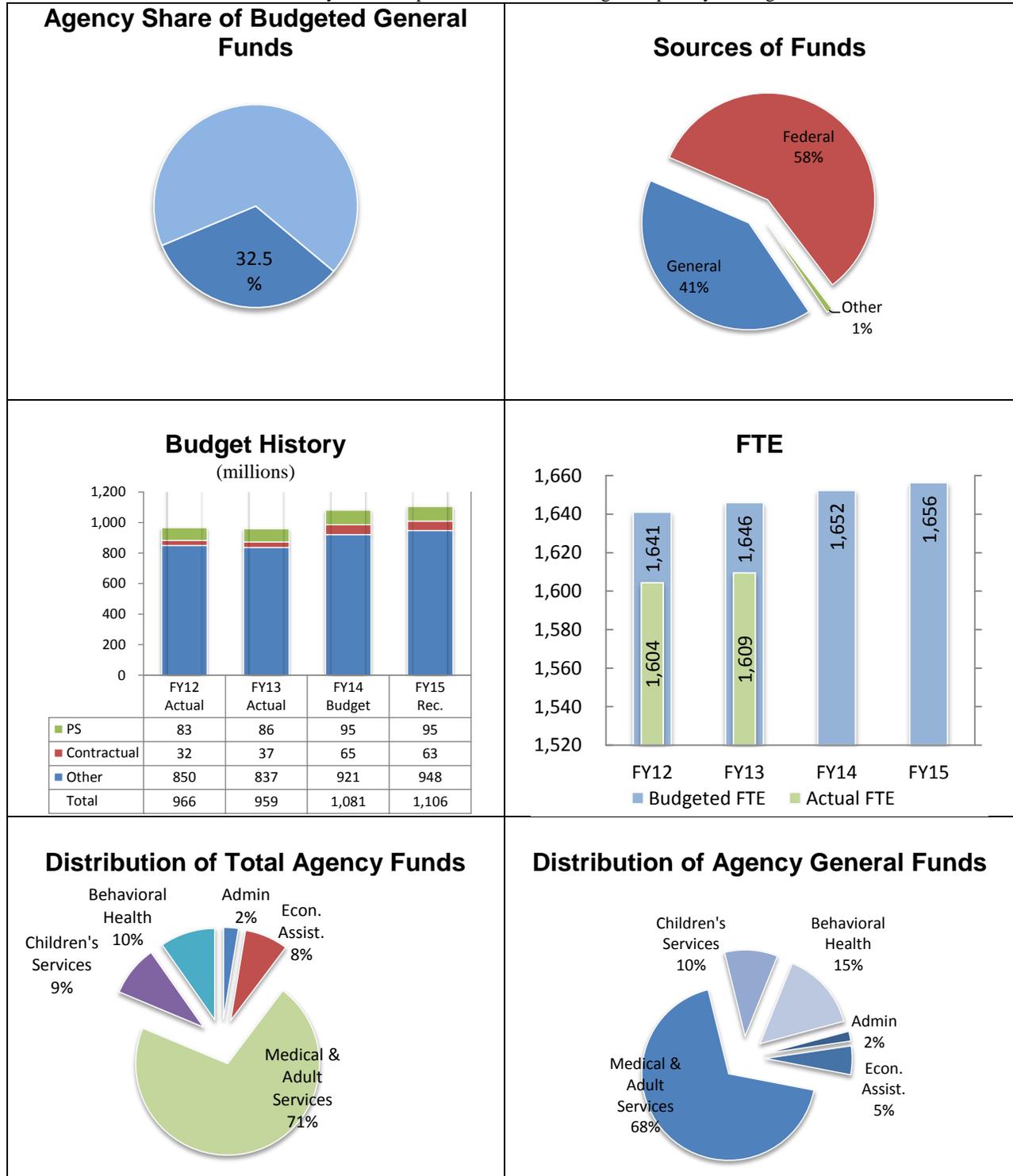


# FY15 Budget Briefing

## Department of Social Services

Information contained in this document is based on the Governor's original recommended FY15 budget.  
This document may not correspond with the FY15 budget adopted by the Legislature.



## Key Personnel

- Kim Malsam-Rysdon, Department Secretary
- Lynne Valenti, Deputy Secretary
- Amy Iversen-Pollreisz, Deputy Secretary
- Brenda Tidball-Zeltinger, Chief Financial Officer
- Kirby Stone, Medical Services
- Carrie Johnson, Economic Assistance
- Marilyn Kinsman, Adult Services & Aging
- Virgena Wieseler, Child Protection Services
- Gail Stoltenburg, Child Support Services
- Patricia Monson, Child Care Services
- Ric Compton, Administrator, Human Services Center (Yankton)
- Tiffany Wolfgang, Community & Correctional Behavioral Health Services

## Department Total

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec Inc/Dec FY15	% Change From FY2014
<b>Personal Services</b>						
Employee Salaries	64,541,796	64,166,506	71,844,369	71,973,883	129,514	0.2%
Employee Benefits	18,937,282	21,823,437	23,180,251	23,227,615	47,364	0.2%
<b>FTE</b>	1,604.3	1,609.4	1,652.3	1,656.3	4.0	0.2%
<b>Funding Types</b>						
General	46,660,486	48,583,378	51,579,294	51,924,421	345,127	0.7%
Federal	34,412,110	34,585,139	40,247,179	40,078,930	(168,249)	(0.4%)
Other	2,406,482	2,821,426	3,198,147	3,198,147	0	0.0%
<b>Total PS</b>	83,479,078	85,989,943	95,024,620	95,201,498	176,878	0.2%
<b>Operating Expenses</b>						
Travel	1,952,604	2,095,786	2,280,213	2,280,213	0	0.0%
Contractual Services	32,013,211	36,592,121	65,114,916	62,608,140	(2,506,776)	(3.8%)
Supplies & Materials	4,186,469	4,177,584	4,343,481	4,463,377	119,896	2.8%
Grants and Subsidies	842,311,861	828,952,576	912,807,693	939,393,556	26,585,863	2.9%
Capital Outlay	1,925,577	1,598,848	1,594,693	1,594,693	0	0.0%
Other	64,924	39,462	11,575	11,575	0	0.0%
<b>Funding Types</b>						
General	318,018,727	329,329,371	374,552,633	400,640,012	26,087,379	7.0%
Federal	559,540,136	539,985,295	604,963,182	603,035,590	(1,927,592)	(0.3%)
Other	4,895,783	4,141,712	6,636,756	6,675,952	39,196	0.6%
<b>Total OE</b>	882,454,646	873,456,378	986,152,571	1,010,351,554	24,198,983	2.5%
<b>Totals</b>						
<b>Funding Types</b>						
General	364,679,213	377,912,749	426,131,927	452,564,433	26,432,506	6.2%
Federal	593,952,246	574,570,434	645,210,361	643,114,520	(2,095,841)	(0.3%)
Other	7,302,265	6,963,138	9,834,903	9,874,099	39,196	0.4%
<b>Total</b>	965,933,724	959,446,321	1,081,177,191	1,105,553,052	24,375,861	2.3%

## Department Object Detail

Item	Actual FY2012	Actual FY2013	Budgeted FY2014	Governor Rec FY2015	Inc/Dec Over FY2014	% Change Over FY2014
<b>PERSONAL SERVICES</b>						
General Funds	46,660,486	48,583,378	51,579,294	51,924,421	345,127	0.7%
Federal Funds	34,412,110	34,585,139	40,247,179	40,078,930	(168,249)	(0.4%)
Other Funds	2,406,482	2,821,426	3,198,147	3,198,147	0	0.0%
Total Personal Services	83,479,078	85,989,943	95,024,620	95,201,498	176,878	0.2%
<b>FTE</b>	1604.3	1609.4	1652.3	1656.3	4.0	0.2%
<b>TRAVEL</b>						
General Funds	907,790	980,036	893,527	894,737	1,210	0.1%
Federal Funds	991,345	1,065,293	1,269,598	1,268,388	(1,210)	(0.1%)
Other Funds	53,469	50,457	117,088	117,088	0	0.0%
Total Travel	1,952,604	2,095,786	2,280,213	2,280,213	0	0.0%
<b>CONTRACTUAL SERVICES</b>						
General Funds	14,289,213	15,950,895	16,292,344	13,451,731	(2,840,613)	(17.4%)
Federal Funds	16,049,912	18,730,747	46,533,966	46,834,716	300,750	0.6%
Other Funds	1,674,086	1,910,479	2,288,606	2,321,693	33,087	1.4%
Total Contractual Services	32,013,211	36,592,121	65,114,916	62,608,140	(2,506,776)	(3.8%)
<b>SUPPLIES AND MATERIALS</b>						
General Funds	2,351,773	2,261,459	2,044,646	2,158,442	113,796	5.6%
Federal Funds	1,776,548	1,898,833	2,153,649	2,159,749	6,100	0.3%
Other Funds	58,148	17,291	145,186	145,186	0	0.0%
Total Supplies and Materials	4,186,469	4,177,583	4,343,481	4,463,377	119,896	2.8%
<b>GRANTS AND SUBSIDIES</b>						
General Funds	299,468,484	308,899,224	354,773,541	383,584,113	28,810,572	8.1%
Federal Funds	539,896,417	517,938,653	554,051,744	551,820,926	(2,230,818)	(0.4%)
Other Funds	2,946,960	2,114,699	3,982,408	3,988,517	6,109	0.2%
Total Grants and Subsidies	842,311,861	828,952,576	912,807,693	939,393,556	26,585,863	2.9%
<b>CAPITAL OUTLAY</b>						
General Funds	939,019	1,231,156	540,575	542,989	2,414	0.4%
Federal Funds	825,592	321,664	953,250	950,836	(2,414)	(0.3%)
Other Funds	160,966	46,028	100,868	100,868	0	0.0%
Total Capital Outlay	1,925,577	1,598,848	1,594,693	1,594,693	0	0.0%
<b>OTHER</b>						
General Funds	62,448	6,600	8,000	8,000	0	0.0%
Federal Funds	322	30,104	975	975	0	0.0%
Other Funds	2,155	2,758	2,600	2,600	0	0.0%
Total Other	64,925	39,462	11,575	11,575	0	0.0%
<b>TOTAL</b>						
<b>General Funds</b>	<b>364,679,213</b>	<b>377,912,748</b>	<b>426,131,927</b>	<b>452,564,433</b>	<b>26,432,506</b>	<b>6.2%</b>
<b>Federal Funds</b>	<b>593,952,246</b>	<b>574,570,433</b>	<b>645,210,361</b>	<b>643,114,520</b>	<b>(2,095,841)</b>	<b>(0.3%)</b>
<b>Other Funds</b>	<b>7,302,266</b>	<b>6,963,138</b>	<b>9,834,903</b>	<b>9,874,099</b>	<b>39,196</b>	<b>0.4%</b>
<b>Total All Funds</b>	<b>965,933,725</b>	<b>959,446,319</b>	<b>1,081,177,191</b>	<b>1,105,553,052</b>	<b>24,375,861</b>	<b>2.3%</b>

