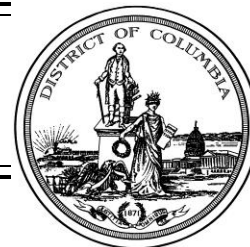

COMMITTEE ON HEALTH
COUNCILMEMBER YVETTE M. ALEXANDER, CHAIRPERSON
FISCAL YEAR 2015 COMMITTEE BUDGET REPORT



TO: Members of the Council of the District of Columbia

FROM: Councilmember Yvette M. Alexander
Chairperson, Committee on Health

DATE: May 14, 2014

SUBJECT: Report and Recommendations of the Committee on Health on the Fiscal Year 2015 Budget for Agencies Under Its Purview

The Committee on Health (“Committee”), having conducted hearings and received testimony on the Mayor’s proposed operating and capital budgets for Fiscal Year (FY) 2015 for the agencies under its purview, reports its recommendations for review and consideration by the Committee of the Whole. The Committee also comments on several sections in the Fiscal Year 2015 Budget Support Act of 2014, as proposed by the Mayor.

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I. SUMMARY

The following summarizes the Committee's recommendations for the FY15 operating budgets, full-time equivalents (FTEs), and capital budgets for the Department of Health (DOH), the Department of Health Care Finance (DHCF), the Department of Behavioral Health (DBH), the Office of the Deputy Mayor for Health and Human Services (DMHHS), the DC Office on Aging (DCOA), the Not-for-Profit Hospital Corporation (NPHC), the Health Benefit Exchange Authority (HBX), as well as any corresponding legislative proposals

A. FISCAL YEAR 2015 AGENCY OPERATING BUDGET SUMMARY TABLE

A. FISCAL YEAR 2015 AGENCY OPERATING BUDGET SUMMARY TABLE					
	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
Department of Health	0	0	0	0	0
DEDICATED TAXES	0	0	0	0	0
FEDERAL GRANT FUND	132,745,235	132,716,533	126,218,633	0	126,218,633
FEDERAL MEDICAID PAYMENTS	0	0	0	0	0
FEDERAL PAYMENTS	1,069,004	5,000,000	5,000,000	0	5,000,000
INTRA-DISTRICT FUNDS	45,566,675	45,535,881	49,486,785	0	49,486,785
LOCAL FUND	86,953,317	69,402,061	76,305,742	816,903	77,122,645
PRIVATE DONATIONS	84,276	0	0	0	0
PRIVATE GRANT FUND	200,088	0	0	0	0
SPECIAL PURPOSE REVENUE FUNDS	9,926,773	12,328,196	12,392,763	0	12,392,763
Department of Health Total	276,545,368	264,982,670	269,403,923	816,903	270,220,826
DEPARTMENT OF BEHAVIORAL HEALTH	0	0	0	0	0
FEDERAL GRANT FUND	2,689,051	18,310,251	18,539,328	0	18,539,328
FEDERAL MEDICAID PAYMENTS	3,263,759	4,329,879	3,500,000	0	3,500,000
FEDERAL PAYMENTS	0	0	0	0	0
INTRA-DISTRICT FUNDS	15,902,771	11,251,138	18,862,679	0	18,862,679
LOCAL FUND	172,613,462	204,829,672	232,674,160	(816,903)	231,857,257
PRIVATE DONATIONS	30,142	0	288,775	0	288,775
PRIVATE GRANT FUND	81,575	157,243	183,300	0	183,300
SPECIAL PURPOSE REVENUE FUNDS	2,946,310	3,700,000	3,587,829	0	3,587,829
DEPARTMENT OF BEHAVIORAL HEALTH TOTAL	197,527,070	242,578,182	277,636,072	(816,903)	276,819,169
DEPARTMENT OF HEALTH CARE FINANCE	0	0	0	0	0
DEDICATED TAXES	64,500,130	86,306,503	65,828,516	0	65,828,516
FEDERAL GRANT FUND	21,331,503	28,449,464	2,092,662	0	2,092,662
FEDERAL MEDICAID PAYMENTS	1,650,317,273	1,891,903,076	2,049,225,408	(2,300,000)	2,046,925,408
INTRA-DISTRICT FUNDS	20,451,497	22,441,209	74,624,814	0	74,624,814
LOCAL FUND	727,913,427	714,331,066	717,602,825	(1,000,000)	716,602,825
PRIVATE GRANT FUND	4,095	0	0	0	0
SPECIAL PURPOSE REVENUE FUNDS	959,625	3,633,512	3,631,824	0	3,631,824
DEPARTMENT OF HEALTH CARE FINANCE TOTAL	2,485,477,549	2,747,064,828	2,913,006,049	(3,300,000)	2,909,706,049
D.C HEALTH BENEFIT EXCHANGE AUTHORITY	0	0	0	0	0
ENTERPRISE AND OTHER FUNDS	0	0	28,751,244	0	28,751,244
LOCAL FUND	0	0	0	0	0
SPECIAL PURPOSE REVENUE FUNDS	10,914,705	66,140,499	0	0	0
D.C HEALTH BENEFIT EXCHANGE AUTHORITY TOTAL	10,914,705	66,140,499	28,751,244	0	28,751,244
OFFICE ON AGING	0	0	0	0	0
FEDERAL GRANT FUND	7,012,772	7,355,559	7,735,721	0	7,735,721
INTRA-DISTRICT FUNDS	1,678,522	2,146,494	2,558,317	0	2,558,317
LOCAL FUND	18,912,091	25,956,561	31,723,922	1,250,000	32,973,922
PRIVATE GRANT FUND	0	0	0	0	0
SPECIAL PURPOSE REVENUE FUNDS	0	0	0	0	0
OFFICE ON AGING TOTAL	27,603,385	35,458,613	42,017,960	1,250,000	43,267,960
DEPUTY MAYOR FOR HEALTH & HUMAN SERVICES	0	0	0	0	0
LOCAL FUND	855,482	1,945,119	1,171,975	0	1,171,975
DEPUTY MAYOR FOR HEALTH & HUMAN SERVICES TOTAL	855,482	1,945,119	1,171,975	0	1,171,975
NOT FOR PROFIT HOSPITAL CORPORATION	0	0	0	0	0
ENTERPRISE AND OTHER FUNDS	0	0	112,000,000	0	112,000,000
LOCAL FUND	0	0	0	0	0
SPECIAL PURPOSE REVENUE FUNDS	0	110,000,000	0	0	0
NOT FOR PROFIT HOSPITAL CORPORATION TOTAL	0	110,000,000	112,000,000	0	112,000,000
Grand Total	2,998,923,560	3,468,169,913	3,643,987,222	(2,050,000)	3,641,937,222

Total Budget by Source of Funds					
	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
Dedicated Taxes	64,500,130	86,306,503	65,828,516	0	65,828,516
Federal Grant Fund	163,778,561	186,831,806	154,586,344	0	154,586,344
Federal Medicaid Payments	1,653,581,032	1,896,232,954	2,052,725,408	(2,300,000)	2,050,425,408
Federal Payments	1,069,004	5,000,000	5,000,000	0	5,000,000
Intra-District Funds	83,599,465	81,374,722	145,532,595	0	145,532,595
Local Fund	1,007,247,780	1,016,464,478	1,059,478,624	250,000	1,059,728,624
Private Donation	114,417	0	288,775	0	288,775
Private Grant Fund	285,758	157,243	183,300	0	183,300
Special Purpose Revenue Funds	24,747,413	195,802,207	19,612,416	0	19,612,416
Enterprise and Other Funds	0	0	140,751,244	0	140,751,244
Grand Total	2,998,923,560	3,468,169,913	3,643,987,222	(2,050,000)	3,641,937,222

B. FISCAL YEAR 2015 AGENCY FULL-TIME EQUIVALENT TABLE

Total FTE by Agency				
	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
Department of Health	621.8	610.6	0.0	610.6
Department of Behavioral Health	1,321.0	1,381.0	(7.0)	1,374.0
Department of Health Care Finance	198.0	220.4	0.0	220.4
D.C. Health Benefit Exchange Authority	37.0	54.0	0.0	54.0
D.C. Office on Aging	66.0	63.0	0.0	63.0
Deputy Mayor for Health and Human Services	6.0	8.0	0.0	8.0
Not For Profit Hospital Corporation	0.0	0.0	0.0	0.0
Grand Total	2,249.9	2,337.0	(7.0)	2,330.0

Total FTE by Source of Funds				
	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
Dedicated Taxes	3.9	5.5	0.0	5.5
Federal Grant Fund	443.7	437.8	0.0	437.8
Federal Medicaid Payments	97.3	113.1	0.0	113.1
Federal Payments	0.0	0.0	0.0	0.0
Intra-District Funds	109.3	122.4	0.0	122.4
Local Fund	1,428.6	1,476.1	(7.0)	1,469.1
Private Donation	0.0	0.0	0.0	0.0
Private Grant Fund	0.0	0.0	0.0	0.0
Special Purpose Revenue Funds	167.1	128.1	0.0	128.1
Enterprise and Other Funds	0.0	54.0	0.0	54.0
Grand Total	2,249.9	2,337.0	(7.0)	2,330.0

C. SUMMARY OF COMMITTEE BUDGET RECOMMENDATIONS

DEPARTMENT OF HEALTH

Operating Budget Recommendations

- Transfer \$200,000 from non-personnel services within CHA's Primary Care Activity to CHA's Nutrition and Physical Fitness program in order to do the following:
 - to support clinical nutritional home delivery services for individuals living with cancer and other life-threatening diseases with an increase of \$150,000, and
 - to support initiatives that encourage corner store owners to incorporate produce in their offerings and provides nutrition education in the amount of \$50,000
- Transfer \$2,000,000 in one-time funding from DOH's \$5,000,000 enhancement to support the school nurse contract with Children's Hospital to CHA's Children Adolescent and School Health division to support teen pregnancy prevention programs.
- Accept a transfer of \$820,617 from the Department of Behavioral Health to CHA to be distributed as follows:
 - \$100,000 to CHA's Children Adolescent and School Health division to support teen peer educators who work to provide sexual health information and condoms to youth.
 - \$720,617 shall be moved to CHA's Cancer and Chronic Disease Prevention division to support DOH's efforts of chronic illness prevention. Due to the source of these additional funds, only \$520,617 of the \$720,617 will be reoccurring.

Budget Support Act Recommendations

- The Committee recommends the inclusion of Budget Support Act language that requires DOH to submit the following to the Council by October 1, 2014:
 - A quarterly report on all grants administered by the Department of Health, which should include information such as the purpose of the grant, the source of its funding, the date of expiration and the employee responsible for overseeing that grant. It shall also include information on federal grants for human services that have been cut and that will leave a hole in the system that will affect funding for 3 or more community organizations that have a history of providing services in the District.
 - A bi-annual report on how existing District teenage pregnancy programs are being evaluated. The report should include information regarding the

rate of teen pregnancy in the community served, the number of girls served, how many girls successfully completed the program, and any other information critical to determining the success of that program.

- A bi-annual regarding the efficiency of the medical marijuana program in the District, including the names of individuals in charge of processing applications, the average wait time for processing applications, as well as any other information critical to analyzing the efficiency of the program.
- The Committee also recommends the inclusion of Budget Support Act language that establishes a teen pregnancy prevention fund and creates authority for a subgrantee to administer grants through that fund

DEPARTMENT OF HEALTH CARE FINANCE

Operating Budget Recommendations

The Committee recommends the following changes to DHCF's Operating Budget:

- A \$1,000,000 decrease in local funds within DHCF directed to the Office on Aging, as a result of savings identified after reconciling hospital cost reports with previously submitted claim data. (CSG 50, Subsidies and Transfers). The \$1,000,000 in local funds will be transferred to Supportive Residential Facility activity in Office on Aging to enhance its efforts to address deficiencies in senior housing and care through community-based organizations.
- Reduce \$2,300,000 from the federal share of CSG 50, Subsidies and Transfers to match the \$1,000,000 reduction in local funds (as mentioned above).

Capital Budget Recommendations

The Committee is recommending that \$11,950,000 in capital funding for NFPHC (Project No. UMC01C) be redirected as follows:

- Therapeutic Recreational Center: *\$1.5M Capital*
- Nannie Helen Boroughs Housing Development: *\$1.2M Capital*
- Kelly Miller Tennis Courts: *\$250,000 Capital*
- Hillcrest Recreation Center: *\$1M Capital*
- Application-Only School, Ward 7: *\$5M*
- Fort Davis Recreational Center: *\$3M Capital*
- **Note:** At the time of circulation, the committee report directed \$4.75M to the Washington Humane Society for the purchase of a brand new animal shelter; \$5M to the Washington Tennis & Education Foundation, for repairs to an outdated arena; and

\$250,000 to DCPNI in order to renovate a community park. All of this was in addition to the initiatives noted above. At markup, all of those funds were available to be redirected as outlined, and as such, the committee members voted unanimously to redirect the funds as the chairwoman had outlined. However, one day after the committee voted on the report, the Mayor's budget office removed \$10,000,000 in Pay Go funds from the UMC – East End Medical Center project, which now leaves the Washington Humane Society, the Washington Tennis & Education Foundation and DCPNI Park unfunded.

Budget Support Act Recommendations

The Committee recommends the following:

- Require reevaluation of the Alliance recertification process and preparation of a report for Council review;
- Requiring regular updates on its enhanced EPSDT coding initiative and provider compliance;
- Requiring regular updates and the submission of a comprehensive plan for greater coordination of care and reduction of emergency and acute care utilization in the managed care and fee-for-service populations;
- Requiring continued reporting on enrollment trends and utilization of the PCA benefit;
- Requiring continued reporting on EPD waiver program updates and enrollment;
- Requiring continued reporting on managed care organization performance and enrollment.

Policy Recommendations

The Committee recommends that the agency interface with the Department of Human Services and other agencies to determine solutions or alternatives to the current recertification process and whether the recertification rules need to be modified.

The Committee also recommends the Department continue to explore an alternative structure to more efficiently manage eligibility and enrollment in the EPD waiver program and to aggressively pursue other repairs to the EPD waiver program.

DEPARTMENT OF BEHAVIORAL HEALTH

Operating Budget Recommendations

- The Committee recommends moving \$816,903 in savings (\$300,000 in vacancy savings and \$516,903 in FTE reductions) from the Department of Behavioral Health and redirecting \$100,000 to the Department of Health to be used in its “Children, Adolescent and School Health” program and for the remaining \$816,903 to be used for its Cancer and Chronic Illness Prevention program.

Policy Recommendations

- The Committee recommends that the Department of Behavioral Health reanalyze its enter/exit procedures at St. Elizabeths Hospital, and do an evaluation of the company contracted to operate the points of entry at the hospital.
- Additionally, the Committee also recommends that the Department analyze its employee grievance procedures.

D.C. OFFICE ON AGING

Operating Budget Recommendations

- The Committee recommends increasing the Community-Based Support budget by \$1,000,000 in order to support the work of service network providers. This increase is needed to support service network providers who provide critical services to the population served by DCOA.
- The Committee also accepts a one-time transfer from the Transportation & Environment to support senior transportation services.

NOT-FOR-PROFIT HOSPITAL CORPORATION

Budget Support Act Recommendations

- The Committee recommends the continued use of Budget Support Act language that requires the Not-For-Profit Hospital to submit a bi-monthly report to the Council regarding the work and progress made by Huron Healthcare.

DEPUTY MAYOR FOR HEALTH AND HUMAN SERVICES

Operating Budget Recommendations

The Committee recommends adopting the budget proposed by the Mayor.

HEALTH BENEFIT EXCHANGE AUTHORITY

Operating Budget Recommendations

The Committee recommends the adoption of the Mayor's proposed FY15 budget and financial plan for the Health Benefit Exchange Authority

Budget Support Act Recommendations

The Committee recommends the following:

- 1) Amendments establishing the authority for the Insurance Regulatory Trust Fund Bureau to review and assess the Health Benefit Exchange Authority's expenditures and proposed budget and financial plan in advance of submission to the Council;
- 2) Amendments clarifying that certain assessments on health carriers are to be construed as a state tax for purposes of certain provisions of the Affordable Care Act and its implementing regulations;
- 3) Requiring the Authority to submit data pertaining to the uninsured populations in the District and comprehensive recommendations on outreach and enrollment; and
- 4) Requiring the Authority to prepare an assessment of the In-Person Assistor program and recommendation for whether additional resources should be allocated to continue the program in future years.

Policy Recommendations

The Committee strongly recommends that the Authority work closely with the Economic Security Administration to improve eligibility and enrollment policies.

The Committee also recommends that the Authority review the timing of its annual assessment and explore the practicality of moving it closer to the start of the fiscal year that it is intended to fund.

A. INTRODUCTION

The Committee is responsible for programmatic and budgetary oversight of DOH, DBH, DHCF, DCOA and the DHBX. In addition, the Committee also reviews and approves the budget for the Office of the Deputy Mayor for Health and Human Services and the Not-For-Profit Hospital Corporation. The Committee works closely with these agencies, District residents, and community advocates to craft careful and deliberate policies for public health services and programs.

On April 3, 2014, Mayor Vincent C. Gray submitted to the Council of the District of Columbia a proposed operating budget and financial plan for the upcoming fiscal year. The Committee held the following hearings to review the proposed FY15 budgets for those agencies under its purview:

April 10, 2014	Health Benefit Exchange Authority Deputy Mayor for Health and Human Services
April 29, 2014	Department of Health Care Finance
May 1, 2014	Department of Health
May 5, 2014	Department of Behavioral Health
May 8, 2014	D.C. Office on Aging Not-for-Profit Hospital Corporation

The Committee received important comments from members of the public during these budget oversight roundtables. Copies of witness testimony are included in this report as *Attachments A-G*. A video recording of the hearings can be obtained through the Office of Cable Television or at oct.dc.gov. The Committee welcomes public input on the agencies and activities within its purview.

