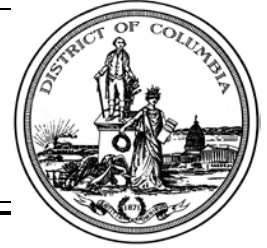

COMMITTEE ON HEALTH AND HUMAN SERVICES

COUNCILMEMBER YVETTE M. ALEXANDER, CHAIRPERSON
FISCAL YEAR 2017 COMMITTEE BUDGET REPORT



TO: Members of the Council of the District of Columbia

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

DATE: May 4, 2016

SUBJECT: Report and Recommendations of the Committee on Health and Human Services on the Fiscal Year 2017 Budget for Agencies Under Its Purview

The Committee on Health and Human Services (“Committee”), having conducted hearings and received testimony on the Mayor’s proposed operating and capital budgets for Fiscal Year (FY) 2017 for the agencies under its purview, reports its recommendations for review and consideration by the Committee of the Whole. The Committee also comments on several sections in the Fiscal Year 2017 Budget Support Act of 2016, as proposed by the Mayor.

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I. SUMMARY

A. FISCAL YEAR 2017 AGENCY OPERATING BUDGET SUMMARY TABLE (DOLLARS IN THOUSANDS)

	FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
DEPARTMENT OF HEALTH				
LOCAL FUND	78,870,176	73,563,609	5,230,000	78,793,609
FEDERAL PAYMENTS	5,000,000	5,000,000		5,000,000
FEDERAL GRANT FUND	114,619,156	128,204,619		128,204,619
SPECIAL PURPOSE REVENUE FUNDS	13,154,846	15,626,249		15,626,249
INTRA-DISTRICT FUNDS	50,124,554	64,822,847		64,822,847
Total Fund	261,768,733	287,217,323	5,230,000	292,447,323
D.C HEALTH BENEFIT EXCHANGE SUBSIDY				
DEDICATED TAXES	29,614,000			
Total Fund	29,614,000			
DEPUTY MAYOR FOR HEALTH & HUMAN SERVICES				
LOCAL FUND	1,390,873	2,086,067		2,086,067
Total Fund	1,390,873	2,086,067		2,086,067
D.C HEALTH BENEFIT EXCHANGE AUTHORITY				
ENTERPRISE AND OTHER FUNDS - O TYPES	32,513,186	34,521,266		34,521,266
Total Fund	32,513,186	34,521,266		34,521,266
DEPARTMENT OF HEALTH CARE FINANCE				
LOCAL FUND	700,010,624	706,420,988	(693,167)	705,727,821
DEDICATED TAXES	71,345,381	81,907,017		81,907,017
FEDERAL GRANT FUND	999,998	2,916,127		2,916,127
FEDERAL MEDICAID PAYMENTS	2,146,165,525	2,188,106,393		2,188,106,393
SPECIAL PURPOSE REVENUE FUNDS	2,604,805	3,492,739		3,492,739
INTRA-DISTRICT FUNDS	84,327,405	89,062,929		89,062,929
Total Fund	3,005,453,737	3,071,906,193	(693,167)	3,071,213,026
NOT FOR PROFIT HOSPITAL CORPORATION				
ENTERPRISE AND OTHER FUNDS - O TYPES	129,000,000	132,000,000		132,000,000
Total Fund	129,000,000	132,000,000		132,000,000
DEPARTMENT OF HUMAN SERVICES				
LOCAL FUND	270,601,349	301,716,496	1,881,871	303,598,367
FEDERAL PAYMENTS		9,000,000		9,000,000
FEDERAL GRANT FUND	170,551,146	172,627,662		172,627,662
FEDERAL MEDICAID PAYMENTS	15,797,637	26,806,652		26,806,652
SPECIAL PURPOSE REVENUE FUNDS	3,200,000	1,975,000		1,975,000
INTRA-DISTRICT FUNDS	2,912,161	2,851,899		2,851,899
Total Fund	463,062,293	514,977,709	1,881,871	516,859,580
DEPARTMENT ON DISABILITY SERVICES				
LOCAL FUND	117,624,692	118,738,285		118,738,285
FEDERAL GRANT FUND	28,229,857	31,640,389		31,640,389
FEDERAL MEDICAID PAYMENTS	9,146,130	9,005,813		9,005,813
PRIVATE GRANT FUND	10,000	10,000		10,000
SPECIAL PURPOSE REVENUE FUNDS	7,363,257	7,163,257		7,163,257
INTRA-DISTRICT FUNDS	50,869	49,677		49,677
Total Fund	162,424,805	166,607,421		166,607,421
OFFICE OF DISABILITY RIGHTS				
LOCAL FUND	1,069,597	1,103,158		1,103,158
FEDERAL GRANT FUND	536,097	522,173		522,173
INTRA-DISTRICT FUNDS	107,700	144,524		144,524
Total Fund	1,713,394	1,769,855		1,769,855
CHILDREN INVESTMENT TRUST				
LOCAL FUND	5,510,448	4,920,000		4,920,000
Total Fund	5,510,448	4,920,000		4,920,000
CHILD AND FAMILY SERVICES AGENCY				
LOCAL FUND	163,995,382	165,503,240	988,784	166,492,024
FEDERAL GRANT FUND	68,559,460	63,778,428		63,778,428
PRIVATE GRANT FUND	19,500	19,500		19,500
PRIVATE DONATIONS	39,977	20,977		20,977
SPECIAL PURPOSE REVENUE FUNDS	1,200,000	1,200,000	61,216	1,261,216
INTRA-DISTRICT FUNDS	11,022,677	1,057,677		1,057,677
Total Fund	244,836,996	231,579,822	1,050,000	232,629,822
DEPARTMENT OF BEHAVIORAL HEALTH				
LOCAL FUND	226,855,502	226,757,748		226,757,748
FEDERAL GRANT FUND	17,410,630	20,012,409		20,012,409
FEDERAL MEDICAID PAYMENTS	3,470,692	3,430,545		3,430,545
PRIVATE GRANT FUND	255,000	255,000		255,000
PRIVATE DONATIONS	288,775	288,775		288,775
SPECIAL PURPOSE REVENUE FUNDS	4,250,548	4,269,856		4,269,856
INTRA-DISTRICT FUNDS	20,186,195	18,407,900		18,407,900
Total Fund	272,717,341	273,422,234		273,422,234
Health and Human Services				
LOCAL FUND	1,565,928,643	1,600,809,591	7,407,488	1,608,217,079
DEDICATED TAXES	100,959,381	81,907,017		81,907,017
FEDERAL PAYMENTS	5,000,000	14,000,000		14,000,000
FEDERAL GRANT FUND	400,906,345	419,701,807		419,701,807
FEDERAL MEDICAID PAYMENTS	2,174,579,984	2,227,349,402		2,227,349,402
PRIVATE GRANT FUND	284,500	284,500		284,500
PRIVATE DONATIONS	328,752	309,752		309,752
SPECIAL PURPOSE REVENUE FUNDS	31,773,456	33,727,101	61,216	33,788,317
ENTERPRISE AND OTHER FUNDS - O TYPES	161,513,186	166,521,266		166,521,266
INTRA-DISTRICT FUNDS	168,731,559	176,397,453		176,397,453
Total Fund	4,610,005,805	4,721,007,889	7,468,704	4,728,476,593

B. FISCAL YEAR 2017 AGENCY FULL-TIME EQUIVALENT TABLE

	FY16 FTE	FY17 Proposed FTE	FTE Change	Budget - FTE
DEPARTMENT OF HEALTH				
LOCAL FUND	181.63	178.25		178.25
FEDERAL GRANT FUND	322.38	327.17		327.17
SPECIAL PURPOSE REVENUE FUNDS	96.24	110.53		110.53
INTRA-DISTRICT FUNDS	11.35	12.35		12.35
Total Fund	611.60	628.30		628.30
DEPUTY MAYOR FOR HEALTH & HUMAN SERVICES				
LOCAL FUND	9.00	15.75		15.75
Total Fund	9.00	15.75		15.75
D.C HEALTH BENEFIT EXCHANGE AUTHORITY				
ENTERPRISE AND OTHER FUNDS - O TYPES	73.00	92.00		92.00
Total Fund	73.00	92.00		92.00
DEPARTMENT OF HEALTH CARE FINANCE				
LOCAL FUND	103.93	104.37		104.37
DEDICATED TAXES	6.05	5.50		5.50
FEDERAL GRANT FUND	2.00			
FEDERAL MEDICAID PAYMENTS	128.72	129.27		129.27
SPECIAL PURPOSE REVENUE FUNDS	10.35	10.90		10.90
Total Fund	251.05	250.04		250.04
DEPARTMENT OF HUMAN SERVICES				
LOCAL FUND	489.55	538.53	1.00	539.53
FEDERAL GRANT FUND	335.08	368.33		368.33
FEDERAL MEDICAID PAYMENTS	173.15	172.96		172.96
SPECIAL PURPOSE REVENUE FUNDS	28.00	13.00		13.00
INTRA-DISTRICT FUNDS	21.00	21.00		21.00
Total Fund	1,046.78	1,113.82	1.00	1,114.82
DEPARTMENT ON DISABILITY SERVICES				
LOCAL FUND	210.60	206.10		206.10
FEDERAL GRANT FUND	194.40	195.90		195.90
FEDERAL MEDICAID PAYMENTS	34.00	33.00		33.00
Total Fund	439.00	435.00		435.00
OFFICE OF DISABILITY RIGHTS				
LOCAL FUND	8.00	8.00		8.00
FEDERAL GRANT FUND	3.00	3.00		3.00
Total Fund	11.00	11.00		11.00
CHILD AND FAMILY SERVICES AGENCY				
LOCAL FUND	672.00	672.00		672.00
FEDERAL GRANT FUND	153.00	153.00		153.00
Total Fund	825.00	825.00		825.00
DEPARTMENT OF BEHAVIORAL HEALTH				
LOCAL FUND	1,170.47	1,160.46		1,160.46
FEDERAL GRANT FUND	104.00	108.00		108.00
FEDERAL MEDICAID PAYMENTS	5.00	5.00		5.00
SPECIAL PURPOSE REVENUE FUNDS	37.50	37.50		37.50
INTRA-DISTRICT FUNDS	110.78	98.78		98.78
Total Fund	1,427.75	1,409.74		1,409.74
Health and Human Services				
LOCAL FUND	2,845.18	2,883.46	1.00	2,884.46
DEDICATED TAXES	6.05	5.50		5.50
FEDERAL GRANT FUND	1,113.86	1,155.40		1,155.40
FEDERAL MEDICAID PAYMENTS	340.87	340.23		340.23
SPECIAL PURPOSE REVENUE FUNDS	172.09	171.93		171.93
ENTERPRISE AND OTHER FUNDS - O TYPES	73.00	92.00		92.00
INTRA-DISTRICT FUNDS	143.13	132.13		132.13
Total Fund	4,694.18	4,780.65	1.00	4,781.65

**C. FISCAL YEAR 2017 AGENCY CAPITAL BUDGET SUMMARY
TABLE (DOLLARS IN THOUSANDS)**

Mayor's Proposed FY 2017 - FY 2022, Capital Budget							
DEPARTMENT OF HEALTH CARE FINANCE	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	6-Year Total
UMC02C - United Medical Center	\$ 17,671,346	\$9,070,625	\$8,000,000	\$ -	\$2,500,000	\$ -	\$ 37,241,971
Committee Approved FY 2017 - FY 2022 Capital Budget							
DEPARTMENT OF HEALTH CARE FINANCE	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	6-Year Total
UMC02C - United Medical Center	\$ 14,542,893	\$9,070,625	\$8,000,000	\$ -	\$2,500,000	\$ -	\$ 34,113,518

D. SUMMARY OF COMMITTEE BUDGET RECOMMENDATIONS

DEPARTMENT OF HEALTH

Operating Budget Recommendations

- The Committee recommends approval of the Mayor's proposed FY17 operating budget for the Department of Health with the followings changes:
 - CHA will accept a transfer of \$154,086 from unused funds in the balance of the ICF/MR Fees & Fines in the Health Regulation and Licensing Administration to support the following:
 - The *Department of Health Functions Clarifications Amendment Act of 2016* Budget Support Act subtitle in the amount of \$100,000 (Program 8500, Activity 8504, CSG 50)
 - The expansion of an existing grant to allow a university hospital to expand patient centered care for substance use disorder patients. (Program 8500, Activity 8504, CSG 41)
 - CHA will accept a transfer of \$7,215 from the Spay and Neutering Fund to support the expansion of an existing grant to allow a university hospital to expand patient centered care for substance use disorder patients. (Program 8500, Activity 8504, CSG 41)
 - CHA will accept a transfer of \$719,978 from unused funds in the balance of the Healthy DC Fund in the Department of Health Care Finance to be distributed as follows:
 - \$569,978 to support the expansion of an existing grant to allow a university hospital to expand patient centered care for substance use disorder patients (Program 8500, Activity 8504, CSG 41).
 - \$150,000 to support teen peer educators who work to provide sexual health information and condoms to youth (Program 8500, Activity 8514, CSG 50)
 - CHA will accept a transfer of \$165,764 from unused funds in the Stevie Sellows Fund in the Department of Health Care Finance to support expansion of and existing grant to allow a university hospital to expand patient centered care for substance use disorder patients (Program 8500, Activity 8504, CSG 41).
 - CHA will accept a transfer of \$252,957 in unused funds from the Medicaid Collections – 3rd Party Liability Fund in the Department of Health Care Finance for the following purposes:

- \$202,957 to support expansion of an existing grant to allow a university hospital to expand patient centered care for substance use disorder patients (Program 8500, Activity 8504, CSG 41); and
- \$50,000 to support programs designed to improve food access through mobile, vehicle based farm stands that distribute locally produced food to communities in underserved communities (Program 8500, Activity 8513, CSG 50).
- CHA will accept a transfer of \$3,030,000 from the Committee on Transportation and the Environment for the following:
 - \$1,200,000 to support the Farmers Market Subsidy program aimed at establishing healthy dietary habits and reducing chronic illness in District residents (Program 8500, Activity 8513, CSG 50)
 - \$380,000 to further expand Joyful Markets, which allows monthly pop up, food markets to all public elementary schools in Ward 7 and Ward 8 (Program 8500, Activity 8513, CSG 41).
 - \$250,000 to support a food access program that assists small retailers and corner store owners to stock and sell fresh, healthy food (Program 8500, Activity 8513, CSG 51).
 - \$1,200,000 to support a university supported vendor in augmenting the school based health clinics at Coolidge High School, Dunbar High School, and H.D. Woodson High School to support behavioral health screening, community health workers, community engagement, real-time tele-video linkages to behavioral health providers, advanced medication therapy management, integrated social services exchange, and EHR capable of integrating tele-video linkages and social services exchanges. (Program 8500, Activity 8514, CSG 50)
- OHE shall accept a transfer of \$400,000 from the Committee on the Judiciary to implement the Office of Violence Prevention and Health Equity as required by the *Neighborhood Engagement Achieves Results Act of 2016* (Program 7000, Activity 7010, CSG 40).
- In HRLA, \$154,086 will be removed from the available fund balance in the ICF/MR Fees & Fines Fund to be allocated as follows:
 - \$100,000 to support the Oral Health Budget Subtitle Act (Program 8500, Activity 8513, CSG 51)
 - \$54,086 to support expansion of an existing grant to allow a university hospital to expand patient centered care for substance use disorder patients. (Program 8500, Activity 8504, CSG 41)
- In HRLA, \$7,215 will be removed from the available fund balance in the Spay and Neutering Fund to support expansion of an existing grant to allow a

university hospital to expand patient centered care for substance use disorder patients. (Program 8500, Activity 8504, CSG 41)

- HAHSTA will accept a transfer of \$500,000 from the Committee of Transportation and the Environment to be distributed to HIV/AIDS Housing and Supportive Services to support individuals living with HIV/AIDS (Program 3000, Activity 3090, CSG 50).

Capital Budget Recommendations

- The Mayor’s proposed budget for the Department of Health does not include any capital funds.

Policy Recommendations

- The Committee makes no policy recommendations for the Department of Health.

DEPARTMENT OF HEALTH CARE FINANCE

Operating Budget Recommendations

- The Committee recommends the following changes in DHCF’s Operating Budget:
 - Transfer \$314,173 from the Medicaid Collections – 3rd Party Liability Fund and send –
 - \$202,957 to the Department of Health to be used to expand the Urban Health Initiative Grant (Program 8500, Activity 8504, CSG 41).
 - \$61,216 to the Child and Family Services Agency to increase the amount allocated for tutoring contracts (Program 7000, Activity 7020, CSG 50).
 - \$50,000 to the Department of Health for the Mobile Market Pilot (Program 8500, Activity 8513, CSG 50)
 - Transfer \$165,764 from the Stevie Sellows Fund to the Department of Health to be used to support an existing grant that allows a university hospital to expand patient centered care for substance use disorder patients (Program 8500, Activity 8504, CSG 41).
 - Transfer \$908,762 from the Healthy DC Fund and send –
 - \$569,978 to the Department of Health to be used to support an existing grant that allows a university hospital to expand patient centered care for substance use disorder patients (Program 8500, Activity 8504, CSG 41).
 - \$188,784 to the Child and Family Services Agency to increase the amount allocated for tutoring contracts (Program 7000, Activity 7020, CSG 50).

- \$150,000 to the Department of Health for teen peer educators (Program 8500, Activity 8514, CSG 50).
- Transfer \$500,000 of identified vacancy savings (CSG 11 Local Funds) to the Child and Family Services Agency for Rapid Housing.
- Transfer \$122,189 in vacancy savings (CSG 14 Local Funds) and transfer to the Department of Human Services to be used for Rapid Rehousing.

Capital Budget Recommendations

- The Committee recommends the removal of \$1,652,811 from the United Medical Center (project UMC02C) and directs it be transferred as follows:
 - \$120,000 in PayGo Capital, converted to one-time operating funds, to the Committee on Business, Consumer and Regulatory Affairs to send to the Department of Small and Local Business Development for Clean Teams in Ward 7.
 - \$250,000 in PayGo Capital, converted to one-time operating funds, to the Committee of the Whole to send to the Office of the Deputy Mayor Planning and Economic Development to provide a grant to the Parkside Community Park to support competitive grants to eligible organizations to make improvements to the Parkside Community Park in Ward 7.
 - \$250,000 in PayGo Capital, converted to one-time operating funds, to the Committee of the Whole to send to the Deputy Mayor Planning and Economic Development to permit Eden Place at Beulah Crossing to close the financing gap for development and construction costs to finish Phase I (5 townhomes) of the project, which is a public/private partnership with the Office of the Deputy Mayor for Planning and Economic Development.
 - \$200,000 in PayGo Capital, converted to one-time operating funds, to the Committee on Transportation and the Environment to send to the District Department of the Environment for the planning and design of a Kingman Island Environmental Center located on Kingman Island.
 - \$50,000 to the Committee on Education to send to Capitol View Library budget to fund its opening day collections. (Project CAV37C/04 (Construction), CSG 41, Object 0409).
 - \$782,811 in PayGo Capital, converted to one-time operating funds, to the Department of Human Services for Rapid Rehousing.

Policy Recommendations

- The Committee has no policy recommendations for the Department of Health Care Finance.

DEPARTMENT OF BEHAVIORAL HEALTH

Operating Budget Recommendations

- The Committee recommends approval of the Mayor's proposed FY17 operating budget for the Department of Behavioral Health and makes no changes.

Capital Budget Recommendations

- The Mayor's proposed budget for the Department of Behavioral Health does not include any capital funds.

Policy Recommendations

- The Committee makes the following policy recommendations to the Department of Behavioral Health for FY17:
 - The Committee recommends that DBH develop a plan to expand the number of accessible and ADA compliant CRFs available to the community.
 - The Committee recommends that DBH creates a plan to conduct a Needs Assessment for Community Based Interventions (CBIs), Assertive Community Treatment (ACT) services, and Support Employment.
 - The Committee recommends that DBH provides the Committee with a report outlining the plan for the School-Based Mental Health Program once the School Health Needs Assessment is completed.
 - The Committee requests that DBH plans a rate assessment in FY17 to examine the current level of reimbursement for community providers.
 - The Committee requires that the Department provide monthly written correspondence to the Committee expressing:
 - The number of consumers enrolled in Health Homes that month;
 - The total number of consumer enrolled in Health Homes to date;
 - The breakdown of the number of consumers enrolled in Health Homes per certified provider; and
 - The number of consumers who opted-out.

NOT-FOR-PROFIT HOSPITAL CORPORATION

Operating Budget Recommendations

- The Committee recommends approval of the Mayor’s proposed FY17 operating budget for Not-For-Profit Hospital Corporation (NFPHC) and makes no changes.

Capital Budget Recommendations

- The Mayor’s proposed budget for the NFPHC does not include any capital funds.

Policy Recommendations

- The Committee makes no policy recommendations for the NFPHC.

OFFICE OF THE DEPUTY MAYOR FOR HEALTH AND HUMAN SERVICES

Operating Budget Recommendations

- The Committee recommends approval of the Mayor’s proposed FY17 operating budget for the Office of the Deputy Mayor for Health and Human Services (DMHHS) and makes no changes.

Capital Budget Recommendations

- The Mayor’s proposed budget for the DMHHS does not include any capital funds.

Policy Recommendations

The Committee makes the following policy recommendations to the DMHHS:

- Provide the Committee with the full revisions of the 2012 Protocol for Disposition of Property Found on Public Space and Outreach to Displaced Persons once they are completed.
- Provide a written report on the solution to the problems the District has experienced with the DC Medicaid renewal process.

HEALTH BENEFIT EXCHANGE AUTHORITY

Operating Budget Recommendations

- The Committee recommends the approval of the Mayor’s proposed FY17 operating budget for the Health Benefit Exchange Authority and makes no changes.

Capital Budget Recommendations

- The Mayor’s proposed budget for the DMHHS does not include any capital funds.

Policy Recommendations

- The Committee makes no policy recommendations for the HBX.

DEPARTMENT OF HUMAN SERVICES

Operating Budget Recommendations

- The Committee recommends **approval** of the Mayor's proposed FY 2017 operating budget for the Department of Human Services with the following changes:
 - Accept **\$719,000** in recurring funds from the Committee on Transportation and the Environment to Family Services Administration (Program 5000); Domestic Violence Services (Activity 5020); CSG 50; to restore funding for domestic violence shelter and housing services
 - Accept **\$150,000** from the Committee on the Judiciary to Family Services Administration (Program 5000); Youth Services - ACE (Activity 5022); CSG 50 to increase caseloads for the Alternatives to the Court Experience program
 - Accept **\$107,871** from the Committee on Education to Family Services Administration (Program 5000); Youth Services -PASS (Activity 5022); CSG 50 to add one case manager for the Parent Adolescent Support Services program
 - Accept **\$905,000** from the following sources to Family Services Administration (Program 5000), Homeless Services Continuum – Individuals (Activity 5038); CSG 50 to increase slots for Rapid Rehousing for individuals:
 - **\$122,189** from the Department of Health Care Finance – Fringe Savings; CSG 14
 - **\$782,811** in PayGo, converted to one-time operating funds from the Department of Health Care Finance – Capital Budget

Capital Budget Recommendations

- The Committee recommends **approval** of the Mayor's FY 2017 capital budget for the Department of Human Services as proposed.

Policy Recommendations

- The Committee has been concerned about the adequacy of the provision of case management services at low-barrier shelters. The FY 2017 budget for case management services maintains the FY 2016 funding amount of \$7 million for the six low-barrier shelter sites. The Committee directs the agency to conduct an analysis of existing case management services to include utilization trends, best practices regarding client ratios, outreach efforts, and strategies to improve the overall quality of services provided. The analysis should be submitted to the Committee by December 1, 2016.

CHILD AND FAMILY SERVICES AGENCY

Operating Budget Recommendations

- The Committee recommends **approval** of the Mayor’s proposed FY 2017 operating budget for the Child and Family Services Agency with the following changes:
 - Accept **\$300,000** from the Committee on the Judiciary to Community Services (3000); Child Protective Services – Investigations (Activity 3087 – Safe Shores); CSG 50 to restore the funding reduction for Safe Shores – The DC Children’s Advocacy Center
 - Accept **\$500,000** from the Department of Health Care Finance – Vacancy Saving to Community Partnerships (Program 8000); Community Partnership Services (Activity 8010); CSG 50; to increase Rapid Housing stipends for youth emancipating from foster care and other supportive services.
 - Accept **\$250,000** from the following sources to Clinical Practice (Program 7000); Well Being (Activity 7020); CSG 50; to increase the amount allocated for tutoring contracts:
 - **\$61,216** from Medicaid Collections – 3rd Party Liability Fund
 - **\$188,784** from Healthy DC Fund

Policy Recommendations

- The Committee directs CFSA to provide an analysis of the Subsidized Employment Program to include program utilization and program improvements. Additionally, the analysis should highlight the various citywide resources available to youth aged 18-24 involving workforce introductory programs. The Subsidized Employment Program began with a \$1 million

Committee allocation approved by the Council in the FY 2013 budget. While the agency continued the program in FY 2014, the funding was reduced to \$500,000. In FY 2016, the budget was again reduced to \$250,000. The proposed FY 2017 budget includes a further reduction to \$150,000. The Committee has been concerned about these continued reductions to the program. The agency has stated that the reductions in local funding will be offset with federal Chaffee funding the agency is able to leverage for youth employment support for youth in foster care. The Committee is pleased that the agency is maximizing federal resources to support youth employment. However, the Committee wants to ensure that the maximum number of eligible foster youth are enrolled in this valuable program, which serves as an introduction for youth to the workforce. The analysis should be submitted to the Committee by December 1, 2016.

DEPARTMENT ON DISABILITY SERVICES

Operating Budget Recommendations

- The Committee recommends **approval** of the Mayor's FY 2017 operating budget for the Department on Disability Services as proposed.

Policy Recommendations

- The Committee directs the agency to provide a comprehensive analysis of their current complaint resolution process and explore other more formalized grievance systems for people receiving DDA services, such as the system used by the Department of Behavioral Health. The Committee has been made aware that while the agency has a process in place, there is a concern that people may remain uncertain as to where to go to get their complaints consistently addressed. Further, it has been expressed that DDS' current approach, through its compliant line and internal problem resolution procedures could be strengthened. Additionally, while there is a Medicaid Fair Hearing process, not all the complaints about the DDA system are appropriate for this process. The analysis should be completed and submitted to the Committee by December 1, 2016.

OFFICE OF DISABILITY RIGHTS

Operating Budget Recommendations

- The Committee recommends **approval** of the Mayor's FY 2017 budget for the Office of Disability Rights as proposed.

Policy Recommendations

- The Committee directs ODR to provide a listing of all the ADA modifications recommended for schools, recreation centers, libraries, shelters, and wellness centers in the District in FY 2016. The Committee recommends that the agency work with the Department of General Services to determine if the recommendations are feasible, identify costs associated with recommended modifications, provide timelines as to when the recommendations will be executed, and determine when the recommendations have been completed. The Committee encourages the agency to develop a mechanism to provide ongoing tracking of this information in an effort to ensure facilities operated or funded by the District are fully accessible to and usable by people with disabilities. The FY 2016 report should be submitted to the Committee by December 1, 2016.

CHILDREN AND YOUTH INVESTMENT TRUST CORPORATION

Operating Budget Recommendations

- The Committee recommends **approval** of the Mayor's FY 2017 operating budget for the Children and Youth Investment Trust Corporation for the use of out-of-school time programs. Committee is committed to working with Chairman Mendelson, other Councilmembers, and the Administration to protect this funding for youth programming. During the budget process, the Committee will be working with government and community stakeholders in developing a viable plan to administer this funding in FY 2017 and beyond.

II. AGENCY FISCAL YEAR 2017 BUDGET RECOMMENDATIONS

A. INTRODUCTION

The Committee is responsible for programmatic and budgetary oversight of DOH, DBH, DHCF, DHBX, DHS, CFSA, DDS, ODR, and the CYITC. 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 24, 2016, Mayor Muriel Bowser 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 FY17 budgets for those agencies under its purview:

April 6, 2016	Department of Behavioral Health
April 12, 2016	Department of Health
April 13, 2016	Health Benefit Exchange Authority Child and Family Services Agency
April 18, 2016	Department of Disability Services Office of Disability Rights
April 20, 2016	Department of Human Services
April 27, 2016	Department of Health Care Finance
April 28, 2016	Deputy Mayor for Health and Human Services Not-For-Profit Hospital Corporation

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

B. DEPARTMENT OF HEALTH

DEPARTMENT OF HEALTH		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	LOCAL FUND	78,870,176	73,563,609	5,230,000	78,793,609
	FEDERAL PAYMENTS	5,000,000	5,000,000		5,000,000
	FEDERAL GRANT FUND	114,619,156	128,204,619		128,204,619
	SPECIAL PURPOSE REVENUE FUNDS	13,154,846	15,626,249		15,626,249
	INTRA-DISTRICT FUNDS	50,124,554	64,822,847		64,822,847
	Total Fund	261,768,733	287,217,323	5,230,000	292,447,323

DEPARTMENT OF HEALTH		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	1000	24,368,296	26,191,955		26,191,955
	100F	3,480,305	3,883,444		3,883,444
	2500	55,116,381	70,247,634		70,247,634
	3000	76,549,216	84,398,426	500,000	84,898,426
	4500	23,874,081	27,226,950		27,226,950
	7000		600,985		600,985
	8200	4,895,027	5,546,959		5,546,959
	8500	73,485,426	69,120,970	4,730,000	73,850,970
	Total Program	261,768,733	287,217,323	5,230,000	292,447,323

DEPARTMENT OF HEALTH		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	11-REGULAR PAY - CONT FULL TIME	41,929,219	43,832,764		43,832,764
	12-REGULAR PAY - OTHER	8,284,450	10,434,363	(0)	10,434,363
	14-FRINGE BENEFITS - CURR PERSONNEL	10,697,603	12,294,366	(0)	12,294,366
	Personal Services	60,911,272	66,561,493	(0)	66,561,493
	20-SUPPLIES AND MATERIALS	55,044,732	72,050,025		72,050,025
	30-ENERGY, COMM. AND BLDG RENTALS	538,000	638,746		638,746
	31-TELEPHONE, TELEGRAPH, TELEGRAM, ETC	1,474,733	1,477,735		1,477,735
	32-RENTALS - LAND AND STRUCTURES	13,313,831	12,284,469		12,284,469
	34-SECURITY SERVICES	485,083	632,033		632,033
	35-OCCUPANCY FIXED COSTS	316,342	605,074		605,074
	40-OTHER SERVICES AND CHARGES	3,659,983	3,084,655	400,000	3,484,655
	41-CONTRACTUAL SERVICES - OTHER	52,305,326	56,863,152	380,000	57,243,152
	50-SUBSIDIES AND TRANSFERS	73,329,091	72,579,351	4,450,000	77,029,351
	70-EQUIPMENT & EQUIPMENT RENTAL	390,341	440,589		440,589
	Nonpersonal Services	200,857,461	220,655,830	5,230,000	225,885,830
	Gross Funds	261,768,733	287,217,323	5,230,000	292,447,323

DEPARTMENT OF HEALTH		FY16 FTE	FY17 Proposed FTE	FTE Change	Budget - FTE
	LOCAL FUND	181.63	178.25		178.25
	FEDERAL GRANT FUND	322.38	327.17		327.17
	SPECIAL PURPOSE REVENUE FUNDS	96.24	110.53		110.53
	INTRA-DISTRICT FUNDS	11.35	12.35		12.35
	Total Fund	611.60	628.30		628.30

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. DOH is organized into the following 8 divisions:

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 nonprofit clinics within the District. This division contains the following 5 activities:

- **Public Health Emergency Preparedness** – provides the District’s response to the emergency medical needs of its visitors and residents. The responsibilities cover a wide range of activities, including the development and training of emergency response plans, coordination of medical response with federal regional and local partners across the healthcare system, and coordination of volunteers through the Medical Reserve Corps;
- **Public Health Emergency Operations and Program Support** – supports government and private partners with the development of their health and safety plans, emergency operation plans, and training exercises. The program also provides a public health command and control element that coordinates all DOH assets and operations during incidents, special events, and national special security events. Pharmaceutical Procurement and Distribution acquires and distributes over \$58 million life-saving medications for the DOH programs that will allow as many District residents as possible access to medications. It also provides clinical support, formulary management, and quality assurance monitoring to address the needs of all DOH programs that utilize or distribute pharmaceuticals. The program also maintains the Strategic National Stockpile (SNS) of drugs for the Washington, D.C. region in the event of a declared national emergency;
- **Epidemiology Disease Surveillance and Investigation** – provides surveillance, investigation and control of reportable diseases, disease outbreaks, and other public

health threats within the District of Columbia (excluding sexually transmitted diseases (STD), hepatitis, HIV/AIDS, and tuberculosis (TB)). HEPRA works with community and community organizations to withstand and bounce back from natural and man-made disasters. Resilient communities leverage community connections, relationships, and resources to ensure optimal health and security for individuals and families in both routine and emergency situations;

- **Emergency Medical Services Regulation** – provides oversight and regulation of Emergency Medical Services (EMS), including certification and regulation of District of Columbia EMS providers, ambulance agencies, and EMS educational institutions. The program monitors training standards and certifies instructional programs and instructors. In addition, it provides inspection and certification of all ambulances operated in the District whether they are governmental, private, or volunteer; and
- **Office of the Senior Deputy Director** – provides overall direction, policy development and supervision for the four subordinate activities.

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. This division contains the following 10 activities:

- **HIV/AIDS Support Services** – provides overall management, planning, direction and support for the HIV/AIDS, STD, TB and adult hepatitis surveillance, prevention, treatment, care, and control programs. It also provides HIV/AIDS information to individuals and community organizations, coordinates HAHSTA participation in public events, prepares written and other resources for public distribution, and manages special projects;

- **HIV/AIDS Policy and Planning** – provides community capacity to more effectively respond to the HIV/AIDS and STD epidemics through the Effi Barry program, which provides training and technical assistance to small, ward-based community organizations, a social marketing program aiming to promote health behavior to reduce risk of disease, and a free condom distribution program. It writes reports and creates other written materials for public distribution; and it provides HIV/AIDS, STD, TB, and hepatitis information to government agencies, community organizations, media, and individuals. It also coordinates participation in public events;
- **HIV Health and Support Services** – provides a comprehensive range of primary medical care and supportive services for persons living with HIV and AIDS;
- **HIV/AIDS Data and Research** – provides a comprehensive picture of the HIV/AIDS epidemic in the District of Columbia for purposes of ensuring that the needs of people infected with HIV, or at risk of infection, are met. It collaborates with health care providers and laboratories to collect and maintain comprehensive HIV/AIDS data in a confidential and secure manner; analyzes, interprets, and distributes epidemiologic information for use in developing public policy, planning, and evaluating prevention intervention and health care services; and supports funding requests;
- **Prevention and Intervention Services** – provides comprehensive HIV prevention programs and services through community organizations to the residents of the District of Columbia. Prevention programs include health education, HIV testing and counseling services, science-based prevention programs, and other support services, including condom distribution. In addition, the program monitors organizations to ensure that quality prevention services are being delivered through program evaluation and quality assurance activities as well as through the provision of capacity building, training, and technical assistance to sub-grantees;
- **AIDS Drug Assistance Program (ADAP)** – provides assistance with deductibles, co-payments, and health insurance/Medicare Part D premiums. DC ADAP also provides an entry point for other District health programs available to people living with HIV/AIDS;

- **Grants and Contracts Management** – provides fiscal and administrative monitoring of District and federally appropriated funds in the form of over 100 grants and sub-grants to more than 50 providers. Fiscal monitoring includes ensuring that grant funds are expended in accordance with federal and local grant regulations, conducting site visits, providing technical assistance to grantees and sub-grantees, and providing continued analysis of grant spending to program counterparts;
- **Sexually Transmitted Disease (STD) Control** – provides assistance to prevent and control sexually transmitted diseases in the District of Columbia through the provision of clinical services, partnerships with local community providers, and promotion of healthy sexual behavior. The program also conducts surveillance for statistical purposes to track diseases and partner notification;
- **Tuberculosis Control** – provides direct care services to District residents, including clinical follow-up for active and/or suspected tuberculosis cases, directly observed therapy, preventive therapy, chest x-rays, contact investigations, and case management; and
- **HIV/AIDS Housing and Supportive Services** – provides housing support, emergency shelter, and other related services to help persons living with HIV and AIDS and their families achieve independent living.

