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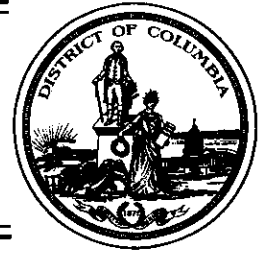
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# COMMITTEE ON HEALTH

YVETTE M. ALEXANDER, CHAIRPERSON  
FISCAL YEAR 2014 COMMITTEE BUDGET REPORT

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**TO:** Members of the Council of the District of Columbia

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

**DATE:** May 7, 2013

**SUBJECT:** Report and Recommendations of the Committee on Health on the Fiscal Year 2014 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 2014 (FY14) 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 FY14 Budget Support Act of 2013, as proposed by the Mayor.

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COUNCIL BUDGET DIRECTOR CERTIFICATION:

*Janifer Beatty*

DATE: 5/20/13



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**I. SUMMARY- HEALTH COMMITTEE**  
**A. FISCAL YEAR 2014 AGENCY OPERATING BUDGET SUMMARY TABLE**

	FY 2012 Actual	FY 2013 Approved	FY 2014 Mayor's Proposed	FY 2014 Health	
				Committee Variance	FY 2014 Committee Proposed
<b>Department of Behavioral Health</b>					
FEDERAL GRANT FUND	1,656,726	1,560,696	18,310,251	-	18,310,251
FEDERAL MEDICAID PAYMENTS	5,822,252	4,925,625	4,329,879	-	4,329,879
INTRADISTRICT FUNDS	-	-	-	-	-
INTRA-DISTRICT FUNDS	14,137,354	12,607,001	11,251,138	-	11,251,138
LOCAL FUND	158,714,054	167,877,172	202,844,672	-	202,844,672
PRIVATE DONATIONS	77,808	-	-	-	-
PRIVATE GRANT FUND	149,564	157,243	157,243	-	157,243
SPECIAL PURPOSE REVENUE FUNDS	4,742,941	4,039,822	3,700,000	-	3,700,000
<b>Department of Behavioral Health Total</b>	<b>185,300,699</b>	<b>191,167,559</b>	<b>240,593,182</b>	<b>-</b>	<b>240,593,182</b>
<b>Department of Health</b>					
FEDERAL GRANT FUND	143,120,328	136,056,351	132,716,533	-	132,716,533
FEDERAL PAYMENTS	5,000,000	5,000,000	5,000,000	-	5,000,000
INTRA-DISTRICT FUNDS	23,641,568	28,105,023	45,535,881	-	45,535,881
LOCAL FUND	89,864,461	88,378,588	69,481,665	500,000	69,981,665
PRIVATE DONATIONS	38,988	-	-	-	-
PRIVATE GRANT FUND	82,945	310,726	-	-	-
SPECIAL PURPOSE REVENUE FUNDS	6,348,828	11,543,691	12,328,196	-	12,328,196
INTER-COMMITTEE TRANSFERS	-	-	-	150,000	150,000
<b>Department of Health Total</b>	<b>268,097,118</b>	<b>269,394,379</b>	<b>265,062,274</b>	<b>650,000</b>	<b>265,712,274</b>
<b>Department of Health Care Finance</b>					
DEDICATED TAXES	51,938,594	62,940,435	86,306,503	-	86,306,503
FEDERAL GRANT FUND	9,313,860	65,547,480	28,161,464	-	28,161,464
FEDERAL MEDICAID PAYMENTS	1,523,821,213	1,648,341,680	1,893,769,742	(1,167,000)	1,892,602,742
INTRA-DISTRICT FUNDS	14,880,891	18,691,209	21,501,209	940,000	22,441,209
LOCAL FUND	667,760,626	689,033,542	715,131,066	(500,000)	714,631,066
SPECIAL PURPOSE REVENUE FUNDS	734,262	4,441,494	3,633,512	-	3,633,512
<b>Department of Health Care Finance Total</b>	<b>2,268,449,445</b>	<b>2,488,995,840</b>	<b>2,748,503,495</b>	<b>(727,000)</b>	<b>2,747,776,495</b>
<b>Deputy Mayor for Health and Human Services</b>					
LOCAL FUND	622,251	597,471	1,945,119	-	1,945,119
<b>Deputy Mayor for Health and Human Ser</b>	<b>622,251</b>	<b>597,471</b>	<b>1,945,119</b>	<b>-</b>	<b>1,945,119</b>
<b>Not for Profit Hospital Corporation</b>					
SPECIAL PURPOSE REVENUE FUNDS	-	132,477,000	110,000,000	-	110,000,000
<b>Not for Profit Hospital Corporation Total</b>	<b>-</b>	<b>132,477,000</b>	<b>110,000,000</b>	<b>-</b>	<b>110,000,000</b>
<b>D.C. Health Benefit Exchange Authority</b>					
LOCAL FUND	-	-	-	-	-
SPECIAL PURPOSE REVENUE FUNDS	-	-	26,140,499	40,000,000	66,140,499
<b>D.C. Health Benefit Exchange Authority T</b>	<b>-</b>	<b>-</b>	<b>26,140,499</b>	<b>40,000,000</b>	<b>66,140,499</b>

The Committee recommends approval of the Mayor's FY2014 Capital Budget for the Department of Healthcare Finance and the Department of Behavioral health as proposed:

HEALTH COMMITTEE- Proposed Fiscal Year 2014-2019 Capital Budget by Agency								
Agency Name	Code	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	6-Year
Department of Healthcare Finance	HTO	12,400	12,400	2,000	0	0	0	26,800
Department of Behavioral Health	RMO	6,120	5,000	5,000	5,000	0	0	21,120
<b>Total</b>		<b>18,520</b>	<b>17,400</b>	<b>7,000</b>	<b>5,000</b>	<b>0</b>	<b>0</b>	<b>47,920</b>

DHCF- Proposed Fiscal Year 2014-2019 Capital Budget, by Project								
Project Name	Number	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	6-Year
MMIS Upgraded System	MPM03C	2,000	2,000	2,000	0	0	0	6,000
Medicaid Data Warehouse - GO Bond	MPM05C	400	400	0	0	0	0	800
United Medical Center Facility	UMC01C	10,000	10,000	0	0	0	0	20,000
<b>Agency Total</b>		<b>12,400</b>	<b>12,400</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,800</b>

DBH- Proposed Fiscal Year 2014-2019 Capital Budget, by Project								
Project Name	Number	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	6-Year
Housing Initiatives - DBH	HX403C	5,000	5,000	5,000	5,000	0	0	20,000
Avatar Upgrade	XA665C	425	0	0	0	0	0	425
Integrated Care Applications Mgmt	XA854C	695	0	0	0	0	0	695
<b>Agency Total</b>		<b>6,120</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>0</b>	<b>0</b>	<b>21,120</b>

## I. SUMMARY

The following summarizes the Committee's recommendations for the FY14 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 Not-for-Profit Hospital Corporation (NPHC), the Health Benefit Exchange Authority (HBX), as well as any corresponding legislative proposals

[Note: All dollar figures in budget tables are in thousands; small variances may occur due to rounding.]

### A. DEPARTMENT OF HEALTH

#### DOH OPERATING BUDGET – BY REVENUE TYPE (DOLLARS IN THOUSANDS)

DOH – TOTAL	FY14 Request	FY14 Committee	Variance
Local (100)	69,482	70,132	650
Dedicated Taxes (110)	0	0	0
Federal Grants (200)	132,717	132,717	0
Federal Payment (250)	5,000	5,000	0
Private (400)	0	0	0
Special Purpose (600)	12,328	12,328	0
Intra District (700)	45,536	45,536	0
<b>Gross</b>	<b>265,062</b>	<b>265,713</b>	<b>650</b>

The Mayor's FY14 budget proposal included \$265,062,274 in gross operating funds for DOH. The Committee recommends a gross operating budget of \$265,712,274. This reflects a \$650,000 increase from the Mayor's FY14 proposal.

#### DOH FULL-TIME EQUIVALENTS - BY REVENUE TYPE

DOH – TOTAL	FY14 Request	FY14 Committee	Variance
Local (100)	161.9	161.9	0
Dedicated Taxes (110)	0	0	0
Federal (200/250)	368.2	368.2	0
Private (400)	0	0	0
Special Purpose (600)	88.0	88.0	0
Intra District (700)	3.8	3.8	0
<b>Gross</b>	<b>621.8</b>	<b>621.8</b>	<b>0</b>

The Mayor's FY14 budget proposal includes authority for 621.8 FTEs within DOH. This decrease from the approved FTE level for FY13 reflects the transfer of the

Addictions Prevention Recovery Administration to the new Department of Behavioral Health.

*Capital Budget:* The proposed FY14 capital budget does not include any funding for the Department of Health.

### **COMMITTEE BUDGET RECOMMENDATIONS FOR DOH**

The Committee recommends making the following adjustments within the proposed local budget for DOH:

- Reallocate \$1,000,000 of local funds from Community Health Administration, CSG 50, Program 8500, accordingly:
  1. Transfer \$50,000 to the HIV/AIDS, Hepatitis, STD, and TB Administration (CSG 50, Activity 3040) to address the District's problem of mother-to-child (vertical) transmission which can occur during pregnancy, labor, delivery, or breastfeeding.
  2. Transfer \$300,000 to the Community Health Administration (CSG 50, Activity 8514) fund a program designed to promote healthy development in girls attending public and public charter schools that are located in areas of the city possessing both the highest rate of teen pregnancy, and with a high population of state-funded health program beneficiaries.
  3. Transfer \$200,000 to the Health Regulations and Licensing Administration (CSG 50, Activity 4530) to address the problem of lack of rehabilitative wildlife services in the city.
    - The Committee also recognizes and accepts a one-time transfer of \$50,000 from the Committee on Finance and Revenue in support of this program.
  4. Transfer \$350,000 to Community Health Administration (CSG 50, Activity 8502) to enhance the Department's efforts in addressing chronic illnesses such as asthma, diabetes, obesity, cancer, heart disease, hypertension, and kidney disease.
    - The Committee is also transferring \$500,000 of local funds from the Department of Healthcare Finance (CSG 50, Activity 5001-HSCSN) to support this program.
  5. Transfer \$100,000 to Community Health Administration (CSG 50) to help fund a farmers' market incentive program.
    - The Committee also recognizes and accepts a one-time transfer of \$50,000 from the Committee on Finance and Revenue and \$50,000 from the Committee on Transportation and the Environment in support of this program.



## B. DEPARTMENT OF HEALTH CARE FINANCE

### DHCF OPERATING BUDGET – BY REVENUE TYPE (DOLLARS IN THOUSANDS)

DHCF	FY14 Request	FY14 Committee	Variance
Local (100)	715,131	714,631	(500)
Dedicated Taxes (110)	86,307	86,307	0
Federal Grant (200)	28,161	28,161	0
Federal Payment (250)	1,893,770	1,892,603	(1,167)
Private (400)	0	0	0
Special Purpose (600)	3,634	3,634	0
Intra District (700)	21,501	22,441	940
<b>Gross</b>	<b>2,748,504</b>	<b>2,747,777</b>	<b>(727)</b>

The Mayor's FY14 budget proposal for DHCF includes \$2,748,504,000 in gross operating funds, which reflects an increase of \$259,508,000 from FY13. The Committee recommends a gross operating budget of \$2,747,777,000. This reflects a decrease of \$727,000 from the Mayor's FY14 proposal.

### DHCF FULL-TIME EQUIVALENTS - BY REVENUE TYPE

DHCF	FY14 Request	FY14 Committee	Variance
Local (100)	82.2	82.2	0
Dedicated Taxes (110)	3.8	3.8	0
Federal Grant (200)	9.0	9.0	0
Federal Payment (250)	95.3	95.3	0
Private (400)	0	0	0
Special Purpose (600)	7.6	7.6	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>198.0</b>	<b>198.0</b>	<b>0</b>

The Mayor's FY14 Budget proposal included authority for 198 full-time equivalents (FTEs) with DHCF. The Committee recommends no changes to the FY14 budget proposal for FTEs.

### DHCF CAPITAL BUDGET

Capital Project	Project Number	FY14-FY19 Allotment
MMIS Upgraded System	MPM03C	\$6,000,000
Medicaid Data Warehouse	MPM05C	\$800,000
United Medical Center	UMC01C	\$20,000,000
<b>TOTAL</b>		<b>\$26,800,000</b>

The proposed FY14-FY19 capital improvements plan allocates \$26,800,000 to DHCF. The Committee recommends no change to the FY14-FY19 capital budget.

### **COMMITTEE BUDGET RECOMMENDATIONS FOR DHCF**

The Committee recommends making the following adjustments within the proposed local budget for DHCF:

- Reduce \$500,000 of one-time funding from the local share of Provider Payments in DHCF's Health Services for Children with Special Needs (HSCSN) Activity (CSG 50, Medicaid Provider Payment- Activity 5001).
  - o The \$500,000 of local funds will be transferred to the Community Health Administration within the Department of Health (DSG 50, Program 8500, Activity 8502) to strengthen its efforts to address the chronic illnesses asthma, diabetes, obesity, cancer, heart disease, hypertension, and kidney disease.
- Reduce \$1,167,000 from the federal share of the HSCSN Benefit Activity (CSG 50, Medicaid Provider Payment- Activity 5001) to match the \$500,000 reduction in local funds (as mentioned above).
- Increase DHCF's Intra-District budget by \$940,000 to correct a technical error and accurately reflect the funds DHCF will receive from the Department of Mental Health for an MOU for the MHRS provider cost.

## C. DEPARTMENT OF BEHAVIORAL HEALTH

### DBH OPERATING BUDGET – BY REVENUE TYPE (DOLLARS IN THOUSANDS)

DBH – TOTAL	FY14 Request	FY14 Committee	Variance
Local (100)	202,845	202,845	0
Dedicated Taxes (110)	0	0	0
Federal Grants (200)	18,310	18,310	0
Federal Payment (250)	4,330	4,330	0
Private (400)	157	157	0
Special Purpose (600)	3,700	3,700	0
Intra District (700)	11,251	11,251	0
<b>Gross</b>	<b>240,593</b>	<b>240,593</b>	<b>0</b>

The Mayor's FY14 budget proposal included \$240,593,182 in gross operating funds for DBH. The Committee recommends a gross operating budget of \$240,593,182. This is no change from the Mayor's FY14 proposal.

### DBH FULL-TIME EQUIVALENTS - BY REVENUE TYPE

DBH – TOTAL	FY14 Request	FY14 Committee	Variance
Local (100)	1,139	1,139	0
Dedicated Taxes (110)	0	0	0
Federal Grants (200)	56	56	0
Federal Payment (250)	2	2	0
Private (400)	0	0	0
Special Purpose (600)	34.5	34.5	0
Intra District (700)	89.6	89.6	0
<b>Gross</b>	<b>1,321</b>	<b>1,321</b>	<b>0</b>

The Mayor's FY14 budget proposal included authority for 1,321 full-time equivalents (FTEs) with DBH. The Committee recommends an FTE authority of 1,321. This is no change from the Mayor's FY14 proposal.

### DBH CAPITAL BUDGET

Capital Project	Project Number	FY14-FY19 Total Allotment
Avatar Upgrade	XA665C	\$425,000
Housing Initiatives	HX403C	\$20,000,000
Integrated Care Applications Management (ICAM)	XA854C	\$695,000

The proposed FY14-FY19 capital improvements plan allocates \$21,120,000 to DBH. The Committee recommends no change to the Mayor's proposal.

## **COMMITTEE BUDGET RECOMMENDATIONS FOR DBH**

The Committee recommends adopting the Mayor's proposal for the Department of Behavioral Health. It also recommends:

- Budget Support Act language that requires the Department of Behavioral Health to submit a report to the Council regarding the efforts made by the Department to ensure that proper expansion of pediatricians' abilities to properly identify children's health needs as required by state Medicaid programs so to provide children with Early Periodic Screening, Diagnosis, and Treatment (EPSDT).

## D. OFFICE OF THE DEPUTY MAYOR FOR HEALTH AND HUMAN SERVICES

### DMHHS OPERATING BUDGET – BY REVENUE TYPE (DOLLARS IN THOUSANDS)

NFPHC – TOTAL	FY14 Request	FY14 Committee	Variance
Local (100)	1,945	1,945	0
Dedicated Taxes (110)	0	0	0
Federal Grants (200)	0	0	0
Federal Payment (250)	0	0	0
Private (400)	0	0	0
Special Purpose (600)	0	0	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>1,945</b>	<b>1,945</b>	<b>0</b>

The Mayor's FY14 budget proposal included \$1,945,119 in gross operating funds for the DMHHS. The Committee recommends a gross operating budget of \$1,945,119. This is no change from the Mayor's proposal.

### DMHHS FULL-TIME EQUIVALENTS - BY REVENUE TYPE

NFPHC – TOTAL	FY14 Request	FY14 Committee	Variance
Local (100)	6	6	0
Dedicated Taxes (110)	0	0	0
Federal Grants (200)	0	0	0
Federal Payment (250)	0	0	0
Private (400)	0	0	0
Special Purpose (600)	0	0	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>6</b>	<b>6</b>	<b>0</b>

The Mayor's FY14 budget proposal included 6 FTEs. The Committee recommends no change from the Mayor's FY14 proposal.