B. DEPARTMENT OF HEALTH

Operating Budget by Revenue Type	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
Department of Health					
DEDICATED TAXES	0	0	0	0	0
FEDERAL GRANT FUND	132,745,235	132,716,533	126,218,633	0	126,218,633
FEDERAL MEDICAID PAYMENTS	0	0	0	0	0
FEDERAL PAYMENTS	1,069,004	5,000,000	5,000,000	0	5,000,000
INTRA-DISTRICT FUNDS	45,566,675	45,535,881	49,486,785	0	49,486,785
LOCAL FUND	86,953,317	69,402,061	76,305,742	816,903	77,122,645
PRIVATE DONATIONS	84,276	0	0	0	0
PRIVATE GRANT FUND	200,088	0	0	0	0
SPECIAL PURPOSE REVENUE FUNDS	9,926,773	12,328,196	12,392,763	0	12,392,763
Department of Health Total	276,545,368	264,982,670	269,403,923	816,903	270,220,826

CSG View - Gross Funds	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
Department of Health					
11 REGULAR PAY - CONT FULL TIME	34,770,415	36,630,720	38,342,177	0	38,342,177
12 REGULAR PAY - OTHER	8,885,989	8,983,482	8,750,798	0	8,750,798
13 ADDITIONAL GROSS PAY	1,080,789	0	0	0	0
14 FRINGE BENEFITS - CURR PERSONNEL	9,306,735	10,131,411	10,567,398	0	10,567,398
15 OVERTIME PAY	297,480	32,898	0	0	0
20 SUPPLIES AND MATERIALS	53,740,686	57,146,260	59,959,856	0	59,959,856
30 ENERGY, COMM. AND BLDG RENTALS	1,077,698	1,343,944	393,891	0	393,891
31 TELEPHONE, TELEGRAPH, TELEGRAM, ETC	1,355,499	1,365,847	1,414,396	0	1,414,396
32 RENTALS - LAND AND STRUCTURES	12,490,934	12,463,956	11,061,968	0	11,061,968
33 JANITORIAL SERVICES	0	0	0	0	0
34 SECURITY SERVICES	2,556,816	646,855	744,970	0	744,970
35 OCCUPANCY FIXED COSTS	997,640	698,132	299,882	0	299,882
40 OTHER SERVICES AND CHARGES	2,710,087	2,916,650	3,543,143	0	3,543,143
41 CONTRACTUAL SERVICES - OTHER	55,036,971	57,836,572	64,525,070	0	64,525,070
50 SUBSIDIES AND TRANSFERS	91,712,663	74,119,412	69,499,217	816,903	70,316,120
70 EQUIPMENT & EQUIPMENT RENTAL	524,968	666,533	301,158	0	301,158
Department of Health Total	276,545,368	264,982,670	269,403,923	816,903	270,220,826

Program View - Gross Funds	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
Department of Health					
1000 AGENCY MANAGEMENT SUPPORT	24,317,811	22,953,745	20,568,419	0	20,568,419
100F AGENCY FINANCIAL OPERATIONS	2,307,205	3,225,455	3,376,436	0	3,376,436
2000 ADDICTION PREVENTION & RECOVERY ADMIN	32,244,187	0	0	0	0
2500 HLTH EMERG PREPAREDNESS & RESPONSE ADMIN	10,436,982	6,086,138	55,054,195	0	55,054,195
3000 HIV/AIDS HEPATITIS STD & TB ADMIN	80,118,096	90,040,588	88,377,431	0	88,377,431
4500 HEALTH CARE REGULATION & LICENSING ADMIN	19,684,599	24,078,044	24,096,567	0	24,096,567
8200 CTR FOR POLICY, PLANNING & EVALUATION	5,177,841	4,844,550	5,144,334	0	5,144,334
8500 COMMUNITY HEALTH ADMINISTRATION	102,258,714	113,754,150	72,786,541	816,903	73,603,444
9960 YR END CLOSE	14	0	0	0	0
Department of Health Total	276,545,434	264,982,670	269,403,923	816,903	270,220,826

FY15 FTEs - By Fund Type	FY2014 Approved FTEs	FY2015 FTEs Mayor's Proposed	FY2015 FTEs Committee Variance	FY2015 Committee
Department of Health				
DEDICATED TAXES	0.0	0.0	0.00	0.0
FEDERAL GRANT FUND	368.2	342.8	0.00	342.8
FEDERAL MEDICAID PAYMENTS	0.0	0.0	0.00	0.0
FEDERAL PAYMENTS	0.0	0.0	0.00	0.0
INTRA-DISTRICT FUNDS	3.8	10.4	0.00	10.4
LOCAL FUND	161.9	171.1	0.00	171.1
PRIVATE DONATIONS	0.0	0.0	0.00	0.0
PRIVATE GRANT FUND	0.0	0.0	0.00	0.0
SPECIAL PURPOSE REVENUE FUNDS	88.0	86.3	0.00	86.3
Department of Health Total	621.8	610.6	0.00	610.6

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

The mission of the Department of Health (DOH) is to promote healthy lifestyles, prevent illness, protect the public from threats to their health, and provide equal access to quality healthcare services for all in the District of Columbia.

The Department provides programs and services with the ultimate goal of reducing the burden of disease. DOH does this through a number of mechanisms that center around prevention, promotion of health, and expanding access to health care. The Department provides public health management and leadership through policy, planning, and evaluation; fiscal oversight; human resource management; grants and contracts management; information technology; government relations; risk management; communication and community relations; legal oversight; and facilities management. The DOH performance plan is based on three priority areas: 1) health and wellness promotion, 2) HIV/AIDS prevention and awareness, and 3) public health systems enhancement.

b. Mayor's Proposed Fiscal Year 2015 Operating Budget

Proposed Operating Budget Summary

The Mayor's FY15 budget proposal included \$269,403,923 in gross operating funds and 610.6 FTEs. This reflects an increase of \$4,421,253 and a decrease of 11.2 FTEs from FY14.

Committee Analysis and Comments

DOH's FY15 budget includes a net increase of \$734,039 in local funds and 8.4 local FTEs under HAHSTA (4.9), CHA (2.6) and HEPRA (1.1). Federal Grant funds increased by \$537,188 to support professional services and office support across various administrations. The Special Purpose Revenue funds budget reflects an increase of \$380,734 in personal services to support salary increases, projected Fringe Benefits costs, and an additional 1.6 FTEs.

The Mayor's FY15 budget included enhancement such as a \$5,000,000 increase to support the School Health Nursing Program, \$2,500,000 for home visitation funding which lost federal funds, \$596,000 to continue support to reduce the infant mortality rate, and \$375,000 to sustain existing school-based health centers. The Mayor also made a reduction for a one-time salary lapse savings, in the amount of \$700,000.

c. Mayor's Proposed Fiscal Year 2015-2019 Capital Budget

Proposed Capital Budget Summary

The Mayor did not request capital budget funds for DOH.

2. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2015 Operating Budget Recommendations

The Committee recommends increasing funds for the Community Health Administration by \$200,000 due to savings identified in a non-personnel services contract as a result of a transition to the Ambulatory Care Services model. Those savings shall be used to support clinical nutritional home delivery services for individuals living with cancer and other life-threatening diseases with an increase by an increase of \$150,000. The remaining \$50,000 will be used to support initiatives that encourage corner store owners to incorporate produce in their offerings and provide nutrition education.

The Committee also recommends the transfer of \$2,000,000 in one-time funding from the \$5,000,000 enhancement DOH received to support the school nurse contract with Children's Hospital to CHA's Children Adolescent and School Health division to support teen pregnancy prevention program.

Finally, the \$816,903 in savings from the Department of Behavioral Health should be distributed to CHA, with \$100,000 going towards its Children Adolescent and School Health division to support teen peer educators who work to provide sexual health information and condoms to youth and \$716,903 going towards its Cancer and Chronic Disease Prevention division to support DOH's efforts of chronic illness prevention. Due to the source of these additional funds, only \$516,903 of the \$716,903 will be reoccurring.

DOH – AGENCY MANAGEMENT PROGRAM

Agency Management provides for administrative support and the required tools to achieve operational and programmatic results. This division is standard for all agencies using performance-based budgeting.

Proposed Operating Budget Summary

The Mayor's FY15 budget proposal included \$20,568,419 in gross operating funds for the Agency Management administration, as well as 42.8 FTEs.

Committee Analysis and Comments

The Committee has no changes to the Mayor's FY15 budget for Agency Management Program.

DOH – AGENCY FINANCIAL OPERATIONS

Agency Financial Operations (AFO) provides comprehensive and efficient financial management services to, and on behalf of, District agencies so that the financial integrity of the District of Columbia is maintained. This division is standard for all agencies using performance-based budgeting.

Proposed Operating Budget Summary

The Mayor's FY15 budget proposal included \$3,376,436 in gross operating funds, as well as 31.5 FTEs within the Agency Financial Operations administration.

Committee Analysis and Comments

The Committee makes no changes to the Mayor's FY15 budget for Agency Financial Operations.

DOH – HEALTH EMERGENCY PREPAREDNESS AND RESPONSE ADMINISTRATION

The Health Emergency Preparedness and Response Administration (HEPRA) provides regulatory oversight of Emergency Medical Services; ensures that DOH and its partners are prepared to respond to citywide medical and public health emergencies, such as those resulting from terrorist attacks, large accidents, or natural events such as weather-related emergencies; conducts disease surveillance and outbreak investigation; and provides analytical and diagnostic laboratory services for programs within DOH and various free and non-profit clinics within the District.

Proposed Operating Budget Summary

The Mayor's FY15 budget proposal included \$55,054,195 in gross operating funds for DOH and 41.3 FTEs within HEPRA.

Committee Analysis and Comments

The Committee makes no changes to the Mayor's FY15 budget for HEPRA.

DOH – HIV/AIDS, HEPATITIS, STD, AND TUBERCULOSIS ADMINISTRATION

HIV/AIDS, Hepatitis, STD, and TB Administration (HAHSTA) partners with health and community-based organizations to provide HIV/AIDS, hepatitis, STD, and TB prevention and care services. Services include prevention tools and interventions, medical care and supportive services, housing services for persons living with HIV/AIDS, HIV counseling and testing, and data and information on disease-specific programs and services. Furthermore, the administration provides information on the impact of these diseases on the community as well as education, referrals, and intervention services. The AIDS Drug Assistance Program (ADAP) provides drugs at no cost to eligible District residents who are HIV-positive or have AIDS. HAHSTA administers the District's budget for HIV/AIDS, hepatitis, STD, and TB programs; provides grants to service providers; provides direct services for TB and STDs; monitors programs; and tracks the rates of HIV, hepatitis, STDs, and TB in the District of Columbia.

Proposed Operating Budget Summary

The Mayor's FY15 budget proposal included \$88,377,432 in gross operating funds, as well 41.3 FTEs within HASTA.

Committee Analysis and Comments

The Committee makes no changes to the Mayor's FY15 budget for HAHSTA.

DOH – HEALTH CARE REGULATION AND LICENSING ADMINISTRATION

Health Care Regulation and Licensing Administration (HCRLA) is comprised of the Office of Food, Drug, Radiation and Community Hygiene Regulation; Office of Health Care Facilities Regulation; HCRLA Support Services; and Health Professional License Administration.

Proposed Operating Budget Summary

The Mayor's FY15 budget proposal included \$24,096,567 in gross operating funds, as well as 176.0 FTEs within HRLA.

Committee Analysis and Comments

The Committee makes no changes to the Mayor's FY15 budget for HRLA.

DOH – CENTER FOR POLICY, PLANNING, AND EVALUATION

Center for Policy, Planning, and Evaluation (CPPE) is responsible for developing an integrated public health information system to support health policy decisions, state health planning activities, performance analysis, and direction setting for department programs; health policy, health planning and development; health research and analysis; vital records; and planning, directing, coordinating, administering, and supervising a comprehensive Epidemiology and Health Risk Assessment program, which involves federal, state, county, and municipal functions.

Proposed Operating Budget Summary

The Mayor's FY15 budget proposal included \$5,144,334 in gross operating funds as well as 44 FTEs for CPPE.

Committee Analysis and Comments

The Committee makes no changes to the Mayor's FY15 budget for CPPE.

DOH – COMMUNITY HEALTH ADMINISTRATION

Community Health Administration (CHA) provides programs designed to improve health outcomes for all residents of the District of Columbia, with an emphasis on women, infants, children (including children with special health care needs), and other vulnerable groups such as those with a disproportionate burden of chronic disease and disability. The administration provides programs and services that promote coordination among the health care systems and enhance access to effective prevention, primary and specialty medical care in the District. CHA collaborates with public and private organizations to provide support services to ameliorate the social determinants of health status for these groups.

Proposed Operating Budget Summary

The Mayor's FY15 budget proposal included \$72,786,541 in gross operating funds, as well as 150.3 FTEs within CHA.

Committee Analysis and Comments

During DOH's budget hearing, witnesses testified in support of a number of initiatives taking place throughout the city with the goal of decreasing disparities as they exist among different populations.

The committee learned that a critical grant that supports District organizations with missions to prevent teen pregnancy is coming to an end this fiscal year. The end of this grant will leave a \$2 million dollar hole that if not filled, would result in a number of essential outreach programs having to close their doors. While teen pregnancy is reported to be down overall, statistics show that those numbers are actually up in low income and minority populations. Teenage parents have a much higher likelihood of having to rely on state assistance in order to support themselves and their child. If left without the proper help, they also have a much higher chance of having a second teen pregnancy shortly after their first.

The committee also heard from organizations dedicated to providing better food options in some of the District's underserved neighborhoods. There are many places in the city where access to fresh foods is rare. One of the organizations that testified before the committee explained that one of the best ways to attack this problem would be to look at changing the products and foods sold in corner stores. It is usually the case that neighborhoods that lack a variety of food options, commonly referred to as food deserts, often have a multitude of corner stores. Corner stores typically offer packaged, processed food, that due to price and access, are heavily relied on by surrounding residents. There is little to no nutritional value found in these foods. This results in high rates of chronic and preventable diseases such as diabetes and obesity.

The committee believes additional funding is necessary to continue to the positive work of organizations that are able to touch vulnerable residents located in underserved areas of the city.

The Committee recommends \$73,603,444 in gross operating funds for CHA. This is an increase of \$816,903. The changes to CHA's budget shall be outlined as follows:

Intra-Agency Shifts:

- Transfer \$200,000 from non-personnel savings within CHA (Program 8500, Activity 8504) to CHA's Nutrition and Physical Fitness division (Program 8500, Activity 8513, CSG 50) with:
 - \$150,000 to support clinical nutritional home delivery services for individuals living with cancer and other life-threatening diseases, and
 - \$50,000 to support initiatives that encourage corner store owners to incorporate produce in their offerings and provides nutrition education.
- Transfer \$2,000,000 in one-time funding from the \$5,000,000 enhancement DOH received to support the school nurse contract with Children's Hospital to CHA's Children Adolescent and School Health division (Program 8500, Activity 8514, CSG 50) to support teen pregnancy prevention programs.

Shifts from External Sources:

- Accept a transfer of \$816,903 from the Department of Behavioral Health to CHA to be distributed as follows:
 - \$100,000 to CHA's Children Adolescent and School Health division (Program 8500, Activity 8514, CSG 50) to support teen peer educators who work to provide sexual health information and condoms to youth.
 - \$716,903 shall be moved to CHA's Cancer and Chronic Disease Prevention division to support DOH's efforts of chronic illness prevention (Program 8000, Activity 8502, CSG 50). \$516,903 of which shall be reoccurring as they were obtained by reduced FTE positions at DBH.

b. Fiscal Year 2015 Capital Budget Recommendations

DOH as no capital budget for FY15.

c. Policy Recommendations

The Committee recommends the inclusion of Budget Support Act language that requires DOH to submit the following to the Council by October 1, 2014:

- A bi-annual report on federal grants for human services that have been cut and that will leave a hole in the system that will affect funding for 3 or more community organizations that have a history of providing services in the District.
- A bi-annual report on how existing District teenage pregnancy programs are being evaluated. The report should include information regarding the rate of teen pregnancy in the community served, the number of girls served, how many girls successfully completed the program, and any other information critical to determining the success of that program.
- A bi-annual regarding the efficiency of the medical marijuana program in the District, including the names of individuals in charge of processing applications, the average wait time for processing applications, as well as any other information critical to analyzing the efficiency of the program.

C. DEPARTMENT OF HEALTH CARE FINANCE

Operating Budget by Revenue Type	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
DEPARTMENT OF HEALTH CARE FINANCE					
DEDICATED TAXES	64,500,130	86,306,503	65,828,516	0	65,828,516
FEDERAL GRANT FUND	21,331,503	28,449,464	2,092,662	0	2,092,662
FEDERAL MEDICAID PAYMENTS	1,650,317,273	1,891,903,076	2,049,225,408	-2300000	2,046,925,408
INTRA-DISTRICT FUNDS	20,451,497	22,441,209	74,624,814	0	74,624,814
LOCAL FUND	727,913,427	714,331,066	717,602,825	-1000000	716,602,825
PRIVATE GRANT FUND	4,095	0	0	0	0
SPECIAL PURPOSE REVENUE FUNDS	959,625	3,633,512	3,631,824	0	3,631,824
DEPARTMENT OF HEALTH CARE FINANCE TOTAL	2,485,477,549	2,747,064,828	2,913,006,049	(3,300,000)	2,909,706,049

CSG View - Gross Funds	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
DEPARTMENT OF HEALTH CARE FINANCE					
11 REGULAR PAY - CONT FULL TIME	12,565,349	15,472,794	17,953,910	0	17,953,910
12 REGULAR PAY - OTHER	843,943	1,082,289	919,604	0	919,604
13 ADDITIONAL GROSS PAY	31,432	0	0	0	0
14 FRINGE BENEFITS - CURR PERSONNEL	2,546,112	3,813,966	4,001,185	0	4,001,185
15 OVERTIME PAY	15,967	0	0	0	0
20 SUPPLIES AND MATERIALS	570,343	200,980	180,282	0	180,282
30 ENERGY, COMM. AND BLDG RENTALS	162,326	268,095	233,291	0	233,291
31 TELEPHONE, TELEGRAPH, TELEGRAM, ETC	151,418	126,798	164,767	0	164,767
32 RENTALS - LAND AND STRUCTURES	727,718	0	0	0	0
33 JANITORIAL SERVICES	0	0	0	0	0
34 SECURITY SERVICES	82,852	159,781	116,320	0	116,320
35 OCCUPANCY FIXED COSTS	144,213	380,828	423,576	0	423,576
40 OTHER SERVICES AND CHARGES	1,933,080	1,389,174	1,504,254	0	1,504,254
41 CONTRACTUAL SERVICES - OTHER	65,846,061	69,003,528	61,341,198	0	61,341,198
50 SUBSIDIES AND TRANSFERS	2,399,316,934	2,654,922,322	2,825,848,281	-3,300,000	2,822,548,281
70 EQUIPMENT & EQUIPMENT RENTAL	539,803	244,274	319,380	0	319,380
DEPARTMENT OF HEALTH CARE FINANCE TOTAL	2,485,477,549	2,747,064,828	2,913,006,049	(3,300,000)	2,909,706,049

Program View - Gross Funds	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
DEPARTMENT OF HEALTH CARE FINANCE					
1000 AGENCY MANAGEMENT PROGRAM	23,117,579	9,111,323	11,652,184	0	11,652,184
100F AGENCY FINANCIAL OPERATIONS	4,372,920	4,990,897	5,145,398	0	5,145,398
2000 HEALTHCARE DELIVERY MANAGEMENT	20,734,885	30,435,423	13,714,549	0	13,714,549
200L LONG TERM CARE PROGRAM	0	0	11,910,926	0	11,910,926
3000 HEALTHCARE POLICY AND PLANNING	1,908,887	1,922,876	2,354,567	0	2,354,567
5000 HEALTH CARE FINANCE	2,388,024,677	2,633,838,043	2,814,371,971	(3,300,000)	2,811,071,971
6000 HEALTH CARE OPERATIONS	28,919,118	39,506,738	36,679,147	0	36,679,147
8000 HEALTH CARE REFORM & INNOVATION	18,399,482	27,259,530	17,177,308	0	17,177,308
DEPARTMENT OF HEALTH CARE FINANCE TOTAL	2,485,477,549	2,747,064,828	2,913,006,049	(3,300,000)	2,909,706,049

FY15 FTEs - By Fund Type	FY2014 Approved FTEs	FY2015 FTEs Mayor's Proposed	FY2015 FTEs Committee Variance	FY2015 Committee
DEPARTMENT OF HEALTH CARE FINANCE				
DEDICATED TAXES		3.9	5.5	0
FEDERAL GRANT FUND		9.0	7.0	0
FEDERAL MEDICAID PAYMENTS		95.3	108.1	0
INTRA-DISTRICT FUNDS		0.0	0.0	0
LOCAL FUND		82.2	90.0	0
PRIVATE GRANT FUND		0.0	0.0	0
SPECIAL PURPOSE REVENUE FUNDS		7.7	9.8	0
DEPARTMENT OF HEALTH CARE FINANCE TOTAL		198	220	-

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

The Department of Health Care Finance (DHCF) is responsible for the health care services provided to low-income children, adults, elderly, and persons with disabilities. The mission of DHCF is to improve health outcomes by providing access to comprehensive, cost-effective, high quality health services for residents of the District.

