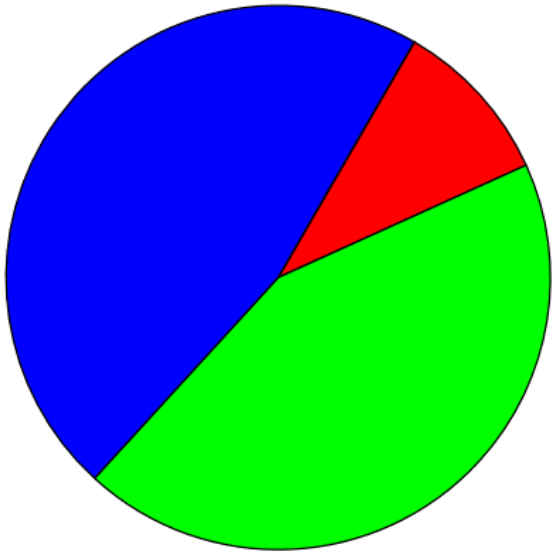
2. Presentation - DOH - FY17

Thursday, January 07, 2016
10:43 AM

FY2017 BUDGET RECOMMENDATION
Presented to Joint Appropriations Committee
January 28, 2016

Department of Health

FY17 Funding Sources



Total Funds
$94,264,781

LRC budget briefing - Pg. 1

SOUTH DAKOTA DEPARTMENT OF HEALTH

Department of Health
FY17 Governor's Budget Recommendation

	FTE	General	Federal	Other	Total
FY2016 Budget Base	**428.7**	**$8,433,620**	**$42,934,625**	**$42,120,813**	**$93,489,058**
Expansion/Reduction					
Increase/(Decrease)					
Administration					
Federal fund reduction			(150,000)		(150,000)
Health Systems Development & Regulation					
Health Care Facility Licensure & Certification	2.0	159,645			159,645
Recruitment Assistance Program		518,600			518,600
Rural Health Facility Recruitment Assistance		277,500			277,500
Health Protection Inspections		5,913			5,913
Family and Community Health					
Immunization billing system		(80,000)			(80,000)
Family and Community Health federal funds			(1,500,000)		(1,500,000)
Correctional Health					
Provider inflation				36,352	36,352
Inflation				1,086,630	1,086,630
Hepatitis C				224,000	224,000
Informational Boards	0.7		(205,361)	402,444	197,083
Inflation/Expansion Total	**2.7**	**881,658**	**(1,855,361)**	**1,749,426**	**775,723**
Total FY2017 Governor Recommended Budget	**431.4**	**$9,315,278**	**$41,079,264**	**$43,870,239**	**$94,264,781**

LRC budget briefing - Pg. 5

Administration

Federal fund authority reduction:

- Decrease of $150,000 in federal fund authority that is no longer needed

LRC budget briefing - Pg. 8

SOUTH DAKOTA DEPARTMENT OF HEALTH

Health Systems Development & Regulation
Licensure & Certification

- 2.0 FTE and $159,645 general fund expansion
- Last time this program received additional FTE was prior to 2003
- Expansion needed to survey ALC's annually
  - Number of ALC beds is growing and continues to grow
  - Other licensure workload also continues to grow

LRC budget briefing - Pg. 10

SOUTH DAKOTA DEPARTMENT OF HEALTH

Health Systems Development & Regulation
Licensure & Certification

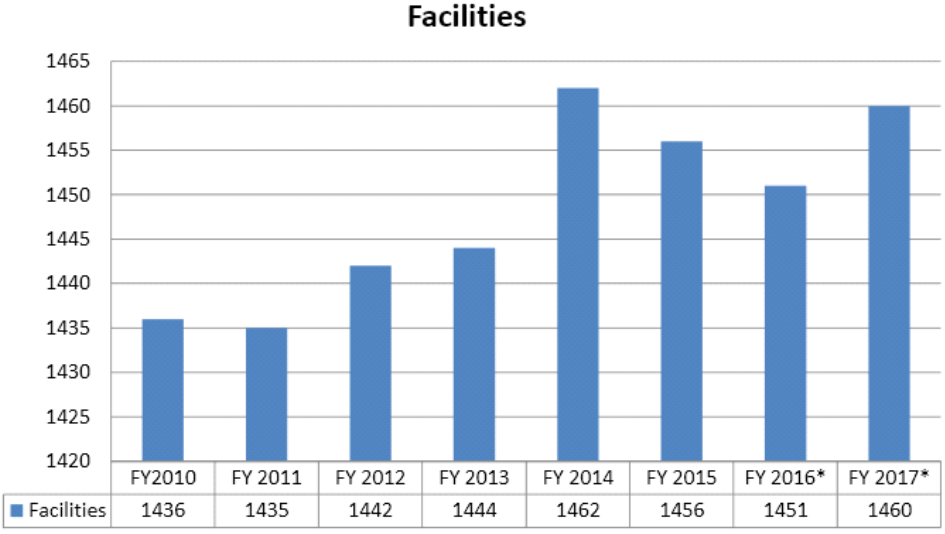
Health Care Facility Provider Types – FY2015 Actual

Provider Type	Number of Providers	Total Beds
Hospitals	21	2,490
Critical Access Hospitals	38	717
Nursing Facilities	111	6,896
Adult Foster Care	17	48
Assisted Living Centers	173	4,262
Residential Living Centers	38	NA
Other	1,058	NA

