

House Appropriations Subcommittee for
Health and Human Services
Proposed Money Report
FY2009-11

May 28, 2009

9 Federal Recovery Funds for Child Care Subsidy					
Increases funds for child care subsidy to reduce the waiting list as allowed by the Federal Recovery Act by \$53,993,329. Increases funds for quality initiations, as allowed by the Federal Recover Act by \$11,519,144. Increases funds to local governments for the administration of the child care subsidy program by \$2,030,661.					
10 Reduce Smart Start Funding	(\$10,000,000)	R	(\$10,000,000)	R	
Reduces funds for the North Carolina Partnership for Children.					
11 Replace State Funding for TEACH Program	(\$3,800,000)	NR	(\$3,800,000)	NR	
Replaces State funds for the TEACH Program with federal receipts for two years.					
(2.0) Division of Mental Health, Developmental Disabilities, and Substance Abuse Services					
12 Adjust Continuation Budget *	(\$74,408,533)	R	(\$91,641,479)	R	
Adjusts continuation budget to a level at or below FY 2008-09 Authorized Budget.					
13 Contracts	(\$1,900,000)	R	(\$1,900,000)	R	
Reduces state funds in contracts by 20% within the Division managed by central management.					
14 Eliminate Positions	(\$12,858,290)	R	(\$12,858,290)	R	
Eliminates positions within the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.					
	-465.54		-465.54		
15 Local Management Entities System Management Funds	(\$5,000,000)	R	(\$5,000,000)	R	
Reduces funds for administration of Local Management Entities.					
16 CAP/MR-DD Reduction in State Supplemental Funds	(\$16,000,000)	R	(\$16,000,000)	R	
Reduces service funding for supplemental state-funded services provided to CAP/MR-DD patients. Services will still be allowed for room and boarding.					
17 Close Bed Units at Broughton and Cherry Hospitals					
Eliminates funds for two 25 bed units at Broughton and Cherry Hospitals. Provides \$6 million for contracts for local hospital bed capacity for mental health services.					
	-102.00		-102.00		
18 Federal Funds Payback for Broughton Hospital	(\$8,000,000)	NR			
Reduces State funds due to a pay-back of federal funds expected from Centers for Medicare & Medicaid Services. An Administrative Law Judge ruled that Broughton Hospital should not have been decertified in August 2007 and that federal funding should not have been withheld. This payback of funds will replace State funds within the DMHDDSAS budget.					
19 Non-Core State Operated Services	(\$4,500,000)	R	(\$4,500,000)	R	
Reduces funds for non-core mission state operated services.					

	FY 09-10		FY 10-11	
30 Vital Records Fee Increase	(\$1,226,403)	R	(\$1,226,403)	R
Reduces State funds by allowing Vital Records operation to become receipt-supported. Fee charged for copy of vital records increased from \$15 to \$24 per copy. Fee charged for expedited out-of-state service increased by \$5.				
31 Reduce Funds for Public Health Incubator Program	(\$950,000)	R	(\$950,000)	R
Reduces State funds for Local Health Services Incubator Grant program.				
32 Shift Positions to Receipt Support	(\$70,541)	R	(\$70,541)	R
Replaces State appropriation with federal WIC funds for public health and regional consultants.				
33 Reduce Community Focused Eliminating Health Disparities Initiative	(\$200,000)	R	(\$200,000)	R
Reduces funds for Community Focused Eliminating Health Disparities Initiative.				
34 Eliminate Positions and Reduce Contracts in Early Intervention Program	(\$660,054)	R	(\$660,054)	R
Eliminates nine vacant positions and reduces contract funding for four Children's Developmental Service Agencies (CDSAs).				
	-9.00		-9.00	
35 Replace State Funds with Federal ARRA Funds for Early Intervention	(\$4,000,000)	NR	(\$4,000,000)	NR
Replaces State appropriations with American Recovery and Reinvestment Act Funds for the Early Intervention/Infant and Toddler Program.				
36 Replace State Funds with Federal Receipts	(\$1,191,155)	R	(\$1,191,155)	R
Replaces State appropriations with Maternal Child Health Block Grant and Medicaid administration funds for several maternal, infant, and child programs.				
37 Eliminate Statewide Contracts	(\$457,967)	R	(\$457,967)	R
Eliminates funds that support the collection and analysis of hospital, family and community data concerning infants and children.				
38 Reduce Contract Funding for Children and Youth	(\$903,965)	R	(\$903,965)	R
Reduces contract funds for three contracts that historically have unobligated funds.				
39 Reduce Funding for Accreditation of Local Health Departments	(\$700,000)	NR	(\$700,000)	NR
Suspends for two years the Division of Public Health's evaluation and accreditation of Local Health Departments (LHDs).				
40 Eliminate Funding for Tick-Borne Disease Program	(\$139,802)	R	(\$139,802)	R
Eliminates the Division of Public Health's funding of the Tick-Borne Disease Program in the Division of Environmental and Natural Resources.				