Health Care Regulation and Licensing Administration (HCRLA) – is comprised of the Office of Health Professional Licensing Boards, the Office of Health Care Facilities, the Office of Food, Drug, Radiation and Community Hygiene, and HRLA services. This division contains the following 4 activities:

- **Office of Health Professional License Administration** – the Office of Health Professional Boards administers the licensure of almost 70,000 health professionals in the District of Columbia supporting 19 health professional boards. The Office also executes the investigation of consumer incidents or complaints against health professionals and recommends enforcement, if necessary, to bring licenses into compliance with District and federal law. The health professional boards advise the Department of Health in matters pertaining to the development of rules and regulations for health professionals and provide additional services including licensure verification, and licensure examinations licenses;

- **Office of Food, Drug, Radiation and Community Hygiene Regulation** – provides varied inspection and regulatory services. The Food Safety and Hygiene Inspection Services regulates smoking bans in establishments and food services that are provided in boarding homes, commission merchants, dairies, delicatessens, bakeries, candy and ice cream manufacturers, grocery stores, retail markets, restaurants, wholesale markets, mobile vendors, and hotels. The Division of Community Hygiene provides abatement notices, inspection of premises, code enforcement, premises baited, catch basin larvicide, community education and outreach, investigation of bite cases, issuance of dog and cat licenses, vaccinations, animal adoptions, spay and neutering, dead animal pick-up, and dangerous dog control services in the District. The Division of Radiation seeks to eliminate radiation overexposure of persons from naturally-occurring and man-made radiation by the inspection of dental X-ray tubes, medical X-rays, and the regulation of health physicists, suppliers, and radioactive-material users in the District of Columbia;
- **Office of Health Care Facilities Regulation** – the Health and Intermediate Care Facility Divisions administer all District and federal laws and regulations governing the licensure, certification and regulation of all health care facilities in the District of Columbia. In this role, HCRLA staff inspects health care facilities and providers who participate in the Medicare and Medicaid programs, responds to consumer and self-reported facility incidents and/or complaints, and conducts investigations, if indicated. When necessary, HCRLA takes enforcement actions to compel facilities, providers, and suppliers to come into compliance with District and federal law; and
- **Medical Marijuana** – allows all qualifying patients to have the right to obtain and use marijuana for medical purposes when his or her primary physician has provided a written recommendation that bears his or her signature and license number. This recommendation must assert that the use of marijuana is medically necessary for the patient for the treatment of a qualifying medical condition or to mitigate the side effects of a qualifying medical treatment.

Office of Health Equity (OHE) – works to address the root cause of health disparities, beyond health care, and health behaviors, by supporting projects, policies and research that will enable every resident to achieve their optimal level of health. The Office achieves its mission by informing, educating, and empowering people about health issues and facilitating multi-sector partnerships to identify and solve community health problems related to the social determinants of health. As the newest division of the DOH, this Office is charged with providing leadership to the evidence-based paradigm and practice change

effort essential to promoting and achieving health equity, to include practitioners not only within DOH, but across District government, as well as with other public, private and non-profit entities, including community residents. This division contains the follow 3 activities:

- **Multi Sector Collaboration** – will provide informed, data-driven and evidence0based leadership in convening and sustaining effective multi-sector collaborative partnerships essential to promote and achieve health equity; will use a “health in all policies” (HIAP) approach to improving community health; and will serve as liaison and technical advisor to all DOH Administrations regarding health equity; as well as to external District government agencies and private partners;
- **Community Based Participator Research and Policy Evaluation** – applies data-driven and evidence-based research methods, tools and practices, including Geographic Information Systems (GIS) and other innovative methodologies, to measure social determinant and population health outcomes, including current and projected opportunities for health, disparate outcomes, and inequities by socioeconomic and demographic subpopulation and geographic location. This core function includes support and design, development and implementation of Health Equity Programs and their evaluation, including community-based participatory research, and publication of reports that inform the policy-making process as well as building the evidence base; and
- **Health Equity Practice and Program Implementation** – develops and delivers selected programs and initiatives with demonstrable strategic health-equity ‘nexus’ and operationalization potential, so as to contribute to and inform the essential paradigm shift in policy and practice to improve population health and promote more equitable opportunities for health, especially amongst vulernable populations.

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. This division contains the following 3 activities:

- **Research, Evaluation, and Measurement** – plans and coordinates epidemiologic studies and outbreak investigations, defines the health status of residents, and assists with tracking of health events. This includes planning, development and

coordination of appropriate methodologies to collect and process data as well as monitoring and evaluation of health and social issues. The division responds to internal and external inquiries about various health events, and provides reports on health risk behaviors to both internal and external entities;

- **State Center for Health Statistics** – collects, processes, analyzes, and disseminates birth and death record information and other vital statistics data and information. It is responsible for the statistical analyses of the data generated from birth, death, and other vital records information. In addition, it develops comprehensive statistical and epidemiologic reports on District residents' health status; and
- **State Health Planning and Development** – develops the District's State Health Plan and Annual Implementation, and reviews and approves Certificate of Need applications that allow health care providers to establish new services, make certain capital expenditures, or take other actions as specified in the law. The activity is also responsible for monitoring free care requirements of hospitals and other health care providers.

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. This division contains the following 6 activities:

- **Cancer and Chronic Disease Prevention** – provides cancer control and prevention initiatives to reduce the rates of cancer-related mortality among District residents by focusing on treatable or preventable cancers such as breast and cervical, lung, prostate, and colorectal malignancies. The program defines and seeks to reduce the burden of diabetes mellitus and cardiovascular disease on residents of the District of Columbia and builds partnerships that help strengthen and increase the scope of the infrastructure for care, interventions, and population-based strategies to promote health within the District. Furthermore, the program implements a citywide asthma plan that includes data collection, public education, and access to appropriate care for asthma and related allergies, in addition to

developing and implementing policy changes and delivery systems, including preventive measures for asthma control;

- **Primary Care** – conducts population health research to examine the capacity of the public health system and identify gaps in access and quality of public health interventions. The program identifies the factors that negatively impact the ability of individuals, families, and communities to access and benefit from primary care and other health-related services. The program also develops training and technical assistance to inform current and potential partners of the current health status of District residents and highlights legislative and policy changes with the greatest potential to achieve health equity, especially among residents who experience disproportionate negative health outcomes as a result of disparities. The program also identifies health professional shortages and medically underserved areas for primary care, dental, and mental health care services, and administers programs to improve access to primary care services for District residents regardless of their ability to pay for services;
- **Support Services** – coordinates CHA’s efforts to help develop an integrated community-based health delivery system, ensures access to preventive and primary health care, and fosters citizen and community participation toward improving the health outcomes of women, infants, children (including children with special health care needs), and other family members in the District of Columbia;
- **Perinatal and Infant Health** – provides comprehensive services to improve perinatal outcomes for high-risk pregnant and parenting women, the health and development of their infants into early childhood, and health outcomes for children with special healthcare needs by facilitating access to coordinated primary and specialty health care and other services in partnership with their families and community organizations. The overarching goal is to reduce infant mortality and perinatal health disparities in the District of Columbia primarily through a home visiting approach;
- **Nutrition and Physical Fitness** – provides increased access to healthy food, promotes physical activity as a means to reduce morbidity, supports services that offer specialized nutrition intervention, and maintains an extensive referral network available to District families, infants, children, and seniors. The goal of activities performed within the Nutrition and Physical Fitness Bureau is to positively impact

dietary habits, foster physical activity, and decrease overweight and obesity rates, thus improving health outcomes among the population; and

- **Children, Adolescent, and School Health** – provides improvement for the health and well-being of all District pre-school and school-age children and adolescents by enhancing access to preventive, dental, primary and specialty care services and contributing to the development of a coordinated, culturally competent, family-centered health care delivery system. The program seeks to promote age-appropriate immunizations and increase health education and outreach to District residents.

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.

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.

b. Mayor's Proposed Fiscal Year 2017 Operating Budget

Proposed Operating Budget Summary

The Mayor's FY17 budget proposal included \$287,217,323 in gross operating funds for the DOH, reflecting a 9.7% increase over the FY16 approved budget of \$261,768,733 and an increase of 2.7% in FTEs from 611.6 in the FY16 budget to 628.3 in the FY17 budget.

Local Funds: The Mayor's proposed budget is comprised of \$73,564,000 in Local Funds. This is a decrease of \$5,307,000 from the approved FY16 budget of \$78,870,000. This funding supports 178.2 which represents a decrease of 3.4 FTEs, or a 1.9% increase from the FY16 budget.

Special Purpose Funds: The Mayor's proposed budget for FY17 is comprised of \$15,626,000 in Special Purpose Funds, an increase of \$2,471,000 or 18.8%, from the FY16 budget. This funding supports 110.5 FTEs, an increase of 14.3 FTEs, or 14.8%, from the FY16 budget.

Federal Payments: The Mayor's proposed budget for FY17 is comprised of \$5,000,000 in Federal Payments which is unchanged from the FY16 budget.

Federal Grants: The Mayor's proposed budget for FY17 is comprised of \$128,205,000 in Federal Grant Funds, an increase of \$13,585,000 or 11.9%, from the FY16 budget. This funding supports 327.2 FTEs, an increase of 4.8 FTEs, or 1.5%, from the FY16 budget.

Intra-District Funds: The Mayor's proposed budget for FY17 is comprised of \$64,823,000 in Intra-District Funds, an increase of \$14,698,000 or 29.3%, from the FY16 budget. This funding supports 12.4 FTEs, an increase of 1 FTE, or 8.8%, from the FY16 budget.

Committee Analysis and Comments

The Mayor's proposed budget contains numerous decreases in Local funds throughout the DOH budget that reflect a mixture of removals of one-time funding, align Fixed Costs with proposed estimates, and other cost saving measures. The proposed budget for FY17 saw an overall increase from the approved FY16 budget, which can largely be accounted for substantial increases in federal grant funding for multiple initiatives.

Adjustments due to the removal of one-time funding amounted to \$4,176,000. This includes the removal of the following one-time items: \$2,926,000 for several initiatives within CHA including, \$1,300,000 to support the Teen Pregnancy Prevention Fund, \$400,000 to combat increasing rates of infant mortality, \$157,000 to support teen peer educators who provide sexual health information and condoms to youth, \$150,000 to support a competitive grant for clinical nutritional home delivery services for individuals living with cancer and other life-threatening diseases, \$569,000 to support initiatives focused on the healthy development of girls attending public schools, and \$350,000 to support Produce Plus. A reduction in one-time funding also took place within the HIV/AIDS, Hepatitis, STD, and TB Administration to replace an anticipated loss of federal funding supports for housing for persons living with AIDS, and other one-time funding for Joyful Food Markets.

The Federal Grant funds budget saw an increase of \$8,255,001 to HAHSTA to support the costs associated with establishing and maintaining a HIV prevention program. The Federal Grant funds budget saw an additional increase of \$8,552,813 across multiple divisions to support inspection of providers and suppliers of healthcare services to ensure mandatory adherence to Medicaid health and safety standards and conditions, projected cost increases in information technology consultant contracts that provides managed

security and mechanical services for facilities, projected salary and Fringe Benefits costs, contracts supporting Ebola activities, supplies for grants supporting Maternal and child Health Services and Early Learning Centers, and equipment for grants supporting Clinical Laboratory Surveys and Early Learning Centers. The proposed budget for Contractual Services saw an increase of \$643,224 and an increase of \$1,828,179 in Special Purpose Revenue to support contracts with George Washington University to support wildlife rehabilitation and IT solutions within HCRLA.

As noted, the proposed budget contains numerous cost saving measures. A \$3,000,000 reduction reflects the delay of procurement activities for School Health IT infrastructure development and data system upgrades as well as aligning the budget for school nurses with anticipated need. The budget contained a decrease of \$85,008 in the Special Purpose Revenue funds budget for Nonpersonal Services which reflects reductions of \$38,435 in Supplies and Materials due to a decreased need within the Pharmacy Protection fund and \$72,072 in Other Services and Charges for reductions in IT software acquisitions. Additionally, a decrease of \$56,453 resulted from the elimination of a contract that provides inspections for the DC Jail, a responsibility that HCRLA will now assume.

Several cost saving reductions in Local funds came from multiple divisions, including a reduction of \$1,074,776 from reductions in STD test kits and lab supplies within HAHSTA, printing services for TB clinic within HAHSTHA, copier maintenance within CPPE and CHA, sub grants of Access to Care and School Based Health Centers within CHA, and IT equipment purchases for Food Inspectors within HRLA. Additional costs savings reduction in Local funds include \$1,523,996 from reductions in contracts supporting marketing and promotion materials within HAHSTA, Gold Systems within CPPE, Tobacco Cessation, and Immunization within CHA, Wildlife Rehabilitation within HRLA, and temporary services, copier maintenance and IT services within the Agency Management division.

The Mayor's FY17 budget also included an enhancements of \$750,000 to expand the Joyful Food markets program to provide children and their families with free, non-perishable groceries.

The oversight hearings for the Department of Health saw massive turnout. The high attendance numbers were reflective of community concern over a lack of funding for food access services such as the Produce Plus Program and the Healthy Corner Stores which both received \$0 in local funding. Witnesses testified to how these food access programs are critical to addressing the stark health disparities that exist in the District. Food, nutrition, and diet have been shown to be drivers of the disease states that are very

common east of the river. Food access programs such as Produce Plus and Healthy Corner Stores make healthy eating an easy choice for residents. Both programs have gained attention nationally as templates for expanding access to health foods. The Committee was also concerned with the cuts for food access programs and seeks to ensure district residents have access to healthy food options regardless of where they live.

c. Mayor's Proposed Fiscal Year 2017-2021 Capital Budget

Proposed Capital Budget Summary

The Mayor's proposed FY17 budget contains no capital funding for DOH.

2. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2017 Operating Budget Recommendations

Community Health Administration

The Committee recommends increasing funds for the CHA by \$4,330,000. This increase is due to the following transfers to CHA: \$3,030,000 from the Committee on Transportation and the Environment; \$719,978 from the Healthy DC Fund in the Department of Health Care Finance; \$154,086 from the ICF/MR Fees & Fines Fund in the Department of Health Care Finance; \$252,957 from Medicaid Collections – 3rd Party Liability Fund; \$165,764 from the Stevie Sellows Fund in the Department of Health Care Finance, and a \$7,215 intra-agency transfer from the Spay and Neutering Fund in the Health Regulation and Licensing Administration.

CHA will accept a transfer of \$3,030,000 from the Committee on Transportation and the Environment which will be used to support several food access programs for underserved communities as well as behavioral health services for students. This transfer will support the following initiatives: \$1,200,000 to support the Produce Plus Farmers Market Subsidy program aimed at establishing healthy dietary habits, encouraging farmers to locate in underserved communities, and reducing chronic illness in District residents; \$380,000 to expand monthly pop up, healthy food markets to all public elementary schools in Ward 7 and Ward 8; and \$250,000 to support a food access program that assists small retailers and corner store owners to stock and sell fresh, healthy food; and \$1,200,000 to support a university supported vendor in augmenting the school based health clinics at Coolidge Senior High School, Dunbar High School, and H.D. Woodson Senior High School to support behavioral health screening, community engagement, real-time tele-video linkages to community based behavioral health providers, advanced medication

therapy management, an integrated social services exchange, and electronic health records capable of integrating tele-video linkages and social services exchanges.

The CHA will accept a transfer of \$719,978 from the Healthy DC Fund in the Department of Health Care Finance with \$569,978 of that total being used to support an existing grant that allows a university hospital to expand patient centered care for substance use disorder patients and \$150,000 of that total being used to support teen peer educators who work to provide sexual health information and condoms to peers.

\$252,957 of unused funds from Medicaid Collections – 3rd Party Liability Fund will be transferred to the CHA with \$202,957 going to support the ability of a university hospital to expand patient centered care for substance use disorder patients by serving as a telemedicine hub and \$50,000 going to support a mobile market pilot which will use vehicles as mobile farmers markets to expand food access east of the river.

An intra-agency transfer of \$154,086 from the ICF/MR Fees & Fines Fund in HRLA will be accepted by CHA with \$100,000 to support the Department of Health Functions Clarifications Amendment Act of 2016 in the amount of \$100,000 and \$54,086 to support an existing grant that allows a university hospital to expand patient centered care for substance use disorder patients.

Lastly, CHA will accept a transfer of \$165,764 from the Stevie Sellows Fund in the DHCF and an intra-agency transfer of \$7,215 from the Spay and Neutering Fund in the Health Regulation and Licensing Administration to support an existing grant that allows a university hospital to expand patient centered care for substance use disorder patients.

HIV/AIDS, Hepatitis, STD, and TB Administration

The Committee recommends increasing the budget of the HIV/AIDS, Hepatitis, STD, and TB Administration by \$500,000. This increase is due to a transfer of \$500,000 from the Committee on Transportation and the Environment for an increase in funds for HIV/AIDS Housing and Supportive Services to support individuals living with HIV/AIDS.

DOH – AGENCY MANAGEMENT PROGRAM

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

Proposed Operating Budget Summary

The Mayor's FY17 budget proposal included \$26,192,000 in gross operating funds for the Agency Management Program, as well as 60.0 FTEs within DOH.

Committee Analysis and Comments

The Committee makes no changes to the Mayor's proposed FY17 budget for the Agency management program

DOH – AGENCY FINANCIAL OPERATIONS

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

Proposed Operating Budget Summary

The Mayor's FY17 budget proposal included \$3,883,000 in gross operating funds as well as 30.0 FTEs within the Agency Financial Operations administration.

Committee Analysis and Comments

The Committee makes no changes to the Mayor's proposed FY17 budget for Agency Financial Operations.

DOH – HEALTH EMERGENCY PREPAREDNESS AND RESPONSE ADMINISTRATION

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

Proposed Operating Budget Summary

The Mayor’s FY17 budget proposal included \$70,248,000 in gross operating funds as well as 43.2 FTEs within the Health Emergency Preparedness and Response Administration.

Committee Analysis and Comments

The Committee makes no changes to the Mayor’s proposed budget for the Health Emergency Preparedness and Response Administration.

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

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

Proposed Operating Budget Summary

The Mayor's FY17 budget proposal included \$84,398,000 in gross operating funds as well as 122.5 FTEs within the HIV/AIDS, Hepatitis, STD, and TB Administration.

Committee Analysis and Comments

Funding for housing for HIV positive residents was also an area of concern during the budget oversight hearings. The Committee heard testimony on how unstable housing negatively effects the ability of residents with HIV to maintain their treatment regimen.

Lack of stable housing for individuals with HIV is strongly linked with inadequate HIV health care, poor health status, avoidable hospitalizations/emergency room visits, and early death. Additionally, homeless residents with HIV are much more likely to have a detectible viral load which increases the risk for transmitting HIV. While D.C. has seen a reduction in new cases of HIV, it is still important to make sure this issue receives attention. Therefore, the Committee is recommending an increase in the HAHSTA budget to support housing services for persons living with HIV.

The Committee recommends a budget of \$84,898,000 in gross operating funds. This represents an increase due to a transfer of \$500,000 from the Committee of Transportation and the Environment. The increase will be distributed to HIV/AIDS Housing and Supportive Services to support individuals living with HIV/AIDS (Program 3000, Activity 3090, CSG 50).

DOH – HEALTH CARE REGULATION AND LICENSING ADMINISTRATION

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

Proposed Operating Budget Summary

The Mayor's FY17 budget proposal included \$27,227,000 in gross operating funds as well as 184.7 FTEs within the Health Care Regulation and Licensing Administration.

Committee Analysis and Comments

The Committee has identified \$154,086 in the available fund balance of the ICF/MR Fees & Fines Fund and \$7,215 in available fund balance in the Spay and Neutering Fund.

Intra-agency Shifts from Special Purpose Revenue Funds:

- \$154,086 will be removed from the available fund balance in the ICF/MR Fees & Fines Fund to be allocated as follows:
 - \$100,000 to support the Department of Health Functions Clarifications Amendment Act of 2016 in the amount of \$100,000
 - \$54,086 to support an existing grant that allows a university hospital to expand patient centered care for substance use disorder patients (Program 8500, Activity 8504, CSG 41)
- \$7,215 will be removed from the available fund balance in the Spay and Neutering Fund to support to support an existing grant that allows a university hospital to expand patient centered care for substance use disorder patients. (Program 8500, Activity 8504, CSG 41)

DOH- OFFICE OF HEALTH EQUITY

The Office of Health Equity works to address the root cause of health disparities, beyond health care, and health behaviors, by supporting projects, policies and research that will enable every resident to achieve their optimal level of health. The Office achieves its mission by informing, educating, and empowering people about health issues and facilitating multi-sector partnerships to identify and solve community health problems related to the social determinants of health. As the newest division of the DOH, this Office is charged with providing leadership to the evidence-based paradigm and practice change effort essential to promoting and achieving health equity, to include practitioners not only within DOH, but across District government, as well as with other public, private and non-profit entities, including community residents.

Proposed Operating Budget Summary

The Mayor's FY17 budget proposal included \$601,000 in gross operating funds as well as 5.0 FTEs within the Office of Health Equity administration.

Committee Analysis and Comments

The Committee recommends a budget \$1,001,000 for the Office of Health Equity. This represents an increase of \$400,000 from the Committee on the Judiciary to implement the public information campaign required of the Office of Violence Prevention and Health Equity in the NEAR Act (Program 7000, Activity 7010, CSG 40).

DOH – CENTER FOR POLICY, PLANNING, AND EVALUATION

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

Proposed Operating Budget Summary

The Mayor's FY17 budget proposal included \$5,547,000 in gross operating funds as well as 44.8 FTEs within the Center for Policy, Planning, and Evaluation administration.

Committee Analysis and Comments

The Committee makes no changes to the Mayor's proposed FY17 Budget for CPPE.

DOH – COMMUNITY HEALTH ADMINISTRATION

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

Proposed Operating Budget Summary

The Mayor's FY17 budget proposal included \$69,121,000 in gross operating funds as well as 138 FTEs within the CHA.

Committee Analysis and Comments

The Committee recommends increasing the budget for CHA by \$4,330,000. Alterations to the proposed budget for CHA reflect testimony received at the Budget Oversight Hearing.

The Committee heard testimony from a number of groups advocating for increased healthy food access for residents. Witness spoke of the importance of access to healthy food and requested that the Committee ensure funding for programs that support a healthy diet.

The Produce Plus program provides \$10 per farmers market to residents on federal assistance (TANF, SNAP, Medicaid, etc.) to purchase fresh fruits and vegetables. This program encourages healthy diets by making residents decision to eat healthy easier and encourages farmers to locate in underserved areas by ensuring a market for their goods. The Healthy Corners program works with small retailers and corner store owners in underserved areas to sell fresh produce at wholesale prices in smaller quantities. This enables corner store owners to sell fresh produce at a lower price to consumers. The Committee also heard testimony in support of the Joyful Markets program. This program establishes healthy, pop up markets in schools in underserved communities. Witnesses testified that additional funding was needed in order to expand the pop up markets to all public elementary schools in Wards 7 and 8.

Access to healthy foods in underserved communities is a top priority for all members of the Committee therefore it is recommend that the budget of the CHA is

adjusted to support these programs. Please note that the increase for healthy pop up stores is in addition to the \$750,000 allocation proposed in the Mayor's budget.

In addition to testimony on the lack of funding for food access programs, testimony was heard on the impact of a lack of behavioral health screening and appropriate linkages to community based social services has on the D.C. youth. The Committee heard testimony linking the violence that is observed in the District as a direct result of poor behavioral health care screening and services for children.

Witnesses outlined the behavioral health access issue that the District faces as the students in need located east of the river are separated from the supply of behavioral health providers that are located elsewhere. Witnesses testified that a program that addresses both the social service needs (transportation, food access, stable housing) and the behavioral health needs of a vulnerable population will be effective in improving outcomes.

Lack of access to behavioral health services has been shown to have wide ranging impact. When left untreated, behavioral issues have been shown to effect educational performance and possibly lead adolescent violence. Many children in low income areas are experiencing trauma at young age. The loss of a parent, sibling, or housing is a significant life event that often requires counseling. This trauma is often left unresolved and students are left to deal with their experience on their own. A university supported school based clinic can provide tele-mental health linkages to community based child psychiatrists, advanced medication therapy management, social service linkage/referral, care coordination, and behavioral health screening. Additionally, the school clinic would possess an electronic health records system capable of integrating with the tele-video services and social services exchanges. NCQA Patient Centered Medical Home recognition would ensure and display adherence to patient centered care best practices. Lastly, the school clinic vendor would engage with the community to increase awareness of the offering of the school based clinic in order to ensure proper utilization. Because of these reasons, the Committee recommends increasing the budget of CHA to expand school based behavioral health services at 3 local high schools.

Finally, the Committee heard testimony on the impact that substance use disorder patients are having on the District. Witnesses explained that residents suffering from substance use disorder significantly and disproportionately contribute to the negative health outcomes that are observed in the District. It was explained that substance use disorder patients are far more likely to have disease such as diabetes, hypertension, HIV, and hepatitis. It is often these diseases, not the substance abuse itself, that result in frequent hospital visits. The opioid addiction exacerbates this as the dependence often leads to an "out of control" lifestyle where an overwhelming percentage of patients are jobless,

homeless, and forego primary care. This means those with substance use disorder lack the income to afford their addiction which leads to criminal behavior (it was testified that heroin addicts will often do \$100 worth of crime for \$50 worth of heroin) and only visit the hospital in emergency situations.

With the proper investment, a university hospital with built in support of other health experts such as pharmacists and social workers, electronic health records capable of integrating tele-video as well as social services exchanges, could serve as a hub for health centers in underserved areas without these same resources. This would both improve the quality of care received by the population as well as the quantity of patients that hospital could assist. NCQA Patient Centered Medical Home and Patient Centered Specialty Practice Recognition would ensure and display commitment to the patient centered care model. Additionally, health graduate students at the university hospital will have the opportunity to participate in an emerging field of need (addiction medicine) and a novel care delivery model. As testimony made it clear that substance abuse disorder negatively affects the district in numerous ways, the Committee proposes increasing the budget of CHA to support a university hospital in providing patient centered care to residents suffering from substance use disorder.

The Committee recommends a budget of \$73,451,000 for CHA. Changes to the budget for CHA are below:

Intra-agency Shifts from Special Purpose Revenue Funds:

- Accept a transfer of \$154,086 to CHA from unused funds in the balance of the ICF/MR Fees & Fines in the Health Regulation and Licensing Administration to support the following:
 - The Department of Health Functions Clarifications Amendment Act of 2016 in the amount of \$100,000. (Program 8500, Activity 8504, CSG 50)
 - The expansion of an existing grant to expand a university hospital's ability to provide patient centered care for substance use disorder patients by serving as a telemedicine hub for this population in the amount of \$54,086. (Program 8500, Activity 8504, CSG 41)
- Accept a transfer of \$7,215 from the Spay and Neutering Fund to support an existing grant to allow a university hospital to expand patient centered care for substance use disorder patients. (Program 8500, Activity 8504, CSG 41)

Shifts from External Sources:

- Accept a transfer \$719,978 to CHA from unused funds in the balance of the Healthy DC Fund in the Department of Health Care Finance to be distributed as follows:
 - \$569,978 to support a university hospital in expanding patient centered care services for substance use disorder patients by serving as a telemedicine hub for this population. (Program 8500, Activity 8504, CSG 41).
 - \$150,000 to support teen peer educators who work to provide sexual health information and condoms to youth (Program 8500, Activity 8514, CSG 50)
- Accept a transfer of \$165,764 to CHA from unused funds in the Stevie Sellows Fund in the Department of Health Care Finance to support an existing grant to allow a university hospital to expand patient centered care for substance use disorder patients (Program 8500, Activity 8504, CSG 41).
- Accept a transfer of \$252,957 in unused funds from Medicaid Collections – 3rd Party Liability Fund in the Department of Health Care Finance for the following purposes:
 - \$202,957 to expand an existing grant to allow a university hospital to expand patient centered care services for substance use disorder patients by serving as a telemedicine hub for this population (Program 8500, Activity 8504, CSG 41) ;and
 - \$50,000 to support programs designed to improve food access through mobile, vehicle based farm stands that distribute locally produced food to communities in underserved communities (Program 8500, Activity 8513, CSG 50).
- Accept a transfer of \$3,030,000 from the Committee on Transportation and the Environment for the following:
 - \$1,200,000 to support the Produce Plus Farmers Market Subsidy program aimed at establishing healthy dietary habits and reducing chronic illness in District residents (Program 8500, Activity 8513, CSG 50)
 - \$380,000 to further expand monthly pop up, healthy food markets to all public elementary schools in Ward 7 and Ward 8 (Program 8500, Activity 8513, CSG 41).
 - \$250,000 to support a food access program that assists small retailers and corner store owners to stock and sell fresh, healthy food (Program 8500, Activity 8513, CSG 51).
 - \$1,200,000 to support a university supported vendor in augmenting the school based health clinics at Coolidge Senior High School, Dunbar High School, and H.D. Woodson Senior High School to

support behavioral health screening, community health workers, community engagement, real-time tele-video linkages to community based behavioral health providers, advanced medication therapy management, an integrated social services exchange, and EHR capable of integrating tele-video linkages and social services exchanges. (Program 8500, Activity 8514, CSG 50)

b. Fiscal Year 2017 Capital Budget Recommendations

The Mayor's proposed budget for the Department of Health does not include any capital funds.

C. DEPARTMENT OF HEALTH CARE FINANCE

DEPARTMENT OF HEALTH CARE FINANCE		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	LOCAL FUND	700,010,624	706,420,988	(739,951)	705,681,037
	DEDICATED TAXES	71,345,381	81,907,017		81,907,017
	FEDERAL GRANT FUND	999,998	2,916,127		2,916,127
	FEDERAL MEDICAID PAYMENTS	2,146,165,525	2,188,106,393		2,188,106,393
	SPECIAL PURPOSE REVENUE FUNDS	2,604,805	3,492,739		3,492,739
	INTRA-DISTRICT FUNDS	84,327,405	89,062,929		89,062,929
	Total Fund	3,005,453,737	3,071,906,193	(739,951)	3,071,166,242

DEPARTMENT OF HEALTH CARE FINANCE		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	1000	18,966,891	20,244,215	(693,167)	19,551,048
	100F	6,536,675	6,637,894		6,637,894
	2000	14,704,029	18,215,437		18,215,437
	200L	12,477,021	15,693,503		15,693,503
	3000	3,198,147	3,554,428		3,554,428
	5000	2,901,044,913	2,964,053,096		2,964,053,096
	6000	37,937,633	36,951,563		36,951,563
	8000	10,588,428	6,556,057		6,556,057
	Total Program	3,005,453,737	3,071,906,193	(693,167)	3,071,213,026

DEPARTMENT OF HEALTH CARE FINANCE		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	11-REGULAR PAY - CONT FULL TIME	20,355,082	19,401,607	(570,978)	18,830,629
	12-REGULAR PAY - OTHER	1,243,468	1,477,438	(0)	1,477,438
	14-FRINGE BENEFITS - CURR PERSONNEL	4,356,143	4,456,841	(122,189)	4,334,652
	Personal Services	25,954,693	25,335,886	(693,167)	24,642,719
	20-SUPPLIES AND MATERIALS	182,919	182,919	(0)	182,919
	30-ENERGY, COMM. AND BLDG RENTALS	200,083	263,063		263,063
	31-TELEPHONE, TELEGRAPH, TELEGRAM, ETC	185,841	185,841		185,841
	34-SECURITY SERVICES	111,426	189,283		189,283
	35-OCCUPANCY FIXED COSTS	258,577	340,271		340,271
	40-OTHER SERVICES AND CHARGES	1,545,148	2,142,800	(0)	2,142,800
	41-CONTRACTUAL SERVICES - OTHER	71,477,989	79,438,618	0	79,438,618
	50-SUBSIDIES AND TRANSFERS	2,905,204,519	2,962,949,516		2,962,949,516
	70-EQUIPMENT & EQUIPMENT RENTAL	332,543	877,998	0	877,998
	Nonpersonal Services	2,979,499,044	3,046,570,307	0	3,046,570,307
	Gross Funds	3,005,453,737	3,071,906,193	(693,167)	3,071,213,026

DEPARTMENT OF HEALTH CARE FINANCE		FY16 FTE	FY17 Proposed FTE	FTE Change	Budget - FTE
	LOCAL FUND	103.93	104.37		104.37
	DEDICATED TAXES	6.05	5.50		5.50
	FEDERAL GRANT FUND	2.00			
	FEDERAL MEDICAID PAYMENTS	128.72	129.27		129.27
	SPECIAL PURPOSE REVENUE FUNDS	10.35	10.90		10.90
	Total Fund	251.05	250.04		250.04

Mayor's Proposed FY 2017 - FY 2022, Capital Budget

XX0- Agency Name	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	6-Year Total
UMC02C - United Medical Center	\$ 17,671,346	\$ 9,070,625	\$ 8,000,000	\$ -	\$ 2,500,000	\$ -	\$ 37,241,971

Committee Approved FY 2017 - FY 2022 Capital Budget

XX0- Agency Name	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	6-Year Total
UMC02C - United Medical Center	\$ 14,542,893	\$ 9,070,625	\$ 8,000,000	\$ -	\$ 2,500,000	\$ -	\$ 34,113,518

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 8 divisions:

Health Care Delivery Management (HCDM) – 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. This division contains the following 5 activities:

- **Managed Care Management** – provides oversight, evaluation, and enforcement of contracts with organizations managing the care and service delivery of Medicaid and Alliance beneficiaries, along with providing oversight and enrollment of eligible beneficiaries;
- **Preventive and Acute Care (Children’s Health Services)** – develops, implements, and monitors policies, benefits and practices for children’s health care services, including HealthCheck/EPSDT, CHIP, and the Immigrant Children’s Program;
- **Division of Quality and Health Outcomes** – continuously improves the quality (safe, effective, patient-centered, timely, efficient, and equitable services) of health care delivered by programs administered by DHCF; and ensures that quality and performance improvement principles and practices pervade all the components and activities that impact the delivery and outcomes of health care services to patients served by the District’s Medicaid, CHIP, and Alliance programs;
- **Division of Clinicians, Pharmacy and Acute Provider Services** – develops, implements, and oversees the programming for primary and specialty providers,

hospitals, and other acute and preventive care services; and manages the non-emergency transportation contract; and

- **Health Care Delivery Management Support Services** – provides administrative support functions to the Health Care Delivery Management division.

Long-Term Care Administration (LTCA) – provides oversight and monitoring of programs targeted to the elderly, persons with physical disabilities, and persons with intellectual and developmental disabilities. Through program development and day-to-day operations, the LTCA also ensures access to needed cost-effective, high-quality extended and long-term care services for Medicaid beneficiaries residing in home and community-based or institutional settings. The office also provides contract management of the long-term care supports and services contract. This division contains the following 3 activities:

- **Long-Term Care Support Services** – provides administrative support functions to the Long-Term Care division;
- **Division of Elders and Persons with Physical Disabilities** – develops, implements, and oversees all components of the Elderly and Physically Disabled (EPD) waiver program; oversees the personal care state plan option; and provides oversight and service delivery and reimbursement determinations for nursing home facilities; and
- **Division of Special Needs Population** – provides oversight, evaluation, and enforcement of the Individuals with Developmental Disabilities (ID/DD) waiver program; and provides oversight and service delivery and reimbursement determinations for intermediate care facilities for individuals with intellectual disabilities (ICF/IID).

Health Care Policy and Planning – 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. This division contains the following 4 activities:

- **Policy Unit Management (Regulation and Policy Management)** – maintains the Medicaid State Plan, which governs the eligibility, scope of benefits, and reimbursement policies of the Medicaid and CHIP programs; creates State Plan Amendments, waivers, and regulations that form the foundation of Medicaid policy and program administered or monitored by DHCF; and ensures the coordination and consistency of health care and reimbursement policies developed by various divisions within DHCF;
- **Data Analysis (Rate Setting and Data Analysis)** – gathers information, analyzes data, and evaluates all activities related to multiple District-wide components of Medicaid, CHIP, the Alliance, and future healthcare delivery systems, including data collection systems; sets rates and develops payment methodologies for various provider types; and designs and conducts research and evaluation of health care programs, studying their impacts on beneficiaries, providers, plans, and other partners and customers, designing and assessing potential improvements, and developing new measurement tools;
- **Member Management (Eligibility Policy)** – serves as liaison to District and federal agencies regarding eligibility-related matters; ensures collaboration and coordination between the agencies and facilitates compliance by the Department of Human Services’ Economic Security Administration with DHCF eligibility policy; interprets federal and state eligibility rules and regulation; establishes eligibility policies and criteria for the Medicaid and CHIP programs, as well as the Health Care Alliance and the Immigrant Children’s Program; interprets and helps draft legislative changes, rules and regulations for the District regarding eligibility requirements; and manages the Optional State Supplement Payment Program for eligible District of Columbia residents residing in an adult foster care home; and
- **Health Care Policy and Planning Support (Health Care Policy and Research Support)** – provides administrative support functions to the Health Care Policy and Planning Administration.

Health Care Finance – provides provider payments for the following provider types: Medicaid providers, public providers, and Health Care Alliance providers.

This division contains the following 3 activities:

- **Medicaid Provider Payment** – provides payment to Medicaid providers;
- **Medicaid Public Provider Payment** – provides payment to Medicaid public providers; and

- **Alliance Provider Payment** – provides payment to Alliance providers.

Health Care Operations – ensures the division of programs that pertain to the payment of claims and manages the fiscal agent contract, the administrative contracts, systems, and provider enrollment and requirements. The office provides contract management of the Pharmacy Benefits Manager, the Quality Improvement Organization contract, and the Medicaid Management Information System (MMIS) Fiscal Intermediary contract as well as additional administrative contracts. This division contains the following 3 activities:

- **Medicaid Information Systems (Claims Management)** – oversees the MMIS operations; systems requests; member services, including member out-of-pocket reimbursements; Consolidated Omnibus Budget Reconciliation Act (COBRA) payments; third-party liability processing; and processing of financial transactions. The division also manages all internal and external data requests and data involving agency audits (local and federal) as well as MMIS training for all DHCF employees and system security;
- **Division of Public and Private Provider Services** – manages the Administrative Services Organization contract, provider enrollment and recruitment, and internal and external provider services and inquiries. The office also maintains positive ongoing coordination and continuity with all public provider agencies of the District of Columbia government to enhance each agency’s understanding of Medicaid reimbursement policies; is the accountable office within DHCF for implementation of policy that directly impacts other District agencies that serve as Medicaid providers; identifies opportunities to improve the reimbursement procedures of each agency; and works closely with these agencies to review federal policy to ensure that federal reimbursement is being maximized and compliance assured through claims processing and through program development; and
- **Health Care Operations Support (Health Care Operations Support Services)** – provides administrative support functions to the Health Care Operations division.