DHCF is organized into the following programs:

- Health Care Delivery Management
- Long Term Care Administration
- Health Care Policy and Planning
- Health Care Finance
- Health Care Operations
- Health Care Reform and Innovation
- Agency Management
- Agency Financial Operations

b. Mayor's Proposed Fiscal Year 2015 Operating Budget

Proposed Operating Budget Summary

The Mayor's proposed FY15 budget included \$2,913,006,049 in gross operating funds, including \$717,602,825 in local funds, and 220.4 FTEs. This reflects a 6.0% increase of \$165,941,221 and 22.4 FTEs from FY14.

Committee Analysis and Comments

The Mayor's FY14 local fund budget was inflated from \$714,331,066 to \$745,335,007, to reflect a 4.3% (or \$31,000,000) Current Services Funding Level (CSFL) increase over the approved FY14 budget. The most significant adjustment included a 4.4% overall increase for direct service payments under the Medicaid program, such as anticipated enrollment growth, increased utilization, and capitated payment rate adjustments.

The proposed FY15 budget reflects several proposed policy and technical adjustments to the CSFL-inflated budget, including the following:

Replacing the Hospital Bed Tax to Maintain Inpatient Rates: \$15 million that was allocated to replace revenue lost with the sunset of the hospital bed tax at the end of

FY14. Replacing these funds will allow hospitals to retain the rates they were paid for inpatient care in FY2014.

Increase Hospital Outpatient Rate: \$6 million allocated to support an increase in the hospital outpatient rate in order to enable reimbursement at 77% of cost. Previously, hospitals were reimbursed at only 47% of the cost incurred for services delivered to Medicaid patients, which, in FY2014, was supplemented by an industry-wide tax of more than \$12 million dollars to cover 98 percent of the cost incurred.

Health Benefit Exchange Assessment: \$2.7 million allocated to cover the cost of the broad based assessment to fund the Health Benefit Exchange, which will be matched appropriately at 70% by the Federal Government.

Update to Transplant Program: \$2.5 million allocated to include autologous bone marrow transplants and lung transplants in order to significantly expand treatment options for persons suffering with certain end-stage lung illnesses.

EPSDT Screening: \$866,000 in anticipated utilization of services as a result of efforts to encourage better documentation for well-child visits under Early Periodic Screening Diagnostic and Treatment requirements, and for the review and overhaul of coding, reimbursement, documentation, and implementation of EPSDT screening requirements.

Affordable Care Act Risk Revenue Managed Care Tax: \$3.6 million to cover the impact of this fee, which is assessed on risk revenue for all health insurance companies, including Medicaid.

Increase in Wages for Personal Care Services: \$7.3 million to reflect increases in rates due to the District's living wage requirement—Personal Care Aides provide services in the District's Medicaid program to 7,000 beneficiaries annually either in the home or through community-based State Plan waiver programs.

Savings Resulting from Payment Suspensions: Projected \$10.3 million in savings from payment suspensions imposed on home health agencies due to allegations of fraud.

Transfer to the Department of Disability Services: \$51 million in local funds was transferred to the Department of Disability Services to cover costs of policymaking and program budgeting, since the agency houses the majority of developmental disability waiver, including the FTE's servicing the program.

The proposed budget for Medicaid Provider Payments has increased by \$174,765,788. According to testimony submitted by the agency during its budget oversight hearing regarding its primary cost drivers in determining its FY15 budget, the agency has yet to reign in excessive utilization of Medicaid benefits, with 28% of beneficiaries in the Medicaid fee-for-service program responsible for more than 55% of

costs due to a higher incidence of chronic illness and corresponding hospitalization. Hospital-based care comprises more than 50% of the total cost of the Medicaid program. However, Medicaid enrollment levels continue to remain stable with actual growth rates averaging less than 3%. As such, the agency anticipates no major change in this trend since 2011, when enrollment growth following Medicaid expansion reached record highs of 20.6%. Although Alliance enrollment continues to decline, the agency has proposed FY15 budget has increased by \$10,340,750 due to upticks in utilization during FY15.

Personal Care spending continues to grow, despite the implementation of rules and securing a Long Term Care contractor to provide more oversight for the program. However, the current personal care growth rate is a fraction of the 80% growth rate realized last year, and reflects a savings of \$30,000,000. The agency has indicated that the savings are based in part on the agency's payment suspension actions, which affected 51% of agencies serving 81% of the total personal care aid beneficiary population of 7,782 individuals.

c. Mayor's Proposed Fiscal Year 2015-2019 Capital Budget

Proposed Capital Budget Summary

The Mayor's proposed capital budget includes \$3,145,000 for the Health Information Exchange, \$35,876,000 for improvements to United Medical Center, \$400,000 for a Medicaid data warehouse, \$2,000,000 for the Medicaid Management Information System, \$125,000 Predictive Analytics, and \$125,000 Replace Case Management System.

Committee Analysis and Comments

These projects are for improvements and modernizations of existing technology that will improve the District's ability to assess and meet the medical needs of its residents. The Medicaid data warehouse will modernize the District's ability to analyze data, make predictions, and manage its Medicaid program—and will bring the District in step with the majority of United States Jurisdictions already utilizing data warehouses. The MMIS system is the District's claims processing engine and supports DHCF staff in their day-to day-duties. The Center for Medicare and Medicaid Services (CMS) requires the technology to be refreshed every five years to ensure that it is up to date. The United Medical Center project supports the District's efforts to evaluate how the hospital might best serve its unique population. These plans will further the agency's mission to provide cost-effective healthcare services and improve healthcare outcomes in the District.

2. COMMITTEE RECOMMENDATIONS

Fiscal Year 2015 Operating Budget Recommendations

The Committee makes the following recommendations:

- A \$1,000,000 decrease in local funds within DHCF directed to the Office on Aging, as a result of savings identified after reconciling hospital cost reports with previously submitted claim data. (Program 5000, CSG 50, Subsidies and Transfers). The \$1,000,000 in local funds will be transferred to Supportive Residential Facility activity in Office on Aging to enhance its efforts to address deficiencies in senior housing and care through community-based organizations.
- Reduce \$2,300,000 from the federal share of Program 5000, CSG 50, Subsidies and Transfers to match the \$1,000,000 reduction in local funds (as mentioned above).
- A number of reporting requirements to monitor growth trends in various programs and initiatives.

Committee Analysis and Comments

The Committee is pleased that the Mayor's FY15 proposal maintains the District's high coverage levels without any reductions in the nature or scope of the benefits provided in the Medicaid or Alliance programs. The Committee also supports the increase in provider payment rates to match the increasing cost of health care, without comprising reductions in the scope or nature of the benefits provided in either the Medicaid or Alliance programs.

The creation of a new Long Term Care division and additional FTEs will provide a long-needed infusion of services in DHCF's new Long Term Care Division. DHCF has struggled to achieve and maintain adequate staffing levels in its previous Chronic and Long Term Care administration to develop policy and manage beneficiaries enrolled in its fee-for-service and waiver Long-Term Care programs.

The Committee will continue to closely monitor acute and long term care utilization as well as the Alliance program, and has requested that the agency prepare a number of reports to assist the Committee with these efforts. The Committee's specific concerns about these programs are discussed in detail below in the Committee's policy recommendations.

Finally, the Committee recommends the \$1,000,000 reduction from Medicaid provider payments (Program 5000, Activity 5001) based on information provided by the Department, including hospital claims and cost report data. The Committee recommends

diverting these funds to the Office on Aging to assist chronically underfunded organizations that provide affordable housing, home care and other services for older District of Columbia residents.

DHCF-HEALTH CARE DELIVERY MANAGEMENT

The Health Care Delivery Management (HCDM) program ensures that quality services and practices pervade all activities that affect the delivery of health care to beneficiaries served by the District's Medicaid, Children's Health Insurance Program (CHIP) and Alliance programs. HCDM accomplishes this through informed benefit design; use of prospective, concurrent and retrospective utilization management; ongoing program evaluation; and the application of continuous quality measurement and improvement practices in furnishing preventive, acute, and chronic/long-term care services to children and adults through DHCF's managed care contractors and institutional and ambulatory fee-for-service providers.

The division contains the following activities:

- Managed Care Management;
- Preventative and Acute Care (Children's Health Services);
- Division of Quality and Health Outcomes;
- Division of Clinician, Pharmacy and Acute Provider Services; and
- Health Care Delivery Management Support Services.

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$7,257,000 in local funds and 28.0 FTEs to HCDM. This is a \$4,772,000 local funds decrease and a 32.0 FTE decrease from the approved FY14 budget.

Committee Analysis and Comments:

The Committee has no changes to the Mayor's FY15 budget for HCDM.

DHCF-LONG-TERM CARE ADMINISTRATION

The Long Term Care Administration (LTCA) provides oversight and monitoring of programs targeted to elders, persons with physical disabilities, and persons with intellectual and developmental disabilities. Through program development and day-to-day operations, the LTCA also ensures access to needed cost-effective, high-quality extended and long-term care services for Medicaid beneficiaries residing in home and community-based or institutional settings. The office also provides contract management of the long-term care supports and services contract.

The division contains the following activities:

Long-Term Care Supports Services;
Division of Elders and Persons with Physical Disabilities; and
Division of Special Needs Population.

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$5,387,000 in local funds and 41.0 FTEs to LTCA. This is a \$5,387,000 local funds increase and a 41.0 FTE increase from the approved FY14 budget.

Committee Analysis and Comments:

The Committee has no changes to the Mayor's FY15 budget for Long Term Care. As discussed above, the Committee supports the additional FTEs because they will provide the agency with greater oversight capacity, more efficient management of the EPD Waiver, and further the agency's Long Term Care Reform initiative. The majority of the 41 FTEs in the new division were redirected from other divisions within the agency. Seven of the 41 FTEs are new positions. Three management analysts will add to the existing EPD Waiver monitoring team of 3 staff to increase monitoring and oversight efforts for the waiver to meet CMS requirements. Four program/data specialist/analysts – will to serve as liaison to the DCOA/ADRC to project an increase in the workload for managing entry into the EPD Waiver. One will manage the Long Term Care Support Services contract, one will serve as a program specialist for managing Participant Directed Services and the new 1915(i) Adult Day Health Program; and one will serve as management assistant/support staff.

DHCF - HEALTH CARE POLICY AND PLANNING

The Health Care Policy and Planning (HCPP) division maintains the Medicaid and CHIP state plans that govern eligibility, scope of benefits, and reimbursement policies for the District's Medicaid and CHIP programs; develops policy for the Health Care Alliance program and other publicly funded health care programs that are administered or monitored by DHCF based on sound analysis of local and national health care and reimbursement policies and strategies; and ensures coordination and consistency among health care and reimbursement policies developed by the various divisions within DHCF. The division also designs and conducts research and evaluations of health care programs.

The division contains the following activities:

Policy Unit Management;
Data Analysis;
Member Management; and
Health Care Policy and Planning Support.

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$1,292,000 in local funds and 19.0 FTEs to HCPP. This is a \$283,000 local funds increase and a 1.0 FTE decrease from the approved FY14 budget.

Committee Analysis and Comments:

The Committee recommends no changes to the Mayor's proposed FY15 budget for HCPP.

DHCF-HEALTH CARE FINANCE

The division of Health Care Finance provides provider payments for Medicaid providers, public providers, and Health Care Alliance providers, which represents approximately 97% of its total proposed FY15 budget.

The division contains the following activities:

Medicaid Provider Payment;
Medicaid Public Provider Payment; and
Alliance Provider Payment.

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$750,647,000 in local funds and 0.0 FTEs to Health Care Finance. This is a \$65,637,000 local funds increase and a 2.0 FTE decrease from the approved FY14 budget.

Committee Analysis and Comments:

The Committee recommends a \$1,000,000 decrease in local funds for Health Care Finance for expenditures in provider payments (CSG50 (Subsidies and Transfers)). The Committee has identified a savings of \$1,000,000 resulting from variances in claims data against actual cost reporting for certain providers, which will be diverted to the District of Columbia Office on Aging to organizations to provide affordable housing, home care, and other services for District of Columbia residents. These organizations have been underfunded for many years, and the reduction provider payments will have no impact on the benefits and services provided to residents. To reflect the corresponding decrease in of the federal share to CSG50, the Committee also recommends a reduction in \$2,300,000 in federal provider payments.

The Committee has no additional changes to the Mayor's FY15 budget for the Health Care Finance program.

DHCF-HEALTH CARE OPERATIONS

Health Care Operations (HCO) manages the programs that pertain to the payment of claims; the fiscal agent contract, the administrative contracts, and systems and provider enrollment and requirements. The office provides contract management of the Pharmacy Benefits Manager, the Quality Improvement Organization contract, and the MMIS Fiscal Intermediary contract as well as additional administrative contracts.

The division contains the following activities:

Medicaid Information Systems;
Divisions of Program Integrity;
Division of Public and Private Provider Services; and
Health Care Operations Support.

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$10,727,000 in local funds and 47.0 FTEs to HCO. This is a \$1,102,000 local funds decrease and 2.0 FTE increases from the approved FY14 budget.

Committee Analysis and Comments:

The Committee recommends no changes to the Mayor's FY15 budget for HCO.

DHCF -HEALTH CARE INNOVATION AND REFORM

Health Care Innovation and Reform (HCIR) identifies, validates, and disseminates information about new health care models and payment approaches to serve Medicaid beneficiaries seeking to enhance the quality of health and health care and reduce cost through improvement. The division creates and tests new models in clinical care, integrated care and community health, and creates and tests innovative payment and service delivery models, building collaborative learning networks to facilitate the collection and analysis of innovation, as well as the implementation of effective practices, and developing necessary technology to support this activity.

The division contains the following activities:

Affordable Care Act Reform and Grants Development; and
Health Care Reform and Innovative Support Services

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$609,000 in local funds and 9.0 FTEs to HCIR. This is a \$549,000 local funds decrease and no FTE increase from the approved FY14 budget.

Committee Analysis and Comments:

The Committee recommends no changes to the Mayor's FY15 budget for HCIR.

DHCF-AGENCY MANAGEMENT PROGRAM

The Agency Management Program provides administrative support and the required tools to the Department to achieve operational and programmatic results.

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$5,081,000 in local funds and 61.4 FTEs to AMP. This is a \$1,486,000 local funds increase and a 12.4 FTE increase from the approved FY14 budget.

Committee Analysis and Comments:

The Committee has no changes to the Mayor's FY15 budget for AMP.

DHCF -AGENCY FINANCIAL OPERATIONS

The Agency Financial Operations (AFO) program provides comprehensive and efficient financial management services to, and on behalf of, DHCF so that the financial integrity of the agency is maintained.

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$2,462,000 in local funds and 15.0 FTEs to AFO. This is a \$257,000 local funds increase and no FTE increase from the approved FY14 budget.

Committee Analysis and Comments:

The Committee recommends no changes to the Mayor's FY15 budget for AFO.

Fiscal Year 2015 Capital Budget Recommendations

The amount of money that has been allocated to Not-For-Profit Hospital Center (NFPHC) over the past several years has always remained an issue for many members of the Council. Significant sums of money have been dedicated to NFPHC since it was acquired by the District in 2010 and as such, the Council has always closely examined the amount of money the hospital has requested and received.

During the Committee on Health's round of FY15 budget hearings, Councilmember Alexander asked both DHCF and NFPHC a number of questions regarding the \$35,876,000 allocated for it within DHCF's FY15 capital budget. The Committee's first round of questions went to DHCF, whose hearing took place before NFPHC. There the chair asked DHCF for an explanation of how the \$35.9M would be used, who was responsible for the feasibility study and the design, and how would it would be possible to prevent construction of the hospital until an operating partner was located, as this is what the Mayor promised during his press conference announcing his plans for the new \$300M hospital.

DHCF explained that much responsibility remained with the NFPHC Board of Directors, that they were still in the middle of trying to obtain a project manager and that negotiations are on-going so it was "safe to say" a partner would be identified prior to the \$300M construction stage, despite one not already being secured. Councilmember Alexander expressed concern in certifying \$35.9M in FY15 without an operating partner, and proceeded to hold additional questions for NFPHC's budget hearing.

During NFPHC's hearing, Councilmember Alexander asked similar questions to NFPHC, but was given different answers. NFPHC explained that DHCF had provided the committee with wrong answers, that none of the money allocated in FY14 had been spent, that DC officials alone came up with the \$300M amount for constructing a new hospital, that labels on funds such as "Feasibility Study" were actually being spent on other items, and that while partnership conversations had taken place, they could not share with whom they were negotiating.

The answers received from both DHCF and NFPHC have led the committee to believe that while a new hospital may be the route to take, this is not the way to get there. A lack of clarity and consistency has not given the committee the confidence it needs to approve full capital funding for FY15. NFPHC has explained that in FY15, it will need \$59,576,000 in capital needs; \$23,490,917 of this has been dedicated to "New Hospital Development". Because the committee does not feel confident with the answers given regarding these funds, it cannot lend its support to the development of the new hospital.

The committee is recommending that \$11,950,000 in capital funding for NFPHC (Project No. UMC01C) be redirected as follows:

I. Therapeutic Recreational Center: *\$1.5M Capital*

Direct \$1,500,000 in capital funds to the Committee on Transportation and the Environment to send to the Department of Parks and Recreation (DPR) so that it may send it to Therapeutic Recreational Center for upgrades and renovations to the swimming pool, the facility and other therapeutic equipment.

II. Nannie Helen Boroughs Housing Development: *\$1.2M Capital*

Direct \$1.2M to the Committee on Economic Development to the D.C. Housing Department so that it may create a loan to sustain and maintain a 100% affordable housing project in Ward 7 supporting former Lincoln Heights residents under the New Communities initiative.

III. Kelly Miller Tennis Courts: *\$250,000 Capital*

Direct \$250,000 to the Committee on Transportation and the Environment to send to DPR for the restoration of three dilapidated tennis courts and renovation of a new drainage system.

IV. Hillcrest Recreation Center: *\$1M Capital*

Direct \$250,000 to the Committee on Transportation and the Environment to send to DPR for the improvements to pool and fitness equipment.

V. Ward 7 Application-Only School: *\$5M Capital*

Direct \$5,000,000 to the Committee on Education for an application-only school to be located in Ward 7.

VI. Fort Davis Recreation Center: *\$3M Capital*

Direct \$3,000,000 to the Committee on Transportation & the Environment to send to DPR so that it may update the fitness room, athletic field, and basketball and tennis courts at Fort Davis recreation center.

Note: At the time of circulation, the committee report directed \$4.75M to the Washington Humane Society for the purchase of a brand new animal shelter; \$5M to the Washington Tennis & Education Foundation, for repairs to an outdated arena; and \$250,000 to DCPNI in order to renovate a community park. All of this was in addition to

the initiatives noted above. At the committee markup, all of those funds were available to be redirected as outlined, and as such, the committee members voted unanimously to redirect the funds as the chairwoman had outlined. However, one day after the committee voted on the report, the Mayor's budget office removed \$10,000,000 in Pay Go funds from the UMC – East End Medical Center project, which now leaves the Washington Humane Society, the Washington Tennis & Education Foundation and DCPNI Park unfunded. As such, the amount of money that is now redirected from the UMC01-East End Medical Center project is \$11,950,000.