# Budget Detail Summary

## Department of Social Services

### Budget Detail Summary

	Governor's Recommended Increase/(Decrease) FY15					Governor's Recommended Budget FY15				
	General	Federal	Other	Total	FTE	General	Federal	Other	Total	FTE
<i>see page 4 for +</i>										
<b>ADMINISTRATION DIVISION</b>										
General Administration	4,513	3,226	1	7,740		610,246	798,882	1	1,409,129	14.0
Administrative Hearings	75	(75)	0	0		102,358	142,235	0	244,593	3.0
Recoveries and Investigations	531	(531)	0	0		711,948	758,766	0	1,470,714	21.0
Clerical Support	944	(944)	0	0		1,541,085	2,240,114	0	3,781,199	95.2
Accounting and Financial Reporting	780	(780)	0	0		591,480	802,030	0	1,393,510	20.0
EBT Administration +	10	(10)	0	0		510,244	765,508	12,875	1,288,627	9.0
Provider Reimbursement & Audits	0	0	0	0		285,960	308,523	0	594,483	9.5
Legal Services	1,110	30	0	1,140		313,133	423,988	0	737,121	8.0
Operations and Technology	539	171	0	710		153,584	213,200	0	366,784	3.0
Technology	180,616	240,460	0	421,076		3,492,516	14,113,183	5,860	17,611,559	0.0
<i>Total Administration Division</i>	<i>189,118</i>	<i>241,547</i>	<i>1</i>	<i>430,666</i>	<i>0.0</i>	<i>8,312,554</i>	<i>20,566,429</i>	<i>18,736</i>	<i>28,897,719</i>	<i>182.7</i>
<b>ECONOMIC ASSISTANCE DIVISION</b>										
Economic Assistance Administration	1,370	920	0	2,290		290,022	250,920	0	540,942	5.0
Energy Administration	0	2,332	0	2,332		0	972,538	0	972,538	16.0
Weatherization Grants	0	0	0	0		0	3,753,264	0	3,753,264	
LIEAP Benefits	0	0	0	0		0	24,092,586	0	24,092,586	
Community Assistance +	0	0	0	0		0	3,099,853	0	3,099,853	
Quality Control	1,134	(430)	0	704		335,177	442,783	21,355	799,315	13.0
Auxiliary Placement Support Staff	253,455	(23)	0	253,432		6,291,217	2,410,804	148,117	8,850,138	2.0
TANF Office Administration	74	44	0	118		212,442	212,284	0	424,726	2.0
TANF Grants	0	501,747	0	501,747		6,071,402	11,155,241	0	17,226,643	
TANF Contracts & Services	604,968	(501,747)	0	103,221		2,531,354	1,676,194	0	4,207,548	
SNAP - Employment & Training	0	15,385	0	15,385		57,660	585,876	0	643,536	
SSI State Administration	498	500	0	998		5,962	500	0	6,462	
SSI Mandatory Supplementation	0	0	0	0		1,500	0	0	1,500	
SSI State Supplementation	0	0	0	0		757,700	0	0	757,700	
Medicaid Eligibility	2,790	(2,250)	0	540		1,134,560	1,162,687	0	2,297,247	34.0
SNAP - General Administration	411	404	2	817		316,968	310,695	2	627,665	5.0
SNAP - Nutrition Education	0	0	0	0		0	511,043	0	511,043	
Health Insurance Exchange	0	212	0	212		0	104,362	0	104,362	1.0
Economic Assistance Field Staff	11,804	(5,176)	0	6,628		6,271,813	9,162,675	168,904	15,603,392	242.5
<i>Total Economic Assistance Division</i>	<i>876,504</i>	<i>11,918</i>	<i>2</i>	<i>888,424</i>	<i>0.0</i>	<i>24,277,777</i>	<i>59,904,305</i>	<i>338,378</i>	<i>84,520,460</i>	<i>320.5</i>
<b>MEDICAL &amp; ADULT SERVICES DIVISION</b>										
Medical Services										
Medical Services Administration	27,931	28,667	0	56,598	1.0	2,964,574	3,698,604	0	6,663,178	42.0
Title XIX (Medicaid) Transportation +	55,797	55,797	0	111,594		1,529,055	1,529,056	0	3,058,111	
Medical Management Information System	0	0	0	0		54,100	23,007,889	0	23,061,989	10.0
School Based Administration +	0	514,747	0	514,747		0	8,602,247	280,701	8,882,948	
Health Information Technology +	0	0	0	0		0	31,700,000	0	31,700,000	
Physician Service (Providers)	3,029,576	(1,884,813)	0	1,144,763		39,175,172	44,398,535	0	83,573,707	
Inpatient Hospital (Providers)	3,743,429	(1,266,363)	0	2,477,066		60,055,645	65,373,864	0	125,429,509	
Disproportionate Share +	29,996	(4,405)	0	25,591		420,680	457,933	0	878,613	
Outpatient Hospital (Providers)	5,036,574	3,398,794	0	8,435,368		27,005,621	29,397,101	0	56,402,722	
Prescription Drugs (Providers)	961,617	(119,381)	0	842,236		14,206,157	14,430,050	0	28,636,207	
Other Medical Services (Providers) +	(102,641)	(790,189)	0	(892,830)		7,050,227	7,674,565	0	14,724,792	
Chiropractic Services	(16,950)	(42,527)	0	(59,477)		236,865	257,841	0	494,706	
Medicare Crossover +	845,609	(118,186)	0	727,423		11,796,167	12,840,768	0	24,636,935	
Adult Dental	112,335	(65,990)	0	46,345		2,097,256	2,282,983	0	4,380,239	
Adult Optometric	(22,089)	(54,428)	0	(76,517)		298,197	324,602	0	622,799	
EPSDT-Screening +	(2,167)	(29,069)	0	(31,236)		279,473	304,227	0	583,700	
EPSDT-Dental Services	1,407,924	1,031,346	0	2,439,270		6,692,571	7,285,228	0	13,977,799	
EPSDT-Optometric Services	(4,260)	(46,625)	0	(50,885)		438,403	477,231	0	915,634	
EPSDT-Treatment	(729,263)	(1,336,427)	0	(2,065,690)		6,204,131	5,610,120	0	11,814,251	
SMI Supplemental Med Ins-Part A Prem +	242,419	7,974	0	250,393		2,940,473	3,200,867	0	6,141,340	
SMI Supplemental Med Ins -Part B Prem +	(231,484)	(1,288,770)	0	(1,520,254)		10,699,166	11,646,630	0	22,345,796	
BBA Expanded SMI +	0	(159,107)	0	(159,107)		0	1,669,849	0	1,669,849	
Premium Assistance +	135,309	135,309	0	270,618		367,734	367,732	0	735,466	
Medicare Part D - State Contribution +	834,985	0	0	834,985		18,225,878	0	0	18,225,878	
Indian Health Services (IHS)	0	0	0	0		0	84,577,751	0	84,577,751	
Children's Health Insurance Program (CHIP)	349,535	(78,767)	0	270,768		6,031,906	11,963,033	0	17,994,939	
Non-Medicaid CHIP +	42,892	(212,555)	0	(169,663)		2,233,582	4,429,850	0	6,663,432	
Renal Disease +	0	0	0	0		30,458	0	0	30,458	

	Governor's Recommended Increase/(Decrease) FY15					Governor's Recommended Budget FY15				
	General	Federal	Other	Total	FTE	General	Federal	Other	Total	FTE
<b>Adult Services and Aging (ASA)</b>										
ASA - Administration	3,151	4,368	668	8,187		596,223	1,522,228	1,100	2,119,551	19.0
In-Home Services	399,495	(17,829)	0	381,666		7,482,954	4,990,051	734,042	13,207,047	
Respite & Caregiver Services	0	0	0	0		478,706	805,262	28,392	1,312,360	
Community Support Services	147,519	(428)	0	147,091		1,944,659	4,078,046	0	6,022,705	
Long Term Care Services	5,697,052	(230,496)	0	5,466,556		74,609,130	79,368,960	0	153,978,090	
Victim's Services +	0	0	0	0		408,784	3,491,511	0	3,900,295	3.0
Victim's Compensation +	0	0	0	0		0	133,781	710,381	844,162	2.0
ASA Field Staff	0	0	0	0		1,904,884	3,212,976	22,681	5,140,541	75.0
<b>Total Medical &amp; Adult Services Division</b>	<b>21,994,291</b>	<b>(2,569,353)</b>	<b>668</b>	<b>19,425,606</b>	<b>1.0</b>	<b>308,458,831</b>	<b>475,111,371</b>	<b>1,777,297</b>	<b>785,347,499</b>	<b>151.0</b>
<b>CHILDREN'S SERVICES DIVISION</b>										
<b>Child Support Enforcement (CSE)</b>										
Administration (CSE)	2,447	4,086	3	6,536		84,536	147,909	3	232,448	2.0
State Disbursement Unit +	0	0	0	0		130,417	253,160	0	383,577	6.0
Program Support Staff	23,907	18,712	20,079	62,698		922,228	1,578,672	1,035,545	3,536,445	16.0
Child Support Field Staff	0	0	0	0		836,047	1,257,772	1,554,909	3,648,728	59.0
<b>Child Protection Services (CPS)</b>										
CPS Administration	14,831	34,687	0	49,518	1.0	647,110	1,124,308	0	1,771,418	22.5
Special Projects (CPS) +	0	0	0	0		0	350,750	0	350,750	
Family Preservation & Support Services	12,841	0	0	12,841		178,696	358,809	0	537,505	
Criminal Records Checks +	0	0	0	0		15,922	27,586	0	43,508	
Tribal Contracts +	26,835	3,334	0	30,169		852,662	183,122	0	1,035,784	
Placement Resource Recruitment/Training+	122,233	2,096	0	124,329		477,912	612,463	0	1,090,375	
Foster Care Support Services +	25,375	6,286	1,451	33,112		405,242	600,790	233,185	1,239,217	
Medically Complex Program +	1,075	1,074	0	2,149		36,885	36,883	0	73,768	
Kinship Care +	0	0	0	0		10,000	37,000	0	47,000	
Child's Own Funds - Refunds	0	0	0	0		0	0	80,000	80,000	
Family Foster Care	226,325	10,784	2,608	239,717		3,970,915	4,060,432	598,926	8,630,273	
Group Care +	107,546	(8,572)	0	98,974		2,473,656	846,849	77,598	3,398,103	
Psychiatric Facilities for Children	607,474	(89,211)	0	518,263		8,519,626	9,274,079	0	17,793,705	
Subsidized Guardianship	0	0	0	0		696,167	410,240	0	1,106,407	
Subsidized Adoption and Medical	561,834	(88,171)	0	473,663		5,484,907	4,824,327	6,188	10,315,422	
Independent Living +	17,403	4,542	0	21,945		153,470	612,131	0	765,601	
Parenting Education	0	1,877	9,383	11,260		0	361,880	253,034	614,914	
CPS Field Staff	82,644	13,454	0	96,098	2.0	9,901,449	7,272,267	0	17,173,716	223.3
<b>Child Care Services (CCS)</b>										
CCS Administration	41,260	(38,230)	0	3,030		926,359	1,017,186	0	1,943,545	25.0
Child Care Direct Assistance	1,135,181	(93,646)	0	1,041,535		7,709,166	12,819,567	739,819	21,268,552	
Consumer Education +	0	0	0	0		0	101,434	0	101,434	
Infant and Toddler Care +	0	0	0	0		0	94,146	0	94,146	
Child Care Resource Services +	45,110	0	0	45,110		114,719	1,470,656	0	1,585,375	
Child Passenger Safety +	0	0	0	0		189,703	0	0	189,703	
<b>Total Children's Services Division</b>	<b>3,054,321</b>	<b>(216,898)</b>	<b>33,524</b>	<b>2,870,947</b>	<b>3.0</b>	<b>44,737,794</b>	<b>49,734,418</b>	<b>4,579,207</b>	<b>99,051,419</b>	<b>353.8</b>
<b>BEHAVIORAL HEALTH DIVISION</b>										
<b>Human Services Center</b>										
Administration	55,348	9,494	82	64,924		950,226	471,483	865	1,422,574	12.0
Environmental Services	184,003	192	0	184,195		4,032,980	1,561,196	100,748	5,694,924	48.5
Quality Management	5,036	(5,036)	0	0		930,297	500,735	0	1,431,032	25.0
Education & Support Services	0	0	0	0		1,332,201	0	185,540	1,517,741	20.0
Psychology	1,667	(1,667)	0	0		295,036	158,729	0	453,765	5.0
Pharmacy	56,006	(4,302)	0	51,704		1,620,182	418,567	707,258	2,746,007	11.0
Bond Payment	(3,346,054)	0	0	(3,346,054)		0	0	0	0	
Clinical Services	9,791	(8,186)	0	1,605		1,540,224	911,555	0	2,451,779	26.0
Medical Services	12,504	(9,611)	0	2,893		2,080,686	1,298,127	34,961	3,413,774	13.5
Acute Psychiatric Services	15,253	(15,253)	0	0		3,702,306	1,994,938	0	5,697,244	92.5
Intensive Treatment Unit (ITU)	0	0	0	0		1,168,240	112,567	0	1,280,807	23.0
Adolescent Services	105,390	(103,140)	0	2,250		3,017,176	2,818,657	0	5,835,833	104.0
Adult Chemical Dependency	140	(140)	0	0		1,374,262	3,559	0	1,377,821	24.0
Psychiatric Rehab	0	0	0	0		4,035,215	0	0	4,035,215	70.5
Geriatric Services	42,900	(42,900)	0	0		4,022,935	1,146,059	0	5,168,994	91.0
<b>Community Behavioral Health</b>										
Administration - MH	351	4,026	0	4,377		583,180	183,439	7,010	773,629	8.0
Emergency Services - MH	9,619	0	0	9,619		330,239	0	0	330,239	
Emergency Services	17,925	0	0	17,925		615,430	0	0	615,430	
Path - MH +	0	0	0	0		0	288,000	0	288,000	
Child & Family [Community] MH Services	307,256	(30,259)	0	276,997		4,720,306	5,410,340	0	10,130,646	
CARE Program (Adults) MH +	547,822	5,438	0	553,260		9,958,010	2,999,317	0	12,957,327	
Outpatient Services MH	46,291	(5,807)	0	40,484		649,131	740,819	0	1,389,950	
Intensive Family Services MH	1,254	0	0	1,254		43,038	0	0	43,038	
IMPACT +	1,626,034	666,680	0	2,292,714		3,472,095	1,514,626	0	4,986,721	
Special Projects MH +	0	0	0	0		55,694	425,192	0	480,886	
Admin - Alcohol & Drug Abuse (ADA)	0	0	0	0		634,576	385,053	163,297	1,182,926	12.0
Inpatient/Residential ADA	38,297	0	0	38,297		654,283	660,566	0	1,314,849	
Outpatient Treatment ADA	100,610	0	0	100,610		2,200,365	1,253,903	0	3,454,268	