Capital Budget: The proposed FY14 capital budget does not include any funding for the Office of the Deputy Mayor for Health and Human Services.

### COMMITTEE BUDGET RECOMMENDATIONS FOR DMHHS

The Committee recommends adopting the Mayor's proposal for DMHHS as well as reporting requirements regarding the expenditure of Truancy funds.

## E. NOT-FOR-PROFIT HOSPITAL CORPORATION

### NFPHC OPERATING BUDGET – BY REVENUE TYPE (DOLLARS IN THOUSANDS)

NFPHC – TOTAL	FY14 Request	FY14 Committee	Variance
Local (100)	0	0	0
Dedicated Taxes (110)	0	0	0
Federal Grants (200)	0	0	0
Federal Payment (250)	0	0	0
Private (400)	0	0	0
Special Purpose (600)	110,000	110,000	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>110,000</b>	<b>110,000</b>	<b>0</b>

The Mayor's FY14 budget proposal included \$110,000,000 in gross operating funds for the NPHC. The Committee recommends a gross operating budget of \$110,000,000. This is no change from the Mayor's proposal.

### NFPHC FULL-TIME EQUIVALENTS - BY REVENUE TYPE

NFPHC – TOTAL	FY14 Request	FY14 Committee	Variance
Local (100)	0	0	0
Dedicated Taxes (110)	0	0	0
Federal Grants (200)	0	0	0
Federal Payment (250)	0	0	0
Private (400)	0	0	0
Special Purpose (600)	0	0	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>0</b>	<b>0</b>	<b>0</b>

The proposed FY14 budget for NPHC does not have any associated FTEs.

Capital Budget: The proposed FY14 capital budget does not include any funding for the Not-For-Profit Hospital Corporation.

### COMMITTEE BUDGET RECOMMENDATIONS FOR NFPHC

- The Committee recommends adopting the Mayor's proposal for Not-For-Profit Hospital Corporation.
- The Committee recommends Budget Support Act language that requires the Not-For-Profit Hospital to submit a report to the Council, every two months, regarding the work and progress made by Huron Healthcare.

## F. HEALTH BENEFIT EXCHANGE AUTHORITY

### DHBX OPERATING BUDGET – BY REVENUE TYPE (DOLLARS IN THOUSANDS)

<b>DHBX - TOTAL</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
Local (100)	0	0	0
Dedicated Taxes (110)	0	0	0
Federal Grant (200)	0	0	0
Federal Payment (250)	0	0	0
Private (400)	0	0	0
Special Purpose (600)	26,141	66,141	40,000
Intra District (700)	0	0	0
<b>Gross</b>	<b>26,141</b>	<b>66,141</b>	<b>40,000</b>

The Mayor's FY14 budget proposal included \$26,140,499 in gross operating funds for the DHBX. The Committee recommends a gross operating budget of \$66,140,499. This reflects an increase of \$40,000,000 in DHBX's Special Purpose Revenue Funds. This increase provides DHBX with the additional budget authority required to spend Federal grant funds it has received and yet to spend in FY 2013, as well as additional Federal grant funds it expects to receive in FY 2014.

### DHBX FULL-TIME EQUIVALENTS - BY REVENUE TYPE

<b>DHBX</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
Local (100)	0	0	0
Dedicated Taxes (110)	0	0	0
Federal Grant (200)	0	0	0
Federal Payment (250)	0	0	0
Private (400)	0	0	0
Special Purpose (600)	37.0	37.0	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>37.0</b>	<b>37.0</b>	<b>0</b>

The Mayor's FY14 budget proposal included authority for 37.0 full-time equivalents (FTEs) with DHBX. The Committee recommends an FTE authority of 37.0. This is no change from the Mayor's FY14 proposal.

## II. AGENCY FISCAL YEAR 2014 BUDGET RECOMMENDATIONS

### A. INTRODUCTION

The Committee is responsible for programmatic and budgetary oversight for DOH, DBH, DHCF 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 March 28, 2013, 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 FY14 budgets for those agencies under its purview:

<b>April 10, 2013</b>	Department of Health
<b>April 11, 2013</b>	Department of Health Care Finance
<b>April 18, 2013</b>	Department of Behavioral Health
<b>April 18, 2013</b>	Office of Deputy Mayor for Health and Human Services
<b>April 19, 2013</b>	Not-For-Profit Hospital Corporation
<b>April 23, 2013</b>	Health Benefit Exchange Authority

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-F*. A video recording of the hearings can be obtained through the Office of Cable Television or at [oct.dc.gov](http://oct.dc.gov). The Committee welcomes public input on the agencies and activities within its purview.



## B. DEPARTMENT OF HEALTH

### DOH OPERATING BUDGET – BY REVENUE TYPE (DOLLARS IN THOUSANDS)

DOH	FY14 Request	FY14 Committee	Variance
Local (100)	69,482	70,132	650
Dedicated Taxes (110)	0	0	0
Federal Grant (200)	132,717	132,717	0
Federal Payment (250)	5,000	5,000	0
Private (400)	0	0	0
Special Purpose (600)	12,328	12,328	0
Intra District (700)	45,536	45,536	0
<b>Gross</b>	<b>265,062</b>	<b>265,712</b>	<b>650</b>

### DOH FULL-TIME EQUIVALENTS - BY REVENUE TYPE

DOH	FY14 Request	FY14 Committee	Variance
Local (100)	161.9	161.9	0
Dedicated Taxes (110)	0	0	0
Federal Grant (200)	368.2	368.2	0
Federal Payment (250)	0	0	0
Private (400)	88.0	88.0	0
Special Purpose (600)	3.8	3.8	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>621.8</b>	<b>621.8</b>	<b>0</b>

### DOH OPERATING BUDGET - BY COMPTROLLER SOURCE GROUP (CSG)

DOH – TOTAL Comptroller Source Group Object Class	Local Funds				Gross Funds			
	FY13 Approved	FY14 Request	FY14 Committee	Variance	FY13 Approved	FY14 Request	FY14 Committee	Variance
0011 – Regular Pay	17,344	16,319	16,319	0	42,083	37,275	37,275	0
0012 – Other Pay	2,396	2,588	2,588	0	8,895	8,983	8,983	0
0013 – Additional Gross Pay	3	0	0	0	3	0	0	0
0014 – Fringe Benefits	4,204	4,197	4,197	0	10,861	10,269	10,269	0
0015 – Overtime Pay	0	33	33	0	90	33	33	0
<b>Personal Services Subtotal</b>	<b>23,947</b>	<b>23,137</b>	<b>23,137</b>	<b>0</b>	<b>61,932</b>	<b>56,560</b>	<b>56,560</b>	<b>0</b>
0020 – Supplies and Materials	1,816	1,399	1,399	0	40,337	57,146	57,146	0
0030 – Utilities	1,081	1,344	1,344	0	1,446	1,344	1,344	0
0031 – Communications	1,301	1,366	1,366	0	1,301	1,366	1,366	0
0032 – Rent	12,048	10,503	10,503	0	12,715	12,464	12,464	0
0033 – Janitorial	0	0	0	0	0	0	0	0
0034 – Security	2,539	377	377	0	2,566	647	647	0
0035 – Occupancy	1,011	698	698	0	1,011	698	698	0
0040 – Other Services and Charges	2,354	1,829	1,829	0	3,982	2,614	2,614	0
0041 – Contractual Services	31,503	31,143	31,143	0	53,631	57,587	57,587	0
0050 – Subsidies and Transfers	22,077	9,757	10,407	650	89,935	73,967	74,617	650

0060 – Land and Building	0	0	0	0	0	0	0	0
0070 – Equipment	245	256	256	0	540	669	669	0
0080 – Debt Services	0	0	0	0	0	0	0	0
0091 – Expense Not Budgeted	0	0	0	0	0	0	0	0
<b>Non-Personal Services Subtotal</b>	<b>73,975</b>	<b>58,673</b>	<b>59,323</b>	<b>650</b>	<b>207,463</b>	<b>208,502</b>	<b>209,152</b>	<b>650</b>
<b>TOTAL</b>	<b>99,922</b>	<b>81,810</b>	<b>82,460</b>	<b>650</b>	<b>269,394</b>	<b>265,062</b>	<b>265,712</b>	<b>650</b>

**DOH OPERATING BUDGET, BY PROGRAM (GROSS FUNDS)**  
(DOLLARS IN THOUSANDS)

<b>DOH – TOTAL</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
AM	22,954	22,954	0
AFO	3,337	3,337	0
HEPRA	6,084	6,084	0
HAHSTA	90,127	90,177	50
HRLA	24,075	24,325	250
CPPE	5,023	5,023	0
CHA	113,460	113,810	350
<b>TOTAL</b>	<b>265,062</b>	<b>265,712</b>	<b>650</b>

**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 2014 Operating Budget**

**Proposed Operating Budget Summary**

The Mayor's FY14 budget proposal included \$265,062,274 in gross operating and 621.8 FTEs within DOH.

**Committee Analysis and Comments**

The Mayor's FY14 budget reflects a -1.6% decrease from FY13 as well as a reduction of 86 FTEs (12.1%), due to the transfer of the Addictions Prevention Recovery Administration (APRA) to the Department of Behavioral Health.

## **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.

<b>DOH – AM</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
Local (100)	16,265	16,265	0
Federal (200/250)	5,963	5,963	0
Private (400)	0	0	0
Special Purpose (600)	726	726	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>22,954</b>	<b>22,954</b>	<b>0</b>

(DOLLARS IN THOUSANDS)

### **Proposed Operating Budget Summary**

The Mayor's FY14 budget proposal included \$22,953,745 in gross operating funds for the Agency Management administration, as well as 42.5 FTEs within DOH.

### **Committee Analysis and Comments**

The Committee makes no adjustments to the Agency Management administration budget.

## **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.

<b>DOH – AFO</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
Local (100)	797	797	0
Federal (200/250)	2,540	2,540	0
Private (400)	0	0	0
Special Purpose (600)	0	0	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>3,337</b>	<b>3,337</b>	<b>0</b>

(DOLLARS IN THOUSANDS)

### **Proposed Operating Budget Summary**

The Mayor's FY14 budget proposal included \$3,336,609 in gross operating funds, as well as 35.5 FTEs within the Agency Financial Operations administration.

### **Committee Analysis and Comments**

The Committee makes no adjustments to the Mayor's FY14 proposal 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.

<b>DOH - HEPRA</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
Local (100)	514	514	0
Dedicated Taxes (110)	0	0	0
Federal Grant (200/250)	5,510	5,510	0
Private (400)	0	0	0
Special Purpose (600)	59	59	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>6,084</b>	<b>6,084</b>	<b>0</b>

(DOLLARS IN THOUSANDS)

**Proposed Operating Budget Summary**

The Mayor’s FY14 budget proposal included \$6,083,574 in gross operating funds for DOH and 30 FTEs within HEPRA.

**Committee Analysis and Comments**

The Committee makes no adjustments to the Mayor’s FY14 proposal 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.

<b>DOH - HAHSTA</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
Local (100)	10,992	11,042	50
Dedicated Taxes (110)	0	0	0
Federal Grant (200/250)	79,134	79,134	0
Private (400)	0	0	0
Special Purpose (600)	0	0	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>90,127</b>	<b>90,177</b>	<b>50</b>

(DOLLARS IN THOUSANDS)

**Proposed Operating Budget Summary**

The Mayor’s FY14 budget proposal included \$90,126,747 in gross operating funds, as well 125.6 FTEs within HASTA.

**Committee Analysis and Comments**

The Committee recommends the addition of \$50,000 to the HAHSTA from to enhance the Department’s ability to address the problem of mother-to-child (vertical) transmission of HIV in the District. Vertical transmission can occur during pregnancy, labor, delivery, or breastfeeding. The CDC’s recommendations to reduce perinatal HIV-infection include: (a) implementation of rapid HIV testing in labor and delivery for women with undocumented HIV status; (b) outreach efforts to promote receipt of prenatal care by pregnant women; and (c) case management services to promote receipt of prenatal care and receipt of appropriate medication and interventions among HIV-infected pregnant women. The addition of \$50,000 to HAHSTA’s “Prevention and Intervention Services” division will assist the agency in achieving those ends.

## **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.

<b>DOH - HCRLA</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
Local (100)	9,780	10,030	250
Dedicated Taxes (110)	0	0	0
Federal Grant (200/250)	3,771	3,771	0
Private (400)	0	0	0
Special Purpose (600)	10,525	10,525	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>24,075</b>	<b>24,325</b>	<b>250</b>

(DOLLARS IN THOUSANDS)

### **Proposed Operating Budget Summary**

The Mayor's FY14 budget proposal included \$24,075,281 in gross operating funds, as well as 178.3 FTEs within HRLA.

### **Committee Analysis and Comments**

The Committee recommends the addition of \$250,000 to the HRLA's "Health Care Facilities Regulation" division, from CHA, to assist in the establishment and operation of wildlife rehabilitation services.



**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.

<b>DOH - CPPE</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
Local (100)	2,718	2,718	0
Federal (200/250)	1,239	1,239	0
Private (400)	0	0	0
Special Purpose (600)	1,018	1,018	0
Intra District (700)	48	48	0
<b>Gross</b>	<b>5,023</b>	<b>5,023</b>	<b>0</b>

(DOLLARS IN THOUSANDS)

**Proposed Operating Budget Summary**

The Mayor's FY14 budget proposal included \$5,023,000 in gross operating funds as well as 41 FTEs for CPPE.

**Committee Analysis and Comments**

The Committee makes no adjustments to the Mayor's FY14 proposal 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.

<b>DOH - CHA</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
Local (100)	28,415	28,765	350
Federal (200/250)	39,557	39,557	0
Private (400)	0	0	0
Special Purpose (600)	0	0	0
Intra District (700)	45,488	45,488	0
<b>Gross</b>	<b>113,460</b>	<b>113,810</b>	<b>350</b>

(DOLLARS IN THOUSANDS)

**Proposed Operating Budget Summary**

The Mayor’s FY14 budget proposal included \$113,460,352 in gross operating funds, as well as 169 FTEs within CHA.

**Committee Analysis and Comments**

The Committee recommends an increase of \$350,000 for CHA. The changes to CHA’s budget shall be outlined as follows:

*Increases from External Sources:*

- A transfer of \$500,000 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).
- A transfer of \$50,000 from the Committee on Finance and Revenue and \$50,000 from the Committee on Transportation and the Environment to support farmers’ markets.

*Intra-Agency Shifts:*

- Transfer \$500,000 from CHA’s Nutrition and Physical Fitness division (Program 8500, Activity 8513, CSG 50) accordingly:

- \$200,000 shall be moved to HCRLA to support rehabilitative services for wildlife (Program 4500, Activity 4540, CSG 50).
- \$300,000 shall be moved to CHA's Children Adolescent and School Health division (Program 8500, Activity 8514, CSG 50) to support programs designed to promote healthy development in girls attending public and chartered schools in grades 9-12 located in areas of the city possessing the highest rates of teen pregnancy and highest enrollment in state-funded health programs
- Transfer \$100,000 from CHA's Primary Care division (Program 8500, Activity 8504, CSG 50) accordingly:
  - \$50,000 shall be moved to HAHSTA to support mother to child (vertical) HIV transmission (Program 3000, Activity 3040, CSG 50)
  - \$50,000 shall be moved to CHA's Cancer and Chronic Disease Prevention division to support chronic illness prevention (Program 8000, Activity 8502)
- Transfer \$400,000 from CHA's Children Adolescent and School Health division (Program 8500, Activity 8514, CSG 50) accordingly:
  - \$300,000 shall be moved to CHA's Cancer and Chronic Disease Prevention division to support chronic illness prevention (Program 8500, Activity 8502, CSG 50)
  - \$100,000 shall be moved to CHA's Nutrition and Physical Fitness division (Program 8500, Activity 8513, CSG 50) to support farmers' markets

## **2. COMMITTEE RECOMMENDATIONS**

### **a. Fiscal Year 2014 Operating Budget Recommendations**

The Committee recommends a gross operating budget of \$265,712,274. This reflects an increase of \$650,000 over the Mayor's FY14 proposal.

Reflected in the charts for DOH is a devotion of \$200,000 to the Community Health Administration to support the use of farmers' markets in areas of the city deemed to be food deserts. One program with notable success includes doctors who provide fruit and vegetable prescriptions which have demonstrated remarkable results in combatting the diabetes and obesity epidemics in the city. Funds for this initiative have been increased via transfers from the Committee on Transportation and the Environment and the Committee on Finance and Revenue. The Committee will match the aforementioned contributions with \$100,000 in redirections to this effort, thus directing a total of \$200,000 to the Community Health Administration toward this initiative.

The increase of \$300,000 in the budget of the Community Health Administration will enable to Department to create a program designed to promote healthy development in girls attending public and chartered schools that are located in areas of the city possessing high rates of teen pregnancy as well as high numbers of enrollees in state-funded health programs.