Policy Recommendations and Reporting Requirements

1. **EPSDT Reporting.** EPSDT services include all health care services necessary to identify, correct, and ameliorate defects or chronic conditions in beneficiaries under 21, including mental health services and services within the scope of the Individuals with Disabilities Education Act (IDEA). During the FY12/FY13 oversight and budget proceedings, and again in its FY13/FY14 oversight and budget proceedings, the Committee received testimony from advocates concerned that DHCF has fallen short of ensuring that children are receiving the mental health component of the EPSDT benefit, that current data on utilization and network sufficiency for children's mental health is not readily available or being regularly reviewed, and recommendations that the agency should to a more strategic plan to ensure providers are complying with the law. In its responses to the Committee's advance oversight responses this year, the agency indicated that it made little progress in overseeing the administration of this benefit and how it is reported to the managed care organizations by providers. These reporting failures mean that the agency is unable to track total track total spending on EPSDT services for some time.

The Committee's concerns last year that the fragmented EPSDT system was causing deficiencies in the oversight of the EPDST benefit have not been abated. As such, the Committee will require ongoing reporting from DHCF on the progress of its EPDST enhanced coding and enhanced provider oversight to ensure that the \$866,000 allocation is properly utilized and effective.

2. **EPD Waiver.** The EPD Waiver Program serves residents 65-years or older, or residents that are between the ages of 18-65, have a physical disability, and need community-based services. The Long-Term Care Ombudsman with Legal Counsel for the Elderly, which represents approximately 5,000 residents of long-term care facilities and 3,000 residents receiving long-term care services in their homes through the EPD waiver, and a host of other advocates, presented testimony to the Committee detailing concerns regarding the following: i) unreasonable response times to letters notifying beneficiaries of a spot in the program; ii) inconsistent interpretation and implementation of EPD waiver policies and regulations, including the 24-hour care requirements; iii) difficulty accessing environmental accessibility adaption services; outdated program information; iv) lack of communication with community case managers; v) lengthy delays in the implementation of services for an approved EPD waiver beneficiary; and vi) case managers providing deficient services to beneficiaries and violating program rules.

Last year, multiple issues were raised regarding the length of the enrollment and recertification process, which the agency agreed harbored major problems—and took significant steps to improve in FY14. The agency developed remediation efforts to combat the recertification problem, including: i) contacting each participant losing services to inform them of what they need to do in order to recertify; ii) working collaboratively with the Economic Security Administration (ESA) to develop notices for beneficiaries needing recertification; and iii) training case management agency administrators to be aware of the notices and begin the recertification process for their

assigned beneficiaries, including the provision of a comprehensive written training module to case managers. The efforts have appeared to reduce the number of beneficiaries losing services because of glitches in the recertification process. The agency also undertook extensive training for case managers.

DHCF plans to submit an amendment to its state plan in October 2014 to address a number of these issues, including revamping case management to lift the requirement for only licensed RNs and social workers. With respect to engagement of community case managers, the agency has committed to at least two community forums to engage stakeholders to hear what they would like to see in the new case management structure. Additionally, it plans to look at streamlining the enrollment process to include a one-time comprehensive LTC assessment.

Lastly, the agency has recommended bringing EPD waiver eligibility in-house, due to a number of challenges with the eligibility process through the Economic Security Administration. While the agency has not directly explored this structure, the addition of 7 new FTEs to the new Long Term Care Division will increase monitoring and oversight efforts and manage a better transition of participants into the EPD waiver program. The Committee recommends the Department continue to explore this option throughout FY15 as well as additional repairs to the EPD waiver program.

Although the Committee was optimistic last year that the EPD waiver program issues would be fully abated in FY14 with DHCF's remediation efforts and the addition of staff to the Chronic and Long Term Care division, since concerns remain, the Committee will continue to oversee the planned improvements to the program and will require the agency to report on its progress.

3. Alliance Recertification. The new recertification rules have continued to reduce Alliance enrollment in FY14, but current data provides little insight into the actual effectiveness of the recertification rules as intended. Specifically, DHCF has stated that it is unable to determine whether the reduction reflects beneficiaries for whom it is not possible to meet the recertification requirements, or beneficiaries that do qualify and choose not to recertify. While this is no longer causing unpredictable enrollment, nearly 65% of beneficiaries have not completed the recertification process. Since the new face-to-face recertification requirements demand twice the average wait recertification wait time as Medicaid, the Committee is concerned that eligible beneficiaries are justifiably abandoning the burdensome recertification process and ultimately deterred from enrolling in the program. Numerous witnesses have testified that there are increased wait times at DHS Service Centers that have discouraged eligible persons from enrolling in the program. The Committee recommends that the agency interface with the Department of Human Services and other agencies and determine potential solutions or alternatives to the current process, and determine whether the recertification rules need to be modified. The Committee will also require the agency to reevaluate the Alliance recertification process and prepare a report for Council review.

D. DEPARTMENT OF BEHAVIORAL HEALTH

Operating Budget by Revenue Type	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
DEPARTMENT OF BEHAVIORAL HEALTH					
FEDERAL GRANT FUND	2,689,051	18,310,251	18,539,328	0	18,539,328
FEDERAL MEDICAID PAYMENTS	3,263,759	4,329,879	3,500,000	0	3,500,000
FEDERAL PAYMENTS	0	0	0	0	0
INTRA-DISTRICT FUNDS	15,902,771	11,251,138	18,862,679	0	18,862,679
LOCAL FUND	172,613,462	204,829,672	232,674,160	(816,903)	231,857,257
PRIVATE DONATIONS	30,142	0	288,775	0	288,775
PRIVATE GRANT FUND	81,575	157,243	183,300	0	183,300
SPECIAL PURPOSE REVENUE FUNDS	2,946,310	3,700,000	3,587,829	0	3,587,829
DEPARTMENT OF BEHAVIORAL HEALTH TOTAL	197,527,070	242,578,182	277,636,072	(816,903)	276,819,169

CSG View - Gross Funds	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
DEPARTMENT OF BEHAVIORAL HEALTH					
11 REGULAR PAY - CONT FULL TIME	77,522,028	85,110,255	96,470,470	(642,690)	95,827,780
12 REGULAR PAY - OTHER	5,065,299	5,671,187	6,182,116	0	6,182,116
13 ADDITIONAL GROSS PAY	4,250,526	1,793,400	1,693,400	0	1,693,400
14 FRINGE BENEFITS - CURR PERSONNEL	18,837,117	24,289,298	27,981,451	(174,213)	27,807,238
15 OVERTIME PAY	2,375,245	1,953,107	1,953,107	0	1,953,107
20 SUPPLIES AND MATERIALS	6,462,252	6,993,200	6,042,688	0	6,042,688
30 ENERGY, COMM. AND BLDG RENTALS	1,403,568	2,919,193	3,111,634	0	3,111,634
31 TELEPHONE, TELEGRAPH, TELEGRAM, ETC	1,169,121	1,380,101	940,263	0	940,263
32 RENTALS - LAND AND STRUCTURES	2,351,869	4,838,721	5,520,000	0	5,520,000
33 JANITORIAL SERVICES	0	0	0	0	0
34 SECURITY SERVICES	2,139,296	2,247,171	4,528,294	0	4,528,294
35 OCCUPANCY FIXED COSTS	123,077	443,958	183,287	0	183,287
40 OTHER SERVICES AND CHARGES	12,271,588	14,085,858	14,164,498	0	14,164,498
41 CONTRACTUAL SERVICES - OTHER	32,458,705	34,795,205	48,081,245	0	48,081,245
50 SUBSIDIES AND TRANSFERS	30,385,467	55,149,706	59,805,696	0	59,805,696
70 EQUIPMENT & EQUIPMENT RENTAL	711,910	907,822	977,922	0	977,922
DEPARTMENT OF BEHAVIORAL HEALTH TOTAL	197,527,070	242,578,182	277,636,072	(816,903)	276,819,169

Program View - Gross Funds	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
DEPARTMENT OF BEHAVIORAL HEALTH					
1000 AGENCY MANAGEMENT	14,418,343	16,720,280	16,515,938	(219,368)	16,296,570
100F DMH FINANCIAL OPERATIONS	1,550,900	1,603,897	1,720,441	(3,434)	1,717,007
1800 BEHAVIORAL HEALTH AUTHORITY	6,298,715	6,744,450	7,494,675	(7,190)	7,487,485
3800 SAINT ELIZABETH'S HOSPITAL	83,506,804	83,808,770	91,157,550	(432,693)	90,724,857
4800 BEHAVIORAL HEALTH SERVICES AND SUPPORTS	63,606,179	64,976,166	84,290,021	(130,760)	84,159,261
6800 ADDICTION PREVENTION AND RECOVERY ADMIN	0	39,430,865	41,618,199	(19,116)	41,599,083
7800 BEHAVIORAL HEALTH FINANCING/FEE FOR SERVICE	28,146,195	29,293,755	34,839,249	(4,342)	34,834,907
DEPARTMENT OF BEHAVIORAL HEALTH TOTAL	197,527,137	242,578,182	277,636,072	(816,903)	276,819,169

FY15 FTEs - By Fund Type	FY2014 Approved FTEs	FY2015 FTEs Mayor's Proposed	FY2015 FTEs Committee Variance	FY2015 Committee
DEPARTMENT OF BEHAVIORAL HEALTH				
FEDERAL GRANT FUND	56.0	78.0	0	78
FEDERAL MEDICAID PAYMENTS	2.0	5.0	0	5
FEDERAL PAYMENTS	0.0	0.0	0	0
INTRA-DISTRICT FUNDS	89.6	92.1	0	92
LOCAL FUND	1,139.0	1,174.0	(7)	1,167
PRIVATE DONATIONS	0.0	0.0	0	0
PRIVATE GRANT FUND	0.0	0.0	0	0
SPECIAL PURPOSE REVENUE FUNDS	34.5	32.0	0	32
DEPARTMENT OF BEHAVIORAL HEALTH TOTAL	1,321	1,381	(7)	1,374

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

The mission of the Department of Behavioral Health (DBH) is to support prevention, treatment, resiliency and recovery for District residents with mental health and substance use disorders through the delivery of high-quality, integrated services.

DBH develops, manages and oversees a public behavioral health system for adults, children and youth and their families that is consumer driven, community based, culturally competent and supports prevention, resiliency and recovery and the overall well-being of the District of Columbia. The Department provides prevention, intervention and treatment services and supports for children, youth and adults with mental and/or substance use disorders including emergency psychiatric care and community-based outpatient and residential services.

DBH serves more than 22,000 adults, children and youth and their families each year through a network of community based providers and unique government delivered services. It also operates Saint Elizabeths Hospital—the District’s inpatient psychiatric facility.

The DBH ensures quality of care through its regulation and certification authority as the Single State Agency for substance abuse and mental health.

DBH is organized into the following 7 programs:

- Behavioral Health Authority (BHA)
- Saint Elizabeths Hospital (SEH)
- Behavioral Health Services and Supports (BHSS)
- Addiction Prevention and Recovery Services and Support (APRA)
- Mental Health Financing/Fee-for-Service (MHF)
- Agency Management (AMP)
- Agency Financial Operations (AFO)

b. Mayor’s Proposed Fiscal Year 2015 Operating Budget

Proposed Operating Budget Summary

The Mayor’s proposed FY15 budget proposal included \$277,636,072 in gross operating funds for DBH and 1,381 FTEs. The budget is comprised of \$232,674,160 in Local funds, \$18,539,328 in Federal Grant Funds, \$3,500,000 in Federal Medicaid

Payments, \$183,300 in Private Grant funds, \$3,587,829 in Special Purpose Revenue funds, and \$18,862,679 in Intra-District funds.

Committee Analysis and Comments

The proposed budget reflects a \$14,883,466 increase in Local funds from FY14 for CSFL adjustments. The reasons cited for this increase included personal services such as Fringe Benefit costs and cost-of-living adjustments. Additional increases were seen for Security Services, which, based on projections by the Department of General Services, had been too low in prior years.

The proposed budget also reflects an increase of \$5,000,000 to the Behavioral Health Services and Supports division, to replace funding that was previously supported by capital funds. This money will support affordable housing units for individuals with disabilities through subsidies for private housing. The same division will also receive an increase of \$5,500,000 to support quality of care improvements for individuals with mental illness who live in independent community residential facilities (ICRFs). DBH licenses the ICRFs and refers customers to them. Owners of ICRFs have vocalized their concerns regarding their impending inability to continue to operate these facilities at a discounted rate in today's changing healthcare landscape.

Finally, the Mayor's proposed budget included an additional \$250,000 to support tobacco cessation programs. This is in an effort to support mandates of the Affordable Care Act, which requires tobacco cessation services to be an Essential Health Benefit.

c. Mayor's Proposed Fiscal Year 2015-2019 Capital Budget

Proposed Capital Budget Summary

The Mayor's proposed budget for DBH does not include any capital funds.

2. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2015 Operating Budget Recommendations

The Committee recommends increasing the vacancy savings at the Department of Behavioral Health by \$300,000. The Committee recommends that out of these savings, \$100,000 be redirected to the Department of Health's 'Children, Adolescent and School Health' Activity with the Community Health Administration (Activity 8514) and \$200,000 be redirected to the Department of Health's 'Cancer and Chronic Illness Prevention' Activity (Activity 8502).

The Committee also recommends redirecting the \$516,903 in savings resulting from a reduction of FTEs within Saint Elizabeths, Behavioral Health Services and Agency Management to the Department of Health's 'Cancer and Chronic Illness Prevention' Activity (Activity 8502).

DBH – BEHAVIORAL HEALTH AUTHORITY

The Behavioral Health Authority plans for and develops mental health and substance use disorders services; ensures access to services; monitors the service system; supports service providers by operating DBH's Fee for Service (FFS) system; provides grant funding for services not covered by the FFS system; regulates the providers within the District's public behavioral health system; and identifies the appropriate mix of programs, services, and supports necessary to meet the mental health needs of District residents.

Proposed Operating Budget Summary:

The Mayor's proposed FY15 budget proposal included \$7,494,675 in gross operating funds for DBH and 33.1 FTEs.

Committee Analysis and Recommendations:

The Committee makes no adjustments and recommends approving the operating budget for the Behavioral Health Authority.

DBH – SAINT ELIZABETHS HOSPITAL

Saint Elizabeths Hospital (SEH) provides psychiatric, medical, and psycho-social inpatient psychiatric treatment to adults to support their recovery and return to the community. The Hospital's goal is to maintain an active treatment program that fosters individual recovery and independence as much as possible. In addition, this program manages logistics, housekeeping, building maintenance, and nutritional services at SEH, to ensure the provision of a clean, safe and healthy hospital environment for individuals in care, their families, and staff. The Hospital also ensures staff credentialing and licensing privileges, and provides medication and medical support services to eligible inpatients in order to effectively treat mental illness and enhance recovery. The Hospital is licensed by the District's Department of Health as well as U.S. Department of Health and Human Services (DHHS) Centers for Medicare and Medicaid Services.

Proposed Operating Budget Summary:

The Mayor's proposed FY15 budget proposal included \$91,157,550 in gross operating funds for DBH and 828.5 FTEs.

Committee Analysis and Recommendations:

During the FY15 budget hearing for the Department, the Committee requested information regarding FTEs within DBH including a list of all positions, vacancies and sources of funding for each. SEH's current vacancy rate leads the Committee to believe that many of the 64 vacancies requested for SEH will remain unfilled throughout the year and that savings can be realized.

As such, the Committee recommends the following changes to SEH's proposed operating budget:

- Decrease CSG11, Regular Pay, by \$198,846 and decrease CSG14 to \$53,887. This will result in a total decrease of \$252,733.
- Decrease number of FTEs by 4.

The Committee recommends an FY15 operating budget of \$91,096,118 in gross operating funds and 824.5 FTEs for SEH.

DBH – BEHAVIORAL HEALTH SERVICES AND SUPPORTS

Behavioral Health Services and Supports is responsible for the design, delivery, evaluation, and quality improvement of behavioral health services and support for children, youth, families, adults, and special populations to maximize their ability to lead productive lives.

Proposed Operating Budget Summary:

The Mayor's proposed FY15 budget proposal included \$84,290,000 in gross operating funds for DBH and 325.7 FTEs.

Committee Analysis and Recommendations:

During the FY15 budget hearing for the Department, the Committee requested information regarding FTEs within DBH including a list of all positions, vacancies and sources of funding for each. DBH's current vacancy rate leads the Committee to believe that many vacant positions will remain unfilled throughout the year and that savings can be realized.

As such, the Committee recommends the following changes to Behavioral Health Services's proposed operating budget:

- Decrease CSG11, Regular Pay, by \$47,212 and decrease CSG14 to \$12,794. This will result in a total decrease of \$60,006
- Decrease number of FTEs by 1.

The Committee recommends an FY15 operating budget of \$84,229,994 in gross operating funds and 324.7 FTEs for Behavioral Health Services.

DBH – ADDICTION PREVENTION AND RECOVERY SERVICES AND SUPPORT

The Addiction Prevention and Recovery Services and Support Administration is responsible for the development and delivery of substance use disorders treatment and recovery support services. Prevention services include raising public awareness about the consequences of substance abuse and providing evidence-based program resources to community and faith-based organizations to promote wellness and reduce substance use and abuse. Treatment services include assessment and referrals for appropriate levels of care. Treatment services also include maintenance of a comprehensive continuum of substance abuse treatment services including outpatient, intensive outpatient, residential, detoxification and stabilization, and medication assisted therapy. Recovery support services include wrap-around services to ensure a full continuum of care, such as mentoring services, education skills building, and job readiness training. APRA ensures the quality of these services through its regulation and certification authority as the Single State Agency for substance abuse.

Proposed Operating Budget Summary:

The Mayor's proposed FY15 budget proposal included \$41,618,198 in gross operating funds for DBH and 88 FTEs.

Committee Analysis and Recommendations:

The Committee makes no adjustments and recommends approving the operating budget for Addiction Prevention and Recovery Services.

DBH – MENTAL HEALTH FINANCING/FEE-FOR-SERVICE

Mental Health Financing/Fee-For-Service provides operational assistance and claims adjudication to support the community-based mental health services program.

Proposed Operating Budget Summary:

The Mayor's proposed FY15 budget proposal included \$34,839,249 in gross operating funds for DBH and 20 FTEs.

Committee Analysis and Recommendations:

The Committee makes no adjustments and recommends approving the operating budget for Mental Health Financing/Fee-For-Service.

DBH – AGENCY MANAGEMENT

Agency Management provides for administrative support and the required tools to achieve operational and programmatic results. This division is standard for all agencies using performance-based budgeting.

Proposed Operating Budget Summary:

The Mayor's proposed FY15 budget proposal included \$16,515,938 in gross operating funds for Agency Management and 70 FTEs.

Committee Analysis and Recommendations:

During the FY15 budget hearing for the Department, the Committee requested information regarding FTEs within DBH including a list of all positions, vacancies and sources of funding for each. DBH's current vacancy rate leads the Committee to believe that many vacant positions will remain unfilled throughout the year and that savings can be realized.

As such, the Committee recommends the following changes to Agency Management's proposed operating budget:

- Decrease CSG11, Regular Pay, by \$160,631 and decrease CSG14 to \$43,531. This will result in a total decrease of \$204,162
- Decrease number of FTEs by 2.