House Subcommittee on Health and Human Services

FY 09-10

FY 10-11

	FY 09-10		FY 10-11	
51 Replace State Funds with Federal Receipts from Ryan White Funds	(\$209,503)	R	(\$209,503)	R
Replace State appropriations with Federal Ryan White funds for Duke University HIV/STD Pediatric Services Program.				
52 Eliminate Funding for Second Dose Chicken Pox Vaccine	(\$1,223,027)	R	(\$1,223,027)	R
Eliminates funding for the second dose of Varicella vaccine. The second dose is recommended, but not required for children born after April 2001. The second dose is not required by the Universal Vaccine Program				
53 Replace State Funds with ARRA Funds for Childhood Immunization	(\$5,153,105)	NR		
Replaces State appropriations with American Recovery and Reinvestment Act funds \$5,153,105 for one year to purchase of vaccines for children.				
54 Replace State Funds with Third Party Receipts for Immunization	(\$4,000,000)	R	(\$4,000,000)	R
The Department of Health and Human Services will seek third party reimbursement for child and adult immunizations.				
55 Eliminate the Healthy Carolinians Program	(\$995,529)	R	(\$995,529)	R
Eliminates the Healthy Carolinians/Health Education program that establishes multi-agency partnerships at the community level to plan projects guided by the NC 2010 health objectives.				
	-1.00		-1.00	
56 Eliminate Contracts in Chronic Disease Prevention Program	(\$548,755)	R	(\$548,755)	R
Eliminates funds that support non-service contracts, including those associated with epilepsy, osteoporosis, cancer, performance improvement, diabetes, health insurance, smoke alarms, and data links.				
57 Eliminate or Reduce Funding for Contracts in Children & Youth Program	(\$1,504,159)	R	(\$1,504,159)	R
Eliminates or reduces funds for contracts that previously have had unobligated balances or do not provide direct services to women and children, including those associated with children with special needs; conferences and training; and specifically, Healthy Start Foundation and Adolescent Pregnancy Prevention Campaign of North Carolina.				
58 Reduce Funding for School Health Nurses	(\$1,000,000)	R	(\$1,000,000)	R
Reduces state appropriations for School Health Nurses.				
59 Reduces Funding for Office of Chief Medical Examiner	(\$80,000)	R	(\$80,000)	R
Reduces state appropriations for the Office of Chief Medical Examiner to a level consistent with SFY 2008-09.				

House Subcommittee on Health and Human Services

FY 09-10

FY 10-11

<p>70 Reduce Community Health Grants Reduces funding for the Community Health Grant program by 7%, leaving \$1,860,000 recurring. This reduction decreases the number of grants awarded annually by approximately two.</p>	<p>(\$140,000) R</p>	<p>(\$140,000) R</p>
<p>71 Eliminate Positions Eliminates twenty-five Central Management and Support positions.</p>	<p>(\$1,330,221) R -25.00</p>	<p>(\$1,330,221) R -25.00</p>
<p>72 Eliminate Special Appropriations Eliminates appropriations to non-profits, including the Institute of Medicine, Food Runners, Special Olympics, ALS Association, and Action for Children.</p>	<p>(\$1,275,000) R</p>	<p>(\$1,275,000) R</p>
<p>73 Discontinue CARE-LINE 24/7/365 Operation Eliminates the CARE-LINE third shift.</p>	<p>(\$128,502) R -2.00</p>	<p>(\$128,502) R -2.00</p>
<p>74 Reduce Rental Subsidy Reduces funds for transfer to the North Carolina Housing Finance Agency to operate the Key Program. Approximately 310 rental units will not be ready for occupancy in FY2009-10.</p>	<p>(\$1,155,000) NR</p>	
<p>75 Reduce Operating Budgets Reduces operating budgets within Central Management and Support divisions and offices, including the Secretary's Office, the Administrative Support section, the Controller's Office, and the Office of Rural Health and Community Care.</p>	<p>(\$349,235) R</p>	<p>(\$349,235) R</p>
<p>76 Medicaid Management Information System (MMIS) Replacement Appropriates prior-year earned revenue of \$11,071,502 for FY 2009-10 and \$9,820,689 for FY 2010-11 to match federal funds for the MMIS Replacement project. Total receipts of \$55,357,510 for FY 2009-10 and \$49,103,445 for FY 2010-11 offset anticipated requirements.</p>		
<p>77 Federal Recovery Funds for Weatherization Assistance Appropriates \$131,954,536 of Federal Recovery funds for weatherization assistance to low-income North Carolinians.</p>		
<p>78 Additional Community Services Block Grant from Federal Recovery Act Appropriates Community Services Block Grant (CSBG) funds, \$21,870,834 in FY 2009-10 and \$4,374,166 in FY 2010-11, available through the American Recovery and Reinvestment Act. Federal Recovery funds will increase access to employment supports, food, housing, and health care through services provided by community action and limited purpose agencies. Approximately one percent is set aside for benefit enrollment and coordination.</p>		