Health Care Reform and Innovation – 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, implementing effective practices, and developing necessary technology to support this activity. This division contains the following 2 activities:

- **Affordable Care Reform and Grants Development** – develops, implements, and monitors the provisions of the Affordable Care Act and is responsible for the development of demonstration projects and submission of grant proposals for various reform-related activities; and
- **Health Care Reform and Innovative Support Services (HRCIA)** – is responsible for the design, development, implementation, and sustainability of Health Information Exchange (HIE) activities. HIE infrastructure provides the technology, processes, and operations needed to facilitate exchange of health information between stakeholders. HRCIA’s Health Information Technology (HIT) program offers incentives, outreach and technical assistance to drive the adoption and use of Certified Electronic health Records Technology (CEHRT) by District health providers. The program aligns with CMS’s Meaningful Use (MU) framework.

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.

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.

b. Mayor’s Proposed Fiscal Year 2017 Operating Budget

Proposed Operating Budget Summary

The Mayor’s proposed FY17 budget included \$3,071,906,193 in gross operating funds, including \$706,420,988 in local funds, and 250.0 FTEs. This reflects a 2.2% increase of \$66,452,456 and a decrease of 1.0 FTEs from FY16.

Committee Analysis and Comments

The Department of Health Care Finance’s (DHCF) Current Services Funding Level (CSFL) for FY17 started with \$713,584,166 in Local funds, which represents a

\$13,573,542, or 1.9% increase over the FY16 approved Local funds budget of \$700,010,624. While the agency made a series of increases to its budget, several decreases were made to align resources with operational spending goals and to align personal services and Fringe Benefits with projected costs, resulting in a budget submission of \$706,420,988. The most significant adjustments to DHCF's budget include the following:

\$182,675 decrease in Agency Financial Operations – caused by a lower projected cost for the single audit assessment.

\$2.7 million decrease in Health Care Operations – savings due to a combination of factors, including the shift of operating activities related to Data Warehouse to the Agency Management Program and cost savings realized from moving to a new Pharmacy Benefit Manager.

\$22.3 million decrease in Health Care Finance – combination of factors including a shift from Local funds to Dedicated Tax, savings achieved by tasking the claims processing vendor with making certain payments rather than placing that burden on Managed Care Organizations (MCOs), projected savings due to an increase in the Living Wage in January 2016 that was less than projected in CSFL, projected savings due to curtailing the inflation adjustments for nursing facilities and intermediate care facilities, savings that resulted from the moratorium on the federally required Health Insurance Provider fee, and other savings due to the effect of updated projections of service utilization.

Paying for performance was one of DHCF's consistent themes for Fiscal Year 2016, and it shows all signs of continuing into Fiscal Year 2017. This is evidenced through the Federally Qualified Health Center's (FQHC) new payment methodology and the new "Pay-to-Play" program, which will require the city's Managed Care Organizations to meet certain metrics in regards to care coordination or else risk financial penalty. DHCF's large budget requires stringent oversight and careful planning. Leadership at the Department has shown that this remains a priority of the agency.

The agency engaged in a series of additional cost saving initiatives as well. DHCF opted to set the Elderly and Persons with Disabilities (EPD) Waiver program enrollment to projected levels, as opposed to the enrollment cap, and was able to increase support for the program which includes participant-directed services, personal care assistance services, adult day health and assistance with transitions from institutional to community based settings.

The agency is also taking steps to strengthen care coordination. Analysis of the city's Medicaid population as shown that a small number of people are creating the largest cost demands on the system. Despite this population being the most in need of care coordination, reviews show that they are the least likely to receive it. DHCF now requires the managed care organizations to demonstrate what they are doing to increase care coordination, which will lead to benefits for enrollees as well as taxpayer dollars. Federal Grant funds such as the Money Follows the Persons Demo help transition people from institutions back into the community. This action also benefits the affected individuals and residents. Additionally, location a new Pharmacy Benefit Manager; requiring the claims processing vendor, and not MCOs, to make certain payments to FQHCs and curtailing inflation adjustments for nursing facilities and intermediate care facilities all resulted in a series of savings across the Department. Finally, the Mayor has submitted Budget Support Act subtitles that will extend the District's tax on hospitals outpatient and inpatient gross revenue ab additional year. This will generate \$6.7 million and \$10.4 million, respectively.

c. Mayor's Proposed Fiscal Year 2017-2022 Capital Budget

Proposed Capital Budget Summary

The Mayor's proposed capital budget includes an estimated \$98,724,000 for FY17-22 with \$45,700,000 allocated in FY17 for renovation, capital improvements and maintenance to United Medical Center.

Committee Analysis and Comments

The purpose of the United Medical Center project is to implement the capital improvements recommended in the Strategic Plan approved by the UMC Board in August of 2013. The scope of the improvements will include renovation of the existing facilities, equipment, information technology and capital maintenance. A portion of these funds will be used to fund hospital upgrades to the Emergency Department and Intensive Care Unit, and to replace fully depreciated or outdated medical and support equipment. Some of these replacements are crucial for the hospital to be in compliance with its licensure requirements. During the hearing, Mr. Davis indicated that plans for the Ambulatory Care Pavilion on Campus have been placed on hold. According to the Hospital's original capital plan, \$36.7 million were to be allocated for the construction phase of the pavilion. Outlined in the Strategic Plan, this pavilion was to house the growing outpatient programs and other services for residents with chronic illnesses. These funds have been reallocated for Hospital upgrades for FY17.

2. COMMITTEE RECOMMENDATIONS

Fiscal Year 2017 Operating Budget Recommendations

Committee Analysis and Comments

DHCF – FUNDS

The Committee has analyzed several of the fund balances within the Department of Health Care Finance and recommends the following transfers:

- Transfer \$314,173 from the Medicaid Collections – 3rd Party Liability Fund and send -
 - \$202,957 to the Department of Health to be used to expand the Urban Health Initiative Grant (*Program 8500, Activity 8504, CSG 41*).
 - \$61,216 to the Child and Family Services Agency to increase the amount allocated for tutoring contracts (*Program 7000, Activity 7020, CSG 50*).
 - \$50,000 to the Department of Health for the Mobile Market Pilot (*Program 8500, Activity 8513, CSG 50*)
- Transfer \$165,764 from the Stevie Sellows Fund to the Department of Health to be used to to support an existing grant that allows a university hospital to expand patient centered care for substance use disorder patients (*Program 8500, Activity 8504, CSG 41*).
- Transfer \$908,762 from the Healthy DC Fund and send –
 - \$569,978 to the Department of Health’s CHA administration to support an existing grant that allows a university hospital to expand patient centered care for substance use disorder patients (*Program 8500, Activity 8504, CSG 41*).
 - \$188,784 to the Child and Family Services Agency to increase the amount allocated for tutoring contracts (*Program 7000, Activity 7020, CSG 50*).
 - \$150,000 to the Department of Health for teen peer educators (*Program 8500, Activity 8514, CSG 50*).

DHCF-HEALTH CARE DELIVERY MANAGEMENT

The Health Care Delivery Management (HCDM) program ensures that quality services and practices pervade all activities that affect the delivery of health care to beneficiaries served by the District’s Medicaid, Children’s Health Insurance Program

(CHIP) and Alliance programs. HCDM accomplishes this through informed benefit design; use of prospective, concurrent and retrospective utilization management; ongoing program evaluation; and the application of continuous quality measurement and improvement practices in furnishing preventive, acute, and chronic/long-term care services to children and adults through DHCF's managed care contractors and institutional and ambulatory fee-for-service providers. The division contains the following activities:

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

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$9,375,000 in local funds and 31.0 FTEs to HCDM. This is a \$3,084,000 local funds increase and no change in FTEs from the approved FY16 budget.

Committee Analysis and Comments:

The Committee has no changes to the Mayor's FY17 budget for HCDM.

DHCF-LONG-TERM CARE ADMINISTRATION

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

The division contains the following activities:

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

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$7,146,000 in local funds and 37.0 FTEs to LTCA. This is an \$404,000 local funds increase and no change in FTEs from the approved FY16 budget.

Committee Analysis and Comments:

The Committee has no changes to the Mayor's FY17 budget for LTCA.

DHCF - HEALTH CARE POLICY AND PLANNING

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

The division contains the following activities:

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

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$1,618,000 in local funds and 26.0 FTEs to HCPP. This is a \$121,000 local funds increase and no change in FTEs from the approved FY16 budget.

Committee Analysis and Comments:

The Committee has no changes to the Mayor's FY17 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.

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$666,368,000 in local funds and 0.0 FTEs to Health Care Finance. This is a \$53,489,000 local funds decrease and no change in FTEs from the approved FY16 budget.

Committee Analysis and Comments:

The Committee has no changes to the Mayor's FY17 budget for HCF.

DHCF-HEALTH CARE OPERATIONS

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

The division contains the following activities:

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

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$9,452,000 in local funds and 31.0 FTEs to HCO. This is a \$1,846,000 local funds decrease and no change in FTEs from the approved FY16 budget.

Committee Analysis and Comments:

The Committee has no changes to the Mayor's FY17 budget for HCO.

DHCF -HEALTH CARE INNOVATION AND REFORM

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

The division contains the following activities:

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

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$1,046,000 in local funds and 9.0 FTEs to HCIR. This is a \$37,000 local funds decrease and 2.0 FTE decrease from the approved FY16 budget.

Committee Analysis and Comments:

The Committee has no changes to the Mayor's FY17 budget for HCIR.

DHCF-AGENCY MANAGEMENT PROGRAM

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

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$8,652,000 in local funds and 101 FTEs to AMP. This is a \$958,000 local funds decrease and a 1 FTE increase from the approved FY16 budget.

Committee Analysis and Comments:

The Committee recommends a decrease of \$570,978.43 due to identified vacancy savings (*CSG 11 Local Funds*). The Committee also recommends a corresponding decrease of \$122,189.38 identified in fringe (*CSG 14 Local Funds*). These funds will be sent to the Department of Human Services and be used for Permanent Supportive Housing for singles (*Program 5000, Activity 5035, CSG 50*).

Additionally, the committee recommends a decrease of \$18,930 from Performance Management (*Program 1000, Activity 1090, CSG 20*) based on spending rates from prior years. The savings from Performance Management shall be sent to the Department of Human Services and be used for Permanent Supportive Housing for singles.

DHCF -AGENCY FINANCIAL OPERATIONS

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

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$2,764,000 in local funds and 15.0 FTEs to AFO. This is a \$409,000 local funds decrease and no change in FTEs from the approved FY16 budget.

Committee Analysis and Comments:

The Committee has no changes to the Mayor's FY17 budget for AFO.

Fiscal Year 2017-2022 Capital Budget Recommendations

The Committee recommends the removal of \$1,652,811 from the United Medical Center (project UMC02C) and directs it be transferred as follows:

- \$120,000 in PayGo Capital, converted to one-time operating funds, to the Committee on Business, Consumer and Regulatory Affairs to send to the Department of Small and Local Business Development for Clean Teams in Ward 7.
- \$250,000 in PayGo Capital, converted to one-time operating funds, to the Committee of the Whole to send to the Office of the Deputy Mayor Planning and Economic Development to provide a grant to the Parkside Community Park to support competitive grants to eligible organizations to make improvements to the Parkside Community Park in Ward 7.
- \$250,000 in PayGo Capital, converted to one-time operating funds, to the Committee of the Whole to send to the Deputy Mayor Planning and Economic Development to permit Eden Place at Beulah Crossing to close the financing gap for development and construction costs to finish Phase I (5 townhomes) of the project, which is a public/private partnership with the Office of the Deputy Mayor for Planning and Economic Development.
- \$200,000 in PayGo Capital, converted to one-time operating funds, to the Committee on Transportation and the Environment to send to the District Department of the Environment for the planning and design of a Kingman Island Environmental Center located on Kingman Island.
- \$50,000 to the Committee on Education to send to Capitol View Library budget to fund its opening day collections. (Project CAV37C/04 (Construction), CSG 41, Object 0409).
- \$782,811 in PayGo Capital, converted to one-time operating funds, to the Department of Human Services for Rapid Rehousing.

The Committee has analyzed United Medical Center's capital needs and has concluded that delays that have occurred in FY16 have pushed back UMC's timeline and has made it improbable that all of the \$45M allocated to hospital will be spent in FY16. While the Committee understands the Hospital's desire to place previously scheduled projects on hold as the Hospital develops plans aimed at long-term financial sustainability, the Committee believes that the funds that won't be spent due to the delayed timeline can be better spent in the interim.

Policy Recommendations

The Committee makes no policy recommendations for the Committee on Health Care Finance.

D. DEPARTMENT OF BEHAVIORAL HEALTH

DEPARTMENT OF BEHAVIORAL HEALTH		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	LOCAL FUND	226,855,502	226,757,748		226,757,748
	FEDERAL GRANT FUND	17,410,630	20,012,409		20,012,409
	FEDERAL MEDICAID PAYMENTS	3,470,692	3,430,545		3,430,545
	PRIVATE GRANT FUND	255,000	255,000		255,000
	PRIVATE DONATIONS	288,775	288,775		288,775
	SPECIAL PURPOSE REVENUE FUNDS	4,250,548	4,269,856		4,269,856
	INTRA-DISTRICT FUNDS	20,186,195	18,407,900		18,407,900
	Total Fund	272,717,341	273,422,234		273,422,234

DEPARTMENT OF BEHAVIORAL HEALTH		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	1000	17,066,590	15,510,270		15,510,270
	100F	1,953,027	2,167,811		2,167,811
	1800	7,172,139	9,353,626		9,353,626
	3800	91,334,866	93,384,283		93,384,283
	4800	87,245,276	62,327,110		62,327,110
	6800	33,623,272	37,901,353		37,901,353
	7800	34,322,171	32,635,751		32,635,751
	5800		20,142,030		20,142,030
	Total Program	272,717,341	273,422,234		273,422,234

DEPARTMENT OF BEHAVIORAL HEALTH		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	11-REGULAR PAY - CONT FULL TIME	101,757,789	100,826,622	(0)	100,826,622
	12-REGULAR PAY - OTHER	6,608,628	9,022,093	0	9,022,093
	13-ADDITIONAL GROSS PAY	1,693,400	1,693,400		1,693,400
	14-FRINGE BENEFITS - CURR PERSONNEL	25,513,406	28,013,324	0	28,013,324
	15-OVERTIME PAY	1,953,107	1,953,107		1,953,107
	Personal Services	137,526,330	141,508,547		141,508,547
	20-SUPPLIES AND MATERIALS	6,479,501	6,151,439		6,151,439
	30-ENERGY, COMM. AND BLDG RENTALS	3,371,414	2,127,678		2,127,678
	31-TELEPHONE, TELEGRAPH, TELEGRAM, ETC	1,011,318	1,003,829		1,003,829
	32-RENTALS - LAND AND STRUCTURES	5,252,836	5,816,315		5,816,315
	34-SECURITY SERVICES	4,955,580	4,838,391		4,838,391
	35-OCCUPANCY FIXED COSTS	158,613	219,441		219,441
	40-OTHER SERVICES AND CHARGES	13,218,934	13,013,359	0	13,013,359
	41-CONTRACTUAL SERVICES - OTHER	34,717,505	35,029,727		35,029,727
	50-SUBSIDIES AND TRANSFERS	64,883,382	62,126,458	0	62,126,458
	70-EQUIPMENT & EQUIPMENT RENTAL	1,141,927	1,587,051		1,587,051
	Nonpersonal Services	135,191,011	131,913,687	0	131,913,687
	Gross Funds	272,717,341	273,422,234		273,422,234

DEPARTMENT OF BEHAVIORAL HEALTH		FY16 FTE	FY17 Proposed FTE	FTE Change	Budget - FTE
	LOCAL FUND	1,170.47	1,160.46		1,160.46
	FEDERAL GRANT FUND	104.00	108.00		108.00
	FEDERAL MEDICAID PAYMENTS	5.00	5.00		5.00
	SPECIAL PURPOSE REVENUE FUNDS	37.50	37.50		37.50
	INTRA-DISTRICT FUNDS	110.78	98.78		98.78
	Total Fund	1,427.75	1,409.74		1,409.74

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

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

DBH develops, manages and oversees a public behavioral health system for adults, children and youth and their families that is consumer driven, community based, culturally

competent and supports prevention, resiliency and recovery and the overall well-being of the District of Columbia. The Department provides prevention, intervention and treatment services and supports for children, youth and adults with mental and/or substance use disorders including emergency psychiatric care and community-based outpatient and residential services.

DBH serves more than 22,000 adults, children and youth and their families each year through a network of community based providers and unique government delivered services. It also operates Saint Elizabeth's 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.

The Department of Behavioral Health operates through the following 8 divisions:

Behavioral Health Authority – plans for and develops mental health and substance use disorders (SUD) services; ensures access to services; monitors the service system; supports service providers by operating DBH's Fee for Service (FFS) system; provides grant or contract funding for services not covered through the FFS system; regulates the providers within the District's public behavioral health system; and identifies the appropriate mix of programs, services, and supports necessary to meet the behavioral health needs of District residents. This division contains the following 12 activities:

- **Office of the Director/Chief Executive Officer** – leads management and oversight of the public mental health system; directs the design, development, communication, and delivery of behavioral health services and supports; and identifies approaches to enhance access to services that support recovery and resilience;
- **Consumer and Family Affairs** – promotes and protects the rights of people with behavioral health disorders; encourages and facilitates consumer and family input into treatment and recovery plans; organizes the peer certification training and ensures consumer/client voice in the behavioral health system; advises the Director; and provides expertise on the consumer/family perspective;
- **Office of Policy Support** – advises the Director and leads policy development for the public behavioral health system; and provides support for the development and publication of rules and policies to guide the District public mental health system;

- **Office of Strategic Planning and Grants Management** – provides support for the development and publication of the annual Performance Plan and Performance Annual Report; coordinates the development and submission of annual mental health plan and mental health block grant application; provides support to the Behavioral Health Council; and oversees the grants development, grants monitoring, and grant and sub grant awards, processes, procedures, expenditures, and compliance with grant requirements;
- **Office of Accountability - Quality Improvement (QI)/Audit** – provides oversight of providers for DBH to ensure that they meet or exceed the service delivery and documentation standards for Behavioral Health Rehabilitation Services (BHRS) and Behavioral Health Community Residence Facilities (BHCRF) and comply with applicable District and federal laws and regulations; monitors the provider network; investigates complaints and unusual incidents; and makes policy recommendations;
- **Office of Accountability - Certification/Licensure** – certifies DBH provider agencies and licenses of all mental health community residential facilities (MHCRFs). In addition, these units monitor provider compliance with DBH regulations and local and federal laws; generate statements of deficiencies and enforce corrective action plans when necessary; monitor programs and facilities on a regular basis to ensure compliance, and issue notices of infraction when necessary;
- **Office of Accountability - Investigations** – conducts major investigations of critical incidents, presents a disposition of the matter, and develops the final investigative report that is submitted to the Director of DBH, General Counsel of DBH, and other appropriate parties, to ensure that the needs and treatment goals of individuals in care are identified and addressed;
- **Office of Accountability – Program Integrity** – provides oversight of providers for DBH to ensure that they meet or exceed the service delivery and documentation standards for BHRS and BHCRF and comply with applicable District and federal laws and regulations; monitors the provider network; investigates complaints and unusual incidents; and makes policy recommendations;
- **Office of Council and Community Affairs** – develops and implements community outreach programs including legislative, social, and community awareness;

- **Office of Ombudsman** – assists residents to access behavioral health programs and services; identifies and helps consumers and clients resolve problems, complaints and grievances through the existing processes; educates about available services and helps to maximize outreach; refers individuals when appropriate to other District agencies for assistance; and comments on behalf of residents on District behavioral health policy, regulations and legislation;
- **Adult Services Forensic** – provides mental health services and continuity of care to individuals involved in the criminal justice system who have serious mental illnesses; and oversees a network of providers to ensure that individuals under court supervision and/or who are leaving the criminal justice system have access to a full range of services; and
- **Outpatient Forensic Services Division** – oversees continuum of services provided to justice-involved individuals from pre-arrest to post incarceration; and provides timely and appropriate behavioral health assessments, treatment and monitoring to individuals with mental health and/or substance use disorders to enable them to return to the community as productive citizens.

Saint Elizabeth’s Hospital (SEH) – provides psychiatric, medical, and psycho-social inpatient psychiatric treatment to adults to support their recovery and return to the community. The Hospital’s goal is to maintain an active treatment program that fosters individual recovery and independence as much as possible. In addition, this program manages logistics, housekeeping, building maintenance, and nutritional services at SEH, to ensure the provision of a clean, safe and healthy hospital environment for individuals in care, their families, and staff. The Hospital also ensures staff credentialing and licensing privileges, and provides medication and medical support services to eligible inpatients in order to effectively treat mental illness and enhance recovery. The Hospital is licensed by the District’s Department of Health as well as the U.S. Department of Health and Human Services (DHHS) Centers for Medicare and Medicaid Services. This division contains the following 14 activities:

- **Office of the Chief Executive - SEH** – provides planning, policy development, quality improvement and mental health system design for the hospital;
- **Office of Clinical and Medical Services - SEH** – provides high-quality medical care for inpatients at Saint Elizabeths Hospital in concert with psychiatric care to optimize physical and mental health and to facilitate successful discharge into the community. This includes providing active treatment to the inpatient population to improve quality of life through a recovery-based therapeutic program; monitoring

- services to eligible consumers in order to effectively treat mental illness and enhance recovery; providing prescriptions, medical screening, education, medical assessment and treatment to the inpatient population; and providing employee health services to staff;
- **Engineering and Maintenance - SEH** – provides maintenance and repairs to the Hospital to ensure a functional, safe, and secure facility for inpatients, visitors, and staff in order to maximize the benefits of the therapeutic milieu;
 - **Fiscal and Support Services - SEH** – provides for the formulation, execution, and management of the Hospital’s budget, billing and revenue operations; approves and finances all procurements; and oversees the overall financial integrity of the hospital to ensure the appropriate collection, allocation, utilization and control of city resources;
 - **Quality and Data Management - SEH** – provides quality improvement utilizing performance improvement techniques in addition to using data and research to guide clinical practices; provides oversight of the reporting functions for the Department of Justice, the Corporate Integrity Agreement, and the Joint Accreditation; and manages the reporting functions from the electronic medical record;
 - **Housekeeping - SEH** – maintains a clean and sanitized environment throughout Saint Elizabeths Hospital facilities to enhance the therapeutic environment and level of clinical performance in all hospital areas;
 - **Materials Management - SEH** – receives and delivers materials, supplies, and postal and laundry services to individuals in care, employees, and customers so that they can provide or receive quality care. Materials management also provides an inventory of goods received, replenishes stock, and performs electronic receiving for all goods and services received in the Hospital;
 - **Nursing Services - SEH** – provides active treatment and comprehensive, high-quality nursing care to the inpatient population 24 hours a day and 7 days a week, to improve quality of life through a recovery-based therapeutic program; establishes the training curriculum for all levels of Hospital staff; assures compliance with agreed-upon training programs for clinical and clinical support staff to maintain the health and safety of individuals in care and staff; and establishes the training curriculum for all levels of the Hospital;

- **Nutritional Services - SEH** – provides optimum nutrition and food services, medical nutrition therapy for all patients, and nutrition education services in a safe and sanitary environment;
- **Security and Safety - SEH** – provides a safe and secure facility for inpatients, visitors, and staff in order to ensure a therapeutic environment;
- **Transportation and Grounds - SEH** – manages the resources, administrative functions, contracts, and manpower to provide a safe, secure and therapeutic physical environment for patients, staff and visitors hospital-wide. Provides vehicles and drivers for transportation services including, but not limited to, deliveries and patient/staff transport District-wide; and maintenance services including solid/medical waste disposal and snow and ice removal;
- **Office of the Chief of Staff - SEH** – provides executive management leadership, human resources coordination, organizational management and consultation, budget, contract management, public affairs, and community out-reach; manages the coordination, implementation, and maintenance of the electronic medical record system; and assures that the integrity of Health Information Management is maintained;
- **Office of the Chief Operating Officer - SEH** – provides management and oversight of the operational functions of the Hospital; provides support to Hospital environmental functions; and provides an effective and cost-efficient continuum of care for all patients including budgetary and revenue functions; and
- **Office of the Chief Clinical Officer - SEH** – supports Saint Elizabeth’s Hospital clinicians by providing direct improvement in patient care to meet the requirements as set forth by the Department of Justice; provides clinical leadership and interdisciplinary treatment teams; and ensures the provision of social work services, treatment programs, rehabilitation services, utilization review, volunteer services, and consumer affairs.

Behavioral Health Services and Supports (BHSS) – is responsible for the design, delivery, evaluation and quality improvement of behavioral health services and support for children, youth, families, adults, and special populations to maximize their ability to lead productive lives. This division contains the following 9 activities:

- **Office of the Senior Deputy Director - BHSS** – oversees the operations of the Behavioral Health Services and Supports division;

- **Organizational Development - BHSS** – oversees the DBH Training Institute; the Community Service Review Unit, responsible for conducting a qualitative evaluation of the system of care; and Applied Research and Evaluation, responsible for developing program-level and system-wide evaluation measures to generate performance data that can be used for service improvements;
- **Adult Services Supported Housing - BHSS** – provides bridge housing subsidies and capital funding to finance the development of new affordable permanent housing units for people with serious mental illness. An array of scattered site housing is provided through local bridge subsidies and federal vouchers;
- **Adult Services Assertive Community Treatment (ACT) - BHSS** – provides intensive, integrated community-based mental health intervention and support services designed to provide rehabilitative and crisis treatment;
- **Care Coordination - BHSS** – provides enrollment and authorization for services through a telephone based service center that links people in need of behavioral health services to community providers, and determines eligibility and authorizes services. One of the services provided, the Access HelpLine, 1-888-7WE-HELP (1-888-793-4357), which is operated 24 hours per day, 7 days per week, provides crisis intervention, telephone counseling, and information and referral to callers who are in crisis and dispatches mobile crisis services as appropriate. Callers also have 24-hour access to suicide prevention and intervention services (1-800-273-8255). In addition, a 24-hour suicide prevention and intervention service line is available to citizens identified within Metro stations who are in need of support. This service is co-sponsored with the Washington Metropolitan Area Transit Authority through the Access HelpLine;
- **Comprehensive Psychiatric Emergency Program (CPEP) - BHSS** – provides mental health services to adults in psychiatric crises who need stabilization to prevent harm to themselves or others. Services are enhanced to convert hospitalizations, prevent decompensation, and provide mobile crisis intervention for this population;

- **Children and Youth Services - BHSS** – responsible for developing and implementing a system of care for children, adolescents, and their families that promotes prevention/early intervention, continuity of care, community alternatives to out-of-home and residential placements, and diversion from the juvenile justice system. Child and Youth Services within the Authority provides direct clinical services including school-based mental health services, evidence-based services, youth forensic services, and oversight of youth placed in Psychiatric Residential Treatment Facilities (PRTFs);
- **Early Childhood and School Behavioral Health - BHSS** – promotes social and emotional development and addresses psycho-social and mental health problems that create barriers to learning. The program is responsible for the direct provision of prevention, early intervention, and brief treatment services to youth enrolled in D.C. Public Schools and Public Charter Schools through the Parent Infant Early Childhood Enhancement Program located within the government-operated clinic; and
- **Integrated Care - BHSS** – seeks to reduce the inpatient census and admissions to St. Elizabeths Hospital by identifying consumers who need a comprehensive array of services that include mental health, non-mental health, and informal support services to integrate to their fullest ability in their communities and families; coordinates, manages, and evaluates the care for these consumers to improve their quality of life and tenure in a community setting; and provides care management services to individuals with complex mental health needs as well as those discharged from a psychiatric inpatient stay in a community hospital.

Clinical Services Division – provides person-centered, culturally competent outpatient psychiatric treatment and supports to children, youth and adults to support their recovery; provides services to limited- or non-English speaking communities and deaf or hard of hearing consumers; provides emergency stabilization and treatment; coordinates clinical care; provides homeless outreach services, and coordinates disaster and emergency mental health programs. This division contains the following 6 activities:

- **Office of the Chief Clinical Officer (CCO)** – the CCO advises the Director; supervises the operation of all programs and sets standards for the provision of clinical care throughout the public behavioral health system for children, youth, and adults; oversees the community hospitals that treat DBH consumers on an involuntary basis; and oversees and improves quality of treatment of children and adolescents. The Chief Clinical Officer serves as chair of the Forensic Review Board for the Department and also serves as the petitioner in guardianship cases.

- **Physicians’ Practice Group (PPG)** – provides assessment and treatment for children, youth and adults at two government-operated clinics; provides urgent same day services; and supports consumers by specialized teams;
- **Behavioral Health Services** – directs and manages the government-operated mental health services, including same day, urgent care services; a multicultural program that provides culturally and linguistically appropriate services; a deaf/hard of hearing program; and an intellectual disability program;
- **Comprehensive Psychiatric Emergency Program** – provides emergency mental health services to adults in psychiatric crises who need stabilization and treatment to prevent harm to themselves or others; operates mobile crisis intervention as needed; and participates in the District’s hypothermia response;
- **Homeless Outreach Services** – provides services directly to individuals who are homeless with mental health and/or substance use disorders living on the streets or in shelters; and
- **Pharmacy** – provides pharmacy services for psychiatric medications for residents enrolled in the public behavioral health system who are uninsured and unable to pay for their medications.

Addiction Prevention and Recovery Administration – is responsible for the development and delivery of substance use disorders (SUD) 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 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. This division contains the following 7 activities:

- **Office of the Senior Deputy**– provides overall direction, policy development, and supervision for the other activities within the division;

- **Deputy Director for Operations** – ensures the financial stability, fiscal integrity, and program accountability for substance abuse activities. The office manages the operating budget, financial operations, and facilities and is responsible for overseeing grant compliance and monitoring contracts that support the Single State Agency for substance abuse functions;
- **Deputy Director for Administration** – manages the administrative functions of substance use disorder services, and coordinates and ensures adherence to substance abuse privacy and risk management requirements for the agency and substance abuse treatment provider network. In addition, the office oversees, coordinates, and ensures high-quality prevention and performance-related activities, including regulation of substance abuse treatment services in the District of Columbia;
- **Prevention Services** – works to prevent the onset of, and reduce the progression of, substance abuse risk among youth through a comprehensive public health and risk reduction prevention strategy that addresses the interrelated and root causes of tobacco, alcohol, marijuana, and other drug use. In addition, the office monitors and ensures that federal funds are addressing national outcome measures, high performance standards, and statutory requirements;
- **Performance Management** – is responsible for evaluating, monitoring and managing the performance of all addictions and recovery programs, services, providers and staff;
- **Deputy Director for Treatment** – ensures the effective delivery of substance abuse treatment services to direct service treatment programs and programs that DBH contracts with or regulates. The office ensures that the highest quality treatment services are provided through policy development, analysis, and research; and
- **Implementation of Drug Treatment Choice** – provides subsidies and transfers for substance abuse treatment services only.

Behavioral Health Financing/Fee for Service – provides operational assistance and claims adjudication to support the community-based mental health services program. This division contains the following 5 activities:

- **Behavioral Health Information Management** – provides oversight of the medical records process within the agency;

- **Behavioral Health Rehabilitation Services** – allocates Local funding for the payment of claims to private providers for children, youth, families, and adults who are District residents and receive Behavioral Health Rehabilitation Services;
- **Behavioral Health Rehabilitation Services - Local Match** – allocates Medicaid funding for the payment of claims to private providers for children, youth, families, and adults who are District residents and receive BHRS;
- **Claims Administration/Billing** – supports the internal Department of Behavioral Health structure for claims processing and reimbursement, including administrative claiming, and processes BHRS claims for community-based providers; and
- **Provider Relations** – provides technical assistance, training and coaching support to the DBH provider network.

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.

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.

Division Structure Change

The Department of Behavioral Health had 1 division structure changes in the FY 2017 proposed budget. The Department created the Clinical Services Division to bring the services provided by the Department under the direct supervision of the Chief Clinical Officer.

b. Mayor’s Proposed Fiscal Year 2017 Operating Budget

Proposed Operating Budget Summary

The Mayor’s fiscal year 2017 budget proposal for the Department of Behavioral Health included \$273,442,234 in gross operating funds, an increase of \$704,893 or 0.3% over fiscal year 2016. The proposed budget supports 1,409.7 FTEs, a decrease of 18.1 FTEs, or 1.3%, from fiscal year 2016.

Local Funds: The Mayor's proposed budget is comprised of \$226,757,748 in Local Funds. This is a decrease of \$97,754 from the approved fiscal year 2016 budget of \$226,855,502. This funding supports 1,160.5 FTEs, a decrease of 10.0 FTEs, or 0.9%, over the approved fiscal year 2016 budget.

Special Purpose Funds: The Mayor's proposed budget for fiscal year 2017 is comprised of \$4,269,856, an increase of \$19,308, or 0.5%, from the approved fiscal year 2016 budget. This funding supports 37.5 FTEs, representing no change from the approved fiscal year 2016 budget.

Federal Grants: The Mayor's proposed budget for fiscal year 2017 is comprised of \$20,012,409, an increase of \$2,601,779, or 14.9%, from the approved fiscal year 2016 budget. This funding supports 108 FTEs, an increase of 4 FTEs, or 3.8%, from the approved fiscal year 2016 budget.

Federal Medicaid Payments: The Mayor's proposed budget for fiscal year 2017 is comprised of \$3,430,545, a decrease of \$40,147, or 1.2%, from the approved fiscal year 2016 budget. This funding supports 5.0 FTEs, which remains the same as the approved fiscal year 2016 level.

Private Grants: The Mayor's proposed budget for fiscal year 2017 is comprised of \$255,000, which remains the same as the approved fiscal year 2016 budget. This funding does not support any FTEs.

Private Donations: The Mayor's proposed budget for fiscal year 2017 is comprised of \$288,775, which is no change from the approved fiscal year 2016 budget. This funding does not support any FTEs.

Intra-District Funds: The Mayor's proposed budget for fiscal year 2017 is comprised of \$18,407,900, a decrease of \$1,778,295, or 8.8%, from the approved fiscal year 2016 budget. This funding supports 98.8 FTEs, a 12.0 decrease, or 10.8%, from the approved fiscal year 2016 budget.

Committee Analysis and Comments

The proposed budget reflects a \$2,943,498 increase in Local funds from FY16 for the Current Services Funding Level adjustments. The reasons cited for this increase included an increase in personal services to account for Fringe Benefit costs, cost-of-living

adjustments, and approved compensation agreements and in nonpersonal services based on a 2.3% Consumer Price Index factor.

There is an overall reduction in Local funds from FY16 of \$98,000 in the Mayor's FY17 proposed budget. This reduction is the result of several reallocations of funds across multiple activities to support two new divisions: the Clinical Care Division and the Office of Forensic Services. The Clinical Care Division was created to allow the Chief Clinical Officer to provide direct guidance to outpatient services provided by DBH. \$13,821,614 of Local funds were reallocated to this division with an overall budget of \$20,000,000, which will be used to fund this activity. The services provided by this division include: psychiatric treatment and supports to children, youth and adults; the adult outpatient clinic that offers same day, urgent care and serves limited or non-English speaking communities and deaf or hard of hearing consumers, and operates a pharmacy for uninsured consumers, and the Comprehensive Psychiatric Emergency Program which provides emergency stabilization and treatment and includes the mobile crisis services and the homeless outreach teams. The FY17 budget also includes a reallocation of funds to support the establishment of the Office of Forensic Services, which will provide oversight to the Department's continuum of services for justice involved individuals and provide court ordered treatment services. Finally, the proposed budget included additional savings in Local funds by reducing \$2,596,627 for various behavioral health rehabilitation and adult service supported housing.

The Mayor's proposed budget included an enhancement in Local funds of \$3,200,000 to provide base funding for Supported Residence, an initiative that will provide housing to individuals with physical health challenges that require a higher level of support. This effort is aimed at providing additional supports within the community and to allow a continuously aging Saint Elizabeth's population ready for discharge to be served in the least restrictive setting available. The Committee commends the Mayor and the Department of Behavioral Health for increasing funds to provide additional housing supports for members of the community and those who are awaiting discharge from Saint Elizabeth's Hospital. According to the testimony of Dr. Royster, the population at Saint Elizabeth's is increasing in age which brings many health complications. While patients have the right to receive care in the least restrictive setting, placement is difficult for these patients who might have advanced physical health conditions, thus requiring them to continue to receive care at Saint Elizabeth's. The creation of this new housing program would allow eligible patients to receive adequate care in an appropriate, less-restrictive setting. While the Committee believes that this might help the current low rate of discharge at Saint Elizabeth's, the Committee encourages the Department to work with other District Agencies to ensure adequate housing is built at an appropriate rate so that patients may be discharged from the Hospital and receive care in the least restrictive setting.