The Committee recommends an FY15 operating budget of \$16,311,776 in gross operating funds and 68 FTEs for Agency Management.

DBH – AGENCY FINANCIAL OPERATIONS

Agency Financial Operations provides comprehensive and efficient financial management services to, and on behalf of, District agencies so that the financial integrity of the District of Columbia is maintained. This division is standard for all agencies using performance-based budgeting.

Proposed Operating Budget Summary:

The Mayor's proposed FY15 budget proposal included \$1,720,440 in gross operating funds for Agency Financial Operations and 15.8 FTEs.

Committee Analysis and Recommendations:

The Committee makes no adjustments and recommends approving the operating budget for Agency Financial Operations.

b. Fiscal Year 2015 Capital Budget Recommendations

There are no capital budget recommendations.

c. Policy Recommendations

Based on testimony received during its oversight hearings, the Committee recommends that the Department of Behavioral Health reanalyze its enter/exit procedures at Saint Elizabeths Hospital, and do an evaluation of the company contracted to operate the points of entry at the hospital. The Department testified that it recently changed its exit protocol to require a 100% ID check for every one leaving the campus and trained all security personnel on the new procedure. However, in the most recent incident of patient unauthorized leave, the contract security officer failed to follow the procedure. While unauthorized departures are common from psychiatric hospitals, averaging about one per month nationwide, we want to ensure that the District's psychiatric hospital continues to perform better than national standards. To do so would be in the best interest of the patients and the surrounding community.

Additionally, the Committee also recommends that the Department analyze its employee grievance procedures, especially at Saint Elizabeths. During the hearing an employee of Saint Elizabeths testified that there is no open communication between employees and management. While the committee recognizes that Saint Elizabeths holds monthly staff meetings for the day and evening shifts, and holds a quarterly meeting for all three shifts, we implore the agency to evaluate the effectiveness of these procedures.

E. D.C. OFFICE ON AGING

Operating Budget by Revenue Type	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
OFFICE ON AGING					
FEDERAL GRANT FUND	7,012,772	7,355,559	7,735,721	0	7,735,721
INTRA-DISTRICT FUNDS	1,678,522	2,146,494	2,558,317	0	2,558,317
LOCAL FUND	18,912,091	25,956,561	31,723,922	1,250,000	32,973,922
PRIVATE GRANT FUND	0	0	0	0	0
SPECIAL PURPOSE REVENUE FUNDS	0	0	0	0	0
OFFICE ON AGING TOTAL	27,603,385	35,458,613	42,017,960	1,250,000	43,267,960

CSG View - Gross Funds	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
OFFICE ON AGING					
11 REGULAR PAY - CONT FULL TIME	2,270,624	2,926,729	2,556,533	0	2,556,533
12 REGULAR PAY - OTHER	714,851	1,713,671	2,293,173	0	2,293,173
13 ADDITIONAL GROSS PAY	43,465	0	0	0	0
14 FRINGE BENEFITS - CURR PERSONNEL	527,528	1,274,256	1,343,369	0	1,343,369
15 OVERTIME PAY	0	0	0	0	0
20 SUPPLIES AND MATERIALS	75,517	98,462	119,930	0	119,930
30 ENERGY, COMM. AND BLDG RENTALS	0	0	0	0	0
31 TELEPHONE, TELEGRAPH, TELEGRAM, ETC	17,598	0	0	0	0
32 RENTALS - LAND AND STRUCTURES	0	0	0	0	0
33 JANITORIAL SERVICES	0	0	0	0	0
34 SECURITY SERVICES	0	0	0	0	0
35 OCCUPANCY FIXED COSTS	0	0	0	0	0
40 OTHER SERVICES AND CHARGES	1,108,512	979,518	1,371,726	0	1,371,726
41 CONTRACTUAL SERVICES - OTHER	5,239,154	9,854,798	9,155,271	0	9,155,271
50 SUBSIDIES AND TRANSFERS	17,516,744	18,511,179	25,077,958	1,250,000	26,327,958
70 EQUIPMENT & EQUIPMENT RENTAL	89,392	100,000	100,000	0	100,000
OFFICE ON AGING TOTAL	27,603,385	35,458,613	42,017,960	1,250,000	43,267,960

Program View - Gross Funds	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
OFFICE ON AGING					
1000 AGENCY MANAGEMENT SERVICES	3,305,697	4,671,077	7,571,868	0	7,571,868
9200 CONSUMER INFO., ASSISTANCE & OUTREACH	2,349,059	3,363,494	3,666,578	0	3,666,578
9300 INHOME & CONTINUING CARE PROGRAM	6,066,816	6,431,180	6,431,180	0	6,431,180
9400 COMMUNITY BASED SUPPORT PROGRAM	15,833,147	20,992,861	24,348,334	1,250,000	25,598,334
9960 YR END CLOSE	48,667	0	0	0	0
OFFICE ON AGING TOTAL	27,603,385	35,458,613	42,017,960	1,250,000	43,267,960

FY15 FTEs - By Fund Type	FY2014 Approved FTEs	FY2015 FTEs Mayor's Proposed	FY2015 FTEs Committee Variance	FY2015 Committee
OFFICE ON AGING				
FEDERAL GRANT FUND	10.5	10.0	0.0	10.0
INTRA-DISTRICT FUNDS	16.0	20.0	0.0	20.0
LOCAL FUND	39.5	33.0	0.0	33.0
PRIVATE GRANT FUND	0.0	0.0	0.0	0.0
SPECIAL PURPOSE REVENUE FUNDS	0.0	0.0	0.0	0.0
OFFICE ON AGING TOTAL	66.0	63.0	0.0	63.0

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

The mission of the District of Columbia Office on Aging (DCOA) is to advocate, plan, implement, and monitor programs in health, education, employment, and social services that promote longevity, independence, dignity, and choice for older District residents.

DCOA provides consumer information, assistance, outreach, and employment/training services for District seniors, people living with disabilities, and caregivers so that they can be better informed about aging issues, live a quality life, and maintain their independence. The agency also offers home health, adult day care, nutrition, case management, residential facilities, elder rights assistance, health promotion, wellness, counseling, legal, recreation, transportation, and caregiver services for District residents to allow older residents an opportunity to remain at home and in the community for as long as possible.

DCOA is organized into the following programs:

- Consumer Information, Assistance and Outreach
- In-Home and Continuing Care
- Community-Based Support
- Agency Management

b. Mayor's Proposed Fiscal Year 2015 Operating Budget

Proposed Operating Budget Summary

The Mayor's proposed FY15 budget proposal included \$42,017,960 in gross operating funds for DCOA and 63 FTEs. The budget is comprised of \$31,723,922 in Local funds, \$7,735,721 in Federal Grant Funds, and \$2,558,317 in Intra-District funds.

Committee Analysis and Comments

DCOA's proposed FY15 budget reflects a \$6,559,000 increase from FY14. While the local fund was reduced by \$370,544 due to the elimination of 12 part-time social worker positions, the Mayor included a \$2,000,000 increase to DCOA's budget to enhance programs for seniors and increase access to wellness centers. An additional \$455,800 was also provided to support the Community Supplemental Food program and \$250,000 was provided to support the Age-Friendly City Initiative.

Federal grant funding was increased by \$626,392 to support the Supplies and Materials in the Agency Management Program and \$82,214 went to the maintenance of the Aging and Disability Resource Center's (ADRC) website.

The Committee has been approached by many individuals regarding a lack of funding for community-based programs for seniors. Service network providers, who provide critical services such as affordable housing, adult day health programs and homecare for older residents, have explained that they are in risk of having to shut down and stop their services due to their inability to receive the necessary amounts of funding needed to provide their services to the community.

c. Mayor's Proposed Fiscal Year 2015-2019 Capital Budget

Proposed Capital Budget Summary

The Mayor's proposed budget for DCOA does not include any capital funds.

2. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2015 Operating Budget Recommendations

The Committee recommends a \$1,250,000 increase to DCOA's Community-Based Support program from the Mayor's FY15 proposal. \$1,000,000 of this increase is needed to support service network providers who provide critical services to the population served by DCOA. The additional \$250,000 is to increase funding for senior transportation services.

DCOA – CONSUMER INFORMATION, ASSISTANCE AND OUTREACH

Consumer Information, Assistance and Outreach provides information and assistance, special events, training, education, and employment services for District residents and caregivers so that they can be better informed about aging issues and maintain their independence.

Proposed Operating Budget Summary:

The Mayor's proposed FY15 budget proposal included \$3,666,578 in gross operating funds for Consumer Information, Assistance and Outreach and 20 FTEs.

Committee Analysis and Recommendations:

The Committee makes no adjustments and recommends approving the operating budget for Consumer Information, Assistance and Outreach as proposed.

DCOA – IN-HOME AND CONTINUING CARE

In-Home and Continuing Care provides homemaker assistance, day care, nutrition, case management services, and caregiver support to allow older residents to age in place, in their own home.

Proposed Operating Budget Summary:

The Mayor's proposed FY15 budget proposal included \$6,431,180 in gross operating funds for Agency Financial Operations and 0 FTEs.

Committee Analysis and Recommendations:

The Committee makes no adjustments and recommends approving the operating budget for In-Home and Continuing Care as proposed.

DCOA – COMMUNITY-BASED SUPPORT

Community Based Support provides residential facilities, elder rights assistance, health promotion, wellness, counseling, legal services, transportation, and recreation activities for District residents who are 60 years of age or older so that they can live independently in the community and minimize institutionalization.

Proposed Operating Budget Summary:

The Mayor's proposed FY15 budget proposal included \$24,348,333 in gross operating funds for Community Based Support and 6 FTEs.

Committee Analysis and Recommendations:

During the FY15 budget hearing, the committee was told by the majority of witnesses who testified that D.C.'s senior service network is in need of funding. The senior service network provides critical services for seniors, such as housing, adult day health programs, and home care, to name a few. These groups provide support to individuals, families and the city. They are a critical alternative to institutional care and equate to major cost savings for the District. Unfortunately, rising costs, an increased population of older residents and little grant increases have made it difficult for these programs to persist and many are now faced with the threat of having to close their doors.

As such, the Committee recommends \$25,598,333 in gross operating funds for Community-Based Support (Program, 9400, Activity 9450). This is a \$1,250,000 increase from the Mayor's FY15 proposal. This increase is needed to support service network providers who provide critical services to the population served by DCOA as well as to support senior transportation services. This increase is a result of a transfer of \$1,000,000 from the Department of Health Care Finance, as a result of savings identified in expenditures previously budgeted for local HSCN provider payments. (CSG 50, Subsidies and Transfers) and a \$250,000 transfer from the Committee on Transportation and the Environment, who recognized the greater demand and higher staffing costs that DCOA's senior transportation services were facing.

DCOA – AGENCY MANAGEMENT

Agency Management provides for administrative support and the required tools to achieve operational and programmatic results. This program is standard for all agencies using performance-based budgeting.

Proposed Operating Budget Summary:

The Mayor's proposed FY15 budget proposal included \$7,571,868 in gross operating funds for Agency Management and 37 FTEs.

Committee Analysis and Recommendations:

The Committee makes no adjustments and recommends approving the operating budget for Agency Management.

b. Fiscal Year 2015 Capital Budget Recommendations

There are no capital budget recommendations.

c. Policy Recommendations

There are no policy recommendations.

F. NOT-FOR-PROFIT HOSPITAL CORPORATION

Operating Budget by Revenue Type	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
NOT FOR PROFIT HOSPITAL CORPORATION					
ENTERPRISE AND OTHER FUNDS	0	0	112,000,000	0	112,000,000
LOCAL FUND	0	0	0	0	0
SPECIAL PURPOSE REVENUE FUNDS	0	110,000,000	0	0	0
NOT FOR PROFIT HOSPITAL CORPORATION TOTAL	0	110,000,000	112,000,000	0	112,000,000

CSG View - Gross Funds	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
NOT FOR PROFIT HOSPITAL CORPORATION					
50 SUBSIDIES AND TRANSFERS	0	110,000,000	112,000,000	0	112,000,000
NOT FOR PROFIT HOSPITAL CORPORATION TOTAL	0	110,000,000	112,000,000	0	112,000,000

Program View - Gross Funds	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
NOT FOR PROFIT HOSPITAL CORPORATION					
1000 NOT FOR PROFIT HOSPITAL CORPORATION	0	110,000,000	112,000,000	0	112,000,000
NOT FOR PROFIT HOSPITAL CORPORATION TOTAL	0	110,000,000	112,000,000	0	112,000,000

FY15 FTEs - By Fund Type	FY2014 Approved FTEs	FY2015 FTEs Mayor's Proposed	FY2015 FTEs Committee Variance	FY2015 Committee
NOT FOR PROFIT HOSPITAL CORPORATION				
ENTERPRISE AND OTHER FUNDS	0	0	0	0
LOCAL FUND	0	0	0	0
SPECIAL PURPOSE REVENUE FUNDS	0	0	0	0
NOT FOR PROFIT HOSPITAL CORPORATION TOTAL	0	0	0	0

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

The mission of the Not-For-Profit Hospital Corporation (NFPHC) is dedicated to the health and well-being of individuals and communities entrusted to its care. NFPHC will be an efficient, high value, patient-focused provider of high-quality healthcare to improve the lives of District residents. It employs innovative approaches that yield excellent experiences and will empower healthcare professionals as they work to care for their patients. It will pursue this vision through collaboration with other providers and as part of a larger District-based delivery system.

NFPHC, commonly known as United Medical Center and United Medical Nursing Center, is an independent District instrumentality, created by legislation adopted by the Council of the District of Columbia. It provides inpatient, outpatient, psychiatric, and emergency care, and managing a skilled nursing facility (SNF). NFPHC is located east of the Anacostia River in the Southeastern section of Washington, D.C. Its primary service market includes residents of Wards 7 and 8 and the state of Maryland's Prince George's County. Approximately 80 percent of United Medical Center's hospital admissions were paid for by the public programs Medicare or Medicaid.

NFPHC is governed by a 14-member board of directors, 11 of whom are voting members and three of whom are non-voting members. Six members are appointed by the Mayor and three members are appointed by the Council of the District of Columbia. The Chief Financial Officer of the District, or his or her designee, and a representative of the entity maintaining the largest collective bargaining agreement with the corporation serve as ex officio voting members. The Chief Executive Officer and Chief Medical Officer of NFPHC and the President of the District of Columbia Hospital Association serve as non-voting ex officio members.

NFPHC, unlike certain other District Enterprise and Other Funds such as the Washington Convention and Sports Authority and the University of the District of Columbia, does not receive a regular subsidy from General Fund taxes. Therefore, the hospital is expected to operate using its own revenue sources.

b. Mayor's Proposed Fiscal Year 2015 Operating Budget

Proposed Operating Budget Summary

The Mayor proposed \$112,000,000 for NFPHC in FY15. This is a 1.8% increase from FY2014. The Mayor proposed 0.0 FTEs for FY15.

Committee Analysis and Comments

The Not-For-Profit Hospital Corporation (NFPHC) operates through Enterprise Funds and funds raised through Hospital patient and SNF resident operations. Huron Healthcare, which was awarded a two-year contract in 2013, continues to regulate the hospital's operations and implement a strategic plan to get UMC in proper financial order. This year, NFPHC received an increase of \$2M higher than what it requested in FY14. In FY14, there was a \$22M increase over what was requested in FY13. The committee views this as a sign of the hospital's great financial improvement.

c. Mayor's Proposed Fiscal Year 2015-2019 Capital Budget

Proposed Capital Budget Summary

The Mayor allocates no funding in the capital budget for NFPHC.

2. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2015 Operating Budget Recommendations

The Committee makes no changes to the Mayor's proposed FY15 operating budget for NFPHC. In addition, the Committee recommends 0 FTEs, which is no change from the Mayor's request.

b. Policy Recommendations

The Committee recommends the continued use of Budget Support Act language that requires the Not-For-Profit Hospital to submit a bi-monthly report to the Council regarding the work and progress made by Huron Healthcare. Due to the extensive work that is being performed by the consulting company, as well as the large investment the city has made for their services, the Committee believes it would be in the best interest of the Council to continue presenting the Council with a bi-monthly report regarding the work, progress, and issues surrounding Huron's turnaround of the Not-For-Profit Hospital.

G. OFFICE OF THE DEPUTY MAYOR FOR HEALTH AND HUMAN SERVICES

Operating Budget by Revenue Type	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
DEPUTY MAYOR FOR HEALTH & HUMAN SERVICES					
LOCAL FUND	855,482	1,945,119	1,171,975	0	1,171,975
DEPUTY MAYOR FOR HEALTH & HUMAN SERVICES TOTAL	855,482	1,945,119	1,171,975	0	1,171,975

CSG View - Gross Funds	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
DEPUTY MAYOR FOR HEALTH & HUMAN SERVICES					
11 REGULAR PAY - CONT FULL TIME	507,956	600,000	749,451	0	749,451
12 REGULAR PAY - OTHER	0	0	0	0	0
13 ADDITIONAL GROSS PAY	2,346	0	0	0	0
14 FRINGE BENEFITS - CURR PERSONNEL	96,292	138,600	158,506	0	158,506
20 SUPPLIES AND MATERIALS	9,886	9,001	12,816	0	12,816
31 TELEPHONE, TELEGRAPH, TELEGRAM, ETC	4,390	7,146	13,153	0	13,153
40 OTHER SERVICES AND CHARGES	37,101	22,372	29,472	0	29,472
41 CONTRACTUAL SERVICES - OTHER	194,910	1,165,000	198,564	0	198,564
70 EQUIPMENT & EQUIPMENT RENTAL	2,601	3,000	10,013	0	10,013
DEPUTY MAYOR FOR HEALTH & HUMAN SERVICES TOTAL	855,482	1,945,119	1,171,975	0	1,171,975

Program View - Gross Funds	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
DEPUTY MAYOR FOR HEALTH & HUMAN SERVICES					
1000 AGENCY MANAGEMENT PROGRAM	606,594	738,600	907,957	0	907,957
2000 HUMAN SUPPORT SERVICES	248,888	1,206,519	264,018	0	264,018
DEPUTY MAYOR FOR HEALTH & HUMAN SERVICES TOTAL	855,482	1,945,119	1,171,975	0	1,171,975

FY15 FTEs - By Fund Type	FY2014 Approved FTEs	FY2015 FTEs Mayor's Proposed	FY2015 FTEs Committee Variance	FY2015 Committee
DEPUTY MAYOR FOR HEALTH & HUMAN SERVICES				
LOCAL FUND	6.0	8.0	0.0	8.0
DEPUTY MAYOR FOR HEALTH & HUMAN SERVICES TOTAL	6.0	8.0	0.0	8.0

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

The mission of the Office of the Deputy Mayor for Health and Human Services (DMHHS) is to support the Mayor in coordinating a comprehensive system of benefits, goods and services across multiple agencies to ensure that children, youth and adults, with and without disabilities, can lead healthy, meaningful, and productive lives.

