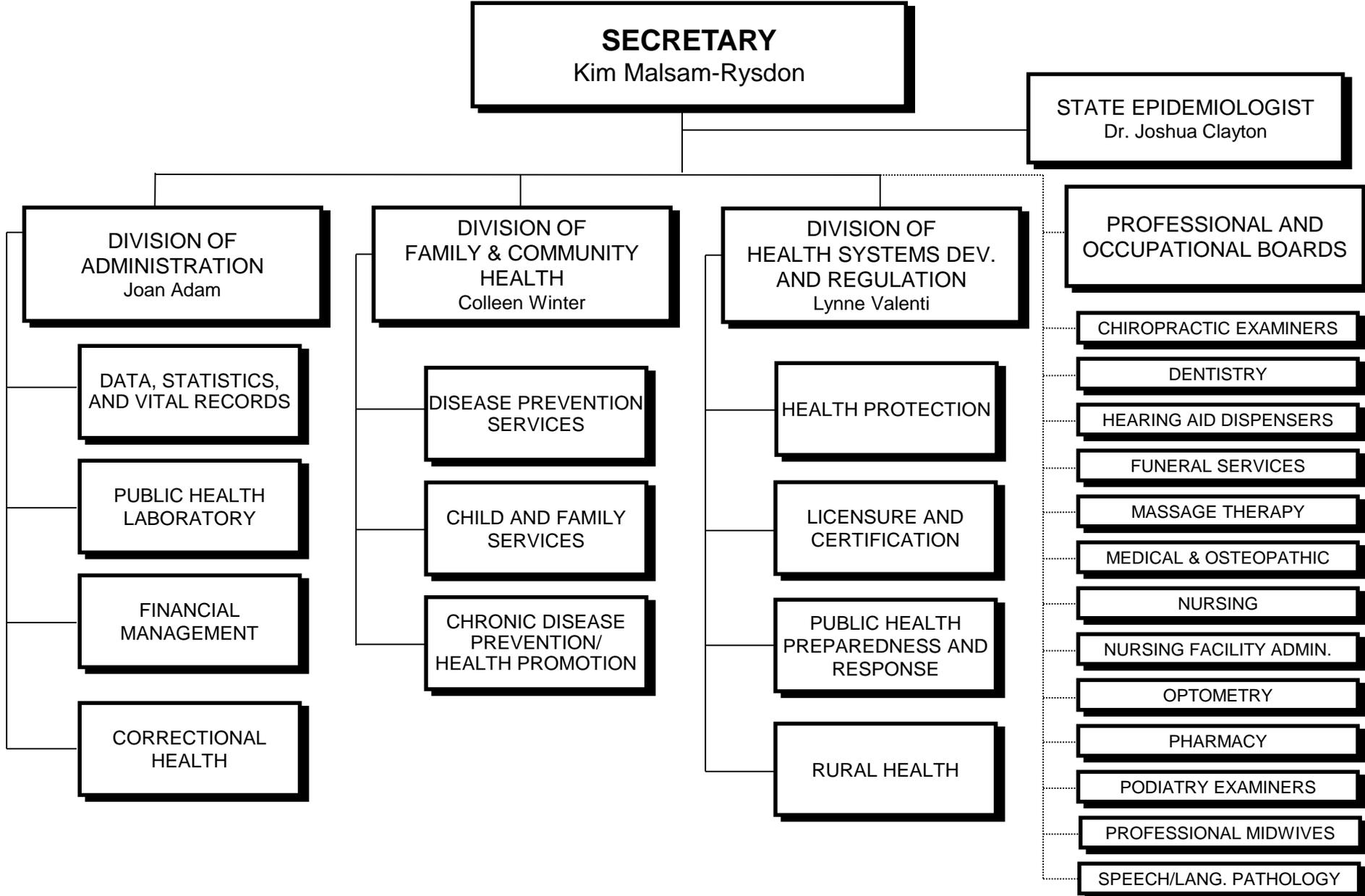




SOUTH DAKOTA
DEPARTMENT OF HEALTH

FY2021 BUDGET RECOMMENDATION
Presented to Joint Appropriations Committee
February 4th, 2020

SOUTH DAKOTA DEPARTMENT OF HEALTH



VISION

Every South Dakotan Healthy and Strong



MISSION

Working together to promote, protect, and improve health.

