

# **FY 2014-15 Budget**

## **Department of Public Welfare**

### **Office of Developmental Programs**

Stephen H. Suroviec  
Deputy Secretary

- The mission of the Office of Developmental Programs (ODP) is to support Pennsylvanians with developmental disabilities to achieve greater independence, choice and opportunity in their lives.
- ODP's vision is to continuously improve an effective system of accessible services and supports that are flexible, innovative and person-centered.
- The budgetary focus for ODP is to request, monitor and manage the necessary and appropriate levels of funding for our participants and network of providers determined by specific program and service needs.

- The 2014-2015 Budget approved the use of \$1.52B in state funds for ODP.
- ODP received an increase of \$56.69M in state funding, a 3.9% increase from SFY 2013-2014 including funding for the Governor's Waiting List Initiatives (700 Special Education Graduates, 400 Individuals on the Emergency Waiting List, 50 individuals transferring from State Centers and 100 individuals on the Autism Interest List).
- ODP represents 14% of the DPW budget.
- Federal Medical Assistance Participation rate declined from 53.52% to 51.82%.
  - \$41.97M of additional state funds were used to fill this gap.

**Notes:**

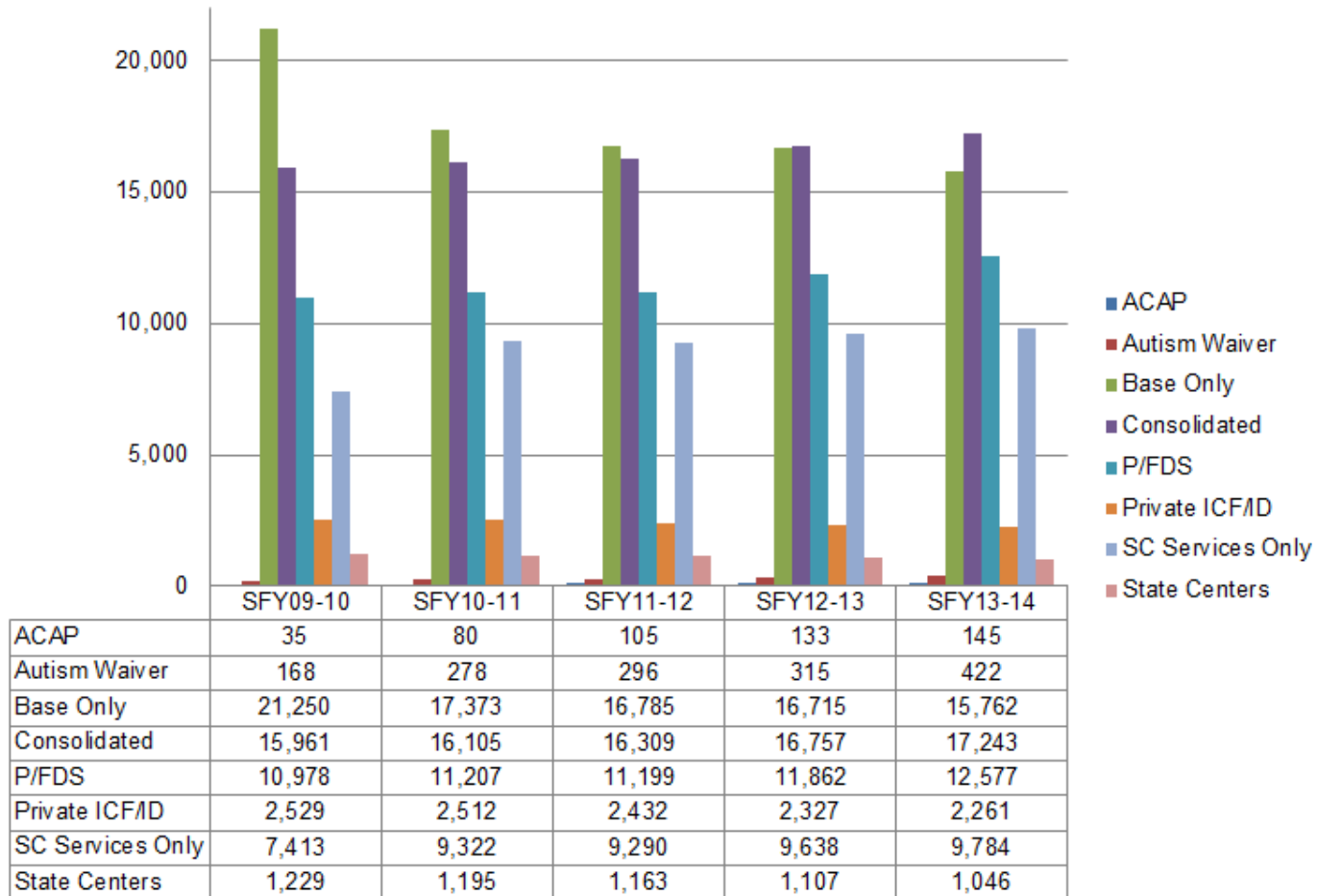
(1) ODP funding as a percentage of DPW funding is calculated based on state dollar amounts.