	Governor's Recommended Increase/(Decrease) FY15					Governor's Recommended Budget FY15				
	General	Federal	Other	Total	FTE	General	Federal	Other	Total	FTE
Counseling Services ADA	71,447	0	0	71,447		1,478,183	974,845	0	2,453,028	
Detoxification ADA	13,405	0	0	13,405		263,947	196,297	0	460,244	
Low Intensity ADA	86,308	0	0	86,308		1,476,451	1,486,781	0	2,963,232	
Resource Development Treatment ADA	0	0	0	0		0	66,000	0	66,000	
ADA Title XIX & CHIP	187,142	(22,643)	0	164,499		2,662,256	2,985,531	0	5,647,787	
Treatment for Gambling Addiction ADA	0	0	0	0		0	0	275,281	275,281	
Methamphetamine Treatment ADA	38,799	0	0	38,799		1,332,087	0	0	1,332,087	
Case Management Services ADA +	0	0	0	0		0	15,000	0	15,000	
Co-occurring State Incentive Plan ADA	0	0	0	0		0	701,000	0	701,000	
Prevention +	0	0	0	0		0	5,983,027	110,653	6,093,680	
CJI/Criminal Justice Initiative - ADA	78,371	0	0	78,371		2,690,738	0	0	2,690,738	
Correctional Behavioral Health										
MH Services for DOC Programs	5,357	59	9,956	15,372		405,360	59	1,151,757	1,557,176	17.0
ADA Services for DOC Programs	0	0	0	0		2,450,142	132,030	0	2,582,172	44.0
<i>Total Behavioral Health Division</i>	<i>318,272</i>	<i>436,945</i>	<i>10,038</i>	<i>765,255</i>	<i>0.0</i>	<i>66,777,477</i>	<i>37,797,997</i>	<i>2,737,370</i>	<i>107,312,844</i>	<i>647.0</i>
<b>INFORMATIONAL BOARDS</b>										
Board of Counselor Examiners	0	0	76	76		0	0	92,719	92,719	
Board of Psychology Examiners	0	0	48	48		0	0	76,559	76,559	
Board of Social Work Examiners	0	0	65	65		0	0	101,458	101,458	
Board of Addiction & Prevent Prof	0	0	(5,226)	(5,226)		0	0	152,375	152,375	1.3
<i>Total Informational Boards</i>	<i>0</i>	<i>0</i>	<i>(5,037)</i>	<i>(5,037)</i>	<i>0.0</i>	<i>0</i>	<i>0</i>	<i>423,111</i>	<i>423,111</i>	<i>1.3</i>
<b>Department Total</b>	<b>26,432,506</b>	<b>(2,095,841)</b>	<b>39,196</b>	<b>24,375,861</b>	<b>4.0</b>	<b>452,564,433</b>	<b>643,114,520</b>	<b>9,874,099</b>	<b>1,105,553,052</b>	<b>1656.3</b>

**+ Select Descriptions - by budget Division (*very abbreviated format*)**

**ADMINISTRATION DIVISION:**

EBT Administration: for Electronic Benefits Transfer (EBT) primarily in the SNAP (fka Food Stamps) and for running the SD Dakota EBT Project.

**ECONOMIC ASSISTANCE DIVISION:**

Community Assistance: for Community Service Block Grant Program (CSBG) funding used by Community Action Programs for causes of poverty.

Auxiliary Placement:

SNAP: Supplemental Nutrition Assistance Program (fka Food Stamps)

SSI: Supplemental Security Income

**MEDICAL AND ADULT SERVICES DIVISION:**

Title XIX (Medicaid) Transportation: provides reimbursement to Medicaid recipients for travel expenses to medically necessary services.

School Based Administration: allows pass-through of federal funding to local school districts for administrative expenses re eligible Medical Assistance programs.

Health Information Technology: for incentive payments to qualified providers who demonstrate meaningful use of acceptable medical records.

Disproportionate Share: used to make disproportionate share reimbursement to qualifying hospitals.

Other Medical Services: various providers such as ambulance, wheelchair transportation, home health, prosthetic devices, braces, durable medical equipment.

Medicare Crossover: for deductible and co-insurance charges under the Medicare Program for individuals eligible for both Medicare and Medicaid benefits.

EPSDT: Early Periodic Screening, Diagnosis and Treatment - for children under age 21.

SMI Part A Premiums: to pay Medicare Part A premiums - mandated by Congress in 1988

SMI Part B Premiums: to pay Medicare Part B premiums for eligible individuals - mandatory.

BBA Expanded SMI: to pay Medicare premiums for Qualified Individuals - mandated by the Balanced Budget Act (BBA) of 1997.

Premium Assistance: to purchase private health insurance for those who have insurance available but cannot afford the premiums. High-risk such as pregnant women.

Medicare Part D-State Contribution: for the Medicare Prescription Drug Program payment to feds for the Phased-down State Contribution (Clawback).

Non-Medicaid CHIP: for Medicaid "look-alike" for uninsured children age 0-18 and between 140%-200% of Federal Poverty Level (FPL) (addl eligibility criteria may apply).

Renal Disease: state funded program for payment to providers for eligibles with chronic renal failure.

Victim's Services: Family Violence Prevention Services, Victims of Crime Assistance, STOP Violence Against Women, Sexual Assault Services Program, DASA.....

Victim's Compensation: compensation generated by surcharge levied in criminal actions, restitution, and Victims of Crime Act.

**CHILDREN'S SERVICES DIVISION:**

State Disbursement Unit: for the operation of the centralized child support payment center.

Special Projects (CPS): funded with Child Abuse Treatment and Prevention Act and Children's Justice Act grants to prevent child abuse and neglect, intervention....

Criminal Records Checks: for checks of all regulated child care providers in SD as required by statute.

Tribal Contracts: for child protection contracts with Sisseton Wahpeton Oyate Tribe and the Lakota Oyate Wakanyeya Owicakiyapi.

Placement Resources Recruitment/Training: ...for foster and adoptive parents.

Foster Care Support Services: for supportive services for children placed in foster and kinship care.

Medically Complex Program: case management and placement supervision of children with complex medical needs ...to avoid institutionalization.

Kinship Care: to support the care of children in our custody by their relatives.

Group Care: for placement of youth in a licensed treatment facility for behavioral and emotional issues.

Independent Living: grant funds for independent living services to youth coming from foster care.

Consumer Education: for Reach Out and Read literacy development.

Infant and Toddler Care: to promote early brain development for parents and caregivers (Governor's Bright Start Gift Box program).

Child Care Resource Services: geared to the professional development of child care providers.

Child Passenger Safety: to purchase/distribute child passenger safety seats to income eligible families.

**BEHAVIORAL HEALTH DIVISION:**

Community Behavioral Health:

Path-MH: federal legislation allows states to receive federal funds to provide services to homeless individuals with severe and persistent mental illness.

CARE Program (Adults) MH: Comprehensive Assistance with Recovery and Empowerment self-contained program aimed at helping people with SMI live in the community.

IMPACT: community mental health centers in Rapid City, Sioux Falls, Huron & Yankton.

Special Projects (MH): Federal Data Infrastructure Grant (DIG) to measure statistics for compliance with the Mental Health State Plan....other data reporting/planning.

Case Management Services ADA: federal grant from Fetal Alcohol Syndrome Center for Excellence to fund early intervention for high-risk pregnant women.

Prevention: funds are utilized to support the evaluation component of the Federal Strategic Prevention Framework State Incentive Grant.....

## MAJOR EXPANSIONS AND REDUCTIONS

Budget Item	<u>Governor's Recommendation</u>				FTE
	General Funds	Federal Funds	Other Funds	Total Funds	
<b>All Department</b>					
A. FMAP Rate Decrease	12,791,094	(12,791,094)		0	
B. Mandatory Provider Inflation	1,764,017	(486,468)		1,277,549	
C. Provider Inflation 3% (Discretionary):	11,438,426	9,070,891	43,211	20,552,528	
D. Bureau Billings	256,740	299,629	1,385	557,754	
<b>Economic Assistance</b>					
see all department items					
<b>Medical &amp; Adult Services</b>					
E. Change in Medicaid Utilization & Clients	1,257,831	1,399,226		2,657,057	
F. Decrease in CHIP Eligibles	(213,057)	(422,556)		(635,613)	
G. New FTE - Program Assistant	21,214	21,214		42,428	1.0
<b>Children's Services</b>					
H. Subsidized Adoptions	420,243	47,594		467,837	
I. Placement Resources Recruitment/Training	96,098			96,098	
J. 3.0 FTE Staffing Increase	92,232	42,218		134,450	3.0
<b>Behavioral Health</b>					
K. Food Service Increase	54,641			54,641	
L. Electricity & Natural Gas Adjustment	112,948	16,606		129,554	
M. Bond Payment/Payoff	(3,346,054)			(3,346,054)	
N. Comm. Behavioral Health Consumer Exp.	1,686,133	706,899		2,393,032	
<b>Informational Boards</b>					
O. Changes			(5,400)	(5,400)	
<b>TOTAL</b>	<b>26,432,506</b>	<b>(2,095,841)</b>	<b>39,196</b>	<b>24,375,861</b>	<b>4.0</b>

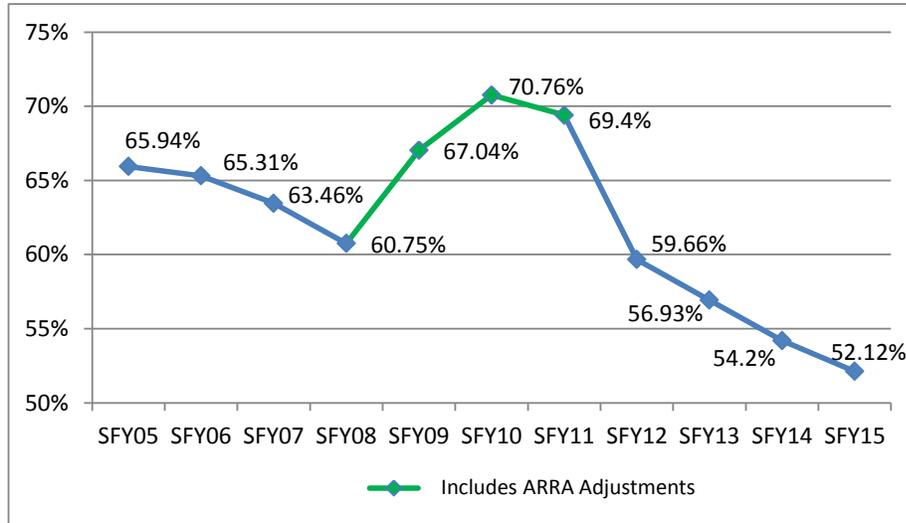
### All Department:

- A. FMAP (Federal Medical Assistance Percentage).** The Governor recommends an increase of **\$12,791,094 from the general fund** with a **corresponding decrease in federal fund expenditure authority** due to a reduction of the FMAP rate. This change results in an appropriation shift (or swap) from federal fund authority to the state's general funds (net change of zero).