The increase in the budget of the HIV/AIDS, Hepatitis, STD, and TB Administration by \$50,000 will enhance the Department's ability to address the problem of mother-to-child (vertical) transmission of HIV in the District. Vertical transmission can occur during pregnancy, labor, delivery, or breastfeeding. The CDC's recommendations to reduce perinatal HIV-infection include: (a) implementation of rapid HIV testing in labor and delivery for women with undocumented HIV status; (b) outreach efforts to promote receipt of prenatal care by pregnant women; and (c) case management services to promote receipt of prenatal care and receipt of appropriate medication and interventions among HIV-infected pregnant women.

The increase to the budget of the Community Health Administration by \$850,000 to enhance the Department's efforts in addressing the chronic illnesses – asthma, diabetes, obesity, cancer heart disease, hypertension, and kidney disease – will greatly enhance the Department's efforts in tackling the city's indices of chronic illnesses, which are among the highest in the nation.

The recommended increase of \$250,000 in the budget for the Health Regulations and Licensing Administration is necessary to address the problem of wildlife in the city, particularly injured wildlife. Currently, the DC Animal Care and Control Agency takes in approximately 1,200 wild animals per year. These animals are then euthanized or transported over an hour to wildlife facilities in Maryland. District law requires the Animal Care and Control Agency to promote the reduction of euthanasia of animals for

which medical treatment is possible (DC Official Code § 8.1802(c)(1)). This increase will assist the Department in achieving that end.

For the first time, the District has a wildlife rehabilitation center that is nearly ready to begin accepting protected species and other wild animals in need. With wildlife flourishing in the District, the frequency in human-wildlife conflicts has risen. By permitting DOH to award a grant for wildlife rehabilitation services, the city will be able to educate the public about normal wildlife behavior and will be able to give the public advice on when an animal should come in for rehabilitation. This will discourage residents from trying to aid animals that may be suffering from rabies or other zoonotic diseases, or from illegally transporting them into Maryland or Virginia.

**b. Fiscal Year 2014 Capital Budget Recommendations**

The Committee makes no recommendations for the FY14 capital budget. The Committee does, however, recommend the identification of capital funding in the amount of \$1.8 million for the DOH Pharmaceutical Warehouse (DOH PW). The Warehouse is a licensed drug distribution center that administers the drug component of the DOH and other District government agency programs that require prescription medications as part of their protocol. The DOH PW purchases, receives, stores and distributes drugs, vaccines for immunization and addiction and recovery medications. The DOH PW also procures for HEPRA emergency response services and facilitates Strategic National Stockpile (SNS) cache medications as required. The PW is able to purchase medications at Department of Defense pricing, which is significantly below wholesale costs for most medications and provides substantial savings on drug costs for the District.

The clinical staff of the DOH Pharmaceutical Warehouse provides clinical services, formulary management and Pharmacy & Therapeutics Committee support for District agencies that utilize the services of the Warehouse. The staff serves as subject matter experts for pharmaceutical issues for the District's AIDS Drug Assistance Program (ADAP), the DC Department of Corrections Pharmacy Services, the DHCF Medicaid HIV Program, the Tuberculosis Control Program, the DC Health Care Alliance program and for Fire and Emergency Medical Services (FEMS).

In order to meet the growing service need, the Pharmacy Warehouse needs to renovate and expand, include adding a Mail Order Facility, and adding to the build-out footprint. To complete the construction, DOH must complete a MOU with DGS. The current plan is for there to be two phases to the build-out, with the first phase being the Mail Order Pharmacy Services build-out and installing cable, and the second phase would be renovations to the existing Pharmacy Warehouse and Office, including re-surfacing the warehouse floor, new security package, new windows, new central HVAC, and painting.

**c. Policy Recommendations**

The Committee recommends Budget Support Act language that requires the Department of Health to submit reports to the Council with updates on the Medical Marijuana Program, the Housing Opportunities for People with AIDS program, the Senior HIV/AIDS Program, a report on the HIV/AIDS education requirement for physician/nurse licensure recertification, and a report on the hiring of new food inspectors. These reports will assist the Committee and the Council in ensuring the best course of action as it pertains to these programs.

## C. DEPARTMENT OF HEALTH CARE FINANCE

### DHCF OPERATING BUDGET – BY REVENUE TYPE (DOLLARS IN THOUSANDS)

DHCF	FY14 Request	FY14 Committee	Variance
Local (100)	715,131	714,632	(500)
Dedicated Taxes (110)	86,307	86,307	0
Federal Grant (200)	28,161	28,161	0
Federal Payment (250)	1,893,770	1,892,603	(1,167)
Private (400)	0	0	0
Special Purpose (600)	3,634	3,634	0
Intra District (700)	21,501	22,441	940
<b>Gross</b>	<b>2,748,504</b>	<b>2,747,777</b>	<b>(727)</b>

### DHCF FULL-TIME EQUIVALENTS - BY REVENUE TYPE

DHCF	FY14 Request	FY14 Committee	Variance
Local (100)	82.2	82.2	0
Dedicated Taxes (110)	3.8	3.8	0
Federal Grant (200)	9.0	9.0	0
Federal Payment (250)	95.3	95.3	0
Private (400)	0	0	0
Special Purpose (600)	7.6	7.6	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>198.0</b>	<b>198.0</b>	<b>0</b>

### DHCF OPERATING BUDGET, BY PROGRAM (GROSS FUNDS) (Dollars in Thousands)

DHCF – TOTAL	FY14 Request	FY14 Committee	Variance
HCDM	30,435	30,435	0
HCPP	1,923	1,923	0
HCF	2,635,891	2,635,164	(727)
HCO	39,507	39,507	0
HCIR	27,260	27,260	0
AMP	8,497	8,497	0
AFP	4,991	4,991	0
<b>TOTAL</b>	<b>2,748,504</b>	<b>2,747,777</b>	<b>(727)</b>

**MAYOR'S PROPOSED FY14 CAPITAL BUDGET - BY PROJECT**

<b>Fiscal Year</b>	<b>Capital Project</b>	<b>FY14 Allotment</b>
2014	MMIS Upgraded System	\$2,000,000
2014	Medicaid Data Warehouse	\$400,000
2014	United Medical Center	\$10,000,000
<b>TOTAL</b>		<b>\$12,400,000</b>

**APPROVED FY 2014-2019 CAPITAL BUDGET - BY PROJECT**

<b>Project Name</b>	<b>Number</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>6-Year</b>
MMIS Upgraded System	MPM03	2,000	2,000	2,000	0	0	0	6,000,000
Medicaid Data Warehouse	MPM05	400	400	0	0	0	0	800,000
United Medical Center	UMC01	10,000	10,000	0	0	0	0	20,000,000
<b>Total</b>						<b>0</b>	<b>0</b>	<b>21,120,000</b>



# 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
- Health Care Policy and Planning
- Health Care Finance
- Health Care Operations
- Health Care Innovation and Reform
- Agency Management
- Agency Financial Operations

## b. **Mayor's Proposed Fiscal Year 2014 Operating Budget**

### **Proposed Operating Budget Summary**

The Mayor's proposed FY14 budget included \$2,748,503,495 in gross operating funds and 198.0 FTEs. This reflects an increase of \$259,507,655 and 17.0 FTEs from FY13.

### **Committee Analysis and Comments**

The Mayor's FY14 local fund budget was inflated from \$689,033,542 to \$723,539,713, to reflect the Current Services Funding Level (CSFL) increase over the FY13 budget.

Proposed policy adjustments to the CSFL-inflated budget largely reflect the rising cost of health care services. During its budget oversight hearing, DHCF testified that 35% of the proposed increase was driven by a combination of provider rate increases, inflation, increased enrollment, and increased utilization of benefits. The remaining 12% was due to an increase in hospital supplemental payments funded through the provider tax, or 29.6 million. The provider tax permits the District to compensate the hospitals for lower outpatient care rates, which are currently at 47% of cost.

Nearly the entire proposed \$2.7 billion budget is dedicated to provider payments. In comparison to FY13, the total proposed budget for non-public provider payments increased by nearly \$250 million but anticipated payments to public providers and on behalf of Alliance beneficiaries decreased by approximately \$3.4 million and \$1.5 million, respectively. Forty-eight percent of the increases will come from the federal

government share of provider payments for the Medicaid childless adult population. Overall, the agency will pay out an additional \$245 million dollars in Federal Medicaid match payments from FY13.

The agency identified a number of cost-driving trends in provider payments that it considered when making its FY14 projections, including the following:

- **Increased Utilization of Waiver Programs:** Although considerably less per patient than their institutional counterparts, DHCF's waiver programs have higher numbers of participants and are more sensitive to small to fluctuations in provider spending trends. As a result, even small percentage cost increases can create significant challenges for the agency.
- **High-Cost Utilization in Managed Care and Fee-For-Service:** The Managed Care program is over 20% higher than in FY13 due to higher provider network costs and growing health care expenses of the expansion population. High cost beneficiaries comprise 11% of the fee-for-service population and are more likely to utilize emergency rooms, have longer hospital stays, suffer from multiple chronic conditions, and average 10 more prescriptions.
- **Personal Care Aide Growth:** The proposed Personal Care Aide (PCA) program budget has grown by over 80% this year. DHCF has testified that this is due to two factors. First, a number of individuals receiving PCA services in the Elders and Persons with Disabilities (EPD) waiver will now be charged under the State Plan Option. Second, the number of Medicaid beneficiaries who are not in the EPD waiver but use personal care services has continued to grow at an annual rate of 26% over the past five years. The growth on the EPD waiver is higher, but the enrollment in the waiver is much lower and constrained by a federally imposed cap. The agency is implementing rules and securing a Long Term Care contractor that will provide more oversight for the program to minimize provider and beneficiary waste, fraud, and abuse, which is expected to result in over 40% in savings in FY14. However, additional delays in the award and implementation of the Long Term Care contract could impact the savings that have been built into the FY14 proposed PCA budget.

Outside of provider payments, the Mayor's FY14 budget includes funding for a 17 additional FTE's. The majority of these new FTEs will staff the newly created Office of Rates and Reimbursement and expand the existing Chronic and Long Term Care division. While no direct savings will be achieved through these measures, the agency expects both proposed to improve program operations in the following ways:

- **Office of Rates and Reimbursement:** The new Office of Rates and Reimbursement (ORR) (which includes a total of 8 FTE's, all federally subsidized at 45%) will be dedicated to overhauling the agency's self-described outdated and poorly designed rate models, and managing reimbursement systems. The Office's responsibilities will include calculating rates, developing reimbursement proposals and modeling their impact, implementing reimbursement changes directed by the executive team, providing analysis to support decision-making, and working with contracted firms to complete rate setting-related work.

Currently, the responsibilities of the new ORR are, at best, accomplished through ad hoc assignments across various divisions within DHCF. The new ORR will enable the agency to have a single concentrated office with staff allocated to analyze, develop, implement, and monitor the provider reimbursement models. The ORR will collaborate with the Reimbursement Unit within the Office of the Agency Fiscal Officer (AFO) to ensure that reimbursement methods adhere to budget parameters. The ORR will ensure that reimbursement principles are safeguarded, while the AFO Reimbursement Unit will continue to ensure the fiscal integrity of the reimbursement and rate setting efforts.

- **New Long Term Care FTEs.** The Mayor's proposed FY14 budget includes funding for 4 new FTEs in Chronic and Long-Term Care division that will oversee the EPD waiver program. Two of the positions are 100% funded by the Money Follows the Person demonstration grant, which supports the transition of individuals from long term care facilities and into less costly community-based waiver programs. The remaining positions are subsidized with federal dollars at 45%. While the EPD Waiver program needs much improvement, the expansion will also support the agency's Long Term Care reform initiative. The Long Term Care reform initiative seeks to develop an improved system of program entry and eligibility, monitoring, and oversight in order to eliminate fragmentation in the current long-term care system, reduce inappropriate growth, and strengthen program oversight.

### c. Mayor's Proposed Fiscal Year 2014-2019 Capital Budget

#### Proposed Capital Budget Summary

The Mayor's proposed capital budget includes \$6,000,000 for the Medicaid Management Information System (MMIS) equipment upgrade, \$20,000,000 for improvements to United Medical Center, and \$800,000 for a Medicaid data warehouse.

#### Committee Analysis and Comments

All three improvements are 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 2014 Operating Budget Recommendations**

The Committee makes the following recommendations:

- A \$500,000 decrease in local funds within DHCF directed to the Department of Health, as a result of savings identified in expenditures previously budgeted for local HSCN provider payments. (CSG 50, Subsidies and Transfers). The \$500,000 in local funds will be transferred to the Community Health Administration in the Department of Health to enhance its efforts to address chronic illnesses through community organizations.
- Reduce \$1,167,000 from the federal share of the HSCSN Benefit Activity (CSG 50, Medicaid Provider Payment- Activity 5001) to match the \$500,000 reduction in local funds (as mentioned above).
- An increase of \$940,000 in intra-district funds to correct a technical error regarding an MOU between the Department of Mental Health and the Department of Healthcare Finance for the MHRS provider cost.
- A number of reporting requirements to monitor unpredictable growth trends and the status and feasibility of various programs and initiatives.

### **Committee Analysis and Comments**

The Committee is pleased that the Mayor's FY14 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 additional FTEs will provide a long-needed infusion of services in DHCF's Chronic and Long Term Care Division and in its new Office of Rates and Reimbursement. DHCF has struggled to achieve and maintain adequate staffing levels in Chronic and Long Term Care to develop policy and manage beneficiaries enrolled in its fee-for-service and waiver Long-Term Care programs. On the provider side, the agency is often faced with a heavy load of critical rate and reimbursement policy decisions, which underscore the need for additional staff dedicated to rate and reimbursements policy.

To address expected fluctuations in uncertain utilization and enrollment trends in FY14, the Committee will closely monitor the Adult Day Health, Personal Care Aide, and Alliance programs, 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 below in the Committee's comments on the Health Care Finance program.

Finally, the Committee recommends the \$500,000 reduction based on information provided by the Department, including its previous and current expenditures of subsidies and transfers budgeted for HSCN and the rates that were actually negotiated for the HSCN contract. The Committee recommends diverting these funds to the Department of Health's Community Health Administration for community organizations that are focused on improving the prevention of chronic illnesses including cancer, diabetes, asthma, obesity, and kidney disease.

**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:

- Chronic and Long Term Care;
- 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;
- Health Care Delivery Management Support Services.

<b>DHCF - HCDM</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
Local (100)	12,029	12,029	0
Federal (200/250)	18,407	18,407	0
Private (400)	0	0	0
Special Purpose (600)	0	0	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>30,435</b>	<b>30,435</b>	<b>0</b>

(DOLLARS IN THOUSANDS)

**Proposed Operating Budget Summary:**

The Mayor’s proposed operating budget allocates \$12,028,743 in local funds and 60.0 FTEs to HCDM. This is a \$2,529,523 local funds increase and a 9.0 FTE increase from the approved FY13 budget.

**Committee Analysis and Comments:**

The Committee has no changes to the Mayor’s FY14 budget for HCDM. 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.

## **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.

<b>DHCF - HCPP</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
Local (100)	1,009	1,009	0
Federal (200/250)	914	914	0
Private (400)	0	0	0
Special Purpose (600)	0	0	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>1,923</b>	<b>1,923</b>	<b>0</b>

(DOLLARS IN THOUSANDS)

### **Proposed Operating Budget Summary:**

The Mayor's proposed operating budget allocates \$1,009,025 in local funds and 18.0 FTEs to HCPP. This is a \$149,126 local funds decrease and a 1.0 FTE increase from the approved FY13 budget.

### **Committee Analysis and Comments:**

The Committee recommends no changes to the Mayor's proposed FY14 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 96% of its proposed FY14 budget.

<b>DHCF - HCF</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
Local (100)	685,510	685,010	(500)
Dedicated Taxes (110)	85,779	85,779	0
Federal (200/250)	1,841,671	1,840,504	(1,167)
Private (400)	0	0	0
Special Purpose (600)	1,430	1,430	0
Intra District (700)	21,501	22,441	940
<b>Gross</b>	<b>2,635,891</b>	<b>2,635,164</b>	<b>(727)</b>

(DOLLARS IN THOUSANDS)

### **Proposed Operating Budget Summary:**

The Mayor's proposed operating budget allocates \$685,510,674 in local funds and 10.0 FTEs to Health Care Finance. This is a \$21,139,014 local funds increase and a 10.0 FTE increase from the approved FY13 budget.

### **Committee Analysis and Comments:**

The Committee recommends a \$500,000 decrease in local funds for Health Care Finance for expenditures in HSCN provider payments (CSG50 (Subsidies and Transfers)). Based on information provided by DHCF, a savings of \$500,000 can be achieved and diverted to the Department of Health's Community Health Administration for community organizations focused on improving the prevention of chronic illnesses including cancer, diabetes, asthma, obesity, and kidney disease. This savings is realized from changes in the actual cost of the HSCSN contract and will have no impact on the benefits and services provided to residents. To reflect the corresponding decrease in of the federal share of the HSCSN activity, the Committee also recommends to reduce \$1,167,000 from the federal share to HSCSN.

