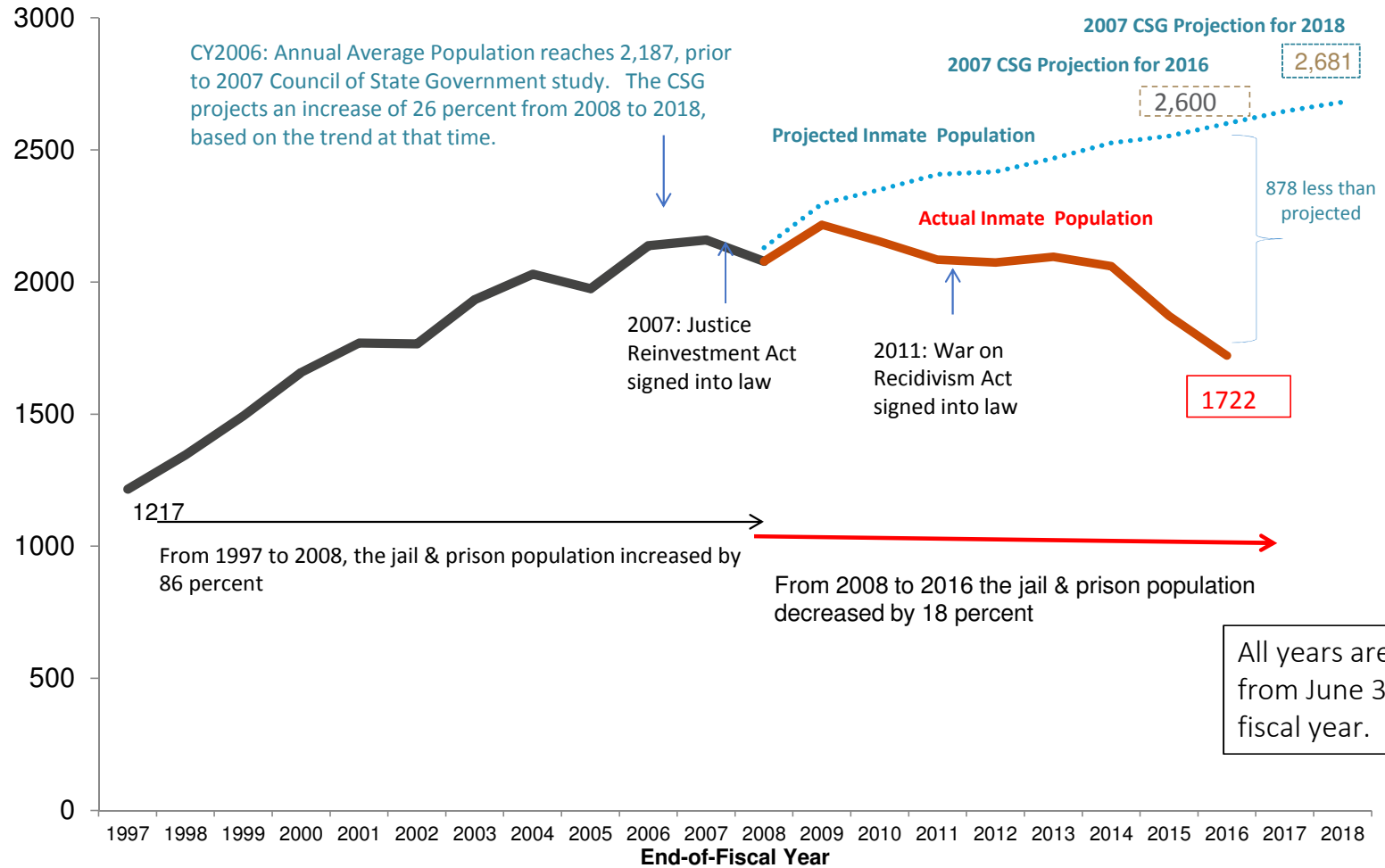


FY18 and FY19 reflect projected end balances, including the AHS operating reserve of \$15M.