The FMAP is the share of state Medicaid benefit costs paid for by the federal government. The rate is determined annually by the federal government using a formula based on a three-year average of state per capita personal income in relation to the national average. The FY15 rate compares years 2010, 2011 and 2012. States with higher per capita income levels are reimbursed a smaller share of their costs. In State Fiscal Year 2015, the budgeted FMAP rate will be **52.12%** and the state share will be 47.88%. This is a decrease of the federal share by 2.08%. (NOTE: This is only a portion of the statewide impact of the FMAP. Other departments across state government also are impacted.)

	General Funds	Federal Funds	Other Funds	Total Funds
<b>FMAP by division:</b>				
Office of the Secretary	9,815	(9,815)		0
Economic Assistance	12,304	(12,304)		0
Medical and Adult Services	11,362,995	(11,362,995)		0
Children's Services	754,261	(754,261)		0
Behavioral Health	651,719	(651,719)		0
<b>Total</b>	<b>12,791,094</b>	<b>(12,791,094)</b>	<b>0</b>	<b>0</b>

### South Dakota SFY\*\* FMAP



\*\*The FMAP rate changes annually on October 1, the beginning of the Federal Fiscal Year. Because the State Fiscal Year (SFY) begins July 1, for budgeting purposes, the state's budgeted FMAP rate uses the last quarter of the previous federal fiscal year and the first three quarters of the next federal fiscal year. The department refers to this as the "blended rate" and uses that average when calculating its budget request.

**B. Mandatory Medical Services Provider Inflation.** The Governor recommends an increase of **\$1,277,549** (\$1,764,017 general funds and a decrease of **\$486,468** federal fund authority) to Primary Care Payments, FQHC's, RHC's, Assisted Living, Crossovers, Part A, B & D as required. Mandatory provider inflation applies to services or programs where federal requirements or the State's approved Medicaid State Plan require reimbursement based on actual costs. The decrease to Primary Care Payments is due to funding through the Affordable Care Act ending on January 1, 2015. (This was one-year funding for calendar year 2014.)

	General Funds	Federal Funds	Other Funds	Total Funds
<b>Mandatory Provider Inflation</b>				
Primary Care Payments-ACA funding ends		(1,754,213)		(1,754,213)
FQHC's & RHC's at 2.2%	129,071	140,501		269,572
Medicare Crossover 4.99%	562,080	611,855		1,173,935
SMI-Part A at 2.84%	77,663	84,541		162,204
SMI-Part B at 3.39%	346,742	377,448		724,190
BBA expanded SMI at 3.39%		53,400		53,400
Part D-State contribution at 3.42%	600,636			600,636
Mandatory grants to individuals 3%	47,825			47,825
<b>Total</b>	<b>1,764,017</b>	<b>(486,468)</b>	<b>0</b>	<b>1,277,549</b>

**C. 3% Discretionary Provider Rate Increase.** The Governor recommends a 3% increase to provider rates. This is an increase of **\$11,438,426** from general funds, **\$9,070,891** in federal fund authority, and **\$43,211** in other fund authority for a total increase of **\$20,552,528**. *From the Bureau of Finance & Management (BFM): Several factors are taken into consideration when the Governor recommends the discretionary inflationary increase for providers. No statutes exist for determining this inflationary increase. As a starting point, the Bureau of Finance and Management uses the projected increase in the Consumer Price Index for All Urban Consumers (CPI-U) forecast by IHS Global Insight for the coming fiscal year (FY14) when compared to the current fiscal year (FY13). The Governor must also consider the funding available in the budget after mandatory costs are paid.*

	General Funds	Federal Funds	Other Funds	Total Funds
<b>3% Discretionary Provider Inflation</b>				
Economic Assistance	858,400	15,385		873,785
Medical Services	4,739,129	5,379,758		10,118,887
Adult Services & Aging	3,054,568	2,892,920		5,947,488
Child Support Services	23,907	18,712	20,079	62,698
Child Protection Services	571,942	417,103	13,442	1,002,487
Child Care Services	1,086,645			1,086,645
Human Services Center	46,509	11,943		58,452
Community Behavioral Health	1,055,887	335,070		1,390,957
Correctional Behavioral Health	1,439		9,690	11,129
<b>Total</b>	<b>11,438,426</b>	<b>9,070,891</b>	<b>43,211</b>	<b>20,552,528</b>

**D. Bureau Billings.** The Governor recommends an increase of **\$256,740** from general funds, **\$299,629** in federal fund authority, and **\$1,385** in other fund authority due to increases in the bureau billings. (For services provided by central governmental bureaus - Bureau of Administration, Bureau of Finance & Management, and Bureau of Information & Telecommunications.)

	General Funds	Federal Funds	Other Funds	Total Funds
<b>Bureau Billing Increase by Division</b>				
Administration	179,303	251,362	1	430,666
Economic Assistance	5,800	8,837	2	14,639
Medical & Adult Services	7,594	9,548	668	17,810
Children's Services	8,993	11,736	3	20,732
Behavioral Health	55,050	18,146	348	73,544
Informational Boards			363	363
<b>Total</b>	<b>256,740</b>	<b>299,629</b>	<b>1,385</b>	<b>557,754</b>

**Medical and Adult Services:**

**E. Change in Title XIX (Medicaid) Utilization and Clients.** Increase of **\$1,257,831** from general funds and **\$1,399,226** in federal fund authority due to the projected change in Title XIX (Medicaid) utilization and clients. Net change from the FY14 Appropriated to the FY15 Recommended of \$2,657,057.

**Breakdown of Increase for Change in Utilization and Clients**

<u>Description</u>	<u>Inc/Decr (All Funds)</u>	<u>% change</u>	<u>Current Operating Budget</u>
Physician Services	680,387	0.825%	82,428,944
Inpatient Hospital	(1,211,507)	-0.985%	122,952,443
Outpatient Hospital	6,996,347	14.586%	47,967,354
Prescription Drugs	8,417	0.030%	27,793,971
Other Medical Service (ambulance, home health, etc)	(1,361,359)	-8.717%	15,617,622
Chiropractic Services	(76,102)	-13.732%	554,183
Medicare Crossover	(446,512)	-1.868%	23,909,512
Adult Dental	(83,672)	-1.931%	4,333,894
Adult Optometric	(97,496)	-13.942%	699,316
EPSDT Screening Services	(49,684)	-8.080%	614,936
EPSDT Dental Services	2,093,114	18.140%	11,538,529
EPSDT Optometric	(79,881)	-8.265%	966,519
EPSDT Treatment	(2,482,088)	-17.883%	13,879,941
Supplemental Medical Insurance - Part A Premiums	88,189	1.497%	5,890,947
Supplemental Medical Insurance - Part B Premiums	(2,244,444)	-9.404%	23,866,050
BBA Expanded SMI (mandated by the Balanced Budget Act of 1997)	(212,507)	-11.619%	1,828,956
Premium Assistance	270,618	58.216%	464,848
Part D - State Contribution	234,349	1.348%	17,390,893
Medical Services Admin	4,547	0.069%	6,606,580
Title XIX Transportation	111,594	3.787%	2,946,517
School Based Administration	514,747	6.151%	8,368,201
<b>Total Change</b>	<b>2,657,057</b>		

**F. Revised Title XXI (CHIP) Utilization and Clients.** Decrease of **\$213,057** from general funds and **\$422,556** in federal fund authority due to revised estimates in CHIP utilization and clients. Total decrease **\$635,613**.

**G. New FTE – Program Assistant II.** Increase of **\$21,214** in general funds, **\$21,214** in federal fund authority and **1.0 FTE** for an additional Program Assistant. The Governor is requesting an additional Program Assistant II to assist with provider enrollment, screening and validating the process of providers enrolling in SD Medicaid due to increased federal mandates. Total increase \$42,428 and 1.0 FTE.

**Children’s Services:**

**H. Subsidized Adoptions.** Increase of **\$420,243** from general funds and **\$47,594** in federal fund authority is requested to meet projected growth in subsidized adoptions. Total increase \$467,837.

**I. Placement Resources Recruitment/Training.** Increase of **\$96,098** from general funds to contract with an agency or individual to locate relatives for children in DSS custody and assist them through the kinship home study process. Total increase \$96,098.

**J. Staffing Increase.** Increase of **\$92,232** from general funds, **\$42,218** in federal fund authority and **3.0 FTE** for increased staff. Total increase of \$134,450 and 3.0 FTE.

- 1.0 FTE requested to expedite the completion of the Title IV-E eligibility determination for children who are removed by law enforcement or the courts due to being unsafe in order to meet federal requirements and maximize federal funding for placements.

2. 1.0 FTE is requested as an Intake Specialist to be assigned to intake due to an increase in reports made to the CPS office regarding children who have been abused or neglected or are at risk of abuse or neglect.
3. 1.0 FTE is requested for a Family Service Specialist to be assigned to work with families when children have been found to be unsafe or are at risk of being unsafe to prevent removal or provide efforts toward reunification.

**Behavioral Health:**

- K. Food Service (HSC).** Increase of **\$54,641** from general funds due to food service adjustments at the Human Services Center. Total increase \$54,641.
- L. Electricity and Natural Gas Adjustment (HSC).** Increase of **\$112,948** from general funds and **\$16,606** in federal fund authority due to utility cost adjustments at the Human Services Center. Total increase \$129,554.
- M. Bond Payoff.** Reduction of bond payment due to the Governor's recommendation to pay off existing bonds. (**\$18,580** bond payment adjustment and **\$3,327,474** bond payoff) Decrease general funds **\$3,346,054**.
- N. Consumer Expansion.** Increase of **\$1,686,133** from general funds and **\$706,899** of federal fund authority for the Comprehensive Assistance with Recovery and Empowerment (CARE) and IMPACT Programs consumer expansion. The CARE expansion is for a waiting list of ninety four (94) individuals. The department states it is imperative that individuals with SMI (severe mental illness) receive appropriate and timely services in order for them to maintain stability in community settings. Medicaid services are an entitlement program that must be provided in an appropriate and timely manner. Without expanding the funding for CARE Services to address waiting lists, many individuals will require inpatient hospitalization at the HSC, re-admission to the HSC, or an increase in average length of stay at the HSC. The expansion of the IMPACT Transitions Program will create one program that would provide services to an average of 12 individuals transitioning out of children's long-term placements. Expansion of IMPACT in the northeastern and central part of the state would expand this level of care to regions where it does not currently exist. Total increase \$2,393,032.