The Committee is concerned about the funding level allocated for Behavioral Health Rehabilitation Services (MHRS) Local match for FY17, which remained unchanged from FY16 at a funding level of \$20,400,000. The Department of Behavioral Health in their testimony suggested that there would be significant cost savings in Local funds for MHRS due to the enrollment of some of these consumers into the Health Homes Program, which reimburses at a 90/10 local match versus the 70/30 for MHRS. Based on testimony during the Budget Oversight Hearing and comments from the community, it appears as if these cost savings might not be realized due to slow enrollment of consumers in the Health Homes programs. Currently, 13 providers are certified to offer Health Homes and 1038 consumers have enrolled of the 4500 consumer target. While the Committee commends the work of the Department in implementing this program, the Committee strongly believes that the Department must commit serious attention to ensure that the target goal is reached and the cost savings are realized. To accomplish this goal, the Committee recommends that the Department collaborates with providers to identify and eliminate barriers to Health Home enrollment and provides training and support to improve enrollment numbers. In order to provide proper oversight, the Committee requires that the Department provide monthly written correspondence to the Committee expressing: 1) the number of consumers enrolled in Health Homes that month, 2) the total number of consumer enrolled in Health Homes to date, 3) the breakdown of the number of consumers enrolled in Health Homes per certified provider, and 4) the number of consumers who opted-out.

In a broader context, the Committee hopes the Department continues to collaborate with providers to monitor the overall financial health of the provider network. During the Budget Hearing, several providers testified about spending pressures and the need for a 2.3% rate increase. To this end, the Committee recommends that the Department conducts a rate assessment during FY17 to re-examine the rates that providers are reimbursed. Furthermore, the Committee is concerned about the impending impact of extrapolation on the provider network. It has been suggested to the Committee that current rates of failed claims would result in tens of millions of dollars being clawed back from providers, which could threaten the financial sustainability of providers and disrupt the services to District residents.¹ As such, the Committee recommends that the Department provides training and support to providers to ensure that claims are properly documented and submitted to minimize claims that are clawed back.

c. **Mayor's Proposed Fiscal Year 2017-2021 Capital Budget**

¹ Testimony of Richard Bebout, President and CEO of Green Door

Proposed Capital Budget Summary

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

2. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2017 Operating Budget Recommendations

The Committee recommends approval of the Mayor's proposed budget for FY17 for the Department of Behavioral Health.

DBH – BEHAVIORAL HEALTH AUTHORITY

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

Proposed Operating Budget Summary

The Mayor's FY17 budget proposal included \$9,354,000 in gross operating funds for DBH and 50.1 FTEs. This is an increase of \$2,181,000 in gross operating funds and 15.0 FTEs from the FY16 approved budget.

Committee Analysis and Recommendations

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

For FY17, the Mayor's proposed budget includes a reallocation of \$1.6 million of gross funds and 14 FTEs to the Behavioral Health Authority to create the Office of Forensic Services. The purpose of this office is to provide oversight to the Department of Behavioral Health's entire continuum of services for justice involved individuals and to provide court ordered treatment services. In her testimony, Dr. Royster stated that this consolidation will

allow the Department to monitor the programs and services from pre-arrest to post-incarceration in a more coordinated way so that they may identify emerging issues more readily and make corrections in a timely manner. In response to questions regarding the organization of this division, Dr. Royster indicated that the long-term goal is to relocate this division under the newly created Clinical Services division.

Community Residential Facilities: The Office of Accountability certifies DBH provider agencies and licenses of all Behavioral Health Community Residential Facilities. Additionally, the Office of Accountability ensures that the care coordination of CRF residents is taking place through coordination by the CRF staff and Core Service Agency treatment members. During the Budget Hearing for FY 2017, the Committee heard testimony that suggested that patients ready to exit Saint Elizabeths Hospital are unable to do so due to a lack of accessible, ADA compliant, CRFs in the community. To this end, the Committee recommends that the Department examines the current CRFs that are accessible and develops a plan to ensure expand the availability of accessible units. While the Committee commends the Mayor and the Department of Behavioral Health for developing Supported Residences for people with physical health conditions suffering from mental illness, the Committee believes the Department should examine the number of accessible units available in the community.

Needs Assessment: During the Budget Hearing for FY 2017, the Committee heard testimony that suggested that the Department of Behavioral Health has not completed a broad needs assessment to obtain an accurate picture of the mental health services that are needed in the District. The Department has conducted several needs assessments on smaller, more focused areas, including one that was conducted that focused on mental health services needed for children. During the hearing, the Committee heard testimony asking for the moratorium on Community Based Interventions (CBIs), Assertive Community Treatment (ACT), and Supported Employment be lifted. To this end, the Committee strongly recommends that the Department create a plan to conduct a Needs Assessment for these services.

DBH – SAINT ELIZABETHS HOSPITAL

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

Proposed Operating Budget Summary

The Mayor's proposed FY17 budget proposal included \$93,384,000 in gross operating funds for DBH and 830.0 FTEs. This is an increase of \$2,049,000 in gross operating funds and a decrease of 0.5 FTEs from the FY16 approved budget.

Committee Analysis and Recommendations

The Committee makes no adjustments and recommends approving the operating budget for Saint Elizabeths Hospital.

Security and Safety: In her fiscal year 2017 budget proposal, the Mayor allocated \$4,099,000 in local funds for Security and Safety. This is related to 18 special police officers located at Saint Elizabeth's Hospital. During the Performance Oversight and the Budget Hearings, several witnesses testified regarding their safety concerns at the Hospital for both patients and nursing staff, particularly those working and housed on the Forensic Units. Dr. Royster testified about the implementation of a Workplace Violence Committee to address the safety concerns. Additionally, she testified about the use of special police officers who are stationed on the units and are security officers specially trained to address patients with behavioral health needs. The Committee commends the Department for working with the Hospital staff to address the safety concerns and recommends that the Department continues to regularly monitor the safety plan for the Hospital while collaborating with the staff to make required updates.

DBH – BEHAVIORAL HEALTH SERVICES AND SUPPORTS

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

Proposed Operating Budget Summary

The Mayor's proposed FY17 budget proposal included \$62,327,000 in gross operating funds for DBH and 187.0 FTEs. This is a decrease of \$24,918,000 in gross operating funds and a decrease of 154.7 FTEs from the FY16 approved budget.

Committee Analysis and Recommendations

The Mayor's proposed FY17 budget includes a decrease of \$24,918,000 in gross operating funds from the FY16 approved budget. This decrease is due to the reallocation of \$20,000,000 to the new Clinical Care Division. Specifically, this reallocation is so that clinical services provided by the Department are under the direct supervision of the Chief Clinical Officer, who was reallocated from the Behavioral Health Agency Division to the new Clinical Care Division. An additional \$1,467,000 of gross funds from the Behavioral Health Services and Supports Division was reallocated to the Behavioral Health Agency Division so that the Director of the Department of Behavioral Health, Dr. Tanya Royster, could provide direct supervision for a newly restructured Outpatient Forensic Services program. The long-term goal is for this program to be reallocated to the newly created Clinical Services Division.

Child Youth Services: The Children and Youth Services program is responsible for developing and implementing a system of care for children, adolescents, and their families that promotes prevention/early intervention, continuity of care, community alternatives to out-of-home and residential placements, and diversion from the juvenile justice system. Additionally, direct clinical services including school-based mental health services, evidence-based services, youth forensic services, and oversight of youth placed in Psychiatric Residential Treatment Facilities (PRTFs) are also provided. The Mayor's proposed budget for fiscal year 2017 included \$13,348,000 of gross operating funds and 43 FTEs for these services. This is a decrease of \$1,974,000 of gross operating funds and 3.0 FTEs from the approved fiscal year 2016 budget. During the hearing, Director Dr. Royster addressed questions about the expansion of the School Mental Health Program (SMHP) and the requirements set under the *South Capitol Street Act* develop a plan to be

in every school by 2016-2017. With a cost of approximately \$100,000 per school, the program is currently in 70 schools, only 30% of schools in the District. Dr. Royster testified regarding the Department's collaboration with the Department of Health's School-Based Needs Health Assessment that is currently underway to evaluate the health needs and programming within District of Columbia Public Schools. In her responses, Dr. Royster indicated that the Department of Behavioral Health, as part of the School-Based Needs Health Assessment, is evaluating the School-Based Mental Health program and is awaiting to expand the program based on the outcome of the assessment. The Committee awaits the completion of the health needs assessment and requests that the Department of Behavioral Health provides the Committee with a report outlining the plan for the School-Based Mental Health Program once the assessment is complete.

DBH- CLINICAL SERVICES

The Clinical Services Division provides person-centered, culturally competent outpatient psychiatric treatment and supports to children, youth and adults to support their recovery; provides services to limited- or non-English speaking communities and deaf or hard of hearing consumers; provides emergency stabilization and treatment; coordinates clinical care; provides homeless outreach services, and coordinates disaster and emergency mental health programs.

Proposed Operating Budget Summary

The Mayor's proposed FY17 budget proposal included \$20,142,000 in gross operating funds for DBH and 126.2 FTEs.

Committee Analysis and Recommendations

The Committee makes no adjustment and recommends approving the operating budget for Clinical Services Division.

This Division is part of the FY17 agency restructuring proposed by the Department of Behavioral Health and is a newly created Division. As part of this restructuring, \$20 million in gross operating funds were reallocated to this division, a majority of which was reallocated from the Behavioral Health Authority. This Division is led by the Chief Clinical Officer, who was reallocated from the Behavioral Health Authority Division, to provide direct oversight and guidance to outpatient services provided by the Department of Behavioral Health. The Committee commends the Department for this reorganization and believes that this will allow the Department to ensure that they are providing high quality services to District residents in need.

DBH – ADDICTION PREVENTION AND RECOVERY SERVICES AND SUPPORT

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

Proposed Operating Budget Summary

The Mayor's proposed FY17 budget proposal included \$37,901,000 in gross operating funds for DBH and 112 FTEs. This is an increase of \$4,278,000 in gross operating funds and 4.0 FTEs from the FY16 approved budget.

Committee Analysis and Recommendations

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

DBH – MENTAL HEALTH FINANCING/FEE-FOR-SERVICE

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

Proposed Operating Budget Summary

The Mayor's proposed FY17 budget proposal included \$32,636,000 in gross operating funds for DBH and 20 FTEs. This is a decrease of \$1,686,000 in gross operating funds from the FY16 approved budget.

Committee Analysis and Recommendations

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

Health Homes: The Committee is concerned about the pace of the enrollment of Health Homes and its potential impact on the proposed FY17 budget. During the budget hearing, Dr. Royster testified that the Department launched the Health Homes initiative in January 2016 to improve care coordination between mental health and primary care providers. Currently, 13 providers are certified to offer Health Homes and 1038 consumers are enrolled in the program. The Department's goal is to serve 4500 consumers by the end of 2017. In her testimony, Dr. Royster explained that the program will have a positive impact on the FY17 budget as the federal government will reimburse at a rate of 90/10, a higher rate than the current 70/30 reimbursement rate, which will allow the Department to realize savings within the local budget, particularly within the MHRS local match service level. During the hearing, the Committee heard numerous providers express difficulties with enrolling consumers in the Health Homes program. Due to these difficulties, the Committee is concerned that the Department might not reach their goal of enrolling consumers in the program and realize the cost savings that the Department has built into the FY17 budget proposal. To this end, the Committee requests that the Department provide rigorous training and support to providers to assist them in enrolling consumers into the program. Additionally, the Committee requires that the Department provide monthly written correspondence to the Committee expressing: 1) the number of consumers enrolled in Health Homes that month, 2) the total number of consumer enrolled in Health Homes to date, 3) the breakdown of the number of consumers enrolled in Health Homes per certified provider, and 4) the number of consumers who opted-out.

Rate Adjustments: The Committee heard several providers testify about the financial sustainability of the provider network and requests that the Department of Behavioral Health plans a rate assessment to be conducted for 2017 to examine the current level of reimbursement for providers. Several providers requested that an annual cost-of-living adjustment be included in their rates and they highlighted that the Mayor's proposed budget includes a 2.3% annual adjustment, recognizing that the cost of business increase each year. In their testimony, providers indicated that they are losing employees to neighboring jurisdictions because they pay at higher rates. In response to this testimony, Dr. Royster acknowledged that the Department conducted a rate assessment in 2013, which resulted in a rate increase for providers. While the Committee commends the Department for its collaborative partnerships with District providers, the Committee acknowledges the financial burdens placed on providers through local and federal regulations and requests that the Department plans a rate assessment in 2017 to examine the current level of reimbursement for providers.

DBH – AGENCY MANAGEMENT

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

Proposed Operating Budget Summary

The Mayor's proposed FY17 budget proposal included \$15,510,000 in gross operating funds for Agency Management and 68.5 FTEs. This is a proposed decrease of \$1,556,000 in gross operating funds and a decrease of 8.0 FTEs from the FY16 approved budget.

Committee Analysis and Recommendations

The Committee recommends a decrease of \$51,000 within Agency Management division to align the budget with prior years' expenditures and the current FY16 spending for property management (*Program 1000, Activity 1030, CSG 20*). These funds will be sent to the Department of Human Services and be used for Permanent Supportive Housing for singles (*Program 5000, Activity 5035, CSG 50*).

DBH – AGENCY FINANCIAL OPERATIONS

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

Proposed Operating Budget Summary

The Mayor's proposed FY17 budget proposal included \$2,168,000 in gross operating funds for Agency Financial Operations and 16.0 FTEs. This is a proposed increase of \$215,000 in gross operating funds from the FY16 approved budget.

Committee Analysis and Recommendations

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

b. Fiscal Year 2017 Capital Budget Recommendations

There are no capital budget recommendations.

c. Policy Recommendations

- The Committee recommends that DBH develop a plan to expand the number of accessible and ADA compliant CRFs available to the community.
- The Committee recommends that DBH creates a plan to conduct a Needs Assessment for Community Based Interventions (CBIs), Assertive Community Treatment (ACT) services, and Support Employment.
- The Committee recommends that DBH provides the Committee with a report outlining the plan for the School-Based Mental Health Program once the School Health Needs Assessment is completed.
- The Committee requests that DBH plans a rate assessment in FY17 to examine the current level of reimbursement for community providers.

- The Committee requires that the Department provide monthly written correspondence to the Committee expressing:
 - The number of consumers enrolled in Health Homes that month;
 - The total number of consumer enrolled in Health Homes to date;
 - The breakdown of the number of consumers enrolled in Health Homes per certified provider; and
 - The number of consumers who opted-out.

E. NOT-FOR-PROFIT HOSPITAL CORPORATION

NOT FOR PROFIT HOSPITAL CORPORATION		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	ENTERPRISE AND OTHER FUNDS - O TYPES	129,000,000	132,000,000		132,000,000
	Total Fund	129,000,000	132,000,000		132,000,000

NOT FOR PROFIT HOSPITAL CORPORATION		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	1000	129,000,000	132,000,000		132,000,000
	Total Program	129,000,000	132,000,000		132,000,000

NOT FOR PROFIT HOSPITAL CORPORATION		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	50-SUBSIDIES AND TRANSFERS	129,000,000	132,000,000		132,000,000
	Nonpersonal Services	129,000,000	132,000,000		132,000,000
	Gross Funds	129,000,000	132,000,000		132,000,000

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

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

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

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

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

b. Mayor's Proposed Fiscal Year 2017 Operating Budget

Proposed Operating Budget Summary

The Mayor proposed \$132,000,000 for NFPHC in FY17. This is a 2.3% increase from FY2016. The Mayor proposed 0.0 FTEs for FY17.

Committee Analysis and Comments

The Not-For-Profit Hospital Corporation (NFPHC) operates through Enterprise Funds and funds raised through Hospital patient and SNF resident operations. The Board of Directors of NFPHC adopted a new Strategic Vision and Plan on August 2, 2013, and this Plan was approved by the Mayor and endorsed by the District Council. The Council in that endorsement urged the Board and the Executive to carry out the Plan, including recommendations from Huron Consulting, "swiftly." Five major areas within this plan remain the focus. These areas include:

1. To align with a partner(s) and position UMC to thrive under healthcare reform;
2. Achieve financial stability;
3. Recruit, deploy, and retain talented and enthusiastic staff;
4. Achieve superior quality and outcomes; and
5. Contribute to the overall health within the communities served by UMC

In FY16, the Hospital saw an increase of 9.7% in emergency room visits, 5 % in admissions, 30.6% in clinic visits, and 9.7% in surgical volume compared to FY15. Despite the increase in patient volumes, the Hospital was operating at a \$5M loss due to a low case mix associated with the increase in volumes. To address this loss, the Hospital implemented a restructuring plan, which included a reduction in force accounting for an \$8.4 million decrease in labor costs. Additionally, the Hospital hired an Operator, Veritas, to assist with the financial operations of the Hospital.

During the Budget Hearing for 2017, CEO Andrew Davis testified that the Hospital continues executing a plan that is delivering on all five of the major strategic goals. With efforts to actively recruit new physicians, 2017 projections are estimating an increase in clinic and other outpatient visits by 3.9% and an increase in emergency room visits of 3.5% from the FY16 Forecast. With these combined efforts, NFPHC is anticipated to have a slight margin from operations of \$1.2M. However, this margin includes a \$2 million subsidy for the Hospital's Obstetrics program and \$3.5 million to fund the operator, Veritas. During the hearing, concern was expressed about the financial sustainability of the Hospital and the continued investment of taxpayer money into the Hospital after a variety of consultants have been hired to address the complexities of the Hospital. Mr. Davis ensured the Committee that the role Veritas will play is much different than those of other consultants, where the focus was mostly on aligning with a strategic partner. The Hospital, with the help of Veritas, plans to focus on examining its operations and identifying

efficiencies and ways to become more financially sustainable in FY17. In acknowledging the increase in patient volumes and new approach of examining financial sustainability, with the support of Veritas, the Committee is confident that the Not-For-Profit Hospital Corporation will continue to address the health care and medical needs for residents in Wards 7 and 8.

c. Mayor's Proposed Fiscal Year 2017-2021 Capital Budget

Proposed Capital Budget Summary

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

Committee Analysis and Comments

The capital funds for NFPHC are contained within the budget for the Department of Health Care Finance. The Mayor's proposed Capital Budget for FY17 includes \$45.7M for NFPHC. During the hearing, NFPHC testified that these funds would be utilized for expansion capital, facility renovation and maintenance, routine capital, and information technology. A portion of these funds will be used to fund hospital upgrades to the Emergency Department and Intensive Care Unit, and to replace fully depreciated or outdated medical and support equipment. Some of these replacements are crucial for the hospital to be in compliance with its licensure requirements. During the hearing, Mr. Davis indicated that plans for the Ambulatory Care Pavilion on Campus have been placed on hold. According to the Hospital's original capital plan, \$36.7 million were to be allocated for the construction phase of the pavilion. Outlined in the Strategic Plan, this pavilion was to house the growing outpatient programs and other services for residents with chronic illnesses. These funds have been reallocated for Hospital upgrades for FY17. While the Committee understands the Hospital's desire to place previously scheduled projects on hold as the Hospital develops plans aimed at long-term financial sustainability, the Committee is concerned that this particular project has been placed on hold as it has been previously stated that this pavilion is critical for the long-term financial sustainability of the NFPHC.

2. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2017 Operating Budget Recommendations

The Committee makes no changes to the Mayor's proposed FY17 operating budget for NFPHC.

b. Policy Recommendations

The Committee has no policy recommendations for NFPHC.

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

		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
DEPUTY MAYOR FOR HEALTH & HUMAN SERVICES	LOCAL FUND	1,390,873	2,086,067		2,086,067
Total Fund		1,390,873	2,086,067		2,086,067

		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
DEPUTY MAYOR FOR HEALTH & HUMAN SERVICES	1000	1,027,404	1,903,915		1,903,915
	2000	363,469	182,152		182,152
Total Program		1,390,873	2,086,067		2,086,067

		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
DEPUTY MAYOR FOR HEALTH & HUMAN SERVICES	11-REGULAR PAY - CONT FULL TIME	784,379	1,581,492		1,581,492
	12-REGULAR PAY - OTHER	74,654			
	14-FRINGE BENEFITS - CURR PERSONNEL	168,371	322,423		322,423
	Personal Services	1,027,404	1,903,915		1,903,915
	20-SUPPLIES AND MATERIALS	15,324	18,354		18,354
	31-TELEPHONE, TELEGRAPH, TELEGRAM, ETC	20,168	40,613		40,613
	40-OTHER SERVICES AND CHARGES	86,232	54,080		54,080
	41-CONTRACTUAL SERVICES - OTHER	231,745	65,605		65,605
	70-EQUIPMENT & EQUIPMENT RENTAL	10,000	3,500		3,500
	Nonpersonal Services	363,469	182,152		182,152
Gross Funds		1,390,873	2,086,067		2,086,067

		FY16 FTE	FY17 Proposed FTE	FTE Change	Budget - FTE
DEPUTY MAYOR FOR HEALTH & HUMAN SERVICES	LOCAL FUND	9.00	15.75		15.75
Total Fund		9.00	15.75		15.75

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

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

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

- Child and Family Services (CFSA)
- Department of Behavioral Health (DBH)
- Department on Disability Services (DDS)
- Department of Health (DOH)
- Department of Health Care Finance (DHCF)
- Department of Human Services (DHS)
- Department of Parks and Recreation (DPR)
- Department of Youth Rehabilitation Services (DYRS)
- Office on Disability Rights (ODR)

- Office on Aging (DCOA)
- Children and Youth Investment Trust Corporation (CYITC)

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

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.

Human Support Services – supports the agency’s mission to provide oversight and support for all citywide health and human services-related policies, activities, and initiatives under its jurisdiction.

- 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; and
- Ensuring compliance with local and federal mandates.

Program Structure Change

The Office of the Deputy Mayor for Health and Human Services has no program structure changes in the FY 2017 proposed budget.

b. Mayor’s Proposed Fiscal Year 2017 Operating Budget

Proposed Operating Budget Summary

The Mayor’s proposed FY17 operating budget for DMHHS includes \$2,086,067 in gross operating funds and 15.8 FTEs. This reflects an increase of 50% in funding and an increase of 75% in FTEs.

Committee Analysis and Comments

The biggest change in the Mayor’s proposed FY17 budget for DMHHS was an increase of \$662,577 in Local funds to coordinate the response of multiple District agencies as part of the Safer, Stronger DC Community Partnership. Safer, Stronger DC Community Partnership is an initiative designed to address various persistent neighborhood problems

in District communities, and to coordinate services in partnership with District agencies to provide solutions that meet the needs of these communities. In addition to this increase, the Mayor's budget contains an increase of \$182,141 in the Agency management program in personal services to support an addition 0.8 FTE and the realignment of 1.0 FTE from Temporary to Continuing full-time status. Other changes to the DMHHS budget for FY17 include a decrease of \$241,093 primarily due to reductions in a temporary staffing contract for FY17.

At the Performance Oversight hearing, an overwhelming amount of testimony was centered on the topic of homeless encampments throughout the District. Numerous witnesses testified that the District was failing to adhere to its 2012 "Protocol for Disposition of Property Found on Public Space and Outreach to Displaced Persons" by throwing out homeless residents belongings after clearing these encampments. This Protocol was created to instruct government behavior in regards to the storing of homeless resident's possessions.

Witnesses requested that DMHHS work with stakeholders and advocates in improving and revising the 2012 protocol. Deputy Mayor Brenda Donald recognized issues in clearing encampments while testifying that revisions to the 2012 protocol were underway.

The Committee also heard testimony from the Deputy Mayor on technological glitches associated with the DC Medicaid renewal process. Essentially, a software "glitch" was threatening the ability of Medicaid beneficiaries to re-enroll in the Medicaid Program through the internet. The deputy mayor testified that their office was aware of this problem and working towards a solution.

In April's Budget Oversight Hearing, the Committee inquired into DMHHS's role in the Safer Stronger DC Community Partnership. The Deputy Mayor informed the Committee that they will be dispatching hired staff that will engage with the community in order to find sources of strife and contention in our neighborhoods. Additionally, the Committee followed up on issues presented at the performance oversight hearing. In regards to the homeless encampments, DMHHS informed the Committee that they are still working on procedures to govern the property of D.C. residents recovered at homeless encampments. There are outstanding questions in regards to property that could appear to be abandoned and where such property should be stored. Lastly, the Committee followed up on with the Deputy Mayor on the DC Medicaid IT Problems that were discussed at the performance oversight hearing. Here, the deputy mayor testified that they were still experiencing issues with the program and that additional time would be required to remedy the issue.

The Committee remains interested in the outstanding issues from the performance oversight hearing, namely the DC Medicaid IT issues and the disposition of belongings found at encampments.

c. Mayor's Proposed Fiscal Year 2017-2021 Capital Budget

Proposed Capital Budget Summary

The Mayor's proposed FY16 budget contains no capital funding for DMHHS.

2. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2017 Operating Budget Recommendations

The Committee has no operating budget recommendations for DMMHS.

b. Fiscal Year 2017 Capital Budget Recommendations

The Committee has no capital budget recommendations for DMHHS.

c. Policy Recommendations

The Committee recommends the following in regards to policy recommendations for DMHHS.

- Provide the Committee with the full revisions of the 2012 Protocol for Disposition of Property Found on Public Space and Outreach to Displaced Persons once they are completed.
- Provide a written report on the solution to the problems the District has experienced with the DC Medicaid renewal process.

G. HEALTH BENEFIT EXCHANGE AUTHORITY

D.C HEALTH BENEFIT EXCHANGE AUTHORITY		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	ENTERPRISE AND OTHER FUNDS - O TYPES	32,513,186	34,521,266		34,521,266
	Total Fund	32,513,186	34,521,266		34,521,266

D.C HEALTH BENEFIT EXCHANGE AUTHORITY		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	1000	4,605,096	4,764,132		4,764,132
	100F	705,770	708,293		708,293
	5000	1,296,705	1,976,510		1,976,510
	7000	14,510,022	12,126,998		12,126,998
	8000	11,395,593	14,945,333		14,945,333
	Total Program	32,513,186	34,521,266		34,521,266

D.C HEALTH BENEFIT EXCHANGE AUTHORITY		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	11-REGULAR PAY - CONT FULL TIME	6,902,503	8,353,854		8,353,854
	12-REGULAR PAY - OTHER	833,952	1,540,401	(0)	1,540,401
	13-ADDITIONAL GROSS PAY	110,902	190,358		190,358
	14-FRINGE BENEFITS - CURR PERSONNEL	1,912,346	2,443,881		2,443,881
	Personal Services	9,759,703	12,528,495		12,528,495
	20-SUPPLIES AND MATERIALS	63,274	111,800		111,800
	31-TELEPHONE, TELEGRAPH, TELEGRAM, ETC	301,142	407,440		407,440
	32-RENTALS - LAND AND STRUCTURES	1,801,425	2,016,390		2,016,390
	40-OTHER SERVICES AND CHARGES	2,175,024	2,240,739		2,240,739
	41-CONTRACTUAL SERVICES - OTHER	18,387,918	17,193,401		17,193,401
	70-EQUIPMENT & EQUIPMENT RENTAL	24,700	23,000		23,000
	Nonpersonal Services	22,753,483	21,992,771		21,992,771
	Gross Funds	32,513,186	34,521,266		34,521,266

D.C HEALTH BENEFIT EXCHANGE AUTHORITY		FY16 FTE	FY17 Proposed FTE	FTE Change	Budget - FTE
	ENTERPRISE AND OTHER FUNDS - O TYPES	73.00	92.00		92.00
	Total Fund	73.00	92.00		92.00

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

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

The D.C. Health Benefit Exchange Authority (HBX or “the Exchange”) is organized into the following 5 programs:

Consumer Education and Outreach - educates and informs District residents, small business owners, and small business employees about health coverage options available through DC Health Link by organizing special events, participating in sponsored activities, conducting educational seminars, partnering with other District agencies and organizations as well as conducting intensive outreach through all of these methods. This program contains the following 3 activities:

- **Consumer Education and Outreach Support Service** - educates District residents, small business owners, and small business employees about health coverage options available through DC Health Link by organizing special events, participating in sponsored activities, conducting educational seminars, partnering with other District agencies and organizations as well as conducting intensive outreach through all of these methods;
- **Marketing and Communication** – provides support and awareness for DC Health Link through development of an earned media plan, printed materials for distribution, paid media campaigns that may include outdoor advertising, broadcast, newspapers and other publications, digital, and social media avenues; and
- **Navigators Counselors and In Person Assisters (IPA)** – is required for state-based marketplaces and is a condition for certification as a state-based marketplace. Navigators, Certified Application Counselors, and In-Person Assisters provide people one-on-one help with enrollment.

Marketplace Innovation and Policy Operations – performs functions required of all state-based marketplaces, including plan management eligibility determinations, and certification of qualified health and dental plans, as well as to ensure the efficient operation of an on-line insurance marketplace where individuals, families, small businesses, and their employees can shop and enroll in health insurance. This program contains the following 6 activities:

- **Contract Center** – required for state-based marketplaces and is a condition for certification as a state-based marketplace. Contact center takes calls to assist consumers with DC Health Link questions and on-line applications. Processes paper applications and provides information for escalated cases to the HBX and Economic Security Administration (ESA);
- **Plan Management** – required for state-based marketplaces and is a condition for certification as a state-based marketplace. Working in conjunction with local and federal regulatory bodies, establishes and oversees the process to certify, recertify, and decertify Qualified Health Plans and Qualified Dental Plans available through DC Health Link. Also manages enrollment issues between Qualified Health Plan and Qualified Dental Plan carriers including the coordination of all Electronic Data Interchange (EDI)-related transactions to and from DC Health Link;

- **Eligibility and Enrollment** – required for state-based marketplaces and is a condition for certification as a state-based marketplace. With the support of IT, designs and manages the eligibility and enrollment process through a seamless, web-based application to determine individual and family member eligibility for Medicaid and/or advanced premium tax credits and to enable individuals and families to enroll in qualified health plans and qualified dental plans available through DC Health Link, manages and facilitates a legally required consumer appeals process; and, as required by federal law, provides tax reporting information to consumers and the IRS;
- **Member Services** – responsible for core customer service responsibilities essential to successful Exchange operations and evaluated as part of the state-based marketplace certification process. Researches complex customer service problems and works with multiple stakeholders to resolve those issues. Provides assistance to consumers with complex circumstances and to those needing extra help navigating the DC Health Link online marketplace, resolving any technical difficulties a customer may experience, ensuring that changes to eligibility and enrollment information are quickly updated and processed, enabling consumers to conduct certain services (such as address changes, reporting of life events, or special enrollment period transactions) over the phone, and resolving all escalated cases from the Contact Center and other sources;
- **Data Analytics and Reporting** – responsible for the development and implementation of federally required data reporting requirements and consumer-related surveys. This team manages the end-to-end process of developing functionality for electronic federal data reporting as well as the creation and dissemination of required IRS 1095A forms for tax reporting purposes. Develops consumer-related surveys around enrollment and satisfaction with DC Health Link; and
- **S.H.O.P. Operations** – required for state-based marketplaces and is a condition for certification as a state-based marketplace. Develops, operates and manages DC Health Link's Small Business Health Options Program (SHOP). The SHOP facilitates enrollment into qualified health plans for employees of small businesses that purchase coverage through the DC Health Link. This team manages that process from end-to-end, designs system improvements, and troubleshoots systems issues to ensure effective operation of the SHOP Marketplace. Works with IT on design, manages broker relationships, training, certification, and cases. Conducts outreach and works with the small business community.

IT Related Operations – provides critical development, maintenance and support for DC Health Link. The work includes providing operations and maintenance of both HBX-only systems and shared systems with Medicaid, managing the team of consultants that develop functionality for DC Health Link, and managing the EDI Operations team that oversees information transmitted between carriers and DC Health Link.

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

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 program is standard for all agencies using performance-based budgeting.

b. Mayor’s Proposed Fiscal Year 2017 Operating Budget

Proposed Operating Budget Summary

The Mayor’s proposed FY17 budget proposal includes \$34,521,266 in gross operating funds for HBX and 92.0 FTEs. This represents a 6.2% increase over its FY16 approved budget of \$32,513,186. The budget is comprised entirely of Enterprise and Other Funds.

Committee Analysis and Comments

The *Health Benefit Exchange Authority Establishment Act of 2011* requires the Health Benefit Exchange Authority to “prepare a plan that identifies how the Authority will be financially self-sustaining”. Through the use of a broad based assessment on all health carriers and federal funding, the Exchange generated a budget of \$32,513,186 for FY16. For FY17, it anticipates a proposed budget of \$34,521,266. This is generated through a 1% assessment on all health carriers and federal funds that can be used through the first quarter of FY17.

The Exchange has had a successful year, serving over 200,000 people and has helped DC become a population that is 96% insured. Because its budget is funded almost entirely through an assessment on carriers, the Exchange has to be particularly prudent with its funds. The Authority has made several changes to achieve that end. It has saved money by switching to open source code, which allows HBX greater autonomy when it comes to rectifying technical issues that may arise; it has negotiated its contact center to achieve a

better rate, and it has begun the process of bringing IT consultants in-house, to name a few. In doing this, the Exchange was able to continue to invest in reaching consumers, which is evidenced by its \$150,000 investment in the continuation of the navigator program.

c. **Mayor's Proposed Fiscal Year 2017-2022 Capital Budget**

Proposed Capital Budget Summary

The Mayor's FY17 proposed budget contains no capital funding for HBX.

2. **COMMITTEE RECOMMENDATIONS**

Fiscal Year 2017 Operating Budget Recommendations

CONSUMER EDUCATION AND OUTREACH

Consumer Education and Outreach educates and informs District residents, small business owners, and small business employees about health coverage options available through DC Health Link by organizing special events, participating in sponsored activities, conducting educational seminars, partnering with other District agencies and organizations as well as conducting intensive outreach through all of these methods.

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$1,977,000 in enterprise and other funds and 5.0 FTEs to Consumer Education and Outreach. This is a \$680,000 increase and no change in FTEs from the approved FY16 budget.

Committee Analysis and Comments:

The Committee recommends no changes to the Mayor's FY17 budget for Consumer Education and Outreach.

MARKETPLACE INNOVATION AND POLICY OPERATIONS

The Marketplace Innovation and Policy Operations program performs functions required of all state-based marketplaces, including plan management eligibility determinations, and certification of qualified health and dental plans, as well as to ensure the efficient operation of an on-line insurance marketplace where individuals, families, small businesses, and their employees can shop and enroll in health insurance.

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$12,127,000 in enterprise and other funds and 41.0 FTEs to Marketplace Innovation and Policy Operations. This is a \$2,383,000 decrease and a 4.5 FTE increase from the approved FY16 budget.

Committee Analysis and Comments:

The Committee recommends no changes to the Mayor's FY17 budget for Marketplace Innovation and Policy Operations.

IT RELATED OPERATIONS

IT Related Operations maintains, improves, and supports the Information Technology (IT) components necessary to operate DC Health Link.

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$14,945,000 in enterprise and other funds and 25 FTEs to IT Related Operations. This is a \$3,550,000 increase and a 14.0 FTE increase from the approved FY16 budget.

Committee Analysis and Comments:

The Committee recommends no changes to the Mayor's FY17 budget for IT Related Operations.

AGENCY MANAGEMENT

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

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$4,764,000 in enterprise and other funds and 18.0 FTEs to Agency Management. This is a \$159,000 overall increase and 2.0 FTE increase from the approved FY16 budget, which was funded entirely through enterprise and other funds.

Committee Analysis and Comments:

The Committee recommends no changes to the Mayor's FY17 budget for Agency Management.

AGENCY FINANCIAL OPERATIONS

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

Proposed Operating Budget Summary:

The Mayor's proposed operating budget allocates \$708,000 in enterprise and other funds and 3.0 FTEs to Agency Financial Management. This is a \$2,000 overall increase and a 1.0 FTE decrease from the approved FY16 budget, which was funded entirely through enterprise and other funds.

Committee Analysis and Comments:

The Committee recommends no changes to the Mayor's FY17 budget for Agency Financial Operations.

Fiscal Year 2017-2022 Capital Budget Recommendations

The Mayor's FY17 proposed budget contains no capital funding for HBX.

Policy Recommendations

The Committee has no policy recommendations for HBX.