The DMHHS manages the Human Support Services program through the provision of leadership for policy and planning; government relations; and communication and community relations for the agencies under its jurisdiction, including:

- Child and Family Services (CFSA)
- Department of Behavioral Health (DBH)
- Department on Disability Services (DDS)

- Department of Health (DOH)
- Department of Health Care Finance (DHCF)
- Department of Human Services (DHS)
- Department of Parks and Recreation (DPR)
- Department of Youth Rehabilitation Services (DYRS)
- Office on Disability Rights (ODR)
- Office on Aging (DCOA)
- Children and Youth Investment Trust Corporation (CYITC)

The Office of the Deputy Mayor for Health and Human Services operates through the following 2 programs:

- Human Support Services
- Agency Management

b. Mayor's Proposed Fiscal Year 2015 Operating Budget

Proposed Operating Budget Summary

The Mayor's proposed FY15 operating budget for DMHHS includes \$1,171,975 in gross operating funds and 8 FTEs. This reflects a decrease of 39.7%, but an increase of 2 FTEs from FY15. All funding for the DMHHS is local.

Committee Analysis and Comments

The major change to the DMHHS budget for FY15 was the decrease of \$1,000,000 that previously supported the PASS/Truancy program that was put in place last year. Since then, that program has been transferred to the Department of Human Services (DHS). Other changes to the DMHHS budget for FY15 include an increase of \$178,390 and 2.0 FTEs in the Agency Management Program, which includes support to create a Real Property Tax Ombudsman and two new AmeriCorps positions.

c. Mayor's Proposed Fiscal Year 2015-2019 Capital Budget

Proposed Capital Budget Summary

The Mayor did not request capital budget funds for DMHHS.

2. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2015 Operating Budget Recommendations

The Committee recommends no changes to the Mayor's FY15 budget for DMHHS.

b. Fiscal Year 2015 Capital Budget Recommendations

Mayor's proposed FY15 budget contains no funding for DMHHS.

c. Policy Recommendations

The committee has no policy recommendations for DMHHS.

H. HEALTH BENEFIT EXCHANGE AUTHORITY

Operating Budget by Revenue Type	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
D.C HEALTH BENEFIT EXCHANGE AUTHORITY					
ENTERPRISE AND OTHER FUNDS	0	0	28,751,244	0	28,751,244
LOCAL FUND	0	0	0	0	0
SPECIAL PURPOSE REVENUE FUNDS	10,914,705	66,140,499	0	0	0
D.C HEALTH BENEFIT EXCHANGE AUTHORITY	10,914,705	66,140,499	28,751,244	0	28,751,244

CSG View - Gross Funds	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
D.C HEALTH BENEFIT EXCHANGE AUTHORITY					
11 REGULAR PAY - CONT FULL TIME	1,579,649	3,945,785	5,762,395	0	5,762,395
12 REGULAR PAY - OTHER	0	0	393,994	0	393,994
13 ADDITIONAL GROSS PAY	23,216	0	0	0	0
14 FRINGE BENEFITS - CURR PERSONNEL	196,038	907,530	1,477,533	0	1,477,533
15 OVERTIME PAY	2,075	0	0	0	0
20 SUPPLIES AND MATERIALS	14,471	21,600	19,500	0	19,500
31 TELEPHONE, TELEGRAPH, TELEGRAM, ETC	50,073	0	67,903	0	67,903
32 RENTALS - LAND AND STRUCTURES	0	780,000	1,588,000	0	1,588,000
35 OCCUPANCY FIXED COSTS	0	0	0	0	0
40 OTHER SERVICES AND CHARGES	50,719	131,326	2,356,589	0	2,356,589
41 CONTRACTUAL SERVICES - OTHER	8,534,314	45,079,358	17,060,330	0	17,060,330
50 SUBSIDIES AND TRANSFERS	464,150	15,200,000	0	0	0
70 EQUIPMENT & EQUIPMENT RENTAL	0	74,900	25,000	0	25,000
D.C HEALTH BENEFIT EXCHANGE AUTHORITY	10,914,705	66,140,499	28,751,244	0	28,751,244

Program View - Gross Funds	FY 2013 Actual	FY 2014 Approved	FY 2015 Mayor's Proposed	FY2015 Committee Variance	FY 2015 Committee Proposed
D.C HEALTH BENEFIT EXCHANGE AUTHORITY					
1000 AGENCY MANAGEMENT PROGRAM	10,789,705	48,710,912	16,814,774	0	16,814,774
100F AGENCY FINANCIAL OPERATIONS	0	955,937	666,079	0	666,079
2000 PLAN MANAGEMENT PROGRAM	55,000	243,168	5,918,719	0	5,918,719
3000 ELIGIBILITY AND ENROLLMENT PROGRAM	20,000	243,168	2,697,517	0	2,697,517
4000 S.H.O.P. OPERATIONS PROGRAM	20,000	243,168	373,176	0	373,176
5000 CONSUMER EDUCATION AND OUTREACH PROGRAM	0	15,200,000	1,478,954	0	1,478,954
6000 BUSINESS DEVELOPMENT PROGRAM	30,000	544,147	802,025	0	802,025
D.C HEALTH BENEFIT EXCHANGE AUTHORITY	10,914,705	66,140,499	28,751,244	0	28,751,244

FY15 FTEs - By Fund Type	FY2014 Approved FTEs	FY2015 FTEs Mayor's Proposed	FY2015 FTEs Committee Variance	FY2015 Committee
D.C HEALTH BENEFIT EXCHANGE AUTHORITY				
ENTERPRISE AND OTHER FUNDS	0.0	54.0	0	54.0
LOCAL FUND	0.0	0.0	0	0.0
SPECIAL PURPOSE REVENUE FUNDS	37.0	0.0	0	0.0
D.C HEALTH BENEFIT EXCHANGE AUTHORITY	37.0	54.0	0.0	54.0

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

The mission of the D.C. Health Benefit Exchange Authority is to implement a health care exchange program in the District of Columbia in accordance with the Patient Protection and Affordable Care Act (PPACA), thereby ensuring access to quality and affordable health care to all District of Columbia residents.

DBHX is organized into the following 7 programs:

- Plan Management
- Eligibility and Enrollment
- SHOP Operations
- Consumer Education and Assistance
- Business Development
- Agency Management
- Agency Financial Management

b. Mayor’s Proposed Fiscal Year 2015 Operating Budget

Proposed Operating Budget Summary

The Mayor’s proposed FY15 budget proposal included \$28,751,244 in gross operating funds for DBHX and 54.0 FTEs. This represents a 56.5% decrease of \$37,389,255 and 17.0 FTE increase from the FY14 approved budget and financial plan. There are several components to the agency’s net decrease of \$37,389,255 that highlight several funding reallocations, including a decrease of \$28,019,028 in contractual services as a result of the elimination of start-up costs associated with the establishment of the Exchange in FY14.

Committee Analysis and Comments

The agency’s FY14 budget was comprised entirely of Special Purpose Revenue funds generated from the Department of Health Care Finance Health Care Reform and Innovation sub-grant. To satisfy the federal requirement that state-based exchanges be self-sustaining by January 1, 2015, the agency intends to conduct a broad-based assessment of insurance health carriers in the District with gross receipts of \$50,000 or more in the preceding fiscal year to fund its proposed budget and financial plan.¹ This anticipated revenue will be reflected in a new appropriated fund reserved for Enterprise and Other funds.

The proposed FY15 budget and financial plan includes approximately \$7.63 million in funding for personnel services, \$4.23 million for general operations and other support, and \$14.46 million to support critical systems and functions that are required for all state-based exchanges by the Affordable Care Act, including the following:

DCHealthlink Marketplace and Related IT Functions. 8.5 million allocated in the FY15 proposed budget and financial plan to support IT consultants, operations and maintenance costs, and premium aggregation services as required by the Affordable Care Act;

¹ Due to the overlap between the start of FY15 and the beginning of the calendar year when self-sustainability is required, the agency will carry over a modest sum (approximately \$4,000,000) of federal grant funds into the beginning of F15.

Contact Center. \$5.35 million allocated to support the contact center that is required by the Affordable Care Act, as well as language support, rent, and software licenses;

Administrative Hearings. \$450,000 for eligibility consulting and an MOU with the Office of Administrative Hearings to handle eligibility appeals;

Fixed Costs. \$2.3 million in fixed costs including a standard information technology assessment, telephones, and office space. The Department of General Services has projected the agency's Fixed Cost estimate for rent to increase by \$808,000 primarily due to the call center and the administrative office, and telecommunication to increase by \$67,903;

Other operating. \$2.23 million allocated for services provided by various District agencies, including the Economic Security Administration (to perform eligibility and enrollment determinations), DHCR (personnel administration), and DISB; \$776,000 allocated for CAFR and compliance audit services, financial and risk management systems, liability insurance, insurance bonds, equipment and general office supplies; and \$400,000 allocated to actuarial rate review services and legal services; and

Marketing and Communication. \$569,000 allocated to resources to market the exchange and conduct community outreach.

The proposed budget and financial plan also includes funding for 17 new FTEs. Based on testimony submitted by the Authority during its oversight hearings, 8 of these new positions reflect services that are currently rendered by paid consultants. Reclassifying these positions as in-house FTEs is largely a cost-saving measure. Seven new positions are proposed to handle member services, which is a need that the Authority identified during the enrollment period. The 2 remaining positions fund contract support staff.

ELIGIBILITY AND ENROLLMENT

The Eligibility and Enrollment program provides a seamless, web-based eligibility process for enrollment in the qualified health plans available through the Health Benefit Exchange, as well as Medicaid and other government assistance programs in the District.

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$2,698,000 in enterprise and other funds and 2.0 FTEs to Eligibility and Enrollment. This is a \$2,454,000 overall increase and no FTE increase from the approved FY14 budget, which was funded entirely through special purpose revenue.

Committee Analysis and Comments:

The Committee recommends no changes to the Mayor's FY15 budget for Eligibility and Enrollment.

CONSUMER EDUCATION AND ASSISTANCE

The Consumer Education and Assistance program informs residents about the Health Benefit Exchange, the health coverage options available through it, and the benefits of purchasing coverage through the Exchange; provides ease of access to various health plans through an on-line information and enrollment system; and assists individuals with eligibility for premium subsidies, cost-sharing reductions, as well as whether they may be eligible for Medicaid or other public benefit programs.

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$1,479,000 in enterprise and other funds and 2.0 FTEs to AMP. This is a \$13,721,000 overall decrease and a 2.0 FTE increase from the approved FY14 budget, which was funded entirely through special purpose revenue.

Committee Analysis and Comments:

The Committee recommends no changes to the Mayor's FY15 budget for the Consumer Education and Assistance division.

PLAN MANAGEMENT

The Plan Management program works in conjunction with local and federal regulatory bodies, establishes and oversees the process to certify, recertify, and decertify qualified health plans available on the Exchange, assigns quality ratings to each qualified health plan, and applies the ratings for certification.

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$5,919,000 in enterprise and other funds and 4.0 FTEs to Plan Management. This is a \$5,676,000 overall increase from FY14 and a 2.0 FTE increase from the approved FY14 budget, which was funded entirely through special purpose revenue.

Committee Analysis and Comments:

The Committee recommends no changes to the Mayor's FY15 budget for Plan Management.

SHOP OPERATIONS

The SHOP Operations program provides support to the Small Business Health Options Program (SHOP) exchange by facilitating the purchase of coverage in qualified health plans for employees of small businesses with 2 to 50 employees that choose to purchase coverage through the D.C. Health Benefit Exchange, and conducting employer eligibility appeals.

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$373,000 in enterprise and other funds and 3.0 FTEs to SHOP Operations. This is a \$130,000 overall increase and a 1.0 FTE increase from the approved FY14 budget, which was funded entirely through special purpose revenue.

Committee Analysis and Comments:

The Committee recommends no changes to the Mayor's FY15 budget for SHOP Operations.

BUSINESS DEVELOPMENT

The Business Development program promotes economic development through marketing initiatives and establishing new business relationships that ensure District residents have access to a broad range of affordable, easily accessible and diverse health care options.

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$802,000 in enterprise and other funds and 5.0 FTEs to Business Development. This is a \$258,000 overall increase and 1.0 FTE increase from the approved FY14 budget, which was funded entirely through special purpose revenue.

Committee Analysis and Comments:

The Committee has no changes to the Mayor's FY15 budget for Business Development.

AGENCY MANAGEMENT

The Agency Management program provides for administrative support and the required tools to achieve operational and programmatic results.

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$16,815,000 in enterprise and other funds and 34.0 FTEs to Agency Management. This is a \$31,896,000 overall decrease and 13.0 FTE increase from the approved FY14 budget, which was funded entirely through special purpose revenue.

Committee Analysis and Comments:

The Committee has no changes to the Mayor's FY15 budget for Agency Management.

AGENCY FINANCIAL MANAGEMENT

The Agency Financial Management program provides comprehensive and efficient financial management services to, and on behalf of, District agencies so that the financial integrity of the District of Columbia is maintained.

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$666,000 in enterprise and other funds and 4.0 FTEs to Agency Financial Management. This is a \$290,000 overall decrease and a 2.0 FTE decrease from the approved FY14 budget, which was funded entirely through special purpose revenue.

Committee Analysis and Comments:

The Committee has no changes to the Mayor's FY15 budget for Agency Financial Management.

c. Mayor's Proposed Fiscal Year 2015-2019 Capital Budget

Proposed Capital Budget Summary

The Mayor FY15 proposed budget contains no capital funding for DHBX.

Committee Analysis and Comments

The Mayor's FY15 proposed budget contains no capital funding for DHBX.

2. COMMITTEE RECOMMENDATIONS

The Committee recommends no change to the Mayor's proposed operating budget for DHBX.

Policy Recommendations

Reduction in Uninsured Populations in the District. To date, the Exchange has been unable to ascertain the number of uninsured persons in the District who obtained insurance through the Exchange, as well as the number of persons that have yet to be reached. The primary goal of the Affordable Care Act is to ensure all have access to quality, affordable health care through insurance reforms and the establishment of health care exchanges—and this lack of information simply prevents the Exchange from determining whether this goal has been successfully accomplished and if not, from using resources efficiently to conduct targeted outreach and reach those who have not yet enrolled. According to testimony from the Exchange Executive Board during performance and budget oversight hearings, the Authority is in the process of conducting surveys to determine these numbers and otherwise intends to concentrate its efforts on

total enrollment of uninsured populations in FY15. The Committee will require the Authority to submit this data as well as data on the number of uninsured, and comprehensive recommendations for outreach and enrollment.

Interagency Coordination. The Committee received numerous complaints during FY14 regarding unnecessary and confusing delays in eligibility and enrollment processes conducted in partnership with the Economic Security Administration, including Medicaid eligibility and enrollment, and identity verification services. Consumers faced staffing and resource shortages that led to long wait times, delayed processing of benefit renewals, and improper terminations of benefits. While the Committee supports the Authority's continued partnership with ESA, it is concerned that the funding stream to support these activities is not appropriately matched with quality services that benefit District residents and further the Authority's goal of providing quality, affordable health coverage to all. The Committee strongly recommends that the Authority work closely with ESA to develop policies that better serve the District to ensure that this issue is fully abated in FY15.

Assessment of the In-Person Assistor Program. In FY14, the Authority used federal grants to fund its In-Person Assistor program to provide community-based enrollment and education assistance through the end of 2014, and the proposed FY15 budget and financial plan includes funding for two Navigator positions to carry on this effort. The Committee recommends the Authority continue to monitor the demand for in-person assistance through the next open enrollment period to determine whether the program needs to be expanded, and directs the Authority to prepare an assessment of the In-Person Assistor program and a recommendation on the continuation of the program in future years.

Proposed Timing for Financial Sustainability Assessment. The Committee also recommends that the Authority review the timing of its annual assessment in conjunction with any notice and due process requirements, and explore the practicality of moving it closer to the start of the fiscal year that it is intended to fund.

III. FISCAL YEAR 2015 BUDGET REQUEST ACT APPROPRIATION LANGUAGE RECOMMENDATIONS

On Thursday, April 03, 2014, Chairman Mendelson introduced, on behalf of the Mayor, the “Fiscal Year 2015 Budget Request Act of 2014” (Bill 20-0749). The Committee recommends the following adjustments.

TITLE III--DISTRICT OF COLUMBIA FUNDS - - DIVISION OF EXPENSES OPERATING EXPENSES

Human Support Services

(3) Department of Behavioral Health. ~~-\$258,773,000~~ \$257,956,097 (including ~~\$232,674,000~~ \$231,857,097 from local funds, \$18,539,328 from Federal grant funds, \$3,500,000 from Medicaid payments, \$288,775 from other funds, and \$183,300 from private funds); provided, that all funds deposited into the APRA - Choice in Drug Treatment (HCSN) Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; in addition to the funds otherwise appropriated under this Act, the Department of Behavioral Health may expend any funds that are or were paid by the United States Virgin Islands to the District in fiscal year 2014 or fiscal year 2015 to compensate the District for care previously provided by the District to patients at the St. Elizabeths hospital and are not otherwise appropriated under this Act; provided, that the availability of the funds is certified by the Chief Financial Officer before any expenditure; provided further, that the funds shall be expended in a manner determined by the Director of the Department of Behavioral Health;

(4) Department of Health. ~~-\$219,917,000~~ \$220,733,903 (including ~~\$76,306,000~~ \$77,199,209 from local funds, \$126,218,633 from Federal grant funds, \$12,392,763 from other funds, and \$5,000,000 from funds previously appropriated in this Act under the heading “Federal Payment for HIV/AIDS Prevention”); provided, that all funds deposited into the Health Professional Recruitment Fund (Medical Loan Repayment) are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the Board of Medicine Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the Pharmacy Protection Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the SHPDA Fees Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the Civic Monetary Penalties Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the SHPDA Admission Fee Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the ICF/MR Fees & Fines are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the

Human Services Facility Fee Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended;

(6) Office on Aging. ~~-\$39,460,000~~ \$40,710,000 (including ~~\$31,724,000~~ \$32,974,000 from local funds and \$7,735,721 from Federal grant funds);

(16) Department of Health Care Finance. ~~-\$2,838,381,000~~ \$2,835,081,000 (including ~~\$783,431,000~~ \$782,431,000 from local funds (including \$65,828,516 from dedicated taxes), \$2,093,000 from Federal grant funds, ~~\$2,049,225,000~~ \$2,046,925,000 from Medicaid payments, and \$2,092,662 from other funds); provided, that all funds deposited into the Healthy DC Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the Nursing Homes Quality of Care Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the Stevie Sellow's Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the Medicaid Collections-3rd Party Liability Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the Bill Of Rights (Grievance and Appeals) Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; and

(17) Deputy Mayor for Health and Human Services. -\$1,172,000 from local funds.

Not-For-Profit Hospital Authority

For the Not-For-Profit Hospital Authority, \$112,000,000 from enterprise and other funds.

Health Benefit Exchange Authority

For the District of Columbia Health Benefit Exchange Authority, \$28,751,000 from enterprise and other funds.

IV. FISCAL YEAR 2015 BUDGET SUPPORT ACT RECOMMENDATIONS

On Thursday, April 03, 2014, Chairman Mendelson introduced, on behalf of the Mayor, the “Fiscal Year 2015 Budget Support Act of 2014” (Bill 20-750). The bill contains a number of subtitles for which the Committee has provided comments in addition to new subtitles that the Committee recommends.

A. RECOMMENDATIONS ON BUDGET SUPPORT ACT SUBTITLES PROPOSED BY THE MAYOR

The Committee recommends the following new subtitles listed in the “Fiscal Year 2015 Budget Support Act of 2014” without comment:

- 1. Developmental Disability Service Management Reform**
- 2. Department of Health Functions Clarification Amendments**
- 3. Medical Assistance Program Amendments**
- 4. Department of Behavioral Health Establishment Amendments**
- 5. DBH Enterprise Fund Establishment**
- 6. Health Services Planning and Development**

1. Developmental Disability Service Management Reform

Sec. 501. Short title.