FY18 and FY19 reflect projected end balances



Department of Corrections: Vermont Inmate Population



AHS Budget Highlights: Initiatives

- Invests \$500,000 in General funds for Prevention
 - Universal Home Visiting
 - School based dental health sealant program
- Invests \$1.5M in General funds for Forensics Unit operating costs in SFY 2019 at Northwest State Correctional Facility
 - Funding for approximately three months of operating costs during SFY 2019 after the completion of capital improvements to prepare the intermediate facility
- Provides \$400,000 in General funds for Street Outreach Workers
- Provides \$500,000 in General funds for DCF Family Services to support increased parent child contact

AHS Budget Highlights: AHS-wide Proposals

- \$2M GF in grant/contract savings – over the next three months, AHS will conduct a systematic review of grants and contracts and identify areas for savings.
- Global Commitment investment phasedown:
 - Continues HIT investment phase down - DVHA
 - Starts to phasedown Room & Board investments – DMH & DCF
 - Starts to phasedown UVM Physician Training investment
- Positions Transfers:
 - Agency of Digital Services (AHS-wide to ADS)
 - Medicaid Policy (AHS to DVHA)
 - Integrated Family Services (AHS to DMH)
 - AHS General Counsel (AHS to DVHA)

FY19 Budget - AHS Secretary's Office

UPS (\$836K GF):

- Salary & Fringe
- Vacancy Savings Adjustment
- Prevention Initiatives

DOWNS (\$2.4M GF):

- AHS-wide Contract/Grant reduction
- Eliminate VISTA Volunteers
- Reduce Vermont Legal Aid Contract by 15%
- Lease Savings
- Single Audit
- Reduce Direct Service Dollars

FY19 Budget - AHS Secretary's Office Global Commitment

UPS (\$15.3M GF):

- New Adult Caseload & Utilization Pressure
- Loss of Tobacco Revenue
- CHIP Qualifying Claims Shortfall
- SHCRF Revenue
- Loss of Dept of Finance Regulation Revenue
- HIT Fund Rebase
- VHC Alignment

DOWNS (\$10.4M GF):

- Change in Base FMAP
 - FY18 – 53.72%
 - FY19 – 53.79%
- Change in base enhanced FMAP for childless new adults
 - FY18 – 88.37%
 - FY19 – 91.48%
- Increase GF Carryforward
- Remove VVH Investment

FY19 Budget - DVHA

UPS (\$6.8M GF):

- Salary & Fringe
- Increase in M&O Contracts – MMIS, PBM
- Align Vermont Health Connect funding
- Delivery System Reform (DSR) Investment
- Updated Medicaid Consensus
- Dartmouth Hitchcock Rate Increase
- Clawback Rate Increase

DOWNS (\$14.1M GF):

- Delay Hiring Actions
- Realignment of Care Coordination
- Swap in match on OAPD Contracts
- Right sizes contracts for Design, Development & Implementation (DDI) for IT
- End Premium Processing Contract
- Eliminate Cost Sharing Reductions
- Eliminate Primary Care Case Mgmt (PCCM) Fee
- Durable Medical Equipment (DME) Rate Adjustment
- Increase COB & PI Activities
- DSH Reduction

FY19 Budget - VDH

UPS (\$711K GF):

- Salary & Fringe

DOWNS (\$932K GF):

- Eliminate Health Professional Loan Repayment Program
- WIC Program Savings
- Epi/Lab/Stats Savings
- Other Savings VDH-wide

FY19 Budget - DMH

UPS (\$3.3M GF):

- Salary & Fringe
- Forensics Unit
- Street Outreach
- VPCH Operating
- Hill House Emergency Bed Funding
- PNMI Rate Increase & Extraordinary Relief
- HUD Funding
- Room & Board Investment Phasedown

DOWNS (\$70K GF):

- Lease Savings

FY19 Budget - DCF

UPS (\$5.2M GF):

- Salary & Fringe – including Class RFRs
- Room & Board Investment Phasedown
- Family Services Initiative
- Sub adopt caseload & CPC
- PNMI Rate Increase
- Federal & Special Fund Adjustments
- Reach Up Caseload Correction

DOWNS (\$6.3M GF):

- ESD Management Reorg
- Federal & Special Fund Adjustments
- LIHEAP State Median Income
- Sub care Caseload & CPC
- Early Intervention Evaluation & Treatment Overbudgeting
- Child Care Transportation Contracts
- Reach Up Caseload Savings
- Reach Up Grant Reductions

FY19 Budget - DAIL

UPS (\$9.1M GF):

- Salary & Fringe
- Nursing Home Inflationary Increase
- Home & Community Base Caseload Increase
- VT Veterans' Home Rate Increase - UPL
- DS Caseload
- TBI Caseload
- Sick Leave Legislation

DOWNS: (\$4.0M GF)

- Reduces current DS waivers.
- Eliminates Attendant Services General Fund program
- Nursing Home Bed Day Utilization
- Other operating expense reductions

FY19 Budget - DOC

UPS (\$3.5M GF):

- Salary & Fringe
- Parole Board Position
- Out-of-State Caseload

DOWNS (\$2.2M GF):

- Contract & Grant Reductions
- Increase Vacancy Savings
- Reduce Education Positions (2)
- Removes Remaining Base SESCOF Funding
- Other Operating Reductions