H. DEPARTMENT OF HUMAN SERVICES

DEPARTMENT OF HUMAN SERVICES		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	LOCAL FUND	270,601,349	301,716,496	1,881,871	303,598,367
	FEDERAL PAYMENTS		9,000,000		9,000,000
	FEDERAL GRANT FUND	170,551,146	172,627,662		172,627,662
	FEDERAL MEDICAID PAYMENTS	15,797,637	26,806,652		26,806,652
	SPECIAL PURPOSE REVENUE FUNDS	3,200,000	1,975,000		1,975,000
	INTRA-DISTRICT FUNDS	2,912,161	2,851,899		2,851,899
	Total Fund	463,062,293	514,977,709	1,881,871	516,859,580

DEPARTMENT OF HUMAN SERVICES		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	1000	26,998,396	52,146,730		52,146,730
	100F	4,171,161	4,433,051		4,433,051
	2000	252,942,407	257,134,772		257,134,772
	5000	178,950,328	201,263,157	1,881,871	203,145,028
	Total Program	463,062,293	514,977,709	1,881,871	516,859,580

DEPARTMENT OF HUMAN SERVICES		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	11-REGULAR PAY - CONT FULL TIME	56,073,448	56,132,365	85,000	56,217,365
	12-REGULAR PAY - OTHER	13,242,674	19,130,474	(0)	19,130,474
	13-ADDITIONAL GROSS PAY		28,560		28,560
	14-FRINGE BENEFITS - CURR PERSONNEL	17,667,785	20,258,715	22,871	20,281,586
	15-OVERTIME PAY	446,682	397,332		397,332
	Personal Services	87,430,587	95,947,446	107,871	96,055,317
	20-SUPPLIES AND MATERIALS	775,067	702,461		702,461
	30-ENERGY, COMM. AND BLDG RENTALS	2,932,895	4,447,884		4,447,884
	31-TELEPHONE, TELEGRAPH, TELEGRAM, ETC	1,521,595	1,581,492		1,581,492
	32-RENTALS - LAND AND STRUCTURES	22,677,239	24,754,298	0	24,754,298
	34-SECURITY SERVICES	1,929,982	3,813,418		3,813,418
	35-OCCUPANCY FIXED COSTS	1,806,894	1,314,201		1,314,201
	40-OTHER SERVICES AND CHARGES	10,412,921	12,341,759		12,341,759
	41-CONTRACTUAL SERVICES - OTHER	7,134,831	28,842,921	(0)	28,842,921
	50-SUBSIDIES AND TRANSFERS	324,909,706	335,471,998	1,774,000	337,245,998
	70-EQUIPMENT & EQUIPMENT RENTAL	1,530,575	5,759,831		5,759,831
	Nonpersonal Services	375,631,705	419,030,263	1,774,000	420,804,263
	Gross Funds	463,062,293	514,977,709	1,881,871	516,859,580

DEPARTMENT OF HUMAN SERVICES		FY16 FTE	FY17 Proposed FTE	FTE Change	Budget - FTE
	LOCAL FUND	489.55	538.53	1.00	539.53
	FEDERAL GRANT FUND	335.08	368.33		368.33
	FEDERAL MEDICAID PAYMENTS	173.15	172.96		172.96
	SPECIAL PURPOSE REVENUE FUNDS	28.00	13.00		13.00
	INTRA-DISTRICT FUNDS	21.00	21.00		21.00
	Total Fund	1,046.78	1,113.82	1.00	1,114.82

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

The mission of the Department of Human Services (DHS), in collaboration with the community, is to assist low-income individuals and families to maximize their potential for economic security and self-sufficiency. The DHS operates through the following 4 divisions:

Economic Security Administration (ESA) – determines eligibility and the amount of assistance for those receiving Temporary Assistance for Needy Families (TANF), Medical Assistance, Food Stamps, and the childcare subsidy; and helps low-income adults achieve

self-sufficiency through employment and work-related activities. ESA also administers the Burial Assistance program, Interim Disability Assistance, and General Children's Assistance. This division contains the following 11 activities:

- **Burial Assistance** – provides assistance to low-income families who need help with funeral expenses;
- **General Assistance for Children** – provides financial assistance to eligible individuals caring for unrelated children under the age of 18;
- **Interim Disability Assistance (IDA)** – provides temporary financial assistance to those who are unable to work due to a disability and who have a high probability of receiving federal Supplemental Security Income (SSI). IDA payments are issued until SSI eligibility is approved or denied, after which the IDA payment ends;
- **Temporary Assistance for Needy Families (TANF)** – provides social services and supports to achieve family preservation and economic self-sufficiency;
- **Cash Assistance (TANF)** – provides financial assistance to eligible individuals, with children under the age of 19, so that they can meet their basic needs and transition to economic self-sufficiency;
- **Job Opportunity and Training (TANF)** – provides employment readiness, skill development training, and educational enrichment to eligible individuals so that they can be socially and economically self-reliant;
- **Supplemental Food Assistance (Local)** – provides locally funded food assistance to the District Supplemental Nutritional Assistance Program (SNAP) recipients; this assistance is provided to District residents who receive the minimum SNAP benefits to increase the food supplement to \$30 per month;
- **Case Management** – provides diagnostic, evaluation, and plan development services to consumers, in order to determine the needs and plan the treatment and other related services and supports needed. Coordinates treatment and services to remediate barriers to employment and assists with securing other financial supports, such as Program on Work Employment and Responsibility (POWER) and Supplemental Social Security Income (SSI). This activity includes the Office of Work Opportunity and the Food Stamp Employment and Training Programs;

- **Eligibility Determination Services** – provides program eligibility determination services to disadvantaged individuals of the District of Columbia for services for which they qualify;
- **Monitoring and Quality Assurance** – provides internal monitoring of ESA’s compliance with Federal and District laws and court orders. Addresses the accurate and timely determination of eligibility and administration of benefits; and
- **Early Education Subsidy Transfer** – provides funding to the Office of the State Superintendent of Education (OSSE) for subsidized child care for the children TANF-eligible families.

Family Services Administration (FSA) – helps homeless individuals and families, low-income people, adults at-risk for abuse or neglect, teenage parents, troubled families, and refugees to become gradually stable and fully self-sufficient through an array of social services, assessments, and case-management and crisis-intervention services. This division contains the following 10 activities:

- **Adult Protective Services (APS)** – investigates alleged abuse, neglect, self-neglect, and exploitation of frail elderly and disabled adults, and intervenes to protect vulnerable adults who are at risk;
- **Domestic Violence Services** – provides protection, emergency shelter, and crisis intervention services to victims of domestic violence so that they can seek immediate relief from harm;
- **Youth Services** – provides integrated services for youth including:
 1. **Alternatives to the Court Experience** – Provides comprehensive services to youth formally diverted by the District’s juvenile justice entities (MPD, OAG, and CSS) for truancy and low-level delinquency offenses;
 2. **Parent and Adolescent Support Services** – provides intensive case management and/or in-home family counseling services to youth who have committed status offenses, namely truancy, running away, and extreme disobedience at home;
 3. **Teen Parent Assessment Program** – provides services to teen parents who are receiving their own TANF grants, with the goal of ensuring full participation in their educational programs to move toward self-sufficiency; and

4. **Youth Homeless Services** – provides coordinated entry and comprehensive services (shelter and transitional housing beds, street outreach, and a drop-in centers) to youth aged 24 and under who are at risk for or experiencing homelessness.
 - **Homeless Services Continuum (Families)** – services include intake at the Virginia Williams Family Resource Center, crisis intervention and prevention, emergency and temporary shelter, transitional housing, rapid rehousing, and permanent supportive housing for families in the District of Columbia who are homeless or at risk of homelessness;
 - **Homeless Services Continuum (Individuals)** – services include outreach and coordinated entry, crisis intervention and prevention, services targeted to Veterans, day center, low barrier shelter, temporary shelter, transitional housing, rapid rehousing, and permanent supportive housing to individuals in the District of Columbia who are homeless or at risk of homelessness;
 - **Homeless Services Continuum (General)** – provides security, food, management, emergency rental assistance, housing navigation, fixed cost (for shelter and housing facilities), supplies, equipment, and administrative support for the activities listed under the Homeless Continuum;
 - **Refugee Resettlement Program** – provides social services, cash, and medical assistance to eligible refugees and their families through sub-grant arrangements with community-based non-profit agencies;
 - **Strong Families Program** – provides comprehensive service delivery through case management and support services to families who are experiencing significant social, emotional, or other crises in order to deescalate and help stabilize the family;
 - **Community Services Block Grant** – provides assistance to low-income residents through a network of community action agencies and other neighborhood-based organizations in order to reduce poverty, revitalize low-income communities, and empower low-income families and individuals to become self-reliant; and
 - **Subsidy Transfer** – provides child care benefits for low-income families.

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.

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.

b. Mayor’s Proposed Fiscal Year 2017 Operating Budget

Proposed Operating Budget Summary

Gross Funds: The proposed budget is \$514,978,000, an increase of \$51,915,000, or 11.2%, from the approved FY 2016 budget. This funding supports 1,113.8 FTEs, an increase of 67.0 FTEs, or 6.4%, from the FY 2016 approved level.

Local Funds: The proposed budget is \$301,716,000, an increase of \$31,115,000, or 11.5%, from the approved FY 2016 budget. This funding supports 538.5 FTEs, an increase of 49.0 FTEs, or 10.0%, from the FY 2016 approved level.

Special Purpose Revenue Funds: The proposed budget is \$1,975,000, a decrease of \$1,225,000, or 38.3%, from the approved FY 2016 budget. This funding supports 13.0 FTEs, a decrease of 15.0 FTEs or 53.6% from the FY 2016 approved level.

Total Federal Resources: The total proposed budget is \$208,434,000, an increase of \$22,086,000 or 11.9% from the FY 2015 approved budget. This funding supports 541.3 FTEs, an increase of 33.1 FTEs or 6.5% from the FY 2016 approved level.

Federal Payments: The proposed budget is \$9,000,000, and increase of \$9,000,000. No FTEs are supported with this funding.

Federal Grant Funds: The proposed budget is \$172,628,000, an increase of \$2,077,000, or 1.2%, from the FY 2016 approved budget. This funding supports 368.3 FTEs, an increase of 33.2 FTEs, or 9.9%, from the FY 2016 approved level.

Federal Medicaid Payments: The proposed budget is \$26,807,000, an increase of \$11,009,000, or 69.7%, from the FY 2016 approved budget. This funding supports 173 FTEs, a decrease of 0.2 FTEs or 0.1% from the FY 2016 approved level.

Intra-District Funds: The proposed budget is \$2,852,000, a decrease of \$60,000, or 2.1%, from the FY 2016 approved budget. This funding supports 21 FTEs, which maintains the FY 2016 approved level.

Committee Analysis and Comments

The Committee is pleased that the Mayor's proposed FY 2017 budget for the Department of Human Services (DHS) reflects a continued commitment to end homelessness in the District of Columbia and ensure that homelessness is rare, brief, and non-recurring. The budget supports the District's efforts to build an infrastructure necessary to enable families and individuals experiencing homelessness to achieve stability and self-sufficiency. The Committee notes that the proposed budget provides increased funding for homeless prevention services, additional support for youth experiencing homelessness, and support for at-risk youth and their families through the Alternatives to the Court Experience (ACE) and Parent and Adolescent Support Services (PASS) programs. The FY 2017 budget also extends TANF assistance for vulnerable families and includes investments in technology to implement the next two phases of the DC Access System (DCAS). The Committee would like to highlight some of the major investments and address areas of concern within the proposed FY 2017 budget for DHS.

Strategic Plan to End Homelessness - Homeward DC: The Mayor's proposed FY 2017 budget maintains the strategic investments made in FY 2016 and includes increased investments to further the District's Strategic Plan to End Homelessness, *Homeward DC*. Specifically, the proposed budget includes over \$3 million for targeted affordable housing, \$4.8 million for permanent supportive housing, and \$1.9 million for rapid rehousing. The Committee fully supports the new investments made in homeless services. However, the proposed FY 2017 budget falls short of the capacity needs outlined in *Homeward DC* to keep the District on track to achieve goals identified in the strategic plan to end long-term homelessness by 2017 and to ensure that homelessness in the District will be a rare, brief, and non-recurring experience by 2020.

The following funding gaps remain in FY 2017:

Program	Funding needed to keep the plan on track		Funds currently committed in FY17		FY17 Funding gap	
	Households	Funding	Households	Funding	Households	Funding
Permanent Supportive Housing for Singles (PSH)	542	\$8.6m	300	\$4.8m	242	\$3.9m
Targeted Affordable Housing for Singles (TAH)	555	\$6.8m	100	\$1.2m	455	\$5.5m
Rapid Rehousing (RRH) for Singles	2522	\$27.3	0	0	455	\$4.9m
PSH for Families	230	\$6.2m	0	0	230	\$6.2m
TAH for Families	204	\$4m	100	\$1.9m	104	\$2.1m
Total	4,052	\$52.9	500	\$7.9	1,941	\$22.6

While the Committee is unable to address the full funding gap identified for FY 2017, the Committee is able to allocate an additional \$905,000 in funding for Rapid Rehousing for individuals. The Committee encourages the Council will work together to address the remaining FY 2017 funding gaps.

TANF Time Limit Extension: The proposed FY 2016 budget includes funding to extend TANF benefits for the over 6,200 families who have been on the program for longer than 60 months by an additional 12 months, or until FY 2018. The Committee supports the extension to ensure that this population, which includes 13,000 children under the age of 12, receives the services and supports necessary to transition safely off TANF. The Committee recognizes that the implementation of the 60-month time limit for the District has been a challenge. However, the Committee strongly believes that another delay is necessary to design a thoughtful TANF hardship extension policy that is fiscally responsible. Additionally, the Committee believes that many families within the over 60-month population would qualify for the Program on Work, Employment, and Responsibility (POWER). The agency reported that the total number of POWER customers, as of April 2016, was only 768. Further, while the agency has made great strides in completing the TANF Comprehensive Case Reviews for families within this population, this work has not been completed. As of March 31, 2016, the agency has completed 3,847 reviews, which have highlighted the multiple barriers to employment and self-sufficiency these families face. With the additional time, DHS will have the opportunity to continue their intensified efforts to engage families and connect them to the services and supports needed to assist them in addressing barriers to employment and self-sufficiency.

In an effort to ensure that there is a proper safety net for families timing off TANF, the Committee believes that it is imperative to establish a TANF hardship extension policy. The Committee recommends that the agency work with government partners and community stakeholders to develop recommendations for a TANF hardship extension policy that will be ready for implementation by FY 2018.

Domestic Violence: Domestic violence is the leading cause of homelessness in the District of Columbia. The 2015 census of homelessness in the District found that one in four homeless families surveyed had experienced domestic violence in the past, a higher percentage than those reporting severe mental illness, chronic substance abuse, disability, and chronic health problems combined. DHS plays a vital role in the District's ability to safely house survivors by funding domestic violence emergency shelters, transitional housing, counseling, and case management services. However, the agency's current emergency shelter and transitional housing capacity is not sufficient to meet the needs of all domestic violence survivors who seek help. To add another challenge to the already burdened domestic violence shelter system, in FY 2016, domestic violence services were slated to lose funding as a result of the phasing out of the Freddie Mac Foundation. In an effort to address this gap, the Committee worked with Committee on Transportation and the Environment, chaired by Councilmember Cheh, to allocate an additional \$719,000 for services for domestic violence survivors. While this allocation was helpful in filling the service gap in FY 2016, it was one-time funding. To address the service gap the loss of funding will create in FY 2017, the Committee, again in collaboration with the Committee on Transportation and the Environment, is restoring \$719,000 in recurring funds to maintain the current level of domestic violence shelter and housing services.

Parent Adolescent Support Services (PASS) and Alternatives to Court Experience (ACE): The PASS program is a voluntary, early intervention/prevention program for youths aged 17 and under committing status offenses such as truancy, running away, curfew violations, and/or extreme disobedience. The program, which has a proposed FY 2017 allocation of \$2.4 million, aims to decrease the risk of youth becoming involved with the juvenile justice system. The program offers intensive case management to youth and their families, and refers out for other behavioral health and community-based services. The PASS program helps youths and their families address underlying issues that might be contributing to status offense behaviors. PASS program is often the last resort before youth get referred to the juvenile justice entities. Since the program's inception, in October 2010, PASS has provided services to over 700 youth and their families. Youth are engaged in the program for six (6) months, with the possibility to extend participation for a few months, or close early if merited. In an effort to address the program's typical waiting list of 15-30 families, the Committee, working with the Committee on Education, chaired by

Councilmember Grosso, is allocating \$107,871 to support one case manager within the PASS program.

The ACE program is an inter-agency initiative housed at DHS and operated in collaboration with the Department of Behavioral Health (DBH), juvenile justice entities, the DC Trust, and community-based service providers. ACE is the only diversion program in the District for pre-petition status offenders diverted by the Office of the Attorney General (OAG), pre-arrest delinquency offenders diverted by the Metropolitan Police Department (MPD), and post-arrest delinquency offenders diverted by Court Social Services (CSS). The overall goal of the initiative is to reduce the number of Court involved youth by linking them with clinically appropriate behavioral health services and community supports in place of prosecution. The program seeks to reduce recidivism, re-engage youth in school, improve youth's functioning at home and in the community, and strengthen the family unit. ACE is a six (6) month program. Services assigned to participating youth depend on their individual needs, ranging from low-level monitoring to intensive behavioral health services. Since the program's inception in June 2014, over 850 clients have been served. Recidivism data provided by the OAG found that of the 390 youth who completed ACE diversion through December 31, 2015, only seven percent have been arrested and only three percent, which includes those who were arrested, have been prosecuted. This data demonstrates the overwhelming effectiveness of the ACE program to date. Both PASS and ACE use the Child and Adolescent Functional Assessment Scale to quantify participants' change in overall functioning during the program. In an effort to provide additional support for this successful program, the Committee, working with the Committee on the Judiciary, chaired by Councilmember McDuffie, is increasing the program's FY 2017 proposed allocation of \$1.7 million by \$150,000.

c. **Mayor's Proposed Fiscal Year 2017-2022 Capital Budget**

Proposed Capital Budget Summary

The Mayor's proposed FY 2017 includes the following capital budget proposals for DHS:

- ***Case Management System:*** The budget authority request for FY 2017 for the Case Management System is \$23,441,000. The project will marry the Health Insurance Exchange (HIX) and DC Consumer Access Reporting and Eligibility System (DC Cares). The HIX and DC Cares will enable District customer to use online and call center services to apply for and enroll in Medicaid, TANF, Food Stamps, and other federal and local health and human services programs. DHS and DHCF will be able to manage customers' multiple programs with the consolidated case management functionality that will also be implemented as part of this project.

- ***Temporary and Permanent Supportive Housing:*** The proposed FY 2017 budget included \$20 million to construct new, smaller, emergency housing options for people who experience homelessness in the District and permanent supportive housing for families and individuals experiencing homelessness.

Committee Analysis and Comments

The Committee supports the proposed FY 2017 capital budget projects for the Department of Human Services as proposed by the Mayor. With the implementation of an upgraded case management system, the District will have an integrated approach to more efficiently and effectively serve families through a variety of programs and providers. The funding allocation for temporary and permanent supportive housing, which will support the creation of new, smaller, emergency housing options for families experiencing homelessness, will allow the District to move forward with the closure of DC General Shelter.

2. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2017 Operating Budget Recommendations

The Committee recommends **approval** of the Mayor's proposed FY 2017 operating budget for the Department of Human Services with the following changes:

- Accept **\$719,000** in recurring funds from the Committee on Transportation and the Environment to Family Services Administration (Program 5000); Domestic Violence Services (Activity 5020); CSG 50; to restore funding for domestic violence shelter and housing services
- Accept **\$150,000** from the Committee on the Judiciary to Family Services Administration (Program 5000); Youth Services - ACE (Activity 5022); CSG 50 to increase caseloads for the Alternatives to the Court Experience program
- Accept **\$107,871** from the Committee on Education to Family Services Administration (Program 5000); Youth Services -PASS (Activity 5022); CSG 50 to add one case manager for the Parent Adolescent Support Services program
- Accept **\$905,000** from the following sources to Family Services Administration (Program 5000), Homeless Services Continuum – Individuals (Activity 5038); CSG 50 to increase slots for Rapid Rehousing for individuals:

- **\$122,189** from the Department of Health Care Finance – Fringe Savings; CSG 14
- **\$782,811** in PayGo, converted to one-time operating funds from the Department of Health Care Finance – Capital Budget

b. Fiscal Year 2017-2022 Capital Budget Recommendations

The Committee recommends approval of the FY 2017-2022 capital budget for the Department of Human Services as proposed by the Mayor.

c. Policy Recommendations

- The Committee is concerned about the adequacy of the provision of case management services at low-barrier shelters. The FY 2017 budget for case management services maintains the FY 2016 funding amount of \$7 million for the six low-barrier shelter sites. The Committee directs the agency to conduct an analysis of existing case management services to include utilization trends, best practices regarding client ratios, outreach efforts, and strategies to improve the overall quality of services provided. The analysis should be submitted to the Committee by December 1, 2016.

I. CHILD AND FAMILY SERVICES AGENCY

CHILD AND FAMILY SERVICES AGENCY		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
LOCAL FUND		163,995,382	165,503,240	988,784	166,492,024
FEDERAL GRANT FUND		68,559,460	63,778,428		63,778,428
PRIVATE GRANT FUND		19,500	19,500		19,500
PRIVATE DONATIONS		39,977	20,977		20,977
SPECIAL PURPOSE REVENUE FUNDS		1,200,000	1,200,000	61,216	1,261,216
INTRA-DISTRICT FUNDS		11,022,677	1,057,677		1,057,677
Total Fund		244,836,996	231,579,822	1,050,000	232,629,822

CHILD AND FAMILY SERVICES AGENCY		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
1000		38,395,447	35,839,830		35,839,830
100F		2,630,754	2,751,176		2,751,176
2000		81,395,471	83,661,039		83,661,039
3000		25,001,419	22,154,201	300,000	22,454,201
4000		39,346,439	37,411,066		37,411,066
6000		5,857,930	7,243,674		7,243,674
7000		6,630,191	10,996,334	250,000	11,246,334
8000		45,579,345	31,522,503	500,000	32,022,503
Total Program		244,836,996	231,579,822	1,050,000	232,629,822

CHILD AND FAMILY SERVICES AGENCY		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
11-REGULAR PAY - CONT FULL TIME		61,079,997	63,304,479		63,304,479
12-REGULAR PAY - OTHER		1,048,250	982,541		982,541
13-ADDITIONAL GROSS PAY		1,355,422	1,355,422		1,355,422
14-FRINGE BENEFITS - CURR PERSONNEL		15,097,715	16,521,764	0	16,521,764
15-OVERTIME PAY		1,145,565	1,145,565		1,145,565
Personal Services		79,726,949	83,309,771		83,309,771
20-SUPPLIES AND MATERIALS		337,691	342,191		342,191
30-ENERGY, COMM. AND BLDG RENTALS		878,138	761,990		761,990
31-TELEPHONE, TELEGRAPH, TELEGRAM, ETC		1,054,511	854,604		854,604
32-RENTALS - LAND AND STRUCTURES		7,347,095	6,893,870		6,893,870
33-JANITORIAL SERVICES		100,000	150,264		150,264
34-SECURITY SERVICES		1,925,411	2,299,588		2,299,588
35-OCCUPANCY FIXED COSTS		1,170,998	1,072,943		1,072,943
40-OTHER SERVICES AND CHARGES		4,209,897	4,189,795	(0)	4,189,795
41-CONTRACTUAL SERVICES - OTHER		15,362,378	11,355,308		11,355,308
50-SUBSIDIES AND TRANSFERS		131,605,821	119,375,139	1,050,000	120,425,139
70-EQUIPMENT & EQUIPMENT RENTAL		1,118,107	974,360		974,360
Nonpersonal Services		165,110,047	148,270,052	1,050,000	149,320,052
Gross Funds		244,836,996	231,579,822	1,050,000	232,629,822

CHILD AND FAMILY SERVICES AGENCY		FY16 FTE	FY17 Proposed FTE	FTE Change	Budget - FTE
LOCAL FUND		672.00	672.00		672.00
FEDERAL GRANT FUND		153.00	153.00		153.00
Total Fund		825.00	825.00		825.00

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

The mission of the Child and Family Services Agency (CFSA) is to ensure the safety, permanence, and well-being of abused and neglected children and to strengthen troubled families in the District of Columbia. CFSA operates through the following 8 divisions:

Agency Programs – provides direct case management for families at home, as well as for children and youth in out-of-home care. The Agency Operations program works to ensure the safety and well-being of children and youth in care while moving them to permanence as quickly as possible via reunification, guardianship, or adoption. This program contains the following 7 activities:

- **Permanency** – provides permanency support, consultation, technical assistance, training, and case management for children from the inception of concurrent permanency planning through finalization of adoption and guardianship;
- **Teen Services** – provides permanency support, consultation, technical assistance, training, and case management for older youth between the ages of 15-21. Teen Services works to achieve permanence for older youth while at the same time providing life skills training, vocation and educational support, and transitional assistance to help youth to prepare for independence after leaving foster care;
- **Family Resources** – provides foster and adoptive resource recruitment and support services to current and potential foster, kinship, and adoptive parents;
- **Facility Licensing** – provides licensing for CFSA’s foster homes;
- **Contract Monitoring** – provides oversight of services contracted by CFSA and ensures program outcomes and adherence to contractual requirements;
- **Child Placement** – provides living arrangements for foster children, including traditional and therapeutic foster homes, group care, and independent living programs; and
- **Kinship Support** – identifies viable family resources, conducts family team meetings, facilitates, placements with relatives, expedites licensing of kinship foster parents, and provides supportive services to kinship care givers.

Community Services – is comprised of investigative social workers, medical professionals and other professionals responsible for monitoring and overseeing services to children who are placed in foster care. Community Services operates CFSA’s on-site clinic and the child abuse hotline. This program contains the following 5 activities:

- **Child Protective Services (Family Assessment)** – leads and conducts assessments of suspected child abuse or neglect, assesses families whose children are alleged victims of abuse or neglect, and refers children and their families for services within CFSA or the Healthy Families Thriving Communities Collaborative. The assessments are designed to prevent further abuse and neglect, strengthen parents’ capacity to care for their children, assure that children receive adequate care, and safely prevent out-of-home placement when appropriate;

- **Child Protection Services (Investigations)** – receives reports of suspected child abuse or neglect through the hotline, investigates families whose children are alleged victims of abuse or neglect, and makes determinations regarding immediate removals and /or court referrals;
- **Clinical Health Services** – provides medical and behavioral health screenings prior to placement and expert consultation in health, residential treatment, developmental disabilities and 24/7 on-call support for medical and mental services;
- **Nurse Care Management** – supports a cadre of nurse care professionals to support the medical needs of children in care; and
- **Healthy Horizon’s Clinic Activity** – provides medical health screenings prior to placement and expert consultation in health, residential treatment, developmental disabilities, and 24/7 on-call support for medical services.

Adoption and Guardian Subsidy – supports families caring for children and providing a long-term permanent placement for children. This division contains the following 3 activities:

- **Adoptions and Guardianship Subsidy** – provides financial assistance services to eligible relatives and adoptive parents so that they can maintain children in permanent homes;
- **Guardianship Subsidy** – provides financial assistance services to eligible relatives and non-family caregivers so that they can maintain children in permanent homes; and
- **Grandparent Subsidy** – provides financial assistance services to eligible grandparents so that they can maintain children in permanent homes.

Policy and Planning – supports CFSA’s policy development, planning and data analysis, Fair Hearings, Child Protection Registry, quality assurance and training functions. Additionally, Policy and Planning licenses group homes and independent living facilities that provide services to youth. This division contains the following 3 activities:

- **Policy** – develops agency policy and provides review, interpretation and decision-making services to the Director and staff so that they can make decisions consistent with best practices and with statutory and regulatory requirements;

- **Planning and Data Analysis** – provides reporting, data analysis, technical assistance and research services to the agency and external stakeholders in order to facilitate short and long-term agency strategic planning; and
- **Quality Assurance** – provides assessment, monitoring, and recommendation services to CFSA staff and key stakeholders to improve agency practice. In addition, Quality Assurance is responsible for facilitating qualitative review processes such as child fatality review and quality service reviews in order to identify areas of strength and need in line with best practices and child welfare standards.

Clinical Practice (Well-Being) – provides comprehensive well-being services for children in CFSA’s care, including educational services, liaisons for substance abuse and domestic violence services, and day care. This division is responsible for implementing CFSA’s trauma-informed practice.

Community Partnerships – forges community partnerships and supports, community-based programs, and strategies designed to strengthen families and promote safety and stability for these families as well as at-risk children. This division contains the following 3 activities:

- **Community Partnership Services** – provides staffing support and oversight of community-based prevention, supportive, and after-care services to families and at-risk children in their homes, maximizing the use of informal and formal support systems;
- **In-Home** – serves families in-home through social work units co-located with community partners to provide community-based family supportive services; and
- **Prevention Services** – provides direct community-based prevention, supportive, and after-care services to families and at-risk children in their homes, maximizing the use of informal and formal support systems.

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

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.

b. **Mayor's proposed Fiscal Year 2017 Operating Budget**

Proposed Operating Budget Summary

Gross Funds: The proposed budget is \$231,580,000, a decrease of \$13,257,000, or 5.4%, from the approved FY 2016 budget. This funding supports 825.0 FTEs, which maintains the FY 2016 approved level.

Local Funds: The Mayor's proposed budget is \$165,503,000, an increase of \$1,508,000, or 0.9%, from the FY 2016 approved budget. This funding supports 672.0 FTEs, which maintains the FY 2016 approved level.

Special Purpose Revenue Funds: The proposed budget is \$1,200,000, the same as the FY 2016 approved budget.

Federal Grant Funds: The proposed budget is \$63,778,000, a decrease of \$4,781,000, or 7.0%, from the FY 2016 approved budget. This funding supports 153.0 FTEs, which maintains the FY 2016 approved level.

Private Funds: The proposed budget is \$40,000, a decrease of \$19,000, or 31.9%, from the FY 2016 approved budget.

Intra-District Funds: The proposed budget is \$1,058,000, a decrease of \$9,965,000, or 90.4%, from FY 2016 approved budget.

Committee Analysis and Comments

The Committee is pleased that the Child and Family Services Agency (CFSA) has continued to make progress toward becoming a high-performing agency that is focused on achieving positive outcomes for children and families. The Mayor's proposed FY 2017 budget reflects a continued commitment to protect programs and services that provide vital supports for children and families including funding to support cost-of-living-adjustments for social work staff in private provider agencies, support for improvements to critical aftercare services provided for youth who have aged-out of the foster care system, and the provision of substance abuse treatment services for foster youth and their families. The Committee would like to highlight some of the major investments and address areas of concern within the proposed FY 2017 budget for CFSA.

Safe Shores – The DC Children's Advocacy Center (CAC): As the District's sole children's advocacy center, Safe Shores facilitates the compliance with the District's law

on child abuse investigations, which requires a multidisciplinary response to these cases. Along with Safe Shores, CFSA, the Metropolitan Police Department, the Office of the Attorney General, the U.S. Attorney's Office for the District of Columbia, and Children's National Medical Center comprise the District's Multidisciplinary Team on Child Abuse Investigations and Prosecution. Safe Shores serves as the hub of this team, which has the goals of: (1) minimizing the trauma children and families experience in the context of abuse investigations; (2) improving investigation outcomes for children and families affected by abuse and other violence; and (3) enhancing the effectiveness of joint investigations. CAC staff ensures that all child victims receive supervision, meals, clothing, crisis intervention, and other emergency victim services while on-site. The Committee is concerned about the negative impact that the proposed \$300,000 reduction in the FY 2017 budget for Safe Shores will have on the provision of services to children and families affected by abuse, trauma, and violence in the District of Columbia. There have been other proposed reductions in previous fiscal years in funding to Safe Sores, including in the proposed FY 2016 budget where there was a \$150,000 reduction that the Committee worked with the Committee on the Judiciary, chaired by Councilmember McDuffie, to restore. To address the service gap the loss of funding will create in FY 2017, the Committee, again in collaboration with the Committee on the Judiciary, is restoring \$300,000 to Safe Shores.

Rapid Housing Program: The Rapid Housing Program provides short-term subsidies to families for whom the lack of assistance may act as a major barrier to family stabilization, and likely result in an increased number of homeless families and children being brought into care. Of the program's proposed FY 2017 funding allocation of \$1.39 million, \$188,975 will be used specifically to provide housing support, for up to two years, for older youth who have emancipated from foster care. This funding support is critical as there has been an increase in the number of homeless families, headed by youth, who emancipated from care. In FY 2017, CFSA projects that 66 youth will age out of care. The Committee believes that increased support for this program will help to ensure that emancipating from foster care does not become a pathway to homelessness. To that end, the Committee is allocating \$500,000 to increase Rapid Housing stipends for youth emancipating from foster care and other supportive services.

Educational and Career Planning Expansion: In response to a directive in the Committee's FY 2016 Budget Report, CFSA submitted a comprehensive analysis of their current educational services and career planning. The analysis included funding recommendations associated with the proposed expansion of pre-college and career planning services and supports to foster youth in the 8th to 12th grades. The Committee is pleased that the agency is committed to implementing the recommendations outlined in the analysis, which included: three (3) educational specialists, one (1) supervisor, and an increase of \$500,000 for additional tutoring services. However, the proposed FY 2017

budget allocations falls short of the recommendations, providing funding to support only two (2) educational specialist positions and increasing tutoring services by only \$250,000. The Committee wants to ensure that the agency has the necessary funding to fully meet the recommended increases for tutoring services. To that end, the Committee is allocating \$250,000 to increase tutoring contracts.

c. **Mayor's Proposed Fiscal Year 2017-2022 Capital Budget**

Proposed Operating Capital Summary

The Mayor's proposed FY 2017 budget does not include capital budget projects for the Child and Family Services Agency.

Committee Analysis and Comments

The Mayor's proposed FY 2017 budget does not include capital budget projects for the Child and Family Services Agency.

2. **COMMITTEE RECOMMENDATIONS**

a. **Fiscal Year 2017 Operating Budget Recommendations**

The Committee recommends **approval** of the Mayor's proposed FY 2017 operating budget for the Child and Family Services Agency with the following changes:

- Accept **\$300,000** from the Committee on the Judiciary to Community Services (3000); Child Protective Services – Investigations (Activity 3087 – Safe Shores); CSG 50 to restore the funding reduction for Safe Shores – The DC Children's Advocacy Center
- Accept **\$500,000** from the Department of Health Care Finance – Vacancy Saving to Community Partnerships (Program 8000); Community Partnership Services (Activity 8010); CSG 50; to increase Rapid Housing stipends for youth emancipating from foster care and other supportive services.
- Accept **\$250,000** from the following sources to Clinical Practice (Program 7000); Well Being (Activity 7020); CSG 50; to increase the amount allocated for tutoring contracts:
 - **\$61,216** from Medicaid Collections – 3rd Party Liability Fund

- **\$188,784** from Healthy DC Fund

b. Fiscal Year 2017-2022 Capital Budget Recommendations

The Mayor's proposed FY 2017 budget does not include capital budget projects for the Child and Family Services Agency.

c. Policy Recommendations

- The Committee directs CFSA to provide an analysis of the Subsidized Employment Program to include program utilization and program improvements. Additionally, the analysis should highlight the various citywide resources available to youth aged 18-24 involving workforce introductory programs. The Subsidized Employment Program began with a \$1 million Committee allocation approved by the Council in the FY 2013 budget. While the agency continued the program in FY 2014, the funding was reduced to \$500,000. In FY 2016, the budget was again reduced to \$250,000. The proposed FY 2017 budget includes a further reduction to \$150,000. The Committee has been concerned about these continued reductions to the program. The agency has stated that the reductions in local funding will be offset with federal Chaffee funding the agency is able to leverage for youth employment support for youth in foster care. The Committee is pleased that the agency is maximizing federal resources to support youth employment. However, the Committee wants to ensure that the maximum number of eligible foster youth are enrolled in this valuable program, which serves as an introduction for youth to the workforce. The analysis should be submitted to the Committee by December 1, 2016.

J. DEPARTMENT OF DISABILITY SERVICES

DEPARTMENT ON DISABILITY SERVICES		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	LOCAL FUND	117,624,692	118,738,285		118,738,285
	FEDERAL GRANT FUND	28,229,857	31,640,389		31,640,389
	FEDERAL MEDICAID PAYMENTS	9,146,130	9,005,813		9,005,813
	PRIVATE GRANT FUND	10,000	10,000		10,000
	SPECIAL PURPOSE REVENUE FUNDS	7,363,257	7,163,257		7,163,257
	INTRA-DISTRICT FUNDS	50,869	49,677		49,677
	Total Fund	162,424,805	166,607,421		166,607,421

DEPARTMENT ON DISABILITY SERVICES		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	1000	13,592,854	14,606,092		14,606,092
	100F	1,735,050	1,798,723		1,798,723
	6000	114,470,142	115,432,152		115,432,152
	7000	22,753,772	22,717,608		22,717,608
	8000	9,872,986	12,052,845		12,052,845
	Total Program	162,424,805	166,607,421		166,607,421

DEPARTMENT ON DISABILITY SERVICES		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	11-REGULAR PAY - CONT FULL TIME	31,887,965	32,285,770	0	32,285,770
	12-REGULAR PAY - OTHER	962,374	1,436,321		1,436,321
	14-FRINGE BENEFITS - CURR PERSONNEL	7,730,758	8,261,912		8,261,912
	15-OVERTIME PAY	120,100	120,100		120,100
	Personal Services	40,701,197	42,104,103	0	42,104,103
	20-SUPPLIES AND MATERIALS	172,154	175,034		175,034
	30-ENERGY, COMM. AND BLDG RENTALS		141,071		141,071
	31-TELEPHONE, TELEGRAPH, TELEGRAM, ETC	499,112	500,966		500,966
	32-RENTALS - LAND AND STRUCTURES	6,050,000	6,072,483		6,072,483
	34-SECURITY SERVICES	121,949	262,989		262,989
	35-OCCUPANCY FIXED COSTS	23,700			
	40-OTHER SERVICES AND CHARGES	2,442,509	4,776,476		4,776,476
	41-CONTRACTUAL SERVICES - OTHER	2,256,201	2,536,556		2,536,556
	50-SUBSIDIES AND TRANSFERS	109,807,254	109,757,023		109,757,023
	70-EQUIPMENT & EQUIPMENT RENTAL	350,729	280,720		280,720
	Nonpersonal Services	121,723,608	124,503,318		124,503,318
	Gross Funds	162,424,805	166,607,421		166,607,421

DEPARTMENT ON DISABILITY SERVICES		FY16 FTE	FY17 Proposed FTE	FTE Change	Budget - FTE
	LOCAL FUND	210.60	206.10		206.10
	FEDERAL GRANT FUND	194.40	195.90		195.90
	FEDERAL MEDICAID PAYMENTS	34.00	33.00		33.00
	Total Fund	439.00	435.00		435.00

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

The mission of the Department on Disability Services (DDS) is to provide innovative, high-quality services that enable people with disabilities to lead meaningful and productive lives as vital members of their families, schools, workplaces, and communities in every neighborhood in the District of Columbia. The Department on Disability Services (DDS) operates through the following 5 divisions:

Developmental Disabilities Administration (DDA) – provides individualized services, supports, and life planning to individuals with intellectual and developmental disabilities so that they may lead self-determined and valued lives in the community. This division contains the following 3 activities:

- **DDA Service Planning and Coordination:** provides services to qualified individuals by coordinating available resources and opportunities in the community through the development of Individualized Service Plans (ISPs), advocating for quality services to promote healthy and productive lifestyles for each person, completing monitoring activities to ensure the delivery of services and supports, completing all intake activities for new applicants, and coordinating activities carried out in D.C. Superior Court;
- **Quality Assurance:** examines and improves internal and external service delivery systems by conducting external provider reviews to ensure performance so that standards, federal and local regulations, quality frameworks issued by the Centers for Medicare and Medicaid Services (CMS), national best practices, and court mandates are met. Quality Assurance also includes functional responsibility for incident management and enforcement, rights and advocacy, CMS and Evans performance analysis, and reporting and mortality review; and
- **DDA Consumer Resources and Operations:** manages the human care provider network and administrative functions for DDA including budget compliance, service and billing authorization and residential portfolio management; operates the Home and Community-Based Services Waiver including provider enrollment, provision of technical assistance, service authorization, and manages benefits and personal funds.