GUIDING PRINCIPLES

Serve with integrity, respect, and compassion

Focus on evidence-based prevention and outcomes

Support data-driven innovation

Achieve health equity in all communities

Demonstrate proactive leadership and strengthen partnerships

Exhibit transparency and accountability

STRATEGICPLAN
2020 – 2025

GOALS



GOAL 1

Enhance the accessibility, quality, and effective use of health resources.



GOAL 2

Provide services to improve public health.



GOAL 3

Plan, prepare, and respond to public health threats.



GOAL 4

Maximize partnerships to address underlying factors that determine overall health.



GOAL 5

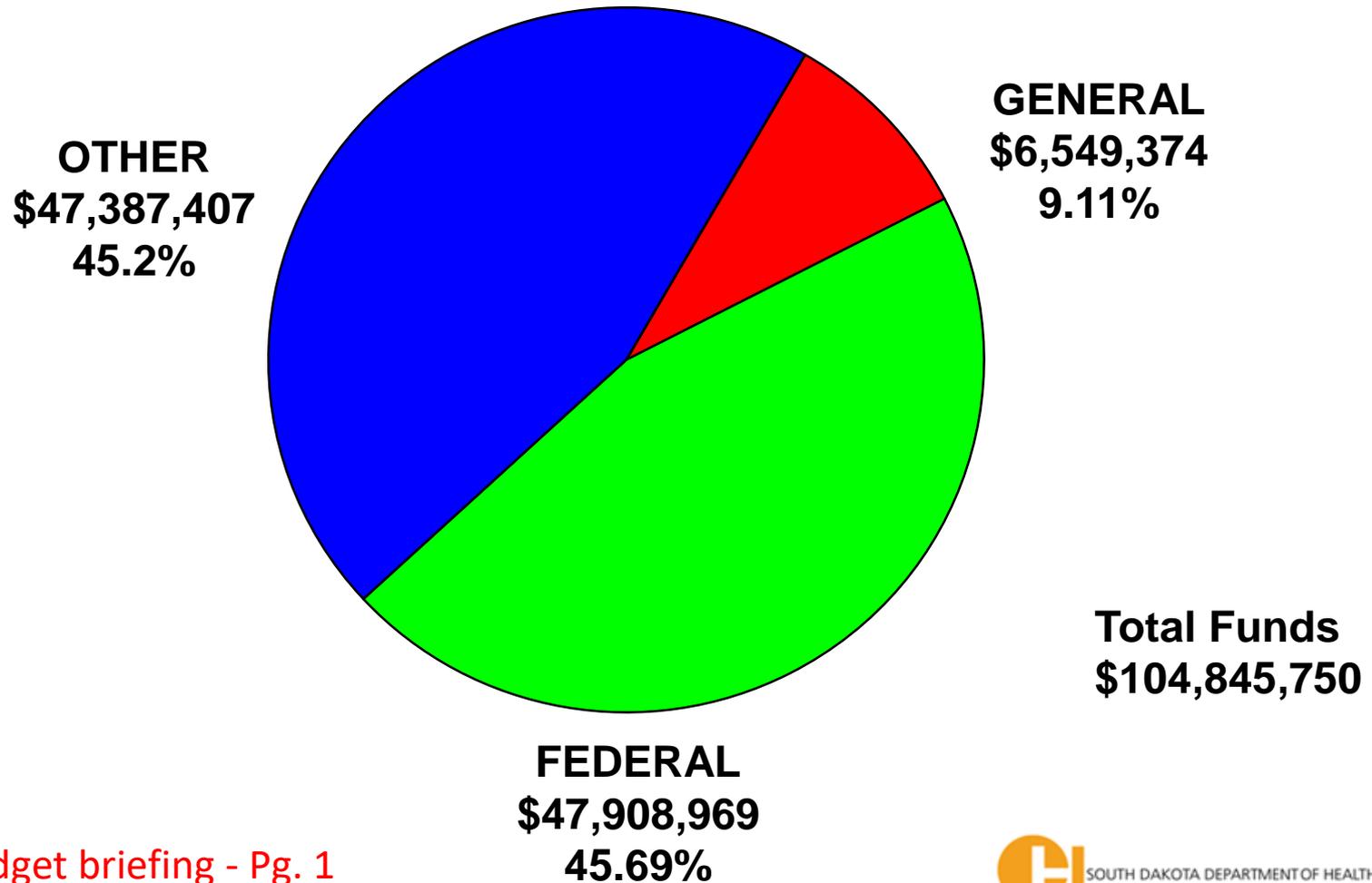
Strengthen and support a qualified workforce.