**Informational Boards:**

- O.** Other decreases for Informational Boards of **\$5,400**.

## Governor's Proposed Salary Policy – **BFM Pool**

The Governor recommends the employee compensation plan be distributed from a pool in the BFM. *Therefore, agency budgets do not reflect the change for the compensation plan.*

Estimated Agency Distribution:	General Funds	Federal Funds	Other Funds	Total
Across the Board Increase and Market Adjustments	\$1,459,273	\$1,169,888	\$82,992	\$2,712,153
Health Insurance	\$1,246,081	\$976,211	\$74,647	\$2,296,939
Movement Toward Job Worth (PACE)	\$616,691	\$490,992	\$14,821	\$1,122,504
Pay for Performance (Career Band Families)	\$221,105	\$115,162	\$0	\$336,267
Targeted Compensation Adjustments	\$233,071	\$48,943	\$0	\$282,014
Total of all Components	\$3,776,221	\$2,801,196	\$172,460	\$6,749,877

- ✓ Recommended FY15 – 3.0% PACE; 0%-4.5% Pay for Performance for Career Banding; 3% Across-the-Board/Market Adjust.; 18.6% Health Insurance; Targeted compensation adjustments for a small number of hard-to-fill, below market vocational jobs.
- ✓ FY14 - 3.5% PACE; 0%-4.5% Pay for Performance for Career Banding; 3% Across-the-Board; 3.5%-4% Market Adjustment for Career Banding; 14.7% Health Ins.
- ✓ FY13 – 2.5% PACE; Adjustments for Career Banding; 3% Across-the-Board; 3.3% Health Insurance.
- ✓ FY12 – 0% PACE; 0% Across-the-Board; 0% Health Insurance. One-time payment to permanent, non-probationary employees of 5%, 3.4%, or 1.7% of the individual's annual salary depending on their longevity. (No increase to base in FY12.)
- ✓ FY11 – 0% PACE; 0% Across-the-Board; 6.3% Health Insurance
- ✓ FY10 – 0% PACE; 0% Across-the-Board; 0% Health Insurance

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### Targeted Compensation Adjustments

- \$0.50 per hour increase added after salary policy applied
- Targeted occupational series identified through the Total Remuneration Study
  - Custodial Services Series
  - Building Maintenance Series
  - Driver License Examiner Series
  - Direct Care Series
  - Selected Health Positions (Dietitian/Nutritionist, Public Health Specialist, Health/Sr Health Facilities Surveyors)
  - Grounds Keeper Series

47



## ADMINISTRATION

The mission is to provide effective delivery of social services in South Dakota by efficiently managing all offices, programs, and activities of the department in cooperation with federal, state, and local government agencies through program coordination, budgetary review, legal, statistical analysis, accounting and financial management, provider reimbursement and audits, electronic benefits management, and operations and technology services.

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec Inc/Dec FY15	% Change From FY2014
<b>Personal Services</b>						
Employee Salaries	6,093,618	6,047,582	6,883,671	6,883,671	0	0.0%
Employee Benefits	1,910,774	2,257,206	2,310,891	2,310,891	0	0.0%
<b>FTE</b>	173.9	178.4	182.7	182.7	0.0	0.0%
<b>Funding Types</b>						
General	3,787,691	3,871,854	3,994,767	3,998,586	3,819	0.1%
Federal	4,216,701	4,432,934	5,190,328	5,186,509	(3,819)	(0.1%)
Other	0	0	9,467	9,467	0	0.0%
<b>Total PS</b>	8,004,392	8,304,788	9,194,562	9,194,562	0	0.0%
<b>Operating Expenses</b>						
Travel	121,950	88,184	140,830	140,830	0	0.0%
Contractual Services	7,369,412	8,277,594	17,677,146	18,107,812	430,666	2.4%
Supplies & Materials	122,445	130,997	159,264	159,264	0	0.0%
Grants and Subsidies	253,569	182,941	216,865	216,865	0	0.0%
Capital Outlay	1,284,632	586,225	1,078,386	1,078,386	0	0.0%
<b>Funding Types</b>						
General	3,751,779	4,220,142	4,128,669	4,313,968	185,299	4.5%
Federal	5,395,256	5,042,650	15,134,554	15,379,920	245,366	1.6%
Other	4,974	3,150	9,268	9,269	1	0.0%
<b>Total OE</b>	9,152,009	9,265,942	19,272,491	19,703,157	430,666	2.2%
<b>Totals</b>						
<b>Funding Types</b>						
General	7,539,470	8,091,996	8,123,436	8,312,554	189,118	2.3%
Federal	9,611,957	9,475,584	20,324,882	20,566,429	241,547	1.2%
Other	4,974	3,150	18,735	18,736	1	0.0%
<b>Total</b>	17,156,401	17,570,730	28,467,053	28,897,719	430,666	1.5%

## Budget Notes

**FMAP** – Increase of **\$9,815** general funds and **corresponding decrease** of federal funds due to the decrease in the FMAP rate.

**Bureau Billings** – Increase of \$179,303 general funds, \$251,362 federal funds and \$1 other fund expenditure authority for increased Bureau Billings. Total **\$430,666**.

## ECONOMIC ASSISTANCE

The mission is to ensure efficient and effective management through overall supervision and coordination of policy development and program direction in the major service programs within the department. And to provide financial, medical, food, and energy assistance to eligible South Dakotans to enable them to achieve and maintain a reasonable standard of living compatible with decency and health.

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec Inc/Dec FY15	% Change From FY2014
<b>Personal Services</b>						
Employee Salaries	12,170,406	11,775,408	13,348,639	13,348,639	0	0.0%
Employee Benefits	3,604,582	4,096,377	4,275,165	4,275,165	0	0.0%
<b>FTE</b>	317.6	314.5	320.5	320.5	0.0	0.0%
<b>Funding Types</b>						
General	6,906,852	7,091,625	7,324,590	7,335,172	10,582	0.1%
Federal	8,868,136	8,780,160	10,277,859	10,267,277	(10,582)	(0.1%)
Other	0	0	21,355	21,355	0	0.0%
<b>Total PS</b>	15,774,988	15,871,785	17,623,804	17,623,804	0	0.0%
<b>Operating Expenses</b>						
Travel	267,431	296,092	356,407	356,407	0	0.0%
Contractual Services	2,888,329	4,886,709	2,311,358	2,325,997	14,639	0.6%
Supplies & Materials	1,025,855	990,151	1,093,013	1,093,013	0	0.0%
Grants and Subsidies	60,877,446	51,970,375	62,237,599	63,111,384	873,785	1.4%
Capital Outlay	50,817	29,057	8,880	8,880	0	0.0%
Other	4	1,171	975	975	0	0.0%
<b>Funding Types</b>						
General	15,725,661	17,040,687	16,076,683	16,942,605	865,922	5.4%
Federal	49,384,197	40,818,709	49,614,528	49,637,028	22,500	0.0%
Other	23	314,157	317,021	317,023	2	0.0%
<b>Total OE</b>	65,109,882	58,173,553	66,008,232	66,896,656	888,424	1.3%
<b>Totals</b>						
<b>Funding Types</b>						
General	22,632,513	24,132,312	23,401,273	24,277,777	876,504	3.7%
Federal	58,252,334	49,598,869	59,892,387	59,904,305	11,918	0.0%
Other	23	314,157	338,376	338,378	2	0.0%
<b>Total</b>	80,884,870	74,045,338	83,632,036	84,520,460	888,424	1.1%

## Budget Notes

**FMAP** – Increase general funds **\$12,304** and **corresponding decrease** in federal funds due to the decrease in the FMAP rate.

**3% Discretionary Provider Increase** – Increase general funds \$858,400 and federal funds \$15,385 for discretionary Provider Inflation. Total **\$873,785**.

**Bureau Billings** – Increase general funds \$5,800, increase federal funds \$8,837 and increase other fund expenditure authority \$2 due to increased Bureau Billings. Total **\$14,639**.

## MEDICAL & ADULT SERVICES

The mission is to provide medical assistance to eligible South Dakotans under Title XIX of the Social Security Act (Medicaid) and applicable state laws to enable them to have access to medical services necessary to maintain good health.

And to provide opportunities to enable older South Dakotans and adults who are disabled to live independent, meaningful, and dignified lives while maintaining close family and community ties by promoting in-home and community-based services to prevent or delay premature or inappropriate institutionalization. In accordance with the Older Americans Act and other applicable state and federal laws, Adult Services and Aging provides or purchases services for South Dakotans who meet defined program guidelines. Adult Services and Aging also provides services to victims of domestic violence and compensation to victims of violent crimes.

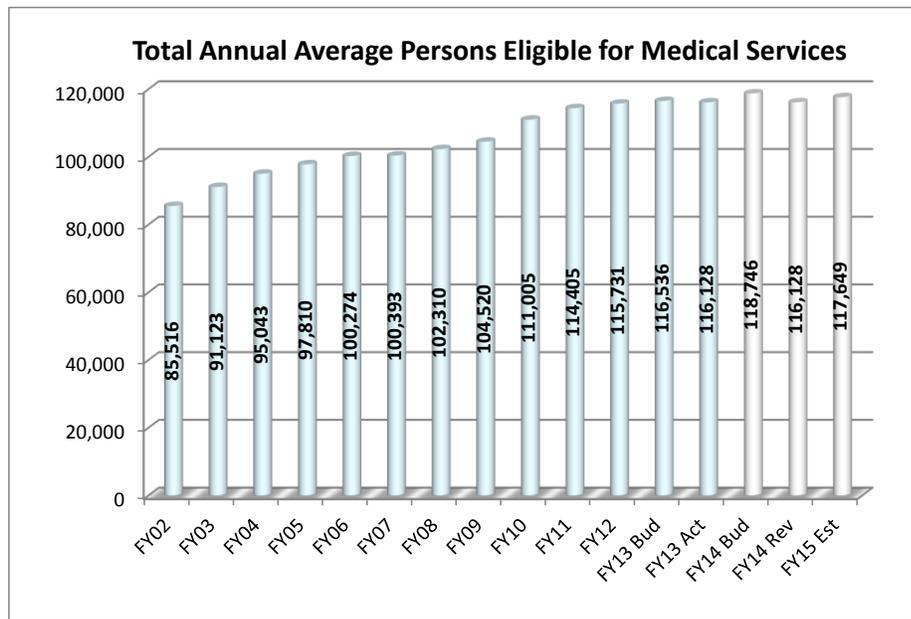
	<u>Actual FY12</u>	<u>Actual FY13</u>	<u>Budgeted FY14</u>	<u>Gov Rec FY15</u>	<u>Rec Inc/Dec FY15</u>	<u>% Change From FY2014</u>
<b>Personal Services</b>						
Employee Salaries	5,587,210	5,349,538	6,789,460	6,820,269	30,809	0.5%
Employee Benefits	1,618,220	1,817,332	2,139,832	2,151,451	11,619	0.5%
<b>FTE</b>	140.7	137.3	150.0	151.0	1.0	0.7%
<b>Funding Types</b>						
General	2,655,203	2,728,590	2,828,683	2,849,897	21,214	0.7%
Federal	4,437,693	4,325,345	5,947,676	5,968,890	21,214	0.4%
Other	112,534	112,934	152,933	152,933	0	0.0%
<b>Total PS</b>	7,205,430	7,166,869	8,929,292	8,971,720	42,428	0.5%
<b>Operating Expenses</b>						
Travel	268,583	275,322	287,680	287,680	0	0.0%
Contractual Services	4,696,541	6,566,546	27,210,272	27,228,082	17,810	0.1%
Supplies & Materials	428,054	538,350	437,995	437,995	0	0.0%
Grants and Subsidies	679,634,245	671,996,927	729,056,654	748,422,022	19,365,368	2.7%
Capital Outlay	42,837	32,894	0	0	0	0.0%
Other	424	2,657	0	0	0	0.0%
<b>Funding Types</b>						
General	238,717,470	242,572,710	283,635,857	305,608,934	21,973,077	7.7%
Federal	444,804,976	435,891,440	471,733,048	469,142,481	(2,590,567)	(0.5%)
Other	1,548,238	948,546	1,623,696	1,624,364	668	0.0%
<b>Total OE</b>	685,070,683	679,412,696	756,992,601	776,375,779	19,383,178	2.6%
<b>Totals</b>						
<b>Funding Types</b>						
General	241,372,673	245,301,300	286,464,540	308,458,831	21,994,291	7.7%
Federal	449,242,668	440,216,785	477,680,724	475,111,371	(2,569,353)	(0.5%)
Other	1,660,771	1,061,480	1,776,629	1,777,297	668	0.0%
<b>Total</b>	692,276,113	686,579,565	765,921,893	785,347,499	19,425,606	2.5%

**Budget Notes**

**E. Change in Title XIX (Medicaid) Utilization and Clients.** Increase of **\$1,257,831** from general funds and **\$1,399,226** in federal fund authority due to the projected change in Title XIX (Medicaid) utilization and clients. Net change from the FY14 Appropriated to the FY15 Recommended of \$2,657,057.