Rehabilitation Services – assists persons with physical, cognitive and emotional disabilities to achieve a greater quality of life by obtaining and sustaining employment, economic self-sufficiency, and independence. This division contains the following 4 activities:

- **RSA Vocational Rehabilitation Services** – assesses, plans, develops, and provides vocational rehabilitation services to individuals with disabilities to enable them to prepare for, maintain and advance in integrated, competitive employment; and provides services to businesses, including recruitment and job placement for people with disabilities and training for employers on issues related to hiring and maintaining employees with disabilities;
- **RSA Blind and Visual Impairment Services** – provides services to people with disabilities to help them live as independently as possible in the community (services include advocacy, independent living skills training, information and referral, peer support and transition – from secondary school to post-secondary activities and from nursing homes);

- **Quality Assurance** – provides monitoring and compliance reviews of internal and external operations and agencies, ensuring that RSA customers receive quality services that meet local and federal regulation; and
- **RSA Operations** – management of the human care provider network that serves RSA clients, provides oversight to the Randolph Sheppard Vending Facility Program, and processes payments for service providers.

Disability Determination Services – administers Social Security Disability Insurance and Supplemental Security Income eligibility determinations in conjunction with the federal Social Security Administration.

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.

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 division-based budgeting.

b. **Mayor’s Proposed Fiscal Year 2017 Operating Budget**

Proposed Operating Budget Summary

Gross Funds: The proposed budget is \$166,607,000, a decrease of \$4,183,000, or 2.6%, from the approved FY 2016 budget. This funding supports 435.0 FTEs, a decrease of 4.0 FTEs, or 0.9%, from the FY 2016 approved level.

Local Funds: The Mayor’s proposed budget is \$118,738,000, an increase of \$1,114,000, or 0.9 %, from the FY 2016 approved budget. This funding supports 206.1 FTEs, a decrease of 4.5 FTEs or 2.1%, from the FY 2016 approved level.

Special Purpose Revenue Funds: The proposed budget is \$7,163,000, a decrease of \$200,000, or 2.7%, from the FY 2016 approved budget. No FTEs are supported with Special Purpose Revenue.

Federal Grant Funds: The proposed budget is \$31,640,000, an increase of \$3,411,000, or 12.1%, from the FY 2016 approved budget. This funding supports 195.9 FTEs, an increase of 1.5 FTEs, or 0.8%, from the FY 2016 approved level.

Federal Medicaid Payments: The proposed budget is \$9,006,000, a decrease of \$140,000, or 1.5%, from the FY 2016 approved budget. This funding supports 33.0 FTEs, a decrease of 1.0 FTEs, or 2.9%, from the FY 2016 approved level.

Private Funds: The proposed budget is \$10,000, which maintains the FY 2016 funding level. No FTEs are supported with Private funds.

Intra-District Funds: The proposed budget is \$50,000, a decrease of \$1,000, or 2.3%, from FY 2016 approved budget. No FTEs are supported with Intra-District funds.

Committee Analysis and Comment

The Committee is pleased that the Mayor's proposed FY 2017 budget reflects a commitment to maintain the programs and services within the Department of Disability Services (DDS) that will help ensure that District residents with disabilities have every opportunity to lead meaningful and productive lives. The Committee would like to highlight some of the major investments and address areas of concern within the proposed FY 2017 budget for DDS.

Evans v. Bowser: The Committee applauds the agency's progress towards exiting the *Evans v. Bowser* litigation, now in its 40th year. The proposed budget reflects the Administration's continued commitment to support key investments to further the agency's work on compliance with the outcome criteria and the broader goal of bringing the agency's practice into alignment with best practices in the field of service to people with disabilities. These efforts have been successful and, to date, the U.S. District Court has determined the District to be in compliance with all but five of the 70 remaining outcome criteria identified in the 2010 Exit Plan. These five criteria involve achieving a 90% compliance threshold in certain medical/health elements; the quality of vocational, day, and employment services; and the overall integration or inclusion for class members. The Committee is pleased to note that the District has filed certifications of compliance with the remaining five outcome criteria and joins the agency in hoping for a favorable ruling.

Home and Community-Based Services (HCBS) Waiver: The agency has made extensive progress in moving toward individualized services through the Home and Community-Based Services (HCBS) Waiver. Through the waiver, an array of community-based services and supports are provided to persons with disabilities as an alternative to institutional care. DDS currently serves approximately 1,700 people through the waiver and the FY 2017 budget includes an expansion of the program by 30 additional slots. This expansion will ensure that there is increased access to essential services in a community-based setting.

Employment Services: The Committee wants to highlight the agency's enhanced focus on employment through its Employment First Initiative, which is supported through three federal grants, and has served as a model for other states. According to the 2013 American Community Survey, there are an estimated 37,300 working age people with disabilities in the District, only 32.8% of them are employed compared to a 76.9% employment rate for people without disabilities. The difference between the employment rate in the District for people with disabilities and those without disabilities is almost 45%, one of the highest in the nation. Similarly, the poverty rate for working age people in the District with disabilities continues to be high, at 38.5%, which is almost 10% higher than the national average and over 20% higher than the poverty rate for working age people without disabilities in the District.² These statistics illustrate the need for competitive, integrated employment, which must remain a top priority for working-age youth and adults with disabilities in the District of Columbia.

The Committee is pleased that since the implementation of the Workforce Innovation and Opportunity Act (WIOA) in 2014, the agency has increased services provided to transition age youth. Consistent with WIOA requirements, in FY 2017, RSA will reserve approximately \$2 million for pre-employment transition services to include career counseling, job readiness training, counseling regarding post-secondary opportunities, work-based learning experiences, and peer mentoring. These services will be provided in collaboration with the Office of the State Superintendent of Education, DC Public Schools, and the DC Charter Schools. RSA, along with their education partners, will also provide summer and year-round employment opportunities for students with disabilities. The Committee fully supports these efforts as research has shown that youth with disabilities who obtain paid work experiences while in high school more likely to experience post-secondary success. Additionally, research indicates that students who have two or more work experiences during their last two years of high school, graduate with high social and job-searching skills, and are two to three times more likely to be competitively employed one year out of high school.³

As DDS continues to focus on increasing employment opportunities in the District for adults and youth with disabilities, the agency must ensure that there is diversity among employment options and that equal emphasis is placed on maintaining employment once it has been obtained.

DDA Residential Cost Saving Efforts: Beginning in FY 2016 and extending into FY 2017, DDS will be implementing several strategies to achieve cost savings in the

² Testimony of Laura Nuss, Former Director of the Department on Disability Services. Fiscal Year 2017 Budget Oversight Hearing. April 18, 2016.

³ Testimony of Emily Lehman, Doctoral Candidate, Georgetown University. FY 2016 Budget Oversight Hearing. April 29, 2015.

overall budget for room and board within DDA. The agency will be working to right-size homes in their residential portfolio to address the issue of vacancies and strategically relocate DDA customers to lower cost housing options where appropriate. The Committee supports the agency's efforts be good stewards of the public funding and ensure that resources are adequate to meet the increasing costs associated with providing services and supports for people with disabilities. However, the Committee shares many of the concerns expressed within the advocacy community about this process and wants to ensure that as the agency moves forward with these efforts they do so in a way that is respectful and in keeping with the person-centered philosophy that has been embraced. The Committee will be following this process closely.

DDA Eligibility Expansion: In December 2015, in response to the Committee's request in the FY 2016 Committee Budget Report, the agency provided a comprehensive analysis of the impact for extending eligibility of DDA services to all individuals in the District of Columbia meeting the broader definition of developmental disabilities. DDS is currently working with the DC Developmental Disabilities Council to conduct a needs assessment of people with intellectual and developmental disabilities in the District for FY 2016. The Committee also notes that while the proposed FY 2017 budget does not include additional support for an expansion, the agency's analysis suggested that an expansion could be implemented, in a fiscally responsible way, through the development of a new Individual and Family Supports Waiver. The current waiver will expire in November 2017. The Committee strongly encourages the agency, over the course of the next year, to work on developing the new waiver. DDS will have time to complete the needs assessment, currently in progress, explore the types of services and supports to be provided under the new waiver, and determine the number of waiver slots based on available resources. The agency will also have an opportunity to gain needed feedback from the Supporting Families Community of Practice; Family Support Council; and other advocates, community members, and stakeholders.

DDA Eligibility Reform: In September 2015, and in response to recent U.S. Supreme Court precedent, DDS, through the Department of Health Care Finance, amended the General Provisions of the Home and Community Based Waiver for DDA services to recognize that determinations of eligibility must take into account a standard error of measurement associated with IQ test scores. However, the agency's current DDA Intake Policy and Procedures has not yet been amended to indicate that having a Full Scale Intelligence Quotient (IQ) score of 69 is not a "bright line rule" for DDA eligibility. The Committee strongly encourages the agency to complete the revisions of its Intake Policy and Procedures to align with the General Provisions regulations regarding DDA eligibility. Once revisions have been completed, it will be imperative that the agency work expeditiously to ensure that the new eligibility criteria is communicated to the public,

reflected on the agency's website, and that intake workers, who make eligibility determinations, are adequately trained. The Committee will be closely monitoring the full implementation of this reform.

c. **Mayor's Proposed Fiscal Year 2017-2022 Capital Budget**

Proposed Capital Budget Summary

The Mayor's proposed FY 2017 budget does not include capital budget projects for the Department on Disability Services.

Committee Analysis and Comments

The Mayor's proposed FY 2017 budget does not include capital budget projects for the Department on Disability Services.

2. **COMMITTEE RECOMMENDATIONS**

a. **Fiscal Year 2017 Operating Budget Recommendations**

The Committee recommends **approval** of the FY 2017 operating budget for the Department on Disability Services as proposed by the Mayor.

b. **Fiscal Year 2017-2022 Capital Budget Recommendations**

The Mayor's proposed FY 2017 budget does not include capital budget projects for the Department on Disability Services.

c. **Policy Recommendations**

- The Committee directs the agency to provide a comprehensive analysis of their current complaint resolution process and explore other more formalized grievance systems for people receiving DDA services, such as the system used by the Department of Behavioral Health. The Committee has been made aware that while the agency has a process in place, there is a concern that people may remain uncertain as to where to go to get their complaints consistently addressed. Further, it has been expressed that DDS' current approach, through its compliant line and internal problem resolution procedures could be strengthened. Additionally, while there is a Medicaid Fair Hearing process, not all the complaints about the DDA system are appropriate for this process. The analysis should be completed and submitted to the Committee by December 1, 2016.

K. OFFICE OF DISABILITY RIGHTS

OFFICE OF DISABILITY RIGHTS		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	LOCAL FUND	1,069,597	1,103,158		1,103,158
	FEDERAL GRANT FUND	536,097	522,173		522,173
	INTRA-DISTRICT FUNDS	107,700	144,524		144,524
	Total Fund	1,713,394	1,769,855		1,769,855

OFFICE OF DISABILITY RIGHTS		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	1000	367,521	397,312		397,312
	2000	1,345,873	1,372,543		1,372,543
	Total Program	1,713,394	1,769,855		1,769,855

OFFICE OF DISABILITY RIGHTS		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	11-REGULAR PAY - CONT FULL TIME	997,784	1,047,541	(0)	1,047,541
	14-FRINGE BENEFITS - CURR PERSONNEL	208,537	230,459		230,459
	Personal Services	1,206,321	1,278,000		1,278,000
	20-SUPPLIES AND MATERIALS	5,652	6,500		6,500
	40-OTHER SERVICES AND CHARGES	248,812	271,342		271,342
	41-CONTRACTUAL SERVICES - OTHER	236,570	196,973		196,973
	70-EQUIPMENT & EQUIPMENT RENTAL	16,039	17,039		17,039
	Nonpersonal Services	507,073	491,855	(0)	491,855
	Gross Funds	1,713,394	1,769,855	(0)	1,769,855

OFFICE OF DISABILITY RIGHTS		FY16 FTE	FY17 Proposed FTE	FTE Change	Budget - FTE
	LOCAL FUND	8.00	8.00		8.00
	FEDERAL GRANT FUND	3.00	3.00		3.00
	Total Fund	11.00	11.00		11.00

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

The mission of the Office of Disability Rights (ODR) is to ensure that every program, service, benefit, and activity operated or funded by the District of Columbia is fully accessible to, and usable by, qualified people with disability with or without reasonable accommodations or modifications.

ODR is responsible for oversight of the District's obligations under the Americans with Disabilities Act (ADA), as well as other federal and local disability rights laws. ODR provides technical assistance, training, informal dispute resolution, policy guidance, and expertise on disability rights issues to District agencies and the disability community. ODR coordinates the ADA compliance efforts of all District agencies and works with agency ADA coordinators to ensure that the District is responsive to the needs of the disability community and employees with disabilities.

The Office of Disability Rights operates through the following 2 programs:

Disability Rights – promotes the accessibility of District of Columbia government programs and services for individuals with disabilities by coordinating and overseeing a District-wide compliance program. This program contains the following 6 activities:

- **Operations** – provides overall direction, leadership, and coordination of, and guidance on, activities related to the centralized administrative support system; establishes procedures and protocols for unified operations within the agency; and assists in facilities management;
- **Training and Technical Assistance** – provides ongoing training and technical assistance to the agency’s ADA coordinators and personnel;
- **Public Information and Outreach** – provides information through published literature, and provides assistance and referrals to individuals who have questions about disability rights or are experiencing obstacles to receiving services;
- **Evaluation and Compliance** – evaluates the District’s compliance with the ADA, section 504 of the Rehabilitation Act, and the disability rights provisions of the Human Rights Act; reports deficiencies to the Office of Human Rights; makes recommendations for addressing deficiencies to the Mayor; and coordinates, facilitates, and supports the Mayor’s Committee on Persons with Disabilities;
- **Investigations** – provides informal dispute resolution into actions or inactions of agencies in alleged violation of the ADA, the District of Columbia Disability Rights Protection Act, other federal disability civil rights legislation, and other disability-related civil rights legislation; and
- **State Developmental Disabilities Council (DDC)** – houses the District of Columbia Developmental Disabilities Council (DDC) and D.C. Commission on Persons with Disabilities (DCCPD). The DDC is a Mayoral appointed body established in accordance with the mandates of the D.C. Developmental Disabilities Basic State Grant Program. It is an independent, community-based advisory committee funded by the Administration on Intellectual and Developmental Disabilities (AIDD), U.S. Department of Health and Human Services. It is charged with identifying and addressing the most pressing needs of people with developmental disabilities in the District. The DCCPD advocates on behalf of persons with disabilities and their families to promote inclusive communities and service delivery systems and to provide opportunities for public input, outreach, and education. The DCCPD also facilitates ODR’s collaboration with the Office of Human Rights, the Department on Disability Services, and all other agencies, boards, and commissions of the District of Columbia that affect the lives of residents with disabilities to comprehensively implement ADA compliance and training programs.

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 2017 Operating Budget

Proposed Operating Budget Summary

Gross Funds: The proposed budget is \$1,770,000, an increase of \$56,000, or 3.3%, from the approved FY 2017 budget. This funding supports 11.0 FTEs, which maintains the FY 2016 approved level.

Local Funds: The Mayor’s proposed budget is \$1,103,000, an increase of \$34,000, or 3.1%, from the FY 2016 approved budget. This funding supports 8.0 FTEs, which maintains the FY 2016 approved level.

Federal Grant Funds: The proposed budget is \$522,000, a decrease of \$14,000, or 2.6% from the FY 2016 approved budget. This funding supports 3 FTEs, which maintains the FY 2016 approved level.

Intra-District Funds: The proposed budget is \$145,000, an increase of \$37,000, or 34.2%, from the FY 2016 approved budget. No FTEs are funded through Intra-District funds.

Committee Analysis and Comment

The Committee is pleased that the Mayor’s proposed FY 2017 budget for the Office of Disability Rights (ODR) reflects a commitment to continue the initiatives that begin in FY 2016, including the development of a new Five Year State Plan for fiscal years 2017 through 2021. The plan will be designed to identify the most pressing needs of people with developmental disabilities and their families in the District. The comprehensive plan will propose goals and outcomes involving significant areas of community life, including employment, education, housing, transportation, health, and community-based services and supports. Other initiatives the agency will focus on in FY 2017 include Disability Mentoring Days, hosting the Annual Mayor’s Disability Employment Awareness Exposition, expanding review of District Government worksites, schools, and outdoor spaces for accessibility, and providing ADA technical assistance and training to District agencies and local community service providers.

c. **Mayor's Proposed Fiscal Year 2017-2022 Capital Budget**

Proposed Capital Budget Summary

The Mayor's proposed FY 2017 budget does not include capital budget projects for the Office of Disability Rights.

Committee Analysis and Comments

The Mayor's proposed FY 2017 budget does not include capital budget projects for the Office of Disability Rights.

2. **COMMITTEE RECOMMENDATIONS**

a. **Fiscal Year 2017 Operating Budget Recommendations**

The Committee recommends **approval** of the FY 2017 operating budget for the Office of Disability Rights as proposed by the Mayor.

b. **Fiscal Year 2017-2022 Capital Budget Recommendations**

The Mayor's proposed FY 2017 budget does not include capital budget projects for the Office of Disability Rights.

c. **Policy Recommendations**

- The Committee directs ODR to provide a listing of all the ADA modifications recommended for schools, recreation centers, libraries, shelters, and wellness centers in the District in FY 2016. The Committee recommends that the agency work with the Department of General Services to determine if the recommendations are feasible, identify costs associated with recommended modifications, provide timelines as to when the recommendations will be executed, and determine when the recommendations have been completed. The Committee encourages the agency to develop a mechanism to provide ongoing tracking of this information in an effort to ensure facilities operated or funded by the District are fully accessible to and usable by people with disabilities. The FY 2016 report should be submitted to the Committee by December 1, 2016.

L. CHILDREN AND YOUTH INVESTMENT TRUST CORPORATION

CHILDREN INVESTMENT TRUST		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	LOCAL FUND	5,510,448	4,920,000		4,920,000
	Total Fund	5,510,448	4,920,000		4,920,000

CHILDREN INVESTMENT TRUST		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	1000	5,510,448	4,920,000		4,920,000
	Total Program	5,510,448	4,920,000		4,920,000

CHILDREN INVESTMENT TRUST		FY16 Approved	FY17 Proposed	Variance	FY17 Committee Revised
	50-SUBSIDIES AND TRANSFERS	5,510,448	4,920,000		4,920,000
	Nonpersonal Services	5,510,448	4,920,000		4,920,000
	Gross Funds	5,510,448	4,920,000		4,920,000

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

The mission of the Children and Youth Investment Collaborative is to provide funds to the D.C. Children and Youth Investment Trust Corporation (CYITC), a not-for-profit organization that disburses grants to community-based providers, with the purpose of creating a seamless approach for the development of policy, planning, and services for children, youth, and their families.

The District’s subsidy to CYITC appears as a single program within the District’s financial system. CYITC has two major funding cycles: one for school-year, youth-serving and year-round parent center programs, and one for summer youth-serving programs.

The DC Trust’s goals are funded through the following grant competitions:

- **Out-of-school Time/Youth Development Programs** – provide services, supports, and opportunities to children and youth during out-of-school hours, promoting academic achievement and positive youth outcomes, which can reduce negative behavior that correlates with unsupervised, unstructured time outside of school;
- **Older Youth Program** – support youth ages 14 and 24 years old, including those enrolled in school and those no longer connected to school, in the areas of academic support, college-going culture, job readiness, and community service;
- **Parent Center Program** – provide support services and parenting skills to parents of young and adolescent children to help ensure their children are ready for and succeeding in school; and

- **Summer Programs** – provide enriching opportunities to ensure that children and youth aged 5 to 24 years old are safe and have opportunities to enhance their learning over the summer months. These funds include providing alternative services during the late night hours.

b. Mayor’s Proposed Fiscal Year 2017 Operating Budget

Proposed Operating Budget Summary

Local Funds: The Mayor’s proposed budget is \$4,920,000, a decrease of \$590,000, or 10.7%, from the FY 2016 approved budget.

Committee Analysis and Comments

Since its establishment in 1999, the Children and Youth Investment Trust Corporation, also known as the DC Trust, has existed with the mission to disburse grants to community-based providers, and create a seamless approach for the development of policy, planning, and services for youth and their families. This public/private entity was governed by a board of directors with both Mayoral and Council appointees. The Trust has a troubled history that ultimately led to the official announcement from its Board of Director’s, chaired by Marie Johns and Interim Executive Director, Angela Jones Hackley that the board voted to develop a plan for dissolution of the Trust following the discovery of significant financial challenges due to mismanagement by the Trust’s former leadership.

Upon learning of this news, the Committee’s immediate goal was to ensure that existing programming for FY 2016 would be continued without disruption. Currently there are 43 grantees receiving Community Partnership Mini-Grants that are focused on violence prevention and mediation, mentoring, and family support in underserved neighborhoods and 58 grantees providing out-of-school time programs, which reduce instances negative behaviors that correlate with unsupervised, unstructured time outside of school. Additionally, the Committee wanted to ensure that funding would be identified for 2016 summer youth programming, essential to combatting summer learning loss and lessening the achievement gap between upper/middle income and lower income students in the District, which is the highest in the nation.

In order to gain the assurance that the Council and the public needed that funding for existing grants and summer programs would be a priority for the Administration, the Committee cancelled the budget oversight hearing for the Trust and decided instead to address these concerns at the budget oversight hearing held for the Office of the Deputy Mayor for Health and Human Services. Deputy Mayor Brenda Donald was able to assure this Committee and the public of the Administration’s commitment to continue critical youth programs currently being funded through the Trust, including out-of-school-time

programs, mini-grants, and summer programs.⁴ As for the \$4.9 million allocated in the Trust's proposed budget for FY 2017, the Committee is committed to working with Chairman Mendelson, other Councilmembers, and the Administration to protect this funding for youth programming. Additionally, during the budget process, the Committee will be working with government and community stakeholders in developing a viable plan to administer this funding in FY 2017 and develop a long-term funding approach for citywide youth programming.

While there have been challenges that have impeded the Trust's ability to function as effectively as it should have, there have also been many successful programs that have impacted the lives of youth and families throughout its existence. The Committee does not discount or want to lose sight of the hard work of so many dedicated organizations. Because the need for positive youth programming remains great in many of the District's communities, the Committee believes that there will continue to be a great need for an accountable, dynamic intermediary between government agencies, the philanthropic community, the business community and community-based organizations serving youth and families in the District of Columbia.

c. Mayor's Proposed Fiscal Year 2017-2022 Capital Budget

Proposed Capital Budget Summary

The Mayor's proposed FY 2017 budget does not include capital budget projects for the Children and Youth Investment Trust Corporation.

Committee Analysis and Comments

The Mayor's proposed FY 2017 budget does not include capital budget projects for the Children and Youth Investment Trust Corporation.

2. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2017 Operating Budget Recommendations

The Committee recommends **approval** of the FY 2017 operating budget for out-of-school time programs.

b. Fiscal Year 2017- 2022 Capital Budget Recommendations

⁴ Testimony of Brenda Donald, FY 2017 Budget Oversight Hearing for the Office of the Deputy Mayor for Health and Human Services. April 28, 2016

The Mayor's proposed FY 2017 budget does not include capital budget projects for the Children and Youth Investment Trust Corporation.

c. **Policy Recommendations**

The Committee has no policy recommendations for the Children and Youth Investment Trust Corporation.

III. FISCAL YEAR 2017 BUDGET LOCAL PORTION ADOPTION ACT LANGUAGE RECOMMENDATIONS

On Thursday, March 24, 2016, Chairman Mendelson introduced, on behalf of the Mayor, the “Fiscal Year 2017 Budget Local Portion Adoption Act of 2016” (Bill 21-668). The Committee recommends the following adjustments.

HUMAN SUPPORT SERVICES

Human support services, ~~\$4,603,249,000~~ \$4,608,680,901 (including ~~\$1,896,703,000~~ \$1,902,134,901 from local funds (including \$81,907,000 from dedicated taxes), \$427,233,000 from Federal grant funds, \$2,228,387,000 from Medicaid payments, \$36,332,000 from other funds, \$594,000 from private funds, \$5,000,000 from Federal payment funds requested to be appropriated by the Congress under the heading “Federal Payment for Testing and Treatment of HIV/AIDS” in the Fiscal Year 2017 Budget Federal Portion Adoption and Request Act of 2016 and \$9,000,000 from Federal payment funds requested to be appropriated by the Congress under the heading “Federal Payment for the Federal City Center” in the Fiscal Year 2017 Budget Federal Portion Adoption and Request Act of 2016); to be allocated as follows;

(1) Department of Human Services. – \$512,126,000 (including \$301,716,000 from local funds, \$172,628,000 from Federal grant funds, \$26,807,000 from Medicaid payments, \$1,975,000 from other funds, and \$9,000,000 from Federal payment funds requested to be appropriated by the Congress under the heading “Federal Payment for the Federal City Center” in the Fiscal Year 2017 Budget Federal Portion Adoption and Request Act of 2016); provided, that all funds deposited into the SSI Payback Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended;

(2) Child and Family Services Agency. – ~~\$230,522,000~~ \$230,976,783 (including ~~\$165,503,000~~ \$165,958,023 from local funds, \$63,778,000 from Federal grant funds, \$1,200,000 from other funds, and \$40,000 from private funds);

(3) Department of Behavioral Health. – ~~\$255,014,000~~ \$254,874,720 (including ~~\$226,758,000~~ \$226,618,468 from local funds, \$20,012,000 from Federal grant funds, \$3,431,000 from Medicaid payments, \$4,270,000 from other funds, and \$544,000 from private funds); provided, that all funds deposited into the APRA - Choice in Drug Treatment (HCSN) Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; in addition to the funds otherwise appropriated under this Act, the Department of Behavioral Health may expend any funds that are or were paid by the United States Virgin Islands to the District in fiscal year 2015, fiscal year 2016, or fiscal year 2017 to compensate the District for care previously provided by the District to patients at the St. Elizabeths hospital and are not otherwise appropriated under this Act; provided, that the availability of the funds is certified by the Chief Financial Officer before any expenditure; provided further, that the funds shall be expended in a manner determined by the Director of the Department of Behavioral Health;

(4) Department of Health. – ~~\$222,394,000~~ \$224,046,350 (including ~~\$73,564,000~~ \$75,215,959 from local funds, \$128,205,000 from Federal grant funds, \$15,626,000 from other funds, and \$5,000,000 from Federal payment funds requested to

be appropriated by the Congress under the heading “Federal Payment for Testing and Treatment of HIV/AIDS” in the Fiscal Year 2017 Budget Federal Portion Adoption and Request Act of 2016); provided, that all funds deposited into the Health Professional Recruitment Fund (Medical Loan Repayment) are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the Board of Medicine Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the Pharmacy Protection Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the SHPDA Fees Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the Civic Monetary Penalties Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the SHPDA Admission Fee Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the ICF/MR Fees and Fines are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the Human Services Facility Fee Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the Communicable and Chronic Disease Prevention and Treatment Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended;

(5) Department of Parks and Recreation. – \$47,780,000 (including \$45,180,000 from local funds and \$2,600,000 from other funds); provided, that all funds deposited into the Department of Recreation Enterprise Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended;

(6) D.C. Office on Aging. – \$38,819,000 (including \$30,049,000 from local funds, \$7,732,000 from Federal grant funds, and \$1,037,000 from Medicaid payments);

(7) Unemployment Compensation Fund. – \$6,887,000 from local funds;

(8) Employees’ Compensation Fund. – \$21,521,000 from local funds; provided, that all funds deposited into the Worker’s Compensation Rev-Settlement Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the Agency Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended;

(9) Office of Human Rights. – \$4,182,000 (including \$3,860,000 from local funds and \$322,000 from Federal grant funds);

(10) Mayor’s Office on Latino Affairs. – \$2,799,000 from local funds;

(11) Children and Youth Investment Collaborative. – \$4,920,000 from local funds;

(12) Office on Asian and Pacific Islander Affairs. – \$855,000 from local funds;

(13) Office of Veterans’ Affairs. – \$413,000 (including \$408,000 from local funds and \$5,000 from other funds); provided, that all funds deposited into the

Office of Veterans Affairs Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended;

(14) Department of Youth Rehabilitation Services. – \$101,529,000 from local funds; provided, that of the local funds appropriated for the Department of Youth Rehabilitation Services, \$12,000 shall be used to fund the requirements of the Interstate Compact for Juveniles;

(15) Department of Disability Services. – \$166,558,000 (including \$118,738,000 from local funds, \$31,640,000 from Federal grant funds, \$9,006,000 from Medicaid payments, \$7,163,000 from other funds, and \$10,000 from private funds,); provided that all funds deposited into the Randolph Shepherd Unassigned Facilities Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the Cost of Care-Non-Medicaid Clients Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended;

(16) Department of Health Care Finance. – ~~\$2,982,843,000~~ \$2,982,103,049 (including ~~\$788,328,000~~ \$787,588,049 from local funds (including \$81,907,000 from dedicated taxes), \$2,916,000 from Federal grant funds, \$2,188,106,000 from Medicaid payments, and \$3,493,000 from other funds); provided, that all funds deposited into the Healthy DC Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the Nursing Homes Quality of Care Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the Stevie Sellow's Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the Medicaid Collections-3rd Party Liability Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended; provided further, that all funds deposited into the Bill of Rights (Grievance and Appeals) Fund are, without regard to fiscal year, authorized for expenditure and shall remain available until expended;

(17) Not-for-Profit Hospital Corporation Subsidy. – \$2,000,000 from local funds; and

(18) Office of the Deputy Mayor for Health and Human Services. – \$2,086,000 from local funds.

NOT-FOR-PROFIT HOSPITAL CORPORATION

For the Not-For-Profit Hospital Corporation, \$132,000,000 from enterprise and other funds.

HEALTH BENEFIT EXCHANGE AUTHORITY

For the District of Columbia Health Benefit Exchange Authority, \$34,521,000 from enterprise and other funds.

IV. FISCAL YEAR 2017 BUDGET SUPPORT ACT RECOMMENDATIONS

On Thursday, March 24, 2016, Chairman Mendelson introduced, on behalf of the Mayor, the “Fiscal Year 2017 Budget Support Act of 2016” (Bill 21-669). 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 provides comments on the following subtitles of the “Fiscal Year 2017 Budget Support Act of 2016”:

1. Title IV., Subtitle C., Classroom Animal for Educational Purposes Amendment Act of 2016
2. Title IV., Subtitle F., Foster Care Extended Eligibility Amendment Act of 2016
3. Title IV., Subtitle I., School Immunization Requirements Enforcement Period Amendment Act of 2016
4. Title V., Subtitle A., Temporary Assistance for Needy Families Time Limit Exemption and POWER Expansion Amendment Act of 2016
5. Title V., Subtitle B., Department of Health Care Finance Medical Assistance Program Emergency Amendment Act of 2016
6. Title V., Subtitle C., Contribution to Cost supports Fund Act of 2016
7. Title V., Subtitle D., Department on Disability Services Medical Assistance Program Amendment Act of 2016
8. Title V., Subtitle E., Persons with Intellectual and Developmental Disabilities Rent Increase Relief Act of 2016
9. Title V., Subtitle F., Commission on Health Equity Amendment Act of 2016
10. Title V., Subtitle G., Teen Pregnancy Prevention Fund Amendment Act of 2016
11. Title V., Subtitle H., Medicaid Hospital Outpatient Rate Supplemental Payment Act of 2016
12. Title V., Subtitle I., Medicaid Hospital Inpatient Rate Supplemental Payment Act of 2016
13. Title V., Subtitle J., Program on Work, Employment, and Responsibility Amendment Act of 2016

1. TITLE IV. SUBTITLE C. CLASSROOM ANIMAL FOR EDUCATIONAL PURPOSES AMENDMENT ACT OF 2016

a. Purpose, Effect, and Impact on Existing Law

This subtitle amends the Animal Control Act of 1979, effective October 19, 1979 (D.C. Law 3-30; D.C. Official Code § 8-1808(h)) to permit schools to allow animals in the classroom for educational and instructional purposes.

b. Committee Reasoning

This subtitle was sequentially referred to the Committee. The Committee recommends adoption of this subtitle.

c. Section-by-Section Analysis

Sec. 4021. Short title.

Sec. 4022. This section permits schools to allow animals in the classroom for educational and instructional purposes.

d. Legislative Recommendations for Committee of the Whole

The Committee recommends approval of this proposed subtitle with the following changes:

TITLE IV. SUBTITLE C. CLASSROOM ANIMAL FOR EDUCATIONAL PURPOSES AMENDMENT ACT OF 2016

Sec. 4021. Short title.

This subtitle may be cited as the “Classroom Animal for Educational Purposes Amendment Act of 2016”.

Sec. 4022. Section 9(h) of the Animal Control Act of 1979, effective October 18, 1979 (D.C. Law 3-30; D.C. Official Code § 8-1808(h)), is amended by adding a new paragraph (6) to read as follows:

“(6) Paragraph (1) of this subsection shall not apply to educational institutions that possess animals for educational and instructional purposes, ~~for which the~~

~~educational institutions maintain a permit from the Mayor that ensures that the care and management of the animals complies with humane, sanitary, and safe treatment requirements, as set forth in section 502 of the Animal Protection Amendment Act of 2008, effective December 5, 2008 (D. C. Law 17-281 ; D.C. Official Code § 8-1851.02).”~~and that otherwise comply with humane, sanitary, and safe treatment requirements, as set forth in section 502 of the Animal Protection Amendment Act of 2008, effective December 5, 2008 (D. C. Law 17-281; D.C. Official Code § 8-1851.02).”.

**2. TITLE IV. SUBTITLE F. FOSTER CARE EXTENDED ELIGIBILITY
AMENDMENT ACT OF 2016**

a. Purpose, Effect, and Impact on Existing Law

The Foster Care Extended Eligibility Amendment Act of 2016, amends the Day Care Policy Act of 1979 to expand the childcare subsidy program to cover:

- Children with a parent under 21 years of age who is either in foster care or a ward of the District, and is either working or enrolled in a verified job training or educational program;
- Children in foster care placement with a foster parent who is not working but receives some form of verifiable income such as social security or disability and as long as it is demonstrated that the childcare is in the best interest of the children; and
- Children in foster care placement with a foster parent who is not working but enrolled in a verified job training or education program and as long as it is demonstrated that the childcare is in the best interest of the children.

b. Committee Reasoning

The Committee recommends approval of this proposed subtitle. Currently, there are over 3,500 children ages 0-3 who receive child care subsidies in the District of Columbia, and of those children, 215 live with foster parents that seek support through subsidized child care services. Under current District law, children receiving child care subsidies are not guaranteed continuity of care, as their subsidy status is linked to their

foster parent's employment status. If a foster parent loses his or her job or has retired, his or her foster child will either not be eligible for subsidy or lose subsidy and thus child care. This disruption is particularly detrimental to children in foster care, as they are often the population with the greatest need for consistency and continuity. This legislation will support the foster parent community and ensure that the vulnerable children in foster care are able to continue receiving high quality child care services. Emergency legislation is currently in place and is set to expire on October 8, 2016.

c. Section-by-Section Analysis

Sec. 4051. Short title.

Sec. 4052. This section establishes the conditions under which a childcare subsidy will be extended.

d. Legislative Recommendations for Committee of the Whole

The Committee recommends approval of this proposed subtitle.

**TITLE IV. SUBTITLE F. FOSTER CARE EXTENDED ELIGIBILITY
AMENDMENT ACT OF 2016**

Sec. 4051. Short title.

This subtitle may be cited as the "Foster Care Extended Eligibility Amendment Act of 2016".

Sec. 4052. Section 5a(a) of the Day Care Policy Act of 1979, effective April 13, 1999 (D.C. Law 12-216; D.C. Official Code § 4-404.01(a)), is amended as follows:

“(a) Paragraph (4) is amended by striking the phrase "services; and" and inserting the phrase "services;" in its place.