- **For Each Goal:**

- ❖ Specific, measurable objectives to be completed within 5 years
- ❖ Specific, measurable agency strategies to be completed within 1 year
- ❖ 1-3 key health indicators

Information about the DOH Strategic Plan can be found at <http://doh.sd.gov/strategicplan/>

Department of Health FY21 Funding Sources



Department of Health

FY21 Governor's Budget Recommendation

	<u>FTE</u>	<u>General</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
FY2020 Budget Base	448.8	\$9,450,336	\$47,763,058	\$48,251,573	\$105,464,967
Expansion/Reduction					
<i>Increase/(Decrease)</i>					
Administration					
Attorney	1.0			122,322	122,322
Health Systems Development & Regulation					
Rural Family Residency Track		99,038	145,911		244,949
Health Protection Inspections		43,060			43,060
Family and Community Health					
Health Protection Inspections		(43,060)			(43,060)
Correctional Health					
FTE-Jameson Expansion – PS/OE	8.0			530,318	530,318
FTE-Medical Professionals – PS/OE	3.0			146,721	146,721
FTE-Nurses	3.0			-0-	-0-
Inflation/Inmate expansion				530,571	530,571
340B Program				(2,148,485)	(2,148,485)
Informational Boards				(18,613)	(18,613)
Inflation/Expansion Total	15.0	99,038	145,911	(864,166)	(619,217)
Total FY2021 Governor Recommended Budget	463.8	\$9,549,374	\$47,908,969	\$47,387,407	\$104,845,750

Administration

Attorney (Boards)

- 1.0 FTE – Attorney
- Increase of \$122,322 other fund expenditure authority in DOH Division of Administration to bring legal services in house for the Department's 13 informational boards
- Decrease of \$175,015 to the boards
- Net savings of \$52,693 (other fund expenditure authority) in the various boards
- Greater consistency in support to DOH Boards

Health Systems Development & Regulation

Rural Residency Program

- Expansion requested for year 3 of the residency track, final year of ramp up
- \$99,038 general funds, \$145,911 federal fund expenditure authority
 - 3 year ramp up- 2 students added each year
 - Year 3 has 6 students

Health Systems Development & Regulation Rural Residency Program

	<u>Start-up- FY17</u>	<u>Year One- FY19-base</u>	<u>Year Two- FY20</u>	<u>Year Three + FY21 & Ongoing</u>
Base General	\$0	\$179,666	\$206,997	\$306,035
Base Federal	\$0	\$232,128	\$278,797	\$424,708
Total Base Request	\$0	\$411,794	\$485,794	\$730,743
One Time Funds	\$205,000	0	0	0
Total General Fund Request	\$205,000	\$179,666	\$206,997	\$306,035