**Breakdown of Increase for Change in Utilization and Clients**

Description	Inc/Decr (All Funds)	% change	Current Operating Budget
Physician Services	680,387	0.825%	82,428,944
Inpatient Hospital	(1,211,507)	-0.985%	122,952,443
Outpatient Hospital	6,996,347	14.586%	47,967,354
Prescription Drugs	8,417	0.030%	27,793,971
Other Medical Service (ambulance, home health, etc)	(1,361,359)	-8.717%	15,617,622
Chiropractic Services	(76,102)	-13.732%	554,183
Medicare Crossover	(446,512)	-1.868%	23,909,512
Adult Dental	(83,672)	-1.931%	4,333,894
Adult Optometric	(97,496)	-13.942%	699,316
EPSDT Screening Services	(49,684)	-8.080%	614,936
EPSDT Dental Services	2,093,114	18.140%	11,538,529
EPSDT Optometric	(79,881)	-8.265%	966,519
EPSDT Treatment	(2,482,088)	-17.883%	13,879,941
Supplemental Medical Insurance - Part A Premiums	88,189	1.497%	5,890,947
Supplemental Medical Insurance - Part B Premiums	(2,244,444)	-9.404%	23,866,050
BBA Expanded SMI (mandated by the Balanced Budget Act of 1997)	(212,507)	-11.619%	1,828,956
Premium Assistance	270,618	58.216%	464,848
Part D - State Contribution	234,349	1.348%	17,390,893
Medical Services Admin	4,547	0.069%	6,606,580
Title XIX Transportation	111,594	3.787%	2,946,517
School Based Administration	514,747	6.151%	8,368,201
<b>Total Change</b>	<b>2,657,057</b>		



**F. Revised Title XXI (CHIP) Utilization and Clients.** Decrease of **\$213,057** from general funds and **\$422,556** in federal fund authority due to revised estimates in CHIP utilization and clients. Total decrease **\$635,613**.

**G. New FTE – Program Assistant II.** Increase of **\$21,214** in general funds, **\$21,214** in federal fund authority and **1.0 FTE** for an additional Program Assistant. The Governor is requesting an additional Program Assistant II to assist with provider enrollment, screening and validating the process of providers enrolling in SD Medicaid due to increased federal mandates. Total increase \$42,428 and 1.0 FTE.

**FMAP.** Increase general funds **\$11,362,995** and **corresponding decrease** in federal funds due to the decrease in the FMAP rate.

**Mandatory Medical Services Provider Inflation.** The Governor recommends an increase of **\$1,277,549** (\$1,764,017 general funds and a decrease of **\$486,468** federal fund authority) to Primary Care Payments, FQHC's, RHC's, Assisted Living, Crossovers, Part A, B & D as required. Mandatory provider inflation applies to services or programs where federal requirements or the State's approved Medicaid State Plan require reimbursement based on actual costs. The decrease to Primary Care Payments is due to funding through the Affordable Care Act ending on January 1, 2015. (This was one-year funding for calendar year 2014.)

	General Funds	Federal Funds	Other Funds	Total Funds
<b>Mandatory Provider Inflation</b>				
Primary Care Payments-ACA funding ends		(1,754,213)		(1,754,213)
FQHC's & RHC's at 2.2%	129,071	140,501		269,572
Medicare Crossover 4.99%	562,080	611,855		1,173,935
SMI-Part A at 2.84%	77,663	84,541		162,204
SMI-Part B at 3.39%	346,742	377,448		724,190
BBA expanded SMI at 3.39%		53,400		53,400
Part D-State contribution at 3.42%	600,636			600,636
Mandatory grants to individuals 3%	47,825			47,825
<b>Total</b>	<b>1,764,017</b>	<b>(486,468)</b>	<b>0</b>	<b>1,277,549</b>

**3% Discretionary Provider Increase.** Increase general funds \$7,793,697 and federal funds \$8,272,678 for discretionary Provider Inflation. Total **\$16,066,375**.

	General Funds	Federal Funds	Other Funds	Total Funds
<b>3% Discretionary Provider Inflation</b>				
Medical Services	4,739,129	5,379,758		10,118,887
Adult Services & Aging	3,054,568	2,892,920		5,947,488
<b>Total</b>	<b>7,793,697</b>	<b>8,272,678</b>	<b>0</b>	<b>16,066,375</b>

**Bureau Billings.** Increase general funds \$7,594, increase federal funds \$9,548 and increase other funds \$668 due to increased Bureau Billings. Total **\$17,810**.

## CHILDREN'S SERVICES

The mission is to provide services to families to ensure parents bear the primary financial responsibility of supporting their children and to minimize public assistance expenditures by locating noncustodial parents, establishing paternity and child support orders, initiating actions to enforce child support and medical support orders, and collecting and distributing child support payments to families.

And to protect South Dakota's children from abuse, neglect, and dependency; to provide temporary foster homes and care for children in need; and, to pursue permanent homes and families for all children in accordance with applicable federal and state laws.

And to increase the availability, accessibility, and quality of child care in South Dakota; to assist low-income families with their child care costs; to provide leadership and financial assistance for quality child care; and to work closely with the general public in the implementation of the Child Care Services' state plan.

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec Inc/Dec FY15	% Change From FY2014
<b>Personal Services</b>						
Employee Salaries	14,268,599	14,197,710	16,060,932	16,159,637	98,705	0.6%
Employee Benefits	4,086,364	4,713,231	5,189,136	5,224,881	35,745	0.7%
<b>FTE</b>	349.5	352.1	350.8	353.8	3.0	0.9%
<b>Funding Types</b>						
General	9,094,144	9,336,116	10,629,034	10,749,841	120,807	1.1%
Federal	7,899,559	8,200,506	9,066,125	9,079,768	13,643	0.2%
Other	1,361,260	1,374,319	1,554,909	1,554,909	0	0.0%
<b>Total PS</b>	18,354,962	18,910,941	21,250,068	21,384,518	134,450	0.6%
<b>Operating Expenses</b>						
Travel	1,099,953	1,259,851	1,259,344	1,259,344	0	0.0%
Contractual Services	5,698,553	6,032,504	6,860,099	7,084,312	224,213	3.3%
Supplies & Materials	1,149,900	1,042,486	1,197,758	1,197,758	0	0.0%
Grants and Subsidies	57,517,223	58,258,129	65,605,203	68,117,487	2,512,284	3.8%
Capital Outlay	11,652	120,811	0	0	0	0.0%
Other	3,468	2,135	8,000	8,000	0	0.0%
<b>Funding Types</b>						
General	27,975,798	30,551,213	31,054,439	33,987,953	2,933,514	9.4%
Federal	35,445,770	34,355,271	40,885,191	40,654,650	(230,541)	(0.6%)
Other	2,059,182	1,809,431	2,990,774	3,024,298	33,524	1.1%
<b>Total OE</b>	65,480,750	66,715,915	74,930,404	77,666,901	2,736,497	3.7%
<b>Totals</b>						
<b>Funding Types</b>						
General	37,069,942	39,887,329	41,683,473	44,737,794	3,054,321	7.3%
Federal	43,345,329	42,555,777	49,951,316	49,734,418	(216,898)	(0.4%)
Other	3,420,442	3,183,750	4,545,683	4,579,207	33,524	0.7%
<b>Total</b>	83,835,712	85,626,856	96,180,472	99,051,419	2,870,947	3.0%

**Budget Notes**

- H. Subsidized Adoptions.** Increase of **\$420,243** from general funds and **\$47,594** in federal fund authority is requested to meet projected growth in subsidized adoptions. Total increase \$467,837.
- I. Placement Resources Recruitment/Training.** Increase of **\$96,098** from general funds to contract with an agency or individual to locate relatives for children in DSS custody and assist them through the kinship home study process. Total increase \$96,098.
- J. Staffing Increase.** Increase of **\$92,232** from general funds, **\$42,218** in federal fund authority and **3.0 FTE** for increased staff. Total increase of \$134,450 and 3.0 FTE.
  - a. 1.0 FTE requested to expedite the completion of the Title IV-E eligibility determination for children who are removed by law enforcement or the courts due to being unsafe in order to meet federal requirements and maximize federal funding for placements.
  - b. 1.0 FTE is requested as an Intake Specialist to be assigned to intake due to an increase in reports made to the CPS office regarding children who have been abused or neglected or are at risk of abuse or neglect.
  - c. 1.0 FTE is requested for a Family Service Specialist to be assigned to work with families when children have been found to be unsafe or are at risk of being unsafe to prevent removal or provide efforts toward reunification.

**FMAP.** Increase of **\$754,261** from general funds and **corresponding decrease of \$754,261** in federal fund authority due to the reduction of the FMAP rate.

**3% Discretionary Provider Inflation Increase.** Increase of **\$1,682,494** from general funds, **\$435,815** in federal fund authority, and **\$33,521** in other fund authority for the Governor’s recommended provider inflation increase. Total increase \$2,151,830.

	<b>General Funds</b>	<b>Federal Funds</b>	<b>Other Funds</b>	<b>Total Funds</b>
<b>3% Discretionary Provider Inflation</b>				
Child Support Services	23,907	18,712	20,079	62,698
Child Protection Services	571,942	417,103	13,442	1,002,487
Child Care Services	1,086,645			1,086,645
<b>Total</b>	<b>1,682,494</b>	<b>435,815</b>	<b>33,521</b>	<b>2,151,830</b>

**Bureau Billings.** Increase of **\$8,993** from general funds, **\$11,736** in federal fund authority, and **\$3** in other fund authority for the Bureau Billing increase. Total increase \$20,732.

## BEHAVIORAL HEALTH

Strengthening and supporting children and adults behavioral health needs through prevention services, community based outpatient services, in-patient chemical dependency, psychiatric hospitalization and services for offenders incarcerated in state correctional facilities. The goal of the continuum of behavioral health services is to foster independent and healthy individuals and families in South Dakota. All areas of this division were transferred from the Department of Human Services to the Department of Social Services as part of Governor Daugaard's executive reorganization in FY12.