## Initiative Highlights



- ▼ \$4.8M to provide funding for an additional 700 special education graduates during FY 2014-15.
- ▼ \$7.4M to provide home and community-based services for 400 individuals on the emergency waiting list.
- ▼ \$774K to provide home and community-based services for 100 additional individuals with autism spectrum disorders.
- ▼ \$1.1M to provide home and community-based services for 29 individuals transferring from the Base program to the Community Waiver Program.
- ▼ \$722K to provide funding for home and community-based services for 50 people transferring from state intellectual disabilities centers to the Community Waiver program.

# Program Enrollment Data



**Notes:**

(1) Enrollment Data source is HCSIS unduplicated census by program during specified period updated as of 08/22/14, Private ICF/ID and State Center enrollment updated using PROMISe paid claims.

## Community ID Services – Waiver Program



- Total State Funding – \$1,066.6M
- Increase in State Funding – \$39.8M (3.9%)

Change	Description
\$67.7M	To continue ongoing program costs
(\$42.2M)	Balancing Incentives Program (represents enhanced federal match)
\$12.3M	New FY 2014-15 Initiatives (waiting list and special education)
(\$11.8M)	Roll-back adjustment for 53 <sup>rd</sup> pay period
\$11.7M	To continue prior year waiting list initiatives
\$7.5M	ICF/ID Facility, State Center and Base Transfers
(\$3.7M)	Reduction in litigation settlement funding
(\$1.7M)	Prudent Pay Adjustment
<b>\$39.8M</b>	<b><i>Total Changes in State Funding</i></b>

## Community ID Services – Base Program



- Total State Funding – \$149.68M
- Decrease in State Funding – (\$1.24M) (-0.8%)

Change	Description
(\$1.04M)	Human Services Block Grant Program and reduction in community-based services
(\$200,000)	Decrease in state fund reserves
<b>(\$1.24M)</b>	<b><i>Total Changes in State Funding</i></b>

- Total State Funding – \$152.30M
- Increase in State Funding – \$2.72M (1.8%)

Change	Description
\$5.18M	FMAP Decrease (represents decreased federal match)
(\$2.45M)	Decrease in state funds due to appeals, appeals settlements and cost savings initiatives
<b>\$2.72M</b>	<b><i>Total Changes in State Funding</i></b>



# State Intellectual Disabilities Centers



- Total State Funding – \$132.98M
- Increase in State Funding – \$12.71M (10.6%)

Change	Description
\$8.9M	To continue ongoing program costs
\$4.8M	FMAP Decrease (represents decreased federal match)
(\$1.5M)	Impact of FY 2013-14 State Fund budgetary reserve
\$545,000	Change in factors related to Medical Assistance computable costs
<b>\$12.7M</b>	<b><i>Total Changes in State Funding</i></b>

(1) In order to show line item changes to the State Center budget, the table above includes line item changes from the Governor's Executive budget although the full detail in support of the FY 2014-15 rebudget has not yet been made available.