This subtitle may be cited as the “Department on Disability Services Amendment Act of 2014”.

Sec. 502. The Department on Developmental Disabilities Establishment Act of 2006, effective March 14, 2007 (D.C. Law 16-264; D.C. Official Code § 7-761.01 *et seq.*), is amended as follows:

(a) Section 102 (D.C. Official Code § 7-761.02) is amended as follows:

(1) A new paragraph (3A) is added to read as follows:

“(3A) “DHCF” means the Department of Health Care Finance as established in the Department of Health Care Finance Establishment Act of 2007, effective February 27, 2008 (D.C. Law 17-109; D.C. Official Code § 7-771.01 *et seq.*)”.

(2) Paragraph (8) is repealed.

(3) Paragraph (9) is amended by striking the phrase “Medical Assistance Administration” and inserting the acronym “DHCF” in its place.

(b) Section 105(4) (D.C. Official Code § 7-761.05(4)) is amended by striking the acronym “MAA” and inserting the acronym “DHCF” in its place.

(c) Section 106(c) (D.C. Official Code § 7-761.06(c)) is amended by striking the phrase “action,” and inserting the phrase “action, including issuing grants and stipends,” in its place.

(d) Section 107 (D.C. Official Code § 7-761.07) is amended as follows:

(1) Subsection (a) is amended to read as follows:

“(a) The Department and DHCF shall enter into an agreement for the Department to direct: policy development and design of services, rate-setting, and support provided under the Home and Community-Based Services Waiver for Individuals with Intellectual and Developmental Disabilities or any other waiver targeted for people with intellectual and developmental disabilities and their families that is approved under section 1915(c) of the Social Security Act, approved August 13, 1981 (95 Stat. 809; 42 U.S.C. § 1369n); and policies, services, and supports related to the operation of intermediate care facilities for individuals with intellectual disabilities.”.

(2) Subsection (b) is amended by striking the phrase “Medical Assistance Administration” and inserting the acronym “DHCF” in its place.

(g) A new section 112 is added to read as follows:

“Sec. 112. Family support council.

“(a) The Director shall establish a Family Support Council to, within available appropriations, assist the Department and other agencies to develop systems of support for families throughout the lifespan of their family members with intellectual and developmental disabilities.

“(b) The Family Support Council shall be composed of 11 members, of whom the majority shall be people with developmental disabilities and their family members.

“(c) No later than one year following the effective date of the Department on Disability Services Amendment Act of 2014, introduced on April 3, 2014 (D.C. Bill 20-750), the Department shall publish operating procedures for the Family Support Council, and the Director shall appoint the initial Family Support Council members.”.

2. DEPARTMENT OF HEALTH FUNCTIONS CLARIFICATION AMENDMENTS

Sec. 511. Short title.

This subtitle may be cited as the “Department of Health Functions Clarification Amendment Act of 2014”.

Sec. 512. The Department of Health Functions Clarification Act of 2001, effective October 3, 2001 (D.C. Law 14-28; D.C. Official Code § 7-731 *et seq.*), is amended as follows:

(a) Sect. 4907a (D.C. Official Code § 7-736.01) is amended by adding new subsections (e), (f), and (g) to read as follows:

“(e)(1) Through fiscal year 2015, the Director of the Department of Health shall have the authority to issue grants totaling \$ 1,550,000 to District of Columbia HIV prevention programs for a combination of HIV prevention interventions. These interventions shall include HIV screening in clinical and non-clinical settings and effective behavioral programs.

“(2) Through fiscal year 2015, the Director of the Department of Health shall have the authority to issue HIV prevention grants for a combination of HIV prevention interventions that include:

- “(A) HIV screening;
- “(B) Harm reduction;
- “(C) Social network HIV screening;
- “(D) Partner services;
- “(E) Faith-based initiatives;
- “(F) Youth peer education; and
- “(G) Other health-education services for adolescents and older

adults.

“(3) For the purposes of this subsection, the term “Faith-based initiative” means a program to encourage and support places of worship in delivering HIV prevention messages that promote safe-sex practices, educate people about HIV, and promote HIV screening.

“(f) For fiscal year 2015, the Director of the Department of Health shall have the authority to issue grants to qualified community organizations to provide:

“(1) Clinical nutritional home delivery services for individuals living with cancer and other life-threatening diseases;

“(2) Ambulatory health services;

“(3) Poison control hotline and prevention education services;

“(4) Operations and primary care services for school-based health clinics;

and

“(5) A teen pregnancy prevention program.”.

“(g)(1) All grants issued pursuant to subsections (e) and (f) of this section shall be administered pursuant to the requirements set forth in section 1091 of the Grant Administration Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 1-328.11 *et seq.*).

“(2) The Department of Health shall submit a quarterly report to the Secretary to the Council on all grants issued pursuant to the authority granted in subsections (e) and (f) of this section.”.

(b) New sections 4907b and 4907c are added to read as follows:

“Sec. 4907b. Communicable and chronic disease prevention and treatment fund.

“(a) There is established, as a special fund the Communicable and Chronic Disease Prevention and Treatment Fund (“Fund”), to be administered by the in the Department of Health in accordance with subsection (c) of this section.

“(b) The fund shall consist of revenue from the following sources related to the prevention and treatment of communicable and chronic diseases by the Department of Health:

“(1) Third-party payors;

“(2) Sliding fee scale collections; and

“(3) Other collections.

“(c) The fund shall be used for operations necessary to provide communicable and chronic disease prevention and treatment services.

“(d)(1) The money deposited into the Fund, and interest earned, shall not revert to the unrestricted fund balance of the General Fund at the end of a fiscal year, or at any other time.

(2) Subject to authorization by Congress, any funds appropriated in the Fund shall be continually available without regard to fiscal year limitation.”

“Sec. 4907c. Communicable disease fees.

“(a) The Director of the Department of Health may establish a schedule of fees for the prevention and treatment of communicable diseases, including HIV/AIDS, hepatitis, sexually transmitted diseases, and tuberculosis to be provided to any individual who presents for prevention or treatment services, regardless of health insurance coverage or ability to pay. The Director may periodically revise the schedule of fees and may establish a sliding fee scale, based on income, for uninsured individuals. The fees, including any sliding fee scale, shall be published in the District of Columbia Register.

“(b) The Director may seek reimbursement from any third-party payor for services provided relating to the prevention and treatment of communicable diseases.”.

3. MEDICAL ASSISTANCE PROGRAM AMENDMENTS

Sec. 521. Short title.

This subtitle may be cited as the “Medical Assistance Program Amendment Act of 2014”.

Sec. 522. Section 1 of An Act to enable the District of Columbia to receive Federal financial assistance under title XIX of the Social Security Act for a medical assistance program, and for other purposes, approved December 27, 1967 (81 Stat. 744; D.C. Official Code § 1-307.02), is amended as follows:

(a) Subsection (a) is amended by adding a new paragraph (8) to read as follows:

“(8) Review and approval by the Council of the Fiscal Year 2015 Budget and Financial Plan shall constitute the Council review and approval required by paragraph (2) of this subsection of any amendment, modification or waiver of the state plan required to:

“(A) Implement needed amendments to the Elderly and Individuals with Physical Disabilities (EPD) waiver to ensure compliance with federal law and promote best practices.

“(B) Establish new payment rates for Federally-Qualified Health Centers.

“(C) Establish a new payment method and make other improvements to the payment methodology for hospital inpatient treatment.

“(D) Establish a new payment method and make other improvements to the payment methodology for hospital outpatient services.

“(E) Implement needed amendments to the Intellectual Disabilities/Developmental Disabilities (“IDDD”) waiver to ensure compliance with federal law and promote best practices.

“(F) Align specialty hospital payments with the complexity of their patient mixes and national best practices and to describe payment standards for sub-acute services for children who are inpatients in private psychiatric specialty hospitals.

“(G) Update transplantation coverage standards and provide coverage for lung transplantation and autologous bone marrow transplantation.”.

(b) A new subsection (e) is added to read as follows:

“(e)(1) The District state plan required under Title XIX of the Social Security Act, approved July 30, 1965 (79 Stat. 343; 42 U.S.C. § 1396 et seq.), may provide for reimbursement of chiropractic services.”

“(2) The Mayor may develop and implement a reimbursement methodology for chiropractic services.”

3. DEPARTMENT OF BEHAVIORAL HEALTH ESTABLISHMENT AMENDMENT

Sec. 531. Short title.

This subtitle may be cited as the “Department of Behavioral Health Establishment Amendment Act of 2014”.

Sec. 532. Section 5118 of the Department of Behavioral Health Establishment Act of 2013, effective December 24, 2013 (D.C. Law 20-61, D.C. Official Code § 7-1141.07), is amended as follows:

(a) Redesignate the existing lead in language as subsection (a).

(b) Add a new subsection (b) to read as follows:

“(b) The following powers, duties, functions, and responsibilities are hereby transferred to the Department of Health, effective October 1, 2015:

“(1) All property, Career and Excepted Service, Management Supervisory Service, and trainee positions, personnel, assets, records, obligations, unexpended balances of appropriations, allocations, and other funds available or to be made available to the Tobacco Control Program.

“(2) The Mayor shall coordinate, as necessary, the transfer from the Department to the Department of Health of any property, positions, personnel, assets, records, obligations, unexpended balances of appropriations, allocations, and other funds required for the management and operation of the Tobacco Control Program.”

4. DBH ENTERPRISE FUND ESTABLISHMENT

Sec. 541. Short title.

This subtitle may be cited as the “Department of Behavioral Health Enterprise Fund Act of 2014”.

Sec. 542. (a) There is established as a special fund the “Department of Behavioral Health Enterprise Fund” (“Fund”) which shall be administered by the Department in accordance with subsection (c) of this section.

(b) The fund shall consist of revenue from the following fees, proceeds and revenues collected from the following activities and operations:

(1) Proceeds from the cafeteria managed and operated by the Department on the St. Elizabeths Hospital Campus;

(2) Fees charged for trainings and Continuing Education Units by the Department’s Organizational Development- Department of Mental Health Training Institute;

(3) Recoupment and collection of housing bridge subsidy payments from individual consumers, representative payees, and landlords by the Department's Adult Services Supported Housing program.

(c) The fund shall be used for the management and operation of the food cafeteria, DMH Training Institute, and Supported Housing programs managed and operated by the Department.

(d) For the purposes of this section, "Department" means the Department of Behavioral Health.

4. HEALTH SERVICES PLANNING AND DEVELOPMENT

Sec. 561. Short title.

This subtitle may be cited as the "Health Services Planning and Development Amendment Act of 2014".

Sec. 562. Section 2(12) of the Health Services Planning Program Re-establishment Act of 1996, effective April 9, 1997 (D.C. Law 11-191; D.C. Official Code § 44-401), is amended as follows:

"(12) "Health service" means any medical or clinical related service, including services that are diagnostic, curative or rehabilitative, as well as those related to inpatient mental health services, home health care, hospice care, medically supervised day care, and renal dialysis. "Health service" shall not include those outpatient behavioral health services subject to the exclusive regulatory authority of the Department of Behavioral Health and services provided by physicians, dentists, HMOs, and other individual providers in individual or group practice.'"

B. RECOMMENDATIONS FOR NEW BUDGET SUPPORT ACT SUBTITLES

The Committee on Health recommends the following new subtitles to be added to the “Fiscal Year 2015 Budget Support Act of 2014”:

1. Insurance Regulatory Trust Fund Amendments
2. Teen Pregnancy Prevention Fund Establishment Act of 2014
3. Reporting Requirements Act of 2014
4. AccessRx Amendment Act of 2014

1. INSURANCE REGULATORY TRUST FUND AMENDMENTS

Sec. 581. Short title.

This subtitle may be cited as the “Insurance Regulatory Trust Fund Bureau Amendment Act of 2014”.

Sec. 582. The Insurance Regulatory Trust Fund Act of 1993, effective October 21, 1993 (D.C. Law 10-40; D.C. Official Code § 31-1201 *et seq.*), is amended as follows:

(a) Section 4(b) (D.C. Official Code § 31-1203(b)) is amended by adding the sentence “The assessment shall be a tax and licensing and regulatory fee for purposes of 45 CFR §§ 158.221(c) and 158.161(b).” at the end.

(a) Section 9 (D.C. Official Code § 31-1208) is amended as follows:

(1) Redesignate the existing text as subsection (a) and amend it to read as follows:

“(a) All insurers and health maintenance organizations subject to assessments in accordance with this chapter shall be member of an Insurance Regulatory Trust Bureau, organized and maintained by such insurers and health maintenance organizations at their own expense, for the purpose of advising the Commissioner of the Department of Insurance, securities, and Banking and the Executive Director of the Health Benefit Exchange Authority as to the need for the proposed assessments, including the assessment of health carriers in section 4(f) of the Health Benefit Exchange Authority Establishment Act of 2011, effective March 2, 2012 (D.C. Law 19-94; D.C. Official Code 31-3171.03(f)), the fairness of the proposed assessments, and any other matters with respect to the administration of the Insurance Regulatory Trust Fund. The Commissioner and the Executive Director of the Health Benefit Exchange Authority shall submit to the Insurance Regulatory Trust Fund Bureau annually, in advance of the Mayor’s budget submission to the Council, a detailed budget showing how the proposed assessments are to be expended.”.

(2) Add a new subsection (b) to read as follows:

“(b) The board of directors of the Insurance Regulatory Trust Bureau shall consist of no fewer than 15 members and shall include at least a majority of the health carriers issuing qualified health plans and some representation from health carriers issuing qualified dental plans as defined in section 2 of the Health Benefit Exchange Authority Establishment Act of 2011, effective March 2, 2012 (D.C. Law 19-94; D.C. Official Code 31-3171.01).”.

(b) Section 9 (D.C. Official Code § 31-1209) is amended to read as follows:

“(b) Upon a vote of the Regulatory Trust Fund Bureau taken in accordance with its bylaws, the Insurance Regulatory Trust Fund Bureau, at its own expense, may annually arrange for an independent audit of the expenditures made in any fiscal year by the Insurance Regulatory Trust Fund or the District of Columbia Health Benefit Exchange Authority Fund established in section 4 of the Health Benefit Exchange Authority Establishment Act of 2011, effective March 2, 2012 (D.C. Law 19-94; D.C. Official Code 31-3171.03(a)). The Commissioner, the Department of Insurance, Securities, and Banking, the Executive Director of the Health Benefit Exchange Authority, and all other elements of the Government of the District of Columbia shall cooperate with such an audit and shall make available all documents and records reasonably necessary to the conduct of the audit.”.

Section 583. Section 4(e) of the Health Benefit Exchange Authority Establishment Act of 2011, effective March 2, 2012 (D.C. Law 19-94; D.C. Official Code § 31-3171.03(e)) is amended by adding a new subparagraph (3) to read as follows:

“(3) The assessment on health carriers pursuant to section 4(f) shall be a tax and licensing and regulatory fee for purposes of 45 CFR §§ 158.221(c) and 158.161(b).”

b. Committee Reasoning and Purpose, Effect, and Impact on Existing Law

The Committee recommends the adoption of the “Insurance Regulatory Trust Fund Bureau Amendment Act of 2014” for purposes of adding it to the “Fiscal Year 2015 Budget Support Act of 2014”.

This subtitle amends Title 31 of the District of Columbia Code to provide the Insurance Regulatory Trust Fund Bureau with the authority to conduct audits and review the annual budget and fairness of proposed assessments of the Health Benefit Exchange Authority. The Council established the Insurance Regulatory Trust Fund Bureau in 1993 and gave it the authority to conduct audits and review the fairness of proposed assessments with respect to the administration of the Insurance Regulatory Trust Fund, through which current assessments from the Department of Insurance, Securities and

Banking flow. All insurers and health maintenance organizations in the District of Columbia are members of the Bureau, which is governed by an executive Board consisting of 11 members. Pursuant to emergency legislation passed by the Council of the District of Columbia on May 6, 2014 (B20-0775, the “Health Benefit Exchange Authority Financial Sustainability Emergency Amendment Act of 2014”), the Health Benefit Exchange Authority will conduct an assessment of health carriers operating in the District with direct gross receipts of more than \$50,000 in the preceding calendar year to fund its operations. The assessment will be administered through a non-lapsing fund established by the D.C. Code § 31-3171.03 in an amount not to exceed reasonable projections regarding the amount necessary to support the operations of the Authority. See D.C. Code § 31-3171.03.

Specifically, the subtitle amends code sections pertaining to the Bureau to: i) increase the membership of the executive board and reserve slots for qualified health plans and qualified dental plans; ii) require the Health Benefit Exchange Authority to submit to the Bureau its annual budget showing how the proposed assessments are to be expended; and iii) conduct an independent audit of the Health Benefit Exchange Authority’s expenditures in any fiscal year and require the Health Benefit Exchange Authority to comply with the audit. The subtitle also makes clarifying amendments pertaining to the classification of the assessment as a state tax as outlined in the Affordable Care Act and its implementing regulations such that it is excluded from health plan administrative costs for the purpose of calculating medical loss ratios or rebates.

These amendments are necessary to encourage transparency and provide the industry with oversight of the Health Benefit Exchange Authority’s proposed assessments and expenditures.

c. Section-by-Section Analysis

Section 581. States the Short Title of the bill.

Section 582. Amends the Insurance Regulatory Trust Fund Act of 1993 (D.C. Official Code § 31-1201 *et. seq.*) to increase the membership of the board of directors of the Insurance Regulatory Trust Fund Bureau, provide the authority of the Insurance Regulatory Trust Fund Bureau to review the fairness of proposed assessments, review the budget of the Health Benefit Exchange Authority in advance of its submission to the Council, conduct an annual independent audit of expenditures made by the Health Benefit Exchange Authority Fund.

Section 583. Amends the Health Benefit Exchange Authority Establishment Act of 2011, effective March 2, 2012 (D.C. Law 19-94; D.C. Official Code § 31-3171.01 *et seq.*) to clarify that certain health carrier assessments are classified as a state tax for purposes of 45 CFR § 158.221(c) and § 115.161(b)(1).

2. TEEN PREGNANCY PREVENTION FUND ESTABLISHMENT ACT OF 2014

Sec. 691. Short title.

This subtitle may be cited as the “Teen Pregnancy Prevention Fund Establishment Act of 2014”.

Sec. 692. Definitions.

For the purposes of this subtitle, the term:

(1) "Fund" means the Teen Pregnancy Prevention Fund established in section 1013.

(2) "Grant managing entity" means the DC Campaign to Prevent Teen Pregnancy pursuant to section 1016.

Sec. 693. Teen pregnancy prevention fund.

(a) There is established a Teen Pregnancy Prevention Fund ("Fund") to provide sub-grants to nonprofit organizations.

(b) The Mayor shall make a grant to a single grant managing entity of which at least 94% shall be used to make sub-grants for the purpose of teen pregnancy prevention. The remaining 6% shall be utilized for administrative expenses and evaluation of the Fund.

(c) The Fund is designed to provide subgrants to nonprofits in health services for teens, reproductive health education, professional development and training, research and policy development, and public education and awareness. The funds shall be available for conveyance to a grant managing entity for the purposes identified in subsection (b) of this section.