SOUTH DAKOTA DEPARTMENT OF HEALTH

Health Systems Development & Regulation

Licensure & Certification

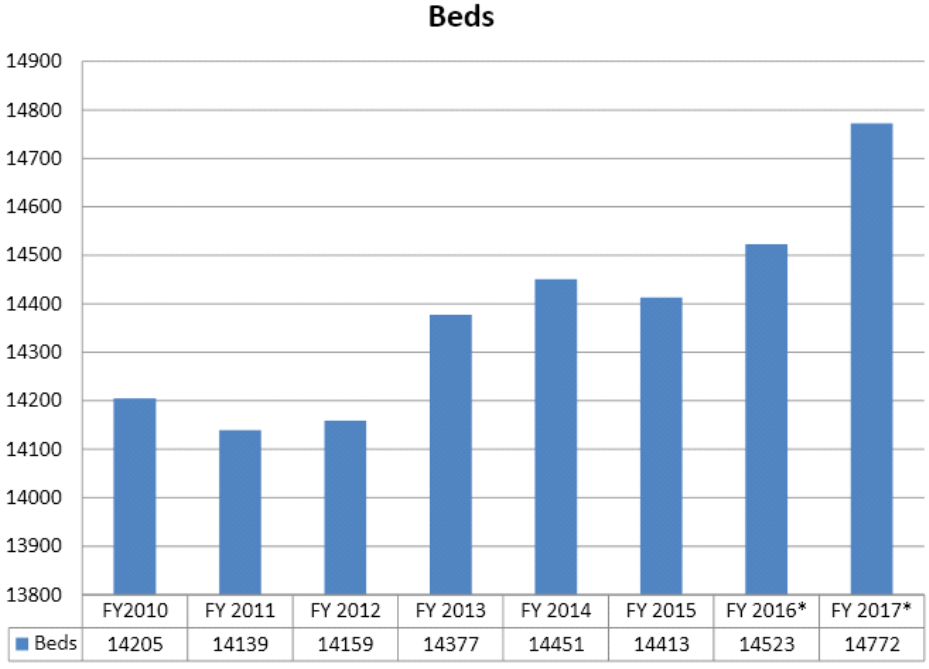


- *Estimated**
- *Trend – Small facilities with few beds closing. Larger facilities with more beds opening.*
- *Facilities include: hospitals, critical access hospitals, nursing facilities, adult foster care, assisted living centers, residential living centers, abortion facilities, ambulatory surgery centers, chemical dependency treatment facilities, end stage renal dialysis facilities, home health agencies, hospice agencies, ICF/MRs, inpatient hospice facilities, residential hospice facilities, outpatient physical occupational therapy, psychiatric residential treatment facility, and rural health clinics.*

SOUTH DAKOTA DEPARTMENT OF HEALTH

Health Systems Development & Regulation

Licensure & Certification



- *Beds includes: hospitals, critical access hospitals, nursing facilities, adult foster care, and assisted living centers*

SOUTH DAKOTA DEPARTMENT OF HEALTH

Health Systems Development & Regulation

Recruitment Assistance Program (RAP)

- $518,600 general fund expansion to reimburse participants who have successfully fulfilled their practice obligation
  - Heith Waddell, MD, Custer - $103,746
  - Lacey Olson, MD, Chamberlain - $103,746
  - Christopher Robbins, MD, Hot Springs, - $69,164
  - Michael McLaury, PA, Tyndall- $26,967
  - Tia Haines, PA, Platte/Geddes- $26,967
  - Kristen Morrow, NP, Alcester- $26,967
  - Bonnie Rickenbach, NP, Hot Springs- $17,978
  - Tanya Schaeffer, NP, Freeman- $26,967
  - Lamar Koistenen, DDS, DeSmet- $116,097

- Special appropriation since at least 2001
- General fund expansion to base budget

LRC budget briefing - Pg. 11

SOUTH DAKOTA DEPARTMENT OF HEALTH

Health Systems Development & Regulation

Rural Health Facility Recruitment Assistance Program (RHFRAP)

- RHFRAP created in FY13 to assist rural health care facilities in recruiting nurses, dieticians/nutritionists, pharmacists, etc. by providing a recruitment incentive payment (matched by the local facility) to health professionals who have completed the 3-year practice obligation.
- $277,500 general fund expansion for 40 health professionals who are eligible for payment in FY17

LRC budget briefing - Pg. 11

SOUTH DAKOTA DEPARTMENT OF HEALTH

Health Systems Development & Regulation

Health Protection Inspections

- $5,913 general fund increase due to an increase in the inspection rate

LRC budget briefing - Pg. 11

SOUTH DAKOTA DEPARTMENT OF HEALTH

Family & Community Health

Immunization billing system:

- Decrease of $80,000 general funds for the Immunization billing system
  - 2016 Budget: $150,000
    - Development, licensing, credentialing, maintenance, and IT support of billing system
  - Projection 2017
    - Billing System Infrastructure, Licensing and Credentialing will be complete: $80,000
    - Ongoing Need for System: Maintenance, Customization & IT Support: $70,000

Federal fund authority reduction:

- Decrease of $1,500,000 in federal fund authority that is no longer needed

LRC budget briefing - Pg. 13

SOUTH DAKOTA DEPARTMENT OF HEALTH

Correctional Health

FY2017 Governor's Recommended Budget

Summary

FY16 Base Budget	**$19,696,257**
Medical Inflation • *Contractual Services:* A 2.7% inflation rate for contracted medical provider services.	$ 36,352
Inflation	$ 1,086,630
Hepatitis C treatment	$ 224,000
FY17 Budget Request	**$21,043,239**
FY17 Requested Other Fund Increase	**$ 1,346,982**

*For additional information, please see slides from Joint CHC hearing.

LRC budget briefing - Pg. 16-17