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec Inc/Dec FY15	% Change From FY2014
<b>Personal Services</b>						
Employee Salaries	26,359,931	26,735,398	28,682,968	28,682,968	0	0.0%
Employee Benefits	7,697,007	8,915,486	9,240,432	9,240,432	0	0.0%
<b>FTE</b>	621.0	625.6	647.0	647.0	0.0	0.0%
<b>Funding Types</b>						
General	24,216,596	25,555,193	26,802,220	26,990,925	188,705	0.7%
Federal	8,990,022	8,846,195	9,765,191	9,576,486	(188,705)	(1.9%)
Other	850,321	1,249,496	1,355,989	1,355,989	0	0.0%
<b>Total PS</b>	34,056,938	35,650,884	37,923,400	37,923,400	0	0.0%
<b>Operating Expenses</b>						
Travel	165,127	153,381	201,994	201,994	0	0.0%
Contractual Services	11,117,402	10,589,085	10,781,613	7,592,546	(3,189,067)	(29.6%)
Supplies & Materials	1,448,326	1,469,354	1,439,303	1,559,199	119,896	8.3%
Grants and Subsidies	44,029,378	46,544,205	55,691,372	59,525,798	3,834,426	6.9%
Capital Outlay	535,631	829,197	507,307	507,307	0	0.0%
Other	61,028	33,500	2,600	2,600	0	0.0%
<b>Funding Types</b>						
General	31,848,019	34,944,619	39,656,985	39,786,552	129,567	0.3%
Federal	24,509,937	23,877,225	27,595,861	28,221,511	625,650	2.3%
Other	998,936	796,878	1,371,343	1,381,381	10,038	0.7%
<b>Total OE</b>	57,356,892	59,618,721	68,624,189	69,389,444	765,255	1.1%
<b>Totals</b>						
<b>Funding Types</b>						
General	56,064,615	60,499,812	66,459,205	66,777,477	318,272	0.5%
Federal	33,499,959	32,723,420	37,361,052	37,797,997	436,945	1.2%
Other	1,849,257	2,046,374	2,727,332	2,737,370	10,038	0.4%
<b>Total</b>	91,413,831	95,269,605	106,547,589	107,312,844	765,255	0.7%

## Budget Notes

- K. Food Service (HSC).** Increase of **\$54,641** from general funds due to food service adjustments at the Human Services Center. Total increase \$54,641.
- L. Electricity and Natural Gas Adjustment (HSC).** Increase of **\$112,948** from general funds and **\$16,606** in federal fund authority due to utility cost adjustments at the Human Services Center. Total increase \$129,554.

**M. Bond Payoff.** Reduction of bond payment due to the Governor’s recommendation to pay off existing bonds. (**\$18,580** bond payment adjustment and **\$3,327,474** bond payoff) Decrease general funds **\$3,346,054**.

**N. Consumer Expansion.** Increase of **\$1,686,133** from general funds and **\$706,899** of federal fund authority for the Comprehensive Assistance with Recovery and Empowerment (CARE) and IMPACT Programs consumer expansion. The CARE expansion is for a waiting list of ninety four (94) individuals. The department states it is imperative that individuals with SMI (severe mental illness) receive appropriate and timely services in order for them to maintain stability in community settings. Medicaid services are an entitlement program that must be provided in an appropriate and timely manner. Without expanding the funding for CARE Services to address waiting lists, many individuals will require inpatient hospitalization at the HSC, re-admission to the HSC, or an increase in average length of stay at the HSC. The expansion of the IMPACT Transitions Program will create one program that would provide services to an average of 12 individuals transitioning out of children’s long-term placements. Expansion of IMPACT in the northeastern and central part of the state would expand this level of care to regions where it does not currently exist. Total increase \$2,393,032.

**FMAP.** Increase of **\$651,719** from general funds and **corresponding decrease of \$651,719** in federal fund authority due to the reduction of the FMAP rate.

**3% Discretionary Provider Inflation Increase.** Increase of **\$1,103,835** from general funds, **\$347,013** in federal fund authority, and **\$9,690** in other fund authority for the Governor’s recommended provider inflation increase. Total increase \$1,460,538.

	General Funds	Federal Funds	Other Funds	Total Funds
<b>3% Discretionary Provider Inflation</b>				
Human Services Center	46,509	11,943		58,452
Community Behavioral Health	1,055,887	335,070		1,390,957
Correctional Behavioral Health	1,439		9,690	11,129
<b>Total</b>	<b>1,103,835</b>	<b>347,013</b>	<b>9,690</b>	<b>1,460,538</b>

**Bureau Billings.** Increase of **\$55,050** from general funds, **\$18,146** in federal fund authority, and **\$348** in other fund authority for the Bureau Billing increase. Total increase \$73,544.

## INFORMATIONAL BOARDS

### Board of Counselor Examiners - Informational

The board provides mandatory licensing of qualified counselor applicants; monitors continuing education and annual reporting requirements; and enforces updated statutes and rules promulgated to regulate the licensing and practice of professional counseling. (SDCL 36-32 and 36-33)

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec Inc/Dec FY15	% Change From FY14
<b>Personal Services and Operating Expenses</b>						
Employee Salaries	2,340	1,620	2,589	2,589	0	0.0%
Employee Benefits	187	131	199	199	0	0.0%
Travel	9,924	7,636	13,140	13,140	0	0.0%
Contractual Services	65,985	71,815	72,815	72,891	76	0.1%
Supplies & Materials	2,721	24	3,900	3,900	0	0.0%
<b>FTE</b>	0	0	0	0	0	0.0%
<b>Funding Types</b>						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	81,157	81,226	92,643	92,719	76	0.1%
<b>Total</b>	81,157	81,226	92,643	92,719	76	0.1%

### Board of Psychology Examiners - Informational

To protect the health and safety of the consumer public by licensure of qualified persons, enforcement of the statutes, rules, and regulations governing the practice of psychology, including the appropriate resolution of complaints. (SDCL 36-27A)

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec Inc/Dec FY15	% Change From FY14
<b>Personal Services &amp; Operating Expenses</b>						
Employee Salaries	1,080	900	2,808	2,808	0	0.0%
Employee Benefits	83	70	550	550	0	0.0%
Travel	5,454	3,417	7,951	7,951	0	0.0%
Contractual Services	45,132	48,595	62,812	62,860	48	0.1%
Supplies & Materials	1,670	682	2,390	2,390	0	0.0%
Capital Outlay	8	0	0	0	0	0.0%
<b>FTE</b>	0	0	0	0	0	0.0%
<b>Funding Types</b>						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	53,427	53,664	76,511	76,559	48	0.1%
<b>Total</b>	53,427	53,664	76,511	76,559	48	0.1%

## Board of Social Work Examiners - Informational

To protect the health and safety of the consumer public by licensure of qualified persons, enforcement of the statutes, rules, and regulations governing the practice of social work, including the appropriate resolution of complaints. (SDCL 36-26)

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec Inc/Dec FY15	% Change From FY14
<b>Personal Services &amp; Operating Expenses</b>						
Employee Salaries	420	0	2,500	2,500	0	0.0%
Employee Benefits	33	0	309	309	0	0.0%
Travel	5,137	2,797	5,552	5,552	0	0.0%
Contractual Services	78,593	65,773	87,754	87,819	65	0.1%
Supplies & Materials	4,248	1,757	5,278	5,278	0	0.0%
<b>FTE</b>	0	0	0	0	0	0.0%
<b>Funding Types</b>						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	88,431	70,327	101,393	101,458	65	0.1%
<b>Total</b>	88,431	70,327	101,393	101,458	65	0.1%

## Certification Board for A & D Professionals - Informational

Certification Board for A & D (Alcohol & Drug) Professionals: The board provides a foundation for the continuing development of practitioners in the field as well as the credentialing of alcohol and drug professionals. (SDCL 36-34)

	Actual FY12	Actual FY13	Budgeted FY14	Gov Rec FY15	Rec Inc/Dec FY15	% Change From FY14
<b>Personal Services &amp; Operating Expenses</b>						
Employee Salaries	58,193	58,350	70,802	70,802	0	0.0%
Employee Benefits	20,031	23,606	23,737	23,737	0	0.0%
Travel	9,044	9,106	7,315	7,315	0	0.0%
Contractual Services	53,265	53,500	51,047	45,821	(5,226)	(10.2%)
Supplies & Materials	3,251	3,784	4,580	4,580	0	0.0%
Capital Outlay	0	665	120	120	0	0.0%
<b>FTE</b>	2	2	1	1	0	0.0%
<b>Funding Types</b>						
General	0	0	0	0	0	0.0%
Federal	0	0	0	0	0	0.0%
Other	143,783	149,010	157,601	152,375	(5,226)	(3.3%)
<b>Total</b>	143,783	149,010	157,601	152,375	(5,226)	(3.3%)

## Budget Notes – Informational Boards

Decreased contractual services and increased bureau billings.

## Other Fund Balances

Company and Fund Name	Blue Book Page	Ending Balance - June 30		60-Month Average	Lowest Monthly Cash Balance in Past Five Years	
		FY2012	FY2013	Cash Balance	Amount	Month
Co 3079 - Crime Victims' Compensation Fund	137	\$ 1,259	\$ 10,361	\$ 124,306	\$ (291,532)	Feb 2012
Co 3079 - Prescription Drug Plan Fund	138	\$ 18,476	\$ 9,935	\$ 11,327 #	\$ (5,864)	March 2013
Co 3079 - SS-Other/Local Donated	139	\$ 7,283,501	\$ 7,640,774	\$ 7,950,902	\$ 6,290,773	March 2013
Co 6503 - Board of Alcohol and Drug Professionals	140	\$ 75,982	\$ 52,764	\$ 108,563	\$ 44,147	May 2013
Co 6503 - Board of Counselor Examiners	141	\$ 84,140	\$ 87,641	\$ 91,167	\$ 69,060	Sept 2008
Co 6503 - Board of Examiners of Psychologists	142	\$ 46,758	\$ 35,670	\$ 48,204	\$ 10,797	April 2013
Co 6503 - Board of Social Work Examiners	143	\$ 108,042	\$ 109,933	\$ 87,325	\$ 37,069	Nov 2008
Co 8000 - Agency Fund	144	\$ 4,120,401	\$ 6,000,038	N/A	N/A	N/A
Co 8311 - HSC Resident Investment	145	\$ 100,279	\$ 121,448	\$ 86,832	\$ 37,232	Aug 2008
Co 8311 - Unclaimed Funds Account	146	\$ 2,704	\$ 423	\$ 1,909	\$ -	June 2011
Co 8313 - Child Care Fund	147	\$ 181,603	\$ 172,840	\$ 128,135	\$ 68,221	Feb 2009
Co 8328 - Children's Trust Fund	148	\$ 362,611	\$ 400,503	\$ 339,435	\$ 277,322	April 2010

#Average cash balance and lowest cash balance are actually less than five years due to age of fund.

Refer to the **Supplemental Information** and **Blue Book** Sections for more information.

## Major Budget Change History

### FY14:

- ✓ The 2013 Legislature approved SB90, revising the General Appropriations Act for FY13. Section 14 of that bill allows the department to carry forward up to \$20 Million dollars in general funds and \$23.7M of federal fund expenditure authority from its FY13 budget to FY14. During the original testimony the Committee was told the availability of this additional \$43.7M would provide more transparency, more predictability to the process and was a new tool to manage Medicaid claims which would result in closer budgeting.