The Committee also recommends an increase of \$940,000 in intra-district funds to reflect funds that will be directed to the agency via a memorandum of understanding with the Department of Mental Health for the MHRS provider cost.

The Committee has no additional changes to the Mayor's FY14 budget for the Health Care Finance program, but makes these comments on and recommendations to following provider payment categories:

#### ***Adult Day Treatment***

The Mayor's FY2014 proposal shifts the entire budget for the Adult Day Treatment Program to the Adult Day Health Program. When the Adult Day Health Program is finally implemented, the agency anticipates that some beneficiaries will



transition out of the Day Health and into replacement services (including EPSDT, DD Waiver, ICF/IID, or MHRS programs). However, the agency states that it could not make estimates capturing this number at the time of budget formulation because the program was too new. Thus, the proposed FY14 budget for replacement services is encapsulated in Adult Day Health benefit FY14 budget, which mirrors the FY13 Day Treatment budget with the exception of the 5.1% CSFL inflation factor.

Due to the uncertainty of the program, the Committee recommends no changes, but has requested a variety of enrollment and utilization data in FY14, and expects the agency to more reliable predictions for its FY15 budget.

### ***Personal Care Aide (PCA) Benefit***

The proposed expenditures for the PCA program reflect an 81% increase from the funds budgeted for PCA expenditures in FY13. The agency's budget for this benefit is premised on the following assumptions; i) DHCF will realize a \$45 million dollar cost savings in FY14 once the Long Term Care contract and rulemaking is implemented; ii) approximately \$70,000,000 of growth in the PCA program is attributed to implementation of the agency's 8-hour limitation on the PCA benefit in the EPD Waiver program; and iii) projected increased utilization rates. DHCF also implemented new PCA regulations in FY2012 that expanded the amount of data that home health agencies must report for a claim to be paid, enabling the agency to have a better understanding of how the service is provided. However, it is unclear what additional savings, if any, have resulted from those rules.

The Committee approves the proposal but requests the provision of a quarterly utilization and cost report for the PCA program and report on the Long Term Care contractor's progress that measures the actual reduction of waste, fraud, and abuse.

### ***Alliance Benefit***

Although the new recertification rules have resulted in a significant reduction in Alliance enrollment in FY12, the current data does not provide any 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. This made DHCF's FY12 and FY13 enrollment unpredictable. The agency has also had difficulty predicting when the recertification requirements would cause all enrolled unqualified beneficiaries to dis-enroll from the program. However, the agency believes that the negative growth rate has plateaued because ineligible beneficiaries would have to have recertified at least 3 times since the rules were implemented. Thus, the agency predicts that shallow growth will supplant the negative growth trends in Alliance enrollment in FY14, and result in a modest \$1.9 million reduction in the Alliance benefit from FY13.

Anecdotal evidence suggests that the recertification rules may not be uniformly or consistently enforced, which, if true, would defeat the purpose of the recertification rules and compromise the availability of health benefits for those who are actually eligible.

Accordingly, the Committee directs the Department to interface with DHS to audit the recertification process and determine whether it is effective and adequately enforced.

**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.

<b>DHCF - HCO</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
Local (100)	9,625	9,625	0
Federal (200/250)	28,219	28,219	0
Private (400)	0	0	0
Special Purpose (600)	1,663	1,663	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>39,506,738</b>	<b>39,506,738</b>	<b>0</b>

(DOLLARS IN THOUSANDS)

**Proposed Operating Budget Summary:**

The Mayor’s proposed operating budget allocates \$9,625,021 in local funds and 45.0 FTEs to HCO. This is a \$1,511,505 local funds increase and no FTE increases from the approved FY13 budget.

**Committee Analysis and Comments:**

The Committee recommends no changes to the Mayor’s FY14 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.

<b>DHCF - HCRIA</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
Local (100)	1,158	1,158	0
Dedicated Taxes (110)	310	310	0
Federal (200/250)	25,792	25,792	0
Private (400)	0	0	0
Special Purpose (600)	0	0	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>27,260</b>	<b>27,260</b>	<b>0</b>

(DOLLARS IN THOUSANDS)

**Proposed Operating Budget Summary:**

The Mayor's proposed operating budget allocates \$27,259,530 in local funds and 9.0 FTEs to HCIR. This is a \$25,725,380 local funds decrease and a 4.0 FTE increase from the approved FY13 budget.

**Committee Analysis and Comments:**

The Committee recommends no changes to the Mayor's FY14 budget for HCIR.

## **DHCF-AGENCY MANAGEMENT PROGRAM**

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

<b>DHCF - HCF</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
Local (100)	3,595	3,595	0
Federal (200/250)	4,361	4,361	0
Private (400)	0	0	0
Special Purpose (600)	540	540	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>8,497</b>	<b>8,497</b>	<b>0</b>

(DOLLARS IN THOUSANDS)

### **Proposed Operating Budget Summary:**

The Mayor's proposed operating budget allocates \$3,595,381 in local funds and 41.0 FTEs to AMP. This is a \$5,130,029 local funds decrease and a 7.0 FTE decrease from the approved FY13 budget.

### **Committee Analysis and Comments:**

The Committee has no changes to the Mayor's FY14 budget for AMP. As discussed above, the budget includes an allowance for a number of FTEs to fully develop the agency's rating and reimbursement policy.

## **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.

<b>DHCF - HCF</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
Local (100)	2,205	2,205	0
Dedicated Taxes (110)	218	218	0
Federal (200/250)	2,568	2,568	0
Private (400)	0	0	0
Special Purpose (600)	0	0	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>4,991</b>	<b>4,991</b>	<b>0</b>

(DOLLARS IN THOUSANDS)

### **Proposed Operating Budget Summary:**

The Mayor's proposed operating budget allocates \$2,204,680 in local funds and 15.0 FTEs to AFO. This is a \$19,308 local funds increase and a 15.0 FTE increase from the approved FY13 budget.

### **Committee Analysis and Comments:**

The Committee recommends no changes to the Mayor's FY14 budget for AFO.

### **Fiscal Year 2014 Capital Budget Recommendations**

The Committee recommends no changes from the Mayor's FY14 proposal.

### **Policy Recommendations**

1. **Adult Day Health.** The Committee is concerned with the lack of a clearly defined timeline and projected date of completion of the Adult Day Treatment program. Some providers have informed the Committee that they are facing a loss in income while they wait for DHCF to lift the freeze on new admissions and implement the new program. Accordingly, the Committee urges DHCF to develop an accelerated timeline for the completion of the Adult Day Treatment program. The Committee requests DHCF to, as soon as possible, prepare an updated timeline containing the following information: i) clear timeline and projected date that providers will be able to render services to new patients in the program; ii) the major roadblocks to completion in the development process and potential solutions, and a timeframe for resolution of those issues. The Committee has also directed the agency to provide reports on this program that shall include information regarding the state plan amendment (SPA) for the new program,

information about the providers being reimbursed under the new program, the reimbursement methodology selected for the program, and information regarding the beneficiaries and providers that are transitioned out of the program.

2. **Alliance Eligibility.** The Department of Human Services is ultimately responsible for implementing the agency's recertification rules by conducting eligibility determinations, which requires that prospective beneficiaries visit DHS service centers in person. 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. The Committee has also requested that DHCF work with DHS to audit the enforcement of the recertification rules and provide updated information regarding projected enrollment in FY14.

3. **MCO Transition.** The Committee is aware of concerns from providers regarding whether the new Managed Care Organization (MCO) Thrive Health Plan, will be ready to service its membership by July 1, 2013 and establish an adequate provider network. In April 2013, the Council approved the contracts for three new managed care organizations (MCOs) to provide health care services to over 150,000 Medicaid and Alliance beneficiaries. As a result of delays in the contract procurement and award process, the contracts of the incumbent MCOs, originally set to expire on April 30, 2013, were extended by 60 days and the new contract period now begins on July 1, 2013. Two of the selected MCOs for the new contract period are incumbent (Medstar Family Choice and Amerihealth Mercy, which assumed the membership of the formerly incumbent Chartered Health Plan), while one of the MCOs—Thrive Health Plans—will be offering managed care health care services in the District for the very first time.

DHCF has been working for months with the assistance of an enrollment broker to ensure continuity of care and a smooth transition into the MCO next contract. Thrive will not be assigned members unless it has completed all readiness tests to the satisfaction of DHCF. The remaining beneficiaries will be auto-assigned on an equal and random basis between Medstar and Thrive Health Plans, and new members will continue to be auto-assigned on an equal and random basis to all MCOs for the remainder of the contract period. However, members will have the option to select another MCO for a limited period of time at the start of the contract period.

The Committee will oversee the implementation of the new MCOs and ensure continuity of care is provided to the members. The Committee has directed DHCF to assist it with this oversight by submitting a report by October 1, 2013, that includes a listing of the provider network for each MCO, the number of beneficiaries that were auto-assigned to each MCO on July 1, 2013, the number of newly eligible beneficiaries auto-assigned to each MCO, and the number and movement of beneficiaries to other MCOs during the voluntary selection period.

**4. MCO Performance and Outcomes.** The new MCO contracts were written in an effort to provide additional specificity and direction for managing and administering care and service. First, DHCF strengthened the requirements in its network adequacy by setting a ratio between the numbers of primary care providers (PCPs) and primary dental providers (PDP) to the numbers of beneficiaries enrolled in each MCO. If an MCO fails to maintain the adequacy requirements, it will be penalized up to \$50,000 per PCP or PDP and will be placed on a corrective action plan. Second, the MCOs will conduct Performance Improvement Projects (PIPs) designed to achieve significant improvements in their entire eligible population sustained over time in both clinical and non-clinical areas. PIPs must be focused on improving outcomes including Adverse Perinatal and Chronic Care incidences. The MCOs will also be required to report new data associated with the Early and Periodic Screening Diagnostic and Treatment (EPSDT) benefit. The Division of Quality and Health Outcomes and Managed Care will monitor these activities to ensure consistency in implementation and evaluation of outcomes within the membership.

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, 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 FY12 oversight responses, DHCF stated that it is unable to track total spending on EPSDT services in part because the EPSDT benefit is bundled into the MCO capitated payment. DHCF also reported that Chartered Health Plan was placed on corrective action plan that included a freeze on the assignment of newly eligible beneficiaries due to delays in providing EI services and reimbursing EI providers for services rendered.

The Committee is concerned that the fragmented EPSDT system may be causing deficiencies in the oversight of the EPDST benefit, and that mental health provider networks and other EPSDT provider networks are inadequate. The Committee will work with the agency to assess the EPSDT benefit and to cure any deficiencies in oversight in FY14, starting with a directive that the agency submit a comprehensive plan detailing its efforts to ensure the mental health screen to date, changes expected in FY2014, a plan to make it easier for mental health providers to become part of the MCO network, the number of mental health and other providers that are part of the MCO network, and the utilization data from MCOs regarding mental health and other EPSDT services rendered to children. The Committee will also require ongoing reporting from DHCF on the progress of its MCOs in improving every outcome that is identified in the new MCO contracts.

**5. 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, presented testimony to the Committee detailing concerns regarding the following: i) lack of clarity for securing in-home, 24-hour care services under the EPD waiver; and ii) loss of EPD waiver benefits after institutionalization for more than 30 days. Additionally, in FY13, the Committee received a number of complaints from residents regarding the length of the EPD waiver waitlist and enrollment process.

DHCF agrees that there are major problems with the enrollment process and has taken significant steps to improve it in FY13. The application and enrollment process can take up to 6 months, with eligibility by the Economic Security Administration taking up to 45 days. With respect to recertification, DHCF states that approximately 366 beneficiaries lost EPD Waiver eligibility between July 1 2011 and March 1, 2012—which the agency attributes to a lack of understanding by case managers of their responsibilities and roles in the eligibility process.

DHCF has 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 agency is also including recertification notices in the LTC Ombudsman's Program's brochure.

As to the length of the enrollment process, DHCF has suggested that bringing eligibility in-house may help shorten the process—and the agency anticipates getting a database before the end of FY13 that will allow for a more efficient, effective, accurate and timely maintenance of the EPD waiting list.

The Committee is optimistic that these issues will be fully abated in FY14 with DHCF's remediation efforts and the addition of staff to the Chronic and Long Term Care division. As part of its oversight of these improvements, the Committee has requested the agency to submit various data substantiating its progress with the program, including a plan to address the issue of loss of EPD Waiver benefits in institutionalized members.

## D. DEPARTMENT OF BEHAVIORAL HEALTH

### DBH OPERATING BUDGET – BY REVENUE TYPE (DOLLARS IN THOUSANDS)

DBH	FY14 Request	FY14 Committee	Variance
Local (100)	202,845	202,845	0
Dedicated Taxes (110)	0	0	0
Federal Grant (200)	18,310	18,310	0
Federal Payment (250)	4,330	4,330	0
Private (400)	157	157	0
Special Purpose (600)	3,700	3,700	0
Intra District (700)	11,251	11,251	0
<b>Gross</b>	<b>240,593</b>	<b>240,593</b>	<b>0</b>

### DBH FULL-TIME EQUIVALENTS - BY REVENUE TYPE

DBH	FY14 Request	FY14 Committee	Variance
Local (100)	1,139	1,139	0
Dedicated Taxes (110)	0	0	0
Federal Grant (200)	56	56	0
Federal Payment (250)	2	2	0
Private (400)	0	0	0
Special Purpose (600)	34.5	34.5	0
Intra District (700)	89.6	89.6	0
<b>Gross</b>	<b>1,321</b>	<b>1,321</b>	<b>0</b>

### DBH OPERATING BUDGET - BY COMPTROLLER SOURCE GROUP (CSG) (DOLLARS IN THOUSANDS)

DBH – TOTAL Comptroller Source Group Object Class	Local Funds				Gross Funds			
	FY13 Approved	FY14 Request	FY14 Committee	Variance	FY13 Approved	FY14 Request	FY14 Committee	Variance
0011 – Regular Pay	67,618	72,221	72,221	0	76,371	83,663	83,663	0
0012 – Other Pay	4,919	4,220	4,220	0	5,906	5,671	5,671	0
0013 – Additional Gross Pay.	1,592	1,592	1,592	0	1,965	1,793	1,793	0
0014 – Fringe Benefits	18,844	20,438	20,438	0	21,190	23,751	23,751	0
0015 – Overtime Pay	1,367	1,367	1,367	0	1,953	1,953	1,953	0
<b>Personal Services Subtotal</b>	<b>94,341</b>	<b>99,839</b>	<b>99,839</b>	<b>0</b>	<b>107,386</b>	<b>116,832</b>	<b>116,832</b>	<b>0</b>
0020 – Supplies and Materials	427,065	407,649	407,649	0	6,608	6,993	6,993	0
0030 – Utilities	3,554	2,919	2,919	0	3,554	2,919	2,919	0
0031 – Communications	1,307	1,380	1,380	0	1,307	1,380	1,380	0
0032 – Rent	2,642	4,838	4,838	0	2,642	4,839	4,839	0
0033 – Janitorial	0	0	0	0	0	0	0	0
0034 – Security	2,141	2,247	2,247	0	2,141	2,247	2,247	0
0035 – Occupancy	148,902	444	444	0	149	444	444	0
0040 – Other Services and Charges	7,821	8,562	8,562	0	13,080	14,086	14,086	0
0041 – Contractual Services	29,570	30,992	30,992	0	33,529	34,795	34,795	0
0050 – Subsidies and Transfers	19,910	45,393	45,393	0	19,945	55,150	55,150	0
0060 – Land and Building	0	0	0	0	0	0	0	0
0070 – Equipment	169,164	151,260	151,260	0	826	908	908	0
0080 – Debt Services	0	0	0	0	0	0	0	0

0091 – Expense Not Budgeted	0	0	0	0	0	0	0	0
<b>Non-Personal Services Subtotal</b>	73,536	103,006	103,006	0	83,782	123,761	123,761	0
<b>TOTAL</b>	167,877	202,845	202,845	0	191,168	240,593	240,593	0

**DBH OPERATING BUDGET, BY PROGRAM (GROSS FUNDS)  
(DOLLARS IN THOUSANDS)**

<b>DBH – TOTAL</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
AMP	16,720	16,720	0
SEH	83,809	83,809	0
BHSS	62,991	62,991	0
APRA	39,431	39,431	0
MHF	29,294	29,294	0
BAH	6,744	6,744	0
AFO	1,604	1,604	0
<b>TOTAL</b>	<b>240,593</b>	<b>240,593</b>	<b>0</b>

**MAYOR’S PROPOSED FY14 CAPITAL BUDGET - BY PROJECT**

<b>Capital Project</b>	<b>Project Number</b>	<b>FY14 Allotment</b>
Housing Initiatives	HX403C	\$5,000,000
Avatar Upgrade	XA665C	\$425,000
Integrated Care Applications Management (ICAM)	XA854C	\$695,000
<b>TOTAL</b>		<b>\$6,120,000</b>

**APPROVED FY 2014-2019 CAPITAL BUDGET - BY PROJECT**

<b>Project Name</b>	<b>Number</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>6-Year</b>
Housing Initiatives - DBH	HX403C	5,000	5,000	5,000	5,000	0	0	20,000
Avatar Upgrade	XA665C	425	0	0	0	0	0	425
Integrated Care Applications Management	XA854C	695	0	0	0	0	0	695
<b>Total</b>		<b>6,120</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>0</b>	<b>0</b>	<b>21,120</b>

(DOLLARS IN THOUSANDS)

## **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.

DBH is responsible for developing, supporting, and overseeing a comprehensive, community-based, system of services and supports for residents with mental health and substance use disorders that is accessible, accountable, culturally competent, and choice-driven.