(d) Sub-grants shall be awarded, subject to the availability of funding, as follows:

(1) All subgrants shall be awarded on a competitive basis;

(2) The subgrants shall not exceed \$100,000 per year;

(3) Subgrants are one-time;

(4) The subgrant funds shall be used exclusively to serve District of Columbia residents; and

(5) All sub-grants shall be subject to District transparency requirements such as Freedom of Information Act requests.

(e) The Fund shall be administered pursuant to the requirements set forth in section 1091 of the Grant Administration Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 1-328.11 *et seq.*).

Sec. 694. Required information before approval.

(a) To be eligible to receive a sub-grant from the grant managing entity pursuant to section 693, a subgrantee shall submit the following required documentation to the grant managing entity as well as any additional information required by the grant managing entity:

(1) Internal Revenue Service certification that the organization is tax-exempt under section 501(c)(3) of the Internal Revenue Code of 1986, approved August 16, 1954 (68A 24 Stat. 163; 26 U.S.C. § 501(c)(3));

(2)(A) The organization's most recent financial audit, not more than 2 years old; or

(B) A recent financial statement, not more than one year old, prepared by a certified accountant that shows that the organization is in good financial standing and which delineates its:

- (i) Existing assets and liabilities;
- (ii) Pending lawsuits, if any; and
- (iii) Pending and final judgments, if any.

(3) Internal Revenue Service Form 990 covering the organization's most recently completed fiscal year;

(4) A notarized statement from the subgrantee certifying that:

- (A) The organization is current on District and federal taxes;
- (B) The grant-managing entity is authorized to verify the organization's tax status with the Office of Tax and Revenue and the Office of Tax and Revenue is authorized to release this information to the grant managing entity;
- (C) The grant-managing entity shall have access to the sub-grantees financial, administrative, and operational records, including specific consent for the grant managing entity to access its books, accounts, records, findings, and documents related to the sub-grant; and
- (D) The subgrantee is registered with the Department of Consumer and Regulatory Affairs; and

(5) A comprehensive program statement that includes a detailed:

- (A) Scope of work; and
- (B) Budget that describes how the sub-grant funds shall be spent.

Sec. 695. Reporting requirements.

Beginning December 1, 2014, the grant managing entity shall submit a bi-monthly report to the Mayor and the Council of all District funds allocated, which includes:

- (1) Detailed subgrantee data;
- (2) Performance measures and performance outcomes under each sub-grant;
- (3) The specific services provided under each subgrant;
- (4) The entity providing the services, if one other than the subgrantee;
- (5) The time period of delivery of the services;
- (6) The type of service provided;
- (7) The actual amount paid for the services; and
- (8) The amount of other expenditures under the subgrant, if any.

Sec. 696. Authorization for grant-managing entity.

For fiscal year 2015, the DC Campaign to Prevent Teen Pregnancy ("DC Campaign") is designated as the grant managing entity. The DC Campaign shall be required to enter into a Memorandum of Understanding ("MOU") with the District of Columbia government. The MOU shall set forth certain administrative requirements for the DC Campaign to abide by when it obtains District funds and awards sub-grants involving District funds, and will clarify and reaffirm the DC Campaign's responsibility and obligation with respect to District funds, including the monitoring of the use of District funds.

Sec. 697. Limitation on duplicative projects.

(a) The grant-managing entity shall take steps to avoid awarding subgrants to a nonprofit that has been awarded or is being awarded funds from another District agency for the same or similar program purposes for which it is applying for funding from the Fund.

(b) Within 30 days after the effective date of the MOU, the grant-managing entity shall provide to the Mayor, or his or her designee, and the Council, a plan that sets forth procedures for avoiding the award of duplicative funds.

a. Purpose, Effect, and Impact on Existing Law

The purpose of this act is to create a Teen Pregnancy Prevention Fund ('Fund') and to designate a grant managing entity to administer that Fund. The purpose of establishing a grant managing entity is to ensure that grants from the Fund are properly allocated.

b. Committee Reasoning

Teen pregnancy is a major problem for the District of Columbia. Statistics show that teen pregnancies drive up government costs, as young parents are much more likely to have to rely on government resources to live. As such, the Mayor typically includes a \$300,000 grant in the Department of Health's budget for teen pregnancy prevention. This year however, it was brought to the Committee's attention that a grant provided by the Summit Fund would be coming to an end at the conclusion of this fiscal year. Summit Fund has made considerable donations to a number of critical organizations who focus on teen prevention pregnancy, such as DC Campaign to End Teen Pregnancy, American Academy of Pediatrics, Children's National Medical Center, Crittenton, Mary's Center, Metro Teen AIDS, and Planned Parenthood, to name a few. Witnesses explained that loss of this funding would result in a number of teen pregnancy organizations having to decrease or terminate their teen pregnancy prevention programs at the end of FY14.

The Committee has elected DC Campaign to End Teen Pregnancy ("DC Campaign") to serve as the grant managing entity due to its history of work on teen pregnancy prevention within the city. Over the last 15 years, DC Campaign has increased public education and awareness throughout the community when it comes to the health of adolescents. DC Campaign was founded in 1999 when it was tasked with the job to implement the recommendations of the then Mayor's *Committee to Reduce Teenage Pregnancies and Out of Wedlock Births*. It was asked to produce *City-wide Teen Pregnancy Prevention Strategic Plans* by both the Fenty and Williams Administrations. DC Campaign has even piloted a model teen pregnancy prevention program for low-income, minority boys. The mission of DC Campaign is to cut the city's teen pregnancy rate in half. It has received the support of the members of American Academy of Pediatrics Adolescent Health Working Group, composed of over ten teen pregnancy

prevention programs, which endorsed DC Campaign as the best choice to serve as the managing entity for the Teen Pregnancy Fund.

c. Section-by-Section Analysis

- Sec. 691: Short title of the subtitle.
- Sec. 692: Definitions.
- Sec. 693: Establishes the teen pregnancy prevention fund.
- Sec. 694: Describes the information required from the grant managing entity before approval.
- Sec. 695: Creates bi-monthly reporting requirements for the grant managing entity
- Sec. 696: Authorizes the grant-managing entity to enter into a MOU with DOH which creates administrative requirements for the entity
- Sec. 697: Limits sub-grants from being made to organizations who are receiving similar grants.

3. REPORTING REQUIREMENTS ACT OF 2014

Sec. 891. Short title.

This subtitle may be cited as the “Reporting Requirements Act of 2014”

Sec. 892. Department of Health reporting requirements.

By October 1, 2014, the Department of Health (“DOH”) shall submit to the Council:

(1) A quarterly report on all grants administered by the DOH, which shall include, at a minimum, the:

- a. Grant title and number;
- b. Source of the funding;
- c. Approved budget authority;
- d. Expenditures, including encumbrances and pre-encumbrances;
- e. Purpose of the grant;
- f. Name of grantees and subgrantees for each grant;
- g. Date of grant funding expiration; and
- h. DOH employees responsible for overseeing the grant.

(2) An annual report on all federal grants for health services that DOH is aware of being in jeopardy of being cut at the conclusion of that fiscal year, when that funding has supported 3 or more community organizations that have history of providing services in the District.

(3) A bi-annual report on how existing District teenage pregnancy prevention programs are evaluated. The report should include information regarding the following:

- (A) The rate of teen pregnancy in the wards that the program services;
- (B) The number of girls served;
- (C) The number of girls that have successfully completed the

program; and

(D) Any other information DOH deems critical to critiquing the success of the program.

(4) A bi-monthly report regarding the efficiency of the medical marijuana program in the District, the number of medical marijuana applications received from patients and doctors, the time it took to process each application, the names of the individuals in charge of processing the application, the average overall wait time for processing doctor and patient applications, and any other information critical to analyzing the program's efficiency.

Sec. 893. Department of Health Care Finance reporting requirements.

(a) By October 1, 2014, the Department of Health Care Finance ("DHCF") shall submit to the Council a report on:

(1) DHCFs reevaluation of the Alliance recertification process and recommendation for whether recertification rules need to be modified; and

(2) Description and timeline for implementation of DHCFs coordination of care plan.

(b) Starting on October 1, 2014 and ending on September 31, 2015, DHCF shall submit to the Council a quarterly report on:

(1) The progress of Early and Periodic Screening, Diagnostic, and Treatment ("EPSDT") coding changes and provider compliance with EPSDT screens and reporting;

(2) The eligibility and enrollment in the Elderly and Persons with Disabilities ("EPD") waiver including the:

- (A) Number of people currently enrolled in the EPD waiver;
- (B) Number of people currently on the waitlist;
- (C) Number of people who lost the benefit because they did not

timely recertify;

(D) Community engagement activities that are planned for that quarter; and

(E) Status of implementation of EPD waiver state plan amendments.

(3) Emergency and acute care utilization in the managed care and fee-for-service populations;

(4) Assessing the performance of the long term care contractor including data on its reduction of fraud and abuse of the Personal Care Aid ("PCA") benefit;

(5) Reflecting PCA benefit utilization and enrollment; and

(6) The performance of each Managed Care Organization ("MCO"), which shall include, at a minimum, the following information:

- (A) A listing of the provider network for each MCO identifying each provider by name;
- (B) The number of newly eligible beneficiaries auto-assigned to each MCO that quarter, along with the total number of members enrolled in each MCO;
- (C) An assessment of each MCO's compliance with each contractual network adequacy requirement and performance objective, including a description of any threatened or assessed corrective action plans or penalties; and
- (D) EPSDT data for each MCO, including the following:
 - (i) Number of EPSDT providers in each MCO network;
 - (ii) Number of screens and percentage of children screened per quarter;
 - (iii) Number of mental health screens and percentage of children receiving mental health screens per quarter; and
 - (iv) Plans to address unsatisfactory screening rates in the next quarter.

Sec. 895. Not-For-Profit Hospital Corporation reporting requirements.

By October 1, 2014, the Not-For-Profit Hospital Corporation ("NFPHC") shall submit to the Council a bi-monthly report on the progress made by Huron Healthcare at the NFPHC, including the:

- (1) Milestones completed;
- (2) Scheduled work and the expected completion date of such work;
- (3) Unexpected issues that have arose and plans to address those issues;
- (4) Issues that were scheduled to be completed before the due date of the next report, but were not, and the plan to complete them; and
- (5) Answers to any documented questions sent over by the Council to the NFPHC.

Sec. 894. Health Benefit Exchange Authority reporting requirements.

(a) By October 1, 2014, the Health Benefit Exchange Authority ("Authority") shall submit to the Council a report on the effectiveness of the In-Person Assistor program, including:

- (1) The number of individuals enrolled by each grantee organization; and
- (2) Recommendations for continuing the program, including potential costs and sources of funding, in fiscal year 2015.

(b) By December 31, 2014, the Authority shall submit to the Council a report on the reduction of the uninsured population in the District through enrollment in plans offered through the Authority, including:

- (1) The estimated number of uninsured individuals in the District as of October 1, 2014;
- (2) The number of uninsured individuals who purchased plans between October 1, 2013 and April 30, 2014;
- (3) A comprehensive plan to conduct outreach and enroll the uninsured population in the District in fiscal year 2015 and fiscal year 2016;
- (4) A comprehensive plan to monitor fluctuations in uninsured populations in the District in fiscal year 2015 and fiscal year 2016.

a. Purpose, Effect, and Impact on Existing Law

The purpose of this subtitle is to require agencies under the purview of the Committee on Health to provide the Council with information necessary for determining the efficiency and effectiveness of the agencies and their programs. It has no impact on existing law.

b. Committee Reasoning

This subtitle will ensure that the Committee on Health is able to obtain necessary information to ensure proper focus and progress as it pertains to its agencies and hospital.

c. Section-by-Section Analysis

Sec. XXX. States the short title of the subtitle.

Sec. XXX. Requires the Department of Health to submit specified items to the Council.

Sec. XXX. Requires the Department of Health Care Finance to submit specified items to the Council.

Sec. XXX. Requires the Not-For-Profit Hospital Corporation to submit specified items to the Council.

4. ACCESSRX AMENDMENT ACT OF 2014

Sec. 791. This act shall be called the “Access RX Amendment Act of 2014”.

Sec. 792. Section 303 of the AccessRx Act of 2004, effective May 18, 2004 (D.C. Law 15-164; D.C. Official Code § 48-833.03), is amended by adding a new subsection (c) to read as follows:

“(c) Any manufacturer or labeler of prescription drugs that is required to submit reports under this section shall not be required to report any information to the Department that is also required under Section 6002 of Patient Protection and Affordable Care Act of 2010, approved March 23, 2010 (Pub. L. No. 111-148, 124 Stat. 119).”.

a. Purpose, Effect, and Impact on Existing Law

The purpose of this subtitle is to require agencies under the purview of the Committee on Health to provide the Council with information necessary for determining the efficiency and effectiveness of the agencies and their programs. It has no impact on existing law.

b. Committee Reasoning

Title III of the AccessRx Act of 2004 requires manufacturers and labelers to report their prescription drug marketing costs in an annual report filed with the Department by July 1 of each year, at an annual cost of \$5,000 per year. As of August 1, 2013, Section 6002 of the Affordable Care Act also requires manufacturers of covered drugs, devices, biologicals, and medical supplies operating in the United States to report to the Centers for Medicare and Medicaid Services (CMS) any payments or transfers of value they make to teaching hospitals or physicians. In general, payments or transfers of value exceeding \$10 must be reported. The Center for Medicaid and Medicare Services intends to make this information available on a public website that will launch in September 2014.

This subtitle eliminates the requirement to report to the Department of Health duplicative information that is also required under the Affordable Care Act.

c. Section-by-Section Analysis

Sec. XXX. States the short title of the subtitle.

Sec. XXX. Amends D.C. Code §48-833.03 to exempt information that is reported to the Center for Medicaid and Medicare Services under Section 6002 of the Patient and Protection Affordable care Act.

V. COMMITTEE ACTION AND VOTE

On Wednesday May 14, 2013, at 1:05 p.m. in Room 500 of the John A. Wilson Building, the Committee on Health met to consider and vote on the report and recommendations of the Committee on Health Fiscal Year 2015 budget for agencies under its purview. Chairperson Yvette Alexander determined the presence of a quorum consisting of herself and Councilmembers Bonds, Catania, Grosso and Orange.

Chairperson Alexander read the committee's budget and policy recommendations before asking if there was further discussion. Councilmember Grosso began by thanking the committee for the work that has been done on the report. He questioned why the Washington Humane Society was unable to obtain capital 'GO Bond' funds in order to support their new facility, and requested to discuss the budget office's conclusion on the matter moving forward. He also applauded the Chairwoman's redirection of funds to be used towards the renovation of recreation centers as well as increasing the money for teen peer educators. He also commended the chairperson for adding BSA language that required DOH to report to the council regarding how it issues grants and for a new BSA subtitle that established the authority for the Insurance Regulatory Trust Fund Bureau to review and assess what Health Benefit Exchange expenditures are appropriate before it can assess fees. He also appreciated the increase of funding for teen peer educators and DCOA, although he would like to see what additional work we can do to increase funding for that particular office.

Both Councilmembers Orange and Bonds noted that they also appreciated the initiatives that have been done in the budget. Councilmember Bonds noted her appreciation for funds allocated to teen peer educators and teen pregnancy prevention, and explained that a focus on young people is very important.

Councilmember Catania echoed the sentiments of other committee members and explained that he appreciated the increase to the school nurse program, as parents deserve to know that medical professionals are present at schools. He circulated an amendment that recommended reducing proposed funding for UMC-East End Medical Center by \$20M in FY16 and by \$20M in FY17 and redirecting it to DC Public Schools in order to support school capital improvement projects in FY16 and FY17. He explained that he is an enthusiastic supporter of UMC, having done much in the past to support the hospital during his tenure as the former chair of the Committee on Health. He expressed concern about this new \$300M+ plan explaining that the costs of similar hospitals in other parts of the country are not as high. His circulated amendment would reduce, and not eliminate, the funds that remain for construction in fiscal years 16-17. He explained that the funds for the hospital were taken, in part, from the Education cluster and that if he were able to recover some through this amendment, he would use \$20M in FY16 to move Brown Elementary up the list of schools to be renovated, and will accelerate that school so that it would be on fair footing to compete with surrounding schools. The remaining \$20M for FY17 would be for Johnson Middle School which is currently competing with Kipp Campus.

Councilmember Alexander said she wouldn't support the amendment. She explained that the Mayor already allocated \$12.7M for the modernization of C.W. Harris.

She also explained that Councilmember McDuffie had his own plans for the schools in his ward. Councilmember Alexander said that she does support a new hospital and doesn't want to take away from that in out years. Catania questioned the driving force between switching the location of the hospital, on top of the Council having already invested \$100M in the current hospital. Councilmember Grosso explained that he does not support the addition of \$300M, but he does support complying with Huron's original plan that was submitted to the hospital. Councilmember Grosso explained that he does not believe that Councilmember Catania's amendment will hurt the hospital and believes it is the proper move to make. Councilmember Orange said he would vote no on the amendment. He compared this matter to the National Capital Medical Center that was before the Council many years ago. He wondered how can \$300M be enough for a hospital now when National Capital required \$400M many years ago. Councilmember Orange stated that east of the river residents deserve a quality hospital.

Councilmember Alexander called for a vote on the amendment. Councilmember Catania and Grosso voted in favor of the amendment. Councilmembers Alexander, Bonds and Orange voted no.

Councilmember Alexander then called for a vote on the committee report. The members unanimously voted in favor of the report.

Note: At the time of circulation, all of the funds noted within the DHCF Capital budget were available to be redirected as outlined. The committee members reviewed the report, gathered at the markup, and commended Councilmember Alexander on how she chose to redirect the funds to such admirable purposes such as the Washington Humane Society, whose history of great work had wide council support; the Washington Tennis & Education Foundation, who works with underserved youth throughout the city to expose them to opportunities that they might not otherwise receive; and the DC Promise Neighborhood Initiative Park, whose aim is to a brown field that is currently stuck between a polluted Anacostia river and decommissioned power plant, into a green, useable, playable space for families to use and thrive in.

Aware of how these funds could drastically improve the city for some of our youngest and vulnerable residents – both human and animal – the committee voted unanimously to redirect the funds from the UMC East End Medical Center Project and realign them to these very worthy causes.

However, one day after the committee publicly met, discussed and voted on the budget and report, the Mayor's budget office surreptitiously removed \$10,000,000 in Pay Go funds from the UMC – East End Medical Center project, with full knowledge that doing so would prevent these initiatives from moving forward. Councilmember Alexander is disappointed that these funds cannot be used in the manner in which she and the committee voted and intended, but hopes that they can somehow be funded once more through funds that are currently beyond the committee's control.

VI. ATTACHMENTS

- A. Department of Health Fiscal Year 2015 Budget Oversight Hearing Witness List and Testimony.
- B. Department of Health Care Finance Fiscal Year 2015 Budget Oversight Hearing Witness List and Testimony.
- C. Department of Behavioral Health Fiscal Year 2015 Budget Oversight Hearing Witness List and Testimony.
- D. DC Office on Aging Fiscal Year 2015 Budget Oversight Hearing Witness List and Testimony.
- E. Office of the Deputy Mayor for Health and Human Services Fiscal Year 2015 Budget Oversight Hearing Witness List and Testimony.
- F. Not-For-Profit Hospital Corporation Fiscal Year 2015 Budget Oversight Hearing Witness List and Testimony.
- G. Health Benefit Exchange Fiscal Year 2015 Budget Oversight Hearing Witness List and Testimony.