89 Federal Recovery Funds for Child Support Enforcement				
Reduces state appropriations and budgets federal funds to reflect the temporary reinstatement of federal matching of child support incentive funds.	(2,214,542)	NR		
90 Eliminate State Funding for Child Welfare Collaborative	(\$261,028)	R	(\$261,028)	R
Eliminates state funding for the Child Welfare Collaborative, which provides financial, educational, and employment support for selected social work students.				
91 Budget Over-realized Receipts	(\$600,000)	R	(\$600,000)	R
Budgets over-realized Child Support receipts.				
92 Reduce State Aid to Counties	(\$5,473,985)	R	(\$5,473,985)	R
Reduces state funding to support costs associated with county administration of public assistance programs.				
93 Eliminate Funding for Child Support Offices			(\$4,082,811)	R
Eliminates state funding for the sixteen state-operated child support offices, and requires the twenty-eight counties served by these offices to fund their operation.				
94 Reduce State/County Special Assistance Rates	(\$3,163,883)	R	(\$3,163,883)	R
Retracts the state/county special assistance rate increase made effective January 1, 2009, and holds those disenfranchised recipients harmless for the change in the standard of need.				
95 Decrease Foster Care & Adoption Assistance Rates			(\$1,122,638)	R
Retracts the standard board rate increases approved by the General Assembly in 2008, but retains non-federal participation and county hold harmless provisions effective January 1, 2009.	\$1,174,026	NR		
(7.0) Office of Education Services				
96 Adjust Continuation Budget	(\$471,414)	R	(\$523,322)	R
Adjusts continuation budget to a level at or below FY 2008-09 Authorized Budget.				
97 Reduce Operating Budget	(\$1,661,090)	R	(\$1,661,090)	R
Reduces operating and contract budgets office-wide.				
98 Eliminate Positions	(\$1,350,212)	R	(\$1,350,212)	R
Eliminates five vacant positions at the North Carolina Schools for the Deaf (NCSD), eleven positions at Eastern North Carolina School for the Deaf (ENCSD), fourteen at Governor Morehead School for the Blind (GMS), and two at Governor Morehead Preschool.	-32.00		-32.00	

House Subcommittee on Health and Human Services

FY 09-10

FY 10-11

110 Eliminate Positions	(\$329,960)	R	(\$329,960)	R
Eliminates five positions within Vocational Rehabilitation.				
	-5.00		-5.00	
111 Reduce Basic Support Case Services	(\$3,612,025)	R	(\$3,612,025)	R
Reduces State appropriations for non-medical consumer purchases.				
112 4% Service Rate Adjustment	(\$113,177)	R	(\$113,177)	R
Reduces provider rates by 4%.				
113 Replace State Funds with Federal Recovery Funds				
Replaces state funds for the independent living program and budgets anticipated federal recovery funds for vocational rehabilitation services (\$15,054,221) and independent living (\$402,340).	(\$201,170)	NR	(\$201,170)	NR
(10.0) Division of Aging and Adult Services				
114 Reduce Home and Community Care Block Grant	(\$2,594,744)	R	(\$2,594,744)	R
Continues reduction taken in current fiscal year in the Home and Community Care Block Grant.				
115 Removal of Continuation Increases	(\$255,561)	R	(\$255,561)	R
Adjusts continuation budget to a level at or below FY 2008-09 Authorized Budget.				
116 Eliminate Positions	(\$16,025)	R	(\$16,025)	R
Eliminates positions within the Division of Aging and Adult Services.				
	-1.00		-1.00	
117 Eliminate Quality Improvement Consultation Program	(\$190,204)	R	(\$190,204)	R
Eliminates a contract and position that supported a Quality Improvement Program pilot for Adult Care Homes.				
	-1.00		-1.00	
118 Eliminate Senior Center Outreach Program	(\$100,000)	R	(\$100,000)	R
Eliminates funding for the Senior Center Outreach Program, previously allocated to the 17 Area Agencies on Aging to promote the use of services available through senior centers.				
119 Operating Reductions	(\$90,466)	R	(\$90,466)	R
Continues Governor's reduction on travel, supplies, printing, and other operating expenses.				
120 Replace Home and Community Care Block Grant Funds				
Replace funding for the Home and Community Care Block Grant, which provides funding for in-home and community-based services for seniors. The \$2,768,783 reduction in State appropriations will be offset by federal recovery funds for senior nutrition services.	(\$2,768,783)	NR		