DBH provides prevention, intervention and treatment services for children, youth, and adults with mental health and/or substance abuse disorders. This includes a range of community-based outpatient and residential services that offer emergency psychiatric care, ambulatory services for mental health and substance abuse disorders, detoxification and prevention activities delivered primarily through a network of certified community providers. The goal is to tailor services to meet the individual needs of persons in care. Community-based services also included Medicaid reimbursable activities for eligible District residents, supported housing, school-based services and a pharmacy. DBH 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 2014 Operating Budget**

#### **Proposed Operating Budget Summary**

The Mayor's proposed FY14 budget proposal included \$240,593,182 in gross operating funds for DBH and 1,321 FTEs. The budget is comprised of \$202,844,672 in Local funds, \$18,310,251 in Federal Grant Funds, \$4,329,879 in Federal Medicaid Payments, \$157,243 in Private Grant funds, \$3,700,000 in Special Purpose Revenue funds, and \$11,251,138 in Intra-District funds.

In Local funds, the budget proposal includes an increase of \$2,222,766 for Fixed Costs to align Rentals - Land and Structures with the Department of General Services' (DGS) estimates. The budget proposal for personal services (PS) was similarly adjusted for increases of \$855,456 for projected Fringe Benefit costs and \$647,525 to cover projected step increases. Other adjustments in the budget proposed for Local funds include an increase of \$194,709 for the Mental Health Rehabilitation Services.

In the budget submission for Federal Grant funds, DBH proposes an increase of \$975,178 to align the budget with anticipated grant awards for the Medicare entitlement program. A proposal to increase the budget by \$972,000 and 4.5 FTEs is based on projected grant awards for the New Care Expansion Implementation Grant and personnel service adjustments related to staffing projections for the Project for Assistance in Transition from Homelessness (PATH) grant. In Special Purpose Revenue funds, the budget proposal includes an increase of \$435,000 and 1.0 FTE based on projected revenues for reimbursements from the Federal beneficiary and the U.S. Marshalls for consumer care.

### **Committee Analysis and Comments**

The Mayor's proposed FY14 budget reflects a gross increase of \$49,426,000. This is a 25.9% increase from FY13's approved budget of \$191,167,559. DBH's merger with APRA accounted for \$24,235,000 of DBH's increase in local dollars this fiscal year. APRA also brings an increase of \$16,750,000 in federal grant funds, as well as 75 FTEs.

The blending of both APRA and DBH is necessary due to the frequency in which individuals require both mental health and drug treatment. Estimates show that there are 35,000 District residents who are receiving treatment for either mental health or substance abuse issues, many of whom are receiving both. This new agency will increase efficiencies in treating individuals who require such services.

### **c. Mayor's Proposed Fiscal Year 2014-2019 Capital Budget**

#### **Proposed Capital Budget Summary**

The Mayor's proposed FY14 capital budget allocates \$6,120,000 in gross funds to DBH. These funds will go towards (1) an Avatar System upgrade, (2) a housing initiative to develop housing for consumers with serious and persistent mental illnesses, and (3) ICAM, a web-based care management system used to perform specific functions related to DBH's MHRS program.

#### **Committee Analysis and Comments**

The capital dollars allocated for the Avatar upgrade are needed to keep Saint Elizabeths in compliance with the mandates put in place by the Department of Justice and Department of Health. This upgrade will cover a spectrum of enhancements including

product enhancements to increase application functionality, equipment that will allow for electronic signatures, avatar management reports that will allow for timeliness in completing assessments, and updated forms that allow for enhancements in report development that will be mandated.

The housing initiative illustrated in the Mayor's capital budget is done to continue with the court order. There will be an annual development of 100 units of affordable housing for very low-income to extremely low-income mentally ill residents of the District over a 6-year period. This project will allow the District to benefit from reduced reliance on institutionalizing the mentally ill and returning them to normal living standards.

ICAM will replace a DBH system that is 11 years old. It is necessary to adjudicate \$70M in public mental health claims annually and bill for \$15M in revenue for the Department. ICAM will act as an electronic medical record for more than 22,000 District consumers who access mental health services in DC.

## 2. COMMITTEE RECOMMENDATIONS

### DBH – BEHAVIORAL HEALTH AUTHORITY

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

The Mayor's proposed FY14 budget proposal included \$6,744,000 in gross operating funds for DBH and 32.1 FTEs.

<b>DBH – BHA</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
Local (100)	5,636	5,636	0
Dedicated Taxes (110)	0	0	0
Federal Grant (200)	376	376	0
Federal Payment (250)	391	391	0
Private (400)	0	0	0
Special Purpose (600)	0	0	0
Intra District (700)	342	342	0
<b>Gross</b>	<b>6,744</b>	<b>6,744</b>	<b>0</b>

(DOLLARS IN THOUSANDS)

#### **Proposed Operating Budget Summary:**

The Mayor's proposed FY14 budget proposal included \$6,744,000 in gross operating funds for DBH and 32.1 FTEs.

#### **Committee Analysis and Comments:**

The Committee recommends \$5,636,000 in local funds in MHA for FY14, which is no change from the Mayor's FY14 proposal. In addition, the Committee recommends 32.1 FTEs, which is no change from the Mayor's FY14 budget proposal.

**DBH – SAINT ELIZABETHS HOSPITAL**

Saint Elizabeths Hospital 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 Saint Elizabeths 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 D.C.’s Department of Health as well as U.S. Department of Health and Human Services (DHHS) Center for Medical Services.

<b>DBH – BHA</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
Local (100)	75,302	75,302	0
Dedicated Taxes (110)	0	0	0
Federal Grant (200)	1,750	1,750	0
Federal Payment (250)	0	0	0
Private (400)	157	157	0
Special Purpose (600)	3,500	3,500	0
Intra District (700)	3,100	3,100	0
<b>Gross</b>	<b>83,809</b>	<b>83,809</b>	<b>0</b>

(DOLLARS IN THOUSANDS)

**Proposed Operating Budget Summary:**

The Mayor’s proposed FY14 budget proposal included \$83,809,000 in gross operating funds for DBH and 831.49 FTEs.

**Committee Analysis and Recommendations:**

There was a shift at Saint Elizabeths’ Office of the Chief of Staff and its Clinical Administration, which both saw a movement of (57.2) and 57.4 FTEs, respectively. This change is because certain clinical functions and the associated FTEs were transferred from the Chief of Staff to Clinical Administration. These clinical functions include social work, rehabilitation services, and clinical administration. The Office of the Chief of Staff is now responsible for non-clinical positions.

Saint Elizabeths’ also received an increase of \$389,000 to support professional and contractual service fees.

The Committee recommends \$75,302,000 in local funds in SEH for FY14, which is no change from the Mayor’s FY14 proposal. In addition, the Committee recommends 831.49 FTEs, which is no change from the Mayor’s FY14 budget proposal.



## **DBH – BEHAVIORAL HEALTH SERVICES AND SUPPORTS**

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

<b>DBH – BHSS</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
Local (100)	52,828	52,828	0
Dedicated Taxes (110)	0	0	0
Federal Grant (200)	1,273	1,273	0
Federal Payment (250)	1,165	1,165	0
Private (400)	0	0	0
Special Purpose (600)	200	200	0
Intra District (700)	7,524	7,524	0
<b>Gross</b>	<b>62,991</b>	<b>62,991</b>	<b>0</b>

(DOLLARS IN THOUSANDS)

### **Proposed Operating Budget Summary:**

The Mayor's proposed FY14 budget proposal included \$62,991,000 in gross operating funds for DBH and 277.68 FTEs.

### **Committee Analysis and Recommendations:**

The Committee recommends \$52,828,000 in local funds in BHSS for FY14, which is no change from the Mayor's FY14 proposal. In addition, the Committee recommends 277.68 FTEs, which is no change from the Mayor's FY14 budget proposal.

**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 abuse prevention, 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.

The Mayor’s proposed FY14 budget proposal included \$39,431,000 in gross operating funds for DBH and 75 FTEs.

<b>DBH – APRA</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
Local (100)	24,235	24,235	0
Dedicated Taxes (110)	0	0	0
Federal Grant (200)	14,911	14,911	0
Federal Payment (250)	0	0	0
Private (400)	0	0	0
Special Purpose (600)	0	0	0
Intra District (700)	285	285	0
<b>Gross</b>	<b>39,431</b>	<b>39,431</b>	<b>0</b>

(DOLLARS IN THOUSANDS)

**Proposed Operating Budget Summary:**

The Mayor’s proposed FY14 budget proposal included \$62,991,000 in gross operating funds for DBH and 277.68 FTEs.

**Committee Analysis and Recommendations:**

While under the DOH, APRA had its FTEs cut down by 3.0 in FY13, for a total of 68.0 FTEs. In the Mayor’s FY14 proposal, APRA has received 75 FTEs positions.

The Committee recognizes that there are currently 14 vacancies within APRA. The Committee has been assured that these positions will be utilized.

The committee anticipates that the increase in FTEs as reflective of the increase in activity that will occur as a result of the DBH-APRA merger. As such, the committee will not cut FTE positions, but will closely note how these positions are filled and utilized.

The Committee recommends \$24,235,000 in local funds in APRA for FY14, which is no change from the Mayor's FY14 proposal. In addition, the Committee recommends 75 FTEs, which is no change from the Mayor's FY14 budget proposal.

The Committee recommends \$52,828,000 in local funds in BHSS for FY14, which is no change from the Mayor's FY14 proposal. In addition, the Committee recommends 277.68 FTEs, which is no change from the Mayor's FY14 budget proposal.

**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.

<b>DBH – MHF</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
Local (100)	29,175	29,175	0
Dedicated Taxes (110)	0	0	0
Federal Grant (200)	0	0	0
Federal Payment (250)	119	119	0
Private (400)	0	0	0
Special Purpose (600)	0	0	0
Intra District (700)	285	285	0
<b>Gross</b>	<b>29,294</b>	<b>29,294</b>	<b>0</b>

(DOLLARS IN THOUSANDS)

**Proposed Operating Budget Summary:**

The Mayor’s proposed FY14 budget proposal included \$29,294,000 in gross operating funds for DBH and 18 FTEs.

**Committee Analysis and Recommendations:**

Mental Health Financing/Fee-For-Service’s FY14 budget proposal reflects a \$195,000 increase in local funds from FY13 to cover projected costs in Mental Health Rehabilitation Services. There is also a local match for Mental Health Rehabilitation Services in the amount of \$7,415,000.

The Committee recommends \$29,294,000 in local funds in MHF for FY14, which is no change from the Mayor’s FY14 proposal. In addition, the Committee recommends 18 FTEs, which is no change from the Mayor’s FY14 budget proposal.

## 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.

DBH – AM	FY14 Request	FY14 Committee	Variance
Local (100)	14,066	14,066	0
Dedicated Taxes (110)	0	0	0
Federal Grant (200)	0	0	0
Federal Payment (250)	2,655	2,655	0
Private (400)	0	0	0
Special Purpose (600)	0	0	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>16,720</b>	<b>16,720</b>	<b>0</b>

(DOLLARS IN THOUSANDS)

### Proposed Operating Budget Summary:

The Mayor's proposed FY14 budget proposal included \$16,720,000 in gross operating funds for Agency Management and 71 FTEs.

The Agency Management division saw a \$212,000 increase in personal costs, as well as a \$404,000 increase in property management. This is due to the DBH merger with APRA.

### Committee Analysis and Recommendations:

The Committee recommends \$16,720,000 in local funds in AM for FY14, which is no change from the Mayor's FY14 proposal. In addition, the Committee recommends 71 FTEs, which is no change from the Mayor's FY14 budget proposal.

## 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.

DBH – AFO	FY14 Request	FY14 Committee	Variance
Local (100)	1,604	1,604	0
Dedicated Taxes (110)	0	0	0
Federal Grant (200)	0	0	0
Federal Payment (250)	0	0	0
Private (400)	0	0	0
Special Purpose (600)	0	0	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>1,604</b>	<b>1,604</b>	<b>0</b>

(DOLLARS IN THOUSANDS)

### Proposed Operating Budget Summary:

The Mayor's proposed FY14 budget proposal included \$1,604,000 in gross operating funds for Agency Financial Operations and 15.75 FTEs.

### Committee Analysis and Recommendations:

The Committee recommends \$1,604,000 in local funds in AFO for FY14, which is no change from the Mayor's FY14 proposal. In addition, the Committee recommends 15.75 FTEs, which is no change from the Mayor's FY14 budget proposal.

## **Fiscal Year 2014 Operating Budget Recommendations**

The Committee recommends no changes to the FY14 DBH operating budget.

## **Fiscal Year 2014 Capital Budget Recommendations**

The Committee recommends no changes to the FY14 DBH capital budget.

## **Policy Recommendations**

The Committee recommends Budget Support Act language that requires the Department of Behavioral Health to submit a report to the Council regarding the efforts made by the Department to ensure that proper expansion of pediatricians' abilities to properly identify children's health needs in their offices, child care facilities and schools. Federal Medicaid law requires mental health screenings for children on Medicaid at all well-child visits and at other medically necessary exams. This requirement is part of the broader mandate requiring state Medicaid programs to provide children with Early Periodic Screening, Diagnosis, and Treatment (EPSDT). The Committee has been made aware of the fact that despite these federal requirements, many children – close to 5,000 – are in need of mental health services, but are not receiving them. The committee believes that the suggested BSA reporting requirement will assist the city in determining the best course of action to combat this issue.

## E. OFFICE OF THE DEPUTY MAYOR FOR HEALTH AND HUMAN SERVICES

### DMHHS OPERATING BUDGET – BY REVENUE TYPE (DOLLARS IN THOUSANDS)

NFPHC – TOTAL	FY14 Request	FY14 Committee	Variance
Local (100)	1,945	1,945	0
Dedicated Taxes (110)	0	0	0
Federal Grants (200)	0	0	0
Federal Payment (250)	0	0	0
Private (400)	0	0	0
Special Purpose (600)	0	0	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>1,945</b>	<b>1,945</b>	<b>0</b>

### DMHHS FULL-TIME EQUIVALENTS - BY REVENUE TYPE

NFPHC – TOTAL	FY14 Request	FY14 Committee	Variance
Local (100)	6	6	0
Dedicated Taxes (110)	0	0	0
Federal Grants (200)	0	0	0
Federal Payment (250)	0	0	0
Private (400)	0	0	0
Special Purpose (600)	0	0	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>6</b>	<b>6</b>	<b>0</b>

## 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 on Disability Services (DDS)



- Department of Health (DOH)
- Department of Health Care Finance (DHCF)
- Department of Human Services (DHS)
- Department of Behavioral Health (DMH)
- Department of Parks and Recreation (DPR)
- Department of Youth Rehabilitation Services (DYRS)
- 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 -- encompasses staffing to provide agency oversight and support for citywide health and human services-related policies, activities, and initiatives under its jurisdiction, including:

- Developing and supporting policies and programs to improve the delivery of services by government agencies and contracted providers;
- Coordinating interagency activities and initiatives;
- Identifying opportunities for reducing redundancies, leveraging resources, creating economies of scale, and improving outcomes;
- Ensuring compliance with local and federal mandates; and
- Collecting and disseminating performance data on and for agency activities and initiatives.

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.

## **b. Mayor's Proposed Fiscal Year 2014 Operating Budget**

### **Proposed Operating Budget Summary**

The FY14 proposed operating budget for the Office of the Deputy Mayor (DMHHS) is \$1,945,119, reflecting an increase of 225.6%, which includes the addition of two staff positions and \$1,000,000 for Truancy Prevention.

The FY14 proposed FTE level calls for the addition of two staff, increasing the office size by 50% to a total of six employees.

All funding for the DMHHS is local.

**Committee Analysis and Comments**

When queried on the rationale for the placement of \$1,000,000 for Truancy Prevention in the Office of the Deputy Mayor versus in agencies with programs that carry out the tasks, the Deputy Mayor stated that the funds were placed in her office because she oversaw the various task forces, some of which crossed clusters, which would allow her to coordinate the efforts of multiple agencies whose work address the various exigencies of youth that lead to truancy.

**c. Mayor's Proposed Fiscal Year 2014-2019 Capital Budget**

**Proposed Capital Budget Summary**

The Mayor did not request capital budget funds for DMHHS.

