

**MEMORANDUM**

September 22, 2015

TO: Health and Human Services Committee

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **Discussion: Impact of State budget reductions on the Department of Health and Human Services.**

*Expected for this session:*

Uma Ahluwalia, Director, Department of Health and Human Services (DHHS)  
Stuart Venzke, DHHS Chief Operating Officer

Each year, the County Executive recommends and the Council approves a budget for DHHS that is based on current year (as opposed to the upcoming fiscal year) revenues as the full impact of State budget actions for the upcoming fiscal year is not known.

The HHS Committee asked DHHS to return in the fall to discuss the impacts of any changes. Attached at © 1 is a listing of increases totaling \$763,079 and at © 2 a listing of decreases totaling \$3,021,875. Please note that \$2,537,737 is related to a decrease in the funding for the Maryland Health Benefit Exchange. Other reductions are relatively small, totaling only \$484,138.

**Summary of State/Federal Budget Increase for FY16 and the Impact for HHS**

Item #	SA	Program Title	Funding Source	Project Title	Increase		Impact of the Increase	Will the Increase Be Ongoing
					Confirmed	Potential		
1	PHS	Care Coordination	DHMH	Administrative Care Coordination Grant	75,000		Funds are being used to fill a previously unfunded grant position to meet the increased demand for Medical Assistance referrals as a result of the Affordable Care Act.	not sure
2	PHS	Medical Assistant	DHMH	MCHP Eligibility/PWC Grant	139,991		Funds being used to hire two temporary IAPS positions to process an additional 80 Affordable Care Act Medicaid expansion applications monthly.	possible
3	PHS	PHEP	DHMH	Ebola Virus Disease Preparedness & Response	67,000		New Grant. The funding will be used to support State and local public health preparedness planning and operational readiness for responding to Ebola Virus Disease within the County. This is a one time only grant that will be used to purchase and train on personal protective equipment as well as testing of Ebola response activities.	No
4	PHS	STD/HIV	DHMH	Linkage to Care		5,000	Funds will support contract staff to facilitate the program.	No
5	PHS	STD/HIV	DHMH	HOPWA		201,337	Funds will be used to cover the salary of a Program Specialist I and house 15 families in 1, 2, or 3 bedroom unit apartments	Yes
6	A&D	Various	MDOA	FY16 HHS Older American Act	97,297		Increase funding for Nutrition program, Health Promotion and Respite services.	Unknown at this time
7	A&D	Assessment & Continuing Case Mgmt. Svs	MDOA	Senior Care/Gateway	66,087		This increase allows the restoration of the operating budget that was reduced to offset the PC increase. PC increase is due to the filling of the grant vacant position by a transferred employee with higher cost	Unknown at this time
8	A&D	Senior Community Service	MDOA	Maryland Access Point	9,248		Increase funding for a contractual worker who is a trained InterRAI screener to provide level I screening services to Senior Care clients	No. Grant is scheduled to end after Fy16
9	A&D	Senior Community Service	MDOA	SHIP	1,798		Grant is spent on OE- contractual personnel and operating. SHIP provides education and assist people to enroll in health insurance plans. Funding is for outreach services serving all Montgomery County residents. No impact of this small increase.	Unknown at this time
10	A&D	Senior Nutrition	MDOA	Sr Nutrition NSIP	63,935		Funding increase will allow more clients to be served and to absorb the high cost of the styroform that is now required by the county this year starting in Jan	Unknown at this time
11	A&D	Senior Nutrition	MDOA	State Meals	71,115		Funding increase will allow more clients to be served and to absorb the high cost of the styroform that is now required by the county this year starting in Jan	Unknown at this time
12	A&D	Assessment & Continuing Case Mgmt. Svs	MDOA	Senior Guardianship	6,873		Grant is for personnel only; we will move GF personnel costs to this grant.	Unknown at this time
13	A&D	Aging & Disability Resource Unit	MDOA	Senior I&A	11,948		Grant is for personnel only; we will move GF personnel costs to this grant.	Unknown at this time
14	A&D	Assessment & Continuing Case Mgmt. Svs	MDOA	Vulnerable Elderly Initiative	4,931		Grant is for personnel only; we will move GF personnel costs to this grant.	Unknown at this time
15	A&D	Home Care Services	DHMH	Homecare services (SPOS)	3,000		This will provide 120 hours additional service to frail and elderly clients.	yes
16		Dept Wide	DHR	HB669	144,856		This increase is the net of multiple puts and takes across all the program areas.	Unknown at this time
<b>Total</b>					<b>\$763,079</b>			