# Autism Intervention and Services



- Total State Funding – \$19.17M
- Increase in State Funds – \$2.68 M (16.3%)

Change	Description
\$2.53M	To continue ongoing program costs and FMAP decrease
(\$1.13M)	Reduction in special initiatives
\$776,000	Additional state budgetary reserve
\$774,000	To provide home and community-based services for 100 additional individuals with Autism spectrum disorders
(\$366,000)	Balanced Incentive Program State Fund Decrease
\$86,000	Additional Adults System Developmental and contract staff
<b>\$2.68M</b>	<b><i>Total Changes in State Funding</i></b>

# New Participant Analysis



- The average cost for new participants (excluding New Initiatives) is significantly higher than legacy participants during their first full year receiving waiver services.

Consolidated	
<b>New Recipients in FY 2011-12: 422</b>	
<b>FY 2012-13 Avg. Authorization per Recipient</b>	
Legacy Recipients	\$114,202
New Recipients	\$142,564
<i>% Increase in Cost for New Participants</i>	<i>24.8%</i>
<b>New Recipients in FY 2012-13: 364</b>	
<b>FY 2012-13 Avg. Authorization per Recipient</b>	
Legacy Recipients	\$118,704
New Recipients	\$140,730
<i>% Increase in Cost for New Participants</i>	<i>18.6%</i>

P/FDS	
<b>New Recipients in FY 2011-12: 717</b>	
<b>FY 2012-13 Avg. Authorization per Recipient</b>	
Legacy Recipients	\$23,398
New Recipients	\$24,666
<i>% Increase in Cost for New Participants</i>	<i>5.4%</i>
<b>New Recipients in FY 2012-13: 704</b>	
<b>FY 2012-13 Avg. Authorization per Recipient</b>	
Legacy Recipients	\$25,134
New Recipients	\$25,929
<i>% Increase in Cost for New Participants</i>	<i>3.2%</i>

(1) Please note that “New Participants” are being defined in this analysis as participants with MCI’s in HICSIS and in PROMISe in a current year who did not exist in the previous year. The total number of “New Participants”, as defined for this analysis, will not tie to new participants figures produced by official enrollment demographics.  
 (2) Note that all figures are pulled from the June 2014 HICSIS Authorization Snapshot. FY 2013-14 year-end figures are likely to increase as authorization amounts have historically grown after the end of the fiscal year.  
 (3) Excludes new participants entering the Community Waiver Program via the Initiatives (Emergency Waiting List, Unanticipated Emergencies, and Special Ed. Graduates).

## Impact of Rate Changes on Residential Providers



- Estimated revenue changes project that 73.4% of residential providers will experience an increase in revenue with FY 2014-15 rates.
- Less than 5% of residential providers are forecasted to experience a decrease in revenue of more than 10% in the coming year.

FY 2014-15 All Services		
Criteria	Measure	With Rate and Unit Growth Trend
Increase in Revenue	% of Providers	73.4%
	% of Total Expenditures	75.8%
Decrease in Revenue Less Than or Equal to 10%	% of Providers	21.7%
	% of Total Expenditures	23.4%
Total	% of Providers	95.2%
	% of Total Expenditures	99.2%

- (1) "Rate and Unit Growth" refers to the projected change in revenue due to the combination of new rates and the change in utilization by service category. Projections for the base year FY'13-14 include waiting list participants & high cost exceptions but the figures for FY'14-15 do not reflect high cost exception rates and also exclude expenditures associated with waiting list individuals, as a result the % of providers who will see a revenue increase will be higher than presented above.
- (2) Analysis includes all services provided by residential service providers.

Questions?



QUESTIONS?

## Questions?



- ▼ If you have additional questions following this meeting, please send them in an email to [Ra-ratesetting@pa.gov](mailto:Ra-ratesetting@pa.gov)