### FY13:

- ✓ The 2012 Legislature approved SB48, revising the General Appropriations Act for FY12. Section 28 of that bill allows the department to carry forward up to \$20 Million General Fund dollars (and matching Federal Fund authority) from its FY12 budget to FY13. During testimony for SB48, the Committee was told the availability of this additional \$20M would provide more transparency, more predictability to the process and that the carry forward was a new tool to manage Medicaid claims which would result in closer budgeting. A letter of intent was issued on March 19, requesting the department provide written quarterly updates explaining how this carry forward has improved the process.
- ✓ **Implantable Devices Savings:** The department implemented a change in reimbursement methodology resulting in providers being reimbursed the actual cost of the implantable device plus 10% resulting in an estimated savings of \$1.9M in FY13.
- ✓ **Adult Dental Limit Change.** The department implemented a maximum yearly benefit for adult dental services of \$1,000 resulting in an estimated savings of \$500,000 in FY13.
- ✓ **Pharmacy Co-payment Increase:** The department raised the co-payment for brand drugs from \$3.00 to \$3.30 and implemented a co-payment of \$1.00 for generic drugs to promote patient accountability resulting in an estimated savings of \$241,711 in FY13.
- ✓ **Centralized Correctional Health Pharmacy Change:** In collaboration with the Department of Health and the Department of Corrections, a centralized correctional health pharmacy change was implemented resulting in savings to state government.

## Additional Funding Sources and Historical Information

**Carry Forward of \$20M General Funds and \$23.7M Federal Funds:** The 2013 Legislature approved SB90, revising the General Appropriations Act for FY13. Section 14 of that bill allows the department to carry forward up to \$20 Million dollars in general funds and \$23.7M of federal fund expenditure authority for a total reserve of \$43.7M from its FY13 budget to FY14. During the original testimony the Committee was told the availability of this additional \$43.7M would provide more transparency, more predictability to the process and that the carry forward was a new tool to manage Medicaid claims which would result in closer budgeting. This is reviewed on an annual basis.

**Department Response to Supplemental Question #4:** What funds from FY14 are planned to be applied to FY15 activities? Are these amounts in addition to amounts contained in the Governor's FY15 budget? *DSS expended the \$20,000,000 Medical and Adult Services general fund carryover in January 2014. Based on current projections, DSS does not anticipate expending the current appropriated Medical Services budget in addition to the carryover funds. Since the source of the carryover was one-time funding, any general funds made available as a result of spending the one-time carryover in SFY14 will result in funds being available again on a one-time basis.*

**TANF Carryover Fund Balance History:** TANF funds are used to provide assistance to needy families. TANF is just one of 46 federal fund sources used to support the agency budget. Outside of Medicaid and CHIP, TANF is the largest of those funding sources. Currently, the annual federal award is \$21,279,651 and there is a required match from general funds of \$8,540,000 as the maintenance of effort. The chart below shows the carryover balance from prior year's awards.

### TANF cash balance as reported by DSS (Actual)

June 30, 2005	\$20,570,130
June 30, 2006	\$24,559,110
June 30, 2007	\$21,900,587
June 30, 2008	\$19,167,985
June 30, 2009	\$19,051,042
June 30, 2010	\$18,957,222
June 30, 2011	\$18,975,678
June 30, 2012	\$18,827,559
June 30, 2013	\$19,962,896

A base transfer was done in FY14 to cover the structural deficit.

## Interagency Billings

Below are the sources of funds this agency used to pay for services provided by central governmental bureaus (Bureau of Finance & Management, Bureau of Information & Telecommunications, Bureau of Administration, and the Bureau of Human Resources).

<b>FY13 Actual Expenditures</b>	<b>General Funds</b>	<b>Federal Funds</b>	<b>Other Funds</b>	<b>Total Funds</b>
Bureau of Administration	1,715,153.45	1,978,867.98	20,511.01	3,714,532.44
Bureau of Finance and Management	150,179.73	239,956.11	16,172.05	406,307.89
Bureau of Human Resources	376,229.61	350,519.64	12,080.61	738,829.86
Bureau of Information and Telecommunications	3,696,871.33	4,235,778.64	3,519.95	7,936,169.92
<i>Total Bureau Billings</i>	5,938,434	6,805,122	52,284	12,795,840

## Summary of Medical & Adult Services Major Budget Areas

	<i>FY13 Actual</i>	<i>FY14 Budgeted</i>	<i>FY15 Recom.</i>	<i>% change from Actual FY13</i>	<i>% change from Budgeted FY14</i>
<b>Physician Services</b>					
<i>Funds are used for payments for physician, federally qualified health center, and rural health clinic services in a number of worksettings for a full array of physician services.</i>					
General Funds	31,558,632	36,145,596	39,175,172	24.13%	8.38%
Federal Funds	42,894,850	46,283,348	44,398,535	3.51%	-4.07%
Total	74,453,482	82,428,944	83,573,707	12.25%	1.39%
<b>Inpatient Hospital</b>					
<i>Payments to hospitals for inpatient services.</i>					
General Funds:	28,045,422	56,312,216			
General Fund Carry Forward *	17,000,000				
Revised Estimates (Amend G'Bill)		-6,086,570			
General Fund Total	45,045,422	50,225,646	60,055,645	33.32%	19.57%
Federal Funds		66,640,227			
Revised Estimates (Amend G'Bill)		-7,820,222			
Federal Fund Total	63,051,853	58,820,005	65,373,864	3.68%	11.14%
Total	108,097,275	109,045,651	125,429,509	16.03%	15.02%
Carry Forward Funds:			Pending action:		
General Funds Carry Forward		20,000,000	20,000,000		
Federal Funds Carry Forward		23,668,122	21,771,094		
Total Carry Forward		43,668,122	41,771,094		
Total Funds	108,097,275	152,713,773	187,200,603	73.18%	22.58%
<i>*General Fund Carry Forward: Refers to previous years' carryover funds (moldy money) that was used for current year on-going expenses.</i>					
<i>NOTE: FY13 does not include Special Appropriation (SB192) expenditure of \$2,500,000 for one-time payment to providers.</i>					
<b>Outpatient Hospital</b>					
<i>Payment to hospitals for outpatient and emergency room services.</i>					
General Funds	14,278,957				
General Fund Carry Forward *	3,000,000				
General Fund Total	17,278,957	21,969,047	27,005,621	56.29%	22.93%
Federal Funds	26,825,416	25,998,307	29,397,101	9.59%	13.07%
Total Funds	44,104,373	47,967,354	56,402,722	27.88%	17.59%
<i>*General Fund Carry Forward: Refers to previous years' carryover funds (moldy money) that was used for current year on-going expenses.</i>					
<i>NOTE: FY13 does not include Special Appropriation (SB192) expenditure of \$2,765,526 for one-time payment to providers.</i>					
<b>Prescription Drugs</b>					
<i>Funds provide payments to pharmacies for prescription drugs dispensed to eligible recipients. The amount of payment is the lesser of the provider's usual and customary charge; estimated acquisition cost; federal upper limit, or state maximum allowable cost. The dispensing fee is \$4.40. Copayments are \$3.30 per brand-name prescription and \$1.00 per generic prescription for all clients 21 years of age or more who do not meet a copay exemption category. No copayment is charged for children, nursing facility residents, individuals who have attested to receiving services through an Indian Health Service facility, or for family planning items.</i>					
General Funds	12,919,119	13,244,540	14,206,157	9.96%	7.26%
Federal Funds	14,949,579	14,549,431	14,430,050	-3.48%	-0.82%
Total Funds	27,868,698	27,793,971	28,636,207	2.75%	3.03%

	<b>FY13 Actual</b>	<b>FY14 Budgeted</b>	<b>FY15 Recom.</b>	<b>% change from Actual FY13</b>	<b>% change from Budgeted FY14</b>
<b>Other Medical Services (Adult)</b>					
<i>Funds are used to pay providers, such as ambulance, wheelchair transportation, home health, prosthetic devices, braces, and durable medical equipment for use in the recipient's home. Payment for most of these services are made on both a fee-for-service and a percentage of usual and customary charge basis.</i>					
General Funds	5,980,202	7,152,868	7,050,227	17.89%	-1.43%
Federal Funds	7,897,528	8,464,754	7,674,565	-2.82%	-9.34%
Total Funds	13,877,730	15,617,622	14,724,792	6.10%	-5.72%
<b>Medicare Crossover</b>					
<i>Funds are used for payments to providers for deductible and co-insurance charges under the Medicare Program for individuals that are eligible for both Medicare and Medicaid benefits.</i>					
General Funds	9,865,693	10,950,558	11,796,167	19.57%	7.72%
Federal Funds	13,024,235	12,958,954	12,840,768	-1.41%	-0.91%
Total Funds	22,889,928	23,909,512	24,636,935	7.63%	3.04%
<b>Adult Dental</b>					
General Funds	1,623,537	1,984,921	2,097,256	29.18%	5.66%
Federal Funds	2,143,909	2,348,973	2,282,983	6.49%	-2.81%
Total Funds	3,767,446	4,333,894	4,380,239	16.27%	1.07%
<b>EPSDT Services 08314</b>					
<i>Early Periodic Screening, Diagnosis &amp; Treatment. Medicaid coverage for eligible children under age 21 for screening, dental, optometric, and treatment.</i>					
General Funds	9,132,558	12,942,344	13,614,578	49.08%	5.19%
Federal Funds	13,740,831	14,057,581	13,676,806	-0.47%	-2.71%
Total Funds	22,873,389	26,999,925	27,291,384	19.31%	1.08%
<b>Supplemental Medical Insurance &amp; Medicare Part D 08315</b>					
<i>Premiums for Medicare Part A, Medicare Part B, Qualified Individuals, Medicare Part D -all mandated. Also, premiums for private insurance for those who have insurance available but cannot afford the premiums.</i>					
General Funds	28,095,966	31,252,022	32,233,251	14.73%	3.14%
Federal Funds	16,471,271	18,189,672	16,885,078	2.51%	-7.17%
Total Funds	44,567,237	49,441,694	49,118,329	10.21%	-0.65%
<b>Indian Health Services (HIS)</b>					
<i>Funds are used for reimbursing Indian Health Service facilities for inpatient and outpatient hospital services and clinic services provided to eligible recipients. Reimbursement amounts are established by the federal Office of Management and Budget.</i>					
General Funds	0	0	0		
Federal Funds	72,080,678	84,577,751	84,577,751	17.34%	0.00%
Total Funds	72,080,678	84,577,751	84,577,751	17.34%	0.00%
<b>Children's Health Insurance Program (CHIP) 083170</b>					
General Funds	4,987,155	5,682,371	6,031,906	20.95%	6.15%
Federal Funds	11,723,640	12,041,800	11,963,033	2.04%	-0.65%
Total Funds	16,710,796	17,724,171	17,994,939	7.68%	1.53%

	<b>FY13 Actual</b>	<b>FY14 Budgeted</b>	<b>FY15 Recom.</b>	<b>% change from Actual FY13</b>	<b>% change from Budgeted FY14</b>
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**Non-Medicaid CHIP**

*This is a Medicaid "look-alike" program for uninsured children age 0-18 that are between 140% and 200% of the Federal Poverty Level. (There are some additional eligibility criteria, such as not having had insurance for a period of 3 months prior to applying for CHIP.) The program became effective July 1, 2000.*

General Funds	1,819,397	2,190,690	2,233,582	22.76%	1.96%
Federal Funds	4,264,685	4,642,405	4,429,850	3.87%	-4.58%
Total Funds	6,084,081	6,833,095	6,663,432	9.52%	-2.48%

**Adult Services and Aging 0832**

*Includes: long-term care, assisted living, in-home services, community services.*

General Funds	71,559,840	81,178,123	87,425,340	22.17%	7.70%
Federal Funds	97,968,259	97,847,200	97,602,815	-0.37%	-0.25%
Other Funds	798,907	1,495,928	1,496,596	87.33%	0.04%
Total Funds	170,327,006	180,521,251	186,524,751	9.51%	3.33%

*NOTE: FY13 does not include Special Appropriation (SB192) expenditure of \$1,674,140 for one-time payment to providers.*

Note: FY14 FMAP decrease of 2.73% Federal Funds and General Fund increase of 2.73%.  
FY15 FMAP decrease of 2.08% Federal Funds and General Fund increase of 2.08%

Source: State Budget System and State Year-End Available Funds Reports.

page 3 of 3