**Committee Analysis and Comments**

None

**2. COMMITTEE RECOMMENDATIONS**

**a. Fiscal Year 2014 Operating Budget Recommendations**

The Committee makes no recommendations on the DMHHS budget but will closely monitor the Office's utilization of Truancy Funds.

## F. NOT-FOR-PROFIT HOSPITAL CORPORATION

### NFPHC OPERATING BUDGET – BY REVENUE TYPE (DOLLARS IN THOUSANDS)

NFPHC	FY14 Request	FY14 Committee	Variance
Local (100)	0	0	0
Dedicated Taxes (110)	0	0	0
Federal Grant (200)	0	0	0
Federal Payment (250)	0	0	0
Private (400)	0	0	0
Special Purpose (600)	110,000	110,000	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>110,000</b>	<b>110,000</b>	<b>0</b>

### NFPHC – OPERATING BUDGET – BY CSG (DOLLARS IN THOUSANDS)

Comptroller Source Group Object Class	Local Funds				Gross Funds			
	FY13 Approved	FY14 Request	FY14 Committee	Variance	FY13 Approved	FY14 Request	FY14 Committee	Variance
0011 – Regular Pay	0	0	0	0	0	0	0	0
0012 – Other Pay	0	0	0	0	0	0	0	0
0013 – Additional Gross Pay	0	0	0	0	0	0	0	0
0014 – Fringe Benefits	0	0	0	0	0	0	0	0
0015 – Overtime Pay	0	0	0	0	0	0	0	0
<b>Personal Services Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
0020 – Supplies and Materials	0	0	0	0	0	0	0	0
0030 – Utilities	0	0	0	0	0	0	0	0
0031 – Communications	0	0	0	0	0	0	0	0
0032 – Rent	0	0	0	0	0	0	0	0
0033 – Janitorial	0	0	0	0	0	0	0	0
0034 – Security	0	0	0	0	0	0	0	0
0035 – Occupancy	0	0	0	0	0	0	0	0
0040 – Other Services and Charges	0	0	0	0	0	0	0	0
0041 – Contractual Services	0	0	0	0	0	0	0	0
0050 – Subsidies and Transfers	0	0	0	0	132,477	110,000	0	0
0060 – Land and Building	0	0	0	0	0	0	0	0
0070 – Equipment	0	0	0	0	0	0	0	0
0080 – Debt Services	0	0	0	0	0	0	0	0
0091 – Expense Not Budgeted	0	0	0	0	0	0	0	0
<b>Non-Personal Services Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>132,477</b>	<b>110,000</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>132,477</b>	<b>110,000</b>	<b>0</b>	<b>0</b>
<b>FTE Authority</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 1. COMMITTEE ANALYSIS AND COMMENTS

### a. Agency Mission and Overview

The mission of the Not-For-Profit Hospital Corporation (NFPHC) is to hold the land, improvements, and equipment of the hospital known as United Medical Center, to

operate the hospital, and to sell or otherwise transfer all or part of the hospital to a qualified buyer, once identified.

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.

In FY 2010, the District provided the NFPHC with \$26 million from the District's Contingency Reserve Fund, primarily as a legal mechanism to comply with appropriations laws. NFPHC repaid the \$20 million it used in FY 2010, and the remaining \$6 million is being held as a reserve fund. In FY 2012, the District provided \$7.7 million to NFPHC.

## **b. Mayor's Proposed Fiscal Year 2014 Operating Budget**

### **Proposed Operating Budget Summary**

The Mayor proposed \$110,000,000 for NFPHC in FY14. This is a 17% decrease from FY2013. The Mayor proposed 0.0 FTEs for FY14.

### **Committee Analysis and Comments**

The 17% decrease reflected in the Mayor's proposal is a result of the projected revenue forecast for FY14. The Not-For-Profit Hospital Corporation (NFPHC) operates through Special Purpose Funds, generated primarily, though not exclusively, through its Hospital patient and SNF resident operations. Due to the NFPHC's ongoing financial

struggles, the consulting firm Huron Healthcare was awarded a two-year contract to overtake the hospital's operations and implement a strategic plan to get UMC in proper financial order.

**c. Mayor's Proposed Fiscal Year 2014-2019 Capital Budget**

**Proposed Capital Budget Summary**

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

**2. COMMITTEE RECOMMENDATIONS**

**a. Fiscal Year 2014 Operating Budget Recommendations**

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

**b. Fiscal Year 2014 Capital Budget Recommendations**

Mayor's proposed FY14 budget contains no funding for NFPHC.

**c. Policy Recommendations**

The Committee recommends 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 have a bi-monthly reported submitted regarding the work, progress, and issues surrounding Huron's turnaround of the Not-For-Profit Hospital.

## G. HEALTH BENEFIT EXCHANGE AUTHORITY

### DBHX OPERATING BUDGET - BY REVENUE TYPE

DHBX	FY14 Request	FY14 Committee	Variance
Local (100)	0	0	0
Dedicated Taxes (110)	0	0	0
Federal Grant (200)	0	0	0
Federal Payment (250)	0	0	0
Private (400)	0	0	0
Special Purpose (600)	26,140,499	66,140,499	40,000,000
Intra District (700)	0	0	0
<b>Gross</b>	<b>26,140,499</b>	<b>66,140,499</b>	<b>40,000,000</b>

### DBHX FULL-TIME EQUIVALENTS - BY REVENUE TYPE

DHBX	FY14 Request	FY14 Committee	Variance
Local (100)	0	0	0
Dedicated Taxes (110)	0	0	0
Federal Grant (200)	0	0	0
Federal Payment (250)	0	0	0
Private (400)	0	0	0
Special Purpose (600)	37.0	37.0	0
Intra District (700)	0	0	0
<b>Gross</b>	<b>37.0</b>	<b>37.0</b>	<b>0</b>

### DBHX OPERATING BUDGET - BY COMPTROLLER SOURCE GROUP (CSG)

DBH - TOTAL Comptroller Source Group Object Class	Local Funds				Gross Funds			
	FY13 Approved	FY14 Request	FY14 Committee	Variance	FY13 Approved	FY14 Request	FY14 Committee	Variance
0011 - Regular Pay	0	0	0	0	0	3,945,785	3,945,785	0
0012 - Other Pay	0	0	0	0	0	0	0	0
0013 - Additional Gross Pay	0	0	0	0	0	0	0	0
0014 - Fringe Benefits	0	0	0	0	0	907,530	907,530	0
0015 - Overtime Pay	0	0	0	0	0	0	0	0
<b>Personal Services Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>
0020 - Supplies and Materials	0	0	0	0	0	21,600	21,600	0
0030 - Utilities	0	0	0	0	0	0	0	0
0031 - Communications	0	0	0	0	0	0	0	0
0032 - Rent	0	0	0	0	0	780,000	780,000	0
0033 - Janitorial	0	0	0	0	0	0	0	0
0034 - Security	0	0	0	0	0	0	0	0
0035 - Occupancy	0	0	0	0	0	0	0	0
0040 - Other Services and Charges	0	0	0	0	0	131,326	30,171,326	30,000,000
0041 - Contractual Services	0	0	0	0	0	15,079,358	15,079,358	0

0050 – Subsidies and Transfers	0	0	0	0	0	5,200,000	15,200,000	10,000,000
0060 – Land and Building	0	0	0	0	0	0	0	0
0070 – Equipment	0	0	0	0	0	74,900	74,900	0
0080 – Debt Services	0	0	0	0	0	0	0	0
0091 – Expense Not Budgeted	0	0	0	0	0	0	0	0
<b>Non-Personal Services Subtotal</b>	0	0	0	0	0			0
<b>TOTAL</b>	0	0	0	0	0	26,140,49	66,140,449	0

**DBHX OPERATING BUDGET, BY PROGRAM (GROSS FUNDS)**

<b>DBHX – TOTAL</b>	<b>FY14 Request</b>	<b>FY14 Committee</b>	<b>Variance</b>
1000 – Agency Management Program	18,710,912	18,710,912	0
100F – Agency Financial Operations	955,937	955,937	0
2000 – Plan Management Program	243,168	243,168	0
3000 – Eligibility and Enrollment Program	243,168	243,168	0
4000 – S.H.O.P. Operations Program	243,168	40,243,168	\$40,000,000
5000 – Consumer Education and Outreach	5,200,000	5,200,000	0
6000 – Business and Development Program	544,147	544,147	0
<b>TOTAL</b>	<b>26,140,499</b>	<b>\$66,140,499</b>	<b>0</b>

## **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:

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

### **b. Mayor's Proposed Fiscal Year 2014 Operating Budget**

#### **Proposed Operating Budget Summary**

The Mayor's proposed FY14 budget proposal included \$26,140,499 in gross operating funds for DBHX and 37.0 FTEs.

#### **Committee Analysis and Comments**

The agency's budget is newly established for FY2014. The budget is comprised entirely of Special Purpose Revenue funds that will be generated from the Department of Health Care Finance Health Care Reform and Innovation sub-grant and from the operating assessment fees of private insurance companies. In contracts, a budget of \$15,079,358 was established for policy and procedural development, outreach efforts, program implementation resource assistance, office support, and Information Technology (IT) support to ensure the agency is functional. A budget of \$5,200,000 was created to support grant and provider payment services. In personal services, a budget of \$4,853,315 and 37.0 FTEs was established to support staffing requirements and cover salary and Fringe Benefit estimates. Other budgets created for the agency were: \$780,000 for rent to align the budget with the Department of General Services fixed cost estimate; \$131,326 for postage, travel expense, office support, and conference fees; \$74,900 for equipment purchases; and \$21,600 for the purchase of office supplies. The agency received a proposed cost of living adjustment (COLA) in non-Local \$141,359 Special Purpose Revenue funds.



**c. Mayor's Proposed Fiscal Year 2014-2019 Capital Budget**

**Proposed Capital Budget Summary**

The Mayor FY14 proposed budget contains no capital funding for DHBX.

**Committee Analysis and Comments**

The Mayor's FY14 proposed budget contains no capital funding for DHBX.

**2. COMMITTEE RECOMMENDATIONS**

The Committee recommends an increase of \$40,000,000 in DHBX's Special Purpose Revenue Funds. This increase will provide DHBX with the additional budget authority required to spend federal grant funds it has received and yet to spend in FY 2013, as well as additional federal grant funds it expects to receive in FY 2014.

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

### III. FISCAL YEAR 2014 BUDGET REQUEST ACT APPROPRIATION LANGUAGE RECOMMENDATIONS

On Thursday, March 28, 2013, Chairman Mendelson introduced, on behalf of the Mayor, the "Fiscal Year 2014 Budget Request Act of 2013" (Bill 20-198). The Committee recommends the following adjustments to the Title III:

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

##### Human Support Services

(4) Department of Health. – ~~\$219,526,000~~ \$265,712,000 (including ~~\$69,482,000~~ 70,132,000 from local funds, \$132,717,000 from Federal grant funds, \$12,328,000 from other funds, and \$5,000,000 from funds previously appropriated in this Act under the heading "Federal Payment for HIV/AIDS Prevention"); provided further, that any funds deposited into the Health Professional Recruitment Fund, established by section 16a of the District of Columbia Health Professionals Recruitment Program Act of 2005, effective March 2, 2007 (D.C. Law 16-192; D.C. Official Code § 7-751.15a), including unspent funds from prior fiscal years, shall remain available until-expended;

(16) Department of Health Care Finance. - ~~\$2,727,002,000~~ \$2,727,003 (including ~~\$801,438,000~~ \$714,631,000 from local funds (including \$86,307,000 from dedicated taxes), \$28,162,000 from Federal grant funds, ~~\$1,893,770,000~~ \$1,892,603,000 from Medicaid payments, and \$3,634,000 from other funds); provided, that any funds deposited into the Healthy DC Fund, established by section 15b of the Hospital and Medical Services Corporation Regulatory Act of 1996, effective March 2, 2007 (D.C. Law 16-192; D.C. Official Code § 31-3514.02), including unspent funds from prior fiscal years, shall remain available until expended, provided, further, that any funds deposited into the Nursing Facility Quality of Care Fund, established by D.C. Official Code § 47-1262, including unspent funds from prior fiscal years, shall remain available until expended;

##### Health Benefit Exchange Authority

For the District of Columbia Health Benefit Exchange Authority, ~~\$26,140,000~~ \$66,141,000 from other funds.

## IV. FISCAL YEAR 2014 BUDGET SUPPORT ACT RECOMMENDATIONS

On Thursday, March 28, 2013, Chairman Mendelson introduced, on behalf of the Mayor, the “Fiscal Year 2014 Budget Support Act of 2013” (Bill 20-199). 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 on Health provides comments on the following subtitles of the “Fiscal Year 2014 Budget Support Act of 2013” with comment:

#### **1. Department of Health Functions Clarification Amendment Act of 2013**

Sec. 571. Short Title

This subtitle may be cited as the “Department of Health Functions Clarification Amendment Act of 2013”.

Sec. 572. Section 4907a of the Department of Health Functions Clarification Act of 2001, effective March 3, 2010 (D.C. Law 18-111; D.C. Official Code § 7-736.01), is amended by adding new subsections (c) and (d) to read as follows:

“(c) For fiscal year 2014, the Director of the Department of Health shall have the authority to issue grants to qualified community organizations for the purpose of providing the following services:

“(1) Ambulatory health services for an amount not to exceed \$3,236,980;

“(2) Poison control hotline and prevention education services for an amount not to exceed \$350,000; and

“(3) Operations and primary care services for school-based health clinics for an amount not to exceed \$2,250,000.

“(d) For fiscal year 2014, the Director of the Department of Health shall have the authority to issue grants to organizations for the purpose of providing the following programs and services:

“(1) A teen pregnancy prevention program for an amount not to exceed \$400,000;

“(2) Programs designed to promote healthy development in girls attending public and chartered schools in grades 9-12 located in areas of the city possessing the highest rates of teen pregnancy and highest enrollment in state-funded health programs in the District of Columbia, not to exceed \$400,000;

“(3) Farmers market incentive programs not to exceed \$200,000;

“(4) Wildlife rehabilitation services not to exceed \$200,000; and

“(5) Nonprofit organizations dedicated to preventing any of the following chronic diseases, not to exceed \$850,000:

“(i) asthma

“(ii) cancer

“(iii) diabetes

“(iv) hypertension

“(v) kidney disease

“(vi) obesity.”.

**a. Purpose, Effect, and Impact on Existing Law**

The purpose of this subtitle is provide the Department of Health with the authority to award grants to qualified community organizations who meet specific community needs. This subtitle has no impact on existing law.

**b. Committee Reasoning**

The Committee recommends the following subtitle, proposed by the Mayor, which provides the Department of Health with the authority to award grants to qualified

community organizations who meet specific community needs outlined. The Committee expands on this subtitle by accounting for the fact that health disparities are an ongoing matter in the District, and such legislation will assist the city in combating these particularly devastating chronic illnesses.

**c. Section-by-Section Analysis**

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

Sec. XXX. Gives the Department of Health grant making authority for specific programs and aims

2. The committee recommends the following new subtitles, listed in the Budget Support Act, without comment:

1. The DC Healthcare Alliance Preservation
2. The Department of Health Care Finance Establishment Act of 2013
3. The Stevie Sellows Intermediate Care Facility Quality Improvement Act of 2013
4. The Medical Assistance Program Amendment Act of 2013
5. The Medicaid Hospital Outpatient Supplemental Payment Act of 2013
6. The Delinquent Debt Recovery Amendment Act of 2013
7. Department of Human Services Memorandum of Understanding Authority for Substance Abuse Treatment Act of 2013
8. The Department of Behavioral Health Establishment Act of 2013
9. The Hospital Financing Capital Plan Act of 2013

**1. The DC Healthcare Alliance Preservation**

Sec. 501. Short title.

This subtitle may be cited as the “DC HealthCare Alliance Preservation Amendment Act of 2013”.

Sec. 502. Section 7(c) of the Health Care Privatization Amendment Act of 2001, effective March 2, 2007 (D.C. Law 16-92; D.C. Official Code § 7-1405(c)), paragraph (2) is amended to read as follows:

“(2) A contract between the District of Columbia and a health maintenance organization or a managed care organization that provides health care services to persons

enrolled in the DC HealthCare Alliance shall include coverage for all services, including hospital-based services, being provided to DC HealthCare Alliance enrollees as of January 1, 2013; provided, that the Department of Health Care Finance shall have the authority to exclude coverage for those hospital-based emergency services that are eligible for Medicaid reimbursement under section 401(b)(1)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, approved August 21, 1996 (110 Stat. 502; 8 U.S.C. § 1611(b)(1)(A)), section 1903(v)(3) of the Social Security Amendments Act of 1965, approved July 30, 1965 (79 Stat. 286; 42 U.S.C. 1396b(v)(3)), and 42 C.F.R. § 440.255(c).”

## **2. The Department of Health Care Finance Establishment Act of 2013**

Sec. 511. Short title.

This subtitle may be cited as the “Department of Health Care Finance Establishment Amendment Act of 2013”.

Sec. 512. Section 6 of 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.*), is amended by adding a new section 6a to read as follows:

“Sec. 6a. Establish and assess user fees including enrollment fees.