House Subcommittee on Health and Human Services

FY 09-10

FY 10-11

	FY 09-10		FY 10-11	
132 Emergency Room Copayment for Nonemergency Visits	(\$2,975,070)	R	(\$3,945,037)	R
Establishes a \$50 copayment for nonemergency visits to emergency departments.				
133 Institute Nursing Home Rate Reduction	(\$9,195,114)	R	(\$9,776,920)	R
Institutes an additional rate reduction for nursing homes.				
134 Freeze CAP Slots	(\$14,646,956)	R	(\$15,274,842)	R
Freezes Community Alternative Programs slots for disabled adults and people with mental retardation and developmental disabilities.				
135 Quarterly Printing of Medicaid ID cards	(\$1,750,000)	R	(\$1,750,000)	R
Reduces appropriations by printing Medicaid identification cards on a quarterly basis instead of monthly.				
136 Consolidate Case Management Services	(\$53,730,905)	R	(\$85,463,000)	R
Reduces appropriations by consolidating case management services throughout the Medicaid program.				
137 Imaging Contract	(\$6,759,375)	R	(\$8,237,322)	R
Reduces appropriations for labs and imaging by utilizing a vendor to contain costs.				
138 4% Rate Reductions	(\$91,386,009)	R	(\$116,517,162)	R
Reduces rates by 4% across Medicaid providers and services.				
139 Reduce Group Homes	(\$31,721,919)	R	(\$38,175,309)	R
Reduces funding for High Risk Intervention Level III and IV group homes.				
140 Reimbursement for Prescription Drugs	(\$10,457,042)	R	(\$13,942,723)	R
Changes reimbursement for prescription drugs from Average Wholesale Price (AWP) - 10% to Wholesale Acquisition Cost (WAC) + 7%.				
141 Increase CCNC Savings	(\$82,205,042)	R	(\$98,501,004)	R
Reduces appropriations through case management by Community Care of North Carolina.				
142 Mandate Electronic Claims Filing	(\$472,500)	R	(\$472,500)	R
Reduces appropriations by mandating that providers billing Medicaid file claims electronically.				
143 Dental Coverage	(\$7,500,000)	R	(\$7,500,000)	R
Reduces dental benefits for adults, an optional service in Medicaid.				
144 Reduce Hospice Services	(\$5,000,000)	R	(\$5,000,000)	R
Reduces funding for hospice services, an optional service in Medicaid.				

House Subcommittee on Health and Human Services

FY 09-10

FY 10-11

154 Eliminate Positions	(\$444,518)	R	(\$444,518)	R
Eliminates positions within the Division of Health Service Regulation.	-7.00		-7.00	
155 Operating Freeze	(\$466,688)	R	(\$466,688)	R
Continues freeze on operating expenses from the FY 2008-09 budget (Other Operating - 2xxx-5xxx, Fund 1311 Rent/Lease-Bldg/Office).				
156 Increase Fees for License Renewals	(\$1,093,788)	R	(\$1,093,788)	R
Increases licensing fees to health care facilities regulated by the division and reduces State appropriation in a similar amount. The cost of administering the licensure program is shared with facilities.				
157 Eliminate Two Vacant Positions in Medical Facilities Construction	(\$164,640)	R	(\$164,640)	R
Eliminates two vacant positions in the Medical Facilities Construction Section, which review construction plans, make on-site inspections, and provide consultation to ensure compliance with federal and State standards. The reduction will reduce the number of section staff to 63 FTEs.	-2.00		-2.00	
158 Charge Fee for Initial Facility License	(\$29,202)	R	(\$29,202)	R
Reduces State appropriations by amount generated by initial facility license fees for new facilities. Fees would apply to adult care homes, hospitals, home care, nursing homes, and mental health facilities.				
Total Legislative Changes	(\$1,182,179,998)	R	(\$1,533,105,798)	R
	(\$799,164,941)	NR	(\$353,455,147)	NR
Total Position Changes	-754.54		-754.54	
Revised Budget	\$3,555,000,000		\$3,920,000,000	