**Summary of State/Federal Budget Cuts for FY16 and the Impact for HHS**

Item #	SA	Program Title	Funding Source	Project Title	Reduction Amount		Impact of the Reduction	Will the Reduction Be Ongoing
					Confirmed	Potential		
1	A&D	Ombudsman Services	Maryland Department of Aging	Sr Ombudsman	(2,970)		Personnel charges will be shifted to GF	Unknown at this time.
2	A&D	Assisted Living Services	Maryland Department of Aging	Senior Assisted Housing	(8,399)		Personnel charges will be reduced by \$756 and OE reduction will impact one client- monthly cost of \$650 for 12 months	Unknown at this time.
3	A&D	Senior Community Services	Maryland Department of Aging	Sr Center Operating	(24,500)		Dentures for seniors will be reduced from 32 to about 21. Dental services provided to clients will be reduced from 115 clients to 77 clients.	Unknown at this time.
4	A&D	Community Support Network	DHMH	Single Point of Entry (ISS Grant)	(90,943)		The State Developmental Disabilities Administration is in the process of transferring our Individualized Support Services (ISS) clients (along with their funding) out to other agencies that provide direct ISS services (the County did not provide direct ISS services - we served as a "pass through"). There is no service impact from this grant reduction. This grant has been reduced for the past 2 years as it closes out. The FY16 CC Approved amount (261,510) was based on serving 21 clients and the anticipated FY16 initial award (170,567) is based on serving 9 clients. This number will decrease throughout the year as clients are transferred out	Yes - the grant is in the process of closing out.
5	SNH	Emergency and Transitional Housing and Service Program Grant	DHR	ETHS		(258,103)	Emergency and Transitional Housing and Service - State funding is used for shelter operations and support services, start up funding for new programs as well as limited rent and mortgage assistance. This grant provides partial funding for various adult, family and transitional shelters (5% of \$4,565,125.94). The State has not confirmed the reduction for FY16.	May be in FY17 and onwards
6	SNH	Continuum of Care Program Grant	HUD	CoC	(19,600)		SNH - Planning Grant only for Continuum of Care.	
7	SNH	SNH	Emergency Solutions Grant - ESG	HUD	(27,431)		ESG provides funding for Homeless Prevention Assistance, Shelter Maintenance, Rapid Rehousing - Housing Stabilization, Rapid Rehousing - Rental Assistance and Homeless Information Management Systems (HMIS)	Unknown at this time.
8	PHS	Women's Cancer Control Program	DHMH	Early Detection of Breast Cancer	(178,769)		This reduction is aligned with decreased demand for contractual services since many former program enrollees have recently gained insurance coverage. Approximately 300 fewer breast and cervical cancer screening encounters (mammograms, Pap tests, etc.) will be provided than grant funding covered in FY15. The revised funding level is still expected to meet demand for grant services.	Unknown at this time.
9	PHS	Women's Cancer Control Program	DHMH	Expanded Breast Cancer Grant	(64,356)		This reduction is aligned with decreased demand for contractual services since many former program enrollees have recently gained insurance coverage. Approximately 120 - 140 fewer diagnostic referral cases for abnormal results will be available. If the need for follow-up services exceeds the grant funding, clients can be referred to the State for diagnosis and treatment.	Unknown at this time.
10	PHS	Women's Cancer Control Program	DHMH	CRF-Cancer Prevention	(30,295)		No impact. Savings from the vacant Program Specialist position will cover the reduction and additional saving will go towards services.	Unknown at this time.
11	PHS	Cancer and Tobacco Prevention	DHMH	Tobacco Enforcement	(5,000)		No Impact. These funds were award the first year for start up and used to purchase educational material for tobacco merchants.	Unknown at this time.
12	PHS	Disease Control-Immunization	DHMH	Immunization	(15,000)		The FY15 amount of \$359,000 included \$35,000 for the Back to School initiative and the annual Flu Campaign. In FY16 the program received only \$20,000 for those two initiatives. The difference is \$15,000. There will be no service impact clients. The reduction will be taken from operating expenses.	Unknown at this time.
13	CYF	Child Care Resource and Referral Center	State	Child Care Resource and Referral Race to the Top Grant	(16,875)		This reduction will reduce the number of activities provided by the Quality Enhancement Coordinator. The reduction will also eliminate the part time training assistant paid for by the grant.	Yes
<b>Subtotal</b>					<b>(484,138)</b>	<b>(258,103)</b>		
14	OD	MD Health Benefit Exchange Connector Program	DHMH/MHBE	MD Health Benefit Exchange	(2,537,737)		This reduction was anticipated as the grant enters its third and final year and implementation activities phase-down. Activities serve both Montgomery and Prince George's counties. Funds will continue to support the department's enrollment laps. The number of enrollment navigators and outreach assister staff will be reduced in the phase down.	It is anticipated that the grant will continue to decrease.
<b>Total</b>					<b>(3,021,875)</b>	<b>(258,103)</b>		

2