“(a) There is established as a nonlapsing fund, the Assessment Fund (“Fund”) which shall be administered by the Department of Health Care Finance in accordance with subsection (c) of this section.

“(b) The fund shall consist of revenue from the following sources:

- (1) User fees; and
- (2) Enrollment fees collected pursuant to section a.

“(c) The Fund shall be used for the following purposes:

(1) Administration and maintenance of the Department’s provider operations;

(2) Enrollment activities; and

(3) Health information exchange activities.

“(d) All revenues deposited in the Fund shall not revert to the unrestricted fund balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any other time, but shall be continually available for the uses and purposes set forth in this section, without regard to fiscal year limitation, subject to appropriations by Congress.”.

**3. The Stevie Sellows Intermediate Care Facility Quality Improvement Act of 2013**

Sec. 521. Short Title.

This subtitle may be cited as the “Stevie Sellows Intermediate Care Facility Quality Improvement Act of 2013”.

Sec. 522. Chapter 12D of Title 47 of the District of Columbia Official Code is amended as follows:

(a) Section 47-1270 is amended as follows:

(1) Designate paragraph (1) as (1B).

(2) New paragraphs (1) and (1A) are added to read as follows:

“(1) “Administrative costs” means the costs of the Department of Health Care Finance to administer, manage, and monitor the Intermediate Care Facility for People with Intellectual Disabilities reimbursement program and the Stevie Sellows quality improvement funding support, including personnel costs.

“(1A) “DHCF” means the Department of Health Care Finance.”.

(3) A new paragraph (2A) is added to read as follows:

“(2A) “ICF/IID” means Intermediate Care Facility for People with Intellectual Disabilities.”.

(4) Paragraph (4) is amended by striking the phrase “the Department of Health” and inserting the acronym “DHCF” in its place.

(5) A new paragraph (5A) is added to read as follows:

“(5A) “Rebasing Year” means the third year after the effective date of the State Plan Amendment governing the reimbursement of ICF/IID and every subsequent third year.”.

(b) Section 47-1271(b) is amended to read as follows:

“(b) The Fund shall be used to:

“(1) Fund quality of care improvements for those facilities that meet the requirements of the District’s State Plan for Medical Assistance and the accompanying rules governing the reimbursement of ICF/IID.

“(2) Cover administrative costs of the Department of Health Care Finance (“DHCF”) in administering the ICF/IID reimbursement program and the Stevie Sellows quality improvement funding support, which costs shall not be more than 10% of the Fund’s total revenues; and

“(3) Cover administrative costs of DHCF in auditing the ICF/IID in a rebasing year or as necessary to ensure the integrity of the ICF/IID reimbursement methodology, which costs shall not be more than 15% of the Fund’s total revenues.”.

(c) Section 47-1271(c) is amended to read as follows:

“(c) Notwithstanding subsection (b) of this section, of the revenues deposited in the Fund in fiscal year 2011, at least \$1 million shall be used to support quality of care improvements for those facilities that meet the requirements of section 47-1272, and up to \$3.7 million may be used to support Medicaid services in the District of Columbia, including reimbursements for ICF/IID for the services that they provide.”.



(d) Section 47-1273(c) is amended to read as follows:

“(a) Except as provided in section 47-1278(d), each ICF/IID in the District of Columbia shall pay an assessment of 5.5 percent of the gross revenues per annum.

“(b) Each ICF/IID shall pay the assessment required by subsection (a) of this section in quarterly installments.

“(c) The Mayor shall provide notice of the amount of the assessment for the quarter to each ICF/IID no later than 30 days after the end of each quarter.

“(d) The assessment required by subsection (a) of this section shall be determined by the Medicaid claims information from the DHCF Medicaid Management Information System (“MMIS”).

“(e) If the total amount of the assessments to be collected for a fiscal year is inadequate to cover disbursements required under § 47-1271(b), the Mayor may raise the assessment to the maximum allowed under federal law.”.

“(f) Section 47-1274 is amended by striking paragraph (b).”.

#### **4. The Medical Assistance Program Amendment Act of 2013**

Sec. 551. Short title.

This subtitle may be cited as the “Medical Assistance Program Amendment Act of 2013”.

Sec. 552. Section 1(a) 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 (a)), is amended as follows:

Paragraph (2) is repealed.

Paragraph (3) is repealed.

Paragraph (4) is repealed.

Paragraph (5) is repealed.

Paragraph (6) is repealed.

The Medicaid Hospital Outpatient Supplemental Payment Act of 2013

Sec. 581. Short title.

This subtitle may be cited as the “Medicaid Hospital Outpatient Supplemental Payment Act of 2013”.

Sec. 582. Definitions.

For the purposes of this act, the term:

(1) “Department” means the Department of Health Care Finance.

(2) “Gross patient revenue” means the amount calculated in accordance with generally accepted accounting principles for hospitals that is reported as the sum of Worksheet G-2; Column 1; Lines 1, 2, 2.01, 15, 17 and 18 and Worksheet G-2; Column 2; Lines 17, 18, 18.5 and 18.51 of the Medicare Cost Report (2552-96) excluding long term care inpatient ancillary revenues;

(3) “Hospital” shall have the same meaning as provided in section 2(a)(1) of the Health-Care and Community Residence Facility, Hospice and Home Care Licensure Act of 1983, effective February 24, 1984 (D.C. Law 5-48; D.C. Official Code § 44-501(a)(1)), but excludes:

(A) Any hospital operated by the federal government; and

(B) A psychiatric hospital provider that is an agency or a unit of the District government is exempt from the fee imposed under this act, unless the exemption is adjudged to be unconstitutional or otherwise invalid, in which case a psychiatric hospital provider that is an agency or a unit of the District government shall pay the fee imposed by this act;

(4) “Hospital system” means any group of hospitals licensed separately but operated, owned, or maintained by a common entity; and,

(5) “Medicaid” means the medical assistance programs authorized by title XIX of the Social Security Act, approved July 30, 1965 (79 Stat. 343; 42 U.S.C. § 1396 et seq.), and by 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), and administered by the Department of Health Care Finance.

Sec. 583. Hospital provider fee fund established.

(a) There is established as a nonlapsing fund the Hospital Provider Fee Fund (“the Fund”), which shall be used solely to make Medicaid access payments for the provision of outpatient hospital services effective May 1, 2013.

(b) There shall be deposited into the Fund:

(1) All moneys collected or received by the Department from the hospital provider fee imposed by this act;

(2) All federal matching funds received by the Department as a result of expenditures made by the Department that are attributable to moneys deposited in the Fund;

(3) Interest and penalty collected under this act; and

(4) Interest earned by the Fund.

(c) All funds deposited in the Fund, and any interest earned on those funds, shall not revert to the unrestricted fund balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any other time, but shall be continually available for the purpose set forth in subsection (a) of this section without regard to fiscal year limitation, subject to authorization by Congress.

(d) The Fund is created for the purpose of receiving moneys in accordance with section 4 and disbursing moneys only for the following purposes, notwithstanding any other provision of law as follows:

(1) For making Medicaid outpatient hospital access payments to hospitals as required under section 6 of this act;

(2) For payment of administrative expenses incurred by the Department or its agent in performing the activities authorized by this act at an amount not to exceed the prorated amount of \$150,000 annually; and,

(3) For making refunds to hospital providers pursuant to section 4 of this act.

(e) The Fund shall not be used to replace any moneys appropriated to the Medicaid program.

Sec. 584. Hospital provider fee.

(a) Subject to section 5, a fee shall be applied at a uniform rate on the gross patient revenue of each hospital beginning May 1, 2013. The uniform rate shall be applied to each hospital's gross patient revenue as derived from each hospital's as filed Medicare cost report ending between July 1, 2009 and June 30, 2010. The hospital provider fee is applied at a uniform rate necessary to generate the following:

(1) An amount equal to the non-Federal share of the total available spending room under the Medicaid upper payment limit for private hospitals applicable to District fiscal years 2013 and 2014 consistent with the federal approval of the authorizing Medicaid State Plan amendment; plus,

(2) An amount equal to the lesser of the non-Federal share of the total available spending room under the Medicaid upper payment limit for District operated hospitals applicable to District fiscal years 2013 and 2014 consistent with the federal approval of the authorizing Medicaid State Plan amendment or United Medical Center's Medicaid disproportionate share hospital limit as adjusted by the District in accordance with the federally approved State plan; plus,

(3) An amount equal to the Department's administrative expenses as described in section 3(d)(2) of this act.

Sec. 585. Applicability.

(a) The fee imposed by section 4 shall not be due and payable until such time that the federal Centers for Medicare and Medicaid Services approves the Medicaid State Plan amendment authorizing the Medicaid payments described in section 6 of this Article.

(b) The fee imposed by Section 4 shall cease to be imposed, and any moneys remaining in the Fund shall be refunded to hospital providers in proportion to the amounts paid by them, if:

(1) The Department makes changes in its rules that reduce the hospital inpatient or outpatient Medicaid payment rates, including adjustment payment rates, in effect on October 1, 2012; or,

(2) The payments to hospitals required under section 6 of this Article are modified in any way other than to secure federal approval of such payments as described in section 6 of this act or are not eligible for federal matching funds under Title XIX of the Social Security Act.

(c) The fee imposed by section 4 shall not take effect or shall cease to be imposed if such fee is determined to be an impermissible tax under Title XIX of the Social Security Act.

(d) Should the fee imposed by section 4 not take effect or cease to be imposed moneys in the Fund derived from the fee imposed prior thereto shall be disbursed in accordance with section 6 of this act to the extent federal matching is available. If federal matching is not available due to a determination by the Centers for Medicare and Medicaid Services that the provider fee is impermissible, any remaining moneys shall be refunded to hospital providers in proportion to the amounts paid by them.

Sec. 586. Medicaid Outpatient Hospital Access Payments.

For visits and services beginning May 1, 2013, quarterly Medicaid outpatient hospital access payments shall be made to each private hospital. Each payment will be equal

to the hospital's DFY 2011 outpatient Medicaid payments divided by the total private hospital DFY 2011 outpatient Medicaid payments multiplied by one quarter of the total outpatient private hospital access payment pool minus \$250,000. The total outpatient private hospital access payment pool is equal to the total available spending room under the private hospital outpatient Medicaid upper payment limit for District fiscal years 2013 and 2014 respectively.

The remaining \$250,000 shall be distributed as an adjustment to the quarterly access payments for all private children's hospitals with less than 150 beds and distributed based on the hospital's DFY 2011 outpatient Medicaid payments relative to the total qualifying hospitals' DFY 2011 outpatient Medicaid payments.

(c) Any private hospital that is also a disproportionate share hospital will receive no more than the available room under their District-adjusted hospital-specific DSH limit. Any Medicaid outpatient hospital access payments that would otherwise exceed a private disproportionate share hospital's adjusted DSH limit shall be distributed to the remaining private hospitals consistent with each private hospital's relative share of DFY 2011 Medicaid payments.

(d) For visits and services beginning May 1, 2013, outpatient hospital access payments shall be made to the United Medical Center. Each payment will be equal to one quarter of the total outpatient public hospital access payment pool. The total outpatient public hospital access payment pool is equal to the lesser of the total available spending room under the District operated hospital outpatient Medicaid upper payment limit for District fiscal years 2013 and 2014 respectively and the United Medical Center District-adjusted Medicaid disproportionate share hospital limit.

(e) The quarterly Medicaid outpatient hospital access payments will be made within 15 business days of the end of each DFY quarter for the Medicaid visits and services rendered during that quarter.

(f) No payments shall be made under this section until such time that the federal Centers for Medicare and Medicaid Services approves the Medicaid State Plan amendment authorizing the Medicaid payments described in this act.

(g) The Medicaid payment methodologies authorized under this act shall not be altered in any way unless such alteration is necessary to gain federal approval from the Centers for Medicare and Medicaid Services.

Sec. 587. Quarterly Notice and Collection.

(a) The fee imposed under Section 4 shall be calculated, due, and payable on a quarterly basis.

(b) The fee will be due and payable by the 15<sup>th</sup> of the last month of each DFY quarter.

(c) However, the fee imposed by Section 4 shall not be due and payable until:

(1) The District issues the written notice that the payment methodologies to hospitals required under Section 6 have been approved by the federal Centers for Medicare and Medicaid Services;

(2) The District issues written notice to each hospital informing the hospital of the fee rate, the hospital's gross patient revenue subject to the fee, and the fee amount owed by the hospital on a quarterly basis; and,

(3) The initial written notice from the District shall include all fee amounts owed beginning with the period May 1, 2013 in order to ensure all applicable fee obligations have been identified.

(d) When a hospital fails to pay the full amount of its fee by the date required by this Act, the unpaid balance shall accrue interest at the rate of 1.5% per month or any fraction thereof, which shall be added to the unpaid balance. The chief Financial Officer may arrange a payment plan for the amount of the fee and interest in arrears.

(e) The payment by the hospital of the fee created in this act shall be reported as an allowable cost for purposes of Medicaid hospital reimbursement.

Sec. 588. Multi-hospital systems, closure, merger and new hospitals.

(a) If a hospital system conducts, operates, or maintains more than one hospital licensed by the Department of Health, the provider shall pay the fee for each hospital separately.

(b) Notwithstanding any other provision in this act, in the case of a person who ceases to conduct, operate, or maintain a hospital in respect of which the person is subject to the fee under this act as a hospital provider, the fee for the DFY in which the cessation occurs shall be adjusted by multiplying the fee computed under Section 4 by a fraction, the numerator of which is the number of days in the year during which the provider conducts, operates, or maintains the hospital and the denominator of which is 365. Immediately upon ceasing to conduct, operate, or maintain a hospital, the person shall pay the fee for the year as so adjusted (to the extent not previously paid).

(c) Notwithstanding any other provision in this act, a provider who commences conducting, operating, or maintaining a hospital, upon notice by the Department, shall pay the fee computed under section 4 and section 8(a) in installments on the due dates stated in the notice and on the regular installment due dates for the DFY occurring after the due dates of the initial notice.

Sec. 589. Rulemaking authority.

The Mayor may promulgate rules and regulations in accordance with the District of Columbia Administrative Procedures Act of 1968, approved October 21, 1968 (82 Stat.1204; D.C. Official Code §2-501 *et seq.*) to implement this act.

Sec. 590. Sunset.

This act shall only remain in effect for the period May 1, 2013 through September 30, 2014.



## **5. The Department of Behavioral Health Establishment Act of 2013**

### **Sec. 5101. Short title.**

This subtitle may be cited as the “Department of Behavioral Health Establishment Act of 2013”.

### **Sec. 5102. Definitions.**

For the purposes of this Act, the term:

(1) “Behavioral health” means a person’s overall social, emotional, and psychological well-being and development.

(2) “Behavioral health services” means stand-alone and co-occurring, integrated treatment services for substance abuse and mental health disorders that are designed to promote a person’s behavioral health.

(3) “Comprehensive Psychiatric Emergency Program” or “CPEP” means a 24-hour/7-days a week program providing emergency psychiatric evaluation and stabilization.

(4) “Department” means the Department of Behavioral Health.

### **Sec. 5103. Establishment of the Department of Behavioral Health.**

Pursuant to section 404(b) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 787; D.C. Official Code § 1-204.04(b)), there is established, effective October 1, 2013, a Department of Behavioral Health. This Department shall be a separate, cabinet-level agency, subordinate to the Mayor, within the executive branch of the government of the District of Columbia. The Department shall be the successor in interest to the Department of Mental Health, established by the Department of Mental Health Establishment Amendment Act of 2001, effective December 18, 2001 (D.C. Law 14-56; D.C. Official Code § 7-1131.01 *et seq.*), and the Department of Health Addiction Recovery and Prevention Administration, established in the Department of Health by the Reorganization Plan No. 4 of 1996.

Sec. 5104. Appointment of Director.

The Department shall be headed by a Director, who shall:

(1) Be appointed by the Mayor with the advice and consent of the Council, pursuant to section 2(a) of the Confirmation Act of 1978, effective March 3, 1979

(D.C. Law 2-

142; D.C. Official Code § 1-523.01(a));

(2) Be qualified by experience and training to carry out the purposes of the Department as set forth in section 7; and

(3) Serve at the pleasure of the Mayor.

Sec. 5105. Duties of Director.

In addition to other duties as may be lawfully imposed, the Director shall supervise and direct the Department, organizing the Department for its efficient operation, including creating offices within the Department, as necessary, and exercising any other powers necessary and appropriate to implement the provisions of this act.

Sec. 5106. Department organization.

The Department shall have sufficient staff, supervisory personnel, and resources, and be organized to carry out the functions and duties set forth in this act. All real and personal property, Career and Excepted Service, Management Supervisory Service, and trainee positions, assets, records, and obligations, and all unexpended balances of appropriations, allocations, and other funds available or to be made available to the Department of Mental Health and the Department of Health Addiction Prevention and Recovery Administration, or relating to the powers, duties, functions, operations, and administration set forth under sections 8 and 9 of this subtitle, are hereby transferred to the Department effective October 1, 2013.