“(b) Paragraph (5) is amended by striking the phrase “child.” and inserting the phrase “child;” in its place.

“(c) New paragraphs (6), (7), and (8) are added to read as follows:

“(6) Children of a teen parent under 21 years of age who is either in foster care or a ward of the District and is either working or enrolled in a verified job training or education program;

“(7) Children in foster care placement when the foster care provider is not working but receives some form of verifiable income, such as social security or disability, and the child care services are in the best interest of the child; and

“(8) Children in foster care placement when the foster care provider is not working but enrolled in a verified job training or education program, and the child care services are in the best interest of the child.”.

3. TITLE IV. SUBTITLE I. SCHOOL IMMUNIZATION REQUIREMENTS ENFORCEMENT AMENDMENT ACT OF 2016

a. Purpose, Effect, and Impact on Existing Law

This subtitle increases the number of allowable days a student can attend school while awaiting for immunizations from 10 to 20.

b. Committee Reasoning

This subtitle was sequentially referred to the Committee. The Committee adopts this subtitle as proposed with technical changes.

c. Section-by-Section Analysis

Sec. 4081. Short title.

Sec. 4082. This section increase the number of allowable days a student can attend school while awaiting for immunizations from 10 to 20 days.

d. Legislative Recommendations for Committee of the Whole

The Committee recommends approval of this proposed subtitle with the following technical changes:

**TITLE IV. SUBTITLE I. SCHOOL IMMUNIZATION REQUIREMENTS
ENFORCEMENT AMENDMENT ACT OF 2016**

Sec. 4081. Short Title.

This subtitle may be cited as the “School Immunization Requirements Enforcement Period Amendment Act of 2016.”

Sec. 4082. Section 6 of the Health Immunization of School Students Act of 1979, effective Sept. 28, 1979 (D.C. Law 3-20; D.C. Official Code § 38-505), is amended as follows: by striking the phrase “10 days” wherever it appears and inserting the phrase “20 school days” in its place.

**4. TITLE V. SUBTITLE A. TEMPORARY ASSISTANCE FOR NEEDY
FAMILIES TIME LIMIT EXEMPTION AND POWER EXPANSION
AMENDMENT ACT OF 2016.**

a. Purpose, Effect, and Impact on Existing Law

The Temporary Assistance for Needy Families Time Limit Exemption and POWER Expansion Amendment Act of 2016 amends the District of Columbia Public Assistance Act of 1982 to extend partial benefits to families who have been enrolled in the District’s Temporary Assistance for Needy Families (TANF) program for longer than 60 months through the end of FY 2018. This subtitle provides that families who have been on the TANF program for longer than 60 months are not eligible to receive the 15.3 percent Cost of Living Adjustment (COLA) that families receiving full benefits will receive in FY 2017, but will continue to receive to FY 2016 benefit partial benefit amount.

b. Committee Reasoning

The Committee recommends approval of this proposed subtitle. The Committee supports the one-year time limit extension to families that have been on the TANF program for over 60 months. This extension will give DHS, the Council, and advocacy community the necessary time to collaboratively design a hardship extension policy to be implemented in FY 2018. Additionally, DHS will have the opportunity to complete the comprehensive

case reviews being conducted for this population and intensify services and supports to help extremely vulnerable families address barriers to employment and self-sufficiency.

c. Section-by-Section Analysis

Sec. 5001. Short title.

Sec. 5002. This section establishes that after FY 2018 TANF benefits will no longer be provided to recipients that have been on the TANF program for over 60 months. This section also establishes that for FY 2017, the level of assistance payment shall be equal to the FY 2016 amount.

d. Legislative Recommendations for Committee of the Whole

The Committee recommends approval of this proposed subtitle with the following technical changes:

TITLE V. SUBTITLE A. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES TIME LIMIT EXEMPTION AND POWER EXPANSION AMENDMENT ACT OF 2016

Sec. 5001. Short title.

This subtitle may be cited as the “Temporary Assistance for Needy Families Time Limit Exemption and POWER Expansion Amendment Act of 2016”.

Sec. 5002. Section 552 of ~~the~~ District of Columbia Public Assistance Act of 1982, effective April 6, 1982 (D.C. Law 4-101; D.C. Official Code § 4-205.521-01 ~~et seq.~~), is amended as follows:

“(a) Subsection (c-3) is amended as follows: ~~Section 552 (D.C. Official Code § 4-205.52) is amended as follows:~~

~~(1) Subsection (c-3) is amended as follows:~~

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

“(3A) For Fiscal Year 2017, the level of assistance payment shall be equal to the Fiscal Year 2016 amount.”.

~~“(2) (B)~~ Paragraph (4) is amended by striking the phrase “Fiscal Year 2017” and inserting the phrase “Fiscal Year 2018” in its place.”.

5. TITLE V, SUBTITLE B. DEPARTMENT OF HEALTH CARE FINANCE MEDICAL ASSISTANCE PROGRAM EMERGENCY AMENDMENT ACT OF 2016.

a. Purpose, Effect, and Impact on Existing Law

Under current law, the Department of Health Care Finance must submit all Medicaid state plan amendments and waivers to the Council of the District of Columbia for a 30-day passive review before sending them to the federal Centers for Medicaid and Medicare Services. The purpose of the “Department of Health Care Finance Medical Assistance Program Amendment Act” is to waive Council review for initiatives that change the:

- ICF/IDD reimbursement methodology;
- Payment methodology for hospital services;
- Payment methodology for nursing homes;
- Payment methodology for disproportionate share hospital program;
- Health homes programs;
- Elderly and Persons with Disabilities waiver program and conforming changes to the state plan; or
- Payment methodology for prescribed drugs.

b. Committee Reasoning

The purpose of the “Medical Assistance Program Amendment Act of 2016” is to allow the Department of Health Care Finance to amend the State Plan Amendment to make several necessary changes to its Medicaid reimbursement methodology without being subject to the 30-day passive Council review requirement. In an effort to create better opportunities for care management, the “Medical Assistance Program Amendment Act of 2016”, now permits DHCF to amend the state plan amendment without Council review to allow for the creation of updating the reimbursement methodology for the Developmental Disabilities, updating payment for hospital services, nursing homes, disproportionate share hospitals, health homes, and prescription drugs, as well as updating the Elderly and Persons with Disabilities waiver program.

The Committee recommends adding the Medicaid Home and Community-Based Services Waiver for Persons with Intellectual and Developmental Disabilities into this

subtitle so that certain amendments to the state plan could be exempt from Council review. The Medicaid Home and Community-Based Services (HBCS) Waiver for Persons with Intellectual and Developmental Disabilities (IDD) is a comprehensive program that makes available more than two dozen services and supports for eligible people served by DDA. Unlike other jurisdictions, which may have multiple HBCS waiver programs, the District has only one comprehensive IDDHCBBS waiver program, and therefore requires flexibility in making necessary changes to meet both program requirements and best practices. The delays that are incurred with the passive Council review process, specifically when it is necessary to increase the number of program slots, impact how quickly the agency is able to provide services and supports additional District residents with IDD.

c. Section-by-Section Analysis

Sec. 5011: Short title.

Sec. 5012: Allows the Department of Health Care Finance to amend the State Plan Amendment for purposes of -

- a. The Intermediate Care Facilities for Individuals with Developmental Disabilities reimbursement methodology
- b. The payment methodology for hospital services
- c. The payment methodology for nursing homes
- d. The payment methodology for the Disproportionate Share Hospital program
- e. The health homes program
- f. To renew and update the Elderly and Individuals with Physical Disabilities waiver program and make conforming changes to the state plan
- g. The payment methodology for prescription drugs; and
- h. Implement needed amendments to increase the number of participants in the Home and Community-Based Services Waiver for Persons with Intellectual and Developmental Disabilities

d. Legislative Recommendations for Committee of the Whole

The Committee recommends combining Title V., Subtitle D., the “Department on Disability Services Medical Assistance Program Amendment Act of 2016” with this subtitle as both amend 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: DC Official Code § 1-307.02(a)) to allow DHCF to amend and modify the State Plan

without being subject to the 30-day Council passive review for certain changes. As such, the Committee recommends approval of this proposed subtitle with the following changes:

**TITLE V, SUBTITLE B. DEPARTMENT OF HEALTH CARE FINANCE
MEDICAL ASSISTANCE PROGRAM EMERGENCY AMENDMENT ACT OF
2016**

Sec. 5011. Short title.

This subtitle may be cited as the “Department of Healthcare Finance and
Department of Disability Services Medical Assistance Program Amendment Act of
2016”.

Sec. 5012. 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: DC Official Code § 1-307.02(a)), is amended by adding new paragraph (10) to read as follows: ~~as follows:~~

~~(a) new paragraph ___ is added to read as follows:~~

“(10) Review and approval by the Council of the Fiscal Year 2017 Budget and Financial Plan shall constitute the Council review and approval required by paragraph (2) of this subsection of any amendment, modification, or waiver of the state plan require to:

“(A) Implement needed amendments to:

“(i) The Intermediate Care Facilities for Individuals with Developmental Disabilities reimbursement methodology;

“(ii) The payment methodology for hospital services;

“(iii) The payment methodology for nursing homes;

“(iv) The payment methodology for the Disproportionate Share Hospital program;

“(v) The health homes program;

“(vi) Renew and update the Elderly and Individuals with Physical Disabilities waiver program and make conforming changes to the state plan; and

“(vii) The payment methodology for prescription drugs.

“(B) Increase the number of participants in the Home and Community-Based Services Waiver for Persons with Intellectual and Developmental Disabilities.”.

6. TITLE V. SUBTITLE C. CONTRIBUTION TO COST OF SUPPORTS FUND ACT OF 2016

a. Purpose, Effect, and Impact on Existing Law

The Contribution to Cost of Supports Fund Act of 2016 amends the Developmental Disabilities Service Management Reform Amendment Act of 2006 to establish a Contribution to Costs Supports Fund to be administered by the Department on Disability Services (DDS). The legislation will require that persons with intellectual and developmental disabilities who have other sources of income beyond Social Security contribute a portion of their income toward the payment of their rent. The Fund will consist of the contributions DDS will collect from these individuals and will be used to support costs of occupancy (i.e. rent), other personal expenses (i.e. food, clothing, and medical), supplies, furnishings and equipment, and support services. The legislation also requires that DDS publish policy and procedures to determine who has the ability to contribute to the fund, and the method and timing in which payments will be made to DDS. Finally, the legislation ensures that the dollars in the Fund and any earned interest does not revert to General Fund at the end of the fiscal year.

b. Committee Reasoning

The Committee recommends approval of this subtitle and supports efforts the agency is making to move toward a system where people with disabilities who are receiving residential supports and are working can contribute more to the costs associated with their room and board, if they are financially able to do so. As proposed, the legislation requires that the agency publish policy and procedures to determine who has the ability to contribute to the fund, the amount to be collected, and the method and timing in which payments will be made to DDS. However, the Committee recommends that proposed rules to implement the provisions of this subtitle be submitted to the Council for review. This process will ensure that there is an official public comment period. In addition to including rules to establish who has the ability to pay the contribution to cost of supports, the amount to be collected, and the method and timing of payments to DDS, the Committee also requires that rules incorporate due process protections.

c. Section-by-Section Analysis

Sec. 5021. Short title.

Sec. 5022. This section amends D.C. Official Code § 7-761.01 *et seq.* by adding two new sections 105b and 105c that will give DDS the authority to collect the contribution to cost of supports from persons with intellectual disabilities who meet certain criteria, provide a definition of “contribution to the costs of supports”, and establishes the Contribution to Cost of Supports Fund to be administered by DDS.

Sec. 5023. This section requires the Mayor to submit proposed rules to implement the provisions of this subtitle to the Council for a 45-day period of review. It outlines that the rulemaking shall include establishing who has the ability to pay the contribution to cost of supports, the amount to be collected, the method and timing of payments to DDS for such purposes, and due process protections.

d. Legislative Recommendations for Committee of the Whole

The Committee recommends approval of this proposed subtitle with the following changes:

**TITLE V. SUBTITLE C. CONTRIBUTION TO COST OF SUPPORTS
FUND ACT OF 2016**

Sec. 5021. Short title.

This subtitle may be cited as the “Contribution to Cost of Supports Fund Act of 2016.”

Sec. 5022. The Developmental Disabilities Service Management Reform Amendment Act of 2006, effective March 14, 2007 (D.C. Law 16-264; D.C. Official Code § 7-761.01 *et seq.*), is amended by adding a new sections 105b and 105c to read as follows:

“Sec. 105b. Contribution to cost of supports and establishment of special fund.

“(a) DDS shall collect the contribution to cost of supports from persons with Intellectual disabilities who are:

“(1) Medicaid Program-eligible but not eligible for the maximum Supplement Security Income or Social Security Disability Insurance payments; or

“(2) Not Medicaid Program-eligible but otherwise have been found eligible to receive services from the Developmental Disabilities Administration.

“(b) DDS shall collect the contribution to the costs of support under subsection (a) of this section only to the extent that DDS uses local dollars to fund the costs of occupancy, including rent, other personal expenses, including food, clothing, and medical costs, supplies, furnishings and equipment, and support services.

“(c) For the purpose of this section and section 105c, the term “contribution to the costs of supports” means full or partial payment by the person with intellectual disabilities or his or her estate of the locally funded supports and services provided by the Developmental Disabilities Administration.

Sec. 105c. Contribution to Costs of Support Fund.

“(a) There is established as a special fund the Contribution to Cost of Supports

Fund ('Fund'), which shall be administered by DDS in accordance with subsection (c) of this section.

~~“(b) The Fund shall consist of contributions to the costs of supports which DDS shall collect from persons with intellectual and developmental disabilities who are Medicaid-eligible but not eligible for the maximum Supplement Security Income or Social Security Disability Insurance payments or are not Medicaid-eligible but otherwise have been found eligible to receive services from the Developmental Disabilities Administration. For purposes of this section, DDS shall collect the contribution to cost of supports from each person who has the ability to pay from other sources of income to the extent that DDS uses local dollars to fund the costs of occupancy (*i.e.* rent), other personal expenses (*i.e.* food, clothing, and medical), supplies, furnishings and equipment, and support services. Within 60 days of the effective date of the Contribution to Cost of Supports Fund Act of 2016, DDS shall publish policy and procedures establishing who has the ability to pay, the amount to be collected, and the method and timing of payment(s) to DDS for such purposes. collected by DDS from persons with intellectual disabilities pursuant to section 105b(c).~~

~~“(c) The Fund shall be used by DDS to pay the cost of residential and other supports to persons with intellectual disabilities consistent with federal and local law and the policy and procedures published in accordance with subsection (b) and regulations.~~

~~“(d)(1) The money deposited into the Fund, and interest earned, 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.~~

“(2) Subject to authorization in an approved budget and financial plan, any funds appropriated in the Fund shall be continually available without regard to fiscal year limitation.”.

Sec. 5023. Rules.

Within 45 days after the effective date of this subtitle, the Mayor, pursuant to Title I of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat.1204; D.C. Official Code §2-501 et seq.), shall submit proposed rules to implement the provisions of this subtitle, including rules establishing who has the ability to pay the contribution to cost of supports, the amount to be collected, the method and timing of payments to DDS for such purposes, and due process protections, to the Council for a 45-day period of review, excluding Saturdays, Sundays, legal holidays, and days of Council recess. If the Council does not approve or disapprove the proposed rules, in whole or in part, by resolution, within this 45-day period of review, the proposed rules shall be deemed approved.

7. TITLE V. SUBTITLE D. DEPARTMENT OF DISABILITY SERVICES MEDICAL ASSISTANCE PROGRAM AMENDMENT 2016

a. Purpose, Effect, and Impact on Existing Law

The Department on Disability Services (DDS) must submit all Medicaid state plan amendments and waivers to the Council of the District of Columbia for a 30 day passive review before sending them to the federal Centers for Medicaid and Medicare (CMS). This subtitle amends 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, to permit DDS to submit state plan amendments, modifications, or waivers needed to change the Home and Community-Based Services Waiver for Persons with Intellectual and Developmental Disabilities directly to CMS without Council review. Due to the similar nature of this subtitle with that of Title V., Subtitle B., the Committee recommends that Title V., Subtitle B. be amended to include this subtitle. Please see Title V., Subtitle B. for the Committee’s legislative recommendations which incorporate this recommendation.

8. TITLE V. SUBTITLE E. PERSONS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES RENT INCREASE RELIEF ACT OF 2016

a. Purpose, Effect, and Impact on Existing Law

The Persons with Intellectual and Developmental Disabilities Rent Increase Relief Amendment Act of 2016 amends the Rental Housing Act of 1985 to limit annual rent increases to five percent for housing units occupied by people with intellectual and developmental disabilities who receive services from the District through the Medicaid Home and Community-Based Services Waiver.

b. Committee Reasoning

The Committee recommends approval of this subtitle which will help ameliorate the rising rental costs that are currently being paid by DDS to landlords in the District. While the Rent Stabilization Act abolished rental ceilings, it created an annual rental increase limit of five percent for elderly tenants and tenants with a disability. However, the Act specifically exempted federally or District subsidized housing from its coverage. This legislation expands the Act's protections to include individuals with intellectual and development disabilities receiving services from DDS through the Medicaid Home and Community-Based Services Waiver for Persons with Intellectual and Developmental Disabilities. The Committee believe that this legislation is imperative as it has become increasingly difficult to find affordable housing in the District. The protections afforded to a tenant with a disability should be extended to housing funded by DDS for individuals with intellectual and developmental disabilities with local funding because such costs are not eligible for federal financial assistance under the Medicaid Home and Community-Based Services Waiver.

c. Section-by-Section Analysis

Sec. 5041. Short title.

Sec. 5042. This section amends D.C. Official Code § 42-3501.03 by providing a definition of "Home and community-based services waiver provider"; amends D.C. Official Code § 42-3502.05(a)(1) by inserting language, which would exempt units rented or co-leased by a home and community-based services waiver provider and occupied by a tenant with a disability without regard to income from the requirements set forth in sections 42-3502.05(f) through 42-3502.19; and amends D.C. Official Code § 42-3502.08(h)(2) to make clear that the rental cap established for elderly and disabled tenants also

applies to any unit rented or co-leased by a home and community-based services waiver provider and occupied by a tenant with a disability without regard to income.

d. Legislative Recommendations for Committee of the Whole

The Committee recommends approval of this proposed subtitle with the following changes:

TITLE V. SUBTITLE E. PERSONS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES RENT INCREASE RELIEF ACT OF 2016

Sec. 5041. Short title.

This subtitle may be cited as the “Persons with Intellectual and Developmental Disabilities Rent Increase Relief Act of 2016.”

Sec. 5042. The Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; DC Official Code § 42-3501.01 *et seq.*) is amended as follows:

(a) Section 103 (~~D.C. Law 6-10~~; D.C. Official Code § 42-3501.03) is amended to ~~add~~ by adding a new paragraph (13A) to read as follows:

“(13A) “Home and community-based services waiver provider” means an entity that ~~is enrolled to~~ provides residential habilitation or supported living services under the Medicaid Home and Community-Based Services Waiver for Persons with Intellectual and Developmental Disabilities ~~as approved under~~ program authorized by section 1915(c) of the Social Security Act, approved August 13, 1981 (95 Stat. 809; 42 U.S.C. § 1396n).”.

(b) Section 205(a)(1) (~~D.C. Law 6-10~~; D.C. Official Code § 42-3502.05(a)(1)) is amended by ~~adding the phrase “or any unit rented by a home and community-based services waiver provider and occupied by a tenant with a disability or co-leased by a home and community based services provider and a tenant with a disability” at the end of~~

~~the sentence striking the phrase “subchapter III;” and inserting the phrase “subchapter III or any unit rented by a home and community-based services waiver provider and occupied by a tenant with a disability without regard to income but otherwise as defined in section 206(f), or co-leased by a home and community-based services waiver provider and occupied by a tenant with a disability without regard to income but otherwise as defined in section 206(f);” in its place.”.~~

(c) Section 208(h)(2) (D.C. Official Code § 42-3502.08(h)(2)) is amended by striking the phrase “elderly or disabled tenant” and inserting the phrase “elderly or disabled tenant, including a unit leased or co-leased by a home and community-based services waiver provider” in its place.

9. TITLE V. SUBTITLE F. COMMISSION ON HEALTH EQUITY AMENDMENT ACT 2016

a. Purpose, Effect, and Impact on Existing Law

This subtitle repeals the Commission on Health Equities Establishment Act of 2014, effective March 10, 2015, and establishes a Commission on Health Equity which will be tasked with recommending ways to address health inequities in the District. The Commission will consist of nine voting members, six of whom will be appointed by the Mayor and three of whom will be appointed by the Council of the District of Columbia. The Commission will work closely with the Department of Health’s Office of Health Equity to identify and address health inequities in the District.

b. Committee Reasoning

The Committee recommends adopting this subtitle is necessary to reflect the title change of the Commission on Health Disparities to the Commission on Health Equity. This is necessary to align the title of the Commission to that of its parent office, the Office on Health Equity.

c. Section-by-Section Analysis

Sec. 5051. States the Short title

Sec. 5052. Repeals The Commission on Health Disparities Establishment Act of 2014 (D.C. Official Code § 7-755.01 *et seq.*)

Sec. 5053. (a) Establishes the Commission on Health Equity within the Department of Health
(b) Outlines the appointment process of 9 voting members of the Commission
(c) Outlines the inclusion of 6 nonvoting members of the Commission

Sec. 5054. States the functions and duties of the Commission

Sec. 5055. States the procedures and powers of the Commission

Sec. 5056. Creates a special Fund to be administered by the Commission

d. Legislative Recommendations for Committee of the Whole

The Committee recommends approval of this proposed subtitle with the following changes:

TITLE V. SUBTITLE F. Commission on Health Equity Amendment Act 2016

Sec. 5051. Short Title.

This title may be cited as the “Commission on Health Equity Amendment Act of 2016”.

Sec. 5052. ~~Sections 2 through 4 of the Commission on Health Disparities Establishment Act of 2014, effective March 10, 2015 (D.C. Law 20-192; D.C. Official Code §§ 7-755.01 – 7-755.04) are amended to read as follows: The Commission on Health Disparities Establishment Act of 2014, effective March 10, 2015 (D.C. Law 20-192; D.C. Official Code § 7-755.01 *et seq.*), is repealed.~~

~~“Sec. 2- 5053. Establishment of the Commission on Health Equity.~~

(a) There is established a Commission on Health Equity ("Commission") to prepare, through the Department of Health’s Office of Health Equity, comprehensive recommendations to the Department of Health, the Council, and the Mayor that examine

and address health inequities across the District and differing opportunities for health by demographic subpopulations and geographic areas, ~~to include~~ including in each election ward of the District.

(b) The Commission shall have 9 voting members, who shall be appointed as follows:

(1)(A) Six voting members shall be appointed by the Mayor with the advice and consent of the Council, in accordance with section 2(f) of the Confirmation Act of 1978, effective March 3, 1979 (D.C. Law 2-142; D.C. Official Code § 1-523.01(f)).

(B) The Mayor's initial 6 appointments shall include 3 members appointed to 3-year terms and 3 members appointed to 2-year terms. All subsequent appointments by the Mayor shall be for 3-year terms.

(2)(A) Three voting members shall be appointed by the Council.

(B) The Council's initial 3 appointments shall be for 1-year terms. All subsequent appointments by the Council shall be for 3-year terms.

(3) Each voting member shall have expertise in at least one of the following areas:

(A) Health equity, social determinants, and health disparities;

(B) Social and human services and vulnerable populations;

(C) Early learning and education;

(D) Minority communities and population health outcomes and improvement;

(E) Economic and community development; and

(F) Ecology and the natural and built environment.

(4) The Mayor shall appoint the Chairperson of the Commission from among its voting members.

(c)(1) The Commission shall include the following nonvoting advisory members:

(A) The Chairperson of the Committee on Health and Human Services, who shall serve as an ex-officio member;

(B) Three community advisory members, one each from Wards 5, 7, and 8, appointed by the Council;

(C) One patient organization representative, appointed by the voting members of the Commission; and

(D) The presidents or chief executive officers of 2 District hospitals and a representative from an insurance company who have access to health outcomes databases, or their designees.

(2) For the purposes of this subsection, the term "patient organization representative" means an individual who works for a national or local healthcare or health promotion organization.

(d) All vacancies on the Commission shall be filled in the same manner in which the initial appointment is made.

(e) All members of the Commission shall be appointed within one year after the effective date of this ~~act~~ subtitle.

Sec. ~~3~~. 5054. Commission duties and functions.

(a) The Commission shall advise the Department of Health's Office of Health Equity on:

(1) The development of a baseline assessment of health equity across the District, and differing opportunities for health by demographic subpopulations and geographic areas, ~~to include~~ including in each election ward of the District.

(2) The application of innovative data collection and dissemination strategies, to augment the use of evidence-based methods, tools and practices within a community-based participatory research (CBPR) framework; and

(3) Strengthening collaborative partnerships with communities impacted by health inequities to identify and promote health equity strategies.

(b) The Commission shall:

(1) Gather information from public hearings, inquires, and studies to understand how the District government may work to eliminate health disparities;

(2) Seek federal grants, if available; and

(3) Submit a formal city action plan by March 1st of each year to the Department of Health, the Mayor, and the Council.

(c) The formal city action plan required by subsection (b)(6) of this section shall be a public document and shall include, at a minimum:

(1) A report of the Commission's findings regarding:

(A) Health equity across the District, and differing opportunities for health by demographic subpopulations and geographic areas, ~~to include~~ including in each election ward of the District;

(B) The identification of health indicators studied that highlight the

election ward and populations ~~and~~ or neighborhoods most affected, possible steps that can be taken by the District government to remedy these issues, and expected outcomes that will result from taking the recommended steps; and

(2) Draft legislation, regulations, amendments to statutes or regulations, or any other specific steps for implementing the recommendations described in paragraph (1) of this subsection.

Sec. 4. 5055. Commission procedure and powers.

(a) The Commission shall meet at least once a quarter to share findings regarding the prevalence and severity of health disparities that exist in each election ward.

(b) The Chairperson of the Commission, or his or her designee, who must be a member of the Commission, shall convene all Commission meetings.

(c) A majority of the voting members appointed to the Commission at any given time shall constitute a quorum for the transaction of official business. Official actions of the Commission shall be taken by a majority vote of the voting members present at the meeting.

(d) The Commission may use space and supplies owned or rented by the District government and use staff loaned from the Council or detailed by the Mayor for purposes consistent with this act as the Commission may determine.”.

Sec. 5056. Commission on Health Equities Fund.

(a) There is established as a special fund the Commission on Health Equities Fund ("Fund").

which shall be administered by the Commission in accordance with subsections (b) and

(c) of this section.

(b) Revenue from the following sources shall be deposited into the Fund:

(1) Appropriations;

(2) Private gifts or donations; and

(3) Federal grants, when awarded.

(c) Money in the Fund shall be used to fulfill the functions and duties of the Commission, as set forth in section 5054.

(d)(1) The money deposited into the Fund, and interest earned, 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.

(2) Subject to authorization in an approved budget and financial plan, any funds appropriated in the Fund shall be continually available without regard to fiscal year limitation.

Sec. ~~5053~~: 5057. Section 2(f)(53) of the of the Confirmation Act of 1978, effective March 3, 1979 (D.C. Law 2-142; D.C. Official Code § 1-523.01(f)(53)) is amended to read as follows:

“(53) The Commission on Health Equity.”.

10. TITLE V. SUBTITLE G. TEEN PREGNANCY PREVENTION FUND AMENDMENT ACT 2016

a. Purpose, Effect, and Impact on Existing Law

This subtitle transfers the responsibility of administering the Teen Pregnancy Prevention Fund from the D.C. Campaign to Prevent Teen Pregnancy to the Department

of Health, which will be responsible for granting money to mon-profits that work to prevent teen pregnancy.

b. Committee Reasoning

The Committee recommends approval of this subtitle, so long as it is amended to allow the Department of Health to serve as the grant-managing entity for Fiscal Year 2017 only. During next year's budget process, DOH's performance can be reviewed and it can then be decided if the agency should continue to be the grant-managing entity. Conversations between the agency and the committee regarding this matter revealed the director's desire to see a greater focus on evidence-based organizations and providing larger sums of money to fewer organizations to create a deeper impact.

c. Section-by-Section Analysis

Sec. 5061. States the Short title

Sec. 5062. Amends the Teen Pregnancy Prevention Fund Establishment Act of 2014, effective February 26, 2015 (D.C. Law 20-155; D.C. Official Code § 1-325.321 *et seq.*) to authorize the Department of Health to be the grant-managing entity for Fiscal Year 2017. This section also outlines how the Department of Health shall issue grants.

d. Legislative Recommendations for Committee of the Whole

The Committee recommends approval of this proposed subtitle with the following changes:

**TITLE V. SUBTITLE G. TEEN PREGNANCY PREVENTION FUND
AMENDMENT ACT 2016**

Sec. 5061. Short Title.

This title may be cited as the "Teen Pregnancy Prevention Fund Amendment Act of 2016".

Sec. 5062.—~~Sections 5142 through 5147 of the Fiscal Year 2015 Budget Support Act of 2014~~ The Teen Pregnancy Prevention Fund Establishment Act of 2014, effective February 26, 2015, (D.C. Law 20-155; D.C. Official Code § 1-325.321 *et seq.*) is amended ~~to read~~ as follows:

(a) Section 5142(2) (D.C. Official Code § 1-325.321(2)) is amended by striking the phrase “the DC Campaign for Teen Pregnancy, as authorized by section 5146” and inserting the phrase “, for Fiscal Year 2017, the Department of Health, as authorized by section 5146” in its place.

(b) Section 5143 (D.C. Official Code § 1-325.322) is amended as follows:

(1) Subsections (b), (c), and (d) are amended to read as follows:

“(b) Grants from the Fund shall be awarded by the Department of Health to nonprofit organizations for the purpose of implementing the following types of programs consistent with an evidence-based, community-wide teen pregnancy prevention model:

“(1) Health services for teens;

“(2) Reproductive health education;

“(3) Professional development and training;

“(4) Research and policy development related to teen pregnancy; and

“(5) Public education and awareness on teen pregnancy.

“(c) Grants from the Fund shall be awarded, subject to the availability of funding, as follows:

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

“(2) The grant funds shall be used exclusively to serve District of Columbia residents; and

“(3) All grants shall be subject to District transparency requirements, such As Freedom of Information Act requests.

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

(2) Subsection (e) is repealed.

(c) Section 5144. Required information before approval. (D.C. Official Code § 1-325.323) is amended as follows:

(1) Strike the word “subgrant” wherever it appears and insert the word “grant” in its place.

(2) Strike the word “subgrantee” wherever it appears and insert the word “grantee” in its place.

(d) Section 5145 (D.C. Official Code § 1-325.324) is amended as follows:

(1) Strike the phrase “December 1, 2014” and insert the phrase “December 1, 2017” in its place.

(2) Strike the word “bimonthly” and insert the word “semi-annual” in its place.

(3) Strike the word “subgrantee” wherever it appears and insert the word “grantee” in its place.

(4) Strike the word “subgrant” wherever it appears and insert the word “grant” in its place.

(e) Section 5146 (D.C. Official Code § 1-325.325) is amended to read as follows:

“Sec. 5146. Authorization for grant-managing entity.

“For Fiscal Year 2017, the Department of Health is designated as the grant-managing entity.”.

(f) Section 5147 (D.C. Official Code § 1-325.326) is amended as follows:

(a) Subsection (a) is amended by striking the word “subpgrants” and inserting the word “grants” in its place.

(b) Subsection (b) is repealed.

~~Sec. 5042. Definitions.~~

~~For the purposes of this subtitle, the term:~~

~~(1) “Fund” means the Teen Pregnancy Prevention Fund established in section 5143.~~

~~(2) “Grant managing entity” means the Department of Health, as authorized by section 5146.~~

~~Sec. 5143. Teen Pregnancy Prevention Fund.~~

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

~~(b) The Fund is designed to provide grants to nonprofit organizations to implement programs consistent with an evidence-based, community-wide teen pregnancy prevention model including but not limited to health services for teens, reproductive health education, professional development and training, research and policy development, and public education and awareness. Grant awards from the Fund shall be made by the Department of Health for the purposes identified in subsection (c) of this section.~~

~~(a) To be eligible to receive a grant from the grant managing entity pursuant to section 5143, a grantee shall submit the following required documentation to the grant-~~

~~managing entity, as well as any additional information required by the grant managing entity:~~

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

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

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

~~(i) Existing assets and liabilities;~~

~~(ii) Pending lawsuits, if any; and~~

~~(iii) Pending and final judgments, if any;~~

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

~~(4) A notarized statement from the grantee certifying that:~~

~~(A) The organization is current on District and federal taxes;~~

~~(B) The grant managing entity is authorized to verify the organization's tax status with the Office of Tax and Revenue and the Office of Tax and Revenue is authorized to release this information to the grant managing entity;~~

~~(C) The grant managing entity shall have access to the grantee's financial, administrative, and operational records, including specific consent for~~

~~the grant managing entity to access its books, accounts, records, findings, and documents related to the grant; and~~

~~(D) The grantee is registered with the Department of Consumer and Regulatory Affairs;~~

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

~~(A) Scope of work; and~~

~~(B) Budget that describes how the grant funds shall be spent; and~~

~~(6) Any other document specified by the Department of Health in a request for grant submissions~~

~~Sec. 5066. Reporting requirements.~~

~~Beginning December 1, 2017, the grant managing entity shall submit a semi-annual report to the Council of all District funds allocated, which includes:~~

~~(1) Detailed grantee data;~~

~~(2) Performance measures and performance outcomes under each grant;~~

~~(3) The specific services provided under each grant;~~

~~(4) The entity providing the services, if one other than the grantee;~~

~~(5) The time period of delivery of the services;~~

~~(6) The type of service provided;~~

~~(7) The actual amount paid for the services; and~~

~~(8) The amount of other expenditures under the grant, if any.~~

~~Sec. 5067. Authorization for grant managing entity.~~

~~For Fiscal Year 2017 and each fiscal year thereafter, the Department of Health is designated as the grant managing entity.~~

~~Sec. 5068. Limitation on duplicative projects.~~

~~The grant managing entity shall take steps to avoid awarding grants to a nonprofit that has been awarded or is being awarded funds for the same or similar program purposes for which it is applying for funding from the Fund.~~

11. TITLE V. SUBTITLE H. MEDICAID HOSPITAL OUTPATIENT SUPPLEMENTAL PAYMENT ACT OF 2016

a. Purpose, Effect, and Impact on Existing Law

This subtitle extends for another year the District's tax on hospitals' outpatient gross patient revenue. Originally, the tax was set to expire on September 30, 2016. This subtitle extends the tax to September 30, 2017. The money from the tax will go into the Hospital Provider Fee Fund, which will be used by the Department of Health Care Finance to give supplemental Medicaid payments to hospitals for outpatient services. While the tax will sunset on September 30, 2017, any remaining funds will remain in the Hospital Provider Fee Fund for future use and will not revert back to the local fund. It should be noted that Psychiatric hospitals run by the District are exempt from the tax. The tax will be set at a rate that allows the District to pay hospitals the maximum allowable amount for outpatient services for Medicaid recipients. The tax will also be set so that it provides \$150,000 to the Department of Health Care Finance to cover the costs of managing the Fund.

b. Committee Reasoning

The Committee recommends approval of this proposed subtitle as they allow the hospitals to maintain the previous rate at which hospitals are reimbursed for Medicaid services. The \$6.7 million in local funds from this tax allow the city to collect \$15.3 million dollars in matching federal Medicaid dollars.

c. Section-by-Section Analysis

Sec. 5071. States the Short title

Sec. 5072. Provides definitions for "Department," "Hospital," "Hospital System," "Medicaid," and "Outpatient Gross Patient Revenue."

Sec. 5073. Establishes a special hospital provider fee fund in which the proceeds of the outpatient provider fee will be deposited.

Sec. 5074. Allows the District to charge a fee at a uniform rate, equal to the non-federal share of the available spending room in the Medicaid upper payment limit, on each hospital's outpatient gross revenue; Provides the Department with

\$150,000 for administrative expenses related to the program; and excludes state run psychiatric facilities from the program.

Sec. 5075. Delays the payment of the provider fee until the Centers for Medicare and Medicaid Services (CMS) approves any necessary waiver or state plan amendments; voids the provider fee if the District lowers reimbursement rates or if CMS determines that the provider fee is an impermissible tax.

Sec. 5076. Sets forth the formula for determining each hospital's outpatient access payments.

Sec. 5077. Provides for the collection of the outpatient provider fee on a quarterly basis by the Office of the Chief Financial Officer.

Sec. 5078. Provides for the process of treating hospital systems in relation to the outpatient provider fee; sets forth the process of treating hospitals that close or merge under the outpatient provider fee.

Sec. 5079. Allows the Mayor to issue rules necessary to execute the subtitle.

Sec. 5080. Sunsets the legislation on September 30, 2017.

d. Legislative Recommendations for Committee of the Whole

The Committee recommends approval of this proposed subtitle:

TITLE V. SUBTITLE H. MEDICAID HOSPITAL OUTPATIENT SUPPLEMENTAL PAYMENT ACT OF 2016

Sec. 5071. Short title.

This subtitle may be cited as the "Medicaid Hospital Outpatient Supplemental Payment Act of 2016".

Sec. 5072. Definitions.