Health Systems Development & Regulation

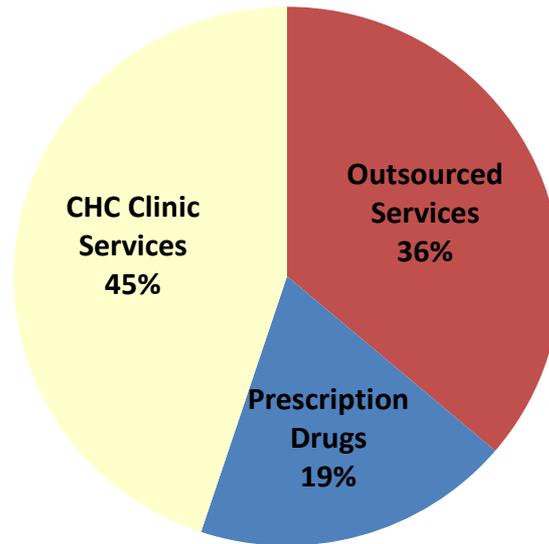
Health Protection Inspections

- Expansion requested due to the increased rate from DPS.
- \$43,060 general funds
 - Inflationary increase based on the DPS rate increase of 6.8%
- Offset by general fund decrease in the Division of Family and Community Health

Correctional Health

FY19 Total Expenditures

\$24,669,903



	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20 Budget</u>	<u>FY21 Rec.</u>
Total prescription costs	\$ 4,613,990	\$ 4,362,815	\$ 4,769,952	\$ 4,803,143	\$ 4,656,270	\$ 5,027,913	\$ 5,027,913
Budget less 340B savings						\$ 3,875,468	\$ 3,050,182
# inmates utilizing prescriptions	3,619	3,835	4,116	4,123	4,409	4,572	4,759
Cost per inmate	\$ 1,275	\$ 1,138	\$ 1,159	\$ 1,165	\$ 1,056	\$ 848	\$ 641

Correctional Health

Pharmacy Budget

- FY15 – implementation of electronic pharmacy system and purchase of pharmaceuticals through the Minnesota Multistate Contracting Alliance for Pharmacy (MMCAP)
- FY20 – implementation of 340b Drug Pricing Program
 - The federal 340B Drug Pricing Program requires drug manufacturers to provide drugs at significantly reduced prices to safety net providers
 - Eligible safety net providers provide care to all regardless of ability to pay

Correctional Health

Pharmacy Budget

- Examples of safety net providers include:
 - Federally Qualified Health Centers (FQHCs)
 - Urban Indian clinics
 - Chronic condition programs (Ryan White grantees)
 - Specialty clinics (tuberculosis or STD clinics)
- Correctional Health qualifies as a specialty clinic
- Purchasing drugs at discounted prices enables safety net providers to stretch resources and improve health outcomes of patients served
- Savings used to support the correctional health program

Correctional Health

FY2021 Governor's Recommended Budget Summary

FY20 Base Budget	\$25,819,439
8.0 FTE – Jameson Unit (4.0 Nurse, 4.0 Patient Care Tech)	\$ 530,318
3.0 FTE – Clinic Coverage (2.0 Nurse, 1.0 LPN)	\$ -0-
3.0 FTE – Medical Providers	\$ 498,974
Medical Consultant reduction due to increase in provider FTE	\$ (352,253)
Inflation and Patient growth of 752	\$ 503,571
340B pharmacy reduction (must be reinvested in CHC)	<u>\$ (2,148,485)</u>
FY21 Budget Recommendation	\$24,851,564
FY21 Recommended Other Fund Decrease	\$ (967,875)

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

LRC budget briefing - Pg. 25-30

Special Appropriation

SB16 - An act to make an appropriation to reimburse certain health care professionals who have complied with the requirements for certain health care recruitment assistance programs and to declare an emergency.

- Appropriates \$635,235 to reimburse two physicians, two dentists, one nurse practitioner and one physician assistant who will be fulfilling the requirements of their agreements with the State during FY 2021 and \$233,958 to reimburse 50 eligible healthcare professionals who have complied with the requirements of the Rural Healthcare Facility Recruitment Assistance Program in FY 2021.

GB Amendments

SB38:

- Suicide Prevention: \$75,000 general funds
- Helmsley AED Project: \$3,670,341 other fund authority
- Correctional Healthcare 340B Savings: (\$1,152,445) other fund authority