Sec. 5107. Purpose of the Department.

The Department shall:

Ensure the provision of high-quality behavioral health services by establishing

District-wide behavioral health standards and policies;  
Foster and promote behavioral health education and disease prevention;  
Develop and maintain an efficient and cost-effective behavioral health care financing system; and  
Implement, monitor and evaluate the District's strategic behavioral health plan.

Sec. 5108. Powers and duties of the Department.

Notwithstanding any other provision of law, the Department shall:

(1) Plan, develop, coordinate, and monitor comprehensive and integrated behavioral health systems of care for adults and for children, youth, and their families in the District, so as to maximize utilization of behavioral health services and behavioral health supports;

(2) Assure that services for priority populations identified in the Department's annual plan are funded within the Department's appropriations or authorizations by Congress and are available;

(3) Serve as the State Mental Health Authority (SMHA) and arrange for all authorized, publicly-funded behavioral health services and behavioral health supports for the residents of the District, whether operated directly by, or through contract with, the Department, except that the Department of Youth Rehabilitation Services shall be responsible for the provision of behavioral health services to youth in custody in DYRS secure facilities;

(4) Serve as the Single State Agency for Substance Abuse Services (SSA) and promulgate rules, regulations, and certification standards for high-quality prevention, treatment, and recovery support services related to addictions and the abuse of alcohol, tobacco and other drugs in the District of Columbia;

(5) Maximize and leverage local, federal, and other available funding to support behavioral health prevention, treatment and recovery support services;

(6) Directly operate a hospital to provide inpatient mental health services, and maintain the hospital's certification by the Department of Health and the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services;

(7) Make grants, pay subsidies, purchase services, and provide reimbursement for behavioral health services and behavioral health supports;

(8) Arrange for, or directly provide, a Comprehensive Psychiatric Emergency Program for all persons identified to the Department who meet criteria for admission for such services;

(9) Arrange for a 24-hour, District-wide telephone communication service to provide intervention services for adults, children, and youth in need of behavioral health services and behavioral health supports including, but not limited to, observation, evaluation, emergency treatment, and when necessary, referral for behavioral health services and behavioral health supports;

(10) Be the exclusive agency to regulate all behavioral health services and behavioral health supports, including but not limited to outpatient mental health services and all substance abuse and detoxification services;

(11) Facilitate the delivery of acute inpatient mental health services and mental health supports through community or public hospitals in the District, including coordinating comprehensive behavioral health services and behavioral health supports for children, youth, and their families;

(12) Upon request or on its own initiative, investigate, or ask another agency to investigate, any complaint alleging abuse or neglect of any consumer of behavioral health services, and, if the investigation by the Department or an investigation by any other agency or entity substantiates the charge of abuse or neglect, take appropriate action to correct the situation, including notification of other appropriate authorities; and

(13) Exercise all other powers, duties, functions and responsibilities previously assigned to the Department of Mental Health pursuant to D.C. Law 14-56, effective Dec. 18, 2001, (D.C. Official Code § 7-1131.01, *et seq.*) and to the Department of Health Addiction Recovery and Prevention Administration pursuant to Reorganization Plan No. 4 of 1996.

**Sec. 5109. Transfer of authority and functions.**

The following powers, duties, functions and responsibilities are hereby transferred to the Department of Behavioral Health effective October 1, 2013:

Each of the functions assigned and authorities granted and delegated to the Director of the Department of Mental Health, and the Department of Mental Health, as set forth in the Department of Mental Health Establishment Amendment Act of 2001, effective December 18, 2001 (D.C. Law 14-56; D.C. Official Code § 7-1131.01 *et seq.*); and

(2) Each of the functions assigned and authorities granted and delegated to the Department of Health Addiction Recovery and Prevention Administration as set forth in Sections IV(A)(3) of Reorganization Plan No. 4 of 1996.

**Sec. 5110. Continuation of rules and regulations.**

All rulemaking and regulations for the administration of the District's public mental health system and the addiction, recovery and prevention system, issued under appropriate authority, shall continue in full force and effect until otherwise superseded.

**Sec. 5111. Repeal of the Department of Mental Health Establishment Amendment Act.**

The Department of Mental Health Establishment Amendment Act of 2001, effective December 18, 2001 (D.C. Law 14-56; D.C. Official Code § 7-1131.01 *et seq.*), is repealed.

## **6. The Hospital Financing Capital Plan Act of 2013**

Sec. 5141. Short title.

This subtitle may be cited as the “Hospital Financing Capital Plan Act of 2013”.

Sec. 5142. By October 1, 2013, the Mayor shall prepare a report for public review, in consultation with the Office of the Chief Financial Officer and Huron Healthcare that analyzes public and private financing options that will generate a minimum of an additional \$60 million for the construction of a new hospital on the grounds of United Medical Center. All financing packages shall be in addition to the \$20 million of existing, proposed District capital funds for planning and site development for the new hospital.

## **7. Department of Human Services Memorandum of Understanding Authority for Substance Abuse Treatment Act of 2013**

Sec. 5131. Short title.

This subtitle may be cited as the “Department of Human Services Memorandum of Understanding Authority for Substance Abuse Treatment Act of 2013”.

Sec. 5132. For fiscal year 2014, the Department of Human Services may enter into a Memorandum of Understanding of up to \$2.5 million with the Department of Behavioral Health for a substance abuse treatment program for Temporary Assistance for Needy Families clients.

## **8. Delinquent Debt Recovery Amendment Act of 2013**

Sec. 731. Short title.

This subtitle may be cited as the “Delinquent Debt Recovery Amendment Act of 2013”.

Sec. 732. The Delinquent Debt Recovery Act of 2012, effective September 20, 2012, (D.C. Law 19-168; D.C. Official Code § 1-350.01 *et seq.*), is amended as follows:

(a) A new section 1043a is added to read as follows:

“Sec. 1043a. Collections on Behalf of the Not-For-Profit Hospital Corporation.

“Funds collected and recovered by the Central Collection Unit, beginning in fiscal year 2014 and continuing in the following fiscal years, arising out of delinquent debts transferred and referred to the Central Collection Unit by the Not-For-Profit Hospital Corporation for collection, net of costs, and fees, shall be deposited into the Not-For-Profit Hospital Corporation Fund by the Central Collection Unit within 60 days following the then current fiscal year.”.

(b) Section 1045 (D.C. Official Code § 1-350.04) is amended by striking the phrase “Unit, and all” and inserting the phrase “Unit, except those amounts collected by the Central Collection Unit pursuant to section 1043a, and all” in its place.

## A. RECOMMENDATIONS FOR NEW BUDGET SUPPORT ACT SUBTITLES

The Committee on Health recommends the following new subtitles to be added to the “Fiscal Year 2014 Budget Support Act of 2013”:

### 1. Reporting Requirements

Sec. 5151. Short Title.

This subtitle may be cited as the “Reporting Requirements Act of 2013”.

Sec. 5152. Department of Behavioral Health reporting requirements.

By October 1, 2013, the Department of Behavioral Health (“Department”) shall submit to the Council a report on:

- (1) The efforts of the Department to ensure that children receive behavioral health screenings from pediatricians at well-child and other pediatric visits;
- (2) The percentage of children receiving such screens;
- (3) The screening tools currently being utilized; and
- (4) How pediatricians are reimbursed for these screens;
  - (i). If screening rates are not currently satisfactory, the Department’s plan for how to raise them during the remainder of fiscal year 2014.

Sec. 5153. Department of Health Care Finance reporting requirements.

(a) By October 1, 2013, the Department of Health Care Finance (“DHCF”) shall submit to the Council a report on:

- (1) Strategies for auditing the Alliance recertification process and updated projected enrollment for fiscal year 2014;
- (2) Potential solutions to the long delays in the Alliance eligibility process that discourage eligible beneficiaries from recertifying and enrolling;
- (3) The status of the new Day Health benefit, including all of the following:
  - (i). Status of (“SPA”) approval;



(ii). The number of (and name of) providers that have been certified to receive reimbursement under the new Day Health program;

(iii). The number and name of providers /beneficiaries transitioned to/offering services under another provider type and no longer participating in Day Health;

(iv). Explanation of the agency's reimbursement methodology.

(4) The feasibility of a Medicaid Buy-In program for people with disabilities;

(5) The feasibility of reimbursing nursing home providers for mental health services;

(6) The feasibility of increasing reimbursement rates for Home Health Aides;

(7) The distribution of cost settlements in fiscal year 2013 and the status of transitioning hospitals from cost-based reporting to prospective reporting;

(8) An accounting of the Nursing Home Quality of Care fund to date, and any plans for future expenditures in fiscal year 2014;

(9) The status of the Elders and Persons with Disabilities ("EPD") Waiver waitlist, including all of the following:

(i). The number of people currently enrolled in the EPD waiver;

(ii). The number of people currently on the waitlist;

(iii). The number of people who were offered a slot in fiscal year 2013; and

(iv). The number of people who lost the benefit because they did not timely recertify.

(v). Strategy to address loss of benefits for institutionalized persons.

(b) Starting on October 1, 2013 and ending on September 31, 2014, the Department of Health Care Finance ("DHCF") shall submit to the Council a quarterly report:

(1) Assessing the performance of the Long Term Care contractor including data on its reduction of fraud and abuse of the Personal Care Aide (“PCA”) benefit;

(2) Reflecting PCA benefit utilization and enrollment; and

(3) Assessing 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) Data on the stratification of members for each MCO, to date, that shall reflect the number of members initially auto-assigned to each MCO by July 1, 2013 and 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;

(D) Early Periodic Screening, Diagnostic and Treatment (“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;

(iv). Plans to address unsatisfactory screening rates in the next quarter.

Sec. 5154. Department of Health reporting requirements.

By October 1, 2013, the Department of Health (“DOH”) shall submit to the Council:

(1) A report, providing an update on the Medical Marijuana Program, including:

- (A) The number of people enrolled and the wards in which they live;
- (B) A breakdown of the illnesses of the enrollees;
- (C) The adequacy of the number of cultivation centers and dispensaries;
- (D) Whether the number of cultivation centers and/or the ceiling of plants allowed to be grown (95) is adequate or needs to be lifted;
- (E) Whether or not the number of dispensaries need to be increased;
- (F) Whether or not clients of the program will have encountered problems with law enforcement officers;
- (G) Whether any adverse impacts or problems will have arisen in neighborhoods where the cultivation centers and/or dispensaries are located; and
- (H) Whether any adjustment in the budget is required for the program.

(2) A report on its Housing Opportunities for People with AIDS (“HOPWA”) program, including:

- (A) The number of people enrolled and the wards in which they live;
- (B) The length of time each individual has lived in HOPWA housing;
- (C) The numbers of residents who are employed and their salaries;
- (D) The number of residents who are viral suppressed; and
- (E) A detailed explanation and description of the recertification process.

(3) A report on the Senior HIV/AIDS Program, including:

- (A) The total number of peer educators trained;
- (B) The number of presentations that have occurred since the program’s inception;

- (C) The locations of presentations identified, by ward;
  - (D) The number of attendees at each training;
  - (E) A review of presentations evaluations;
  - (F) The number of the corps of trainers;
  - (G) Whether or not any trainers have been replaced and reasons, if any, for replacement;
  - (H) The amount of stipends, if any, provided to trainers;
  - (I) The number of people currently being trained to be peer educators; and
  - (J) An itinerary of upcoming trainings.
- (4) A report on the HIV/AIDS education requirement for physician/nurse licensure recertification, including:
- (A) A detailed plan of the commencement of the program; and
  - (B) Whether physicians, nurses, physician assistants, nurse assistants are required to attend trainings in person or via the Internet.
- (5) A report on the hiring of new food inspectors, including:
- (A) The foreign-language speaking proficiency of each new inspector;
  - (B) A copy of the position(s) announcement;
  - (C) A list of the languages spoken by each new hire; and
  - (D) Whether the Health Professionals Loan Repayment Program will pay for current or new staff to learn foreign languages.

**Sec. 5155. Not-For-Profit Hospital Corporation reporting requirements.**

By October 1, 2013, 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 Not-For-Profit Hospital Corporation, including, but not limited to:

- (1) Milestones completed;
- (2) A progress report on scheduled work and the expected completion date of such work;

- (3) Unexpected issues that have arose and plans to address those issues;
- (4) An update on 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 to the NFPHC Board of Directors from the Council.

Sec. 5156. Deputy Mayor for Health and Human Services reporting requirements.

- (1) By July 15, 2013, the Office of the Deputy Mayor for Health and Human Services (“DMHHS”) shall submit to the Council a detailed report providing a plan as to how the \$1,000,000 of Truancy Prevention funds will be allocated.
- (2) By October 1, 2013, the Office of the Deputy Mayor for Health and Human Services (“DMHHS”) shall submit to the Council a report detailing the expenditure of the \$1,000,000 of Truancy Prevention funds, including:
  - (A) The agencies and/or organizations (“providers”) identified to provide the services;
  - (B) The criteria used to select the provider;
  - (C) The specific services to be provided by the provider;
  - (D) The benchmarks to be achieved for services;
  - (E) The timelines for completion of these services;
  - (F) The evaluation plans to be employed for each provider to measure the effectiveness of their work;
  - (G) The corrective action plans, should the work not meet satisfactory standards;
  - (H) The geographic location of each provider by ward;
  - (I) The demographic served by the respective provider; and
  - (J) The submission of quarterly reports thereafter on this Truancy Prevention Program.

a. **Purpose, Effect, and Impact on Existing Law**

The purpose of this subtitle is to require agencies to provide the Committee with pertinent information. 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 Behavioral 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 Department of Health to submit specified items to the council.
- Sec. XXX. Requires the Not-For-Profit Hospital Corporation to submit specified items to the council.
- Sec. XXX. Requires the Deputy Mayor for Health and Human Services to submit specified items to the council.

## V. COMMITTEE ACTION AND VOTE

On Tuesday May 7, 2013, at 3:25 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 2014 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 Councilmember Alexander for the work that has been completed by both her and her committee. He was particularly proud of Councilmember Alexander's decision to dedicate funds to aiding the prevention of mother-to-child HIV transmission as well as wildlife rehabilitation efforts. He also explained that he appreciated Councilmember Alexander's use of reporting requirements in the Budget Support Act.

Next, Councilmember Catania thanked Councilmember Alexander and her committee for the work that was done. He noted that the Mayor's decision to give \$1,000,000 to DMHHS was peculiar, as there is only an "anemic amount of money" currently allotted in the Mayor's budget for truancy, and giving \$1,000,000 to DMHHS may not be the best use of funds. Councilmember Alexander agreed, noting that she wished that the money was given with greater restrictions and regulations as to how the money was to be spent. Councilmember Catania continued by explaining that although the committee's addition of the reporting requirements for DMHHS's use of the truancy funds is a step in the right direction, he has little confidence that leaving the funds with the Deputy Mayor will obtain the necessary result of reclaiming the disconnected youth of this city. Councilmember Catania then offered a friendly amendment in order to strengthen the reporting requirements. He asked for Councilmember Alexander to change DMHHS's BSA June 15<sup>th</sup> deadline to July 15<sup>th</sup>, so that it is in effect shortly after the final Council vote. Councilmember Alexander accepted the amendment as friendly.

Councilmember Catania then asked for several clarifications to the committee report. He explained that when looking at the charts, it was somewhat difficult to understand the reprogrammings versus increases at DOH. Councilmember Alexander answered his questions regarding the ability to track the movement of dollars. Councilmember Catania understood and explained that it would be better if the both reprogrammings and internal reductions could be reflected in charts as well.

Councilmember Catania also wanted to know why the NFPHC was not receiving the \$20M in capital dollars. He explained that it would be better that the capital dollars fell within the agency that benefited from it. Councilmember Alexander explained that it falls with DHCF's budget. Since the NFPHC is an enterprise, it is unable to receive capital dollars. Councilmember Catania then explained that the \$110,000,000 in Special Purpose funds generated for NFPHC is close to the amount generated in 2012, and such an amount does not allow for much growth within the hospital. He explained that an



increase of even \$5,000,000 could greatly assist the hospital, and that he would like to revisit the issue sometime before it goes to the full Council.

After the discussion amongst committee members, Councilmember Alexander thanked her committee staff and called for a vote on the Committee's Fiscal Year 2014 budget report and recommendations, with leave for staff to make technical, editorial, and conforming changes to reflect the Committee's actions. The Committee's FY 2014 budget report was approved unanimously. Chairperson Alexander adjourned the meeting at 4 p.m.

## VI. ATTACHMENTS

- A. Department of Health FY14 Budget Oversight Hearing Witness List and Testimony
- B. Department of Health Care Finance FY14 Budget Oversight Hearing Witness List and Testimony
- C. Department of Behavioral Health FY14 Budget Oversight Hearing Witness List and Testimony
- D. Deputy Mayor for Health and Human Services FY14 Budget Oversight Hearing Witness List and Testimony
- E. Not-for-Profit Hospital Corporation FY14 Budget Oversight Hearing Witness List and Testimony
- F. Health Benefit Exchange Authority FY14 Budget Oversight Hearing Witness List and Testimony