For the purposes of this subtitle, the term:

(1) "Department" means the Department of Health Care Finance.

(2) "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 any hospital operated by the federal government.

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

(4) “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.

(5) “Outpatient gross patient revenue” means the amount calculated in accordance with generally accepted accounting principles for hospitals that is reported as the sum of Lines 18 and 19; Column 2; Worksheet G-2 of the Hospital and Hospital Health Care Complex Cost Report (Form CMS 2552-10), filed for the period ending between October 1, 2013, and September 30, 2014.

Sec. 5073. Hospital Provider Fee Fund.

(a) There is established as a special fund the Hospital Provider Fee Fund ("Fund"), which shall be administered by the Department in accordance with subsections (c) and (d) of this section.

(b) Revenue from the following sources shall be deposited in the Fund:

(1) Fees collected under this subtitle; and

(2) Interest and penalties collected under this subtitle.

(c) Money in the Fund may only be used for the following purposes:

(1) Making Medicaid outpatient hospital access payments to hospitals as required under section 5076;

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

(3) Providing refunds to hospitals pursuant to section 5075.

(d) Money in the Fund may not be used to replace money appropriated to the Medicaid program.

(e)(1) The money deposited into the Fund, and interest earned, 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.

(2) Subject to authorization in an approved budget and financial plan, any funds appropriated in the Fund shall be continually available without regard to fiscal year limitation.
Sec. 5074. Hospital provider fee.

(a) Beginning October 1, 2016, and subject to section 5075, the District may charge each hospital a fee based on its outpatient gross patient revenue. The fee shall be charged 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 Year (“DFY”) 2017 consistent with the federal approval of the authorizing Medicaid State Plan amendment; plus

(2) An amount equal to the non-federal share of the total available spending room under the Medicaid upper payment limit for District operated hospitals applicable to DFY

2017 consistent with the federal approval of the authorizing Medicaid State Plan amendment;
plus

(3) An amount equal to the Department's administrative expenses as described in section 5073(c)(2).

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

Sec. 5075. Applicability of fees.

(a) The fee imposed by section 5074 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 5076.

(b) The fee imposed by section 5074 shall cease to be imposed, and any moneys remaining in the Fund shall be refunded to hospitals 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 to payment rates that are in effect on October 1, 2014; or

(2) The payments to hospitals required under section 5076 are modified in any way other than to secure federal approval of such payments as described in section 5076 or are not eligible for federal matching funds under section 1903(w) of the Social Security Act, approved July 30, 1965 (70 Stat. 349; 42 U.S.C. §1396b(w)) (“Social Security Act”).

(c) The fee imposed by section 5074 shall not take effect or shall cease to be imposed if the fee is determined to be an impermissible tax under section 1903(w)(3)(B) of the Social Security Act by the Centers for Medicare and Medicaid Services.

(d) Should the fee imposed by section 5074 not take effect or cease to be imposed, moneys in the Fund derived from the imposed fee shall be disbursed in accordance with section 5076 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 fee is impermissible, any remaining moneys shall be refunded to hospitals in proportion to the amounts paid by them.

Sec. 5076. Medicaid outpatient hospital access payments.

(a)(1) For visits and services beginning October 1, 2016, quarterly Medicaid outpatient hospital access payments shall be made to each private hospital.

(2) Each payment will be equal to the hospital's DFY 2014 outpatient Medicaid payments divided by the total in District private hospital DFY 2014 outpatient Medicaid payments multiplied by 1/4 of the total outpatient private hospital access payment pool.

(3) 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 DFY 2017.

(c)(1) For visits and services beginning October 1, 2016, outpatient hospital access payments shall be made to the United Medical Center.

(2) Each payment will be equal to one quarter of the total outpatient public hospital access payment pool.

(3) The total outpatient public hospital access payment pool is equal to the total available spending room under the District-operated hospital outpatient Medicaid upper payment limit for DFY 2017.

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

(e) 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 subtitle.

(f) The Medicaid payment methodologies authorized under this subtitle 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. 5077. Quarterly notice and collection.

(a) The fee imposed under section 5074, which shall be calculated, due, and payable on a quarterly basis, shall be due and payable by the 15th of the last month of each DFY quarter; provided, that the fee shall not be due and payable until:

(1) The District issues written notice that the payment methodologies for payments to hospitals required under section 5076 have been approved by the federal Centers for Medicare and Medicaid Services; and

(2) The District issues written notice to the hospital informing the hospital of its fee rate, outpatient gross patient revenue subject to the fee, and the fee amount owed on a quarterly basis, including, in the initial written notice from the District to the hospital, all fee

amounts owed beginning with the period commencing on October 1, 2016, to ensure all applicable fee obligations have been identified.

(b)(1) If a hospital fails to pay the full amount of the fee in accordance with this subtitle, 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.

(2) The Chief Financial Officer may arrange a payment plan for the amount of the fee and interest in arrears.

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

Sec. 5078. 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 hospital system shall pay the fee for each hospital separately.

(b)(1) Notwithstanding any other provision in this subtitle, if a hospital system or person ceases to conduct, operate, or maintain a hospital that is subject to a fee under section 5074, as evidenced by the transfer or surrender of the hospital license, the fee for the DFY in which the cessation occurs shall be adjusted by multiplying the fee computed under section 5074 by a fraction, the numerator of which is the number of days in the year during which the hospital system or person conducted, operated, or maintained the hospital, and the denominator of which is 365.

(2) Immediately upon ceasing to conduct, operate, or maintain a hospital, the hospital system or person shall pay the fee for the year as so adjusted, to the extent not previously paid.

(c) Notwithstanding any other provision in this subtitle, a hospital system or person who conducts, operates, or maintains a hospital, upon notice by the Department, shall pay the fee computed under section 5074 and subsection (a) of this section in installments on the due date stated in the notice and on the regular installment due dates for the DFY occurring after the due dates of the initial notice.

Sec. 5079. Rules.

The Mayor, pursuant to Title I of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat.1204; D.C. Official Code §2-501 et seq.), may issue rules to implement the provisions of this subtitle.

Sec. 5080. Sunset.

This subtitle shall expire on September 30, 2017.

12. TITLE V. SUBTITLE I. MEDICAID HOSPITAL INPATIENT SUPPLEMENTAL PAYMENT ACT OF 2016

a. Purpose, Effect, and Impact on Existing Law

This subtitle extends for another year the District's tax on hospitals' outpatient gross patient revenue. Originally, the tax was set to expire on September 30, 2016. This subtitle extends the tax to September 30, 2017. The money from the tax will go into the Hospital Provider Fee Fund, which will be used by the Department of Health Care Finance to give supplemental Medicaid payments to hospitals for inpatient services (both fee-for-service and managed care operations). While the tax will sunset on September 30, 2017, any remaining funds will remain in the Hospital Provider Fee Fund for future use and will not revert back to the local fund. The tax will be set at a rate that allows the District to reimburse hospitals for 98 percent of their inpatient hospitals for only 86 percent of their inpatient costs. Specialty hospitals will be excluded from the tax. In order to exclude these hospitals, the Department of Health Care Finance will need to get a waiver from the Center for Medicare and Medicaid Services (CMS). The Department of Health Care Finance believes the waiver will be approved, but will need to extend the tax to all hospitals if the waiver is not approved by CMS.

b. Committee Reasoning

The Committee recommends approval of this proposed subtitle as they allow the hospitals to maintain the previous rate at which hospitals are reimbursed for Medicaid

services. The \$10.4 million in local funds from this tax allow the city to collect over \$24 million dollars in matching federal Medicaid dollars.

c. Section-by-Section Analysis

Sec. 5081. States the Short title

Sec. 5082. Provides definitions for “Department,” “Hospital,” “Hospital system,” “Inpatient net patient revenue,” and “Medicaid.”

Sec. 5083. Establishes a special hospital fund in which the proceeds of the inpatient provider fee will be deposited.

Sec. 5084. Allows the District to charge a fee at a uniform rate on each hospital’s inpatient net patient revenue to raise \$10.4 million; Provides that \$1.4 million be used to support Managed Care Organization rates; and exempts state run psychiatric facilities from the provider fee.

Sec. 5085. Provides for the collection of the inpatient provider fee on a quarterly basis by the Office of the Chief Financial Officer.

Sec. 5086. Provides for the process of treating hospital systems in relation to the inpatient provider fee; sets forth the process of treating hospitals that close or merge under the inpatient provider fee.

Sec. 5087. Provides for the termination of the inpatient provider fee if the Federal government determines the inpatient provider fee is impermissible; and provides for the uniform taxation of hospitals if exemptions are determined impermissible under federal regulations.

Sec. 5088. Allows the Mayor to issue rules necessary for the implementation of the inpatient provider fee.

Sec. 5089. Sunsets the legislation on September 30, 2017.

d. Legislative Recommendations for Committee of the Whole

The Committee recommends approval of this proposed subtitle with the following technical changes:

TITLE V. SUBTITLE I. MEDICAID HOSPITAL INPATIENT SUPPLEMENTAL PAYMENT ACT OF 2016

Sec. 5081. Short title.

This subtitle may be cited as the "Medicaid Hospital Inpatient Rate Supplement Act of 2016".

Sec. 5082. Definitions.

For the purposes of this subtitle, the term:

(1) "Department" means the Department of Health Care Finance.

(2) "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 any hospital operated by the federal government and any specialty hospital, as defined by the District of Columbia's Medicaid State Plan ("State Plan"), or a hospital that is reimbursed under a specialty hospital reimbursement methodology under the State Plan.

(3) "Hospital system" means any group of hospitals licensed separately but operated, owned, or maintained by a common entity.

(4) "Inpatient net patient revenue" means the amount calculated in accordance with generally accepted accounting principles for hospitals as derived from each hospital's filed Hospital and Hospital Health Care Complex Cost Report (Form CMS-2552-10), filed for the period ending between October 1, 2013, and September 30, 2014, using the references below:

(A) The sum of: Worksheet G-2; Column 1; Lines 1, 2, 3, 4, 16 and 18:

(B) Minus: The ratio of the sum of Worksheet G-2; Column 1; Lines 5, 6, and 7 divided by Worksheet G-2; Column 1; Line 17 multiplied by Worksheet G-2; Column 1; Line 18:

(C) Divided by: Worksheet G-2; Column 3; Line 28

(D) Multiplied by: Worksheet G-2; Column 1; Line 3

(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.*) (“Social Security Act”), 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.

Sec. 5083. Hospital Fund.

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

(b) Revenue from the following sources shall be deposited in the Fund:

- (1) Fees collected under this subtitle;
- (2) Interest and penalties collected under this subtitle; and
- (3) Other amounts collected under this subtitle.

(c) Money in the Fund shall be used solely as set forth in section 5084 (a)(2) of this subtitle.

(d)(1) ~~The money deposited~~ Money in the Fund, and interest earned, 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.

(2) Subject to authorization in an approved budget and financial plan, any funds appropriated in the Fund shall be continually available without regard to fiscal year limitation; provided, that any remaining money in the Fund at the end of each fiscal year shall be refunded to hospitals in proportion to the amounts paid by them.

Sec. 5084. Hospital provider fee.

(a)(1) Beginning October 1, 2016, and except as provided in subsection (b) of this section and section 5087, the District, through the Office of Tax and Revenue, may charge each hospital a fee based on its inpatient net patient revenue.

(2) The fee shall be charged at a uniform rate necessary to generate no more than \$10.4 million. Of this amount, \$1.4 million may be used to support the Medicaid Managed Care Organization rates for inpatient hospitalization. The remaining amount shall be used to support the maintenance of inpatient Medicaid Fee-for-Service rates at the District Fiscal Year (“DFY”) 2015 level of 98% of cost to non-specialty hospitals.

(3) The fee collected pursuant to this section shall be deposited in the Hospital Fund, established by section 5083.

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

(c) If necessary, by August 1, 2016, the Department shall submit a provider tax waiver application to the Center for Medicare and Medicaid Services to ensure the provisions of this subtitle qualify as a broad-based health care related tax, as that term is defined in section 1903(w)(3)(B) of the Social Security Act.

Sec. 5085. Quarterly notice and collection.

(a) The fee imposed under section 5084 shall be due and payable by the 15th of the last month of each DFY quarter.

(b) The fee imposed under section 5084 shall be calculated, due, and payable on a quarterly basis, but shall not be due and payable until the District issues written notice to each

hospital informing the hospital of its fee rate, inpatient net patient revenue subject to the fee, and the fee amount owed on a quarterly basis, including, in the initial written notice from the District to the hospital, all fee amounts owed beginning with the period October 1, 2016, to ensure all applicable fee obligations have been identified.

(c)(1) If a hospital fails to pay the full amount of its fee by the date required, 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.

(2) The Chief Financial Officer may arrange a payment plan for the amount of the fee and interest in arrears.

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

Sec. 5086. 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 hospital system shall pay the fee for each hospital separately.

(b)(1) Notwithstanding section 5084, if a hospital system or person that is subject to a fee under section 5084 ceases to conduct, operate, or maintain a hospital, as evidenced by the transfer or surrender of a hospital license, the fee for the DFY in which the cessation occurs shall be adjusted by multiplying the fee computed under section 5084 by a fraction, the numerator of which is the number of days in the year during which the hospital system or person conducts, operates, or maintains the hospital and the denominator of which is 365.

(2) Immediately upon ceasing to conduct, operate, or maintain a hospital, the hospital system or person shall pay the fee for the year as so adjusted, to the extent not previously paid.

(c) Notwithstanding any other provision of this subtitle, a hospital system or person who conducts, operates, or maintains a hospital, upon notice by the Department, shall pay the fee required under 5084 in accordance with subsection (a) of this section on the due date stated in the notice and on the regular installment due dates for the DFY occurring after the due date of the initial notice.

Sec. 5087. Federal determinations; suspension and termination of assessment.

(a) If the Centers for Medicare and Medicaid Services determines that an assessment imposed on a hospital pursuant to this subtitle does not satisfy the requirements for federal financial participation set forth in section 1903(w) of the Social Security Act that determination shall not affect the validity, amount, applicable rate, or any other terms of an assessment on other hospitals imposed by this subtitle.

(b) If the Centers for Medicare and Medicaid Services determines that an exclusion for specialty hospitals under this subtitle would prevent an assessment imposed by this subtitle from qualifying as a broad-based health care related tax, as that term is defined in section 1903(w)(3)(B) of the Social Security Act, the exclusion of specialty hospitals shall not be made.

Sec. 5088. Rules. The Mayor, pursuant to Title I of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 *et seq.*), may issue rules to implement the provisions of this subtitle.

Sec. 5089. Sunset. This subtitle shall expire on September 30, 2017.

13. TITLE V. SUBTITLE J. PROGRAM ON WORK, EMPLOYMENT, AND RESPONSIBILITY AMENDMENT ACT OF 2016

a. Purpose, Effect, and Impact on Existing Law

This subtitle amends the District of Columbia Public Assistance Act of 1982, effective April 6, 1982, to remove for the Program on Work Employment and Responsibility (POWER) for single parents with a baby under 6 months.

b. Committee Reasoning

The Committee recommends approval of this subtitle as the \$2.6 million allocated to extend POWER eligibility to a single parent with a baby under 6 months was used to close a funding gap in the FY 2017 budget.

c. Section-by-Section Analysis

Sec. 5091. Short title.

Sec. 5092. This section repeals POWER eligibility for a single custodial parent or caretaker with a child under 6 months old.

d. Legislative Recommendations for Committee of the Whole

The Committee recommends approval of this proposed subtitle.

TITLE V. SUBTITLE J. PROGRAM ON WORK, EMPLOYMENT, AND RESPONSIBILITY AMENDMENT ACT OF 2016

Sec. 5091. Short title.

This subtitle may be cited as the “Program on Work, Employment, and Responsibility Amendment Act of 2016”.

Sec. 5092. The District of Columbia Public Assistance Act of 1982, effective April 6, 1982 (D.C. Law 4-101; D.C. Official Code § 4-201.01 *et seq.*), is amended as follows:

(a) Section 572(a) (D.C. Official Code § 4-205.72(a)) is amended by striking the phrase “and sections 573” and inserting the phrase “and sections 572a” in its place.

(b) Section 572a (D.C. Official Code § 4-205.72a) is amended as follows:

(1) Subsection (a)(1A) is repealed.

B. RECOMMENDATIONS FOR NEW BUDGET SUPPORT ACT SUBTITLES

The Committee on Health and Human Services recommends the following new subtitles to be added to the “Fiscal Year 2017 Budget Support Act of 2016”:

1. Supporting Normalcy, Empowering Foster Children, and Encouraging Placement with Siblings Amendment Act of 2016
2. Department of Health Functions Clarification Amendment Act of 2016
3. Medical Marijuana Program Fund Establishment Amendment Act of 2016
4. Not-For-Profit Hospital Corporation Certificate of Need Exemption Amendment Act of 2016

1. TITLE V. SUBTITLE XXX. SUPPORTING NORMALCY, EMPOWERING FOSTER CHILDREN, AND ENCOURAGING PLACEMENT WITH SIBLINGS AMENDMENT.

a. Purpose, Effect, and Impact on Existing Law

The purpose of this proposed subtitle is to bring the District into compliance with recent amendments to Title IV-E of the Social Security Act by the Preventing Sex Trafficking and Strengthening Families Act (P.L. 113-183; effective September 29, 2014). The legislation amends D.C. Official Code § 4-1301.02 to empower foster children, age 14 and older, to participate in the development of their case planning and require transition planning to begin at age 14; amends D.C. Official Code §§ 4-1301.02, 4-1303.03(a)(16)(A) and 16-2323(d)(4) to support normalcy for foster children and youth by adopting the “reasonable prudent parenting standard”; amends D.C. Official Code § 4-1303.03 to require that youth receive credit reports beginning at age 14; and amends D.C. Official Code §§ 4-1302.02(3)(F)(ii) and 4-1303.03(a-1)(5) to encourage placements with siblings.

b. Committee Reasoning

The Committee recommends approval of this proposed subtitle. The federal Preventing Sex Trafficking and Strengthening Families Act amended Title IV-E of the Social Security Act to improve the wellbeing of children in the foster care system. Title IV-E is an important source of federal funding for the District’s child welfare programs. For the District to continue being eligible for these funds, it must comply with the new title IV-E requirements. This legislation will ensure that the District is in compliance with the new title IV-E requirements and improve outcomes for foster children.

c. Section-by-Section Analysis

Section 1. Short title.

Section 2. This section amends The Prevention of Child Abuse and Neglect Act of 1977 (D.C. Law 2-22; D.C. Official Code § 4-1301.01 *et seq.*) to encourage the placement of foster children with individuals who would have been considered siblings but for the termination of parental rights or death of a parent by amending the definition of sibling.

This section amends the definition of case plan to require the agency to consult with a foster child 14 years of age and older in the development or revision of his or her case plan and allow the child to select two members of the case planning team. Case planning for foster children 14 years of age and older shall also include transition planning.

This section also adds the definition of “reasonable prudent parent standard” and requires foster parents and group homes to use this standard when determining whether a foster child should participate in extracurricular, enrichment, cultural and social activities. It also addresses the agency or caretakers’ liability resulting from the application or failure to apply the standard.

This section requires that a foster child receive a credit report on an annual basis beginning at 14 years of age.

Section 3. This section amends D.C. Official Code § 16-2323(d)(4) to require the agency to report the steps taken to ensure the application of the reasonable prudent parent standard for a child a placed in another planned permanent living arrangement and that the child has had opportunities to engage in age-appropriate or developmentally appropriate activities.

d. Legislative Recommendations for Committee of the Whole

TITLE V. SUBTITLE XXX. SUPPORTING NORMALCY, EMPOWERING FOSTER CHILDREN, AND ENCOURAGING PLACEMENT WITH SIBLINGS AMENDMENT.

Sec. 1. Short title

This subtitle may be cited as the “Supporting Normalcy, Empowering Foster Children, and Encouraging Placement with Siblings Amendment Act of 2016”.

Sec. 2. The Prevention of Child Abuse and Neglect Act of 1977, effective September 23, 1977 (D.C. Law 2-22; D.C. Official Code § 4-1301.01 *et seq.*), is amended as follows:

“(a) Section 102 (D.C. Official Code § 4-1301.02) is amended as follows:

“(1) Paragraph (3) is amended as follows:

“(A) Subparagraph (B) is amended by striking the phrase “under the plan;” and inserting the phrase “under the plan. With respect to a child who has attained 14 years of age, the plan, and any revision or addition to the plan, shall be developed in consultation with the child and, at the option of the child, with up to 2 members of the case planning team who are chosen by the child and who are not a foster parent of, or caseworker for, the child. The agency may reject an individual selected by a child to be a member of the case planning team at any time if the agency has good cause to believe that the individual would not act in the best interests of the child. One individual selected by a child to be a member of the child's case planning team may be designated to be the child's advisor and, as necessary, advocate, with respect to the application of the reasonable and prudent parent standard to the child.” in its place.

“(B) Subparagraph (D) is amended by striking the phrase “16 years of age” and inserting the phrase “14 years of age” in its place.

“(C) Subparagraph (F)(ii) is amended by striking the phrase "separation of siblings" and inserting the phrase "separation of siblings, including

individuals who would have been considered siblings of the child but for the termination of parental rights or death of a parent," in its place.

“(2) A new paragraph (16A) is added to read as follows:

“(16A) “Reasonable and prudent parent standard” means the standard characterized by careful and sensible parental decisions that maintain the health, safety, and best interests of a child while at the same time encouraging the emotional and developmental growth of the child, that should be used when determining whether to allow a child to participate in extracurricular, enrichment, cultural, and social activities.”.

“(b) Section 303(a)(16)(A) (D.C. Official Code § 4-1303.03(a)(16)(A)) is amended as follows:

“(1) Sub-subparagraph (ii) is amended by striking the phrase “District of Columbia; or” and inserting the phrase “District of Columbia;” in its place.

“(2) Sub-subparagraph (iii) is amended by striking the phrase “terminated.” and inserting the phrase “terminated; or” in its place.

“(3) A new sub-subparagraph (iv) is added to read as follows:

“(iv) The ward reaches 14 years of age and on an annual basis thereafter.”.

“(c) Section 303(a-1)(5) (D.C. Official Code § 4-1303.03(a-1)(5)) is amended by striking the phrase "siblings," and inserting the phrase "siblings, including individuals who would have been considered siblings of the child but for the termination of parental rights or death of a parent," in its place.

“(d) A new section 303f is added to read as follows:

“Sec. 303f. Reasonable and prudent parent standard.

“(a) Foster parents and group homes for children who have been abused or neglected shall use the reasonable and prudent parent standard when determining whether to allow a ward to participate in extracurricular, enrichment, cultural, and social activities.

“(b) The Agency, foster parents, and group homes shall not be held liable for any civil damages resulting from the application of, or the failure to apply, the reasonable and prudent parent standard, except in cases constituting gross negligence.”.

Sec. 3. Section 16-2323(d)(4) of the District of Columbia Official Code is amended as follows:

“(a) Subparagraph (B) is amended by striking the word “and”.

“(b) A new subparagraph (D) is added to read as follows:

“(D) For a child placed in another planned permanent living arrangement, the steps taken by the agency to ensure that the reasonable and prudent parent standard, as defined in section 102(16A) of the Prevention of Child Abuse and Neglect Act of 1977, effective September 23, 1977 (D.C. Law 2-22; D.C. Official Code § 4-1301.02(16A)), has been followed and that the child has opportunities to engage in age-appropriate or developmentally appropriate activities; and”.

2. TITLE V. SUBTITLE XXX. DEPARTMENT OF HEALTH FUNCTIONS CLARIFICATION AMENDMENT ACT OF 2016

a. Purpose, Effect, and Impact on Existing Law

The purpose of this subtitle is to give the Department of Health the authority to issue grants in Fiscal Year 2017 for (1) programs designed to improve food access through mobile, vehicle based farm stands that operate at regularly scheduled stops, provide recipes and cooking demonstrations, and distribute locally produced food to communities in Wards 7 and 8 and food access programs that deliver fresh produce to small retailers and corner

store owners that operate in underserved communities; (2) a Farmers Market Subsidy program aimed at establishing healthy dietary habits, providing incentives for farmers to locate in low-income communities, and reducing chronic illness in District residents by providing monetary assistance for the purchase of fresh fruits and vegetables to those receiving federal assistance; (3) programs designed to support teen peer educators who work to provide sexual health information to youth; and (4) to nonprofit pediatric dental clinics to provide oral health literacy and awareness programming.

b. Committee Reasoning

Providing the Department of Health with this additional grant making ability will allow the city to receive these additional services provided by the programs that qualify.

c. Section-by-Section Analysis

Sec. XX1. Short title.

Sec. XX2. Amends 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) to add subsections (i) and (j) to authorize the Department of Health to issue grants in FY17 for (1) programs designed to improve food access through mobile, vehicle based farm stands that operate at regularly scheduled stops, provide recipes and cooking demonstrations, and distribute locally produced food to communities in underserved communities, and food access programs that deliver fresh produce to small retailers and corner store owners that operate in underserved communities; (2) a Farmers Market Subsidy program aimed at establishing healthy dietary habits, providing incentives for farmers to locate in low-income communities, and reducing chronic illness in District residents by providing monetary assistance for the purchase of fresh fruits and vegetables to those receiving federal assistance; (3) programs designed to support teen peer educators who work to provide sexual health information to youth; and (4) to nonprofit pediatric dental clinics to provide oral health literacy and awareness programming.

d. Legislative Recommendations for Committee of the Whole

Sec. XX1. Short title.

This subtitle may be cited as the “Department of Health Functions Clarification Amendment Act of 2016”.

Sec. XX2. 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 (i) and (j) to read as follows:

“(i)(1) For Fiscal Year 2017, 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:

“(A) Programs designed to improve food access:

(i) Through mobile, vehicle based farm stands that operate at regularly scheduled stops, provide recipes and cooking demonstrations, and distribute locally produced food to communities in underserved communities, not to exceed \$50,000; and

(ii) By delivering fresh produce to small retailers and corner store owners that operate in underserved communities, not to exceed \$250,000; and

“(B) A Farmers Market Subsidy program aimed at establishing healthy dietary habits, providing incentives for farmers to locate in low-income communities, and reducing chronic illness in District residents by providing monetary assistance for the purchase of fresh fruits and vegetables to those receiving federal assistance not to exceed \$1,200,000.

“(C) Programs designed to support teen peer educators who work to provide sexual health information and condoms to youth, not to exceed \$150,000;

“(2) All grants issued pursuant to paragraph (1) of this subsection shall be administered pursuant to the requirements set forth in the Grant Administration Act of

2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 1-328.11 *et seq.*).

"(3) The Department of Health shall submit a quarterly report to the Secretary to the Council on all grants issued pursuant to the authority granted in paragraph (1) of this subsection."

"(j)(1) For Fiscal Year 2017, the Director of the Department of Health shall issue grants totaling \$100,000 to nonprofit pediatric dental clinics to provide oral health literacy and awareness programming.

"(2) All grants issued pursuant to paragraph (1) of this subsection shall be administered pursuant to the requirements set forth in the Grant Administration Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 1-328.11 *et seq.*).

"(3) The Department of Health shall submit a quarterly report to the Secretary Council on all grants issued pursuant to the authority granted in paragraph (1) of this subsection."

3. TITLE V. SUBTITLE XXX. MEDICAL MARIJUANA PROGRAM FUND ESTABLISHMENT AMENDMENT ACT OF 2016

a. Purpose, Effect, and Impact on Existing Law

The purpose of this subtitle proposed by the Committee is to amend Section 11 of the Legalization of Marijuana for Medical Initiative of 1998, effective July 27, 2010 (D.C. law 18-210; D.C. Official Code § 7-1671.10) to create a special fund for the Medical Marijuana program, which shall be administered by the Department of Health.

b. Committee Reasoning

The Committee recommends approval of this proposed subtitle. While fees are currently being collected for the implementation of the Medical Marijuana program, ambiguity exists in the law. This subtitle will clear up that ambiguity to ensure that the

medical marijuana program is able to capture all fees, fines, and interest earned stemming from the administration of the Medical Marijuana Program. Previously it was not clear that fines and interest earned would remain within the program.

c. Section-by-Section Analysis

Section 1. This section states the short title.

Section 2. This section amends Section 11 of the Legalization of Marijuana for Medical Initiative of 1998, effective July 27, 2010 (D.C. Law 18-210; D.C. Official Code § 7-1671.10) to create a special fund for the Medical Marijuana program, which shall be administered by the Department of Health. This section allows annual appropriations, fees, penalties, and fines to be collected by the Fund. This section also states that the money collected by the Fund shall be used to implement the Medical Marijuana program. This section states that money in the Fund shall not be reverted back to the General Fund of the District of Columbia.

d. Legislative Recommendations for Committee of the Whole

TITLE V. SUBTITLE XXX. MEDICAL MARIJUANA PROGRAM FUND

ESTABLISHMENT AMENDMENT ACT OF 2016

Sec. XX1. Short title.

This subtitle may be cited as the “Medical Marijuana Program Fund Establishment Amendment Act of 2016”.

Sec. XX2. Section 11 of the Legalization of Marijuana for Medical Treatment Initiative of 1998, effective July 27, 2010(D.C. Law 18-210; D.C. Official Code § 7-1671.10), is amended to read as follows:

“Sec. 11. Fees and the Medical Marijuana Program Fund.

(a) The Mayor is authorized to establish, by rulemaking, fees for the registration of caregivers, cultivation centers, dispensaries, and qualifying patients and for the inspection and audit of cultivation centers and dispensaries.

“(b) There is established as a special fund the Medical Marijuana Program Fund (“Fund”), which shall be administered by the Department of Health in accordance with subsections (d) and (e) of this section.

“(c) Revenue from the following sources shall be deposited in the Fund:

“(1) Annual appropriations; and

“(2) Fees, penalties, and fines collected pursuant to this act.

“(d) Money in the Fund shall be used for the cost of administering the Medical Marijuana Program.

“(e) Money in the Fund may not be used for any purpose other than that provided in subsection (d) of this section.

“(f)(1) The money deposited into the Fund, and interest earned, 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.”

“(2) Subject to authorization in an approved budget and financial plan, any funds appropriated in the Fund shall be continually available without regard to fiscal year limitation.

4. TITLE V. SUBTITLE XXX. NOT-FOR-PROFIT HOSPITAL CORPORATION CERTIFICATE OF NEED EXEMPTION AMENDMENT ACT OF 2016

a. Purpose, Effect, and Impact on Existing Law

The purpose of this proposed subtitle is to amend Section 8(b) of the Health Services Planning Program Re-establishment Act of 1996, effective April 9, 1997 (D.C. Law 11-191; D.C. Official Code § 44-407(b)) to exempt the Not-For-Profit Hospital Corporation (NFPHC) from being required to obtain a Certificate of Need (CON) to create an ambulatory care clinic in the Bellevue neighborhood of Ward 8. Typically, the creation

of mobile health centers requires a Certificate of Need (CON) granted by the Department of Health's State Health Planning and Development Agency. A CON demonstrates that there is a public need for a particular health service, facility or expenditure. The typical CON process takes at least 60 days.

b. Committee Reasoning

The Board of Directors of the Not-For-Profit Hospital Corporation (NFPHC) adopted a new Strategic Vision and Plan on August 2, 2013, and this Plan was approved by the Mayor and endorsed by the District Council. The Council in that endorsement urged the Board and the Executive to carry out the Plan, including recommendations from Huron Consulting, "swiftly." As part of this Plan, the NFPHC was directed to increase access, on a local basis, to the residents of Wards 7 & 8, patient care services in response to growing disparities of healthcare and health status. Integral to the Plan is the creation of community-based healthcare centers for ambulatory, primary, and urgent care, along with the creation of an integrated system of locally distributed patient care service deliver, including mobile health and nursing services deployed continuously throughout the local Wards, delivering an array of healthcare screenings (such as HIV/AIDS, Diabetes, Pregnancy and high risk pregnancy testing), and immediate access to care and linkage/navigation to care providers. Since 2014, the NFPHC has been attempting to implement its ambulatory care center with limited success. The implementation of this service is key to creating an integrated system and is directly tied to the financial success of the Hospital.

c. Section-by-Section Analysis

Section XX1. States the short title.

Section XX2. Exempts the Not-For-Profit Hospital Corporation from the Certification of Need requirements until September 30, 2017 for the purposes of operating an ambulatory care center in the Bellevue neighborhood of Ward 8.

d. Legislative Recommendations for Committee of the Whole

**TITLE V. SUBTITLE XXX. NOT-FOR-PROFIT HOSPITAL
CORPORATION CERTIFICATE OF NEED EXEMPTION AMENDMENT ACT
OF 2016**

Sec. XX1. Short title.

This subtitle may be cited as the "Not-For-Profit Hospital Corporation Certificate of Need Exemption Amendment Act of 2016".

Sec. XX2. Section 8(b) of the Health Services Planning Program Re-establishment Act of 1996, effective April 9, 1997 (D.C. Law 11-191; D.C. Official Code § 44-407(b)), is amended by adding a new paragraph (14) to read as follows:

“(14) Operation by the Not-For-Profit Hospital Corporation of an ambulatory care clinic in the Bellevue neighborhood of Ward 8. The exemption provided in this paragraph shall expire on September 30, 2017.”.

V. COMMITTEE ACTION AND VOTE

On Wednesday May 4, 2016, at 4:30 p.m. in Room 500 of the John A. Wilson Building, the Committee on Health and Human Services met to consider and vote on the report and recommendations of the Committee on Health and Human Services Fiscal Year 2017 budget for agencies under its purview. Chairperson Yvette Alexander determined the presence of a quorum consisting of herself and Councilmembers Grosso, Cheh, Nadeau, and May.

After ascertaining a quorum, Councilmember Alexander began by summarizing the overall changes in funding from the Mayor's proposed FY17 budget and provided her recommended changes. She started with the Department of Health. After reading her changes, and following with her budget and policy recommendations, she opened the floor for discussion. Councilmember Grosso spoke first and expressed his belief that the Mayor's proposed budget contained underfunding for food services for underserved communities. He thanked the Committee for including additional funding for these services, including Produce Plus, Joyful Markets, and other mobile markets. He also thanked the Committee for transferring funds to the Committee on Education to fund opening day collections of the Capitol View Library. Councilmember Grosso expressed thanks for the Committee's collaboration to increase funding for the ACE and PASS programs. In closing, Councilmember Grosso stated his concern regarding the Homeward DC Strategic Plan.

In her remarks, Councilmember Cheh thanked the Committee for its hard worked and expressed pleasure in her committee's ability to help fund many important health and human services initiatives. She highlighted the increased funding for Joseph's House to support HIV/AIDS housing, which she indicated was vital for ensuring health outcomes for people living with HIV/AIDS. She also thanked the Committee for increasing funding to address food insecurity throughout the District and for housing programs for victims of domestic violence. Councilmember Cheh expressed concerns regarding the low discharge rates from Saint Elizaebth's Hospital as well as concerns related to the dissolution of the Trust. She thanked the Committee for placing the one-year limitation on the Department of Health's authority to manage the grants for the Teen Pregnancy Fund so that we will have data to support this potential permanent shift in responsibility.

Councilmember Nadeau applauded the work of the Committee in addressing the many needs of District residents. She expressed gratitude for increased funding for food access programming as well as increased funding for housing for people living with HIV/AIDS, housing for victims of domestic violence, funding for Safe Shores, and a TANF hardship extension.

Councilmember May expressed thanks to the Committee and echoed many of her colleagues sentiments about the increased funding in a variety of programs. She indicated that residents of Ward 8 are great beneficiaries of the work that comes out of the Committee on Health and Human Services and she acknowledged that managing this money responsibly is of great importance.

After this brief discussion, Councilmember Alexander moved the budget for the Department of Health. The Committee passed this budget unanimously. There was no discussion regarding the Department of Health Care Finance, the Department of Behavioral Health, the Not-for-Profit Hospital Corporation, the Department of Human Services, the Child and Family Services Agency, the Department of Disability Services, the Office of Disability Rights, and the Children and Youth Investment Trust Corporation. They were also accepted unanimously.

After reading the agencies, Councilmember Alexander moved on to the subtitles that the committee recommend be added to the Budget Support Act. After no discussion, the recommended subtitles were accepted unanimously. Finally, Councilmember Alexander then called for a vote on the committee report. The members unanimously voted in favor of the report.

VI. ATTACHMENTS

- A. Department of Behavioral Health Fiscal Year 2017 Budget Oversight Hearing Witness List and Testimony.
- B. Department of Health Fiscal Year 2017 Budget Oversight Hearing Witness List and Testimony.
- C. Health Benefit Exchange Authority Fiscal Year 2017 Budget Oversight Hearing Witness List and Testimony.
- D. Child and Family Services Agency Fiscal Year 2017 Budget Oversight Hearing Witness List and Testimony.
- E. Department of Disability Services Fiscal Year 2017 Budget Oversight Hearing Witness List and Testimony.
- F. Office of Disability Rights Fiscal Year 2017 Budget Oversight Hearing Witness List and Testimony.
- G. Department of Human Services Fiscal Year 2017 Budget Oversight Hearing Witness List and Testimony.
- H. Department of Health Care Finance Fiscal Year 2017 Budget Oversight Hearing Witness List and Testimony.
- I. Office of the Deputy Mayor for Health and Human Services Fiscal Year 2017 Budget Oversight Hearing Witness List and Testimony.
- J. Not-For-Profit Hospital Corporation Fiscal Year 2017 Budget Oversight Hearing Witness List and Testimony.